



Oriental

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)

中期業績報告
Interim Report **2008**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Yeung Ming Biu (*Chairman*)
Mr. Yeung Him Kit, Dennis
(*Managing Director*)
Mr. Fung Kwong Yiu
(*Executive Director*)
Madam Yeung Man Yee, Shirley
(*Executive Director*)
Mr. Lam Hing Lun, Alain
(*Finance Director*)
Mr. Choi Kwok Yum
(*Executive Director*)
Dr. Sun Ping Hsu, Samson
(*Independent Non-executive Director*)
Dr. Li Sau Hung, Eddy
(*Independent Non-executive Director*)
Mr. So Kai Lau, Peter
(*Independent Non-executive Director*)
(Retired on 25th September, 2008)
Mr. Choi Man Chau
(*Independent Non-executive Director*)
(Appointed on 25th September, 2008)

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Mr. Lam Hing Lun, Alain

PRINCIPAL BANKERS

Hang Seng Bank Limited
Wing Hang Bank Limited

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

HONG KONG BRANCH SHARE REGISTRARS

Tricor Secretaries Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

HONG KONG LEGAL ADVISER

Jennifer Cheung & Co

BERMUDA LEGAL ADVISER

Conyers, Dill & Pearman

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Room 312-8
China Insurance Group Building
141 Des Voeux Road Central
Central
Hong Kong

公司資料

董事會

楊明標先生(主席)
楊衍傑先生
(*董事總經理*)
馮廣耀先生
(*執行董事*)
楊敏儀女士
(*執行董事*)
林慶麟先生
(*財務董事*)
蔡國欽先生
(*執行董事*)
孫秉樞博士
(*獨立非執行董事*)

李秀恒博士
(*獨立非執行董事*)

蘇啟鏗先生
(*獨立非執行董事*)
(於二零零八年
九月二十五日退任)

蔡文洲先生
(*獨立非執行董事*)
(於二零零八年
九月二十五日獲委任)

合資格會計師及公司秘書

林慶麟先生

主要往來銀行

恒生銀行有限公司
永亨銀行有限公司

核數師

德勤 • 關黃陳方會計師行
執業會計師

股份過戶登記處香港分處

卓佳秘書商務有限公司
香港
灣仔
皇后大道東 28 號
金鐘滙中心 26 樓

香港法律顧問

張美霞律師行

百慕達法律顧問

Conyers, Dill & Pearman

註冊辦事處

Clarendon House
Church Street
Hamilton HM 11
Bermuda

主要營業地點

香港
中環
德輔道中 141 號
中保集團大廈
312-8 室

INTERIM RESULTS

The Board of Directors of Oriental Watch Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2008 together with the comparative figures for the corresponding period in 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2008

中期業績

東方表行集團有限公司(「本公司」)董事會謹此公佈，本公司及其附屬公司(「本集團」)截至二零零八年九月三十日止六個月之未審核綜合業績連同二零零七年同期之比較數字如下：

簡明綜合收益表

截至二零零八年九月三十日止六個月

		(Unaudited) (未審核)	
		Six months ended 截至下列日期止六個月	
		30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	30th September, 2007 二零零七年 九月三十日 HK\$'000 千港元
	Notes 附註		
Turnover	營業額	1,266,660	1,290,877
Cost of goods sold	銷貨成本	(1,031,217)	(1,115,515)
Gross profit	毛利	235,443	175,362
Other income	其他收入	23,919	19,120
Distribution and selling expenses	分銷及銷售開支	(72,826)	(35,365)
Administrative expenses	行政開支	(93,846)	(79,874)
Finance costs	融資成本	(8,384)	(7,248)
Profit before taxation	除稅前溢利	84,306	71,995
Taxation	稅項	(15,263)	(15,053)
Profit for the period	期內溢利	69,043	56,942
Earnings per share	每股盈利		
— Basic	— 基本	21.45 HK cents 港仙	20.04 HK cents
— Diluted	— 攤薄	19.67 HK cents 港仙	17.84 HK cents

CONDENSED CONSOLIDATED BALANCE SHEET

At 30th September, 2008

簡明綜合資產負債表

於二零零八年九月三十日

			(Unaudited) (未審核)	(Audited) (經審核)
			30th	31st
			September,	March,
			2008	2008
			二零零八年	二零零八年
			九月三十日	三月三十一日
			HK\$'000	HK\$'000
			千港元	千港元
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	8	138,987	135,572
Available-for-sale financial assets	可供出售金融資產		57,624	58,543
Property rental deposits	物業租金按金		25,832	11,151
			222,443	205,266
Current assets	流動資產			
Inventories	存貨		1,283,580	974,268
Trade and other receivables	貿易及其他應收賬款	9	133,361	160,064
Taxation recoverable	可退回稅項		5,614	5,758
Bank balances and cash	銀行結餘及現金		148,280	228,975
			1,570,835	1,369,065
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	10	194,991	125,653
Taxation payable	應付稅項		25,449	18,528
Dividend payable	應付股息		24,244	—
Short-term bank loans	短期銀行貸款		317,955	263,333
Bank overdrafts	銀行透支		9,668	4,326
			572,307	411,840
Net current assets	流動資產淨值		998,528	957,225
Total assets less current liabilities	資產總值減流動負債		1,220,971	1,162,491
Non-current liabilities	非流動負債			
Deferred taxation	遞延稅項		124	124
Net assets	資產淨值		1,220,847	1,162,367
Capital and reserves	資本及儲備			
Share capital	股本	11	32,325	32,025
Reserves	儲備		1,188,522	1,130,342
Total equity	權益總額		1,220,847	1,162,367

