

CORTINA HOLDINGS

LESS PERFORMANCE BUT MORE PAY FOR THE FAMILY

10 NOVEMBER 2026

CORPORATE MONITOR LIMITED

CORPORATE MONITOR
ACTIVISM+

Written by: Royston Yang

ABOUT CORPORATE MONITOR LIMITED

Corporate Monitor Limited (CML) is an independent firm dedicated to producing holistic, unbiased and insightful research. With a mission to foster stronger corporate performance and benefit the investment community, Corporate Monitor emphasizes thorough research and active engagement with companies.

Corporate Monitor does not provide investment advice nor does it engage in any stock trading.
Learn more about the Corporate Monitor and its Constitution at https://corporate-monitor.org/about/

The firm can be reached at contact@corporate-monitor.org.

This report is based on the Annual Reports of respective firms and other publicly available information

----DISCLAIMER----

Corporate Monitor does not provide any warranties or make representations as to the accuracy, completeness, suitability or fitness for purpose of the information presented. Corporate Monitor will not be held liable for any losses or damages arising from any reliance on the content of this report.

The information and opinions contained in this report are provided solely for informational purposes and are not intended, in part or full, to constitute legal or professional advice. This report does not constitute, and should not be construed as, investment advice, an offer, or a solicitation of an offer to buy or sell any securities.
The analysis and conclusions presented are based on publicly available information and Corporate Monitor's best judgment at the time of publication, and they are subject to change without notice.
Investors are advised to conduct their own independent research and consult with their financial, legal, or other professional advisors before making any investment decisions.

Table of Contents

ABOUT CORPORATE MONITOR LIMITED 2

TABLE OF CONTENTS 3

1. INTRODUCTION 7

1.1 Cortina's Brands 7
1.2 Overseas Presence 7
1.3 Jewellery Retailing 8
1.4 Travel Retail 8

2. THE LUXURY WATCH RETAIL INDUSTRY 8

2.1 The Global Watch Industry 8
2.2 The Luxury Watch Retailer 9
2.2.1 Allocation and Stores 9
2.2.2 All Growth Drivers are Dependent on the Top Brands 10
2.3 The Key Success Factors for a Retailer 10
2.3.1 Long-Term Brand Relationship is Key 10
2.3.2 Customer Base 11
2.3.3 Managing Inventory 11
2.3.4 Retail Experience 11
2.3.5 Owning Real Estate 11
2.4 SWOT Analysis 11

3. HEALTHY REVENUE GROWTH, BUT POOR DISCLOSURES 12

3.1 Growing Revenue, But Profit Has Yet to Exceed its Peak 13
3.2 Improving Gross Margin 14
3.3 Mostly Free Cash Flow Generative 14
3.4 Respectable Return on Equity with Negligible Debt 15
3.5 Expanding its Boutique Network 17

4. DIVIDENDS: CORTINA SHOULD INCREASE ITS CORE DIVIDEND 18

5. PEER COMPARISON: ABOVE AVERAGE MARGIN AND ROE BUT HIGHER INVENTORY DAYS 19

6. RISKS TO THE BUSINESS 20

6.1 Allocation is Beyond Cortina's Control 20
6.2 Top Brands May Go Direct 20
6.3 Mergers and Acquisitions are Opportunistic 21
6.4 Exclusive Distribution Rights for Franck Muller and Other Brands 21
6.5 Summary 22

7. CORPORATE GOVERNANCE AND REMUNERATION MATTERS 22

7.1 Poor Disclosures 22
7.2 Remuneration Disclosures 23
7.3 Is the Lim Family Paid Too Much? 26

8. CONCLUSION 27

APPENDIX 29

Appendix 1: History of Cortina Holdings 29
Appendix 2: Brands Sold by Cortina Holdings 30

APPENDIX 3: HISTORY OF SINCERE WATCHES 31
APPENDIX 4: ROLEX'S ACQUISITION OF BUCHERER 32

EXECUTIVE SUMMARY

Corporate Monitor Limited ("CML") initiates research coverage on Cortina Holdings ("Cortina" or "the Group"), the smaller of Singapore's 2 established luxury watch retailers. Founded in 1972 by Anthony Lim, Cortina has built longstanding relationships with prestigious watchmakers, particularly top-tier brands such as Rolex and Patek Philippe. The Group's acquisition of Sincere Watch in 2020 broadened its brand portfolio, expanded its geographical presence, and provided the Group with an exclusive distribution agreement for the Franck Muller brand in 12 countries. With three generations of the Lim family involved in the business, Cortina continues to operate as a family-run enterprise.

Cortina delivered revenue growth over the past decade, achieving a 10-year compound annual growth rate (CAGR) of 10.3% and record revenue of S$979 million in FY2026. Its gross margin has also improved, settling at approximately 32% following the pandemic-driven surge in luxury watch demand. However, net profit remained stagnant at around S$64 million in the past two fiscal years, below the pandemic-era peak of S$76.5 million in FY2023. Nevertheless, Cortina has demonstrated consistent free cash flow generation and respectable returns on equity, averaging 15.3% over the past decade. Its balance sheet held modest debt of S$78.2 million as at 31 March 2026.

The luxury watch industry has become increasingly concentrated, with leading brands such as Rolex and Patek Philippe becoming dominant. In 2025, the top 4 luxury watch brands accounted for 49% of the market by value and 75% of its profit pool. At Watches of Switzerland PLC, the leading luxury watch retailer in the US and Europe, Rolex accounts for more than 50% of its sales. Most of these top brands are privately owned and tightly control the allocation of their watches to authorised retailers in an opaque exercise. Cortina has limited influence or visibility on the volume of watches it receives, and its growth is dependent on the few top brands. Furthermore, the increasing tendency of luxury watchmakers to sell directly to consumers presents a longer-term structural risk. Audemars Piguet greatly reduced its reliance on multi-brand retailers in 2019. Rolex acquired a large retailer, Bucherer, in 2023. Cortina also faces inventory risks from second-tier brands, such as Franck Muller. According to a report by Morgan Stanley, 2025 reportedly saw double-digit year-on-year sales declines for a number of mid-tier brands, including Franck Muller. The minimum purchase obligations for such exclusive distributors could saddle Cortina with excess inventory which it has to sell via more quiet discounting.

Cortina should vastly improve its disclosures. Current disclosure is scant. Operations review (including store openings and closures) and management analysis of results, all of which are standard minimum disclosures, are not provided. There is also no clear long-term growth strategy. Watches of Switzerland PLC, which operates under the same industry dynamics and is also beholden to Rolex and other top brands, has much better disclosure.

CML believes Cortina can improve its dividend policy and pay more, on account of the Group's underlying earnings and cash-generating capacity. Recent years of S$0.16 per share dividend comprises S$0.14 of special dividend and an ordinary dividend of just S$0.02 per share. Based on historical performance, the base dividend can be much larger, unless management wants to signal uncertainty on future profits.

The Group's executive remuneration structure is rich. Cortina's four executive directors received total remuneration of S$18.6 million in FY2026, substantially higher than the S$6.9 million paid to the two executive directors at peer The Hour Glass Limited (THG). The Lim family of Cortina is paid more than double the Tay family of THG, for generating a profit which was only 40% of THG's in FY2026.

Cortina needs to articulate a long-term strategy. Like other luxury watch retailers, it is beholden to the top brands which are opaque in their decisions and may go direct. Banking on other watch brands is getting harder as most of the second-tier brands are suffering declines. Business as usual may be fine for now, but long-term risks are best tackled when a company is still doing well.

1. INTRODUCTION

Corporate Monitor Limited ("CML") is initiating research coverage on Cortina Holdings ("Cortina" or "the Group"). Please see **Appendix 1** for a brief history of Cortina, which was founded by the Lim Family. This is CML's second report on the luxury watch sector, with the first being on The Hour Glass Limited (THG) which you can find **here**.

Cortina's acquisition of Sincere Watch's 18 boutiques (see **Appendix 3**), along with 4 store openings, helped to broaden its range of brands and increased its number of boutiques from 26 (in fiscal 2020[1] or FY2020) to 48 (FY2021) (see **Section 3.5**). It also helped the Group to enter a new territory – Australia, and gave it a portfolio of mid-range watches.

As of 15 June 2026, the Lim Family owns around 46.66% of Cortina Holdings. In addition, Yu Chuen Tek (Chief Corporate Affairs Officer) and the Yu Family own 13.8% of Cortina, while THG's founder Henry Tay owns another 12.7%. Michael Foo See Jin, one of Cortina's co-founders, owns 4.3% of the Group. In total, the Lim and Yu families, along with Henry Tay and Michael Foo, own a combined total of 77.5% of Cortina. Approximately 22.3% of the Group's shares are held by the public.

