



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)



時間累積經驗
經驗成就眼光

2017 Interim Report 中期報告

CORPORATE INFORMATION

BOARD OF DIRECTORS	Dr. Yeung Ming Biu (<i>Chairman</i>) Mr. Yeung Him Kit, Dennis (<i>Deputy Chairman and Managing 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>)
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COMPANY SECRETARY Mr. Lam Hing Lun, Alain

PRINCIPAL BANKERS Hang Seng Bank Limited
Bank of China (Hong Kong)
Limited
Standard Chartered Bank
(Hong Kong) Limited
The Hong Kong & Shanghai
Banking Corporation Limited

AUDITOR Deloitte Touche Tohmatsu
Certified Public Accountants

**HONG KONG BRANCH
SHARE REGISTRARS** Tricor Secretaries Limited
Level 22
Hopewell centre
183 Queen's Road East
Hong Kong

**HONG KONG LEGAL
ADVISER** Jennifer Cheung & Co

**BERMUDA LEGAL
ADVISER** Conyers, Dill & Pearman

REGISTERED OFFICE 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

公司資料

董事會	楊明標博士(主席) 楊衍傑先生 (副主席兼董事總經理) 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)
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公司秘書 林慶麟先生

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
香港上海滙豐銀行
有限公司

核數師 德勤•關黃陳方會計師行
執業會計師

**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

香港法律顧問 張美霞律師行

**百慕達法律
顧問** Conyers, Dill & Pearman

註冊辦事處 Clarendon House
Church Street
Hamilton HM 11
Bermuda

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 2017 together with the comparative figures for the corresponding period in 2016. The unaudited condensed consolidated interim financial statements have been reviewed by the audit committee (the “Audit committee”) of the Company:

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」)截至二零一七年九月三十日止六個月之未審核綜合業績連同二零一六年同期之比較數字。未審核簡明綜合中期財務報表已由本公司審核委員會(「審核委員會」)審閱。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

簡明綜合損益及其他全面收益表

截至二零一七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 2017 二零一七年 九月三十日 HK\$'000 千港元	30 September 2016 二零一六年 九月三十日 HK\$'000 千港元
Revenue	收益	1,507,794	1,545,049
Cost of goods sold	銷貨成本	(1,253,687)	(1,308,407)
Gross profit	毛利	254,107	236,642
Other income, gains and losses	其他收入、收益及虧損	23,161	20,652
Distribution and selling expenses	分銷及銷售開支	(95,724)	(93,792)
Administrative expenses	行政開支	(125,084)	(152,155)
Finance costs	融資成本	(2,150)	(3,120)
Share of results of associates	應佔聯營公司之業績	281	1,240
Share of results of joint ventures	應佔合營公司之業績	(9)	(865)
Profit before taxation	除稅前溢利	54,582	8,602
Income tax expense	所得稅開支	(8,649)	(4,481)
Profit for the period	期內溢利	45,933	4,121
Other comprehensive income (expense)	其他全面收益(開支)		
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	29,323	(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	376	163

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

For the six months ended 30 September 2017

簡明綜合損益及其他全面收益表
(續)

截至二零一七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

		Notes 附註	30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	30 September 2016 二零一六年 九月三十日 HK\$'000 千港元
Other comprehensive income (expense) for the period	期內其他全面收益(開支)		29,699	(9,362)
Total comprehensive income (expense) for the period	期內全面收益(開支)總額		75,632	(5,241)
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		46,034	4,345
Non-controlling interests	非控股權益		(101)	(224)
			45,933	4,121
Total comprehensive income (expense) for the period attributable to:	應佔期內全面收益(開支)總額:			
Owners of the Company	本公司擁有人		75,707	(5,083)
Non-controlling interests	非控股權益		(75)	(158)
			75,632	(5,241)
Earnings per share	每股盈利	7		
— Basic	— 基本		8.07 HK cents 港仙	0.76 HK cents 港仙
— Diluted	— 攤薄		8.07 HK cents 港仙	0.76 HK cents 港仙

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

簡明綜合財務狀況表

於二零一七年九月三十日

		Notes 附註	(Unaudited) (未審核) 30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	(Audited) (經審核) 31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	8	204,464	208,863
Deposits for acquisition of property, plant and equipment	收購物業、機器及 設備之按金		—	133
Interests in associates	佔聯營公司之權益		36,795	36,499
Interest in a joint venture	佔一間合營公司之 權益	9	25,912	24,873
Available-for-sale financial assets	可供出售金融資產		6,482	6,106
Deferred tax assets	遞延稅項資產		62	73
Property rental deposits	物業租金按金		33,828	46,550
			307,543	323,097
Current assets	流動資產			
Inventories	存貨	10	1,151,410	1,275,897
Trade and other receivables	貿易及其他應收賬款	11	117,917	110,508
Taxation recoverable	可退回稅項		52	48
Bank balances and cash	銀行結餘及現金		863,787	645,188
			2,133,166	2,031,641
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	12	141,044	87,835
Taxation payable	應付稅項		9,694	7,460
Bank loans	銀行貸款	13	64,254	81,573
			214,992	176,868
Net current assets	流動資產淨值		1,918,174	1,854,773
Total assets less current liabilities	資產總值減流動負債		2,225,717	2,177,870

