

**STELUX** Holdings International Limited

(Stock Code 股份代號 : 84)

寶光實業(國際)有限公司

Annual Report 2017  
年報二零一七

但義人的路好像黎明的光，越照越明，直到日午。

箴言 4:18

*But the path of the just is like the shining sun,  
That shines ever brighter unto the perfect day.*

*Proverbs 4:18*

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**FINANCIAL SUMMARY**  
**財務摘要**

		2013	2014	2015	2016	2017
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		港幣佰萬元	港幣佰萬元	港幣佰萬元	港幣佰萬元	港幣佰萬元
Consolidated income statement for the years ended 31 March	綜合收益表 截至3月31日止年度					
Revenue	收入	3,647.2	3,891.6	3,940.8	3,401.7	<b>2,850.4</b>
Profit/(loss) for the year	年度溢利/(虧損)	233.5	172.2	92.1	(189.8)	<b>(177.7)</b>
Interim dividend paid	已派中期股息	37.7	37.7	20.9	–	–
Final dividend proposed	擬派末期股息	33.5	38.7	10.5	–	–
Special dividend proposed	擬派特別股息	5.2	–	–	–	–
Consolidated balance sheet as at 31 March	綜合資產負債表 3月31日結算					
Assets	資產	2,761.5	2,965.8	3,091.4	2,958.4	<b>2,648.2</b>
Less: Liabilities and non-controlling interests	減：負債及 非控股權益	1,364.5	1,507.5	1,644.9	1,728.6	<b>1,729.1</b>
Shareholders' funds	股東資金	1,397.0	1,458.3	1,446.5	1,229.8	<b>919.1</b>
		HK\$	HK\$	HK\$	HK\$	HK\$
		港幣元	港幣元	港幣元	港幣元	港幣元
Per share data	每股資料					
Earnings/(loss)	盈利/(虧損)	0.223	0.164	0.088	(0.182)	<b>(0.170)</b>
Interim dividend paid	已派中期股息	0.036	0.036	0.02	–	–
Final dividend proposed	擬派末期股息	0.032	0.037	0.01	–	–
Special dividend proposed	擬派特別股息	0.005	–	–	–	–
Shareholders' funds	股東資金	1.335	1.394	1.382	1.175	<b>0.878</b>



**Joseph C. C. Wong 黃創增**  
Chairman and Chief Executive Officer  
主席及行政總裁

- Group Turnover decreased by 16.2% (FX neutral: 15.2%)  
集團營業額下跌 16.2% (撇除匯率因素：15.2%)
- Group Net Loss at HK\$177.9 million  
集團虧損淨額為 HK\$177.9 佰萬
- Group Gross Profit Margin down from 59.7% to 58.8%  
集團毛利率由 59.7% 下跌至 58.8%
- Operating costs reduced by 13.3%  
營運成本下降 13.3%
- Group Inventory reduced by HK\$172.1 million, or 15.7%  
集團存貨減少 HK\$172.1 佰萬或 15.7%
- Net cash inflow from operating activities of HK\$89.4 million  
營運現金流入淨額 HK\$89.4 佰萬

The Group's businesses comprise principally of watch retailing ("CITY CHAIN"), optical retailing ("OPTICAL 88" and "eGG Optical Boutique"); and the wholesale trading of watches and optical frames. The Group operates shops in Hong Kong, Macau, Mainland China ("Greater China"), Singapore, Malaysia and Thailand.

During the year under review, Group financial performance continued to be affected by the persistent economic slowdown in the regions where we operate due to weak tourist spending in Hong Kong and weak Southeast Asian currencies. These factors impacted our business divisions and geographical units to varying degrees, with the impact more apparent in our watch business; the optical business by its nature is more resilient.

本集團的業務主要包括鐘錶零售(「時間廊」)、眼鏡零售(「眼鏡88」及「eGG Optical Boutique」)以及鐘錶及眼鏡框架批發貿易。本集團於香港、澳門、中國內地(「大中華」)、新加坡、馬來西亞及泰國均有店舖。

回顧本年度，由於香港旅客消費減少及東南亞貨幣疲弱，導致本集團營運所在地區的經濟持續放緩，繼而影響本集團的財務表現。此等因素對本集團業務分部及地區單位造成不同程度的影響，其中對鐘錶業務的影響較顯著；而眼鏡業務則較為穩定。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The Group posted a turnover of HK\$2,850.4 million (2016: HK\$3,401.7 million), a decline of 16.2% (FX neutral: 15.2%) and a loss attributable to Group equity holders of HK\$177.9 million (2016: loss of HK\$190.0 million). The net loss included the impairment of intangible assets related to our Swiss movement production facility of HK\$3.7 million (2016: HK\$26.4 million) and the non-cash impact of the redemption of convertible bonds (fully settled in September 2016) as follows:

- the gain on redemption of convertible bonds of HK\$75.9 million;
- the amortization of share-based payment of convertible bonds of HK\$9.3 million; and
- an increase in the liability component of convertible bonds of HK\$41.2 million as at date of redemption.

Financial performance of the Group was further impacted by the non-cash provision of onerous lease and impairment on fixed assets of certain retail shops of HK\$33.4 million (2016: HK\$24.6 million) and a non-cash stock provision of HK\$23.4 million (2016: HK\$34.2 million), given the weak retail sentiment. Gross profit margin was 58.8% compared to 59.7% in the previous financial year.

Group shop portfolio was rationalised to streamline cost structures to alleviate the burden of high shop rentals, operating overheads and back-end office costs.

Operating costs (other than the accounting impact of convertible bonds and impairment of intangible assets related to our Swiss movement production facility) decreased by around 13.3%.

To improve performance, initiatives to rationalise operating costs in regions we operate in will continue in the current financial year. However, because of the rigid nature of leases and the time lag, we expect further improvements in rental and cost structures to be reflected more substantially in FY2018/19, and to a lesser extent in FY2017/18.

本集團錄得營業額HK\$2,850.4百萬(2016年: HK\$3,401.7百萬), 下跌16.2%(撇除匯率因素: 15.2%), 本集團權益持有人應佔虧損HK\$177.9百萬(2016年: 虧損為HK\$190.0百萬)。虧損淨額包括與集團瑞士機芯生產設施有關的無形資產減值HK\$3.7百萬(2016年: HK\$26.4百萬)及以下贖回可換股債券非現金影響(已於2016年9月全數贖回):

- 贖回可換股債券收益HK\$75.9百萬;
- 攤銷可換股債券以股份為基礎之付款HK\$9.3百萬; 及
- 於贖回日可換股債券負債部份增加HK\$41.2百萬。

由於零售市場疲弱, 就若干零售店舖租約及固定資產減值的非現金撥備HK\$33.4百萬(2016年: HK\$24.6百萬)以及非現金存貨撥備HK\$23.4百萬(2016年: HK\$34.2百萬)對本集團財務表現造成進一步影響。本年度毛利率為58.8%, 而上一個財政年度為59.7%。

本集團正調整店舖組合以簡化成本結構, 紓緩高企的店舖租金、營運費用及辦公室後勤成本。

營運成本(撇除可換股債券之會計影響及集團瑞士機芯生產設施有關的無形資產減值)則減少約13.3%。

為改善業務表現, 於本財政年度將繼續調整在本集團營運所在地區店舖租金的措施。然而, 由於固定的租約期以及需時調整租約租金, 本集團預期租金及成本結構於2018/19財政年度的改善將較2017/18財政年度更為顯著。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

Inventory was reduced by 15.7% with inventory turnover days falling to 288 days (2016: 293 days).

#### FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2017 (2016: Nil per ordinary share).

#### CITY CHAIN GROUP

- City Chain Group turnover down 26.5%
- City Chain Group Loss before interest and tax (LBIT) of HK\$118.6 million

The City Chain Group operates stores in Hong Kong, Macau, Mainland China, Singapore, Thailand and Malaysia together with on-line stores at <https://citychain-hk.tmall.hk/>, <https://titus.world.tmall.com/> and <http://mall.jd.com/index-54221.html>. Turnover declined by 26.5% to HK\$1,325.3 million (2016: HK\$1,803.8 million) and a LBIT of HK\$118.6 million (2016: LBIT of HK\$31 million) was reported.

#### Greater China

Turnover for Greater China fell by 30.5% to HK\$964.5 million (2016: HK\$1,387.9 million), caused by a significant fall in tourist spending and weak local consumption. Hence, a LBIT of HK\$107.1 million (2016: HK\$30.8 million) was recorded.

To address the unfavourable operating environment, we continued to close non-performing shops and negotiate better leasing terms, and as such, y-o-y rental expenses fell by 13.2%. With other robust cost containment measures, total operating costs decreased by 21.9%. With the expected expiry of leases with high rentals in the next 12 months, the Group expects the performance from this region to improve.

#### South East Asia

Faced with a challenging retail environment and depreciation of currencies in Southeast Asia, turnover in Malaysia, Singapore and Thailand fell by 13.3% to HK\$360.8 million (2016: HK\$415.9 million). A LBIT of HK\$11.5 million (2016: LBIT of HK\$0.2 million) was reported but without accounting for exchange loss, an earnings before interest and tax (EBIT) of HK\$0.1 million (2016: EBIT of HK\$0.4 million) was posted.

存貨減少15.7%，存貨周轉日數縮短至288日（2016年：293日）。

#### 末期股息

董事會不建議宣派截至2017年3月31日止年度之末期股息（2016年：無）。

#### 「時間廊」集團

- 「時間廊」集團營業額下降26.5%
- 「時間廊」集團除利息及稅項前虧損為HK\$118.6百萬

「時間廊」集團於香港、澳門、中國內地、新加坡、泰國及馬來西亞營運，並於<https://citychain-hk.tmall.hk/>、<https://titus.world.tmall.com/>及<http://mall.jd.com/index-54221.html>經營電商業務。營業額減少26.5%至HK\$1,325.3百萬（2016年：HK\$1,803.8百萬），錄得除利息及稅項前虧損HK\$118.6百萬（2016年：除利息及稅項前虧損為HK\$31百萬）。

#### 大中華

大中華營業額下跌30.5%至HK\$964.5百萬（2016年：HK\$1,387.9百萬），主要由於旅客支出大幅下降以及本地消費疲弱所致。因此，錄得除利息及稅項前虧損HK\$107.1百萬（2016年：HK\$30.8百萬）。

為應對不利的經營環境，本集團繼續關閉表現欠佳的店舖，並爭取較理想的租賃條款，因此，租金支出按年下降13.2%。憑藉其他已見效益的成本控制措施，營運成本總額減少21.9%，而隨著未來12個月租金較高的租約陸續期滿，本集團預計此分部業績將有所改善。

#### 東南亞

由於零售環境充滿挑戰以及東南亞貨幣貶值，馬來西亞、新加坡及泰國的營業額下跌13.3%至HK\$360.8百萬（2016年：HK\$415.9百萬）。除利息及稅項前虧損為HK\$11.5百萬（2016年：除利息及稅項前虧損為HK\$0.2百萬）；若撇除滙兌虧損，則錄得除利息及稅項前溢利HK\$0.1百萬（2016年：除利息及稅項前溢利為HK\$0.4百萬）。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

Malaysia remained profitable with underperformance in Singapore. We have seen some gradual recovery in Thailand since Q4 of FY2016/17 and satisfactory same-store sales growth has been sustained since March 2017 to report date.

#### A Young Fresh Image

During the year under review, we embarked on a major project to rejuvenate our stores to align the CITY CHAIN image with current trends. Our refreshed stores come with changed layouts and a sharp focus on connected wearables, creating a younger lifestyle shopping environment to enhance customer experience.

Further, with positive performance from our e-commerce business in Mainland China, we will invest in e-commerce platforms in Hong Kong and South East Asia and also expand marketing on social media.

#### OPTICAL 88 GROUP

- Optical 88 Group turnover down by 8.3%
- Optical 88 Group EBIT down 21.5% to HK\$25.6 million

The Optical 88 Group operates shops throughout Hong Kong, Macau, Mainland China, Singapore, Malaysia and Thailand; and as one of the leading optical retailers in Asia, it delivers quality professional eye care/eyewear products and services, and hearing care products and services.

Turnover at Optical 88 Group decreased 8.3% to HK\$1,001.6 million (2016: HK\$1,092.2 million) due to mild market demand. Southeast Asia under-performed, dragging the Optical 88 Group to record a lower EBIT of HK\$25.6 million (2016: HK\$32.6 million).

#### Greater China

Turnover in Greater China posted a decline of 6.8% to HK\$804.5 million (2016: HK\$863.5 million) given softened consumer demand. Enhanced operational efficiencies due to a nearly 9% reduction in operating costs uplifted profitability as EBIT increased by 32.1% to HK\$57.2 million (2016: HK\$43.3 million).

馬來西亞維持錄得盈利，而新加坡表現則未如理想。泰國的表現自2016/17財政年度第四季起漸見改善，自2017年3月起至報告日期期間同店銷售錄得滿意增長。

#### 年輕活力的形象

回顧本年度，本集團透過翻新「時間廊」的店舖為其打造煥然一新的形象，迎合現今流行的生活體驗的趨勢。全新店舖的佈局別具一格，重點聚焦於可連線的配戴裝置，為客戶提供充滿年輕生活時尚的購物環境，提升客戶的購物體驗。

另外，本集團在中國內地的電子商貿業務表現理想，因此，本集團將在香港及東南亞投資建立電子商貿平台，加強社交媒體上的品牌推廣。

#### 「眼鏡88」集團

- 「眼鏡88」集團營業額下降8.3%
- 「眼鏡88」集團除利息及稅項前溢利下降21.5%至 HK\$25.6 佰萬

「眼鏡88」集團於香港、澳門、中國內地、新加坡、馬來西亞及泰國營運；作為亞洲其中一間具領導地位的眼鏡零售商，「眼鏡88」集團提供具質素及專業的護眼／眼鏡產品及服務，以及聽力護理產品及服務。

「眼鏡88」集團的營業額減少8.3%至HK\$1,001.6 佰萬(2016年：HK\$1,092.2 佰萬)，原因為市場需求放緩所致。較遜色的東南亞表現影響「眼鏡88」集團錄得較低除利息及稅項前溢利，為HK\$25.6 佰萬(2016年：HK\$32.6 佰萬)。

#### 大中華

由於消費者需求疲弱，大中華的營業額減少6.8%至HK\$804.5 佰萬(2016年：HK\$863.5 佰萬)。營運效率提升使營運成本下跌大約9%，盈利能力得以改善，帶動除利息及稅項前溢利增加32.1%至HK\$57.2 佰萬(2016年：HK\$43.3 佰萬)。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### South East Asia

Faced with intense competition and weak local currencies, our Southeast Asia operations posted a decrease in turnover of 13.8% to HK\$197.1 million (2016: HK\$228.7 million). A LBIT of HK\$31.6 million (2016: HK\$10.6 million) was recorded, largely attributable to a HK\$12.6 million one-off charge and exchange losses from the weaker Ringgit and Singapore dollar. To achieve better returns, the Group has been refining operating and marketing strategies to improve shop performance.

#### Healthcare Aspirations

In line with our major strategy change to focus on healthcare in recent years, Optical 88's first Family Eye Care concept store in Hong Kong has been well received; and further store rollout adopting this new concept will be undertaken in other regions. Further, in addition to the existing two Professional Eye Care Centres in Hong Kong and a recently opened Centre in Singapore, another two new Centres will soon open, with one Centre in Guangzhou and another Centre in Hong Kong.

#### eGG OPTICAL BOUTIQUE

- eGG Group turnover up by 21.8%
- eGG Hong Kong recorded positive same store sales growth

There are eGG stores in Hong Kong, Mainland China and Southeast Asia together with an online store at <https://eggyj.tmall.com>. In FY2016/17, our eGG business continued to deliver momentum as turnover increased by 21.8% (FX neutral: 24.4%) to HK\$196.8 million (2016: HK\$161.6 million). eGG Hong Kong continued to enjoy turnover growth, increasing 22.9% as its popularity gained traction amongst consumers looking for fast fashion and stylish eyewear. In Mainland China, turnover was up 20.0% with gradual shop rollout. However, intense competition in some areas impacted profitability. As new shops have a longer run in time to reach scalable business volume, diseconomies led to a higher LBIT of HK\$28.5 million (2016: HK\$20.3 million). Meanwhile, our supply chain has been restructured to shorten production lead time and to offer fresher products. The Group expects the positive momentum in this business segment to carry forward as a prudent approach to shop rollout continues.

