



Interim Report  
中期報告

2016



HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 3389



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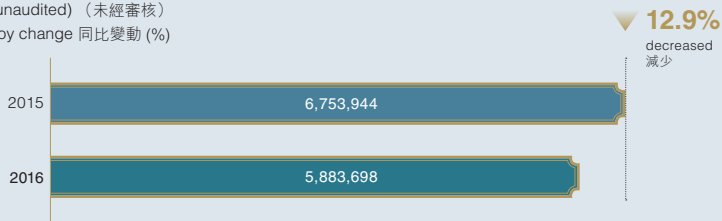
# FINANCIAL HIGHLIGHTS

## 財務概要

For the six months ended 30 June  
截至六月三十日止六個月

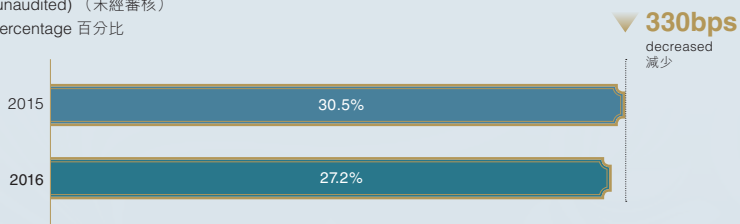
### Revenue 銷售額

RMB'000 人民幣千元  
(unaudited) (未經審核)  
yoy change 同比變動 (%)



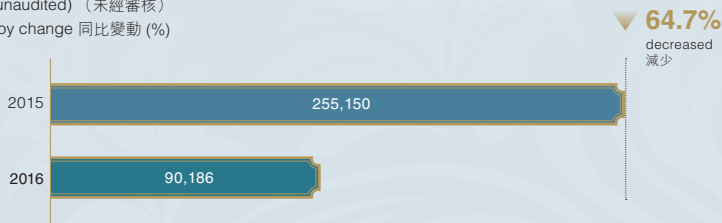
### Gross profit margin 毛利率

(unaudited) (未經審核)  
percentage 百分比



### Profit attributable to shareholders 股東應佔溢利

RMB'000 人民幣千元  
(unaudited) (未經審核)  
yoy change 同比變動 (%)



# CHAIRMAN'S STATEMENT

## 主席報告書

Dear Shareholders,

In the first half of 2016, amid increasing global political and financial uncertainties, the recovery of economy fell far behind expectation. Having stepped into a new normal phase after years of rapid growth, China's economy is still facing significant downward pressures. Confronted with various risks and challenges, the Group, adhering to its principle of "maintaining healthy and stable growth through practical innovation", strove to maintain its traditional business, while proactively optimised its business structure and fostered new growth drivers, through which the interests of shareholders have been safeguarded by recording sound operating results.

As at 30 June 2016, the Group recorded revenue of RMB5,883,698,000 (six months ended 30 June 2015: RMB6,753,944,000), representing a year-on-year decrease of 12.9%. Retail sales amounted to RMB4,093,686,000 (six months ended 30 June 2015: RMB4,934,322,000), representing a year-on-year decrease of 17.0%. Net profit for the period was RMB120,721,000 (six months ended 30 June 2015: RMB283,689,000), representing a year-on-year decrease of 57.4%.

各位股東：

二零一六年上半年，全球政治、金融等不穩定因素持續增多，經濟復甦遠不及預期。在經歷多年的快速增長後進入新常態中的中國經濟下行壓力仍然較大。面對各種風險和挑戰，本著「健康穩定、求實創新」之原則，本集團努力保持傳統業務存量，同時積極優化業務結構，培育新的動能，故而仍取得了較好的經營業績，保障了股東的利益。

截至二零一六年六月三十日止，本集團銷售額錄得5,883,698,000元（截至二零一五年六月三十日止六個月：6,753,944,000元）（人民幣•下同），較去年同期下降12.9%；零售銷售額錄得4,093,686,000元（截至二零一五年六月三十日止六個月：4,934,322,000元），較去年同期下降17.0%；期內淨利潤為120,721,000元（截至二零一五年六月三十日止六個月：283,689,000元），較去年同期相比下降了57.4%。

In terms of sales of renowned watches, business environment was similar to that of last year. Under an “L” market trend, the sales of renowned watches has remained the same situation as the second half of last year. Against such backdrop, the Group placed emphasis on refinement of business management and improvement of operating efficiency. The Group continued to take measures such as making structural adjustment, optimising inventory and strengthening operations, and at the same time bolstered its scientific management so as to promote a more comprehensive competitiveness which in turn helped secure steady sales. After adjustment and optimisation, the Group operated a total of 470 retail outlets in Mainland China, Hong Kong, Macau and Taiwan as at 30 June 2016, with the overall sales slowing down, but still within reasonable range.

However, despite the overall downturn in renowned watch sales, the industrial chain development of watch accessories has made progress as expected. In the first half of 2016, by ways of increasing investment, enriching customer resources and collaborating more closely with brand owners, the Group has taken a further step towards strengthening its overall market competitiveness. In return, the industrial segment not only improved its efficiency, but also demonstrated its growth potential. The Group further implemented integration of customer services segment, which achieved satisfactory results regarding the development in key regions. The comprehensive launch of an integrated system consisting of interactive platforms such as O2O, CRM system, WeChat and Weibo facilitated the watches sales by ways of guiding the flows of people to shop online and improved the interaction between sales and customer services segments.

名錶銷售方面，經營環境與去年相若。在市場形勢呈現「L」型狀態的背景下，名錶銷售仍延續去年下半年狀態。在此環境中，業務管理的精細化及經營效率的提升是本集團的工作重點。本集團繼續採取調結構、優庫存、練內功等措施，加強科學管理，提升綜合競爭力，千方百計保持銷售的平穩。經調整優化，截至二零一六年六月三十日止，集團於中國內地、港澳台等大中華地區擁有470間零售門店，整體銷售有所放緩，但尚處於合理區間。

在名錶銷售整體不景氣的情況下，本集團手錶配套產業鏈的建設仍取得了預期的進步。上半年，產業的投資正在不斷加大，客戶資源日趨豐富，與品牌商合作也更加緊密，整體市場競爭力再上台階。此等不僅令該產業的效益得到了提升，同時也更彰顯其發展的潛能。集團客戶服務業務的整合進一步深入，重點區域的建設取得了良好的成效。O2O、CRM系統、微信、微博等互動平台之一整套體系的全面推進，使得線上線下手錶引流銷售取得明顯的進步，並加強了銷售與客服業務的互動提升。

In the second half of 2016, due to various uncertainties, the global economy will continue to remain sluggish. Meanwhile, the Chinese economy is at a crucial stage of transition from old to new growth drivers and a stage of economic transformation and upgrading, thus will still suffer from heavy downward pressure. We do not anticipate that significantly better sales of watches in the Greater China region will be achieved as compared with the first half of 2016. However, the Group will benefit from the favourable long-term fundamentals in the economic development in China, the gradual recovery in consumption power of Mainland China visitors to Hong Kong, and rental adjustments. By continuously leveraging its core competitiveness, the Group will identify new opportunities to achieve breakthroughs and expand business despite the current headwinds and challenges.

Under the guidance of the philosophy of “pragmatic yet innovative”, the Group will keep moving forward by sticking to the principle of “maintaining stable and healthy growth and seeking sustainable development”. The Group will endeavor to keep its renowned watch sales healthy and stable and, on the other hand, will put more effort to facilitate the rapid development of watch industrial chain. Meanwhile, the Group will put our heads together and all our efforts to explore, aiming to identify a new development mode, pursuant to which the Group can achieve steady and sustainable growth under the new normal phase, and generate greater value for the shareholders and the community at large.

By Order of the Board

**Zhang Yuping**

*Chairman*

Hong Kong, 18 August 2016

下半年，諸多不穩定因素將令全球經濟繼續低迷，中國經濟正處在新舊動能接結轉換、經濟轉型升級的關鍵時期，故仍將面臨較大的下行壓力，我們預計大中華區手錶銷售市場相對於上半年不會有更大的起色。但是，中國經濟發展長期向好的基本面尚未改變，內地人士赴港消費逐步回穩、租金變動等因素也將帶來利好。本集團將繼續憑借自身的核心競爭力，在困難和挑戰中尋找新的商機，謀求新的突破與壯大。

本集團將繼續堅持「平穩健康、持續發展」之原則，以「求實創新」的理念引領集團前行。一方面努力保持名錶銷售的健康與穩定，另一方面會再加大力度，力爭手錶產業鏈等業務的快速推進。同時，我們還將集思廣益、深入探索，謀求集團新的發展模式，開闢一條在新常態下穩中前行之長青之路，為股東和社會創造更高的價值。

承董事會命

主席

張瑜平

香港，二零一六年八月十八日



# Management Discussion and Analysis

## 管理層討論及分析

ELEGANT 三寶 HENGDELI HENDELI

In the first half of 2016, amid increasing global political and financial uncertainties, the recovery of economy fell far behind expectation. Having stepped into a new normal phase after years of rapid growth, China's economy is still facing significant downward pressure. Confronted with various risks and challenges, the Group, adhering to its principle of "maintaining healthy and stable growth through practical innovation", strove to maintain its traditional business, while proactively optimised its business structure and fostered new growth drivers, through which the interests of shareholders have been safeguarded by recording sound operating results.

### I. Financial Review

#### Revenue

As at 30 June 2016, the Group recorded revenue of RMB5,883,698,000 (six months ended 30 June 2015: RMB6,753,944,000), representing a year-on-year decrease of 12.9%. Retail sales amounted to RMB4,093,686,000 (six months ended 30 June 2015: RMB4,934,322,000), representing a year-on-year decrease of 17.0%.

In the first half of 2016, following the trend of 2015, China was still adapting to the change of development model and economic restructuring with its economic growth slowing down. Moreover, the consumers' shopping locations and consumption patterns have also been changing constantly. The overall operating environment was quite challenging and had a large negative impact on the business development of the Group. Despite the weak sales in the watch market, especially the watch market in Hong Kong, the Group's watch accessories segment achieved a growth in its sales due to a series of reform and innovation.

二零一六年上半年，全球政治、金融等不穩定因素持續增多，經濟復甦遠不及預期。在經歷多年的快速增長後進入新常態中的中國經濟下行壓力仍然較大。面對各種風險和挑戰，本着「健康穩定、求實創新」之原則，本集團努力保持傳統業務存量，同時積極優化業務結構，培育新的動能，取得了較好的經營業績，保障了股東利益。

#### 一、財務回顧

##### 銷售額

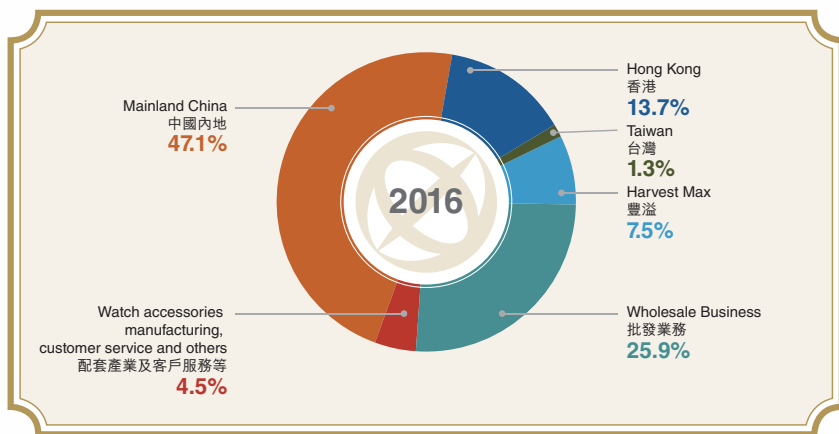
截至二零一六年六月三十日止，本集團銷售額錄得5,883,698,000元（截至二零一五年六月三十日止六個月：6,753,944,000元）（人民幣•下同），較去年同期下降12.9%；零售銷售額達4,093,686,000元（截至二零一五年六月三十日止六個月：4,934,322,000元），較去年同期下降17.0%。

承續二零一五年形勢，上半年，中國仍處於轉變發展模式和調整經濟結構的消化期，經濟增速仍在放緩；同時，消費者的消費地點和消費模式等也在不斷發生變化。整體經營形勢十分嚴峻，並充分影響了集團的業務發展。手錶市場，特別是香港手錶市場銷售乏力。但集團所屬之手錶配套業務因循一系列的變革與創新，其銷售額仍有所上升。

Breakdown of Revenue:  
(for the six months ended 30 June)

銷售額分佈：  
(截至六月三十日止六個月)

		2016 二零一六年		2015 二零一五年	
		RMB'000		RMB'000	
		人民幣	%	人民幣	%
		(千元)		(千元)	
Retail Business	零售業務				
Mainland China	中國內地	2,770,126	47.1	3,094,219	45.8
Hong Kong	香港	805,229	13.7	954,399	14.1
Taiwan	台灣	75,737	1.3	77,324	1.1
Harvest Max	豐溢	442,594	7.5	808,380	12.0
Wholesale Business	批發業務	1,523,766	25.9	1,576,776	23.4
Watch accessories manufacturing, customer service and others	配套產業及 客戶服務等	266,246	4.5	242,846	3.6
<b>Total</b>	<b>總計</b>	<b>5,883,698</b>	<b>100</b>	<b>6,753,944</b>	<b>100</b>





## Gross profit and gross profit margin

As at 30 June 2016, the Group's gross profit amounted to approximately RMB1,598,740,000 (six months ended 30 June 2015: RMB2,060,792,000), representing a year-on-year decrease of 22.4%. Gross profit margin was approximately 27.2% (six months ended 30 June 2015: 30.5%), representing a year-on-year decrease of 330bps. The decreases were mainly due to the increased flexibility of sales discounts resulted from the fierce market competition and subdued market environment.

## Profit for the period

During the period under review, the Group's net profit amounted to RMB120,721,000 (six months ended 30 June 2015: RMB283,689,000), representing a year-on-year decrease of 57.4%. Profit attributable to equity shareholders amounted to RMB90,186,000 (six months ended 30 June 2015: RMB255,150,000), representing a year-on-year decrease of 64.7%. Decrease in the profit was mainly due to the drop in sales and gross profit margin, as well as the net losses recognised by the Group due to repurchases of senior notes issued by the Company during the period under review.

## Financial status and net debt to equity ratio

The Group maintained a sound and stable financial position.

As at 30 June 2016, the Group had total equity of RMB6,741,948,000 (at 31 December 2015: RMB6,540,357,000) and net current assets of RMB6,022,794,000 (at 31 December 2015: RMB6,928,455,000), with cash and cash equivalents of RMB2,103,027,000 (at 31 December 2015: RMB1,910,351,000) and total bank loans of RMB2,606,164,000 (at 31 December 2015: RMB1,256,842,000).

## 毛利及毛利率

於二零一六年六月三十日，本集團之毛利約為人民幣1,598,740,000元（截至二零一五年六月三十日止六個月：人民幣2,060,792,000元），較去年同期下降22.4%；毛利率約27.2%（截至二零一五年六月三十日止六個月：30.5%），較去年同期下降了330bps。其主要原因在於：在市場競爭激烈、經濟不十分景氣的環境中加大了銷售折扣的靈活性。

## 期間溢利

於回顧期，本集團實現淨溢利為120,721,000元（截至二零一五年六月三十日止六個月：283,689,000元）（人民幣•下同），較去年同期下降了57.4%；股東應佔溢利為90,186,000元（截至二零一五年六月三十日止六個月：255,150,000元），較去年同期下降了64.7%。溢利的下降主要是銷售額、銷售毛利率下降，以及回顧期內購回優先票據所產生的淨損失等所致。

## 財務狀況及淨負債權益率

本集團維持穩健的財務狀況。

於二零一六年六月三十日，本集團之權益總額達6,741,948,000元（二零一五年十二月三十一日：6,540,357,000元）（人民幣•下同），流動資產淨值為6,022,794,000元（二零一五年十二月三十一日：6,928,455,000元），其中現金及現金等價物為2,103,027,000元（二零一五年十二月三十一日：1,910,351,000元），而銀行貸款則合共為2,606,164,000元（二零一五年十二月三十一日：1,256,842,000元）。

As at 30 June 2016, bank loans amounting to RMB887,664,000 (at 31 December 2015: RMB140,607,000) bore interests at fixed rates ranging from 1.68% to 4.57% (at 31 December 2015: 2.10% to 6.44%), and the remaining bank loans bore interests at floating rates ranging from HIBOR + 1.95% to LIBOR + 2.28% (at 31 December 2015: HIBOR + 1.25% to 2.52%). As at 30 June 2016, approximately 33% (at 31 December 2015: 8%), 30% (at 31 December 2015: 86%), 35% (at 31 December 2015: 2%) and 2% (at 31 December 2015: 4%) of bank loans were denominated in RMB, HKD, USD and NTD, respectively. The maturity profile of bank loans is set out in note 14 to the financial statements.

