



# 東方表行

Oriental Watch Company

Since 1961

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

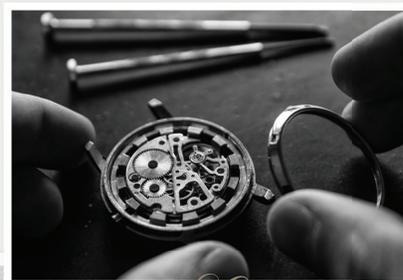
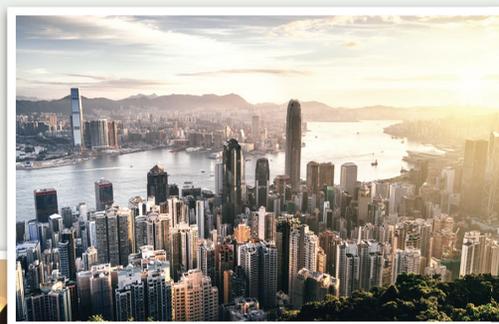
(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 398)

時尚

*Stylish*



眼光

*Vision*

*Experience*

經驗

時尚匯聚 **東方**  
經驗成就 **眼光**

*Annual Report*

**2018** 年報

# CONTENTS

## 目錄

CORPORATE INFORMATION	公司資料	2
CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS	主席報告及管理層討論及分析	3-8
DIRECTORS AND SENIOR MANAGEMENT	董事及高級管理層	9-12
CORPORATE GOVERNANCE REPORT	企業管治報告	13-33
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	環境、社會及管治報告	34-44
DIRECTORS' REPORT	董事會報告	45-57
INDEPENDENT AUDITOR'S REPORT	獨立核數師報告	58-63
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	綜合損益及其他全面收益表	64-65
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況表	66-67
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	綜合權益變動表	68-69
CONSOLIDATED STATEMENT OF CASH FLOWS	綜合現金流量表	70-71
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	綜合財務報表附註	72-159
FINANCIAL SUMMARY	財務摘要	160

# 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 22 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 22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 of Directors (the "Board") of Oriental Watch Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), I hereby present the audited consolidated results of the Group for the year ended 31 March 2018 (the "Year").

2017 has marked a revival of Hong Kong's retail market. The pick-up in personal consumption was propelled by the positive market sentiment arising from the favourable economic conditions. During the Year, local consumers have been a major driving force for the market upturn, and an ongoing recovery in inbound tourism has given an extra impetus to the retail market. Together with the success in enhancing product portfolio, the Group's turnover for the Year decreased by 8.0% to HK\$2,892 million (2017: HK\$3,142 million). Gross profit increased by 19.5% to HK\$607 million (2017: HK\$508 million) while gross profit margin increased to 21.0%. Moreover, given a full impact of rental reductions, the Group's net profit attributable to owners of the Company recorded a year on year ("yoy") growth of 768.8% to HK\$139 million (2017: net profit of HK\$16 million), achieving a positive results in this financial period.

To show our appreciation for shareholders' continuous support, the Board has resolved to recommend final dividend of 8.0 HK cents per share (2017: 0.4 HK cent) and a special dividend of 15.0 HK cents per share (2017: 3.0 HK cents) for the year ended 31 March 2018.

### 管理層討論及分析

#### 集團業績

本人謹代表東方表行集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之董事會(「董事會」)提呈本集團截至二零一八年三月三十一日止年度(「本年度」)之經審核綜合業績。

二零一七年為香港零售市場復甦之一年。利好經濟環境帶來積極市場氣氛，推動個人消費增加。於本年度，本港消費者為市場好轉之主要推動力，且入境旅遊業持續復甦為零售市場注入新動力。伴隨著成功提升產品組合，本集團於本年度之營業額減少8.0%至2,892,000,000港元(二零一七年：3,142,000,000港元)。毛利增加19.5%至607,000,000港元(二零一七年：508,000,000港元)，而毛利率增加至21.0%。此外，鑑於租金全面下降之影響，本公司擁有人應佔本集團之純利按年(「按年」)增長768.8%至139,000,000港元(二零一七年：純利為16,000,000港元)，於本財政期間取得正面業績。

為酬謝股東一直鼎力支持，董事會已議決建議派發截至二零一八年三月三十一日止年度之末期股息每股8.0港仙(二零一七年：0.4港仙)及特別股息每股15.0港仙(二零一七年：3.0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 2018, the Group operates 62 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, the China's gross disposable product ("GDP") has sustained at a stable level with a 6.8% yoy growth in the past year, meeting the market expectation. Thanks to the improving employment condition, ongoing urbanisation, increasing expansion of the middle-class and together with greater sense of optimism regarding China's economy, the consumer confidence has started to pick up during the Year. Backed by the improving market condition, the Group's same-store-sales growth in China has achieved to 17.7% for the Year as we are poised to capitalise on opportunities arising from the recovery. On the other hand, Hong Kong's political and economic atmosphere continued to improve over the years, therefore attracting more visitors to Hong Kong which has injected new vitality into the retail industry. According to the Hong Kong Tourism Board, the number of visitors to Hong Kong last year rose by 3.2% to more than 58 million, with mainland tourists increased by 3.9% to 44 million. Under such favorable economic environment, the retail market in Hong Kong has regained its momentum and the sales in Hong Kong recovered steadily, reversing the continuous decline in the past few years. We believe that the economic recovery in 2018 will be more remarkable, providing good

### 業務回顧

於二零一八年三月三十一日，本集團於大中華地區經營62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 2018 於二零一八年 三月三十一日
12
1
46
3
<b>62</b>

根據國家統計局資料，中國國內生產總值(「國內生產總值」)於去年按年增長6.8%並維持在穩定水平，符合市場預期。受惠於就業環境之改善、持續進行之城市化、中產階級不斷擴大及連同對中國經濟前景持樂觀看法，消費者信心已於本年度開始上升。受市場環境向好之支持，且我們已準備好把握復甦帶來之機遇，本集團於中國之同店銷售增長於本年度錄得增幅17.7%。另一方面，香港之政治及經濟環境於近年來持續有所改善，因此吸引更多遊客訪港，為零售業注入新活力。根據香港旅遊發展局資料，訪港旅客人數於去年上升3.2%，超過58,000,000人次，當中大陸旅客人數增加3.9%，達44,000,000人次。在此利好經濟環境下，香港零售市場已重拾動力，香港之銷售已穩定回升，扭轉於過去數年持續下跌之情況。我們相

## CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

### 主席報告及管理層討論及分析

preconditions for the Group's development in Hong Kong. Oriental Watch, as a traditional luxury watches company with extensive foothold in Greater China, we will strive to consolidate our leading position in the market and bring greater returns to shareholders.

For the implementation of stringent cost control, lowering high rental cost has been the Group's priorities since 2014. Fortunately, the pressure on retail rent was easing down over the past year; the Group believed that positive outcomes have been reflecting. During the Year, the Group's aggregate rental cost (excluding related property management fees) decreased significantly by 21.0% to HK\$169 million, accounting for 34.9% of the Group's overall operating expenses (2017: 42.3%). The Group has been successfully negotiate better rental rate and more flexible leasing terms for the lease renewal and hence lowered certain amount of rental cost. The favourable financial impact has been fully reflected in the fiscal year. 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.

信，於二零一八年，經濟復甦將更加顯著，為本集團於香港之發展提供良好基礎。東方表行作為遍佈大中華地區之傳統名貴鐘錶公司，將致力鞏固於市場之領先地位，並為股東創造更大回報。

為實施嚴格成本控制，降低高昂租金成本自二零一四年來一直為本集團之首要工作。幸而，零售租金壓力於去年回落，且本集團相信成果已經顯現。於本年度，本集團之總租金成本(不包括相關物業管理費)大幅下跌21.0%至169,000,000港元，佔本集團整體營運開支之34.9%(二零一七年：42.3%)。本集團於重續租約時成功磋商更優惠之租金及更靈活之租期，因此降低一定租金成本。利好財務影響已於本財政年度全面反映。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鋪，亦為本集團達致更佳資源配置之策略。本集團將繼續密切監察店鋪表現及租約，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。

## CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

### 主席報告及管理層討論及分析

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 2018, the Group's overall inventory level amounted to HK\$1,001 million, decreasing by 13.0% from HK\$1,151 million as at 30 September 2017. 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.

According to the Federation of the Swiss Watch Industry FH, the watch industry exports continued to gain ground in March 2018, the total export value was 4.8% higher than in March 2017. Watch exports to Hong Kong even grew 43.4% which is three times faster pace than the world average, representing their highest monthly variation rate of the past six years. Given by the significant growth in watch export, the Group is optimistic about long-term prospects and we will continue to capture the great market opportunities from the further improved economic outlook in both Hong Kong and the Greater China. Oriental Watch will continue to deploy appropriate strategies to elevate the productivity of existing stores, strengthen cost management and optimize its inventory profile, as well as enrich its product portfolio to capture opportunities within this particular consumer threshold.

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

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。於二零一八年三月三十一日，本集團之整體存貨水平為1,001,000,000港元，較二零一七年九月三十日之1,151,000,000港元下降13.0%。與此同時，本集團亦持續加大力度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。

根據瑞士鐘錶工業聯合會FH資料，鐘錶業之出口量於二零一八年三月持續上升，出口總值較二零一七年三月高出4.8%。出口香港之鐘錶數量甚至增長43.4%（世界平均增幅之三倍），為於過去六年錄得之最高每月變化率。鑑於鐘錶出口量顯著上升，本集團對長期前景持積極態度，且我們將在香港及大中華地區之經濟前景進一步改善之情況下，把握市場良機。東方表行將持續運用適當策略，提高現有店舖之生產力，加強成本管理及優化其存貨組合，並豐富產品組合以把握此特定消費層之機會。

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。

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

## 主席報告及管理層討論及分析

### FINANCIAL REVIEW

#### Liquidity and financial resources

At 31 March 2018, the Group's total equity reached HK\$2,317 million, compared with HK\$2,147 million as at 31 March 2017. The Group had net current assets of HK\$2,009 million, including bank and cash balances of HK\$1,082 million as at 31 March 2018 compared with balances of HK\$1,855 million and HK\$645 million respectively as at 31 March 2017. At 31 March 2018, bank loans of HK\$75 million (31 March 2017: HK\$111 million). At 31 March 2018, the gearing ratio (defined as total bank borrowing on total equity) was 0.03 (31 March 2017: 0.05).

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

#### Foreign exchange exposure

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

### 財務回顧

#### 流動資金及財務資源

於二零一八年三月三十一日，本集團之權益總額達2,317,000,000港元，而於二零一七年三月三十一日則為2,147,000,000港元。於二零一八年三月三十一日，本集團之流動資產淨值為2,009,000,000港元，包括1,082,000,000港元之銀行及現金結餘，而於二零一七年三月三十一日之結餘則分別為1,855,000,000港元及645,000,000港元。於二零一八年三月三十一日，銀行貸款為75,000,000港元（二零一七年三月三十一日：111,000,000港元）。於二零一八年三月三十一日，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（二零一七年三月三十一日：0.05倍）。

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。

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

## 主席報告及管理層討論及分析

### HUMAN RESOURCES

As at 31 March 2018, 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.

The Group continuously 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.

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.

### 人力資源

截至二零一八年三月三十一日，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。

本集團持續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。

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 82, 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 49, 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 56, 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 59, 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 31 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 63, joined the Group in 1969. He became Director of the Company in April 2003 and has over 49 years' experience in the watch business.

