

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

- Group Turnover of HK\$615.2 million
- Loss Attributable to Equity Holders of the Company of HK\$107.0 million
- Net asset value at HK\$919.4 million (31 March 2024: HK\$912.3 million)
- Group gearing ratio at 17.4% (31 March 2024: 18.3%)
- 集團營業額為HK\$615.2百萬
- 本公司權益持有人應佔虧損為HK\$107.0百萬
- 資產淨值為HK\$919.4百萬(2024年3月31日：HK\$912.3百萬)
- 集團借貸比率為17.4%(2024年3月31日：18.3%)

A loss attributable to Group equity holders of HK\$107.0 million was recorded in FY2024/25 (FY2023/24: Profit of HK\$473.2 million) after taking into account of the following special items:

- The gain on disposal of a subsidiary and the disposal of a stock of watches (“**Disposal of watches**”) of HK\$544.2 million in FY2023/24;
- A revaluation difference of properties (non-cash) of HK\$24.7 million (expense) (FY2023/24: HK\$0.1 million (expense)) due to revaluation of properties; and
- The impairment loss of intangible assets (non-cash) of HK\$1.1 million was recorded in FY2023/24 due to reducing recoverable amount while there was no impairment loss of intangible assets recorded in FY2024/25.
- 於2023/24財政年度出售一間附屬公司及出售一批鐘錶(「**出售鐘錶**」)之收益HK\$544.2百萬；
- 重新估價物業的物業重估差額(非現金)HK\$24.7百萬(開支)(2023/24財政年度：HK\$0.1百萬(開支))；及
- 於2023/24財政年度錄得減少可收回金額的無形資產減值虧損(非現金)HK\$1.1百萬，而於2024/25財政年度並無錄得無形資產減值虧損。

If the above special items were excluded, the Group would have reported a loss of HK\$82.3 million in FY2024/25 (FY2023/24: HK\$69.8 million).

如剔除上述特殊項目，本集團於2024/25財政年度錄得虧損HK\$82.3百萬(2023/24財政年度：HK\$69.8百萬)。

During FY2024/25, Group turnover of HK\$615.2 million was recorded and the year-on-year decrease would be 15.4% if the sales recognised upon the Disposal of watches was excluded in FY2023/24. In FY2023/24, group turnover was HK\$767.6 million including the sales of HK\$40.3 million recognised upon the Disposal of watches. If excluding the sales of Disposal of watches, Group turnover in FY2023/24 would be HK\$727.3 million.

於2024/25財政年度，本集團營業額為HK\$615.2百萬，倘剔除2023/24財政年度就出售鐘錶確認的銷售額，則按年減少15.4%。於2023/24財政年度，本集團營業額為HK\$767.6百萬，包括就出售鐘錶確認的銷售額HK\$40.3百萬。倘剔除出售鐘錶的銷售額，2023/24財政年度的本集團營業額將為HK\$727.3百萬。

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The Group gross profit margin was 45.7% in FY2024/25 (FY2023/24: 50.2%), decrease by 4.5%. Amidst the prevailing weakness in the retail market, more discount should be offered in order to stimulate sales.

In FY2024/25, the Group continued to implement inventory measures. The Group inventory balance at 31 March 2025 was HK\$207.7 million, a decrease of 8.2% compared with the balance at 31 March 2024 of HK\$226.3 million. Continuous inventory control and prudent stock procurement are in place to strengthen balance sheet management.

#### FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (FY2023/24: Nil per ordinary share).

#### CITY CHAIN GROUP

- City Chain Group turnover of HK\$413.0 million
- City Chain Group loss before interest and tax (“**LBIT**”) was HK\$65.7 million (FY2023/24: HK\$2.6 million)

The CITY CHAIN Group currently operates around 80 stores in Hong Kong, Macau, Singapore, Thailand and Malaysia together with online stores under our own brands of “CITY CHAIN” and “SOLVIL et TITUS”.

