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CITYCHAMP WATCH & JEWELLERY GROUP LIMITED
冠城鐘錶珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 256)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- EBITDA for the six months ended 30 June 2026 was HK$134,838,000.
- Profit for the period attributable to owners of the Company was HK$51,512,000.
- Net assets of the Group was HK$4,078,440,000 as at 30 June 2026, a decrease of 0.2% from 31 December 2025.
- Net assets per share was HK$0.94 as at 30 June 2026.

INTERIM RESULTS

The board of directors (the "Board") of Citychamp Watch & Jewellery Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 together with comparative figures for the corresponding period in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR STRATEGY

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

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	Variation
	HK$'000	*HK$'000*	*%*
Total revenue	**534,064**	523,692	2.0
Operating expenses	**400,709**	411,705	-2.7
Gross profit generated from non-banking and financial businesses	**115,086**	125,263	-8.1
Gross profit generated from banking and financial businesses	**276,987**	243,220	13.9
EBITDA	**134,838**	14,216	848.5
Profit/(loss) before tax	**57,489**	(42,847)	N/A
Net profit/(loss) after tax	**47,658**	(51,649)	N/A
Earnings/(loss) per share attributable to owners of the Company for the period			
– Basic	**HK 1.18 cent**	(HK 0.97 cent)	N/A
– Diluted	**HK 1.18 cent**	(HK 0.97 cent)	N/A

	30 June	31 December	
	2026	2025	Variation
	HK$'000	*HK$'000*	*%*
Total assets	**22,274,470**	20,597,626	8.1
Total liabilities	**18,196,030**	16,509,406	10.2
Total equity	**4,078,440**	4,088,220	-0.2

OPERATING RESULTS

For the six months ended 30 June 2026, the Group recorded total revenue of approximately HK$534,064,000 (six months ended 30 June 2025: HK$523,692,000), an increase of HK$10,372,000 or 2.0% over the corresponding period last year.

Operating expenses (including selling and distribution expenses and administrative expenses) for the six months ended 30 June 2026 were approximately HK$400,709,000 (six months ended 30 June 2025: HK$411,705,000), a decrease of HK$10,996,000 or 2.7% over the corresponding period last year.

Gross profit generated from non-banking and financial businesses for the six months ended 30 June 2026 was approximately HK$115,086,000 (six months ended 30 June 2025: HK$125,263,000), a decrease of HK$10,177,000 or 8.1% over the corresponding period last year.

Gross profit generated from banking and financial businesses for the six months ended 30 June 2026 was approximately HK$276,987,000 (six months ended 30 June 2025: HK$243,220,000), an increase of HK$33,767,000 or 13.9% over the corresponding period last year.

EBITDA for the six months ended 30 June 2026 was approximately HK$134,838,000 (six months ended 30 June 2025: HK$14,216,000), an increase of HK$120,622,000 or 848.5% over the corresponding period last year.

Net profit after tax for the six months ended 30 June 2026 was approximately HK$47,658,000 (six months ended 30 June 2025: net loss of HK$51,649,000).

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

I. Watches, Timepieces and Watch Accessories Businesses

	Six months ended 30 June 2026		
	Revenue (HK$000)	Net loss after tax* (HK$000)	(Decrease)/increase of Revenue as compared to the six months ended 30 June 2025 (%)
Zhuhai Rossini and EBOHR Group	133,767	(17,809)	-13.9
Ernest Borel Group	46,289	(3,182)	23.7
Other companies	66,077	(22,304)	-16.1

* Rental Income derived from properties of the watches, timepieces and watch accessories businesses was recorded in the property investment segment result.

I.A Local Proprietary Brands – Zhuhai Rossini Watch Industry Limited ("Rossini") and EBOHR Group

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

In the first half of 2026, building on last year's progress in advancing the three major integrations (market, production, and e-commerce), the subsidiaries of our local proprietary brands continued to deepen these efforts by focusing on three key areas: optimising organisational structures, refining internal management processes, and reshaping efficient and collaborative operational mechanisms, thereby further consolidating the gains of cost reduction and efficiency enhancement. Meanwhile, efforts were devoted to promoting cross-sector cooperation in cultural and tourism scenarios, together with the exploration of innovative business initiatives such as educational tour programs. In e-commerce, each of the subsidiaries actively engaged in in-depth collaboration with key opinion leaders (KOLs), proactively captured sales breakout opportunities, and continuously elevated brand value and market penetration. The key initiatives undertaken in the first half of 2026 were as follows:

i. *Reducing inventory and overdue accounts receivable*

Rossini and EBOHR Group implemented measures for inventory iteration and product revitalisation, aligning closely with the Group's operational directive of "incremental growth from new product and quality enhancement from existing stock". While accelerating the development and launch of new products, they leveraged process upgrades, detail refinements and reimagined consumption scenarios to drive the turnover, revitalisation and value re-creation of slow-moving and stagnant inventory. In particular, Rossini, EBOHR Group and Guangzhou Five Goat Watch Company achieved a significant reduction in inventory.

ii. *Pursuing refined management to control costs, enhance efficiency, improve quality and streamline operations*

Rossini and EBOHR Group conducted a comprehensive assessment based on multi-dimensional metrics, including market sales performance, lease terms, and location layout. In respect of retail outlets which showed no prospect of returning to profitability, decisive decision was taken either to close such stores or to bring them under direct management by headquarters, with a view to strictly controlling expenses and endeavoring to reverse losses and restore profitability. Resources were concentrated in high-yield shopping malls and key regions, while underperforming outlets were scaled back to safeguard core markets. By leveraging high-quality channels to generate revenue, the Group resolutely avoided blind expansion into weaker regions.

iii. *Maintaining stability and deepening penetration in traditional e-commerce, while breaking boundaries to drive growth in emerging e-commerce*

In the traditional e-commerce sector represented by Tmall, JD.com and VIP.com, Rossini and EBOHR Group secured the Group's fundamental market position and safeguarded core sales and brand reputation through refined operations and by leveraging their brand heritage. In the emerging e-commerce sector, Rossini further deepened its "daily livestreams plus themed events" model to establish a regularised livestreams and short-video system; EBOHR Group and Rossini focused on styling coordination, festival gifting and craftsmanship reviews, collaborating with top industry influencers on public traffic user acquisition, whilst partnering with local accounts to build a comprehensive content-driven marketing matrix, thereby driving business quality improvement and revenue growth.

iv. Facilitating new product R&D and business diversification

Rossini leveraged the favorable conditions of its 4A-level tourism park to expand into the fields of cultural experiences, educational and cultural tourism. Through three key initiatives, namely the intensive cultivation of the educational tour segment, the operation of the "Sun & Moon Clock Pavilion" (日月鐘庭) IP-themed exhibition, and the deployment of short videos to drive and activate traffic, Rossini has forged an integrated closed loop of "experience–awareness–consumption". This fostered a diversified new landscape underpinned by "educational tours as the core, experiences as the soul, and customers as the foundation", successfully creating new revenue streams.

