



東方表行

Oriental Watch Company

Since 1961

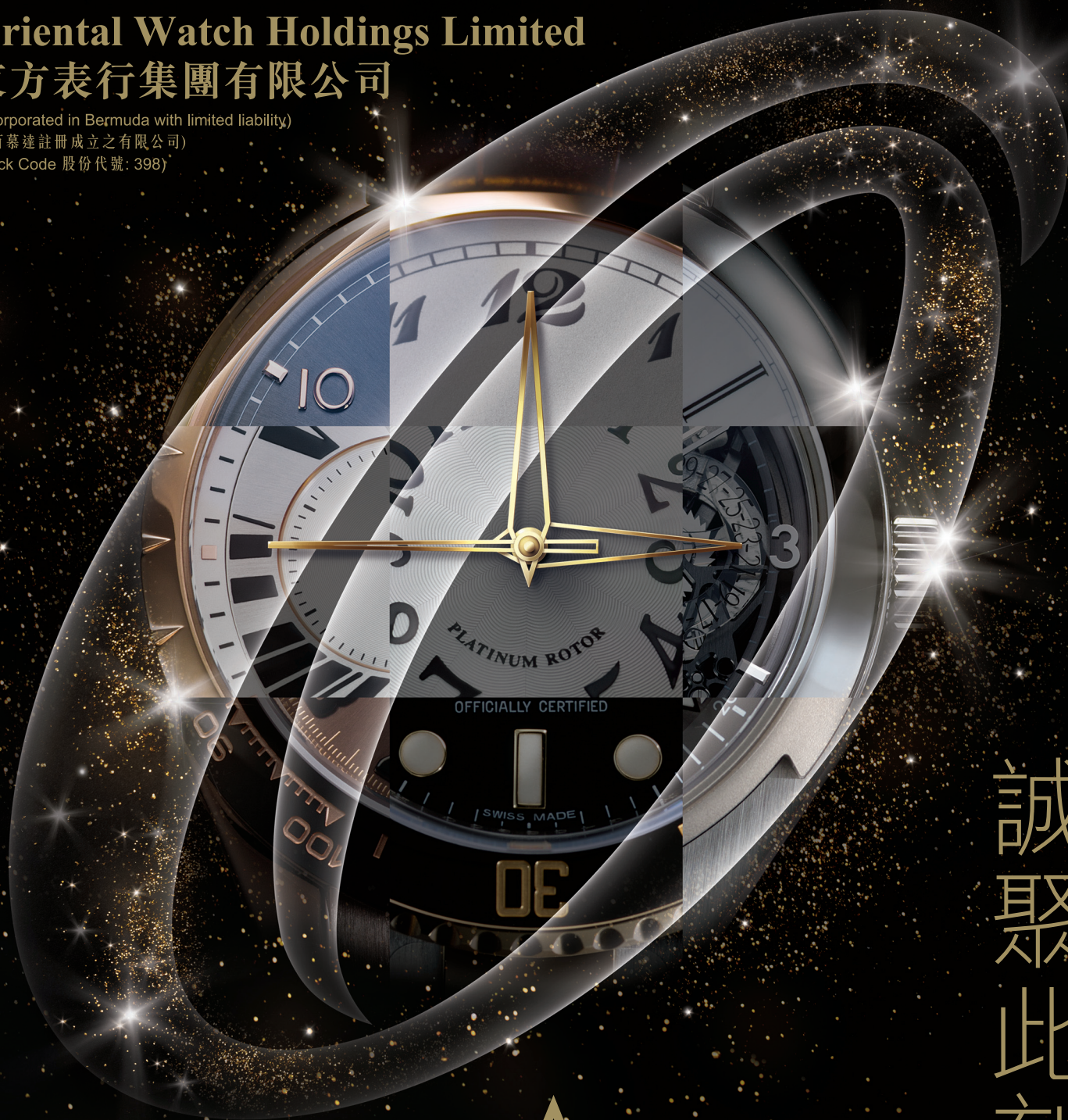
Oriental Watch Holdings Limited

東方表行集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 398)



誠聚此刻

A time for
togetherness

2013

Annual Report 年報



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CORPORATE INFORMATION

公司資料

| | | | |
|--|---|------------------------------|---|
| BOARD OF DIRECTORS | Dr. Yeung Ming Biu (<i>Chairman</i>) Mr. Yeung Him Kit, Dennis (<i>Deputy Chairman and Managing Director</i>) Mr. Fung Kwong Yiu (<i>Executive Director</i>) Madam Yeung Man Yee, Shirley (<i>Executive Director</i>) Mr. Lam Hing Lun, Alain (<i>Finance Director</i>) Mr. Choi Kwok Yum (<i>Executive Director</i>) Dr. Sun Ping Hsu, Samson (<i>Independent Non-executive Director</i>) Dr. Li Sau Hung, Eddy (<i>Independent Non-executive Director</i>) Mr. Choi Man Chau, Michael (<i>Independent Non-executive Director</i>) | 董事會 | 楊明標博士(主席) 楊衍傑先生 (副主席兼董事總經理) 馮廣耀先生 (執行董事) 楊敏儀女士 (執行董事) 林慶麟先生 (財務董事) 蔡國欽先生 (執行董事) 孫秉樞博士 (獨立非執行董事) 李秀恒博士 (獨立非執行董事) 蔡文洲先生 (獨立非執行董事) |
| COMPANY SECRETARY | Mr. Lam Hing Lun, Alain | 公司秘書 | 林慶麟先生 |
| PRINCIPAL BANKERS | Hang Seng Bank Limited Bank of China (Hong Kong) Limited Standard Chartered Bank (Hong Kong) Limited | 主要往來銀行 | 恒生銀行有限公司 中國銀行(香港)有限公司 渣打銀行(香港)有限公司 |
| AUDITOR | Deloitte Touche Tohmatsu Certified Public Accountants | 核數師 | 德勤•關黃陳方會計師行 執業會計師 |
| HONG KONG BRANCH SHARE REGISTRARS | Tricor 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 | 卓佳秘書商務有限公司 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 DISCUSSION AND ANALYSIS

主席報告及管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

Group Results

On behalf of the Board of Directors (the "Board") of Oriental Watch Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), I hereby present the audited consolidated results of the Group for the year ended 31st March 2013 (the "Year").

Turnover for the year ended 31st March 2013 declined 5.2% to HK\$3,733 million (2012: HK\$3,936 million). This led to a gross profit decline of 15.4% to HK\$700 million (2012: HK\$828 million) thus gross profit margin to drop to 18.8% from 21.0% last year. Net profit attributable to owners of the Company was HK\$162 million, representing a decrease of 0.9% from the previous corresponding year (2012: HK\$164 million). Excluding the one-off share option expense of HK\$94 million recognized last year and the net gain of HK\$76 million in relation to the disposal of property, plant and equipment this year, mainly comprised the gain on disposal on a shop premises, the adjusted net profit decrease for our core business would have been 66.5%. This significant decline in net profit performance was mainly attributable to: (1) the absence of price hikes implemented by watch suppliers during the year, (2) the slowdown in China's sales performance amidst a cooling domestic economy, (3) these together led to a substantial drop in gross profit margin as compared to the previous year, (4) heightened rental expenses in both Hong Kong and China and (5) significant increase in stock provision during the year which grew 31.7% to HK\$126 million as compared to last year (2012: HK\$96 million).

The Board has resolved to recommend a final dividend of 5.0 HK cents per share (2012: 5.0 HK cents). The final dividend together with the interim dividend of 2.0 HK cents per share, represented a dividend payout of approximately 25% for the year ended 31st March 2013 (2012: 38%).

管理層討論及分析

集團業績

本人謹代表東方表行集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之董事會(「董事會」)提呈本集團截至二零一三年三月三十一日止年度(「本年度」)之經審核綜合業績。

截至二零一三年三月三十一日止年度之營業額下跌5.2%至3,733,000,000港元(二零一二年: 3,936,000,000港元), 導致毛利下跌15.4%至700,000,000港元(二零一二年: 828,000,000港元), 因此, 毛利率由去年之21.0%下跌至18.8%。本公司擁有人應佔純利為162,000,000港元(二零一二年: 164,000,000港元), 較去年同期減少0.9%。撇除去年確認之一次性購股權開支94,000,000港元, 以及本年度出售物業、機器及設備之收益淨額76,000,000港元(主要涉及出售分店物業之收益), 核心業務之經調整溢利淨額將減少66.5%。溢利淨額表現大幅倒退主要由於: (1)年內, 手錶供應商並無作出加價; (2)本地經濟放緩, 故中國之銷售表現倒退; (3)以上兩項因素導致毛利率較去年大幅下跌; (4)香港及中國之租金均有所提高; 及(5)年內之存貨撥備較去年大幅增長31.7%至126,000,000港元(二零一二年: 96,000,000港元)所致。

董事會已議決建議派發末期股息每股5.0港仙(二零一二年: 5.0港仙)。末期股息連同中期股息每股2.0港仙, 將相當於截至二零一三年三月三十一日止年度派息率約25%(二零一二年: 38%)。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告及管理層討論及分析

Business Review

As at 31st March 2013, the Group operates 107 stores (including stores of associates and jointly controlled entities) in the Greater China region. Breakdown by geographic region is as follows:

| | |
|-----------|----|
| Hong Kong | 香港 |
| Macau | 澳門 |
| China | 中國 |
| Taiwan | 台灣 |
| Total | 總計 |

In 2011, the strong demand in China drove the luxury watch industry into a banner year. However, a volatile global economic backdrop and the Chinese government's crackdown on ostentation and luxury gifting amongst government officials has cooled consumption considerably during the Year as Mainland consumers curb their spending on extravagant items. This was evident in the latest export statistics, with the Federation of the Swiss Watch Industry reporting that China's Swiss watch sales from January to April 2013 has dropped 25% year-on-year. Yet, in contrast to such unfavourable sentiment in China, the Group's retail sales in Hong Kong and Macau has picked up from the second half of the fiscal year onwards, with the regions' same-store sales ("SSS") registering consecutive positive growth since February 2013. The Group anticipates this improvement to continue, as our stores have already witnessed a gradual increase in Mainland tourist foot traffic and a pick-up in sales for high-ticket watch items.

業務回顧

於二零一三年三月三十一日，本集團於大中華地區經營 107 所店舖（包括聯營及共同控制實體之店舖），按地區分析如下：

| As at March 2013 於二零一三年 三月 |
|-------------------------------------|
| 14 |
| 2 |
| 89 |
| 2 |
| 107 |

於二零一一年，中國之殷切需求推動高級手錶行業進入豐收之一年。但是，在波動不休的環球經濟背景，以及中國政府遏止炫富及政府官員間饋贈奢侈品之情況下，內地消費者減少花費於奢侈品，故本年度之奢侈品消費量顯著下降。此情況在最近期之出口數據中最為明顯，瑞士鐘錶工業聯合會的報告指出由二零一三年一月至四月，中國之瑞士手錶銷量按年下跌 25%。然而，儘管中國市場不景氣，本集團於香港及澳門之零售額由財政年度第二季起上升，而地區之同店銷售額（「同店銷售額」）則自二零一三年二月起錄得連續之正面增長。由於店舖之內地旅客人流已逐步上升，而高價手錶產品的銷售增加，故本集團預期銷售額將持續改善。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告及管理層討論及分析

High rental costs continued to be a major cost concern for retailers in Hong Kong, Macau and China, respectively. Compared to the previous corresponding year, the Group's rental expense increased by approximately 35.7% and this was mainly caused by the lease renewal of 3 existing stores in Hong Kong and the opening of a new Rolex boutique in Hysan Place, Causeway Bay. The latter commenced operation in August 2012. Yet, the rise in rental as a percentage of turnover increased by 1.50 percentage points to 5.1%. The Group wishes to put this heightened cost impact in perspective, that this spike is almost entirely related to these one-off events and that our rental expense is better controlled than our peers. A good portion of Oriental Watch's retail stores in Hong Kong are self-owned properties, hence the Group is relatively defensive to such external cost pressures. The Group will maintain prudent policies on its operating expenses and is determined to lower this ratio in the coming years.

As at 31st March 2013, the Group's inventory level grew 2.9% to HK\$2,060 million (2012: HK\$2,003 million) and was mainly attributable to the stocking up of inventory for our two new stores in Hysan Place, Causeway Bay and in New Mandarin Plaza, Tsim Sha Tsui East, respectively. The Group understands the importance of a healthy working capital hence we have already tightened inventory management during the Year, with clear directives to front line staff to slow the replenishment rate of high-ticket items. Moreover, the Group's balance sheet was also strengthened by the disposal of property, plant and equipment, mainly comprised the gain on disposal on a shop premises in Central for a net gain of HK\$76 million during the Year. To unlock value in our assets, the Group may consider divesting 4 other potential shop premises at opportune times to achieve greater shareholder returns in the long run.

高昂之租金成本持續分別為香港、澳門及中國零售商之主要關注問題。相較去年同期，本集團之租金開支增加約35.7%，主要是由於續租三間香港現有店舖，以及於銅鑼灣希慎廣場開設新勞力士精品店所致，後者於二零一二年八月開始營業。然而，租金佔營業額之百分比增加1.50%至5.1%。本集團期望能正確地考慮此成本上升之影響，認為大部分僅與該等一次性事件有關，而本集團之租金開支控制較其同行有效。東方表行部分於香港之零售店為自置物業，故本集團相對較能對抗該等外來成本壓力。本集團將繼續採取審慎之營運開支政策，並決心於來年降低此比率。

於二零一三年三月三十一日，本集團之存貨水平增加2.9%至2,060,000,000港元（二零一二年：2,003,000,000港元），主要是由於本集團分別為銅鑼灣希慎廣場及尖東新文華中心兩間新店囤積存貨所致。本集團深明營運資金穩健之重要性，因此，本集團已於本年度加強存貨管理，並向前線員工下達明確指示，須減慢高價產品之補給率。另外，透過於本年度出售物業、機器及設備獲取之收益淨額76,000,000港元（主要涉及出售中環分店物業之收益），本集團之資產負債表亦有所加強。為發揮本集團資產之潛在價值，本集團可能考慮適時出售其他四間潛在分店物業，長遠為股東實現較大回報。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告及管理層討論及分析

Prospects

Despite the global economic uncertainty, the Group remains cautiously optimistic on the business outlook in the luxury market and believes the inspiration for high-end goods is still strong and growing amongst Mainland consumers. This is fuelled by the rising wealth of China's aspirational middle class, business elites, and sophisticated individuals who have a growing taste for niche brands and exclusive products. In most cases they come for world renowned brands, of which the Group distributes many. The agreement to lower the import tariff for Swiss goods on the back of the recent Swiss-China free trade is certain to stimulate demand for luxury watches in China over the medium-to-long term.

Further to the addition of two new stores during the Year, the Group will continue to adopt a prudent store expansion strategy in the new fiscal year, focusing on fine-tuning its existing retail store network (especially in China) to optimize operating performance. And when the opportunity presents, the management may further expand in Hong Kong on more reasonable rental costs. Tightened inventory and costs controls will also be enforced to maintain a healthy cash position. In the long term, the Group is confident that Hong Kong will continue to be a major shopping destination for Mainland Chinese tourists with its superior service standards, lower tax rates and comprehensive product range.

"Oriental Watch" is a prestigious brand established over a long establishment history and well known amongst Chinese consumers. With this being the biggest asset for the Group, we will continue to strive to capitalize on all viable business opportunities and aim to achieve satisfactory returns for our shareholders.

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

展望

儘管環球經濟存在不明朗因素，本集團對奢侈品市場之業務前景維持審慎樂觀，並相信內地消費者對高端產品之需求仍然強勁，並正在增長。此乃由偏愛著名品牌及獨家產品，並追求品味之中國中產階層、商界精英，以及專業人士之財富增加所推動。在大部分情況下，他們前來購買世界知名品牌，而本集團則分銷大量該等品牌。由於近期之瑞士 — 中國自由貿易而訂立之降低瑞士貨品進口關稅協議，肯定能刺激中國對高級手錶之中期至長期需求。

除於年內增添兩間新店外，本集團將於新財政年度繼續採取審慎之店舖擴張策略，並集中調整其現有零售店網絡（特別是於中國），以優化其營運表現。而當機會出現時，管理層可能按更合理之租金成本於香港進一步擴張，亦會加強存貨及成本控制以維持穩健的現金狀況。長遠而言，本集團堅信香港將憑藉其優秀服務水平、較低的稅率及全面之產品系列，繼續成為中國內地旅客之主要購物熱點。

「東方表行」是一個歷史悠久的知名品牌，為中國消費者所熟識。憑藉此最大資產，本集團將繼續致力把握所有商機，旨在為股東實現理想回報。

我們謹代表本集團感謝我們之客戶、供應商、員工及股東多年來的忠誠和支持。

FINANCIAL REVIEW

Liquidity and financial resources

At 31st March 2013, the Group's total equity reached HK\$2,228 million, compared with HK\$2,092 million as at 31st March, 2012. The Group had net current assets of HK\$2,051 million, including bank and cash balances of HK\$373 million as at 31st March, 2013 compared with balances of HK\$1,738 million and HK\$207 million respectively as at 31st March, 2012. At 31st March, 2013, bank loans and overdrafts totalled HK\$686 million (31st March, 2012: HK\$506 million). At 31st March, 2013, the gearing ratio (defined as total bank borrowing on total equity) was 0.30 (31st March, 2012: 0.24).

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

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.

財務回顧

流動資金及財務資源

於二零一三年三月三十一日，本集團之權益總額達2,228,000,000港元，而於二零一二年三月三十一日則為2,092,000,000港元。於二零一三年三月三十一日，本集團之流動資產淨值為2,051,000,000港元，包括373,000,000港元之銀行及現金結餘，而於二零一二年三月三十一日之結餘則分別為1,738,000,000港元及207,000,000港元。於二零一三年三月三十一日，銀行貸款及透支合共為686,000,000港元(二零一二年三月三十一日：506,000,000港元)。於二零一三年三月三十一日，負債資產比率(定義為銀行借貸總額除以權益總額)為0.30倍(二零一二年三月三十一日：0.24倍)。

管理層認為本集團的財務狀況良好，並具備充裕資金及未動用銀行信貸。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。

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。



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告及管理層討論及分析

HUMAN RESOURCES

As at 31st March, 2013, our Group had approximately 890 employees all over HK, Macau, China and Taiwan, in which approximately 65% of whom were in Mainland. The total manpower is around the same as last year.

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 policy's performance system and objective specification performance appraisal.

We deeply believe every customer does have expectations on the service they obtained. Thus, we must always strive to provide service beyond their expectations in order to maintain the most excellent quality and comprehensive of service. As such, more resources have been allocated to the Staff Training and Development aspect. Since January 2009, we commissioned an independent consulting firm to conduct a continuous "Mystery Shoppers Programme (MSP)". This programme will help the management to gauge and monitor the overall service performance of our sales team. By analyzing the results of MSP, we are able to identify the areas for improvements in a more specific way such that our future training programme could be tailor-made to specific shop/ individual level. All the effort is to align with the company's philosophy of providing "Service Excellence" to customers, with the aim of impelling the Group's business and making great strides forward unceasingly.

人力資源

截至二零一三年三月三十一日，本集團於香港、澳門、中國及台灣共僱用約890名僱員，其中約65%為內地員工，總僱用人數與去年相若。

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。

我們深信每位顧客均對其應獲得之服務有所期望，因此，只要經常超越客人的期望，我們便保持最優質及最全面的服務。有鑒於此，本集團已積極投放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。由二零零九年一月開始本集團正式委任獨立顧問公司進行連續性的「神秘顧客計劃」，以協助管理層評估及監察本集團銷售團隊之整體服務水平。透過分析神秘顧客計劃的結果，我們能辨別公司有待改善之處從而更有效地設計針對個別店舖或員工的培訓課程。這一切均配合公司為顧客提供「優質服務」的理念，推動本集團的業務發展不斷向前邁進。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS:

Dr. YEUNG Ming Bui, aged 77, the Chairman of the Company, is a Co-founder of the Group. He has over 60 years' experience in the watch business and is a Permanent Honorary Director of The Federation of Hong Kong Watch Trades and Industries Limited. He holds Honorary Fellow awarded by The Chinese University of Hong Kong and Honorary Doctor degree awarded by Lansbridge University of New Brunswick of Canada.

Mr. YEUNG Him Kit, Dennis, aged 44, 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 Dr. Yeung Ming Bui.

Mr. FUNG Kwong Yiu, aged 69, joined the Group in 1974 and has over 48 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 51, 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 Dr. Yeung Ming Bui.

Mr. LAM Hing Lun, Alain, aged 54, joined the Group in 1992. He is the Finance Director 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 29 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 58, joined the Group in 1969. He became Director of the Company in April 2003 and has over 44 years' experience in the watch business.

執行董事：

楊明標博士，77歲，本公司主席，亦為本集團創辦人之一。彼具有逾60年鐘表業經驗，並為香港鐘表業總會永遠名譽會董。楊先生持有香港中文大學頒授之榮譽院士及持有加拿大賓士域藍仕橋大學頒授之榮譽博士。

楊衍傑先生，44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。彼持有加拿大多倫多大學商業學士學位。楊先生為楊明標博士之兒子。

馮廣耀先生，69歲，於一九七四年加入本集團，並具有逾48年鐘表業經驗。彼為香港鐘表業總會永遠名譽會董。

楊敏儀女士，51歲，於一九九一年加入本集團。彼分別持有英國North Herts College商業課程高級文憑及瑞士CFH Institute鐘表珠寶管理文憑。楊女士為楊明標博士之女兒。

林慶麟先生，54歲，於一九九二年加入本集團。彼為本公司財務董事兼公司秘書，並於二零零三年四月出任本公司董事。彼負責本集團會計、財務控制及秘書事宜。彼具有逾29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，58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44年鐘表業經驗。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. SUN Ping Hsu, Samson (“Dr. Sun”), M.B.E., J.P., aged 88, has been an Independent Non-executive Director of the Company since September 1993. He 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 59 years’ experience in the manufacturing, marketing and distribution of watches, and 27 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 organisations. He was a Member of Basic Law of HKSAR Consultative Committee in 1980’s. He is an Independent Non-executive Director of National Electronics Holdings Limited (stock code: 0213), and Cheuk Nang (Holdings) Limited (stock code: 0131).

Dr. LI Sau Hung, Eddy, B.B.S., J.P., aged 58, has over 38 years’ experience in the manufacturing business. He is a Member of the National Committee of Chinese People’s Political Consultative Conference and the President of Hong Kong Economic & Trade Association. Dr. 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 an Independent Non-executive Director of the Company since September 1993. He is currently an Independent Non-executive Director of Man Yue Technology Holdings Limited (stock code: 0894), Midas International Holdings Limited (stock code: 1172). He has resigned as Independent non-executive Director of Get Nice Holdings Limited (stock code: 0064) in April 2012. All companies listed on The Stock Exchange of Hong Kong Limited.