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 September 2017

簡明綜合財務狀況表(續)

於二零一七年九月三十日

			(Unaudited) (未審核) 30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	(Audited) (經審核) 31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	13	20,833	29,167
Deferred tax liabilities	遞延稅項負債		1,638	1,689
			22,471	30,856
Net assets	資產淨值		2,203,246	2,147,014
Capital and reserves	資本及儲備			
Share capital	股本	14	57,061	57,061
Reserves	儲備		2,145,252	2,088,945
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,202,313	2,146,006
Non-controlling interests	非控股權益		933	1,008
Total equity	權益總額		2,203,246	2,147,014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

簡明綜合權益變動表

截至二零一七年九月三十日止六個月

Attributable to owners of the Company
本公司擁有人應佔

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (附註b)	Asset revaluation reserve 資產重估儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (附註a)	Translation reserve 換算儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Dividend reserve 股息儲備 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 April 2017 (audited)	於二零一七年四月一日 (經審核)	57,061	549,396	83,554	425	840	6,454	5,180	17,463	1,406,233	19,400	2,146,006	1,008	2,147,014
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	29,297	-	-	29,297	26	29,323
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	376	-	-	-	-	376	-	376
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	46,034	-	46,034	(101)	45,933
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	-	-	-	376	-	29,297	46,034	-	75,707	(75)	75,632
2017 final dividend paid	已派發二零一七年年末股息	-	-	-	-	-	-	-	-	-	(2,282)	(2,282)	-	(2,282)
2017 special dividend paid	已派發二零一七年特別股息	-	-	-	-	-	-	-	-	-	(17,118)	(17,118)	-	(17,118)
2018 interim dividend proposed	擬派發二零一八年中期股息	-	-	-	-	-	-	-	-	(11,412)	11,412	-	-	-
At 30 September 2017 (unaudited)	於二零一七年九月三十日 (未審核)	57,061	549,396	83,554	425	840	6,830	5,180	46,760	1,440,855	11,412	2,202,313	933	2,203,246
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	已派發二零一六年年末股息	-	-	-	-	-	-	-	-	-	(1,426)	(1,426)	-	(1,426)
2017 interim dividend proposed	擬派發二零一七年中期股息	-	-	-	-	-	-	-	-	(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

Notes:

- (a) 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.
- (b) Subsequent to 力龍國際貿易股份有限公司 ("Li Loong") becoming a subsidiary of the Company in May 2013, the Group further subscribed 6,000,000 shares of Li Loong in September 2013, for a cash consideration of NT\$60,000,000 (equivalent to HK\$15,698,000). The Group's equity interest in Li Loong increased from 90% to 96%. This is accounted for as a deemed acquisition of additional interests in a subsidiary and has been recognised as capital reserve.

附註:

- (a) 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。
- (b) 於力龍國際貿易股份有限公司(「力龍」)在二零一三年五月成為本公司之附屬公司後，於二零一三年九月，本集團進一步認購6,000,000股力龍股份，現金代價為新台幣60,000,000元(相等於15,698,000港元)。本集團於力龍之股權由90%增加至96%。此收購入賬列作視作收購一間附屬公司之額外權益，並已確認為資本儲備。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

簡明綜合現金流量表

截至二零一七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 2017 二零一七年 九月三十日 HK\$'000 千港元	30 September 2016 二零一六年 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	259,869	119,920
Investing activities	投資活動		
Purchase of property, plant and equipment	購買物業、機器及設備	(5,422)	(1,309)
Interest received	已收利息	2,191	849
Dividends received from associates	已收聯營公司股息	705	—
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
Net cash (used in) from investing activities	融資活動(所耗)所產生之現金淨額	(2,526)	82,359
Financing activities	融資活動		
Repayment of bank loans	償還銀行貸款	(58,363)	(94,479)
Dividends paid	已付股息	(19,400)	(1,426)
Interest paid	已付利息	(2,150)	(3,328)
New bank loans raised	新造銀行貸款	31,920	30,360
Net cash used in financing activities	融資活動所耗之現金淨額	(47,993)	(68,873)
Net increase in cash and cash equivalents	現金及等同現金項目之增加淨額	209,350	133,406
Cash and cash equivalents at beginning of the period	期初之現金及等同現金項目	645,188	403,804
Effect of foreign exchange rate changes	匯率變動之影響	9,249	(1,777)
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	863,787	535,433

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

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 2017 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2017.

