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**英皇鐘錶珠寶有限公司**  
**EMPEROR WATCH & JEWELLERY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 887)

**2025 ANNUAL RESULTS ANNOUNCEMENT**

The board of directors (“**Board**” or “**Directors**”) of Emperor Watch & Jewellery Limited (“**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”) for the year ended 31 December 2025 (“**Year**”).

**FINANCIAL SUMMARY**

	<b>For the year ended 31 December</b>		<b>Changes</b>
	2024	2025	
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Total revenue	5,230	<b>5,765</b>	<b>+ 10.2%</b>
Gross profit	1,481	<b>1,780</b>	<b>+ 20.2%</b>
<i>Gross profit margin</i>	<i>28.3%</i>	<b><i>30.9%</i></b>	<b><i>+ 2.6pp</i></b>
Adjusted EBITD *	433	<b>646</b>	<b>+ 49.2%</b>
Net profit	257	<b>431</b>	<b>+ 67.7%</b>
Basic earnings per share	HK3.79 cents	<b>HK6.34 cents</b>	<b>+ 67.3%</b>
Final dividend per share	HK0.45 cent	<b>HK1.14 cents</b>	<b>+ 153.3%</b>

\* *Adjusted EBITD represents earnings before interest, tax and depreciation charge on the self-owned flagship store, which reflects the Group’s core operating performance.*

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

During the Year, the Group delivered an encouraging performance amidst market uncertainties and challenges. The Group's total revenue grew by 10.2% to HK\$5,765 million (2024: HK\$5,230 million). Revenue from Hong Kong increased by 13.3% to HK\$3,313 million (2024: HK\$2,923 million), accounting for 57.5% (2024: 55.9%) of the total revenue, and revenue from Chinese Mainland increased by 20.3% to HK\$1,625 million (2024: HK\$1,351 million), accounting for 28.2% (2024: 25.8%) of the total revenue. In terms of revenue by product segment, the revenue from the watch segment increased by 5.8% to HK\$3,529 million (2024: HK\$3,337 million), accounting for 61.2% (2024: 63.8%) of the total revenue, and the revenue from the jewellery segment increased by 18.1% to HK\$2,236 million (2024: HK\$1,893 million), accounting for 38.8% (2024: 36.2%) of the total revenue, with gold products accounting for 72.4% (2024: 72.4%) of the revenue from the jewellery segment.

The Group's gross profit was up by 20.2% to HK\$1,780 million (2024: HK\$1,481 million) with an improved gross profit margin of 30.9% (2024: 28.3%). The Group's net profit significantly increased by 67.7% to HK\$431 million (2024: HK\$257 million) during the Year. Basic earnings per share was HK6.34 cents (2024: HK3.79 cents). The Group has recommended the payment of a final dividend of HK1.14 cents (2024: HK0.45 cent) per share. Together with the interim dividend of HK0.55 cent (2024: HK0.65 cent) per share, the total dividends for the full year are HK1.69 cents (2024: HK1.10 cents) per share.

### MARKET REVIEW

The business environment remained challenging throughout the Year. The ongoing geopolitical tensions, the persistently stagnant global economy and changes in consumption patterns greatly affected the overall market sentiment. Despite these unfavourable factors, gold prices hit new highs during the Year; fortunately, this did not materially dampen consumer demand for gold products.

Among the full spectrum of Hong Kong retail market, luxury watch consumption was less affected by the intensified northbound travel of local consumers. With the growth of disposal income and expansion of the wealth effect due to several interest rate cuts and an uptick in stock market performance, the appetite for luxury watches was relatively resilient with a rally gaining some momentum.

### BUSINESS REVIEW

The Group is a leading retailer which mainly engages in the sale of European-made internationally renowned watches, together with jewellery products under its own brand, "*Emperor Jewellery*". The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since July 2008.

The Group has established a retail network across Hong Kong, Macau, Chinese Mainland, Singapore and Malaysia, as well as several online shopping platforms. With a history of over 80 years, the Group carries a balanced and comprehensive watch dealership list. The target customers range from middle to high income groups worldwide. The Group's core strategy focuses on maintaining its position as the leading watch and jewellery retailing group in Greater China, coupled with an eye on expansion beyond the region.

