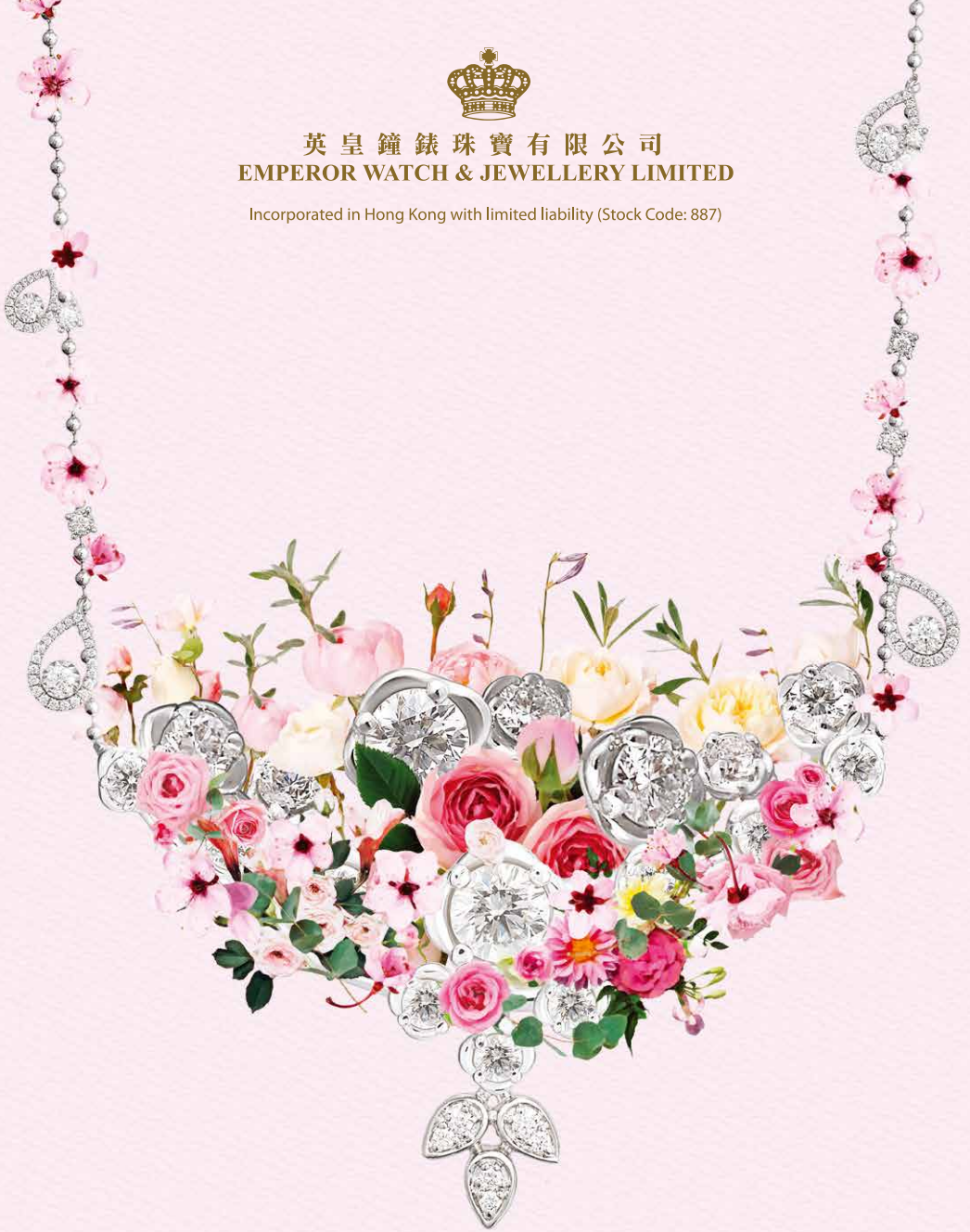




英皇鐘錶珠寶有限公司
EMPEROR WATCH & JEWELLERY LIMITED

Incorporated in Hong Kong with limited liability (Stock Code: 887)