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 HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRSs	Annual improvements to HKFRSs 2014 – 2016 cycle

Amendments to HKAS 7 “Disclosure initiative”

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The application of the amendments will result in additional disclosures on the Group’s financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

簡明綜合財務報表附註

截至二零一七年九月三十日止六個月

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，截至二零一七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二零一七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。

香港會計準則第7號(修訂本)	披露計劃
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產
香港財務報告準則(修訂本)	香港財務報告準則二零一四年至二零一六年期間之年度改善

香港會計準則第7號(修訂本)[披露計劃]

該等修訂本規定實體提供披露事項，使財務報表使用者可評估因融資活動而產生之負債變動，包括現金流量產生之變動及非現金變動。具體而言，該等修訂本規定披露以下因融資活動而產生之負債變動：(i) 融資現金流量產生之變動；(ii) 取得或失去附屬公司或其他業務控制權產生之變動；(iii) 外幣匯率變動之影響；(iv) 公平值變動；及(v) 其他變動。

應用該等修訂本將導致本集團融資活動之額外披露，尤其是於應用時提供因融資活動而產生之綜合財務狀況表期初與期末負債結餘對賬。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2017

2. Principal accounting policies (Continued)

Amendments to HKAS 7 “Disclosure initiative” (Continued)

The adoption will result in relevant disclosures in the Group’s annual consolidated financial statements for the year ending 31 March 2018.

The application of the other 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.

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 chief operating decision marker, being 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:

		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	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	1,057,133	1,131,333	55,423	28,176
Taiwan, Macau and the PRC	台灣、澳門及中國	450,661	413,716	14,871	(4,601)
		1,507,794	1,545,049	70,294	23,575
Unallocated other income	未分配其他收入			2,191	849
Unallocated corporate expenses	未分配企業開支			(16,025)	(13,077)
Finance costs	融資成本			(2,150)	(3,120)
Share of results of associates	應佔聯營公司之業績			281	1,240
Share of results of joint ventures	應佔合營公司之業績			(9)	(865)
Profit before taxation	除稅前溢利			54,582	8,602

簡明綜合財務報表附註(續)

截至二零一七年九月三十日止六個月

2. 主要會計政策(續)

香港會計準則第7號(修訂本)「披露計劃」(續)

採納將導致於本集團截至二零一八年三月三十一日止年度之年度綜合財務報表中作出有關披露。

於本中期期間應用其他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。

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。本集團按已由主要營運決策者(即本集團董事總經理)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收益及業績分析：

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2017

3. Segment information (Continued)

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 corporate expenses include auditor's remuneration, directors' emoluments, exchange loss and operating expenses of inactive companies. This is the measure reported to the Managing Director of the Company for the purposes of resources allocation and performance assessment.

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

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

		Segment assets 分部資產		Segment liabilities 分部負債	
		30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元	30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
Hong Kong	香港	957,301	1,054,530	89,687	46,881
Taiwan, Macau and the PRC	台灣、澳門及中國	550,257	587,005	51,358	39,640
Segment total	分部總額	1,507,558	1,641,535	141,045	86,521
Unallocated	未分配	933,151	713,203	96,418	121,203
Total assets	資產總值	2,440,709	2,354,738	237,463	207,724

簡明綜合財務報表附註(續)

截至二零一七年九月三十日止六個月

3. 分部資料(續)

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。未分配企業開支包括核數師酬金、董事酬金、匯兌虧損及暫無營業公司之營運開支。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。

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及負債分析：

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2017

簡明綜合財務報表附註(續)

截至二零一七年九月三十日止六個月

4. Profit before taxation

4. 除稅前溢利

		Six months ended 截至九月三十日止六個月	
		30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	30 September 2016 二零一六年 九月三十日 HK\$'000 千港元
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	10,714	11,725
Directors' remuneration	董事酬金	10,216	7,228
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	135	6,178
Minimum operating lease rentals in respect of rented premises	有關租賃物業之最低經營租賃租金	83,897	113,292
Net exchange losses	匯兌虧損淨額	380	—
and after crediting:	並已計入：		
Interest income	利息收入	2,191	849
Net exchange gain	匯兌收益淨額	—	35

5. Income tax expense

5. 所得稅開支

		Six months ended 截至九月三十日止六個月	
		30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	30 September 2016 二零一六年 九月三十日 HK\$'000 千港元
The charge (credit) comprises:	支出(計入)包括：		
Hong Kong Profits Tax	香港利得稅		
— Current period	— 當期	8,609	1,494
— Underprovision in prior years	— 過往年度撥備不足	—	2,731
		8,609	4,225
Taxation in other jurisdictions	其他司法權區之稅項	—	(16)
		8,609	4,209
Deferred taxation	遞延稅項	40	272
		8,649	4,481



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2017

5. Income tax expense (Continued)

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 0.40 HK cent per share, totalling HK\$2,282,000, in respect of the year ended 31 March 2017 (2016: 0.25 HK cent per share, totalling HK\$1,426,000) and a special dividend of 3.0 HK cents per share, totalling HK\$17,118,000, in respect of the year ended 31 March 2017 (2016: nil) were approved at the annual general meeting held on 17 August 2017.

On 22 November 2017, the directors resolved to declare an interim dividend of 2.0 HK cents per share in respect of the six months ended 30 September 2017, totalling HK\$11,412,000 (2016: 0.20 HK cent per share, totalling HK\$1,141,000), to be paid in cash to those shareholders whose names appear on the Company's register of members on 14 December 2017.

