



CITYCHAMP

WATCH & JEWELLERY GROUP LIMITED

冠城鐘錶珠寶集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 256

開拓創新 銳意進取

INNOVATION FOR EXCELLENCE

2026
INTERIM REPORT
中期報告

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

HON Kwok Lung BBS (*Chairman*)

SIU Chun Wa (*Chief Executive Officer*)

SHI Tao

HON Hau Wong

Teguh HALIM

Independent Non-Executive Directors

KWONG Chun Wai, Michael

KAM, Eddie Shing Cheuk

CHAN Lai Wa

AUDIT COMMITTEE

KAM, Eddie Shing Cheuk

(*Committee Chairman*)

KWONG Chun Wai, Michael

CHAN Lai Wa

REMUNERATION COMMITTEE

KAM, Eddie Shing Cheuk

(*Committee Chairman*)

HON Kwok Lung

SIU Chun Wa

KWONG Chun Wai, Michael

CHAN Lai Wa

NOMINATION COMMITTEE

HON Kwok Lung (*Committee Chairman*)

SIU Chun Wa

KWONG Chun Wai, Michael

KAM, Eddie Shing Cheuk

CHAN Lai Wa

RISK MANAGEMENT COMMITTEE

Teguh HALIM (*Committee Chairman*)

SIU Chun Wa

SHI Tao

CHIEF FINANCIAL OFFICER

HO Wai Man

COMPANY SECRETARY

HO Shuk Han

AUTHORISED REPRESENTATIVES

HON Kwok Lung

HO Shuk Han

AUDITOR

BDO Limited

Certified Public Accountants and

Registered Public Interest Entity Auditor

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited

Industrial Bank Co., Ltd. Hong Kong Branch

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

REGISTERED OFFICE

P.O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

PRINCIPAL OFFICE

Units 1902–04, Level 19

International Commerce Centre

1 Austin Road West, Kowloon

Hong Kong

STOCK CODE

256

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www.citychamppwj.com

MANAGEMENT DISCUSSION AND ANALYSIS

Our Strategy

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

Financial Highlights

Six months ended 30 June			
	2026 HK\$'000	2025 HK\$'000	Variation %
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 ¹	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 2026 HK\$'000	31 December 2025 HK\$'000	Variation %
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

1. For the purposes of this Interim Report, EBITDA is defined as earnings before interest expenses and other finance costs, taxation, depreciation, amortisation and impairment.

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 businesses. Our Group comprises three key divisions – watches, timepieces and watch accessories businesses, banking and financial businesses, and various investment businesses.

Performance

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 Revenues 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:

Performance (Continued)**I.A LOCAL PROPRIETARY BRANDS – ZHUHAI ROSSINI WATCH INDUSTRY LIMITED (“ROSSINI”) AND EBOHR GROUP (Continued)***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 products 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. As a result, Rossini and EBOHR Group 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 decisions were 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 livestreaming 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.

Performance (Continued)

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

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.

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 in a 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.

Performance (Continued)

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 in the smartwatch manufacturing business.

Firstly, optimising inventory structure constituted one of the key strategies of Ernest Borel Group. In light of the evolving market demand, Ernest Borel Group 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 inventory of materials, 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 at 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.

Performance (Continued)

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

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 customer 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, 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 holds four distribution companies. Collectively, the 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.

Performance (Continued)**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.

Among the non-major subsidiaries of the Group, Guangzhou Five Goat Watch Company Limited, drawing upon its accumulated expertise in precision structural component manufacturing and its 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 above-mentioned 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.

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.

Performance (Continued)

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.

Performance (Continued)

II.A BENDURA BANK AG (Continued)

Strategy and Transformation (Continued)

Bendura Bank achieved further progress in digitalisation, including preparatory work for the implementation of electronic signatures, the Evoq wealth management platform, and the deployment of Microsoft 365. Phase One of the “Voice of the Customer” project was completed, and a central knowledge-sharing platform – EXPERTISE@Bendura was also launched to support internal collaboration. In addition, the Bank 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 Evoq wealth management platform is expected to further enhance the Bank’s discretionary portfolio management and advisory service capabilities. Meanwhile, the ongoing deployment of the 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.