2024 INTERIM REPORT

CONTENTS

2	Results Summary
3	Management Discussion and Analysis
8	Interim Dividend
9	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
10	Condensed Consolidated Statement of Financial Position
12	Condensed Consolidated Statement of Changes in Equity
13	Condensed Consolidated Statement of Cash Flows
14	Notes to the Condensed Consolidated Financial Statements
30	Directors' and Chief Executives' Interests in Securities
32	Other Persons' Interests in Shares and Underlying Shares
33	Corporate Governance and Other Information

RESULTS SUMMARY

The board of directors (“Board” or “Directors”) of Emperor Watch & Jewellery Limited (“Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as “Group”) for the six months ended 30 June 2024 (“Period”).

	For the six months ended 30 June		Changes
	2023 (unaudited) HK\$ million	2024 (unaudited) HK\$ million	
Revenue	2,330	2,597	+ 11.5%
Gross profit	725	780	+ 7.6%
Adjusted EBITD *	274	282	+ 2.9%
Net profit	186	185	- 0.5%
Basic earnings per share	HK2.74 cents	HK2.72 cents	- 0.7%

* 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 HKFRS 16, which amortisation of right-of-use assets associated with rental lease agreements were included.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Despite a tough business environment, the Group's total revenue grew by 11.5%, to HK\$2,597 million (2023: HK\$2,330 million) during the Period. Revenues from Hong Kong and Mainland China were HK\$1,465 million (2023: HK\$1,153 million) and HK\$665 million (2023: HK\$712 million), respectively, accounting for 56.4% (2023: 49.5%) and 25.6% (2023: 30.6%) of the total revenue, respectively. In terms of revenue by product segment, the sales revenue from the watch segment was HK\$1,632 million (2023: HK\$1,786 million), accounting for 62.8% (2023: 76.7%) of the total revenue, and the sales revenue from the jewellery segment increased by 77.4% to HK\$965 million (2023: HK\$544 million), accounting for 37.2% (2023: 23.3%) of the total revenue.

Gross profit was up by 7.6% to HK\$780 million (2023: HK\$725 million). The Group's net profit was broadly stable at HK\$185 million (2023: HK\$186 million) during the Period. Basic earnings per share was HK2.72 cents (2023: HK2.74 cents). The Board declares an interim dividend of HK0.65 cent (2023: HK0.76 cent) per share.

BUSINESS REVIEW

The Group is a leading retailer of European-made internationally renowned watches, together with 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Presence in Prime Retail Locations

As at 30 June 2024, the Group had a total of 90 stores in Hong Kong, Macau, Mainland China, Singapore and Malaysia. The distribution was as follows:

	Number of stores
Hong Kong	34
Macau	7
Mainland China	40
Singapore	8
Malaysia	1
Total	90

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, over 75% of its stores are located in first tier and new first tier cities, aligning with 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 newly opened a total of four jewellery stores in Macau and Mainland China, to expand market coverage.

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 will leverage the strong customer database of the Group and the brands, to understand and engage customers through unique co-marketing campaigns and events with brands, in order to highlight new products and deliver professional services and special customer experiences in a personalised way.

MANAGEMENT DISCUSSION AND ANALYSIS

Enhancing the Jewellery Business

The Group offers premium quality “**Emperor Jewellery**” products with a dedication to design excellence and craftsmanship covering diamond and jadeites, fine gold, pearl and color stones. “**Emperor Jewellery**” unveils unique collections of exquisite designs that embrace and nurture different clusters of customers.

The exquisite and fashionable collections such as the “**Antique Gold**” and “**Dashing Aura**” collections, represent a harmonious fusion of modern elegance and craftsmanship, and capture the strong demand for fine gold products in the youth market. “**Flare**” collection, a sparkling collection that features diamonds set in innovative illusion settings, crafted to create large and eye-catching appearance, offers maximum sparkle in this affordable luxury piece. “**ColourfulMe**” collection, one of its signature collections, unveils the true colours and exquisite array of jewellery adorned with colour stones.

