



東方表行

Oriental Watch Company

Since 1961

Oriental Watch Holdings Limited

東方表行集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 398)

憑經驗 · 成就55載

2016

Interim Report 中期報告

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS	Dr. Yeung Ming Biu (<i>Chairman</i>) Mr. Yeung Him Kit, Dennis (<i>Deputy Chairman and Managing Director</i>) Mr. Fung Kwong Yiu (<i>Executive Director</i>) Madam Yeung Man Yee, Shirley (<i>Executive Director</i>) Mr. Lam Hing Lun, Alain (<i>Finance Director</i>) Mr. Choi Kwok Yum (<i>Executive Director</i>) Dr. Sun Ping Hsu, Samson (<i>Independent Non-executive Director</i>) Dr. Li Sau Hung, Eddy (<i>Independent Non-executive Director</i>) Mr. Choi Man Chau, Michael (<i>Independent Non-executive Director</i>)	董事會	楊明標博士(主席) 楊衍傑先生 (副主席兼董事總經理) 馮廣耀先生 (執行董事) 楊敏儀女士 (執行董事) 林慶麟先生 (財務董事) 蔡國欽先生 (執行董事) 孫秉樞博士 (獨立非執行董事) 李秀恒博士 (獨立非執行董事) 蔡文洲先生 (獨立非執行董事)
COMPANY SECRETARY	Mr. Lam Hing Lun, Alain	公司秘書	林慶麟先生
PRINCIPAL BANKERS	Hang Seng Bank Limited Bank of China (Hong Kong) Limited Standard Chartered Bank (Hong Kong) Limited	主要往來銀行	恒生銀行有限公司 中國銀行(香港)有限公司 渣打銀行(香港)有限公司
AUDITOR	Deloitte Touche Tohmatsu Certified Public Accountants	核數師	德勤•關黃陳方會計師行 執業會計師
HONG KONG BRANCH SHARE REGISTRARS	Tricor Secretaries Limited Level 22 Hopewell centre 183 Queen's Road East Hong Kong	股份過戶 登記處 香港分處	卓佳秘書商務有限公司 香港 皇后大道東183號 合和中心 22樓
HONG KONG LEGAL ADVISER	Jennifer Cheung & Co	香港法律顧問	張美霞律師行
BERMUDA LEGAL ADVISER	Conyers, Dill & Pearman	百慕達法律 顧問	Conyers, Dill & Pearman
REGISTERED OFFICE	Clarendon House Church Street Hamilton HM 11 Bermuda	註冊辦事處	Clarendon House Church Street Hamilton HM 11 Bermuda
PRINCIPAL PLACE OF BUSINESS	Room 312-8 China Insurance Group Building 141 Des Voeux Road Central Central Hong Kong	主要營業地點	香港 中環 德輔道中141號 中保集團大廈 312-8室

The Board of Directors of Oriental Watch Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September, 2016 together with the comparative figures for the corresponding period in 2015 as follows:

東方表行集團有限公司(「本公司」)董事會欣然宣佈，本公司及其附屬公司(「本集團」)截至二零一六年九月三十日止六個月之未審核綜合業績連同二零一五年同期之比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

簡明綜合損益及其他全面收益表

截至二零一六年九月三十日止六個月

		(Unaudited) Six months ended (未審核) 截至九月三十日止六個月	
		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	30 September 2015 二零一五年 九月三十日 HK\$'000 千港元
Revenue	收益	1,545,049	1,570,000
Cost of goods sold	銷貨成本	(1,308,407)	(1,329,028)
Gross profit	毛利	236,642	240,972
Other income, gains and losses	其他收入、收益及虧損	20,652	19,431
Distribution and selling expenses	分銷及銷售開支	(93,792)	(97,352)
Administrative expenses	行政開支	(152,155)	(154,798)
Finance costs	融資成本	(3,120)	(5,093)
Share of results of associates	應佔聯營公司之業績	1,240	342
Share of results of joint ventures	應佔合營公司之業績	(865)	1,123
Profit before taxation	除稅前溢利	8,602	4,625
Income tax expense	所得稅開支	(4,481)	(2,109)
Profit for the period	期內溢利	4,121	2,516
Other comprehensive (expense) income	其他全面(開支)收益		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	(9,525)	(16,853)
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	163	(133)

**CONDENSED CONSOLIDATED STATEMENT
OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME** (Continued)

For the six months ended 30 September 2016

簡明綜合損益及其他全面收益表
(續)

截至二零一六年九月三十日止六個月

		(Unaudited)	
		Six months ended	
		(未審核)	
		截至九月三十日止六個月	
		30 September 2016	30 September 2015
		二零一六年 九月三十日	二零一五年 九月三十日
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
Other comprehensive expense for the period	期內其他全面開支	(9,362)	(16,986)
Total comprehensive expense for the period	期內全面開支總額	(5,241)	(14,470)
Profit (loss) for the period attributable to:	應佔期內溢利(虧損)：		
Owners of the Company	本公司擁有人	4,345	2,647
Non-controlling interests	非控股權益	(224)	(131)
		4,121	2,516
Total comprehensive expense for the period attributable to:	應佔期內全面開支總額：		
Owners of the Company	本公司擁有人	(5,083)	(14,272)
Non-controlling interests	非控股權益	(158)	(198)
		(5,241)	(14,470)
Earnings per share	每股盈利		
— Basic	— 基本	0.76 HK cents 港仙	0.46 HK cent 港仙
— Diluted	— 攤薄	0.76 HK cents 港仙	0.46 HK cent 港仙

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2016

簡明綜合財務狀況表

於二零一六年九月三十日

			(Unaudited) (未審核) 30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	(Audited) (經審核) 31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	8	216,439	228,867
Deposits for acquisition of property, plant and equipment	收購物業、機器及設備之按金		2,477	7,072
Interests in associates	佔聯營公司之權益		38,632	35,150
Interests in joint ventures	佔合營公司之權益	9	25,453	114,806
Available-for-sale financial assets	可供出售金融資產		5,688	5,525
Deferred tax assets	遞延稅項資產		91	114
Property rental deposits	物業租金按金		30,776	45,738
			319,556	437,272
Current assets	流動資產			
Inventories	存貨		1,437,694	1,569,528
Trade and other receivables	貿易及其他應收賬款	10	155,885	117,085
Taxation recoverable	可退回稅項		5,497	5,893
Bank balances and cash	銀行結餘及現金		535,433	403,804
			2,134,509	2,096,310
Assets classified as held for sale	分類為持作出售之資產	11	16,615	—
			2,151,124	2,096,310
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	12	148,601	156,754
Taxation payable	應付稅項		3,472	681
Bank loans	銀行貸款	13	124,633	156,178
			276,706	313,613
Liabilities associated with assets classified as held for sale	分類為持作出售資產之相關負債	11	11,480	—
			288,186	313,613

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 September 2016

簡明綜合財務狀況表(續)

於二零一六年九月三十日

		Notes 附註	(Unaudited) (未審核) 30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	(Audited) (經審核) 31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
Net current assets	流動資產淨值		1,862,938	1,782,697
Total assets less current liabilities	資產總值減流動負債		2,182,494	2,219,969
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	13	29,195	60,460
Deferred tax liabilities	遞延稅項負債		2,394	1,937
			31,589	62,397
Net assets	資產淨值		2,150,905	2,157,572
Capital and reserves	資本及儲備			
Share capital	股本	14	57,061	57,061
Reserves	儲備		2,092,948	2,099,457
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,150,009	2,156,518
Non-controlling interests	非控股權益		896	1,054
Total equity	權益總額		2,150,905	2,157,572

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

簡明綜合權益變動表

截至二零一六年九月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔										Non-controlling interests 非控股權益		Total 合計
		Share capital 股本	Share premium 股份溢價	Share option reserve 購股權儲備	Capital redemption reserve 資本贖回儲備	Capital reserve 資本儲備	Asset revaluation reserve 資產重估儲備	Special reserve 特別儲備	Translation reserve 換算儲備	Retained profits 保留溢利	Dividend reserve 股息儲備	Sub-total 小計		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2016 (audited)	於二零一六年四月一日 (經審核)	57,061	549,396	83,554	425	840	5,873	5,180	42,372	1,410,391	1,426	2,156,518	1,054	2,157,572
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	(9,591)	-	-	(9,591)	66	(9,525)
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	163	-	-	-	-	163	-	163
Profit (loss) for the period	期內溢利(虧損)	-	-	-	-	-	-	-	-	4,345	-	4,345	(224)	4,121
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	-	-	-	163	-	(9,591)	4,345	-	(5,083)	(158)	(5,241)
2016 final dividend paid	已派發二零一六年末期股息	-	-	-	-	-	-	-	-	-	(1,426)	(1,426)	-	(1,426)
2017 interim dividend proposed	擬派發二零一七年中中期股息	-	-	-	-	-	-	-	-	(1,141)	1,141	-	-	-
At 30 September 2016 (unaudited)	於二零一六年九月三十日 (未審核)	57,061	549,396	83,554	425	840	6,036	5,180	32,781	1,413,595	1,141	2,150,009	896	2,150,905
At 1 April 2015 (audited)	於二零一五年四月一日 (經審核)	57,061	549,396	83,554	425	840	6,000	5,180	78,655	1,427,915	1,426	2,210,452	1,339	2,211,791
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	(16,786)	-	-	(16,786)	(67)	(16,853)
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	(133)	-	-	-	-	(133)	-	(133)
Profit (loss) for the period	期內溢利(虧損)	-	-	-	-	-	-	-	-	2,647	-	2,647	(131)	2,516
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	-	-	-	-	-	(133)	-	(16,786)	2,647	-	(14,272)	(198)	(14,470)
2015 final dividend paid	已派發二零一五年末期股息	-	-	-	-	-	-	-	-	-	(1,426)	(1,426)	-	(1,426)
2016 interim dividend proposed	擬派發二零一六年中中期股息	-	-	-	-	-	-	-	-	(570)	570	-	-	-
At 30 September 2015 (unaudited)	於二零一五年九月三十日 (未審核)	57,061	549,396	83,554	425	840	5,867	5,180	61,869	1,429,992	570	2,194,754	1,141	2,195,895

Note: The special reserve of the Group comprises the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the issued share capital and special reserves of those companies which were acquired by the Company pursuant to a group reorganisation in 1993. The special reserves of these acquired subsidiaries represent the credit arising on reduction of their paid up share capital under the group reorganisation.