簡明綜合財務報表附註(續)

截至二零一七年九月三十日止六個月

5. 所得稅開支(續)

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，已於二零一七年八月十七日舉行之股東週年大會上批准派發截至二零一七年三月三十一日止年度之末期股息每股0.40港仙，合共2,282,000港元(二零一六年：每股0.25港仙，合共1,426,000港元)及截至二零一七年三月三十一日止年度之特別股息每股3.0港仙，合共17,118,000港元(二零一六年：無)。

於二零一七年十一月二十二日，董事決議宣派截至二零一七年九月三十日止六個月之中期股息每股2.0港仙，合共11,412,000港元(二零一六年：每股0.20港仙，合共1,141,000港元)。中期股息將以現金派付予於二零一七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 2017

簡明綜合財務報表附註(續)

截至二零一七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:

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：

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)

Six months ended 截至九月三十日止六個月	
30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	30 September 2016 二零一六年 九月三十日 HK\$'000 千港元
46,034	4,345

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

Number of shares 股份數目	
Six months ended 截至九月三十日止六個月	
30 September 2017 二零一七年 九月三十日	30 September 2016 二零一六年 九月三十日
570,610,224	570,610,224

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.

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 2017

8. Property, plant and equipment

During the six months ended 30 September 2017, the Group incurred expenditure of approximately HK\$5,555,000 (six months ended 30 September 2016: HK\$5,960,000) to acquire property, plant and equipment for its operation. During the period, the Group disposed of certain property, plant and equipment with carrying amount of approximately HK\$135,000 (six months ended 30 September 2016: HK\$6,178,000) resulting a loss on disposal of approximately HK\$135,000 (six months ended 30 September 2016: HK\$6,178,000).

The Group has pledged certain land and buildings with an aggregate carrying value of approximately HK\$90,183,969 (31 March 2017: HK\$91,340,770) to a bank to secure the bank loan facilities granted to the Group.

9. Interest in a joint venture

Cost of investment in an unlisted joint venture	於一間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

簡明綜合財務報表附註(續)

截至二零一七年九月三十日止六個月

8. 物業、機器及設備

截至二零一七年九月三十日止六個月，本集團產生支出約5,555,000港元(截至二零一六年九月三十日止六個月：5,960,000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135,000港元之若干物業、機器及設備(截至二零一六年九月三十日止六個月：6,178,000港元)，產生出售虧損約135,000港元(截至二零一六年九月三十日止六個月：6,178,000港元)。

本集團已向銀行抵押總賬面值約為90,183,969港元(二零一七年三月三十一日：91,340,770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. 佔一間合營公司之權益

30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
21,794	21,794
(791)	(1,839)
4,909	4,918
25,912	24,873

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2017

簡明綜合財務報表附註(續)

截至二零一七年九月三十日止六個月

10. Inventories

Watches	手錶
Accessories and parts	配件及部件

10. 存貨

30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
1,128,847	1,256,715
22,563	19,182
1,151,410	1,275,897

11. Trade and other receivables

Trade receivables	貿易應收賬款
Property rental deposits	物業租金按金
Value-added tax recoverable	可收回增值稅
Advances to other suppliers	向其他供應商墊款
Other receivables	其他應收賬款

11. 貿易及其他應收賬款

30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
96,927	91,351
15,683	11,465
2,933	2,744
95	767
2,279	4,181
117,917	110,508

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:

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：

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

30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
90,374	85,304
1,975	2,705
3,009	334
1,569	3,008
96,927	91,351

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2017

簡明綜合財務報表附註(續)

截至二零一七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
Property rental fee payables	應付物業租金
Other payables	其他應付賬款

30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
94,090	52,427
11,726	7,665
2,397	2,267
3,479	3,838
3,458	1,164
12,379	10,520
1,334	1,569
4,973	566
7,208	7,819
141,044	87,835

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

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

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：

30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
82,703	42,977
1,426	1,604
9,961	7,846
94,090	52,427

13. Bank loans

During the six months ended 30 September 2017, the Group obtained a bank loan amounting to approximately HK\$31,920,000 (six months ended 30 September 2016: HK\$30,360,000). The loan carried interest at Taipei Interbank Offered Rate plus 1.5% divided by 0.946 and was repayable over one year up to 2018.

