



Time Watch Investments Limited
時計寶投資有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock code: 2033

Interim Report
2026

Who We Are

We are the leading manufacturer, brand-owner and retailer of domestic watches in the People's Republic of China (the "PRC").

Established in 1988, the Group's core proprietary brand, Tian Wang (天王), has been developed into a well-known and one of the top national watch brands in the PRC, positioning for the mass market. Another proprietary brand of the Group, Balco, which was initially registered in Switzerland in 1986 by an independent third party and was acquired by the Group in 2002, offers Swiss-made watches targeting younger middle-income consumers in the PRC.

With long brand heritage and reputation in the PRC, we operate an extensive offline sales network of approximately 1,500 directly managed and controlled points of sales together with sales channels in various major e-commerce platforms.

Mission

We continue to improve our efficiency in production and store operation through strategically expanding sales network and devote greater effort on e-commerce, enhancing the Group's overall competitiveness.

○ We will continue to focus on achieving good financial performance to deliver stable returns and long term value to our shareholders.

We deliver quality experience to our customers through provision of excellence pre-sale and aftersale service.

We hire talents who participate in the success of the Company and will invest in the development of all our employees.

Vision

We strive to provide stylish and high-quality watches with reasonable price to customers, strengthen our leading position in the market, deliver sustainable shareholder value to our shareholders and help our employees to grow and share the success of the Company.

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FINANCIAL HIGHLIGHTS

	Six months ended 31 December 2025 HK\$'000 (Unaudited)	Six months ended 31 December 2024 HK\$'000 (Unaudited)
Revenue	280,544	342,957
Gross profit	181,669	235,072
Gross margin (%)	64.8%	68.5%
Loss attributable to owners of the Company	(36,853)	(10,914)
	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Total assets	2,464,233	2,471,113
Total liabilities	236,249	209,331
Equity attributable to owners of the Company	2,230,800	2,261,525
Average Inventory Turnover Days (days)	306	305
Average Trade Receivables Turnover Days (days)	50	59
Average Trade Payables Turnover Days (days)	42	33

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

Revenue of the Group decreased by approximately HK\$62.4 million or approximately 18.2% from approximately HK\$343.0 million for the six months ended 31 December 2024 (“1HFY2025”) to approximately HK\$280.5 million for the six months ended 31 December 2025 (“1HFY2026” or the “Reporting Period”). The decrease in the revenue of the Group was primarily due to the decrease in revenue generated from the sales of Tian Wang Watch (“Tian Wang Watch Business”). Since early 2025, the new United States administration had triggered global tariff wars by imposing a series of steep tariffs on most of the goods imported into the United States, with higher than average tariff rate for imports from China. The ongoing international trade frictions and tariff wars had adversely affected the economic and employment growth in China, and further weakened the sentiment of the retail market in China, which in turn affected the demand for the Group’s products during the Reporting Period.

Tian Wang Watch Business

Revenue from Tian Wang Watch Business continued to be the Group’s main source of revenue which accounted for approximately 78.5% of the total revenue of the Group for 1HFY2026 (1HFY2025: approximately 83.1%). Revenue of Tian Wang Watch Business decreased by approximately HK\$64.7 million or approximately 22.7% from approximately HK\$284.8 million for 1HFY2025 to approximately HK\$220.1 million for 1HFY2026. In the view of the slowdown in China’s economic growth, during 1HFY2026, as part of the Group’s efforts to better control its selling and distribution expenses, the retail sales network for Tian Wang watches was further reduced from 1,487 POS as at 30 June 2025 to 1,440 POS as at 31 December 2025, with a net decrease of 47 POS.

Other Brands (PRC) Business

Revenue from the sales of other well-known brand watches, including Balco watch, apart from Tian Wang watch (“Other Brands (PRC) Business”) increased by approximately HK\$1.2 million or approximately 7.7% from approximately HK\$16.1 million for 1HFY2025 to approximately HK\$17.4 million for 1HFY2026, which accounted for approximately 6.2% of the total revenue of the Group for 1HFY2026 (1HFY2025: approximately 4.7%). The increase was primarily attributable to revenue generated from the supply of watches to corporate customers on Original Equipment Manufacturer (OEM) and Original Design Manufacturer (ODM) basis.

Watch Movements Trading Business

Revenue from trading of watch movements (“Watch Movements Trading Business”) accounted for approximately 15.3% of the Group’s total revenue for 1HFY2026 (1HFY2025: approximately 12.2%). For 1HFY2026, revenue from trading of watch movements was approximately HK\$43.0 million, representing an increase of approximately HK\$1.0 million or approximately 2.5% from approximately HK\$42.0 million for 1HFY2025.

Gross Profit

The Group’s gross profit decreased by approximately HK\$53.4 million or approximately 22.7% from approximately HK\$235.1 million for 1HFY2025 to approximately HK\$181.7 million for 1HFY2026. The decrease was mainly due to decrease in sales generated from the Tian Wang Watch Business and was in line with the decrease in revenue.

Other Income, Gains and Losses

The Group's other income, gains and losses decreased by approximately HK\$7.8 million or approximately 23.7% from approximately HK\$33.0 million for 1HFY2025 to approximately HK\$25.2 million for 1HFY2026. The decrease was mainly due to the (i) decrease in interest income from bank deposits, financial assets and debt instruments of approximately HK\$3.1 million from approximately HK\$30.5 million for 1HFY2025 to approximately HK\$27.4 million for 1HFY2026; (ii) increase in net exchange loss of approximately HK\$1.5 million from approximately HK\$6.1 million for 1HFY2025 to approximately HK\$7.7 million for 1HFY2026.

Selling and Distribution Costs

The Group's selling and distribution costs decreased by approximately HK\$48.5 million or approximately 19.6% from approximately HK\$247.7 million for 1HFY2025 to approximately HK\$199.1 million for 1HFY2026. The decrease was mainly attributable to (i) decrease in concessionaire fee and rental expenses due to the closing down for some of the POS; and (ii) decrease in staff costs.

Administrative Expenses

The Group's administrative expenses decreased by approximately HK\$1.5 million or approximately 3.5% from approximately HK\$43.5 million for 1HFY2025 to approximately HK\$41.9 million for 1HFY2026.

Finance Costs and Income Tax

The Group's finance costs for 1HFY2025 and 1HFY2026 are HK\$0.2 million and HK\$0.8 million respectively. The Group recorded an income tax charge of approximately HK\$2.6 million for 1HFY2026, comparing to an income tax credit of approximately HK\$10.6 million for 1HFY2025.

Loss attributable to the owners of the Company

The loss attributable to the owners of the Company was increased by approximately HK\$25.9 million or approximately 237.7% from approximately HK\$10.9 million for 1HFY2025 to approximately HK\$36.9 million for 1HFY2026. The change was mainly due to (i) the decrease in revenue of the Group by approximately HK\$62.4 million or approximately 18.2% from approximately HK\$343.0 million for 1HFY2025 to approximately HK\$280.5 million for 1HFY2026, and (ii) an income tax charge of approximately HK\$2.6 million for 1HFY2026, comparing to an income tax credit of approximately HK\$10.6 million for 1HFY2025.

Business Review

Overview

During 1HFY2026, the Group's principal business remained to be the manufacturing, retail sales and e-commerce business of its two proprietary brands watches (namely, Tian Wang and Balco watch) and other brand watches and its ancillary Watch Movements Trading Business.

Tian Wang Watch Business continues to be the Group's core brand business, which contributed approximately 78.5% of the total revenue of the Group in 1HFY2026. Its over-30-years-long brand heritage and reputation of delivering high quality, precise and stylish watches are key factors of the success of Tian Wang Watch Business and widespread brand recognition. Based on the information gathered from customers through the Group's national wide POS network, the Group can strive to cater for increasing demand for high quality and trendy watches from customers of different age group.

Retail Network

The Group's retail network principally comprises its directly managed and controlled sales counters located in department stores and shopping malls. During 1HFY2026, over 67.7% of the sales of the Group's Tian Wang and Balco watches were conducted at the Group's directly managed POS. Since the Group sells most of its watches directly to customers, the Group has been able to obtain first-hand market information and feedback from customers directly through its frontline sales staff. The Group considers this as an advantage over its competitors, who generally do not have fully and directly managed sales network and can only sell most of their products through distributors.

