



**INTERIM  
REPORT  
2013**



**ASIA COMMERCIAL HOLDINGS LIMITED**  
**(Incorporated in Bermuda with limited liability)**  
**(Stock Code: 104)**

## FINANCIAL HIGHLIGHTS

	<b>Six months ended</b>		<b>Change</b>
	<b>2013</b>	2012	
	<b>HK\$'000</b>	HK\$'000	%
	<b>(unaudited)</b>	(unaudited)	
<b>Operations</b>			
Turnover	<b>492,007</b>	577,529	<b>(14.8)</b>
Loss attributable to owners of the Company	<b>(80,365)</b>	(67,634)	<b>N/A</b>
Loss per share – Basic and diluted	<b>(5.88) HK cents</b>	(6.75) HK cents (Restated)	<b>N/A</b>
	<b>As at</b>	As at	<b>Change</b>
	<b>30th September</b>	31st March	<b>%</b>
	<b>2013</b>	2013	
	<b>HK\$'000</b>	HK\$'000	
	<b>(unaudited)</b>	(audited)	
<b>Financial position</b>			
Total assets	<b>988,000</b>	1,053,000	<b>(6.2)</b>
Equity attributable to owners of the Company	<b>468,000</b>	537,000	<b>(12.9)</b>
Non-controlling interests	<b>10,000</b>	10,000	<b>N/A</b>

The Board of Directors (the "Board") of Asia Commercial Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim report of the Company and its subsidiaries (the "Group") for the six months ended 30th September 2013 together with the comparative figures of the last corresponding period. The interim financial report has been reviewed by the Company's audit committee.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th September 2013

	Notes	Six months ended 30th September 2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
<b>Turnover</b>	3	<b>492,007</b>	577,529
Cost of sales		<b>(373,944)</b>	(409,048)
<b>Gross profit</b>		<b>118,063</b>	168,481
Other revenue		<b>19,021</b>	9,644
Distribution costs		<b>(190,691)</b>	(210,137)
Administrative expenses		<b>(19,660)</b>	(20,513)
Other income/(expenses), net		<b>999</b>	(2,747)
Finance costs	4(a)	<b>(7,121)</b>	(10,299)
<b>Loss before taxation</b>	4	<b>(79,389)</b>	(65,571)
Income tax	5	<b>(982)</b>	(2,326)
<b>Loss for the period</b>		<b>(80,371)</b>	(67,897)
<b>Attributable to:</b>			
Owners of the Company		<b>(80,365)</b>	(67,634)
Non-controlling interests		<b>(6)</b>	(263)
		<b>(80,371)</b>	(67,897)
			(Restated)
<b>Loss per share</b>	6		
Basic and diluted (HK cents)		<b>(5.88)</b>	(6.75)

The notes on pages 8 to 23 form part of this unaudited interim financial report.

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

For the six months ended 30th September 2013

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Loss for the period</b>	<b>(80,371)</b>	(67,897)
<b>Other comprehensive income/(loss) for the period</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<b>7,838</b>	(4,986)
Total other comprehensive income/(loss) for the period (net of nil tax)	<b>7,838</b>	(4,986)
<b>Total comprehensive loss for the period</b>	<b>(72,533)</b>	(72,883)
<b>Attributable to:</b>		
Owners of the Company	<b>(72,527)</b>	(72,620)
Non-controlling interests	<b>(6)</b>	(263)
	<b>(72,533)</b>	(72,883)

The notes on pages 8 to 23 form part of this unaudited interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2013

	Notes	As at 30th September 2013 HK\$'000 (unaudited)	As at 31st March 2013 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	32,381	42,230
Prepaid lease payments		20,906	20,874
Investment properties		172,015	170,983
Available-for-sale investments		6,300	6,300
Rental deposits and prepayments		36,563	26,971
		<b>268,165</b>	267,358
<b>Current assets</b>			
Inventories		547,263	569,071
Prepaid lease payments		513	505
Trade and other receivables	8	91,062	93,328
Trading securities		4,014	3,845
Pledged bank deposits		10,462	2,272
Cash and cash equivalents		66,232	116,760
		<b>719,546</b>	785,781
<b>Current liabilities</b>			
Trade and other payables	9	228,605	207,876
Bank loans		175,136	223,764
Convertible notes	10	-	32,237
Loans from a director		68,000	14,000
Provision for store closure		6,511	12,224
Current tax payable		4,072	3,137
		<b>482,324</b>	493,238
<b>Net current assets</b>		<b>237,222</b>	292,543
<b>Total assets less current liabilities</b>		<b>505,387</b>	559,901
<b>Non-current liabilities</b>			
Rental received in advance		2,080	2,117
Deferred tax liabilities		6,735	7,741
Other liabilities		18,811	3,016
		<b>27,626</b>	12,874
<b>Net assets</b>		<b>477,761</b>	547,027

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2013

		<b>As at 30th September 2013</b>	As at 31st March 2013
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
		<b>(unaudited)</b>	(audited)
<b>Capital and reserves</b>			
Share capital	11	<b>273,373</b>	273,373
Reserves		<b>194,685</b>	263,945
		<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>		<b>468,058</b>	537,318
Non-controlling interests		<b>9,703</b>	9,709
		<hr/>	<hr/>
<b>Total equity</b>		<b>477,761</b>	547,027
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 23 form part of this unaudited interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