During the period under review, there was no sign of significant changes in the Group's demand for loans in a particular quarter.

As at 30 June 2016, the aggregate principal amount of the USD-settled senior notes due in 2018 of the Company was approximately USD210 million (2015: USD350 million, of which principal amount of USD4,000,000 had been repurchased but had not been cancelled), of which principal amount of USD7,200,000 had been repurchased but had not been cancelled, and aggregate principal amount of approximately USD127 million had been repurchased by making an offer and had been cancelled during the period under review. Combining the net amount of the senior notes with bank loans, the Group's total debt amounted to RMB4,036,743,000 (at 31 December 2015: RMB3,545,278,000). The net debt to equity ratio of the Group was approximately 28.7% (at 31 December 2015: 25.0%). The Directors of the Company believe that the net debt to equity ratio remains within a healthy and manageable range.

於二零一六年六月三十日，銀行貸款合共人民幣887,664,000元（二零一五年十二月三十一日：人民幣140,607,000元）按固定利率計息，其利率為1.68%至4.57%（二零一五年十二月三十一日：2.10%至6.44%），其餘銀行貸款按浮動利率計息，其利率為HIBOR+1.95%至LIBOR+2.28%（二零一五年十二月三十一日：HIBOR+1.25%至2.52%）。於二零一六年六月三十日，銀行貸款中約33%（二零一五年十二月三十一日：8%）以人民幣計值，30%（二零一五年十二月三十一日：86%）以港元計值，35%（二零一五年十二月三十一日：2%）以美元計值，2%（二零一五年十二月三十一日：4%）以新台幣計值。銀行貸款到期償還概況載於隨附之財務報表附註14。

回顧期內，並無觀察到本集團之借貸需求有特定的季度大變化趨勢。

於二零一六年六月三十日，本公司有以美元結算，二零一八年到期本金總額約為2.1億美元之優先票據（回顧期內回購本金總額720萬美元但尚未完成註銷，以要約形式購回本金總額約1.27億美元及已完成註銷；二零一五年為3.5億美元，當中已回購本金總額400萬美元但尚未完成註銷）。此優先票據連同銀行貸款，本集團合共負債為人民幣4,036,743,000元（二零一五年十二月三十一日：人民幣3,545,278,000元），其淨負債權益比率約為28.7%（二零一五年十二月三十一日：25.0%）。本公司董事認為此淨負債權益率屬合理經營範圍。

The Group adopts prudent treasury policies in financial and cash management, managing bank credit availability and monitoring risks of credit cost centrally in various ways. The Group maintains a good partnership with a number of banks which provide facilities, and reviews their funding liquidity and financing requirements regularly.

### Foreign exchange risk

The Group's transactions are mainly denominated in RMB, HKD and USD. During the period under review, the foreign exchange movements of such currencies were managed properly. Accordingly, the Group was not exposed to significant risks associated with foreign exchange fluctuations.

The Group has not entered into foreign exchange hedging arrangements to manage foreign exchange risk but has been actively monitoring its foreign exchange risk.

### Pledge of assets

As at 30 June 2016, the Group had land and buildings equivalent to RMB10,666,000 (at 31 December 2015: RMB10,253,000) pledged as security for mortgage.

### Contingent liabilities

As at 30 June 2016, the Group had no material contingent liabilities (at 31 December 2015: nil).

本集團對財務及現金採取審慎管理的庫務政策，通過集團集中處理，以多種方式管理銀行可用信貸額度及監察信貸成本風險。本集團與多家提供融資的銀行維持良好的合作夥伴關係，並對其資金流動性及融資要求做出定期檢討。

### 外匯風險

本集團之買賣主要以人民幣、港幣及美元為單位。於回顧期內，該等貨幣之間的匯率變動已做出妥善處理，故本集團並無面對重大外匯波動風險。

本集團並無訂立外匯對沖安排管理外匯風險，而是一直積極關注及監察匯率風險。

### 資產質押

於二零一六年六月三十日，本集團有等值於人民幣10,666,000元（二零一五年十二月三十一日：人民幣10,253,000元）的土地和樓宇作為按揭抵押。

### 或然負債

於二零一六年六月三十日，本集團無任何重大或然負債（二零一五年十二月三十一日：無）。

## Current assets

As at 30 June 2016, the current assets of the Group amounted to approximately RMB9,628,701,000 (at 31 December 2015: RMB9,615,876,000), comprising inventories of approximately RMB6,086,960,000 (at 31 December 2015: RMB6,376,350,000), trade and other receivables of approximately RMB1,438,714,000 (at 31 December 2015: RMB1,329,175,000), cash and cash equivalents of approximately RMB2,103,027,000 (at 31 December 2015: RMB1,910,351,000).

As at 30 June 2016, cash and cash equivalents of approximately 63% (at 31 December 2015: 80%), 36% (at 31 December 2015: 19%) and 1% (at 31 December 2015: 1%) were denominated in RMB, HKD and other currencies, respectively.

## Current liabilities

As at 30 June 2016, the current liabilities of the Group amounted to approximately RMB3,605,907,000 (at 31 December 2015: RMB2,687,421,000), comprising bank loans of approximately RMB2,218,788,000 (at 31 December 2015: RMB704,374,000), trade and other payables of approximately RMB1,346,803,000 (at 31 December 2015: RMB1,962,269,000), and current tax payable of approximately RMB40,316,000 (at 31 December 2015: RMB20,778,000).

## 流動資產

於二零一六年六月三十日，本集團之流動資產約為9,628,701,000元（二零一五年十二月三十一日：9,615,876,000元）（人民幣•下同），其中包括存貨約為6,086,960,000元（二零一五年十二月三十一日：6,376,350,000元）、應收貿易賬款及其它應收賬款約1,438,714,000元（二零一五年十二月三十一日：1,329,175,000元）、現金及現金等價物約2,103,027,000元（二零一五年十二月三十一日：1,910,351,000元）。

於二零一六年六月三十日，現金及現金等價物約63%（二零一五年十二月三十一日：80%）以人民幣計值，36%（二零一五年十二月三十一日：19%）以港元計值，1%（二零一五年十二月三十一日：1%）以其他貨幣計值。

## 流動負債

於二零一六年六月三十日，本集團之流動負債約3,605,907,000元（二零一五年十二月三十一日：2,687,421,000元）（人民幣•下同），其中包括銀行貸款約2,218,788,000元（二零一五年十二月三十一日：704,374,000元）、應付貿易賬款及其它應付賬款約1,346,803,000元（二零一五年十二月三十一日：1,962,269,000元）、本期應繳稅項約40,316,000元（二零一五年十二月三十一日：20,778,000元）。

## Capital structure

The Company's capital structure is composed of issued share capital, reserves and accumulated profits. As at 30 June 2016, the issued share capital of the Company was 4,779,810,959 shares (at 31 December 2015: 4,779,810,959 shares), with reserves and accumulated profits of RMB6,089,210,000 (at 31 December 2015: RMB5,907,946,000) in total.

## Material investment, acquisition and disposal

Save as disclosed in the notes to the financial statements, there was no material acquisition or disposal of subsidiaries, associates and joint ventures during the period under review.

Save as disclosed in the notes to the financial statements, there was no other significant investment held by the Company during the period under review.

## Dividends

The Board does not recommend the payment of any interim dividend for the period ended 30 June 2016.

## 資本結構

本公司的資本結構包括已發行股本、儲備及累計溢利。於二零一六年六月三十日，本公司已發行股本為4,779,810,959股（二零一五年十二月三十一日：4,779,810,959股）；儲備及累計溢利總額為人民幣6,089,210,000元（二零一五年十二月三十一日：人民幣5,907,946,000元）。

## 重大投資、收購及出售

除財務報表附註所披露之外，本公司於回顧期內概無附屬公司、聯營公司及合營企業重大收購或出售。

除財務報表附註所披露之外，本公司於回顧期內無持有其他重大投資。

## 股息

董事會不建議派發截至二零一六年六月三十日止之中期股息。

## II. Business Review

During the period under review, the Group's business primarily focused on the retail and distribution of internationally renowned branded watches, comprehensive related customer services and maintenance, watch accessories manufacturing and e-commerce in the Greater China region with a core presence in Mainland China and Hong Kong.

### Retail Network

The Group's retail network spanned across the Greater China region where retail stores mainly included "Prime Time"/"Hengdeli", "Elegant", and certain single-brand boutiques. "Prime Time"/"Hengdeli" is mainly located in Mainland China and Taiwan, selling mid-end and mid-to-high-end internationally renowned brands, while "Elegant" is mainly located in Hong Kong, selling high-end internationally renowned brands. During the period under review, after adjustments and optimization, the Group operated a total of 470 retail outlets in Mainland China, Hong Kong, Macau and Taiwan as at 30 June 2016, as detailed below:

## 二、業務回顧

回顧期內，本集團之業務主要專注於以中國內地及香港為主的大中華區國際名錶零售與分銷及全面的相關客戶服務暨維修、手錶配套產品製造、電子商務等。

### 零售網絡

本集團零售網絡遍及大中華地區，其零售店類型主要包括「盛時錶行」／「亨得利」、「三寶名錶」以及單一品牌專賣店。「盛時錶行」／「亨得利」主要設於中國內地和台灣地區，銷售中檔和中高檔國際名錶；「三寶名錶」則主要設於香港等地區，銷售高檔國際名錶。回顧期內，經調整及優化，截至二零一六年六月三十日止，本集團在中國內地、港澳地區及台灣地區合共經470間零售門店，其佈局詳情基本如下：

### As at 30 June 2016

截至二零一六年六月三十日止

		Mainland China 中國內地	Hong Kong and Macau 港澳	Taiwan 台灣	Total 總計
Prime Time/ Hengdeli	盛時錶行/ 亨得利	353	4	33	390
Elegant	三寶名錶	13	5	1	19
Brand boutiques	品牌專賣店	31	12	18	61
<b>Total</b>	<b>總計</b>	<b>397</b>	<b>21</b>	<b>52</b>	<b>470</b>



As a pacesetter in the retail sales of internationally renowned watch brands in the world, the Group has maintained sound business relationships with many world-renowned brand watch suppliers over the years, including SWATCH Group, LVMH Group, RICHEMONT Group, ROLEX Group and KERING Group, etc. As at 30 June 2016, the Group was engaged in the distribution of over 50 international brands from the above five major brand suppliers and other independent watchmakers, including Breguet, Bulgari, Cartier, Girard-Perregaux, Harry Winston, IWC, Jaeger-LeCoultre, Longines, Mido, Omega, Parmigiani Fleurier, Rolex, Tissot, Vacheron-Constantin, Zenith, etc. During the period under review, the Group continued to step up its efforts in aligning mid-end and mid-to-high-end brands in both Mainland China and Hong Kong to enhance its brand portfolio, paving the way for long-term business development and stabilizing overall sales performance.

Overall speaking, the business environment in the first half of 2016 was similar to that of the year of 2015 in terms of sales of renowned watches. Under an “L” market trend, the shopping locations and consumption patterns of Mainland China consumers have become increasingly diversified and the growth pattern and momentum of the jewelry and watch industry has plunged into deep adjustment. Businesses were faced with loss of customers and rise of labor cost. All of the above aggravated the harsh sales environment

作為全球國際名錶零售的領軍企業，多年來，本集團與眾多國際著名手錶品牌供應商一直保持良好的合作關係，其中包括斯沃琪集團、路威酩軒集團、歷峰集團、勞力士集團及開雲集團等。截至二零一六年六月三十日止，本集團共經銷含上述五大品牌供應商所屬及其他獨立制錶人所屬之超過50個國際知名品牌，包括：寶璣、寶格麗、卡地亞、芝柏、海瑞溫斯頓、萬國、積家、浪琴、美度、歐米茄、帕瑪強尼、勞力士、天梭、江詩丹頓、真力時等。回顧期內，本集團仍致力在中國內地及香港等地分別加強中檔和中高檔品牌的調整，不斷優化品牌組合，以有利於業務的長遠發展和整體業績的穩定。

整體來看，上半年名錶銷售方面的經營環境與二零一五年大致相若。在市場形勢呈現「L」型狀態的背景下，中國內地消費者消費地點和消費模式日趨多樣化，鐘錶珠寶行業的增長結構與動力仍在深度調整期。一方面消費客戶不斷流失，而另一方面人工成本等還在不斷攀升。此等令集團大中華區整



generally in the Greater China region. Against such a backdrop, the Group placed emphasis on refinement of business management and promotion of operating efficiency. During the period under review, the Group continued to take measures such as making structural adjustment, optimising inventory and strengthening operations, and at the same time bolstered its scientific management in order to promote a more comprehensive competitiveness which in turn helped secure steady sales. The overall sales was still within reasonable range despite slowing down.

### **Mainland China**

The Group has developed a comprehensive and fully-fledged network of retail outlets in Mainland China, with a broad presence in key regions including Beijing, Shanghai, Zhejiang, Jiangsu, Henan, Shanxi, Hubei, Northeastern and Southwestern China where its market share has been concentrated and stable. Meanwhile, the Group's market shares in Central, Southern and Northwestern China as well as other regions are on the rise, thus improving our market position in those regions.

The retail outlet "Prime Time" has been positioned to sell mid-end and mid-to-high-end internationally renowned branded watches in Mainland China. This marketing strategy is mainly designed to cater for the actual demand of Mainland consumers and complement the Group's high-end watch business strategy in Hong Kong. As at 30 June 2016, the Group had 397 retail outlets in Mainland China, including 353 "Prime Time" shops. The Group's "Elegant" shops, which are mainly image stores and sell high-end watches, have a relatively small coverage in Mainland China. Most of the 13 "Elegant" shops are located in first-tier developed cities such as Shanghai, Beijing, Hangzhou, Nanjing, Shenyang and Chengdu, with no new shop has been opened during the period under review.

體銷售環境極為嚴峻。在此環境中，業務管理的精細化及經營效率的提升是本集團的工作重點。回顧期內，本集團繼續採取調結構、優庫存、練內功等措施，加強科學管理，提升綜合競爭力，千方百計保持銷售的平穩。雖整體銷售有所放緩，但尚處於合理區間。

### **中國內地**

本集團於中國內地零售門店佈局合理，基本完整。在北京、上海、浙江、江蘇、河南、山西、湖北、東北三省、西南諸地等重點區域覆蓋面較廣，市場份額控制集中而穩定；而在華中、華南及西北等地區的份額也日趨增大，市場地位日顯重要。

銷售中檔和中高檔國際名錶的「盛時錶行」是本集團在中國內地的零售門店品牌。以中檔和中高檔品牌為主之銷售策略，主要是考慮到中國內地消費水平的實際需求，及與集團香港等地高端手錶業務策略的互補定位。截至二零一六年六月三十日止，集團在中國內地共經營397間零售門店，其中「盛時錶行」為353間。本集團旗下從事高端名錶銷售的「三寶名錶」主要為形象店，其在中國內地的覆蓋區域相對較少，共有13間，主要集中於發達的一線城市，如上海、北京、杭州、南京、瀋陽、成都等地，回顧期內並未有新增。

During the period under review, the Group's operating strategy continued to take effect since operating environment in Mainland China did not incur major changes compared to that of last year. The strategy involved a core operational principle of "maintaining steady sales and profit, and promoting inventory structure enhancement in full swing", and the retail region management structure adjustment aimed at "leanness, professionalism and efficiency" was further expedited. The Group kept pace with the market adjustment to integrate retail outlets and furthered its refined management for better performance of individual outlets; and continued to step up its efforts in streamlining outlets in the first-tier market and high-end watch retail market, and reasonably adjusted its brand portfolio and enhanced its inventory structure in response to the changing market conditions in a timely manner; the Group also enhanced the sales skills of frontline staff and improved customer management at outlets.

