



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)

Interim Report 中期報告

2015



時間累積經驗

經驗成就眼光

CORPORATE INFORMATION

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

PRINCIPAL BANKERS Hang Seng Bank Limited
Bank of China (Hong Kong)
Limited
Standard Chartered Bank
(Hong Kong) Limited

AUDITOR Deloitte Touche Tohmatsu
Certified Public Accountants

**HONG KONG BRANCH
SHARE REGISTRARS** Tricor Secretaries Limited
Level 22
Hopewell centre
183 Queen's Road East
Hong Kong

**HONG KONG LEGAL
ADVISER** Jennifer Cheung & Co

**BERMUDA LEGAL
ADVISER** Conyers, Dill & Pearman

REGISTERED OFFICE Clarendon House
Church Street
Hamilton HM 11
Bermuda

**PRINCIPAL PLACE OF
BUSINESS** Room 312-8
China Insurance Group Building
141 Des Voeux Road Central
Central
Hong Kong

公司資料

董事會	楊明標博士(主席) 楊衍傑先生 (副主席兼董事總經理) 馮廣耀先生 (執行董事) 楊敏儀女士 (執行董事) 林慶麟先生 (財務董事) 蔡國欽先生 (執行董事) 孫秉樞博士 (獨立非執行董事) 李秀恒博士 (獨立非執行董事) 蔡文洲先生 (獨立非執行董事)
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公司秘書 林慶麟先生

主要往來銀行 恒生銀行有限公司
中國銀行(香港)有限公司
渣打銀行(香港)有限公司

核數師 德勤 • 關黃陳方會計師行
執業會計師

**股份過戶
登記處
香港分處** 卓佳秘書商務有限公司
香港
皇后大道東 183 號
合和中心
22 樓

香港法律顧問 張美霞律師行

**百慕達法律
顧問** Conyers, Dill & Pearman

註冊辦事處 Clarendon House
Church Street
Hamilton HM 11
Bermuda

主要營業地點 香港
中環
德輔道中 141 號
中保集團大廈
312-8 室

The Board of Directors of Oriental Watch Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2015 together with the comparative figures for the corresponding period in 2014 as follows:

東方表行集團有限公司(「本公司」)董事會欣然宣佈，本公司及其附屬公司(「本集團」)截至二零一五年九月三十日止六個月之未審核綜合業績連同二零一四年同期之比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

簡明綜合損益及其他全面收益表

截至二零一五年九月三十日止六個月

		(Unaudited)	
		Six months ended	
		(未審核)	
		截至九月三十日止六個月	
		30 September	30 September
		2015	2014
		二零一五年	二零一四年
		九月三十日	九月三十日
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額	1,570,000	1,531,637
Cost of goods sold	銷貨成本	(1,329,028)	(1,276,403)
Gross profit	毛利	240,972	255,234
Other income, gains and losses	其他收入、收益及虧損	19,431	27,423
Distribution and selling expenses	分銷及銷售開支	(97,352)	(102,818)
Administrative expenses	行政開支	(154,798)	(162,438)
Finance costs	融資成本	(5,093)	(9,923)
Share of results of associates	應佔聯營公司之業績	342	349
Share of results of joint ventures	應佔合營公司之業績	1,123	6,061
Profit before taxation	除稅前溢利	4,625	13,888
Income tax expense	所得稅開支	(2,109)	(2,932)
Profit for the period	期內溢利	2,516	10,956
Other comprehensive (expense) income	其他全面(開支)收益		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	(16,853)	3,349
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	(133)	(4,118)
Other comprehensive expense for the period	期內其他全面開支	(16,986)	(769)
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	(14,470)	10,187

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

For the six months ended 30 September 2015

簡明綜合損益及其他全面收益表
(續)

截至二零一五年九月三十日止六個月

		(Unaudited) Six months ended (未審核) 截至九月三十日止六個月	
		30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	30 September 2014 二零一四年 九月三十日 HK\$'000 千港元
		Notes 附註	
Profit (loss) for the period attributable to:	應佔期內溢利(虧損)：		
Owners of the Company	本公司擁有人	2,647	11,059
Non-controlling interests	非控股權益	(131)	(103)
		2,516	10,956
Total comprehensive (expense) income for the period attributable to:	應佔期內全面(開支)收益總額：		
Owners of the Company	本公司擁有人	(14,272)	10,286
Non-controlling interests	非控股權益	(198)	(99)
		(14,470)	10,187
Earnings per share	每股盈利		
— Basic	— 基本	0.46 HK cent 港仙	1.94 HK cents 港仙
— Diluted	— 攤薄	0.46 HK cent 港仙	1.94 HK cents 港仙

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

簡明綜合財務狀況表

於二零一五年九月三十日

		Notes 附註	(Unaudited) (未審核) 30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	(Audited) (經審核) 31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	8	238,680	247,067
Deposits for acquisition of property, plant and equipment	收購物業、機器及 設備之按金		3,237	3,333
Interests in associates	佔聯營公司之權益		34,065	35,696
Interests in joint ventures	佔合營公司之權益	9	120,447	119,936
Available-for-sale financial assets	可供出售金融資產		5,519	5,652
Deferred tax assets	遞延稅項資產		142	306
Property rental deposits	物業租金按金		37,392	18,445
			439,482	430,435
Current assets	流動資產			
Inventories	存貨		1,679,886	1,783,767
Trade and other receivables	貿易及其他應收賬款	10	140,702	141,947
Taxation recoverable	可退回稅項		5,904	5,887
Bank balances and cash	銀行結餘及現金		335,778	344,037
			2,162,270	2,275,638
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	11	133,667	152,703
Taxation payable	應付稅項		1,703	2,310
Bank loans	銀行貸款	12	177,283	228,377
			312,653	383,390
Net current assets	流動資產淨值		1,849,617	1,892,248
Total assets less current liabilities	資產總值減流動負債		2,289,099	2,322,683
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	12	91,331	109,137
Deferred tax liabilities	遞延稅項負債		1,873	1,755
			93,204	110,892
Net assets	資產淨值		2,195,895	2,211,791
Capital and reserves	資本及儲備			
Share capital	股本	13	57,061	57,061
Reserves	儲備		2,137,693	2,153,391
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,194,754	2,210,452
Non-controlling interests	非控股權益		1,141	1,339
Total equity	權益總額		2,195,895	2,211,791