Performance (Continued)

II.A BENDURA BANK AG (Continued)

Outlook (Continued)

The Bank will also continue to prioritise client engagement and market visibility through enhancing scalable marketing capabilities, expanded digital client acquisition channels, and holding high-profile flagship events, including the second BENDURA Women's Circle to be held in September this year 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. The management of Bendura Bank 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.

Performance (Continued)**III.A LISTED EQUITY INVESTMENT (Continued)****(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 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;
- (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); and
- (d) details are set out in note 25 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 HK\$'000	31 December 2025 HK\$'000	Decrease Amount 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 HK\$'000	31 December 2025 HK\$'000	Increase/ (decrease) Amount 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

Financial Review (Continued)**(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.

Financial Review (Continued)**(2) INVESTMENTS (Continued)***(a) Trading portfolio investments of HK\$47,847,000 (Continued)*

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.

Financial Review (Continued)

(2) INVESTMENTS (Continued)

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

	30 June 2026 HK\$'000	31 December 2025 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 other financial assets at amortised cost 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+ rated respectively. Risk concentration is analysed and presented to the senior management on a monthly basis.

Financial Review (Continued)**(2) INVESTMENTS (Continued)***(c) Other financial assets at amortised cost of HK\$5,543,891,000 (Continued)*

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 other financial assets at amortised cost 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 issuers are F1+ rated. Risk concentration is analysed and presented to the senior management on a monthly basis.

Financial Review (Continued)**(2) INVESTMENTS (Continued)***(c) Other financial assets at amortised cost of HK\$5,543,891,000 (Continued)*

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 HK\$'000	31 December 2025 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.

Financial Review (Continued)**(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.

Financial Review (Continued)

(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 26 to the unaudited condensed consolidated interim financial information contained in this report.

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.

Prospects (Continued)

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.

Foreign Exchange Exposure

Certain members of our Group have foreign currency sales, which expose us to foreign currency exchange fluctuation risks. In addition, certain trade receivables, other receivables and deposits, bank balances, other payables and accrued expenses, and our intra-group balances were denominated in foreign currencies.

The Group will monitor foreign exchange trends and will consider hedging significant foreign currency exposure should the need arise.

Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

Save as disclosed above, the Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

Significant Investments

Save as disclosed above, the Group did not have any significant investment during the six months ended 30 June 2026.

Future Plans for Material Investments or Capital Assets

Save as disclosed above, the Group has no future plans for material investments or capital assets as at the date of this report.

Contingent Liabilities

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

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).

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

As at 30 June 2026, the interests or short positions of the Directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(1) LONG POSITIONS IN SHARES OF THE COMPANY

As at 30 June 2026, certain Directors and the chief executive of the Company held long positions in the shares of the Company as follows:

Name of director	Number of shares held					Percentage of shareholding
	Beneficial owner	Corporate interests	Family interests	Total interests		
Hon Kwok Lung	3,500,000	2,440,429,515 ⁽¹⁾	1,374,000 ⁽²⁾	2,445,303,515		56.19%
Shi Tao	100,000	–	–	100,000		0.00%
Hon Hau Wong	1,750,000	–	202,000,000 ⁽³⁾	203,750,000		4.68%
Teguh Halim	3,000,000	–	3,000,000 ⁽⁴⁾	6,000,000		0.14%

Notes:

The percentage of shareholding is calculated on the basis of the Company's issued share capital of 4,351,888,206 shares as at 30 June 2026.

1. The 2,440,429,515 shares comprise of 1,277,392,000 shares held by Full Day Limited ("Full Day"), which is wholly-owned by Mr. Hon Kwok Lung and 1,163,037,515 shares held by Sincere View International Limited ("Sincere View"), which is owned as to 80% by Mr. Hon Kwok Lung and 20% by his spouse.
2. 1,374,000 shares were held by Ms. Lam Suk Ying, spouse of Mr. Hon Kwok Lung.
3. Mr. Hon Hau Wong is deemed to have an interest in 202,000,000 shares which were held by Qiangda Limited, a wholly-owned subsidiary of Fengrong Investment (Hong Kong) Company Limited, which is wholly-owned by Fujian Fengrong Investment Company Limited ("Fujian Fengrong") which is owned as to approximately 31.5% by Ms. Lu Xiaojun, spouse of Mr. Hon Hau Wong.
4. 3,000,000 shares were held by Mr. Teguh Halim's wife.

