



ANNUAL
REPORT
年 報

07

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)



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Corporate Information

公司資料

| | | | |
|---|--|-------------------------|--|
| BOARD OF DIRECTORS | <p>Mr. Yeung Ming Biu (<i>Chairman</i>) Mr. Yeung Him Kit, Dennis (<i>Managing Director</i>) Mr. Chan Che Kwong, William (<i>resigned on 2nd April 2007</i>) (<i>Senior 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>Executive Director</i>) Mr. Choi Kwok Yum (<i>Executive Director</i>) Dr. Sun Ping Hsu, Samson (<i>Non-executive Director</i>) Dr. Li Sau Hung, Eddy (<i>Non-executive Director</i>) Mr. So Kai Lau, Peter (<i>Non-executive Director</i>)</p> | 董事會 | <p>楊明標先生 (主席) 楊衍傑先生 (董事總經理) 陳志光先生 (資深董事) (於二零零七年四月二日 辭任) 馮廣耀先生 (執行董事) 楊敏儀女士 (執行董事) 林慶麟先生 (執行董事) 蔡國欽先生 (執行董事) 孫秉樞博士 (非執行董事) 李秀恒博士 (非執行董事) 蘇啟鑾先生 (非執行董事)</p> |
| QUALIFIED ACCOUNTANT AND COMPANY SECRETARY | Mr. Lam Hing Lun, Alain | 合資格會計師及公司秘書 | 林慶麟先生 |
| PRINCIPAL BANKERS | Hang Seng Bank Limited Wing Hang Bank Limited | 主要往來銀行 | 恒生銀行有限公司 永亨銀行有限公司 |
| AUDITOR | Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> | 核數師 | 德勤•關黃陳方會計師行 執業會計師 |
| HONG KONG BRANCH SHARE REGISTRARS | Secretaries Limited 26/F., Tesbury Centre 28 Queen's Road East Wanchai Hong Kong | 股份過戶登記處 香港分處 | 秘書商業服務有限公司 香港 灣仔 皇后大道東28號 金鐘匯中心26樓 |
| HONG KONG LEGAL ADVISER | Jennifer Cheung & Co | 香港法律顧問 | 張美霞律師行 |
| BERMUDA LEGAL ADVISER | Conyers, Dill & Pearman | 百慕達法律顧問 | Conyers, Dill & Pearman |
| REGISTERED OFFICE | Clarendon House Church Street Hamilton HM 11 Bermuda | 註冊辦事處 | Clarendon House Church Street Hamilton HM 11 Bermuda |
| PRINCIPAL PLACE OF BUSINESS | Room 312-8 China Insurance Group Building 141 Des Voeux Road Central Central Hong Kong | 主要營業地點 | 香港 中環 德輔道中141號 中保集團大廈 312-8室 |

Chairman's Statement and Management's Discussion and Analysis 主席報告及管理層討論及分析

During the year ended 31st March 2007, the strong performance of the Group business enabled the Group to achieve double digit turnover growth.

Financial results and final dividend

Turnover for the year was HK\$2.6 billion, an increase of 31% over the last year.

Profit for the year was HK\$94.9 million, an increase of 45% compared with last year.

In view of these results, the Board is recommending the payment of a final dividend of 5.5 cents per ordinary share.

The final dividend together with the interim dividend of 2.5 cents per ordinary share amounts to a total annual dividend of 8.0 cents per ordinary share, an increase of 23% compared with last year.

Market overview

During the past year, the Group's markets in Mainland China, Hong Kong and Macau experienced a strong boom in their economies. In Hong Kong alone, the economy grew an impressive 6.9% over the past year. The stock market and the real estate market for both commercial buildings and luxury houses have increased significantly. As a result, the overall atmosphere in the retail market is very positive. The effect on the retail sector for luxury goods such as watches has been equally favorable. The Group has been attentive to this increased vitality and thus has managed to increase our market share in that sector.

Hong Kong

We have recorded strong sales figures from the opening of our new concept shop in the heart of Causeway Bay in May 2006. This shop is the first we have designated as an exclusive boutique for connoisseurs of specialty and luxury watches. The elegant interior, high-quality service, and excellent selection of products have attracted more prosperous consumers, which are reflected in the higher sales price average this year.

於截至二零零七年三月三十一日止年度內，本集團憑藉其業務之強勁表現，使本集團之營業額達致雙位數字增長。

財務業績及末期股息

本年度之營業額為港幣二十六億元，較去年度增加了百份之三十一。

權益股東應佔溢利為港幣九千四百九十萬元，較去年度增加了百份之四十五。

鑑於上述業績，董事會建議派發末期息每股普通股港幣五點五仙。

末期股息連同每股普通股港幣二點五仙之中期息，使本年度股息總額達每股港幣八仙，較去年度增加了百份之二十三。

市場概觀

於過去一年在本集團所經營的地區（即香港，國內及澳門）的經濟強勁復甦。單以香港計算，經濟較去年增長達6.9%。區內多項投資活動活躍，例如股票、商用物業及豪宅物業，整體氣氛十分旺盛，連帶著高消費產品如手錶的銷售亦一并增加。我們已密切注視銷售增長的情況，繼續努力將我們的市場佔有率逐漸增加。

香港

於二零零六年五月份，我們全新的銅鑼灣概念店已率先錄得非常理想的銷售數字。這店針對品味獨特的客人及名錶鑑賞家。店內設計優雅，卓越的銷售服務，及精心挑選的產品系列，吸引了越來越多尊貴的客人，這些都能夠於比較本年及往年的平均售價而反映出來的。

Chairman's Statement and Management's Discussion and Analysis 主席報告及管理層討論及分析

Market overview (Continued)

Hong Kong (Continued)

Continuing in this vein, our Yau Ma Tei branch will soon be relocated to the new landmark of Jordan — JD Mall. With this move, we will be enlarging the shop and employing the same concept of providing elegant surroundings, quality service and more exclusive product selections for high-end consumers.

At the second quarter of this year, we will be opening our most prestigious shop to date, at 100 Queen's Road, Central, Hong Kong. At 18,000 square feet over two levels, it will be one of the largest watch retail shops in Asia. The shop has been designed for luxury, elegance, and exclusivity. With its spacious interiors and cultured atmosphere, it will present a new level in luxury watch retailing. Situated in the high-caliber consumer base of Central, we will be positioning the Group to become a major stakeholder in the luxury watch retail market.

PRC

In the past year, the Group has opened six new Rolex and Tudor shops throughout China, in Inner Mongolia, Beijing, Suzhou, Wuxi, Changchun and Nanjing. By the end of this year, we will have opened more than thirty points of sales in the PRC and will continue to research good locations for continued expansion. The Group has also purchased a new, larger office in Shanghai at Huai Hai Zhong Road of Luwan District, a major business area, to consolidate functions for better management of our PRC business.

The PRC segment of the Group has shown an impressive turnover growth of 55% over last year, with profits growing 125%. With the current economic boom in China, we are confident that our investments in the region will continue to show rewards in the future.

As the PRC economy further develops, we expect competition for the luxury, brand name watch retail market to increase. However, our early entrance into the market has allowed us to establish brand recognition with the consumers, and our penetration of the sector has continued successfully. Through the years, we have cemented our relationships with major suppliers to become one of the most reliable distributors in the PRC. We continue to invest in the PRC by opening boutiques for quality brands. We believe that the region's market potential is still very strong, and we will continue to take advantage of the opportunities it presents.

市場概觀 (續)

香港 (續)

承接著銅鑼灣新店的概念，油麻地分店即將遷移至佐敦新地標JD Mall。除擴展分店面積之餘，同時亦沿用銅鑼灣新店之同一模式——提供優雅形像，卓越銷售服務，及精心挑選的產品系列。

我們於本年度第二季將再開集團旗下最大型的分店，位於中環皇后大道中100號。全店共2層約18,000平方呎，是亞洲最大手錶零售店之一。店內形像高尚清新，優雅雅緻，設計獨特，空間寬敞，營造出一個舒適的購物環境，令高級手錶零售業再提昇至另一層次。店舖座落於中環區，擁有高品味客戶群，令本集團儕身於高級手錶零售業，成為主要零售商。

中國

集團在本年度於國內共開設了六間勞力士及帝舵表零售專門店，包括內蒙古、北京、蘇州、無錫、長春及南京。另外，我們將繼續尋找合適位置拓展業務，預算於二零零七年底，集團將擁有超過三十間國內零售及專賣店。為了更能有效管理國內業務，我們在上海瀘灣區淮海中路購買了一個全新而面積更大的寫字樓作辦公室用途。

集團在國內的年度銷售亦錄得55%巨大增長，毛利則有125%增幅。成績令人振奮之餘，更令我們相信在區內的投資繼續為集團帶來可觀的回報。

就國內經濟發展一日千里，相信高價及名牌手錶的市場競爭日趨激烈。但我們早已在國內客人心目中建立了良好的信譽，令我們在業內的滲透及發展相當成功。正因我們與品牌商、代理商、以及顧客的關係已經根深蒂固，已令本集團成為國內最值得信賴的零售商之一。我們將繼續發展國內投資，為高品質品牌開設零售專賣店。而且我們相信，國內的發展潛力仍然豐厚，我們會繼續把握現有的商機，創造更驕人佳績。

Chairman's Statement and Management's Discussion and Analysis 主席報告及管理層討論及分析

Prospects

The Group's past investments into the PRC have been very capital-intensive and were expected to take some time to grow. Now, we are seeing the benefits of our efforts growing and accumulating. In the coming year, our expansion into the PRC will be continuing through the opening of 10-15 single brand name watch shops. By concentrating on opening single brand name watch shops, we will have more control over capital and inventory, which will allow us to better develop the market for that brand and provide us with more successful results.

We continue to maintain our dividend policy of providing a consistent return to our shareholders, as this will lead the Oriental Watch Group to a solid and successful future.

Financial Review

Liquidity and financial resources

At 31st March 2007, the Group's total equity reached HK\$850 million, compared with HK\$765 million as at 31st March 2006. The Group had net current assets of HK\$658 million, including pledged bank deposits and bank and cash balances of HK\$170 million as at 31st March 2007 compared with balances of HK\$598 million and HK\$102 million respectively as at 31st March 2006. At 31st March 2007, bank loans and overdrafts totalled 278 million (31st March 2006: HK\$190 million). At 31st March 2007, the gearing ratio (defined as total bank borrowing on total equity) was 0.33 (31st March 2006: 0.25).

Management still 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.

展望

集團以往在國內的投資是較資本密集及須時發展的，如今，我們可看見以往投資的回報慢慢地增長及累積。所以在未來數年內，我們將不斷拓展國內市場，希望能夠每年平均開設十至十五間手錶專賣店。這樣，我們更能夠嚴緊地控制資金及存貨分佈，務求能幫助這些品牌發展國內市場，為我們帶來更豐厚的業績。

我們將繼續保持「穩定派息」方針，令「東方表行集團」邁向更成功的一步。

財務回顧

流動資金及財務資源

於二零零七年三月三十一日，本集團之權益總額為850,000,000港元，而於二零零六年三月三十一日則為765,000,000港元。於二零零七年三月三十一日，本集團之流動資產淨值為658,000,000港元，其中包括已抵押銀行存款和銀行及現金結餘170,000,000港元，而二零零六年三月三十一日之結餘則分別為598,000,000港元及102,000,000港元。於二零零七年三月三十一日，銀行貸款及透支合共為278,000,000港元（二零零六年三月三十一日：190,000,000港元）。於二零零七年三月三十一日，負債資產比率（定義為銀行借貸總額除以權益總額）為0.33倍（二零零六年三月三十一日：0.25倍）。

由於擁有充裕資金及未動用之銀行信貸，管理層認為本集團之財務狀況仍然良好。

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之風險。

Chairman's Statement and Management's Discussion and Analysis 主席報告及管理層討論及分析

Financial Review (Continued)

Capital structure

During the year ended 31st March 2007, there was no significant change to the capital structure.

Charge on group assets

At the balance sheet date, the Group has pledged its investment properties to a bank to secure the bank loan granted to the Group.

At 31st March 2007, the Group's pledged fixed deposits which carry at fixed interest rate of 3.8% per annum was pledged to a bank in respect of the short-term credit facilities granted by this bank to one of the subsidiaries of the Group.

Human Resources

As at 31st March 2007, our Group has approximately 200 employees in HK and Macau, and approximately 400 employees located at different provinces in Mainland China.

The Group's compensation package, which includes basic salary, commission, annual bonus, medical insurance, and other common benefits, is structured by reference to the marketplace and individual merits, and is reviewed on an annual basis based on the Group's policy performance system and objective specification performance appraisal.

We deeply believe customers have high expectations of the service they received. We strive to provide service beyond their expectations to maintain excellent quality and offer a comprehensive service. This year, more resources were allocated to the Staff Training and Development aspect. A series of multi-dimensional training programs were offered to our front-line staff, including courses in customer service, product knowledge, and selling technique, with team building and management training tailored to managerial staff. With these programs, our company's philosophy of "Service Excellence" will continue to fulfill our customer's needs as well as enhance the Group's business.

財務回顧 (續)

資本架構

截至二零零七年三月三十一日止年度內，本集團之資本架構並無出現任何重大變動。

抵押集團資產

於結算日，本集團將其投資物業抵押予一間銀行，以取得授予本集團之銀行貸款。

於二零零七年三月三十一日，本集團將定期存款(其利息按年利率3.8%計算)抵押予一間銀行，作為該銀行授予本集團一間附屬公司的短期信貸。

人力資源

於二零零七年三月三十一日，本集團於香港及澳門共聘用了約200位僱員及國內約400位僱員。

本集團參考市場指標及考慮員工的個人表現決定所提供的薪酬待遇，包括底薪、佣金、年終獎金、醫療保險及其他福利，並於每年績效評估報告中重新調整。

現今顧客對服務抱有一定期望，我們必須超越他們所期望的，保持優質及全面的服務。因此我們投放更多的資源在培訓及發展方面，給前線員工提供多元化的培訓課程，當中包括顧客服務、產品知識、銷售技巧及為前線管理層提供建立團隊和管理的訓練，以配合公司「優質服務」的理念，使顧客感受到我們最稱心的服務，以推動集團業務，不斷向前邁進。

Directors and Senior Management 董事及高級管理層

Executive Directors

Mr. YEUNG Ming Bui, aged 71, the Chairman of the Company, is a co-founder of the Group. He has over 55 years' experience in the watch business and is a Permanent Honorary Director of The Federation of Hong Kong Watch Trades and Industries Limited.

Mr. YEUNG Him Kit, Dennis, aged 38, joined the Group in 1993. He became Managing Director of the Company in March 2003. He holds a bachelor degree in commerce from the University of Toronto, Canada. Mr. Yeung is the son of Mr. Yeung Ming Bui.

Mr. CHAN Che Kwong, William (resigned on 2nd April 2007), aged 59, joined the Group in 1993. He became Senior Director of the Company in April 2003 and has over 27 years' experience in the watch business. He is a Permanent Honorary Director and present Chairman of the Federation of Hong Kong Watch Trades and Industries Limited.

Mr. Fung Kwong Yiu, aged 63, joined the Group in 1974 and has over 43 years' experience in the watch business. He is a Permanent Honorary Director of The Federation of Hong Kong Watch Trades and Industries Limited.

Madam YEUNG Man Yee, Shirley, aged 45, joined the Group in 1991. She received a higher diploma in business studies and diploma in watch and jewellery management from North Herts College in the United Kingdom and CFH Institute in Switzerland respectively. Madam Yeung is the daughter of Mr. Yeung Ming Bui.

Mr. LAM Hing Lun, Alain, aged 48, joined the Group in 1992. He is the Group Financial Controller and Company Secretary of the Company and became Director of the Company in April 2003. He is responsible for the Group's accounting, financial control and secretarial matters. He has over 23 years' experience in accounting and auditing. Mr. Lam holds a master degree of business administration from the University of Hull. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. CHOI Kwok Yum, aged 52, joined the Group in 1969. He became Director of the Company in April 2003 and has over 38 years' experience in the watch business.

執行董事

楊明標先生，71歲，本公司主席，亦為本集團創辦人之一。彼具有逾55年鐘表業經驗，並為香港鐘表業總會永遠榮譽會董。

楊衍傑先生，38歲，於一九九三年加入本集團。彼於二零零三年三月出任本公司董事總經理。楊先生持有加拿大多倫多大學商業學士學位。楊先生為楊明標先生之兒子。

陳志光先生（於二零零七年四月二日辭任），59歲，於一九九三年加入本集團。彼於二零零三年四月出任本公司資深董事，具有逾27年鐘表業經驗，並為香港鐘表業總會永遠名譽會董及現任主席。

馮廣耀先生，63歲，於一九七四年加入本集團。彼具有逾43年鐘表業經驗，並為香港鐘表業總會永遠榮譽會董。

楊敏儀女士，45歲，於一九九一年加入本集團。彼持有英國North Herts College 商業課程高級文憑及瑞士CFH Institute 鐘表珠寶管理文憑。楊女士為楊明標先生之女兒。

林慶麟先生，48歲，於一九九二年加入本集團。彼為本公司財務總監兼公司秘書，並於二零零三年四月出任本公司董事，負責本集團會計、財務控制及秘書事宜。彼具有逾23年會計及核數經驗。林先生持有University of Hull工商管理碩士學位。彼為特許公認會計師公會資深會員及香港會計師公會會員。

蔡國欽先生，52歲，於一九六九年加入本集團。彼於二零零三年四月出任本公司董事，具有逾38年鐘表業經驗。

Directors and Senior Management 董事及高級管理層

Non-executive directors

Dr. SUN Ping Hsu, Samson, M.B.E., J.P., aged 82, is the Chairman of Sun International Group of companies. He was deputy Chairman and a Director of Gilman & Co., Ltd. and Inchcape Hong Kong respectively from 1967 to 1985. Dr. Sun is the honorary permanent president of The Federation of Hong Kong Watch Trades and Industries Limited. He has over 54 years' experience in the manufacturing, marketing and distribution of watches, and 21 years' experience in the marketing and distribution of consumer and electronic products. He has involved in the PRC trade since 1979, and continues to be active in both trading and property development in the PRC. Dr. Sun has chaired many voluntary community services and charitable organizations. He has been a Non-executive Director of the Company since September 1993.

Dr. LI Sau Hung, Eddy, aged 52, has over 33 years' experience in the manufacturing business. He is the president of Hong Kong Economic & Trade Association and a member of the TDC Watch Trade Advisory Committee. Mr. Li holds a master degree of business administration and a PhD degree in economics. He was the 1991 awardee of The Ten Outstanding Young Persons and the 1993 awardee of Young Industrialists of Hong Kong. He has been a Non-executive Director of the Company since September 1993.

Mr. SO Kai Lau, Peter, aged 59, is a Certified Public Accountant and a Canadian Chartered Accountant. He was formerly a partner of Deloitte Touche Tohmatsu until he retired in May 2003. He is also an independent non-executive director of Tsit Wing International Holdings Limited, a company listed on the stock exchange in Singapore. Mr. So has been a Non-executive Director of the Company since September 2004.

Senior Management

Mr. TANG Tai Wai, David, aged 62, is the general manager of China division. He is responsible for sales and marketing in the PRC. He joined the Group in 1993 and has over 39 years' experience in the watch business.

Mr. TSE Mau Fai, aged 45, is the shop manager of Oriental Watch Company Limited, Central Branch. (160 Des Voeux Road, Central). He joined the Group in 1981 and has over 26 years' experience in the watch business.

非執行董事

孫秉樞博士，M.B.E., J.P.，82歲，為新達集團主席。彼自一九六七年至一九八五年間分別出任香港太平洋洋行有限公司之副主席及英之傑香港之董事。孫博士為香港鐘表業總會永遠名譽會長。彼具有逾54年製造、經銷及分銷手表經驗及21年經銷及分銷消費品及電子產品經驗。彼自一九七九年起涉足中國貿易業務，並一直活躍於中國貿易及物業發展業務。孫博士為多個志願社團服務及慈善機構之主席。彼自一九九三年九月起出任本公司非執行董事。

李秀恒博士，52歲，具有逾33年製造業經驗。彼為香港經貿商會會長及香港貿易發展局鐘錶業諮詢委員會委員。李先生持有工商管理碩士學位及經濟學博士學位。彼為一九九一年度「香港十大傑出青年」之一，並於一九九三年獲「香港青年工業家」獎項。彼自一九九三年九月起出任本公司非執行董事。

蘇啟鑾先生，59歲，為執業會計師及加拿大特許會計師。彼於二零零三年五月退休前是德勤•關黃陳方會計師行之前合夥人。彼亦為Tsit Wing International Holdings Limited（一間於新加坡聯交所上市之公司）之獨立非執行董事。蘇先生自二零零四年九月起出任本公司非執行董事。

高級管理層

鄧大偉先生，62歲，為中國部總經理，負責中國銷售及市場推廣工作。彼於一九九三年加入本集團，具有逾39年鐘表業經驗。

謝茂輝先生，45歲，為東方表行有限公司中環分行（中環德輔道中160號）店務經理。彼於一九八一年加入本集團，具有逾26年鐘表業經驗。

Directors and Senior Management 董事及高級管理層

Senior Management (Continued)

Mr. YEUNG Chi On, aged 47, is the shop manager of La Suisse Watch Company, Limited, Hong Kong branch. He joined the Group in 1980 and has over 27 years' experience in the watch business.