獨立非執行董事：

孫秉樞博士(「孫博士」)，**M.B.E., J.P.**，88歲，自一九九三年九月起出任本公司獨立非執行董事。彼為新達集團主席。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59年製造、經銷及分銷手表經驗及27年經銷及分銷消費品及電子產品經驗。彼自一九七九年涉足中國貿易業務，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。彼於一九八零年代曾任香港特區基本法諮詢委員會委員。彼為National Electronics Holdings Limited (股份代號：0213)及卓能(集團)有限公司(股份代號：0131)之獨立非執行董事。

李秀恒博士 B.B.S., J.P.，58歲，具有逾38年製造業經驗。彼為中國人民政治協商會議全國委員會委員及香港經貿商會會長。李博士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獨立非執行董事。彼現為萬裕科技集團有限公司(股份代號：0894)、勤達集團國際有限公司(股份代號：1172)之獨立非執行董事。彼於二零一二年四月辭去結好控股有限公司(股份代號：0064)之獨立非執行董事。所有公司均為香港聯合交易所有限公司上市公司。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CHOI Man Chau, Michael, aged 57, is a Fellow Member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and is a Certified Public Accountant (practising). Mr. Choi is also an Independent Non-executive Director of Hunan Nonferrous Metals Corporation Limited (stock code: 2626) which is listed on the Main Board of The Stock Exchange of Hong Kong Limited. He was formerly an Independent Non-executive Director of Simsen International Corporation Ltd. (stock code: 0993) and Dynamic Energy Holdings Ltd. (stock code: 0578), companies listed on the Main Board of The Stock Exchange of Hong Kong Limited.

SENIOR MANAGEMENT

Mr. SZE Yuk Woo, aged 62, is the General Manager overseeing the Group's general operation in the PRC. He joined the Group in 1997 and has over 43 years' experience in the watch business.

Mr. YEUNG Chi On, aged 53, is the General Manager overseeing the retail operation in Hong Kong. He joined the Group in 1980 and has over 32 years' experience in the watch business.

Mr. LAM Tung Hing, aged 55, is the General Manager and overseeing the retail operation in Hong Kong. He joined the Group in 2003 and has over 33 years' experience in the watch business.

蔡文洲先生，57歲，為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員。彼為執業會計師，蔡先生亦為湖南有色金屬股份有限公司(股份代號：2626)(為香港聯合交易所有限公司主板上市公司)之獨立非執行董事。彼曾出任天行國際(控股)有限公司(股份代號：0993)及合動能源控股有限公司(股份代號：0578)(均為香港聯合交易所有限公司主板上市公司)之獨立非執行董事。

高級管理層

史育和先生，62歲，為總經理，監督本集團於中國的一般業務運作。彼於一九九七年加入本集團，具有逾43年鐘表業經驗。

楊志安先生，53歲，為總經理，監督香港零售運作。彼於一九八零年加入本集團，具有逾32年鐘表業經驗。

林東興先生，55歲，為總經理，監督香港零售運作。彼於二零零三年加入本集團，具有逾33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.

The Stock Exchange of Hong Kong Limited made certain amendments to the Code on the Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and renamed it the Corporate Governance Code (the “Revised Code”, together with the former code as the “CG Code”) with effect from 1 April, 2012.

Throughout the year ended 31 March, 2013, the Company has complied with the code provisions prescribed in the CG Code set out in the Appendix 14 of 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，本公司已採納良好的企業管治原則，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，以及對所有利益相關者的透明度和問責性。

香港聯合交易所有限公司對香港聯合交易所有限公司證券上市規則（「上市規則」）附錄 14 所載之企業管治常規守則作出若干修訂，並更改該守則之名稱為企業管治守則（「經修訂守則」，連同前守則稱為「企業管治守則」），自二零一二年四月一日起生效。

於截至二零一三年三月三十一日止年度內，本公司一直遵守上市規則附錄 14 所載企業管治守則列載之守則條文，惟於下文相關段落中說明偏離守則條文 A.4.1 除外。

董事之證券交易

本公司採納了上市規則附錄 10 所載之標準守則，作為其董事進行證券交易之操守守則（「守則」）。經向全體董事作出特定查詢後，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。

THE BOARD

Corporate Strategy

The primary objective of the Company is to enhance long-term total return for our shareholders. To achieve this objective, the Group's strategy is to place equal emphasis on achieving sustainable recurring earning growth and maintaining the Group's strong financial profile. Management Discussion and Analysis contain discussion and analyses of the Group's performance and the basis on which the Group generates or preserves value over the longer term and the basis on which the Group will execute its strategy for delivering the Group's objective.

Role of the Board

The Board, which is accountable to shareholders for long-term performance of the Company, is responsible for directing the strategic objectives of the Company and overseeing the management of the business. Directors are charged with the task of promoting the success of the Company and making decision in the best interest of the Company.

The Board, led by the Chairman, Dr. 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.

董事會

企業策略

本公司之首要目標為提升股東之長遠回報總額。為達致此目標，本集團之策略為同等着重取得可持續經常性盈利增長及維持本集團之穩健財務狀況。管理層討論及分析載有本集團表現之討論及分析、本集團締造或保存較長遠價值之基礎，以及本集團為達成其目標而執行策略之基礎。

董事會之角色

須就本公司之長遠表現向股東負責之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博士領導下，批准及監察本集團的整體策略和政策、年度預算和業務計劃、評估本公司表現以及監督本公司管理層（「管理層」）的工作。在集團董事總經理帶領下，管理層負責本集團的日常運作。



CORPORATE GOVERNANCE REPORT

企業管治報告

Board Composition

At 31 March, 2013, the Board comprised nine Directors, including the Chairman, Group Managing Director, Group Finance Director, three 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 9 to 11. 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.

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.

董事會結構

於二零一三年三月三十一日，董事會由九名董事組成，包括主席、集團董事總經理、集團財務董事、三名執行董事和三名獨立非執行董事。各董事的履歷載於第9頁至第11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。

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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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.

Independent Non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, there are three Independent Non-executive Directors representing 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. Choi Man Chau, Michael to be independent.

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項，亦負責建立與維持高效率的行政隊伍以協助其履行職責。

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，佔董事會成員之三分之一。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)條所規定之會計或相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、李秀恒博士及蔡文洲先生為獨立人士。

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.

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.

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加入指定年期修訂獨立非執行董事之委任書。

董事會會議及常規

董事會須每年定期舉行最少四次會議，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，本集團高級管理層會定時向董事提供有關本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，及在需要時由公司秘書與其他行政人員提供額外口頭／書面補充資料或通報，參與審批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會議。

董事將於各董事會會議舉行前接獲將須作決定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，並至少於會議舉行三天前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及切實可行之通知期。

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Any Director wishing to do so in the furtherance of his or her duty 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.

During the year ended 31 March, 2013, meetings and Directors attendance records for the meetings held are set out below:

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管理層主要成員舉行會議，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。

於截至二零一三年三月三十一日止年度內，會議及各董事於所舉行會議之出席記錄載列如下：

| | | Board | 2012 Annual General Meeting |
|---|---------------------------------|--------------|--|
| | | 董事會 | 二零一二年 股東週年大會 |
| <i>Executive Directors</i> | | | |
| | <i>執行董事</i> | | |
| Dr. Yeung Ming Biu (1) – Chairman | 楊明標博士(1) — 主席 | 4/4 | √ |
| Mr. Yeung Him Kit, Dennis (1) — Group Deputy Chairman and Group Managing Director | 楊衍傑先生(1) — 集團副主席及 集團董事總經理 | 4/4 | √ |
| Mr. Fung Kwong Yiu | 馮廣耀先生 | 4/4 | √ |
| Madam Yeung Man Yee, Shirley (1) | 楊敏儀女士(1) | 4/4 | √ |
| Mr. Lam Hing Lun, Alain — Group Finance Director | 林慶麟先生 — 集團財務董事 | 4/4 | √ |
| Mr. Choi Kwok Yum | 蔡國欽先生 | 4/4 | |
| <i>Independent Non-Executive Directors</i> | | | |
| | <i>獨立非執行董事</i> | | |
| Dr. Sun Ping Hsu, Samson | 孫秉樞博士 | 4/4 | √ |
| Dr. Li Sau Hung, Eddy | 李秀恒博士 | 4/4 | |
| Mr. Choi Man Chau, Michael | 蔡文洲先生 | 4/4 | √ |

Notes:

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

附註：

(1) 楊明標博士為楊衍傑先生及楊敏儀女士之父。



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Training and Commitment

The Company provides continuous professional development (“CPD”) training and relevant reading materials to all Directors to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its business and to develop and refresh their knowledge and skills on their roles, functions and duties as directors of the Company. In addition, Dr. Sun Ping Hsu, Samson, Dr. Li Sau Hung, Eddy and Mr. Lam Hing Lun, Alain attended external forums or briefing sessions (including delivery of speeches by Mr. Lam Hing Lun, Alain) on relevant topics. Mr. Choi Man Chau, Michael has also participated in CDP programs required by The Hong Kong Institute of Certified Public Accountants.

The directors have to provided to the Company with details of the CPD training undertaken by them from time to time.

Company Secretary

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. Minutes of all Board meetings and Board Committees are prepared by and maintained by the Company Secretary to record in sufficient details the matters considered and decisions reached by the Board or Committee, including any concerns raised or dissenting views voiced by any Director. All the minutes are sent to Directors and are available for inspection by any Director upon request.

培訓及承擔

本公司為全體董事提供持續專業發展(「持續專業發展」)培訓與相關讀物，以助確保彼等獲悉本集團經營其業務之商務、法律及規管環境之最新變化，並發展及重溫彼等對本公司董事之角色、職能及職責之知識與技能。此外，孫秉樞博士、李秀恒博士及林慶麟先生已出席相關課題之外界論壇或簡報環節(包括由林慶麟先生發表演辭)。蔡文洲先生亦已按照香港會計師公會之規定參與持續專業發展課程。

董事已不時向本公司提供彼等所接受之持續專業發展培訓詳情。

公司秘書

公司秘書林慶麟先生向董事會負責，以確保董事會程序獲得遵守及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適當董事會程序及適時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。所有董事會會議及董事委員會會議紀錄均由公司秘書編製及存置，以足夠詳盡地記錄董事會或委員會考慮之事項及達成之決定，包括任何董事提出之任何關注或表達之反對意見。所有會議記錄均發送予董事，並可應要求供任何董事查閱。

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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 of the Company.

In relation to connected transactions, regular seminars are conducted for 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.

Furthermore, the Company Secretary advises the Directors on their obligations for disclosure of interests and dealings in the Group's securities, connected transactions and price-sensitive information and ensures that the standard and disclosure required by the Listing Rules are observed and where required, reflected in the annual report of the Company.

The appointment and removal of the Company Secretary is subject to Board approval in accordance with the Articles of Association of the Company. Whilst the Company Secretary reports to the Board through the Chairman and the Group Managing Director, all members of the Board have access to the advice and service of the Company Secretary. Mr. Lam Hing Lun, Alain has appointed as the Company Secretary of the Company since 1992 and has day-to-day knowledge of the Group affairs.

公司秘書負責確保董事會獲得全面報告一切與本集團有關之立法、規管和企業管治的發展，並於作出有關本集團的決策時加以考慮。公司秘書亦直接負責確保本集團遵照上市規則的所有責任，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本集團的公佈與資料，並協助董事買賣本集團證券時發出通知。

公司秘書就董事披露於證券之權益、關連交易及股價敏感資料方面之責任向董事提供意見，並確保上市規則規定之標準及披露獲得遵守，以及在有需要時於本公司年報內反映。

本集團定期向本集團內各業務單位行政人員舉行關於關連交易之研討講座，以確保該等交易遵照上市規則規定處理。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。

另外，公司秘書就董事披露本集團證券權益及交易、關連交易和股價敏感資料方面的責任向彼等提供意見，並確保上市規則規定的標準與披露事項得以遵守，以及於有需要時於本公司年報中反映。

公司秘書之委任及免任須根據本公司之組織章程細則經董事會批准。儘管公司秘書透過主席及集團董事總經理向董事會匯報，惟董事會全體成員均可取得公司秘書之意見及服務。林慶麟先生自一九九二年起已獲委任為本公司之公司秘書，對本集團事務相當熟悉。

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Financial Statements and the Financial Reporting

The annual and interim results of the Company are published in a timely manner of the year end and the half year.

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 43 to 45 which acknowledge the reporting responsibilities of the Group's Auditor.

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.

問責性及核數

董事就財務報表及財務申報所承擔的責任

本公司之年度及中期業績於年底及年中適時刊發。

下文列出董事就財務報表所承擔的責任，與第43頁至第45頁之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。

年報及賬目

董事確認其編製本公司年報及財務報表的責任，以確保財務報表根據香港公司條例與適用之會計準則真實與公平地反映情況。

會計政策

董事認為，本集團在編製財務報表時應用一貫應用的適當會計政策，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

董事負責確保本集團保存披露本集團財政狀況的賬目紀錄，讓本集團得以按照本集團的會計政策編製財務報表。

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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.

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 auditors at the forthcoming Annual General Meeting.

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

保護資產

董事負責採取一切合理而必要的措施保護本集團資產，並防範與查察本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。

核數師酬金

董事會信納德勤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，德勤提供之服務及向其支付之相關酬金如下：

| | | <i>HK\$'000</i> 千港元 |
|---------------------------------|----------|------------------------|
| Audit | 審計 | 2,740 |
| Taxation and non-audit services | 稅務及非審計服務 | 282 |
| | | <hr/> |
| | | 3,022 |
| | | <hr/> |

CORPORATE GOVERNANCE REPORT

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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. Choi Man Chau as members.

Under the term of reference of the Audit Committee, it is required to oversee the relationship between the Company and its external auditors, 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.

During the year ended 31 March, 2013, 4 meetings were held. The attendance records for the audit committee meetings are set out below:

Members of the Audit Committee

Dr. Sun Ping Hsu, Samson

Dr. Li Sau Hung, Eddy

Mr. Choi Man Chau, Michael

審核委員會成員

孫秉樞博士

李秀恒博士

蔡文洲先生

Directors' Attendance 董事出席率

4/4

4/4

4/4

During the year, the Audit Committee performed the duties and responsibilities under its terms of reference and other duties of the Existing Code.

年內，審核委員會根據其職權範圍及現有守則之其他職責履行職責及責任。

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管理經驗與技巧。委員會由孫秉樞博士擔任主席，成員為李秀恒博士及蔡文洲先生。

根據審核委員會的職權範圍，委員會的職責包括監察本公司與其外聘核數師的關係、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。

於截至二零一三年三月三十一日止年度內舉行了四次會議。審核委員會會議之出席紀錄載列如下：

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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 and other financial, internal control and risk management matters of the Group. It considers and discusses the reports and presentations of Management, the Group internal and external auditors, 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.

External Auditors

The Audit Committee reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process. It has received representing from Deloitte of their independence and objectivity 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 auditors.

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 auditors.

財務報表

審核委員會就審閱本集團的中期業績、末期業績、中期報告及年報以及本集團的其他財務、內部監控及風險管理事宜，不時與集團財務董事及本集團其他高級管理層舉行會議。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，以確保本集團的綜合財務報表按照香港普遍採納的會計原則編製。委員會並與本集團的外聘核數師德勤舉行會議，以考慮德勤就獨立審閱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。

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。委員會已收到德勤就其獨立性與客觀性作出的聲明，並與德勤舉行會議，以考慮其審核範疇、批准其收費，並審批其將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。

本集團按下列政策委聘德勤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。所有此等服務將由外聘核數師提供。



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- Audited related services — included services that would normally be provided by an external auditors 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 auditors are to be invited to undertake these services that they must or are best placed to undertake in their capacity as auditors.
- 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 auditors 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 auditors are 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 auditors are not eligible to provide services involving general consulting work including accountancy services.
- 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。本集團將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稅務規劃服務，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。所有其他重要的稅務相關工作可能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。外聘核數師亦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批准。
- 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。

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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 reviews with the Group's internal auditors the work plan for their audit together with their resources requirements and considers 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.

風險管理及內部監控的檢討

審核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審核委員會所提交的報告。

審核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

薪酬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。孫秉樞博士為委員會主席。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。委員會將協助管理本集團一個公平及具透明度的程序，用以制訂薪酬政策(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。



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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 31 March, 2013, one 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 and human resources issues, and headcounts and staff costs. The Remuneration Committee has also reviewed and approved the proposed director fees for year ended 31 March 2014, year-end bonus and remuneration packages of Executive Directors and senior management of the Company for the year ended 31 March, 2013 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 31 March, 2013, no nomination meeting has held.

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能力，並參考其他本港及／或國際公司的薪酬指標與現行市況釐定。董事與僱員亦參與按本集團與個人表現釐定的花紅安排。

截至二零一三年三月三十一日止財政年度內，薪酬委員會已舉行一次會議。於財政年度內，薪酬委員會所有委員已審閱市場數據的背景資料、本集團業務活動與人力資源事宜，以及僱員人數與員工成本。薪酬委員會亦已審議與批核截至二零一四年三月三十一日止年度的建議董事袍金、年終花紅，以及本公司執行董事與高級管理層截至二零一三年三月三十一日止年度薪酬待遇的建議，並向董事會建議獨立非執行董事的董事袍金，惟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，執行董事物色潛在之新董事，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。於截至二零一三年三月三十一日止財政年度內，並無舉行提名會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL, CORPORATE GOVERNANCE 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.

On behalf of the Board, the Audit Committee reviews regularly the corporate governance structure and practices within the Group and monitors compliance fulfillment on an ongoing basis.

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.

內部監控、企業管治及集團風險管理

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。

董事會履行其職責，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業務營運管理人員提交的詳盡營運與財務報告、預算和計劃；由董事會對照實際業績及預算；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。

審核委員會代表董事會定期檢討本集團內部之企業管治架構及常規，並持續監控合規履行情況。

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。

Internal Control Environment and Systems

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.

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.

內部監控環境及系統

董事會全權負責監察本集團旗下業務的運作。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目標。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。

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，集團財務董事與其財務小組成員對照預算和預測以檢討每月表現，以及處理會計與財務相關事宜。

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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.

Internal audit department reporting to the Group 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 auditors 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 effectiveness reviews.

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的職責輕重相稱的開支批核水平進行監控。資本開支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。

內部審核部門須定期向集團董事總經理匯報其職務，並須直接向審核委員會匯報（如必要），就本集團業務營運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。內部審核負責評估本集團內部監控制度，就制度提供公正無私的意見，並將其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。



CORPORATE GOVERNANCE REPORT

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Reports from the external auditors 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.

Corporate Governance

The Board is entrusted with the overall responsibility of developing and maintaining sound and effective corporate governance within the Group and is committed to ensuring that the effective governance structure is put in place to continuously review and improve the corporate governance practices within the Group in light of evolving environment and regulatory requirements.

Under the term of reference, the Audit Committee has been delegated the corporate function of the Board to monitor, procure and manage corporate governance compliance within the Group. To assist the Audit Committee in fulfilling its responsibilities, Company Secretary with representatives from key departments of the Company are continuously examine the corporate governance structure of the Group, provide updates, identify emerging matters of compliance, structure appropriate compliance mechanisms and monitor compliance fulfillment on an ongoing basis.

The Audit Committee has reviewed the compliance status and is satisfied that the Company has complied throughout the year with all the code provisions of the CG Code applicable during the year except for the deviation from the Code Provision A.4.1 that is explained in the previous relevant paragraph.

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.

外聘核數師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財務報告事宜的報告(如有)。該等報告會被審閱及採取適當行動。

企業管治

董事會全權負責制定及維持本集團內穩健有效之企業管治，並致力確保實行有效之管治結構，以因應瞬息萬變之環境及監管要求，持續檢討及改善本集團內之企業管治常規。

根據職權範圍，審核委員會已獲轉授董事會之企業職能，以監察、促使及管理本集團之企業管治遵守情況。為協助審核委員會履行其責任，公司秘書連同本公司主要部門之代表持續檢查本集團之企業管治架構、提供最新情況、識別新出現之合規事項、建立適當之合規機制以及持續監控合規事項之進展。

審核委員會已檢討合規情況，並信納本公司已於整個年度內遵守年內適用之企業管治守則之全部守則條文，惟於上文相關段落中說明偏離守則條文A.4.1除外。

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，包括運用保險轉移風險的財務影響。集團財務董事負責作出適當的保險安排。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 31 March, 2013 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.

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 are also available to the shareholders on the Group's website.

檢討內部監控制度

董事會已透過審核委員會檢討截至二零一三年三月三十一日止年度的本集團內部監控制度成效，包括所有重大財務、營運與循規監控及風險管理職能，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。

股東權利

董事會透過刊印通告、公佈、通函、中期與年度報告，致力為股東提供清晰及全面的本集團業績資料。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。



CORPORATE GOVERNANCE REPORT 企業管治報告

Shareholders are encouraged to attend all general meeting of the Company, such as the annual general meeting 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 websites at The Stock Exchange of Hong Kong Limited and the Group. Financial and other information is made available on the Group's website, which is regularly updated.

本集團鼓勵股東出席本公司所有股東大會，例如股東週年大會，主席與董事均出席股東大會，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事項以供股東考慮，股東只須致函本公司註冊辦事處，向公司秘書提出召開有關股東大會之要求及說明所建議討論的議程即可。股東大會上所有重要決議案均以投票方式表決。投票表決由本集團股份過戶登記處進行，而投票表決結果會登載於香港聯合交易所有限公司及本集團網站。本集團網站亦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 consolidated financial statements for the year ended 31st March, 2013.

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 31 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 46.

An interim dividend of 2.0 Hong Kong cents per share was declared and paid to the shareholders during the year. A final dividend of 5.0 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, 2013, the Company's reserves available for distribution consisted of contributed surplus of HK\$122,183,000 and retained profits of HK\$62,336,000.

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) to do so would render the Company unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than its liabilities.

董事會謹此提呈本公司截至二零一三年三月三十一日止年度之年報及經審核綜合財務報表。

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綜合財務報表附註31。

業績及股息

本集團於本年度之業績載於第46頁之綜合全面收益表。

年內本公司已向股東宣派及派付中期股息每股2.0港仙。董事亦建議派付末期股息每股5.0港仙，但須待股東於應屆股東週年大會上批准方可作實。

儲備

於二零一三年三月三十一日，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62,336,000港元。

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

- (a) 此舉將導致本公司無法償還其到期負債；或
- (b) 其資產之可變現價值會低於其負債。

DIRECTORS' REPORT

董事會報告

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred approximately HK\$74.3 million on the purchase of property, plant and equipment. Details of these and other movements in property, plant and equipment of the Group during the year are set out in note 12 to the consolidated 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:

Dr. Yeung Ming Biu (*Chairman*)
Mr. Yeung Him Kit, Dennis
(*Deputy Chairman and Managing Director*)
Mr. Fung Kwong Yiu
Madam Yeung Man Yee, Shirley
Mr. Lam Hing Lun, Alain
Mr. Choi Kwok Yum

Independent non-executive directors:

Dr. Sun Ping Hsu, Samson
Dr. Li Sau Hung, Eddy
Mr. Choi Man Chau, Michael

In accordance with Bye-law 87 of the Company's Bye-laws, Mr. Lam Hing Lun, Alain, Mr. Choi Kwok Yum and Dr. Li Sau Hung, Eddy retire and, being eligible, offer themselves for re-election.