As at 31 December 2025, the number of the Group's POS for the sales of Tian Wang watches was 1,440, representing a net decrease of 47 POS compared to that as at 30 June 2025. As at 31 December 2025, the number of the Group's POS for the sales of other brands watches was 71, representing a net decrease of 17 POS compared to that as at 30 June 2025.

Proprietary Watch of the Group

Tian Wang Watch

Revenue of Tian Wang Watch Business, which contributed approximately 78.5% of the Group's total revenue for 1HFY2026 (1HFY2025: approximately 83.1%) remained to be the Group's major source of revenue. During 1HFY2026, the Group has launched over 13 new models of Tian Wang watches with prices ranging from approximately RMB400 to RMB6,700 per watch for direct offline retail sales, e-commerce channels and corporate sales. The wide range of Tian Wang watches allows the Group to cater for the different needs and demand from customers of different income levels and age groups.

Other Brands (PRC) Business

The revenue generated from Other Brands (PRC) Business increased by approximately HK\$1.2 million or 7.7% from approximately HK\$16.1 million for 1HFY2025 to approximately HK\$17.4 million for 1HFY2026. The increase was primarily attributable to revenue generated from the supply of watches mainly of well-known brands to corporate customers on OEM/ODM basis. The Other Brands (PRC) Business continued to provide a wide range of domestic and international products in order to satisfy the demand of customers of different income levels and age groups. The newly commenced business of supply of watches on OEM/ODM basis provided a growing point for the Group.

Watch Movements Trading Business

The Watch Movements Trading Business involves procurement of watch movements from suppliers located in Hong Kong. The Directors consider that the Group's in-house watch movements procurement and trading arm forms an integral part of its overall business operation because it does not only ensure a reliable and stable supply of watch movements to the Tian Wang Watch Business but also generates revenue by supplying watch movements to other external watch manufacturers and distributors. The revenue of the Watch Movements Trading Business accounted for approximately 15.3% of the Group's total revenue for 1HFY2026 (1HFY2025: approximately 12.2%). Revenue from this business segment increased by approximately HK\$1.0 million or approximately 2.5% to approximately HK\$43.0 million for 1HFY2026 from approximately HK\$42.0 million for 1HFY2025.

E-commerce Business

Apart from retail sales and wholesales, the Group has been engaging in the e-commerce business by selling its products on several major online sales platforms such as Tmall, JD.com, Vipshop, Tik Tok and Dewu since 2013. In order to capture the growing consumption power of the younger generation in the PRC, the Group launched some models of Tian Wang and Balco watches which are more affordable and feature fast fashion style through these online sales channels. The Directors also believe that a wide variety of watches enables the Group to reach out to more diverse customers, including those of different age groups. For 1HFY2026, the e-commerce business continued to be one of the major contributors to the Group's revenue, which accounted for approximately 24.6% of the total revenue of the Group during 1HFY2026 (1HFY2025: approximately 26.6%).

Inventory Control

The Group's inventory balance was approximately HK\$167.2 million as at 31 December 2025, representing an increase of approximately HK\$0.4 million or approximately 0.3% as compared with approximately HK\$166.7 million as at 30 June 2025. The Group's inventory turnover days decreased to approximately 306 days for 1HFY2026, as compared with approximately 316 days for 1HFY2025. The decrease in inventory turnover days was primarily attributable to the management's effort in controlling the procurement and production schedule of products in view of the decrease in market demand of its products and closure of certain of its POS for Tian Wang watch and watches of other brands during 1HFY2026. The Group will continue to monitor and control its inventory level to cope with the business plan so that the business plan and inventory level will not adversely affect the cash flow and liquidity of the Group.

The inventory aged over two years were approximately HK\$134.9 million and approximately HK\$136.4 million as at 31 December 2025 and 30 June 2025 respectively, with corresponding provision for these inventory balances of approximately HK\$102.9 million and approximately HK\$104.9 million, respectively. The management of the Group assesses and reviews the inventory ageing analysis at the end of each reporting period and identifies the slow-moving items that are no longer suitable for use in production or sales. At the end of each reporting period, the management will provide necessary provision if the net realisable value of the inventory is estimated to be below the cost.

Principal Risks and Uncertainties

There are certain risks involved in the Group's operations, many of which are beyond the Group's control, including but not limited to those relating to the business and the industry. Principal risks and uncertainties faced by the Group primarily include: (i) volatility in consumer demand arising from economic uncertainty, shifts in consumer preferences, and potential slowdown in spending; (ii) intense competition from both international and domestic watch brands; and (iii) cost pressures associated with the sale and distribution of the Group's products.

Liquidity, Financial Resources and Capital Structure

The Group adopts a conservative treasury policy. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations, potential business developments and mitigate the effects of unexpected fluctuations in cash flows.

The Group financed its operations primarily through cash flows from operations. The cash and cash equivalents were approximately HK\$914.0 million and approximately HK\$979.8 million as at 31 December 2025 and 30 June 2025, respectively.

The Group's net cash generated from operating activities for 1HFY2026 was approximately HK\$21.4 million, representing a decrease of approximately HK\$35.1 million from approximately HK\$56.5 million for 1HFY2025. The net cash generated from operating activities was primarily attributable to loss before taxation of approximately HK\$35.0 million from the Group's operations adjusted for cash items of approximately HK\$3.6 million, decrease of working capital balances of approximately HK\$48.6 million, income taxes paid of approximately HK\$15.8 million and interest received of approximately HK\$27.3 million.

The Group's net cash used in investing activities for 1HFY2026 was approximately HK\$95.0 million, which was mainly attributable to the redemption of financial assets at amortised cost of approximately HK\$87.8 million, proceeds from disposal of debt instruments at fair value through other comprehensive income of approximately HK\$31.4 million, which was offset by the cash used in the purchase of property, plant and equipment of approximately HK\$3.4 million, purchase of financial assets at amortised cost of approximately HK\$199.9 million, and purchase of financial assets at fair value through profit or loss of approximately HK\$10.9 million.

The Group's net cash generated from financing activities for 1HFY2026 was approximately HK\$3.2 million, which was mainly attributable to dividends paid to the shareholders of the Company (the "Shareholders") of approximately HK\$23.2 million, and the payment of lease liabilities of approximately of HK\$5.5 million, which were financed by net bank borrowings of approximately HK\$32.5 million.

The Group was in net cash position as at 31 December 2025 and 30 June 2025. As at 31 December 2025, the Group's total equity was approximately HK\$2,228.0 million, representing a decrease of approximately HK\$33.8 million from approximately HK\$2,261.8 million as at 30 June 2025. The Group's working capital was approximately HK\$1,289.1 million as at 31 December 2025, representing a decrease of approximately HK\$45.8 million as compared with approximately HK\$1,334.9 million as at 30 June 2025.

As at 31 December 2025, the Group's bank balances and cash were mainly denominated in United States dollar, Renminbi and Hong Kong dollar.

The gearing ratio, as calculated based on the total debt divided by the total equity at the end of the respective year/period, of the Group was approximately 3.1% and approximately 1.7% as at 31 December 2025 and 30 June 2025, respectively. The increase in gearing ratio was because of the increase in deployment of bank and other borrowings of approximately HK\$32.4 million or 100.7% from approximately HK\$32.1 million at 30 June 2025 to approximately HK\$64.5 million at 31 December 2025. The new loans are borrowed from banks in the PRC and are denominated in RMB. The loans carry fixed interest rate ranging from 0.76% to 1.95%.

Charges on Group Assets

There was no material charges on the Group's assets as at 31 December 2025 and 30 June 2025.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2025 and 30 June 2025.

Significant Investments Held

Investment properties

As at 31 December 2025, the Group held investment properties with a fair value of approximately HK\$122.6 million.

As at 31 December 2025, the investment properties comprise three properties located in Hong Kong and one property located in China. The market values of the investment properties as at 31 December 2025 amounted to approximately HK\$122.6 million.