Mr. LIU Sik Yuen, aged 59, is the shop manager of La Suisse Watch Company, Limited, Kowloon branch. He joined the Group in 1979 and has over 28 years' experience in the watch business.

Mr. CHAN Yiu Wah, aged 45, is the shop manager of Oriental Watch Company Limited, Causeway Bay branch. He joined the Group in 1993 and has over 14 years' experience in the watch business.

Mr. CHAN Cheung Yin, aged 66, is responsible for the finance and administration of La Suisse Watch Company, Limited, Kowloon branch. He joined the Group in 1976 and has over 31 years' experience in the watch business.

Mr. CHUI Cheung Wing, aged 63, is the shop manager of Oriental Watch Company Limited, Yaumati branch (333 Nathan Road). He joined the Group in 1991 and has over 44 years' experience in the watch business.

Mr. WATT Hing Yin, aged 44, is the shop manager of Oriental Watch Company Limited, Yaumati branch (555 Nathan Road). He joined the Group in 2003 and has over 22 years' experience in the watch business.

Madam LOH Nget Wah, aged 54, is the shop manager of Oriental Watch Company Limited, Pioneer Centre branch (750 Nathan Road). She joined the Group in 1990 and has over 20 years' experience in the watch business.

Mr. LAM Tung Hing, aged 49, is the shop manager of Oriental Watch Company Limited, Tsimshatsui branch. He joined the Group in 2003 and has over 29 years' experience in watches business.

Madam Tou Choi Wan, aged 40, is the shop manager of La Suisse Watch (Macau) Company Limited. She joined the Group in 2006 and has over 20 years' experience in watches business.

Mr. Chong Ngai Wang, aged 35, is the shop manager of Oriental Watch Company Limited (488 Hennessy Road, Causeway Bay branch). He joined the Group in 1992 and has over 15 years' experience in watches business.

高級管理層 (續)

楊志安先生，47歲，為瑞士表行有限公司港島分行店務經理。彼於一九八零年加入本集團，具有逾27年鐘表業經驗。

廖錫彥先生，59歲，為瑞士表行有限公司九龍分行店務經理。彼於一九七九年加入本集團，具有逾28年鐘表業經驗。

陳耀華先生，45歲，為東方表行有限公司銅鑼灣分行店務經理。彼於一九九三年加入本集團，具有逾14年鐘表業經驗。

陳長賢先生，66歲，負責瑞士表行有限公司九龍分行財務及行政事務。彼於一九七六年加入本集團，具有逾31年鐘表業經驗。

崔蔣榮先生，63歲，為東方表行有限公司油蔴地(彌敦道333號)分行店務經理。彼於一九九一年加入本集團，具有逾44年鐘表業經驗。

屈慶然先生，44歲，為東方表行有限公司油蔴地(彌敦道555號)分行店務經理。彼於二零零三年加入本集團，具有逾22年鐘表業經驗。

羅月華女士，54歲，為東方表行有限公司始創中心(彌敦道750號)分行店務經理。彼於一九九零年加入本集團，具有逾20年鐘表業經驗。

林東興先生，49歲，為東方表行有限公司尖沙咀分行店務經理。彼於二零零三年加入本集團，具有逾29年鐘表業經驗。

杜彩雲女士，40歲，為東方表行(澳門)有限公司店務經理。彼於二零零六年加入本集團，具有逾20年鐘表業經驗。

莊毅宏先生，35歲，為東方表行有限公司(銅鑼灣軒尼詩道488號)分行店務經理。彼於一九九二年加入本集團，具有逾15年鐘表業經驗。

Corporate Governance Report 企業管治報告

Corporate Governance Practices

The Company strives to attain and maintain the high standard of corporate governance as it believes that effective corporate governance are fundamental to enhancing shareholder value and safe guarding shareholder interests. The Company has accordingly adopted good corporate governance principles that emphasize a quality board of Directors (“the Board”), effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

The principles of corporate governance adopted by the Group emphasize a quality board, sound internal control, and transparency and accountability to all stakeholders.

Throughout the year ended 31st March 2007, the Company has complied with the code provisions prescribed in the Code on Corporate Governance Practices (“CG Codes”) set out in the Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) except for the deviation from the Code Provision A.4.1 which is explained in the following relevant paragraph.

Directors’ Securities Transactions

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors (“the Code”). Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Code for the year under review.

企業管治常規

本公司相信有效的企業管治是提升股東價值與保障股東權益的基本要素，因此致力達致與維持最高的企業管治水平。為此，本公司採納一套周全的企業管治原則，強調要有一個優秀的董事會（「董事會」）、有效的內部監控、嚴格的披露常規，以及對所有利益相關者的透明度和問責性。此外，本公司不斷改良該等常規，培養高度操守的企業文化。

本集團採納的企業管治原則著重要有一個優秀的董事會、健全的內部監控，以及對利益相關者的透明度和問責性。

於截至二零零七年三月三十一日止年度內，本公司一直遵守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，惟偏離守則條文A.4.1除外。上述偏離將於下文相關段落中說明。

董事之證券交易

本公司採納了上市規則附錄10所載標準守則，作為其董事進行證券交易之操守守則（「守則」）。經向各董事作出特別查詢後，本公司確認全體董事於本回顧年度內一直遵守守則所載之規定標準。

Corporate Governance Report 企業管治報告

The Board

Function and Composition of the Board

The Board is responsible for directing the strategic objectives of the Company and overseeing the management of the business. The Directors are charged with the task of promoting the success of the Company and making decisions in the best interest of the Company.

The Board, led by the Chairman, Mr. Yeung Ming Biu, approves and monitors Group wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Company ("Management"). Management is responsible for the day-to-day operations of the Group under the leadership of the Group Managing Director.

At 31st March 2007, the Board comprised ten Directors, including the Chairman, Group Managing Director, Group Finance Director, four Executive Directors and three Independent Non-executive Directors. Biographical details of the Directors are set out in the Directors and Senior Management Section on pages 7 to 8. The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business of the Group.

For a Director to be considered independent, the Board must determine that the Director does not have any direct or indirect material relationship with the Group. In determining the independence of Directors, the Board follows the requirements set out in the Listing Rules.

Chairman and Chief Executive

The Role of the Chairman is separate from that of Group Managing Director. Such division of responsibilities helps to reinforce their independence and accountability.

董事會

董事會職能及結構

董事會負責制訂本公司的策略目標，並監察業務的管理工作。董事負責促進本公司的業務成績，及作出符合本公司最佳利益的決策。

董事會在主席楊明標先生領導下，批准及監察本集團的整體策略和政策、批准年度預算和業務計劃、評估本公司表現以及監督管理層的工作。在本集團董事總經理帶領下，管理層負責本集團的日常運作。

於二零零七年三月三十一日，董事會由十名董事組成，包括主席、集團董事總經理、集團財務董事、四名執行董事和三名獨立非執行董事。各董事的個人資料載於第7頁至第8頁的「董事及高級管理層」一節內。董事會結構均衡，每名董事均具備與本集團業務有關之豐富知識、經驗及／或專長。

董事須經董事會確定與本集團並無任何直接或間接的重大關係，方會被視為具獨立性。董事會按照上市規則所載的規定，確定董事的獨立性。

主席及行政總裁

主席肩負有別於集團董事總經理的職責，以加強彼等的獨立性和問責性。

Corporate Governance Report 企業管治報告

The Board (Continued)

Chairman and Chief Executive (Continued)

The Chairman is responsible for providing leadership to, and overseeing the functions of, the Board to ensure that the Board acts in the best interest of the Group and the Board meetings are planned and conducted effectively. The Chairman is responsible for approving the agenda of each Board meeting, taking into account, where appropriate, matters proposed by Directors for inclusion in the agenda. With the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly informed on issues arising at Board meetings and provided with adequate and accurate information in a timely manner. The Chairman also actively encourages Directors to be fully engaged in the Board's affairs and make contribution to the Board's functions. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders.

The Group Managing Director, Mr. Yeung Him Kit, Dennis, is responsible for managing business of the Group, attending to the formulation and successful implementation of the Group policies and assuming full accountability to the Board for all Group operations. Acting as the principal manager of the Group's business, the Group Managing Director attends to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and is directly responsible for maintaining the operational performance of the Group. Working with the other Executive Directors and the executive management team of each core business divisions, he ensures that the Board is fully apprised of the funding requirements of the business of the Group and presents annual budgets to the Board for consideration and approval. With the assistance of the Group Finance Director, the Group Managing Director sees to it that the funding requirements of the business are met and he closely monitors the operating and financial results of the business against plans and budgets, taking remedial action when necessary. He maintains an ongoing dialogue with the Chairman and all Directors to keep them fully informed of all major business development and issues. He is also responsible for building and maintaining an effective team to support him in his role.

董事會 (續)

主席及行政總裁 (續)

主席負責領導與監管董事會的運作，確保董事會以符合本集團最佳利益的方式行事，以及有效地規劃和進行董事會會議。主席負責批准每次董事會會議的議程，當中適當考慮董事建議列入議程的事項。在執行董事和公司秘書協助下，主席將確保所有董事獲簡報在董事會會議上提出的問題，並適時獲提供足夠與準確的資訊。主席也積極鼓勵董事全面參與董事會的事務以及對董事會的職能作出貢獻。在主席的領導下，董事會已採納良好的企業管治常規和程序，並採取適當步驟與股東保持有效溝通。

集團董事總經理楊衍傑先生，負責管理本集團的業務，以及制訂與實施本集團政策，並就本集團整體營運向董事會負上全責。作為本集團業務的主要管理人，集團董事總經理負責制訂反映董事會所訂長遠目標與優先事項的策略性營運計劃，同時直接負責維持本集團的營運表現。集團董事總經理與其他執行董事和各核心業務部門的行政管理隊伍通力合作，確保董事會全面了解本集團業務的資金需求，並提呈年度預算供董事會審批。在集團財務董事協助下，集團董事總經理確保業務的資金需求得到充足供應，同時根據計劃與預算密切監察業務的營運與財務業績，必要時採取補救措施。集團董事總經理與主席和全體董事保持溝通，確保彼等充分了解所有重大的業務發展與事情，亦負責建立與維持高效率的行政隊伍以支持其履行職責。

Corporate Governance Report 企業管治報告

The Board (Continued)

Independent Non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, there are three Independent Non-executive Directors representing nearly one-third of the Board of Directors. Among the three Independent Non-executive Directors, one of them have appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from each of the Independent Non-executive Directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company based on such confirmation, considers Dr. Sun Ping Hsu, Samson, Dr. Li Sau Hung, Eddy and Mr. So Kai Lau, Peter to be independent.

Directors' Appointment, Re-election and Removal

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.

董事會 (續)

獨立非執行董事

為符合上市規則第3.10(1)條，本集團有三名獨立非執行董事，約佔三分之一董事會成員。該三名獨立非執行董事中，其中一名具備上市規則第3.10(2)條所規定有關會計或有關財務管理專業之適當專業資格。

本公司已接獲各獨立非執行董事根據上市規則第3.13條有關其獨立性之書面確認書。根據該確認書，本公司認為孫秉樞博士、李秀恒博士及蘇啟鏐先生為獨立人士。

董事之委任、重選及罷免

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重訂獨立非執行董事之委任之指定年期。

Corporate Governance Report 企業管治報告

The Board (Continued)

Board Meetings and Practices

The Board meets regularly, and at least four times a year, and the Board will also meet on other occasions when a board-level decision on a particular matter is required. Between scheduled meetings, senior management of the Group provides information to Directors on a regular basis on the activities and development in the business of the Group. Throughout the year, Directors participate in the consideration and approval of routine and operational matters of the Company by way of circular resolutions with supporting explanatory materials, supplemented by additional verbal/written information or notification from the Company Secretary and other executives as when required. Details of material or notable transactions of subsidiary companies are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held.

The Directors will receive details of agenda items for decision and minutes of committee meeting in advance of each Board meeting. With respect to regular meeting of the Board, Directors receive written notice of the meeting at least 14 days in advance and agenda with supporting Board papers no less than 3 days prior to the meetings. With respect to the other meetings, Directors are given as much as notice as is reasonable and practicable in the circumstances.

The Company Secretary, Mr. Lam Hing Lun, Alain is responsible to the Board for ensuring that the Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through the adherence to proper Board processes and the timely preparation and dissemination to Directors and Board Committees comprehensive Board agendas and papers.

董事會 (續)

董事會會議及常規

董事會須每年舉行最少四次會議，董事會亦將於其他須董事會就特定事宜作出決策之情況下舉行會議。在編定會期的會議之間，集團高級管理人員會定時向董事提供有關集團活動和業務發展的資料。年內各董事透過傳閱附有理據說明材料的決議案，及需要時由公司秘書與其他行政人員提供額外口頭及／或書面補充資料或通報，參與考慮與批核本公司的日常及營運事宜，有關附屬公司的重大或顯要交易的詳細資料，亦會適時提供予各董事。在需要時，並會舉行額外的董事會議。

董事將於各董事會會議舉行前接獲將討論之議程事項詳情及委員會會議之會議紀錄。有關董事會的定期會議，各董事至少在十四天前接獲書面的會議通告，並至少於會議日期前三天獲發送議程與相關董事會文件。有關其他會議，亦視乎情況給予董事合理通知期。

公司秘書林慶麟先生向董事會負責，以確保遵守董事會活動有效率及有效地進行。該等目標乃透過嚴謹遵守董事會程序及編製及發送董事會會議議程及文件予董事及董事會各委員而得以達成。

Corporate Governance Report 企業管治報告

The Board (Continued)

Board Meetings and Practices (Continued)

The Company Secretary is responsible for ensuring that the Board is fully apprised of all legislative, regulatory and corporate governance developments relating to the Group and that it takes these into consideration when making decisions for the Group. The Company Secretary is also directly responsible for the Group's compliance with all obligations of the Listing Rules including publications and dissemination of annual reports and interim reports within the periods laid down in the Listing Rules, timely dissemination to shareholders and the market of announcement and information relating to the Group and assisting in the notification of Directors' dealings in securities of the Group.

The Company Secretary advises the Directors on their obligations for disclosure of interests in securities, connected transactions and price-sensitive information and ensures that the standards and disclosures required by the Listing Rules are observed and, where required, reflected in the annual report.

In relation to connected transactions, regular seminars are conducted for legal counsels and executives from business units within the Group to ensure that such transactions are handled in compliance with the Listing Rules. Details analyses are performed on all potential connected transactions to ensure full compliance and for Directors' considerations.

Any Director wishing to do so in the furtherance of his or her duties, may take independent professional advice at the Company's expense. Directors are encouraged to update their skills, knowledge and familiarity with the Group through their initial induction, ongoing participation at Board and Committee meetings, and through meeting with key members of the Management.

董事會 (續)

董事會會議及常規 (續)

公司秘書負責確保董事會獲得全面報告一切與集團有關之立法、規管和企業管治的發展，並於作出有關集團的決策時加以考慮。公司秘書亦直接負責確保集團遵照上市規則所規定的所有責任，包括於上市規則規定的期限內出版和發送年報與中期報告，及時向股東與市場傳達有關集團的公佈與資料，並協助董事買賣集團證券時發出通知。

公司秘書就董事披露證券權益、關連交易和股價敏感資料方面的責任向他們提供意見，並確保上市規則規定的標準與資料披露獲得遵守，以及有需要時於年報中反映。

集團定期向集團內各業務單位之律師與行政人員舉行關於關連交易之研討講座，以確保關連交易的處理方式符合上市規則規定。所有潛在關連交易均會進行詳細分析，確保完全符合規例，並提呈董事考慮。

任何董事如擬尋求獨立專業意見以充分履行其職責，均可尋求有關意見，費用概由本公司承擔。透過入職簡介、持續參與董事會及委員會會議及與主要管理人員舉行會議，本公司鼓勵董事提升其技能與知識，並加深對本集團之了解。

Corporate Governance Report 企業管治報告

The Board (Continued)

Board Meetings and Practices (Continued)

During the year ended 31st March 2007, Board meetings and Directors attendance records for the meetings held are set out below:

董事會 (續)

董事會會議及常規 (續)

於截至二零零七年三月三十一日止年度內，董事會會議及各董事於會議之出席紀錄載列如下：

Directors' Attendance 董事出席率

Executive Directors

Mr. Yeung Ming Biu⁽¹⁾ — *Chairman*
Mr. Yeung Him Kit, Dennis⁽¹⁾ — *Group Managing Director*
Mr. Chan Che Kwong, William (*resigned on 2nd April 2007*)
Mr. Fung Kwong Yiu
Madam Yeung Man Yee, Shirley⁽¹⁾
Mr. Lam Hing Lun, Alain — *Group Finance Director*
Mr. Choi Kwok Yum

執行董事

楊明標先生⁽¹⁾ — 主席 6/6
楊衍傑先生⁽¹⁾ — 集團董事總經理 6/6
陳志光先生 (在二零零七年四月二日辭任) 6/6
馮廣耀先生 4/6
楊敏儀女士⁽¹⁾ 6/6
林慶麟先生 — 集團財務董事 6/6
蔡國欽先生 2/6

Non-Executive Directors

Dr. Sun Ping Hsu, Samson
Dr. Li Sau Hung, Eddy
Mr. So Kai Lau, Peter

非執行董事

孫秉樞博士 4/6
李秀恒博士 4/6
蘇啟鑾先生 4/6

Notes:

(1) Mr. Yeung Bing Biu is the father of Mr. Yeung Him Kit, Dennis and Madam Yeung Man Yee, Shirley.

附註：

(1) 楊明標先生為楊衍傑先生及楊敏儀女士之父。

Accountability and Audit

Directors' Responsibility for the Financial Statements and the Financial Reporting

The following statement, which set out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the Independent Auditor's Report on pages 38 to 39 which acknowledge the reporting responsibilities of the Group's Auditor.

問責性及核數

董事就財務報表及財務申報所承擔的責任

下文列出董事就財務報表所承擔的責任，與第38頁至39頁「獨立核數師報告」內本集團核數師確認其報告責任有所不同，但兩者應一併閱讀。

Corporate Governance Report 企業管治報告

Accountability and Audit (Continued)

Directors' Responsibility for the Financial Statements and the Financial Reporting (Continued)

Annual Report and Accounts

The Directors acknowledge their responsibility for preparation of the Annual Report and financial statements of the Company to ensure that the financial statements give a true and fair presentation in accordance with Hong Kong Companies Ordinance and the applicable accounting standards.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group applies appropriate accounting policies that are consistently applied and makes judgements and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the Group's accounting policies.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

Going Concern

The Directors, having made appropriate enquires, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparation the financial statements.

問責性及核數 (續)

董事就財務報表及財務申報所承擔的責任 (續)

年報及賬目

董事確認其編製集團年報及財務報表的責任，他們確保此等財務報表均真實與公平地反映情況，並根據香港公司條例與適用之會計準則編製。

會計政策

董事認為，集團在編製財務報表時應用一貫採納的適當會計政策，並根據適用的會計準則作出合理及審慎的判斷與估計。

會計紀錄

董事負責確保集團保存可披露集團財政狀況的賬目記錄，讓集團得以按照集團的會計政策編製財務報表。

保護資產

董事負責採取一切合理而必要的措施保護集團資產，並防範與查察集團內的詐騙行為與其他違規事項。

持續營運

經作出適當查詢後，董事認為本集團擁有足夠資源在可見未來繼續營運，因此適宜採納持續營運的基準來編製財務報表。

Corporate Governance Report 企業管治報告

Accountability and Audit (Continued)

Auditor's Remuneration

The Board is satisfied with Deloitte in respect of the audit fees they charged, the process and its effectiveness of the audit and has resolved to recommend their reappointment as the Company's external auditor at the forthcoming Annual General Meeting.

