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## **CITYCHAMP WATCH & JEWELLERY GROUP LIMITED**

**冠城鐘錶珠寶集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 256)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

The board of directors (the “**Board**”) of Citychamp Watch & Jewellery Group Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023 as follows:

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest and dividend income from banking business		<b>503,552</b>	358,881
Interest expenses from banking business		<b>(217,570)</b>	(72,913)
<b>Net interest and dividend income from banking business</b>	5a	<b>285,982</b>	285,968
Service fees and commission income from banking business		<b>209,308</b>	198,823
Service fees and commission expenses from banking business		<b>(32,189)</b>	(26,904)
<b>Net service fees and commission income from banking business</b>	5b	<b>177,119</b>	171,919
Trading income from banking business	5c	<b>35,309</b>	33,907
Service fees and commission income from financial business	5d	<b>20</b>	12
Interest income from financial business	5d	<b>1,369</b>	33
Sales of goods from non-banking and financial businesses	5e	<b>813,952</b>	1,113,945
Rental income from non-banking and financial businesses	5e	<b>21,872</b>	23,275
<b>Total revenue</b>		<b>1,335,623</b>	1,629,059
Cost of sales from non-banking and financial businesses		<b>(526,644)</b>	(514,001)
Other income and other net gains or losses	6	<b>(34,665)</b>	77,255
Selling and distribution expenses		<b>(301,850)</b>	(376,358)
Administrative expenses		<b>(672,722)</b>	(667,762)
Share of profit of joint ventures		<b>–</b>	5
Share of profit of associates		<b>3,306</b>	13,842
Finance costs from non-banking business	7	<b>(63,095)</b>	(78,242)
<b>(Loss)/profit before income tax</b>	8	<b>(260,047)</b>	83,798
Income tax expense	9	<b>(21,605)</b>	(20,539)
<b>(Loss)/profit for the year</b>		<b>(281,652)</b>	63,259

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss			
– Remeasurement of net defined benefit obligations		(1,399)	(4,962)
– Change in fair value of financial assets at fair value through other comprehensive income		(51,538)	(10,308)
		<u>(52,937)</u>	<u>(15,270)</u>
Items that may be subsequently reclassified to profit or loss			
– Exchange differences on translation to presentation currency		(248,867)	115,100
– Share of other comprehensive income of associates		(1)	(2,633)
		<u>(248,868)</u>	<u>112,467</u>
<b>Other comprehensive income for the year</b>		<u>(301,805)</u>	97,197
<b>Total comprehensive income for the year</b>		<u><b>(583,457)</b></u>	<u>160,456</u>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		(254,072)	45,100
Non-controlling interests		(27,580)	18,159
		<u>(281,652)</u>	<u>63,259</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		(552,520)	131,496
Non-controlling interests		(30,937)	28,960
		<u>(583,457)</u>	<u>160,456</u>
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
– Basic	11	<u>HK(5.84) cents</u>	<u>HK1.04 cents</u>
– Diluted		<u>HK(5.84) cents</u>	<u>HK1.04 cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Assets</b>			
Cash and deposits		3,782,130	3,761,431
Due from clients		2,659,182	2,877,929
Due from banks		2,945,270	2,222,968
Trading portfolio investments		39,564	27,558
Financial assets at fair value through other comprehensive income		233,893	285,627
Financial assets at fair value through profit or loss	12	24,718	32,410
Derivative financial assets		33,061	5,136
Trade receivables	13	372,111	442,941
Other financial assets at amortised cost		3,511,829	1,878,805
Inventories		1,513,833	1,805,899
Interests in joint ventures		496	496
Interests in associates		86,716	108,411
Property, plant and equipment		1,238,319	1,297,608
Investment properties		160,298	166,370
Intangible assets	14	79,620	105,693
Goodwill	15	973,406	1,150,672
Deferred tax assets		14,439	16,019
Other assets		294,940	345,033
<b>Total assets</b>		<b>17,963,825</b>	<b>16,531,006</b>

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Liabilities</b>			
Due to banks		<b>18,393</b>	–
Due to clients		<b>12,333,170</b>	10,155,311
Financial liabilities at fair value through profit or loss	12	–	44,905
Derivative financial liabilities		<b>2,497</b>	49,318
Trade payables	16	<b>190,121</b>	207,230
Contract liabilities		<b>8,219</b>	11,846
Income tax payables		<b>52,037</b>	44,198
Borrowings	17	<b>595,082</b>	681,254
Provisions		<b>2,686</b>	4,812
Lease liabilities		<b>72,365</b>	49,026
Deferred tax liabilities		<b>65,010</b>	68,561
Due to a shareholder		–	9,025
Due to directors		<b>73,731</b>	66,772
Other liabilities		<b>768,469</b>	773,454
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>14,181,780</b>	12,165,712
		<hr/>	<hr/>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>435,189</b>	435,189
Reserves		<b>3,179,234</b>	3,731,511
		<hr/>	<hr/>
		<b>3,614,423</b>	4,166,700
Non-controlling interests		<b>167,622</b>	198,594
		<hr/>	<hr/>
<b>Total equity</b>		<b>3,782,045</b>	4,365,294
		<hr/>	<hr/>
<b>Total liabilities and equity</b>		<b>17,963,825</b>	16,531,006
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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, Uglan House, South Church Street, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is Units 1902–04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the year, 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 year.

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**”).

## 2. ADOPTION OF NEW OR REVISED HKFRS ACCOUNTING STANDARDS

### (a) Adoption of new or revised HKFRS accounting standards – effective 1 January 2024

In the current year, the Group has applied for the first time the following new or revised standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as current or non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Liability in a Sale and Leaseback
Amendments to HKFRS 7	Supplier Finance Arrangements

None of these new or amended HKFRS accounting standards has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS accounting standards that is not yet effective for the current accounting period. The Group has revisited its accounting policy information and has not disclosed certain immaterial accounting policies.

**(b) New or revised HKFRS accounting standards that have been issued but are not yet effective**

The following new or revised HKFRS accounting standards, potentially relevant to the Group's consolidated financial statements, have been issued but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 7 and HKFRS 9	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 7 and HKFRS 9	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

The consolidated financial statements have been prepared in accordance with all applicable individual HKFRS accounting standards issued by the HKICPA. The consolidated financial statements also included the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

**3.2 Historical cost convention**

The consolidated financial statements have been prepared under historical cost basis except for investment properties and certain financial instruments, which are measured at fair value. The adoption of new or revised HKFRS accounting standards and the impacts on the Group's consolidated financial statements, if any, are disclosed in note 2.

It should be noted that accounting estimates and assumptions are used in preparing these consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

### **3.3 Going concern basis**

The Group has missed some of the scheduled repayment of certain bank borrowing related to its non-banking business for the year ended 31 December 2024. In light of these, the Group has entered into the negotiation immediately with the lender for extension or renewal of repayment of the aforesaid bank borrowing.

Before the report date, the Group has fully repaid the outstanding amount of approximately HK\$55,000,000 that the Group had missed on the year ended date. Moreover, the Group and the lender has agreed a supplementary arrangement to enhance the repayment schedule of the remaining borrowing.

Based on the above, the directors of the Company are of the opinion that the Group would have sufficient financial resources to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis.

### **3.4 Functional and presentation currency**

The consolidated financial statements are 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.

## **4. 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.



2024

	Watches and timepieces and watch accessories <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Banking and financial businesses <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>					
Net interest and dividend income from banking business	–	–	285,982	–	285,982
Net service fees and commission income from banking business	–	–	177,119	–	177,119
Trading income from banking business	–	–	35,309	–	35,309
Service fees and commission income from financial business	–	–	20	–	20
Interest income from financial business	–	–	1,369	–	1,369
Sales of goods from non-banking and financial businesses	813,952	–	–	–	813,952
Rental income from non-banking and financial businesses	–	21,872	–	–	21,872
<b>Total revenue</b>	<b>813,952</b>	<b>21,872</b>	<b>499,799</b>	<b>–</b>	<b>1,335,623</b>
<b>Segment results</b>	<b>(194,622)</b>	<b>15,397</b>	<b>132,062</b>	<b>–</b>	<b>(47,163)</b>
Unallocated corporate income and expenses, net	–	–	–	(153,095)	(153,095)
Share of profit of associates	–	–	–	3,306	3,306
Finance costs	(23,071)	–	(537)	(39,487)	(63,095)
<b>(Loss)/profit before income tax</b>	<b>(217,693)</b>	<b>15,397</b>	<b>131,525</b>	<b>(189,276)</b>	<b>(260,047)</b>
Income tax expense	(3,637)	(727)	(17,172)	(69)	(21,605)
<b>(Loss)/profit for the year</b>	<b>(221,330)</b>	<b>14,670</b>	<b>114,353</b>	<b>(189,345)</b>	<b>(281,652)</b>
<b>Segment assets</b>	<b>3,656,453</b>	<b>185,497</b>	<b>13,744,247</b>	<b>–</b>	<b>17,586,197</b>
Unallocated corporate assets:					
Interests in joint ventures	–	–	–	496	496
Interests in associates	–	–	–	86,716	86,716
Trading portfolio investments	–	–	–	39,564	39,564
Financial assets at fair value through other comprehensive income	–	–	–	233,893	233,893
Cash and deposits	–	–	–	7,839	7,839
Other unallocated corporate assets	–	–	–	9,120	9,120
<b>Consolidated total assets</b>	<b>3,656,453</b>	<b>185,497</b>	<b>13,744,247</b>	<b>377,628</b>	<b>17,963,825</b>

	Watches and timepieces and watch accessories <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Banking and financial businesses <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment liabilities</b>	865,917	41,883	12,542,395	–	13,450,195
Unallocated corporate liabilities:					
Borrowings	–	–	–	370,536	370,536
Lease liabilities	–	–	–	35,565	35,565
Other unallocated corporate liabilities ( <i>note</i> )	–	–	–	325,484	325,484
<b>Consolidated total liabilities</b>	<b>865,917</b>	<b>41,883</b>	<b>12,542,395</b>	<b>731,585</b>	<b>14,181,780</b>
<b>Other segment information</b>					
Interest income and other interest income	661	–	–	368	1,029
Expected credit losses on trade receivables	(6,027)	–	–	–	(6,027)
Expected credit loss on other assets	(36,724)	–	–	–	(36,724)
Provision of expected credit losses on due from banks and customers	–	–	(5,327)	–	(5,327)
Reversal of expected credit losses for other financial assets at amortised cost	–	–	618	–	618
Reversal of provision for litigation risks, net	–	–	219	–	219
Provision for inventories	(21,348)	–	–	–	(21,348)
Reversal of provision for inventories	11,000	–	–	–	11,000
Impairment loss on goodwill	(115,917)	–	–	–	(115,917)
Impairment loss on property, plant and equipment	(1,407)	–	–	–	(1,407)
Impairment loss on intangible asset	(1,732)	–	–	–	(1,732)
Gain on fair value changes on financial assets/liabilities at fair value through profit or loss	69,623	–	–	–	69,623
Depreciation and amortisation	(54,139)	–	(27,482)	(11,115)	(92,736)
Net deficit on revaluation of investment properties	–	(4,386)	–	–	(4,386)
Additions to non-current assets	25,447	–	15,485	–	40,932

*Note:* Other unallocated corporate liabilities mainly included amounts due to a related company and associates as at 31 December 2024.