#### 東南亞

由於競爭激烈及貨幣貶值，東南亞業務的營業額減少13.8%至HK\$197.1百萬(2016年：HK\$228.7百萬)，並錄得除利息及稅項前虧損HK\$31.6百萬(2016年：HK\$10.6百萬)，主要由於一次性支出以及馬來西亞令吉及新加坡元貶值導致的滙兌虧損合共HK\$12.6百萬所致。為獲取更理想回報，本集團一直調整營運及營銷策略，以提升店舖表現。

#### 保健服務願景

本集團近年的策略提倡眼睛及聽力健康保健，「眼鏡88」在香港的首間Family Eye Care概念店深受顧客歡迎，本集團未來將以此嶄新概念在其他地區開設店舖。同時，除了香港現有的兩間專業護眼中心以及剛於新加坡開設的中心外，本集團即將開設一間位於廣州及另一間在香港的專業護眼中心。

#### eGG OPTICAL BOUTIQUE

- 「eGG」集團營業額上升21.8%
- 香港的「eGG」錄得同店銷售增長

「eGG」集團於香港、中國內地和東南亞營運店舖，並於<https://eggyj.tmall.com>經營網店。於2016/17財政年度，「eGG」業務繼續保持良好增長，營業額增加21.8%（撇除匯率因素：24.4%）至HK\$196.8百萬(2016年：HK\$161.6百萬)。香港的「eGG」持續錄得營業額增長22.9%，品牌受一眾追求時尚及個性品味的消費者歡迎。在中國內地，隨著「eGG」集團陸續開設更多新店，營業額上升20.0%。然而，部分地區的競爭加劇，對盈利能力造成一定影響。由於新店需要較長時間方可達致一定規模的營業額，因此初期錄得較高的除利息及稅項前虧損，為HK\$28.5百萬(2016年：HK\$20.3百萬)。同時，本集團亦已重整供應鏈，以縮短生產時間及提供更新潮的產品。本集團預期此分部業務將繼續維持增長的趨勢，並實施審慎的拓展策略。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### SUPPLY CHAIN MANAGEMENT AND WHOLESALE TRADING

This business division is made up of the Group's supply chain and watch and optical wholesale units.

As a result of sluggish retail performance and contracted procurement, turnover decreased by 5.0% to HK\$326.8 million (2016: HK\$344.1 million). But EBIT increased to HK\$22.3 million (2016: HK\$10.2 million) due to a non-cash impairment for our Swiss movement production facility of HK\$3.7 million incurred in this financial year compared to HK\$26.4 million booked in the previous financial year.

#### OUTLOOK

In the preceding few months, we have started to see stabilising turnover in certain regions where we operate. However, at this stage it is premature to say that we are witnessing a turnaround in retail sentiment since many external uncertainties still prevail. Therefore, in the first half of FY2017/18, we will focus on consolidation measures and continue with initiatives and policies put in place to maintain a stable cash flow and robust fiscal discipline.

As new technologies impact consumer behavior, we are committed to our customers and will continue to invest in areas to enrich customer engagement and experience so as to embrace the fast-changing retail ecosystem.

#### 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. The Group did not enter into any derivative financial instruments for speculative purposes.

#### 供應鏈管理及批發貿易

此業務分部由集團供應鏈以及鐘錶及眼鏡批發業務組成。

由於零售市場不景氣及採購減少，營業額減少5.0%至HK\$326.8百萬(2016年：HK\$344.1百萬)。然而，除利息及稅項前溢利增至HK\$22.3百萬(2016年：HK\$10.2百萬)，由於瑞士機芯生產設施的非現金減值為HK\$3.7百萬，而上一個財政年度為HK\$26.4百萬。

#### 前景

本集團個別營運地區在最近月份的營業額減幅漸見收窄。然而，由於市場存在眾多不確定因素，如現階段判斷零售市場將出現復甦，實為言之尚早。因此，於2017/18財政年度上半年，本集團將集中推行整合固本措施，並將持續實施有助維持穩定現金流及加強財務紀律的措施。

隨著科技改變消費者行為，集團將致力投放資源，以豐富顧客與品牌互動及體驗，迎接不斷改變的零售生態。

#### 財務

本集團管理層密切監察及管理集團的資本管理、貨幣及利率變動，以處理及管理與本集團營運相關的財務風險。本集團實行嚴謹的財務管理政策，以控制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本需要。本集團並無訂立任何衍生金融工具作投機用途。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

Gearing ratio increased to 61.3% (2016: 42.4%) as shareholders' funds contracted to HK\$919.1 million (31 March 2016: HK\$1,229.8 million) and net debts rose by 8.0% to HK\$563.6 million (31 March 2016: HK\$521.7 million). The Group's net debts are based on the Group's bank borrowings of HK\$1,097.4 million (31 March 2016: HK\$674.5 million) and convertible bonds of HK\$446.4 million at 31 March 2016 less the Group's bank balances and cash of HK\$533.8 million (31 March 2016: HK\$599.2 million).

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 revenues of the Group are in Hong Kong dollars and Macau dollars, the natural hedge mechanism was applied.

As at 31 March 2017, the Group's total equity funds amounted to HK\$926.2 million. The Group's cash inflow from its operations amounted to HK\$89.4 million and coupled with its existing cash and unutilized banking facilities will fund its future needs.

As at 31 March 2017, the Group's current assets and current liabilities were approximately HK\$1,885.3 million (2016: HK\$2,131.1 million) and HK\$1,699.9 million (2016: HK\$1,359.7 million), respectively. Group current ratio was approximately 1.11 (2016: approximately 1.57).

Prior to the date of this report, the Group obtained a one-off waiver from a bank from strict compliance with certain covenant requirements; and the Group has further agreed revisions to certain covenant requirements of bank borrowings amounting to HK\$660,830,000 with the same bank.

On 15 September 2016, the convertible bonds of HK\$371,022,600 were fully redeemed, together with the payment of accrued interest of HK\$6,493,000 and the put option of HK\$111,306,780. Details can be referred to an announcement dated 23 June 2016 on the Company's website at [www.stelux.com](http://www.stelux.com).

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

The Group does not engage in speculative derivative trading.

As at 31 March 2017, the Group does not have any significant contingent liabilities.

借貸比率升至61.3% (2016年：42.4%)，由於股東資金縮減至HK\$919.1百萬 (2016年3月31日：HK\$1,229.8百萬)，而淨債務亦增加8.0%至HK\$563.6百萬 (2016年3月31日：HK\$521.7百萬)。本集團的淨債務乃根據本集團的銀行貸款HK\$1,097.4百萬 (2016年3月31日：HK\$674.5百萬)及2016年3月31日可換股債券HK\$446.4百萬減去本集團的銀行結餘及現金HK\$533.8百萬 (2016年3月31日：HK\$599.2百萬)計算。

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。由於本集團的主要收益以港幣及澳門幣計算，故本集團應用自然對沖機制。

於2017年3月31日，本集團的股權總額為HK\$926.2百萬。本集團營運的現金流入為HK\$89.4百萬，連同現有的現金及未動用的銀行信貸額，足以應付未來的資金需要。

於2017年3月31日，本集團的流動資產及流動負債分別約為HK\$1,885.3百萬 (2016年：HK\$2,131.1百萬)及HK\$1,699.9百萬 (2016年：HK\$1,359.7百萬)。本集團的流動比率約為1.11 (2016年：約為1.57)。

在此報告日期前，本集團已從一間銀行獲得一次性豁免關於借貸合約的部份合約要求；本集團亦同意同一銀行的有關借貸金額HK\$660,830,000相關借貸合約要求的修訂。

於2016年9月15日，本集團已全數贖回HK\$371,022,600可換股債券，並支付應計利息HK\$6,493,000及認沽期權款項HK\$111,306,780。有關詳情，可於本公司網站[www.stelux.com](http://www.stelux.com)參閱日期為2016年6月23日的公告。

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2017年3月31日，集團並沒有任何重大的或然負債。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

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

There was no change in the capital structure of the Group during the year.

There was no change in the composition of the Group during the year.

At 31 March 2017, certain of the Group's property, plant and equipment amounting to HK\$272,796,000 (at 31 March 2016: HK\$283,382,000) were pledged to secure banking facilities granted to the Group.

#### STAFF

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. As of 31 March 2017, the Group had 3,102 (2016: 3,668) employees. The Group offers KPI related bonuses to eligible employees based on the performance of the Group and the individual employee. The Group also provides related training programmes to improve the quality, competence and skills of its employees.

#### **Joseph C.C. Wong**

*Chairman and Chief Executive Officer*

Hong Kong, 22 June 2017

集團並無任何重大投資或轉變資本資產之計劃。

年內集團資本結構並無轉變。

年內集團架構並無轉變。

於2017年3月31日，本集團部分物業、機器及設備總值約HK\$272,796,000(2016年3月31日：HK\$283,382,000)已抵押予銀行以獲取銀行信貸。

#### 員工

集團以其經營國家的人力資源市場為準則，釐定給予當地僱員的報酬，並定時進行檢討。本集團於2017年3月31日共有3,102位(2016年：3,668位)僱員。集團就業績及個別僱員表現提供按「關鍵績效指標」釐定之獎金予合資格的僱員。集團亦提供相關的培訓計劃改善僱員質素、能力及技能。

#### **黃創增**

*主席及行政總裁*

香港，2017年6月22日

## REPORT OF THE DIRECTORS

### 董事會報告書

The directors of the Company (the “Board”) submit their report together with the audited financial statements for the year ended 31 March 2017.

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 34 on pages 136 to 140 to the financial statements.

#### BUSINESS REVIEW

A fair review of the Group’s business for the year ended 31 March 2017 and an indication of likely future development in the Group’s business are set out under Management Discussion and Analysis on pages 2 to 7.

Particulars of important events affecting the Group that have occurred subsequent to the year ended 31 March 2017 are set out under Management Discussion and Analysis on page 8.

Stelux is a company that cares about the way it does business, the way we engage with our customers, our employees, our suppliers, and others in general. There are important core principles that underpin the way we achieve our business objectives. We engage our business partners and treat our employees in a fair, honest and responsible manner to deliver sustainable results to our shareholders.

Our vision to “Beautify and enrich lives through our products and services” underscores the way we engage with our customers. From our lifestyle products, ranging from trendy watches and smart wearables available at CITY CHAIN to chic frames and sunglasses at eGG OPTICAL BOUTIQUE and to the professional eye care and hearing care products and services offered by OPTICAL 88, we strive to deliver a personal shopping experience to our customers engaging them through traditional and social media.

Customers looking for a wide brand selection will enjoy shopping at multi-brand retailer CITY CHAIN, appealing to customers who enjoy fashionable watches. At OPTICAL 88, our broad spectrum of customers range from children to senior citizens seeking professional assistance and multi-branded products to improve their hearing and sight. Young and vibrant “eGG OPTICAL BOUTIQUE” suits customers who love affordable fast fashion lifestyle optical products targeting those from Gen Z to Gen X.

本公司董事會（「董事會」）提呈董事會報告書連同截至2017年3月31日止年度的經審核財務報表。

#### 主要業務

本公司的主要業務為投資控股。其主要附屬公司的業務載於財務報表第136頁至第140頁附註34。

#### 業務回顧

有關截至2017年3月31日止年度本集團業務的公平檢討及本集團業務未來可能發展的評論載於第2至第7頁的管理層討論及分析。

於截至2017年3月31日止年度後發生並對本集團造成影響的重要事項詳情載於第8頁的管理層討論及分析。

寶光一直重視其經營業務的手法以及與顧客、員工、供應商及其他人士的互動形式。我們依照核心原則經營業務，務求實現業務目標。我們以公平、誠實及負責的態度與業務夥伴合作及對待員工，從而為股東帶來持續回報。

「通過我們提供的產品和服務，豐富和美化您的生活」的願景強調了我們服務客戶的方式。由「時間廊」的潮流手錶及智能穿戴式裝置和「eGG OPTICAL BOUTIQUE」的時尚太陽眼鏡鏡框及太陽眼鏡等生活產品，以及「眼鏡88」提供的護眼及聽力護理產品及服務，本集團致力為顧客帶來傳統及社交媒體層面的個人購物體驗。

作為多樣化品牌零售商，「時間廊」讓客戶享有廣泛的鐘錶品牌選擇，吸引追求時尚鐘錶的客戶；而「眼鏡88」的目標客戶則是一眾追求改善聽力、視力的專業服務和各大品牌產品的男女老幼。「eGG OPTICAL BOUTIQUE」是一個年輕、具活力的品牌，適合喜好較廉價的快時尚眼鏡產品的客戶，以年青至中年客戶為主。

As for our wholesale business, made up of watch and optical wholesale, our customers comprise of a large network of independent dealer stores spanning, Hong Kong, Singapore and Malaysia. Many of these dealers have been doing business with the Group for many years.

The Group is aware of changing specifics and the challenges brought on by structural changes in labour markets as more millennials enter the workforce, retirement is delayed, with growing expectations of work life balance and work fluidity. Hence our mission to grow, respect and reward our employees as they develop together with the Group becomes ever more important in employee performance, satisfaction and retention. More details on the Group's employment policies can be found on pages 147 to 148 of the Environmental, Social and Governance Report.

The Group's suppliers are an important component of our businesses, ranging from upstream component vendors, assemblers and manufacturers to more downstream third party brand principals and distributors, where third party brands are sourced. Some brand principals have been partnering the Group for over 20 years. More details on our suppliers are set out on pages 150 to 151 of the Environmental, Social and Governance Report.

Businesses require stable relationships with their lenders. Without exception, the Group maintains strong and cordial relationships with its lenders who provide important trade and other short and long term credit facilities. These lenders range from local banks with strong local connections to global banks with solid reputations.

The Group recognises certain principal risks and uncertainties described below:

Uncertain global and local economic environments impact our business performance and appropriate strategies and measures are adopted to mitigate these risks, to fit the macro-economic environment;

Inventory levels are monitored with measures adopted to fasten the stock turnover period and to facilitate disciplined capital management;

關於鐘錶及眼鏡批發業務，本集團的客戶包括龐大的獨立代理店舖網絡，橫跨香港、新加坡及馬來西亞。大部分代理商與本集團於業務上已合作多年。

由於有更多千禧一代加入勞動市場，勞工延遲退休，員工對工作生活平衡及工作流動性有更高期望，勞工市場的結構因而出現變化。而本集團亦關注到有關變化帶來多變環境及挑戰。我們亦明白使命感對員工表現、滿意程度及留任率極為重要，因此，我們讓與公司一同發展的員工得到成長、受到尊重、獲得應得獎勵。有關本集團僱員政策的詳情載於環境、社會及管治報告內第147至第148頁。

本集團的供應商為業務的重要部分，包括從事上游業務的零件供應商、裝配商和製造商以及從事下游業務的第三方品牌代理及分銷商。一些品牌代理與本集團合作已超過20年。有關供應商的詳情載於環境、社會及管治報告內第150至第151頁。

企業須與借貸人保持穩定的關係。本集團與其借貸人維持良好密切的關係，以獲取重要貿易融資（包括短期及長期貿易融資）。我們的借貸人包括擁有強大網絡的本地銀行以及具備良好聲譽的國際銀行。

本集團所面對的主要風險及不確定性如下：

全球及本地難以預測的經濟狀況亦對集團業務造成影響，本集團採用適當的策略及措施以舒緩有關風險及迎合宏觀經濟環境；

集團密切監察存貨水平，採取措施加快存貨週轉期，並加強資本管理紀律；

Technological changes that impact the operating environment and the retail industry. We have deployed IT and business development strategies to enhance our market share in eCommerce and social media marketing;

Talent acquisition and staff retention affect the stability and healthy development of our business operations. Strategies are adopted to attract and retain talents to satisfy the Group's needs for corporate development;

The Group's financial risks and relevant management policies can be found in the "Finance" section under Management, Discussion and Analysis on pages 7 to 9 and Note 3 to the Financial Statements.

Laws and regulations governing consumer protection, employment, personal data and the practice of optometry have a significant impact on the Group's retail businesses. The Group has an in-house legal function and where necessary seeks external legal advice and training to keep abreast of latest developments in different areas of law. Our optical business has a Professional Affairs and Market Development Department that advises and keeps up to date on applicable laws and regulations governing the practice of optometry. There was no material non-compliance with the above laws and regulations for the year ended 31 March 2017.

Climate change and other social issues impact our business decisions and actions. Centred around these core principles, we look to reduce our environmental impact. Our environmental policy is based on 3R's – to reduce, reuse or recycle whenever feasible or practical. Changing the way we consume the earth's resources requires the collective efforts of individuals and businesses together with supportive and progressive environmental policies enacted by governments. The different regions where we operate in have varying degrees of commitment to environmental friendly legislation, regulations and practices, and in places with less awareness, there are more constraints on our performance.

Further reporting on environmental issues can be found on pages 142 to 146 under Environmental, Social and Governance Report.

隨著科技的改變影響營商環境及零售行業。我們推行電腦及業務的發展策略，從而提升本集團在電商及社交媒體營銷市場的份額；

人才招聘及員工留任對我們的業務穩定性造成影響。本集團實施一系列吸引及挽留人才的措施，以配合集團企業發展需要；

有關本集團財務風險及有關管理政策的詳情載於管理層討論及分析內的「財務」部分第7至第9頁及財務報表附註3。

監管消費者保障、僱傭、個人資料的法律法規以及視光業務的守則對本集團的零售業務造成重大影響。本集團設有內部法律部門，並於需要時尋求外部法律意見及培訓，以了解不同範疇相關法律的最新發展情況。我們的眼鏡業務亦設有專業事務及市場發展部，負責就監管視光業務的適用法律及法規提供建議及相關最新資料。於截至2017年3月31日止年度，本集團並無嚴重違反以上法律及法規。

氣候變化及其他社會問題對我們的業務決策及措施造成一定影響。我們根據這些核心原則尋求減少對環境造成影響的方法。我們的環境政策乃在可行的情況下根據減量、再利用及循環使用的環保3R原則而定。改變消耗地球資源的模式須集合個人及商界的共同努力，並配合政府推行的鼓勵及推動政策。本集團不同的營運所在地區都推行不同程度的環保法例、法規及慣例，但低環保意識的地區則對本集團的表現造成較多限制。

環保事項的進一步匯報詳情載於第142至第146頁的環境、社會及管治報告。



## RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2017 are set out in the consolidated income statement on page 40.