During the financial year, the services provided by, and the associated remuneration paid to Deloitte were as follows:

| | | HK\$'000 千港元 |
|----------|----|-----------------|
| Audit | 審計 | 1,500 |
| Taxation | 稅務 | 120 |
| | | 1,620 |

Board Committees

Audit Committee

The Audit Committee comprises all Independent Non-executive Directors who possess the appropriate business and financial management experience and skills to understand financial statements and internal controls. It is chaired by Dr. Sun Ping Hsu, Samson with Dr. Li Sau Hung, Eddy and Mr. So Kai Lau, Peter as members.

Under the term of reference of the Audit Committee, it is required to oversee the relationship between the Company and its external auditor, review the Group's preliminary results, interim results and annual financial statements, monitor compliance with statutory and Listing Rules requirements, review the scope, extent and effectiveness of the activities of the Group's internal audit functions, engage independent legal or other advisers as it determines is necessary and perform investigations.

The terms of reference of the Audit Committee adopted by the Board are published on the Group's website.

問責性及核數 (續)

核數師酬金

董事會信納德勤•關黃陳方會計師行有關其所收取之核數費用、審計過程及其有效性，並議決建議於應屆股東週年大會上續聘其出任本公司之外聘核數師。

於本財政年度內，德勤•關黃陳方會計師行提供之服務及向其支付之相關酬金如下：

| | | HK\$'000 千港元 |
|----------|----|-----------------|
| Audit | 審計 | 1,500 |
| Taxation | 稅務 | 120 |
| | | 1,620 |

董事委員會

審核委員會

審核委員會包括全體獨立非執行董事，彼等均具備了解財務報表及內部監控所需的適當商業與財務經驗與技巧。委員會由孫秉樞博士擔任主席，其他成員為李秀恒博士及蘇啟鑒先生。

根據審核委員會的職權範圍，委員會的職責包括監察與外聘核數師的關係、審閱本集團的初步業績、中期業績與年度財務報表、監察對法定與上市規則規定的遵守情況、審訂本集團內部審核職能的工作範疇、規限與效益、在認為有需要時委聘獨立的法律或其他顧問，以及進行調查。

董事會所採納的審核委員會職權範圍登載於本集團網站。

Corporate Governance Report 企業管治報告

Board Committees (Continued)

Audit Committee (Continued)

During the year ended 31st March 2007, 4 meetings were held. The attendance records for the audit committee meetings are set out below:

董事委員會 (續)

審核委員會 (續)

於截至二零零七年三月三十一日止年度內舉行了4次會議，審核委員會會議之出席紀錄載列如下：

Directors' Attendance 董事出席率

Members of the Audit Committee

Dr. Sun Ping Hsu, Samson
Dr. Li Sau Hung, Eddy
Mr. So Kai Lau, Peter

審核委員會成員

| | |
|-------|-----|
| 孫秉樞博士 | 4/4 |
| 李秀恒博士 | 4/4 |
| 蘇啟鑾先生 | 4/4 |

Financial Statements

The Audit committee meets with the Group Finance Director and other senior management of the Group from time to time to review the interim and final results and the Interim Report and Annual Report of the Group. It considers and discusses the reports and presentations of Management, the Group internal and external auditor, with a view of ensuring that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong. It also meets the Group's external auditor, Deloitte, to consider their reports on the scope and outcome of their independent review of the interim financial report and on their annual audit of the consolidated financial statements.

財務報表

審核委員會就審閱集團的中期業績、末期業績、中期報告及年報，不時與集團財務董事及集團其他高級管理人員舉行會議。委員會考慮與討論管理層、集團內部及外聘核數師之報告與所提交的資料，以確保集團的綜合財務報表按照香港普遍採納的會計原則編製。委員會並與集團的主要外聘核數師德勤•關黃陳方會計師事務所(「德勤」)舉行會議，以考慮德勤就獨立審核中期財務報告的範疇和結果而提交的報告以及其對綜合財務報表的年度審核報告。

External Auditor

The Audit Committee reviews and monitors the external auditor's independence and objectively and the effectiveness of the audit process. It has received representing from Deloitte of their independence and objectively and holds meetings with Deloitte to consider the scope of their audit, approve the fees thereon, and the scope and appropriateness of non-audit services, if required, to be provided by them. The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditor.

外聘核數師

審核委員會審閱及監察外聘核數師之獨立性和客觀性，以及審核過程的有效性。委員會每年檢閱由德勤發出確認其獨立性與客觀性的函件，並與德勤舉行會議，以考慮其審核範疇、批准其收費，並審批將由該事務所提供的任何非審計服務(如有)的範疇及其適當性。審核委員會並就外聘核數師的委任與續聘事宜向董事會提交建議。

Corporate Governance Report 企業管治報告

Board Committees (Continued)

Audit Committee (Continued)

External Auditor (Continued)

The Group's policy regarding the engagement of Deloitte for various services listed below is as follows:

- Audit services — includes audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by external auditor.
- Audited related services — included services that would normally be provided by an external auditor but not generally included in audit fees, for example, audit of the Group's pension plans, due diligence and accounting advice related to mergers and acquisitions, internal control reviews of systems and/or process, issuance of special audit reports for tax purposes (if any). The external auditor are to be invited to undertake these services that they must or are best placed to undertake in their capacity as auditor.
- Taxation related services — includes all tax compliance and tax planning services except for those services which are provided in connection with the audit. The Group uses the services of the external auditor where they are best suited. All other significant taxation related work may be undertaken by other parties as appropriate.
- Others services — includes, for example audit or reviews of third parties to assess compliance with contracts, risk management diagnostics and assessments, and non-financial system consultations (if any). The external auditor is also permitted to assist management and the Group's internal auditors with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services — the external auditor is not eligible to provide services involving general consulting work including accountancy services.

董事委員會 (續)

審核委員會 (續)

外聘核數師 (續)

本集團按下列政策委聘德勤•關黃陳方會計師行提供下文所列各類服務：

- 審計服務 — 包括與審核綜合財務報表有關的審計服務。所有此等服務須由外聘核數師提供。
- 與審計有關的服務 — 包括一般由外聘核數師提供，但一般不包括在核數費用在內的服務，例如審核本集團的退休計劃、與併購活動有關的盡職審查與會計意見、對制度及／或程序進行內部監控檢討，以及就稅務目的(如有)發表特別審核報告等。本集團邀請外聘核數師提供其作為核數師必須提供或最能勝任的服務。
- 與稅務有關的服務 — 包括所有稅務循規與規劃服務，但不包括與審計有關的服務。本集團委聘外聘核數師提供其最能勝任的服務，而所有其他重要的稅務相關工作則由其他適當人士執行。
- 其他服務 — 包括例如審計或檢討第三方的資料以評估合約遵守情況、風險管理分析與評估，以及不涉及財務制度的顧問服務(如有)等。外聘核數師並可協助管理層與本集團內部核數師進行內部調查與查察懷疑的違規事項。此等服務須由審核委員會特別通過。
- 一般顧問服務 — 外聘核數師不符合資格提供一般的顧問服務，包括會計服務。

Corporate Governance Report 企業管治報告

Board Committees (Continued)

Audit Committee (Continued)

Review of Risk Management and Internal Control

The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective system of internal control. It reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed. In addition, it review with the Group's internal auditors the work plan for their audit together with their resources requirements and consider the report to the Audit Committee on the effectiveness of internal controls in the Group business operations.

These reviews and reports are taken into consideration by the Audit Committee when it makes its recommendations to the Board for approval of the consolidated financial statements for the year.

Remuneration Committee

The Remuneration Committee comprises three members, including two Independent Non-executive Directors, namely Dr. Sun Ping Hsu, Samson and Dr. Li Sau Hung, Eddy and a Managing Director, Mr. Yeung Him Kit, Dennis. Dr. Sun Ping Hsu, Samson is the chairman of the Committee. The Committee meets for the determination of the remuneration package of Directors and senior management of the Group. In addition, the Committee also meets as and when required to consider remuneration related matters.

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objectives of attracting, retaining and motivating people of the highest calibre and experience needed to shape and execute strategy across the Group's substantial business operations. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies including assessing the performance of Directors and senior executive of the Group and determining their remuneration packages. The terms of reference of the Remuneration Committee adopted by the Board are published on the Group's Website.

董事委員會 (續)

審核委員會 (續)

風險管理及內部監控的檢討

委員會協助董事會達到維持有效的內部監控制度之責任。委員會檢討本集團對其監控環境與風險管理的評估程序，以及對業務與監控風險的管理方式。此外，委員會與本集團內部核數師審閱其審核工作計劃和所需的資源，並審議本集團內部核數師就本集團業務營運的內部監控成效向委員會所提交的報告。

委員會根據此等檢討結果與報告，就批核年度綜合財務報表向董事會提出建議。

薪酬委員會

委員會由三名成員組成，包括兩名獨立非執行董事孫秉樞博士、李秀恒博士及董事總經理楊衍傑先生。委員會由孫秉樞博士擔任主席。委員會舉行會議以釐定本集團董事與高級管理層的薪酬待遇。此外，委員會將按需要舉行會議，以審議與薪酬相關事宜。

薪酬委員會的責任是協助董事會達成其目標，以吸引、挽留與激勵最有才能和經驗的人才，為本集團旗下規模龐大業務制訂與執行策略。委員會將協助本集團執行公平而具透明度的程序，用以制訂本集團董事與高級管理層的薪酬政策(包括評估本集團董事與高級行政人員的表現)並釐定其薪酬待遇。薪酬委員會的職權範圍已獲董事會採納，並已登載於本集團網站。

Corporate Governance Report 企業管治報告

Board Committees (Continued)

Remuneration Committee (Continued)

The remuneration of Directors and senior executives is determined with reference to the performance and profitability of the Group as well as remuneration benchmarks from other local and/or international companies prevailing market conditions. Directors and employees also participate in bonus arrangement determined in accordance with the performance of the Group and the individual's performance.

During the financial year ended 31st March 2007, 1 remuneration committee meeting has been held. Throughout the financial year, all members of the Remuneration Committee have reviewed background information on market data, the Group's business activities, human resources issues, and headcounts and staff costs. The Remuneration Committee has also reviewed and approved the proposed director fees for year ended 31st March 2006, year end bonus and remuneration packages of Executive Directors and senior management of the Company for the year ended 31st March 2007 and made recommendations to the Board on the directors' fees for Independent Non-executive Directors, however, do not participate in the determination of their own remunerations.

Nomination of Directors

The Company has not established a nomination committee. However, Executive Directors identify potential new directors and recommend to the Board for decision. The Board considers potential directorship based on the candidate's qualifications, business experience and suitability to the Company. During the financial year ended 31st March 2007, no nomination meeting has held.

董事委員會 (續)

薪酬委員會 (續)

董事與高級行政人員的薪酬根據本集團本身的表現和盈利，並參考其他本港及／或國際公司的薪酬指標與市況釐定。董事與僱員亦參與按本集團與個人表現釐定的花紅安排。

截至二零零七年三月三十一日止財政年度內，薪酬委員會並舉行一次會議。年內薪酬委員會所有委員審閱市場數據的背景資料、集團業務活動與人力資源事宜，以及僱員人數與員工成本。於年底前，委員會審議與批核有關二〇〇六年的董事袍金、年終花紅，以及本公司執行董事與高級管理人員二〇〇七年薪酬待遇的建議，並向董事會建議非執行董事的袍金。惟執行董事並無參與釐定其本身的薪酬。

董事提名

本公司並無成立提名委員會。然而，執行董事識別潛在之新董事，並向董事會提出建議以便作出決定。董事會按人選資歷、業務經驗及對本公司之適合性考慮出任董事之潛力。於截至二零零七年三月三十一日止年度內，並無舉行提名會議。

Corporate Governance Report

企業管治報告

Internal Control and Group Risk Management

Introduction

The Board has overall responsibility for the Group's system of internal control and assessment and management of risks.

In meeting its responsibilities, the Board seeks to increase risk awareness across the Group's business operations and has put in place policies and procedures, including parameters of delegated authority, which provide a framework for the identification and management of risks. It also reviews and monitors the effectiveness of the systems of internal control to ensure that the policies and procedures in place are adequate. Reporting and reviewing activities include review by the Executive Directors and the Board and approval of detailed operational and financial reports, budgets and plans provided by the management of the business operations, review by the Board of actual results against budgets, review by the Audit Committee of the ongoing work of internal audit function and risk management function, as well as regular business review by Executive Directors and the executive management team of each core business division.

Whilst these procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement errors, losses or fraud.

Internal Control Environment

The Board is overall responsible for monitoring the operations of the business within the Group. Executive Directors are appointed to the Board of all material operating subsidiaries for monitoring of the operations of those companies, including attendance at Board meetings, review and approval of business strategies, budgets and plans, and setting of key business performance targets. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies and similarly the management of each business is accountable for its conduct and performance.

內部監控及集團風險管理

簡介

董事會全權負責本集團的內部監控制度，以及評估與管理風險。

董事會履行職責，尋求提升對本集團旗下各業務營運的風險意識，並透過制訂政策和程序，包括界定授權的標準，藉以建立一個有助確定與管理風險的架構。董事會並檢討與監察內部監控制度的成效，以確保現有政策與程序足以應付需要。匯報與審閱工作包括由執行董事與董事會審批管理層提交的詳盡營運與財務報告、預算和計劃；由董事會對照預算及實際業績；由審核委員會審閱內部審計職能與風險管理職能的持續工作；以及由執行董事與每個核心業務部門的行政管理隊伍定期進行業務檢討。

儘管上述程序旨在確定與管理可能對本集團實現業務目標有不利影響的風險，但並未對重大失實陳述、錯失、損失或詐騙提供絕對保證。

內部監控環境

董事會全權負責監察本集團旗下業務單位的運作。執行董事獲委任加入所有經營重大業務的附屬公司的董事會，以監察此等公司的運作，包括出席其董事會會議、審批業務策略、預算和計劃，以及制訂主要的業務表現指標。每個核心業務部門的行政管理隊伍對其部門內每項業務在協定策略範圍內的營運與表現承擔問責。同樣地，每項業務的管理層亦須為其業務運作與表現承擔問責。

Corporate Governance Report 企業管治報告

Internal Control and Group Risk Management (Continued)

Internal Control Environment (Continued)

The Group's internal control procedures include a system for reporting information to the executive management teams of each core business and the Executive Directors.

Business plans and budgets are prepared annually by the management of individual businesses and subject to review and approval by Executive Directors. Executive Directors review the differences to the budget and for approval. When setting budgets, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The Executive Directors review monthly management reports on the financial results and key operating statistics of each business and hold regular meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant risk sensitivities and strategies. In addition, Group Finance Director and members of his finance team review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group Finance Director has established guidelines and procedures for approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval level for such expenditures being set by reference to the level of responsibility of each executive officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specific control and approval prior to commitment by the Group Finance Director or Executive Directors are required for unbudgeted expenditures and material expenditures within the approval budget. Reports of actual versus budgeted and approved expenditures are also regularly reviewed.

內部監控及集團風險管理 (續)

內部監控環境 (續)

本集團的內部監控程序包括一個報告制度，以向每個核心業務部門的行政管理隊伍與執行董事匯報資料。

業務計劃與預算由個別業務的管理層按年編製，並須由執行董事審批。執行董事檢討與預算的差異並作出審批。在編製預算時，管理層確定、評估與匯報業務蒙受重大風險的可能性與其潛在的財務影響。

執行董事審閱涵蓋每項業務的財務業績與主要營運統計數字的每月管理報告，並定期與行政管理隊伍與業務營運之高級管理層舉行會議，以檢討此等報告、業務表現與預算的比較、業務預測與重大業務風險因素與策略。此外，集團財務董事每月與其財務小組成員舉行會議，以對照預算和預測來檢討每月表現，以及處理會計與財務相關事宜。

集團財務董事已為開支的批准與控制訂立指引與程序。營業支出均須根據整體預算作出監管，並由各個業務按與每名行政人員及主任的職責輕重相稱的開支批核水平進行內部監控。資本性支出須按照年度預算審訂與批核程序進行全面監控，在經批核預算之內未列入預算案的開支以及重大資本性支出，則須於投入之前由集團財務董事或執行董事作出更具體的監管與批核。比較實際開支與預算及經批核的開支的報告亦會定期審閱。

Corporate Governance Report 企業管治報告

Internal Control and Group Risk Management (Continued)

Internal Control Environment (Continued)

Internal audit department reporting to the Group Finance Director and Managing Director on regular basis and also directly to the Audit Committee if necessary, provides independent assurance as to the existence and the effectiveness of the risk management activities and controls in the Group's business operations. Using risk assessment methodology and taking into account the dynamics of the Group activities, internal audit derives its yearly audit plan which is reviewed by the Audit Committee, and reassessed during the year as needed to ensure that adequate resources are deployed and the plan's objectives are met. Internal audit is responsible for assessing the Group's internal control system, formulating an impartial opinion on the system, and reporting its findings to the Group Finance Director, Group Managing Director and the Audit Committee as well as following up on all reports to ensure that all issues have been satisfactorily resolved. In addition, a regular dialogue is maintained with the Group's external auditor so that both are aware of the significant factors which may affect their respective scopes of work.

Depending on the nature of business and risk exposure of individual business units, the scope of the work performed by the internal audit function includes financial and operations review, recurring and surprise audits, fraud investigation and productivity effectively reviews.

Reports from the external auditor on internal controls and relevant financial reporting matters, if any, are presented to the Group Finance Director and the relevant management team. These reports are reviewed and the appropriate actions taken.

內部監控及集團風險管理 (續)

內部監控環境 (續)

集團內部審核部門須按時向集團財務董事及董事總經理匯報其職務，並須直接向審核委員會負責(如必要)，就本集團業務的風險管理活動與監控提供運作與效益方面的獨立保證。內部審核部門運用風險評估方法與考慮本集團業務運作機制，制訂其週年審核計劃。該計劃由審核委員會審議，並在需要時於年內重新評估，確保有足夠資源可供運用與計劃目標得以實現。內部審核部門負責評估本集團內部監控制度，就制度提供公正無私意見，並將評估結果向集團財務董事、集團董事總經理及審核委員會匯報，同時負責跟進所有報告，確保所有問題已獲得圓滿解決。此外，內部審核部門還會與本集團的外聘核數師定期溝通，讓雙方了解可能影響其相關工作範圍的重大因素。

視乎個別業務單位的業務性質與承受的風險，內部審計職能的工作範圍包括財務與營運審訂、經常性與突擊審核、詐騙調查，以及生產力效率審閱等。

外聘核數師向負責集團內部審計職能的報告，並按需要向集團財務董事與相關管理隊伍提交有關內部監控與相關事宜的報告。該等報告會被審閱及採取適當行動。

Corporate Governance Report 企業管治報告

Internal Control and Group Risk Management (Continued)

Group Risk Management

The Group Managing Director and the Group Finance Director have the responsibility of developing and implementing risk mitigation strategies including the deploying of insurance to transfer the financial impact of risks. The Group Finance Director is responsible for arranging appropriate insurance coverage.

Review of Internal Control Systems

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's internal control system for the year ended 31st March 2007 covering all material financial, operational and compliance controls and risk management functions, and is satisfied that such system are effective and adequate.

Communication with Investors and Shareholders

The Board recognizes the importance of maintaining clear, timely and effective communication with the shareholders of the Company and investors. Therefore, the Board and the Group's senior Management maintain close communications with investors, analysts, fund managers and the media by various channels including interviews and meetings. The Group specially assigns Mr. Lam Hing Lun, Alain, Group Finance Director, being the contact person of investor relations to respond the requests of information and queries from the investors.

The Board also welcomes the view of shareholders on matters affecting the Group and encourages them to attend shareholders' meeting to communicate with the Board or Management directly.

內部監控及集團風險管理 (續)

集團風險管理

集團董事總經理與集團財務董事有責任制訂與執行紓緩風險的策略，包括運用保險安排轉移財務風險。集團財務董事負責作出適當的保險安排。

檢討內部監控制度

董事會已透過審核委員會檢討截至二〇〇七年三月三十一日止年度的集團內部監控制度成效，包括所有重大財務、營運與規管控制及風險管理職能，並滿意此等制度為有效與足夠。

投資者及股東通訊

董事會深明與本公司股東及投資者維持清晰、適時及有效通訊之重要性。因此，董事會及本集團之高級管理層透過個人訪問及會議等多種不同渠道與投資者、分析員、基金經理及傳媒維持緊密通訊。本集團特別委派集團財務董事林慶麟先生作為投資者關係之聯絡人，以回應投資者有關索取資訊之要求與查詢。

董事會亦歡迎股東就對本集團構成影響之事宜表達意見，並鼓勵彼等出席股東大會，直接與董事會或管理層溝通。

Corporate Governance Report 企業管治報告

Shareholder's Right

The Board is committed to providing clear and full performance information of the Group to the shareholders through publication of notices, announcements, circulars, interim and annual reports. In addition to dispatching circulars, notices, financial reports to shareholders, additional information is also available to the shareholders on the Group's website.

