



# 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



改變 拓展 新開始  
A YEAR OF CHANGE

INTERIM REPORT 中期報告 2024

## CORPORATE INFORMATION

### Board of Directors

#### EXECUTIVE DIRECTORS

HON Kwok Lung BBS (*Chairman*)  
SIU Chun Wa (*Chief Executive Officer*)  
SHI Tao  
SIT Lai Hei  
HON Hau Wong  
Teguh HALIM

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

KWONG Chun Wai, Michael  
ZHANG Bin  
KAM, Eddie Shing Cheuk

### Audit Committee

KAM, Eddie Shing Cheuk  
(*Committee Chairman*)  
KWONG Chun Wai, Michael  
ZHANG Bin

### Remuneration Committee

KAM, Eddie Shing Cheuk  
(*Committee Chairman*)  
HON Kwok Lung  
SIU Chun Wa  
KWONG Chun Wai, Michael  
ZHANG Bin

### Nomination Committee

HON Kwok Lung (*Committee Chairman*)  
SIU Chun Wa  
KWONG Chun Wai, Michael  
ZHANG Bin  
KAM, Eddie Shing Cheuk

### Risk Management Committee

Teguh HALIM (*Committee Chairman*)  
SIU Chun Wa  
SHI Tao

### CFO & Company Secretary

FONG Chi Wah

### Auditor

BDO Limited

### Principal Banks

Bank of China (Hong Kong) Limited  
China CITIC Bank International Limited  
Industrial Bank Co., Ltd. Hong Kong Branch

### Hong Kong Branch Share Registrar

Tricor Secretaries 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

### Websites

[www.irasia.com/listco/hk/citychamp](http://www.irasia.com/listco/hk/citychamp)  
[www.citychampwj.com](http://www.citychampwj.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			
	2024 HK\$'000	2023 HK\$'000	Variation %
Total revenue	<b>710,313</b>	810,244	-12.3
Operating expenses	<b>484,046</b>	502,030	-3.6
Gross profit generated from non-banking and financial businesses	<b>224,068</b>	311,493	-28.1
Gross profit generated from banking and financial businesses	<b>238,499</b>	240,095	-0.7
EBITDA	<b>83,843</b>	122,763	-31.7
Profit before tax	<b>13,192</b>	37,371	-64.7
Net profit after tax	<b>3,708</b>	26,237	-85.9
Earnings per share attributable to owners of the Company for the period			
– Basic	<b>HK0.16 cent</b>	HK0.46 cent	-65.2
– Diluted	<b>HK0.16 cent</b>	HK0.46 cent	-65.2
30 June 2024 vs 31 December 2023			
	30 June 2024 HK\$'000	31 December 2023 HK\$'000	Variation %
Total assets	<b>17,545,644</b>	16,531,006	6.1
Total liabilities	<b>13,517,434</b>	12,165,712	11.1
Total equity	<b>4,028,210</b>	4,365,294	-7.7

## Operating Results

For the six months ended 30 June 2024, the Group recorded total revenue of approximately HK\$710,313,000 (six months ended 30 June 2023: HK\$810,244,000), a decrease of HK\$99,931,000 or 12.3% over the corresponding period last year.

Operating expenses (including selling and distribution expenses and administrative expenses) for the six months ended 30 June 2024 were approximately HK\$484,046,000 (six months ended 30 June 2023: HK\$502,030,000), a decrease of HK\$17,984,000 or 3.6% over the corresponding period last year.

Gross profit generated from non-banking and financial businesses for the six months ended 30 June 2024 was approximately HK\$224,068,000 (six months ended 30 June 2023: HK\$311,493,000), a decrease of HK\$87,425,000 or 28.1% over the corresponding period last year.

Gross profit generated from banking and financial businesses for the six months ended 30 June 2024 was approximately HK\$238,499,000 (six months ended 30 June 2023: HK\$240,095,000), a decrease of HK\$1,596,000 or 0.7% over the corresponding period last year.

EBITDA for the six months ended 30 June 2024 was approximately HK\$83,843,000 (six months ended 30 June 2023: HK\$122,763,000), a decrease of HK\$38,920,000 or 31.7% over the corresponding period last year.

Net profit after tax for the six months ended 30 June 2024 was approximately HK\$3,708,000 (six months ended 30 June 2023: HK\$26,237,000), a decrease of HK\$22,529,000 or 85.9% over corresponding period last year.

Notwithstanding the challenging environment, we have formulated certain actions to deal with the issues arose from 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
  - I.A – local proprietary brands
  - I.B – foreign proprietary brands
  - I.C – non-proprietary brands
  - I.D – others
  
- II. Banking and financial businesses
  - II.A – Bendura Bank AG
  
- III. Various investment businesses
  - III.A – listed equity investment
  - III.B – property investment

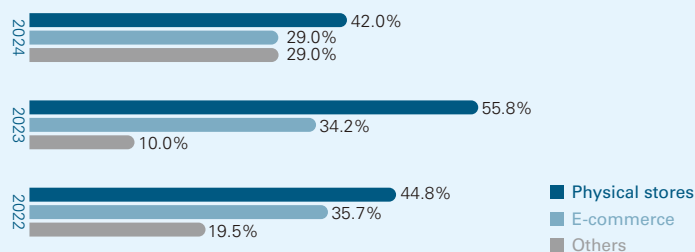
### I.A LOCAL PROPRIETARY BRANDS

#### *Zhuhai Rossini Watch Industry Limited*

For the six months ended 30 June 2024, Zhuhai Rossini Watch Industry Limited (“Rossini”), a 91%-subsidiary of the Group, recorded revenue of HK\$148,373,000, a decrease of HK\$9,265,000 or 5.9%, from HK\$157,638,000 for the same period last year. Net profit after tax attributable to owners of the Company for the period under review was HK\$8,249,000, representing a decrease of HK\$10,280,000 or 55.5% from HK\$18,529,000 in the same period last year.

#### Proportions to Rossini’s total revenue by different types of sales

For the six months ended 30 June



Note: Other types of sales mainly include industrial tourism and group purchase.

**Performance (Continued)****I.A LOCAL PROPRIETARY BRANDS (Continued)***Zhuhai Rossini Watch Industry Limited (Continued)*

The domestic consumer demand remains weak. Through the concerted efforts of the watch industry as a whole, Rossini has taken multiple measures to reduce costs, increase efficiency and achieved certain results. The recovery of market confidence is not a one-day issue, instead, it requires a slow process along with the internal and external factors to work out, which Rossini is aware of and proactively equips itself to seize opportunities that may arise suddenly.

To cope with and be well-prepared for the uncertainties in the watch industry and the relatively slower growth economy, Rossini made efforts on strengthening division management by conducting in-depth market research and follow-up analysis, formulating regional policies based on local conditions, with a view to increasing market share and urging the division to complete sales tasks and goals. Rossini was also endeavoring to expand sales through existing sales channels and sales outlets, and developing high-efficiency new shopping malls through accurate reporting to increase new sales growth points in order to benefit from the post-COVID-19 economic recovery. Rossini's physical store sales in the first half of the year were approximately HK\$62,324,000, 29.1% decrease compared with the same period last year.

Rossini strengthened inventory management continuously. On one hand, the sales of watches concentrated on high-saleable regions through deployment and inventory integration. On the other hand, Rossini strengthened management and analysis of inventory, actively cleared up inventory and dealt with slow-moving watches in a timely manner. It also reasonably control and produce watches based on sales analysis with the purpose of optimizing inventory structure.

E-commerce sales of Rossini for the six months ended 30 June 2024 decreased to approximately HK\$42,999,000 from HK\$53,886,000 for the same period last year, representing a decrease of approximately 20.2%. Rossini actively optimized operations and focused on live broadcasting and distribution channels to stimulate sales. The specific measures for boosting e-commerce included channel refinement operation, visual diversity and innovation strengthening, video diversification and cooperation with leading broadcasting agencies.

## **Performance** (Continued)

### I.A LOCAL PROPRIETARY BRANDS (Continued)

#### *Zhuhai Rossini Watch Industry Limited (Continued)*

With the refined product operations as the core, Rossini's position in the industry was maintained and stabilized on mainstream e-commerce platforms such as Tmall (天貓), Jingdong (京東), Vipshop (唯品會) and Pinduoduo (拼多多), which in turn strengthened channel synergies and was able to respond to market changes with greater flexibility. Moreover, Rossini optimized operation and investment flow strategy through key product lines focus and data-driven.

In terms of visual diversity and innovation, the focuses were on color application, pattern design, and layout to show the vitality and creativity of the brand. In the meanwhile, Rossini focused on the diversity and logic of the layout to enhance the overall readability and page appeal.

Video diversification is to enhance the expressiveness and dissemination of the content and to improve the user's reading experience and engagement through combination of pictures, videos, audio and other forms to enrich the types of video shooting. As a result, the completion rate and interaction index of short videos have been significantly improved, which effectively contributed on the platform traffic and brand exposure.

Moreover, cooperating with external broadcasting experts to boost sales has been widely used as one of direct and efficient marketing strategies in e-commerce. Rossini cooperated with top broadcasting agencies to leverage their fan bases and professional sales capabilities of external broadcasting experts to reach the target audience, improve consumers' awareness and confidence in the products and achieve extensive market coverage at a lower cost.

In addition, Rossini will keep investing in technological innovation and research and development while maintaining the existing product positioning. Moreover, the company will make use of digitalization such as the Internet, live broadcasting, short videos and other digit marketing channels, constantly launch new products that cater to consumer needs.

## Performance (Continued)

### I.A LOCAL PROPRIETARY BRANDS (Continued)

#### *EBOHR Group*

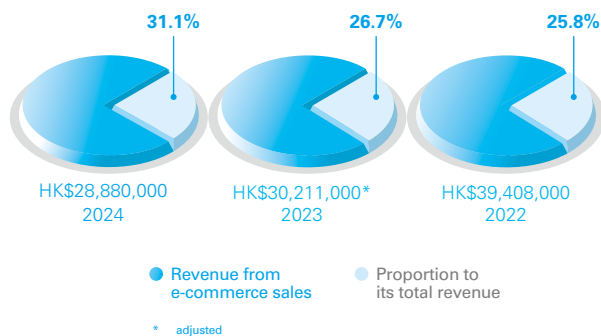
EBOHR Group is composed of EB Brand Limited, EBOHR Luxuries International Limited (“EBOHR”) and its subsidiaries (the “EBOHR Group”).

Revenue of EBOHR Group for the six months ended 30 June 2024 was HK\$92,869,000 a decrease of HK\$20,160,000 or 17.8% from HK\$113,029,000 for the same period last year. Net loss after tax for the six months ended 30 June 2024 was HK\$16,905,000, compared with net profit after tax HK\$13,034,000 for the same period last year.