### **Expanding the Jewellery Business**

During the Year, the Group successfully partnered with Mr. Chan Sai Cheong (“**Mr. Chan**”), an influential and highly respected jewellery industry veteran with over 40 years of experience, regarding strategic development of the Group’s jewellery business in Chinese Mainland. For details of the cooperation, please refer to “Formation of Joint Venture” under the “Financial and Other Information” section below.

The Group has formulated a product development plan which include the following: (1) launches more themed gold jewellery collections, representing harmonious fusions of modern elegance and craftsmanship, in order to capitalise on the strong demand for fine gold products in the youth market; (2) creates affordable luxury products with unique designs, and explore collaborations with intellectual property (IP) products, to cater to the lifestyles and independent nature of the Group’s targeted segments of “millennials” and “Gen Z” consumers; (3) building on the Group’s product research and development efforts, promotes both modern gold products together with antique-style gold products with traditional cultural elements, thus expanding its product offerings; (4) explores market opportunities and enhances product design sophistication by integrating culture, innovation and commercial value.

In parallel, the Group is actively collaborating with commercial partners to deepen customer engagement through curated events and co-marketing initiatives, including joint promotions with leading Hong Kong payment platforms. The Group is also expanding sales channels beyond physical stores, exploring opportunities such as inflight retail, tourist attractions and major e-commerce platforms, with a view to broadening customer touchpoints and enhancing sales momentum.

The Group has also planned to strengthen its presence in APPs such as Xiaohongshu, Douyin, and WeChat mini-program operations, which will help with increasing brand visibility and driving sales capacity through an online to offline sales model, to effectively reach out to Chinese customers. Further, the Group plans to engage live e-commerce broadcast, for enhancing market exposure.

### **A Leading Position in the Watch Industry**

With its long-standing history, the Group is a trusted partner of and maintains solid relationships with major high end luxury Swiss watch brand suppliers, thereby continuing to hold a comprehensive portfolio of watch dealerships and maintaining its leading position, especially in Hong Kong. The Group leverages its strong customer database to organise unique co-marketing campaigns and events with the watch brands, highlighting new products and delivering professional services and special customer experiences in a personalised way, in order to understand and engage the customers.

Currently, the Group’s official website showcases a diverse range of watch brands, with a focus on **Patek Philippe**, **Rolex**, **Tudor** and **Cartier**, helping to promote the brands and their signature collections. The Group will continue identifying opportunities for collaboration with other watch brands.

## Presence in Prime Retail Locations

As at 31 December 2025, the Group had a total of 64 stores in Hong Kong, Macau, Chinese Mainland, Singapore and Malaysia. The distribution was as follows:

	Number of stores
Hong Kong	28
Macau	9
Chinese Mainland	20
Singapore	6
Malaysia	1
<b>Total</b>	<b>64</b>

These stores include self-branded “*Emperor Jewellery*” stores, dedicated watch boutiques and multi-brand watch stores (with or without jewellery counters). Over the years, the Group has built a strategic sales network in prime shopping areas as well as popular residential districts, spanning Hong Kong, Macau, Chinese Mainland, Singapore and Malaysia, thus establishing its footprint and brand exposure within Greater China and beyond.

During the Year, in addition to the jewellery stores opened in Chinese Mainland, the Group opened three new jewellery stores in Hong Kong and Macau. Additionally, a *Patek Philippe* flagship store in Hong Kong, an *IWC* boutique in Macau, a *Tudor* boutique and a *Rolex* boutique were opened in the Chinese Mainland, to further enhance the Group’s market presence.

## PROSPECTS

Facing the volatile global economy with abundant challenges, the Group expects that consumers will tend to be cautious regarding overall spending. However, gold jewellery, as an alternative form of investment, will continue being well received by Chinese consumers. With the establishment of the strategic partnership with Mr. Chan, the Group will effectively expand its retail network footprint with diversified market segmentation strategies, thereby capturing a share of the enormous opportunities in the Chinese Mainland market. Meanwhile, in light of the enormous spending potential of young consumers on online sales platforms, the Group will continue its endeavours to promote the sales of affordable luxury products, expand its global footprint and strengthen cooperation with various e-commerce platforms.