The market values of the properties held by the Group for investment purpose situated in Hong Kong and the PRC, which are income generating properties, are generally derived by income capitalisation approach based on the capitalisation of the contracted rental income and reversionary potential rental income by adopting appropriate capitalisation rates and prevailing market rents, on the basis of the general assumption and definition of market value as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The range of major valuation inputs are summarised as below:

Properties	Valuation Techniques	Prevailing market rent per month	Capitalisation rates
Hong Kong – Office units	Income approach	HK\$23-HK\$24 per sq.ft.	4.2%
The PRC – Factory units	Income approach	HK\$24-HK\$29 per sq.m.	6.25%

Compared to the previous financial year/period, there has been no change on the valuation approaches and assumptions in respect of the fair value of the investment properties.

Financial assets and debt instruments

As at 31 December 2025, the Company also held (i) financial assets at fair value through profit or loss of approximately HK\$226.0 million; (ii) financial assets at amortised cost of approximately HK\$386.2 million; and (iii) debt instruments at fair value through other comprehensive income of approximately HK\$141.2 million. For details, please refer the paragraphs headed “Financial assets at amortised cost”, “Financial assets at fair value through profit or loss” and “debt instruments at fair value through other comprehensive income” below.

Save as disclosed above, as at 31 December 2025, the Group did not have any significant investments with a value of 5% or more of the total assets of the Group.

Investment Policy

The Company has adopted an internal investment policy (the “Investment Policy”) which sets out, among other things, the objectives, guidelines, management and responsibilities of investment activities conducted by the Group. Set out below are details of the infrastructure of the Group’s investments:

Investment objectives

The investment objectives of the Group are to enhance the efficiency in the utilization of idle funds and generate stable return to the Group within an acceptable risk level with a view to broaden its revenue streams and to provide necessary financial support for the development of the Group’s long-term investment projects, which in turn enhance value for its Shareholders.

Investment strategy

The Company will allocate corporate resources efficiently by maintaining an appropriate investment scale and optimizing the structure and diversification of its investment portfolio. At the same time, the Company prioritizes thorough investment risk assessment and control, adhering to the principle of economic benefits as the foremost consideration in all investment decisions.

Investment scope

The Company’s investment activities encompass both long-term and short-term investments, depending on its strategic needs and the prevailing market conditions. Long-term investments focus on growth and strategy, while short-term investments prioritize liquidity, operational support and capital stability.

Permissible and prohibited investments

Under the Investment Policy, the Company may invest in a range of assets including shares, bonds, investment funds, insurance products and bank deposits, while it is restricted from conducting short-term investments in low-rate unsecured bonds or investing in emerging industries, leveraged derivative financial products, or other speculative investment transactions.

Defined risk limits and counterparty risk

While there is no general threshold or restriction in relation to the risk limits or counterparty risk of its investments, the Group is required to adhere to its investment strategy to maintain its investments within an acceptable risk level. In particular, the Group is required to evaluate the counterparty risks of each investment taking into consideration, inter alia, credit ratings of the investment (if any), size and reputation of the issuer, and whether or not the counterparty is a licensed corporation in Hong Kong or overseas.

Liquidity management

It is the top priority of the Group to ensure that it has sufficient cash and bank deposits to meet its working capital requirement. While there is no specific threshold set under the Investment Policy, the Group seeks to maintain a balanced liquidity profile within its cash, bank deposits and investments. In addition, the use of borrowed funds or those required for ongoing operations for investment purposes is prohibited. All of the existing investments of the Group were or will be funded by internal resources of the Group.

The Group maintains comprehensive internal control and risk management processes, including regular performance reviews, stringent approval workflows and periodic monitoring of all investment projects.

Material Acquisitions or Disposals of Subsidiaries, Associates or Joint Ventures, and Future Plans for Material Investments or Capital Assets

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during 1HFY2026, and the Company did not have any future plan for material investments or capital assets as at the date of this report.

Capital Commitments

	As at 31 December 2025 HK\$'000	As at 30 June 2025 HK\$'000
Capital commitments in respect of property, plant and equipment	7,830	8,891
Capital commitments in respect of unlisted investment funds	24,029	26,862
	31,859	35,753

Foreign Currency Exposure

The Group has foreign currency sales, which expose itself to foreign currency risk. In addition, debt instruments at fair value through other comprehensive income, certain trade and other receivables, bank balances, other payables and other loan as well as some intra-group balances are denominated in foreign currencies of the relevant group entities.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Emoluments Policies

As at 31 December 2025, the Group employed a total of approximately 2,100 full-time employees from continuing operations in the PRC and Hong Kong (30 June 2025: approximately 2,400). The staff costs incurred during 1HFY2026 was approximately HK\$113.5 million (1HFY2025: approximately HK\$126.4 million). The Group's emolument policies are formulated on the performance of individual employees and on the basis of the trends of salaries in various regions, which will be reviewed every year. Apart from provident fund scheme and medical insurance, discretionary bonuses are also awarded to employees according to the individual performance assessment. The emolument payable to the Directors is determined by the Board based on the recommendations made by the remuneration committee of the Board.

Social Responsibility

Charitable and donations incurred by the Group for 1HFY2026 was HK\$0.1 million (1HFY2025: Nil). No donations were made to political parties.

Financial Assets at Amortised Cost

As at 31 December 2025, financial assets at amortised cost represented fixed deposits issued by banks in the PRC. The table below sets out a summary of the financial assets at amortised cost as at 31 December 2025 and the comparative figures as at 30 June 2025:

Issuer	Product type	Principal business	Investment cost as at		Fair value as at		Interest income from these product for 1HFY2026	Realised gain or loss and interest income during 1HFY2026	Unrealised gain or loss and interest income during 1HFY2026	Size relative to the Company's total asset as at 31 December 2025
			31 December 2025	30 June 2025	31 December 2025	30 June 2025				
			RMB'000	RMB'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Agricultural Bank of China	Fixed deposit	Banking services	51,100	56,400	56,210	61,803	684	129	663	2.3%
Hua Xia Bank Co. Limited	Fixed deposit	Banking services	190,000	215,000	209,000	235,597	2,344	2,377	2,364	8.5%
China Guangfa Bank	Fixed deposit	Banking services	110,000	140,000	121,000	153,412	1,747	1,738	1,726	4.9%
Pudong Development Bank	Fixed deposit	Banking services	-	10,000	-	10,958	-	311	-	0.0%

Note: Such product has reached maturity before 31 December 2025. As such, the size relative to the Company's total assets as at 31 December 2025 is not applicable.

Financial Assets at Fair Value Through Profit or Loss

As at 31 December 2025, financial assets at fair value through profit or loss represented unlisted investment fund units, unlisted financial products purchased from investment company, commercial banks or insurance company. The table below sets out a summary of the financial assets at fair value through profit or loss of the Group as at 31 December 2025 and the comparative figures as at 30 June 2025:

Issuer/Stock Name	Product type	Principal business	Investment cost as at		Fair value as at		Interest income from these product for 1HFY2026	Realised gain or loss and interest income during 1HFY2026	Unrealised gain or loss and interest income during 1HFY2026	Size relative to the Company's total asset as at 31 December 2025
			31 December 2025	30 June 2025	31 December 2025	30 June 2025				
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
FWD Life insurance	Life insurance	Life insurance	10,000	10,000	8,596	8,596	N/A	N/A	N/A	0.3%
Manulife	Universal life insurance	Life insurance	5,000	5,000	3,533	3,533	N/A	N/A	N/A	0.1%
(International)										
KKR Fund I	Unlisted	Investment in investment fund units	14,931	12,299	15,902	12,794	-	-	970	0.6%
KKR Fund II	Unlisted	Investment in investment fund units	78,487	-	79,104	-	-	-	617	3.2%
HSBC Holdings	Listed securities-HK	Banking	5,125	-	6,120	-	-	39	995	0.2%
HKEx	Listed securities-HK	Exchange and clearing service	8,676	-	8,152	-	-	-	(524)	0.3%
Xinji Solar	Listed securities-HK	Solar Technology	7,900	-	6,290	-	-	-	(1,610)	0.3%
SPDR Gold TRT	Listed securities-HK	Gold ETF	29,502	-	31,120	-	-	-	1,618	1.3%
Valuegold ETF	Listed securities-HK	Gold ETF	9,828	-	10,210	-	-	-	382	0.4%
BABA-W	Listed securities-HK	E-commerce and cloud computing	8,685	-	7,140	-	-	-	(1,545)	0.3%
iShare Gold Trust Shares	Listed securities-outside HK	Gold ETF	27,363	-	27,354	-	-	-	(9)	1.1%
HUAAN GOLD ETF	Listed securities-outside HK	Gold ETF	21,794	-	22,508	-	-	-	714	0.9%

