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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)

2023 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 2023 (the “Period”).

FINANCIAL HIGHLIGHTS			
<i>HK\$ million (unaudited)</i>	For the six months ended 30 June		Changes
	2022	2023	
Revenue	1,646	2,330	+ 41.6%
Gross profit	525	725	+ 38.1%
Adjusted EBITD*	154	274	+ 77.9%
Net profit	86	186	+ 116.3%
Basic earnings per share	HK1.27 cents	HK2.74 cents	+ 115.7%
Interim dividend per share	HK0.38 cent	HK0.76 cent	+ 100.0%
* 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 amortisation of right-of-use assets associated with rental lease agreements were included.			

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS SNAPSHOTS

- **Total revenue soared by 41.6%:** the Group achieved satisfactory results, with its total revenue surging to HK\$2,330 million (2022: HK\$1,646 million) and gross profit rising by 38.1% to HK\$725 million (2022: HK\$525 million)
- **Revenue growth of 64.8% in mainland China and 49.7% in Hong Kong:** the mainland China market exhibited strong growth, with its revenue totalling HK\$712 million (2022: HK\$432 million), accounting for 30.6% (2022: 26.2%) of the total revenue; due to the resumption of travel and revival of luxury consumption momentum, revenue from the Hong Kong market increased to HK\$1,153 million (2022: HK\$770 million), accounting for 49.5% (2022: 46.8%) of the total revenue
- **Sales revenue up by 86.3% in the jewellery segment and 31.9% in the watch segment:** the sales revenues from the jewellery and watch segments increased to HK\$544 million (2022: HK\$292 million) and HK\$1,786 million (2022: HK\$1,354 million), respectively, accounting for 23.3% (2022: 17.7%) and 76.7% (2022: 82.3%) of the total revenue, respectively
- **Net profit doubled:** due to the revenue surge and the operating leverage enjoyed by the Group, the Group's net profit increased significantly, by 116.3% to HK\$186 million (2022: HK\$86 million), and basic earnings per share increased to HK2.74 cents (2022: HK1.27 cents)
- **Net cash position:** as at 30 June 2023, the Group's bank balances and cash on hand increased to HK\$843 million (31 December 2022: HK\$664 million), and the Group did not have any bank borrowings
- **Distribution of interim dividend:** the Board declares an interim dividend of HK0.76 cent (2022: HK0.38 cent) per share

BUSINESS REVIEW

The Group is a leading retailer of European-made internationally renowned watches, together with 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 over 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 2023, the Group had a total of 91 stores in Hong Kong, Macau, mainland China, Singapore and Malaysia. The distribution was as follows:

	Number of stores
Hong Kong	30
Macau	5
Mainland China	47
Singapore	8
Malaysia	1
Total	91

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 75% 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.

During the Period, the Group opened one jewellery store in Hong Kong and two jewellery stores in mainland China. While further expanding its network of stores, the Group will continue focusing on residential areas in Hong Kong and prominent cities in mainland China.

Solidifying Leading Position in the Watch Industry

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 covering diamonds, jadeites, fine golds, pearl and color stones. “*Emperor Jewellery*” unveils unique collections of exquisite designs that embrace and nurture different clusters of customers. 2023 is a leap year in the luni-solar calendar, which is said to be good for weddings. The Group has designed a series of exquisite and fashionable products that are suitable for both Chinese and Western weddings, as well as current trend of light luxury weddings:

- “**Emperor Jewellery**” dragon and phoenix bangles combine tradition and fashion with three-dimensional and meticulous carvings, extraordinary skill, and extravagant luxury. The dragon and phoenix bangles are decorated with a dragon and a phoenix, auspicious clouds, best wishes, double happiness, infinite fortune, concentric hearts and cute golden pigs.
- The “**Auspicious Dragon and Phoenix**” collection represents the natural harmony of a newlywed couple. Every piece of jewellery strives for perfection, with vivid, three-dimensional, and meticulous details. The entire collection includes necklaces, bangles, earrings and rings, embracing the love story of the couple.
- To cater to the trend of simpler weddings, “**Emperor Jewellery**” has also created “**The Spotlight**” light luxury collection with romantic and elegant charm. Each piece is made up of 10 diamonds, with nine diamonds surrounding the central diamond, creating a dazzling and perfect combination of light and beauty from any angle which also suits after wedding.