Guangzhou Five Goat Watch Company Limited, drawing upon its accumulated expertise in precision structural component manufacturing and robust quality control system, successfully entered foldable-screen core components industry chain of a world-renowned mobile phone brand, obtained mass-production qualification for hinges (a core component), and achieved volume shipments. This milestone marks the company's transition from traditional watchmaking towards high-end precision manufacturing in consumer electronics, thereby transcending the boundaries of its single business line. The abovementioned industry chain business, featured by high technical barriers, high added value and strong profitability, opened up long-term high-gross-margin opportunities for its contract manufacturing operations, optimised the Group's industrial structure and profit model, and injected new momentum into its high-quality growth.

Our subsidiaries implemented the strategy of "Precision, Speed, Excellence, and Innovation", coordinating new product iterations, IP empowerment, technological innovation and inventory revitalisation to establish a framework characterised by "premium pricing for new products, efficiency enhancement for existing products, and technological barriers to entry". Rossini leveraged the Palace Museum IP, air shows and cultural tourism resources to create a differentiated product matrix, boosting its high-end brand image and pricing power. In the first half of the year, its product designs won multiple prestigious awards: at the Zhuhai "Mayor Cup" (市長杯), the "Great Bay Area Time" (灣區時間) collection won the First Prize; the Baoxiang Gongxi (寶相宮禧) co-branded collection won the Second Prize; and at the China Horologe Design Competition, the MOD modular watch won the Gold Prize (the only Gold Prize awarded to the four major domestic watch brands this year), demonstrating high industry recognition for its innovative capabilities.

v. Strengthening brand promotion

Rossini, centring on the Baoxiang Flower series inspired by the Palace Museum's Hall of Mental Cultivation, established an omni-channel marketing system integrating "full offline coverage across high-speed rail and subways, coupled with online co-creation featuring over 100 influencers". This initiative doubled topic view counts, significantly boosted brand visibility and niche market penetration, and secured the product series at top-tier position on mainstream e-commerce platforms. EBOHR Group, guided by the approach of "omni-channel advertising, asset-light breakthrough, and value elevation", amplified brand voice and drove incremental terminal sales through four key initiatives—offline advertising, new media operations, cross-industry collaborations, and public welfare empowerment, thereby maximising marketing effectiveness.

I.B Foreign Proprietary Brand – Ernest Borel Group

The Group held 52.97% equity interest in Ernest Borel Holdings Limited (together with its subsidiaries, collectively referred to as "Ernest Borel Group") as at 30 June 2026.

In the current highly competitive market environment, Ernest Borel Group is confronted with a range of challenges as well as opportunities. To maintain sustainable business growth and market competitiveness, Ernest Borel Group has formulated a number of key strategies to optimise its inventory structure, strengthen marketing and brand promotion, and enhance its capabilities of smartwatch manufacturing business.

Firstly, optimising inventory structure constituted one of the key strategies of Ernest Borel Group. In light of the evolving market demand, the company must manage its inventory effectively to reduce capital tie-up and resource wastage. Ernest Borel Group has adopted an inventory-driven design and production model, continuously analysing slow-moving products and tailoring its design and production schedules to existing materials inventory, thereby accelerating inventory depletion. This strategy not only improved inventory monetisation efficiency, but also mitigated the risk of inventory accumulation. Of the total watches produced in the first half of 2026, over 50% of the watchmaking components were sourced from existing inventory materials, reflecting that this strategy has effectively supported inventory destocking efforts.

Secondly, strengthening marketing and brand promotion is another key focus for Ernest Borel Group's future development. Ernest Borel Group has enhanced the planning and execution of marketing activities, and has provided targeted market support to its sales teams through integration of online and offline channels, participation in trade exhibitions, and regional promotional campaigns:

1. **Offline retail store promotion:** Ernest Borel Group continued to drive promotional efforts of its retail stores across various regions in China, offering attractive discounts and promotional campaigns in line with festive seasons and market demand, while concurrently upgrading store design, product display and service quality to enhance overall retail image.

2. **Integrated online and offline marketing:** Ernest Borel Group actively drove online-and-offline synergy, leveraging both traditional and new media resources to boost brand exposure and outreach, with particular emphasis on young consumers, thereby further elevating brand awareness and favorability.

3. **Brand promotion:** Ernest Borel Group continued to uphold "Romance" and "Couples" as its core brand attributes, reinforcing brand storytelling and emotional value through copywriting, imagery, video content and other diversified means to foster stronger emotional resonance and purchase intent among customers. In particular, when targeting young consumers, Ernest Borel Group launched designs that align with contemporary aesthetics to attract the attention of Gen Z and emerging middle-class customers segments. Furthermore, Ernest Borel Group continued to optimise its supply chain management to ensure products respond promptly to market demand and improve product turnover efficiency. As consumption patterns continued to shift towards online channels, in 2026, the e-commerce business expanded its collaboration with livestreaming platforms and partner distribution channels to strengthen brand publicity, marketing promotion and sales conversion, thereby enhancing online customer confidence and shopping experience.

Finally, regarding its smartwatch manufacturing business, Ernest Borel Group began phasing out aging and obsolete machinery in June this year, and has been progressively procuring new multi-functional equipment and rolling out new production plans, with a view to securing orders for optical modules and thermal components and related products to expand its product portfolio and diversify its production capabilities. Business operations on several mainstream platforms have been successfully launched, and it is anticipated that e-commerce business will gradually stabilise and continue to trend positively in the second half of the year.

Through these comprehensive measures, Ernest Borel Group aims to enhance its market competitiveness, achieve sustainable growth, and lay a solid foundation for future business development.

I.C Non-proprietary Brands

Currently, the Group held four distribution companies. Collectively, distribution companies contributed revenue and net loss after tax for the six months ended 30 June 2026 of HK$33,892,000 (six months ended 30 June 2025: HK$38,942,000) and HK$2,291,000 (six months ended 30 June 2025: HK$1,927,000) respectively.

I.D Others

Other non-major subsidiaries of the Group also engaged in other non-major categories of watches, timepieces and watch accessories businesses, which collectively contributed revenue and net loss after tax for the six months ended 30 June 2026 of HK$22,193,000 (six months ended 30 June 2025: HK$19,438,000) and HK$6,918,000 (six months ended 30 June 2025: HK$2,628,000) respectively.

Outlook

Looking ahead to the second half of 2026, amid a complex business environment, the Group will focus on its full-year operational goals by addressing weaknesses, honing strengths and expanding growth drivers. Through targeted strategies, solid measures and efficient execution, the Group will strive to fulfill its annual budget targets, with a view to comprehensively enhancing its operational efficiency. Key initiatives include: (1) anchoring annual operational goals and tackling challenges at various levels to close performance gaps; (2) focusing on product innovation to build differentiated competitive advantages; (3) achieving breakthroughs through omnichannel marketing to tap into growth markets across multiple fronts; (4) stepping up precision manufacturing to cultivate a second growth curve; (5) expanding cultural and tourism formats to enhance sustainable operating capabilities; and (6) deepening refined management to control costs, boost efficiency and reinforce the profit foundation.

