



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

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



2025 INTERIM REPORT

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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 2025 (“**Period**”).

	For the six months ended 30 June		Changes
	2024 (unaudited) HK\$ million	2025 (unaudited) HK\$ million	
Total revenue	2,597	2,794	+ 7.6%
Gross profit	780	840	+ 7.7%
<i>Gross profit margin</i>	30.0%	30.1%	+ 0.1pp
Adjusted EBITD*	282	297	+ 5.3%
Net profit	185	194	+ 4.9%
Basic earnings per share	HK2.72 cents	HK2.73 cents	+ 0.4%

* Adjusted EBITD represents earnings before interest, tax and depreciation charge on the self-owned flagship store, which reflects the Group’s core operating performance.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

In spite of market uncertainties and challenging business environment, the Group's total revenue grew by 7.6% to HK\$2,794 million (2024: HK\$2,597 million) during the Period. Revenue from Hong Kong increased by 8.8% to HK\$1,594 million (2024: HK\$1,465 million), accounting for 57.1% (2024: 56.4%) of the total revenue, and the revenue from Mainland China increased by 8.7% to HK\$723 million (2024: HK\$665 million), accounting for 25.9% (2024: 25.6%) of the total revenue. In terms of revenue by product segment, the revenue from the watch segment increased by 4.2% to HK\$1,700 million (2024: HK\$1,632 million), accounting for 60.8% (2024: 62.8%) of the total revenue, and the revenue from the jewellery segment increased markedly by 13.4% to HK\$1,094 million (2024: HK\$965 million), accounting for 39.2% (2024: 37.2%) of the total revenue, among which gold products accounted for 75.2% (2024: 77.0%) of the revenue from the jewellery segment.

The Group's gross profit increased by 7.7% to HK\$840 million (2024: HK\$780 million) with gross profit margin remained resilient at 30.1% (2024: 30.0%). The Group's net profit increased by 4.9% to HK\$194 million (2024: HK\$185 million) during the Period. Basic earnings per share was HK2.73 cents (2024: HK2.72 cents). The Board declares an interim dividend of HK0.55 cent (2024: HK0.65 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 (“**Stock Exchange**”) 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

Expanding the Jewellery Business

During the Period, the Group successfully partnered with Mr. Chan Sai Cheong (“**Mr. Chan**”), an influential and highly respected jewellery industry veteran with over 40 years of experience, regarding strategic development of the Group’s jewellery business in Mainland China. For details of the cooperation, please refer to “Formation of Joint Venture” under the “Financial and Other Information” section below. The Group has drawn up a preliminary roadmap for store expansions in Mainland China, with an initial target of 600 stores in the next five years, opening in phases. During the first phase, the focus will be on opening stores targeting mid-to-high-end market segments in established first-tier and new first-tier cities; this will be followed by an emphasis on stores in second-tier cities, targeting mid-market segment.

The Group has formulated a product development plan which includes the following: (1) launches more themed gold jewellery collections, representing harmonious fusions of modern elegance and craftsmanship, in order to capitalise on the strong demand for fine gold products in the youth market; (2) creates affordable luxury products with unique designs, and explores collaborations with Intellectual Property (IP) products that have strong potential for market success, to cater to the lifestyles and independent nature of the Group’s targeted segments of “millennials” and “Gen Z” consumers; (3) building on the Group’s product research and development efforts, promotes both modern gold products together with antique-style gold products with traditional cultural elements, thus expanding its product offerings; and (4) explores market opportunities and enhances product design sophistication by integrating culture, innovation and commercial value.

The Group has also planned to strengthen its presence in APPs such as Xiaohongshu, Douyin, and WeChat mini-program operations, which will help with increasing brand visibility and driving sales capacity through an online to offline sales model, to effectively reach out to Chinese customers. Further, the Group plans to engage live e-commerce broadcast, for enhancing market exposure.

MANAGEMENT DISCUSSION AND ANALYSIS

A 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 leverages its strong customer database to organise unique co-marketing campaigns and events with the watch brands, highlighting new products and delivering professional services and special customer experiences in a personalised way, in order to understand and engage the customers.

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.

