LUXXU
GROUP LIMITED

Luxxu Group Limited
勵時集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1327)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "Board") of directors (the "Directors") of Luxxu Group Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2026 together with the comparative figures. This announcement, containing the full text of the 2026 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in relation to information to accompany preliminary announcements of interim results. This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.luxxu.hk). The printed version of the Company's Interim Report will be despatched to the shareholders of the Company and available on above websites in due course.

By order of the Board
Luxxu Group Limited
Liang Yanhuang
Executive Director

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises one executive Director, being Mr. Liang Yanhuang; and three independent non-executive Directors, being Mr. Yu Chon Man, Ms. Duan Baili and Mr. Zhong Weili.

CONTENTS

FINANCIAL REVIEW

Revenue

Our revenue slightly increased by approximately RMB0.7 million or 3.3% from approximately RMB21.4 million for the six months ended 30 June 2025 to approximately RMB22.1 million for the six months ended 30 June 2026. The increase in revenue was mainly attributable to the increase in sales order received and increase in average selling price of the branded watches and jewellery accessories of Luxxu Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**").

Cost of sales

Our cost of sales decreased by approximately RMB0.8 million or 6.3% from approximately RMB12.6 million for the six months ended 30 June 2025 to approximately RMB11.8 million for the six months ended 30 June 2026. Although the revenue slightly increased, our cost of sales remained stable as production and procurement costs were effectively contained.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB1.5 million or 17.0% from approximately RMB8.8 million for the six months ended 30 June 2025 to approximately RMB10.3 million for the six months ended 30 June 2026. The increase was mainly due to the increase in average selling price of the Group's branded watches and jewellery accessories for the six months ended 30 June 2026. Our overall gross profit margin increased from approximately 41.1% for the six months ended 30 June 2025 to approximately 46.8% for the six months ended 30 June 2026.

Other gain and loss

Our other gain and loss represented the loss of approximately RMB1.1 million for the six months ended 30 June 2026, representing a turnaround from gain of approximately RMB1.2 million for the six months ended 30 June 2025. The turnaround was primarily attributable to the unrealised fair value change on financial assets at fair value through profit or loss. For details of the realised and unrealised gain/loss, please refer to significant investments section.

Selling and distribution expenses

Our selling and distribution expenses remained stable from approximately RMB2.8 million for the six months ended 30 June 2025 to approximately RMB2.6 million for the six months ended 30 June 2026.

Administrative expenses

Our administrative expenses decreased by approximately RMB4.8 million from approximately RMB11.4 million for the six months ended 30 June 2025 to approximately RMB6.6 million for the six months ended 30 June 2026. The decrease was mainly attributable to decrease in depreciation and staff cost.

Finance costs

There was finance costs of approximately RMB1.2 million for the six months ended 30 June 2026 while approximately RMB1.3 million for the six months ended 30 June 2025.

Loss before taxation

As a result of the foregoing, our loss before taxation amounted to approximately RMB4.3 million for the six months ended 30 June 2026 (2025: RMB5.6 million).

Loss for the period

As a result of the foregoing, loss for the period decreased from approximately RMB5.6 million for the six months ended 30 June 2025 to approximately RMB4.3 million for the six months ended 30 June 2026. Such decrease was primarily due to net effect of increase in gross profit and decrease in administrative expense and the turnaround of other gain and loss.

OUTLOOK AND FUTURE PROSPECTS

Going forward, the Group aimed to offer premium quality products to customers and will continue to strengthen our core competitiveness by improving our watch and jewellery design and development capabilities by upholding the design and artistic knowledge of the design team and recruitment of additional talents. In view of the economy condition in Hong Kong and the People's Republic of China (the "PRC"), the Group expects 2026 will still be a challenging year. The Group will closely monitor the market response and remix the business and product portfolio to suit the market needs, including but not limited to design, manufacture and sales of prestige and high-end watches and jewellery and stay competitive.