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2008

簡明綜合權益變動表

截至二零零八年九月三十日止六個月

		Share capital	Share premium	Share option reserve	Capital redemption reserve	Subscription right reserve	Asset revaluation reserve	Special reserve	Translation reserve	Retained profits	Dividend reserve	Total
		股本	股份溢價	購股權儲備	資本贖回儲備	認購權儲備	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	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st April, 2008 (audited)	於二零零八年四月一日 (經審核)	32,025	203,748	1,774	425	980	3,524	5,180	31,936	858,756	24,019	1,162,367
Exchange difference arising on translation of foreign operations	換算海外業務所產生之 匯兌差額	-	-	-	-	-	-	-	6,486	-	-	6,486
Change in fair value of available-for-sale financial assets	可供出售金融資產之公 平值變動	-	-	-	-	-	1,571	-	-	-	-	1,571
Net income recognised directly in equity	直接確認海權益之收入 淨額	-	-	-	-	-	1,571	-	6,486	-	-	8,057
Transfer to income statement for impairment loss of available-for-sale financial assets	轉撥至收益表之可供出 售金融資產之減值 虧損	-	-	-	-	-	194	-	-	-	-	194
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	69,043	-	69,043
Total recognised income for the period	期內確認之收入總額	-	-	-	-	-	1,765	-	6,486	69,043	-	77,294
Issue of new shares from exercise of warrants	因行使認股權證而發行 新股份	300	5,190	-	-	(60)	-	-	-	-	-	5,430
2008 final dividend payable to shares issued since the approval of 2008 consolidated financial statements	二零零八年綜合財務報 表批准後才發行的 股份之應付二零零 八年末期股息	-	-	-	-	-	-	-	-	(225)	225	-
2008 final dividend declared	已宣派二零零八年末期 股息	-	-	-	-	-	-	-	-	-	(24,244)	(24,244)
2009 interim dividend	二零零九年中期股息	-	-	-	-	-	-	-	-	(4,849)	4,849	-
At 30th September, 2008 (unaudited)	於二零零八年九月三十日 (未審核)	32,325	208,938	1,774	425	920	5,289	5,180	38,422	922,725	4,849	1,220,847

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) 簡明綜合權益變動表(續)

		Share capital	Share premium	Share option reserve	Capital redemption reserve	Subscription right reserve	Asset revaluation reserve	Special reserve	Translation reserve	Retained profits	Dividend reserve	Total
		股本	股份溢價	購股權儲備	資本贖回儲備	認購權儲備	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	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st April, 2007 (audited)	於二零零七年四月一日 (經審核)	27,525	52,045	-	425	-	3,124	5,180	5,897	740,208	15,414	849,818
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	10,777	-	-	10,777
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	958	-	-	-	-	958
Net income recognised directly in equity	直接確認為權益之收入淨額	-	-	-	-	-	958	-	10,777	-	-	11,735
Transfer to profit on sale of available-for-sale financial assets	轉撥至出售可供出售金融資產之溢利	-	-	-	-	-	(1,374)	-	-	-	-	(1,374)
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	56,942	-	56,942
Total recognised income for the period	期內確認之收入總額	-	-	-	-	-	(416)	-	10,777	56,942	-	67,303
Issue of warrants	發行認股權證	-	-	-	-	1,100	-	-	-	-	-	1,100
Issue of new shares	發行新股份	-	-	-	-	-	-	-	-	-	-	-
- from exercise of warrants	- 來自行使認股權證	500	8,650	-	-	(100)	-	-	-	-	-	9,050
- from placing	- 來自配售	3,900	144,300	-	-	-	-	-	-	-	-	148,200
Share issue expenses	股份發行開支	-	(2,977)	-	-	-	-	-	-	-	-	(2,977)
2007 final dividend payable to shares issued since the approval of the 2007 consolidated financial statements	二零零七年綜合財務報表批准後才發行的股份之應付二零零七年末期股息	-	-	-	-	-	-	-	-	(2,145)	2,145	-
2007 final dividend paid	已派發二零零七年末期股息	-	-	-	-	-	-	-	-	-	(17,559)	(17,559)
2008 interim dividend	二零零八年中期股息	-	-	-	-	-	-	-	-	(11,174)	11,174	-
At 30th September, 2007 (unaudited)	於二零零七年九月三十日 (未審核)	31,925	202,018	-	425	1,000	2,708	5,180	16,674	783,831	11,174	1,054,935

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

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。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September, 2008

簡明綜合現金流量表

截至二零零八年九月三十日止六個月

(Unaudited)
(未審核)
Six months ended
截至下列日期止六個月

		30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	30th September, 2007 二零零七年 九月三十日 HK\$'000 千港元
Net cash used in operating activities	經營業務所耗之現金淨額	(121,422)	(23,656)
Investing activities	投資業務		
Purchase of property, plant and equipment	購買物業、機器及設備	(14,043)	(17,461)
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產之所得款項	2,490	10,314
Purchase of available-for-sale financial assets	購買可供出售金融資產	—	(3,904)
Decrease in pledged bank deposits	已抵押銀行存款減少	—	40,000
Other investing activities	其他投資業務	1,845	2,526
Net cash (used in) from investing activities	投資業務(所耗)所產生之現金淨額	(9,708)	31,475
Financing activities	融資活動		
Interest paid	已付利息	(10,110)	(7,248)
Proceeds from issue of new shares upon exercise of warrants	因行使認股權證而發行新股份之所得款項	5,430	9,050
Bank loans raised	新造銀行貸款	287,954	181,250
Repayment of bank loans	償還銀行貸款	(238,181)	(177,752)
Dividends paid	已付股息	—	(17,559)
Proceeds from issue of new shares upon subscription of warrants	因認購認股權證而發行新股份之所得款項	—	1,100
Net proceeds from issue of new shares	發行新股份之所得款項淨額	—	145,223
Net cash from financing activities	融資活動所產生之現金淨額	45,093	134,064
(Decrease) increase in cash and cash equivalents	現金及等同現金項目之(減少)增加	(86,037)	141,883
Cash and cash equivalents at 1st April	於四月一日之現金及等同現金項目	224,649	123,294
Cash and cash equivalents at 30th September	於九月三十日之現金及等同現金項目	138,612	265,177
Analysis of 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	148,280	265,177
Bank overdrafts	銀行透支	(9,668)	—
		138,612	265,177

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2008

1. Basis of preparation

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

2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2008.