Presence in Prime Retail Locations

As at 30 June 2025, the Group had a total of 73 stores in Hong Kong, Macau, Mainland China, Singapore and Malaysia. The distribution was as follows:

	Number of stores
Hong Kong	30
Macau	8
Mainland China	26
Singapore	8
Malaysia	1
Total	73

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, spanning Hong Kong, Macau, Mainland China, Singapore and Malaysia, thus establishing its footprint and brand exposure within Greater China and beyond.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Group opened two new jewellery stores, in Hong Kong and Macau. Additionally, a **Patek Philippe** flagship store and a **Tudor** watch boutique were opened in Hong Kong and Chongqing in Mainland China, respectively, to further enhance the Group's market presence.

PROSPECTS

Recently, the Japanese Yen has rebounded slightly as compared with the first quarter of 2025, and the Group anticipates that more visitors from around the globe and domestic consumers will tend to purchase luxury items in Hong Kong. With the ongoing pick-up in foot traffic after the resumption of the multiple-entry Individual Visit Scheme for Shenzhen permanent residents, and the tourism blueprint launched by the Hong Kong government, the Group is confident that the overall retail market will further regain its growth momentum. The **Patek Philippe** flagship store that was recently opened by the Group in Central, Hong Kong, will further enhance the Group's competitive edge in the luxury watch retail market and strengthen its market leading position.

Given the volatile property and stock markets, the Group expects that gold jewellery, as an alternative form of investment, will continue being well received by Chinese consumers. The Group considers the establishment of the strategic partnership with Mr. Chan is a valuable opportunity for expanding its jewellery business in Mainland China. Subsequent to the Period, the Group opened a jewellery store in Hangzhou, Mainland China. The Group will effectively expand its retail network footprint with diversified market segmentation strategies, thereby capturing a substantial share of the enormous opportunities in the Mainland China market.

FINANCIAL AND OTHER INFORMATION

Capital Structure, Liquidity and Financial Resources

Bank balances and cash on hand of the Group as at 30 June 2025 was HK\$1,508 million (31 December 2024: HK\$950 million), which were mainly denominated in Hong Kong dollar and Renminbi. As at 30 June 2025, the Group did not have any bank borrowings (31 December 2024: 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 2024: zero). The Group also had available unutilised banking facilities of approximately HK\$1,029 million.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025, the Group's current assets and current liabilities were approximately HK\$4,586 million (31 December 2024: HK\$4,072 million) and HK\$569 million (31 December 2024: HK\$531 million), respectively. Current ratio and quick ratio of the Group were 8.1 (31 December 2024: 7.7) and 2.8 (31 December 2024: 2.0), respectively.

In view of the Group's financial position as at 30 June 2025, the Directors considered that the Group had sufficient working capital for its operations and future development plans.

Placing of Shares and Use of Proceeds

During the Period, the Group successfully placed 477,250,000 shares ("**Placing Share(s)**") to investors who were independent third parties at HK\$0.167 per Placing Share, which represented approximately 6.6% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. As at 30 June 2025, the net proceeds of approximately HK\$79 million from the placing were fully used for the expansion of the Group's retail network, amounting to approximately HK\$64 million, and general working capital of the Group, amounting to approximately HK\$15 million. Details of the placing of shares were set out in the announcement of the Company dated 9 January 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Acquisition of Property

During the Period, the Group entered into a sale and purchase agreement with a direct wholly-owned subsidiary of Emperor International Holdings Limited (Stock Code: 163), to acquire the space on 2/F to 4/F and the advertising space of Nos. 4-8 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong at a consideration of approximately HK\$80 million (“**Acquisition**”) for a luxury watch brand’s mega flagship store. The related resolution was passed in an extraordinary general meeting of the Company on 16 April 2025. Details of the Acquisition were set out in the Company’s announcement dated 28 February 2025, the Company’s circular dated 31 March 2025, and the Company’s poll result announcement dated 16 April 2025. This transaction was completed in August 2025.

Formation of Joint Venture

During the Period, the Group entered into a joint venture agreement with an independent third party, for establishing joint venture companies that are principally engaged in design, production and sales of precious metals and jewellery products under the “**Emperor Jewellery**” brand in Mainland China. Details of the agreement were set out in the Company’s announcement dated 3 April 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had 567 (2024: 708) salespersons and 171 (2024: 225) office staff. Total staff costs (including Directors’ remuneration) were HK\$200 million (2024: HK\$185 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 will be set out in the section headed “Share Options” of this interim report.