In view of (i) the sustained purchasing power of Chinese women as a core driver of the consumption market; (ii) the fundamental shift in female consumption patterns from "pleasing others" to "self-love economics"; and (iii) the rising demand for emotional connection and experiential value in purchasing decisions, the Group believes there remains a strong long-term force behind the consumption of prestige and high-end watches and luxury jewellery and accessories. Female consumers today increasingly prioritise "heart-price ratio" over traditional cost-performance considerations, seeking products that deliver emotional satisfaction, aesthetic enjoyment and personal meaning. Many women also continue to invest in their professional growth and self-development, creating sustained demand for refined, workplace-appropriate accessories that reflect their personal achievements and aspirations. To capture this evolving demand, the Group will allocate more resources and effort to strengthen our in-house design team, nurturing authentic design capabilities that resonate with the modern woman's pursuit of self-expression, emotional connection and personal success. By focusing on designs that speak to the "self-love" mindset and the professional identity of our core customers, we aim to offer fashionable and emotionally resonant watches and jewellery that empower women to celebrate who they are and how far they have come.

Looking beyond the near-term uncertainties, the Group remains committed to seeking and seizing new opportunities, and is well-prepared to shine in the future.

FINANCIAL POSITION

The Group funded its liquidity and capital requirements primarily through cash inflows from operating activities, bond payables and capital market.

As at 30 June 2026, the Group's total bank balances and cash were approximately RMB0.8 million (31 December 2025: RMB4.2 million), most of which are held in Hong Kong dollars ("HK$"). The current ratio (defined as current assets divided by current liabilities) of the Group decreased from 7.3 times as at 31 December 2025 to 4.6 times as at 30 June 2026. The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group decreased from approximately 82.0% as at 31 December 2025 to approximately 9.0% as at 30 June 2026.

DEBTS AND CHARGE ON ASSETS

As at 30 June 2026, none of the assets of the Group has been pledged to secure any loan granted to the Group (31 December 2025: Nil).

CAPITAL COMMITMENT

As at 30 June 2026, the Group did not have any material capital commitment (31 December 2025: Nil).

EXCHANGE RISK EXPOSURE

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to HK$ and United States dollars. During the six months ended 30 June 2026, the Group has not entered into any hedging arrangements. However the management will continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

CAPITAL STRUCTURE

Details of the movement in share capital of the Company during the six months ended 30 June 2026 are set out in Note 13 to the condensed consolidated interim financial information.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2026 and 31 December 2025.

DIVIDEND PAYMENT

The board (the "Board") of directors (the "Directors") of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: Nil).

SIGNIFICANT ACQUISITIONS OR DISPOSALS

During the six months ended 30 June 2026, there were no material acquisitions or disposals of subsidiaries and associated companies.

SIGNIFICANT INVESTMENTS

At 30 June 2026, detail of the significant investments are as follows:

Name of investee	Fair value (loss)/gain RMB'000	As at 30 June 2026 RMB'000	Percentage to the Group's audited total assets as at 30 June 2026 %	Number of shares held by the Group as at 1 January 2026	Percentage of shareholding held by the Group as at 1 January 2026 %	Number of shares held by the Group as at 30 June 2026	Percentage of shareholding held by the Group as at 30 June 2026 %
Significant investments							
BFB Health Limited ("BFB") (stock code: 205.HK) (note (a))	–	10,112	19.1%	17,430,000	1.4%	17,430,000	1.4%
AMCO United Holding Limited ("AMCO") (stock code: 630.HK) (note (b))	(889)	5,590	10.6%	29,890,000	3.1%	29,890,000	3.1%
Capital VC Limited ("CAPITAL") (stock code: 2324.HK) (note (c))	(1,134)	3,448	6.5%	19,340,000	4.3%	38,660,000	4.3%
China Automotive Interior Decoration Holdings Limited ("China Automotive") (stock code: 48.HK) (note (d))	1,639	2,655	5.0%	8,177,600	1.9%	8,177,600	1.9%
Other listed equity securities	(682)	1,732	3.3%				
Total	(1,066)	23,537	44.5%				

Note:

(a) BFB and its subsidiaries are principally engaged in the provision of advertising agency services and distribution of books and magazines in the PRC and the securities broking business, money lending business and provision of e-commerce platform services and sales of high-tech products in Hong Kong. Based on BFB's annual report for the year ended 31 December 2025, revenue and loss for the year of BFB and its subsidiaries were approximately HK$33,117,000 and HK$19,993,000 respectively. As at 30 June 2026, the Group owned 17,430,000 shares of BFB, representing 1.4% equity interest in BFB with a carrying amount of the Group's interest in BFB of approximately RMB10.1 million, representing approximately 19.1% of the total assets of the Group as at 30 June 2026. Up to 30 June 2026, no dividend was received from BFB. The fair value of equity interest in BFB is based on quoted market prices.