**2023**

	Watches and timepieces and watch accessories <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Banking and financial businesses <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>					
Net interest and dividend income from banking business	–	–	285,968	–	285,968
Net service fees and commission income from banking business	–	–	171,919	–	171,919
Trading income from banking business	–	–	33,907	–	33,907
Service fees and commission income from financial business	–	–	12	–	12
Interest income from financial business	–	–	33	–	33
Sales of goods from non-banking and financial businesses	1,113,945	–	–	–	1,113,945
Rental income from non-banking and financial businesses	–	23,275	–	–	23,275
<b>Total revenue</b>	<b>1,113,945</b>	<b>23,275</b>	<b>491,839</b>	<b>–</b>	<b>1,629,059</b>
<b>Segment results</b>	<b>86,447</b>	<b>10,671</b>	<b>130,129</b>	<b>–</b>	<b>227,247</b>
Unallocated corporate income and expenses, net	–	–	–	(79,054)	(79,054)
Share of profit of joint ventures	–	–	–	5	5
Share of profit of associates	–	–	–	13,842	13,842
Finance costs	(27,227)	–	(336)	(50,679)	(78,242)
<b>Profit/(loss) before income tax</b>	<b>59,220</b>	<b>10,671</b>	<b>129,793</b>	<b>(115,886)</b>	<b>83,798</b>
Income tax expense	(3,886)	–	(16,623)	(30)	(20,539)
<b>Profit/(loss) for the year</b>	<b>55,334</b>	<b>10,671</b>	<b>113,170</b>	<b>(115,916)</b>	<b>63,259</b>
<b>Segment assets</b>	<b>4,271,822</b>	<b>191,574</b>	<b>11,629,158</b>	<b>–</b>	<b>16,092,554</b>
Unallocated corporate assets:					
Interests in joint ventures	–	–	–	496	496
Interests in associates	–	–	–	108,411	108,411
Trading portfolio investments	–	–	–	27,558	27,558
Financial assets at fair value through other comprehensive income	–	–	–	285,627	285,627
Cash and deposits	–	–	–	3,387	3,387
Other unallocated corporate assets	–	–	–	12,973	12,973
<b>Consolidated total assets</b>	<b>4,271,822</b>	<b>191,574</b>	<b>11,629,158</b>	<b>438,452</b>	<b>16,531,006</b>

	Watches and timepieces and watch accessories <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Banking and financial businesses <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment liabilities</b>	985,989	39,270	10,362,734	–	11,387,993
Unallocated corporate liabilities:					
Borrowings	–	–	–	395,103	395,103
Due to a shareholder	–	–	–	9,025	9,025
Lease liabilities	–	–	–	15,090	15,090
Other unallocated corporate liabilities ( <i>note</i> )	–	–	–	358,501	358,501
<b>Consolidated total liabilities</b>	<b>985,989</b>	<b>39,270</b>	<b>10,362,734</b>	<b>777,719</b>	<b>12,165,712</b>
<b>Other segment information</b>					
Interest income and other interest income	470	–	–	327	797
Expected credit losses on trade receivables	(10,810)	–	–	–	(10,810)
Expected credit loss on other assets	(1,686)	(1,045)	(1,224)	(150)	(4,105)
Provision of expected credit losses on due from banks and customers	–	–	(7,591)	–	(7,591)
Provision of expected credit losses for other financial assets at amortised cost	–	–	(6,024)	–	(6,024)
Provision for litigation risks, net	–	–	(4,121)	–	(4,121)
Provision for inventories	(24,434)	–	–	–	(24,434)
Reversal of provision for inventories	38	–	–	–	38
Impairment loss on goodwill	(13,389)	–	–	–	(13,389)
Gain on fair value changes on financial assets/liabilities at fair value through profit or loss	65,192	–	–	–	65,192
Depreciation and amortisation	(55,318)	–	(32,062)	(6,458)	(93,838)
Additions to non-current assets	25,764	–	8,792	–	34,556
Net deficit on revaluation of investment properties	–	(1,218)	–	–	(1,218)

*Note:* Other unallocated corporate liabilities mainly included amounts due to a related company and associates as at 31 December 2023.

Unallocated corporate income and expenses mainly comprised dividend income from trading portfolio investments and, financial assets at fair value through other comprehensive income, gain or loss on fair value changes in trading portfolio investments and other corporate income and expenses of the Group's headquarter which are not directly attributable to the business activities of any operating segment. Other corporate expenses mainly included employee costs and directors' remuneration for administrative purpose.

The Group's revenues from external customers and its non-current assets (other than financial assets and deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hong Kong	75,371	44,432	139,101	365,922
PRC	653,060	782,066	1,597,645	1,598,783
Switzerland	3,389	3,332	347,554	376,296
United Kingdom	52,915	51,666	8,488	5,908
Liechtenstein	499,799	491,839	444,815	481,098
Others	51,089	255,724	1,252	1,243
	<b>1,335,623</b>	<b>1,629,059</b>	<b>2,538,855</b>	<b>2,829,250</b>

The geographical location of revenues from watches and timepieces and watch accessories and property investments segment are based on the location of customers, and the geographical location of revenues from banking and financial businesses segment are based on the location of operations of the cash generating units ("CGUs").

Non-current assets (other than financial assets and deferred tax assets) include interests in joint ventures, interests in associates, property, plant and equipment, investment properties, intangible assets and goodwill. For interests in joint ventures and interests in associates, goodwill and intangible assets, the geographical location is based on the areas of operation of CGUs. The geographical location of other non-current assets is based on the physical location of the assets.

The Group has a large number of customers and there is no significant revenue that is more than 10% of the Group's revenue derived from specific external customers for the years ended 31 December 2024 and 2023.

## 5. REVENUE

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

For banking and financial businesses, revenue mainly comprises net interest and dividend income, net service fees and commission income and trading income (notes 5(a), 5(b), 5(c) and 5(d)). 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 (note 5(e)).

Revenue recognised during the year is as follows:

(a) **Net interest and dividend income from banking business**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Interest and dividend income from banking business arising from:</b>		
Interest income – due from banks	253,027	169,796
Interest income – due from clients	44,609	28,608
Interest income from mortgage loans	79,253	75,175
Interest income from money market papers	(322)	7,803
Interest income from financial assets	95,088	48,521
Negative interest expense on due to clients	31,897	28,978
	<u>503,552</u>	<u>358,881</u>
<b>Interest expenses from banking business arising from:</b>		
Interest expense on due to banks	(288)	(189)
Interest expense on due to clients	(216,098)	(71,883)
Negative interest income on due from banks and clients	(1,184)	(841)
	<u>(217,570)</u>	<u>(72,913)</u>
<b>Net interest and dividend income from banking business</b>	<b><u>285,982</u></b>	<b><u>285,968</u></b>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Service fee and commission income from banking business arising from:</b>		
Commission income from loans	7,112	4,647
Brokerage fees	35,530	26,912
Custody account fees	25,870	27,046
Commission on investment advice and asset management	48,337	44,542
Commission income from service fees	27,020	4,308
Commission income from fiduciary fees	385	29,825
Commission income from retrocession	4,082	11
Other commission income	60,972	61,532
	<u>209,308</u>	<u>198,823</u>
Service fees and commission expenses from banking business	(32,189)	(26,904)
<b>Net service fees and commission income from banking business</b>	<b><u>177,119</u></b>	<b><u>171,919</u></b>

(c) **Trading income from banking business**

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Equity instruments	–	1
Debt instruments	7	269
Securities	<b>4,103</b>	2
Forex and precious metals	<b>30,931</b>	33,597
Funds	<b>268</b>	38
	<hr/>	<hr/>
Trading income from banking business	<b>35,309</b>	33,907
	<hr/> <hr/>	<hr/> <hr/>

(d) **Revenue from financial business**

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Service fees and commission income	<b>20</b>	12
Interest income	<b>1,369</b>	33
	<hr/>	<hr/>
Revenue from financial business	<b>1,389</b>	45
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Sales of goods	<b>813,952</b>	1,113,945
Rental income	<b>21,872</b>	23,275
	<hr/>	<hr/>
Revenue from non-banking business and financial businesses	<b>835,824</b>	1,137,220
	<hr/> <hr/>	<hr/> <hr/>

## 6. OTHER INCOME AND OTHER NET GAINS OR LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gain on disposal of a subsidiary	–	2,529
Gain on disposal of interests in associates	–	1,349
Gain on fair value changes in trading portfolio investments from non-banking business, net	282	136
Gain on fair value changes on financial assets/liabilities at fair value through profit or loss	69,623	65,192
Impairment loss on goodwill	(115,917)	(13,389)
Impairment loss on property, plant and equipment	(1,407)	–
Impairment loss on intangible assets	(1,732)	–
Net deficit on revaluation of investment properties	(4,386)	(1,218)
Gain on disposal of property, plant and equipment	1,533	1,021
Gain on early termination of lease	519	–
Bank and other interest income from non-banking business	1,029	797
Dividend income from financial assets at fair value through other comprehensive income	7,941	10,578
Other operating income	–	15,881
Government subsidies ( <i>note</i> )	5,083	2,500
Reversal of provision/(provision) of litigation risks	219	(4,121)
Provision of expected credit losses for due from banks and clients	(5,327)	(7,591)
Reversal of expected credit losses/(provision of expected credit losses) for other financial assets at amortised cost	618	(6,024)
Exchange gain, net	5,913	7,579
Other sundry income, net	1,344	2,036
	<u>(34,665)</u>	<u>77,255</u>

*Note:* Government subsidies mainly comprised of unconditional subsidies received for subsidising the Group's business.

## 7. FINANCE COSTS FROM NON-BANKING BUSINESS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest charged on bank borrowings, bank overdrafts and other borrowings	59,383	75,748
Interest on lease liabilities	3,712	2,494
	<u>63,095</u>	<u>78,242</u>



## 8. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of inventories recognised as expense, including:	<b>526,644</b>	514,001
– Reversal of provision for inventories	<b>(11,000)</b>	(38)
– Provision for inventories	<b>21,348</b>	24,434
Depreciation and amortisation	<b>92,736</b>	93,838
– Depreciation for owned assets ( <i>note (a)</i> )	<b>52,090</b>	53,318
– Depreciation for right-of-use assets ( <i>note (a)</i> )	<b>28,911</b>	32,062
– Amortisation of intangible assets ( <i>note (b)</i> )	<b>11,735</b>	8,458
Short term lease expenses	<b>19,038</b>	27,436
Auditor's remuneration	<b>4,600</b>	4,700
Gross rental income	<b>(21,872)</b>	(23,275)
Less: direct operating expenses	<b>2,684</b>	2,980
Net rental income	<b>(19,188)</b>	(20,295)
Research and development expenses ( <i>note (b)</i> )	<b>11,215</b>	15,434
Expected credit losses on other assets	<b>36,724</b>	4,105
Expected credit losses on trade receivables	<b>6,027</b>	10,810
Advertising	<b>41,455</b>	54,731

*Notes:*

- (a) Depreciation expense of HK\$5,823,000 (2023: HK\$6,322,000) has been included in cost of sales from non-banking and financial businesses, HK\$13,485,000 (2023: HK\$24,076,000) in selling and distribution expenses and HK\$61,693,000 (2023: HK\$54,982,000) in administrative expenses.
- (b) Amortisation expenses and research and development expenses had been included in the administrative expenses.