INTERIM DIVIDEND

The Board declared an interim dividend of HK0.55 cent (2024: HK0.65 cent) per share for the Period (“**Interim Dividend**”), amounting to approximately HK\$39,912,000 (2024: HK\$44,066,000). The Interim Dividend will be payable on Wednesday, 17 September 2025 to shareholders of the Company whose names appear on the register of members of the Company on Friday, 5 September 2025 (record date).

The register of members of the Company will be closed from Thursday, 4 September 2025 to Friday, 5 September 2025 (both days inclusive) for the purpose of determining shareholders’ entitlement to the Interim Dividend. During such 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 Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 3 September 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Revenue	3	2,793,641	2,597,314
Cost of sales		(1,953,291)	(1,817,119)
Gross profit		840,350	780,195
Other income		14,792	13,446
Selling and distribution expenses		(502,855)	(478,089)
Administrative expenses		(86,642)	(74,247)
Other gains or losses		(14,388)	(5,733)
Finance costs		(10,466)	(12,258)
Profit before taxation	4	240,791	223,314
Taxation	5	(46,469)	(38,606)
Profit for the period		194,322	184,708
Other comprehensive income (expense) for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		17,400	(6,520)
Total comprehensive income for the period		211,722	178,188

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Profit/(loss) for the period attributable to:			
Owners of the Company		196,474	184,708
Non-controlling interests		(2,152)	–
		194,322	184,708
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		213,332	178,188
Non-controlling interests		(1,610)	–
		211,722	178,188
Earnings per share – Basic	7	HK2.73 cents	HK2.72 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		As at	
	Notes	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Non-current assets			
Property, plant and equipment		1,336,276	1,383,443
Right-of-use assets		381,796	374,882
Rental deposits	8	94,270	97,382
Deposits paid for acquisition of property, plant and equipment	8	31,261	9,736
Deferred tax assets		5,094	5,094
		1,848,697	1,870,537
Current assets			
Inventories		2,986,732	3,003,428
Right to returned goods asset		1,289	1,289
Receivables, deposits and prepayments	8	89,537	116,704
Amounts due from related companies	10	430	578
Time deposits with original maturity over three months		396,505	33,459
Cash and cash equivalents		1,111,708	916,360
		4,586,201	4,071,818
Current liabilities			
Payables and accrued charges	9	201,567	202,375
Lease liabilities		217,675	216,477
Contract liabilities		39,674	30,193
Refund liabilities		2,267	2,267
Amounts due to related companies	10	9,181	15,186
Taxation payable		98,963	64,690
		569,327	531,188
Net current assets		4,016,874	3,540,630

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	As at	
	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
<i>Notes</i>		
Non-current liabilities		
Deferred tax liabilities	1,281	1,221
Lease liabilities	198,474	195,856
	199,755	197,077
Net assets	5,665,816	5,214,090
Capital and Reserves		
Share capital	3,563,493	3,484,152
Reserves	1,825,920	1,729,938
Equity attributable to owners of the Company	5,389,413	5,214,090
Non-controlling interests	276,403	–
Total equity	5,665,816	5,214,090