As the shopping locations and consumption patterns of consumers have been changing, consumption motivation has shifted from business related purpose to personal use and consumers have become more price sensitive than ever. The pressure on prices due to the availability of overseas surrogate shopping, electronic platform and other channels has led to exceptionally fierce market competition. Meanwhile, given the relatively favourable performance achieved in the first half of last year, despite the Group's various efforts, we were unable to stem the decline in sales as affected by the adverse macro condition and subdued consumer demand. Retail sales from Mainland China decreased by 10.5% as compared with that of the previous year. However, the Group's inventory turnover, account receivables and other indicators remained stable as a result of effective operation strategies and enhanced management skills. Besides, the comprehensive launch of an integrated system consisting of interactive platforms such as O2O, CRM system, WeChat and Weibo facilitated the sales by

回顧期內，中國內地的經營環境較去年未有較大改變，因此本集團之運作策略也仍在延續。「保持銷售和利潤的相對平穩，全力推進庫存結構優化」為核心經營思路，「精幹、專業、高效」的零售區域管理架構調整進一步推進。利用市場調整時機整合零售店舖，深入精細化管理，努力提升單店質素；不斷加大力度對一線市場和高端手錶終端進行梳理，根據市場實際情況及時合理地調整經銷品牌組合，優化庫存結構；強化一線人員銷售能力及優化門店客戶管理。

由於消費者的消費地點和消費模式的不斷變化，消費特徵從商務需求向自用需求轉變，消費者對價格敏感性比以往更高。海外代購、電子平台等渠道帶來的價格衝擊，使得市場競爭異常激烈。再加上受去年上半年的基數相對較高等影響，儘管做出諸多努力，但集團仍無法改變宏觀環境和需求低迷等帶來的銷售下滑。與去年同期相比，中國內地零售下降了10.5%。但亦因經營策略得當，管理水平的不斷提升，商品周轉、應收賬款等經營指標得以保持平穩。此外，O2O、CRM系統、微信、微博等互動等平台之一整套體系的全面推進，使得線上線下引流銷售取得明顯的進步。自二零一五年末「盛時網」全面上線，截至二

ways of guiding the flows of people to shop online. At the end of 2015, "censh.com" was comprehensively put online. Since then and till 30 June 2016, approximately 200 outlets of the Group have adopted the booking for try-on service system of "censh.com" and the sales from the booking for try-on service and the total number of the service orders have increased rapidly. These have helped stabilize the Group's market share in Mainland China and paved the way to sustainable growth in the mid-to-long-term.

The new normal phase with accelerating urbanization process and burgeoning middle class in Mainland China have provided a favourable precondition for a sound growth momentum of the mid-end brands. Therefore, the sales strategy of targeting at mid-end and mid-to-high-end internationally renowned branded watches will still be the major direction of the Group in Mainland China in the short-to-mid-term in the foreseeable future.

## Hong Kong

The Group's retail business in Hong Kong mainly focuses on high-end brands, including Blancpain, Breguet, Bulgari, Cartier, Chopard, Dewitt, Franck Muller, Girard-Perregaux, Harry Winston, IWC, Jaeger-LeCoultre, Omega, Panerai, Parmigiani Fleurier, Piaget, Vacheron-Constantin, Zenith, etc. The sales of such high-end brands fully complemented our retail business in Mainland China and Taiwan, thus creating good synergy. To adapt to the change in the mix and consumption patterns of visitors in recent years, the Group also started to deploy multi-layer brand positioning in Hong Kong, introducing certain mid-end brands in order to expand market share and maintain its leading position in Hong Kong.

二零一六年六月三十日止，集團已有線下約200間門店運用盛時網預約試戴服務體系，完成預約到店銷售額及總訂單數發展迅速。此等穩定了集團在中國內地的市場份額，有利於集團中、長期的健康發展。

中國內地新常態化的經濟形勢、城市化建設的加快以及中產階層的快速成長等，為中檔品牌的較好增長提供了有利的先決條件。故，在可預計的未來，中檔和中高檔國際名錶銷售策略仍將是集團於中國內地短、中期的主要方向。

## 香港地區

本集團在香港的零售定位主要為高端品牌，包括寶珀、寶璣、寶格麗、卡地亞、蕭邦、Dewitt、法穆蘭、芝柏、海瑞溫斯頓、萬國、積家、歐米茄、沛納海、帕瑪強尼、伯爵、江詩丹頓、真力時等。這些高端品牌與中國內地及台灣地區的零售業務具有較充分的互補性，產生了良好的協同效應。為適應近年到港人士結構及消費模式的變化，集團在香港也開始進行多層面的品牌佈局，適當引進了部份中檔品牌，以期擴大市場份額，保持集團在香港的領先地位。

As at 30 June 2016, Elegant operated a total of 17 retail outlets in Hong Kong, of which 5 were multi-brand “Elegant” shops and the rest were single-brand boutiques or image stores. Currently, the shops operated by the Group in Hong Kong are mainly located in prime commercial districts such as Tsim Sha Tsui, Central, Causeway Bay and Shatin.

As compared with last year, the operating environment in Hong Kong did not incur major changes. Amidst the macro economic constraints, Hong Kong’s retail sector was still lackluster during the period under review, as witnessed by continued weakness of consumer demand for high-end brands. According to the Census and Statistics Department of Hong Kong, Hong Kong has experienced a decrease in its retail sales for consecutive 15 months, during which high-end consumer goods, such as timepieces, jewelry and precious gifts, performed the weakest. Under the dismal overall conditions, sales of Elegant decreased by 15.6% as compared with that of the previous year. In addition, as operation costs such as rental expenses had not followed the market with significant changes, profit has also decreased. However, sales of Elegant was still promising with the Group’s extensive, solid and loyal client base in Hong Kong, the interaction between retail outlets in Mainland China and Hong Kong, the favorable cooperation with brand suppliers, as well as the comprehensive after-sale service network across the Greater China region which provided assured after-sale warranty for Mainland tourists shopping in Hong Kong.

於二零一六年六月三十日，香港三寶公司合共經17間零售門店，其中5間為多品牌的「三寶名錶」店，其餘均為單品牌專賣店或形象店。集團現時在香港的門店主要集中在尖沙咀、中環、銅鑼灣及沙田等一線商業地段。

與去年相比，香港經營環境沒有較大變化。受制於經濟大環境等其他方面的影響，回顧期內，香港零售行業仍然低迷，消費者購買高端品牌的意欲仍舊疲弱。據香港政府統計處公佈的數字顯示，香港零售業已經連續下跌15個月，當中以高檔消費品，如鐘錶、珠寶等名貴禮品業最為疲弱。在整體環境不景氣的狀態下，香港三寶銷售與去年同比下降了15.6%。另因租金等經營成本尚未跟隨市場發生明顯改變，導致其利潤亦有下降。但憑借集團在香港地區廣泛及深厚的忠實客戶基礎、中國內地與香港兩地零售網點的互動、與品牌供應商良好的合作關係、大中華區全方位的售後服務為內地遊客在香港地區購物提供放心的售後保障等有利條件，香港三寶的銷售仍有潛力。

Elegant focused on refined management during the period under review, including merging of single-brand boutiques to lower cost while strengthening the staff training at different levels and enhancing the knowledge in watches and the service standards of the frontline staff. Efforts were also made to upgrade the management model and build up a talent pool to foster a world-class professional sales force for expanding market share. During the period under review, Elegant relocated a single-brand boutique of A. Lange & Söhne to the outlet at International Finance Centre in order to reduce rental costs. Meanwhile, Elegant continued to strengthen its marketing campaigns. Resources were committed to collaborating more closely with a broadened portfolio of international brands in advertising, VIP events and other promotional activities. Social networking platforms such as Facebook, Weibo and WeChat were developed to establish and maintain sound interaction with consumers, aiming to enhance their awareness of and loyalty for Elegant and hence uplift the international reputation of “Elegant” brand.

In light of the adjustment stage of the high-end consumer goods industry in Hong Kong, we anticipate that rental costs may start to decline in the second half of the year. Elegant will, by capitalising on its strengths, follow the pace of the market, identify opportunities, save cost and generate income to capture more market share and improve profitability under the adverse market condition.

回顧期內，香港三寶將主要精力置於精細化的營運管理，一方面通過合併專賣店舖以降低經營成本，另一方面不斷加強各層面員工的培訓，提高前線人員鐘錶知識及服務水平，加強梯隊建設，致力革新管理模式，全力打造國際一流專業化的銷售團隊，積蓄力量，以爭取更大的市場份額。於回顧期內，三寶公司遷移了一間朗格專門店至位於國際金融中心的綜合店，以降低租金成本。同時，香港三寶亦不斷加強市場營銷。在市場推廣上積極投入資源，與更多國際品牌商在廣告、貴賓活動及其他宣傳活動中更緊密合作；及通過FACEBOOK、微博、微信等社交網絡平台，廣泛與消費者建立並保持良好的互動，以提升其對香港三寶的認知度，加強客戶的忠誠度，從而提高「三寶名錶」品牌的國際知名度。

目前，香港高檔消費品行業仍處於調整期，預料下半年在租金成本等方面將會有所改善。香港三寶將憑藉自身優勢，跟隨市場步伐，時刻把握商機，開源節流，在逆市中爭取更多的市場份額，以提升利潤空間。



## Taiwan

The Group's retail business in Taiwan was in the process of network building and nurturing. Clinging to a similar sales strategy as in Mainland China, the Group focused on the sales of mid-end and mid-to-high-end watches in Taiwan. The Group operated a total of 52 retail outlets in Taiwan as at 30 June 2016, mainly located in prime districts including Taipei, Taichung, Kaohsiung, Hsinchu and Chiayi. Except for one "Elegant" shop which sells top-end watches and certain single-brand boutiques, all other retail outlets are "Hengdeli" shops which sell mid-end and mid-to-high-end watch brands like Certina, Hamilton, Longines, Rado, TAG Heuer and Tissot, etc.

During the period under review, the sales in Taiwan remained stable and have not deviated much from previous year. Currently, the target consumers in Taiwan are mainly local customers. It is expected that Mainland tourists travelling to Taiwan and their consumption will be affected by a number of objective factors. Therefore, significant improvement in the sales of renowned watches in Taiwan will not be expected in the second half of the year.

## Watch Accessories Industrial Chain

The Group is devoted to the development of the watch accessories industrial chain in both upstream and downstream. After integration and overall arrangement for about two years, the Group has currently established a new business model comprising upstream and downstream operations of the watch accessories industrial chain mainly spanning from watchcase and watchband manufacturing, packaging products, to commercial space design, production and decoration. A number of our branches and subsidiaries have earned goodwill in their respective fields. A wide customer base covering China, Switzerland, the U.S. and other nations in the Asia Pacific region has been established. Co-operation with brand suppliers was very close and a good collaborative relationship with mutual trust and interest sharing has been formed.

## 台灣地區

集團於台灣地區的零售仍處於佈局及培養時期，其銷售策略與中國內地相同，主要以中檔和中高檔手錶為主。截至二零一六年六月三十日，集團在台灣總共經營52間零售門店，主要分佈於台北、台中、高雄、新竹及嘉義等主要地區。除一間銷售頂級手錶的「三寶名錶」及部份專賣店外，其他店舖均為銷售中檔和中高檔手錶的「亨得利」錶店，品牌主要包括雪鐵納、漢米爾頓、浪琴、雷達、豪雅、天梭等。

回顧期內，台灣銷售情況平穩，較去年未有較大變化。現主要銷售對象仍為當地顧客。預計，台灣地區現時諸多客觀因素將會影響到中國內地遊客赴台旅遊及消費，因而，下半年，台灣名錶銷售不會有明顯的改觀。

## 手錶配套產業鏈

本集團致力於手錶上下游配套產業鏈之建設。經過近兩年時間的整合與佈局，目前集團已基本形成了集手錶配套產業鏈上下游為一體的新型業務模式，主要涵蓋錶殼和錶帶製造、錶盒製作、商業空間設計及製作與裝修等，所屬多間公司均在各自的領域建立了良好的口碑；客戶覆蓋全國及至瑞士、美國、亞太區其他各國；與品牌商合作極為緊密，建立了互信、共享的良好合作關係。

During the period under review, the Group has increased its investment in watch accessories business, by expanding its production of watchcases and other items promoting watch sales. The Group has also expanded a watchband factory to achieve annual production of over a million pieces. At the same time, a breakthrough was made in the Group's export business which involved completion of sample manufacturing of the items promoting sales for several world-famous watch brands and the exportation of such items has commenced. The construction of information management system was further enhanced. Modernized office automation systems have been launched in branches and subsidiaries. Production automation has been updated timely and a corporate management system developed jointly with an ERP management company has been adopted gradually by branches and subsidiaries. During the period under review, although the sales of renowned watches were stagnant, the sales of the Group's watch accessories business increased as compared with the corresponding period of last year thanks to its tireless efforts, which further improved the overall market competitiveness of the Group.


In the second half of the year, the Group will further improve its industrial management and technology. In particular, opportunities in technological advancement concerning Industry 4.0 will be sought in order to promote the use of production automation and semi automation to raise labor productivity. The Group will seek to develop new technique and new products to satisfy market demand; on the other hand, it will deepen co-operation with brand suppliers. The Group is confident that the watch accessories business will turn into an important business arm of the Group and bring increasingly strong driving forces to the development of the Group.

回顧期內，手錶配套業務方面的投資正在不斷深入，除在對錶殼、手錶銷售道具等擴大再生產外，集團還斥資擴建了年產量逾百萬條的錶帶廠。與此同時，其出口業務也再有新的突破，業已完成多個國際知名品牌在手錶銷售道具等方面的打樣，並開始實現出口。信息管理系統建設進一步加強，現代化辦公系統在各分子公司全面鋪開、生產自動化適時更新、與ERP管理公司合作開發的企業管理系統已在各分子公司逐步導入。經過不懈努力，回顧期內，在名錶銷售整體不景氣的情況下，集團手錶配套業務的銷售額較去年同比仍有所上升，其整體市場競爭力再上台階。


下半年，本集團仍將在產業管理及技術方面進一步加強，緊跟工業4.0技術發展帶來的機會，推廣使用自動化及半自動化的生產技術以提高勞動生產率；不斷開發新的工藝和新的產品來滿足市場的需求；更進一步加強與品牌間的深度合作。本集團相信，手錶配套產業必將成為集團業務重要之一翼，為集團的發展注入越來越強大的推動力。




## E-Commerce

“censh.com” is a media-based e-commerce cross-platform of the Group that runs its major flagship  (www.censh.com). “censh.com” draws together a number of mobile internet software including WeChat, Weibo and other mobile communication applications and provides one-stop solution for six major functions, namely e-commerce, ERP, product data management, customer resources management, call center and WeChat by capitalising on advanced technology. It offers a comprehensive online to offline service experience to watch lovers.


During the period under review, the comprehensive launch of an integrated system consisting of interactive platforms such as O2O, CRM system, WeChat and Weibo facilitated the watch sales by ways of guiding the flows of people to shop online. At the end of 2015, “censh.com” was comprehensively put online. Since then and till 30 June 2016, approximately 200 outlets of the Group have adopted reservations for try-on service system of “censh.com” and the sales from the booking for try-on service and the total number of the service orders have increased rapidly. Meanwhile, the network platform of “censh.com” has achieved significant results in relation to the improvement of interaction between the watch sales of the Group and its customer services.

 inherits the values of “enthusiasm, innovation, mutual trust, self-actualization”. Unlike traditional e-commerce operators who stress “speed” and “low price”, “censh.com” is not only a website for interactive online and offline sales of watches, but also a personal assistant for consumers to buy watches. Meanwhile, it is also a platform for communication among customers and a culture carrier for the dissemination of the watch culture. Its emphasis is on “experience”, “authenticity” and “service” and its missions are to provide the most accurate and most thoughtful services to consumers and to diffuse the ideas of buying watches as gifts, as tokens, and a way to pursue stylish life.

## 電子商務

「盛時網」是本集團旗下的跨平台網絡媒介電商，以  (www.censh.com) 為旗艦，「盛時網」結合微信、微博及手機應用程序等移動互聯網軟件，以先進的科技打通電商、企業資源計劃、產品數據管理、客戶資源管理、呼叫中心 and 微信六大環節，為廣大鐘錶愛好者提供從線上到線下的全方位服務體驗。

回顧期內，O2O、CRM系統、微信、微博等互動平台之一整套體系的全面推進，使得集團線上線下手錶引流銷售取得明顯的進步。自二零一五年末「盛時網」全面上線，截至二零一六年六月三十日止，集團已有線下約200間實體門店運用「盛時網」預約試戴服務體系，完成預約到店銷售額及總訂單數發展迅速。同時，盛時網絡平台在集團手錶銷售與客戶服務業務的互動提升方面也有明顯成效。

 秉承「激情、創新、互相信賴、成就自我」的價值觀，有別於傳統意義的電商追求「快」和「便宜」，它既是一個線上線下手錶銷售互動的網站，更是消費者的手錶管家；同時也是一個客戶通聯的信息平台和手錶文化傳播的文化載體，講究「體驗」、「保真」和「服務」，旨在為消費者提供最直接、最貼心服務。其承載着向消費者傳遞鐘錶禮物、信物、時尚生活的人文使命。

## Customer Service and Maintenance

“Cutting-edge technology, joint warranty network, efficient management, and considerate services” are the solemn commitments made by the Group to consumers.