For the six months ended 30th September 2013

Attributable to owners of the Company													
	Share capital HK\$'000	Share premium HK\$'000	Revaluation reserve HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Convertible notes equity reserve HK\$'000	Fair value reserve HK\$'000	Accumulated losses HK\$'000	Non-controlling interests		Total HK\$'000
											Sub-total HK\$'000	interests HK\$'000	
At 1st April 2012	66,343	137,828	27,002	47,311	252,381	17,524	12,682	5,085	1,864	(31,411)	470,266	9,707	548,316
Total comprehensive loss for the period	-	-	-	(4,986)	-	-	-	-	-	(67,634)	(72,620)	(263)	(72,883)
Recognition of equity-settled share based payment expenses	-	-	-	-	-	-	3,905	-	-	-	3,905	-	3,905
At 30th September 2012	66,343	137,828	27,002	42,325	252,381	17,524	16,587	5,085	1,864	(99,045)	401,551	9,444	479,338
At 1st April 2013	273,373	133,610	28,389	43,473	252,381	17,524	21,238	5,085	2,108	(239,863)	263,945	9,709	547,027
Total comprehensive loss for the period	-	-	-	7,838	-	-	-	-	-	(80,365)	(72,527)	(6)	(72,533)
Recognition of equity-settled share based payment expenses	-	-	-	-	-	-	2,261	-	-	-	2,261	-	2,261
Transfer to accumulated loss upon redemption of convertible notes	-	-	-	-	-	-	-	(5,085)	-	5,085	-	-	-
Deferred tax relating to redemption of convertible notes	-	-	-	-	-	-	-	-	-	1,006	1,006	-	1,006
At 30th September 2013	273,373	133,610	28,389	51,311	252,381	17,524	23,499	-	2,108	(314,137)	194,685	9,703	477,761

The notes on pages 8 to 23 form part of this unaudited interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th September 2013

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Net cash used in operating activities</b>	<b>(6,247)</b>	(51,150)
<b>Net cash used in investing activities</b>	<b>(11,830)</b>	(32,181)
<b>Net cash (used in)/generated from financing activities</b>	<b>(33,037)</b>	43,257
<b>Net decrease in cash and cash equivalents</b>	<b>(51,114)</b>	(40,074)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>116,760</b>	86,146
<b>Effect of foreign exchange rate changes, net</b>	<b>586</b>	(53)
<b>Cash and cash equivalents at the end of the period</b>	<b><u>66,232</u></b>	<u>46,019</u>
<b>Analysis of the balances of cash and cash equivalents</b>		
<b>Cash at bank and on hand</b>	<b><u>66,232</u></b>	<u>46,019</u>

The notes on pages 8 to 23 form part of this unaudited interim financial report.



## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. GENERAL

The Group is principally engaged in trading and retailing of watches and property leasing.

The Company is a limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office and principal place of business of the Company are situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and 19th Floor, 9 Des Voeux Road West, Hong Kong, respectively.

The unaudited condensed interim financial statements are presented in thousand of units of Hong Kong dollars (HK\$'000), unless otherwise stated, and have been approved for issue by the Board of Directors on 25th November 2013.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed interim financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The preparation of the unaudited condensed interim financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may be different from these estimates.

The accounting policies adopted in the preparation of the unaudited condensed interim financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31st March 2013, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") as noted below:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle
HKFRS 1 (Amendments)	Government loans
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised in 2011)	Employee Benefits
HKAS 27 (Revised in 2011)	Separate Financial Statements
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – INT 20	Stripping Costs in the Production Phase of a Surface Mine

The amendments to Hong Kong Financial Reporting Standard ("HKFRS") 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The amended offsetting disclosures are required for annual periods beginning on or after 1st January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1st January 2014, with retrospective application required.

The Directors of the Company anticipate that the application of these amendments may result in more disclosures in the consolidated financial statements.

#### HKFRS 13 "Fair Value Measurement"

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January 2013, with earlier application permitted.

The Directors of the Company anticipate that the application of this new Standard may result in more extensive disclosures in the consolidated financial statements.

Other than as described above, the Directors of the Company anticipate that the application of the other new Standards, Amendments to Standards and Interpretation will have no material impact on the results and the financial position of the Group or the Company.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new and revised standards, amendments and interpretations that have been issued but not yet effective:

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities <sup>1</sup>
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>2</sup>
HKFRS 9	Financial Instruments <sup>2</sup>
HKFRS 36 (Amendments)	Recoverable amount disclosures for non-financial assets <sup>1</sup>
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
HK(IFRIC) – Int 21	Levies <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2015.

The directors of the Company anticipate that the application of other new or revised standards will also have no material impact on the results and the financial position of the Group.

### 3. TURNOVER AND SEGMENT INFORMATION

The Group manages its business by divisions. In a manner consistent with the way in which information is reported internally to the board of directors of the Company, being the chief operating decision makers ("CODM") for the purposes of resource allocations and performance assessments. The Group has presented two reportable segments: (i) sale of watches and (ii) properties leasing. No operating segments have been aggregated to form these two reportable segments.

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the Group's accounting policies described in the annual financial statements for the year ended 31st March 2013. Segment (loss)/profit represents the (loss) from/profit earned by each segment without allocation of central administration costs such as those finance costs and corporate costs which cannot be meaningfully allocated to individual segment. This is the measure reported to the CODM for purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation and amortisation of assets attributable to those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated income statement.