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital HK\$'000	Merger reserve HK\$'000	Other reserve HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Subtotal HK\$'000		
As at 1 January 2024 (audited)	3,484,152	(373,003)	(26,195)	2,529	(33,926)	1,993,131	5,046,688	–	5,046,688
Exchange differences arising on translation of foreign operations	–	–	–	–	(6,520)	–	(6,520)	–	(6,520)
Profit for the period	–	–	–	–	–	184,708	184,708	–	184,708
Total comprehensive income for the period	–	–	–	–	(6,520)	184,708	178,188	–	178,188
Final dividend recognised and paid for 2023 (note 6)	–	–	–	–	–	(37,965)	(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	–	5,186,911
As at 1 January 2025 (audited)	3,484,152	(373,003)	(26,195)	2,529	(41,230)	2,167,837	5,214,090	–	5,214,090
Exchange differences arising on translation of foreign operations	–	–	–	–	16,858	–	16,858	542	17,400
Profit/(loss) for the period	–	–	–	–	–	196,474	196,474	(2,152)	194,322
Total comprehensive income/(expense) for the period	–	–	–	–	16,858	196,474	213,332	(1,610)	211,722
Issue of shares (note i)	79,701	–	–	–	–	–	79,701	–	79,701
Transaction costs attributable to issue of shares (note i)	(360)	–	–	–	–	–	(360)	–	(360)
Deemed disposal of subsidiaries to a non-controlling shareholder (note ii)	–	–	(84,695)	–	–	–	(84,695)	278,013	193,318
Final dividend recognised and paid for 2024 (note 6)	–	–	–	–	–	(32,655)	(32,655)	–	(32,655)
As at 30 June 2025 (unaudited)	3,563,493	(373,003)	(110,890)	2,529	(24,372)	2,331,656	5,389,413	276,403	5,665,816

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Note i: On 9 January 2025, the Company entered into a placing agreement to issue 477,250,000 placing shares to investors who were independent third parties at HK\$0.167 per share and completed the placement on 21 January 2025. The net proceeds from this placement after deducting related transaction costs were approximately HK\$79.3 million.

Note ii: During the Period, certain wholly-owned subsidiaries issued shares to a non-controlling shareholder. This issuance of shares resulted in a deemed disposal of 49% interests in the subsidiaries, thereby converting them from wholly-owned subsidiaries to non-wholly owned subsidiaries. As a result, other reserve of HK\$84,695,000 arose, representing the difference between the consideration received from the non-controlling shareholder and the carrying amount of the net assets attributable to the disposed of 49% interests.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Net cash from operating activities	495,930	321,790
Net cash (used in) from investing activities	(405,019)	92,894
Net cash from (used in) financing activities	99,891	(182,777)
Net increase in cash and cash equivalents	190,802	231,907
Cash and cash equivalents at the beginning of the period	916,360	458,750
Effect of foreign exchange rate changes	4,546	(1,937)
Cash and cash equivalents at the end of the period	1,111,708	688,720

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 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.

The financial information relating to the year ended 31 December 2024 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2025 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that 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 2024 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 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual periods beginning on or after 1 January 2025 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to HKFRS Accounting Standard 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 unaudited 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.

The Group operates a customer loyalty programme for sales through the retail shops, where retail customers are awarded points for purchases made which entitle them to redeem award points as sales discounts in the future. The transaction price is allocated to the product and the award points on a relative stand-alone selling price basis. The customer loyalty award points expire every year and customers can redeem the award points any time before the specified expiration date. Revenue from the award points is recognised when the award points are redeemed or expired. Contract liabilities are recognised until the award points are redeemed or expired.

Revenue is recognised for sales which are considered highly probable and where a significant reversal of the cumulative revenue recognised will not occur. A refund liability is recognised for sales in which revenue has not yet been recognised.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

All the sales of products and commission income are completed within one year. As permitted under HKFRS 15 *Revenue from Contracts with Customers*, the transaction price allocated to these unsatisfied contracts is not disclosed.

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

For the six months ended 30 June 2025

	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	1,583,703	162,961	723,002	309,673	-	2,779,339
Inter-segment sales*	97,192	27,238	-	-	(124,430)	-
Commission income	10,047	4,255	-	-	-	14,302
	1,690,942	194,454	723,002	309,673	(124,430)	2,793,641

* Inter-segment sales are charged at cost

Segment profit	215,206	31,505	83,807	52,640	-	383,158
Other income						14,792
Corporate expenses						(132,305)
Other gains or losses						(14,388)
Finance costs						(10,466)
Profit before taxation						240,791

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

* Inter-segment sales are charged at cost

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

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	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Profit before taxation has been arrived at after charging (crediting):		
Cost of inventories included in cost of sales (included write-down for inventories of HK\$Nil (2024 interim: reversal of write-down for inventories of HK\$1,135,000))	1,947,872	1,812,224
Allowance for credit losses	—	11
Depreciation of property, plant and equipment		
– retail shops	73,643	66,916
– offices	1,268	1,254
	74,911	68,170
Depreciation of right-of-use assets		
– retail shops	126,283	129,595
– offices	6,862	5,800
	133,145	135,395

