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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)

2022 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “Board” or “Directors”) of Emperor Watch & Jewellery Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2022 (the “Period”).

FINANCIAL SUMMARY		
<i>HK\$ million (unaudited)</i>	For the six months ended 30 June	
	2021	2022
Revenue	2,071	1,646
Gross profit	638	525
<i>Gross profit margin</i>	30.8%	31.9%
Adjusted EBITD*	218	154
Net profit	132	86
Basic earnings per share	HK1.95 cents	HK1.27 cents
Interim dividend per share	HK0.55 cent	HK0.38 cent
* 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 amortisation of right-of-use assets associated with rental lease agreements were included.		

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Due to the Covid-19 pandemic resurging to varying extents across the region spanning Hong Kong, Macau and mainland China during the Period, the general consumption sentiment was inevitably affected, and hence the Group's total revenue decreased to HK\$1,645.6 million (2021: HK\$2,071.0 million). Revenues from mainland China and Hong Kong were HK\$431.6 million (2021: HK\$704.7 million) and HK\$769.9 (2021: HK\$857.9 million), respectively, accounting for 26.2% (2021: 34.0%) and 46.8% (2021: 41.4%) of the total revenue. In terms of revenue by product segment, the sales revenue from watch and jewellery segments was HK\$1,353.8 million (2021: HK\$1,746.6 million) and HK\$291.8 million (2021: HK\$324.4 million), respectively, accounting for 82.3% (2021: 84.3%) and 17.7% (2021: 15.7%) of the total revenue.

Gross profit was HK\$524.8 million (2021: HK\$637.5 million) while gross profit margin was 31.9% (2021: 30.8%). As a result of the revenue decline, the Group's net profit decreased to HK\$85.9 million (2021: HK\$132.2 million) during the Period. Basic earnings per share was HK1.27 cents (2021: HK1.95 cents). The Board has declared an interim dividend of HK0.38 cent (2021: HK0.55 cent) per share.

BUSINESS REVIEW

The Group is a leading retailer of European-made internationally renowned watches, together with self-designed fine 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, mainland China, Singapore and Malaysia, as well as several online shopping platforms. With a history of 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.

Presence in Prime Retail Locations

As at 30 June 2022, the Group had 87 stores in Hong Kong, Macau, mainland China, Singapore and Malaysia. The distribution was as follows:

	Number of stores
Hong Kong	24
Macau	5
Mainland China	49
Singapore	8
Malaysia	1
Total	87

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, particularly in Hong Kong and mainland China. Within mainland China, approximately 80% of its stores are located in first tier and new first tier cities, which fits the Group’s customer targeting and market positioning. The Group also successfully expanded its presence in Singapore and Malaysia, to enhance its footprint and brand exposure beyond Greater China.

Subsequent to the Period, the Group newly opened one jewellery store in Hong Kong, as well as one jewellery store and one Rolex store in mainland China. The Group has established a stores rollout plan, focusing on jewellery stores in the residential areas of Hong Kong and prominent cities of mainland China, for the remainder of this year.

Solidifying Leading Position

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 actively participates in co-marketing campaigns and events with brands, highlighting new products and connecting the customers in a personalised way.

Enhancing the Jewellery Business

The Group offers premium quality “*Emperor Jewellery*” products with a dedication to design excellence and craftsmanship. The spectacular “*Emperor Jewellery*” features a variety of precious gem stones with a key focus on diamonds and jadeites. “*Emperor Jewellery*” unveils unique collections of exquisite designs that embrace and nurture different clusters of customers.

During the Period, the Group launched two new contemporary collections — *Dashing Aura*, which is a fashionable, 999 pure gold collection that is crafted with cutting-edge 5G technology, with “5G” standing for Gutsy (in hardness), Glorious (in style), Graceful (in shape), Genius (in craftsmanship), Gentle (in purity of gold). *The Spotlight* features two distinctive craftsmanship techniques. One can be seen in pendants and earrings incorporating a central statement diamond encircled by 9 smaller diamonds, which make the central stone sparkle and shine like a starlet under the spotlight. The other technique employs a base with diamond-like cuts to diffuse light and create the illusion of bigger and shinier diamonds; and features bangles, bracelets, pendants and earrings.