No interim dividend was paid during the year (2016: Nil).

The directors did not recommend the payment of a final dividend in respect of the year ended 31 March 2017 (2016: Nil).

## DONATIONS

During the year, the Group made charitable and other donations of HK\$963,000.

## SHARES ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 March 2017 are set out in note 20 to the financial statements.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 1 of this annual report.

## DISTRIBUTABLE RESERVES

As at 31 March 2017, the distributable reserves of the Company available for distribution as dividends to shareholders amounted to HK\$113,357,000 (2016: HK\$79,568,000).

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there is no restriction against such rights under the laws in Bermuda.

## 業績及股息

本集團截至2017年3月31日止年度的業績載於第40頁的綜合收益表內。

年內，本公司並沒有派發中期股息(2016：無)。

董事會不建議派發截至2017年3月31日止年度的末期股息(2016：無)。

## 捐款

年內，本集團作出慈善及其他捐款港幣963,000元。

## 年內已發行股份

截至2017年3月31日止年度已發行的股份的詳情載於財務報表附註20。

## 五年財務摘要

本集團於過去五個財政年度之業績以及資產及負債摘要載於年報第1頁。

## 可分派儲備

截至2017年3月31日，本公司可作為股息向股東分派的可分派儲備為港幣113,357,000元(2016年：港幣79,568,000元)。

## 優先認股權

本公司的公司細則並無有關優先認股權的規定，百慕達的法例亦無對該等權利作出限制。

**DIRECTORS AND INTERESTS IN TRANSACTIONS,  
ARRANGEMENTS AND CONTRACTS**

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

Joseph C. C. <b>Wong</b>	(Chairman and Chief Executive Officer)
Wallace <b>Kwan</b> Chi Kin	
Sakorn <b>Kanjanapas</b>	(passed away on 8 April 2017)
Mary <b>Ma</b> Xuezheng	(resigned on 15 September 2016)
(also known as Mary Ma)	
Alex <b>Wong</b> Yu Tsang	(resigned on 15 September 2016)
(also known as Alex Wong)	
Nelson <b>Wu</b> Chun Sang	(independent non-executive)
Lawrence <b>Wu</b> Chi Man	(independent non-executive)
Agnes <b>Kwong</b> Yi Hang	(independent non-executive)

In accordance with Bye-law 110(A), Mr. Wallace Kwan Chi Kin and Professor Lawrence Wu Chi Man will retire by rotation at the forthcoming Annual General Meeting (“AGM”) and, being eligible, offer themselves for re-election.

During the year and up to the date of this report, Mr. Joseph C. C. Wong and Mr. Wallace Kwan Chi Kin are also directors in certain subsidiaries of the Company. Other directors of the Company’s subsidiaries in Hong Kong during the year and up to the date of this report are: Ms. Caroline Chong Sue Peng, Mr. William Hui Kin Wai, Mr. Cheng Hok Yuk, Ms. Stella Chow Yin Oi, Mr. Lancelot Lo Kwun Fung, Ms. Emily Choy Pik Yin, Ms. Leung Sze Mun and Mr. Johnny Chan Koon Kiu.

No director has a service contract with the Company which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

**董事會及交易、協議及合約權益**

年內及直至本報告日期的在任董事如下：

黃創增	(主席及行政總裁)
關志堅	
黃創江	(於2017年4月8日辭世)
馬雪征	(於2016年9月15日辭任)
黃宇錚	(於2016年9月15日辭任)
胡春生	(獨立非行政董事)
胡志文	(獨立非行政董事)
鄺易行	(獨立非行政董事)

按照公司細則第110(A)條，關志堅先生及胡志文教授將於應屆股東週年大會（「股東週年大會」）輪席告退，惟彼等合資格並願膺選連任。

年內及直至本報告日期，黃創增及關志堅同為本公司若干附屬公司董事。年內及直至本報告日期，其他香港附屬公司董事：張素萍大律師、許健偉先生，鄭學玉先生，周燕愛女士，盧冠峯先生，蔡碧欣女士，梁思敏女士及陳冠橋先生。

各董事概無與本公司訂立本公司不可於1年內免付補償（法定賠償除外）而終止的服務合約。

**DIRECTORS AND INTERESTS IN TRANSACTIONS,  
ARRANGEMENTS AND CONTRACTS (continued)**

The Company's directors have formal letters of appointment setting out the key terms and conditions of their appointment. During the year, Mr. Joseph C. C. Wong and Mr. Wallace Kwan Chi Kin were each eligible to an annual bonus determinable under the terms of a KPI based executive bonus scheme with respect to their management of the Group. Provision for the bonuses in respect of the directors eligible under the executive bonus scheme for the year ended 31 March 2017 amounted to HK\$9,299,000 (2016: HK\$9,936,000).

Apart from the foregoing and continuing connected transactions of the Group, no other transactions, arrangements and contracts of significance in relation to the Group's businesses to which the Company's subsidiaries or its holding company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR  
EXECUTIVES**

**Chairman and Chief Executive Officer**

Joseph C. C. WONG, aged 57, was appointed executive director of the Company in 1986. Mr. Wong undertook his tertiary studies in the United Kingdom. He graduated from the University of Bradford with a B.Sc. in Industrial Engineering (First Class Honours). Mr. Wong also holds a M.Sc. (with Distinction) in Operational Research from the University of Southampton. Mr. Wong is the Founding Honorary Patron of the HKU Foundation for Education Development and Research and has been serving the Board of Directors of the Foundation for over 15 years. He is also a member of the Court of the University of Hong Kong. He was awarded an Honorary Fellowship by the University of Hong Kong in 2012. He is a brother of the late Mr. Sakorn Kanjanapas, a former non-executive director of the Company.

**董事會及交易、協議及合約權益(續)**

本公司董事均有正式委任信，載列其委任的主要條款及條件。年內，黃創增先生及關志堅先生就管理本集團作出貢獻而合資格根據「關鍵績效指標」之行政人員花紅計劃條款獲得待定金額之年度花紅。截至2017年3月31日止年度，就行政人員花紅計劃合資格董事而作出之行政人員花紅撥備為港幣9,299,000元(2016年：港幣9,936,000元)。

除上述者及本集團的持續關連交易外，於年終時或年內任何時間，概無任何本公司、其附屬公司或其控股公司所簽訂而本公司董事及其關聯方直接或間接享有重大利益之與本集團業務有關之重要交易、協議及合約。

**董事及高級管理人員的履歷詳情**

**主席及行政總裁**

黃創增先生，57歲，於1986年獲委任為本公司董事。黃先生於英國接受高等教育，畢業於布拉德福德大學並擁有工業工程專業理學士學位(一級榮譽)。黃先生亦持有英國南開普敦大學運籌學理碩士學位(最優等)。黃先生為香港大學教育發展研究基金會名譽贊助人並已於該基金的董事會任職逾十五年。彼亦為香港大學校董會的成員並於2012年獲得香港大學名譽院士銜頭。黃先生為本公司已故非行政董事黃創江先生之胞弟。

## REPORT OF THE DIRECTORS

### 董事會報告書

#### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR EXECUTIVES (continued)

##### Directors

Wallace KWAN Chi Kin, aged 47, joined the Group in November 2011 as Group Finance Director and was appointed an executive director and Chief Financial Officer of the Company in July 2013. Mr. Kwan holds a Bachelor of Social Science Degree from The Chinese University of Hong Kong. He also holds a Master of Business Administration Degree from the University of Manchester and a Master of Laws in Corporate & Financial Law from The University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and also a fellow of the Association of Chartered Certified Accountants. Mr. Kwan has over 20 years of experience in financial management having worked at an international audit firm and listed companies.

Sakorn KANJANAPAS (passed away on 8 April 2017), was appointed a non-executive director of the Company in 1987. He was a brother of the Chairman and CEO of the Company.

Mary MA Xuezheng (resigned on 15 September 2016), aged 65, was appointed a non-executive director of the Company in December 2012. Ms. Ma graduated from Capital Normal University. She was appointed a non-executive director of the Securities and Futures Commission on 15 November 2013. She is a Managing Partner of Boyu Capital Advisory Co. Ltd., the adviser to the investment fund which ultimately owns Sapphire Illuminatus Holdings Limited. Prior to Boyu Capital, Ms. Ma was a Partner of TPG Capital and co-Chairman of TPG China where she primarily focused on investments in the Greater China region. Before joining TPG, Ms. Ma was a Senior Vice President and Chief Financial Officer of Lenovo Group Ltd. Ms. Ma has been an independent non-executive director of Lenovo since November 2013. From 2007, she was a non-executive Vice Chairman of Lenovo. Between June 2010 to June 2014, Ms. Ma was a non-executive director of Wumart Stores, Inc. She is also a non-executive director of Unilever N.V. and Unilever PLC. Between 2009 and 2011, Ms. Ma was a non-executive director of Daphne International Holdings Ltd. Between 2009 and 2013, Ms. Ma was a member of the Listing Committee of the Hong Kong Stock Exchange and between 2004 and 2013, was an independent non-executive director of Standard Chartered Bank (Hong Kong) Limited. Ms. Ma worked for The Chinese Academy of Sciences before joining Lenovo.

#### 董事及高級管理人員的履歷詳情(續)

##### 董事

關志堅先生，47歲，自2011年11月加入本集團出任集團財務總監及於2013年7月獲委任為本公司行政董事及首席財務總裁。彼擁有香港中文大學社會科學學士。彼亦擁有曼徹斯特大學工商管理碩士及香港大學公司及金融法法學碩士。彼為香港會計師公會會員及特許公認會計師公會資深會員。關先生曾在國際審計師事務所及上市公司任職，擁有超過20年的財務管理經驗。

黃創江先生(於2017年4月8日辭世)，於1987年獲委任為本公司非行政董事。彼乃本公司主席兼行政總裁之胞兄。

馬雪征女士(於2016年9月15日辭任)，65歲，於2012年12月獲委任為本公司非行政董事。馬女士畢業於首都師範大學。彼於2013年11月15日獲委任為證券及期貨事務監察委員會非執行董事。彼為博裕投資顧問有限公司的管理合夥人，而博裕投資顧問有限公司為最終擁有Sapphire Illuminatus Holdings Limited的投資基金的顧問。加入博裕資本前，馬女士為TPG Capital的合夥人及TPG中國區的聯席主席，主要專注於大中華區投資。加入TPG前，馬女士為聯想集團有限公司的資深副總裁及首席財務總裁。馬女士自2013年11月起擔任聯想集團的獨立非執行董事。馬女士自2007年擔任聯想的非執行副主席。馬女士曾於2010年6月至2014年6月擔任北京物美商業集團股份有限公司的非執行董事。馬女士亦為聯合利華的非行政董事。2009年至2011年期間，馬女士為達芙妮國際控股有限公司的非行政董事。馬女士自2009年至2013年期間為香港聯交所上市委員會成員，並於2004年至2013年期間為渣打銀行(香港)有限公司的獨立非行政董事。馬女士於加入聯想前曾任職中國科學院。

**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR EXECUTIVES (continued)**

**Directors (continued)**

Alex WONG Yu Tsang (resigned on 15 September 2016), aged 38, was appointed a non-executive director of the Company in December 2012. Mr. Wong holds a Bachelor of Business Administration degree (First Class Honours) from the Chinese University of Hong Kong. Mr. Wong is an executive director of Boyu Capital Advisory Co. Ltd., the adviser to the investment fund which ultimately owns Sapphire Illuminatus Holdings Limited. Prior to Boyu Capital, Mr. Wong was an executive director at Goldman Sachs' Principal Investment Area. Prior to this, Mr. Wong was a consultant in McKinsey & Company's Corporate Finance Practice.

WU Chun Sang, aged 60, was appointed an independent non-executive director of the Company in 2004. He is a Macau Registered Auditor. He is also a fellow member of the Association of Chartered Certified Accountants, UK and an associate member of the Hong Kong Institute of Certified Public Accountants.

Lawrence WU Chi Man, aged 59, was appointed an independent non-executive director of the Company in 2005. He graduated from Bristol University, UK with a BSc(Eng) and PhD in Aeronautical Engineering. He is a Professor at the Department of Physics and Material Science at the City University of Hong Kong. He is a fellow of the Hong Kong Institution of Engineers (HKIE). He is also a Council Member of the HKIE. He received the Taishan (泰山學者) Scholar award from the Shandong Provincial Government in 2012.

Agnes KWONG Yi Hang, aged 57, holds a PhD in Molecular Immunology from the University of Hong Kong. She was appointed an independent non-executive director of the Company in 2006. She is a director of Health Wisdom Limited, the company is a health consultancy.

**董事及高級管理人員的履歷詳情(續)**

**董事(續)**

黃宇錚先生(於2016年9月15日辭任), 38歲, 於2012年12月獲委任為本公司非行政董事。黃先生持有香港中文大學頒授的工商管理學士學位(一級榮譽)。彼為博裕投資顧問有限公司的行政董事, 而博裕投資顧問有限公司為最終擁有 Sapphire Illuminatus Holdings Limited的投資基金的顧問。加入博裕資本前, 黃先生為高盛直接投資部的執行董事。此前, 黃先生為麥肯錫公司企業財務部顧問。

胡春生先生, 60歲, 於2004年獲委任為本公司獨立非行政董事。彼為澳門註冊核數師。彼亦為英國特許公認會計師公會資深會員及香港會計師公會會員。

胡志文教授, 59歲, 於2005年獲委任為本公司獨立非行政董事。彼畢業於英國布里斯托大學, 獲得航空工程學士及博士銜頭。彼為香港城市大學物理及材料科學系教授及香港工程師學會資深會員, 亦為香港工程師學會理事。於2012年, 彼獲得山東省政府頒發的泰山學者獎。

鄺易行博士, 57歲, 擁有香港大學頒授之分子免疫學博士銜頭。彼於2006年獲委任為本公司獨立非行政董事。彼為一所健康顧問公司, Health Wisdom Limited的董事。

**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR EXECUTIVES (continued)**

**Chief Counsel and Company Secretary**

Caroline CHONG, aged 55, joined the Group in 1997. She graduated from the University of Kent, United Kingdom with a Bachelor of Arts (Law) (Hons) degree. She is admitted as a Barrister in England and Wales, and, Hong Kong. She heads the Group Legal and Corporate Secretariat and Group Human Resources.

**SHARE OPTIONS**

The Company and its subsidiaries did not set up or operate any share option scheme for the year ended 31 March 2017 and up to the date of publication of this Annual Report.

**DIRECTORS' INTERESTS**

As at 31 March 2017, the interests and short positions of the directors, and the Company's chief executive in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

**董事及高級管理人員履歷(續)**

**首席法律顧問及公司秘書**

張素萍大律師，55歲，於1997年加入本集團。彼畢業於英國肯特大學，榮獲法律(榮譽)學士學位。彼在英格蘭及威爾斯以及香港獲認可為大律師。彼領導集團法律及公司秘書事務及集團人力資源。

**購股權**

本公司及其附屬公司於截至2017年3月31日止年度及直至本年報刊發日期並無設立或進行任何購股權計劃。

**董事之權益**

於2017年3月31日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條而置存之登記冊所記錄，董事及本公司之最高行政人員於本公司或其任何相聯法團(按證券及期貨條例第XV部之定義)之股份、相關股份及債券中擁有之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則而須知會本公司及聯交所之權益及淡倉如下：

DIRECTORS' INTERESTS (continued)

董事之權益(續)

(a) The Company – Ordinary shares

(a) 本公司－普通股

Long position in shares and underlying shares of the Company

於本公司之股份及相關股份之好倉

Name of Director 董事姓名	Number of shares 股份數目				Total 總數	Approximate percentage of issued share capital 佔已發行 股本之 概約百分比
	Personal interest 個人權益	Family interest 家屬權益	Corporate/ trust interest 法團/ 信託權益	Other interest 其他權益		
Mr. Joseph C. C. Wong 黃創增先生	548,474,814	11,000	855,200 (Note 2) (附註 2)	–	549,341,014	52.49
Mr. Wallace Kwan Chi Kin 關志堅先生	–	–	–	–	–	–
Mr. Sakorn Kanjanapas 黃創江先生 (Note 1) (附註 1)	68,076,278	–	855,200 (Note 2) (附註 2)	–	68,931,478	6.59

Notes:

附註：

- (1) Mr. Sakorn Kanjanapas passed away on 8 April 2017.
- (2) Yee Hing Company Limited, directly and indirectly through its subsidiary including Active Lights Company Limited, held 855,200 shares of the Company as at 31 March 2017. 55% of the total issued ordinary shares of Yee Hing Company Limited is held by Klayze Holdings Limited, which is the trustee of a discretionary trust (the "Trust"). Mr. Joseph C. C. Wong and Mr. Sakorn Kanjanapas are the beneficiaries of the Trust and were therefore deemed to be interested in 855,200 shares of the Company through the Trust's interest in Yee Hing Company Limited.