As the top-notch leading retail group for internationally renowned watch brands, the customer service network of the Group has been integrated and is comprehensive. Coupled with the continuing training provided by brand suppliers to the Group's technical personnel, the human resources policy of recruiting talents worldwide has always ensured the Group to have its own elite technicians and stay at the cutting edge of maintenance expertise internationally. The warranty covering the Greater China region including Mainland China, Hong Kong, Macau and Taiwan, as well as the interactive customer service network consisting of “repairs and maintenance service centres”, “repair service stations” and “repair service points”, ensure the delivery of widespread all-round services to customers. The service hotline 4008 acts as the Group's centralised customer service channel for the general public, offering timely advice and providing customers with assurance and confidence.

## 客戶服務暨維修

「技術先進、網絡聯保、管理高效和服務貼心」是本集團之於消費者的鄭重承諾。

作為最具領導地位的國際名錶零售集團，本集團之客戶服務體系全面完整。品牌供應商給予集團技術人員的持續培訓以及國際範圍人才招聘的人力資源政策，確保集團能夠始終擁有精英技師及保持國際最先進的維修技術；以中國內地、港澳及台灣等大中華區域聯保方式以及「維修服務中心」、「維修服務站」及「維修服務點」三個層面的交互式客戶服務網絡，確保為客戶提供最廣泛的全方位服務；4008服務熱線，作為集團客戶服務統一對外的窗口，以及時快捷的諮詢確保給予客戶最貼心的信心保障。




High-calibre maintenance technicians are the foundation of the Group's customer services. During the period under review, the Group designated maintenance technicians to attend overseas training courses for a number of times, and maintained good partnerships with brand suppliers in Switzerland and watch maintenance technical schools in foreign countries like Sweden and Japan, so as to secure consistent supply of high-calibre maintenance technicians. Also, the scale of maintenance technical training courses in China was also expanded, with overseas senior technicians in charge of course planning and teaching, so as to provide stringent training for the front-line maintenance technicians in a timely and phased manner. As a result, the Group's high level customer services on par with the international standards are guaranteed.

During the period under review, the integration of customer services of the Group was further deepened. The information system of customer service management (CSMS) was officially put online and a unified brand image of customer service  was gradually improved in all regions. Besides the repair and maintenance centres in Beijing, Shanghai and Hong Kong, the Group has been establishing repair and maintenance centres in provincial capital cities in order to provide more convenient services to consumers. Regional expansion of our service network has been speeded up and become more efficient. As a result, regional sales increased soundly as compared with the corresponding period last year.

Both for brand suppliers and consumers, more emphasis is being put on the integration of the global services of internationally renowned watch brands. As the linking bridge between brand suppliers and consumers, the Group has continued to win their confidence with comprehensive service coverage. Capitalising on its large online warranty system and high-tech service quality, the Group continues to broaden and deepen the cooperation with these

高素質的維修技術人員是本集團客戶服務之根本。回顧期內，集團多次選派維修服務人員赴國外接受培訓；始終保持與瑞士品牌供應商及瑞典、日本等國的鐘錶維修技術學校間的良好合作，以持續提供高素質的維修技工；同時，國內維修技術培訓班規模也在不斷擴大，由外籍資深技術人員主管策劃與教學，對前線維修技術人員進行及時和分段式的嚴格訓練。此等確保了集團客戶服務高水平的國際標準。

回顧期內，集團客戶服務整合工作進一步深化，客戶服務管理(CSMS)信息系統正式上線，統一的客戶服務品牌形象  正在各區域逐步完善。為了更加貼近消費者，除北京、上海、香港等維修中心外，各省會級維修中心正在逐步建立，服務網點區域性的拓展也更加迅猛而高效。隨之，區域營銷較去年同期均有較好的提升。

無論是對於品牌供應商，還是對於消費者而言，國際名錶全球一體化的服務都日趨重要。作為品牌供應商和消費者之間的紐帶和橋梁，本集團強大的服務體系不斷贏得品牌供應商和消費者的信心。基於本集團龐大的網絡聯保體系和高技術的服務水平等，集團與品牌間



brands. During the period under review, the Group also entered into watch maintenance agent agreements with six brands of MGI, namely Coach, Hugo Boss, Juicy Couture, Lacoste, Scuderia Ferrari and Tommy Hilfiger. As at 30 June 2016, the Group has become the maintenance agent for 72 international brands such as brands from the SWATCH Group and LVMH Group, of which the Group is the exclusive maintenance agent for 48 brands.

## Brand Distribution

The Group has about 400 wholesale customers in over one hundred cities across China, distributing and exclusively distributing world-famous branded watches including Hamilton, Certina, Balmain, Tissot, Mido, and CK.

In the brand distribution business, the Group has always adjusted the brands distributed timely and sought cooperation with brand suppliers and retailers by adopting the most market-oriented approach, leveraging each other's strengths to strive for a coordinated division of labour in the integration of sale and supply. During the period under review, the total value of brand distribution by the Group continued to slow down in light of the difficult market environment. Nonetheless, the Group worked closely with brand suppliers to respond to the changing market by actively adjusting brand distribution strategies and streamlining and improving inventory mix for a healthy and sustainable development of the brands in Mainland China. At the same time, based on joint market research, a number of incentive policies more closely aligned with market needs and sales plans tailor-made based on regional characteristics were developed, in order to provide retailers with more comprehensive and caring services to stimulate their enthusiasm in the retail end.

廣度與深度的密切合作不斷深入。回顧期內，集團又與MGI旗下的6個品牌：蔻馳、雨果•博斯、橘滋、拉科斯特、法拉利和湯米•希爾費格等簽署了維修代理協議。截至二零一六年六月三十日止，本集團已成為分別隸屬於斯沃琪、路威酩軒等國際集團之72個國際品牌的維修代理，其中獨家維修代理48個。

## 品牌分銷

本集團在遍佈中國的逾百個城市中擁有約400家批發客戶，分銷及獨家分銷多個國際知名品牌手錶，包括漢米爾頓、雪鐵納、寶曼、天梭、美度、CK等。

在品牌分銷業務中，本集團始終以最貼近市場的方式適時調整分銷品牌、積極尋求與品牌供貨商和零售商的合作，利用各方優勢努力達至供銷一體化的分工協作。回顧期內，在嚴峻的市場環境下，集團整體分銷額繼續放緩。但集團與品牌供應商共同面對市場的變化，通力協作，積極調整品牌分銷策略、梳理和改善品牌庫存結構，力求各品牌在中國內地的健康及長遠發展。同時，雙方還共同研究市場，制定出更加切合市場需要的多項激勵政策、更加貼近區域特點的多種銷售方案等，為零售商提供更加全面而貼心的服務，以提高其終端銷售的積極性。



The Group has maintained strong partnerships with brand suppliers as well as numerous retailers. Backed by their extensive and tremendous support, the Group has achieved harmonious and mutually beneficial development.

### III. Social Responsibility and Human Resources

As the cornerstone of its corporate management and social responsibility, the Group has always been advocating the entrepreneurship spirit of “mutual respect, shouldering responsibility, close collaboration and ongoing innovations” under the people-oriented core value.

As at 30 June 2016, the Group had a total of 8,642 (at 30 June 2015: 9,306) employees in Mainland China, Hong Kong and Taiwan. The Group is always committed to developing and adding value to human resources. The Group implements a standard recruitment system and allocates resources to training of various kinds for managerial staff, front-line service staff and maintenance technicians, which covers, among others, the art of management, sales skills, brand knowledge and service awareness, with an aim to enhance the knowledge, marketing skills and service capability of our staff. The Group also works with our brand suppliers to provide front-line service staff and maintenance technicians with regular training in brand knowledge and maintenance expertise.

The Group offers a competitive remuneration package and various incentives to all employees, and regularly reviews the structure of relevant mechanisms to cope with corporate development needs. Options and awarded shares are granted to the general management staff and associates of the Company in recognition of their contributions to the Group and as an incentive for their greater future commitment. The Group also offers other benefits to its employees, including pension plans, MPF plans, insurance schemes, housing and meal allowances.

本集團始終保持着與品牌供應商以及眾多零售商之良好的合作關係，得到了其廣泛及大力的支持，從而得以取得和諧共贏。

### 三、社會責任及人力資源

本集團一貫倡導「以人為本」的核心價值，提倡「相互尊重、勇於承擔、緊密協作、不斷創新」的企業精神，並以此作為企業管理和履行社會責任的堅實基礎。

於二零一六年六月三十日，本集團在中國內地、香港及台灣合共聘用8,642（二零一五年六月三十日：9,306）名員工。本集團一貫重視人力資源的開發及增值，採用規範化的招聘體系，並有計劃地投入資源於管理人員、前線服務員及維修技術人員的各類培訓，涵蓋範疇包括管理的藝術、銷售技巧、品牌知識及服務意識等，以提升其知識水平、營銷技能及服務能力；並與品牌供應商合作，常規性地對前線服務員及維修技術人員進行品牌知識及維修技術之培訓。

本集團提供具有競爭力的薪酬及各種激勵機制，並定期檢討有關機制架構，以更加適應企業發展之需。本集團向公司一般管理層及有關人士發出認股權證及獎勵股份，以表彰其對集團所作的貢獻，並激勵其今後為之更加努力。同時，本集團亦為僱員提供其它多種福利，包括退休金供款計劃、強積金、保險計劃、房屋及膳食等。

Under a solid human resources assurance system, the Group boasts a number of senior salespeople and senior repair technicians, and certain staff members were awarded the “Capital Labour Medal”, “Principal Technician of the City” and the “May 1st Labour Medal”.

The Group actively implements the concept of a “paperless” office by using an online office automation system to improve its administrative functions. Environmental protection is one of the top priorities for the Group’s sustainable development. During the period under review, subsidiaries of the Group’s industrial segment were in strict compliance with national regulations. Reports on pollutants were submitted regularly to environmental authorities as required. All pollutant emissions including sewage and gas passed annual inspection and met national standards.

As the largest internationally renowned branded watch retailer group in the world, the Group has maintained sound business relationships with many world-renowned watch brand suppliers over the years, including SWATCH Group, LVMH Group, RICHMONT Group, ROLEX Group and KERING Group. During the period under review, the Group was engaged in the distribution of over 50 internationally renowned brands from the above five major brand suppliers and other independent watchmakers. The branches and subsidiaries of the Group carried out strict quality control processes on products to align with national quality standards completely, fully safeguarding the interests of clients and consumers.

As a pacesetter in the timepiece industry, apart from its efforts in achieving business results and creating brand value, the Group spares no effort in making a presence in public welfare activities. The Group has conscientiously made contributions to education, healthcare, sports and other welfare undertakings through its donations to The Community Chest of Hong Kong, Po Leung Kuk of Hong Kong, Hong Kong Red Cross, Huangpu District Government of Shanghai and Xinhua Compassion Education Foundation in China.

在良好的人力資源保障體系中，本集團擁有多個高級銷售員及高級維修技師，並有多名員工獲得「首都勞動獎章」、「城市首席技師」及「全國五一勞動獎章」之殊榮。

本集團積極推行「無紙化」辦公，以網上辦公室自動化系統完善各項行政辦公職能。本集團將環境保護列為企業可持續發展的重中之重。回顧期內，集團工業板塊各分子公司嚴格遵守國家相關規定，定期按要求向環保局進行污染物申報，其污水、廢氣等污染排放監測結果均通過年檢，符合國家標準。

作為全球最大的國際名錶零售集團，多年來，本集團與眾多國際著名手錶品牌供應商一直保持良好的合作關係，其中包括斯沃琪集團、路威酩軒集團、歷峰集團、勞力士集團和開雲集團等。回顧期內，本集團合共經銷含上述五大品牌供應商所屬及其他獨立制錶人所屬之超過50個國際知名品牌。集團所屬分、子公司生產的產品均實施嚴格的質檢流程，完全符合國家質量標準，充分保證了客戶和消費者的利益。

作為鐘錶行業領軍企業，本集團在創造企業利益、實現品牌價值的同時也積極參與社會公益活動。通過香港公益金、香港保良局、香港紅十字會、上海市黃浦區政府、中國新華教育基金會等做出多次捐贈，在教育、醫療、體育等公益事業中做出了應有的貢獻。

## IV. Outlook

In the second half of 2016, due to various uncertainties, the global economy will remain sluggish. Meanwhile, the Chinese economy is at a crucial stage of transition from old to new growth drivers and a stage of economic transformation and upgrading, thus still suffering from heavy downward pressure. We do not anticipate significantly better sales of watches in the Greater China region as compared with the first half of 2016. However, the Group will benefit from the favourable long-term fundamentals in economic development in China, the gradual recovery in consumption power of Mainland China visitors to Hong Kong, and the rental adjustments. By continuously leveraging its core competitiveness, the Group will identify new opportunities to achieve breakthroughs and expand business despite the current headwinds and challenges.

Under the guidance of the philosophy of “pragmatic yet innovative”, the Group will keep moving forward by sticking to the principle of “maintaining stable and healthy growth and seeking sustainable development”. The Group will endeavor to keep its renowned watch sales healthy and stable and, on the other hand, will put more effort to facilitate the rapid development of watch accessories industrial chain. Meanwhile, the Group will put our heads together and all our efforts to explore, aiming to identify a new development mode, pursuant to which the Group can achieve steady and sustainable growth under the new normal, and generate greater value for the shareholders and the community at large.

## 四、未來展望

二零一六年下半年，諸多不穩定因素將令全球經濟繼續低迷，中國經濟正處在新舊動能接結轉換、經濟轉型升級的關鍵時期，故仍將面臨較大的下行壓力；我們預計大中華區手錶銷售市場之於上半年不會有更大的起色。但是，中國經濟發展長期向好的基本面尚未改變，內地人士赴港消費、租金變動等因素也將帶來利好。本集團將繼續憑借自身的核心競爭力，在困難和挑戰中尋找新的商機，謀求新的突破與壯大。

本集團將繼續堅持「平穩健康、持續發展」之原則，以「求實創新」的理念引領集團前行。一方面努力保持名錶銷售的健康與穩定，另一方面會再加大力度，謀求手錶配套產業鏈之業務的快速推進。同時，我們還將集思廣益、深入探索，謀求集團新的發展模式，開闢一條在新常態下穩中前行之長青之路，為股東和社會創造更高的價值。

# Report of Directors

## 董事會報告書

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations

As at 30 June 2016, the interests or short positions of each of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are deemed or taken to have under such provisions of the SFO); and were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員持有本公司或任何相聯法團股份、相關股份及債權證之權益及淡倉

於二零一六年六月三十日，董事及最高行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債權證中，擁有根據證券及期貨條例第352條紀錄於本公司須予存置之登記冊內之權益及淡倉；或根據證券及期貨條例第XV部第7及第8部份，須通知本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例的該等條文、彼被當作或視作擁有的權益或淡倉）；及根據上市規則所載上市公司董事進行證券交易的標準守則規定，須通知本公司及聯交所之權益及淡倉如下：

Name of Director 董事姓名	Nature of Interest 權益性質	Number of Shares 股份數目	Approximate Percentage 約百分比 (Note 2) (附註2)
Mr. Zhang Yuping 張瑜平先生	Interest of Controlled Corporation and Beneficial Owner (Note 1) 受控制法團權益及實益擁有人 (附註1)	1,581,340,501 (L)	33.08%
Mr. Huang Yonghua 黃永華先生	Beneficial Owner 實益擁有人	51,308,800 (L)	1.07%
Mr. Lee Shu Chung, Stan 李樹忠先生	Beneficial Owner 實益擁有人	820,000 (L)	0.02%

The letter "L" denotes the person's long positions in the Shares.

「L」代表有關人士於股份持有之好倉。

Note 1: Mr. Zhang Yuping owned 100% of the issued share capital of Best Growth International Limited ("Best Growth"), which in turn held 1,501,616,901 shares of the Company as at 30 June 2016. During the period under review, Mr. Zhang Yuping held 79,723,600 shares of the Company under his name. Accordingly, Mr. Zhang Yuping held 1,581,340,501 shares of the Company in aggregate, representing 33.08% of the issued share capital.

Note 2: Shareholding percentage is based on 4,779,810,959 issued shares of the Company as at 30 June 2016.