II. Banking and Financial Businesses

II.A Bendura Bank AG

Revenue of Bendura Bank AG ("Bendura Bank" or the "Bank") for the six months ended 30 June 2026 was HK$276,987,000, representing an increase of HK$33,767,000 or 13.9% from HK$243,220,000 for the same period last year. Net profit after tax attributable to owners of the Company was HK$58,277,000, representing an increase of HK$12,564,000 or 27.5% from HK$45,713,000 for the same period of 2025.

Net commission and service fee income also increased during the reporting period, primarily driven by the continued growth in Assets under Management (AuM).

Operating expenses (including personnel expenses and general expenses) amounted to HK$186,625,000 during the reporting period, representing an increase of 10.8% from HK$168,460,000 for the same period last year. Personnel expenses remained generally stable, while general expenses rose slightly. Nevertheless, driven by the increase in operating income, the cost-to-income ratio (CIR) improved from 69% as at 30 June 2025 to 66% as at 30 June 2026.

As at 30 June 2026, total assets amounted to CHF1,800 million, representing an increase of CHF196 million as compared to 31 December 2025.

As at the end of June 2026, AuM amounted to approximately CHF4.6 billion, representing a net increase of CHF500 million as compared to end of December 2025, primarily driven by the Net New Money (NNM) inflow of CHF282 million recorded during the reporting period. In the wealth management business, AuM for discretionary portfolio management and advisory mandates exceeded CHF500 million for the first time, reaching approximately CHF548 million.

Strategy and Transformation

In the first half of 2026, the Bank continued to advance its strategic transformation agenda under the HORIZON program. One of the key milestones was the migration of all processes from Adonis to Zazoon (Governance, Risk and Compliance tool), which provided a centralised platform for managing processes, risks, controls, and compliance requirements.

Bendura Bank achieved further progress in digitalisation, including preparatory work for the implementation of electronic signatures, the Evooq wealth management platform, and the deployment of Microsoft 365. Phase One of the "Voice of the Customer" project had been completed, and a central knowledge-sharing platform – EXPERTISE@Bendura had also been launched to support internal collaboration. In addition, the Bank had completed a review of its pricing mechanisms and third-party procurement processes, with the corresponding enhancement measures to be implemented in the second half of the year.

Awards and Recognition

During the reporting period, the Bank's brand and investment capabilities received notable external accolades. Bendura Bank was honoured with three awards at the German Brand Award 2026 in the categories of Brand Design – Product Brand, Brand Innovation of the Year, and Excellent Brands – Banking and Financial Services respectively. In addition, the EURO Balanced Discretionary Portfolio Management Strategy was awarded a five-star rating by the Institute for Wealth Creation (Institut für Vermögensaufbau – IVA), achieving an overall score of 89%, significantly exceeding the certification threshold of 75%.

Outlook

Looking back on the first half of 2026, the Bank achieved positive results, including sustained strong momentum in new client acquisition, continued growth in AuM, and substantial progress on its transformation agenda under the HORIZON program. The launch of the new digital platform, the enhanced brand image resulting from award-winning marketing campaigns, and the introduction of innovative client engagement initiatives such as the BENDURA Women's Circle collectively further consolidated the Bank's position as a trusted boutique banking partner.

Looking ahead to the second half of 2026, a number of strategic initiatives will enter their next phase. The official launch of the Evooq wealth management platform is expected to further enhance the Bank's discretionary portfolio management and advisory service capabilities. Meanwhile, the ongoing deployment of Zazoon Governance, Risk and Compliance platform, together with the finalisation of the revised anti-money laundering operating procedures, will further strengthen the Bank's governance and control environment.

The Bank will also continue to prioritise client engagement and market visibility through scalable marketing capabilities, expanded digital client acquisition channels, and high-profile flagship events—including the second BENDURA Women's Circle to be held in September and the preliminary preparations for the 2027 annual polo event. Phase Two of the "Voice of the Customer" initiative will also broaden the scope of client insights, thereby laying a more solid foundation for further service optimisation.

Underpinned by a robust capital and liquidity position, as well as a dedicated team of professionals, the Bank remains confident in its strategic direction. Management is committed to pursuing sustainable growth, deepening client relationships, and creating long-term value for stakeholders.

III. Various Investment Businesses

III.A Listed Equity Investment

As at 30 June 2026, financial assets at fair value through other comprehensive income of the Group was HK$298,416,000.

(1) Citychamp Dartong Advanced Materials Co., Ltd

HK$30,651,000 was related to the listed equity investment in the equity share of Citychamp Dartong Advanced Materials Co., Ltd ("Citychamp Dartong"). Citychamp Dartong is a company listed on the Shanghai Stock Exchange (Stock code: 600067) and is mainly engaged in electromagnetic wire, real estate and new energy, and other businesses. As at 30 June 2026, the Group owned 9,154,370 shares of Citychamp Dartong at the market price of RMB2.90 per share (equivalent to HK$3.35 per share) with the fair value of HK$30,651,000. The shares held by the Group accounted for 0.66% of the total issued share capital of Citychamp Dartong as at 30 June 2026. Such fair value accounted for 0.14% of the Group's total assets.

For the six months ended 30 June 2026, the Group received HK$288,000 dividend income from Citychamp Dartong.

(2) Min Xin Holdings Limited

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

Min Xin is a company engaged in financial services, insurance, property investment and strategic investment. As at 30 June 2026, the investment in Min Xin was HK$261,975,000, i.e. 74,850,000 shares at the market price of HK$3.50 per share as at 30 June 2026. Such fair value of the investment accounted for 1.18% of the Group's total assets. The shares held by the Company accounted for 12.53% of the total issued share capital of Min Xin as at 30 June 2026.

For the six months ended 30 June 2026, the Group received HK$5,988,000 dividend income from Min Xin.

Besides, the Group also held 7,106,000 shares of Min Xin as at 30 June 2026, which is classified as trading portfolio investments.

III.B Property Investment

The property in Mainland China and Hong Kong owned by the Group have been leased out, with stable rental returns to the Group. During the period, these investment properties generated rental income of HK$10,944,000 (six months ended 30 June 2025: HK$8,943,000). Net profit after tax from the property investment business for the six months ended 30 June 2026 was HK$9,648,000 (six months ended 30 June 2025: HK$7,692,000).

