



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

A Leading Watch & Jewellery Retailer

Company Structure

Shareholding:

Emperor Group (~63%)

Public (~37%)

Emperor Watch & Jewellery Limited (887.HK)



Revenue Mix:

Watch Business
(82%)

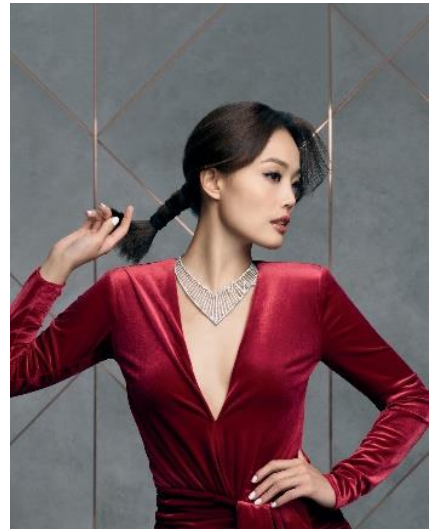
Jewellery Business
(18%)

Authorised dealer of
international
watch brands

Design and sale of diamond,
gem stone, jade, pearl, pure
gold and other jewellery
products under  brand

Competitive Strengths

- Comprehensive watch brand mix
- Wide recognition of  brand
- Strong presence on prime retail locations
- Achieve synergies with group sister companies
- Excellent direct sales channels
- Proficient management team



Emperor Jewellery X Joey Yung
Heartbeat Collection, 2018



Chinese Wedding Fine Gold
Collection, 2020



One Vow Two Love
Collection, 2020



Timeless Tales Collection, 2022



Wedding Bands Collection



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

Watch Business

Comprehensive Watch Brand Mix

Hong Kong: 20 Dealerships

Baume & Mercier	Jaeger-LeCoultre
Bedat & Co	Montblanc
Bell & Ross	Omega
Blancpain	Officine Panerai
Breguet	Parmigiani
Breitling	Patek Philippe
Cartier	Piaget
Chopard	Rolex
Girard-Perregaux	Tag Heuer
IWC Schaffhausen	Tudor

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. Matthias Wacker, Executive Director of Rolex Hong Kong Limited (Left)



Mr. Cyrille Vigneron, CEO of Cartier (Left)



Co-op advertising campaigns with watch brand suppliers

Regional Watch Price



Rolex
"Cosmograph Daytona"
Oystersteel

HKD115,500
RMB115,500
SGD20,650



Rolex
"GMT-Master II"
Oystersteel

HKD85,200
RMB85,200
SGD15,250



Rolex
"Day-Date"
Yellow Gold

HKD301,400
RMB301,400
SGD53,900



Cartier
"Ballon Bleu"
Medium Rose Gold

HKD304,000
RMB300,000
SGD55,000



Patek Philippe
"Grand Complications"
Rose Gold

HKD740,500
RMB802,200
SGD137,000



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Jewellery Business



Quality Diamond and Jadeite with Emphasis on Design

- 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 designs

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

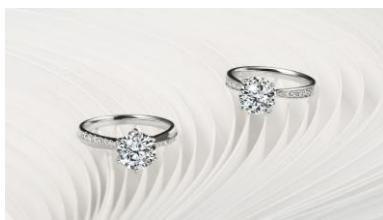
- Enhance staff development through comprehensive trainings on product knowledge, fashion trends, service level and customer service skills
- Advise tips on jewellery care and maintenance
- Offer comprehensive after-sale services



Recognised as
Quality Tourism
Services-accredited
shop by HKTB

Charismatic Endless Collections

- Roll out various signature jewellery collections with unique charisma to build brand loyalty
- Introduce trendy and fashionable jewellery designs to meet consumers' needs
- Demonstrate feminine appeal with fine and delicate quality



Flare Collection



Dear Destiny and
Sparkling Blossom Collection



Starry Collection

Widely Recognised as a Prestigious Brand

- Celebrities endorsement on advertisements and advertorials
- Online exposure in popular websites and social media channels
- Invite key opinion leaders to visit the stores regularly, in order to increase brand exposure via their sharing in social platforms



Joey Yung Featuring
Heartbeat Collection



Kathy Tong & Carlos Chan
featuring One Vow
Two Love Collection



Hins Cheung
Featuring
Sunray Collection



Instagram



Weibo –
Store visit by KOL

Exposure on
social media platforms

3

Issued on 23 Mar 2023



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EMPEROR WATCH & JEWELLERY LIMITED

Financial Summary

Financial Review

HK\$ million	FY2020	FY2021	FY2022	YOY Changes
Revenue	2,627	3,927	3,684	- 6.2%
Gross Profit	840	1,230	1,177	- 4.3%
Gross Profit Margin	32.0%	31.3%	31.9%	+ 0.6 pp
Adjusted EBITD*	160	365	376	+ 3.0%
Net Profit	34	205	222	+ 8.3%
Basic Earnings Per Share (HK Cents)	0.50	3.02	3.28	+ 8.6%

* 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 HK0.62 cent (2021: HK0.35 cent) per share. Together with the interim dividend of HK0.38 cent (2021: HK0.55 cent) per share, the total dividends per share for the year are HK1.0 cent (2021: HK0.9 cent).