The Group expects that the pace of recovery of the global luxury retail market, especially in the Chinese Mainland and Hong Kong, will be maintained. Free from the concerns of a potential earthquake and political tensions, Chinese consumers generally regard Hong Kong as the destination for luxury watch shopping. This is also supported by tourism stimulus measures such as high profile concerts and mega international events, which will attract more mid-to-high-end consumers to Hong Kong. Subsequent to opening the *Patek Philippe* flagship store in Central during the Year, the Group plans to open a multi-storey *Rolex* boutique and a multi-brand watch store on Canton Road in Tsim Sha Tsui, one of the world’s prime shopping streets. These stores will further enhance the Group’s competitive edge in the luxury watch retail market and strengthen its market leading position.

## FINANCIAL AND OTHER INFORMATION

### Capital Structure, Liquidity and Financial Resources

Bank balances and cash on hand of the Group as at 31 December 2025 was HK\$1,610 million (2024: HK\$950 million), which were mainly denominated in Hong Kong dollar and Renminbi. As at 31 December 2025, the Group did not have any bank borrowings (2024: nil) and had gold loans of HK\$208 million (2024: nil). Its net cash, being bank balances and cash on hand and pledged bank deposit less gold loans, was HK\$1,598 million (2024: HK\$950 million). As at 31 December 2025, the Group was in a net cash position, hence its net gearing ratio (calculated on the basis of bank borrowings and gold loans less cash and cash equivalents over net asset value) was zero (2024: zero). The Group also had available unutilised banking facilities of approximately HK\$150 million.

As at 31 December 2025, the Group's current assets and current liabilities were approximately HK\$5,002 million (2024: HK\$4,072 million) and HK\$837 million (2024: HK\$531 million), respectively. Current ratio and quick ratio of the Group were 6.0 (2024: 7.7) and 2.3 (2024: 2.0), respectively.

In view of the Group's financial position as at 31 December 2025, the Directors considered that the Group had sufficient working capital for its operations and future development plans.

### Placing of Shares and Use of Proceeds

During the Year, the Company successfully placed 477,250,000 shares (“**Placing Share(s)**”) to investors who were independent third parties at HK\$0.167 per Placing Share, which represented approximately 6.6% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. During the Year, the net proceeds of approximately HK\$79 million from the placing were fully utilised for the expansion of the Group's retail network and general working capital of the Group. Details of the placing of shares were set out in the announcement of the Company dated 9 January 2025.

### Acquisition of Property

During the Year, the Group entered into a sale and purchase agreement with a direct wholly-owned subsidiary of Emperor International Holdings Limited (Stock Code: 163), a connected party, to acquire the space on 2/F to 4/F and the advertising space of Nos. 4-8 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong at a consideration of approximately HK\$80 million (“**Acquisition**”) for a luxury watch brand's mega flagship store. Details of the Acquisition were set out in the Company's announcement dated 28 February 2025, the Company's circular dated 31 March 2025, and the Company's poll result announcement dated 16 April 2025. This transaction was completed in August 2025.

### Formation of Joint Venture

During the Year, the Group entered into a joint venture agreement with an independent third party, for establishing joint venture companies that are principally engaged in design, production and sales of precious metals and jewellery products under the “**Emperor Jewellery**” brand in Chinese Mainland. Details of the agreement were set out in the Company's announcement dated 3 April 2025.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2025, the Group had 540 (2024: 666) salespersons and 244 (2024: 210) office staff. Total staff costs (including Directors' remuneration) were HK\$399 million (2024: HK\$370 million) for the Year. Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay levels. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

To provide incentive or rewards to staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed "Share Options" of the annual report of the Company.

## **FINAL DIVIDEND**

The Board has declared a final dividend of HK1.14 cents (2024: HK0.45 cent) per share ("**Final Dividend**") for the Year, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company ("**AGM**") to be held on 18 May 2026 (Monday). If being approved, the Final Dividend will be paid on 15 June 2026 (Monday) to shareholders whose names appear on the register of members of the Company on 28 May 2026 (Thursday).

