



宏峰太平洋集團有限公司  
**Powerwell Pacific Holdings Limited**

(a company 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: 8265

Annual Report **2011** 年報

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## CONTENTS

Corporate Information
Chairman's Statement
Management Discussion and Analysis
Corporate Governance Report
Directors and Senior Management
Directors' Report
Independent Auditor's Report
Consolidated Statement of Comprehensive Income
Consolidated Statement of Financial Position
Statement of Financial Position
Consolidated Statement of Cash Flows
Consolidated Statement of Changes in Equity
Notes to the Financial Statements

## 目錄

公司資料	2-3
主席報告	4-6
管理層討論及分析	7-13
企業管治報告	14-19
董事及高級管理人員	20-24
董事會報告	25-34
獨立核數師報告	35-36
綜合全面收益表	37
綜合財務狀況表	38
財務狀況表	39
綜合現金流量表	40-41
綜合權益變動表	42
財務報表附註	43-99

## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

Mr. LIU Tin Chak, Arnold (*Chairman*)  
Mr. LAM Chi Wai, Peter (*CEO, Hong Kong Operation*)  
Mr. WONG Yu Man, Elias  
Mr. YANG Yijun (*CEO, PRC Operation*)

#### Independent Non-executive Directors

Mr. CHEUNG Chi Man, Dennis  
Professor LUI Tai Lok  
Mr. YIP Kwok Kwan

#### Company Secretary

Mr. CHAN Sun Kwong

#### Compliance Officer

Mr. LIU Tin Chak, Arnold

#### Authorized Representatives

Mr. LAM Chi Wai, Peter  
Mr. LIU Tin Chak, Arnold

#### Audit Committee

Mr. CHEUNG Chi Man, Dennis (*Chairman*)  
Professor LUI Tai Lok  
Mr. YIP Kwok Kwan

#### Remuneration Committee

Mr. YIP Kwok Kwan (*Chairman*)  
Mr. CHEUNG Chi Man, Dennis  
Professor LUI Tai Lok

#### Nomination Committee

Professor LUI Tai Lok (*Chairman*)  
Mr. CHEUNG Chi Man, Dennis  
Mr. LIU Tin Chak, Arnold  
Mr. YIP Kwok Kwan

#### Auditor

BDO Limited  
*Certified Public Accountants*

## 公司資料

### 董事會

#### 執行董事

廖天澤先生(*主席*)  
林志偉先生(*行政總裁, 香港業務*)  
黃汝文先生  
楊一軍先生(*行政總裁, 中國業務*)

#### 獨立非執行董事

張志文先生  
呂大樂教授  
葉國均先生

#### 公司秘書

陳晨光先生

#### 監察主任

廖天澤先生

#### 授權代表

林志偉先生  
廖天澤先生

#### 審核委員會

張志文先生(*主席*)  
呂大樂教授  
葉國均先生

#### 薪酬委員會

葉國均先生(*主席*)  
張志文先生  
呂大樂教授

#### 提名委員會

呂大樂教授(*主席*)  
張志文先生  
廖天澤先生  
葉國均先生

#### 核數師

香港立信德豪會計師事務所有限公司  
*執業會計師*

## CORPORATE INFORMATION

### Solicitors

S. K. Lam, Alfred Chan & Co.

### Compliance Advisor

CIMB Securities (HK) Limited

### Principal Bankers

Hang Seng Bank Limited  
CITIC Bank International Limited  
Industrial and Commercial Bank of China (Asia) Limited

### Registered Office

Clarendon House, 2 Church Street  
Hamilton HM 11 Bermuda

### Headquarter and Place of Business

19/F., Henry Centre  
131 Wo Yi Hop Road  
Kwai Chung, New Territories  
Hong Kong

### Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM 08 Bermuda

### Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

### Stock Code

8265

### Company Website and Investor Relations

[www.hklistco.com/8265](http://www.hklistco.com/8265)

## 公司資料

### 法律顧問

林錫光、陳啟鴻律師行

### 合規顧問

聯昌國際證券(香港)有限公司

### 主要往來銀行

恒生銀行有限公司  
中信銀行國際有限公司  
中國工商銀行(亞洲)有限公司

### 註冊辦事處

Clarendon House, 2 Church Street  
Hamilton HM 11 Bermuda

### 總辦事處及營業地點

香港  
新界葵涌  
和宜合道131號  
恆利中心19樓

### 股份過戶登記總處及轉讓辦事處

Butterfield Fulcrum Group (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM 08 Bermuda

### 香港股份過戶登記分處及轉讓辦事處

卓佳證券登記有限公司  
香港灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 股份代號

8265

### 公司網站及投資者關係

[www.hklistco.com/8265](http://www.hklistco.com/8265)

## CHAIRMAN'S STATEMENT

### Dear Shareholders,

On behalf of the board of directors (the "Board") of Powerwell Pacific Holdings Limited (the "Company"), I am pleased to present to you the annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 December 2011 (the "Year").

### Business Review

#### Sourcing Business

The year of 2011 was quite challenging despite financial crises tumbling in the United States of America ("USA") and Europe and the earthquake in Japan at the beginning of the year. With the support and coordinated effort, the Group managed to gain continuous growth, particularly in watches and costume jewelries products, from our customers and end customers in its Sourcing Business. Working closely with our branded customers and to cater for their growing needs under the global geographical challenges, our stringent control and flexible efficient management have allowed us to deliver quality and reliable products.

The Group foresaw the revenue from display and packaging products would decrease owing to some our branded customers were rephrasing their display programme in 2011, and launching display programme in the coming year. In order to maintain the growth, we hence embarked on new businesses with other international brands.

#### PRC Watch Business

We have achieved growth in revenue during the Year in our PRC Watch Business. It is our mission to refine the performance of sales points with our high sensitivity towards the demands in the PRC domestic market.

## 主席報告

### 親愛的股東：

本人欣然代表宏峰太平洋集團有限公司(「本公司」)董事會(「董事會」)呈報本公司及其附屬公司(統稱「本集團」)截至2011年12月31日止財政年度(「本年度」)的年報。

### 業務回顧

#### 貨源搜尋業務

除美利堅合眾國(「美國」)及歐洲的金融危機及年初的日本地震外，2011年本身亦頗具挑戰。本集團全賴上下一心、和衷共濟，得以持續增長，尤以鐘錶及人造珠寶產品貨源搜尋業務客戶及終端客戶方面為然。本集團與品牌客戶緊密合作，在全球地緣挑戰下滿足他們日益增加的需要，並通過嚴密監控及靈活有效管理，可提供優質可靠的產品。

本集團預見到，陳列包裝品的收入會因本集團部份知名客戶重訂其2011年陳列計劃及來年開展的陳列計劃而減少。因此，為保持增長，本集團繼續開發新商機及與其他國際品牌開展新業務。

#### 中國鐘錶業務

年內，本集團中國鐘錶業務的收益錄得增長。本集團的目標是憑對中國本地市場的敏銳觸覺，精細改良銷售點業務表現。

## CHAIRMAN'S STATEMENT

Our distribution channels were strengthened by successfully developing new businesses with bulk purchase customers, export sales and e-commerce sales. Meanwhile, we have since established new strategic markets in Beijing, Shanghai, Hunan, Anhui and Jiangxi. As at 31 December 2011, we managed a sales network of approximately 100 sales points across the PRC. To further enhance and expedite our market penetration, we have developed distribution channels with more than 20 new wholesalers, covering geographic areas which we do not operate our own outlets. In all, we have around 140 distribution outlets in over 30 provinces. We have participated in the 22nd China Watch and Clock Fair held in Shenzhen in order to enhance the brand awareness of our watches and to further expand our sales network. To be in pace with market needs, we have launched approximately 50 new watch styles under nine different series to cater for diversified demands from the market in 2012.

### Prospects

The Group is committed to provide our customers with comprehensive product solutions by strengthening our product design and development capability, improvement in quality and efficiency management of our contracted manufacturers, enhancing product quality and reliability and maintaining precise delivery to support our customers' business. Moreover, we are confident that we can closely monitor our internal resources to take advantage of new opportunities and developments and will remain focused to improve our operational efficiencies.

Looking forward, the Group will remain committed to develop our core Sourcing Business. We shall refine our distribution networks and further develop and manage our sales networks in a systematic way for the PRC Watch Business. We would proactively make substantial progress in growth and strive for potential business opportunities to synergize our existing business and product lines.

## 主席報告

本集團成功與大型採購、出口銷售及電子商貿銷售客戶開發新業務，增強分銷渠道。同時，本集團於北京、上海、湖南、安徽及江西建立了新戰略市場。於2011年12月31日，本集團管理中國約100個銷售點的銷售網絡。為進一步加強及促進本集團市場滲透率，本集團已與超過20名新批發商開發批發分銷渠道，涵蓋本集團並無自有門市覆蓋的地域。本集團合共於超過30個省有約140個分銷點，本集團其後亦參與了在深圳舉行的第22屆中國(深圳)國際鐘錶展覽會，以加強本集團鐘錶品牌的知名度，並進一步擴展本集團銷售網絡。為貼近市場的需要，本集團九個不同系列已推出約50個新鐘錶款式，以迎合2012年市場的多種需求。

### 前景

本集團致力為客戶提供全面的產品解決方案，加強產品設計及開發能力，提升本集團代工生產商的質量及效率管理，促進產品質量及可靠性，維持準確交付，藉此支持客戶的業務。此外，本集團有信心可緊密監察本集團內部資源，充份把握新機遇及發展形勢，並將繼續專注於改善本集團經營效率。

展望將來，本集團將繼續努力發展本集團核心貨源搜尋業務。我們會更精細打造銷售網絡，並有系統地進一步開發及管理本集團中國鐘錶業務銷售網絡。本集團將積極推動加快增長，爭取具潛力的商機，與本集團現有業務及產品線產生協同效益。

## CHAIRMAN'S STATEMENT

### Appreciation

I would like to take this opportunity to extend my heartfelt thanks to our fellow Board members, management, and employees for their steadfast contribution, their dedication, and their hard work to the Group. On behalf of the board, I should like to express sincere gratitude to our customers, suppliers, business partners and shareholders for their continuous support. We shall persist with best efforts in striving for optimal development for the Group and returns for our shareholders in the times to come.

**Liu Tin Chak, Arnold**

*Chairman*

Hong Kong, 9 March 2012

## 主席報告

### 致謝

本人謹藉此機會，為董事會成員、管理層及僱員對本集團的無私奉獻、全情投入及克盡己職衷心致謝。本人代表董事會，為本集團客戶、供應商、業務夥伴及股東的不斷支持致以衷心謝意。本集團將全力以赴，爭取最佳發展及於將來為本集團股東帶來回報。

主席

**廖天澤**

香港，2012年3月9日



## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

## Financial Summary

## 財務資料概要

		Year ended 31 December 截至12月31日止年度			
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Revenue	收入	240,249	208,195	164,511	199,128
Profit before income tax	除所得稅前溢利	14,466	11,751	20,795	13,611
Profit for the year	年內溢利	10,398	7,889	17,566	11,388
		As at 31 December 於12月31日			
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Total assets	總資產	116,172	102,419	59,504	70,508
Total liabilities	總負債	(57,736)	(72,042)	(22,689)	(32,820)
Total equity	總權益	58,436	30,377	36,815	37,688

## Financial Review

The Group continued the positive trend at the beginning of the Year and is pleased to announce a profit attributable to owners of the Company of approximately HK\$10.3 million for the Year, representing a year-on-year increase of approximately HK\$2.7 million or 37.4% compared to approximately HK\$7.6 million for year ended 31 December 2010 ("Previous Year").

## Revenue

Barring global market instability and uncertainty, the Group's growth momentum is carried forward from Previous Year to the Year. The Group reported a total revenue of approximately HK\$240.2 million (2010: approximately HK\$208.2 million) and recorded a year-on-year increase of approximately HK\$32.0 million or 15.4% from the Previous Year.

Revenue mainly came from the Sourcing Business of approximately HK\$220.3 million, representing approximately 91.7% of total revenue. They rose approximately 10.0% or HK\$20.0 million from approximately HK\$200.3 million.

## 財務回顧

本集團延續自年初的上升趨勢，並欣然宣佈本年度的本公司擁有人應佔溢利約為10.3百萬港元，較截至2010年12月31日止年度（「上一年度」）約7.6百萬港元，按年上升約2.7百萬港元或37.4%。

## 收入

縱使環球市場波動不穩及前景未明，本集團的增長勢頭由上一年度延續至本年度。本集團的總收入約為240.2百萬港元（2010年：約208.2百萬港元），較上一年度錄得按年增長約32.0百萬港元或15.4%。

收入主要來自貨源搜尋業務，佔集團總收入約91.7%。有關收入由約200.3百萬港元增加約10.0%或20.0百萬港元，至約220.3百萬港元。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Sourcing of watches generated the largest revenue to the Group of approximately HK\$134.4 million, recorded year-on-year increase of approximately HK\$28.4 million or 26.8% compared to approximately HK\$106.0 million Previous Year. Revenue from sourcing of costume jewelries representing approximately 11.1% of Group revenue, which was fairly consistent with Previous Year. It delivered a strong performance with sales of approximately HK\$26.6 million, an improvement of approximately 15.5% or HK\$3.6 million over than the Previous Year.

Display and packaging products sourcing contributed revenue of approximately HK\$59.3 million, a reduction of approximately HK\$12.0 million or 16.8% from approximately HK\$71.3 million in the Previous Year. Similar to Previous Year, we managed to ride the storm cautiously and adopted appropriate strategies in a timely manner.

Started in 2010, the performance of PRC Watch Business is encouraging. Revenue leapt more than double to approximately HK\$19.9 million from approximately HK\$7.9 million, representing approximately 8.3% of the Group revenue. To cater for sustainable growth, and maximize and expedite the market penetration, Shenzhen Tianhaiba Watches Company Limited ("Tianhaiba") continued to develop channels of distribution by refining current sales outlets, developing networks in second- and third- tier cities, and extending its distribution to wholesalers and independent watch retailers.

### Cost of sales and gross profit

Cost of sales of the Group increased by approximately 14.6% from approximately HK\$160.4 million for the Previous Year to approximately HK\$183.8 million for the Year.

The overall gross profit of the Group increased from approximately HK\$47.8 million for Previous Year to approximately HK\$56.4 million for the Year, representing an increase of approximately 17.9%. The gross profit of the Sourcing Business rose by approximately HK\$4.1 million to approximately HK\$47.9 million (2010: approximately HK\$43.8 million). Gross profit margin of the Sourcing Business was approximately 21.8%, slightly decrease from approximately 21.9% of the Previous Year, primarily due to increase in cost of raw materials from the increase in prices charged by our contracted manufacturers. The PRC Watch Business contributed additional gross profit of approximately HK\$4.5 million with gross profit margin of approximately 42.5% to the Group.

鐘錶貨源搜尋業務為本集團帶來最多的收入，約達134.4百萬港元，較上一年度的約106.0百萬港元錄得按年增長約28.4百萬港元或26.8%。來自人造珠寶貨源搜尋業務的收入佔本集團收入約11.1%，與上一年度大致相同。該業務表現強勁，銷售額約達26.6百萬港元，較上一年度增加約15.5%或3.6百萬港元。

陳列包裝品貨源搜尋業務帶來的收入約為59.3百萬港元，較上一年度約71.3百萬港元下跌約12.0百萬港元或16.8%。一如往年，本集團將審慎應對挑戰，並會及時採取適當策略。

中國鐘錶業務於2010年開展，成績一直鼓舞。相關收入由約7.9百萬港元急升超過一倍至約19.9百萬港元，佔本集團收入約8.3%。為實現可持續增長，以及擴大及提升市場滲透率，深圳市天海霸鐘錶有限公司(「天海霸」)繼續擴展分銷渠道，措施包括改良現有零售店舖、發展二三線城市網絡，以及將分銷業務擴及批發商及獨立鐘錶零售商。

### 銷售成本及毛利

本集團的銷售成本由上一年度約160.4百萬港元上升約14.6%至本年度約183.8百萬港元。

本集團的整體毛利由上一年度約47.8百萬港元增加至本年度約56.4百萬港元，增幅約17.9%。貨源搜尋業務毛利增加約4.1百萬港元至約47.9百萬港元(2010年：約43.8百萬港元)，而貨源搜尋業務的毛利率約21.8%，略低於上一年度約21.9%，乃主要由於代工生產商收取的價格增加，引致原料成本上漲。中國鐘錶業務為本集團帶來額外毛利約4.5百萬港元，毛利率約42.5%。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

### Expenses

Selling and distribution costs for the Year decreased by approximately HK\$1.2 million, which was mainly as a result of one-off advertising expenses relating to television advertisement in Previous Year offsetting by additional employee benefit expenses incurred for the expansion of PRC Watch Business during the Year.

Administrative and other operating expenses for the Year were approximately HK\$33.5 million (2010: approximately HK\$27.0 million), an increase of approximately HK\$6.5 million from the Previous Year, primarily due to the increase in employee benefit expenses and professional fees after the listing of the Company on 26 January 2011 (the "Listing").

### Liquidity, Financial Resources and Capital Structure

The Group generally finances its daily operations from internally generated cash flows and banking facilities. As at 31 December 2011, the Group had bank balances and cash of approximately HK\$41.2 million (2010: approximately HK\$28.3 million) and short-term borrowings of approximately HK\$9.2 million (2010: Nil). The gearing ratio representing the ratio of total borrowings to the total assets of the Group was approximately 7.9% as at 31 December 2011 (2010: N/A). Taking into account cash and other current assets of approximately HK\$101.0 million as at 31 December 2011, and the unused facilities, the Group has sufficient financial resources to satisfy its working capital requirement and to achieve its business objectives.

### Charges on Assets

As at 31 December 2011, the Group did not have any charges on its assets.

### Foreign Exchange Exposure

The Group's transactions are mainly denominated in United States dollars ("US\$"), Hong Kong dollars and Renminbi ("RMB"). Therefore, the Group is exposed to foreign currency exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out by the management and the management will consider hedging the foreign exchange exposure if it is significant to the Group.

### 開支

本年度的銷售及分銷成本減少約1.2百萬港元，乃主要由於本年度因擴展中國鐘錶業務而產生的額外僱員福利開支，抵銷了上一年度有關電視廣告的一次性廣告開支。

本年度的行政及其他經營開支約為33.5百萬港元(2010年：約27.0百萬港元)，較上一年度增加約6.5百萬港元，乃主要由於僱員福利開支增加及本公司於2011年1月26日上市(「上市」)後的專業費用所致。

### 流動資金、財務資源及資本架構

本集團一般以內部產生的現金流量及銀行融資為其日常業務提供資金。於2011年12月31日，本集團的銀行結餘及現金約為41.2百萬港元(2010年：約28.3百萬港元)，並有短期借貸約9.2百萬港元(2010年：無)。於2011年12月31日，本集團的負債比率(即總借貸對總資產的比率)約為7.9%(2010年：不適用)。計及截至2011年12月31日，現金及其他流動資產約101.0百萬港元，以及未動用融資額度，本集團財務資源充裕，足可應付其營運資金需要並達成其業務目標。

### 資產抵押

於2011年12月31日，本集團並無任何資產抵押。

### 外匯風險

本集團的交易主要以美元(「美元」)、港元及人民幣(「人民幣」)計值。因此，本集團承受外匯風險。本集團現時並無實行任何外幣對沖政策。然而，管理層持續監察所承受的外匯風險，並將於外匯風險對本集團有重大影響時進行對沖。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

### Contingent Liabilities and Capital Commitment

As at 31 December 2011, the Group did not have any material contingent liabilities or capital commitment.

### Significant Investments held, Material Acquisitions and Disposals of subsidiaries, and Future Plans for Material Investments or Capital Assets

Save for those disclosed in this report, there were no significant investments held as at 31 December 2011, nor were there material acquisitions and disposals of subsidiaries during the Year. There is no plan for material investments or capital assets as at the date of this report.

### Dividends

The Directors declared a final dividend of HK2.0 cents per share for the Year payable on or about 25 May 2012, Friday to shareholders whose name appear on the register of members of the Company as at the close of business on 17 May 2012, Thursday.

### Employees and Remuneration Policies

The Group had 271 (2010: 247) employees as at the end of the Year. The Group's remuneration practices are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee.

We recognise the importance of a good relationship with our employees by providing competitive remuneration package to our employees including salaries, allowances, insurance, discretionary bonus, and training for human resources upskilling.

### 或然負債及資本承擔

於2011年12月31日，本集團並無任何重大或然負債或資本承擔。

### 所持重大投資、附屬公司的重大收購及出售以及未來重大投資或資本資產計劃

除本報告所披露者外，於2011年12月31日並無持有重大資產，年內亦無附屬公司的重大收購及出售。於本報告日期，並無有關重大投資或資本資產的具體計劃。

### 股息

董事宣佈向於2012年5月17日(星期四)營業時間結束時名列本公司股東名冊的股東派付本年度之末期股息每股2.0港仙，末期股息於2012年5月25日(星期五)或前後支付。

### 僱員及薪酬政策

於本年度年終時，本集團有271名(2010年：247名)僱員。本集團的薪酬常規符合現行市場慣例，並根據個別僱員的表現、資歷及經驗而釐定。

我們明白與僱員建立良好關係的重要性，並透過向僱員提供富競爭力的薪酬組合，包括薪金、津貼、保險、酌情花紅，及人力資源技能提升訓練，以達致該目標。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

**Comparison of Business Objectives with Actual Business Progress**

An analysis comparing the business objectives as set out in the Prospectus of the Company dated 29 December 2010 (the "Prospectus") for the period from 21 December 2010, being the latest practicable date as defined in the Prospectus ("LPD") to 31 December 2011 (the "Review Period") with the Group's actual business progress up to 31 December 2011 is set out below:

**Business objectives for the Review Period****Actual business progress up to 31 December 2011****Sourcing Business**

Strengthen our current Sourcing Business capabilities

Regular emails and visits had been arranged in due course by the sales teams to strengthen the networking with existing customers.

Developed design on new product series.

The Group's websites were updated regularly with the latest information.

Cross-selling of our products and broadening our client bases

We attended Hong Kong International Jewellery Show 2011, Hong Kong Gifts & Premium Fair, and Basel World 2011, Hong Kong Watch & Clock 2011, Asia's Fashion Jewellery & Accessories Fair, Hong Kong Jewellery & Gem Fair, and Cosmoprof.

Carried out evaluation on current product range and mix.

Enhancing our level of inventory

Evaluated and maintained appropriate level of plastic raw materials and watch movements.

**業務目標與實際業務進展的比較**

本公司日期為2010年12月29日的招股章程(「招股章程」)所載2010年12月21日(即招股章程所界定的最後可行日期(「最後可行日期」))至2011年12月31日期間(「審閱期」)的業務目標與本集團截至2011年12月31日止的實際業務進展的比較分析載列如下：

**審閱期的業務目標****截至2011年12月31日止的實際業務進展****貨源搜尋業務**

壯大現有的貨源搜尋業務實力

我們已安排銷售團隊定期以電子郵件聯絡並拜訪現有客戶，以鞏固銷售網絡

我們已開發設計新產品系列。

我們定期更新本集團網站，發佈最新資訊。

進行產品交叉銷售，擴闊客戶基礎

我們參加香港國際珠寶展2011、香港禮品及贈品展及Basel World 2011，以及香港鐘錶展2011、亞洲時尚首飾及配飾展覽會、香港珠寶首飾展覽會及亞太區美容展。

我們已評估現有產品種類及組合。

提高存貨水平

我們已評估及維持適當塑膠原材及機芯庫存狀況。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Business objectives for the Review Period	Actual business progress up to 31 December 2011	審閱期的業務目標	截至2011年12月31日止的實際業務進展
<b>PRC Watch Business</b>			
Expanding our PRC Watch Business	Launched new models to enrich product range and drive sales performance.	<b>中國鐘錶業務</b>	已推出新款式，以豐富我們的產品種類及提升銷售表現。
	Reviewed the sales performance of sales points in order to enhance the profitability of the sales points.		已檢討了所有銷售點的銷售表現，以提高銷售點盈利。
	We had successfully developed new distribution channels, including wholesales, export sales and e-commerce to overseas and local customers which improved our sales effectiveness and penetration as a whole.		我們成功建立新分銷途徑，包括為海外及本地客戶提供批發、出口銷售及電子商務服務，從而改善我們的整體銷售效率及透明度。
Enhancing brand equity of Tianba in the PRC	Launched new counter design, display items and light box advertising in major shopping malls to enhance brand image.	提升天霸於中國的品牌價值	已更新銷售櫃檯設計、陳列項目以及於大型商場內的燈箱廣告，改善品牌形象。
	Launched promotional campaigns for occasions and festivals during Lunar New Year, Women's Day, and etc.		已開始為特別日子及節日如農曆新年、婦女節等進行新推廣活動。
	Placed advertisements on (i) the billboards outside target shopping malls, such as Nanjing Central Shopping Mall, (ii) watches magazines, such as "Moment", and "Watch & Clock", and (iii) ChinaWatchNet.com and our official website.		已在各處設置廣告：(i) 目標商場外的廣告牌，如南京中央商場；(ii) 鐘錶雜誌如「Moment」及「Watch & Clock」；及(iii) ChinaWatchNet.com 及我們的官方網頁。
	We held roadshows in various cities, namely, Nanjing, Harbin, Chengdu and Chengsha.		我們於各城市均有路演，如南京、哈爾濱、成都及長沙。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

**Use of Proceeds**

The net proceeds from the issue of new shares of the Company under the placing as set out in the Prospectus were approximately HK\$17.5 million, which was different from the estimated net proceeds of approximately HK\$24.1 million (estimated on the assumption that the placing price would be the mid-point of the stated range as stated in the Prospectus). We intend to adjust the use of proceeds in the same manner and in the same proportion as shown in the Prospectus, and approximately HK\$10.2 million, HK\$5.8 million and HK\$1.5 million were adjusted for the corporate expansion of the Group, the expansion of the PRC Watch Business and general working capital respectively for the Review Period. As at the date of this report, we do not anticipate any change to the plan. During the Review Period, the Group has applied the net proceeds as follows:

**所得款項用途**

根據招股章程所載的配售而發行本公司新股籌得的所得款項淨額約為17.5百萬港元，有別於估計所得款項淨額約24.1百萬港元（按配售價將為招股章程所述指定範圍的中間價的假設而作出估計）。我們擬以招股章程所列示的相同方式及相同比例調整所得款項用途，以及於審閱期內分別就本集團的公司擴展、中國鐘錶業務的擴展及一般營運資金作出約10.2百萬港元、5.8百萬港元及1.5百萬港元之調整。於本報告日期，本集團並不預期該計劃將有任何改變。於審閱期內，本集團之所得款項淨額動用情況如下：

		<b>Adjusted use of proceeds in the same manner and proportion as stated in the Prospectus</b>	<b>Actual usage</b>
		<b>按與招股章程所示的相同方式及比例調整的所得款項用途</b>	<b>實際用途</b>
		<i>HK\$'million</i>	<i>HK\$'million</i>
		百萬港元	百萬港元
Sourcing Business	貨源搜尋業務	5.9	5.9
PRC Watch Business	中國鐘錶業務	3.2	3.1
General working capital	一般營運資金	0.8	0.8
		9.9	9.8

The remaining unused net proceeds as at 31 December 2011 have been placed as interest bearing deposits with licensed bank in Hong Kong and will be used as intended and as stated in the Prospectus.

