



# 東方表行

Oriental Watch Company

Since 1961

## Oriental Watch Holdings Limited 東方表行集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 398)



*Annual Report*

**2019** 年報



時尚匯聚 **東方**  
經驗成就 **眼光**

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# CORPORATE INFORMATION

## 公司資料

<b>BOARD OF DIRECTORS</b>	Dr. Yeung Ming Biu ( <i>Chairman</i> ) Mr. Yeung Him Kit, Dennis ( <i>Deputy Chairman and Managing Director</i> ) Madam Yeung Man Yee, Shirley ( <i>Executive Director</i> ) Mr. Lam Hing Lun, Alain ( <i>Finance Director</i> ) Mr. Choi Kwok Yum ( <i>Executive Director</i> ) Dr. Sun Ping Hsu, Samson ( <i>Independent Non-executive Director</i> ) Dr. Li Sau Hung, Eddy ( <i>Independent Non-executive Director</i> ) Mr. Choi Man Chau, Michael ( <i>Independent Non-executive Director</i> )	<b>董事會</b>	楊明標博士(主席) 楊衍傑先生 (副主席兼董事總經理) 楊敏儀女士 (執行董事) 林慶麟先生 (財務董事) 蔡國欽先生 (執行董事) 孫秉樞博士 (獨立非執行董事) 李秀恒博士 (獨立非執行董事) 蔡文洲先生 (獨立非執行董事)
<b>COMPANY SECRETARY</b>	Mr. Lam Hing Lun, Alain	<b>公司秘書</b>	林慶麟先生
<b>PRINCIPAL BANKERS</b>	Hang Seng Bank Limited Bank of China (Hong Kong) Limited Standard Chartered Bank (Hong Kong) Limited The Hong Kong & Shanghai Banking Corporation Limited	<b>主要往來銀行</b>	恒生銀行有限公司 中國銀行(香港)有限公司 渣打銀行(香港)有限公司 香港上海滙豐銀行 有限公司
<b>AUDITOR</b>	Deloitte Touche Tohmatsu Certified Public Accountants	<b>核數師</b>	德勤•關黃陳方會計師行 執業會計師
<b>HONG KONG BRANCH SHARE REGISTRARS</b>	Tricor Secretaries Limited Level 54 Hopewell centre 183 Queen's Road East Hong Kong	<b>股份過戶 登記處 香港分處</b>	卓佳秘書商務有限公司 香港 皇后大道東183號 合和中心 54樓
<b>HONG KONG LEGAL ADVISER</b>	Jennifer Cheung & Co	<b>香港法律顧問</b>	張美霞律師行
<b>BERMUDA LEGAL ADVISER</b>	Conyers, Dill & Pearman	<b>百慕達法律 顧問</b>	Conyers, Dill & Pearman
<b>REGISTERED OFFICE</b>	Clarendon House Church Street Hamilton HM 11 Bermuda	<b>註冊辦事處</b>	Clarendon House Church Street Hamilton HM 11 Bermuda
<b>PRINCIPAL PLACE OF BUSINESS</b>	Room 312-8 China Insurance Group Building 141 Des Voeux Road Central Central Hong Kong	<b>主要營業地點</b>	香港 中環 德輔道中141號 中保集團大廈 312-8室

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

## 主席報告及管理層討論及分析

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Group Results

On behalf of the Board, I hereby present the audited consolidated results of the Group for the year ended 31 March 2019 (the "Year").

Hong Kong's retail market has continued its upturn in 2018. The number of tourists visiting Hong Kong, and among whom those from mainland China, has been increasing gradually. In addition, the retail market has been on an upward trajectory on average, according to the monthly survey of retail sales report published by the Census and Statistics Department. However, the ongoing China-US trade dispute has brought uncertainties to the global economy. Fluctuations in the exchange rate of Chinese Yuan and stock market corrections have impeded the consumer sentiment to a certain extent; consumers have been spending more prudently as compared to the past. As impacted by such change in consumer behaviour, the Group's turnover for the Year decreased by 15.7% to HK\$2,437 million (2018: HK\$2,892 million) with less units of watches sold. Yet, gross profit only slightly decreased by 0.7% to HK\$603 million (2018: HK\$607 million) and gross profit margin increased to 24.7% (2018: 21.0%) mainly as a result of the Group's ability to command higher profit margin for its choice of products. Accordingly, the Group's net profit attributable to owners of the Company just slightly decreased by 0.7% to HK\$138 million (2018: net profit of HK\$139 million).

To show our appreciation for shareholders' continuous support, the Board has resolved to recommend a final dividend of 8.0 HK cents per share (2018: 8.0 HK cents) and a final special dividend of 13.5 HK cents per share (2018: 15.0 HK cents) for the year ended 31 March 2019.

### 管理層討論及分析

#### 集團業績

本人謹代表董事會提呈本集團截至二零一九年三月三十一日止年度(「本年度」)之經審核綜合業績。

於二零一八年，香港零售市場持續向好。訪港旅客人數逐漸增加，其中來自中國內地旅客亦逐漸增加。此外，根據政府統計處發表之零售業銷貨額按月統計調查，零售市場平均呈現升勢。然而，中美貿易糾紛持續為全球經濟帶來不明朗因素。人民幣匯率波動及股市調整於一定程度上減低消費者信心。與過去相比，消費者於消費方面更為謹慎。由於受有關消費者行為改變所影響，本集團於本年度之營業額減少15.7%至2,437,000,000港元(二零一八年：2,892,000,000港元)，此乃由於出售手錶之單位較少所致。然而，毛利僅輕微減少0.7%至603,000,000港元(二零一八年：607,000,000港元)，而毛利率則增加至24.7%(二零一八年：21.0%)，主要由於本集團在其產品選擇上能掌握較高毛利率之能力而達致。因此，本公司擁有人應佔本集團之純利僅輕微減少0.7%至138,000,000港元(二零一八年：純利為139,000,000港元)。

為酬謝股東一直鼎力支持，董事會已議決建議派發截至二零一九年三月三十一日止年度之末期股息每股8.0港仙(二零一八年：8.0港仙)及特別股息每股13.5港仙(二零一八年：15.0港仙)。

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

## 主席報告及管理層討論及分析

### Business Review

As at 31 March 2019, the Group operates 61 retail and wholesale points (including associate retail stores) in the Greater China region. Breakdown by geographic region is as follows:

Hong Kong	香港
Macau	澳門
China	中國
Taiwan	台灣
Total	總計

Reported by the National Bureau of Statistics, China's gross domestic product ("GDP") has sustained with a 6.6% yoy growth in 2018, representing a slower growth rate as compared to the past. Driven by government policies, domestic consumption has been a driving force of economic expansion, which contributed 76.2% of the growth. Yet, the continuous depreciation of Chinese Yuan has weighted on consumer spending, which is reflected on a negative yoy growth in China's consumer sentiment index in the fourth quarter last year. On the other hand, Hong Kong as a global tourism hub, its retail market was also affected by the fluctuations of the Chinese Yuan. On a positive note, according to the Hong Kong Tourism Board, the number of visitors to Hong Kong last year rose by 11.4% to more than 65 million, with mainland tourists increased by 14.8% to 51 million, mainly propelled by the openings of Guangzhou-Shenzhen-Hong Kong Express Rail Link and Hong Kong-Zhuhai Macau Bridge. The Group believes the openings of these infrastructures will further attract more tourist arrivals as they have made travelling between Hong Kong, Macau and the mainland China much more conveniently, and that will stimulate Hong Kong's tourism industry and gradually benefit the retail market. Oriental Watch, as a long-established luxury watches company with extensive foothold in Greater China, we will strive to strengthen our leading position in the market and generate greater returns to shareholders.

### 業務回顧

於二零一九年三月三十一日，本集團於大中華地區經營61個零售及批發點(包括聯營零售店)，按地區分析如下：

As at 31 March 2019 於二零一九年 三月三十一日
11
1
46
3
<b>61</b>

根據國家統計局報告，中國國內生產總值(「國內生產總值」)於二零一八年維持6.6%按年增長，與去年相比增長率有所放緩。於政府政策推動下，國內消費為經濟擴張之推動力，貢獻76.2%之增長。然而，人民幣元持續貶值加重消費者開支，此於去年第四季度中國消費者信心指數之負按年增長中反映。另一方面，香港作為全球旅遊樞紐，其零售市場亦受人民幣元波動所影響。根據香港旅遊發展局，去年訪港旅客人數增加11.4%至超過65,000,000人次，而內地遊客增加14.8%至51,000,000人次，主要為廣深港高速鐵路及港珠澳大橋通車推動，成績令人鼓舞。本集團認為，該等基建啟用將進一步吸引更多旅客來港，原因其來往香港、澳門及中國內地之間旅行更方便，此舉將刺激香港旅遊業及致令零售市場逐步獲益。東方表行作為遍佈大中華地區之歷史悠久名貴鐘錶公司，將致力鞏固於市場之領先地位，並為股東創造更大回報。

## CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

### 主席報告及管理層討論及分析

For the implementation of stringent cost control, exercising adequate control on rental cost has been the Group's priorities since 2014. However, the Group has relocated its flagship store from 100 Queens Road Central to 50 Queens Road Central during the Year, a premium location situated in the very heart of the upscale spending area. Group's aggregate rental cost (excluding related property management fees) decreased by 4.1% to HK\$162 million, accounting for 34.0% of the Group's overall operating expenses (2018: 34.9%). The Group believes that the change of location will further fuel the brand presence and the sales once it starts operation. In addition, regular internal assessment on the performance of all retail stores and closedown of high-rent yet non-performing stores are also the Group's strategy for better resources allocation. The Group will continue to closely monitor the store performance as well as the rental contracts from time to time in order to maximize the profitability by improving our efficiency and cost structure.

During the Year, the Group has employed policies on inventory management to ensure stable cashflow and healthy financial position. Policies included monitoring inventory level of high-ticket products and purchasing stocks only when existing inventory depletes to a pre-agreed level. With the hard work and determination from all staff, the Group's inventory level has successfully been maintained at a reasonable level. As at 31 March 2019, the Group's overall inventory level amounted to HK\$824 million, decreasing by 17.7% from HK\$1,001 million as at 31 March 2018. In parallel, the Group has also continued to step up its efforts in adjusting and optimising its brand portfolio, in order to stabilise the Group's overall sales performance and keep abreast of market trend. Oriental Watch will continue to maintain a lower inventory level for a better cash position and a sustainable business development in the future.

為實施嚴格成本控制，自二零一四年起，本集團已作出適當租金成本控制，並為本集團之首要任務。然而，本集團於本年度將其旗艦店由皇后大道中100號搬遷至皇后大道中50號，地理位置優越且為高檔消費核心區域。本集團總租金成本(不包括相關物業管理費)減少4.1%至162,000,000港元，佔本集團整體營運開支之34.0%(二零一八年：34.9%)。本集團相信，於開始營運後，搬遷店舖地點將進一步推動品牌形象及銷售。此外，定期對所有零售店業績進行內部評估，並關閉租金高昂惟表現欠佳之店舖，亦為本集團達致更佳資源配置之策略。本集團將繼續不時密切監察店舖表現及租約，以透過提升效率及改善成本架構從而最大限度地提高盈利能力。

於本年度，為確保現金流量穩定及財務狀況穩健，本集團已實施多項存貨管理政策，包括監察高價產品之存貨水平及僅於現有存貨消耗至預訂水平時購置存貨。有賴全體員工勤奮工作、堅定不移，本集團之存貨水平成功維持於合理水平。於二零一九年三月三十一日，本集團之整體存貨水平為824,000,000港元，較二零一八年三月三十一日之1,001,000,000港元下降17.7%。與此同時，本集團亦持續致力調整及提升其品牌形象，以鞏固本集團之整體銷售業績並緊貼市場趨勢。為爭取更佳之現金狀況及日後可持續之業務發展，東方表行將繼續維持穩定之存貨水平。

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

## 主席報告及管理層討論及分析

According to the Federation of the Swiss Watch Industry FH, the watch industry exports continued to gain ground in March 2019, the total export value was 4.4% higher than that in the same period of 2018. The Hong Kong market remains the biggest importing region, which accounted for 13.6% of the total Swiss watch exports. In the short-term, the China-US trade dispute, instability of the Chinese Yuan and uncertain global economic outlook may continue to affect the retail market, however, in the long-run, Hong Kong as a world-renowned city to tourists from across the globe, will continue to gain ground and will benefit from the recovery of spending appetite going forward. As a watch retailer who is known for its long history and high quality products, Oriental Watch will take prudent and effective measures to boost the productivity of existing outlets, monitor cost and inventory level, as well as improve its product portfolio to foster the Group's sustainability and profitability.

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

### FINANCIAL REVIEW

#### Liquidity and financial resources

At 31 March 2019, the Group's total equity reached HK\$2,214 million, compared with HK\$2,317 million as at 31 March 2018. The Group had net current assets of HK\$1,886 million, including bank and cash balances of HK\$1,085 million as at 31 March 2019 compared with balances of HK\$2,009 million and HK\$1,082 million respectively as at 31 March 2018. At 31 March 2019, bank loans of HK\$63 million (31 March 2018: HK\$75 million). At 31 March 2019, the gearing ratio (defined as total bank borrowing on total equity) was 0.03 (31 March 2018: 0.03).

根據瑞士鐘錶工業聯合會FH資料，鐘錶業之出口量於二零一九年三月持續上升，出口總值較二零一八年同期高出4.4%。香港市場仍為最大出口地區，佔瑞士手錶總出口量之13.6%。於短期內，中美貿易糾紛、人民幣元不穩定及全球經濟前景不明朗可能繼續影響零售市場。然而，長遠而言，香港作為全球旅客眼中之世界知名城市，將繼續向前邁進，並將從未來消費意慾恢復中受惠。作為以悠久歷史及優質產品而知名之手錶零售商，東方表行將採取審慎有效措施，提升現有商店之生產力、監控成本及存貨水平，並改善其產品組合，促進本集團可持續發展及盈利能力。

我們謹代表本集團感謝客戶、供應商、員工及股東多年來的貢獻、忠誠和支持。

### 財務回顧

#### 流動資金及財務資源

於二零一九年三月三十一日，本集團之權益總額達2,214,000,000港元，而於二零一八年三月三十一日則為2,317,000,000港元。於二零一九年三月三十一日，本集團之流動資產淨值為1,886,000,000港元，包括1,085,000,000港元之銀行及現金結餘，而於二零一八年三月三十一日之結餘則分別為2,009,000,000港元及1,082,000,000港元。於二零一九年三月三十一日，銀行貸款為63,000,000港元（二零一八年三月三十一日：75,000,000港元）。於二零一九年三月三十一日，負債資產比率（定義為銀行借貸總額除以權益總額）為0.03倍（二零一八年三月三十一日：0.03倍）。

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

## 主席報告及管理層討論及分析

Management considers that financial position of the Group is healthy with adequate funds and unused banking facilities. The Group's sales and purchase transactions are primarily denominated in Hong Kong dollars and Renminbi. The Group did not face significant risk from exposure to foreign exchange fluctuations.

### Foreign exchange exposure

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

## HUMAN RESOURCES

As at 31 March 2019, our Group employed approximately 600 employees all over HK, Macau, China and Taiwan, of which approximately 70% were located in Mainland China. The total manpower is lower than previous year.

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

The Group believes every customer does have high expectations on the services they obtained while shopping for luxury goods. Thus, we must always try to provide services beyond their expectations. As such, significant resources have been allocated to the Staff Training and Development.

In FY2016, the Group developed a series of training programmes for our senior executives with diverse topics ranging from leadership, personal development and effectiveness, task and team management. Through these programmes, enable our staff to improve their management skills and help to bring in innovative ideas to the organization as a whole.

管理層認為本集團之財務狀況穩健，並具備充裕資金及未動用銀行融資。本集團之買賣交易主要以港元及人民幣為單位。本集團並無面對重大外匯波動風險。

### 外匯風險

本集團之買賣交易主要以港元及人民幣為單位。本集團並無面對重大外匯波動風險。

## 人力資源

截至二零一九年三月三十一日，本集團於香港、澳門、中國及台灣共僱有約600名僱員，其中大約70%為中國內地員工，總受僱人數跟去年有所下降。

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

本集團相信每位顧客於購買奢侈品的過程，均對其應獲得之服務有相對較高的期望，因此，我們需要嘗試提供超越顧客期望之服務。有鑒於此，本集團已積極投放大量資源在員工培訓及發展。

於二零一六財政年度，本集團為管理人員舉辦一系列之領導發展技能的培訓課程，課程提供關於領導技巧、個人發展及效率、項目及團隊管理。藉着該等課程，有助提升員工的管理技巧，同時亦可為公司帶來創新意念。



## CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

### 主席報告及管理層討論及分析

The Group have also commissioned an independent consulting firm to conduct a continuous “Mystery Shoppers Programme (MSP)”. This programme has helped the management to gauge and monitor the overall service performance of our sales team. By analyzing the results of MSP, we are able to identify areas for improvements. The management team has used these results to tailor-made training programme to specific shop and individual level.

All these efforts align with the company's philosophy of providing “Service Excellence” to customer. Hopefully these measures will help propel the company's business forward.

本集團委任獨立顧問公司進行連續性的「神秘顧客計劃」，以協助管理層評估公司銷售團隊整體服務水平，透過分析神秘顧客計劃的結果，我們能辨別公司有待改善之處，從而使管理團隊更有效地設計針對個別店舖或員工的培訓課程。

這一切均是配合公司為顧客提供「優質服務」的理念，以推動本公司的業務發展不斷向前邁進。

# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層

### EXECUTIVE DIRECTORS:

**Dr. YEUNG Ming Biu**, aged 83, the Chairman of the Company, is a Co-founder of the Group. He has over 60 years' experience in the watch business and is a Permanent Honorary Director of The Federation of Hong Kong Watch Trades and Industries Limited. He holds Honorary Fellow awarded by The Chinese University of Hong Kong and Honorary Doctor degree awarded by Lansbridge University of New Brunswick of Canada.

**Mr. YEUNG Him Kit, Dennis**, aged 50, joined the Group in 1993. He became Managing Director of the Company in March 2003. He holds a Bachelor Degree in Commerce from the University of Toronto, Canada. Mr. Yeung is the son of Dr. Yeung Ming Biu.

**Madam YEUNG Man Yee, Shirley**, aged 57, joined the Group in 1991. She received a Higher Diploma in Business Studies and Diploma in Watch and Jewellery Management from North Herts College in the United Kingdom and CFH Institute in Switzerland respectively. Madam Yeung is the daughter of Dr. Yeung Ming Biu.

**Mr. LAM Hing Lun, Alain**, aged 60, joined the Group in 1992. He is the Finance Director and Company Secretary of the Company and became Director of the Company in April 2003. He is responsible for the Group's accounting, financial control and secretarial matters. He has over 32 years' experience in accounting and auditing. Mr. Lam holds a Master Degree of Business Administration from the University of Hull. He is a Fellow Member of the Association of Chartered Certified Accountants and an Associate Member of the Hong Kong Institute of Certified Public Accountants.

**Mr. CHOI Kwok Yum**, aged 64, joined the Group in 1969. He became Director of the Company in April 2003 and has over 50 years' experience in the watch business.

### 執行董事：

**楊明標博士**，83歲，本公司主席，亦為本集團創辦人之一。彼具有逾60年鐘表業經驗，並為香港鐘表業總會永遠名譽會董。楊先生持有香港中文大學頒授之榮譽院士及持有加拿大賓士域藍仕橋大學頒授之榮譽博士。

**楊衍傑先生**，50歲，於一九九三年加入本集團。彼於二零零三年三月出任本公司董事總經理。彼持有加拿大多倫多大學商業學士學位。楊先生為楊明標博士之兒子。

**楊敏儀女士**，57歲，於一九九一年加入本集團。彼分別持有英國North Herts College商業課程高級文憑及瑞士CFH Institute鐘表珠寶管理文憑。楊女士為楊明標博士之女兒。

**林慶麟先生**，60歲，於一九九二年加入本集團。彼為本公司財務董事兼公司秘書，並於二零零三年四月出任本公司董事。彼負責本集團會計、財務控制及秘書事宜。彼具有逾32年會計及核數經驗。林先生持有University of Hull工商管理碩士學位。彼為特許公認會計師公會資深會員及香港會計師公會會員。

**蔡國欽先生**，64歲，於一九六九年加入本集團。彼於二零零三年四月出任本公司董事，具有逾50年鐘表業經驗。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### INDEPENDENT NON-EXECUTIVE DIRECTORS:

**Dr. SUN Ping Hsu, Samson (“Dr. Sun”), M.B.E., J.P.**, aged 94, has been an Independent Non-executive Director of the Company since September 1993. He is the Chairman of Sun International Group of companies. He was Deputy Chairman and a Director of Gilman & Co., Ltd. and Inchcape Hong Kong respectively from 1967 to 1985. Dr. Sun is the Honorary Permanent President of The Federation of Hong Kong Watch Trades and Industries Limited. He has over 60 years’ experience in the manufacturing, marketing and distribution of watches, and 31 years’ experience in the marketing and distribution of consumer and electronic products. He has involved in the PRC trade since 1979, and continues to be active in both trading and property development in the PRC. Dr. Sun has chaired many voluntary community services and charitable organisations. He was a Member of Basic Law of HKSAR Consultative Committee in 1980’s. He is an Independent Non-executive Director of National Electronics Holdings Limited (stock code: 0213), and Cheuk Nang (Holdings) Limited (stock code: 0131).

#### 獨立非執行董事：

**孫秉樞博士(「孫博士」)，M.B.E., J.P.**，94歲，自一九九三年九月起出任本公司獨立非執行董事。彼為新達集團主席。彼自一九六七年至一九八五年間分別出任香港太平洋行有限公司之副主席及英之傑香港之董事。孫博士為香港鐘表業總會永遠名譽會長。彼具有逾60年製造、經銷及分銷手表經驗及31年經銷及分銷消費品及電子產品經驗。彼自一九七九年涉足中國貿易業務，並一直活躍於中國貿易及物業發展業務。孫博士為多個志願社團服務及慈善機構之主席。彼於一九八零年代曾任香港特區基本法諮詢委員會委員。彼為National Electronics Holdings Limited(股份代號：0213)及卓能(集團)有限公司(股份代號：0131)之獨立非執行董事。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

**Dr. LI Sau Hung, Eddy (“Dr. Li”), G.B.S., J.P.**, aged 64, has over 40 years’ experience in the manufacturing business. He is the President of Hong Kong Economic & Trade Association and the Permanent Honorary President of The Chinese Manufacturers’ Association of Hong Kong. Dr. Li holds a Master Degree of Business Administration and a PhD Degree in Economics. He was the 1991 awardee of The Ten Outstanding Young Persons and the 1993 awardee of Young Industrialists of Hong Kong. He has been an Independent Non-executive Director of the Company since September 1993. He is currently an Independent Non-executive Director of Man Yue Technology Holdings Limited (stock code: 0894) and Chuang’s China Investments Limited (stock code: 298), both of which are listed on the Stock Exchange.

**Mr. CHOI Man Chau, Michael (“Mr. Choi”)**, aged 63, is a Fellow Member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Choi has been practising public accountancy in Hong Kong for over 26 years. Mr. Choi was formerly an Independent Non-executive Director of Hunan Nonferrous Metals Corporation Limited (stock code: 2626) which was listed on the Main Board of the Stock Exchange until its voluntary withdrawal of listing in March 2015.

**李秀恒博士(「李博士」)**，**G.B.S., J.P.**，64歲，具有逾40年製造業經驗。彼為香港經貿商會會長及香港中華廠商聯合會永遠名譽會長。李博士持有工商管理碩士學位及經濟學博士學位。彼為一九九一年度「香港十大傑出青年」之一，並於一九九三年獲「香港青年工業家」獎項。彼自一九九三年九月起出任本公司獨立非執行董事。彼現為萬裕科技集團有限公司(股份代號：0894)及莊士中國投資有限公司(股份代號：298)之獨立非執行董事，兩間公司均為在聯交所上市之公司。

**蔡文洲先生(「蔡先生」)**，63歲，為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員。蔡先生擁有逾26年在香港出任執業會計師之經驗。蔡先生曾為湖南有色金屬股份有限公司(股份代號：2626)(其曾於聯交所主版上市，直至其於二零一五年三月自願撤銷上市地位)之獨立非執行董事。

# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層

### SENIOR MANAGEMENT

**Mr. CHAN Sze Wing, Kenneth**, aged 55, is a director of our PRC companies. He is overseeing the Group's operation in the PRC. He joined the Group in 2013 and has over 25 years' experience in the watch business.

**Mr. YEUNG Chi On**, aged 59, is the General Manager overseeing the retail operation in Hong Kong. He joined the Group in 1980 and has over 37 years' experience in the watch business.

**Mr. LAM Tung Hing**, aged 61, is the General Manager and overseeing the retail operation in Hong Kong. He joined the Group in 2003 and has over 39 years' experience in the watch business.

### 高級管理層

**陳仕榮先生**，55歲，為本集團在中國之公司董事，監督本集團於中國的業務運作。彼於二零一三年加入本集團，具有逾25年鐘表業經驗。

**楊志安先生**，59歲，為總經理，監督香港零售運作。彼於一九八零年加入本集團，具有逾37年鐘表業經驗。

**林東興先生**，61歲，為總經理，監督香港零售運作。彼於二零零三年加入本集團，具有逾39年鐘表業經驗。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

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

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

Throughout the year ended 31 March, 2019, the Company has complied with the code provisions prescribed in the CG Code set out in the Appendix 14 of the Listing Rules except for the deviation from the Code Provision A.4.1 which is explained in the following relevant paragraph.

### DIRECTORS’ SECURITIES TRANSACTIONS

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

### 企業管治常規

本公司相信有效的企業管治常規乃提升股東價值與保障股東及其他利益相關者權益的根基，因此致力達致並維持最高的企業管治水平。為此，本公司已採納良好的企業管治原則，強調要有一個優秀的董事會（「董事會」）、有效的風險管理及內部監控、嚴格的披露常規，以及對所有利益相關者的透明度和問責性。此外，本公司不斷竭力改良該等常規，培養高尚的企業文化。

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

截至二零一九年三月三十一日止年度內，本公司一直符合上市規則附錄十四所載企業管治守則列載之守則條文，惟如下文相關段落所闡述偏離守則條文A.4.1除外。

### 董事之證券交易

本公司已採納上市規則附錄十所載之標準守則，作為其董事進行證券交易之操守守則（「守則」）。經向全體董事作出特定查詢後，本公司確認全體董事於本回顧年度內一直遵守守則所載之規定標準。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### THE BOARD

#### Corporate Strategy

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

#### Role of the Board

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

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

### 董事會

#### 企業策略

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

#### 董事會之角色

董事會須就本公司之長遠表現向股東負責，並負責制訂本公司之策略目標，同時監察業務之管理工作。董事負責促進本公司業務之成績，並作出符合本公司最佳利益之決策。

董事會在主席楊明標博士之領導下，批准及監察本集團之整體策略和政策、年度預算和業務計劃、評估本公司表現以及監督本公司管理層（「管理層」）之工作。在集團董事總經理兼副主席之帶領下，管理層負責本集團之日常運作。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Board Composition

At 31 March, 2019, the Board comprised eight Directors, including the Chairman, Group Managing Director, Group Finance Director, two Executive Directors and three Independent Non-executive Directors. Biographical details of the Directors are set out in the Directors and Senior Management Section on pages 9 to 12. The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business of the Group.

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

### Chairman and Chief Executive

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

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

### 董事會結構

於二零一九年三月三十一日，董事會由八名董事組成，包括主席、集團董事總經理、集團財務董事、兩名執行董事和三名獨立非執行董事。各董事之履歷載於第9頁至第12頁之「董事及高級管理層」一節內。董事會結構均衡，每名董事均具備與本集團業務有關之豐富知識、經驗及／或專長。

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

### 主席及行政總裁

主席肩負有別於集團董事總經理兼副主席之職責。劃分職責有助加強彼等之獨立性和問責性。

主席負責領導與監管董事會之運作，確保董事會以符合本集團最佳利益之方式行事，以及有效地規劃和進行董事會會議。主席負責批准每次董事會會議之議程，當中適當考慮董事建議列入議程之事項。在執行董事和公司秘書協助下，主席將確保所有董事獲妥為簡報在董事會會議上提出之問題，並適時獲提供足夠與準確之資料。主席亦積極鼓勵董事充份參與董事會之事務以及對董事會之運作作出貢獻。在主席之領導下，董事會已採納良好的企業管治常規和程序，並採取適當步驟與股東保持有效溝通。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

### Independent Non-executive Directors

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

The Company has received from each of the independent non-executive directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company based on such confirmation, considers Dr. Sun Ping Hsu, Samson, Dr. Li Sau Hung, Eddy and Mr. Choi Man Chau, Michael to be independent.

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

### 獨立非執行董事

為符合上市規則第3.10(1)條，本集團有三名獨立非執行董事，佔董事會成員之三分之一。在三名獨立非執行董事中，一名具備上市規則第3.10(2)條所規定之適當會計專業資格或相關財務管理專長。

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Directors' Appointment, Re-election and Removal

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

### Board Meetings and Practices

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

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

### 董事之委任、重選及罷免

根據守則條文A.4.1，非執行董事之委任應有指定任期，並須接受重新選舉。然而，獨立非執行董事之委任並無指定任期，但須根據本公司之公司細則在本公司之股東週年大會上輪值退任。本公司管理層認為並無迫切需要透過在獨立非執行董事之委任書中加入指定任期修訂委任書。

### 董事會會議及常規

董事會須每年定期舉行最少四次會議，董事會亦將於其他須董事會就特定事宜作出決策之情況下舉行會議。在編定會期的會議之間，本集團高級管理層會定時向董事提供有關本集團活動和業務發展之資料。年內各董事透過傳閱附有理據說明資料之決議案，及在有需要時由公司秘書與其他行政人員提供額外口頭／書面補充資料或通報，參與審批本公司之日常及營運事宜。有關附屬公司之重大或重要交易之詳細資料，亦會適時提供予各董事。在有需要時，董事會亦會加開會議。

董事將於各董事會會議舉行前接獲將須作決定之議程事項詳情及委員會會議之會議記錄。對於董事會之定期會議，各董事至少在十四天前接獲書面會議通告，並至少於會議舉行三天前獲發送議程與相關董事會文件。對於其他會議，董事亦視乎情況獲得合理及切實可行之通知期。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

During the year ended 31 March, 2019, meetings and Directors attendance records for the meetings held are set out below:

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

於截至二零一九年三月三十一日止年度內，會議及各董事於所舉行會議之出席記錄載列如下：

		<b>Board</b> 董事會	<b>2018 Annual General Meeting</b> 二零一八年 股東週年大會
<i>Executive Directors</i>	<i>執行董事</i>		
Dr. Yeung Ming Biu (1) – Chairman	楊明標博士(1)–主席	5/5	√
Mr. Yeung Him Kit, Dennis (1) – Group Managing Director	楊衍傑先生(1) –集團董事總經理	5/5	√
Madam Yeung Man Yee, Shirley (1)	楊敏儀女士(1)	5/5	√
Mr. Lam Hing Lun, Alain – Group Finance Director	林慶麟先生 –集團財務董事	5/5	√
Mr. Choi Kwok Yum	蔡國欽先生	5/5	√
<i>Independent Non-Executive Directors</i>	<i>獨立非執行董事</i>		
Dr. Sun Ping Hsu, Samson	孫秉樞博士	5/5	√
Dr. Li Sau Hung, Eddy	李秀恒博士	5/5	x
Mr. Choi Man Chau, Michael	蔡文洲先生	5/5	x

Notes:

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

附註：

(1) 楊明標博士為楊衍傑先生及楊敏儀女士之父。

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### Training and Commitment

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

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

### COMPANY SECRETARY

The Company Secretary, Mr. Lam Hing Lun, Alain is responsible to the Board for ensuring that the Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through the adherence to proper Board processes and the timely preparation and dissemination to Directors and Board Committees comprehensive Board agendas and papers. Minutes of all Board meetings and Board Committees are prepared by and maintained by the Company Secretary to record in sufficient details the matters considered and decisions reached by the Board or Committee, including any concerns raised or dissenting views voiced by any Director. All the minutes are sent to Directors and are available for inspection by any Director upon request.

### 培訓及承擔

本公司為董事提供持續專業發展培訓與相關讀物，確保彼等獲悉本集團經營業務所在商務、法律及規管環境之最新變化，並更新彼等對本公司董事之角色及職能之知識與技能。此外，孫秉樞博士、李秀恒博士及林慶麟先生已出席涵蓋相關課題之外界論壇或簡報環節(包括由林慶麟先生發表演辭)。蔡文洲先生亦已按照香港會計師公會之規定參與持續專業發展課程。

董事已不時向本公司提供彼等所接受之持續專業發展培訓詳情。

### 公司秘書

公司秘書林慶麟先生向董事會負責，確保董事會程序獲得遵守及董事會活動迅速及有效地進行，方法為嚴格遵守適當董事會程序以及適時編製及發送詳盡董事會會議議程及文件予董事及各董事委員會。所有董事會會議及董事委員會會議記錄均由公司秘書編製及存置，以足夠詳盡地記錄董事會或委員會考慮之事項及達成之決定，包括由任何董事提出之任何關注或表達之反對意見。所有會議記錄均發送予董事，並可應要求供任何董事查閱。

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

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

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

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

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

公司秘書負責確保董事會充份了解一切與本集團有關之法例、規管和企業管治發展，並於作出有關本集團之決策時加以考慮。公司秘書亦直接負責確保本集團遵守上市規則之所有責任，包括於上市規則規定之期限內刊發和發送年報與中期報告，及時向股東與市場發出有關本集團之公佈與資料，並協助董事於買賣本集團證券時發出通知。

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

本集團定期為本集團內各業務單位行政人員舉行關於關連交易之研討講座，以確保該等交易遵照上市規則規定處理。所有潛在關連交易均會經過詳細分析，確保完全符合規例，並提呈董事考慮。

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

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

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### ACCOUNTABILITY AND AUDIT

#### Directors' Responsibility for the Financial Statements and the Financial Reporting

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

The following statement, which set out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the Auditor's report on pages 65 to 70 which acknowledge the reporting responsibilities of the Group's Auditor.

