

主席報告書

各位股東：

本人謹代表董事會（「董事會」），欣然提呈 XXX 有限公司（「本公司」）及其子公司（「本集團」或「集團」）截至二零 XX 年十二月三十一日止年度（「本年度」、「年度」或「回顧年度」）之年度報告，敬請各位股東審閱。

二零 XX 年，全球政治局勢動蕩，經濟仍處在深度調整期。中國經濟亦面臨著一定的發展阻力，下行壓力猶存；同時，消費者的消費模式及消費觀念不斷轉變，再加上貨幣匯率的波動等，令本集團經營環境較為嚴峻，充滿各種風險與挑戰。對此，本集團謹遵平穩、健康之原則，經營現時，旨在長遠，力圖新的發展，從而確保股東的利益。

截至二零 XX 年十二月三十一日止，本集團銷售額錄得 XXX 元（人民幣，下同），較去年同期下降 X%；零售銷售額錄得 XXX 元，較去年同期下降 X%；因商譽等減值撥備、支付現金股息預扣稅及銷售下降等影響，集團本年度錄得虧損約為 XXX 元（去年同期利潤為 XXX 元），而股東應佔虧損約為 XXX 元（去年同期股東應佔溢利為 XXX 元）。

於手錶銷售方面，回顧年度內，經營形勢的持續不穩，消費者消費觀念的變化和消費模式的多樣化等對傳統消費市場不斷形成衝擊，令手錶購買需求繼續下降。本集團以健康、穩定為目標，以市場為導向，積極推行各種營銷手段，努力嘗試新的銷售方法，並加快零售網點的整合，優化管理體系。經有效調整及優化，截至二零 XX 年十二月三十一日止，本集團在中國內地、港澳地區及台灣地區合共經營 XXX 間零售門店，年度內整體銷售繼續放緩。

儘管形勢諸多不利，但集團所屬生產手錶配套產品的工業集團則较好地完成了二零 XX 年初制定的經營目標。生產自動化、管理信息化、產品項目不斷創新、與品牌供應商良好合作之深度和廣度持續加深、境內外客戶資源日趨豐富，令配套生產整體銷售再上新的台階，較去年同期上升了 X%，成為集團業務成長之亮點。

本集團以「尊重、承擔、合作、創新」為核心價值，並以此作為企業管理和履行社會責任的堅實基礎。本集團始終堅持企業與社會共存及共榮之價值理念，堅持在創造企業利益、實現品牌價值的同時不斷提升在環境保護、環境質素建造、資源使用、人才培養等各方面的社會價值；本集團亦積極參與社會公益活動，與社會共同發展，共同分享。

二零 XX 年，全球經濟仍將錯綜複雜，中國經濟運行也仍將面臨結構調整期相應的諸多問題，除經濟增長內生動力仍有不足外，金融風險也有所積聚。本集團審時度勢，充分認識到：平穩健康為本，創新引領未來。面對宏觀環境的不確定性，只

有做出順應市場的對策，才能確保集團長治久安。本公司已於二零 xx 年十二月三十日發佈公告，擬進行一項重大的業務出售。誠如公告所述，此舉能有效降低集團財務負擔及貨幣風險，實現更為健康的融資模式，其目的在於保證公司的安全，並為未來的發展奠定新的基礎。該出售如於股東特別大會獲得批准，本集團將重新上路，開始新的征程。

新的一年，本集團將在新的歷史起點上，堅持「行穩致遠、固本鼎新」之經營原則，立足於整體業務的恒久穩定及可持續發展；以開放的心態、創新的思維、工匠的精神深入探索與實踐集團新的發展模式；調結構、保健康、求持續。具體來說就是，一方面繼續加強手錶零售網點的建設，手錶配套產品的生產，另一方面則以多種創新的形式努力拓展其他市場，實現集團發展的新突破，為股東和社會創造更高的價值。