Shareholders are encouraged to attend all general meeting of the Company, such as the annual general meeting for which at least 21 days' notice is given and at which the Chairman and Directors are available to answer questions on the Group's business. All shareholders have statutory right to call for extraordinary general meeting and put forward agenda items for consideration by shareholders by sending to the Company Secretary at the registered office a written request for such general meeting together with the proposed agenda items. All substantial resolutions at the general meeting are decided on a poll. The poll is conducted by the Group's Share Registrars and the results of the poll are published on the local newspapers. Financial and other information is made available on the Group's website, which is regularly updated.

股東權益

董事會透過刊印中期與年度報告，致力為股東提供清晰及全面的集團業績資料。股東除獲寄發通函、通告與財務報告外，亦可登入本集團網站取得更多資料。

本集團鼓勵股東出席本公司所有股東大會，例如給予最少21日通知的股東週年大會。主席與董事均出席大會，以解答有關本集團業務的提問。全體股東均有法定權力可提出要求召開股東特別大會並提出議程以供股東考慮，股東只須致函本公司註冊辦事處，向公司秘書提出召開該股東大會之要求及說明所建議討論的議程即可。本集團網站並登載定期更新的財務與其他資料。

Directors' Report 董事會報告

The directors present their annual report and the audited financial statements for the year ended 31st March 2007.

Principal Activities

The Company acts as an investment holding company as well as engaged in watch trading. The principal activities of its principal subsidiaries are set out in note 30 to the financial statements.

Results and Dividends

The results of the Group for the year are set out in the consolidated income statement on page 40.

An interim dividend of 2.5 Hong Kong cents per share was declared and paid to the shareholders during the year. A final dividend of 5.5 Hong Kong cents per share being proposed by the directors is subject to approval by the shareholders in the forthcoming annual general meeting.

Reserves

As at 31st March 2007, the Company's reserves available for distribution consisted of contributed surplus of HK\$122,183,000 and retained profits of HK\$33,702,000.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

董事會謹此提呈本公司截至二零零七年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為投資控股公司並從事鐘表貿易業務。其主要附屬公司之主要業務載於財務報表附註30。

業績及股息

本集團於本年度之業績載於第40頁之綜合收益表。

年內已向股東宣派及派付中期股息每股2.5港仙，而董事亦建議派付末期股息每股5.5港仙，但須待股東於應屆股東週年大會批准方可作實。

儲備

於二零零七年三月三十一日，本公司可供分派之儲備包括繳入盈餘122,183,000港元及保留溢利33,702,000港元。

根據百慕達一九八一年公司法（經修訂），本公司繳入盈餘之款項可用作分派。然而，在下列情況下，本公司不可由繳入盈餘中宣派或支付股息，或作出分派：

- (a) 本公司當時或在付款後無法償還到期債項；或
- (b) 本公司資產之可變現價值會低於其負債與其已發行股本及股份溢價賬之總額。

Directors' Report 董事會報告

Property, Plant and Equipment

During the year, the Group incurred approximately HK\$20.8 million on the acquisition of buildings and approximately HK\$12.2 million on the purchase of furniture, fixtures and equipment. Details of these and other movements in property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

Directors and Directors' Service Contracts

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Yeung Ming Biu (*Chairman*)
Yeung Him Kit, Dennis (*Managing Director*)
Chan Che Kwong, William (*Senior Director*)
(resigned on 2nd April 2007)
Fung Kwong Yiu
Yeung Man Yee, Shirley
Lam Hing Lun, Alain
Choi Kwok Yum

Independent non-executive directors:

Sun Ping Hsu, Samson, Dr.
Li Sau Hung, Eddy, Dr.
So Kai Lau, Peter

In accordance with Clause 87 of the Company's Bye-laws, Messrs. Lam Hing Lun, Alain and Choi Kwok Yum retire and, being eligible, offer themselves for re-election.

The term of office of each of the independent non-executive directors is the period up to his retirement as required by the Company's Bye-laws.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

物業、機器及設備

年內，本集團動用約20,800,000港元收購樓宇及動用約12,200,000港元購置傢俬、裝置及設備。有關詳情以及本集團之物業、機器及設備於年內之其他變動詳情載於財務報表附註13。

董事及董事服務合約

本公司於年內及截至本年報刊發日期之董事如下：

執行董事：

楊明標 (主席)
楊衍傑 (董事總經理)
陳志光 (資深董事)
(於二零零七年四月二日辭任)
馮廣耀
楊敏儀
林慶麟
蔡國欽

獨立非執行董事：

孫秉樞博士
李秀恒博士
蘇啟鑾

根據本公司之公司細則第87條，林慶麟及蔡國欽先生均須告退，惟符合資格並願膺選連任。

各獨立非執行董事之任期為直至其按照上述本公司之公司細則依章告退為止。

擬在應屆股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立本集團不作賠償(法定賠償除外)則不得於一年內終止之服務合約。

Directors' Report 董事會報告

Directors' Interests and Short Positions in Securities

As at 31st March 2007, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance ("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 of Hong Kong Limited (the "Stock Exchange") were as follows:

董事擁有之證券權益及淡倉

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，於二零零七年三月三十一日，本公司之董事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)之股份、相關股份及債券中擁有之權益及淡倉，或須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

| Name of director | 董事姓名 | Number of ordinary shares held | | | | Other interest | Total number of shares | Percentage of issued share the Company |
|---------------------------|-------|--------------------------------|-----------------|---------------------------------|---------------------------------|----------------|------------------------|--|
| | | Personal interest | Family interest | Corporate interest | 所持普通股數目 | | | |
| | | 個人權益 | 家族權益 | 公司權益 | 其他權益 | 股份總數 | 佔本公司已發行股本百分比 | |
| Yeung Ming Biu | 楊明標 | 10,787,260 | 6,000,000 | 96,800,000 | — | 113,587,260 | 41.3% | |
| | | | | <i>Note (a)</i> <i>附註(a)</i> | | | | |
| Yeung Him Kit, Dennis | 楊衍傑 | — | — | — | <i>Note (b)</i> <i>附註(b)</i> | — | — | |
| Chan Che Kwong, William | 陳志光 | 622,515 | — | — | <i>Note (c)</i> <i>附註(c)</i> | 622,515 | 0.2% | |
| Fung Kwong Yiu | 馮廣耀 | 1,803,152 | — | — | <i>Note (d)</i> <i>附註(d)</i> | 1,803,152 | 0.7% | |
| Yeung Man Yee, Shirley | 楊敏儀 | — | 167,547 | — | <i>Note (e)</i> <i>附註(e)</i> | 167,547 | 0.1% | |
| Sun Ping Hsu, Samson, Dr. | 孫秉樞博士 | — | — | 2,000,000 | — | 2,000,000 | 0.7% | |
| | | | | <i>Note (f)</i> <i>附註(f)</i> | | | | |

Notes:

附註：

(a) Mr. 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 is the beneficial owner of 55% 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 96,800,000 shares in the Company.

(a) 楊明標先生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 實益擁有 Furama Investments Limited 已發行股本 55%。Furama Investments Limited 實益擁有 Datsun Holdings Limited 已發行股本 80%。Datsun Holdings Limited 實益擁有 96,800,000 股本公司股份。

Directors' Report 董事會報告

Directors' Interests and Short Positions in Securities (Continued)

Notes: (Continued)

- (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. Chan Che Kwong, William is the beneficial owner of 10% of the issued share capital of Furama Investments Limited and 10% 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 294,365 shares in the Company.
- (d) Mr. Fung Kwong Yiu is the beneficial owner of 6% of the issued share capital of Real Champ Limited.
- (e) Madam Yeung Man Yee, Shirley is the beneficial owner of 7.5% of the issued share capital of Realtower Holdings Limited.
- (f) Dr. Sun Ping Hsu, Samson and his family members are beneficial owners of the entire issued share capital of Sun International Limited, which is the beneficial owner of 2,000,000 shares in the Company.

Save as disclosed above, the paragraph headed "Share option scheme and directors' rights to acquire shares or debentures", 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.

Share Option Scheme and Directors' Rights to Acquire Shares or Debentures

Pursuant to an ordinary resolution passed in the Company's special general meeting held on 3rd November 2003, the Company approved and adopted a Share Option Scheme.

董事擁有之證券權益及淡倉 (續)

附註：(續)

- (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) 陳志光先生分別實益擁有 Furama Investments Limited已發行股本10%及陳耀洪有限公司已發行股本10%。陳耀洪有限公司實益擁有Furama Investments Limited已發行股本25%，亦直接持有294,365股本公司股份。
- (d) 馮廣耀先生實益擁有Real Champ Limited已發行股本6%。
- (e) 楊敏儀女士實益擁有Realtower Holdings Limited已發行股本7.5%。
- (f) 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2,000,000股本公司股份。

除上文所披露者、「購股權計劃及董事購買股份或債券之權利」一段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，或須知會本公司及聯交所之權益或淡倉。

購股權計劃及董事購買股份或債券之權利

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，本公司已批准及採納購股權計劃。

Directors' Report 董事會報告

Share Option Scheme and Directors' Rights to Acquire Shares or Debentures (Continued)

The options of the Share Option Scheme may be granted to any director of the Company, employee, consultant, customer, supplier or advisor of the Company or a company in which the Company holds an interest or a subsidiary of such company (the "Eligible Persons"), the trustee of the Eligible Persons or a company beneficially owned by the Eligible Persons. The purpose of the Share Option Scheme is to attract and retain quality personnel and Eligible Persons to provide incentive to them to contribute to the business and operation of the Company. The total number of shares available for issue under the Share Option Scheme is 27,525,320 shares, representing 10% of the issued share capital of the Company as at the date of this report. 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, which shall not be more than 10 years from the date of grant. There is no general applicable minimum period for which the options must be held before it can be exercised. An offer of the grant of an option shall be opened for acceptance in writing received by the secretary of the Company for a period of 21 days from the Eligible Persons without paying any consideration upon the acceptance of the offer. The exercise price per share payable on the exercise of an option equals to the highest of:

- (a) 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 or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme;
- (b) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of grant; and
- (c) the nominal value of the share.

The Share Option Scheme is valid for a period of ten years commencing on the adoption date on 3rd November 2003.

購股權計劃及董事購買股份或債券之權利 (續)

購股權計劃之購股權可授予任何本公司之董事、僱員、顧問、客戶、本公司之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」)、合資格人士之信託人或合資格人士實益擁有之公司。購股權計劃旨在向優秀人才及合資格人士給予獎勵，以吸引彼等在本集團留任及對本公司之業務及經營作出貢獻。購股權計劃項下可供發行之股份總數為27,525,320股，佔本公司於本報告日期之已發行股本10%。根據聯交所證券上市規則(「上市規則」)，除非獲本公司股東批准，否則於任何十二個月期間內，合資格人士不得獲授予可認購股份數目(已發行及將予發行)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%之股份。行使期乃由董事釐定，惟不得超過自授出日期起計十年。購股權計劃並無設定購股權行使前必須持有之一般適用之最短期限。合資格人士可於提呈授予購股權當日起21日內以書面方式向本公司秘書表示是否接受該提呈，而於接受該提呈時毋須支付任何代價。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) 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或(如適用)根據購股權計劃不時調整之價格；
- (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) 股份面值。

購股權計劃自採納日期二零零三年十一月三日起計十年內有效。

Directors' Report 董事會報告

Share Option Scheme and Directors' Rights to Acquire Shares or Debentures (Continued)

A summary of the share options outstanding under the Company's share option scheme are as follows:

購股權計劃及董事購買股份或債券之權利 (續)

根據本公司購股權計劃授出之購股權概要如下：

| Name of director 董事姓名 | Date of grant 授出日期 | Exercisable period 可行使期間 | Exercise price per share 每股行使價 HK\$ 港元 | Number of share options and number of underlying shares 購股權數目及 相關股份數目 |
|--------------------------------|-----------------------------|--|--|---|
| | | | | At 1.4.2006 and at 31.3.2007 於二零零六年 四月一日及 於二零零七年 三月三十一日 |
| Yeung Ming Biu 楊明標 | 16.1.2004 二零零四年 一月十六日 | 16.1.2004 — 15.1.2014 二零零四年一月十六日至 二零一四年一月十五日 | 1.702 | 2,700,000 |
| Yeung Him Kit, Dennis 楊衍傑 | 16.1.2004 二零零四年 一月十六日 | 16.1.2004 — 15.1.2014 二零零四年一月十六日至 二零一四年一月十五日 | 1.702 | 2,700,000 |
| Chan Che Kwong, William 陳志光 | 16.1.2004 二零零四年 一月十六日 | 16.1.2004 — 15.1.2014 二零零四年一月十六日至 二零一四年一月十五日 | 1.702 | 2,700,000 |
| Fung Kwong Yiu 馮廣耀 | 16.1.2004 二零零四年 一月十六日 | 16.1.2004 — 15.1.2014 二零零四年一月十六日至 二零一四年一月十五日 | 1.702 | 2,700,000 |
| Yeung Man Yee, Shirley 楊敏儀 | 16.1.2004 二零零四年 一月十六日 | 16.1.2004 — 15.1.2014 二零零四年一月十六日至 二零一四年一月十五日 | 1.702 | 2,700,000 |
| Lam Hing Lun, Alain 林慶麟 | 16.1.2004 二零零四年 一月十六日 | 16.1.2004 — 15.1.2014 二零零四年一月十六日至 二零一四年一月十五日 | 1.702 | 2,700,000 |
| Choi Kwok Yum 蔡國欽 | 16.1.2004 二零零四年 一月十六日 | 16.1.2004 — 15.1.2014 二零零四年一月十六日至 二零一四年一月十五日 | 1.702 | 2,700,000 |
| | | | | 18,900,000 |

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable any director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

除上文所披露者外，本公司或其任何附屬公司於年內任何時間概無參與任何安排，致使本公司任何董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

Directors' Report

董事會報告

Substantial Shareholders

As at 31st March 2007, according to the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (not being a director of the Company) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company.

(1) Long position in shares of the Company

| Name of shareholder | 股東名稱 | Number of shares held | Percentage of issued share capital of the Company |
|----------------------------|----------------------------|-----------------------|---|
| | | | 佔本公司已發行股本百分比 |
| Datsun Holdings Limited | Datsun Holdings Limited | 96,800,000 | 35.2% |
| Furama Investments Limited | Furama Investments Limited | 96,800,000 | 35.2% |
| Realtower Holdings Limited | Realtower Holdings Limited | 96,800,000 | 35.2% |

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 96,800,000 shares in the Company which are held by Datsun Holdings Limited.

Messrs. Yeung Ming Biu, Yeung Him Kit, Dennis, Chan Che Kwong, William and Fung Kwong Yiu, Madam Yeung Man Yee, Shirley and Madam Au Po Kee (wife of Mr. Yeung Ming Biu) are deemed by the SFO to be interested in the shares of the Company beneficially owned by Datsun Holdings Limited in the manner described under the above paragraph headed "Directors' interests and short positions in securities".

(2) Short positions

Save as disclosed above, at 31st March 2007, the Company had not been notified of any other interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Part XV of the SFO.

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，於二零零七年三月三十一日，直接或間接擁有本公司任何類別股本面值5%或以上權益之人士（並非為本公司之董事）如下。

(1) 於本公司股份之好倉

| Name of shareholder | 股東名稱 | Number of shares held | Percentage of issued share capital of the Company |
|----------------------------|----------------------------|-----------------------|---|
| | | | 佔本公司已發行股本百分比 |
| Datsun Holdings Limited | Datsun Holdings Limited | 96,800,000 | 35.2% |
| Furama Investments Limited | Furama Investments Limited | 96,800,000 | 35.2% |
| Realtower Holdings Limited | Realtower Holdings Limited | 96,800,000 | 35.2% |

Realtower Holdings Limited 擁有 Furama Investments Limited 已發行股本 55%，Furama Investments Limited 則擁有 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 96,800,000 股本公司股份權益。

由於 Datsun Holdings Limited 以上文「董事擁有之證券權益及淡倉」一段所述之形式實益擁有本公司股份，故根據證券及期貨條例，楊明標先生、楊衍傑先生、陳志光先生、馮廣耀先生、楊敏儀女士及區寶琪女士（楊明標先生之妻子）視為擁有本公司股份權益。

(2) 淡倉

除上文所披露者外，於二零零七年三月三十一日，本公司並無獲悉任何人士於本公司之股份或相關股份中擁有任何其他權益或淡倉而須根據證券及期貨條例第XV部披露予本公司及聯交所。

Directors' Report 董事會報告

Appointment of Independent Non-Executive Directors

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Company considers all of the independent non-executive directors are independent.

Directors' Interests in Contracts

There were no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Major Customers and Suppliers

During the year, the aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers comprised approximately 92% of the Group's total purchases while the purchases attributable to the Group's largest supplier was approximately 77% of the Group's total purchases.

None of the directors, their associates or any shareholder, which to the knowledge of the directors owned more than 5% of the Company's issued capital, had any interest in the share capital of any of the five largest suppliers of the Group.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

委任獨立非執行董事

根據香港聯合交易所有限公司證券上市規則第3.13條，本公司已收到各獨立非執行董事之年度獨立性確認書。本公司認為所有獨立非執行董事均屬獨立。

董事之合約權益

本公司或其任何附屬公司概無訂立任何於年終或年內任何時間有效而本公司董事直接或間接擁有重大利益之重大合約。

主要客戶及供應商

年內，本集團五大客戶應佔之總銷售額少於本集團總銷售額之30%。

年內，本集團五大供應商應佔之總採購額佔本集團總採購額約92%，而本集團最大供應商應佔之採購額佔本集團總採購額約77%。

各董事、彼等之聯繫人士及就董事所知擁有本公司已發行股本5%以上者之股東，概無於本集團任何五大供應商之股本中擁有任何權益。

買賣或贖回本公司之上市證券

年內，本公司或其任何附屬公司並無買賣或贖回本公司之任何上市證券。

Directors' Report 董事會報告

Donations

During the year, the Group made charitable and other donations totalling HK\$478,000.

Corporate Governance

Principal corporate governance practice as adopted by the Group are set out in the Corporate Governance Report on pages 10 to 27.

Emolument Policy

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 24 to the financial statements.

Audit Committee and Remuneration Committee

Details of the Group's audit committee and remuneration committee are set out in the Corporate Governance Report on pages 18 to 22.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

捐贈

年內，本集團作出之慈善及其他捐贈合共478,000港元。

企業管治

本集團所採納之主要企業管治常規載於第10頁至第27頁之企業管治報告。

酬金政策

本集團僱員之酬金政策由薪酬委員會按彼等之功績、資歷及能力制定。

本公司董事之酬金由薪酬委員會考慮本集團之經營業績、個人表現及可資比較市場統計數字後決定。

本公司已採納一項購股權計劃作為董事及合資格僱員之獎勵，計劃詳情載於財務報表附註24。

審核委員會及薪酬委員會

本集團審核委員會及薪酬委員會之詳情載於第18頁至第22頁之企業管治報告。

優先購買權

根據本公司之公司細則或百慕達公司法，並無任何規定本公司按比例向現有股東發售新股份之優先購買權條文。

Directors' Report 董事會報告

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of its directors as at the latest practicable date prior to the issue of this annual report, the percentage of the Company's share which are in the hands of the public exceeds 25% of the Company's total number of issued shares throughout the year ended 31st March 2007.

Post Balance Sheet Events

Details of significant events occurring after the balance sheet date are set out in note 29 to the consolidated financial statements.