13. 銀行貸款

於截至二零一七年九月三十日止六個月期間，本集團取得銀行貸款約達31,920,000港元(截至二零一六年九月三十日止六個月：30,360,000港元)。該貸款已按台北金融業拆款定盤利率加1.5%再除0.946計息，並須於截至二零一八年止一年內償還。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2017

簡明綜合財務報表附註(續)

截至二零一七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 2016, 31 March 2017 and 30 September 2017	於二零一六年四月一日、二零一七年三月三十一日及二零一七年九月三十日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2016, 31 March 2017 and 30 September 2017	於二零一六年四月一日、二零一七年三月三十一日及二零一七年九月三十日	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	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
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	HK\$4.13 港元	HK\$3.44 港元 (note a) (附註a)
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	HK\$4.80 港元	N/A 不適用

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：

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	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
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	HK\$4.13 港元	HK\$3.44 港元 (note a) (附註a)
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	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 2017

簡明綜合財務報表附註(續)

截至二零一七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 2017 and 30 September 2016:

Share options granted on 6 April 2011

Categories of participants	參與者類別	Number of share options outstanding at 1 April 2016	Reclass 重新分類	Number of share options outstanding at 31 March 2017 and 30 September 2017
		於二零一六年四月一日未行使之購股權數目		於二零一七年三月三十一日及二零一七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	(3,000,000)	11,520,000
Other employees	其他僱員	14,400,000	—	14,400,000
Consultants (note b)	顧問(附註b)	2,640,000	3,000,000	5,640,000
Total	總計	31,560,000	—	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 2016, 31 March 2017 and 30 September 2017
		於二零一六年四月一日、二零一七年三月三十一日及二零一七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)

下表披露於截至二零一七年九月三十日及二零一六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

Categories of participants	參與者類別	Number of share options outstanding at 1 April 2016, 31 March 2017 and 30 September 2017
		於二零一六年四月一日、二零一七年三月三十一日及二零一七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

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 2017

15. Share-based payment transaction (Continued)

(i) 2003 Share Option Scheme (Continued)

Share options granted on 29 August 2011 (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 exercisable 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 2017 and 30 September 2016.

(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 2017 and 30 September 2016 since its effective date on 3 November 2013 and there was no outstanding share option as at 30 September 2017.

During the six months ended 30 September 2017 and 30 September 2016, 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)

截至二零一七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)

於二零一一年八月二十九日授出之購股權(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行使期間隨時行使購股權。

截至二零一七年九月三十日及二零一六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，分別截至二零一七年九月三十日及二零一六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，而於二零一七年九月三十日亦無未行使購股權。

截至二零一七年九月三十日及二零一六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 2017

簡明綜合財務報表附註(續)

截至二零一七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. 金融工具之公平值計量

按經常性基準以公平值計量之本集團金融資產之公平值

本集團若干金融資產於呈報期末按公平值計量。下表載列有關如何釐定該等金融資產之公平值(尤其是所使用之估值技術及輸入數據), 以及公平值計量按照公平值計量之輸入數據之可觀察程度進行分類之公平值架構層級(1至3級)之資料。

- 第1級輸入數據為實體於計量日期可就相同資產或負債取得之活躍市場報價(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 金融資產	Fair value as at		Fair value hierarchy 公平值架構	Valuation technique(s) and key input(s) 估值技巧及主要輸入數據
	30 September 2017 二零一七年九月三十日 HK\$'000 千港元	31 March 2017 二零一七年三月三十一日 HK\$'000 千港元		
(a) Available-for-sale financial assets — listed investments, equity securities listed in Hong Kong (a) 可供出售金融資產 — 上市投資、於香港上市之股本證券	71	91	Level 1 第1級	Quoted bid prices in an active market 活躍市場所報之買入價
(b) Available-for-sale financial assets — unlisted investments, managed fund portfolio (b) 可供出售金融資產 — 非上市投資、管理基金投資組合	6,411	6,015	Level 2 第2級	Quoted market prices provided by brokers which are financial institutions (note) 作為經紀之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: 作為經紀之金融機構提供之市場報價指基於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, 簡明綜合財務報表中以攤銷成本入賬之金融資產及金融負債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 2017

17. Related party transactions

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

18. Contingent liabilities

As at 30 September 2017, 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 New Taiwan Dollar ("NT\$") 200,000,000 (equivalent to HK\$53,200,000; 31 March 2017: NT\$200,000,000 and equivalent to HK\$51,800,000), which was fully utilised by these associates at 30 September 2017. The fair value of the financial guarantee contracts at the grant date is not significant and in the opinion of the directors, the default risk of associates at 31 March 2017 and 30 September 2017 is considered as low.

19. Operating lease arrangements

The Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)
Over five years	超過五年

Operating lease payments represent rentals payable by the Group for certain its shops and office premises. Leases are negotiated for a term ranged from 1 to 6 years (31 March 2017: 1 to 8 years). Some group entities are required to pay lease charges based on a fixed percentage of net sales.