Save as disclosed above, as far as the Directors and chief executives of the Company were aware, as at 30 June 2016, none of the Directors and chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are deemed or taken to have under such provisions of the SFO); and were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

附註1：張瑜平先生擁有佳增國際有限公司（「佳增」）100%的已發行股本，而該公司於二零一六年六月三十日持有本公司1,501,616,901股份；張瑜平先生於回顧期內以個人名義持有本公司股份79,723,600股。故，張瑜平先生合共持有本公司股份1,581,340,501股，佔已發行股本的33.08%。

附註2：持股百分比乃根據二零一六年六月三十日本公司有4,779,810,959股已發行股份計算。

除上文所披露者外，於二零一六年六月三十日，據本公司任何董事及主要行政人員所知，董事及主要行政人員概無於本公司或其任何相聯法團的任何股份、相關股份或債權證中擁有根據證券及期貨條例第352條紀錄於本公司須予存置之登記冊內之權益及淡倉；或根據證券及期貨條例第XV部第7及第8部份，須通知本公司及聯交所之權益及淡倉（包括根據證券及期貨條例的該等條文、彼被當作或視作擁有的權益或淡倉）；及根據上市規則所載上市公司董事進行證券交易的標準守則規定，須通知本公司及聯交所之權益及淡倉。

## Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As far as the Directors were aware, as at 30 June 2016, the interests or short positions of the persons, other than Directors and chief executives of the Company, in the shares, underlying shares and debentures of the Company which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

## 主要股東持有本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一六年六月三十日，於本公司股份、相關股份及債權證中擁有根據證券及期貨條例第336條記錄，於本公司須予存置之登記冊內之權益或淡倉的人士（惟本公司之董事及最高行政人員除外）如下：

Name of Shareholder 股東姓名	Number of Shares 股份數目	Approximate Percentage 約百分比 (Note 7) (附註7)
Best Growth (Note 1) 佳增 (附註1)	1,501,616,901 (L)	31.42%
Mr. Zhang Yuping (Note 1) 張瑜平先生 (附註1)	1,581,340,501 (L)	33.08%
The Swatch Group (Hong Kong) Limited (Note 2) (附註2)	437,800,000 (L)	9.16%
The Swatch Group Limited (Note 2) (附註2)	437,800,000 (L)	9.16%
LVMH Watches & Jewelry Hong Kong Limited (Note 3) (附註3)	20,354,400 (L)	0.43%
TAG Heuer SA (Note 3) (附註3)	20,354,400 (L)	0.43%
TAG Heuer International SA (Note 3) (附註3)	20,354,400 (L)	0.43%
LVMH Asia Pacific Limited (Note 3) (附註3)	285,582,000 (L)	5.97%
Sofidiv SAS (Note 3) (附註3)	305,936,400 (L)	6.40%
LVMH SA (Note 3) (附註3)	305,936,400 (L)	6.40%



Name of Shareholder 股東姓名	Number of Shares 股份數目	Approximate Percentage 約百分比 (Note 7) (附註7)
Chengwei Evergreen Capital, LP (Note 4) (附註4)	288,972,699 (L)	6.05%
Chengwei Evergreen Management, LLC (Note 4) (附註4)	288,972,699 (L)	6.05%
CW HDL Limited (Note 4) (附註4)	288,972,699 (L)	6.05%
EXL Holdings, LLC (Note 4) (附註4)	288,972,699 (L)	6.05%
Li Eric Xun (Note 4) (附註4)	288,972,699 (L)	6.05%
Li Zhu Yi Jing (Note 4) (附註4)	288,972,699 (L)	6.05%
Harris Associates L.P. (Note 5) (附註5)	243,777,800 (L)	5.10%
China Life Reinsurance Company Ltd. (Note 6) (附註6)	73,670,000 (L)	1.54%
China Property & Casualty Reinsurance Company Ltd. (Note 6) (附註6)	168,951,000 (L)	3.53%
China Reinsurance (Group) Corporation (Note 6) (附註6)	242,901,000 (L)	5.08%
Central Huijin Investment Ltd. (Note 6) (附註6)	242,901,000 (L)	5.08%

The letter "L" denotes the person's long positions in the Shares.

「L」代表有關人士於股份持有之好倉。

Note 1: Mr. Zhang Yuping owned 100% of the issued share capital of Best Growth International Limited ("Best Growth"), which in turn held 1,501,616,901 shares of the Company as at 30 June 2016. During the period under review, Mr. Zhang Yuping held 79,723,600 shares of the Company under his name. Accordingly, Mr. Zhang Yuping held 1,581,340,501 shares of the Company in aggregate, representing 33.08% of the issued share capital.

Note 2: These 437,800,000 shares were held in the name of and registered in the capacity of The Swatch Group (Hong Kong) Limited as a beneficial owner. The entire issued share capital of The Swatch Group (Hong Kong) Limited was beneficially owned by The Swatch Group Limited. The Swatch Group Limited was taken to be interested in all the shares held by The Swatch Group (Hong Kong) Limited under the SFO.

Note 3: Among these 305,936,400 shares, 20,354,400 shares were held and registered in the name of LVMH Watches & Jewelry Hong Kong Limited and 285,582,000 shares were held and registered in the name of LVMH Asia Pacific Limited. The entire interest of LVMH Watches & Jewelry Hong Kong Limited was owned by TAG Heuer SA, and TAG Heuer International SA beneficially owned 100% interest in TAG Heuer SA. Sofidiv SAS beneficially owned 100% interest in each of TAG Heuer International SA and LVMH Asia Pacific Limited. LVMH SA owned 100% interest in Sofidiv SAS.

附註1：張瑜平先生擁有佳增國際有限公司（「佳增」）100%的已發行股本，而該公司於二零一六年六月三十日持有本公司1,501,616,901股份；張瑜平先生於回顧期內以個人名義持有本公司股份79,723,600股。故，張瑜平先生合共持有本公司股份1,581,340,501股，佔已發行股本的33.08%。

附註2：該等437,800,000股股份為The Swatch Group (Hong Kong) Limited以實益擁有人名義登記且由其持有；The Swatch Group (Hong Kong) Limited之全部已發行股本由The Swatch Group Limited實益擁有；根據證券及期貨條例，The Swatch Group Limited視作於The Swatch Group (Hong Kong) Limited持有之所有股份中擁有權益。

附註3：該等305,936,400股股份分別由LVMH Watches & Jewelry Hong Kong Limited以其名義登記及持有當中20,354,400股及LVMH Asia Pacific Limited以其名義登記及持有當中285,582,000股。TAG Heuer SA持有LVMH Watches & Jewelry Hong Kong Limited之100%權益，而TAG Heuer International SA全資實益擁有TAG Heuer SA，Sofidiv SAS實益擁有TAG Heuer International SA及LVMH Asia Pacific Limited之100%權益；而LVMH SA則全資擁有Sofidiv SAS。

Note 4: According to the relevant information, these 288,972,699 shares were registered and held by CW HDL Limited in the capacity as beneficial owner. Chengwei Evergreen Capital, LP held 67.06% interest in CW HDL Limited. Chengwei Evergreen Management, LLC held 1% interest in Chengwei Evergreen Capital, LP. EXL Holdings, LLC held 31.7% interest in Chengwei Evergreen Management, LLC. Li Eric Xun (Li Zhu Yi Jing being his spouse) held 50% interest in EXL Holdings, LLC.

Note 5: According to the relevant information, Harris Associates L.P. held 243,777,800 shares of the Company in the capacity of investment manager.

Note 6: According to the relevant information, among these 242,901,000 shares, 73,670,000 shares were held and registered in the name of China Life Reinsurance Company Ltd., 168,951,000 shares were held and registered in the name of China Property & Casualty Reinsurance Company Ltd. and 280,000 shares were held and registered in the name of China Reinsurance (Group) Corporation as beneficial owner. Central Huijin Investment Ltd. held 71.56% interest in China Reinsurance (Group) Corporation, and China Reinsurance (Group) Corporation held 100% interest in each of China Life Reinsurance Company Ltd. and China Property & Casualty Reinsurance Company Ltd.

Note 7: Shareholding percentage is based on 4,779,810,959 issued shares of the Company as at 30 June 2016.

附註4：根據有關資料，該等288,972,699股股份由CW HDL Limited以實益擁有人身份登記並持有，而Chengwei Evergreen Capital, LP則持有CW HDL Limited 67.06%的權益，Chengwei Evergreen Management, LLC持有Chengwei Evergreen Capital, LP 1%的權益；EXL Holdings, LLC持有Chengwei Evergreen Management, LLC 31.7%的股份，Li Eric Xun (Li Zhu Yi Jing 為其配偶) 則持有EXL Holdings, LLC 50%的權益。

附註5：根據有關資料，Harris Associates L.P.以投資經理身份持有本公司243,777,800股股份。

附註6：根據有關資料，該等242,901,000股股份分別由China Life Reinsurance Company Ltd.以其名義登記及持有當中73,670,000股，China Property & Casualty Reinsurance Company Ltd.以其名義登記及持有當中168,951,000股及China Reinsurance (Group) Corporation (作為實益擁有人) 以其名義登記及持有當中280,000股。Central Huijin Investment Ltd.持有China Reinsurance (Group) Corporation之71.56%權益，而China Reinsurance (Group) Corporation 100%持有China Life Reinsurance Company Ltd.及China Property & Casualty Reinsurance Company Ltd.所有權益。

附註7：持股份百分比乃根據二零一六年六月三十日本公司有4,779,810,959股已發行股份計算。

Save as disclosed above, as at 30 June 2016, the Company had not been notified by any persons, other than Directors or chief executives of the Company, who had any interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## Dividend Distribution

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2016.

## Equity-linked Agreements

### Share Award Scheme

On 25 March 2015, a share award scheme (the "Share Award Scheme") was adopted by the Company to recognise the contributions of certain participants to the Company and to attract suitable personnel for the growth and further development of the Company.

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid for a term of ten (10) years commencing on the adoption date. The Board may select any participants, other than any excluded participants, for participation in the Share Award Scheme and determine the award amount for the purchase of the awarded shares to be awarded to the selected participants. The Board is entitled to impose any conditions (including a period of continued service within the Group), as it deems appropriate in its absolute discretion with respect to the entitlement of the selected participants to the awarded shares. No consideration for the awarded shares is needed to be paid by the selected participants to the Company. The Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share

除上文披露者外，於二零一六年六月三十日，本公司並無獲任何人士（本公司董事或主要行政人員除外）知會，其於本公司股份或相關股份中擁有任何須記錄於根據證券及期貨條例第336條存置的登記冊的權益或淡倉。

## 股息分派

董事會不建議派付二零一六年六月三十日止六個月之中期股息。

## 股份掛鈎協議

### 股份獎勵計劃

本公司於二零一五年三月二十五日採納股份獎勵計劃（「股份獎勵計劃」），以表揚若干參與人為公司所做出的貢獻，並吸引合適的人員以進一步推動本公司的發展。

除在董事會可能決定提前終止的規限下，股份獎勵計劃的有效期為採納日期起計十(10)年。董事會可挑選任何參與人（不包括被排除參與人）參與股份獎勵計劃及釐定授予入選參與人的購買獎勵股份的獎勵金額。董事會可全權酌情在其認為合適的情況下就入選參與人所享有的獎勵股份權利施加任何條件（包括於繼續為本集團服務的期限）。入選參與人不需要就獎勵股份支付任何代價予本公司。倘若進一步授予獎勵股份將致使董事會根據股份獎勵計劃所授予的股份面值超過本公司於採納日期已發行股本的10%，則不會做出進一步授予。根據

capital of the Company as at the adoption date. The maximum number of shares which may be awarded to a selected participant under the Share Award Scheme in a 12-month period shall not exceed 0.5% of the total issued share capital of the Company as at the adoption date or such number of shares as determined by the Board from time to time.

The Share Award Scheme shall terminate on the earlier of the 10th anniversary date of the adoption date or such date of early termination as determined by the Board.

During the period under review, the Company granted 6,252,000 awarded shares to the employees of the Group (3 of them being the executive Directors) on 22 April 2016. The closing price of the awarded shares of the Company on the reference date was HKD0.8. The vesting date of the awarded shares was 29 April 2016. Details of the grant of awarded shares are as follows:

股份獎勵計劃，授予選定參與人的股份數目於每12個月內最高不得超過本公司於採納日期已發行股本的0.5%，或董事會不時決定之股份數目。

股份獎勵計劃須於採納日期第十週年之日或董事會決定提早終止之日期（以較早者為準）終止。

回顧期內，本公司於二零一六年四月二十二日向本集團員工（其中三人為執行董事）授出獎勵股份6,252,000股，其參考日期收市價為港幣0.8元，歸屬日期為二零一六年四月二十九日。有關授出獎勵股份的具體情況如下：

		<b>Number of awarded shares (share) 獎勵股份數目（股）</b>
Independent third parties	獨立第三方	3,612,000
Connected persons	關連人士	
– Mr. Zhang Yuping	– 張瑜平先生	1,000,000
– Mr. Huang Yonghua	– 黃永華先生	820,000
– Mr. Lee Shu Chung, Stan	– 李樹忠先生	820,000
<b>Total</b>	<b>總計</b>	<b>6,252,000</b>

Details of the Share Award Scheme are set out in the announcements of the Company dated 25 March 2015 and 22 April 2016.

股份獎勵計劃之詳情載列於本公司日期為二零一五年三月二十五日及二零一六年四月二十二日之公告。

## Share Option Scheme

On 27 August 2005, a share option scheme (the "Old Share Option Scheme") was adopted by the Company to grant options to selected participants as incentives or rewards for their contributions to the Group.

Details of the options granted by the Company under the Old Share Option Scheme are as follows:

### Options granted in 2011

Name of grantee	Date of grant	Exercise period	Closing price of the shares immediately before the date of grant (HKD)	Number of options as at 1 January 2016	Number of options exercised during the period	Number of options cancelled during the period	Number of options or the share option scheme during the period	Number of options outstanding as at 30 June 2016	Percentage of
									options to the total share capital of the Company
Director	-	-	-	-	-	-	-	-	-
董事									
Other eligible participants	30 September 2011	30 September 2014 to 29 September 2016	2.66	2.71	385,000	-	-	385,000	0.008%
其他合資格參與者	二零一一年九月三十日	二零一四年九月三十日至二零一六年九月二十九日							
Total					385,000	-	-	385,000	0.008%
合計									

## 購股權計劃

本公司於二零零五年八月二十七日採納購股權計劃（「舊股權計劃」），可向選定之參與者授出購股權，作為彼等為本集團所作貢獻之獎勵或報酬。

有關於舊股權計劃下本公司授出購股權之詳情如下：

### 於二零一一年授出之購股權



At the annual general meeting held on 15 May 2015, the new share option scheme of the Company (the "New Share Option Scheme") was adopted conditionally and the Old Share Option Scheme was terminated on the date of the new one becoming unconditional and coming into effect, being 19 May 2015. Pursuant to the terms of the Old Share Option Scheme, any options which have been granted but not yet exercised or lapsed shall continue to be valid and exercisable in accordance with the terms of the Old Share Option Scheme.

The New Share Option Scheme was adopted by the Company to grant options to selected participants including but not limited to directors and employees of the Group as incentives or rewards for their contributions to the Group. Subject to any early termination as may be determined by the Board, the New Share Option Scheme shall be valid and effective for a term of ten (10) years commencing on the adoption date.

Under both the Old Share Option Scheme and the New Share Option Scheme, subject to the discretion of the Directors, there is no minimum period for which an option must be held before it can be exercised. Each option has a validity of maximum 10 years after which the option shall lapse. The total number of shares issued and to be issued upon exercise of the options granted to the eligible participants in any 12-month period must not exceed 1% of the shares in issue. The exercise price shall not be less than the higher of: (i) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of offer of that option; (ii) the average of the closing prices per shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of that option; and (iii) the nominal value of the shares.

於二零一五年五月十五日召開之股東週年大會，有條件採納新購股權計劃（「新購股權計劃」），而舊股權計劃亦於新購股權計劃成為無條件及生效當日（即二零一五年五月十九日）終止。根據舊股權計劃之條款，已授出但尚未行使或失效的任何購股權將按照舊股權計劃之條款繼續有效及可予行使。

本公司採納的新購股權計劃，可向選定之參與者（包括但不限於本集團董事及僱員）授出購股權，作為彼等為本集團所作貢獻之獎勵或報酬。除在董事會可能決定提前終止的規限下，新購股權計劃的有效期為採納日期起計十(10)年。

於舊購股權計劃及新購股權計劃下，受限於董事的酌情權，於購股權可行使前並無最短持有期的限制。各購股權之有效期最長為十年，其後將告失效。在任何為期12個月的時間內，行使已向每名合資格參與者授出之購股權時已發行及將予發行之股份總數不得超逾已發行股份之1%。行使價不得低於以下較高者：(i)於該購股權授出日期在聯交所刊發之每日報價表所列之股份收市價；(ii)緊接該購股權授出日期前五個營業日在聯交所刊發之每日報價表所列之股份平均收市價；及(iii)股份面值。

Under the New Share Option Scheme, the grantee shall accept the option within ten days from the date of the offer to grant the share option and pay HKD1.00 to the Company as consideration for the grant upon acceptance of the option.

As at 30 June 2016, the issued share capital of the Company was 4,779,810,959 shares and the number of the options outstanding was 385,000 shares (2015: 385,000 shares).