- (1) 黃創江先生於2017年4月8日辭世。
- (2) 於2017年3月31日，義興有限公司直接或間接通過其附屬公司Active Lights Company Limited持有本公司855,200股股份。Klayze Holdings Limited以作為一項酌情信託(「信託」)之受託人身份持有義興有限公司全部已發行普通股之55%權益。黃創增先生及黃創江先生為信託之受益人，故被視為通過信託於義興有限公司之權益而擁有本公司855,200股股份權益。

DIRECTORS' INTERESTS (continued)

董事之權益(續)

(b) Subsidiaries

(b) 附屬公司

	Number of shares 股份數目			Total 總數	Approximate percentage of the total preference shares in issue as at 31 March 2017 於2017年 3月31日 佔全部已 發行優先股 概約百分比
	Personal interests 個人權益	Family interest 家屬權益	Corporate interests 法團權益		
(i) City Chain (Thailand) Company Limited – Preference shares <sup>1</sup> City Chain (Thailand) Company Limited – 優先股 <sup>1</sup>					
Mr. Joseph C. C. Wong 黃創增先生	200	–	208,800	209,000	99.52
Mr. Sakorn Kanjanapas <sup>5</sup> 黃創江先生 <sup>5</sup>	200	–	208,800	209,000	99.52
(ii) Stelux Watch (Thailand) Company Limited – Preference shares <sup>2</sup> Stelux Watch (Thailand) Company Limited – 優先股 <sup>2</sup>					
Mr. Joseph C. C. Wong 黃創增先生	600	–	–	600	16.67
Mr. Sakorn Kanjanapas <sup>5</sup> 黃創江先生 <sup>5</sup>	600	–	–	600	16.67
(iii) Optical 88 (Thailand) Company Limited – Preference shares <sup>3</sup> Optical 88 (Thailand) Company Limited – 優先股 <sup>3</sup>					
Mr. Joseph C. C. Wong 黃創增先生	5,000	–	225,000	230,000	90.20
Mr. Sakorn Kanjanapas <sup>5</sup> 黃創江先生 <sup>5</sup>	5,000	–	225,000	230,000	90.20
(iv) Stelux (Thailand) Limited – Preference shares <sup>4</sup> Stelux (Thailand) Limited – 優先股 <sup>4</sup>					
Mr. Joseph C. C. Wong 黃創增先生	5,100	–	–	5,100	100



#### DIRECTORS' INTERESTS (continued)

##### (b) Subsidiaries (continued)

Notes:

- (1) City Chain (Thailand) Company Limited is a subsidiary of the Company. Each preference share carries a right to vote and a right to an annual fixed dividend but not to any other profit sharing. The corporate interests of each of Mr. Joseph C. C. Wong and Mr. Sakorn Kanjanapas in 208,800 preference shares duplicate with each other.
- (2) Stelux Watch (Thailand) Company Limited is a subsidiary of the Company. Each preference share carries a right to vote and a right to an annual fixed dividend but not to any other profit sharing.
- (3) Optical 88 (Thailand) Company Limited is a subsidiary of the Company. Each preference share carries a right to vote and a right to an annual fixed dividend but not to any other profit sharing. The corporate interests of each of Mr. Joseph C. C. Wong and Mr. Sakorn Kanjanapas in 225,000 preference shares duplicate with each other.
- (4) Stelux (Thailand) Limited is a subsidiary of the Company. Mr. Joseph C. C. Wong is entitled to approximately 8.6% of the voting power of such subsidiary and an annual fixed dividend by virtue of the 5,100 preference shares held by him but not to any other profit sharing.
- (5) Mr. Sakorn Kanjanapas passed away on 8 April 2017.

Save as disclosed above, no directors, chief executive of the Company or their associates have any interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

#### INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT TO THE SFO

As at 31 March 2017, the following persons had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

#### 董事之權益(續)

##### (b) 附屬公司(續)

附註：

- (1) City Chain (Thailand) Company Limited 為本公司的附屬公司。每股優先股享有投票權及每年的固定股息，但並無權利分取任何其他盈利。黃創增先生及黃創江先生各自以法團名義權益持有的208,800股優先股為互相重複。
- (2) Stelux Watch (Thailand) Company Limited 為本公司的附屬公司。每股優先股享有投票權及每年的固定股息，但並無權利分取任何其他盈利。
- (3) Optical 88 (Thailand) Company Limited 為本公司的附屬公司。每股優先股享有投票權及每年的固定股息，但並無權利分取任何其他盈利。黃創增先生及黃創江先生各自以法團名義權益持有的225,000股優先股為互相重複。
- (4) Stelux (Thailand) Limited 為本公司的附屬公司。黃創增先生於該附屬公司所持有的5,100股優先股享有該附屬公司大概8.6%投票權及每年的固定股息，但並無權利分取任何其他盈利。
- (5) 黃創江先生於2017年4月8日辭世。

除上文所披露者外，根據本公司依據證券及期貨條例第352條而置存登記冊所記錄或本公司及聯交所根據上市公司董事進行證券交易的標準守則所獲通知，本公司各董事、最高行政人員或彼等的聯繫人士概無在本公司或其任何相聯法團(按證券及期貨條例第XV部的定義)的股份或相關股份中擁有任何權益或淡倉。

#### 根據證券及期貨條例須予以披露之股東權益

根據證券及期貨條例第336條而置存之登記冊所記錄，以下人士於2017年3月31日於本公司之股份或相關股份中擁有權益：

REPORT OF THE DIRECTORS

董事會報告書

INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT TO THE SFO (continued)

根據證券及期貨條例須予以披露之股東權益(續)

Long positions in shares and underlying shares of the Company

於本公司之股份及相關股份之好倉

Name of shareholder 股東姓名	Number of shares 股份數目				Total 總數	Approximate percentage of issued share capital 佔已發行 股本之 概約百分比
	Beneficial interest 實益權益	Family interest 家屬權益	Corporate/ trust interest 法團/ 信託權益	Other interest 其他權益		
Mr. Joseph C. C. Wong 黃創增先生	548,474,814	11,000	855,200 (Note 2) (附註 2)	–	549,341,014	52.49
Mr. Sakorn Kanjanapas 黃創江先生 (Note 1) (附註 1)	68,076,278	–	855,200 (Note 2) (附註 2)	–	68,931,478	6.59
NTAsian Discovery Master Fund	54,250,000	–	–	–	54,250,000	5.18
Fidelity China Special Situations Plc	53,349,000 (Note 3) (附註 3)	–	–	–	53,349,000	5.10
FIL Limited	–	–	53,349,000 (Note 3) (附註 3)	–	53,349,000	5.10

Notes:

附註：

- |   |  |
|---|--|
| <p>(1) Mr. Sakorn Kanjanapas passed away on 8 April 2017.</p> <p>(2) Yee Hing Company Limited, directly and indirectly through its subsidiary including Active Lights Company Limited, held 855,200 shares of the Company as at 31 March 2017. 55% of the total issued ordinary shares of Yee Hing Company Limited is held by Klayze Holdings Limited, which is the trustee of a discretionary trust (the "Trust"). Mr. Joseph C. C. Wong and Mr. Sakorn Kanjanapas are the beneficiaries of the Trust and were therefore deemed to be interested in 855,200 shares of the Company through the Trust's interest in Yee Hing Company Limited.</p> <p>(3) FIL Limited is deemed to be interested in 53,349,000 shares (long position) held directly by FIL Investment Management (Hong Kong) Limited under the SFO by virtue of its controlling interest in FIL Investment Management (Hong Kong) Limited. FIL Investment Management (Hong Kong) Limited is wholly-owned by FIL Asia Holding Pte Limited, which is in turn wholly-owned by FIL Limited.</p> | <p>(1) 黃創江先生於2017年4月8日辭世。</p> <p>(2) 於2017年3月31日，義興有限公司直接或間接通過其附屬公司Active Lights Company Limited持有本公司855,200股股份。Klayze Holdings Limited以作為一項酌情信託(「信託」)之受託人身份持有義興有限公司全部已發行普通股之55%權益。黃創增先生及黃創江先生為信託之受益人，故被視為通過信託於義興有限公司之權益而擁有本公司855,200股股份權益。</p> <p>(3) 基於FIL Limited擁有FIL Investment Management (Hong Kong) Limited控股權益，故根據證券及期貨條例，FIL Limited亦被視為擁有FIL Investment Management (Hong Kong) Limited直接持有之53,349,000股普通股(好倉)之權益。FIL Investment Management (Hong Kong) Limited由FIL Asia Holding Pte Limited全資擁有，而FIL Asia Holding Pte Limited則由FIL Limited全資擁有。</p> |
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## INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT TO THE SFO (continued)

Notes: (continued)

- (3) FIL Investment Services (UK) Limited is wholly-owned by FIL Holdings (UK) Limited, which is in turn wholly-owned by FIL Limited. FIL Investment Services (UK) Limited, the Alternative Investment Fund Manager of Fidelity China Special Situations Plc (“FCSSP”), has delegated the investment management of FCSSP to FIL Investment Management (Hong Kong) Limited.

Save as disclosed above, the directors are not aware of any person (other than a director or chief executive of the Company or his/her respective associate(s)), who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as at 31 March 2017.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the year.

## MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group’s major suppliers and customers are as follows:

Purchases	
– the largest supplier	27%
– five largest suppliers combined	49%
Sales	
– the largest customer	1%
– five largest customers combined	3%

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company’s share capital) had an interest in the major suppliers or customers noted above.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## 根據證券及期貨條例須予以披露之股東權益(續)

附註：(續)

- (3) FIL Investment Services (UK) Limited由FIL Holdings (UK) Limited全資擁有，而FIL Holdings (UK) Limited則由FIL Limited全資擁有。FIL Investment Services (UK) Limited (Fidelity China Special Situations Plc (“FCSSP”)的另類投資基金經理人)委託FIL Investment Management (Hong Kong) Limited負責FCSSP的投資管理。

除上文所披露者外，於2017年3月31日，按本公司根據證券及期貨條例第336條而置存之登記冊所記錄，董事概無知悉有任何人士(董事或本公司之最高行政人員或其各自之聯繫人除外)於本公司之股份或相關股份中擁有權益或淡倉。

## 上市證券的購買、出售或贖回

本公司於年內並無贖回其任何股份。本公司或其任何附屬公司於年內並無購買或出售本公司的任何股份。

## 主要客戶及供應商

本集團主要供應商及客戶應佔本年度採購額及銷售額百分比如下：

採購額	
– 最大供應商	27%
– 五大供應商合計	49%
銷售額	
– 最大客戶	1%
– 五大客戶合計	3%

就各董事所知各董事、彼等之聯繫人士擁有本公司已發行股本5%以上之股東並無於上述主要供應商或客戶擁有權益。

## 管理合約

年內，本公司並無簽訂或存有任何有關於整體或部分主要業務的管理及行政合約。

### SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the directors of the Company, at least 25% of the issued share capital of the Company was held by public members as at the date of this report.

### CONTINUING CONNECTED TRANSACTIONS

The following continuing connected transactions are based on normal commercial terms agreed after arms' length negotiations between the parties and are in the ordinary and usual course of business of the Group. The continuing connected transactions are subject to the annual review, reporting and announcement requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and exempt from independent shareholders' approval.

#### Continuing connected transactions of the Group for the financial year ended 31 March 2017

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive directors of the Company have reviewed the following continuing connected transactions and confirmed that all these transactions have been entered into by the Group:

- (a) in the ordinary and usual course of business of the Group;
- (b) either (i) on normal commercial terms or (ii) where there was no available comparison on terms no less favourable to or from the Group than terms available to or from independent third parties; and
- (c) in accordance with the relevant agreements governing such transactions on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

### 足夠公眾持股量

根據本公司可公開獲得之資料及據本公司董事所知，於本報告日期本公司已發行股本中至少25%由公眾人士持有。

### 持續關連交易

以下持續關連交易乃基於訂約各方經公平磋商後協定的一般商業條款，並於本集團一般及日常業務過程中進行。持續關連交易須遵守香港聯合交易所有限公司證券上市規則（「上市規則」）第十四A章有關年度審閱、申報及公告的規定，並獲豁免獨立股東的批准。

#### 本集團截至2017年3月31日止財政年度之持續關連交易

根據上市規則第14A.55條，本公司的獨立非行政董事已審閱以下各項持續關連交易，並已確認年內本集團的所有該等交易：

- (a) 於本集團一般及日常業務過程中訂立；
- (b) (i) 按一般商業條款訂立；或 (ii) 倘無可供比較的公司作為參考時，則按對本集團而言不遜於給予或取自獨立第三方的條款訂立；及
- (c) 根據規管該等交易的相關協議按公平合理並符合本公司股東整體利益的條款訂立。

CONTINUING CONNECTED TRANSACTIONS (continued)

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "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 Company's auditor has issued an unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group below in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

Summary of the continuing connected transactions:

持續關連交易(續)

根據香港會計師公會頒佈的香港鑒證業務準則第3000號(修訂)「歷史財務資料審核或審閱以外之鑒證工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據上市規則第14A.56條，本公司核數師已就本集團以下披露的持續關連交易發出無保留意見函件，其中載有其調查結果及結論。本公司已向香港聯合交易所有限公司提供核數師函件副本。

持續關連交易概要：

Connected persons 關連人士	Nature of transactions 交易性質	Income/ (expenses) 收入/(支出) HK\$'000 港幣仟元	Annual Caps 年度上限 HK\$'000 港幣仟元	Notes 附註
Mengiwa Property Investment Limited ("MPIL") as Landlord 明華物業投資有限公司(「明華」)， 作為業主	Leasing of properties 租賃物業	(7,095)	(7,095)	(i), (iv) & (vi)
Active Lights Company Limited ("ALCL") and Thong Sia Company Limited ("TSCL"), each of them as Landlord Active Lights Company Limited (「ALCL」) 及 Thong Sia Company Limited (「TSCL」)，彼等各自作為業主	Leasing of properties 租賃物業	(2,697)	(2,697)	(ii), (iv) & (vi)
MPIL and ALCL, each of them as Licensor 明華及ALCL，彼等各自作為許可人	Licensing of carparking spaces 停車位許可	(264)	(264)	(iii) & (vi)
MPIL as Principal 明華，作為委託人	Provision of management and property agency liaison services 提供管理及物業代理 聯絡服務	2,340	2,340	(v) & (vi)

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes:

All definitions in the notes below have the same meaning as referred to in the Company's announcement dated 6 April 2016.

Leasing of office premises and carparking spaces

- (i) On 5 April 2016, Stelux Holdings Limited ("SHL") and Thong Sia Watch Company Limited ("TSWCL"), the wholly owned subsidiaries of the Company, each individually as tenant/licensee, entered into the Stelux House Renewal Tenancy Agreements 2016 and Carparking Space Licenses with MPIL in respect of the following properties:

Premises A:	whole of 27th floor and portion of 28th floor (including 12 carparking spaces) at Stelux House
Premises B:	whole of 26th floor with 4 storerooms numbers 1A, 1B, 6A and 6B on 26th floor at Stelux House
Premises C:	whole of 21st floor at Stelux House
Premises D:	office unit numbers 1901, 1902 and 1903 with two storerooms numbers 1A and 1B on the 19th floor at Stelux House
Premises E:	office unit numbers 1905 and 1906 with two storerooms numbers 6A and 6B on 19th floor at Stelux House
Premises F:	office unit numbers 2201, 2202, 2203 and 2205 with two storerooms numbers 1A and 1B on the 22nd Floor of Stelux House
Premises G:	office unit number 2206 with two storerooms numbers 6A and 6B on the 22nd Floor of Stelux House

For Premises A, B, C, D, E and G, the lease term was from 1 April 2016 up to and including 31 March 2019 with a rent-free period commencing from 1 April 2016 to 20 November 2016 (i.e. seven months and twenty days).

持續關連交易(續)

附註：

本附註所有定義與本公司於2016年4月6日所出之公告所載者具相同涵義。

租賃辦公場所及停車位

- (i) 於2016年4月5日，寶光實業(集團)有限公司(「SHL」)及本公司全資附屬公司通城鐘錶有限公司(「通城鐘錶」)(各自個別作為租戶／獲許可人)與明華訂立2016年寶光商業中心租賃更新協議及停車位許可使用協議，內容有關以下物業：

物業A：	寶光商業中心27樓全層及28樓部分(包括12個停車位)
物業B：	寶光商業中心26樓全層及連同1A、1B、6A及6B四個儲存室
物業C：	寶光商業中心21樓
物業D：	寶光商業中心19樓1901室、1902室及1903室之辦公室單位(連同1A及1B兩個儲存室)
物業E：	寶光商業中心19樓1905室及1906室之辦公室單位(連同6A及6B兩個儲存室)
物業F：	寶光商業中心22樓2201室、2202室、2203室及2205室之辦公室單位(連同1A及1B兩個儲存室)
物業G：	寶光商業中心22樓2206室之辦公室單位(連同6A及6B兩個儲存室)

物業A、物業B、物業C、物業D、物業E及物業G的租期自2016年4月1日起計至2019年3月31日(包括該日)為止，免租期自2016年4月1日起計至2016年11月20日，為期七個月二十天。

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

(i) (continued)

For Premises F, the lease term was from 1 April 2016 up to and including 31 May 2016.

The total monthly rental for Premises A, B, C, D, E and G amounted to HK\$1,497,133 (exclusive of rates, government rent and management charges). For Premises F, the monthly rental was HK\$163,555 (exclusive of rates, government rent and management charges). All rents are payable monthly in advance in cash by the tenants on the first day of each and every calendar month.