FINANCIAL POSITION

(1) Liquidity, Financial Resources and Capital Structure

As at 30 June 2026, the Group had non-pledged cash and bank balances of approximately HK$3,072,326,000 (31 December 2025: HK$4,038,423,000). Based on the borrowings of HK$460,144,000 (31 December 2025: HK$530,266,000), due to directors of HK$106,529,000 (31 December 2025: HK$78,075,000), due to a related company of HK$161,713,000 (31 December 2025: HK$153,213,000), due to an associate of HK$63,378,000 (31 December 2025: HK$44,252,000) and shareholders' equity of HK$3,927,061,000 (31 December 2025: HK$3,934,903,000), the Group's gearing ratio (being borrowings plus due to a shareholder plus due to directors plus due to a related company and due to an associate divided by shareholders' equity) was 20.2% (31 December 2025: 20.5%).

(2) Charge on Assets

As at 30 June 2026, the Group's borrowings were mainly secured by:

(a) corporate guarantee provided by certain non-banking and financial subsidiaries within the Group;

(b) equity interest of certain non-banking and financial subsidiaries within the Group; and

(c) a legal charge over the Group's non-banking and financial businesses' land and buildings with the carrying amount of HK$161,320,000 (31 December 2025: HK$161,145,000).

(d) details are set out in note 19 to the unaudited condensed consolidated interim financial information.

FINANCIAL REVIEW

(1) Total Assets

Total assets increased to HK$22,274,470,000 as at 30 June 2026 from HK$20,597,626,000 as at 31 December 2025.

Cash and deposits

	30 June 2026	31 December 2025	Decrease Amount	
	HK$'000	*HK$'000*	*HK$'000*	%
Cash and bank balance	**41,317**	46,131	(4,814)	-10.4
Cash held on behalf of clients	**32,283**	37,078	(4,795)	-12.9
Sight deposits with central banks	**3,031,009**	3,992,292	(961,283)	-24.1

Due from banks

	30 June 2026	31 December 2025	Increase/ (decrease) Amount	
	HK$'000	*HK$'000*	*HK$'000*	%
Due from banks on a daily basis	**4,715,602**	2,574,965	2,140,637	83.1
Due from banks other claims	**72,439**	68,805	3,634	5.3
Due from banks – precious metal	**375,456**	375,370	86	0.0
Valuation adjustments	**(464)**	(252)	(212)	-84. 1

(2) Investments

The investment as at 30 June 2026 included (a) trading portfolio investments of HK$47,847,000; (b) derivative financial assets of HK$14,030,000; (c) other financial assets at amortised cost of HK$5,543,891,000; and (d) financial assets at fair value through other comprehensive income of HK$298,416,000 (the "Investments").

(a) Trading portfolio investments of HK$47,847,000

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Equity Instruments		
Listed equity instruments in Hong Kong at market value	**26,947**	25,837
Listed equity instruments outside Hong Kong at market value	**222**	214
Total equity instruments	**27,169**	26,051
Debt instruments		
Unlisted debt instruments of financial institutions	**237**	260
Investment fund units		
Unlisted investment fund units	**20,441**	19,956
Total trading portfolio investments	**47,847**	46,267

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

As at 30 June 2026, there were HK$26,947,000 invested in a variety of listed equities in Hong Kong.

The debt instruments of HK$237,000 invested in the Mainland China by PRC company.

Trading assets of CHF0.9 million (equivalent to HK$8,911,000) represents the single investment by Bendura Bank in the form of an unlisted investment fund. Bendura Bank acquired above trading assets from a professional counterparty in March 2019. The investment policy of Bendura Bank AG includes strict implementation of the investment process and is subject to constant review by the investment committee.

(b) Derivative financial assets of HK$14,030,000

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Forward and option contracts	**14,030**	4,120

In the derivative financial assets of HK$14,030,000, there were forward and option contracts conducted by Bendura Bank.

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

(c) Other financial assets at amortised cost of HK$5,543,891,000

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Listed debt instruments, at amortised cost		
Issued by:		
Governments and public sector	**4,746,494**	4,426,746
Financial institutions	**480,350**	443,577
Corporations	**317,047**	361,925
	5,543,891	5,232,248

As at 30 June 2026, Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK$5,543,891,000. The portfolio was composed of 60 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium grade and are subject to low credit risk. The average remaining term of the held-to-maturity investment is 2.93 years, while the modified duration of the portfolio is only 0.44%. Largest single investments are bonds issued by Treasury Bills issued by the U.S. government maturing in July 2026 (CHF141 million) and August 2026 (CHF129 million). Both issuers are F1 + u rated respectively. Risk concentration is analysed and presented to the senior management on a monthly basis.

Relatively major listed debt instruments as at 30 June 2026 are as follows:

Issuer	**Nature of interest rate**	**Sector**	**Maturity date**	**Value**
				(CHF'000)
Euro Stability Mechanism	Fixed	General governments	05 September 2028	**6,633**
DBS Bank Ltds	Fixed	Financial corporations	26 October 2026	**8,079**
Euro Stability Mechanism	Fixed	General governments	15 December 2026	**11,878**
Euro Stability Mechanism	Fixed	General governments	15 December 2026	**29,259**
Treasury Bill	Zero	General governments	10 September 2026	**40,105**
Treasury Bill	Zero	General governments	24 September 2026	**128,141**
Treasury Bill	Zero	General governments	20 August 2026	**128,617**
Treasury Bill	Zero	General governments	16 July 2026	**141,158**
Others				**77,822**
Total				**571,692**
HKD Equivalent to (in '000)				**5,543,891**

Collectively, listed debt instruments at amortised cost accounted for 24.9% of the Group's total assets.

As at 31 December 2025, Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK$5,232,248,000. The portfolio was composed of 47 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium grade and are subject to low credit risk. The average remaining term of the held-to-maturity investment is 2.15 years. Largest single investments are Treasury Bills issued by the U.S. government maturing in March 2026 (CHF126 million) and January 2026 (CHF119 million). Both issues are F1 + u rated. Risk concentration is analysed and presented to the senior management on a monthly basis.

Relatively major listed debt instruments as at 31 December 2025 are as follows:

Issuer	**Nature of interest rate**	**Sector**	**Maturity date**	**Value**
				(CHF'000)
Dbs Bank Ltd	Fixed	Financial corporations	26 October 2026	7,922
Euro Stability Mechanism	Fixed	General governments	15 December 2026	11,862
Euro Stability Mechanism	Fixed	General governments	15 December 2026	29,200
Treasury Bill	Zero	General governments	17 March 2026	39,319
Treasury Bill	Zero	General governments	8 January 2026	39,580
Treasury Bill	Zero	General governments	13 January 2026	79,120
Treasury Bill	Zero	General governments	15 January 2026	118,646
Treasury Bill	Zero	General governments	24 March 2026	125,769
Others				81,522
Total				532,940
HKD Equivalent to *(in '000)*				5,232,248

Collectively, listed debt instruments, at amortised cost accounted for 25.4% of the Group's total assets.

