



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)



A time 誠聚此刻
for togetherness

2014
中期報告
INTERIM REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS	Dr. Yeung Ming Biu (<i>Chairman</i>) Mr. Yeung Him Kit, Dennis (<i>Deputy Chairman and Managing Director</i>) Mr. Fung Kwong Yiu (<i>Executive Director</i>) Madam Yeung Man Yee, Shirley (<i>Executive Director</i>) Mr. Lam Hing Lun, Alain (<i>Finance Director</i>) Mr. Choi Kwok Yum (<i>Executive Director</i>) Dr. Sun Ping Hsu, Samson (<i>Independent Non-executive Director</i>) Dr. Li Sau Hung, Eddy (<i>Independent Non-executive Director</i>) Mr. Choi Man Chau, Michael (<i>Independent Non-executive Director</i>)
---------------------------	---

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

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) 馮廣耀先生 (執行董事) 楊敏儀女士 (執行董事) 林慶麟先生 (財務董事) 蔡國欽先生 (執行董事) 孫秉樞博士 (獨立非執行董事) 李秀恒博士 (獨立非執行董事) 蔡文洲先生 (獨立非執行董事)
------------	---

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

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 2014 together with the comparative figures for the corresponding period in 2013 as follows:

東方表行集團有限公司(「本公司」)董事會欣然宣佈，本公司及其附屬公司(「本集團」)截至二零一四年九月三十日止六個月之未審核綜合業績連同二零一三年同期之比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2014

簡明綜合損益及其他全面收益表

截至二零一四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 2014 二零一四年 九月三十日 HK\$'000 千港元	30 September 2013 二零一三年 九月三十日 HK\$'000 千港元
Turnover	營業額	1,531,637	1,710,146
Cost of goods sold	銷貨成本	(1,276,403)	(1,401,135)
Gross profit	毛利	255,234	309,011
Other income, gains and losses	其他收入、收益及虧損	27,423	13,562
Distribution and selling expenses	分銷及銷售開支	(102,818)	(118,210)
Administrative expenses	行政開支	(162,438)	(169,799)
Finance costs	融資成本	(9,923)	(11,741)
Share of results of associates	應佔聯營公司之業績	349	(48)
Share of results of joint ventures	應佔合營公司之業績	6,061	3,852
Profit before taxation	除稅前溢利	13,888	26,627
Income tax expense	所得稅開支	(2,932)	(6,820)
Profit for the period	期內溢利	10,956	19,807
Other comprehensive (expense) income	其他全面(開支)收益		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	3,349	9,908
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	(4,118)	91
Other comprehensive (expense) income for the period	期內其他全面(開支)收益	(769)	9,999
Total comprehensive income for the period	期內全面收益總額	10,187	29,806

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

For the six months ended 30 September 2014

簡明綜合損益及其他全面收益表
(續)

截至二零一四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 2014 二零一四年 九月三十日 HK\$'000 千港元	30 September 2013 二零一三年 九月三十日 HK\$'000 千港元
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	11,059	19,935
Non-controlling interests	非控股權益	(103)	(128)
		10,956	19,807
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	10,286	29,949
Non-controlling interests	非控股權益	(99)	(143)
		10,187	29,806
Earnings per share	每股盈利		
— Basic	— 基本	1.94 HK cents 港仙	3.49 HK cents 港仙
— Diluted	— 攤薄	1.94 HK cents 港仙	3.49 HK cents 港仙

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014

簡明綜合財務狀況表

於二零一四年九月三十日

		Notes 附註	(Unaudited) (未審核) 30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	(Audited) (經審核) 31 March 2014 二零一四年 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	259,484	280,179
Deposits for acquisition of property, plant and equipment	收購物業、機器及設 備之按金		—	530
Interests in associates	佔聯營公司之權益		36,382	35,969
Interests in joint ventures	佔合營公司之權益	9	129,267	145,541
Available-for-sale financial assets	可供出售金融資產		5,633	14,779
Deferred tax assets	遞延稅項資產		550	807
Property rental deposits	物業租金按金		18,703	36,925
			450,019	514,730
Current assets	流動資產			
Inventories	存貨		1,769,501	1,787,924
Trade and other receivables	貿易及其他應收賬款	10	152,965	123,470
Taxation recoverable	可退回稅項		4,940	7,884
Bank balances and cash	銀行結餘及現金		450,764	425,099
			2,378,170	2,344,377
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	11	193,205	145,171
Taxation payable	應付稅項		3,176	2,640
Bank loans	銀行貸款	12	248,078	288,924
			444,459	436,735
Net current assets	流動資產淨值		1,933,711	1,907,642
Total assets less current liabilities	資產總值減流動負債		2,383,730	2,422,372
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	12	155,015	202,500
Deferred tax liabilities	遞延稅項負債		1,939	1,857
			156,954	204,357
Net assets	資產淨值		2,226,776	2,218,015
Capital and reserves	資本及儲備			
Share capital	股本	13	57,061	57,061
Reserves	儲備		2,168,261	2,159,401
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,225,322	2,216,462
Non-controlling interests	非控股權益		1,454	1,553
Total equity	權益總額		2,226,776	2,218,015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014