The monthly rents of all the above-mentioned premises were determined on an arm's length basis taking into account two rental valuations conducted by two independent property valuers dated 14 March 2016 and 17 March 2017, respectively (one representing the tenants and the other representing the landlord) and as such reflected the prevailing market rental values of the subject premises. Accordingly, the Directors considered the Stelux House Renewal Tenancy Agreements 2016 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, SHL (as tenant of Premises A) has been granted the naming right of Stelux House and each of SHL and TSWCL has been granted an option for the Premises A, B, C, D, E and G, but not an obligation, to renew the relevant tenancy agreement with the landlord every three years for three more years for a maximum of 12 years commencing from 1 April 2019 at the then prevailing open market rent.

On 30 March 2017, SHL (as tenant) surrendered the Premises G to MPIL (as landlord). Pursuant to the surrender agreement dated 5 May 2017, SHL had to pay MPIL a sum of HK\$518,962.50 as compensation for the early surrender of the Premises G which was equivalent to the office rental for the premises from 1 April 2016 to 20 November 2016 (inclusive) without rent-free provision.

持續關連交易(續)

附註：(續)

(i) (續)

物業F的租期自2016年4月1日起計至2016年5月31日(包括該日)。

物業A、物業B、物業C、物業D、物業E及物業G的每月租金總額為HK\$1,497,133(不包括差餉、政府地租及管理費)，而物業F每月租金為HK\$163,555(不包括差餉、政府地租及管理費)。所有租金由租戶於每個曆月首日以現金預付。

上述所有物業的每月租金乃根據公平原則釐定，並計及兩位獨立物業估值師分別於2016年3月14日及2017年3月17日進行的租金估值(其中一項代表租戶估值，另一項代表業主估值)反映之物業現行市場租金。因此，董事認為，2016年寶光商業中心租賃更新協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

另外，SHL(作為物業A之租戶)獲授寶光商業中心之命名權，以及SHL及通城鐘錶各自就物業A、物業B、物業C、物業D、物業E及物業G獲授選擇續約權(但無責任)可每三年與業主按當時現行公開市場租金將有關租賃協議續期，每次續期三年，由2019年4月1日起計最多續期十二年。

於2017年3月30日，SHL(作為租戶)終止向明華租賃物業G。根據日期為2017年5月5日的終止協議，SHL須向明華支付HK\$518,962.50作為提前終止租賃物業G的補償即等同免除2016年4月1日至2016年11月20日(包括該日)免租條款之辦公室租金。

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

Leasing of warehouses

(ii) On 5 April 2016, TSCL and ALCL (each individually as landlord/licensor) and certain wholly-owned subsidiaries of the Company (each individually as tenant/licensee), entered into the Warehouse Leasing and Licence Agreements 2016 with respect to the following warehouse spaces in Hong Kong:

- (a) three warehouse spaces at an industrial building in Yau Tong, Kowloon, Hong Kong ("Warehouse Spaces A, B and C"); and
- (b) three warehouse spaces at an industrial building in Kowloon Bay, Kowloon, Hong Kong ("Warehouse Spaces D, E and F").

The above-mentioned warehouse spaces are for a term of three years from 1 April 2016 up to and including 31 March 2019.

For Warehouse Spaces A and C, the total monthly rental amounted to HK\$107,340 (exclusive of rates, government rent and management charges). For Warehouse Space B, the monthly rental is HK\$9,500 (inclusive of rates, government rent and management charges).

For Warehouse Spaces D, E and F, the total monthly rental/licence fee amounted to HK\$107,901 (exclusive of rates, government rent and management charges).

All rental and licence fees are payable monthly in advance in cash by the tenants on the first day of each and every calendar month.

The monthly licence fees were determined on an arm's length basis taking into account the prevailing market rental rates in the vicinity, which indicate that the renewal rentals/licence fees are favourable to the Group as compared with the prevailing market rental/licence fee values of the subject warehouses. Accordingly, the Directors considered the Warehouse Leasing and Licence Agreements 2016 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

持續關連交易(續)

附註：(續)

租賃貨倉

(ii) 於2016年4月5日，TSCL及ALCL(各自個別作為業主/許可人)及本公司若干全資附屬公司(各自個別作為租戶/獲許可人)訂立2016年倉庫租賃及許可使用協議，內容有關以下倉庫：

- (a) 位於香港九龍油塘一幢工業大廈之三個倉庫(「倉庫A、倉庫B及倉庫C」)；及
- (b) 位於香港九龍九龍灣一幢工業大廈之三個倉庫(「倉庫D、倉庫E及倉庫F」)。

上述倉庫的租期自2016年4月1日起計至2019年3月31日(包括該日)。

倉庫A及倉庫C的每月租金總額為HK\$107,340(不包括差餉、政府地租及管理費)；而倉庫B的每月租金為HK\$9,500(包括差餉、政府地租及管理費)。

倉庫D、倉庫E及倉庫F的每月租金/許可費總額為HK\$107,901(不包括差餉、政府地租及管理費)。

所有租金及許可費由租戶於每個曆月首日以現金預付。

每月許可費乃按公平原則釐定，並計及附近位置之現行市場租金，由此顯示的續期租金/許可費經與有關倉庫現行市場租金/許可費相比對本集團有利。因此，董事認為，2016年倉庫租賃及許可協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。



CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

Licensing of carparking spaces

- (iii) On 5 April 2016, certain wholly-owned subsidiaries of the Company (each individually as licensee) entered into the Carparking Space Licenses with MPIL and ALCL (each individually as licensor) with respect to the following carparking spaces:
- (a) four carparking spaces at Stelux House with total monthly license fee of HK\$13,400 (inclusive of rates, government rent and management charges); and
  - (b) two vehicle parking spaces at an industrial building in Kowloon Bay, Kowloon, Hong Kong with total monthly license fee of HK\$8,600 (inclusive of management charges but exclusive of rates and government rent).

All the above-mentioned carparking spaces are for a term of three years from 1 April 2016 up to and including 31 March 2019. The license fees are payable monthly in advance in cash by the licensees on the first day of each and every calendar month.

The monthly license fees were determined on an arm's length basis taking into account the prevailing market rates for parking spaces in the vicinity. Accordingly, the Directors considered the terms of the Carparking Space Licenses reflect normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- (iv) The Group has been using the subject office premises and warehouses primarily for office, administrative and storage purposes over a long period of time. In order to avoid possible disruption to its business due to relocation, the Group intends to continue to lease/licence the subject office premises, carparking spaces and warehouses following the expiration of the relevant leases/licences. The Directors consider it to be in the interests of the Company and the Shareholders as a whole for the Group to continue to use the subject premises as long as the relevant rental/licence fee and other terms are favourable to the Group so as to avoid relocation and refurbishment costs which otherwise the Group will have to incur.

The continuing connected transactions as set out in (i) to (iii) above, in relation to the leasing of properties and licensing of carparking spaces from connected parties, have been aggregated for the purpose of classification in accordance with Rule 14A.81 of the Listing Rules, and the aggregate annual cap for the financial year ended 31 March 2017 was approximately HK\$10,057,000.

持續關連交易(續)

附註：(續)

停車位許可

- (iii) 於2016年4月5日，本公司若干全資附屬公司(各自個別作為獲許可人)與明華及ALCL訂立停車位許可使用協議，內容有關以下停車位：
- (a) 寶光商業中心四個停車位合共每月租金HK\$13,400(包括差餉，政府地租及管理費)；及
  - (b) 九龍灣一幢工業大廈之兩個車輛停放位置合共每月租金HK\$8,600(包括管理費，但不包括差餉及政府地租)。

上述所有停車位許可使用期為自2016年4月1日起計至2019年3月31日(包括該日)。許可使用費由獲許可人於每個曆月首日以現金預付。

每月許可使用費乃按公平原則釐定，並計及附近車輛停放位置之現行市場租金。因此，董事認為，停車位許可使用協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

- (iv) 本集團於過去一直長期使用有關辦公室物業及倉庫，主要用作辦公室、行政及儲物用途。為避免搬遷可能對業務導致的影響，本集團擬於有關租約/許可屆滿後繼續租賃/獲許可使用有關辦公室物業、停車位及倉庫。董事認為，只要有關之租金/許可費及其他條款對本集團有利及使本集團可避免產生搬遷及裝修費用，本集團繼續使用有關物業實符合本公司及股東之整體利益。

根據上市規則14A.81條，以上(i)至(iii)所載與向關連方租賃物業及許可使用停車位有關的交易為須合併計算之關連交易，而截至2017年3月31日止財政年度的年度上限總額約為HK\$10,057,000。

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

Provision of management and property agency liaison services

- (v) On 5 April 2016, Stelux Properties Agency Limited (“SPAL”), a wholly-owned subsidiary of the Company, as agent, renewed the management and property agency liaison services agreement (“Service Agreement 2016”) with MPIL, as principal, for a term of three years from 1 April 2016 up to and including 31 March 2019 for the provision of the following services (“Services”):
- (a) contract administration with respect to contracts entered into between MPIL and third parties from time to time;
  - (b) property agency liaison and tenancy management;
  - (c) management of the property manager of Stelux House; and
  - (d) other miscellaneous administrative services.

SPAL has been providing the Services with respect to Stelux House since 1998 and has accumulated relevant knowledge and experience. MPIL is satisfied so far with the Services provided by the Group, whilst the remuneration received by the Group is enough to cover the relevant costs incurred by the Group in providing the Services. As such, SPAL continued to provide the Services to MPIL following the expiration of the preceding service agreement on 31 March 2016.

Monthly remuneration was set at HK\$195,000 per calendar month (in the first year ended 31 March 2017) payable in advance in cash on the first day of each and every calendar month. Parties to the Service Agreement 2016 shall negotiate and agree in good faith to increase the remuneration on an annual basis for the second year and the third year by not more than 10% over that in the preceding year with reference to the actual increase in costs (including but not limited to the related staff salaries) incurred by the Group with respect to the provision of the Services. In the event that no agreement is reached between the parties in negotiating the remuneration for the next year, the remuneration shall remain unchanged.

The monthly remuneration received by the Group for the year ended 31 March 2017 was the same as that under the preceding service agreement for the three years ended 31 March 2016. The remuneration was arrived at after arm’s length negotiations between the parties and with reference to the estimate of the costs to be incurred by the Company with respect to the provision of the Services in the financial year ended 31 March 2016. Accordingly, the Directors considered the terms of the Service Agreement 2016 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

持續關連交易(續)

附註：(續)

提供管理及物業代理聯絡服務

- (v) 於2016年4月5日，本公司全資附屬公司寶光地產代理有限公司(「寶光地產」)(作為代理)，與明華(作為委託人)重續管理及物業代理聯絡服務協議(「2016年服務協議」)，由2016年4月1日起至2019年3月31日(包括該日)止為期三年，提供下列服務(「服務」)：
- (a) 管理明華與第三方不時訂立的合約；
  - (b) 物業代理聯絡及租賃管理；
  - (c) 管理寶光商業中心的物業管理公司；及
  - (d) 其他行政服務。

寶光地產自1998年起向寶光商業中心提供服務，並累積相關知識及經驗。明華迄今滿意本集團提供的服務，同時本集團根據服務協議收取的酬金足以抵銷本集團提供服務所產生的有關成本。因此，寶光地產於2016年3月31日先前服務協議屆滿後繼續向明華提供服務。

每月酬金為每個曆月港幣195,000元(於截至2017年3月31日止第一年度)，須於每個曆月第一日以現金預付。2016年服務協議之訂約方須參考本集團因提供該等服務而產生之實際增加成本(包括但不限於相關員工薪酬)，並按年度基準真誠磋商及協定於第二年度及第三年度之酬金升幅，惟升幅不得超過上一年度酬金之10%。倘訂約方在磋商下一年度酬金時未能達成協議，則該酬勞將維持不變。

本集團截至2017年3月31日止年度所收取的每月酬金與截至2016年3月31日止三個年度先前服務協議項下所收取的酬金相同。酬金按訂約各方公平磋商後達成，並參考本公司於截至2016年3月31日止財政年度提供服務所產生的估計成本。因此，董事認為，2016年服務協議之條款為一般商業條款，屬公平合理，並符合本公司及股東之整體利益。

## CONTINUING CONNECTED TRANSACTIONS (continued)

### Notes: (continued)

(v) (continued)

With reference to the monthly remuneration under the Service Agreement 2016, the Annual Cap Amount for this continuing connected transaction was set at HK\$2,340,000 for the financial year ended 31 March 2017.

### Relationships between counterparties

(vi) With respect to transactions (i), (ii), (iii) and (v) above, each of MPIL, TSCL and ALCL is a subsidiary of Yee Hing Company Limited ("Yee Hing"). Yee Hing, directly and indirectly through its subsidiary, held 0.08% of the Company's issued shares as at 31 March 2017. The Trust, of which Mr. Joseph C.C. Wong and Mr. Sakorn Kanjanapas, being directors of the Company, are beneficiaries, holds 55% of the total issued shares of Yee Hing. Therefore, each of MPIL, TSCL and ALCL is an associate of the aforesaid directors and hence is a connected person of the Company. Therefore, transactions (i), (ii), (iii) and (v) above constitute continuing connected transactions for the Company.

The above continuing connected transactions also constitute related party transactions and are disclosed in note 29 to the financial statements on page 124. For operating lease rental in respect of the office premises, the amounts shown in note 29(ii) to the financial statements on page 126 were calculated at effective rents in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

## 持續關連交易(續)

### 附註：(續)

(v) (續)

參照根據2016年服務協議下之每月酬金，該持續關連交易截至2017年3月31日止財政年度之年度上限金額設定為HK\$2,340,000。

### 與交易對方之關係

(vi) 就上述(i)、(ii)、(iii)及(v)項之交易而言，明華、TSCL及ALCL均為義興有限公司(「義興」)之附屬公司。義興直接及間接通過其附屬公司持有本公司於2017年3月31日之已發行股份0.08%。本公司董事黃創增先生及黃創江先生實益擁有的信託持有義興全部已發行普通股之55%。因此，明華、TSCL及ALCL均為上述董事之聯繫人士，故為本公司之關連人士。因此，上述(i)、(ii)、(iii)及(v)項之交易構成本公司持續關連交易。

上述持續關連交易亦構成有關連人士交易，並於財務報表第124頁附註29內披露。就辦公室物業的營業租金而言，財務報表第126頁附註29(ii)所列之金額乃根據香港會計師公會頒佈的香港財務報告準則按實際租金計算。

## REPORT OF THE DIRECTORS

### 董事會報告書

#### PERMITTED INDEMNITY PROVISIONS

As permitted by the Bye-laws of the Company, a director of the Company may be indemnified out of the Company's assets against any liability incurred by the director, to the extent permitted by Bermuda law. Such permitted indemnity provision has been in force throughout the financial year and is currently in force at the time of approval of this report.

The Company has also taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover for certain legal actions brought against its directors and officers.

As permitted by the articles of association of the Company's subsidiaries in Hong Kong ("Hong Kong Subsidiaries"), a director or a former director of the Hong Kong Subsidiaries may be indemnified out of the Hong Kong Subsidiaries' assets against any liability incurred by the director to a person other than the Hong Kong Subsidiaries or an associated company of the Hong Kong Subsidiaries, to the extent permitted by law. Such permitted indemnity provision is currently in force at the time of approval of this report.

#### AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

Last but not least, I express my most sincere thanks and gratitude to colleagues and staff members for their commitment, hard work and loyalty to the Group during the year.

On behalf of the Board

**Joseph C. C. Wong**

*Chairman and Chief Executive Officer*

Hong Kong, 22 June 2017

#### 獲准許的彌償條文

本公司之組織章程細則允許本公司董事可在百慕達法律允許的範圍內，獲得從本公司於其資產中補償所有責任。此等獲准許的彌償條文於財政年度內及至批准本報告時仍為有效。

本公司於年內已購買及維持董事及高級職員責任保險，為其董事及高級職員面對若干法律行動時提供適當的保障。

本公司於香港附屬公司（「香港附屬公司」）之組織章程細則允許香港附屬公司董事或前董事可在法律允許的範圍內，獲得從香港附屬公司於其資產中補償所有除香港附屬公司或香港附屬公司相聯公司以外因該董事為香港附屬公司董事的任何責任。此等獲准許的彌償條文至批准本報告時仍為有效。

#### 核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟合資格並願膺選連任。

最後，本人衷心感謝各位員工持續對集團的辛勤貢獻及忠誠服務。

代表董事會

**黃創增**

*主席及行政總裁*

香港，2017年6月22日



羅兵咸永道

**TO THE SHAREHOLDERS OF STELUX HOLDINGS INTERNATIONAL LIMITED**

(incorporated in Bermuda with limited liability)

致寶光實業(國際)有限公司股東

(於百慕達註冊成立的有限公司)

**OPINION**

意見

**What we have audited**

我們已審計的內容

The consolidated financial statements of Stelux Holdings International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 40 to 140, which comprise:

寶光實業(國際)有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第40至140頁的綜合財務報表,包括:

- the consolidated balance sheet as at 31 March 2017;
  - the consolidated income statement for the year then ended;
  - the consolidated statement of comprehensive income for the year then ended;
  - the consolidated statement of changes in equity for the year then ended;
  - the consolidated cash flow statement for the year then ended; and
  - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一七年三月三十一日的綜合資產負債表;
  - 截至該日止年度的綜合收益表;
  - 截至該日止年度的綜合全面收益表;
  - 截至該日止年度的綜合權益變動表;
  - 截至該日止年度的綜合現金流量表;及
  - 綜合財務報表附註,包括主要會計政策概要。

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## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

#### Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter identified in our audit is related to the provision for stocks.