Auditor

A resolution will be submitted to the annual general meeting of the Company to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

YEUNG MING BIU
CHAIRMAN

Hong Kong, 18th July 2007

足夠公眾持股量

根據本公司可取得之公開資料並就其董事所知，於本年報刊發前之最後可行日期，截至二零零七年三月三十一日止年度整年內由公眾人士持有之本公司股份百分比超過本公司之已發行股份總數25%。

結算日後事項

結算日後發生之重要事項詳情載於綜合財務報表附註29。

核數師

本公司將於股東週年大會提呈決議案續聘德勤•關黃陳方會計師行為本公司之核數師。

代表董事會

主席
楊明標

香港，二零零七年七月十八日

Independent Auditor's Report 獨立核數師報告



TO THE SHAREHOLDERS OF ORIENTAL WATCH HOLDINGS LIMITED (incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Oriental Watch Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 83, which comprise the consolidated balance sheet as at 31st March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

致：東方表行集團有限公司各股東
(於百慕達註冊成立之有限公司)

本核數師行已完成審核載於第40頁至第83頁東方表行集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，其中包括於二零零七年三月三十一日的綜合資產負債表，以及截止該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表及主要會計政策概要和其他說明附註。

董事編製財務報表之責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例之披露規定，編製及真實公平地列報該等綜合財務報表。是項責任包括設計、實施及維護與編製及真實公平地列報財務報表相關的內部控制，以確保綜合財務報表並無重大錯誤陳述(不論其由欺詐或錯誤引起)；選擇並應用適當的會計政策；及按情況作出合理的會計估計。

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表發表意見，並按照百慕達公司法第90條僅向全體股東呈報我們的意見。除此之外，本報告不作其他用途。我們概不會就本報告內容向任何其他人士負責或承擔責任。我們已根據香港會計師公會頒佈的香港核數準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否存有任何重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st March 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18th July 2007

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製及真實公平地列報綜合財務報表相關的內部控制，以按情況設計適當的審核程序，但並非旨在就該實體的內部控制是否有效發表意見。審核亦包括評價董事所採用會計政策的適當性及所作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們已獲得充足和適當的審核憑證為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實公平地反映 貴集團於二零零七年三月三十一日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥善編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零零七年七月十八日

Consolidated Income Statement

綜合收益表

For the year ended 31st March 2007

截至二零零七年三月三十一日止年度

| | | Notes 附註 | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|--|---------------------------------|-------------|----------------------------------|----------------------------------|
| Turnover | 營業額 | | 2,645,914 | 2,022,381 |
| Cost of goods sold | 銷貨成本 | | (2,346,769) | (1,812,266) |
| Gross profit | 毛利 | | 299,145 | 210,115 |
| Other income | 其他收入 | | 16,082 | 14,896 |
| Distribution and selling expenses | 分銷及銷售開支 | | (75,010) | (50,172) |
| Administrative expenses | 行政費用 | | (113,733) | (90,127) |
| Finance costs | 融資成本 | 6 | (11,153) | (5,343) |
| Profit before taxation | 除稅前溢利 | 7 | 115,331 | 79,369 |
| Taxation | 稅項 | 9 | (20,457) | (14,098) |
| Profit for the year | 年內溢利 | | 94,874 | 65,271 |
| Dividends recognised as distribution during the year | 年內已確認派發之股息 | | | |
| — Interim dividends of HK2.5 cents (2006: HK2.5 cents) per share paid | — 已付中期股息 每股2.5港仙 (二零零六年: 2.5港仙) | | 6,881 | 6,881 |
| — Final dividends of HK4 cents (2006: HK4.5 cents) per share paid | — 已付末期股息 每股4港仙 (二零零六年: 4.5港仙) | | 11,010 | 12,386 |
| | | | 17,891 | 19,267 |
| — Proposed final dividends of HK 5.5 cents (2006: HK4 cents) per share | — 擬派末期股息 每股 5.5港仙 (二零零六年: 4港仙) | 10 | 15,414 | 11,010 |
| Earnings per share | 每股盈利 | 11 | 港仙 | 港仙 |
| — Basic | — 基本 | | 34.47 cents | 23.71 cents |
| — Diluted | — 攤薄 | | 港仙 34.45 cents | — |

Consolidated Balance Sheet

綜合資產負債表

At 31st March 2007
於二零零七年三月三十一日

| | | Notes 附註 | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|--|----------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Investment properties | 投資物業 | 12 | 24,453 | 24,857 |
| Property, plant and equipment | 物業、機器及設備 | 13 | 109,470 | 87,014 |
| Convertible notes receivables | 可換股票據之應收款項 | 14 | — | 1,637 |
| Available-for-sale financial assets | 可供出售金融資產 | 15 | 57,980 | 61,536 |
| Property rental deposits | 物業租金按金 | | 12,086 | 3,868 |
| | | | 203,989 | 178,912 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | 767,721 | 672,791 |
| Trade and other receivables | 貿易及其他應收貸款 | 16 | 106,145 | 93,057 |
| Conversion option derivative | 兌換期權工具 | 14 | — | 2,760 |
| Taxation recoverable | 可退回稅項 | | 4,982 | 7,077 |
| Pledged bank deposits | 已抵押銀行存款 | 17 | 40,000 | — |
| Bank balances and cash | 銀行結餘及現金 | 18 | 130,149 | 102,281 |
| | | | 1,048,997 | 877,966 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付賬款 | 19 | 116,061 | 97,718 |
| Taxation payable | 應付稅項 | | 8,691 | 3,883 |
| Current-portion of secured long-term bank loan | 有抵押長期銀行貸款之即期部份 | 20 | 980 | 980 |
| Short-term bank loans | 短期銀行貸款 | 21 | 258,762 | 173,251 |
| Bank overdrafts | 銀行透支 | | 6,855 | 3,900 |
| | | | 391,349 | 279,732 |
| Net current assets | 流動資產淨值 | | 657,648 | 598,234 |
| Total assets less current liabilities | 資產總值減流動負債 | | 861,637 | 777,146 |
| Non-current liabilities | 非流動負債 | | | |
| Secured long-term bank loan | 有抵押長期銀行貸款 | 20 | 11,433 | 12,413 |
| Deferred taxation | 遞延稅項 | 22 | 386 | 141 |
| | | | 11,819 | 12,554 |
| Net assets | 資產淨值 | | 849,818 | 764,592 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 23 | 27,525 | 27,525 |
| Reserves | 儲備 | | 822,293 | 737,067 |
| Total equity | 權益總額 | | 849,818 | 764,592 |

The consolidated financial statements on pages 40 to 83 were approved and authorised for issue by the Board of Directors on 18th July 2007 and are signed on its behalf by:

載於第40至83頁之綜合財務報表經董事會於二零零七年七月十八日批准及授權刊發，並由下列董事代為簽署：

YEUNG MING BIU
楊明標
Chairman
主席

YEUNG HIM KIT, DENNIS
楊衍傑
Managing Director
董事總經理

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

| | | Share capital | Share premium | Capital redemption reserve | Asset revaluation reserve | Special reserve | Translation reserve | Retained profits | Dividend reserve | Total |
|--|-----------------|---------------|---------------|----------------------------|---------------------------|-----------------|---------------------|------------------|------------------|----------|
| | | 股本 | 股份溢價 | 資本贖回儲備 | 資產重估儲備 | 特別儲備 | 換算儲備 | 保留溢利 | 股息儲備 | 合計 |
| | | 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 |
| At 1st April 2005 | 二零零五年 四月一日 | 27,525 | 52,045 | 425 | — | 5,180 | — | 620,249 | 12,386 | 717,810 |
| Exchange difference arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 | — | — | — | — | — | 569 | — | — | 569 |
| Change in fair value of available-for-sale financial assets | 可供出售金融資產之公平值變動 | — | — | — | 209 | — | — | — | — | 209 |
| Net income recognised directly in equity | 直接確認為權益之收入淨額 | — | — | — | 209 | — | 569 | — | — | 778 |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | 65,271 | — | 65,271 |
| Total recognised income for the year | 年內確認之收入總額 | — | — | — | 209 | — | 569 | 65,271 | — | 66,049 |
| 2006 interim dividend declared | 已宣派二零零六年中期股息 | — | — | — | — | — | — | (6,881) | 6,881 | — |
| 2006 final dividend declared | 已宣派二零零六年末期股息 | — | — | — | — | — | — | (11,010) | 11,010 | — |
| Dividends paid | 已派付股息 | — | — | — | — | — | — | — | (19,267) | (19,267) |
| At 31st March 2006 | 二零零六年 三月三十一日 | 27,525 | 52,045 | 425 | 209 | 5,180 | 569 | 667,629 | 11,010 | 764,592 |
| Exchange difference arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 | — | — | — | — | — | 5,328 | — | — | 5,328 |
| Change in fair value of available-for-sale financial assets | 可供出售金融資產之公平值變動 | — | — | — | 2,915 | — | — | — | — | 2,915 |
| Net income recognised directly in equity | 直接確認為權益之收入淨額 | — | — | — | 2,915 | — | 5,328 | — | — | 8,243 |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | 94,874 | — | 94,874 |
| Total recognised income for the year | 年內確認之收入總額 | — | — | — | 2,915 | — | 5,328 | 94,874 | — | 103,117 |
| 2007 interim dividend declared | 已宣派二零零七年中期股息 | — | — | — | — | — | — | (6,881) | 6,881 | — |
| 2007 final dividend declared | 已宣派二零零七年末期股息 | — | — | — | — | — | — | (15,414) | 15,414 | — |
| Dividends paid | 已派付股息 | — | — | — | — | — | — | — | (17,891) | (17,891) |
| At 31st March 2007 | 二零零七年 三月三十一日 | 27,525 | 52,045 | 425 | 3,124 | 5,180 | 5,897 | 740,208 | 15,414 | 849,818 |

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 Group 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 capitals under the group reorganisation.

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。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。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---|--------------------|---|----------------------------------|
| Operating activities | 經營業務 | | |
| Profit before taxation | 除稅前溢利 | 115,331 | 79,369 |
| Adjustments for: | 調整以下項目： | | |
| Interest income from banks | 來自銀行之利息收入 | (696) | (1,443) |
| Interest expenses | 利息開支 | 11,153 | 5,343 |
| Dividend income from available-for-sale financial assets | 可供出售金融資產之股息收入 | (1,870) | — |
| Depreciation of investment properties | 投資物業折舊 | 404 | 400 |
| Depreciation of property, plant and equipment | 物業、機器及設備折舊 | 11,628 | 10,034 |
| Loss on disposal of property, plant and equipment | 出售物業、機器及設備之虧損 | 584 | 1,040 |
| Gain arising from changes in fair value of conversion option derivative | 兌換期權工具之公平值變動所產生之收益 | (521) | (2,374) |
| Imputed interest income from convertible notes receivables | 可換股票據之應收款項之應歸利息收入 | (28) | (23) |
| Loss on disposal of convertible notes receivables | 出售可換股票據之應收款項之虧損 | 599 | — |
| Gain on disposal of available-for-sale financial assets | 出售可供出售金融資產之收益 | (1,631) | (221) |
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | 134,953 | 92,125 |
| Increase in property rental deposits | 物業租金按金增加 | (8,218) | (3,868) |
| Increase in inventories | 存貨增加 | (88,273) | (129,862) |
| Increase in trade and other receivables | 貿易及其他應收賬款增加 | (5,288) | (25,970) |
| Increase in trade and other payables | 貿易及其他應付賬款增加 | 17,055 | 4,191 |
| Cash from (used in) operations | 經營業務所產生(所耗)之現金 | 50,229 | (63,384) |
| Taxation paid in | 於以下地區之已付稅項： | | |
| — Hong Kong | — 香港 | (10,941) | (15,911) |
| — other jurisdictions | — 其他司法權區 | (2,397) | (2,676) |
| Net cash from (used in) operating activities | 經營業務所產生(所耗)之現金淨額 | 36,891 | (81,971) |

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March 2007

截至二零零七年三月三十一日止年度

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Investing activities | 投資業務 | | |
| Interest received | 已收利息 | 696 | 1,443 |
| Dividend received from available-for-sale financial assets | 可供出售金融資產之 已收股息 | 1,870 | — |
| Purchase of property, plant and equipment | 購買物業、機器及設備 | (34,510) | (14,079) |
| Proceeds from disposal of property, plant and equipment | 出售物業、機器及設備 之所得款項 | 250 | — |
| Purchase of convertible notes receivables | 購買可換股票據之應收款項 | — | (2,000) |
| Proceeds from disposal of convertible notes receivables | 出售可換股票據之應收款項 之所得款項 | 1,600 | — |
| Purchase of available-for-sale financial assets | 購買可供出售金融資產 | (15,188) | (44,486) |
| Proceeds from disposal of available-for-sale financial assets | 出售可供出售金融資產之 所得款項 | 20,734 | 12,574 |
| (Increase) decrease in pledged bank deposits | 已抵押銀行存款(增加)減少 | (40,000) | 3,150 |
| Net cash used in investing activities | 投資業務所耗之現金淨額 | (64,548) | (43,398) |
| Financing activities | 融資活動 | | |
| Interest paid | 已付利息 | (11,153) | (5,343) |
| Dividends paid | 已付股息 | (17,891) | (19,267) |
| Bank loans raised | 新造銀行貸款 | 492,108 | 280,788 |
| Repayment of bank loans | 償還銀行貸款 | (409,512) | (177,385) |
| Net cash from financing activities | 融資活動所產生之現金淨額 | 53,552 | 78,793 |
| Net increase (decrease) in cash and cash equivalents | 現金及等同現金項目之增加 (減少)淨額 | 25,895 | (46,576) |
| Cash and cash equivalents at 1st April | 四月一日之現金及等同現金項目 | 98,381 | 144,495 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | (982) | 462 |
| Cash and cash equivalents at 31st March | 三月三十一日之現金及 等同現金項目 | 123,294 | 98,381 |
| Analysis of the balances of cash and cash equivalents | 現金及等同現金項目結餘 之分析 | | |
| Bank balances and cash | 銀行結餘及現金 | 130,149 | 102,281 |
| Bank overdrafts | 銀行透支 | (6,855) | (3,900) |
| | | 123,294 | 98,381 |

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

1. General

The Company is incorporated in Bermuda as an exempted company with limited liability and acts as an investment holding company as well as engaged in watch trading. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are detailed in the corporate information section to the annual report.

The consolidated financial statements are presented in Hong Kong dollars which is the same as the functional currency of the Company.

2. Application of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new Standard, Amendments and Interpretations ("INTs") ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are either effective for accounting periods beginning on or after 1st December 2005, 1st January 2006 or 1st March 2006. The adoption of these new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new Standards, Amendment or INTs that have been issued but are not yet effective. In the opinion of the directors, the application of the Standard, Amendment or INTs will have no material impact on the results and the financial position of the Group, except for the adoption of HKFRS 8 — Operating Segments which will have impact on the presentation of the Group's financial information by segment.

1. 一般資料

本公司為於百慕達註冊成立之受豁免有限公司，乃投資控股公司，並從事鐘表貿易。本公司股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址詳情載於年報之公司資料一節。

綜合財務報表以港元呈列，港元亦為本公司之功能貨幣。

2. 應用新訂及經修訂新香港財務報告準則

於本年度，本集團首次應用由香港會計師公會頒佈且適用於二零零五年十二月一日、二零零六年一月一日或二零零六年三月一日或其後開始之會計期間之若干新訂準則、修訂及詮釋（「詮釋」）（「新訂香港財務報告準則」）。採納該等新訂香港財務報告準則並無對本會計期間或過往會計期間編製及呈報業績之方式造成任何重大影響。因此，毋須作出過往期間調整。

本集團並無提早應用以下已頒佈但尚未生效之新訂準則、修訂或詮釋。董事認為，應用該等準則、修訂或詮釋將不會對本集團之業績及財務狀況造成重大影響，惟採納香港財務報告準則第8號 — 營運分部則將會影響到本集團財務資料之分類呈報方式。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (Continued)

| | |
|--------------------|---|
| HKAS 1 (Amendment) | Capital disclosures ¹ |
| HKAS 23 (Revised) | Borrowing costs ² |
| HKFRS 7 | Financial instruments: Disclosures ¹ |
| HKFRS 8 | Operating segments ² |
| HK(IFRIC) — INT 8 | Scope of HKFRS 2 ³ |
| HK(IFRIC) — INT 9 | Reassessment of embedded derivatives ⁴ |
| HK(IFRIC) — INT 10 | Interim financial reporting and impairment ⁵ |
| HK(IFRIC) — INT 11 | HKFRS 2 — Group and treasury share transactions ⁶ |
| HK(IFRIC) — INT 12 | Service concession arrangements ⁷ |

- ¹ Effective for annual periods beginning on or after 1st January 2007.
- ² Effective for annual periods beginning on or after 1st January 2009.
- ³ Effective for annual periods beginning on or after 1st May 2006.
- ⁴ Effective for annual periods beginning on or after 1st June 2006.
- ⁵ Effective for annual periods beginning on or after 1st November 2006.
- ⁶ Effective for annual periods beginning on or after 1st March 2007.
- ⁷ Effective for annual periods beginning on or after 1st January 2008.

2. 應用新訂及經修訂新香港財務報告準則 (續)

| | |
|---------------------------|---|
| 香港會計準則第1號 (修訂本) | 股本披露 ¹ |
| 香港會計準則第23號 (經修訂) | 借貸成本 ² |
| 香港財務報告準則 第7號 | 金融工具： 披露 ¹ |
| 香港財務報告準則第8號 | 營運分部 ² |
| 香港(國際財務報告 詮釋委員會)詮釋第8號 | 香港財務報告 準則第2號之 範疇 ³ |
| 香港(國際財務報告 詮釋委員會)詮釋第9號 | 重估內含衍生 工具 ⁴ |
| 香港(國際財務報告 詮釋委員會)詮釋第10號 | 中期財務申報及 減值 ⁵ |
| 香港(國際財務報告 詮釋委員會)詮釋第11號 | 香港財務報告 準則第2號 — 集團及庫存 股份交易 ⁶ |
| 香港(國際財務報告 詮釋委員會)詮釋第12號 | 服務特許權 安排 ⁷ |

- ¹ 於二零零七年一月一日或之後開始之年度期間生效。
- ² 於二零零九年一月一日或之後開始之年度期間生效。
- ³ 於二零零六年五月一日或之後開始之年度期間生效。
- ⁴ 於二零零六年六月一日或之後開始之年度期間生效。
- ⁵ 於二零零六年十一月一日或之後開始之年度期間生效。
- ⁶ 於二零零七年三月一日或之後開始之年度期間生效。
- ⁷ 於二零零八年一月一日或之後開始之年度期間生效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

3. Significant Accounting Policies

The financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards and include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st March each year. Subsidiaries are entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All significant inter-company transactions and balances within the Group are eliminated on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. 主要會計政策

本財務報表乃按歷史成本基準編製，惟若干金融工具則除外，誠如下文所載之會計政策所述，該等金融工具乃按公平值計量。

本財務報表乃根據香港財務報告準則而編製，並包括香港聯合交易所有限公司證券上市規則及香港公司條例所規定之適用披露事項。

綜合基準

綜合財務報表包括本公司及其附屬公司截至每年三月三十一日止之財務報表。附屬公司乃受本公司控制之實體。倘本公司有權控制任一實體之財務及營運政策以從其業務中獲得利益，則會取得對該實體之控制權。

本集團內公司間之所有重大交易及結餘已在綜合賬目內撇銷。

收益之確認

收益乃按已收或應收代價之公平值計量，為於日常業務過程中就已售貨物應收之金額，並扣除折扣及銷售相關稅項。

出售貨品於貨品付運及所有權轉讓時確認。

金融資產之利息收入根據未償還本金及適用之實際利率按時間基準累計，有關利率為於金融資產之預計年內將估計未來現金收入實際貼現至資產賬面淨值之利率。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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截至二零零七年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Rental income from operating leases is recognised in the income statement on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight line basis over the lease term.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year in which the item is derecognised.

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment loss, except for the land and buildings previously transferred from investment properties, evidenced by the commencement of owner-occupation, which were measured at the fair value at the date of transfer and considered as the deemed cost of the property. The property interest held under an operating lease which was previously classified as investment properties under the fair value model is continued to account for as a finance lease after the transfer.

3. 主要會計政策 (續)

經營租賃之租金收入乃以直線法按有關租期於收益表確認。就經營租賃進行磋商及安排而產生之初步直接成本乃計入租賃資產之賬面值，並於租期內以直線法確認為開支。

投資之股息收入在確定本集團獲派款項之權利時確認。

投資物業

於首次確認時，投資物業按成本計量，而成本包括任何直接應佔開支。於首次確認後，投資物業按成本減其後累計折舊及任何累計減值虧損入賬。折舊乃以直線法撇銷投資物業成本予以扣除。

投資物業於出售時或永久停用或預期將不會因出售而產生未來經濟收益時不再確認。不再確認資產所產生之任何盈虧乃按出售所得款項淨額與資產賬面值間之差額計算，並計入不再確認該項目年度之收益表。

物業、機器及設備

物業、機器及設備按成本減其後累計折舊及累計減值虧損入賬，惟過往由投資物業轉入之土地及樓宇（以所有人開始佔有為證）則除外，該等土地及樓宇乃按轉入當日之公平值計量並被視為有關物業之設定成本。過往根據公平值模式分類為投資物業之根據經營租賃持有之物業權益於轉入後繼續按融資租賃入賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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截至二零零七年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, leasehold land which title is not expected to pass to the lessee by the end of the lease term is classified as an operating lease unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is classified as a finance lease.

The cost of leasehold land and buildings is depreciated over the shorter of the period of the lease or over their estimated useful lives of 30 years or 50 years using the straight line method.