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

簡明綜合權益變動表

截至二零一五年九月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔											Non-controlling interests		Total
		Share capital	Share premium	Share option reserve	Capital redemption reserve	Capital reserve	Asset revaluation reserve	Special reserve	Translation reserve	Retained profits	Dividend reserve	Sub-total	Non-controlling interests	Total	
		股本	股份溢價	購股權儲備	資本贖回儲備	資本儲備	資產重估儲備	特別儲備	換算儲備	保留溢利	股息儲備	小計	非控股權益	合計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 April 2015 (audited)	於二零一五年四月一日 (經審核)	57,061	549,396	83,554	425	840	6,000	5,180	78,655	1,427,915	1,426	2,210,452	1,339	2,211,791	
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	(16,786)	-	-	(16,786)	(67)	(16,853)	
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	(133)	-	-	-	-	(133)	-	(133)	
Profit (loss) for the period	期內溢利(虧損)	-	-	-	-	-	-	-	-	2,647	-	2,647	(131)	2,516	
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	-	-	-	-	-	(133)	-	(16,786)	2,647	-	(14,272)	(198)	(14,470)	
2015 final dividend paid	已派發二零一五年末期股息	-	-	-	-	-	-	-	-	-	(1,426)	(1,426)	-	(1,426)	
2016 interim dividend proposed	擬派發二零一六年中期股息	-	-	-	-	-	-	-	-	(570)	570	-	-	-	
At 30 September 2015 (unaudited)	於二零一五年九月三十日 (未審核)	57,061	549,396	83,554	425	840	5,867	5,180	61,869	1,429,992	570	2,194,754	1,141	2,195,895	
At 1 April 2014 (audited)	於二零一四年四月一日 (經審核)	57,061	549,396	83,554	425	840	10,098	5,180	80,796	1,427,686	1,426	2,216,462	1,553	2,218,015	
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	3,345	-	-	3,345	4	3,349	
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	(4,118)	-	-	-	-	(4,118)	-	(4,118)	
Profit (loss) for the period	期內溢利(虧損)	-	-	-	-	-	-	-	-	11,059	-	11,059	(103)	10,956	
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	-	-	-	-	-	(4,118)	-	3,345	11,059	-	10,286	(99)	10,187	
2014 final dividend paid	已派發二零一四年末期股息	-	-	-	-	-	-	-	-	-	(1,426)	(1,426)	-	(1,426)	
2015 special dividend proposed	擬派發二零一五年特別股息	-	-	-	-	-	-	-	-	(2,853)	2,853	-	-	-	
At 30 September 2014 (unaudited)	於二零一四年九月三十日 (未審核)	57,061	549,396	83,554	425	840	5,980	5,180	84,141	1,435,892	2,853	2,225,322	1,454	2,226,776	

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

簡明綜合現金流量表

截至二零一五年九月三十日止六個月

		(Unaudited) Six months ended (未審核) 截至九月三十日止六個月	
		30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	30 September 2014 二零一四年 九月三十日 HK\$'000 千港元
Net cash from operating activities	經營業務所產生之 現金淨額	73,201	81,568
Investing activities	投資活動		
Purchase of property, plant and equipment	購買物業、機器及 設備	(9,610)	(4,585)
Interest received	已收利息	551	1,245
Repayment from a joint venture	向合營公司償還款項	—	22,500
Proceeds from disposal of property, plant and equipment	出售物業、機器及 設備之所得款項	—	19,509
Proceeds from disposal of an available-for-sale investment	出售可供出售金融資產之 所得款項	—	5,028
Net cash (used in) from investing activities	融資活動(所耗)所產生之 現金淨額	(9,059)	43,697
Financing activities	融資活動		
Repayment of bank loans	償還銀行貸款	(165,529)	(189,242)
Interest paid	已付利息	(5,631)	(9,594)
Dividends paid	已付股息	(1,426)	(1,426)
New bank loans raised	新造銀行貸款	100,000	100,000
Net cash used in financing activities	融資活動所耗之 現金淨額	(72,586)	(100,262)
Net (decrease) increase in cash and cash equivalents	現金及等同現金項目之 (減少)增加淨額	(8,444)	25,003
Cash and cash equivalents at beginning of the period	期初之現金及 等同現金項目	344,037	425,099
Effect of foreign exchange rate changes	匯率變動之 影響	185	662
Cash and cash equivalents at the end of the period, represented by bank balances and cash	期終之現金及等同現金 項目，由銀行結餘及 現金代表	335,778	450,764

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

1. Basis of preparation

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

2. Principal accounting policies

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2015.

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

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

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

簡明綜合財務報表附註

截至二零一五年九月三十日止六個月

1. 編撰基準

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

2. 主要會計政策

除若干金融工具以公平值計量外，簡明綜合財務報表乃按歷史成本基準編撰。

除下述者外，截至二零一五年九月三十日止六個月之簡明綜合財務報表採用之會計政策及計算方法與編撰本集團截至二零一五年三月三十一日止年度之年度綜合財務報表所依循者相同。

於本中期期間，本集團已首次應用下列由香港會計師公會頒佈之香港會計準則及香港財務報告準則(「香港財務報告準則」)之新修訂本及詮釋：

香港會計準則第19號 (修訂本)	香港財務報告準則 (修訂本)	香港會計準則第19號 (修訂本)	香港財務報告準則 (修訂本)
		界定福利計劃： 僱員供款	香港財務報告準則 二零一零年至 二零一二年期間之 年度改善
			香港財務報告準則 二零一一年至 二零一三年期間之 年度改善

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

3. Segment information

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

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

3. 分部資料

本集團主要從事銷售鐘表業務。本集團之營業額指銷售鐘表之已收或應收代價。

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

		Turnover		Results	
		Six months ended		Six months ended	
		營業額		業績	
		截至九月三十日		截至九月三十日	
		止六個月		止六個月	
		30 September	30 September	30 September	30 September
		2015	2014	2015	2014
		二零一五年	二零一四年	二零一五年	二零一四年
		九月三十日	九月三十日	九月三十日	九月三十日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	1,160,853	1,068,521	30,428	16,474
Taiwan, Macau and the PRC	台灣、澳門及中國	409,147	463,116	(14,768)	(4,688)
		1,570,000	1,531,637	15,660	11,786
Unallocated other income	未分配其他收入			551	14,118
Unallocated corporate expenses	未分配企業開支			(7,958)	(8,503)
Finance costs	融資成本			(5,093)	(9,923)
Share of results of associates	應佔聯營公司之業績			342	349
Share of results of joint ventures	應佔合營公司之業績			1,123	6,061
Profit before taxation	除稅前溢利			4,625	13,888

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

3. Segment information (Continued)

Segment profit represents the profit earned by each segment without allocation of finance costs, share of results of associates and joint ventures and unallocated other income and expenses. Unallocated other income include gain on disposal of property, plant and equipment and interest income. Unallocated expenses include auditor's remuneration, directors' emoluments, loss on disposal of property, plant and equipment and operating expenses of inactive companies. This is the measure reported to the Managing Director of the Company for the purposes of resources allocation and performance assessment.

