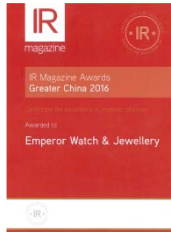




英皇鐘錶珠寶有限公司  
EMPEROR WATCH & JEWELLERY LIMITED  
A Leading Watch & Jewellery Retailer

Company Structure



Shareholding: **Yeung's Family Trust (~53%)** **Public (~47%)**

**Emperor Watch & Jewellery Limited (887.HK)**

Revenue Mix: **Watch Business (~80%)** **Jewellery Business (~20%)**

Authorised dealer of international watch brands

Design and sale of diamond, jade, pearl, gold and other jewellery under **EMPEROR** brand

Competitive Strengths

- Comprehensive watch brand mix
- Wide recognition of **EMPEROR** brand
- Strong presence on prime retail locations
- Diversify synergies effect with group sister companies
- Excellent direct marketing
- Proficient management team



Mr. Martin Lee, Executive Director of Henderson Land Development Co. Ltd (Left)



Mr. Brian Li, Deputy Chief Executive of the Bank of East Asia Limited (Left 1)



Grand Opening of Emperor Jewellery Image Store in Sep 2014

Other Information

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

Watch Business

Comprehensive Brand Mix

**Hong Kong: 27 Dealerships**

Baume & Mercier	Mido
Bedat & Co	Omega
Bell & Ross	Officine Panerai
Blancpain	Parmigiani
Breguet	Patek Philippe
Cartier	Piaget
Certina	Rado
Chopard	Rolex
Franck Muller	Tag Heuer
Girard-Perregaux	Tissot
Hamilton	Tudor
IWC Schaffhausen	Vacheron Constantin
Jaeger-LeCoultre	Zenith
Montblanc	

**Mainland China: 16 Dealerships**

Baume & Mercier (名士)	Omega (歐米茄)
BVLGARI (寶格麗)	Piaget (伯爵)
Carl F. Bucherer (寶齊萊)	Rado (雷達表)
Chopard (蕭邦)	Rolex (勞力士)
Franck Muller (法穆蘭)	Tag Heuer (泰格豪雅)
Girard-Perregaux (芝柏表)	Tudor (帝舵表)
Jaeger-LeCoultre (積家)	Vacheron Constantin (江詩丹頓)
Montblanc (萬寶龍)	Zenith (真力時)

**Singapore: 4 Dealerships**

Cartier
Patek Philippe
Rolex
Tudor

Close Relationship with Watch Brand Suppliers



Mr. Thierry Stern, President of Patek Philippe (Right 2)  
Mr. & Mrs. Philippe Stern, Honorary President of Patek Philippe (Left 3 & 4)



Mr. Daniel Neidhart, Managing Director of Rolex (Hong Kong) Limited (Left 1)



Co-op advertising campaigns with watch brand suppliers

Regional Watch Price Differences

Market	Local Listed Price Against Hong Kong
Hong Kong	-
Macau	-
Mainland China	plus ~20%
Singapore	plus ~5%
Japan	minus ~2-3%
Korea	plus ~5%
Thailand	plus ~5%
Europe	minus ~10%

② The above price differences is mainly attributable by VAT, luxury tax, import tariff, currency exchange rate and regional price difference dictated by watch brand suppliers



Rolex "Day-Date"  
Yellow Gold  
HK\$222,000  
RMB235,500  
SG\$42,180



Cartier "Ballon Bleu"  
Medium Rose Gold  
HK\$341,000  
RMB347,000  
SG\$63,000



Patek Philippe  
"Grand Complications"  
White Gold  
HK\$635,700  
RMB639,700  
SG\$111,900



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EMPEROR WATCH & JEWELLERY LIMITED

Jewellery Business

**Quality Diamond and Jadeite with Design on Premium**

- With focus on quality diamond and fine jadeites among the comprehensive product range, including pearl, colour stones and gold as well, under brand
- Emphasis on skillful craftsmanship, delicate and stylish design