#### Annual Report and Accounts

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

#### Accounting Policies

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

#### Accounting Records

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

#### Safeguarding Assets

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

### 問責性及核數

#### 董事就財務報表及財務申報須承擔之責任

本公司之年度及中期業績於年底及年中適時刊發。

下文列出董事就財務報表須承擔之責任，與第65頁至第70頁之核數師報告所確認之本集團核數師申報責任有所不同，但兩者應一併閱讀。

#### 年報及賬目

董事確認，其須負責根據香港公司條例與適用之會計準則擬備本公司之年報及財務報表，以確保財務報表真實而中肯地反映情況。

#### 會計政策

董事認為，本集團在擬備財務報表時已貫徹應用適當之會計政策，並根據適用之會計準則作出合理及審慎之判斷與估計。

#### 會計記錄

董事須負責確保本集團保存披露本集團財政狀況之會計記錄，讓本集團得以按照其會計政策擬備財務報表。

#### 保護資產

董事須負責採取一切合理而必要之措施保護本集團之資產，並防範與查察本集團內之欺詐行為與其他違規事項。

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### Going Concern

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

### Auditor's Remuneration

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

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

### 持續經營

經作出適當查詢後，董事認為本集團擁有足夠資源在可見未來繼續經營，故採用持續經營基礎擬備財務報表實屬恰當。

### 核數師酬金

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

於本財政年度內，德勤提供之服務及向其支付之相關酬金如下：

		<i>HK\$'000</i> 千港元
Audit	審計服務	3,190
Taxation and non-audit services	稅務及非審計服務	520
		<hr/>
		3,710

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### BOARD COMMITTEES

#### Audit Committee

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

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

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

During the year ended 31 March, 2019, 4 meetings were held. The attendance records for the audit committee meetings are set out below:

#### Members of the Audit Committee

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

### 董事委員會

#### 審核委員會

審核委員會由全體獨立非執行董事組成，彼等均具備了解財務報表及內部監控所需之適當商業與財務管理經驗與技巧。審核委員會由孫秉樞博士擔任主席，成員為李秀恒博士及蔡文洲先生。

根據審核委員會之職權範圍，審核委員會之職責包括監察本公司與其外聘核數師之關係、審閱本集團之初步業績、中期業績與年度財務報表、監察對法定與上市規則規定之遵守情況、檢討本集團內部審計職能之工作範疇、規限與效率、在認為有需要時委聘獨立法律或其他顧問，以及進行調查。

董事會所採納之審核委員會職權範圍已登載於本集團網站。

於截至二零一九年三月三十一日止年度內，審核委員會舉行了四次會議。審核委員會會議之出席記錄載列如下：

#### Directors' Attendance 董事出席率

#### 審核委員會成員

孫秉樞博士	4/4
李秀恒博士	4/4
蔡文洲先生	4/4

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

年內，審核委員會已根據其職權範圍及現有守則之其他職責履行職責及責任。



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### **Financial Statements**

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

### **External Auditors**

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

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

- Audit services – includes audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by external auditors.

### **財務報表**

審核委員會就審閱本集團之中期業績、末期業績、中期報告及年報以及本集團之其他財務、內部監控及風險管理事宜，不時與集團財務董事及本集團其他高級管理層舉行會議。審核委員會考慮與討論管理層、本集團內部及外聘核數師之報告與所提交之資料，以確保本集團之綜合財務報表已按照香港普遍採納之會計原則擬備。審核委員會亦與本集團之外聘核數師德勤舉行會議，以考慮德勤對中期財務報告進行之獨立審閱及對綜合財務報表進行之年度審計範圍和結果而提交之報告。

### **外聘核數師**

審核委員會檢討及監察外聘核數師之獨立性和客觀性，以及審計過程之有效性。審核委員會已收到德勤就其獨立性和客觀性作出之聲明，並與德勤舉行會議，以考慮其審計範圍、批准其收費，並審批其所提供之任何非審計服務(如有)之範圍及適當性。審核委員會亦就外聘核數師之委任與續聘事宜向董事會提供建議。

本集團按下列政策委聘德勤提供下文所列各類服務：

- 審計服務 — 包括與審計綜合財務報表有關之審計服務。所有此等服務將由外聘核數師提供。

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- Audited related services – included services that would normally be provided by an external auditors but not generally included in audit fees, for example, audit of the Group’s pension plans, due diligence and accounting advice related to mergers and acquisitions, internal control reviews of systems and/or process, issuance of special audit reports for tax purposes (if any). The external auditors are to be invited to undertake these services that they must or are best placed to undertake in their capacity as auditors.
- Taxation related services – includes all tax compliance and tax planning services except for those services which are provided in connection with the audit. The Group uses the services of the external auditors where they are best suited. All other significant taxation related work may be undertaken by other parties as appropriate.
- Others services – includes, for example audit or reviews of third parties to assess compliance with contracts, risk management diagnostics and assessments, and non-financial system consultations (if any). The external auditors are also permitted to assist management and the Group’s internal auditors with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services – the external auditors are not eligible to provide services involving general consulting work including accountancy services.
- 與審計有關之服務 — 包括一般由外聘核數師提供，但普遍不包括在核數費用內之服務，例如審核本集團之退休金計劃、與併購活動有關之盡職審查與會計意見、對制度及／或程序進行內部監控檢討，以及就稅務目的（如有）發表特別審計報告。本集團將邀請外聘核數師提供其作為核數師必須提供或最能勝任之服務。
- 與稅務有關之服務 — 包括所有稅務合規與稅務規劃服務，但不包括與審計有關之服務。本集團委聘外聘核數師提供其最能勝任之服務。所有其他重要稅務相關工作可能由其他適當人士執行。
- 其他服務 — 包括例如審計或審閱第三方之資料以評估合約遵守情況、風險管理分析與評估，以及不涉及財務制度之顧問服務（如有）。外聘核數師亦可協助管理層與本集團內部核數師進行內部調查與查察懷疑違規事項。此等服務須經審核委員會特別批准。
- 一般顧問服務 — 外聘核數師不符合資格提供涉及一般顧問工作之服務，包括會計服務。

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### **Review of Risk Management and Internal Control**

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

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

### **Remuneration Committee**

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

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

### **風險管理及內部監控檢討**

審核委員會協助董事會履行維持有效內部監控系統之責任。審核委員會檢討本集團對其監控環境與風險之評估程序，以及對業務與監控風險之管理方式。此外，審核委員會與本集團內部核數師檢討其審計工作計劃和所需資源，並審議就本集團業務營運之內部監控成效向審核委員會所提交之報告。

審核委員會於就批核年度綜合財務報表向董事會提出建議時，會參考此等檢討結果與報告。

### **薪酬委員會**

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

薪酬委員會須負責協助董事會達成其目標，以吸引、挽留與激勵最有才能和經驗之人才，為本集團旗下規模龐大之業務制訂與執行策略。薪酬委員會協助本集團操作公平及具透明度之程序，用以制訂薪酬政策(包括評估本集團董事與高級行政人員之表現並釐定其薪酬待遇)。董事會所採納之薪酬委員會職權範圍已登載於本集團網站。

# CORPORATE GOVERNANCE REPORT

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

During the financial year ended 31 March, 2019, one remuneration committee meeting has been held. Throughout the financial year, all members of the Remuneration Committee have reviewed background information on market data, the Group's business activities and human resources issues, and headcounts and staff costs. The Remuneration Committee has also reviewed and approved the proposed director fees for year ended 31 March 2020, year-end bonus and remuneration packages of Executive Directors and senior management of the Company for the year ended 31 March, 2019 and made recommendations to the Board on the directors' fees for independent non-executive directors, however, do not participate in the determination of their own remunerations.

### NOMINATION OF DIRECTORS

The Company has not established a nomination committee. However, Executive Directors identify potential new directors and recommend to the Board for decision. The Board considers potential directorship based on the candidate's qualifications, business experience and suitability to the Company. During the financial year ended 31 March, 2019, no nomination meeting has held.

### DIVIDEND POLICY

The Company does not have a dividend policy or any pre-determined dividend distribution ratio. The board of directors of the Company (the "Board") will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Company's operating results, business plans and prospects, financial position and working capital requirements, and other factors that the Board considers relevant.

董事與高級行政人員之薪酬根據本集團本身之表現和盈利能力，並參考其他本港及／或國際公司之薪酬指標與現行市況釐定。董事與僱員亦參與按本集團與個人表現釐定之花紅安排。

於截至二零一九年三月三十一日止財政年度內，薪酬委員會舉行了一次會議。於整個財政年度內，薪酬委員會所有委員均已審閱市場數據、本集團業務活動與人力資源事宜，以及僱員人數與員工成本等背景資料。薪酬委員會亦已審批截至二零二零年三月三十一日止年度之建議董事袍金，以及本公司執行董事與高級管理層截至二零一九年三月三十一日止年度之年終花紅及薪酬待遇建議，並向董事會建議獨立非執行董事之董事袍金，惟並無參與釐定其本身之薪酬。

### 董事提名

本公司並無成立提名委員會。然而，執行董事物色新董事人選，並向董事會提出建議以便作出決定。董事會按人選資歷、商業經驗及對本公司之適合性考慮出任董事之潛力。於截至二零一九年三月三十一日止財政年度內，並無舉行提名會議。

### 股息政策

本公司並無股息政策或任何預定派息率。本公司董事會（「董事會」）將根據考慮多項因素（包括現行市場狀況、本公司經營業績、業務計劃及前景、財務狀況及營運資金需求，以及董事會認為相關之其他因素）後，決定宣派／建議任何未來股息。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### GROUP RISK MANAGEMENT, INTERNAL CONTROL AND CORPORATE GOVERNANCE

#### Role of the Board

The Board has overall responsibility for the Group's system of risk management, internal control and legal and regulatory compliance.

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

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

### 集團風險管理、內部監控及企業管治

#### 董事會之角色

董事會全權負責本集團之風險管理制度、內部監控以及法律及規管遵守情況。

於履行其職責時，董事會尋求提升本集團旗下各業務營運之風險意識，並透過制訂政策和程序，包括界定授權之標準，藉以建立一個有助確定與管理風險之架構。董事會亦負責評估和釐定本集團於執行策略及業務目標時願意承擔之風險性質和水平。此外，董事會持續檢討並監察風險管理及內部監控系統之成效。匯報與審閱工作包括由執行董事及董事會審批業務營運管理人員提交之詳盡營運與財務報告、預算和計劃；由董事會對照實際業績與預算；由審核委員會審閱內部審計職能與風險管理職能之持續工作；以及由執行董事及每個核心業務部門之行政管理隊伍定期進行業務檢討。

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Risk Management

The Group adopts an Enterprise Risk Management (ERM) framework which is consistent with the COSO (the Committee of Sponsoring Organization of the Treadway Commission) framework. The framework facilitates systemic approach to the management of risks within the Group, coupled with a strong internal control environment, enabling the Group effectively manage of risks it faces, be they strategic, financial, operational or compliance. The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board of Directors, the Audit Committee and the Risk Management Taskforce. The Board of Directors determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has established an internal audit function to assist the Board of Directors and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board of Directors on a timely basis to ensure prompt remediation actions are taken.

### 風險管理

本集團所採用之企業風險管理框架符合 Committee of Sponsoring Organization of the Treadway Commission (COSO) 框架。該框架為管理本集團內部風險提供系統化之方法，結合穩健之內部監控環境，讓本集團有效管理所面對之風險，不論是策略、財務、營運或合規風險。該等風險管理及內部監控系統之主要功能為提供清晰的管治架構、政策及程序以及申報機制，以便本集團管理各業務營運之風險。

本集團已建立風險管理框架，由董事會、審核委員會及風險管理小組組成。董事會釐定於實現策略目標時應承擔之風險性質和水平，並須全權負責監察風險管理及內部監控系統之設計、實施及整體效能。

本集團亦已制定並採納風險管理政策，提供識別、評估及管理重大風險之方針。風險管理小組至少每年識別可對本集團達成目標構成不利影響之風險，並按照一套既定標準評估及排列所識別之風險，然後確立紓緩重大風險之計劃和風險所屬人士。

此外，本集團亦已設立內部審計職能，協助董事會和審核委員會持續監察本集團之風險管理及內部監控系統。該職能發掘內部監控設計及施行方面之缺陷，並提出改善建議，並及時向審核委員會和董事會匯報重大內部監控缺陷，確保迅速採取糾正行動。

# CORPORATE GOVERNANCE REPORT

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The Group Managing Director and Deputy Chairman and the Group Finance Director have the responsibility of developing and implementing risk mitigation strategies including the deploying of insurance to transfer the financial impact of risks. The Group Finance Director is responsible for arranging appropriate insurance coverage including Directors Liability Insurance to protect Directors of the Group against potential legal liabilities.

Risk management report is submitted to the Audit Committee and the Board of Directors at least once a year and internal control report is submitted half-a-year. The Board of Directors had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board of Directors in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board of Directors considers the Group's risk management and internal control systems are effective.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

集團董事總經理兼副主席與集團財務董事有責任制訂與執行紓緩風險之策略，包括運用保險轉移風險之財務影響。集團財務董事負責作出適當之保險安排，包括董事責任保險，以保障董事免受潛在法律責任損害。

審核委員會和董事會至少每年一次收取風險管理報告，以及每半年收取內部監控報告。董事會對本集團風險管理及內部監控系統之成效進行年度檢討，涵蓋但不限於本集團應付業務轉變及外部環境變化之能力、管理層檢討風險管理及內部監控系統之範圍與質素、內部審計工作之結果、就風險及內部監控檢討結果與董事會溝通之範圍與次數、所識別之重大缺失或缺陷及其影響，以及遵守上市規則之情況。董事會認為，本集團之風險管理及內部監控系統行之有效。

風險管理及內部監控系統旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大之失實陳述或損失作出合理而非絕對之保證。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of Securities & Futures Ordinance (“SFO”) and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

### Internal Control Environment and Systems

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

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

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

### 處理及發放內幕消息之程序及內部監控

本集團恪守證券及期貨條例及上市規則之規定，在合理可行情況下盡快向公眾披露內幕消息，除非有關消息屬證券及期貨條例所規定之任何安全港範圍內，則不在此限。本集團確保消息於向公眾發放前保持機密。倘本集團相信無法保持必要之機密程度，或機密可能已外洩，則本集團將立即向公眾披露消息。為了清楚和公正地呈列資料(為此須同時披露正負面事實)，本集團致力確保公告所載資料中之重大事實屬真確和無誤導成份，亦無因遺漏任何重大事實而屬虛假或具誤導成份。

### 內部監控環境及系統

董事會全權負責監察本集團旗下業務之運作。執行董事獲委任加入所有經營重大業務的附屬公司之董事會，以監察此等公司之運作，包括出席其董事會會議、審批業務策略、預算和計劃，以及制訂主要業務表現目標。每個核心業務部門之行政管理隊伍對其部門內每項業務在協定策略範圍內之運作與表現承擔責任。同樣地，每項業務之管理層亦須為其業務運作與表現承擔責任。

本集團之內部監控程序包括資料申報制度，以向每個核心業務部門之行政管理隊伍及執行董事匯報資料。

業務計劃與預算由個別業務之管理層按年編製，並須經執行董事審批。執行董事檢討與預算之差異並作出審批。在編製預算時，管理層確定、評估並匯報業務蒙受重大風險之可能性及其潛在財務影響。



# CORPORATE GOVERNANCE REPORT

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

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

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

執行董事審閱涵蓋每項業務之財務業績及主要營運統計數字之每月管理報告，並定期與行政管理隊伍及業務營運之高級管理層舉行會議，以檢討此等報告、業務表現與預算之比較、業務預測及重大業務風險敏感度與策略。此外，集團財務董事與其財務小組成員對照預算和預測檢討每月表現，以及處理會計及財務相關事宜。

集團財務董事已為開支之批准和控制訂立指引和程序。營業支出均須根據整體預算受到監察，並由各個業務按與每名行政人員之職責輕重相稱之開支批核層面進行監控。資本開支須按照年度預算檢討和批核程序進行全面監控，未列入預算之開支以及在經批核預算內之重大支出，則須於承諾之前由集團財務董事或執行董事作出更具體之監管和批核。比較實際開支與預算及經批核開支之報告亦會定期獲審閱。

內部審計部門須定期向集團董事總經理兼副主席匯報其職務，並須直接向審核委員會匯報(如必要)，就本集團業務營運之風險管理活動及監控提供運作與效益方面之獨立保證。內部審計運用風險評估方法並考慮本集團業務運作機制，制訂其週年審核計劃。該計劃經審核委員會審議，並在需要時於年內重新評估，確保有足夠資源可供運用且計劃目標得以實現。內部審計負責評估本集團內部監控系統，就系統提供公正無私之意見，並將其評估結果向集團財務董事、集團董事總經理及審核委員會匯報，同時負責跟進所有報告，確保所有問題已獲得圓滿解決。此外，內部審計部門亦與本集團之外聘核數師定期溝通，讓雙方了解可能影響各自工作範圍之重大因素。

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

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

### Corporate Governance

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

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

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

視乎個別業務單位之業務性質及所承受之風險，內部審計職能之工作範圍包括財務及營運檢討、經常性及突擊審計、詐騙調查，以及生產力效益檢討等。

外聘核數師向集團財務董事與相關管理隊伍提交有關內部監控及相關財務報告事宜之報告(如有)。該等報告會獲審閱，以採取適當行動。

### 企業管治

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

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

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Review of Internal Control Systems

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's internal control system for the year ended 31 March, 2019 covering all material financial, operational and compliance controls and risk management functions, and is satisfied that such system are effective and adequate. In the view of the Board, the system of internal control of the Group is sufficient to safeguard the interest of the Group.

### COMMUNICATION WITH INVESTORS AND SHAREHOLDERS

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

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

### 檢討內部監控系統

董事會已透過審核委員會檢討本集團截至二零一九年三月三十一日止年度之內部監控系統成效，包括所有重大財務、營運和合規監控以及風險管理職能，並信納此等系統為有效與足夠。董事會認為，本集團之內部監控系統足以保障本集團之利益。

### 投資者及股東通訊

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

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### SHAREHOLDER'S RIGHT

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

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

### 股東權利

董事會透過刊發通告、公佈、通函、中期及年度報告，致力為股東提供清晰及全面之本集團業績資料。股東除獲寄發通函、通告及財務報告外，亦可登入本集團網站取得更多資料。

本集團鼓勵股東出席本公司所有股東大會，例如股東週年大會，主席和董事均出席股東大會，以解答有關本集團業務之提問。全體股東均有法定權力可提出要求召開股東特別大會並提出議程事項以供股東考慮，股東只須致函本公司註冊辦事處，向公司秘書提出召開有關股東大會之要求及說明所建議討論之議程即可。股東大會上所有重要決議案均以投票方式表決。投票表決由本集團股份過戶登記處進行，而投票表決結果會登載於香港聯合交易所有限公司及本集團網站。本集團網站亦登載定期更新之財務與其他資料。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

In accordance with Appendix 27 — Environmental, Social and Governance Reporting Guide of the Main Board Listing Rules issued by the Hong Kong Stock Exchange, Oriental Watch Holdings Limited (the “Company”, “We”, and “Our”) presents this Environmental, Social and Governance (“ESG”) Report for the year ended 31 March 2019 (the “Reporting Period”).

### REPORTING SCOPE

We are engaged in trading business of luxury watches. This report presents our ESG policies, programmes and performances in Hong Kong, Macau and Mainland China in the Reporting Period.

### OUR ESG GOVERNANCE

We believe a well-developed corporate governance structure is the key to success of our ESG strategy. Therefore we have established an ESG taskforce, which includes senior management as well as department heads of different functions while the Board of Directors has the overall responsibility for the Group’s ESG reporting and strategy in achieving green operations for sustainable development. The key responsibilities of the ESG taskforce include the following:

- Establishing long-term ESG goals and missions of the Group;
- Monitoring and managing ESG-related risks;
- Evaluating the effectiveness of the Group’s ESG management systems; and
- Reporting the ESG objectives achieved to the Board on a regular basis.

The ESG taskforce is authorised by the Board to carry out its tasks including stakeholder engagement and materiality assessment. External professional advices could be sought at the expense of the Group when the ESG risks are assessed to be material.

We are committed to comply with the latest laws and regulations as well as the industry standards in our ESG practice. Our ESG initiatives are revised and communicated timely with staff members in order to enhance the efficiency of the ESG tasks.

根據香港聯交所頒佈之主板上市規則附錄二十七 — 環境、社會及管治報告指引，東方表行集團有限公司(「本公司」及「我們」)謹此提呈截至二零一九年三月三十一日止年度(「呈報期」)之環境、社會及管治(「ESG」)報告。

### 呈報範圍

我們從事名貴鐘表買賣業務。本報告指在提呈我們於呈報期在香港、澳門及中國大陸之ESG政策、計劃及表現。

### 我們之ESG管治

我們相信，良好企業管治架構為我們ESG策略成功之關鍵。因此，我們已成立ESG小組，其中包括高級管理層及不同職能之部門主管，而董事會則全面負責本集團ESG報告及策略，以實現可持續發展綠色營運。ESG小組之主要責任包括以下項目：

- 建立本集團長期ESG目標及任務；
- 監察及管理與ESG相關風險；
- 評估本集團ESG管理系統之有效性；及
- 定期向董事會報告已實現之ESG目標。

董事會授權ESG小組執行任務，包括利益相關者參與及重要性評估。ESG風險評為嚴重時可徵詢外部專業意見，開支由本集團承擔。

我們致力遵守最新法律及法規及我們ESG常規之行業標準。ESG措施適時修訂並與員工交流，以提升ESG任務之效益。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

We review our risk management process on a regular basis. Material risks will be assessed and discussed by the abovementioned ESG taskforce and the Board. Internal control measures will be designed and implemented to mitigate the ESG risks. Please refer to the “RISK MANAGEMENT AND INTERNAL CONTROL” section of the Company’s “CORPORATE GOVERNANCE REPORT” for details of the effectiveness of risk management and internal control systems.

我們定期檢討風險管理程序。上述 ESG 小組將與董事會評估及探討重大風險。內部監控措施將予設計及執行，以紓緩 ESG 風險。風險管理及內部監控制度效益之詳情，請參考本公司「企業管治報告」之「風險管理及內部監控」一節。

### STAKEHOLDER ENGAGEMENT

We understand that stakeholders’ comments are crucial to our decision-making process as well as our long-term success in the future. Therefore we engage our stakeholders by active communication and interaction. We have adopted the following engagement methods for our stakeholders:

### 利益相關者參與

我們瞭解，利益相關者之意見對我們日後之決策程序及長遠成功起關鍵作用。因此，我們藉積極交流及互動來讓利益相關者參與其事。我們已採納以下利益相關者參與方法：

# Stakeholders 利益相關者	Engagement Methods 參與方法
1 Suppliers and Business Partners 供應商及業務夥伴	<ul style="list-style-type: none"> <li>Meetings 會議</li> <li>Daily email communication 每日電郵通訊</li> <li>Regular evaluation 定期評估</li> </ul>
2 Customers 客戶	<ul style="list-style-type: none"> <li>Company website 公司網站</li> <li>Communication in retailing points 零售點交流</li> <li>Customer service hotline 客戶服務熱線</li> <li>Enquiry email 查詢電郵</li> </ul>
3 Employees 僱員	<ul style="list-style-type: none"> <li>Internal trainings 內部培訓</li> <li>Staff notice and announcement 員工通告及公告</li> <li>Annual performance appraisal 年度表現評核</li> <li>Internal meetings 內部會議</li> </ul>
4 Investors and Shareholders 投資者及股東	<ul style="list-style-type: none"> <li>General meetings 股東大會</li> <li>Annual and interim reports 年度及中期報告</li> <li>Circulars and announcements 通函及公告</li> <li>Company website 公司網站</li> </ul>
5 Government and Supervising Authorities 政府及監督機關	<ul style="list-style-type: none"> <li>Email communications 電郵通訊</li> <li>Meetings 會議</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### MATERIALITY ASSESSMENT

### 重要性評估

For the identification and assessment of material ESG issues, we have conducted a materiality assessment with regard to the ESG Reporting Guide. Our approach to the materiality assessment includes the following:

為識別及評估重大ESG議題，我們已就ESG報告指引進行重要性評估。我們之重要性評估方針包括以下：

Identification of ESG issues  
識別ESG議題

We held internal meetings with our internal business functions and distributed questionnaires to external stakeholders to identify potential ESG issues of the Group.  
我們以內部業務職能舉行內部會議，並向外部利益相關者派發問卷，以識別本集團潛在ESG議題。

Assessment of the ESG issues  
評估ESG議題

We discussed, assessed and prioritised our ESG issues by considering the social, environmental and economic impact toward the Group.  
我們藉考慮對本集團之社會、環境及經濟來探討、評估及優先考慮ESG議題。

Prioritisation of material ESG issues  
優先考慮重大ESG議題

We concluded our material ESG issues to our management and the Board, and decided the ESG issues to be summarized and presented in this ESG Report.  
我們就重大ESG議題而向管理層及董事會作結，並決定將於ESG報告中總結及呈列之ESG議題。

After the materiality assessment had been performed during our stakeholder engagement, we identified the following material ESG issues of the Company which are covered in this Report:

於利益相關者參與期間執行重要性評估後，我們已識別以下於本報告涵蓋之本公司重大ESG議題：

Section	ESG aspects as set out in ESG Guide	Area	Material ESG issues for the Company
章節	ESG 指引中所載之 ESG 層面	範疇	本公司之重大 ESG 議題
<b>A. Social, Employment and Labour Practices</b> 社會、僱傭及勞工常規	B6	Product Responsibility 產品責任	<ul style="list-style-type: none"> <li>Product responsibility 產品責任</li> <li>Data privacy 資料私隱</li> </ul>
	B5	Supply Chain Management 供應鏈管理	<ul style="list-style-type: none"> <li>Supplier practices 供應商慣例</li> </ul>
	B7	Anti-corruption 反貪污	<ul style="list-style-type: none"> <li>Anti-corruption and anti-money laundering 反貪污及防止洗黑錢</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

Section	ESG aspects as set out in ESG Guide	Area	Material ESG issues for the Company
章節	ESG 指引中所載之 ESG 層面	範疇	本公司之重大 ESG 議題
	B1	<i>Employment</i> 僱傭	<ul style="list-style-type: none"> <li>Recruitment and promotion 招聘及晉升</li> <li>Compensation 薪酬</li> <li>Dismissal 解僱</li> <li>Equal opportunity, diversity, anti-discrimination 平等機會、多元化、反歧視</li> <li>Working hours, rest periods, and other benefits and welfare 工作時數、假期以及其他待遇及福利</li> </ul>
	B4	<i>Labour Standards</i> 勞工標準	<ul style="list-style-type: none"> <li>Anti-child and anti-forced labour 防止童工及防止強制勞工</li> </ul>
	B3	<i>Development and Training</i> 發展及培訓	<ul style="list-style-type: none"> <li>Training and development 培訓及發展</li> </ul>
	B2	<i>Health and Safety</i> 健康與安全	<ul style="list-style-type: none"> <li>Workplace health and safety 工作場所健康與安全</li> </ul>
	B8	<i>Community Investment</i> 社區投資	<ul style="list-style-type: none"> <li>Social responsibility 社會責任</li> </ul>
<b>B. Environment</b> 環境	A1	<i>Emissions</i> 排放物	<ul style="list-style-type: none"> <li>Air emissions 氣體排放</li> <li>Greenhouse gases 溫室氣體</li> <li>Wastes 廢棄物</li> </ul>
	A2	<i>Use of Resources</i> 資源使用	<ul style="list-style-type: none"> <li>Energy consumption 耗能</li> <li>Use of packaging materials 使用包裝材料</li> </ul>
	A3	<i>The Environment and Natural Resources</i> 環境及天然資源	<ul style="list-style-type: none"> <li>External lighting 戶外燈光</li> <li>Renovation works 裝修工程</li> </ul>



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### SOCIAL, EMPLOYMENT AND LABOUR PRACTICES

#### Product Responsibility

##### *Product responsibility*

Being one of the largest watch retailers in Hong Kong, the Company has joined the “Hong Kong Q-Mark Scheme” of the Hong Kong Q-Mark Council to attest the quality of its products and services. To achieve high product and service quality, the Company only imports watches from manufacturers who use environmentally friendly and safe raw materials for production. This ensures the products we sell to our customers are safe. Moreover, the Company uses marketing materials provided by the suppliers to ensure consistency between actual product specification and information on the marketing materials. It guarantees the compliance with the Trade Description Ordinance in Hong Kong, Commercial Code in Macau and Advertisement Laws in Mainland China.

The Company’s retail shops are all located at prime locations to allow customers to enjoy convenient and comfortable shopping experience. The Company has established a specially designed VIP lounge at the flagship stores to provide a private, nice and leisure environment for customers to exchange professional knowledge and insights of timepieces with our staff. Our professional sales team are well-trained and strive to provide comprehensive and knowledgeable advice accompanied with sincere and premium after-sale services to each customer.

Customer feedback can be communicated through various channels such as designated customer service hotline, email address and social media platforms. Reports of enquiries and complaints are recorded and reviewed regularly by the management team for improvements on products and services.

With our persistent sincerity and valuable relationship with customers, the Company has been awarded the “Service Industry Leader – Silver Award” by the Hong Kong Retail Management Association.

### 社會、僱傭及勞工常規

#### 產品責任

##### *產品責任*

作為香港最大型鐘表零售商之一，本公司已參加香港優質標誌局之「香港Q嘜計劃」，證明其產品及服務之素質。為得到優質產品及服務，本公司僅從使用環保及安全原材料生產之製造商進口鐘表。此舉確保我們向顧客出售產品之安全性。再者，本公司使用供應商提供之市場推廣材料，確保實際產品規格與市場推廣材料中之資料相符一致，亦保證可符合香港商品說明條例、澳門商法典及中國大陸廣告法。

本公司之零售店全部位於黃金地段，讓顧客可享便利舒適之購物體驗。本公司已於旗艦店設立經特別設計之貴賓區，為顧客提供私人、體面而休閒之環境，與我們的員工交流有關時計之專業知識與心得。我們之專業銷售團隊訓練有素，為每一位顧客提供週全而淵博之意見以及誠懇而優越之售後服務。

顧客可透過不同渠道，例如專屬顧客服務熱線、電郵及社交媒體平台回饋意見。查詢及投訴報告會作記錄並由管理團隊定期審閱，以改進產品及服務。

基於我們堅持以誠待客，重視客戶關係，本公司獲香港零售管理協會頒發「行業服務領袖—銀獎」。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### **Data privacy**

The Company respects the data privacy of our prestigious customers, business partners and staff. It strives to protect the privacy in the collection, processing and use of personal data. The Company strictly follows the data protection regulations in Hong Kong, Macau and Mainland China. Furthermore, the Company has deployed appropriate technical measures in place, such as firewall and anti-virus software, to protect personal data against unauthorised use or access. The Company guarantees that the personal data is securely kept and processed only for the purpose for which it has been collected.

We devote our efforts in compliance with the Personal Data (Privacy) Ordinance, Sale of Goods Ordinance, Trade Description Ordinance, Supply of Services (Implied Terms) Ordinance in Hong Kong, Commercial Code and Personal Data Protection Act in Macau, and Product Quality Law of the People's Republic of China (the "PRC") and Advertisement Laws in Mainland China. During the Reporting Period, we have not identified any material non-compliance with the abovementioned laws and regulations.

### **Supply Chain Management**

#### **Supplier practices**

Since its establishment in 1961, we have established and maintained strong relationships with various well-known luxury European watch brands. Many of these brands are accredited for their supreme quality and excellent craftsmanship. Furthermore, their products are required to comply with high production standards and pass through various testing procedures to ensure quality. Apart from product quality, we also consider the reputation, as well as the environmental and social performances of the watch manufacturers before establishing business relationship with them.

### **資料私隱**

本公司尊重尊貴客戶、業務夥伴及員工之資料私隱，致力於收集、處理及使用個人資料時保護私隱。本公司恪守香港、澳門及中國大陸之資料保護規例。此外，本公司已採取合適技術措施，如防火牆及防毒軟件，以保護個人資料，防止未經授權使用或獲取。本公司保證，個人資料均穩妥地保存及處理，僅為收集目的使用。

我們致力遵守香港個人資料(私隱)條例、貨品銷售條例、商品說明條例、服務提供(隱含條款)條例、澳門商法典及個人資料保護法以及中華人民共和國(「中國」)產品質量法及中國大陸廣告法。呈報期內，我們尚未發現上述法律及法規有任何重大違規情況。

### **供應鏈管理**

#### **供應商慣例**

本公司自一九六一年成立起，已經與一眾知名名貴歐洲鐘表品牌建立及維持深厚關係。該等品牌不少已獲得品質上乘、工藝精湛之美名。此外，彼等之產品須符合高生產標準及通過不同測試，以確保品質。除產品品質以外，與鐘表製造商建立業務關係前，我們亦考慮其聲譽及環境及社會方面表現。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Anti-corruption

#### *Anti-corruption and anti-money laundering*

We believe that honesty, integrity and fairness are of vital importance to its business operations. The Company has incorporated a strict code of conduct in its staff manual for all employees to specify that solicitation and acceptance of advantages are prohibited and breaches of the code of conduct would result in disciplinary actions. Regular declaration of interest is compulsory for certain staff depending on grades and positions. Reminders are sent to employees regularly, and our business partners, suppliers and contractors are also informed of our policy on declaration of interests. Employees have been given induction briefing organised by the Company or seminars on anti-corruption regularly organised by the Independent Commission Against Corruption of the Government of the Hong Kong Special Administrative Region. The Company also maintains a set of whistleblowing procedures and periodically reviews the effectiveness of its internal control systems.

We adhere to the applicable laws and regulations in relation to the bribery, corruption and money laundering, for example, the Prevention of Bribery Ordinance, and Anti-Money Laundering and Counter-Terrorist Financing Ordinance in Hong Kong, Prevention and Suppression of Bribery in the Private Sector in Macau, and Anti-Unfair Competition Law of the PRC, Interim Provisions on Banning Commercial Bribery and Criminal Law of the PRC in Mainland China. During the Reporting Period, we have not identified any material non-compliance with the aforesaid laws and regulations.

### Employment

Considering human resources as the most important asset of the Company, the Company has established employment policies and guidelines based on the local employment laws in Hong Kong, Macau and Mainland China.

### 反貪污

#### *反貪污及防止洗黑錢*

我們相信，誠信、廉潔及公平對其業務營運至為重要。本公司已於其員工手冊內載列嚴格行為守則，供全體僱員遵守，當中指明嚴禁索取及收受利益，如有違反行為守則會受紀律處分。視乎職級及崗位，若干員工必須定期申報利益。本公司定期提醒僱員，而業務夥伴、供應商及承判商亦獲告知有關申報利益之政策。僱員已接受本公司舉辦之入職簡報會，或出席香港特別行政區政府廉政公署定期舉辦之防止貪污講座。本公司亦設有舉報程序，並定期檢討其內部監控制度之成效。

我們恪守有關賄賂、貪污及洗黑錢之適用法律及法規，例如香港防止賄賂條例及打擊洗黑錢及恐怖分子資金籌集條例、澳門預防及遏止私營部門賄賂法律以及中國反不公平競爭法及中國大陸禁止商業賄賂暫行規定及中國刑事法。呈報期內，我們尚未發現上述法律及法規有任何重大違規情況。

### 僱傭

本公司視人力資源為其最重要資產，因此，已制訂僱傭政策及指引，全部根據香港、澳門及中國大陸當地之僱傭法例。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### **Recruitment and promotion**

The Company hires and promotes staff who share and support the Company's missions, values and work ethics. The Company treasures those who demonstrate diligence, initiative, responsibility and integrity. Hiring and promotion are based on performance and merit.

### **Compensation**

The Company takes reference from local industrial average to determine staff remuneration and other fringe benefits. Experience and qualifications of staff are also taken into account. Key performance indices, depending on staff position, have been adopted to measure staff performance in determining staff salary packages.

### **Dismissal**

Dismissal is considered for underperformance, misconduct and/or fraud. All dismissal cases will be carried out in accordance with the Employment Laws in Hong Kong, Macau and Mainland China.

### **Equal opportunity, diversity, anti-discrimination**

The Company is an equal opportunity employer. The Company emphasises human capital diversity, and is against any kind of discrimination. The Company ensures equal opportunity in all of its human resources processes, regardless of gender, pregnancy, marital status, disability, family status, and race of the staff.

