This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read this prospectus in its entirety including the appendices hereto before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" on pages 49 to 52 of this prospectus. You should read that section carefully before you decide whether to invest in the Offer Shares.

OVERVIEW

Established in 1997, we are a watch retailer in Hong Kong focusing on Swiss-made, mid-end watch brands of long years of history. During the Track Record Period, our revenue amounted to approximately HK$304.8 million, HK$351.6 million, HK$446.9 million and HK$241.5 million, respectively. Supplier A, our largest supplier throughout the Track Record Period, is the Hong Kong distribution subsidiary of a globally recognised and reputable watch manufacturer and distributor based in Switzerland and we have maintained over 15 years of business relationship with it. We have established a retail network comprising a total of 17 retail outlets as at the Latest Practicable Date, covering 10 multi-brand outlets and seven single-brand boutique outlets, in prime locations in Hong Kong such as Times Square, Harbour City and iSquare. As at the Latest Practicable Date, we carried over 80 watch brands, covering mainly Swiss, German and Japanese watch brands. During the Track Record Period, the top five brands we carried were Casio, Junghans, Longines, Mido, Roamer of Switzerland, Tissot and Titoni. Besides, we currently operate a small wholesale distribution business which commenced in December 2010.

We conduct research and analysis on market trends, consumers' preference, reputation of watch brands, marketability for sourcing mid-end watches (i.e. watches with retail prices within the price range between approximately HK$5,000 and HK$20,000) suitable for our target customers. We place purchase orders once the terms of our purchases including quantity, delivery and prices are decided, having regard to any written agreement entered into with our suppliers where applicable. We conduct marketing activities including in-store marketing such as designing watch display and layout or joint promotional activities with our suppliers such as media advertisement or joint promotional activities with shopping malls. We maintain a point-of-sales (POS) system to record transactions and sales data at our retail outlets. Our wholesale customers place orders with us for purchases without entering into any written agreement. All subsequent re-stock orders placed with our suppliers require our management's approval. We provide watch repair and maintenance services as part of our after-sales services and currently operate two watch repair centres for such purpose.

OUR BUSINESS

Retail business and our retail network

During the Track Record Period, we derived a substantial majority of our revenue from the retailing of watches in Hong Kong. Under our retail business, we sell watches as retailer directly to retail customers through our retail network. In respect of the 17 retail outlets we operated as at the Latest Practicable Date, we enter into lease agreements with third-party landlords for 14 of our retail outlets and operation agreements with Supplier A for the Relevant Retail Outlets. Two leases of our retail outlets expired after the Track Record Period and prior to the Latest Practicable Date and nine of our current leases for our retail outlets will expire in 2015 as at the Latest Practicable Date. Sales attributable to such 11 retail outlets accounted for approximately 13.4%, 20.2%, 25.7% and 24.3% of our revenue for the Track Record Period, respectively. For the Track Record Period, our property rentals and related expenses (excluding rates) (excluding the property leased by us as director's quarters which is treated as part of directors' remuneration package) accounted for approximately 13.1%, 14.4%, 13.8% and 12.1% of our total revenue, respectively. We have also entered into lease agreements with third-party landlords for three new retail outlets and, as at the Latest Practicable Date, two of such properties were undergoing renovation and the term of lease for the other one has not yet commenced. The leases of the Relevant Retail Outlets are entered into between Supplier A and the relevant landlords and we obtain the right to operate such outlets under the operation agreements. Such operation agreements have a current term of three years, which corresponds to the term of the relevant leases between Supplier A and the relevant landlords. Under the operation agreements, we will make a monthly payment to Supplier A in an amount equivalent to the rental and other costs payable by Supplier A for the retail outlet. The operation agreements can be terminated upon our unrectified breaches or upon termination of the relevant franchise agreement, the agreement for the supply of watches or the relevant lease agreement. Supplier A may also terminate such agreements without reason by giving one month's notice. We obtain the right to utilise the specific brands for operating single-brand boutique outlets (in respect of six single-brand boutique outlets) under separate written franchise agreements and (in respect of one single-brand boutique outlet) under a written authorisation letter. Our franchise agreements, having a term of three years and renewable automatically for successive terms of one year, can be terminated upon notice or with immediate effect for certain breaches, among others. Such franchise agreements specify that the right is granted to the specific outlet, generally prohibit transfer of stocks among our retail outlets, contain requirements on outlet decoration and product display and state that we are entitled to certain sales support from the franchisor.

We have entered into a number of written agreements with three of our five largest suppliers for the Track Record Period, including Supplier A, for the sourcing of watches. In cases where the sourcing arrangements are not reduced into writing, we make purchases either on outright basis by purchase orders or consignment basis. For details, see "Business — Suppliers — Sourcing arrangements" (pages 130 to 134).