附註：本集團之特別儲備包括本公司已發行股本面值與本公司根據一九九三年進行集團重組而收購之公司已發行股本面值之差額及所收購公司之特別儲備。該等所收購附屬公司之特別儲備指根據集團重組，削減該等公司已繳足股本而產生之進賬。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

簡明綜合現金流量表

截至二零一六年九月三十日止六個月

		(Unaudited) Six months ended (未審核) 截至九月三十日止六個月	
		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	30 September 2015 二零一五年 九月三十日 HK\$'000 千港元
Net cash from operating activities	經營業務所產生之現金淨額	119,920	73,201
Investing activities	投資活動		
Cash inflow from assignment of amount due from a joint venture	應收一間合營公司之分配金額之現金流入	66,839	—
Deposit received for disposal of an interest in a joint venture	出售一間合營公司權益之已收按金	11,480	—
Repayment of amount due from a joint venture	應收一間合營公司償還之款項	4,500	—
Interest received	已收利息	849	551
Purchase of property, plant and equipment	購買物業、機器及設備	(1,309)	(9,610)
Net cash from (used in) investing activities	融資活動所產生(所耗)之現金淨額	82,359	(9,059)
Financing activities	融資活動		
Repayment of bank loans	償還銀行貸款	(94,479)	(165,529)
Interest paid	已付利息	(3,328)	(5,631)
Dividends paid	已付股息	(1,426)	(1,426)
New bank loans raised	新造銀行貸款	30,360	100,000
Net cash used in financing activities	融資活動所耗之現金淨額	(68,873)	(72,586)
Net increase (decrease) in cash and cash equivalents	現金及等同現金項目之增加(減少)淨額	133,406	(8,444)
Cash and cash equivalents at beginning of the period	期初之現金及等同現金項目	403,804	344,037
Effect of foreign exchange rate changes	匯率變動之影響	(1,777)	185
Cash and cash equivalents at the end of the period, represented by bank balances and cash	期終之現金及等同現金項目，由銀行結餘及現金代表	535,433	335,778

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

簡明綜合財務報表附註

截至二零一六年九月三十日止六個月

1. Basis of preparation

The 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 (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2016 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2016.

In the current interim period, the Group has applied, for the first time, the following amendments to HKAS(s) and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current interim period.

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material impact on the amounts and/or disclosures reported in these condensed consolidated financial statements.

1. 編撰基準

簡明綜合財務報表乃按香港會計師公會(「香港會計師公會」)所頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則附錄16之適用披露規定而編撰。

2. 主要會計政策

除若干金融工具以公平值計量外，簡明綜合財務報表乃按歷史成本基準編撰。

除下述者外，截至二零一六年九月三十日止六個月之簡明綜合財務報表採用之會計政策及計算方法與編撰本集團截至二零一六年三月三十一日止年度之年度綜合財務報表所依循者相同。

於本中期期間，本集團已首次應用下列由香港會計師公會頒佈並於本中期期間強制生效之香港會計準則及香港財務報告準則(「香港財務報告準則」)之修訂本。

香港財務報告準則第11號(修訂本)	收購共同經營權益之會計處理
香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號及香港會計準則第38號(修訂本)	折舊及攤銷可接受方法之澄清
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物
香港會計準則第27號(修訂本)	獨立財務報表之權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合之例外情況
香港財務報告準則(修訂本)	香港財務報告準則二零一二年至二零一四年期間之年度改善

於本中期期間應用上述香港財務報告準則之修訂本對該等簡明綜合財務報表所呈報之金額及／或披露並無構成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

3. Segment information

The Group's operation is principally sales of watches. The Group's revenue represents consideration received or receivable from sales of watches.

The Group has two operating segments, which are analysed based on geographical markets of the goods sold, being (a) Hong Kong, and (b) Taiwan, Macau and the People's Republic of China (the "PRC"), which is also the basis of organisation of the Group for managing the business operations. The Group determines its operating segments based on the internal reports reviewed by the Managing Director of the Group that are used to allocate resources and assess performance. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

3. 分部資料

本集團主要從事銷售鐘表業務。本集團之收益指銷售鐘表之已收或應收代價。

本集團有兩個按出售貨品地理市場分析之營運分部，分別為(a)香港，及(b)台灣、澳門及中華人民共和國(「中國」)，亦為組織本集團以管理業務營運之基準。本集團按已由本公司董事總經理審閱並賴以作出資源分配及評估表現之內部報告釐定其營運分部。概無首席營運決策者所識別之經營分部已於達致本集團之可呈報分部時彙集計算。

以下為本集團按營運分部劃分之分部營業額及業績分析：

		Revenue Six months ended 30 September 收益 截至九月三十日 止六個月		Results Six months ended 30 September 業績 截至九月三十日 止六個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong	香港	1,131,333	1,160,853	28,176	30,428
Taiwan, Macau and the PRC	台灣、澳門及中國	413,716	409,147	(4,601)	(14,768)
		1,545,049	1,570,000	23,575	15,660
Unallocated other income	未分配其他收入			849	551
Unallocated corporate expenses	未分配企業開支			(13,077)	(7,958)
Finance costs	融資成本			(3,120)	(5,093)
Share of results of associates	應佔聯營公司之業績			1,240	342
Share of results of joint ventures	應佔合營公司之業績			(865)	1,123
Profit before taxation	除稅前溢利			8,602	4,625

Segment profit represents the profit before taxation earned by each segment without allocation of finance costs, share of results of associates and joint ventures and unallocated other income and corporate expenses. Unallocated other income includes interest income. Unallocated corporate expenses include auditor's remuneration, directors' emoluments, loss on disposal of property, plant and equipment and corporate operating expenses. This is the measure reported to the Managing Director of the Company for the purposes of resources allocation and performance assessment.

分部溢利指在未分配融資成本、應佔聯營公司及合營公司之業績及未分配其他收入及企業開支之情況下各分部賺取之除稅前溢利。未分配其他收入包括利息收入。未分配企業開支包括核數師酬金、董事酬金、出售物業、機器及設備之虧損及營運開支。此乃向本公司董事總經理就資源分配及表現評估作出報告之計量方式。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

3. Segment information (Continued)

All segment revenue is generated from external customers for both periods.

The following is an analysis of the Group's assets by operating segments:

Hong Kong	香港
Taiwan, Macau and the PRC	台灣、澳門及中國
Segment total	分部總額
Unallocated	未分配
Total assets	資產總值

4. Profit before taxation

Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：
Depreciation of property, plant and equipment	物業、機器及設備之折舊
Directors' remuneration	董事酬金
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損
Net exchange losses	匯兌虧損淨額
and after crediting:	並已計入：
Interest income	利息收入
Net exchange gain	匯兌收益淨額

3. 分部資料(續)

兩個期間之所有分部收益均來自外部客戶。

以下為本集團按營運分部劃分之資產分析：

30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
1,166,200	1,246,569
676,605	721,173
1,842,805	1,967,742
627,875	565,840
2,470,680	2,533,582

4. 除稅前溢利

Six months ended 截至九月三十日止六個月	
30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	30 September 2015 二零一五年 九月三十日 HK\$'000 千港元
11,725	17,021
7,228	6,487
6,178	48
—	2,186
849	551
35	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

5. Income tax expense

The charge (credit) comprises:	支出(計入)包括：
Hong Kong Profits Tax	香港利得稅
— Current period	— 當期
— Under-provision in prior years	— 過往年度撥備不足
Taxation in other jurisdictions	其他司法權區之稅項
Deferred taxation	遞延稅項

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.

Taxation in other jurisdictions is calculated at the rates prevailing pursuant to the relevant laws and regulations.

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 PRC subsidiaries is 25%.

6. Dividend

During the current interim period, a final dividend of 0.25 HK cent per share, totalling HK\$1,426,000, in respect of the year ended 31 March 2016 (2015: 0.25 HK cent per share, totalling HK\$1,426,000) was approved at the annual general meeting held on 24 August 2016.

On 23 November 2016, the directors resolved to declare an interim dividend of 0.20 HK cent per share in respect of the six months ended 30 September 2016, totalling HK\$1,141,000 (2015: 0.1 HK cent per share, totalling HK\$570,000), to be paid in cash to those shareholders whose names appear on the Company's register of members on 14 December 2016.