Debt Instruments at Fair Value Through Other Comprehensive Income

As at 31 December 2025, debt instruments at fair value through other comprehensive income represented listed corporate bonds. The table below sets out a summary of debt instruments at fair value through other comprehensive income of the Group as at 31 December 2025 and the comparative figures as at 30 June 2025:

Issuer	Product type	Principal business	Investment cost as at		Fair value as at		Interest income from these product for 1HFY2026	Realised gain or loss and interest income during 1HFY2026	Unrealised gain or loss and interest income during 1HFY2026	Size relative to the Company's total asset as at 31 December 2025
			31 December 2025	30 June 2025	31 December 2025	30 June 2025				
			USD '000	USD '000	HKD '000	HKD '000				
HSBC Holdings Plc	Corporate bonds	Banking services	2,360	2,360	18,071	18,039	539	539	294	0.7%
Nan Fung Treasury (III) Limited	Corporate bonds	Property development	6,720	6,720	43,257	37,437	1,367	1,372	7,500	1.8%
NWD Finance (BVI) Limited	Corporate bonds	Property development	6,500	6,500	26,712	14,314	1,709	-	14,227	1.1%
Barclays PLC	Corporate bonds	Banking services	-	3,977	-	31,427	-	478	(201)	0.0% (Note)
Societe Generale SA	Corporate bonds	Banking services	2,901	2,901	23,235	23,194	557	557	337	0.9%
Standard Chartered PLC	Corporate bonds	Banking services	3,720	3,720	29,905	28,669	672	675	1,963	1.2%

Note: Such product has reached maturity before 31 December 2025. As such, the size relative to the Company's total assets as at 31 December 2025 is not applicable.

During 1HFY2026, the Group had adopted a conservative approach in deploying its surplus fund, such as investment in fixed deposits, unlisted investment fund units, low risk and high credit rating products issued by banks, financial institutions and listed companies.

In the future, the Group will from time to time monitor market situation, continue to adopt this investment strategy in order to optimize the usage of its surplus fund.

Use of Proceeds from the Company's Initial Public Offering

The net proceeds from the initial public offering ("IPO") of the Company in February 2013 amounted to approximately HK\$742.0 million, of which approximately HK\$705.5 million had been utilised up to FY2025. For 1HFY2026, the Company had not further utilised the proceeds, details of which are set out in the following table.

	Amount of net proceeds allocated and unutilised as at 1 July 2025 <i>(HK\$'m)</i>	Amount of net proceeds utilised for 1HFY2026 <i>(HK\$'m)</i>	Balance as at 31 December 2025 <i>(HK\$'m)</i>	Actual business progress up to 31 December 2025
Engaging an active and well-known Chinese television and movie actor celebrity as the new spokesperson for Tian Wang watches and for producing television commercials focusing on the spokesperson	36.5	–	36.5	The Group is still looking for suitable candidate whose image is in line with the brand image and recognition of Tian Wang brand and the proposed large-scale nationwide marketing campaign for Tian Wang brand.
	<u>36.5</u>	<u>–</u>	<u>36.5</u>	

The Group will keep monitoring the use of the net proceeds from the IPO and the unutilised net proceeds is expected to be fully utilised in the next 5 years, according to the intentions previously disclosed.

Prospect and Strategies

Since early 2025, the new United States administration has continued to impose steep tariffs on a wide range of imported goods, with a higher-than-average tariff rate on products originating from China, which has intensified global trade frictions and weighed on China's overall economic and employment growth. These external headwinds, coupled with cautious consumer sentiment and ongoing competition from both traditional and smart watches, are expected to continue to pose challenges to the retail watch market in the PRC in the near to medium term.

During 1HFY2026, the Group remained focused on its core Tian Wang and Balco proprietary brands, while further developing its ancillary Watch Movements Trading Business and OEM/ODM supply business so as to diversify revenue streams and better balance cyclical fluctuations in domestic retail demand. Revenue from the Watch Movements Trading Business and Other Brands (PRC) Business showed modest growth during the period, partially offsetting the decline in revenue from the Tian Wang Watch Business, which continued to be affected by softer foot traffic and consumption sentiment in department stores and shopping malls. The Group will continue to refine its brand and product mix to address the evolving needs and preferences of customers across different age and income groups in the PRC.

For the Tian Wang and Balco watch businesses, the Group will maintain its prudent strategy of trimming underperforming points of sale ("POS") and optimising its offline sales network in order to preserve profitability while maintaining appropriate geographical coverage. In light of the challenging operating environment, management will continue to strictly control selling and distribution expenses, including concessionaire fees, rentals and staff costs, and will dynamically reallocate resources from low-efficiency POS to locations and channels with stronger growth potential. At the same time, the Group will leverage its nationwide directly managed POS network to deepen customer engagement and gather real-time feedback for future product and marketing planning.

In terms of product offerings, the Group will continue to launch a wide range of fashionable, high-quality and reasonably priced Tian Wang and Balco watches to cope with the fast-changing retail landscape and rising expectations of younger consumers. The Group plans to further enrich its portfolio of themed collections, mechanical watches and box sets combining watches with jewellery or accessories, including selective collaborations with third-party brands, with an aim to enhance brand differentiation and value perception. Management will also pay close attention to the growing influence of smart and electronic watches on consumer preferences and will explore design, functionality and cross-category cooperation opportunities that could strengthen the competitiveness and relevance of the Group's products.

For e-commerce, the Group expects the operating environment to remain highly competitive amid intensifying promotional activities on major online platforms and prolonged weakness in overall consumer sentiment. Notwithstanding these challenges, the Group will continue to enhance the operational capabilities and efficiency of its online business by investing in data-driven and precise marketing campaigns, live-streaming, short video content and other emerging digital media channels to improve customer acquisition and conversion. The Group believes that the integration of offline POS and online channels, together with a broader and more differentiated product assortment tailored for e-commerce, will help drive incremental sales and reach younger and more digitally savvy customers across the PRC.

From a financial and treasury management perspective, the Group will continue to adopt a conservative approach with a primary focus on liquidity and risk control. As at 31 December 2025, the Group remained in a net cash position with substantial bank balances and cash as well as a diversified portfolio of fixed deposits, investment funds and listed corporate bonds, which together provide a stable source of interest income and a buffer against market volatility. The Group will continue to closely monitor macroeconomic developments, interest rate trends and credit conditions and will manage the scale and composition of its investment portfolio in accordance with its Investment Policy, with the objectives of enhancing the utilisation of surplus funds, maintaining adequate working capital, and supporting long-term strategic initiatives when suitable opportunities arise.

Looking ahead, the Group expects that the macroeconomic outlook and the retail environment in the PRC will remain uncertain in the coming couple of years, and that the Group's performance and financial position may continue to be affected during this period. Nevertheless, leveraging its long-established brand equity of Tian Wang and Balco in the mass market, its extensive directly managed POS network and expanding OEM/ODM and watch movements trading businesses, the Group believes it is well positioned to navigate short-term headwinds and capture medium-to-long-term growth opportunities in the PRC watch market. The management will remain vigilant and flexible in strategy execution, with the goals of preserving profitability, safeguarding cash flow and delivering sustainable value to the Shareholders over the long term.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2025

		Six months ended 31 December	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	3	280,544	342,957
Cost of sales		(98,875)	(107,885)
Gross profit		181,669	235,072
Other income, gains and losses	4	25,210	33,026
Net reversal of impairment losses on trade receivables		33	490
Selling and distribution costs		(199,131)	(247,674)
Administrative expenses		(41,924)	(43,453)
Finance costs		(809)	(217)
Loss before taxation		(34,952)	(22,756)
Income tax (charge) credit	5	(2,568)	10,584
Loss for the period	6	(37,520)	(12,172)
Other comprehensive income (expense)			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of leasehold land and buildings		43	54
Exchange differences arising on translation		6,471	4,231
Items that may be reclassified subsequently to profit or loss:			
Fair value change on debt instruments at fair value through other comprehensive income		20,533	(7,119)
Reclassification adjustment relating to debt instruments at fair value through other comprehensive income disposed of during the period		(201)	(761)
Total comprehensive expense for the period		(10,674)	(15,767)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