The CITY CHAIN Group recorded a turnover of HK\$413.0 million in FY2024/25 (FY2023/24: HK\$543.0 million). The year-on-year decrease would be 17.8% if the sales of HK\$40.3 million recognised upon the Disposal of watches in FY2023/24 was excluded and the turnover in FY2023/24 would be HK\$502.7 million.

於2024/25財政年度，本集團的毛利率為45.7% (2023/24財政年度：50.2%)，下降4.5%。在零售市場普遍疲弱的情況下，提供更多折扣以刺激銷售。

於2024/25財政年度，本集團繼續推行存貨管控措施。本集團於2025年3月31日的存貨結餘為HK\$207.7百萬，較2024年3月31日的結餘HK\$226.3百萬減少8.2%。本集團將繼續實施存貨控制及謹慎採購措施，以強化資產負債表管理。

#### 末期股息

董事會不建議宣派截至2025年3月31日止年度的末期股息 (2023/24財政年度：每股普通股零)。

#### 「時間廊」集團

- 「時間廊」集團營業額為HK\$413.0百萬
- 「時間廊」集團除利息及稅項前虧損(「**除利息及稅項前虧損**」)為HK\$65.7百萬 (2023/24財政年度：HK\$2.6百萬)

「時間廊」集團目前於香港、澳門、新加坡、泰國及馬來西亞營運約80間店舖，並以集團的自有品牌「時間廊」及「鐵達時」經營網上商店。

「時間廊」集團2024/25財政年度的營業額為HK\$413.0百萬 (2023/24財政年度：HK\$543.0百萬)。倘剔除就出售鐘錶確認的銷售額HK\$40.3百萬，2023/24財政年度的營業額將為HK\$502.7百萬，2024/25財政年度的銷售額則按年減少17.8%。

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#### Greater China

Turnover for City Chain operations in Hong Kong, Macau and Mainland China (“**Greater China**”) was HK\$225.9 million (FY2023/24: HK\$321.5 million). The year-on-year decrease would be 19.7% if the sales of HK\$40.3 million recognised upon the Disposal of watches in FY2023/24 was excluded and the turnover in FY2023/24 would be HK\$281.2 million. As a strategic move to streamline the Group’s business operations, the Group had decided to cease the retail operations in Mainland China. The turnover in Mainland China accounted for approximate 2.7% of Group’s revenue in FY2024/25.

In FY2024/25, LBIT of HK\$57.5 million (FY2023/24: profit of HK\$8.0 million) was recorded after taking into account of the following factors:

- the gain resulted from the Disposal of watches of HK\$34.7 million in FY2023/24; and
- an impairment loss of HK\$18.7 million in FY2024/25 due to valuation of investment properties at year end (FY2023/24: loss of HK\$0.4 million).

If the above factors were excluded in both years, the LBIT of FY2024/25 would be HK\$38.8 million (FY2023/24: loss of HK\$26.3 million). The retail sentiment in Hong Kong and Macau remained weak as the trend of travelling northward continued and the travel habit of Mainland Chinese tourists shifted to experiential travel instead of shopping. In addition, strong HK dollars lead to decrease in spending in Hong Kong by inbound tourists to Hong Kong as well as Hong Kong residents tend to travelling and shopping abroad.

Our Hong Kong online business of our own brands “CITY CHAIN” and “SOLVIL et TITUS” delivered a profitable result in FY2024/25 contributed by the successful launch of our various IP products which were well received by the market. The Group continued to invest and expand our e-commerce business to prioritize our online brand exposure and customer engagement.

#### 大中華

香港、澳門及中國內地(「**大中華**」)「時間廊」業務的營業額為HK\$225.9百萬(2023/24財政年度：HK\$321.5百萬)。倘剔除就出售鐘錶確認的銷售額HK\$40.3百萬，2023/24財政年度的營業額將為HK\$281.2百萬，2024/25財政年度的銷售額則按年減少19.7%。為精簡本集團業務運營的戰略舉措，集團決定終止中國內地的零售營運。於2024/25財政年度，中國內地的營業額佔本集團收入約2.7%。