### 執行董事：

**楊明標博士**，82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**，49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**，56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**，59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31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**，63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49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 93, 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 30 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.**，93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30年經銷及分銷消費品及電子產品經驗。彼自一九七九年起涉足中國貿易業務，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 63, 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. During the period from 5 August 2004 to 26 January 2018, Dr. Li had been an independent non-executive director of Midas International Holdings Limited (stock code: 1172), a company listed on the Stock Exchange.

**Mr. CHOI Man Chau, Michael (“Mr. Choi”)**, aged 62, 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 25 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.**, 63歲，具有逾40年製造業經驗。彼為中國人民政治協商會議全國委員會委員，香港經貿商會會長及香港中華廠商聯合會會長。李博士持有工商管理碩士學位及經濟學博士學位。彼為一九九一年度「香港十大傑出青年」之一，並於一九九三年獲「香港青年工業家」獎項。彼自一九九三年九月起出任本公司獨立非執行董事。彼現為萬裕科技集團有限公司(股份代號：0894)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。自二零零四年八月五日至二零一八年一月二十六日期間，李博士為勤達集團國際有限公司(股份代號：1172)之獨立非執行董事，該公司為在聯交所上市之公司。

**蔡文洲先生(「蔡先生」)**，62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25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 54, 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 24 years' experience in the watch business.

**Mr. YEUNG Chi On**, aged 58, is the General Manager overseeing the retail operation in Hong Kong. He joined the Group in 1980 and has over 36 years' experience in the watch business.

**Mr. LAM Tung Hing**, aged 60, is the General Manager and overseeing the retail operation in Hong Kong. He joined the Group in 2003 and has over 38 years' experience in the watch business.

### 高級管理層

**陳仕榮先生**，54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24年鐘表業經驗。

**楊志安先生**，58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36年鐘表業經驗。

**林東興先生**，60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38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, 2018, 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。

截至二零一八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, 2018, 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

於二零一八年三月三十一日，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, 2018, 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。

於截至二零一八年三月三十一日止年度內，會議及各董事於所舉行會議之出席記錄載列如下：

		Board 董事會	2017 Annual General Meeting 二零一七年 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	√
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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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 Mr. Lam Hing Lun, Alain attend external forums or brief sessions (including delivery speeches by Mr. Lam Hing Lun, Alain) on the relevant topics. 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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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 58 to 63 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58頁至第63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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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：

		HK\$'000 千港元
Audit services	審計服務	2,960
Taxation and non-audit services	稅務及非審計服務	495
		<hr/>
		3,455

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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, 2018, 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。

於截至二零一八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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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.
- 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.

### 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。
- 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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- 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。

### **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.

### **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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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.

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, 2018, 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 2019, year-end bonus and remuneration packages of Executive Directors and senior management of the Company for the year ended 31 March, 2018 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.

### 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。

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。

於截至二零一八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二零一九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二零一八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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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, 2018, no nomination meeting has held.

### 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.

### 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。於截至二零一八年三月三十一日止財政年度內，並無舉行提名會議。

### 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

## 企業管治報告

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

## 企業管治報告

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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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.

### Review of Internal Control Systems

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group' internal control system for the year ended 31 March, 2018 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.

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。

### 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二零一八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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMMUNICATION WITH INVESTORS AND SHAREHOLDERS

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

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

### SHAREHOLDER'S RIGHT

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

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.

### 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。

### 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 2018 (“Reporting Period”).

This report presents the Company’s ESG policies, programmes and performances of its principal business of luxury watches retailing in Hong Kong, Macau and Mainland China.

To determine material ESG issues, we have engaged and discussed with various management personnel and other internal key stakeholders. The material ESG issues of the Company to be covered in this report are listed below:

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」)謹此提呈截至二零一八年三月三十一日止年度(「呈報期」)之環境、社會及管治(「ESG」)報告。

本報告旨在提呈本公司於香港、澳門及中國大陸名貴鐘表零售之主要業務之ESG政策、計劃及表現。

為釐定重要ESG議題，我們邀請不同管理人員及其他內部主要利益相關者參與及討論。本報告所涵蓋之本公司之重要ESG議題載列如下：

ESG aspects as set out in ESG Guide ESG 指引中之 ESG 層面		Material ESG issues for the Company 本公司之重要 ESG 議題
<b>A. Environmental</b> 環境	A1 Emissions 排放物	<ul style="list-style-type: none"> <li>Greenhouse gases 溫室氣體</li> <li>Wastes 廢棄物</li> </ul>
	A2 Use of Resources 資源使用	<ul style="list-style-type: none"> <li>Electricity consumption 耗電</li> <li>Use of packaging materials 使用包裝材料</li> </ul>
	A3 The Environment and Natural Resources 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

ESG aspects as set out in ESG Guide ESG 指引中之 ESG 層面		Material ESG issues for the Company 本公司之重要 ESG 議題
<b>B. Social</b> <b>Employment and Labour Practices</b> 社會僱傭及勞工常規	<i>B1 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>
	<i>B2 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>
	<i>B3 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>
	<i>B4 Labour Standards</i> 勞工準則	<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>
	<i>B5 Supply Chain Management</i> 供應鏈管理	<ul style="list-style-type: none"> <li>Supplier practices 供應商慣例</li> </ul>
	<i>B6 Product Responsibility</i> 產品責任	<ul style="list-style-type: none"> <li>Product responsibility 產品責任</li> <li>Data privacy 資料私穩</li> </ul>
	<i>B7 Anti-corruption</i> 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>
	<i>B8 Community Investment</i> 社區投資	<ul style="list-style-type: none"> <li>Social responsibility 社會責任</li> </ul>

### A) Environment

Aspect A1;  
層面 A1;  
Aspect A2  
層面 A2

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.

### A) 環境

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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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

The Company strictly adheres to all applicable environmental laws and regulations and we have not identified any material non-compliance during the Reporting Period.

### A1 Emissions

#### 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 emissions and sewage discharge to the environment during the Reporting Period. The major air emissions are indirect greenhouse gas emissions which amounted to 1,102.83 tonnes<sup>1</sup> during the Reporting Period. The indirect greenhouse gas emissions arose from paper consumption and electricity usage of the offices and retail stores, for which we have in place various paper-saving measures as described below as well as energy saving initiatives as described in section A2 Use of Resources.

#### Wastes

Owing to the Company's retail business nature, no hazardous wastes were produced during the Reporting Period. For non-hazardous wastes, the major type

KPI A1.2;  
關鍵績效指  
標 A1.2 ;

KPI A1.5;  
關鍵績效指  
標 A1.5 ;

KPI A1.4;  
關鍵績效指  
標 A1.4 ;  
KPI A1.6;  
關鍵績效指  
標 A1.6 ;  
1

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 2017" by CLP Holdings Limited, "HK Electric Sustainability Report 2017" by Hongkong Electric Company Limited, and "CEM Sustainability Report 2016" by Companhia de Electricidade de Macau.

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。

本公司恪守一切適用環境法律及法規，並於呈報期內並無發現任何重大違規之情況。

### A1 排放物

#### 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。於呈報期內，主要氣體排放為間接溫室氣體排放，排放量為1,102.83噸<sup>1</sup>。僅因耗用紙張及辦公室及零售店之用電而間接造成溫室氣體排放，我們已就此採用如下文所述多項節省用紙措施及A2資源使用一節所述之節能措施。

#### 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

<sup>1</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刊發之「溫室氣體議定書」、香港聯合交易所有限公司刊發之「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刊發之「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2017可持續發展報告」、香港電燈有限公司之「港燈2017年可持續發展報告」，以及澳門電力股份有限公司之「澳門電力可持續發展報告2016」。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

was paper used for administrative work and 29.61 tonnes of paper was consumed from its operation during the Reporting Period. 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 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.

### A2 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.

#### Electricity consumption

During the Reporting Period, we consumed 1,401,194 kWh electricity<sup>2</sup> (or 26.34 kWh/square foot in terms of offices and retails stores). To minimize 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

用紙張，而於呈報期營運耗用紙張為29.61噸。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。

### A2 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。

#### 耗電

於呈報期內，我們耗用1,401,194千瓦時電力<sup>2</sup>(或就辦公室及零售店而言26.34千瓦時/平方呎)。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

N/A:  
不適用;  
KPI A1.1;  
關鍵績效指  
標 A1.1;  
KPI A1.3  
關鍵績效指  
標 A1.3

KPI A2.1;  
關鍵績效指  
標 A2.1;  
KPI A1.2;  
關鍵績效指  
標 A1.2;

KPI A2.3  
關鍵績效指  
標 A2.3

<sup>2</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>2</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

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*

The Company distributed 510 kg packaging bags to customers during the Reporting Period. 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.

KPI A2.5  
關鍵績效指  
標 A2.5

N/A:  
不適用；  
KPI A2.2;  
關鍵績效指  
標 A2.2；  
KPI A2.4  
關鍵績效指  
標 A2.4；

Aspect A3  
層面 A3

### **A3 The Environment and Natural Resources**

As most of our retail stores are situated 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 stand-out 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.

KPI A3.1  
關鍵績效指  
標 A3.1

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*

於呈報期內，本公司給予顧客510公斤包裝袋。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。

### **A3 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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### *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.

### *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。

## **B) Social**

## **B) 社會**

### ***B1 Employment***

### ***B1 僱傭***

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.

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。

### *Recruitment and promotion*

### *招聘及晉升*

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.

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。

### *Compensation*

### *薪酬*

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.

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。

Aspect B1  
層面 B1

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### *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 emphasizes 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.

We have no identified any material non-compliance with employment laws and regulations during the Reporting Period.

## **B2 Health and Safety**

Aspect B2  
層面 B2

### *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.

### *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。

於呈報期內，我們並無發現任何有關僱傭相關法律及法規之重大違規情況。

## **B2 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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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 have not identified any material non-compliance with workplace health and safety-related laws and regulations during the Reporting Period.

### **B3 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 program 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.

The Company also offers induction training courses for communicating corporate values, service standards and code of conduct to new joiners. In addition, leadership programs 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.

### **B4 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.

We have not identified any material non-compliance with child and forced labour-related laws and regulations during the Reporting Period.

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。

於呈報期內，我們並無發現任何有關工作場所健康與安全相關法律及法規之重大違規情況。

### **B3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。

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。

### **B4勞工準則**

#### *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。

於呈報期內，我們並無發現任何有關童工及強制勞工相關法律及法規之重大違規情況。

Aspect B3  
層面 B3

Aspect B4  
層面 B4

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### **B5 Supply Chain Management**

Aspect B5  
層面 B5

#### *Supplier practices*

Since its establishment in 1961, the Company has 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 will also consider the reputation, as well as the environmental and social performances of the watch manufacturers before establishing business relationship with them.

### **B6 Product Responsibility**

Aspect B6  
層面 B6

#### *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

### **B5 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，我們亦將考慮其聲譽及環境及社會方面表現。

### **B6 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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

to provide comprehensive and knowledgeable advice accompanied with sincere and premium after-sale services to each customer.

Customer feedback can be communicated through designated customer service hotline, email address, and also other channels such as 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.

### *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 unauthorized 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 have not identified any material non-compliance with product and data privacy-related laws and regulations during the Reporting Period.

### **B7 Anti-corruption**

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

The Company believes 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

全而淵博之意見以及誠懇而優越之售後服務。

顧客可透過專屬顧客服務熱線、電郵及其他渠道(如社交媒體平台)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」。

### *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。

於呈報期內，我們並無發現任何有關產品及資料私隱相關法律及法規之重大違規情況。

### **B7反貪污**

#### *反貪污及防止洗黑錢*

本公司相信，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

Aspect B7  
層面 B7

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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 interest. 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 whistle-blowing procedures and periodically reviews the effectiveness of its internal control systems.