For the six months ended 31 December 2025 (cont'd)

	Notes	Six months ended 31 December	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss for the period attributable to:			
– Owners of the Company		(36,853)	(10,914)
– Non-controlling interests		(667)	(1,258)
		(37,520)	(12,172)
Total comprehensive expense attributable to:			
– Owners of the Company		(10,223)	(14,597)
– Non-controlling interests		(451)	(1,170)
		(10,674)	(15,767)
Loss per share – basic (HK cents)	8	(1.8)	(0.5)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	301,015	317,480
Right-of-use assets	9	33,502	34,437
Investment properties	10	122,590	122,519
Financial assets at fair value through profit or loss	11	107,135	24,923
Debt instruments at fair value through other comprehensive income	12	141,180	153,080
Financial assets at amortised cost	13	214,500	257,513
Deferred tax assets	18	55,307	55,559
		975,229	965,511
Current assets			
Inventories	14	167,178	166,741
Trade receivables	15	57,448	90,124
Other receivables, deposits and prepayments		58,099	60,602
Tax recoverable		1,712	4,127
Financial assets at fair value through profit or loss	11	118,894	–
Financial assets at amortised cost	13	171,710	204,257
Bank balances and cash		913,963	979,751
		1,489,004	1,505,602

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

At 31 December 2025 (cont'd)

	<i>Notes</i>	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Current liabilities			
Trade payables and bills payable	16	24,989	16,385
Other payables and accrued charges		68,899	65,493
Tax payable		38,951	53,554
Lease liabilities	9	2,578	3,156
Bank and other borrowings	19	64,511	32,140
		199,928	170,728
Net current assets		1,289,076	1,334,874
Total assets less current liabilities		2,264,305	2,300,385
Capital and reserves			
Share capital	17	205,807	205,807
Reserves		2,024,993	2,055,718
Equity attributable to owners of the Company		2,230,800	2,261,525
Non-controlling interests		(2,816)	257
Total equity		2,227,984	2,261,782
Non-current liabilities			
Deferred tax liabilities	18	33,918	34,991
Lease liabilities	9	2,403	3,612
		36,321	38,603
		2,264,305	2,300,385

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2025

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note a)	Translation reserve HK\$'000	Investment revaluation reserve HK\$'000	Properties revaluation reserve HK\$'000	Statutory surplus reserves HK\$'000 (Note b)	Accumulated profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2025	205,807	501,230	(230,147)	(88,771)	(52,168)	-	71,126	1,854,448	2,261,525	257	2,261,782
Loss for the period	-	-	-	-	-	-	-	(36,853)	(36,853)	(667)	(37,520)
Exchange differences arising on translation	-	-	-	6,255	-	-	-	-	6,255	216	6,471
Gain on revaluation of leasehold land and buildings	-	-	-	-	-	43	-	-	43	-	43
Fair value change on debt instruments at fair value through other comprehensive income	-	-	-	-	20,533	-	-	-	20,533	-	20,533
Reclassification adjustment relating to debt instruments at fair value through other comprehensive income disposed of during the period	-	-	-	-	(201)	-	-	-	(201)	-	(201)
Total comprehensive income (expense) for the period	-	-	-	6,255	20,332	43	-	(36,853)	(10,223)	(451)	(10,674)
Appropriation to reserve	-	-	-	-	-	-	260	(181)	79	-	79
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,622)	(2,622)
Dividends recognised as distribution during the period	-	-	-	-	-	-	-	(20,581)	(20,581)	-	(20,581)
At 31 December 2025 (unaudited)	205,807	501,230	(230,147)	(82,516)	(31,836)	43	71,386	1,796,833	2,230,800	(2,816)	2,227,984
At 1 July 2024	205,807	501,230	(230,147)	(110,694)	(37,363)	7,663	70,514	1,907,582	2,314,592	1,576	2,316,168
Loss for the period	-	-	-	-	-	-	-	(10,914)	(10,914)	(1,258)	(12,172)
Exchange differences arising on translation	-	-	-	4,143	-	-	-	-	4,143	88	4,231
Gain on revaluation of leasehold land and buildings	-	-	-	-	-	54	-	-	54	-	54
Fair value change on debt instruments at fair value through other comprehensive income	-	-	-	-	(7,119)	-	-	-	(7,119)	-	(7,119)
Reclassification adjustment relating to debt instruments at fair value through other comprehensive income disposed of during the period	-	-	-	-	(761)	-	-	-	(761)	-	(761)
Total comprehensive income (expense) for the period	-	-	-	4,143	(7,880)	54	-	(10,914)	(14,597)	(1,170)	(15,767)
Appropriation to reserve	-	-	-	-	-	-	614	(614)	-	-	-
Dividends recognised as distribution during the period	-	-	-	-	-	-	-	(34,987)	(34,987)	-	(34,987)
At 31 December 2024 (unaudited)	205,807	501,230	(230,147)	(106,551)	(45,243)	7,717	71,128	1,861,067	2,265,008	406	2,265,414

Notes:

- (a) The special reserve represents: (i) the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of the acquired subsidiaries; (ii) financial guarantee provided to ultimate holding company as a result of group reorganisation which occurred in prior years; and (iii) the difference between the nominal amount and fair value of the loan advanced from a non-controlling shareholder of a subsidiary at initial recognition.
- (b) The statutory surplus reserves represent enterprise development and general reserve fund appropriated from the profit after taxation of subsidiaries established in the People's Republic of China (the "PRC").

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2025

	Six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET CASH FROM OPERATING ACTIVITIES	21,443	56,501
NET CASH USED IN INVESTING ACTIVITIES	(95,031)	(118,693)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	3,191	(39,661)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(70,397)	(101,853)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	979,751	959,234
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	4,609	4,561
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by Bank balances and cash	913,963	861,942

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical basis except for leasehold land and buildings, investment properties and certain financial instruments, which are measured at revalued amounts and fair values.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and the new principal accounting policies as set out below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2025 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 30 June 2025.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2025 for the preparation of the condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

Application of amendments to HKFRSs (cont'd)

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

For management purpose, the Group is currently organised into three operating divisions:

- a. **Tian Wang Watch Business** – Manufacturing, wholesale and retail business of owned brand watches – Tian Wang Watch;
- b. **Watch Movements Trading Business** – Wholesale of watch movements; and
- c. **Other Brands (PRC) Business** – Wholesale and retail business of owned brand watches – Balco Watch and imported watches and Original Equipment Manufacturer (“OEM”)/Original Design Manufacturer (“ODM”) watches production mainly of well-known brands.

These operating divisions are the basis of internal reports about components which are regularly reviewed by the chief operating decision maker (“CODM”), being the chief executive officer of the Company, for the purposes of resources allocation and assessing their performance. Each of the operating division represents an operating segment.