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

The following is an analysis of the Group's assets by operating segments:

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

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

3. 分部資料(續)

分部溢利指在未分配融資成本、應佔聯營公司及合營公司之業績及未分配其他收支之情況下各分部賺取之溢利。未分配其他收入包括出售物業、機器及設備之收益及利息收入。未分配開支包括核數師酬金、董事酬金、出售物業、機器及設備之虧損及暫無營業公司之營運開支。此乃向本公司董事總經理就資源分配及表現評估作出報告之計量方式。

兩個期間之所有分部收益均來自外部客戶。

以下為本集團按營運分部劃分之資產分析：

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
1,287,369	1,331,557
810,609	862,317
2,097,978	2,193,874
503,774	512,199
2,601,752	2,706,073

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

4. Profit before taxation

Profit before taxation has been arrived at after charging:

Depreciation of property, plant and equipment
Directors' remuneration
Net exchange loss
Loss on disposal of property, plant and equipment

and after crediting:

Interest income
Gain on disposal of property, plant and equipment
Net exchange gain

除稅前溢利已扣除：

物業、機器及設備之折舊
董事酬金
匯兌虧損淨額
出售物業、機器及設備之虧損

並已計入：

利息收入
出售物業、機器及設備之收益
匯兌收益淨額

4. 除稅前溢利

Six months ended
截至九月三十日止六個月

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	30 September 2014 二零一四年 九月三十日 HK\$'000 千港元
17,021	20,599
6,487	7,023
2,186	—
48	—
551	1,245
—	12,873
—	105

5. Income tax expense

The charge comprises:

Hong Kong Profits Tax
Taxation in other jurisdictions

Deferred taxation

支出包括：

香港利得稅
其他司法權區之稅項

遞延稅項

5. 所得稅開支

Six months ended
截至九月三十日止六個月

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	30 September 2014 二零一四年 九月三十日 HK\$'000 千港元
1,491	1,613
340	977
1,831	2,590
278	342
2,109	2,932

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

5. Income tax expense (Continued)

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

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

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%.

6. Dividend

During the current interim period, a final dividend of 0.25 HK cent per share, totalling HK\$1,426,000, in respect of the year ended 31 March 2015 (2014: 0.25 HK cent per share, totalling HK\$1,426,000) was approved at the annual general meeting held on 13 August 2015.

On 18 November 2015, the directors resolved to declare an interim dividend of 0.1 HK cent per share in respect of the six months ended 30 September 2015, totalling HK\$570,000, to be paid in cash to those shareholders whose names appear on the Company's register of members on 11 December 2015. No interim dividend was paid, declared or proposed during the interim six months ended 30 September 2014.

On 19 November 2014, the directors resolved to declare a special dividend of 0.5 HK cent per share for the six months ended 30 September 2014 (2015: nil), totalling HK\$2,853,000 (2015: nil). The special dividend was paid in cash to those shareholders whose names appear on the Company's register of members on 12 December 2014.

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

5. 所得稅開支(續)

香港利得稅乃根據兩個期間之估計應課稅溢利按16.5%計算。

其他司法權區之稅項乃根據有關法例及法規按現行稅率計算。

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為25%。

6. 股息

於本中期期間，已於二零一五年八月十三日舉行之股東週年大會上批准派發截至二零一五年三月三十一日止年度之末期股息每股0.25港仙，合共1,426,000港元(二零一四年：每股0.25港仙，合共1,426,000港元)。

於二零一五年十一月十八日，董事議決宣派截至二零一五年九月三十日止六個月之中期股息每股0.1港仙，合共570,000港元，並將以現金派付予於二零一五年十二月十一日名列本公司股東名冊之股東。截至二零一四年九月三十日止六個月，概無派付、宣派或建議派付中期股息。

於二零一四年十一月十九日，董事議決宣派截至二零一四年九月三十日止六個月之特別股息每股0.5港仙(二零一五年：無)，合共2,853,000港元(二零一五年：無)。特別股息將以現金派付予於二零一四年十二月十二日名列本公司股東名冊之股東。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

7. 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 period attributable to owners of the Company)

盈利

計算每股基本及攤薄盈利之盈利
(本公司擁有人應佔期內溢利)

Number of shares

Number of ordinary shares for the purpose of basic and diluted earnings per share

股份數目

計算每股基本及攤薄盈利之
普通股數目

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

7. 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：

Six months ended 截至九月三十日止六個月	
30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	30 September 2014 二零一四年 九月三十日 HK\$'000 千港元
2,647	11,059

Number of shares 股份數目	
Six months ended 截至九月三十日止六個月	
30 September 2015 二零一五年 九月三十日	30 September 2014 二零一四年 九月三十日
570,610,224	570,610,224

兩個期間內每股攤薄盈利並無包括本公司購股權之影響，原因是購股權之行使價高於本公司股份之平均市價。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

8. Property, plant and equipment

During the six months ended 30 September 2015, the Group incurred expenditure of HK\$9,706,000 (six months ended 30 September 2014: HK\$6,303,000) to acquire property, plant and equipment for its operation.

The Group has pledged certain land and buildings with an aggregate carrying value of approximately HK\$94,811,000 (31 March 2015: HK\$95,968,000) to a bank to secure the bank loan facilities granted to the Group.

9. Interests in joint ventures

Cost of investments in unlisted joint ventures	於非上市合營公司之投資成本
Exchange adjustment	匯兌調整
Share of post-acquisition profits	應佔收購後之溢利

Amount due from a joint venture (Note)	應收一間合營公司之款項(附註)
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Note: The amount, which is due from Hei Tung Watches Company Limited ("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.

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

8. 物業、機器及設備

截至二零一五年九月三十日止六個月內，本集團產生支出9,706,000港元(截至二零一四年九月三十日止六個月：6,303,000港元)以購買物業、機器及設備作其營運用途。

本集團已向銀行抵押總賬面值約為94,811,000港元(二零一五年三月三十一日：95,968,000港元)之若干土地及樓宇，以作為本集團獲授銀行貸款融資之抵押。

9. 佔合營公司之權益

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
21,807	21,807
196	808
20,805	19,682
42,808	42,297
77,639	77,639
120,447	119,936

附註：該款項(應收喜東鐘錶有限公司(「喜東」)之款項)為無抵押、免息，且並無固定還款期。本集團預期該款項將於呈報期末起計十二個月後清償，因此，該款項乃分類為非流動資產。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

10. Trade and other receivables

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

Note: The amount represents reimbursements receivable from a joint venture under a procurement arrangement (see note 16).