## **CLOSURE OF REGISTER OF MEMBERS**

### **For ascertaining shareholders' right to attend and vote at AGM**

Latest time to lodge transfers	4:30 p.m. on 12 May 2026 (Tuesday)
AGM	18 May 2026 (Monday)

### **For ascertaining shareholders' entitlement to the proposed Final Dividend**

Latest time to lodge transfers	4:30 p.m. on 26 May 2026 (Tuesday)
Book close dates	27 May 2026 (Wednesday) to 28 May 2026 (Thursday) (both days inclusive)
Record date	28 May 2026 (Thursday)
Final Dividend payment date	15 June 2026 (Monday)

In order to qualify for the right to attend and vote at the AGM and for the entitlement to the proposed Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before the above respective latest time.

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

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	3	5,765,299	5,230,331
Cost of sales		<u>(3,985,799)</u>	<u>(3,749,388)</u>
Gross profit		1,779,500	1,480,943
Other income		28,589	25,657
Selling and distribution expenses		(991,371)	(992,131)
Administrative expenses		(179,532)	(148,161)
Other gains or losses		(85,086)	(25,151)
Finance costs		<u>(20,699)</u>	<u>(24,119)</u>
Profit before tax	4	531,401	317,038
Taxation	5	<u>(100,111)</u>	<u>(60,301)</u>
Profit for the year		<u>431,290</u>	<u>256,737</u>
Other comprehensive income (expense) for the year <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>23,186</u>	<u>(7,304)</u>
Total comprehensive income for the year		<u>454,476</u>	<u>249,433</u>
Profit (loss) for the year attributable to:			
Owners of the Company		458,436	256,737
Non-controlling interests		<u>(27,146)</u>	<u>–</u>
		<u>431,290</u>	<u>256,737</u>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		480,006	249,433
Non-controlling interests		<u>(25,530)</u>	<u>–</u>
		<u>454,476</u>	<u>249,433</u>
Earnings per share – basic	7	<u>HK6.34 cents</u>	<u>HK3.79 cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		1,424,352	1,383,443
Right-of-use assets		371,548	374,882
Rental deposits	8	95,447	97,382
Deposits paid for acquisition of property, plant and equipment	8	18,786	9,736
Deferred tax assets		7,293	5,094
		<u>1,917,426</u>	<u>1,870,537</u>
<b>Current assets</b>			
Inventories		3,078,227	3,003,428
Right to returned goods asset		6,897	1,289
Receivables, deposits and prepayments	8	110,424	116,704
Amounts due from related companies		258	578
Pledged bank deposit		195,518	–
Time deposits with original maturity over three months		318,167	33,459
Cash and cash equivalents		1,292,104	916,360
		<u>5,001,595</u>	<u>4,071,818</u>
<b>Current liabilities</b>			
Payables and accrued charges	9	276,064	202,375
Lease liabilities		210,715	216,477
Contract liabilities		28,602	30,193
Refund liabilities		10,138	2,267
Amounts due to related companies		18,920	15,186
Gold loans	10	207,745	–
Taxation payable		85,233	64,690
		<u>837,417</u>	<u>531,188</u>
<b>Net current assets</b>		<u>4,164,178</u>	<u>3,540,630</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		794	1,221
Lease liabilities		195,012	195,856
		<u>195,806</u>	<u>197,077</u>
<b>Net assets</b>		<u>5,885,798</u>	<u>5,214,090</u>
<b>Capital and reserves</b>			
Share capital		3,563,493	3,484,152
Reserves		2,053,868	1,729,938
Equity attributable to owners of the Company		5,617,361	5,214,090
Non-controlling interests		268,437	–
<b>Total equity</b>		<u>5,885,798</u>	<u>5,214,090</u>

Notes:

## 1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards 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 of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The Directors 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 these consolidated financial statements.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of 2025 annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the CO is as follows:

- (a) The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the CO and will deliver the financial statements for the year ended 31 December 2025 in due course.
- (b) The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports and did not contain a statement under sections 406(2), 407(2) or (3) of the CO.

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

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

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

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards 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.

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

### ***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 HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
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 anticipate that the application of all 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”)**

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* (“**HKAS 1**”). 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 January 2027, with early application permitted. 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

Revenue represents sales of products to retail customers and franchisees in the wholesales market as well as commission income from services provided.