(b) AMCO and its subsidiaries are principally engaged in (i) manufacture and sale of medical devices products; (ii) manufacture and sale of plastic moulding products; (iii) provision of money lending; and (iv) investment in securities. Based on AMCO's annual report for the year ended 31 December 2025, revenue and profit for the year of AMCO and its subsidiaries were approximately HK$68,356,000 and HK$59,117,000 respectively. As at 30 June 2026, the Group owned 29,890,000 shares of AMCO, representing 3.1% equity interest in AMCO with a carrying amount of the Group's interest in AMCO of approximately RMB5.6 million, representing approximately 10.6% of the total assets of the Group as at 30 June 2026. Up to 30 June 2026, no dividend was received from AMCO. The fair value of equity interest in AMCO is based on quoted market prices.

(c) CAPITAL and its subsidiaries are principally engaged in investing in listed and unlisted companies mainly in Hong Kong and the PRC. Based on CAPITAL's interim report for the six months ended 31 March 2026, turnover and loss for the period of CAPITAL and its subsidiaries were approximately HK$1,115,000 and HK$8,572,000 respectively. As at 30 June 2026, the Group owned 38,660,000 shares of CAPITAL, representing 4.3% equity interest in CAPITAL with a carrying amount of the Group's interest in CAPITAL of approximately RMB3.4 million, representing approximately 6.5% of the total assets of the Group as at 30 June 2026. Up to 30 June 2026, no dividend was received from CAPITAL. The fair value of equity interest in CAPITAL is based on quoted market prices.

(d) China Automotive and its subsidiaries are principally engaged in the manufacture and sale of non-woven fabric related products used in automotive interior decoration parts and other parts. Based on China Automotive's annual report for the year ended 31 December 2025, revenue and loss for the year of China Automotive and its subsidiaries were approximately RMB102,028,000 and RMB128,552,000 respectively. As at 30 June 2026, the Group owned 8,177,600 shares of China Automotive, representing 1.9% equity interest in China Automotive with a carrying amount of the Group's interest in China Automotive of approximately RMB2.7 million, representing approximately 5.0% of the total assets of the Group as at 30 June 2026. Up to 30 June 2026, no dividend was received from China Automotive. The fair value of equity interest in China Automotive is based on quoted market prices.

The future performance of the listed equity securities may be mainly influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, at 30 June 2026, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 40 (31 December 2025: 56) employees. The total remuneration costs incurred by the Group for the six months ended 30 June 2026 were approximately RMB3.2 million (2025: RMB4.7 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as known to the Directors, at 30 June 2026, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Main Board Listing Rules ("Model Code"), were as follows:

At 30 June 2026, none of the Directors or chief executives of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" above, at no time during the six months ended 30 June 2026 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive or their respective associates, of the Company to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any associated corporation and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the six months ended 30 June 2026.

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the directors of the Company and their respective associates (as defined under Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 June 2026.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2026, the Group had adopted and complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

AUDIT COMMITTEE

The Audit Committee of the Company, comprising three independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Company and has discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial information for the six months ended 30 June 2026.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a model code of practice for securities dealings by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code set out in Appendix C3 to the Listing Rules. The Company has confirmed, after making specific enquiries with the Directors in accordance with the code of practice, that all the Directors have complied with the Model Code for the six months ended 30 June 2026.