### Purchase, Sale or Repurchase of Securities

During the period under review, the Company repurchased USD127,372,000 aggregate principal amount of senior notes by way of offer at a purchase price of USD1,012.50 per USD1,000 principal amount of the senior notes, for a total consideration of USD132,619,000. The repurchased senior notes had been cancelled. In addition, USD7,200,000 of such notes had been repurchased but had not cancelled.

The senior notes were issued in 2013 and shall become due in 2018 with an interest rate of 6.25% per annum. As at 30 June 2016, the Company still held an aggregate principal amount of USD211,428,000 in the senior notes and was subject to the terms of the indenture governing the senior notes.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities as at 30 June 2016.

根據新購股權計劃，承授人需於本公司授出購股權建議的日期起計十日內接納，於接納購股權時，承授人須支付港幣1.00元予本公司作為有關購股權的授予之代價。

於二零一六年六月三十日，本公司已發行股本為4,779,810,959股，尚未行使的購股權為385,000股（二零一五年：385,000股）。

### 購買、出售或購回證券

於回顧期內，本公司以要約形式，按每本金額1,000美元優先票據1,012.50美元的購買價（總價132,619,000美元），購回本金額總數為127,372,000美元之優先票據。所購回之優先票據已註銷。另，亦有購回7,200,000美元之該等票據，但尚未完成註銷。

上述優先票據於二零一三年發行，二零一八年到期，年利息6.25%。截至二零一六年六月三十日，本公司仍持有該等優先票據本金總額211,428,000美元，並受限於規管優先票據的契約條款。

除上述披露外，截至二零一六年六月三十日止，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

## Disclosure of Information on the Websites of the Company and the Stock Exchange

An interim report for the six months ended 30 June 2016 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and published on the website of the Stock Exchange and the website of the Company in due course.

## Acknowledgement

The Directors would like to take this opportunity to express our sincere thanks to all the shareholders for their continuous support and to all our staff for their dedication and contribution to the Group during the reporting period.

## General Information

As at the date of this report, the executive Directors are Mr. Zhang Yuping (Chairman), Mr. Huang Yonghua and Mr. Lee Shu Chung, Stan, the non-executive Directors are Mr. Shi Zhongyang and Ms. Chen Jun and the independent non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai, William and Mr. Liu Xueling.

By Order of the Board

**Zhang Yuping**

*Chairman*

Hong Kong, 18 August 2016

## 在公司網站及聯交所網站披露資料

載有上市規則附錄十六所規定一切資料之截至二零一六年六月三十日止六個月中期報告將會寄發予本公司股東，並且於適當時候刊載於聯交所網站及本公司網站。

## 鳴謝

董事藉此機會感謝全體股東一直以來的鼎力支持，以及感謝本集團全體員工於報告期內為本集團付出之努力和貢獻。

## 一般事項

於本報告日期，本公司之主席兼執行董事為張瑜平先生；執行董事為黃永華先生及李樹忠先生；非執行董事為史仲陽先生、陳軍女士；及獨立非執行董事為蔡建民先生、黃錦輝先生及劉學靈先生。

承董事會命

*主席*

**張瑜平**

香港，二零一六年八月十八日

# Corporate Governance

## 企業管治

### Compliance with the Corporate Governance Code

### 遵守企業管治守則

The Company has always been committed to maintaining a high standard of corporate governance to ensure transparency, so that the interests of our shareholders and the cooperative development among our customers, employees and the Group can be safeguarded.

長期以來，本公司致力保持高標準的公司管治機制，確保集團較高的透明度，以保障全體股東之利益，並確保客戶、員工及集團的協調發展。

The Company has adopted the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules. The Company has in practice complied with the new requirements under the amendments to C.3.3 of the CG Code relating to risk management and internal control since 1 January 2016.

本公司已採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）。自二零一六年一月一日起，本公司已實際遵守企業管治守則第C.3.3條修訂版有關風險管理及內部控制的新規定。

The Directors are of the opinion that the Company complied with the CG Code during the period under review, except for a deviation from the provision A.2.1. Given the existing corporate structure, the roles of the chairman and chief executive have not been separated, and both are performed by Mr. Zhang Yuping. Although the roles and duties of the chairman and chief executive have been performed by the same individual, all major decisions would only be made (where applicable) after consultation with the Board. There are three independent non-executive Directors in the Board which is in compliance with the requirements of rules 3.10(1), 3.10(2) and 3.10(A) of the Listing Rules. All of them possess adequate independence and therefore the Board considers that the Company has achieved balance of power and provided sufficient assurance for scientific decision-making.

董事認為，本公司於回顧期內一直遵守企業管治守則，惟偏離守則A.2.1。鑒於現有企業結構，主席及最高行政人員之角色並無分開，均由張瑜平先生擔任。儘管主席及最高行政人員之角色責任乃歸屬一人，但所有重要決策均經諮詢董事會及經（在適用情況下）董事會作出。董事會有三名極具獨立性之獨立非執行董事，並符合上市規則第3.10(1)條、第3.10(2)及第3.10(A)條的要求。因此，董事會認為本公司已具備充分權力平衡及保障科學決策的作出。

## Corporate Governance Functions

In order to ensure the interests of our shareholders, the Board of the Company has procured the Group to establish departments dedicated to the supervision and risk control of finance and business operation. Such departments conduct audits and examination of all aspects and at all departments twice or thrice a year and participate into operating activities of the Group from time to time, so as to enhance internal control and ensure the sound development of the enterprise. The audit committee and the Board of the Company have reviewed the effectiveness of our internal control system to ensure to have regular face to face contact with the management at least twice a year and timely collect information. During the period under review, the audit committee and the Board have completed its annual review on the risk management and internal control systems (including their effectiveness) through communication with the head of finance and risk control department of the Group. Based on the reviews made by independent review organisations of the risk management and internal control systems of the Group, the Company considers that these systems are effective and adequate, and will continue to review the effectiveness of these systems as well as improve the internal administration and control systems of the Group if required.

### Audit Committee

The Company has established an audit committee in compliance with rule 3.21 of the Listing Rules. The audit committee of the Company comprises three independent non-executive Directors, with the primary duties of reviewing the accounting principles and practices adopted by the Company as well as material extraordinary items, and discussing about auditing internal controls and financial reporting matters, including reviewing the unaudited interim report for the period ended 30 June 2016.

## 企業管治職能

為確保股東利益，公司董事會已責成集團專門成立財務與業務風控及監督部門。該等部門每年2-3次對集團所屬各層面、各部門進行審計及稽查，並時時參與集團各項業務進行之中，以加強內部監控，確保企業健康發展。本公司審核委員會及董事會已審視本集團內部監控系統的有效性，並確保每年不少於兩次與管理層進行面對面溝通及適時調取各項資料。於回顧期內，審核委員會及董事會已通過與集團財務及風控部門負責人的溝通完成年度內對集團風險管理及內部監控系統（包括其有效性）的檢討。根據獨立審核機構對集團風險管理及內部控制體系所作出的檢討，本公司認為該等系統有效及足夠，但本公司將繼續審視該等系統的有效性並會在需要時進一步完善本集團的內部管理以及監控制度。

### 審核委員會

本公司已遵循上市規則第3.21條成立審核委員會。本公司審核委員會由三位獨立非執行董事組成。審核委員會負責審閱公司採納的會計原則及慣例、重大不尋常項目、並討論審核內部監控以及財務報告等事宜，其中包括審閱截至二零一六年六月三十日止未經審計的中期報告。

## Compliance with the Model Code for Securities Transactions by Directors

For the six months ended 30 June 2016, the Company has adopted a code for securities transactions by Directors on terms no less exacting than the standard required by the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard for securities transactions by Directors set out in the above code.

## 遵守董事進行證券交易的標準守則

截至二零一六年六月三十日止的六個月內，本公司已就董事的證券交易，採納一套不低於上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》所規定的標準行為守則。本公司已向所有董事作出特定查詢，董事已遵守上述守則所規定的有關董事的證券交易標準。



## INTERIM RESULTS

The board of directors (the "Board") of Hengdeli Holdings Limited (the "Company") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2016, along with the comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and have been reviewed by the Audit Committee of the Company.

## 中期業績

亨得利控股有限公司（「本公司」）之董事會（「董事會」）欣然呈報本公司及其附屬公司（「本集團」）截至二零一六年六月三十日止六個月之未經審核綜合中期業績連同比較數字及說明性附註摘要，此乃根據香港會計師公會頒佈之香港財務報告準則編製而成，並已由本公司審核委員會審閱。

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### 綜合損益表

for the six months ended 30 June 2016 – unaudited (*Expressed in Renminbi*)

截至二零一六年六月三十日止六個月 – 未經審核（以人民幣呈列）

			Six months ended 30 June	
			截至六月三十日止六個月	
			2016	2015
			二零一六年	二零一五年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
<b>Revenue</b>	銷售額	3	<b>5,883,698</b>	6,753,944
Cost of sales	銷售成本		<b>(4,284,958)</b>	(4,693,152)
<b>Gross profit</b>	毛利	3	<b>1,598,740</b>	2,060,792
Other revenue	其他收益	4	<b>81,328</b>	69,896
Other net (loss)/income	其他（虧損）／收入淨額	4	<b>(18,488)</b>	509
Distribution costs	分銷成本		<b>(1,188,826)</b>	(1,476,817)
Administrative expenses	行政費用		<b>(163,092)</b>	(155,428)

## Six months ended 30 June

截至六月三十日止六個月

		Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		附註		
<b>Profit from operations</b>	經營溢利		<b>309,662</b>	498,952
Finance costs	財務成本	5(a)	<b>(103,518)</b>	(103,252)
Share of profits of joint ventures	應佔合營公司溢利		<b>334</b>	686
<b>Profit before taxation</b>	除稅前溢利	5	<b>206,478</b>	396,386
Income tax	所得稅	6	<b>(85,757)</b>	(112,697)
<b>Profit for the period</b>	期內溢利		<b>120,721</b>	283,689
<b>Attributable to:</b>	應佔：			
Equity shareholders of the Company	本公司股份持有人		<b>90,186</b>	255,150
Non-controlling interests	非控股權益		<b>30,535</b>	28,539
<b>Profit for the period</b>	期內溢利		<b>120,721</b>	283,689
<b>Earnings per share</b>	每股盈利	7		
Basic	基本		<b>RMB0.019</b> 人民幣0.019元	RMB0.053 人民幣0.053元
Diluted	攤薄		<b>RMB0.019</b> 人民幣0.019元	RMB0.053 人民幣0.053元

The notes on pages 53 to 69 form part of this interim financial report.

第53至69頁之附註屬本中期財務報告之一部份。

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收入表

for the six months ended 30 June 2016 – unaudited (Expressed in Renminbi)  
截至二零一六年六月三十日止六個月 – 未經審核 (以人民幣呈列)

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
<b>Profit for the period</b>	期內溢利	<b>120,721</b>	283,689
<b>Other comprehensive income for the period:</b>	期內其他全面收入：		
Items that may be reclassified subsequently to profit or loss:	隨後可能重新分類至損益之項目：		
Net gain recognised from the remeasurement of investment in equity securities	重新計量股本證券投資所確認之收益淨額	9	4,666
Exchange differences on translation of overseas companies' financial statements	換算海外公司財務報表所產生之匯兌差額	<b>(4,602)</b>	11,043
<b>Total comprehensive income for the period</b>	期內全面收入總額	<b>207,514</b>	299,398
<b>Attributable to:</b>	應佔：		
Equity shareholders of the Company	本公司股份持有人	<b>176,979</b>	270,859
Non-controlling interests	非控股權益	<b>30,535</b>	28,539
<b>Total comprehensive income for the period</b>	期內全面收入總額	<b>207,514</b>	299,398

The notes on pages 53 to 69 form part of this interim financial report.

第53至69頁之附註屬本中期財務報告之一部份。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

at 30 June 2016 – unaudited (Expressed in Renminbi)  
於二零一六年六月三十日 – 未經審核 (以人民幣呈列)

		Note 附註	At 30 June 2016 於二零一六年 六月三十日		At 31 December 2015 於二零一五年 十二月三十一日	
			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>					
Investment property	投資物業			38,304		39,298
Other property, plant and equipment	其他物業、廠房及設備	8		1,428,762		1,465,261
				<b>1,467,066</b>		1,504,559
Intangible assets	無形資產			74,975		79,756
Goodwill	商譽			770,222		770,222
Interest in joint ventures	於合營公司之權益			58,636		58,200
Other investments	其他投資	9		156,170		63,487
Deferred tax assets	遞延稅項資產			119,844		106,638
				<b>2,646,913</b>		2,582,862
<b>Current assets</b>	<b>流動資產</b>					
Inventories	存貨	10		6,086,960		6,376,350
Trade and other receivables	應收貿易賬款及其他應收款項	11		1,438,714		1,329,175
Cash and cash equivalents	現金及現金等價物	12		2,103,027		1,910,351
				<b>9,628,701</b>		9,615,876
<b>Current liabilities</b>	<b>流動負債</b>					
Trade and other payables	應付貿易賬款及其他應付款項	13		1,346,803		1,962,269
Bank loans	銀行貸款	14		2,218,788		704,374
Current taxation	本期應繳稅項			40,316		20,778
				<b>3,605,907</b>		2,687,421
<b>Net current assets</b>	<b>流動資產淨值</b>			<b>6,022,794</b>		6,928,455

		At 30 June 2016 於二零一六年 六月三十日		At 31 December 2015 於二零一五年 十二月三十一日	
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Total assets less current liabilities</b>	總資產減流動負債		<b>8,669,707</b>		9,511,317
<b>Non-current liabilities</b>	非流動負債				
Bank loans	銀行貸款	14	<b>387,376</b>		552,468
Long-term payables	長期應付款項		<b>22,380</b>		24,351
Senior notes	優先票據	15	<b>1,430,579</b>		2,288,436
Deferred tax liabilities	遞延稅項負債		<b>87,424</b>		105,705
			<b>1,927,759</b>		2,970,960
<b>NET ASSETS</b>	資產淨值		<b>6,741,948</b>		6,540,357
<b>CAPITAL AND RESERVES</b>	資本及儲備				
Share capital	股本		<b>22,841</b>		22,841
Reserves	儲備		<b>6,089,210</b>		5,907,946
<b>Total equity attributable to equity shareholders of the Company</b>	本公司股份持有人應佔權益總額		<b>6,112,051</b>		5,930,787
<b>Non-controlling interests</b>	非控股權益		<b>629,897</b>		609,570
<b>TOTAL EQUITY</b>	權益總額		<b>6,741,948</b>		6,540,357

The notes on pages 53 to 69 form part of this interim financial report.