None of the directors 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.

Details of the remuneration paid by the Group to the directors of the Company and the senior management of the Group for the year ended 31st March, 2013 are set out in note 8 to the consolidated financial statements.

物業、機器及設備

年內，本集團動用約 74,300,000 港元購置物業、機器及設備。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綜合財務報表附註 12。

董事及董事服務合約

本公司於年內及截至本報告日期之董事如下：

執行董事：

楊明標博士(主席)
楊衍傑先生
(副主席及董事總經理)
馮廣耀先生
楊敏儀女士
林慶麟先生
蔡國欽先生

獨立非執行董事：

孫秉樞博士
李秀恒博士
蔡文洲先生

根據本公司之公司細則第 87 條，林慶麟先生、蔡國欽先生及李秀恒博士均須告退，惟符合資格並願膺選連任。

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。

截至二零一三年三月三十一日止年度本集團支付予本公司董事及本集團高級管理層之薪酬詳情載於綜合財務報表附註 8。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31st March, 2013, the interests of the directors of the Company in the shares and underlying shares of the Company, as recorded in the register required to be kept under Section 352 of the Hong Kong Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

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，於二零一三年三月三十一日，本公司之董事於本公司之股份及相關股份中擁有之權益，或根據上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

| Name of director | 董事姓名 | Number of shares held 所持股份數目 | | | Total number of shares | Percentage of issued share capital of the Company 佔本公司已發 行股本百分比 |
|------------------------------|-------|---------------------------------|----------------------------|--------------------------------------|------------------------------|--|
| | | Personal interest 個人權益 | Family interest 家族權益 | Corporate interest 公司權益 | | |
| Dr. Yeung Ming Biu | 楊明標博士 | 18,367,583 | 7,920,000 | 128,164,561 (note (a)) (附註(a)) | 154,452,144 | 27.07% |
| Mr. Yeung Him Kit, Dennis | 楊衍傑先生 | 4,234,000 | — | (note (b)) (附註(b)) | 4,234,000 | 0.74% |
| Mr. Fung Kwong Yiu | 馮廣耀先生 | 6,508,160 | — | (note (c)) (附註(c)) | 6,508,160 | 1.14% |
| Madam Yeung Man Yee, Shirley | 楊敏儀女士 | 2,640,000 | 221,161 | (note (d)) (附註(d)) | 2,861,161 | 0.50% |
| Mr. Lam Hing Lun, Alain | 林慶麟先生 | 3,600,000 | — | — | 3,600,000 | 0.63% |
| Mr. Choi Kwok Yum | 蔡國欽先生 | 3,600,000 | — | — | 3,600,000 | 0.63% |
| Dr. Sun Ping Hsu, Samson | 孫秉樞博士 | — | — | 3,200,000 (note (e)) (附註(e)) | 3,200,000 | 0.56% |

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

Notes:

- (a) Dr. Yeung Ming Biu and his wife, Madam Au Po Kee, are the beneficial owners of 45% and 22.5% respectively of the issued share capital of Realtower Holdings Limited. Realtower Holdings Limited and Dr. Yeung Ming Biu are the respective beneficial owners of 55% and 10% of the issued share capital of Furama Investments Limited, which is the beneficial owner of 80% of the issued share capital of Datsun Holdings Limited. Datsun Holdings Limited is the beneficial owner of 127,776,000 shares in the Company.

Dr. Yeung Ming Biu is the beneficial owner of 47.5% of the issued share capital of Y.H. Chan Limited, which is the beneficial owner of 25% of the issued share capital of Furama Investments Limited. Y.H. Chan Limited also directly holds 388,561 shares in the Company.

- (b) Mr. Yeung Him Kit, Dennis is the beneficial owner of 10% and 7% of the issued share capital of Realtower Holdings Limited and Real Champ Limited respectively. Real Champ Limited is the beneficial owner of 20% of the issued share capital of Datsun Holdings Limited.
- (c) Mr. Fung Kwong Yiu is the beneficial owner of 6% of the issued share capital of Real Champ Limited.
- (d) Madam Yeung Man Yee, Shirley is the beneficial owner of 7.5% of the issued share capital of Realtower Holdings Limited.
- (e) Dr. Sun Ping Hsu, Samson and his family members are the beneficial owners of the entire issued share capital of Sun International Limited, which is the beneficial owner of 3,200,000 shares in the Company.

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

董事擁有之證券權益及淡倉(續)

附註:

- (a) 楊明標博士及其妻子區寶琪女士分別實益擁有 Realtower Holdings Limited 已發行股本 45% 及 22.5%。Realtower Holdings Limited 及 楊明標博士各自實益擁有 Furama Investments Limited 已發行股本 55% 及 10%。Furama Investments Limited 實益擁有 Datsun Holdings Limited 已發行股本 80%。Datsun Holdings Limited 實益擁有 127,776,000 股本公司股份。

楊明標博士實益擁有陳耀洪有限公司已發行股本 47.5%。陳耀洪有限公司實益擁有 Furama Investments Limited 已發行股本 25%。陳耀洪有限公司亦直接持有 388,561 股本公司股份。

- (b) 楊衍傑先生分別實益擁有 Realtower Holdings Limited 及 Real Champ Limited 已發行股本 10% 及 7%。Real Champ Limited 實益擁有 Datsun Holdings Limited 已發行股本 20%。
- (c) 馮廣耀先生實益擁有 Real Champ Limited 已發行股本 6%。
- (d) 楊敏儀女士實益擁有 Realtower Holdings Limited 已發行股本 7.5%。
- (e) 孫秉樞博士及其家族成員實益擁有 Sun International Limited 全部已發行股本。Sun International Limited 實益擁有 3,200,000 股本公司股份。

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

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

Pursuant to an ordinary resolution passed at the Company's special general meeting held on 3rd November, 2003, the Company adopted a share option scheme (the "Share Option Scheme").

Under the Share Option Scheme, options may be granted to any director, employee, consultant, customer, supplier or advisor of the Group or a company in which the Company holds an interest or a subsidiary of such company (the "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 other persons to provide incentive to them to contribute to the business and operation of the Group. The total number of shares available for issue under the Share Option Schemes as at the date of this report is 23,950,852 shares. No Eligible Persons shall be granted an option in any 12-month period for such number of shares (issued and to be issued) which in aggregate would exceed 1% of the share capital of the Company in issue on the last day of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The exercisable period is determined by the directors of the Company, which shall not be more than 10 years from the date of grant, and may include a minimum period for which the options must be held before it can be exercised. The exercise price per share payable on the exercise of an option equals to the highest of:

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

The 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

根據本公司於二零零三年十一月三日舉行之股東特別大會上通過之普通決議案，本公司已採納購股權計劃(「購股權計劃」)。

根據購股權計劃，購股權可授予本集團之任何董事、僱員、顧問、客戶、供應商或諮詢人或本公司持有該公司之權益之公司或該公司之附屬公司(「合資格人士」)、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其他人士給予獎勵，以吸引彼等留任及對本集團之業務及經營作出貢獻。於本報告日期，購股權計劃項下可供發行之股份數目合共為23,950,852股。根據聯交所證券上市規則(「上市規則」)，除非取得本公司股東批准，否則於任何十二個月期間內，合資格人士不得獲授予涉及股份數目(已發行及將予發行)合共超過本公司於該十二個月期間之最後一日之已發行股本1%之購股權。行使期乃由本公司董事釐定，惟不得超過自授出日期起計十年及包括購股權行使前必須持有之最短期限。在行使購股權時應付之每股行使價將為以下三者中之最高者：

- (a) 一股股份面值；
- (b) 股份於授出當日在聯交所每日報價表所報之每股收市價；及
- (c) 股份於緊接授出當日前五個營業日在聯交所每日報價表所報之每股平均收市價。

購股權計劃由採納日期二零零三年十一月三日起計有效十年。

DIRECTORS' REPORT

董事會報告

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

購股權計劃及董事購買股份或債券之權利(續)

The following table discloses movements of the options granted under the Share Options Scheme to directors, certain employees and consultants during the year:

下表披露董事、若干僱員及顧問於年內根據購股權計劃獲授購股權之變動：

| Name of category of participant | Number of shares under options at 1.4.2012 and 31.3.2013 於二零一二年四月一日及二零一三年三月三十一日 購股權涉及之股份數目 | Date of grant of options 購股權授出日期 | Original exercise price per share 原有每股行使價 HK\$ 港元 | Adjusted exercise price per share 經調整每股行使價 HK\$ 港元 (note) (附註) | Exercisable period 可行使期間 |
|--|--|-------------------------------------|--|---|-----------------------------|
| Directors 董事 | | | | | |
| Dr. Yeung Ming Biu 楊明標博士 | 1,440,000 | 06.04.2011 | 4.13 | 3.44 | 06.04.2011 – 05.04.2021 |
| Mr. Yeung Him Kit, Dennis 楊衍傑先生 | 1,440,000 | 06.04.2011 | 4.13 | 3.44 | 06.04.2011 – 05.04.2021 |
| Mr. Fung Kwong Yiu 馮廣耀先生 | 3,000,000 | 06.04.2011 | 4.13 | 3.44 | 06.04.2011 – 05.04.2021 |
| Madam Yeung Man Yee, Shirley 楊敏儀女士 | 1,440,000 | 06.04.2011 | 4.13 | 3.44 | 06.04.2011 – 05.04.2021 |
| Mr. Lam Hing Lun, Alain 林慶麟先生 | 3,600,000 | 06.04.2011 | 4.13 | 3.44 | 06.04.2011 – 05.04.2021 |
| Mr. Choi Kwok Yum 蔡國欽先生 | 3,600,000 | 06.04.2011 | 4.13 | 3.44 | 06.04.2011 – 05.04.2021 |
| | 14,520,000 | | | | |
| Other employees 其他僱員 | | | | | |
| Type A A類 | 14,400,000 | 06.04.2011 | 4.13 | 3.44 | 06.04.2011 – 05.04.2021 |
| Type B B類 | 18,000,000 | 29.08.2011 | 4.80 | N/A 不適用 | 29.08.2011 – 28.08.2021 |
| Consultants 顧問 | | | | | |
| Type A A類 | 2,640,000 | 06.04.2011 | 4.13 | 3.44 | 06.04.2011 – 05.04.2021 |
| Type B B類 | 5,000,000 | 29.08.2011 | 4.80 | N/A 不適用 | 29.08.2011 – 28.08.2021 |
| Total 總計 | 54,560,000 | | | | |

DIRECTORS' REPORT

董事會報告

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

Note: An ordinary resolution was passed by the shareholders at the annual general meeting of the Company held on 28th July, 2011 approving a bonus issue of shares to shareholders of the Company on the basis of one new ordinary share for every five ordinary shares held. The number of shares under the outstanding options and the exercise price per share of the outstanding options were adjusted accordingly pursuant to the terms of the Share Option Scheme.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2013, according to the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (not being a director or chief executive of the Company) had interests in the share capital of the Company.

| Name of shareholder 股東名稱 | Number of shares held 所持股份數目 | Percentage of issued share capital of the Company 佔本公司已發行股本百分比 |
|-----------------------------|---------------------------------|---|
|-----------------------------|---------------------------------|---|

| | | |
|----------------------------|-------------|--------|
| Datsun Holdings Limited | 127,776,000 | 22.39% |
| Furama Investments Limited | 127,776,000 | 22.39% |
| Realtower Holdings Limited | 127,776,000 | 22.39% |

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

Save as disclosed above, at 31st March, 2013, there was no person who had any interests or short position in the shares or underlying shares of the Company according to the register maintained by the Company pursuant to Section 336 of the SFO.

購股權計劃及董事購買股份或債券之權利(續)

附註：股東在本公司於二零一一年七月二十八日舉行之股東週年大會上通過普通決議案，批准派送紅股予本公司股東，基準為每持有五股普通股可獲派一股新普通股。未行使購股權之股份數目及未行使購股權之每股行使價已根據購股權計劃之條款作出相應調整。

主要股東

本公司根據證券及期貨條例第336條規定存置之登記冊所示，於二零一三年三月三十一日，以下人士(並非為本公司之董事或行政總裁)於本公司股本中擁有權益。

| Name of shareholder 股東名稱 | Number of shares held 所持股份數目 | Percentage of issued share capital of the Company 佔本公司已發行股本百分比 |
|-----------------------------|---------------------------------|---|
| Datsun Holdings Limited | 127,776,000 | 22.39% |
| Furama Investments Limited | 127,776,000 | 22.39% |
| Realtower Holdings Limited | 127,776,000 | 22.39% |

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

按本公司根據證券及期貨條例第336條規定存置之登記冊所示，除上文所披露者外，於二零一三年三月三十一日，概無任何人士於本公司之股份或相關股份中擁有任何權益或淡倉。



DIRECTORS' REPORT

董事會報告

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 Listing Rules. The Company considers that all of the independent non-executive directors are independent.

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, subsisting at the end of the year or at any time during the year.

There is no contract of significance between the Group and a controlling shareholder of the Company (as defined in the Listing Rules) or any of its subsidiaries, including for the provision of services to the Group.

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 97% of the Group's total purchases while the purchases attributable to the Group's largest supplier was approximately 74% 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 share capital, had any interest in the share capital of any of the five largest customers or 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.

獨立非執行董事

根據上市規則第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。

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。

本集團與本公司控股股東(定義見上市規則)或其任何附屬公司概無訂立任何重大合約，包括向本集團提供服務之重要合約。

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97%，而本集團最大供應商應佔之採購額佔本集團總採購額約74%。

各董事、彼等之聯繫人士或任何股東(就董事所知擁有本公司已發行股本5%以上者)概無於本集團任何五大客戶及供應商之股本中擁有任何權益。

買賣或贖回本公司上市證券

年內，本公司或其任何附屬公司概無購買、出售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 donations totalling HK\$1,550,000.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Group are set out in the Corporate Governance Report on pages 12 to 32.

EMOLUMENT POLICY

As at 31st March, 2013, the Group had a total of about 890 employees.

The emolument policy of the employees of the Group is set 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 employees of the Group, details of the scheme are set out in the paragraph headed "Share option scheme and directors' rights to acquire shares or debentures" above and in note 23 to the consolidated 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 22 to 26.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 22 to the consolidated financial statements.

捐贈

年內，本集團作出之捐贈合共1,550,000港元。

企業管治

本集團所採納之主要企業管治常規載於第12頁至第32頁之企業管治報告。

酬金政策

於二零一三年三月三十一日，本集團合共約有890名僱員。

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本集團僱員之獎勵，計劃詳情載於上文「購股權計劃及董事購買股份或債券之權利」一段及綜合財務報表附註23。

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22頁至第26頁之企業管治報告。

股本

本公司股本於年內之變動詳情載於綜合財務報表附註22。



DIRECTORS' REPORT

董事會報告

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.

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 shares in the hands of the public exceeds 25% of the Company's total number of issued shares.

AUDITOR

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

On behalf of the Board

Yeung Ming Bui
CHAIRMAN

Hong Kong, 19th June, 2013

優先購買權

根據本公司之公司細則或百慕達法例，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。

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，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%。

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，二零一三年六月十九日

Deloitte.

德勤

**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 46 to 127, which comprise the consolidated statement of financial position as at 31st March, 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**DIRECTORS' RESPONSIBILITY FOR THE
CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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46頁至第127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，其中包括於二零一三年三月三十一日的綜合財務狀況表，以及截至該日止年度的綜合全面收益表、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資料。

董事編製綜合財務報表之責任

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，編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使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)。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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 of consolidated financial statements that give a true and fair view 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.

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。

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綜合財務報表以作出真實而公平之反映相關的內部控制，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。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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, 2013, 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
19th June, 2013

意見

我們認為，綜合財務報表已根據香港財務報告準則真實公平地反映 貴集團於二零一三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
二零一三年六月十九日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31st March, 2013

截至二零一三年三月三十一日止年度

| | | Notes 附註 | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|--|------------------------|-------------|----------------------------------|----------------------------------|
| Turnover | 營業額 | 4 | 3,732,925 | 3,935,963 |
| Cost of goods sold | 銷貨成本 | | (3,032,500) | (3,108,451) |
| Gross profit | 毛利 | | 700,425 | 827,512 |
| Other income and gains | 其他收入及收益 | 5 | 113,254 | 37,059 |
| Distribution and selling expenses | 分銷及銷售開支 | | (246,473) | (269,641) |
| Administrative expenses | 行政開支 | | (353,344) | (366,841) |
| Finance costs | 融資成本 | 6 | (31,269) | (18,247) |
| Share of results of associates | 應佔聯營公司之業績 | | 677 | 5,087 |
| Share of results of jointly controlled entities | 應佔共同控制實體之業績 | | 2,693 | 2,008 |
| Profit before taxation | 除稅前溢利 | 7 | 185,963 | 216,937 |
| Income tax expense | 所得稅開支 | 9 | (23,366) | (52,829) |
| Profit for the year attributable to owners of the Company | 本公司擁有人應佔年內溢利 | | 162,597 | 164,108 |
| Other comprehensive income (expense) | 其他全面收益(開支) | | | |
| Exchange difference arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 | | 8,321 | 17,773 |
| Change in fair value of available-for-sale financial assets | 可供出售金融資產之公平價值變動 | | 4,747 | (1,101) |
| Reclassification adjustment relating to impairment loss on available-for-sale financial assets | 有關可供出售金融資產之減值虧損之重新分類調整 | | — | 249 |
| Other comprehensive income for the year | 年內其他全面收益 | | 13,068 | 16,921 |
| Total comprehensive income for the year attributable to owners of the Company | 本公司擁有人應佔年內全面收益總額 | | 175,665 | 181,029 |
| Earnings per share | 每股盈利 | | | |
| Basic | 基本 | 11 | 28.50 HK cents 港仙 | 28.94 HK cents 港仙 |
| Diluted | 攤薄 | 11 | 28.50 HK cents 港仙 | 28.76 HK cents 港仙 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31st March, 2013

於二零一三年三月三十一日

| | | Notes 附註 | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|---|---------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、機器及設備 | 12 | 292,244 | 267,455 |
| Deposits for acquisition of property, plant and equipment | 收購物業、機器及設備之按金 | | 238 | 6,679 |
| Interests in associates | 聯營公司之權益 | 13 | 37,965 | 37,777 |
| Interests in jointly controlled entities | 共同控制實體之權益 | 14 | 27,328 | 24,311 |
| Available-for-sale financial assets | 可供出售金融資產 | 15 | 14,015 | 9,268 |
| Deferred tax assets | 遞延稅項資產 | 21 | 1,387 | 1,680 |
| Property rental deposits | 物業租金按金 | | 30,509 | 38,774 |
| Amount due from a jointly controlled entity | 應收共同控制實體款項 | 16 | 67,739 | — |
| | | | 471,425 | 385,944 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | 2,060,287 | 2,003,455 |
| Trade and other receivables | 貿易及其他應收賬款 | 17 | 167,923 | 207,935 |
| Taxation recoverable | 可退回稅項 | | 9,236 | — |
| Bank balances and cash | 銀行結餘及現金 | 18 | 373,221 | 206,605 |
| | | | 2,610,667 | 2,417,995 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付賬款 | 19 | 159,251 | 173,252 |
| Taxation payable | 應付稅項 | | 6,964 | 30,685 |
| Bank loans | 銀行貸款 | 20 | 393,451 | 476,351 |
| | | | 559,666 | 680,288 |
| Net current assets | 流動資產淨值 | | 2,051,001 | 1,737,707 |
| Total assets less current liabilities | 資產總值減流動負債 | | 2,522,426 | 2,123,651 |
| Non-current liabilities | 非流動負債 | | | |
| Bank loans | 銀行貸款 | 20 | 292,500 | 30,000 |
| Deferred tax liabilities | 遞延稅項負債 | 21 | 1,976 | 1,423 |
| | | | 294,476 | 31,423 |
| Net assets | 資產淨值 | | 2,227,950 | 2,092,228 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 22 | 57,061 | 57,061 |
| Reserves | 儲備 | | 2,170,889 | 2,035,167 |
| Total equity | 權益總額 | | 2,227,950 | 2,092,228 |

The consolidated financial statements on pages 46 to 127 were approved and authorised for issue by the Board of Directors on 19th June, 2013 and are signed on its behalf by:

載於第46頁至第127頁之綜合財務報表經董事會於二零一三年六月十九日批准及授權刊發，並由下列董事代為簽署：

Yeung Ming Bui
楊明標
CHAIRMAN
主席

Yeung Him Kit, Dennis
楊衍傑
DEPUTY CHAIRMAN AND MANAGING DIRECTOR
副主席兼董事總經理

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st March, 2013

截至二零一三年三月三十一日止年度

| | | Share capital | Share premium | Share option reserve | Capital redemption 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 | 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 |
| | | 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, 2011 | 於二零一一年四月一日 | 46,951 | 515,349 | — | 425 | 5,439 | 5,180 | 55,563 | 1,198,207 | 37,561 | 1,864,675 |
| Exchange difference arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 | — | — | — | — | — | — | 17,773 | — | — | 17,773 |
| Change in fair value of available-for-sale financial assets | 可供出售金融資產之公平值變動 | — | — | — | — | (1,101) | — | — | — | — | (1,101) |
| Impairment loss on available-for-sale financial assets | 可供出售金融資產之減值虧損 | — | — | — | — | 249 | — | — | — | — | 249 |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | — | 164,108 | — | 164,108 |
| Total comprehensive income for the year | 年內全面收益總額 | — | — | — | — | (852) | — | 17,773 | 164,108 | — | 181,029 |
| Recognition of share-based payment expenses | 確認以股份為基礎之付款開支 | — | — | 93,553 | — | — | — | — | — | — | 93,553 |
| Issue of new shares upon exercise of share options | 於行使購股權時發行新股份 | 720 | 34,047 | (9,999) | — | — | — | — | — | — | 24,768 |
| Bonus issue of shares | 派送紅股 | 9,390 | — | — | — | — | — | — | (9,390) | — | — |
| 2011 final dividend paid | 已派發二零一一年末期股息 | — | — | — | — | — | — | — | — | (37,561) | (37,561) |
| 2012 interim dividend paid | 已派發二零一二年中期股息 | — | — | — | — | — | — | — | (17,118) | — | (17,118) |
| 2012 special dividend paid | 已派發二零一二年特別股息 | — | — | — | — | — | — | — | (17,118) | — | (17,118) |
| 2012 final dividend proposed | 擬派二零一二年末期股息 | — | — | — | — | — | — | — | (28,531) | 28,531 | — |
| At 31st March, 2012 | 於二零一二年三月三十一日 | 57,061 | 549,396 | 83,554 | 425 | 4,587 | 5,180 | 73,336 | 1,290,158 | 28,531 | 2,092,228 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st March, 2013

