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## **ORIENTAL WATCH HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 398)**

Website: <http://www.orientalwatch.com>

### **FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026**

#### **FINANCIAL HIGHLIGHTS**

- Turnover decreased 0.8% to HK\$3,423 million
- Profit attributable to owners of the Company was HK\$180 million
- Earnings per share was 36.95 HK cents
- Final dividend of 4.0 HK cents per share
- Special dividend of 12.3 HK cents per share

The Board of Directors of Oriental Watch Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2026 together with the comparative figures for the corresponding year in 2025 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 MARCH 2026*

	<i>NOTES</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue	3	3,422,978	3,449,857
Cost of goods sold		<u>(2,359,431)</u>	<u>(2,364,120)</u>
Gross profit		1,063,547	1,085,737
Other income	4	39,226	57,415
Other gains and losses	5	(12,252)	3,731
(Impairment losses recognised) reversal of impairment losses under expected credit loss (“ECL”) model, net — trade receivables		(525)	3,077
Impairment losses recognised on property, plant and equipment and right-of-use assets		(27,061)	(25,403)
Distribution and selling expenses			
— Expenses related to leases		(187,601)	(201,345)
— Other distribution and selling expenses		(335,610)	(363,007)
Administrative expenses		(227,509)	(233,664)
Finance costs		(10,311)	(11,768)
Share of results of associates		26,424	21,957
Share of results of joint ventures		(541)	(175)
Profit before taxation	6	327,787	336,555
Income tax expense	7	(147,696)	(136,064)
Profit for the year		<u>180,091</u>	<u>200,491</u>
Other comprehensive income (expense)			
<i>Item that will not be reclassified to profit or loss:</i>			
Change in fair value of equity instruments at fair value through other comprehensive income (“FVTOCI”)		(200)	2,885
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		56,588	(12,578)
Reclassification of cumulative translation reserve upon disposal of a joint venture		3,077	—
Other comprehensive income (expense) for the year		<u>59,465</u>	<u>(9,693)</u>
Total comprehensive income for the year		<u><u>239,556</u></u>	<u><u>190,798</u></u>

		2026	2025
	<i>NOTE</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Profit (loss) for the year attributable to:			
Owners of the Company		<b>180,096</b>	200,496
Non-controlling interests		<b>(5)</b>	(5)
		<u><b>180,091</b></u>	<u>200,491</u>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		<b>239,484</b>	190,852
Non-controlling interests		<b>72</b>	(54)
		<u><b>239,556</b></u>	<u>190,798</u>
Earnings per share			
Basic	<i>9</i>	<u><b>36.95 HK cents</b></u>	<u>41.14 HK cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2026

	NOTES	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment		<b>186,149</b>	194,213
Right-of-use assets	10	<b>184,998</b>	171,799
Investment properties		<b>34,978</b>	34,765
Deposits for acquisition of property, plant and equipment		–	7,774
Interests in associates		<b>80,768</b>	70,976
Interests in joint ventures		<b>7,335</b>	26,853
Equity instruments at FVTOCI		<b>30,520</b>	30,720
Financial assets at fair value through profit or loss (“FVTPL”)		<b>22,518</b>	19,806
Deferred tax assets		<b>1,691</b>	8,276
Property rental deposits		<b>27,404</b>	22,062
Bank deposits		–	2,187
		<b>576,361</b>	589,431
Current assets			
Inventories	11	<b>466,025</b>	466,304
Loan receivable		–	65,930
Trade and other receivables	12	<b>246,701</b>	243,330
Financial assets at FVTPL		<b>8,538</b>	11,807
Amount due from a joint venture		<b>29,399</b>	20,911
Taxation recoverable		<b>8,472</b>	9,719
Bank deposits		<b>2,314</b>	–
Cash and cash equivalents		<b>950,369</b>	836,081
		<b>1,711,818</b>	1,654,082
Current liabilities			
Trade and other payables	13	<b>193,162</b>	229,138
Contract liabilities		<b>2,323</b>	2,947
Lease liabilities		<b>104,062</b>	83,554
Taxation payable		<b>38,604</b>	31,352
		<b>338,151</b>	346,991
Net current assets		<b>1,373,667</b>	1,307,091
Total assets less current liabilities		<b>1,950,028</b>	1,896,522