To ensure stable and adequate cash flow, EBOHR firstly focused on inventory management by adjustment and control. EBOHR struck to accelerate the inventory turnover by establishing a shared pool of different products and horizontally allocating the sub-products to reduce the turnover of non-essential products. Secondly, EBOHR launched “one price to the end” promotion strategy to promote slow-moving products. Thirdly, EBOHR supported cross-department inventory material reuse team’s work by utilizing inventory material from the design source and reusing reworked materials. As of 30 June 2024, inventory decreased by approximately 7.87% from the same period last year. All these improved the cash flow of the company and resulted in higher efficiency in capital funds relocation.

### EBOHR’s revenue earned from e-commerce sales

For the six months ended 30 June





## Performance (Continued)

### I.A LOCAL PROPRIETARY BRANDS (Continued)

#### *EBOHR Group (Continued)*

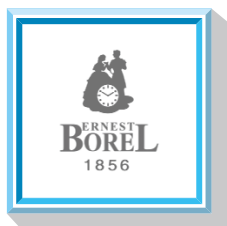
In the first half of 2024, the revenue generated from e-commerce sales of EBOHR was approximately HK\$28,880,000, a slight drop as compared to same period of 2023. Compared with other competing products, it was mainly due to irreversible market impact of lower customer orders and demand under the less favorable overall economic environment in 2024. To stimulate growth of the sales, EBOHR reached a live streaming cooperation in January 2024 with Kuaishou Xinxuan (快手辛選), which is a digital-native new retail company with supply chain at its core. The single scene realized sales GMV (Gross Merchandise Volume) of RMB9,800,000, greatly accelerating inventory turnover and capital realization.

In addition, the company reached a strategic cooperation with Sanqian Shuobiao (三千說表) of Sanzhiyang Network and signed a sales proposal. In March of this year, the company completed the "Traceability Live Streaming Banding Special" which is a platform conducting live broadcasts of brand origins in the form of "brand traceability" with Sanqian Shuobiao. As a result, sales of RMB3,000,000 GMV was achieved in the single session.

Nevertheless, a major strategic shift in e-commerce is undergoing as platforms switch gears from price priority to more sustainable growth. In other words, not all consumers are primarily motivated by low price in current environment, a higher rating of shopping experience is more likely to attract higher traffic. EBOHR is in endeavor of adjusting the new selling model of e-commerce platforms and creating high-end, personalized and differentiated consumer experience that are in line with the concept of sustainable development. It is expected to be able to achieve qualitative improvement of main products in the second half of the year.

The total property leasing revenue was HK\$6,856,000 for the first half of 2024, a decrease of HK\$44,000 or 0.6% from the HK\$6,900,000 in the first half of 2023, which was recorded in property investment segment result.

### I.B FOREIGN PROPRIETARY BRANDS



**Performance (Continued)****I.B FOREIGN PROPRIETARY BRANDS (Continued)***Ernest Borel Holdings Limited*

The Group held 57.14% equity interest in Ernest Borel Holdings Limited (“Ernest Borel”, together with its subsidiaries, the “Ernest Borel Group”) as at 30 June 2024. Ernest Borel Group recorded revenue and net loss after tax for the six months ended 30 June 2024 of HK\$40,068,000 (six months ended 30 June 2023: HK\$80,979,000) and HK\$3,049,000 (six months ended 30 June 2023: net profit of HK\$797,000), respectively.

Mainland China remains as the core market of Ernest Borel Group. Revenue from Mainland China was approximately HK\$32,409,000 for the six months ended 30 June 2024, accounting for approximately 81% of its total revenue. Revenue from the PRC business declined mainly due to a number of factors, including the restructuring of business operations, a sluggish job market, and a distressed housing sector, which dragged down customer spending during the reporting period. Accordingly, the retail market in mainland China being impacted by a more cautious consumer attitude towards consumer discretionary and slower-than-expected recovery of economy after the COVID-19.

From the previous focus on Mainland China, Ernest Borel Group has switched to actively exploring overseas markets through organizing exhibitions overseas. The overseas customers of Ernest Borel Group are mainly concentrated in Europe, the United States and Southeast Asia, Thailand and other places. In addition, we pay close attention to market trends and keep track of consumer preferences in order to make precise marketing strategies.

The extensive distribution network of the Ernest Borel Group covers retail markets in Mainland China, Hong Kong, Macau, Southeast Asia, Europe and USA. As at 30 June 2024, Ernest Borel Group had 757 points of sales, comprising 618 points of sales in Mainland China, 37 points of sales in Hong Kong and Macau, and 102 points of sales in Southeast Asia, Europe and other regions.

In the first half of 2024, the smart watch accessories manufacturing business was inevitably affected by the decrease of the order volume of a subsidiary of the Ernest Borel Group. The main reason was that one of the major customers postponed some production orders until the second half of this year. In the meanwhile, other small and medium-sized customers, who were relatively more sensitive to market trend, delayed their orders as well. As a result, the performance of Ernest Borel Group in smart watch accessories was adversely affected.

## **Performance** (Continued)

### **I.B FOREIGN PROPRIETARY BRANDS** (Continued)

#### *Ernest Borel Holdings Limited (Continued)*

In order to keep up with the rapid-changing customer preference and market trend, Ernest Borel Group is currently negotiating with a well-known overseas electronic product manufacturer on the timetable for the research and development of new products and sample production. It is expected to put in production in the fourth quarter of 2024 if all goes as scheduled. In the long run, Ernest Borel Group is optimistic on the smart watch accessories manufacturing business and believes that it will account for the large portion of the watch industry.

Under the current weak market demand, a sophisticated cost control is one of our priorities to maintain the competitiveness. Ernest Borel strictly controlled management expenses, reduced publicity expenses, streamlined staffing to reduce operating expenditures. On the premise of ensuring the smooth operation of the business, Ernest Borel Group strictly controlled various production and operating costs.

In the first half of 2024, revenue from e-commerce was approximately HK\$5,350,000, a decrease of approximately 67.4% compared with HK\$16,430,000 for the same period last year. This was mainly due to the fact that Ernest Borel Group's business development was focused on the PRC market, in which sales was the reflection of the weakened confidence of the domestic markets.

In light of the above factors, Ernest Borel Group will endeavor to expand its online platform in overseas regions and strengthen the promotion of our brands through organizing overseas exhibitions. Since Ernest Borel has been established for more than a century and has gained certain degree of popularity in the watch industry, it has been favored by some foreign customers by virtue of the brand's history and word of mouth. A business plan is under negotiation to develop a business platform in overseas markets. As always, we are aiming to explore more new markets, optimize operating models and enhance the profitability.

#### *Other Foreign Proprietary Brands*

Collectively, Corum, Eterna and The Dreyfuss Group Limited (the "Dreyfuss Group") contributed revenue and net loss after tax for the six months ended 30 June 2024 of HK\$102,779,000 (six months ended 30 June 2023: HK\$106,983,000) and HK\$11,596,000 (six months ended 30 June 2023: HK\$7,953,000), respectively.

## Performance (Continued)

### I.B FOREIGN PROPRIETARY BRANDS (Continued)

#### *Other Foreign Proprietary Brands (Continued)*

Corum has been aiming to speed up inventory turnover currently and since the COVID-19, with the joint effort of the company as a whole, Corum drastically reduced its inventory and the number of finished products. The concept of the strategy is to reduce the production of current collection without counting on the special and tailor-made projects. With a high-end strategy oriented and high-quality components and movements, Corum is ideally being structured to move up to special and tailor-made product markets.

Corum adopted “less is more” approach to prepare its product re-positioning strategy. For example, Corum decreased the global point of sales from more than 400 at the end of 2022 to 250 at the end of 2024, which was aligned with the brand value and the budgeted yearly production. More measures were taken regarding subsidiaries of Corum. Indeed, some decisions had been made in 2024 regarding the distribution with the aim of reducing the overall expenses as well as increasing the efficiency.

To improve the liquidity of Corum, we were trying to find synergies among different brands. After the summer holidays this year, all inventory and people of Ernest Borel would be located in Corum’s building in La Chaux-de-Fonds. This situation enable us to think globally, and not only anymore for one brand, but for entire watch business segment of Citychamp. This strategy allowed the Group to save almost all overlapping costs linked with different locations such as transportations, security, IT and Insurance costs.

At the end of June 2024, the structure of Corum Group had been reorganized by taking into account the current overall situation and visions for the future to get ready to grow again. Due to constantly changing consumer behavior and expectations Corum planned to launch more creative and innovative products, thus new collection was urging to take place. Accordingly, the emphasis for Corum is to be able to deliver novelties in second half of 2024 in order to generate future liquidity.

During the first half of 2024, Eterna was able to sell some finished products from its inventory. The deal was concluded to sell all the watches online and in Europe without being repaired. It allowed Eterna to transform rather illiquid assets into cash and reach a self-financing situation along the first half of 2024.

## **Performance** (Continued)

### **I.B FOREIGN PROPRIETARY BRANDS** (Continued)

#### *Other Foreign Proprietary Brands (Continued)*

The strongest markets of Eterna remained in Europe. This was mainly driven by Adler Luxury, our distributor in Swiss market, which was able to sell our previous collections in 2024. While Indian market was still growing, it is expected for Eterna to launch new collection to nourish their appetite in future and concentrate on a limited number of core collection.

The ongoing move of Ernest Borel to La Chaux-de-Fonds under Corum's buildings facilities the operation of Eterna. Eterna can then take an advantage of ordering more efficiently all the inventory and maximizing the place used.

The revenue of the Dreyfuss Group decreased by 33.8% in the first half of 2024 as compared to the same period last year. This is due to the global economic slowdown and increase in cost-of-living in the domestic market of UK, which is the single largest market of the Dreyfuss Group, representing 65% of its sales for the six months ended 30 June 2024. High inflation rate, currently at 4.2%, has also eroded consumers' disposable income and confidence, leading to a reduced spending. Additionally, the ongoing war in Ukraine has created further uncertainties, affecting the overall sales performance of the Dreyfuss Group.

The Dreyfuss Group seeks to mitigate economic risks caused by the UK economy by working closely with UK customers to design and supply watches that meet the aspirations of their customers; by developing strategic international markets to lessen the dependence on the UK; by developing the China market in particular to a size similar to the UK; and by maintaining the reputation of Rotary in particular as a well-known and trusted brand.

The Dreyfuss Group recognized the growing significance of social media in influencing buying decisions among younger consumers and was actively marketing via social media to these influential consumers. Implementation of online strategy has led to exceptional growth in online sales and an expanded presence in new territories, including the USA and Canada. Through online advertising strategy, both numbers of website visitors and online sales significantly increased.

The Dreyfuss Group also set up a platform on the eBay Marketplace. This platform allowed more new customers to discover Rotary. The Dreyfuss Group will leverage this platform to further boost its sales and brand visibility.

## Performance (Continued)

### I.C NON-PROPRIETARY BRANDS

Currently, the Group held four distribution companies. Collectively, distribution companies contributed revenue and net loss after tax for the six months ended 30 June 2024 of HK\$54,669,000 (six months ended 30 June 2023: HK\$71,394,000) and HK\$1,717,000 (six months ended 30 June 2023: net profit of HK\$152,000) respectively.