20. 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

簡明綜合財務報表附註(續)

截至二零一七年九月三十日止六個月

17. 有關連人士交易

主要管理人員待遇之明細在附註4披露。

18. 或然負債

於二零一七年九月三十日，本集團就聯營公司獲授之銀行融資向銀行發出財務擔保。於二零一七年九月三十日，於被要求全數代還擔保時可能須予支付之總額新台幣(「新台幣」) 200,000,000元(相等於53,200,000港元；二零一七年三月三十一日：新台幣200,000,000元，並相等於51,800,000港元)已獲該等聯營公司全數動用。財務擔保合約於授出當日之公平值並不重大，且董事認為，聯營公司於二零一七年三月三十一日及二零一七年九月三十日之拖欠風險甚微。

19. 經營租賃安排

本集團已承諾日後根據不可撤銷之經營租賃支付最低租賃款項，到期日如下：

30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
161,647	145,379
182,687	138,048
—	36,715
344,334	320,142

經營租賃款項指本集團就其若干分店及辦公室物業應付之租金。租賃議定之年期介乎1至6年(二零一七年三月三十一日：1至8年)。若干集團實體須按銷售淨額之固定百分比支付租賃費用。

20. 資本承擔

30 September 2017 二零一七年 九月三十日 HK\$'000 千港元	31 March 2017 二零一七年 三月三十一日 HK\$'000 千港元
—	132

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

董事擁有之證券權益及淡倉

As at 30 September 2017, 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，於二零一七年九月三十日，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%
Madam Yeung Man Yee, Shirley	楊敏儀女士	2,640,000	221,161	(note (c)) (附註(c))	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 (d)) (附註(d))	3,200,000	0.56%

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

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) Madam Yeung Man Yee, Shirley is the beneficial owner of 7.5% of the issued share capital of Realtower Holdings Limited.
- (d) 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.

董事擁有之證券權益及淡倉(續)


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) 楊敏儀女士實益擁有 Realtower Holdings Limited 已發行股本 7.5%。
- (d) 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。



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

(a) 2003 Share Option Scheme

Pursuant to an ordinary resolution passed at the Company's special general meeting held on 3 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.

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.

購股權計劃及董事購買股份或債券之權利

(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。

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。

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之權利(續)

(a) 2003 Share Option Scheme (Continued)

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

Name of category of participant	Date of grant of options	Original exercise price per share	Adjusted exercise price per share	Exercisable period	Number of shares under options at 1.4.2016	Reclassified during the year	Number of shares under options at 31.3.2017 and 30.9.2017 於二零一七年三月三十一日及二零一七年九月三十日購股權涉及之股份數目
參與者類別名稱	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	於二零一六年四月一日購股權涉及之股份數目	年內重新分類	購股權涉及之股份數目
Directors 董事							
Dr. Yeung Ming Biu 楊明標博士	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	1,440,000	–	1,440,000
Mr. Yeung Him Kit, Dennis 楊衍傑先生	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	1,440,000	–	1,440,000
Mr. Fung Kwong Yiu (resigned on 31 December 2016) 馮廣耀先生(於二零一六年十二月三十一日辭任)	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	3,000,000	(3,000,000)	–
Madam Yeung Man Yee, Shirley 楊敏儀女士	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	1,440,000	–	1,440,000
Mr. Lam Hing Lun, Alain 林慶麟先生	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	3,600,000	–	3,600,000
Mr. Choi Kwok Yum 蔡國欽先生	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	3,600,000	–	3,600,000
					14,520,000	(3,000,000)	11,520,000
Other employees 其他僱員							
Type A A類	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	14,400,000	–	1,440,000
Type B B類	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021	18,000,000	–	18,000,000
Consultants 顧問							
Type A A類	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	2,640,000	3,000,000	5,640,000
Type B B類	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021	5,000,000	–	5,000,000
Total 總計					54,560,000	–	54,560,000

(a) 二零零三年購股權計劃(續)

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



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

(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 28 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 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.

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:

購股權計劃及董事購買股份或債券之權利(續)

(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。

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可能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：

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

(b) 2013 Share Option Scheme (Continued)

- (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.

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 the period since its effective date on 3rd November 2013 and there was no outstanding share option as at 31 March 2017 and 30 September 2017.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2017, 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	所持股份數目	
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之權利(續)

(b) 二零一三年購股權計劃(續)

- (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。

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，而於二零一七年三月三十一日及二零一七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，於二零一七年九月三十日，以下人士(並非為本公司之董事或最高行政人員)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 2017, 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, 2017 (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 均被視為擁有 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，於二零一七年九月三十日，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」)提呈本集團截至二零一七年九月三十日止六個月(「本期間」)之未經審核綜合業績。



MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Group Results (Continued)

Hong Kong's retail market has experienced an exponential growth during the first half of 2017, underpinned by robust local consumption due to stronger wealth effects and a further rebound in tourist numbers. Besides, the pressure on retail rents was easing down over the past few months; rental levels for prime street retail stores have mostly undergone adjustments. Overall, the business environment in Hong Kong has started to show signs of economic recovery, and the sales value of luxury goods has been increasing moderately. As a result, the Group's turnover for the Period decreased by 2% to HK\$1,508 million (2016: HK\$1,545 million). Gross profit increased by 7% to HK\$254 million (2016: HK\$237 million) while gross profit margin increased to 17%. Moreover, the Group recorded a net profit attributable to owners of the Company of HK\$46 million during the Period (2016: net profit of HK\$4 million), achieving an excellent results in this financial period, it is mainly due to (1) the improvement in the Mainland China and Hong Kong watch retail markets and (2) the decrease in rental payment of some shops in Hong Kong during the Period.