Depreciation is provided to write off the cost of other property, plant and equipment over their estimated useful lives, using the reducing balance method, at the rate of 20% per annum.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continue use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

Inventories

Inventories, which are all finished goods held for sale, are stated at the lower of cost and net realisable value. Cost is calculated on a specific identification basis.

3. 主要會計政策 (續)

物業、機器及設備 (續)

就租賃分類而言，土地及樓宇租約之土地及樓宇部份乃分開考慮，預期於租期到期時業權將不會獲轉讓予承租人之租賃土地會分類為經營租賃，惟租金不能於土地及樓宇部份之間進行可靠分配之情況則除外，在這種情況下，整項租賃分類為融資租賃。

租賃土地及樓宇之成本乃採用直線法按租期或其30至50年之估計可使用年期(以時間較短者為準)予以折舊。

折舊乃採用餘額遞減法按估計可使用年期以年率20%將其他物業、機器及設備之成本撇銷而作出撥備。

物業、機器及設備於出售或預期繼續使用資產並不會產生未來經濟收益時不再確認。不再確認資產所產生之任何盈虧乃按出售所得款項淨額與該資產賬面值間之差額計算，並計入不再確認該資產年度之收益表。

存貨

存貨指所有持作出售之製成品，乃按成本及可變現淨值兩者之較低者入賬。成本採用特定識別基準計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31st March 2007
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3. Significant Accounting Policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in income statement.

Financial assets

The Group's financial assets are classified into three categories, including financial assets at fair value through profit or loss, loan and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represented financial assets held for trading. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in income statement in the period in which they arise.

3. 主要會計政策 (續)

金融工具

金融資產及金融負債乃當某集團實體成為工具合同條文之訂約方時於資產負債表確認。金融資產及金融負債按公平值初步計量。收購或發行金融資產及金融負債直接應佔之交易成本(以公平值計入損益表之金融資產及金融負債除外)乃於首次確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值內扣除(如合適)。收購以公平值計入損益表之金融資產或金融負債直接應佔之交易成本即時於收益表內確認。

金融資產

本集團之金融資產分為三個類別，包括以公平值計入損益表之金融資產、貸款及應收賬款及可供出售金融資產。所有定期購買或出售金融資產乃按交易日基準確認及不再確認。定期購買或出售乃購買或出售金融資產，並要求於市場上按規則或慣例設定之時間框架內付運資產。所採納與各類金融資產有關之會計政策載述如下。

以公平值計入損益表之金融資產

以公平值計入損益表之金融資產指持有作買賣之金融資產。於首次確認後之各結算日，以公平值計入損益表之金融資產乃按公平值計量，而公平值之變動於彼等產生之期間內直接於收益表內確認。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, convertible notes receivables, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in income statement. Any impairment losses on available-for-sale financial assets are recognised in income statement. Impairment losses on available-for-sale equity investments will not reverse in income statement in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收賬款

貸款及應收賬款乃並無於活躍市場上報價之固定或可釐定付款之非衍生金融工具。於首次確認後各結算日，貸款及應收賬款（包括貿易及其他應收賬款、可換股票據之應收款項、已抵押銀行存款及銀行結餘及現金）均採用實際利率法按已攤銷成本減任何已辨識之減值虧損入賬。減值虧損乃當可實質證明資產減值時於收益表內確認，並按該資產之賬面值與按原先實際利率貼現之估計未來現金流量之現值間之差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以撥回，惟該資產於減值被撥回之日之賬面值不得超過未確認減值時之已攤銷成本。

可供出售金融資產

可供出售金融資產乃不能指定或分類為任何其他組別之非衍生工具。於首次確認後各結算日，可供出售金融資產均以公平值計量，公平值變動於權益內確認，直至金融資產出售或決定出現減值，屆時，早前於權益內確認之累積損益將於權益移除並於收益表內確認。可供出售金融資產之減值虧損於收益表內確認。可供出售股本投資之減值虧損其後不會於收益表內撥回。倘可供出售債務投資公平值增加乃確實與於確認減值虧損後所引致之事件有關時，則該項投資之減值虧損會於隨後撥回。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets (Continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including trade and other payables, long-term bank loan, short-term bank loans and bank overdrafts are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售金融資產 (續)

缺乏活躍市場之市場報價及未能可靠計算公平值之可供出售股本投資，及與該等缺乏報價股本工具掛鈎並須以交付該等非上市股本工具作結算之衍生工具，於首次確認後各結算日按成本減任何已辨識之減值虧損入賬。減值虧損乃當可實質證明資產減值時於收益表內確認。減值虧損之數額乃按該資產之賬面值與按類似金融資產之現行市場回報率貼現之估計未來現金流量之現值間之差額計量。該等減值虧損其後將不會撥回。

金融負債及股本

集團實體發行之金融負債及股本工具乃根據合同安排之性質與金融負債及股本工具之定義分類。

股本工具乃證明本集團於扣減其所有負債後之資產中擁有剩餘權益之任何合同。就金融負債及股本工具所採納之會計政策乃載述如下。

金融負債

金融負債(包括貿易及其他應付賬款、長期銀行貸款、短期銀行貸款及銀行透支)乃隨後採用實際利率法按已攤銷成本計量。

股本工具

本集團發行之股本工具以收到之所得款項扣除直接發行成本後之金額計算。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Embedded derivatives and derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the income statement immediately.

Derivatives embedded in other financial instrument or other non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the income statement.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in income statement.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本 (續)

內含衍生工具及衍生工具

衍生工具於衍生工具合約訂立日期初步按公平值確認，及隨後於各結算日重新計量至其公平值。所產生之盈虧即時於收益表內確認。

當內含於其他金融工具或其他非衍生主體合約中之衍生工具之風險及特性與主體合約之相應部分並無密切關連，同時主體合約並非按公平值(公平值之變動乃於收益表確認)計量時，該等衍生工具乃被視作獨立衍生工具。

不再確認

若從資產收取現金流之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被不再確認。於不再確認金融資產時，資產賬面值與已收或應收代價及已直接於權益確認之累計損益之總和之差額將於收益表內確認。

當有關合約之特定責任獲解除、取消或到期時，金融負債將不再確認。不再確認之金融負債賬面值與已付或應付代價之差額乃於收益表內確認。

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3. Significant Accounting Policies (Continued)

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expenses immediately.

Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

3. 主要會計政策 (續)

減值

於各結算日，本集團均檢討其有形資產之賬面值，以衡量該等資產是否出現任何蒙受減值虧損之跡象。倘資產之可收回金額估計低於其賬面值，則將資產之賬面值減至其可收回金額。減值虧損即時確認為開支。

當減值虧損其後撥回時，資產之賬面值將增至重新修訂估計之可收回金額，惟增加之賬面值不得超過假設資產於以往年度並無確認減值虧損而應釐定之賬面值。減值虧損之撥回即時確認為收入。

稅項

所得稅開支指本期應付稅項及遞延稅項之總和。

本期應付之稅項乃按本年度應課稅溢利計算。由於應課稅溢利不包括於其他年度應課稅或可扣稅之收入或開支項目，亦不包括毋須課稅或不可扣稅之收益表項目，故此應課稅溢利與收益表所呈報之純利並不相同。本集團就本期稅項承擔之負債乃按已於結算日實施或大致實施之稅率計算。

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For the year ended 31st March 2007
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3. Significant Accounting Policies (Continued)

Taxation (Continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項乃就財務報表之資產及負債賬面值及計算應課稅溢利所使用相應稅基兩者之差額而確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差異確認，而遞延稅項資產在可能出現可動用臨時差異扣減之應課稅溢利時確認。倘若交易中因首次確認(業務合併除外)資產及負債而引致之臨時差異並不影響應課稅溢利及會計溢利時，則不會確認該等資產及負債。

遞延稅項資產之賬面值於每個結算日作檢討，並於不再有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算。遞延稅項於收益表中扣除或計入收益表，惟倘遞延稅項關乎直接在權益中扣除或貸記之項目，則亦會於權益中處理。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為功能貨幣(即該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣結算之貨幣項目按結算日之適用匯率重新換算。

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3. Significant Accounting Policies (Continued)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in income statement in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are translated into Hong Kong dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (translation reserve). Such translation differences are recognised in income statement in the period in which the foreign operation is disposed of.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The Group chooses not to apply HKFRS 2 "Share-based payments" with respect to share options granted after 7th November 2002 and vested before 1st April 2005, no amount has been recognised in the consolidated financial statements in respect of these equity-settled share-based payments until such time when the share options were exercised, the amount in excess of the share capital was recognised as share premium.

3. 主要會計政策 (續)

外幣 (續)

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於收益表內確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債(包括比較數字)乃按於結算日之適用匯率換算為港元。收入及開支項目(包括比較數字)乃按該年度之平均匯率進行換算，除非匯率於該年度內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額(如有)乃確認作權益之獨立部份(換算儲備)。該等匯兌差額乃於海外業務被出售之期間內於收益表內確認。

股份支付交易

以股本結算股份支付之交易

授予僱員之購股權

本集團選擇不應用香港財務報告準則第2號「以股份支付之支出」，就於二零零二年十一月七日之前授出並於二零零五年四月一日前歸屬之購股權，除非有關購股權獲行使，概無就該等以股本結算股份支付之支出於綜合財務報表內確認任何款項，超出股本之款項乃確認為股份溢價。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Operating leases

Rentals payable under operating leases are charged to income statement on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

4. Financial Instruments

(a) Financial risk management objectives and policies

The Group's financial instruments include available-for-sale financial assets, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, bank loans and bank overdrafts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

3. 主要會計政策 (續)

經營租約

根據經營租約而應付之租金，於有關租賃期內以直線法於收益表內扣除。就訂立經營租約作為獎勵已收及應收之利益亦於租賃期內以直線法確認為租金開支扣減。

4. 金融工具

(a) 財務風險管理目標及政策

本集團之金融工具包括可供出售金融資產、貿易及其他應收賬款、已抵押銀行存款、銀行結餘及現金、貿易及其他應付賬款、銀行貸款及銀行透支。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

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For the year ended 31st March 2007
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4. Financial Instruments (Continued)

(a) Financial risk management objectives and policies (Continued)

Market risk

Currency risk

The Group has minimal currency exposure as the majority of the sales were denominated in the functional currency of the relevant group entities. The management conducted periodical review of exposure and requirements of various currencies, and will consider hedging significant foreign currency exposures should the need arises.

Fair value interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate pledged bank deposits (see note 17 for details of this pledged bank deposits). The pledged bank deposits are short term in nature and the directors consider the fair value interest rate risk will not have a significant impact on the results of the Group.

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets which are bank deposits. Since the bank deposits are all short-term in nature, any future variation in interest rates will not have a significant impact on the results of the Group.

In addition, the Group's cash flow interest rate risk also relates to variable-rate borrowings (see notes 20 and 21 for details of these borrowings). It is the Group's policy to keep its borrowings at floating rates of interest so as to minimise the fair value interest rate risk.

4. 金融工具 (續)

(a) 財務風險管理目標及政策 (續)

市場風險

外匯風險

由於本集團所有銷售大部份均以有關集團實體之功能貨幣為單位，故本集團承受之外匯風險輕微。管理層會定期檢討有關風險及各種貨幣之需求，並將在需要時考慮對沖重大外匯風險。

公平值利率風險

本集團之公平值利率風險主要涉及固定利率之已抵押銀行存款（有關該等已抵押銀行存款之詳情，參閱附註17）。已抵押銀行存款乃屬短期存款，及董事認為公平值利率風險將不會對本集團之業績產生重大影響。

現金流量利率風險

本集團透過計入帶息金融資產（乃銀行存款）承受現金流量利率風險。由於銀行存款均屬短期存款，故利率之任何未來變動將不會對本集團之業績產生重大影響。

此外，本集團之現金流量利率風險亦涉及可變利率借貸（有關該等借貸之詳情，請參閱附註20及21）。本集團之政策乃按浮動利率維持其借貸，從而將公平值利率風險降至最低。

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4. Financial Instruments (Continued)

(a) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Cash flow interest rate risk (Continued)

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Price risk

The Group's available-for-sale financial assets are measured at fair value at each balance sheet date and subjected to the exposure of equity price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st March 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debtor at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

4. 金融工具 (續)

(a) 財務風險管理目標及政策 (續)

市場風險 (續)

現金流量利率風險 (續)

本集團目前並無任何利率對沖政策。然而，管理層監察利率變動風險，並將於必要時考慮對沖重大利率風險。

價格風險

本集團之可供出售金融資產於各結算日按公平值計量，並須承受股本價格風險。管理層透過維持擁有不同風險之投資組合管理該風險。

信貸風險

倘交易對手未能履行責任，則本集團於二零零七年三月三十一日每類已確認之金融資產所面對之最大信貸風險，乃於資產負債表呈列之該等資產之賬面值。為使信貸風險減至最小，本集團管理層已委派一小組，專責釐定信貸額度、信貸審批及其他監控程序，以確保採取跟進行動收回逾期債項。此外，本集團於各結算日對每項貿易應收賬款之可收回數額進行檢討，以確保對不可收回數額計提足夠減值虧損。就此而言，本集團董事認為本集團之信貸風險已大幅降低。

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For the year ended 31st March 2007
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4. Financial Instruments (Continued)

(a) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The credit risk on liquid funds is limited because majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation.

The Group has no significant concentration of credit risk on trade receivables. Its exposure spread over a large number of counterparties and customers.

(b) Fair value of financial assets and financial liabilities

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the financial statements approximate their fair values.

4. 金融工具 (續)

(a) 財務風險管理目標及政策 (續)

信貸風險 (續)

由於交易對手主要為由國際信貸評級機構評定為具高信貸評級之銀行及具良好信譽之國有銀行，故流動資金信貸風險有限。

本集團之應收賬款並無重大集中之信貸風險。其風險乃分散於多名交易對手及客戶。

(b) 金融資產及金融負債之公平值

金融資產及金融負債之公平值乃根據下列情形釐定：

- 具備標準條款及條件並可於活躍流通市場買賣之金融資產之公平值乃參考市場買入報價釐定；
- 其他金融資產及金融負債之公平值乃根據基於貼現現金流量分析之公認定價模式釐定。

董事認為，金融資產及金融負債之賬面值於財務報表按攤銷成本入賬，並與其公平值相若。

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綜合財務報表附註

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5. Segment Information

Business segments

The Group's operation is regarded as a single segment, being an enterprise engaged in watch trading.

Geographical segments

The Group's operations are located in Hong Kong, Macau and Mainland China (the "PRC"), representing the basis on which the Group reports its primary segment information. In determining the Group's geographical segments, revenues are attributed to the segment based on the location of the customers, and assets are attributed to the segments based on the location of the assets. The following table provides an analysis of the Group's geographical segment information.

| | | Turnover 營業額 | | Results 業績 | |
|------------------------------------|------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
| Hong Kong | 香港 | 2,109,146 | 1,654,842 | 88,081 | 68,834 |
| Macau and the PRC | 澳門及中國 | 758,826 | 490,328 | 37,267 | 16,594 |
| Inter-segment sales elimination | 抵銷分類間銷售 elimination | (222,058) | (122,789) | — | — |
| | | 2,645,914 | 2,022,381 | 125,348 | 85,428 |
| Unallocated other income | 未分配其他收入 | | | 4,049 | 2,398 |
| Unallocated expenses | 未分配開支 | | | (2,913) | (3,114) |
| Finance costs | 融資成本 | | | (11,153) | (5,343) |
| Profit before taxation | 除稅前溢利 | | | 115,331 | 79,369 |
| Taxation | 稅項 | | | (20,457) | (14,098) |
| Profit for the year | 年內溢利 | | | 94,874 | 65,271 |

Inter-segment sales are charged at the prevailing market rate.

5. 分類資料

業務分類

本集團僅從事鐘表貿易一類業務。

地區分類

本集團之業務位於香港、澳門及中國內地(「中國」)，乃本集團呈報其主要分類資料之基準。於釐定本集團之地區分類時，收益乃按客戶位置劃入所屬分類，而資產則乃按資產位置劃入所屬分類。下表提供本集團之地區分類資料分析。

分類間銷售乃按當時市價計算。

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綜合財務報表附註

For the year ended 31st March 2007
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5. Segment Information (Continued)

BALANCE SHEET

| | | Segment assets 分類資產 | | Segment liabilities 分類負債 | |
|-------------------|-------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
| Hong Kong | 香港 | 757,453 | 681,165 | 100,279 | 65,454 |
| Macau and the PRC | 澳門及中國 | 402,814 | 274,845 | 15,737 | 32,327 |
| | | 1,160,267 | 956,010 | 116,016 | 97,781 |
| Unallocated | 未分配 | 92,719 | 100,868 | 287,152 | 194,505 |
| | | 1,252,986 | 1,056,878 | 403,168 | 292,286 |

OTHER INFORMATION

| | | Capital additions 資本增加 | | Depreciation 折舊 | |
|-------------------|-------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
| Hong Kong | 香港 | 6,716 | 4,006 | 3,822 | 3,654 |
| Macau and the PRC | 澳門及中國 | 27,794 | 10,073 | 7,806 | 6,380 |
| | | 34,510 | 14,079 | 11,628 | 10,034 |

6. FINANCE COSTS

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Interest on | 利息 | | |
| — bank borrowings wholly repayable within five years | — 須於五年內全數償還之銀行借貸 | (10,483) | (4,712) |
| — bank borrowings not wholly repayable within five years | — 毋須於五年內全數償還之銀行借貸 | (670) | (631) |
| | | (11,153) | (5,343) |

5. 分類資料 (續)

資產負債表

其他資料

6. 融資成本

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綜合財務報表附註

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7. PROFIT BEFORE TAXATION

7. 除稅前溢利

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Profit before taxation has been arrived at after charging: | 除稅前溢利已扣除： | | |
| Directors' remuneration (note 8) | 董事酬金 (附註8) | 22,604 | 18,481 |
| Other staff's retirement benefits scheme contributions, net of negligible forfeited contributions | 其他職員之退休福利計劃供款，已扣除少量沒收供款 | 2,722 | 3,906 |
| Other staff costs | 其他職員成本 | 55,318 | 44,559 |
| | | 80,644 | 66,946 |
| Auditor's remuneration | 核數師酬金 | 1,500 | 1,400 |
| Depreciation for | 就以下項目折舊 | | |
| — investment properties | — 投資物業 | 404 | 400 |
| — property, plant and equipment | — 物業、機器及設備 | 11,628 | 10,034 |
| Loss on disposal of convertible notes receivables | 出售可換股票據之應收款項之虧損 | 599 | — |
| Loss on disposal of property, plant and equipment | 出售物業、機器及設備之虧損 | 584 | 1,040 |
| Operating lease rentals in respect of rented premises | 有關租賃物業之經營租約租金 | 33,713 | 21,586 |
| and after crediting: | 並已計入： | | |
| Dividend income from available-for-sale financial assets | 可供出售金融資產之股息收入 | 1,870 | 203 |
| Gain arising from changes in fair value of conversion option derivative | 兌換期權工具之公平值變動所產生之收益 | 521 | 2,374 |
| Gain on disposal of available-for-sale financial assets | 出售可供出售金融資產之收益 | 1,631 | 221 |
| Gross property rental income before deduction of negligible outgoings | 扣除少量支銷前之總物業租金收入 | 560 | 960 |
| Imputed interest income from convertible notes receivables | 可換股票據之應收款項之應歸利息收入 | 28 | 23 |
| Interest income from banks | 來自銀行之利息收入 | 696 | 1,443 |

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8. Directors' and Employees' Emoluments

The emoluments paid or payable to each of the 10 directors were as follows.

| | 2007 二零零七年 | | | | | 2006 二零零六年 | | | | |
|--|----------------------------------|---------------|----------------------------|-------------------------------|---------------|----------------------------------|---------------|----------------------------|-------------------------------|---------------|
| | Salaries and other contributions | | Retirement benefits scheme | Performance-related incentive | Total | Salaries and other contributions | | Retirement benefits scheme | Performance-related incentive | Total |
| | Fees | benefits | benefits | bonus | | Fees | benefits | benefits | bonus | |
| | 袍金 | 薪金及 | 退休 | 表現 | 總計 | 袍金 | 薪金及 | 退休 | 表現 | 總計 |
| | 其他 | 福利 | 福利 | 獎勵 | | 其他 | 福利 | 福利 | 獎勵 | |
| | 福利 | 供款 | 計劃 | 花紅 | 千港元 | 福利 | 供款 | 計劃 | 花紅 | 千港元 |
| | 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 |
| | | | | (note) | | | | | (note) | |
| | | | | (附註) | | | | | (附註) | |
| Executive directors | 執行董事 | | | | | | | | | |
| Mr. Yeung Ming Biu | — | 2,886 | 400 | 1,567 | 4,853 | — | 2,883 | 393 | 1,129 | 4,405 |
| Mr. Yeung Him Kit, Dennis | — | 1,950 | 180 | 1,567 | 3,697 | — | 1,405 | 137 | 1,129 | 2,671 |
| Mr. Chan Che Kwong, William | — | 1,300 | 120 | 1,567 | 2,987 | — | 1,200 | 119 | 1,129 | 2,448 |
| Mr. Fung Kwong Yiu | — | 2,251 | 312 | 1,567 | 4,130 | — | 2,078 | 311 | 1,129 | 3,518 |
| Madam Yeung Man Yee, Shirley | — | 494 | 57 | 1,567 | 2,118 | — | 456 | 43 | 1,129 | 1,628 |
| Mr. Lam Hing Lun, Alain | — | 1,202 | 102 | 783 | 2,087 | — | 1,049 | 95 | 452 | 1,596 |
| Mr. Choi Kwok Yum | — | 1,463 | 162 | 783 | 2,408 | — | 1,287 | 152 | 452 | 1,891 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | | | | |
| Dr. Sum Ping Hsu, Samson | 108 | — | — | — | 108 | 108 | — | — | — | 108 |
| Dr. Li Sau Hung, Eddy | 108 | — | — | — | 108 | 108 | — | — | — | 108 |
| Mr. So Kai Lau, Peter | 108 | — | — | — | 108 | 108 | — | — | — | 108 |
| | 324 | 11,546 | 1,333 | 9,401 | 22,604 | 324 | 10,358 | 1,250 | 6,549 | 18,481 |

Note: The performance-related incentive bonus is determined as a percentage of the profit for the year before bonus charge.