於2024/25財政年度，除利息及稅項前虧損為HK\$57.5百萬(2023/24財政年度：溢利HK\$8.0百萬)，已計及以下因素：

- 於2023/24財政年度出售鐘錶的收益HK\$34.7百萬；及
- 於2024/25財政年度的年末投資物業估值的減值虧損HK\$18.7百萬(2023/24財政年度：虧損HK\$0.4百萬)。

倘於兩個年度剔除上述因素，2024/25財政年度的除利息及稅項前虧損將為HK\$38.8百萬(2023/24財政年度：虧損HK\$26.3百萬)。北上旅遊趨勢持續，加上中國內地遊客的旅遊習慣由購物轉向體驗式旅遊，令香港及澳門的零售氣氛持續疲弱。此外，港元走強，導致訪港旅客在香港的消費減少，香港居民亦傾向前往海外旅遊及購物。

集團品牌「時間廊」及「鐵達時」的香港網上業務於2024/25財政年度錄得盈利，主要受惠於本集團成功推出多款受市場歡迎的IP產品。本集團繼續投資及發展電子商貿業務，以提高品牌線上知名度及豐富顧客體驗。

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#### Southeast Asia

Turnover for City Chain operations in Southeast Asia was HK\$187.1 million (FY2023/24: HK\$221.5 million), declined by 15.5% year-on-year and LBIT reduced to HK\$8.2 million compared with HK\$10.6 million in FY2023/24 which was mainly due to closure of loss-making stores. The number of stores declined by approximately 20% year-on-year.

With continual investments in our e-commerce platforms to deploy welcoming products for consumers and corresponding marketing efforts, our e-commerce business in Southeast Asia regions continued to develop satisfactorily and continued to be profitable in FY2024/25.

#### SUPPLY CHAIN MANAGEMENT AND WHOLESALE TRADING

Turnover for this division comprising our supply chain and wholesale trading subsidiaries decreased by 9.9% to HK\$202.2 million (FY2023/24: HK\$224.5 million) and an EBIT of HK\$22.3 million was posted (FY2023/24: HK\$27.2 million).

Our wholesale trading unit will continue to launch various marketing campaigns with quality service support to increase sell-through rate to retailers.

#### GROUP OUTLOOK

Looking into the year ahead, the business environment continues to be challenging. The retail market is facing an evolving transition such as the shift in buying behavior of local customers and tourists. Nevertheless, we remain dedicated to staying updated with latest market trends by enriching our product portfolio and optimizing our marketing strategies.

#### 東南亞

東南亞「時間廊」業務的營業額為HK\$187.1百萬(2023/24財政年度：HK\$221.5百萬)，按年減少15.5%，而除利息及稅項前虧損由2023/24財政年度的HK\$10.6百萬減少至HK\$8.2百萬，主要由於關閉錄得虧損的店舖。店舖數目按年減少約20%。

本集團持續投資電子商貿業務，為消費者提供受歡迎的產品，加上開展相應的市場營銷工作，東南亞地區的電子商貿業務取得令人滿意的發展，於2024/25財政年度繼續錄得盈利。

#### 供應鏈管理及批發貿易

供應鏈及批發貿易分部的營業額下降9.9%至HK\$202.2百萬(2023/24財政年度：HK\$224.5百萬)，並錄得除利息及稅項前溢利HK\$22.3百萬(2023/24財政年度：HK\$27.2百萬)。

集團此分部將繼續開展多項市場營銷活動，並提供優質顧客服務以增加零售商的銷售。

#### 集團展望

展望未來一年，營商環境仍然充滿挑戰。零售市場正面臨一系列變革，包括本地顧客和遊客購買行為的轉變。儘管如此，集團仍將通過豐富產品組合並優化營銷策略，致力緊貼最新市場趨勢。

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We have a spectrum of well-known watch brands including Swiss brands of Solvil et Titus, CYMA, Pronto, Delvina as well as Italian brand of Ellesse. With more resources allocated on the development of our owned watch brands, aiming at driving margin growth in the long run, we strive to achieve sustainability by strengthening our competitiveness in the watch market in the Greater China and South-east Asia where we have had establishments in retail and wholesale trading businesses for decades. To cope with the ever-changing global market, we are also exploring opportunities in new regions especially the countries in the Belt and Road Initiative to expand exposure of our owned watch brands.