## 9. INCOME TAX EXPENSE

For the years ended 31 December 2024 and 2023, Hong Kong profit tax has been provided for certain subsidiaries within the Group and is calculated at 16.5% on the estimated assessable profits (2023: 16.5%). The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 25% (2023: 15% and 25%). Overseas tax is calculated at the rates applicable in the respective jurisdictions.

The Group is also subject to PRC withholding tax at the rate of 5% (2023: 5%) in respect of dividend income derived from PRC incorporated company.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax for the year		
Hong Kong	<b>61</b>	238
PRC	<b>4,180</b>	4,667
Liechtenstein	<b>17,313</b>	16,623
Switzerland	<b>543</b>	479
Deferred tax for the year	<b>(492)</b>	(1,468)
Total income tax expense	<b>21,605</b>	20,539

## 10. DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: Nil).

## 11. (LOSS)/EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>(Loss)/profit</b>		
(Loss)/profit attributable to owners of the Company for the purpose of calculating basic and diluted (loss)/earnings per share	<u>(254,072)</u>	<u>45,100</u>
	<b>2024 Number of shares '000</b>	<b>2023 Number of shares '000</b>
<b>Number of shares</b>		
Weighted average number of shares for the purpose of calculating basic and diluted (loss)/earnings per share	<u>4,351,889</u>	<u>4,351,889</u>

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share, as the Group has no dilutive potential ordinary shares for the years ended 31 December 2024 and 2023.

## 12. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Financial asset at fair value through profit or loss		
– 2023 Profit Compensation ( <i>note i</i> )	–	32,410
– 2024 Profit Compensation ( <i>note ii</i> )	24,123	–
– 2025 Profit Compensation ( <i>note iii</i> )	595	–
	<u>24,718</u>	<u>32,410</u>
Financial liabilities at fair value through profit or loss		
2024 Profit Compensation ( <i>note ii</i> )	–	26,592
2025 Profit Compensation ( <i>note iii</i> )	–	18,313
	<u>–</u>	<u>44,905</u>

For the years ended 31 December 2023 and 2024, the Group's financial assets and financial liabilities at fair value through profit or loss were resulted from contractual term of its acquisition of equity interest in Gold Vantage Industrial Limited (“**Gold Vantage**”) and its subsidiaries (collectively “**Gold Vantage Group**”).

*Notes:*

- (i) As at 31 December 2023, the directors of the Company estimated that the audited profit after tax of Gold Vantage Group for the year ended 31 December 2023 would be less than HK\$30,000,000. The balance represented the fair value of the financial assets in relation to 2023 Profit Compensation and the directors had engaged an independent professional valuer to assist them to estimate the fair values as at 31 December 2023. The fair value gain of HK\$44,000,000 had been recognised in the other income and other net gains and losses for the year ended 31 December 2023. 2023 Profit Compensation has been settled by the vendor during the year ended 31 December 2024.
- (ii) As at 31 December 2024, the directors of the Company estimated that the audited profit after tax of Gold Vantage Group for the year ended 31 December 2024 would be less than HK\$30,000,000. The balance represented the fair value of the financial assets in relation to 2024 Profit Compensation and the directors have engaged an independent professional valuer to assist them to estimate the fair values as at 31 December 2024. The fair value gain of HK\$50,715,000 has been recognised in the other income and other net gains and losses for the year ended 31 December 2024.

As at 31 December 2023, the balance represented the fair value of the financial liabilities in relation to 2024 Profit Compensation. The fair value gain of HK\$8,871,000 had been recognised in the other income and other net gains and losses for the year ended 31 December 2023.

- (iii) The directors of the Company estimated that the audited profit after tax of Gold vantage Group for the year ending 31 December 2025 would be less than HK\$30,000,000. The balance represented the fair value of the financial assets in relation to 2025 Profit Compensation and the directors have engaged an independent professional valuer to assist them to estimate the fair values as at 31 December 2024. The fair value gain of HK\$18,908,000 has been recognised in the other income and other net gains and losses for the year ended 31 December 2024.

As at 31 December 2023, the balance represented the fair value of the financial liabilities in relation to 2025 Profit Compensation. The fair value gain of HK\$12,321,000 had been recognised in the other income and other net gains and losses for the year ended 31 December 2023.

### 13. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables arising from watches and timepieces and watch accessories business: <i>(note (a))</i>		
Trade receivables	454,955	511,936
Less: Provision for impairment loss	<u>(84,644)</u>	<u>(82,202)</u>
	<u>370,311</u>	<u>429,734</u>
Trade receivables arising from financial business: <i>(note (b))</i>		
– Cash clients	<u>1,800</u>	<u>13,207</u>
	<u>1,800</u>	<u>13,207</u>
Trade receivables, net	<u><u>372,111</u></u>	<u><u>442,941</u></u>

*Notes:*

- (a) The Group's trading terms with its customers of watches and timepieces and watch accessories business are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of 30 days to 360 days (2023: 30 days to 360 days) for major customers. The credit term for customers is determined by the management according to industry practice together with consideration of their creditability. In view of the aforementioned and the fact that the Group's trade receivables relate to a wide range of customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Impairment losses in respect of trade receivables arising from watches and timepieces and watch accessories business are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

Movements in the expected credit losses of trade receivables arising from watches and timepieces and watch accessories business are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	82,202	88,351
Written off	–	(10,421)
Expected credit losses for the year	6,027	10,810
Exchange realignment	<u>(3,585)</u>	<u>(6,538)</u>
At 31 December	<u><u>(84,644)</u></u>	<u><u>82,202</u></u>

The Group does not hold any collateral over these balances.

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

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
1 to 3 months	<b>73,523</b>	198,365
4 to 6 months	<b>21,555</b>	22,421
Over 6 months	<b>275,233</b>	208,948
	<b><u>370,311</u></b>	<u>429,734</u>

The directors of the Company consider that as trade receivables arising from watches and timepieces and watch accessories business are expected to be recovered within one year, their fair values are not materially different from their carrying amounts because these balances have short maturity periods on their inception at the reporting date.

- (b) The settlement term of trade receivables arising from the financial business of securities dealing is two business days after trade date (“**T+2**”).

Trade receivable from cash clients related to a wide range of customers for whom there was no recent history of default. Based on the past experience, current assessment and the available forward-looking information, the management believes that no additional impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

The Group has policy for impairment allowance which requires management’s judgement and estimation. The directors are in opinion that no impairment allowance is necessary in respect of trade receivables arising from the financial business of securities dealing as at 31 December 2024 and 2023.

## 14. INTANGIBLE ASSETS

	Supplier and distribution networks HK\$'000	Brand names HK\$'000	Patents HK\$'000	Computer Software HK\$'000	Technical knowhow HK\$'000	Customer relationship HK\$'000	Total HK\$'000
<b>At 1 January 2023</b>							
Cost	21,062	276,343	34,092	-	-	-	331,497
Accumulated amortisation and impairment losses	(21,062)	(233,089)	(34,092)	-	-	-	(288,243)
<b>Net carrying amount</b>	<b>-</b>	<b>43,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,254</b>
<b>Year ended 31 December 2023</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>-</b>	<b>46,302</b>	<b>-</b>	<b>880</b>	<b>41,805</b>	<b>16,706</b>	<b>105,693</b>
<b>At 31 December 2023 and 1 January 2024</b>							
Cost	22,403	298,080	37,457	966	44,958	21,803	425,667
Accumulated amortisation and impairment losses	(22,403)	(251,778)	(37,457)	(86)	(3,153)	(5,097)	(319,974)
<b>Net carrying amount</b>	<b>-</b>	<b>46,302</b>	<b>-</b>	<b>880</b>	<b>41,805</b>	<b>16,706</b>	<b>105,693</b>
<b>Year ended 31 December 2024</b>							
Opening carrying amount	-	46,302	-	880	41,805	16,706	105,693
Amortisation	-	-	-	(122)	(4,438)	(7,175)	(11,735)
Addition	-	-	-	457	-	-	457
Disposal	-	-	-	-	(8,091)	-	(8,091)
Impairment loss for the year (note 6)	-	-	-	-	(1,308)	(424)	(1,732)
Exchange realignment	-	(3,483)	-	(34)	(1,067)	(388)	(4,972)
<b>Closing carrying amount</b>	<b>-</b>	<b>42,819</b>	<b>-</b>	<b>1,181</b>	<b>26,901</b>	<b>8,719</b>	<b>79,620</b>
<b>At 31 December 2024</b>							
Cost	21,281	280,827	34,639	1,365	35,481	21,125	394,718
Accumulated amortisation and impairment losses	(21,281)	(238,008)	(34,639)	(184)	(8,580)	(12,406)	(315,098)
<b>Net carrying amount</b>	<b>-</b>	<b>42,819</b>	<b>-</b>	<b>1,181</b>	<b>26,901</b>	<b>8,719</b>	<b>79,620</b>

As at 31 December 2024, intangible assets of HK\$79,620,000 (2023: HK\$105,693,000) are attributable to watches and timepieces and watches accessories business.

Supplier and distribution networks have been fully amortised in the prior years.

Brand name amounted to HK\$42,819,000 (2023: HK\$46,302,000) are attributable to the CGU of Ernest Borel Group.

The remaining balances of brand names and patents had been amortised or fully impaired in previous years since the operating results of those CGUs had not been performed as expected.

Computer software, customer relationship and technical knowhow are attributable to the CGU of Gold Vantage Group.