For sales of products to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail shop. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For wholesales of products, the Group sells a range of jewellery products to the franchisees. Sales are recognised when control of the products is transferred to franchisees. Control is transferred when the risks of obsolescence and loss have been transferred to the franchisees.

For commission income, revenue is recognised when the Group is entitled in exchange for arranging for the specified goods provided by the other party to the customers at the retail shop (i.e. the Group is an agent).

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

All revenue are recognised at a point in time.

The Group operates a customer loyalty programme for sales through the retail shops, where retail customers awarded points for purchases made which entitle them to redeem award points as sales discounts in the future. The transaction price is allocated to the product and the award points on a relative stand-alone selling price basis. The customer loyalty award points expire every year and customers can redeem the award points any time before the specified expiration date. Revenue from the award points is recognised when the award points are redeemed or expired. Contract liabilities are recognised until the award points are redeemed or expired.

Revenue is recognised for sales which are considered highly probable and where a significant reversal of the cumulative revenue recognised will not occur. A refund liability is recognised for sales in which revenue has not yet been recognised.

Information reported to the chief operating decision maker (“CODM”), the Executive Director of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the locations of the operations. This is also the basis upon which the Group is arranged and organised. The Group’s operating segments under HKFRS 8 *Operating Segments* are operations located in Hong Kong, Macau, The People’s Republic of China excluding Hong Kong and Macau (“PRC”) and other regions in Asia Pacific (representing Singapore and Malaysia). The revenue generated by each of the operating segments is mainly derived from sales of watch and jewellery. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

All the sales of products and commission income are completed within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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

#### For the year ended 31 December 2025

	Hong Kong <i>HK\$’000</i>	Macau <i>HK\$’000</i>	PRC <i>HK\$’000</i>	Other regions in Asia Pacific <i>HK\$’000</i>	Elimination <i>HK\$’000</i>	Consolidated <i>HK\$’000</i>
Revenue						
External sales	3,288,049	327,759	1,625,470	487,856	–	5,729,134
Inter-segment sales*	234,250	46,468	–	–	(280,718)	–
Commission income	24,671	11,494	–	–	–	36,165
	<u>3,546,970</u>	<u>385,721</u>	<u>1,625,470</u>	<u>487,856</u>	<u>(280,718)</u>	<u>5,765,299</u>
Segment profit	<u>513,634</u>	<u>58,471</u>	<u>236,054</u>	<u>74,194</u>	<u>–</u>	882,353
Other income						28,589
Corporate expenses						(273,756)
Other gains or losses						(85,086)
Finance costs						(20,699)
Profit before tax						<u>531,401</u>

\* Inter-segment sales are charged at cost

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

For the year ended 31 December 2024

	Hong Kong <i>HK\$'000</i>	Macau <i>HK\$'000</i>	PRC <i>HK\$'000</i>	Other regions in Asia Pacific <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue						
External sales	2,905,643	317,639	1,350,806	638,054	–	5,212,142
Inter-segment sales*	245,383	23,423	–	–	(268,806)	–
Commission income	17,539	650	–	–	–	18,189
	<u>3,168,565</u>	<u>341,712</u>	<u>1,350,806</u>	<u>638,054</u>	<u>(268,806)</u>	<u>5,230,331</u>

\* Inter-segment sales are charged at cost

Segment profit	<u>316,467</u>	<u>39,648</u>	<u>113,767</u>	<u>111,264</u>	<u>–</u>	581,146
Other income						25,657
Corporate expenses						(240,495)
Other gains or losses						(25,151)
Finance costs						<u>(24,119)</u>
Profit before tax						<u>317,038</u>

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies stated in the consolidated financial statements. Segment profit represents the profit earned from each segment without allocation of other income, corporate expenses including depreciation charged on the self-owned flagship shop, other gains or losses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

#### **Segment assets and liabilities**

No assets and liabilities are included in the measures of the Group's segment reporting that are regularly reviewed by the CODM. Accordingly, no segment assets and liabilities are presented.