截至二零一三年三月三十一日止年度

| | | Share capital | Share premium | Share option reserve | Capital redemption 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 | 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 |
| | | 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 |
| Exchange difference arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 | - | - | - | - | - | - | 8,321 | - | - | 8,321 |
| Change in fair value of available-for-sale financial assets | 可供出售金融資產之公平值變動 | - | - | - | - | 4,747 | - | - | - | - | 4,747 |
| Profit for the year | 年內溢利 | - | - | - | - | - | - | - | 162,597 | - | 162,597 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | 4,747 | - | 8,321 | 162,597 | - | 175,665 |
| 2012 final dividend paid | 已派發二零一二年末期股息 | - | - | - | - | - | - | - | - | (28,531) | (28,531) |
| 2013 interim dividend paid | 已派發二零一三年中期股息 | - | - | - | - | - | - | - | (11,412) | - | (11,412) |
| 2013 final dividend proposed | 擬派二零一三年末期股息 | - | - | - | - | - | - | - | (28,531) | 28,531 | - |
| At 31st March, 2013 | 於二零一三年三月三十一日 | 57,061 | 549,396 | 83,554 | 425 | 9,334 | 5,180 | 81,657 | 1,412,812 | 28,531 | 2,227,950 |

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 re-organisation in 1993. The special reserves of these acquired subsidiaries represent the credit arising on reduction of their paid up share capital under the group re-organisation.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31st March, 2013

截至二零一三年三月三十一日止年度

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Operating activities | 經營業務 | | |
| Profit before taxation | 除稅前溢利 | 185,963 | 216,937 |
| Adjustments for: | 調整以下項目： | | |
| Depreciation of property, plant and equipment | 物業、機器及設備之折舊 | 39,452 | 35,279 |
| Share-based payment expenses | 以股份為基礎之付款開支 | — | 93,553 |
| Loss on disposal of available-for-sale financial assets | 出售可供出售金融資產之虧損 | — | 479 |
| Impairment loss recognised on available-for-sale financial assets | 可供出售金融資產之已確認減值虧損 | — | 249 |
| Interest expense | 利息開支 | 31,269 | 18,247 |
| Interest income | 利息收入 | (1,626) | (2,758) |
| (Gain) loss on disposal of property, plant and equipment | 出售物業、機器及設備之(收益)虧損 | (76,307) | 5 |
| Share of results of associates | 應佔聯營公司之業績 | (677) | (5,087) |
| Share of results of jointly controlled entities | 應佔共同控制實體之業績 | (2,693) | (2,008) |
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | 175,381 | 354,896 |
| Increase in property rental deposits | 物業租金按金增加 | (16,547) | (10,223) |
| Increase in inventories | 存貨增加 | (47,714) | (610,190) |
| Decrease (increase) in trade and other receivables | 貿易及其他應收賬款減少(增加) | 56,657 | (56,328) |
| (Decrease) increase in trade and other payables | 貿易及其他應付賬款(減少)增加 | (20,476) | 865 |
| Cash from (used in) operations | 經營業務所產生(所耗)之現金 | 147,301 | (320,980) |
| Income taxes paid in Hong Kong | 於以下地區支付之所得稅香港 | (40,726) | (38,034) |
| Other jurisdictions | 其他司法權區 | (14,028) | (19,039) |
| Withholding tax on dividend income paid | 已付股息收入之預繳稅 | (770) | — |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31st March, 2013

截至二零一三年三月三十一日止年度

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Net cash from (used in) operating activities | 經營業務所產生(所耗)之現金淨額 | 91,777 | (378,053) |
| Investing activities | 投資活動 | | |
| Proceeds from disposal of property, plant and equipment | 出售物業、機器及設備之所得款項 | 86,815 | — |
| Interest received | 已收利息 | 1,626 | 2,758 |
| Advance to a jointly controlled entity | 向共同控制實體墊款 | (57,571) | — |
| Purchase of property, plant and equipment | 購買物業、機器及設備 | (62,845) | (135,061) |
| Deposits paid for acquisition of property, plant and equipment | 收購物業、機器及設備之已付按金 | (238) | (6,679) |
| Proceeds from disposal of available-for-sale financial assets | 出售可供出售金融資產之所得款項 | — | 7,700 |
| Acquisition of and capital injection in a jointly controlled entity | 收購共同控制實體及注資 | — | (21,794) |
| Net cash used in investing activities | 投資業務所耗之現金淨額 | (32,213) | (153,076) |
| Financing activities | 融資活動 | | |
| New bank loans raised | 新造銀行貸款 | 2,171,877 | 1,744,948 |
| Repayment of bank loans | 償還銀行貸款 | (1,995,707) | (1,548,160) |
| Dividends paid | 已付股息 | (39,943) | (71,797) |
| Interest paid | 已付利息 | (30,180) | (17,374) |
| Proceeds from issuance of shares upon exercise of share options | 於行使購股權時發行股份之所得款項 | — | 24,768 |
| Net cash from financing activities | 融資活動所產生之現金淨額 | 106,047 | 132,385 |
| Net increase (decrease) in cash and cash equivalents | 現金及等同現金項目之增加(減少)淨額 | 165,611 | (398,744) |
| Cash and cash equivalents at the beginning of year | 年初之現金及等同現金項目 | 206,605 | 600,824 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | 1,005 | 4,525 |
| Cash and cash equivalents at the end of year, represented by bank balances and cash | 年終之現金及等同現金項目，由銀行結餘及現金代表 | 373,221 | 206,605 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2013

截至二零一三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 of the annual report.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

| | |
|-----------------------|--|
| Amendments to HKAS 12 | Deferred tax: Recovery of underlying assets |
| Amendments to HKFRS 7 | Financial instruments: Disclosures — Transfers of financial assets |

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

本公司為於百慕達註冊成立之獲豁免有限公司，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。

綜合財務報表乃以港元呈列，港元亦為本公司之功能貨幣。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂及經修訂香港財務報告準則。

| | |
|------------------|-------------------|
| 香港會計準則第12號(修訂本) | 遞延稅項：收回相關資產 |
| 香港財務報告準則第7號(修訂本) | 金融工具：披露 — 金融資產之轉讓 |

於本年度應用香港財務報告準則修訂本並無對本集團於本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載之披露事項造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2013

截至二零一三年三月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

| | |
|---|---|
| Amendments to HKFRSs | Annual improvements to HKFRSs 2009 – 2011 cycle ¹ |
| Amendments to HKFRS 7 | Disclosures — Offsetting financial assets and financial liabilities ¹ |
| Amendments to HKFRS 9 and HKFRS 7 | Mandatory effective date of HKFRS 9 and transition disclosures ³ |
| Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 | Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance ¹ |
| Amendments to HKFRS 10, HKFRS 12 and HKAS 27 | Investment entities ² |
| HKFRS 9 | Financial instruments ³ |
| HKFRS 10 | Consolidated financial statements ¹ |
| HKFRS 11 | Joint arrangements ¹ |
| HKFRS 12 | Disclosure of interests in other entities ¹ |
| HKFRS 13 | Fair value measurement ¹ |
| HKAS 19 (as revised in 2011) | Employee benefits ¹ |
| HKAS 27 (as revised in 2011) | Separate financial statements ¹ |
| HKAS 28 (as revised in 2011) | Investments in associates and joint ventures ¹ |
| Amendments to HKAS 1 | Presentation of items of other comprehensive income ⁴ |
| Amendments to HKAS 32 | Offsetting financial assets and financial liabilities ² |
| Amendments to HKAS 36 | Recoverable amount disclosures for non-financial assets ² |
| HK(IFRIC) — INT 20 | Stripping costs in the production phase of a surface mine ¹ |
| HK(IFRIC) — INT 21 | Levies ² |

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

| | |
|---|---|
| 香港財務報告準則(修訂本) | 香港財務報告準則二零零九年至二零一一年期間之年度改善 ¹ |
| 香港財務報告準則第7號(修訂本) | 披露 — 抵銷金融資產及金融負債 ¹ |
| 香港財務報告準則第9號及香港財務報告準則第7號(修訂本) | 香港財務報告準則第9號之強制性生效日期及過渡性披露 ³ |
| 香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本) | 綜合財務報表、共同安排及披露於其他實體之權益：過渡性指引 ¹ |
| 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本) | 投資實體 ² |
| 香港財務報告準則第9號 | 金融工具 ³ |
| 香港財務報告準則第10號 | 綜合財務報表 ¹ |
| 香港財務報告準則第11號 | 共同安排 ¹ |
| 香港財務報告準則第12號 | 披露佔其他實體之權益 ¹ |
| 香港財務報告準則第13號 | 公平值計量 ¹ |
| 香港會計準則第19號(於二零一一年修訂) | 僱員福利 ¹ |
| 香港會計準則第27號(於二零一一年修訂) | 獨立財務報表 ¹ |
| 香港會計準則第28號(於二零一一年修訂) | 於聯營公司及合營公司之投資 ¹ |
| 香港會計準則第1號(修訂本) | 其他全面收益項目之列報 ⁴ |
| 香港會計準則第32號(修訂本) | 抵銷金融資產及金融負債 ² |
| 香港會計準則第36號(修訂本) | 非金融資產之可收回金額披露事項 ² |
| 香港(IFRIC) — 詮釋第20號 | 露天礦場生產階段之剝採成本 ¹ |
| 香港(IFRIC) — 詮釋第21號 | 徵稅 ² |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2013

截至二零一三年三月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

- ¹ Effective for annual periods beginning on or after 1st January, 2013.
- ² Effective for annual periods beginning on or after 1st January, 2014.
- ³ Effective for annual periods beginning on or after 1st January, 2015.
- ⁴ Effective for annual periods beginning on or after 1st July, 2012.

HKFRS 9 “Financial instruments”

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

- ¹ 於二零一三年一月一日或之後開始之年度期間生效。
- ² 於二零一四年一月一日或之後開始之年度期間生效。
- ³ 於二零一五年一月一日或之後開始之年度期間生效。
- ⁴ 於二零一二年七月一日或之後開始之年度期間生效。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號(於二零零九年頒佈)引進有關金融資產分類及計量之新規定。香港財務報告準則第9號(於二零一零年修訂)加入有關金融負債分類及計量以及不再確認之規定。

香港財務報告準則第9號之主要規定載述如下：

- 所有符合香港會計準則第39號「金融工具：確認及計量」範疇之已確認金融資產其後均按攤銷成本或公平值計量。特別是，在以收取合約現金流量為目的之業務模式內持有之債務投資，及僅為支付本金及未償還本金之利息而產生合約現金流量之債務投資，一般均於其後會計期結束時按攤銷成本計量。所有其他債務投資及股本投資均於其後報告期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，於其他全面收益列報股本投資(並非持作買賣者)其後之公平值變動，僅股息收入一般於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2013

截至二零一三年三月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 9 “Financial instruments” (Continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2015, with earlier application permitted.

Except for available-for-sale investments, the directors anticipate that the application of HKFRS 9 will not affect the classification and measurement of the Group’s other financial assets and liabilities as at 31st March, 2013. Regarding the Group’s available-for-sale investments, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號「金融工具」(續)

- 就指定以公平值計入損益之金融負債之計量而言，香港財務報告準則第9號規定，因金融負債信貸風險有變而引致該負債公平值變動之金額乃於其他全面收益列報，除非於其他全面收益確認該負債信貸風險變動之影響會產生或增加損益之會計錯配，則作別論。因金融負債之信貸風險變動而產生之金融負債公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為以公平值計入損益之金融負債之公平值變動全數於損益中列報。

香港財務報告準則第9號於二零一五年一月一日或之後開始之年度期間生效，並可提早採納。

除可供出售投資外，董事預期應用香港財務報告準則第9號對本集團於二零一三年三月三十一日之其他金融資產及負債之分類及計量將無影響。就本集團之可供出售投資而言，直至詳細檢討完成前，對該影響作出合理估計屬不可行。

有關綜合賬目、共同安排、聯營公司及披露之新訂及經修訂準則

於二零一一年六月，一套五項有關綜合賬目、共同安排、聯營公司及披露之準則頒佈，包括香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號(於二零一一年修訂)及香港會計準則第28號(於二零一一年修訂)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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截至二零一三年三月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and revised standards on consolidation, joint arrangements, associates and disclosures (Continued)

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements. HK(SIC) – INT 12 “Consolidation – Special purpose entities” will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 “Interests in joint ventures”. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK(SIC) – INT 13 “Jointly controlled entities – Non-monetary contributions by venturers” will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

有關綜合賬目、共同安排、聯營公司及披露之新訂及經修訂準則(續)

該五項準則之主要規定載述如下。

香港財務報告準則第10號取代香港會計準則第27號「綜合及獨立財務報表」處理綜合財務報表之部份。香港(常務詮釋委員會) — 詮釋第12號「綜合 — 特殊目的實體」將於香港財務報告準則第10號生效日期予以撤銷。根據香港財務報告準則第10號，綜合賬目只有一項基準，即控制權。此外，香港財務報告準則第10號收錄一項控制權之新定義，其中包括三項元素：(a)對被投資公司之權力，(b)對參與被投資公司所得浮動回報之風險承擔或權利，及(c)運用其對被投資公司之權力，從而影響投資者回報數額之能力。香港財務報告準則第10號已加入大量指引，以應付複雜情況。

香港財務報告準則第11號取代香港會計準則第31號「佔合營公司之權益」。香港財務報告準則第11號訂明由兩個或以上團體擁有共同控制權之合營安排應如何分類。香港(常務詮釋委員會) — 詮釋第13號「共同控制實體 — 合營方提供之非貨幣出資」將於香港財務報告準則第11號生效日期予以撤銷。根據香港財務報告準則第11號，共同安排可分類為共同經營或合營公司，視乎參與安排各方之權利及義務而定。反之，根據香港會計準則第31號，共有三類共同安排：共同控制實體、共同控制資產及共同控制經營。此外，香港財務報告準則第11號所指之合營公司須採用權益會計法入賬，而香港會計準則第31號所指之共同控制實體則可採用權益會計法或比例合併法入賬。

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綜合財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and revised standards on consolidation, joint arrangements, associates and disclosures (Continued)

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1st January, 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors anticipate that the application of these five standards will be adopted in the Group’s consolidated financial statements for the annual period beginning 1st April, 2013. The application of these five standards will not have material impacts on amounts reported in the consolidated financial statements but will result in more extensive disclosure in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」) (續)

有關綜合賬目、共同安排、聯營公司及披露之新訂及經修訂準則(續)

香港財務報告準則第12號乃一項披露準則，適用於在附屬公司、共同安排、聯營公司及／或未綜合結構實體中擁有權益之實體。一般而言，香港財務報告準則第12號之披露規定較現行準則更為廣泛。

於二零一二年七月，香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂本乃頒佈以釐清首次應用該五項準則之若干過渡性指引。

該五項準則連同有關過渡性指引之修訂本，於二零一三年一月一日或之後開始之年度期間生效，並可提早應用，惟該等準則均須同時提早應用。

董事預計，應用該五項準則將於本集團於二零一三年四月一日開始之年度期間之綜合財務報表中採納。應用該五項準則對綜合財務報表中呈報之金額將無重大影響，但會導致於綜合財務報表內作更廣泛之披露。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 13 “Fair value measurement”

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

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

The directors anticipate that HKFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1st April, 2013. Other than the available-for-sale investments carried at fair value, the application of this new standard is not expected to affect the measurement and presentation of the Group’s assets and liabilities reported in the consolidated financial statements but may result in more extensive disclosures in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」) (續)

香港財務報告準則第13號「公平值計量」

香港財務報告準則第13號確立有關公平值計量及作出有關公平值計量披露之單一指引來源。該準則界定公平值，確立計量公平值之框架，並要求作出有關公平值計量之披露。香港財務報告準則第13號之範圍廣泛；除特定情況外，適用於其他香港財務報告準則規定或准許進行公平值計量及作出有關披露之金融工具項目及非金融工具項目。一般而言，香港財務報告準則第13號之披露規定較現行準則更為廣泛。例如，根據香港財務報告準則第7號「金融工具：披露」現時僅須就金融工具三層公平值架構作出之定量及定性披露，將透過香港財務報告準則第13號擴大至涵蓋其範圍內之所有資產及負債。

香港財務報告準則第13號於二零一三年一月一日或之後開始之年度期間生效，並可提早應用。

董事預計香港財務報告準則第13號將於本集團於二零一三年四月一日開始之年度期間之綜合財務報表中採納。除以公平值列賬之可供出售投資外，並不預期應用該項新準則會影響綜合財務報表中呈報之本集團資產及負債之計量及呈列，惟可能會導致於綜合財務報表中作出更廣泛之披露。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKAS 1 “Presentation of items of other comprehensive income”

The amendments to HKAS 1 “Presentation of items of other comprehensive income” introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a ‘statement of comprehensive income’ is renamed as a ‘statement of profit or loss and other comprehensive income’ and an ‘income statement’ is renamed as a ‘statement of profit or loss’. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1st July, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods. This standard will be adopted for the Group’s consolidated financial statements for the annual period beginning 1st April, 2013.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第1號(修訂本)「其他全面收益項目之列報」

香港會計準則第1號「其他全面收益項目之列報」之修訂本引入全面收益表及收益表之新用語。根據香港會計準則第1號之修訂本，「全面收益表」乃改名為「損益及其他全面收益表」，而「收益表」乃改名為「損益表」。香港會計準則第1號之修訂本保留以單一報表或兩個獨立但連續之報表列報損益及其他全面收益之選擇。然而，香港會計準則第1號(修訂本)規定其他全面收益項目分為兩類：(a)不會於其後重新分類至損益之項目；及(b)其後在符合特定條件時可能重新分類至損益之項目。其他全面收益項目之所得稅須按相同基準分配 — 修訂本並無改變呈列除稅前或除稅後之其他全面收益項目之選擇。

香港會計準則第1號(修訂本)於二零一二年七月一日或之後開始之年度期間生效。在未來會計期間應用該等修訂時，其他全面收益項目之列報方式將據此作出修改。此準則將於本集團於二零一三年四月一日開始之年度期間之綜合財務報表中採納。

本公司董事預計應用其他新訂及經修訂香港財務報告準則將不會對綜合財務報表造成重大影響。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. 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.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from their effective dates of acquisition and up to the effective dates of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. 主要會計政策

綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則編撰。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定之適當披露事項。

除若干金融工具如下文所載之會計政策所述以公平值計量外，綜合財務報表乃按歷史成本基準編撰。歷史成本一般根據貨物交換所付代價之公平值而釐定。

綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。倘本公司有權控制某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。

於年內收購或出售之附屬公司之收入及開支已自收購生效日期起及計至出售生效日期止(如適用)計入綜合全面收益表內。

如有需要，須對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者一致。

集團內公司間之所有交易、結餘、收入及開支已在綜合賬目內撇銷。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Interests in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, interests in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

The requirements of HKAS 39 "Financial instruments: Recognition and measurement" are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策(續)

聯營公司之權益

聯營公司指本集團對其發揮重大影響之實體，而其並非附屬公司或於合營公司之權益。重大影響指擁有參與該投資對象之財務及經營決策之能力，惟並不控制或共同控制該等政策。

聯營公司之業績及資產與負債以權益會計法計入綜合財務報表。根據權益法，聯營公司之權益按成本於綜合財務狀況表初步確認，並其後作出調整以確認本集團應佔該等聯營公司之損益及其他全面收益。當本集團應佔某聯營公司之虧損超出其於該聯營公司之權益(其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司投資淨額之一部分)，則本集團不再繼續確認其應佔之進一步虧損。本集團僅會在其須於代表該聯營公司承擔法律或推定責任，或代其支付款項之情況下，方會確認額外虧損。

任何收購成本超出本集團於收購當日應佔聯營公司可識別資產、負債及或然負債之公平淨值之數額被確認為商譽。該商譽已包括在投資之賬面值內。

按香港會計準則第39號「金融工具：確認及計量」規定以釐定是否需要就本集團於聯營公司之投資確認任何減值虧損。如有必要，投資(包括商譽)之全部賬面值乃根據香港會計準則第36號「資產減值」作為單獨資產，通過比較可收回金額(即使用價值及公平值減銷售成本之較高者)與賬面值進行減值測試。任何確認之減值虧損屬投資賬面值之一部份。該減值虧損之任何撥回乃按香港會計準則第36號確認，惟僅限於投資之可收回金額隨後增加。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of a jointly controlled entity recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

3. 主要會計政策(續)

共同控制實體

涉及成立合營方對實體之經濟活動有共同控制權之獨立實體之合營安排，稱為共同控制實體。

共同控制實體之業績及資產與負債以權益會計法計入綜合財務報表。根據權益法，於共同控制實體之投資按成本於綜合財務狀況表初步確認，並其後作出調整以確認本集團應佔該等共同控制實體之損益及其他全面收益。當本集團應佔某共同控制實體之虧損相等於或超出其於該共同控制實體之權益(其包括任何長期權益，而該長期權益實質上構成本集團於該共同控制實體投資淨額之一部分)，則本集團不再繼續確認其應佔之進一步虧損。本集團僅會在其須於代表該共同控制實體承擔法律或推定責任，或代其支付款項之情況下，方會確認額外虧損。

任何收購成本超出本集團於收購當日應佔共同控制實體可識別資產、負債及或然負債之公平淨值之數額被確認為商譽。該商譽已包括在投資之賬面值內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Jointly controlled entities (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a jointly controlled entity. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided 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.

Watch repair service income is recognised when services are provided.

Show window rental income is recognised in profit or loss on a straight-line basis over the term of the relevant rental.

3. 主要會計政策(續)

共同控制實體(續)

按香港會計準則第39號規定以釐定是否需要就本集團於共同控制實體之投資確認任何減值虧損。如有必要，投資(包括商譽)之全部賬面值乃根據香港會計準則第36號作為單獨資產，通過比較可收回金額(即使用價值及公平值減銷售成本之較高者)與賬面值進行減值測試。任何確認之減值虧損屬投資賬面值之一部份。該減值虧損之任何撥回乃按香港會計準則第36號確認，惟僅限於投資之可收回金額隨後增加。

倘某集團實體與其共同控制實體進行交易，則與共同控制實體之交易而產生之損益於本集團之綜合財務報表確認，惟數額以與本集團無關之共同控制實體權益為限。

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品及已提供服務應收之金額，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。

鐘表維修服務收入於提供服務時確認。

櫥窗租金收入於有關租期內以直線法於損益確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

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 on initial recognition.

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

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification. To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as 'prepaid lease payments' in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is classified as a finance lease and accounted for as property, plant and equipment.

The cost of leasehold land and buildings is depreciated using the straight line method over the shorter of the period of the lease or over their estimated useful lives of 20 years for those located in Mainland China (the "PRC") or 50 years for those located in Hong Kong.

