



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

A Leading Watch & Jewellery Retailer



Company Structure



Competitive Strengths

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



Other Information

Analyst Contacts

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Watch Business

Comprehensive Brand Mix

Hong Kong: 25 Dealerships

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

Mainland China: 7 Dealerships

- Baume & Mercier (名士)
- Carl F. Bucherer (寶齊萊)
- Franck Muller (法穆蘭)
- Piaget (伯爵)
- Rolex (勞力士)
- Tudor (帝舵表)
- Zenith (真力時)

Singapore: 7 Dealerships

- Blancpain
- Breguet
- Cartier
- Corum
- 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); Mr. Eric Pirson, Director of MONTRES TUDOR S.A (Left 2)



Mr. Brahim Drissi, General Manager, Rolex Guangzhou Co. Ltd. (Right 1)



Ms. Chabi Nouri, CEO of Piaget (Left)



Mr. Stephan Ritzmann, CEO of Chopard Asia-Pacific Region (Left 2)



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 10% or more
Singapore	plus ~5%
Malaysia	-
Japan	plus ~5%
Korea	plus ~5%
Thailand	plus ~5%
Europe	minus ~5%

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\$289,100
RMB289,100
SGD51,150



Cartier "Ballon Bleu" Medium Rose Gold
HK\$303,000
RMB283,800
SGD54,500



Patek Philippe "Grand Complications" Rose Gold
HK\$717,200
RMB756,100
SGD131,700




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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

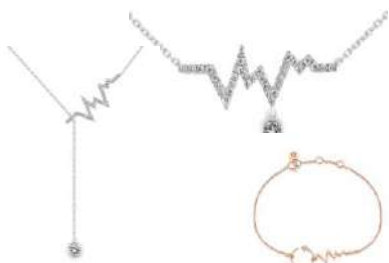
- Emphasis on product knowledge of the staff and professional services to the customers
 - Maintain 1 qualified GIA certificate holder out of 5 jewellery sales executives in HK and Macau
 - Well-trained staff who possess professional product knowledge and provide excellent customer services
 - Advise tips on jewellery care and maintenance
 - Offer comprehensive after-sale services



Recognised as Quality Tourism Services-accredited shop by HKTB

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



Heartbeat Collection



Sunray Collection



Nuò by Cindy Yeung High Jewellery



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



Joey Yung Featuring Heartbeat Collection



Kathy Tong & Carlos Chan featuring One Vow Two Love Collection



Hins Cheung Featuring Sunray Collection



Instagram



Facebook

Exposure on social media platforms



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Financial Summary

Financial Review

HK\$ million	FY2019	FY2020	FY2021	YOY Changes
Revenue	4,110	2,627	3,927	+ 49.5%
Gross Profit	1,264	840	1,230	+ 46.4%
Gross Profit Margin	30.8%	32.0%	31.3%	- 0.7pp
Adjusted EBITD*	268	160	365	+ 128.1%
Net Profit	90	34	205	+ 502.9%
Basic Earnings Per Share (HK Cents)	1.33	0.50	3.02	+ 504.0%

* Adjusted EBITD represents earnings before interest, tax and depreciation charge on the self-owned flagship store, which reflects the Group's core operating performance. The Group has fully adopted the HKFRS16, which amortization of right-of-use assets associated with rental lease agreements were included.

Emperor W&J recommended the payment of a final dividend of HK0.35 cent (FY2020: HK0.15 cent) per share. Together with the interim dividend of HK0.55 cent (FY2020: Nil) per share, the total dividends per share for the FY2020 are HK0.9 cent (FY2020: HK0.15 cent).