To cater the lifestyles and independency of the Group’s targeted segment of the “millennials” and “Gen Z” consumers, the strategies and positioning in the jewellery wedding market have evolved to address the shifting trends and expectations. Building upon the foundation of traditional wedding celebrations, the Group will expand the diversity and personalisation of its products, and increase the brand exposure through wedding activations.

The Group has been elevating its brand positioning to increase its brand desirability and build revenue resilience. By focusing on enhancing brand identity and equity, the Group aims to prioritise the expansion of its market share in the wedding market and enhancing the customer relationship building.

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 and 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 analyses the database and internet behaviour of the users.

MANAGEMENT DISCUSSION AND ANALYSIS

Currently, the Group's official website showcases a diverse range of watch brands, with a focus on **Patek Philippe**, **Rolex**, **Tudor** and **Cartier**, helping to promote the brands and their signature collections. The Group will continue identifying opportunities for collaboration with other watch brands.

PROSPECTS

With the timetable of an interest rate cut remaining uncertain, it may take time for the property and stock markets to fully recover, which may in turn affect consumer sentiment, especially regarding luxury products. The recent expansion of the Individual Visit Scheme for Mainland China visitors and a number of government initiatives such as "Hello Hong Kong" and "Summer Chill Hong Kong" as well as popular mega events will attract leisure travellers and shoppers, which will help boost tourism and consumer sentiment.

The Group plans to lead branding and marketing activities and strives to enhance customer relationship management in a more effective and efficient manner, to maximise the brand exposure. Leveraging its brand reputation, the Group will continue expanding in the China and Southeast Asia markets, to seize the ample opportunities. Notwithstanding the near-term uncertainties, the Group will closely monitor the market situation and promptly respond to changes as appropriate, and will be cautious in the course of footprint expansion. Meanwhile, the Group remains committed to seeking and seizing new opportunities, and is well-prepared to excel in changing times.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

Bank balances and cash on hand of the Group as at 30 June 2024 increased to HK\$733 million (31 December 2023: HK\$620 million), which were mainly denominated in Hong Kong dollar and Renminbi. As at 30 June 2024, the Group did not have any bank borrowings (31 December 2023: zero) 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 2023: zero). The Group also had available unutilised banking facilities of approximately HK\$1,043 million.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2024, the Group's current assets and current liabilities were approximately HK\$3,981 million (31 December 2023: HK\$3,859 million) and HK\$526 million (31 December 2023: HK\$531 million), respectively. Current ratio and quick ratio of the Group were 7.6 (31 December 2023: 7.3) and 1.6 (31 December 2023: 1.5), respectively.

In view of the Group's financial position as at 30 June 2024, 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 2024, the Group had 708 (2023: 715) salespersons and 225 (2023: 202) office staff. Total staff costs (including Directors' remuneration) were HK\$185 million (2023: HK\$161 million) for the Period. Employees' remuneration was determined in accordance with individual's responsibility, 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.