1.1 Cortina's Brands

Cortina's brand portfolio used to be much narrower than THG's, but expanded significantly after Cortina acquired Sincere Watch in 2020. Despite the acquisition, Cortina still retails fewer brands than THG. Please refer to **Appendix 2** for a full list of Cortina's brands. Including key brand Rolex and Patek Philippe, Cortina holds 28 brands compared with THG's 41 brands.

Cortina and Sincere each have its own differentiated brand strategy that targets a specific market segment. Cortina Watch carries internationally-recognised luxury watch brands such as Rolex and Patek Philippe that emphasise prestige and target collectors. Sincere Watch, on the other hand, caters more to watch connoisseurs and has a selection of niche and independent watch brands.

Sincere Watch also has exclusive distribution rights to the Franck Muller brand in 12 countries within the Asia-Pacific region. Franck Muller is an important brand for Sincere as the brand took up more than half of Sincere's sales when Cortina acquired the retailer.

1.2 Overseas Presence

Like THG, Cortina also has a presence in several Asian countries outside Singapore. The Group has the most stores in Singapore (23) in FY2026, followed by Malaysia (15) and Thailand (11).

[1] Cortina's fiscal year ends on 31 March, so FY2020 represents the fiscal year ending 31 March 2020.

Cortina also has a presence in Taiwan, Hong Kong, Macau, Indonesia and Australia. Please refer to **Section 3.5** for more details on Cortina's store expansion over the years.

1.3 Jewellery Retailing

Apart from luxury watches, Cortina also has a history of retailing jewellery. In FY2010, Cortina obtained distribution rights for Gucci in the region, and had a Gucci Timepieces and Jewellery boutique up till FY2018 when it was closed. In FY2026, Cortina announced that Sincere Watch had partnered with Jacob & Co to open the brand's first mono-brand flagship boutique at Takashimaya Shopping Centre in Singapore. It remains to be seen if jewellery contributes more significantly to Cortina's top-line.

1.4 Travel Retail

In FY2026, Cortina announced that it expanded its presence in the travel retail sector with the launch of three Time Emporium boutiques at Singapore Changi Airport. Cortina's expansion into travel retail is intended to capture a new segment, but it is still early days and investors will need to track how these 3 outlets perform in the coming years.

2. THE LUXURY WATCH RETAIL INDUSTRY

Luxury watch retail is fundamentally different from normal retail of everything else, for mainly two reasons. Firstly, luxury watches (almost all of them Swiss made) are generally Veblen goods, whose demand increases as its price goes up. However, after a strong boost during the COVID years, bifurcation of the Swiss watch brands is now sharp. The top-tier brands such as Rolex, Patek Philippe, Audemars Piguet (AP) and Richard Mille are still true Veblen goods, but the second-tier brands are becoming less so.

Secondly, luxury watch retailers are now reliant on the top few brands named above, because these watches are coveted and the retailers can leverage them to sell other brands. However, whether and how much stocks they obtain of the top brands, owned by family-owned non-publicly listed Swiss companies, is totally opaque.

2.1 The Global Watch Industry

Like THG and other retailers, Cortina is increasingly reliant on the top few luxury watch brands.

The Swiss watch industry has successfully traded volume for price over the last few decades, given the appreciation of Swiss franc and escalating manufacturing cost, as well as the competition, first from quartz watches and now from smart watches and all the wearables. One does not even need a watch, let alone a luxury watch, to tell time. Yet, Swiss watch exports

continued to climb, with fewer timepieces. Watches costing more than 50,000 Swiss Francs (export value) now accounted for 37% of total export value.

The COVID years saw a rising tide that lifted all boats, as most Swiss luxury watch brands saw growth, but this has ended. Receding consumer purchasing power (given the higher inflation) and cumulative price increases have priced luxury watches beyond the reach of the aspiring consumer. Only the top brands continue to be able to increase price and remain highly sought after (true Veblen goods). Other brands suffer sales decline as they continue to increase price. According to Morgan Stanley's report on the luxury watch industry, 29 of the top 50 brands reportedly registered year-on-year sales declines in 2025. Franck Muller and several other brands saw sales declines of more than 15% year on year. The top 4 brands account for 49% of the market by sales value and 75% of the profit pool.

The top brands, all privately owned (except Cartier), operate with a long-term horizon. Exclusivity is how they keep their products coveted, so they under-supply the market. They care about which retailers sell their watches, the showrooms' location, size and decor, the customer service, and even the other brand portfolio the retailer carries.

2.2 The Luxury Watch Retailer

Retailers are now beholden to the top brands. Watches of Switzerland PLC, the UK-based retailer with operations in US and Europe, verbally admitted that Rolex took up more than 50% of its sales. THG and Cortina do not disclose such concentration, but given the industry structure today, it may not be very different.

Increasingly, brands are going direct, although for now, multi-brand luxury watch retail is still the main channel. Audemars Piguet, for example, greatly reduced reliance on multi-brand retailers in 2019. Rolex used to sell only through the retail channel, but started going direct after acquiring retailer Bucherer in 2023 in a deal estimated to be worth approximately 3 billion Swiss Francs. The threat of this is adding to the dependency of the existing multi-brand retailers to the top brands. We will assess this risk in **Section 6**.

2.2.1 Allocation and Stores

Retailers are mere takers of watches from the top brands in a highly opaque rationing exercise, known as "allocation" in the industry. Allocation of watches is frequently tied to geography and even stores. There is no assurance that a retailer will get more allocation in the future. In fact, it is common that the top brands may cut allocation or ask retailers to close stores that no longer meet the requirements of the brands.

Allocation by the top brands is the lifeblood of the retailer. Because Rolex and Patek are sold even before they arrive, the retailer decides which customers get these watches. These are

customers that also buy other watch brands. In other words, retailers rely to a large extent on Rolex and Patek to drive sales of other watches.

In fact, the retail of other watch brands is similar to the retail of normal goods. Inventory is available and the retailer enjoys some negotiating power with these second-tier brands, but retailers have to bear the demand risk. A wrong decision will mean being stuck with unsold inventory which a retailer has to clear by quiet discounting, as open discounting is frowned upon.

2.2.2 All Growth Drivers are Dependent on the Top Brands

The business-as-usual growth story is to obtain more allocation from the top brands, which the retailer has little control and visibility.

Organic growth by opening new stores means more demand for allocation and hence needs to be approved by the top brands. As previously stated, they have exacting requirements on the showrooms, too.

The inorganic merger and acquisition route similarly is subject to the top brands' approval. Without it, the allocation to the acquiree is cancelled.

Of course, the retailer can drive growth by selling other watch brands. However, this is risky in an environment where the luxury watch industry is increasingly concentrated in the top brands.

2.3 The Key Success Factors for a Retailer

2.3.1 Long-Term Brand Relationship is Key

Luxury watch brands are highly selective about who they choose as authorised retailers. Brands care about which customers get their watches and the overall purchase and ownership experience. All these add up to the intangible prestige that is crucial to brand owners. Their decisions to keep or sell the watches also affect the secondary prices, which determine the desirability of the brands. Retailers' key value is their customer base.

Retailers possessing stronger relationships with top brands have an advantage. THG and Cortina have cultivated multi-decade relationships with key watch brands such as Patek Philippe and Rolex. Brands need to be assured that the retailer has a strong track record and will stay for the long haul. Multi-generational family-run companies are thus favoured, as there is continuity in management.

It is, therefore, not easy for a new player to break into the luxury watch retailing sector. This confers competitive moats to the existing retailers.

2.3.2 Customer Base

A retailer needs to maintain and grow a strong base of loyal, repeat customers. By keeping detailed records of what a customer buys, coupled with an effective customer relationship management (CRM) system, the retailer can offer what the customer desires. More importantly, getting the customers to buy other brands in order to boost sales and manage inventory. A successful retailer should also provide exemplary after-sales service and maintain a CRM system that can track and personalise customers' preferences.

2.3.3 Managing Inventory

Retailers need to manage their inventory well. This is more relevant to the second-tier watch brands which have demand risks. Such management involves years of experience and astute negotiation so as to avoid being "dumped" excess inventory from these lower-tier brands. An exclusive distributorship for a brand with minimum purchase obligations can be a double-edged sword. Cortina's exclusive distributorships for Franck Muller and other brands[2] obligate it to commit to annual minimum purchase requirements. The declines of second-tier brands could lead to inventory buildup for Cortina.