Revenue Breakdown

Total Revenue	FY2019		FY2020		FY2021		Changes (%)
	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	
By Product Segment							
Watch	3,158	77	2,056	78	3,269	83	+ 59.0
Jewellery	952	23	571	22	658	17	+ 15.2
Diamond & Jade	402	10	189	7	202	5	+ 6.9
Others*	550	13	382	15	456	12	+ 19.4
Total	4,110	100	2,627	100	3,927	100	+ 49.5
By Geographical Segment							
HK	2,760	67	1,257	48	1,739	45	+ 38.3
Macau	305	7	161	6	373	9	+ 131.7
Mainland China	561	14	783	30	1,228	31	+ 56.8
Southeast Asia**	484	12	426	16	587	15	+ 37.8
Total	4,110	100	2,627	100	3,927	100	+ 49.5

* Others represent color stones, pearl and gold jewellery

** Southeast Asia includes Singapore and Malaysia



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Financial Summary

Volume VS ASP

		FY2019	FY2020	FY2021
Watch	No. of Goods Sold (pcs)	36,742	21,213	32,507
	ASP (HK\$)	\$85,958	\$96,929	\$100,561
Jewellery (Diamond and Jade)	No. of Goods Sold (pcs)	20,699	10,892	10,909
	ASP (HK\$)	\$19,440	\$17,369	\$18,558
Jewellery (Others*)	No. of Goods Sold (pcs)	115,877	92,834	104,480
	ASP (HK\$)	\$4,742	\$4,107	\$4,369

* Others represent color stones, pearl and gold jewellery

Key Performance Indicators

	FY2019	FY2020	FY2021
Same Store Sales* (Overall)	- 17.3%	- 36.6%	+ 41.9%
Same Store Sales* (HK)	- 27.1%	- 57.2%	+ 46.7%
Store Rental / Total Revenue	9.5%	11.4%	8.9%
Store Staff Cost / Total Revenue	5.8%	5.6%	5.7%
Marketing Cost / Total Revenue	0.6%	0.5%	0.4%
	YE2019	YE2020	YE2021
Inventory (HK\$)	\$3,148m	\$3,030m	\$2,711m
Stock Turnover Days	404 days	619 days	367 days
Cash on Hand (HK\$)	\$240m	\$405m	\$556m
Debts (HK\$)	\$791m	\$639m	\$165m
Net Gearing Ratio (Net Debts/NAV)	12.3%	5.1%	Zero**

* Same Store Sales represents the percentage change of total sales of the comparable stores year-on-year

** As the Group was in a net cash position, hence its net gearing ratio was zero



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Retail Network

Retail Network Covering Hong Kong, Macau, Mainland China, Singapore and Malaysia

	@31 Dec 2021					
	No. of stores				Floor Area	
	Multi-brand Watch Shop with/without Jewellery	Single-brand Watch Boutique	Emperor Jewellery Store	Total	Total (sq. ft.)	Average (sq. ft.)
Hong Kong	8	6	16	30	77,552	2,585
Macau	2	1	2	5	9,451	1,890
Mainland China	1	8	46	55	46,031	837
Singapore	2	5	1	8	6,333	792
Malaysia	-	-	1	1	2,000	2,000
Total	13	20	66	99	141,367	1,428