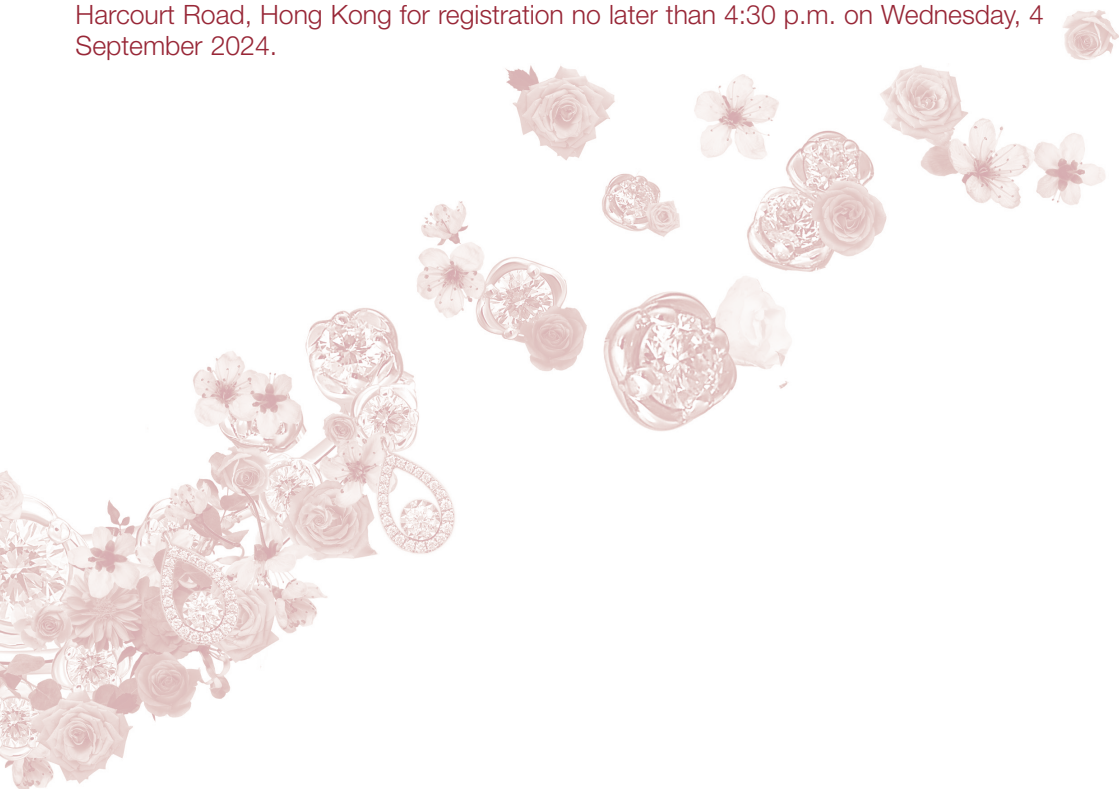
To provide incentive or rewards to staff, the Company has adopted a share option scheme, particulars of which are set out in the section headed "Share Options" of this interim report.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK0.65 cent per share (“Interim Dividend”) (2023: HK0.76 cent) for the Period, amounting to approximately HK\$44,066,000 (2023: HK\$51,524,000). The Interim Dividend will be payable on Friday, 20 September 2024 to shareholders whose names appear on the register of members of the Company on Friday, 6 September 2024.

The register of members of the Company will be closed, for the purpose of determining shareholders’ entitlement to the Interim Dividend, from Thursday, 5 September 2024 to Friday, 6 September 2024 (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 Wednesday, 4 September 2024.



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Revenue	3	2,597,314	2,329,921
Cost of sales		(1,817,119)	(1,604,604)
Gross profit		780,195	725,317
Other income		13,446	5,209
Selling and distribution expenses		(478,089)	(429,008)
Administrative expenses		(74,247)	(64,756)
Other gains or losses		(5,733)	(8,181)
Finance costs		(12,258)	(3,842)
Profit before taxation	4	223,314	224,739
Taxation	5	(38,606)	(38,820)
Profit for the period		184,708	185,919
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		(6,520)	(1,760)
Total comprehensive income for the period attributable to owners of the Company		178,188	184,159
Earnings per share – Basic	7	HK2.72 cents	HK2.74 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		As at	
		30 June 2024 (unaudited) HK\$'000	31 December 2023 (audited) HK\$'000
Notes			
Non-current assets			
	Property, plant and equipment	1,430,788	1,478,611
	Right-of-use assets	425,808	276,269
	Rental deposits	90,408	91,636
	Deposits paid for acquisition of property, plant and equipment	14,176	2,700
		1,961,180	1,849,216
Current assets			
	Inventories	3,137,349	3,060,276
	Right to returned goods asset	1,086	1,086
	Receivables, deposits and prepayments	108,585	177,341
	Amounts due from related companies	504	797
	Time deposits with original maturity over three months	44,426	160,898
	Cash and cash equivalents	688,720	458,750
		3,980,670	3,859,148
Current liabilities			
	Payables and accrued charges	175,040	269,059
	Lease liabilities	226,717	177,501
	Contract liabilities	20,870	12,996
	Refund liabilities	1,712	1,712
	Amounts due to related companies	14,423	4,513
	Taxation payable	86,783	65,313
		525,545	531,094
	Net current assets	3,455,125	3,328,054