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

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

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

Notes:

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

Save as disclosed above, as at 30 June 2026, no other person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Shares and Underlying Shares

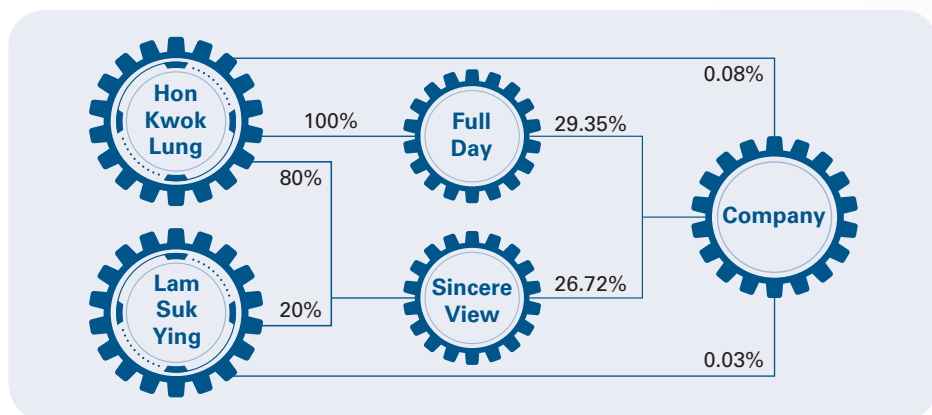
As at 30 June 2026, the following persons held interests of 5% or more of the issued share capital of the Company, as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Nature of Interest	No. of shares held	Approximate percentage of shareholding ⁽¹⁾
Sincere View International Limited	Beneficial owner	1,163,037,515	26.72%
Full Day Limited	Beneficial owner	1,277,392,000	29.35%
Hon Kwok Lung ⁽²⁾	Corporate interest, beneficial owner and family interest	2,445,303,515	56.19%
Lam Suk Ying ⁽²⁾	Beneficial owner and family interest	2,445,303,515	56.19%

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

Notes:

1. The approximate percentage of shareholding is calculated on the basis of the Company's issued share capital of 4,351,888,206 shares as at 30 June 2026.
2. Mr. Hon Kwok Lung and Ms. Lam Suk Ying, his spouse, are deemed to have an interest in the same parcel of 2,445,303,515 shares, which comprise 1,163,037,515 shares held by Sincere View, 1,277,392,000 shares held by Full Day, 3,500,000 shares held by Mr. Hon Kwok Lung and 1,374,000 shares are held by Ms. Lam Suk Ying. The shareholding structure was summarised in the following chart:



Save as disclosed above, as at 30 June 2026, no other person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Corporate Governance

The board of directors (“Board”) and management team are dedicated to maintaining and enhancing high standards of corporate governance. Effective governance extends beyond mere compliance with regulatory codes; it is an essential part of our strategic approach to sustainable growth. To this end, we cultivate a vibrant corporate culture centred around ethical conduct, transparency, and responsible decision-making. The Group 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.

During the six months ended 30 June 2026, the Company 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, 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 prevent 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 enquiries 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.

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

Change in the biographical details of the directors of the Company since the publication of the 2025 annual report is set out below:

- Mr. Kam, Eddie Shing Cheuk was appointed as an independent non-executive director of Great China Holdings (Hong Kong) Limited (a company listed on the Main Board of the Stock Exchange, stock code: 21) on 5 June 2026.

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) (including sale of treasury shares). As at 30 June 2026, no treasury shares were held by the Company.

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 this review and 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 presented the Group's financial position and results for the six months ended 30 June 2026.

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.