We have not identified any material non-compliance with bribery, extortion, fraud and money laundering-related laws and regulations during the Reporting Period.

### **B8 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 charity organizations. 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.

Since 2015, the Company has sponsored the wildlife TV programmes – “Adventures To The Edge” and “Mountains Life Above the Clouds”, TV programmes hosted on TVB Pearl about climate change, eco-protection and wildlife habitats. It filmed some of the planet's most endangered animals and natural attractions. By supporting these TV programmes, the Company aims at raising public concerns and awareness of environmental protection.

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。

於呈報期內，我們並無發現任何有關賄賂、勒索、欺詐及洗黑錢相關法律及法規之重大違規情況。

### **B8 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。

自二零一五年起，本公司贊助野外節目「地球的邊緣」及「高山生命力」。兩個電視節目於無綫電視明珠台播映，內容有關氣候轉變、生態保育及野外動物棲息地，當中攝製地球上部分面臨絕種之瀕危動物及自然奇景。透過支持此等電視節目，本公司期望引起公眾對環保之關注，提升大眾之環保意識。

Aspect B8  
層面 B8

# 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 2018.

### 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 32 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 page 64 and 65.

An interim dividend of 2.0 Hong Kong cents per share was declared and paid to the shareholders during the year. A final dividend of 8.0 Hong Kong cents per share and a special dividend of 15.0 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 2018, the Company's reserves available for distribution consisted of contributed surplus of HK\$122,183,000 and retained profits of HK\$6,990,000.

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二零一八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32。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64及65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2.0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15.0港仙，須待股東於應屆股東週年大會上批准，方可作實。

### 儲備

於二零一八年三月三十一日，本公司可供分派之儲備包括繳入盈餘122,183,000港元及保留溢利6,990,000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\$21.7 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, Dr. Yeung Ming Biu, Mr. Yeung Him Kit, Dennis and Dr. Li Sau Hung, Eddy retire and, being eligible, offer themselves for re-election.

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

Details of the remuneration paid by the Group to the directors of the Company and the senior management of the Group for the year ended 31 March 2018 are set out in note 9 to the consolidated financial statements.

During the year ended 31 March 2018 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21,700,000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，楊明標博士、楊衍傑先生及李秀恒博士均須告退，惟符合資格並願膺選連任。

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

截至二零一八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。

截至二零一八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

As at 31 March 2018, the interests of the directors of the Company in the shares and underlying shares of the Company, as recorded in the register required to be kept under Section 352 of the Hong Kong Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

### 董事擁有之證券權益及淡倉

根據香港證券及期貨條例(「證券及期貨條例」)第352條規定保管之登記冊所記錄，於二零一八年三月三十一日，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	27.30%
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

#### (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.

### 購股權計劃及董事購買股份或債券之權利

#### (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 Options 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
參與者類別名稱	購股權授出日期 HK\$ 港元	原有每股行使價 HK\$ 港元 (note) (附註)	經調整每股行使價 HK\$ 港元 (note) (附註)	可行使期間	
<b>Directors 董事</b>					
Dr. Yeung Ming Biu 楊明標博士	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	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
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
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
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
					11,520,000
<b>Other employees 其他僱員</b>					
Type A A類	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	14,400,000
Type B B類	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021	18,000,000
<b>Consultants 顧問</b>					
Type A A類	06.04.2011	4.13	3.44	06.04.2011 – 05.04.2021	5,640,000
Type B B類	29.08.2011	4.80	N/A 不適用	29.08.2011 – 28.08.2021	5,000,000
Total 總計					54,560,000

# DIRECTORS' REPORT

## 董事會報告

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

### (b) 2013 Share Option Scheme

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

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

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

### (b) 二零一三年購股權計劃

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

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

# DIRECTORS' REPORT

## 董事會報告

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 2018.

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，而於二零一八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 2018, according to the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (not being a director or chief executive of the Company) had interests in the share capital of the Company.

#### Name of shareholder

#### 股東名稱

Datsun Holdings Limited  
Furama Investments Limited  
Realtower Holdings Limited

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 2018, 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.

### 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，於二零一八年三月三十一日，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。

	<b>Number of shares held</b>	<b>Percentage of issued share capital of the Company</b>
	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 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，於二零一八年三月三十一日，概無任何人士於本公司之股份或相關股份中擁有任何權益或淡倉。

# DIRECTORS' REPORT

## 董事會報告

### INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### INTERESTS IN 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 95% 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.

### 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。

### 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95%,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%。

# DIRECTORS' REPORT

## 董事會報告

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

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### DONATIONS

During the year, the Group made donations totalling HK\$78,000.

### CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Group are set out in the Corporate Governance Report on pages 13 to 33.

### EMOLUMENT POLICY

As at 31 March 2018, 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.

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

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

### 捐贈

年內，本集團作出之捐贈合共78,000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33頁之企業管治報告。

### 酬金政策

於二零一八年三月三十一日，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。

# DIRECTORS' REPORT

## 董事會報告

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 24 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 26.

### SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 23 to the consolidated financial statements.

### 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.

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24。

### 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26頁之企業管治報告。

### 股本

本公司股本於年內之變動詳情載於綜合財務報表附註23。

### 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%。

# DIRECTORS' REPORT

## 董事會報告

### 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, 21 June 2018

### 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，二零一八年六月二十一日



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

## 意見

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 64 to 159, which comprise the consolidated statement of financial position as at 31 March 2018, 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.

本核數師(以下簡稱「我們」)已審計列載於第64頁至第159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，其中包括於二零一八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。

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 2018, 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.

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 貴集團於二零一八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。

## BASIS FOR OPINION

## 意見的基礎

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.

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 2018, the carrying amount of watches (net of allowance) is HK\$991,952,000.

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。於二零一八年三月三十一日，手錶的賬面金額(扣除撥備)為991,952,000港元。

### 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 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不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  
21 June 2018

### 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  
二零一八年六月二十一日

# 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 2018

截至二零一八年三月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	5	<b>2,891,692</b>	3,142,295
Cost of goods sold	銷貨成本		<b>(2,284,817)</b>	(2,634,028)
Gross profit	毛利		<b>606,875</b>	508,267
Other income, gains and losses	其他收入、收益及虧損	6	<b>38,870</b>	20,896
Distribution and selling expenses	分銷及銷售開支		<b>(206,424)</b>	(190,447)
Administrative expenses	行政開支		<b>(275,423)</b>	(311,367)
Finance costs	融資成本	7	<b>(1,843)</b>	(3,730)
Share of results of associates	應佔聯營公司之業績		<b>2,586</b>	2,558
Share of result of a joint venture	應佔一間合營公司之業績		<b>50</b>	(728)
Profit before taxation	除稅前溢利	8	<b>164,691</b>	25,449
Income tax expense	所得稅開支	10	<b>(26,006)</b>	(9,352)
Profit for the year	年內溢利		<b>138,685</b>	16,097
Other comprehensive income (expense)	其他全面收益(開支)			
<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>61,587</b>	(24,814)
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動		<b>478</b>	581
Other comprehensive income (expense) for the year	年內其他全面收益(開支)		<b>62,065</b>	(24,233)
Total comprehensive income (expense) for the year	年內全面收益(開支)總額		<b>200,750</b>	(8,136)

# 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 2018

截至二零一八年三月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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>138,763</b>	16,383
Non-controlling interests	非控股權益		<b>(78)</b>	(286)
			<b>138,685</b>	16,097
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>200,783</b>	(7,945)
Non-controlling interests	非控股權益		<b>(33)</b>	(191)
			<b>200,750</b>	(8,136)
Earnings per share	每股盈利			
Basic	基本	12	<b>24.32</b> HK cents 港仙	2.87 HK cents 港仙
Diluted	攤薄	12	<b>24.32</b> HK cents 港仙	2.87 HK cents 港仙

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2018

於二零一八年三月三十一日

		Notes	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	210,816	208,863
Deposits for acquisition of property, plant and equipment	收購物業、機器及設備之按金		3,000	133
Interests in associates	佔聯營公司之權益	14	37,779	36,499
Interest in a joint venture	佔一間合營公司之權益	15	27,413	24,873
Available-for-sale financial assets	可供出售金融資產	16	12,344	6,106
Deferred tax assets	遞延稅項資產	22	56	73
Property rental deposits	物業租金按金		30,817	46,550
			<b>322,225</b>	323,097
Current assets	流動資產			
Inventories	存貨	17	1,001,069	1,275,897
Trade and other receivables	貿易及其他應收賬款	18	134,704	110,508
Taxation recoverable	可退回稅項		48	48
Bank balances and cash	銀行結餘及現金	19	1,081,891	645,188
			<b>2,217,712</b>	2,031,641
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	20	126,076	87,835
Taxation payable	應付稅項		19,925	7,460
Bank loans	銀行貸款	21	62,820	81,573
			<b>208,821</b>	176,868
Net current assets	流動資產淨值		<b>2,008,891</b>	1,854,773
Total assets less current liabilities	資產總值減流動負債		<b>2,331,116</b>	2,177,870
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	21	12,500	29,167
Deferred tax liabilities	遞延稅項負債	22	1,664	1,689
			<b>14,164</b>	30,856
Net assets	資產淨值		<b>2,316,952</b>	2,147,014

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2018

於二零一八年三月三十一日

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	23	57,061	57,061
Reserves	儲備		2,258,916	2,088,945
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,315,977	2,146,006
Non-controlling interests	非控股權益		975	1,008
Total equity	權益總額		2,316,952	2,147,014

The consolidated financial statements on pages 64 to 159 were approved and authorised for issue by the Board of Directors on 21 June 2018 and are signed on its behalf by:

載於第64頁至第159頁之綜合財務報表經董事會於二零一八年六月二十一日批准及授權刊發，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 2018

截至二零一八年三月三十一日止年度

Attributable to owners of the Company

本公司擁有人應佔

		Attributable to owners of the Company										Non-controlling interests	Total	
		Share capital	Share premium	Share option reserve	Capital redemption reserve	Asset revaluation reserve	Special reserve	Translation reserve	Retained profits	Dividend reserve	Sub-total			
		股本	股份溢價	購股權儲備	資本贖回儲備	資本儲備	資產重估儲備	特別儲備	換算儲備	保留溢利	股息儲備	小計	非控股權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2016	於二零一六年四月一日	57,061	549,396	83,554	425	840	5,873	5,180	42,372	1,410,391	1,426	2,156,518	1,054	2,157,572
Profit (loss) for the year	年內溢利(虧損)	-	-	-	-	-	-	-	-	16,383	-	16,383	(286)	16,097
Exchange difference arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	-	-	(24,909)	-	-	(24,909)	95	(24,814)
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	581	-	-	-	-	581	-	581
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	-	-	-	581	-	(24,909)	16,383	-	(7,945)	(191)	(8,136)
Capital contribution from non-controlling shareholders	非控股股東出資	-	-	-	-	-	-	-	-	-	-	-	145	145
2016 final dividend paid	已派發二零一六年末期股息	-	-	-	-	-	-	-	-	-	(1,426)	(1,426)	-	(1,426)
2017 interim dividend paid	已派發二零一七年中期股息	-	-	-	-	-	-	-	-	(1,141)	-	(1,141)	-	(1,141)
2017 final dividend proposed	擬派發二零一七年末期股息	-	-	-	-	-	-	-	-	(2,282)	2,282	-	-	-
2017 special dividend proposed	擬派發二零一七年特別股息	-	-	-	-	-	-	-	-	(17,118)	17,118	-	-	-
At 31 March 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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2018

截至二零一八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 Group 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 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 2018

