



ERNEST BOREL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 1856

INTERIM REPORT 2025



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CORPORATE INFORMATION

Ernest Borel Holdings Limited ((the “**Company**”), and together with its subsidiaries, the “**Group**”)

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Teguh Halim

*(Chairman of the Board of Directors (the “**Board**”))*

Mr. Kong Le (Appointed on 29 May 2025)

Ms. Lam Lai (Retired on 29 May 2025)

NON-EXECUTIVE DIRECTOR

Mr. Xiong Ying

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yu Chi Kit

Ms. Hong Ting (Appointed on 29 May 2025)

Mr. Ng Tzyy Yeh Alroy Garrett

(Appointed on 29 May 2025)

Ms. Chan Lai Wa (Retired on 29 May 2025)

COMPANY SECRETARY

Ms. Kei Siu Ying

AUDIT COMMITTEE

Mr. Yu Chi Kit (*Chairman*)

Ms. Hong Ting (Appointed on 29 May 2025)

Mr. Ng Tzyy Yeh Alroy Garrett

(Appointed on 29 May 2025)

Ms. Chan Lai Wa (Retired on 29 May 2025)

REMUNERATION COMMITTEE

Mr. Yu Chi Kit (*Chairman*)

Mr. Teguh Halim

Ms. Hong Ting (Appointed on 29 May 2025)

Mr. Ng Tzyy Yeh Alroy Garrett

(Appointed on 29 May 2025)

Ms. Chan Lai Wa (Retired on 29 May 2025)

NOMINATION COMMITTEE

Mr. Teguh Halim (*Chairman*)

Mr. Yu Chi Kit

Ms. Hong Ting (Appointed on 29 May 2025)

Mr. Ng Tzyy Yeh Alroy Garrett

(Appointed on 29 May 2025)

Ms. Chan Lai Wa (Retired on 29 May 2025)

EXECUTIVE COMMITTEE

Mr. Teguh Halim (*Chairman*)

Mr. Kong Le (Appointed on 29 May 2025)

Ms. Lam Lai (Retired on 29 May 2025)

INVESTMENT COMMITTEE

Mr. Teguh Halim (*Chairman*)

Mr. Kong Le (Appointed on 29 May 2025)

Ms. Lam Lai (Retired on 29 May 2025)

AUTHORISED REPRESENTATIVES

Mr. Teguh Halim (Appointed on 29 May 2025)

Ms. Kei Siu Ying

Ms. Lam Lai (Retired on 29 May 2025)

COMPANY’S WEBSITE

www.ernestborel.ch

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion

Hibiscus Way, 802 West Bay Road

Grand Cayman, KY1-1205

Cayman Islands

HEAD OFFICE IN SWITZERLAND

8, rue des Perrières
2340 Le Noirmont
Switzerland

HEAD OFFICE IN THE PEOPLE'S REPUBLIC OF CHINA

EBOHR Building
Jin'an Road, Guangming
New District, Shenzhen,
The People's Republic of China

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN HONG KONG

Unit J, 12/F,
Fu Cheung Centre,
Nos. 5-7 Wong Chuk Yeung Street,
Fotan, Shatin, New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
25 Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2025 (“**1HFY2025**”) decreased from approximately HK\$40.1 million to approximately HK\$38.0 million when compared with the corresponding period of last year (“**1HFY2024**”).
- Gross profit margin decreased from approximately 48.5% for 1HFY2024 to approximately 16.5% for 1HFY2025. Gross profit decreased from approximately HK\$19.4 million for 1HFY2024 to approximately HK\$6.3 million for 1HFY2025.
- Loss for the period attributable to owners of the Company increased from approximately HK\$5.3 million for 1HFY2024 to approximately HK\$21.8 million for 1HFY2025.
- Basic and diluted loss per share increased from approximately HK1.48 cents for 1HFY2024 to approximately HK6.04 cents for 1HFY2025.

Note: In the case of any inconsistency between the Chinese translation and the English text of this interim report, the English text shall prevail.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2025, due to the uncertainties of the global macro economic environment and geopolitical tensions, the global economic recovery was slower than expected and the watch industry was also affected, resulting in the Group's revenue not being as good as expected. The Group will continue to work hard to expand its business, catch up and seek breakthroughs in the second half of the year.

The Group recorded a revenue of approximately HK\$38.0 million for 1HFY2025 (1HFY2024: approximately HK\$40.1 million), representing a decrease of approximately 5.1%. Gross profit and gross profit margin decreased to approximately HK\$6.3 million for 1HFY2025 (1HFY2024: approximately HK\$19.4 million) and decreased to approximately 16.5% for 1HFY2025 (1HFY2024: approximately 48.5%), respectively. Consequently, loss attributable to equity holders amounted to approximately HK\$21.8 million for 1HFY2025 (1HFY2024: A loss of approximately HK\$5.3 million).

BUSINESS REVIEW

Watches Business

Established since 1856 in Switzerland, Ernest Borel has a proud heritage spanning 169 years. Throughout the course of its history and across its operations, the Group has upheld the principles of producing high precision “Swiss-made” products and implemented stringent quality controls. Under its own brand “Ernest Borel”, the Group is engaged in the design, production, marketing and sale of mechanical and quartz premium watches. As one of the oldest Swiss premium watchmakers, Ernest Borel has adopted the “dancing couple” as its icon, which embodies “romance and elegance”. Together with its distinctive market position, Ernest Borel has gained leadership among brands of watches for couples in Switzerland. The extensive distribution network of the Group covers retail markets in the People's Republic of China (the “**PRC**”), the Hong Kong Special Administrative Region (“**Hong Kong**”), the Macau Special Administrative Region (“**Macau**”) and other markets. As at 30 June 2025, the Group has a total of 700 points of sale (“**POS**”).

In the first half of 2025, the global watch market was impacted by a sluggish global economy, leading to a noticeable decline in Swiss watch exports – most significantly in the PRC and Hong Kong markets. Prices of luxury watches in the secondary market continued to fall, and consumer purchasing behavior became more conservative. Consumers are increasingly focused on cost-performance (value for money) and product quality. It is expected that buyers will be more cautious in selecting products, prompting brands to enhance quality and value to attract customers. Although luxury watches are still competitive in the watches market, brands must innovate in design by adopting bolder and more colorful dial styles to stimulate demand and attract collectors' interest.