	<b>2026</b>	2025
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Non-current liabilities		
Deferred tax liabilities	<b>32,143</b>	30,038
Lease liabilities	<b>106,307</b>	111,702
	<u><b>138,450</b></u>	<u>141,740</u>
Net assets	<u><b>1,811,578</b></u>	<u>1,754,782</u>
Capital and reserves		
Share capital	<b>48,736</b>	48,736
Reserves	<b>1,761,027</b>	1,704,303
Equity attributable to owners of the Company	<b>1,809,763</b>	1,753,039
Non-controlling interests	<b>1,815</b>	1,743
Total equity	<u><b>1,811,578</b></u>	<u>1,754,782</u>

Notes:

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Oriental Watch Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and acts as an investment holding company as well as engaged in watch trading. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is also the functional currency of the Company.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### **Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **New and amendments to HKFRS Accounting Standards in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<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.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **HKFRS 18 “Presentation and Disclosure in Financial Statements”**

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 April 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

### **3. REVENUE AND SEGMENT INFORMATION**

The Group's operation is principally sales of watches. The Group's revenue represents consideration received or receivable from sales of watches.

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performance is analysed based on the geographical markets of the goods sold, which is consistent with the basis of the Group's organisation for managing the business operations.

Specifically, the Group had three operating segments, being (a) Hong Kong, (b) the People's Republic of China (the "PRC") and (c) Macau. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

#### **Sales of watches (revenue recognised at a point in time)**

For sales of watches, revenue is recognised when control of the goods has been transferred, being at the point the customer purchases the goods at the retail shop, including self-operating shops and the shops at department stores. Payment of the transaction price is due immediately at the point the customer purchases the goods. A credit period of not more than 30 days is granted to department stores who receive the payment on behalf of the Group at the point the customer purchases the goods.

All sales contracts are for periods of one year or less. As permitted under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

The following is an analysis of the Group's segment revenue and results by operating segments:

	Segment revenue —		Segment (loss) profit	
	recognised at			
	2026	2025	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	<b>673,367</b>	757,034	<b>(47,682)</b>	(57,077)
The PRC	<b>2,734,731</b>	2,617,485	<b>466,500</b>	462,553
Macau	<b>14,880</b>	75,338	<b>(35,906)</b>	(83)
	<b><u>3,422,978</u></b>	<b><u>3,449,857</u></b>	<b><u>382,912</u></b>	<b><u>405,393</u></b>
Unallocated other income			<b>12,772</b>	25,853
Unallocated corporate expenses			<b>(81,261)</b>	(119,435)
Unallocated other gains and losses			<b>(12,519)</b>	4,020
Interest on bank loan			—	(1,058)
Share of results of associates			<b>26,424</b>	21,957
Share of results of joint ventures			<b>(541)</b>	(175)
Profit before taxation			<b><u>327,787</u></b>	<b><u>336,555</u></b>

Segment (loss) profit represents the (loss) profit before taxation earned by each segment without allocation of share of results of associates and joint ventures, interest on bank loan, unallocated other income, unallocated other gains and losses, and unallocated corporate expenses. Unallocated corporate expenses include auditor's remuneration, directors' emoluments, expenses of the Group's headquarter which are unallocated between the operating segments and operating expenses of inactive companies. This is the measure reported to the CODM of the Group for the purposes of resources allocation and performance assessment.

The Group has no customer who contributed over 10% of the total revenue of the Group for any of the years ended 31 March 2026 and 2025.

All segment revenue is generated from external customers for both years.

The following is an analysis of the Group's assets and liabilities by operating segments.