Besides, the Group has always prioritised customer relationship building. There are multi-faceted activations through exclusive promotions, workshops, festivals and birthday gifting to strengthen engagement with customers. During the Period, the Group launched several jewellery promotional events to showcase the products and enhance sales opportunities.

Strengthening the E-commerce Business

With the growing popularity of the internet, the Group has established a jewellery presence on several online shopping platforms – including HKTVMall, Tmall, jd.com – in order to capture the massive potential of internet and mobile users and enhance customer experience, and expand its revenue source and enhance brand visibility at the same time. To formulate an effective product strategy, the Group analysed the database and internet behaviour of the users.

The Group’s online shopping platforms cover both jewellery and watches. Launched successfully last year, the Tudor online sales platform has helped promote the brand and drive Tudor’s sales. Riding on its experience in the collaboration with Tudor, the Group will continue identifying opportunities for collaboration with other watch brands.

PROSPECTS

The reopening of borders between Hong Kong, Macau and mainland China in early 2023 has driven the recovery in general mobility and business activities; the tourism and retail industries in the region have thereby regained growth momentum, which positively impacted the Group’s business performance. The mainland China and Hong Kong markets are the Group’s development focus, and the Group will continue expanding its footprint in these two markets while adhering to its prudent approach. The Group will also step up efforts to enhance its online business given the ample room for development.

Nevertheless, headwinds such as interest rate hikes, sustained inflation, fear of recession in the United States, political tensions, recent slowdown in China’s economy, etc, may make consumers more cautious with their purchasing decisions, resulting in lower discretionary spending. The Group will therefore be prudent in the course of expansion, and continue exercising stringent operating cost control, in order to maintain operating efficiency in times of instability and enhance its profitability.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

Bank balances and cash on hand of the Group as at 30 June 2023 increased to HK\$843 million (31 December 2022: HK\$664 million), which were mainly denominated in Hong Kong dollar and Renminbi. As at 30 June 2023, the Group did not have any bank borrowings (31 December 2022: nil) 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 2022: zero). The Group also had available unutilised banking facilities of approximately HK\$943 million.

As at 30 June 2023, the Group's current assets and current liabilities were approximately HK\$3,696 million (31 December 2022: HK\$3,506 million) and HK\$445 million (31 December 2022: HK\$433 million), respectively. Current ratio and quick ratio of the Group were 8.3 (31 December 2022: 8.1) and 2.2 (31 December 2022: 1.9), respectively.

In view of the Group's financial position as at 30 June 2023, 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 2023, the Group had 715 (2022: 633) salespersons and 170 (2022: 180) office staff. Total staff costs (including Directors' remuneration) were approximately HK\$161 million (2022: HK\$128 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 HK0.76 cent per share ("Interim Dividend") (2022: HK0.38 cent) for the Period, amounting to approximately HK\$51,524,000 (2022: HK\$25,762,000). The Interim Dividend will be payable on 22 September 2023 (Friday) to shareholders whose names appear on the register of members of the Company on 12 September 2023 (Tuesday).

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 11 September 2023 (Monday) to 12 September 2023 (Tuesday) (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 8 September 2023 (Friday).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	<i>Notes</i>	Six months ended 30 June	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Revenue	3	2,329,921	1,645,564
Cost of sales		(1,604,604)	(1,120,789)
Gross profit		725,317	524,775
Other income		5,209	5,244
Selling and distribution expenses		(429,008)	(363,136)
Administrative expenses		(64,756)	(58,145)
Other gains or losses		(8,181)	(812)
Finance costs		(3,842)	(3,665)
Profit before taxation	4	224,739	104,261
Taxation	5	(38,820)	(18,329)
Profit for the period		185,919	85,932
Other comprehensive expense for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		(1,760)	(17,940)
Total comprehensive income for the period attributable to owners of the Company		184,159	67,992
Earnings per share – Basic	7	HK2.74 cents	HK1.27 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