(d) Financial assets at fair value through other comprehensive income of HK$298,416,000

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Listed equity instruments in Hong Kong	**261,975**	292,474
Listed equity instruments outside Hong Kong	**30,651**	42,268
Unlisted equity investment	**5,790**	5,580
	298,416	340,322

Listed equity instruments of HK$30,651,000 related to investment in Citychamp Dartong and HK$261,975,000 related to investment in Min Xin. Details of investments in Citychamp Dartong and Min Xin are set out on division III.A of this management discussion and analysis.

(3) Total Liabilities

Total liabilities increased to HK$18,196,030,000 as at 30 June 2026 from HK$16,509,406,000 as at 31 December 2025, mainly attributable to increase in due to clients.

Due to clients

	30 June 2026	31 December 2025	Increase/ (decrease) Amount	
	HK$'000	*HK$'000*	*HK$'000*	*%*
Due to clients – precious metals	**375,414**	375,325	89	0.0
Other amounts due to clients, mainly bank deposits	**16,022,124**	14,350,722	1,671,402	11.6

(4) Gross Profit from Non-banking and Financial Businesses

Gross profit from non-banking and financial businesses was HK$115,086,000, a decrease of HK$10,177,000 or 8.1%.

(5) EBITDA

EBITDA was HK$134,838,000, an increase of HK$120,622,000 or 848.5%.

(6) Selling and Distribution Expenses

Total selling and distribution expenses was HK$93,515,000, a decrease of HK$15,871,000 or 14.5%.

(7) Administrative Expenses

Total administrative expenses was HK$307,194,000, an increase of HK$4,875,000 or 1.6%.

(8) Finance Costs from Non-banking Business

Finance costs from non-banking business was HK$27,408,000, representing an increase of HK$5,626,000 or 25.8%. It was composed of the interest charged on bank borrowings, bank overdrafts and lease liabilities.

(9) Net Profit/(Loss) Attributable to Owners of the Company

Net profit attributable to owners of the Company was HK$51,512,000 (six months ended 30 June 2025: net loss of HK$42,045,000).

(10) Inventories

Inventories was HK$1,420,512,000, a decrease of 2.0% from HK$1,449,260,000 as at 31 December 2025.

(11) Events after Reporting Period

Details of the significant events after the end of the reporting period of the Group are set out in note 20 to the unaudited condensed consolidated interim financial information contained in this announcement.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Interest income from banking business		**263,006**	230,155
Interest expenses from banking business		**(120,157)**	(102,488)
Net interest income from banking business	4a	**142,849**	127,667
Service fees and commission income from banking business		**131,076**	107,831
Service fees and commission expenses from banking business		**(16,857)**	(14,365)
Net service fees and commission income from banking business	4b	**114,219**	93,466
Trading income from banking business	4c	**19,299**	20,941
Service fees and commission income from financial business	4d	**59**	24
Interest income from financial business	4d	**561**	1,122
Sales of goods from non-banking and financial businesses	4e	**246,133**	271,529
Rental income from non-banking and financial businesses	4e	**10,944**	8,943
Total revenue		**534,064**	523,692
Cost of sales from non-banking and financial businesses		**(141,991)**	(155,209)
Other ordinary income and other net gains or losses	5	**89,316**	18,010
Selling and distribution expenses		**(93,515)**	(109,386)
Administrative expenses		**(307,194)**	(302,319)
Share of profit of associates		**4,217**	4,147
Finance costs from non-banking and financial businesses	6	**(27,408)**	(21,782)
Profit/(loss) before income tax	7	**57,489**	(42,847)
Income tax expense	8	**(9,831)**	(8,802)
Profit/(loss) for the period		**47,658**	(51,649)

	Notes	Six months ended 30 June **2026** *HK$'000* **(Unaudited)**	2025 *HK$'000* (Unaudited)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
– Change in fair value of financial assets at fair value through other comprehensive income	12	**(26,743)**	(13,564)
– Remeasurement of net defined benefit obligation		**3,266**	2,863
		(23,477)	(10,701)
Item that may be subsequently reclassified to profit or loss			
– Exchange differences on translation to presentation currency		**(37,478)**	302,386
		(37,478)	302,386
Other comprehensive income for the period		**(60,955)**	291,685
Total comprehensive income for the period		**(13,297)**	240,036
Profit/(loss) for the period attributable to:			
Owners of the Company		**51,512**	(42,045)
Non-controlling interests		**(3,854)**	(9,604)
		47,658	(51,649)
Total comprehensive income for the period attributable to:			
Owners of the Company		**(7,956)**	244,196
Non-controlling interests		**(5,341)**	(4,160)
		(13,297)	240,036
Earnings/(loss) per share attributable to owners of the Company for the period			
– Basic	10	**HK1.18 cent**	(HK0.97 cent)
– Diluted		**HK1.18 cent**	(HK0.97 cent)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026** **HK$'000** **(Unaudited)**	31 December 2025 HK$'000 (Audited)
Assets			
Cash and deposits		**3,104,609**	4,075,501
Due from clients		**3,344,709**	3,125,949
Due from banks		**5,163,033**	3,018,888
Trading portfolio investments	11	**47,847**	46,267
Financial assets at fair value through other comprehensive income	12	**298,416**	340,322
Financial assets at fair value through profit or loss		**–**	35,810
Derivative financial assets		**14,030**	4,120
Trade receivables	13	**330,639**	315,101
Other financial assets at amortised cost	14	**5,543,891**	5,232,248
Inventories	15	**1,420,512**	1,449,260
Interests in joint ventures		**496**	496
Interests in associates		**100,473**	96,255
Property, plant and equipment		**1,133,192**	1,179,690
Investment properties		**289,451**	285,910
Intangible assets	16	**67,087**	69,875
Goodwill	17	**947,218**	936,460
Deferred tax assets		**12,030**	11,017
Other assets		**456,837**	374,457
Total assets		**22,274,470**	20,597,626

	Notes	**30 June 2026** *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Liabilities			
Due to banks		**42,787**	–
Due to clients		**16,397,538**	14,726,047
Derivative financial liabilities		**3,395**	10,078
Trade payables	18	**137,339**	155,650
Contract liabilities		**22,146**	32,454
Income tax payables		**50,496**	39,743
Borrowings	19	**460,144**	530,266
Provisions		**3,543**	3,575
Lease liabilities		**40,640**	50,501
Deferred tax liabilities		**60,571**	60,701
Due to directors		**106,529**	78,075
Other liabilities		**870,902**	822,316
Total liabilities		**18,196,030**	16,509,406
EQUITY			
Equity attributable to owners of the Company			
Share capital		**435,189**	435,189
Reserves		**3,491,872**	3,499,714
		3,927,061	3,934,903
Non-controlling interests		**151,379**	153,317
Total equity		**4,078,440**	4,088,220
Total liabilities and equity		**22,274,470**	20,597,626

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

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

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

The Unaudited Interim Financial Information for the six months ended 30 June 2026 was approved for issue by the board of directors of the Company on 28 August 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The Unaudited Interim Financial Information has been prepared in accordance with the accounting policies and method of computation used in the 2025 Annual Financial Statements, except for the adoption of the new or amended Hong Kong Financial Reporting Standards ("HKFRSs"), which include individual HKFRSs, HKAS and Interpretations. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective. The Unaudited Interim Financial Information should be read in conjunction with the 2025 Annual Financial Statements. The adoption of the new and amended HKFRS, effective from 1 January 2026 had no material impact on the Group's condensed consolidated interim financial information.