In the current interim period, the Group has applied, for the first time, new interpretations and amendments (hereinafter collectively referred to as "new Interpretations and Amendments") issued by the HKICPA, which are effective for the Group's financial year beginning 1st April, 2008.

The adoption of these new Interpretations and Amendments had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

簡明綜合財務報表附註

截至二零零八年九月三十日止六個月

1. 編撰基準

簡明綜合財務報表乃按香港聯合交易所有限公司(「聯交所」)證券上市規則附錄16之適用披露規定及香港會計師公會所頒佈之香港會計準則第34號「中期財務報告」而編撰。

2. 主要會計政策

除若干金融工具以公平值計量外，此簡明綜合財務報表乃按歷史成本編撰。

此簡明綜合財務報表採用之會計政策與本集團編撰截至二零零八年三月三十一日止年度之年度財務報表所採用者符合一致。

於本中期期間，本集團已首次應用以下由香港會計師公會頒佈並於二零零八年四月一日開始之本集團財政年度生效之新詮釋及修訂(以下統稱「新詮釋及修訂」)。

採納該等新詮釋及修訂並無對本集團目前或過往會計期間之業績或財務狀況產生重大影響。因此，並無確認過往期間之調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2. Principal accounting policies (continued)

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

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of financial statements ²
HKAS 23 (Revised)	Borrowing costs ²
HKAS 27 (Revised)	Consolidated and separate financial statements ³
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation ²
HKAS 39 (Amendment)	Eligible hedged items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate ²
HKFRS 2	Vesting conditions and cancellations ²
HKFRS 3 (Revised)	Business combinations ³
HKFRS 8	Operating segments ²
HK(IFRIC) – INT 13	Customer loyalty programmes ⁴
HK(IFRIC) – INT 15	Agreements for the construction of real estate ²
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation ⁵
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners ³

簡明綜合財務報表附註(續)

2. 主要會計政策(續)

本集團並無提早應用以下已頒佈但尚未生效之新訂、修訂後或經修訂準則及詮釋。

香港財務報告準則(修訂本)	香港財務報告準則之改進 ¹
香港會計準則第1號(經修訂)	財務報表之呈報 ²
香港會計準則第23號(經修訂)	借貸成本 ²
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及第1號(修訂本)	可贖回金融工具及清盤時產生之責任 ²
香港會計準則第39號(修訂本)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號(修訂本)	於附屬公司、共同控制實體或聯營公司之投資成本 ²
香港財務報告準則第2號	歸屬條件及註銷 ²
香港財務報告準則第3號(經修訂)	業務合併 ³
香港財務報告準則第8號	營運分部 ²
香港(IFRIC) – 詮釋第13號	客戶忠誠度計劃 ⁴
香港(IFRIC) – 詮釋第15號	房地產建築協議 ²
香港(IFRIC) – 詮釋第16號	海外業務投資淨額之對沖 ⁵
香港(IFRIC) – 詮釋第17號	向業主派發非現金資產 ³

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2. Principal accounting policies (continued)

- ¹ Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009.
- ² Effective for annual periods beginning on or after 1st January, 2009.
- ³ Effective for annual periods beginning on or after 1st July, 2009.
- ⁴ Effective for annual periods beginning on or after 1st July, 2008.
- ⁵ Effective for annual periods beginning on or after 1st October, 2008.

The adoption of HKFRS 3 (Revised) may affect the accounting treatment for business combination for which the acquisition date is on or after the beginning of the first annual report period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other standards or interpretations will have no material impact on the results or financial position of the Group.

3. Segment information

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

簡明綜合財務報表附註(續)

2. 主要會計政策(續)

- ¹ 適用於二零零九年一月一日或之後開始之年度期間，惟香港財務報告準則第5號修訂本，則適用於二零零九年七月一日或之後開始之年度期間。
- ² 適用於二零零九年一月一日或之後開始之年度期間。
- ³ 適用於二零零九年七月一日或之後開始之年度期間。
- ⁴ 適用於二零零八年七月一日或之後開始之年度期間。
- ⁵ 適用於二零零八年十月一日或之後開始之年度期間。

採納香港財務報告準則第3號(經修訂)可能會影響收購日期為二零零九年七月一日或之後開始之首個年報期或之後之業務合併之會計處理。香港會計準則第27號(經修訂)將會影響有關母公司於附屬公司所擁有權益之變動而不會導致失去控制權之會計處理，該變動將以股權交易入賬。本公司董事預計應用其他準則或詮釋將不會對本集團之業績或財務狀況產生重大影響。

3. 分類資料

本集團僅從事銷售貨品一類業務(即主要從事鐘表貿易)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Segment information (continued)

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 and results are attributed to the segment based on the location of the customers. The following table provides an analysis of the Group's geographical segment information.