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

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

10. 貿易及其他應收賬款

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
86,440	86,120
1,542	2,637
29,604	43,678
1,828	1,117
2,970	2,849
18,318	5,546
140,702	141,947

附註：該款項指根據一項採購安排應收一間合營公司之退款(見附註16)。

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

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
76,347	81,673
8,447	3,652
—	5
1,646	790
86,440	86,120

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

11. Trade and other payables

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

11. 貿易及其他應付賬款

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
88,410	97,075
7,740	7,395
1,621	2,647
16,823	20,293
4,093	2,199
6,188	12,045
2,020	2,568
157	695
483	493
6,132	7,293
133,667	152,703

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

以下為貿易應付賬款於呈報期末按發票日期呈列之賬齡分析：

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
80,507	87,890
2,171	645
5,732	8,540
88,410	97,075

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

12. Bank loans

During the period, the Group obtained a new bank loan amounting to HK\$100,000,000 (six months ended 30 September 2014: new bank loans of HK\$100,000,000). The new loan raised during the period carries interest at variable rate of HIBOR plus 1.8% and is repayable over three years up to 2017.

13. Share capital

Ordinary shares of HK\$0.10 each

Authorised:

At 1 April 2014, 31 March 2015 and 30 September 2015

Issued and fully paid:

At 1 April 2014, 31 March 2015 and 30 September 2015

每股面值0.10港元之普通股

法定：

於二零一四年四月一日、
二零一五年三月三十一日
及二零一五年九月三十日

已發行及繳足：

於二零一四年四月一日、
二零一五年三月三十一日
及二零一五年九月三十日

Number of shares 股份數目	Amount 價值 HK\$'000 千港元
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1,000,000,000	100,000
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570,610,224	57,061
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14. Share-based payment transaction

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

(i) 2003 Share Option Scheme

Details of specific categories of options are as follows:

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

12. 銀行貸款

於本期間，本集團取得新增銀行貸款達100,000,000港元(截至二零一四年九月三十日止六個月：新增銀行貸款100,000,000港元)。本期間之新增貸款按香港銀行同業拆息之浮動利率加1.8%計息，並須於截至二零一七年止三個年度內償還。

13. 股本

14. 以股份為基礎之付款交易

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

(i) 二零零三年購股權計劃

特定購股權類別之詳情如下：

Original exercise price per share 原有每股行使價	Adjusted exercise price per share 經調整每股行使價
HK\$4.13 4.13港元	HK\$3.44 (Note a) (附註 a)
HK\$4.80 4.80港元	N/A 不適用

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

14. Share-based payment transaction (Continued)

(i) 2003 Share Option Scheme (Continued)

Note 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.

The following tables disclose movements of the Company's share options held by directors, employees and consultants during the six months ended 30 September 2015 and 30 September 2014:

Share options granted on 6 April 2011

Categories of participants	參與者類別	
Directors of the Company	本公司董事	14,520,000
Other employees	其他僱員	14,400,000
Consultants (Note b)	顧問(附註b)	2,640,000
Total	總計	31,560,000

Share options granted on 29 August 2011

Categories of participants	參與者類別	
Other employees	其他僱員	18,000,000
Consultants (Note b)	顧問(附註b)	5,000,000
		23,000,000

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

14. 以股份為基礎之付款交易(續)

(i) 二零零三年購股權計劃(續)

附註a: 未行使購股權項下之股份數目及行使價已於按於二零一一年七月每持有五股普通股獲派一股新普通股之基準派送紅股後作出調整。

下表披露於截至二零一五年九月三十日及二零一四年九月三十日止六個月內董事、僱員及顧問持有之本公司購股權之變動:

於二零一一年四月六日授出之購股權

Number of share options outstanding at 1 April 2014, 31 March 2015 and 30 September 2015
於二零一四年四月一日、二零一五年三月三十一日及二零一五年九月三十日未行使之購股權數目

於二零一一年八月二十九日授出之購股權

Number of share options outstanding at 1 April 2014, 31 March 2015 and 30 September 2015
於二零一四年四月一日、二零一五年三月三十一日及二零一五年九月三十日未行使之購股權數目

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

14. Share-based payment transaction (Continued)

(i) 2003 Share Option Scheme (Continued)

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

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

No option was exercised or lapsed under the 2003 Share Option Scheme during the six months ended 30 September 2015 and 30 September 2014.

(ii) 2013 Share Option Scheme

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 13 August 2013, a new share option scheme was adopted with effect on 3 November 2013 (the "2013 Share Option Scheme") after the expiry of the 2003 Share Option Scheme. The 2013 Share Option Scheme will remain in force until 2 November 2023.

No option was granted, exercised or lapsed under the 2013 Share Option Scheme during the six months ended 30 September 2015 and 30 September 2014 since its effective date on 3 November 2013 and there was no outstanding share option as at 30 September 2015.

During the six months ended 30 September 2015 and 30 September 2014, no share-based payment expense was recognised in relation to share options granted by the Company.

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

14. 以股份為基礎之付款交易(續)

(i) 二零零三年購股權計劃(續)

附註 b: 購股權乃授予顧問，作為其為本集團發掘投資機會所提供服務之回報。

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

截至二零一五年九月三十日及二零一四年九月三十日止六個月內，概無購股權根據二零零三年購股權計劃獲行使或失效。

(ii) 二零一三年購股權計劃

根據本公司於二零一三年八月十三日舉行之股東週年大會上通過之普通決議案，於二零零三年購股權計劃屆滿後，於二零一三年十一月三日生效之新購股權計劃(「二零一三年購股權計劃」)已獲採納。二零一三年購股權計劃將一直有效，直至二零二三年十一月二日為止。

自其生效日期二零一三年十一月三日起，截至二零一五年九月三十日及二零一四年九月三十日止六個月內，概無購股權根據二零一三年購股權計劃已授出、行使或失效，而於二零一五年九月三十日亦無未行使購股權。

截至二零一五年九月三十日及二零一四年九月三十日止六個月內，概無就本公司授出之購股權確認以股份為基礎之付款開支。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

15. Fair value measurement of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

15. 金融工具公平值計量

按經常性基準以公平值計量之本集團金融資產之公平值

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

- 第1級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第2級輸入數據為就資產或負債直接或間接地可觀察之輸入數據(包括在第1級之報價除外)；及
- 第3級輸入數據為資產或負債之不可觀察輸入數據。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

15. Fair value measurement of financial instruments (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s) 估值技巧及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值之關係
	30 September 2015	31 March 2015				
金融資產	公平值		公平值架構			
	於二零一五年九月三十日 HK\$'000 千港元	於二零一五年三月三十一日 HK\$'000 千港元				
(a) Available-for-sale financial assets – listed investments, equity securities listed in Hong Kong	82	99	Level 1	Quoted bid prices in an active market	N/A	N/A
a) 可供出售金融資產 – 上市投資、於香港上市之股本證券			第1級	活躍市場所報之買入價	不適用	不適用
(b) Available-for-sale financial assets – unlisted investments, managed fund portfolio	5,437	5,553	Level 2	Quoted market prices provided by brokers which are financial institutions (Note)	N/A	N/A
(b) 可供出售金融資產 – 非上市投資、管理基金投資組合			第2級	作為經紀的金融機構提供之市場報價(附註)	不適用	不適用

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

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

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

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

16. Related party transactions

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

In addition, in April 2012, the Group entered into a procurement agreement with Hei Tung, a company incorporated in Macau and a joint venture of the Group. Pursuant to the procurement agreement, the Group provides procurement services to the joint venture relating to supply of watches and spare parts for no consideration. The procurement agreement is effective from 1 April 2012. At 30 September 2015, reimbursement receivable from Hei Tung amounted to HK\$1,542,000 (31 March 2015: HK\$2,637,000).