3. REVENUE AND SEGMENT INFORMATION (cont'd)

The following is an analysis of the Group's revenue and results by reportable and operating segments, which were recognised at a point in time:

Six months ended 31 December 2025 (Unaudited)

	Tian Wang Watch Business <i>HK\$'000</i>	Watch Movements Trading Business <i>HK\$'000</i>	Other Brands (PRC) Business <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue				
External sales	220,137	43,045	17,362	280,544
Inter-segment sales	–	1,767	–	1,767
Segment revenue	<u>220,137</u>	<u>44,812</u>	<u>17,362</u>	<u>282,311</u>
Elimination				<u>(1,767)</u>
Group revenue				<u>280,544</u>
Results				
Segment results	<u>(35,861)</u>	<u>(172)</u>	<u>(1,440)</u>	<u>(37,473)</u>
Interest income				27,350
Unallocated other income, gains and losses				(7,464)
Central administration costs				(16,556)
Finance costs				<u>(809)</u>
Loss before taxation				<u>(34,952)</u>

3. REVENUE AND SEGMENT INFORMATION (cont'd)

Six months ended 31 December 2024 (Unaudited)

	Tian Wang Watch Business <i>HK\$'000</i>	Watch Movements Trading Business <i>HK\$'000</i>	Other Brands (PRC) Business <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue				
External sales	284,848	41,983	16,126	342,957
Inter-segment sales	–	1,500	–	1,500
Segment revenue	<u>284,848</u>	<u>43,483</u>	<u>16,126</u>	344,457
Elimination				<u>(1,500)</u>
Group revenue				<u>342,957</u>
Results				
Segment results	<u>(28,690)</u>	<u>(1,352)</u>	<u>(1,750)</u>	(31,792)
Interest income				30,494
Unallocated other income, gains and losses				(2,992)
Central administration costs				(18,249)
Finance costs				<u>(217)</u>
Loss before taxation				<u>(22,756)</u>

Segment results represent the results of each segment without allocation of corporate items, including interest income, certain other income, gains and losses, central administration costs and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended	
	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<i>Other income:</i>		
Bank interest income	734	852
Interest income from debt instruments at fair value through other comprehensive income (FVTOCI)	5,745	5,160
Interest income on financial assets at amortised cost	20,871	24,482
Watch repair and maintenance services income	811	1,461
Government subsidies (<i>Note</i>)	3,667	4,600
Rental income	1,445	1,936
Others	1,117	2,048
	34,390	40,539
<i>Other gains and losses:</i>		
Loss on disposal and written-off of property, plant and equipment	(2,501)	(2,139)
Gain on disposal of a debt instrument at FVTOCI	17	772
Net gain from change in fair value of financial assets at FVTPL	968	–
Net exchange loss	(7,664)	(6,146)
	(9,180)	(7,513)
	25,210	33,026

4. OTHER INCOME, GAINS AND LOSSES (cont'd)

Notes:

The amount includes mainly (i) government subsidies from local finance bureau which are calculated by reference to the amount of tax paid in accordance with the rules and regulations issued by the local government; (ii) unconditional government subsidies for creative design, innovation and technology in the PRC.

5. INCOME TAX CHARGE (CREDIT)

	Six months ended	
	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax	3,403	(5,625)
PRC withholding tax	–	16,304
	3,403	10,679
Overprovision in prior years:		
PRC Enterprise Income Tax	(14)	(35)
	3,389	10,644
Deferred taxation	(821)	(21,228)
	2,568	(10,584)

5. INCOME TAX CHARGE (CREDIT) (cont'd)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of EIT Law, the Enterprise Income Tax rate is 25%. Subject to certain preferential tax treatment, the applicable tax rate of the PRC subsidiaries is ranging from 15% to 25% for both periods. On 26 December 2024, a subsidiary, Tian Wang Electronics (Shenzhen) Company Limited ("Tian Wang Shenzhen"), obtained an approval notice from relevant authority, which approved Tian Wang Shenzhen's application of qualification as a high and new technology enterprise, which is valid for the three calendar years ended 31 December 2026. With this qualification, Tian Wang Shenzhen was entitled to a preferential tax treatment and the applicable tax rate for the calendar years ended 31 December 2024 and 2025 was 15%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Dividends distributed from the PRC subsidiaries are subject to withholding tax at 5%. Deferred tax in relation to withholding income tax for the undistributed profits of the PRC subsidiaries have been provided.

6. LOSS FOR THE PERIOD

	Six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging (crediting):		
Staff costs (including Directors' remuneration)	96,033	104,953
Retirement benefit scheme contributions (including Directors' remuneration)	17,452	21,452
Total staff costs	113,485	126,405
Depreciation of property, plant and equipment	18,224	23,291
Depreciation of right-of-use assets	4,503	2,710
Net reversal of allowance for obsolete inventories recognised as cost of sales	(1,110)	(2,010)
Concessionaire fee (<i>Note</i>)	36,813	48,943

Note: Being variable lease payment, certain shop counters of the Group paid concessionaire fee to department stores based on monthly sales recognised by these shop counters pursuant to the terms and conditions as set out in the respective agreements signed with individual department stores.

7. DIVIDENDS

The Board did not recommend a payment of interim dividend for the six months ended 31 December 2025 (six months ended 31 December 2024: nil).

8. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended	
	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<hr/>		
Earnings:		
Earnings for the purpose of calculating basic loss per share		
– Loss for the period attributable to owners of the Company	(36,853)	(10,914)
	'000	'000

Numbers of shares:

Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,058,068	2,058,068
	<hr/>	<hr/>

No diluted earnings per share is presented as there is no potential ordinary shares outstanding for both periods.

9. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the six months ended 31 December 2025, the Group purchased property, plant and equipment of approximately HK\$3,426,000 (six months ended 31 December 2024: approximately HK\$19,666,000).

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from 1 year to 3 years. (1HFY2025: new lease agreements with lease terms ranged from 1 year to 2 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. On lease commitment, the Group recognised right-of-use assets of approximately HK\$4.2 million and lease liabilities of approximately HK\$4.2 million for current interim period (1HFY2025: right-of-use assets of approximately HK\$0.7 million and lease liabilities of approximately HK\$0.7 million).

10. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
Fair value	
At 1 July 2024	142,639
Decrease in fair value recognised in profit or loss	(20,492)
Exchange realignment	372
	<hr/>
At 30 June 2025	122,519
Exchange realignment	71
	<hr/>
At 31 December 2025	122,590

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

The Group leases out office units under operating leases with rental payable monthly. The leases typically run for an initial period of two to ten years (30 June 2025: two to ten years), with unilateral rights to extend the lease beyond initial period held by lessees only.

As at 30 June 2025, the fair value of the Group's investment properties has been arrived at on the basis of a valuation carried out by an independent qualified professional valuers not connected to the Group.

In the opinion of directors, there is no significant change of fair value of the investment properties as at 31 December 2025, except for the change of fair value due to exchange realignment for the Group's investment property located in the PRC.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Life insurance (<i>Note (a)</i>)	12,129	12,129
Unlisted investment fund units (<i>Note (b)</i>)	95,006	12,794
Listed securities:		
– In Hong Kong	69,032	–
– Outside Hong Kong	49,862	–
	226,029	24,923
Analysed for reporting purposes as:		
Non-current assets	107,135	24,923
Current assets	118,894	–
	226,029	24,923

Note:

- (a) As at 31 December 2025 and 30 June 2025, the amount included two life insurance schemes (“Scheme A” and “Scheme B”) of an executive director of the Company with independent third party insurance companies. Pursuant to Scheme A, the Company is the holder and the beneficiary of the scheme, the total premium to be paid by the Company is HK\$10,000,000, which should be settled by five consecutive annual instalments of HK\$2,000,000. The final installment was paid during the year ended 30 June 2023. Pursuant to the Scheme B, the Company is the holder and the beneficiary of the scheme. The total premium paid by the Company is USD643,500 (equivalent to approximately HK\$5,000,000) and was fully paid as at 30 June 2023.
- (b) As at 31 December 2025 and 30 June 2025, the amount represents the subscription for 2 limited partnership interest in KKR and KKR Fund II (30 June 2025: a limited partnership interests in a fund). The fair value of the investment was determined mainly based on statement of net value of the fund.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (cont'd)

The management of the Group considers that the carrying amounts of financial assets as at 31 December 2025 recorded in the condensed consolidated statement of financial position approximate their fair values.

12. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Debt instruments	141,180	153,080
Analysed for reporting purposes as:		
Non-current assets	141,180	153,080

The debts instruments represent the Group's investments in corporate bonds listed on the Stock Exchange and oversea stock exchanges. These corporate bonds are measured at fair value which are quoted bid prices by banks. The corporate bonds carry coupon rates ranging from 4.3% to 6.25% (30 June 2025: 4.3% to 6.25%) and payable semi-annually (30 June 2025: quarterly to semi-annually) and are perpetual.

13. FINANCIAL ASSETS AT AMORTISED COST

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Fixed deposits	386,210	461,770
Analysed for reporting purposes as:		
Non-current assets	214,500	257,513
Current assets	171,710	204,257
	386,210	461,770

Note: As at 31 December 2025 and 30 June 2025, financial assets at amortised cost included fixed deposits by various banks in the PRC with interest at fixed rate ranging from 1% to 3.2% (30 June 2025: 1% to 3.25%) per annum payable at maturity. These certificates are held to collect contractual cash flows. The maturity date of the certificates of fixed deposits are from January 2026 to December 2027 (30 June 2025: August 2025 to December 2027).