## 15. GOODWILL

The amount of goodwill capitalised as an asset recognised in the consolidated statement of financial position, arising from business combinations, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>At 1 January</b>		
Gross carrying amount	1,313,737	1,231,933
Accumulated impairment losses	<u>(163,065)</u>	<u>(139,921)</u>
Net carrying amount	<u><b>1,150,672</b></u>	<u>1,092,012</u>
<b>Year ended 31 December</b>		
Opening carrying amount	1,150,672	1,092,012
Acquisition of subsidiaries	–	42,178
Impairment loss during the year ( <i>note 6</i> )	(115,917)	(13,389)
Exchange realignment	<u>(61,349)</u>	<u>29,871</u>
Closing carrying amount	<u><b>973,406</b></u>	<u>1,150,672</u>
<b>At 31 December</b>		
Gross carrying amount	1,245,903	1,313,737
Accumulated impairment losses	<u>(272,497)</u>	<u>(163,065)</u>
Net carrying amount	<u><b>973,406</b></u>	<u>1,150,672</u>

## 16. TRADE PAYABLES

As at 31 December 2024, the Group's trade payable is amounted to HK\$190,121,000 (2023: HK\$207,230,000), in which HK\$187,775,000 (2023: HK\$201,095,000) is arising from watches and timepieces and watch accessories businesses and HK\$2,346,000 (2023: HK\$6,135,000) is arising from financial business.

- (a) The credit terms of trade payables arising watches and timepieces and watch accessories business vary according to the terms agreed with different suppliers. Trade payables to watches and timepieces and watch accessories business are non-interest bearing.

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1 to 3 months	<b>127,183</b>	116,744
4 to 6 months	<b>9,152</b>	8,774
Over 6 months	<b>51,440</b>	75,577
	<b>187,775</b>	201,095

- (b) The settlement term of trade payables arising from securities dealing of the financial business is “T+2”. Trade payables arising from securities dealing of financial business during the “T+2” period are current whereas those which are outstanding after the “T+2” period are repayable on demand.

## 17. BORROWINGS

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank overdrafts ( <i>note 17.1</i> )	<b>29,519</b>	41,576
Bank borrowings ( <i>note 17.1</i> )	<b>470,628</b>	575,645
Other loans ( <i>note 17.2</i> )	<b>94,935</b>	64,033
	<b>595,082</b>	681,254

### 17.1 Bank overdrafts and bank borrowings

As at 31 December 2024, bank overdrafts and bank borrowings are related to the Group’s non-banking business. Bank borrowings repayable within one year, or otherwise subject to accelerated repayment provision is HK\$410,234,000 (2023: HK\$571,240,000). Bank overdrafts are repayable on demand.

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>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Borrowings payable:		
Within one year	<b>177,602</b>	443,445
In the second year	<b>156,238</b>	117,792
In the third to fifth year	<b>115,915</b>	4,405
After fifth year	<b>50,392</b>	51,579
	<b>322,545</b>	173,776
	<b>500,147</b>	617,221

The abovementioned borrowings are charged at floating rates ranging from 0% to 7.73% (2023: 0% to 8.15%) per annum.



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

- (i) corporate guarantees provided by certain subsidiaries within the Group as at 31 December 2024 and 2023;
- (ii) entire equity interest of certain subsidiaries within the Group as at 31 December 2024 and 2023;
- (iii) subordination deeds signed by the Directors of the Group as at 31 December 2024 and 2023;
- (iv) guarantee provided by the government of certain country as at 31 December 2024 and 2023;
- (v) personal guarantee provided by an non-controlling interests of a subsidiary of the Group and certain independent third parties as at 31 December 2024 and 2023;
- (vi) certain assets of the non-controlling interests of a subsidiary of the Group and certain independent third parties as at 31 December 2024 and 2023;
- (vii) a legal charge over the Group's property, plant and equipment with the carrying amount of HK\$237,000,000 (2023: HK\$252,528,000) as at 31 December 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 Min Xin Shares as at 31 December 2023;
- (ix) a legal charge over the Group's certain financial assets at fair value through other comprehensive income of 23,338,000 Min Xin Shares as at 31 December 2024;
- (x) a standby letter of credit with the correspondent borrowings' balances as at 31 December 2024 and 2023; and
- (xi) personal guarantee provided by a director of the Company.

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

## **17.2 Other loans**

As at 31 December 2024 and 2023, other loans is unsecured, charged at 5% per annum and repayable within one year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATING RESULT

For the year ended 31 December 2024, the Group recorded total revenue of approximately HK\$1,335,623,000 (31 December 2023: HK\$1,629,059,000), a decrease of HK\$293,436,000 or 18.0% over 2023.

Operating expenses (including selling and distribution expenses and administrative expenses) for the year ended 31 December 2024 was approximately HK\$974,572,000 (31 December 2023: HK\$1,044,120,000), a decrease of HK\$69,548,000 or 6.7% over 2023.

Gross profit generated from non-banking and financial businesses for the year ended 31 December 2024 was approximately HK\$309,180,000 (31 December 2023: HK\$623,219,000), a decrease of HK\$314,039,000 or 50.4% over 2023.

Gross profit generated from banking and financial businesses for the year ended 31 December 2024 was approximately HK\$499,799,000 (31 December 2023: HK\$491,839,000), an increase of HK\$7,960,000 or 1.6% over 2023.

The EBITDA for the year ended 31 December 2024 was approximately HK\$11,701,000 (31 December 2023: HK\$255,878,000), a decrease of HK\$244,177,000 or 95.4% over 2023.

Net loss after tax for the year ended 31 December 2024 was approximately HK\$281,652,000 (31 December 2023: net profit of HK\$63,259,000).

The net loss after tax for the year ended 31 December 2024 included the following one-off impairment on the Group's asset:

- (i) The HK\$88,991,000 impairment on the Goodwill generated from the acquisition of Zhuhai Rossini Watch Industry Limited;
- (ii) The HK\$26,926,000 impairment on the Goodwill generated from the acquisition of Gold Vantage Group; and
- (iii) The HK\$35,000,000 impairment on the prepayment of investment project of Ebohr Group.

### PERFORMANCE

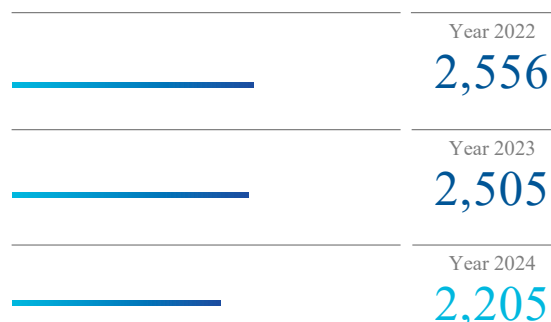
Our Group comprises three key divisions – watches, timepieces and watch accessories businesses, banking and financial businesses, and various investment businesses.

## WATCHES, TIMEPIECES AND WATCH ACCESSORIES BUSINESSES

### I.A. Local Proprietary Brands

#### *Zhuhai Rossini Watch Industry Limited*

#### ROSSINI'S NUMBER OF DISTRIBUTION OUTLETS



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

	31 December 2024	31 December 2023	31 December 2022
Physical stores	66.2%	62.5%	52.7%
E-commerce	30.1%	34.1%	44.1%
Other	3.7%	3.4%	3.2%

For the year ended 31 December 2024, Zhuhai Rossini Watch Industry Limited (“**Rossini**”), a 91% subsidiary of the Group, recorded revenue of HK\$260,795,000, a decrease of HK\$70,594,000 or 21.3% from HK\$331,389,000 in 2023. Net profit after tax attributable to owners of the Company for the year ended 31 December 2024 was HK\$17,053,000, representing a decrease of HK\$17,921,000 or 51.2%, from HK\$34,974,000 in 2023.

In 2024, due to the complex international environment and ongoing adjustments to the domestic economic structure, the domestic demand in China remained lackluster. As a traditional well-known watch manufacturer, Rossini has been endeavoring to adapt changes of domestic and global markets, and take challenges as opportunities to grow while maintaining its stability at the same time. By optimizing the allocation of resources, strictly controlling the operating expenses of its segments, strengthening data analysis on the operating situations of the shopping malls and branches, and implementing the regional management system, Rossini enhanced its efficiency so as to devote its resources on technological innovation and development and launch of new products to keep up with the pace of marketing progress.

Following one of the key marketing strategies in 2023 to open more shops in new shopping malls, Rossini attached more importance to data collection which represented the operating conditions of the physical stores in the malls and its divisions. By deepening data analysis, focusing more on measurement components and prioritizing the efficiency, Rossini could review and approve its divisional applications and reports in a reasonable manner. In the meanwhile, in order to strengthen its overall operational efficiency and achieve the optimal allocation of resources, Rossini continued to adopt refined and standardized management strategy. For instance, for divisions with outstanding sales, Rossini increased its support so as to drive other divisions and stabilize the regional market. On the contrary, for the divisions with lower sales, Rossini concentrated on the profiling of the divisions and consolidation of resources, leading to higher efficiency gains through integration and optimization of management resource inputs.

Cost control has been implemented strictly by Rossini in the current business environment. By reinforcing its corporate governance and internal control system, Rossini kept control on the expense rate of each segment, optimized personnel management to ensure there was no redundancy of manpower so as to maximize the utilization and effectiveness of human resources. Furthermore, Rossini audited the expenditure on counters' costs for newly-opened shops and required the divisions to prioritize the use of existing counters for cost-saving.

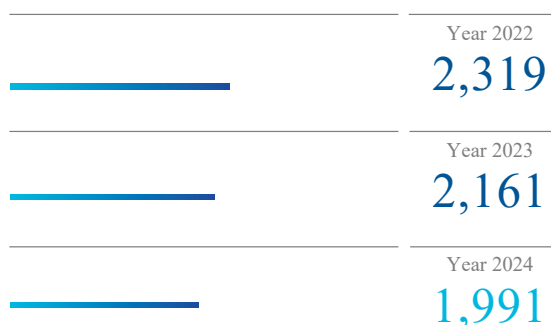
The inventory of Rossini dropped by 9.4% in 2024 by placing accurate orders, upgrading the dials of unsalable watches and speeding up the sales of unsalable watch models.

In 2024, Rossini maintained its stability on mainstream e-commerce platforms such as Tmall, JD.com and Vipshop. There are thirteen independently operated e-commerce stores at present. Additionally, Rossini laid out a multi-channel distribution system, with 1 at Tmall, 8 at JD.com, 5 at Pinduoduo, 2 at Douyin and 1 at Dewu. By expanding the diversified sales channels, Rossini enhanced its channel synergy, responded more flexibly to changes and strengthened its execution details. Based on the feedback from different channels, Rossini developed new products to meet the needs and preferences of consumers, with the ultimate goal to improve its performance through data-driven. Traffic delivery on each platform is effect-oriental, the overall cost of e-commerce, as a result, dropped by 15% compared with last year. By continuously optimizing the promotion strategy and launching core products in stores, the overall ROI effect increased by 7% year-on-year. For the year ended 31 December 2024, e-commerce sales decreased to HK\$78,477,000 from HK\$113,098,000 comparing with last year, representing a decrease of 30.6%.

In the coming year, Rossini is dedicated to both sales volume and economic benefits through three core aspects, namely policy accuracy, implementation efficiency and resource intensification, with the aim to strengthen the foundation for the Group’s strategic objectives. For e-commerce, Rossini will deepen the refined operation system, enhance the real-time interaction and provide rich and valuable content at live broadcasting to stimulate consumers’ consumption intention and enhance brand loyalty. Moreover, by combining AI broadcasting, Rossini will further enhance brand influence and the overall benefit of live broadcasting. While the focus of work for international market is to consolidate the cooperation of existing customers to achieve more breakthroughs, and to actively open up markets to increase market share.