#### 我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一七年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

#### 意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

#### 獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

#### 關鍵審計事項

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p><i>Provision for stocks</i></p> <p>Refer to Note 17 to the consolidated financial statements.</p> <p>As at 31 March 2017, the Group held stocks of HK\$1,151,498,000 and has a stock provision of HK\$224,994,000. Stocks are carried at the lower of cost and net realizable value in the consolidated financial statements.</p> <p>When assessing the carrying value of stocks at each period end, the Group applies a provisioning methodology for slow moving stocks based on stock ageing and makes specific provision for obsolete stocks.</p> <p>We focused on this area because the estimation of provision percentages applied to different aged stock categories and the estimation of specific provision for obsolete stocks involved a significant level of judgement based on historical experience of selling products of similar nature through various sales channels as well as expectation of future sales under current market conditions. These estimations are also subject to uncertainty as a result of change of market trends, customer preferences and competitor actions.</p>	<p>Our procedures in relation to management's estimation and judgement applied in calculating the amount of the stock provisions included:</p> <ul style="list-style-type: none"><li>– Understanding the key stock controls operating across the Group, including the procedures on the periodic review of stock provisions.</li><li>– Testing, on a sample basis, the accuracy of the stock ageing report.</li><li>– Evaluating the assumptions and estimates applied by management to determine the provisioning percentages applicable to individual ageing categories of stock by testing the accuracy of historical information involved, comparing with current year and historical sales trends of similar products and performing sensitivity analysis on changes of major assumptions on changes of future sales, such as sales margin.</li><li>– Performing analysis on stock balance and movement data by comparing, on a sample basis, the carrying amount of stock items against its selling price during the year and subsequent to the year end to identify slow-moving stock and stock with net realisable value lower than its cost.</li><li>– Evaluating the future sales plans with reference to historical sales performance of similar products through different sales channels and the Group's business strategies identified through meetings, with the relevant management personnel.</li></ul> <p>Based upon the above procedures, we found management's estimation and judgement applied in respect of the provision for stocks to be supportable by available evidence.</p>	<p><i>存貨撥備</i></p> <p>請參閱綜合財務報表附註17。</p> <p>於二零一七年三月三十一日，貴集團已持有存貨1,151,498,000港元及已為存貨作撥備224,994,000港元。存貨按成本值或可變現淨值兩者之較低者列賬。</p> <p>於評估各期末的存貨帳面值時，貴集團按存貨帳齡對滯銷存貨作出撥備，並對陳舊存貨作出特定撥備。</p> <p>我們關注該範疇，是因為根據過往透過不同銷售渠道出售類似性質產品的經驗及在當前市況下對未來銷售的預期而應用於不同帳齡存貨種類的撥備百分比估計及陳舊存貨的特定撥備估計涉及重大的判斷。市場趨勢、客戶品味及競爭者所採取的行動變動亦會導致該等估計有不確定因素。</p>	<p>對於管理層在計算存貨撥備金額中所運用的估計及判斷，我們的程序包括：</p> <ul style="list-style-type: none"><li>– 了解貴集團應用之關鍵存貨控制，包括存貨撥備之定期審閱程序。</li><li>– 以抽樣方式測試存貨貨齡報告之準確性。</li><li>– 亦通過測試所用之歷史數據的準確性、比較本年度及過往類似產品的銷售趨勢及對未來銷售(例如銷售毛利)的主要假設變動進行敏感度分析，以評估管理層釐定存貨的個別帳齡分類之撥備比率所應用的假設及估計。</li><li>– 對存貨結餘和變動數據進行分析，並以抽樣方式比較存貨項目的賬面價值與其內在年內及年末之後的銷售價格，以識別滯銷存貨及可變現淨值低於其成本之存貨。</li><li>– 參考相似產品在不同銷售渠道的過往銷售業績、外部市場數據，以及通過與有關管理層人員會面所得悉的貴集團業務策略，評估未來的銷售計劃。</li></ul> <p>基於以上所述，我們認為現有證據足以支持管理層就存貨撥備所運用的估計和判斷。</p>

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit committee is responsible for overseeing the Group's financial reporting process.

#### 其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

#### 董事及審計委員會就綜合財務報表須承擔的責任

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

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

審計委員會須負責監督 貴集團的財務報告過程。



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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

#### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，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責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Chiu Kong, Edmond.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 22 June 2017

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

出具本獨立核數師報告的審計項目合夥人是陳朝光先生。

**羅兵咸永道會計師事務所**  
執業會計師

香港，2017年6月22日

## CONSOLIDATED INCOME STATEMENT

### 綜合收益表

For the year ended 31 March 2017 截至2017年3月31日止年度

		Note	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
		附註		
Revenue	收入	5	<b>2,850,410</b>	3,401,716
Cost of sales	銷售成本	8	<b>(1,173,680)</b>	(1,370,752)
Gross profit	毛利		<b>1,676,730</b>	2,030,964
Other gains, net	其他收益淨額	6	<b>55,485</b>	12,180
Other income	其他收入	7	<b>26,400</b>	22,370
Selling expenses	銷售支出	8	<b>(1,429,330)</b>	(1,657,260)
General and administrative expenses	一般及行政支出	8	<b>(364,456)</b>	(406,717)
Other operating expenses	其他營運支出	8	<b>(80,098)</b>	(96,472)
Operating loss	營業虧損		<b>(115,269)</b>	(94,935)
Finance costs	財務成本	10	<b>(59,755)</b>	(90,778)
Loss before income tax	除所得稅前虧損		<b>(175,024)</b>	(185,713)
Income tax expense	所得稅支出	11	<b>(2,689)</b>	(4,066)
Loss for the year	年內虧損		<b>(177,713)</b>	(189,779)
Attributable to:	以下應佔：			
Equity holders of the Company	本公司權益持有人		<b>(177,921)</b>	(190,009)
Non-controlling interests	非控股權益		<b>208</b>	230
			<b>(177,713)</b>	(189,779)
			<b>HK cents</b>	HK cents
			<b>港仙</b>	港仙
Loss per share attributable to the equity holders of the Company – Basic and diluted	本公司權益持有人應佔的 每股虧損 – 基本及攤薄	12	<b>(17.00)</b>	(18.16)

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.

第46至140頁的附註為此等財務報表的不可或缺部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2017 截至2017年3月31日止年度

		Note	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
		附註		
Loss for the year	年內虧損		(177,713)	(189,779)
Other comprehensive loss:	其他全面虧損：			
<i>Items that may be reclassified to profit or loss:</i>	<i>其後可重分類至損益的項目：</i>			
Exchange differences	滙兌差額		(54,960)	(16,245)
Revaluation of available-for-sale financial assets	可供出售的財務資產重估	16	(896)	(523)
Other comprehensive loss for the year, net of tax	年內扣稅後之其他全面虧損		(55,856)	(16,768)
Total comprehensive loss for the year	年內全面虧損總額		(233,569)	(206,547)
Attributable to:	以下應佔：			
Equity holders of the Company	本公司權益持有人		(233,634)	(206,212)
Non-controlling interests	非控股權益		65	(335)
Total comprehensive loss for the year	年內全面虧損總額		(233,569)	(206,547)

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.

第46至140頁的附註為此等財務報表的不可或缺部分。

**CONSOLIDATED BALANCE SHEET**

**綜合資產負債表**

As at 31 March 2017 於2017年3月31日

		Note	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
		附註		
<b>ASSETS</b>	<b>資產</b>			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	<b>403,213</b>	451,192
Prepayment of lease premium	預付租賃地價	14	<b>31,282</b>	29,777
Intangible assets	無形資產	15	<b>99,699</b>	104,200
Deferred tax assets	遞延稅項資產	26	<b>87,944</b>	76,162
Available-for-sale financial assets	可供出售的財務資產	16	<b>11,233</b>	12,129
Debtors, deposits and prepayments	應收賬款、按金及 預付款項	18	<b>129,590</b>	153,846
			<b>762,961</b>	827,306
Current assets	流動資產			
Stocks	存貨	17	<b>926,504</b>	1,098,607
Debtors, deposits and prepayments	應收賬款、按金及 預付款項	18	<b>424,992</b>	433,250
Bank balances and cash	銀行結餘及現金	19	<b>533,774</b>	599,225
			<b>1,885,270</b>	2,131,082
Total assets	資產總額		<b>2,648,231</b>	2,958,388
<b>EQUITY</b>	<b>股權</b>			
Capital and reserves attributable to the equity holders of the Company	本公司權益持有人應佔 股本及儲備			
Share capital	股本	20	<b>104,647</b>	104,647
Reserves	儲備	21	<b>814,432</b>	1,125,156
Shareholders' funds	股東資金		<b>919,079</b>	1,229,803
Non-controlling interests	非控股權益		<b>7,080</b>	7,015
Total equity	股權總額		<b>926,159</b>	1,236,818

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2017 於2017年3月31日

	Note	2017	2016
	附註	HK\$'000	HK\$'000
		港幣仟元	港幣仟元
<b>LIABILITIES</b>			
<b>LIABILITIES</b>			
Non-current liabilities			
Deferred tax liabilities	26	7,474	7,342
Borrowings	24	14,710	18,048
Convertible bonds	25	–	336,475
		<b>22,184</b>	361,865
Current liabilities			
Creditors and accruals	23	611,905	589,235
Income tax payable		5,338	4,082
Borrowings	24	1,082,645	656,439
Convertible bonds	25	–	109,949
		<b>1,699,888</b>	1,359,705
Total liabilities		<b>1,722,072</b>	1,721,570
Total equity and liabilities		<b>2,648,231</b>	2,958,388

The consolidated financial statements on pages 40 to 140 were approved by the Board of Directors on 22 June 2017 and were signed on its behalf.

董事會在2017年6月22日批准並簽署了該財務報表的第40至140頁。

**Joseph C.C. Wong**  
黃創增  
Chairman and  
Chief Executive Officer  
主席及行政總裁

**Wallace Kwan Chi Kin**  
關志堅  
Executive Director and  
Chief Financial Officer  
行政董事及  
首席財務總裁

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.  
第46至140頁的附註為此等財務報表的不可或缺部分。

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### 綜合權益變動表

For the year ended 31 March 2017 截至2017年3月31日止年度

		Attributable to the equity holders of the Company 本公司權益持有人應佔			Non- controlling interests 非控股權益		Total equity 權益總額
		Share capital 股本 (Note 20) (附註20) HK\$'000 港幣仟元	Other reserves 其他儲備 (Note 21) (附註21) HK\$'000 港幣仟元	Retained earnings 保留盈利 (Note 21) (附註21) HK\$'000 港幣仟元	Total 總計 HK\$'000 港幣仟元	Non- controlling interests 非控股權益 HK\$'000 港幣仟元	Total equity 權益總額 HK\$'000 港幣仟元
At 1 April 2015	於2015年4月1日	104,647	63,422	1,278,411	1,446,480	7,350	1,453,830
(Loss)/profit for the year	年內(虧損)/溢利	-	-	(190,009)	(190,009)	230	(189,779)
Other comprehensive loss:	其他全面虧損:						
Exchange differences	匯兌差額	-	(15,680)	-	(15,680)	(565)	(16,245)
Revaluation of available-for-sale financial assets (Note 16)	可供出售的財務資產重估 (附註16)	-	(523)	-	(523)	-	(523)
Total other comprehensive loss	其他全面虧損總額	-	(16,203)	-	(16,203)	(565)	(16,768)
Total comprehensive loss	全面虧損總額	-	(16,203)	(190,009)	(206,212)	(335)	(206,547)
Dividends paid (Note 22)	已付股息(附註22)	-	-	(10,465)	(10,465)	-	(10,465)
At 31 March 2016	於2016年3月31日	104,647	47,219	1,077,937	1,229,803	7,015	1,236,818
At 1 April 2016	於2016年4月1日	104,647	47,219	1,077,937	1,229,803	7,015	1,236,818
(Loss)/profit for the year	年內(虧損)/溢利	-	-	(177,921)	(177,921)	208	(177,713)
Other comprehensive loss:	其他全面虧損:						
Exchange differences	匯兌差額	-	(54,817)	-	(54,817)	(143)	(54,960)
Revaluation of available-for-sale financial assets (Note 16)	可供出售的財務資產重估 (附註16)	-	(896)	-	(896)	-	(896)
Total other comprehensive loss	其他全面虧損總額	-	(55,713)	-	(55,713)	(143)	(55,856)
Total comprehensive (loss)/income	全面(虧損)/收益總額	-	(55,713)	(177,921)	(233,634)	65	(233,569)
Release of convertible bonds reserve upon redemption	贖回後撥回可換股債券儲備	-	(77,090)	-	(77,090)	-	(77,090)
At 31 March 2017	於2017年3月31日	104,647	(85,584)	900,016	919,079	7,080	926,159

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.

第46至140頁的附註為此等財務報表的不可或缺部分。



## CONSOLIDATED CASH FLOW STATEMENT

### 綜合現金流量表

For the year ended 31 March 2017 截至2017年3月31日止年度

		Note	2017	2016
		附註	HK\$'000	HK\$'000
			港幣仟元	港幣仟元
Cash flows from operating activities	營運活動的現金流量			
Cash generated from operations	營運活動所得現金	27	122,875	269,931
Interest paid	已付利息		(19,282)	(12,121)
Hong Kong profits tax paid	支付香港利得稅		(6,155)	(14,501)
Hong Kong profits tax refunded	已退回香港利得稅		1,215	–
Overseas profits tax paid	支付海外利得稅		(9,370)	(18,621)
Overseas profits tax refunded	已退回海外利得稅		144	1,581
Net cash generated from operating activities	營運活動所得的現金淨額		89,427	226,269
Cash flows from investing activities	投資活動的現金流量			
Purchase of property, plant and equipment	購入物業、機器及設備		(67,460)	(109,695)
Proceeds from sale of property, plant and equipment	出售物業、機器及設備所得款項		853	1,204
Acquisition of a subsidiary	購入子公司	30	–	7,871
Acquisition of a trademark	購入商標	15	(2,630)	–
Interest received	已收利息		2,827	1,946
Dividends received	已收股息		1,938	3,506
Disposal of prepayment of lease premium	出售預付租賃地價		2,032	1,527
Addition of prepayment of lease premium	新增預付租賃地價		(8,614)	–
Net cash used in investing activities	投資活動所用的現金淨額		(71,054)	(93,641)
Cash flows from financing activities	融資活動的現金流量			
Drawdown of bank loans	提取銀行貸款		921,460	741,609
Repayment of bank loans	償還銀行貸款		(496,371)	(697,806)
Capital element of finance lease payments	償還融資租賃本金		(60)	(50)
Dividends paid to the Company's shareholders	已付本公司股東股息		–	(10,465)
Interest paid on convertible bonds	已付可換股債券利息		(6,493)	(12,986)
Redemption of convertible bonds	贖回可換股債券		(482,330)	–
Net cash (used in)/generated from financing activities	融資活動(所用)/所得的現金淨額		(63,794)	20,302
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物之(減少)/增加淨額		(45,421)	152,930
Cash and cash equivalents at beginning of the year	年初的現金及現金等價物		599,225	460,143
Effect of foreign exchange rate changes	匯率變動的影響		(20,030)	(13,848)
Cash and cash equivalents at end of the year	年終的現金及現金等價物		533,774	599,225
Analysis of balances of cash and cash equivalents:	現金及現金等價物結餘的分析:			
Bank balances and cash	銀行結餘及現金	19	533,774	599,225

The notes on pages 46 to 140 are an integral part of these consolidated financial statements.

第46至140頁的附註為此等財務報表的不可或缺部分。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 1 GENERAL INFORMATION

The principal activity of Stelux Holdings International Limited (the “Company”) is investment holding. The activities of its principal subsidiaries are shown in Note 34 to the consolidated financial statements.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton, HM12, Bermuda.

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated.

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together, the “Group”) have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and the liability component of the convertible bonds, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

#### 1 一般資料

寶光實業(國際)有限公司(「本公司」)的主要業務為投資控股，其主要附屬公司的業務載於綜合財務報表附註34。

本公司為於百慕達註冊成立之有限公司，其註冊地址為Canon’s Court, 22 Victoria Street, Hamilton, HM12, Bermuda。

本公司的股份於香港聯合交易所有限公司上市。

除另有註明者外，本綜合財務報表乃以港幣計值。

#### 2 主要會計政策概要

編製本綜合財務報表所採用的主要會計政策載列如下。除另有註明者外，否則該等政策已於呈報年間貫徹應用。

##### (a) 編製基準

寶光實業(國際)有限公司及其附屬公司(「本集團」)綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」)及香港《公司條例》第622條規定，按歷史成本常規法編製，惟可供出售財務資產及可換股債券負債部分按公平值計量。

根據香港財務報告準則規定編製財務報表需進行若干重大會計估計，而規定管理層在採用本集團會計政策時作出判斷。有關範圍涉及較高程度判斷或複雜性，或對賬目而言屬重大範疇之假設及估計，於附註4披露。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (a) Basis of preparation (Continued)

*Adoption of new standard and amendments to standards*

The following new standard and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2016 and are adopted by the Group during the year:

HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortization
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
Annual Improvements Project	Annual Improvements 2012-2014 Cycle

The adoption of the above new standard and amendments to standards has no significant impact on the results and financial position of the Group.