簡明綜合財務報表附註(續)

3. 分類資料(續)

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，收益及業績乃按客戶位置劃入所屬分類。下表提供本集團之地區分類資料分析。

		Turnover 營業額		Results 業績	
		Six months ended 截至下列日期止六個月		Six months ended 截至下列日期止六個月	
		30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	30th September, 2007 二零零七年 九月三十日 HK\$'000 千港元	30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	30th September, 2007 二零零七年 九月三十日 HK\$'000 千港元
Hong Kong	香港	729,619	838,278	82,942	63,197
Macau and the PRC	澳門及中國	537,041	452,599	23,524	23,388
		1,266,660	1,290,877	106,466	86,585
Unallocated other income				1,845	3,965
Unallocated corporate expenses				(15,621)	(11,307)
Finance costs				(8,384)	(7,248)
Profit before taxation				84,306	71,995
Taxation				(15,263)	(15,053)
Profit for the period				69,043	56,942

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

簡明綜合財務報表附註(續)

4. Profit before taxation

4. 除稅前溢利

		Six months ended 截至下列日期止六個月	
		30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	30th September, 2007 二零零七年 九月三十日 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：		
Depreciation for	以下項目之折舊		
— investment properties	— 投資物業	—	202
— property, plant and equipment	— 物業、機器及設備	16,463	6,601
Directors' remuneration (note)	董事酬金(附註)	14,161	10,924
Impairment loss on available-for-sale financial assets	可供出售金融資產之減值虧損	195	—
and after crediting:	並已計入：		
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	—	1,374
Income from available-for-sale financial assets	可供出售金融資產之收入	1,128	30
Interest income from bank deposits	銀行存款之利息收入	717	2,526

Note: Key management personnel of the Group mainly include directors of the Company.

附註：本集團之主要管理人員主要包括本公司之董事。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Taxation

Hong Kong Profits Tax calculated at 16.5% (2007: 17.5%) on the estimated assessable profit for the period	根據期內估計應課稅溢利按稅率16.5%(二零零七年: 17.5%)計算之香港利得稅
Taxation in other jurisdictions	其他司法權區之稅項

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

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate Profits Tax rate by 1% to 16.5% effective from the year of assessment 2008/2009. Such decrease is not expected to have any significant financial effect in the amounts accrued in the condensed consolidated balance sheet in respect of taxation payable and deferred taxation.

簡明綜合財務報表附註(續)

5. 稅項

Six months ended
截至下列日期止六個月

30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	30th September, 2007 二零零七年 九月三十日 HK\$'000 千港元
(11,669)	(9,951)
(3,594)	(5,102)
(15,263)	(15,053)

其他司法權區之稅項乃根據有關法例及法規按現行稅率計算。

於二零零八年六月二十六日，香港立法會通過《二零零八年收入條例草案》，當中包括削減企業利得稅稅率1%至16.5%，由二零零八至二零零九課稅年度起生效。稅率下調並不預期會對簡明綜合資產負債表中應付稅項及遞延稅項之累算金額構成任何重大財務影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Dividend

During the six months ended 30th September, 2008, a final dividend of 7.5 Hong Kong cents per share, totalling HK\$24,244,000, in respect of the year ended 31st March, 2008 (2007: 5.5 Hong Kong cents per share, totalling HK\$17,559,000) was approved at the annual general meeting held on 25th September, 2008.

On 16th December, 2008, the directors resolved to declare an interim dividend of 1.5 Hong Kong cents per share in respect of the six months ended 30th September, 2008 (2007: 3.5 Hong Kong cents per share), totalling HK\$4,849,000 (2007: HK\$11,174,000), to be paid in cash to those shareholders whose names appear on the Company's register of members on 8th January, 2009.

7. Earnings per share

Profit attributable to shareholders of the Company for the purpose of basic and diluted earnings per share

Weighted average number of ordinary shares for the purpose of calculating basic earnings per share

Effect of dilutive potential ordinary shares
— share options
— warrants

Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share

簡明綜合財務報表附註(續)

6. 股息

截至二零零八年九月三十日止六個月內，已於二零零八年九月二十五日舉行之股東週年大會上批准派發截至二零零八年三月三十一日止年度之末期股息每股7.5港仙，合共24,244,000港元(二零零七年：每股5.5港仙，合共17,559,000港元)。

於二零零八年十二月十六日，董事議決宣派截至二零零八年九月三十日止六個月之中期股息每股1.5港仙(二零零七年：每股3.5港仙)，合共4,849,000港元(二零零七年：11,174,000港元)，將以現金派付予二零零九年一月八日名列本公司股東名冊之股東。

7. 每股盈利

Six months ended 截至下列日期止六個月

30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	30th September, 2007 二零零七年 九月三十日 HK\$'000 千港元
69,043	56,942

Number of shares 股份數目

321,849,974	284,148,804
11,175,504	6,987,483
18,033,315	27,983,193
351,058,793	319,119,480

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Property, plant and equipment

During the six months ended 30th September, 2008, the Group incurred HK\$18,375,000 (2007: HK\$19,731,000) to acquire plant and equipment for its operation.

9. Trade and other receivables

Trade receivables	貿易應收賬款
Property rental and utilities deposits	物業租金及公用設施按金
Property rental prepayments	物業租金預付款
Advances to apparel suppliers	向服裝供應商墊款
Advances to other suppliers	向其他供應商墊款
VAT recoverable	可退回增值稅
Other receivables	其他應收賬款

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

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

簡明綜合財務報表附註(續)

8. 物業、機器及設備

於截至二零零八年九月三十日止六個月，本集團購買了18,375,000港元(二零零七年：19,731,000港元)之機器及設備作營運用途。

9. 貿易及其他應收賬款

30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	31st March, 2008 二零零八年 三月三十一日 HK\$'000 千港元
88,712	114,203
9,708	8,189
364	—
563	4,483
1,047	1,939
29,341	28,737
3,626	2,513
133,361	160,064

本集團對其客戶之一般信貸政策是不超過30日。以下為於結算日貿易應收賬款之賬齡分析：

30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	31st March, 2008 二零零八年 三月三十一日 HK\$'000 千港元
75,879	102,146
11,003	4,850
1,018	2,217
812	4,990
88,712	114,203