於2011年12月31日尚餘未動用的所得款項淨額，已存入香港持牌銀行作為計息存款，並將按招股章程所載意向及所述用途加以運用。

## CORPORATE GOVERNANCE REPORT 企業管治報告

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the Year. This report highlights the key corporate governance practices of the Company.

### Corporate Governance Practices

The Group is committed to uphold high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial for the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of shareholders of the Company.

The Company adopted the provisions of Appendix 15 Code on Corporate Governance Practices of the GEM Listing Rules as its own code (the "CG Code") effective from the Listing and had complied with the CG Code since then and through out the Year.

### Directors Securities Transactions

The Company adopted the Model Code on terms no less exacting than the required standard of dealings set out in Rule 5.46 to 5.67 of the GEM Listing Rules effective from the Listing. On specific enquiry made, all the Directors have confirmed compliance with the Model Code since its effective date and through out the Year.

### Board of Directors

The Board is currently composed of seven Directors, four being executive Directors and three being independent non-executive Directors as set out below.

#### Executive Directors

Mr. Liu Tin Chak, Arnold (*Chairman*)  
 Mr. Lam Chi Wai, Peter (*CEO, Hong Kong Operation*)  
 Mr. Wong Yu Man, Elias  
 Mr. Yang Yijun (*CEO, PRC Operation*)

#### Independent Non-executive Directors

Mr. Cheung Chi Man, Dennis  
 Professor Lui Tai Lok  
 Mr. Yip Kwok Kwan

根據創業板上市規則第18.44條，董事會欣然呈報本年度的企業管治報告。本報告羅列本公司的主要企業管治常規。

### 企業管治常規

本集團致力維持高水平的企業管治。董事會認為，加強公眾問責性及企業管治有利於本集團的穩健增長，提升客戶及供應商信心，並保障本公司股東的利益。

本公司由上市起採納創業板上市規則附錄十五企業管治常規守則的條文作為其本身的守則（「企業管治守則」），自此及於本年度整段時間內，本公司一直遵守企業管治守則。

### 董事的證券交易

本公司由上市起採納標準守則，條款不寬鬆於創業板上市規則第5.46至5.67條所載的交易必守標準。經向所有董事作出特定查詢後，他們已確認自標準守則生效日期起及本年度整段期間一直遵守標準守則。

### 董事會

董事會現由七名董事組成，其中四名為執行董事，三名為獨立非執行董事，詳情載列如下。

#### 執行董事

廖天澤先生(*主席*)  
 林志偉先生(*行政總裁，香港業務*)  
 黃汝文先生  
 楊一軍先生(*行政總裁，中國業務*)

#### 獨立非執行董事

張志文先生  
 呂大樂教授  
 葉國均先生



## CORPORATE GOVERNANCE REPORT 企業管治報告

The biographical details of the Directors are set out in the section “Biographical Details of Directors and Senior Management” of this Annual Report.

As identified above, the roles of Board chairman and chief executive officer are segregated and exercised by different individuals in accordance with the CG Code. The chairman leads the Board in making strategic direction, setting objectives and budget, considering major business ventures and investments, financial reporting and upholding internal control. The chief executive officers execute strategies set by the Board and assume daily management of the Group and report back to the Board on a regular basis. The functions of the independent non-executive Directors are primarily to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts at board meetings.

### Appointment and Re-election of Directors

All the Directors, including independent non-executive Directors, are appointed for a term of three years and subject to retirement by rotation and eligible for re-election in accordance with the Company's Bye-laws. At each annual general meeting, not less than one third of the Directors then in office shall retire and every Director is subject to retirement by rotation at least once every three years.

### Confirmation of Independence

Each of the independent non-executive Directors has made an annual confirmation of independence by reference to Rule 5.09 of the GEM Listing Rules and the Company considers that all the independent non-executive Directors were independent during the Year.

董事的履歷詳情載於本年報「董事及高級管理人員的履歷詳情」一節。

如上文所示，依照企業管治守則，董事會主席與行政總裁的角色分開，並由不同人士擔任。主席領導董事會作出策略性指示、訂立目標及預算、考慮重大業務創投及投資、作出財務申報及維護內部監控。行政總裁執行董事會訂立的策略，負責本集團的日常管理，並定期向董事會報告。獨立非執行董事的職能主要為於董事會會議上就策略、政策、表現、問責性、資源、主要委任及操守標準事宜作出獨立判斷。

### 董事委任及重選

所有董事（包括獨立非執行董事）的任期為三年，並須根據本公司細則輪值退任及符合資格重選。於各股東週年大會上，不少於三分一當時在任的董事須退任，而每名董事須最少每三年輪值退任一次。

### 確認獨立性

各獨立非執行董事已根據創業板上市規則第5.09條作出年度獨立性確認，本公司認為所有獨立非執行董事於本年度均為獨立人士。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### Board Meetings Held and Attendance

The CG Code requires regular meeting of the Board be held at least four times a year at approximately quarterly intervals. Five meetings of the Board were held during the Year and the attendance by individual Director is set out below.

### 已舉行的董事會會議及出席情況

企業管治守則規定董事會須每年最少舉行四次定期會議，大約每季舉行一次。董事會於本年度舉行五次會議，個別董事的出席情況如下。

#### Number of meetings attended/ held during the Year 年內出席／舉行的會議數目

#### Executive Directors

Liu Tin Chak, Arnold  
Lam Chi Wai, Peter  
Wong Yu Man, Elias  
Yang Yijun

#### 執行董事

廖天澤	5/5
林志偉	5/5
黃汝文	5/5
楊一軍	5/5

#### Independent Non-executive Directors

Cheung Chi Man, Dennis  
Lui Tai Lok  
Yip Kwok Kwan

#### 獨立非執行董事

張志文	5/5
呂大樂	5/5
葉國均	5/5

### Remuneration Committee

The Company established a remuneration committee ("Remuneration Committee") on 22 December 2010 with written terms of reference effective from the Listing. The Remuneration Committee is currently composed of the three independent non-executive Directors and chaired by Mr. Yip Kwok Kwan. The primary duties of the Remuneration Committee are to make recommendations to the Board on the remuneration of Directors and determine on behalf of the Board specific employment terms and conditions of Directors. The terms of reference of the Remuneration Committee are in conformity with the requirements of the CG Code.

### 薪酬委員會

本公司於2010年12月22日設立薪酬委員會（「薪酬委員會」），並已制定書面職權範圍，由上市起生效。薪酬委員會現由三名獨立非執行董事組成，並由葉國均先生擔任主席。薪酬委員會的主要職責為就董事的薪酬向董事會提供推薦建議，並代表董事會釐定董事的具體僱用條款及條件。薪酬委員會的職權範圍符合企業管治守則的規定。

## CORPORATE GOVERNANCE REPORT 企業管治報告

The Remuneration Committee has held one meeting during the Year to review the remuneration package of the Directors and senior management. The attendance by individual committee member is set out below.

薪酬委員會於本年度舉行一次會議，以檢討董事及高級管理人員的薪酬待遇。個別委員的出席情況如下。

**Number of meetings attended/  
held during the Year  
年內出席／舉行的會議數目**

**Independent Non-executive Directors****獨立非執行董事**

Yip Kwok Kwan (*Committee Chairman*)  
Cheung Chi Man, Dennis  
Lui Tai Lok

葉國均(*委員會主席*) 1/1  
張志文 1/1  
呂大樂 1/1

**Audit Committee****審核委員會**

The Company established an audit committee ("Audit Committee") on 22 December 2010 with written terms of reference that are in conformity of the requirements of the CG Code. The Audit Committee is currently composed of the three independent non-executive Directors and chaired by Mr. Cheung Chi Man, Dennis, who has appropriate professional qualifications and experience as required by the GEM Listing Rules. The primary duties of the Audit Committee include the following:

本公司於2010年12月22日設立審核委員會(「審核委員會」)，並已制定符合企業管治守則規定的書面職權範圍。審核委員會現由三名獨立非執行董事組成，張志文先生擔任主席，他具備創業板上市規則規定的適當專業資格及經驗。審核委員會的主要職責包括以下各項：

- (a) monitor and ensure a proper relationship with the Company's auditor;
- (b) review of the Group's quarterly, interim and annual reports and compliance with accounting standards, the GEM Listing Rules, and legal requirements before submission to the Board; and
- (c) oversight of the Company's financial reporting process and internal control system.

- (a) 監察並確保與本公司核數師的關係恰當；
- (b) 於提交董事會前審閱本集團的季度、中期及年度報告，以及遵守會計準則、創業板上市規則及法律規定的情況；及
- (c) 監督本公司的財務申報程序及內部監控系統。

The Audit Committee has held four meetings during the Year and the attendance by individual committee member is set out below.

審核委員會於本年度舉行四次會議，個別委員的出席情況如下。

**Number of meetings attended/  
held during the Year  
年內出席／舉行的會議數目**

**Independent Non-executive Directors****獨立非執行董事**

Cheung Chi Man, Dennis (*Committee Chairman*)  
Lui Tai Lok  
Yip Kwok Kwan

張志文(*委員會主席*) 4/4  
呂大樂 4/4  
葉國均 4/4

## CORPORATE GOVERNANCE REPORT 企業管治報告

The Audit Committee has reviewed the audited financial statements of the Group for the Year and recommended approval to the Board.

During the Year, the Audit Committee had reviewed the Group's quarterly and interim financial statements, met with the external auditor, reviewed the external auditor's management letter and audit findings, and discussed with the Board about re-appointment of the external auditor and the progress of internal control review performed by an external advisor.

### Nomination Committee

The Company established a nomination committee ("Nomination Committee") on 4 August 2011 with terms of reference that are in conformity with the requirements of the CG Code. The Nomination Committee is currently composed of executive Director Mr. Liu Tin Chak, Arnold, and the three independent non-executive Directors and chaired by Professor Lui Tai Lok. The primary duties of the Nomination Committee are to review the size, structure and composition of the Board, identify suitably qualified individual for appointment to the Board, assess the independence of independent non-executive Directors and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee did not hold any meeting during the Year. One meeting was held after the Year to review the composition of the Board and the suitability of Directors proposed for re-appointment at the Company's annual general meeting.

### Internal Control

The Board acknowledges that it is overall responsibility for maintaining an adequate and effective internal control system of the Group. The Group's internal control system includes a well defined management structure with limits of authority which is designed for the achievement of business objectives, to safeguard the Group's assets against unauthorized use and disposition, to ensure compliance with relevant legislation and regulations, and to protect the interests of shareholders of the Company.

During the Year under review, the Company appointed an independent internal control advisor to review the effectiveness of certain of the Group's system of internal controls. Relevant applicable recommendations made by a previous advisor in the past are being implemented in stages by the Group to further enhance its internal control system.

審核委員會已審閱本集團的本年度經審核財務報表，並推薦董事會批准。

本年度期間，審核委員會已審閱本集團的季度及中期財務報表，又已會見外聘核數師，審閱外聘核數師的管理層函件及審核結果，並與董事會討論有關外聘核數師的續聘及由一名外聘顧問所執行的內部監控審核程序。

### 提名委員會

本公司於2011年8月4日設立提名委員會(「提名委員會」)，並已制訂書面職權範圍，條款與企業管治守則規定者一致。提名委員會的成員現包括執行董事廖天澤先生及三名獨立非執行董事，並由呂大樂教授擔任主席。提名委員會的主要職責為檢討董事會的大小、架構及組成，物色可獲委任進入董事會的適當合資格人士，評核獨立非執行董事的獨立性，並就董事的任命或重新任命及董事的繼任安排，向董事會提供建議。

提名委員會於本年度期間並無舉行任何會議，惟已於本年度後舉行一次會議，以檢討董事會的組成，及擬於本公司股東週年大會連任的董事是否適當人選。

### 內部監控

董事會知悉其須全面負責維持本集團足夠而有效的內部監控系統。本集團的內部監控系統包括一個權限分明的管理架構以達成業務目標、保障本集團資產不會被未經授權使用及處置、確保遵守相關法例及法規，以及保障本公司股東的利益。

於回顧年度內，本公司已委任一名獨立內部監控顧問，檢討本集團若干內部監控系統的效能。本集團現正分階段落實過往由上一位顧問提出的相關適切建議，以進一步增強其內部監控系統。

## CORPORATE GOVERNANCE REPORT 企業管治報告

The Group's external auditor, BDO Limited, contributes an independent perspective on relevant internal controls arising from the audit and report findings to the Audit Committee.

### Auditor's Remuneration

During the Year, the Group was charged HK\$520,000 for auditing services and HK\$38,000 for non-auditing services by the Company's auditor, BDO Limited.

### Financial Reporting

The Directors acknowledge their responsibility for preparation of the Group's financial statements to give a true and fair view. The responsibilities of auditor in respect of the financial statements are set out in the report of the auditor forming part of this Annual Report.

本集團的外聘核數師香港立信德豪會計師事務所有限公司對審核產生的相關內部監控得出獨立觀點，並向審核委員會報告結果。

### 核數師酬金

於本年度，本集團就本公司核數師香港立信德豪會計師事務所有限公司提供的審核服務及非審核服務分別支付520,000港元及38,000港元。

### 財務申報

董事知悉他們須負責編製本集團的財務報表，以真實及公平地反映業務狀況。核數師有關財務報表的責任載於本年報的核數師報告內。

## DIRECTORS AND SENIOR MANAGEMENT

### Directors

#### Executive Directors

**Liu Tin Chak, Arnold (廖天澤)**, aged 59, is an executive Director and the Chairman of the Board appointed on 9 July 2010. He is also the compliance officer of our Company appointed on 22 December 2010 and a member of our nomination committee. He founded and joined the Group in 1995 and is a director of all of our subsidiaries except Tianhaiba. He is responsible for finance and the overall management of our Group. He obtained a Master Degree in Business Administration from Macau University of Science and Technology in 2002. Mr. Liu had over 16 years' corporate banking experience with a major international bank. He was a director and the vice chairman of Watary International Holdings Limited and was a director and then a general manager of a subsidiary of United Power Investment Limited. His experience with banking and electronic and watch manufacturing is invaluable for the management and development of the Group.

**Lam Chi Wai, Peter (林志偉)**, aged 52, is an executive Director appointed on 9 July 2010. He is also known as Lam Chi Wai Michael. He founded the Group in 1995 and is now the Group's Chief Executive Officer — Hong Kong Operation and a director of all of our subsidiaries except Tianhaiba. He is responsible for the overall sales and marketing of our Group. Mr. Lam started to be involved in the timepiece industry in 1989 as project manager with a watch company before founding the Group and has accumulated over 15 years of experience in sales and marketing since then. Mr. Lam holds a Bachelor of Business Administration degree from Hong Kong Shue Yan University and a Master of Science degree in Marketing from Edinburgh Napier University. He is currently a member of the Chartered Institute of Marketing.

**Wong Yu Man, Elias (黃汝文)**, aged 46, is an executive Director appointed on 9 July 2010. He founded the Group in 1995 and is a director of three subsidiaries companies of the Company. He is responsible for the overall design and development of watch, jewelry and display and packaging products of our Group. Mr. Wong has accumulated over 20 years of experience in product design and development. He started to be involved in the timepiece industry in 1984 and has since worked for a number of companies in watch business where his responsibilities ranged from producing technical drawings and designing watch appearances to overall watch product design and development. He then founded our Group in 1995. Mr. Wong attained a Certificate in Design (Jewelry) in Lee Wai Lee Technical Institute (now known as Hong Kong Institute of Vocational Education (Lee Wai Lee)) in 1990.

## 董事及高級管理人員

### 董事

#### 執行董事

**廖天澤**，59歲，於2010年7月9日獲委任為執行董事兼董事會主席，並於2010年12月22日獲委任為本公司的監察主任，及為本公司提名委員會成員。他於1995年創辦及加入本集團，亦為我們各附屬公司(天海霸除外)的董事，負責本集團的財務及整體管理工作。他於2002年取得澳門科技大學工商管理碩士學位。廖先生於一間大型國際銀行累積逾16年企業銀行經驗。他曾擔任Watary International Holdings Limited的董事及副主席，並先後擔任友力投資(控股)有限公司的附屬公司的董事及總經理。他於銀行、電子及鐘錶製造的經驗對本集團的管理及發展相當重要。

**林志偉**，52歲，於2010年7月9日獲委任為執行董事。他於1995年創辦本集團，現為本集團的香港業務行政總裁及我們各附屬公司(天海霸除外)的董事，負責本集團的整體銷售及市場推廣工作。林先生於1989年投身時計行業，於創辦本集團前加入一間鐘錶公司擔任項目經理，自此積逾15年銷售及市場推廣經驗。林先生獲香港樹仁大學工商管理學士學位及愛丁堡龍比亞大學(Edinburgh Napier University)市場學理學碩士學位，現為英國特許市場學會的會員。

**黃汝文**，46歲，於2010年7月9日獲委任為執行董事。他於1995年創辦本集團，亦為本公司三間附屬公司的董事，負責本集團的整體鐘錶、珠寶及陳列包裝品設計及開發工作。黃先生累積逾20年產品設計及開發經驗。他於1984年投身時計行業，自此曾任職多間從事鐘錶業務的公司，負責製作鐘錶技術繪圖、鐘錶外觀設計及整體鐘錶產品設計及開發。他其後於1995年創辦本集團。黃先生於1990年取得李惠利工業學院(現稱香港專業教育學院(李惠利))設計(珠寶)證書。

## DIRECTORS AND SENIOR MANAGEMENT

**Yang Yijun (楊一軍)**, aged 41, is an executive Director appointed on 17 September 2010. He joined our Group in 2010 and is the Group's Chief Executive Officer — PRC Operation and the legal representative of Tianhaiba. He is responsible for the overall management of our PRC watch business, including the supervision of assembly process and the sales and marketing of Tianba and Harpo watches. Mr. Yang was employed as production managers, general manager by various watch companies in Shenzhen during the period from 1989 to 2004. He was the general manager of one of the Group's contract manufacturer for watches, where he was primarily responsible for supervising its overall production process as well as the strategic planning since 2005. He is a standing committee member of the Shenzhen Watch & Clock Association (深圳市鐘錶行業協會).

### Independent Non-executive Directors

**Cheung Chi Man, Dennis (張志文)**, aged 44, is an independent non-executive Director and he joined the Group in 2010. He is an executive director, the chief financial officer and company secretary of Mongolia Investment Group Limited (stock code 402). Mr. Cheung has over 17 years of experience in accounting and financial management since 1994 serving multi-national corporations and Hong Kong listed companies. He obtained a bachelor degree in mechanical engineering from the University of London in 1990, a master degree in commerce from the University of New South Wales, Australia in 1992 and is a member of the Hong Kong Institute of Certified Public Accountants, Australian Society of Certified Practising Accountants and the Taxation Institute of Hong Kong. He is the chairman of our audit committee and a member of our remuneration committee, and nomination committee.

**Lui Tai Lok (呂大樂)**, aged 53, is an independent non-executive Director and he joined the Group in 2010. He is currently the Head of Department and Professor at the Sociology Department at the University of Hong Kong. He held various academic posts at the University of Hong Kong, City Polytechnic (now known as the City University of Hong Kong) and the Chinese University of Hong Kong during the period from 1981 to 2009. Professor Lui obtained a doctor of philosophy in sociology from the University of Oxford in 1991, a master degree of philosophy in sociology from the University of Oxford in 1985, a master degree of philosophy in sociology from the University of Hong Kong in 1984 and a bachelor degree in arts from the University of Hong Kong in 1981 respectively. He is the chairman of our nomination committee and a member of our audit committee and remuneration committee.

## 董事及高級管理人員

**楊一軍**，41歲，於2010年9月17日獲委任為執行董事。他於2010年加入本集團，現為本集團的中國業務行政總裁及天海霸的法定代表，負責我們中國鐘錶業務的整體管理工作，包括監督天霸及海霸鐘錶的組裝工序以及銷售及市場推廣工作。楊先生於1989年至2004年間受僱於多間深圳鐘錶公司，擔任生產部經理及總經理。他為本集團其中一間合約鐘錶生產商的總經理，自2005年起負責監督其整體生產工序及策略性規劃工作。他為深圳市鐘錶行業協會的常務委員會委員。

### 獨立非執行董事

**張志文**，44歲，獨立非執行董事，並於2010年加入本集團。他為蒙古投資集團有限公司(股份代號：402)的執行董事、財務總監兼公司秘書。張先生擁有逾17年會計及財務管理經驗，自1994年起受聘於多間跨國企業及香港上市公司。他於1990年取得倫敦大學機械工程系學士學位，於1992年獲頒澳洲新南威爾斯大學商業碩士學位，為香港會計師公會、澳洲會計師公會及香港稅務學會會員。他為審核委員會主席兼薪酬委員會及提名委員會成員。

**呂大樂**，53歲，獨立非執行董事，並於2010年加入本集團。他現為香港大學社會學系主任及教授。於1981年至2009年間，他於香港大學、城市理工(現稱香港城市大學)及香港中文大學執教。呂教授分別於1991年獲頒牛津大學社會學哲學博士學位，於1985年獲頒牛津大學社會學哲學碩士學位，於1984年獲頒香港大學社會學哲學碩士學位，以及於1981年獲頒香港大學文學士學位。他為提名委員會主席兼薪酬委員會及審核委員會成員。

## DIRECTORS AND SENIOR MANAGEMENT

**Yip Kwok Kwan (葉國均)**, aged 62, is an independent nonexecutive Director and he joined the Group in 2010. Mr. Yip has over 30 years of experience in the equity and debt markets in Asia from his employment with various financial institutions and management consultancy firm during the period from 1974 to 2005 where his responsibilities included managing investments in listed equities, bonds, broking operations and overall corporate management. Mr. Yip was the chief executive officer of UOB Asia (Hong Kong) Limited where he supervised its operations in sponsorship and lead management, of initial public offerings in Hong Kong, financial advisory services to Hong Kong listed companies, and merger and acquisition activities in the Asian regional market since July 2005 until March 2011. He joined Guosen Securities (HK) Capital Co. Ltd. in April 2011 as Managing Director Investment Banking Department to oversee its corporate finance business in Hong Kong, covering initial public offerings and financial advisory (including cross-border merger and acquisition). Mr. Yip is also an independent nonexecutive director of Hop Fung Group Holdings Limited (stock code 2320). He obtained a bachelor's degree in Business Administration (Honours) from the University of Singapore (now National University of Singapore) in 1971. He is the chairman of our remuneration committee and a member of our audit committee, and nomination committee.

### Senior Management

**Tam Chiu Ming, Tammy (談昭明)**, aged 46, is the general manager of our Company. She is the spouse of Mr. Tong Wai Kuen, Tony and joined our Group in March 1995. She monitors the administration of our Group. She has extensive working experience in shipping and merchandising from her employment with a number of trading and manufacturing companies during the period from 1983 to 1994 before joining our Group.

**Tong Wai Kuen, Tony (唐偉權)**, aged 49, is the production general manager of our Company. He is the spouse of Ms. Tam Chiu Ming, Tammy. He is responsible for overseeing the quality assurance and quality control of our watches since he joined our Group in 1995. He has over 20 years of experience in the watch industry working as production manager for different timepieces manufacturers since 1989 before he joined our Group.

## 董事及高級管理人員

**葉國均**，62歲，獨立非執行董事，並於2010年加入本集團。葉先生擁有逾30年亞洲股票及債務市場經驗，於1974年至2005年間獲多間金融機構及管理顧問公司聘用，負責管理上市股票及債券投資、經紀業務及整體企業管理。葉先生自2005年7月至2011年3月，擔任新加坡大華亞洲(香港)有限公司的行政總裁，負責監督該公司的香港首次公開發售保薦及牽頭經辦業務，為香港上市公司提供財務顧問服務，以及亞洲地區市場的併購活動。彼於2011年4月加入國信證券(香港)融資有限公司，出任投資銀行部董事總經理，統管該公司於香港的企業融資業務，包括新股上市、財務顧問(包括跨境併購)。葉先生亦為合豐集團控股有限公司(股份代號：2320)的獨立非執行董事。他於1971年獲頒新加坡大學(現稱新加坡國立大學)工商管理(榮譽)學士學位。他為薪酬委員會主席兼審核委員會成員。

### 高級管理人員

**談昭明**，46歲，本公司的總經理，為唐偉權先生的配偶，於1995年3月加入本集團，負責監察本集團的行政管理工作，具備廣泛的船務及採購工作經驗。於加入本集團前，她於1983年至1994年期間任職於多間貿易及製造公司。

**唐偉權**，49歲，本公司的生產部總經理，為談昭明女士的配偶，自1995年加入本集團起一直負責管理我們的鐘錶質保質控工作，擁有逾20年鐘錶行業經驗。於加入本集團前，他自1989年起於多間時計製造商擔任生產部經理。



## DIRECTORS AND SENIOR MANAGEMENT

**Cheng Man Wah (鄭文華)**, aged 30, is the financial controller of our Company. Mr. Cheng holds a Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University and has over 8 years of experience in finance, accounting and auditing. He worked for Golden Resources Development International Limited (stock code 0677) and PricewaterhouseCoopers. He is a Certified Public Accountant and an accountant ambassador of the Hong Kong Institute of Certified Public Accountants, a member of the Association of Chartered Certified Accountants and the Chartered Management Institute, an associate of the Taxation Institute of Hong Kong and the Hong Kong Institute of Directors, an ordinary member of the Hong Kong Securities Institute, and a full member of the Hong Kong Management Association. He joined our Group in January 2010 and is responsible for our overall financial management.

**Lee Ka Ho (李家豪)**, aged 31, is the accounting manager of our Group. He joined our Group in June 2010 and is responsible for overseeing the accounting operations in both Hong Kong and the PRC and consolidated financial reportings of our Group. Mr. Lee is a member of the Association of Chartered Certified Accountants. He has over 7 years of experience in accounting and auditing for Hong Kong listed companies and PRC companies and he worked in an international audit firm prior to joining our Group. Mr. Lee graduated from the Hong Kong Polytechnic University with major in Accounting in 2004.

**Yang Meng (楊猛)**, aged 49, is the Chief Operation Officer of Tianhaiba and PRC business development consultant. He joined Tianhaiba in May 2011 and is responsible for the development and management of our PRC business as well as the strategic planning of Tianhaiba. Mr Yang has over 15 years of experience in sales of consumer products in various industries, including watches, cosmetics, beverages and catering. He obtained an executive master of business administration degree ("EMBA") from Graduate School at Shenzhen of Tsinghua University in 2008.

**Wu Yan (吳岩)**, aged 45, is the sales and marketing chief supervisor of Tianhaiba. She joined Tianhaiba in March 2010 and is responsible for sales and marketing of our watches. Ms. Wu graduated from 天津大學冶金分校 (Tianjin University Ye Jin Branch) with a bachelor's degree in engineering in 1989. She has over 10 years of experience in the watch industry. She worked in 宜進利時計(深圳)有限公司 (Yi Jin Li Shi Ji (Shenzhen) Company Limited) as supervisor of sales business for 8 years before joining Tianhaiba.