All assets are allocated to reportable segments other than available-for-sale investments and other corporate assets.

All liabilities are allocated to reportable segments other than borrowings not attributable to individual segments and corporate liabilities.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 3. TURNOVER AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue, results, assets and liabilities by operating segment for the periods:

For the six months ended 30th September 2013 (unaudited)					
	Sale of watches HK\$'000	Properties leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
External revenue	489,564	2,443	492,007	-	492,007
Turnover (Note)	<u>489,564</u>	<u>2,443</u>	<u>492,007</u>	<u>-</u>	<u>492,007</u>
Operating (loss)/profit	(74,198)	2,180	(72,018)	(1,350)	(73,368)
Interest income	92	-	92	9	101
Other income, net	385	-	385	614	999
Finance costs	(5,437)	-	(5,437)	(1,684)	(7,121)
Segment results	<u>(79,158)</u>	<u>2,180</u>	<u>(76,978)</u>	<u>(2,411)</u>	<u>(79,389)</u>
Income tax					(982)
Loss for the period					<u>(80,371)</u>
Depreciation and amortisation	<u>14,291</u>	<u>104</u>	<u>14,395</u>	<u>-</u>	<u>14,395</u>

Note:

There were no inter-segment sales during the six months ended 30th September 2013.

As at 30th September 2013 (unaudited)					
	Sale of watches HK\$'000	Properties leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	<u>784,236</u>	<u>178,417</u>	<u>962,653</u>	<u>18,758</u>	<u>981,411</u>
Available-for-sale investments					<u>6,300</u>
Total assets					<u>987,711</u>
Additions to non-current segment assets during the reporting period	<u>22,561</u>	<u>-</u>	<u>22,561</u>	<u>-</u>	<u>22,561</u>
Segment liabilities	<u>474,752</u>	<u>20,470</u>	<u>495,222</u>	<u>3,921</u>	<u>499,143</u>
Current tax payable					<u>4,072</u>
Deferred tax liabilities					<u>6,735</u>
Total liabilities					<u>509,950</u>

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 3. TURNOVER AND SEGMENT INFORMATION (Continued)

	For the six months ended 30th September 2012 (unaudited)				
	Sale of watches HK\$'000	Properties leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
External revenue	575,252	2,277	577,529	–	577,529
Turnover (Note)	<u>575,252</u>	<u>2,277</u>	<u>577,529</u>	<u>–</u>	<u>577,529</u>
Operating (loss)/profit	(50,064)	581	(49,483)	(3,120)	(52,603)
Interest income	77	–	77	1	78
Other expenses, net	–	(2,747)	(2,747)	–	(2,747)
Finance costs	(7,974)	(275)	(8,249)	(2,050)	(10,299)
Segment results	<u>(57,961)</u>	<u>(2,441)</u>	<u>(60,402)</u>	<u>(5,169)</u>	(65,571)
Income tax					(2,326)
Loss for the period					<u>(67,897)</u>
Depreciation and amortisation	<u>14,656</u>	<u>257</u>	<u>14,913</u>	<u>–</u>	<u>14,913</u>

*Note:*

There were no inter-segment sales during the six months ended 30th September 2012.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 3. TURNOVER AND SEGMENT INFORMATION (Continued)

	As at 31st March 2013 (audited)				
	Sale of watches HK\$'000	Properties leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	<u>803,237</u>	<u>177,337</u>	<u>980,574</u>	<u>66,265</u>	1,046,839
Available-for-sale investments					<u>6,300</u>
Total assets					<u>1,053,139</u>
Additions to non-current segment assets during the reporting period	<u>45,184</u>	<u>7</u>	<u>45,191</u>	<u>-</u>	<u>45,191</u>
Segment liabilities	<u>438,199</u>	<u>20,859</u>	<u>459,058</u>	<u>36,176</u>	495,234
Current tax payable					3,137
Deferred tax liabilities					<u>7,741</u>
Total liabilities					<u>506,112</u>

#### Geographic Information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets as specified below. The geographical location of customers refers to the location at which the services were provided or the goods delivered. The Group's non-current assets include property, plant and equipment, prepaid lease payments, investment properties and rental deposits and prepayments. The geographical locations of non-current assets are based on the physical location of the assets.

	Revenues from external customers Six months ended 30th September 2013 HK\$'000 (unaudited)		Non-current assets 30th September 2013 HK\$'000 (unaudited)		31st March 2013 HK\$'000 (audited)
The People's Republic of China, excluding Hong Kong	<b>260,751</b>	392,226	<b>91,211</b>		102,458
Hong Kong (place of domicile)	<b>228,859</b>	183,233	<b>151,638</b>		140,044
Switzerland	<b>2,397</b>	2,059	<b>19,016</b>		18,556
Others	<u>-</u>	<u>11</u>	<u>-</u>		<u>-</u>
	<u><b>492,007</b></u>	<u>577,529</u>	<u><b>261,865</b></u>		<u>261,058</u>

#### Information about major customers

For the six months ended 30th September 2013 and 2012, no revenue derived from transactions with a single customer represented 10% or more of the Group's total revenue.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 4. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