	<b>Segment assets</b>		<b>Segment liabilities</b>	
	<b>2026</b>	2025	<b>2026</b>	2025
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>464,090</b>	513,729	<b>151,288</b>	154,736
The PRC	<b>610,721</b>	548,532	<b>175,529</b>	145,928
Macau	<b>36,379</b>	43,217	<b>18,590</b>	10,293
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Segment total	<b>1,111,190</b>	1,105,478	<b>345,407</b>	310,957
Unallocated	<b>1,176,989</b>	1,138,035	<b>131,194</b>	177,774
	<hr/>	<hr/>	<hr/>	<hr/>
Group's total	<b><u>2,288,179</u></b>	<u>2,243,513</u>	<b><u>476,601</u></b>	<u>488,731</u>

The segment assets by location of assets are the same as by location of markets of the goods sold.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than investment properties, interests in associates, interests in joint ventures, equity instruments at FVTOCI, financial assets at FVTPL, loan receivable, deferred tax assets, bank deposits, amount due from a joint venture, taxation recoverable, cash and cash equivalents, and other unallocated corporate assets; and
- all liabilities are allocated to operating segments other than taxation payable, deferred tax liabilities, and other unallocated corporate liabilities.

## Other segment information

Amounts included in the measure of segment results or segment assets:

	2026				2025			
	Hong Kong HK\$'000	The PRC HK\$'000	Macau HK\$'000	Segment and Group's total HK\$'000	Hong Kong HK\$'000	The PRC HK\$'000	Macau HK\$'000	Segment and Group's total HK\$'000
Additions of property, plant and equipment	12,777	30,217	17,148	60,142	5,719	7,519	106	13,344
Additions of right-of-use assets	65,976	39,398	11,149	116,523	57,943	33,445	12,985	104,373
Gain on leases termination/modification	–	181	–	181	–	1,228	1,672	2,900
Depreciation of property, plant and equipment	(29,563)	(22,261)	(825)	(52,649)	(32,088)	(21,943)	(89)	(54,120)
Depreciation of right-of-use assets	(56,161)	(33,649)	(6,001)	(95,811)	(71,701)	(29,322)	(4,408)	(105,431)
(Loss) gain on disposal/written off of property, plant and equipment	(711)	15	(43)	(739)	–	(839)	–	(839)
Impairment losses recognised on property, plant and equipment	(5,668)	–	(11,039)	(16,707)	(11,174)	–	–	(11,174)
Impairment losses recognised on right-of-use assets	(4,640)	–	(5,714)	(10,354)	(14,229)	–	–	(14,229)
Impairment losses (recognised) reversed under ECL model – trade receivables	–	(525)	–	(525)	–	3,077	–	3,077
Reversal of allowance (allowance) for inventories	18,034	27	(3,897)	14,164	7,278	521	1,158	8,957
	<b>18,034</b>	<b>27</b>	<b>(3,897)</b>	<b>14,164</b>	<b>7,278</b>	<b>521</b>	<b>1,158</b>	<b>8,957</b>

*Note:* The amounts of interests in associates and share of results of associates, and the interests in joint ventures and share of results of joint ventures, are presented to the CODM as a whole but not included in the measure of segment profit or loss or segment assets.

Information about the Group's non-current assets (excluding financial instruments, deferred tax assets, interests in associates and interests in joint ventures) by geographical location of the assets is detailed below:

	Carrying amount of non-current assets	
	2026 HK\$'000	2025 HK\$'000
Hong Kong	241,304	259,346
The PRC	115,625	96,732
Macau	14,218	17,708
Other	34,978	34,765
	<b>406,125</b>	<b>408,551</b>

#### 4. OTHER INCOME

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest income from bank	8,667	14,183
Interest income from loan receivable at amortised cost	4,105	11,670
Interest income from rental deposits	1,125	1,158
Government subsidies ( <i>note</i> )	16,543	21,426
Rental income	2,402	2,415
Others	6,384	6,563
	<u>39,226</u>	<u>57,415</u>

*Note:* During the years ended 31 March 2026 and 2025, the Group recognised government grants in respect of unconditional subsidies received for subsidising the Group's business in the PRC.