During the Track Record Period, we relied on the sales of our single-brand boutique outlets. Sales derived from our single-brand boutique outlets accounted for approximately 74.7%, 70.0% 66.8% and 62.4% of our total retail revenue for the Track Record Period, respectively. For the associated risks, see "Risk Factors — Risks relating to our business — We rely on the sales of our single-brand boutique outlets. Any significant decreases in the strength of our single-brand boutique outlets or our failure to continue to operate such outlets could adversely affect our sales and profitability and financial position." (pages 33 to 34).

During the Track Record Period, we derived a significant portion of our revenue from the sales of Brand B watches. Sales generated from Brand B watches accounted for approximately 64.8%, 61.9%, 63.5% and 61.0% of our total revenue for the Track Record Period, respectively. For the associated risks, see "Risk Factors — Risks relating to our business — We derived a significant portion of our revenue from sales of watches of a few watch brands during the Track Record Period. Any damage to or deterioration in the image of such brands could materially and adversely affect our business and results of operations." (page 33).

For the Track Record Period, the gross profit margins (excluding the provision for slow-moving inventories) for the watches sold in our multi-brand outlets were approximately 39.2%, 37.6%, 34.0% and 33.9% respectively. For the same period, the gross profit margins (excluding the provision for slow-moving inventories) for the watches sold in our single-brand boutique outlets were approximately 40.2%, 39.2%, 38.1% and 37.7% respectively.

We have formulated a brand management strategy which aims to create a cohesive portfolio enabling different watch brands to complement each other in order to raise consumer awareness of the brands and our image and to promote business growth. During the Track Record Period, we conducted sales for almost all watch brands on a non-exclusive basis and we were not the sole retailer of such watch brands. We believe our success in our brand management strategy is attributable to factors including our long operating history, our established relationships with our suppliers and our ability to respond to changing market trends.

Same-store sales growth

The table below sets forth our same-store sales growth for the years/period indicated.

	Year ended 30 April		Six months ended 31 October	Four months ended 28 February
	2013	2014	2014	2015
Same-store sales growth *(Note)*				
Multi-brand outlets	5.9%	3.3%	–2.4%	–13.7%
Single-brand boutique outlets	12.0%	33.9%	11.6%	–25.6%
Overall	10.7%	24.5%	6.5%	–22.3%

Note: Same-store sales growth represents the growth from the same-store sales from a group of retail outlets in a particular year/period to the sales from the same group of retail outlets in the following year/period. The number of multi-brand outlets used in calculating the same-store sales growth for each of the two years ended 30 April 2014, the six months ended 31 October 2014 and the four months ended 28 February 2015 was 5, 6, 8 and 9, respectively. The number of single-brand boutique outlets used in calculating the same-store sales growth for each of the two years ended 30 April 2014, the six months ended 31 October 2014 and the four months ended 28 February 2015 was 5, 3, 4 and 5, respectively.

The general improvement in our overall same-store sales during the Trade Record Period was mainly a result of our same-store sales growth in respect of our single-brand boutique outlets. The same-store sales growth of approximately 12.0% in respect of our single-brand boutique outlets for the year ended 30 April 2013 was primarily attributable to the increase in average selling price of the watches sold. The same-store sales growth of approximately 33.9% in respect of our single-brand boutique outlets for the year ended 30 April 2014 was mainly attributable to the strong growth in the revenue of single-brand boutique outlets under Brand A and Brand B. The decline of our overall same-store sales growth in the four months ended 28 February 2015 was primarily attributable to the decrease in sales of certain outlets which were affected by the Occupy Central movement and the renovation of a shopping mall where our retail outlets are located. For details, see "Financial Information — Summary results of operations — Revenue — Same-store sales growth") (pages 189 to 191).

Wholesale business

Under our wholesale business, we obtain the exclusive wholesale distribution rights of watch brands for distributing them on wholesale basis to our wholesale customers who, to the best of our knowledge, sell the watches to end-consumers through their retail channels. We currently conduct the wholesaling for Brand C, a top five brand.