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

10. Trade and other payables

Trade payables	貿易應付賬款
Payroll and welfare payables	應付工資及福利
Commission payables	應付佣金
Advances from customers	向客戶墊款
Renovation work payables	應付裝修工程賬款
VAT payables	應付增值稅
Interest payables	應付利息
Property rental payables	應付物業租金
Other payables	其他應付賬款

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

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

簡明綜合財務報表附註(續)

10. 貿易及其他應付賬款

30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	31st March, 2008 二零零八年 三月三十一日 HK\$'000 千港元
123,136	80,413
36,383	20,981
966	3,422
6,128	2,180
5,262	930
4,503	4,710
679	2,405
5,801	1,962
12,133	8,650
194,991	125,653

以下為於結算日貿易應付賬款之賬齡分析：

30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	31st March, 2008 二零零八年 三月三十一日 HK\$'000 千港元
116,940	71,731
4,483	6,771
1,713	1,911
123,136	80,413

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

簡明綜合財務報表附註(續)

11. Share capital

11. 股本

		Number of shares 股份數目	Amount 價值 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
Authorised:	法定：		
At 1st April, 2007, 31st March, 2008 and 30th September, 2008	於二零零七年四月一日、 二零零八年三月三十一日 及二零零八年九月三十日	500,000,000	50,000
Issued and fully paid:	已發行及繳足：		
At 1st April, 2007	於二零零七年四月一日	275,253,200	27,525
Issue of shares upon placement of new shares	於配售新股份時發行股份	39,000,000	3,900
Issue of shares upon exercise of warrants	於行使認股權證時發行股份	6,000,000	600
At 31st March, 2008	於二零零八年三月三十一日	320,253,200	32,025
Issue of shares upon exercise of warrants	於行使認股權證時發行股份	3,000,000	300
At 30th September, 2008	於二零零八年九月三十日	323,253,200	32,325

- (i) As announced by the Company on 20th July, 2007, arrangements were made on 20th July, 2007 for a private placement to professional and institutional investors of 39,000,000 new ordinary shares of HK\$0.10 each at a price of HK\$3.80 per share by the placing agent. The price of HK\$3.80 per share represents a discount of approximately 18.45% to the closing market price of the Company's shares of HK\$4.66 per share as quoted on the Stock Exchange on 20th July, 2007, the last trading date prior to the placing. The new shares were issued on 30th August, 2007 under the special mandate granted to the board of directors on 27th August, 2007.
- (ii) During the year ended 31st March, 2008, 6,000,000 warrants were exercised at a subscription price of HK\$1.81 per share, resulting in the issue of 6,000,000 ordinary shares of HK\$0.10 each in the Company.
- (iii) During the six months ended 30th September, 2008, 3,000,000 warrants were exercised at a subscription price of HK\$1.81 per share, resulting in the issue of 3,000,000 ordinary shares of HK\$0.10 each in the Company.

- (i) 按本公司於二零零七年七月二十日宣佈，已於二零零七年七月二十日作出安排，由配售代理按每股3.80港元之價格向專業及機構投資者私人配售39,000,000股每股面值0.10港元之新普通股。每股3.80港元之價格較於二零零七年七月二十日(配售前最後一個交易日)本公司股份於聯交所所報之每股4.66港元收市價折讓約18.45%。新股份已於二零零七年八月三十日按照於二零零七年八月二十七日授予董事會之特別授權發行。
- (ii) 截至二零零八年三月三十一日止年度內，6,000,000份認股權證已按每股1.81港元之認購價行使，本公司為此而發行6,000,000股每股面值0.10港元之普通股。
- (iii) 截至二零零八年九月三十日止六個月內，3,000,000份認股權證已按每股1.81港元之認購價行使，本公司為此而發行3,000,000股每股面值0.10港元之普通股。

All the shares issued during the year/period rank pari passu with the then existing shares in all respects.

年/期內發行之所有股份在各方面與當時之現有股份享有相同權益。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. Warrants

On 11th June, 2007, the Company entered into two warrants placing agreements with two independent subscribers in relation to private placing of an aggregate of 55,000,000 warrants to the subscribers, at an issue price of HK\$0.02 per warrant, representing an aggregate subscription price of HK\$1,100,000. The warrants entitle the subscribers to subscribe for new ordinary shares of the Company of HK\$0.10 each at an initial subscription price of HK\$1.81 per share (subject to anti-dilutive adjustment) for a period of 30 months commencing from the date of issue of warrants.

During the period, 3,000,000 new shares (year ended 31st March, 2008: 6,000,000 new shares) were issued on exercise of the warrants. Exercise in full of the remaining outstanding warrants would, under the present capital structure, result in receipt by the Company of HK\$83,260,000 (31.3.2008: HK\$88,690,000) in subscription monies and the issue of 46,000,000 new shares (31.3.2008: 49,000,000 new shares).

13. 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:

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

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

簡明綜合財務報表附註(續)

12. 認股權證

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獨立認購人訂立兩份認股權證配售協議，總認購價為1,100,000港元。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個月內按每股1.81港元(視乎反攤薄調整而定)之初步認購價認購本公司每股面值0.10港元之新普通股。

期內，3,000,000股新股份(截至二零零八年三月三十一日止年度：6,000,000股新股份)已於行使認股權證時發行。在現行之股本架構下，悉數行使餘下之未行使認股權證，本公司將可收取發行46,000,000股新股份(二零零八年三月三十一日：49,000,000股新股份)之認購款項為83,260,000港元(二零零八年三月三十一日：88,690,000港元)。

13. 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：

30th September, 2008 二零零八年 九月三十日 HK\$'000 千港元	31st March, 2008 二零零八年 三月三十一日 HK\$'000 千港元
987	901
5,608	5,187
2,652	3,588
9,247	9,676

除上述最低保證版稅外，本集團亦須按每年總批發淨額之6%支付版稅。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