### **Working hours, rest periods, and other benefits and welfare**

Working hours, rest periods and other benefits and welfare are determined based on local industrial averages. Experience, qualifications and seniority of staff are taken into account as well.

### **招聘及晉升**

本公司聘用及拔擢認同並支持本公司使命、價值及職業道德之員工。本公司重視展現勤奮、主動、盡責及誠懇等優點之員工。本公司以表現及功績為聘用及晉升標準。

### **薪酬**

本公司參照地方行業平均水平釐定員工薪酬及其他福利待遇。員工之經驗及資格亦在考慮之列。釐定員工薪金待遇時亦採用主要表現指標(視員工職位而定)衡量員工表現。

### **解僱**

員工表現欠佳、行為失當及／或干犯欺詐，本公司會考慮將其解僱。所有解僱個案會按香港、澳門及中國大陸之僱傭法例進行。

### **平等機會、多元化、反歧視**

本公司為奉行平等機會之僱主。本公司重視人力資本多元化，反對任何類型歧視。本公司確保所有人力資源程序均體現平等機會，不論員工之性別、懷孕、婚姻狀況、殘疾、家庭狀況及種族。

### **工作時數、假期以及其他待遇及福利**

工作時數、假期以及其他待遇及福利乃根據地方行業平均水平釐定。員工之經驗、資格及資歷亦在考慮之列。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

We have put great emphasis to the compliance with the labor-related laws and regulations such as the Employment Ordinance and Minimum Wage Ordinance in Hong Kong, Labour Relations Law, and Framework Law on Employment Policy and Worker's Rights in Macau as well as Labour Law of the PRC and Labour Contract Law of the PRC in Mainland China. During the Reporting Period, we have not identified any material non-compliance with the aforesaid employment laws and regulations.

### Labour Standards

#### *Anti-child and anti-forced labour*

All of the Company's offices and retail stores strictly comply with the local law's requirements, with no tolerance on child and forced labour. During our hiring process, we check and verify the personal data of the potential candidates in order to prevent from hiring child or forced labour.

We have noted the requirements about child or forced labour in the local laws and regulations of our operating locations. Therefore we strictly adhere to these laws and regulations such as Employment Ordinance in Hong Kong, Labour Relations Law in Macau and Labour Law of the PRC in Mainland China. During the Reporting Period, we have not identified any material non-compliance with the aforesaid employment laws and regulations.

### Development and Training

#### *Training and development*

The Company considers human resources are crucial to the success of its business. Therefore, the Company has developed a comprehensive training programmes consisting of product knowledge, service and selling skills, complaints handling techniques and managerial competences. These training courses are provided for different levels of staff based on their job responsibilities.

我們已着力強調遵守勞工相關法律及法規，如香港僱傭條例及最低工資條例、澳門勞動關係法及就業政策及勞工權利綱要法以及中國大陸中國勞動法及中國勞動合同法。呈報期內，我們尚未發現上述僱傭法律及法規有任何重大違規情況。

### 勞工標準

#### *防止童工及防止強制勞工*

本公司所有辦公室及零售店嚴格遵守地方法律規定，絕不容許童工及強制勞工。在我們僱用過程中，我們檢測並核實潛在應徵者之個人資料，旨在防止僱用童工或強制勞工。

我們已注意到我們營業地點之地方法律及法規有關童工或強制勞工之規定。因此，我們恪守此等法律及法規，如香港僱傭條例、澳門勞動關係法及中國大陸中國勞動法。呈報期內，我們尚未發現上述僱傭法律及法規有任何重大違規情況。

### 發展及培訓

#### *培訓及發展*

本公司認為人力資源對業務成功而言攸關重要。因此，本公司已制訂全面培訓計劃，涵蓋產品知識、服務及銷售技能、投訴處理技巧及管理才能。該等培訓課程按職責向不同職級員工提供。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

The Company also offers induction training courses for communicating corporate values, service standards and code of conduct to new joiners. In addition, leadership programmes organised by external professional institutions have been provided to management personnel so as to equip them with proper professional management skills. Furthermore, the Company has engaged external service providers to perform independent evaluation on the performance of frontline staff. It helps identify potential improvement areas to enhance customer service skills of the staff.

### Health and Safety

#### *Workplace health and safety*

The Company is committed to providing a safe, healthy, pleasant and efficient work environment for its staff. In order to ensure the work environment is healthy and safe, various administrative measures such as workplace safety posters, training courses and practical guidelines have been implemented to communicate such a concept to all staff in its extensive retail network. Regardless of seriousness and locations, all cases of injury are required to be reported to the head office for further assessment under the internal policies and procedures so as to ensure proper handling of the cases and execution of preventive measures.

As a responsible employer, all staff are entitled to the Company's medical insurance as well as other competitive fringe benefits to enable them to have easier access to preventative and emergency health care and afford treatment.

We realise the laws and regulations about workplace health and safety have been tightened and more aware by the local authorities. We have spent efforts in compliance with the Employees' Compensation Ordinance and Occupational Safety and Health Ordinance in Hong Kong, safety laws in Macau (i.e. Section 2/83/M), and Work Safety Law of the PRC in Mainland China. During the Reporting Period, we have not identified any material non-compliance with the aforesaid workplace health and safety-related laws and regulations.

本公司亦為新入職僱員提供入職培訓課程，讓彼等了解企業價值、服務標準及行為守則。此外，本公司亦會向管理人員提供由外聘專業機構籌辦之領袖計劃，讓彼等習得合適專業管理技能。此外，本公司已委聘外聘服務供應商獨立評核前線員工之表現，有助發現可能改善之處，提高員工之客戶服務技巧。

### 健康與安全

#### *工作場所健康與安全*

本公司承諾為其員工提供安全、健康、舒適及有效率之工作環境。為確保工作環境健康及安全，工作場所已落實不同行政措施，如工作場所安全海報、培訓課程及實務指引，向其龐大零售網絡全體員工灌輸有關意識。所有受傷個案不論嚴重程度及發生地點，均須通報總部，以根據內部政策及程序作進一步評估，從而確保妥善處理有關個案，執行防範措施。

作為盡責僱主，全體員工均享有本公司之醫療保險及其他具競爭力之福利待遇，令員工更容易接受預防及緊急醫療服務及接受治療。

我們理解有關工作場所健康與安全之法律及法規已遭當地機關收緊且更受關注。我們已花努力遵守香港僱員補償條例及職業安全及健康條例、澳門安全法(即第2/82/M條)及中國大陸中國工作安全法。呈報期內，我們尚未發現上述工作場所健康及安全相關法律及法規有任何重大違規情況。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Community Investment

#### Social responsibility

The Company demonstrates its care for society by giving back to the community. We are committed to enhancing the community's well-being and social services. The Company as a whole, as well as individual senior management personnel have been actively donating to various charitable organisations. On the one hand, it provides funding to support charity activities. On the other hand, it motivates the staff to join the charity activities, thereby magnifying the effect.

#### Run for Heart – “World Heart Day 2019”

Oriental Watch sponsored and sent our staff to participate in the Run for Heart – “World Heart Day 2019” organized by Hong Kong College of Cardiology, to promote the cardiac health parent and child running activity to the public. The Company expects to encourage people to do more exercise through supporting this activity, in order to promote the importance of cardiac health.

## ENVIRONMENTAL

### Emissions

The Company exerts its best efforts in protecting the environment from its business activities and workplace. The Company is committed to promoting the green concept by introducing environmentally friendly business practices and educating its employees to raise their awareness on environmental protection.

Multiple measures have been adopted to reduce energy and other resource use, minimise waste, increase recycling and promote environmentally friendly practices in its supply chain and retail network operations.

### 社區投資

#### 社會責任

本公司透過回饋社區，展示其對社會之關懷。我們致力提升社區福祉及社會服務。本公司整體以及個別高級管理人員一直向不同慈善團體積極捐輸。本公司一方面出資支持慈善活動，另一方面推動員工參與慈善活動，從而提高成效。

#### 「世界心臟日2019」健心跑

東方表行贊助並派員工代表參加香港心臟專科學院主辦的「世界心臟日2019」健心跑，身體力行推廣大眾的心臟健康的親子跑步活動。透過支持是次活動，本公司期望鼓勵大眾多做運動，積極推廣心臟健康的重要性。

### 環境

#### 排放物

本公司竭盡全力保護環境，使環境免受業務活動及工作場所影響。本公司致力推廣綠色概念，引入環保商業慣例，並教導僱員提升環保意識。

本公司已採取多項措施，以於其供應鏈及零售網絡營運中減少使用能源及其他資源，盡量減少廢棄物，加強回收，以及宣揚實踐環保。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

During our daily operations, we are subject to the Product Eco-responsibility Ordinance and Motor Vehicle Idling (Fixed Penalty) Ordinance in Hong Kong, environmental laws in Macau (i.e. Section 2/91/M), and Law of the PRC on Prevention and Control of Pollution from Environmental Noise and Environmental Protection Law of the PRC in Mainland China. We strictly adhere to all applicable environmental laws and regulations and we have not identified any material non-compliance with the aforesaid laws and regulations during the Reporting Period.

### Air emissions

We maintain vehicles for our executives and customers, as well as for delivery purpose. Such vehicles are the major source of our air emissions. During the Reporting Period, our air emissions details were as follows:

Source of emission <sup>2</sup>		Unit	2019 二零一九年 Amount 量值	2018 <sup>1</sup> 二零一八年 Amount 量值
排放源		單位		
Nitrogen oxides ("NOx")	氮氧化物(「NOx」)	tonnes 噸	<b>0.16242</b>	N/A 不適用
Sulphur oxides ("SOx")	硫氧化物(「SOx」)	tonnes 噸	<b>0.00058</b>	N/A 不適用
Particular matter ("PM")	懸浮粒子(「PM」)	tonnes 噸	<b>0.01482</b>	N/A 不適用

We are aware of the use of air emissions generated from our use of vehicles so that we have established internal procedures to reduce the negative impact and ensure the compliance with the Air Pollution Control Ordinance in Hong Kong and Environmental Protection Law of the PRC. For example, we monitored the vehicle conditions on a regular basis and arranged the vehicles for annual test by the local authority.

日常營運中，我們須受香港產品環保責任條例及汽車引擎空轉(定額罰款)條例、澳門環境法(即第2/91/M條)、中國大陸有關中國防止及控制環境噪音污染之法律及中國環保法約束。本公司恪守一切適用環境法律及法規，而我們於呈報期內尚未發現上述法律及法規有任何重大違規情況。

### 氣體排放

我們為行政人員及客戶保養汽車作付運用途。相關汽車為氣體排放之主要源頭。呈報期內，我們之氣體排放詳情如下：

我們察覺到使用汽車產生之氣體排放，因此我們已設立內部程序降低負面影響，並確保遵守香港空氣污染管制條例及中國環保法。例如，我們定期監空汽車狀態，並安排汽車讓當地機關作年度測試。

<sup>1</sup> The system for collection of vehicle data was established in the Reporting Period and the data in 2018 was not available.

<sup>2</sup> The calculation of air emissions was based on the "Reporting Guidance on Environmental KPIs" of the Stock Exchange of Hong Kong Limited.

<sup>1</sup> 在呈報期設立汽車數據收集系統，而二零一八年之數據並不適用。

<sup>2</sup> 懸浮粒子按香港聯合交易所有限公司「環境關鍵績效指標匯報指引」計算。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Greenhouse gases

Since the Company's major business is luxury watches retailing in different geographical areas of the Greater China region, the Company has no production activities or facilities. Therefore, there were no direct air emission and sewage discharge to the environment during the Reporting Period. Our major air emission included indirect greenhouse gas emissions arising from paper usage, use of vehicles and electricity consumption of offices and retail stores. The details of the indirect greenhouse gas emission ("CO<sub>2</sub>e") were as follows:

### 溫室氣體

由於本公司之主要業務為於大中華地區不同地理位置從事名貴鐘表零售，因此，本公司並無生產活動或設施。故此，於呈報期內並無直接向環境排放氣體及污水。主要氣體排放包括用紙、使用汽車及辦公室及零售店耗電產生之間接溫室氣體排放。間接溫室氣體排放("CO<sub>2</sub>e")詳情如下：

Source of emission <sup>3</sup>		Unit	2019 二零一九年		2018 二零一八年	
			Quantity	Intensity (Per square foot of operating locations) 程度 (每平方呎營業地點)	Quantity	Intensity (Per square foot of operating locations) 程度 (每平方呎營業地點)
排放源		單位	數量	程度 (每平方呎營業地點)	數量	程度 (每平方呎營業地點)
Retailing activities	零售活動	Ton CO <sub>2</sub> e 噸 CO <sub>2</sub> e	<b>1,975.03</b>	<b>0.034</b>	1,102.83	0.021

Compared to 2018, the increase in CO<sub>2</sub>e was attributed to the frequent use of vehicles in Hong Kong and Mainland China regions, as well as the higher consumption of electricity of the retail stores in Mainland China region.

相較於二零一八年，CO<sub>2</sub>e增加歸咎於香港及中國內地地區頻繁使用汽車及中國內地地區零售店耗電量較高。

<sup>3</sup> The calculation of greenhouse gas emissions was based on the "Greenhouse Gas Protocol" published by World Resources Institute and World Business Council on Sustainable Development, "Reporting Guidance on Environmental KPIs" published by the Stock Exchange of Hong Kong Limited, "Guidelines to Account for and Report on Greenhouse Gas Emission and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" by Hong Kong Environmental Protection Department and Electrical and Mechanical Services Department, "CLP Sustainability Report 2018" by CLP Holdings Limited, "HK Electric Sustainability Report 2018" by Hongkong Electric Company Limited, "CEM Sustainability Report 2017" by Companhia de Electricidade de Macau, "陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)" published by the National Development and Reform Commission of the PRC, and "2017年度減排項目中國區域電網基準線排放因子" published by the Ministry of Ecology and Environment of the PRC.

<sup>3</sup> 溫室氣體排放量計算乃基於世界資源研究所及世界可持續發展商業理事會公佈之「溫室氣體議定書」、香港聯合交易所有限公司公佈之「環境關鍵績效指標匯報指引」、香港環境保護署及機電工程署公佈之「香港建築物(商業、住宅或公共用途)的溫室氣體排放及減除的核算和報告指引」、中華電力有限公司之「中電集團2018可持續發展報告」、香港電燈有限公司之「港燈2018年可持續發展報告」、澳門電力股份有限公司之「澳門電力可持續發展報告2017」、中國國家發展和改革委員會公佈之「陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)」及中國生態環境部公佈之「2017年度減排項目中國區域電網基準線排放因子」。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

We are cautious about the environment and the carbon footprints in our operations. We have put into practice certain environmentally friendly initiatives in reducing the greenhouse gas emission. Please refer to A2 Use of Resources for details.

我們對營運之環境及碳足印保持警覺。我們已實踐若干環保措施來減少溫室氣體排放。詳情請參考A2資源使用。

### Wastes

Owing to the Company's retail business nature, no hazardous waste was produced during the Reporting Period. For non-hazardous wastes, the major type was the paper used for administrative work and the details of non-hazardous wastes created were as follows:

### 廢棄物

基於本公司零售業務之性質，於呈報期內並無產生有害廢棄物。就無害廢棄物而言，主要類別為行政工作所用紙張，而所產生無害廢棄物之詳情如下：

Type	Unit	2019 二零一九年		2018 二零一八年	
		Quantity	Intensity (Per square foot of operating locations) 程度 (每平方呎營業地點)	Quantity	Intensity (Per square foot of operating locations) 程度 (每平方呎營業地點)
類型	單位	數量	數量	數量	數量
Non-hazardous waste 無害廢棄物	Ton 噸	24.17	0.0004	29.61	0.0006

Compared to 2018, the non-hazardous waste reduced and it was mainly attributed to a lower usage of paper and our effective paper recycling initiatives.

相較於二零一八年，無害廢棄物減少，主要歸功於用紙減少及紙張循環再用措施見效。

To reduce office waste paper, the Company has been creating a paperless working environment through increasing the use of internet system gradually. On one hand, it reduces environmental damage; on the other hand, it fits commercial goals, as this saves office space used for storing hardcopies and facilitates efficient information sharing via office network. Furthermore, double-sided printing and copying has become compulsory in the Company except for special circumstances with approval obtained. Only used paper can be used as draft paper by staff. Collection boxes have been put in place to collect single-side used paper for reuse and other scrap paper for recycling. These can help

為減少辦公室廢紙，本公司已透過逐步增加使用互聯網系統，營造無紙工作環境。此舉一方面可減少損害環境，一方面可節省用以儲存紙印文件之辦公空間，同時透過辦公室網絡有效分享資訊，切合商業目標。再者，本公司規定除非於特殊情況下獲得批准，否則必須使用雙面打印及複印。員工僅可以已使用紙張作草稿紙。同時設置收集箱，收集單面紙以作重用，收集其他廢紙以作回收。此等措施有助減少

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

reduce paper consumption and save costs substantially. To monitor the paper usage efficiency, consumption records of paper and printing have been regularly collected, assessed and monitored.

紙張消耗，並可大幅節省成本。為監察紙張使用效益，本公司定期收集、評估及監察紙張及打印消耗紀錄。

### Use of Resources

Owing to the nature of our retail business, our operations do not involve significant water consumption and no issue in sourcing water that is fit for purpose was noted during the Reporting Period. Electricity and packaging bags are the major resources we use in our luxury watch retail business.

### 資源使用

基於零售業務之性質，我們之營運不涉及大量耗水，及於呈報期內在獲取適用水源方面並無任何問題。電力及包裝袋為我們用於名貴鐘表零售業務之主要資源。

### Energy consumption

During the Reporting Period, the types and amount of energy consumed were as follows:

### 耗能

呈報期內，所耗能源類型及量值如下：

Energy Type <sup>5</sup>	Unit	2019 二零一九年		2018 <sup>4</sup> 二零一八年	
		Amount	Intensity (Per square foot of operating locations) 程度 (每平方呎營業地點)	Amount	Intensity (Per square foot of operating locations) 程度 (每平方呎營業地點)
能源類型	單位	量值	量值	量值	量值
Electricity	電 kWh 千瓦小時	2,780,631	48.54	1,401,194	26.34
Diesel	柴油 Liter 公升	14,148	0.25	N/A 不適用	N/A 不適用
Petrol	汽油 Liter 公升	23,682	0.41	N/A 不適用	N/A 不適用

During the Reporting Period, we have established a system for collection of electricity data in China regions, while in 2018, only data for Hong Kong and Macau regions was collected. Therefore, the significant increase in electricity consumption in the Reporting Period was due to the inclusion of data of the China regions.

呈報期內，我們已設立收集中華地區電力數據之系統，但於二零一八年，則僅收集香港及澳門地區之數據。因此，呈報期耗電量大增因收納中華地區數據所致。

<sup>4</sup> The system for collection of vehicle data was established in the Reporting Period and the data in 2018 was not available.

<sup>5</sup> The above electricity consumption included only the offices and the retail stores in Hong Kong and Macau of which the Company directly managed and paid for the electricity consumption.

<sup>4</sup> 在呈報期設立汽車數據收集系統，而二零一八年之數據並不適用。

<sup>5</sup> 上述耗電僅包括本公司直接管理及支付耗電之香港及澳門之辦公室及零售店。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

To minimise energy consumption in its retail stores and offices, the Company advocates the efficient use of energy by adopting green technologies and close monitoring on operations. As a retailer of luxury watches, the most significant use of energy has arisen from the electricity consumption in retail stores for air conditioning and lighting. The Company monitors technology advancements in lighting systems and upgrades the systems accordingly so as to increase overall operating efficiency. For instance, the Company has replaced many of the traditional light bulbs with LED ones, which are more energy efficient. In addition, the Company measures and records the energy consumption on an on-going basis to analyse its energy consumption efficiency.

### Use of packaging materials

We consumed packaging bags and materials in our business. During the Reporting Period, the packaging materials consumed were as follows:

		Unit 單位	2019 二零一九年 Amount 量值	2018 二零一八年 Amount 量值
Packaging materials	包裝材料	kg 千克	14,720	510

During the Reporting Period, we have established a more comprehensive data collection system for our packaging materials. In addition to the record of normal packaging materials presented in 2018, we have consolidated our consumption of all other kinds of shopping bags including recycled shopping bags. Therefore, compared to 2018, the significant increase in consumption of packaging materials was due to an improved data collection system.

All of the packaging bags distributed to customers are made of Forest Stewardship Council ("FSC") accredited paper which are more environmentally friendly. Furthermore, the packaging bags are designed to fit the product size in order to avoid excessive packaging. Packaging bags will only be distributed upon customers' request.

為盡量降低零售店及辦公室能耗，本公司提倡有效使用能源，於經營過程中採用環保技術，密切監察。作為名貴鐘表零售商，最大能耗來自零售店之空調及照明耗電。本公司留意照明系統技術發展，並作相應升級，從而提升整體經營效益。例如，本公司以能源效益較高之LED燈泡取代大部分傳統燈泡。此外，本公司持續計量及記錄能耗，以分析其能耗效益。

### 使用包裝材料

我們營業時耗用包裝袋及材料。呈報期內，所耗包裝材料如下：

呈報期內，我們已就包裝材料設立更完善之數據收集系統。除二零一八年呈列之正規包裝材料記錄外，我們亦已整合所有其他類型購物袋之耗用，包括循環再用購物袋。因此，相較於二零一八年，包裝材料耗量大增因數據收集系統改良所致。

至於給予顧客之包裝袋，全部以經森林管理委員會認證之紙張製成，更為環保。此外，包裝袋配合產品大小設計，避免過度包裝。包裝袋僅應顧客要求提供。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### The Environment and Natural Resources

As most of our retail stores are located at central business areas, the Company endeavours to minimise its impacts on the environment by identifying, assessing and managing environmental impacts resulting from its various operational activities regularly. For any significant impacts identified, the Company will immediately formulate and execute the corresponding mitigation measures and monitor its effectiveness continuously to ensure the impacts have been resolved.

#### External lighting

As a luxury watch retailer, the Company uses standout advertising signs to attract customers, which may create certain level of light. In view of that, the Company has signed up to the “Charter on External Lighting” launched by the Environment Bureau of the Government of the Hong Kong Special Administration Region such that all advertising signs of the retail stores will be switched off between 11p.m. and 7a.m. on the following day.

#### Renovation works

Renovation works are carried out regularly to ensure our retail shops offer pleasant environment to customers and to increase our bargaining power when negotiating rental terms with landlords. As such, noise and dust will be resulted from the renovation works and affect the neighbourhood. Although all renovation works are outsourced to third party contractors which the Company has no direct control, we require our contractors to execute all possible measures in mitigating the negative impacts on the neighbourhood, for example, requiring renovation works to be carried out during non-peak hours and installing barriers to prevent dust and noise from spreading out.

### 環境及天然資源

由於大部分零售店位於中央商業區，因此，本公司致力降低其對環境之影響，定期辨識、評估及管理其各類營運活動對環境造成之影響。任何重大影響一經識辨，本公司將即時制定及執行相應之應對措施，並持續監察其成效，以確保有關影響得到解決。

#### 戶外燈光

身為名貴鐘表零售商，本公司使用廣告牌吸引顧客，可能發出一定程度之亮光。有鑑於此，本公司已簽署香港特別行政區政府環境局推出之「戶外燈光約章」，各零售店所有廣告牌會於下午十一時正至翌日上午七時正關掉。

#### 裝修工程

本公司定期裝修零售店，以確保各店舖為顧客提供舒適環境，與業主磋商租務條款時亦可增加議價能力。因此，裝修工程會產生噪音及粉塵，影響週遭居民商舖。儘管裝修工程全部外判予第三方承建商進行，本公司並無直接控制權，然而，我們要求承建商採取一切可行措施，減輕對鄰近環境之負面影響，例如，要求裝修工程於非繁忙時間進行，並裝設屏障防止粉塵飄散及噪音。

# DIRECTORS' REPORT

## 董事會報告

The directors present their annual report and the audited consolidated financial statements for the year ended 31 March 2019.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company as well as engaged in watch trading. The principal activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements. The Company and its subsidiaries are collectively referred to as the "Group".

### RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 71 to 72.

An interim dividend of 2.8 Hong Kong cents per share and a special dividend of 8.7 Hong Kong cents per share was declared and paid to the shareholders during the year. A final dividend of 8.0 Hong Kong cents per share and a special dividend of 13.5 Hong Kong cents per share being proposed by the directors are subject to approval by the shareholders in the forthcoming annual general meeting.

### RESERVES

As at 31 March 2019, the Company's reserves available for distribution consisted of contributed surplus of HK\$122,183,000, dividend reserve of HK\$122,627,000 and retained profits of HK\$34,627,000.

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

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

董事會謹此提呈截至二零一九年三月三十一日止年度之年報及經審核綜合財務報表。

### 主要業務

本公司為投資控股公司並從事鐘表貿易業務。其主要附屬公司之主要業務載於綜合財務報表附註35。本公司及其附屬公司統稱「本集團」。

### 業績及股息

本集團於本年度之業績載於第71頁至第72頁之綜合損益及其他全面收益表。

年內，本公司已向股東宣派及派付中期股息每股2.8港仙及特別股息每股8.7港仙。董事亦建議派付末期股息每股8.0港仙及特別股息每股13.5港仙，須待股東於應屆股東週年大會上批准，方可作實。

### 儲備

於二零一九年三月三十一日，本公司可供分派之儲備包括繳入盈餘122,183,000港元、股息儲備122,627,000港元及保留溢利34,627,000港元。

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

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

# DIRECTORS' REPORT

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred approximately HK\$26.4 million on the purchase of property, plant and equipment. Details of these and other movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

### DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

#### Executive directors:

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

#### Independent non-executive directors:

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

In accordance with Bye-law 87 of the Company's Bye-laws, Madam Yeung Man Yee, Shirley, Mr. Lam Hing Lun, Alain and Mr. Choi Kwok Yum retire and, being eligible, offer themselves for re-election.

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Details of the remuneration paid by the Group to the directors of the Company and the senior management of the Group for the year ended 31 March 2019 are set out in note 9 to the consolidated financial statements.

During the year ended 31 March 2019 and up to the date of this report, the other director of subsidiary of the Company was Madam Cheong, Wai Lin.

### 物業、機器及設備

年內，本集團動用約26,400,000港元購置物業、機器及設備。有關詳情以及本集團之物業、機器及設備於年內之其他變動詳情載於綜合財務報表附註13。

### 董事及董事服務合約

本公司於年內及截至本報告日期之董事如下：

#### 執行董事：

楊明標博士(主席)  
楊衍傑先生  
(副主席兼董事總經理)  
楊敏儀女士  
林慶麟先生  
蔡國欽先生

#### 獨立非執行董事：

孫秉樞博士  
李秀恒博士  
蔡文洲先生

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

董事概無與本公司或其任何附屬公司訂立本集團不作賠償(法定賠償除外)則不得於一年內終止之服務合約。

截至二零一九年三月三十一日止年度本集團支付予本公司董事及本集團高級管理層之薪酬詳情載於綜合財務報表附註9。

截至二零一九年三月三十一日止年度及直至本報告日期，本公司附屬公司之其他董事為莊蕙蓮女士。

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

### 董事擁有之證券權益及淡倉

As at 31 March 2019, the interests of the directors of the Company in the shares and underlying shares of the Company, as recorded in the register required to be kept under Section 352 of the Hong Kong Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

根據香港證券及期貨條例(「證券及期貨條例」)第352條規定保管之登記冊所記錄，於二零一九年三月三十一日，本公司之董事於本公司之股份及相關股份中擁有之權益，或根據上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

Name of director	董事姓名	Number of shares held 所持股份數目			Total number of shares	Percentage of issued share capital of the Company 佔本公司已發行 股本百分比
		Personal interest 個人權益	Family interest 家族權益	Corporate interest 公司權益		
Dr. Yeung Ming Biu	楊明標博士	19,669,583	7,920,000	128,164,561 (note (a)) (附註(a))	155,754,144	27.31%
Mr. Yeung Him Kit, Dennis	楊衍傑先生	5,524,000	—	(note (b)) (附註(b))	5,524,000	0.97%
Madam Yeung Man Yee, Shirley	楊敏儀女士	2,640,000	221,161	(note (c)) (附註(c))	2,861,161	0.50%
Mr. Lam Hing Lun, Alain	林慶麟先生	3,600,000	—	—	3,600,000	0.63%
Mr. Choi Kwok Yum	蔡國欽先生	3,600,000	—	—	3,600,000	0.63%
Dr. Sun Ping Hsu, Samson	孫秉樞博士	—	—	3,200,000 (note (d)) (附註(d))	3,200,000	0.56%



# DIRECTORS' REPORT

## 董事會報告

### Notes:

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

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

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

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

### 附註：

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

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

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

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

# DIRECTORS' REPORT

## 董事會報告

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

### 購股權計劃及董事購買股份或債券之權利

#### (a) 2003 Share Option Scheme

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

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

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

#### (a) 二零零三年購股權計劃

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

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

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

# DIRECTORS' REPORT

## 董事會報告

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

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

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

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

Name of category of participant	Date of grant of options	Original exercise price per share	Adjusted exercise price per share	Exercisable period	Number of shares under options at 1.4.2017 and 31.3.2018 於二零一七年四月一日至二零一八年三月三十一日 購股權涉及之股份數目	Forfeited during the year ended 31.3.2019 於截至二零一九年三月三十一日止年度沒收	Number of shares under options at 31.3.2019 於二零一九年三月三十一日 購股權涉及股份數目
參與者類別名稱	購股權 授出日期	原有每股 行使價 HK\$ 港元 (note a) (附註a)	經調整 每股行使價 HK\$ 港元 (note a) (附註a)	可行使期間			
<b>Directors 董事</b>							
Dr. Yeung Ming Bui 楊明標博士	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	1,440,000	–	1,440,000
Mr. Yeung Him Kit, Dennis 楊衍傑先生	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	1,440,000	–	1,440,000
Madam Yeung Man Yee, Shirley 楊敏儀女士	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	1,440,000	–	1,440,000
Mr. Lam Hing Lun, Alain 林慶麟先生	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	3,600,000	–	3,600,000
Mr. Choi Kwok Yum 蔡國欽先生	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	3,600,000	–	3,600,000
					11,520,000	–	11,520,000
<b>Other employees</b>							
Type A (note b) A類(附註b)	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	14,400,000	–	14,400,000
Type B (note c) B類(附註c)	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021	18,000,000	–	18,000,000
<b>Consultants</b>							
Type A (note b) A類(附註)	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	5,640,000	(3,000,000)	2,640,000
Type B (note c) B類(附註c)	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021	5,000,000	–	5,000,000
Total 總計					54,560,000	(3,000,000)	51,560,000

# DIRECTORS' REPORT

## 董事會報告

### Notes:

- (a) An ordinary resolution was passed by the shareholders at the annual general meeting of the Company held on 28 July 2011 approving a bonus issue of shares to shareholders of the Company on the basis of one new ordinary share for every five ordinary shares held. The number of shares under the outstanding options and the exercise price per share of the outstanding options were adjusted accordingly pursuant to the terms of the 2003 Share Option Scheme.
- (b) Type A represented share options were granted on 6 April 2011.
- (c) Type B represented share options were granted on 29 August 2011.

### (b) 2013 Share Option Scheme

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

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

### 附註：

- (a) 股東在本公司於二零一一年七月二十八日舉行之股東週年大會上通過普通決議案，批准派送紅股予本公司股東，基準為每持有五股普通股可獲派一股新普通股。未行使購股權之股份數目及未行使購股權之每股行使價已根據二零零三年購股權計劃之條款作出相應調整。
- (b) A類指於二零一一年四月六日授出之購股權。
- (c) B類指於二零一一年八月二十九日授出之購股權。

### (b) 二零一三年購股權計劃

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

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

# DIRECTORS' REPORT

## 董事會報告

Company in issue on the last day of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. The exercisable period is determined by the directors of the Company, which shall not be more than 10 years from the date of grant, and may include a minimum period for which the options must be held before it can be exercised. The exercise price per share payable on the exercise of an option equals to the highest of:

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

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

No option was granted, exercised or lapsed under the 2013 Share Option Scheme during the year since its effective date on 3 November 2013 and there was no outstanding share option as at 31 March 2019.

十二個月期間之最後一日之已發行股本1%之購股權。行使期乃由本公司董事釐定，惟不得超過自授出日期起計十年及包括購股權行使前必須持有之最短期限。在行使購股權時應付之每股行使價將為以下三者中之最高者：

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

二零一三年購股權計劃將一直有效，直至二零二三年十一月二日。

自其生效日期二零一三年十一月三日起至本年度內，概無購股權根據二零一三年購股權計劃已授出、行使或失效，而於二零一九年三月三十一日亦無未行使購股權。

# DIRECTORS' REPORT

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS

As at 31 March 2019, according to the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (not being a director or chief executive of the Company) had interests in the share capital of the Company.

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

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

Save as disclosed above, at 31 March 2019, there was no person who had any interests or short position in the shares or underlying shares of the Company according to the register maintained by the Company pursuant to Section 336 of the SFO.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive directors are independent.

### 主要股東

本公司根據證券及期貨條例第336條規定存置之登記冊所示，於二零一九年三月三十一日，以下人士(並非為本公司之董事或最高行政人員)於本公司股本中擁有權益。

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

按本公司根據證券及期貨條例第336條規定存置之登記冊所示，除上文所披露者外，於二零一九年三月三十一日，概無任何人士於本公司之股份或相關股份中擁有任何權益或淡倉。

### 獨立非執行董事

本公司已接獲獨立非執行董事根據上市規則第3.13條有關其獨立性之年度確認書。本公司認為所有獨立非執行董事均屬獨立。

# DIRECTORS' REPORT

## 董事會報告

### INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS OF SIGNIFICANCE

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

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

### MAJOR CUSTOMERS AND SUPPLIERS

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

The aggregate purchases during the year attributable to the Group's five largest suppliers comprised approximately 93% of the Group's total purchases while the purchases attributable to the Group's largest supplier was approximately 80% of the Group's total purchases.

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

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

During the year ended 31 March 2019, the Company had purchased a total of 252,000 shares on The Stock Exchange of Hong Kong Limited at the price range of HK\$1.78 to HK\$1.80 per share, totalling HK\$452,560. Save as aforesaid, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during such year.

### 於重大交易、安排及合約之權益

本公司或其任何附屬公司概無訂立任何於年終或年內任何時間有效而本公司董事或其關連實體直接或間接擁有重大利益之重大交易、安排及合約。

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

### 主要客戶及供應商

年內，本集團五大客戶應佔之總銷售額少於本集團總銷售額之30%。

年內，本集團五大供應商應佔之總採購額佔本集團總採購額約93%，而本集團最大供應商應佔之採購額佔本集團總採購額約80%。

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

### 買賣或贖回本公司上市證券

於截至二零一九年三月三十一日止年度，本公司已按價格範圍每股股份1.78港元至1.80港元於香港聯合交易所有限公司購買總數為252,000股股份，總額為452,560港元。除上文所述者外，於該年內，本公司或其任何附屬公司概無購買、贖回或出售本公司之任何上市證券。

# DIRECTORS' REPORT

## 董事會報告

### DONATIONS

During the year, the Group made donations totalling HK\$85,000.

### CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Group are set out in the Corporate Governance Report on pages 13 to 35.