Hon Kwok Lung

Chairman

Hong Kong, 28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	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	6a	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	6b	114,219	93,466
Trading income from banking business	6c	19,299	20,941
Service fees and commission income from financial business	6d	59	24
Interest income from financial business	6d	561	1,122
Sales of goods from non-banking and financial businesses	6e	246,133	271,529
Rental income from non-banking and financial businesses	6e	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	7	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	8	(27,408)	(21,782)
Profit/(loss) before income tax	9	57,489	(42,847)
Income tax expense	10	(9,831)	(8,802)
Profit/(loss) for the period		47,658	(51,649)

CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	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	15	(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	12		
– Basic		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	13	3,344,709	3,125,949
Due from banks	13	5,163,033	3,018,888
Trading portfolio investments	14	47,847	46,267
Financial assets at fair value through other comprehensive income	15	298,416	340,322
Financial assets at fair value through profit or loss		–	35,810
Derivative financial assets	16	14,030	4,120
Trade receivables	17	330,639	315,101
Other financial assets at amortised cost	18	5,543,891	5,232,248
Inventories	19	1,420,512	1,449,260
Interests in joint ventures		496	496
Interests in associates		100,473	96,255
Property, plant and equipment	20	1,133,192	1,179,690
Investment properties	21	289,451	285,910
Intangible assets	22	67,087	69,875
Goodwill	23	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

CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

As at 30 June 2026

	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	16	3,395	10,078
Trade payables	24	137,339	155,650
Contract liabilities		22,146	32,454
Income tax payables		50,496	39,743
Borrowings	25	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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

Equity attributable to owners of the Company

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

Equity attributable to owners of the Company

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

Equity attributable to owners of the Company

	Share capital HK\$'000 (Unaudited)	Share premium account* HK\$'000 (Unaudited)	Other reserve* HK\$'000 (Unaudited)	Goodwill arising on consolidation* HK\$'000 (Unaudited)	Statutory reserve* HK\$'000 (Unaudited)
At 1 January 2026 (Audited)	435,189	682,028	(31,558)	(15,300)	106,209
Transactions with owners					
Deemed acquisition of interests in subsidiaries (note 28(b))	-	-	(1,621)	-	-
Deemed disposal of interests in subsidiaries (note 28(a))	-	-	1,735	-	-
Dividend paid to non-controlling interests	-	-	-	-	-
Release of fair value through other comprehensive income reserve upon disposal (note 15(a))	-	-	-	-	-
Total transactions with owners	-	-	114	-	-
Comprehensive income					
Loss for the period	-	-	-	-	-
Other comprehensive income					
Exchange differences on translation to presentation currency	-	-	-	-	-
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-
Remeasurement of net defined benefit obligation	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Appropriation to statutory reserve	-	-	-	-	126
At 30 June 2026 (Unaudited)	435,189	682,028	(31,444)	(15,300)	106,335

* These reserve accounts comprise the consolidated reserves of HK\$3,491,872,000 (31 December 2025: HK\$3,499,714,000) in the condensed consolidated statement of financial position.

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

CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the six months ended 30 June 2026

Equity attributable to owners of the Company

Exchange fluctuation reserve*	Fair value through other comprehensive income reserve**	Revaluation reserve for property, plant and equipment*	Retained profits*	Total	Non- controlling interests	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
105,960	(42,722)	54,374	2,640,723	3,934,903	153,317	4,088,220
-	-	-	-	(1,621)	(2,765)	(4,386)
-	-	-	-	1,735	7,075	8,810
-	-	-	-	-	(907)	(907)
-	4,894	-	(4,894)	-	-	-
-	4,894	-	(4,894)	114	3,403	3,517
-	-	-	51,512	51,512	(3,854)	47,658
(35,928)	-	-	-	(35,928)	(1,550)	(37,478)
-	(26,743)	-	-	(26,743)	-	(26,743)
-	-	-	3,203	3,203	63	3,266
(35,928)	(26,743)	-	54,715	(7,956)	(5,341)	(13,297)
-	-	-	(126)	-	-	-
70,032	(64,571)	54,374	2,690,418	3,927,061	151,379	4,078,440