5. 所得稅開支

Six months ended 截至九月三十日止六個月	
30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	30 September 2015 二零一五年 九月三十日 HK\$'000 千港元
1,494	1,491
2,731	—
4,225	1,491
(16)	340
4,209	1,831
272	278
4,481	2,109

香港利得稅乃根據兩個期間之估計應課稅溢利按16.5%計算。

其他司法權區之稅項乃根據有關法例及法規按現行稅率計算。

根據《中國企業所得稅法》(「企業所得稅法」)及《企業所得稅法實施條例》，中國附屬公司之稅率為25%。

6. 股息

於本中期期間，已於二零一六年八月二十四日舉行之股東週年大會上批准派發截至二零一六年三月三十一日止年度之末期股息每股0.25港仙，合共1,426,000港元(二零一五年：每股0.25港仙，合共1,426,000港元)。

於二零一六年十一月二十三日，董事決議宣派截至二零一六年九月三十日止六個月之中期股息每股0.20港仙，合共1,141,000港元(二零一五年：每股0.1港仙，合共570,000港元)。中期股息將以現金派付予於二零一六年十二月十四日名列本公司股東名冊之股東。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

7. Earnings per share

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings

Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)

盈利

計算每股基本及攤薄盈利之盈利
(本公司擁有人應佔期內溢利)

Number of shares

Number of ordinary shares for the purpose of basic and diluted earnings per share

股份數目

計算每股基本及攤薄盈利之
普通股數目

The diluted earnings per share for both periods has not included the effect from the Company's share options because the exercise prices of the share options are higher than the average market price of the shares of the Company.

7. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

Six months ended 截至九月三十日止六個月	
30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	30 September 2015 二零一五年 九月三十日 HK\$'000 千港元
4,345	2,647

Number of shares 股份數目	
Six months ended 截至九月三十日止六個月	
30 September 2016 二零一六年 九月三十日	30 September 2015 二零一五年 九月三十日
570,610,224	570,610,224

兩個期間內每股攤薄盈利並無包括本公司購股權之影響，原因是購股權之行使價高於本公司股份之平均市價。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

8. Property, plant and equipment

During the six months ended 30 September 2016, the Group incurred expenditure of approximately HK\$5,960,000 (six months ended 30 September 2015: HK\$9,706,000) to acquire property, plant and equipment for its operation. During the period, the Group disposed certain property, plant and equipment with carrying amount of approximately HK\$6,178,000 (six months ended 30 September 2015: HK\$48,000) resulting a loss on disposal of approximately HK\$6,178,000 (six months ended 30 September 2015: HK\$48,000).

The Group has pledged certain land and buildings with an aggregate carrying value of approximately HK\$92,498,000 (31 March 2016: HK\$93,654,000) to a bank to secure the bank loan facilities granted to the Group.

9. Interests in joint ventures

Costs of investments in unlisted joint ventures	於非上市合營公司之投資成本
Exchange adjustment	匯兌調整
Share of post-acquisition profits	應佔收購後之溢利

Amount due from a joint venture (note)	應收一間合營公司之款項(附註)
Transfer to assets classified as held for sale (note 11)	轉為分類為持作出售之資產(附註 11)

Note: As at 31 March 2016, the amount was due from Hei Tung Watches Company Limited ("Hei Tung"), which was unsecured, interest-free and had no fixed repayment term. The Group expected the amount would be settled after twelve months from the end of the reporting period and therefore classified the amount as a non-current asset as at 31 March 2016. During the six months period ended 30 September 2016, the Group received repayments of amount due from Hei Tung of HK\$71,339,000, which included amount of HK\$66,839,000 which has been assigned to Smart Group Limited ("Smart Group"), an independent third party, with a deed of assignment of loan completed on 7 September 2016 (see note 11).

8. 物業、機器及設備

截至二零一六年九月三十日止六個月，本集團產生支出約5,960,000港元(截至二零一五年九月三十日止六個月：9,706,000港元)以收購物業、機器及設備作其營運用途。於期內，本集團出售賬面值約為6,178,000港元之若干物業、機器及設備(截至二零一五年九月三十日止六個月：48,000港元)，產生出售虧損約6,178,000港元(截至二零一五年九月三十日止六個月：48,000港元)。

本集團已向銀行抵押總賬面值約為92,498,000港元(二零一六年三月三十一日：93,654,000港元)之若干土地及樓宇，以作為本集團獲授銀行貸款融資之抵押。

9. 佔合營公司之權益

30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
21,807	21,807
(1,122)	(588)
21,383	22,248
42,068	43,467
—	71,339
(16,615)	—
25,453	114,806

附註：於二零一六年三月三十一日，應收喜東鐘錶有限公司(「喜東」)之款項為無抵押、免息，且並無固定還款期。本集團預期該款項將於呈報期末起計十二個月後清償，因此，該款項於二零一六年三月三十一日分類為非流動資產。截至二零一六年九月三十日止六個月期間，本集團收到喜東償還之款項，金額為71,339,000港元，包括已按二零一六年九月七日完成之貸款轉讓契據轉讓給一名獨立第三方名榮有限公司(「名榮集團」)66,839,000港元之款項(見附註 11)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

10. Trade and other receivables

Trade receivables	貿易應收賬款
Receivable from a joint venture (note)	應收一間合營公司之賬款(附註)
Prepayment for promotion event	推廣活動之預付款項
Property rental and utilities deposits	物業租金及公用設施按金
Advances to other suppliers	向其他供應商墊款
Value-added tax recoverable	可收回增值稅
Other receivables	其他應收賬款

Note: The amount represented reimbursements receivable from a joint venture under a procurement arrangement (see note 17).

The Group maintains a general credit policy of not more than 30 days for its wholesale customers. Sales made to retail customers are made on a cash basis. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

Age	賬齡
0 to 30 days	0至30日
31 to 60 days	31至60日
61 to 90 days	61至90日
Over 90 days	90日以上

10. 貿易及其他應收賬款

30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
117,701	88,852
—	5,185
3,415	—
26,928	16,530
1,229	489
2,576	2,610
4,036	3,419
155,885	117,085

附註：該款項指根據一項採購安排應收一間合營公司之退款(見附註17)。

本集團對其批發客戶實行不超過30日之一般信貸政策。零售銷售主要以現金進行。以下為貿易應收賬款於呈報期末按發票日期之賬齡分析：

30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
110,437	85,873
6,361	1,158
4	180
899	1,641
117,701	88,852

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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截至二零一六年九月三十日止六個月

11. Assets classified as held for sale/liabilities associated with assets classified as held for sale

On 7 September 2016, Keen Time Enterprises Limited ("Keen Time"), a wholly-owned subsidiary of the Company (as vendor), entered into an agreement with Smart Group, pursuant to which Smart Group will acquire 45% interest of Hei Tung, and the amount due from Hei Tung of HK\$66,839,000 from the Group at a total consideration of HK\$83,240,000. During the period, HK\$78,319,000 was received and HK\$66,839,000 was in relation to a deed of assignment of loan for the amount due from Hei Tung amounting to HK\$66,839,000 which was completed on 7 September 2016, and the remaining amount of HK\$11,480,000 represent deposit for transfer of equity interest in the joint venture, which was pending completion as at 30 September 2016. At the end of the reporting period, the interest in Hei Tung amounting to HK\$16,615,000 and the deposit received for disposal of Hei Tung amounting to HK\$11,480,000 have been classified as assets held for sale and liabilities associated with assets classified as held for sale. The remaining balance of the consideration will be paid upon completion of the disposal.

Pursuant to the agreement relating to the disposal, the parties will evaluate the net assets of Hei Tung as at 31 August 2016 and adjust the aforesaid consideration accordingly. The transaction has been completed on 17 November 2016.

The major classes of asset and liability of the interests in Hei Tung at the end of the reporting period are as follows:

11. 分類為持作出售資產／分類為持作出售資產之相關負債

於二零一六年九月七日，本公司之全資附屬公司建時有限公司(「建時」，作為賣方)與名榮集團訂立協議，據此，名榮集團將收購喜東45%之權益以及本集團應收喜東之款項66,839,000港元，代價總額為83,240,000港元。於期內，已收取78,319,000港元，有關應收喜東之款項66,839,000港元的貸款轉讓契據已於二零一六年九月七日完成，餘下金額11,480,000港元為轉讓於合營公司股權之按金，於二零一六年九月三十日尚待完成。於呈報期末，在喜東合計16,615,000港元之權益及出售喜東已收按金11,480,000港元已分類為持作出售資產及分類為持作出售資產之相關負債。代價結餘將於出售事項完成後繳付。

根據有關出售事項之協議，訂約各方將評估喜東於二零一六年八月三十一日之淨資產，並據此調整上述代價。該項交易已於二零一六年十一月十七日完成。

呈報期末於喜東之權益之主要資產及負債類別載列如下：

		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元
Asset classified as held for sale	分類為持作出售資產	
Interests in a joint venture	於一間合營公司之權益	16,615
Liability associated with assets classified as held for sale	持作出售資產之相關負債	
Deposit received for disposal of an interest in a joint venture	出售一間合營公司權益之已收按金	11,480

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

12. TRADE AND OTHER PAYABLES

Trade payables	貿易應付賬款
Payroll and welfare payables	應付工資及福利
Commission payables	應付佣金
Advances from customers	客戶預付款
Renovation work payables	應付翻新工程賬款
Value-added tax and other taxes payables	應付增值稅及其他稅項
Advertising fee payables	應付廣告費
Interest payables	應付利息
Property rental fee payables	應付物業租金
Other payables	其他應付賬款

12. 貿易及其他應付賬款

30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
108,108	102,881
6,783	6,638
6,504	4,328
3,077	12,611
1,880	3,163
11,007	8,631
3,948	3,666
—	208
—	7,425
7,294	7,203
148,601	156,754

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

以下為貿易應付賬款於呈報期末按發票日期呈列之賬齡分析：

Age	賬齡
0 to 60 days	0至60日
61 to 90 days	61至90日
Over 90 days	90日以上

30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
91,749	91,816
3,563	127
12,796	10,938
108,108	102,881

13. Bank loans

During the six months ended 30 September 2016, the Group obtained bank loans amounting to approximately HK\$30,360,000 (six months ended 30 September 2015: HK\$100,000,000). The loans carried interest at HIBOR plus 1.8% and was repayable over three years up to 2018.