16. 有關連人士交易

主要管理人員待遇之明細在附註4披露。

此外，本集團於二零一二年四月與喜東(於澳門註冊成立之公司並為本集團之合營公司)訂立採購協議。根據採購協議，本集團以零代價向合營公司提供有關鐘錶及配件之採購服務。採購協議自二零一二年四月一日起生效。於二零一五年九月三十日，應收喜東之退款為1,542,000港元(二零一五年三月三十一日：2,637,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2015

17. Contingent liabilities

As at 30 September 2015, the Group issued financial guarantees to banks in respect of banking facilities granted to associates. The aggregate amount that may be required to be paid if the guarantees are called upon in entirety amounting to NT\$200,000,000 (equivalent to HK\$46,880,000; 31 March 2015: NT\$200,000,000 and equivalent to HK\$49,599,000), which was fully utilised by these associates at 30 September 2015. In the opinion of the directors, the fair value of the financial guarantee contracts at the grant date and at 31 March 2015 and 30 September 2015 is not significant as the default risk of associates is considered as low.

18. Capital commitments

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

已訂約但未於簡明綜合財務報表內撥備之收購物業、機器及設備相關資本承擔

簡明綜合財務報表附註(續)

截至二零一五年九月三十日止六個月

17. 或然負債

於二零一五年九月三十日，本集團就聯營公司獲授之銀行融資向銀行發出財務擔保。於二零一五年九月三十日，於被要求全數代還擔保時可能須予支付之總額新台幣200,000,000元(相等於46,880,000港元；二零一五年三月三十一日：新台幣200,000,000元，並相等於49,599,000港元)已獲該等聯營公司全數動用。董事認為，財務擔保合約於授出當日及二零一五年三月三十一日及二零一五年九月三十日之公平值並不重大，而聯營公司之拖欠風險甚微。

18. 資本承擔

30 September 2015 二零一五年 九月三十日 HK\$'000 千港元	31 March 2015 二零一五年 三月三十一日 HK\$'000 千港元
1,870	2,000

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

董事擁有之證券權益及淡倉

As at 30 September 2015, the interests of the directors of the Company in the shares and underlying shares of the Company, as recorded in the register required to be kept under Section 352 of the Hong Kong Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

根據香港證券及期貨條例(「證券及期貨條例」)第352條規定保管之登記冊所記錄，於二零一五年九月三十日，本公司之董事於本公司之股份及相關股份中擁有之權益，或根據上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

Name of director	董事姓名	Number of shares held 所持股份數目			Total number of shares 股份總數	Percentage of issued share capital of the Company 佔本公司已發 行股本百分比
		Personal interest 個人權益	Family interest 家族權益	Corporate interest 公司權益		
Dr. Yeung Ming Biu	楊明標博士	19,669,583	7,920,000	128,164,561 <i>(note (a))</i> <i>(附註(a))</i>	155,754,144	27.30%
Mr. Yeung Him Kit, Dennis	楊衍傑先生	5,524,000	—	<i>(note (b))</i> <i>(附註(b))</i>	5,524,000	0.97%
Mr. Fung Kwong Yiu	馮廣耀先生	6,508,160	—	<i>(note (c))</i> <i>(附註(c))</i>	6,508,160	1.14%
Madam Yeung Man Yee, Shirley	楊敬儀女士	2,640,000	221,161	<i>(note (d))</i> <i>(附註(d))</i>	2,861,161	0.50%
Mr. Lam Hing Lun, Alain	林慶麟先生	3,600,000	—	—	3,600,000	0.63%
Mr. Choi Kwok Yum	蔡國欽先生	3,600,000	—	—	3,600,000	0.63%
Dr. Sun Ping Hsu, Samson	孫秉樞博士	—	—	3,200,000 <i>(note (e))</i> <i>(附註(e))</i>	3,200,000	0.56%

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

Notes:

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

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

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

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

董事擁有之證券權益及淡倉(續)

附註：

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

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

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

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

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

購股權計劃及董事購買股份或債券之權利

(a) 2003 Share Option Scheme

Pursuant to an ordinary resolution passed at the Company's special general meeting held on 3 November 2003, the Company adopted a share option scheme (the "2003 Share Option Scheme"). The 2003 Share Option Scheme was valid for a period of ten years commencing on the adoption date on 3 November 2003.

Under the 2003 Share Option Scheme, options may be granted to any director, employee, consultant, customer, supplier or advisor of the Group or a company in which the Company holds an interest or a subsidiary of such company, the trustee of the eligible persons or a company beneficially owned by the eligible persons. The purpose of the 2003 Share Option Scheme is to attract and retain quality personnel and other persons to provide incentive to them to contribute to the business and operation of the Group. No eligible persons shall be granted an option in any 12-month period for such number of shares (issued and to be issued) which in aggregate would exceed 1% of the share capital of the Company in issue on the last day of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The exercisable period is determined by the directors of the Company, which shall not be more than 10 years from the date of grant, and may include a minimum period for which the options must be held before it can be exercised. The exercise price per share payable on the exercise of an option equals to the highest of:

- (a) the nominal value of one share;
- (b) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of grant; and

(a) 二零零三年購股權計劃

根據本公司於二零零三年十一月三日舉行之股東特別大會上通過之普通決議案，本公司已採納購股權計劃（「二零零三年購股權計劃」）。二零零三年購股權計劃由採納日期二零零三年十一月三日起計有效十年。

根據二零零三年購股權計劃，購股權可授予本集團之任何董事、僱員、顧問、客戶、供應商或諮詢人或本公司持有該公司之權益之公司或該公司之附屬公司、合資格人士之信託人或合資格人士實益擁有之公司。二零零三年購股權計劃旨在向優秀人才及其他人士給予獎勵，以吸引彼等留任及對本集團之業務及經營作出貢獻。根據聯交所證券上市規則（「上市規則」），除非取得本公司股東批准，否則於任何十二個月期間內，合資格人士不得獲授予涉及股份數目（已發行及將予發行）合共超過本公司於該十二個月期間之最後一日之已發行股本1%之購股權。行使期乃由本公司董事釐定，惟不得超過自授出日期起計十年及包括購股權行使前必須持有之最短期限。在行使購股權時應付之每股行使價將為以下三者中之最高者：

- (a) 一股股份面值；
- (b) 股份於授出當日在聯交所每日報價表所報之每股收市價；及

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

(a) 2003 Share Option Scheme *(Continued)*

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

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

The following table discloses movements of the options granted under the 2003 Share Options Scheme to directors, certain employees and consultants during the year:

購股權計劃及董事購買股份或債券之權利(續)

(a) 二零零三年購股權計劃(續)

- (c) 股份於緊接授出當日前五個營業日在聯交所每日報價表所報之每股平均收市價。

二零零三年購股權計劃於二零一三年十一月二日屆滿。購股權可由參與者於購股權期間任何時間予以行使，而不論二零零三年購股權計劃已屆滿。

下表披露董事、若干僱員及顧問於年內根據二零零三年購股權計劃獲授購股權之變動：

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

購股權計劃及董事購買股份或債券之權利(續)

(a) 2003 Share Option Scheme (Continued)

(a) 二零零三年購股權計劃(續)

Name of category of participant	Number of shares under options at 1.4.2014 and 31.3.2015 and 30.9.2015 於二零一四年四月一日及二零一五年三月三十一日及二零一五年九月三十日購股權涉及之股份數目	Date of grant of options 購股權授出日期	Original exercise price per share 原有每股行使價 HK\$ 港元	Adjusted exercise price per share 經調整每股行使價 HK\$ 港元 (note) (附註)	Exercisable period 可行使期間
Directors 董事					
Dr. Yeung Ming Biu 楊明標博士	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Yeung Him Kit, Dennis 楊衍傑先生	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Fung Kwong Yiu 馮廣耀先生	3,000,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Madam Yeung Man Yee, Shirley 楊敏儀女士	1,440,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Lam Hing Lun, Alain 林慶麟先生	3,600,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Mr. Choi Kwok Yum 蔡國欽先生	3,600,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
	14,520,000				
Other employees 其他僱員					
Type A A類	14,400,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Type B B類	18,000,000	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021
Consultants 顧問					
Type A A類	2,640,000	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021
Type B B類	5,000,000	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021
Total 總計	54,560,000				

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

(a) 2003 Share Option Scheme (Continued)

Note: An ordinary resolution was passed by the shareholders at the annual general meeting of the Company held on 28 July 2011 approving a bonus issue of shares to shareholders of the Company on the basis of one new ordinary share for every five ordinary shares held. The number of shares under the outstanding options and the exercise price per share of the outstanding options were adjusted accordingly pursuant to the terms of the 2003 Share Option Scheme.

(b) 2013 Share Option Scheme

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 13 August 2013, a new share option scheme was adopted with effect on 3 November 2013 (the "2013 Share Option Scheme") after the expiry of the 2003 Share Option Scheme.

Under the 2013 Share Option Scheme, options may be granted to (i) any director, employee or consultant of the Group or a company in which the Company holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any customer, supplier or adviser whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group. The purpose of the 2013 Share Option Scheme is to attract and retain quality personnel and other persons to provide incentive to them to contribute to the business and operation of the Group. The total number of shares available for issue under the 2013 Share Option Scheme as at the date of this report is 57,061,022 shares. No eligible persons shall be granted an option in any 12-month period for such number of shares (issued and to be issued) which in aggregate would exceed 1% of the share capital of the Company in issue on the last day of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. The exercisable period is determined by

購股權計劃及董事購買股份或債券之權利(續)

(a) 二零零三年購股權計劃(續)

附註：股東在本公司於二零一一年七月二十八日舉行之股東週年大會上通過普通決議案，批准派送紅股予本公司股東，基準為每持有五股普通股可獲派一股新普通股。未行使購股權之股份數目及未行使購股權之每股行使價已根據二零零三年購股權計劃之條款作出相應調整。

(b) 二零一三年購股權計劃

根據本公司於二零一三年八月十三日舉行之股東週年大會上通過之普通決議案，於二零零三年購股權計劃屆滿後，一項於二零一三年十一月三日生效之新購股權計劃(「二零一三年購股權計劃」)獲採納。

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

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

(b) 2013 Share Option Scheme (Continued)

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

No option was granted, exercised or lapsed under the 2013 Share Option Scheme during the year since its effective date on 3 November 2013 and there was no outstanding share option as at 30 September 2015.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2015, according to the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (not being a director or chief executive of the Company) had interests in the share capital of the Company.

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

購股權計劃及董事購買股份或債券之權利(續)

(b) 二零一三年購股權計劃(續)

計十年及包括購股權行使前必須持有之最短期限。在行使購股權時應付之每股行使價將為以下三者中之最高者：

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

二零一三年購股權計劃將一直有效，直至二零二三年十一月二日。

自其生效日期二零一三年十一月三日起之年度內，概無購股權根據二零一三年購股權計劃已授出、行使或失效，而於二零一五年九月三十日亦無未行使購股權。

主要股東

本公司根據證券及期貨條例第336條規定存置之登記冊所示，於二零一五年九月三十日，以下人士(並非為本公司之董事或行政總裁)於本公司股本中擁有權益。

SUBSTANTIAL SHAREHOLDERS (Continued)

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

Save as disclosed above, at 30 September 2015, there was no person who had any interests or short position in the shares or underlying shares of the Company according to the register maintained by the Company pursuant to Section 336 of the SFO.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Results

On behalf of the Board of Directors (the “Board”) of Oriental Watch Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”), I hereby present the unaudited consolidated results of the Group for the six months ended 30 September 2015 (the “Period”).

Given the slowdown of economic growth in China and the overall slackening landscapes in luxury sector, turnover for the six months ended 30 September 2015 increased by 2.5% to HK\$1,570 million (2014: HK\$1,532 million). Gross profit declined by 5.6% to HK\$241 million (2014: HK\$255 million) whilst gross profit margin dropped to 15.4% from 16.7% in the corresponding period last year. Net profit attributable to owners of the Company was HK\$3 million, representing a decrease of 77% from the previous corresponding period (2014: HK\$11 million). The significant decline in both the Group’s gross profit and net profit was mainly attributable to: (1) the slowdown of demand in the competitive high-end consumer goods market, and (2) the high level of operating costs.