## 董事及高級管理人員

**鄭文華**，30歲，本公司的財務總監。鄭先生獲香港理工大學會計系文學士學位，擁有逾8年財務、會計及核數經驗。他曾於金源米業國際有限公司(股份代號：0677)及羅兵咸永道會計師事務所任職。他是香港會計師公會執業會計師兼會計師大使、英國特許會計師公會會員、特許管理學會會員、香港稅務學會會員、香港董事學會附屬會員、香港證券專業學會普通會員，及香港管理專業協會正式會員。他於2010年1月加入本集團，負責我們的整體財務管理工作。

**李家豪**，31歲，本集團的會計部經理，於2010年6月加入本集團，負責管理香港及中國的會計運作及本集團的綜合財務報告。李先生為英國特許會計師公會會員，積逾7年香港上市公司及中國公司的會計及審計經驗，於加入本集團前曾於一家國際核數師行工作。李先生於2004年畢業於香港理工大學，主修會計系。

**楊猛**，49歲，本集團的中國業務發展顧問及天海霸的首席運營官，於2011年5月加入天海霸，負責發展管理集團的中國業務及天海霸的市場規劃發展工作。楊先生於銷售鐘錶、化妝品、食品飲料及餐飲等各種行業的消費品方面，擁有逾15年的經驗。彼於2008年於清華大學的深圳研究院取得EMBA學位。

**吳岩**，45歲，天海霸的銷售及市場推廣部首席監理，於2010年3月加入天海霸，負責我們的鐘錶銷售及市場推廣工作。吳女士於1989年畢業於天津大學冶金分校，獲頒工程系學士學位，擁有逾10年鐘錶行業經驗。於加入天海霸前，她曾於宜進利時計(深圳)有限公司任職銷售業務部監理8年。

## DIRECTORS AND SENIOR MANAGEMENT

**Huang Guorong (黃國榮)**, aged 45, is the assistant to chief manager (administration/market supervision/examination) of Tianhaiba. He joined Tianhaiba in March 2010 and is responsible for business management of Tianhaiba. He has over 20 years' experience in business management by holding managerial or supervisory positions in 句容市無線電配件廠 (Jurong Wireless Electronic Accessories Factory) and 句容市郭莊鎮人民政府 (the People's Government of Guo Zhuang Village, Jurong City\*).

### Company Secretary

**Chan Sun Kwong (陳晨光)**, aged 45, is the company secretary of the Company appointed on 6 December 2010. He has obtained the Diploma of Business Administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in 1990. He has over 20 years of auditing, accounting and company secretarial experience serving various listed companies in Hong Kong since 1992 and from his own certified public accounting practice. He is a fellow member of the Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators in the United Kingdom, the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants. He is also an accredited mediator in Hong Kong.

### Compliance Officer

**Mr. Liu Tin Chak, Arnold** is the compliance officer of our Company. For details of his biography, please refer to the paragraph headed "Executive Directors" under this section.

## 董事及高級管理人員

**黃國榮**，45歲，天海霸的總經理助理(行政管理/市場監督/檢驗)，於2010年3月加入天海霸，負責天海霸的業務管理工作，曾於句容市無線電配件廠及句容市郭莊鎮人民政府擔任管理或主管職位，積逾20年業務管理經驗。

### 公司秘書

**陳晨光**，45歲，於2010年12月6日獲委任為本公司的公司秘書。他於1990年取得香港樹仁學院(現稱香港樹仁大學)工商管理文憑，擁有逾20年審核、會計及公司秘書經驗。他自1992年起任職於多間香港上市公司，並執業會計事務多年。他為香港特許秘書公會、英國特許秘書及行政人員公會、英國特許會計師公會及香港會計師公會資深會員。彼亦為香港之認可和解員。

### 監察主任

**廖天澤先生**為本公司的監察主任。有關他的履歷詳情，請參閱本節「執行董事」一段。

## DIRECTORS' REPORT

The Directors present their annual report together with the audited consolidated financial statements of the Group for the Year.

### Principal Activities

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 18 to the consolidated financial statements.

### Results and Appropriations

The results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 37.

An interim dividend of HK\$1.5 million was paid during the Year. The Directors recommend the payment of a final dividend of HK 2.0 cents per share, totalling HK\$3.0 million, in respect of the Year.

### Closure of Register of Members

To ascertain shareholders' entitlement to the proposed final dividend, the register of members will be closed from 14 May 2012, Monday to 17 May 2012, Thursday (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 11 May 2012.

### Property, Plant and Equipment

Details of movements in property, plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

### Share Capital

Details of movements during the Year in the share capital of the Company are set out in note 24 to the consolidated financial statements.

## 董事會報告

本公司董事呈報本集團本年度的年報及經審核綜合財務報表。

### 主要業務

本公司的主要業務為投資控股。本公司的主要附屬公司的主要業務載於綜合財務報表附註18。

### 業績及分派

本集團本年度的業績載於第37頁的綜合全面收益表。

於年內派付中期股息1.5百萬港元。董事建議派發本年度的末期股息每股2.0港仙，合共3.0百萬港元。

### 暫停辦理股份過戶登記

為確定股東於獲得建議末期股息之權利，本公司的股東名冊將於2012年5月14日(星期一)至2012年5月17日(星期四)(包括首尾兩日)暫停辦理股份過戶登記手續，期間將不會登記本公司股份過戶。為符合資格收取建議末期股息，所有股份過戶文件連同有關股票須於2012年5月11日(星期五)下午4時30分前送交本公司香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

### 物業、廠房及設備

有關本集團物業、廠房及設備於年內的變動詳情載於綜合財務報表附註15。

### 股本

有關本公司股本於年內的變動詳情載於綜合財務報表附註24。

## DIRECTORS' REPORT

### Reserves

Details of the movements in reserves of the Group and the Company during the Year are set out in note 25 to the consolidated financial statements.

### Distributable Reserves of the Company

At 31 December 2011, the Company's reserves available for cash distribution and/or distribution in specie amounted to approximately HK\$30.3 million, as computed in accordance with the Companies Act 1981 of Bermuda.

### Major Customers and Suppliers

The approximate percentages in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

		<b>Sales</b> 銷售	<b>Purchases</b> 採購
The largest customer	最大客戶	58.9%	N/A不適用
Five largest customers in aggregate	五大客戶合計	84.9%	N/A不適用
The largest supplier	最大供應商	N/A不適用	19.0%
Five largest suppliers in aggregate	五大供應商合計	N/A不適用	49.8%

Mr. Yang Yijun, an executive Director, has interest in Shenzhen Longgang District Henggang Town Xunlong Metal Processing Factory ("Xunlong Factory"), which is one of the Group's five largest suppliers for the Year. Details of transactions with Xunlong Factory are disclosed under the section headed "Connected Transactions" of this report.

Save as aforesaid, at no time during the Year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

## 董事會報告

### 儲備

有關本集團及本公司儲備於年內的變動詳情載於綜合財務報表附註25。

### 本公司的可供分派儲備

於2011年12月31日，本公司的可供現金分派及／或實物分派儲備金額約為30.3百萬港元，該儲備金額乃根據百慕達1981年公司法計算。

### 主要客戶及供應商

本集團的主要客戶及供應商應佔本財政年度銷售及採購的概約百分比如下：

執行董事楊一軍先生於深圳龍崗區橫崗鎮迅隆五金加工廠(「迅隆廠」)擁有權益，該廠為本集團本年度五大供應商之一。有關與迅隆廠的交易詳情，請參閱本報告「關連交易」一節。

除前述者外，各董事、他們的聯繫人或任何據董事所知擁有本公司股本超過5%的本公司股東於年內概無擁有該等主要客戶及供應商的任何權益。

## DIRECTORS' REPORT

### Directors

The Directors of the Company during the Year and up to the date of this report were as follows:

#### Executive Directors

Mr. Liu Tin Chak, Arnold  
Mr. Lam Chi Wai, Peter  
Mr. Wong Yu Man, Elias  
Mr. Yang Yijun

#### Independent non-executive Directors

Mr. Cheung Chi Man, Dennis  
Professor Lui Tai Lok  
Mr. Yip Kwok Kwan

In accordance with the Company's Bye-laws, Messrs. Yang Yijun, Cheung Chi Man, Dennis, Lui Tai Lok, and Yip Kwok Kwan will retire by rotation and, being eligible, offers themselves for re-election for the forthcoming year.

### Remuneration Policy

The emolument policy of the employees of the Group is set up 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 Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in the section headed "Share Option Scheme" below.

### Remuneration of Directors, Senior Management and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors, senior management and five individuals with highest emoluments are set out in note 14 to the consolidated financial statements.

## 董事會報告

### 董事

於年內及截至本報告日期為止，本公司的董事如下：

#### 執行董事

廖天澤先生  
林志偉先生  
黃汝文先生  
楊一軍先生

#### 獨立非執行董事

張志文先生  
呂大樂教授  
葉國均先生

根據本公司的細則，楊一軍先生、張志文先生、呂大樂教授及葉國均先生將於來年輪值退任，並符合資格膺選連任。

### 酬金政策

本集團僱員的酬金政策由薪酬委員會按其表現、資歷及能力而訂立。

本公司董事的酬金由薪酬委員會經考慮本公司的經營業績、個人表現及可比較市場統計數據而釐定。

本公司已採納購股權計劃，作為對合資格董事及僱員的獎勵，計劃的詳情載於下文「購股權計劃」一節。

### 董事、高級管理人員及五名最高酬金人士的薪酬

有關董事、高級管理人員及五名最高酬金人士的薪酬詳情載於綜合財務報表附註14。

## DIRECTORS' REPORT

### Directors' Interests in Contracts

Save as disclosed in the section "Connection Transactions" of this report and in note 28 to the financial statements, no contracts of significance to which the Company, its holding company, subsidiaries or any of its fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

### Directors' Interest in Competing Business

As at the date of this report, none of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

### Directors' Service Contracts

Each of Mr. Liu Tin Chak, Arnold, Mr. Lam Chi Wai, Peter, Mr. Wong Yu Man, Elias and Mr. Yang Yijun has entered into a service contract with our Company for a term of three years from the Listing with monthly remuneration at the rate of HK\$80,000. Under the service contracts, after each completed year of service, they will each be entitled to payment of a sum equal to a month's salary and a discretionary bonus.

Each of Mr. Cheung Chi Man, Dennis, Professor Lui Tai Lok and Mr. Yip Kwok Kwan, the independent non-executive Directors, has entered into a letter of appointment with our Company for an initial term of three years commencing from 27 September 2010 with remuneration of HK\$240,000 per year.

None of the Directors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## 董事會報告

### 董事於合約的權益

除本報告「關連交易」一節及財務報表附註28所披露者外，於年終或年內任何時間，本公司、其控股公司、附屬公司或其任何同系附屬公司概無訂立任何本公司董事直接或間接擁有重大權益的重大合約。

### 董事於競爭業務的權益

於本報告日期，概無本公司的董事、管理層股東及他們各自的聯繫人（定義見創業板上市規則）於導致或可能導致與本集團業務有重大競爭的業務中擁有任何權益，而任何有關人士並無與或可能與本集團有任何其他利益衝突。

### 董事的服務合約

廖天澤先生、林志偉先生、黃汝文先生及楊一軍先生各自與本公司訂立服務合約，由上市起計為期三年，每月酬金為80,000港元。根據服務合約，於每個服務年期完結後，他們將各自獲發放金額相等於一個月薪金的款項及酌情花紅。

獨立非執行董事張志文先生、呂大樂教授及葉國均先生已各自與本公司訂立委任狀，初步任期由2010年9月27日起計為期三年，每年酬金為240,000港元。

概無董事與本公司訂立於一年內不可免付賠償（法定賠償除外）而終止的服務合約。

## DIRECTORS' REPORT

## 董事會報告

**Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation****董事及最高行政人員於本公司或任何相聯法團股份、相關股份及債券的權益及淡倉**

As at the date of this report, the interests of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Exchange pursuant to the model code for securities transactions by Directors of the Company (the "Model Code"), were as follows:

於本報告日期，按本公司根據證券及期貨條例第352條存置的登記冊所記錄，或按本公司及聯交所根據本公司董事進行證券交易的標準守則（「標準守則」）所獲通知，董事及他們的聯繫人於本公司及其相聯法團的股份、相關股份及債券的權益如下：

**Long positions in shares of the Company****於本公司股份的好倉**(a) *Interest in the share of the Company*(a) *於本公司股份的權益*

Director 董事	Capacity/Nature of interest 身份／權益性質	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本的百分比
Mr. Liu Tin Chak, Arnold 廖天澤先生	Corporate interest (Note) 公司權益(附註)	108,000,000	72.00%

Note: These shares are held by an associated corporation Data Champion Limited. Directors' interests in an associated corporation are as disclosed immediately below.

附註：該等股份由相聯法團Data Champion Limited持有。董事於相聯法團的權益於下文披露。

(b) *Interest in the share of an associated corporation*(b) *於相聯法團股份的權益*

Name of associated corporation: Data Champion Limited

相聯法團名稱：Data Champion Limited

Director 董事	Capacity/Nature of interest 身份／權益性質	Number of shares held 所持股份數目	Percentage of shareholding 持股百分比
Mr. Liu Tin Chak, Arnold 廖天澤先生	Beneficial owner 實益擁有人	952	47.60%
Mr. Lam Chi Wai, Peter 林志偉先生	Beneficial owner 實益擁有人	476	23.80%
Mr. Wong Yu Man, Elias 黃汝文先生	Beneficial owner 實益擁有人	476	23.80%

## DIRECTORS' REPORT

## 董事會報告

### Substantial Shareholders Interests in Shares

As at the date of this report, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that, other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

#### Long Positions

*Ordinary shares of the Company*

Name of shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本的百分比
Data Champion Limited	Beneficial owner 實益擁有人	108,000,000	72.00%

### Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Since the Scheme has become effective on 22 December 2010, no share options were granted, exercised or cancelled by the Company under the Scheme during the period under review and there were no outstanding share options under the Scheme as at 31 December 2011.

### Arrangements to Purchase Shares or Debentures

At no time during the Year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Purchase, Sale or Redemption of Listed Securities of The Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

### 主要股東於股份的權益

於本報告日期，本公司根據證券及期貨條例第336條存置的主要股東登記冊顯示，除上文所披露有關若干董事的權益外，以下股東已通知本公司於本公司的已發行股本中擁有相關權益。

#### 好倉

本公司的普通股

### 購股權計劃

本公司設立一項購股權計劃（「計劃」），向為本集團業務成功作出貢獻的合資格參與者提供獎勵及回報。自計劃於2010年12月22日生效後，本公司並無於回顧期內授出、行使或註銷購股權，及於2011年12月31日並無根據計劃尚未行使的購股權。

### 收購股份或債券的安排

於年內任何時間內，本公司、其控股公司或其任何附屬公司或同系附屬公司概無參與任何安排，致令本公司董事可藉購入本公司或任何其他法團的股份或債券而獲得利益。

### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於本年度概無購買、出售或贖回任何本公司上市證券。



## DIRECTORS' REPORT

## 董事會報告

**Connected Transactions**

During the Year, the Group had duly complied with the requirements of Chapter 20 of the GEM Listing Rules. The tenancy agreement between Tianhaiba and Shenzhen Guifeng Watch Company Limited ("Guifeng") and outsourcing arrangement with Guifeng constitute related party transactions and are set out in note 28(i)(b) to the consolidated financial statements.

**Discontinued connected transactions**

- (a) *Tenancy agreement between Tianhaiba and Guifeng*  
On 26 August 2010, Tianhaiba as principal tenant and Guifeng as sub-tenant entered into a tenancy agreement at a monthly rent of RMB11,500 (approximately HK\$13,110) for use as a factory. The tenancy agreement expired on 31 March 2011.
- (b) *Supply arrangement with Xunlong Factory*  
On 21 December 2010, the Company and Xunlong Factory entered into a master supply agreement whereby Xunlong Factory agrees to supply watch components including watch cases, stainless steel bands, glass and silver rings to our Group based on purchase orders placed by our Group from time to time for a term from 21 December 2010 until 31 December 2012. It has no dealing with our Group since November 2011.
- (c) *Supply arrangement with Pohint Industries Limited ("Pohint")*  
On 16 December 2010, the Company and Pohint entered into a master supply agreement whereby Pohint agrees to supply display and packaging products to our Group based on purchase orders placed by our Group from time to time for a term from 16 December 2010 until 30 April 2011. Pohint ceased to be connected person of the Group after 30 April 2011.

**關連交易**

於本年度內，本集團已妥為遵守創業板上市規則第20章的規定。天海霸與深圳市桂峰表業有限公司(「桂峰」)的租賃協議及與桂峰的外判安排亦構成有關聯人士交易，請參閱綜合財務報表附註28(i)(b)。

**已終止持續關連交易**

- (a) *天海霸與桂峰的租賃協議*  
於2010年8月26日，天海霸(作為主租客)與桂峰(作為分租客)訂立一份租賃協議，月租人民幣11,500元(約13,110港元)，作工廠之用。租賃協議已於2011年3月31日屆滿。
- (b) *與迅隆廠的供應安排*  
於2010年12月21日，本公司與迅隆廠訂立一份總供應協議，據此，迅隆廠同意按照本集團不時發出的購貨訂單，向本集團供應鐘錶部件，包括錶殼、不銹鋼錶帶、玻璃及銀圈，年期由2010年12月21日起至2012年12月31日止。自2011年11月起，迅隆廠與本集團再未有任何業務往來。
- (c) *與寶興實業有限公司(「寶興」)的供應安排*  
於2010年12月16日，本公司與寶興訂立一份總供應協議，據此，寶興同意按照本集團不時發出的購貨訂單，向本集團供應陳列包裝品，年期由2010年12月16日起至2011年4月30日止。寶興於2011年4月30日後不再屬於本公司之關連人士。

## DIRECTORS' REPORT

## 董事會報告

### Continuing Connected Transactions

#### *Outsourcing arrangement with Guifeng*

On 21 December 2010, the Company and Guifeng entered into a master agreement whereby Guifeng agrees to carry out watch assembly work for our Group based on purchase orders placed by our Group from time to time for a term from 21 December 2010 until 31 December 2012.

Details of the above continuing/discontinued connected transactions are set out in the Prospectus.

The Exchange has granted a waiver pursuant to Rule 20.42(3) of the GEM Listing Rules from strict compliance with the announcement and independent shareholders' approval requirements in relation to the above continuing/discontinued connected transactions. Subjected to the waiver conditions as stipulated in paragraph 2 of "Application For Waivers" in the section headed "Connected Transactions and Waiver" in the Prospectus.

### Annual Caps and Actual Figures of Non-Exempted Continuing/Discontinued Connected Transactions of the Company

### 持續關連交易

#### *與桂峰的外判安排*

於2010年12月21日，本公司與桂峰訂立一份總協議，據此，桂峰同意按照本集團不時發出的購貨訂單，為本集團進行鐘錶組裝工作，年期由2010年12月21日起至2012年12月31日止。

以上持續／已終止關連交易的詳情載於招股章程。

聯交所已根據創業板上市規則第20.42(3)條就上述持續／已終止關連交易授予豁免嚴格遵守公佈及獨立股東批准的規定，惟須符合招股章程「關連交易及豁免」一節「豁免申請」第2段所列明的豁免條件。

### 本公司未獲豁免持續／已終止關連交易的年度上限及實際數字

Transactions	交易	Annual Caps for the Year ended 31 December 2011	Actual Figures for the Year ended 31 December 2011
		截至2011年 12月31日止年度 的年度上限 HK\$'000 千港元	截至2011年 12月31日止年度 的實際數字 HK\$'000 千港元
1. Tenancy agreement between Tianhaiba and Guifeng	天海霸與桂峰的租賃協議	39	39
2. Outsourcing arrangement with Guifeng	與桂峰的外判安排	8,346	7,216
3. Supply arrangement with Xunlong Factory	與迅隆廠的供應安排	22,733	13,726
4. Supply arrangement with Pohint	與寶興的供應安排	54,641	12,310

## DIRECTORS' REPORT

The independent non-executive Directors had reviewed the aforesaid continuing/discontinued connected transactions and confirmed that these transactions had been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- (3) in accordance with the relevant agreement with terms which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in pages 31 to 32 of the Annual Report in accordance with GEM Listing Rule 20.38. A copy of the auditor's letter has been provided by the Company to the Exchange.

### 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

As at the date of this report, based on information publicly available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float.

## 董事會報告

獨立非執行董事已審閱上述持續／已終止關連交易，並確認該等交易：

- (1) 為本集團的一般及日常業務；
- (2) 為正常商業條款，或不遜於本公司向獨立第三方提供或取得（按適用）的條款；及
- (3) 根據相關協議訂立，條款公平合理，並符合本公司股東的整體利益。

本公司核數師已獲委託，根據香港會計師公會頒佈的香港核證工作準則第3000號「除審核或審閱歷史財務信息以外的核證應聘工作」，並參考「核數師就香港上市規則項下持續關連交易發出的函件」應用指引第740項，就本集團的持續關連交易呈交報告。核數師已發出無保留意見函件，當中載有其有關持續關連交易（本集團已根據創業板上市規則第20.38條於本年報第31至32頁對此作出披露）的調查結果及結論。本公司已向聯交所提供該份核數師函件的副本。

### 優先購買權

本公司細則或百慕達法例並無載有優先購買權條文規定本公司須按比例向現有股東發售新股。

### 足夠公眾持股量

根據本公司所得的公開資料及就董事所知，於本報告日期，本公司保持足夠公眾持股量。

## DIRECTORS' REPORT

### Corporate Governance

A report on the principal corporate governance practices adopted by the Company is set out on pages 14 to 19 of this report.

### Interests of the Compliance Adviser

As notified by the compliance adviser of the Company, CIMB Securities (HK) Limited ("CIMB"), as at 31 December 2011, except for the compliance adviser agreement entered into between the Company and the CIMB dated 3 December 2010, neither CIMB or its directors, employees or associates had any interest in relation to the Group.

### Subsequent Events

Details of material subsequent events of the Group are set out in note 33 to the consolidated financial statements.

### Auditor

Pursuant to the merge of practice of, Grant Thornton Hong Kong ("GTHK"), now known as JBPB & Co., and BDO Limited ("BDO"), GTHK resigned and BDO was appointed as auditor of the Company with effective from 26 January 2011. The financial statements for the Year and Previous Year have been audited by BDO who retire and, being eligible, after themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint BDO as auditor of the Company.

On behalf of the Board

**Liu Tin Chak, Arnold**

*Chairman*

Hong Kong, 9 March 2012

## 董事會報告

### 企業管治

本公司採納的主要企業管治常規報告載於本報告第14至19頁。

### 合規顧問的權益

誠如本公司合規顧問聯昌國際證券(香港)有限公司(「聯昌國際」)的告知，於2011年12月31日，除2010年12月3日本公司與聯昌國際訂立的合規顧問協議外，聯昌國際或其董事、僱員或聯繫人概無擁有與本集團有關的任何權益。

### 其後事項

有關本集團重大其後事項的詳情載於綜合財務報表附註33。

### 核數師

根據均富會計師行(「均富香港」)(現稱莊栢會計師行)與香港立信德豪會計師事務所有限公司(「立信德豪」)之間的業務合併行動，由2011年1月26日起，均富香港已辭任而立信德豪已獲委任為本公司核數師。本年度及上一年度的財務報表已由立信德豪審核。彼現任滿告退，惟合資格並願意膺聘連任。將於應屆股東週年大會上提呈決議案，續聘立信德豪為本公司核數師。

承董事會命

主席

**廖天澤**

香港，2012年3月9日

# INDEPENDENT AUDITOR'S REPORT



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## 獨立核數師報告

25<sup>th</sup> Floor Wing On Centre  
111 Connaught Road Central  
Hong Kong

香港干諾道中111號  
永安中心25樓

**To the shareholders of Powerwell Pacific Holdings Limited**  
*(incorporated in Bermuda with limited liability)*

**致宏峰太平洋集團有限公司各股東**  
*(於百慕達註冊成立的有限公司)*

We have audited the consolidated financial statements of Powerwell Pacific Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 37 to 99, which comprise the consolidated and the company statements of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師(「我們」)已審計刊載於第37頁至99頁宏峰太平洋集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，當中包括於2011年12月31日的綜合及公司財務狀況表與截至該日止年度的綜合全面收益表、綜合現金流量表及綜合權益變動表，以及主要會計政策概要及其他附註解釋資料。

### Directors' responsibility for the consolidated financial statements

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

### 董事就綜合財務報表須承擔的責任

貴公司董事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》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以確保綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### 核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並按照《百慕達1981年公司法》第90條僅向整體股東作出報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

BDO Limited  
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

### Auditor's responsibility (Continued)

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### **BDO Limited**

*Certified Public Accountants*

**Chiu Wing Cheung, Ringo**

Practising Certificate no. P04434

Hong Kong, 9 March 2012

### 核數師的責任(續)

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。該等準則要求我們須遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選用的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合報財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司的內部控制有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公平地反映 貴公司及 貴集團於2011年12月31日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥善編製。

#### **香港立信德豪會計師事務所有限公司**

*執業會計師*

**招永祥**

執業證書編號P04434

香港，2012年3月9日

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

for the year ended 31 December 2011

截至2011年12月31日止年度

		Notes 附註	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
<b>Revenue</b>	<b>收入</b>	6	<b>240,249</b>	208,195
Cost of sales	銷售成本		<b>(183,823)</b>	(160,350)
Gross profit	毛利		<b>56,426</b>	47,845
Other income	其他收入	6	<b>236</b>	727
Selling and distribution costs	銷售及分銷成本		<b>(8,555)</b>	(9,747)
Administrative expenses	行政開支		<b>(33,520)</b>	(23,459)
Other operating expenses	其他經營開支		<b>(1)</b>	(3,585)
Finance costs	融資成本	8	<b>(120)</b>	(30)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	9	<b>14,466</b>	11,751
Income tax expense	所得稅開支	10	<b>(4,068)</b>	(3,862)
<b>Profit for the year</b>	<b>年內溢利</b>		<b>10,398</b>	7,889
<b>Other comprehensive income for the year</b>	<b>年內其他全面收益</b>			
— Exchange differences arising on translation of foreign operations	— 換算海外業務產生的匯兌差額		<b>259</b>	170
<b>Total comprehensive income for the year</b>	<b>年內全面收益總額</b>		<b>10,657</b>	8,059
<b>Profit for the year attributable to:</b>	<b>年內溢利應佔方：</b>			
Owners of the Company	本公司擁有人	11	<b>10,393</b>	7,563
Non-controlling interests	非控制權益		<b>5</b>	326
			<b>10,398</b>	7,889
<b>Total comprehensive income for the year attributable to:</b>	<b>年內全面收益總額應佔方：</b>			
Owners of the Company	本公司擁有人		<b>10,652</b>	7,733
Non-controlling interests	非控制權益		<b>5</b>	326
			<b>10,657</b>	8,059
<b>Earnings per share for profit attributable to owners of the Company — Basic and diluted</b>	<b>本公司擁有人應佔溢利的每股盈利 — 基本及攤薄</b>	13	<b>HK 7.1 cents 港仙</b>	HK 7.0 cents 港仙

CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION

as at 31 December 2011

## 綜合財務狀況表

於2011年12月31日

		Notes	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
		附註		
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	9,034	6,976
Goodwill	商譽	16	230	230
Other intangible assets	其他無形資產	17	5,861	5,555
			<b>15,125</b>	<b>12,761</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	20,051	16,412
Trade receivables	貿易應收款項	20	32,169	24,575
Prepayments and deposits	預付款項及按金	20	7,647	18,857
Prepaid tax	預付稅項		—	1,552
Cash and cash equivalents	現金與現金等價物	21	41,180	28,262
			<b>101,047</b>	<b>89,658</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	22	46,859	68,803
Provision for income tax	所得稅撥備		1,685	3,239
Short-term bank borrowings	短期銀行借貸	23	9,192	—
			<b>57,736</b>	<b>72,042</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>43,311</b>	<b>17,616</b>
<b>Total assets less current liabilities/ Net assets</b>	<b>總資產減流動負債/ 資產淨值</b>		<b>58,436</b>	<b>30,377</b>
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	24	15,000	10
Proposed final dividend	建議末期股息	12	3,000	3,000
Other reserves	其他儲備	25	40,436	27,347
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>58,436</b>	<b>30,357</b>
Non-controlling interests	非控制權益		—	20
<b>Total equity</b>	<b>總權益</b>		<b>58,436</b>	<b>30,377</b>