14. INVENTORIES

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Raw materials and consumables	37,827	34,440
Work in progress	4,430	3,797
Finished goods	124,921	128,504
	167,178	166,741

15. TRADE RECEIVABLES

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Trade receivables from third parties	76,654	113,057
Trade receivables from related companies	5,898	2,156
Less: allowance for credit losses	(25,104)	(25,089)
	57,448	90,124

Trade receivables from third parties mainly represent receivables from department stores and e-commerce platforms in relation to the collection of sales proceeds from sales of merchandise to customers and other corporate customers and wholesalers for the Group's wholesale business and trading of watch movements business. The credit period granted to the debtor(s) is ranging from 30-60 days. The Group did not have a credit period policy to its related party customers and the related party customers normally settled trade receivables within three months.

15. TRADE RECEIVABLES (cont'd)

The following is an ageing analysis of trade receivables from third parties net of allowance for credit losses presented based on the date of receipt of goods for retail customers and delivery of goods for wholesalers and corporate customers, which approximates to the respective date of revenue recognition, as at 31 December 2025 and 30 June 2025:

	As at 31 December 2025 <i>HK\$'000</i> (Unaudited)	As at 30 June 2025 <i>HK\$'000</i> (Audited)
0 to 60 days	39,729	74,091
61 to 120 days	5,163	6,677
121 to 180 days	4,675	2,762
Over 180 days	1,983	4,438
	51,550	87,968

The following is an ageing analysis of trade receivables from a related company, representing an entity related to non-controlling interests of a subsidiary, presented based on the date of delivery of goods, which approximates to the date of revenue recognition, as at 31 December 2025 and 30 June 2025:

	As at 31 December 2025 <i>HK\$'000</i> (Unaudited)	As at 30 June 2025 <i>HK\$'000</i> (Audited)
0 to 60 days	5,898	2,156

16. TRADE PAYABLES AND BILLS PAYABLE

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Trade payables to third parties	23,476	14,498
Bills payable to third parties	1,513	1,887
	24,989	16,385

The average credit period on purchases of goods is ranging from 30 to 60 days. The following is an ageing analysis of trade payables to third parties presented based on the invoice date as at 31 December 2025 and 30 June 2025:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
0 to 30 days	10,116	7,359
31 to 60 days	11,057	5,458
61 to 90 days	812	650
Over 90 days	1,491	1,031
	23,476	14,498

Bills payable as at 31 December 2025 and 30 June 2025 is aged within 30 days based on issuance date of the bills.

17. SHARE CAPITAL

	Number of shares <i>'000</i>	Share capital <i>HK\$'000</i>
<i>Ordinary shares of HK\$0.1 each</i>		
<i>Authorised:</i>		
At 1 July 2024, 30 June 2025 and 31 December 2025	<u>100,000,000</u>	<u>10,000,000</u>
<i>Issued:</i>		
At 1 July 2024, 30 June 2025 and 31 December 2025	<u>2,058,068</u>	<u>205,807</u>

All the shares issued rank pari passu with the existing shares in all respects.

18. DEFERRED TAXATION

The following are the major deferred tax (assets) liabilities recognised and movement during the period:

	Allowance for obsolete inventories	Allowance for credit losses	Unrealised profit	Accelerated tax depreciation	Revaluation of a property	Withholding tax arising from PRC subsidiaries	Impairment, provision and other temporary differences	Right-of-use assets (restated)	Lease liabilities (restated)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2025	(32,977)	(6,739)	(7,451)	785	(3,828)	34,204	(4,562)	1,782	(1,782)	(20,568)
(Credited) charged to profit or loss	(242)	10	482	-	-	(1,071)	-	-	-	(821)
At 31 December 2025 (unaudited)	(33,219)	(6,729)	(6,969)	785	(3,828)	33,133	(4,562)	1,782	(1,782)	(21,389)

For the purpose of presentation in the condensed consolidated statement of financial position, the following is the analysis of the deferred taxation.

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Deferred tax assets	55,307	55,559
Deferred tax liabilities	33,918	34,991

The Group had unused tax losses of approximately HK\$190,581,000 and approximately HK\$160,530,000 as at 31 December 2025 and 30 June 2025 respectively. No deferred tax assets have been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

19. BANK AND OTHER BORROWINGS

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Unsecured trust receipt loans (<i>Note a</i>)	48,950	16,437
Other loans (<i>Note b</i>)	15,561	15,703
	64,511	32,140

Notes:

- (a) The unsecured trust receipt loans amounting to HK\$48,950,000 (30 June 2025: HK\$16,437,000) are guaranteed by the Company. The loans are borrowed from banks in the PRC and are denominated in RMB. The loans carry interest rate ranging from 0.76% to 1.95% as at 31 December 2025 (30 June 2025: 1.1% to 1.9%). The loans are due within one year shown under current liabilities.
- (b) The loans from a non-controlling interest of a subsidiary represented two loans of USD1,000,000 each (equivalent to approximately HK\$15,561,000 in aggregate), which are interest-free, unsecured and repayable on demand. The loans are due within one year shown under current liabilities.

20. COMMITMENTS

a. Operating lease commitments

The Group as lessor

At 31 December 2025 and 30 June 2025, the Group had contracted with tenants for the following future minimum lease payments:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Within one year	2,209	3,608
Second year	1,361	1,934
Third year	585	664
Fourth year	598	586
Fifth year	642	601
Over five years	3,078	3,338
	8,473	10,731

b. Capital commitments

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Capital commitments in respect of property, plant and equipment	7,830	8,891
Capital commitments in respect of unlisted investment funds	24,029	26,862
	31,859	35,753

21. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following related party transactions during the period:

	Six months ended	
	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Sales to entities related to a non-controlling interest of a subsidiary (<i>Note b</i>)	23,777	12,573
Short-term lease payment to related companies (<i>Note a</i>)	210	212
Rental income from an entity related to a non-controlling interest of a subsidiary (<i>Note b</i>)	382	382

Notes:

- (a) The related companies are wholly owned and controlled by Mr. Tung Koon Ming, an executive Director. These transactions also constitute connected transactions under the Listing Rules.
- (b) These transactions also constitute continuing connected transactions under the Listing Rules.

21. RELATED PARTY TRANSACTIONS (cont'd)

Compensation of key management personnel

The remuneration of Directors and other members of key management were as follows:

	Six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	6,223	6,219
Post-employment benefits	79	75
	6,302	6,294

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(i) *Fair value of the Group's financial assets that are measured at fair value on a recurring basis*

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (cont'd)

(i) *Fair value of the Group's financial assets that are measured at fair value on a recurring basis (cont'd)*

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key input	Significant unobservable input
	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)			
Debts instruments at FVTOCI					
– Corporate bonds	141,180	153,080	Level 1	Quoted bid prices	NA
Financial assets at FVTPL					
– Life insurance	12,129	12,129	Level 3	Discounted cash flow approach	1. Discount rate (Note 1) 2. Marginal Death Rate (Note 2)
– Unlisted investment fund units	95,006	12,794	Level 2	Net asset value	Note 3
– Listed securities	118,894	–	Level 1	Quoted bid prices	NA

Note 1: The higher the discount rate, the lower the fair value.

Note 2: The higher the marginal death rate, the higher the fair value.

Note 3: The significant unobservable inputs of the investments are the net asset value of the underlying made by fund. The higher the net asset value of the underlying investments, the higher the fair value.

There were no transfer between Level 1 and 2 in the period.

(ii) *Fair value of the Group's financial assets that are not measured at fair value on a recurring basis*

The management of the Group considers that the carrying amounts of financial assets recorded at amortised cost in the condensed consolidated statement of financial position approximate their fair values.

ADDITIONAL INFORMATION

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during 1HFY2026 (including sale of treasury shares). As at 31 December 2025, the Company did not have any treasury shares (as defined in the Listing Rules).

Corporate Governance Practices

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Listing Rules as its code of corporate governance practices. Save as disclosed below, during 1HFY2026, the Company had complied with the code provisions of the CG Code.