Pricing strategy

For our retail business, we generally set our selling prices based on the suggested retail prices and discount control policies provided by our suppliers. For our wholesale business, we are generally free to set our selling prices. We are aware of some current news reports and articles mentioning that some watch companies have considered or are considering to raise the prices of their Swiss watches in other currencies to counter the impact of the appreciation in the value of the Swiss Franc against EUR in early 2015, leading to an increase in the costs of exports of watches from Switzerland to other countries. For the associated risks, see "Risk Factors — Risks relating to our business — We derive a large portion of our revenue from Swiss-made watches. The appreciation of Swiss Franc could increase our costs of sourcing and lead to increase in our operating costs and in turn adversely affect our profitability." (page 41). According to the Ipsos Report, the sudden unpegging between Swiss Franc and Euro has brought no actual direct impact on the Hong Kong watch industry since January 2015 relating to the sourcing costs or selling prices of watch distributors or retailers. The ultimate pricing strategy of watches is not solely determined by foreign currency fluctuations but also a number of factors including rental cost, labor cost, economic performance and retail performance. According to the Ipsos Report, the industry has seen price reduction for certain watch brands, such as a luxury Swiss watch brand, which has reduced up to approximately 22% of its selling price since the appreciation of Swiss Franc in January 2015 in order to maintain a stable demand, which goes to show that brand owners may adjust pricing strategy due to a number of factors, not necessarily only foreign currency fluctuations. As at the Latest Practicable Date, we had not experienced any increase in the purchase prices we make for sourcing Swiss watches due to the said appreciation in the value of the Swiss Franc.

Inventory turnover

The table below sets forth our overall average inventory turnover days for the years/period indicated.

	For the year ended 30 April			For the six months ended 31 October
	2012	**2013**	**2014**	**2014**
Overall average inventory turnover days *(Note)*	83.2	98.8	113.4	122.0

Note: Overall average inventory equals total inventory at the beginning of the year/period plus total inventory at the end of the year/period divided by two. Overall average inventory turnover days equal overall average inventory divided by total cost of sales and multiplied by 365 for a year and 183 for six-month period.

Our overall average inventory turnover days increased from approximately 83.2 days for the year ended 30 April 2012 to approximately 98.8 days for the year ended 30 April 2013. Such increase was mainly attributable to the increase in inventory amount in multi-brand outlets as a result of the increase in the number of multi-brand outlets during the year ended 30 April 2013 (our multi-brand outlets generally have higher inventory turnover days as some brands sold in the multi-brand outlets are less popular). The further increase of our overall average inventory turnover days in the year ended 30 April 2014 was mainly attributable to the increase in the inventory amount of Brand B as a result of our inventory purchases made for the opening of two single-brand boutique outlets under Brand B in August 2013 and December 2013, respectively. The overall average inventory turnover days remained relatively stable for the six months ended 31 October 2014. We expect to maintain a steady growth of multi-brand and single-brand boutique outlets going forward and our overall average inventory turnover days are expected to be stable in the year ending 30 April 2016.

RELIANCE ON OUR LARGEST SUPPLIER

During the Track Record Period, we relied heavily on Supplier A, our largest supplier. Purchases from Supplier A accounted for approximately 84.6%, 84.4%, 88.0% and 89.1% of our total purchases for the Track Record Period, respectively. Sales of watches supplied by Supplier A accounted for approximately 84.9%, 83.0%, 84.8% and 86.7% of the total revenue for the Track Record Period, respectively. Among the eight watch brands we currently source from Supplier A, three were the top five brands for the Track Record Period and sales of watches of those three watch brands contributed to approximately 83.8%, 81.7%, 83.0% and 84.8% of our total revenue for the Track Record Period, respectively. Revenue generated from the single-brand boutique outlets we operated under Brand A and Brand B contributed to approximately 73.7%, 68.8%, 65.7% and 61.6% of our total revenue for the Track Record Period, respectively. For the same period, revenue from the Relevant Retail Outlets contributed to approximately 37.0%, 40.0%, 55.6% and 53.3% of our total revenue, respectively. The gross profit margins of watches supplied by Supplier A (excluding the provision for slow-moving inventories) during the Track Record Period and up to the Latest Practicable Date were approximately 38.8%, 37.0%, 35.2%, 34.4% and 35.1%, respectively. For the associated risks, see "Risk Factors — Risks relating to our business — Our largest supplier accounted for over 80% of our total purchases throughout the Track Record Period. If our relationship with it deteriorates or terminates, our business and results of operations would be adversely affected." (pages 29 to 30).

Supplier A is the Hong Kong distribution subsidiary of a globally recognised and reputable watch manufacturer and distributor based in Switzerland ("**Supplier A's Parent Company**"). According to the Ipsos Report, Supplier A's Parent Company was the second largest watch distributor in Hong Kong in 2014, with a market share of approximately 15.8% in terms of revenue. Supplier A's Parent Company is a company listed on the SIX Swiss Exchange and as at the Latest Practicable Date, its market capitalisation was approximately CHF23,820.1 million. Based on its 2014 annual report, it recorded operating profit of approximately CHF1,752.0 million and gross sales of approximately CHF9,219.0 million, of which approximately CHF8,936.0 million was derived from its watches and jewellery segment in 2014.