To strengthen engagements with local customers, the Group launched many promotional events during the Period.

PROSPECTS

Though the operating environment remained challenging given the gloom of the Covid-19 pandemic, the Group is expecting a steady rebound resulting from the gradual easing of social distancing measures, and the relaxation of travel restrictions and quarantine requirements for inbound travellers. This particularly applies to the Hong Kong market — as the local economy, including the labour market, has shown signs of improvement. Coupled with the rolling out of consumption vouchers in August, the Group will benefit from the rebound in traffic flows.

Subsequent to the Period, the easing of the pandemic in mainland China provided positive support for market recovery. In tandem with the expansion of the middle-income group and the release of the strong pent-up demand, the Group believes that the mainland China market will be an important driver of the Group's business growth. The Group will reinforce the retail network and business operations through cautious expansion, in order to expand its footprint in mainland China.

As consumer behaviour has been reshaped during the pandemic, the Group will keep a watchful eye on the market changes and continue enhancing its online sales platforms, while showcasing and promoting its products on mobile apps or through social media engagement. In parallel, the Group will promptly react to market changes and implement a prudent financial and capital management policy for enhancing operating efficiency, aiming to strengthen the Group's competitive strength and ability to adapt to changes in the market.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

Bank balances and cash on hand of the Group as at 30 June 2022 was HK\$609.0 million (31 December 2021: HK\$556.3 million), which were mainly denominated in Hong Kong dollars and Renminbi. As at 30 June 2022, the Group had total bank borrowings of approximately HK\$36.4 million (31 December 2021: HK\$165.5 million) and was in a net cash position, hence its net gearing ratio (calculated on the basis of bank borrowings less cash and cash equivalents over net asset value) was zero (31 December 2021: zero). The Group also had available unutilised banking facilities of approximately HK\$942.9 million.

As at 30 June 2022, the Group's current assets and current liabilities were approximately HK\$3,380.1 million (31 December 2021: HK\$3,435.6 million) and HK\$429.1 million (31 December 2021: HK\$535.4 million), respectively. Current ratio and quick ratio of the Group were 7.9 (31 December 2021: 6.4) and 1.8 (31 December 2021: 1.4), respectively.

In view of the Group's financial position as at 30 June 2022, the Directors considered that the Group had sufficient working capital for its operations and future development plans.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, the Group had 633 salespersons (2021: 712) and 180 office staff (2021: 155). Total staff costs (including Directors' remuneration) were approximately HK\$128.3 million (2021: HK\$137.3 million) for the Period. Each employee's remuneration was determined in accordance with individual's responsibilities, 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 incentives or rewards to the staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed "Share Options" of the Company's interim report.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK0.38 cent per share ("Interim Dividend") (2021: HK0.55 cent) for the Period, amounting to approximately HK\$25,762,000 (2021: HK\$37,287,000). The Interim Dividend will be payable on 28 September 2022 (Wednesday) to shareholders whose names appear on the register of members of the Company on 16 September 2022 (Friday).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the Interim Dividend, from 15 September 2022 (Thursday) to 16 September 2022 (Friday) (both days inclusive), during which period no transfer of shares will be registered.