董事擁有之證券權益及淡倉

As at 30th September, 2008, 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:

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，於二零零八年九月三十日，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 所持普通股數目				Percentage of Total issued share capital of the Company 佔本公司已發行 股本百分比	
	Personal interest 個人權益	Family interest 家族權益	Corporate interest 公司權益	Other interest 其他權益	number of shares 股份總數	
Yeung Ming Biu 楊明標	10,957,260	6,000,000	96,800,000 <i>Note (a)</i> <i>附註(a)</i>	—	113,757,260	35.2%
Yeung Him Kit, Dennis 楊衍傑	—	—	96,800,000 <i>Note (a)</i> <i>附註(a)</i>	<i>Note (b)</i> <i>附註(b)</i>	96,800,000	30.0%
Fung Kwong Yiu 馮廣耀	1,803,152	—	96,800,000 <i>Note (a)</i> <i>附註(a)</i>	<i>Note (c)</i> <i>附註(c)</i>	98,603,152	30.5%
Yeung Man Yee, Shirley 楊敏儀	—	165,547	96,800,000 <i>Note (a)</i> <i>附註(a)</i>	<i>Note (d)</i> <i>附註(d)</i>	96,965,547	30.0%
Sun Ping Hsu, Samson, Dr. 孫秉樞博士	—	—	2,000,000 <i>Note (e)</i> <i>附註(e)</i>	—	2,000,000	0.6%

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

Notes:

- (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.

Mr. Yeung Ming Biu is the beneficial owner of 10% of the issued share capital of Furama Investments Limited and 42.5% of the issued share capital of Y.H. Chan Limited which is the beneficial owner of 25% of the issued share capital of Furama Investments Limited. Y.H. Chan Limited also directly holds 294,365 shares in the Company.

- (b) Mr. Yeung Him Kit, Dennis is the beneficial owner of 10% and 7% of the issued share capital of Realtower Holdings Limited and Real Champ Limited respectively. Real Champ Limited is the beneficial owner of 20% of the issued share capital of Datsun Holdings Limited. Mr. Yeung Him Kit, Dennis is the beneficial owner of 2.5% of the share capital of Y.H. Chan Limited which is the beneficial owner of 25% of the issued share capital of Furama Investments Limited.
- (c) Mr. Fung Kwong Yiu is the beneficial owner of 6% of the issued share capital of Real Champ Limited.
- (d) Madam Yeung Man Yee, Shirley is the beneficial owner of 7.5% of the issued share capital of Realtower Holdings Limited.
- (e) Dr. Sun Ping Hsu, Samson and his family members are 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 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.

董事擁有之證券權益及淡倉(續)

附註：

- (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。

楊明標先生實益擁有 Furama Investments Limited 已發行股本 10% 及陳耀洪有限公司已發行股本 42.5%。陳耀洪有限公司實益擁有 Furama Investments Limited 已發行股本 25%。陳耀洪有限公司亦直接持有 294,365 股本公司股份。

- (b) 楊衍傑先生分別實益擁有 Realtower Holdings Limited 及 Real Champ Limited 已發行股本 10% 及 7%。Real Champ Limited 實益擁有 Datsun Holdings Limited 已發行股本 20%。楊衍傑先生實益擁有陳耀洪有限公司股本 2.5%，而陳耀洪有限公司實益擁有 Furama Investments Limited 已發行股本 25%。
- (c) 馮廣耀先生實益擁有 Real Champ Limited 已發行股本 6%。
- (d) 楊敏儀女士實益擁有 Realtower Holdings Limited 已發行股本 7.5%。
- (e) 孫秉樞博士及其家族成員實益擁有 Sun International Limited 全部已發行股本。Sun International Limited 實益擁有 2,000,000 股本公司股份。

除上文所披露者、「購股權計劃」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。

SHARE OPTION SCHEME

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 and pursuant to an ordinary resolution passed in the Company's general meeting held on 25th September, 2008, the Company approved the renewal of the general mandate limit of the share option allowing the Company to grant further option up to 10% of the issued capital as at 25th September, 2008.

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 4,825,320 shares, representing 1.49% 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.

購股權計劃

根據本公司於二零零三年十一月三日舉行之股東特別大會上通過之普通決議案，本公司已批准及採納購股權計劃及根據本公司於二零零八年九月二十五日舉行之股東大會上通過之普通決議案，本公司批准更新購股權之一般授權限額，以便本公司可授出之購股權最多佔於二零零八年九月二十五日已發行股本之10%。

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數目合共為4,825,320股，佔本公司於本報告日期之已發行股本1.49%。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%之購股權。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。

SHARE OPTION SCHEME (continued)

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

The following table discloses movements of the Company's share options held by the directors and certain employees during the period:

購股權計劃(續)

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。

下表披露董事及若干僱員於期內持有本公司購股權之變動：

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目				Date of grant of share options 購股權授出日期	Exercise price per share 每行使價 HK\$ 港元	Exercisable period 可行使期間
	At 1st April, 2008 於二零零八年四月一日	Granted during the period 期內授出	Lapsed during the period 期內失效	At 30th September, 2008 於二零零八年九月三十日			
Directors 董事							
Yeung Ming Biu 楊明標	2,700,000	—	—	2,700,000	16.01.2004	1.702	16.01.2004 — 15.01.2014
Yeung Him Kit, Dennis 楊衍傑	2,700,000	—	—	2,700,000	16.01.2004	1.702	16.01.2004 — 15.01.2014
Fung Kwong Yiu 馮廣耀	2,700,000	—	—	2,700,000	16.01.2004	1.702	16.01.2004 — 15.01.2014
Yeung Man Yee, Shirley 楊敏儀	2,700,000	—	—	2,700,000	16.01.2004	1.702	16.01.2004 — 15.01.2014
Lam Hing Lun, Alain 林慶麟	2,700,000	—	—	2,700,000	16.01.2004	1.702	16.01.2004 — 15.01.2014
Choi Kwok Yum 蔡國欽	2,700,000	—	—	2,700,000	16.01.2004	1.702	16.01.2004 — 15.01.2014
	16,200,000	—	—	16,200,000			
Other employees 其他僱員	11,300,000	—	—	11,300,000	04.06.2007	1.764	04.06.2007— 03.06.2017
Total 總計	27,500,000	—	—	27,500,000			