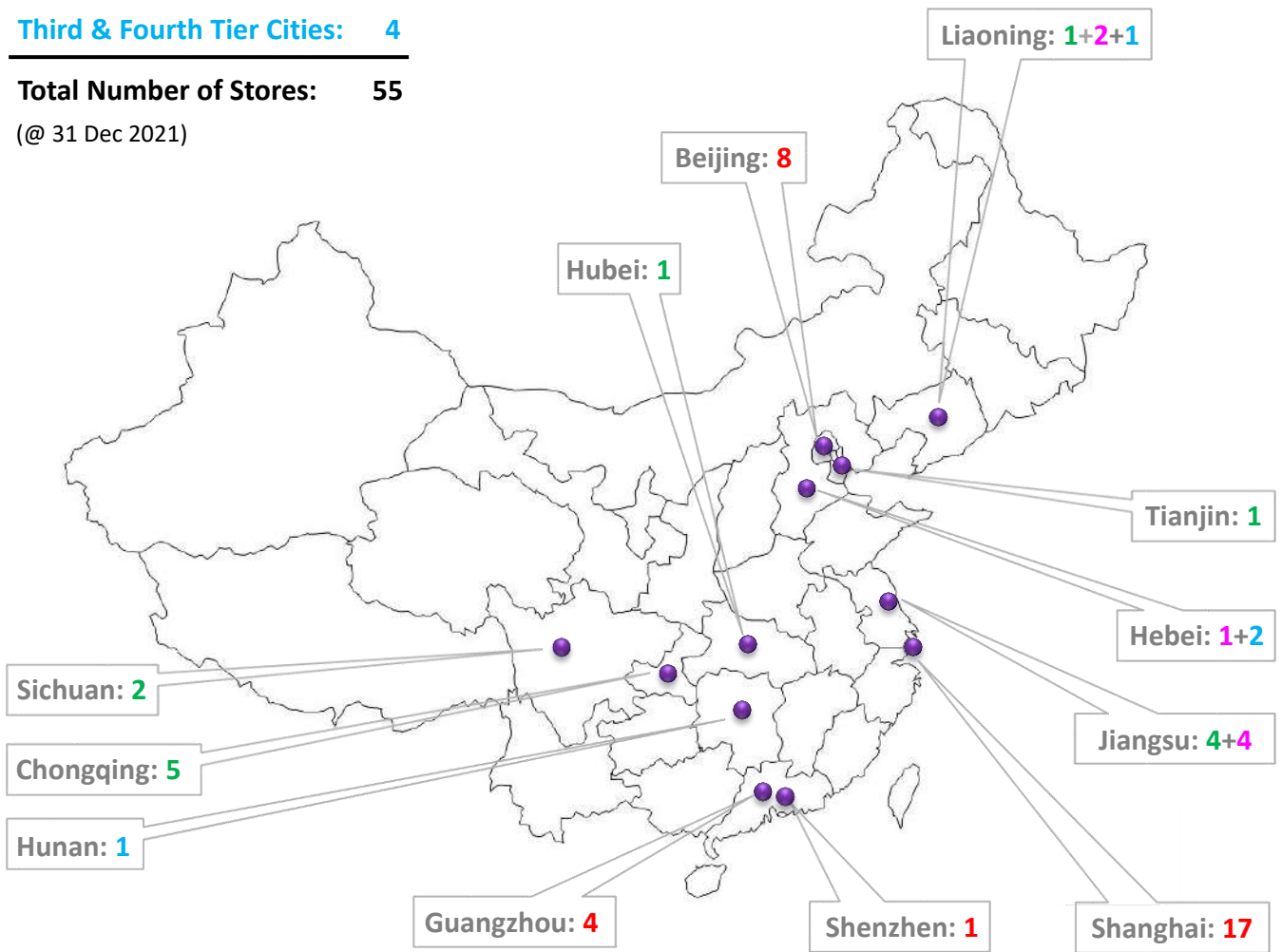


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Retail Network

Strategic Coverage in Mainland China

First Tier Cities: 30
New First Tier Cities: 14
Second Tier Cities: 7
Third & Fourth Tier Cities: 4
Total Number of Stores: 55

(@ 31 Dec 2021)



2022 Store Expansion Plan

Opening Date	Shop Details
 Mainland China	
1 2Q 2022	<i>Rolex & Tudor Boutique</i> – Shanghai International Finance Centre



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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 to enhance shoppers’ experience and enable effective customer segmentation



Identify e-commerce opportunities

- Seek to operate e-commerce through online shopping platforms (e.g. HKTV Mall, Zalora, Tmall, jd.com) 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



jd.com



Tmall



Emperor Jewellery X Joey Yung
Heartbeat Collection, 2018



Sunray Collection, 2019



Nuò by Cindy Yeung High Jewellery, 2021



Valentine's Day Collection, 2022



Blessings Collection, 2020-2021



Chinese Wedding Fine Gold Collection, 2020



One Vow Two Love Collection, 2020