13. 銀行貸款

於截至二零一六年九月三十日止六個月期間，本集團取得銀行貸款達30,360,000港元(截至二零一五年九月三十日止六個月：100,000,000港元)。該貸款已按香港銀行同業拆息之浮動利率加1.8%計息，並須於截至二零一八年止三個年度內償還。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

14. Share capital

		Number of shares 股份數目	Amount 價值 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
Authorised:	法定：		
At 1 April 2015, 31 March 2016 and 30 September 2016	於二零一五年四月一日、 二零一六年三月三十一日 及二零一六年九月三十日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2015, 31 March 2016 and 30 September 2016	於二零一五年四月一日、 二零一六年三月三十一日 及二零一六年九月三十日	570,610,224	57,061

14. 股本

15. Share-based payment transaction

The Company has share options scheme for eligible directors, employees, consultants, customers, suppliers or advisors of the Company or a company in which the Company holds an interest or a subsidiary of such company.

(i) 2003 Share Option Scheme

Details of specific categories of options are as follows:

Date of grant 授出日期	Number of share options granted 已授出購股權數目	Exercisable period 可行使期間
6 April 2011 二零一一年四月六日	32,300,000 (note a) (附註a)	6 April 2011 to 5 April 2021 二零一一年四月六日至 二零二一年四月五日
29 August 2011 二零一一年八月二十九日	23,000,000	29 August 2011 to 28 August 2021 二零一一年八月二十九日至 二零二一年八月二十八日

Note a: The number of shares under the outstanding options and the exercise price have been adjusted upon the bonus issue of shares in July 2011 on the basis of one new ordinary share for every five ordinary shares held.

15. 以股份為基礎之付款交易

本公司為本公司之合資格董事、僱員、顧問、客戶、供應商或諮詢人或本公司持有權益之公司或該公司之附屬公司設有購股權計劃。

(i) 二零零三年購股權計劃

特定購股權類別之詳情如下：

Original exercise price per share 原有每股行使價	Adjusted exercise price per share 經調整每股行使價
HK\$4.13 港元	HK\$3.44 港元 (note a) (附註a)
HK\$4.80 港元	N/A 不適用

附註a：未行使購股權項下之股份數目及行使價已於按於二零一一年七月每持有五股普通股獲派一股新普通股之基準派送紅股後作出調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

15. Share-based payment transaction (Continued)

(i) 2003 Share Option Scheme (Continued)

The following tables disclose movements of the Company's share options held by directors, employees and consultants during the six months ended 30 September 2016 and 30 September 2015:

Share options granted on 6 April 2011

Categories of participants	參與者類別	Number of share options outstanding at 1 April 2015, 31 March 2016 and 30 September 2016 於二零一五年四月一日、二零一六年三月三十一日及二零一六年九月三十日未行使之購股權數目
Directors of the Company	本公司董事	14,520,000
Other employees	其他僱員	14,400,000
Consultants (note b)	顧問(附註b)	2,640,000
Total	總計	31,560,000

Share options granted on 29 August 2011

Categories of participants	參與者類別	Number of share options outstanding at 1 April 2015, 31 March 2016 and 30 September 2016 於二零一五年四月一日、二零一六年三月三十一日及二零一六年九月三十日未行使之購股權數目
Other employees	其他僱員	18,000,000
Consultants (note b)	顧問(附註b)	5,000,000
		23,000,000

Note b: The share options were granted to consultants for services rendered in exploring investment opportunities for the Group.

15. 以股份為基礎之付款交易(續)

(i) 二零零三年購股權計劃(續)

下表披露於截至二零一六年九月三十日及二零一五年九月三十日止六個月內董事、僱員及顧問持有之本公司購股權之變動：

於二零一一年四月六日授出之購股權

於二零一一年八月二十九日授出之購股權

附註b：購股權乃授予顧問，作為其為本集團發掘投資機會所提供服務之回報。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

15. Share-based payment transaction (Continued)

(i) 2003 Share Option Scheme (Continued)

The 2003 Share Option Scheme expired on 2 November 2013. The options could be exercised by the participants at any time during the option period and notwithstanding that the 2003 Share Option Scheme had expired.

No option was exercised or lapsed under the 2003 Share Option Scheme during the six months ended 30 September 2016 and 30 September 2015.

(ii) 2013 Share Option Scheme

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 13 August 2013, a new share option scheme was adopted with effect on 3 November 2013 (the "2013 Share Option Scheme") after the expiry of the 2003 Share Option Scheme. The 2013 Share Option Scheme will remain in force until 2 November 2023.

No option was granted, exercised or lapsed under the 2013 Share Option Scheme during each of the six months ended 30 September 2016 and 30 September 2015 since its effective date on 3 November 2013 and there was no outstanding share option as at 30 September 2016.

During the six months ended 30 September 2016 and 30 September 2015, no share-based payment expense was recognised in relation to share options granted by the Company.

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

15. 以股份為基礎之付款交易(續)

(i) 二零零三年購股權計劃(續)

二零零三年購股權計劃於二零一三年十一月二日屆滿。儘管二零零三年購股權計劃已經屆滿，參與者仍可於購股權期間隨時行使購股權。

截至二零一六年九月三十日及二零一五年九月三十日止六個月內，概無購股權根據二零零三年購股權計劃獲行使或失效。

(ii) 二零一三年購股權計劃

根據本公司於二零一三年八月十三日舉行之股東週年大會上通過之普通決議案，於二零零三年購股權計劃屆滿後，於二零一三年十一月三日生效之新購股權計劃(「二零一三年購股權計劃」)已獲採納。二零一三年購股權計劃將一直有效，直至二零二三年十一月二日為止。

自其生效日期二零一三年十一月三日起，分別截至二零一六年九月三十日及二零一五年九月三十日止六個月內，概無購股權根據二零一三年購股權計劃已授出、行使或失效，而於二零一六年九月三十日亦無未行使購股權。

截至二零一六年九月三十日及二零一五年九月三十日止六個月內，概無就本公司授出之購股權確認以股份為基礎之付款開支。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

16. Fair value measurement of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

16. 金融工具公平值計量

按經常性基準以公平值計量之本集團金融資產之公平值

於報告期末，本集團部分金融資產乃以公平值計量。下表提供有關如何釐定此等金融資產之公平值(特別是所用之估值技巧及輸入數據)，以及根據公平值計量輸入數據之可觀察程度，公平值計量所劃分之公平值架構級別(第1至第3級)之資料。

- 第1級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第2級輸入數據為就資產或負債直接或間接地可觀察之輸入數據(包括在第1級之報價除外)；及
- 第3級輸入數據為資產或負債之不可觀察輸入數據。

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 September 2016	31 March 2016		
金融資產	公平值		公平值架構	估值技巧及主要輸入數據
	於二零一六年九月三十日	於二零一六年三月三十一日		
	HK\$'000	HK\$'000		
	千港元	千港元		
(a) Available-for-sale financial assets – listed investments, equity securities listed in Hong Kong	71	93	Level 1	Quoted bid prices in an active market
(a) 可供出售金融資產 – 上市投資、於香港上市之股本證券			第1級	活躍市場所報之買入價
(b) Available-for-sale financial assets – unlisted investments, managed fund portfolio	5,617	5,432	Level 2	Quoted market prices provided by brokers which are financial institutions (note)
(b) 可供出售金融資產 – 非上市投資、管理基金投資組合			第2級	作為經紀的金融機構提供之市場報價(附註)

Note: Quoted market prices provided by brokers which are financial institutions represent the net asset values of the respective funds, based on the observable quoted prices of the underlying investments in active market.

附註：作為經紀的金融機構提供之市場報價指根據相關投資於活躍市場之可觀察報價釐定之各基金資產淨值。

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

董事認為於簡明綜合財務報表中按攤銷成本記賬之金融資產及金融負債之賬面值與其公平值相若。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2016

簡明綜合財務報表附註(續)

截至二零一六年九月三十日止六個月

17. Related party transactions

The compensation of key management personnel which represents the directors of the Company is disclosed in note 4.

In addition, in April 2012, the Group entered into a procurement agreement with Hei Tung, a company incorporated in Macau and a joint venture of the group. Pursuant to the procurement agreement, the Group provides procurement services to the joint venture relating to supply of watches and spare parts for no consideration. The procurement agreement is effective from 1 April 2012. At 31 March 2016, reimbursement receivable from Hei Tung amounted to HK\$5,185,000 (30 September 2016: nil).