#### (a) Finance costs

	<b>Six months ended 30th September 2013</b>	
	<b>HK\$'000</b>	2012 <i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Interest on bank borrowings wholly repayable within five years	<b>4,553</b>	7,181
Interest on convertible notes	<b>1,684</b>	1,591
Interest in loans from a director	<b>884</b>	1,527
	<hr/>	<hr/>
Total interest expenses on financial liabilities not at fair value through profit or loss	<b><u>7,121</u></b>	<u>10,299</u>

#### (b) Other items

	<b>Six months ended 30th September 2013</b>	
	<b>HK\$'000</b>	2012 <i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Net exchange gain	<b>(1,636)</b>	(502)
Amortisation of prepaid lease payments	<b>256</b>	247
Depreciation for property, plant and equipment	<b>14,139</b>	14,666
Write back of inventories, net	<b>(2,284)</b>	(2,388)
Staff costs including directors' fees and emoluments	<b>44,229</b>	52,181
Cost of inventories recognised as expenses	<b>373,944</b>	409,048
	<hr/>	<hr/>
	<b><u>373,944</u></b>	<u>409,048</u>

### 5. INCOME TAX IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<b>Six months ended 30th September 2013</b>	
	<b>HK\$'000</b>	2012 <i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Current:		
Hong Kong Profits Tax	-	-
Outside Hong Kong	<b>982</b>	2,326
Deferred tax:		
Current period	-	-
	<hr/>	<hr/>
	<b><u>982</u></b>	<u>2,326</u>

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 5. INCOME TAX IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

No Hong Kong Profits Tax is provided for the period as the Group has no estimated assessable profits in Hong Kong for the six months ended 30th September 2013.

Taxation for overseas subsidiary companies is provided at the appropriate current rates of taxation ruling in the relevant countries.

### 6. LOSS PER SHARE

#### (a) Basic loss per share

The calculation of basic loss per share is based on loss attributable to owners of the Company of HK\$80,365,000 (2012: HK\$67,634,000) and the weighted average number of 1,366,866,000 ordinary shares (2012: 1,002,255,000 ordinary shares) in issue during the period. The weighted average number of ordinary shares used in the calculation of basic loss per share for the six months ended 30th September 2012 has accounted for the share consolidation which was effective from 8th January 2013 and the rights issue completed in February 2013.

#### (b) Diluted loss per share

Diluted loss per share is equal to the basic loss per share for the six months ended 30th September 2012 because the outstanding convertible notes had an anti-dilutive effect on the basic loss per share.

The share options had no dilutive effect because the average market price of ordinary shares did not exceed the exercise price of the share options for the six months ended 30th September 2013 and 2012.

### 7. DIVIDENDS

The Directors resolved not to pay any interim dividend for the six months ended 30th September 2013 (2012: Nil).



## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 8. TRADE AND OTHER RECEIVABLES

The Group allows credit period of ranging from cash on delivery to 90 days to its customers. Included in trade and other receivables are debtors with the following aging analysis:

	<b>As at 30th September 2013 HK\$'000 (unaudited)</b>	As at 31st March 2013 HK\$'000 (audited)
Trade receivables		
Up to 90 days	<b>36,102</b>	22,583
91 to 180 days	<b>1,392</b>	3,137
181 to 365 days	<b>2,093</b>	2,648
Over 365 days	<b>2,152</b>	127
	<b>41,739</b>	28,495
Allowance for doubtful debts	-	-
	<b>41,739</b>	28,495
Other receivables	<b>7,703</b>	3,990
Loans and receivables	<b>49,442</b>	32,485
Deposits and prepayments	<b>41,620</b>	60,843
	<b>91,062</b>	93,328

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors with the following aging analysis:

	<b>As at 30th September 2013 HK\$'000 (unaudited)</b>	As at 31st March 2013 HK\$'000 (audited)
Trade payables		
Up to 90 days	<b>51,482</b>	43,003
91 to 180 days	<b>1,230</b>	137
181 to 365 days	<b>302</b>	860
Over 365 days	<b>1,018</b>	1,702
	<b>54,032</b>	45,702
Other payables and accrued charges	<b>49,541</b>	49,933
Financial liabilities measured at amortised cost	<b>103,573</b>	95,635
Rental received in advance	<b>75</b>	75
Deposits received	<b>4,903</b>	3,496
Other tax payable	<b>120,054</b>	108,670
	<b>228,605</b>	207,876

### 10. CONVERTIBLE NOTES

The movement of the liability component of the convertible notes is set out as below:

	<b>HK\$'000 (unaudited)</b>
Liabilities component as at 1st April 2013	<b>32,237</b>
Interest expenses	<b>1,684</b>
Redemption	<b>(31,992)</b>
Gain on redemption	<b>(1,929)</b>
	<b>—</b>
Liabilities component as at 30th September 2013	<b>—</b>

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 11. SHARE CAPITAL

	<b>Number of shares</b> <i>'000</i> (unaudited)	<b>Amount</b> <i>HK\$'000</i> (unaudited)
Authorised:		
At 1st April 2013 and 30th September 2013, Ordinary shares of HK\$0.2 each	2,500,000	500,000
Issued and fully paid:		
At 1st April 2013 and 30th September 2013, Ordinary shares of HK\$0.2 each	1,366,866	273,373