### FINANCE

The Group's capital management, currency and interest rate movement are constantly monitored and reviewed by the management of the Group to address and manage relevant financial risks relating to the Group's operations. The Group maintains prudent treasury management policies to address liquidity to finance both short-term and long-term working capital needs for business operations. Funds are generated from business operating activities and banking facilities in the form of term loans and short-term trading facilities. Forecast and actual cash flow analyses are continuously monitored. Maturity of assets and liabilities and requirement of financial resources for business operations are prudently managed.

As at 31 March 2025, Group gearing ratio was 17.4% (31 March 2024: 18.3%) with shareholders' funds standing at HK\$913.2 million (31 March 2024: HK\$906.6 million) and net debts of HK\$158.6 million (31 March 2024: HK\$166.3 million). The net debts are based on the bank borrowings of HK\$241.9 million (31 March 2024: HK\$234.0 million) and less bank balance and cash of HK\$83.3 million (31 March 2024: HK\$67.7 million). The bank borrowings comprised of HK\$81.5 million repayable within one year and HK\$160.4 million with scheduled repayment after one year but repayable on demand and were classified as current liabilities. The unutilized banking facilities as at 31 March 2025 was HK\$89.0 million.

集團擁有一系列知名鐘錶品牌，包括瑞士品牌「鐵達時」、「CYMA」、「Pronto」、「Delvina」及意大利品牌「Ellesse」。集團將投入更多資源於自有鐘錶品牌的發展，以推動毛利增長，加強集團在已屹立數十年的大中華及東南亞鐘錶零售及批發業務市場的競爭力，致力實現可持續發展；為應對不斷變化的全球市場，集團亦正在新地區特別是一帶一路國家物色機會，提高自有鐘錶品牌的知名度。

### 財務

本集團管理層密切監察及掌握集團的資本管理、貨幣及利率變動，以監控本集團營運相關的財務風險。本集團實行嚴謹的財務管理策略，以掌控用於業務營運的短期及長期資金需求的流動性。有關資金來自業務營運以及有期貸款及短期貿易融資等銀行融資。本集團亦持續監察現有及預估未來現金流，審慎管理資產及負債的到期日以及業務營運的財務資金需要。

於2025年3月31日，本集團的借貸比率為17.4% (2024年3月31日：18.3%)，股東資金為HK\$913.2百萬 (2024年3月31日：HK\$906.6百萬)，本集團的淨債務為HK\$158.6百萬 (2024年3月31日：HK\$166.3百萬)。淨債務乃根據銀行貸款HK\$241.9百萬 (2024年3月31日：HK\$234.0百萬) 減去銀行結餘及現金HK\$83.3百萬 (2024年3月31日：HK\$67.7百萬)。銀行貸款包括HK\$81.5百萬需於一年內償還及HK\$160.4百萬為預定還款期於一年以後 (但可應要求償還，因此列為流動負債)。於2025年3月31日，未動用銀行融資為HK\$89.0百萬。

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The Group's major borrowings are in Hong Kong dollars and mostly based on a floating rate at HIBOR or bank prime lending rates. As major assets of the Group are in Hong Kong dollars, the natural hedge mechanism is applied.

As at 31 March 2025, the current assets and current liabilities were approximately HK\$445.9 million (31 March 2024: HK\$462.8 million) and HK\$430.3 million (31 March 2024: HK\$437.7 million), respectively. The current ratio was approximately 1.04 (1.06 as at 31 March 2024).

As at 31 March 2025, the Group's total equity funds amounted to HK\$919.4 million.

The Group does not use any financial instruments for hedging purposes.

The Group does not engage in speculative derivative trading.

As at 31 March 2025, a subsidiary of the Company had contingent liabilities in respect of bank guarantees given to landlords in lieu of rental deposits for certain retail shops and suppliers amounting to approximately HK\$7.715 million (31 March 2024: HK\$7.738 million).

The Group does not have plans for material investments or change of capital assets.

