



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 **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

Analyst Contacts

China Galaxy	Tony Li	852-3698 6392	<a href="mailto:tonyli@chinastock.com.hk">tonyli@chinastock.com.hk</a>
Cinda	Lewis Pang	852-2235 7847	<a href="mailto:lewis.pang@cinda.com.hk">lewis.pang@cinda.com.hk</a>
CLSA	Mariana Kou	852-2600 8190	<a href="mailto:mariana.kou@clsa.com">mariana.kou@clsa.com</a>
CMB International	Walter Woo	852-3761 8776	<a href="mailto:walterwoo@cmbi.com.hk">walterwoo@cmbi.com.hk</a>
Deutsche Bank	Anne Ling	852-2203 6177	<a href="mailto:anne.ling@db.com">anne.ling@db.com</a>
Macquarie	Linda Huang	852-3922 4068	<a href="mailto:linda.huang@macquarie.com">linda.huang@macquarie.com</a>
Yuanta	Peter Chu	852-3969 9521	<a href="mailto:peter.kk.chu@yuanta.com">peter.kk.chu@yuanta.com</a>

IR Contacts:

Anna Luk,  
Group IR Director  
T: (852) 2835 6783  
E: [annaluk@emperorgroup.com](mailto:annaluk@emperorgroup.com)

Winnie Kwong,  
Group IR Manager  
T: (852) 2835 6791  
E: [winniekwong@emperorgroup.com](mailto:winniekwong@emperorgroup.com)



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: 12 Dealerships**

- Baume & Mercier (名士)  
Carl F. Bucherer (寶齊萊)  
Chopard (蕭邦)  
Franck Muller (法穆蘭)  
Girard-Perregaux (芝柏表)  
Montblanc (萬寶龍)  
Omega (歐米茄)  
Piaget (伯爵)  
Rolex (勞力士)  
Tag Heuer (泰格豪雅)  
Tudor (帝舵表)  
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)



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



Martin Ganz, Vice President of Breguet Hong Kong and Macau (Right 1)



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%

 <b>Rolex "Day-Date"</b> Yellow Gold HK\$222,000 RMB235,500 SGD42,180	 <b>Cartier "Ballon Bleu"</b> Medium Rose Gold HK\$341,000 RMB347,000 SGD63,000	 <b>Patek Philippe</b> "Grand Complications" Rose Gold HK\$653,600 RMB657,600 SGD115,000
---	--	---


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



英皇鐘錶珠寶有限公司  
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)
- 
- DEF GHI JKLMNOPQRSTU VWXYZ
- >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



Heartbeat Collection product launch event in Nov 2017



L'Atelier Cindy Yeung Collection launched in Nov 2017



**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



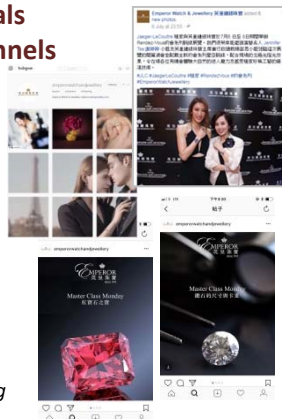
Ms. Charlene Choi featuring Heartbeat Collection



Mr. Nicolas Tse featuring Yo Yo Collection



Short film featuring L'Atelier Cindy Yeung Collection on Youtube



Instagram

Facebook

Exposure on social media platforms



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

## Financial Summary

### Financial Review

HK\$ million	FY2015	FY2016	FY2017	Changes
Revenue	4,431	3,642	4,075	+ 11.9%
Gross Profit	1,106	909	1,089	+ 19.8%
<i>Gross Profit Margin</i>	25.0%	25.0%	26.7%	+ 1.7pp
Earnings/(Loss) BITDA	(53)	(1.8)	207	N/A
<i>Earnings/(Loss) BITDA Margin</i>	(1.2)%	(0.1)%	5.1%	N/A
Net Profit/(Loss)	(120)	(65)	160	N/A
<i>Net Profit/(Loss) Margin</i>	(2.7)%	(1.8)%	3.9%	N/A
Basic EPS/(LPS) (HK Cents)	(1.74)	(0.94)	2.32	N/A

Emperor W&J proposed a final dividend of HK0.58 cent per share. Together with the interim dividend as HK0.17 cent per share for the Year, the total dividend for the Year was HK0.75 cent per share.