18. Contingent liabilities

As at 30 September 2016, the Group issued financial guarantees to banks in respect of banking facilities granted to associates. The aggregate amount that may be required to be paid if the guarantees are called upon in entirety amounting to NT\$200,000,000 (equivalent to HK\$49,522,000; 31 March 2016: NT\$200,000,000 and equivalent to HK\$47,600,000), which was fully utilised by these associates at 30 September 2016. In the opinion of the directors, the fair value of the financial guarantee contracts at the grant date and at 31 March 2016 and 30 September 2016 is not significant as the default risk of associates is considered as low.

19. Capital commitments

Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements

就簡明綜合財務報表內已訂約但未撥備之收購物業、機器及設備相關資本開支

17. 關連人士交易

主要管理人員待遇之明細在附註4披露。

此外，本集團於二零一二年四月與喜東(於澳門註冊成立之公司並為本集團之合營公司)訂立採購協議。根據採購協議，本集團以零代價向合營公司提供有關鐘錶及配件之採購服務。採購協議自二零一二年四月一日起生效。於二零一六年三月三十一日，應收喜東之退款為5,185,000港元(二零一六年九月三十日：無)。

18. 或然負債

於二零一六年九月三十日，本集團就聯營公司獲授之銀行融資向銀行發出財務擔保。於二零一六年九月三十日，於被要求全數代還擔保時可能須予支付之總額新台幣200,000,000元(相等於49,522,000港元；二零一六年三月三十一日：新台幣200,000,000元，並相等於47,600,000港元)已獲該等聯營公司全數動用。董事認為，因聯營公司之拖欠風險甚微，故財務擔保合約於授出當日及二零一六年三月三十一日及二零一六年九月三十日之公平值並不重大。

19. 資本承擔

30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
500	1,000

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

董事擁有之證券權益及淡倉

As at 30 September, 2016, the interests of the directors of the Company in the shares and underlying shares of the Company, as recorded in the register required to be kept under Section 352 of the Hong Kong Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

根據香港證券及期貨條例(「證券及期貨條例」)第352條規定保管之登記冊所記錄，於二零一六年九月三十日，本公司之董事於本公司之股份及相關股份中擁有之權益，或根據上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

Name of director	董事姓名	Number of shares held 所持股份數目			Total number of shares 股份總數	Percentage of issued share capital of the Company 佔本公司已發 行股本百分比
		Personal interest 個人權益	Family interest 家族權益	Corporate interest 公司權益		
Dr. Yeung Ming Biu	楊明標博士	19,669,583	7,920,000	128,164,561 (note (a)) (附註(a))	155,754,144	27.30%
Mr. Yeung Him Kit, Dennis	楊衍傑先生	5,524,000	—	(note (b)) (附註(b))	5,524,000	0.97%
Mr. Fung Kwong Yiu	馮廣耀先生	6,508,160	—	(note (c)) (附註(c))	6,508,160	1.14%
Madam Yeung Man Yee, Shirley	楊敬儀女士	2,640,000	221,161	(note (d)) (附註(d))	2,861,161	0.50%
Mr. Lam Hing Lun, Alain	林慶麟先生	3,600,000	—	—	3,600,000	0.63%
Mr. Choi Kwok Yum	蔡國欽先生	3,600,000	—	—	3,600,000	0.63%
Dr. Sun Ping Hsu, Samson	孫秉樞博士	—	—	3,200,000 (note (e)) (附註(e))	3,200,000	0.56%

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

董事擁有之證券權益及淡倉(續)

Notes:

- (a) Dr. Yeung Ming Biu and his wife, Madam Au Po Kee, are the beneficial owners of 45% and 22.5% respectively of the issued share capital of Realtower Holdings Limited. Realtower Holdings Limited and Dr. Yeung Ming Biu are the respective beneficial owners of 55% and 10% of the issued share capital of Furama Investments Limited, which is the beneficial owner of 80% of the issued share capital of Datsun Holdings Limited. Datsun Holdings Limited is the beneficial owner of 127,776,000 shares in the Company.

Dr. Yeung Ming Biu is the beneficial owner of 47.5% of the issued share capital of Y.H. Chan Limited, which is the beneficial owner of 25% of the issued share capital of Furama Investments Limited. Y.H. Chan Limited also directly holds 388,561 shares in the Company.

- (b) Mr. Yeung Him Kit, Dennis is the beneficial owner of 10% and 7% of the issued share capital of Realtower Holdings Limited and Real Champ Limited respectively. Real Champ Limited is the beneficial owner of 20% of the issued share capital of Datsun Holdings Limited.
- (c) Mr. Fung Kwong Yiu is the beneficial owner of 6% of the issued share capital of Real Champ Limited.
- (d) Madam Yeung Man Yee, Shirley is the beneficial owner of 7.5% of the issued share capital of Realtower Holdings Limited.
- (e) Dr. Sun Ping Hsu, Samson and his family members are the beneficial owners of the entire issued share capital of Sun International Limited, which is the beneficial owner of 3,200,000 shares in the Company.

Save as disclosed above, and other than certain nominee shares in subsidiaries held by a director in trust for the Company, none of the directors of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under 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 of Listed Companies.

附註：

- (a) 楊明標博士及其妻子區寶琪女士分別實益擁有 Realtower Holdings Limited 已發行股本 45% 及 22.5%。Realtower Holdings Limited 及 楊明標博士各自實益擁有 Furama Investments Limited 已發行股本 55% 及 10%。Furama Investments Limited 實益擁有 Datsun Holdings Limited 已發行股本 80%。Datsun Holdings Limited 實益擁有 127,776,000 股本公司股份。

楊明標博士實益擁有陳耀洪有限公司已發行股本 47.5%。陳耀洪有限公司實益擁有 Furama Investments Limited 已發行股本 25%。陳耀洪有限公司亦直接持有 388,561 股本公司股份。

- (b) 楊衍傑先生分別實益擁有 Realtower Holdings Limited 及 Real Champ Limited 已發行股本 10% 及 7%。Real Champ Limited 實益擁有 Datsun Holdings Limited 已發行股本 20%。
- (c) 馮廣耀先生實益擁有 Real Champ Limited 已發行股本 6%。
- (d) 楊敏儀女士實益擁有 Realtower Holdings Limited 已發行股本 7.5%。
- (e) 孫秉樞博士及其家族成員實益擁有 Sun International Limited 全部已發行股本。Sun International Limited 實益擁有 3,200,000 股本公司股份。

除上文所披露者及一名董事以信託形式代本公司持有附屬公司之若干代理人股份外，根據證券及期貨條例第 352 條規定保管之登記冊所記錄，本公司之董事概無於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)之任何股份、相關股份或債券中擁有任何權益或淡倉，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益或淡倉。

(a) 2003 Share Option Scheme

Pursuant to an ordinary resolution passed at the Company's special general meeting held on 3rd November, 2003, the Company adopted a share option scheme (the "2003 Share Option Scheme"). The 2003 Share Option Scheme was valid for a period of ten years commencing on the adoption date on 3rd November, 2003.

Under the 2003 Share Option Scheme, options may be granted to any director, employee, consultant, customer, supplier or advisor of the Group or a company in which the Company holds an interest or a subsidiary of such company, the trustee of the eligible persons or a company beneficially owned by the eligible persons. The purpose of the 2003 Share Option Scheme is to attract and retain quality personnel and other persons to provide incentive to them to contribute to the business and operation of the Group. No eligible persons shall be granted an option in any 12-month period for such number of shares (issued and to be issued) which in aggregate would exceed 1% of the share capital of the Company in issue on the last day of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The exercisable period is determined by the directors of the Company, which shall not be more than 10 years from the date of grant, and may include a minimum period for which the options must be held before it can be exercised. The exercise price per share payable on the exercise of an option equals to the highest of:

- (a) the nominal value of one share;
- (b) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of grant; and
- (c) the average closing price per share as quoted in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant.

(a) 二零零三年購股權計劃

根據本公司於二零零三年十一月三日舉行之股東特別大會上通過之普通決議案，本公司已採納購股權計劃（「二零零三年購股權計劃」）。二零零三年購股權計劃由採納日期二零零三年十一月三日起計有效十年。

根據二零零三年購股權計劃，購股權可授予本集團之任何董事、僱員、顧問、客戶、供應商或諮詢人或本公司持有該公司之權益之公司或該公司之附屬公司、合資格人士之信託人或合資格人士實益擁有之公司。二零零三年購股權計劃旨在向優秀人才及其他人士給予獎勵，以吸引彼等留任及對本集團之業務及經營作出貢獻。根據聯交所證券上市規則（「上市規則」），除非取得本公司股東批准，否則於任何十二個月期間內，合資格人士不得獲授予涉及股份數目（已發行及將予發行）合共超過本公司於該十二個月期間之最後一日之已發行股本1%之購股權。行使期乃由本公司董事釐定，惟不得超過自授出日期起計十年及包括購股權行使前必須持有之最短期限。在行使購股權時應付之每股行使價將為以下三者中之最高者：

- (a) 一股股份面值；
- (b) 股份於授出當日在聯交所每日報價表所報之每股收市價；及
- (c) 股份於緊接授出當日前五個營業日在聯交所每日報價表所報之每股平均收市價。

SHARE OPTION SCHEMES AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE (Continued)

購股權計劃及董事購買股份或債券 (續)

(a) 2003 Share Option Scheme (Continued)

The 2003 Share Option Scheme expired on 2nd November, 2013. The options could be exercised by the participants at any time during the option period and notwithstanding that the 2003 Share Option Scheme had expired.