The recovery momentum of the Chinese consumer market is weaker than expected. Technological advancements and the rise of smartwatches pose challenges to the traditional watch industry. However, as long as brands continue to innovate and actively respond to market changes, there remains room for growth.

Based on the above, the Group has demonstrated resilience and adaptability in the face of market challenges. Seeking breakthroughs, whether in product development, reform and innovation in watch functions and design. The Group will continue to diversify its products to respond to the ever-changing market environment, thereby increasing profits and establishing a firm foothold in the watch industry.

The PRC market

China remains the Group's main market. As of 30 June 2025, the Group had 591 points of sales in China. Revenue from the China segment decreased by approximately 49.2% from approximately HK\$18.7 million in 1HFY2024 to approximately HK\$9.5 million in the 1HFY2025, accounting for approximately 77.3% of the total revenue of the watch business.

Hong Kong and Macau markets

As of 30 June 2025, the Group had 30 points of sales in the Hong Kong and Macau markets. Sales in these markets decreased by approximately 11.1% from approximately HK\$1.8 million in 1HFY2024 to approximately HK\$1.6 million in 1HFY2025, accounting for approximately 12.7% of the total revenue of the watch business.

Other market

As of 30 June 2025, the Group had 79 points of sales in other markets, mainly in Southeast Asia and Europe. Sales in these markets decreased by approximately 52.0% from approximately HK\$2.5 million in 1HFY2024 to approximately HK\$1.2 million in 1HFY2025, accounting for approximately 10.0% of the total revenue of the watch business.

Smart Watch Manufacturing Business

In the first half of the year, order volumes for smart watch accessory manufacturer declined significantly. Due to intensified industry competition, the selling prices were marginally higher than the production cost, resulting in extremely low gross profit margin. Additionally, the factory was not able to promptly adjust manpower and resource allocation, which further worsened the losses. This has dragged down the overall result of the Group. The Group will focus on improving the production planning and cost control in the second half of the year, in an attempt to return to profitability.

Besides that the main business focus of the above-mentioned customers is around the China market. The current economic recovery of the China market is slower than expected, which will inevitably have a corresponding impact on their business. The Group will strengthen communication with these customers and strive to coordinate and track customer orders in the second half of the year and to follow up the status.

The Group remains confident in the prospects of its smart watch manufacturing business because today's consumers value smart products and product intelligence is today's fashion trend. The Group believes that smart watches will account for the largest proportion of the watch industry in the near future. The Group will continue to invest in the development of patented structural designs to enhance products uniqueness and diversity in order to attract more customers.

FINANCIAL REVIEW

Revenue and segment information

The Group's revenue decreased by approximately HK\$2.1 million or approximately 5.1% from approximately HK\$40.1 million for 1HFY2024 to approximately HK\$38.0 million for 1HFY2025.

Watches Business

Revenue from watches business decreased by HK\$10.7 million or approximately 46.5% from approximately HK\$23.0 million for 1HFY2024 to approximately HK\$12.3 million for 1HFY2025.

Smart Watch Manufacturing Business

Revenue from smart watch manufacturing business increased by approximately HK\$8.6 million or approximately 50.3% from approximately HK\$17.1 million for 1HFY2024 to approximately HK\$25.7 million for the 1HFY2025.

Cost of Sales

The Group's cost of sales increased by approximately HK\$11.1 million or approximately 53.9% from approximately HK\$20.6 million for 1HFY2024 to approximately HK\$31.7 million for 1HFY2025.

Watches Business

Cost of sales from watches business increased by approximately HK\$3.3 million or approximately 91.7% from approximately HK\$3.6 million for 1HFY2024 to approximately HK\$6.9 million for 1HFY2025.

Smart Watch Manufacturing Business

Cost of sales from smart watch manufacturing business increased by approximately HK\$7.8 million or approximately 45.9% from approximately HK\$17.0 million for 1HFY2024 to approximately HK\$24.8 million for 1HFY2025.

Gross profit

The Group's gross profit decreased by approximately HK\$13.2 million or approximately 67.8% from approximately HK\$19.4 million for 1HFY2024 to approximately HK\$6.3 million for 1HFY2025. Watches business contributed approximately HK\$5.4 million for 1HFY2025 (1HFY2024: approximately HK\$19.3 million); and smart watch manufacturing business contributed approximately HK\$0.9 million for 1HFY2025 (1HFY2024: approximately HK\$0.1 million). The gross profit margin decreased from approximately 48.5% for 1HFY2024 to approximately 16.5% for 1HFY2025.

Other gains and losses, net

The Group recorded net gains of approximately HK\$11.4 million for 1HFY2025 as compared to net gain of approximately HK\$11.9 million for 1HFY2024.

Distribution expenses

The Group's distribution expenses increased by approximately HK\$1.2 million or approximately 15.7% from approximately HK\$7.6 million for 1HFY2024 to approximately HK\$8.8 million for 1HFY2025, representing approximately 23.2% of the Group's total revenue for 1HFY2025 (1HFY2024: approximately 19.0%).

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$7.4 million or approximately 22.0% from approximately HK\$33.7 million for 1HFY2024 to approximately HK\$26.3 million for 1HFY2025.

Finance costs

The Group's finance costs decreased by approximately HK\$0.3 million or approximately 6.8% from approximately HK\$4.8 million for 1HFY2024 to approximately HK\$4.5 million for 1HFY2025.

Loss for the period attributable to owners of the Company

The Group's loss attributable to owners of the Company was approximately HK\$21.8 million for 1HFY2025, and approximately HK\$5.3 million for 1HFY2024.

Inventory

Inventory amounted to approximately HK\$304.4 million as at 30 June 2025, which represented an increase of approximately HK\$16.3 million from approximately HK\$288.1 million as at 31 December 2024.