Liu Tin Chak, Arnold  
廖天澤  
Director  
董事

Lam Chi Wai, Peter  
林志偉  
Director  
董事



## STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

## 財務狀況表

於2011年12月31日

		Notes 附註	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益	18	30,367	30,367
<b>Current assets</b>	<b>流動資產</b>			
Prepayments and deposits	預付款項及按金	20	163	—
Dividend receivable	應收股息		—	3,000
Amounts due from subsidiaries	應收附屬公司款項	18	27,493	660
Bank balances and cash	銀行結餘及現金	21	2,320	—
			29,976	3,660
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及應計費用	22	1,654	660
Amount due to a subsidiary	應付附屬公司款項	18	7,934	—
			9,588	660
<b>Net current assets</b>	<b>流動資產淨值</b>		20,388	3,000
<b>Net assets</b>	<b>資產淨值</b>		50,755	33,367
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	24	15,000	10
Proposed final dividend	建議末期股息	12	3,000	3,000
Other reserves	其他儲備	25	32,755	30,357
<b>Total equity</b>	<b>總權益</b>		50,755	33,367

Lin Tin Chak, Arnold

廖天澤

Director

董事

Lam Chi Wai, Peter

林志偉

Director

董事

CONSOLIDATED STATEMENT OF  
CASH FLOWS

for the year ended 31 December 2011

## 綜合現金流量表

截至2011年12月31日止年度

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
<b>Cash flows from operating activities</b>	<b>經營活動的現金流</b>		
Profit before income tax	除所得稅前溢利	14,466	11,751
Adjustments for:	就下列各項作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,326	1,050
Fair value gain on financial instruments	金融工具公平值收益	—	(501)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	1	3
Interest income	利息收入	(81)	(129)
Finance costs	融資成本	120	30
Exchange differences	匯兌差額	—	139
Operating profit before working capital changes	營運資金變動前的經營溢利	15,832	12,343
Increase in inventories	存貨增加	(3,225)	(14,956)
Increase in trade receivables, prepayments and deposits	貿易應收款項、預付款項 及按金增加	(8,031)	(21,778)
(Decrease)/Increase in trade and other payables	貿易及其他應付款項 (減少)/增加	(11,215)	46,637
Movements in amounts due from/to related parties	應收/應付關聯人士 款項變動	—	547
Cash (used in)/generated from operations	營運(所用)/產生的現金	(6,639)	22,793
Interest paid	已付利息	(120)	(30)
Income tax paid	已付所得稅	(4,070)	(5,034)
<i>Net cash (used in)/generated from operating activities</i>	<i>經營活動(所用)/產生的 現金淨額</i>	<b>(10,829)</b>	17,729

# CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

for the year ended 31 December 2011

# 綜合現金流量表(續)

截至2011年12月31日止年度

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
<b>Cash flows from investing activities</b>	<b>投資活動的現金流</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	(3,327)	(1,646)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1	2
Purchase of other intangible assets	購買其他無形資產	(2,997)	(2,379)
Net cash inflow from redemption of financial instruments	贖回金融工具的現金流入淨額	—	14,506
Acquisition of a subsidiary	收購一家附屬公司	—	96
Interest received	已收利息	81	129
<i>Net cash (used in)/generated from investing activities</i>	<i>投資活動(所用)/產生的現金淨額</i>	<b>(6,242)</b>	10,708
<b>Cash flows from financing activities</b>	<b>融資活動的現金流</b>		
Issuance of shares	發行股份	33,600	1,033
Expenses incurred in connection with the issue of shares	發行股份涉及之開支	(8,388)	—
Acquisition of non-controlling interests	收購非控制權益	—	(1,229)
Proceeds from short-term bank borrowings	短期銀行借貸所得款項	31,874	—
Repayment of short-term bank borrowings	償還短期銀行借貸	(22,682)	(676)
Dividend paid	已付股息	(4,500)	(14,551)
<i>Net cash generated from/(used in) financing activities</i>	<i>融資活動產生/(所用)的現金淨額</i>	<b>29,904</b>	(15,423)
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>	<b>12,833</b>	13,014
<b>Cash and cash equivalents at beginning of year</b>	<b>年初的現金及現金等價物</b>	<b>28,262</b>	15,215
Effect of foreign exchange rate changes	匯率變動的影響	85	33
<b>Cash and cash equivalents at end of year</b>	<b>年終的現金及現金等價物</b>	<b>41,180</b>	28,262

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

# 綜合權益變動表

for the year ended 31 December 2011

截至2011年12月31日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益									
		Share capital	Share premium*	Capital reserve*	Merger reserve*	Translation reserve*	Proposed final dividend	Retained profits*	Total	Non-controlling interests	Total equity
		股本	股份溢價*	股本儲備*	合併儲備*	換算儲備*	末期股息建議	保留溢利*	總計	非控制權益	總權益
		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
<b>At 1 January 2010</b>	<b>於2010年1月1日</b>	—	—	—	10	—	—	35,727	35,737	1,078	36,815
Dividend paid (note 12)	已付股息(附註12)	—	—	—	—	—	—	(14,301)	(14,301)	—	(14,301)
Acquisition of non-controlling interests (note 25(b))	收購非控股權益(附註25(b))	—	—	155	—	—	—	—	155	(1,384)	(1,229)
Capital contribution to a subsidiary (note 25(c)(ii))	於一間附屬公司注資(附註25(c)(ii))	—	—	—	1,033	—	—	—	1,033	—	1,033
Issue of ordinary shares (notes 24(a),(b)&(c))	發行普通股(附註24(a)、(b)及(c))	10	—	—	(10)	—	—	—	—	—	—
Transactions with owners	與擁有人之交易	10	—	155	1,023	—	—	(14,301)	(13,113)	(1,384)	(14,497)
Profit for the year	年內溢利	—	—	—	—	—	—	7,563	7,563	326	7,889
Other comprehensive income:	其他全面收益:										
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	170	—	—	170	—	170
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	170	—	7,563	7,733	326	8,059
2010 final dividend proposed (note 12)	2010年建議末期股息(附註12)	—	—	—	—	—	3,000	(3,000)	—	—	—
<b>At 31 December 2010 and 1 January 2011</b>	<b>於2010年12月31日及2011年1月1日</b>	10	—	155	1,033	170	3,000	25,989	30,357	20	30,377
Dividend paid during the year (note 12)	年內已付股息(附註12)	—	—	—	—	—	(3,000)	(1,500)	(4,500)	—	(4,500)
Issue of shares upon Placing (note 24(f))	配售後發行股份(附註24(f))	4,200	29,400	—	—	—	—	—	33,600	—	33,600
Issue of shares upon Capitalisation (note 24(e))	資本化後發行股份(附註24(e))	10,790	(10,790)	—	—	—	—	—	—	—	—
Expenses incurred in connection with the issue of shares during the year	年內發行股份涉及之開支	—	(11,673)	—	—	—	—	—	(11,673)	—	(11,673)
Dividend to non-controlling interests	分派予非控制權益	—	—	—	—	—	—	—	—	(25)	(25)
Transactions with owners	與擁有人之交易	14,990	6,937	—	—	—	(3,000)	(1,500)	17,427	(25)	17,402
Profit for the year	年內溢利	—	—	—	—	—	—	10,393	10,393	5	10,398
Other comprehensive income:	其他全面收益:										
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	259	—	—	259	—	259
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	259	—	10,393	10,652	5	10,657
2011 final dividend proposed (note 12)	2011年建議末期股息(附註12)	—	—	—	—	—	3,000	(3,000)	—	—	—
<b>At 31 December 2011</b>	<b>於2011年12月31日</b>	15,000	6,937	155	1,033	429	3,000	31,882	58,436	—	58,436

\* The total of these balances represented "Other reserves" in the consolidated statement of financial position.

\* 此等結餘的總額為綜合財務狀況表的「其他儲備」。

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

## 1. General Information

Powerwell Pacific Holdings Limited (the "Company") was incorporated in Bermuda on 14 June 2010 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company's principal place of business is located at 19/F, Henry Centre, 131 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong.

The Company's shares were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 January 2011.

The principal activity of the Company is investment holding. The principal activity of the Company's subsidiaries (together with the Company referred to as the "Group") is the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products. It is the Group's business strategy to develop watches business in the People's of Republic of China (the "PRC") and in this connection, the Group acquired Shenzhen Tianhaiba Watches Company Limited 深圳市天海霸鐘錶有限公司 ("Tianhaiba") on 1 February 2010 (note 26) and the trademarks of certain watch brands in the PRC on 30 June 2010 (note 17).

The directors of the Company consider the ultimate parent company of the Group as at 31 December 2011 to be Data Champion Limited, a company incorporated in the British Virgin Islands.

The financial statements on pages 37 to 99 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

The financial statements for the year ended 31 December 2011 were approved for issue by the board of directors on 9 March 2012.

# 財務報表附註

截至2011年12月31日止年度

## 1. 一般資料

宏峰太平洋集團有限公司(「本公司」)於2010年6月14日在百慕達根據百慕達1981年公司法註冊成立為一間獲豁免有限公司。本公司的註冊辦事處位於Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda。本公司的主要營業地點位於香港新界葵涌和宜合道131號恆利中心19樓。

本公司的股份自2011年1月26日起於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司的主要業務為投資控股。本公司的附屬公司(連同本公司合稱為「本集團」)的主要業務為向客戶提供生產鐘錶、人造珠寶及陳列包裝品的貨源搜尋及採購解決方案。本集團的業務策略為於中華人民共和國(「中國」)開發鐘錶業務，就此而言，本集團於2010年2月1日收購深圳市天海霸鐘錶有限公司(「天海霸」)(附註26)，並於2010年6月30日收購中國若干鐘錶品牌的商標(附註17)。

本公司董事認為於2011年12月31日本集團的最終母公司為於英屬處女群島註冊成立的Data Champion Limited。

第37至第99頁的財務報表乃根據香港財務報告準則(「香港財務報告準則」)(包括所有香港會計師公會(「香港會計師公會」)頒布的適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(「詮釋」))編製。財務報表亦包括香港公司條例及聯交所創業板證券上市規則(「創業板上市規則」)規定的適用披露內容。

截至2011年12月31日止年度的財務報表已於2012年3月9日獲董事會批准刊發。

## 2. Reorganisation and Basis of Presentation

Through a reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares (the "Reorganisation"), the Company has become the holding company of its subsidiaries now comprising the Group since 20 December 2010. Details of the Reorganisation are fully explained in the prospectus of the Company dated 29 December 2010. There has been a continuation of risks and benefits of the founding shareholders (the "Founding Shareholders") of the Group before and after the Reorganisation. The Founding Shareholders act together on a collective basis under certain arrangements in order to manage and control the business and operations of the Group collectively. Accordingly, the financial statements of the Group for the year ended 31 December 2010 have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations". The consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2010 have been prepared on basis as if the current group structure had been in existence throughout the year. The consolidated statement of financial position as at 31 December 2010 has been prepared on the basis as if the current group structure had been in existence at that date. Non-controlling interests represent the interests of outside shareholders not held by the Founding Shareholders in the results and net assets of the Company's subsidiaries, and are presented separately in the statement of comprehensive income of the Group and within equity in the statement of financial position, separately from equity attributable to the Company's owners.

## 3. Adoption of New/Revised HKFRSs

### (a) New/Revised HKFRSs — effective 1 January 2011

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2011:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of these new/revised HKFRSs has no material impact on the Group's financial statements.

## 2. 重組及呈列基準

透過重組至理順本集團的結構以準備本公司股份上市(「重組」)，本公司已於2010年12月20日成為本集團控股公司。重組詳情於本公司2010年12月29日之招股章程內詳細解釋。於重組前後，創始股東(「創始股東」)承受之風險及享有之利益具延續性。創始股東根據若干安排集體共同行動，以共同管理及控制本集團之業務及營運。因此，本集團截至2010年12月31日止年度之財務報表已使用合併會計法，按照會計指引第5號「共同控制合併之合併會計法」編製。截至2010年12月31日止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表已按照猶如現時集團架構於年內一直存在之基準編製。截至2010年12月31日之綜合財務狀況表已按照猶如現時集團架構於該日已存在之基準編製。非控制權益指並非由創始股東持有的外部股東應佔本公司附屬公司業績及資產淨值的權益，並於本集團的全面收益表獨立呈列，以及於本集團財務狀況表內的權益呈列，與本公司擁有人應佔權益分開。

## 3. 採納新訂／經修訂香港財務報告準則

### (a) 新訂／經修訂香港財務報告準則—於2011年1月1日生效

本集團於本年度首次應用下列由香港會計師公會頒佈，與本集團於2011年1月1日開始之年度期間之財務報表相關並於該期間生效之新訂準則、修訂及詮釋：

香港財務報告準則(修訂本)	2010年香港財務報告準則之改善
香港會計準則第24號(經修訂)	關聯方披露

除下文所說明者外，採納此等新訂／經修訂香港財務報告準則對本集團財務報表並無重大影響。

### 3. Adoption of New/Revised HKFRSs (Continued)

#### (a) New/Revised HKFRSs — effective 1 January 2011 (Continued)

##### HKFRS 7 (Amendments) — Financial Instruments: Disclosures

As part of the Improvements to HKFRSs issued in 2010, HKFRS 7 has been amended to enhance the interaction between quantitative and qualitative disclosures. If the carrying amount of a financial asset best represents the maximum exposure to credit risk, the standard does not require a positive statement to this effect in the financial statements. This amended disclosure requirement has been applied retrospectively. The carrying amounts of the Group's trade receivables and bank balances represent the Group's maximum exposure to credit risk in respect of these financial assets as at 31 December 2011 and 2010. The prior year financial statements included a positive statement to this effect which is removed in the 2011 financial statements following the amendments. The adoption of the amendments has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

##### HKAS 24 (Revised) — Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has revised its accounting policy for the identification of its related parties and has reassessed counterparties of transactions in accordance with the revised definition. The reassessment did not result in new related parties being identified. Related parties identified in prior years remain unchanged under the new accounting policy and the Group concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous years.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

### 3. 採納新訂／經修訂香港財務報告準則(續)

#### (a) 新訂／經修訂香港財務報告準則—於2011年1月1日生效(續)

##### 香港財務報告準則第7號(修訂本)—金融工具：披露

作為於2010年頒佈的「香港財務報告準則之改進」的一部分，香港財務報告準則第7號已修訂以強調定量及定性披露之間的相互作用。倘金融資產的賬面值最能代表面臨的最高信貸風險，該準則不要求於財務報表內對該影響作正面陳述。該項經修訂披露規定已獲追溯應用。於2011年及2010年12月31日，本集團貿易應收款項及銀行結餘之賬面值代表本集團就該等金融資產所承受之最高信貸風險。上一年度財務報表包括對該影響的正面陳述，其已於2011年財務報表內刪除以遵循該等修訂。採納該等修訂對本集團於任何呈列期間的匯報損益、全面收益或權益總額概無影響。

##### 香港會計準則第24號(經修訂)—關聯方披露

國際會計準則第24號(經修訂)修訂對關聯方的定義並釐清其涵義。有關修訂可能會造成被識別為報告實體的關聯方的該等人士出現變更。本集團已修訂有關識別關聯方之會計政策，並已根據經修訂之釋義重新評估交易對手方。經重新評估後，並無識別出新的關聯方。在新會計政策下，以往年度識別之關聯方並無變動，而本集團之結論為經修訂之釋義對本集團於本年度及以往年度之關聯方披露並無任何重大影響。

香港會計準則第24號(經修訂)亦引入了本集團及對手方受共同控制、聯合控制或受政府、政府代理或類似實體重大影響之關聯方交易之適用簡化披露規定。此等新披露與本集團並無關聯，乃由於本集團並非一間政府相關實體。

3. Adoption of New/Revised HKFRSs (Continued)

(b) New/Revised HKFRSs — issued but are not yet effective

The Group has not applied the following new/revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets <sup>1</sup>
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets <sup>2</sup>
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income <sup>3</sup>
Amendments to HKAS 32	Presentation — Offsetting Financial Assets and Financial Liabilities <sup>5</sup>
Amendments to HKFRS 7	Disclosure — Offsetting Financial Assets and Financial Liabilities <sup>4</sup>
HKFRS 9	Financial Instruments <sup>6</sup>
HKFRS 10	Consolidated Financial Statements <sup>4</sup>
HKFRS 11	Joint Arrangements <sup>4</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>4</sup>
HKFRS 13	Fair Value Measurements <sup>4</sup>
HKAS 19 (2011)	Employee Benefits <sup>4</sup>
HKAS 27 (2011)	Separate Financial Statements <sup>4</sup>
HKAS 28 (2011)	Investments in Associates and Joint Ventures <sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 July 2011
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2012
- <sup>3</sup> Effective for annual periods beginning on or after 1 July 2012
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2013
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2014
- <sup>6</sup> Effective for annual periods beginning on or after 1 January 2015

3. 採納新訂／經修訂香港財務報告準則(續)

(b) 已頒佈惟尚未生效之新訂／經修訂香港財務報告準則

本集團並無於此等財務報表中應用以下已頒佈惟尚未生效之新訂／經修訂香港財務報告準則。

香港財務報告準則第7號之修訂	披露－轉讓金融資產 <sup>1</sup>
香港會計準則第12號之修訂	遞延稅項－撥回相關資產 <sup>2</sup>
香港會計準則第1號之修訂(經修訂)	財務報表呈列 — 呈列其他全面收入項目 <sup>3</sup>
香港會計準則第32號之修訂	呈列－抵銷金融資產及金融負債 <sup>5</sup>
香港財務報告準則第7號之修訂	披露 — 抵銷金融資產及金融負債 <sup>4</sup>
香港財務報告準則第9號	金融工具 <sup>6</sup>
香港財務報告準則第10號	綜合財務報表 <sup>4</sup>
香港財務報告準則第11號	共同安排 <sup>4</sup>
香港財務報告準則第12號	披露其他實體權益 <sup>4</sup>
香港財務報告準則第13號	公平值計量 <sup>4</sup>
香港會計準則第19號(2011年)	僱員福利 <sup>4</sup>
香港會計準則第27號(2011年)	個別財務報表 <sup>4</sup>
香港會計準則第28號(2011年)	於聯營公司及共同控制實體之投資 <sup>4</sup>

- <sup>1</sup> 於2011年7月1日或以後開始之年度期間生效
- <sup>2</sup> 於2012年1月1日或以後開始之年度期間生效
- <sup>3</sup> 於2012年7月1日或以後開始之年度期間生效
- <sup>4</sup> 於2013年1月1日或以後開始之年度期間生效
- <sup>5</sup> 於2014年1月1日或以後開始之年度期間生效
- <sup>6</sup> 於2015年1月1日或以後開始之年度期間生效



### 3. Adoption of New/Revised HKFRSs (Continued)

#### (b) New/Revised HKFRSs — issued but are not yet effective (Continued)

Information on new and amended HKFRSs that are expected to have impact on the Group is as follows:

##### *Amendments to HKAS 1 (Revised) — Presentation of Items of Other Comprehensive Income*

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

##### *HKFRS 9 Financial Instruments*

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option. For these fair value option liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the fair value option are scoped out of the Additions.

### 3. 採納新訂／經修訂香港財務報告準則(續)

#### (b) 已頒佈惟尚未生效之新訂／經修訂香港財務報告準則(續)

預期對本集團有影響之新訂及經修訂香港財務報告準則之資料如下：

##### *香港會計準則第1號之修訂(經修訂) — 呈列其他全面收入項目*

香港會計準則第1號之修訂(經修訂)規定本集團分開於其他全面收入呈列之項目至可能於將來重新分類至損益之類別(如重估可供出售金融資產)及不可能於將來重新分類至損益之類別(如重估物業、廠房及設備)。其他全面收入項目之稅項以相同基準分配及披露。該等修訂將追溯應用。

##### *香港財務報告準則第9號「金融工具」*

於2009年11月頒佈的香港財務報告準則第9號為全面項目第1階段的首部分，以完全取代香港會計準則第39號*金融工具：確認及計量*。此階段主力分類及計量金融資產。實體不會將金融資產分為四類，而是根據實體的業務模式及按照管理金融資產及金融資產的合約現金流量性質，將其後按攤銷成本或公平值計量的金融資產分類。相較於香港會計準則第39號的規定，此舉旨在改善及簡化分類及計量金融資產的方法。

於2010年11月，香港會計師公會頒佈香港財務報告準則第9號增補項目(「增補項目」)解釋金融負債，並將目前香港會計準則第39號的金融工具取消確認原則收錄於香港財務報告準則第9號。大部分增補項目從香港會計準則第39號按原文轉載，同時亦以公平值選項對計量指定按公平值計入損益的金融資產作出變更。就該等公平值選項負債而言，屬於信貸風險變動的負債公平值變動金額必須於其他全面收益中呈列。除非在其他全面收益中呈列有關負債信貸風險的公平值變動會在損益中產生或擴大會計不協調，否則公平值變動的餘額於損益中呈列。然而，公平值選項指定的貸款承諾及金融擔保合約不屬增補項目的範圍之內。

3. Adoption of New/Revised HKFRSs (Continued)

(b) New/Revised HKFRSs — issued but are not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2015.

HKFRS 10 — Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provision.

3. 採納新訂／經修訂香港財務報告準則(續)

(b) 已頒佈惟尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

香港會計準則第39號旨在由香港財務報告準則第9號完全取代。在完全取代之前，香港會計準則第39號有關金融資產對沖會計法及減值的指引仍繼續適用。本集團預期自2015年1月1日起採納香港財務報告準則第9號。

香港財務報告準則第10號 — 綜合財務報表

香港財務報告準則第10號就綜合計算所有被投資實體引入單一控股模式。當投資者有權控制被資方(不論實際上有否行使該權力)、對來自被投資方之浮動回報承擔風險或享有權利，以及能運用對被投資方之權力以影響該等回報時，投資者即擁有控制權。香港財務報告準則第10號載有評估控制權之詳細指引。例如，該準則引入「實際」控股權之概念，倘相對其他個人股東之表決權之數量及分散情況，投資者之表決權益數量足以佔優，使其獲得對被投資方之權利，持有被投資方表決權少於50%之投資者仍可控制被投資方。潛在表決權僅在實際存在(即持有人有實際能力可行使該等表決權)時，在分析控股權時考慮。該準則明確要求評估具有決策權之投資者是以委託人或代理人身份行事，以及具有決策權之其他各方是否以投資者之代理人身份行事。代理人獲委聘以代表另一方及為另一方之利益行事，故在其行使其決策權時並不控制被投資方。實施香港財務報告準則第10號可能導致該等被視為受本集團控制並因此在財務報表中綜合入賬之實體出現變動。現行香港會計準則第27號有關其他綜合計算相關事項之會計規定貫徹不變。香港財務報告準則第10號獲追溯應用，惟須受限於若干過渡性條文。

### 3. Adoption of New/Revised HKFRSs (Continued)

#### (b) New/Revised HKFRSs — issued but are not yet effective (Continued)

##### HKFRS 12 — Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs.

### 4. Summary of Significant Accounting Policies

#### 4.1 Basis of preparation

The significant accounting policies that conform to HKFRSs and have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied throughout the years presented unless otherwise stated.

These financial statements have been prepared under the historical cost convention. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of these financial statements. Although these estimates and assumptions are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

### 3. 採納新訂／經修訂香港財務報告準則(續)

#### (b) 已頒佈惟尚未生效之新訂／經修訂香港財務報告準則(續)

##### 香港財務報告準則第12號 — 披露於其他實體之權益

香港財務報告準則第12號整合有關於附屬公司、聯營公司及合營安排之權益之披露規定，並使有關規定貫徹一致。該準則亦引入新披露規定，包括有關非綜合計算結構實體之披露規定。該準則之一般目標是令財務報表使用者可評估呈報實體於其他實體之權益之性質及風險及該等權益對呈報實體之財務報表之影響。

本集團現正評估此等新訂／經修訂香港財務報告準則之潛在影響。

### 4. 主要會計政策概要

#### 4.1 編製基準

符合香港財務報告準則且已用於編製該等財務報表的主要會計政策概述於下文。除另有指明外，該等政策已於所呈報年度貫徹應用。

此等財務報表乃根據歷史成本法編製。計量基準詳載於下述之會計政策。

謹請留意，編製此等財務報表時曾採用會計估計及假設。儘管該等估計及假設乃根據管理層對現時事件及行動的最佳認證，惟實際結果可能有別於該等估計及假設。涉及大量判斷或繁複的範疇，或假設及估計對財務報表而言屬重要的範疇，已於附註5中披露。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.2 Basis of consolidation and business combination

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (see note 4.3 below) made up to 31 December each year. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from inter-company transactions are also eliminated unless the transaction provides evidence of impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of the assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group may elect, on transaction-by-transaction basis, to measure non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments, in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Goodwill arising on business combination is measured according to policies in note 4.4.

#### 4. 主要會計政策概要(續)

##### 4.2 綜合基準及業務合併

綜合財務報表包括本公司及其附屬公司於每年12月31日編製之財務報表(見下文附註4.3)。附屬公司業績由收購日期(即本集團取得其控制權之日)及持續至該控制權停止之日綜合入賬。本集團內公司間的所有交易、結餘及未變現收益及虧損的交易已於編製綜合財務報表悉數撇銷。集團內公司間的交易所產生的未變現虧損亦予撇銷，除非交易提供所轉讓資產出現減值的憑證，並會即時在損益賬中確認。

收購附屬公司及業務按收購方法入賬。收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公平值總額計量。所收購之可識別資產及所承擔負債則主要按收購當日之公平值計量。本集團可按個別交易基準，選擇按公平值或分佔被收購方可識別資產淨值之比例計量非控股權益，非控股權益代表於附屬公司之現有擁有權權益。所有其他非控股權益均按公平值計量，除非香港財務報告準則規定使用另一計量基準除外。所產生之收購相關成本僅於發行股本工具時產生的情況下會列作開支。

收購方將予轉讓之任何或然代價按收購日期之公平值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起計12個月)內所取得有關於收購日期之公平值之新資料時方與商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於收益表確認。

業務合併產生之商譽乃根據附註4.4所述之政策計量。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.2 Basis of consolidation and business combination

(Continued)

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest, and also the cumulative transaction difference recorded in equity. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

##### 4.3 Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of the entities so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date.