第53至69頁之附註屬本中期財務報告之一部份。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

for the six months ended 30 June 2016 – unaudited (Expressed in Renminbi)  
截至二零一六年六月三十日止六個月 – 未經審核 (以人民幣呈列)

		Attributable to equity shareholders of the Company 本公司股份持有人應佔										
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Exchange reserve	PRC statutory reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	股本贖回儲備	資本儲備	匯兌儲備	中國法定儲備	公允值儲備	保留溢利	總計	非控股權益	權益總額
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Balance at 1 January 2015</b>	於二零一五年一月一日之結餘	22,920	2,707,753	178	(28,190)	(168,770)	437,243	1,215	3,030,655	5,983,004	645,624	6,628,628
<b>Changes in equity for the six months ended 30 June 2015</b>	截至二零一五年六月三十日止六個月之權益變動											
Profit for the period	期內溢利	-	-	-	-	-	-	-	255,150	255,150	28,539	283,689
Other comprehensive income	其他全面收入	-	-	-	-	11,043	-	4,666	-	15,709	-	15,709
<b>Total comprehensive income</b>	全面收入總額	-	-	-	-	11,043	-	4,666	255,150	270,859	28,539	299,398
Dividends approved in respect of the previous year	批准過往年度股息	16(a)	-	-	-	-	-	-	(153,100)	(153,100)	-	(153,100)
Dividends to holders of non-controlling interests	派付非控股權益持有人的股息		-	-	-	-	-	-	-	-	(2,500)	(2,500)
Purchase of own shares	購買本公司股份											
- par value	- 面值		(64)	-	-	-	-	-	-	(64)	-	(64)
- premium paid	- 已付溢價		(18,282)	-	-	-	-	-	-	(18,282)	-	(18,282)
- transfer between reserves	- 儲備之間轉移		-	64	-	-	-	-	(64)	-	-	-
Share purchased under share award scheme	根據股份獎勵計劃購買股份	16(c)	-	-	(2,502)	-	-	-	-	(2,502)	-	(2,502)
<b>Balance at 30 June 2015</b>	於二零一五年六月三十日之結餘	22,856	2,689,471	242	(30,692)	(177,727)	437,243	5,881	3,132,641	6,079,915	671,663	6,751,578



Attributable to equity shareholders of the Company  
本公司股份持有人應佔

	Note	Share		Capital	Capital	Exchange	PRC		Retained	Total	Non-controlling interests	Total equity
		capital	premium	redemption reserve	reserve	reserve	statutory reserve	Fair value reserve	profits			
		股本	股份溢價	股本贖回儲備	資本儲備	匯兌儲備	中國法定儲備	公允價值儲備	保留溢利	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Changes in equity for the six months ended 31 December 2015</b>	截至二零一五年十二月三十一日止六個月之權益變動											
Profit for the period	期內溢利	-	-	-	-	-	-	-	(110,282)	(110,282)	16,757	(93,525)
Other comprehensive income	其他全面收入	-	-	-	-	(21,515)	-	(5,881)	-	(27,396)	-	(27,396)
<b>Total comprehensive income</b>	<b>全面收入總額</b>	-	-	-	-	(21,515)	-	(5,881)	(110,282)	(137,678)	16,757	(120,921)
Dividends to holders of non-controlling interests	派付非控股權益持有人之股息	-	-	-	-	-	-	-	-	-	(54,209)	(54,209)
Transfer between reserves	儲備之間轉移	-	-	-	-	-	22,248	-	(22,248)	-	-	-
Repurchase of convertible bonds	贖回可換取債券	-	-	-	(2,296)	-	-	-	2,296	-	-	-
Purchase of own shares	購買本公司股份	-	-	-	-	-	-	-	-	-	-	-
- par value	- 面值	(15)	-	-	-	-	-	-	-	(15)	-	(15)
- premium paid	- 已付溢價	-	(4,329)	-	-	-	-	-	-	(4,329)	-	(4,329)
- transfer between reserves	- 儲備之間轉移	-	-	15	-	-	-	-	64	79	-	79
Acquisition of additional equity interest in subsidiary	收購於一間附屬公司之額外股權	-	-	-	(2,323)	-	-	-	-	(2,323)	(22,185)	(24,508)
Share purchased under share award scheme	根據股份獎勵計劃購買股份	16(c)	-	-	(5,763)	-	-	-	-	(5,763)	-	(5,763)
Capital distribution to holders of non-controlling interests	向非控股權益持有人作出資本分派	-	-	-	-	-	-	-	-	-	(2,456)	(2,456)
Disposal of equity interest in subsidiary	出售附屬公司之股權	-	-	-	901	-	-	-	-	901	-	901
<b>Balance at 31 December 2015 and 1 January 2016</b>	於二零一五年十二月三十一日及二零一六年一月一日之結餘	22,841	2,685,142	257	(40,173)	(199,242)	459,491	-	3,002,471	5,930,787	609,570	6,540,357
<b>Changes in equity for the six months ended 30 June 2016</b>	截至二零一六年六月三十日止六個月之權益變動											
Profit for the period	期內溢利	-	-	-	-	-	-	-	90,186	90,186	30,535	120,721
Other comprehensive income	其他全面收入	-	-	-	-	(4,602)	-	91,395	-	86,793	-	86,793
<b>Total comprehensive income</b>	<b>全面收入總額</b>	-	-	-	-	(4,602)	-	91,395	90,186	176,979	30,535	207,514
Dividends to holders of non-controlling interests	派付非控股權益持有人之股息	-	-	-	-	-	-	-	-	-	(7,708)	(7,708)
Shares granted under share award scheme	根據股份獎勵計劃授予股份	16(c)	-	-	4,285	-	-	-	-	4,285	-	4,285
Acquisition of additional equity interest in subsidiary	收購於一間附屬公司之額外股權	-	-	-	-	-	-	-	-	-	(2,500)	(2,500)
<b>Balance at 30 June 2016</b>	於二零一六年六月三十日之結餘	22,841	2,685,142	257	(35,888)	(203,844)	459,491	91,395	3,092,657	6,112,051	629,897	6,741,948

The notes on pages 53 to 69 form part of this interim financial report.

第53至69頁之附註屬本中期財務報告之一部份。

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

## 簡明綜合現金流量表

for the six months ended 30 June 2016 – unaudited (Expressed in Renminbi)  
截至二零一六年六月三十日止六個月 – 未經審核 (以人民幣呈列)

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註	
<b>Operating activities</b>		<b>經營活動</b>	
Cash (used in)/generated from operations	營運(所耗)/所得現金	<b>(38,109)</b>	58,021
Income tax paid	已付所得稅	<b>(92,483)</b>	(95,355)
Net cash used in operating activities	經營活動所耗現金淨額	<b>(130,592)</b>	(37,334)
<b>Investing activities</b>		<b>投資活動</b>	
Payment for the purchase of property, plant and equipment	購入物業、廠房及設備付款	<b>(29,183)</b>	(83,582)
Other cash flows arising from investing activities	投資活動產生之其他現金流	<b>34,614</b>	49,823
Net cash generated from/ (used in) investing activities	投資活動所得/(所耗)現金淨額	<b>5,431</b>	(33,759)
<b>Financing activities</b>		<b>融資活動</b>	
Dividends paid to equity shareholders of the Company	已付本公司股份持有人之股息	–	(153,100)
Redemption of senior notes	贖回優先票據	15 <b>(916,112)</b>	–
Other cash flows arising from financing activities	融資活動產生之其他現金流	<b>1,221,790</b>	(147,205)

## Six months ended 30 June

截至六月三十日止六個月

			<b>2016</b>	2015
		Note	<b>二零一六年</b>	二零一五年
		附註	<b>RMB'000</b>	RMB'000
			人民幣千元	人民幣千元
Net cash generated from/(used in) financing activities	融資活動所得／(所耗)現金淨額		<b>305,678</b>	(300,305)
<b>Net increase/(decrease) in cash and cash equivalents</b>	現金及現金等價物增加／(減少)淨額		<b>180,517</b>	(371,398)
<b>Cash and cash equivalents at 1 January</b>	於一月一日之現金及現金等價物	12	<b>1,910,351</b>	1,968,065
<b>Effect of foreign exchange rates changes</b>	外幣匯率變動影響		<b>12,159</b>	(830)
<b>Cash and cash equivalents at 30 June</b>	於六月三十日之現金及現金等價物	12	<b>2,103,027</b>	1,595,837

The notes on pages 53 to 69 form part of this interim financial report.

第53至69頁之附註屬本中期財務報告之一部份。

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

## 未經審核中期財務報告附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣呈列)

### 1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), including compliance with Hong Kong Accounting Standard (HKAS) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 18 August 2016.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

### 1 編製基準

本中期財務報告已根據香港聯合交易所有限公司（「聯交所」）證券上市規則之適用披露規定編製，包括遵守香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號－中期財務報告。本中期財務報告於二零一六年八月十八日獲准刊發。

中期財務報告已根據二零一五年度財務報表採納之相同會計政策編製，惟預期將於二零一六年度財務報表反映之會計政策變動則除外。會計政策之任何變動詳情載於附註2。

管理層需在編製符合香港會計準則第34號之中期財務報告時作出判斷、估計及假設，而有關判斷、估計及假設會影響政策之應用及以年初至今為基準計算之資產與負債及收入與支出之呈列金額。因此，實際結果可能與估計有所出入。

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2015 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2015 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2015 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 17 March 2016.

## 2 Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company.

- Annual Improvements to HKFRSs 2012-2014 Cycle
- Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

本中期財務報告包含簡明綜合財務報表及說明性附註摘要。附註包括對了解本集團自刊發二零一五年年度財務報表以來之財務狀況及表現所出現之變動而言屬重大之事項及交易之詮釋。簡明綜合中期財務報表及其附註並無包括根據香港財務報告準則（「香港財務報告準則」）編製之完整財務報表所需之全部資料。

載於中期財務報告與截至二零一五年十二月三十一日止財政年度有關之財務資料，作為過往已呈報之資料並不構成本公司該財政年度之法定財務報表之一部份，惟乃摘錄自該等財務報表。截至二零一五年十二月三十一日止年度之法定財務報表可於本公司之註冊辦事處查閱。核數師已在其於二零一六年三月十七日刊發之報告對該等財務報表發表無保留意見。

## 2 會計政策之變動

香港會計師公會已頒佈下列於本集團及本公司當前會計期間起首次生效之香港財務報告準則之修訂。

- 對香港財務報告準則 2012-2014週期之年度改進
- 香港會計準則第1號（修訂本），財務報表之呈列：披露計劃

以上各項之發展對本集團本期或往期已編製或呈報之業績及財務狀況並無重大影響。本集團並無採納任何於本會計期間尚未生效之任何新準則或詮釋。

### 3 Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography (mainly in Mainland China, Hong Kong and Taiwan). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Retail segments (includes three segments for watches retail in Mainland China, Taiwan and Hong Kong and one segment ("Harvest Max") for jewellery and watches retail in Hong Kong): given the importance of the retail division to the Group, the Group's retail business is segregated further into four reportable segments on a geographical and products and services basis, as the divisional managers for each of these regions report directly to the senior executive team. All segments primarily derive their retail revenue through their own retail network.
- Wholesale segment: this segment distributes numerous world renowned brand watches in Mainland China and Hong Kong.

#### (a) Information about profit or loss and assets

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the profit or loss and assets attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. However, other than reporting inter-segment sales, assistance provided by one segment to another, including sharing of assets, is not measured.

### 3 分部報告

本集團透過生產線（產品及服務）及按地區（主要位於中國內地、香港及台灣）成立之分部管理業務。按與向本集團最高層行政管理人員就資源分配及表現評估之內部報告資料一致之方式，本集團已呈列下列五個呈報分部。本集團並無合併營運分部，以組成以下之呈報分部。

- 零售分部（分別包括中國內地、台灣及香港之三個手錶零售分部以及一個有關於香港從事珠寶及鐘錶零售的分部（「豐溢」）：鑒於本集團零售分部之重要性，本集團之零售業務進一步按地區以及產品及服務分為四個呈報分部，原因為該等地區之各分區經理均直接向高層行政團隊匯報。所有分部均主要透過其本身之零售網絡而產生其零售收益。
- 批發分部：本分部於中國內地及香港分銷多款世界級名錶。

#### (a) 有關損益及資產之資料

為評估分部表現及於分部間分配資源，本集團最高層行政管理人員按下列基準監察各個呈報分部之損益及資產：

收益及開支乃參考呈報分部產生之銷售額及該等分部產生之開支分配至有關分部。然而，除呈報分部間銷售外，某一分部向另一分部提供之協助（包括共用資產）並不計算在內。



The measure used for reporting segment profit is “gross profit”.

Segment assets represent inventories only, without eliminating the unrealised inter-segment profits.

Information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

用於呈報分部溢利之表示方式為「毛利」。

分部資產僅指存貨，並未撇除未實現之分部間溢利。

期內，有關向本集團最高層行政管理人員提供之資源分配及分部表現評估之本集團呈報分部之資料載列如下。

		Retail 零售													
		Mainland China 中國內地		Hong Kong 香港		Taiwan 台灣		Harvest Max 豐盛		Wholesale 批發		All others 所有其他		Total 總計	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the six months ended 30 June	截至六月三十日止六個月														
Revenue from external customers	來自外部客戶之收益	2,770,126	3,094,219	805,229	954,399	75,737	77,324	442,594	808,380	1,523,766	1,576,776	266,246	242,846	5,883,698	6,753,944
Inter-segment revenue	分部間收益	-	-	-	-	-	-	-	-	2,121,712	1,999,369	13,145	16,318	2,134,857	2,015,687
Reportable segment revenue	呈報分部收益	2,770,126	3,094,219	805,229	954,399	75,737	77,324	442,594	808,380	3,645,478	3,576,145	279,391	259,164	8,018,555	8,769,631
Reportable segment gross profit	呈報分部毛利	811,372	923,110	138,138	201,980	20,591	19,166	384,798	651,239	174,182	194,029	69,659	71,268	1,598,740	2,060,792

		Retail 零售													
		Mainland China 中國內地		Hong Kong 香港		Taiwan 台灣		Harvest Max 豐盛		Wholesale 批發		All others 所有其他		Total 總計	
		31	31	31	31	31	31	31	31	31	31	31	31	31	31
		30 June 2016	December 2015	30 June 2016	December 2015	30 June 2016	December 2015	30 June 2016	December 2015	30 June 2016	December 2015	30 June 2016	December 2015	30 June 2016	December 2015
		二零一六年六月三十日	二零一五年十二月三十一日	二零一六年六月三十日	二零一五年十二月三十一日	二零一六年六月三十日	二零一五年十二月三十一日	二零一六年六月三十日	二零一五年十二月三十一日	二零一六年六月三十日	二零一五年十二月三十一日	二零一六年六月三十日	二零一五年十二月三十一日	二零一六年六月三十日	二零一五年十二月三十一日
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Reportable segment assets	呈報分部資產	2,727,782	2,897,438	1,400,570	1,451,378	180,760	180,223	95,412	103,720	1,582,553	1,646,956	145,833	136,912	6,132,910	6,416,627

Results and assets of the segment below the quantitative thresholds (“All others”) are mainly attributable to a watch accessories manufacture business and a watch repairing and maintenance business.

低於最低數量要求之分部（「所有其他」）業績及資產主要來自本公司之手錶配套產品製造業務及手錶維修業務。

**(b) Reconciliations of reportable segment profit or loss****(b) 呈報分部損益之對賬**

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>		
Total revenues for reportable segments	呈報分部總收益	<b>7,739,164</b>	8,510,467
Other revenue	其他收益	<b>279,391</b>	259,164
Elimination of inter-segment revenue	抵銷分部間收益	<b>(2,134,857)</b>	(2,015,687)
Consolidated revenue	綜合收益	<b>5,883,698</b>	6,753,944
<b>Profit</b>	<b>溢利</b>		
Total gross profit for reportable segments	呈報分部總毛利	<b>1,529,081</b>	1,989,524
Other profit	其他溢利	<b>69,659</b>	71,268
		<b>1,598,740</b>	2,060,792
Other revenue	其他收益	<b>81,328</b>	69,896
Other net (loss)/income	其他(虧損)/收入淨額	<b>(18,488)</b>	509
Distribution costs	分銷成本	<b>(1,188,826)</b>	(1,476,817)
Administrative expenses	行政費用	<b>(163,092)</b>	(155,428)
Finance costs	財務成本	<b>(103,518)</b>	(103,252)
Share of profits of joint ventures	應佔合營公司溢利	<b>334</b>	686
Consolidated profit before taxation	綜合除稅前溢利	<b>206,478</b>	396,386

#### 4 Other revenue and net (loss)/income

#### 4 其他收益及(虧損)／收入淨額

Six months  
ended 30 June

截至六月三十日止六個月

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Other revenue</b>	<b>其他收益</b>		
Interest income	利息收入	9,977	7,200
Government grants	政府補貼	28,287	23,028
Dividend income from unlisted investments	非上市投資股息收入	25,554	25,443
Rental income	租金收入	5,890	5,017
Others	其他	11,620	9,208
		<b>81,328</b>	69,896
<b>Other net (loss)/income</b>	<b>其他 (虧損)／收入淨額</b>		
Net gain on disposal of property, plant and equipment	出售物業、廠房及 設備之收益淨額	118	42
Net foreign exchange (loss)/gain	外匯兌換(虧損)／ 收益淨額	(2,097)	467
Net loss on redemption of senior notes (note 15)	贖回優先票據 之虧損淨額(附註15)	(16,509)	—
		<b>(18,488)</b>	509

## 5 Profit before taxation

Profit before taxation is arrived at after charging:

## 5 除稅前溢利

除稅前溢利經扣除以下項目後得出：

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>(a) Finance costs</b>	<b>(a) 財務成本</b>		
Interest expense on bank loans	銀行貸款利息開支	24,421	22,606
Interest on convertible bonds	可換股債券之利息	–	1,673
Interest on senior notes (note 15)	優先票據利息 (附註15)	73,684	70,267
Bank charges	銀行費用	5,413	8,706
		<b>103,518</b>	103,252
<b>(b) Other items</b>	<b>(b) 其他項目</b>		
Amortisation	攤銷	6,012	5,716
Depreciation	折舊	69,502	74,784
Operating lease charges in respect of properties	物業經營租賃費用		
– minimum lease payments	– 最低租賃款項	142,365	144,755
– contingent rents	– 或然租金	217,934	250,304
		<b>360,299</b>	395,059

## 6 Income tax

## 6 所得稅

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Current tax</b>	<b>本期稅項</b>		
Hong Kong profits tax	香港利得稅	12,458	18,514
Mainland China income tax	中國內地所得稅	80,821	94,964
Taiwan and Macau income tax	台灣及澳門所得稅	21	76
Sub-total	小計	<b>93,300</b>	113,554
<b>Deferred taxation</b>	<b>遞延稅項</b>	<b>(7,543)</b>	(857)
		<b>85,757</b>	112,697

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2015: 16.5%) to the six months ended 30 June 2016.