In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 14 September 2022 (Wednesday).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Revenue	3	1,645,564	2,070,957
Cost of sales		<u>(1,120,789)</u>	<u>(1,433,453)</u>
Gross profit		524,775	637,504
Other income		5,244	3,260
Selling and distribution expenses		(363,136)	(416,579)
Administrative expenses		(58,145)	(52,801)
Other gains or losses		(812)	1,409
Finance costs		<u>(3,665)</u>	<u>(10,013)</u>
Profit before taxation	4	104,261	162,780
Taxation	5	<u>(18,329)</u>	<u>(30,581)</u>
Profit for the period		<u>85,932</u>	<u>132,199</u>
Other comprehensive (expense) income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		<u>(17,940)</u>	<u>27,429</u>
Total comprehensive income for the period attributable to owners of the Company		<u><u>67,992</u></u>	<u><u>159,628</u></u>
Earnings per share – Basic	7	<u><u>HK1.27 cents</u></u>	<u><u>HK1.95 cents</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

		As at	
		30 June 2022	31 December 2021
		(unaudited)	(audited)
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		1,561,422	1,615,723
Right-of-use assets		286,520	207,527
Rental deposits		90,035	85,765
Deposits paid for acquisition of property, plant and equipment		3,983	504
Deferred tax assets		5,103	5,103
		<u>1,947,063</u>	<u>1,914,622</u>
Current assets			
Inventories		2,626,339	2,710,757
Right to returned goods asset		1,553	1,553
Receivables, deposits and prepayments	8	142,622	166,226
Amounts due from related companies		565	753
Bank balances and cash		609,015	556,344
		<u>3,380,094</u>	<u>3,435,633</u>
Current liabilities			
Payables and accrued charges	9	132,519	150,137
Lease liabilities		190,654	160,343
Contract liabilities		15,167	18,653
Refund liabilities		2,204	2,204
Amounts due to related companies		7,183	2,122
Taxation payable		44,941	36,455
Bank borrowings	10	36,432	165,452
		<u>429,100</u>	<u>535,366</u>
Net current assets		<u>2,950,994</u>	<u>2,900,267</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*At 30 June 2022*

	As at	
	30 June	31 December
	2022	2021
	(unaudited)	(audited)
<i>Notes</i>	HK\$'000	HK\$'000
Non-current liabilities		
Deferred tax liabilities	3,005	2,988
Lease liabilities	129,998	91,111
	<u>133,003</u>	<u>94,099</u>
Net assets	<u>4,765,054</u>	<u>4,720,790</u>
Capital and reserves		
Share capital	3,484,152	3,484,152
Reserves	1,280,902	1,236,638
Total equity	<u>4,765,054</u>	<u>4,720,790</u>

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosures required under Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Companies Ordinance (“CO”).

The financial information relating to the year ended 31 December 2021 that is included in this preliminary announcement of interim results 2022 does not constitute the Company’s statutory annual consolidated financial statements for the year but is derived from those financial statements. Further information relating to these statutory financial statements required is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the CO.

The Company’s auditor has reported on those financial statements. The auditor’s report was 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. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	References to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents sales of products to retail customers and 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 commission income, revenue is recognised when it expects to be entitled in exchange for arranging for the specified goods provided by the other party to the customers at the retail shop.

All revenue are recognised at a point in time.

Information reported to the chief operating decision maker (“CODM”), the Executive Director and Chief Executive 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 Peoples’ 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.

3. REVENUE AND SEGMENT INFORMATION (Continued)

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

For the six months ended 30 June 2022

	Hong Kong (unaudited) HK\$'000	Macau (unaudited) HK\$'000	PRC (unaudited) HK\$'000	Other regions in Asia Pacific (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Consolidated (unaudited) HK\$'000
Revenue						
External sales	766,241	121,440	431,567	322,100	-	1,641,348
Inter-segment sales*	17,192	18,576	-	-	(35,768)	-
Commission income	3,696	520	-	-	-	4,216
	<u>787,129</u>	<u>140,536</u>	<u>431,567</u>	<u>322,100</u>	<u>(35,768)</u>	<u>1,645,564</u>
* Inter-segment sales are charged at cost						
Segment profit	<u>72,718</u>	<u>17,640</u>	<u>56,752</u>	<u>60,191</u>	<u>-</u>	207,301
Unallocated other income						5,244
Unallocated corporate expenses						(103,807)
Unallocated other gains or losses						(812)
Unallocated finance costs						<u>(3,665)</u>
Profit before taxation						<u>104,261</u>