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Net cash used in operating activities	(488,032)	(2,329,747)
Cash flows from investing activities		
Payment for the purchase of property, plant and equipment	(4,775)	(11,948)
Increase in other financial assets at amortised costs	(328,118)	(962,735)
Proceeds from disposal of property, plant and equipment	576	3,318
Proceeds from disposal of financial assets of fair value through other comprehensive income	15,329	–
Net cash inflow from disposal of subsidiaries	12,621	–
Other cash flows arising from investing activities	10	25
Net cash used in investing activities	(304,357)	(971,340)
Cash flows from financing activities		
Acquisition of non-controlling interests	(4,386)	(4,722)
Disposal of non-controlling interests received	8,810	7,773
Repayments of borrowings	(105,993)	(103,601)
Proceeds from borrowings	30,154	13,346
Advanced from a related company	8,500	–
Repayment to a related company	–	(6,200)
Advanced from associates	42,000	14,340
Repayment to associates	(22,874)	–
Advanced from a shareholder	–	800
Advanced from directors	29,289	1,360
Repayment to directors	(550)	–
Interest paid	(28,823)	(21,782)
Dividend paid to non-controlling interests	(907)	(767)
Net cash used in financing activities	(44,780)	(99,453)
Net decrease in cash and cash equivalents	(837,169)	(3,400,540)
Cash and cash equivalents at the beginning of the period (note)	4,014,241	3,694,694
Effect of foreign exchange rates changes	(125,160)	774,450
Cash and cash equivalents at the end of the period (note)	3,051,912	1,068,604

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. General Information

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

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

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

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

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

2. Basis of Preparation

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

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

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

For the six months ended 30 June 2026

3. Summary of Material Accounting Policy Information

The Unaudited Interim Financial Information has been prepared in accordance with the accounting policies and method of computation used in the 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.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

Estimated impairment of goodwill

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

For the six months ended 30 June 2026

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

Provision for inventories

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

Depreciation and amortisation

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

Estimated impairment of trade and other receivables

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

For the six months ended 30 June 2026

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

Impairment assessment of non-financial assets

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

Income taxes

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

For the six months ended 30 June 2026

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

Estimation of defined benefit obligations

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

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

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

For the six months ended 30 June 2026

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

Lease – estimating the incremental borrowing rate

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

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

Fair value measurement

A number of assets and liabilities included in the Group’s condensed consolidated financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group’s financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the “fair value hierarchy”):

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

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

For the six months ended 30 June 2026

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

Fair value measurement (Continued)

The Group measures the following items at fair value:

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

5. Segment Information

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

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

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

5. Segment Information (Continued)

Six months ended 30 June 2026					
	Watches and timepieces and watch accessories businesses HK\$'000 (Unaudited)	Property investments HK\$'000 (Unaudited)	Banking and financial businesses HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue:					
Net interest income from banking business	-	-	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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

5. Segment Information (Continued)

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

6. Revenue

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

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

Revenue recognised during the period is as follows:

(a) Net interest income from banking business

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

6. Revenue (Continued)

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

Six months ended 30 June		
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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 HK\$'000 (Unaudited)	2025 HK\$'000 (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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

6. Revenue (Continued)

(d) Revenue from financial business

Six months ended 30 June		
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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 HK\$'000 (Unaudited)	2025 HK\$'000 (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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

7. Other Ordinary Income and Other Net Gains or Losses

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Exchange gain, net	1,112	3,124
(Loss)/gain on fair value changes in trading portfolio investments, net (note 14)	(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 15)	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

8. Finance Costs From Non-Banking and Financial Businesses

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

9. Profit/(Loss) Before Income Tax

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

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

10. Income Tax Expense

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Current tax for the period		
Chinese Mainland	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 Chinese Mainland 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 Chinese Mainland withholding tax at the rate of 5% in respect of dividend income derived from Chinese Mainland incorporated company.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

11. 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).