To show our appreciation for shareholders' continuous support, the Board has resolved to recommend an interim dividend of 2.0 HK cents per share (2016: 0.2 HK cents) for the six months ended 30 September 2017.

管理層討論及分析(續)

集團業績(續)

於二零一七年上半年，由於強勁財富效應及遊客人數進一步回升致令本地消費穩健，帶動香港零售業錄得急速增長。此外，於過去數月零售租金壓力回落，黃金地段零售店租金水平大部份已作出調整。整體而言，香港營商環境開始呈現經濟復甦之勢，而奢侈品之銷售價正平穩增長。因此，本集團於本期間之營業額減少2%至1,508,000,000港元(二零一六年：1,545,000,000港元)。毛利增加7%至254,000,000港元(二零一六年：237,000,000港元)，而毛利率則增加至17%。此外，本集團錄得本公司擁有人應佔本期間純利為46,000,000港元(二零一六年：純利4,000,000港元)。於本財政期間錄得優秀業績主要由於在本期間內(1)由於中國大陸及香港鐘表零售市場有所改善；及(2)香港若干店舖之租金款項減少。

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二零一七年九月三十日止六個月之中期股息每股2.0港仙(二零一六年：0.2港仙)。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

管理層討論及分析(續)

Business Review

As at 30 September 2017, the Group operates 63 retail and wholesale points (including associate retail stores) in the Greater China region. Breakdown by geographic region is as follows:

業務回顧

於二零一七年九月三十日，本集團於大中華地區經營63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 2017 於 二零一七年 九月三十日
Hong Kong	香港	12
Macau	澳門	1
China	中國	47
Taiwan	台灣	3
		<hr/>
Total	總計	63
		<hr/>



MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Business Review (Continued)

According to the National Bureau of Statistics of China, the gross domestic product (“GDP”) climbs 1.7 percent quarter-on-quarter in the three months to September of 2017, which in line with market expectations and indicates that the general retail market in Greater China is on an upturn. The consumption sentiment of Chinese customers, who remain the Group’s major customer group, has been lifted by a positive wealth effect caused by rising property prices, narrower gaps between domestic and international prices as well as a curb on overseas purchases. Consumer confidence is picking up due to a greater sense of optimism regarding China’s economy, as well as the growing middle class, rising incomes and rapid urbanisation in China. As a leading watch retailer, the Group is poised to capitalise on opportunities arising from the recovery. As a result, the Group’s same-store-sales growth in China has also achieved a 14% increase during the Period. On the other hand, the retail market in Hong Kong has begun to turn up after having bottomed out and these have provided good preconditions for the Group’s development in 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 has increased 7.2% in September when compared to the same period last year. Moreover, the consumer confidence has increased to 102 in the second quarter of 2017 from 93 in the fourth quarter of 2016. Most importantly, the stabilizing sales performance along with rent adjustment has also become one of the key drivers for the Group this year, which provided greater improvement in profitability with less rent burden suffered compared to the past few years. Oriental Watch, as a traditional luxury watches company in Hong Kong and Greater China, will therefore, closely monitor the market trends and seize any market opportunity in order to further solidify our leading position in the region.

管理層討論及分析(續)

業務回顧(續)

根據中國國家統計局，國內生產總值(「國內生產總值」)於二零一七年九月三個月按季攀升1.7個百分比，符合市場預期並顯示大中華地區之一般零售市場已見好轉。本集團之主要客戶組別仍為中國客戶，因樓價上漲、國內外價格差距收窄及海外採購受到限制產生之正面財富影響，帶動其消費意欲上升。由於對中國經濟前景持樂觀看法、中產階層增長、收入增加及中國加快城市化，消費者信心不斷提升。作為領先的鐘錶零售商，本集團已作好準備把握市場復甦帶來的機遇。因此，於本期間，本集團於中國之同店銷售亦錄得14%增長。另一方面，香港零售市場於谷底開始反彈，並為本集團於香港發展提供良好先決條件。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，內地訪港遊客人次於九月上升7.2%。再者，消費者信心指數由二零一六年第四季度之93上升至二零一七年第二季度之102。最重要的是，穩定銷售表現及租金調整亦為本集團於本年度主要動力之一，與過去數年相比，較低租金負擔使本集團可大幅增加盈利能力。東方表行作為在香港及大中華地區之傳統名貴鐘錶公司，將密切留意市場趨勢及把握任何市場機遇，進一步鞏固其於區內之領先地位。



MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Business Review (Continued)

For the implementation of stringent cost control, lowering high rental cost has been the Group's priorities since 2014. Fortunately, the pressure on retail rent was easing down over the past year; the Group believed that positive outcomes have been reflecting. During the Period, the Group's aggregate rental cost (excluding related property management fees) decreased significantly by 26% to HK\$84 million, accounting for 36% of the Group's overall operating expenses (2016: 45%). The Group has been successfully negotiate better rental rate and more flexible leasing terms for the lease renewal and hence lowered certain amount of rental cost. The favourable financial impact has been fully reflected in the 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 strategy for better resources allocation. The Group will continue to closely monitor the store performance and its efficiency and hope the above measures together with the rent adjustments can improve profitability of each store in the forthcoming years.