2.3.4 Retail Experience

Luxury watch retailers need to construct showrooms and boutiques that meet the requirements of the watch brands they represent. Sales staff need to be well-versed in product history, manufacturing techniques, and watch mechanics. Client service also needs to be exceptional as luxury watches have a high-net-worth and well-heeled customer base who are demanding. Watch manufacturers will send mystery shoppers into retailers' boutiques to assess if a retailer has conformed to its requirements and specifications, which can be exacting.

2.3.5 Owning Real Estate

Since prime showroom location is key to the brands, owning it reduces the risk that a retailer loses the location. It does not mean that retailers have to own all the showroom properties, as there are retailers that lease a sizable proportion of their store portfolio.

2.4 SWOT Analysis

Exhibit 1 below shows Cortina's SWOT analysis.

[2] Cortina does not name the brands for which it has exclusive distributorships. Franck Muller distributorship came with the Sincere Watch acquisition.

Exhibit 1: Cortina's SWOT Analysis

Cortina Holdings - SWOT Analysis			
STRENGTHS		**WEAKNESSES**	
1	Decades-long, sticky relationships with major luxury watch brands	1	Cortina cannot set its own prices - prices are dictated by the brand owners
2	Extensive knowledge of brand demand to ensure optimum sales and efficient inventory turns	2	Heavily exposed to Southeast Asia, such that a downturn in the region will significantly impact sales
3	Carries a wide range of watch brands (from luxury to aspirational) to cater to a diverse group of customers	3	Luxury market faces cyclicality as luxury watches are a discretionary product
4		4	Requirement to rent prime areas in upscale locations to showcase their product portfolio - translates into high lease payments for the business
OPPORTUNITIES		**THREATS**	
1	Growing wealth inflows into the Southeast Asian region, including Singapore	1	Brands may decide to go direct, establish their own boutiques, and eliminate the middleman (distributor)
2	Entries in new markets	2	New generation of adults may place more value on purchasing experiences rather than physical items
3	Jewellery retailing represents an alternative revenue source that provides revenue diversification	3	Competition for the wrist
4	Entrance into travel retail sector offers potential growth opportunities		
5	The rise of independent watchmakers such as F P Journe provide an additional avenue of growth for Cortina to collaborate and establish mono-brand boutiques		

Source: Cortina's Filings; CML's Analysis

3. HEALTHY REVENUE GROWTH, BUT POOR DISCLOSURES

Historically, Cortina grew its revenue and net profit at a steady clip. However, while revenue continued to rise from FY2022 to FY2026, net profit has declined from its peak in FY2023.

Cortina's disclosure is poor, which hampers CML's analysis of its performance. The Group's annual reports contain no information about business strategy or an explanation of its financial results. The Chairman's message provides details of boutique openings and refurbishments, but not much else. Neither does it detail Cortina's long-term strategy or provide a commentary on trends within the Swiss watch industry.

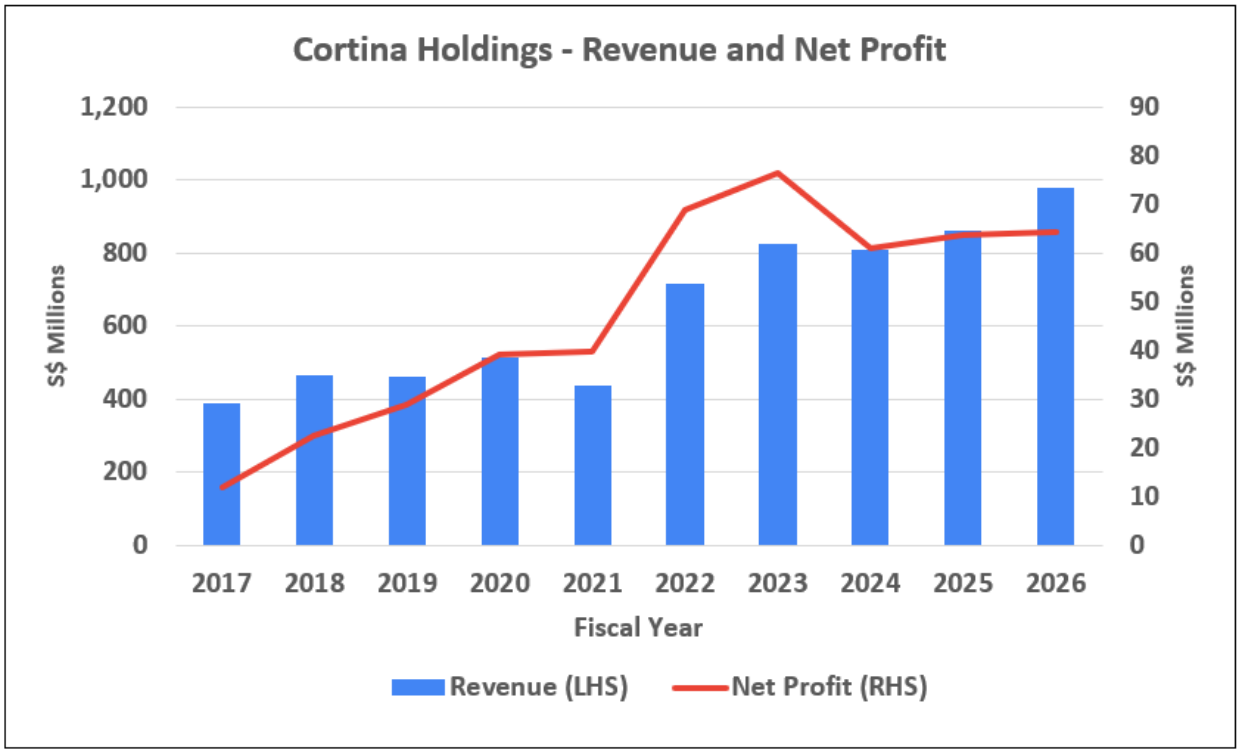
While the limited disclosure is understandable given the nature of the industry as detailed in **Section 2**, Cortina can certainly disclose more. Watches of Switzerland PLC, which operates in the

same industry, discloses more information despite the same constraints. Please see **Section 7.1** for a comparison of disclosures by Watches of Switzerland PLC, Cortina and THG.

3.1 Growing Revenue, But Profit Has Yet to Exceed its Peak

Cortina managed to grow its revenue at a healthy clip, with the 10-year compound annual growth rate (CAGR) at 10.3%. Cortina enjoyed the surge in revenue caused by higher purchases of luxury watches during the pandemic lockdowns. With the pandemic receding, revenue fell slightly in FY2024 but ended up reaching new heights as Cortina opened more boutiques to capture demand. Please see **Exhibit 2** for Cortina's revenue and net profit growth since FY2017.

Exhibit 2: Cortina's Revenue and Net Profit



Source: Cortina's Financial Releases

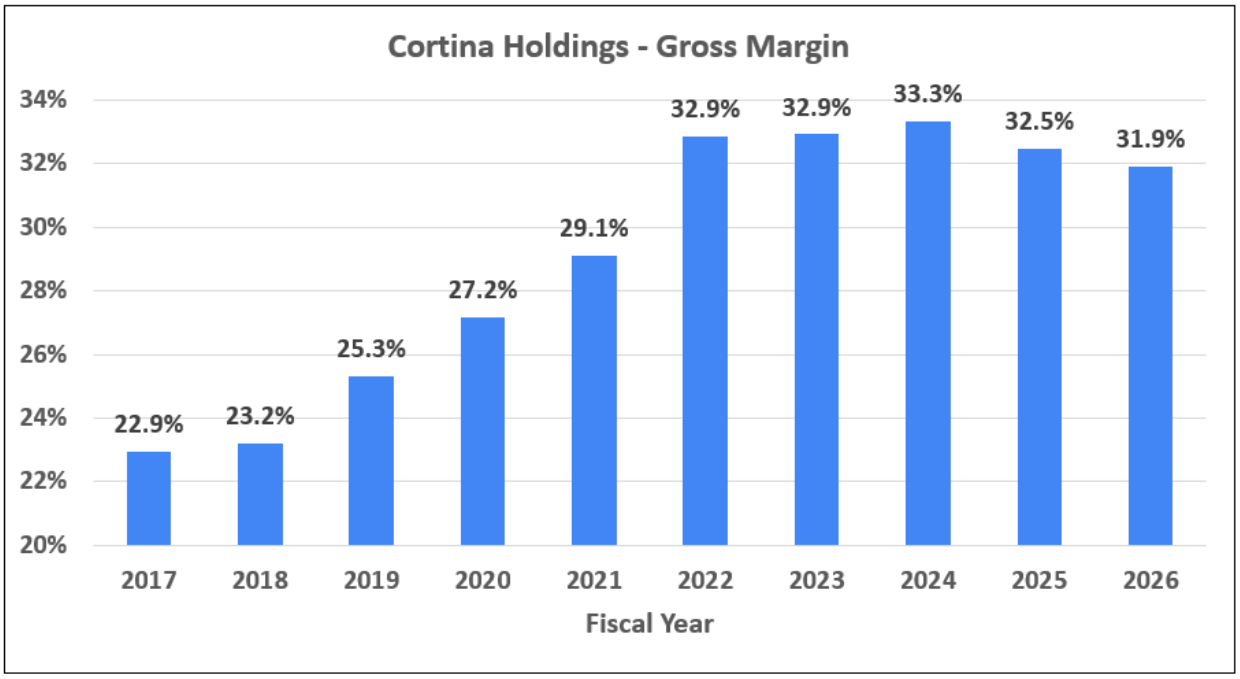
For FY2026, revenue hit an all-time high of S$979 million, nearly triple the level back in FY2016.