### EMOLUMENT POLICY

As at 31 March 2019, the Group had a total of about 600 employees.

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

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

The Company has adopted share option schemes as an incentive to directors and employees of the Group, details of the schemes are set out in the paragraph headed "Share option schemes and directors' rights to acquire shares or debentures" above and in note 27 to the consolidated financial statements.

### AUDIT COMMITTEE AND REMUNERATION COMMITTEE

Details of the Group's Audit Committee and Remuneration Committee are set out in the Corporate Governance Report on pages 23 to 27.

### SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 25 to the consolidated financial statements.

### 捐贈

年內，本集團作出之捐贈合共85,000港元。

### 企業管治

本集團所採納之主要企業管治常規載於第13頁至第35頁之企業管治報告。

### 酬金政策

於二零一九年三月三十一日，本集團合共約有600名僱員。

本集團僱員之酬金政策由薪酬委員會按彼等之功績、資歷及能力制定。

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

本公司已採納購股權計劃作為董事及本集團僱員之獎勵，計劃詳情載於上文「購股權計劃及董事購買股份或債券之權利」一段及綜合財務報表附註27。

### 審核委員會及薪酬委員會

本集團審核委員會及薪酬委員會之詳情載於第23頁至第27頁之企業管治報告。

### 股本

本公司股本於年內之變動詳情載於綜合財務報表附註25。



# DIRECTORS' REPORT

## 董事會報告

### PRE-EMPTIVE RIGHTS

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

### SUFFICIENCY OF PUBLIC FLOAT

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

### AUDITOR

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

On behalf of the Board

**Yeung Ming Bui**  
CHAIRMAN

Hong Kong, 19 June 2019

### 優先購買權

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

### 足夠公眾持股量

根據本公司可取得之公開資料並就其董事所知，於本年報刊發前之最後可行日期，由公眾人士持有之本公司股份百分比超過本公司之已發行股份總數25%。

### 核數師

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

代表董事會

主席  
楊明標

香港，二零一九年六月十九日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

# 德勤

**To the Shareholders of  
Oriental Watch Holdings Limited**  
*(incorporated in Bermuda with limited liability)*

致：東方表行集團有限公司  
(於百慕達註冊成立之有限公司)  
各股東

### OPINION

We have audited the consolidated financial statements of Oriental Watch Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 71 to 203, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 意見

本核數師(以下簡稱「我們」)已審計列載於第71頁至第203頁的東方表行集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，其中包括於二零一九年三月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表的附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則真實公平地反映 貴集團於二零一九年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥善擬備。

### 意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

##### 關鍵審計事項

##### **Valuation of watches**

##### 手錶估值

We identified valuation of watches as a key audit matter due to the significance of amount of watches to the consolidated statement of financial position as at the end of the reporting period, and significant judgements by management in determining the net realisable value for watches.

由於手錶於呈報期末的綜合財務狀況表數額龐大，且管理層於釐定手錶可變現淨值時作出重大判斷，故此，我們視手錶估值為關鍵審計事項。

As disclosed in note 4 to the consolidated financial statements, the management of the Group identifies slow-moving watches with reference to ageing analysis and determines the net realisable value for watches by considering the saleability of watches based on current market conditions, future sales plan and latest available sales information of similar watches. As at 31 March 2019, the carrying amount of watches (net of allowance) is HK\$803,095,000. Details of the allowance for slow-moving watches credited during the year and the carrying amount of watches (net of allowance) at 31 March 2019 are set out in notes 8 and 19 to the consolidated financial statements, respectively. 誠如綜合財務報表附註4所披露，貴集團管理層參考賬齡分析識別滯銷手錶，並依據現行市況、未來銷售計劃及類似手錶的最新銷售資料考慮手錶的可銷售程度，從而釐定手錶可變現淨值。於二零一九年三月三十一日，手錶的賬面金額(扣除撥備)為803,095,000港元。有關年內計入之滯銷手錶撥備及於二零一九年三月三十一日手錶之賬面值(扣除撥備)分別載於綜合財務報表附註8及19。

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

#### How our audit addressed the key audit matter

##### 我們的審計如何對關鍵審計事項進行處理

Our procedures in relation to the valuation of watches included:

我們有關進行手錶估值的程序包括：

- Obtaining an understanding of the Group's allowance policy on watches and evaluating management's process in identifying slow-moving watches and determining the allowance for watches;  
了解貴集團的手錶撥備政策，評價管理層識別滯銷手錶及釐定手錶撥備的程序；
- Verifying the accuracy of ageing analysis of watches, on a sample basis, to the purchase invoices and goods receipt notes;  
以抽樣形式比對購買發票及收貨票據，核實手錶賬齡分析的準確性；
- Evaluating the reasonableness of the allowance for watches on slow-moving watches determined with reference to the net realisable value for such watches by verifying, on a sample basis, to latest available sales information of similar watches taking into account of the current market conditions and future sales plan; and  
評價經參考以抽樣基準核證的該等手錶的可變現淨值、慮及現行市況後類似手錶的最新可取得銷售資料及未來銷售計劃所釐定滯銷手錶的撥備的合理性；及
- Testing the subsequent sales of inventories, on a sample basis, to the sales invoices.  
以抽樣形式比對銷售發票，測試存貨的後續銷售。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### 其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實公平的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督貴集團的財務報告過程。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照百慕達《公司法》第90條的規定僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就本報告的內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程式，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 核數師就審計綜合財務報表承擔的 責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Lo Kin Cheong.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
19 June 2019

### 核數師就審計綜合財務報表承擔的 責任(續)

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是勞建昌。

**德勤•關黃陳方會計師行**  
*執業會計師*  
香港  
二零一九年六月十九日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	5	<b>2,437,184</b>	2,891,692
Cost of goods sold	銷貨成本		<b>(1,834,224)</b>	(2,284,817)
Gross profit	毛利		<b>602,960</b>	606,875
Other income, gains and losses	其他收入、收益及虧損	6	<b>31,056</b>	38,870
Distribution and selling expenses	分銷及銷售開支		<b>(197,943)</b>	(206,424)
Administrative expenses	行政開支		<b>(277,575)</b>	(275,423)
Finance costs	融資成本	7	<b>(1,959)</b>	(1,843)
Share of results of associates	應佔聯營公司之業績		<b>3,244</b>	2,586
Share of result of a joint venture	應佔一間合營公司之業績		<b>192</b>	50
Profit before taxation	除稅前溢利	8	<b>159,975</b>	164,691
Income tax expense	所得稅開支	10	<b>(21,936)</b>	(26,006)
Profit for the year	年內溢利		<b>138,039</b>	138,685
Other comprehensive (expense) income	其他全面(開支)收益			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目：</i>			
Change in fair value of equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益之股本工具之公平值變動		<b>(468)</b>	—
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>			
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額		<b>(42,146)</b>	61,587
Reclassification adjustments for the cumulative exchange differences upon deregistration of a foreign operation	一項海外業務終止註冊後累計匯兌差額之重新分類調整		<b>2,256</b>	—
Change in fair value of debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益之債務工具之公平值變動		<b>60</b>	—
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動		—	478
Other comprehensive (expense) income for the year	年內其他全面(開支)收益		<b>(40,298)</b>	62,065
Total comprehensive income for the year	年內全面收益總額		<b>97,741</b>	200,750



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit (loss) for the year attributable to:	以下人士應佔年內溢利(虧損):			
Owners of the Company	本公司擁有人		<b>138,099</b>	138,763
Non-controlling interests	非控股權益		<b>(60)</b>	(78)
			<b>138,039</b>	138,685
Total comprehensive income (expense) attributable to:	以下人士應佔全面收益(開支)總額:			
Owners of the Company	本公司擁有人		<b>97,848</b>	200,783
Non-controlling interests	非控股權益		<b>(107)</b>	(33)
			<b>97,741</b>	200,750
Earnings per share	每股盈利			
Basic	基本	12	<b>24.21</b> HK cents 港仙	24.32 HK cents 港仙
Diluted	攤薄	12	<b>24.21</b> HK cents 港仙	24.32 HK cents 港仙

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2019

於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	215,444	210,816
Deposits for acquisition of property, plant and equipment	收購物業、機器及設備之按金		10,636	3,000
Interests in associates	佔聯營公司之權益	14	37,337	37,779
Interest in a joint venture	佔一間合營公司之權益	15	26,005	27,413
Equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益之股本工具	16	3,907	—
Debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益之債務工具	17	5,008	—
Available-for-sale financial assets	可供出售金融資產	16	—	12,344
Deferred tax assets	遞延稅項資產	24	24	56
Property rental deposits	物業租金按金		31,463	30,817
			<b>329,824</b>	322,225
Current assets	流動資產			
Inventories	存貨	19	823,654	1,001,069
Trade and other receivables	貿易及其他應收賬款	20	148,576	134,704
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	18	14,982	—
Debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益之債務工具	17	1,812	—
Taxation recoverable	可退回稅項		4,470	48
Bank balances and cash	銀行結餘及現金	21	1,084,911	1,081,891
			<b>2,078,405</b>	2,217,712
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	22	119,026	126,076
Contract liabilities	合約負債	22	7,476	—
Taxation payable	應付稅項		2,758	19,925
Bank loans	銀行貸款	23	63,367	62,820
			<b>192,627</b>	208,821

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2019

於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net current assets	流動資產淨值		<b>1,885,778</b>	2,008,891
Total assets less current liabilities	資產總值減流動負債		<b>2,215,602</b>	2,331,116
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	23	—	12,500
Deferred tax liabilities	遞延稅項負債	24	<b>2,001</b>	1,664
			<b>2,001</b>	14,164
Net assets	資產淨值		<b>2,213,601</b>	2,316,952
Capital and reserves	資本及儲備			
Share capital	股本	25	<b>57,036</b>	57,061
Reserves	儲備		<b>2,155,697</b>	2,258,916
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>2,212,733</b>	2,315,977
Non-controlling interests	非控股權益		<b>868</b>	975
Total equity	權益總額		<b>2,213,601</b>	2,316,952

The consolidated financial statements on pages 71 to 203 were approved and authorised for issue by the board of directors on 19 June 2019 and are signed on its behalf by:

載於第71頁至第203頁之綜合財務報表經董事會於二零一九年六月十九日批准及授權刊發，並由下列董事代為簽署：

**Yeung Ming Bui**

楊明標

CHAIRMAN

主席

**Yeung Him Kit, Dennis**

楊衍傑

DEPUTY CHAIRMAN AND MANAGING DIRECTOR

副主席兼董事總經理

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔												
		Share capital	Share premium	Share option reserve	Capital redemption reserve	Asset revaluation reserve	Special reserve	Translation reserve	Retained profits	Dividend reserve	Sub-total	Non-controlling interests	Total	
		股本	股份溢價	購股權儲備	資本贖回儲備	資本儲備	特別儲備	換算儲備	保留溢利	股息儲備	小計	非控股權益	合計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 April 2017	於二零一七年三月三十一日	57,061	549,396	83,554	425	840	6,454	5,180	17,463	1,406,233	19,400	2,146,006	1,008	2,147,014
Profit (loss) for the year	年內溢利(虧損)	-	-	-	-	-	-	-	-	138,763	-	138,763	(78)	138,685
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	61,542	-	-	61,542	45	61,587
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	478	-	-	-	-	478	-	478
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	-	-	-	478	-	61,542	138,763	-	200,783	(33)	200,750
2017 final dividend paid	已派發二零一七年末期股息	-	-	-	-	-	-	-	-	(2,282)	(2,282)	-	-	(2,282)
2017 special dividend paid	已派發二零一七年特別股息	-	-	-	-	-	-	-	-	(17,118)	(17,118)	-	-	(17,118)
2018 interim dividend paid	已派發二零一八年中期股息	-	-	-	-	-	-	-	-	(11,412)	(11,412)	-	-	(11,412)
2018 final dividend proposed	擬派發二零一八年末期股息	-	-	-	-	-	-	-	-	(45,649)	45,649	-	-	-
2018 special dividend proposed	擬派發二零一八年特別股息	-	-	-	-	-	-	-	-	(85,592)	85,592	-	-	-
At 31 March 2018	於二零一八年三月三十一日	57,061	549,396	83,554	425	840	6,932	5,180	79,005	1,402,343	131,241	2,315,977	975	2,316,952
Adjustments (see note 2)	調整(見附註2)	-	-	-	-	-	-	-	-	(3,808)	-	(3,808)	-	(3,808)
At 1 April 2018 (restated)	於二零一八年四月一日(經重列)	57,061	549,396	83,554	425	840	6,932	5,180	79,005	1,398,535	131,241	2,312,169	975	2,313,144
Profit (loss) for the year	年內溢利(虧損)	-	-	-	-	-	-	-	-	138,099	-	138,099	(60)	138,039
Change in fair value of equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益之股本工具之公平值變動	-	-	-	-	-	(468)	-	-	-	-	(468)	-	(468)
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	(42,099)	-	-	(42,099)	(47)	(42,146)
Reclassification adjustments for the cumulative exchange differences upon deregistration of a foreign operation	一項海外業務終止註冊後累計匯兌差額之重新分類調整	-	-	-	-	-	-	-	2,256	-	-	2,256	-	2,256
Change in fair value of debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益之債務工具之公平值變動	-	-	-	-	-	60	-	-	-	-	60	-	60
Total comprehensive income (expense) for the year	年內其他全面收益(開支)	-	-	-	-	-	(408)	-	(39,843)	138,099	-	97,848	(107)	97,741
2018 final dividend paid	已派發二零一八年末期股息	-	-	-	-	-	-	-	-	(45,649)	(45,649)	-	-	(45,649)
2018 special dividend paid	已派發二零一八年特別股息	-	-	-	-	-	-	-	-	(85,592)	(85,592)	-	-	(85,592)
2019 interim dividend paid	已派發二零一九年中期股息	-	-	-	-	-	-	-	-	(15,970)	(15,970)	-	-	(15,970)
2019 interim special dividend paid	已派發二零一九年中期特別股息	-	-	-	-	-	-	-	-	(49,621)	(49,621)	-	-	(49,621)
2019 final dividend proposed	擬派發二零一九年末期股息	-	-	-	-	-	-	-	-	(45,629)	45,629	-	-	-
2019 special dividend proposed	擬派發二零一九年特別股息	-	-	-	-	-	-	-	-	(76,998)	76,998	-	-	-
Shares repurchased and cancelled (note 25)	股份購回及註銷(附註25)	(25)	(427)	-	-	-	-	-	-	-	-	(452)	-	(452)
Forfeiture of share options	購股權沒收	-	-	(4,166)	-	-	-	-	-	4,166	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	出售按公平值計入其他全面收益之股本工具	-	-	-	-	-	(4,575)	-	-	4,575	-	-	-	-
At 31 March 2019	於二零一九年三月三十一日	57,036	548,969	79,388	425	840	1,949	5,180	39,162	1,357,157	122,627	2,212,733	868	2,213,601

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### Notes:

- (a) The special reserve of the Group comprises the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the issued share capital and special reserves of those companies which were acquired by the Company pursuant to a group reorganisation in 1993. The special reserves of these acquired subsidiaries represent the credit arising on reduction of their paid up share capital under the group reorganisation.
- (b) Subsequent to 力龍國際貿易股份有限公司 (“Li Loong”) becoming a subsidiary of the Company in May 2013, the Group further subscribed 6,000,000 shares of Li Loong in September 2013, for a cash consideration of New Taiwan Dollar (“NT\$”) 60,000,000 (equivalent to HK\$15,698,000). The Group’s equity interest in Li Loong increased from 90% to 96%. This is accounted for as a deemed acquisition of additional interests in a subsidiary and has been recognised as capital reserve.

### 附註：

- (a) 本集團之特別儲備包括本公司所發行股本面值與本集團根據一九九三年進行集團重組而收購之公司已發行股本面值之差額及所收購公司之特別儲備。該等所收購附屬公司之特別儲備指根據集團重組削減該等公司已繳足股本而產生之進賬。
- (b) 於力龍國際貿易股份有限公司(「力龍」)在二零一三年五月成為本公司之附屬公司後，於二零一三年九月，本集團進一步認購6,000,000股力龍股份，現金代價為新台幣(「新台幣」)60,000,000元(相等於15,698,000港元)。本集團於力龍之股權由90%增加至96%。此收購入賬列作視作收購一間附屬公司之額外權益，並已確認為資本儲備。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating activities	經營業務		
Profit before taxation	除稅前溢利	<b>159,975</b>	164,691
Adjustments for:	就以下項目作出調整：		
Depreciation of property, plant and equipment	物業、機器及設備之折舊	<b>21,618</b>	21,389
Impairment loss recognised in respect of property, plant and equipment	就物業、機器及設備確認之減值虧損	<b>263</b>	26
(Reversal of allowance) allowance on inventories	存貨(撥備撥回)撥備	<b>(355)</b>	10,847
Interest expense	利息開支	<b>1,959</b>	1,843
Interest income	利息收入	<b>(13,762)</b>	(5,483)
Loss on disposal/written off of property, plant and equipment	出售／撇銷物業、機器及設備之虧損	<b>2,557</b>	153
Loss on deregistration of a subsidiary	終止註冊一間附屬公司之虧損	<b>2,256</b>	—
Impairment loss recognised on trade receivables	貿易應收賬款之已確認減值虧損	<b>253</b>	—
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損	<b>890</b>	—
Share of results of associates	應佔聯營公司之業績	<b>(3,244)</b>	(2,586)
Share of result of a joint venture	應佔一間合營公司之業績	<b>(192)</b>	(50)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	<b>172,218</b>	190,830
(Increase) decrease in property rental deposits	物業租金按金(增加)減少	<b>(4,728)</b>	8,283
Decrease in inventories	存貨減少	<b>161,050</b>	294,111
Increase in trade and other receivables	貿易及其他應收賬款增加	<b>(20,027)</b>	(7,748)
Increase in trade and other payables	貿易及其他應付賬款增加	<b>5,730</b>	31,138
Decrease in contract liabilities	合約負債減少	<b>(1,304)</b>	—

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

	Note	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash generated from operations	經營業務所產生之現金	<b>312,939</b>	516,614
Income taxes refunded in Hong Kong	於香港退回之所得稅	—	44
Income taxes paid in Hong Kong	於香港支付之所得稅	<b>(42,886)</b>	(13,483)
Income taxes paid in other jurisdictions	於其他司法權區支付之所得稅	<b>(273)</b>	(103)
<b>Net cash from operating activities</b>	<b>經營業務所產生之現金淨額</b>	<b>269,780</b>	503,072
Investing activities	投資活動		
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	<b>(74,048)</b>	—
Purchase of property, plant and equipment	購買物業、機器及設備	<b>(25,232)</b>	(17,448)
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備之已付按金	<b>(10,636)</b>	(3,000)
Purchase of debt instruments at fair value through other comprehensive income	購買按公平值計入其他全面收益之債務工具	<b>(7,074)</b>	—
Net cash outflow from acquisition of a subsidiary under asset acquisition	資產收購項下收購一間附屬公司之現金流出淨額	<b>(4,155)</b>	—
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之所得款項	<b>58,176</b>	—
Interest received	已收利息	<b>13,762</b>	5,483
Proceeds from disposal of equity investments at fair value through other comprehensive income	出售按公平值計入其他全面收益之股本工具之所得款項	<b>7,969</b>	—
Dividends received from associates	已收聯營公司股息	<b>1,676</b>	2,727
Proceeds from disposal of debt instruments at fair value through other comprehensive income	出售按公平值計入其他全面收益之債務工具之所得款項	<b>314</b>	—
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項	<b>12</b>	—
Purchase of available-for-sale financial assets	出售可供出售金融資產	—	(5,760)

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net cash used in investing activities	投資活動所耗之現金淨額	<b>(39,236)</b>	(17,998)
Financing activities	融資活動		
Dividends paid	已付股息	<b>(196,832)</b>	(30,812)
Repayment of bank loans	償還銀行貸款	<b>(33,644)</b>	(44,761)
Interest paid	已付利息	<b>(1,959)</b>	(1,843)
Repurchase of shares	購回股份	<b>(452)</b>	—
New bank loans raised	新造銀行貸款	<b>23,359</b>	7,985
Net cash used in financing activities	融資活動所耗之現金淨額	<b>(209,528)</b>	(69,431)
Net increase in cash and cash equivalents	現金及等同現金項目之增加淨額	<b>21,016</b>	415,643
Cash and cash equivalents at the beginning of the year	年初之現金及等同現金項目	<b>1,081,891</b>	645,188
Effect of foreign exchange rate changes	匯率變動之影響	<b>(17,996)</b>	21,060
Cash and cash equivalents at the end of the year, represented by bank balances and cash	年終之現金及等同現金項目，以銀行結餘及現金代表	<b>1,084,911</b>	1,081,891



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 1. GENERAL

Oriental Watch Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and acts as an investment holding company as well as engaged in watch trading. The principal activities of its principal subsidiaries are set out in note 35. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are detailed in the corporate information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is also the functional currency of the Company.

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

#### New and amendments to HKFRSs that are mandatorily effective for the current year

The Company and its subsidiaries (collectively the “Group”) has applied the following new and amendments to Hong Kong Accounting Standards (“HKASs”) and HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

### 1. 一般資料

東方表行集團有限公司\*（「本公司」）為於百慕達註冊成立之獲豁免有限公司，乃投資控股公司，並從事鐘表貿易。其主要附屬公司之主要業務載於附註35。本公司股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址詳情載於年報之公司資料一節。

綜合財務報表乃以港元（「港元」）呈列，港元亦為本公司之功能貨幣。

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本

#### 於本年度強制生效之新訂香港財務報告準則及修訂本

本公司及其附屬公司（統稱「本集團」）已於本年度首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂香港會計準則（「香港會計準則」）及香港財務報告準則以及修訂本：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收益及相關修訂本
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及墊款代價
香港財務報告準則第2號（修訂本）	以股份為基礎之付款交易之分類及計量
香港財務報告準則第4號（修訂本）	結合香港財務報告準則第4號「保險合約」應用香港財務報告準則第9號「金融工具」
香港會計準則第28號（修訂本）	作為香港財務報告準則二零一四年至二零一六年週期之年度改善之一部分
香港會計準則第40號（修訂本）	轉讓投資物業

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

### New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

In addition, the Group has early applied Amendments to HKFRS 9 “Prepayment Features with Negative Compensation” which will be mandatorily effective for the Group for the financial year beginning on 1 April 2019.

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

#### 2.1 HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

## 2. 應用新訂香港財務報告準則 (「香港財務報告準則」) 及修訂本 (續)

於本年度強制生效之新訂香港財務報告準則及修訂本 (續)

此外，本集團已提前應用本集團將於二零一九年四月一日開始之財政年度強制生效之香港財務報告準則第9號 (修訂本)「具有負賠償之提前還款特性」。

除下文所述者外，於本年度應用新訂香港會計準則及香港財務報告準則及修訂本對本集團於本年度及過往年度之財務表現及狀況及／或於該等綜合財務報表所載之披露並無重大影響。

#### 2.1 香港財務報告準則第15號「客戶合約收益」

本集團已於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而初步應用該準則之累計影響於初步應用日期二零一八年四月一日確認。初步應用日期之任何差額於年初保留溢利 (或權益之其他部分 (視乎適用情況而定)) 確認，比較資料並無重列。此外，根據香港財務報告準則第15號之過渡條文，本集團選擇僅對於二零一八年四月一日尚未完成之合約追溯應用該準則。因此，若干比較資料可能無法比較，此乃由於比較資料乃根據香港會計準則第18號「收益」及香港會計準則第11號「建築合約」及相關詮釋編製。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

#### 2.1 HKFRS 15 “Revenue from Contracts with Customers” (Continued)

The Group recognises revenue mainly from sales of watches which arise from contracts with customers.

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

#### Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 2.1 香港財務報告準則第15號「客戶合約收益」（續）

本集團確認之收益主要來自客戶合約產生之銷售鐘錶。

有關本集團履約責任及應用香港財務報告準則第15號導致之會計政策之資料分別於附註5及3披露。

#### 初始應用香港財務報告準則第15號產生之影響概述

本集團已對於二零一八年四月一日之綜合財務狀況表內確認之金額作出以下調整。不包括未受該等變動影響之項目。

		Carrying amount previously reported at 31 March 2018	Reclassification	Carrying amounts under HKFRS 15 at 1 April 2018
		於二零一八年三月三十一日 先前呈報之 賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	於二零一八年四月一日 根據香港財務 報告準則第15號 之賬面值 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付賬款	126,076	(8,780)	117,296
Contract liabilities	合約負債	—	8,780	8,780

As at 1 April 2018, advances from customers of HK\$8,780,000 in respect of advances from customers for future purchases to be made by customers previously included in trade and other payables were reclassified to contract liabilities.

於二零一八年四月一日，先前計入貿易及其他應付賬款之客戶墊款8,780,000港元與客戶就未來購買之客戶預付款相關，並已重新分類至合約負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

#### 2.1 HKFRS 15 “Revenue from Contracts with Customers” (Continued)

##### Summary of effects arising from initial application of HKFRS 15 (Continued)

The application of HKFRS 15 has had no material impact on the Group’s retained profits as at 1 April 2018.

The following table summarizes the impact of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 March 2019 and its consolidated statement of cash flows for each of the line items affected. Line items that were not affected by the changes have not been included.

##### Impact on the consolidated statement of financial position

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 2.1 香港財務報告準則第15號「客戶合約收益」（續）

##### 初始應用香港財務報告準則第15號產生之影響概述（續）

應用香港財務報告準則第15號對本集團於二零一八年四月一日之保留溢利並無重大影響。

下表概述就各項受影響之項目應用香港財務報告準則第15號對本集團於二零一九年三月三十一日之綜合財務狀況表及其綜合現金流量表之影響。不包括未受該等變動影響之項目。

##### 對綜合財務狀況表之影響

		As reported	Reclassification	Amounts without application of HKFRS 15
		呈報金額	重新分類	未應用香港財務報告準則第15號之金額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付賬款	119,026	7,476	126,502
Contract liabilities	合約負債	7,476	(7,476)	—

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

#### 2.1 HKFRS 15 “Revenue from Contracts with Customers” (Continued)

##### Impact on the consolidated statement of cash flows

##### Operating activities

Increase in trade and other payables	經營業務 貿易及其他應付賬款增加
Decrease in contract liabilities	合約負債減少

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 2.1 香港財務報告準則第15號「客戶合約收益」(續)

##### 對綜合現金流量表之影響

As reported	Adjustments	Amounts without application of HKFRS 15
呈報金額	調整	未應用香港財務報告準則第15號之金額
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
5,730	(1,304)	4,426
(1,304)	1,304	—

As at 31 March 2019, an amount of HK\$7,476,000 in respect of advances from customers for future purchases to be made by customers was classified as contract liabilities and the amount will be included in trade and other payables without the application of HKFRS 15.

於二零一九年三月三十一日，有關客戶就未來購買之客戶預付款7,476,000港元已分類為合約負債，於未應用香港財務報告準則第15號時，該金額將計入貿易及其他應付賬款。

#### 2.2 HKFRS 9 “Financial Instruments” and the related amendments

In the current year, the Group has applied HKFRS 9 “Financial Instruments”, Amendments to HKFRS 9 “Prepayment Features with Negative Compensation” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

#### 2.2 香港財務報告準則第9號「金融工具」及相關修訂本

於本年度，本集團已應用香港財務報告準則第9號「金融工具」、香港財務報告準則第9號（修訂本）「具有負賠償之提前還款特性」及其他香港財務報告準則之相關相應修訂本。香港財務報告準則第9號就(1)金融資產及金融負債之分類及計量、(2)金融資產之預期信貸虧損（「預期信貸虧損」）及(3)一般對沖會計法引入新規定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

#### 2.2 HKFRS 9 “Financial Instruments” and the related amendments (Continued)

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 2.2 香港財務報告準則第9號「金融工具」及相關修訂本（續）

本集團已根據香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即對於二零一八年四月一日（初始應用日期）尚未終止確認之工具追溯應用分類及計量規定（包括預期信貸虧損項下之減值），及並無對於二零一八年四月一日已終止確認之工具應用該等規定。於二零一八年三月三十一日之賬面值與於二零一八年四月一日之賬面值之間之差額於年初保留溢利及其他權益組成部分中確認，就此並無重列比較資料。

因此，若干比較資料未必能作比較，原因是比較資料乃根據香港會計準則第39號「金融工具：確認及計量」編製。

有關應用香港財務報告準則第9號導致之會計政策於附註3披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

#### 2.2 HKFRS 9 “Financial Instruments” and the related amendments (Continued)

##### Summary of effects arising from initial application of HKFRS 9

The table below illustrates the effect arising from application of HKFRS 9 at the date of initial application, 1 April 2018. Line items that were not affected by the changes have not been included.

			Carrying amount previously reported at 31 March 2018	Remeasurement	Reclassification	Carrying amounts under HKFRS 9 at 1 April 2018
		Note	於二零一八年三月三十一日 先前呈報之賬面值 HK\$'000 千港元	重新計量 HK\$'000 千港元	重新分類 HK\$'000 千港元	於二零一八年四月一日 根據香港財務報告準則第9號 之賬面值 HK\$'000 千港元
		附註				
<b>Non-current assets</b>	<b>非流動資產</b>					
Available-for-sale (“AFS”) financial assets	可供出售(「可供出售」)金融資產	a	12,344	—	(12,344)	—
Equity instruments at fair value through other comprehensive income (“FVTOCI”)	按公平值計入其他全面收益(「按公平值計入其他全面收益」)之股本工具	a	—	—	12,344	12,344
<b>Current asset</b>	<b>流動資產</b>					
Trade and other receivables	貿易及其他應收賬款	b	134,704	(3,808)	—	130,896
<b>Reserves</b>	<b>儲備</b>					
Retained profits	保留溢利	b	1,402,343	(3,808)	—	1,398,535

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及修訂本(續)

#### 2.2 香港財務報告準則第9號「金融工具」及相關修訂本(續)

##### 初始應用香港財務報告準則第9號產生之影響概述

下表說明於初始應用日期(二零一八年四月一日)應用香港財務報告準則第9號產生之影響。不受變動影響之項目並無包括在內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

### 2.2 HKFRS 9 “Financial Instruments” and the related amendments (Continued)

#### Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes:

#### (a) AFS financial assets

##### From AFS financial assets to equity instruments at FVTOCI

The Group elected to present in other comprehensive income (“OCI”) for the fair value changes of all its equity investments previously classified as AFS. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, equity investments with a carrying value of HK\$12,344,000 were reclassified from AFS financial assets to equity instruments at FVTOCI. All of these investments were previously measured at fair value under HKAS 39. The fair value gains of HK\$6,932,000 relating to those investments previously carried at fair values continued to be accumulated in asset revaluation reserve.

#### (b) Impairment under ECL model

In relation to the impairment of financial assets, HKFRS 9 requires an ECL model, as opposed to an incurred credit loss model under HKAS 39. The ECL model requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In the current year, the Group has applied HKFRS 9 simplified approach to measure ECL using lifetime ECL for trade receivables. To measure the ECL, trade receivables have been assessed individually and/or grouped based on shared credit risk characteristics.

Loss allowance for other financial assets at amortised cost mainly comprise of other receivables and bank balances, are measured on 12-month ECL (“12m ECL”) basis and there had been no significant increase in credit risk since initial recognition.

## 2. 應用新訂香港財務報告準則 (「香港財務報告準則」) 及修訂本 (續)

### 2.2 香港財務報告準則第9號「金融工具」及相關修訂本 (續)

#### 初始應用香港財務報告準則第9號產生之影響概述 (續)

附註：

#### (a) 可供出售金融資產

##### 由可供出售金融資產至按公平值計入其他全面收益之股本工具

本集團選擇將其先前分類為可供出售之所有股本投資之公平值變動於其他全面收益(「其他全面收益」)中呈列。該等投資並非持作買賣，且預期於可預見未來不會出售。於初始應用香港財務報告準則第9號當日，賬面值為12,344,000港元之股本投資已由可供出售金融資產重新分類至按公平值計入其他全面收益之股本工具。所有該等投資先前根據香港會計準則第39號以公平值計量。有關先前按公平值計量之該等投資之公平值收益6,932,000港元繼續於資產重估儲備中累計。

#### (b) 預期信貸虧損模式下之減值

就金融資產減值而言，與香港會計準則第39號項下產生之信貸虧損模式相反，香港財務報告準則第9號規定採用預期信貸虧損模式。預期信貸虧損模式規定實體於各呈報日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映自初始確認以來信貸風險之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

於本年度，本集團應用香港財務報告準則第9號簡化法計量預期信貸虧損，就貿易應收賬款使用存續期預期信貸虧損。為計量預期信貸虧損，貿易應收賬款已根據共同信貸風險特徵進行個別評估及／或分類。

按攤銷成本計量之其他金融資產(主要包括其他應收賬款及銀行結餘)之虧損撥備乃按12個月預期信貸虧損(「12個月預期信貸虧損」)基準計量，而信貸風險自初始確認以來並無顯著增加。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

#### 2.2 HKFRS 9 “Financial Instruments” and the related amendments (Continued)

##### Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes: (Continued)

##### (b) Impairment under ECL model (Continued)

As at 1 April 2018, the additional credit loss allowance of HK\$3,808,000 has been recognised against retained profits. The additional loss allowance is charged against the trade receivables.

All loss allowances for trade receivables as at 31 March 2018 reconcile to the opening loss allowances of trade receivables as at 1 April 2018 are as follows:

At 31 March 2018 (audited) — HKAS 39

Amounts remeasured through opening retained profits

At 1 April 2018 (restated)

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 2.2 香港財務報告準則第9號「金融工具」及相關修訂本（續）

##### 初始應用香港財務報告準則第9號產生之影響概述（續）

附註：（續）

##### (b) 預期信貸虧損模式下之減值（續）

於二零一八年四月一日，額外信貸虧損撥備之3,808,000港元已確認至保留溢利。額外虧損撥備計入貿易應收賬款。

於二零一八年三月三十一日貿易應收賬款之所有虧損撥備與於二零一八年四月一日貿易應收賬款之年初虧損撥備之對賬如下：

HK\$'000  
千港元

於二零一八年三月三十一日（經審核）

— 香港會計準則第39號  
按年初保留溢利重新計量之金額

於二零一八年四月一日（經重列）

—

3,808

3,808

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 2.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

#### 2.3 應用所有新訂準則對年初綜合財務狀況表所產生之影響

As a result of the changes in the Company's accounting policies above, the opening consolidated statement of financial position had been restated. The following table summarises the adjustments recognised for the relevant individual line item.