Mr. Tung Koon Ming ("Mr. Tung") is currently performing the role of chairman of the Board and chief executive officer of the Group. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although the responsibilities of the chairman and the chief executive officer are vested in one person, all major decisions are made in consultation with the Board members and the senior management of the Company. As there are three independent non-executive Directors on the Board, the Board considers that there is sufficient balance of power on the Board. Also, taking into account of Mr. Tung's strong expertise and insight of the watch industry, the Board considered that the roles of chairman and chief executive officer being performed by Mr. Tung enables more effective and efficient overall business planning, decision making and implementation thereof by the Group. In order to maintain good corporate governance and to ensure Company's compliance with code provisions of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of chairman and chief executive officer separately.

Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Having made specific enquiry of all the Directors, the Company is satisfied that and the Directors confirmed that they have fully complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transaction during 1HFY2026.

Audit Committee

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Company for 1HFY2026 and discussed with the management of the Group with respect to the accounting treatment and internal control measures adopted by the Company.

Interim Dividend

The board of Directors did not recommend a payment of an interim dividend for 1HFY2026 (1HFY2025: nil).

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company ("Shares"), underlying Shares or debentures of the Company or any of 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 pursuant to the Model Code were as follows:

Name of Director	Name of Group member/ associated corporation	Capacity/ nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding (Note 3)
Mr. Tung Koon Ming ("Mr. Tung")	Company	Beneficiary of a trust (Note 2)	1,466,869,000 Shares (L)	71.27%
Mr. Tung Koon Kwok Dennis	Company	Beneficial owner	16,778,000 Shares (L)	0.82%

Notes:

1. The letter "L" denotes a long position in the shares of the Company or the relevant associated corporation.
2. These Shares as to 10,592,000 Shares were held by Tung Koon Ming Family (PTC) Limited and as to 1,456,277,000 Shares were held by Red Glory Investments Limited ("Red Glory"), which was in turn wholly owned by Tung Koon Ming Family (PTC) Limited. Tung Koon Ming Family (PTC) Limited is a trust of which Mr. Tung is the settlor and a beneficiary. Accordingly, Mr. Tung was deemed to be interested in all the Shares held by Tung Koon Ming Family (PTC) Limited and Red Glory by virtue of the SFO.
3. The percentage has been calculated based on the total number of Shares in issue as at 31 December 2025 (i.e. 2,058,068,000 shares).

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of 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 pursuant to the Model Code.

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

As at 31 December 2025, the interests and short positions of the persons (other than a Director or chief executive of the Company) in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of shareholder	Capacity/nature of interest	Number and class of securities <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 6)</i>
Tung Koon Ming Family (PTC) Limited	Interest of a controlled corporation <i>(Note 2)</i>	1,456,277,000 Shares (L)	70.76%
	Beneficial owner <i>(Note 2)</i>	10,592,000 Shares (L)	0.51%

Name of shareholder	Capacity/nature of interest	Number and class of securities <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 6)</i>
Red Glory	Beneficial owner	1,456,277,000 Shares (L)	70.76%
Ms. Tam Fun Hung ("Ms. Tam")	Interest of spouse <i>(Note 3)</i>	1,466,869,000 Shares (L)	71.27%
Areo Holdings Limited	Interest of a controlled corporation <i>(Note 4)</i>	186,292,000 Shares (L)	9.05%
Lam Lai Ming	Interest of a controlled corporation <i>(Note 4)</i>	186,292,000 Shares (L)	9.05%
Li Gabriel	Interest in a controlled corporation <i>(Note 4)</i>	186,292,000 Shares (L)	9.05%
Orchid Asia V, L.P.	Beneficial owner <i>(Note 4)</i>	180,946,000 Shares (L)	8.79%
OAV Holdings, L.P.	Interest of a controlled corporation <i>(Note 4)</i>	180,946,000 Shares (L)	8.79%
Orchid Asia V GP, Limited	Interest of a controlled corporation <i>(Note 4)</i>	180,946,000 Shares (L)	8.79%
Orchid Asia V Group Management, Limited	Interest of a controlled corporation <i>(Note 4)</i>	180,946,000 Shares (L)	8.79%
Orchid Asia V Group, Limited	Interest of a controlled corporation <i>(Note 4)</i>	180,946,000 Shares (L)	8.79%
Webb David Michael	Interest of a controlled corporation <i>(Note 5)</i>	111,532,000 Shares (L)	5.42%
Webb Karen Anne	Interest of a controlled corporation <i>(Note 5)</i>	111,532,000 Shares (L)	5.42%

1. The letter “L” denotes a person’s long position in the Shares or underlying Shares.
2. Tung Koon Ming Family (PTC) Limited was deemed to be interested in all these Shares by virtue of the SFO. Details of the interests in all these Shares are disclosed in note 2 to the paragraph headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” in this interim report.
3. Ms. Tam is the spouse of Mr. Tung. Ms. Tam was deemed to be interested in the Shares in which Mr. Tung was interested by virtue of the SFO. Details of Mr. Tung’s interests in the Shares are disclosed in note 2 to the paragraph headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” in this interim report.
4. So far as the Directors are aware of, these Shares were beneficial owned as to 180,946,000 Shares by Orchid Asia V, L.P. and 5,346,000 Shares by Orchid Asia V Co-Investment, Limited. So far as the Directors are aware of, Orchid Asia V, L.P. was wholly-controlled by OAV Holdings, L.P., which was in turn wholly-owned by Orchid Asia V GP, Limited. Orchid Asia V GP, Limited was wholly-owned by Orchid Asia V Group Management, Limited, which was in turn wholly-owned by Orchid Asia V Group, Limited. Orchid Asia V Group, Limited was wholly-owned by Areo Holdings Limited.

So far as the Directors are aware of, Orchid Asia V Co-Investment, Limited was also wholly-controlled by Areo Holdings Limited. Areo Holdings Limited was wholly-owned by Ms. Lam Lai Ming. Areo Holdings Limited is also controlled by Mr. Li Gabriel by virtue of his directorship therein. Accordingly, Ms. Lam Lai Ming and Mr. Li Gabriel were taken to be interested in the Shares in which Areo Holdings Limited was interested by virtue of the SFO.

5. So far as the Directors are aware of, these Shares as to 45,911,600 Shares were held by Member One Limited and as to 65,620,400 were held by Preferable Situation Assets Limited. Each of the companies was jointly owned by Mr. Webb David Michael and Ms. Webb Karen Anne. Accordingly, Mr. Webb David Michael and Ms. Webb Karen Anne were deemed to be interested in the Shares in which Member One Limited and Preferable Situation Assets Limited were interested by virtue of the SFO.
6. The percentage has been calculated based on the total number of Shares in issue as at 31 December 2025 (i.e. 2,058,068,000 shares).

Save as disclosed above, as at 31 December 2025, no person (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tung Koon Ming (*Chairman and chief executive officer*)

Mr. Tung Koon Kwok Dennis

Mr. Tung Wai Kit

Mr. Deng Guanglei

Independent non-executive Directors

Mr. Wong Wing Keung Meyrick

Mr. Choi Ho Yan

Ms. Law Stacey Man Yee

AUDIT COMMITTEE

Mr. Choi Ho Yan (*Chairman*)

Mr. Wong Wing Keung Meyrick

Ms. Law Stacey Man Yee

NOMINATION COMMITTEE

Mr. Tung Koon Ming (*Chairman*)

Mr. Wong Wing Keung Meyrick

Ms. Law Stacey Man Yee

REMUNERATION COMMITTEE

Mr. Wong Wing Keung Meyrick (*Chairman*)

Mr. Choi Ho Yan

Ms. Law Stacey Man Yee

CORPORATE GOVERNANCE COMMITTEE

Mr. Wong Wing Keung Meyrick (*Chairman*)

Mr. Choi Ho Yan

Ms. Law Stacey Man Yee

COMPANY SECRETARY

Ms. Hui Wai Man, Shirley

AUDITOR

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LEGAL ADVISERS

Chiu & Partners (as to Hong Kong laws)
Scihead & Partners (as to PRC laws)

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HONG KONG BRANCH SHARE REGISTRAR

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STOCK CODE ON THE HONG KONG STOCK EXCHANGE

2033

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