BOARD OF DIRECTORS

As at 30 June 2026, the Board comprises two executive Directors and three independent non-executive Directors as follows:

Executive Directors
Mr. Liang Yanhuang
Mr. Yang Xi (Resigned on 14 July 2026)

Independent Non-Executive Directors
Mr. Yu Chon Man
Ms. Duan Baili
Mr. Zhong Weili

By Order of the Board
Luxxu Group Limited
Liang Yanhuang
Executive Director

28 August 2026

The board of directors (the "Board") of Luxxu Group Limited (the "Company") presents the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025 as follows:

		Six months ended 30 June	
	Notes	**2026 RMB'000 (Unaudited)**	2025 RMB'000 (Unaudited)
Revenue	3	**22,078**	21,366
Cost of sales		**(11,755)**	(12,577)
Gross profit		**10,323**	8,789
Realised and unrealised fair value (losses)/gains on financial assets at fair value through profit or loss		**(1,066)**	1,150
Selling and distribution expenses		**(2,627)**	(2,785)
Administrative expenses		**(6,588)**	(11,442)
Loss allowance for expected credit losses an trade receivables		**(3,170)**	–
Finance costs	4	**(1,196)**	(1,303)
Loss before taxation	5	**(4,324)**	(5,591)
Income tax	6	**–**	–
Loss for the period attributable to owners of the Company		**(4,324)**	(5,591)
Other comprehensive income/(expense) for the period			
Item that may be reclassified subsequently profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**373**	(2,136)
Total comprehensive expense for the period attributable to owners of the Company		**(3,951)**	(7,727)
Loss per share			
– Basic and diluted (RMB cents)	7	**(1.99)**	(3.53)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**–**	–
Right-of-use assets		**2,967**	4,751
Rental deposits		**–**	1,801
		2,967	6,552
CURRENT ASSETS			
Inventories		**8,111**	9,255
Trade receivables	9	**15,244**	7,975
Deposits, prepayments and other receivables		**2,209**	528
Financial assets at fair value through profit or loss	10	**23,537**	23,403
Bank balances and cash		**849**	4,160
		49,950	45,321
CURRENT LIABILITIES			
Trade payables	11	**4,209**	–
Accruals and other payables		**3,500**	2,606
Lease liabilities		**3,127**	3,491
Income tax payables		**70**	70
		10,906	6,167
Net current assets		**39,044**	39,154
Total assets less current liabilities		**42,011**	45,706
NON-CURRENT LIABILITIES			
Bond payables	12	**3,486**	19,937
Lease liabilities		**–**	1,458
		3,486	21,395
Net assets		**38,525**	24,311
CAPITAL AND RESERVES			
Share capital	13	**2,286**	1,911
Reserves		**36,239**	22,400
Total equity		**38,525**	24,311

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company					
	Share capital RMB'000	**Share premium RMB'000**	**Foreign currency translation reserve RMB'000**	**Share option reserve RMB'000**	**Accumulated losses RMB'000**	**Total RMB'000**
At 1 January 2026	**1,911**	**487,176**	**6,083**	**5,919**	**(476,778)**	**24,311**
Loss for the period	**–**	**–**	**–**	**–**	**(4,324)**	**(4,324)**
Other comprehensive income for the period	**–**	**–**	**373**	**–**	**–**	**373**
Total comprehensive income/(expense) for the period	**–**	**–**	**373**	**–**	**(4,324)**	**(3,951)**
Issue of shares upon placing (note 13(c))	**375**	**18,352**	**–**	**–**	**–**	**18,727**
Cost of issue of shares upon placing (note 13(c))	**–**	**(562)**	**–**	**–**	**–**	**(562)**
Changes in equity for the period	**375**	**17,790**	**373**	**–**	**(4,324)**	**14,214**
At 30 June 2026 (Unaudited)	**2,286**	**504,966**	**6,456**	**5,919**	**(481,102)**	**38,525**

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Foreign currency translation reserve RMB'000	Share option reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2025 (Audited)	45,286	473,246	8,917	5,919	(499,472)	33,896
Loss for the period	–	–	–	–	(5,591)	(5,591)
Other comprehensive expense for the period	–	–	(2,136)	–	–	(2,136)
Total comprehensive expense for the Period	–	–	(2,136)	–	(5,591)	(7,727)
Capital reduction (note 13(a)(i))	(44,381)	–	–	–	44,381	–
Issue of shares upon rights issue (note 13(b))	1,006	14,078	–	–	–	15,084
Cost of issue of shares under rights issue (note 13(b))	–	(92)	–	–	–	(92)
Changes in equity for the period	(43,375)	13,986	(2,136)	–	38,790	7,265
At 30 June 2025 (Unaudited)	1,911	487,232	6,781	5,919	(460,682)	41,161