### 12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

	<b>Land and buildings</b> <i>HK\$'000</i> (unaudited)	<b>Other property, plant and equipment</b> <i>HK\$'000</i> (unaudited)	<b>Total</b> <i>HK\$'000</i> (unaudited)
Carrying amount at 1st April 2012	10,522	39,138	49,660
Translation differences	(253)	(271)	(524)
Additions	–	28,800	28,800
Depreciation charge	(279)	(14,387)	(14,666)
Carrying amount at 30th September 2012	9,990	53,280	63,270
Carrying amount at 1st April 2013	<b>7,713</b>	<b>34,517</b>	<b>42,230</b>
Translation differences	<b>266</b>	<b>567</b>	<b>833</b>
Additions	–	<b>3,662</b>	<b>3,662</b>
Depreciation charge	<b>(139)</b>	<b>(14,000)</b>	<b>(14,139)</b>
Write-off	–	<b>(205)</b>	<b>(205)</b>
Carrying amount at 30th September 2013	<b>7,840</b>	<b>24,541</b>	<b>32,381</b>

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 13. RELATED PARTY TRANSACTIONS

#### (a) Key management personnel remuneration

Remuneration of key management personnel of the Group, including amounts paid to the Company's directors and certain of highest paid employees are as follows:

	<b>Six months ended 30th September 2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Short-term employee benefits	<b>7,531</b>	7,820
Post-employment benefits	<b>30</b>	29
Share-based payment expenses	<b>1,345</b>	1,628
	<b><u>8,906</u></b>	<u>9,477</u>

#### (b) Financing arrangements

	<b>As at 30th September 2013</b>	As at 31st March 2013
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
Loans from a director	<b><u>68,000</u></b>	<u>14,000</u>

The loans are unsecured, bearing interest at the Hong Kong dollar prime rate as quoted by Hong Kong and Shanghai Banking Corporation Limited plus 1% per annum and repayable on demand.

#### (c) Guarantee for banking facilities

On 9th May 2012, a wholly owned subsidiary obtained a banking facility of US\$4 million (equivalents to HK\$31.2 millions) from a bank in Hong Kong for financing trade transactions. The banking facility is guaranteed by the bank deposits of HK\$3,900,000 owned by a director Mr. Eav Yin.

In the course of preparing the financial statements of the Group for the six months ended 30th September 2013, it has come to the attention of the directors that the following transactions were conducted with related companies during the six months ended 30th September 2013 and 2012 and there were balances with the related companies as at 30th September 2013 and 31st March 2013. As a consequence, the disclosures of related party transactions for the six months ended 30th September 2012 and balances with the related companies as at 31st March 2013 and 1st April 2012 were restated.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 13. RELATED PARTY TRANSACTIONS (Continued)

#### (d) Other transactions

		<b>Six months ended</b>	
		<b>30th September</b>	
	Notes	<b>2013</b>	2012
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	(Unaudited and restated)
Sales of watch movements to a related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin		<b>1,840</b>	1,999
Purchase of watch movements from a related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin		<b>485</b>	–
Provision of subsidised advertising and marketing support to two related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	(i)	<b>1,658</b>	600
Leasing of offices and warehouses to three related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	(ii)	<b>934</b>	600
Purchase of products from four related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	(iii)	<b>1,631</b>	1,986

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 13. RELATED PARTY TRANSACTIONS (Continued)

#### (d) Other transactions (Continued)

Notes:

##### (i) Provision of subsidised advertising and marketing support services

During the six months ended 30th September 2013 and 2012, the Group participated in the marketing programs and activities for promoting and enhancing the image of branded watches supplied by Lucky Linker Limited. In return, Lucky Linker Limited subsidised the Group by paying an advertising subsidy to the Group.

During the six months ended 30th September 2013, the Group provided an advertising service to a related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin which in return paid a service fee to the Group.

##### (ii) Leasing of offices and warehouses

The Group leased an office space to Lucky Linker Limited, being one of the three related companies, ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin, during the six months ended 30th September 2013 and 2012. Lucky Linker Limited is a long-term tenant of the Group and taken into the fact that Lucky Linker Limited is responsible for the decoration of the office, the Group offered a discount on the rental charge for compensating the costs incurred by Lucky Linker Limited in decoration of the office.

As at 30th September 2013 and 31st March 2013, commitments under operating leases receivable from the companies over which ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin were as follows:

	<b>As at 30th September 2013 HK\$'000 (unaudited)</b>	<b>As at 31st March 2013 HK\$'000 (audited)</b>
Not later than one year	<b>1,763</b>	1,479
Later than one year and not later than five year	<b>2,579</b>	3,308
	<b>4,342</b>	4,787

Leases for properties are negotiated for terms ranging from 1 to 5 years (31st March 2013: 3 to 5 years) and related commitments are included in Note 15.

##### (iii) Purchase of products

The Group purchased products from the above related companies during the six months ended 30th September 2013 and 2012 which represented watches, watch spare parts and components (including watch movements), watch accessories and packaging. The Group also outsourced watch assembly, processing and after-sales services such as maintenance and repairs to the above related parties. The purchase of products includes the fees and charges for these services.

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 13. RELATED PARTY TRANSACTIONS (Continued)

#### (e) Balances with related companies

	<b>As at 30th September 2013 HK\$'000 (Unaudited)</b>	As at 31st March 2013 HK\$'000 (Audited)	As at 31st March 2012 HK\$'000 (Audited and restated)
Trade receivables due from two related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	<b>5,892</b>	1,925	7,183
Trade payables due to five related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	<b>755</b>	16	5,218

### 14. PLEDGE OF ASSETS

The assets pledged for certain banking facilities of the Group were as follows:

	<b>As at 30 September 2013 HK\$'000 (unaudited)</b>	As at 31st March 2013 HK\$'000 (audited)
Land and buildings	<b>779</b>	3,198
Prepaid lease payments	<b>527</b>	20,833
Investment properties	<b>124,200</b>	151,676
Inventories	<b>170,905</b>	136,244
Pledged bank deposits	<b>10,462</b>	2,272
	<b>306,873</b>	314,223

## NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

### 15. COMMITMENTS

At the reporting date, the Group had the following outstanding commitments.