### I.D OTHERS

Other non-major subsidiaries of the Group also engaged in other non-major categories of watches and timepieces and watch accessories businesses, which collectively contributed revenue and net loss after tax for the six months ended 30 June 2024 of HK\$21,064,000 (six months ended 30 June 2023: HK\$28,862,000) and HK\$715,000 (six months ended 30 June 2023: HK\$3,183,000) respectively.

### II.A BENDURA BANK AG

Revenue of Bendura Bank AG ("Bendura Bank" or the "Bank") for the six months ended 30 June 2024 was HK\$238,499,000, a decrease of HK\$1,596,000 or 0.7% from HK\$240,095,000 for the same period of last year. Net profit after tax attributable to owners of the Company for the six months ended 30 June 2024 was HK\$45,393,000, decreased by HK\$6,579,000 or 12.7% from HK\$51,972,000 for the same period of last year.

The total operating income for the first half year decreased slightly by 3% due to increase in operating expenses compared to the same period last year.

Net income from interest and dividends decreased by HK\$1,340,000 or 1.0% to HK\$138,236,000 for the first half of 2024 from HK\$139,576,000 for the same period of last year as a result of the slight fall in key interest rates.

Net commission and fee income for the first half of 2024 remained at the same level as in the same period of last year.

Income from trading amounted to HK\$13,145,000, approximately HK\$3,015,000 less than the previous year's figure.

Operating expenses (personnel and general expenses) amounted to HK\$171,198,000 in the reporting period, 7.4% higher than HK\$159,434,000 for the same period last year. In the first half of 2024, both personnel and general expenses increased compared to the previous period due to inflation.

## **Performance** (Continued)

### II.A BENDURA BANK AG (Continued)

Owing to a net new money (NNM) inflow of CHF75 million and a positive market performance in the first six months of 2024. Assets under Management (AuM) of the Bank stood at approximately CHF3.62 billion at the end of June 2024 (representing a net increase of CHF0.3 billion compared to December 2023).

Total assets of the Bank amounted to HK\$12,600,383,000, HK\$1,304,350,000 more than HK\$11,296,033,000 as at 31 December 2023. Amounts due from clients decreased from HK\$2,877,929,000 in December 2023 to HK\$2,707,383,000 at half year 2024.

During the reporting period, the Bank continued to benefit from the persistently high level of interest rate, despite interest rate has started to fall and may fall further in the second half of the year. The effect of the war in Ukraine brought additional pressures on banking sector, the pressure point the Bank facing today, like other banks in other regions, was interest rate risk. In order to actively manage the interest rate risk, on-balance-sheet business was generally structured with matching maturities and took fixed-interest periods into account. As a result, the interest rate risk has a lower level of significance on the Bank.

A potential intensification of geopolitical tensions in the future may further increase repricing risks in financial markets. The complexity of sanctions against Russia continues to have a serious impact on the operating business and hinders new business development of the Bank in the affected regions. Due to relatively low proportion of assets of Russian clients of Bendura Bank under management, the impact of the sanctions on the profitability of the Bank was minimal and manageable.

To strictly comply with the sanctions, the Bank has adopted a series of prudent and proactive strategies and measures. As a result, all business relationships were being thoroughly scrutinized and particular attention was paid on international payment transactions.

## Performance (Continued)

### II.A BENDURA BANK AG (Continued)

In the first half of 2024, the board of management of the Bank continued to carry out a strategy formulative project, with new slogan “Transforming Complexity into tailor-made Solutions”. The core segment was discerning clients with a high-level of complexity but still managing the associated risk profile highly professional. The focus of the project was on two hubs, namely Liechtenstein and Hong Kong. The Bank delighted with exclusive high-touch services, a high cultural and multilingual understanding as well as flexibility and agility. The five strategic pillars (powerful, excellent, focused, profitable and competitive) will be implemented by individual project teams in the upcoming years.

To extend its business in Hong Kong and Asia, in November 2023, the Bank completed the acquisition of Bendura Wealth Management (Hong Kong) Limited (“BWML”), an asset management company was licensed by the SFC to carry out Types 1, 2, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

BWML will focus on HNWI (High Net Worth Individuals) and UHNWIs (Ultra High Net Worth Individuals) in Asia looking for wealth management solutions. Those clients shall be accessed through a network of professional intermediaries such as asset managers, family offices, law firms, trust firms and corporate service providers. In addition, new client segments shall be developed through the existing networks of the parent companies, Bendura Bank and the Company. Furthermore, BWML has a small portfolio of existing client relationships as well as records of past clients. Majority of them are to some extent linked to the former owner’s family. Our ultimate goal is to get access to wealthy families in Hong Kong.

### III.A LISTED EQUITY INVESTMENT

#### *Citychamp Dartong Company Limited*

As at 30 June 2024, financial assets at fair value through other comprehensive income of the Group was HK\$202,426,000. HK\$17,212,000 was related to the listed equity investment in the equity share of Citychamp Dartong Company Limited (“Citychamp Dartong”). Citychamp Dartong is a company listed on the Shanghai Stock Exchange (Stock code: 600067) and engages in real estate, electromagnetic wire, new energy and other businesses. As at 30 June 2024, the Group owned 9,154,370 shares of Citychamp Dartong at the market price of RMB1.75 per share (equivalent to HK\$1.88 per share) with the fair value of HK\$17,212,000. The shares held by the Group accounted for 0.66% of the total issued share capital of Citychamp Dartong as at 30 June 2024. Such fair value accounted for 0.10% of the Group’s total assets.



## Performance (Continued)

### III.A LISTED EQUITY INVESTMENT (Continued)

#### *Citychamp Dartong Company Limited (Continued)*

The Group incurred a net loss on fair value change through other comprehensive income in investment in Citychamp Dartong of HK\$8,131,000 for the six months ended 30 June 2024, as a result of decrease in the share price of Citychamp Dartong from RMB2.51 per share (equivalent to HK\$2.77 per share) as at 31 December 2023 to RMB1.75 per share (equivalent to HK\$1.88 per share) as at 30 June 2024.

#### *Min Xin Holdings Limited*

Min Xin Holdings Limited ("Min Xin") (Stock code: 222) is a company engaged in financial services, insurance, property investment and strategic investment. As at 30 June 2024, the investment in Min Xin measured at fair value through other comprehensive income was HK\$179,826,000, i.e. 88,150,000 shares at the market price of HK\$2.04 per share as at 30 June 2024. The Group intends to hold these shares on a long-term basis. Such fair value of the investment accounted for 1.02% of the Group's total assets. These shares held by the Group accounted for 14.76% of the total issued share capital of Min Xin as at 30 June 2024.

The Group incurred a net loss on fair value change in Min Xin's investment of HK\$74,928,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: net gain of HK\$38,786,000), as a result of decrease in the share price of Min Xin from HK\$2.89 per share as at 1 January 2024 to HK\$2.04 per share as at 30 June 2024. For the six months ended 30 June 2024, the Group received HK\$7,934,000 (six months ended 30 June 2023: HK\$10,578,000) dividend income from Min Xin.

Besides, the Group also held 2,100,000 shares of Min Xin as at 30 June 2024, 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 reporting period, these investment properties generated rental income of HK\$11,992,000 (six months ended 30 June 2023: HK\$11,264,000). Net profit after tax from the property investment business for the six months ended 30 June 2024 was HK\$11,729,000 (six months ended 30 June 2023: HK\$10,238,000).

### HEADQUARTERS AND OTHER SUBSIDIARIES

Losses from administrative expenses, finance costs and income tax of the headquarters and other non-major subsidiaries and/or non-major categories of businesses for the six months ended 30 June 2024 was HK\$24,365,000 (six months ended 30 June 2023: HK\$63,669,000).

## Financial Position

### (1) LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2024, the Group had non-pledged cash and bank balances of approximately HK\$1,282,023,000 (31 December 2023: HK\$3,749,474,000). Based on the borrowings of HK\$639,941,000 (31 December 2023: HK\$681,254,000), due to a shareholder of HK\$9,025,000 (31 December 2023: HK\$9,025,000), due to directors of HK\$71,274,000 (31 December 2023: HK\$66,772,000), due to a related company of HK\$142,774,000 (31 December 2023: HK\$148,000,000), due to an associate of HK\$37,023,000 (31 December 2023: HK\$50,000,000) and shareholders' equity of HK\$3,830,783,000 (31 December 2023: HK\$4,166,700,000), the Group's gearing ratio (being borrowings plus due to a shareholder plus due to directors plus due to a related company and due to an associate divided by shareholders' equity) was 23.5% (31 December 2023: 22.9%).

As at 30 June 2024, the Group's bank borrowings amounting to HK\$512,187,000 were repayable within one year, representing 90.3% of the total bank borrowings.

### (2) CHARGE ON ASSETS

As at 30 June 2024, the Group's borrowings were mainly secured by:

- (a) corporate guarantee provided by certain subsidiaries within the Group;
- (b) equity interest of certain subsidiaries within the Group; and
- (c) a legal charge over the Group's land and buildings with the carrying amount of HK\$230,461,000 (31 December 2023: HK\$252,528,000).

### (3) CAPITAL COMMITMENT

As at 30 June 2024, capital commitments were approximately HK\$270,000,000 in total (31 December 2023: HK\$270,000,000) for investment in an associate – Citychamp Allied International Limited and a property project.

Except for the above, the Group had no other material capital commitments as at 30 June 2024.

## Financial Review

### (1) TOTAL ASSETS

Total assets increased to HK\$17,545,644,000 as at 30 June 2024 from HK\$16,531,006,000 as at 31 December 2023.

#### *Cash and deposits*

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000	Increase/ (decrease) Amount HK\$'000	%
Cash and bank balance	<b>59,637</b>	66,625	(6,988)	(10.5)
Cash held on behalf of clients	<b>59,868</b>	6,957	52,911	760.5
Sight deposits with central banks	<b>1,227,386</b>	3,687,849	(2,460,463)	(66.7)

#### *Due from banks*

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000	Increase/ (decrease) Amount HK\$'000	%
Due from banks on a daily basis	<b>4,698,213</b>	1,908,088	2,790,125	146.2
Due from banks other claims	<b>83,596</b>	185,560	(101,964)	(54.9)
Due from banks – precious metal	<b>153,017</b>	130,989	22,028	16.8
Valuation adjustments	<b>(265)</b>	(1,669)	1,404	84.1

**Financial Review** (Continued)

## (2) INVESTMENTS

The investment as at 30 June 2024 included (a) trading portfolio investments of HK\$40,981,000; (b) derivative financial assets of HK\$4,244,000; (c) other financial assets at amortised cost of HK\$3,055,197,000; and (d) other financial assets at fair value through other comprehensive income of HK\$202,426,000 (the "Investments").

*(a) Trading portfolio investments of HK\$40,981,000*

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
<b>Equity Instruments</b>		
Listed equity instruments in Hong Kong at market value	<b>9,948</b>	629
<b>Debt instruments</b>		
Unlisted debt instruments of financial institutions	<b>4,482</b>	189
<b>Investment fund units</b>		
Unlisted investment fund units	<b>19,605</b>	19,890
<b>Investments in other financial products</b>	<b>6,946</b>	6,850
<b>Total trading portfolio investments</b>	<b>40,981</b>	27,558

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.