3. SEGMENT INFORMATION

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

(a) manufacturing and distribution of watches and timepieces and watch accessories;

(b) property investments; and

(c) banking and financial businesses.

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

	Six months ended 30 June 2026				
	Watches and timepieces and watch accessories businesses	**Property investments**	**Banking and financial businesses**	**Unallocated**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Segment revenue:					
Net interest income from banking business	–	–	142,849	–	142,849
Net service fees and commission income from banking business	–	–	114,219	–	114,219
Trading income from banking business	–	–	19,299	–	19,299
Service fees and commission income from financial business	–	–	59	–	59
Interest income from financial business	–	–	561	–	561
Sales of goods from non-banking and financial businesses	246,133	–	–	–	246,133
Rental income from non-banking and financial businesses	–	10,944	–	–	10,944
Total revenue	246,133	10,944	276,987	–	534,064
Segment results	(35,930)	9,648	68,990	–	42,708
Unallocated corporate income and expenses, net	–	–	–	37,972	37,972
Share of profit of associates	–	–	–	4,217	4,217
Finance costs for non-banking and financial businesses	(7,686)	–	(259)	(19,463)	(27,408)
Profit/(loss) before income tax	(43,616)	9,648	68,731	22,726	57,489
Income tax expense	(124)	–	(9,674)	(33)	(9,831)
Profit/(loss) for the period	(43,740)	9,648	59,057	22,693	47,658

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

4. REVENUE

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

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

Revenue recognised during the period is as follows:

(a) Net interest income from banking business

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income from banking business arising from:		
Interest income – due from banks	**110,469**	107,932
Interest income – due from clients	**37,109**	16,352
Interest income from mortgage loans	**23,200**	32,336
Interest income from financial assets	**86,724**	65,248
Dividend income from financial assets	**316**	–
Negative interest income on due to clients	**5,188**	8,287
	263,006	230,155
Interest expenses from banking business arising from:		
Interest expense on due to banks	**(1,038)**	(282)
Interest expense on due to clients	**(118,893)**	(101,816)
Negative interest income on due from banks and clients	**(226)**	(390)
	(120,157)	(102,488)
Net interest income from banking business	**142,849**	127,667

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Service fees and commission income from banking business arising from:		
Commission income from loans	**4,425**	2,893
Brokerage fees	**30,401**	20,980
Custody account fees	**19,442**	15,819
Commission on investment advice and asset management	**32,716**	24,969
Commission income from service fees	**11,888**	11,120
Commission income from fiduciary fees	**251**	214
Commission income from retrocession	**1,570**	2,005
Other commission income	**30,383**	29,831
	131,076	107,831
Service fees and commission expenses from banking business	**(16,857)**	(14,365)
Net service fees and commission income from banking business	**114,219**	93,466

(c) Trading income from banking business

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Debt instruments	**1**	16
Forex and precious metals	**20,357**	21,814
Securities	**(1,059)**	(889)
Trading income from banking business	**19,299**	20,941

(d) **Revenue from financial business**

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Service fees and commission income and expenses	**59**	24
Interest income	**561**	1,122
Revenue from financial business	**620**	1,146

(e) **Revenue from non-banking and financial businesses**

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of goods	**246,133**	271,529
Rental income	**10,944**	8,943
Revenue from non-banking and financial businesses	**257,077**	280,472

5. OTHER ORDINARY INCOME AND OTHER NET GAINS OR LOSSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Exchange gain, net	**1,112**	3,124
(Loss)/gain on fair value changes in trading portfolio investments, net *(note 11)*	**(4)**	62
Gain on fair value changes in financial liabilities at fair value through profit or loss	**–**	12,495
Bank and other interest income from non-banking and financial business	**10**	25
Dividend income from financial asset at fair value through other comprehensive income ("FVOCI") *(note 12)*	**6,276**	–
Gain on disposal of property, plant and equipment	**103**	1,399
Government subsidies	**1,340**	188
Gain on disposal of a subsidiary	**59,981**	–
Other sundry income	**20,498**	717
	89,316	18,010

6. FINANCE COSTS FROM NON-BANKING AND FINANCIAL BUSINESSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interests on lease liabilities	**1,416**	2,657
Interests charged on bank borrowings, bank overdrafts and other borrowings	**25,992**	19,125
	27,408	21,782

7. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**46,993**	30,167
Amortisation of intangible assets	**2,948**	5,114

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax for the period		
The People's Republic of China (the "PRC")	**65**	1,571
Liechtenstein	**9,940**	7,722
Switzerland	**92**	–
Deferred tax for the period	**(266)**	(491)
Total income tax expense	**9,831**	8,802

For both the six months ended 30 June 2026 and 2025, no provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong. The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 25% (six months ended 30 June 2025: between 15% and 25%). Overseas tax is calculated at the rates applicable in the respective jurisdictions.

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

9. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. EARNINGS/(LOSS) PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Company for the purpose of calculating basic and diluted earnings/(loss) per share	**51,512**	(42,045)

	Number of shares Six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of shares for the purpose of calculating basic and diluted earnings/(loss) per share	**4,351,889**	4,351,889

11. TRADING PORTFOLIO INVESTMENTS

	30 June	31 December
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Equity instruments		
Listed equity instruments in Hong Kong at market value	**26,947**	25,837
Listed equity instruments outside Hong Kong at market value	**222**	214
Total equity instruments	**27,169**	26,051
Debt instruments		
Unlisted debt instruments of financial institutions	**237**	260
Investment fund units		
Unlisted investments fund units	**20,441**	19,956
Total trading portfolio investments	**47,847**	46,267

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

There is no transfer under the fair value hierarchy classification for the six months ended 30 June 2026 and 2025.

The fair value loss during the period was amounted to HK$4,000 (six months ended 30 June 2025: gain of HK$62,000), which has been recognised in the condensed consolidated statement of comprehensive income as "other ordinary income and other net gains or losses" (note 5) for the six months ended 30 June 2026.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed equity instruments in Hong Kong *(note (a))*	**261,975**	292,474
Listed equity instruments outside Hong Kong *(note (b))*	**30,651**	42,268
Unlisted equity investments	**5,790**	5,580
Total	**298,416**	340,322

Notes:

(a) As at 30 June 2026 and 31 December 2025, the listed equity investments in Hong Kong represented 12.53% and 13.45% equity interest in Min Xin Holdings Limited ("Min Xin Shares") respectively. As at 30 June 2026 and 31 December 2025, the Group held 74,850,000 and 80,350,000 Min Xin Shares respectively. Dividend income of HK$5,988,000 (six months ended 30 June 2025: Nil) was recognised by the Group in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2026.