#### **Operating lease commitments – as lessor**

The Group had total future minimum lease receivables under the non-cancellable operating leases with the tenants falling due as follows:

	<b>As at 30th September 2013 HK\$'000 (unaudited)</b>	As at 31st March 2013 HK\$'000 (audited)
Within one year	<b>3,993</b>	4,155
In the second to fifth years inclusive	<b>2,774</b>	4,566
	<b>6,767</b>	8,721

#### **Operating lease commitments – as lessee**

The Group had total future minimum lease payment under non-cancellable operating leases falling due as follows:

	<b>As at 30th September 2013 HK\$'000 (unaudited)</b>	As at 31st March 2013 HK\$'000 (audited)
Within one year	<b>189,599</b>	224,922
In the second to fifth years inclusive	<b>585,440</b>	609,988
More than five years	<b>143,602</b>	203,149
	<b>918,641</b>	1,038,059

### 16. CONTINGENT LIABILITIES

So far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claims which is, in the opinion of the Directors, of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

### 17. SEASONALITY OF OPERATION

The Group's business in sale of watches is subject to seasonal fluctuations, with higher sales amount in the first and fourth quarters of the calendar year. This is due to holiday periods. The Group's business in investment holding has no specific seasonality factor.



## MANAGEMENT DISCUSSION AND ANALYSIS

### *Interim Review*

For the six months ended 30th September 2013, the Group's consolidated turnover amounted to HK\$492 million, representing a decrease of 15% (2012: increase of 11%) from HK\$577.5 million in the same period of last year due to the decrease in the number of stores in Mainland China which was slightly offset by the increase in turnover in Hong Kong. The average same store sales for the reporting period in the Mainland China and Hong Kong decreased by 10% and 14% respectively over the corresponding period in last year. Gross profit margin dropped 5% to 24% due to intense market competition.

Distribution costs decreased by 9% to HK\$190.7 million was mainly due to the decrease in rental expenses, staff related costs and entertainment expenses. Administrative expenses amounted to HK\$19.7 million which was comparable to last year. Other expenses decreased by HK\$3.7 million in this period was due to the decrease in unrealised loss on trade securities valued at fair value. Finance costs decreased by HK\$3.2 million in this period was due to the decrease in bank loans as compared with last year.

### *Liquidity and financial resources*

As at 30th September 2013, the Group's total cash balance amounted to HK\$76.7 million (31st March 2013: HK\$119 million). The decrease was mainly due to reduction in bank loan balances and redemption of convertible notes. Gearing rate of the Group, expressed as a ratio of total borrowing over total equity, was 52% as at 30th September 2013 (31st March 2013: 50%).

### *Foreign exchange risks*

The Group views its main currencies as Hong Kong dollars, Renminbi and Swiss Francs. The Group monitors its exposure to foreign exchange risks and, when it considers necessary and appropriate, will hedge its foreign exchange risks by using financial instruments.

## **Prospect**

The Group anticipates its loss will be substantially scaled down once majority of its money losing shops are closed in the first quarter of 2014. This will enable us to return to better financial position.

The Rolex and Tudor flagship boutique opened on Canton Road on 23rd June 2013 has been well received by the market.

The Group has not lost sight of future growth opportunities and will open an IWC boutique in Chengdu IFC early next year.

The Group is determined to rebuild its financial strength and turnaround its business.

On behalf of the Group, we sincerely thank for the kind patience of our shareholders and continuous supports of our customers, suppliers and associates.

## **Employees and Remuneration Policy**

There were 348 employees in the Group as at 30th September 2013. The Group offers competitive remuneration packages to employees in line with market trends. Incentives such as discretionary bonuses and share awards are offered to motivate employees.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited throughout the period ended 30th September 2013 except for the deviation from the code provisions A.4.1 and D.1.4 and those discussed below:

The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the “1989 Act”). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws.

As the Company is bound by the provision of the 1989 Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. As such, a special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws of the Company so that, inter alia, (i) every director (save for a director holding office as Chairman or Managing Director) of the Company shall be subject to retirement by rotation at least once every three years; (ii) a director may be removed by an ordinary resolution in general meeting instead of a special resolution; (iii) any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting, instead of the next annual general meeting.

To enhance good corporate governance practices, Mr. Eav Yin, the Chairman of the Board has confirmed to the Board that he will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that being eligible for re-election, he may offer himself for re-election at the annual general meeting.

The Chairman is Mr. Eav Yin while the function of the chief executive officer is divided between the remaining executive directors.

Code provision A.4.1 of the Code provides that non-executive director should be appointed for a specific term, subject to re-election.

## **CORPORATE GOVERNANCE** (Continued)

During the period, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at the annual general meeting in accordance with the Company's Bye-Laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

Code provision D.1.4 stipulates that directors should clearly understand delegation arrangements in place. Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointments.