截至二零一八年三月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating activities	經營業務		
Profit before taxation	除稅前溢利	<b>164,691</b>	25,449
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>21,389</b>	22,531
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>26</b>	588
Interest expense	利息開支	<b>1,843</b>	3,730
Interest income	利息收入	<b>(5,483)</b>	(2,256)
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	<b>153</b>	7,739
Loss on disposal of interest in a joint venture	出售一間合營公司權益之虧損	—	14
Share of results of associates	應佔聯營公司之業績	<b>(2,586)</b>	(2,558)
Share of result of a joint venture	應佔一間合營公司之業績	<b>(50)</b>	728
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	<b>179,983</b>	55,965
Decrease in property rental deposits	物業租金按金減少	<b>8,283</b>	4,253
Decrease in inventories	存貨減少	<b>304,958</b>	273,043
Increase in trade and other receivables	貿易及其他應收賬款增加	<b>(7,748)</b>	(2,201)
Increase (decrease) in trade and other payables	貿易及其他應付賬款增加(減少)	<b>31,138</b>	(65,544)
Cash generated from operations	經營業務所產生之現金	<b>516,614</b>	265,516
Income taxes refunded in Hong Kong	於香港退回之所得稅	<b>44</b>	6,247
Income taxes paid in Hong Kong	於香港支付之所得稅	<b>(13,483)</b>	(2,590)
Income taxes paid in other jurisdictions	於其他司法權區支付之所得稅	<b>(103)</b>	(597)
Net cash from operating activities	經營業務所產生之現金淨額	<b>503,072</b>	268,576

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Investing activities	投資活動		
Purchase of property, plant and equipment	購買物業、機器及設備	<b>(17,448)</b>	(6,562)
Purchase of available-for-sale financial assets	購買可供出售金融資產	<b>(5,760)</b>	—
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備之已付按金	<b>(3,000)</b>	(133)
Interest received	已收利息	<b>5,483</b>	2,256
Dividends received from associates	已收聯營公司股息	<b>2,727</b>	4,369
Cash inflow from assignment of amount due from a joint venture	轉讓應收一間合營公司款項產生之現金流入	—	66,839
Proceeds from disposal of interest in a joint venture	出售於一間合營公司權益之所得款項	—	16,602
Repayment of amount due from a joint venture	償還應收一間合營公司款項	—	4,500
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項	—	86
Net cash (used in) from investing activities	投資活動(所耗)所產生之現金淨額	<b>(17,998)</b>	87,957
Financing activities	融資活動		
Repayment of bank loans	償還銀行貸款	<b>(44,761)</b>	(157,741)
Dividends paid	已付股息	<b>(30,812)</b>	(2,567)
Interest paid	已付利息	<b>(1,843)</b>	(3,938)
New bank loans raised	新造銀行貸款	<b>7,985</b>	50,000
Capital contribution from non-controlling shareholders	非控股股東出資	—	145
Net cash used in financing activities	融資活動所耗之現金淨額	<b>(69,431)</b>	(114,101)
Net increase in cash and cash equivalents	現金及等同現金項目之增加淨額	<b>415,643</b>	242,432
Cash and cash equivalents at the beginning of the year	年初之現金及等同現金項目	<b>645,188</b>	403,804
Effect of foreign exchange rate changes	匯率變動之影響	<b>21,060</b>	(1,048)
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>1,081,891</b>	645,188

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八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 32. 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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### Amendments to HKFRSs that are mandatorily effective for the current year

The Company and its subsidiaries (collectively referred to as the “Group”) have applied the following 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:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

Except as described below, the application of the 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.

### 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32。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. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度強制生效之香港財務報告準則之修訂本

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」）頒佈之香港會計準則（「香港會計準則」）及香港財務報告準則之修訂本：

香港會計準則第7號（修訂本）	披露計劃
香港會計準則第12號（修訂本）	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號（修訂本）	作為香港財務報告準則二零一四至二零一六年週期之年度改善之一部分

除下文所述者外，於本年度應用香港會計準則及香港財務報告準則之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／或該等綜合財務報表所載之披露並無構成重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

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

#### Amendments to HKAS 7 “Disclosure Initiative”

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures of changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of liabilities arising from financing activities including these items is provided in note 29. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 29, the application of these amendments has had no impact on the Group’s consolidated financial statements.

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

#### 香港會計準則第7號(修訂本)「披露計劃」

本集團已於本年度首次應用該等修訂本。該等修訂本規定實體提供披露事項，使財務報表使用者可評估因融資活動而產生之負債變動，包括現金變動及非現金變動。此外，該等修訂本亦規定，倘該等金融資產之現金流量已或未來現金流量將計入融資活動產生之現金流量，則須披露金融資產之變動。

具體而言，該等修訂本規定披露以下因融資活動而產生之負債變動：(i) 融資現金流量產生之變動；(ii) 取得或失去附屬公司或其他業務控制權產生之變動；(iii) 外幣匯率變動之影響；(iv) 公平值變動；及(v) 其他變動。

因融資活動而產生之負債之期初及期終結餘(包括該等項目)之對賬載於附註29。本集團並無披露過往年度之比較資料，符合該等修訂之過渡條文。除載於附註29之額外披露外，應用該等修訂對本集團之綜合財務報表並無任何影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

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

#### New and revised HKFRSs issued but not yet effective

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

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>4</sup>
HK(IFRIC) – INT 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC) – INT 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts” <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>2</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle <sup>1</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021.

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

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

#### 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	客戶合約收益及相關修訂本 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>4</sup>
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 <sup>1</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>2</sup>
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 <sup>1</sup>
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」 <sup>1</sup>
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 <sup>2</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>3</sup>
香港會計準則第19號(修訂本)	計劃修訂、縮減或支付 <sup>2</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>2</sup>
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 <sup>1</sup>
香港會計準則第40號(修訂本)	轉讓投資物業 <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>2</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零一九年一月一日或之後開始之年度期間生效。

<sup>3</sup> 於待定日期或之後開始之年度期間生效。

<sup>4</sup> 於二零二一年一月一日或之後開始之年度期間生效。

除下文所述之新訂及經修訂香港財務報告準則外，本公司董事預期應用所有其他新訂及經修訂香港財務報告準則及詮釋將於可見未來不會對綜合財務報表有重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

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

### HKFRS 9 “Financial Instruments”

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 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號引進有關金融資產及金融負債之分類及計量、一般對沖會計法及金融資產之減值規定之新規定。

香港財務報告準則第9號與本集團相關之主要規定為：

- 所有符合香港財務報告準則第9號範疇之已確認金融資產其後須按攤銷成本或公平值計量。特別是，在以收取合約現金流量為目的之業務模式內持有之債務投資，及僅為支付本金及未償還本金之利息而產生合約現金流量之債務投資，一般於其後會計期末按攤銷成本計量。於目的為同時收取合約現金流量及出售金融資產之業務模式中持有之債務工具，以及合約條款令於特定日期產生之現金流量僅為支付本金及未償還本金之利息之債務工具，一般按以公平值計入其他全面收益(「以公平值計入其他全面收益」)之方式計量。所有其他金融資產於其後會計期間按公平值計量。此外，根據香港財務報告準則第9號，實體可不可撤回地選擇，於其他全面收益呈列股本投資(並非持作買賣者)其後之公平值變動，僅股息收入一般於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

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

#### HKFRS 9 “Financial Instruments” (Continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses 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.

Based on the Group’s financial instruments and risk management policies as at 31 March 2018, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

#### Classification and measurement

- Listed and unlisted equity securities classified as available-for-sale financial assets carried at fair value as disclosed in note 16: these securities qualified for designation as measured at FVTOCI under HKFRS 9, however, the fair value gains or losses accumulated in the asset revaluation reserve amounting to HK\$6,932,000 as at 1 April 2018 will no longer be subsequently reclassified to profit or loss under HKFRS 9, which is different from the current treatment. This will affect the amounts recognised in the Group’s profit or loss and other comprehensive income but will not affect total comprehensive income.
- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

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

#### 香港財務報告準則第9號「金融工具」(續)

- 就金融資產減值而言，與香港會計準則第39號按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要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，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

根據本集團於二零一八年三月三十一日之金融工具及風險管理政策，本公司董事預期首次應用香港財務報告準則第9號將產生以下潛在影響：

#### 分類及計量

- 誠如附註16披露，分類為可供出售金融資產按公平值列賬之上市及非上市股本證券：該等證券符合資格指定為根據香港財務報告準則第9號以公平值計入其他全面收益予以計量。然而，資產重估儲備之累計公平值收益或虧損於二零一八年四月一日為6,932,000港元，且將不再根據香港財務報告準則第9號於隨後重新分類至損益，此與目前處理方式有所不同。此舉將影響於本集團之損益及其他全面收益中確認之金額，惟將不會影響全面收益總額。
- 所有其他金融資產及金融負債將繼續按現時根據香港會計準則第39號計量之相同基準計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

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

#### HKFRS 9 “Financial Instruments” (Continued)

##### Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that are subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the application of the expected credit loss model will not have a material impact on the financial assets measured at amortised cost upon the application of HKFRS 9.

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

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective.

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

#### 香港財務報告準則第9號「金融工具」(續)

##### 減值

一般而言，本公司董事預期應用香港財務報告準則第9號之預期信貸虧損模式將導致就本集團按攤銷成本計量之金融資產及須待本集團應用香港財務報告準則第9號時須作出減值撥備之其他項目之尚未產生信貸虧損提早計提撥備。

根據本公司董事作出之評估，倘本集團應用預期信貸虧損模式，於應用香港財務報告準則第9號後，將不會對按攤銷成本計量之金融資產產生重大影響。

#### 香港財務報告準則第15號「客戶合約收益」

香港財務報告準則第15號已經頒佈，其制定一項單一全面模式，供實體用作將自客戶合約所產生之收益入賬。香港財務報告準則第15號於生效後，將取代現時之收益確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

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

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

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity 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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

Based on the assessment by the directors of the Company, the directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, but the application of HKFRS 15 will not have a material impact on the timing and amounts of revenue recognised in the respective reporting period.

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

#### 香港財務報告準則第15號「客戶合約收益」(續)

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入五個確認收益之步驟：

- 第一步： 識別與客戶之合約
- 第二步： 識別合約中之履約責任
- 第三步： 釐定交易價格
- 第四步： 將交易價格分攤至合約中之履約責任
- 第五步： 於實體完成履約責任時（或就此）確認收益

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）確認收益，即於特定履約責任相關之貨品或服務之「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確指引。此外，香港財務報告準則第15號規定作出更廣泛披露。

於二零一六年，香港會計師公會頒佈香港財務報告準則第15號之澄清，內容有關識別履約責任、主事人與代理人之考慮因素及發牌申請指引。

根據本公司董事作出之評估，本公司董事預計日後應用香港財務報告準則第15號可能導致需要作出更多披露，然而，應用香港財務報告準則第15號不會對於各報告期確認收益之時間及金額構成重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED 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 cost 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 operating lease payments 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.

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

#### 香港財務報告準則第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一個綜合模型。香港財務報告準則第16號於生效後，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號以所識別資產是否由客戶控制為基準區分租賃及服務合約。除短期租賃及低值資產租賃外，經營租賃及融資租賃之差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代。

使用權資產初始按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初步按當日尚未支付之租賃款項之現值計量。隨後，租賃負債會就(其中包括)利息及租賃付款以及租賃修訂之影響作出調整。現金流量分類方面，本集團現時將經營租賃付款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攤為本金及利息部分，本集團將其呈列為融資現金流量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

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

#### HKFRS 16 “Leases” (Continued)

Furthermore, extensive disclosures are required by HKFRS 16.