Trade and other receivables and payables

The Group's trade and other receivables amounted to approximately HK\$130.6 million as at 30 June 2025, which represented a decrease of approximately HK\$11.9 million from approximately HK\$142.5 million as at 31 December 2024.

The Group's trade and other payables amounted to approximately HK\$51.9 million as at 30 June 2025, which represented a decrease of approximately HK\$15.9 million from approximately HK\$67.8 million as at 31 December 2024.

Liquidity, financial resources and capital structure

As at 30 June 2025, the Group had non-pledged cash and bank balances of approximately HK\$12.5 million (31 December 2024: approximately HK\$10.2 million). As at 30 June 2025, the Group had bank and other borrowings of approximately HK\$360.2 million (31 December 2024: approximately HK\$338.1 million), of which HK\$15.8 million (31 December 2024: HK\$18.0 million) were unsecured and interest free; and of which approximately HK\$344.4 million (31 December 2024: approximately HK\$320.1 million) were unsecured and carried with fixed interest bearings 1.5% to 7% (31 December 2024: 1.5% to 6%) per annum. As at 30 June 2025, part of the bank and other borrowings amounted to approximately HK\$1.6 million was repayable over one year and the remaining balance amounted to approximately HK\$358.6 million was repayable within one year.

Foreign exchange exposure

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

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

Charge on assets

As at 30 June 2025 and 31 December 2024, no material assets were pledged.

Material acquisition and disposal of subsidiaries or associated companies

During the period ended 30 June 2025, the Group did not have any material acquisition and disposal of subsidiaries or associated companies.

Future plans for material investments and capital assets

There was no definite future plan for material investments and acquisition of material capital assets as at 30 June 2025.

Contingent liabilities

During this reporting period, the Group did not have any material contingent liabilities (31 December 2024: Nil).

Interim dividend

The Board has resolved not to declare any interim dividend for 1HFY2025 (1HFY2024: Nil).

Employees and remuneration policies

As at 30 June 2025, the Group had a total of 457 full time employees (31 December 2024: 542). Total staff costs (including directors' remuneration) was approximately HK\$25.5 million for 1HFY2025 (1HFY2024: approximately HK\$25.6 million).

All of our full-time employees are paid a fixed salary and may be granted other allowances, based on their positions. Members of the sales staff are also eligible for commissions based on their ability to meet sales targets. In addition, year-end bonuses may also be awarded to the employees at our discretion and based on employees' performance. Yearly performance appraisals are conducted to ensure that the employees receive feedback on their performance.

The Group provides training to its employees on a regular basis to keep them abreast of their knowledge in the Group's products, technology developments and market conditions of its industry. In addition, the Group's senior management also participates in conferences to deepen their knowledge in the industry.

Capital commitments

At 30 June 2025, the Group did not have material capital commitments (31 December 2024: Nil).

Events after the reporting period

There are no material events undertaken by the Group after the reporting period.

PROSPECTS

Watches Business

Products

The Group has always insisted on producing high-quality "Swiss Made" watches. In the future, the Group will keep closer to the market, grasp popular trends, analyze the mentality and spending power of major consumers, and use professional product design capabilities to design collections of men's watches, women's watches and couple watches that cater to our target customers.

Brand Promotion

The Group continues to promote and enhance the awareness of the "Ernest Borel" brand through different forms of marketing initiatives, introducing the "Ernest Borel" brand to younger and international consumers, so that the romantic culture of the "Ernest Borel" brand can be sustained.

The Group enhances brand awareness and market share by coordinating online and offline brand promotion activities. Online promotion and product visibility are promoted through social media channels such as 小紅書, Tiktok, IG and Facebook. This year, the Group added more celebrity bloggers to promote and publicize its products on major social media. In order to the brand younger and attract more young people to buy. In addition, the Group reorganized the team responsible for online sales this year and added a dedicated international market team, aiming to strengthen online marketing skills in overseas markets, responsible for developing overseas customers, and tailoring marketing plans to meet the needs of overseas customers. The Group will increase its participation in overseas exhibitions this year and proactively visit overseas customers to develop overseas market.

Distribution Channels

The core driver of the Group's offline sales growth in 2025 will stem from the development of high-quality customers and premium retail stores, as well as the incremental performance growth from existing clients and stores. Adhering to the principle of "Solidifying current market presence and enhancing profitability," the Group will continue to implement flexible, localized sales strategies – namely, the "one policy per location" and "one strategy per client" approach – to enhance sales precision and market responsiveness.

The offline sales team will uphold the spirit of "resilience in adversity and innovation through change," staying aligned with market trends and proactively embracing the opportunities from the restructuring of the watch market and industry reshuffling, proactively exploring business opportunities and enhancing customer service awareness. Key initiatives include:

- Brand Image Maintenance: Strengthening visual and stylistic consistency to enhance brand value;
- Sales Support and Restocking Mechanism: Improving restocking efficiency to ensure healthy inventory turnover;
- Customer Relationship Management: Proactively engaging in in-depth communication to maintain strong client connections.

The brand is committed to expanding overall sales scale, capturing greater market share, increasing sales profitability, accelerating cash flow turnover, and establishing a stable and growth-oriented business direction.

E-commerce Sales

Implementation of Multi-Platform Operations Management

- Manage product segmentation across Tmall flagship store, JD.com self-operated and POP stores, with clear positioning.
- Optimize website page details, main images, and video content to enhance visual impact and user engagement, thereby driving conversion.
- For Vipshop stores, strengthen communication mechanisms with partners to stabilize product supply and pricing systems, continuously monitor inventory and sales data to ensure consistent sales performance.

Live Streaming and New Channel Expansion

- Actively explore partnerships with live streaming platforms such as Tiktok to boost brand exposure and sales efficiency.
- To expand the e-commerce platforms to seek new sources of revenue growth.

Operation

Supply Chain Coordination and Slow-moving Inventory Handling Strategy

Actively coordinate across supply chain departments, strengthen communication mechanisms and clarify process planning to ensure stable and orderly product supply. In overseas markets, we will focus on clearing slow-moving products with low inventory level and diverse styles. For e-commerce and offline channels, we will collaborate to handle slow-moving items with high inventory level, effectively improving inventory turnover ratio.