簡明綜合權益變動表

截至二零一四年九月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔											Non-controlling interests		Total
		Share capital	Share premium	Share option reserve	Capital redemption reserve	Capital reserve	Asset revaluation reserve	Special reserve	Translation reserve	Retained profits	Dividend reserve	Sub-total	Non-controlling interests	Total	
		股本	股份溢價	購股權儲備	資本贖回儲備	資本儲備	資產重估儲備	特別儲備	換算儲備	保留溢利	股息儲備	小計	非控股權益	合計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 April 2014 (audited)	於二零一四年四月一日 (經審核)	57,061	549,396	83,554	425	840	10,098	5,180	80,796	1,427,686	1,426	2,216,462	1,553	2,218,015	
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	3,345	-	-	3,345	4	3,349	
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	(4,118)	-	-	-	-	(4,118)	-	(4,118)	
Profit (loss) for the period	期內溢利(虧損)	-	-	-	-	-	-	-	-	11,059	-	11,059	(103)	10,956	
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	-	-	-	(4,118)	-	3,345	11,059	-	10,286	(99)	10,187	
2014 final dividend paid	已派發二零一四年末期股息	-	-	-	-	-	-	-	-	-	(1,426)	(1,426)	-	(1,426)	
2015 special dividend proposed	已建議二零一五年特別股息	-	-	-	-	-	-	-	-	(2,853)	2,853	-	-	-	
At 30 September 2014 (unaudited)	於二零一四年九月三十日 (未審核)	57,061	549,396	83,554	425	840	5,980	5,180	84,141	1,435,892	2,853	2,225,322	1,454	2,226,776	
At 1 April 2013 (audited)	於二零一三年四月一日 (經審核)	57,061	549,396	83,554	425	-	9,334	5,180	81,657	1,412,812	28,531	2,227,950	-	2,227,950	
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	9,923	-	-	9,923	(15)	9,908	
Exchange difference released upon deemed disposal of an associate	於視作出售一間聯營公司時解除匯兌差額	-	-	-	-	-	-	-	25	(25)	-	-	-	-	
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	91	-	-	-	-	91	-	91	
Profit (loss) for the period	期內溢利(虧損)	-	-	-	-	-	-	-	-	19,935	-	19,935	(128)	19,807	
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	-	-	-	91	-	9,948	19,910	-	29,949	(143)	29,806	
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	-	-	-	-	2,615	2,615	
Deemed acquisition of additional interests in a subsidiary	視作收購一間附屬公司之額外權益	-	-	-	-	840	-	-	-	-	-	840	(840)	-	
2013 final dividend paid	已派發二零一三年末期股息	-	-	-	-	-	-	-	-	-	(28,531)	(28,531)	-	(28,531)	
2014 interim dividend proposed	已建議二零一四年中期股息	-	-	-	-	-	-	-	-	(4,280)	4,280	-	-	-	
At 30 September 2013 (unaudited)	於二零一三年九月三十日 (未審核)	57,061	549,396	83,554	425	840	9,425	5,180	91,605	1,428,442	4,280	2,230,208	1,632	2,231,840	

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2014

簡明綜合現金流量表

截至二零一四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 2014 二零一四年 九月三十日 HK\$'000 千港元	30 September 2013 二零一三年 九月三十日 HK\$'000 千港元	
		Note 附註		
Net cash from operating activities	經營業務所產生之現金淨額		81,568	204,165
Investing activities	投資業務			
Repayment from a joint venture	合營企業償還款項		22,500	—
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項		19,509	—
Proceeds from disposal of an available-for-sale investment	出售可供出售投資所得款項		5,028	—
Interest received	已收利息		1,245	661
Purchase of property, plant and equipment	購買物業、機器及設備		(4,585)	(14,729)
Acquisition of a subsidiary	收購一間附屬公司	16	—	13
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備之已付按金		—	(3,091)
Net cash from (used in) investing activities	投資業務所產生(所耗)之現金淨額		43,697	(17,146)
Financing activities	融資活動			
New bank loans raised	新造銀行貸款		100,000	208,426
Repayment of bank loans	償還銀行貸款		(189,242)	(320,694)
Interest paid	已付利息		(9,594)	(13,575)
Dividends paid	已付股息		(1,426)	(28,531)
Net cash used in financing activities	融資活動所耗之現金淨額		(100,262)	(154,374)
Net increase in cash and cash equivalents	現金及等同現金項目之增加淨額		25,003	32,645
Cash and cash equivalents at beginning of the period	期初之現金及等同現金項目		425,099	373,221
Effect of foreign exchange rate changes	匯率變動之影響		662	547
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		450,764	406,413

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2014

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS”) “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 2014 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2014.

In the current interim period, the Group has applied, for the first time, the following new amendments and interpretation to HKAS(s) and Hong Kong Financial Reporting Standards (“HKFRS(s)”) issued by the HKICPA:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – INT 21	Levies

The application of the new amendments and interpretation to HKAS(s) and HKFRS(s) in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

簡明綜合財務報表附註

截至二零一四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，截至二零一四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二零一四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」)之新修訂本及詮釋：

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本)	投資實體
香港會計準則第32號(修訂本)	抵銷金融資產及金融負債
香港會計準則第36號(修訂本)	非金融資產之可收回金額披露
香港會計準則第39號(修訂本)	衍生工具之更替及對沖會計法之延續
香港(IFRIC) — 詮釋第21號	徵費

於本中期期間應用香港會計準則及香港財務報告準則之新修訂本及詮釋對該等簡明綜合財務報表所呈報之金額及／或所載之披露事項並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

3. Segment information

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

The Group has two operating segments, which are analysed based on geographical markets of the goods sold, being (a) Hong Kong, and (b) Taiwan, Macau and the People's Republic of China (the "PRC"), which is also the basis of organisation of the Group for managing the business operations. The Group determines its operating segments based on the internal reports reviewed by the Managing Director of the Company that are used to allocate resources and assess performance.

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

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

3. 分部資料

本集團主要從事銷售鐘表業務。本集團之營業額指銷售鐘表之已收或應收代價。

本集團有兩個按出售貨品地理市場分析之營運分部，分別為(a)香港，及(b)台灣、澳門及中華人民共和國(「中國」)，亦為組織本集團以管理業務營運之基準。本集團按已由本公司董事總經理審閱並賴以作出資源分配及評估表現之內部報告釐定其營運分部。

以下為本集團按營運分部劃分之分部營業額及業績分析。

		Turnover Six months ended 營業額 截至九月三十日 止六個月		Results Six months ended 業績 截至九月三十日 止六個月	
		30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	30 September 2013 二零一三年 九月三十日 HK\$'000 千港元	30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	30 September 2013 二零一三年 九月三十日 HK\$'000 千港元
Hong Kong	香港	1,068,521	1,154,459	16,474	43,963
Taiwan, Macau and the PRC	台灣、澳門及中國	463,116	555,687	(4,688)	221
		1,531,637	1,710,146	11,786	44,184
Unallocated other income	未分配其他收入			14,118	661
Unallocated corporate expenses	未分配企業開支			(8,503)	(10,281)
Finance costs	融資成本			(9,923)	(11,741)
Share of results of associates	應佔聯營公司之業績			349	(48)
Share of results of joint ventures	應佔合營公司之業績			6,061	3,852
Profit before taxation	除稅前溢利			13,888	26,627