**Stringent Quality and Service Standards**

**Product Quality**

- Assure quality and authenticity of the gem-sets
  - ~ 90% of diamond stones weighting 1ct or above are in upper colour range (i.e. colour D to J)

- >90% of diamond stones weighting 1ct or above are certified by GIA

**Service Standards**

- Emphasis on product knowledge of the staff and professional services to the customers
  - Maintain 1 qualified GIA certificate holder out of 5 jewellery sales executives in HK and Macau
  - Enhance staff development by offering comprehensive training courses covering product knowledge, fashion trends, service standards and servicing skills
  - Advise tips on jewellery care and maintenance
  - Offer comprehensive after-sale services

Recognised as Quality Tourism Services-accredited shop by the Hong Kong Tourism Board

**Charismatic Endless Collections**

- Roll out various signature jewellery collections with unique charisma for brand loyalty
- Recast precious materials in an elegance and excellence with exceptional creations
- Demonstrate feminine appeal with a fine and delicate quality



Emperor Waltz Jewellery Show 2016

**Widely Recognised as a Prestigious Brand**

- Celebrities endorsement on advertisements and advertorials
- Online exposure in popular websites and social media channels
- Collaboration with KOLs & Bloggers



Exposure on social media platforms



Mother's Day social media campaign



Social media engagement featuring Heartbeat "#LoveSecret" Collection



Attained "Hong Kong Service Awards 2017 - Luxury Watch Retailer" from East Week



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

## Financial Summary

### Financial Review

HK\$ million	FY2015	FY2016	1H2016	1H2017	YOY Changes
Revenue	4,431	3,642	1,675	1,827	+ 9.1%
Gross Profit	1,106	909	417	487	+ 16.8%
<i>Gross Profit Margin</i>	25.0%	25.0%	24.9%	26.7%	+ 1.8pp
Earnings/(Loss) BITDA	(53)	(1.8)	(39)	61	+ 256.4%
<i>Earnings/(Loss) BITDA Margin</i>	(1.2)%	(0.1)%	(2.3)%	3.3%	+ 5.6pp
Net Profit/(Loss)	(120)	(65)	(69)	39	+ 156.5%
<i>Net Profit/(Loss) Margin</i>	(2.7)%	(1.8)%	(4.1)%	2.1%	+ 6.2pp
Basic EPS/(LPS) (HK Cents)	(1.74)	(0.94)	(1.00)	0.57	+ 157.0%

Emperor W&J declared an interim dividend of HK0.17 cent per share for the six months ended 30 June 2017.

### Revenue Breakdown

Total Revenue	FY2015		FY2016		1H2016		1H2017		Changes
	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	(%)
<b>By Product Segment</b>									
Watch	3,541	80	2,857	78	1,343	80	1,470	80	+ 9.5
Jewellery	890	20	785	22	332	20	357	20	+ 7.5
<i>Diamond &amp; Jade</i>	588	13	467	13	200	12	206	11	+ 3.0
<i>Others*</i>	302	7	318	9	132	8	151	9	+ 14.4
<b>Total</b>	<b>4,431</b>	<b>100</b>	<b>3,642</b>	<b>100</b>	<b>1,675</b>	<b>100</b>	<b>1,827</b>	<b>100</b>	<b>+ 9.1</b>
<b>By Geographical Segment</b>									
HK	3,457	78	2,797	77	1,258	75	1,336	73	+ 6.2
Macau	287	7	211	6	102	6	105	6	+ 2.9
China	414	9	373	10	181	11	212	11	+ 17.1
Singapore	273	6	261	7	134	8	174	10	+ 29.9
<b>Total</b>	<b>4,431</b>	<b>100</b>	<b>3,642</b>	<b>100</b>	<b>1,675</b>	<b>100</b>	<b>1,827</b>	<b>100</b>	<b>+ 9.1</b>

\*Others represent color stones, pearl and gold jewellery.