Revenue Breakdown

Total Revenue	FY2020		FY2021		FY2022		Changes
	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	(%)
By Product Segment							
Watch	2,056	78	3,269	83	3,017	82	- 7.7
Jewellery	571	22	658	17	667	18	+ 1.4
Diamond & Jade	189	7	202	5	207	6	+ 2.5
Others*	382	15	456	12	460	12	+ 0.9
Total	2,627	100	3,927	100	3,684	100	- 6.2
By Geographical Segment							
HK	1,257	48	1,739	45	1,653	45	- 4.9
Macau	161	6	373	9	217	6	- 41.8
Mainland China	783	30	1,228	31	1,186	32	- 3.4
Southeast Asia**	426	16	587	15	628	17	+ 7.0
Total	2,627	100	3,927	100	3,684	100	- 6.2

* Others represent color stones, pearl and gold jewellery

** Southeast Asia includes Singapore and Malaysia



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Financial Summary

Volume VS ASP

		FY2020	FY2021	FY2022
Watch	No. of Goods Sold (pcs)	21,213	32,507	29,956
	ASP (HK\$)	\$96,929	\$100,561	\$100,736
Jewellery (Diamond and Jade)	No. of Goods Sold (pcs)	10,892	10,909	12,173
	ASP (HK\$)	\$17,369	\$18,558	\$16,933
Jewellery (Others*)	No. of Goods Sold (pcs)	92,834	104,480	84,338
	ASP (HK\$)	\$4,107	\$4,369	\$5,460

* Others represent color stones, pearl and gold jewellery

Key Performance Indicators

	FY2020	FY2021	FY2022
Same Store Sales* (Overall)	- 36.6%	+ 41.9%	- 7.5%
Same Store Sales* (HK)	- 57.2%	+ 46.7%	- 4.5%
Store Rental / Total Revenue	11.4%	8.9%	8.8%
Store Staff Cost / Total Revenue	5.6%	5.7%	5.2%
Marketing Cost / Total Revenue	0.5%	0.4%	0.6%
	YE2020	YE2021	YE2022
Inventory (HK\$)	\$3,030m	\$2,711m	\$2,703m
Stock Turnover Days	619 days	367 days	395 days
Cash on Hand (HK\$)	\$405m	\$556m	\$664m
Debts (HK\$)	\$639m	\$165m	Nil
Net Gearing Ratio (Net Debts/NAV)	5.1%	Zero**	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 2022					
	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	7	5	17	29	58,540	2,019
Macau	2	1	2	5	9,451	1,890
Mainland China	1	8	41	50	38,569	771
Singapore	2	5	1	8	6,333	792
Malaysia	-	-	1	1	2,013	2,013
Total	12	19	62	93	114,906	1,236