All the five highest paid employees of the Group were executive directors of the Company. Details of their emoluments were disclosed above.

During the year, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

8. 董事及僱員之酬金

已付或應付10名董事之酬金如下。

| | 2007 二零零七年 | | | | | 2006 二零零六年 | | | | |
|--|----------------------------------|---------------|----------------------------|-------------------------------|---------------|----------------------------------|---------------|----------------------------|-------------------------------|---------------|
| | Salaries and other contributions | | Retirement benefits scheme | Performance-related incentive | Total | Salaries and other contributions | | Retirement benefits scheme | Performance-related incentive | Total |
| | Fees | benefits | benefits | bonus | | Fees | benefits | benefits | bonus | |
| | 袍金 | 薪金及 | 退休 | 表現 | 總計 | 袍金 | 薪金及 | 退休 | 表現 | 總計 |
| | 其他 | 福利 | 福利 | 獎勵 | | 其他 | 福利 | 福利 | 獎勵 | |
| | 福利 | 供款 | 計劃 | 花紅 | 千港元 | 福利 | 供款 | 計劃 | 花紅 | 千港元 |
| | 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 |
| | | | | (note) | | | | | (note) | |
| | | | | (附註) | | | | | (附註) | |
| Executive directors | 執行董事 | | | | | | | | | |
| Mr. Yeung Ming Biu | — | 2,886 | 400 | 1,567 | 4,853 | — | 2,883 | 393 | 1,129 | 4,405 |
| Mr. Yeung Him Kit, Dennis | — | 1,950 | 180 | 1,567 | 3,697 | — | 1,405 | 137 | 1,129 | 2,671 |
| Mr. Chan Che Kwong, William | — | 1,300 | 120 | 1,567 | 2,987 | — | 1,200 | 119 | 1,129 | 2,448 |
| Mr. Fung Kwong Yiu | — | 2,251 | 312 | 1,567 | 4,130 | — | 2,078 | 311 | 1,129 | 3,518 |
| Madam Yeung Man Yee, Shirley | — | 494 | 57 | 1,567 | 2,118 | — | 456 | 43 | 1,129 | 1,628 |
| Mr. Lam Hing Lun, Alain | — | 1,202 | 102 | 783 | 2,087 | — | 1,049 | 95 | 452 | 1,596 |
| Mr. Choi Kwok Yum | — | 1,463 | 162 | 783 | 2,408 | — | 1,287 | 152 | 452 | 1,891 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | | | | |
| Dr. Sum Ping Hsu, Samson | 108 | — | — | — | 108 | 108 | — | — | — | 108 |
| Dr. Li Sau Hung, Eddy | 108 | — | — | — | 108 | 108 | — | — | — | 108 |
| Mr. So Kai Lau, Peter | 108 | — | — | — | 108 | 108 | — | — | — | 108 |
| | 324 | 11,546 | 1,333 | 9,401 | 22,604 | 324 | 10,358 | 1,250 | 6,549 | 18,481 |

附註：表現相關獎勵花紅乃按扣除花紅前年內溢利之某一百分比而釐定。

本集團五位最高薪酬僱員均為本公司執行董事。彼等之酬金詳情披露於上文。

年內，本集團並無向五位最高薪酬僱員(包括董事及僱員)支付任何酬金，作為加入本集團或加入本集團後之報酬或離職補償。年內概無董事放棄任何酬金。

Notes to the Consolidated Financial Statements

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9. Taxation

9. 稅項

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---------------------------------|-----------|----------------------------------|----------------------------------|
| The charge comprises: | 支出包括： | | |
| Hong Kong Profits Tax | 香港利得稅 | (15,833) | (11,373) |
| Underprovision in prior years | 過往年度撥備不足 | (88) | — |
| | | (15,921) | (11,373) |
| Taxation in other jurisdictions | 其他司法權區之稅項 | (4,114) | (2,725) |
| Underprovision in prior years | 過往年度撥備不足 | (177) | — |
| | | (4,291) | (2,725) |
| Deferred taxation | 遞延稅項 | (245) | — |
| | | (20,457) | (14,098) |

Hong Kong Profits tax is calculated at 17.5% on the estimated assessable profit for the year.

香港利得稅根據年內估計應課稅溢利按17.5%稅率計算。

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

於其他司法權區之稅項根據有關法例及法規按現行稅率計算。

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For the year ended 31st March 2007
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9. Taxation (Continued)

The charge for the year is reconciled to profit before taxation as follows:

| | | 2007 二零零七年 | | 2006 二零零六年 | |
|---|--------------------------|-----------------|---------------|-----------------|--------|
| | | HK\$'000 千港元 | % | HK\$'000 千港元 | % |
| Profit before taxation | 除稅前溢利 | 115,331 | | 79,369 | |
| Tax at the applicable income tax rate | 根據適用稅率計算之稅項 | (20,183) | (17.5) | (13,890) | (17.5) |
| Tax effect of expenses not deductible for tax purposes | 不可扣稅開支之稅務影響 | (968) | (0.8) | (112) | (0.2) |
| Tax effect of income not taxable for tax purposes | 毋須課稅收入之稅務影響 | 845 | 0.7 | 381 | 0.5 |
| Utilisation of tax losses not previously recognised | 動用以往未確認稅務虧損 | 616 | 0.5 | 40 | 0.1 |
| Effect of different tax rates for subsidiaries operating in other jurisdictions | 於其他司法權區經營之附屬公司所使用不同稅率之影響 | (388) | (0.3) | (236) | (0.3) |
| Underprovision in prior years | 過往年度撥備不足 | (265) | (0.2) | — | — |
| Others | 其他 | (114) | (0.1) | (281) | (0.4) |
| Tax charge and effective tax rate for the year | 本年度稅項支出及有效稅率 | (20,457) | (17.7) | (14,098) | (17.8) |

10. Dividends

The final dividend of HK5.5 cents (2006: HK4 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. 稅項 (續)

本年度除稅項與除稅前溢利之對賬如下：

| | | 2007 二零零七年 | | 2006 二零零六年 | |
|---|--------------------------|-----------------|---------------|-----------------|--------|
| | | HK\$'000 千港元 | % | HK\$'000 千港元 | % |
| Profit before taxation | 除稅前溢利 | 115,331 | | 79,369 | |
| Tax at the applicable income tax rate | 根據適用稅率計算之稅項 | (20,183) | (17.5) | (13,890) | (17.5) |
| Tax effect of expenses not deductible for tax purposes | 不可扣稅開支之稅務影響 | (968) | (0.8) | (112) | (0.2) |
| Tax effect of income not taxable for tax purposes | 毋須課稅收入之稅務影響 | 845 | 0.7 | 381 | 0.5 |
| Utilisation of tax losses not previously recognised | 動用以往未確認稅務虧損 | 616 | 0.5 | 40 | 0.1 |
| Effect of different tax rates for subsidiaries operating in other jurisdictions | 於其他司法權區經營之附屬公司所使用不同稅率之影響 | (388) | (0.3) | (236) | (0.3) |
| Underprovision in prior years | 過往年度撥備不足 | (265) | (0.2) | — | — |
| Others | 其他 | (114) | (0.1) | (281) | (0.4) |
| Tax charge and effective tax rate for the year | 本年度稅項支出及有效稅率 | (20,457) | (17.7) | (14,098) | (17.8) |

10. 股息

董事已建議派發末期股息每股5.5港仙(二零零六年：4港仙)，但須由股東於應屆股東週年大會批准後方可作實。

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11. Earnings Per Share

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

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Earnings | 盈利 | | |
| Earnings for the purposes of basic and diluted earnings per share | 計算每股基本及攤薄盈利之盈利 | 94,874 | 65,271 |
| | | 2007 二零零七年 '000 千股 | 2006 二零零六年 '000 千股 |
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 計算每股基本盈利之普通股加權平均數 | 275,253 | 275,253 |
| Effect of dilutive potential ordinary shares — share options | 具攤薄性質之潛在普通股之影響 — 購股權 | 128 | |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | 計算每股攤薄盈利之普通股加權平均數 | 275,381 | |

No diluted earnings per share was presented for the year ended 31st March 2006 because the exercise price of the Company's share options was higher than the average price of the Company's shares.

11. 每股盈利

本公司普通權益持有人應佔每股基本及攤薄盈利乃按以下數據計算：

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Earnings | 盈利 | | |
| Earnings for the purposes of basic and diluted earnings per share | 計算每股基本及攤薄盈利之盈利 | 94,874 | 65,271 |
| | | 2007 二零零七年 '000 千股 | 2006 二零零六年 '000 千股 |
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 計算每股基本盈利之普通股加權平均數 | 275,253 | 275,253 |
| Effect of dilutive potential ordinary shares — share options | 具攤薄性質之潛在普通股之影響 — 購股權 | 128 | |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | 計算每股攤薄盈利之普通股加權平均數 | 275,381 | |

由於本公司購股權之行使價格高於本公司股份之平均價格，因此並無呈列截至二零零六年三月三十一日止年度之每股攤薄盈利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

12. Investment Properties

12. 投資物業

| | | HK\$'000 千港元 |
|--|------------------------------------|-----------------|
| COST | 成本 | |
| At 1st April 2005, 31st March 2006 and 31st March 2007 | 於二零零五年四月一日、二零零六年三月三十一日及二零零七年三月三十一日 | 25,457 |
| DEPRECIATION | 折舊 | |
| At 1st April 2005 | 於二零零五年四月一日 | 200 |
| Provided for the year | 本年度撥備 | 400 |
| At 31st March 2006 | 於二零零六年三月三十一日 | 600 |
| Provided for the year | 本年度撥備 | 404 |
| At 31st March 2007 | 於二零零七年三月三十一日 | 1,004 |
| CARRYING VALUE | 賬面值 | |
| At 31st March 2007 | 於二零零七年三月三十一日 | 24,453 |
| At 31st March 2006 | 於二零零六年三月三十一日 | 24,857 |

The investment properties are situated in Hong Kong and are held under long leases. They have been pledged to a bank to secure the credit facilities granted to the Group. The fair value of the Group's investment properties at 31st March 2007 was HK\$27,500,000, representing the valuation carried out by Greater China Appraisal Ltd., an independent firm of professional valuers, on an open market value basis. The valuation which conforms to International Valuation Standards, was determined by reference to market evidence of transaction prices for similar properties.

There was no allocation between the land portion and building portion for the above investment properties as it cannot be made reliably. The above investment properties are depreciated on a straight line basis at approximate 1.59% per annum.

該等投資物業位於香港，且以長期租約持有。該等投資物業已抵押給一間銀行，以取得授予本集團之信貸融資。本集團投資物業於二零零七年三月三十一日，由獨立專業估值師漢華評值有限公司按公開市值進行估值之公平值為27,500,000港元。估值符合國際估值準則，並經參照類似物業交易價之市場憑證後釐定。

由於上述投資物業之土地部分及樓宇部分無法可靠地劃分，故並無作出有關分配。上述投資物業以直線法按年率約1.59%予以折舊。

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綜合財務報表附註

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

13. Property, Plant and Equipment

13. 物業、機器及設備

| | | Land and buildings 土地及樓宇 HK\$'000 千港元 | Furniture, fixtures and equipment 傢俬、 裝置 及設備 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|-------------------------|--------------|---|---|--|--------------------------------|
| COST | | 成本 | | | |
| At 1st April 2005 | 於二零零五年四月一日 | 70,120 | 53,368 | 2,998 | 126,486 |
| Currency realignment | 貨幣調整 | 19 | 129 | 8 | 156 |
| Additions | 添置 | — | 14,079 | — | 14,079 |
| Disposals | 出售 | — | (1,499) | — | (1,499) |
| At 31st March 2006 | 於二零零六年三月三十一日 | 70,139 | 66,077 | 3,006 | 139,222 |
| Currency realignment | 貨幣調整 | 41 | 627 | 14 | 682 |
| Additions | 添置 | 20,799 | 12,176 | 1,535 | 34,510 |
| Disposals | 出售 | — | (1,231) | (1,228) | (2,459) |
| At 31st March 2007 | 於二零零七年三月三十一日 | 90,979 | 77,649 | 3,327 | 171,955 |
| DEPRECIATION | | 折舊 | | | |
| At 1st April 2005 | 於二零零五年四月一日 | 7,607 | 33,239 | 1,738 | 42,584 |
| Currency realignment | 貨幣調整 | 2 | 45 | 2 | 49 |
| Provided for the year | 本年度撥備 | 664 | 9,155 | 215 | 10,034 |
| Eliminated on disposals | 出售時撇銷 | — | (459) | — | (459) |
| At 31st March 2006 | 於二零零六年三月三十一日 | 8,273 | 41,980 | 1,955 | 52,208 |
| Currency realignment | 貨幣調整 | 5 | 264 | 5 | 274 |
| Provided for the year | 本年度撥備 | 655 | 10,549 | 424 | 11,628 |
| Eliminated on disposals | 出售時撇銷 | — | (802) | (823) | (1,625) |
| At 31st March 2007 | 於二零零七年三月三十一日 | 8,933 | 51,991 | 1,561 | 62,485 |
| NET BOOK VALUES | | 帳面淨值 | | | |
| At 31st March 2007 | 於二零零七年三月三十一日 | 82,046 | 25,658 | 1,766 | 109,470 |
| At 31st March 2006 | 於二零零六年三月三十一日 | 61,866 | 24,097 | 1,051 | 87,014 |

Owner-occupied leasehold land is included in property, plant and equipment because the allocation between the land portion and building portion cannot be made reliably.

由於業主自用租賃土地之土地部分及樓宇部分不能可靠地劃分，故業主自用租賃土地乃計入物業、機器及設備。

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For the year ended 31st March 2007

截至二零零七年三月三十一日止年度

13. Property, Plant and Equipment (Continued)

13. 物業、機器及設備 (續)

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| The net book value of property interests comprises: | 物業權益之帳面淨值包括： | | |
| Properties held under | 按下列租約持有之物業 | | |
| — long leases in Hong Kong | — 於香港之長期租約 | 61,523 | 60,985 |
| — medium-term leases in the PRC | — 於中國之中期租約 | 20,523 | 881 |
| | | 82,046 | 61,866 |

14. Convertible Notes Receivables

14. 可換股票據之應收款項

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Unlisted convertible notes loan portion: | 未上市可轉換股票 據貸款部分： | | |
| At 1st April 2006/inception date | 於二零零六年四月一日 ／設立日期 | 1,637 | 1,614 |
| Imputed interest income | 應歸利息收入 | 28 | 23 |
| Disposal during the year | 年內出售 | (819) | — |
| Conversion to shares | 轉換為股份 | (846) | — |
| At 31st March 2007 and shown under non-current assets | 於二零零七年三月三十一日及 列為非流動資產 | — | 1,637 |
| Conversion option derivative at fair value: | 兌換期權工具， 按公平值： | | |
| At 1st April 2006/inception date | 於二零零六年四月一日／ 設立日期 | 2,760 | 386 |
| Changes in fair value of conversion option derivative | 兌換期權工具之 公平值變動 | 521 | 2,374 |
| Disposal during the year | 年內出售 | (1,380) | — |
| Conversion to shares | 轉換為股份 | (1,901) | — |
| At 31st March 2007 and shown under current assets | 於二零零七年三月三十一日及 列為流動資產 | — | 2,760 |

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14. Convertible Notes Receivables (Continued)

The Group held convertible notes which was issued by a company with its shares listed on the Growth Enterprise Market of the Stock Exchange. The convertible notes were carried at coupon rate of 4% per annum and conferred rights to the bearer to convert the whole or part of the outstanding principal amount into shares of that company at a conversion price of HK\$0.207 per share, subject to adjustment, in the defined period. The convertible notes receivables carried an effective interest rate at 11.75% per annum.

During the year, the Group disposed of the convertible notes receivables with carrying value of HK\$2,199,000 for a consideration of HK\$1,600,000 resulting in a loss of HK\$599,000. Besides, the Group converted the remaining convertible notes with a carrying value of HK\$2,747,000 at the exercise price of HK\$0.207 into 4,830,918 shares. The Group designated this investment as available-for-sale financial assets.

15. Available-For-Sale Financial Assets

| | | | |
|--|-------------------|---------------|--------|
| Listed investments | 上市投資 | | |
| — equity securities listed in Hong Kong (note a) | — 香港上市股本證券 (附註 a) | 4,272 | 221 |
| Unlisted investments | 非上市投資 | | |
| — managed fund portfolio (note b) | — 管理基金投資組合 (附註 b) | 9,890 | 8,085 |
| — equity securities (note c) | — 股本證券 (附註 c) | 43,818 | 53,230 |
| | | 57,980 | 61,536 |

During the year, the Group disposed of certain unlisted equity securities with a carrying value of HK\$24,407,000 resulting in a gain of HK\$1,631,000 which had been recognised in the income statement for the year.

14. 可換股票據之應收款項 (續)

本集團持有一間其股份在聯交所創業板上市之公司所發行之可換股票據。可換股票據按票面息率每年4%計息，並賦予持有人權利於指定期間內，按兌換價每股0.207港元將全部或部分未償還本金額兌換為該公司之股份。可換股票據之應收款項之實際年利率為11.75%。

年內，本集團以1,600,000港元之代價出售賬面值為2,199,000港元之可換股票據，導致599,000港元之損失。此外，本集團按0.207港元之行使價將其餘賬面值為2,747,000港元之可換股票據兌換為4,830,918股股份。本集團將該項投資指定為可供出售金融資產。

15. 可供出售金融資產

| | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
|--|----------------------------------|----------------------------------|

於本年度，本集團出售若干非上市股本證券，賬面值為24,407,000港元，由此獲得1,631,000港元收益，並已於年度之收益表內確認。

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15. Available-For-Sale Financial Assets (Continued)

Notes:

- a. As at the balance sheet date, all the equity securities listed in Hong Kong are stated at fair values, which have been determined by reference to bid prices quoted in active markets.
- b. The managed fund portfolio is managed by professional investment managers and this portfolio mainly comprises investment properties. The fund was stated at fair value provided by the relevant bank.
- c. The above unlisted equity securities were issued by private entities. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Group are of the opinion that their fair values cannot be measured reliably.