Based on the assessment by the directors of the Company, as at 31 March 2018, the Group has non-cancellable operating lease commitments of HK\$250,857,000 as disclosed in note 26. 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\$49,732,000 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 and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

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

#### 香港財務報告準則第16號「租賃」(續)

再者，香港財務報告準則第16號要求作出更廣泛披露。

根據本公司董事之評估，於二零一八年三月三十一日，本集團有不可撤銷之經營租賃承擔250,857,000港元(如附註26所披露)。初步評估顯示此等安排將符合租賃之定義。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，除非該等租賃合資格列作低值或短期租賃則作別論。

此外，本集團目前將49,732,000港元之已支付可退回租金按金視為香港會計準則第17號適用之租賃項下之權利及責任。根據香港財務報告準則第16號項下之租賃付款之定義，該等按金並非為與相關資產之使用權有關之付款，因此，該等按金之賬面值可能會被調整為攤銷成本，且該等調整被將視為額外租賃付款。已支付可退回租金按金之調整將計入使用權資產之賬面值。

此外，應用新規定可能導致上述計量、呈列及披露出現變動。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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.

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 “Lease”, 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”.

### 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。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

#### 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.

### 3. 主要會計政策(續)

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。

#### 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

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 other comprehensive income 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.

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.

#### 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)

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。

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。

#### 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 2018

截至二零一八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 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

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

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

### 3. 主要會計政策(續)

#### 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。

就出售相關現金產生單位而言，歸屬於商譽之金額於釐定出售之損益金額時計算在內(或當本集團監察商譽時，現金產生單位組別內之任何現金產生單位)。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### 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.

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 other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income 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.

### 3. 主要會計政策(續)

#### 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。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Investments in associates and a joint venture

(Continued)

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.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs 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.

### 3. 主要會計政策(續)

#### 於聯營公司及一間合營公司之投資(續)

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。

香港會計準則第39號之規定於釐定是否需要就本集團於聯營公司或合營公司之投資確認任何減值虧損時應用。如有必要，投資(包括商譽)之全部賬面值乃根據香港會計準則第36號「資產減值」作為單獨資產，通過比較其可收回金額(即使用價值與公平價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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Investments in associates and a joint venture

(Continued)

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 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 other comprehensive income 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 other comprehensive income 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.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), 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.

### 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)。

當某集團實體與本集團之聯營公司或合營公司進行交易(如出售或注入資產)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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

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 are 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 apportionment 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.

### 3. 主要會計政策(續)

#### 收益之確認

收益乃按已收或應收代價之公平值計量，為於正常業務過程中就已售貨品及已提供服務應收之金額，並扣除折扣及銷售相關稅項。

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攤分基準累計，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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Property, plant and equipment

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

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

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

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。

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 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment losses 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). 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.

### 3. 主要會計政策(續)

#### 有形資產減值虧損

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。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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Impairment losses on tangible assets (Continued)

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.

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.

### 3. 主要會計政策(續)

#### 有形資產減值虧損(續)

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。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leasing

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

#### *The Group as lessor*

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

#### *The Group as lessee*

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

### 3. 主要會計政策(續)

#### 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 2018

截至二零一八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 recorded in its functional currency, i.e. the currency of the primary economic environment in which the entity operates, at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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. Hong Kong dollars) using exchange rate prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rate 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 other comprehensive income and accumulated in equity under the heading of translation reserve.

### 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)進行之交易按交易日期之適用匯率換算為功能貨幣(即該實體經營所在主要經濟地區之貨幣)記賬。於呈報期末，以外幣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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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” as reported in the consolidated statement of profit or loss and other comprehensive income 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 from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

### 3. 主要會計政策(續)

#### 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，故此應課稅溢利與綜合損益及其他全面收益表所呈報之「除稅前溢利」並不相同。本集團就本期稅項承擔之負債乃按已於呈報期末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。倘因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，則不會確認該等遞延稅項資產及負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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.

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

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項負債乃就與於附屬公司及聯營公司之投資，以及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。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Inventories

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### Financial assets

The Group's financial assets are classified into one of two categories, including loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### 3. 主要會計政策(續)

#### 存貨

存貨指持作出售之製成品，乃按成本及可變現淨值兩者之較低者入賬。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。

金融資產及金融負債初步按公平值計量。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)。

#### 金融資產

本集團之金融資產分為兩個類別，包括貸款及應收賬款以及可供出售金融資產。分類視乎金融資產之性質及目的而定，且於初步確認時釐定。所有常規購買或出售金融資產乃按交易日基準確認及不再確認。常規購買或出售乃須於市場規例或慣例設定之時間框架內交付資產之金融資產購買或出售。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

##### Effective interest method

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

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

##### Loans and receivables

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

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

##### 實際利率法

實際利率法為於相關期間內計算金融資產之攤銷成本及分配利息收入之方法。實際利率為在金融資產之預期年期或(如適用)較短期間內精確貼現估計未來現金收入(包括組成實際利率一部分之所有已付或已收費用及利率、交易成本及其他溢價或折讓)至於初步確認時之賬面淨值之利率。

債務工具之利息收入乃按實際利率基準確認。

##### 貸款及應收賬款

貸款及應收賬款乃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已識別之減值虧損計量。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

##### Available-for-sale financial assets

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

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

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

#### Impairment of financial assets

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

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

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

##### 可供出售金融資產

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。

#### 金融資產減值

金融資產會於呈報期末評估是否有減值跡象。金融資產於有客觀證據顯示其估計未來現金流量因於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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Impairment of financial assets (Continued)

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

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

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period granted, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產減值(續)

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
- 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。

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原實際利率貼現之估計未來現金流量現值之差額。

金融資產賬面值會就所有金融資產直接按減值虧損扣減，惟貿易及其他應收賬款除外，其賬面值會透過使用備抵賬扣減。備抵賬內之賬面值變動於損益確認。當貿易或其他應收賬款被視為不可收回時，其將於備抵賬內撇銷。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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Impairment of financial assets (Continued)

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

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

##### Financial liabilities and equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產減值(續)

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。

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

##### 金融負債及權益

集團實體發行之債務及股本工具乃根據合約安排之性質與金融負債及股本工具之定義分類為金融負債或權益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

#### Financial liabilities and equity (Continued)

##### Effective interest method

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

Interest expense is recognised on an effective interest basis.

##### Financial liabilities at amortised cost

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

##### Equity instruments

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

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融負債及權益(續)

##### 實際利率法

實際利率法為於相關期間內計算金融負債之攤銷成本及分配利息開支之方法。實際利率為在金融負債之預期年期或(如適用)較短期間內精確貼現估計未來現金付款(包括組成實際利率一部分之所有已付或已收費用及利率、交易成本及其他溢價或折讓)至於初步確認時之賬面淨值之利率。

利息開支乃按實際利率基準確認。

##### 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。

##### 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial liabilities and equity (Continued)

##### 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.

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

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 金融負債及權益(續)

##### 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。

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Derecognition

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

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

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

##### 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 charged 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)

##### 不再確認

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

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

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

##### 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以開支扣除。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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 estimate, 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

### 3. 主要會計政策(續)

#### 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。當本集團取得貨品或交易對手方提供服務時，除非有關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，而權益(購股權儲備)亦會相應增加。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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.

#### 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. As at 31 March 2018, the carrying amount of watches (net of allowance) is HK\$991,952,000 (2017: HK\$1,256,715,000).

### 5. 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, being the Managing Director of the Group, that are used to allocate resources and assess performance. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

### 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。

#### 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。於二零一八年三月三十一日，手錶的賬面金額(扣除撥備)為991,952,000港元(二零一七年：1,256,715,000港元)。

### 5. 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(即本集團董事總經理)審閱並賴以作出資源分配及評估表現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營運分部已於達致本集團之可呈報分部時彙集計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

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

### 5. 分部資料(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 分部收益		Segment profit (loss) 分部溢利(虧損)	
		2018 二零一八年 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	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	<b>2,179,921</b>	2,284,289	<b>162,988</b>	50,524
Taiwan, Macau and the PRC	台灣、澳門 及中國	<b>711,771</b>	858,006	<b>18,406</b>	(4,886)
		<b>2,891,692</b>	3,142,295	<b>181,394</b>	45,638
Unallocated other income	未分配其他收入			<b>5,483</b>	2,257
Unallocated corporate expenses	未分配企業開支			<b>(22,979)</b>	(20,546)
Finance costs	融資成本			<b>(1,843)</b>	(3,730)
Share of results of associates	應佔聯營公司之 業績			<b>2,586</b>	2,558
Share of result of a joint venture	應佔一間合營公 司之業績			<b>50</b>	(728)
Profit before taxation	除稅前溢利			<b>164,691</b>	25,449

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

The accounting policies used to determine segment revenue and results are the same as the accounting policies adopted in the Group's consolidated financial statements described in note 3. Segment profit (loss) represents the profit (loss) before taxation earned/incurred 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, exchange gain (loss) and operating expenses of inactive companies. This is the measure reported to the Managing Director of the Group for the purposes of resources allocation and performance assessment.

The Group has no customer who contributed over 10% of the total revenue of the Group for any of the two years ended 31 March 2018.

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. 分部資料(續)

釐定分部收益及業績所用之會計政策與附註3所述本集團之綜合財務報表採納之會計政策相同。分部溢利(虧損)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/產生之除稅前溢利(虧損)。未分配企業開支包括核數師酬金、董事酬金、匯兌收益(虧損)及暫無營業公司之營運開支。此乃向本集團董事總經理就資源分配及表現評估作出報告之計量方式。

本集團並無客戶為本集團截至二零一八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。

		Segment assets 分部資產		Segment liabilities 分部負債	
		2018 二零一八年 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	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	<b>892,402</b>	1,115,902	<b>71,398</b>	46,881
Taiwan, Macau and the PRC	台灣、澳門 及中國	<b>552,866</b>	587,005	<b>53,362</b>	39,640
Segment total	分部總計	<b>1,445,268</b>	1,702,907	<b>124,760</b>	86,521
Unallocated	未分配	<b>1,094,669</b>	651,831	<b>98,225</b>	121,203
Group's total	本集團總計	<b>2,539,937</b>	2,354,738	<b>222,985</b>	207,724

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

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

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

- all assets are allocated to operating segments other than available-for-sale financial assets, deferred tax assets, taxation recoverable and bank balances and cash; 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.