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2008, 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 所持股份數目	Percentage of issued share capital of the Company 佔本公司已發行 股本百分比
Datsun Holdings Limited	96,800,000	30.0%
Furama Investments Limited	96,800,000	30.0%
Realtower Holdings Limited	96,800,000	30.0%

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 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".

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，於二零零八年九月三十日，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

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、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。

SUBSTANTIAL SHAREHOLDERS (continued)

(2) Short positions

Save as disclosed above, at 30th September, 2008, 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.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 5th January, 2009 to 8th January, 2009 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 2nd January, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Group results

The Group's unaudited consolidated turnover for the period under review was HK\$1,266,660,000 (2007: HK\$1,290,877,000) and the profit for the period was HK\$69,043,000 (2007: HK\$56,942,000). The basic earnings for the period was 21.45 Hong Kong cents (2007: 20.04 Hong Kong cents).

The turnover has remained stable while the profit has increased by 21%. The Group's positive results for the past six months reflect the optimistic atmosphere of both Hong Kong and China market situations during the period.

主要股東(續)

(2) 淡倉

除上文所披露者外，於二零零八年九月三十日，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。

暫停辦理股份過戶登記手續

本公司將由二零零九年一月五日至二零零九年一月八日(包括首尾兩日)暫停辦理股份過戶登記手續，期間不會登記任何股份轉讓。如欲獲取擬派之中期股息，所有過戶文件連同有關股票須於二零零九年一月二日下午四時正前送交本公司之股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東28號金鐘匯中心26樓。

管理層討論及分析

集團業績

回顧期內，本集團之未審核綜合營業額為1,266,660,000港元(二零零七年：1,290,877,000港元)；溢利為69,043,000港元(二零零七年：56,942,000港元)；每股基本盈利為21.45港仙(二零零七年：20.04港仙)。

綜合營業額仍然保持平穩，綜合溢利較去年同期上升21%。集團在過去六個月內錄得正面的銷售數據，反映了當時香港及內地的零售市場仍具有樂觀的氣氛。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Business review and prospects

The recent global “financial tsunami” struck suddenly and strongly affected global economies. The financial situation and the market atmosphere have dramatically changed in a very short period of time. Fortunately, the Group’s focused markets, Hong Kong and China, are not the worst hit area of this turmoil. Although the PRC market will certainly slow down, it is not expected to go into recession. We do see a slow down in the sales of the third quarter but with the traditional high season for shopping during Christmas and Chinese New Year coming up, we believe the Group will still be able to meet the year’s target.

During the period, the Group opened 3 new shops in China, located at Shanghai, Jiangyin, and Changsha. The results of these shops have been satisfactory. Without signs of a short-term recovery in the economy in the near future, the Group has decided to adjust its expansion rate in the coming years. Thus, the Group has postponed some of its upcoming projects to a later date. Although there will be some new shops opening up in PRC and Hong Kong in the coming period, they are all resulting from previous commitments. In order to better control expenses, the management will negotiate for more favorable terms with the landlords. We have been very conservative towards expansion in the past. During these tough times, we will be even more cautious towards opening new outlets.

The market has dramatically converted from a sellers market to a buyers market. Without the pressure to compete for better stock allocation, we can take this opportunity to streamline our inventory level. In addition, to improve the Company’s cash flow situation, the management is also in the process of negotiating new terms with major bankers to convert the Group’s short term loans into longer term loans.

管理層討論及分析(續)

業務回顧及展望

突如其來的金融海嘯嚴重影響全球經濟，令各金融體系及整體市場氣氛在短期內發生了巨大的改變。幸而，集團主力市場於香港及國內，並不是今次金融海嘯的重災區。我們預期國內零售市場開始放緩，但並不代表衰退；雖然我們體會到第三季的銷售較上季明顯下滑，但在聖誕及農曆新年這兩個傳統的銷售高峯期當中，相信我們定能達到預期的全年銷售目標。

在期內，集團於國內開設了三所新店，包括上海、江陰及長沙。新店銷售亦令人滿意。由於我們認為市場未能在短期內有復甦的跡象，集團決定調整未來數年的擴展速度，延緩計劃中的項目。而早前承諾的項目及分店，我們也會繼續進行。為了能有效地控制資源，管理層將與業主商討調整租金及有關條款。我們以往在擴充分店方面較為保守，在今天的環境當中，我們需要更加保守。

鐘錶業在營商環境的轉變，由賣家主導變成為買家主導的市場，我們要好好利用這個機會更有系統地整理我們現有的存貨，從而達至更合理的存貨水平。另外，為了強化現金流動比率，管理層正在跟主要往來銀行商議新條款，將短期信貸改為較長期貸款。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Business review and prospects (continued)

The management is proposing to issue a dividend of 1.5 Hong Kong cents per share. The period's dividend payout ratio has been decreased due to the current uncertainties of the economy. During this period of turmoil, the management believes in retaining a higher cash position within the Company. We will observe the condition of the economy for the remainder of the period. If the situation improves, the management will consider matching the Group's customary dividend payout ratio for the year.

The management will further continue to standby its strict cost and stock controls to better equip the Group to respond quickly and aptly to the changing marketplace.

On behalf of the Group, I would like to thank our suppliers and shareholders for their continued support.