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

3. Segment information (Continued)

Segment profit represents the profit earned by each segment without allocation of finance costs, share of results of associates and joint ventures and unallocated other income and expenses. Unallocated other income include gain on disposal of property, plant and equipment and interest income. Unallocated expenses include auditor's remuneration, directors' emoluments 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 by operating segments:

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

4. Profit before taxation

Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：
Depreciation of property, plant and equipment	物業、機器及設備之折舊
Directors' remuneration	董事酬金
and after crediting:	並已計入：
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益
Interest income	利息收入

簡明綜合財務報表附註(續)

截至二零一四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之情況下各分部賺取之溢利。未分配其他收入包括出售物業、廠房及設備之收益及利息收入。未分配開支包括核數師酬金、董事酬金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分析：

30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	31 March 2014 二零一四年 三月三十一日 HK\$'000 千港元
1,249,837	1,267,683
945,602	960,491
2,195,439	2,228,174
632,750	630,933
2,828,189	2,859,107

4. 除稅前溢利

Six months ended 截至九月三十日止六個月	
30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	30 September 2013 二零一三年 九月三十日 HK\$'000 千港元
20,599	23,063
7,023	8,774
12,873	—
1,245	661

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

5. Income tax expense

The charge comprises:	支出包括：
Hong Kong Profits Tax	香港利得稅
Taxation in other jurisdictions	其他司法權區之稅項
Deferred taxation	遞延稅項

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

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

6. Dividend

During the current interim period, a final dividend of 0.25 HK cent per share, totalling HK\$1,426,000, in respect of the year ended 31 March 2014 (2013: 5.0 HK cents per share, totalling HK\$28,531,000) was approved at the annual general meeting held on 12 August 2014.

The directors resolved to declare an interim dividend of 0.75 HK cent per share in respect of the six months ended 30 September 2013, totalling HK\$4,280,000. No interim dividend was paid, declared or proposed during the period ended 30 September 2014.

On 19 November 2014, the directors resolve to declare a special dividend of 0.5 HK cent per share for the six months ended 30 September 2014, totalling HK\$2,853,000. The special dividend will be payable in cash to those shareholders whose names appear on the Company's register of members on 12 December 2014.

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

5. 所得稅開支

Six months ended 截至九月三十日止六個月	
30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	30 September 2013 二零一三年 九月三十日 HK\$'000 千港元
1,613	5,556
977	891
2,590	6,447
342	373
2,932	6,820

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。

6. 股息

於本中期期間，已於二零一四年八月十二日舉行之股東週年大會上批准派發截至二零一四年三月三十一日止年度之末期股息每股0.25港仙，合共1,426,000港元(二零一三年：每股5.0港仙，合共28,531,000港元)。

董事議決宣派截至二零一三年九月三十日止六個月之中期股息每股0.75港仙，合共4,280,000港元。截至二零一四年九月三十日止期間，概無派付、宣派或建議派付中期股息。

於二零一四年十一月十九日，董事議決宣派截至二零一四年九月三十日止六個月之特別股息每股0.5港仙，合共2,853,000港元。特別股息將以現金派付予二零一四年十二月十二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 2014

7. Earnings per share

Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share

計算每股基本及攤薄盈利之本公司擁有人應佔期內溢利

Weighted average number of shares for the purpose of basic and diluted earnings per share

計算每股基本及攤薄盈利之股份加權平均數

The diluted earnings per share for the six months ended 30 September 2014 and 30 September 2013 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 Company during both periods.

8. Property, plant and equipment

During the six months ended 30 September 2014, the Group incurred expenditure of HK\$6,303,000 (2013: HK\$18,643,000) to acquire property, plant and equipment for its operation.

The Group has pledged certain land and buildings with an aggregate carrying value of HK\$97,125,000 (31 March 2014: HK\$98,282,000) to a bank to secure the bank loan facilities granted to the Group.

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

7. 每股盈利

Six months ended
截至九月三十日止六個月

30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	30 September 2013 二零一三年 九月三十日 HK\$'000 千港元
11,059	19,935

Number of shares
股份數目

Six months ended
截至九月三十日止六個月

30 September 2014 二零一四年 九月三十日	30 September 2013 二零一三年 九月三十日
570,610,224	570,610,224

截至二零一四年九月三十日及二零一三年九月三十日止六個月之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兩個期間內之平均市價。

8. 物業、機器及設備

截至二零一四年九月三十日止六個月內，本集團產生支出6,303,000港元(二零一三年：18,643,000港元)以購買物業、機器及設備作其營運用途。

本集團已向銀行抵押總賬面值為97,125,000港元(二零一四年三月三十一日：98,282,000港元)之若干土地及樓宇，以作為本集團獲授銀行貸款融資之抵押。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

9. Interests in joint ventures

Cost of investments in unlisted joint ventures	於非上市合營公司之投資成本
Exchange adjustment	匯兌調整
Share of post-acquisition profits	應佔收購後之溢利
Amount due from a joint venture (note)	應收一間合營公司之款項(附註)

Note: The amount is unsecured, interest free and has no fixed repayment term. The Group expects the amount would be settled after twelve months from the end of the reporting period and therefore classifies the amount as a non-current asset.

10. Trade and other receivables

Trade receivables	貿易應收賬款
Receivable from a joint venture (note)	應收一間合營公司之賬款(附註)
Property rental and utilities deposits	物業租金及公用設施按金
Advances to other suppliers	向其他供應商墊款
VAT recoverable	可收回增值稅
Other receivables	其他應收賬款

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

9. 佔合營公司之權益

30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	31 March 2014 二零一四年 三月三十一日 HK\$'000 千港元
21,807	21,807
1,002	837
16,219	10,158
39,028	32,802
90,239	112,739
129,267	145,541

附註：該款項為無抵押、免息，且並無固定還款期。本集團預期該款項將於呈報期末起計十二個月後清償，因此，該款項乃分類為非流動資產。

10. 貿易及其他應收賬款

30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	31 March 2014 二零一三年 三月三十一日 HK\$'000 千港元
95,126	88,637
5,248	1,981
41,952	21,534
1,424	2,701
3,062	2,868
6,153	5,749
152,965	123,470

附註：該款項指根據一項採購安排應收一間合營公司之退款(見附錄17)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