香港利得稅撥備乃按截至二零一六年六月三十日止六個月採用估計年度實際稅率16.5%（二零一五年：16.5%）計算。

Taxation for other overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries or jurisdictions.

同樣地，其他海外附屬公司之稅項乃按預期適用於其所在的相關國家或司法權區之估計年度實際稅率計算。

## 7 Earnings per share

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB90,186,000 (six months ended 30 June 2015: RMB255,150,000) and the weighted average of 4,774,215,574 ordinary shares (six months ended 30 June 2015: 4,784,882,738 ordinary shares) in issue during the interim period.

### (b) Diluted earnings per share

The calculation of diluted earnings per share amount for the six months ended 30 June 2016 is based on the profit attributable to equity shareholders of the Company of RMB90,186,000 (six months ended 30 June 2015: RMB255,150,000) and the weighted average number of ordinary shares outstanding of 4,774,215,574 shares (six months ended 30 June 2015: 4,784,882,738).

The calculation of diluted earnings per share amount for the six months ended 30 June 2016 and 2015 has not included the potential effects of the deemed issue of shares under the Company's shares option scheme for nil consideration into ordinary shares as it has anti-dilutive effect on the basic earnings per share amount during the year.

## 8 Other property, plant and equipment

During the six months ended 30 June 2016, the Group incurred decoration and construction costs with a total amount of RMB30,135,000 (six months ended 30 June 2015: RMB49,010,000).

## 7 每股盈利

### (a) 每股基本盈利

每股基本盈利乃根據本公司股份持有人應佔溢利人民幣90,186,000元(截至二零一五年六月三十日止六個月: 人民幣255,150,000元)及中期期間已發行普通股加權平均股數4,774,215,574股普通股(截至二零一五年六月三十日止六個月: 4,784,882,738股普通股)計算。

### (b) 每股攤薄盈利

截至二零一六年六月三十日止六個月之每股攤薄盈利金額乃根據本公司股份持有人應佔溢利人民幣90,186,000元(截至二零一五年六月三十日止六個月: 人民幣255,150,000元)以及已發行普通股加權平均股數4,774,215,574股(截至二零一五年六月三十日止六個月: 4,784,882,738股)計算。

截至二零一六年及二零一五年六月三十日止六個月之每股攤薄盈利金額之計量並無包括於本公司購股權計劃下視作發行股份無償轉換為普通股之潛在影響, 此乃由於其對年內每股基本盈利金額具有反攤薄影響。

## 8 其他物業、廠房及設備

截至二零一六年六月三十日止六個月期間, 本集團產生裝修及建設成本總額人民幣30,135,000元(截至二零一五年六月三十日止六個月: 人民幣49,010,000元)。

## 9 Other investments

		<b>At 30 June 2016</b>	At 31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Listed investment in equity securities	於股本證券之上市投資	<b>153,846</b>	61,163
Unlisted investment, at cost	非上市投資，按成本值	<b>2,324</b>	2,324
		<b>156,170</b>	63,487

During the first half of 2016, the fair value of listed investment in equity securities increased by RMB91,395,000, amount of which is determined based on the share prices of the available-for-sale securities and recognised as a credit to other comprehensive income.

## 10 Inventories

Inventories in the consolidated statement of financial position comprise:

		<b>At 30 June 2016</b>	At 31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	<b>47,562</b>	45,675
Work in progress	在製品	<b>41,968</b>	36,483
Finished goods	製成品	<b>5,997,430</b>	6,294,192
		<b>6,086,960</b>	6,376,350

## 9 其他投資

		<b>At 30 June 2016</b>	At 31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Listed investment in equity securities	於股本證券之上市投資	<b>153,846</b>	61,163
Unlisted investment, at cost	非上市投資，按成本值	<b>2,324</b>	2,324
		<b>156,170</b>	63,487

於二零一六年上半年，於股本證券之上市投資的公允值增加人民幣91,395,000元，該金額乃按可供出售證券之股價釐定並確認為其他全面收入的進賬項。

## 10 存貨

於綜合財務狀況表之存貨包括：

		<b>At 30 June 2016</b>	At 31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	<b>47,562</b>	45,675
Work in progress	在製品	<b>41,968</b>	36,483
Finished goods	製成品	<b>5,997,430</b>	6,294,192
		<b>6,086,960</b>	6,376,350



## 11 Trade and other receivables

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the due date and net of allowance for doubtful debts, is as follows:

		<b>At 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元</b>	At 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Current	未逾期	<b>797,723</b>	843,761
Less than 1 month past due	逾期少於一個月	<b>162,339</b>	95,863
1 to 3 months past due	逾期一至三個月	<b>7,461</b>	12,763
More than 3 months but less than 12 months past due	逾期超過三個月但少於十二個月	<b>12,956</b>	4,367
More than 12 months past due	逾期超過十二個月	<b>988</b>	2,080
Trade debtors, net of allowance for doubtful debts	應收貿易債項，扣除呆賬撥備	<b>981,467</b>	958,834
Prepayments and other receivables	預付款項及其他應收款項	<b>457,247</b>	370,341
		<b>1,438,714</b>	1,329,175

All of the trade and other receivables are expected to be recovered within one year.

## 11 應收貿易賬款及其他應收款項

於報告期末，按到期日計應收貿易債項（計入應收貿易賬款及其他應收款項，並扣除呆賬撥備）之賬齡分析如下：

所有應收貿易賬款及其他應收款項均預期於一年內收回。

Trade receivables are due within 30 to 90 days from the date of billing.

應收貿易賬款由開票日期起計30至90日到期。

## 12 Cash and cash equivalents

As at 31 December 2015 and 30 June 2016, all of the Group's cash and cash equivalents in the consolidated statement of financial position represented cash at bank and cash in hand.

## 13 Trade and other payables

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

## 12 現金及現金等價物

於二零一五年十二月三十一日及二零一六年六月三十日，於綜合財務狀況表呈列之所有本集團現金及現金等價物指存於銀行之現金及手頭現金。

## 13 應付貿易賬款及其他應付款項

於報告期末，按發票日期計應付貿易債項（計入應付貿易賬款及其他應付款項）之賬齡分析如下：

		<b>At 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元</b>	At 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Within 1 month	一個月內	<b>458,344</b>	890,850
Over 1 month but less than 3 months	超過一個月但 少於三個月	<b>481,084</b>	627,792
Over 3 months but less than 12 months	超過三個月但 少於十二個月	<b>34,069</b>	12,778
Over 1 year	超過一年	<b>12,118</b>	12,934
		<b>985,615</b>	1,544,354
Other payables and accrued expenses	其他應付款項及 應計費用	<b>302,624</b>	342,188
Advance receipts from customers	客戶墊款	<b>58,564</b>	75,727
		<b>1,346,803</b>	1,962,269

## 14 Bank loans

## 14 銀行貸款

		<b>At 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元</b>	At 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Bank loans repayable within one year or on demand	一年內或按要求償還的 銀行貸款		
– Secured	– 有抵押	<b>519</b>	487
– Unsecured	– 無抵押	<b>2,218,269</b>	703,887
		<b>2,218,788</b>	704,374
Bank loans repayable after one year	一年後償還的 銀行貸款		
– Secured	– 有抵押	<b>4,470</b>	4,547
– Unsecured	– 無抵押	<b>382,906</b>	547,921
		<b>387,376</b>	552,468
		<b>2,606,164</b>	1,256,842

At 30 June 2016, the banking facilities of certain subsidiaries were secured by mortgages over their land and buildings with an aggregate carrying value of RMB10,666,000 (31 December 2015: RMB10,253,000).

於二零一六年六月三十日，若干附屬公司之銀行信貸由彼等賬面值合共人民幣10,666,000元（二零一五年十二月三十一日：人民幣10,253,000元）之土地及樓宇按揭作抵押。

## 15 Senior Notes

In January 2013, the Company issued 6.25% senior notes due in 2018 in the aggregate principal amount of United States Dollars (“USD”) 350,000,000 (“the Notes”), which are listed on the Stock Exchange. The Notes are interest-bearing at 6.25% per annum and payable semi-annually in arrears. The Notes will mature on 29 January 2018, unless redeemed earlier in accordance with the terms of the Notes.

The movement of the Notes is set out below:

		RMB'000 人民幣千元
As at 31 December 2015	於二零一五年十二月三十一日	2,288,436
Interest charged during the period (note 5(a))	期內計提利息 (附註5(a))	73,684
Interest paid	已付利息	(70,464)
Derecognised due to repurchase by the Company during the period	期內因本公司回購而終止確認	(47,108)
Derecognised due to redemption by the Company during the period	期內因本公司贖回而終止確認	(863,166)
Foreign exchange loss	外匯虧損	1,761
Foreign currency translation difference	外幣換算差額	47,436
As at 30 June 2016	於二零一六年六月三十日	1,430,579

In January, March and April 2016, the Group repurchased, by way of market acquisition, notes with a principal amount of USD7,200,000, for a total consideration of USD7,065,000 (RMB equivalent: 46,337,000).

In June 2016, the Group redeemed notes with a principal amount of USD127,372,000, for a total consideration of USD132,619,000 (RMB equivalent: 869,775,000).

## 15 優先票據

於二零一三年一月，本公司發行本金總額為350,000,000美元（「美元」）於二零一八年到期之6.25%優先票據（「票據」），該等票據於聯交所上市。票據之年息為6.25厘，須每半年支付。除非根據票據條款提前贖回，否則票據將於二零一八年一月二十九日到期。

票據之變動載列如下：

		RMB'000 人民幣千元
As at 31 December 2015	於二零一五年十二月三十一日	2,288,436
Interest charged during the period (note 5(a))	期內計提利息 (附註5(a))	73,684
Interest paid	已付利息	(70,464)
Derecognised due to repurchase by the Company during the period	期內因本公司回購而終止確認	(47,108)
Derecognised due to redemption by the Company during the period	期內因本公司贖回而終止確認	(863,166)
Foreign exchange loss	外匯虧損	1,761
Foreign currency translation difference	外幣換算差額	47,436
As at 30 June 2016	於二零一六年六月三十日	1,430,579

於二零一六年一月、三月及四月，本集團通過市場收購方式以總代價7,065,000美元（相等於人民幣46,337,000元）購回本金總額為7,200,000美元的票據。

於二零一六年六月，本集團以總代價132,619,000美元（相等於人民幣869,775,000元）購回本金總額為127,372,000美元的票據。

The difference between the carrying amount of senior notes redeemed and the consideration paid, net off against the transaction costs incurred, was recognised as a loss of RMB16,509,000 on redemption of senior notes in the Group's consolidated statement of profit or loss.

已贖回優先票據的賬面值與已付代價之間的差額（經扣除所產生交易成本後），於本集團的綜合損益表確認為贖回優先票據之虧損人民幣16,509,000元。

## 16 Capital, reserves and dividends

## 16 資本、儲備及股息

### (a) Dividends

### (a) 股息

- (i) No interim dividend has been declared after the interim period.
- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period, are as follows:

- (i) 中期期間後並無宣派中期股息。
- (ii) 上個財政年度已批准並已於中期期間派付之應付本公司股份持有人股息如下：

#### Six months ended 30 June 截至六月三十日止六個月

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, approved during the interim period, of RMB nil per share (six months ended 30 June 2015: RMB0.032 per share)	-	153,100

### (b) Equity settled share-based transactions

### (b) 以權益結算，股份基礎支付交易

No share option was exercised during the six months ended 30 June 2016 (2015: Nil).

截至二零一六年六月三十日止六個月，概無購股權獲行使（二零一五年：無）。

### (c) Shares granted under share award scheme

Pursuant to a share award scheme approved by the Board in 2015, the Company may purchase its own shares and grant such shares to certain employees or consultants of the Group. For the six months ended 30 June 2016, the Company granted 6,252,000 shares at nil consideration to the Group's employees.

The consideration paid for the purchase of the Company's shares is reflected as a decrease in the capital reserve of the Company. The fair value of the employee services received in exchange for the grant of shares is recognised as staff costs in profit or loss with a corresponding increase in capital reserve, which is measured based on the grant date share price of the Company.

## 17 Capital commitments

### (c) 根據股份獎勵計劃授出股份

根據董事會於二零一五年批准之股份獎勵計劃，本公司可購買其自身股份及向本集團若干僱員或顧問授出相關股份。截至二零一六年六月三十日止六個月，本公司無償授出6,252,000股股份予本集團僱員。

就購買本公司股份已付之代價反映為本公司資本儲備減少。僱員就換取獲授股份提供的勞務公允值於損益確認為員工成本，而資本儲備相應增加，其乃基於本公司於授出日期的股價計算。

## 17 資本承擔

	<b>At 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元</b>	At 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Authorised but not contracted for 已授權但未訂約	<b>45,600</b>	2,739

## 18 Related party transactions

The Group has transactions with joint ventures, which are jointly held by the Group and the Swatch Group (Hong Kong) Limited, and companies controlled by associates. The following is a summary of principal related party transactions carried out by the Group with the above related parties for the periods presented.

### Recurring transactions

Lease expense to a joint venture	支付予合營公司之租賃費用
Payments made on behalf of joint ventures	代合營公司付款
Payments made by joint ventures	合營公司付款

## 18 關連方交易

本集團與由本集團與the Swatch Group (Hong Kong) Limited共同持有之合營公司及聯營公司控制的公司進行交易。本集團與以上關連方於呈報期間進行之主要關連方交易概述如下。

### 經常性交易

**Six months  
ended 30 June**  
截至六月三十日止六個月

<b>2016</b>	2015
<b>二零一六年</b>	二零一五年
<b>RMB'000</b>	RMB'000
<b>人民幣千元</b>	人民幣千元
<b>3,055</b>	3,000
<b>3,969</b>	3,887
<b>2,429</b>	—



# Corporate Information

## 公司資料

### Stock Information

Place of Listing: Main Board of The Stock  
Exchange of Hong Kong Limited  
Stock Short Name: Hengdeli  
Stock Code: 3389  
Company Website: www.hengdeligroup.com

### 股份資料

上市地點：香港聯合交易所有限公司主板  
股份簡稱：亨得利  
股份代號：3389  
公司網址：www.hengdeligroup.com

### Bonds Information

Place of Listing: The Stock Exchange of  
Hong Kong Limited  
Stock Short Name: HENGDELI N1801  
Stock Code: 4599

### 債券資料

上市地點：香港聯合交易所有限公司  
股份簡稱：HENGDELI N1801  
股份代號：4599

### Board of Directors

#### Executive Directors

Mr. Zhang Yuping (*Chairman*)  
Mr. Huang Yonghua  
Mr. Lee Shu Chung, Stan

### 董事會

#### 執行董事

張瑜平先生 (*董事局主席*)  
黃永華先生  
李樹忠先生

#### Non-executive Directors

Mr. Shi Zhongyang  
Ms. Chen Jun

#### 非執行董事

史仲陽先生  
陳軍女士

#### Independent Non-executive Directors

Mr. Cai Jianmin  
Mr. Wong Kam Fai, William  
Mr. Liu Xueling

#### 獨立非執行董事

蔡建民先生  
黃錦輝先生  
劉學靈先生

#### Company Secretary

Mr. Ng Man Wai, Peter

#### 公司秘書

吳文偉先生

#### Registered Office

Cricket Square, Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman KY1-1111,  
Cayman Islands

#### 註冊辦事處

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## Head Office and Principal Place of Business in Hong Kong

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## Auditors

KPMG  
Certified Public Accountants  
8/F, Prince's Building, 10 Chater Road,  
Central, Hong Kong

## Legal Advisors

As to Hong Kong Law  
Gallant Y.T. Ho & Co.  
5/F, Jardine House,  
1 Connaught Place, Central, Hong Kong

As to PRC Law  
Beijing Kangda Law Firm  
2301, CITIC Building,  
No. 19 Jianguomenwai Street,  
Chaoyang District, Beijing

## Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
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183 Queen's Road East, Hong Kong

## 總辦事處及香港主要營業地點

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通訊地址：

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海港城港威大廈第6座3805-09室

## 核數師

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執業會計師  
香港中環  
遮打道10號太子大廈8樓

## 法律顧問

香港法律  
何耀棣律師事務所  
香港中環康樂廣場一號  
怡和大廈5樓

中國法律  
北京市康達律師事務所  
北京市朝陽區  
建國門外大街19號  
國際大廈2301室

## 香港股份過戶登記處

香港中央證券登記有限公司  
香港皇后大道東183號  
合和中心17樓1712至1716室

## **Cayman Islands Principal Share Registrar and Transfer Office**

Royal Bank of Canada Trust  
Company (Cayman) Limited  
4th Floor, Royal Bank House,  
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Grand Cayman KY1-1110,  
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