3. REVENUE AND SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2021

	Hong Kong (unaudited) HK\$'000	Macau (unaudited) HK\$'000	PRC (unaudited) HK\$'000	Other regions in Asia Pacific (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Consolidated (unaudited) HK\$'000
Revenue						
External sales	857,864	224,324	704,701	283,992	–	2,070,881
Inter-segment sales*	69,755	12,347	–	–	(82,102)	–
Commission income	52	24	–	–	–	76
	<u>927,671</u>	<u>236,695</u>	<u>704,701</u>	<u>283,992</u>	<u>(82,102)</u>	<u>2,070,957</u>
* Inter-segment sales are charged at cost						
Segment profit	<u>67,742</u>	<u>35,032</u>	<u>119,593</u>	<u>44,220</u>	<u>–</u>	266,587
Unallocated other income						3,260
Unallocated corporate expenses						(98,463)
Unallocated other gains or losses						1,409
Unallocated finance costs						<u>(10,013)</u>
Profit before taxation						<u>162,780</u>

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies stated in the unaudited condensed 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.

4. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging (crediting):		
Cost of inventories included in cost of sales (included allowance for inventories of HK\$2,534,000) (2021 interim: allowance for inventories of HK\$7,074,000)	1,117,476	1,431,514
Depreciation of property, plant and equipment		
– retail shops	59,560	61,006
– offices	2,899	2,976
	62,459	63,982
Depreciation of right-of-use assets		
– retail shops	111,460	121,259
– offices	5,271	5,824
	116,731	127,083
Staff costs including Directors' remuneration		
– salaries and other benefits costs	115,532	125,588
– retirement benefits scheme contributions	12,719	11,690
	128,251	137,278
Included in other gains or losses:		
Loss on disposal/write-off of property, plant and equipment	415	659
Gain arising from leases modification	(58)	–
Net exchange losses (gains)	455	(2,068)
	812	(1,409)

5. TAXATION

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
The tax charge comprises:		
Profits tax:		
Macau	1,593	3,825
PRC	6,766	19,302
Singapore	9,970	7,454
	<u>18,329</u>	<u>30,581</u>
Deferred taxation	<u>-</u>	<u>-</u>
	<u>18,329</u>	<u>30,581</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 condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

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

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 periods.

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

Malaysia Income Tax is calculated at 24% of the estimated assessable profits for both periods. No provision for Malaysia Income Tax has been made as the Company's subsidiary did not have any assessable profit arising from Malaysia for both periods.

6. DIVIDENDS

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend declared: HK0.38 cent (2021: HK0.55 cent) per share	<u>25,762</u>	<u>37,287</u>
2021 final dividend paid: HK0.35 cent (2020: HK0.15 cent) per share	<u>23,728</u>	<u>10,169</u>

The Board has declared an interim dividend of HK0.38 cent per share for the financial year ending 31 December 2022 (2021: HK0.55 cent), amounting to HK\$25,762,000 (2021: HK\$37,287,000).

7. EARNINGS PER SHARE – BASIC

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

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings		
Earnings for the period attributable to owners of the Company for the purpose of basic earnings per share	<u>85,932</u>	<u>132,199</u>
	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	<u>6,779,458,129</u>	<u>6,779,458,129</u>

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

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at	
	30 June 2022 (unaudited) HK\$'000	31 December 2021 (audited) HK\$'000
Trade receivables from contracts with customers	48,863	54,589
Less: Allowance for credit losses	<u>(569)</u>	<u>(585)</u>
	48,294	54,004
Other receivables, deposits and prepayments	77,910	96,531
PRC Value-Added Tax (“VAT”) recoverable	<u>16,418</u>	<u>15,691</u>
	<u><u>142,622</u></u>	<u><u>166,226</u></u>

As at 1 January 2021, trade receivable from contracts with customers amounted to HK\$63,830,000.