10. Trade and other receivables (Continued)

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

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

11. 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
VAT and other taxes payables	應付增值稅及其他稅項
Advertising fee payables	應付廣告費
Interest payables	應付利息
Property rental payables	應付物業租金
Other payables	其他應付賬款

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

10. 貿易及其他應收賬款(續)

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

30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	31 March 2014 二零一四年 三月三十一日 HK\$'000 千港元
87,503	82,647
4,885	2,988
1,398	764
1,340	2,238
95,126	88,637

11. 貿易及其他應付賬款

30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	31 March 2014 二零一四年 三月三十一日 HK\$'000 千港元
148,415	88,398
11,392	7,866
3,616	8,492
12,113	13,597
1,437	2,625
7,021	9,921
—	2,259
1,356	1,027
2,324	2,057
5,531	8,929
193,205	145,171

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

11. Trade and other payables (Continued)

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

12. Bank loans

During the period, the Group obtained a new bank loan amounting to HK\$100,000,000 (2013: new bank loans of HK\$208,426,000). The new loan raised during the period carries interest at fixed rate of 1.75% and is repayable over three years up to 2017.

13. Share capital

Ordinary shares of HK\$0.10 each 每股面值0.10港元之普通股

Authorised:

At 1 April 2013, 31 March 2014 and 30 September 2014

法定：

於二零一三年四月一日、
二零一四年三月三十一日
及二零一四年九月三十日

Issued and fully paid:

At 1 April 2013, 31 March 2014 and 30 September 2014

已發行及繳足：

於二零一三年四月一日、
二零一四年三月三十一日
及二零一四年九月三十日

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

11. 貿易及其他應付賬款(續)

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 2014 二零一四年 九月三十日 HK\$'000 千港元	31 March 2014 二零一四年 三月三十一日 HK\$'000 千港元
138,819	79,691
1,653	972
7,943	7,735
148,415	88,398

12. 銀行貸款

於本期間，本集團取得新增銀行貸款達100,000,000港元(二零一三年：新增銀行貸款208,426,000港元)。本期間之新增貸款按固定利率1.75%計息，並須於截至二零一七年止三個年度內償還。

13. 股本

Number of shares 股份數目	Amount 價值 HK\$'000 千港元
-----------------------------	---------------------------------

1,000,000,000	100,000
---------------	---------

570,610,224	57,061
-------------	--------

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

14. Share-based payment transaction

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

(i) 2003 Share Option Scheme

Details of specific categories of options are as follows:

Date of grant 授出日期	Number of share options granted 已授出購股權數目	Exercisable period 可行使期間
6 April 2011 二零一一年四月六日	32,300,000 (note a) 32,300,000 (附註a)	6 April 2011 to 5 April 2021 二零一一年四月六日至 二零二一年四月五日
29 August 2011 二零一一年八月二十九日	23,000,000 23,000,000	29 August 2011 to 28 August 2021 二零一一年八月二十九日 至二零二一年 八月二十八日

Note a: The number of shares under the outstanding options and the exercise price have been adjusted upon the bonus issue of shares on the basis of one new ordinary share for every five ordinary shares held on 28 July 2011.

The following tables disclose movements of the Company's share options held by directors, employees and consultants during the six months ended 30 September 2014 and 30 September 2013:

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

14. 以股份為基礎之付款交易

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

(i) 二零零三年購股權計劃

特定購股權類別之詳情如下：

Original exercise price per share 原有每股行使價	Adjusted exercise price per share 經調整每股行使價
HK\$4.13 4.13 港元	HK\$3.44 (note a) 3.44 港元 (附註a)
HK\$4.80 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二十八日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。

下表披露於截至二零一四年九月三十日及二零一三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：

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

14. Share-based payment transaction (Continued)

(i) 2003 Share Option Scheme (Continued)

Share options granted on 6 April 2011

Categories of participants	參與者類別
Directors of the Company	本公司董事
Other employees	其他僱員
Consultants (note b)	顧問(附註b)
Total	總計

Share options granted on 29 August 2011

Categories of participants	參與者類別
Other employees	其他僱員
Consultants (note b)	顧問(附註b)

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

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

No option was exercised or lapsed under the 2003 Share Option Scheme during the six months ended 30 September 2014.

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

14. 以股份為基礎之付款交易(續)

(i) 二零零三年購股權計劃(續)

於二零一一年四月六日授出之購股權

Number of share options outstanding at 1 April 2013, 31 March 2014 and 30 September 2014
於二零一三年四月一日、二零一四年三月三十一日及二零一四年九月三十日未行使之購股權數目

14,520,000
14,400,000
2,640,000

31,560,000

於二零一一年八月二十九日授出之購股權

Number of share options outstanding at 1 April 2013, 31 March 2014 and 30 September 2014
於二零一三年四月一日、二零一四年三月三十一日及二零一四年九月三十日未行使之購股權數目

18,000,000
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。

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

截至二零一四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。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

14. Share-based payment transaction (Continued)

(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 the six months ended 30 September 2014 since its effective date on 3 November 2013 and there was no outstanding share option as at 30 September 2014.

During the six months ended 30 September 2014 and 30 September 2013, no share-based payment expense was recognised in relation to share options granted by the Company.

15. 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 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

14. 以股份為基礎之付款交易(續)

(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，於二零一三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，直至二零一三年十一月二日為止。

自其生效日期二零一三年十一月三日起，截至二零一四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，而於二零一四年九月三十日亦無未行使購股權。

截至二零一四年九月三十日及二零一三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。

15. 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

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

- 第1級公平值計量乃根據相同資產或負債於活躍市場之報價(未經調整)計算所得；
- 第2級公平值計量乃根據除第1級所包括之報價以外，就資產或負債而言可直接(即作為價格)或間接(即來自價格)觀察之輸入數據計算所得；及
- 第3級公平值計量乃根據使用並非基於可觀察市場數據(不可觀察輸入數據)之資產或負債輸入數據之估值技巧計算所得。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

15. Fair value measurement of financial instruments (Continued)

15. 金融工具之公平值計量(續)