(b) As at 30 June 2026 and 31 December 2025, the listed equity investments outside Hong Kong represented 0.66% equity interest in Citychamp Dartong Advanced Materials Co., Ltd. ("Citychamp Dartong Shares") listed on the Shanghai Stock Exchange in the PRC. As at 30 June 2026 and 31 December 2025, the Group held 9,154,370 Citychamp Dartong Shares. Dividend income of HK$288,000 (six months ended 30 June 2025:Nil) was recognised by the Group in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2026.

During the six months ended 30 June 2026, the decrease in fair value of financial assets at fair value through other comprehensive income of HK$26,743,000 (six months ended 30 June 2025: decrease in fair value of HK$13,564,000) has been dealt with in other comprehensive income and FVOCI reserve.

13. TRADE RECEIVABLES

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Trade receivables arising from watches, timepieces and watch accessories businesses	**324,538**	309,278
Trade receivables arising from financial business – cash clients	**6,101**	5,823
	330,639	315,101

The Group's trading terms with its customers of watches, timepieces and watch accessories businesses are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of one to six months (31 December 2025: one to six months) for major customers. Each customer has a maximum credit limit. The credit term for customers is determined by the management according to industry practice together with consideration of their creditability. Trade receivables are non-interest bearing.

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

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
1 to 3 months	**70,936**	88,867
4 to 6 months	**28,977**	14,354
Over 6 months	**224,625**	206,057
	324,538	309,278

14. OTHER FINANCIAL ASSETS AT AMORTISED COST

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Listed debt instruments, at amortised cost	**5,543,891**	5,232,248
Issued by:		
Governments and public sector	**4,746,494**	4,426,746
Financial institutions	**480,350**	443,577
Corporations	**317,047**	361,925

15. INVENTORIES

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Raw materials	**182,405**	200,339
Work-in-progress	**585,164**	607,337
Finished goods and merchandise	**652,943**	641,584
	1,420,512	1,449,260

16. INTANGIBLE ASSETS

	Brand names *HK$'000*	**Computer software** *HK$'000*	**Technical know-how** *HK$'000*	**Customer relationship** *HK$'000*	**Total** *HK$'000*
Six months ended 30 June 2026 (Unaudited)					
Opening carrying amount	**48,990**	**1,090**	**18,249**	**1,546**	**69,875**
Amortisation	**–**	**(75)**	**(1,285)**	**(1,588)**	**(2,948)**
Exchange realignment	**(601)**	**41**	**678**	**42**	**160**
Closing carrying amount (Unaudited)	**48,389**	**1,056**	**17,642**	**–**	**67,087**
Year ended 31 December 2025 (Audited)					
Opening carrying amount	42,819	1,181	26,899	8,721	79,620
Amortisation	–	(142)	(3,314)	(6,867)	(10,323)
Impairment loss for the year	–	–	(6,346)	(538)	(6,884)
Exchange realignment	6,171	51	1,010	230	7,462
Closing carrying amount (Audited)	48,990	1,090	18,249	1,546	69,875

As at 30 June 2026 and 31 December 2025, all intangible assets are attributable to watches, timepieces and watch accessories businesses.

17. GOODWILL

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Balance at the beginning of period/year	**936,460**	973,406
Impairment loss during the year	**–**	(125,414)
Exchange realignment	**10,758**	88,468
Balance at the end of period/year	**947,218**	936,460

As at 30 June 2026, goodwill of HK$649,396,000 (31 December 2025: HK$635,229,000) are attributable to watches, timepieces and watch accessories businesses while goodwill of HK$297,822,000 (31 December 2025: HK$301,231,000) are attributable to banking and financial businesses.

18. TRADE PAYABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables arising from watches, timepieces and watch accessories business	**132,764**	151,638
Trade payables arising from financial business		
– Cash clients	**4,575**	4,012
	137,339	155,650

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
1 to 3 months	**59,916**	52,393
4 to 6 months	**9,396**	11,945
Over 6 months	**63,452**	87,300
	132,764	151,638

19. BORROWINGS

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank overdrafts *(note 19.1)*	**20,413**	24,182
Bank borrowings *(note 19.1)*	**317,442**	382,624
Other loans *(note 19.2)*	**122,289**	123,460
	460,144	530,266

19.1 Bank overdrafts and bank borrowings

As at 30 June 2026, the amount of the Group's bank overdrafts and bank borrowings repayable within one year or on demand is HK$292,655,000 (31 December 2025: HK$358,409,000).

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Borrowings payable:		
Within one year	**122,258**	262,011
In the second year	**170,397**	96,398
In the third to fifth year	**45,200**	–
After fifth year	**–**	48,397
	215,597	144,795
	337,855	406,806

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

(i) corporate guarantees provided by certain non-banking and financial subsidiaries within the Group as at 30 June 2026 and 31 December 2025;

(ii) entire equity interest of certain non-banking and financial subsidiaries within the Group as at 30 June 2026 and 31 December 2025;

(iii) subordination deeds signed by the Directors of the Group as at 30 June 2026 and 31 December 2025;

(iv) guarantee provided by the government of certain country as at 30 June 2026 and 31 December 2025;

(v) a legal charge over certain of the Group's property, plant and equipment with the carrying amounts of HK$161,320,000 (31 December 2025: HK$161,145,000) as at 30 June 2026;

(vi) a legal charge over the Group's investment property with the carrying amount of HK$119,334,000 (31 December 2025: HK$119,334,000) as at 30 June 2026;

(vii) a legal charge over the Group's certain financial assets at fair value through other comprehensive income of not less than 23,338,000 shares of Min Xin Holdings Limited as at 30 June 2026 and 31 December 2025;

(viii) a standby letter of credit with the correspondent borrowings' balances as at 30 June 2026 and 31 December 2025; and

(ix) personal guarantee provided by a director of the Company.

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

The directors of the Company are not aware of any breach of covenant for the six months ended 30 June 2026 and up to the date of this result.

19.2 Other loans

As at 30 June 2026, other loans are unsecured, charge at 5% to 12% (31 December 2025: 5% to 12%) per annum and repayable within one year.

20. EVENTS AFTER REPORTING PERIOD

Rights Issue

The Company implemented a rights issue (the "Rights Issue") on the basis of one (1) rights Share (the "Rights Share", being ordinary shares of the Company) for every three (3) existing Shares held on 29 May 2026 (the "Record Date") at the subscription price of HK$0.1 per Rights Share, to raise up to approximately HK$145.1 million by issuing 1,450,629,402 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the qualifying shareholders.