As at the Latest Practicable Date, we sourced eight watch brands from Supplier A, including three of the top five brands. We currently sell the brands we source from Supplier A in seven multi-brand outlets and operate five single-brand boutique outlets under two brands sourced from Supplier A (namely, Brand A and Brand B). We have established business relationship with Supplier A since 1999. We have entered into a number of written agreements with Supplier A (or the relevant group company of Supplier A's Parent Company, where applicable) for the supply of watches and the operation of certain single-brand boutique outlets. We have no information on whether Supplier A is the exclusive distributor in Hong Kong of the eight watch brands supplied to us during the Track Record Period and up to the Latest Practicable Date. Our Directors consider that it is normal for Supplier A or Supplier A's Parent Company to withhold such information as (i) Supplier A's Parent Company has a global sales and distribution network covering a number of local retailers in different regions in the world; and (ii) the information is not necessary for our conducting of business transactions with Supplier A. To the knowledge of our Directors, there is no other authorised distributor of such watch brands in Hong Kong except Supplier A.

Our Directors are of the view that the reliance is mainly due to (i) market dominance of Supplier A's Parent Company; (ii) industry norm; (iii) our inclination to continue to source the brands with satisfactory performance historically; and (iv) our established relationship with Supplier A. Our Directors are also of the view that our business will sustain notwithstanding the reliance due to (i) such reliance is mutual and complementary; (ii) our plans to improve our supplier network; (iii) our multi-brand outlets help in risk diversification; (iv) our contingency plan; and (v) prospects of the industry and viability of our business. For details, see "Business — Suppliers — Reliance on our largest supplier" (pages 124 to 129).

OUR SUPPLIERS AND CUSTOMERS

For the Track Record Period, we had a total of 38, 41, 41 and 37 suppliers, respectively. We had developed close relationships with our major suppliers over the years and, in particular, over 15 years of business relationship with Supplier A.

Our customer base comprises both retail and wholesale customers. We conduct our sales mainly through our retail network in Hong Kong to individual consumers, targeting mid-income consumers and tourists in general. Our wholesale customers comprise mainly watch retailers, jewellers and lifestyle product retailers who, to the best of our knowledge, sell the watches to end-consumers through their retail channels.

INDUSTRY AND MARKET

According to Ipsos Report, Hong Kong was the largest Swiss watch import market in 2013, in terms of the import value. Swiss watches possess a wide range of product portfolio and Swiss brands bear an iconic reputation of high manufacturing technology, good quality and superiority. Of the Swiss-made watches, Brand A and Brand B watches, which are among the world's leading Swiss watch brands, are particularly in high demand by Hong Kong and Chinese consumers. Notwithstanding the popularity of Swiss-made watches, there is also an increasing acceptance over German-made watches from 2009 to 2013.

The steady growth of average annual household disposable income and average annual household consumption expenditure in Hong Kong is expected to stimulate the demand for watches. Hong Kong economy, as well as the Hong Kong retail sales market, have been recovering steadily from the global financial crisis since 2009. For details, see "Industry Overview — Overview of the Hong Kong economy" (pages 64 to 68).

Due to the large economic growth in China, Hong Kong has become one of the preferred visiting cities for PRC tourists due to proximity. PRC tourists constitute one of the major customer groups for our sales in Hong Kong, as evidenced by the fact that approximately 79.8%, 83.4%, 86.2% and 86.9% of our retail turnover in Hong Kong were settled via China UnionPay for each of the three years ended 30 April 2014 and the six months ended 31 October 2014. PRC tourists increased at a CAGR of 22.6% from 2009 to 2013. The increase in the number of PRC tourists has increased the visitor spending in Hong Kong and, overall, the increasing numbers of PRC tourists becomes a market growth driver for the watch retail industry in Hong Kong. There has been recent discussion by government officials in Hong Kong and the PRC on the tightening of the policy on multiple-entry permits implemented in 2009 under the Individual Visit Scheme in 2003. According to the PRC government website, the Hong Kong and Macao Affairs Office of the State Council confirmed on 13 April 2015 the implementation of the "one trip per week" policy, under which Shenzhen residents who hold multiple-entry permits can only visit Hong Kong once a week instead of without limit. According to the Ipsos Report, the impact of tightening on the watch retail industry in Hong Kong is considered minimal or little as the purpose of tightening the policy is to limit the number of parallel goods traders and the consumption pattern of multiple-permit entry has gradually shifted from primarily focusing on purchasing jewellery, watches and clocks and valuable gifts to daily utilities (such as powdered milk and Chinese medicine, among others), subject to the actual policies adopted and practical measures taken. Our target customers include PRC tourists but not parallel import traders. The Ipsos Report points out that if any future changes to the multiple-entry permit policy fail to distinguish the purpose of visits of parallel import traders and tourists, or the policies adopted and measures implemented fail to differentiate tourist areas and areas close to the Shenzhen border which are popular destinations for Chinese using multiple-entry permits and altogether target to curb the growth in the number of PRC visitors and/or their spending in Hong Kong, a significant reduction in the arrivals of PRC tourists to Hong Kong could be resulted. If such occurs, the retail sector in Hong Kong will be adversely affected and we could also experience significant loss in sales. The overall appreciation of Renminbi from 2009 to 2014 has resulted in a more favourable exchange rate against Hong Kong Dollar and has led to the decrease in retail price of Hong Kong products, making it cheaper to purchase the same products in Hong Kong than in China. This created an extra incentive for PRC tourists to spend more in Hong Kong. As it is expected that Renminbi will continue to appreciate in the future, more opportunities will be given to the watch industry, including retail and distribution in Hong Kong.