### Revenue Breakdown

Total Revenue	FY2015		FY2016		FY2017		Changes (%)
	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	(HK\$m)	Mix (%)	
<i>By Product Segment</i>							
Watch	3,541	80	2,857	78	3,239	79	+ 13.4
Jewellery	890	20	785	22	836	21	+ 6.5
<i>Diamond &amp; Jade</i>	588	13	467	13	501	13	+ 7.3
<i>Others*</i>	302	7	318	9	335	8	+ 5.3
<b>Total</b>	<b>4,431</b>	<b>100</b>	<b>3,642</b>	<b>100</b>	<b>4,075</b>	<b>100</b>	<b>+ 11.9</b>
<i>By Geographical Segment</i>							
HK	3,457	78	2,797	77	3,047	75	+ 8.9
Macau	287	7	211	6	234	6	+ 10.9
China	414	9	373	10	420	10	+ 12.6
Singapore	273	6	261	7	374	9	+ 43.3
<b>Total</b>	<b>4,431</b>	<b>100</b>	<b>3,642</b>	<b>100</b>	<b>4,075</b>	<b>100</b>	<b>+ 11.9</b>

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



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

## Financial Summary

### Volume VS ASP

		FY2015	FY2016	FY2017
Watch	No. of Goods Sold (pcs)	48,306	35,789	37,527
	ASP (HK\$)	\$73,305	\$79,821	\$86,301
Jewellery (Diamond and Jade)	No. of Goods Sold (pcs)	24,501	24,850	25,074
	ASP (HK\$)	\$24,003	\$18,808	\$20,001
Jewellery (Others*)	No. of Goods Sold (pcs)	75,416	84,306	82,250
	ASP (HK\$)	\$4,000	\$3,769	\$4,080

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

### Key Performance Indicators

	FY2015	FY2016	FY2017
Same Store Sales* (Overall)	- 28.1%	- 14.2%	+ 15.1%
Same Store Sales* (HK)	- 28.8%	- 13.2%	+ 14.3%
Store Rental / Total Revenue	15.2%	12.9%	10.4%
Store Staff Cost / Total Revenue	4.2%	4.8%	4.7%
Marketing Cost / Total Revenue	0.7%	0.6%	0.5%
	YE2015	YE2016	YE2017
Gearing Ratio (Debts/Total Assets)	Nil	Nil	Nil
Gearing Ratio (Debts/Total Equity)	Nil	Nil	Nil
Stock Turnover Days	353 days	354 days	353 days
Inventory (HK\$)	\$3,219m	\$2,647m	\$2,651m
Cash on Hand (HK\$)	\$810m	\$1,324m	\$1,609m
Debts (HK\$)	Nil	Nil	Nil

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



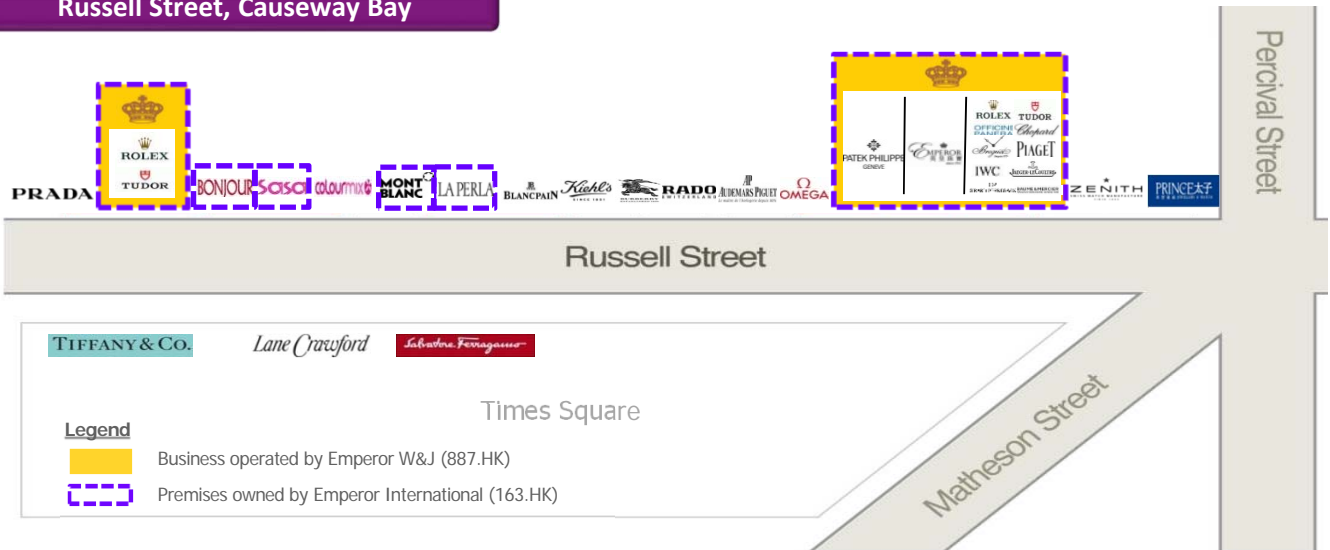
英皇鐘錶珠寶有限公司  
EMPEROR WATCH & JEWELLERY LIMITED  
Retail Network