主要股東(續)

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

按本公司根據證券及期貨條例第 336 條規定存置之登記冊所示，除上文所披露者外，於二零一五年九月三十日，概無任何人士於本公司之股份或相關股份中擁有任何權益或淡倉。

管理層討論及分析

集團業績

本人謹代表東方表行集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之董事會(「董事會」)提呈本集團截至二零一五年九月三十日止六個月(「本期間」)之未審核綜合業績。

由於中國經濟增長減慢及高端消費行業整體發展放緩，故截至二零一五年九月三十日止六個月之營業額增加 2.5% 至 1,570,000,000 港元(二零一四年：1,532,000,000 港元)。毛利下跌 5.6% 至 241,000,000 港元(二零一四年：255,000,000 港元)，而毛利率由去年同期之 16.7% 下跌至 15.4%。本公司擁有人應佔純利為 3,000,000 港元，較去年同期減少 77% (二零一四年：11,000,000 港元)。本集團毛利及純利均大幅倒退，乃主要由於：(1) 競爭激烈之高端消費商品市場需求放緩；及 (2) 營運成本高昂所致。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

The Board has resolved to recommend an interim dividend of 0.1 HK cent per share for the six months ended 30 September 2015 (2014: nil ; special dividend of 0.5 HK cent per share), dividend payout for the Period of approximately 22% (2014: 26%)

Business Review

As at 30 September 2015, the Group operates 81 retail and wholesale points (including associate retail stores) 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

管理層討論及分析(續)

董事會已議決建議派發截至二零一五年九月三十日止六個月之中期股息每股0.1港仙(二零一四年：無；特別股息每股0.5港仙)，本期間派息率約22%(二零一四年：26%)。

業務回顧

於二零一五年九月三十日，本集團於大中華地區經營81個零售及批發點(包括聯營零售店)，按地區分析如下：

As at
30 September
2015
於二零一五年
九月三十日
13
3
62
3
<hr/>
81
<hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Since 2014, China has been experiencing a gradual slowdown in economic growth. According to the National Bureau of Statistics of China, the country's gross domestic product ("GDP") growth rate slows to 6.9% in the third quarter of 2015. First time missing the 7% growth target as announced in the "Twelfth Five-Year Plan", this sluggish growth rate marks the lowest point of economic growth since the first quarter in 2009. Such bleak economic landscape has plunged the retail market, especially the high-end consumer goods market, into a meltdown, and the luxury watches sector is one of the most greatly affected luxury categories in the market. Apart from the gloomy economic environment, the change in destination preference of outbound Chinese tourists is also a key issue for retailers. Recent RMB depreciation and relaxations of visa policies in foreign countries have encouraged Chinese outbound travellers to visit foreign countries, including Japan, Korea, the United States and different European countries. Favourable exchange rates have also made Chinese visitors more inclined to spend money and purchase luxury goods abroad. Furthermore, the increasing social tensions between Hong Kong and mainland China have deflated Chinese travellers' sentiment to visit Hong Kong. In spite of the headwinds ahead, Oriental Watch, as a traditional trading of luxury watches company that operates in the Greater China area, will strike to achieve business stability through improving store efficiency as well as employing effective inventory and cost control, so as to serve the best interests of its shareholders.

管理層討論及分析(續)

自二零一四年，中國經濟增長逐步放緩。根據中國之資料統計局之資料，國內生產總值(「國內生產總值」)之增長率於二零一五年第三季下滑至6.9%。此乃首次無法達成「第十二個五年計劃」公佈之7%增長目標，而該疲弱之增長率為自二零零九年第一季以來經濟增長之新低。受經濟形勢暗淡影響，拖累零售市場(尤其是高端消費商品市場)嚴重受挫，而名貴鐘錶業為市場中最受影響之高端消費行業之一。除經濟環境欠佳外，外遊之中國旅客對目的地偏好有所轉變亦為零售商面對之核心問題。近期人民幣貶值及海外國家放寬簽證政策，帶動外遊中國旅客到訪海外國家，包括日本、韓國、美國及不同歐洲國家。匯率向好亦令中國遊客更願意於海外消費及購買高端消費品。此外，香港及中國內地間之社會矛盾日趨嚴重，以致中國遊客訪港意欲有所減少。儘管前路障礙重重，東方表行作為於大中華地區營運之傳統名貴鐘錶貿易公司，將致力透過改善店舖效率及採取有效之存貨及成本監控以達致業務穩定，為股東爭取最佳利益。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Other than the declining consumer traffic and the depressing overall sentiment in the luxury retail market, high rental rate persists to be a major challenge to the Group. For the six months ended 30 September 2015, the Group's aggregate rental costs (excluding related property management fees) approximately same as last period, accounting for 43% (2014: 40%) of the Group's overall operating expenses. During the Period, the Group has successfully negotiated to re-new the leases of a number of existing stores at a reasonable rate. Even though there is noticeable slowdown in the pace of rent increase or even decrease in rental rates, the overall rental rates still linger on a substantially high level in Hong Kong. Amid such adverse market environment, a slight decline in rent does not really alleviate the heavy burden brought by the overly high rental rate. The Group will continue to employ appropriate cost control measures, so as to offset the lofty rental costs. With an aim to minimise cost burdens and maximise store efficiency, the Group will pay continuous efforts in conducting internal assessment and optimising product portfolio.

To tackle the high rental costs, the Group also strikes to optimise its profitability by unlocking the hindered value of its inventories. As inventory management plays a decisive role in the Group's cash flow, the Group has been employing a stringent measure over inventory control. During the Period, the Group has implemented a strategic and proactive approach in monitoring the inventory level. Having employed a prudent stance in the replenishment policy, the Group has cautiously monitored the inventory level of high-ticket items, and purchased stocks only when the existing inventory depletes to a pre-agreed level. Together with the efforts committed by the front-line staff, the Group has successfully lower the inventory level during the Period. As at 30 September 2015, the Group's overall inventory level declined significantly by 5.8% from HK\$1,784 million to HK\$1,680 million. Upon the progress achieved in regard to inventories during the Period, the Group will continue to strictly monitor the inventory level, in the hope to provide stable cash flow for steady business growth and development in the future.

管理層討論及分析(續)

除客戶流量下跌及高端零售市場之整體氣氛受挫外，租金水平高企繼續成為本集團之主要挑戰。截至二零一五年九月三十日止六個月，本集團之租金成本總額(不包括物業管理費用)與去年同期相若，佔本集團之整體營運開支43%(二零一四年：40%)。於本期間內，本集團已成功進行磋商，並按合理水平重續多個現有店舖之租約。儘管租金增幅顯著放緩，而租金水平甚至有所下跌，香港之租金水平仍處於極高水平。在有關不利市況下，租金輕微下跌並未能真正紓緩租金水平過高所帶來之重擔。本集團將繼續採取合適之成本監控措施，以抵銷高昂之租金成本。為縮減成本負擔及提高店舖效率，本集團將繼續努力進行內部評估及改善產品組合。

為解決租金高昂之問題，本集團亦致力透過發揮其存貨之潛在價值來提高其盈利能力。鑒於存貨管理於維持本集團之現金流量方面擔當決定性角色，本集團一直採取嚴格存貨監控措施。於本期間內，本集團已實施一項策略性及積極之方法以監控存貨水平。採取審慎之補給政策後，本集團已密切監察高價產品之存貨水平，並僅於現有存貨消耗至預訂水平時方購置存貨。憑藉前線員工所作出之努力，本集團已成功於本期間降低存貨水平。於二零一五年九月三十日，本集團之整體存貨水平由1,784,000,000港元大幅下降5.8%至1,680,000,000港元。於本期間內就存貨方面取得進展後，本集團將繼續嚴格監察存貨水平，有望為日後之穩健業務增長及發展提供穩定現金流量。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

