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東方表行
Oriental Watch Company
Since 1961

ORIENTAL WATCH HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(the "Company")

(Stock Code: 398)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

The Board of Directors of Oriental Watch Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2026 together with the comparative figures for the corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2026

		(Unaudited) Six months ended	
		30 September 2026	30 September 2025
	NOTES	***HK$'000***	*HK$'000*
Revenue	*3*	**1,793,287**	1,618,471
Cost of goods sold		**(1,255,599)**	(1,130,833)
Gross profit		**537,688**	487,638
Other income	*4A*	**30,407**	29,055
Other gains and losses	*4B*	**2,972**	6,371
Impairment losses recognised on property, plant and equipment and right-of-use assets		**(15,714)**	–
Distribution and selling expenses			
— Expenses related to leases		**(98,680)**	(92,249)
— Other distribution and selling expenses		**(173,666)**	(167,343)
Administrative expenses		**(107,270)**	(103,146)
Finance costs		**(4,855)**	(4,661)
Share of results of associates		**12,719**	11,201
Share of results of joint ventures		**557**	(1,190)

	NOTES	(Unaudited) Six months ended 30 September 2026 HK$'000	30 September 2025 HK$'000
Profit before taxation	5	**184,158**	165,676
Income tax expense	6	**(81,552)**	(64,903)
Profit for the period		**102,606**	100,773
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")		**(1,440)**	3,170
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**31,908**	21,012
Other comprehensive income for the period		**30,468**	24,182
Total comprehensive income for the period		**133,074**	124,955
Profit (loss) for the period attributable to:			
Owners of the Company		**102,608**	100,782
Non-controlling interests		**(2)**	(9)
		102,606	100,773
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**133,134**	124,887
Non-controlling interests		**(60)**	68
		133,074	124,955
Earnings per share			
— Basic	8	**21.05 HK cents**	20.68 HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2026

	NOTES	**(Unaudited) 30 September 2026** ***HK$'000***	(Audited) 31 March 2026 *HK$'000*
Non-current assets			
Property, plant and equipment	*9*	**205,460**	186,149
Right-of-use assets	*9*	**190,557**	184,998
Investment properties		**38,399**	34,978
Interests in associates		**86,419**	80,768
Interest in a joint venture		**14,705**	7,335
Equity instruments at FVTOCI		**29,080**	30,520
Financial assets at fair value through profit or loss ("FVTPL")		**22,881**	22,518
Deferred tax assets		**1,477**	1,691
Property rental deposits		**27,966**	27,404
		616,944	576,361
Current assets			
Inventories	*10*	**507,828**	466,025
Trade and other receivables	*11*	**222,561**	246,701
Financial assets at FVTPL		**10,600**	8,538
Amount due from a joint venture		**24,859**	29,399
Taxation recoverable		**812**	8,472
Bank deposits		**–**	2,314
Cash and cash equivalents		**1,119,886**	950,369
		1,886,546	1,711,818
Current liabilities			
Trade and other payables	*12*	**261,026**	193,162
Contract liabilities		**5,384**	2,323
Dividend payable		**79,439**	–
Lease liabilities		**110,699**	104,062
Taxation payable		**37,381**	38,604
		493,929	338,151
Net current assets		**1,392,617**	1,373,667
Total assets less current liabilities		**2,009,561**	1,950,028

	(Unaudited) **30 September 2026** ***HK$'000***	(Audited) 31 March 2026 *HK$'000*
Non-current liabilities		
Deferred tax liabilities	**32,255**	32,143
Lease liabilities	**112,093**	106,307
	144,348	138,450
Net assets	**1,865,213**	1,811,578
Capital and reserves		
Share capital	**48,736**	48,736
Reserves	**1,814,722**	1,761,027
Equity attributable to owners of the Company	**1,863,458**	1,809,763
Non-controlling interests	**1,755**	1,815
Total equity	**1,865,213**	1,811,578

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policy resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2026.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed 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, 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 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 chief operating decision maker 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.