While revenue did well, net profit stood at around S$64 million over the past 2 fiscal years, lower than the pandemic-peak of S$76.5 million achieved in FY2023. The sharp S$7.8 million increase in rental expenses, S$1.6 million increase in advertising and promotion, coupled with S$5.0 million higher staff costs, ate into Cortina's profit for FY2026. There was also an inventory write-off of nearly S$1.1 million in the same fiscal year, significantly higher than the prior year's inventory write-off of just S$67,000. Meanwhile, Singapore peer THG's net profit for FY2026 was 12% higher year on year even after excluding fair value gains from investment properties.

3.2 Improving Gross Margin

Like THG, the pandemic temporarily boosted Cortina's gross margins, but margins have now normalised to around 32%. Please refer to **Exhibit 3** below.

Exhibit 3: Cortina's Gross Margin



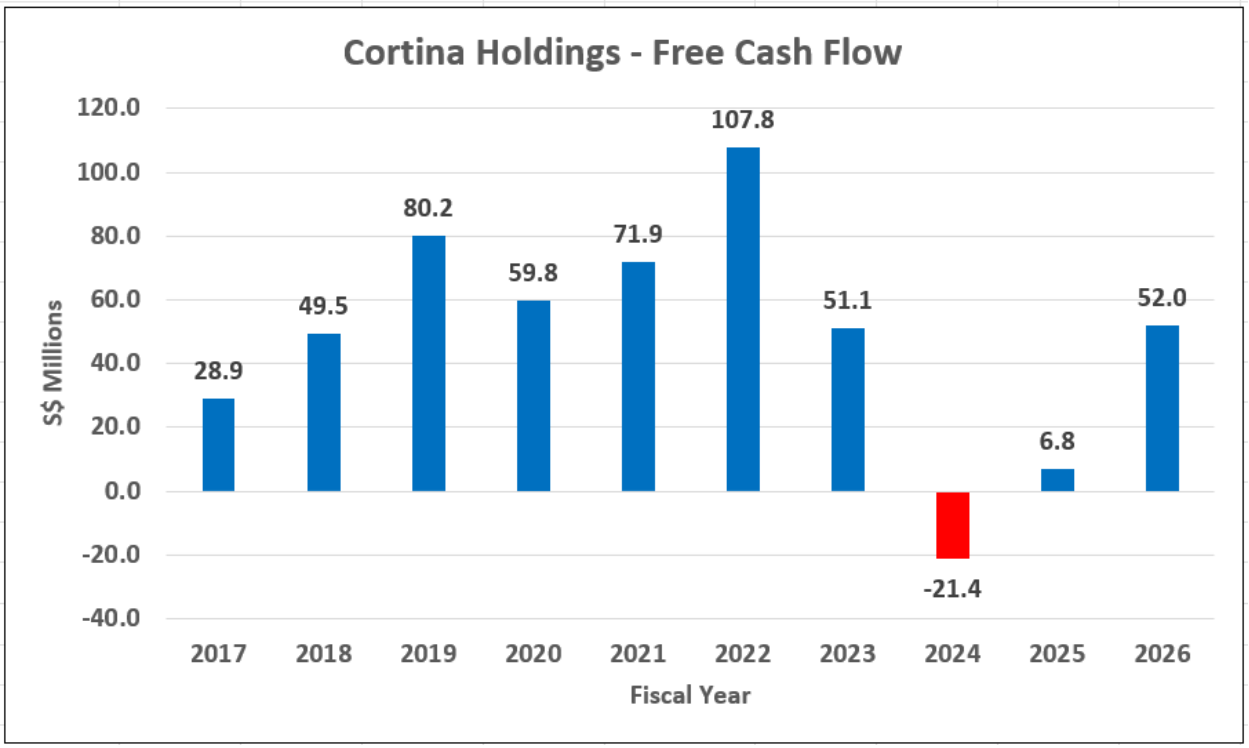
Source: Cortina's Financial Releases; CML's Computation

3.3 Mostly Free Cash Flow Generative

Cortina generates very consistent free cash flow[3] over the years, with just 1 fiscal year seeing a negative free cash flow. Please refer to **Exhibit 4**.

[3] As required by FRS 116 Lease Accounting, Cortina started to disclose lease payments in its financing cash flows from FY2020 onwards. With Cortina's wide network of boutiques signed on long-term leases, CML deducted these lease payments from free cash flow to better reflect the free cash flow after accounting for lease payments.

Exhibit 4: Cortina's Free Cash Flow Generation



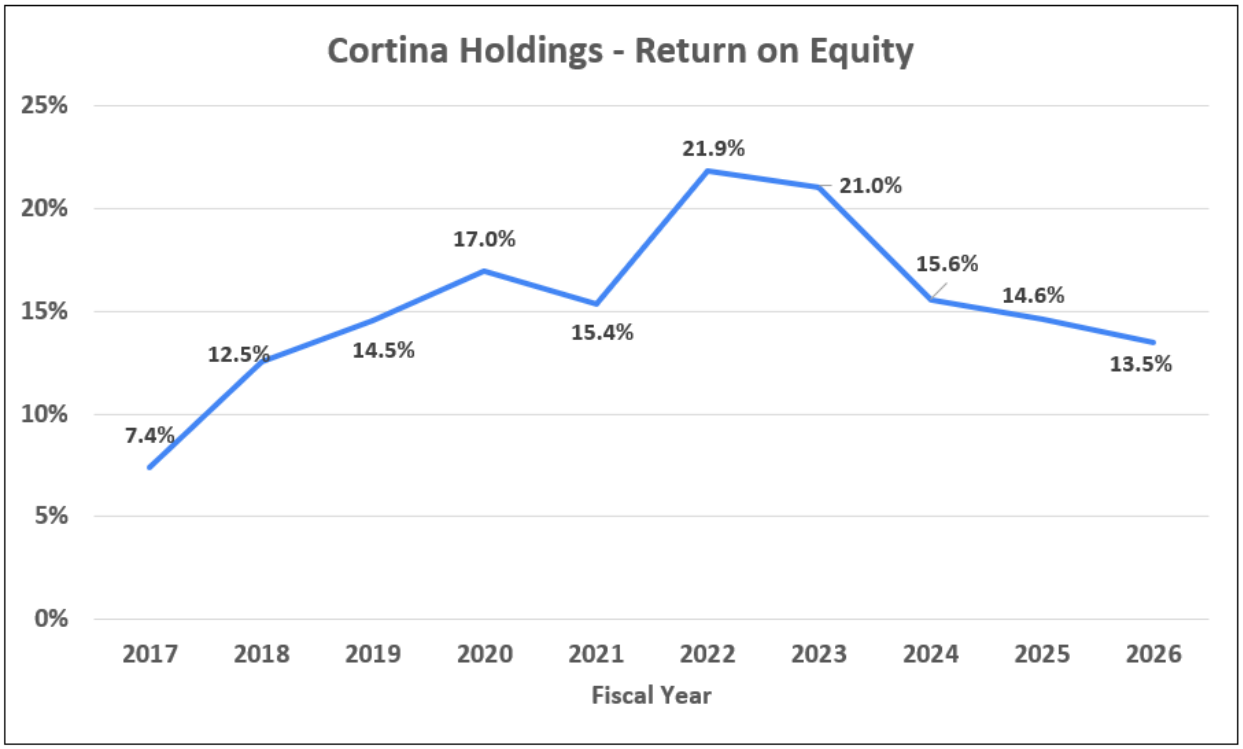
Source: Cortina's Financial Releases

The group made no mention of capital expenditure (capex) requirements in the future, but CML notes that the highest capex was recorded in FY2026 (S$29.3 million). With Cortina generating healthy operating cash flow, the Group should be able to sustain its free cash flow generation, even after accounting for cash lease payments.