The Company has not entered into any written letters of appointment with its Directors. However, the Board recognises that (i) the Directors have already been subject to the laws and regulations applicable to directors of a company listed on The Stock Exchange of Hong Kong Limited, including the Listing Rules as well as the fiduciary duties to act in the best interests of the Company and its shareholders; (ii) all of them are well established in their professions and (iii) the current arrangement has been adopted by the Company for several years and has proven to be effective. Therefore, the Board considers that the Directors are able to carry out their duties in a responsible and effective manner under the current arrangement.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

### **Compliance of the Model Code for Securities Transaction by Directors of Listed Issuers**

The Company has adopted a code for securities transactions by Directors of the Company (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

All Directors have confirmed that they complied with the required standards set out in the Code of Conduct throughout the period under review.

## DISCLOSURE OF INTERESTS

### Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 30th September 2013, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be and were 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 ("Model Code") as set out in Appendix 10 of the Listing Rules ("Listing Rules") were as follows:

*Long positions in shares and underlying shares of the Company*

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Number of ordinary shares and underlying shares (if any) of HK\$0.2 each held</b>	<b>Approximate percentage of aggregate interests to total issued share capital</b>
			<b>%</b>
Mr. Eav Yin	<i>Note 1</i>	800,307,473	58.55
Mr. Eav Ming Keong, Kinson	<i>Note 2</i>	3,614,550	0.26
Mr. Duong Ming Chi, Henry	<i>Note 4</i>	4,089,600	0.30
Mr. André Francois Meier	<i>Note 3</i>	10,022,061	0.73
Mr. Lai Si Ming	<i>Note 3</i>	366,625	0.03
Ms. Wong Wing Yue, Rosaline	<i>Note 3</i>	366,625	0.03
Mr. Lee Tat Cheung, Vincent	<i>Note 3</i>	366,625	0.03

*Note 1:* Among the 800,307,473 shares in which Mr. Eav Yin is deemed to have interests under the SFO (a) 70,688,600 shares are personal interest of Mr. Eav Yin of which 2,933,000 shares are share options, (b) 1,609,200 shares are held by Mdm. Lam Kim Phung (spouse of Mr. Eav Yin), (c) 582,421,337 shares by Century Hero International Limited, (d) 1,864,800 shares by Debonair Company Limited, (e) 19,972,728 shares by Goodideal Industrial Limited, (f) 2,550,672 shares by Hexham International Limited, (g) 2,846,536 shares by Goodness Management Limited and (h) 118,353,600 shares by Chanchhaya Trustee Holding Corporation (as a trustee of Eav An Unit Trust). Century Hero International Limited, Debonair Company Limited, Hexham International Limited, and Goodness Management Limited are wholly owned and Goodideal Industrial Limited is 87% owned by Mr. Eav Yin. Eav An Unit Trust is a discretionary trust of which Mr. Eav Yin is the founder, the beneficiaries include Mr. Eav Yin, his wife and their children.

*Note 2:* Among the 3,614,550 shares in which Mr. Eav Ming Keong, Kinson is deemed to have interests under the SFO, 1,414,800 shares are personal interest of Mr. Eav Ming Keong, Kinson and 2,199,750 shares are share options held by him.

*Note 3:* These shares are personal interests relating to the share options held by the respective Directors.

*Note 4:* All the 4,089,600 shares are personal interest of Mr. Duong Ming Chi, Henry.

## **DISCLOSURE OF INTERESTS** (Continued)

### **Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures** (Continued)

*Long positions in shares and underlying shares of the Company (Continued)*

Save as disclosed herein and in the section "2002 Share Option Scheme", as at 30th September 2013, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code. In addition, save as disclosed above, none of the Directors or chief executive of the Company nor their spouses or children under 18 years of age had been granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

### **Director's Rights to Acquire Shares or Debentures**

Save as disclosed herein, at no time during the six months ended 30th September 2013, was the Company or any of its associated corporations a party to any arrangement to enable the Directors or chief executive to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors or executive or their spouses or children under 18 years of age was granted any right to subscribe for any shares in, or debentures of, the Company or any of its associated corporations.

## DISCLOSURE OF INTERESTS (Continued)

### Substantial Shareholders' Interests

As at 30th September 2013, so far as is known to any Directors and chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register kept by the Company or required to be notified under Section 336 of the SFO:

<b>Name of shareholder</b>	<i>Notes</i>	<b>Number of ordinary shares and underlying shares (if any) of HK\$0.2 each held</b>	<b>Approximate percentage of issued share capital</b> %
Mdm. Lam Kim Phung	1	800,307,473	58.55
Century Hero International Limited	2	582,421,337	42.61
Chanchhaya Trustee Holding Corporation	3	118,353,600	8.66
Convenhills Limited	4	128,510,486	9.40

*Notes:*

1. These shares include 1,609,200 shares held by Mdm. Lam Kim Phung and the remaining 798,698,273 shares represent the interest held by Mr. Eav Yin, spouse of Mdm. Lam Kim Phung, whose interests are disclosed in the above section headed "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures".
2. Century Hero International Limited is wholly owned by Mr. Eav Yin who is also a director of this company.
3. Chanchhaya Trustee Holding Corporation is the trustee of Eav An Unit Trust, a discretionary trust, the beneficiaries of which include Mr. Eav Yin, his wife and their children.
4. Convenhills Limited is owned equally by the estate beneficiary of late Mr. Leong Lou Teck, Mr. Leong Lum Thye, Miss Leong Yoke Kheng and Mr. Leong Siew Khuen.