Segment information

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

	Segment revenue — recognised at a point in time Six months ended 30 September		**Segment (loss) profit Six months ended 30 September**	
	2026	2025	**2026**	2025
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**252,164**	351,481	**(53,055)**	(8,858)
The PRC	**1,534,146**	1,261,103	**272,542**	218,149
Macau	**6,977**	5,887	**(14,381)**	(19,331)
	1,793,287	1,618,471	**205,106**	189,960
Unallocated other income			**4,524**	6,566
Unallocated other gains and losses			**1,429**	7,664
Unallocated corporate expenses			**(40,177)**	(48,525)
Share of results of associates			**12,719**	11,201
Share of results of joint ventures			**557**	(1,190)
Profit before taxation			**184,158**	165,676

Segment (loss) profit represents the (loss) profit before taxation earned by each segment without allocation of share of results of associates and joint ventures, 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 chief operating decision maker of the Group for the purposes of resources allocation and performance assessment.

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

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

	Segment assets		**Segment liabilities**	
	30 September 2026 (unaudited) ***HK$'000***	31 March 2026 (audited) *HK$'000*	**30 September 2026 (unaudited)** ***HK$'000***	31 March 2026 (audited) *HK$'000*
Hong Kong	**434,474**	464,090	**133,835**	151,288
The PRC	**699,190**	610,721	**248,851**	175,529
Macau	**22,854**	36,379	**15,937**	18,590
Segment total	**1,156,518**	1,111,190	**398,623**	345,407
Unallocated	**1,346,972**	1,176,989	**239,654**	131,194
Group's total	**2,503,490**	2,288,179	**638,277**	476,601

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

4A. OTHER INCOME

	Six months ended	
	30 September 2026 (unaudited) ***HK$'000***	30 September 2025 (unaudited) *HK$'000*
Other income comprises:		
Interest income from bank	**4,523**	4,225
Interest income from rental deposits	**533**	605
Interest income from loan receivable at amortised cost	**–**	2,341
Government subsidies *(Note)*	**21,043**	16,291

Note: During the six months ended 30 September 2026, the Group recognised government grants in respect of unconditional subsidies received for subsidising the Group's business in the PRC.

4B. OTHER GAINS AND LOSSES

	Six months ended	
	30 September 2026 (unaudited) *HK$'000*	30 September 2025 (unaudited) *HK$'000*
Other gains and losses comprise:		
Changes in fair value of financial assets at FVTPL	**(9)**	1,997
Changes in fair value of investment properties	**556**	166
Impairment loss reversed (recognised) under expected credit loss model, net	**1,041**	(238)
Gain (loss) on disposal/written off of property, plant and equipment	**34**	(706)
Gain on disposal of financial assets at FVTPL	**–**	4,756
Gain on leases termination/modification	**1,397**	–
Net exchange gain	**100**	394

5. PROFIT BEFORE TAXATION

	Six months ended	
	30 September 2026 (unaudited) *HK$'000*	30 September 2025 (unaudited) *HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**22,970**	23,632
Depreciation of right-of-use assets	**50,597**	45,605
Allowance for slow-moving watches	**18,404**	4,121
Short-term lease payments	**3,040**	3,956

6. INCOME TAX EXPENSE

	Six months ended	
	30 September 2026 (unaudited) *HK$'000*	30 September 2025 (unaudited) *HK$'000*
Current tax:		
Hong Kong	**8**	18
PRC Enterprise Income Tax	**69,415**	55,360
Other jurisdictions	**1**	17
Withholding tax on dividend income from associates	**883**	1,058
Withholding tax on dividend income from subsidiaries	**10,872**	10,461
	81,179	66,914
Deferred taxation charge (credit)	**373**	(2,011)
	81,552	64,903

Hong Kong Profits Tax for both periods is calculated at 16.5% of the estimated assessable profits for the period, 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 periods, after setting off of tax losses brought forward, if any.