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. PROFIT BEFORE TAXATION *(Continued)*

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Staff costs including Directors' remuneration		
– salaries and other benefits costs	186,628	170,699
– retirement benefits scheme contributions	13,669	14,270
	200,297	184,969
Included in other gains or losses:		
Loss on disposal/write-off of property, plant and equipment	6,902	1,182
Loss/(gain) arising from termination/modification of leases	3,944	(261)
Net exchange losses	3,542	4,812
	14,388	5,733

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. TAXATION

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
The tax charge comprises:		
Profits tax:		
Hong Kong	25,681	16,325
Macau	4,243	4,109
PRC	8,823	9,755
Other regions in Asia Pacific	7,722	8,287
	46,469	38,476
Deferred taxation	—	130
	46,469	38,606

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	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Interim dividend declared: HK0.55 cent (2024: HK0.65 cent) per share	39,912	44,066
2024 final dividend paid: HK0.45 cent (2023: HK0.56 cent) per share	32,655	37,965

The Board declared an interim dividend of HK0.55 cent (2024: HK0.65 cent) per share for the financial year ending 31 December 2025, amounting to approximately HK\$39,912,000 (2024: HK\$44,066,000).

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	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Earnings		
Earnings for the period attributable to owners of the Company for the purpose of basic earnings per share	196,474	184,708
	<hr/>	
	Six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	7,256,708,129	6,779,458,129
	<hr/>	

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 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Trade receivables from contracts with customers	22,979	46,170
Less: Allowance for credit losses	(524)	(516)
	22,455	45,654
Other receivables, deposits and prepayments	79,959	77,339
Rental deposits	94,270	97,382
PRC Value-Added Tax ("VAT") recoverable	15,208	3,447
Singapore Goods and Services Tax ("GST") recoverable	3,176	–
	215,068	223,822
Analysed as:		
Current	89,537	116,704
Non-current – rental deposits	94,270	97,382
Non-current – deposits paid for acquisition of property, plant and equipment	31,261	9,736
	215,068	223,822

As at 1 January 2024, trade receivable from contracts with customers amounted to HK\$73,963,000.

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 2025 was rebate receivables of HK\$5,433,000 (31 December 2024: HK\$4,356,000). 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 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Within 30 days	22,314	44,540
31-60 days	31	1,105
61-90 days	43	–
over 90 days	591	525
	22,979	46,170

Included in the trade receivables balance were receivables from department stores with aggregate carrying amount of HK\$135,000 (31 December 2024: HK\$1,466,000) 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 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Trade payables	73,070	64,582
Other payables and accrued charges	127,545	134,295
PRC VAT payables	952	2,772
Singapore GST payables	–	726
	201,567	202,375

Included in other payables and accrued charges as at 30 June 2025 were accrued bonus and incentive of HK\$13,078,000 (31 December 2024: HK\$22,310,000), accrued commission of HK\$7,981,000 (31 December 2024: HK\$9,697,000) and accrued renovation cost of HK\$30,332,000 (31 December 2024: HK\$20,083,000).

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 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
Within 30 days	71,179	64,131
31 – 60 days	793	69
61 – 90 days	333	230
Over 90 days	765	152
	73,070	64,582

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 2025 (unaudited) HK\$'000	31 December 2024 (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	65,715	8,947

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	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
(1) Sales of goods to Directors, their close family members and related companies	1,823	1,326
(2) Cost of consigned items paid or payable to a related party	234	41
(3) Electricity and air-conditioning expenses paid and payable to related companies	109	147
(4) Service charge in respect of information system and administrative work paid and payable to related companies	8,407	9,397
(5) Advertising and marketing expenses paid and payable to related companies	2,419	263
(6) Financial advisory fee paid and payable to a related company	159	228
(7) Referral fee paid and payable to related companies	1	8
(8) Interest expenses on lease liabilities to related companies	1,900	2,482
(9) Variable lease payments to related companies	1,496	901

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	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Salaries and other short-term employee benefits	8,070	4,213
Service fee	1,080	1,080
Retirement benefits costs	140	153
	9,290	5,446

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 (2), (7), (8) and (9), 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 2025, deposits paid to related companies amounting to HK\$13,806,000 (31 December 2024: HK\$13,618,000) was included in rental deposits under non-current assets.