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash used in operating activities	**(798)**	(2,824)
Cash flows from investing activities		
Purchase of financial assets as fair value through profit or loss	**(2,031)**	–
Proceeds on disposal of financial assets at fair value through profit or loss	**2**	–
Net cash used in investing activities	**(2,029)**	–
Cash flows from financing activities		
Proceeds from issue of shares upon placing (note 13(c))	**18,727**	–
Cost of issue of shares upon placing (note 13(c))	**(562)**	–
Issue of shares upon rights issue (note 13(b))	**–**	15,084
Cost of issue of shares upon rights issue (note 13(b))	**–**	(92)
Payment of principal portion of lease liabilities	**(1,665)**	(1,644)
Payment of interest portion of lease liabilities	**(100)**	(190)
Repayment of bond	**(16,770)**	(8,925)
Other interest paid	**(2)**	–
Net cash (used in)/from financing activities	**(372)**	4,233
Net (decrease)/increase in cash and cash equivalents	**(3,199)**	1,409
Cash and cash equivalents at the beginning of the period	**4,160**	1,030
Effect on foreign exchange rate changes	**(112)**	(57)
Cash and cash equivalents at the end of the period, representing bank balances and cash	**849**	2,382

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company is a limited company incorporated in the Cayman Islands on 3 December 2012 as an exempted company under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 506, 5/F, New World Tower 1, 18 Queen's Road Central, Central, Hong Kong.

The Company is an investment company. The Group is principally engaged into (i) the manufacture and sales of own-branded watches and jewellery, including but not limited to diamond watches, tourbillon watches and luxury jewellery watches, original equipment manufacturer watches and third-party watches; and (ii) provision of exhibition services.

The functional currency of the Company is Hong Kong dollars ("HK$"). For the purpose of presenting this unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 (the "Interim Financial Information"), the Group adopted Renminbi ("RMB") as its presentation currency as to better reflect the financial results and performance of the main operation of the Group.

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Interim Financial Information has been prepared on the historical cost basis except for financial assets at fair value through profit or loss ("FVTPL"), which are measured at fair values.

The Interim Financial Information should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025. Except as described below, the accounting policies (including the critical accounting judgements and key sources of estimation uncertainties made by the directors of the Company) and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in the Group's consolidated financial statements for the year ended 31 December 2025.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The Group has applied the following amendments to HKFRS Accounting Standards, which collective term includes all individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") as issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2026, for the preparation of the Interim Financial Information:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to HKFRS Accounting Standards	Volume 11

The application of above amendments to HKFRS Accounting Standards in the current financial year has had no material impact on the Group's consolidated financial position and financial performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Information.

3. REVENUE AND SEGMENT INFORMATION

Information reported internally to the chief operating decision maker, being the executive directors of the Company, for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group currently operates in two business segments, which are (i) manufacturing, trading and retailing business of branded watches and jewellery accessories; and (ii) assisting customers to hold exhibition.

A single management team reports to the chief operating decision maker who comprehensively manages the entire business with no available discrete financial information. Accordingly, the Group does not have separately reportable segments to be presented.

Revenue from major products

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Branded watches and jewellery accessories	**20,554**	16,655
Exhibition services	**1,524**	4,711
	22,078	21,366

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Geographical information

The Group's revenue from external customers, based on the location of the customers, are presented below:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The PRC, excluding Hong Kong	**20,554**	16,655
Hong Kong, the People's Republic of China (the "PRC")	**1,524**	4,711
	22,078	21,366

The Group's non-current assets (excluding rental deposits), based on the geographical location of the assets, are all located in Hong Kong as at 30 June 2026 and 31 December 2025.

Information about major customers

Revenue from customers of the corresponding period contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	**4,809**	–
Customer B	**4,175**	–
Customer C	**3,285**	–
Customer D	**2,407**	–

Note: Revenue from sales of branded watches and jewellery accessories

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Revenue from contracts with customers within the scope of HKFRS 15

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Recognised at a point in time		
Sales of branded watches and jewellery watches	**20,554**	16,655
Recognised over time		
Provision of exhibition services	**1,524**	4,711
	22,078	21,366

4. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bond payables	**1,094**	1,113
Interest on lease liabilities	**100**	190
Interest on margin financing	**2**	–
	1,196	1,303

5. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging the followings:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Staff costs (including directors' emoluments)	**3,171**	4,716
Cost of inventories recognised as expenses	**11,755**	12,577
Depreciation of property, plant and equipment	**–**	1,735
Depreciation of right-of-use assets	**1,635**	2,557

6. INCOME TAX

Hong Kong

Under the two-tiered profits tax regime, the first HK$2,000,000 of assessable profits of qualifying corporations subject to Hong Kong Profits Tax will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits rates regime will continue to be taxed at a flat rate of 16.5%.