The Rights Issue was undertaken to strengthen the capital base and financial position of the Company by raising equity funding to (i) repay outstanding indebtedness of the Group and (ii) provide general working capital for the Group's operations. The Board considered that fund-raising through the Rights Issue afforded qualifying shareholders an equal opportunity to maintain their respective pro-rata shareholding interests in the Company while enabling the Group to reduce leverage and preserve financial flexibility.

A total of seven valid applications and acceptances under the renounceable provisional allotment letters had been received for a total of 840,658,823 Rights Shares (including the subscription of 815,101,165 shares by Mr. Hon Kwok Lung, Ms. Lam Suk Ying, Full Day Limited and Sincere View International Limited pursuant to the Irrevocable Undertakings, the remaining shares were subscribed by other Qualifying Shareholders), representing approximately 58.0% of the total number of Rights Shares offered under the Rights Issue. No Rights Shares were placed under the private placing of the unsubscribed Rights Shares and the Rights Shares not allotted to the non-qualifying Shareholder(s) on a best efforts basis by Emperor Securities Limited (the placing agent) and/or its sub-placing agent(s) (the "Placing"). Based on the results of acceptance of the Rights Issue and the results of the Placing, a total of 840,658,823 Rights Shares were allotted and issued on 29 July 2026 at the subscription price of HK$0.10 per Share. The aggregate nominal value of the Rights Shares issued was HK$84,065,882.30. The net price per Rights Shares was approximately HK$0.098 per Rights Share, being the Subscription Price of HK$0.10 less estimated costs and expenses of the Rights Issue attributable on a per-Rights-Share basis.

The closing price of the Shares as quoted on the Stock Exchange of the Shares on the Stock Exchange on the date of release of the announcement of the Company in relation to the Rights Issue (i.e. 5 May 2026, also being the date on which the terms of the Rights Issue were fixed) was HK$0.076 per Share.

For details, please refer to the announcements of the Company dated 5 May 2026, 14 July 2026 and 28 July 2026, and the prospectus of the Company dated 25 June 2026.

Save as disclosed in other sections of these unaudited condensed consolidated interim financial information, no significant events occurred subsequent to the end of the reporting period.

PROSPECTS

Amid ongoing global geopolitical conflicts, persistent inflationary pressures, and a complex macroeconomic environment, uncertainties have become increasingly pronounced. Under these pressures, the Chinese economy has maintained steady progress and demonstrated strong resilience.

While domestic consumption has exhibited certain structural bright spots, consumers' sustained inclination towards rational and prudent spending continued to dampen demand for watches, leaving an unsteady foundation for an overall recovery of the industry. In the face of market challenges, the Group's watches business remains committed to advancing its medium- to-long-term operating strategies. Leveraging the synergies of its multi-brand portfolio, IP-driven cultural creativity and product innovation, an omnichannel e-commerce operational system, and the phased outcomes of efficiency gains through refined management, the Group has further reinforced its competitive foundation and believes that it holds a relative advantage during this period of profound industry adjustment. The Group will strive to capture incremental opportunities arising from the transition of market cycle, and build up momentum for its next phase of development.

Looking ahead to the second half of 2026, factors such as market volatility, the monetary policy direction of major economies, evolving regulatory and compliance requirements, and the sustained strength of the Swiss franc, are expected to pose challenges to the operations of Bendura Bank. Bendura Bank will continue to adhere to a prudent and sound business strategy, focusing on core areas including wealth management and investment advisory capabilities, risk management, governance and compliance, operational efficiency, and digitalisation. The Bank will prudently advance its business development in a measured manner while effectively controlling risks and maintaining robust capital and liquidity positions. Management will continue to monitor the external environment and the market developments closely, and enhance execution capabilities and resource allocation efficiency to support the sustainable development of Bendura Bank, thereby creating long-term value for its clients, shareholders and other stakeholders.

EMPLOYEES AND REMUNERATION POLICY

The Group's continued success is underpinned by the exceptional expertise, professionalism and dedication demonstrated by our workforce. As at 30 June 2026, the Group employed approximately 1,500 full-time staff across Hong Kong and Mainland China, together with approximately 150 full-time employees in Europe. Remuneration packages for employees are determined and reviewed on an arm's length basis, having regard to prevailing market conditions and individual performance. In addition, the Group provides a range of other benefits to its employees, including medical insurance and retirement benefits, whilst incentive bonuses are awarded by reference to the Group's operating results and the individual performance of each employee. All of the Group's employees in Hong Kong have enrolled in the mandatory provident fund schemes, whereas employees of the Group's subsidiaries in Mainland China participate in the social insurance scheme administered and operated by the local authorities, with contributions made in accordance with the applicable local laws and regulations. Bendura Bank has also implemented the local state-run Old-age, Survivors, and Disability Insurance (AHV/IV) and the occupational pension scheme (BPVG), ensuring that all employees receive comprehensive coverage.

INTERIM DIVIDEND

The Board has resolved not to distribute an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

CORPORATE GOVERNANCE CODE

During the six months period ended 30 June 2026, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules, except with the details disclosed below:

- **CG Code F.1.3**

  CG Code F.1.3 stipulates that the chairman of the board should attend the annual general meeting. The chairman of the board was unable to attend the annual general meeting of the Company held on 28 May 2026 due to other business engagement. Mr. Siu Chun Wa, the Executive Director and CEO of the Company, presented at the 2026 AGM was elected as the chairman of the 2026 AGM to ensure the effective communication with the Company's shareholders thereat. The Chairman will endeavour to attend all future general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of the Directors, the Directors have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2026.

CORPORATE GOVERNANCE

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any Company's listed securities (whether on the Stock Exchange or otherwise).

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company (the "Audit Committee") has reviewed the Group's unaudited financial statements for the six months ended 30 June 2026. Based on discussions with the management, the Audit Committee was satisfied that the unaudited financial statements for the six months ended 30 June 2026 were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The 2026 interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/citychamp and www.citychampwj.com), and the 2026 Interim Report will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

Our financial performance and strategic initiatives during the period are a reflection of the collective efforts of the Board and the management team in the successful pursuit of our mission. Such results could not have been achieved without the strong leadership provided by the Board and our management team. On behalf of the Company, I would like to take this opportunity to extend my sincere gratitude to our employees, customers, suppliers, bankers, professional advisers, business partners and Shareholders for their unwavering support throughout the period.

By Order of the Board
Citychamp Watch & Jewellery Group Limited
Ho Shuk Han
Company Secretary

Hong Kong, 28 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Hon Kwok Lung, Mr. Siu Chun Wa, Mr. Shi Tao, Mr. Hon Hau Wong, and Mr. Teguh Halim; and the independent non-executive directors of the Company are Dr. Kwong Chun Wai, Michael, Mr. Kam, Eddie Shing Cheuk and Ms. Chan Lai Wa.