由於本公司之會計政策發生上述變化，故年初綜合財務狀況表須重列。下表載列就各個別項目所確認之調整。

		<b>31 March</b>			<b>1 April</b>
		<b>2018</b>	<b>HKFRS 15</b>	<b>HKFRS 9</b>	<b>2018</b>
		二零一八年	香港財務	香港財務	二零一八年
		三月	報告準則	報告準則	四月一日
		三十一日	第15號	第9號	四月一日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(Audited)			(Restated)
		(經審核)			(經重列)
<b>Non-current assets</b>	<b>非流動資產</b>				
AFS financial assets	可供出售金融資產	12,344	—	(12,344)	—
Equity instruments	按公平值計入其他				
at FVTOCI	全面收益之股本			12,344	12,344
	工具	—	—		
<b>Current asset</b>	<b>流動資產</b>				
Trade and other	貿易及其他應收	134,704	—	(3,808)	130,896
receivables	賬款				
<b>Current liabilities</b>	<b>流動負債</b>				
Trade and other	貿易及其他應付	126,076	(8,780)	—	117,296
payables	賬款				
Contract liabilities	合約負債	—	8,780	—	8,780
<b>Reserves</b>	<b>儲備</b>				
Retained profits	保留溢利	1,402,343	—	(3,808)	1,398,535

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

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

#### New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>5</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 已頒佈但尚未生效之新訂香港財務報告準則及修訂本

本集團並無提早應用以下已頒佈但尚未生效之新訂香港財務報告準則及修訂本：

香港財務報告準則第16號	租賃 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅項處理之不確定性 <sup>1</sup>
香港財務報告準則第3號（修訂本）	業務之定義 <sup>4</sup>
香港財務報告準則第10號及香港會計準則第28號（修訂本）	投資者與其聯營公司或合營公司之間之資產出售或投入 <sup>2</sup>
香港會計準則第1號及香港會計準則第8號（修訂本）	重大之定義 <sup>5</sup>
香港會計準則第19號（修訂本）	計劃修訂、縮減或支付 <sup>1</sup>
香港會計準則第28號（修訂本）	於聯營公司及合營公司之長期權益 <sup>1</sup>
香港財務報告準則（修訂本）	香港財務報告準則二零一五年至二零一七年週期之年度改善 <sup>1</sup>

<sup>1</sup> 於二零一九年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於待定期限或之後開始之年度期間生效。

<sup>3</sup> 於二零二一年一月一日或之後開始之年度期間生效。

<sup>4</sup> 適用於收購日期為二零二零年一月一日或之後開始之首個年度期間開始當日或之後進行之業務合併及資產收購。

<sup>5</sup> 於二零二零年一月一日或之後開始之年度期間生效。

除下文所述新訂香港財務報告準則及修訂本之外，本公司董事預期應用所有其他新訂香港財務報告準則及修訂本將不會於可預見未來對綜合財務報表造成任何重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

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

#### HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at costs and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group, and upfront prepaid lease payments will continue to be presented as investing or operating cash flows in accordance to the nature, as appropriate.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入綜合模式。一經生效，香港財務報告準則第16號將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號以客戶能否控制所識別資產區分租賃及服務合約。

除短期租賃及低價值資產租賃外，經營租賃及融資租賃之差異自承租人會計處理中移除，並以承租人須就所有租賃確認使用權資產及相應負債之模式取代。

使用權資產初步按成本計量，其後按成本（除若干例外情況外）減累計折舊及減值虧損計量，並就任何租賃負債重新計量作出調整。租賃負債初步按當日尚未支付租賃款項之現值計量。其後，租賃負債就利息及租賃款項以及（其中包括）租賃修訂之影響作出調整。就現金流量分類而言，本集團目前將前期預付租賃付款呈列為與自用租賃土地相關之投資現金流量，而經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號後，有關租賃負債之租賃付款將分配至本金及利息部分，本集團將其呈列為融資現金流量，而前期預付租賃付款將繼續按合適之性質以投資或經營現金流量呈列。

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

#### HKFRS 16 “Leases” (Continued)

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK\$281,658,000 as disclosed in note 29. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$54,460,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 香港財務報告準則第16號「租賃」（續）

根據香港會計準則第17號，本集團作為承租人已確認租賃土地之預付租賃款項。應用香港財務報告準則第16號可能導致該等資產之分類發生潛在變動，其分類視乎本集團是否將使用權資產單獨呈列或於相應有關資產（倘擁有）之同一項目內呈列。

除若干亦適用於出租人之規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人之會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求更廣泛之披露。

於二零一九年三月三十一日，誠如附註29所披露，本集團擁有不可撤銷經營租賃承擔281,658,000港元。初步評估顯示，該等安排將符合租賃定義。於應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，除非其符合低價值或短期租賃。

此外，本集團目前將已付之可退回租賃按金54,460,000港元視為適用於香港會計準則第17號之租賃權利及責任。根據香港財務報告準則第16號項下租賃付款定義，該等按金並非有關使用相關資產之權利之付款，因此，該等按金之賬面值可調整至攤銷成本。已付之可退回租賃按金之調整將被視為額外融資付款及計入使用權資產之賬面值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### HKFRS 16 “Leases” (Continued)

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group will elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) — Int 4 “Determining Whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) — Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group will elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulate effect of initial application to opening retained profits without restating the comparative information.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

#### 香港財務報告準則第16號「租賃」（續）

新規定之應用可能導致上文所指之計量、呈列及披露有所變動。本集團將選用可行及適宜之方法，就先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號「釐定安排是否包括租賃」應用香港財務報告準則第16號，而對於先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號並非識別為包括租賃之合約，則不應應用該準則。因此，本集團將不會重新評估合約是否為或包括於初始應用日期前已存在之租賃。此外，本集團（作為承租人）將選擇經修訂追溯法應用香港財務報告準則第16號，並將確認初始應用對年初保留溢利之累計影響，而並無重列比較資料。

### 3. 主要會計政策

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

除若干金融工具如下文所載之會計政策所述於呈報期末以公平值計量外，綜合財務報表乃按歷史成本基準編撰。

歷史成本一般根據為交換貨物及服務所付代價之公平值釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The principal accounting policies are set out below.

### 3. 主要會計政策(續)

公平值為於計量日期市場參與者間於有序交易中就出售資產收取或就轉讓負債支付之價格，而不論該價格為可直接觀察取得或可使用其他估值技巧估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟屬於香港財務報告準則第2號「以股份為基礎之付款」範疇之以股份為基礎之付款交易、香港會計準則第17號「租賃」範疇之租賃交易及其計量與公平值之計量存在一些相似之處但並非公平值，例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值除外。

此外，就財務呈報而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第1級、第2級或第3級，載述如下：

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

主要會計政策載列如下。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of OCI are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

### 3. 主要會計政策(續)

#### 綜合基準

綜合財務報表包括本公司以及由本公司及其附屬公司所控制實體之財務報表。當本公司在下列情況下即達致控制權：

- 對被投資方擁有權力；
- 從參與被投資方可以或有權取得可變回報；及
- 有能力運用其權力影響回報。

倘有事實及情況顯示上文所列控制權之三個元素中一個或以上發生變化，則本集團會重新評估是否控制被投資方。

綜合附屬公司於本集團取得附屬公司之控制權時開始，並於本集團失去附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支，會由本集團取得控制權當日起直至本集團失去附屬公司之控制權當日止計入綜合損益及其他全面收益表。

損益及其他全面收益之各個項目會分配予本公司擁有人及非控股權益。附屬公司之全面收益總額會分配予本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

如有需要，本集團會對附屬公司之財務報表作出調整，使附屬公司之會計政策與本集團之會計政策一致。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

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### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### **Basis of consolidation** *(Continued)*

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented, separately from the Group's entity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### **Changes in the Group's interests in existing subsidiaries**

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 3. 主要會計政策(續)

#### **綜合基準(續)**

所有與本集團成員公司間之交易有關之集團內公司間資產及負債、權益、收入、開支及現金流會於綜合賬目時全數對銷。

於附屬公司之非控股權益與本集團於當中的權益分開呈列，指現時擁有之權益且賦予持有人權利於清盤時按比例分佔相關附屬公司淨資產。

#### **本集團於現有附屬公司之權益變動**

本集團於現有附屬公司之權益之變動(而並無導致本集團失去對附屬公司之控制權)當作股本交易入賬。本集團權益之相關部份及非控股權益之賬面值均予以調整，以反映於附屬公司之相對權益之變動，包括按照本集團與非控股權益之權益比例，將本集團與非控股權益之間之相關儲備重新歸屬。

非控股權益之調整額與所支付或收取代價公平值之間之任何差額，均直接於權益中確認，並歸屬於本公司擁有人。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Basis of consolidation (Continued)

#### Changes in the Group's interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in OCI in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

### 3. 主要會計政策(續)

#### 綜合基準(續)

#### 本集團於現有附屬公司之權益變動(續)

倘本集團失去對附屬公司之控制權，該附屬公司之資產及負債及非控股權益(如有)終止確認，則收益或虧損於損益內確認且以下列兩者間之差額計算：(i)所收代價之公平值與任何保留權益之公平值總和及(ii)資產(包括商譽)之賬面值與本公司擁有人應佔該附屬公司之負債。過往在有關附屬公司之其他全面收益確認之所有金額均入賬，猶如本集團已直接出售附屬公司之相關資產或負債(即按適用之香港財務報告準則具體規定/准許重新分類至損益或轉撥至其他權益類別)。於前附屬公司所保留任何投資於失去控制權之日之公平值根據香港財務報告準則第9號/香港會計準則第39號被視為初步確認公平值供後續會計處理，或(如適用)於聯營公司或合營公司投資之初步確認成本。

#### 業務合併

業務收購採用收購法入賬。業務合併中轉讓之代價按公平值計量，而公平值乃按本集團所轉讓資產、本集團向被收購方前擁有人承擔之負債及本集團為交換被收購方控制權所發行之股權於收購日之公平值總和計量。收購相關成本一般在產生時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary’s net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

### 3. 主要會計政策(續)

#### 業務合併(續)

於收購日，所收購可識別資產及所承擔負債按公平值確認，惟下列各項除外：

- 遞延稅項資產或負債以及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量。

商譽以所轉讓之代價、被收購方任何非控股權益之金額及收購方過往持有之被收購方股權(如有)之公平值總和超出所收購可識別資產及所承擔負債於收購日之淨值之差額計量。倘經重新評估後，所收購可識別資產及所承擔負債於收購日之淨額超出所轉讓之代價、被收購方任何非控股權益之金額及收購方過往持有被收購方權益之公平值(如有)總和，則超出部分即時於損益中確認為議價收購收益。

屬現時所有權權益且於清盤時賦予其持有人權利按比例分佔相關附屬公司資產淨值之非控股權益初步按公平值或按非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準之選擇乃按每次交易為基礎。其他類型之非控股權益乃按公平值計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

#### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### 3. 主要會計政策(續)

#### 收購一間不構成業務之附屬公司

當本集團收購一組不構成業務之資產與負債，本集團首先按該等資產及負債各自之公平值將購買價分配至金融資產及負債，隨後按於購買日期各自之相對公平值將購買價餘額分配至其他個別可識別資產及負債，藉此識別並確認所收購之個別可識別資產及所承擔負債。該項交易並無產生商譽或議價購買收益。

#### 商譽

收購業務產生之商譽按於收購該業務當日確立之成本(見上文會計政策)減累計減值虧損(如有)列賬。

就減值測試而言，商譽會分配至本集團預期可從合併協同效應中獲益之各現金產生單位(或現金產生單位組別)。

獲分配商譽之現金產生單位(或現金產生單位組別)每年進行減值測試，或當有跡象顯示該單位有可能減值時更頻繁地進行測試。倘現金產生單位之可回收金額低於其賬面值，則減值虧損應首先分配到削減該單位獲分配之任何商譽之賬面值，再根據該單位(或現金產生單位組別)內各資產賬面值按比例削減該單位其他資產獲分配之任何商譽之賬面值。任何商譽減值虧損直接在損益中確認。就商譽確認之減值虧損不會於往後期間撥回。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Goodwill (Continued)

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of associates and a joint venture is described below.

#### Investments in associates and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

### 3. 主要會計政策(續)

#### 商譽(續)

就出售相關現金產生單位或現金產生單位組別內之任何現金產生單位而言，歸屬於商譽之金額於釐定出售之損益金額時計算在內。

本集團因收購聯營公司及合營公司而產生商譽之政策於下文載述。

#### 於聯營公司及一間合營公司之投資

聯營公司乃本集團對其有重大影響力之實體。重大影響力乃參與被投資方財務及經營決策之權力，惟並非對該等政策擁有控制權或共同控制權。

合營公司乃一項共同安排，據此，擁有該安排共同控制權之訂約各方享有共同安排淨資產之權利。共同控制權乃合約協定分佔安排之控制權，僅於與相關業務有關之決策須分佔控制權之各方一致同意時存在。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Investments in associates and a joint venture

(Continued)

The results and assets and liabilities of associates and a joint venture are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates and a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and OCI of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and OCI are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

### 3. 主要會計政策(續)

#### 於聯營公司及一間合營公司之投資(續)

聯營公司及一間合營公司之業績及資產與負債以權益會計法計入綜合財務報表。以權益會計法處理之聯營公司及一間合營公司財務報表按與本集團就於類似情況下之相類交易及事件所採用者相同之會計政策編製。根據權益法，於聯營公司或合營公司之投資初步按成本於綜合財務狀況表確認，並其後作出調整以確認本集團應佔該聯營公司或合營公司之損益及其他全面收益。聯營公司／合營公司之資產淨值(損益及其他全面收益除外)變動不予入賬，除非該等變動導致本集團持有之擁有權權益出現變動。當本集團應佔某聯營公司或合營公司之虧損超出其佔該聯營公司或合營公司之權益(包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司或合營公司之投資淨額之一部分)時，本集團不再繼續確認其應佔之進一步虧損。本集團僅會在已代表該聯營公司或合營公司承擔法律或推定責任，或代其支付款項之情況下，方會確認額外虧損。

於聯營公司或合營公司之投資採用權益法自被投資方成為聯營公司或合營公司當日起入賬。於收購於聯營公司或合營公司之投資時，投資成本超出本集團分佔被投資方可識別資產及負債公平淨值之任何差額均確認為商譽，並計入投資之賬面值。本集團分佔可識別資產及負債之公平淨值超過投資成本之任何差額在重新評估後於收購投資期間內即時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Investments in associates and a joint venture

(Continued)

The Group assesses whether there is an objective that the interest in an associates or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of entire interest in the investee with resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9/HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in OCI in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in OCI by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

### 3. 主要會計政策(續)

#### 於聯營公司及一間合營公司之投資(續)

本集團評估是否客觀地顯示於聯營公司或合營公司權益可能已減值。倘出現客觀證據，投資(包括商譽)之全部賬面值乃根據香港會計準則第36號「資產減值」作為單獨資產，通過比較其可收回金額(即使用價值與公平值減出售成本兩者之較高者)與賬面值進行減值測試。任何確認之減值虧損屬投資賬面值之一部分。倘投資之可收回金額隨後增加，則該減值虧損之任何撥回乃按香港會計準則第36號確認。

當本集團不再對某聯營公司擁有重大影響力，或不再對某合營公司擁有共同控制權時，會按出售被投資方全部權益入賬，所產生之收益或虧損於損益確認。當本集團保留於前聯營公司或合營公司之權益，且保留權益為香港財務報告準則第9號／香港會計準則第39號範圍內之金融資產時，本集團會按該日之公平值計量保留權益，而該公平值被視為根據香港會計準則第39號於初步確認時之公平值。聯營公司或合營公司於終止採用權益法當日之賬面值與任何保留權益及出售於聯營公司或合營公司之相關權益之任何所得款項公平值間之差額，會於釐定出售該聯營公司或合營公司之收益或虧損時計算在內。此外，本集團會將先前在其他全面收益就該聯營公司或合營公司確認之所有金額入賬，基準與該聯營公司或合營公司直接出售相關資產或負債所規定之基準相同。因此，倘該聯營公司或合營公司先前已於其他全面收益確認之收益或虧損應會於出售相關資產或負債時重新分類至損益，則本集團會於出售／部分出售相關聯營公司或合營公司時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Investments in associates and a joint venture

(Continued)

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

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

### 3. 主要會計政策(續)

於聯營公司及一間合營公司之投資  
(續)

當某集團實體與本集團之聯營公司或合營公司進行交易時，與聯營公司或合營公司之交易產生之損益於本集團之綜合財務報表確認，惟數額以與本集團無關之聯營公司或合營公司權益為限。

客戶合約收益(根據附註2過渡條文  
應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於達成履約責任時確認收入，即當與特定履約責任相關的貨品或服務的「控制權」轉移予客戶時。

履約責任指一個明確貨品及一項明確服務(或一批明確貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合下列其中一項標準，則控制權在一段時間內轉移，而收益會參考已完成相關履約責任的進度於一段時間內確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生及提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### **Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) *(Continued)***

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

The revenue of the Group arising from sales of watches is generally recognised at a point in time when customer acceptance has been obtained, which is the point of time when the customer has the ability to direct the use of these products and obtain substantially all of the remaining benefits of these products.

The revenue of the Group arising from the provision of watch repair service is generally recognised over time, which is over the term of the relevant service period as the customer simultaneously receives and consumes the benefits provided by the entity.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

#### **Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation**

##### *Input method*

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of services.

### 3. 主要會計政策(續)

客戶合約收益(根據附註2過渡條文應用香港財務報告準則第15號後)  
(續)

否則，收益會在當客戶獲得明確貨品或服務的控制權時在某一時點確認。

本集團銷售手錶產生之收益一般於獲得客戶接納時的時點確認，其為客戶有能力指示使用該等產品並獲得該等產品的絕大部分剩餘利益的時間點。

提供手錶維修服務產生之收益一般於一段時間內確認，其為於相關服務期限內，客戶同時接受及消耗該實體提供的利益。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓貨品或服務的責任。

#### **於一段時間內確認收益：計量完全完成履行履約責任的進度**

##### *輸入法*

完全履行履約責任的進度乃基於輸入法計量，即基於本集團對履約責任所作付出或投入(相對於預期對履約責任的總輸入)確認收益，此方法最能反映本集團於轉讓服務的控制權方面的表現。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

**Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)**

#### **Warranties**

If a customer has the option to purchase a warranty separately, the Group accounts for the warranty as a separate performance obligation and allocates a portion of the transaction price to that performance obligation.

If a customer does not have the option to purchase a warranty separately, the Group accounts for the warranty in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” unless the warranty provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications (i.e. service-type warranties).

#### **Incremental costs of obtaining a contract**

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

### 3. 主要會計政策(續)

客戶合約收益(根據附註2過渡條文應用香港財務報告準則第15號後)(續)

#### **保養**

倘客戶有權獨立購買保養，本集團將該保養以獨立履約責任入賬，並將部份交易價格分配予該項履約責任。

倘客戶並無獨立購買保養權，則本集團按照香港會計準則第37號「撥備、或然負債及或然資產」處理該保養，除非該保養為客戶提供產品符合預先協定規格之保證以外的服務(即服務類型保養)。

#### **取得合約之增量成本**

取得合約之增量成本是本集團為取得客戶合約而產生之該等成本，倘並無取得合約則不會產生該等成本。

倘本集團預期可收回該等成本，則將該等成本(銷售佣金)確認為資產。如此確認之資產其後按系統化基準攤銷至損益，該基準與向客戶轉讓該資產相關之貨品或服務一致。

倘該等成本原應在一年內全數攤銷至損益，則本集團應用可行權宜之計，支銷所有取得合約之遞增成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue recognition (prior to 1 April 2018)

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from sales of goods is recognised when goods are delivered and title has passed.

Watch repair service income is recognised when services are provided.

The Group's accounting policy for recognition of show window rental income is described in the accounting policy for leasing below.

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

#### Property, plant and equipment

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

### 3. 主要會計政策(續)

收益之確認(於二零一八年四月一日前)

收益按已收或應收代價的公平值計量。收益為已就估計客戶退貨、回扣及其他類似津貼作出扣減。

收益於金額能可靠地計量；於將有可能有未來經濟利益流入本集團；及於符合涉及本集團各項業務之特定條件時，按下述方式確認。

出售貨品之收益於貨品付運及所有權轉移時確認。

手錶維修服務收入於提供服務時確認。

本集團確認櫥窗租金收入之會計政策於下文租賃之會計政策內描述。

利息收入參照未償還本金及按適用之實際利率以時間基準累計，有關利率為於金融資產之預計年期內將估計未來現金收入精確貼現至資產於初步確認時賬面淨值之利率。

#### 物業、機器及設備

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment (Continued)

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

Depreciation is recognised so as to write off the cost of items of assets less their residual values over their estimated useful lives, using the straight-line method or reducing balance method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

### 3. 主要會計政策(續)

#### 物業、機器及設備(續)

就租賃分類而言，土地及樓宇租賃之土地及樓宇部分乃分開考慮。倘若能可靠地分配租賃付款，則入賬列作經營租賃之租賃土地權益乃於綜合財務狀況表呈列為「預付租賃款項」，並於租賃期內按直線法攤銷。當租賃付款不能可靠地於土地及樓宇部分之間分配時，整項租賃分類為融資租賃，並入賬列作物業、機器及設備。

確認折舊旨在於資產項目之估計可使用年期內，按直線法或餘額遞減法撇銷其成本減剩餘價值。估計可使用年期、剩餘價值及折舊方法會於各呈報期末檢討，並按未來適用基準就任何估計變動之影響入賬。

物業、機器及設備項目於出售或預期繼續使用資產並不會產生未來經濟利益時不再確認。出售或報廢物業、機器及設備項目產生之任何盈虧乃按出售所得款項與該資產賬面值間之差額釐定，並於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Impairment on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of tangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 有形資產減值

於呈報期末，本集團檢討其有形資產之賬面值，以釐定該等資產是否出現任何蒙受減值虧損之跡象。倘有任何該等跡象，則會估計相關資產之可收回金額，以釐定減值虧損(如有)之程度。有形資產之可收回金額個別地減值。當不可能估計個別資產之可收回金額時，本集團會估計資產所屬現金產生單位之可收回金額。當可確定一個合理且一致之分配基準時，企業資產亦分配至個別現金產生單位，否則，企業資產將被分配至能確定一個合理且一致之分配基準之最小現金產生單位組別。

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，會採用反映現時市場對貨幣時間價值，以及該資產(或現金產生單位)之特定風險(尚未就此調整未來現金流量估計)之稅前貼現率，將估計未來現金流量貼現至其現值。

倘資產(或現金產生單位)之可收回金額估計低於其賬面值，則將資產(或現金產生單位)之賬面值減至其可收回金額。於分配減值虧損時，減值虧損首先分配到削減任何商譽(如適用)之賬面值，再根據該單位內各資產之賬面值按比例削減其他資產。資產之賬面值不會削減至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)或零(以最高者為準)。應另行分配至資產之減值虧損金額按比例分配至該單位之其他資產。減值虧損即時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment on tangible assets (Continued)

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

#### Leasing

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

#### The Group as lessor

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

#### The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis. Contingent rentals are recognised as an expense in the period in which they are incurred.

### 3. 主要會計政策(續)

#### 有形資產減值(續)

當減值虧損其後撥回時，資產(或現金產生單位)之賬面值會增至可收回金額之經修訂估計，惟增加之賬面值不得超過假設該資產(或現金產生單位)於以往年度並無確認減值虧損而應釐定之賬面值。減值虧損之撥回即時於損益確認。

#### 租賃

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

#### 本集團作為出租人

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

#### 本集團作為承租人

經營租賃款項於租期內以直線法確認為開支。作為訂立經營租賃獎勵之已收及應收利益乃於租期內以直線法確認為租金開支扣減。或然租金於產生期間確認為開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

### 3. 主要會計政策(續)

#### 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)於交易日期之適用匯率確認。於呈報期末，以外幣計值之貨幣項目按該日之適用匯率重新換算。以外幣歷史成本計量之非貨幣項目不予重新換算。

於結算貨幣項目及重新換算貨幣項目時產生之匯兌差額於產生期間內在損益確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃採用呈報期末之適用匯率換算為本公司之呈報貨幣(即港元)。收入及開支項目乃按該期間之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額(如有)乃於其他全面收益確認，並於權益內之換算儲備下累計。

於出售海外業務(即出售本集團於海外業務之全部權益、出售涉及失去包含海外業務之附屬公司之控制權、或部分出售包含海外業務的共同安排或聯營公司權益，而其保留權益為金融資產)時，就本公司擁有人應佔該業務而於權益累計之所有匯兌差額重新分類至損益。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Borrowing costs

All borrowing costs which are not attributable to the acquisition, construction or production of qualifying assets, are not eligible for capitalisations, and are recognised in profit or loss in the period in which they are incurred.

#### Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

### 3. 主要會計政策(續)

#### 借貸成本

所有並非收購、建設或生產合資格資產應佔之借貸成本不能資本化及於產生期間在損益確認。

#### 稅項

所得稅開支指本期應付稅項及遞延稅項之總和。

本期應付之稅項乃按年內應課稅溢利計算。由於在其他年度應課稅或可扣稅之收入或開支項目及毋須課稅或不可扣稅之項目，故此應課稅溢利與除稅前溢利並不相同。本集團就本期稅項承擔之負債乃按已於呈報期末或之前實施或大致實施之稅率計算。

遞延稅項乃就綜合財務報表之資產及負債賬面值及計算應課稅溢利所使用相應稅基兩者之暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產在可能出現可動用可扣稅暫時差額扣減之應課稅溢利時就所有可扣稅暫時差額確認。倘產生暫時差額，有關遞延稅項資產及負債不會確認。此外，倘差額由初步確認商譽或因於不會影響應課稅溢利或會計溢利之交易中初步確認(於業務合併除外)其他資產及負債而引致之暫時差額，則不會確認遞延稅項負債。



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## 綜合財務報表附註

For the year ended 31 March 2019

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項負債乃就與於附屬公司及聯營公司之投資，以及佔一間合營公司之權益有關之應課稅暫時差額確認，惟倘本集團能夠控制暫時差額之撥回及暫時差額於可見將來可能不會撥回則除外。與該等投資及權益有關之可扣稅暫時差額產生之遞延稅項資產僅於可能有足夠應課稅溢利可動用暫時差額之利益及預期暫時差額於可見將來撥回時確認。

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

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

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

當有合法執行權利可將即期稅項資產與即期稅項負債抵銷，且與同一稅務機關徵收之所得稅有關及本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

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

#### Inventories

Inventories, which are finished goods held for sale, are stated at the lower of cost and net realisable value. Cost is calculated on a specific identification basis for watches. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale.

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

### 3. 主要會計政策(續)

#### 稅項(續)

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

#### 存貨

存貨指持作出售之製成品，乃按成本及可變現淨值兩者之較低者入賬。就手錶而言，成本採用特定識別基準計算。可變現淨值指存貨估計售價減作出銷售之必要成本。

#### 金融工具

金融資產及金融負債乃當某集團實體成為工具合同條文之訂約方時確認。金融資產的所有常規買賣乃按交易日期基準確認及不再確認。常規買賣指須於市場規定或慣例所訂時限內交付資產的金融資產買賣。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 April 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

### 3. 主要會計政策(續)

#### 金融工具(續)

金融資產及金融負債初步以公平值計量，惟來自客戶合約的貿易應收賬款除外，其自二零一八年四月一日起初步根據香港財務報告準則第15號計量。收購或發行金融資產及金融負債（以公平值計入損益之金融資產或金融負債除外）直接應佔之交易成本乃於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值內扣除（如適用）。收購透過損益按公平值列賬之金融資產或金融負債直接應佔的交易成本，即時於損益中確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及按相關期間攤分利息收入及利息開支之方法。實際利率為可準確透過金融資產或金融負債之估計年期或（倘適用）在較短期間內對估計未來現金收入及付款（包括所支付或收取屬實際利率構成部分之全部費用及積分、交易成本及其他溢價或折讓）折算至初步確認之資產賬面淨值之利率。

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## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產

金融資產的分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號後)

滿足以下條件的金融資產其後按攤銷成本計量：

- 金融資產由一個旨在持有金融資產以收取合約現金流量的業務模式所持有；及
- 合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金之利息。

滿足以下條件的金融資產其後透過按公平值計入其他全面收益計量：

- 金融資產由一個以收取合約現金流量及出售來實現目標的業務模式所持有；及
- 合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後透過按公平值計入損益(「按公平值計入損益」)計量，惟於初始應用／初始確認金融資產之日，倘該股本投資既非持作買賣，亦非香港財務報告準則第3號業務合併所適用之業務合併收購方確認的或然代價，本集團可能不可撤銷地選擇於其他全面收益呈列股本投資的其後公平值變動。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the asset revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

金融資產的分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產及其後按公平值計入其他全面收益計量的債務工具之利息收入乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外。就其後出現信貸減值的金融資產而言，自下一呈報期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自呈報期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(ii) 指定為透過按公平值計入其他全面收益之股本工具

按公平值計入其他全面收益之股本工具投資乃其後按公平值計量，公平值變動產生的收益及虧損於其他全面收益中確認，並於資產重估儲備中累計；毋須進行減值評估。累計收益或虧損將不重新分類至出售股本投資之損益，並將轉撥至保留溢利。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(ii) Equity instruments designated as at FVTOCI (Continued)

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses" line item in profit or loss.

(iii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in OCI and accumulated under the heading of asset revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in OCI are reclassified to profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

金融資產的分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

(ii) 指定為透過按公平值計入其他全面收益之股本工具(續)

當本集團確認收取股息的權利時，該等股本工具投資的股息於損益中確認，除非股息明確表示收回部分投資成本。股息於損益表計入「其他收入、收益及虧損」項目內。

(iii) 分類為按公平值計入其他全面收益之債務工具

分類為按公平值計入其他全面收益之債務工具的賬面值其後變動因使用實際利率法計算的利息收入於損益確認。該等債務工具賬面值的所有其他變動於其他全面收益確認並於資產重估儲備項下累計。減值撥備於損益確認，並對其他全面收益作出相應調整，而不會減少該等債務工具的賬面值。於損益確認的該等金額與當該等債務工具按攤銷成本計量時將於損益確認的金額相同。當不再確認該等債務工具時，先前於其他全面收益確認的累計收益或虧損重新分類至損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI nor designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss included any dividend or interest earned on the financial asset and is included in the "other income, gains and losses" line item.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, other receivables, debt instruments at FVTOCI, and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

金融資產的分類及其後計量(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

(iv) 按公平值計入損益之金融資產

金融資產如不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益的標準，則按公平值計入損益計量。

於各呈報期末，按公平值計入損益的金融資產按公平值計量，而任何公平值收益或虧損於損益確認。於損益確認的收益或虧損淨額包括就金融資產所賺取的任何股息或利息，並計入「其他收入、收益及虧損」項目內。

金融資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)

本集團就香港財務報告準則第9號項下須予減值之金融資產(包括貿易應收賬款、其他應收款項、按公平值計入其他全面收益之債務工具及銀行結餘)確認預期信貸虧損之虧損撥備。預期信貸虧損金額於各呈報日期更新，以反映自初始確認起的信貸風險變動。

存續期預期信貸虧損指於相關工具之預期可使用年期內發生的所有可能違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損則指預期於呈報日期後12個月內可能發生的違約事件而導致的部分存續期預期信貸虧損。預期信貸虧損根據本集團過往信貸虧損經驗進行評估，並根據應收款項特定因素、一般經濟狀況以及對於呈報日期之現況及未來狀況預測之評估而作出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)*  
(Continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

*金融資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)*  
(續)

本集團經常就貿易應收賬款確認存續期預期信貸虧損。貿易應收賬款的預期信貸虧損對具有重大結餘之債務人進行個別評估及/或使用具有適當分組的撥備矩陣進行集體評估。

就所有其他工具而言，本集團計量與12個月預期信貸虧損等額的虧損撥備，除非信貸風險自初始確認以來已大幅增加，則本集團確認存續期預期信貸虧損。評估是否應確認存續期預期信貸虧損，乃基於自初始確認起出現違約的可能性或風險是否大幅增加。

(i) 信貸風險大幅增加

於評估信貸風險是否自初始確認以來大幅增加時，本集團比較金融工具於呈報日期出現違約的風險與該金融工具於初始確認日期出現違約的風險。作出此評估時，本集團考慮合理有據的定量及定性資料，包括過往經驗及毋須花費不必要成本或努力即可獲得的前瞻性資料。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

金融資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

(i) 信貸風險大幅增加(續)

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險之外部市場指標顯著惡化，例如債務人之信貸息差、信貸違約掉期價格顯著上升；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)*  
(Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

*金融資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)*  
(續)

(i) 信貸風險大幅增加(續)

無論上述評估之結果如何，當合約付款逾期超過30日時，本集團假設信貸風險自初始確認以來顯著增加，除非本集團有合理及支持性資料另行證明。

不論上述各項，倘債務工具釐定為於呈報日期的信貸風險偏低，則本集團假設債務工具的信貸風險自初始確認以來並無大幅增加。倘出現以下情況，則債務工具被釐定為信貸風險偏低：(i)具有低違約風險；(ii)借款人擁有雄厚實力，可於短期內履行其合約現金流量責任；及(iii)經濟及業務狀況的長期不利變動可能但未必會削弱借款人履行其合約現金流量責任的能力。倘債務工具的內部或外部信貸評級為「投資級別」(根據國際通用釋義)，則本集團認為該債務工具的信貸風險偏低。

本集團定期監察識別信貸風險有否大幅增加所用準則的有效性，並作出適當修訂，確保該等準則能於有關金額逾期前識別信貸風險的大幅增加。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(ii) Definition of default

The Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

金融資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

(ii) 違約之定義

當由內部編製或從外部來源取得的資料顯示債務人不大可能向其債權人(包括本集團)悉數付款(不計及本集團持有的任何抵押品)時,則本集團認為發生違約事件。

不論上述各項,本集團認為當金融工具已逾期超過90日,則已經發生違約,除非本集團具有合理有據之資料展示更為滯後的違約準則更為合適。

(iii) 信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項事件之時,該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據:

- (a) 發行人或借款人陷入嚴重財務困難;
- (b) 違反合約,例如違約或逾期事件;

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## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)*  
(Continued)

#### (iii) Credit-impaired financial assets (Continued)

- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

#### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

*金融資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)*  
(續)

#### (iii) 信貸減值金融資產(續)

- (c) 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因，而向借款人授予貸款人原本不會考慮的優惠；
- (d) 借款人有可能面臨破產或其他財務重組；或
- (e) 因出現財政困難導致該金融資產失去活躍市場。

#### (iv) 撇銷政策

當有資料顯示對手方出現嚴重財務困難且並無實際收回預期時，例如當對手方被清盤或已進入破產程序時，本集團會撇銷金融資產。經考慮法律建議(如適用)，已撇銷的金融資產可能仍須進行本集團收回程序下的執行行動。撇銷構成不再確認事件。所作的任何隨後收回於損益內確認。

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## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)*  
(Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

*金融資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)*  
(續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損的計量為違約可能性、違約虧損率(即出現違約時的虧損幅度)及違約風險的函數。違約可能性及違約虧損率的評估乃按照過往數據進行，並就前瞻性資料作出調整。預期信貸虧損的估計反映以發生的相關違約風險作為加權數值而確定的無偏概率加權金額。

一般而言，預期信貸虧損估計為本集團根據合約應收的所有合約現金流量與本集團預期收取的所有現金流量之間的差額，並按初始確認時釐定的實際利率貼現。

倘預期信貸虧損按組合基準計量或為應對可能未獲得證據證明個別工具層面的情況則金融工具按以下基準分組：

- 金融工具的性質；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(如有)。

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## 綜合財務報表附註

For the year ended 31 March 2019

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)*  
(Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial assets unless the financial assets are credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the asset revaluation reserve without reducing the carrying amount of these debt instruments.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

*金融資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)*  
(續)

(v) 預期信貸虧損之計量及確認(續)

歸類工作經管理層定期檢討，以確保各組別成分繼續分擔類似信貸風險特性。

利息收入按金融資產的賬面總值計算，倘金融資產信貸減值，則利息收入按金融資產的攤銷成本計算。

除按公平值計入其他全面收益計量之債務工具投資外，本集團透過調整其賬面值於損益中確認所有金融工具的減值收益或虧損，其相應調整乃透過虧損撥備賬目確認，貿易應收賬款除外。就按公平值計入其他全面收益計量之債務工具投資而言，虧損撥備於其他全面收益確認且於資產重估儲備中累計，而並無減少該等債務工具的賬面值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018)

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

(i) Loans and receivables

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

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

(ii) AFS financial assets

AFS financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

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

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

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

金融資產的分類及其後計量(於二零一八年四月一日應用香港財務報告準則第9號前)

本集團之金融資產分類為兩個類別，包括貸款及應收賬款以及可供出售金融資產。有關分類取決於金融資產的性質及目的，並於初始確認時釐定。

(i) 貸款及應收賬款

貸款及應收賬款乃具有並無於活躍市場上報價之固定或可釐定付款之非衍生金融資產。於初步確認後，貸款及應收賬款(包括貿易及其他應收賬款以及銀行結餘及現金)均採用實際利率法按攤銷成本減任何減值計量。

利息收入乃通過應用實際利率確認，惟利息確認並不重大之短期應收賬款除外。

(ii) 可供出售金融資產

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

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

可供出售股本工具之股息於本集團收取股息之權利確立時在損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

*Impairment of financial assets (before application of HKFRS 9 on 1 April 2018)*

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

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

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

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

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period granted, observable changes in national or local economic conditions that correlate with default on receivables.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

*金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號前)*

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

就可供出售股本投資而言，倘該項投資之公平值大幅或長期跌至低於其成本，則被視作減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或交易對手方出現重大財政困難；或
- 違約，例如無力償付或拖延償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

應收賬款組合減值之客觀證據可包括本集團之過往收款經驗、組合內延期至超逾所授平均信貸期之還款次數增加，以及與無力償付應收賬款有關之國家或地方經濟狀況明顯改變。



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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

*Impairment of financial assets (before application of HKFRS 9 on 1 April 2018) (Continued)*

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in OCI are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

*金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號前)*  
(續)

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

金融資產賬面值會就所有金融資產直接按減值虧損扣減，惟貿易應收賬款除外，其賬面值會透過使用備抵賬扣減。備抵賬內之賬面值變動於損益確認。當貿易應收賬款被視為不可收回時，其將於備抵賬內撇銷。其後收回先前已撇銷之款項，均計入備抵賬內。備抵賬內之賬面值變動於損益確認。

當可供出售金融資產被視為已減值時，先前於其他全面收益確認之累計盈虧於期內重新分類至損益。

就按攤銷成本計量之金融資產而言，如在往後期間，減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損會透過損益撥回，惟該資產於減值被撥回當日之賬面值不得超過假如並無確認減值時應有之攤銷成本。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (before application of HKFRS 9 on 1 April 2018) (Continued)

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in OCI and accumulated under the heading of asset revaluation reserve.

#### Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the asset revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the asset revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

On derecognition of an AFS financial asset, the cumulative gain or loss previously accumulated in the asset revaluation reserve is reclassified to profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

#### 金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號前) (續)

就可供出售股本投資而言，先前已於損益中確認的減值虧損不得透過損益予以撥回。於減值虧損後的任何公平價值增加於其他全面收益內確認，並累計於資產重估儲備項下。

#### 不再確認金融資產

本集團不再確認金融資產，只有當從資產收取現金流之合約權利屆滿，或當其轉讓金融資產及大致上已轉讓金融資產擁有權之所有風險及回報權予另一實體。

於不再確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價總和之差額於損益中確認。

於應用香港財務報告準則第9號後不再確認分類為按公平值計入其他全面收益之債務工具投資時，過往於資產重估儲備累計之收益或虧損會重新分類至損益。

當不再確認本集團於應用香港財務報告準則第9號首次確認時已選擇按公平值計入其他全面收益計量的股本工具投資時，其先前累計於資產重估儲備的累計收益或虧損不會分類至損益，但會轉撥至累計溢利。

當不再確認可供出售金融資產時，其先前累計於資產重估儲備的累計收益或虧損會分類至損益。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities at amortised cost

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

##### Financial guarantee contracts

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

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及股本

債務及股本工具乃根據合約安排的性質與金融負債及股本工具的定義分類為金融負債或股本。

##### 股本工具

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

購回本公司自身股本工具直接於權益確認及扣除。概無就購買、出售、發行或註銷本公司自身股本工具而於損益中確認收益或虧損。

##### 按攤銷成本之金融負債

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

##### 財務擔保合約

財務擔保合約為因指定債務人未能按債務工具之原有或經修改條款如期付款而令發行人須作出指定付款予持有人以補償其所遭受損失之合約。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial liabilities and equity (Continued)

#### Financial guarantee contracts (Continued)

A financial guarantee contract issued by the Group and not designated as at FVTPL is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKFRS 9 (since 1 April 2018)/HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” (before application of HKFRS 9 on 1 April 2018); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guarantee period.

#### Derecognition of financial liabilities

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

#### Retirement benefit costs

Payments to defined contribution retirement benefit schemes, including Mandatory Provident Fund Scheme and the employee’s pension scheme of the respective municipal governments in various places in the People’s Republic of China (the “PRC”) where the Group operates, are recognised as an expense when employees have rendered service entitling them to the contributions.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融負債及股本(續)

#### 財務擔保合約(續)

本集團發行及並非指定為按公平值計入損益之財務擔保合約，初步按其公平值扣除發行財務擔保合約直接應佔之交易成本確認。於初步確認後，本集團按以下兩者之較高者計量財務擔保合約：(i) 根據香港財務報告準則第9號(自二零一八年四月一日起)／香港會計準則第37號「撥備、或然負債及或然資產」(於二零一八年四月一日應用香港財務報告準則第9號前)釐定之合約責任金額；及(ii) 初步確認之金額扣除(如適用)於擔保期內確認之累計攤銷。

#### 不再確認金融負債

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

#### 退休福利成本

定額供款退休福利計劃(包括強制性公積金計劃及本集團經營所在中華人民共和國(「中國」)多個地區有關市政府設立之僱員退休金計劃)付款，於僱員已提供服務使彼等可享有供款時確認為開支。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

#### Share-based payment transactions

##### Equity-settled share-based payment transactions

###### Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

### 3. 主要會計政策(續)

#### 短期僱員福利

短期僱員福利於僱員提供服務時按預期支付之未貼現福利金額確認。所有短期僱員福利確認為開支，除非另一項香港財務報告準則規定或允許將福利計入資產成本。

累計應歸僱員之福利(例如工資及薪金以及年假)於扣除任何已付金額後確認為負債。

#### 以股份為基礎之付款交易

##### 股權結算以股份為基礎之付款交易

###### 授予僱員之購股權

向僱員及提供類似服務之其他方作出之股權結算以股份為基礎之付款，按於授出日期之股本工具公平值計量。

於授出日期並無慮及所有非市場歸屬之條件釐定之股權結算以股份為基礎之付款之公平值依據本集團估計將會最終歸屬之股本工具，於歸屬期內按直線法支銷，而權益(購股權儲備)亦會相應增加。於各呈報期末，本集團修改其預期根據所有相關非市場歸屬條件之評估歸屬之股本工具數目。修改原有估計之影響(如有)於損益確認，致使累計開支反映經修改估計，而購股權儲備亦會作相應調整。就於授出日期即時歸屬之購股權而言，已授出購股權之公平值即時於損益支銷。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Share-based payment transactions *(Continued)*

#### Equity-settled share-based payment transactions *(Continued)*

#### Share options granted to employees *(Continued)*

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

#### Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses unless the goods or services qualify for recognition as assets.

### 4. KEY SOURCE OF ESTIMATION UNCERTAINTY

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3. 主要會計政策(續)

#### 以股份為基礎之付款交易(續)

#### 股權結算以股份為基礎之付款交易 (續)

#### 授予僱員之購股權(續)

當購股權獲行使時，先前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使時，先前於購股權儲備確認之金額將轉撥至保留溢利。

#### 授予顧問之購股權

與僱員以外人士進行之股權結算以股份為基礎之付款交易按已收貨品或服務之公平值計量，除非該公平值不能可靠地計量則作別論，在此情況下，已收貨品或服務乃參考已授出購股權之公平值計量。除非貨品或服務合資格確認為資產，否則已收貨品或服務之公平值確認為開支。

### 4. 估計不確定性之主要來源

於呈報期末，很大可能導致須於下一個財政年度內對資產及負債賬面值作出重大調整而有關未來之主要假設，以及估計不確定性之其他主要來源如下。

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### 4. KEY SOURCE OF ESTIMATION UNCERTAINTY (Continued)

#### Valuation of watches

Watches are stated at the lower of cost and net realisable value. The management of the Group reviews regularly the suitability of the Group's allowance policy for watches and carries out review of the watches at the end of each reporting period. The management of the Group identifies slow-moving watches with reference to ageing analysis and determines the net realisable value for watches by considering the saleability of watches based on current market conditions, future sales plan and latest available sales information of similar watches. When the expectation of the net realisable value is less than the cost, further allowance may arise. Details of the allowance for slow-moving watches charged (credited) during the year and the carrying amount of watches (net of allowance) as at 31 March 2019 are set out in notes 8 and 19, respectively.

### 5. REVENUE AND SEGMENT INFORMATION

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

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

### 4. 估計不確定性之主要來源(續)

#### 手錶估值

手錶按成本及可變現淨值兩者之較低者列賬。本集團管理層定期檢討本集團手錶備抵政策是否合適，並於各呈報期末進行手錶檢討。本集團管理層參考賬齡分析識別滯銷手錶，並依據現行市況、未來銷售計劃及類似手錶的最新銷售資料考慮手錶的可銷程度，從而釐定手錶可變現淨值。當預期可變現淨值低於成本時，便可能產生進一步備抵。有關於本年度滯銷手錶扣除(計入)之撥備以及於二零一九年三月三十一日手錶之賬面值(扣除撥備)之詳情分別載於附註8及19。

### 5. 收益及分部資料

本集團主要從事銷售鐘表業務。本集團之收益指銷售鐘表之已收或應收代價。

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

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### 5. REVENUE AND SEGMENT INFORMATION (Continued)

#### Sales of watches (revenue recognised at a point in time)

For sales of watches, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the store. Payment of the transaction price is due immediately at the point the customer purchases the goods.

All sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Sales-related warranties associated with sales of watches cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” consistent with its previous accounting treatment.

### 5. 收益及分部資料(續)

#### 銷售鐘錶(收益於某一時間點確認)

就銷售鐘錶而言，收益於貨品控制權轉讓時(即客戶於商店購買貨品的時間)確認。客戶購買貨品的時間須即時支付交易價格。

所有銷售合約均為期一年或更短時間。根據香港財務報告準則第15號所准許，並無披露相應未履約合約之交易價格。

有關銷售鐘錶之銷售保修不可單獨購買，而有關保修可保證已出售產品符合經協定之規格。因此，保修由本集團根據香港會計準則第37號「撥備、或然負債及或然資產」入賬，與先前之會計處理一致。



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### 5. REVENUE AND SEGMENT INFORMATION

(Continued)

#### Sales of watches (revenue recognised at a point in time) (Continued)

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

### 5. 收益及分部資料(續)

#### 銷售鐘錶(收益於某一時間點確認)(續)

以下為本集團按營運分部劃分之分部收益及業績分析：

		Segment revenue – recognised at a point in time		Segment profit	
		分部收益 – 按時點確認		分部溢利	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	1,448,880	2,179,921	128,976	162,988
Taiwan, Macau and the PRC	台灣、澳門及 中國	988,304	711,771	50,662	18,406
		<b>2,437,184</b>	2,891,692	<b>179,638</b>	181,394
Unallocated other income	未分配其他收入			13,762	5,483
Unallocated corporate expenses	未分配企業開支			(34,902)	(22,979)
Finance costs	融資成本			(1,959)	(1,843)
Share of results of associates	應佔聯營公司之 業績			3,244	2,586
Share of result of a joint venture	應佔一間合營 公司之業績			192	50
Profit before taxation	除稅前溢利			<b>159,975</b>	164,691

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 5. REVENUE AND SEGMENT INFORMATION (Continued)

#### Sales of watches (revenue recognised at a point in time) (Continued)

The accounting policies used to determine segment revenue and results are the same as the accounting policies adopted in the Group's consolidated financial statements described in note 3. Segment profit represents the profit before taxation earned by each segment without allocation of finance costs, share of results of associates and a joint venture and unallocated other income and corporate expenses. Unallocated corporate expenses include auditor's remuneration, directors' emoluments, net exchange losses/gains and operating expenses of inactive companies. This is the measure reported to the chief operating decision maker of the Group for the purposes of resources allocation and performance assessment.

The Group has no customer who contributed over 10% of the total revenue of the Group for any of the two years ended 31 March 2019.

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

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

### 5. 收益及分部資料(續)

#### 銷售鐘錶(收益於某一時間點確認) (續)

誠如附註3所述，釐定分部收益及業績所用之會計政策與本集團之綜合財務報表採納之會計政策相同。分部溢利指在未分配融資成本、應佔聯營公司及一間合營公司之業績及未分配其他收入及企業開支之情況下各分部賺取之除稅前溢利。未分配企業開支包括核數師酬金、董事酬金、匯兌虧損／收益及暫無營業公司之營運開支。此乃向本集團首席營運決策者就資源分配及表現評估作出報告之計量方式。

本集團並無客戶為本集團截至二零一九年三月三十一日止兩個年度任何一年之收益總額帶來10%以上之貢獻。

兩個年度之所有分部收益均來自外部客戶。

以下為本集團按營運分部劃分之資產與負債分析。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 5. REVENUE AND SEGMENT INFORMATION (Continued)

### 5. 收益及分部資料(續)

Sales of watches (revenue recognised at a point in time) (Continued)

銷售鐘錶(收益於某一時間點確認)  
(續)

		Segment assets 分部資產		Segment liabilities 分部負債	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	838,590	892,402	85,669	72,714
Taiwan, Macau and the PRC	台灣、澳門及 中國	454,310	552,866	40,833	53,362
Segment total	分部總計	1,292,900	1,445,268	126,502	126,076
Unallocated	未分配	1,115,329	1,094,669	68,126	96,909
Group's total	本集團總計	2,408,229	2,539,937	194,628	222,985

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

按資產所在地劃分之分部資產與按出售貨品市場之位置劃分者相同。

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

就監察分部表現及於分部間分配資源而言：

- all assets are allocated to operating segments other than equity instruments at FVTOCI, debt instruments at FVTOCI, financial assets at FVTPL, AFS financial assets, deferred tax assets, taxation recoverable, bank balances and cash and unallocated corporate assets; and
- all liabilities are allocated to operating segments other than taxation payable, deferred tax liabilities and bank loans. Bank loans are classified as unallocated corporate liabilities because they are managed centrally by the treasury function of the Group.

- 除按公平值計入其他全面收益之股本工具、按公平值計入其他全面收益之債務工具、按公平值計入損益之金融資產、可供出售金融資產、遞延稅項資產、可收回稅項、銀行結餘及現金以及未分配公司資產外，所有資產均分配至各營運分部；及
- 除應付稅項、遞延稅項負債及銀行貸款外，所有負債均分配至各營運分部。由於銀行貸款由本集團之庫務部門集中管理，故分類為未分配公司負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 5. REVENUE AND SEGMENT INFORMATION (Continued)

### 5. 收益及分部資料(續)

#### Other segment information

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

#### 其他分部資料

計量分部業績或分部資產時包括之金額：

		Additions of property, plant and equipment		Depreciation		Loss on disposal of property, plant and equipment		Impairment loss recognised in respect of property, plant and equipment		Increase (decrease) in non-current property rental deposits	
		添置物業、機器及設備		折舊		出售物業、機器及設備之虧損		就物業、機器及設備確認之減值虧損		非流動物業租金按金增加(減少)	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	19,323	11,715	12,456	12,071	2,553	109	-	-	1,192	(15,317)
Taiwan, Macau and the PRC	台灣、澳門及中國	11,289	9,990	9,108	9,235	4	44	263	26	(546)	(416)
Segment total	分部總計	30,612	21,705	21,564	21,306	2,557	153	263	26	646	(15,733)
Unallocated	未分配	-	-	54	83	-	-	-	-	-	-
Group's total	本集團總計	30,612	21,705	21,618	21,389	2,557	153	263	26	646	(15,733)

Information about the Group's non-current assets (excluding equity instruments at FVTOCI, debt instruments at FVTOCI, AFS financial assets and deferred tax assets) by geographical location of the assets is detailed below:

按資產所在地區劃分之本集團非流動資產(不包括按公平值計入其他全面收益之股本工具、按公平值計入其他全面收益之債務工具、可供出售金融資產及遞延稅項資產)之資料詳述如下：

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	280,472	268,519
Taiwan, Macau and the PRC	台灣、澳門及中國	40,413	41,306
		<b>320,885</b>	309,825

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## 綜合財務報表附註

For the year ended 31 March 2019

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### 6. OTHER INCOME, GAINS AND LOSSES

### 6. 其他收入、收益及虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Other income</b>	<b>其他收入</b>		
Show window rental income	櫥窗租金收入	21,694	20,264
Interest income	利息收入	13,762	5,483
Repairing service income	維修服務收入	1,323	1,271
Others	其他	5,296	5,848
		<b>42,075</b>	<b>32,866</b>
<b>Other gains and losses</b>	<b>其他收益及虧損</b>		
Loss on disposal/written off of property, plant and equipment	出售／撇銷物業、機器及設備之虧損	(2,557)	(153)
Net exchange (losses) gains	匯兌(虧損)收益淨額	(5,063)	6,157
Loss from changes in fair value of financial assets at FVTPL	按公平值計入損益之金融資產之公平值變動虧損	(890)	—
Impairment loss on trade receivables	貿易應收賬款之減值虧損	(253)	—
Loss on deregistration of a subsidiary	撤銷註冊一間附屬公司之虧損	(2,256)	—
		<b>(11,019)</b>	<b>6,004</b>
		<b>31,056</b>	<b>38,870</b>

### 7. FINANCE COSTS

### 7. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bank loans	銀行貸款之利息	1,959	1,843

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## 綜合財務報表附註

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### 8. PROFIT BEFORE TAXATION

### 8. 除稅前溢利

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation has been arrived at after (crediting) charging:	除稅前溢利已(計入)扣除：		
Directors' remuneration (note 9)	董事酬金(附註9)	<b>26,583</b>	25,963
Other staff's retirement benefits scheme contributions	其他職員之退休福利計劃供款	<b>4,789</b>	4,805
Other staff costs	其他職員成本	<b>102,021</b>	114,310
		<b>133,393</b>	145,078
Auditor's remuneration (Reversal of allowance) allowance for slow-moving watches	核數師酬金 滯銷手錶(撥備撥回)撥備	<b>3,190</b> <b>(355)</b>	2,960 10,847
Depreciation of property, plant and equipment	物業、機器及設備之折舊	<b>21,618</b>	21,389
Impairment loss recognised in respect of property, plant and equipment (included in other income, gains and losses)	就物業、機器及設備確認之減值虧損(包括其他收入、收益及虧損)	<b>263</b>	26
Minimum operating lease rentals in respect of rented premises	有關租賃物業之最低經營租賃租金	<b>162,268</b>	169,276

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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截至二零一九年三月三十一日止年度

### 9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance. The emoluments paid or payable to each of the eight (2018: eight) directors were as follows:

### 9. 董事及僱員之酬金

董事及行政總裁之本年度薪酬乃根據適用上市規則及香港公司條例披露。已付或應付八名(二零一八年：八名)董事各人之酬金如下：

	2019 二零一九年					2018 二零一八年				
	Fees	Salaries and other benefits	Retirement benefits scheme contributions	Performance-related incentive bonus	Total	Fees	Salaries and other benefits	Retirement benefits scheme contributions	Performance-related incentive bonus	Total
	袍金	薪金及其他福利	退休福利計劃供款	表現相關獎勵花紅	總計	袍金	薪金及其他福利	退休福利計劃供款	表現相關獎勵花紅	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note) (附註)					(note) (附註)	
Executive directors 執行董事										
Dr. Yeung Ming Biu 楊明標博士	-	2,723	18	5,325	8,066	-	2,722	18	5,250	7,990
Mr. Yeung Him Kit, Dennis 楊衍傑先生	-	3,414	423	3,550	7,387	-	3,125	423	3,500	7,048
Madam Yeung Man Yee, Shirley 楊敏儀女士	-	797	108	1,775	2,680	-	797	108	1,750	2,655
Mr. Lam Hing Lun, Alain 林慶麟先生	-	1,882	239	1,775	3,896	-	1,752	239	1,750	3,741
Mr. Choi Kwok Yum 蔡國欽先生	-	1,969	270	1,775	4,014	-	1,969	270	1,750	3,989
Independent non-executive directors 獨立非執行董事										
Dr. Sun Ping Hsu, Samson 孫秉樞博士	180	-	-	-	180	180	-	-	-	180
Dr. Li Sau Hung, Eddy 李秀恒博士	180	-	-	-	180	180	-	-	-	180
Mr. Choi Man Chau, Michael 蔡文洲先生	180	-	-	-	180	180	-	-	-	180
	540	10,785	1,058	14,200	26,583	540	10,365	1,058	14,000	25,963

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

附註：表現相關獎勵花紅按扣除花紅支出前年內溢利之某一百分比釐定。

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

本集團五位最高薪酬僱員均為本公司執行董事。彼等之酬金詳情於上文披露。

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

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

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### 9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The emoluments of independent non-executive directors shown above were for their services as directors of the Company.

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

### 9. 董事及僱員之酬金(續)

上文所示執行董事之酬金乃就彼等所提供有關管理本公司及本集團事務之服務而支付。上文所示獨立非執行董事之酬金乃就彼等擔任本公司董事所提供之服務而支付。

年內，本集團並無向董事及五位最高薪酬人士支付任何酬金，作為加入本集團或加入本集團後之報酬或作為離職補償。年內概無董事放棄任何酬金。

### 10. INCOME TAX EXPENSE

### 10. 所得稅開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The charge comprises:	支出包括：		
Hong Kong Profits Tax	香港利得稅		
— Current year	— 本年度	20,769	24,526
— Overprovision in prior years	— 過往年度超額撥備	(357)	(76)
		<b>20,412</b>	24,450
Taxation in other jurisdictions	其他司法權區之稅項		
— Current year	— 本年度	1,600	1,055
— Overprovision in prior years	— 過往年度超額撥備	(794)	(43)
— Withholding tax on dividend income from associates	— 聯營公司股息收入之預扣稅	352	545
		<b>1,158</b>	1,557
Deferred taxation charge (credit) (note 24)	遞延稅項支出(抵免) (附註24)	<b>366</b>	(1)
		<b>21,936</b>	26,006



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### 10. INCOME TAX EXPENSE (Continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%, after setting off of tax losses brought forward, if any.

Accordingly, starting from the current year, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

For the year ended 31 March 2018, Hong Kong Profits Tax was calculated at a flat rate of 16.5% on the estimated assessable profits, after setting off of tax losses brought forward, if any.

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

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years, after setting off of tax losses brought forward, if any.

### 10. 所得稅開支(續)

於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，該條例草案引入利得稅兩級制。該條例草案於二零一八年三月二十八日簽署成為法律，並於翌日於憲報上刊登。根據利得稅兩級制，合資格集團實體將就首2,000,000港元溢利按8.25%之稅率繳納稅項，並將按16.5%之稅率繳納2,000,000港元以上溢利之稅項。不合利得稅兩級制資格之集團實體之溢利將於抵銷結轉的稅項虧損後(如有)繼續按固定稅率16.5%計算。

因此，由本年度起，就首2,000,000港元估計應課稅溢利按8.25%之稅率繳納香港利得稅，並將按16.5%之稅率繳納2,000,000港元以上估計應課稅溢利之香港利得稅。

截至二零一八年三月三十一日止年度，香港利得稅乃根據估計應課稅溢利於抵銷結轉的稅項虧損後(如有)按固定稅率16.5%計算。

其他司法權區之稅項乃根據有關法例及法規按現行稅率計算。

根據《中國企業所得稅法》(「企業所得稅法」)及《企業所得稅法實施條例》，於抵銷結轉的稅項虧損後(如有)，於兩個年度中國附屬公司之稅率為25%。

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### 10. INCOME TAX EXPENSE (Continued)

The tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

### 10. 所得稅開支(續)

年內稅項開支可與根據綜合損益及其他全面收益表之除稅前溢利對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation	除稅前溢利	<b>159,975</b>	164,691
Tax at the applicable income tax rate of 16.5% (2018: 16.5%)	根據適用所得稅率 16.5% (二零一八年：16.5%) 計算之稅項	<b>26,396</b>	27,174
Tax effect of share of results of associates	應佔聯營公司之業績之稅務影響	<b>(535)</b>	(427)
Tax effect of share of result of a joint venture	應佔一間合營公司之業績之稅務影響	<b>(32)</b>	(8)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	<b>1,939</b>	645
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	<b>(872)</b>	(812)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	<b>62</b>	191
Tax effect of temporary differences attributable to undistributed profits of associates and a joint venture	聯營公司及一間合營公司未分派溢利應佔之暫時差額之稅務影響	<b>689</b>	520
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司所使用不同稅率之影響	<b>(600)</b>	(395)
Overprovision in prior years	過往年度超額撥備	<b>(1,151)</b>	(119)
Utilisation of tax losses previously not recognised	動用之前未確認之稅務虧損	<b>(3,822)</b>	(785)
Income tax at concessionary rate	優惠稅率所得稅	<b>(165)</b>	—
Others	其他	<b>27</b>	22
Tax expense for the year	年內稅項支出	<b>21,936</b>	26,006

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### 11. DIVIDENDS

### 11. 股息

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends recognised as distribution during the year:	年內已確認為分派之股息：		
Interim dividend for financial year ended 31 March 2019 of 2.8 HK cents (2018: 2.0 HK cents) per share on 570,358,224 (2018: 570,610,224) shares	按570,358,224股(二零一八年：570,610,224股)股份計算之截至二零一九年三月三十一日止財政年度中期股息每股2.8港仙(二零一八年：2.0港仙)	15,970	11,412
Interim special dividend for financial year ended 31 March 2019 of 8.7 HK cents (2018: nil) per share on 570,358,224 shares	按570,358,224股股份計算之截至二零一九年三月三十一日止財政年度中期特別股息每股8.7港仙(二零一八年：無)	49,621	—
Final dividend for financial year ended 31 March 2018 of 8.0 HK cents (2017: 0.4 HK cent) per share on 570,610,224 (2017: 570,610,224) shares	按570,610,224股(二零一七年：570,610,224股)股份計算之截至二零一八年三月三十一日止財政年度末期股息每股8.0港仙(二零一七年：0.4港仙)	45,649	2,282
Special dividend for financial year ended 31 March 2018 of 15.0 HK cents (2017: 3.0 HK cents) per share on 570,610,224 (2017: 570,610,224) shares	按570,610,224股(二零一七年：570,610,224股)股份計算之截至二零一八年三月三十一日止財政年度特別股息每股15.0港仙(二零一七年：3.0港仙)	85,592	17,118
		<b>196,832</b>	<b>30,812</b>
Dividends proposed after year end (note):	年結後擬派之股息(附註)：		
Proposed final dividend for financial year ended 31 March 2019 of 8.0 HK cents (2018: 8.0 HK cents) per share on 570,358,224 (2018: 570,610,224) shares	按570,358,224股(二零一八年：570,610,224股)股份計算之截至二零一九年三月三十一日止財政年度擬派末期股息每股8.0港仙(二零一八年：8.0港仙)	45,629	45,649
Proposed special dividend for financial year ended 31 March 2019 of 13.5 HK cents (2018: 15.0 HK cents) per share on 570,358,224 (2018: 570,610,224) shares	按570,358,224股(二零一八年：570,610,224股)股份計算之截至二零一九年三月三十一日止財政年度擬派特別股息每股13.5港仙(二零一八年：15.0港仙)	76,998	85,592
		<b>122,627</b>	<b>131,241</b>

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### 11. DIVIDENDS (Continued)

Note: Subsequent to the end of the reporting period, a final dividend and a special dividend for the year ended 31 March 2019 have been proposed by the directors of the Company and are subject to approval by the shareholders in the forthcoming general meeting.

### 12. EARNINGS PER SHARE

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

#### Earnings

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

#### 盈利

計算每股基本及攤薄盈利之盈利 (本公司擁有人應佔年內溢利)

#### Number of shares

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

Effect of dilutive potential ordinary shares

— share options

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

#### 股份數目

計算每股基本盈利之普通股加權平均數

潛在攤薄普通股之影響

— 購股權

計算每股攤薄盈利之普通股加權平均數

### 11. 股息(續)

附註：於呈報期末後，本公司董事擬派截至二零一九年三月三十一日止年度之末期股息及特別股息，並待股東於應屆股東大會上批准。

### 12. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	<b>138,099</b>	138,763
	2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
	<b>570,501</b>	570,610
	—	—
	<b>570,501</b>	570,610

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

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

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### 13 PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、機器及設備

		Leasehold land and buildings 租賃 土地及樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>COST</b>					
At 1 April 2017	於二零一七年四月一日	184,892	250,171	3,564	438,627
Exchange adjustment	匯兌調整	2,333	9,418	—	11,751
Additions	添置	—	21,705	—	21,705
Disposals/written off	出售/撤銷	—	(20,838)	—	(20,838)
At 31 March 2018	於二零一八年三月三十一日	187,225	260,456	3,564	451,245
Exchange adjustment	匯兌調整	(1,498)	(5,705)	—	(7,203)
Additions	添置	—	25,134	1,278	26,412
Acquisition of a subsidiary (note 26)	收購一間附屬公司(附註26)	4,200	—	—	4,200
Disposals/written off	出售/撤銷	—	(20,400)	(597)	(20,997)
At 31 March 2019	於二零一九年三月三十一日	189,927	259,485	4,245	453,657
<b>DEPRECIATION AND IMPAIRMENT</b>					
<b>折舊及減值</b>					
At 1 April 2017	於二零一七年四月一日	35,640	191,870	2,254	229,764
Exchange adjustment	匯兌調整	1,222	8,713	—	9,935
Provided for the year	本年度撥備	4,027	17,123	239	21,389
Impairment loss recognised in profit or loss	於損益確認之減值虧損	—	26	—	26
Eliminated on disposals/ written off	出售/撤銷時對銷	—	(20,685)	—	(20,685)
At 31 March 2018	於二零一八年三月三十一日	40,889	197,047	2,493	240,429
Exchange adjustment	匯兌調整	(819)	(4,850)	—	(5,669)
Provided for the year	本年度撥備	4,079	17,303	236	21,618
Impairment loss recognised in profit or loss	於損益確認之減值虧損	—	263	—	263
Eliminated on disposals/ written off	出售/撤銷時對銷	—	(17,937)	(491)	(18,428)
At 31 March 2019	於二零一九年三月三十一日	44,149	191,826	2,238	238,213
<b>CARRYING VALUES</b>					
At 31 March 2019	於二零一九年三月三十一日	145,778	67,659	2,007	215,444
At 31 March 2018	於二零一八年三月三十一日	146,336	63,409	1,071	210,816

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## 綜合財務報表附註

For the year ended 31 March 2019

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### 13 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is provided to write off the cost of items of property, plant and equipment, using straight-line method or reducing balance method at the following rates per annum:

#### Straight-line method:

Leasehold land and buildings	Over 20 years for those located in the PRC or 50 years for those located in Hong Kong
------------------------------	---

#### Reducing balance method:

Furniture, fixtures and equipment	20%
Motor vehicles	20%

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

### 13. 物業、機器及設備(續)

折舊為按直線法或餘額遞減法以下列年利率撇銷物業、機器及設備項目之成本：

#### 直線法：

租賃土地及樓宇	位於中國為超過20年或位於香港則50年
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#### 餘額遞減法：

傢俬、裝置及設備	20%
汽車	20%

由於位於香港及中國之業主自用租賃土地之土地部分及樓宇部分不能可靠地劃分，故業主自用租賃土地乃計入物業、機器及設備。

The carrying value of property comprises:	物業之賬面值包括：
Properties located in:	位於下列地點之物業：
Hong Kong	香港
PRC	中國

During the year ended 31 March 2019, the directors conducted a review of the Group's assets and determined that the assets of a subsidiary were impaired because it is expected that these assets will not generate future benefit to the Group. Accordingly, impairment loss of HK\$263,000 (2018: HK\$26,000) has been recognised in respect of those assets.

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
136,008	134,703
9,770	11,633
<b>145,778</b>	<b>146,336</b>

於截至二零一九年三月三十一日止年度，董事對本集團的資產進行檢討並釐定一間附屬公司的資產已減值，因為預期該等資產將不會為本集團產生未來利益。因此，已就該等資產確認減值虧損263,000港元（二零一八年：26,000港元）。

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## 綜合財務報表附註

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### 14. INTERESTS IN ASSOCIATES

### 14. 佔聯營公司之權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of investments in unlisted associates	於非上市聯營公司之投資成本	30,201	30,201
Exchange adjustments	匯兌調整	(834)	1,176
Share of post-acquisition profits, net of dividends received	應佔收購後溢利，扣除已收股息	7,970	6,402
		<b>37,337</b>	<b>37,779</b>

Included in the interests of investments are goodwill of HK\$15,342,000 (2018: HK\$16,089,000) arising on acquisition of associates.

投資權益中包括因收購聯營公司而產生之商譽15,342,000港元(二零一八年：16,089,000港元)。

Details of the Group's associates at 31 March 2019 and 2018 are as follows:

本集團聯營公司於二零一九年及二零一八年三月三十一日之詳情如下：

Name of associate 聯營公司名稱	Place of incorporation and operation 註冊成立及營運地點	Proportion of ownership interest	Proportion of voting power held	Principal activity 主要業務
		2019 & 2018 所有權權益比例 二零一九年及二零一八年	2019 & 2018 持有之投票權比例 二零一九年及二零一八年	
力新鐘錶股份有限公司	Taiwan 台灣	40%	40%	Watch trading 手錶經銷
永新鐘錶股份有限公司	Taiwan 台灣	40%	40%	Watch trading 手錶經銷
益新鐘錶股份有限公司	Taiwan 台灣	40%	40%	Watch trading 手錶經銷

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 14. INTERESTS IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material

The Group's share of profit and total comprehensive income 本集團應佔溢利及全面收益總額

Aggregate carrying amount of the Group's interests in these associates 本集團佔該等聯營公司之權益之合計賬面值

### 14. 佔聯營公司之權益(續)

並非個別重大之聯營公司之合計資料

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>3,244</b>	2,586
<b>37,337</b>	37,779

### 15. INTEREST IN A JOINT VENTURE

Cost of investment in an unlisted joint venture 於一間非上市合營公司之投資成本

Exchange adjustments 匯兌調整

Share of post-acquisition profits 應佔收購後溢利

### 15. 佔一間合營公司之權益

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>21,793</b>	21,793
<b>(948)</b>	652
<b>5,160</b>	4,968
<b>26,005</b>	27,413



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### 15. INTEREST IN A JOINT VENTURE

(Continued)

Details of the Group's joint venture at 31 March 2019 and 2018 are as follows:

Name of joint venture	Place of incorporation and operation	Proportion of ownership interest 2019 & 2018 所有權益比例 二零一九年及二零一八年	Proportion of voting power held 2019 & 2018 持有之投票權比例 二零一九年及二零一八年	Principal activity 主要業務
合營公司名稱	註冊成立及營運地點			
寧波匯美鐘錶有限公司 ("Huimei") (「匯美」)	The PRC 中國	40%	40% (note) (附註)	Watch trading 手錶經銷

Note: The Group holds 40% of the paid-in capital of Huimei. Huimei is jointly controlled by the Group and the other significant equity owner by virtue of contractual arrangements among equity owners. Therefore, Huimei is classified as a joint venture of the Group.