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

7. DIVIDENDS

During the six months ended 30 September 2026, a final dividend of 4.0 HK cents per share, totalling HK$19,494,000, in respect of the year ended 31 March 2026 (2025: 4.2 HK cents per share, totalling HK$20,469,000) and a special dividend of 12.3 HK cents per share, totalling HK $59,945,000, in respect of the year ended 31 March 2026 (2025: 12.5 HK cents per share, totalling HK$60,920,000) were declared and approved by the shareholders of the Company at the annual general meeting held on 20 August 2026. The dividends were subsequently paid to the shareholders of the Company on 28 October 2026.

On 18 November 2026, the directors resolved to declare an interim dividend of 5.3 HK cents per share, totalling HK$25,830,000 in respect of the six months ended 30 September 2026 (2025: 5.3 HK cents per share, totalling HK$25,830,000) and a special dividend of 15.9 HK cents per share, totalling HK$77,490,000, in respect of the six months ended 30 September 2026 (2025: 15.5 HK cents per share, totalling HK$75,541,000), to be paid in cash to those shareholders whose names appear on the Company's register of members on 12 January 2027.

8. EARNINGS PER SHARE

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

	Six months ended	
	30 September 2026	30 September 2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic earnings per share (profit for the period attributable to owners of the Company)	**102,608**	100,782

	Six months ended	
	30 September 2026	30 September 2025
	(unaudited)	(unaudited)
Number of shares		
Number of ordinary shares	**487,358,224**	487,358,224

For the six months ended 30 September 2026 and 2025, no diluted earnings per share have been prepared as there were no potential ordinary shares outstanding for the periods.

9. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2026, the Group incurred expenditure of HK$43,481,000 (six months ended 30 September 2025: HK$13,282,000) to acquire property, plant and equipment for its operation. During the six months ended 30 September 2026, the Group has disposed/written-off of certain property, plant and equipment with carrying amount of HK$166,000 (six months ended 30 September 2025: HK$711,000) resulting in a loss on disposal/written-off of HK$34,000 (six months ended 30 September 2025: HK$706,000).

During the six months ended 30 September 2026, the Group entered into several new lease agreement or lease renewal agreements for the use of shops and office premises ranging from 2 to 4 years (six months ended 30 September 2025: ranging from 2 to 5 years). The Group is required to make fixed payments. The Group recognised additions to right-of-use assets of HK$73,373,000 (six months ended 30 September 2025: HK$13,923,000) and lease liabilities of HK$73,228,000 (six months ended 30 September 2025: HK$12,859,000) upon commencement of leases, which constitutes non-cash transactions. In addition, lease terms of certain leases were extended through modification and the Group recognised additions to right-of-use assets of HK$4,188,000 (six months ended 30 September 2025: HK$63,004,000) and related lease liabilities of HK$4,185,000 (six months ended 30 September 2025: HK$62,018,000) at the effective date of modification. Furthermore, during the six months ended 30 September 2026, before the commencement of the extension period of a lease, the Group had entered into a renewal agreement with the term of years shorter than the term of years per extension option and accordingly, the Group recognised reduction to right-of-use assets of HK$1,768,000 (six months ended 30 September 2025: HK$52,000) and lease liabilities of HK$2,300,000 (six months ended 30 September 2025: HK$52,000) at the effective date of modification.

10. INVENTORIES

	30 September 2026 (unaudited)	31 March 2026 (audited)
	HK$'000	*HK$'000*
Watches	**500,430**	457,458
Others	**7,398**	8,567
	507,828	466,025

11. TRADE AND OTHER RECEIVABLES

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Trade receivables	**174,314**	208,386
Less: Allowance for credit losses	**(4,451)**	(5,395)
	169,863	202,991
Property rental and other deposits	**35,669**	24,296
Advances to suppliers	**2,473**	2,008
Others	**14,556**	17,406
	222,561	246,701

The Group maintains a general credit policy of not more than 30 days for its retail sales in department store. 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 presented based on the invoice date at the end of the reporting period:

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Age		
0 to 30 days	**70,020**	140,545
31 to 60 days	**1,073**	35,614
61 to 90 days	**–**	21,032
Over 90 days	**98,770**	5,800
	169,863	202,991