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	As at	
	30 June 2024 (unaudited) HK\$'000	31 December 2023 (audited) HK\$'000
Notes		
Non-current liabilities		
Deferred tax liabilities	3,531	3,456
Lease liabilities	225,863	127,126
	229,394	130,582
Net assets	5,186,911	5,046,688
Capital and reserves		
Share capital	3,484,152	3,484,152
Reserves	1,702,759	1,562,536
Total equity	5,186,911	5,046,688

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Merger reserve HK\$'000	Other reserve HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	
As at 1 January 2023 (audited)	3,484,152	(373,003)	(26,195)	2,529	(29,893)	1,787,469	4,845,059
Exchange differences arising on translation of foreign operations	-	-	-	-	(1,760)	-	(1,760)
Profit for the period	-	-	-	-	-	185,919	185,919
Total comprehensive income for the period	-	-	-	-	(1,760)	185,919	184,159
Final dividend recognised and paid for 2022 (<i>Note 6</i>)	-	-	-	-	-	(42,033)	(42,033)
As at 30 June 2023 (unaudited)	3,484,152	(373,003)	(26,195)	2,529	(31,653)	1,931,355	4,987,185
As at 1 January 2024 (audited)	3,484,152	(373,003)	(26,195)	2,529	(33,926)	1,993,131	5,046,688
Exchange differences arising on translation of foreign operations	-	-	-	-	(6,520)	-	(6,520)
Profit for the period	-	-	-	-	-	184,708	184,708
Total comprehensive income for the period	-	-	-	-	(6,520)	184,708	178,188
Final dividend recognised and paid for 2023 (<i>Note 6</i>)	-	-	-	-	-	(37,965)	(37,965)
As at 30 June 2024 (unaudited)	3,484,152	(373,003)	(26,195)	2,529	(40,446)	2,139,874	5,186,911

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Net cash from operating activities	321,790	368,996
Net cash from (used in) investing activities	92,894	(217,772)
Net cash used in financing activities	(182,777)	(162,556)
Net increase (decrease) in cash and cash equivalents	231,907	(11,332)
Cash and cash equivalents at the beginning of the period	458,750	466,192
Effect of foreign exchange rate changes	(1,937)	478
Cash and cash equivalents at the end of the period	688,720	455,338

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 2023 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2024 as comparative information 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 2023 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2023.

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 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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.

NOTES TO THE 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 People’s 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 2024

	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	1,456,042	159,826	665,038	307,638	-	2,588,544
Inter-segment sales*	177,413	11,521	-	-	(188,934)	-
Commission income	8,537	233	-	-	-	8,770
	1,641,992	171,580	665,038	307,638	(188,934)	2,597,314
Segment profit	167,526	23,282	103,624	53,714	-	348,146
Other income						13,446
Corporate expenses						(120,287)
Other gains or losses						(5,733)
Finance costs						(12,258)
Profit before taxation						223,314

* Inter-segment sales are charged at cost

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2023

	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	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
	1,220,007	173,213	712,064	302,980	(78,343)	2,329,921