		As at	
		30 June 2023	31 December 2022
		(unaudited)	(audited)
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		1,478,443	1,516,410
Right-of-use assets		241,949	274,495
Rental deposits	8	79,133	78,758
Deposits paid for acquisition of property, plant and equipment		12,765	6,264
		<u>1,812,290</u>	<u>1,875,927</u>
Current assets			
Inventories		2,738,228	2,703,418
Right to returned goods asset		1,286	1,286
Receivables, deposits and prepayments	8	112,447	136,024
Amounts due from related companies		1,192	782
Time deposits with original maturity over three months		387,523	198,200
Cash and cash equivalents		455,338	466,192
		<u>3,696,014</u>	<u>3,505,902</u>
Current liabilities			
Payables and accrued charges	9	165,369	159,505
Lease liabilities		191,527	200,838
Contract liabilities		11,643	13,380
Refund liabilities		2,053	2,053
Amounts due to related companies		8,154	6,954
Taxation payable		66,103	50,742
		<u>444,849</u>	<u>433,472</u>
Net current assets		<u>3,251,165</u>	<u>3,072,430</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**At 30 June 2023*

	As at	
	30 June	31 December
	2023	2022
	(unaudited)	(audited)
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities		
Deferred tax liabilities	4,094	4,036
Lease liabilities	72,176	99,262
	<u>76,270</u>	<u>103,298</u>
Net assets	<u>4,987,185</u>	<u>4,845,059</u>
Capital and reserves		
Share capital	3,484,152	3,484,152
Reserves	1,503,033	1,360,907
Total equity	<u>4,987,185</u>	<u>4,845,059</u>

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with 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”).

The financial information relating to the year ended 31 December 2022 that is included in this preliminary announcement of interim results 2023 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 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the Hong Kong Companies Ordinance (“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.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2022.

Application of amendments to Hong Kong Financial Reporting Standards (“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 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 2023

	Hong Kong (unaudited) <i>HK\$'000</i>	Macau (unaudited) <i>HK\$'000</i>	PRC (unaudited) <i>HK\$'000</i>	Other regions in Asia Pacific (unaudited) <i>HK\$'000</i>	Elimination (unaudited) <i>HK\$'000</i>	Consolidated (unaudited) <i>HK\$'000</i>
Revenue						
External sales	1,148,740	160,983	712,064	302,980	-	2,324,767
Inter-segment sales*	66,711	11,632	-	-	(78,343)	-
Commission income	4,556	598	-	-	-	5,154
	<u>1,220,007</u>	<u>173,213</u>	<u>712,064</u>	<u>302,980</u>	<u>(78,343)</u>	<u>2,329,921</u>
* Inter-segment sales are charged at cost						
Segment profit	<u>137,223</u>	<u>28,923</u>	<u>119,146</u>	<u>56,679</u>	<u>-</u>	341,971
Unallocated other income						5,209
Unallocated corporate expenses						(110,418)
Unallocated other gains or losses						(8,181)
Unallocated finance costs						(3,842)
Profit before taxation						<u>224,739</u>

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2022

	Hong Kong (unaudited) <i>HK\$'000</i>	Macau (unaudited) <i>HK\$'000</i>	PRC (unaudited) <i>HK\$'000</i>	Other regions in Asia Pacific (unaudited) <i>HK\$'000</i>	Elimination (unaudited) <i>HK\$'000</i>	Consolidated (unaudited) <i>HK\$'000</i>
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						(3,665)
Profit before taxation						<u>104,261</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	
	2023	2022
	(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 NIL) (2022 interim: allowance for inventories of HK\$2,534,000)	1,599,267	1,117,476
Depreciation of property, plant and equipment		
– retail shops	61,098	59,560
– offices	1,770	2,899
	62,868	62,459
Depreciation of right-of-use assets		
– retail shops	107,686	111,460
– offices	5,789	5,271
	113,475	116,731
Staff costs including Directors' remuneration		
– salaries and other benefits costs	147,223	115,532
– retirement benefits scheme contributions	13,467	12,719
	160,690	128,251
Included in other gains or losses:		
Loss on disposal/write-off of property, plant and equipment	307	415
Gain arising from leases modification	(619)	(58)
Net exchange losses	8,493	455
	8,181	812