12. TRADE AND OTHER PAYABLES

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Trade payables	**47,633**	24,029
Payroll and welfare payables	**96,308**	88,418
Commission payables	**12,507**	8,350
Renovation work payables	**32,853**	6,585
PRC value added tax and other taxes payables	**16,311**	26,863
Property rental fee payables	**19,679**	17,532
Others	**35,735**	21,385
	261,026	193,162

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

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Age		
0 to 60 days	**46,243**	21,913
61 to 90 days	**–**	–
Over 90 days	**1,390**	2,116
	47,633	24,029

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

13. 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 an 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 (31 March 2026: 48,735,822 shares) as at 1 April 2026, 30 September 2026 and 18 November 2026 respectively, 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 six months ended 30 September 2026 and 30 September 2025, no share-based payment expense was recognised in relation to the 2022 Share Award Scheme.

DIVIDENDS

The directors have resolved to pay an interim dividend of 5.3 HK cents per share (2025: 5.3 HK cents) and a special dividend of 15.9 HK cents per share (2025: 15.5 HK cents) in respect of the six months ended 30 September 2026, totalling HK$103,320,000 (2025: HK$101,371,000) (which together represents a payout ratio of 100.7% (2025: 100.6%) of the profit attributable to owners of the Company) to shareholders whose names appear on the register of the members of the Company on 12 January 2027. Dividend warrants will be sent to shareholders on or before 27 January 2027.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 11 January 2027 to 12 January 2027 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend and special dividend above mentioned, 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 8 January 2027.

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 am pleased to present you the unaudited consolidated results of the Group for the six months ended 30 September 2026 (the "Period").

The global luxury market showed signs of gradual improvement in 2026, although consumer priorities continued to shift. Industry studies indicate that consumers are placing greater emphasis on service quality and in-store experience, and increasingly value meaningful experiences over ownership. Consumers have become more selective in purchasing products. Jewellery continued to lead performance within the personal luxury goods market. In the watch segment, consumers increasingly value craftsmanship and rarity over hype, which has also supported the development of the pre-owned market, as well-crafted timepieces tend to retain their value. Against this backdrop, the Group remained focused on enhancing its service quality and customer experience. During the Period, the Group's revenue increased by approximately 10.8% year-on-year ("YoY") to HK$1,793 million (2025: HK$1,618 million). Gross profit increased by approximately 10.2% YoY to HK$538 million (2025: HK$488 million), with gross profit margin at 30.0% (2025: 30.2%). Profit attributable to owners of the Company remained broadly stable at HK$103 million (2025: HK$101 million), notwithstanding an impairment loss of HK$16 million on property, plant and equipment and right-of-use assets recognised during the Period. Excluding this impairment loss, the adjusted profit attributable to owners of the Company would be HK$119 million (2025: HK$101 million).

Business Review

As at 30 September 2026, the Group operated 38 retail points (including retail stores operated by the way of associate and joint venture) in the Greater China region, along with 1 online store in each of Chinese Mainland and Hong Kong respectively. Breakdown of retail points by geographic region is as follows:

	As at 30 September 2026
Hong Kong	11
Macau	2
Chinese Mainland	23
Taiwan	2
Total	38

In the Chinese Mainland, the economy continued to expand, with GDP growing by 4.3% in the second quarter of 2026 and accelerating to 4.5% in the third quarter. Nevertheless, consumer demand remained soft, with total retail sales of consumer goods increasing by only 1.1% during the first nine months of 2026. Despite the subdued consumption environment, the Group continued to focus on deepening relationships with key brand partners, enhancing its boutique network in prime locations and delivering premium customer service. As a result, revenue from the Group's Chinese Mainland operations increased by approximately 21.6% YoY to HK$1,534 million (2025: HK$ 1,261 million), significantly outperforming the broader retail market and underscoring the resilience of the Group's business in the region.

In Hong Kong, the retail market showed signs of recovery during the Period, supported by sustained growth in inbound tourism, with visitor arrivals rising by approximately 11.6% YoY to around 40.7 million in the first nine months of 2026. However, the recovery remained uneven, as visitor spending increasingly shifted from shopping towards cultural and experiential activities, while outbound spending by local residents continued to divert demand away from local retailers. Amid this challenging environment and these changing consumption patterns, revenue from the Group's Hong Kong operations for the Period was adversely affected, decreasing by approximately 28.2% YoY to HK$252 million (2025: HK$351 million), In response, the Group continued to optimise its store network and strengthen its services for its customer base, with a view to enhancing brand awareness and deepening engagement with its clientele.