OUR COMPETITIVE STRENGTHS

Our Directors believe that the following of our competitive strengths contribute to our success and enable us to compete effectively in the industry we operate in: (i) large watch brand portfolio with globally recognised Swiss watch brands; (ii) established business relationships with international watch suppliers; (iii) effective retail network in prime locations; (iv) strategic market positioning with established reputation; and (v) experienced management team with in-depth knowledge of the watch market.

OUR STRATEGIES

We aim to maintain our growth in the mid-end watch market and enhance our overall competitiveness and market share through the following strategies: (i) expand our retail and sales network; (ii) improve our same-store sales growth and profit margin; (iii) improve our supplier network and enhance the knowledge of our sales staff; and (iv) increase our marketing effort.

RISK FACTORS

There are certain risks involved in our operations and in connection with the Share Offer, many of which are beyond our control. These risks can be broadly categorised into: (i) risks relating to our business; (ii) risks relating to our industry; and (iii) risks relating to the Share Offer. These risk factors are further described in "Risk Factors" (pages 29 to 52). Set forth below are some of the major risks that may materially and adversely affect us:

- Our largest supplier accounted for over 80% of our total purchases throughout the Track Record Period. If our relationship with it deteriorates or terminates, our business and results of operations would be adversely affected.
- We rely on our retail network for our business operations. Any failure to secure renewal of the current leases of our retail outlets and/or any agreements we enter into with watch suppliers for the operation of single-brand boutique outlets on commercially acceptable terms or at all could adversely affect our growth prospects and business condition.
- In case our written agreements with Supplier A are not renewed or terminated for whatever reason and our contingency plan fails to achieve our desired results, our business condition and operating results will be materially and adversely affected.
- As we lease a number of properties for our business operations including 14 properties on which our retail outlets operate, we are exposed to risks relating to the commercial real estate rental market, including unpredictable and potentially high rental costs and competition for quality locations.
- We derived a significant portion of our revenue from sales of watches of a few watch brands during the Track Record Period. Any damage to or deterioration in the image of such brands could materially and adversely affect our business and results of operations.
- We rely on the sales of our single-brand boutique outlets. Any significant decreases in the strength of our single-brand boutique outlets or our failure to continue to operate such outlets could adversely affect our sales and profitability and financial position.
- The number of PRC visitors to Hong Kong decreased in March 2015. Any further reduction in the number of PRC tourists to Hong Kong could affect the retail industry and in turn adversely affect our business, results of operations and financial condition.
- Any change in the Hong Kong and PRC government policies regarding PRC tourists visiting Hong Kong could impact our business condition and results of operation.
- We have experienced high staff turnover rate and our operations could be adversely affected by difficulties in recruiting and retaining sufficient workforce to meet our needs.
- Recent developments in the retail industry in Hong Kong may affect our operating environment.

SHAREHOLDER INFORMATION

Controlling Shareholders

Immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), our Company will be owned as to 70.625% by Tic Tac Investment, which is beneficially owned as to 90% by Mr. Lam and 10% by Ms. Chan. Mr. Lam is therefore deemed to be interested in the Shares held by Tic Tac Investment. As Ms. Chan is the spouse of Mr. Lam, she is also deemed to be interested in the Shares in which Mr. Lam is interested. Accordingly, Tic Tac Investment, Mr. Lam and Ms. Chan will be our Controlling Shareholders within the meaning of the Listing Rules.

Apart from our Group, during the Track Record Period, Mr. Lam held interests in Company A and Company B, which are not members of our Group. Company A is principally engaged in the retail of watches in Macau and is owned by Mr. Lam as to 29% and other Independent Third Parties as to 71%. Company B is principally engaged in the wholesale distribution of watches under self-owned brands in Hong Kong and Macau and is owned by Mr. Lam as to 24% and other Independent Third Parties as to 76%. For the reasons of excluding the business of Company A and Company B from our Group, see "Relationship with Controlling Shareholders — Other business interests of our Controlling Shareholders". To ensure that competition will not exist in the future, our Controlling Shareholders have entered into the Deed of Non-competition with us to the effect that each of them will not, and will procure none of their respective close associates will, directly or indirectly, establish, invest, involve in, engage in, manage, operate or otherwise hold any right or interest, directly or indirectly, in any business which is or may be in competition with the business carried out by our Group. For further details of our Controlling Shareholders, see "Relationship with Controlling Shareholders" (pages 156 to 164).