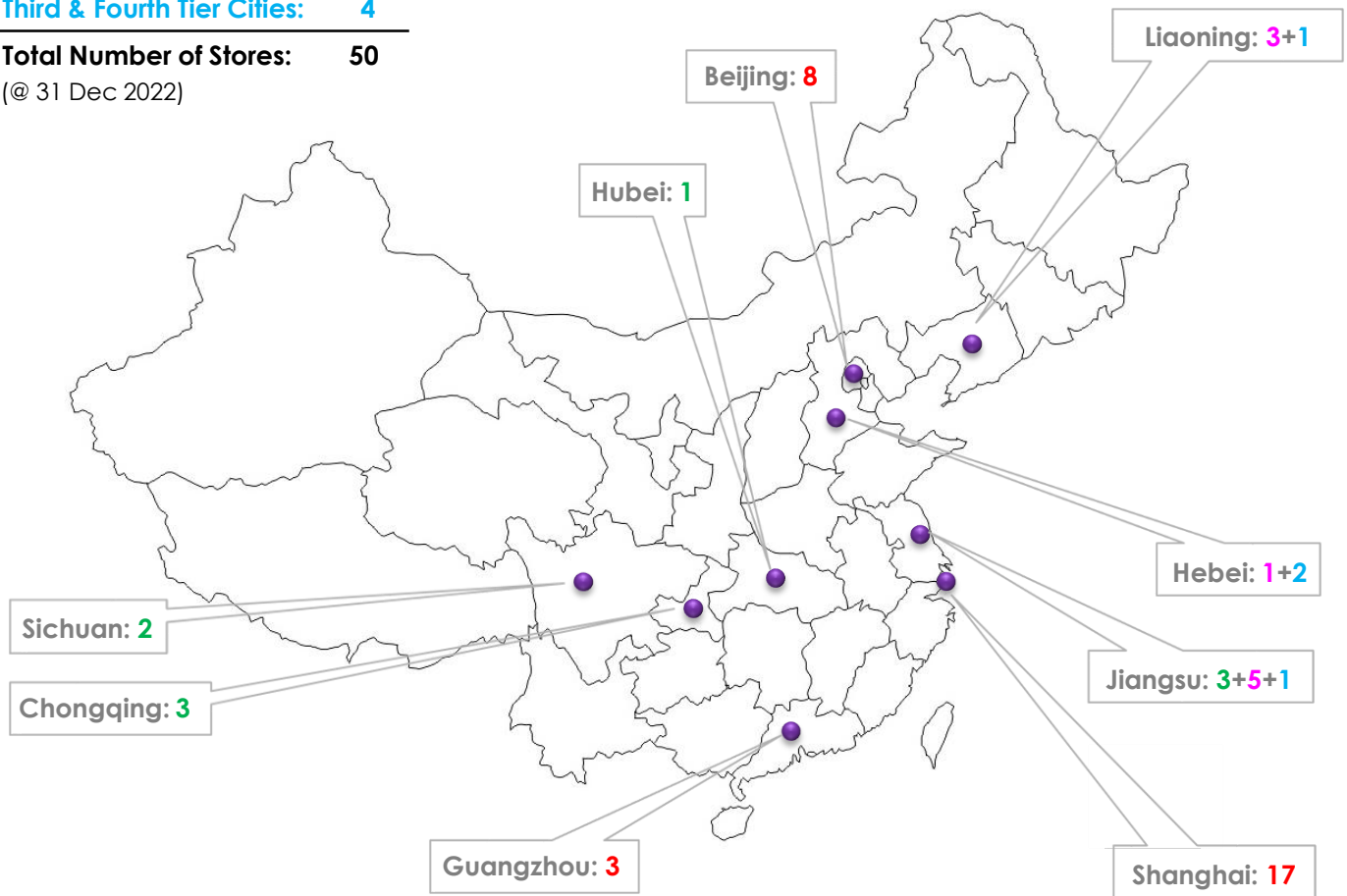




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Retail Network

Strategic Coverage in Mainland China

First Tier Cities: 28
New First Tier Cities: 9
Second Tier Cities: 9
Third & Fourth Tier Cities: 4
Total Number of Stores: 50
(@ 31 Dec 2022)



Store Expansion Plan in 2023

Opening Date		Shop Details
 Hong Kong		
1	2Q 2023	Emperor Jewellery Store – Tai Wai
2	2Q 2023	Emperor Jewellery Store – Kwun Tong
 Mainland China		
3	1Q 2023	Emperor Jewellery Store – Baoding, Hebei
4	1Q 2023	Emperor Jewellery Store – Chengdu



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Future Strategies

Enhance Jewellery Business



Expand jewellery business to enhance overall profit margin performance

- Increase sales amount by rolling out new collections and launching direct sales events on a regular basis
- Target to achieve 50% of overall revenue in medium to long term



Reinforce brand positioning

- Position “**Emperor Jewellery**” as affordable luxury
- Implement brand building programs and enhance brand exposure
- Actively participate in exhibitions and cooperate with media
- Participate in regional/international fashion and jewellery shows



Deepen market penetration

- Increase stock level and offer more designs to drive sales in response to rising demand for gold
- Develop new products and designs to draw different customer groups
- Continue to execute organic store expansion plan
- Revamp store image and create new environment to enhance shoppers' experience and enable effective customer segmentation

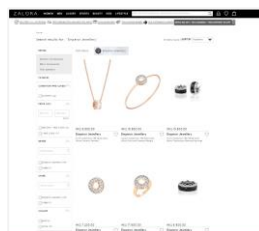


Identify e-commerce opportunities

- Strengthen online to offline interaction by rolling out regular promotion activities and encouraging online shopping and redeeming rewards offline, thereby facilitate two-way communications with target customers
- Operate e-commerce through online shopping platforms (e.g. HKTV mall, Zalora, Tmall, jd.com) to capture massive potentials of internet and mobile users, and establish a solid foundation for e-commerce and social media
- Enhance brand visibility on various websites to draw target customers from online to offline
- Expand user database for analysing customer demographics and formulating effective marketing strategy



HKTV mall



Zalora



Tik Tok



JD.com

Other Information

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