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 30 June 2022 were advance payments to suppliers of HK\$15,980,000 (31 December 2021: HK\$13,814,000) and rebate receivables of HK\$16,703,000 (31 December 2021: HK\$37,297,000). 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:

	As at	
	30 June 2022 (unaudited) HK\$'000	31 December 2021 (audited) HK\$'000
Within 30 days	46,766	51,939
31 – 60 days	197	1,222
61 – 90 days	289	200
over 90 days	<u>1,611</u>	<u>1,228</u>
	<u><u>48,863</u></u>	<u><u>54,589</u></u>

Included in the trade receivables balance were receivables from department stores with aggregate carrying amount of HK\$1,495,000 (31 December 2021: HK\$636,000) which are past due at the reporting date for which the Group has not provided for impairment loss.

9. PAYABLES AND ACCRUED CHARGES

	As at	
	30 June 2022 (unaudited) HK\$'000	31 December 2021 (audited) HK\$'000
Trade payables	47,634	51,394
Other payables and accrued charges	82,916	96,776
Singapore Goods and Services Tax payables	1,949	1,909
PRC VAT payables	20	58
	<u>132,519</u>	<u>150,137</u>

Included in other payables and accrued charges as at 30 June 2022 were accrued bonus and incentive of HK\$9,393,000 (31 December 2021: HK\$16,605,000) and accrued renovation costs of HK\$22,005,000 (31 December 2021: HK\$30,642,000).

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

	As at	
	30 June 2022 (unaudited) HK\$'000	31 December 2021 (audited) HK\$'000
Within 30 days	46,914	48,716
31 – 60 days	477	2,442
61 – 90 days	93	29
Over 90 days	150	207
	<u>47,634</u>	<u>51,394</u>

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

10. BANK BORROWINGS

	As at	
	30 June 2022 (unaudited) HK\$'000	31 December 2021 (audited) HK\$'000
The carrying amounts of bank loans that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	18,041	18,041
Within a period of more than one year but not exceeding two years	18,391	18,041
Within a period of more than two years but not exceeding five years	<u>–</u>	<u>129,370</u>
	<u>36,432</u>	<u>165,452</u>
Less: Amounts due within one year shown under current liabilities	<u>(36,432)</u>	<u>(165,452)</u>
Amounts shown under non-current liabilities	<u><u>–</u></u>	<u><u>–</u></u>

The bank borrowings carry floating interest rate ranged from 0.5% to 1.11% over Hong Kong Interbank Offered Rate (31 December 2021: from 0.50% to 1.14%) per annum.

The Group had pledged a property with carrying amount of HK\$1,473,048,000 (31 December 2021: HK\$1,518,711,000) to secure banking facilities granted to the Group. In addition, corporate guarantee was also issued in favour of the banks by the Company and its subsidiary to secure banking facilities granted to the Group.

REVIEW OF INTERIM RESULTS

These condensed consolidated interim financial statements of the Group for the Period had not been reviewed nor audited by the Company's auditor, Deloitte Touche Tohmatsu (Registered Public Interest Entity Auditor), but had been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all the code provisions as set out in the Corporate Governance Code under Appendix 14 of the Listing Rules throughout the Period.

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 10 of the Listing Rules regarding Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"). Having made specific enquiry to the Directors, all of them confirmed that they had complied with the required standard of dealings in EWJ Securities Code throughout the Period.

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 Period.

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 Period.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

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

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

Hong Kong, 30 August 2022

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

Executive Directors:

Ms. Cindy Yeung
Mr. Ng Koon Keung, Ricky
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-Executive Directors:

Ms. Chan Sim Ling, Irene
Mr. Liu Hing Hung
Ms. Chan Wiling, Yvonne