* Inter-segment sales are charged at cost

Segment profit	137,223	28,923	119,146	56,679	-	341,971
Other income						5,209
Corporate expenses						(110,418)
Other gains or losses						(8,181)
Finance costs						(3,842)
Profit before taxation						224,739

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Profit before taxation has been arrived at after charging (crediting):		
Cost of inventories included in cost of sales (included reversal of write-down for inventories of HK\$1,135,000) (2023 interim: write-down for inventories of NIL)	1,812,224	1,599,267
Allowance for credit losses	11	–
Depreciation of property, plant and equipment		
– retail shops	66,916	61,098
– offices	1,254	1,770
	68,170	62,868
Depreciation of right-of-use assets		
– retail shops	129,595	107,686
– offices	5,800	5,789
	135,395	113,475

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. PROFIT BEFORE TAXATION *(Continued)*

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Staff costs including Directors' remuneration		
– salaries and other benefits costs	170,699	147,223
– retirement benefits scheme contributions	14,270	13,467
	184,969	160,690
Included in other gains or losses:		
Loss on disposal/write-off of property, plant and equipment	1,182	307
Gain arising from termination/modification of leases	(261)	(619)
Net exchange losses	4,812	8,493
	5,733	8,181

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. TAXATION

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
The tax charge comprises:		
Profits tax:		
Hong Kong	16,325	13,079
Macau	4,109	5,146
PRC	9,755	11,217
Singapore	8,287	9,378
	38,476	38,820
Deferred taxation	130	–
	38,606	38,820

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. TAXATION *(Continued)*

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	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Interim dividend declared: HK0.65 cent (2023: HK0.76 cent) per share	44,066	51,524
2023 final dividend paid: HK0.56 cent (2022: HK0.62 cent) per share	37,965	42,033

The Board has resolved to declare an interim dividend of HK0.65 cent per share for the financial year ending 31 December 2024 (2023: HK0.76 cent), amounting to HK\$44,066,000 (2023: HK\$51,524,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Earnings		
Earnings for the period attributable to owners of the Company for the purpose of basic earnings per share	184,708	185,919

	Six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	6,779,458,129	6,779,458,129

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at	
	30 June 2024 (unaudited) HK\$'000	31 December 2023 (audited) HK\$'000
Trade receivables from contracts with customers	43,719	73,963
Less: Allowance for credit losses	(520)	(526)
	43,199	73,437
Other receivables, deposits and prepayments	72,314	93,319
Rental deposits	90,408	91,636
PRC Value-Added Tax ("VAT") recoverable	5,895	13,285
Singapore Goods and Services Tax ("GST") recoverable	1,353	–
	213,169	271,677
Analysed as:		
Current	108,585	177,341
Non-current – rental deposits	90,408	91,636
Non-current – deposits paid for acquisition of property, plant and equipment	14,176	2,700
	213,169	271,677

As at 1 January 2023, trade receivable from contracts with customers amounted to HK\$52,393,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

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 2024 were advance payments to suppliers of HK\$7,771,000 (31 December 2023: HK\$30,413,000) and rebate receivables of HK\$8,877,000 (31 December 2023: HK\$27,265,000). 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 2024 (unaudited) HK\$'000	31 December 2023 (audited) HK\$'000
Within 30 days	41,962	73,036
31-60 days	404	332
61-90 days	412	13
over 90 days	941	582
	43,719	73,963

Included in the trade receivables balance were receivables from department stores with aggregate carrying amount of HK\$1,652,000 (31 December 2023: HK\$574,000) which are past due at the reporting date for which the Group has not provided for impairment loss.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. PAYABLES AND ACCRUED CHARGES

	As at	
	30 June 2024 (unaudited) HK\$'000	31 December 2023 (audited) HK\$'000
Trade payables	59,629	122,063
Other payables and accrued charges	113,795	145,008
Singapore GST payables	–	790
PRC VAT payables	1,616	1,198
	175,040	269,059

Included in other payables and accrued charges as at 30 June 2024 were accrued bonus and incentive of HK\$12,750,000 (31 December 2023: HK\$23,601,000), accrued commission of HK\$8,415,000 (31 December 2023: HK\$9,497,000) and accrued for renovation cost of HK\$28,983,000 (31 December 2023: HK\$37,779,000).