## ***EBOHR GROUP***

### *Ebohr’s Number of Distribution Outlets*



EBOHR Group is composed of EB Brand Limited, EBOHR Luxuries International Limited (“**EBOHR**”), Shenzhen EBOHR Luxuries Online E-commerce Co., Ltd. and PAMA Precision Manufacturing Limited.

Revenue from watches and timepieces businesses of EBOHR Group for the year ended 31 December 2024 was HK\$155,642,000, a decrease of HK\$52,489,000 or 25.2%, from HK\$208,131,000 in 2023. Net loss after tax from watches and timepieces businesses for the year ended 31 December 2024 was HK\$98,125,000, an increase of HK\$83,420,000 or 567.3% from HK\$14,705,000 in 2023. The net loss after tax included a HK\$35,000,000 one-off impairment on the prepayment of investment project.

Apart from watches, timepieces and watch accessories businesses, EBOHR Group’s investment properties also contributed rental income and net profit of HK\$11,938,000 during the year ended 31 December 2024 (31 December 2023: HK\$14,558,000) which was recorded in property investment segment result.

The decline in revenue was mainly attributable to three factors. Firstly, the slower-than-expected economic recovery depressed marketing confidence and formed a cautious spending pattern of consumers. As a result, non-essentials are at a lower priority to purchase. Secondly, the competition among major brands has intensified, driven by frequent price wars and promotional activities, leading to further compression of profit margins. Meanwhile, the influx of emerging and cross-border brands has heightened market competition. Lastly, influenced by factors such as cash flow pressures, shifts in customer demographics, and rising operational costs, some large franchisees have opted to exit the watch industry in favor of more profitable sectors. In addition, certain resellers have increasingly focused on promoting small brands or higher-margin products to maintain profits, further diluting the market share of leading brands.

Regarding e-commerce, the retail sales in 2024 fell compared to the previous year, causing downward pressure on overall sales. For the year ended 31 December 2024, the e-commerce sales decreased to HK\$48,107,000 from HK\$61,477,000 last year, representing a decrease of HK\$13,370,000 or 21.7%. The revenue of retail sales of several major platforms recorded an overall decline except for the New Retail (live broadcasting) and Xinxuan, which had a total increase by approximately 41% as compared with last year.

With the cooperation across different departments through refined inventory management, EBOHR significantly improved capital utilization efficiency and enhanced operational flexibility, as well as provided strong support for business innovation and market expansion. EBOHR adhered to the “granular warehousing”, at the same time adjusted the traditional methods of discount promotion and inventory clearance to the emphasis on the design from the source, especially when developing the new models, EBOHR tried to use the inventory of watch bands, handles, mirrors as far as possible, so as to reduce the backlog of accessories inventory. As a result, inventory level of EBOHR continued to decrease by 14.5% in 2024 compared with 2023, once again achieved remarkable results.

Apart from the unswerving execution on inventory reduction, EBOHR focused more on cost optimization in 2024, resource efficiency improvement and account receivable management. Through the refined expenses system, the existing resources were fully tapped and utilized. For example, the Counter Renewal Application was upgraded to include the factors of profitability of the mall in which the counter located and the service life of the counter for references of decision-making. Account receivable decreased year on year after the concerted efforts of relevant departments, the collection strategy on the account receivable will be further strengthened and a sound account risk management system will be built up.

EHBOR has been actively seeking progress in intelligent research and development while maintaining stability. It strived to follow up on the smart watch to bring both economic and technological breakthroughs. A project on light smart watch has started in 2024 and is in progress steadily. After constant module adjustments and technical optimization, three programmes have entered the platemaking stage one after another.

The strategies in 2025 will be emphasized on business scale, marketing positioning and Citychamp Group synergies. EBOHR will formulate support policies for contracting stores to maintain business scale. On the other hand, EBOHR will grab market heights by building flagship stores to enhance brand influence, and more importantly, as a member of the Citychamp Group, EBOHR will integrate and share resources within the Citychamp Group, and proactively seek for new open-source projects through venturing into the overseas market, as well as increase the R&D for the expeditious transformation of the smart watches.

## **I.B. Foreign Proprietary Brands**

### ***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 31 December 2024.

For the year ended 31 December 2024, Ernest Borel Group recorded revenue of approximately HK\$99,280,000, representing a decrease of HK\$65,553,000 or 39.8% over approximately HK\$164,833,000 in 2023. Net loss after tax attributable to the owners of the Company was HK\$27,389,000, compared with net profit after tax of HK\$8,982,000 in 2023.

The decreases in revenue and net profit after tax compared to the same period in 2023 was primarily driven by an unfavorable macroeconomic environment, over-reliance on the China market and insufficient back-end support of e-commerce. In 2024, global economic growth still lacked momentum to regain the pre-pandemic level. The recovery of consumption in China fell short of expectation. Revenue from Mainland China for the year ended 31 December 2024 amounted to approximately HK\$81,884,000 million, representing around 82.5% of its total revenue. Given the past over-concentration in China market, adopting a diversified market strategies to expand into overseas market could help mitigate the risks associated with dependence on a single market. Additionally, enhancing back-end support for e-commerce and online platforms is crucial to ensuring timely feedback, improving the customer retention rates, and reducing return frequencies.

During the year ended 31 December 2024, in addition to leveraging the domestic online platforms such as Weibo, WeChat, Xiaohongshu, Douyin, Kuaishou, Ernest Borel actively expanded its presence on international platforms like Facebook and Instagram. By sharing updated content and engaging with fans, the brand aimed to boost its web traffic and global visibility.

To stimulate terminal sales at the retail level, promotional gifts were offered to customers based on the category of watches purchased, strategically designed to drive sales growth at terminal stores. In term of offline sales, greater emphasis was placed on counter image design, such as light film and exhibition displays so as to reinforce the brand's essence of romance, elegance, fashion and youth. These efforts would ultimately enhance the brand's visual appeal and customer experience.

The extensive distribution network of the Ernest Borel Group covers retail markets in Mainland China, Hong Kong, Macau, Taiwan and European countries. As at 31 December 2024, Ernest Borel Group had more than 688 POS (31 December 2023: 786 POS), comprising around 580 POS in Mainland China, around 34 POS in Hong Kong and Macau, 74 POS in the other markets, mainly in Europe.

The inventory of the Ernest Borel Group in 2024 continued to decline by 11.3% compared to the previous year. To strengthen the inventory management, real-time verification of production quantities was conducted in advance, and the new purchase orders were required to undergo a comprehensive approval process across multi-departments to prevent the situation of duplicate ordering and unnecessary procurements. To further optimize the inventory, Ernest Borel accelerated the re-modelling and production supporting for slow-moving products based on customer feedback from third party and overseas e-commerce platforms. Moreover, procurement was closely linked to marketing and sales to prevent inventory backlog and minimize waste, gradually improved overall efficiency throughout the supply chain operations.

In the year ahead, the focus of the Ernest Borel Group will remain on inventory clearance and product model renovations. More resources of R&D will be allocated to new products development in overseas markets to explore new growth opportunities. Ernest Borel will continue expanding its overseas business, particularly in North America, in order to diversify its sales channels and market reach. With a series of stimulus policies by Chinese government, domestic economy has gradually stabilized. With the hope of upturn of economy in the coming year, Ernest Borel will integrate the resources and strategies across the Group, seizing the market opportunities to enhance the brand's global influence.

### **Other Foreign Proprietary Brands**

Collectively, Corum, Eterna and The Dreyfuss Group Limited (the “**Dreyfuss Group**”) contributed revenue and net loss after tax for the year ended 31 December 2024 of HK\$155,458,000 (31 December 2023: HK\$218,379,000) and HK\$90,900,000 (31 December 2023: HK\$19,315,000), respectively.



In 2024, Swiss watch exports experienced an average decline of 2.8%. Markets such as China and Hong Kong were particularly affected, with contractions of 25.6% and 18.7% respectively, an even steeper downturn than during the COVID-19 pandemic. Corum was inevitably impacted by these figures. However, a key challenge the brand faced was its slow reaction to meet evolving consumer demand. Clients increasingly favored novelties over older collections, so old pieces have to be sold at a higher discount.

In response, Corum's management implemented strategic measures to streamline operations and align the company's structure with evolving market conditions. One key initiative was the establishment of a watchmaking pool to generate synergies, achieved through a thorough analysis of redundancy and the reorganization of office locations. As a result, general costs and operating expenses were reduced to some extent. Corum plans to further enhance its strategic approach by fostering cross-functional collaboration and optimizing its operational framework, also Corum will focus on lower production volumes while emphasizing its expertise in crafting high-end timepieces to ensure greater adaptability in a dynamic market environment.

Europe remains Eterna's strongest market in 2024. This is mainly driven by its distributors, namely Alder Luxury, in Swiss market, to sell the old collections. To improve liquidity, Eterna sold over four thousand units of its stocks in 2024, primarily within Europe and through online. The strategy for the coming year will focus on a select number of core collections, allowing for greater concentration and efficiency in sales efforts. This approach is expected to strengthen the brand's market positioning and enhance its overall performance.

As a key market for the Dreyfuss Group, the UK continued to face economic challenges in 2024. High inflation, elevated interest rates, and weakened consumer confidence had negatively impacted discretionary spending, contributing to a prolonged cost-of-living crisis. These factors had placed significant pressure on the retail sector, resulting in reduced foot traffic and lower sales volumes. Consequently, the Dreyfuss Group experienced a 30% decline in turnover compared with last year. However, despite lower sales, the gross profit margin improved from 60.9% in 2023 to 62.8% in 2024, reflecting a strong emphasis of the Dreyfuss Group on cost efficiency and strategic supplier negotiations.

In response to the undesirable economic conditions, the Dreyfuss Group had intensified efforts to optimize operations through strategic cost controls, prudent recruitment, and resource management. These measures had enabled the organization to retain essential talent while improving overall operational efficiency. As a result, total overhead costs decreased by 20% compared with the previous year.

Inventory management had also seen significant improvements, with a 40% year-on-year reduction, aligning with the Dreyfuss Group’s ongoing Just-In-Time (JIT) and Buy-to-Order strategies. Additionally, the drop in stock purchases, driven by prudent capital control, have further contributed to inventory optimization.

The online sales segment had remained resilient and continued growth. This success was attributed to aggressive sales promotions and the previous launch of a Shopify-based e-commerce system, which extended the Dreyfuss Group’s reach beyond the UK and provided customers with more flexible purchasing options. These developments underscored the effectiveness of the Dreyfuss Group’s evolving digital sales strategy.

### **I.C. Non-Proprietary Brands**

Currently, the Group holds four distribution companies. Collectively, distribution companies contributed revenue and net loss after tax for the year ended 31 December 2024 of HK\$104,511,000 (31 December 2023: HK\$142,890,000) and HK\$9,835,000 (31 December 2023: HK\$2,736,000), respectively.