12. 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 HK\$'000 (Unaudited)	2025 HK\$'000 (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 '000 (Unaudited)	2025 '000 (Unaudited)
Weighted average number of shares for the purpose of calculating basic and diluted earnings/(loss) per share	4,351,889	4,351,889

The diluted loss per share is the same as the basic loss per share as the Group has no dilutive potential ordinary shares for the six months ended 30 June 2026 and 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

13. Due from Banks and Clients

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Due from clients – mortgage loans	1,702,766	1,757,681
Due from clients – other	1,683,557	1,405,016
Valuation adjustments for default risk	(41,614)	(36,748)
Total due from clients	3,344,709	3,125,949
Due from banks on a daily basis	4,715,602	2,574,965
Due from banks other claims	72,440	68,805
Due from banks – precious metals	375,456	375,370
Valuation adjustments for default risk	(465)	(252)
Total due from banks	5,163,033	3,018,888

14. Trading Portfolio Investments

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

14. Trading Portfolio Investments (Continued)

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

There is no transfer under the fair value hierarchy classification for the six months ended 30 June 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 7) for the six months ended 30 June 2026.

15. Financial Assets at Fair Value Through Other Comprehensive Income

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (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. The relevant cumulative losses of HK\$4,894,000 (six months ended 30 June 2025: Nil) was released and transferred to retained profits within equity upon the disposal of Min Xin Shares during 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 Company Limited (“Citychamp Dartong Shares”) listed on the Shanghai Stock Exchange in Chinese Mainland. 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: HK\$13,564,000) has been dealt with in other comprehensive income and FVOCI reserve.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

16. Derivative Financial Instruments

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Derivative financial assets		
Forward and option contracts	14,030	4,120
Derivative financial liabilities		
Forward and option contracts	3,395	10,078

Forward and option contracts arising in banking business

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

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

30 June 2026			
	Nominal amount HK\$'000 (Unaudited)	Assets HK\$'000 (Unaudited)	Liabilities HK\$'000 (Unaudited)
Non-hedging instruments			
– Currency derivatives	2,752,620	14,030	(3,395)

31 December 2025			
	Nominal amount HK\$'000 (Audited)	Assets HK\$'000 (Audited)	Liabilities HK\$'000 (Audited)
Non-hedging instruments			
– Currency derivatives	4,038,776	4,120	(10,078)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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For the six months ended 30 June 2026

17. 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

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18. 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

19. 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

20. Property, Plant and Equipment

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of HK\$4,775,000 (six months ended 30 June 2025: HK\$16,067,000). During the period, the Group has entered into several leases for offices and shops with right-of-use assets amounted to approximately HK\$94,000 (six months ended 30 June 2025: HK\$403,000) recognised. Property, plant and equipment of HK\$6,788,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: HK\$1,028,000).

As at 30 June 2026, property, plant and equipment with an aggregate carrying amount of HK\$161,320,000 (31 December 2025: HK\$161,145,000) have been pledged to secure banking facilities granted to the Group (note 25).

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For the six months ended 30 June 2026

21. Investment Properties

As at 30 June 2026, the Group has not obtained the relevant title certificates for investment properties with an aggregate carrying amount of HK\$44,925,000 (31 December 2025: HK\$44,925,000). The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these investment properties. The directors are now in process of obtaining the title certificates from the relevant government authorities.

As at 30 June 2026, investment properties with an aggregate carrying amount of HK\$119,334,000 (31 December 2025: HK\$119,334,000) have been pledged to secure banking facilities granted to the Group (note 25).

22. 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.

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For the six months ended 30 June 2026

23. Goodwill

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (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.

24. Trade Payables

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

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24. Trade Payables (Continued)

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

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (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

25. Borrowings

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Bank overdrafts (note 25.1)	20,413	24,182
Bank borrowings (note 25.1)	317,442	382,624
Other loans (note 25.2)	122,289	123,460
	460,144	530,266

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25. Borrowings (Continued)

25.1 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 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (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;

For the six months ended 30 June 2026

25. Borrowings (Continued)

25.1 Bank overdrafts and bank borrowings (Continued)

- (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 interim report.

25.2 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.

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26. 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.