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 2024 (unaudited) HK\$'000	31 December 2023 (audited) HK\$'000
Within 30 days	52,602	113,080
31 – 60 days	6,123	3,293
61 – 90 days	517	3,439
Over 90 days	387	2,251
	59,629	122,063

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. AMOUNTS DUE FROM (TO) RELATED COMPANIES

The amounts due from related companies mainly represent prepayment of operating expenses.

The amounts due to related companies mainly represent the service charge payable to related companies. These amounts are unsecured, interest-free and repayable on demand.

The related companies represent companies which are controlled by a director or private trusts of which another director is one of the eligible beneficiaries.

11. CAPITAL COMMITMENT

	As at	
	30 June 2024 (unaudited) HK\$'000	31 December 2023 (audited) HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	16,223	6,831

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. RELATED PARTY TRANSACTIONS

During the Period, other than disclosed in Note 10, the Group had the following transactions with related parties:

	Six months ended 30 June	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
(1) Sales of goods to Directors, their close family members and related companies	1,326	1,277
(2) Purchase of goods from Directors, their close family members and related companies	41	–
(3) Electricity and air-conditioning expenses paid and payable to related companies	147	107
(4) Service charge in respect of information system and administrative work paid and payable to related companies	9,405	8,430
(5) Advertising expenses paid and payable to related companies	263	545
(6) Financial advisory fee paid and payable to a related company	228	219
(7) Interest expenses on lease liabilities to related companies	2,482	993
(8) Variable lease payments to related companies	901	2,453

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. RELATED PARTY TRANSACTIONS *(Continued)*

The key management personnel of the Company are the Directors and senior management. The remuneration paid to them during the Period was as follows:

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Salaries and other short-term employee benefits	4,213	4,675
Service fee	1,080	1,080
Retirement benefits costs	153	150
	5,446	5,905

Notes:

- (a) The related companies are controlled by a Director or private trusts of which another Director is one of the eligible beneficiaries.
- (b) Other than the expenses under items (7) and (8), all other transactions are connected transactions exempt from announcement, reporting and independent shareholders' approval requirements under Rule 14A.33 of the Listing Rules.

As at 30 June 2024, deposits paid to related companies amounting to HK\$13,991,000 (31 December 2023: HK\$16,679,000) was included in rental deposits under non-current assets.

As at 30 June 2024, the Group had recognised lease liabilities of approximately HK\$88,325,000 (31 December 2023: HK\$53,213,000) for the leases with related companies.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2024, the following Director and chief executive of the Company ("Chief Executive(s)") had or was deemed or taken to have interests and short positions in the following shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("EWJ Securities Code"):

(a) Long position interests in the Company

Ordinary shares of the Company ("Shares")

Name of Director	Capacity/ Nature of interests	Number of Shares interested	Approximate % of issued voting Shares
Ms. Cindy Yeung	Eligible beneficiary of a private discretionary trust	4,298,630,000	63.41

Note:

These Shares were held by Emperor Watch & Jewellery Group Holdings Limited ("Emperor W&J Holdings"), a wholly-owned subsidiary of Albert Yeung Watch & Jewellery Holdings Limited ("AY W&J Holdings"). AY W&J Holdings was in turn held by First Family Advisors Trust reg. ("First Family Trust") in trust for a private discretionary trust of which Ms. Cindy Yeung is one of the eligible beneficiaries.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