### **I.D. Watches, timepieces and watch accessories businesses – Others**

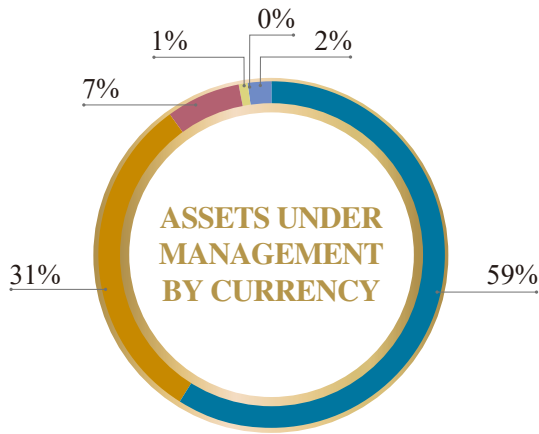
Other non-major subsidiaries of the Group are also engaged in other non-major categories of watches, timepieces and watch accessories businesses, which collectively contributed revenue and net loss after tax for the year ended 31 December 2024 of HK\$38,266,000 (31 December 2023: HK\$48,323,000) and HK\$1,318,000 (31 December 2023: HK\$5,005,000), respectively.

## **BANKING AND FINANCIAL BUSINESS**

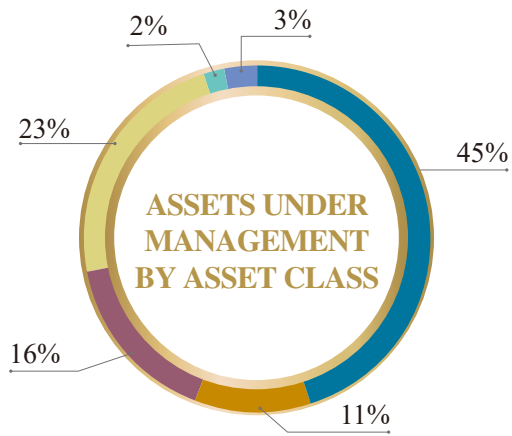
### **II.A Bendura Bank AG**

#### *Assets Under Management*

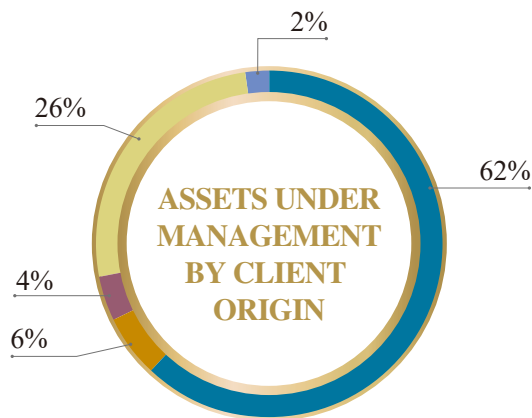
<u>For the year ended</u>	<u>CHF'000,000</u>
31 December 2022	
	<b>3,614</b>
31 December 2023	
	<b>3,318</b>
31 December 2024	
	<b>3,507</b>



- USD
- EUR
- CHF
- GBP
- CAD
- Rest



- Liquidity
- Stocks
- Bonds
- Funds
- Precious metals
- Alternative Other



- Western Europe
- Eastern Europe and CIS
- Latin America
- Rest of World
- North America

Revenue of Bendura Bank AG (“**Bendura Bank**” or the “**Bank**”) and its subsidiaries (the “**Bendura Group**”) for the year ended 31 December 2024 was HK\$499,799,000, an increase of HK\$7,960,000 or 1.6% from HK\$491,839,000 over 2023. Net profit of the Bendura Group after tax attributable to owners of the Company for the year ended 31 December 2024 was HK\$112,842,000, an increase of HK\$8,417,000 or 8.1% compared with net profit after tax of HK\$104,425,000 in 2023. With a sustainable and profitable business mode, the Bank continued to have a sound financial base and a healthy liquidity position.

Net profit in 2024 recorded a mild increase by 2% or approximately CHF0.2 million compared with the previous year’s level. The strong interest income from the previous year was almost maintained due to improved net margins and an expansion of interest-bearing assets despite interest rates declining. Net interest income increased slightly by 0.5% from HK\$286,001,000 in 2023 to HK\$287,351,000 in 2024.

Net income from commission and service fee activities recorded HK\$177,139,000, showing a increase of 3.0% over the previous year. This was attributed to an increase in client transactions and the higher volume of assets under management.

Income from trading amounted to HK\$35,309,000, HK\$1,402,000 higher than the previous year.

Operating Business expenses amounted to HK\$330,422,000(CHF37.3 million), representing a slight increase of 3.3% compared to prior year, primarily due to the increase on personal expenses is more than the decrease on general expenses.

Assets under Management (“**AuM**”) climbed by CHF189.7 million compared to previous year, ending at CHF3,507.3 million in 2024. The increase is partly due to market conditions, as well as the result of a net inflow of new money in the amount of CHF 145.7 million.

The total assets of the Bank for the year were HK\$13,432,540,000, 18.9% more than that in 2023. Amounts due from clients remained unchanged at HK\$2,660,982,000. Mortgage receivables were down year-on-year, while Lombard loans increased. The total capital ratio of the Bank remained at a level that is above the average level for the banking sector.

The year of 2024 was shaped up by geopolitical uncertainties, an evolving regulatory environment, and a muddled economy. While geopolitical risk and regulatory intensity can only be managed and adapted but not predicted. The Bank has been taking a prudent approach and implementing strict internal control and risk management strategies through dual control principle, separate functions, risk controlling functions, IT support and monitoring bodies. The internal control system ensures that the limits set are complied with. Monitoring responsibilities are clearly allocated to the respective monitoring bodies, specifically the Compliance, Risk Controlling and Legal functions.

To better manage the geopolitical risk, upon the completion of the acquisition of Bendura Wealth Management (Hong Kong) Limited (“**BWML**”) in November 2023, a representative office of the Bank in Hong Kong was officially established. With the purpose of business expansion in Hong Kong and Asia, the grand opening of BWML on 3 July 2024 was a great success, attracted over one hundred guests, including C-suite and director level professionals as well as industry leaders from the corporate wealth management, family offices and trust sectors in Hong Kong and Mainland China. The Bank took the opportunity to further strengthen its presence in Hong Kong.

The Bank has been striving to provide quality and individualized services in the form of high professionalism, exclusive high-touch service, high cultural fit as well as flexibility and agility to better serve the clients. For individual projects, the five strategic pillars (powerful, excellent, focused, profitable and competitive) of the strategy project HORIZON are undergoing as planned in the first half of 2024, plus some other focus points that are initiated and/or continued in second half of 2024, including investments in the training and further education of employees and the focus on expansion of BWML.

To further advance the development of Wealth Management services, the Bank has undertaken a comprehensive revision of its advisory process. This initiative aims to provide clients with a higher level of service and expertise, reinforcing the Bank’s value proposition and fostering greater customer loyalty. Additionally, the continued enhancement of performance analysis in asset management ensures a more in-depth and well-founded evaluation of investment performance, thereby improving the quality and success of the Bank’s asset management.

With an ending of high-interest rate environment in the past few years, the Federal Reserve (Fed) cut the interest rate by 100 basis points aggregately in September, November and December of 2024, harbouring certain risk on profitability of the Bank due to the fact that the Bank mainly finances long-term loans with client funds. In order to mitigate the downside effect of the interest rate, on-balance-sheet business was generally structured with matching maturities, taking fixed-interest periods into account. As a result, the interest rate risk has a lower level of significance and the Bank recorded relatively steady growing profits despite the falling interest rate.

In the long run, managing interest rate risk becomes increasingly complex. The Bank recognizes that, in addition to existing policies aimed at mitigating the impact of interest rate fluctuations, more advanced strategies must be proactively implemented to ensure a financial stability in the event of an interest rate shock. To address this challenge, the Bank employs eight standardized interest rate shock scenarios to evaluate the potential effects of sudden and unexpected changes in interest rates. Furthermore, the Bank’s risk policy establishes specific limits within these scenarios.

Where necessary, hedging instruments such as interest rate swaps may be utilized. As part of the Bank's comprehensive financial risk management framework, interest rate risks are overseen by the Asset-Liability Committee and continuously monitored by the Bank's risk management function. To ensure rigorous oversight, these scenarios are calculated on a daily basis and reported to the relevant governing bodies within the Bank.

One of the key business segments of the Bank is the provision of Lombard loans, which offer clients a flexible financing solution by enabling short-term liquidity without the immediate sale of securities. The loan amount is determined based on individual lending limits assigned to specific securities, which are assessed independently. By utilizing a Lombard loan, clients can avoid transaction costs associated with the urgent liquidation and subsequent repurchase of securities. This financial instrument also protects clients from the risk of selling or repurchasing securities at an unfavorable market valuation. Lombard loans are accessible at short notice, requiring only a loan agreement and a deed of pledge, thereby providing a streamlined and efficient financing solution. As a result, the volume of Lombard loans has demonstrated consistent year on year growth.

Looking forward, expansion of HORIZON is progressing and starts to bear fruits, evidenced by the increase in Net New Money (NNM) and AuM. The NNM will have an uptick on USD liquidity against Euro, which should partially offset the impact of further interest rate cuts in 2025. The Bank also anticipates a relative high growth in Hong Kong as a result of strategy focus on the region.

### **III.A Listed Equity Investment**

#### **(1) *Citychamp Dartong Advanced Materials Co., Ltd.***

As at 31 December 2023, financial assets at fair value through other comprehensive income of the Group was HK\$233,893,000. HK\$25,812,000 was related to the listed equity investment in the equity share of Citychamp Dartong Advanced Materials Co., Ltd (formerly known as Citychamp Dartong Company Limited) ("**Citychamp Dartong**"). Citychamp Dartong is a company listed on the Shanghai Stock Exchange (stock code: 600067) and is mainly engaged in real estate, electromagnetic wire, new energy and other businesses. As at 31 December 2024, the Group owned 9,154,370 shares of Citychamp Dartong at the market price of RMB2.65 per share (equivalent to HK\$2.82 per share) with the fair value of HK\$25,812,000. The shares held by the Group accounted for 0.66% of the total issued share capital of Citychamp Dartong as at 31 December 2024. Such fair value accounted for 0.1% of the Group's total assets.

The Group incurred a net gain on fair value change through other comprehensive income in investment in Citychamp Dartong of HK\$470,000 for the year ended 31 December 2024, as a result of increase in the share price of Citychamp Dartong from RMB2.51 (equivalent to HK\$2.77) as at 1 January 2024 to RMB2.65 (equivalent to HK\$2.82) as at 31 December 2024. No dividend income from Citychamp Dartong was recognised by the Group for the year ended 31 December 2024 (2023: nil).