**Financial Review** (Continued)

## (2) INVESTMENTS (Continued)

(a) *Trading portfolio investments of HK\$40,981,000 (Continued)*

As at 30 June 2024, there were HK\$9,948,000 invested in a variety of listed equities in Hong Kong.

The debt instruments of HK\$4,482,000 invested in the Mainland China by PRC company.

Trading assets of CHF1.0 million (equivalent to HK\$8,876,000) 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.

Investments in other financial products consist of the financial product investments of HK\$6,946,000 invested by Eternal Brands Limited, a subsidiary of the Group.

(b) *Derivative financial assets of HK\$4,244,000*

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Forward and option contracts	<b>4,244</b>	5,136

In the derivative financial assets of HK\$4,244,000, 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\$3,055,197,000*

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
<b>Listed debt instruments, at amortised cost</b>		
Issued by:		
Governments and public sector	<b>1,884,122</b>	430,835
Financial institutions	<b>670,756</b>	891,891
Corporations	<b>500,319</b>	556,079
	<b>3,055,197</b>	1,878,805

As at 30 June 2024, Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$3,055,197,000. The portfolio was composed of 80 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium-grade and are subject to low credit risk. The average remaining term of the held-to-maturity investment is 2.1 years, while the modified duration of the portfolio is only 0.8%. Largest single investments are bonds issued by Euro Stability Mechanism (CHF26 million) and Treasury Bills (CHF22 million). Both issuers are triple-A and F1+ rated respectively. Risk concentration is analyzed and presented to the senior management on a monthly basis.

**Financial Review** (Continued)

## (2) INVESTMENTS (Continued)

(c) *Other financial assets at amortised cost of HK\$3,055,197,000 (Continued)*

Relatively major listed debt instruments as at 30 June 2024 are as follows:

Issuer	Nature of interest rate	Sector	Maturity date	Value (CHF'000)
Asian Infrastructure Inv	Fixed	Financial corporations	14 February 2028	5,092
Nestle Holdings Inc	Fixed	Non-financial corporations	13 March 2026	6,297
Henkel Ag & Co Kgaa	Fixed	Non-financial corporations	17 November 2026	6,619
Amazon.Com Inc	Fixed	Non-financial corporations	12 May 2026	6,685
Dbz Bank Ltd	Fixed	Financial corporations	26 October 2026	8,240
Treasury Bill	Zero	General governments	18 July 2024	8,898
Efsf	Fixed	General governments	11 October 2024	12,400
Treasury Bill	Zero	General governments	06 August 2024	22,285
Euro Stability Mechanism	Fixed	General governments	16 December 2024	25,560
Others				249,598
Total				351,674
HKD Equivalent to (in '000)				3,055,197

Collectively, listed debt instruments at amortised cost accounted for 17.4% of the Group's total assets.

As at 31 December 2023, Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$1,878,805,000. The portfolio was composed of 94 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium grade and are subject to low credit risk. The average remaining term of the held-to-maturity investment is 2.40 years. Largest single investments are bond issued by ESM Treasury Bill matured in May 2024 (CHF25 million) and ESM Treasury Bill matured in February 2024 (CHF12 million). Both are triple-A issuers. Risk concentration is analysed and presented to the senior management on a monthly basis.

**Financial Review (Continued)****(2) INVESTMENTS (Continued)***(c) Other financial assets at amortised cost of HK\$3,055,197,000 (Continued)*

Relatively major listed debt instruments as at 31 December 2023 are as follows:

Issuer	Nature of interest rate	Sector	Maturity date	Value (CHF'000)
Kfw	Fixed	Financial corporations	15 March 2028	4,633
Asian Infrastructure Inv	Fixed	Financial corporations	14 February 2028	4,907
Nestle Holdings Inc	Fixed	Non-financial corporations	13 March 2026	5,898
Amazon.com Inc	Fixed	Non-financial corporations	12 May 2026	6,713
Henkel AG & Co KGaA	Fixed	Non-financial corporations	17 November 2026	6,716
Intl Bk Recon & Develop	Fixed	Financial corporations	19 March 2024	8,409
DBS Bank Ltd	Fixed	Financial corporations	26 October 2026	8,410
ESM Tbill	Zero Coupon	General governments	22 February 2024	12,007
ESM Tbill	Zero Coupon	General governments	23 May 2024	24,703
Others				120,083
Total				202,479
HKD Equivalent to (in '000)				1,878,805

*(d) Other financial assets at fair value through other comprehensive income of HK\$202,426,000*

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Listed equity instruments in Hong Kong	179,826	254,754
Listed equity instruments outside Hong Kong	17,212	25,342
Unlisted equity investment	5,388	5,531
	<b>202,426</b>	285,627

Listed equity instruments of HK\$17,212,000 related to investment in Citychamp Dartong and HK\$179,826,000 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\$13,517,434,000 as at 30 June 2024 from HK\$12,165,712,000 as at 31 December 2023, mainly attributable to increase in due to clients.

*Due to clients*

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000	Increase/ (decrease) Amount HK\$'000	%
Due to clients – precious metals	<b>153,049</b>	131,180	21,869	16.7
Other amounts due to clients, mainly bank deposits	<b>11,349,543</b>	10,024,131	1,325,412	13.2

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

Gross profit from non-banking and financial businesses was HK\$224,068,000, a decrease of HK\$87,425,000 or 28.1%.

**(5) EBITDA**

EBITDA was HK\$83,843,000, a decrease of HK\$38,920,000 or 31.7%.

**(6) SELLING AND DISTRIBUTION EXPENSES**

Total selling and distribution expenses was HK\$153,846,000, a decrease of HK\$27,141,000 or 15.0%.

**(7) ADMINISTRATIVE EXPENSES**

Total administrative expenses was HK\$330,200,000, an increase of HK\$9,157,000 or 2.9%.

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

The share of profit of Fair Future Industrial Limited and its subsidiaries ("Fair Future"), a 25% owned associate, was HK\$5,655,000 (six months ended 30 June 2023: HK\$1,962,000). Fair Future is one of the leading OEM quartz watch manufacturers in Mainland China.

**(9) FINANCE COSTS FROM NON-BANKING BUSINESS**

Finance costs from non-banking business was HK\$22,045,000, representing a decrease of HK\$16,896,000 or 43.4%. It was composed of the interest charged on bank borrowings, bank overdrafts and lease liabilities.

**(10) NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**

Net profit attributable to owners of the Company was HK\$7,024,000 (six months ended 30 June 2023: HK\$19,921,000).

**(11) INVENTORIES**

Inventories was HK\$1,661,795,000, a decrease of 8.0% from HK\$1,805,899,000 as at 31 December 2023.

**(12) EVENTS AFTER REPORTING PERIOD**

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

### **Corporate Governance**

The Board of Directors (“Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures of the Group. The Company believes that good governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancement of shareholder value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders. With the support from internal and external auditors and other professional advisors, the Group maintains a robust corporate governance framework.

### **Environmental, Social, and Governance (ESG)**

The approach to ESG is shaped by our purpose and values, and a desire to create sustainable long-term value for our stakeholders. As a corporate citizen, the Group understands the critical importance of the global low-carbon transition and a positive impact in helping to tackle challenges and realize opportunities. The Group aims to bring positive influence to environment and wellbeing of society.

To adapt to the new climate-related disclosure requirements on ESG under The Stock Exchange of Hong Kong Limited commencing from 2025, the Group has set up working group responsible for ESG issues, including familiarizing with the reporting requirements and calculations methods, undertaking a gap analysis, reviewing existing internal governance and risk management processes and seeking to integrate sustainability and financial reporting.

### **Risk Management**

We recognize that the primary role of risk management is to protect our business, colleagues, shareholders and the communities that we serve, while ensuring the Group is able to support its strategy and achieve sustainable growth.

An effective risk management and sound internal control are pivotal importance of the success of the Group. Our risk function plays an important role in reinforcing our culture and values. The Group continues to monitor, and seek to manage the potential implications of all the above developments on our customers and our business. As of the private banking business, we closely monitor the geopolitical and economic developments in key markets and sectors and actively manage our credit portfolio through enhanced monitoring, thematic reviews and internal stress tests.

## Outlook

Mainland China's economic fundamentals have remained largely solid. Data of the first half of 2024 indicated the domestic economic growth was 5.3% p.a. and 4.7% p.a. for the first and second quarter of 2024 respectively.

The economic situation of Mainland China in the second half of 2024 will remain challenging as the weakness in the property prices and the geopolitical tensions are yet to be resolved satisfactorily.

The summary of the Third Plenum Session of the 20th Central Committee of the Communist Party of China in July 2024 was to leverage the role of the market, foster a fairer and more dynamic market environment and make resource allocation as efficient as possible. Given the mentioned guiding principles and with the objective of expanding aggregate demand and boost growth, the Central Government is expected to initiate a slew of measures, as evidenced by the recent policies of consumer goods (appliances and EVs) trade-ins, the issuance of ultra-long special treasury bonds, and the conversion of unsold housing inventory into subsidized housing, to boost industrial investment and technological advances and consumption. It is estimated that the Central Government continues to harness macroeconomic regulation tools and leverage reform measures to foster new quality production forces and transition toward new growth drivers, following the Third Plenum Session.

In the medium and long term, successful industrial investment and technological advances could improve innovation and productivity, thereby increasing Mainland China's growth potential. Stronger consumer and business sentiment may gradually improve. The consumer spending, a key factor hindering recovery for the demand for our watches in Mainland China, may accordingly improve in 2025.

Bendura Bank continues to benefit from the persistently high level of interest rates in 2024, although the USD interest is expected to reduce slightly in September 2024 and fall slightly further in the fourth quarter of 2024.

### **Employees and Remuneration Policy**

Our sustained success would not be possible without the high levels of expertise, professionalism and commitment shown by our employees. As at 30 June 2024, the Group had approximately 2,280 full-time staff in Hong Kong and Mainland China and approximately 245 in Europe. The remuneration packages offered to the employees are determined and reviewed on an arm's length basis with reference to the market conditions and individual performance. The Group also provides other benefits to its employees, including year-end double pay, medical insurance and retirement benefits, and incentive bonuses are offered with reference to the Group's operating results and employee's individual performance. All employees of the Group in Hong Kong have joined the mandatory provident fund schemes. Employees of Group's subsidiaries in Mainland China also participate in social insurance scheme administrated and operated by local authorities and contributions are made according to the local laws and regulations.