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

#### Other segment information

Amounts included in the measure of segment result:

#### For the year ended 31 December 2025

	Hong Kong <i>HK\$'000</i>	Macau <i>HK\$'000</i>	PRC <i>HK\$'000</i>	Other regions in Asia Pacific <i>HK\$'000</i>	Unallocated <i>HK\$'000</i> <i>(note c)</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	29,937	6,156	7,123	3,484	96,971	143,671
Depreciation of right-of-use assets <i>(note a)</i>	187,257	16,342	35,706	4,754	13,432	257,491
Expense relating to rented premises <i>(note b)</i>	1,441	7,920	96,883	16,429	642	123,315
Write-down for inventories	12,081	16,368	21,544	–	–	49,993
Cost of sales (excluded write-down for inventories)	2,262,546	192,050	1,132,582	348,628	–	3,935,806

#### For the year ended 31 December 2024

	Hong Kong <i>HK\$'000</i>	Macau <i>HK\$'000</i>	PRC <i>HK\$'000</i>	Other regions in Asia Pacific <i>HK\$'000</i>	Unallocated <i>HK\$'000</i> <i>(note c)</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	28,091	4,537	9,248	4,457	94,808	141,141
Depreciation of right-of-use assets <i>(note a)</i>	203,379	15,459	35,670	10,811	12,387	277,706
Expense relating to rented premises <i>(note b)</i>	1,295	2,297	103,147	14,615	1,356	122,710
Write-down for inventories	29,183	6,494	86,994	–	–	122,671
Cost of sales (excluded write-down for inventories)	2,064,624	212,857	901,738	447,498	–	3,626,717

#### Notes:

- (a) The management aligned with the industry norm and include the depreciation of right-of-use assets in the measure of segment result but not include the interest on lease liabilities.
- (b) Expenses relating to rented premises include expenses relating to variable lease payments and rental expenses for contracts which the landlords have the substantive right to substitute the rented premises.
- (c) Unallocated represents amount used for office and depreciation charged on the self-owned flagship shop.

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

#### Revenue by major products

The following is an analysis of the Group's revenue from its major products and services:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Retail sales of watch	3,492,386	3,319,145
Retail sales of jewellery	2,123,572	1,892,997
Wholesales of jewellery	113,176	–
Commission income – Watch	36,165	18,189
	<u>5,765,299</u>	<u>5,230,331</u>

#### Geographical information

Information about the Group's non-current assets, excluding rental deposits and deferred tax assets, presented based on the geographical location of the assets are detailed below:

##### As at 31 December 2025

	Hong Kong <i>HK\$'000</i>	Macau <i>HK\$'000</i>	PRC <i>HK\$'000</i>	Other regions in Asia Pacific <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Non-current assets	<u>1,601,553</u>	<u>78,981</u>	<u>126,801</u>	<u>7,351</u>	<u>1,814,686</u>

##### As at 31 December 2024

	Hong Kong <i>HK\$'000</i>	Macau <i>HK\$'000</i>	PRC <i>HK\$'000</i>	Other regions in Asia Pacific <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Non-current assets	<u>1,599,115</u>	<u>50,986</u>	<u>106,061</u>	<u>11,899</u>	<u>1,768,061</u>

No revenue from a single customer contributed 10% or more of the Group's total revenue for both years.

#### 4. PROFIT BEFORE TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before tax has been arrived at after charging (crediting):		
Auditor's remuneration		
– Current year	3,022	3,699
– Overprovision in prior years	(612)	(17)
Cost of inventories included in cost of sales (included write-down for inventories of HK\$49,993,000 (2024: included write-down for inventories of HK\$122,671,000))	3,979,481	3,740,129
Depreciation of property, plant and equipment		
– retail shops	140,924	138,667
– offices	2,747	2,474
	<u>143,671</u>	<u>141,141</u>
Depreciation of right-of-use assets		
– retail shops	244,059	265,319
– offices	13,432	12,387
	<u>257,491</u>	<u>277,706</u>
Staff costs, including Directors' remuneration		
– salaries and other benefits costs	373,957	342,240
– retirement benefits scheme contributions	25,240	28,041
	<u>399,197</u>	<u>370,281</u>
Included in other gains or losses:		
Impairment losses recognised in respect of property, plant and equipment	1,060	5,127
Impairment losses recognised in respect of right-of-use assets	10,952	9,375
Loss on disposals/write-off of property, plant and equipment	13,673	2,916
Loss (gain) arising from termination/modification of leases	2,550	(328)
Fair value losses on gold loans	48,917	–
Net exchange losses	7,934	8,061
	<u>85,086</u>	<u>25,151</u>