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27. Related Party Transactions

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

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

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Purchases of goods	5,511	536

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

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Dividend receivable from an associate [#]	–	10,000
Due from an associate (note (a)) [#]	24,876	52,750
Trade receivables from associates	7,261	3,983
Due from related companies (note (b)) [#]	1,065	1,065
Trade payables to associates	14,042	28,252
Due to directors (note (c))	106,529	78,075
Due to a related company (note (d)) [*]	161,713	153,213
Due to an associate (note (e)) [*]	63,378	44,252

[#] Included in other assets

^{*} Included in other liabilities

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27. Related Party Transactions (Continued)

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

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

Notes:

- (a) The balance was unsecured, interest-free and repayable on demand. The maximum outstanding balance of amounts due from associates during the period was HK\$24,876,000 (31 December 2025: HK\$52,750,000).
- (b) The amounts were due from companies of which Ms. Sit Lai Hei, former director, and Mr. Hon Hau Wong, director of the Company are also the directors of the related companies. The balance was unsecured, interest-free and repayable on demand. The maximum amount outstanding during the period was HK\$1,065,000 (31 December 2025: HK\$1,065,000).
- (c) As at 30 June 2026, amounts due to directors of the Company were unsecured, interest bearing 5% to 8% per annum and repayable within one year. During the six months ended 30 June 2026, interest expense of HK\$3,047,000 (30 June 2025: HK\$2,926,000) was payable to the directors.
- (d) As at 30 June 2026, amounts due to a related company of aggregate principal amount of HK\$161,713,000 (31 December 2025: HK\$153,213,000) was unsecured, interest bearing at 8% per annum and repayable within one year. The related company is controlled by Mr. Hon Kwok Lung, a director of the Company.
- (e) As at 30 June 2026, amounts due to an associate of aggregate principal amount of HK\$63,378,000 (31 December 2025: HK\$44,252,000) was unsecured, interest bearing at 7% to 9% per annum and repayable within one year.

(iii) Financial guarantee provided to Fair Future Industrial Limited, an associate of the Group

As at 30 June 2026, the Group has provided a corporate guarantee in respect of a banking facility of up to HK\$55,000,000 (31 December 2025: HK\$55,000,000) granted to Fair Future. The corporate guarantee is ending on the expiry of the term of the revolving loan facility.

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

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For the six months ended 30 June 2026

27. Related Party Transactions (Continued)

27.2 Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Short-term employee benefits	5,140	4,764
Post-employment benefits	129	124
	5,269	4,888

28. Transactions with Non-Controlling Interests

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

In April 2026, Bendura Group issued 912 equity shares of Bendura Bank at cost CHF884,000 (equivalent to HK\$8,810,000). Following the issue, the Company's effective equity interest in Bendura Group decreased by 0.49%. The Group recognised an increase in non-controlling interests of HK\$7,075,000 and an increase in equity attributable to owners of the Company of HK\$1,735,000.

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

(i) In January 2026, Bendura Group repurchased 7 equity shares of Bendura Bank at cost CHF7,000 (equivalent to HK\$69,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by less than 0.01%. The Group recognised a decrease in non-controlling interests of HK\$47,000 and a decrease in equity attributable to owners of the Company of HK\$22,000.

(ii) In March 2026, Bendura Group repurchased 5 equity shares of Bendura Bank at cost CHF5,000 (equivalent to HK\$50,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by less than 0.01%. The Group recognised a decrease in non-controlling interests of HK\$31,000 and a decrease in equity attributable to owners of the Company of HK\$19,000.

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28. Transactions with Non-Controlling Interests (Continued)