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EMPEROR WATCH & JEWELLERY LIMITED

## Financial Summary

### Volume VS ASP

		FY2015	FY2016	1H2016	1H2017
Watch	No. of Goods Sold (pcs)	48,306	35,789	17,112	17,456
	ASP (HK\$)	\$73,305	\$79,821	\$78,489	\$84,228
Jewellery (Diamond and Jade)	No. of Goods Sold (pcs)	24,501	24,850	11,775	12,241
	ASP (HK\$)	\$24,003	\$18,808	\$16,990	\$16,853
Jewellery (Others*)	No. of Goods Sold (pcs)	75,416	84,306	40,697	40,282
	ASP (HK\$)	\$4,000	\$3,769	\$3,236	\$3,741

\*Others represent color stones, pearl and gold jewellery.

### Key Performance Indicators

	FY2015	FY2016	1H2016	1H2017
Same Store Sales* (Overall)	- 28.1%	- 14.2%	- 27.1%	+ 8.8%
Same Store Sales* (HK)	- 28.8%	- 13.2%	- 26.0%	+ 8.2%
Store Rental / Total Revenue	15.2%	12.9%	14.7%	11.9%
Store Staff Cost / Total Revenue	4.2%	4.8%	5.0%	4.9%
Marketing Cost / Total Revenue	0.7%	0.6%	0.7%	0.4%
	YE2015	YE2016	PE2016	PE2017
Gearing Ratio (Debts/Total Assets)	Nil	Nil	Nil	Nil
Gearing Ratio (Debts/Total Equity)	Nil	Nil	Nil	Nil
Stock Turnover Days	353 days	354 days	425 days	368 days
Inventory (HK\$)	\$3,219m	\$2,647m	\$2,935m	\$2,725m
Cash on Hand (HK\$)	\$810m	\$1,324m	\$1,022m	\$1,426m
Debts (HK\$)	Nil	Nil	Nil	Nil

\*Same Store Sales represents the % change of total sales of the comparable stores year-on-year.



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

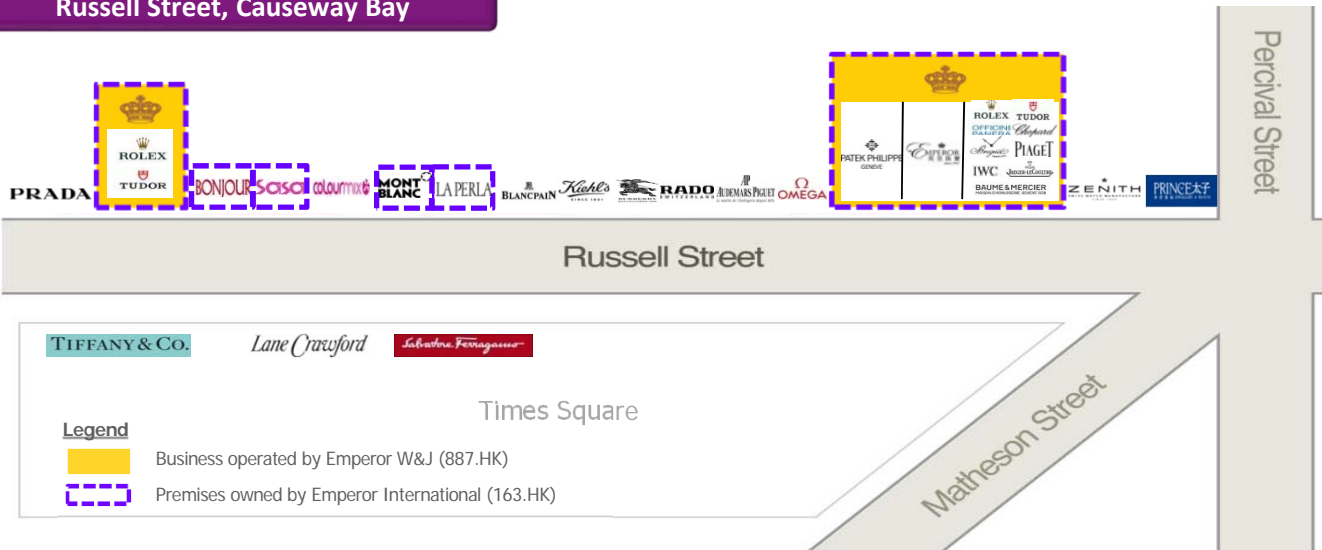
Retail Network Covering HK, Macau, Mainland China and Further Extends to Singapore