16. Trade and Other Receivables

15. 可供出售金融資產 (續)

附註:

- a. 於結算日，所有香港上市股本證券均按公平值入賬，而公平值乃參照活躍市場所報之買入價而釐定。
- b. 管理基金投資組合乃有專業投資經理進行管理，而該投資組合主要包括投資物業。基金乃按相關銀行所報之公平值入賬。
- c. 上述非上市股本證券由私有實體發行。由於本集團董事認為非上市股本證券之合理公平值估計之範圍太大，而令公平值無法可靠計算，故有關股本證券乃於個結算日按成本減值入賬。

16. 貿易及其他應收賬款

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Trade receivables | 貿易應收賬款 | 68,666 | 57,606 |
| Balance of consideration receivables from sale of available-for-sale financial assets | 應收出售可供出售金融資產代價之餘款 | 5,304 | 3,000 |
| Property rental and utilities deposits | 物業租金及公用設施按金 | 5,442 | 3,544 |
| Property rental prepayments | 物業租金預付款 | 3,237 | 4,473 |
| Advances to apparel suppliers | 向服裝供應商墊款 | 5,934 | 3,620 |
| Advances to suppliers | 向供應商墊款 | 3,357 | 4,144 |
| VAT receivables | 應收增值稅 | 10,366 | 12,412 |
| Other receivables | 其他應收賬款 | 3,839 | 4,258 |
| | | 106,145 | 93,057 |

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16. Trade and Other Receivables (Continued)

The Group maintains a general credit policy of not more than 30 days for its established and major customers. The following is an aged analysis of trade receivables at the balance sheet date:

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---------------|-----------|----------------------------------|----------------------------------|
| Age | 帳齡 | | |
| 0 to 30 days | 0 至 30 日 | 59,090 | 53,094 |
| 31 to 60 days | 31 至 60 日 | 6,819 | 4,399 |
| 61 to 90 days | 61 至 90 日 | 1,531 | 96 |
| Over 90 days | 90 日以上 | 1,226 | 17 |
| | | 68,666 | 57,606 |

17. Pledged of Bank Deposits

At 31st March 2007, the Group's pledged fixed deposits which carry at fixed interest rate of 3.8% per annum was pledged to a bank in respect of the short-term credit facilities granted by this bank to one of the subsidiaries of the Group.

18. Bank Balances and Cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less at effective interest rate of 3.0% (2006: 1.2%) per annum.

16. 貿易及其他應收賬款 (續)

本集團之信貸政策一般為其長期及主要客戶提供不超過30日之信貸期。本集團於結算日之貿易應收賬款之賬齡分析如下：

17. 銀行存款抵押

於二零零七年三月三十一日，本集團已就銀行向本集團之一間附屬公司授出短期信貸融資而向該銀行抵押按固定年利率3.8%計息之定期存款。

18. 銀行結餘及現金

銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下並按實際年利率3.0% (二零零六年：1.2%) 計息之短期銀行存款。

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19. Trade and Other Payables

19. 貿易及其他應付賬款

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|------------------------------|---------|----------------------------------|----------------------------------|
| Trade payables | 貿易應付賬款 | 95,212 | 80,674 |
| Payroll and welfare payables | 應付工資及福利 | 10,527 | 7,119 |
| Commission payables | 應付佣金 | 1,535 | 1,433 |
| Interest payables | 應付利息 | 765 | 201 |
| Other payables | 其他應付賬款 | 8,022 | 8,291 |
| | | 116,061 | 97,718 |

The following is an aged analysis of trade payables at the balance sheet date:

本集團於結算日之貿易應付賬款之賬齡分析如下:

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---------------|-----------|----------------------------------|----------------------------------|
| Age | 帳齡 | | |
| 0 to 60 days | 0至60日 | 82,881 | 71,225 |
| 61 to 90 days | 61至90日 | 6,011 | 4,921 |
| Over 90 days | 90日以上 | 6,320 | 4,528 |
| | | 95,212 | 80,674 |

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20. Secured Long-Term Bank Loan

20. 有抵押長期銀行貸款

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| The secured bank loan is repayable as follows: | 有抵押銀行貸款須於以下期間償還： | | |
| Within one year | 一年內 | 980 | 980 |
| Between one to two years | 一年至兩年內 | 980 | 980 |
| Between two to five years | 兩年至五年內 | 2,940 | 2,940 |
| After five years | 五年後 | 7,513 | 8,493 |
| | | 12,413 | 13,393 |
| Less: Amount due within one year shown under current liabilities | 減：於一年內到期之款項列為流動負債 | 980 | 980 |
| Amount due after one year | 一年後到期之款項 | 11,433 | 12,413 |

At the balance sheet date, the Group has pledged its investment properties to a bank to secure the bank loan granted to the Group.

於結算日，本集團已向銀行抵押其投資物業，以作為本集團獲授銀行貸款之抵押。

The bank loan carries interest at Hong Kong Inter-Bank Offered Rate ("HIBOR") plus 0.6% per annum.

銀行貸款按香港同業拆息（「香港銀行同業拆息」）加年利率0.6%計息。

21. Short-Term Bank Loans

21. 短期銀行貸款

Short-term bank loans of HK\$123,761,000 (2006: HK\$125,385,000) are unsecured and carry interest at a range from HIBOR plus 0.6% to 0.8% per annum (2006: HIBOR plus 0.6% to 0.8% per annum) and the remaining bank loans carry interest at a range from 5.22% to 5.58% per annum (2006: 5.24% to 5.57% per annum).

短期銀行貸款123,761,000港元（二零零六年：125,385,000港元）為未抵押並按介乎香港銀行同業拆息加年利率0.6%至0.8%（二零零六年：香港銀行同業拆息加年利率0.6%至0.8%）計息，及其餘銀行貸款按年利率介乎5.22%至5.58%（二零零六年：年利率5.24% to 5.57%）計息。

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22. Deferred Taxation

The following is the major deferred tax liabilities recognised and movements thereon during the current and prior reporting periods:

| | | Accelerated tax depreciation |
|--|--------------------------|---|
| | | 加速稅項折舊 |
| | | <i>HK\$'000</i> |
| | | 千港元 |
| At 1st April 2005 and 1st April 2006 | 於二零零五年四月一日及 二零零六年四月一日 | 141 |
| Charged to income statement for the year | 年內於收益表扣除 | 245 |
| At 31st March 2007 | 於二零零七年三月三十一日 | 386 |

At the balance sheet date, the Group had unutilised tax losses of HK\$1,359,000 (2006: HK\$4,879,000) available to set off against future assessable profits. No deferred tax asset has been recognised in respect of these unutilised tax losses due to the unpredictability of future profit stream. These tax losses of the Group may be carried forward indefinitely except for HK\$866,000 (2006: HK\$4,286,000) which may only be carried forward until year 2011.

22. 遞延稅項

以下為本申報期間及以往申報期間內已確認之主要遞延稅項負債及其變動：

於結算日內，本集團擁有未動用稅務虧損 1,359,000 港元（二零零六年：4,879,000 港元）可供抵銷未來應課稅溢利。由於未能預測未來溢利來源，故並無就該等未動用稅務虧損確認遞延稅項資產。除本集團稅務虧損之 866,000 港元（二零零六年：4,286,000 港元）僅可結轉至二零一一年外，該等虧損可無限期結轉。

23. Share Capital

| | | Number of ordinary shares | Amount |
|----------------------------------|------------------|--------------------------------------|-------------------------|
| | | 2007 & 2006 | 2007 & 2006 |
| | | 普通股數目 | 價值 |
| | | 二零零七年 及二零零六年 | 二零零七年 及二零零六年 |
| | | | <i>HK\$'000</i> |
| | | | 千港元 |
| Ordinary shares of HK\$0.10 each | 每股面值 0.10 港元之普通股 | | |
| — authorised | — 法定 | 500,000,000 | 50,000 |
| — issued and fully paid | — 已發行及繳足 | 275,253,200 | 27,525 |

23. 股本

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24. Share Options

Pursuant to an ordinary resolution passed in the Company's special general meeting held on 3rd November 2003, the Company approved and adopted a Share Option Scheme.

The options of the Share Option Scheme may be granted to any director of the Company, employee, consultant, customer, supplier or advisor of the Company or a company in which the Group holds an interest or a subsidiary of such company (the "Eligible Persons"), the trustee of the Eligible Persons or a company beneficially owned by the Eligible Persons. The purpose of the Share Option Scheme is to attract and retain quality personnel and Eligible Persons to provide incentive to them to contribute to the business and operation of the Company. The total number of shares available for issue under the Share Option Scheme is 27,525,320 shares, representing 10% of the issued share capital of the Company as at the date of this report. 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 exercisable period is determined by the directors, which shall not be more than 10 years from the date of grant. There is no general applicable minimum period for which the options must be held before it can be exercised. An offer of the grant of an option shall be opened for acceptance in writing received by the secretary of the Company for a period of 21 days from the Eligible Persons without paying any consideration upon the acceptance of the offer. The exercise price per share payable on the exercise of an option equals to the highest of:

- (a) 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 or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme;

24. 購股權

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，本公司已批准並採納購股權計劃。

購股權計劃之購股權可授予任何本公司之董事、本公司之僱員、顧問、客戶、供應商或諮詢人或本集團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」）、合資格人士之信託人或合資格人士實益擁有之公司。購股權計劃旨在向優秀人才及合資格人士給予獎勵，以吸引彼等人士在本集團留任及對本集團之業務及經營作出貢獻。購股權計劃項下可供發行之股份總數為27,525,320股，佔本公司於本報告日期之已發行股本10%。根據聯交所證券上市規則，除非獲本公司股東批准，否則於任何十二個月期間內，合資格人士不得獲授予可認購股份數目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%之股份（已發行及將予發行）。行使期乃由董事釐定，惟不得超過自授出日期起計十年。購股權計劃並無設定購股權行使前必須持有之一般適用之最短期限。合資格人士可於提呈授予購股權當日起21日內以書面方式向本公司秘書表示是否接受該提呈，而於接受該提呈時毋須支付任何代價。在行使購股權時應付之每股行使價格將為以下三者中之最高者：

- (a) 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或（如適用）根據購股權計劃不時調整之價格；

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24. Share Options (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 nominal value of the share.

The Share Option Scheme is valid for a period of ten years commencing on the adoption date on 3rd November 2003.

On 16th January 2004, 18,900,000 share options were granted to certain directors of the Company under the Company's Share Option Scheme at an exercise price of HK\$1.702. These share options were exercisable for the period from 16th January 2004 to 15th January 2014. No options were exercised since the grant date. The number of share options outstanding under the Share Option Scheme at 31st March 2006 and 31st March 2007 were 18,900,000.

25. Operating Lease Arrangements

At the balance sheet date, the Group was committed to make the following future minimum lease payments in respect of rented premises under non-cancellable operating leases which fall due as follows:

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---------------------------------------|----------------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 51,954 | 20,086 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 61,744 | 25,857 |
| After five years | 五年後 | 302 | 897 |
| | | 114,000 | 46,840 |

24. 購股權 (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) 股份面值。

購股權計劃自採納日期二零零三年十一月三日起計十年內有效。

於二零零四年一月十六日，本公司根據其購股權計劃將按行使價1.702港元授出18,900,000股購股權予若干本公司董事。該等購股權可於二零零四年一月十六日至二零一四年一月十五日期間行使。於授出日期後並無行使任何購股權。於二零零六年三月三十一日及二零零七年三月三十一日，根據購股權計劃授出之未行使購股權數目為18,900,000股。

25. 經營租賃安排

於結算日，本集團已就根據關於租賃物業之不可取消之經營租賃承諾日後支付以下最低租金：

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25. Operating Lease Arrangements (Continued)

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments in respect of investment properties let:

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|-----------------|-----|----------------------------------|----------------------------------|
| Within one year | 一年內 | — | 675 |

26. Other Commitments

At the balance sheet date, the Group was committed to pay royalties for the usage of a fashion brand for manufacture and trading of apparels with a minimum guarantee royalties payment as follows:

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---------------------------------------|----------------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 729 | — |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 4,450 | — |
| After five years | 五年後 | 5,226 | — |
| | | 10,405 | — |

The Group was also subjected to pay royalties at 6% on total net wholesales made per annum on top of the above minimum guarantee royalties.

25. 經營租賃安排(續)

於結算日，本集團已與租客就已租出之投資物業訂合約於日後支付以下最低租金：

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|-----------------|-----|----------------------------------|----------------------------------|
| Within one year | 一年內 | — | 675 |

26. 其他承擔

於結算日，本集團承諾就使用某一時尚品牌製造及經銷服飾支付版稅，最低保證版稅之付款額如下：

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|---------------------------------------|----------------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 729 | — |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 4,450 | — |
| After five years | 五年後 | 5,226 | — |
| | | 10,405 | — |

除上述之最低保證版稅外，本集團亦需支付每年總批發淨額6%之版稅。

27. Capital Commitments

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

有關購置物業、機器及設備之已訂立合約但並未於財務報表撥備之資本開支

| | | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 |
|--|-----------------------------------|----------------------------------|----------------------------------|
| Capital expenditure contracted for but not provided in the financial statements in respect of acquisition of property, plant and equipment | 有關購置物業、機器及設備之已訂立合約但並未於財務報表撥備之資本開支 | 2,601 | 2,155 |

27. 資本承擔

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28. Retirement Benefits Schemes

The Group principally operates defined contribution retirement schemes for all qualifying employees, including directors. The assets of the schemes are held separately from those of the Group in funds under the control of independent trustees.

The retirement scheme cost represents contributions payable to the funds by the Group at rates specified in the rules of the schemes. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The Group operates a Mandatory Provident Fund Scheme (the "MPF" Scheme) for all qualifying employees in Hong Kong. All qualifying employees are required to participate in the MPF Scheme. Mandatory benefits are being provided under the MPF Scheme.

The employees of the Company's PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The Company's PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

29. Post Balance Sheet Events

On 11th June 2007, the Company separately entered into two warrant placing agreements with two subscribers and two guarantors, which were independent third parties to the Group, in relation to a private placing of an aggregate of 55,000,000 warrants to the subscribers, at an issue price of HK\$0.02 per warrant. This warrant placing was completed on 26th June 2007.

The warrants entitled the subscribers to subscribe for the new shares at an initial subscription price of HK\$1.81 per new share for a period of 30 months commencing from the date of issue of the warrants. Each warrant carries the right to subscribe for one new share.

28. 退休福利計劃

本集團主要為所有合資格僱員(包括董事)設立定額供款退休計劃。該等計劃之資產於獨立受託人管理之基金與本集團之資產分開持有。

退休計劃成本指本集團應按計劃規則指定之比率應付之基金供款。倘僱員於可全數取得供款前退出該等計劃，則沒收供款可用作扣減本集團日後應付之供款。

本集團為所有香港合資格僱員設立強制性公積金計劃(「強積金計劃」)。所有合資格僱員均須參與強積金計劃。強制性福利乃根據強積金計劃提供。

本公司中國附屬公司之僱員均參與由中國政府管理之國家退休福利計劃。本公司之中國附屬公司須按僱員薪金之若干百分比向退休福利計劃供款，以為該等福利提供資金。本集團只須根據計劃作出規定供款，則已履行退休福利計劃之責任。

29. 結算日後事項

於二零零七年六月十一日，本公司就有關按發行價每份認股權證0.02港元向該等認購人作私人配售合共55,000,000份認股權證而與兩名認購人及兩名擔保人(該等人士均為本集團之獨立第三方)分別訂立兩份認股權證配售協議。該認股權證配售事項乃於二零零七年六月二十六日完成。

認股權證賦予認購人權利，可於自發行認股權證日期起計30個月之期間內按每股新股份1.81港元之初步認購價認購新股份。每份認股權證賦予持有人權利，可認購一股新股份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

30. Principal Subsidiaries

Details of the Company's principal subsidiaries, all of which are limited liability companies and are wholly-owned by the Company, at 31st March 2007 are as follows:

30. 主要附屬公司

於二零零七年三月三十一日，本公司之主要附屬公司(全部均為有限公司，並由本公司全資擁有)詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment/ operation 註冊成立/ 成立/ 經營地點 | Nominal value of issued and fully paid share capital/ registered capital 已發行及 繳足股本面值/ 註冊資本 | Principal activities 主要業務 |
|--|---|--|---|
| Golden Advance Developments Limited | Hong Kong 香港 | HK\$1 1港元 | Property holding 持有物業 |
| La Suisse Watch Company, Limited 瑞士表行有限公司 | Hong Kong 香港 | HK\$1,000 1,000港元 | Watch trading 手表經銷 |
| Oriental Watch Company Limited 東方表行有限公司 | Hong Kong 香港 | HK\$1,000 1,000港元 | Watch trading 手表經銷 |
| Oriental Watch (China) Company Limited * 東方表行(中國)有限公司 * | Hong Kong 香港 | HK\$1,000 1,000港元 | Watch trading and investment holding 手表經銷及投資控股 |
| Unex Development Limited * 宇立發展有限公司* | Hong Kong 香港 | HK\$2 2港元 | Property holding 持有物業 |
| La Suisse Watch (Macau) Company Limited 東方表行(澳門)有限公司 | Macau 澳門 | MOP\$25,000 25,000澳門元 | Watch trading 手表經銷 |
| Beauty Fashion Limited # | British Virgin Islands 英屬處女群島 | US\$100 100美元 | Apparel business 服裝業務 |
| 上海東舫表行國際貿易有限公司 (Shanghai Oriental Watch International Trading Co., Ltd.) * | PRC 中國 | US\$200,000 200,000美元 | Watch trading for a term of 50 years commencing 3rd January 2001 手表經銷， 由二零零一年 一月三日起計50年 |

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綜合財務報表附註

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

30. Principal Subsidiaries (Continued)

30. 主要附屬公司 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment/ operation 註冊成立/ 成立/ 經營地點 | Nominal value of issued and fully paid share capital/ registered capital 已發行及 繳足股本面值/ 註冊資本 | Principal activities 主要業務 |
|---|---|--|--|
| 上海嶠師貿易有限公司 (Qiaoshi Trading Company Limited) | PRC 中國 | RMB500,000 人民幣500,000元 | Watch trading for a term of 10 years commencing 19th August 2004 手表經銷，由二零零四年八月十九日起計10年 |
| 上海時分秒貿易有限公司 (Shanghai Key Machine Trading Company Limited) * | PRC 中國 | US\$200,000 200,000美元 | Watch trading for a term of 50 years commencing 17th October 2003 手表經銷，由二零零三年十月十七日起計50年 |
| 東方表行(中國)貿易有限公司 (Oriental Watch (China) Trading Limited) * | PRC 中國 | US\$21,686,371/ US\$29,000,000 21,686,371美元/ 29,000,000美元 | Watch trading for a term of 30 years commencing 14th June 2005 手表經銷，由二零零五年六月十四日起計30年 |
| 時分秒鐘表(北京)有限公司 Shanghai Key Machine Beijing Limited * | PRC 中國 | RMB300,000 人民幣300,000元 | Watch trading for a term of 20 years commencing 11th May 2006 手表經銷，由二零零六年五月十一日起計20年 |

* Indirectly held by the Company.
70% indirectly held by the Company.

* 由本公司間接持有
由本公司間接持有70%權益

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31st March 2007
截至二零零七年三月三十一日止年度

30. Principal Subsidiaries (Continued)

Shanghai Oriental Watch International Trading Co., Ltd., Qiaoshi Trading Company Limited, Shanghai Key Machine Trading Company Limited and Oriental Watch (China) Trading Limited are wholly foreign owned enterprises established in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

30. 主要附屬公司 (續)

上海東舫表行國際貿易有限公司、上海嶠師貿易有限公司、上海時分秒貿易有限公司及東方表行(中國)貿易有限公司乃於中國成立之全外資企業。

上表只載列董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為，如載列其他附屬公司之詳情，則會導致資料過分冗長。

各附屬公司於年終或年內任何時間概無擁有任何未償還債務證券。

Financial Summary

財務摘要

| | | Year ended 31st March, 截至三月三十一日止年度 | | | | |
|-------------------------------|--------------|--|-----------|-----------|-----------|------------------|
| | | 2003 | 2004 | 2005 | 2006 | 2007 |
| | | 二零零三年 | 二零零四年 | 二零零五年 | 二零零六年 | 二零零七年 |
| | | 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 |
| RESULTS | 業績 | | | | | |
| Turnover | 營業額 | 1,901,779 | 1,876,233 | 2,041,810 | 2,022,381 | 2,645,914 |
| Profit before taxation | 除稅前溢利 | 77,576 | 80,207 | 88,508 | 79,369 | 115,331 |
| Taxation | 稅項 | (12,091) | (11,577) | (14,514) | (14,098) | (20,457) |
| Profit for the year | 年內溢利 | 65,485 | 68,630 | 73,994 | 65,271 | 94,874 |
| | | As at 31st March, 於三月三十一日 | | | | |
| | | 2003 | 2004 | 2005 | 2006 | 2007 |
| | | 二零零三年 | 二零零四年 | 二零零五年 | 二零零六年 | 二零零七年 |
| | | 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 |
| ASSETS AND LIABILITIES | 資產及負債 | | | | | |
| Total assets | 資產總額 | 685,886 | 766,494 | 899,589 | 1,056,878 | 1,252,986 |
| Total liabilities | 負債總額 | (82,127) | (109,385) | (185,001) | (292,286) | (403,168) |
| Total equity | 權益總額 | 603,759 | 657,109 | 714,588 | 764,592 | 849,818 |