### 5. 分部資料(續)

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。

就監察分部表現及於分部間分配資源而言：

- 除可供出售金融資產、遞延稅項資產、可收回稅項以及銀行結餘及現金外，所有資產均分配至各營運分部；及
- 除應付稅項、遞延稅項負債及銀行貸款外，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 2018

截至二零一八年三月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

#### Other segment information

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

		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		(Decrease) increase in non-current property rental deposits	
		添置物業、機器及設備		折舊		出售物業、機器及設備之虧損		就物業、機器及設備確認之減值虧損		非流動物業租金按金(減少)增加	
		2018 二零一八年 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	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 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	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	11,715	6,783	12,071	12,784	109	5,362	-	-	(15,317)	(4,610)
Taiwan, Macau and the PRC	台灣、澳門及中國	9,990	4,852	9,235	9,615	44	2,377	26	588	(416)	5,422
Segment total	分部總計	21,705	11,635	21,306	22,399	153	7,739	26	588	(15,733)	812
Unallocated	未分配	-	-	83	132	-	-	-	-	-	-
Group's total	本集團總計	21,705	11,635	21,389	22,531	153	7,739	26	588	(15,733)	812

Information about the Group's non-current assets (excluding available-for-sale 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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	268,519	276,858
Taiwan, Macau and the PRC	台灣、澳門及中國	41,306	40,060
		309,825	316,918

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 6. OTHER INCOME, GAINS AND LOSSES

### 6. 其他收入、收益及虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Show window rental income	櫥窗租金收入	20,264	22,624
Interest income	利息收入	5,483	2,256
Repairing service income	維修服務收入	1,271	1,898
Loss on disposal of property, plant and equipment	出售物業、機器及設備之 虧損	(153)	(7,739)
Exchange gain (loss)	匯兌收益(虧損)	6,157	(2,948)
Loss on disposal of interest in a joint venture	出售佔一間合營公司之權 益之虧損	—	(14)
Others	其他	5,848	4,819
		<b>38,870</b>	20,896

### 7. FINANCE COSTS

### 7. 融資成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank loans	銀行貸款之利息	1,843	3,730

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 8. PROFIT BEFORE TAXATION

### 8. 除稅前溢利

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：		
Directors' remuneration (note 9)	董事酬金(附註9)	25,963	16,066
Other staff's retirement benefits scheme contributions	其他職員之退休福利計劃供款	4,805	4,757
Other staff costs	其他職員成本	114,310	75,390
Total staff costs	職員成本總額	145,078	96,213
Auditor's remuneration	核數師酬金	2,960	2,780
Depreciation of property, plant and equipment	物業、機器及設備之折舊	21,389	22,531
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	26	588
Operating lease rentals in respect of rented premises	有關租賃物業之經營租賃租金	169,276	213,522

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八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 rule and Hong Kong Companies Ordinance. The emoluments paid or payable to each of the eight (2017: nine) 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(二零一七年：九名)董事各人之酬金如下：

	2018 二零一八年					2017 二零一七年				
	Fees	Salaries and other benefits	Retirement benefits contributions	Performance-related incentive bonus	Total	Fees	Salaries and other benefits	Retirement benefits 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)	
<b>Executive directors 執行董事</b>										
Dr. Yeung Ming Biu 楊明標博士	-	2,722	18	5,250	7,990	-	3,126	18	300	3,444
Mr. Yeung Him Kit, Dennis 楊衍傑先生	-	3,125	423	3,500	7,048	-	3,184	423	300	3,907
Mr. Fung Kwong Yiu 馮廣耀先生 (resigned on 31 December 2016) (於二零一六年十二月三十一日辭任)	-	-	-	-	-	-	2,114	18	-	2,132
Madam Yeung Man Yee, Shirley 楊敏儀女士	-	797	108	1,750	2,655	-	797	108	300	1,205
Mr. Lam Hing Lun, Alain 林慶麟先生	-	1,752	239	1,750	3,741	-	1,760	239	300	2,299
Mr. Choi Kwok Yum 蔡國欽先生	-	1,969	270	1,750	3,989	-	1,969	270	300	2,539
<b>Independent non-executive directors 獨立非執行董事</b>										
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
	<b>540</b>	<b>10,365</b>	<b>1,058</b>	<b>14,000</b>	<b>25,963</b>	<b>540</b>	<b>12,950</b>	<b>1,076</b>	<b>1,500</b>	<b>16,066</b>

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

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

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.

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)

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。

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。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 10. INCOME TAX EXPENSE

### 10. 所得稅開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	24,526	3,360
— (Over)underprovision in prior years (note)	— 過往年度(超額撥備)撥備不足(附註)	(76)	5,390
		<b>24,450</b>	8,750
Taxation in other jurisdictions	其他司法權區之稅項		
— Current year	— 本年度	1,055	202
— Overprovision in prior years	— 過往年度超額撥備	(43)	(159)
— Withholding tax on dividend income from associates	— 聯營公司股息收入之預扣稅	545	771
		<b>1,557</b>	814
Deferred taxation credit (note 22)	遞延稅項抵免(附註22)	(1)	(212)
		<b>26,006</b>	9,352

Note: On 21 March 2017, the Inland Revenue Department of Hong Kong issued additional tax assessment to a wholly-owned subsidiary of the Company on a claimed offshore income for the years of assessment from 2010/11 to 2012/13. Accordingly, the amount of tax had been charged as underprovision in prior years for the year ended 31 March 2017.

附註：於二零一七年三月二十一日，香港稅務局就二零一零／一一年至二零一二／一三年評稅年度申領之離岸收入向本公司一間全資附屬公司發出補加評稅。因此，截至二零一七年三月三十一日止年度有關稅項金額已列作過往年度撥備不足支銷。

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

香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%計算。

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

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。

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%.

根據《中國企業所得稅法》(「企業所得稅法」)及《企業所得稅法實施條例》，中國附屬公司之稅率為25%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 10. INCOME TAX EXPENSE (Continued)

The tax charge 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)

年內稅項支出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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	<b>164,691</b>	25,449
Tax at the applicable income tax rate of 16.5% (2017: 16.5%)	根據適用所得稅率 16.5% (二零一七年：16.5%) 計算之稅項	<b>27,174</b>	4,199
Tax effect of share of results of associates	應佔聯營公司之業績之稅務影響	<b>(427)</b>	(422)
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>(8)</b>	120
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	<b>645</b>	972
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	<b>(812)</b>	(2,034)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	<b>191</b>	2,633
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>520</b>	523
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>(395)</b>	110
(Over)underprovision in prior years	過往年度 (超額撥備)撥備不足	<b>(119)</b>	5,231
Utilisation of tax loss previously not recognised	動用之前未確認之稅務虧損	<b>(785)</b>	(1,994)
Others	其他	<b>22</b>	14
Tax charge for the year	年內稅項支出	<b>26,006</b>	9,352

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 11. DIVIDENDS

### 11. 股息

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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 2018 of 2.0 HK cents (2017: 0.2 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中期股息每股2.0港仙(二零一七年：0.2港仙)	11,412	1,141
Final dividend for financial year ended 31 March 2017 of 0.4 HK cent (2016: 0.25 HK cent) per share on 570,610,224 (2016: 570,610,224) shares	按570,610,224股(二零一六年：570,610,224股)股份計算之截至二零一七年三月三十一日止財政年度末期股息每股0.4港仙(二零一六年：0.25港仙)	2,282	1,426
Special dividend for financial year ended 31 March 2017 of 3.0 HK cents (2016: nil) per share on 570,610,224 (2016: 570,610,224) shares	按570,610,224股(二零一六年：570,610,224股)股份計算之截至二零一七年三月三十一日止財政年度特別股息每股3.0港仙(二零一六年：無)	17,118	—
		<b>30,812</b>	<b>2,567</b>
Dividend proposed after year end (note):	年結後擬派之股息(附註)：		
Proposed 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擬派末期股息每股8.0港仙(二零一七年：0.4港仙)	45,649	2,282
Proposed 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擬派特別股息每股15.0港仙(二零一七年：3.0港仙)	85,592	17,118
		<b>131,241</b>	<b>19,400</b>

Note: Subsequent to the end of the reporting period, a final dividend and special dividend for the year ended 31 March 2018 have been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

附註：於呈報期末後，本公司董事擬派截至二零一八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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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

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

Effect of dilutive potential ordinary shares  
— share options

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數目

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數目

### 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：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>138,763</b>	16,383

2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
<b>570,610</b>	570,610
—	—
<b>570,610</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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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 2016	於二零一六年四月一日	186,069	261,306	3,565	450,940
Exchange adjustment	匯兌調整	(1,177)	(3,929)	—	(5,106)
Additions	添置	—	11,387	248	11,635
Disposals	出售	—	(18,593)	(249)	(18,842)
At 31 March 2017	於二零一七年三月三十一日	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	出售	—	(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
<b>DEPRECIATION AND IMPAIRMENT</b>					
At 1 April 2016	於二零一六年四月一日	32,193	187,735	2,145	222,073
Exchange adjustment	匯兌調整	(553)	(3,858)	—	(4,411)
Provided for the year	本年度撥備	4,000	18,238	293	22,531
Impairment loss recognised in profit or loss	於損益確認之減值虧損	—	588	—	588
Eliminated on disposals	出售時撇銷	—	(10,833)	(184)	(11,017)
At 31 March 2017	於二零一七年三月三十一日	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	出售時撇銷	—	(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
<b>CARRYING VALUES</b>					
At 31 March 2018	於二零一八年三月三十一日	146,336	63,409	1,071	210,816
At 31 March 2017	於二零一七年三月三十一日	149,252	58,301	1,310	208,863

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 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 the shorter of the period of lease or 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.

The carrying value of property comprises:

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 2018, 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\$26,000 (2017: HK\$588,000) has been recognised in respect of those assets.

### 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	租賃期或位於中國為超過20年或位於香港則50年(以較短者為準)
---------	---------------------------------

#### 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。

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	<b>134,703</b>	137,534
	<b>11,633</b>	11,718
	<b>146,336</b>	149,252

於截至二零一八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26,000港元(二零一七年：588,000港元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 14. INTERESTS IN ASSOCIATES

Cost of investments in unlisted associates	於非上市聯營公司之投資成本
Exchange adjustment	匯兌調整
Share of post-acquisition profits, net of dividends received	應佔收購後溢利，扣除已收股息

Included in the cost of investments is goodwill of HK\$16,089,000 (2017: HK\$15,381,000) arising on acquisition of associates.

Details of the Group's associates at 31 March 2018 and 2017 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest 2018 & 2017	Proportion of voting power held 2018 & 2017	Principal activity
聯營公司名稱	註冊成立及營運地點	所有權權益比例 二零一八年及 二零一七年	持有之 投票權比例 二零一八年及 二零一七年	主要業務
力新鐘錶股份有限公司	Taiwan 台灣	40%	40%	Watch trading 手錶經銷
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

### 14. 佔聯營公司之權益

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
30,201	30,201
1,176	(245)
6,402	6,543
<b>37,779</b>	<b>36,499</b>

投資成本中包括因收購聯營公司而產生之商譽16,089,000港元(二零一七年：15,381,000港元)。

本集團聯營公司於二零一八年及二零一七年三月三十一日之詳情如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八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

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
2,586	2,558
37,779	36,499

### 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 adjustment	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

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
21,793	21,793
652	(1,838)
4,968	4,918
27,413	24,873

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 15. INTEREST IN A JOINT VENTURE

(Continued)

Details of the Group's joint venture at 31 March 2018 and 2017 are as follows:

Name of joint venture	Place of incorporation and operation	Proportion of ownership interest 2018 & 2017	Proportion of voting power held 2018 & 2017	Principal activity
合營公司名稱	註冊成立及營運地點	所有權權益比例 二零一八年及 二零一七年	持有之 投票權比例 二零一八年及 二零一七年	主要業務
寧波匯美鐘錶有限公司 ("Huimei") (「匯美」)	The PRC 中國	40%	40%	Watch trading (note) 手錶經銷 (附註)

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 cost of investments is goodwill of HK\$4,262,000 (2017: HK\$3,874,000) 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 (loss) and total comprehensive income (expense)

Carrying amount of the Group's interest in the joint venture

### 15. 佔一間合營公司之權益(續)

本集團合營公司於二零一八年及二零一七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。

投資成本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4,262,000港元(二零一七年：3,874,000港元)。

#### 並非個別重大之合營公司之資料

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
50	(728)
27,413	24,873

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

Notes:

- (a) At the end of the reporting period, all the equity securities listed in Hong Kong are stated at fair values, which have been determined with reference to quoted bid prices in an active market.
- (b) The managed fund portfolio as at 31 March 2018 and 31 March 2017 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.