### **Interim Dividend**

The Board has resolved not to distribute an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

As at 30 June 2024, the interests or short positions of the Directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

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

### (1) LONG POSITIONS IN SHARES OF THE COMPANY

As at 30 June 2024, 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				Total interests	Percentage of shareholding
	Beneficial owner	Corporate interests	Family interests			
Hon Kwok Lung	3,500,000	3,026,105,515 <sup>(1)</sup>	1,374,000 <sup>(2)</sup>		3,030,979,515	69.65%
Shi Tao	5,000,000	-	-		5,000,000	0.11%
Sit Lai Hei	-	200,000,000 <sup>(3)</sup>	-		200,000,000	4.60%
Hon Hau Wong	1,750,000	-	200,000,000 <sup>(4)</sup>		201,750,000	4.64%
Teguh Halim	3,000,000	-	3,000,000 <sup>(5)</sup>		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 2024.

- The 3,026,105,515 shares comprise of 1,646,126,000 shares held by Full Day Limited ("Full Day"), which is wholly-owned by Mr. Hon Kwok Lung and 1,379,979,515 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.
- 1,374,000 shares were held by Ms. Lam Suk Ying, spouse of Mr. Hon Kwok Lung.
- The 200,000,000 shares were held by Qiangda Limited, a wholly-owned subsidiary of Fengrong Investment (Hong Kong) Company Limited ("Fengrong Hong Kong"). Fengrong Hong Kong is wholly-owned by Fujian Fengrong Investment Company Limited ("Fujian Fengrong"), which is owned as to approximately 68.5% by Ms. Sit Lai Hei.
- Mr. Hon Hau Wong is deemed to have an interest in 200,000,000 shares which were held by Qiangda Limited, a wholly-owned subsidiary of Fengrong Hong Kong. Fengrong Hong Kong is wholly-owned by Fujian Fengrong which is owned as to approximately 31.5% by Ms. Lu Xiaojun, spouse of Mr. Hon Hau Wong.
- 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
Sit Lai Hei	Zhuhai Rossini Watch Industry Limited <sup>(1)</sup>	Corporate <sup>(2)</sup>	9%
Hon Hau Wong	Zhuhai Rossini Watch Industry Limited <sup>(1)</sup>	Family Interest <sup>(2)</sup>	9%

Notes:

- 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.
- The interest in Rossini was held by Fujian Fengrong, which is owned as to approximately 68.5% by Ms. Sit Lai Hei, an Executive Director of the Company (the "Executive Director"), and 31.5% by Ms. Lu Xiaojun. Both Ms. Sit Lai Hei and Ms. Lu Xiaojun are daughters-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 2024, 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 2024, the following persons hold interests of 5% or more of the issued share capital of the Company, as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

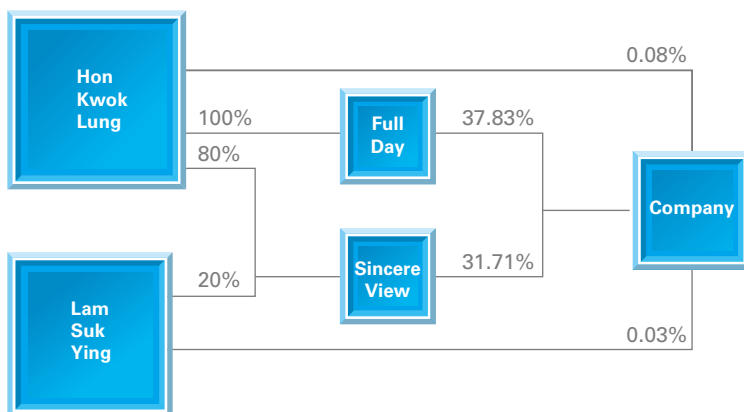
Name of substantial shareholder	Nature of interest	No. of shares held	Percentage of shareholding
Sincere View International Limited	Beneficial owner	1,379,979,515	31.71%
Full Day Limited	Beneficial owner	1,646,126,000	37.83%
Hon Kwok Lung <sup>(1)</sup>	Corporate interest, beneficial owner and family interest	3,030,979,515	69.65%
Lam Suk Ying <sup>(1)</sup>	Beneficial owner and family interest	3,030,979,515	69.65%

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

Note:

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 2024.

- Mr. Hon Kwok Lung and Ms. Lam Suk Ying, his spouse, are deemed to have an interest in the same parcel of 3,030,979,515 shares, which comprise 1,379,979,515 shares held by Sincere View, 1,646,126,000 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 2024, no other person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.



### Corporate Governance Code

During the six months period ended 30 June 2024, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix C1 to the Listing Rules, except with the details disclosed below:

- **CG CODE C.1.6**  
CG Code C.1.6 stipulates that independent non-executive directors of the Company (the “Independent Non-executive Director”) should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Two Independent Non-executive Directors did not attend the annual general meeting of the Company held on 28 May 2024 due to other business engagement.
- **CG CODE F.2.2**  
CG Code F.2.2 stipulates that the chairman of the board should attend the annual general meeting. The chairman of the board did not attend the annual general meeting of the Company held on 28 May 2024 due to other business engagement.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the Company’s code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of the Directors, the Directors have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2024.

### Board Committees

#### AUDIT COMMITTEE

The Audit Committee currently comprises following members:

#### *Independent Non-executive Directors*

Kam, Eddie Shing Cheuk (*Committee Chairman*)

Kwong Chun Wai, Michael

Zhang Bin

During the reporting period, the Audit Committee met with the Company’s external auditor, the Board and senior management. The Audit Committee reviewed the financial reporting and other information to Shareholders (including a review of the unaudited financial statements for the six months ended 30 June 2024), the works done by internal audit for the reporting period and performed other duties set out in the terms of reference. The Audit Committee also reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the Board and senior management.

**Board Committees (Continued)****REMUNERATION COMMITTEE**

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

*Independent Non-executive Directors*

Kam, Eddie Shing Cheuk  
*(Committee Chairman)*  
 Kwong Chun Wai, Michael  
 Zhang Bin

*Executive Directors*

Hon Kwok Lung  
 Siu Chun Wa

The Remuneration Committee makes recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management’s remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee also makes recommendations to the Board on the remuneration packages of individual Executive Directors and senior management. The Remuneration Committee ensures that no Director or any of his/her associates is involved in deciding his/her own remuneration.

**NOMINATION COMMITTEE**

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

*Executive Directors*

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

*Independent Non-executive Directors*

Kwong Chun Wai, Michael  
 Zhang Bin  
 Kam, Eddie Shing Cheuk

The principal duties of the Nomination Committee are to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, independence from or relationship with other members of the Board, experience (professional or otherwise), skills, knowledge and length of service) of the Board, identify and nominate individuals suitably qualified to become board members and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. The Nomination Committee also develops, maintains and reviews the board diversity policy. The Nomination Committee is also responsible for assessing the independence of Independent Non-executive Directors.

### **Board Committees (Continued)**

#### **RISK MANAGEMENT COMMITTEE**

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

##### *Executive Directors*

Teguh Halim (*Committee Chairman*)

Siu Chun Wa

Shi Tao

The principal duties of the Risk Management Committee are to evaluate and determine the risk appetite that the Group is willing to take in achieving its strategic objectives, to oversee the Group’s risk management system on an ongoing basis and conduct a review on the effectiveness of the system at least once annually, and to identify significant risks to which the Group is exposed and develop plans and measures to management or mitigate such significant risks.

### **Purchase, Sale or Redemption of Listed Securities of the Company**

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any Company’s listed securities (whether on the Stock Exchange or otherwise).

### **Review of Financial Statements**

The audit committee of the Company (the “Audit Committee”) has reviewed the Group’s unaudited financial statements for the six months ended 30 June 2024. 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 2024 were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the six months ended 30 June 2024.

### **Appreciation**

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

**Hon Kwok Lung**

*Chairman*

Hong Kong, 29 August 2024

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

<b>Six months ended 30 June</b>			
	Notes	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest income from banking business		<b>237,869</b>	157,420
Interest expenses from banking business		<b>(99,633)</b>	(17,844)
<b>Net interest income from banking business</b>	6a	<b>138,236</b>	139,576
Service fees and commission income from banking business		<b>101,584</b>	99,410
Service fees and commission expenses from banking business		<b>(14,647)</b>	(15,051)
<b>Net service fees and commission income from banking business</b>	6b	<b>86,937</b>	84,359
<b>Trading income from banking business</b>	6c	<b>13,147</b>	16,160
<b>Service fees and commission income from financial business</b>	6d	<b>(298)</b>	–
<b>Interest income from financial business</b>	6d	<b>477</b>	–
<b>Sales of goods from non-banking and financial businesses</b>	6e	<b>459,822</b>	558,885
<b>Rental income from non-banking and financial businesses</b>	6e	<b>11,992</b>	11,264
<b>Total revenue</b>		<b>710,313</b>	810,244
Cost of sales from non-banking and financial businesses		<b>(247,746)</b>	(258,656)
Other ordinary income and other net gains or losses	7	<b>51,061</b>	24,788
Selling and distribution expenses		<b>(153,846)</b>	(180,987)
Administrative expenses		<b>(330,200)</b>	(321,043)
Share of profit of joint ventures		–	4
Share of profit of associates		<b>5,655</b>	1,962
Finance costs for non-banking and financial businesses	8	<b>(22,045)</b>	(38,941)
<b>Profit before income tax</b>	9	<b>13,192</b>	37,371
Income tax expense	10	<b>(9,484)</b>	(11,134)
<b>Profit for the period</b>		<b>3,708</b>	26,237

CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME

For the six months ended 30 June 2024

<b>Six months ended 30 June</b>			
	Notes	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Other comprehensive income</b>			
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	<b>(83,058)</b>	32,862
– Remeasurement of net defined benefit obligation		<b>(16,858)</b>	2,290
		<b>(99,916)</b>	35,152
Item that may be subsequently reclassified to profit or loss			
– Exchange differences on translation to presentation currency		<b>(246,905)</b>	(51,922)
		<b>(246,905)</b>	(51,922)
<b>Other comprehensive income for the period</b>		<b>(346,821)</b>	(16,770)
<b>Total comprehensive income for the period</b>		<b>(343,113)</b>	9,467
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the Company		<b>7,024</b>	19,921
Non-controlling interests		<b>(3,316)</b>	6,316
		<b>3,708</b>	26,237
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>(338,116)</b>	(4,699)
Non-controlling interests		<b>(4,997)</b>	14,166
		<b>(343,113)</b>	9,467
<b>Earnings per share attributable to owners of the Company for the period</b>			
– Basic	12	<b>HK0.16 cent</b>	HK0.46 cent
– Diluted		<b>HK0.16 cent</b>	HK0.46 cent

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Assets</b>			
Cash and deposits		<b>1,346,891</b>	3,761,431
Due from clients	13	<b>2,716,725</b>	2,877,929
Due from banks	13	<b>4,934,561</b>	2,222,968
Trading portfolio investments	14	<b>40,981</b>	27,558
Financial assets at fair value through other comprehensive income	15	<b>202,426</b>	285,627
Financial assets at fair value through profit or loss		–	32,410
Derivative financial assets	16	<b>4,244</b>	5,136
Trade receivables	17	<b>421,255</b>	442,941
Other financial assets at amortised cost	18	<b>3,055,197</b>	1,878,805
Inventories	19	<b>1,661,795</b>	1,805,899
Interests in joint ventures		<b>496</b>	496
Interests in associates		<b>114,066</b>	108,411
Property, plant and equipment	20	<b>1,249,286</b>	1,297,608
Investment properties	21	<b>166,274</b>	166,370
Intangible assets	22	<b>98,549</b>	105,693
Goodwill	23	<b>1,101,126</b>	1,150,672
Deferred tax assets		<b>16,897</b>	16,019
Other assets		<b>414,875</b>	345,033
<b>Total assets</b>		<b>17,545,644</b>	16,531,006

CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Liabilities</b>			
Due to banks		434	–
Due to clients		11,502,592	10,155,311
Financial liabilities at fair value through profit or loss		32,793	44,905
Derivative financial liabilities	16	934	49,318
Trade payables	24	203,328	207,230
Contract liabilities		13,325	11,846
Income tax payables		50,954	44,198
Borrowings	25	639,941	681,254
Provisions		4,249	4,812
Lease liabilities		84,453	49,026
Deferred tax liabilities		69,065	68,561
Due to a shareholder		9,025	9,025
Due to directors		71,274	66,772
Other liabilities		835,067	773,454
<b>Total liabilities</b>		<b>13,517,434</b>	12,165,712
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		435,189	435,189
Reserves		3,395,594	3,731,511
		<b>3,830,783</b>	4,166,700
Non-controlling interests		197,427	198,594
<b>Total equity</b>		<b>4,028,210</b>	4,365,294
<b>Total liabilities and equity</b>		<b>17,545,644</b>	16,531,006



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	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)
<b>At 1 January 2023 (Audited)</b>	435,189	682,028	(62,834)	(15,300)	106,209
<b>Transactions with owners</b>					
Deemed acquisition of interests in subsidiaries	-	-	(12,407)	-	-
Deemed disposal of interests in subsidiaries	-	-	17,621	-	-
Dividend paid to non-controlling interests	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	5,214	-	-
<b>Comprehensive income</b>					
Loss for the period	-	-	-	-	-
<b>Other comprehensive income</b>					
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	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-
<b>At 30 June 2023 (Unaudited)</b>	435,189	682,028	(57,620)	(15,300)	106,209

CONDENSED CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

For the six months ended 30 June 2024

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 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
(126,794)	(120,860)	34,916	3,080,259	4,012,813	166,048	4,178,861
-	-	-	-	(12,407)	(18,470)	(30,877)
-	-	-	-	17,621	18,184	35,805
-	-	-	-	-	(608)	(608)
-	-	-	-	5,214	(894)	4,320
-	-	-	19,921	19,921	6,316	26,237
(59,772)	-	-	-	(59,772)	7,850	(51,922)
-	32,862	-	-	32,862	-	32,862
-	-	-	2,290	2,290	-	2,290
(59,772)	32,862	-	22,211	(4,699)	14,166	9,467
(186,566)	(87,998)	34,916	3,102,470	4,013,328	179,320	4,192,648

CONDENSED CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

For the six months ended 30 June 2024

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)
<b>At 1 January 2024 (Audited)</b>	435,189	682,028	(40,443)	(15,300)	106,209
<b>Transactions with owners</b>					
Deemed acquisition of interests in subsidiaries (note 28(b))	-	-	(492)	-	-
Deemed disposal of interests in subsidiaries (note 28(a))	-	-	2,691	-	-
Dividend paid to non-controlling interests	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	2,199	-	-
<b>Comprehensive income</b>					
Loss for the period	-	-	-	-	-
<b>Other comprehensive income</b>					
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	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-
<b>At 30 June 2024 (Unaudited)</b>	435,189	682,028	(38,244)	(15,300)	106,209

\* These reserve accounts comprise the consolidated reserves of HK\$3,395,594,000 (31 December 2023: HK\$3,731,511,000) 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 2024

Equity attributable to owners of the Company

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

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Net cash used in operating activities	<b>(684,330)</b>	(2,946,989)
Cash flows from investing activities		
Payment for the purchase of property, plant and equipment	<b>(8,935)</b>	(10,480)
Payment for purchase of intangible assets	<b>(451)</b>	–
Increase in other financial assets at amortised costs	<b>(1,276,257)</b>	(541,837)
Proceeds from disposal of property, plant and equipment	<b>662</b>	–
Net cash inflow from acquisition of subsidiaries	<b>–</b>	12,186
Other cash flows arising from investing activities	<b>797</b>	127
Net cash used in investing activities	<b>(1,284,184)</b>	(540,004)
Cash flows from financing activities		
Acquisition of non-controlling interests	<b>(1,080)</b>	(30,876)
Repayments of borrowings	<b>(49,738)</b>	(123,275)
Proceeds from borrowings	<b>18,586</b>	40,163
Repayment to a related company	<b>(5,226)</b>	–
Repayment to associates	<b>(12,757)</b>	–
Advanced from directors	<b>4,390</b>	9,093
Repayment to directors	<b>–</b>	(9,250)
Interest paid	<b>(22,045)</b>	(38,941)
Dividend paid to non-controlling interests	<b>(390)</b>	(608)
Net cash used in financing activities	<b>(68,260)</b>	(153,694)
Net decrease in cash and cash equivalents	<b>(2,036,774)</b>	(3,640,687)
Cash and cash equivalents at the beginning of the period (note)	<b>3,707,898</b>	4,262,745
Effect of foreign exchange rates changes	<b>(361,155)</b>	36,490
Cash and cash equivalents at the end of the period (note)	<b>1,309,969</b>	658,548

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 2024

## 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, South Church Street, Grand Cayman, Cayman Islands and its principal place of business is Units 1902–04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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

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

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

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



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## **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 2024 was approved for issue by the board of directors of the Company on 29 August 2024.

## **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 2023 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 2023 Annual Financial Statements.

For the six months ended 30 June 2024

#### **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 2024

#### **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 2024

#### **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 2024

#### **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 2024

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

##### Lease – estimating the incremental borrowing rate

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

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

##### Going concern consideration

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

##### Fair value measurement

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

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

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

For the six months ended 30 June 2024

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

Fair value measurement (Continued)

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

The Group measures the following items at fair value:

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

#### **5. Segment Information**

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

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

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

**5. Segment Information** (Continued)

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

**5. Segment Information** (Continued)

	Six months ended 30 June 2023				
	Watches and timepieces and watch accessories HK\$'000 (Unaudited)	Property investments HK\$'000 (Unaudited)	Banking and financial businesses HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue:</b>					
Net interest income from banking business	-	-	139,576	-	139,576
Net service fees and commission income from banking business	-	-	84,359	-	84,359
Trading income from banking business	-	-	16,160	-	16,160
Sales of goods from non-banking and financial businesses	558,885	-	-	-	558,885
Rental income from non-banking and financial businesses	-	11,264	-	-	11,264
<b>Total revenue</b>	<b>558,885</b>	<b>11,264</b>	<b>240,095</b>	<b>-</b>	<b>810,244</b>
<b>Segment results</b>	<b>25,413</b>	<b>10,238</b>	<b>65,736</b>	<b>(494)</b>	<b>100,893</b>
Unallocated corporate income and expenses, net	-	-	-	(26,547)	(26,547)
Share of profit of joint ventures	-	-	-	4	4
Share of profit of associates	-	-	-	1,962	1,962
Finance costs for non-banking and financial businesses	(14,901)	-	(165)	(23,875)	(38,941)
Profit/(loss) before income tax	10,512	10,238	65,571	(48,950)	37,371
Income tax expense	(2,427)	-	(8,684)	(23)	(11,134)
Profit/(loss) for the period	8,085	10,238	56,887	(48,973)	26,237

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Interest income from banking business arising from:</b>		
Interest income – due from banks	<b>130,853</b>	84,973
Interest income – due from clients	<b>15,964</b>	13,085
Interest income from trading securities	–	298
Interest income from mortgage loans	<b>41,463</b>	32,617
Interest income from financial assets	<b>31,446</b>	23,926
Interest (expense)/income from money market papers	<b>(319)</b>	2,521
Negative interest income on due to clients	<b>18,462</b>	–
	<b>237,869</b>	157,420
<b>Interest expenses from banking business arising from:</b>		
Interest expense on due to banks	<b>(161)</b>	(38)
Interest expense on due to clients	<b>(98,849)</b>	(17,807)
Negative interest income on due from banks and clients	<b>(623)</b>	1
	<b>(99,633)</b>	(17,844)
<b>Net interest income from banking business</b>	<b>138,236</b>	139,576



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

**6. Revenue (Continued)**

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

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
<b>Service fees and commission income from banking business arising from:</b>		
Commission income from loans	<b>3,152</b>	2,864
Brokerage fees	<b>15,250</b>	14,567
Custody account fees	<b>12,946</b>	13,130
Commission on investment advice and asset management	<b>22,586</b>	21,322
Commission income from service fees	<b>13,562</b>	14,671
Commission income from fiduciary fees	<b>192</b>	194
Commission income from retrocession	<b>2,006</b>	2,196
Other commission income	<b>31,890</b>	30,466
	<b>101,584</b>	99,410
Service fees and commission expenses from banking business	<b>(14,647)</b>	(15,051)
<b>Net service fees and commission income from banking business</b>	<b>86,937</b>	84,359

(c) Trading income from banking business

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Debt instruments	<b>4</b>	6
Forex and precious metals	<b>12,877</b>	16,155
Funds	<b>266</b>	(1)
<b>Trading income from banking business</b>	<b>13,147</b>	16,160

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

**6. Revenue (Continued)**

(d) Revenue from financial business

	<b>Six months ended 30 June</b>	
	<b>2024 HK\$'000 (Unaudited)</b>	<b>2023 HK\$'000 (Unaudited)</b>
Service fees and commission income and expenses	<b>(298)</b>	–
Interest income	<b>477</b>	–
<b>Revenue from financial business</b>	<b>179</b>	–

(e) Revenue from non-banking and financial businesses

	<b>Six months ended 30 June</b>	
	<b>2024 HK\$'000 (Unaudited)</b>	<b>2023 HK\$'000 (Unaudited)</b>
Sales of goods	<b>459,822</b>	558,885
Rental income	<b>11,992</b>	11,264
<b>Revenue from non-banking and financial businesses</b>	<b>471,814</b>	570,149

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 7. Other Ordinary Income and Other Net Gains or Losses

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Exchange gain, net	16,059	945
Gain on fair value changes in trading portfolio investments, net (note 14)	72	41
Gain on fair value changes in financial liabilities at fair value through profit or loss	12,162	–
Bank and other interest income from non-banking and financial business	191	127
Dividend income from financial asset at fair value through other comprehensive income (“FVOCI”) (note 15)	7,934	10,578
Gain on disposal of property, plant and equipment	662	328
Government subsidies	2,272	1,576
Other sundry income	11,709	11,193
	<b>51,061</b>	<b>24,788</b>

## 8. Finance Costs from Non-Banking Business

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interests on lease liabilities	1,645	1,215
Interests charged on bank borrowings, bank overdrafts and other borrowings	20,400	37,726
	<b>22,045</b>	<b>38,941</b>

For the six months ended 30 June 2024

## 9. Profit Before Income Tax

The Group's profit before income tax was arrived at after charging:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	48,627	44,935
Amortisation of intangible assets	6,043	1,516

## 10. Income Tax Expense

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Current tax for the period</b>		
The PRC	1,447	2,710
Liechtenstein	7,457	9,179
Switzerland	332	135
<b>Deferred tax for the period</b>	248	(890)
Total income tax expense	9,484	11,134

For both the six months ended 30 June 2024 and 2023, no provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong. The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 25% (six months ended 30 June 2023: between 15% and 25%). Overseas tax is calculated at the rates applicable in the respective jurisdictions.