#### 4. 主要會計政策概要(續)

##### 4.2 綜合基準及業務合併(續)

於收購後，代表於附屬公司之現有擁有權益之非控股權益之賬面值為該等權益於初次確認時之價值加上非控股權益應佔之其後股權變動。全面收益總額歸屬於非控股權益，即使此舉將導致非控股權益出現虧絀結餘。

本集團於附屬公司權益之變動如不導致失去控制權，入賬列為權益交易。本集團權益及非控股權益之賬面值均予以調整，以反映其各自於附屬公司之相對權益之變動。經調整後非控股權益金額與所付或所收代價公平值之任何差額，直接於權益確認，並歸屬於本公司擁有人。

當本集團失去附屬公司控制權時，出售所產生溢利或虧損為以下兩者之差額：(i) 已收代價之公平值與任何保留權益之公平值之總額；與(ii) 該附屬公司之資產(包括商譽)及負債與任何非控股權益及權益所記錄之累計交易差額之過往賬面值。以往於其他全面收益確認為與附屬公司有關之金額，入賬方式相同，猶如相關資產或負債已經出售。

##### 4.3 附屬公司

附屬公司乃本集團能夠行使控制權的實體(包括特別用途之實體)。當本公司有權力直接或間接管理實體之財務及經營政策，並藉以從其業務取得利益時，即擁有控制權。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換的潛在投票權的存在及影響。

於本公司的財務狀況表中，於附屬公司的投資乃按成本減去減值虧損入賬。本公司按於報告日期的已收及應收股息將附屬公司的業績入賬。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.4 Goodwill

Goodwill arising from acquisition of subsidiaries represents the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of the identifiable assets acquired and liabilities including contingent liabilities assumed as at the date of acquisition.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess, being bargain purchases, is recognised immediately in profit or loss.

Goodwill is initially recognised at cost and subsequently measured at cost less impairment losses. Goodwill is reviewed for impairment annually at the end of the reporting period or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may be impaired (note 4.7). On subsequent disposal of a subsidiary, the carrying amount of goodwill relating to the entity sold is included in determining the amount of the gain or loss on disposal.

##### 4.5 Other intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment losses (note 4.7). Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

##### 4.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (note 4.7). Depreciation is provided to write off the cost less their residual value, using straight-line method, over their estimated useful lives. Land and building classified as finance leases are depreciated over the unexpired term of the leases. Other items are depreciated at the following rates per annum:

Leasehold improvements	租賃裝修	20%
Furniture, fixtures and equipment	傢俬、裝置及設備	20%
Plant and machinery	廠房及機器	20%
Motor vehicles	汽車	20%–30%

#### 4. 主要會計政策概要(續)

##### 4.4 商譽

收購附屬公司產生之商譽指已轉讓的總代價及就非控制權益所確認的金額超出所收購的已確認已收購可識別資產及負債(包括於收購日期確認的或然負債)的公平值的差額。

倘可識別資產、負債及或然負債之公平值超出已付代價之公平值，則超出部分(即議價收購)即時在損益中確認。

商譽初步按成本確認，其後按成本扣除減值虧損計量。商譽每年於報告期末進行減值測試，如果有跡象及變動顯示商譽的賬面值可能出現減值，進行減值測試的次數會更頻密(附註4.7)。當其後出售一間附屬公司時，出售溢利或虧損金額已包括有關出售實體的商譽賬面值。

##### 4.5 其他無形資產

已收購無形資產初步按成本值確認。於初步確認後，可使用年期有限的無形資產按成本值減累計攤銷及任何減值虧損(附註4.7)列賬。可使用年期有限的無形資產攤銷按估計可使用年期以直線法予以攤銷。無形資產於可供使用時隨即攤銷。不設年限可使用年期的無形資產按成本減任何後續累計減值虧損列賬。

##### 4.6 物業、廠房及設備

物業、廠房及設備按成本值減累計折舊及任何減值虧損(附註4.7)後列賬，並於其估計可使用年期以直線法計提折舊以撇銷成本減其餘值。列為融資租賃的土地及樓宇於租約尚未屆滿年期內計提折舊。其他項目按以下年利率計提折舊：

#### 4. Summary of Significant Accounting Policies

(Continued)

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

The assets' residual values, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

##### 4.7 Impairment of non-financial assets

Goodwill and other intangible assets having indefinite useful lives are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets including property, plant and equipment and other intangible assets with finite useful lives are tested for impairment whenever there are indications that the assets' carrying amounts may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined by the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

#### 4. 主要會計政策概要(續)

##### 4.6 物業、廠房及設備(續)

資產的殘值、折舊法及估計可使用年期會於各報告日期予以檢討並作出調整(如適用)。

出售產生的損益按銷售所得款項與資產賬面值的差額釐定，並於損益賬確認。

如其後成本的相關未來經濟效益很可能歸於本集團，而且能可靠地計量該項目的成本，則該項成本計入有關資產的賬面值或確認為獨立資產(如適用)。維修及保養等所有其他成本則在其產生的財政期間在損益賬中支銷。

##### 4.7 非金融資產減值

無論是否有任何減值跡象，商譽及具不設年限可使用年期的其他無形資產至少每年進行一次減值測試。所有其他資產(包括物業、廠房及設備及可使用年期有限的其他無形資產)則在有跡象顯示資產賬面值未必能夠收回時進行減值測試。

倘資產賬面值超出其可收回金額，多出的金額將作為減值虧損並立即確認為開支。可收回金額指反映市況的公平值減出售成本與使用價值兩者中的較高者。評估使用價值時，估計日後現金流量按反映時間價值的現行市場評估及該資產的特定風險的稅前折現率折現到其現值。

就評估減值而言，倘資產並無產生大致上獨立於其他資產的現金流入，其可收回金額會按獨立產生現金流入的最小組別資產(即現金產生單位)釐定。因此，部分資產會個別測試減值，部分則按現金產生單位測試。商譽乃特別分配至預期可受惠於相關合併之協同效益之現金產生單位。獲分配商譽之現金產生單位將每年及於有跡象顯示該單位可能出現減值時進行減值測試。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.7 Impairment of non-financial assets (Continued)

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of such impairment is credited to profit or loss in the period in which it arises unless that asset is carried at revalued amount, in which case the reversal of impairment loss is accounted for in accordance with the relevant accounting policy for the revalued amount.

##### 4.8 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost of inventories for the sourcing and procurement business is determined using first-in, first-out basis whereas cost of inventories for the PRC watch business is determined using weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and applicable selling expenses.

##### 4.9 Financial assets

Financial assets of the Group are classified into loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

#### 4. 主要會計政策概要(續)

##### 4.7 非金融資產減值(續)

商譽的減值虧損於其後期間不予撥回。就其他資產而言，如用以釐定資產可收回金額的估計發生有利變化，減值虧損將予以撥回，惟撥回額只限於資產的賬面值不超過假設並無確認減值虧損而應釐定的賬面值(扣除折舊或攤銷)。除按重估金額列值之資產根據重估金額之相關政策計算減值虧損之撥回外，有關減值之撥回均於其產生期間計入損益。

##### 4.8 存貨

存貨按成本值與可變現淨值的較低者列賬。貨源搜尋及採購業務的存貨成本按先入先出法釐定，而中國鐘錶業務的存貨成本則按加權平均基準釐定。可變現淨值為日常業務過程中的估計售價減估計完成成本及適當銷售開支。

##### 4.9 金融資產

本集團金融資產分類為貸款及應收款項。管理層視乎所收購金融資產的用途釐定於初步確認時的金融資產分類，如許可及適用，會於各報告日期重新評估此分類。

所有金融資產只會在本集團成為有關工具合約條文的訂約方時，方予確認。正常採購的金融資產均於其交易日入賬。金融資產於初步確認時乃按公平值加上直接應佔交易成本計量，惟按公平值計入損益之金融資產除外。當收取投資現金流之權利屆滿或被轉讓時，或擁有權之絕大部分風險及回報被轉讓時，方會終止確認金融資產。



#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.9 Financial assets (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using the effective interest method, less any identified impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost. Gain and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired as well as through the amortisation process.

##### *Impairment of financial assets*

At each reporting date, the Group assesses whether there is any objective evidence that financial asset is impaired. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data include but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

#### 4. 主要會計政策概要(續)

##### 4.9 金融資產(續)

貸款及應收款項為附帶固定或可釐定付款的非衍生金融資產，且並無在活躍市場報價。貸款及應收款項其後採用實際利息法計算的經攤銷成本，減任何已確認減值虧損列賬。經攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本組成部分的各項費用。當貸款及應收款項在攤銷過程中取消確認或減值，收益及虧損於損益確認。

##### *金融資產減值*

於各報告日期，本集團進行審核，以釐定有否客觀證據顯示金融資產減值。個別金融資產的客觀減值證據包括引致本集團對下列一項或多項虧損事件關注的可觀察數據：

- 債務人陷入重大財務困難；
- 違反合約，例如拖欠或延遲償還利息或本金；
- 因債務人財務困難而授予債務人寬限；
- 債務人可能會破產或經歷其他財務重整；及
- 科技、市場、經濟或法律環境的重大改變對債務人有負面影響。

一組金融資產之虧損事件包括顯示該組金融資產之估計未來現金流量出現可計量之減少之可觀測數據。該等可觀測數據包括但不限於該組債務人之付款情況，以及與該組資產違約有關連之國家或地方經濟情況出現不利變動。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.9 Financial assets (Continued)

*Impairment of financial assets (Continued)*

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss on loans and receivables decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss for the period in which the reversal occurs.

Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

##### 4.10 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 4. 主要會計政策概要(續)

##### 4.9 金融資產(續)

*金融資產減值(續)*

如有客觀證據顯示貸款及應收款項有減值虧損，則按資產賬面值與按照金融資產原定實際利率(即於初步確認時計算的實際利率)折現的估計未來現金流量(不包括尚未產生的未來信貸虧損)現值兩者的差額計量虧損金額。虧損金額於減值出現期間在損益賬中確認。

倘若其後期間貸款及應收款項的減值虧損金額減少，而有關減幅可客觀地與確認減值後發生的事件有關係，則撥回過往確認的減值虧損，惟於撥回減值當日不得導致金融資產賬面值超過如無確認減值的原有經攤銷成本。撥回金額於撥回發生期間在損益賬中確認。

倘貿易應收款項被認為有可能但並非不能收回，則屬呆賬的應收款項減值虧損會使用撥備賬列賬。當本集團信納不大可能收回貿易應收款項時，則被認為屬不可收回的金額乃直接自貿易應收款項中撇銷，而於撥備賬內就有關應收款項持有的任何金額會予以撥回。其後收回過往自撥備賬扣除的金額乃撥回至撥備賬。撥備賬的其他變動及其後收回過往直接撇銷的金額乃於損益賬內確認。

##### 4.10 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行通知存款加上原定到期日為三個月或以下、隨時可轉換為已知金額現金及價值變動風險不大之高度流通短期投資。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.11 Financial liabilities

The Group's financial liabilities include short-term bank borrowings and trade and other payables which are financial liabilities at amortised cost.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (note 4.19). A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

##### *Short-term bank borrowings*

Short-term bank borrowings are recognised initially at fair value, net of transaction costs incurred. Short-term bank borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Short-term bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### *Trade and other payables*

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

##### 4.12 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

#### 4. 主要會計政策概要(續)

##### 4.11 金融負債

本集團的金融負債包括短期銀行借貸及貿易及其他應付款項，其為以攤銷成本計值之金融負債。

倘本集團成為有關工具合約條文的訂約方，則須確認金融負債。所有與利息相關的開支均按照本集團對借貸成本(附註4.19)的會計政策確認。當負債項下的責任被解除或取消或屆滿，將取消確認金融負債。

當現有金融負債以同一貸款人被有重大差別的條款或經重大修訂的現有負債條款提供的另一金融負債取代，則上述取代或修訂將視為終止確認原有負債，並確認新負債，而有關賬面值的差額在損益賬確認入賬。

##### *短期銀行借貸*

短期銀行借貸最初乃按公平值(扣除已產生的交易成本)確認。短期銀行借貸其後以攤銷成本列賬。所得款項(扣除交易成本)與贖回價值兩者間的差額，乃以實際利率法於借貸期間在損益賬予以確認。除非本集團有無條件權利將負債的結算遞延至報告日期後最少12個月，否則短期銀行借貸分類為流動負債。

##### *貿易及其他應付款項*

貿易及其他應付款項最初以公平值確認，其後採用實際利息法按經攤銷成本計算。

##### 4.12 股本

普通股列為權益。股本採用已發行股份的面值釐定。與發行股份相關的任何交易成本自股份溢價(扣除任何相關所得稅利益)扣除，惟以直接與股本交易相關的任何遞增成本為限。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.13 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

##### 4.14 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 Company 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 Company measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with note 4.13; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

##### 4.15 Revenue and other income recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, net of applicable value-added tax, rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and other income can be measured reliably, revenue and other income is recognised as follows:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Interest income is recognised on a time-proportion basis by reference to the principal outstanding and the effective interest method.

Freight income is recognised when the relevant services are rendered.

#### 4. 主要會計政策概要(續)

##### 4.13 撥備及或然負債

當本集團因過去事項須承擔法定義務或推定義務，而履行該義務很可能需要付出經濟利益及有關經濟利益能夠可靠作出估計時，則會為未確定時間或金額的負債確認撥備。

倘不大可能需要導致經濟利益外流或未能可靠估計金額，除非出現經濟利益流出的可能性極微，否則有關責任將披露作或然負債。可能出現的責任（僅於一項或多項未來不明朗事件發生或不發生且完全在本集團控制範圍以外的事件發生的情況下確定）亦披露為或然負債，除非出現經濟利益流出的可能性極微則作別論。

##### 4.14 財務擔保合約

財務擔保合約指因指定債務人未能按債務工具的原有或經修改條款如期付款時，發行人需支付指定金額給持有人以補償其所遭受損失的合約。本公司已發行及並不是按公平直計入損益的財務擔保合約初步以公平值減發行財務擔保合約的直接應佔交易成本確認。於初步確認後，本公司以 (i) 按照附註4.13釐定的金額；及(ii)首次確認的金額減按照國際會計準則第18號「收益」確認的累計攤銷(如適用)兩者中的較高者計算財務擔保合約。

##### 4.15 收入及其他收入確認

收入包括銷售貨品已收或應收的公平值，扣除適用增值稅、回扣及折扣。當經濟利益可能流入本集團，並能可靠計量收入及其他收入時按以下基準確認收入及其他收入：

銷售貨品於擁有權的重大風險及回報轉移至客戶時確認，通常為貨物已付運及客戶已接收貨物時。

利息收入乃參考未償還本金以實際利息法按時間比例確認。

運輸收入於提供有關服務時確認。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.16 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

##### 4.17 Employee benefits

*Retirement benefit costs*

Retirement benefits to employees are provided through defined contribution plans. The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme"), for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiary which operates in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of employees' salaries to the central pension scheme.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

*Short-term employee benefits*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

#### 4. 主要會計政策概要(續)

##### 4.16 租約

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串款項的安排，包括一項交易或一連串交易的該項安排屬於或包括一項租約。該項決定乃基於安排內容的實質評估而作出，而不論該項安排是否採取租約的法律形式。

對於本集團以租約方式持有的資產，倘租約使擁有權的絕大部分風險及回報已轉移至本集團，有關資產即分類為以融資租賃持有。倘租賃不會使擁有權的絕大部分風險及回報轉移至本集團，則分類為經營租約。

根據經營租約應付的租金於有關租期內以直線法自損益賬扣除。

##### 4.17 僱員福利

*退休福利成本*

給予僱員的退休福利乃透過定額供款計劃提供。本集團根據強制性公積金計劃條例設定額供款退休福利計劃(「強積金計劃」)，為所有合資格參與強積金計劃的僱員參與。供款按僱員基本薪金一定百分比作出。

本集團於中國營運的附屬公司旗下僱員須參與由有關地方市政府營運的中央退休金計劃。該附屬公司須按僱員薪金若干百分比對中央退休金計劃供款。

供款於年內僱員提供服務時在損益賬確認開支。本集團根據該等計劃的責任僅為應付固定百分比供款。

*短期僱員福利*

僱員可享有的年假於應計予僱員時確認。估計應享有的年假乃按僱員於報告日期止所提供的服務作出撥備。

病假及產假等非累積有薪假期於提取假期時方予確認。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.18 Foreign currencies

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

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group’s presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into the HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity. Such translation differences are recognised as profit or loss in the period in which the foreign entity is disposed of.

##### 4.19 Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of any qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### 4.20 Accounting for income taxes

Income taxes for the year comprise current tax and deferred tax. Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantially enacted at the end of reporting period.

#### 4. 主要會計政策概要(續)

##### 4.18 外幣

財務報表以港元(「港元」)呈列，港元亦為本公司的功能貨幣。

於綜合實體的個別財務報表內，外幣交易按交易當日的匯率換算為個別實體的功能貨幣。於報告日期，以外幣為單位的貨幣資產及負債均按該日適用的匯率換算。因結算該等交易及報告日期重新換算貨幣資產及負債所產生的匯兌收益及虧損，乃於損益賬內確認。

按公平值列賬且以外幣計值的非貨幣項目，乃按公平值被釐定當日的現行匯率換算並呈報為公平值損益的一部分。以外幣計值且以歷史成本入賬的非貨幣項目不予重新換算。

於合併財務報表內，所有以不同於本集團呈列貨幣呈列的海外業務的個別財務報表，均已折算為港元。資產與負債均以報告日期的收市匯率折算為港元。收入與開支則按交易日期適用的匯率折算為港元或若匯率並無大幅波動，可按報告期間的平均匯率折算為港元。因此而產生的任何差額均於其他全面收入內確認，並於權益項下的換算儲備分開累計。有關匯兌差額乃於出售海外公司期間確認為損益。

##### 4.19 借貸成本

直接來自收購、建設或生產需要一段長時間方能用作其擬定用途或出售之合資格資產之借貸成本，會資本化為該等資產之部分成本。所有其他借貸成本於彼等產生期間在損益確認。

##### 4.20 所得稅的會計處理

本年度之所得稅包括即期稅項及遞延稅項。即期稅項乃根據日常業務之溢利或虧損，就所得稅而言毋須課稅或不可扣稅之項目作出調整，按報告期末已制定或大致上制定之稅率計算。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.20 Accounting for income taxes (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit or loss. Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period in which the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences 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 each reporting date 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 deferred tax asset to be recovered.

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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in the other comprehensive income.

#### 4. 主要會計政策概要(續)

##### 4.20 所得稅的會計處理(續)

遞延稅項乃因就財務報告而言資產與負債之賬面值與就稅務而言之相關數值之暫時差異而確認。除不影響會計或應課稅溢利之商譽及已確認資產與負債之外，所有暫時差異之遞延稅項負債均會確認。在可運用可扣稅之暫時差異抵銷應課稅溢利時，遞延稅項資產方會確認。倘暫時差異自商譽或交易(概不影響應課稅溢利或會計損益)的其它資產及負債的初次確認(業務合併除外)產生，則不會確認有關資產及負債。遞延稅項乃按預期於有關負債結算或有關資產變現之期間適用之稅率根據結算日已制定或大致上制定之稅率計算。

與附屬公司的投資相關的應課稅暫時性差額確認為遞延稅項負債，惟若本集團可控制暫時性差額的撥回而暫時性差額大有可能於可見將來不會撥回的情況除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時性差額的益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告日期進行檢討，及於不再可能有足夠應課稅溢利能用作收回全部或部分遞延稅項資產時須予調減。

遞延稅項負債及資產的計量反映按照本集團預期於報告日期可收回或結清其資產及負債的賬面值方式計算而得出的稅務後果。

所得稅乃於損益中確認，除非該等稅項與於其他全面收入確認之項目有關，在此情況下，該等稅項亦於其他全面收入確認。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.21 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's line of business.

The measurement policies the Group uses for reporting segment results under HKFRS 8 *Operating Segments* are the same as those used in its financial statements prepared under HKFRSs, except that interest income, interest expense, fair value gain from financial instruments, income tax and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but tax assets.

##### 4.22 Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member to that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

#### 4. 主要會計政策概要(續)

##### 4.21 分部報告

本集團定期向即執行董事報告內部財務資料，以供彼等就本集團業務組成部分的資源分配作出決定，以及檢討該等組成部分的表現。根據該報告，本集團劃分經營分部及編製分部資料。向執行董事所報告內部財務資料的業務組成部分根據本集團的業務分類釐定。

本集團根據香港財務報告準則第8號經營分部用作呈報分類業績的計量政策與其根據香港財務報告準則編製的財務報表內採用者相同，惟：利息收入、利息支出、金融工具之公平值收益、所得稅及並非直接歸屬於任何經營分部的業務活動的企業收入及開支不計入經營分部的經營業績。

分部資產包括所有資產但不包括稅項資產。

##### 4.22 關聯人士

倘任何人士符合以下條件，則視為本集團的關聯人士：

- (a) 一名人士或其近親，而該名人士
  - (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 符合下列任何條件的一個實體：
  - (i) 該實體與本集團屬同一集團之成員公司；
  - (ii) 一間實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；



#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.22 Related parties (Continued)

(b) (Continued)

- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third party and the other party is an associate of the third party;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

#### 5. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### 5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### 4. 主要會計政策概要(續)

##### 4.22 關聯人士(續)

(b) (續)

- (iii) 該實體及本集團均為同一第三方的合營企業；
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；
- (vi) 該實體由(a)項所述人士控制或共同控制；及
- (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員。

個別人士的近親為與該實體交易時預期可能影響該個別人士或受該個別人士影響的家庭成員及包括：

- (i) 該名人士的子女及配偶或同居伴侶；
- (ii) 該名人士配偶或同居伴侶；及
- (iii) 該名人士或其配偶或同居伴侶所供養的人士。

#### 5. 重大會計估計及判斷

估計及判斷會不斷被評估，並以過往經驗及其他因素為基礎，包括預期日後出現在有關情況下相信屬合理的事件。

##### 5.1 重大會計估計及假設

本集團會對未來作出估計及假設。所產生的會計估計(顧名思意)，甚少與有關的實際結果相同。有重大風險會對下個財政年度的資產與負債的賬面值造成大幅調整的估計及假設討論如下：

## 5. Critical Accounting Estimates and Judgements

(Continued)

### 5.1 Critical accounting estimates and assumptions

(Continued)

#### *Impairment of non-financial assets*

The Group assesses impairment by evaluating conditions specific to the Group that may lead to impairment of the assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the directors take into consideration assumptions that are mainly based on market conditions existing at the reporting date and appropriate market and discount rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group. Significant estimates and assumptions used by the Group for the impairment assessment of goodwill and intangible assets related to the watch business are disclosed in note 16.

#### *Impairment of receivables*

The Group determines impairment losses for bad and doubtful debts resulting from the inability of the customers/debtors to make the required payments. A considerable amount of estimate and judgement is required in assessing the ultimate realisation of these receivables which is based on the ageing of the accounts receivable balance, customer credit-worthiness, and historical write-off experience. If the financial conditions of customers/debtors deteriorate, additional allowance for bad and doubtful debts may be required.

#### *Inventory valuation*

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would assess realisability of the inventories and the Group may make reference to the ageing analysis of the inventories. A considerable amount of judgement and estimates is required in determining such allowance. If conditions which have an impact on the net realisable value of inventories deteriorate, additional allowances may be required.

#### *Estimate of current tax and deferred tax*

The Group is subjected to tax in different tax jurisdictions. Significant judgement and estimates is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

## 5. 重大會計估計及判斷(續)

### 5.1 重大會計估計及假設(續)

#### *非金融資產減值*

本集團透過評估本集團可能出現資產減值的特定情況評估減值。倘存在導致減值的因素，則會釐定資產的可收回金額。評估可收回金額時計算的使用價值，會納入多項有關未來事件的主要估計及假設，有關未來事件涉及不確定因素，並可能與實際結果極為不同。作出此等主要估計及判斷時，董事考慮主要基於報告日期的現時市況及適當市場貼現比率的假設。本集團會定期比較此等估計與實際市場數據及本集團訂立的實際交易。本集團用於鐘錶業務相關商譽及無形資產之減值評估之重大估計及假設披露於附註16。

#### *應收款項減值*

本集團會就因客戶/債務人無法作出所需付款導致的呆壞賬釐定減值虧損。於評估該等應收款項最終能夠變現時須作出一定程度的估計及判斷，並視乎應收賬結餘的賬齡、客戶信貸評級及過往撇銷紀錄而定。倘客戶/債務人的財務狀況惡化，可能須作出額外呆壞賬準備。

#### *存貨估值*

於釐定陳舊及滯銷存貨所需的準備金額時，本集團會評估存款能否變現，本集團可能參考存貨的賬齡分析。於釐定有關準備時須要一定程度的判斷及估計。倘對存貨可變現淨值有影響的情況惡化，則可能須作出額外準備。

#### *即期稅項及遞延稅項的估計*

本集團在不同司法權區須繳納稅項。釐定稅項撥備金額及有關稅項的支付時限時須作出重大判斷及估計。倘最終稅額與最初記錄的金額不同，該差額將會影響作出有關決定期間的所得稅及遞延稅項撥備。

**5. Critical Accounting Estimates and Judgements***(Continued)***5.2 Critical judgements***Merger accounting*

The Reorganisation has been reflected in the financial statements for the year ended 31 December 2010 using merger accounting and management has exercised significant judgement in determining that the subsidiaries now comprising the Group have been under common control of the Founding Shareholders on collective basis as a result of unwritten agreements between those shareholders as described in note 2.

**6. Revenue and Other Income**

An analysis of the revenue from the Group's principal activities (note 1), which is also the Group's turnover, and other income are as follows:

**5. 重大會計估計及判斷(續)****5.2 重大判斷***合併會計法*

重組已採用合併會計法於截至2010年12月31日止年度之財務報表反映，而管理層已運用大量判斷，以釐定本集團現時旗下各附屬公司由創辦人股東按該等股東之間的非書面協議以集合基準共同控制(詳見附註2)。

**6. 收入及其他收入**

來自本集團主要業務(附註1)的收入(亦為本集團收入)及其他收入的分析如下：

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
<b>Revenue</b>	<b>收入</b>		
Sales of goods	貨品銷售	238,889	206,560
Freight income	運費收入	1,360	1,635
		<b>240,249</b>	<b>208,195</b>
<b>Other income</b>	<b>其他收入</b>		
Interest income on financial assets not at fair value through profit or loss — bank interest income	並非按公平值計入損益的金融資產的利息收入 — 銀行利息收入	81	33
Interest income on financial assets at fair value through profit or loss	按公平值計入損益的金融資產的利息收入	—	96
Total interest income	利息收入總額	81	129
Bad debt recovery	壞賬收回	—	9
Commission income	佣金收入	6	12
Exchange gain	匯兌收益	65	—
Fair value gain on financial instruments	金融工具的公平值收益	—	501
Sundry income	雜項收入	84	76
		<b>236</b>	<b>727</b>
<b>Total income</b>	<b>總收入</b>	<b>240,485</b>	<b>208,922</b>

## 6. Revenue and Other Income (Continued)

### Information about major customers

During the year, there were two (2010: two) customers from the Group's Sourcing Business (as defined in note 7), each of whom contributed 10% or more of the Group's total revenue. Revenue derived from these two customers during the year amounted to HK\$141,406,000 and HK\$36,251,000 (2010: HK\$104,040,000 and HK\$55,269,000) individually.

## 7. Segment Information

The Group is principally engaged in the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products (the "Sourcing Business") which is identified as a reportable segment, the operating result over which has been regularly reviewed by the executive directors in assessing the performance of the Group and making decision for resource allocation. In respect of Sourcing Business, the Group provides customers with a wide range of sourcing management solutions including product design and product development, raw materials and components sourcing and production outsourcing; and procurement management solutions including quality assurance and control, logistics and delivery handling services. The products are mainly exported to overseas countries.