Brand Pricing System and Positioning Maintenance

Continue advancing the planning and collaboration of the brand's pricing system to reinforce the position of Ernest Borel as a premium brand. Following the execution of pricing strategy in 2024, the brand has gained greater recognition and trust from consumers and the industry. In 2025, the Group, upholding the initial aspiration of this pricing strategy to ensure the value of its product are fully reflected and enhance core competitiveness by precise pricing planning and coordination across all sales channels. Products will be categorized into "regular products" and "clearance products" based on inventory level and under strict price control measures. For regular products sold through e-commerce, monthly promotions and major campaigns will be implemented without compromising the overall pricing system, ensuring price consistency across online and offline channels. Additionally, for overseas markets, the e-commerce department will play a key role in maintaining price floors.

Inventory Structure Optimization and Cost Control

Continue optimizing overall inventory structure to reduce total group inventory. Based on current sales and inventory status, strictly control ordering pace, reasonably schedule production plans and customs clearance processes to minimize capital occupation and inventory backlog. Regularly analyze the inventory level of slow-moving products and raw materials and provide feedback to relevant departments.

Management Measures

Implement a regional budget accountability system, clearly assigning performance and management responsibilities to designated personnel. Strengthen accounts receivable collection mechanisms and enhance customer credit risk management to ensure stable cash flow.

Furthermore, the Group will continue promoting internal training programs covering brand philosophy, cultural values, and product advantages to improve overall staff understanding of brand positioning and execution of market strategies.

Smart Watch Manufacturing Business

Given its business outlook and strong alignment with the Group's existing operations, it provides key components such as watch cases and other accessories for the Group's traditional watch manufacturing, creating a synergy effect across the industry chain.

Its professional strengths will offer valuable opportunities for the Group's diversified development in the watch industry, particularly in achieving technological breakthroughs and expanding market presence in the smart watch sector. The Group anticipates that smart watch processing will gradually become one of its major revenue streams, driving an upgrade in overall business structure and boosting income growth.

As the global economic environment continues to improve and recovery momentum strengthens, we welcome a new year with optimism. Building on past achievements, we maintain a clear understanding and judgment of the market dynamics. Under the strong leadership of the Board of Directors, various initiatives are being steadily implemented, laying a solid foundation for the brand's long-term development.

We are full of confidence in the future. All of the staff will work in unity, fulfill their responsibilities and devote themselves with enthusiasm to their roles, unwaveringly advancing toward our established goals. We believe that through collective effort, the brand will reach new heights and achieve even more remarkable success.

Conclusion

The global economy and customer consumption patterns have changed. Although the pandemic is past, it has not been able to restore customer confidence. The macroeconomy has become complex and challenging, and China's economic recovery has not gone as expected, which has put pressure on the revenue of the watch business. However, the Group is still confident in the prospects of its smart watch manufacturing business because consumers gravitating toward smart technologies and intelligent product has become a prevailing trend in contemporary fashion. The Group believes that smart watches will account for the largest proportion of the watch industry in the near future. The Group will continue to work hard to develop patented structural designs to make its products unique and diversified to attract more customers. In addition, the Group has focused on business in China in the past. In the future, it will strive to expand overseas markets be more globalization to attract more orders from overseas customers. We also strive to develop sales revenue from different channels and control all operating costs such as administrative expenses to achieve the goal of increasing revenue and reducing expenditure. Finally, all members of the Group will work together to overcome the current difficulties and work hard for the company with an indomitable spirit. Will live up to the expectations of shareholders and strive for more profits and income, creating value for the Group and bringing sustainable returns.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests or short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or the associated corporations of the Company, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the **"SFO"**) which were required: (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and The Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) set out in Appendix 10 to The Rules Governing the Listing of Securities on The Stock Exchange (the **"Listing Rules"**), are as follows:

Long Positions in the Company's Shares or shares in associated corporation of the Company

Name of Directors	Company/ Name of associated corporation	Capacity/ Nature of Interest	Number of Shares held	Approximate Percentage of interest in the total issued Shares in the Company/ associated corporation
Mr. Teguh Halim	Citychamp	Beneficial owner/ Personal Interest/ Interest of Spouse ⁽¹⁾	6,000,000	0.14%
Mr. Xiong Ying	Citychamp	Beneficial owner/ Personal Interest	70,000	0.00%

Note:

1. 3,000,000 shares were held by Mr. Teguh Halim's wife.

Saved as disclosed above, as at 30 June 2025, none of the Directors and the Chief Executive of the Company and their respective associates had or was deemed to have any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to any Director or Chief Executive of the Company, as at 30 June 2025, the persons or corporations (not being a Director or Chief Executive of the Company) who or which had an interest or short position in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Long Position in the Company's Shares

Name	Capacity	Number of Shares	Approximately % of total number of issued Shares ⁽⁵⁾
VGB Limited ⁽¹⁾	Beneficial owner	205,834,485	57.14%
Citychamp ⁽¹⁾	Interest in controlled corporation	205,834,485	57.14%
Sincere View ^(1,2)	Interest in controlled corporation	210,834,485	58.52%
Full Day ^(1,2)	Beneficial owner/interest in controlled corporation	223,854,485	62.14%
Hon Kwok Lung ^(2,3)	Interest in controlled corporation	228,854,485	63.53%
Lam Suk Ying ^(2,3)	Interest in controlled corporation	228,854,485	63.53%
Prime Route ⁽⁴⁾	Beneficial owner	37,935,000	10.53%
Xu Hong ⁽⁴⁾	Interest in controlled corporation	37,935,000	10.53%

Notes:

1. In the issued share capital of the Company total 205,834,485 shares were directly held by VGB Limited and 223,854,485 shares directly held by Full Day Limited ("**Full Day**"). VGB Limited is wholly-owned and controlled by Citychamp Watch & Jewellery Group Limited ("**Citychamp**"). Citychamp was the controlled corporation of each of Sincere View International Limited ("**Sincere View**") and Full Day. Accordingly, each of Citychamp, Sincere View and Full Day was deemed to be interested in the shares of the Company held by VGB Limited.
2. Mr. Hon Kwok Lung ("**Mr. Hon**") held the entire issued share capital of Full Day. Sincere View was the controlled corporation of each of Mr. Hon and Ms. Lam Suk Ying ("**Ms. Lam**"), the spouse of Mr. Hon. Accordingly, each of Mr. Hon and Ms. Lam was deemed to be interested in the shares of the Company held by VGB Limited.
3. Mr. Hon and Ms. Lam also directly held 3,500,000 shares and 1,374,000 shares in the issued share capital of Citychamp, respectively.
4. Prime Route Investment Limited ("**Prime Route**") is a company wholly-owned by Ms. Xu Hong ("**Ms. Xu**"). Ms. Xu is therefore deemed to be interested in the shares held by Prime Route.
5. Calculated based on the number of issued Shares as at 30 June 2025 (i.e. 360,257,512 shares).

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

No Share Option Scheme is implemented.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has complied with all code provisions as set out in the Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the “**Corporate Governance Code**”) throughout the six months ended 30 June 2025.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the six months ended 30 June 2025.

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The duties of our Audit Committee are, among others, to make recommendations to our Board on the appointment, re-appointment and removal of external auditors, in order to assist our Board in fulfilling its responsibilities by providing an independent review and supervision of our financial and other reporting, by reviewing our internal control, risk management systems and internal audit functions.

As at 30 June 2025, the Audit Committee comprises all of our three Independent Non-executive Directors, namely Mr. Yu Chi Kit, Mr. Ng Tzyy Yeh Alroy Garrett and Ms. Hong Ting, with Mr. Yu Chi Kit being the chairman of the Audit Committee. Our unaudited interim results and the interim report for the six months ended 30 June 2025 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and report complied with the applicable accounting standards and requirements, and adequate disclosures have been made. The Audit Committee has recommended the Board to adopt the same.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchases, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

PUBLICATIONS OF INTERIM REPORT

This 2025 interim report is published on the HKExnews website at www.hkexnews.hk and on the website of the Company at www.ernestborel.ch.

By Order of the Board

Ernest Borel Holdings Limited

Teguh Halim

Chairman

Hong Kong, 28 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	NOTES	For the six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	3	38,006	40,068
Cost of sales		(31,745)	(20,622)
Gross profit		6,261	19,446
Other gains and losses, net	4	11,405	11,914
Other income	5	225	8,127
Distribution expenses		(8,810)	(7,615)
Administrative expenses		(26,320)	(33,743)
Finance costs	6	(4,511)	(4,840)
Loss before tax	8	(21,750)	(6,711)
Income tax credit	7	–	1,374
Loss for the period attributable to owners of the Company		(21,750)	(5,337)
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit scheme		–	108
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		13,790	(8,103)
Other comprehensive income for the period		13,790	(7,995)
Total comprehensive income for the period		(7,960)	(13,332)
Loss per share – (expressed in HK cents)			
Basic and diluted	10	(6.04)	(1.48)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	NOTES	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	39,529	43,650
Life insurance policy		1,417	1,417
Rental and other deposits	12	11,871	991
Intangible assets	13	32,672	36,801
Deferred tax assets		4,672	4,540
		90,161	87,399
Current assets			
Inventories		304,408	288,123
Trade and other receivables	12	130,619	142,533
Financial assets at fair value through profit or loss		13,091	24,718
Bank balances and cash		12,458	10,228
		460,576	465,602
Current liabilities			
Trade and other payables	14	51,916	67,788
Tax payable		1,320	1,225
Lease liabilities		4,618	4,527
Amounts due to related parties	15	28,049	22,138
Amounts due to fellow subsidiaries	15	298,335	286,804
Amount due to ultimate holding company	15	6,899	7,480
Bank and other borrowings	16	25,261	19,919
		416,398	409,881
Net current assets		44,178	55,721
Total assets less current liabilities		134,339	143,120

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	NOTES		
Non-current liabilities			
Lease liabilities		9,751	11,841
Bank borrowings	16	1,636	1,788
Deferred tax liabilities		28,135	26,823
Pension obligations		872	763
		40,394	41,215
Net assets		93,945	101,905
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	3,603	3,603
Reserves		90,342	98,302
Total equity		93,945	101,905

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital HKD'000	Share premium HKD'000	Other reserve HKD'000 (Notes (i) and (iii))	Actuarial gain and loss reserve HKD'000 (Note (iii))	General reserve HKD'000 (Notes (ii) and (iii))	Translation reserve HKD'000 (Note (iii))	Accumulated losses HKD'000 (Note (iii))	Total HKD'000
At 1 January 2024 (audited)	3,603	212,739	15,500	2,711	1,547	23,313	(91,621)	167,792
Loss for the period	–	–	–	–	–	–	(5,337)	(5,337)
Other comprehensive income for the period	–	–	–	108	–	(8,103)	–	(7,995)
At 30 June 2024 (unaudited)	3,603	212,739	15,500	2,819	1,547	15,210	(96,958)	154,460
At 1 January 2025 (audited)	3,603	212,739	15,500	2,518	1,547	5,557	(139,559)	101,905
Loss for the period	–	–	–	–	–	–	(21,750)	(21,750)
Other comprehensive income for the period	–	–	–	–	–	13,790	–	13,790
At 30 June 2025 (unaudited)	3,603	212,739	15,500	2,518	1,547	19,347	(161,309)	93,945

Notes:

- (i) Other reserve of HK\$15,500,000 represents amount arising from capitalisation of loans from former shareholders of a subsidiary of the Company.
- (ii) General reserve represents the legal reserve being allocated from the retained profits of certain subsidiaries of the Company, as required under the relevant legislation of Switzerland and the People's Republic of China (the "PRC"), respectively.
- (iii) These reserve accounts comprise of the consolidated reserves of HK\$90,342,000 (1HFY2024: HK\$150,857,000) in the consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(20,368)	12,577
INVESTING ACTIVITIES		
Additions of property, plant and equipment	(1,341)	(3)
Additions of intangible assets	–	(451)
Deposits paid for purchases of property, plant and equipment	(10,809)	–
Proceeds from disposal of property, plant and equipment	137	–
Interest received	6	47
NET CASH USED IN INVESTING ACTIVITIES	(12,007)	(407)
FINANCING ACTIVITIES		
New bank borrowings raised	5,115	10,000
Repayment of bank and other borrowings	(919)	(12,643)
Lease payments for lease liabilities	(2,563)	(3,470)
Interest paid	(186)	(1,074)
Loan from related parties	11,332	2,182
Loan from fellow subsidiaries	21,236	8,612
Repayment of loan from fellow subsidiaries	–	(9,370)
Loan from an ultimate holding company	2,919	–
Repayment of loan from an ultimate holding company	(3,500)	(1,920)
Loan from a director	–	455
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	33,434	(7,228)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,059	4,942
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	10,228	5,911
Effect of foreign exchange rate changes	1,171	(1,182)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	12,458	9,671

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2024 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2025.

The preparation of these condensed consolidated interim financial statements in compliance with IAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These condensed consolidated interim financial statements are presented in Hong Kong Dollars ("**HK\$**"), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (the "**IFRSs**") and should be read in conjunction with the 2024 consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received or receivable for the sales of watches products and smart watches components, less returns and trade discounts, during the interim period. The revenue of the Group are recognised at point in time.

The Group's principal activities are manufacturing and sales of watches, and smart watch manufacturing business. Information reported to the chief operating decision makers, being the executive directors of the Company, for resources allocation and performance assessment, is based on the Group's overall performance, which are considered as two operating segments. Segment revenue and results are therefore not the same as the respective amounts presented in the condensed consolidated statement of profit or loss and other comprehensive income.

The Group's operating businesses are structured and managed separately according to the nature of the operations. Each of the Group's reportable operating segments represents a strategic business unit that is subject to risks and returns that are different from other reportable operating segment.

The Group's reportable and operating segments are as follows:

- Watches business segment: manufacturing and sales of watches; and
- Smart watch manufacturing business segment: design, development and manufacturing of stainless-steel alloy watches cases, smartwatches cases on ODM or OEM basis.

(a) Segment revenue and results

For the six months ended 30 June 2025

	Watches HK\$'000 (Unaudited)	Smart watch manufacturing HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue				
Revenue	12,266	25,740	–	38,006
Segment results				
Unallocated corporate incomes and expenses, net	(11,038)	(5,743)	–	(16,781)
Finance costs	–	–	(458)	(458)
	(3,637)	(356)	(518)	(4,511)
Loss before income tax	(14,675)	(6,099)	(976)	(21,750)
Income tax credit	–	–	–	–
Loss after income tax	(14,675)	(6,099)	(976)	(21,750)

3. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Segment revenue and results (Continued)

For the six months ended 30 June 2024

	Watches HK\$'000 (Unaudited)	Smart watch manufacturing HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue				
Revenue	22,965	17,103	–	40,068
Segment results				
Unallocated corporate incomes and expenses, net	5,285	(3,625)	–	1,660
Finance costs	–	–	(3,531)	(3,531)
	(4,453)	(387)	–	(4,840)
Profit/(loss) before income tax	832	(4,012)	(3,531)	(6,711)
Income tax (expense)/credit	(124)	1,498	–	1,374
Profit/(loss) after income tax	708	(2,514)	(3,531)	(5,337)

(b) Geographical information

The following table provides an analysis of the Group's revenue from external customers based on the location of customers.

	Revenue from external customers For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The PRC	30,739	32,409
Hong Kong and Macau	3,985	2,418
Korea	–	1,998
Southeast Asia	3,034	624
Others (mainly in Europe)	248	2,619
	38,006	40,068

3. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Information about major customers

Revenue derived from customers contributed 10% or more of the total revenue of the Group are as follows:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	11,038	–
Customer B	–	5,894

4. OTHER GAINS AND LOSSES, NET

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Gain/(loss) on disposal of property, plant and equipment	(319)	470
Exchange loss, net	(771)	(308)
Provision for impairment loss of trade receivables, net	–	(396)
Fair value gain on financial assets/liabilities at fair value thought profit or loss	12,495	12,112
Others	–	36
	11,405	11,914

5. OTHER INCOME

	For the six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Bank interest income	6	47
Government subsidies	30	–
Other operating income	–	4,300
Service management fee income	–	2,500
Sundry income	189	1,280
	225	8,127

6. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Interest charged on:		
Bank and other borrowings	703	1,414
Loan from a related party	56	47
Loan from fellow subsidiaries	3,439	3,183
Lease liabilities	313	196
	4,511	4,840

7. INCOME TAX CREDIT

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Switzerland Income Tax	–	(124)
Deferred tax	–	1,498
Income tax credit for the period	–	1,374

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made for both periods as the Group has no assessable profits arising in Hong Kong.

Switzerland Income Tax is calculated at certain tax rates on the assessable income for both periods. Under relevant Tax Law in Switzerland, the Group's subsidiary incorporated in Switzerland was subject to Direct Federal Tax ("**DFT**") of 8.5% (six months ended 30 June 2024: 8.5%) and Cantonal and Communal Tax ("**CCT**") of 7.2% (six months ended 30 June 2024: 7.2%).

Swiss Federal withholding tax is levied at a rate of 35% on the distribution of the profit of the company incorporated in Switzerland for both periods.

Under the laws of PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of EIT Law, the tax rate of the PRC subsidiary is 25% (six months ended 30 June 2024: 25%). No provision for EIT has been made for both periods as the Group has no assessable profits arising in the PRC.