As at 30 Jun 2017

	Stores				Floor Area (Net)	
	Single-brand Watch Only	Multi-brand Watch with/without Jewellery	Jewellery Only	Total	Total (sq. ft.)	Average (sq. ft.)
Hong Kong	7	7	7	21	90,180	4,294
Macau	2	2	3	7	7,994	1,142
Mainland China	14	4	40	58	45,160	779
Singapore	4	-	2	6	4,988	831
<b>Total</b>	<b>27</b>	<b>13</b>	<b>52</b>	<b>92</b>	<b>148,322</b>	<b>1,612</b>

Strong Presence on Prime Retail Locations

Russell Street, Causeway Bay



Canton Road, Tsimshatsui








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

Future Strategies

2017 Store Expansion Plan

Opening Date		Shop Details	
 <b>Hong Kong</b>			
1	Sep 2017	<i>Jewellery shop</i> at G/F, No. 155 Castle Peak Road, Yuen Long	 Tentative shop layout
2	Nov 2017	<i>Jewellery shop</i> at Citywalk, 1 Yeung Uk Rd, Tsuen Wan	
3	Nov 2017	<i>Jewellery shop</i> at Park Central, 9 Tang Tak Street, Tseung Kwan O	
 <b>Mainland China</b>			
4	Jan 2017	<i>Rolex boutique</i> at Shop LG-017/41F-019a, Paradise Walk, No. 8 Yanghe Road, Jiangbei District, Chongqing (CQC)	
5	Apr 2017	<i>Jewellery shop</i> at 2/F, Parkson Department Store, No. 918 Huaihai Middle Road, Huangpu District, Shanghai (H33)	
6	Sep 2017	<i>Jewellery shop</i> at Matro Shopping Mall, No. 211 Changjiang Road, Gaoxin District, Suzhou, Jiangsu	
7	Dec 2017	<i>Rolex boutique</i> at Shop L315, Level 3, Chongqing International Financial Square, Jiangbei District, Chongqing	

(-) represents internal shop number



Emperor Jewellery Image Store at 1881 Heritage, Canton Road, Tsimshatsui



Rolex Boutique at Russell Street, Causeway Bay



Multi-Watch Store at Russell Street, Causeway Bay



Multi-Watch Flagship Store at Queen's Road Central



Patek Philippe Independent Corner and Emperor Jewellery Store at iSQUARE, Nathan Road, Tsimshatsui



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EMPEROR WATCH & JEWELLERY LIMITED

## Future Strategies

### Enhance Jewellery Business

- 👑 **Expand jewellery business to enhance overall profit margin performance**
  - Increase the sales capacity by rolling out numerous collections on regular basis and direct marketing events
  - Target to achieve 50% of the overall revenue in medium to long term
- 👑 **Reinforce brand positioning**
  - Position “**Emperor Jewellery**” as affordable luxury
  - Implement brand building exercise
  - Enhance brand exposure by participating in regional/international fashion and jewellery shows
- 👑 **Deepen market penetration**
  - Continue to execute organic store expansion plan
  - Revamp stores and create fresh counters (e.g. jade corner, bridal corner) to enhance shoppers’ experience and enable effective customer segmentation
- 👑 **Identify e-commerce opportunities**
  - Seek to operate e-commerce through online shopping platforms (e.g. WeChat Mall) to capture massive potentials of internet and mobile users
  - Enhance brand visibility on various websites to draw target customers from online to offline
  - Expand user database for analysing customer demographics and formulating effective product strategy



Baby Collection, 2015



Crown Your Life 12+1 Collection, 2017



Heartbeat Collection, 2014-2015



Crown Your Dream Collection, 2015



Starry Collection, 2013



Byzance de Emperor Collection, 2015



Timeless is Now Collection, 2014