Pursuant to the Group's strategy to develop watch business in the PRC, the Group acquired Tianhaiba on 1 February 2010 (note 26) and has since March 2010 started the selling of watches under *Tianba* and *Harpo* brands in the PRC with the necessary permission. On 30 June 2010, Tianhaiba entered into agreements with a PRC entity to acquire from the PRC entity the trademarks of *Tianba* and *Harpo* (note 17) and watch inventories bearing the *Tianba* and *Harpo* brands (note 19). Tianhaiba entered into a trademark licence agreement with the PRC entity on the same date whereby the PRC entity granted to the Group with immediate effect a sole and exclusive right to use the *Tianba* and *Harpo* trademarks. On 20 April 2011, the transfer of the ownership of trademarks has been completed upon the approval obtained from the relevant government authority in the PRC. As a result, the Group owns the sole and exclusive right to use the *Tianba* and *Harpo* trademarks and the brand and design of the *Tianba* and *Harpo* watches. Following the acquisition of the *Tianba* and *Harpo* trademarks, the Group has begun to establish the necessary procurement and production facilities and its own sales network for the brands in the PRC. Under this new line of business which is identified as another reportable segment, the Group designs, manufactures and distributes its own brands of watches through the sales points it set up, distributions and online sale platforms in the PRC (the "PRC Watch Business").

## 6. 收入及其他收入(續)

### 主要客戶的資料

年內，共有兩名(2010年：兩名)貨源搜尋業務(定義見附註7)客戶，各為本集團帶來總收入10%或以上的貢獻。於本年度，來自該兩名客戶的收入個別為141,406,000港元及36,251,000港元(2010年：104,040,000港元及55,269,000港元)。

## 7. 分部資料

本集團的主要業務為向客戶提供貨源搜尋及採購解決方案以製造鐘錶、人造珠寶及陳列包裝品(「貨源搜尋業務」)，貨源搜尋業務被識別為可報告分部，有關經營業績於執行董事評估本集團表現及作出資源分配決定時不時審閱。就貨源搜尋業務而言，本集團向客戶提供範疇廣泛的貨源搜尋管理解決方案，包括產品設計及產品開發、原材及部件貨源搜尋及生產貨源搜尋；及採購管理解決方案，包括品質保證及質量控制、物流及交貨服務。該等產品大多出口海外。

根據本集團在中國鐘錶業務的開發策略，本集團於2010年2月1日收購天海霸(附註26)，在獲取必要許可證後自2010年3月起在中國以天霸及海霸品牌售賣鐘錶。於2010年6月30日，天海霸與一家中國實體訂立協議，向中國實體收購天霸及海霸商標(附註17)，而鐘錶存貨均附有天霸及海霸品牌(附註19)。天海霸於同日與該中國實體訂立商標特許權協議，據此該中國實體向本集團授出唯一及獨家權利使用天霸及海霸商標，由該日起即時生效。於2011年4月20日，商標擁有權之轉讓於取得中國有關政府當局批准後完成。因此，本集團擁有唯一及獨家權利使用天霸及海霸商標以及天霸及海霸鐘錶的品牌及設計。於收購天霸及海霸商標後，本集團開始為品牌在中國成立所需採購及生產設施及其自有銷售網絡。根據此項被識別為另一可報告分部的新業務分類，本集團設計、生產及透過其在中國設立的銷售點、分銷商及網上銷售平台分銷其鐘錶自有品牌(「中國鐘錶業務」)。

## 7. Segment Information (Continued)

**Segment revenue, segment results and segment assets**

Information regarding the Group's reportable operating segments including the reconciliations to profit before income tax and total assets are as follows.

## 7. 分部資料(續)

**分部收入、分部業績及分部資產**

有關本集團可報告經營分部的資料(包括除所得稅前溢利與總資產的對賬)如下。

		Sourcing Business 貨源 搜尋業務 HK\$'000 千港元	PRC Watch Business 中國 鐘錶業務 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Year ended 31 December 2011</b>	<b>截至2011年12月31日止年度</b>				
Total segment revenue	分部收入總額	220,279	20,123	(153)	240,249
Inter-segment revenue	分部間收入	—	(153)	153	—
Reportable segment revenue	可報告分部收入	220,279	19,970	—	240,249
Reportable segment profit/(loss)	可報告分部溢利/(虧損)	26,050	(3,798)	—	22,252
Interest income	利息收入				81
Corporate income and expenses	企業收入及開支				(7,867)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>				<b>14,466</b>
Adjusted EBITDA (note (c))	經調整除利息、稅項、折舊及攤銷前盈利(附註(c))	27,078	(3,500)	—	23,578
<b>At 31 December 2011</b>	<b>於2011年12月31日</b>				
Reportable segment assets	可報告分部資產	87,811	26,041	—	113,852
Corporate assets	企業資產				2,320
<b>Total consolidated assets</b>	<b>總綜合資產</b>				<b>116,172</b>
<b>Year ended 31 December 2011</b>	<b>截至2011年12月31日止年度</b>				
Other information:	其他資料:				
Interest expense	利息開支	120	—	—	120
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,028	298	—	1,326
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	1	—	1
Addition to non-current assets (note (b))	非流動資產添置(附註(b))	2,185	1,173	—	3,358

**7. Segment Information (Continued)**
**Segment revenue, segment results and segment assets**  
 (Continued)

**7. 分部資料(續)**
**分部收入、分部業績及分部資產(續)**

		Sourcing Business 貨源搜尋 業務 HK\$'000 千港元	PRC Watch Business 中國鐘錶 業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日 止年度</b>			
Reportable segment revenue (note (a))	可報告分部收入(附註(a))	200,288	7,907	208,195
Reportable segment profit/(loss)	可報告分部溢利/(虧損)	22,086	(6,863)	15,223
Interest income	利息收入			129
Fair value gain on financial instruments	金融工具的公平值收益			501
Corporate income and expenses	企業收入及開支			(4,102)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>			<b>11,751</b>
Adjusted EBITDA (note (c))	經調整除利息、稅項、 折舊及攤銷前盈利 (附註(c))	23,093	(6,820)	16,273
<b>At 31 December 2010</b>	<b>於2010年12月31日</b>			
Reportable segment assets	可報告分部資產	80,651	19,063	99,714
Prepaid tax	預付稅項			1,552
Corporate assets	企業資產			1,153
<b>Total consolidated assets</b>	<b>總綜合資產</b>			<b>102,419</b>
<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日 止年度</b>			
Other information:	其他資料:			
Interest expense	利息開支	30	—	30
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	1,007	43	1,050
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	3	—	3
Addition to non-current assets (note (b))	非流動資產添置 (附註(b))	624	6,820	7,444

**7. Segment Information (Continued)****Segment revenue, segment results and segment assets (Continued)**

Notes:

- (a) There were no inter-segment sales in prior year.
- (b) Addition to non-current assets represents additions to property, plant and equipment and other intangible assets including those assets arising/acquired from the acquisition of a subsidiary.
- (c) During the year, adjusted earnings before interest, taxation, depreciation and amortisation ("Adjusted EBITDA") is also a measurement basis regularly reviewed by the directors in assessing the performance of the Group and making decision for resources allocation. This measurement basis is consistent with that of the segment results except that any non-recurring expenditure from the operating segments and depreciation and amortisation charge are not included in the Adjusted EBITDA. Similar information is presented in last year for comparison.

Other than the above, the executive directors regularly review revenue analysis by products, including watches, display and packaging products, and costume jewelries, which is presented below:

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Sales of	銷售		
— watches	— 鐘錶	154,333	113,882
— display and packaging products	— 陳列及包裝品	59,293	71,271
— costume jewelries	— 人造珠寶	26,623	23,042
		<b>240,249</b>	<b>208,195</b>

**Geographical information**

The Group's operations are mainly located in Hong Kong (place of domicile). The Group's revenue by geographical locations is determined based on shipment destination instructed by customers. The Group's non-current assets by geographical locations are determined based on physical location of the assets.

**7. 分部資料(續)****分部收入、分部業績及分部資產(續)**

附註：

- (a) 於上一年度並無分部間銷售。
- (b) 非流動資產添置指物業、廠房及設備添置及其他無形資產添置(包括因收購一家附屬公司產生/獲得的該等資產)。
- (c) 於本年度，董事定期審閱經調整除利息、稅項、折舊及攤銷前盈利(「經調整除利息、稅項、折舊及攤銷前盈利」)，作為評估本集團表現及作出資源分配決定的計量基準。此計量基準與分部業績一致，惟不包括不計入經調整除利息、稅項、折舊及攤銷前盈利之經營分部非經常性支出及折舊及攤銷。上一年度之類似資料亦呈列以供比較。

除上述者外，執行董事定期審閱按產品(包括鐘錶，陳列及包裝品，及人造珠寶)劃分的收入分析，呈列如下：

**地區資料**

本集團的業務主要位於香港(成立地點)。本集團按地區劃分的收入按客戶指示的付運目的地釐定。本集團按地區劃分的非流動資產按資產實際地點釐定。

**7. Segment Information (Continued)**
**Geographical information (Continued)**

Analysis of the Group's revenue and non-current assets by geographical locations are as follows:

**7. 分部資料(續)**
**地區資料(續)**

本集團按地區劃分的收入及非流動資產分析如下：

		Revenue from external customers		Non-current assets	
		來自外部客戶的收入		非流動資產	
		2011	2010	2011	2010
		2011年	2010年	2011年	2010年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong (place of domicile)	香港(註冊地)	30,364	26,319	7,172	5,984
PRC, excluding Hong Kong	中國，不包括香港	18,244	7,932	7,953	6,777
USA	美國	107,527	93,107	—	—
Europe	歐洲				
— Denmark	— 丹麥	52,791	33,455	—	—
— France	— 法國	4,157	7,135	—	—
— Italy	— 意大利	4,365	7,648	—	—
— Others	— 其他	10,310	18,444	—	—
Asia	亞洲	5,971	4,902	—	—
Others	其他	6,520	9,253	—	—
Total	總計	240,249	208,195	15,125	12,761

The Company is an investment holding company incorporated in Bermuda where the Group does not have activities. Since the major operations of the Group are conducted in Hong Kong, Hong Kong is considered as the Group's place of domicile for the disclosure purpose of HKFRS 8.

本公司為於本集團並無業務的百慕達註冊成立的投資控股公司。由於本集團大部分業務於香港進行，香港就香港財務報告準則第8號的披露目的而言被視為本集团的成立地點。

**8. Finance Costs**
**8. 融資成本**

		2011	2010
		2011年	2010年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank borrowings and overdrafts wholly repayable within five years	須於五年內悉數償還的銀行借貸及透支利息	120	30



**9. Profit Before Income Tax**

Profit before income tax is arrived at after charging/(crediting) :

**9. 除所得稅前溢利**

除所得稅前溢利於扣除／(計入)以下各項後達致：

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	558	970
Cost of inventories recognised as expenses	確認為開支的存貨成本	179,213	157,944
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,326	1,050
Employee benefit expenses (including directors' remuneration):	僱員福利開支 (包括董事薪酬)：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	25,338	16,896
Retirement benefit — defined contribution plans <sup>2</sup>	退休福利 — 定額供款計劃 <sup>2</sup>	819	791
		<b>26,157</b>	17,687
Exchange (gain)/loss	匯兌(收益)／虧損	(65)	167
Fair value gain on financial instruments <sup>1</sup>	金融工具的公平值收益 <sup>1</sup>	—	(501)
Listing expenses <sup>1</sup>	上市開支 <sup>1</sup>	—	3,581
Loss on disposal of property, plant and equipment <sup>1</sup>	出售物業、廠房及設備的虧損 <sup>1</sup>	1	3
Operating lease charges in respective of land and building	就土地及樓宇的經營租賃支出	1,089	861

<sup>1</sup> included in "other income/other operating expenses" in the consolidated statement of comprehensive income

<sup>2</sup> no forfeited contributions available for offset against existing contributions during the year and in prior year

<sup>1</sup> 計入綜合全面收益表的「其他收入／其他經營開支」

<sup>2</sup> 於本年度及上一年度均無沒收供款可供抵銷現有供款

## 10. Income Tax Expense

## 10. 所得稅開支

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Current tax — Hong Kong Profits Tax	即期稅項 — 香港利得稅		
— charge for the year	— 年內支出	4,246	3,963
— over provision in prior years	— 過往年度超額撥備	(181)	(101)
		<b>4,065</b>	3,862
Current tax — PRC Enterprise Income Tax	即期稅項 — 中國 企業所得稅		
— under provision in prior years	— 過往年度撥備不足	3	—
Income tax expense	所得稅開支	<b>4,068</b>	3,862

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits for the year.

香港利得稅就本年度估計應課稅溢利按稅率16.5%(2010年：16.5%)計稅。

The Group acquired Tianhaiba, a PRC entity, on 1 February 2010 which is subject to PRC Enterprise Income Tax at the tax rate of 25%. No provision for PRC Enterprise Income Tax has been made as Tianhaiba did not generate any taxable profits arising in the PRC during the year.

本集團於2010年2月1日收購中國公司天海霸，須按稅率25%繳付中國企業所得稅。由於天海霸於本年度並無在中國產生任何應課稅溢利，故並無就中國企業所得稅作出撥備。

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

所得稅開支與會計溢利按適用稅率的對賬如下：

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	14,466	11,751
Tax calculated at applicable tax rate	按適用稅率計算的稅項	2,066	1,358
Tax effect of non-deductible expenses	不可扣減開支的稅務影響	2,238	1,317
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(576)	(110)
Tax effect of tax loss/deductible temporary difference not recognised	未確認稅務虧損／可扣除的暫時差異的稅務影響	157	1,081
Over provision in prior years	過往年度超額撥備	(178)	(101)
Others	其他	361	317
Income tax expense for the year	年內所得稅開支	<b>4,068</b>	3,862

**10. Income Tax Expense (Continued)**

The Group had unrecognised tax losses arising in Hong Kong of approximately HK\$47,000 (2010: HK\$598,000) to carry forward against future taxable income and these tax losses do not expire under current legislation. In addition, the Group had unrecognised tax losses arising in the PRC of approximately HK\$330,000 (2010: HK\$4,382,000) which will expire in five years for offsetting against future taxable profit. No deferred tax asset has been recognised in respect the unused tax losses incurred by certain group entities due to the unpredictability of future profit streams.

**11. Profit Attributable to the Owners of the Company**

Of the consolidated profit attributable to the owners of the Company of HK\$10,393,000 (2010: HK\$7,563,000), a loss of HK\$39,000 (2010: profit of HK\$3,000,000) has been dealt with in the financial statements of the Company.

**12. Dividends**

Dividends proposed or declared by the Company during the year and in prior period are as follows:

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Interim — HK1 cent (2010: Nil) per ordinary share	中期 — 每股普通股1港仙 (2010年：零)	1,500	—
Proposed final — HK2 cents (2010: HK2 cents) per ordinary share	建議末期 — 每股普通股2港仙 (2010年：2港仙)	3,000	3,000
		<b>4,500</b>	<b>3,000</b>

Proposed final dividend is subject to the approval by the shareholders at the forthcoming annual general meeting. The proposed final dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained profits of the year.

The rate of dividend for the year ended 31 December 2010 was determined based on the number of shares in issue of 150,000,000, the issued capital of Company upon its listing on 26 January 2011 (note 24(f)).

The dividends paid in 2011 amounted to HK\$4,500,000 (2010: HK\$14,301,000), comprising the final dividend for the year ended 31 December 2010 of HK\$3,000,000 and the interim dividend for the year ended 31 December 2011 of HK\$1,500,000, which were paid in May and September 2011 respectively.

**10. 所得稅開支(續)**

本集團結轉以抵銷未來應課稅收入的未確認稅務虧損為47,000港元(2010年：598,000港元)，而根據現行法例該等稅務虧損不會屆滿。此外，本集團於中國產生的未確認稅務虧損約為330,000港元(2010年：4,382,000港元)以抵銷未來應課稅溢利，將於五年內屆滿。概無就若干集團實體因未來溢利流量的不確定性已產生的未動用稅務虧損而確認遞延稅項資產。

**11. 本公司擁有人應佔溢利**

本公司擁有人應佔綜合溢利10,393,000港元(2010年：7,563,000港元)中，虧損39,000港元(2010年：溢利3,000,000港元)已於本公司的財務報表反映。

**12. 股息**

於年內及上一期間，本公司建議或宣派的股息如下：

建議末期股息須經股東於應屆股東週年大會上批准。建議末期股息並未於該等財務報表列作應付股息，惟已於本年度反映為保留溢利分配。

截至2010年12月31日止年度之股息率按本公司於2011年1月26日上市(附註24(f))後已發行股本的150,000,000股而釐定。

2011年派付的股息為4,500,000港元(2010年：14,301,000港元)，包括分別於2011年5月及9月派付的截至2010年12月31日止年度的末期股息3,000,000港元及截至2011年12月31日止年度的中期股息1,500,000港元。

## 12. Dividends (Continued)

Dividends declared and paid by the Company's subsidiaries, Good Destination Co., Ltd. ("Good Destination") and Powerwell Pacific Limited ("Powerwell Pacific"), to their then shareholders during the year ended 31 December 2010 were summarised as follows:

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Interim dividend paid to the owners of the Company	已付本公司擁有人的中期股息：	—	4,180
Special dividend	特別股息	—	9,896
Dividend paid to Founding Shareholders (note (a))	已付創始股東的股息 (附註(a))	—	225
		—	14,301

*Notes:*

- (a) On 20 September 2010, the Group acquired from the Founding Shareholders 10,000 shares, which represent 10% of the issued capital of a subsidiary, Richmind International Investment Limited, at a total cash consideration of HK\$225,400. The transaction is accounted for as a dividend distribution to the Founding Shareholders.
- (b) The rate of dividend and the number of shares ranking for dividends paid by the subsidiaries are not presented as such information is considered not meaningful.

## 13. Earnings per Share

The calculation of basic earnings per share for the year ended 31 December 2011 is based on the profit attributable to the owners of the Company amounting to HK\$10,393,000 (2010: HK\$7,563,000), and the weighted average number of shares of 147,123,000 in issue (2010: 108,000,000 shares, being the number of shares in issue immediately after the completion of capitalisation issue as detailed in note 24(e) throughout the year.

The Group had no potential dilutive ordinary shares in issue during the year and in prior year.

## 12. 股息(續)

於截至2010年12月31日止年度，本公司附屬公司Good Destination Co., Ltd. (「Good Destination」)及Powerwell Pacific Limited (「Powerwell Pacific」)向其當時股東宣派及派付的股息概述如下：

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Interim dividend paid to the owners of the Company	已付本公司擁有人的中期股息：	—	4,180
Special dividend	特別股息	—	9,896
Dividend paid to Founding Shareholders (note (a))	已付創始股東的股息 (附註(a))	—	225
		—	14,301

*附註：*

- (a) 於2010年9月20日，本集團向創始股東收購一間附屬公司 — 富宏國際投資有限公司之10,000股股份(佔已發行股本10%)，總現金代價為225,400港元。交易以股息分派予創始股東列賬。
- (b) 概無呈列由附屬公司支付股息的股息率及享有股息的股份數目，原因是該等資料被視作無意義。

## 13. 每股盈利

截至2011年12月31日止年度每股基本盈利乃根據本公司擁有人應佔溢利10,393,000港元(2010年：7,563,000港元)，以及年內本公司已發行股份加權平均數147,123,000股(2010年：108,000,000股)(即於緊隨資本化完成後的已發行股份數目)計算(詳見附註24(e))。

本集團於本年度及去年均無已發行具攤薄潛力之普通股。

## 14. Remuneration of Directors and Five Highest Paid Individuals

## Directors' remuneration

## 董事薪酬

		Fees	Discretionary bonuses	Salaries, allowances and benefits in kind	Retirement benefit costs	Total
		袍金	酌情花紅	薪金、津貼及實物利益	退休福利成本	總計
		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
<b>Year ended 31 December 2011</b>	<b>截至2011年12月31日止年度</b>					
<i>Executive directors:</i>	<i>執行董事：</i>					
Liu Tin Chak, Arnold	廖天澤	—	200	1,013	16	1,229
Wong Yu Man, Elias	黃汝文	—	200	1,013	16	1,229
Lam Chi Wai, Peter	林志偉	—	200	1,013	16	1,229
Yang Yijun	楊一軍	—	200	976	11	1,187
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>					
Cheung Chi Man, Dennis	張志文	—	—	224	—	224
Lui Tai Lok	呂大樂	—	—	224	—	224
Yip Kwok Kwan	葉國均	—	—	224	—	224
		—	800	4,687	59	5,546
<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日止年度</b>					
<i>Executive directors:</i>	<i>執行董事：</i>					
Liu Tin Chak, Arnold	廖天澤	—	—	613	22	635
Wong Yu Man, Elias	黃汝文	—	—	613	22	635
Lam Chi Wai, Peter	林志偉	—	—	613	22	635
Yang Yijun	楊一軍	—	—	—	—	—
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>					
Cheung Chi Man, Dennis	張志文	—	—	—	—	—
Lui Tai Lok	呂大樂	—	—	—	—	—
Yip Kwok Kwan	葉國均	—	—	—	—	—
		—	—	1,839	66	1,905

**14. Remuneration of Directors and Five Highest Paid Individuals (Continued)**

**Five highest paid individuals**

The five highest paid individuals consisted of four (2010: three) directors, details of whose remuneration are reflected in the analysis presented above. Details of remuneration of the remaining one (2010: two) highest paid individual for the year ended 31 December 2011 are as follows:

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	633	1,888
Discretionary bonuses	酌情花紅	53	—
Retirement benefits — defined contribution plan	退休福利 — 定額供款計劃	16	24
		<b>702</b>	<b>1,912</b>

The remuneration paid to the above non-director individual for the year fell within the following band:

		Number of individuals 人數	
		2011 2011年	2010 2010年
Nil-HK\$1,000,000	零至1,000,000港元	1	2

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2010: Nil).

No emolument was paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2010: Nil).

**14. 董事及五名最高薪人士的薪酬(續)**

**五名最高薪人士**

五名最高薪人士包括四名(2010年：三名)董事，有關薪酬詳情於上文所列的分析中反映。於截至2011年12月31日止年度，其餘一名(2010年：兩名)最高薪人士的薪酬詳情如下：

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	633	1,888
Discretionary bonuses	酌情花紅	53	—
Retirement benefits — defined contribution plan	退休福利 — 定額供款計劃	16	24
		<b>702</b>	<b>1,912</b>

年內已付以上各非董事個別人士的薪酬屬於以下範圍：

		Number of individuals 人數	
		2011 2011年	2010 2010年
Nil-HK\$1,000,000	零至1,000,000港元	1	2

年內並無任何董事放棄或同意放棄任何酬金的安排(2010年：無)。

本集團並無向董事或任何五名最高薪人士支付任何酬金，作為彼等加盟或於加盟本集團時的獎勵或離職補償(2010年：無)。

## 15. Property, Plant and Equipment

## 15. 物業、廠房及設備

		Land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Plant and machinery	Motor vehicles	Total
		土地及樓宇	租賃裝修	傢俱、裝置及設備	廠房及機器	汽車	總計
		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
<b>At 1 January 2010</b>	<b>於2010年1月1日</b>						
Cost	成本	5,156	368	1,396	3,882	630	11,432
Accumulated depreciation	累計折舊	(730)	(214)	(703)	(2,783)	(630)	(5,060)
Net carrying amount	賬面淨值	4,426	154	693	1,099	—	6,372
<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日止年度</b>						
Opening net carrying amount	年初賬面淨值	4,426	154	693	1,099	—	6,372
Additions	添置	—	96	1,421	129	—	1,646
Acquisition of a subsidiary (note 26)	收購一家附屬公司 (附註26)	—	—	13	—	—	13
Depreciation	折舊	(116)	(88)	(341)	(505)	—	(1,050)
Disposal	出售	—	—	(5)	—	—	(5)
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>4,310</b>	<b>162</b>	<b>1,781</b>	<b>723</b>	<b>—</b>	<b>6,976</b>
<b>At 31 December 2010 and at 1 January 2011</b>	<b>於2010年12月31日及2011年1月1日</b>						
Cost	成本	5,156	464	2,822	4,011	630	13,083
Accumulated depreciation	累計折舊	(846)	(302)	(1,041)	(3,288)	(630)	(6,107)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>4,310</b>	<b>162</b>	<b>1,781</b>	<b>723</b>	<b>—</b>	<b>6,976</b>
<b>Year ended 31 December 2011</b>	<b>截至2011年12月31日止年度</b>						
Opening net carrying amount	年初賬面淨值	4,310	162	1,781	723	—	6,976
Additions	添置	1,791	349	1,165	22	—	3,327
Depreciation	折舊	(163)	(138)	(576)	(449)	—	(1,326)
Disposal	出售	—	—	(2)	—	—	(2)
Exchange adjustment	匯兌調整	—	3	50	6	—	59
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>5,938</b>	<b>376</b>	<b>2,418</b>	<b>302</b>	<b>—</b>	<b>9,034</b>
<b>At 31 December 2011</b>	<b>於2011年12月31日</b>						
Cost	成本	6,947	816	4,039	4,040	630	16,472
Accumulated depreciation	累計折舊	(1,009)	(440)	(1,621)	(3,738)	(630)	(7,438)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>5,938</b>	<b>376</b>	<b>2,418</b>	<b>302</b>	<b>—</b>	<b>9,034</b>

The Group's interests in land and buildings are located in Hong Kong and are held under medium-term leases.

本集團的土地及樓宇權益均位於香港，並以中期租約持有。

## 16. Goodwill

## 16. 商譽

 HK\$'000  
 千港元

<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日止年度</b>	
Opening net carrying amount	年初賬面淨值	—
Acquisition of a subsidiary	收購一家附屬公司	230
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>230</b>
<b>As at 31 December 2010</b>	<b>於2010年12月31日</b>	
Cost and net carrying amount	成本及賬面淨值	230
<b>Year ended 31 December 2011</b>	<b>截至2011年12月31日止年度</b>	
Opening net carrying amount	年初賬面淨值	230
Addition	添置	—
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>230</b>
<b>As at 31 December 2011</b>	<b>於2011年12月31日</b>	
<b>Cost and net carrying amount</b>	<b>成本及賬面淨值</b>	<b>230</b>

Goodwill arises from the acquisition of Tianhaiba on 1 February 2010 (note 26). The goodwill as well as the trademarks with indefinite useful lives as mentioned in note 17 are allocated to the cash generating unit of PRC Watch Business, which has just commenced during the year ended 31 December 2010.

The goodwill and the trademarks are tested for impairment as at 31 December 2011 based on value in use calculation using cash flow projection and no impairment is being identified. The cash flow projection is based on the forecast approved by the directors covering a period of 5 years and the discount rate applied to the cash flow projection is 14% (2010: 14%), which reflects specific risk relating to the PRC Watch Business. Growth rate used to extrapolate the cash flows beyond the five-year period is 4% which reflects the long-term average growth rate of the PRC Watch Business as forecasted by the directors.