3. 主要會計政策(續)

收益之確認(續)

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期內將估計未來現金收入實際貼現至資產於首次確認時賬面淨值之利率。

投資之股息收入在確定本集團獲派款項之權利時確認。

物業、機器及設備

物業、機器及設備(包括持有作於生產或供應貨品或服務時使用或作行政用途之租賃土地及樓宇)按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

就租約分類而言，土地及樓宇租約之土地及樓宇部份乃分開考慮。倘若能可靠地分配租賃付款，則入賬列作經營租賃之租賃土地權益乃於綜合財務狀況表呈列為「預付租賃款項」，並按直線法於租賃期內攤銷。倘租金不能於土地及樓宇部份之間進行可靠分配，則整項租約分類為融資租賃並入賬列作物業、機器及設備。

租賃土地及樓宇之成本乃採用直線法按租期或其20年(就位於中國內地(「中國」)之租賃土地及樓宇而言)或50年(就位於香港之租賃土地及樓宇而言)之估計可使用年期(以時間較短者為準)予以折舊。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of other items of property, plant and equipment less their residual values over their estimated useful lives, using the reducing balance method, at the rate of 20% per annum. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. 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 expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 as income immediately.

3. 主要會計政策(續)

物業、機器及設備(續)

折舊乃採用餘額遞減法，以年率20%將其他物業、機器及設備項目之成本撇銷減其估計剩餘價值除以其估計可使用年期而確認。估計可使用年期、剩餘價值及折舊方法會於各呈報期末檢討，並按未來適用基準就任何估計變動之影響入賬。

物業、機器及設備項目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。出售或報廢物業、機器及設備項目產生之任何盈虧乃按出售所得款項與該資產賬面值間之差額釐定，並於損益確認。

有形資產減值虧損

於呈報期末，本集團檢討其具有限可使用年期之有形資產之賬面值，以釐定該等資產是否出現任何蒙受減值虧損之跡象。倘有任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損(如有)之程度。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該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。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss 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.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. 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. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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 exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策(續)

租賃

凡租賃條款將擁有權之絕大部份風險及回報轉移至承租人之租賃，均分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

來自經營租賃之租金收入乃於有關租期內以直線法於損益確認。於協商及安排經營租賃時產生之初步直接成本乃加至租賃資產之賬面值，並於租期內以直線法確認為開支。

本集團作為承租人

經營租賃租金乃於租期內以直線法確認為開支。就訂立經營租賃作為獎勵之已收及應收利益乃於租期內以直線法確認為租金開支扣減。或然租金乃於其產生期間確認為開支。

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。於呈報期末，以外幣結算之貨幣項目按該日之適用匯率重新換算。以外幣歷史成本計量之非貨幣項目不予重新換算。

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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 profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) using exchange rate prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

外幣(續)

於結算貨幣項目及換算貨幣項目時產生之匯兌差額均於產生期間內於損益內確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃採用呈報期末之適用匯率換算為本公司之呈報貨幣(即港元)。收入及開支項目乃按該年度之平均匯率進行換算，除非匯率於該期間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)乃於其他全面收益確認，並於權益內換算儲備下累計。

借貸成本

收購、建設或生產合資格資產(必須經過長時間方可作擬定用途或出售之資產)直接應佔之借貸成本加入有關資產之成本，直至有關資產大致上可作其擬定用途或出售為止。在特定借貸撥作合資格資產之開支前暫時用作投資所賺取之投資收入，自合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生期間內於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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 'profit before taxation' as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策(續)

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項目，故此應課稅溢利與綜合全面收益表所呈報之「除稅前溢利」並不相同。本集團就本期稅項承擔之負債乃按已於呈報期末實施或大致實施之稅率計算。

遞延稅項乃就綜合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暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產在可能出現可動用可扣稅暫時差額扣減之應課稅溢利時就所有可扣稅暫時差額確認。倘商譽或交易中因首次確認(業務合併除外)其他資產及負債而引致之暫時差額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。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for business combination.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債乃就與於附屬公司及聯營公司之投資，以及共同控制實體之權益有關之應課稅暫時差額確認，惟倘本集團能夠控制暫時差額之撥回及暫時差額於可見將來可能不會撥回則除外。與該等投資及權益有關之可扣稅暫時差額產生之遞延稅項資產僅於可能有足夠應課稅溢利可動用暫時差額之利益及預期暫時差額於可見將來撥回時確認。

遞延稅項資產之賬面值於呈報期末作檢討，並於不再有足夠應課稅溢利收回全部或部份資產時作出調減。

遞延稅項資產及負債乃根據於呈報期末已實施或大致實施之稅率(及稅法)按預期於負債清償或資產變現期間應用之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於呈報期末收回或清償其資產及負債之賬面值之方式所產生之稅務後果。

本期及遞延稅項於損益內確認，惟倘遞延稅項關乎於其他全面收益中確認或直接於權益中確認之項目，則在此情況下，本期及遞延稅項亦分別於其他全面收益中確認或直接於權益中確認。倘本期或遞延稅項乃因對業務合併進行初步會計處理而產生，則稅務影響計入業務合併之會計處理內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Inventories

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

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position 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 or 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.

Financial assets

The Group's financial assets are classified into one of two categories, including loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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.

3. 主要會計政策(續)

存貨

存貨指持作出售之製成品，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。

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綜合財務狀況表確認。

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(以公平值計入損益之金融資產或金融負債除外)直接應佔之交易成本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(如適用)。

金融資產

本集團之金融資產分為兩個類別，包括貸款及應收賬款及可供出售金融資產。分類視乎金融資產之性質及目的而定，且於初步確認時釐定。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。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including amount due from a jointly controlled entity, trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

實際利率法

實際利率法為計算相關期間內金融資產之已攤銷成本以及分配利息收入之方法。實際利率為在金融資產之預期年期或(如適用)較短期間內能夠精確貼現估計未來現金收入(包括組成實際利率之部份之所有已支付或收取費用及利率、交易成本及其他溢價或折讓)至於首次確認時之賬面淨值之利率。

債務工具之利息收入乃按實際利率基準確認。

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資產。於首次確認後，貸款及應收賬款(包括應收共同控制實體款項、貿易及其他應收賬款，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。

可供出售金融資產

可供出售金融資產乃指定或不能分類為以公平值計入損益之金融資產、貸款及應收賬款或持有至到期投資之非衍生工具。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets (Continued)

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in asset revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the asset revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

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)

於呈報期末，可供出售金融資產以公平值計量。公平值變動於其他全面收益內確認並於資產重估儲備累計，直至金融資產被出售或釐定為出現減值，屆時，早前於資產重估儲備累計之累積盈虧重新分類至損益(見下文有關金融資產減值虧損之會計政策)。

可供出售股本工具之股息於本集團收取股息之權利確立時於損益確認。

金融資產減值

金融資產會於呈報期末評估是否有減值跡象。金融資產於有客觀證據顯示其估計未來現金流量因於首次確認該金融資產後發生之一項或多項事件而受到影響時被視為減值。

就可供出售股本投資而言，該項投資之公平值大幅或持續下跌至低於其成本，則視作減值之客觀證據。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period granted, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is 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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產減值(續)

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或交易方出現重大財政困難；或
- 未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

此外，被評估為不予個別減值之若干類別金融資產(如貿易應收賬款)按綜合基準評估減值。應收賬款組合減值之客觀證據可包括本集團之過往收款經驗、組合內延期至超逾所授信貸期之還款次數增加，以及與未能繳付應收賬款有關之國家或地方經濟狀況明顯改變。

就按已攤銷成本列賬之金融資產而言，已確認減值虧損金額乃資產賬面值與按原實際利率貼現之估計未來現金流量現值之差額。

金融資產賬面值會就所有金融資產直接按減值虧損扣減，惟貿易及其他應收賬款除外，其賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動於損益確認。當貿易或其他應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回先前已撇銷之款項，均計入損益內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Impairment of financial assets *(Continued)*

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in asset revaluation reserve.

Financial liabilities and equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with 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.

3. 主要會計政策(續)

金融工具(續)

金融資產減值(續)

倘可供出售金融資產被視為已減值，先前於其他全面收益確認之累計盈虧在出現減值期間重新分類至損益。

就按已攤銷成本計量之金融資產而言，如在往後期間，減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值，不得超過未確認減值時之已攤銷成本。

可供出售股本投資之減值虧損不會於往後期間透過損益撥回。減值虧損後之任何公平值增加直接於其他全面收益確認，並於資產重估儲備累計。

金融負債及股本

集團實體發行之債務及股本工具乃根據所訂立之合約安排之性質與金融負債及股本工具之定義分類為金融負債或權益。股本工具乃證明本集團於扣減其所有負債後於資產中擁有剩餘權益之任何合約。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables and bank loans are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

3. 主要會計政策(續)

金融工具(續)

金融資產減值(續)

實際利率法

實際利率法為計算相關期間內金融負債之已攤銷成本以及分配利息開支之方法。實際利率為在金融負債之預期年期或(如適用)較短期間內能夠精確貼現估計未來現金付款(包括組成實際利率之部份之所有已支付或收取費用及利率、交易成本及其他溢價或折讓)至於首次確認時之賬面淨值之利率。

利息開支乃按實際利率基準確認。

金融負債

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

股本工具

股本工具乃證明本集團於扣減其所有負債後於資產中擁有剩餘權益之任何合約。本集團發行之股本工具按已收取之所得款項扣除直接發行成本確認。

財務擔保合約

財務擔保合約為因指定債務人未能按債務工具之原有或經修改條款如期付款時，發行人須支付指定金額予持有人以補償其所遭受損失之合約。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial guarantee contracts (Continued)

A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, contingent liabilities and contingent assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產減值(續)

財務擔保合約(續)

本集團發行及並非指定為按公平值計入損益之財務擔保合約，初步按其公平值扣除發行財務擔保合約直接應佔之交易成本確認。於初步確認後，本集團按以下兩者之較高者計量財務擔保合約：(i) 根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之合約責任金額；及(ii) 初步確認之金額扣除(如適用)根據收益確認政策確認之累計攤銷。

不再確認

本集團僅於從資產收取現金流量之合約權利已到期，或其轉讓金融資產及資產擁有權之絕大部份風險及回報予另一實體時，方會不再確認金融資產。

於不再確認整項金融資產時，資產賬面值與已收及應收代價及已於其他全面收益確認並於權益累積之累計盈虧之總和之差額，於損益內確認。

本集團於及僅於其責任獲解除、取消或到期時，方會不再確認金融負債。不再確認之金融負債賬面值與已付及應付代價之差額，於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs

Payments to defined contribution retirement benefit schemes, including Mandatory Provident Fund Scheme and the employee's pension scheme of the respective municipal governments in various places in the PRC where the Group operates, are charged as an expense when employees have rendered service entitling them to the contributions.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately with a corresponding increase in equity (share option reserve).

At the time when the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

3. 主要會計政策(續)

退休福利成本

定額供款退休福利計劃(包括強制性公積金計劃及本集團經營所在中國多個地區有關市人民政府設立之僱員退休金計劃)付款，於僱員已提供服務使彼等可享有供款時以開支扣除。

以股份為基礎之付款交易

股權結算以股份為基礎之付款交易

授予僱員之購股權

參考已授出購股權於授出日期之公平值釐定之所得服務公平值，乃於已授出購股權即時歸屬時於授出日期全數確認為開支，並於權益(購股權儲備)作出相應增加。

於購股權獲行使時，先前於購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未行使，則先前於購股權儲備確認之金額將轉撥至保留溢利。

授予顧問之購股權

為換取貨品或服務而發行之購股權乃按已收貨品或服務之公平值計量，除非該公平值無法可靠地計量，則在該情況下，已收貨品或服務乃參考已授出購股權之公平值計量。當本集團取得貨品或當交易對手方提供服務時，已收貨品或服務之公平值確認為開支，並相應增加權益(購股權儲備)，除非貨品或服務符合資格確認為資產。

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4. SEGMENT INFORMATION

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

The Group has two operating segments, which are analysed based on geographical markets of the goods sold, being (a) Hong Kong, and (b) Macau and the PRC, which is also the basis of organisation of the Group for managing the business operations. The Group determines its operating segments based on the internal reports reviewed by the chief operating decision maker, being the Managing Director of the Group that are used to allocate resources and assess performance. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

4. 分部資料

本集團主要從事銷售鐘表業務。本集團之營業額指銷售鐘表之已收或應收代價。

本集團有兩個按出售貨品地理市場分析之營運分部，分別為(a)香港，及(b)澳門及中國，亦為組織本集團管理業務營運之基準。本集團按已由首席營運決策者(即本集團董事總經理)審閱並賴以作出資源分配及評估表現內部報告釐定其營運分部。概無首席營運決策者所識別之經營分部已於達致本集團之可呈報分部時彙集計算。

以下為本集團按營運分部劃分之分部收益及業績分析。

| | | Segment revenue 分部收益 | | Segment profit 分部溢利 | |
|---|-------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
| Hong Kong | 香港 | 2,553,928 | 2,594,648 | 222,959 | 185,133 |
| Macau and the PRC | 澳門及中國 | 1,178,997 | 1,341,315 | 24,800 | 91,902 |
| | | 3,732,925 | 3,935,963 | 247,759 | 277,035 |
| Unallocated other income | 未分配其他收入 | | | 3,393 | 5,268 |
| Unallocated corporate expenses | 未分配公司開支 | | | (37,290) | (54,214) |
| Finance costs | 融資成本 | | | (31,269) | (18,247) |
| Share of results of associates | 應佔聯營公司之業績 | | | 677 | 5,087 |
| Share of results of jointly controlled entities | 應佔共同控制實體之業績 | | | 2,693 | 2,008 |
| Profit before taxation | 除稅前溢利 | | | 185,963 | 216,937 |

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4. SEGMENT INFORMATION (Continued)

The accounting policies used to determine segment revenue and results are the same as the accounting policies adopted in the Group's consolidated financial statements described in note 3. Segment profit represents the profit earned by each segment without allocation of finance costs, share of results of associates and jointly controlled entities and unallocated other income and expenses. Unallocated expenses include auditor's remuneration, directors' emoluments and operating expenses of inactive companies. This is the measure reported to the Managing Director of the Group for the purposes of resources allocation and performance assessment.

The Group has no customer who contributed over 10% of the total revenue of the Group for any of the two years ended 31st March, 2013.

All segment revenue is generated from external customers for both years.

The following is an analysis of the Group's assets and liabilities by operating segments.

4. 分部資料(續)

釐定分部收益及業績所用之會計政策與本集團之綜合財務報表採納之會計政策相同。分部溢利指在未分配融資成本、應佔聯營公司及共同控制實體之業績及未分配其他收支之情況下各分部賺取之溢利。未分配開支包括核數師酬金、董事薪金及暫無營業公司之營運開支。此乃向本集團董事總經理就資源分配及表現評估作出報告之計量方式。

本集團並無客戶為本集團截至二零一三年三月三十一日止任何兩個年度之收益總額帶來10%以上之貢獻。

兩個年度之所有分部收益均來自外部客戶。

以下為本集團按營運分部劃分之資產與負債分析。

| | | Segment assets 分部資產 | | Segment liabilities 分部負債 | |
|-------------------|-------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
| Hong Kong | 香港 | 1,478,959 | 1,483,601 | 111,129 | 125,028 |
| Macau and the PRC | 澳門及中國 | 1,071,173 | 1,038,842 | 47,425 | 47,632 |
| Segment total | 分部總計 | 2,550,132 | 2,522,443 | 158,554 | 172,660 |
| Unallocated | 未分配 | 531,960 | 281,496 | 695,588 | 539,051 |
| Group's total | 本集團總計 | 3,082,092 | 2,803,939 | 854,142 | 711,711 |

The segment assets by location of assets are the same as by location of markets of the goods sold.

按資產所在地劃分之分部資產與按出售貨品市場之位置劃分者相同。

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4. SEGMENT INFORMATION (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates and jointly controlled entities, available-for-sale financial assets, deferred tax assets, amount due from a jointly controlled entity, taxation recoverable as well as assets of the headquarters and bank balances and cash; and
- all liabilities are allocated to operating segments other than taxation payable, deferred tax liabilities and bank loans as well as other payables of the headquarters. Bank loans are classified as unallocated corporate liabilities because they are managed centrally by the treasury function of the Group.

4. 分部資料(續)

就監察分部表現及於分部間分配資源而言：

- 除佔聯營公司及共同控制實體之權益，可供出售金融資產、遞延稅項資產、應收共同控制實體款項、可退回稅項，以及總部之資產及銀行結餘及現金外，所有資產均分配至各營運分部；及
- 除應付稅項、遞延稅項負債及銀行貸款，以及總部之其他應付賬款外，所有負債均分配至各營運分部。由於銀行貸款由本集團之庫務部門集中管理，故分類為未分配公司負債。

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4. SEGMENT INFORMATION (Continued)

Other segment information

Amounts included in the measure of segment results or segment assets:

| | | Additions of property, plant and equipment | | Depreciation | | (Gain) loss on disposal of property, plant and equipment | | Impairment loss on available-for-sale financial assets | | (Decrease) increase in non-current property rental deposits | |
|-------------------|-------|--|----------|--------------|----------|--|----------|--|----------|---|----------|
| | | 添置物業、機器及設備 | | 折舊 | | 出售物業、機器及設備之(收益)虧損 | | 可供出售金融資產之減值虧損 | | 非流動物業租金按金(減少)增加 | |
| | | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 |
| | | 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 |
| Hong Kong | 香港 | 36,518 | 112,838 | 14,209 | 10,176 | (76,917) | — | — | — | (3,263) | 15,724 |
| Macau and the PRC | 澳門及中國 | 37,831 | 32,859 | 24,975 | 25,043 | 610 | 5 | — | — | (5,002) | 9,073 |
| Segment total | 分部總計 | 74,349 | 145,697 | 39,184 | 35,219 | (76,307) | 5 | — | — | (8,265) | 24,797 |
| Unallocated | 未分配 | — | — | 268 | 60 | — | — | — | 249 | — | — |
| Group's total | 本集團總計 | 74,349 | 145,697 | 39,452 | 35,279 | (76,307) | 5 | — | 249 | (8,265) | 24,797 |

Information about the Group's non-current assets (excluding available-for-sale financial assets, deferred tax assets, property rental deposits, amount due from a jointly controlled entity and interests in associates and jointly controlled entities) by geographical location of the assets is detailed below:

按資產所在地劃分之本集團非流動資產(不包括可供出售金融資產、遞延稅項資產、物業租金按金、應收共同控制實體款項以及於聯營公司及共同控制實體之權益)之資料詳述如下:

Carrying amount of non-current assets 非流動資產之賬面值

| | | 2013 | 2012 |
|-------------------|-------|----------|----------|
| | | 二零一三年 | 二零一二年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Hong Kong | 香港 | 220,379 | 214,394 |
| Macau and the PRC | 澳門及中國 | 72,103 | 59,740 |
| | | 292,482 | 274,134 |

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5. OTHER INCOME AND GAINS

| | |
|---|---------------|
| Exchange gain | 匯兌收益 |
| Gain on disposal of property, plant and equipment | 出售物業、機器及設備之收益 |
| Interest income | 利息收入 |
| Repairing service income | 維修服務收入 |
| Show window rental income | 櫥窗租金收入 |
| Others | 其他 |

2013

二零一三年

HK\$'000

千港元

1,767

76,307

1,626

5,285

24,229

4,040

113,254

2012

二零一二年

HK\$'000

千港元

2,510

—

2,758

5,961

23,175

2,655

37,059

6. FINANCE COSTS

| | |
|--|------------|
| Interest on bank borrowings: | 銀行借貸之利息： |
| Wholly repayable within five years | 須於五年內全數償還 |
| Not wholly repayable within five years | 毋須於五年內全數償還 |

2013

二零一三年

HK\$'000

千港元

30,578

691

31,269

2012

二零一二年

HK\$'000

千港元

17,807

440

18,247

5. 其他收入及收益

6. 融資成本

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7. PROFIT BEFORE TAXATION

7. 除稅前溢利

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 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) | 34,185 | 50,681 |
| Equity-settled share-based payment expense for other staff | 其他職員之權益結算以股份為基礎之付款開支 | — | 54,776 |
| Other staff's retirement benefits scheme contributions | 其他職員之退休福利計劃供款 | 7,253 | 4,940 |
| Other staff costs | 其他職員成本 | 134,105 | 123,960 |
| | | 175,543 | 234,357 |
| Auditor's remuneration | 核數師酬金 | 2,780 | 2,653 |
| Depreciation of property, plant and equipment | 物業、機器及設備之折舊 | 39,452 | 35,279 |
| Equity-settled share-based payment expense for consultants (included in administrative expenses) | 顧問之權益結算以股份為基礎之付款開支(計入行政開支) | — | 21,974 |
| Impairment loss recognised on available-for-sale financial assets (included in administrative expenses) | 可供出售金融資產之已確認減值虧損(計入行政開支) | — | 249 |
| Loss on disposal of available-for-sale financial assets (included in administrative expenses) | 出售可供出售金融資產之虧損(計入行政開支) | — | 479 |
| Loss on disposal of property, plant and equipment | 出售物業、機器及設備之虧損 | — | 5 |
| Operating lease rentals in respect of rented premises | 有關租賃物業之經營租賃租金 | 190,194 | 139,818 |

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8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the nine (2012: nine) directors were as follows:

8. 董事及僱員之酬金

已付或應付九名(二零一二年：九名)董事各人之酬金如下：

| | | 2013 二零一三年 | | | | | 2012 二零一二年 | | | | | |
|-------------------------------------|---------|---------------|-----------------------------|--|-------------------------------------|----------|---------------|-----------------------------|--|-------------------------------------|--|----------|
| | | Fees | Salaries and other benefits | Retirement benefits scheme contributions | Performance-related incentive bonus | Total | Fees | Salaries and other benefits | Retirement benefits scheme contributions | Performance-related incentive bonus | Equity-settled share-based payment expense | Total |
| | | 袍金 | 薪金及其他福利 | 退休福利計劃供款 | 表現相關獎勵花紅 | 總計 | 袍金 | 薪金及其他福利 | 退休福利計劃供款 | 表現相關獎勵花紅 | 以權益結算之股份基礎之付款開支 | 總計 |
| | | 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 |
| Executive directors | 執行董事 | | | | (附註) | | | | | (附註) | | |
| Dr. Yeung Ming Blu | 楊明偉博士 | - | 3,377 | 459 | 2,667 | 6,503 | - | 3,371 | 459 | 4,376 | 1,666 | 9,872 |
| Mr. Yeung Him Kit, Dennis | 楊衍傑先生 | - | 3,724 | 352 | 2,667 | 6,743 | - | 3,535 | 345 | 2,187 | 1,666 | 7,733 |
| Mr. Fung Kwong Yiu | 馮廣權先生 | - | 3,430 | 335 | 2,667 | 6,432 | - | 3,184 | 329 | 3,282 | 3,473 | 10,268 |
| Madam Yeung Man Yee, Shirley | 楊敬儀女士 | - | 797 | 108 | 2,667 | 3,572 | - | 765 | 104 | 2,187 | 1,666 | 4,722 |
| Mr. Lam Hing Lun, Alain | 林慶麟先生 | - | 2,348 | 223 | 2,666 | 5,237 | - | 2,171 | 192 | 2,187 | 4,166 | 8,716 |
| Mr. Choi Kwok Yum | 蔡國欽先生 | - | 2,222 | 270 | 2,666 | 5,158 | - | 2,216 | 261 | 2,187 | 4,166 | 8,830 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | | | | | | |
| Dr. Sun Ping Hsu, Samson | 孫秉樞博士 | 180 | - | - | - | 180 | 180 | - | - | - | - | 180 |
| Dr. Li Sau Hung, Eddy | 李秀恒博士 | 180 | - | - | - | 180 | 180 | - | - | - | - | 180 |
| Mr. Choi Man Chau, Michael | 蔡文洲先生 | 180 | - | - | - | 180 | 180 | - | - | - | - | 180 |
| | | 540 | 15,898 | 1,747 | 16,000 | 34,185 | 540 | 15,242 | 1,690 | 16,406 | 16,803 | 50,681 |

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

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。

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

本集團五位最高薪酬僱員均為本公司執行董事。彼等之酬金詳情於上文披露。

Mr. Yeung Him Kit, Dennis, is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

楊衍傑先生亦為本公司之行政總裁，上文所披露彼之酬金包括其作為行政總裁提供服務之酬金。

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.