## 5. TAXATION

The tax charge for the year comprises:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current year:		
Hong Kong	66,550	38,376
Macau	8,543	6,877
PRC	14,961	6,927
Other regions in Asia Pacific	10,801	19,434
	<u>100,855</u>	<u>71,614</u>
Under (over) provision in prior years:		
Hong Kong	432	(2,228)
Macau	–	(1,415)
PRC	1,339	(369)
Other regions in Asia Pacific	167	–
	<u>1,938</u>	<u>(4,012)</u>
Deferred taxation	<u>(2,682)</u>	<u>(7,301)</u>
	<u>100,111</u>	<u>60,301</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The Macau Complementary Income Tax is calculated at 12% of the estimated assessable profits for both years.

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 Company’s subsidiaries in the PRC is 25% for both years.

Singapore Income Tax is calculated at 17% of the estimated assessable profits for both years.

Malaysia Income Tax is calculated at 24% of the estimated assessable profits for both years. For the year ended 31 December 2025, the estimated assessable profit was offset by the unused tax loss brought forward from prior years.

## 6. DIVIDENDS

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2024 Final: HK0.45 cent (2024: 2023 final dividend: HK0.56 cent) per share	<b>32,655</b>	37,965
2025 Interim: HK0.55 cent (2024: interim dividend: HK0.65 cent) per share	<b>39,912</b>	44,066
	<b><u>72,567</u></b>	<u>82,031</u>

The Board proposed the payment of a final dividend of HK1.14 cents (2024: HK0.45 cent) per share for the year ended 31 December 2025 which is subject to approval by the shareholders of the Company at the AGM.

## 7. EARNINGS PER SHARE – BASIC

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

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<b><u>458,436</u></b>	<u>256,737</u>
	<b>2025</b>	2024
<b>Weighted number of shares</b>		
Weighted number of ordinary shares for the purpose of basic earnings per share	<b><u>7,230,557,444</u></b>	<u>6,779,458,129</u>

No diluted earnings per share in both years was presented as there were no potential dilutive ordinary shares in issue during both years.

## 8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables from contracts with customers	23,062	46,170
Less: Allowance for credit losses	<u>(528)</u>	<u>(516)</u>
	22,534	45,654
Other receivables, deposits and prepayments	69,210	77,339
Rental deposits	95,447	97,382
PRC Value-Added Tax (“VAT”) recoverable	<u>37,466</u>	<u>3,447</u>
	<u>224,657</u>	<u>223,822</u>
Analysed as:		
Current	110,424	116,704
Non-current – rental deposits	95,447	97,382
Non-current – deposits paid for acquisition of property, plant and equipment	<u>18,786</u>	<u>9,736</u>
	<u>224,657</u>	<u>223,822</u>

As at 1 January 2024, trade receivable from contracts with customers amounted to HK\$73,963,000.

Retail sales are normally settled in cash or by credit cards with the settlement from the corresponding banks or other financial institutions within seven days. The credit term of receivables from retail sales in department stores are normally ranged between 15 to 45 days.

Included in other receivables, deposits and prepayments as at 31 December 2025 was rebate receivables of HK\$2,249,000 (2024: HK\$4,356,000). The remaining items are individually insignificant.

The following is an ageing analysis of trade receivables before impairment presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	15,717	44,540
31-60 days	3,320	1,105
61-90 days	1,970	–
Over 90 days	<u>2,055</u>	<u>525</u>
	<u>23,062</u>	<u>46,170</u>

Included in the trade receivables balance were receivables from department stores with aggregate carrying amount of HK\$6,769,000 (2024: HK\$1,466,000) which are past due at the reporting date for which the Group has not provided for impairment loss.

## 9. PAYABLES AND ACCRUED CHARGES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	92,691	64,582
Other payables and accrued charges	170,250	134,295
Singapore Goods and Services Tax payables	1,420	726
PRC VAT payables	11,703	2,772
	<u>276,064</u>	<u>202,375</u>

Included in other payables and accrued charges as at 31 December 2025 were accrued bonus and incentive of HK\$30,221,000 (2024: HK\$22,310,000), accrued commission of HK\$10,653,000 (2024: HK\$9,697,000) and accrued for renovation cost of HK\$37,323,000 (2024: HK\$20,083,000).