#### 5. OTHER GAINS AND LOSSES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Changes in fair value of loan receivable at FVTPL	–	1,249
Changes in fair value of financial assets at FVTPL	6,865	901
Changes in fair value of investment properties	615	(79)
Loss on disposal of a joint venture	(20,117)	–
Gain on leases termination/modification	181	2,900
Loss on disposal/written off of property, plant and equipment	(739)	(839)
Net exchange gains (losses)	1,052	(831)
Others	(109)	430
	<u>(12,252)</u>	<u>3,731</u>

## 6. PROFIT BEFORE TAXATION

	<b>2026</b>	2025
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Directors' remuneration	<b>78,393</b>	89,365
Other staff costs	<b>175,915</b>	178,971
Other staff's retirement benefits scheme contributions	<b>7,053</b>	7,529
	<hr/>	<hr/>
Total staff costs	<b>261,361</b>	275,865
	<hr/>	<hr/>
Impairment losses recognised related to the retail shops		
– property, plant and equipment	<b>16,707</b>	11,174
– right-of-use assets	<b>10,354</b>	14,229
Auditor's remuneration	<b>3,600</b>	3,600
Cost of inventories recognised as expense (including reversal of allowance for inventories of HK\$14,164,000 (2025: HK\$8,957,000))	<b>2,359,431</b>	2,364,120
Depreciation of property, plant and equipment	<b>52,649</b>	54,120
Depreciation of right-of-use assets	<b>95,811</b>	105,431
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## 7. INCOME TAX EXPENSE

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax:		
Hong Kong	–	92
PRC Enterprise Income Tax	<b>118,548</b>	115,617
Other jurisdictions	<b>23</b>	9
Withholding tax on dividend income from associates	<b>4,141</b>	2,766
Withholding tax on dividend income from subsidiaries	<b>15,990</b>	16,502
	<u><b>138,702</b></u>	<u>134,986</u>
Under (over) provision in prior years:		
Hong Kong	<b>237</b>	(16)
Other jurisdictions	–	1,167
	<u><b>237</b></u>	<u>1,151</u>
Deferred taxation charge (credit)	<u><b>8,757</b></u>	<u>(73)</u>
	<u><b>147,696</b></u>	<u>136,064</u>

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years, after setting off of tax losses brought forward, if any.

Taxation in other jurisdictions mainly represent Macau SAR Complementary Tax, which is calculated at the rate of 12% on the estimated assessable profits for both years.

## 8. DIVIDENDS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Interim dividend for financial year ended 31 March 2026 of 5.3 HK cents (2025: 6.1 HK cents) per share on 487,358,224 (2025: 487,358,224) shares	25,830	29,729
Interim special dividend for financial year ended 31 March 2026 of 15.5 HK cents (2025: 18.5 HK cents) per share on 487,358,224 (2025: 487,358,224) shares	75,541	90,161
Final dividend for financial year ended 31 March 2025 of 4.2 HK cents (2024: 5.8 HK cents) per share on 487,358,224 (2024: 487,358,224) shares	20,469	28,267
Special dividend for financial year ended 31 March 2025 of 12.5 HK cents (2024: 17.2 HK cents) per share on 487,358,224 (2024: 487,358,224) shares	60,920	83,826
	<u>182,760</u>	<u>231,983</u>
Dividends proposed after year end ( <i>note</i> ):		
Proposed final dividend for financial year ended 31 March 2026 of 4.0 HK cents (2025: 4.2 HK cents) per share on 487,358,224 (2025: 487,358,224) shares	19,494	20,469
Proposed special dividend for financial year ended 31 March 2026 of 12.3 HK cents (2025: 12.5 HK cents) per share on 487,358,224 (2025: 487,358,224) shares	59,945	60,920
	<u>79,439</u>	<u>81,389</u>

*Note:* Subsequent to the end of the reporting period, a final dividend and a special dividend for the year ended 31 March 2026 have been proposed by the directors of the Company and are subject to approval by the shareholders in the forthcoming annual general meeting.