年內，本集團並無向五位最高薪酬人士(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。

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9. INCOME TAX EXPENSE

| | |
|-------------------------------------|--------------------|
| The charge (credit) comprises: | 支出(抵免)包括： |
| Hong Kong Profits Tax | 香港利得稅 |
| Overprovision in prior years | 過往年度超額撥備 |
| Taxation in other jurisdictions | 其他司法權區之稅項 |
| Under(over)provision in prior years | 過往年度撥備不足 (超額撥備) |
| Deferred taxation (note 21) | 遞延稅項(附註21) |

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards. Certain subsidiaries that enjoyed a preferential tax rate prior to 1st January, 2008 will be gradually transitioned to the new tax rate over five years from 1st January, 2008. Therefore, the Enterprise Income Tax rate of these PRC subsidiaries was increased from 24% in the calendar year of 2011 to 25% in the calendar year of 2012.

9. 所得稅開支

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 18,098 | 38,569 |
| (2,725) | (2,677) |
| 15,373 | 35,892 |
| 6,923 | 19,235 |
| 207 | (2,041) |
| 7,130 | 17,194 |
| 863 | (257) |
| 23,366 | 52,829 |

香港利得稅乃根據兩個年度之估計應課稅溢利按 16.5% 計算。

其他司法權區之稅項乃根據有關法例及法規按現行稅率計算。

根據《中國企業所得稅法》(「企業所得稅法」)及《企業所得稅法實施條例》，中國附屬公司之稅率自二零零八年一月一日起為 25%。於二零零八年一月一日前享有優惠稅率之若干附屬公司將由二零零八年一月一日起五年內逐步過渡至新稅率。因此，該等中國附屬公司之企業所得稅率由二零一一年 24% 增加至二零一二曆年 25%。

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9. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

9. 所得稅開支(續)

本年度稅項支出可與根據綜合全面收益表之溢利對賬如下：

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|--|------------------------------------|----------------------------------|----------------------------------|
| Profit before taxation | 除稅前溢利 | 185,963 | 216,937 |
| Tax at the applicable income tax rate of 16.5% (2012: 16.5%) | 根據適用所得稅率 16.5% (二零一二年：16.5%) 計算之稅項 | 30,684 | 35,795 |
| Tax effect of share of results of associates | 應佔聯營公司之業績之稅務影響 | (112) | (839) |
| Tax effect of share of results of jointly controlled entities | 應佔共同控制實體之業績之稅務影響 | (444) | (331) |
| Tax effect of expenses not deductible for tax purposes | 不可扣稅開支之稅務影響 | 4,218 | 16,184 |
| Tax effect of income not taxable for tax purposes | 毋須課稅收入之稅務影響 | (13,215) | (715) |
| Tax effect of tax losses not recognised | 未確認稅務虧損之稅務影響 | 2,954 | 3,520 |
| Tax effect of utilisation of tax losses not previously recognised | 動用過往未確認稅務虧損之稅務影響 | (197) | — |
| Effect of different tax rates of 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 | 824 | 3,923 |
| Withholding tax on dividend income | 股息收入之預繳稅 | 770 | — |
| Overprovision in prior years | 過往年度超額撥備 | (2,518) | (4,718) |
| Others | 其他 | 402 | 10 |
| Tax charge for the year | 本年度稅項支出 | 23,366 | 52,829 |

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10. DIVIDENDS

10. 股息

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|---|---|----------------------------------|----------------------------------|
| Dividend recognised as distribution during the year: | 年內已確認為分派之股息： | | |
| Interim dividend for financial year ended 31st March, 2013 of 2.0 HK cents (financial year ended 31st March, 2012: 3.0 HK cents) per share on 570,610,224 (2012: 570,610,224) shares | 按570,610,224股(二零一二年：570,610,224股)計算之截至二零一三年三月三十一日止財政年度中期股息每股2.0港仙(截至二零一二年三月三十一日止財政年度：3.0港仙) | 11,412 | 17,118 |
| Special dividend for financial year ended 31st March, 2012 of 3.0 HK cents (2013: nil) per share on 570,610,224 shares | 按570,610,224股計算之截至二零一二年三月三十一日止財政年度特別股息每股3.0港仙(二零一三年：無) | — | 17,118 |
| Final dividend for financial year ended 31st March, 2012 of 5.0 HK cents (financial year ended 31st March, 2011: 8.0 HK cents) per share on 570,610,224 (2011: 469,508,520) shares | 按570,610,224股(二零一一年：469,508,520股)計算之截至二零一二年三月三十一日止財政年度末期股息每股5.0港仙(截至二零一一年三月三十一日止財政年度：8.0港仙) | 28,531 | 37,561 |
| | | 39,943 | 71,797 |
| Dividend proposed after year end: | 年結後擬派之股息： | | |
| Proposed final dividend for financial year ended 31st March, 2013 of 5.0 HK cents (financial year ended 31st March, 2012: 5.0 HK cents) per share on 570,610,224 (2012: 570,610,224) shares | 按570,610,224股(二零一二年：570,610,224股)計算之截至二零一三年三月三十一日止財政年度擬派末期股息每股5.0港仙(截至二零一二年三月三十一日止財政年度：5.0港仙) | 28,531 | 28,531 |

A final dividend of 5.0 HK cents (2012: 5.0 HK cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

董事已建議派發末期股息每股5.0港仙(二零一二年：5.0港仙)，須待股東於應屆股東週年大會上批准後，方可作實。

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11. EARNINGS PER SHARE

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

Earnings

Earnings for the purposes of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)

盈利

計算每股基本及攤薄盈利之盈利(本公司擁有人應佔本年度溢利)

Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share
Effect of dilutive potential ordinary shares
— share options

股份數目

計算每股基本盈利之普通股加權平均數
潛在攤薄普通股之影響
— 購股權

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

計算每股攤薄盈利之普通股加權平均數

The diluted earnings per share for both years has not included the effect from certain of the Company's share options because the exercise prices of those share options are higher than the average market price of the shares of the Company.

11. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 162,597 | 164,108 |

| 2013 二零一三年 '000 千股 | 2012 二零一二年 '000 千股 |
|-----------------------------|-----------------------------|
| 570,610 | 567,010 |
| — | 3,617 |
| 570,610 | 570,627 |

兩個年度之每股攤薄盈利並無包括若干本公司購股權之影響，此乃由於該等購股權之行使價高於本公司股份之平均市價。

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、機器及設備

| | | Leasehold land and buildings 租賃 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, 2011 | 於二零一一年 四月一日 | 101,753 | 154,720 | 3,598 | 260,071 |
| Exchange adjustment | 匯兌調整 | 951 | 2,213 | — | 3,164 |
| Additions | 添置 | 104,355 | 40,750 | 592 | 145,697 |
| Disposals | 出售 | — | (6,882) | — | (6,882) |
| At 31st March, 2012 | 於二零一二年 三月三十一日 | 207,059 | 190,801 | 4,190 | 402,050 |
| Exchange adjustment | 匯兌調整 | 320 | 1,033 | — | 1,353 |
| Additions | 添置 | — | 74,349 | — | 74,349 |
| Disposals | 出售 | (11,801) | (16,997) | — | (28,798) |
| At 31st March, 2013 | 於二零一三年 三月三十一日 | 195,578 | 249,186 | 4,190 | 448,954 |
| DEPRECIATION | 折舊 | | | | |
| At 1st April, 2011 | 於二零一一年 四月一日 | 16,269 | 86,667 | 1,604 | 104,540 |
| Exchange adjustment | 匯兌調整 | 209 | 1,444 | — | 1,653 |
| Provided for the year | 本年度撥備 | 3,342 | 31,465 | 472 | 35,279 |
| Eliminated on disposals | 出售時撇銷 | — | (6,877) | — | (6,877) |
| At 31st March, 2012 | 於二零一二年 三月三十一日 | 19,820 | 112,699 | 2,076 | 134,595 |
| Exchange adjustment | 匯兌調整 | 96 | 857 | — | 953 |
| Provided for the year | 本年度撥備 | 4,212 | 34,854 | 386 | 39,452 |
| Eliminated on disposals | 出售時撇銷 | (2,460) | (15,830) | — | (18,290) |
| At 31st March, 2013 | 於二零一三年 三月三十一日 | 21,668 | 132,580 | 2,462 | 156,710 |
| CARRYING VALUES | 賬面值 | | | | |
| At 31st March, 2013 | 於二零一三年 三月三十一日 | 173,910 | 116,606 | 1,728 | 292,244 |
| At 31st March, 2012 | 於二零一二年 三月三十一日 | 187,239 | 78,102 | 2,114 | 267,455 |

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13. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's associates at 31st March, 2013 and 2012 are as follows:

| Name of associate 聯營公司名稱 | Place of incorporation and operation 註冊成立及營運地點 | Proportion of ownership interest 所有權權益比例 | Proportion of voting power held 持有之投票權比例 | Principal activities 主要業務 |
|-----------------------------|---|---|---|------------------------------|
| 力新鐘錶股份有限公司 | Taiwan 台灣 | 40% | 40% | Watch trading 手錶經銷 |
| 力龍國際貿易股份有限公司 | Taiwan 台灣 | 40% | 40% | Watch trading 手錶經銷 |
| 永新鐘錶股份有限公司 | Taiwan 台灣 | 40% | 40% | Watch trading 手錶經銷 |
| 益新鐘錶股份有限公司 | Taiwan 台灣 | 40% | 40% | Watch trading 手錶經銷 |

Summarised financial information in respect of the Group's associates is set out below:

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Total assets | 資產總值 | 137,225 | 136,390 |
| Total liabilities | 負債總值 | (80,949) | (81,046) |
| Net assets | 資產淨值 | 56,276 | 55,344 |
| Group's share of associates' net assets | 本集團應佔聯營公司之資產淨值 | 22,510 | 22,138 |
| Total revenue | 收益總額 | 133,559 | 148,136 |
| Total profit for the year | 年內溢利總額 | 1,694 | 12,718 |
| Group's share of profits of associates for the year | 本集團應佔聯營公司之年內溢利 | 677 | 5,087 |

13. 聯營公司之權益(續)

本集團聯營公司於二零一三年及二零一二年三月三十一日之詳情如下：

有關本集團之聯營公司財務資料概要載列如下：

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14. INTERESTS IN JOINTLY CONTROLLED ENTITIES

14. 共同控制實體之權益

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| Cost of investments in unlisted jointly controlled entities | 於非上市共同控制實體之投資成本 | 21,807 | 21,807 |
| Exchange adjustment | 匯兌調整 | 820 | 496 |
| Share of post-acquisition profits | 應佔收購後之溢利 | 4,701 | 2,008 |
| | | 27,328 | 24,311 |

Details of the Group's jointly controlled entities at 31st March, 2013 and 2012 are as follows:

本集團共同控制實體於二零一三年及二零一二年三月三十一日之詳情如下：

| Name of associate 聯營公司名稱 | Place of incorporation and operation 註冊成立及營運地點 | Proportion of ownership interest 所有權權益比例 | Proportion of voting power held 持有之投票權比例 | Principal activities 主要業務 |
|-----------------------------|---|---|---|------------------------------|
| 寧波匯美鐘錶有限公司 | The PRC 中國 | 40% | 40% (note (a)) 40% (附註(a)) | Watch trading 手錶經銷 |
| 喜東鐘錶有限公司 | Macau 澳門 | 45% | 45% (note (b)) 45% (附註(b)) | Watch trading 手錶經銷 |

Notes:

- (a) The Group holds 40% of the paid-in capital of 寧波匯美鐘錶有限公司 ("Huimei"). Huimei is jointly controlled by the Group and the other significant shareholder by virtue of contractual arrangements among shareholders. Therefore, Huimei is classified as a jointly controlled entity of the Group.
- (b) The Group holds 45% of the paid-in capital of Hei Tung Watches Company Limited ("Hei Tung"). Hei Tung is jointly controlled by the Group and the other significant shareholder by virtue of contractual arrangements between the two shareholders. Therefore, Hei Tung is classified as a jointly controlled entity of the Group.

附註：

- (a) 本集團持有寧波匯美鐘錶有限公司(「匯美」)實繳股本之40%。匯美因各股東之間訂立之合約安排而受本集團與另一高持股量股東共同控制。因此，匯美分類為本集團之共同控制實體。
- (b) 本集團持有喜東鐘錶有限公司(「喜東」)實繳股本之45%。喜東因兩名股東之間訂立之合約安排而受本集團與另一高持股量股東共同控制。因此，喜東分類為本集團之共同控制實體。

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14. INTERESTS IN JOINTLY CONTROLLED ENTITIES (Continued)

Included in the cost of unlisted investments is goodwill of HK\$4,290,000 (2012: HK\$4,147,000) arising on acquisition of Huimei during the year ended 31st March, 2012.

Both Huimei and Hei Tung are accounted for using equity method.

Summarised financial information in respect of the Group's interests in jointly controlled entities is set out below:

14. 共同控制實體之權益(續)

計入非上市投資成本之商譽4,290,000港元(二零一二年: 4,147,000港元)來自於截至二零一二年三月三十一日止年度內收購匯美。

匯美及喜東均採用權益法入賬。

有關本集團之共同控制實體之權益財務資料概要載列如下：

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 89,147 | 21,224 |
| Non-current assets | 非流動資產 | 7,415 | 333 |
| Current liabilities | 流動負債 | (73,524) | (1,393) |
| Non-current liabilities | 非流動負債 | — | — |
| Income recognised in profit or loss | 於損益確認之收入 | 96,721 | 26,255 |
| Expenses and costs recognised in profit or loss | 於損益確認之開支及成本 | (94,028) | (24,247) |

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15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | |
|--|----------------------|
| Listed investments | 上市投資 |
| Equity securities listed in Hong Kong (note (a)) | 香港上市之股本證券 (附註(a)) |
| Unlisted investments | 非上市投資 |
| Managed fund portfolio (note (b)) | 管理基金投資組合 (附註(b)) |

Notes:

- (a) At the end of the reporting period, all the equity securities listed in Hong Kong are stated at fair values, which have been determined with reference to bid prices quoted in active markets.
- (b) The managed fund portfolio is managed by professional investment manager and this portfolio mainly comprises investment properties and listed securities in the Asian markets. The fund is stated at fair value provided by the relevant investment manager with reference to the net assets value of the investment portfolio as at the end of the reporting period.

16. AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY

The amount, which is due from Hei Tung, is unsecured, interest free and has no fixed repayment term. The Group expects the amount would be settled after twelve months from the end of the reporting period and therefore classifies the amount as a non-current asset in the consolidated statement of financial position at 31st March, 2013.

15. 可供出售金融資產

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 68 | 71 |
| 13,947 | 9,197 |
| 14,015 | 9,268 |

附註:

- (a) 於呈報期末，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由專業投資經理進行管理，而該投資組合主要包括亞洲市場投資物業及上市證券。基金乃按相關投資經理經參考投資組合於呈報期末之資產淨值，所提供之公平值入賬。

16. 應收共同控制實體款項

應收喜東之款項為無抵押、免息及並無固定還款期。本集團預期該款項將於呈報期末起計十二個月後清償，因此，該款項於二零一三年三月三十一日之綜合財務狀況表分類作非流動資產。

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17. 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 |
| Refundable deposits (note (a)) | 可退還按金(附註(a)) |
| 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 |
| Property rental prepaid | 物業租金之預付款項 |
| Other receivables (note (b)) | 其他應收賬款(附註(b)) |

Notes:

- (a) During the year ended 31st March, 2012, the Group entered into an agreement with an independent third party (the "Landlord") to secure the rental of some units in a commercial building in Hong Kong which were subject to a surrender agreement to be signed between the Landlord and the existing tenant. If the Landlord was able to secure the surrender agreement with the existing tenant, the Group shall enter into a tenancy agreement with the Landlord and shall apply the deposits paid to the Landlord in accordance with the terms of the agreements with the Landlord to set off the financial obligations set out in this tenancy agreement with the Landlord. If the Landlord was unable to secure the surrender agreement with the existing tenant by 30th June, 2012, the Landlord shall refund the aforesaid deposits it received to the Group without any interest within fourteen days. These deposits were refunded in full during the year ended 31st March, 2013.

The aforesaid deposits paid by the Group to the Landlord, amounting to HK\$9,561,000 at 31st March, 2012, were therefore included in the consolidated statement of financial position at 31st March, 2012 as a current asset.

- (b) The amount as at 31st March, 2012 included amount due from a jointly controlled entity amounting to HK\$10,168,000 (2013: nil) representing deposits paid on behalf of the jointly controlled entity for its acquisition of property, plant and equipment.

17. 貿易及其他應收賬款

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 111,656 | 143,754 |
| 36,625 | 11,813 |
| — | 9,561 |
| 1,413 | 1,811 |
| 3,736 | 237 |
| 10,065 | 18,176 |
| — | 7,569 |
| 4,428 | 15,014 |
| 167,923 | 207,935 |

附註：

- (a) 於截至二零一二年三月三十一日止年度，本集團與一名獨立第三方(「業主」)訂立協議，以取得香港一幢商用樓宇若干單位之租賃，惟須經業主與現有租戶簽訂退租協議，方可作實。倘業主能與現有租戶簽訂退租協議，則本集團須與業主訂立租賃協議，並須根據與業主簽訂之協議條款支付予業主之訂金用作抵銷此與業主簽立之租賃協議所載之財務責任。倘業主未能於二零一二年六月三十日前與現有租戶簽訂退租協議，則業主須於十四日內不計任何利息向本集團退還上述其收取之訂金。該等訂金已於截至二零一三年三月三十一日止年度內全數退還。

因此，上述本集團向業主支付之訂金(於二零一二年三月三十一日為9,561,000港元)已作為流動資產計入於二零一二年三月三十一日之綜合財務狀況表。

- (b) 於二零一二年三月三十一日之款項包括應收一間共同控制實體之款項10,168,000港元(二零一三年：無)，乃就該共同控制實體收購物業、機器及設備而代表該共同控制實體支付之訂金。

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17. TRADE AND OTHER RECEIVABLES

(Continued)

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

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

More than 93% (2012: 86%) of the trade receivables that are neither past due nor impaired are recovered within one month after the end of the reporting period. No provision has been made for trade receivables as at 31st March, 2013 (2012: nil).

Included in the Group's trade receivable balances are debtors with an aggregate carrying amount of HK\$7,369,000 (2012: HK\$18,710,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 46 days (2012: 41 days).

17. 貿易及其他應收賬款(續)

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

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 104,287 | 125,044 |
| 5,169 | 12,953 |
| 511 | 4,809 |
| 1,689 | 948 |
| 111,656 | 143,754 |

未逾期及未減值之貿易應收賬款中超過93%(二零一二年:86%)於呈報期末後一個月內收回。於二零一三年三月三十一日,並無就貿易應收賬款作出撥備(二零一二年:無)。

本集團之貿易應收賬款結餘包括賬面總值7,369,000港元(二零一二年:18,710,000港元)之應收賬款,該等應收賬款於呈報日已逾期但本集團仍未作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收賬款之平均賬齡為46日(二零一二年:41日)。

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17. TRADE AND OTHER RECEIVABLES

(Continued)

Ageing of trade receivables which are past due but not impaired

| | |
|---------------|-----------|
| 31 to 60 days | 31 至 60 日 |
| 61 to 90 days | 61 至 90 日 |
| Over 90 days | 90 日以上 |

The Group will provide fully for any receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

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 variable interest rates ranging from 0.01% to 1.00% (2012: 0.01% to 1.00%) per annum.

17. 貿易及其他應收賬款(續)

已逾期但未減值之貿易應收賬款之賬齡

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 5,169 | 12,953 |
| 511 | 4,809 |
| 1,689 | 948 |
| 7,369 | 18,710 |

本集團將就任何逾期超過365日之應收賬款作出全數撥備，因為過往經驗顯示逾期超過365日之應收賬款一般不可收回。

本集團並無重大信貸風險集中情況，信貸風險分散於多名交易對手及客戶。

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浮動年利率介乎0.01%至1.00%(二零一二年：0.01%至1.00%)計息之短期銀行存款。

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19. TRADE AND OTHER PAYABLES

| | |
|------------------------------|------------|
| Trade payables | 貿易應付賬款 |
| Payroll and welfare payables | 應付工資及福利 |
| Commission payables | 應付佣金 |
| Advances from customers | 客戶預付款 |
| Renovation work payables | 應付翻新工程賬款 |
| VAT and other taxes payables | 應付增值稅及其他稅項 |
| Advertising fee payables | 應付廣告費 |
| Interest payables | 應付利息 |
| Property rental fee payables | 應付物業租金費用 |
| Other payables | 其他應付賬款 |

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

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

19. 貿易及其他應付賬款

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 81,453 | 110,531 |
| 22,274 | 21,892 |
| 11,979 | 12,096 |
| 13,630 | 2,802 |
| 7,793 | 2,968 |
| 1,463 | 1,389 |
| 1,296 | 4,937 |
| 2,867 | 1,778 |
| 7,779 | 7,172 |
| 8,717 | 7,687 |
| 159,251 | 173,252 |

以下為貿易應付賬款於呈報期末按發票日期呈列之賬齡分析：

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 75,965 | 105,198 |
| 179 | 4,209 |
| 5,309 | 1,124 |
| 81,453 | 110,531 |

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20. BANK LOANS

20. 銀行貸款

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|--|-------------------------------------|----------------------------------|----------------------------------|
| The bank loans are repayable as follows (based on the scheduled repayment dates set out in the loan agreements): | 銀行貸款須於以下期間償還(根據貸款協議所載之預定還款日): | | |
| Within one year | 一年內 | 363,784 | 442,684 |
| More than one year but not exceeding two years | 一年後但兩年內 | 139,000 | 34,000 |
| More than two years but not exceeding five years | 兩年後但五年內 | 169,500 | 12,000 |
| More than five years | 五年後 | 13,667 | 17,667 |
| | | 685,951 | 506,351 |
| Comprising: | 包括: | | |
| Amount due within one year shown under current liabilities | 於一年內到期之款項(列為流動負債) | 363,784 | 442,684 |
| Amount that are not repayable within one year from the end of the reporting period but containing a repayment on demand clause (shown under current liabilities) | 毋須於呈報期末起計一年內償還但包含按要求償還條款之款項(列為流動負債) | 29,667 | 33,667 |
| Total amount shown under current liabilities | 列為流動負債之款項總額 | 393,451 | 476,351 |
| Amount shown under non-current liabilities | 列為非流動負債之款項 | 292,500 | 30,000 |
| | | 685,951 | 506,351 |
| Analysed as: | 分析為: | | |
| Secured | 有抵押 | 33,667 | 97,667 |
| Unsecured | 無抵押 | 652,284 | 408,684 |
| | | 685,951 | 506,351 |

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20. BANK LOANS (Continued)

At 31st March, 2013, the Group has pledged certain leasehold land and buildings with an aggregate carrying value of HK\$100,595,000 (2012: HK\$143,497,000) to banks to secure bank loan facilities granted to the Group.