3.4 Respectable Return on Equity with Negligible Debt

Cortina's return on equity (ROE) averaged 15.3% over the last decade. Please refer to **Exhibit 5**.

Exhibit 5: Cortina's Return on Equity



Source: Cortina's Annual Reports; CML's Calculation

Like THG, Cortina also enjoyed a surge in revenue and net profit during the pandemic years of FY2022 to FY2024, which lifted its ROE. Even after excluding these 3 fiscal years, Cortina's ROE stood at a respectable 12.5%.

The DuPont formula (see **Exhibit 6**) shows that Cortina's net margin increase was the main contributor to the higher ROE. Cortina's net margin more than doubled from 3% to 6.6% from FY2017 to FY2026. The increase was slightly offset by a lower asset turnover while the leverage multiplier remained broadly constant.

Exhibit 6: Cortina's ROE – DuPont Formula

Fiscal Year	Net Profit (SGD Mil)	Equity (SGD Mil)	ROE	Net Margin	Revenue (SGD Mil)	Total Assets (SGD Mil)	Asset Turnover	Equity (SGD Mil)	Leverage Multiplier	ROE (Check)
2017	11.8	159.5	7.4%	3.0%	390.8	262.6	1.49	159.5	1.65	7.4%
2018	22.3	178.3	12.5%	4.8%	466.3	258.8	1.80	178.3	1.45	12.5%
2019	29.0	199.4	14.5%	6.3%	460.8	284.3	1.62	199.4	1.43	14.5%
2020	39.3	231.8	17.0%	7.6%	513.8	339.6	1.51	231.8	1.47	17.0%
2021	39.7	258.6	15.4%	9.1%	436.7	496.7	0.88	258.6	1.92	15.4%
2022	68.8	314.5	21.9%	9.6%	716.9	596.9	1.20	314.5	1.90	21.9%
2023	76.5	363.7	21.0%	9.3%	826.6	640.5	1.29	363.7	1.76	21.0%
2024	61.1	392.3	15.6%	7.5%	811.0	702.3	1.15	392.3	1.79	15.6%
2025	63.6	435.5	14.6%	7.4%	862.8	750.3	1.15	435.5	1.72	14.6%
2026	64.4	476.5	13.5%	6.6%	979.0	796.5	1.23	476.5	1.67	13.5%
10-Year Average			**15.3%**	**7.1%**			**1.33**		**1.68**	
		Ex FY2022-FY2024	**12.5%**							

Source: CML's Computation

Cortina employs some debt, with S$78.2 million of borrowings on its balance sheet as of FY2026. Investment property holding is also relatively low, at 6.3% of total assets in FY2026. Both contribute positively to Cortina's ROE.

3.5 Expanding its Boutique Network

Cortina saw a steady increase in its boutique network over the years (see **Exhibit 7** below). In November 2020 (FY2021), Cortina purchased Sincere Watch, which had 18 stores, in an S$84.5 million deal. Sincere Watch is a family-run luxury watch retailer established in 1954. Please refer to **Appendix 3** for a history of Sincere Watch.

Exhibit 7: Cortina's Store Network Growth

Country	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Singapore	11	9	9	9	18	14	18	18	20	23
Malaysia	9	10	9	9	12	13	12	16	17	15
Thailand	3	5	4	4	13	9	9	10	10	11
Taiwan	2	2	2	2	2	5	5	6	6	6
Hong Kong	1	1	1	1	1	1	2	4	6	4
Macau	0	0	0	0	0	0	0	0	1	1
Indonesia	1	1	1	1	1	1	1	1	1	1
Australia	0	0	0	0	1	1	1	1	1	1
Total	**27**	**28**	**26**	**26**	**48**	**44**	**48**	**56**	**62**	**62**

Source: Cortina's Annual Reports FY2017 to FY2026
Note: Green represents entry into a new country

The Sincere acquisition gave Cortina a much-needed presence in Australia, although the number of boutiques stayed at just 1 for many years. Cortina recently acquired the rights (from Kennedy Watches & Jewellery) to operate a Patek Philippe boutique at Chadstone Shopping Centre in Victoria, Australia. This mono-brand boutique is set to open in the second half of fiscal 2027 (2H FY2027) and will be Cortina's second boutique in the country.

In FY2025, Cortina opened a new specialist boutique (Franck Muller and Jacob & Co) in Macau, marking its first foray into the market.

The Group's mainstay is still in Singapore where it has a total of 23 boutiques, but is slowly expanding its presence in Thailand, Taiwan, and Australia. Cortina is also opening more mono-brand boutiques in line with what the luxury watch brands are requesting. There were 11 mono-brand boutiques in Singapore in FY2026, and these included (new) openings for Cartier, Chopard, and H Moser & Cie mono-brand boutiques. This is repeated in Thailand, where Cortina opened a second Patek Philippe mono-brand boutique along with a new Rolex mono-brand boutique.

Cortina also closed several boutiques over the years, although these closures were not explicitly stated in its Annual Reports. In FY2018, Cortina closed its multi-brand Chinatown Point boutique and also a Raymond Weil specialist boutique at Wisma Atria. In FY2021, Cortina had 2 Sincere

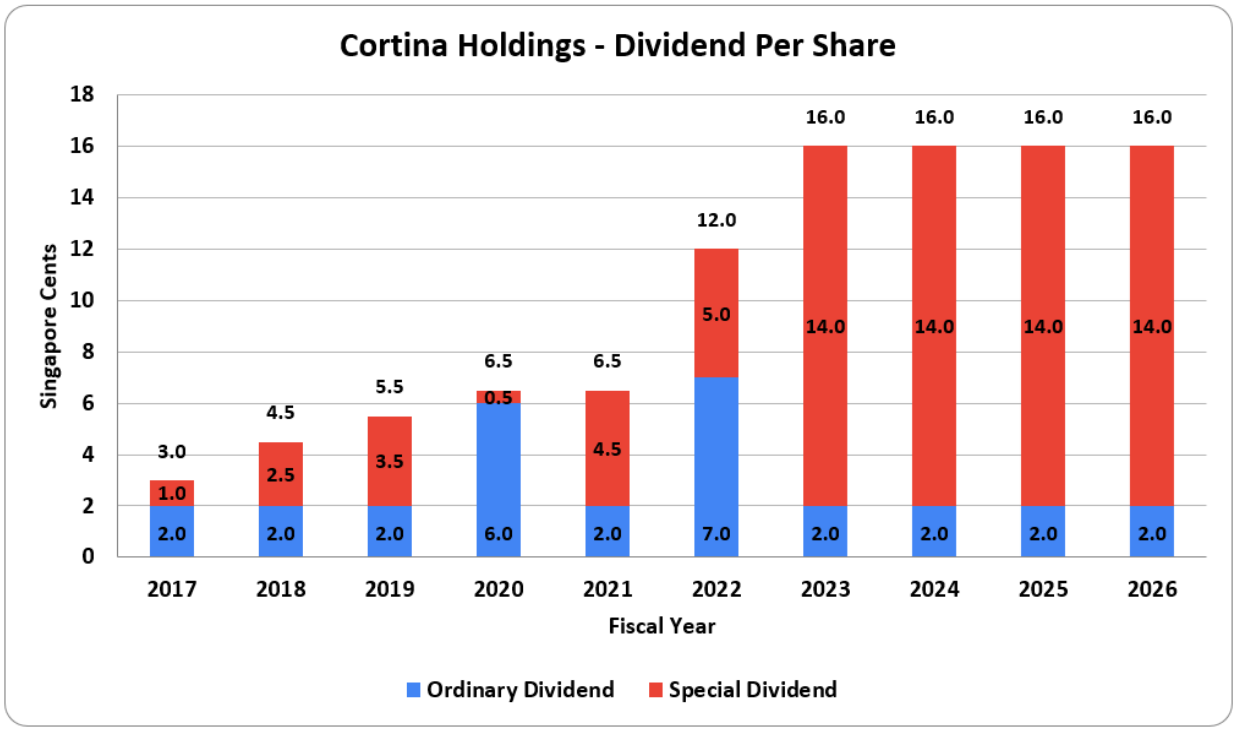
Watch outlets in Takashimaya S.C., and closed one of them in FY2022. At the same time, it also shut a Tudor Studio located within the same mall.