8. LOSS BEFORE TAX

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before tax has been arrived at after charging/ (crediting):		
Provision for impairment loss of trade receivables, net*	–	396
Cost of inventories recognised as expenses	31,745	20,622
Government subsidies [#]	(30)	–
Depreciation of property, plant and equipment	6,842	4,510
Amortisation of intangible assets	5,114	6,043
Staff costs (including directors' emoluments):		
– Salaries and other benefits	22,556	23,842
– Retirement benefits scheme contributions	2,959	1,807
Total staff costs	25,515	25,649

Notes:

* Included in "other gains or losses"

[#] Included in "other income"

9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the six months ended 30 June 2025 is based on the loss attributable to owners of the Company of approximately HK\$21,750,000 (six months ended 30 June 2024: approximately HK\$5,337,000) and on the weighted average number of approximately 360,258,000 (six months ended 30 June 2024: approximately 360,258,000) ordinary shares in issue during the period.

There is no potential dilutive ordinary shares outstanding for the six months ended 30 June 2025 and thus the dilute loss per share is the same as the basic loss per share.

11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2025, the Group acquired property, plant and equipment of HK\$1,341,000 (six months ended 30 June 2024: HK\$953,000).

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Non-current:		
Deposits for purchases of property, plant and equipment	10,809	–
Rental deposits	1,062	991
	11,871	991
Current:		
Trade receivables, gross	134,751	152,023
Less: impairment loss allowance	(17,640)	(17,058)
	117,111	134,965
Trade receivables, net		
Other receivables	7,334	3,029
Other tax recoverable	750	289
Prepayments	4,376	2,473
Deposits	1,048	1,777
	13,508	7,568
Total current trade and other receivables	130,619	142,533
Total trade and other receivables	142,490	143,524

Included in the trade receivables, amounts of approximately HK\$14,776,000 (31 December 2024: approximately HK\$27,613,000) are due from fellow subsidiaries of the Company.

12. TRADE AND OTHER RECEIVABLES (Continued)

The Group allows a credit period ranging from 30 days to 360 days to its trade customers. The following is an ageing analysis of trade receivables, net of impairment loss allowance, presented based on the invoice date which approximates the respective revenue recognition date:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
0–90 days	20,284	36,911
91–180 days	8,633	12,594
181–270 days	15,695	6,593
Over 270 days	72,499	78,867
	117,111	134,965

13. INTANGIBLE ASSETS

	Computer software HK\$'000	Technical knowhow HK\$'000	Customer relationship HK\$'000	Total HK\$'000
COST				
As at 1 January 2025 (audited)	1,365	34,491	21,126	56,982
Addition	–	–	–	–
Exchange realignment	39	1,000	612	1,651
As at 30 June 2025 (unaudited)	1,404	35,491	21,738	58,633
ACCUMULATED AMORTISATION				
As at 1 January 2025 (audited)	184	7,592	12,405	20,181
Charge for the period	70	1,642	3,402	5,114
Exchange realignment	7	246	413	666
As at 30 June 2025 (unaudited)	261	9,480	16,220	25,961
CARRYING AMOUNTS				
As at 30 June 2025 (unaudited)	1,143	26,011	5,518	32,672
As at 31 December 2024 (audited)	1,181	26,899	8,721	36,801

14. TRADE AND OTHER PAYABLES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade payables	35,678	49,225
Other payables	5,518	4,885
Accruals	10,228	13,146
Contract liabilities arising from sales of goods	492	532
	51,916	67,788

Included in the trade payables, amount of approximately HK\$87,000 (31 December 2024: Nil) are due to fellow subsidiaries of the Company.

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

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
1-30 days	4,558	18,285
31-60 days	2,081	1,069
Over 60 days	29,039	29,871
	35,678	49,225

The credit period for trade purchases ranges from 30 to 90 days.

15. AMOUNTS DUE TO RELATED PARTIES, FELLOW SUBSIDIARIES AND AN ULTIMATE HOLDING COMPANY

As at 30 June 2025, amounts due to related parties of (i) RMB14,868,000 (equivalent to HK\$16,266,000) (31 December 2024: RMB18,642,000 (equivalent to HK\$19,876,000)) was unsecured, interest bearing within the range from 3.5% to 3.85% per annum (31 December 2024: at 3.85% per annum) and repayable on demand; and (ii) RMB1,753,000 (equivalent to HK\$1,918,000) and HK\$9,865,000 (31 December 2024: RMB1,656,000 (equivalent to HK\$1,761,000) and HK\$501,000) were unsecured, interest free and repayable on demand.

As at 30 June 2025, amounts due to fellow subsidiaries of aggregate amount of RMB272,701,000 (equivalent to HK\$298,335,000) (31 December 2024: RMB259,866,000 (equivalent to HK\$276,289,000) and HK\$10,515,000) were unsecured, interest bearing at ranging from 0% to 6% (31 December 2024: 0% to 6%) per annum and repayable within one year.

15. AMOUNTS DUE TO RELATED PARTIES, FELLOW SUBSIDIARIES AND AN ULTIMATE HOLDING COMPANY (Continued)

As at 30 June 2025, amount due to an ultimate holding company of principal amount of HK\$6,899,000 (31 December 2024: HK\$7,480,000) was unsecured, interest free and repayable on demand.

16. BANK AND OTHER BORROWINGS

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Bank borrowings (note a)	7,651	2,505
Other borrowings (note b)	19,246	19,202
	26,897	21,707
Less: Current portion	(25,261)	(19,919)
Non-current portion	1,636	1,788

(a) Bank borrowings

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Bank loans, secured (note)	7,651	2,505
Less: current position	(6,015)	(717)
Non-current position	1,636	1,788
The borrowings repayable based on scheduled repayment date set out in the loan agreements, are as follows:		
Within one year or on demand	6,015	717
More than one year, but not exceeding five years	1,636	1,788
	7,651	2,505

16. BANK AND OTHER BORROWINGS (Continued)

(a) Bank borrowings (Continued)

Note:

- (i) As at 30 June 2025, the bank borrowings of HK\$5,196,000 (31 December 2024: Nil) were secured by a corporate guarantee provided by a related party.
- (ii) As at 30 June 2025, the bank borrowings of HK\$2,455,000 (31 December 2024: HK\$2,505,000) were secured by guarantee provided by the Government of Switzerland.
- (iii) As at 30 June 2025, the carrying amount of bank loans than contain a repayment on demand clause (shown under current liabilities) but repayable within one year or on demand was HK\$5,196,000 (31 December 2024: Nil)

(b) Other borrowings

As at 30 June 2025, the loan from Mr. Shang Jianguang, an ex-director of the Company of aggregate amount of HK\$16,423,000 (31 December 2024: HK\$15,905,000) was unsecured, interest bearing at 7% (31 December 2024: 6%) per annum and repayable on demand.