### 17. INVENTORIES

Watches	手錶
Accessories and parts	配件及部件

### 16. 可供出售金融資產

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
51	91
12,293	6,015
<b>12,344</b>	<b>6,106</b>

附註：

- (a) 於呈報期末，所有於香港上市之股本證券按公平值入賬，而公平值乃參照活躍市場所報之買入價釐定。
- (b) 於二零一八年三月三十一日及二零一七年三月三十一日之管理基金投資組合包括非上市投資。基金乃按公平值列賬，並經參考作為經紀之金融機構所提供之市場報價而釐定。

### 17. 存貨

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
991,952	1,256,715
9,117	19,182
<b>1,001,069</b>	<b>1,275,897</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 18. TRADE AND OTHER RECEIVABLES

Trade receivables	貿易應收賬款
Property rental deposits	物業租金按金
PRC value added tax (“VAT”) recoverable	可收回之中國增值稅 （「增值稅」）
Advances to other suppliers	向其他供應商墊款
Other receivables	其他應收賬款

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

<b>Age</b>	<b>賬齡</b>
0 to 30 days	0 至 30 日
31 to 60 days	31 至 60 日
61 to 90 days	61 至 90 日
Over 90 days	90 日以上

About 91% (2017: 93%) of the trade receivables that are neither past due nor impaired are recovered within one month after the end of the reporting period. No provision has been made for trade receivables for both years.

### 18. 貿易及其他應收賬款

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>108,938</b>	91,351
<b>18,915</b>	11,465
<b>2,904</b>	2,744
<b>798</b>	767
<b>3,149</b>	4,181
<b>134,704</b>	110,508

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：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>99,445</b>	85,304
<b>6,233</b>	2,705
<b>45</b>	334
<b>3,215</b>	3,008
<b>108,938</b>	91,351

既未逾期亦未減值之貿易應收賬款中約91%（二零一七年：93%）於呈報期末後一個月內收回。兩個年度均無就貿易應收賬款計提撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 18. TRADE AND OTHER RECEIVABLES

(Continued)

Included in the Group's trade receivable balances are debtors with an aggregate carrying amount of HK\$9,493,000 (2017: HK\$6,047,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 60 days (2017: 60 days).

#### Ageing of trade receivables which are past due but not impaired

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

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

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

### 19. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less at variable interest rates ranging from 0.01% to 0.65% (2017: 0.01% to 0.43%) per annum.

### 18. 貿易及其他應收賬款(續)

本集團之貿易應收賬款結餘包括賬面總值9,493,000港元(二零一七年：6,047,000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。該等應收賬款之平均賬齡為60日(二零一七年：60日)。

#### 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	2017 二零一七年 HK\$'000 千港元
6,233	2,705
45	334
3,215	3,008
<b>9,493</b>	<b>6,047</b>

由於過往經驗顯示逾期超過365日之應收賬款一般不可收回，故本集團將就任何逾期超過365日之應收賬款計提全數撥備。

本集團並無重大信貸風險集中情況，信貸風險分散於多名交易對手方及客戶。

### 19. 銀行結餘及現金

銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下並按浮動年利率介乎0.01厘至0.65厘(二零一七年：0.01厘至0.43厘)計息之短期銀行存款。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 20. 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

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

<b>Age</b>	<b>賬齡</b>
0 to 60 days	0 至 60 日
61 to 90 days	61 至 90 日
Over 90 days	90 日以上

### 20. 貿易及其他應付賬款

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>65,307</b>	52,427
<b>19,954</b>	7,665
<b>2,116</b>	2,267
<b>8,780</b>	3,838
<b>5,288</b>	1,164
<b>12,372</b>	10,520
<b>639</b>	1,569
<b>1,996</b>	566
<b>9,624</b>	7,819
<b>126,076</b>	87,835

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：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>54,341</b>	42,977
<b>907</b>	1,604
<b>10,059</b>	7,846
<b>65,307</b>	52,427

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 21. BANK LOANS

### 21. 銀行貸款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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>53,153</b>	67,906
Within a period of more than one year but not exceeding two years	一年後但兩年內	<b>16,500</b>	20,667
Within a period of more than two years but not exceeding five years	兩年後但五年內	<b>5,667</b>	22,167
		<b>75,320</b>	110,740
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>53,153</b>	67,906
Amount that are not repayable within one year from the end of the reporting period but containing a repayment on demand clause (shown under current liabilities)	毋須於由呈報期末起計一年內償還但包含按 要求償還條款之款項 (列為流動負債)	<b>9,667</b>	13,667
Total amount shown under current liabilities	列為流動負債之款項 總額	<b>62,820</b>	81,573
Amount shown under non-current liabilities	列為非流動負債之款項	<b>12,500</b>	29,167
		<b>75,320</b>	110,740
Analysed as:	分析為：		
Secured	有抵押	<b>13,667</b>	17,667
Unsecured	無抵押	<b>61,653</b>	93,073
		<b>75,320</b>	110,740

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 21. BANK LOANS (Continued)

At 31 March 2018, the Group pledged certain leasehold land and buildings with an aggregate carrying value of HK\$89,027,000 (2017: HK\$91,341,000) 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 1.80% per annum	— 香港銀行同業拆息加年利率 1.80 厘
— 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 1.5% divided by 0.946 per annum	— 台灣銀行同業拆息加年利率 1.5 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

### 21. 銀行貸款(續)

於二零一八年三月三十一日，本集團已向銀行質押總賬面值為 89,027,000 港元(二零一七年：91,341,000 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

2018 二零一八年	2017 二零一七年
N/A 不適用	2.27%
2.79%	2.22%
1.94%	1.94%
2.30%	2.28%

於呈報期末，本集團有以下未提取短期借貸融資：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
565,706	1,003,894

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 22. 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

### 22. 遞延稅項

以下為用作財務申報之遞延稅項結餘分析：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>56</b>	73
<b>(1,664)</b>	(1,689)

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：

		Undistributable profits of associates and a joint venture 聯營公司及 一間合營公司之 不可分派溢利 HK\$'000 千港元	Others 其他 HK\$'000 千港元 (note) (附註)	Total 合計 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	(1,937)	114	(1,823)
Exchange adjustment	匯兌調整	—	(5)	(5)
Reversal of withholding tax payment	撥回已付預扣稅	771	—	771
Charge to profit or loss	於損益扣除	(523)	(36)	(559)
At 31 March 2017	於二零一七年三月三十一日	(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)

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 22. DEFERRED TAXATION (Continued)

At 31 March 2018, the Group had unutilised tax losses of HK\$178,159,000 (2017: HK\$181,759,000) 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 2018 are losses of HK\$60,490,000 (2017: HK\$85,712,000) that will expire in the period from 2019 to 2023 (2017: 2018 to 2022). Other losses of the Group at 31 March 2017 and 2018 may be carried forward indefinitely.

Under the law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the 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\$56,050,000 (2017: HK\$44,431,000) 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.

### 22. 遞延稅項(續)

於二零一八年三月三十一日，本集團有未動用稅務虧損178,159,000港元(二零一七年：181,759,000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。於二零一八年三月三十一日之未動用稅務虧損包括將於二零一九年至二零二三年(二零一七年：二零一八年及二零二二年)期間屆滿之虧損60,490,000港元(二零一七年：85,712,000港元)。本集團於二零一七年及二零一八年三月三十一日之其他虧損可無限期結轉。

根據中國法律，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56,050,000港元(二零一七年：44,431,000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

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 23. SHARE CAPITAL

### 23. 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 2016, 31 March 2017 and 31 March 2018 於二零一六年四月一日、二零一七年三月三十一日及二零一八年三月三十一日	1,000,000,000	100,000
Issued and fully paid: 已發行及繳足：		
At 1 April 2016, 31 March 2017 and 31 March 2018 於二零一六年四月一日、二零一七年三月三十一日及二零一八年三月三十一日	570,610,224	57,061

### 24. SHARE-BASED PAYMENT TRANSACTION

### 24. 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.

#### (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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 24. SHARE-BASED PAYMENT TRANSACTION

(Continued)

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

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
- (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.

### 24. 以股份為基礎之付款交易(續)

#### (a) 二零零三年購股權計劃(續)

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
- (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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 24. SHARE-BASED PAYMENT TRANSACTION (Continued)

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

On 6 April 2011, 32,300,000 share options were granted and on 29 August 2011, 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	32,300,000	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	23,000,000	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

### 24. 以股份為基礎之付款交易(續)

#### (a) 二零零三年購股權計劃(續)

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：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 24. 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 2017 and 2018:

#### Share options granted on 6 April 2011

Categories of participants	Number of shares under option outstanding at 1 April 2016	Reclassified during the year ended 31 March 2017	Number of shares under option
			outstanding at 31 March 2017 and 31 March 2018
			於二零一七年三月三十一日及二零一八年三月三十一日
	於二零一六年四月一日未行使購股權涉及之股份數目	於截至二零一七年三月三十一日止年度重新分類	未行使購股權涉及之股份數目
參與者類別			
Directors of the Company	本公司董事 14,520,000	(3,000,000)	11,520,000
Other employees	其他僱員 14,400,000	—	14,400,000
Consultants (note ii)	顧問(附註ii) 2,640,000	3,000,000	5,640,000
Total	總計 31,560,000	—	31,560,000

### 24. 以股份為基礎之付款交易(續)

#### (a) 二零零三年購股權計劃(續)

下表披露於截至二零一七年及二零一八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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 24. SHARE-BASED PAYMENT TRANSACTION (Continued)

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

##### Share options granted on 29 August 2011

##### Categories of participants

##### 參與者類別

Other employees	其他僱員
Consultants (note ii)	顧問(附註ii)
Total	總計

##### 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 period and notwithstanding that the 2003 Share Option Scheme had expired.

### 24. 以股份為基礎之付款交易(續)

#### (a) 二零零三年購股權計劃(續)

##### 於二零一一年八月二十九日授出之購股權

Number of  
shares under  
option  
outstanding at  
1 April 2016,  
31 March 2017  
and  
31 March 2018  
於二零一六年  
四月一日、  
二零一七年  
三月三十一日及  
二零一八年  
三月三十一日  
未行使  
購股權涉及  
之股份數目

18,000,000  
5,000,000

23,000,000

##### 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期間隨時行使購股權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 24. 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:

### 24. 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，於二零一三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：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 24. 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 2018.

No share-based payment expense was recognised for the years ended 31 March 2017 and 2018 in relation to share options granted by the Company.

### 24. 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，而於二零一八年三月三十一日亦無未行使購股權。

截至二零一七年及二零一八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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 25. CONTINGENT LIABILITIES

As at 31 March 2018, the Group issued financial guarantees to banks in respect of banking facilities granted to associates. The aggregate amount that could be required to be paid if the guarantees were called upon in entirety amounted to NT\$200,000,000 (equivalent to HK\$54,100,000; 2017: NT\$200,000,000 and equivalent to HK\$51,800,000), which was fully utilised by these associates at 31 March 2018. 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 2017 and 2018 is considered as low.

### 26. 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

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 (2017: 1 to 8 years). Some group entities are required to pay lease charges based on a fixed percentage of net sales.

### 25. 或然負債

於二零一八年三月三十一日，本集團就聯營公司獲授之銀行融資向銀行發出財務擔保。於二零一八年三月三十一日，於被要求全數代還擔保時可能須予支付之總額新台幣200,000,000元(相等於54,100,000港元；二零一七年：新台幣200,000,000元，並相等於51,800,000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二零一七年及二零一八年三月三十一日之拖欠風險甚微。

### 26. 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：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
133,694	145,379
116,547	138,048
616	36,715
<b>250,857</b>	<b>320,142</b>

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(二零一七年：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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 27. 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

### 27. 資本承擔

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
8,949	132

### 28. RETIREMENT BENEFITS SCHEMES

The Group principally operates defined contribution retirement schemes for all qualifying employees, including directors. The assets of the schemes are held separately from those of the Group in funds under the control of independent trustees.