## 9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	<b>2026</b>	2025
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purposes of basic earnings per share (profit for the year attributable to owners of the Company)	<u><b>180,096</b></u>	<u>200,496</u>
	<b>2026</b>	2025
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><b>487,358,224</b></u>	<u>487,358,224</u>

For both years, no diluted earnings per share have been presented as there were no potential ordinary shares outstanding for the years.

## 10. RIGHT-OF-USE ASSETS

	<b>Leased properties <i>HK\$'000</i></b>
<b>As at 31 March 2026</b>	
Carrying amount	<u>184,998</u>
<b>As at 31 March 2025</b>	
Carrying amount	<u>171,799</u>

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Expenses related to leases</b>		
Expenses relating to short-term leases	22,386	37,020
Variable lease payments not included in the measurement of lease liabilities	83,025	72,340
Depreciation for the year	<u>95,811</u>	<u>105,431</u>
	<b><u>201,222</u></b>	<b><u>214,791</u></b>
Analysed as:		
Distribution and selling expenses	187,601	201,345
Administrative expenses	<u>13,621</u>	<u>13,446</u>
	<b><u>201,222</u></b>	<b><u>214,791</u></b>

## 11. INVENTORIES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Watches	435,518	445,196
Others	<u>30,507</u>	<u>21,108</u>
	<b><u>466,025</u></b>	<b><u>466,304</u></b>

## 12. TRADE AND OTHER RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables	208,386	198,773
<i>Less: Allowance for credit losses</i>	<u>(5,395)</u>	<u>(4,766)</u>
	<b>202,991</b>	194,007
Property rental and other deposits	24,296	35,731
Advances to suppliers	2,008	1,058
Others	<u>17,406</u>	<u>12,534</u>
	<b><u>246,701</u></b>	<b><u>243,330</u></b>

As at 1 April 2024, trade receivables from contract with customers, net of allowance for credit losses, amounted to HK\$219,242,000.

The Group maintains a general credit policy of not more than 30 days for its retail sales in department stores. Sales made to retail customers are mainly made on a cash basis. The following is an aged analysis of trade receivables net of allowance for credit losses based on the invoice date at the end of the reporting period:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<u>Age</u>		
0 to 30 days	140,545	129,587
31 to 60 days	35,614	20,638
61 to 90 days	21,032	22,778
Over 90 days	<u>5,800</u>	<u>21,004</u>
	<b><u>202,991</u></b>	<b><u>194,007</u></b>

As at 31 March 2026, included in the Group's trade receivables balance were debtors with aggregate carrying amount of HK\$26,833,000 (2025: HK\$64,420,000) which are past due as at the reporting date. Out of the past due balances, HK\$6,230,000 has been past due 90 days or more as at 31 March 2025 (2026: nil). These balances are not considered as in default because historical experience indicated that such receivables could be recoverable from the relevant debtors. The Group does not hold any collateral over these balances.

### 13. TRADE AND OTHER PAYABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade payables	24,029	25,571
Payroll and welfare payables	88,418	100,083
Commission payables	8,350	45,181
Renovation work payables	6,585	2,344
PRC value added tax and other taxes payables	26,863	24,514
Property rental fee payables	17,532	11,519
Others	21,385	19,926
	<u>193,162</u>	<u>229,138</u>

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

<u>Age</u>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0 to 60 days	21,913	24,090
61 to 90 days	–	33
Over 90 days	2,116	1,448
	<u>24,029</u>	<u>25,571</u>

The average credit period on purchases of goods is 30 days.

#### 14. SHARE-BASED PAYMENT TRANSACTION

The Company has a share award scheme for eligible directors and employees of the Company or its subsidiaries.