No Hong Kong Profits Tax has been provided as no estimated assessable profits arising in or derived from Hong Kong for the six months ended 30 June 2026 and 2025.

The PRC

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Company is 25% for the six months ended 30 June 2026 and 2025. No PRC Enterprise Income Tax has been provided as no estimated assessable profits arising in or derived by the PRC subsidiaries for the six months ended 30 June 2026 and 2025.

The Group is not subject to taxation in other jurisdictions.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	**(4,324)**	(5,591)

	Six months ended 30 June	
	2026	2025
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**217,084**	158,580

No adjustment has been made to the diluted loss per share for the six months ended 30 June 2026 and 2025 as the exercise of the Company's outstanding share options had no dilutive effect on the basic loss per share.

8. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2026, nor has any dividend been proposed since the end of the reporting period (2024: nil).

9. TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**78,412**	70,177
Less: Allowance for expected credit losses ("ECLs")	**(63,168)**	(62,202)
	15,244	7,975

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranged from 0 to 180 days for major customers. Each customer has a maximum credit limit. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The following is an ageing analysis of trade receivables, net of allowance for ECL, presented based on the invoice date, which approximated to respective revenue recognition dates, at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0 to 30 days	**6,239**	978
31 to 60 days	**2,913**	782
61 to 90 days	**658**	469
91 to 180 days	**230**	685
Over 180 days	**5,204**	5,061
	15,244	7,975

9. TRADE RECEIVABLES *(CONTINUED)*

The movement of allowance for ECL on trade receivables is as follows:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Year ended 31 December 2025 RMB'000 (Audited)
At the beginning of the period/year	**62,202**	51,331
Loss allowance recognised	**3,170**	13,534
Exchange realignment	**(2,204)**	(2,663)
At the end of the period/year	**63,168**	62,202

10. FINANCIAL ASSETS AT FVTPL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Listed equity securities in:		
– Hong Kong	**23,512**	23,385
– The United States (the "U.S.")	**25**	18
	23,537	23,403

The fair values of equity securities listed in Hong Kong and the U.S. are determined based on quoted market bid price available on relevant stock exchanges.

11. TRADE PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	**4,209**	–

The credit period granted by suppliers is normally ranged from 0 to 180 days (31 December 2025: nil).

11. TRADE PAYABLES *(CONTINUED)*

The following is an ageing analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0 to 30 days	**1,619**	–
31 to 60 days	**1,648**	–
61 to 90 days	**345**	–
91 to 180 days	**597**	–
	4,209	–

12. BOND PAYABLES

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Year ended 31 December 2025 RMB'000 (Audited)
At the beginning of the period/year	**19,937**	29,230
Addition	**–**	3,679
Imputed interest charged	**1,094**	2,139
Repayment	**(16,770)**	(13,882)
Reclassified to interest payables included in accruals and other payables	**(242)**	–
Exchange realignment	**(533)**	(1,229)
At the end of the period/year	**3,486**	19,937
Less: amount due within one year and classified under current liabilities	**–**	–
Amount due after one year and classified under non-current liabilities	**3,486**	19,937

13. SHARE CAPITAL

	Notes	Number of shares '000	Nominal value HK$'000
Authorised:			
As at 1 January 2025, ordinary shares of HK$0.10 each		1,300,000	130,000
Share consolidation	(a)(i)	(1,040,000)	–
Share subdivision	(a)(iii)	12,740,000	–
As at 31 December 2025 (audited), 1 January 2026 and 30 June 2026 (unaudited), ordinary shares of HK$0.01 each		**13,000,000**	**130,000**