Looking ahead, Cortina looks set to open more mono-brand boutiques in collaboration with specific brands, rather than multi-brand ones. Although the total number of stores stagnated from FY2025-FY2026, growth should resume in FY2027 with the opening of a new Patek Philippe boutique in Australia, among others.

4. DIVIDENDS: CORTINA SHOULD INCREASE ITS CORE DIVIDEND

Please refer to **Exhibit 8** for Cortina's dividend history.

Exhibit 8: Cortina's Dividend History



Source: Cortina's Financial Releases

Cortina has increased its annual dividend from just S$0.03 (per share) in FY2017 to S$0.16 in FY2026, a more than fivefold increase. However, investors should note that from FY2023 to FY2026, the Group's dividend comprises a low S$0.02/share ordinary (final) dividend and a higher S$0.14/share special dividend. The current dividend construct creates uncertainty on dividend as the "bonus" dividend can easily be withdrawn at management's discretion. It is a poor signal to shareholders, as it can be interpreted as management seeing more business uncertainties ahead.

At S$0.16/share, Cortina is paying out around 40% of its profits, or just 50% of its free cash flow in FY2026. The ordinary dividend of S$0.02/share represents just 5% of the Group's net profit. Cortina can commit to a higher core dividend to reflect the strength of the business. The remainder can then be paid out as additional dividends to reward shareholders when performance is better than expected.

5. PEER COMPARISON: ABOVE AVERAGE MARGIN AND ROE BUT HIGHER INVENTORY DAYS

Please refer to **Exhibit 9** for Cortina's peer comparison table.

Exhibit 9: Cortina Vs Singapore[4], Regional and International Luxury Watch Companies

Company	Country	Average 3-Year Gross Margin	Average 3-Year Net Margin	Average 3-Year ROE
Cortina Holdings	**Singapore**	**32.6%**	**7.2%**	**14.6%**
Luxury Watch Retailers				
The Hour Glass	Singapore	31.2%	12.6%	16.2%
Oriental Watch Holdings	Hong Kong	31.4%	6.0%	11.8%
Emperor Watch & Jewellery	Hong Kong	29.7%	6.4%	6.3%
Watches of Switzerland PLC	United Kingdom	12.7%	4.2%	12.3%
	Average	**26.3%**	**7.3%**	**11.7%**

Inventory Days Comparison		
Number of Days	**FY2025**	**FY2026**
The Hour Glass*	146	135
Cortina Holdings*	205	188
Oriental Watch*	70	72
Watches of Switzerland PLC**	107	104
Emperor Watch & Jewellery***	295	279
*31 March fiscal year-end		
**3 May fiscal year-end		
***31 December fiscal year-end (2025 versus 2024)		

Source: Respective companies' annual reports

Cortina commands a respectable gross margin[5] that is in line with the Singapore and Hong Kong luxury watch retailers. Its net margin is in line with its peer group, but is lower than THG. Detailed

[4] For THG, the effects of fair value changes in investment properties have been removed to arrive at this 3-year average.

[5] Watches of Switzerland PLC has a jewellery division with a different gross margin profile.

analysis is hampered by poor disclosure. However, CML notes that Cortina appears to have higher expenses. Cortina's rental expenses and depreciation of right-of-use assets took up 6.5% of its revenue for FY2026, versus just 3.5% for THG. Also, Cortina's staff costs took up 8.1% of revenue while THG's came up to just 6%.

Cortina's average ROE is also respectable at 14.6%.

Cortina's inventory days was worse than most of its peers (except Emperor), at between 188 to 205 days. The weak demand for second-tier brands such as Franck Muller is probably a key reason that contributed to Cortina's higher inventory days. Cortina has exclusive distributorships for Franck Muller and other brands (names not disclosed) which obligate Cortina to minimum purchases. Tellingly, Cortina wrote off S$1.1 million of inventory for FY2026, higher than in the preceding 3 fiscal years where annual inventory write-off was below S$100,000. Long inventory days and write-offs are not good signs for a retailer.

6. RISKS TO THE BUSINESS

The single largest risk factor, although a long term one, is Cortina's reliance on a few top watch brands. The luxury watch industry has concentrated so much that Rolex represents more than 50% of sales for Watches of Switzerland PLC. Cortina has neither discussed this risk, nor spelt out a strategy to deal with it.

There are a number of follow-up risk factors that stems directly from this over-reliance.

6.1 Allocation is Beyond Cortina's Control

The top brands can make business decisions that do not maximise profit, at least in the short and medium term, because they are unlisted and family-owned. They are not known to step up production just because their watches are coveted. In fact, this very exclusivity is driving up prices and adding to the demand, the true characteristics of Veblen goods. In the long term, this may be the best outcome for the top brands. In any case, there are also real constraints in stepping up production in Switzerland.

Given this, a meaningful increase in allocation is a tough challenge for Cortina. This may get tougher as the top brands choose to go direct.

6.2 Top Brands May Go Direct

There have been precedents: Audemars Piguet (AP) greatly reduced its reliance on multi-brand retailers in 2019. AP's production scale is a fraction of Rolex's, so it may be easy to handle the logistics of selling directly. What is significant is that Rolex itself took this step in 2023 when it acquired Bucherer. Please refer to **Appendix 4** for more details of Rolex's acquisition of Bucherer.

While Rolex still sells 90% of its watches through third party retailers like Cortina, there is no guarantee that Rolex will not, over time, sell more watches through its own network.

6.3 Mergers and Acquisitions are Opportunistic

Mergers and acquisitions in the luxury watch industry are few and far between. THG purchased another retailer (Kennedy Watches and Jewellery) in 2025, while Watches of Switzerland PLC bought Deutsch & Deutsch, a retailer headquartered in Texas with 4 Rolex agencies, in January 2026. Hence, there is no certainty that an acquisition target will be available, at the price that Cortina is willing to pay, and if Cortina can win the deal against other retailers. In fact, there may be a real risk that Rolex or another top brand, which has greater financial resources and strategic value, may become a competitive buyer.

Even if these challenges can be overcome, Cortina still needs to approval of the top brands to execute any merger and acquisition.

In the more than 5 decades since Cortina was established, it has made just 1 acquisition – that of Sincere Watch (2021).

6.4 Exclusive Distribution Rights for Franck Muller and Other Brands

Cortina has exclusive distribution rights for Franck Muller in the Asia-Pacific region from its 2021 acquisition of Sincere Watch. There are other brands too, but Cortina's annual report does not name them (not even Franck Muller). Under these exclusive distribution agreements, Cortina is expected to fulfil certain minimum purchase requirements. For FY2026, the minimum purchase requirement ranges between S$35.5 million to S$130.3 million per annum up to 31 December 2035.

Taken at the midpoint (S$82.9 million), this purchase commitment makes up between 5% and 20% of Cortina's FY2026 cost of goods sold. Should Cortina fail to honour this commitment, Franck Muller could terminate the exclusive distribution agreement. Given that Franck Muller made up half of Sincere Watch's sales, such a move would have a detrimental impact on Cortina's business.

Sticking with the minimum purchase to keep distributorships, however, exposes Cortina to inventory risk. According to Morgan Stanley's report on the luxury watch sector, 2025 saw many mid-tier brands, including Franck Muller, register a year-on-year sales decline of more than 15%. Such slowdowns will lead to an inventory build-up at Cortina which may require quiet discounting to clear, with adverse impact on margin.

6.5 Summary

To sum up, a multi-brand retailer like Cortina is not so multi-brand anymore. It is always tough for a business to be dependent on a few suppliers or customers, no matter the industry sector. Cortina and its peers are in that uncomfortable position.

There is no immediate risk to Cortina. It could be business as usual, and Cortina could continue to grow as it maintains its relationship with the top brands, or even gain allocation and market share should a (smaller) peer fall out of favour with the top brands.

To investors, however, there is no way to know if Cortina can maintain the top brand relationships, or if the top brands will accelerate their go-direct strategy. It is akin to a leap of faith, with shareholders putting their trust in the Lim family.

7. Corporate Governance and Remuneration Matters

Cortina, like THG, is also a family-run business. The major difference is that THG has 2 generations running the business (Dr Henry Tay and son Michael Tay), while Cortina has 3 generations within its Board and management team. This probably signals an intention to remain a family-managed retailer.