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

- (iii) In March 2026, Bendura Group repurchased 12 equity shares of Bendura Bank at cost CHF12,000 (equivalent to HK\$121,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.01%. The Group recognised a decrease in non-controlling interests of HK\$77,000 and a decrease in equity attributable to owners of the Company of HK\$44,000.
- (iv) In April 2026, Bendura Group repurchased 174 equity shares of Bendura Bank at cost CHF169,000 (equivalent to HK\$1,769,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.09%. The Group recognised a decrease in non-controlling interests of HK\$1,051,000 and a decrease in equity attributable to owners of the Company of HK\$718,000.
- (v) In May 2026, Bendura Group repurchased 37 equity shares of Bendura Bank at cost CHF35,000 (equivalent to HK\$379,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.02%. The Group recognised a decrease in non-controlling interests of HK\$246,000 and a decrease in equity attributable to owners of the Company of HK\$133,000.
- (vi) In June 2026, Bendura Group repurchased 202 equity shares of Bendura Bank at cost CHF196,000 (equivalent to HK\$1,998,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.11%. The Group recognised a decrease in non-controlling interests of HK\$1,313,000 and a decrease in equity attributable to owners of the Company of HK\$685,000.

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29. Fair Value Measurements of Financial Instruments

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

- the fair values of listed equity investments, precious metal classified under due from banks and due to clients, trading portfolio investments, financial asset at fair value through other comprehensive income are determined by reference to their quoted market prices at the reporting date in active markets and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.
- the fair value of unlisted investment fund units under trading portfolio investments is determined by reference to their quoted market prices at the reporting date in active markets and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.
- the fair value of certain equity investments under financial assets at fair value through other comprehensive income is determined based on the fair value of their underlying net assets.
- the fair values of unlisted debt instruments classified under trading portfolio investments have been determined using significant inputs, which are market observable, directly or indirectly.
- the fair values of derivative financial assets and liabilities classified at level 2 financial assets are marked to market using the foreign exchange forward rates ruling at the end of each reporting periods.
- the fair value of unlisted financial product investments is determined based on the latest transaction price.
- the fair value of financial assets at fair value through profit or loss is determined by the directors of the Company with reference to actual result of Gold Vantage Industrial Limited and its subsidiaries (the "Gold Vantage Group") for the year ended 31 December 2025.

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

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29. Fair Value Measurements of Financial Instruments (Continued)

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

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

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

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

30 June 2026				
	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Assets				
Due from banks – precious metals	–	375,456	–	375,456
Trading portfolio investments	27,169	11,767	8,911	47,847
Derivative financial assets	–	14,030	–	14,030
Financial assets at fair value through other comprehensive income	292,626	5,790	–	298,416
	319,795	407,043	8,911	735,749
Liabilities				
Due to clients – precious metals	–	375,414	–	375,414
Derivative financial liabilities	–	3,395	–	3,395
	–	378,809	–	378,809

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29. Fair Value Measurements of Financial Instruments (Continued)

31 December 2025				
	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)	Total HK\$'000 (Audited)
Assets				
Due from banks – precious metals	–	375,370	–	375,370
Trading portfolio investments	26,051	11,371	8,845	46,267
Financial assets at fair value through profit or loss	–	–	35,810	35,810
Derivative financial assets	–	4,120	–	4,120
Financial assets at fair value through other comprehensive income	334,743	5,579	–	340,322
	<u>360,794</u>	<u>396,440</u>	<u>44,655</u>	<u>801,889</u>
Liabilities				
Due to clients – precious metals	–	375,325	–	375,325
Derivative financial liabilities	–	10,078	–	10,078
	<u>–</u>	<u>385,403</u>	<u>–</u>	<u>385,403</u>

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

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

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

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29. Fair Value Measurements of Financial Instruments (Continued)

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

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Opening balance at the beginning of period/year (Level 3 recurring fair value)	8,845	8,860
Fair value change during the period/year	173	(42)
Exchange realignment	(107)	27
Closing balance at the end of period/year (Level 3 recurring fair value)	8,911	8,845

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

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Opening balance at the beginning of period/year (Level 3 recurring fair value)	35,810	24,718
Fair value change during the period/year	–	(24,122)
Settlement received during the period/year	(35,810)	35,214
Closing balance at the end of period/year (Level 3 recurring fair value)	–	35,810

One of the key significant unobservable inputs to determine the fair value of financial assets at fair value through profit or loss is the actual result of Gold Vantage Group for the years ended 31 December 2025.

A better actual financial result of Gold Vantage Group for the years ended 31 December would result in a decrease in the fair value of financial assets at fair value through profit or loss, and vice versa.



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