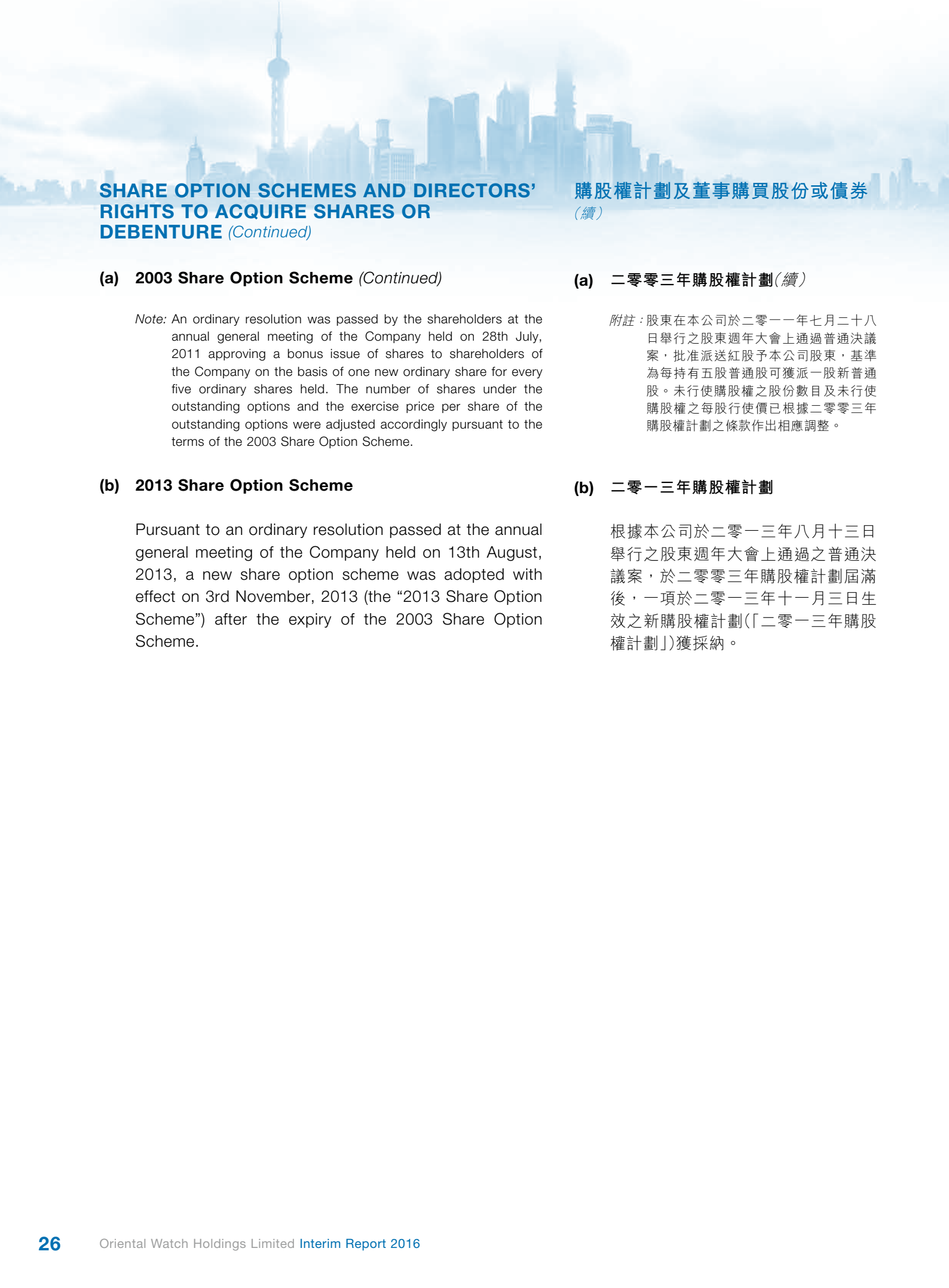
The following table discloses movements of the options granted under the 2003 Share Options Scheme to directors, certain employees and consultants during the year:

(a) 二零零三年購股權計劃(續)

二零零三年購股權計劃於二零一三年十一月二日屆滿。購股權可由參與者於購股權期間任何時間予以行使，而不論二零零三年購股權計劃已屆滿。

下表披露董事、若干僱員及顧問於年內根據二零零三年購股權計劃獲授購股權之變動：

Name of category of participant	Number of shares under options at 1.4.2015, 31.3.2016 and 30.9.2016 於二零一五年四月一日、二零一六年三月三十一日及二零一六年九月三十日購股權涉及之股份數目	Date of grant of options	Original exercise price per share	Adjusted exercise price per share	Exercisable period
參與者姓名或類別		購股權授出日期 HK\$ 港元	原有每股行使價 HK\$ 港元 (note) (附註)	經調整每股行使價 HK\$ 港元 (note) (附註)	可行使期間
Directors 董事					
Dr. Yeung Ming Biu 楊明標博士	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Yeung Him Kit, Dennis 楊衍傑先生	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Fung Kwong Yiu 馮廣耀先生	3,000,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Madam Yeung Man Yee, Shirley 楊敏儀女士	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Lam Hing Lun, Alain 林慶麟先生	3,600,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Choi Kwok Yum 蔡國欽先生	3,600,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
	14,520,000				
Other employees 其他僱員					
Type A A類	14,400,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Type B B類	18,000,000	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021
Consultants 顧問					
Type A A類	2,640,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Type B B類	5,000,000	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021
Total 總計	54,560,000				



SHARE OPTION SCHEMES AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE *(Continued)*

購股權計劃及董事購買股份或債券 (續)

(a) 2003 Share Option Scheme *(Continued)*

Note: An ordinary resolution was passed by the shareholders at the annual general meeting of the Company held on 28th July, 2011 approving a bonus issue of shares to shareholders of the Company on the basis of one new ordinary share for every five ordinary shares held. The number of shares under the outstanding options and the exercise price per share of the outstanding options were adjusted accordingly pursuant to the terms of the 2003 Share Option Scheme.

(b) 2013 Share Option Scheme

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 13th August, 2013, a new share option scheme was adopted with effect on 3rd November, 2013 (the "2013 Share Option Scheme") after the expiry of the 2003 Share Option Scheme.

(a) 二零零三年購股權計劃(續)

*附註：*股東在本公司於二零一一年七月二十八日舉行之股東週年大會上通過普通決議案，批准派送紅股予本公司股東，基準為每持有五股普通股可獲派一股新普通股。未行使購股權之股份數目及未行使購股權之每股行使價已根據二零零三年購股權計劃之條款作出相應調整。

(b) 二零一三年購股權計劃

根據本公司於二零一三年八月十三日舉行之股東週年大會上通過之普通決議案，於二零零三年購股權計劃屆滿後，一項於二零一三年十一月三日生效之新購股權計劃(「二零一三年購股權計劃」)獲採納。

SHARE OPTION SCHEMES AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE *(Continued)*

購股權計劃及董事購買股份或債券 *(續)*

(b) 2013 Share Option Scheme *(Continued)*

Under the 2013 Share Option Scheme, options may be granted to (i) any director, employee or consultant of the Group or a company in which the Company holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any customer, supplier or adviser whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group. The purpose of the 2013 Share Option Scheme is to attract and retain quality personnel and other persons to provide incentive to them to contribute to the business and operation of the Group. The total number of shares available for issue under the 2013 Share Option Scheme as at the date of this report is 57,061,022 shares. No eligible persons shall be granted an option in any 12-month period for such number of shares (issued and to be issued) which in aggregate would exceed 1% of the share capital of the Company in issue on the last day of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. The exercisable period is determined by the directors of the Company, which shall not be more than 10 years from the date of grant, and may include a minimum period for which the options must be held before it can be exercised. The exercise price per share payable on the exercise of an option equals to the highest of:

(a) the nominal value of one share;

(b) 二零一三年購股權計劃 *(續)*

根據二零一三年購股權計劃，購股權可授予(i)本集團或本公司於其中持有股本權益之公司或該公司之附屬公司(「聯屬公司」)之任何董事、僱員或顧問；或(ii)受益人包括本集團或聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本集團或聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)為本集團或本集團之業務服務而對或預期對本集團之業務或經營作出貢獻之任何客戶、供應商或顧問。二零一三年購股權計劃旨在向優秀人才及其他人士給予獎勵，以吸引彼等留任及對本集團之業務及經營作出貢獻。於本報告日期，二零一三年購股權計劃項下可供發行之股份數目合共為57,061,022股。根據上市規則，除非取得本公司股東批准，否則於任何十二個月期間內，合資格人士不得獲授予涉及股份數目(已發行及將予發行)合共超過本公司於該十二個月期間之最後一日之已發行股本1%之購股權。行使期乃由本公司董事釐定，惟不得超過自授出日期起計十年及包括購股權行使前必須持有之最短期限。在行使購股權時應付之每股行使價將為以下三者中之最高者：

(a) 一股股份面值；

SHARE OPTION SCHEMES AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE (Continued)

(b) 2013 Share Option Scheme (Continued)

- (b) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of grant; and
- (c) the average closing price per share as quoted in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant.

The 2013 Share Option Scheme will remain in force until 2nd November, 2023.