Included in the interest of investments is goodwill of HK\$4,013,000 (2018: HK\$4,262,000) arising on acquisition of Huimei during the year ended 31 March 2012.

#### Information of the joint venture that is not individually material

The Group's share of profit and total comprehensive income	本集團應佔溢利及全面收益總額
Carrying amount of the Group's interest in the joint venture	本集團佔該合營公司之權益之賬面值

### 15. 佔一間合營公司之權益(續)

本集團合營公司於二零一九年及二零一八年三月三十一日之詳情如下：

附註：本集團持有匯美實繳股本之40%。匯美因各股權擁有人之間訂立之合約安排而受本集團與另一重大股權擁有人共同控制。因此，匯美分類為本集團之合營公司。

投資權益中包括因於截至二零一二年三月三十一日止年度內收購匯美而產生之商譽4,013,000港元(二零一八年：4,262,000港元)。

#### 並非個別重大之合營公司之資料

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	192	50
	26,005	27,413

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### 16. AVAILABLE-FOR-SALE FINANCIAL ASSETS/EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### (i) AFS financial assets

Listed investments at fair value Equity securities listed in Hong Kong	按公平值計量之上市投資 於香港上市之股本證券
Unlisted investments at fair value Managed fund portfolio	按公平值計量之非上市 投資管理基金投資組合

As detailed in note 2, the Group's AFS financial assets as at 31 March 2018 have been reclassified to appropriate category of financial assets upon adoption of HKFRS 9 on 1 April 2018.

#### (ii) Equity instruments at FVTOCI

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

### 16. 可供出售金融資產／按公平值計入其他全面收益之股本工具

#### (i) 可供出售金融資產

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
—	51
—	12,293
—	12,344

誠如於附註2詳述，於二零一八年四月一日採納香港財務報告準則第9號後，本集團於二零一八年三月三十一日之可供出售金融資產已重新分類至適當之金融資產類別。

#### (ii) 按公平值計入其他全面收益之股本工具

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
41	—
3,866	—
3,907	—

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 16. AVAILABLE-FOR-SALE FINANCIAL ASSETS/EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

#### (ii) Equity instruments at FVTOCI (Continued)

Notes:

- (a) At the end of the reporting period, all the equity securities listed in Hong Kong are stated at fair values, which have been determined with reference to quoted bid prices in an active market.
- (b) The managed fund portfolio as at 31 March 2019 comprises of unlisted investments. The fund is stated at fair value, which have been determined with reference to the quoted market prices provided by brokers which are financial institutions.

The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance in the long run.

### 16. 可供出售金融資產／按公平值計入其他全面收益之股本工具 (續)

#### (ii) 按公平值計入其他全面收益之股本工具 (續)

附註：

- (a) 於呈報期末，所有於香港上市之股本證券乃按公平值入賬，其乃參照於活躍市場報價釐定。
- (b) 於二零一九年三月三十一日之管理基金投資組合包括非上市投資。該基金按公平值入賬，其乃參照由經紀(為金融機構)提供於活躍市場報價釐定。

由於本公司董事相信，確認該等投資於損益反映之公平值之短期波動與本集團為長遠目的而持有該等投資及實現其長遠表現之策略不符，因此已選擇將該等股本工具投資指定為按公平值計入其他全面收益。

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## 綜合財務報表附註

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### 17. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### 17. 按公平值計入其他全面收益之債務工具

		2019 二零一九年 HK\$'000 千港元
Listed investments	上市投資	
Debt securities listed in overseas with fixed interests ranging from 1.56% to 4.25% per annum and maturity dates ranging from 16 May 2019 to 26 October 2020	年利率介乎 1.56% 至 4.25% 及介乎於二零一九年五月十六日至二零二零年十月二十六日到期之海外上市債務證券	<b>3,683</b>
Debt securities listed in Hong Kong with fixed interests 2.50% per annum and maturity date on 28 November 2020	年利率固定為 2.50% 及於二零二零年十一月二十八日到期之香港上市債務證券	<b>1,568</b>
Unlisted investments	非上市投資	
Debt securities issued in overseas with fixed interests 2.63% per annum and maturity date on 14 January 2020	年利率固定為 2.63% 及於二零二零年一月十四日到期之海外上市債務證券	<b>1,569</b>
		<b>6,820</b>
Analysed as:	分析為：	
Current portion	即期部分	<b>1,812</b>
Non-current portion	非即期部分	<b>5,008</b>
		<b>6,820</b>

At 31 March 2019, debt instruments at FVTOCI are stated at fair values, which have been determined with reference to the quoted bid prices available and quoted market prices provided by brokers which are financial institutions.

於二零一九年三月三十一日，按公平值計入其他全面收益之債務工具乃按公平值入賬，其乃參考可得之所報投標價及由經紀（為金融機構）所提供之所報市場價格而釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

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### 17. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

The amount of the Group's debt instruments at FVTOCI denominated in currencies other than functional currency of the Group is set out below:

United State Dollars ("US\$")

美元(「美元」)

Details of impairment assessment of debt instruments at FVTOCI for the year ended 31 March 2019 are set out in note 34.

### 17. 按公平值計入其他全面收益之債務工具(續)

本集團按公平值計入其他全面收益之債務工具之金額以下文所載本集團功能貨幣以外之貨幣計值：

2019  
二零一九年  
HK\$'000  
千港元

6,820

有關截至二零一九年三月三十一日止年度按公平值計入其他全面收益之債務工具減值評估之詳情載於附註34。

### 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed investments  
Equity securities listed in Hong Kong  
Equity securities listed in overseas

上市投資  
於香港上市之股本證券  
於海外上市之股本證券

### 18. 按公平值計入損益之金融資產

2019  
二零一九年  
HK\$'000  
千港元

2018  
二零一八年  
HK\$'000  
千港元

6,112

—

8,870

—

14,982

—

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## 綜合財務報表附註

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### 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The fair values of the listed equity securities are determined based on the quoted bid prices available on the relevant stock exchange at the end of the reporting period.

The amount of the Group's financial asset at FVTPL denominated in currencies other than functional currency of the Group is set out below:

US\$

美元

2019

二零一九年

HK\$'000

千港元

**8,870**

### 18. 按公平值計入損益之金融資產 (續)

上市股本證券之公平值乃根據於呈報期末由相關證券交易所可得之所報投標價而釐定。

以本集團功能貨幣以外之貨幣計值之本集團按公平值計入損益之金融資產之金額如下：

### 19. INVENTORIES

Watches

Accessories and parts

手錶

配件及部件

2019

二零一九年

HK\$'000

千港元

**803,095**

**20,559**

**823,654**

2018

二零一八年

HK\$'000

千港元

991,952

9,117

1,001,069

### 19. 存貨

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 20. TRADE AND OTHER RECEIVABLES

### 20. 貿易及其他應收賬款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	貿易應收賬款	<b>89,885</b>	108,938
Less: Allowance for impairment loss	減：減值虧損撥備	<b>(3,839)</b>	—
		<b>86,046</b>	108,938
Property rental deposits	物業租金按金	<b>22,997</b>	18,915
PRC value added tax ("VAT") recoverable	可收回之中國增值稅 (「增值稅」)	<b>2,452</b>	2,904
Advances to suppliers	向供應商墊款	<b>16,797</b>	798
Earnest money paid	已付誠意金	<b>16,467</b>	—
Other receivables	其他應收賬款	<b>3,817</b>	3,149
		<b>148,576</b>	134,704

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

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Age</b>	<b>賬齡</b>		
0 to 30 days	0至30日	<b>75,335</b>	99,445
31 to 60 days	31至60日	<b>9,843</b>	6,233
61 to 90 days	61至90日	<b>868</b>	45
Over 90 days	90日以上	—	3,215
		<b>86,046</b>	108,938

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## 綜合財務報表附註

For the year ended 31 March 2019

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### 20. TRADE AND OTHER RECEIVABLES

(Continued)

As at 31 March 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$10,711,000 which are past due as at the reporting date. These balances are not considered as in default because historical experience indicated that such receivables could be recoverable from the relevant debtors. The Group does not hold any collateral over these balances.

As at 31 March 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$9,493,000 which were past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

#### Ageing of trade receivables which are past due but not impaired

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

Details of the impairment assessment of trade and other receivables for the year ended 31 March 2019 are stated in note 34.

### 20. 貿易及其他應收賬款(續)

於二零一九年三月三十一日，本集團之貿易應收賬款結餘包括債務人賬面總值10,711,000港元之應收賬款，而該等應收賬款於呈報日已逾期。該等餘額不被視為違約，此乃由於過往經驗顯示該等應收賬款可自相關債務人收回。本集團並無就該等結餘持有任何抵押品。

於二零一八年三月三十一日，本集團之貿易應收賬款結餘包括債務人賬面總值9,493,000港元之應收賬款，而該等應收賬款於呈報日已逾期但本集團仍未計提減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

#### 已逾期但未減值之貿易應收賬款之賬齡

2018  
二零一八年  
HK\$'000  
千港元

6,233  
45  
3,215

---

9,493

有關截至二零一九年三月三十一日止年度貿易及其他應收賬款減值評估之詳情載於附註34。



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## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 21. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less at prevailing market rates ranging from 0.01% to 1.14% (2018: 0.01% to 0.65%) per annum.

### 22. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

#### Trade and other payables

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

### 21. 銀行結餘及現金

銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下並按現行市場年利率介乎0.01厘至1.14厘(二零一八年：0.01厘至0.65厘)計息之短期銀行存款。

### 22. 貿易及其他應付賬款以及合約負債

#### 貿易及其他應付賬款

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
50,907	65,307
20,559	19,954
25,996	2,116
—	8,780
3,468	5,288
5,970	12,372
1,007	639
1,408	1,996
6,521	6,624
3,190	3,000
<b>119,026</b>	<b>126,076</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 22. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

#### Trade and other payables (Continued)

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

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

#### Contract liabilities

Contract liabilities on sales of watches      銷售手錶之合約負債

\* The amounts in this column are after the adjustments upon the application of HKFRS 15 (details as set out in note 2).

Contract liabilities represent receipts in advance for sales of watches, giving rise to contract liabilities until revenue is recognised.

Included in the contract liabilities at 1 April 2018, a balance of HK\$8,780,000 was recognised as revenue in the current year.

### 22. 貿易及其他應付賬款以及合約負債(續)

#### 貿易及其他應付賬款(續)

以下為貿易應付賬款於呈報期末按發票日期呈列之賬齡分析：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
43,498	54,341
1,227	907
6,182	10,059
<b>50,907</b>	<b>65,307</b>

#### 合約負債

31.3.2019 二零一九年 三月三十一日 HK\$'000 千港元	1.4.2018* 二零一八年 四月一日* HK\$'000 千港元
7,476	8,780

\* 本欄金額為於應用香港財務報告準則第15號調整後之金額(詳情載於附註2)。

合約負債指銷售鐘錶之預收款項，其產生合約負債直至於儲備中確認為止。

於二零一八年四月一日之合約負債當中，餘額8,780,000港元於本年度確認為收益。

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## 綜合財務報表附註

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### 23. BANK LOANS

### 23. 銀行貸款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The bank loans are repayable as follows (based on the scheduled repayment dates set out in the loan agreements):	銀行貸款須於以下期間償還 (依照貸款協議所載之預定還款日) :		
Within one year	一年內	<b>57,700</b>	53,153
Within a period of more than one year but not exceeding two years	一年後但兩年內	<b>4,000</b>	16,500
Within a period of more than two years but not exceeding five years	兩年後但五年內	<b>1,667</b>	5,667
		<b>63,367</b>	75,320
Comprising:	包括 :		
Amount due within one year shown under current liabilities	於一年內到期之款項 (列為流動負債)	<b>53,700</b>	49,153
Amount that contains a repayment on demand clause (shown under current liabilities) but repayable:	包含按要求償還條款之款項 (列為流動負債) 惟須於以下期間償還 :		
Within one year	一年內	<b>4,000</b>	4,000
Within a period of more than one year	超過一年	<b>5,667</b>	9,667
Total amount shown under current liabilities	列為流動負債之款項總額	<b>63,367</b>	62,820
Amount shown under non-current liabilities	列為非流動負債之款項	—	12,500
		<b>63,367</b>	75,320
Analysed as:	分析為 :		
Secured	有抵押	<b>9,667</b>	13,667
Unsecured	無抵押	<b>53,700</b>	61,653
		<b>63,367</b>	75,320

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## 綜合財務報表附註

For the year ended 31 March 2019

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### 23. BANK LOANS (Continued)

At 31 March 2019, the Group pledged certain leasehold land and buildings with an aggregate carrying value of HK\$86,714,000 (2018: HK\$89,027,000) to banks to secure bank loan facilities granted to the Group.

All bank loans carrying interest at variable rates, mainly comprising:

Loans carrying interest at:	按以下利率計息之貸款：
— Hong Kong Interbank Offered Rate (“HIBOR”) plus 1.75% per annum	— 香港銀行同業拆息加 年利率 1.75 厘
— Bank’s cost of funding (quoted by bank) plus 1.50% per annum	— 銀行融資成本(按銀 行報價)加 年利率 1.50 厘
— Taipei Interbank Offered Rate (“TAIBOR”) plus 1.50% divided by 0.946 per annum	— 台灣銀行同業拆息加 年利率 1.50 厘除以 0.946

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

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

### 23. 銀行貸款(續)

於二零一九年三月三十一日，本集團已向銀行質押總賬面值為 86,714,000 港元(二零一八年：89,027,000 港元)之若干租賃土地及樓宇，以作為本集團獲授銀行貸款融資之抵押。

銀行貸款均按浮動利率計息，主要包括：

#### Effective interest rate per annum 實際年利率

2019 二零一九年	2018 二零一八年
3.38%	2.79%
1.94%	1.94%
2.30%	2.30%

於呈報期末，本集團有以下未提取短期借貸融資：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
409,860	565,706

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## 綜合財務報表附註

For the year ended 31 March 2019

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### 24. DEFERRED TAXATION

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

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

### 24. 遞延稅項

以下為用作財務申報之遞延稅項結餘分析：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>24</b>	56
<b>(2,001)</b>	(1,664)

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

以下為於本年度及以往年度確認之主要遞延稅項(負債)資產及其變動：

		<b>Undistributable profits of associates and a joint venture</b>	<b>Others</b>	<b>Total</b>
		聯營公司及 一間合營公司之 不可分派溢利 HK\$'000 千港元	其他 HK\$'000 千港元 (note) (附註)	合計 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	(1,689)	73	(1,616)
Exchange adjustment	匯兌調整	—	7	7
Reversal of withholding tax payment	撥回已付預扣稅	545	—	545
Charge to profit or loss	於損益扣除	(520)	(24)	(544)
At 31 March 2018	於二零一八年三月三十一日	(1,664)	56	(1,608)
Exchange adjustment	匯兌調整	—	(3)	(3)
Reversal of withholding tax payment	撥回已付預扣稅	352	—	352
Charge to profit or loss	於損益扣除	(689)	(29)	(718)
At 31 March 2019	於二零一九年三月三十一日	(2,001)	24	(1,977)

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

附註：其他主要指應計租金開支之遞延稅項資產。

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## 綜合財務報表附註

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### 24. DEFERRED TAXATION (Continued)

At 31 March 2019, the Group had unutilised tax losses of HK\$155,371,000 (2018: HK\$178,159,000) available to set off against future assessable profits. No deferred tax asset has been recognised in respect of these unutilised tax losses due to the unpredictability of future profit stream. Included in unutilised tax losses at 31 March 2019 are losses of HK\$54,512,000 (2018: HK\$60,490,000) that will expire in the period from 2020 to 2024 (2018: 2019 to 2023). Other losses of the Group at 31 March 2018 and 2019 may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$92,555,000 (2018: HK\$56,050,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 24. 遞延稅項(續)

於二零一九年三月三十一日，本集團有未動用稅務虧損 155,371,000 港元（二零一八年：178,159,000 港元）可供抵銷未來應課稅溢利。由於未能預測未來溢利來源，故並無就該等未動用稅務虧損確認遞延稅項資產。於二零一九年三月三十一日之未動用稅務虧損包括將於二零二零年至二零二四年（二零一八年：二零一九年至二零二三年）期間屆滿之虧損 54,512,000 港元（二零一八年：60,490,000 港元）。本集團於二零一八年及二零一九年三月三十一日之其他虧損可無限期結轉。

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司所宣派有關所賺取溢利之股息須繳付預扣稅。由於本集團可控制撥回中國附屬公司累計溢利應佔暫時差額 92,555,000 港元（二零一八年：56,050,000 港元）之時間，且暫時差額不大可能於可見將來撥回，故並無於綜合財務報表就暫時差額計提遞延稅項撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 25. SHARE CAPITAL

### 25. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
Authorised:	法定：		
At 1 April 2017, 31 March 2018 and 31 March 2019	於二零一七年四月一日、二零一八年三月三十一日及二零一九年三月三十一日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2017, 31 March 2018 and 1 April 2018	於二零一七年四月一日、二零一八年三月三十一日及二零一八年四月一日	570,610,224	57,061
Share repurchased and cancelled (note)	股份購回及註銷(附註)	(252,000)	(25)
At 31 March 2019	於二零一九年三月三十一日	570,358,224	57,036

Note: During the year, the Company repurchased a total of 252,000 issued ordinary shares on 25 October 2018 at prices ranging from HK\$1.78 per share to HK\$1.80 per share in the market for a consideration of HK\$452,000. The ordinary shares were cancelled upon repurchase.

附註：於年內，本公司於二零一八年十月二十五日按介乎每股1.78港元至每股1.80港元之價格於市場上以代價452,000港元購回總數為252,000股已發行普通股。該等普通股於購回後已註銷。

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## 綜合財務報表附註

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### 26. ACQUISITION OF A SUBSIDIARY UNDER ASSET ACQUISITION

On 18 September 2018, the Group acquired entire equity interest in Fully Field Development Limited (“Fully Field”) at a consideration of HK\$4,186,000. Fully Field holds 3 signage spaces in Hong Kong. The directors of the Company are of the opinion that acquisition of Fully Field does not constitute business combinations as defined in HKFRS 3, therefore, the acquisition have been accounted for as asset acquisition. Details of acquisition are summarised follows:

#### Assets and liabilities recognised at the date of acquisition

### 26. 資產收購下收購一間附屬公司

於二零一八年九月十八日，本集團收購滿輝發展有限公司(「滿輝」)全部股權，代價為4,186,000港元。滿輝於香港持有三個標牌。本公司董事認為收購滿輝並不構成香港財務報告準則第3號所界定之業務合併，因此，該收購事項計入為資產收購。該收購事項詳情概述如下：

#### 於收購日期已確認之資產及負債

		<b>Total</b> 總數 HK\$'000 千港元
Net assets of Fully Field acquired:	已收購之滿輝資產淨值：	
Property, plant and equipment	物業、機器及設備	4,200
Bank balances	銀行結餘	31
Other payables	其他應付賬款	(45)
		<hr/>
Net assets	資產淨值	4,186
		<hr/>
Cash consideration paid	已付現金代價	4,186
Bank balances acquired	已收購銀行結餘	(31)
		<hr/>
Net cash outflow from acquisition of a subsidiary under asset acquisition	資產收購下收購一間附屬公司之現金流出淨額	4,155
		<hr/>



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### 27. SHARE-BASED PAYMENT TRANSACTION

### 27. 以股份為基礎之付款交易

#### (a) 2003 Share Option Scheme

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

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

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

#### (a) 二零零三年購股權計劃

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

根據二零零三年購股權計劃，購股權可授予本集團或本公司持有權益之公司或該公司之附屬公司之任何董事、僱員、顧問、客戶、供應商或諮詢人、合資格人士之信託人或合資格人士實益擁有之公司。二零零三年購股權計劃旨在吸引及挽留優秀人才及其他人士，以激勵彼等對本集團之業務及經營作出貢獻。根據上市規則，除非已取得本公司股東批准，否則於任何十二個月期間內，合資格人士不得獲授予涉及股份數目（已發行及將予發行）合共超過本公司於該十二個月期間最後一日之已發行股本1%之購股權。行使期由本公司董事釐定，惟不得超過自授出日期起計十年，且可包括購股權獲行使前必須持有之最短期限。在行使購股權時應付之每股行使價相等於以下三者中之最高者：

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

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### 27. SHARE-BASED PAYMENT TRANSACTION (Continued)

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

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

On 6 April 2011, 32,300,000 share options were granted and on 29 August 2011, and 23,000,000 share options were granted under the 2003 Share Option Scheme. The options may be exercised by the grantees at any time during the option period up to the termination of employment. All share options vested immediately at the date of grant. The estimated fair values of the options granted on these dates are HK\$44,855,000 and HK\$48,698,000, respectively. The closing prices immediately before the date of grant were HK\$3.95 and HK\$4.38, respectively.

Details of specific categories of options are as follows:

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

### 27. 以股份為基礎之付款交易(續)

#### (a) 二零零三年購股權計劃(續)

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

於二零一一年四月六日，根據二零零三年購股權計劃，32,300,000份購股權獲授出，而於二零一一年八月二十九日，23,000,000份購股權獲授出。承授人可於購股權期間隨時行使購股權，直至終止僱用為止。所有購股權於授出當日即時歸屬。於該等日期授出之購股權之估計公平值分別為44,855,000港元及48,698,000港元。緊接授出當日前之收市價分別為3.95港元及4.38港元。

特定購股權類別之詳情如下：

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### 27. SHARE-BASED PAYMENT TRANSACTION

(Continued)

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

The following tables disclose movements of the Company's share options granted under the 2003 Share Option Scheme held by directors, employees and consultants during the years ended 31 March 2018 and 2019:

#### Share options granted on 6 April 2011

Categories of participants		Number of shares under option outstanding at 1 April 2017 and 31 March 2018 於二零一七年四月一日及二零一八年三月三十一日未行使購股權之股份數目	Forfeited during the year ended 31 March 2019 於截至二零一九年三月三十一日止年度沒收	Number of shares under option outstanding at 31 March 2019 於二零一九年三月三十一日未行使購股權之股份數目
Directors of the Company	本公司董事	11,520,000	—	11,520,000
Other employees	其他僱員	14,400,000	—	14,400,000
Consultants (note ii)	顧問(附註ii)	5,640,000	(3,000,000)	2,640,000
Total	總計	31,560,000	(3,000,000)	28,560,000

### 27. 以股份為基礎之付款交易(續)

#### (a) 二零零三年購股權計劃(續)

下表披露於截至二零一八年及二零一九年三月三十一日止年度內董事、僱員及顧問所持有根據二零零三年購股權計劃獲授出之本公司購股權變動：

#### 於二零一一年四月六日授出之購股權

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### 27. SHARE-BASED PAYMENT TRANSACTION (Continued)

### 27. 以股份為基礎之付款交易(續)

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

#### (a) 二零零三年購股權計劃(續)

##### Share options granted on 29 August 2011

於二零一一年八月二十九日授出之購股權

Categories of participants		Number of shares under option outstanding at 1 April 2017, 31 March 2018 and 31 March 2019 於二零一七年四月一日、二零一八年三月三十一日及二零一九年三月三十一日未行使購股權涉及之股份數目
參與者類別		
Other employees	其他僱員	18,000,000
Consultants (note ii)	顧問(附註ii)	5,000,000
Total	總計	23,000,000

##### Notes:

(i) The number of shares under the outstanding options and the exercise price have been adjusted upon the bonus issue of shares in July 2011 on the basis of one new ordinary share for every five ordinary shares held.

(ii) The share options were granted to consultants for services rendered in exploring investment opportunities for the Group.

The 2003 Share Option Scheme expired on 2 November 2013. The options could be exercised by the participants at any time during the option exercisable period and notwithstanding that the 2003 Share Option Scheme had expired. During the year ended 31 March 2019, 3,000,000 options under the 2003 Share Option Scheme were forfeited.

##### 附註：

(i) 未行使購股權涉及之股份數目及行使價已於二零一一年七月按每持有五股普通股獲派一股新普通股之基準派送紅股後作出調整。

(ii) 該等購股權乃授予顧問，作為其為本集團發掘投資機會所提供服務之回報。

二零零三年購股權計劃已於二零一三年十一月二日屆滿。儘管二零零三年購股權計劃已經屆滿，惟參與者仍可於購股權行使期間隨時行使購股權。於截至二零一九年三月三十一日止年度，3,000,000份購股權已根據二零零三年購股權計劃沒收。

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### 27. SHARE-BASED PAYMENT TRANSACTION

(Continued)

#### (b) 2013 Share Option Scheme

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

Under the 2013 Share Option Scheme, options may be granted to (i) any director, employee or consultant of the Group or a company in which the Company holds an equity interest or a subsidiary of such company (“Affiliate”); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any customer, supplier or adviser whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group. The purpose of the 2013 Share Option Scheme is to attract and retain quality personnel and other persons to provide incentive to them to contribute to the business and operation of the Group. The total number of shares available for issue under the 2013 Share Option Scheme as at the date of this report is 57,061,022 shares. No eligible persons shall be granted an option in any 12-month period for such number of shares (issued and to be issued) which in aggregate would exceed 1% of the share capital of the Company in issue on the last day of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. The exercisable period is determined by the directors of the Company, which shall not be more than ten years from the date of grant, and may include a minimum period for which the options must be held before it can be exercised. The exercise price per share payable on the exercise of an option equals to the highest of:

### 27. 以股份為基礎之付款交易(續)

#### (b) 二零一三年購股權計劃

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

根據二零一三年購股權計劃，購股權可授予(i)本集團或本公司持有股本權益之公司或該公司之附屬公司(「聯屬公司」)之任何董事、僱員或顧問；或(ii)受益人包括本集團或聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本集團或聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)為本集團或本集團之業務服務而對或預期對本集團之業務或經營作出貢獻之任何客戶、供應商或顧問。二零一三年購股權計劃旨在吸引及挽留優秀人才及其他人士，以激勵彼等對本集團之業務及經營作出貢獻。於本報告日期，二零一三年購股權計劃項下可供發行之股份總數為57,061,022股。根據上市規則，除非已取得本公司股東批准，否則於任何十二個月期間內，合資格人士不得獲授予涉及股份數目(已發行及將予發行)合共超過本公司於該十二個月期間最後一日之已發行股本1%之購股權。行使期乃由本公司董事釐定，惟不得超過自授出日期起計十年，且可包括購股權獲行使前必須持有之最短期限。在行使購股權時應付之每股行使價相等於以下三者中之最高者：

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### 27. SHARE-BASED PAYMENT TRANSACTION (Continued)

#### (b) 2013 Share Option Scheme (Continued)

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

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

No option was granted, exercised or lapsed under the 2013 Share Option Scheme since its effective date on 3 November 2013 and there was no outstanding share option as at 31 March 2019.

No share-based payment expense was recognised for the years ended 31 March 2018 and 2019 in relation to share options granted by the Company.

### 27. 以股份為基礎之付款交易(續)

#### (b) 二零一三年購股權計劃(續)

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

二零一三年購股權計劃將一直有效，直至二零二三年十一月二日為止。

自二零一三年購股權計劃生效日期二零一三年十一月三日起，概無購股權根據二零一三年購股權計劃已授出、行使或失效，而於二零一九年三月三十一日亦無未行使購股權。

截至二零一八年及二零一九年三月三十一日止年度，概無就本公司授出之購股權確認以股份為基礎之付款開支。

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### 28. CONTINGENT LIABILITIES

As at 31 March 2019, the Group issued financial guarantees to banks in respect of banking facilities granted to associates. The aggregate amount that could be required to be paid if the guarantees were called upon in entirety amounted to New Taiwan Dollar (“NT\$”)150,000,000 (equivalent to HK\$38,624,000; 2018: NT\$200,000,000 and equivalent to HK\$54,100,000), which was fully utilised by these associates at 31 March 2019. The fair value of the financial guarantee contracts at the grant date is not significant and in the opinion of the directors, the default risk of associates at 31 March 2018 and 2019 is considered as low.

### 29. OPERATING LEASE ARRANGEMENTS

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

Within one year	一年內
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)
Over five years	超過五年

### 28. 或然負債

於二零一九年三月三十一日，本集團就聯營公司獲授之銀行融資向銀行發出財務擔保。於二零一九年三月三十一日，於被要求全數代還擔保時可能須予支付之總額新台幣(「新台幣」)150,000,000元(相等於38,624,000港元；二零一八年：新台幣200,000,000元，並相等於54,100,000港元)已獲該等聯營公司全數動用。財務擔保合約於授出當日之公平值並不重大，且董事認為聯營公司於二零一八年及二零一九年三月三十一日之拖欠風險甚微。

### 29. 經營租賃安排

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

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
122,768	133,694
158,304	116,547
586	616
<b>281,658</b>	<b>250,857</b>

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### 29. OPERATING LEASE ARRANGEMENTS

(Continued)

Operating lease payments represent rentals payable by the Group for certain shops and office premises. Leases are negotiated for a term ranged from 1 to 8 years (2018: 1 to 8 years). Some group entities are required to pay lease charges based on a fixed percentage of net sales.

### 29. 經營租賃安排(續)

經營租賃款項指本集團就其若干分店及辦公室物業應付之租金。租賃議定之年期介乎1至8年(二零一八年：1至8年)。若干集團實體須按銷售淨額之固定百分比支付租賃費用。

### 30. CAPITAL COMMITMENTS

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

就已訂約但未於綜合財務報表內撥備之收購物業、機器及設備之資本開支

### 30. 資本承擔

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
8,780	8,949

### 31. RETIREMENT BENEFITS SCHEMES

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

### 31. 退休福利計劃

本集團主要為所有合資格僱員(包括董事)營辦定額供款退休計劃。該等計劃的資產於受獨立受託人控制之基金持有，與本集團的資產分開。



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### 31. RETIREMENT BENEFITS SCHEMES

*(Continued)*

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

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

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

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme subject to a maximum monthly contribution amount of HK\$1,500 to an individual, which contribution is matched by the employee.

### 31. 退休福利計劃(續)

退休計劃成本指本集團按計劃規則指定之比率應付予基金之供款。倘僱員於可全數取得供款前退出該等計劃，則已沒收之供款金額會用於扣減本集團應付之供款。

於香港，本集團參與定額供款計劃，其中一項計劃根據職業退休計劃條例註冊(「ORSO」計劃)，而另一項為於二零零零年十二月根據強制性公積金計劃條例設立之強制性公積金計劃(「強積金」計劃)。該等計劃的資產於受獨立受託人控制之基金持有，與本集團的資產分開。

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

至於強積金計劃之成員，本集團按相關薪資成本之5%向強積金計劃作出供款，向個別僱員作出之每月供款額最多1,500港元，而僱員亦作出等額供款。

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### 31. RETIREMENT BENEFITS SCHEMES

(Continued)

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

The total cost charged to profit or loss of HK\$5,847,000 (2018: HK\$5,863,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

### 31. 退休福利計劃(續)

本公司中國附屬公司之僱員為由中國政府營辦之國家管理退休福利計劃之成員。本公司之中國附屬公司須按僱員薪支之若干百分比向退休福利計劃供款，為該等福利提供資金。本集團有關退休福利計劃之責任為根據計劃作出規定供款。

自損益扣除之總成本5,847,000港元(二零一八年：5,863,000港元)指本集團就本會計期間應付該等計劃之供款。

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## 綜合財務報表附註

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### 32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

### 32. 融資活動而產生之負債之對賬

下表詳述本集團融資活動而產生之負債變動，包括現金及非現金變動。融資活動而產生之負債為現金流量已經或未來現金流量將會於本集團之綜合現金流量表中分類為融資活動產生之現金流量。

		Interest payable 應付利息 HK\$'000 千港元	Bank loans 銀行貸款 HK\$'000 千港元	Dividend payable 應付股息 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	—	110,740	—	110,740
Financing cash flows (note)	融資現金流量 (附註)	(1,843)	(36,776)	(30,812)	(69,431)
Dividends declared	已宣派股息	—	—	30,812	30,812
Interest accrued	應計利息	1,843	—	—	1,843
Exchange adjustment	匯兌調整	—	1,356	—	1,356
At 31 March 2018	於二零一八年三月三十一日	—	75,320	—	75,320
Financing cash flows (note)	融資現金流量 (附註)	(1,959)	(10,285)	(196,832)	(209,076)
Dividends declared	已宣派股息	—	—	196,832	196,832
Interest accrued	應計利息	1,959	—	—	1,959
Exchange adjustment	匯兌調整	—	(1,668)	—	(1,668)
At 31 March 2019	於二零一九年三月三十一日	—	63,367	—	63,367

Note: The cash flows represent dividends paid, repayment of bank loans, new bank loan raised and interest paid in the consolidated statement of cash flows.

附註：現金流量指綜合現金流量表之已付股息、償還銀行貸款、新造銀行貸款及已付利息。

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## 綜合財務報表附註

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### 33. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes bank loans disclosed in note 23 net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits. The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, new share issues as well as issue of new debts or redemption of existing debts.

### 33. 資本風險管理

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

本集團的資本架構包括債務淨額(其中包括附註23所披露之銀行貸款扣除現金及等同現金項目)及本公司擁有人應佔權益(其中包括已發行股本及儲備(包括保留溢利))。本公司董事每年檢討資本架構。作為此檢討工作一部分，董事考慮資本成本及與各類資本相關之風險。基於董事作出之建議，本集團將透過派發股息、發行新股及發行新債或贖回現有債務平衡其整體資本架構。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS

### 34. 金融工具

#### Categories of financial instruments

#### 金融工具類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量之金融資產	1,188,612	N/A 不適用
Debt instruments at FVTOCI	按公平值計入其他全面收益之 債務工具	6,820	N/A 不適用
Financial assets at FVTPL	按公平值計入損益之金融資產	14,982	N/A 不適用
Equity instruments at FVTOCI	按公平值計入其他全面收益之 股本工具	3,907	N/A 不適用
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款(包括現金及 等同現金項目)	N/A 不適用	1,193,978
AFS financial assets	可供出售金融資產	N/A 不適用	12,344
Financial liabilities	金融負債		
Amortised cost	攤銷成本	152,674	157,290

#### Financial risk management objectives and policies

The Group's major financial instruments include AFS financial assets, equity instruments at FVTOCI, debt instruments at FVTOCI, financial assets at FVTPL, trade and other receivables, bank balances and cash, trade and other payables and bank loans. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

#### 財務風險管理目標及政策

本集團之主要金融工具包括可供出售金融資產、按公平值計入其他全面收益之股本工具、按公平值計入其他全面收益之債務工具、按公平值計入損益之金融資產、貿易及其他應收賬款、銀行結餘及現金、貿易及其他應付賬款以及銀行貸款。該等金融工具之詳情於各有關附註披露。與該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。下文載列如何降低該等風險之政策。管理層管理及監察該等風險，以確保及時和有效地採取適當之措施。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Market risk

##### Currency risk

Most of the Group's transactions are denominated in either US\$, HK\$, NT\$ and Renminbi.