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	Significant unobservable inputs 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值之關係
	30 September 2014 於二零一四年九月三十日之公平值	31 March 2014 於二零一四年三月三十一日之公平值				
(a) Available-for-sale financial assets – listed investments, equity securities listed in Hong Kong	HK\$102,000	HK\$129,000	Level 1	Quoted bid prices in an active market	N/A	N/A
(a) 可供出售金融資產 – 上市投資、於香港上市之股本證券	102,000 港元	129,000 港元	第 1 級	活躍市場所報之買入價	不適用	不適用
(b) Available-for-sale financial assets – unlisted investments, managed fund portfolio	HK\$5,531,000	–	Level 2	Quoted market prices provided by brokers which are financial institutions (Note i)	N/A	N/A
(b) 可供出售金融資產 – 非上市投資、管理基金投資組合	5,531,000 港元	–	第 2 級	作為經紀的金融機構提供之市場報價(附註 i)	不適用	不適用
(c) Available-for-sale financial assets – unlisted investments, managed fund portfolio (mainly comprising real estate fund)	–	HK\$14,650,000	Level 3	Based on the fair value of the underlying assets of the real estate fund which are mainly investment properties whose fair values are derived using direct comparison method (key input is price per square metre with adjustments) (note ii)	Price per square metre of comparable properties taking into account of location and other individual factors such as road frontage, size of properties, etc.	The higher the price per square metre, the higher the fair value
(c) 可供出售金融資產 – 非上市投資、管理基金投資組合(主要包括房地產基金)	–	14,650,000 港元	第 3 級	根據房地產基金相關資產(主要為投資物業,其公平值乃採用直接比較法(主要輸入數據為每平方米價格(可予調整))計算所得)之公平值(附註 ii)	經考慮地點及臨路部分、物業面積等其他個別因素,可資比較物業之每平方米價格	每平方米價格越高,公平值越高

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

附註 i: 作為經紀的金融機構提供之市場報價指根據相關投資報價釐定之各基金資產淨值。

Note ii: If the price per square metre to the valuation model were 10% higher/lower while all other variables were held constant, the carrying amount of the managed fund portfolio would increase/decrease by approximately HK\$453,000 for the year ended 31 March 2014 (six months ended 30 September 2014: nil).

附註 ii: 倘估值模型之每平方米價格高/低 10%, 而所有其他可變因素保持不變, 則截至二零一四年三月三十一日年度管理基金投資組合之賬面值將增加/減少約 453,000 港元(截至二零一四年九月三十日止六個月: 無)。

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

15. Fair value measurement of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements of available-for-sale financial assets

At 1 April 2014	
Disposal of during the period	
Total loss recognised in asset revaluation reserve (Note i)	
Transfer out to level 2 (Note ii)	
At 30 September 2014	

Note i: Included in other comprehensive income is an amount of HK\$4,091,000, being loss related to managed fund portfolio classified as available-for-sale financial assets held at the end of the reporting period and is reported as part of the changes of the "asset revaluation reserve".

Note ii: During the period, part of the managed fund portfolio related to the real estate fund has been dissolved which was mainly investment properties whose fair values were derived using direct comparison method. The remaining available-for-sale financial assets are mainly comprising the unlisted equity investments which the quoted market prices are provided by brokers which are financial institutions. The financial assets have been transferred from level 3 to level 2 during the period under review.

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

15. 金融工具之公平值計量(續)

可供出售金融資產之第3級公平值計量之對賬

	Managed fund portfolio 管理基金投資組合 HK\$'000 千港元
於二零一四年四月一日	14,650
於本期間售出	(5,028)
於資產重估儲備確認之虧損總額(附註i)	(4,091)
轉撥至第2級(附註ii)	(5,531)
於二零一四年九月三十日	—

附註 i : 其他全面收益包括金額4,091,000港元，即與分類為於報告期末持有之可供出售金融資產之管理基金投資組合有關之虧損，並呈報為「資產重估儲備」變動之一部分。

附註 ii : 於本期間內，部份與房地產基金相關之管理基金投資組合已解散，主要為投資物業，其公平值乃採用直接比較法所得。餘下可供出售金融資產主要包括未上市股本投資，其市場報價由作為經紀的金融機構提供。金融資產已於回顧期由第3級轉撥至第2級。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

16. Acquisition of a subsidiary

力龍國際貿易股份有限公司 (“Li Loong”), a company incorporated in Taiwan, had been an associate of the Group owned as to 40% by the Group. In May 2013, the Group acquired 200,000 issued shares of Li Loong from an independent third party not connected with the Group for a cash consideration of TWD2,000,000 (equivalent to HK\$527,000) and subscribed 3,000,000 new shares of Li Loong for a cash consideration of TWD90,000,000 (equivalent to HK\$23,715,000). The Group’s equity interest in Li Loong was increased to 90% accordingly and Li Loong became a subsidiary of the Group. Li Loong was principally engaged in watch trading. Li Loong was acquired to continue the expansion of the Group’s watch trading business.

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

16. 收購一間附屬公司

力龍國際貿易股份有限公司(「力龍」，一間於台灣註冊成立之公司)乃由本集團擁有40%之本集團聯營公司。於二零一三年五月，本集團向與本集團並無關連之獨立第三方收購200,000股力龍已發行股份，現金代價為新台幣2,000,000元(相等於527,000港元)，並認購3,000,000股力龍新股份，現金代價為新台幣90,000,000元(相等於23,715,000港元)。因此，本集團於力龍之股權增加至90%，而力龍成為本集團之附屬公司。力龍主要從事鐘表貿易。收購力龍可繼續擴展本集團之鐘表貿易業務。

		Amount recognised at the date of acquisition 於收購日 確認之金額 HK\$'000 千港元
Net identifiable assets of the subsidiary acquired:	所收購附屬公司之可識別 資產淨值：	
Other receivables	其他應收賬款	2,420
Bank balances and cash	銀行結餘及現金	13
		<hr/>
Amount acquired before subscription of new shares by the Group	本集團認購新股份前所收購 之金額	2,433
Subscription of new shares by the Group	本集團認購新股份	23,715
		<hr/>
Amount acquired after subscription of new shares by the Group	本集團認購新股份後所收購 之金額	26,148
		<hr/>
		HK\$'000 千港元
Total consideration	總代價	24,242
Acquisition-date fair value of previously held interest	先前持有權益於收購日之公平值	973
Add: Non-controlling interests	加：非控股權益	2,615
Less: Net assets acquired	減：所收購資產淨值	(26,148)
		<hr/>
Goodwill arising on acquisition	收購產生之商譽	1,682
		<hr/>
Net cash inflow on acquisition of subsidiary:	收購附屬公司之現金流入淨額：	
Total consideration	總代價	(24,242)
Consideration unpaid and included in other payables	未支付代價及已計入 其他應付賬款	527
Cash and cash equivalents acquired	所收購現金及等同現金項目	23,728
		<hr/>
		13

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2014

16. Acquisition of a subsidiary (Continued)

Goodwill arose in the acquisition of Li Loong because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

The other receivables acquired amounting to HK\$2,420,000 represented the gross contractual amount and approximates to the fair value. The best estimate at the date of acquisition was that all receivables would be collected.