All bank loans carrying interest at variable rates, comprising:

| | |
|--|---|
| Loans carrying interest at | 貸款按以下利率計息 |
| — Hong Kong Interbank Offered Rate (“HIBOR”) plus 1.80% per annum (2012: HIBOR plus 1.65% per annum) | — 香港銀行同業拆息 (「香港銀行同業拆息」) 加年利率 1.80% (二零一二年：香港銀行同業拆息加年利率 1.65%) |
| — HIBOR plus 1.25% per annum | — 香港銀行同業拆息加 年利率 1.25% |
| — the People’s Bank of China benchmark interest rate per annum | — 中國人民銀行基準年 利率 |
| — HIBOR plus 2.5% per annum (2012: HIBOR) | — 香港銀行同業拆息加年利 率 2.5% (二零一二年： 香港銀行同業拆息) |

At the end of the reporting period, the Group has the following undrawn short-term borrowing facilities:

| | |
|--------------------------|--------|
| Variable rates | 浮息 |
| Expiring within one year | 於一年內到期 |

20. 銀行貸款(續)

於二零一三年三月三十一日，本集團已向銀行抵押總賬面值為100,595,000港元(二零一二年：143,497,000港元)之若干租賃土地及樓宇，以作為本集團獲授銀行貸款融資之抵押。

所有銀行貸款均按浮動利率計息，包括：

Effective interest rate per annum 實際年利率

| 2013 二零一三年 | 2012 二零一二年 |
|---|---------------------------------|
| 2.10% | 2.05% |
| 1.96% | 2.21% |
| 5.60% to 7.02% 5.60% 至 7.02% | 4.86% to 8.87% 4.86% 至 8.87% |
| 2.80% | 1.84% |

於呈報期末，本集團有以下未提取短期借貸融資：

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 811,919 | 785,103 |

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21. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

| | |
|--------------------------|--------|
| Deferred tax assets | 遞延稅項資產 |
| Deferred tax liabilities | 遞延稅項負債 |

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

| | |
|-----------------------------------|--------------|
| At 1st April, 2011 | 於二零一一年四月一日 |
| Charge (credit) to profit or loss | 於損益扣除(計入) |
| At 31st March, 2012 | 於二零一二年三月三十一日 |
| Exchange adjustment | 匯兌調整 |
| Charge to profit or loss | 於損益扣除 |
| At 31st March, 2013 | 於二零一三年三月三十一日 |

Note: Others mainly represent deferred tax assets for accrued rental expenses.

21. 遞延稅項

以下為用作財務呈報之遞延稅項結餘分析：

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 1,387 | 1,680 |
| (1,976) | (1,423) |

以下為本年度及以往年度內已確認之主要遞延稅項負債及資產以及其變動：

| Undistributable profits of associates and jointly controlled entities | Others | Total |
|---|-----------------|-----------------|
| 聯營公司及共同控制實體之未分派溢利 | 其他 | 總計 |
| HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1st April, 2011 | — | — |
| Charge (credit) to profit or loss | (1,680) | (257) |
| At 31st March, 2012 | (1,680) | (257) |
| Exchange adjustment | (17) | (17) |
| Charge to profit or loss | 310 | 863 |
| At 31st March, 2013 | (1,387) | 589 |

附註：其他主要指應計租金費用之遞延稅項資產。

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21. DEFERRED TAXATION (Continued)

At 31st March, 2013, the Group had unutilised tax losses of HK\$67,041,000 (2012: HK\$46,408,000) 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. Included in unutilised tax losses at 31st March, 2013 are losses of approximately HK\$52,055,000 (2012: HK\$39,032,000) that will expire in the period from 2014 to 2018 (2012: 2013 to 2017). Other losses of the Group at 31st March, 2012 and 2013 may be carried forward indefinitely.

Under the new law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1st January, 2008 onwards. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$139,006,000 (2012: HK\$149,448,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

21. 遞延稅項(續)

於二零一三年三月三十一日，本集團擁有未動用稅務虧損67,041,000港元(二零一二年：46,408,000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。於二零一三年三月三十一日之未動用稅務虧損包括將於二零一四年至二零一八年(二零一二年：二零一三年至二零一七年)期間屆滿之虧損約52,055,000港元(二零一二年：39,032,000港元)。本集團於二零一二年及二零一三年三月三十一日之其他虧損可無限期結轉。

根據中國新稅法，自二零零八年一月一日起，中國附屬公司所宣派有關所賺取溢利之股息須繳付預繳稅。由於本集團可控制撥回中國附屬公司累計溢利應佔暫時差額139,006,000港元(二零一二年：149,448,000港元)之時間，以及暫時差額可能不會於可見將來撥回，故並無於綜合財務報表就暫時差額作出遞延稅項之撥備。

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22. SHARE CAPITAL

22. 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, 2011, | 於二零一一年四月一日、 | | |
| 31st March, 2012 and | 二零一二年三月三十一日及 | | |
| 31st March, 2013 | 二零一三年三月三十一日 | 1,000,000,000 | 100,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| At 1st April, 2011 | 於二零一一年四月一日 | 469,508,520 | 46,951 |
| Bonus issue of shares (note (a)) | 派送紅股(附註(a)) | 93,901,704 | 9,390 |
| Issue of shares upon exercise of share options (note (b)) | 於行使購股權時發行股份 (附註(b)) | 7,200,000 | 720 |
| At 31st March, 2012 and 31st March, 2013 | 於二零一二年三月三十一日及 二零一三年三月三十一日 | 570,610,224 | 57,061 |

Notes:

- (a) By an ordinary resolution passed at the annual general meeting of the Company held on 28th July, 2011, the issued share capital was increased by way of a bonus issue by charging HK\$9,390,000 to the retained profits account in payment in full at par of 93,901,704 ordinary shares of HK\$0.10 each on the basis of one new ordinary share for every five ordinary shares held on 28th July, 2011.
- (b) During the year ended 31st March, 2012, consultants of the Company exercised share options amounting to 7,200,000 shares, at an adjusted exercise price of HK\$3.44 per share.

The new bonus shares issued on 28th July, 2011 were not entitled to the final dividend for the year ended 31st March, 2011. All other shares issued during the year ended 31st March, 2012 rank pari passu with the then existing shares in all respects.

附註：

- (a) 藉本公司於二零一一年七月二十八日舉行之股東週年大會上通過之普通決議案，已發行股本以派送紅股方式增加，方式為自保留溢利賬扣除9,390,000港元以按面值繳足根據於二零一一年七月二十八日每持有五股普通股獲派一股新普通股之基準派送之93,901,704股每股面值0.10港元之普通股。
- (b) 於截至二零一二年三月三十一日止年度內，本公司顧問以每股3.44港元之經調整行使價行使涉及7,200,000股股份之購股權。

於二零一一年七月二十八日發行之新紅股並不享有截至二零一一年三月三十一日止年度之末期股息。於截至二零一二年三月三十一日止年度內發行之所有其他股份在各方面與當時之現有股份享有同等權益。

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23. SHARE-BASED PAYMENT TRANSACTION

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

Under the Share Option Scheme, options may be granted to any director, employee, consultant, customer, supplier or advisor of the Group or a company in which the Company holds an interest or a subsidiary of such company (the "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 other persons to provide incentive to them to contribute to the business and operation of the Group. The total number of shares available for issue under the Share Option Scheme as at the end of reporting period is 23,950,852 shares. No Eligible Persons shall be granted an option in any 12-month period for such number of shares (issued and to be issued) which in aggregate would exceed 1% of the share capital of the Company in issue on the last day of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Rules Governing the Listing of Securities on the Stock Exchange. The exercisable period is determined by the directors of the Company, which shall not be more than 10 years from the date of grant, and may include a minimum period for which the options must be held before it can be exercised. The exercise price per share payable on the exercise of an option equals to the highest of:

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

23. 以股份為基礎之付款交易

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，本公司採納購股權計劃。

根據購股權計劃，購股權可授予本集團或本公司持有該公司之權益之公司或該公司之附屬公司之任何董事、僱員、顧問、客戶、供應商或諮詢人（「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。購股權計劃旨在吸引及挽留優秀人才及其他人士，以獎勵彼等對本集團之業務及經營作出貢獻。於報告期末，購股權計劃項下可供發行之股份總數為23,950,852股。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涉及股份數目（已發行及將予發行）合共超過本公司於該十二個月期間之最後一日之已發行股本1%之購股權。行使期由本公司董事釐定，惟不得超過自授出日期起計十年，且可包括購股權行使前必須持有之最短期限。在行使購股權時應付之每股行使價相等於以下三者中之最高者：

- (a) 一股股份面值；
- (b) 股份於授出當日在聯交所每日報價表所報之每股收市價；及
- (c) 股份於緊接授出當日前五個營業日在聯交所每日報價表所報之每股平均收市價。

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23. SHARE-BASED PAYMENT TRANSACTION

(Continued)

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

On 6th April, 2011, 32,300,000 share options were granted and on 29th August, 2011, 23,000,000 share options were granted. The options may be exercised by the grantees at any time during the option period up to the termination of employment. All share options vested immediately at the date of grant. The estimated fair values of the options granted on these dates are HK\$44,855,000 and HK\$48,698,000, respectively. The closing prices immediately before the date of grant were HK\$3.95 and HK\$4.38, respectively.

Details of specific categories of options are as follows:

| Date of grant 授出日期 | Number of share options granted 已授出購股權數目 | Exercisable period 可行使期間 | Original exercise price per share 原有每股行使價 | Adjusted exercise price per share 經調整每股行使價 |
|--------------------------------------|---|--|--|---|
| 6th April, 2011 二零一一年四月六日 | 32,300,000 (note (a)) (附註(a)) | 6th April, 2011 to 5th April, 2021 二零一一年四月六日至 二零二一年四月五日 | HK\$4.13 4.13 港元 | HK\$3.44 (note (a)) 3.44 港元 (附註(a)) |
| 29th August, 2011 二零一一年 八月二十九日 | 23,000,000 | 29th August, 2011 to 28th August, 2021 二零一一年八月 二十九日至二零二一年 八月二十八日 | HK\$4.80 4.80 港元 | N/A 不適用 |

The following tables disclose movements of the Company's share options held by directors, employees and consultants during the years ended 31st March, 2012 and 31st March, 2013.

23. 以股份為基礎之付款交易(續)

購股權計劃將一直有效，直至二零一三年十一月二日。

於二零一一年四月六日，32,300,000份購股權獲授出，而於二零一一年八月二十九日，23,000,000份購股權獲授出。承授人可於購股權期間隨時行使購股權，直至終止僱用為止。所有購股權於授出當日即時歸屬。於該等日期授出之購股權之估計公平值分別為44,855,000港元及48,698,000港元。緊接授出日期前之收市價分別為3.95港元及4.38港元。

特定購股權類別之詳情如下：

下表披露於截至二零一二年三月三十一日及二零一三年三月三十一日止年度內董事、僱員及顧問持有之本公司購股權變動。

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23. SHARE-BASED PAYMENT TRANSACTION (Continued)

23. 以股份為基礎之付款交易(續)

Share options granted on 6th April, 2011

於二零一一年四月六日授出之購股權

| Categories of participants 參與者類別 | | Number of shares under option 購股權項下之股份數目 | | | | Outstanding at 31st March, 2012 and 31st March, 2013 於二零一二年 三月三十一日 及二零一三年 三月三十一日 未行使 |
|----------------------------------|-----------|--|------------------------------------|--|--------------------------------------|---|
| | | Outstanding at 1st April, 2011 於二零一一年 四月一日 未行使 | Granted during the year 年內授出 | Adjustment on bonus issue of shares 派送紅股之 調整 (note (a)) (附註(a)) | Exercised during the year 年內行使 | |
| Directors of the Company | 本公司董事 | — | 12,100,000 | 2,420,000 | — | 14,520,000 |
| Other employees | 其他僱員 | — | 12,000,000 | 2,400,000 | — | 14,400,000 |
| Consultants (note (b)) | 顧問(附註(b)) | — | 8,200,000 | 1,640,000 | (7,200,000) | 2,640,000 |
| Total | 總計 | — | 32,300,000 | 6,460,000 | (7,200,000) | 31,560,000 |

Share options granted on 29th August, 2011

於二零一一年八月二十九日授出之購股權

| Categories of participants 參與者類別 | | Number of shares under option 購股權項下之股份數目 | | | Outstanding at 31st March, 2012 and 31st March, 2013 於二零一二年 三月三十一日 及二零一三年 三月三十一日 未行使 |
|----------------------------------|-----------|--|------------------------------------|--------------------------------------|---|
| | | Outstanding at 1st April, 2011 於二零一一年 四月一日未行使 | Granted during the year 年內授出 | Exercised during the year 年內行使 | |
| Other employees | 其他僱員 | — | 18,000,000 | — | 18,000,000 |
| Consultants (note (b)) | 顧問(附註(b)) | — | 5,000,000 | — | 5,000,000 |
| | | — | 23,000,000 | — | 23,000,000 |

Notes:

附註：

- (a) The number of shares under the outstanding options and the exercise price have been adjusted upon the bonus issue of shares in July 2011 on the basis of one new ordinary share for every five ordinary shares held.
- (b) The share options were granted to consultants for services rendered in exploring investment opportunities for the Group.

- (a) 未行使購股權涉及之股份數目及行使價已於二零一一年七月按每持有五股普通股獲派一股新普通股之基準派送紅股後作出調整。
- (b) 購股權乃授予顧問，作為其為本集團發掘投資機會所提供服務之回報。

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23. SHARE-BASED PAYMENT TRANSACTION

(Continued)

During the year ended 31st March, 2012, 7,200,000 share options granted under the Share Option Scheme were exercised on 5th August, 2011, 21st September, 2011 and 7th December, 2011. The share prices at the respective dates of exercise were HK\$5.58, HK\$4.34 and HK\$4.15. The weighted average share price at the dates of exercise was HK\$4.69.

No share option was granted, exercised or forfeited during the year ended 31st March, 2013.

The fair values of share options granted during the year ended 31st March, 2012 were calculated using the Black-Scholes pricing model. The inputs into the model are as follows:

Share options granted on 6th April, 2011

| | | |
|---------------------------|------------|---------------------|
| Share price at grant date | 於授出日期之股份價格 | HK\$4.13 4.13 港元 |
| Exercise price | 行使價 | HK\$4.13 4.13 港元 |
| Expected volatility | 預期波幅 | 53.41% |
| Expected life | 預期年期 | 3 years 3 年 |
| Risk-free rate | 無風險利率 | 1.42% |
| Expected dividend yield | 預期股息率 | 1.69% |

Share options granted on 29th August, 2011

| | | |
|---------------------------|------------|---------------------|
| Share price at grant date | 於授出日期之股份價格 | HK\$4.80 4.80 港元 |
| Exercise price | 行使價 | HK\$4.80 4.80 港元 |
| Expected volatility | 預期波幅 | 45.20% |
| Expected life | 預期年期 | 10 years 10 年 |
| Risk-free rate | 無風險利率 | 2.25% |
| Expected dividend yield | 預期股息率 | 1.91% |

23. 以股份為基礎之付款交易(續)

於截至二零一二年三月三十一日止年度內，7,200,000份根據購股權計劃授出之購股權於二零一一年八月五日、二零一一年九月二十一日及二零一一年十二月七日獲行使。於有關行使日期之股份價格為5.58港元、4.34港元及4.15港元。行使當日之加權平均股份價格為4.69港元。

於截至二零一三年三月三十一日止年度內，無購股權已授出、行使或沒收。

於截至二零一二年三月三十一日止年度內授出購股權之公平值乃採用柏力克－舒爾斯定價模式計算。輸入該模式之數據如下：

於二零一一年四月六日授出之購股權

於二零一一年八月二十九日授出之購股權

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23. SHARE-BASED PAYMENT TRANSACTION

(Continued)

Expected volatilities were determined by using the historical volatility of the Company's share price over the previous years.

The variable and assumptions used in computing the fair values of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised a share-based payment expense of HK\$93,553,000 for the year ended 31st March, 2012 (2013: nil) in relation to share options granted by the Company.

24. CONTINGENT LIABILITIES

As at 31st March, 2013, the Group issued financial guarantees to banks in respect of banking facilities granted to associates. The aggregate amount that could be required to be paid if the guarantees were called upon in entirety amounted to NT\$250,000,000 (equivalent to HK\$64,950,000; 2012: NT\$380,000,000 and equivalent to HK\$100,000,000), NT\$200,000,000 (equivalent to HK\$51,960,000; 2012: NT\$100,000,000 and equivalent to HK\$26,300,000) of which has been utilised by these associates. The fair value of the financial guarantee contracts at the grant date and at 31st March, 2012 and 2013 is not significant. In the opinion of directors, the default risk of associates is considered as low.

23. 以股份為基礎之付款交易(續)

預期波幅乃採用過往年度之本公司股價歷史波幅釐定。

計算購股權公平值時採用之變數及假設乃根據董事之最佳估計作出。購股權價值因若干主觀假設之不同變數而異。

截至二零一二年三月三十一日止年度，本集團就本公司授出之購股權確認以股份為基礎之付款開支93,553,000港元(二零一三年：零)。

24. 或然負債

於二零一三年三月三十一日，本集團就聯營公司獲授之銀行融資向銀行發出財務擔保。於被要求全數代還擔保時可能須予支付之總額為新台幣250,000,000元(相等於64,950,000港元，二零一二年：新台幣380,000,000元，並相等於100,000,000港元)，其中新台幣200,000,000元(相等於51,960,000港元，二零一二年：新台幣100,000,000元，並相等於26,300,000港元)已獲聯營公司動用。財務擔保合約於授出日期及二零一二年及二零一三年三月三十一日之公平值並不重大。董事認為，聯營公司之拖欠風險甚微。

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25. OPERATING LEASE ARRANGEMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

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

Operating lease payments represent rentals payable by the Group for certain its shops and office premises. Leases are negotiated for an average term of 1 to 4 years (2012: 1 to 4 years). Some group entities are required to pay lease charges based on a fixed percentage of net sales.

26. CAPITAL COMMITMENTS

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

就綜合財務報表內已訂約但未撥備收購物業、機器及設備之資本開支

25. 經營租賃安排

於呈報期末，本集團已承諾日後根據不可撤銷之經營租賃支付最低租賃款項，到期日如下：

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 219,062 | 155,718 |
| 167,581 | 122,347 |
| 386,643 | 278,065 |

經營租賃款項指本集團就其若干分店及辦公室物業應付之租金。議定租賃之平均年期為1至4年(二零一二年：1至4年)。若干集團實體須按銷售淨額之固定百分比支付租賃費用。

26. 資本承擔

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 268 | 2,860 |

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27. OTHER COMMITMENTS

At the end of the reporting period, 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 years inclusive | 第二至第五年 (包括首尾兩年) |

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.

During the year ended 31st March, 2013, the Group early terminated the licence agreement with effect from 31st December, 2012. The Group is permitted to sell the apparels for a period up to 30th June, 2013. The amount of commitments at 31st March, 2013 represents further payment to be paid to the licensor under the termination agreement.

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.

27. 其他承擔

於呈報期末，本集團承諾就使用某一時尚品牌以製造及經銷服飾而支付版稅，最低保證版稅之付款額如下：

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 1,800 | 2,272 |
| — | 8,057 |
| 1,800 | 10,329 |

除上述最低保證版稅外，本集團亦須就每年之總批發淨額按6%支付版稅。

於截至二零一三年三月三十一日止年度內，本集團提早終止特許權協議，自二零一二年十二月三十一日起生效。本集團獲准於截至二零一三年六月三十日止期間銷售服飾。於二零一三年三月三十一日之承擔金額是指根據終止協議須支付予特許權者之進一步付款。

28. 退休福利計劃

本集團主要為所有合資格僱員(包括董事)設法定額供款退休計劃。該等計劃之資產與本集團之資產分開持有，由獨立受託人控制。

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應付之供款。

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28. RETIREMENT BENEFITS SCHEMES

(Continued)

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance (the “ORSO” Scheme) and a Mandatory Provident Fund Scheme (the “MPF” Scheme) established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of independent trustees.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5% to 15% of the employee’s basic salary, depending on the length of service with the Group.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme subject to a maximum monthly contribution amount of HK\$1,000 (revised to HK\$1,250 with effect from 1st June, 2012) to an individual, which contribution is matched by the employee.

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.

The total cost charged to profit or loss of HK\$9,000,000 (2012: HK\$6,630,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

28. 退休福利計劃(續)

本集團參與根據職業退休計劃條例註冊之界定供款計劃(「ORSO」計劃)及於二零零零年十二月根據強制性公積金計劃條例設立之強制性公積金計劃(「強積金」計劃)。該等計劃之資產於受獨立受託人控制之基金持有，與本集團之資產分開。

ORSO計劃以僱員及本集團作出之每月供款提供資金，供款比率為僱員底薪之5%至15%，視乎於本集團之服務年期而定。

至於強積金計劃之成員，本集團向強積金計劃作出按相關薪資成本5%計算之供款，向個別僱員作出之每月供款最多1,000港元(修訂至1,250港元，自二零一二年六月一日起生效)，而僱員亦作出等額供款。

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，即已履行退休福利計劃之責任。

自損益扣除之總成本9,000,000港元(二零一二年：6,630,000港元)指本集團就本會計期間向該等計劃應付之供款。

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29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank loans disclosed in note 20 net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits. The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, new share issues as well as issue of new debts or redemption of existing debts.

30. FINANCIAL INSTRUMENTS

Categories of financial instruments

| | |
|---|----------------------|
| Financial assets | 金融資產 |
| Loans and receivables (including cash and cash equivalents) | 貸款及應收賬款(包括現金及等同現金項目) |
| Available-for-sale financial assets | 可供出售金融資產 |
| Financial liabilities | 金融負債 |
| Amortised cost | 已攤銷成本 |

29. 資本風險管理

本集團管理其資本，以確保本集團屬下實體將能夠持續經營，同時透過改善債務與權益平衡提高股東之回報。本集團之整體策略與上年度維持不變。

本集團之資本架構包括債務淨額(其中包括附註20所披露扣除現金及等同現金項目之銀行貸款)以及本公司擁有人應佔權益(其中包括已發行股本及儲備(包括保留溢利))。本公司董事每年檢討資本架構。作為此檢討工作一部份，董事考慮資本成本及與各類資本相關之風險。基於董事作出之建議，本集團將透過派發股息、發行新股份以及發行新債務或贖回現有債務平衡其整體資本架構。

30. 金融工具

金融工具類別

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 557,044 | 360,527 |
| 14,015 | 9,268 |
| 821,392 | 667,725 |

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30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale financial assets, amount due from a jointly controlled entity, trade and other receivables, bank balances and cash, trade and other payables and bank loans. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group has limited currency exposure as the majority of the sales were denominated in 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 arise. The management considers that the Group's exposure to foreign currency risk is not significant.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank loans and bank balances. 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 arise. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short-term.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR and the People's Bank of China benchmark interest rate arising from the Group's bank loans.