On 27 June 2022 (the “Adoption Date”), the Company adopted the employees’ share award scheme (the “2022 Share Award Scheme”). Pursuant to the 2022 Share Award Scheme, it shall be valid and effective for a term of 10 years commencing from the Adoption Date. Under the 2022 Share Award Scheme, any employee, executive, officer, or director of the Company or of any subsidiary is eligible for participation in the scheme. The purposes and objectives of the 2022 Share Award Scheme are to recognise and motivate the contributions by certain eligible persons and to provide them with incentives in order to retain them for the continual operation and development of the Group and to help the Group in attracting and recruiting suitable personnel as additional employees to further the operation and development of the Group, and to provide the eligible persons with a direct economic interest in attaining the long-term business objectives of the Group. The board of directors shall not make any further award which will result in: (i) the number of shares awarded by the board under the scheme exceeding 10% of the issued share capital of the Company as at the Adoption Date; or (ii) the number of the shares held by public shareholders falls below the minimum percentage as prescribed under the Listing Rules. The maximum number of shares which may be awarded to each selected person under the scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

Under such scheme, there is no provision on (a) the vesting period of awards to be granted; and (b) the amount payable on application or acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be repaid. All these are subject to the discretion of the board of directors of the Company on the granting of an award under such scheme. For further details of the principal terms of the 2022 Share Award Scheme, please refer to the Company’s announcement on 27 June 2022.

The total number of awards available for grant under the 2022 Share Award Scheme was 48,735,822 shares as at 1 April 2025, 31 March 2026 and 17 June 2026, representing 10% of the issued share capital of the Company as at the date of this announcement. No share award has been granted under the 2022 Share Award Scheme since the Adoption Date.

During the years ended 31 March 2026 and 2025, no share-based payment expense was recognised in relation to the 2022 Share Award Scheme.

## **DIVIDENDS**

The directors proposed to pay a final dividend of 4.0 HK cents (2025: 4.2 HK cents) per share for the year ended 31 March 2026 and a special dividend of 12.3 HK cents (2025: 12.5 HK cents) per share to the shareholders whose names appear on the register of members of the Company on 12 October 2026. Subject to approval at the forthcoming annual general meeting, dividend warrants will be sent to shareholders on or before 28 October 2026.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 7 October 2026 to 12 October 2026 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and special dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 6 October 2026.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Group Results**

On behalf of the Board of Directors (the "Board") of Oriental Watch Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), I hereby present the audited consolidated results of the Group for the year ended 31 March 2026 (the "Year").

The luxury goods market in Greater China remained challenging throughout the Year. Macroeconomic headwinds and subdued consumer confidence continued to weigh on discretionary spending. While certain luxury categories demonstrated resilience, the luxury watch segment faced sustained pressure as consumers increasingly prioritised exclusivity, practicality and long-term value retention. A broader structural shift toward experience-based consumption, particularly in travel, wellness and lifestyle spending, further dampened demand for discretionary luxury products. Against this backdrop, the Group's performance continued to be affected. Revenue decreased by 0.8% year-on-year ("YoY") to HK\$3,423 million (2025: HK\$3,450 million). Gross profit declined by 2.0% YoY to HK\$1,064 million (2025: HK\$1,086 million), while gross profit margin slightly decreased to 31.1% (2025: 31.5%). Profit attributable to owners of the Company decreased by 10.0% YoY to HK\$180 million (2025: HK\$200 million). Without the one-off loss of HK\$20 million recognised on the disposal of a joint venture during the Year, the adjusted profit attributable to owners of the Company would be HK\$200 million (2025: HK\$200 million).

In recognition of shareholders' continued trust, the Board has resolved to recommend a final dividend of 4.0 HK cents (2025: 4.2 HK cents) per share and a special dividend of 12.3 HK cents (2025: 12.5 HK cents) per share for the year ended 31 March 2026. Including the interim dividend and special interim dividend, the total dividends for the Year amount to 37.1 HK cents (2025: 41.3 HK cents) per share, which represents a payout ratio of 100.4% (2025: 100.4%) of the profit attributable to owners of the Company. This decision underscores the Board's confidence in the Group's resilient business model, long-term strategy, and dedication to shareholder value.