(b) Long position interests in associated corporations of the Company

Ordinary shares

Name of Directors	Name of associated corporations	Capacity/ Nature of interests	Number of shares interested	Approximate % of issued voting shares
Ms. Cindy Yeung	Emperor International Holdings Limited ("Emperor International")	Eligible beneficiary of a private discretionary trust	2,747,611,223 <i>(Note)</i>	74.71
	Emperor Entertainment Hotel Limited ("Emperor E Hotel")	- ditto -	851,353,645 <i>(Note)</i>	71.63
	Emperor Culture Group Limited ("Emperor Culture")	- ditto -	2,371,313,094 <i>(Note)</i>	73.80
	Ulferts International Limited ("Ulferts")	- ditto -	600,000,000 <i>(Note)</i>	75.00
	New Media Lab Limited ("New Media Lab")	- ditto -	315,000,000 <i>(Note)</i>	52.50
Ms. Fan Man Seung, Vanessa	Emperor International	Beneficial owner	10,500,000	0.29

Note:

Emperor International, Emperor E Hotel, Emperor Culture, Ulferts and New Media Lab are companies with their shares listed on the Stock Exchange. These shares were ultimately owned by the respective private discretionary trusts which were all founded by Dr. Yeung Sau Shing, Albert ("Dr. Yeung"). Ms. Cindy Yeung had deemed interests in the same shares by virtue of being one of the eligible beneficiaries of such trusts.

Save as disclosed above, as at 30 June 2024, none of the Directors nor Chief Executives had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or Chief Executives, as at 30 June 2024, the persons or corporations (other than a Director or Chief Executive) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO ("DI Register") were as follows:

Long position in the Shares

Name	Capacity/ Nature of interests	Number of Shares interested	Approximate % of issued voting Shares
Emperor W&J Holdings	Beneficial owner	4,298,630,000 <i>(Note)</i>	63.41
AY W&J Holdings	Interest in a controlled corporation	4,298,630,000 <i>(Note)</i>	63.41
First Family Trust	Trustee of a private discretionary trust	4,298,630,000 <i>(Note)</i>	63.41
Dr. Yeung	Founder of a private discretionary trust	4,298,630,000 <i>(Note)</i>	63.41
Ms. Luk Siu Man, Semon	Interest of spouse	4,298,630,000 <i>(Note)</i>	63.41
Brandes Investment Partners, L.P.	Investment manager	339,017,288	5.00

Note: These Shares were the same Shares of which Ms. Cindy Yeung had deemed interest as those set out under Section (a) of "Directors' and Chief Executives' Interests in Securities" above.

Save as disclosed above, as at 30 June 2024, the Directors or Chief Executives were not aware of any person or corporation (other than a Director and Chief Executive) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the DI Register.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTIONS

The Company adopted a share option scheme (“Share Option Scheme”) on 23 May 2018 to provide incentive or rewards to eligible participants including Directors and employees of the Group. No share options have been granted under the Share Option Scheme since its adoption. The number of options available for grant under the scheme mandate limit of the Share Option Scheme was 687,308,812 at the beginning and the end of the Period.

CORPORATE GOVERNANCE CODE

The Company complied throughout the Period with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted EWJ Securities Code as its own code of conduct regarding securities transactions by Directors on no less exacting terms than the required standards as set out in Appendix C3 to the Listing Rules regarding the 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.

CHANGE IN INFORMATION OF DIRECTOR

The change in information of Director since the date of the 2023 Annual Report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- Mr. Law, Michael Ka Ming was appointed as an independent non-executive director of Elegance Optical International Holdings Limited (Stock Code: 907) with effect from 10 May 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REVIEW OF INTERIM REPORT

The condensed consolidated financial statements of the Group for the Period have not been reviewed nor audited by the Company's auditor, Deloitte Touche Tohmatsu, but have been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors.

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.

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

Hong Kong, 21 August 2024

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

Executive Directors:

Ms. Cindy Yeung
Ms. Fan Man Seung, Vanessa
Mr. Wong Chi Fai

Independent Non-executive Directors:

Ms. Chan Sim Ling, Irene
Mr. Liu Hing Hung
Mr. Law, Michael Ka Wing