The ageing analysis of trade payables presented based on the invoice date at the end of the reporting period are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	90,301	64,131
31-60 days	1,049	69
61-90 days	1,034	230
Over 90 days	307	152
	<u>92,691</u>	<u>64,582</u>

The Group normally receives credit terms granted by creditors of 30 to 60 days.

## 10. GOLD LOANS

All gold loans are denominated in the Renminbi and carried fixed interest rates, with original maturity of 12 months (2024: Nil) from date of inception.

Gold loans are measured at fair value at the end of each reporting period. During the year ended 31 December 2025, net unrealised losses on gold loans of HK\$48,917,000 (2024: Nil) have been recognised in other gains or losses in the consolidated statement of profit or loss and other comprehensive income.

## 11. ACQUISITION AND PARTIAL DISPOSAL OF SUBSIDIARIES

### (a) Acquisition of subsidiaries

On 29 August 2025, the Group completed to acquire entire equity interest in King Hero Investments Limited (“**King Hero**”) and its subsidiary (together, “**King Hero Group**”) at cash consideration of HK\$79,981,000. King Hero is an investment holding company and was acquired with the objective of acquisition of a building for retail operation. King Hero Group is principally engaged in property investment in Hong Kong. The Group considers that the acquisition is not a business applying the concentration test in HKFRS 3 *Business Combinations* (“**HKFRS 3**”) and accordingly such acquisition is not accounted for as an acquisition of business but as an acquisition of an asset.

The recognised amounts of assets and liabilities of the acquired companies at the date of acquisition (which is 29 August 2025) are set out below:

	<i>HK\$'000</i>
Property, plant and equipment	80,300
Receivables and deposits	2
Payables, deposits received and accrued charges	(275)
Deferred tax liability	(46)
	<hr/>
Total identifiable net assets at fair value	79,981
Purchase consideration and the net cash outflows arising on acquisition of King Hero Group	79,981
	<hr/>
Net cash outflows arising on acquisition of King Hero Group	
Consideration paid in cash	<u>79,981</u>

### (b) Disposal of partial interest in subsidiaries without losing control

On 3 April 2025, the Group entered into an agreement to dispose partial interest in certain subsidiaries to non-controlling shareholders. According to the HKFRS 3, the Group concluded that controls over the relevant subsidiaries were retained after disposal. Upon the disposal, the Group recognised the other reserve of HK\$83,509,000 which represented the difference between the consideration of HK\$210,458,000 received and the carrying amount of the interests of certain subsidiaries of HK\$293,967,000 disposed to non-controlling shareholders without losing control during the year ended 31 December 2025.

## SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Company’s independent auditor, Messrs. Deloitte Touche Tohmatsu (“**Deloitte**”), to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board on 25 March 2026. The work performed by Deloitte in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Deloitte on the preliminary announcement.

## **REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**

The Audit Committee of the Company reviewed the audited consolidated financial statements of the Group for the Year in conjunction with the Company's independent auditor, Deloitte. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 December 2025 and the annual results for the Year.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Code**

The Company complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the Year.

### **Model Code for Securities Transactions**

The Company has adopted its own code of conduct regarding securities transactions by Directors ("**EWJ Securities Code**") on no less exacting terms than the required standards as set out in Appendix C3 to the Listing Rules regarding the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"). Having made specific enquiry of all Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the EWJ Securities Code throughout the Year.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted throughout the Year.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

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

This annual results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.EmperorWatchJewellery.com>). The annual report of the Company will be published on the aforesaid websites in due course.

By order of the Board  
**Emperor Watch & Jewellery Limited**  
**Cindy Yeung**  
*Chairperson*

Hong Kong, 25 March 2026

As at the date of this announcement, the Board comprises:

### *Executive Directors:*

Ms. Cindy Yeung  
Mr. Leung Ho Cheong, Larry  
Ms. Fan Man Seung, Vanessa

### *Independent Non-executive Directors:*

Mr. Liu Hing Hung  
Mr. Law, Michael Ka Ming  
Ms. Lai Ka Fung, May