KEY OPERATIONAL AND FINANCIAL DATA

The following is a summary of our combined results for the periods indicated, which has been extracted from the Accountant's Report in Appendix I to this prospectus.

Highlights of combined statements of comprehensive income

	Year ended 30 April			Six months ended 31 October	
	2012	2013	2014	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenue	304,819	351,636	446,913	192,690	241,520
Cost of sales	(183,226)	(216,791)	(284,295)	(121,523)	(155,326)
Gross profit	121,593	134,845	162,618	71,167	86,194
Profit before income tax	49,735	43,509	45,524	18,625	25,116
Profit for the year/period	41,646	36,288	37,863	15,402	20,194

Highlights of combined statements of financial position

	As at 30 April			As at 31 October
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	7,504	15,470	18,697	17,192
Current assets	92,334	107,433	133,873	141,586
Non-current liabilities	498	2,021	2,533	2,034
Current liabilities	23,171	39,925	67,317	111,688
Net current assets	69,163	67,508	66,556	29,898
Total assets less current liabilities	76,667	82,978	85,253	47,090

Financial performance during the Track Record Period

Our revenue increased from approximately HK$304.8 million for the year ended 30 April 2012 to approximately HK$351.6 million for the year ended 30 April 2013, representing an increase of approximately 15.4%. The revenue further increased to approximately HK$446.9 million for the year ended 30 April 2014, representing an increase of approximately 27.1%. Our revenue increased from approximately HK$192.7 million for the six months ended 31 October 2013 to approximately HK$241.5 million for the six months ended 31 October 2014, representing an increase of approximately 25.3%. Retail sales contributed to almost all of our revenue during the Track Record Period. The increase in our revenue from retail sales during the Track Record Period was primarily due to an increase in the number of retail outlets and an increase in the same-store sales in the two years ended 30 April 2014. Our net profit margin for the three years ended 30 April 2014 and the six months ended 31 October 2014 were approximately 13.7%, 10.3%, 8.5% and 8.4%, respectively.

Business segment breakdown

The table below sets forth a breakdown of our revenue (and as a percentage of our total revenue), gross profit and gross profit margin by business category for the years/periods indicated.

	Year ended 30 April												For the six months ended 31 October							
	2012				2013				2014				2013				2014			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Retail business *(Note)*	303,065	99.4	119,922	39.6	349,724	99.5	132,467	37.9	444,283	99.4	160,568	36.1	191,762	99.5	70,010	36.5	240,106	99.4	85,600	35.7
Wholesale business	5,741	1.9	1,671	29.1	6,769	1.9	2,378	35.1	7,210	1.6	2,050	28.4	3,092	1.6	1,157	37.4	3,403	1.4	594	17.5
Inter-segment sales	(3,987)	(1.3)	—	—	(4,857)	(1.4)	—	—	(4,580)	(1.0)	—	—	(2,164)	(1.1)	—	—	(1,989)	(0.8)	—	—
Total	304,819	100.0	121,593	39.9	351,636	100.0	134,845	38.3	446,913	100.0	162,618	36.4	192,690	100.0	71,167	36.9	241,520	100.0	86,194	35.7

Note: Our revenue from retail business also includes revenue from after-sales services.

Gross profit margin, sales volume and average selling price

The table below shows a breakdown of our gross profit margin, sales volume and average selling price for our watch retail for the periods indicated.

	Year ended 30 April			Six months ended 31 October	
	2012	2013	2014	2013	2014
Gross profit margin *(%)*	39.9	38.3	36.4	36.9	35.7
Sales volume *(pieces)*	51,339	55,702	62,486	30,430	32,605
Average selling price *(HK$)*	5,931	6,307	7,145	6,326	7,400

The future price trend of our watches depends on the market trend, among others.

KEY FINANCIAL RATIOS

The table below sets out certain major financial ratios of our Group as at the dates indicated.

	As at/for the year ended 30 April			As at/for the six months ended 31 October
	2012	2013	2014	2014
Gearing ratio	2.9%	17.9%	17.9%	15.9%
Return on equity	51.1%	42.7%	41.6%	N/A
Current ratio	4.0	2.7	2.0	1.3
Quick ratio	2.0	0.9	0.4	0.4
Interest coverage	250.9	175.7	127.1	139.8
Return on total assets	39.0%	28.1%	22.5%	N/A
Debt to equity ratio	0.3	0.5	0.8	2.5