All the interests disclosed above represent long positions in shares and underlying shares of the Company. Save as disclosed above, as at 30th September 2013, there was no other person (other than the Directors or chief executive of the Company) who was recorded in the register of the Company as having an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## OTHER INFORMATION

### **Purchase, Sale or Redemption of the Company's Listed Securities**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of Company's listed securities during the six months ended 30th September 2013.

### **2002 Share Option Scheme**

On 20th September 2002, the shareholders of the Company approved the adoption of a new share option scheme (the "2002 Share Option Scheme"). The purpose of the 2002 Share Option Scheme is to encourage qualifying grantees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Qualifying grantees of the 2002 Share Option Scheme mean (i) any employee or any business-related consultant, agent, representative or advisor of the Company or any subsidiary or any affiliate; or (ii) any supplier, agent or consultant who provide goods or services to the Company or any subsidiary or any affiliate; or (iii) any customer of the Company or any subsidiary or any affiliate; or (iv) any business ally or joint venture partner of the Company or any subsidiary or any affiliate.

Refreshment of 2002 Share Option Scheme mandate limit (the "Refreshment") and amendment of rules of 2002 Share Option Scheme (the "Amendment") had been approved at the annual general meeting of the Company held on 26th August 2008.

The Company has issued 146,800,000 and 34,170,000 share options to the qualifying grantees to subscribe for ordinary shares of HK\$0.02 each in the share capital of the Company under the 2002 Share Option Scheme on 31st March 2011 and 26th October 2011 of which the exercise prices were HK\$0.394 per share and HK\$0.263 per share respectively. Upon the completion of the share consolidation and rights issue in January 2013 and February 2013 respectively, both the exercise prices and the numbers of share options have been adjusted according to the 2002 Share Option Scheme.

## OTHER INFORMATION (Continued)

### 2002 Share Option Scheme (Continued)

During the six months ended 30th September 2013, 4,267,515 share options were lapsed but no option was granted, exercised or cancelled during the period. There were 38,604,146 share options outstanding at 30th September 2013 (2012: 149,920,000 before adjustment on share consolidation and rights issue).

The share options outstanding at 30th September 2013 had an exercise price of HK\$1.344 and HK\$0.897 respectively.

The 2002 Share Option Scheme has been expired on 20th September 2012.

Grantees	No. of share options outstanding at the beginning of the period	No. of share options granted during the period	No. of share options lapsed during the period	No. of shares acquired on exercise of share options during the period	No. of share options outstanding at period end	Date of grant	Period during which share options are vested	Period during which share options are exercisable	Exercise price per share
<b>Directors</b>									
Mr. Eav Yin	2,933,000	-	-	-	2,933,000	31st March 2011	30th March 2012 to 30th March 2016	30th March 2012 to 30th March 2021	HK\$1.344
Mr. Eav Ming Keong, Kinson	2,199,750	-	-	-	2,199,750	31st March 2011	30th March 2012 to 30th March 2016	30th March 2012 to 30th March 2021	HK\$1.344
Mr. Lai Si Ming	366,625	-	-	-	366,625	31st March 2011	30th March 2012 to 30th March 2016	30th March 2012 to 30th March 2021	HK\$1.344
Ms. Wong Wing Yue, Rosaline	366,625	-	-	-	366,625	31st March 2011	30th March 2012 to 30th March 2016	30th March 2012 to 30th March 2021	HK\$1.344
Mr. Lee Tat Cheung, Vincent	366,625	-	-	-	366,625	31st March 2011	30th March 2012 to 30th March 2016	30th March 2012 to 30th March 2021	HK\$1.344
Mr. André Francois Meier	10,022,061	-	-	-	10,022,061	26th October 2011	25th October 2012 to 25th October 2016	25th October 2012 to 25th October 2021	HK\$0.897
	<u>16,254,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,254,686</u>				
<b>Employees</b>	<u>26,616,975</u>	<u>-</u>	<u>(4,267,515)</u>	<u>-</u>	<u>22,349,460</u>	<u>31st March 2011</u>	<u>30th March 2012 to 30th March 2016</u>	<u>30th March 2012 to 30th March 2021</u>	<u>HK\$1.344</u>
<b>Total</b>	<b><u>42,871,661</u></b>	<b><u>-</u></b>	<b><u>(4,267,515)</u></b>	<b><u>-</u></b>	<b><u>38,604,146</u></b>				



**OTHER INFORMATION** (Continued)

**Share Award Plan 2010**

On 13th September 2010, the shareholders of the Company approved the adoption of a share award plan (the “Share Award Plan 2010”).

The Share Award Plan 2010 is a ten-year discretionary share award and ownership plan. It is primarily for encouraging or facilitating the holding of shares by those selected employees of the Group who, as determined by the Board, are eligible to participate in the plan and to whom new shares are or will be awarded. The Directors will make use of the plan to award new shares to those selected employees of the Group on suitable terms as incentives and rewards for their contribution to the Group.

No award was granted, exercised, cancelled or lapsed during the six months ended 30th September 2013 and as at 30th September 2013, there were no outstanding award granted under the Share Award Plan 2010.

By order of the Board  
**Asia Commercial Holdings Limited**  
**Cheng Ka Chung**  
*Company Secretary*

Hong Kong, 25th November 2013