During the Period, the Group has 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 2017, the Group's overall inventory level amounted to HK\$1,151 million, decreasing by 10% from HK\$1,276 million as at 30 March 2017. In the coming financial year, the Group will continue to maintain a lower inventory level for a steady cash position.

管理層討論及分析(續)

業務回顧(續)

為實施嚴格的成本控制，降低高昂租金成本自二零一四年來一直為本集團之首要工作。幸而，零售租金壓力於去年回落，而本集團相信正面成效已經逐步體現。於本期間，本集團之總租金成本(不包括相關物業管理費)大幅減少26%至84,000,000港元，佔本集團整體營運開支36%(二零一六年：45%)。本集團已為續租成功磋商以取得更優惠租金及更靈活租賃條款，並因此已減低租金成本之一定金額。利好之財務影響將於本財政年度充份反映。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，亦為本集團更有效調配資源之措施。本集團將繼續密切監察店舖業績及效率，並期望上述措施連同租金調整於未來年度有助於提升各店舖之盈利能力。

於本期間內，本集團已採取存貨管理政策，以確保穩定現金流量及穩健財務狀況。政策包括監察高價產品之存貨水平，並僅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維持於合理水平。於二零一七年九月三十日，本集團之總體庫存水平達到1,151,000,000港元，較二零一七年三月三十日之1,276,000,000港元減少10%。本集團於未來財政年度將繼續維持較低之庫存水平，以達致穩定現金狀況。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Business Review (Continued)

Lastly, in terms of the overall Swiss watch exports value market from January to September in 2017, export value of Hong Kong and China increased by 4.1% and 17.2% respectively as compared with the same period in 2016, indicating that demand for luxury watches goes up. Looking ahead, the Group remains cautiously optimistic on the business outlook of the luxury goods market and expects retail sales in Hong Kong will hold stable amidst the sustained recovery in visitor arrivals and the resilience of local consumption demand. Leveraging on our prestigious brand image and long establishment history, the Group 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.

FINANCIAL REVIEW

Liquidity and financial resources

At 30 September 2017, the Group's total equity reached HK\$2,203 million, compared with HK\$2,147 million as at 31 March 2017. The Group had net current assets of HK\$1,918 million, including bank and cash balances of HK\$864 million as at 30 September 2017 compared with balances of HK\$1,855 million and HK\$645 million respectively as at 31 March 2017. At 30 September 2017 bank loans of HK\$85 million (31 March 2017: HK\$111 million). At 30 September 2017, the gearing ratio (defined as total bank borrowing on total equity) was 0.04 (31 March, 2017: 0.05).

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)

最後，在瑞士鐘錶於二零一七年一月至九月之整體出口貨值市場上，與二零一六年同期相比，香港及中國之出口貨值分別增加4.1%及17.2%，顯示名貴鐘錶需求上升。展望未來，本集團對奢侈品市場之業務前景持審慎樂觀態度，並預期在訪港遊客持續回升及本地消費需求反彈下香港零售銷售將維持穩定。憑藉享負盛名之品牌形象及悠久歷史，本集團已準備就緒迎难而上，同時亦把握各類機會，致力為股東爭取最大回報。

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、忠誠及支持。

財務回顧

流動資金及財務資源

於二零一七年九月三十日，本集團之權益總額達2,203,000,000港元，而於二零一七年三月三十一日則為2,147,000,000港元。於二零一七年九月三十日，本集團之流動資產淨值為1,918,000,000港元，包括864,000,000港元之銀行及現金結餘，而於二零一七年三月三十一日之結餘則分別為1,855,000,000港元及645,000,000港元。於二零一七年九月三十日，銀行貸款為85,000,000港元(二零一七年三月三十一日：111,000,000港元)。於二零一七年九月三十日，負債資產比率(定義為銀行借貸總額除以權益總額)為0.04倍(二零一七年三月三十一日：0.05倍)。

管理層認為本集團之財務狀況穩健，並具備充裕資金及未動用銀行信貸。

FINANCIAL REVIEW *(Continued)*

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.

STAFF AND EMPLOYMENT

As at 30 September 2017, the Group employed a total work force of about 590 staff. The staff turnover rate is low. The Group's policy is to review its employee's pay levels and incentive bonus.

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

During the six months ended 30 September 2017, 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.

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 Corporate Governance Code ("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 2017, except the deviation from the code provision A.4.1 of the CG Code.

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.

財務回顧 *(續)*

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。

僱員及聘用

於二零一七年九月三十日，本集團共招聘約590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。

買賣或贖回本公司上市證券

截至二零一七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。

企業管治

本公司致力制定良好之企業管治常規及程序。截至二零一七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。

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。



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 2017.

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 2017.

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 2017 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.

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，彼等於截至二零一七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，包括審閱截至二零一七年九月三十日止六個月之未審核綜合財務報表。

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二零一七年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。



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, 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, 22 November 2017

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、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，二零一七年十一月二十二日