The retirement scheme cost represents contributions payable to the funds by the Group at rates specified in the rules of the schemes. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

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.

### 28. 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。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 28. RETIREMENT BENEFITS SCHEMES

*(Continued)*

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.

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\$5,863,000 (2017: HK\$5,833,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

### 28. 退休福利計劃(續)

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。

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5,863,000港元(二零一七年：5,833,000港元)指本集團就本會計期間應付該等計劃之供款。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 29. 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.

		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	融資現金流量	(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

### 30. 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 21 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.

### 29. 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。

### 30. 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21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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

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

#### Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale financial assets, 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.

### 31. 金融工具

#### 金融工具類別

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
1,193,978	740,720
12,344	6,106
150,666	168,733

#### 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、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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

##### Market risk

###### Currency risk

The Group has limited currency exposure as the majority of the sales were denominated in functional currency of the relevant group entities. The management conducts periodical review of exposure and requirements of various currencies, and will consider hedging significant foreign currency exposures should the need arise. The management considers that the Group's exposure to foreign currency risk is not significant.

###### Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank loans and bank balances. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short-term.

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

### 31. 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

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。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。管理層認為本集團面對之外幣風險不大。

###### 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。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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

#### Market risk (Continued)

#### Interest rate risk (Continued)

#### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank loans at the end of the reporting period. The analyses are prepared assuming that the bank loans outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2017: 50 basis points) increase or decrease is used for bank loans when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For bank loans, if interest rates had been 50 basis points (2017: 50 basis points) higher/lower and all other variables were held constant, the Group's post tax profit for the year ended 31 March 2018 would decrease/increase by HK\$314,000 (2017: HK\$462,000).

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

#### Other price risk

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

### 31. 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)

#### 敏感度分析

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(二零一七年：50個基點)增減，此乃管理層對合理可能利率變動之評估。

就銀行貸款而言，倘利率上升/下跌50個基點(二零一七年：50個基點)而所有其他變數不變，則本集團截至二零一八年三月三十一日止年度之稅後溢利將減少/增加314,000港元(二零一七年：462,000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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Credit risk

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

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 25.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

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

### 31. 金融工具(續)

#### 財務風險管理目標及政策(續)

#### 信貸風險

因交易對手方未能履行責任及本集團提供之財務擔保而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25所披露由本集團發出之財務擔保之或然負債金額。

為將信貸風險減至最低，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，本集團於呈報期末檢討各項個別貿易債務之可收回金額，以確保對不可收回金額計提足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易對手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交易對手方及客戶。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As at 31 March 2018, the Group has available unutilised short-term bank loan facilities of HK\$565,706,000 (2017: HK\$1,003,894,000).

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

### 31. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 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。於二零一八年三月三十一日，本集團有可供動用之未動用短期銀行貸款融資565,706,000港元(二零一七年：1,003,894,000港元)。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

#### Liquidity risk (Continued)

Liquidity and interest risk tables

### 31. 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

		Weighted average effective interest rate 加權平均 實際利率	On demand or less than 1 month 按要求或 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>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	64,379	907	10,060	–	75,346	75,346
Bank loans	銀行貸款	2.42%	13,667	37,730	12,887	12,654	76,938	75,320
			78,046	38,637	22,947	12,654	152,284	150,666
Financial guarantee contracts	財務擔保合約	N/A 不適用	54,100	–	–	–	54,100	–
<b>2017</b>	<b>二零一七年</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	48,543	1,603	7,847	–	57,993	57,993
Bank loans	銀行貸款	2.19%	17,667	23,267	42,198	29,781	112,913	110,740
			66,210	24,870	50,045	29,781	170,906	168,733
Financial guarantee contracts	財務擔保合約	N/A 不適用	51,800	–	–	–	51,800	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. 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 directors of the Company 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 2018, the aggregate undiscounted principal amount of the bank loan with a repayment on demand clause amounted to HK\$13,667,000 (2017: HK\$17,667,000). 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 three years (2017: four 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\$14,131,000 (2017: HK\$18,438,000).

### 31. 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，本公司董事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。於二零一八年三月三十一日，附有按要求償還條款之銀行貸款之未貼現本金總額為13,667,000港元(二零一七年：17,667,000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三年(二零一七年：四年)內償還。屆時，未貼現本金及利息現金流出總額將為14,131,000港元(二零一七年：18,438,000港元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

### 31. 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)

		Weighted average effective interest rate 加權平均 實際利率	1 to 3 months 1至3個月 HK\$'000 千港元	3 months to 1 year 3個月至1年 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	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
--	--	---	--	--	--	---	--

2018	二零一八年						
Bank loans	銀行貸款	1.94%	1,065	3,165	9,901	14,131	13,667

		Weighted average effective interest rate 加權平均 實際利率	1 to 3 months 1至3個月 HK\$'000 千港元	3 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
--	--	---	--	--	--	---	--

2017	二零一七年						
Bank loans	銀行貸款	1.94%	1,084	3,223	14,131	18,438	17,667

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS (Continued)

### 31. 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	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產	公平值		公平值架構	估值技巧及主要輸入數據	重大不可觀察輸入數據	公平值之關係
	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元				
(i) Available-for-sale 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	51	91	Level 1	Quoted bid prices in an active market	N/A	N/A
			第1級	活躍市場所報之買入價	不適用	不適用
(ii) Available-for-sale 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	12,293	6,015	Level 2	Quoted market prices provided by brokers which are financial institutions (note)	N/A	N/A
			第2級	作為經紀之金融機構提供之市場報價(附註)	不適用	不適用

Note: Quoted market prices provided by brokers which are financial institutions represent the 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 31. FINANCIAL INSTRUMENTS (Continued)

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

Fair value hierarchy at the end of the reporting period:

Available-for-sale financial assets	可供出售金融資產
Listed equity securities	上市股本證券
Managed fund portfolio	管理基金投資組合

Available-for-sale financial assets	可供出售金融資產
Listed equity securities	上市股本證券
Managed fund portfolio	管理基金投資組合

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.

### 31. 金融工具(續)

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)

於呈報期末之公平值架構：

2018 二零一八年		
Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Total 總額 HK\$'000 千港元
51	—	51
—	12,293	12,293
<b>51</b>	<b>12,293</b>	<b>12,344</b>

2017 二零一七年		
Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Total 總額 HK\$'000 千港元
91	—	91
—	6,015	6,015
<b>91</b>	<b>6,015</b>	<b>6,106</b>

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 2018

截至二零一八年三月三十一日止年度

### 32. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are limited liability companies, at 31 March 2018 and 2017 are as follows:

### 32. 主要附屬公司

於二零一八年及二零一七年三月三十一日，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 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
				Directly 直接		Indirectly 間接		
		2018 二零一八年	2017 二零一七年	2018 二零一八年 %	2017 二零一七年 %	2018 二零一八年 %	2017 二零一七年 %	
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\$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 (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\$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
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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 32. PRINCIPAL SUBSIDIARIES (Continued)

### 32. 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		
		2018 二零一八年	2017 二零一七年	Directly 直接	Indirectly 間接			
上海東航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
上海東航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。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表載列董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為，如載列其他附屬公司之詳情，則會導致資料過份冗長。

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

各附屬公司於年終或年內任何時間概無任何未償還債務證券。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 32. PRINCIPAL SUBSIDIARIES (Continued)

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

		2018 二零一八年	2017 二零一七年
Watch trading 手錶經銷	Hong Kong 香港	—	1
	Taiwan 台灣	1	1
		1	2
Investment holding 投資控股	Hong Kong 香港	9	9
	The PRC 中國	1	1
		10	10
Inactive 暫無營業	Hong Kong 香港	16	16
	The PRC 中國	1	—
		17	16
		28	28

### 32. 主要附屬公司(續)

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 2018

截至二零一八年三月三十一日止年度

### 33. 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.

### 34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

### 33. 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。

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
24,905	14,990
1,058	1,076
<b>25,963</b>	16,066

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。

### 34. 比較數字

若干比較數字已重新分類，以符合本年度之呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 35. 本公司之財務狀況表

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	554	694
Investments in subsidiaries	於附屬公司之投資	649,595	649,595
Available-for-sale financial assets	可供出售金融資產	4,414	3,809
		<b>654,563</b>	654,098
<b>Current assets</b>	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司款項	406,608	332,745
Bank balances and cash	銀行結餘及現金	196	565
		<b>406,804</b>	333,310
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付賬款	15,131	2,740
Amounts due to subsidiaries	應付附屬公司款項	92,919	91,051
		<b>108,050</b>	93,791
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>298,754</b>	239,519
<b>Net assets</b>	<b>資產淨值</b>	<b>953,317</b>	893,617
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	57,061	57,061
Reserves (note)	儲備(附註)	896,256	836,556
<b>Total equity</b>	<b>權益總額</b>	<b>953,317</b>	893,617

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

### 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

### 35. 本公司之財務狀況表(續)

Note:

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

附註：

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 2016	於二零一六年四月一日	549,396	83,554	425	122,183	1,256	76,880	1,426	835,120
Profit for the year	年內溢利	—	—	—	—	—	3,397	—	3,397
Change in fair value of available-for-sale financial assets	可供出售金融資產之公平值變動	—	—	—	—	606	—	—	606
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	606	3,397	—	4,003
2016 final dividend paid	已派發二零一六年末期股息	—	—	—	—	—	—	(1,426)	(1,426)
2017 interim dividend paid	已派發二零一七年中期股息	—	—	—	—	—	(1,141)	—	(1,141)
2017 final dividend proposed	擬派發二零一七年末期股息	—	—	—	—	—	(2,282)	2,282	—
2017 special dividend proposed	擬派發二零一七年特別股息	—	—	—	—	—	(17,118)	17,118	—
At 31 March 2017	於二零一七年三月三十一日	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

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.

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。

# FINANCIAL SUMMARY

## 財務摘要

### Year ended 31 March 截至三月三十一日止年度

		2014 二零一四年 HK\$'000 千港元	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
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	3,476,513	3,109,031	3,031,752	3,142,295	<b>2,891,692</b>
Profit (loss) before taxation	除稅前溢利(虧損)	29,964	9,650	(12,717)	25,449	<b>164,691</b>
Income tax expense	所得稅開支	(9,516)	(5,317)	(3,042)	(9,352)	<b>(26,006)</b>
Profit (loss) for the year	年內溢利(虧損)	20,448	4,333	(15,759)	16,097	<b>138,685</b>
Attributable to: Owners of the Company	以下人士應佔： 本公司擁有人	20,605	4,508	(15,528)	16,383	<b>138,763</b>
Non-controlling interests	非控股權益	(157)	(175)	(231)	(286)	<b>(78)</b>
Profit (loss) for the year	年內溢利(虧損)	20,448	4,333	(15,759)	16,097	<b>138,685</b>

### At 31 March 於三月三十一日

		2014 二零一四年 HK\$'000 千港元	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
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	資產總值	2,859,107	2,706,073	2,533,582	2,354,738	<b>2,539,937</b>
Total liabilities	負債總額	(641,092)	(494,282)	(376,010)	(207,724)	<b>(222,985)</b>
		2,218,015	2,211,791	2,157,572	2,147,014	<b>2,316,952</b>
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,216,462	2,210,452	2,156,518	2,146,006	<b>2,315,977</b>
Non-controlling interests	非控股權益	1,553	1,339	1,054	1,008	<b>975</b>
		2,218,015	2,211,791	2,157,572	2,147,014	<b>2,316,952</b>



東方表行

Oriental Watch Company

Since 1961