(2) *Min Xin Holdings Limited*

Investment in Min Xin Holdings Limited (“**Min Xin**”, a company listed on the main board of the Stock Exchange (stock code: 222)) was measured at fair value through other comprehensive income. The Company intends to hold the investment on a long-term basis.

Min Xin is a company engaged in financial services, insurance, property investment and strategic investment. As at 31 December 2024, the investment in Min Xin measured at fair value through other comprehensive income was HK\$202,745,000, i.e. 88,150,000 shares at the market price of HK\$2.3 per share as at 31 December 2024. The Group intends to hold these shares on a long-term basis. Such fair value of the investment accounted for 1.1% 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 31 December 2024.

The Group incurred a net loss on fair value change in Min Xin’s investment of HK\$52,009,000 for year ended 31 December 2024 (31 December 2023: net loss of HK\$3,526,000), 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\$2.3 per share as at 31 December 2024. For year ended 31 December 2024, the Group received HK\$7,941,000 (2023: HK\$10,578,000) dividend income from Min Xin.

Besides, the Group also held 6,520,000 shares of Min Xin as at 31 December 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 for the year ended 31 December 2024. During the reporting period, these investment properties generated rental income of HK\$21,872,000 (31 December 2023: HK\$23,275,000). Net profit after tax from the property investment business for the year ended 31 December 2024 was HK\$14,670,000 (31 December 2023: HK\$17,671,000).

## **HEADQUARTER AND OTHERS**

Losses from the administrative expenses, finance costs and income tax of the headquarter and other non-major subsidiaries and/or non-major categories of business for the year ended 31 December 2024 was HK\$171,068,000 (31 December 2023: HK\$79,191,000).

## **FINANCIAL POSITION**

### **(1) Liquidity, Financial Resources and Capital Structure**

As at 31 December 2024, the Group had non-pledged cash and bank balances of approximately HK\$3,782,130,000 (31 December 2023: HK\$3,749,474,000). Based on the borrowings of HK\$595,082,000 (31 December 2023: HK\$681,254,000), due to a shareholder of HK\$0 (31 December 2023: HK\$9,025,000), due to directors of HK\$73,731,000 (31 December 2023: HK\$66,772,000), due to a related company of HK\$125,413,000 (31 December 2023: HK\$148,000,000), due to an associate of HK\$37,243,000 (31 December 2023: HK\$50,000,000) and shareholders' equity of HK\$3,782,045,000 (31 December 2023: HK\$4,166,700,000), the Group's gearing ratio (being borrowings plus due to a shareholder, directors, a related company and an associate divided by shareholders' equity) was 21.98% (31 December 2023: 22.9%).

### **(2) Charge on assets**

As at 31 December 2024, the Group's borrowings were mainly secured by:

- (a) corporate guarantees 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 property, plant and equipment with the carrying amount of HK\$237,000,000 (2023: HK\$252,528,000).

### **(3) Capital commitment**

Capital commitments as at 31 December 2024 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 purchase of property, plant and equipment.

Except for the above, the Group had no other material capital commitments as at 31 December 2024.



## FINANCIAL REVIEW

### (1) Total assets

Total assets increased to HK\$17,963,825,000 as at 31 December 2024 from HK\$16,531,006,000 as at 31 December 2023.

#### *Cash and deposits*

	<b>31 December 2024</b>	31 December 2023	<b>Increase/(decrease)</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	Amount	%
			<i>HK\$'000</i>	
Cash and bank balances	<b>66,336</b>	66,625	(289)	(0.4)
Cash held on behalf of clients	<b>57,917</b>	6,957	50,960	732.5
Sight deposits with central banks	<b>3,657,877</b>	3,687,849	(29,972)	(0.8)
	<b><u>3,782,130</u></b>	<b><u>3,761,431</u></b>	<b><u>20,699</u></b>	<b><u>0.6</u></b>

#### *Due from banks*

	<b>31 December 2024</b>	31 December 2023	<b>Increase/(decrease)</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	Amount	%
			<i>HK\$'000</i>	
Due from banks on a daily basis	<b>2,696,500</b>	1,908,088	788,412	41.3
Due from banks other claims	<b>56,341</b>	185,560	(129,219)	(69.6)
Due from banks – precious metal	<b>192,782</b>	130,989	61,793	47.2
Valuation adjustments	<b>(353)</b>	(1,669)	1,316	78.8
	<b><u>(353)</u></b>	<b><u>(1,669)</u></b>	<b><u>1,316</u></b>	<b><u>78.8</u></b>

## (2) Investments

The investment as at 31 December 2024 included (a) trading portfolio investments of HK\$39,564,000; (b) derivative financial assets of HK\$33,061,000; (c) financial assets at amortised cost of HK\$3,511,829,000; and (d) financial assets at fair value through other comprehensive income of HK\$233,893,000 (the “Investments”).

### (a) Trading portfolio investments of HK\$39,564,000

	<b>31 December 2024 HK\$'000</b>	31 December 2023 HK\$'000
<b>Equity Instruments</b>		
Listed equity instruments in Hong Kong at market value	<b>15,435</b>	629
Listed equity instruments outside Hong Kong at market value	<b>204</b>	–
<b>Total equity instruments</b>	<b>15,639</b>	629
<b>Debt instruments</b>		
Unlisted debt instruments of financial institutions	<b>4,439</b>	189
<b>Total debt instruments</b>	<b>4,439</b>	189
<b>Investment fund units</b>		
Unlisted investment fund units	<b>19,486</b>	19,890
<b>Total investment fund units</b>	<b>19,486</b>	19,890
<b>Investments in other financial products</b>	–	6,850
<b>Total trading portfolio investments</b>	<b>39,564</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.

As at 31 December 2024, there were HK\$15,435,000 invested in a variety of listed equities in Hong Kong.

The debt instruments of HK\$4,439,000 invested in the Mainland China by a PRC company.

Trading assets of CHF1.0 million (equivalent to HK\$8,581,000) 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 includes strict implementation of the investment process and is subject to constant review by the investment committee.

**(b) Derivative financial assets of HK\$33,061,000**

	<b>31 December 2024 HK\$'000</b>	31 December 2023 HK\$'000
<b>Derivative financial assets</b>		
Forward and option contracts	<b><u>33,061</u></b>	<b><u>5,136</u></b>

In the derivative financial assets of HK\$33,061,000, 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.

As at 31 December 2024, forward contracts of HK\$33,061,000, whereof approximately HK\$32 million relate to FX swaps entered by Bendura Bank. Based upon risk/return considerations, client deposits denominated in foreign currencies were, in part, no longer invested on the interbank market but were swapped into Swiss francs using currency swaps and deposited with the Swiss National Bank (SNB). Income from the interest component of currency swaps exceeded the expense of SNB negative interest and the reduced level of interest from banks.

At as 31 December 2023, derivative financial assets of HK\$5,316,000 related to forward and option contracts were conducted by Bendura Bank.

(c) *Other financial assets at amortised cost of HK\$3,511,829,000*

	<b>31 December 2024 HK\$'000</b>	31 December 2023 HK\$'000
<b>Listed debt instruments, at amortised cost</b>		
<i>Issued by:</i>		
Governments and public sector	<b>2,519,712</b>	891,891
Financial institutions	<b>542,825</b>	430,835
Corporations	<b>449,292</b>	556,079
	<b><u>3,511,829</u></b>	<b><u>1,878,805</u></b>

Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$3,511,829,000. The portfolio was composed of 69 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 HTM portfolio is 1.88 years, while the modified duration of the portfolio is only 0.66%. Largest single investments are bonds issued by US Treasury Bill matured in March 2025 (CHF140 million) and US Treasury Bill matured in January 2025 (CHF45 million). Both issuers are triple-A rated. Risk concentration is analyzed and presented to the senior management on a monthly basis.

Relatively major listed debt instruments as at 31 December 2024 are as follows:

<b>Issuer</b>	<b>Nature of interest rate</b>	<b>Sector</b>	<b>Maturity date</b>	<b>Value (CHF'000)</b>
Henkel Ag & Co Kga	Fixed	Non-financial corporations	17 November 2026	6,838
Amazon.com Inc	Fixed	Non-financial corporations	12 May 2026	6,948
Db	Fixed	Financial corporations	26 October 2026	8,607
efs	Fixed	General governments	17 February 2025	12,183
Treasury Bill	Zero	General governments	20 February 2025	13,539
efs	Fixed	General governments	15 December 2025	29,845
Treasury Bill	Zero	General governments	25 March 2025	44,960
Treasury Bill	Zero	General governments	16 January 2025	45,316
Treasury Bill	Zero	General governments	18 March 2025	140,399
Others				<u>100,621</u>
Total				<u>409,256</u>
HKD Equivalent to (in '000)				<u><u>3,511,829</u></u>

Collectively, listed debt instruments, at amortised cost accounted for 19.5% 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. 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 analyzed and presented to the senior management on a monthly basis.

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				<u>120,083</u>
Total				<u>202,479</u>
HKD Equivalent to (in '000)				<u><u>1,878,805</u></u>

**(d) Other financial assets at fair value through other comprehensive income of HK\$233,893,000**

	<b>31 December 2024 HK\$'000</b>	31 December 2023 HK\$'000
Listed equity instruments in Hong Kong	<b>202,745</b>	254,754
Listed equity instruments outside Hong Kong	<b>25,812</b>	25,342
Unlisted equity investment	<b><u>5,336</u></b>	<u>5,531</u>
	<b><u><u>233,893</u></u></b>	<u><u>285,627</u></u>

Listed equity instruments of HK\$25,812,000 related to investment in Citychamp Dartong and HK\$202,745,000 related to investment in Min Xin. Details of investments in Citychamp Dartong and Min Xin are set out from pages 38 to 39 of this announcement.

### (3) Goodwill and Intangible assets

#### (a) Goodwill

Goodwill is arising from business combinations, and capitalised as assets in the consolidated statement of financial position. The Group engages professional valuer to conduct impairment testing on individual cash generating units (“CGUs”) every financial year. As at 31 December 2024, the net carrying amount of goodwill was HK\$973,406,000 (As at 31 December 2023: HK\$1,150,672,000), which mainly composed of the following CGUs:

		<b>31 December 2024</b>	31 December 2023
	<b>Segment</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Zhuhai Rossini Watch Industry Limited	Watches and timepieces	<b>493,363</b>	603,646
Bendura Group	Banking Business	<b>263,286</b>	284,703
Ernest Borel Group	Watches and timepieces	<b>216,757</b>	234,389
Gold Vantage Group	Watches and timepieces	–	27,934
Total		<b><u>973,406</u></b>	<b><u>1,150,672</u></b>

The decrease in Goodwill was solely due to the exchange rate difference between foreign currencies and Hong Kong Dollar as at 31 December 2023 and 31 December 2024 respectively.