## Business Review

The Group is one of the leading retailers of luxury watches in the Greater China region. As at 31 March 2026, the Group operated 39 retail points (including retail stores operated by the way of associate and joint venture) in the Greater China region, along with one online store in each of Chinese Mainland and Hong Kong respectively. Breakdown of retail points by geographic region is as follows:

	<b>As at 31 March 2026</b>
Hong Kong	11
Macau	2
Chinese Mainland	24
Taiwan	<u>2</u>
Total	<u><u>39</u></u>

In Chinese Mainland, whilst the economy expanded at a steady pace with GDP growth of 5.0%, meeting the government's full-year target, domestic consumption remained weak amid persistent property sector softness and slower income growth, prolonging the headwinds facing the luxury market. The Group continued to strengthen collaborations with key brand partners, expand its boutique network in prime locations and deepen engagement with the high-growth affluent consumer segment. The Group also extended its certified pre-owned watch business to the Chinese Mainland market to further strengthen customer engagement and broaden revenue streams. These initiatives drove revenue from the Group's Chinese Mainland operations to HK\$2,735 million (2025: HK2,617 million), representing a 4.5% YoY increase.

In Hong Kong, despite a modest recovery in overall retail sales in 2025, the luxury segment continued to underperform. A key structural challenge was the persistent outbound consumption trend, with local residents increasingly directing discretionary spending overseas, undermining local luxury demand. This was also reflected on the supply side, with Swiss watch exports to Hong Kong in 2025 declining 6.5% as compared to the previous year, and by approximately 24.0% against 2023 levels according to the Federation of the Swiss Watch Industry FH, signalling diminishing supplier confidence in the local market. As a result, revenue from the Group's Hong Kong operations decreased by approximately 11.1% YoY to HK\$673 million (2025: HK\$757 million).

The Group maintained strong financial discipline with a continued focus on optimising its cost structure, particularly in respect of rental expenses, which represent a significant component of its overall operating costs. Store performance was kept under continual review, and the retail network was strategically streamlined through the closure of underperforming, high-rent locations. In Macau, the Group optimised its retail footprint by downsizing its multi-brand outlet and opening a new boutique. This strategic realignment maintained the Group's market presence while materially reducing rental-related expenses in the region. Leveraging on its established landlord relationships, the Group also successfully negotiated more favourable lease terms in Hong Kong. In Chinese Mainland, rental costs rose moderately despite a consolidated retail point count, reflecting a strategic relocation to prime sites. This shift toward premium locations involves higher fixed base rent, which the Group views as a necessary investment to enhance brand positioning. Overall, the Group's lease-related expenses recorded a YoY decrease of 6.5% to HK\$201 million, representing 26.4% of total operating expenses (2025: 26.5%).

The Group maintained disciplined inventory management, adopting a rigorous replenishment policy for high-value products. This approach ensured capital was deployed efficiently and stock exposure remained well-controlled. As at 31 March 2026, inventory remained at a stable level of HK\$466 million (As of 31 March 2025: HK\$466 million). The overall inventory profile also continued to improve, with the proportion of aged inventory exceeding three years further reduced, resulting in a more optimal stock mix.

## **Prospects**

Global macroeconomic headwinds persist, driven by sustained inflationary pressures and ongoing geopolitical tensions. While luxury goods demand has shown some sequential improvement, consumer confidence remains subdued and cautious spending continues to weigh on the luxury watch market, keeping the broader recovery fragile. Nonetheless, the Group remains resolute in executing its long-term strategy, confident that its established brand partnerships, expanding boutique network, and deepening customer relationships will position it strongly to capture growth as market conditions recover.

The Group will keep strengthening collaborations with leading brand partners and selectively expand its boutique network in prime locations, focusing especially on the Chinese Mainland consumer segment for its strong long-term growth potential. The Group will continue to organise watch exhibitions, customer events and brand-related activities to deepen consumer knowledge, reinforce brand awareness and broaden its reach to younger consumer segments.

By continuously enhancing service quality and maintaining stringent cost discipline, the Group is committed to strengthening its competitive positioning and delivering sustainable long-term returns to shareholders.