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

### 11. Dividends

The directors do not recommend the payment of an interim dividend for the period ended 30 June 2024 (six months ended 30 June 2023: Nil).

### 12. Earnings Per Share

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

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Profit attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	<b>7,024</b>	19,921

	<b>Number of shares</b> <b>Six months ended 30 June</b>	
	<b>2024</b> <b>'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>'000</b> <b>(Unaudited)</b>
Weighted average number of shares for the purpose of calculating basic and diluted earnings per share	<b>4,351,889</b>	4,351,889

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

### 13. Due from Banks and Clients

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Due from clients – mortgage loans	<b>1,834,920</b>	2,265,389
Due from clients – other	<b>900,022</b>	629,753
Valuation adjustments for default risk	<b>(18,216)</b>	(17,213)
<b>Total due from clients</b>	<b>2,716,725</b>	2,877,929
Due from banks on a daily basis	<b>4,698,213</b>	1,908,088
Due from banks other claims	<b>83,596</b>	185,560
Due from banks – precious metals	<b>153,017</b>	130,989
Valuation adjustments for default risk	<b>(265)</b>	(1,669)
<b>Total due from banks</b>	<b>4,934,561</b>	2,222,968

### 14. Trading Portfolio Investments

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
<b>Equity instruments</b>		
Listed equity instruments in Hong Kong at market value	<b>9,948</b>	629
<b>Debt instruments</b>		
Unlisted debt instruments of financial institutions	<b>4,482</b>	189
<b>Investment fund units</b>		
Unlisted investments fund units	<b>19,605</b>	19,890
<b>Investments in other financial products</b>	<b>6,946</b>	6,850
<b>Total trading portfolio investments</b>	<b>40,981</b>	27,558

For the six months ended 30 June 2024

#### 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 2024 and 2023.

The fair value gain during the period was amounted to HK\$72,000 (six months ended 30 June 2023: HK\$41,000), 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 six months ended 30 June 2024.

#### 15. Financial Assets at Fair Value Through Other Comprehensive Income

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	<b>31 December 2023 HK\$'000 (Audited)</b>
Listed equity instruments in Hong Kong (note (a))	<b>179,826</b>	254,754
Listed equity instruments outside Hong Kong (note (b))	<b>17,212</b>	25,342
Unlisted equity investments	<b>5,388</b>	5,531
Total	<b>202,426</b>	285,627

Notes:

- (a) As at 30 June 2024 and 31 December 2023, the listed equity investments in Hong Kong represented 14.76% equity interest in Min Xin Holdings Limited (“Min Xin Shares”). As at 30 June 2024 and 31 December 2023, the Group held 88,150,000 Min Xin Shares. Dividend income of HK\$7,934,000 (six months ended 30 June 2023: HK\$10,578,000) was recognised by the Group in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2024.
- (b) As at 30 June 2024 and 31 December 2023, the listed equity investments outside Hong Kong represented 0.66% equity interest in Citychamp Dartong Company Limited (“Citychamp Dartong Shares”) listed on the Shanghai Stock Exchange in the PRC. As at 30 June 2024 and 31 December 2023, the Group held 9,154,370 Citychamp Dartong Shares. No dividend income was recognised by the Group in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2024 and 2023.

During the six months ended 30 June 2024, the decrease in fair value of financial assets at fair value through other comprehensive income of HK\$83,058,000 (six months ended 30 June 2023: increase in fair value of HK\$32,862,000) has been dealt with in other comprehensive income and FVOCI reserve.

For the six months ended 30 June 2024

## 16. Derivative Financial Instruments

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
<b>Derivative financial assets</b>		
Forward and option contracts	<b>4,244</b>	5,136
<b>Derivative financial liabilities</b>		
Forward and option contracts	<b>934</b>	49,318

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.

	<b>30 June 2024</b>		
	<b>Nominal amount HK\$'000 (Unaudited)</b>	<b>Assets HK\$'000 (Unaudited)</b>	<b>Liabilities HK\$'000 (Unaudited)</b>
Non-hedging instruments – Currency derivatives	<b>856,852</b>	<b>4,244</b>	<b>(934)</b>

	<b>31 December 2023</b>		
	Nominal amount HK\$'000 (Audited)	Assets HK\$'000 (Audited)	Liabilities HK\$'000 (Audited)
Non-hedging instruments – Currency derivatives	3,082,781	5,136	(49,318)



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 17. Trade Receivables

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Trade receivables arising from watches and timepieces and watch accessories business	<b>417,390</b>	429,734
Trade receivables arising from financial business – cash clients	<b>3,865</b>	13,207
	<b>421,255</b>	442,941

The Group's trading terms with its customers of watches and 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 2023: 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:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
1 to 3 months	<b>189,639</b>	198,365
4 to 6 months	<b>91,904</b>	22,421
Over 6 months	<b>135,847</b>	208,948
	<b>417,390</b>	429,734

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 18. Other Financial Assets at Amortised Cost

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
<b>Listed debt instruments, at amortised cost</b>	<b>3,055,197</b>	1,878,805
Issued by:		
Governments and public sector	<b>1,884,122</b>	891,891
Financial institutions	<b>670,756</b>	430,835
Corporations	<b>500,319</b>	556,079

## 19. Inventories

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Raw materials	<b>180,227</b>	309,729
Work-in-progress	<b>602,685</b>	378,697
Finished goods and merchandise	<b>878,883</b>	1,117,473
	<b>1,661,795</b>	1,805,899

## 20. Property, Plant and Equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of HK\$12,525,000 (six months ended 30 June 2023: HK\$10,480,000). During the period, the Group has entered into several leases for offices and shops with right-of-use assets amounted to approximately HK\$3,590,000 (six months ended 30 June 2023: HK\$868,000) recognized. Property, plant and equipment of HK\$11,303,000 were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$432,000).

As at 30 June 2024, land and buildings in Switzerland with an aggregate carrying amount of HK\$72,923,000 (31 December 2023: HK\$81,875,000) have been pledged to secure banking facilities granted to the Group (note 25).

As at 30 June 2024, right-of-use assets in PRC with an aggregate carrying amount of HK\$157,538,000 (31 December 2023: HK\$170,653,000) have been pledged to secure banking facilities granted to the Group (note 25).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 21. Investment Properties

As at 30 June 2024, the Group has not obtained the relevant title certificates for investment properties with an aggregate carrying amount of HK\$45,360,000 (31 December 2023: HK\$45,360,000). The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these investment properties. The directors are now in process of obtaining the title certificates from the relevant government authorities.

## 22. Intangible Assets

	Brand names (Unaudited)	Computer software (Unaudited)	Technical know-how (Unaudited)	Customer relationship (Unaudited)	Total (Unaudited)
<b>Six months ended 30 June 2024</b>					
<b>(Unaudited)</b>					
Opening carrying amount	46,302	880	41,805	16,706	105,693
Addition	-	451	-	-	451
Amortisation	-	(51)	(2,290)	(3,702)	(6,043)
Exchange realignment	(2,951)	(22)	1,015	406	(1,552)
<b>Closing carrying amount</b>	<b>43,351</b>	<b>1,258</b>	<b>40,530</b>	<b>13,410</b>	<b>98,549</b>
<b>Year ended 31 December 2023</b>					
<b>(Audited)</b>					
Opening carrying amount	43,254	-	-	-	43,254
Amortisation	-	(66)	(3,171)	(5,221)	(8,458)
Addition	-	138	-	-	138
Acquisition of subsidiaries	-	828	46,050	22,333	69,211
Exchange realignment	3,048	(20)	(1,074)	(406)	1,548
<b>Closing carrying amount</b>	<b>46,302</b>	<b>880</b>	<b>41,805</b>	<b>16,706</b>	<b>105,693</b>

As at 30 June 2024 and 31 December 2023, all intangible assets are attributable to watches and timepieces and watch accessories businesses.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

### 23. Goodwill

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Balance at the beginning of period/year	<b>1,150,672</b>	1,092,012
Acquisition of subsidiaries	–	42,178
Impairment loss during the year	–	(13,389)
Exchange realignment	<b>(49,546)</b>	29,871
Balance at the end of period/year	<b>1,101,126</b>	1,150,672

As at 30 June 2024, goodwill of HK\$834,570,000 (31 December 2023: HK\$865,969,000) are attributable to watches and timepieces and watch accessories businesses while goodwill of HK\$266,556,000 (31 December 2023: HK\$284,703,000) are attributable to banking and financial businesses.

### 24. Trade Payables

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Trade payables arising from watches and timepieces and watch accessories business	<b>199,463</b>	201,095
Trade payables arising from financial business – Cash clients	<b>3,865</b>	6,135
	<b>203,328</b>	207,230

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

**24. Trade Payables (Continued)**

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

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
1 to 3 months	<b>100,370</b>	116,744
4 to 6 months	<b>13,342</b>	8,774
Over 6 months	<b>85,751</b>	75,577
	<b>199,463</b>	201,095

**25. Borrowings**

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Bank overdrafts (note 25.1)	<b>36,922</b>	41,576
Bank borrowings (note 25.1)	<b>530,231</b>	575,645
Other loans (note 25.2)	<b>72,788</b>	64,033
	<b>639,941</b>	681,254

For the six months ended 30 June 2024

## 25. Borrowings (Continued)

### 25.1 Bank overdrafts and bank borrowings

As at 30 June 2024, the amount of the Group's bank overdrafts and bank borrowings repayable within one year or on demand is HK\$518,365,000 (31 December 2023: HK\$612,816,000).