(b) *Intangible assets*

Intangible assets are arising from business combinations, and capitalised as assets in the consolidated statement of financial position. They included supplier and distribution networks, brand names, patents and trading rights. As at 31 December 2024, the net carry amount of intangible assets was HK\$79,620,000 (As at 31 December 2023: HK\$105,693,000), which allocated to the following category:

	<b>31 December 2024 HK\$'000</b>	31 December 2023 HK\$'000
Supplier and distribution networks	–	–
Brand Names	<b>42,819</b>	46,302
Trading Rights	–	–
Computer Software	<b>1,181</b>	880
Technical knowhow	<b>8,719</b>	16,706
Customer relationship	<b>26,901</b>	41,805
	<hr/>	<hr/>
Total	<b>79,620</b>	105,693
	<hr/> <hr/>	<hr/> <hr/>

Brand name with indefinite useful lives amounted to HK\$42,819,000 are attributable to the CGU of Ernest Borel Group and the decrease in the value of brand names was solely due to the exchange rate difference between foreign currency and Hong Kong Dollar as at 31 December 2023 and 31 December 2024 respectively.

(4) **Total liabilities**

Total liabilities increased to HK\$14,181,780,000 as at 31 December 2024 from HK\$12,165,712,000 as at 31 December 2023, mainly attributable to a increase in due to clients.

*Due to clients*

	<b>31 December 2024 HK\$'000</b>	31 December 2023 HK\$'000	<b>Increase/(decrease) Amount HK\$'000</b>	%
Due to clients – precious metals	<b>193,068</b>	131,180	61,888	47.2
Other amounts due to clients, mainly bank deposits	<b>12,140,102</b>	10,024,131	2,115,971	21.1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**(5) Gross profit from non-banking and financial businesses**

Gross profit from non-banking and financial businesses was HK\$309,180,000, a decrease of HK\$314,039,000, or 50.4%.

**(6) EBITDA**

EBITDA was HK\$11,701,000, a decrease of HK\$244,177,000 or 95.4%.

**(7) Selling and distribution expenses**

Total selling and distribution expenses was HK\$301,850,000, a decrease of HK\$74,508,000 or 19.8%.

**(8) Administrative expenses**

Total administrative expenses was HK\$672,722,000, a decrease of HK\$4,960,000 or 0.7%.

**(9) Share of profit of associates**

The share of profit of associates is mainly arising from the share of profit from Fair Future and its subsidiaries, a 25% owned associate of the Group, was HK\$3,306,000, representing a decrease of HK\$10,536,000 or 76.1%. Fair Future is one of the leading OEM quartz watch manufacturers in Mainland China.

**(10) Finance costs from non-banking business**

Finance costs from non-banking business was HK\$63,095,000, representing a decrease of HK\$15,147,000 or 19.4%. It was composed of the interest charged on corporate bonds and the interest charged on bank borrowings, bank overdrafts and lease liabilities.

**(11) Loss attributable to owners of the Company**

Loss attributable to owners of the Company was HK\$254,072,000 (31 December 2023: gain of HK\$45,100,000) for the year ended 31 December 2024.

**(12) Inventories**

Inventories was HK\$1,513,833,000, a decrease of HK\$292,066,000 or 16.2%.

## **OUTLOOK**

If elections across the world in 2024 brought the possibility of policy inflections, 2025 shall be the year of their implementation. The policy decisions made in response will have profound implications for the global economy. Moreover, geopolitical dynamics will continue to play a crucial role in shaping the global macroeconomic landscape in 2025.

Domestically, China faces multiple economic challenges, including weak consumer sentiment, a struggling real estate sector, and the looming threat of a tariff war. In response, the recently concluded “China’s Two Sessions” set 2025 GDP growth target of approximately 5%. This signals the Chinese government’s strong commitment to sustaining economic growth amid ongoing uncertainties in China-U.S. relations. To mitigate these risks, China is expected to leverage its available policy tools to implement a stimulus package aimed at offsetting the adverse effects of a potential trade conflict.

Both fiscal stimulus and monetary easing are already underway. The Chinese government is strategically allocating funds to key industries, including semiconductors, artificial intelligence, and quantum computing, in an effort to reduce dependence on Western technology. Additionally, authorities have pledged to adopt a more proactive fiscal policy and further loosen monetary conditions in 2025. These measures are designed to counter external economic pressures, bolster domestic demand, and restore both consumer and business confidence.

As global economic uncertainties persist, the trajectory of China’s policy response will be pivotal in shaping the broader macroeconomic environment. The coming year will be defined by the implementation of these policies and their far-reaching consequences for both domestic and global markets.

## **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 31 December 2024, the Group had approximately 2,736 staff in Hong Kong and Mainland China (as at 31 December 2023: 3,050 staff) and approximately 229 staff in Europe (as at 31 December 2023: 178 staff). The remuneration packages offered to the employees were determined and reviewed on an arm’s length basis with reference to the market condition 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 employees’ individual performance. All employees of the Group in Hong Kong have joined the provident fund schemes. Employees of Group’s subsidiaries in Mainland China also have participated in social insurance scheme administrated and operated by local authorities and contributions were made according to the local laws and regulations.

## **FINAL DIVIDEND**

The Board has resolved not to declare a final dividend for the year ended 31 December 2024 (31 December 2023: nil).

## **CLOSURE OF REGISTER OF MEMBERS**

The Company's forthcoming Annual General Meeting is scheduled to be held on Thursday, 29 May 2025 (the "**2025 AGM**"). For the purpose of determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, 26 May 2025 to Thursday, 29 May 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all properly completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 23 May 2025.

## **CORPORATE GOVERNANCE CODE**

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the year ended 31 December 2024 except with the deviations disclosed below:

### **CG Code provision C.1.6**

CG Code provision C.1.6 stipulates that generally independent non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Two independent non-executive directors of the Company did not attend the annual general meeting of the Company held on 28 May 2024 (the "**2024 AGM**") due to their other business engagement.

The Independent Non-executive Directors will endeavour to attend all future general meetings of the Company unless unexpected or special circumstances preventing them from doing so. The board of directors of the Company (the "**Board**") will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are properly regulated.

### **CG Code provision C.2.7**

CG Code provision C.2.7 stipulates that the chairman should at least annually hold meetings with independent non-executive directors without the presence of other directors. During the year ended 31 December 2024, no formal meeting could be arranged between the Chairman of the Board and the Independent Non-executive Directors without the presence of other directors of the Company (the "**Directors**") due to the tight schedules of the Chairman and the Independent Non-executive Directors. However, the Chairman has delegated the company secretary of the Company to gather any concerns and/or questions that the Independent Non-executive Directors might have and report to him for setting up follow-up meeting(s), whenever necessary.

### **CG Code provision C.5.1**

CG Code provision C.5.1 stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. However, only two regular Board meetings were convened during the year ended 31 December 2024.

The Company's senior management have regularly updated the Board for the Group's business development with performance review through electronic means for communication. All the Board members are encouraged to express their opinions for the Company's matters. The Board was consulted for each crucial decision and the written resolutions are also circulated to all Directors to obtain Board consents. As such, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the CG Code. The Company will also endeavour to hold Board meetings regularly at approximately quarterly intervals in the future.

### **CG Code provision F.2.2**

CG Code provision F.2.2 stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Board was unable to attend the 2024 AGM due to his other business engagement. Mr. Siu Chun Wa, the Executive Director and CEO of the Company, presented at the 2024 AGM was elected as the chairman of the 2024 AGM to ensure the effective communication with the Company's shareholders thereat. The Chairman will endeavour to attend all future general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by Directors and by relevant employees of the Group. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2024.

## **BOARD OF DIRECTORS**

The principal focus of the Board is on the overall strategic development and direction of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations. Moreover, the Board is responsible for performing the corporate governance duties. The Board has established a clear segregation of duties and responsibilities between the Board and the management as to which types of decisions are to be taken by the Board and which are to be delegated to management. This segregation of duties and responsibilities will be regularly reviewed by the Board. With the Chairman as a facilitator in the establishment that promotes discussion among Directors, all the Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the board functions.

## **BOARD COMMITTEES**

The Board has delegated certain authority to four board committees which are established and perform their functions under specific terms of reference. The board committees are provided with sufficient resources and opportunities to seek independent professional advice, at the Company's expense, to perform their responsibilities.

### **Audit Committee**

The Company has established an audit committee (the “**Audit Committee**”) for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee currently comprises two Independent Non-executive Directors, being Mr. Kam, Eddie Shing Cheuk (chairman of the committee) and Dr. Kwong Chun Wai, Michael. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial matters including the review of the audited financial statements for the year ended 31 December 2024.

### **Remuneration Committee**

The Company has established a remuneration committee (the “**Remuneration Committee**”), terms of reference of which have been adopted by the Board and are consistent with the requirements of the CG Code. The Remuneration Committee currently comprises Mr. Kam, Eddie Shing Cheuk (chairman of the committee), Mr. Hon Kwok Lung, Mr. Siu Chun Wa and Dr. Kwong Chun Wai, Michael.

### **Nomination Committee**

The Company has established a nomination committee (the “**Nomination Committee**”), terms of reference of which have been adopted by the Board of the Company and are consistent with the requirements of the CG Code. The Nomination Committee currently comprises Mr. Hon Kwok Lung (chairman of the committee), Mr. Siu Chun Wa, Dr. Kwong Chun Wai, Michael and Mr. Kam, Eddie Shing Cheuk.

Following the passing away of Mr. Zhang on 4 March 2025, the composition of the Audit Committee, the passing Remuneration Committee and the Nomination Committee fails to meet certain Listing Rules, for details, please refer to the announcement of the Company dated 5 March 2025. The Board is currently identifying suitable candidate to fill the vacancy as soon as practicable.

### **Risk Management Committee**

The Company has established a risk management committee (the “**Risk Management Committee**”) to assist the Board in reviewing and ensuring the effectiveness of the Group's risk management system. Terms of reference have been adopted by the Board. The Risk Management Committee currently comprises three members, namely Mr. Teguh Halim (chairman of the committee), Mr. Siu Chun Wa and Mr. Shi Tao.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

## **REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS**

The Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2024 in conjunction with BDO Limited, the Company's external auditor. Based on this review and discussions with management, the Audit Committee was satisfied that the consolidated financial statements for the year ended 31 December 2024 were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended 31 December 2024.

## **SCOPE OF WORK OF BDO LIMITED ON THIS PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The annual results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's websites at [www.irasia.com/listco/hk/citychamp](http://www.irasia.com/listco/hk/citychamp) and [www.citychampwj.com](http://www.citychampwj.com). The annual report of the Company for the year ended 31 December 2024 will be available on the respective websites of the Stock Exchange and the Company, and despatched to the shareholders of the Company in due course.

## **APPRECIATION**

Our financial performance and strategic moves reflected the joint efforts of the Board and management in successfully pursuing our mission. I would like to express my deep gratitude to our employees, customers, suppliers, bankers, professional consultants, business partners, and shareholders for their support.

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

Hong Kong, 28 March 2025

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