The carrying amounts of assets of Li Loong at the acquisition date approximated to their fair values. No gain or loss was recognised as a result of the remeasurement of previously held interest.

17. Related party transactions

The compensation of key management personnel is disclosed in note 4.

In addition, in April 2012, the Group entered into a procurement agreement with Hei Tung Watches Company Limited ("Hei Tung"), a company incorporated in Macau and a joint venture of the Group. Pursuant to the procurement agreement, the Group provides procurement services to the joint venture relating to supply of watches and spare parts for no consideration. The procurement agreement is effective from 1 April 2012. At 30 September 2014, reimbursement receivable from Hei Tung amounted to HK\$5,248,000 (31 March 2014: HK\$1,981,000).

18. 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

已訂約但未於簡明綜合財務報表內撥備之收購物業、機器及設備相關資本承擔

簡明綜合財務報表附註(續)

截至二零一四年九月三十日止六個月

16. 收購一間附屬公司(續)

由於合併成本包括控制權溢價，故收購力龍產生商譽。此外，就合併所支付之代價實際上包括涉及預期協同效益、收入增長及未來市場發展之利益。此等利益並無與商譽分開確認，因為該等利益並不符合可識別無形資產之確認準則。

所收購其他應收賬款為2,420,000港元，即總合約金額，並與公平值相若。於收購日之最佳估計為所有應收賬款將予收取。

於收購日，力龍資產之賬面值與其公平值相若。並無因先前持有權益之重新計量而確認盈虧。

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。

此外，本集團於二零一二年四月與喜東鐘錶有限公司(「喜東」，於澳門註冊成立並為本集團之合營公司)訂立採購協議。根據採購協議，本集團以零代價向合營公司提供有關鐘錶及配件之採購服務。採購協議自二零一二年四月一日起生效。於二零一四年九月三十日，應收喜東之退款為5,248,000港元(二零一三年三月三十一日：1,981,000港元)。

15. 資本承擔

30 September 2014 二零一四年 九月三十日 HK\$'000 千港元	31 March 2014 二零一四年 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 2014, 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，於二零一四年九月三十日，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	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 <i>(note (a))</i> <i>(附註(a))</i>	155,754,144	27.30%
Mr. Yeung Him Kit, Dennis	楊衍傑先生	4,424,000	—	<i>(note (b))</i> <i>(附註(b))</i>	4,424,000	0.78%
Mr. Fung Kwong Yiu	馮廣耀先生	6,508,160	—	<i>(note (c))</i> <i>(附註(c))</i>	6,508,160	1.14%
Madam Yeung Man Yee, Shirley	楊敬儀女士	2,640,000	221,161	<i>(note (d))</i> <i>(附註(d))</i>	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 <i>(note (e))</i> <i>(附註(e))</i>	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) Mr. Fung Kwong Yiu is the beneficial owner of 6% of the issued share capital of Real Champ Limited.
- (d) Madam Yeung Man Yee, Shirley is the beneficial owner of 7.5% of the issued share capital of Realtower Holdings Limited.
- (e) Dr. Sun Ping Hsu, Samson and his family members are the beneficial owners of the entire issued share capital of Sun International Limited, which is the beneficial owner of 3,200,000 shares in the Company.

Save as disclosed above, and other than certain nominee shares in subsidiaries held by a director in trust for the Company, none of the directors of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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

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

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

(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 3 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.

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。

SHARE OPTION SCHEMES AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES (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 year:

Name of category of participant	Number of shares under options at 1.4.2014 and 30.9.2014 於二零一四年四月一日及二零一四年九月三十日購股權涉及之股份數目	Date of grant of options 購股權授出日期	Original exercise price per share 原有每股行使價 HK\$ 港元	Adjusted exercise price per share 經調整每股行使價 HK\$ 港元 (note) (附註)	Exercisable period 可行使期間
Directors 董事					
Dr. Yeung Ming Biu 楊明標博士	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Yeung Him Kit, Dennis 楊衍傑先生	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Fung Kwong Yiu 馮廣耀先生	3,000,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Madam Yeung Man Yee, Shirley 楊敏儀女士	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Lam Hing Lun, Alain 林慶麟先生	3,600,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Choi Kwok Yum 蔡國欽先生	3,600,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
	14,520,000				
Other employees 其他僱員					
Type A A類	14,400,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Type B B類	18,000,000	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021
Consultants 顧問					
Type A A類	2,640,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Type B B類	5,000,000	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021
Total 總計	54,560,000				

(a) 二零零三年購股權計劃(續)

下表披露董事、若干僱員及顧問於年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 DEBENTURES *(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.

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。

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

(b) 2013 Share Option Scheme (Continued)

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

- (a) the nominal value of one share;

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)

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

- (a) 一股股份面值；

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

(b) 2013 Share Option Scheme (Continued)

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

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

No option was granted, exercised or lapsed under the 2013 Share Option Scheme during the period since its effective date on 3 November 2013 and there was no outstanding share option as at 30 September 2014.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2014, 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 股東名稱	Number of shares held 所持股份數目	Percentage of issued share capital of the Company 佔本公司已 發行股本百分比
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)

- (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，而於二零一四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，於二零一四年九月三十日，以下人士(並非為本公司之董事或行政總裁)於本公司股本中擁有權益。

SUBSTANTIAL SHAREHOLDERS (Continued)

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

Save as disclosed above, at 30 September 2014, 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 2014 (the “Period”).