Liquidity and financial resources

At 30th September, 2008, the Group's total equity reached HK\$1,221 million, compared with HK\$1,162 million as at 31st March, 2008. The Group had net current assets of HK\$999 million, including bank and cash balances of HK\$148 million as at 30th September, 2008 compared with balances of HK\$957 million and HK\$229 million respectively as at 31st March, 2008. At 30th September 2008, bank loans and overdrafts totalled HK\$328 million (31st March, 2008: HK\$268 million). At 30th September 2008, the gearing ratio (defined as total bank borrowing on total equity) was 0.27 (31st March, 2008: 0.23).

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

管理層討論及分析(續)

業務回顧及展望(續)

管理層正考慮派發每股股息1.5港仙。由於市場環境因素的不明朗，發放中期股息的比率也略為減少，因為我們相信保持高度流動資金對公司的運作是絕對有利的。我們會繼續注視市場發展的動態。如許可的話，我們會考慮於終期報告時，貫徹以往的派息比率。

管理層將繼續保持對市場的高度監察，隨時施行更多嚴謹的經費開支及存貨控制，以確保集團能迅速回應市場的轉變。

在此，我謹代表公司多謝我們的供應商及股東們對我們多年來的支持。

流動資金及財務資源

於二零零八年九月三十日，本集團之權益總額達1,221,000,000港元，而於二零零八年三月三十一日則為1,162,000,000港元。於二零零八年九月三十日，本集團之流動資產淨值為999,000,000港元，包括148,000,000港元之銀行及現金結餘，而於二零零八年三月三十一日之結餘則分別為957,000,000港元及229,000,000港元。於二零零八年九月三十日，銀行貸款及透支合共為328,000,000港元(二零零八年三月三十一日：268,000,000港元)。於二零零八年九月三十日，負債資產比率(定義為銀行借貸總額除以權益總額)為0.27倍(二零零八年三月三十一日：0.23倍)。

管理層仍然認為本集團之財務狀況良好，並具備充裕資金及未動用銀行信貸。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Foreign exchange exposure

The Group's sales and purchase transactions are primarily denominated in Hong Kong dollars and Renminbi. The Group did not face significant risk from exposure to foreign exchange fluctuations.

STAFF AND EMPLOYMENT

As at 30th September, 2008, the Group employed a total work force of about 800 staff. The staff turnover rate is low. The Group's policy is to review its employee's pay levels and incentive bonus scheme regularly to ensure that the remuneration package is competitive with relevant industries.

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

During the six months ended 30th September, 2008, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities on The Stock Exchange of Hong Kong Limited.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good governance practices and procedures. The Company has met the code provisions set out in the Code on Corporate Governance Practices ("CG Code") in Appendix 14 of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"), throughout the six months ended 30th September 2008, except the deviation from the code provision A4.1 of the CG Code.

管理層討論及分析(續)

外匯風險

本集團之買賣交易主要以港元及人民幣為單位。本集團並無面對重大外匯波動風險。

僱員及聘用

於二零零八年九月三十日，本集團共聘用大約800名僱員。本集團之僱員流失率極低。本集團之政策向來為定期檢討僱員之薪酬水平及獎勵花紅計劃，以確保僱員酬金待遇於業內保持競爭力。

買賣或贖回本公司上市證券

截至二零零八年九月三十日止六個月內，本公司或其任何附屬公司概無購買、贖回或出售本公司於香港聯合交易所有限公司上市之任何證券。

企業管治

本公司致力制定良好之企業管治常規及程序。於截至二零零八年九月三十日止六個月內，本公司一直符合香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載企業管治常規守則(「企業管治守則」)列載之守則條文，惟偏離企業管治守則之守則條文A4.1除外。

CORPORATE GOVERNANCE (continued)

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, the Independent Non-executive Directors were not appointed for a specific term but are subject to retirement by rotation in annual general meeting of the Company in accordance with the Bye-laws of the Company. The management of the Company considered that there is no imminent need to revise the letter of appointment of Independent Non-executive Directors by adding a specific term in the letter of appointment.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Enquiry has been made with all Directors and all Directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30th September, 2008.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company. Terms of reference of the Audit Committee have been updated in compliance with the CG Code.

The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of unaudited consolidated financial statements for the six months ended 30th September, 2008.

企業管治(續)

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

董事進行證券交易之標準守則

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。本公司已向各董事作出查詢，並獲各董事確認，彼等於截至二零零八年九月三十日止六個月內一直遵守標準守則所載之規定標準。

審核委員會

審核委員會由本公司三名獨立非執行董事組成。審核委員會之職權及職責範圍已按照企業管治守則更新。

審核委員會(連同本公司管理層)已審閱本集團所採用之會計原則及慣例，並已討論有關內部監控及財務報告事宜，包括審閱截至二零零八年九月三十日止六個月之未審核綜合財務報表。

REMUNERATION COMMITTEE

The Remuneration Committee of the Company (“the Remuneration Committee”) comprises three members, a majority of whom are independent non-executive directors of the Company. The principal functions of the Remuneration Committee include reviewing the remuneration policies of the Company, assessing the performance of the directors and senior management of the Company and determining the policies in respect to their remuneration packages.

MEMBERS OF THE BOARD OF DIRECTORS

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

By order of the Board
Yeung Ming Bui
Chairman

Hong Kong, 16th December, 2008

薪酬委員會

本公司之薪酬委員會(「薪酬委員會」)由三名成員組成，當中大部份為本公司之獨立非執行董事。薪酬委員會之主要職責包括檢討本公司之薪酬政策、評估本公司董事及高級管理人員之表現及釐定彼等薪酬組合之相關政策。

董事會成員

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

承董事會命
主席
楊明標

香港，二零零八年十二月十六日