No option was granted, exercised or lapsed under the 2013 Share Option Scheme during the period since its effective date on 3rd November, 2013 and there was no outstanding share option as at 30 September 2016.

SUBSTANTIAL SHAREHOLDERS

As at 30 September, 2016, according to the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (not being a director or chief executive of the Company) had interests in the share capital of the Company.

Name of shareholder	Number of shares held	Percentage of issued share capital of the Company 佔本公司已發行股本百分比
股東名稱		
Datsun Holdings Limited	127,776,000	22.39%
Furama Investments Limited	127,776,000	22.39%
Realtower Holdings Limited	127,776,000	22.39%

購股權計劃及董事購買股份或債券 (續)

(b) 二零一三年購股權計劃(續)

- (b) 股份於授出當日在聯交所每日報價表所報之每股收市價；及
- (c) 股份於緊接授出當日前五個營業日在聯交所每日報價表所報之每股平均收市價。

二零一三年購股權計劃將一直有效，直至二零二三年十一月二日。

自其生效日期二零一三年十一月三日起至本期間內，概無購股權根據二零一三年購股權計劃已授出、行使或失效，而於二零一六年九月三十日亦無未行使購股權。

主要股東

本公司根據證券及期貨條例第336條規定存置之登記冊所示，於二零一六年九月三十日，以下人士(並非為本公司之董事或行政總裁)於本公司股本中擁有權益。

SUBSTANTIAL SHAREHOLDERS (Continued)

Realtower Holdings Limited holds 55% of the issued share capital of Furama Investments Limited which holds 80% of the issued share capital of Datsun Holdings Limited. Accordingly, both Realtower Holdings Limited and Furama Investments Limited are deemed under the SFO to be interested in the 127,776,000 shares in the Company held by Datsun Holdings Limited.

Save as disclosed above, at 30 September, 2016, there was no person who had any interests or short position in the shares or underlying shares of the Company according to the register maintained by the Company pursuant to Section 336 of the SFO.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Results

On behalf of the Board of Directors (the “Board”) of Oriental Watch Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”), I hereby present the unaudited consolidated results of the Group for the six months ended 30 September 2016 (the “Period”).

主要股東(續)

Realtower Holdings Limited 持有 Furama Investments Limited 已發行股本 55%，Furama Investments Limited 則持有 Datsun Holdings Limited 已發行股本 80%。因此，根據證券及期貨條例，Realtower Holdings Limited 及 Furama Investments Limited 均視為擁有 Datsun Holdings Limited 所持之 127,776,000 股本公司股份權益。

按本公司根據證券及期貨條例第 336 條規定存置之登記冊所示，除上文所披露者外，於二零一六年九月三十日，概無任何人士於本公司之股份或相關股份中擁有任何權益或淡倉。

管理層討論及分析

集團業績

本人謹代表東方表行集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之董事會(「董事會」)提呈本集團截至二零一六年九月三十日止六個月(「本期間」)之未經審核綜合業績。

Group Results (Continued)

Over the past few months, the overall business environment of the luxury sector in Hong Kong remained stagnant, yet the China market underwent slow recovery. As a result, the Group's turnover for the Period slightly decreased by 2% to HK\$1,545 million (2015: HK\$1,570 million). Gross profit decreased by 2% to HK\$237 million (2015: HK\$241 million). Moreover, the Group recorded a net profit attributable to owners of the Company of HK\$4 million during the Period (2015: net profit of HK\$3 million) and aimed at achieving a turnaround from the mediocre results in the second half of 2015/16 financial year. Although the Group has better performance with effective internal control measure, it still suffered from the following factors during the Period: (1) the decrease in Mainland China tourists in Hong Kong and Macau; and (2) high rental cost from previous leasing contracts in Hong Kong.

To show our appreciation for shareholders' continuous support, the Board has resolved to recommend an interim dividend of 0.2 HK cent per share for the six months ended 30 September 2016 (2015: 0.1 HK cent).

Business Review

As at 30 September 2016, the Group operates 69 retail and wholesale points (including associate retail stores) in the Greater China region. Breakdown by geographic region is as follows:

Hong Kong	香港
Macau	澳門
China	中國
Taiwan	台灣
Total	總計

集團業績(續)

在過往幾個月，香港奢侈品行業之整體經營環境持續停滯，中國市場則出現緩慢復甦。因此，本集團期內營業額輕微下跌2%至1,545,000,000港元(二零一五年：1,570,000,000港元)。毛利下跌2%至237,000,000港元(二零一五年：241,000,000港元)。此外，本集團錄得本公司擁有人應佔期內純利為4,000,000港元(二零一五年：純利3,000,000港元)，並致力於2015/16財政年度下半年成功扭轉平庸業績。儘管本集團憑藉著有效內部控制措施取得較佳表現，惟於期內仍然受到下列因素之影響：(1)到訪港澳之中國遊客有所減少；及(2)早前於香港所訂立租約之昂貴租金。

為表達本集團對股東持續支持之謝意，董事會已議決建議派發截至二零一六年九月三十日止六個月之中期股息每股0.2港仙(二零一五年：0.1港仙)。

業務回顧

於二零一六年九月三十日，本集團於大中華地區經營69個零售及批發點(包括聯營零售店)，按地區分析如下：

As at
30 September
2016
於二零一六年
九月三十日
13
1
52
3
<hr/>
69

Business Review *(Continued)*

In 2016, China's economy has been performing steadily. According to the National Bureau of Statistics of China, the country's gross domestic product ("GDP") growth rate has sustained at the stable level of 6.7% for the past three quarters, meeting the market's expectation. At the same time, comparing to the same period last year, the accumulated national-wide per capital income in the third quarter of 2016 has increased by 6.3%. The continuous increase in disposable income stimulated China's retail market, thus subsequently benefitting the Group's business in China in general. As a result, the Group's same-store-sales growth in China has achieved a 26% increase during the Period. However, for Hong Kong's retail market, it has been bleak and continuously affected by a number of factors. Chinese tourists changed their destination preference to Japan, Korea and other European countries due to favourable exchange rates and the relaxation of visa policies. Meanwhile, the after effect of social movements remained and the tension between Hong Kong and Mainland China persisted. These factors have deterred Mainland visitors to travel to Hong Kong. According to the monthly report on visitor arrival statistics by the Hong Kong Tourism Board, the number of Mainland tourists visiting Hong Kong from January to August 2016 decreased by 9.2% when compared to the same period last year. Additionally, under the weak macroeconomic condition, the local customers are very cautious and conserved in their consumption pattern. All the above factors collectively dampened the Hong Kong luxury retail market. In light of the above circumstance, Oriental Watch, as a traditional luxury watches company with extensive foothold in Hong Kong and Greater China, will proactively restructure its product portfolio to combat challenges arise from the volatile market, at the same time, implement strict cost control measures and enhance operating efficiency in order to maintain sustainability in the long run.

業務回顧(續)

中國經濟於二零一六年表現穩定。根據中國國家統計局，該國之國內生產總值(「國內生產總值」)成長率於過去三季維持於6.7%之穩定水平，符合市場預期。同時，與去年同期相比，二零一六年第三季之累計全國人均收入增加了6.3%。持續提高之可動用收入刺激了中國的零售市場，本集團之中國業務在整體上也因而得益。因此，本集團在中國的同店銷售於期內增長了26%。然而，香港的零售市場持續受到若干因素之影響，表現蕭條暗淡。由於優惠之匯率與簽證政策放寬，中國旅客轉而偏好日本、韓國及其他歐洲國家等目的地。此外，社會運動之後繼效應尚存，香港和中國內地間的緊張關係亦持續存在。這些因素使得中國遊客對訪港望而卻步。根據香港旅遊發展局之訪港遊客統計數字每月報告，與去年同期相比，中國內地訪港遊客人次於二零一六年一月至八月間減少了9.2%。再者，在此疲弱之總體經濟情況，當地消費者在消費模式上顯得十分謹慎保守。上述因素共同減弱了香港高端消費品零售市場。鑒於上述情況，東方表行作為在香港及大中華地區擁有廣泛標記之傳統名貴鐘錶公司，將積極重整其產品組合，以市場波動帶來之挑戰相搏鬥，同時亦將實施嚴格的成本控制措施，以及提升經營效率，以維持長遠之可持續性。

Business Review (Continued)

For the implementation of stringent cost control, lowering high rental cost has been the Group's priority since 2014. The Group believes that positive outcomes have been gradually reflecting. During the Period, the Group's aggregate rental cost (excluding related property management fees) increased by 3% to HK\$114 million, accounting for 45% of the Group's overall operating expenses (2015: 43%). Over the past few months, the Group has been actively negotiating better rental rate for the upcoming lease renewal and has successfully lowered certain amount of rental cost. The Group has faith that these successful negotiations will have a favourable financial impact to the whole fiscal year. In addition, regular internal assessment on the performance of all retail stores and closedown of high-rent yet non-performing stores are also the Group's cost-cut measures, aiming to achieve better resources allocation and alleviate financial burden. During the Period, the Group has closed down one store in Hong Kong, as well as selling our joint venture business in Macau to maintain overall profitability. The Group will continue to closely monitor the store performance and its efficiency and hope the above measures can maintain average store profitability in the forthcoming years.