LISTING EXPENSES

Our Directors are of the view that the financial results of our Group for the year ending 30 April 2015 are expected to be adversely affected by, among others, the listing expenses in relation to the Share Offer, the nature of which is non-recurring. The total listing expenses in relation to the Share Offer, primarily consisting of fees paid or payable to professional parties and underwriting fees and commission, are estimated to be approximately HK$28.8 million (based on the mid-point of the indicative Offer Price range of HK$0.7 per Offer Share and 200,000,000 Offer Shares). During the Track Record Period, we incurred listing expenses of approximately HK$7.4 million of which approximately HK$4.9 million was recognised in the combined statements of comprehensive income and approximately HK$2.5 million was recognised as prepayments in the combined statements of financial position. We expect to further incur listing expenses in relation to the Share Offer in the amount of approximately HK$21.4 million prior to the completion of the Share Offer, of which, (i) approximately HK$8.0 million is expected to be accounted for as a deduction from equity upon Listing; and (ii) approximately HK$13.2 million and HK$0.2 million are expected to be recognised as expenses in our combined statements of comprehensive income for each of the two years ending 30 April 2016, respectively.

Our Directors would like to emphasise that the amount of the Listing expenses is a current estimate for reference only and the final amount to be recognised in the consolidated financial statements of our Group for the two years ending 30 April 2016 is subject to adjustment based on audit and the then changes in variables and assumptions. Prospective investors should note that the financial performance of our Group for the year ending 30 April 2015 is expected to be adversely affected by the estimated non-recurring Listing expenses mentioned above, and may or may not be comparable to the financial performance of our Group in the past. For associated risks, see "Risk Factors — Risks relating to our business — Our financial performance for the year ending 30 April 2015 will be affected by certain non-recurring expenses on our financial performance".

USE OF PROCEEDS

We estimate that the net proceeds from the Share Offer which we will receive, after deducting the underwriting fees and estimated expenses in relation to the Share Offer payable by our Company, will be approximately HK$111.2 million (assuming an Offer Price of HK$0.7 per Offer Share, being the mid-point of the indicative Offer Price range stated in this prospectus). We intend to use the net proceeds from the Share Offer for the following purposes:

Business strategy	Approximate amount of net proceeds or %
Expand our retail and sales network	HK$38.9 million or 35.0%
Improve our same-store sales growth and profit margin	HK$13.4 million or 12.0%
Improve our supplier network and enhance the knowledge of our sales staff	HK$4.4 million or 4.0%
Increase our marketing effort	HK$7.8 million or 7.0%
Repay a short-term bank loan with interest *(Note)*	HK$38.9 million or 35.0%
Working capital and other general corporate purposes	HK$7.8 million or 7.0%

Note: The short-term bank loan was borrowed for, among others, financing partial payment of dividend which was declared but not yet paid in the six months ended 31 October 2014 and settling certain amounts due to our Directors. Any remaining dividend and amounts due to our Directors not covered by the bank loan will be covered by our internal resources. Our Directors confirm that all remaining unpaid dividends and amounts due to our Directors will be settled before Listing.

DIVIDEND POLICY

Our group companies had declared dividend during each of the three years ended 30 April 2014, and the six months ended 31 October 2014 amounting to approximately HK$13.0 million, HK$31.5 million, HK$38.6 million and HK$72.1 million, respectively. As at the Latest Practicable Date, 100%, 100%, 100% and 37.6% of the declared dividend for the said periods have been settled from our own internal resources, respectively.

Subject to the Companies Law and our Memorandum and Articles, through a general meeting, we may declare dividends in any currency but no dividend shall be declared in excess of the amount recommended by our Board. Our Directors may from time to time also declare interim dividends as appear to our Directors to be justified by our profits. The amount of any dividends to be declared or paid in the future will depend on, among other things, our results of operations, cash flows, financial condition, operating and capital requirements, future prospects and other factors that our Directors deem relevant. Any declaration and payment as well as the amount of the dividend will be subject to our constitutional documents and the Companies Law, including the recommendation of our Directors at their discretion and, save as provided in the Articles of Association, approval of our Shareholders. We cannot guarantee then, if and in what form dividends will be paid and the past dividend rates should not be used as a reference or basis to determine the amount of dividends in the future. Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our operations.

RECENT DEVELOPMENTS SUBSEQUENT TO THE TRACK RECORD PERIOD

Subsequent to the Track Record Period, we have continued to refine our retail network. We had entered into a lease agreement for a term of three years commencing from 1 March 2015 in relation to the opening of a single-brand boutique outlet under Brand C in New Town Plaza in