As at 30 June 2025, the Group had recognised lease liabilities of approximately HK\$58,214,000 (31 December 2024: HK\$75,675,000) for the leases with related companies.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS IN SECURITIES

As at 30 June 2025, the following Director and chief executive of the Company (“**Chief Executive(s)**”) had or was deemed or taken to have interests or short positions in the following shares, underlying shares and debentures of the Company or any of 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	59.24

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**”) in trust for a private discretionary trust of which Ms. Cindy Yeung is one of the eligible beneficiaries and had deemed interests in the same Shares.

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	4,121,416,834 (Note)	74.71
	Emperor Entertainment Hotel Limited ("Emperor E Hotel")	– ditto –	636,075,041 (Note)	53.52
	Emperor Culture Group Limited ("Emperor Culture")	– ditto –	2,371,313,094 (Note)	73.80
	Ulferts International Limited ("Ulferts")	– ditto –	600,000,000 (Note)	75.00
	New Media Lab Limited ("New Media Lab")	– ditto –	315,000,000 (Note)	52.50
Ms. Fan Man Seung, Vanessa	Emperor International	Beneficial owner	15,750,000	0.29
	Emperor E Hotel	– ditto –	2,430,750	0.20

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 2025, 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 2025, the persons or corporations (other than the Director or Chief Executive) who had, or were deemed or taken to have interests or 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

Names	Capacity/ Nature of interests	Number of Shares interested	Approximate % of issued voting Shares
Emperor W&J Holdings	Beneficial owner	4,298,630,000 (Note)	59.24
AY W&J Holdings	Interest in a controlled corporation	4,298,630,000 (Note)	59.24
First Family	Trustee of a private discretionary trust	4,298,630,000 (Note)	59.24
Dr. Yeung	Founder of a private discretionary trust	4,298,630,000 (Note)	59.24
Ms. Luk Siu Man, Semon	Interest of spouse	4,298,630,000 (Note)	59.24

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. By virtue of being the spouse of Dr. Yeung, Ms. Luk Siu Man, Semon had deemed interests in the same Shares.

Save as disclosed above, as at 30 June 2025, the Directors or Chief Executives were not aware of any person or corporation (other than the 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 has adopted a share option scheme on 23 May 2018 (“**Share Option Scheme**”) to enable the Group to attract, retain and motivate talent participants to strive for future developments and expansion of the Group. No share options have been granted under the Share Option Scheme since its adoption. At both the beginning and the end of the Period and as at the date of 2024 Annual Report of the Company, the number of share options available for grant under the scheme mandate limit of the Share Option Scheme was 687,308,812 which was the total number of shares available for issue under the Share Option Scheme representing approximately 10.14% of the total number of issued shares of the Company immediately before the completion of the Placing Shares on 21 January 2025, and representing approximately 9.47% of the total number of issued shares of the Company as at the end of the Period and as at the date of the 2024 Annual Report of the Company.

CORPORATE GOVERNANCE CODE

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

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 of 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS

Save as those information set out in the announcements of the Company dated 3 February and 19 May 2025 regarding, inter alia, the appointment of Executive Director, retirement of Executive Director and the change of Independent Non-executive Directors and composition of Board committee, the changes in Directors' information since the date of the 2024 Annual Report of the Company and up to the date of this interim report, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- With effect from 1 January 2025, the director's fees payable to each Executive Director and each Independent Non-executive Director have been adjusted to HK\$100,000 and HK\$200,000 per annum respectively.

REVIEW OF INTERIM REPORT

The condensed consolidated financial statements of the Group for the Period as set out in this interim report have not been reviewed nor audited by the Company's auditor, Messrs. 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, 20 August 2025

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

Executive Directors:

Ms. Cindy Yeung
Mr. Leung Ho Cheong, Larry
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Mr. Liu Hing Hung
Mr. Law, Michael Ka Ming
Ms. Lai Ka Fung, May