According to the Federation of the Swiss Watch Industry FH, the total value of Swiss watch exports to Hong Kong and China in September 2015 records a 20.5% and 9.2% year-on-year decline respectively. Such startling number clearly indicates the slow demand for luxury watches in the Greater China market currently. Oriental Watch, whose brand portfolio consists primarily of Swiss watch brands, is unavoidably affected by such sluggish demand. Nevertheless, the Group remains cautiously optimistic on the outlook of the luxury watch market. The Chinese government has recently announced the “Thirteenth Five-Year Plan”, introducing a proposal for the country’s development from 2016 to 2020. The plan has especially highlighted urbanisation as one of the core development focuses of China in the coming five years. As deeper urbanisation proceeds across the country and people become more affluent in general, luxury products will become affordable to a larger group of people in China. Though evident results are yet to be recognisable in the short term, the Group is confident that upcoming developments will be beneficial to the luxury watches sector in the long term. Together with the favourable government policies, Oriental Watch will adopt a prudent stance to overcome the headwinds ahead. To maximise our store profitability, we will strategically adjust our store portfolio. The Group will only re-new the leases of existing stores when the rent is lowered to a reasonable rate. At the same time, we will continue to search for suitable vacant shops to expand our store portfolio. In fact, the Group has already made forwarding progress in our shop hunting venture, where a new store located in prime location in Hong Kong will open later in 2015. Furthermore, the Group will also continue our endeavours in store management, cost-cutting measures and inventory control. With the interests of our shareholders as our first priority, the Group will strike to achieve improvement, stability and sustainability in our business.

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

管理層討論及分析(續)

根據瑞士鐘錶工業聯合會之資料，出口至香港及中國之瑞士手錶總價值分別於二零一五年九月錄得下降20.5%及按年下降9.2%。有關顯著跌幅清晰顯示現時大中華市場對名貴鐘表之需求放緩。東方表行(其品牌組合主要包括瑞士手表品牌)無可避免地受需求下滑所影響。然而，本集團對名貴鐘表市場之前景抱持審慎樂觀之態度。近日中國政府公佈「第十三個五年計劃」，引入二零一六年至二零二零年國家發展之議案。該計劃特別強調城市化為中國未來五年之核心發展重點之一。鑒於國內城市化越趨普遍，市民一般更為富裕，更多中國市民能負擔名貴產品。儘管短期內未見明顯成效，本集團有信心接下來之發展長遠而言將對名貴鐘表業有所裨益。加上有利之政府政策，東方表行將採取謹慎態度，跨越重重障礙。為盡量提高店舖之盈利能力，本集團將有策略地調整店舖組合。本集團將僅會於租金跌至合理水平時重續現有店舖之租約。同時，我們將繼續物色合適之空舖以擴展店舖組合。事實上，本集團已於物色店舖方面取得長足發展，一間位於香港黃金地段之新店舖將於二零一五年後期開業。此外，本集團亦將繼續於店舖管理、成本削減措施及存貨監控作出努力。憑藉以本集團股東之利益為首要目標，本集團將致力令業務得以改善，達至穩定及可持續發展。

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貢獻、忠誠和支持。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Liquidity and financial resources

At 30 September 2015, the Group's total equity reached HK\$2,196 million, compared with HK\$2,212 million as at 31 March 2015. The Group had net current assets of HK\$1,850 million, including bank and cash balances of HK\$336 million as at 30 September 2015 compared with balances of HK\$1,892 million and HK\$344 million respectively as at 31 March 2015. At 30 September 2015 bank loans of HK\$269 million (31 March 2015: HK\$338 million). At 30 September 2015, the gearing ratio (defined as total bank borrowing on total equity) was 0.12 (31 March 2015: 0.15).

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

Foreign exchange exposure

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

STAFF AND EMPLOYMENT

As at 30 September 2015, the Group employed a total work force of about 700 staff. The staff turnover rate is low. The Group's policy is to review its employee's pay levels and incentive bonus.

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

During the six months ended 30 September 2015, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities on the Stock Exchange of Hong Kong Limited.

管理層討論及分析(續)

流動資金及財務資源

於二零一五年九月三十日，本集團之權益總額達2,196,000,000港元，而於二零一五年三月三十一日則為2,212,000,000港元。於二零一五年九月三十日，本集團之流動資產淨值為1,850,000,000港元，包括336,000,000港元之銀行及現金結餘，而於二零一五年三月三十一日之結餘則分別為1,892,000,000港元及344,000,000港元。於二零一五年九月三十日，銀行貸款為269,000,000港元(二零一五年三月三十一日：338,000,000港元)。於二零一五年九月三十日，負債資產比率(定義為銀行借貸總額除以權益總額)為0.12倍(二零一五年三月三十一日：0.15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。

外匯風險

本集團之買賣交易主要以港元及人民幣為單位。本集團並無面對重大外匯波動風險。

僱員及聘用

於二零一五年九月三十日，本集團共招聘約700名僱員。本集團之僱員流失率極低。本集團之政策向來是檢討其僱員之薪酬水平及獎勵花紅。

買賣或贖回本公司上市證券

截至二零一五年九月三十日止六個月內，本公司或其任何附屬公司概無購買、贖回或出售本公司於香港聯合交易所有限公司上市之任何證券。

CORPORATE GOVERNANCE

The Company is committed to the establishment of good governance practices and procedures. The Company has met the code provisions set out in the Code on Corporate Governance Practices (“CG Code”) in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”), throughout the six months ended 30 September 2015, except the deviation from the code provision A.4.1 of the CG Code.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Enquiry has been made with all Directors and all Directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 September 2015.

企業管治

本公司致力制定良好之企業管治常規及程序。截至二零一五年九月三十日止六個月內，本公司一直符合香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載企業管治常規守則(「企業管治守則」)列載之守則條文，惟偏離企業管治守則之守則條文A.4.1者除外。

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

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載之標準守則，作為其董事進行證券交易之操守守則。本公司已向各董事作出查詢，並獲各董事確認，彼等於截至二零一五年九月三十日止六個月內一直遵守標準守則所載之規定標準。

AUDIT COMMITTEE

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

The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of unaudited consolidated financial statements for the six months ended 30 September 2015.

MEMBERS OF THE BOARD OF DIRECTORS

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

By order of the Board
Yeung Ming Bui
Chairman

Hong Kong, 18 November 2015

審核委員會

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

審核委員會(連同本公司管理層)已審閱本集團所採用之會計原則及慣例，並已討論有關內部監控及財務報告事宜，包括審閱截至二零一五年九月三十日止六個月之未審核綜合財務報表。

董事會成員

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

承董事會命
主席
楊明標

香港，二零一五年十一月十八日