Retail Network Covering HK, Macau, Mainland China and Singapore

	@14 Mar 2018		@31 Dec 2017				
	Number of Stores				Floor Area		
	Total	Single-brand Watch Only	Multi-brand Watch with/without Jewellery	Jewellery Only	Total	Total (sq. ft.)	Average (sq. ft.)
Hong Kong	23	7	7	10	24	94,018	3,917
Macau	6	2	2	2	6	7,994	1,332
Mainland China	46	5	2	37	44	33,422	760
Singapore	6	4	-	2	6	4,988	831
<b>Total</b>	<b>81</b>	<b>18</b>	<b>11</b>	<b>51</b>	<b>80</b>	<b>140,422</b>	<b>1,755</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

### 2018 Store Expansion Plan

	Opening Date	Shop Details
 <u>Hong Kong</u>		
1	April 2018	<i>Jewellery shop</i> at Shop Unit P18, Telford Plaza 1, Kowloon Bay
 <u>Macau</u>		
2	April 2018	<i>Multi-watch shop</i> at Shop 2, G/F, Emperor Nam Van Centre, No. 71-75 Avenida do Infante, D. Henrique and No.514-540 Avenida da Praia Grande, Macau
 <u>Mainland China</u>		
3	Jan 2018	<i>Jewellery shop</i> at 1/F, New Mart, Dasheng City Square, Zhongxing Road, Xingtongtai District, Panjin, Liaoning (LNG)
4	Feb 2018	<i>Rolex boutique</i> at Shop 01005-1, 1/F, Shin Kong Place , No.89 Hongjin Road, Longxi Street, Yubei District, Chongqing (CQE)
5	Feb 2018	<i>Tudor boutique</i> at Shop 01020, 1/F, Shin Kong Place , No.89 Hongjin Road, Longxi Street, Yubei District, Chongqing (CQE)
6	Apr 2018	<i>Multi-brand watch shop</i> at 1/F, Emperor Group Centre , No. 12 Jianguomenwai Avenue, Chaoyang District , Beijing (J67)
7	Apr 2018	<i>Jewellery shop</i> at 1/F, Emperor Group Centre , No. 12 Jianguomenwai Avenue, Chaoyang District , Beijing (J66)
8	May 2018	<i>Rolex &amp; Tudor boutique</i> Shop L110, Chongqing Times Square, No.100 Zourong Road, Yuzhong District, Chongqing
9	May 2018	<i>Jewellery shop</i> at Shop 1F-B-28, FC Plaza Holiday Life City, Jiuqingzhuang Road, Jiugong Town, Daxing District, Beijing
10	May 2018	<i>Jewellery shop</i> at 1/F, Guiyang Dolphin Plaza, Block C, No. 88 Huaguoyuan Avenue, Nanming District, Guiyang, Guizhou
11	May 2018	<i>Jewellery shop</i> at Orient Shopping Center, No. 66, Chengzhong Road, Jiading District, Shanghai

(-) 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



英皇鐘錶珠寶有限公司  
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. 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, 2017



Crown Your Dream Collection, 2015



Sunray Collection, 2017



Byzance de Emperor Collection, 2015



L'Atelier Cindy Yeung Collection, 2017