Given the changing and competitive landscapes in China and Hong Kong’s retail markets, turnover for the six months ended 30 September 2014 declined by 10.4% to HK\$1,532 million (2013: HK\$1,710 million). Gross profit dropped by 17.5% to HK\$255 million (2013: HK\$309 million) whilst gross profit margin dropped to 16.7% from 18.1% in the corresponding period last year. Net profit attributable to owners of the Company was HK\$11 million, representing a decrease of 45.0% from the previous corresponding period (2013: HK\$20 million). The decline in net profit was mainly attributable to: (1) the weakened consumption of luxury goods in Hong Kong and China respectively; (2) keen market competition amongst industry peers; and (3) increase in shop rental in Hong Kong.

Subject to the gain on disposal of properties, the Board resolved to recommend a special dividend of 0.5 HK cent per share for the six months ended 30 September 2014 (2013: interim dividend 0.75 HK cent per share).

主要股東(續)

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

按本公司根據證券及期貨條例第 336 條規定存置之登記冊所示，除上文所披露者外，於二零一四年九月三十日，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」)提呈本集團截至二零一四年九月三十日止六個月(「本期間」)之未經審核綜合業績。

由於中國及香港之零售市場不斷變化及競爭激烈，故截至二零一四年九月三十日止六個月之營業額下跌 10.4% 至 1,532,000,000 港元(二零一三年：1,710,000,000 港元)。毛利下跌 17.5% 至 255,000,000 港元(二零一三年：309,000,000 港元)，而毛利率由去年同期之 18.1% 下跌至 16.7%。本公司擁有人應佔純利為 11,000,000 港元(二零一三年：20,000,000 港元)，較去年同期減少 45.0%。純利下跌乃主要由於：(1) 香港及中國各自之奢侈品消費疲弱；(2) 同業競爭激烈；及 (3) 香港之店舖租金增加所致。

就出售物業之收益而言，董事會已議決建議派發截至二零一四年九月三十日止六個月之特別股息每股 0.5 港仙(二零一三年：中期股息每股 0.75 港仙)。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Business Review

As at 30 September 2014, the Group operates 92 retail and wholesale points (including associate retail stores) in the Greater China region. Breakdown by geographic region is as follows:

Hong Kong	香港	14
Macau	澳門	3
China	中國	72
Taiwan	台灣	3
Total	總計	92

管理層討論及分析(續)

業務回顧

於二零一四年九月三十日，本集團於大中華地區經營92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
2014**
於二零一四年
九月三十日

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Business Review (Continued)

Continuous economic restructuring in China has caused a gradual decline in the country's overall gross domestic product ("GDP") growth rate. According to recent statistics, China's GDP fell to a 5-year low of 7.3% in the third quarter of 2014. It missed its official target for the first time in 15 years. Yet, in spite of such, the Chinese government is willing to accept a lower economic growth being the inevitable result of reform. The goal is to balance the economy so as to have the overall economic growth predominately driven by domestic consumption, and less so by exports and investment going forward. This adjustment has caused instability to the economy and dampened overall consumer sentiment. Consumers now have a more "rational" spending pattern, and developed fast the growing tendency towards online purchasing and shopping abroad. The luxury market in China has inevitably entered a downtrend. At the same time, a knock-on effect has also filtered through to the Hong Kong's high-end retail market. According to Hong Kong's Census and Statistics Department, the value of sales of jewelry, watches and clocks, and valuable gifts in Hong Kong recorded a year-on-year 14.7% decrease for the first nine months of 2014. This suggests the weak retail industries in Hong Kong and China is yet to recover. In light of this, seemingly sluggish market sentiment, Oriental Watch continued to improve its financial strength internally amid this uncertain retail backdrop. To achieve further stability in our financial position during times of uncertainty, the Group has strengthened our cost control management and internal assessment to improve stores efficiency during the Period.

管理層討論及分析(續)

業務回顧(續)

中國持續經濟轉型導致國家之整體國內生產總值(「國內生產總值」)之增長率逐步下降。根據最近之數據，中國國內生產總值於二零一四年第三季下跌至五年之低位7.3%，為十五年來首次無法達成官方目標。儘管如此，中國政府願意接受較低經濟增長屬轉型之必然結果。經濟轉型之目標是為了平衡經濟，以致日後整體經濟增長主要由內需帶動，而較少依賴出口及投資之推動。此調整已導致經濟不穩及整體消費者信心疲弱。消費者現時之消費模式更為「理性」，而網上購物及海外購物之趨勢亦發展迅速。中國奢侈品市場難免呈下降趨勢。同時，香港高端零售市場亦出現連鎖反應。根據香港政府統計處，香港珠寶、鐘錶及名貴禮物之銷售價值於二零一四年首九個月錄得按年下跌14.7%，表示香港及中國零售業疲弱，仍有待復甦。有見及此，在看似逆市中，東方表行在零售市場不景氣的環境下持續改善其內部財務實力。為於存在不確定因素時進一步實現穩健之財務狀況，本集團已於本期間加強我們之成本控制管理及內部評估，以改善店舖效益。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Business Review (Continued)

High rental costs continue to be a major operational challenge for the Group. For the six months ended 30 September 2014, the Group's aggregate rental costs (excluding related property management fees) increased by approximately 3% to 111 million, accounting 42% of the Group's overall operating expenses. To moderate the margin squeeze pressure arising from the increasing rental costs, the Group optimized its profitability by closing down non-performing retail stores on their lease expiry. And at the other end, we also allocated more resources to improve the productivity of existing stores. Furthermore, the weakening retail market has suppressed the rental increasing rate of prime street shops in Hong Kong as compared to the past few years. This may present an opportune time for the Group to leverage its business networks negotiating for reasonable rental rates for existing stores going forward. The Group believes that such cautious cost measures and operating strategies can effectively lower our operating costs in the future, thus improving probability.

Stringent inventory control continues to be an important, ongoing cost management tool implemented by the Group. During the Period, the Group cautiously monitored the replenishment rate of high-ticket items and would only purchase stock when our existing inventory depleted to a pre-agreed level. Together with the dedicated effort of our front-line staff in accelerating inventory turnover through selective and strategic discounting policies, the Group's overall inventory level decreased by 1.0% from HK\$1,788 million at 31 March 2014 to HK\$1,770 million at 30 September 2014. On a year-on-year basis, inventory indeed declined by 9.0% from HK\$1,944 million at 30 September 2013. In the coming years, the Group will remain disciplined in managing inventory to further improve the Group's cash position for future business development.