Cortina's board comprises nine (9) directors, of which 4 are executive directors (EDs). The Group has 5 independent directors (IDs), including Lee Eng Kian as the lead independent director. Note that three IDs (Michael Chin, Pearce Lau, and Michael Foo) retired in July 2024 and were replaced by Lee Eng Kian, Kenny Lim, and Soh Ee Beng (all appointed in August 2024). Singapore Exchange mandated a 9-year cap for directors which came into effect from the financial year ending on or after 31 December 2023. Michael Foo, Pearce Lau and Michael Chin had served 52, 22, and 17 years, respectively. It is poor corporate governance that Cortina kept 3 directors (especially Michael Foo) as independent for so many years.

In terms of skills diversity and competencies, Cortina's board has individuals with knowledge of accounting (Jeremy Lim), risk advisory (Lee Eng Kian), law (Chuang Keng Chiew), foreign relations (Tan Siew San), and investment banking and private wealth (Soh Ee Beng). CML notes that there is no one with sector-relevant experience. An ID with such experience can add value to the Group.

7.1 Poor Disclosures

Cortina's disclosures can be improved. The Chairman's message mentioned initiatives undertaken during the fiscal year to open new boutiques and refurbish existing ones, but did not provide a detailed operations review. Only the headline financial results are mentioned, but there

was no management discussion and analysis. Investors cannot analyse the reason why revenue rose (for FY2026) and profit stagnated. There is no long-term strategy for the business.

To its credit, management discussed the Group's expansion plans in its minutes of its Annual General Meetings starting from FY2025. There was some discussion on Cortina's travel retail expansion plans along with management exploring the availability of retail space in other airports apart from Changi Airport. However, no details were shared in terms of geographic expansion and planned opening of new boutiques, except for management to state that it is "studying the China market".

While CML partially understands the reticence in disclosure (given the opaque nature of the watch business as discussed in **Section 2**), Cortina can do better. Watches of Switzerland PLC, operating under the same constraints, has much better disclosures. Please see **Exhibit 10** for a comparison of disclosures for Watches of Switzerland versus Cortina and The Hour Glass.

Exhibit 10: Watches of Switzerland Disclosures Versus Cortina and THG

Attribute	Watches of Switzerland PLC	THG	Cortina	Remarks
Number of Boutiques	Yes	Insufficient	Insufficient	WoS discloses showroom numbers by region (US and UK), and also reports total showroom openings and closures by region; THG and Cortina list individual store locations at the back of their Annual Reports
FY2027 Outlook and Guidance	Yes	No	No	For revenue, operating profit growth, capex, and FCF conversion
Strategy Discussion	Yes	No	No	WoS states 6 strategic pillars for success, with each pillar featuring FY2026's progress and FY2027's priorities
Financial KPIs	Yes	No	No	Revenue, Operating Profit, Basic and Adjusted Earnings Per Share, Return on Capital Employed, Operating Cash Flow, and Average Selling Price
Non-Financial KPIs	Yes	No	No	Number of Showrooms, Colleague Engagement Survey, and ESG Targets
Management Discussion & Analysis	Yes	No	No	Explanation for revenue and profit movements for each division
Geographic Segment Reporting	Yes	Insufficient	Insufficient	WoS' disclosures contain revenue, gross profit, adjusted EBITDA and segment profit for each region; Cortina and THG only disclose revenue by region

Source: Company Annual Reports

7.2 Remuneration Disclosures

Cortina provided detailed remuneration disclosures only from FY2025, and CML has compiled the most recent 2 fiscal years in **Exhibit 11** below.

Exhibit 11: Cortina - Directors' Remuneration (FY2025 and FY2026)

		Remuneration		Year-on-Year	
Director	Position	FY2026	FY2025	% Change	Remarks
		S$	S$		
Lim Keen Ban, Anthony	Executive Chairman	4,506,481	4,115,350	9.5%	
Lim Jit Ming, Raymond	ED & Group CEO	5,880,979	5,430,343	8.3%	
Yu Chuen Tek, Victor	Executive Director (ED)	4,077,231	3,769,175	8.2%	
Lim Jit Yaw, Jeremy	ED & Group COO	4,108,193	3,802,233	8.0%	
Lee Eng Kian	Lead Independent Director	116,000	61,350	89.1%	Appointed 19 August 2024
Lim Yeow Hua, Kenny	Independent Director	75,625	45,375	66.7%	Appointed 19 August 2024
Soh Ee Beng	Independent Director	82,500	49,500	66.7%	Appointed 19 August 2024
Chuang Keng Chiew	Independent Director	130,625	125,125	4.4%	
Tan Siew San	Independent Director	82,500	85,246	-3.2%	
Chin Sek Peng, Michael	Independent Director	0	37,025	N/A	Retired 26 July 2024
Lau Ping Sum, Pearce	Independent Director	0	37,304	N/A	Retired 26 July 2024
Foo See Jin, Michael	Independent Director	0	21,943	N/A	Retired 26 July 2024
Total		**19,060,134**	**17,579,969**	**8.4%**	

Source: Cortina's Annual Reports FY2025 and FY2026

Cortina's language was vague when it came to determining the level of remuneration for each director based on assigned KPIs. The Corporate Governance section merely mentions a few factors such as the market's pay and employment conditions within the industry, the individual's level of responsibilities, Cortina Holdings' relative performance and the performance of individual directors. Cortina has neither quantitative nor qualitative KPIs to assess its directors and senior management. There is also no formula or methodology, making total remuneration an opaque exercise.

Although Cortina disclosed the split between salaries, bonuses, fees and other benefits for its 4 EDs, it is unclear how these were linked to the business performance. **Exhibit 12** provides the details for FY2026.

Exhibit 12: Cortina's Executive Director Remuneration Breakdown (FY2026)

FY2026 - Executive Director Remuneration Breakdown					
	Salary	Bonus	Fees	Other Benefits	Total
	S$	S$	S$	S$	S$
Anthony Lim	450,648	3,650,250	90,130	315,454	4,506,481
	10%	81%	2%	7%	
Raymond Lim	529,288	5,057,642	58,810	235,239	5,880,979
	9%	86%	1%	4%	
Victor Yu	448,495	3,384,102	40,772	203,862	4,077,231
	11%	83%	1%	5%	
Jeremy Lim	451,901	3,368,718	41,082	246,492	4,108,193
	11%	82%	1%	6%	
				Sub-Total	18,572,884

Source: Cortina's FY2026 Annual Report

Cortina pays out far more for total directors' remuneration. Cortina's sum was far higher at S$19.1 million versus THG's S$7.5 million. As a percentage of revenue, Cortina's director remuneration took up nearly 2% while THG's was much lower at just 0.6%. Most of the remuneration goes to the EDs: S$18.6 million for Cortina's 4 EDs versus S$6.9 million for THG's 2 EDs.

For key management personnel (KMPs), Cortina reported the total remuneration of its 3 KMPs amounting to S$3.8 million for FY2026, and also disclosed their identities, roles, and salary bands. See **Exhibit 13** for the details.

Exhibit 13: Cortina Holdings - KMP's Identities and Remuneration Bands (FY2026)

Key Management Personnel (KMP)			
Personnel	Andrew Yuen	Krist Chatikaratana	Alvin Tan
Position	CFO	MD	MD
Personnel	Ong Ban	Sharon Lim	
Position	CEO of Sincere Watch	CEO of Franck Muller	

Number of KMP in Each Band	FY2026
S$1,000,000 to S$1,249,999	1
S$500,000 to S$749,999	4

Source: Cortina's Annual Report FY2026

7.3 Is the Lim Family Paid Too Much?

CML compiled the list of members within Anthony Lim's family and their FY2026 remuneration in **Exhibit 14** below.

Exhibit 14: Total Remuneration for All Members of the Lim Family

Person	Relationship to Founder	Position	FY2026 Remuneration S$
Anthony Lim	Founder	Executive Chairman	4,506,481
Chia Nyok Song*	Spouse	Senior Manager	450,000
Raymond Lim	Son	ED & Group CEO	5,880,979
Jeremy Lim	Son	ED & Group COO	4,108,193
Sharon Lim*	Daughter	CEO of Franck Muller	1,125,000
Jon Lim Jun Shen*	Grandson	Regional GM of Cortina (SEA)	250,000
Zack Lim Jun Kai*	Grandson	Boutique Manager (Sincere)	150,000
Kate Lim*	Granddaughter	Regional MD of Sincere Watch	350,000
		Total	**16,820,653**

*Used mid-point of disclosed remuneration range

Source: Cortina's FY2026 Annual Report

The total remuneration paid to all the family members translates to 1.7% of Cortina's FY2026 revenue, and around 26% of its net profit of S$64.4 million for the same fiscal year.