In view of the evolving market environment, the Group maintained financial discipline and operational prudence, with a particular focus on managing rental expenses and improving store efficiency. The Group continually reviewed store performance and streamlined underperforming and high-rent stores where appropriate. Lease-related expenses increased by approximately 6.1% YoY to HK$105 million, accounting for 27.3% of the overall operating expenses (2025: 27.0%). The increase was mainly attributable to higher base rent following the strategic relocation of stores to premier locations in the Chinese Mainland, despite a consolidation in the retail point count. The Group continued to review lease arrangements and negotiate with landlords where appropriate to manage occupancy costs. Notwithstanding the increase in lease-related expenses, the Group remained committed to stringent cost control and operational efficiency, balancing investment in prime retail locations with the need to preserve profitability.

The Group continued to place great emphasis on inventory management, maintaining a prudent replenishment policy and focusing on preserving a healthy inventory mix while managing stock turnover. Inventory increased from HK$466 million as at 31 March 2026 to HK$508 million as at 30 September 2026, mainly reflecting a strategic build-up of stock to support the anticipated business growth in the Chinese Mainland. The Group will continue to monitor inventory levels closely to ensure an appropriate balance between product availability and inventory efficiency.

Prospects

The outlook for the luxury market is improving, with Goldman Sachs Research forecasting revenue growth of 7% for luxury-goods companies in 2027, up from 6% in 2026. Nevertheless, the Group remains mindful of ongoing macroeconomic uncertainties and evolving consumer preferences. As customers place increasing value on the overall experience, the Group will continue to optimise its store network and elevate its service quality so as to deepen customer engagement and deliver a premium experience. The Group will also continue to work closely with leading watch brands to raise brand awareness and diversify its product offering. The Group believes that the Chinese Mainland market will remain its key growth engine, while in Hong Kong it will continue to refine its store portfolio to navigate the evolving consumption landscape. Internally, the Group will maintain prudent cost control and remain dedicated to strengthening operational resilience, with the aim of delivering sustainable returns to shareholders.

Liquidity and financial resources

At 30 September 2026, the Group's total equity reached HK$1,865 million, compared with HK$1,812 million as at 31 March 2026. The Group had net current assets of HK$1,393 million, including cash and cash equivalents of HK$1,120 million as at 30 September 2026 compared with balances of HK$1,374 million and HK$950 million respectively as at 31 March 2026. The Group had no bank loan as at 30 September 2026 and 31 March 2026 and the gearing ratio (defined as total bank borrowing 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 sale and purchase transactions are primarily denominated in Hong Kong dollars and Renminbi. The Group did not have any significant risk from exposure to foreign exchange fluctuations.

STAFF AND EMPLOYMENT

As at 30 September 2026, our Group employed 567 employees in Chinese Mainland, Hong Kong and Macau, of whom approximately 65% were located on Chinese Mainland.

Our 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 help to 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, with a view 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 UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 September 2026.

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

During the six months ended 30 September 2026, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good governance practices and procedures. The Company has met the code provisions set out in the Corporate Governance Code (the "CG Code") 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 six months ended 30 September 2026 except code provision C.2.1, which stipulates that the roles of the chairman and chief executive should be separated and should not be performed by the same individual. Both roles have been taken up by Mr. Yeung Him Kit, Dennis since 10 February 2021 after Dr. Yeung Ming Biu, 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.

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 of the Company and all directors have confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 September 2026.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company. Terms of reference of the Audit Committee have been updated in compliance with the CG Code.

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 unaudited consolidated financial statements for the six months ended 30 September 2026.

PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT

This interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at (www.hkex.com.hk) and the Company at (www.orientalwatch.com). The 2026 interim report containing all information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites 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, 18 November 2026