商譽乃因於2010年2月1日收購天海霸(附註26)而產生。商譽及附註17提述的具不設年限可使用年期的商標乃分配予僅於截至2010年12月31日止年度開始的中國鐘錶業務的現金產生單位。

於2011年12月31日，商譽及商標使用現金流預測按使用價值進行減值測試，惟並無出現減值。現金流預測按董事批准的5年期預測計算，而適用於現金流預測的貼現率為14%(2010年：14%)，反映有關中國鐘錶業務的特定風險。董事預測，用於推斷超出五年期間現金流的增長率為4%，反映有關中國鐘錶業務的長期平均增長率。



## 17. Other Intangible Assets

## 17. 其他無形資產

Trademarks  
商標  
HK\$'000  
千港元

<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日止年度</b>	
Opening net carrying amount	年初賬面淨值	—
Addition	添置	5,555
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>5,555</b>
<b>As at 31 December 2010</b>	<b>於2010年12月31日</b>	
<b>Cost and net carrying amount</b>	<b>成本及賬面淨值</b>	<b>5,555</b>
<b>Year ended 31 December 2011</b>	<b>截至2011年12月31日止年度</b>	
Opening net carrying amount	年初賬面淨值	5,555
Addition	添置	31
Exchange adjustment	匯兌調整	275
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>5,861</b>
<b>As at 31 December 2011</b>	<b>於2011年12月31日</b>	
<b>Cost and net carrying amount</b>	<b>成本及賬面淨值</b>	<b>5,861</b>

On 30 June 2010, Tianhaiba entered into an agreement with a PRC entity to acquire from the PRC entity the *Tianba* and *Harpo* trademarks at a total consideration of RMB4,700,000 (equivalent to approximately HK\$5,345,000). The PRC entity was owned by the brother of the Company's director, Mr. Yang Yijun. Prior to the completion of the approval granted by the relevant government authority in the PRC regarding the transfer of the trademarks, Tianhaiba entered into a trademark licence agreement with the PRC entity on the same date whereby the PRC entity granted to the Group with immediate effect a sole and exclusive right to use the *Tianba* and *Harpo* trademarks to generate economic benefit from *Tianba* and *Harpo* trademarks. On 20 April 2011, the legal procedures for transferring the trademarks to the Group have been completed.

The directors consider these trademarks having indefinite useful lives as there is no foreseeable limit on the period of time over which the trademarks in watch industry is expected to provide cash flows. These trademarks can be renewable in a period of time at minimal cost and the products are continuing in the market.

於2010年6月30日，天海霸與一家中國實體訂立一份協議，以向該中國實體收購天霸及海霸商標，總代價為人民幣4,700,000元（約等於5,345,000港元）。該中國實體乃由現任董事楊一軍先生的胞兄／弟擁有。中國有關政府當局批出有關轉讓商標的程序完成前，天海霸於同日與該中國實體訂立商標特許權協議，據此該中國實體向本集團授出唯一及獨家權利使用天霸及海霸商標，由該日起即時生效，以透過天霸及海霸商標取得經濟利益。於2011年4月20日，本集團已完成商標轉讓的法律程序。

董事認為此等商標具不設年限可使用年期，原因是該等商標於鐘錶業內預期並無提供現金流的可預見時間限制。此等商標可以極低成本重續一段時間，且產品於市場上持續不斷。

## 18. Interests in Subsidiaries

## 18. 於附屬公司的權益

		Company 本公司	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Investments in unlisted shares, at cost	非上市股份投資，按成本	30,367	30,367
Amounts due from subsidiaries	應收附屬公司款項	27,493	660
Amount due to a subsidiary	應付一間附屬公司款項	7,934	—

Amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

The directors consider that the carrying amounts of the amounts due from/(to) subsidiaries approximate their fair values at the reporting date because the amounts have a short maturity period on its inception.

應收／(應付)附屬公司款項為無抵押、免息及須按要求時償還。

董事認為，於報告日期，應收／(應付)附屬公司款項之賬面值與其公平值相若，原因為該等款項於初始時屬短期到期。

18. Interests in Subsidiaries (Continued)

Particulars of the Company's principal subsidiaries, which are private companies with limited liability, as at 31 December 2011 are as follows:

Name 名稱	Country/Place of incorporation/ establishment 註冊成立/ 成立國家/地點	Particulars of issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Effective interest held by the Company 本公司持有的 實際權益			Principal activities 主要業務
			Directly 直接	Indirectly 間接		
Ampress Merchandising Limited 和峰實業有限公司	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 100,000股每股面值1港元的普通股	—	100%	Trading of watches, costume jewelries and accessories 買賣鐘錶、人造珠寶及配飾	
Ampress Packaging Asia Limited 和峰包裝(亞洲)有限公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值1港元的普通股	—	100%	Trading of display and packaging products 買賣陳列包裝品	
EC Pacific Limited 宏發(太平洋)有限公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值1港元的普通股	—	100%	Trading of watches and accessories 買賣鐘錶及配飾	
Powerwell Finance Limited	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值1港元的普通股	—	100%	Investment 投資	
Richmind International Investment Limited ("Richmind") 富宏國際投資有限公司 (「富宏」)	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 100,000股每股面值1港元的普通股	—	100%	Holding of properties 持有物業	
Tianhaiba <sup>1</sup> 天海霸	PRC 中國	RMB20,000,000 (2010: RMB13,035,000) 人民幣20,000,000元 (2010年：人民幣13,035,000元)	—	100%	Sales of watches in the PRC 於中國銷售鐘錶	

<sup>1</sup> Tianhaiba was established on 23 June 2009 as a PRC domestic enterprise and has been converted into a wholly foreign-owned enterprise upon acquisition by the Group on 1 February 2010 (note 26).

<sup>2</sup> As at 31 December 2011, certain subsidiaries of the Group, which have become dormant, were in the process of being voluntary wound up.

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

18. 於附屬公司的權益(續)

於2011年12月31日，本公司之主要附屬公司(均為私人有限公司)的詳情如下：

Name 名稱	Country/Place of incorporation/ establishment 註冊成立/ 成立國家/地點	Particulars of issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Effective interest held by the Company 本公司持有的 實際權益			Principal activities 主要業務
			Directly 直接	Indirectly 間接		
Ampress Merchandising Limited 和峰實業有限公司	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 100,000股每股面值1港元的普通股	—	100%	Trading of watches, costume jewelries and accessories 買賣鐘錶、人造珠寶及配飾	
Ampress Packaging Asia Limited 和峰包裝(亞洲)有限公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值1港元的普通股	—	100%	Trading of display and packaging products 買賣陳列包裝品	
EC Pacific Limited 宏發(太平洋)有限公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值1港元的普通股	—	100%	Trading of watches and accessories 買賣鐘錶及配飾	
Powerwell Finance Limited	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值1港元的普通股	—	100%	Investment 投資	
Richmind International Investment Limited ("Richmind") 富宏國際投資有限公司 (「富宏」)	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 100,000股每股面值1港元的普通股	—	100%	Holding of properties 持有物業	
Tianhaiba <sup>1</sup> 天海霸	PRC 中國	RMB20,000,000 (2010: RMB13,035,000) 人民幣20,000,000元 (2010年：人民幣13,035,000元)	—	100%	Sales of watches in the PRC 於中國銷售鐘錶	

<sup>1</sup> 天海霸於2009年6月23日成立為中國境內企業，並於2010年2月1日經本集團收購後改制為外商獨資企業(附註26)。

<sup>2</sup> 於2011年12月31日，本集團若干不活動附屬公司正進行自願清盤程序。

上表列出本公司之附屬公司，其中董事認為該等附屬公司對年內業務產生重大影響或構成本集團資產淨值的重要部份。董事認為，列出其他附屬公司之詳情將使資料過長。

## 19. Inventories

		Group 本集團	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Raw materials	原材料	6,107	6,903
Finished goods	成品	13,944	9,509
		<b>20,051</b>	16,412

On 30 June 2010, the Group acquired watch inventories bearing the *Tianba* and *Harpo* brands (finished goods) at HK\$5,492,000 from a PRC entity as mentioned in note 7.

誠如附註7所述，本集團於2010年6月30日以5,492,000港元向中國實體收購附天霸及海霸商標(成品)的鐘錶存貨。

## 20. Trade Receivables, Prepayments and Deposits

		Group 本集團		Company 本公司	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Trade receivables	貿易應收款項	32,169	25,595	—	—
Less : provision for impairment	減：減值撥備	—	(1,020)	—	—
Trade receivables — net	貿易應收款項 — 淨額	32,169	24,575	—	—
Prepayment of professional fees in relation to issue of shares	發行股份的相關預付專業費用	—	11,770	—	—
Other prepayments and deposits	其他預付款項及按金	7,647	7,087	163	—
		<b>7,647</b>	18,857	<b>163</b>	—
Trade receivables, prepayments and deposits	貿易應收款項、預付款項及按金	<b>39,816</b>	43,432	<b>163</b>	—

## 20. 貿易應收款項、預付款項及按金

## 20. Trade Receivables, Prepayments and Deposits (Continued)

The Group normally allows credit period of 30 to 60 days (2010: 45 to 60 days) to its major customers. Credit period is normally not granted to other customers.

The ageing analysis (based on due date) of the Group's trade receivables at the reporting date is as follows:

		<b>Group 本集團</b>	
		<b>2011 2011年 HK\$'000 千港元</b>	2010 2010年 HK\$'000 千港元
Not past due	未逾期	<b>26,951</b>	22,174
1-30 days past due	逾期1-30天	<b>4,543</b>	2,378
31-60 days past due	逾期31-60天	<b>568</b>	13
61-90 days past due	逾期61-90天	<b>54</b>	10
Over 90 days past due	逾期90天以上	<b>53</b>	1,020
		<b>32,169</b>	25,595

The movement in the provision for impairment of trade receivables is as follows:

		<b>Group 本集團</b>	
		<b>2011 2011年 HK\$'000 千港元</b>	2010 2010年 HK\$'000 千港元
Balance at the beginning of the year	年初結餘	<b>1,020</b>	1,029
Amount written-off	已撇銷金額	<b>(1,020)</b>	—
Bad debt recovery	壞賬收回	<b>—</b>	(9)
Balance at the end of the year	年終結餘	<b>—</b>	1,020

At each reporting date, the Group reviews receivables for evidence of impairment on both an individual and collective basis. As at 31 December 2010, the Group's trade receivables of HK\$1,020,000 which were due over 90 days were impaired and accordingly, allowances were made in respect of these balances. The impaired trade receivables were due from customers experiencing financial difficulties that were in default or delinquency of payments and impairment provision were therefore made for those balances. None of the trade receivables as at 31 December 2011 have been identified by the Group as having impairment issue.

## 20. 貿易應收款項、預付款項及按金(續)

本集團一般向其主要客戶給予30至60天(2010年:45至60天)的信貸期。一般來說,不會向其他客戶授予信貸期。

於報告日期,本集團貿易應收款項按到期日的賬齡分析如下:

		<b>Group 本集團</b>	
		<b>2011 2011年 HK\$'000 千港元</b>	2010 2010年 HK\$'000 千港元
Not past due	未逾期	<b>26,951</b>	22,174
1-30 days past due	逾期1-30天	<b>4,543</b>	2,378
31-60 days past due	逾期31-60天	<b>568</b>	13
61-90 days past due	逾期61-90天	<b>54</b>	10
Over 90 days past due	逾期90天以上	<b>53</b>	1,020
		<b>32,169</b>	25,595

貿易應收款項減值撥備的變動如下:

		<b>Group 本集團</b>	
		<b>2011 2011年 HK\$'000 千港元</b>	2010 2010年 HK\$'000 千港元
Balance at the beginning of the year	年初結餘	<b>1,020</b>	1,029
Amount written-off	已撇銷金額	<b>(1,020)</b>	—
Bad debt recovery	壞賬收回	<b>—</b>	(9)
Balance at the end of the year	年終結餘	<b>—</b>	1,020

於各報告日期,本集團會按個別及綜合基準檢討是否有證據顯示應收款項減值。於2010年12月31日,本集團為數1,020,000港元的貿易應收款項(已逾期90天以上)已作出減值,因此已就該等結餘作出撥備。已減值貿易應收款項為屬面臨財政困難的客戶拖欠或逾期付款,並已就該等款項作出減值撥備。於2011年12月31日,本集團並無確認任何貿易應收款項有減值跡象。

**20. Trade Receivables, Prepayments and Deposits**  
(Continued)

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

The ageing analysis (based on due date) of the Group's trade receivables that were past due at the reporting date but are not considered as impaired is as follows:

Not past due	未逾期
1-30 days past due	逾期1-30天
31-60 days past due	逾期31-60天
61-90 days past due	逾期61-90天
Over 90 days past due	逾期90天以上

Trade receivables that were not yet past due and that were past due but not considered as impaired related to a number of customers that had a good track record of credit with the Group. Based on past credit experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral in respect of trade receivable past due but not impaired.

The directors consider the carrying amounts of trade receivables approximate their fair values.

**20. 貿易應收款項、預付款項及按金(續)**

貿易應收款項之減值虧損使用撥備賬目作記錄，惟本集團認為可收回該金額的機會屬輕微者除外，在該情況下，減值虧損直接於貿易應收款項扣除。本集團並無就已減值貿易應收款項(不論按個別或整體基準釐定)持有任何以作擔保或其他加強信貸措施的抵押品。

於報告日期，本集團已逾期但未被視為減值的貿易應收款項按到期日的賬齡分析如下：

		<b>Group</b> <b>本集團</b>	
		<b>2011</b>	2010
		<b>2011年</b>	2010年
		<b>HK\$'000</b>	HK\$'000
		<b>千港元</b>	千港元
Not past due	未逾期	<b>26,951</b>	22,174
1-30 days past due	逾期1-30天	<b>4,543</b>	2,378
31-60 days past due	逾期31-60天	<b>568</b>	13
61-90 days past due	逾期61-90天	<b>54</b>	10
Over 90 days past due	逾期90天以上	<b>53</b>	—
		<b>32,169</b>	24,575

尚未逾期及已逾期但未被視為減值的貿易應收款項與於本集團信貸紀錄良好的大量不同類別客戶有關。根據過往信貸經驗，管理層相信，由於信貸質素並無重大變動且結餘仍被視作可全數收回，因此毋須為該等結餘作減值撥備。本集團並無就已逾期但未減值的貿易應收款項持有任何抵押品。

董事認為，貿易應收款項的賬面值與其公平值相若。

## 21. Cash and Cash Equivalents

		Group 本集團		Company 本公司	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	28,286	28,262	2,320	—
Short-term bank deposits	短期銀行存款	12,894	—	—	—
		<b>41,180</b>	28,262	<b>2,320</b>	—

Included in the cash and cash equivalents of the Group as at 31 December 2011 was a balance of HK\$14,091,000 (2010: HK\$1,714,000) which is denominated in RMB. RMB is not a freely convertible currency.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The directors consider that the fair values of the short-term bank deposits are not materially different from their carrying amounts because of the short maturity period on their inception.

## 21. 現金及現金等價物

於2011年12月31日，計入本集團現金及現金等價物為按人民幣計值的結餘14,091,000港元(2010年：1,714,000港元)。人民幣並非可自由兌換之貨幣。

銀行存款按浮動銀行存款日利率賺取利息。短期定期存款之期限，乃視乎本集團之即時現金需求而定，按有關短期定期存款利率賺取利息。董事認為由於短期銀行存款於訂立時已屬較短期，因此其公平值與賬面值並無重大差異。

## 22. Trade and Other Payables

		Group 本集團		Company 本公司	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Trade payables	貿易應付款項	27,011	33,609	—	—
Other payables and accruals	其他應付款項及應計費用	7,628	18,753	1,654	660
Deposits received	已收取按金	12,220	16,441	—	—
		<b>46,859</b>	68,803	<b>1,654</b>	660

## 22. 貿易及其他應付款項

## 22. Trade and Other Payables (Continued)

The ageing analysis of the trade payables (based on due date) at the reporting date is as follows:

Not past due	未逾期
1–30 days past due	逾期1–30天
31–60 days past due	逾期31–60天
61–90 days past due	逾期61–90天
Over 90 days past due	逾期90天以上

Included in trade payables was an amount of HK\$1,058,000 (2010: HK\$919,000) which was due to a PRC entity, Guifeng (as defined in note 28), in which Mr. Yang Yijun, a director of the Company, has equity interest.

Other payables and accruals of the Group as at 31 December 2010 included an amount of approximately HK\$8,177,000 which arose from the acquisition of the *Tianba* and *Harpo* trademarks (note 17) and the watch inventories bearing the *Tianba* and *Harpo* brands (note 19). Such balance is partially settled during the year and reduced to HK\$3,548,000 as at 31 December 2011.

The directors consider that the carrying amounts of trade and other payables approximate their fair values.

## 23. Short-Term Bank Borrowings

Repayable within one year	須於一年內償還
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The short-term bank borrowings as at 31 December 2011 are denominated in HK\$ and are secured by the corporate guarantees from certain group entities as mentioned in note 27.

The effective interest rates applicable to the short-term bank borrowings as at 31 December 2011 are floating interest rates ranging from 2.69% to 3.78% per annum. The directors consider that the carrying amounts of the short-term bank borrowings approximate their fair values at 31 December 2011.

## 22. 貿易及其他應付款項(續)

於報告日期，貿易應付款項按到期日的賬齡分析如下：

		Group 本集團	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
		10,421	14,057
		11,110	9,803
		4,982	9,707
		412	42
		86	—
		<b>27,011</b>	<b>33,609</b>

貿易應付款項中包含 1,058,000 港元(2010年：919,000 港元)，為應付一家中國實體桂峰(定義見附註28)(本公司現任董事楊一軍先生於當中擁有股本權益)的款項。

於2010年12月31日，本集團之其他應付款項及應計款項包括約8,177,000港元來自收購天霸及海霸商標(附註17)以及附有天霸及海霸品牌之鐘錶存貨(附註19)。該款項於年內已支付一部份，並於2011年12月31日減少至3,548,000港元。

董事認為貿易及其他應付款項之賬面值與其公平值相若。

## 23. 短期銀行借貸

		Group 本集團	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
		9,192	—

於2011年12月31日，短期銀行借貸以港元計值，並以附註27提述的若干集團實體的公司擔保作抵押。

於2011年12月31日，短期銀行借貸適用的實際利率為介乎2.69%至3.78%的浮動年利率。董事認為，本集團短期銀行借貸於2011年12月31日的賬面值與其公平值相若。



## 24. Share Capital Company

24. 股本  
本公司

		2011 2011年			2010 2010年		
		Par value per share 每股面值 HK\$ 港元	Number of ordinary shares 普通股數目	Nominal value 面值 HK\$ 港元	Par value per share 每股面值 HK\$ 港元	Number of ordinary shares 普通股數目	Nominal value 面值 HK\$ 港元
<b>Authorised:</b>	<b>法定：</b>						
At 1 January/Upon incorporation (note (a))	於1月1日/註冊 成立時(附註(a))	0.1	1,000,000,000	100,000,000	1	100,000	100,000
Share sub-division (note (b))	股份分拆(附註(b))	—	—	—	—	900,000	—
Increase in authorised capital (note (d))	增加法定股本 (附註(d))	—	—	—	0.1	999,000,000	99,900,000
<b>At 31 December</b>	<b>於12月31日</b>	<b>0.1</b>	<b>1,000,000,000</b>	<b>100,000,000</b>	<b>0.1</b>	<b>1,000,000,000</b>	<b>100,000,000</b>
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>						
At 1 January/Upon incorporation (note (a))	於1月1日/註冊 成立時(附註(a))	0.1	100,000	10,000	1	4	4
Share sub-division (notes (a) & (b))	股份分拆 (附註(a)及(b))	—	—	—	—	36	—
Issue of shares (note (c))	發行股份(附註(c))	—	—	—	0.1	99,960	9,996
Issue of shares upon Capitalisation (note (e))	於資本化時發行股份 (附註(e))	0.1	107,900,000	10,790,000	—	—	—
Issue of shares upon Placing (note (f))	於配售時發行股份 (附註(f))	0.1	42,000,000	4,200,000	—	—	—
<b>At 31 December</b>	<b>於12月31日</b>	<b>0.1</b>	<b>150,000,000</b>	<b>15,000,000</b>	<b>0.1</b>	<b>100,000</b>	<b>10,000</b>

## Notes:

- (a) The Company was incorporated on 14 June 2010 with authorised share capital of HK\$100,000 divided into 100,000 shares of HK\$1 each, 4 shares of which were issued nil-paid on 9 July 2010. On 20 December 2010, with a written resolution of the sole shareholder of the Company, the directors were authorised to apply a sum of HK\$4 being part of the amount credited to the contributed surplus account of the Company arising from the issue of shares referred to note (c) below to pay up in full at par the 4 shares (become 40 shares after the Share Sub-division as mentioned in (b) below) issued nil-paid on 9 July 2010.
- (b) By a written resolution of the Company dated 20 December 2010, each of the existing issued and unissued shares of HK\$1 each in the share capital of the Company was sub-divided into 10 shares of HK\$0.10 each ("Share Sub-division"). The authorised share capital of the Company then become HK\$100,000 divided into 1,000,000 shares of HK\$0.1 each.
- (c) On 20 December 2010, an aggregate of 50,000 shares were allotted and issued, credited as fully paid, to Data Champion Limited as consideration for the acquisition of the entire issued share capital of Good Destination and Goldnet Holdings Group Limited, which was incorporated in the British Virgin Islands, from Mr. Liu Tin Chak, Arnold, Mr. Lam Chi Wai, Peter, and Mr. Wong Yu Man, Elias, the Founding Shareholders. On the same date, an aggregate of 49,960 shares were allotted and issued, credited as fully paid, to Data Champion Limited as consideration for the acquisition of the entire issued share capital of Powerwell Pacific from the Founding Shareholders and Ms. Tam Chiu Ming, Tammy ("Ms. Tam").

## 附註：

- (a) 本公司於2010年6月14日註冊成立，法定股本為100,000港元，分為100,000股每股面值1港元的股份，其中4股已於2010年7月9日以未繳股款方式發行。於2010年12月20日，根據本公司單一股東的書面決議案，董事獲授權動用下文附註(c)段所述本公司發行股份所產生的實繳盈餘賬的部分進賬額4港元，以按面值全數繳足於2010年7月9日無償發行的4股股份(進行下文(b)所述的股份分拆後則為40股股份)。
- (b) 根據本公司於2010年12月20日的一項書面決議案，本公司股本中各每股面值1港元的現有已發行及未發行股份已拆細為10股每股面值0.10港元的股份(「股份拆細」)。本公司的法定股本將為100,000港元(分為1,000,000股每股面值0.1港元的股份)。
- (c) 於2010年12月20日，本公司已向 Data Champion Limited 配發及發行合共50,000股入賬列作繳足股份，作為向創始股東廖天澤先生、林志偉先生及黃汝文先生，收購 Good Destination及Goldnet Holdings Group Limited (於英屬處女群島註冊成立)全部已發行股本的代價。於同日，本公司已向 Data Champion Limited 配發及發行合共49,960股入賬列作繳足股份，作為向創始股東及譚昭明女士(「譚女士」)收購Powerwell Pacific全部已發行股本的代價。

## 24. Share Capital (Continued) Company (Continued)

- (d) Pursuant to a shareholder resolution passed on 22 December 2010, the authorised share capital of the Company has increased from HK\$100,000, divided into 1,000,000 shares of HK\$0.1 each, to HK\$100,000,000, divided into 1,000,000,000 shares of HK\$0.1 each, by the creation of additional 999,000,000 shares.
- (e) Pursuant to a shareholder resolution passed on 22 December 2010, upon the condition of the share premium account of the Company being credited as a result of the Placing as mentioned and defined in (f) below has been fulfilled, HK\$10,790,000 was capitalised and applied in paying up in full at par 107,900,000 shares for allotment and issue to shareholders of the Company (the "Capitalisation"). As a result of the Capitalisation, the issued share capital of the Company has become HK\$10,800,000 divided into 108,000,000 shares of HK\$0.1 each.
- (f) On 26 January 2011, 42,000,000 new shares of HK\$0.1 each of the Company were issued to the public by way of placing at HK\$0.80 each (the "Placing"). As a result of the Placing, the share capital and share premium account of the Company have increased by HK\$4,200,000 and HK\$29,400,000 respectively.

## 25. Reserves Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity. Nature of the reserves are as follows:

- (a) *Share premium*  
Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares.
- (b) *Capital reserve*  
Capital reserve represents the difference between the consideration paid and the share of the net assets acquired (at book value) in respect of the acquisition of non-controlling interests. Capital reserve as at the end of the reporting period arose from the acquisition of 33.3% equity interests in Display & Packaging Limited on 13 April 2010 at a total cash consideration of HK\$200,000, the acquisition of 20% equity interests in EC Manufacturing Limited on 7 May 2010 at a total cash consideration of HK\$2,000 and the acquisition of the 10% equity interests in Ampress Packaging Asia Limited on 23 June 2010 at a total cash consideration of HK\$1,027,000.
- (c) *Merger reserve*  
Merger reserve arose as a result of the followings:
- (i) Before 20 September 2010, the Group held 90% of the equity interest of Richmind while the remaining 10% interest in the capital of Richmind with carrying value of HK\$10,000 held by the Founding Shareholders was accounted for as capital contribution and included in the merger reserve.

## 24. 股本(續) 本公司(續)

- (d) 根據股東於2010年12月22日的書面決議案，藉增設額外999,000,000股股份，將本公司的法定股本由100,000港元(分為1,000,000股每股面值0.1港元的股份)增至100,000,000港元(分為1,000,000,000股每股面值0.1港元的股份)。
- (e) 根據股東於2010年12月22日的書面決議案，在本公司股份溢價賬基於下文(f)所提及及界定的配售而取得進賬的情況下，將其中金額10,790,000港元撥充資本，並動用該金額按面值繳足107,900,000股股份，以配發及發行予本公司股東(「資本化」)。資本化後，本公司的已發行股本將為10,800,000港元(分為108,000,000股每股面值0.1港元的股份)。
- (f) 於2011年1月26日，42,000,000股本公司每股面值0.1港元的新股份已按每股0.80港元透過配售發行予公眾人士(「配售」)。配售後，本公司的股本及股份溢價賬已分別增加4,200,000港元及29,400,000港元。

## 25. 儲備 本集團

本集團於本年度及過往年度的儲備金額及其變動乃於綜合權益變動表呈列。儲備性質如下：

- (a) *股份溢價*  
股份溢價乃本公司股份以溢價發行時所得資金，撇除發行股份費用後，與股份面值之差異。
- (b) *資本儲備*  
資本儲備指就收購非控制權益所付代價與應佔所收購淨資產(按賬面值計)之間的差額。於報告期末的資本儲備，來自於2010年4月13日以現金總代價200,000港元收購Display & Packaging Limited 33.3%股本權益、於2010年5月7日以現金總代價2,000港元收購宏發製造有限公司20%股本權益及於2010年6月23日以現金總代價1,027,000港元收購和峰包裝(亞洲)有限公司10%股本權益。
- (c) *合併儲備*  
合併儲備乃因下列各項而產生：
- (i) 於2010年9月20日前，本集團持有富宏90%股權，而賬面值為10,000港元的富宏餘下10%權益則由創始股東持有，入賬列作注資，並計入合併儲備。

**25. Reserves (Continued)****Group (Continued)***(c) Merger reserve (Continued)*

- (ii) On 16 June 2010 and 20 June 2010, Powerwell Pacific issued 752 new shares of US\$1 each to the Founding Shareholders at the consideration of US\$1 each and issued 44 new shares of US\$1 each, representing 5.5% of the enlarged share capital of Powerwell Pacific, to Ms. Tam at a consideration of HK\$1,027,000 respectively. These has resulted in an increase in equity of the Group by HK\$1,033,000 which was included in merger reserve.

*(d) Translation reserve*

Translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign operations in accordance with the accounting policy adopted in note 4.18.