For comparison, the 2 members of the Tay Family were paid S$6.9 million by THG in FY2026, or just 0.5% of THG's revenue for the fiscal year. Cortina's founding family is being paid more than double of what THG is paying the Tay family in absolute amount, for running a business that makes 60% less profit.

8. CONCLUSION

Cortina is the smaller of the two listed luxury watch retailers, and in aggregate, not as strong as THG. They both operate under the same industry dynamics, and share many practices.

To their credit, both companies have delivered revenue and profit growth over the last 10 years. They have also consistently generated positive free cash flows and delivered respectable ROE. More importantly, they are above average compared to other retailers in many financial metrics.

Cortina, THG and their peers now face the risks arising from a very concentrated luxury watch industry. The top 4 brands are dominating the industry, accounting for 49% of value and 75% of profit pool. This spells a very uncomfortable position for the retailers. Maintenance of relationship with the top brands is now critical. Even that may not be enough. The top brands have started to go direct and may intensify their effort. The retailers may find growth opportunities limited, as the expansion and acquisition of other retailers are subject to the brands' approval.

Disclosures are poor at both companies, which makes even basic analysis like why revenue goes up or down a challenge. Compared to Watches of Switzerland PLC, which is subject to the same constraints, the disclosure gap is glaring. Of all metrics, reliance on the top brands is the most relevant one, and Watches of Switzerland PLC verbally disclosed that Rolex is 50% of revenue. Cortina and THG could do likewise, if their reliance is significantly less, to ease investors' concerns.

Like most other luxury watch retailers, both Cortina and THG are majority family-owned and managed. Given the need to maintain relationship with top brands, this is understandable. Here the two companies diverge. 3 generations of the Lim family are in the management ranks of Cortina while only 2 generations of Tay family are in THG. Putting aside the relative competence of the younger generations of the families, the Lims seem to have signalled continued family management, although there is no clear succession plan. The luxury watch retail industry has seen a number of mergers and acquisitions in recent years prompted by succession issues. Investors deserve to know if the Lim and Tay families intend to continue as independent retailers (and even acquire other retailers), or choose to be acquired.

The last 5 years have seen both Cortina and THG benefitting from a COVID lift, but while THG has posted record profit (aided by revaluation gain), Cortina's net profit is meaningfully below the last peak. Cortina also has half the net margin and slightly lower ROE. More importantly, Cortina has worse inventory metric. This could be due to the minimum purchase requirement for Franck Muller, which suffered year-on-year declines along with other second tier brands, according to a Morgan Stanley report.

With net profit that is 60% below THG's (ex-fair value gains), the Lim family at Cortina took home more than double the remuneration of the Tay family. Even if we only count the top two earners

from each family, Cortina's Anthony and Raymond Lim took home S$10.4 million in FY2026, versus S$6.9 million for Henry and Michael Tay.

Their dividend policies can be better. Cortina has a higher payout ratio, but with a very low basic dividend and a much higher "special" dividend, management could reduce payout at its own discretion. THG's dividend has been erratic, with dividends cut (or not restored) even as the company posted higher profit and cash flow.

On the whole, both companies have delivered strong results for their shareholders, although distributions to the shareholders via dividends and share buybacks are inadequate, in CML's view. The more important question for the shareholders, however, is that the luxury watch industry has fundamentally changed, and the retailers are effectively not so multi-brand. A long-term strategy is called for, but none has provided it. The question is, now that the circumstances have changed, and given the poor disclosures, should investors continue to trust in the Lim and Tay families?

APPENDIX

Appendix 1: History of Cortina Holdings

Cortina Holdings was founded in 1972 by Mr Anthony Lim as a family-run boutique selling luxury watches, with its first outlet in Colombo Court. In 1978, Cortina Watch became the first authorised retailer for Patek Philippe in Singapore, continuing a relationship which began in 1956 when Anthony Lim met Mr Henri Stern and Mr Philippe Stern[6]. By 1982, the Group established its first outlet in Malaysia. Cortina's expansion followed with its entry into Hong Kong in 1993, and Thailand and Taiwan in 2007.

The business was listed on SGX in July 2002, which was also the year that Cortina became an official retailer for Rolex with the launch of its Espace boutique in Kuala Lumpur.

In November 2020, Cortina acquired Sincere Watch, one of Asia's most established watch retailers, for S$84.5 million. This acquisition not only expanded the Group's presence across the region, but also added new brands such as Franck Muller to its portfolio. At the time of acquisition, Sincere operated 18 boutiques and carried brands such as Audemars Piguet, Franck Muller, IWC, Panerai, Omega, and Tudor. Sincere Watch also ran mono-brand boutiques in Singapore, Thailand, Australia, and Malaysia.

[6] The Stern family bought the Company in 1932 during the Great Depression, and its descendants still own the business till today.

Appendix 2: Brands Sold by Cortina Holdings

Rolex	Patek Philippe
Bell & Ross	H Moser & Cie
Blancpain	IWC Schaffhausen
Bovet	Jacob & Co
Breguet	Longines
Breitling	Montblanc
Bvlgari	Norqain
Cartier	Omega
Chopard	Panerai
Corum	Parmigiani Fleurier
Franck Muller	Seiko
Glashutte Original	Singer Reimagined
Grand Seiko	Tudor
Hamilton	Zenith

Appendix 3: History of Sincere Watches

Sincere Watch was founded by the Tay Family (Tay Liam Wee) in 1954 and, like THG and Cortina, was family-run watch retailer. Sincere went public on the Singapore Exchange in 1993 and expanded into the Greater China region. In 2007, Sincere Watch was sold to Hong Kong fashion and luxury watch retailer Peace Mark for S$530 million. However, Peace Mark was heavily indebted as a result of the Sincere Watch and other acquisitions, and in 2008, with the onset of the Global Financial Crisis, its share price collapsed and trading in its shares was suspended. By September 2008, Peace Mark's lenders had withdrawn credit lines, leaving the company insolvent. Without a white knight, Peace Mark was declared bankrupt and liquidators subsequently revealed that the company had faked its profits.

The collapse of Peace Mark allowed Tay Liam Wee to buy back Sincere Watch at S$112.7 million in 2009 with the help of a consortium led by L-Capital, the private equity arm of the LVMH Group. 3 years later in 2012, Sincere Watch was sold once again to businesswoman Pollyanna Chu for S$232 million, with its Hong Kong division carved out and separately listed on the Hong Kong Stock Exchange (HKSE).

Cortina Holdings then scooped up the Singapore arm of Sincere Watches for S$84.5 million. With the acquisition, Cortina doubled its retail network and acquired exclusive rights to distribute Franck Muller in 12 Asian countries, with Franck Muller accounting[7] for more than half of Sincere Watch's sales.

Since its founding, Sincere Watches has seen a grand total of 4 changes in ownership.

[7] Source: https://watchesbysjx.com/2020/11/singapore-cortina-watch-sincere.html

Appendix 4: Rolex's Acquisition of Bucherer

On 24 August 2023, Rolex made the surprise announcement that it was acquiring Bucherer, the world's largest luxury watch retailer. While terms of the acquisition were not disclosed, Rolex revealed that Bucherer accounts for more than 100 sales outlets worldwide, of which 53 distribute the Rolex brand and 48 distribute the Tudor brand. Bucherer is a well-known Swiss watch store founded in 1888 by entrepreneur Carl-Friedrich Bucherer and his wife Luise in Lucerne, Switzerland. Since its founding, Bucherer has grown to become an important player in the global watch industry with its close partnership with Rolex since 1924. The decision to sell Bucherer to Rolex was made by Jörg Bucherer as he had no direct descendants to take over the running of the business.

Rolex was founded by Hans Wilsdorf and Alfred Davis in London in 1905. Over the years, the brand has become a symbol of opulence, craftsmanship, and innovation, with its now-famous models such as Rolex Daytona and Rolex Submariner. Rolex's commitment to excellence and quality has cemented its status as the world's leading luxury watch brand, and it continues to be highly sought-after by watch enthusiasts and collectors.

Post-acquisition, Bucherer will keep its name and continue to independently run its business, with the management team staying intact.

This acquisition has demonstrated Rolex's willingness to acquire a retailer when it saw the risk that the family-run retailer could end up being managed by outsiders.