As at 30 June 2025, the other borrowings from certain third parties, amount of RMB700,000 (equivalent to HK\$766,000) (31 December 2024: RMB700,000 (equivalent to HK\$744,000)) and HK\$1,000,000 (31 December 2024: HK\$1,000,000) were unsecured, interest bearing at range from 0% to 6% (31 December 2024: 0% to 6%) per annum and repayable within one year and amount of RMB966,000 (equivalent to HK\$1,057,000) (31 December 2024: RMB1,461,000 (equivalent to HK\$1,553,000)) were unsecured, interest-free and repayable on demand.

17. SHARE CAPITAL

	Number of ordinary shares '000	Par value HK\$	Amount HK\$'000
Authorised:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	10,000,000	0.01	100,000
Issued and fully paid:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	360,258	0.01	3,603

All the shares issued rank pari passu with the existing shares in all respects.

18. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Financial assets		
Amortised cost	139,763	149,283
Fair value through profit or loss	14,508	26,135
	154,271	175,418
Financial liabilities		
Amortised cost	426,465	419,968

19. RELATED PARTY TRANSACTIONS

- (i) During the six months ended 30 June 2025, the Group entered into the following transactions with related parties:

Name of related party	Relationship	Nature of transaction	For the six months ended 30 June	
			2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Guangdong Juxin Watch Co., Limited (廣東鉅信鐘錶連鎖有限公司)	Fellow subsidiary	Sales of goods	370	434
Liaoning Hengjia Horologe Co., Limited (遼寧恒嘉鐘錶有限公司)	Fellow subsidiary	Sales of goods	53	165
Shenzhen Permanence Commerce Co., Limited (深圳市恒譽嘉時貿易有限公司)	Fellow subsidiary	Sales of goods	6	314
Corum Watches Malaysia SDN BHD	Fellow subsidiary	Sales of goods	33	7
Corum Watches Singapore Pte Limited	Fellow subsidiary	Sales of goods	50	160
Corum (Hong Kong) Limited	Fellow subsidiary	Sales of goods	9	-

19. RELATED PARTY TRANSACTIONS (Continued)

(i) (Continued)

Name of related party	Relationship	Nature of transaction	For the six months ended 30 June	
			2025	2024
			HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Montres Corum USA, LLC	Fellow subsidiary	Sales of goods	4	–
Jilin Dayou Watch Limited (吉林大有鐘錶有限公司)	Fellow subsidiary	Sales of goods	–	60
EBOHR Luxuries International Limited (依波精品(深圳)有限公司)	Fellow subsidiary	Sales of goods	18	16
		Loan interest expenses	322	132
		Rental expenses	271	–
Zhuhai Rossini Watch Industry Limited (珠海羅西尼錶業有限公司)	Fellow subsidiary	Sales of goods	2	10
		Loan interest expenses	1,891	1,846
Zhuhai Rossini Glasses Co., Limited (珠海羅西尼眼鏡有限公司)	Fellow subsidiary	Sales of goods	41	–
PAMA Precision Manufacturing Ltd (深圳市帕瑪精品製造有限公司)	Fellow subsidiary	Loan interest expenses	827	829
		Purchases of goods	16	16
Actor Investments Limited (安達投資有限公司)	Fellow subsidiary	Loan interest expenses	399	376
Fair Future Industrial Limited (俊光實業有限公司)	Related company	Sale of goods	1,835	6,614
		Service management fee	–	2,500
豪度錶業(深圳)有限公司	Related company	Sale of goods	94	2,289
Bestimever Limited (卓豪錶業有限公司)	Related company	Sales of goods	2	–
		Purchases of goods	155	50
深圳市冠城金燾錶業有限公司	Related company	Sales of goods	51	–

19. RELATED PARTY TRANSACTIONS (Continued)

(i) (Continued)

Name of related party	Relationship	Nature of transaction	For the six months ended 30 June	
			2025	2024
			HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
		Purchases of goods	226	–
寶科精密製品（深圳）有限公司	Related company	Loan interest expenses	56	–
欽州金泰精密五金製品有限公司	Related company	Purchases of goods	86	–
Mr. Shang Jianguang	Former director of the Company	Loan interest expenses	518	449
Ms. Hon Ki Kuen	Spouse of the Director of the Company	Loan interest expenses	–	47

(ii) The details for balances with related parties are disclosed in note 12, 14 and 15 to the condensed consolidated financial statements.

(iii) The compensations to key management personnel of the Group (i.e. the Company's directors) are as follows:

	For the six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Fees	176	205

20. FAIR VALUE MEASUREMENTS

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

- the fair values of unlisted investment in insurance policy is determined based on amount value as stated in cash surrender value statement issued by insurer.
- the fair values of financial assets at fair value through profit or loss is determined by the directors of the Company with reference to actual result of Gold Vantage Group for the year ended 31 December 2024 and forecast result of Gold Vantage Group for the year ending 31 December 2025.

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

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

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

The financial assets measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
As at 30 June 2025				
Assets				
Life insurance policy	–	1,417	–	1,417
Financial assets at fair value through profit or loss	–	–	13,091	13,091
	–	1,417	13,091	14,508

20. FAIR VALUE MEASUREMENTS (Continued)

	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Audited)	(Audited)	(Audited)	(Audited)

As at 31 December 2024

Assets

Life insurance policy	–	1,417	–	1,417
Financial assets at fair value through profit or loss	–	–	24,718	24,718
	–	1,417	24,718	26,135

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

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

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

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Opening balance (Level 3 recurring fair value)	24,718	32,410
Settlement during the period/year	(24,122)	(32,410)
Fair value gain during the period/year	12,495	24,718
Closing balance (Level 3 recurring fair value)	13,091	24,718