**Company**

The movements in the Company's reserves are as follows:

		Share premium*	Contributed surplus*	Proposed final dividend 建議 末期股息	Retained profits*	Total
		股份溢價*	實繳盈餘*	末期股息	保留溢利*	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At the date of incorporation	於註冊成立日期	—	—	—	—	—
Acquisition of subsidiaries/Transactions with owners	收購附屬公司/與持有人的交易	—	30,357	—	—	30,357
Profit for the period/Total comprehensive income for the period	期內溢利/期內全面收益總額	—	—	—	3,000	3,000
2010 final dividend proposed	2010年建議末期股息	—	—	3,000	(3,000)	—
<b>At 31 December 2010 and 1 January 2011</b>	<b>於2010年12月31日及 2011年1月1日</b>	—	30,357	3,000	—	33,357
Dividend paid during the year (note 12)	年內已付股息(附註12)	—	—	(3,000)	(1,500)	(4,500)
Issue of shares upon Placing (note 24(f))	配售後發行股份(附註24(f))	29,400	—	—	—	29,400
Issue of shares upon Capitalisation (note 24(e))	資本化後發行股份(附註24(e))	(10,790)	—	—	—	(10,790)
Expenses incurred in connection with the issue of shares during the year	年內發行股份涉及之開支	(11,673)	—	—	—	(11,673)
Transactions with owners	與持有人的交易	6,937	—	(3,000)	(1,500)	2,437
Loss for the year/Total comprehensive income for the year	年內虧損/年內全面收益總額	—	—	—	(39)	(39)
2011 final dividend proposed	2011年建議末期股息	—	—	3,000	(3,000)	—
<b>At 31 December 2011</b>	<b>於2011年12月31日</b>	6,937	30,357	3,000	(4,539)	35,755

Contributed surplus of the Company represents the difference between the costs of investment in subsidiaries acquired pursuant to the Reorganisation effected on 20 December 2010 over the nominal value of the share capital of the Company in exchange.

\* The total of these balances represented "Other reserves" in the statement of financial position.

**25. 儲備(續)****本集團(續)***(c) 合併儲備(續)*

- (ii) 於2010年6月16日及2010年6月20日，Powerwell Pacific已按代價每股1美元向創始股東發行752股每股面值1美元的新股份，以及向談女士發行44股每股面值1美元的新股份，佔Powerwell Pacific已擴大股本5.5%，代價為1,027,000港元。發行令本集團之權益增加1,033,000港元，金額已計入合併儲備。

*(d) 換算儲備*

換算儲備包括所有根據附註4.18所採納的會計政策而換算海外業務產生的匯兌差額。

**本公司**

本公司的儲備變動如下：

	Share premium*	Contributed surplus*	Proposed final dividend 建議 末期股息	Retained profits*	Total
	股份溢價*	實繳盈餘*	末期股息	保留溢利*	總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At the date of incorporation	於註冊成立日期	—	—	—	—
Acquisition of subsidiaries/Transactions with owners	收購附屬公司/與持有人的交易	—	30,357	—	30,357
Profit for the period/Total comprehensive income for the period	期內溢利/期內全面收益總額	—	—	—	3,000
2010 final dividend proposed	2010年建議末期股息	—	—	3,000	(3,000)
<b>At 31 December 2010 and 1 January 2011</b>	<b>於2010年12月31日及 2011年1月1日</b>	—	30,357	3,000	—
Dividend paid during the year (note 12)	年內已付股息(附註12)	—	—	(3,000)	(1,500)
Issue of shares upon Placing (note 24(f))	配售後發行股份(附註24(f))	29,400	—	—	—
Issue of shares upon Capitalisation (note 24(e))	資本化後發行股份(附註24(e))	(10,790)	—	—	—
Expenses incurred in connection with the issue of shares during the year	年內發行股份涉及之開支	(11,673)	—	—	—
Transactions with owners	與持有人的交易	6,937	—	(3,000)	(1,500)
Loss for the year/Total comprehensive income for the year	年內虧損/年內全面收益總額	—	—	—	(39)
2011 final dividend proposed	2011年建議末期股息	—	—	3,000	(3,000)
<b>At 31 December 2011</b>	<b>於2011年12月31日</b>	6,937	30,357	3,000	(4,539)

本公司的實繳盈餘乃根據自2010年12月20日生效的重組所購附屬公司的投資成本超出本公司所交換的股本面值的差額。

\* 此等結餘的總額為財務狀況表的「其他儲備」。

## 26. Business Combination

On 1 February 2010, Goldnet HK acquired from two parties the entire registered capital of Tianhaiba at a cash consideration of RMB1,000,000 (the "Acquisition"); one of the parties is Mr Yang Yijun who is a director of the Company. Tianhaiba was established on 23 June 2009 by the two parties as a PRC domestic enterprise with paid-up registered capital of RMB1,000,000. As at the date of the Acquisition, Tianhaiba was engaged in trading of watches.

The fair value of the identifiable assets and liabilities of Tianhaiba as at the date of the Acquisition and the corresponding carrying amounts immediately before the Acquisition are as follows:

		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13	13
Trade and other receivables	貿易及其他應收款項	39	39
Cash and bank balances	現金及銀行結餘	1,238	1,238
Other assets	其他資產	14	14
Payables and accruals	應付款項及應計費用	(392)	(392)
Net assets acquired	已收購淨資產	912	912
Goodwill (note 16)	商譽(附註16)		230
Purchase consideration	購買代價		1,142
Purchase consideration is satisfied by:	購買代價的支付方式：		
Cash	現金		1,142
Net cash inflow arising on the Acquisition:	收購事項產生的淨現金流入：		
Cash consideration	現金代價		(1,142)
Bank balances and cash acquired	已收購銀行結餘及現金		1,238
			96

The Acquisition of Tianhaiba is for the development of the Group's retail business of watches in the PRC and the goodwill arising from the Acquisition is attributable to the knowledge and experience of Tianhaiba's management which is valuable to the development and expansion of the PRC Watch Business. After the Acquisition, the Group has started the selling of watches under *Tianba* and *Harpo* brands in the PRC with the necessary permission. Revenue generated by Tianhaiba since the date of its Acquisition up to 31 December 2010 amounted to HK\$7,907,000 and it incurred operating losses of HK\$6,961,000 during that period. Had the Acquisition taken place at the beginning of the year of 2010, the revenue of the Group and the profit of the Group for the year ended 31 December 2010 would have been HK\$208,195,000 and HK\$7,852,000 respectively. The cost of the Acquisition is immaterial.

## 26. 業務合併

於2010年2月1日，金域香港以現金代價人民幣1,000,000元向兩名人士收購天海霸全部註冊資本(「收購事項」)；其中一名人士為本公司董事楊一軍先生。天海霸乃該兩名人士於2009年6月23日成立的中國境內企業，繳足註冊資本為人民幣1,000,000元。於收購事項當日，天海霸從事鐘錶貿易業務。

於收購事項日期天海霸的可識別資產及負債公平值及緊接收購事項前的有關賬面值如下：

		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13	13
Trade and other receivables	貿易及其他應收款項	39	39
Cash and bank balances	現金及銀行結餘	1,238	1,238
Other assets	其他資產	14	14
Payables and accruals	應付款項及應計費用	(392)	(392)
Net assets acquired	已收購淨資產	912	912
Goodwill (note 16)	商譽(附註16)		230
Purchase consideration	購買代價		1,142
Purchase consideration is satisfied by:	購買代價的支付方式：		
Cash	現金		1,142
Net cash inflow arising on the Acquisition:	收購事項產生的淨現金流入：		
Cash consideration	現金代價		(1,142)
Bank balances and cash acquired	已收購銀行結餘及現金		1,238
			96

進行收購天海霸事項旨在發展本集團的中國鐘錶零售業務，而收購事項產生的商譽來自天海霸管理層對中國鐘錶業務發展及擴充的寶貴知識及經驗。收購事項後，本集團取得所需許可，開始於中國銷售天霸及海霸品牌鐘錶。天海霸自收購事項日期起至2010年12月31日止產生的收入為7,907,000港元，並於該期間內錄得經營虧損6,961,000港元。倘收購事項於2010年初進行，則本集團於截至2010年12月31日止年度的收入及溢利將分別為208,195,000港元及7,852,000港元。收購事項的成本不重大。

**27. Guarantees**

The Company had given unlimited corporate guarantees to a bank in connection with general banking facilities granted by the bank to a subsidiary. Certain group entities, including the Company, had given limited corporate guarantees up to HK\$8,000,000 to another bank in connection with another general banking facilities granted by the bank to another subsidiary.

At the reporting date, such facilities were drawn down by the subsidiaries to extent of HK\$9,192,000 (2010: Nil). The maximum liability of the Company under the guarantee issued represents the amount drawn down by the subsidiaries. The financial guarantee is not recognised in these financial statements because the fair value of the guarantee was insignificant and that the directors did not consider it is probable that a claim would be made against the Company under the guarantee.

The Group did not have any other significant contingent liabilities as at the reporting date (2010: Nil).

**28. Related Party Transactions**

(i) Save as disclosed elsewhere in these financial statements, during the year, the Group carried out the following transactions with its related parties:

Nature of transactions 交易性質		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Hana Time (Asia) Limited (note (a)) 美時(亞洲)有限公司(附註(a))	Sales of goods 貨品銷售	—	481
深圳市桂峰表業有限公司 (Shenzhen Guifeng Watch Company Limited) ("Guifeng") (note (b)) 深圳市桂峰表業有限公司(「桂峰」) (附註(b))	Sub-letting of factory 分租廠房 Assembly of watches 鐘錶組嵌	39  7,216	67  6,619

Notes:

- (a) Hana Time (Asia) Limited was 75% held by a close family member of Mr. Lam Chi Wai, Peter, a director of the Company. The Group has discontinued the transactions with Hana Time (Asia) Limited since April 2010.
- (b) Guifeng is 10% owned by Mr. Yang Yijun, a director of the Company, and 80% owned by his close family member.

The directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary course of business.

**27. 擔保**

本公司已就銀行向一間附屬公司授出之一般銀行融資，向該銀行作出無限企業擔保。若干集團實體(包括本公司)已就另一家銀行向另一間附屬公司授出之另一項一般銀行融資，向該銀行提供最多8,000,000港元的有限額公司擔保。

於報告日期，該等融資被附屬公司提取9,192,000港元(2010年：零)。本公司就已發出之擔保承擔之負債上限為附屬公司所提取之金額。鑑於擔保之公平值並不重大，加上董事認為本公司不大可能根據擔保而遭索償，故該財務擔保並無於此等財務報表確認。

於報告日期，本集團並無任何其他重大或然負債(2010年：零)。

**28. 關聯人士交易**

(i) 除本財務報表其他部分所披露者外，本集團曾與其關聯人士進行以下交易：

附註:

- (a) 美時(亞洲)有限公司由本公司董事林志偉先生一名直系親屬持有75%。本集團已自2010年4月起終止與美時(亞洲)有限公司進行交易。
- (b) 桂峰由本公司董事楊一軍先生擁有10%，而其一名直系親屬則擁有80%。

本公司董事認為，上述關聯人士交易乃於日常業務過程中進行及按正常商業條款進行。

**28. Related Party Transactions (Continued)**

**(ii) Compensation of key management personnel**

Included in employee benefit expenses are key management personnel compensation (including directors), the details of which are as follows:

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元 (Restated) (經重列)
Short term employee benefits	短期僱員福利	7,644	3,767
Post-employment benefits	離職後福利	131	113
		<b>7,775</b>	<b>3,880</b>

**(iii) Senior management's remuneration**

The remuneration paid to each of the senior management individual for the year fell within the following bands:

		Number of individuals 人數	
		2011 2011年	2010 2010年
Nil-HK\$499,999	零至499,999港元	3	2
HK\$500,000-HK\$1,000,000	500,000港元至 1,000,000港元	4	4

**29. Major Non-Cash Transactions**

As detailed in note 17, on 30 June 2010, the Group acquired trademarks from a PRC entity at a total consideration of RMB4,700,000 (equivalent to HK\$5,345,000). The Group paid a total sum of RMB2,092,000 (equivalent to approximately HK\$2,379,000) during 2010 while the outstanding consideration as at 31 December 2010 of RMB2,608,000 (equivalent to approximately HK\$2,966,000) was included as "Other payables and accruals". The outstanding consideration has been fully settled during the year.

**28. 關聯人士交易(續)**

**(ii) 主要管理人員的補償**

僱員福利開支內計入主要管理人員(包括董事)的補償,有關詳情如下:

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元 (Restated) (經重列)
Short term employee benefits	短期僱員福利	7,644	3,767
Post-employment benefits	離職後福利	131	113
		<b>7,775</b>	<b>3,880</b>

**(iii) 高級管理層之酬金**

年內,已付各個別高級管理層之酬金屬於以下範圍:

		Number of individuals 人數	
		2011 2011年	2010 2010年
Nil-HK\$499,999	零至499,999港元	3	2
HK\$500,000-HK\$1,000,000	500,000港元至 1,000,000港元	4	4

**29. 主要非現金交易**

誠如附註17所詳述,於2010年6月30日,本集團已向一家中國實體以總代價人民幣4,700,000元(相等於5,345,000港元)收購商標。本集團於2010年已支付一筆合共人民幣2,092,000元的款項(相等於約2,379,000港元),而於2010年12月31日之未付代價人民幣2,608,000元(相等於約2,966,000港元)乃計入「其他應付款項及應計費用」。未償還代價已於年內悉數償還。

**30. Operating Lease Commitments****Group**

The total future minimum lease payments payable by the Group under non-cancellable operating lease in respect of land and buildings are as follows:

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Within one year	一年內	960	392
Within two and five years	兩至五年內	1,193	618
		<b>2,153</b>	<b>1,010</b>

The Group leases certain properties under operating leases. The leases run for an initial period of three to four (2010: one to four) years, with options to renew the lease terms at the expiry dates or other dates as mutually agreed between the Group and the respective landlords. None of these leases includes any contingent rentals.

**Company**

The Company does not have any significant operating lease commitments as lessee.

**31. Financial Risk Management**

The Group is exposed to a variety of financial risks which result from the use of financial instruments in its ordinary course of operations. The financial risks include market risk (mainly foreign currency risk and interest rate risk), credit risk and liquidity risk. Details of these financial instruments are disclosed in the notes below. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the directors. The Group does not have written risk management policies. However, the directors and senior management of the Group meet regularly to identify and evaluate risks and to formulate strategies to manage financial risks on timely and effective manner. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below.

**30. 經營租約承擔****本集團**

本集團根據不可撤銷經營租約就土地及樓宇應付的未來最低租金如下：

	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Within one year	960	392
Within two and five years	1,193	618
	<b>2,153</b>	<b>1,010</b>

本集團根據經營租約租用若干物業。該等租約初步為期三至四(2010年：一至四)年，並可於到期日或按本集團與相關業主互相協定的其他日期續租。概無租約包括任何或然租金。

**本公司**

本公司作為承租人概無任何重大經營租約承擔。

**31. 金融風險管理**

本集團因其日常業務過程中使用金融工具而承受多項金融風險。金融風險包括市場風險(主要為外幣風險及利率風險)、信貸風險及流動資金風險。有關金融工具的詳情於以下附註中披露。本集團的整體風險管理集中於金融市場的不可預測性及致力減低對本集團財務表現的潛在不利影響。風險管理由主要管理層根據董事批准的政策進行。本集團並無書面風險管理政策。不過，本集團董事及高級管理層定期會面以識別及評估風險以及制定策略以及時及有效地管理金融風險。與該等金融工具相關的風險及本集團採用以降低有關風險的政策載列如下。

**31. Financial Risk Management (Continued)**
**Categories of financial assets and liabilities**

The carrying amounts of the Group's and the Company's financial assets and liabilities recognised in the statements of financial position at the reporting date may also be categorised as follows (see notes 4.9 and 4.11 for explanations on how the category of financial instruments affects their subsequent measurement):

**31. 金融風險管理(續)**
**金融資產及負債類別**

本集團及本公司於報告日期在財務狀況表確認的金融資產及負債的賬面值亦可分類如下(有關金融工具的分類如何影響其後計量的說明，請參閱附註4.9及4.11)：

		Group 本集團		Company 本公司	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>				
Loans and receivables:	貸款及應收款項：				
— Trade receivables	— 貿易應收款項	32,169	24,575	—	—
— Refundable deposits	— 可退回按金	526	143	—	—
— Dividend receivable	— 應收股息	—	—	—	3,000
— Amounts due from subsidiaries	— 應收附屬公司款項	—	—	27,493	660
— Cash and cash equivalents	— 現金及現金等價物	41,180	28,262	2,320	—
		<b>73,875</b>	52,980	<b>29,813</b>	3,660
<b>Financial liabilities</b>	<b>金融負債</b>				
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：				
— Trade and other payables	— 貿易及其他應付款項	34,639	52,362	1,654	660
— Amount due to a subsidiary	— 應付一間附屬公司款項	—	—	7,934	—
— Short-term bank borrowings	— 短期銀行借貸	9,192	—	—	—
		<b>43,831</b>	52,362	<b>9,588</b>	660



**31. Financial Risk Management (Continued)****Foreign currency risk**

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. For the years ended 31 December 2011 and 2010, the Group mainly operates in Hong Kong and the PRC. The functional currencies of the Company and of its subsidiaries are mainly HK\$ and Renminbi ("RMB"). The Group's exposures to foreign currency risk arise from its overseas sales, which are primarily denominated in US\$ which are not the functional currency of the Company and other operating group entities. Since HK\$ is linked to US\$, the directors consider that the Group's exposure on currency risk is not significant.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

**Interest rate risk**

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term bank borrowings which are arranged at floating interest rates. The Group currently does not have any interest rate hedging policy. However, the directors monitor interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise. The interest rate and repayment terms of the secured short-term bank borrowings outstanding at the reporting date are disclosed in note 23.

The following table illustrates the sensitivity of the Group's profit for the year, and other components of equity at the reporting date due to a possible change in interest rates on its floating rate short-term bank borrowings with all other variables held constant at the end of each reporting period (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
<b>Increase/(Decrease) in profit for the year and retained profits</b>	<b>年內溢利及保留溢利增加/(減少)</b>		
Increase/Decrease in basis points ("bp")	基點增加/減少		
+50 bp	+50基點	(38)	—
-50 bp	-50基點	38	—

**31. 金融風險管理(續)****外幣風險**

外幣風險指金融工具的公平值或未來現金流因匯率變動而波動的風險。於截至2011年及2010年12月31日止年度，本集團主要於香港及中國進行業務經營。本公司及其附屬公司之功能貨幣主要為港元及人民幣。本集團的外幣風險來自其海外銷售，主要以美元計值，而美元並非本公司及其他經營集團實體的功能貨幣。由於港元與美元掛鈎，董事認為本集團承受的貨幣風險並不重大。

本集團現時並無外幣對沖政策。不過，管理層會監察外匯風險，並將考慮於有需要時對沖重大外幣風險。

**利率風險**

利率風險指金融工具的公平值或現金流因市場利率變動而波動的風險。本集團因利率變動而承受的市場風險主要與本集團的短期銀行借貸(按浮動利率計息)有關。本集團現時並無任何利率對沖政策。不過，董事會監察利率變動風險，並將考慮於有需要時對沖重大利率變動風險。於報告日期尚未償還的有抵押短期銀行借貸利率及償還條款於附註23中披露。

下表列明本集團於本年度溢利及於報告日期權益項下其他項目因浮息短期銀行借貸的利率可能變動的敏感度，而於各報告期終所有其他可變因素保持不變，而實際上，實際經營業績可能有別於以下的敏感度分析，且差額可能屬重大：

### 31. Financial Risk Management (Continued)

#### Interest rate risk (Continued)

The above sensitivity analysis is prepared based on the assumption that the borrowings as at reporting date existed throughout the whole respective financial year.

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rates over the next twelve month period.

#### Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Group's policy to manage credit risk is to deal only with credit worthy counterparties. In order to minimise the credit risk, the management of the Group has formulated a credit policy and 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.

Credit risk on liquid funds and financial instruments is limited because the counterparties are reputable banks.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

As at 31 December 2011, approximately 75% (2010: 44%) and 85% (2010: 50%) of the trade receivables was due from the Group's largest customer and the five largest customers respectively. The Group has been actively seeking new customers to reduce the risk of over-reliance on those customers. Please refer to note 20 for further details of the Group's exposures to credit risk on trade receivables.

#### Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The liquidity policies have been followed by the Group since prior years and considered by the directors to have been effective in managing liquidity risks.

### 31. 金融風險管理(續)

#### 利率風險(續)

上述敏感性分析乃假設於整個相關財政年度內於報告日期的借貸一直存在。

按管理層對現行市況的觀察，利率假定變動被視為有合理的可能發生，並代表管理層對未來十二個月期間利率合理可能的變動的評估。

#### 信貸風險

信貸風險指金融工具的對手方未能履行金融工具條款項下的責任並導致本集團蒙受財政損失的風險。

本集團的政策為只與信用良好的對手方交易。為盡量減低信貸風險，本集團管理層已制定信貸政策，並委派團隊專責釐定信貸限額、批核信貸及進行其他監管程序，以確保能跟進追討逾期債務。

由於對手方為知名銀行，故流動資金及金融工具的信貸風險有限。

本集團自過往年度一直遵從信貸政策，而有關政策亦被視為有效將本集團的信貸風險限制於理想水平。

於2011年12月31日，本集團貿易應收款項約75%(2010年：44%)及85%(2010年：50%)分別為應收本集團最大客戶及五大客戶款項。本集團一直積極發掘新客戶以降低對該等客戶的過分依賴。有關本集團對貿易應收款項信貸風險的詳情，請見附註20。

#### 流動資金風險

流動資金風險乃與本集團未能履行以現金或另一金融資產清償的金融負債相關責任的風險有關。本集團在清償貿易應付款項及履行融資承擔方面以及在現金流量管理方面承擔流動資金風險。本集團的目標為維持充適當水平的流動資產及取得足夠已承諾資金，以配合短期及長期資金需要。

本集團於有關期間內一直遵從流動資金政策，而有關政策亦被視為有效將流動資金風險限制於理想水平。

**31. Financial Risk Management (Continued)****Liquidity risk (Continued)**

Analysed below is the Group's and the Company's remaining contractual maturities for its financial liabilities as at 31 December 2011 and 2010. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group and the Company can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group and the Company is committed to pay.

For short-term bank borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the entity can be required to pay on demand if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for short-term bank borrowings is prepared based on the scheduled repayment dates.

**Group**

		At 31 December 2011 於2011年12月31日				
		On demand	Within 6 months	6 months to 12 months	Total undiscounted amount	Carrying amount
		於要求時	六個月內	六個月至十二個月	未貼現總額	賬面值
		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
Trade and other payables	貿易及其他應付款項	16,590	18,049	—	34,639	34,639
Short-term bank borrowings	短期銀行借貸	—	9,192	—	9,192	9,192
		<b>16,590</b>	<b>27,241</b>	<b>—</b>	<b>43,831</b>	<b>43,831</b>

  

		At 31 December 2010 於2010年12月31日				
		On demand	Within 6 months	6 months to 12 months	Total undiscounted amount	Carrying amount
		於要求時	六個月內	六個月至十二個月	未貼現總額	賬面值
		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
Trade and other payables	貿易及其他應付款項	19,025	33,337	—	52,362	52,362

**31. 金融風險管理(續)****流動資金風險(續)**

下表顯示本集團及本公司於2011年12月31日及2010年12月31日就金融負債的餘下合約年期分析。當債權人有權選擇償還負債時，負債會基於本集團被要求償還的最早日期入賬。當分期清償負債時，各分期分配予本集團及本公司承諾支付的最早期間。

就附有銀行可全權酌情行使之按要求償還條款的短期銀行借貸而言，可於貸方行使其無條件權力使償還貸款即時行效時，要求實體按要款還款。短期銀行借貸之到期日分析根據計劃還款日期而編製。

**本集團**

**31. Financial Risk Management (Continued)**  
**Liquidity risk (Continued)**  
**Company**
**31. 金融風險管理(續)**  
**流動資金風險(續)**  
**本公司**

		At 31 December 2011 於2011年12月31日				
		On demand	Within 6 months	6 months to 12 months	Total undiscounted amount	Carrying amount
		於要求時	六個月內	六個月至十二個月	未貼現總額	賬面值
		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
Trade and other payables	貿易及其他應付款項	—	1,654	—	1,654	1,654
Amount due to a subsidiary	應付附屬公司款項	7,934	—	—	7,934	7,934
		<b>7,934</b>	<b>1,654</b>	<b>—</b>	<b>9,588</b>	<b>9,588</b>
Financial guarantees issued	已作出之財務擔保					
Maximum amount guaranteed	擔保額上限	9,192	—	—	9,192	—

  

		At 31 December 2010 於2010年12月31日				
		On demand	Within 6 months	6 months to 12 months	Total undiscounted amount	Carrying amount
		於要求時	六個月內	六個月至十二個月	未貼現總額	賬面值
		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
Trade and other payables	貿易及其他應付款項	—	660	—	660	660

The contractual financial guarantees provided by the Company in respect of the borrowing facilities of its subsidiaries are disclosed in note 27. As assessed by the directors, it is not probable that the banks would claim the Company for losses in respect of the guarantee contracts. In addition, it is not probable that the subsidiaries of the Company would default repayment of bank borrowings. Accordingly, no provision for the Company's obligation under guarantees has been made.

本公司就其附屬公司之借貸融資作出之合約財務擔保於附註27披露。董事作出評估後，認為銀行不大可能就擔保合約之虧損向本公司索償。此外，本公司附屬公司亦不大可能拖欠償還銀行借貸。因此，並無就本公司於擔保項下之責任作出撥備。

### 32. Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern and to provide an adequate return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the current and prior years.

The Group sets the amount of capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The gearing ratios as at the reporting date were as follows:

Short-term bank borrowings	短期銀行借貸
Equity	股本
<b>Gearing ratio</b>	<b>負債比率</b>

The Group targets to maintain the Group's gearing ratio at a healthy level as have achieved during the year.

### 33. Events after the Reporting Period

Save as disclosed elsewhere in these financial statements, there are no other material events subsequent to 31 December 2011.

### 32. 資本管理

本集團管理其資本，以確保本集團的實體可持續經營，同時藉著優化債務及股本平衡，為持份者提供充足回報。本集團的整體策略於本年度及過往年度維持不變。

本集團按本身的整體財務架構釐定資本金額。本集團因應經濟狀況變動及相關資產的風險特點，管理資本架構並作出調整。為維持或調整資本架構，本集團可能調整派付予股東的股息金額、退回資本予股東、發行新股份或出售資產減債。

於報告日期的負債比率如下：

		Group 本集團	
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元
Short-term bank borrowings	短期銀行借貸	9,192	—
Equity	股本	58,436	30,377
<b>Gearing ratio</b>	<b>負債比率</b>	<b>16%</b>	—

本集團的目標為維持穩定的負債比率，並已於年內達到。

### 33. 報告期後事項

除本財務報表其他地方所披露者外，於2011年12月31日後並無發生其他重大事項。

The logo features the letters 'PP' in a large, bold, gold-colored serif font. To the right of the 'PP', the word 'Pacific' is written in a smaller, gold-colored sans-serif font. Below 'Pacific', the word 'Powerwell' is written in a larger, gold-colored sans-serif font, with the 'P' at the start of 'Powerwell' overlapping the 'P' of 'Pacific'.

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宏峰太平洋集團有限公司  
Powerwell Pacific Holdings Limited