As at 31 March 2025, certain property, plant and equipment and investment properties amounting to HK\$516.4 million (31 March 2024: HK\$433.8 million) were pledged to secure banking facilities granted to the Group.

The investment properties were revalued by independent valuers as at 31 March 2025. A revaluation loss of HK\$24.7 million was recorded in the year ended 31 March 2025 accordingly.

本集團的主要貸款以港幣結算，主要按香港銀行同業拆息率或銀行最優惠利率基準，以浮動息率計算。由於本集團的主要資產以港幣計算，故本集團應用自然對沖機制。

於2025年3月31日，流動資產及流動負債分別約為HK\$445.9百萬(2024年3月31日：HK\$462.8百萬)及HK\$430.3百萬(2024年3月31日：HK\$437.7百萬)。流動比率約為1.04(2024年3月31日：1.06)。

於2025年3月31日，本集團的股權總額為HK\$919.4百萬。

集團並無使用任何財務工具作對沖用途。

集團並無參與純投機的衍生工具交易。

於2025年3月31日，本公司一間附屬公司有或然負債約HK\$7.715百萬(2024年3月31日：HK\$7.738百萬)，涉及向業主就其若干零售店鋪的租金按金及若干供應商提供銀行擔保。

集團並無任何重大投資或轉變資本資產之計劃。

於2025年3月31日，本集團部分物業、機器及設備及投資物業總值HK\$516.4百萬(2024年3月31日：HK\$433.8百萬)已抵押予銀行以獲取銀行信貸。

於2025年3月31日，投資物業由獨立專業合資格估值師重新估值。截至2025年3月31日止年度，錄得重估虧損HK\$24.7百萬。

**NUMBER AND REMUNERATION OF EMPLOYEES,  
REMUNERATION POLICIES, BONUS AND TRAINING  
SCHEMES**

The Group's remuneration policies are reviewed on a regular basis, and remuneration packages are in line with market practices in the relevant countries where the Group operates. The Group generally offers key performance index ("KPI")-related bonuses to eligible employees based on (among others) the performance of the Group and the individual employee, and in relation to the executive directors of the Company, the Company offers an executive bonus scheme under which executive bonuses are made to eligible participants in accordance with the terms and conditions set out therein.

The Group also provides or encourages employees to participate in relevant training programmes (internal and external) to improve the quality, competence and skills of its employees. Internal training programmes include courses for professional competency and technical development to enhance employees' capabilities, whereas external training programmes include seminars and conferences organised by external parties that provide training and professional development opportunities for employees.

As at 31 March 2025, the Group had approximately 645 employees (31 March 2024: 825 employees), and the total employee costs incurred by the Group during the year amounted to HK\$181.9 million (31 March 2024: HK\$183.9 million).

On behalf of the Board

**Joseph C.C. Wong**

*Chairman and Chief Executive Officer*

Hong Kong, 24 June 2025

**僱員數目及酬金、酬金政策、獎金及僱員培訓計劃**

本集團以其運營國家的人力資源市場慣例為準則，釐定給予當地僱員的報酬，並定期進行檢討。本集團通常就(其中包括)業績及個別僱員表現提供按關鍵績效指標(「**關鍵績效指標**」)釐定之獎金給予合資格的僱員，而就本公司執行董事而言，本公司提供行政人員獎金計劃，據此，合資格參與者將根據其中所載條款及條件獲發放行政人員獎金。

本集團亦向僱員提供或鼓勵其等參與相關培訓計劃(內部及外部)，以提高其僱員質素、能力及技能。內部培訓計劃包括專業能力及技術發展課程，以提升僱員的能力，而外部培訓計劃包括由外部機構舉辦的研討會及會議，為僱員提供培訓及專業發展機會。

於2025年3月31日，本集團共有約645位僱員(2024年3月31日：825位僱員)，而本集團於年內產生的僱員成本總額為HK\$181.9佰萬元(2024年3月31日：HK\$183.9佰萬元)。

代表董事會

**黃創增**

*主席及行政總裁*

香港，2025年6月24日