The Group has limited currency exposure as the majority of the sales were denominated in functional currency of the relevant group entities except exposed to foreign currency risk in relation to US\$ arising from debt instruments at FVTOCI and financial assets at FVTPL.

The carrying amount of the major foreign currency denominated monetary assets at the reporting date is as follows:

US\$	美元
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Under the pegged exchange rate system, the financial impact on exchange difference between HK\$ and US\$ will be immaterial as US\$ denominated monetary assets are held by group entities having HK\$ as their functional currency, and therefore no sensitivity analysis has been prepared.

The management conducts periodical review of exposure and requirements of various currencies, and will consider hedging significant foreign currency exposures should the need arise. No sensitivity analysis was prepared since the directors consider the amount involved is not significant.

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 市場風險

##### 貨幣風險

本集團大部分交易以美元、港元、新台幣及人民幣計值。

由於大部分銷售以有關集團實體之功能貨幣為單位，故本集團面對之貨幣風險有限，惟因按公平值計入其他全面收益之債務工具及按公平值計入損益之金融資產產生與美元有關之外幣風險除外。

於呈報日期，主要外幣計值之貨幣資產的賬面值如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
15,690	—

根據匯率掛鈎制度，由於集團實體持有之美元計值貨幣資產以港元為其功能貨幣，港元兌美元匯率差別的財務影響將不重大，因此並無編製敏感度分析。

管理層會定期檢討各種貨幣之風險及需求，並將於有需要時考慮對沖重大外幣風險。由於董事認為本集團涉及之金額並不重大，故並無編製敏感度分析。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Market risk (Continued)

##### Interest rate risk

The Group is exposed to fair value interest rate risk in relation to debt securities with fixed coupon interest (details of which are set out in note 17). The management monitors interest rate exposure when significant interest rate exposure is anticipated.

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank loans and bank balances (details of which are set out in notes 23 and 21). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short-term.

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

The sensitivity analyses below have been determined based on the exposure to interest rates for bank loans at the end of the reporting period. The analyses are prepared assuming that the bank loans outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2018: 50 basis points) increase or decrease is used for bank loans when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 市場風險(續)

##### 利率風險

本集團面對有關固定息票利息債務證券之公平值利率風險，有關詳情載於附註17。當預期有重大利率風險時，管理層會監察利率風險。

本集團面對有關浮息銀行貸款及銀行結餘之現金流量利率風險，有關詳情載於附註23及21。本集團現時並無利率對沖政策。然而，管理層會監察利率風險，並將於有需要時考慮對沖重大利率風險。由於定期存款屬短期存款，故銀行存款之公平值利率風險不大。

本集團之現金流量利率風險主要集中於香港銀行同業拆息及台灣銀行同業拆息波動，乃因本集團之銀行貸款而產生。

以下敏感度分析乃按於呈報期末就銀行貸款面對之利率風險釐定。分析乃假設呈報期末之未償還銀行貸款於全年未償還而編製。向主要管理人員作出內部利率風險報告時，會就銀行貸款採用50個基點(二零一八年：50個基點)增減，此乃管理層對合理可能利率變動之評估。

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### 34. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Market risk (Continued)

##### Interest rate risk (Continued)

For debt instruments at FVTOCI, no sensitive analysis is performed as the exposure to interest rates for debt instruments is considered as insignificant.

For bank loans, if interest rates had been 50 basis points (2018: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2019 would decrease/increase by HK\$265,000 (2018: HK\$314,000).

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

##### Other price risk

The Group's debt instruments at FVTOCI, financial assets at FVTPL, equity instruments at FVTOCI and AFS financial assets at the end of the reporting period exposed the Group to equity price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 市場風險(續)

##### 利率風險(續)

就按公平值計入其他全面收益之債務工具而言，由於債務工具的利率風險甚微，故並無進行敏感度分析。

就銀行貸款而言，倘利率上升／下跌50個基點(二零一八年：50個基點)而所有其他變數不變，則本集團截至二零一九年三月三十一日止年度之稅後溢利將減少／增加265,000港元(二零一八年：314,000港元)。

就銀行存款而言，由於就銀行存款面對之利率風險被視為不大，故並無進行敏感度分析。

##### 其他價格風險

本集團於呈報期末之按公平值計入其他全面收益之債務工具、按公平值計入損益之金融資產、按公平值計入其他全面收益之股本工具及可供出售金融資產令本集團面對股本價格風險。管理層透過維持風險級別不同之投資組合管理此風險。鑑於呈報期末之可供出售金融資產金額，管理層認為本集團面對之股本價格風險不大。



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### 34. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Market risk (Continued)

##### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the reporting date. For sensitivity analysis purpose, the sensitivity rate of 10% is applied in current year.

As at 31 March 2019, if the prices of the respective debt and equity securities has been 10% higher/lower:

- post-tax profit for the year would increase/decrease by HK\$1,251,000 as a result of the changes in fair value of financial assets at FVTPL; and
- asset revaluation reserve would increase/decrease by HK\$682,000 and HK\$391,000 as a result of the changes in fair values of debt instruments at FVTOCI and equity instruments at FVTOCI, respectively.

As at 31 March 2018, in view of the amount of AFS financial assets, the management considers that the Group's exposure to equity price risk is not significant.

In management's opinion, the above sensitivity analysis is for illustrative purpose only and is unrepresentative of the inherent equity price risk facing by the Group as the year end exposure does not reflect the exposure during the year.

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 市場風險(續)

##### 敏感度分析

下文敏感度分析乃按呈報日期面臨的股本價格風險釐定。就敏感度分析而言，本年度應用敏感度利率為10%。

於二零一九年三月三十一日，倘各債務及股本證券之價格上升／下降10%，則：

- 因按公平值計入損益之金融資產之公平值變動，導致年內除稅後溢利將增加／減少1,251,000港元；及
- 因按公平值計入其他全面收益之債務工具及按公平值計入其他全面收益之股本工具之公平值變動，導致資產重估儲備分別增加／減少682,000港元及391,000港元。

於二零一八年三月三十一日，鑑於可供出售金融資產之金額，管理層認為本集團面對之股本價格風險並不重大。

就管理層之意見，由於年內面對之風險並不反映於年內承擔之風險，上文之敏感度分析僅作說明用途，並不代表本集團所面對之固有股本價格風險。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

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

#### Credit risk and impairment assessment

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

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 28.

In order to minimise the credit risk of trade receivables arising from contracts with customers, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred loss model) on debtors with significant balances individually and/or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

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

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 信貸風險及減值評估

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

- 綜合財務狀況表所列各項已確認金融資產之賬面值；及
- 有關附註28所披露由本集團發出之財務擔保之或然負債金額。

為將客戶合約產生貿易應收賬款之信貸風險減至最低，本集團管理層已委派一支團隊，專責釐定信貸額度、信貸審批及其他監控程序，以確保採取跟進行動收回逾期債務。此外，本集團於應用香港財務報告準則第9號(二零一八年：產生虧損模式)後根據預期信貸虧損模式及／或根據撥備矩陣對債務人之重大結餘個別進行減值評估。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易對手方為獲國際信貸評級機構評定為具有高信貸評級之銀行及信譽良好之銀行，故流動資金信貸風險有限。

除與存放於若干具有高信貸評級之銀行之流動資金有關之信貸風險集中情況外，本集團並無任何其他重大信貸風險集中之情況。貿易應收賬款涉及多名客戶，其遍佈不同行業及地理區域。

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### 34. FINANCIAL INSTRUMENTS (Continued)

### 34. 金融工具(續)

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

#### 財務風險管理目標及政策(續)

#### Credit risk and impairment assessment (Continued)

#### 信貸風險及減值評估(續)

The tables below detail the credit risk exposure of the Group's financial assets and financial guarantee contracts, which are subject to ECL assessment:

下表詳列本集團之金融資產及財務擔保合約面對之信貸風險，其受限於預期信貸虧損評估：

2019 二零一九年		External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12m or lifetime ECL 12個月或 存續期預期 信貸虧損	Gross carrying amount 總賬面值 HK\$'000 千港元
<b>Debt instruments at FVTOCI</b>	按公平值計入其他仕 面收益之債務工具				
Investments in listed debts	上市債務投資	17	Baa3-A1	N/A 不適用 12m ECL 12個月預期 信貸虧損	5,251
Investments in unlisted debts	非上市債務投資	17	A3	N/A 不適用 12m ECL 12個月預期 信貸虧損	1,569
<b>Financial assets at amortised cost</b>	按攤銷成本計量之 金融資產				
Bank balances	銀行結餘	21	Baa3-A1	N/A 不適用 12m ECL 12個月預期 信貸虧損	1,080,094
Other receivables	其他應收賬款	20	N/A 不適用	(Note a) (附註a) 12個月預期 信貸虧損	17,655
Trade receivables	貿易應收賬款	20	N/A 不適用	(Note b) (附註b) Lifetime ECL 存續期預期 信貸虧損	89,885
<b>Other item</b>	其他項目				
Financial guarantee contracts	財務擔保合約	28	N/A 不適用	(Note c) (附註c) 12m ECL 12個月預期 信貸虧損	38,624

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

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

#### Credit risk and impairment assessment (Continued)

Notes:

- (a) In determining the ECL for other receivables, the management of the Group makes periodic collective assessment on the recoverability of other receivables based on the historical default experience and forward-looking information, as appropriate, for example, the Group has considered the consistently low historical default rate in connection with payments, and concluded that credit risk inherent in the Group's outstanding other receivables are insignificant.
- (b) Upon adoption of HKFRS 9 on 1 April 2018, the Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime ECL for trade receivables.

Management assessed the expected losses on trade receivables collectively by estimation based on historical credit loss experience, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In addition, the directors of the Company are of the opinion that there has no default occurred for trade receivables past due 90 days or more and the balances are still considered fully recoverable due to long term/on-going relationship and good repayment record from these customers.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group's trade receivables are grouped under a provision matrix based on shared credit risk characteristics by reference to past default experience and current past due exposure of the debtors. The following table provides information about the exposure to credit risk for trade receivables which are assessed collectively based on provision matrix as at 31 March 2019 within lifetime ECL (not credit-impaired).

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

附註：

- (a) 於釐定其他應收賬款的預期信貸虧損時，本集團管理層根據過往違約經驗及前瞻性資料(倘適用)對其他應收賬款的可收回性作出定期集體評估，例如本集團已考慮持續與付款有關之低過往違約率，並得出結論為本集團尚未償還的其他應收賬款之固有信貸風險並不重大。
- (b) 於二零一八年四月一日採納香港財務報告準則第9號後，本集團應用簡化方法就香港財務報告準則第9號所訂明預期信貸虧損作出撥備，該準則允許就貿易應收賬款使用存續期預期信貸虧損。

管理層根據過往信貸虧損經驗、債務人經營所在行業之整體經濟狀況及呈報日期狀況的當前及預測方向評估的估計，綜合評估貿易應收賬款的預期虧損。

此外，本公司董事認為逾期90日或以上的貿易應收賬款並無違約，並且因為與客戶之長期／持續關係及此等客戶的良好還款記錄，逾期款項仍被視為可全數收回。

作為本集團信貸風險管理的一部分，本集團使用債務人之賬齡評估其客戶的減值，原因為該等客戶包括大量具有共同風險特徵之客戶，有關風險即代表客戶在支付所有根據合約條款的到期款項的能力。本集團的貿易應收賬款乃按根據經參考債務人過往違約經驗及目前逾期風險之債務人共同信貸風險特徵項下之撥備矩陣而分類。下表提供有關貿易應收賬款信貸風險的資料，該等資料根據於二零一九年三月三十一日之存續期預期信貸虧損(非信貸減值)的撥備矩陣進行集體評估。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Credit risk and impairment assessment (Continued)

Notes: (Continued)

(b) (Continued)

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

附註：(續)

(b) (續)

		Gross carrying amount 總賬面值 HK\$'000 千港元	Average loss rate 平均虧損率	Loss allowance 虧損撥備 HK\$'000 千港元	Net carrying amount 賬面淨值 HK\$'000 千港元
Trade receivables	貿易應收賬款				
Not past due	尚未逾期	78,219	3.69%	(2,884)	75,335
1 – 30 days past due	逾期1至30日	10,509	6.34%	(666)	9,843
31 – 60 days past due	逾期31至60日	1,157	24.98%	(289)	868
		89,885		(3,839)	86,046

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

估計虧損率乃根據債務人預期年期內之過往觀察違約率而估計，並就毋須付出過多成本或努力可得之前瞻性資料作出調整。本集團管理層使用有關前瞻資料評估呈報日期狀況的當前及預測方向。有關分組由本集團管理層定期審閱，確保有關特定債務人的相關資料已更新。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

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### 34. FINANCIAL INSTRUMENTS (Continued)

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

#### Credit risk and impairment assessment (Continued)

Notes: (Continued)

(b) (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

As at 31 March 2018 under HKAS 39	根據香港會計準則第39號於二零一八年三月三十一日			
Adjustment upon application of HKFRS 9	於應用香港財務報告準則第9號後之調整			
As at 1 April 2018 — as restated	於二零一八年四月一日			
	— 經重列			
Impairment losses recognised	已確認減值虧損			
Exchange adjustment	匯兌調整			
As at 31 March 2019	於二零一九年三月三十一日			

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

- (c) For financial guarantee contracts, the maximum amount that the Group has guaranteed under the respective contracts was approximately HK\$38,624,000 (2018: HK\$54,100,000) as at 31 March 2019. At the end of the reporting period, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. The management of the Group considers the probability of default is low and accordingly, loss allowance was considered as insignificant.

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

附註：(續)

(b) (續)

下表顯示根據簡化方法已確認貿易應收賬款之存續期預期信貸虧損之變動。

	Lifetime ECL (not credit-impaired) 存續期預期 信貸虧損 (非信貸減值) HK\$'000 千港元	Lifetime ECL (credit-impaired) 存續期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31 March 2018 under HKAS 39	—	—	—
Adjustment upon application of HKFRS 9	3,808	—	3,808
As at 1 April 2018 — as restated	3,808	—	3,808
	—	—	—
Impairment losses recognised	253	—	253
Exchange adjustment	(222)	—	(222)
As at 31 March 2019	3,839	—	3,839

倘有資料顯示債務人處於嚴重財務困難且並無實際收回可能(如債務人已進入清盤或破產程序)，則本集團撤銷貿易應收賬款。

- (c) 就財務擔保合約而言，本集團於二零一九年三月三十一日根據各合約所擔保的最高金額約為38,624,000港元(二零一八年：54,100,000港元)。於呈報期末，本公司董事已進行減值評估，認為財務擔保合約之信貸風險自初始確認以來並無大幅增加。因此，本集團發出的財務擔保合約之虧損撥備按相等於12個月預期信貸虧損計量。本集團管理層認為違約機率甚低，因此虧損撥備被視為微不足道。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Credit risk and impairment assessment (Continued)

The Group's debt instruments at FVTOCI mainly comprise instruments that have a low risk of default and the counterparties have a strong capacity to repay (e.g. financial instruments that are of investment grade or issuer with good credit history and capacity to repay), and accordingly, loss allowance was considered as insignificant.

The management of the Group considers the bank balances that are deposited with the financial institutions with high credit rating to be low credit risk financial assets. The management of the Group considers the bank balances are short-term in nature and the probability of default is negligible on the basis of high-credit-rating issuers, and accordingly, loss allowance was considered as insignificant.

#### Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As at 31 March 2019, the Group has available unutilised short-term bank loan facilities of HK\$409,860,000 (2018: HK\$565,706,000).

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

本集團之按公平值計入其他全面收益之債務工具為違約風險低及交易對手方還款能力強之工具(例如投資級別之金融工具，或擁有良好信貸記錄及還款能力之發行人)，因此虧損撥備被視為微不足道。

本集團管理層認為，存放於信貸評級較高的金融機構的銀行結餘屬低信貸風險的金融資產。本集團管理層認為銀行結餘屬短期性質，而在高信貸發行人的基礎上可毋須計算違約概率，故虧損撥備被視為微不足道。

#### 流動資金風險

於管理流動資金風險時，本集團會監察及維持管理層視作足夠之現金及等同現金項目水平，以為本集團營運提供資金及減低現金流量波動之影響。管理層會監察銀行借貸之使用情況，並確保遵守貸款契諾。

本集團倚賴銀行借貸作為重要流動資金來源。於二零一九年三月三十一日，本集團有可供動用之未動用短期銀行貸款融資409,860,000港元(二零一八年：565,706,000港元)。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Liquidity risk (Continued)

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

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 流動資金風險(續)

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



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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

### 34. 金融工具(續)

#### Financial risk management objectives and policies

#### 財務風險管理目標及政策(續)

(Continued)

#### Liquidity risk (Continued)

#### 流動資金風險(續)

Liquidity and interest risk tables

流動資金及利率風險列表

		Weighted average effective interest rate 加權平均 實際利率	On demand or less than 1 month 少於1個月 HK\$'000 千港元	1 to 3 months 1至3個月 HK\$'000 千港元	3 months to 1 year 3個月至1年 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
<b>2019</b>	<b>二零一九年</b>							
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade and other payables	貿易及其他應付賬款	N/A 不適用	81,898	1,227	6,182	–	89,307	89,307
Bank loans	銀行貸款	2.46%	9,667	45,604	8,433	–	63,704	63,367
			91,565	46,831	14,615	–	153,011	152,674
Financial guarantee contracts	財務擔保合約	N/A 不適用	38,624	–	–	–	38,624	–
<b>2018</b>	<b>二零一八年</b>							
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade and other payables	貿易及其他應付賬款	N/A 不適用	71,003	907	10,060	–	81,970	81,970
Bank loans	銀行貸款	2.42%	13,667	37,730	12,887	12,654	76,938	75,320
			84,670	38,637	22,947	12,654	158,908	157,290
Financial guarantee contracts	財務擔保合約	N/A 不適用	54,100	–	–	–	54,100	–

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

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

Bank loans with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. As at 31 March 2019, the aggregate undiscounted principal amount of the bank loans with a repayment on demand clause amounted to HK\$9,667,000 (2018: HK\$13,667,000). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that the bank loans will be repaid in two years (2018: three years) after the reporting period in accordance with the scheduled repayment period set out in the loan agreement. At that time, the aggregate undiscounted principal and interest cash outflows will amount to HK\$9,901,000 (2018: HK\$14,131,000).

### 34. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 流動資金風險(續)

流動資金及利率風險列表(續)

以上就財務擔保合約計入之金額為於交易對手方申索擔保金額時本集團根據安排須償付全數擔保額之最高金額。依照呈報期末之預期，本集團認為不大可能須支付安排下之任何金額。然而，此估計可能因應持有已擔保財務應收賬款之交易對手方蒙受信貸損失而按擔保條款追討之可能性而改變。

包含按要求償還條款之銀行貸款於上述到期分析中計入「按要求或少於1個月」之時段內。於二零一九年三月三十一日，附有按要求償還條款之銀行貸款之未貼現本金總額為9,667,000港元(二零一八年：13,667,000港元)。經考慮本集團之財務狀況後，本公司董事相信銀行不大可能行使其酌情權要求即時還款。本公司董事相信，該等銀行貸款將按照貸款協議所載之預定還款期於呈報期後兩年(二零一八年：三年)內償還。屆時，未貼現本金及利息現金流出總額將為9,901,000港元(二零一八年：14,131,000港元)。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

### 34. 金融工具(續)

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

#### 財務風險管理目標及政策(續)

#### Liquidity risk (Continued)

#### 流動資金風險(續)

		Weighted average effective interest rate 加權平均 實際利率	1 to	3 months to	1 to	Total	Carrying amount 賬面值 HK\$'000 千港元
			3 months	1 year	5 years	undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	
2019	二零一九年						
Bank loans	銀行貸款	1.94%	1,045	3,107	5,749	9,901	9,667

		Weighted average effective interest rate 加權平均 實際利率	1 to	3 months to	1 to	Total	Carrying amount 賬面值 HK\$'000 千港元
			3 months	1 year	5 years	undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	
2018	二零一八年						
Bank loans	銀行貸款	1.94%	1,065	3,165	9,901	14,131	13,667

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Continued)

### 34. 金融工具(續)

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

按經常性基準以公平值計量之本集團金融資產之公平值

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined.

於呈報期末，本集團部分金融資產以公平值計量。下表提供有關如何釐定此等金融資產之公平值的資料。

Financial assets 金融資產	Fair value 公平值		Fair value hierarchy 公平值架構	Valuation techniques and key inputs 估值技巧及主要輸入數據
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元		
(i) Equity instruments at FVTOCI – listed investments, equity securities listed in Hong Kong 按公平值計入其他全面收益之股本工具 – 上市投資、於香港上市之股本證券	41	N/A	Level 1 第1級	Quoted bid prices in an active market 活躍市場所報之買入價
(ii) Equity instruments at FVTOCI – unlisted investments, managed fund portfolio 按公平值計入其他全面收益之股本工具 – 非上市投資、管理基金投資組合	3,866	N/A	Level 2 第2級	Quoted market prices provided by brokers which are financial institutions (note) 作為經紀之金融機構提供之市場報價(附註)
(iii) Debt instruments at FVTOCI – listed debt securities in overseas 按公平值計入其他全面收益之債務工具 – 於海外上市之債務證券	3,683	N/A	Level 1 第1級	Quoted bid prices in an active market 活躍市場所報之買入價
(iv) Debt instruments at FVTOCI – listed debt securities in Hong Kong 按公平值計入其他全面收益之債務工具 – 於香港上市之債務證券	1,568	N/A	Level 1 第1級	Quoted bid prices in an active market 活躍市場所報之買入價
(v) Debt instruments at FVTOCI – unlisted debt securities 按公平值計入其他全面收益之債務工具 – 非上市債務證券	1,569	N/A	Level 2 第2級	Quoted market prices provided by brokers which are financial institutions (note) 作為經紀之金融機構提供之市場報價(附註)

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## 綜合財務報表附註

For the year ended 31 March 2019

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### 34. FINANCIAL INSTRUMENTS (Continued)

### 34. 金融工具(續)

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

按經常性基準以公平值計量之本集團金融資產之公平值(續)

Financial assets 金融資產	Fair value 公平值		Fair value hierarchy 公平值架構	Valuation techniques and key inputs 估值技巧及主要輸入數據
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元		
(vi) Financial assets at FVTPL – listed investments, equity securities listed in Hong Kong and overseas 按公平值計入損益之金融資產 – 上市投資、於香港及海外上市之股本證券	14,982	N/A	Level 1 第1級	Quoted bid prices in an active market 活躍市場所報之買入價
(vii) AFS financial assets – listed investments, equity securities listed in Hong Kong 可供出售金融資產 – 上市投資、於香港上市之股本證券	N/A 不適用	51	Level 1 第1級	Quoted bid prices in an active market 活躍市場所報之買入價
(viii) AFS financial assets – unlisted investments, managed fund portfolio 可供出售金融資產 – 非上市投資、管理基金投資組合	N/A 不適用	12,293	Level 2 第2級	Quoted market prices provided by brokers which are financial institutions (note) 作為經紀之金融機構提供之市場報價(附註)

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

附註：作為經紀之金融機構提供之市場報價指基於相關投資於活躍市場之可觀察報價釐定之各基金公平值。

**Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis**

並非按經常性基準以公平值計量之本集團金融資產及金融負債之公平值

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

本公司董事認為，於綜合財務報表中按攤銷成本記賬之金融資產及金融負債之賬面值與公平值相若。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 35. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are limited liability companies, at 31 March 2019 and 2018 are as follows:

### 35. 主要附屬公司

於二零一九年及二零一八年三月三十一日，本公司主要附屬公司(均為有限公司)之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Issued and fully paid share capital/registered and paid-up capital		Proportion of nominal value of issued capital/ registered capital held by the Company				Principal activities 主要業務
		已發行及繳足股本/註冊及已繳資本		本公司所持已發行股本面值/註冊資本之比例				
		2019 二零一九年	2018 二零一八年	Directly 直接		Indirectly 間接		
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
				%	%	%	%	
La Suisse Watch Company Limited 瑞士表行有限公司	Hong Kong 香港	Ordinary shares HK\$1,000 普通股 1,000 港元	Ordinary shares HK\$1,000 普通股 1,000 港元	100	100	-	-	Watch trading 手錶經銷
Oriental Watch (China) Company Limited 東方表行(中國)有限公司	Hong Kong 香港	Ordinary shares HK\$1,000 普通股 1,000 港元	Ordinary shares HK\$1,000 普通股 1,000 港元	-	-	100	100	Watch trading and investment holding 手錶經銷及投資控股
Oriental Watch Company Limited 東方表行有限公司	Hong Kong 香港	Ordinary shares HK\$2,000 普通股 2,000 港元	Ordinary shares HK\$1,000 普通股 1,000 港元	100	100	-	-	Watch trading 手錶經銷
Oriental Watch (Macau) Company Limited 東方表行(澳門)有限公司	Macau 澳門	Ordinary shares MOP\$25,000 普通股 25,000 澳門元	Ordinary shares MOP\$25,000 普通股 25,000 澳門元	50	50	50	50	Watch trading 手錶經銷
Cathay Watch Company Limited 國泰表行有限公司	Hong Kong 香港	Ordinary shares HK\$2,000 普通股 2,000 港元	Ordinary shares HK\$1,000 普通股 1,000 港元	100	100	-	-	Watch trading 手錶經銷
Sharp Beauty Limited 麗亮有限公司	Hong Kong 香港	Ordinary share HK\$1 普通股 1 港元	Ordinary share HK\$1 普通股 1 港元	-	-	100	100	Investment holding 投資控股
Unex Development Limited 宇立發展有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股 2 港元	Ordinary shares HK\$2 普通股 2 港元	-	-	100	100	Property holding 持有物業
Fully Field 滿輝	Hong Kong 香港	Ordinary shares HK\$8 普通股 8 港元	-	100	-	-	-	Property holding 持有物業

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## 綜合財務報表附註

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### 35. PRINCIPAL SUBSIDIARIES (Continued)

### 35. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 登記/經營地點	Issued and fully paid share capital/registered and paid-up capital 已發行及繳足股本/註冊及已繳資本		Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行股本面值/註冊資本之比例				Principal activities 主要業務
		2019 二零一九年	2018 二零一八年	Directly 直接	2018 二零一八年	Indirectly 間接	2018 二零一八年	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
		US\$200,000	US\$200,000	%	%	%	%	
上海東筋表行國際貿易有限公司 (Shanghai Oriental Watch International Trading Co., Ltd.)	The PRC (note)	Registered and paid-up capital US\$200,000	Registered and paid-up capital US\$200,000	—	—	100	100	Watch trading
上海東筋表行國際貿易有限公司	中國(附註)	註冊及已繳資本 200,000美元	註冊及已繳資本 200,000美元					手錶經銷
東方表行(中國)貿易有限公司 (Oriental Watch (China) Trading Co., Ltd.)	The PRC (note)	Registered and paid-up capital US\$54,000,000	Registered and paid-up capital US\$54,000,000	—	—	100	100	Watch trading
東方表行(中國)貿易有限公司	中國(附註)	註冊及已繳資本 54,000,000美元	註冊及已繳資本 54,000,000美元					手錶經銷

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

附註：該等公司於中國以外商獨資企業之形式成立。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 35. PRINCIPAL SUBSIDIARIES (Continued)

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

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

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong, the PRC and Taiwan. The principal activities of these subsidiaries are summarised as follows:

#### Principal activity 主要業務

#### Principal place of business 主要業務地點

#### Number of subsidiaries 附屬公司數目

		2019 二零一九年	2018 二零一八年
Watch trading 手錶經銷	Hong Kong 香港	—	—
	Taiwan 台灣	1	1
Investment holding 投資控股	Hong Kong 香港	6	9
	The PRC 中國	1	1
		7	10
Inactive 暫無營業	Hong Kong 香港	8	16
	The PRC 中國	—	1
		8	17
		16	28

### 35. 主要附屬公司(續)

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

各附屬公司於年終或年內任何時間概無任何未償還債務證券。

於呈報期末，本公司有對本集團而言並非重大之其他附屬公司。大部分該等附屬公司於香港、中國及台灣經營。該等附屬公司之主要業務概述如下：



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

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### 36. RELATED PARTY TRANSACTIONS

#### Compensation of key management personnel

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

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

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

### 36. 有關連人士交易

#### 主要管理層人員之補償

董事薪酬由薪酬委員會經考慮個人表現及市場趨勢後釐定：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	<b>25,525</b>	24,905
	<b>1,058</b>	1,058
	<b>26,583</b>	25,963

董事薪酬由薪酬委員會經考慮個人表現及市場趨勢後釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 37. 本公司之財務狀況表

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、機器及設備	444	554
Investments in subsidiaries	於附屬公司之投資	619,279	649,595
Equity instruments at fair value through other comprehensive Income (note (c))	按公平值計入其他全面收益之股本工具(附註(c))	3,866	—
Available-for-sale financial assets (note (c))	可供出售金融資產(附註(c))	—	4,414
		<b>623,589</b>	654,563
<b>Current assets</b>	<b>流動資產</b>		
Amounts due from subsidiaries (note (b))	應收附屬公司款項(附註(b))	456,361	406,608
Bank balances and cash	銀行結餘及現金	225	196
		<b>456,586</b>	406,804
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付賬款	16,008	15,131
Amounts due to subsidiaries	應付附屬公司款項	96,993	92,919
		<b>113,001</b>	108,050
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>343,585</b>	298,754
<b>Net assets</b>	<b>資產淨值</b>	<b>967,174</b>	953,317
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	57,036	57,061
Reserves (note (a))	儲備(附註(a))	910,138	896,256
<b>Total equity</b>	<b>權益總額</b>	<b>967,174</b>	953,317

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

截至二零一九年三月三十一日止年度

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) 37. 本公司之財務狀況表(續)

Notes:

附註：

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

(a) 本公司儲備於本年度及過往年度之變動如下：

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Asset revaluation reserve 資產重估儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Dividend reserve 股息儲備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 April 2017	於二零一七年 四月一日	549,396	83,554	425	122,183	1,862	59,736	19,400	836,556
Profit for the year	年內溢利	—	—	—	—	—	89,907	—	89,907
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	—	—	—	—	605	—	—	605
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	605	89,907	—	90,512
2017 final dividend paid	已派發二零一七年末期股息	—	—	—	—	—	—	(2,282)	(2,282)
2017 special dividend paid	已派發二零一七年特別股息	—	—	—	—	—	—	(17,118)	(17,118)
2018 interim dividend paid	已派發二零一八年中期股息	—	—	—	—	—	(11,412)	—	(11,412)
2018 final dividend proposed	擬派發二零一八年末期股息	—	—	—	—	—	(45,649)	45,649	—
2018 special dividend proposed	擬派發二零一八年特別股息	—	—	—	—	—	(85,592)	85,592	—
At 31 March 2018	於二零一八年 三月三十一日	549,396	83,554	425	122,183	2,467	6,990	131,241	896,256
Profit for the year	年內溢利	—	—	—	—	—	211,689	—	211,689
Change in fair value of equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益之股本工具之公平值變動	—	—	—	—	(548)	—	—	(548)
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	—	—	—	—	(548)	211,689	—	211,141
2018 final dividend paid	已派發二零一八年末期股息	—	—	—	—	—	—	(45,649)	(45,649)
2018 special dividend paid	已派發二零一八年特別股息	—	—	—	—	—	—	(85,592)	(85,592)
2019 interim dividend paid	已派發二零一九年中期股息	—	—	—	—	—	(15,970)	—	(15,970)
2019 interim special dividend paid	已派發二零一九年中期特別股息	—	—	—	—	—	(49,621)	—	(49,621)
2019 final dividend proposed	擬派發二零一九年末期股息	—	—	—	—	—	(45,629)	45,629	—
2019 special dividend proposed	擬派發二零一九年特別股息	—	—	—	—	—	(76,998)	76,998	—
Share repurchased and cancelled	購回及註銷股份	(427)	—	—	—	—	—	—	(427)
Forfeiture of share options	沒收購股權	—	(4,166)	—	—	—	4,166	—	—
At 31 March 2019	於二零一九年 三月三十一日	548,969	79,388	425	122,183	1,919	34,627	122,627	910,138

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2019

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### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) (Continued)

The contributed surplus arose as a result of the difference between the aggregate net tangible assets of the subsidiaries by the Company and the nominal amount of the Company's shares which were issued to acquire those subsidiaries under the group reorganisation in 1993.

(b) The Management of the Company considered that the expected loss on amounts due from subsidiaries is insignificant having assessed the financial positions of these subsidiaries.

(c) At the date of initial application of HKFRS 9, equity investments with a carrying value of HK\$4,414,000 were reclassified from available-for-sale financial assets to equity instruments at fair value through other comprehensive income. All of these investments were previously measured at fair value under HKAS 39. The fair value gains of HK\$2,467,000 relating to those investments previously carried at fair values continued to be accumulated in asset revaluation reserve.

### 37. 本公司之財務狀況表(續)

(a) (續)

繳入盈餘因本公司附屬公司淨有形資產總值與於一九九三年根據集團重組為收購該等附屬公司而發行之本公司股份之名義金額兩者之差額而產生。

(b) 本公司管理層認為，於評估該等附屬公司的財務狀況後，應收附屬公司款項的預期虧損並不重大。

(c) 於初始應用香港財務報告準則第9號當日，賬面值為4,414,000港元的股本投資已由可供出售金融資產重新分類為按公平值計入其他全面收益化股本工具。所有該等投資先前均根據香港會計準則第39號以公平值計量。與先前按公平值列賬的該等投資有關之公平值收益2,467,000港元繼續於資產重估儲備中累計。

# FINANCIAL SUMMARY

## 財務摘要

		Year ended 31 March 截至三月三十一日止年度				
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	3,109,031	3,031,752	3,142,295	2,891,692	<b>2,437,184</b>
Profit (loss) before taxation	除稅前溢利(虧損)	9,650	(12,717)	25,449	164,691	<b>159,975</b>
Income tax expense	所得稅開支	(5,317)	(3,042)	(9,352)	(26,006)	<b>(21,936)</b>
Profit (loss) for the year	年內溢利(虧損)	4,333	(15,759)	16,097	138,685	<b>138,039</b>
Attributable to: Owners of the Company	以下人士應佔: 本公司擁有人	4,508	(15,528)	16,383	138,763	<b>138,099</b>
Non-controlling interests	非控股權益	(175)	(231)	(286)	(78)	<b>(60)</b>
Profit (loss) for the year	年內溢利(虧損)	4,333	(15,759)	16,097	138,685	<b>138,039</b>
		<b>At 31 March 於三月三十一日</b>				
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	資產總值	2,706,073	2,533,582	2,354,738	2,539,937	<b>2,408,229</b>
Total liabilities	負債總額	(494,282)	(376,010)	(207,724)	(222,985)	<b>(194,628)</b>
		2,211,791	2,157,572	2,147,014	2,316,952	<b>2,213,601</b>
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,210,452	2,156,518	2,146,006	2,315,977	<b>2,212,733</b>
Non-controlling interests	非控股權益	1,339	1,054	1,008	975	<b>868</b>
		2,211,791	2,157,572	2,147,014	2,316,952	<b>2,213,601</b>



東方表行

Oriental Watch Company

Since 1961