	Notes	Number of shares '000	Nominal value of ordinary shares HK$'000	RMB'000
Issued and fully paid:				
As at 1 January 2025, ordinary shares of HK$0.10 each		539,136	53,914	45,286
Share consolidation	(a)(i)	(431,309)	–	–
Capital reduction	(a)(ii)	–	(52,835)	(44,381)
Rights issue	(b)	107,827	1,078	1,006
As at 31 December 2025 (audited) and 1 January 2026, ordinary shares of HK$0.01 each		**215,654**	**2,157**	**1,911**
Issue on shares upon placing	(c)	**43,131**	**431**	**375**
As at 30 June 2026 (unaudited), ordinary shares of HK$0.01 each		**258,785**	**2,588**	**2,286**

Notes:

(a) On 14 March 2025, the Company completed a capital reorganisation (the "Capital Reorganisation") involving the share consolidation (the "Share Consolidation"), the capital reduction (the "Capital Reduction") and the share subdivision (the "Share Subdivision"). The Capital Reorganisation was approved at the special meeting held on 7 February 2025. Details of which are as follows:

(i) Share Consolidation

Every five (5) issued and unissued existing shares of par value of HK$0.10 each was consolidated into one (1) consolidated share (the "Consolidated Share") of par value of HK$0.50 each;

13. SHARE CAPITAL *(Continued)*

Notes: *(Continued)*

(a) *(Continued)*

(ii) Capital Reduction

The issued share capital of the Company would be reduced by cancelling the paid-up share capital of the Company to the extent of HK$0.49 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share was reduced from HK$0.50 to HK$0.01. The credit arising from the Capital Reduction, being approximately RMB44,381,000, was applied for offsetting against the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company; and

(iii) Share Subdivision

Immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$0.50 each in the authorised share capital of the Company was subdivided into fifty (50) authorised but unissued adjusted shares of par value of HK$0.01 each.

(b) On 2 December 2024, the Company announced a rights issue on the basis of one rights share for every one share in issue at a subscription price of HK$0.15 per share (the "Rights Issue") to raise up to approximately HK$16,174,000, equivalent to approximately RMB15,084,000, by way of issuing up to approximately 107,827,000 rights shares. On 12 May 2025, the Company allotted and issued approximately 107,827,000 ordinary shares of HK$0.01 each by way of the Rights Issue and the number of issued shares of the Company was increased to approximately 215,654,000. The net proceeds from the Rights Issue after deducting related expenses of approximately RMB92,000 were approximately RMB14,992,000.

(c) On 4 June 2026, the Company and a placing agent entered into a placing agreement in respect of the placement of approximately 43,131,000 ordinary shares of HK$0.01 each at a price of HK$0.5 per share (the "Placement"). The Placement was completed on 25 June 2026. The net proceeds from the Placement amounted to approximately HK$20,918,000, equivalent to approximately RMB18,165,000, after deducting expense of approximately HK$647,000, equivalent to approximately RMB562,000. Approximately HK$431,000 (equivalent to approximately RMB375,000) and HK$20,487,000 (equivalent to approximately RMB17,790,000) were credited to share capital and share premium respectively upon the issue of the new shares.

14. SHARE OPTION SCHEMES

On 19 December 2014, a share option scheme (the "Old Share Option Scheme") has been approved and adopted by shareholders' resolution. The Old Share Option Scheme remained in force for ten years and expired in December 2024. Upon expiry of the Old Share Option Scheme, no further share option might be granted under the Old Share Option Scheme.

On 26 June 2026, a new share option scheme (the "New Share Option Scheme") was approved by the shareholders' resolution passed at the annual general meeting of the Company. The New Share Option Scheme remains in force for ten years from 26 June 2026 to 25 June 2036.

The adoption of the New Share Option Scheme was to conform with the new requirements under the Listing Rules.

The primary purpose of the New Share Option Scheme is to provide and give the eligible participants (the "Eligible Participants"), including employees and directors of the Group (the "Employee Participants"), and the directors and employees (whether full time or part time) of the related entity (the "Related Entity Participants"), an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency, attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

14. SHARE OPTION SCHEMES *(Continued)*

With respect to the Employee Participants, the board of directors of the Company will consider all relevant factors including (i) their educational and professional qualifications, and knowledge in the industry; (ii) their skills, knowledge, experience, expertise and other relevant personal qualities; (iii) their length of engagement or employment with the Group; (iv) their performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; and (v) their contribution made or expected to be made to the growth of the Group.