管理層討論及分析(續)

業務回顧(續)

租金成本高昂仍然為本集團之主要營運挑戰。截至二零一四年九月三十日止六個月，本集團之租金成本總額(不包括相關物業管理費用)增加約3%至111,000,000港元，佔本集團整體營運成本之42%。為緩和租金成本增加導致邊際利潤減縮之壓力，本集團於租賃屆滿時關閉表現欠佳之零售店舖，以優化其盈利能力。另一方面，我們亦分配更多資源以改善現有店舖之生產力。此外，對比過去數年，零售市場疲弱已抑制香港黃金地段店舖之租金增長率。此可能屬本集團憑藉其業務網絡以為現有店舖商討爭取日後合理租金成本之適當時機。本集團相信有關審慎控制成本措施及營運策略可有效降低未來營運成本，從而改善盈利能力。

嚴格存貨監控繼續為本集團持續實施之重要成本管理工具。於本期間，本集團審慎監察高價產品之補給率，並僅會於現有存貨消耗至預訂水平時購置存貨。加上我們之前線員工致力透過選擇性及戰略性折扣政策加快存貨周轉，本集團之整體存貨水平由二零一四年三月三十一日之1,788,000,000港元減少1.0%至二零一四年九月三十日之1,770,000,000港元。按年計算，存貨實際上已由二零一三年九月三十日之1,944,000,000港元減少9.0%。於未來數年，本集團將繼續嚴格管理存貨，以為未來業務發展進一步改善本集團之現金狀況。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Business Review (Continued)

Despite the fact that the luxury market has cooled down, a slowing economy and government's anti-gifting campaigns in China, this is actually an encouraging sign showing a gradual industry recovery against the vagaries of the market. According to the statistics from the Federation of the Swiss Watch Industry, Hong Kong and China's overall Swiss watch exports value recorded a year-on-year 2.1% increase and 4.0% increase for the first nine month of 2014, respectively. With the unchanged target of economic upgrade and urbanization, the rise in China's upper-middle class household disposable income, in turn the uninterrupted expansion in consumers' consumer spending power, driving the pursuit of better lifestyle and unique products. We believe that Chinese consumers' strong appetite for luxury goods remains slow albeit the growth may vary from time to time. Chinese consumers remain to be a major and solid growth driver for the global luxury market. The Group remains cautiously optimistic, continues to employ appropriate strategies in enhancing our product portfolio and operating efficiency, optimizing our inventory level and improving the profitability. This will allow us to deliver a sustainable growth in the future.

On behalf of the Group, we thank our customers, suppliers, staff and shareholders for their loyalty and continued support.

管理層討論及分析(續)

業務回顧(續)

儘管中國之奢侈品市場降溫、經濟放緩及政府遏止饋贈奢侈品，惟有跡象顯示業界正逐步從變幻莫測之市場中復甦。根據瑞士鐘錶工業聯合會之數據，香港及中國整體瑞士手錶出口價值分別按年增加2.1%及於二零一四年首九個月增加4.0%。隨著經濟提升及城市化之目標維持不變，中國中上階層家庭之可動用收入增加，進而帶動消費者之消費力持續增加，有助推動對更優質生活及獨特產品之追求。儘管增長不時改變，惟我們相信中國消費者對奢侈品之殷切需求仍然淡靜。中國消費者仍然是國際奢侈品市場之主要及穩健增長之推動力。本集團維持審慎樂觀，並繼續採取適當策略以加強產品組合及提升營運效率，優化存貨水平並改善盈利能力。此舉讓我們能於未來持續增長。

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忠誠和支持。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Liquidity and financial resources

At 30 September 2014, the Group's total equity reached HK\$2,227 million, compared with HK\$2,218 million as at 31 March 2014. The Group had net current assets of HK\$1,934 million, including bank and cash balances of HK\$451 million as at 30 September 2014 compared with balances of HK\$1,908 million and HK\$425 million respectively as at 31 March 2014. At 30 September 2014, bank loans of HK\$403 million (31 March 2014: HK\$491 million). At 30 September 2014, the gearing ratio (defined as total bank borrowing on total equity) was 0.18 (31 March 2014: 0.22).

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

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 2014, the Group employed a total work force of about 740 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 2014, 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.

管理層討論及分析(續)

流動資金及財務資源

於二零一四年九月三十日，本集團之權益總額達2,227,000,000港元，而於二零一四年三月三十一日則為2,218,000,000港元。於二零一四年九月三十日，本集團之流動資產淨值為1,934,000,000港元，包括451,000,000港元之銀行及現金結餘，而於二零一四年三月三十一日之結餘則分別為1,908,000,000港元及425,000,000港元。於二零一四年九月三十日，銀行貸款合共為403,000,000港元(二零一四年三月三十一日：491,000,000港元)。於二零一四年九月三十日，負債資產比率(定義為銀行借貸總額除以權益總額)為0.18倍(二零一四年三月三十一日：0.22倍)。

管理層認為本集團之財務狀況良好，並具備充裕資金及未動用銀行信貸。

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

於二零一四年九月三十日，本集團共招聘約740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

截至二零一四年九月三十日止六個月內，本公司或其任何附屬公司概無購買、贖回或出售本公司於香港聯合交易所有限公司上市之任何證券。

CORPORATE GOVERNANCE

The Company is committed to the establishment of good governance practices and procedures. The Company has met the code provisions set out in the Code on Corporate Governance Practices (“CG Code”) in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”), throughout the six months ended 30 September 2014, 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.

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 2014.

企業管治

本公司致力制定良好之企業管治常規及程序。截至二零一四年九月三十日止六個月內，本公司一直符合香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載企業管治常規守則(「企業管治守則」)列載之守則條文，惟偏離企業管治守則之守則條文A.4.1者除外。

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

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載之標準守則，作為其董事進行證券交易之操守守則。本公司已向各董事作出查詢，並獲各董事確認，彼等於截至二零一四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。

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 2014.

MEMBERS OF THE BOARD OF DIRECTORS

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

By order of the Board
Yeung Ming Bui
Chairman

Hong Kong, 19 November 2014

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，包括審閱截至二零一四年九月三十日止六個月之未審核綜合財務報表。

董事會成員

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

承董事會命
主席
楊明標

香港，二零一四年十一月十九日