## 2 主要會計政策概要 (續)

### (a) 編製基準 (續)

*採納新準則及準則修訂*

以下新準則及準則修訂於2016年4月1日開始之財政年度首次生效，本集團已採納：

香港會計準則第1號(修訂本)	披露主動性
香港會計準則第16號及香港會計準則第38號(修訂本)	釐清折舊及攤銷可接納之方法
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物
香港會計準則第27號(修訂本)	獨立財務報表之權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合之入賬例外情況
香港財務報告準則第11號(修訂本)	收購合營業務權益之會計處理
香港財務報告準則第14號	監管遞延賬戶
年度改進項目	2012至2014年週期之年度改進

採納上述新準則及準則修訂對本集團的業績及財務狀況並沒有重大影響。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (a) Basis of preparation (Continued)

New standards and amendments to standards that are not yet effective and have not been early adopted by the Group

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

## 2 主要會計政策概要 (續)

### (a) 編製基準 (續)

尚未生效而本集團亦無提早採納的新準則及準則修訂

本集團並無提早採納以下已頒布但尚未生效的新準則及準則修訂：

		Effective for the Group's annual financial periods beginning on or after 於下列日期或之後開始之 財務年度生效
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 April 2018
香港財務報告準則第2號(修訂本)	股份支付的交易之分類及計量	2018年4月1日
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts	1 April 2019
香港財務報告準則第4號(修訂本)	採用香港財務報告準則第9號金融工具與香港財務 報告準則第4號保險合同	2019年4月1日
HKAS 7 (Amendment)	Statement of Cash Flows	1 April 2017
香港會計準則第7號(修訂本)	現金流量表	2017年4月1日
HKAS 12 (Amendment)	Income Taxes	1 April 2017
香港會計準則第12號(修訂本)	所得稅	2017年4月1日
HKFRS 9	Financial Instruments	1 April 2018
香港財務報告準則第9號	金融工具	2018年4月1日
HKFRS 16	Leases	1 April 2019
香港財務報告準則第16號	租賃	2019年4月1日
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between Investor and its Associate or Joint Venture	To be determined
香港財務報告準則第10號及 香港會計準則第28號(修訂本)	投資者與其聯營公司或合營 公司之間的資產出售或注資	待確定
HKFRS 15	Revenue from Contracts with Customers	1 April 2018
香港財務報告準則第15號	來自客戶合約之收入	2018年4月1日
HKFRS 15 (Amendment)	Clarifications to HKFRS 15	1 April 2019
香港財務報告準則第15號(修訂本)	澄清香港財務報告準則第15號	2019年4月1日
Annual Improvements Project	Annual Improvements 2014-2016 Cycle	1 April 2017
年度改進項目	2014年至2016年週期之年度改進	2017年4月1日

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*(a) Basis of preparation *(Continued)*

*New standards and amendments to standards that are not yet effective and have not been early adopted by the Group (Continued)*

HKFRS 16 “Leases” — The Group is a lessee of its offices, retail stores and warehouses which are currently classified as operating leases. The Group’s current accounting policy for such leases is set out in Note 2(v). As at 31 March 2017, the aggregated future lease payments of the Group under operating leases was HK\$876,662,000. HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to account for certain leases outside the statements of financial position. Instead, all long-term leases must be recognised in the form of assets (for the rights of use) and lease liabilities (for the payment obligations), both of which would carry initially at the discounted present value of the future operating lease commitments currently disclosed in Note 28(b). Short-term leases with a lease term of twelve months or less and leases of low-value assets are exempt from such reporting obligations. The new standard will therefore result in recognition of a right-to-use asset and an increase in lease liabilities in the statements of financial position. In profit or loss, rental expenses will be replaced with depreciation and interest expense. It is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right of use assets and lease liabilities.

Apart from aforementioned HKFRS 16, the directors of the Company are in the process of assessing the financial impact of the adoption of the above new standards and amendments to standards. The directors of the Company will adopt the new standards and amendments to standards when they become effective.

## 2 主要會計政策概要 (續)

## (a) 編製基準 (續)

*尚未生效而本集團亦無提早採納的新準則及準則修訂 (續)*

香港財務報告準則第16號「租賃」— 本集團為現時分類為經營租賃的辦公室、零售店舖及倉庫的承租人。本集團現時有關該等租賃的會計政策載於附註2(v)。於2017年3月31日，本集團經營租賃項下的未來租金付款總額為HK\$876,662,000。香港財務報告準則第16號提供有關租賃會計處理的新規定，此等規定將於日後不再允許承租人於財務狀況表外列賬若干租賃。取而代之，所有長期租賃均須以資產（就使用權而言）及租賃負債（就付款責任而言）的形式確認，首次均按附註28(b)現時披露的未來經營租賃承擔的已貼現現值計量。租期為十二個月或以下的短期租賃及低價值資產租賃均獲豁免遵守有關申報責任。故此，新訂準則將導致於財務狀況表內終止確認使用權資產及使租賃負債增加。於損益內，租金開支將以折舊及利息開支取代。若干租賃承擔預期將須在綜合財務狀況表內確認為資產及租賃負債的使用權。

除上述香港財務報告準則第16號外，本公司董事正在評估採用該等新準則及準則修訂本所造成的財務影響。本公司董事將於新準則及準則修訂本生效後採納有關準則。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(Continued)***(b) Subsidiaries***(i) Consolidation*

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

**(1) Business combinations**

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

**2 主要會計政策概要 (續)****(b) 附屬公司***(i) 綜合賬目*

附屬公司指本集團對其具有控制權的所有實體(包括結構性實體)。當本集團因為參與該實體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該實體的權力影響此等回報時，本集團即控制該實體。附屬公司之賬目自控制權轉讓予本集團之日起全面綜合入賬，並自該控制權終止之日停止綜合計入賬目。

**(1) 業務合併**

本集團採用收購法為業務合併入賬。收購附屬公司所轉讓代價根據本集團所轉讓的資產、對被收購方前擁有人所產生的負債及本集團所發行股本權益的公平值計算。所轉讓的代價包括因或然代價安排產生的任何資產或負債的公平值。在業務合併過程中所收購的可識別資產以及所承擔的負債及或然負債，均於收購當日按其公平值作初步計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

(b) Subsidiaries (Continued)

(i) Consolidation (Continued)

(1) Business combinations (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the income statement.

2 主要會計政策概要 (續)

(b) 附屬公司 (續)

(i) 綜合賬目 (續)

(1) 業務合併 (續)

本集團視乎個別收購基準確認其於被收購方的非控股權益。於被收購方的屬於現時擁有權權益並賦予其持有人於清盤時按比例分佔實體資產淨值的非控股權益乃初步以公平值或現時的擁有權工具應佔被收購方可識別資產淨值中已確認款額的比例計量。非控股權益的所有其他成分均按公平值計量，除非香港財務報告準則規定必須以其他計量基準計算。

收購相關成本於產生時支銷。

倘業務合併分階段達成，收購方以往持有之被收購方股權在列入收益表時乃按收購日期之公平值重新計量。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (b) Subsidiaries (Continued)

#### (i) Consolidation (Continued)

##### (1) Business combinations (Continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in the income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2(f)). If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

## 2 主要會計政策概要 (續)

### (b) 附屬公司 (續)

#### (i) 綜合賬目 (續)

##### (1) 業務合併 (續)

本集團將予轉讓之任何或然代價按收購日期之公平值確認。被視為資產或負債之或然代價日後在公平值上如有任何變動乃根據香港會計準則第39號於收益表中確認或在其他全面收益表中確認。分類為權益之或然代價不予重新計量，而在日後支付時於權益中入賬。

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公允價值高於所收購可辨認資產淨值之公平值時，其差額以商譽列賬就議價購買而言(附註2(f))，如轉讓代價、已確認非控股權益及先前持有之權益計量總額低於所收購附屬公司資產淨值之公平值，其差額將直接於收益表中確認。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

(b) Subsidiaries (Continued)

(i) Consolidation (Continued)

(1) Business combinations (Continued)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(2) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 主要會計政策概要 (續)

(b) 附屬公司 (續)

(i) 綜合賬目 (續)

(1) 業務合併 (續)

集團內交易、集團內公司間交易之結餘及未變現收益予以對銷。未變現虧損亦予以對銷。於有需要時，附屬公司匯報之金額予以調整以確保與本集團之會計政策符合一致。

(2) 改變於附屬公司之擁有權權益而控制權維持不變

與非控股性權益進行不致失去控制權之交易以權益交易形式入賬，即列作與擁有人進行之交易。任何已付代價之公平值與應佔所購入附屬公司淨資產賬面值兩者間之差額列入權益。出售予非控股性權益所產生之盈虧亦列入權益。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(Continued)***(b) Subsidiaries** *(Continued)**(i) Consolidation* *(Continued)***(3) Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

*(ii) Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

**2 主要會計政策概要** *(續)***(b) 附屬公司** *(續)**(i) 綜合賬目* *(續)***(3) 出售附屬公司**

當本集團不再擁有控制權，於實體中之任何保留權益須按失去控制權當日之公平值重新計量，而賬面值的變動均於損益確認。就其後為保留權益以聯營公司、合營公司或財務資產等形式入賬而言，公平值為初始賬面值。此外，以往就該實體於其他全面收益中確認之任何金額，乃按猶如本集團已直接出售相關資產或負債之方式入賬。此舉可能意味以往在其他全面收益中確認之金額重新分類至收益表。

*(ii) 獨立財務報表*

於附屬公司的投資按成本扣除減值列賬。成本亦包括投資的直接應佔成本。本公司將附屬公司的業績根據已收及應收股息入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面收益總額或倘該等投資於獨立財務報表內的賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表內的賬面值，則於收到該等股息時須對該等投資進行減值測試。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

## (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

## (d) Foreign currency translation

*(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars (HK\$), which is the Company's functional and presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

## 2 主要會計政策概要 (續)

## (c) 分部報告

營運分部之報告方式，與向主要營運決策者提供內部報告之方式一致。主要營運決策者負責就營運分部分配資源及評估分部之表現，而行政董事被視為作出策略決定的主要營運決策者。

## (d) 外幣換算

*(i) 功能及呈報貨幣*

本集團旗下每個實體之財務報表所包括之項目，均以該實體之主要營運地區之貨幣計算，此為功能貨幣。本綜合財務報表乃以港幣呈報，港幣為本公司之功能及呈報貨幣。

*(ii) 交易及結餘*

外幣交易均按交易當日或項目重新估值採用估值日之現行匯率換算為功能貨幣。因上述交易結算及按結算日之匯率兌換以外幣計值之貨幣資產及負債而產生之匯兌損益，均於綜合收益表確認。除合資格的現金流量對沖及合資格的淨投資對沖在其他全面收益內確認。

非貨幣財務資產(如分類為可供出售財務資產之股本)之匯兌差額則計入其他全面收益。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*(d) Foreign currency translation *(Continued)**(iii) Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

## 2 主要會計政策概要 (續)

## (d) 外幣換算 (續)

*(iii) 集團旗下公司*

集團旗下所有功能貨幣與呈報貨幣不同之實體 (全部均非高通貨經濟之貨幣) 之業績及財務狀況，按以下方式換算為呈報貨幣：

- 各資產負債表所呈列資產及負債，按結算日之收市匯率換算；
- 各收益表之收入及支出，按平均匯率換算，惟此平均值並非交易當日現行匯率具累積效果之合理約數除外。在此情況下，收入及支出於交易日期換算；及
- 所有匯兌差額於其他全面收益表中確認。

收購海外實體所產生商譽及公平值調整視作海外實體之資產及負債處理，並按收市匯率換算。產生的匯兌差額於其他全面收益表中確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)***(d) Foreign currency translation** *(Continued)**(iv) Disposal of foreign operation and partial disposal*

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to the income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are reattributed to non-controlling interests and are not recognised in income statement. For all other partial disposals (that is, reductions in the group's ownership interest in associate that do not result in the group losing significant influence), the proportionate share of the accumulated exchange difference is reclassified to the income statement.

**(e) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

## 2 主要會計政策概要 (續)

**(d) 外幣換算 (續)***(iv) 出售海外業務及部分出售*

於出售一項海外業務時(即出售本集團於海外業務所持全部權益,或涉及失去(包括一項海外業務)附屬公司之控制權之出售),就公司權益持有人應佔該項業務而在權益中累計之匯兌差額均重新分類至收益表。

在部分出售不致令本集團失去對海外業務附屬公司控制權之情況,按比例分佔之累計匯兌差額重新歸屬非控股性權益而不在收益表中確認。其他部分出售(即集團減少聯營公司的權益不會導致集團失去對此的重大影響力)。比例分佔之累計之匯兌差額均重新分類至收益表。

**(e) 物業、機器及設備**

物業、機器及設備按歷史成本減累積折舊及累積減值虧損入賬。歷史成本包括直接歸屬於該收購項目的支出。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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. The carrying amount of the replaced parts is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land classified as finance lease	Shorter of remaining lease term or useful life
Buildings	Lesser of the unexpired lease term or 20 to 50 years
Equipment and leasehold improvements	3 to 10 years or over the lease term
Furniture and fixtures	3 to 15 years
Motor vehicles	4 to 5 years

No depreciation is provided on freehold land.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## 2 主要會計政策概要 (續)

### (e) 物業、機器及設備 (續)

當與項目有關之未來經濟利益可能流入本集團，以及項目成本能可靠計算時，其後成本才會計入資產之賬面值或確認為獨立資產（視適用情況而定）。所有其他維修及保養費用於產生財政期間於收益表扣除。

租賃土地分類為融資租賃，並當土地權益可用作其擬定用途時開始攤銷。分類為融資租賃之租賃土地之攤銷及其他資產之折舊以直線法於其估計可用年期內分配其成本至剩餘價值。所採年年率如下：

租賃土地 (分類為融資租賃)	未屆滿租期或使用年限 (以較短者為準)
樓宇	未屆滿租期或20至50年 (以較短者為準)
設備及租賃權益改良	3至10年或租賃期
傢俬及裝修	3至15年
汽車	4至5年

永久業權之土地無須折舊。

資產之剩餘價值及可用年期會於各結算日審閱及調整 (如適用)。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*(e) Property, plant and equipment *(Continued)*

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(g)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

## (f) Intangible assets

## (i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of CGU containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

## 2 主要會計政策概要 (續)

## (e) 物業、機器及設備 (續)

倘資產之賬面值超過其估計可收回金額，則其賬面值將即時撇減至可收回金額 (附註2(g))。

出售之損益按比較所得款項與賬面值釐定，並計入收益表。

## (f) 無形資產

## (i) 商譽

商譽於收購附屬公司時產生，指已轉移代價超出本集團於被收購方可識別資產淨值及被收購方非控股權益之公平值之權益。

為進行減值測試，於業務合併中收購之商譽乃分配至預期自合併協同效應受惠之各賺取現金單位 (或現金單位組別)。各獲分配商譽之單位或單位組別指就內部管理而言實體監察商譽之最低層面。商譽於經營分部層面監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。商譽賬面值與可收回金額作比較，可收回金額為使用值與公平值減出售成本之較高者。任何減值即時確認為開支，且其後不會撥回。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(Continued)***(f) Intangible assets** *(Continued)**(ii) Trademarks*

Separately acquired trademark are shown at historical cost. Trademarks have an indefinite useful life and the carrying amount brought forward are not amortised but tested annually for impairment.

*(iii) Technical know-how*

Technical know-how acquired in a business combination is recognised at fair value at the acquisition date. The technical know-how has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the technical know-how of thirty years.

**(g) Impairment of non-financial assets**

Assets that have an indefinite useful life, for example, goodwill and trademark or assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**2 主要會計政策概要 (續)****(f) 無形資產 (續)***(ii) 商標*

單獨購入的商標按歷史成本列賬。商標具有無限使用年期，而結轉自上一個年度之賬面值毋須攤銷，但須每年就減值進行測試。

*(iii) 專業技術*

在業務合併中取得的專業技術於收購日期按公平值確認。專業技術具有使用期限，並按成本減累計攤銷列賬。攤銷乃使用直線法按預期專業技術的三十年使用期計算。

**(g) 非財務資產減值**

具有無限使用年期的資產(如商譽、商標或尚未可供使用之無形資產)毋須攤銷，但每年均作出減值評估。當有事件出現或狀況變動顯示賬面值可能無法收回時會對需經攤銷的資產是否需要減值進行檢討。減值虧損為資產賬面值超越其可收回價值之數額。可收回金額為資產公平值減出售成本後之價值，與其使用價值之間的較高者。為了評估資產減值，本集團按可個別確認其現金流量(現金產生單位)的最低水平劃分資產類別。出現減值之非財務資產(商譽除外)將於每個申報日期進行檢討以確定其減值是否須撥回。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)***(h) Financial assets****Classification**

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

*(i) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise deposits, trade and other receivables and bank balances in the balance sheet.