本人謹代表集團向廣大股東、供應商、客戶及其他合作夥伴對本集團長期以來的信任與支持，及全體同仁在過去一年中的積極努力與貢獻，致以最衷心的感謝！

承董事會命
主席

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of XXX Holdings Limited (the "Company") and its subsidiaries (the "Group"), for the year ended 31 December 20XX (the "year" or the "year under review"), for your review. In 20XX, amidst volatile political situation, the global economy has plunged into deep adjustment. China's economy also encountered some development resistance with persistent downward pressure. Meanwhile, as consumption patterns and concepts of consumers are constantly changing, coupled with the foreign exchange fluctuations, the Group was facing a tougher operating environment full of risks and challenges. As such, the Group has adhered to a policy of steady and healthy growth, seeking long-term new development based on existing businesses so as to safeguard shareholders' interests.

As at 31 December 20XX, the Group had recorded revenue of RMBXXX, a decrease of X% year-on-year. Retail sales amounted to RMBXXX, a decrease of X% year-on-year. Due to allowance for impairment of goodwill and other items, payment of withholding tax on cash dividends as well as decline of sales, the Group recorded a loss of approximately RMB XXX for the year (profit last year: RMB XXX), while the loss attributable to shareholders was approximately RMBXXX (profit attributable to shareholders last year: RMB XXX).

For the sales of watches, during the year under review, given the continued unstable operating environment, and the impact on the traditional consumer market by the change in consumption concepts and diversified consumption patterns, consumers' demand for watches continued to decline. With healthy and steady development as an objective, and adherence to the market-oriented principle, the Group actively implemented various marketing strategies, tried new sales methods, accelerated the integration of retail outlets, and optimised the management system. After effective adjustment and optimization, the Group operated a total of XX retail outlets in Mainland China, Hong Kong, Macau and Taiwan as at 31 December 20XX, while the overall sales continued to slow down during the year.

Despite those headwinds, the Group's industrial sector engaging in manufacturing of watch accessories has achieved its business objectives set in early 20XX. Leveraging on production automation, information management system, product innovation, our deeper and broader cooperation with brand suppliers, and the increasing domestic and foreign customers resources, the overall sales of this sector achieved a better result of an increase by X% year-on-year, which was the highlight of the Group's business growth.

The Group's core value of "respect, commitment, cooperation and innovation" has enabled us to build a solid foundation for corporate governance and fulfilment of social responsibilities. Believing that business exists as a part of the society and prospers along with it, the Group, apart from its efforts in achieving business results and creating brand

value, has been improving its social values by protecting the environment, managing environmental quality, conserving resources and developing talents. The Group also actively participated in public welfare activities with an aim to achieve common development and share with the community.

Looking forward to 20XX, the global economy will remain complicated and fluctuate, and China's economy will also face many problems during structural adjustment period. In addition to insufficient internal impetus to drive economic growth, financial risks are building up. Considering the situation, the Group believes that to stay stable and healthy is the foundation to develop, and innovation is the key to the future. Given the uncertainty over macro environment, the only way to ensure long-term stability of the Group is to make decisions in line with market conditions. The Company published an announcement on 30 December 20XX for a proposed substantial business disposal. As stated in the announcement, the disposal will effectively reduce the Group's financial burden and currency risk as well as achieving a healthier financing model with a purpose to ensure the safety of the Company and lay a new foundation for future development. If the disposal is approved at the extraordinary general meeting, the Group will start a new journey.

In the coming year, standing on a new historical starting point, the Group will adhere to the operating principle of "moving forward steadily for sustainable growth with solid foundation and continuous innovation", focusing on the long-term stability and sustainable development of the overall business. With an open mind, innovative thinking and a craftsman spirit, the Group will explore and implement a new development model, making structural adjustment, keeping healthy growth and seeking sustainability. Specifically, on the one hand, the Group will continue to strengthen the network of watch retail outlets and watch accessories manufacturing, and on the other hand, we will strive to expand into other markets in a variety of innovative ways so as to make breakthroughs in the development of the Group and create greater value for both our shareholders and society at large.

On behalf of the Group, I would like to express my sincere gratitude to our shareholders, suppliers, customers and other business partners for their ongoing trust and support, as well as to all our staff members for their dedication and wholehearted contributions over the past year.

By order of the Board
Chairman