5. TAXATION

	Six months ended 30 June	
	2023 (unaudited) <i>HK\$'000</i>	2022 (unaudited) <i>HK\$'000</i>
The tax charge comprises:		
Profits tax:		
Hong Kong	13,079	–
Macau	5,146	1,593
PRC	11,217	6,766
Singapore	9,378	9,970
	<hr/>	<hr/>
	38,820	18,329
Deferred taxation	–	–
	<hr/>	<hr/>
	38,820	18,329
	<hr/> <hr/>	<hr/> <hr/>

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	
	2023	2022
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend declared: HK0.76 cent (2022: HK0.38 cent) per share	<u>51,524</u>	<u>25,762</u>
2022 final dividend paid: HK0.62 cent (2021: HK0.35 cent) per share	<u>42,033</u>	<u>23,728</u>

The Board has declared an interim dividend of HK0.76 cent per share for the financial year ending 31 December 2023 (2022: HK0.38 cent), amounting to HK\$51,524,000 (2022: HK\$25,762,000).

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	
	2023	2022
	(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>185,919</u>	<u>85,932</u>
	Six months ended 30 June	
	2023	2022
	(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 2023 (unaudited) HK\$'000	31 December 2022 (audited) HK\$'000
Trade receivables from contracts with customers	43,049	52,393
Less: Allowance for credit losses	(531)	(538)
	<u>42,518</u>	<u>51,855</u>
Other receivables, deposits and prepayments	61,078	74,188
Rental deposits	79,133	78,758
PRC Value-Added Tax (“VAT”) recoverable	8,851	9,981
	<u>191,580</u>	<u>214,782</u>
Analysed as:		
Current	112,447	136,024
Non-current	79,133	78,758
	<u>191,580</u>	<u>214,782</u>

As at 1 January 2022, trade receivable from contracts with customers amounted to HK\$54,589,000.

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 2023 were advance payments to suppliers of HK\$9,752,000 (31 December 2022: HK\$7,442,000) and rebate receivables of HK\$16,058,000 (31 December 2022: HK\$30,493,000). 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 2023 (unaudited) HK\$'000	31 December 2022 (audited) HK\$'000
Within 30 days	40,202	50,995
31-60 days	1,722	519
61-90 days	83	189
over 90 days	1,042	690
	<u>43,049</u>	<u>52,393</u>

Included in the trade receivables balance were receivables from department stores with aggregate carrying amount of HK\$3,451,000 (31 December 2022: HK\$511,000) 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 2023 (unaudited) <i>HK\$'000</i>	31 December 2022 (audited) <i>HK\$'000</i>
Trade payables	71,729	51,362
Other payables and accrued charges	91,816	107,115
Singapore Goods and Services Tax payables	1,355	1,018
PRC VAT payables	469	10
	165,369	159,505
	165,369	159,505

Included in other payables and accrued charges as at 30 June 2023 were accrued bonus and incentive of HK\$11,641,000 (31 December 2022: HK\$17,511,000) and accrued commission of HK\$9,261,000 (31 December 2022: HK\$8,521,000).

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 2023 (unaudited) <i>HK\$'000</i>	31 December 2022 (audited) <i>HK\$'000</i>
Within 30 days	63,829	44,215
31 – 60 days	3,173	2,393
61 – 90 days	2,602	4,452
Over 90 days	2,125	302
	71,729	51,362
	71,729	51,362

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

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 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 to 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 to 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 as set out in the 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, 24 August 2023

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