During the Period, the Group has also employed policies on inventory management to ensure stable cashflow and healthy financial position. Policies included monitoring inventory level of high-ticket products and purchasing stocks only when existing inventory depletes to a pre-agreed level. With the hard work and determination from all staff, the Group's inventory level has successfully been maintained at a reasonable level. As at 30 September 2016, the Group's overall inventory level amounted to HK\$1,438 million, decreasing by 8% from HK\$1,570 million as at 31 March 2016. In the second half of the year, the Group will continue to maintain a steady inventory level for a better cash position and a sustainable business development in the future.

業務回顧(續)

為實施嚴格的成本控制，降低高租金成本自二零一四年來一直為本集團之首要工作。本集團相信正面成效已經逐步體現。期內，本集團之總租金成本(不包含相關物業管理費)上升3%至114,000,000港元，佔本集團整體營運開支之45%(二零一五年：43%)。在過往幾個月，對於即將續約之租賃合同，本集團已對取得更優惠之租金進行積極的磋商，並已成功減低租金成本之一定金額。本集團相信該成功之磋商將為整個財政年度帶來有利之財務影響。此外，定期對所有零售店業績進行內部評估，並結束高租金卻無盈利之店舖，亦為本集團降低成本之措施，旨在實現更好的資源配置及減輕財政負擔。於本期間內，本集團已經結束香港一間店舖之營業，並出售於澳門的合資業務，以維持整體盈利能力。本集團將繼續密切監看店舖業績及效率，並期望上述措施在未來幾年有助於維繫店舖之平均盈利能力。

於本期間內，本集團亦採取存貨管理政策，以確保現金流穩定、財務狀況穩健。政策包括監控高價產品之存貨水平，並只在現有庫存消耗到預先商定之水平時才進行庫存採購。經過全體員工的努力及決心，本集團之庫存水平已經成功地保持在合理水平。於二零一六年九月三十日，本集團之總體庫存水平達到1,438,000,000港元，較二零一六年三月三十一日之1,570,000,000港元下跌了8%。本集團於下半年度將繼續維持穩定之庫存水平，以取得更佳的現金狀況，以及於未來可持續之業務發展。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Business Review (Continued)

In terms of the overall Swiss watch exports value market in September 2016, the China watch market remained stable; while the Hong Kong's export value declined by 39.6%, representing the biggest contraction over the last twenty months. The above indicated that the business environment for the Hong Kong retail market, especially for luxury watches sector, will continue to be harsh and unstable. Propelling forward, the Group will strive in cautiously controlling all costs and expenses, at the same time, adjusting products portfolio and monitoring inventory level, so as to maximise overall profitability under such volatile circumstance. The Group will also continue to streamline its business operations and optimize its resources. As an experienced luxury watch retailer in the industry, Oriental Watch is ready to face the upcoming adversity, at the same time, to embrace different opportunities ahead and strive to maximize returns for our shareholders.

On behalf of the Group, we would like to thank our customers, suppliers, staff and shareholders for their contribution, loyalty and unfailing support.

Liquidity and financial resources

At 30 September 2016 the Group's total equity reached HK\$2,151 million, compared with HK\$2,158 million as at 31 March 2016. The Group had net current assets of HK\$1,863 million, including bank and cash balances of HK\$535 million as at 30 September 2016 compared with balances of HK\$1,783 million and HK\$404 million respectively as at 31 March 2016. At 30 September 2016 bank loans of HK\$154 million (31 March 2016: HK\$217 million). At 30 September 2016, the gearing ratio (defined as total bank borrowing on total equity) was 0.7 (31 March 2016: 0.10).

Management considers that financial position of the Group is healthy with adequate funds and unused banking facilities.

管理層討論及分析(續)

業務回顧(續)

在瑞士鐘錶於二零一六年九月之整體出口貨值市場上，中國的鐘錶市場依舊穩定；香港的出口貨值則下跌39.6%，為過往二十個月以來之最大減幅。以上種種反映香港零售市場之經營環境將持續嚴峻不穩定，尤其是高端鐘錶行業。往前邁步，本集團將致力於審慎控制全部的成本費用，同時亦調整產品組合與監察庫存水平，以便在有關波動之情況下最大化總體營利能力。本集團亦會持續精簡其業務運營，並最佳化集團資源。東方表行作為業內之老牌高端鐘錶零售商，已準備就緒迎難而上，亦同時抓住各類機會，努力為股東爭取最大收益。

我們謹代表本集團感謝我們之客戶、供應商、員工及股東多年來的貢獻、忠誠和支持。

流動資金及財務資源

於二零一六年九月三十日，本集團之權益總額達2,151,000,000港元，而於二零一六年三月三十一日則為2,158,000,000港元。於二零一六年九月三十日，本集團之流動資產淨值為1,863,000,000港元，包括535,000,000港元之銀行及現金結餘，而於二零一六年三月三十一日之結餘則分別為1,783,000,000港元及404,000,000港元。於二零一六年九月三十日，銀行貸款為154,000,000港元(二零一六年三月三十一日：217,000,000港元)。於二零一六年九月三十日，負債資產比率(定義為銀行借貸總額除以權益總額)為0.7倍(二零一六年三月三十一日：0.10倍)。

管理層認為本集團之財務狀況良好，並具備充裕資金及未動用銀行信貸。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

管理層討論及分析(續)

Foreign exchange exposure

The Group's sales and purchase transactions are primarily denominated in Hong Kong dollars and Renminbi. The Group did not face significant risk from exposure to foreign exchange fluctuations.

外匯風險

本集團之買賣交易主要以港元及人民幣為單位。本集團並無面對重大外匯波動風險。

STAFF AND EMPLOYMENT

As at 30 September 2016, the Group employed a total work force of about 620 staff. The staff turnover rate is low. The Group's policy is to review its employee's pay levels and incentive bonus.

僱員及聘用

於二零一六年九月三十日，本集團共招聘約620名僱員。本集團之僱員流失率極低。本集團之政策向來是檢討其僱員之薪酬水平及獎勵花紅。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2016, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities on the Stock Exchange of Hong Kong Limited.

買賣或贖回本公司上市證券

截至二零一六年九月三十日止六個月內，本公司或其任何附屬公司概無購買、贖回或出售本公司於香港聯合交易所有限公司上市之任何證券。

CORPORATE GOVERNANCE

The Company is committed to the establishment of good governance practices and procedures. The Company has met the code provisions set out in the Code on Corporate Governance Practices ("CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"), throughout the six months ended 30 September 2016, except the deviation from the code provision A.4.1 of the CG Code.

企業管治

本公司致力制定良好之企業管治常規及程序。截至二零一六年九月三十日止六個月內，本公司一直符合香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載企業管治常規守則(「企業管治守則」)列載之守則條文，惟偏離企業管治守則之守則條文A.4.1者除外。

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, the Independent Non-executive Directors were not appointed for a specific term but are subject to retirement by rotation in annual general meeting of the Company in accordance with the Bye-laws of the Company. The management of the Company considered that there is no imminent need to revise the letter of appointment of Independent Non-executive Directors by adding a specific term in the letter of appointment.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Enquiry has been made with all Directors and all Directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 September 2016.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company. Terms of reference of the Audit Committee have been updated in compliance with the CG Code.

The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of unaudited consolidated financial statements for the six months ended 30 September 2016.

根據守則條文A.4.1，非執行董事應按指定年期委任，並須接受重選。然而，獨立非執行董事並無按指定年期委任，但須根據本公司之公司細則在本公司之股東週年大會上輪值退任。本公司管理層認為並無迫切需要透過在委任書加入指定年期修訂獨立非執行董事之委任書。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載之標準守則，作為其董事進行證券交易之操守守則。本公司已向各董事作出查詢，並獲各董事確認，彼等於截至二零一六年九月三十日止六個月內一直遵守標準守則所載之規定標準。

審核委員會

審核委員會由本公司三名獨立非執行董事組成。審核委員會之職權範圍已按照企業管治守則更新。

審核委員會(連同本公司管理層)已審閱本集團所採用之會計原則及慣例，並已討論有關內部監控及財務報告事宜，包括審閱截至二零一六年九月三十日止六個月之未審核綜合財務報表。

PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT

The interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at (www.hkex.com.hk) and the Company at (www.orientalwatch.com). The 2016 interim report containing all information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in the due course.

MEMBERS OF THE BOARD OF DIRECTORS

As at the date of this report, the Board comprises Dr. Yeung Ming Bui, Mr. Yeung Him Kit, Dennis, Mr. Fung Kwong Yiu, Madam Yeung Man Yee, Shirley, Mr. Lam Hing Lun, Alain and Mr. Choi Kwok Yum as executive directors and Dr. Sun Ping Hsu, Samson, Dr. Li Sau Hung, Eddy and Mr. Choi Man Chau, Michael as independent non-executive directors.

By order of the Board
Yeung Ming Bui
Chairman

Hong Kong, 23 November 2016

登載中期業績及寄發中期報告

中期業績公佈登載於香港聯合交易所有限公司網站(www.hkex.com.hk)及本公司網站(www.orientalwatch.com)。載有上市規則規定之一切資料之二零一六年中期報告將於適當時候寄發予本公司股東並登載於上述網站。

董事會成員

於本報告日期，董事會成員包括執行董事楊明標博士、楊衍傑先生、馮廣耀先生、楊敏儀女士、林慶麟先生及蔡國欽先生，以及獨立非執行董事孫秉樞博士、李秀恒博士及蔡文洲先生。

承董事會命
主席
楊明標

香港，二零一六年十一月二十三日