Shatin. It is expected that this single-brand boutique outlet would commence operation in April 2015. We also plan to relocate Outlet 2 and Outlet 3 (both of which were multi-brand outlets which we operated during the Track Record Period and closed prior to the Latest Practicable Date. The leases of both of which expired on 13 March 2015) to two adjoining premises within the same shopping mall so as to continue operating our retail business in prime locations. The size of the two premises in aggregate is similar to that of the two existing retail outlets in aggregate. We have entered into a lease agreement covering such two premises, one for a term commencing from 30 March 2015 and the other from 12 June 2015, respectively, and both for a term expiring on 29 March 2018. We received a notice of termination from the landlord of Outlet 4 in January 2015 to terminate the lease of Outlet 4 due to improvement work of the shopping mall and we will vacate the premise by 30 April 2015. We plan to close the outlet and our Directors confirm that no leasehold expenses have to be written off as those expenses are fully depreciated. During the Track Record Period, we incurred Listing expenses of approximately HK$4.9 million and we currently expect that our financial results for the year ending 30 April 2015 will be negatively impacted by non-recurring Listing expenses of approximately HK$13.4 million (calculated on the assumption of an Offer Price of HK$0.7 per Share, being the mid-point of the indicative Offer Price range), of which approximately HK$13.2 million and HK$0.2 million are expected be recognised as expenses in our combined statements of comprehensive income for each of the two years ending 30 April 2016, respectively. Our net profit for the year ending 30 April 2015 is expected to be significantly lower than that of the previous financial year.

Occupy Central movement

In late September 2014, a civil disobedience movement referred to as Occupy Central (the "**Movement**") began in Hong Kong which had spread across and mainly affected four districts, including Admiralty, Tsim Sha Tsui, Causeway Bay and Mongkok. 14 out of our 19 outlets we then operated were located in the affected districts. The same-store sales of nine of the affected outlets for the three months ended 31 December 2014 (being the period within which the relevant outlets were affected by the Movement) had experienced different degrees of drop, which have an impact on our revenue for the year ending 30 April 2015. Nevertheless, given that the Movement had been ceased in December 2014, and having considered that the revenue of the retail segment of our Group for the eight months ended 31 December 2014 still experienced growth, our Directors are of the view that the Movement did not have any material adverse effect on our business operations and financial position as a whole. See "Risk Factors — Risks relating to our industry — Macro-economic factors have had and may have a material adverse effect on our business, financial conditions and results of operations." for associated risks.

The drop of visitors to Hong Kong

As widely reported by the media recently, the number of visitors dropped significantly in March 2015 and according to such media reports: (i) the average number of mainland tours registered with the Travel Industry Council of Hong Kong was 320 per day in March 2015 and 470 per day in March 2014, representing an about 30% drop and an about 20% drop in mainland tours during the Easter and Ching Ming holidays in 2015, compared to the same period in the preceding year, was recorded; and (ii) the number of visitors to Hong Kong in March 2015 dropped approximately 8.7%, of which the number of PRC visitors dropped approximately 10.0%, compared to March 2014.

The recent appreciation of US dollar may also affect the tourist industry in Hong Kong. According to the Ipsos Report, as a result of the appreciation of US dollar, tourists may find nearby Asian counties such as Japan, Singapore or South Korea more attractive due to the relatively weaker currencies in Japanese yen, Singapore dollars or South Korean won, and thus reduces the number of visitors to Hong Kong. The Ipsos Report points out that the whole retail industry in Hong Kong, and not exclusively the watch and jewellery sector, will be subject to the impact of the appreciation of the US dollar.

In light of the above and due to the closure of Outlet 2 and Outlet 3 as a result of the expiry of the lease agreements on 13 March 2015 as discussed above, the sales of our Group in March 2015 had substantially dropped as compared to March 2014. In the event that the number of visitors to Hong Kong continues to drop, our Directors expect our revenue and profitability will continue to be affected. For the associated risks, please see "Risk Factors — Risks relating to our business — The number of PRC visitors to Hong Kong decreased in March 2015. Any further reduction in the number of PRC tourists to Hong Kong could affect the retail industry and in turn adversely affect our business, results of operations and financial condition.".

Save as disclosed above, our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects subsequent to the Track Record Period.

OFFER STATISTICS

	Based on an Offer Price of	
	HK$0.6 per Offer Share	**HK$0.8 per Offer Share**
Market capitalisation *(Note 1)*	HK$480 million	HK$640 million
Unaudited pro forma adjusted net tangible assets per Share *(Note 2)*	HK$0.17	HK$0.22

Notes:

1. The calculation of market capitalisation of the Shares is based on the indicative Offer Price range of HK$0.6 to HK$0.8 per Offer Share and a total of 800,000,000 Shares in issue immediately after completion of the Capitalisation Issue and the Share Offer but without taking into account of Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme or any share which may be granted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix IV to this prospectus.

2. The unaudited pro forma adjusted net tangible assets per Share has been arrived at after having made the adjustments referred to in "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus and on the basis that 800,000,000 Shares were in issue assuming that the Capitalisation Issue and the Share Offer had been completed on 31 October 2014 but without taking into account of any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme or which may be granted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix IV to this prospectus.