## **FINANCIAL REVIEW**

### **Liquidity and financial resources**

At 31 March 2026, the Group's total equity reached HK\$1,812 million, compared with HK\$1,755 million as at 31 March 2025. The Group had net current assets of HK\$1,374 million, including cash and cash equivalents of HK\$950 million as at 31 March 2026, as compared with HK\$1,307 million and HK\$836 million respectively as at 31 March 2025. At 31 March 2026 and 2025, the Group had no bank loan and the gearing ratio (defined as total bank loan on total equity) was nil.

Management considers that the financial position of the Group is healthy with adequate funds and unused banking facilities.

### **Foreign exchange exposure**

The Group's sales and purchase transactions are primarily denominated in Hong Kong dollars and Renminbi. The Group does not face any significant risk from exposure to foreign exchange fluctuations.

## **HUMAN RESOURCES**

As at 31 March 2026, the Group employed approximately 567 employees in Chinese Mainland, Hong Kong and Macau, of whom approximately 64% were based in Chinese Mainland.

The Group's employees' compensation packages include basic salary, commission, annual bonus, medical insurance and other common benefits. They are structured by reference to the nature of their posts, experiences and performance, and are reviewed annually based on the Group's objective performance appraisal system.

The Group has allocated significant resources to provide training programmes to employees to improve their services to customers. The management team has used results of a "Mystery Shoppers Programme" conducted by an independent consultancy firm to tailor-made training programmes for specific shop and at individual level.

The Group has also developed a series of training programmes for senior executives with diverse topics ranging from leadership, personal development and effectiveness, task and team management. These programmes enable our senior executives to improve their management skills and bring in innovative ideas to the Group.

The Company has adopted a share award scheme relating to award of shares of the Company purchased by the trustee or the administration committee of such scheme out of fund paid by the Company to eligible persons including directors and employees of the Group. The scheme enables the Group to offer valuable incentive to attract and retain quality personnel and other persons to work to increase the value of the shares of the Company.

## **REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS**

The Audit Committee of the Company has reviewed the consolidated financial statements of the Group for the year ended 31 March 2026.

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

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE**

The Company is committed to the establishment of good governance practices and procedures. The Company had met the code provisions of the Corporate Governance Code set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 March 2026, except the following deviations:

1. Under Code Provision C.2.1, the roles of the chairman and chief executive should be separated and should not be performed by the same individual. However, such roles have been taken up by Mr. Yeung Him Kit, Dennis since 10 February 2021 after Dr. Yeung Ming Bui, the Company’s former chairman, passed away as the Board considers that he is the most suitable person with the necessary experience to provide leadership to the Board as well as to manage the day-to-day operations of the Group.
2. For Code provision F.1.1 relating to disclosure of dividend policy in effect from 1 April 2025 to 30 June 2025, the Company did not have a dividend policy and the Board would decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Group’s operating results, business plans and prospects, financial position and working capital requirements, and other factors that the Board considered relevant.

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

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Enquiry has been made with all directors and all such directors have confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 March 2026.

## **AUDIT COMMITTEE**

The Audit Committee, together with the management of the Company, has reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of audited consolidated financial statements for the year ended 31 March 2026.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2026 have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **ANNUAL GENERAL MEETING**

It is proposed that an Annual General Meeting of the Company will be held on 20 August 2026. Notice of the Annual General Meeting will be published and dispatched to the shareholders in due course.

## **PUBLICATION OF FINAL RESULTS AND DISPATCH OF ANNUAL REPORT**

The final results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company at ([www.orientalwatch.com](http://www.orientalwatch.com)). The 2026 annual report containing all information required by the Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course in accordance with the Listing Rules.

## **MEMBERS OF THE BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises Mr. Yeung Him Kit, Dennis (Chairman), Madam Yeung Man Yee, Shirley and Mr. Lam Hing Lun, Alain as executive directors and Mr. Choi Man Chau, Michael, Mr. Sun Dai Hoe, Harold and Dr. Sin Nga Yan, Benedict as independent non-executive directors.

By order of the Board  
**Yeung Him Kit, Dennis**  
*Chairman*

Hong Kong, 17 June 2026