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:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Borrowings payable:		
Within one year	<b>512,187</b>	443,445
In the second year	<b>6,178</b>	117,792
In the third to fifth year	–	4,405
After fifth year	<b>48,788</b>	51,579
	<b>54,966</b>	173,776
	<b>567,153</b>	617,221

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

- (i) corporate guarantees provided by certain subsidiaries within the Group as at 30 June 2024 and 31 December 2023;
- (ii) entire equity interest of certain subsidiaries within the Group as at 30 June 2024 and 31 December 2023;
- (iii) subordination deeds signed by the Directors of the Group as at 30 June 2024 and 31 December 2023;

For the six months ended 30 June 2024

## 25. Borrowings (Continued)

### 25.1 Bank overdrafts and bank borrowings (Continued)

- (iv) guarantee provided by the government of certain country as at 30 June 2024 and 31 December 2023;
- (v) personal guarantee provided by non-controlling interests of a subsidiary of the Group and certain independent third parties as at 30 June 2024 and 31 December 2023;
- (vi) certain assets of the non-controlling interests of a subsidiary of the Group and certain independent third parties as at 30 June 2024 and 31 December 2023;
- (vii) a legal charge over certain of the Group's property, plant and equipment with the carrying amounts of HK\$230,461,000 (31 December 2023: HK\$252,528,000) as at 30 June 2024;
- (viii) a legal charge over the Group's certain financial assets at fair value through other comprehensive income of not less than 52,890,000 shares of Min Xin Holdings Limited as at 30 June 2024 and 31 December 2023;
- (ix) a standby letter of credit with the correspondent borrowings' balances as at 30 June 2024 and 31 December 2023; and
- (x) the value of the deposits charged shall at all times be not less than HK\$5,000,000 or its equivalent in other currencies as at 30 June 2024 and 31 December 2023;
- (xi) an assignment of two insurance policies in the bank's standard form executed by subsidiaries as policy holder and beneficiary to assign by way of security to the bank all the rights title, interests and benefits in and to a policy in the amount of USD5,571,116 in total as at 30 June 2024 (31 December 2023: USD5,571,116) and Teguh Halim, an executive director of the Company as the insured party issued by an insurance company acceptable to the bank, and the proceeds of such policy, free from all encumbrances.
- (xii) personal guarantee provided by a director of the Company.

For the six months ended 30 June 2024

## 25. Borrowings (Continued)

### 25.1 Bank overdrafts and bank borrowings (Continued)

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

The directors of the Company are not aware of any breach of covenant for the six months ended 30 June 2024 and up to the date of this result.

### 25.2 Other loans

As at 30 June 2024, other loans are unsecured, charge at 5% (31 December 2023: 5%) per annum and repayable within one year.

## 26. Capital Commitments

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

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
<b>Contracted, but not provided for:</b>		
– Investment in an associate – Citychamp Allied International Limited (note)	<b>270,000</b>	270,000

Note:

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



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 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*

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Purchases of goods	<b>2,314</b>	6,811

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

	<b>30 June</b> <b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>31 December</b> <b>2023</b> <b>HK\$'000</b> <b>(Audited)</b>
Due from an associate (note (a)) <sup>#</sup>	<b>40,036</b>	40,017
Trade receivables from associates	<b>12,545</b>	23,163
Due from related companies (note (b)) <sup>#</sup>	<b>1,065</b>	1,065
Due to a shareholder (note (c))	<b>9,025</b>	9,025
Trade payables to associates	<b>24,077</b>	42,208
Due to directors (note (d))	<b>71,274</b>	66,772
Due to a related company (note (e)) <sup>*</sup>	<b>142,774</b>	148,000
Due to an associate (note (f)) <sup>*</sup>	<b>37,023</b>	50,000

<sup>#</sup> Included in other assets

<sup>\*</sup> Included in other liabilities

For the six months ended 30 June 2024

## 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\$40,036,000 (31 December 2023: HK\$40,017,000).
- (b) The amounts were due from companies of which Ms. Sit Lai Hei and Mr. Hon Hau Wong, directors 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 2023: HK\$1,065,000).
- (c) As at 30 June 2024, amounts due to a shareholder of aggregate principal amount of HK\$9,025,000 (31 December 2023: HK\$9,025,000) was unsecured, interest bearing at 5% per annum and repayable within one year.
- (d) As at 30 June 2024, amounts due to Mr Teguh Halim and Siu Chun Wa, directors of the Company, were unsecured, interest bearing 5% per annum and repayable within one year. During the six months ended 30 June 2024, interest expense of HK\$2,530,000 (30 June 2023: HK\$1,321,000) was payable to the directors.
- (e) As at 30 June 2024, amounts due to a related company of aggregate principal amount of HK\$142,774,000 (31 December 2023: HK\$148,000,000) was unsecured, interest bearing at 5% per annum and repayable within one year. The related company is controlled by Mr. Hon Kwok Lung, a director of the Company.
- (f) As at 30 June 2024, amounts due to an associate of aggregate principal amount of HK\$37,023,000 (31 December 2023: HK\$50,000,000) was unsecured, interest bearing at 5% per annum and repayable within one year.

(iii) *Financial guarantee provided to Fair Future*

As 30 June 2024, the Group has provided a corporate guarantee in respect of a banking facility of up to HK\$55,000,000 (31 December 2023: HK\$55,000,000) granted to Fair Future. The corporate guarantee is ending on the expiry of the term of the revolving loan facility.

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

For the six months ended 30 June 2024

## 27. Related Party Transactions (Continued)

### 27.2 Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term employee benefits	5,399	5,210
Post-employment benefits	120	126
	<b>5,519</b>	5,336

## 28. Transactions with Non-Controlling Interests

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

In April 2024, Bendura Group issued 826 equity shares of Bendura Bank at cash consideration CHF785,000 (equivalent to HK\$7,496,000). Following the issue, the Company's effective equity interest in Bendura Group decreased by 0.45%. The Group recognised an increase in non-controlling interests of HK\$4,808,000 and an increase in equity attributable to owners of the Company of HK\$2,691,000.

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

In January 2024, Bendura Group repurchased 3 equity shares of Bendura Bank at cash consideration CHF3,000 (equivalent to HK\$25,000). Following the issue, the Company's effective equity interest in Bendura Group increased by 0.00%. The Group recognised a decrease in non-controlling interests of HK\$15,000 and a decrease in equity attributable to owners of the Company of HK\$10,000.

In January 2024, Bendura Group repurchased 3 equity shares of Bendura Bank at cash consideration CHF3,000 (equivalent to HK\$25,000). Following the issue, the Company's effective equity interest in Bendura Group increased by 0.00%. The Group recognised a decrease in non-controlling interests of HK\$15,000 and a decrease in equity attributable to owners of the Company of HK\$10,000.

For the six months ended 30 June 2024

## 28. Transactions with Non-Controlling Interests (Continued)

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

In March 2024, Bendura Group repurchased 4 equity shares of Bendura Bank at cash consideration CHF4,000 (equivalent to HK\$31,000). Following the issue, the Company's effective equity interest in Bendura Group increased by 0.00%. The Group recognised a decrease in non-controlling interests of HK\$14,000 and a decrease in equity attributable to owners of the Company of HK\$17,000.

In April 2024, Bendura Group repurchased 75 equity shares of Bendura Bank at cash consideration CHF71,000 (equivalent to HK\$620,000). Following the issue, the Company's effective equity interest in Bendura Group increased by 0.04%. The Group recognised a decrease in non-controlling interest of HK\$310,000 and a decrease in equity attributable to owners of the Company of HK\$310,000.

In June 2024, Bendura Group repurchased 46 equity shares of Bendura Bank at cash consideration CHF44,000 (equivalent to HK\$379,000). Following the issue, the Company's effective equity interest in Bendura Group increased by 0.02%. The Group recognised a decrease in non-controlling interests of HK\$234,000 and a decrease in equity attributable to owners of the Company of HK\$145,000.

## 29. Fair Value Measurements of Financial Instruments

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

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

For the six months ended 30 June 2024

## 29. Fair Value Measurements of Financial Instruments (Continued)

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

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

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

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

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

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

**29. Fair Value Measurements of Financial Instruments (Continued)**

30 June 2024				
	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Assets</b>				
Due from banks – precious metals	–	153,017	–	153,017
Trading portfolio investments	9,948	22,157	8,876	40,981
Derivative financial assets	–	4,244	–	4,244
Financial assets at fair value through other comprehensive income	197,038	5,388	–	202,426
	<b>206,986</b>	<b>184,806</b>	<b>8,876</b>	<b>400,668</b>
<b>Liabilities</b>				
Due to clients – precious metals	–	153,049	–	153,049
Derivative financial liabilities	–	934	–	934
Contingent consideration payable	–	–	32,793	32,793
	–	<b>153,049</b>	<b>32,793</b>	<b>186,776</b>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

**29. Fair Value Measurements of Financial Instruments (Continued)**

	31 December 2023			
	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)	Total HK\$'000 (Audited)
<b>Assets</b>				
Due from banks – precious metals	–	130,989	–	130,989
Trading portfolio investments	629	18,053	8,876	27,558
Financial assets at fair value through profit or loss	–	–	32,410	32,410
Derivative financial assets	–	5,136	–	5,136
Financial assets at fair value through other comprehensive income	280,096	5,531	–	285,627
	<u>280,725</u>	<u>159,709</u>	<u>41,286</u>	<u>481,720</u>
<b>Liabilities</b>				
Due to clients – precious metals	–	131,180	–	131,180
Derivative financial liabilities	–	49,318	–	49,318
Contingent consideration payable	–	–	44,905	44,905
	<u>–</u>	<u>180,498</u>	<u>44,905</u>	<u>225,403</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.

For the six months ended 30 June 2024

## 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.

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Opening balance at the beginning of period/year (Level 3 recurring fair value)	<b>8,876</b>	8,882
Fair value change during the period/year	<b>573</b>	(829)
Exchange realignment	<b>(573)</b>	823
Closing balance at the end of period/year (Level 3 recurring fair value)	<b>8,876</b>	8,876

The fair value of 2023 Profit Compensation classified as financial assets at fair value through profit or loss is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Opening balance at the beginning of period/year (Level 3 recurring fair value)	<b>32,410</b>	–
Addition arising from the acquisition	–	(11,590)
Fair value change during the period/year	–	44,000
Settlement received during the period/year	<b>(32,410)</b>	–
Closing balance at the end of period/year (Level 3 recurring fair value)	–	32,410



For the six months ended 30 June 2024

## 29. Fair Value Measurements of Financial Instruments (Continued)

One of the key significant unobservable inputs to determine the fair value of financial assets at fair value through profit or loss is the actual result of Gold Vantage Group for the year ended 31 December 2023.

A worse actual financial result of Gold Vantage Group for the year ended 31 December 2023 would result in increase in the fair value of financial assets at fair value through profit or loss, and vice versa.

The fair values of 2024 and 2025 Profit Compensation classified as financial liabilities at fair value through profit or loss is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Opening balance at the beginning of period/year (Level 3 recurring fair value)	<b>(44,905)</b>	–
Addition arising from the acquisition	–	(66,097)
Fair value change during the period/year	<b>12,112</b>	21,192
Closing balance at the end of period/year (Level 3 recurring fair value)	<b>(32,793)</b>	(44,905)

One of the key significant unobservable inputs to determine the fair value of derivative financial assets is the forecast result of Gold Vantage Group for the years ending 31 December 2024 and 2025.

A better forecast financial result of Gold Vantage Group for the years ending 31 December 2024 and 2025 would result in increase in the fair value of financial liabilities at fair value through profit or loss, and vice versa.



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

香港九龍  
柯士甸道西 1 號  
環球貿易廣場  
19 樓 1902-04 室

Units 1902 – 04, Level 19  
International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

[www.citychampwj.com](http://www.citychampwj.com)