30. 金融工具(續)

財務風險管理目標及政策

本集團之主要金融工具包括可供出售金融資產、應收共同控制實體款項、貿易及其他應收賬款、銀行結餘及現金、貿易及其他應付賬款以及銀行貸款。該等金融工具詳情於各有關附註披露。與該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。下文載列如何降低該等風險之政策。管理層管理及監察該等風險，以確保及時和有效地採取適當之措施。

市場風險

貨幣風險

由於大部份銷售均以有關集團實體之功能貨幣結算，故本集團之貨幣風險有限。管理層會定期檢討各種貨幣之風險及需求，並將在有需要時考慮對沖重大外幣風險。管理層認為本集團之外幣風險不大。

利率風險

本集團承受有關浮息銀行貸款及銀行結餘之現金流量利率風險。本集團現時並無利率對沖政策。然而，管理層監察利率風險，並將在有需要時考慮對沖重大利率風險。由於定期存款屬短期存款，故銀行存款之公平值利率風險不大。

本集團之現金流量利率風險主要集中於香港銀行同業拆息及中國人民銀行基準利率波動，乃由本集團之銀行貸款產生。

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30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank loans at the end of the reporting period. The analyses are prepared assuming that the bank loans outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2012: 50 basis points) increase or decrease is used for bank loans when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For bank loans, if interest rates had been 50 basis points (2012: 50 basis points) higher/lower and all other variables were held constant, the Group's post tax profit for the year ended 31st March, 2013 would decrease/increase by HK\$2,864,000 (2012: post tax profit would decrease/increase by HK\$2,114,000).

For bank deposits, no sensitive analysis is performed as the exposure to interest rates for bank deposits is considered as insignificant.

Other price risk

The Group's available-for-sale financial assets at the end of the reporting period exposed the Group to equity price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. In view of the amount of available-for-sale financial assets at the end of the reporting period, the management considers that the Group's exposure to equity price risk is not significant.

30. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

敏感度分析

以下敏感度分析乃按銀行貸款於呈報期末之利率風險釐定。分析乃假設呈報期末之銀行貸款於全年未償還而編製。向主要管理人員作出內部利率風險報告時，就銀行貸款採用50個基點(二零一二年：50個基點)增減，此乃管理層對合理可能利率變動之評估。

就銀行貸款而言，倘利率上升/下跌50個基點(二零一二年：50個基點)而所有其他變數不變，則本集團截至二零一三年三月三十一日止年度之除稅後溢利將減少/增加2,864,000港元(二零一二年：除稅後溢利將減少/增加2,114,000港元)。

就銀行存款而言，由於銀行存款之利率風險被視為不大，故並無進行敏感度分析。

其他價格風險

本集團於呈報期末之可供出售金融資產令本集團須承受股本價格風險。管理層透過維持風險級別不同之投資組合管理此風險。鑑於呈報期末之可供出售金融資產金額，管理層認為本集團之股本價格風險不大。

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30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk

The Group's maximum exposure to credit risk which will cause financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 24.

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 debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit standings and banks with good reputation.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of counterparties and customers.

30. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險

因交易對手方未能履行責任及本集團提供之財務擔保而對本集團造成財務損失之本集團最高信貸風險乃來自：

- 綜合財務狀況表所列各已確認金融資產之賬面值；及
- 有關附註24所披露本集團發行之財務擔保之或然負債金額。

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，本集團於呈報期末對每項個別貿易債項之可收回金額進行檢討，以確保對不可收回金額計提足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易對手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銀行，故流動資金信貸風險有限。

除與存放於若干高信貸評級銀行之流動資金有關之信貸風險集中情況外，本集團並無任何其他重大信貸風險集中之情況。貿易應收賬款涉及多名交易對手及客戶。

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30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31st March, 2013, the Group has available unutilised short-term bank loan facilities of HK\$811,919,000 (2012: HK\$785,103,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. The amounts included below for variable interest rate bank loans are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

30. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險

管理流動資金風險方面，本集團監察及維持管理層認為足夠之現金及等同現金項目水平，以為本集團營運提供資金及減低現金流量波動之影響。管理層監察動用銀行借貸情況，並確保遵守貸款契約。

本集團倚賴銀行借貸作為重要流動資金來源。於二零一三年三月三十一日，本集團有可供動用之未動用短期銀行貸款融資約811,919,000港元（二零一二年：785,103,000港元）。

下表詳述本集團非衍生金融負債根據協定還款期之餘下合約到期期限。下表乃根據本集團可能須付款之最早日期之未貼現金融負債現金流量而制訂。特別是，不論銀行選擇行使其權利之可能性高低，包含按要求償還條款之銀行貸款均計入最早時段。其他非衍生金融負債之到期日乃按協定還款日釐定。下表包括利息及本金現金流量。倘浮動利率變化與於呈報期末釐定之利率估計有別，則以下所包含款項之浮動利率銀行貸款亦會變動。

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30. FINANCIAL INSTRUMENTS (Continued)

30. 金融工具(續)

Financial risk management objectives and policies (Continued)

財務風險管理目標及政策(續)

Liquidity risk (Continued)

流動資金風險(續)

Liquidity and interest risk tables

流動資金及利率風險列表

| | | Weighted average effective interest rate 加權平均 實際利率 | On demand or less than 1 months 1個月內 HK\$'000 千港元 | 1 to 3 months 1至3個月 HK\$'000 千港元 | 3 months to 1 year 3個月至1年 HK\$'000 千港元 | 1 to 5 years 1至5年 HK\$'000 千港元 | Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 |
|---|----------------|---|--|--|--|--|---|--|
| 2013 | 二零一三年 | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | |
| Trade and other payables | 貿易及其他應付賬款 | N/A 不適用 | – | 125,286 | 10,155 | – | 135,441 | 135,441 |
| Bank loans | 銀行貸款 | 1.78% – 7.02% (note) (附註) | 36,216 | 154,822 | 223,464 | 306,298 | 720,800 | 685,951 |
| | | | 36,216 | 280,108 | 233,619 | 306,298 | 856,241 | 821,392 |
| Financial guarantee contracts | 財務擔保合約 | N/A 不適用 | 64,950 | – | – | – | 64,950 | – |
| 2012 | 二零一二年 | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | |
| Trade and other payables | 貿易及其他應付賬款 | N/A 不適用 | – | 157,283 | 4,091 | – | 161,374 | 161,374 |
| Bank loans | 銀行貸款 | 1.84% – 8.87% (note) (附註) | 41,417 | 346,031 | 97,908 | 30,384 | 515,740 | 506,351 |
| | | | 41,417 | 503,314 | 101,999 | 30,384 | 677,114 | 667,725 |
| Financial guarantee contracts | 財務擔保合約 | N/A 不適用 | 100,000 | – | – | – | 100,000 | – |

Note: The management made the best estimation of variable-rate borrowings with reference to HIBOR and the People's Bank of China benchmark rate as at 31st March, 2012 and 2013.

附註：管理層參考於二零一二年及二零一三年三月三十一日之香港銀行同業拆息及中國人民銀行基準利率作出浮息借貸之最佳估計。

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30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

Bank loans with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analyses. As at 31st March, 2013, the aggregate undiscounted principal amount of the bank loan with a repayment on demand clause amounted to HK\$29,667,000 (2012: HK\$33,667,000). Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that the bank loan will be repaid in eight years (2012: nine years) after the reporting date in accordance with the scheduled repayment dates set out in the loan agreement. At that time, the aggregate principal and interest cash outflows will amount to HK\$36,216,000 (2012: HK\$41,417,000).

30. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險列表(續)

以上就財務擔保合約計入之金額乃於交易對方申索擔保金額時本集團根據安排須償付全數擔保金額之最高金額。根據呈報期末之預期，本集團認為很大可能毋須支付安排項下之任何金額。然而，此估計取決於持有已擔保財務應收賬款之交易對方遭受信貸損失而按擔保條款追討之可能性而可能改變。

包含按要求償還條款之銀行貸款於上述到期期限分析中計入「按要求或1個月內」時段內。於二零一三年三月三十一日，附帶按要求償還條文之銀行貸款之未貼現本金總額為29,667,000港元(二零一二年：33,667,000港元)。經考慮本集團之財務狀況後，董事並不相信銀行有可能會行使其酌情權要求即時還款。董事相信該銀行貸款將根據貸款協議所載之預定還款日於呈報日後八年(二零一二年：九年)償還。屆時，本金總額及利息現金流出將為36,216,000港元(二零一二年：41,417,000港元)。

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30. FINANCIAL INSTRUMENTS (Continued)

30. 金融工具(續)

Financial risk management objectives and policies (Continued)

財務風險管理目標及政策(續)

Liquidity risk (Continued)

流動資金風險(續)

Liquidity and interest risk tables (Continued)

流動資金及利率風險列表(續)

| | | Weighted average effective interest rate 加權平均 實際利率 | 1 to 3 months 1至3個月 HK\$'000 千港元 | 3 months to 1 year 3個月至1年 HK\$'000 千港元 | 1 to 5 years 1至5年 HK\$'000 千港元 | More than 5 years 5年以上 HK\$'000 千港元 | Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 |
|--|--|---|--|--|--|---|---|--|
|--|--|---|--|--|--|---|---|--|

2013 二零一三年

| | | | | | | | | |
|------------|------|-------|-------|-------|--------|--------|--------|--------|
| Bank loans | 銀行貸款 | 1.96% | 1,146 | 3,419 | 17,558 | 14,093 | 36,216 | 29,667 |
| | | | 1,146 | 3,419 | 17,558 | 14,093 | 36,216 | 29,667 |

| | | Weighted average effective interest rate 加權平均 實際利率 | 1 to 3 months 1至3個月 HK\$'000 千港元 | 3 month to 1 year 3個月至1年 HK\$'000 千港元 | 1 to 5 years 1至5年 HK\$'000 千港元 | More than 5 years 5年以上 HK\$'000 千港元 | Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 |
|--|--|---|--|---|--|---|---|--|
|--|--|---|--|---|--|---|---|--|

2012 二零一二年

| | | | | | | | | |
|------------|------|-------|-------|-------|--------|--------|--------|--------|
| Bank loans | 銀行貸款 | 2.10% | 1,193 | 3,556 | 18,167 | 18,501 | 41,417 | 33,667 |
| | | | 1,193 | 3,556 | 18,167 | 18,501 | 41,417 | 33,667 |

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30. FINANCIAL INSTRUMENTS (Continued)

Fair values of financial assets and financial liabilities

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices.

The carrying amounts of amount due from a jointly controlled entity, trade and other receivables, bank balances and cash and trade and other payables approximate to their respective fair values. The Group's bank loans are mainly variable-rate borrowings which are carrying at prevailing market rate. The carrying amounts approximate to their fair values.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

30. 金融工具(續)

金融資產及金融負債之公平值

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。

應收共同控制實體款項、貿易及其他應收賬款、銀行結餘及現金以及貿易及其他應付賬款之賬面值與其各自之公平值相若。本集團之銀行貸款主要為按現行市場利率計息之浮息借貸。賬面值與其公平值相若。

於綜合財務狀況表中確認之公平值計量

下表為於首次確認時按公平值計量後之金融工具分析，乃根據公平值之可觀察程度分類為第1至3級。

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

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30. FINANCIAL INSTRUMENTS (Continued)

Fair values of financial assets and financial liabilities (Continued)

Fair value measurements recognised in the consolidated statement of financial position (Continued)

30. 金融工具(續)

金融資產及金融負債之公平值(續)

於綜合財務狀況表中確認之公平值計量(續)

| | | 2013 二零一三年 | | |
|-------------------------------------|----------|-----------------------------------|-----------------------------------|--------------------------------|
| | | Level 1 第1級 HK\$'000 千港元 | Level 3 第3級 HK\$'000 千港元 | Total 總數 HK\$'000 千港元 |
| Available-for-sale financial assets | 可供出售金融資產 | | | |
| Listed equity securities | 上市股本證券 | 68 | — | 68 |
| Managed fund portfolio | 管理基金投資組合 | — | 13,947 | 13,947 |
| | | 68 | 13,947 | 14,015 |
| | | 2012 二零一二年 | | |
| | | Level 1 第1級 HK\$'000 千港元 | Level 3 第3級 HK\$'000 千港元 | Total 總數 HK\$'000 千港元 |
| Available-for-sale financial assets | 可供出售金融資產 | | | |
| Listed equity securities | 上市股本證券 | 71 | — | 71 |
| Managed fund portfolio | 管理基金投資組合 | — | 9,197 | 9,197 |
| | | 71 | 9,197 | 9,268 |

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截至二零一三年三月三十一日止年度

30. FINANCIAL INSTRUMENTS (Continued)

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

30. 金融工具(續)

可供出售金融資產第3級公平值計量
之對賬

| | | Managed fund portfolio 管理基金 投資組合 HK\$'000 千港元 |
|---|--------------------|--|
| At 1st April, 2011 | 於二零一一年四月一日 | 10,233 |
| Total loss recognised in asset revaluation reserve | 於資產重估儲備確認之 虧損總額 | <u>(1,036)</u> |
| At 31st March, 2012 | 於二零一二年三月三十一日 | 9,197 |
| Total gain recognised in asset revaluation reserve | 於資產重估儲備確認之 收益總額 | <u>4,750</u> |
| At 31st March, 2013 | 於二零一三年三月三十一日 | <u>13,947</u> |

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31. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are limited liability companies, at 31st March, 2013 and 2012 are as follows:

31. 主要附屬公司

於二零一三年及二零一二年三月三十一日，本公司之主要附屬公司（全部均為有限公司）詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點 | Issued and fully paid share capital/ registered and paid-up capital 已發行及繳足股本/註冊及已繳資本 | | Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持有之已發行股本面值/註冊資本之比例 | | | | Principal activities 主要業務 |
|---|--|--|--|--|--------------------|--------------------|--------------------|---|
| | | 2013 二零一三年 | 2012 二零一二年 | Directly 直接 | | Indirectly 間接 | | |
| | | | | 2013 二零一三年 % | 2012 二零一二年 % | 2013 二零一三年 % | 2012 二零一二年 % | |
| La Suisse Watch Company, Limited 瑞士表行有限公司 | Hong Kong 香港 | Ordinary shares HK\$1,000 普通股 1,000 港元 | Ordinary shares HK\$1,000 普通股 1,000 港元 | 100 | 100 | — | — | 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 | Ordinary shares HK\$1,000 普通股 1,000 港元 | Ordinary shares HK\$1,000 普通股 1,000 港元 | — | — | 100 | 100 | Watch trading and investment holding 手表經銷及投資控股 |
| Oriental Watch Company Limited 東方表行有限公司 | Hong Kong 香港 | Ordinary shares HK\$1,000 普通股 1,000 港元 | Ordinary shares HK\$1,000 普通股 1,000 港元 | 100 | 100 | — | — | Watch trading 手表經銷 |
| Oriental Watch (Macau) Company Limited 東方表行(澳門)有限公司 | Macau 澳門 | Ordinary shares MOP\$25,000 普通股 25,000 澳門元 | Ordinary shares MOP\$25,000 普通股 25,000 澳門元 | 50 | 50 | 50 | 50 | Watch trading 手表經銷 |
| Sharp Beauty Limited 麗亮有限公司 | Hong Kong 香港 | Ordinary share HK\$1 普通股 1 港元 | Ordinary share HK\$1 普通股 1 港元 | — | — | 100 | 100 | Investment holding 投資控股 |
| Unex Development Limited 宇立發展有限公司 | Hong Kong 香港 | Ordinary shares HK\$2 普通股 2 港元 | Ordinary shares HK\$2 普通股 2 港元 | — | — | 100 | 100 | Property holding 持有物業 |
| 上海東筋表行國際貿易有限公司(Shanghai Oriental Watch International Trading Co., Ltd.) | The PRC (Note) 中國(附註) | Registered and paid-up capital US\$200,000 註冊及已繳資本 200,000 美元 | Registered and paid-up capital US\$200,000 註冊及已繳資本 200,000 美元 | — | — | 100 | 100 | 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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31. PRINCIPAL SUBSIDIARIES (Continued)

30. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點 | Issued and fully paid share capital/ registered and paid-up capital 已發行及繳足股本/註冊及已繳資本 | | Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持有之已發行股本面值/註冊資本之比例 | | | | Principal activities 主要業務 |
|---|--|--|---|--|--------------------|--------------------|--------------------|---|
| | | 2013 二零一三年 | 2012 二零一二年 | Directly 直接 | | Indirectly 間接 | | |
| | | | | 2013 二零一三年 % | 2012 二零一二年 % | 2013 二零一三年 % | 2012 二零一二年 % | |
| 東方表行(中國)貿易有限公司 (Oriental Watch (China) Trading Co., Ltd.) | The PRC (Note) 中國(附註) | Registered and paid-up capital US\$54,000,000 註冊及已繳資本 54,000,000 美元 | Registered and paid-up capital US\$42,000,000 註冊及已繳資本 42,000,000 美元 | — | — | 100 | 100 | 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 |
| 時式(上海)服裝貿易有限公司 | The PRC (Note) 中國(附註) | Registered and paid-up capital US\$180,000 註冊及已繳資本 180,000 美元 | Registered and paid-up capital US\$180,000 註冊及已繳資本 180,000 美元 | — | — | 100 | 100 | Apparel business 服裝業務 |
| 創豐(上海)貿易有限公司 | The PRC (Note) 中國(附註) | Registered and paid-up capital US\$9,180,000 註冊及已繳資本 9,180,000 美元 | Registered and paid-up capital US\$2,180,000 註冊及已繳資本 2,180,000 美元 | — | — | 100 | 100 | Watch trading and apparel business 手表經銷及服裝業務 |

Note: These companies were established in the PRC in the form of wholly foreign-owned enterprise.

附註：該等公司於中國以全外資企業之形式成立。

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.

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，則會導致資料過份冗長。

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

各附屬公司於年終或年內任何時間概無任何未償還債務證券。

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截至二零一三年三月三十一日止年度

32. RELATED PARTY TRANSACTIONS

(a) In April 2012, the Group entered into a procurement agreement with Hei Tung, pursuant to which the Group provides procurement services to Hei Tung relating to the supply of watches and spare parts for no consideration. The procurement agreement is effective from 1st April, 2012.

(b) Compensation of key management personnel

The key management personnel are the directors of the Company. The remuneration of directors during the year was as follows:

| | |
|--------------------------|-------|
| Short-term benefits | 短期福利 |
| Post-employment benefits | 離職後福利 |

The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

32. 有關連人士交易

(a) 於二零一二年四月，本集團與喜東訂立採購協議，據此，本集團無償向喜東提供有關鐘錶及零部件供應之採購服務。採購協議自二零一二年四月一日起生效。

(b) 主要管理層人員之報酬

主要管理層人員為本公司董事。年內之董事酬金如下：

| 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 32,438 | 48,991 |
| 1,747 | 1,690 |
| 34,185 | 50,681 |

董事酬金由薪酬委員會考慮個人表現及市場趨勢後釐定。

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33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

33. 本公司財務狀況表

| | | 2013 二零一三年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 |
|-------------------------------------|----------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、機器及設備 | 1,657 | 1,839 |
| Investments in subsidiaries | 於附屬公司之投資 | 122,626 | 122,626 |
| Available-for-sale financial assets | 可供出售金融資產 | 2,061 | 1,773 |
| | | 126,344 | 126,238 |
| Current assets | 流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 842,465 | 827,810 |
| Taxation recoverable | 可退回稅項 | 1,349 | — |
| Bank balances and cash | 銀行結餘及現金 | 274 | 276 |
| | | 844,088 | 828,086 |
| Current liabilities | 流動負債 | | |
| Other payables | 其他應付賬款 | 17,702 | 18,075 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 78,337 | 66,887 |
| Taxation payable | 應付稅項 | — | 607 |
| | | 96,039 | 85,569 |
| Net current assets | 流動資產淨值 | 748,049 | 742,517 |
| Net assets | 資產淨值 | 874,393 | 868,755 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 57,061 | 57,061 |
| Reserves (note) | 儲備(附註) | 817,332 | 811,694 |
| Total equity | 權益總額 | 874,393 | 868,755 |

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截至二零一三年三月三十一日止年度

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

32. 本公司財務狀況表(續)

Note: Movements of the Company's reserves during the current and the prior years are as follows:

附註：本公司儲備於本年度及過往年度之變動如下：

| | | HK\$'000 千港元 |
|--|---------------|-----------------|
| At 1st April, 2011 | 於二零一一年四月一日 | 809,697 |
| Recognition of share-based payment expenses | 確認以股份為基礎之付款開支 | 93,553 |
| Issue of new shares upon exercise of share options | 於行使購股權時發行新股份 | 24,048 |
| Bonus issue of shares | 派送紅股 | (9,390) |
| Dividend paid | 已付股息 | (71,797) |
| Total comprehensive expense for the year | 本年度全面開支總額 | <u>(34,417)</u> |
| At 31st March, 2012 | 於二零一二年三月三十一日 | 811,694 |
| Dividend paid | 已付股息 | (39,943) |
| Total comprehensive income for the year | 本年度全面收益總額 | <u>45,581</u> |
| At 31st March, 2013 | 於二零一三年三月三十一日 | <u>817,332</u> |

FINANCIAL SUMMARY

財務摘要

Year ended 31st March, 截至三月三十一日止年度

| | | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2011 二零一一年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|------------------------|-----------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| RESULTS | 業績 | | | | | |
| Turnover | 營業額 | 2,538,781 | 3,242,643 | 3,917,764 | 3,935,963 | 3,732,925 |
| Profit before taxation | 除稅前溢利 | 122,495 | 146,257 | 272,189 | 216,937 | 185,963 |
| Income tax expense | 所得稅開支 | (22,180) | (33,710) | (52,760) | (52,829) | (23,366) |
| Profit for the year | 年內溢利 | 100,315 | 112,547 | 219,429 | 164,108 | 162,597 |

At 31st March, 於三月三十一日

| | | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2011 二零一一年 HK\$'000 千港元 | 2012 二零一二年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|-------------------------------|--------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| ASSETS AND LIABILITIES | 資產及負債 | | | | | |
| Total assets | 資產總值 | 1,773,027 | 1,816,892 | 2,370,974 | 2,803,939 | 3,082,092 |
| Total liabilities | 負債總額 | (528,516) | (421,249) | (506,299) | (711,711) | (854,142) |
| Total equity | 權益總額 | 1,244,511 | 1,395,643 | 1,864,675 | 2,092,228 | 2,227,950 |