With respect to the Related Entity Participants, the board of directors of the Company will consider all relevant factors including (i) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of an increase in revenue or profits and/or an addition of expertise to the Group; (ii) the period of engagement or employment of the Related Entity Participant by the Group; (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (v) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. A nominal consideration of HK$1 is payable by the grantee on acceptance of the grant of an option. The subscription price of the options under the New Share Option Scheme shall be a price solely determined by the board of directors of the Company and notified to a participant and shall not be less than the higher of: (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange for the five consecutive business days immediately preceding the date of grant of the option; and (iii) the nominal value of the share of the Company on the date of grant of the option.

Subject to the Listing Rules, the total number of the shares of the Company which may be issued in respect of all options which may be granted at any time under the New Share Option Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of shares of the Company as equals to 10% of the issued share capital of the Company (excluding treasury shares) as at the adoption date.

14. SHARE OPTION SCHEMES *(Continued)*

Under the New Share Option Scheme, an option must be held by the grantee for at least twelve (12) months before the options can be exercised. However, where the Eligible Participant is an Employee Participant, the remuneration committee (in the case where the Employee Participant is a director or a senior manager of the Company) or the board of directors of the Company (in the case where such Employee Participant is neither a director of the Company nor a senior manager) shall have the authority to determine shorter vesting period, if the remuneration committee (or, as the case may be, the directors of the Company) considers that a shorter vesting period is appropriate to align with the purpose of the New Share Option Scheme.

The total number of shares available for issue under the New Share Option Scheme was 21,565,440, representing 10% of the issued share capital of the Company (excluding treasury shares) as at the date of this interim report. The maximum number of the shares that may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option scheme of the Group) under the New Share Option Scheme and any other share option scheme of the Group shall not exceed 10% of all the 215,654,400 shares of the Company in issue (excluding treasury shares).

During the six months ended 30 June 2026, no share options were granted, exercised, lapsed nor cancelled under the New Share Option Scheme (year ended 31 December 2025: nil).

As at 30 June 2026, the number of shares may be issued in respect of which options had been granted and remained outstanding under the Old Share Option Scheme was approximately 6,065,000 (31 December 2025: 6,065,000), representing 2.81% (31 December 2025: 2.81%) of the shares of the Company in issue at that date.

14. SHARE OPTION SCHEMES *(Continued)*

Details and the movement of the share options granted under the Old Share Option Scheme are as follows:

			Exercise price		Number of share options		
Category of participants	Date of grant	Exercisable period	As at 1 January 2025	As at 31 December 2025 and 30 June 2026	At 1 January 2025	Adjustment during the year ended 31 December 2025	At 31 December 2025 (audited), 1 January 2026 and 30 June 2026 (unaudited)
					'000	'000	'000
Employees	11 April 2019	11 April 2019 to 10 April 2029	HK$0.41	HK$1.99 (Note (i))	29,376	(23,311) (Note (ii))	6,065
Exercisable at the end of the reporting period					29,376		6,065
Weighted average exercise price					HK$0.41		HK$1.99

Notes:

(i) The exercise price of the share options has been adjusted by (i) the Share Consolidation on 14 March 2025; and (ii) the Rights Issue on 12 May 2025.

(ii) The Capital Reorganisation and Rights Issue has resulted in a corresponding adjustment to the ordinary shares underlying the Old Share Option Scheme, in respect of the share options granted on 11 April 2019 with an exercise price of HK$1.99 per each share option. The number of outstanding share options under the Old Share Option Scheme amounted to approximately 6,065,000 (being the consolidated number after the Share Consolidation and Rights Issue adjustments).

15. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: Unobservable inputs for the asset or liability.

The Group's financial assets at FVTPL 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 are determined.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial assets at FVTPL:		
– Listed equity securities in Hong Kong and the U.S. measured at fair value hierarchy Level 1 with reference to the bid prices quoted in the relevant stock exchanges	**23,537**	23,403

There were no transfers between Levels during the six months ended 30 June 2026 and year ended 31 December 2025.

Fair value of financial instruments that are not measured at fair value on a recurring basis

The directors of the Company considered that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated interim financial information are not materially differ from their fair values.