*(ii) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

## 2 主要會計政策概要 (續)

**(h) 金融資產****分類**

本集團按以下類別分類其金融資產：貸款及應收款項以及可供出售。分類視乎已收購的金融資產而定。管理層按其初步確認將其金融資產進行分類。

*(i) 貸款及應收款項*

貸款及應收款項為具有固定或可釐定付款但並無於活躍市場報價的非衍生金融資產，其包括在流動資產，已結算或預期將於報告期間結束後12個月以後方會結算的款項則除外。該等分類為非流動資產。本集團的貸款及應收款項包括資產負債表的按金、貿易及其他應收款項及銀行結餘。

*(ii) 可供出售金融資產*

可供出售金融資產為指定於此類別或並無分類為其他類別的非衍生工具，包括在非流動資產，除非投資到期或管理層有意於報告期間結束後12個月內將其出售則另作別論。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*(h) Financial assets *(Continued)***Recognition and measurement**

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as other gains/(losses), net.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

## 2 主要會計政策概要 (續)

## (h) 金融資產 (續)

**確認及計量**

以正常途徑購買及出售金融資產於交易日確認，交易日為本集團承諾購買或出售資產的日子。投資初步按公平值另加並非按公平值計入損益的所有金融資產的交易成本確認。金融資產於收取投資現金流的權利屆滿或已轉讓及本集團已大致上將所有擁有權風險及回報轉讓時剔除確認。可供出售金融資產及按公平值計入損益的金融資產其後按公平值列賬。貸款及應收款項其後使用實際利率法按攤銷成本列賬。

分類為可供出售的貨幣及非貨幣證券的公平值變動於其他全面收益中確認。

分類為可供出售的證券已出售或減值時，於權益確認的累計公平值調整包括在收益表之其他收益／(虧損)淨額。

使用實際利率法計算之可供出售證券利息於綜合收益表確認為部分其他收入。可供出售權益工具之股息於本集團有權收取獲發有關款項時於綜合收益表確認為部分其他收入。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

## (h) Financial assets (Continued)

## Impairment of financial assets

## (i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

## 2 主要會計政策概要 (續)

## (h) 金融資產 (續)

## 金融資產減值

## (i) 按攤銷成本列賬之資產

本集團於各報告期間結束時評估是否有客觀證據證明一項金融資產或一組金融資產減值。一項金融資產或一組金融資產已減值及減值虧損僅於初步確認資產後產生一項或多項事件(「虧損事件」)而虧損事件(或該等事件)對一項金融資產或一組金融資產的估計日後現金流造成影響能可靠地估計，導致出現減值的客觀證據方會產生減值虧損。

減值證據可能包括債務人或一組債務人正經歷重大財務困難、違約或逾期償付利息或本金、彼等將會破產或進行其他財務重組的可能性的跡象，而當可觀察數據指估計日後現金流出現可計量減少，例如與違約相關的其後變動或經濟狀況。

就貸款及應收款項類別而言，虧損金額按資產賬值與估計日後現金流(不包括尚未產生的日後信貸虧損)現值之差額按金融資產原先的實際利率折讓計算得出。資產的賬面值減少及虧損金額於綜合收益表確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)***(h) Financial assets** *(Continued)***Impairment of financial assets** *(Continued)**(i) Assets carried at amortised cost* *(Continued)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

**(i) Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes the cost of direct labour, materials and appropriate proportion of production overhead expenditure, and is calculated on the weighted average basis. Net realisable value is the anticipated sales proceeds less selling expenses in the ordinary course of business.

**(j) Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade debtors is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## 2 主要會計政策概要 (續)

**(h) 金融資產 (續)****金融資產減值 (續)***(i) 按攤銷成本列賬的資產 (續)*

倘於其後期間減值虧損金額減少，而減幅客觀上與已確認減值後發生的事件（例如債務人信貸評級改善）相關，先前確認之減值虧損撥回於綜合收益表中確認。

**(i) 存貨**

存貨按成本值及可變現淨值兩者較低者入賬。成本值乃包括直接工資、原料成本及適當攤分的生產開支，並按加權平均基準計算。可變現淨值乃按預期銷售收益減估計銷售費用釐定。

**(j) 應收賬款**

應收賬款是於正常業務過程中自銷售商品或提供服務予客戶所應收的款項。倘應收賬款預計將在一年或以內收回（若更長則在業務正常經營週期內），則為流動資產。否則，在非流動資產中列報。

應收賬款初步按公平值確認，其後使用實際利率法計量攤銷成本並扣除減值撥備。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*(j) Trade debtors *(Continued)*

A provision for impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the trade debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for debtors. Subsequent recoveries of amounts previously written off are credited in the income statement.

## (k) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

## (l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## (m) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

## 2 主要會計政策概要 (續)

## (j) 應收賬款 (續)

當有客觀證據顯示本集團未能根據應收款之原訂條款收回所有到期款項，則會作出應收賬款之減值撥備。債務人出現重大財務困難，可能破產或進行財務重組，及拖欠或無法如期償還，均將視為應收賬款減值之跡象。撥備金額為資產賬面值與預期日後現金流量之現值間之差額，按原有的實際息率貼現。資產之賬面值會使用撥備賬扣減，而虧損金額則於收益表確認。當應收賬款不可收回時，其將於應收賬款撥備賬內撇銷。先前撇銷而於其後收回之金額會計入收益表中。

## (k) 現金及現金等價物

現金及現金等價物包括庫存現金、銀行通知存款。

## (l) 股本

普通股分類為權益。發行新股份或購股權直接應佔成本之增幅為自所得款項扣除稅項之扣減後於權益中列示。

## (m) 應付賬款

應付賬款為就於正常業務過程中自供應商收購貨品或服務的付款責任。倘應付賬款預計將在一年或以內支付（若更長則在業務正常經營週期內），則為流動負債。否則，在非流動負債中列報。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (m) Creditors (Continued)

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### (n) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facilities to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

## 2 主要會計政策概要 (續)

### (m) 應付賬款 (續)

應付賬款最初以公平值確認，其後則以實際利率法按攤銷成本計量。

### (n) 貸款及貸款費用

貸款初步以公平值確認(減去所產生之交易成本)。貸款其後以攤銷成本列賬。所得款項(扣除交易成本)與贖回價值間之差額，乃實際利率法於借款年度在綜合收益表確認。

在貸款很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

貸款歸類為流動負債，除非本集團有權無條件將債項延長至結算日後最少12個月後清償則作別論。

直接歸因於收購、建設或生產合資格資產(有關資產須較長時間準備以作其擬定用途或出售)的一般及特定貸款成本計入該等資產的成本，直至有關資產大致上準備作其擬定用途或出售之時為止。

所有其他借貸成本於其發生期間的收益表內確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

## (o) Compound financial instruments

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus directly attributable transaction costs.

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is carried at fair value. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

## 2 主要會計政策概要 (續)

## (o) 複式金融工具

本集團之財務負債於初步確認時釐定其分類。所有財務負債於初步確認時均以公平值計量，另加直接應佔交易成本。

本集團發行的複式金融工具，包含持有人可選擇轉換為股本的可換股債券，而發行的股份數目不會因公平值變動而改變。

複式金融工具的負債部分乃初步按不含權益轉換權的類似負債的公平值確認。權益部分乃初步按複式金融工具整體公平值及負債部分公平值(包括在其他儲備中的股東權益內)的差額確認。任何直接應佔交易成本，乃按其初步賬面值比例分配至負債及權益部分。

於初步確認後，複式金融工具的負債部分乃以公平值計量。複式金融工具的權益部分於初步確認後不重新計量(轉換或到期時除外)。

可換股工具的負債部分乃分類為流動負債，除非本集團擁有於報告期間後延遲償還負債最少12個月的無條件權利。

倘某項財務負債下之負債責任獲解除或註銷或屆滿時，則會終止確認該財務負債。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(Continued)***(p) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**(q) Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

*(i) Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**2 主要會計政策概要 (續)****(p) 抵銷財務工具**

財務資產及負債於有法定強制權以抵銷已確認金額及於擬按淨值基準結算或同時將資產變現及償付負債時予以抵銷，而有關淨額於資產負債表內呈報。法定強制權並不得取決於未來事項，且須可於日常業務過程中在公司或交易對手違約、陷入財政困難或破產的情況下強制執行。

**(q) 本期及遞延所得稅**

期內所得稅費用包括本期所得稅及遞延所得稅。除與於其他全面收益表內確認或直接於權益確認的項目相關（在該情況下亦分別於其他全面收益表內確認或直接於權益確認）外，所得稅於收益表確認。

*(i) 本期所得稅*

本期所得稅支出根據本公司及其附屬公司營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*(q) Current and deferred income tax *(Continued)*

## (ii) Deferred income tax

## Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

## 2 主要會計政策概要 (續)

## (q) 本期及遞延所得稅 (續)

## (ii) 遞延所得稅

## 內部基礎差異

對於資產及負債的稅基與在綜合財務報表的賬面值之間的暫時性差額，使用負債法確認遞延所得稅。然而，若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記帳。遞延所得稅乃以於結算日已頒佈或實質頒佈的稅率（及稅法）釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時應用。

倘若很可能出現未來應課稅溢利，使暫時性差額得以使用，則確認遞延所得稅資產。

## 外部基礎差異

遞延所得稅負債按於附屬公司之投資產生之應課稅暫時性差額計提撥備，惟本集團可控制撥回暫時性差額的時間，而暫時性差額不甚可能在可見將來撥回之遞延所得稅負債除外。

就附屬公司的投資產生的可扣減暫時性差額確認遞延所得稅資產，但只限於暫時性差額很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差額。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(Continued)***(q) Current and deferred income tax** *(Continued)**(ii) Deferred income tax (Continued)*

## Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**(r) Employee benefits***(i) Pension obligations*

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. The Group mainly has defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**2 主要會計政策概要 (續)****(q) 本期及遞延所得稅 (續)***(ii) 遞延所得稅 (續)*

## 抵銷

當有法定可執行權力將本期稅項資產與本期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

**(r) 僱員福利***(i) 退休計劃責任*

集團公司營辦不同的退休金計劃。該等計劃一般是通過向保險公司或由信託管理的退休金作出供款而撥付。本集團主要設有界定供款計劃。

界定供款計劃為本集團須向獨立實體支付固定供款之退休金計劃。倘基金之資產於本期間或過往期間並不足以向全體僱員支付所有與僱員服務有關之福利，則本集團概無任何法律或推定責任支付額外供款。

本集團按強制、合約或自願基準向公眾或私人管理之退休金計劃供款。本集團於支付供款後，再無其他付款責任。供款於到期時確認為僱員福利開支。預付供款確認為資產，惟以退回現金或可扣減日後付款金額為限。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

(r) Employee benefits (Continued)

(ii) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) Employee leave entitlements

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 balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 主要會計政策概要 (續)

(r) 僱員福利 (續)

(ii) 利潤分享及花紅計劃

本集團根據一項公式(已計及於作出若干調整後本公司權益持有人之應佔溢利)就花紅及利潤分享確認負債及支出。當負有合約上之責任或當以往慣例造成推定性責任時,本集團須確認撥備。

(iii) 終止福利

終止福利於僱員在正常退休日前被本集團終止聘用或僱員接受自願離職以換取這些福利時支付。本集團按以下日期(以較早者為準)確認離職福利:(a)於本集團不能取消提供該等福利時;及(b)實體確認任何屬香港會計準則第37號範疇內及涉及終止服務權益付款之有關重組成本當日。在提出要約以鼓勵自願離職的情況下,離職福利乃根據預期接受要約的僱員人數計量。在報告期末後超過十二個月到期支付的福利應貼現為現值。

(iv) 僱員應有假期

僱員在年假及長期服務休假的權利在僱員應享有時確認。本集團為截至結算日止僱員已提供服務而產生的休假及長期服務假的估計負債作出撥備。

僱員的病假及產假於僱員正式休假前不作確認,於離職時確認。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(Continued)***(s) Share-based payment transactions***Issue of convertible bonds as share-based payment transactions*

If the identifiable consideration received by the Company appears to be less than the fair value of the convertible bonds issued, the Company measures the unidentifiable services received (to be received) as the difference between the fair value of the convertible bonds issued and that of the identifiable consideration received, and the difference is recognised in the profit or loss immediately unless qualified for capitalisation.

The liability component (i.e. the bondholder's right to demand payment in cash) of the convertible bonds will be accounted for as a cash-settled share-based payment transaction while the equity component (i.e. the bondholder's right to demand settlement in the Company's shares) of the convertible bonds will be accounted for as an equity-settled share-based payment transaction. The entity first measures the fair value of the liability component, and then measure the fair value of the equity component by taking into account that the bondholder must forfeit the right to receive cash in order to receive the equity instrument. Subsequent to initial recognition, the liability component of the convertible bonds is stated at fair value, with changes recorded in the income statement under finance cost. The equity component is not re-measured subsequent to initial recognition.

**(t) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amounts has been reliably estimated. Provisions are not recognised for future operating losses. Provision for an onerous contract is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

**2 主要會計政策概要 (續)****(s) 以股份為基礎之付款交易***發行可換股債券作為以股份為基礎之付款交易*

若本公司收取可辨識的代價看似低於所發行可換股債券的公平值，本公司應以所發行可換股債券的公平值與已收取可辨識代價公平值之間的差額，計量已收取（將會收取）未能辨識的服務，而有關差額應即時在損益內確認，除非其符合資格可撥充資本。

可換股債券之負債成份（即債券持有人要求以現金付款之權利），將作為現金結算以股份為基礎之付款交易入賬，而可換股債券之權益成份（即債券持有人要求以本公司股份償付之權利），將作為以股本結算以股份為基礎之付款交易。實體首先計量負債成份之公平值，其後計量權益成份之公平值，其中已考慮債券持有人必須放棄收取現金之權利，方可收取權益工具。初始確認後，可換股債券之負債成份按公平值列賬，而變動則記入收益表列於財務成本下。權益成份於初始確認後不作重新計量。

**(t) 撥備**

當集團因已發生的事件須承擔現有的法律性或推定性的責任，而解除責任時有可能消耗資源，且責任金額能夠可靠地作出估算，則需確認撥備。未來經營虧損不會被確認為撥備。有法律義務的租賃合同撥備於履行合同義務的不可避免成本超過根據該合同預計將獲取的經濟利益時確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*(t) Provisions *(Continued)*

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## (u) Recognition of revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

## (i) Sales of goods-retail

Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

## 2 主要會計政策概要 (續)

## (t) 撥備 (續)

如有多項類似義務，則履行時要求資源流出的可能性應通過總體考慮該類義務來確定。即使就該類義務中某個項目而言，資源流出的可能性很低，仍須確認撥備。

撥備乃按預期需用作清償責任開支以稅前比率計算之現值計量，其反映當時市場對貨幣之時間值及該責任之特定風險之評估。因時間之流逝而增加之撥備確認為利息開支。

## (u) 確認收入

收入包括在本集團日常業務中就售出貨品及服務已收或應收之代價之公平值，所呈示之收入已減去折扣、退貨及增值稅，當收益的數額能夠可靠計量、未來經濟利益有可能流入有關實體，而本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收益確認。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

## (i) 貨品銷售—零售

貨品銷售在集團實體已將貨品售予顧客後確認。零售通常以現金或信用卡付款。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(Continued)***(u) Recognition of revenue** *(Continued)**(ii) Sales of goods-wholesale and trading*

Sales of goods are recognised when the Group has delivered products to the customer, the customer has accepted the product and collectability of the related receivables is reasonably assured.

*(iii) Building management fee income*

Building management fee income is recognised when the services are rendered.

*(iv) Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method.

*(v) Dividend income*

Dividend income is recognised when the right to receive payment is established.

**(v) Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

**2 主要會計政策概要 (續)****(u) 確認收入 (續)***(ii) 貨品銷售—批發及貿易*

貨品銷售在本集團已將貨品交付予顧客，顧客接收產品後，以及有關應收款的收回可合理確保時確認。

*(iii) 物業管理費收入*

物業管理費收入於有關服務提供後確認。

*(iv) 利息收入*

利息收入依據實際利息法按時間比例確認。

*(v) 股息收入*

股息收入在確定有權獲發有關款項時確認。

**(v) 租賃資產**

營業租賃是指資產擁有權的絕大部分風險及得益實質地由出租公司承擔的租賃。根據營業租賃支付的款項(扣除從出租公司收取的優惠)乃以直線法於租賃期內在綜合收益表中扣除。

本集團持有若干租賃物業、機器及設備。倘本集團持有租賃物業、機器及設備擁有權的大部分風險及回報，則分類為融資租賃。融資租賃在租賃開始時按租賃物業之公平值及最低租賃付款現值兩者之較低者入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(v) Leases (Continued)

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2 主要會計政策概要 (續)

(v) 租賃資產 (續)

每筆租金均分攤為負債及財務開支。相應租賃責任在扣除財務開支後計入貸款內。融資成本的利息部份於租約期內在收益表支銷，致使融資成本與各期間的負債餘額之比為常數定期利率。根據融資租賃取得的物業、機器及設備按資產之可用年期或租期兩者的較低者折舊。

## 3 FINANCIAL RISK MANAGEMENT

## (a) Financial risk factors

The Group's principal financial instruments comprise bank borrowings, and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable and accounts payable, which arise directly from its operations. The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by management under the policies approved by the Board and it identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units.

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarized below.

## (i) Foreign exchange risk

The Group mainly operates in Hong Kong, China and a number of countries in South East Asia. Retail sales transactions are mostly denominated in the functional currencies of respective group entities. The Group's exposure to foreign exchange risk mainly arises from commercial transactions, recognised assets and liabilities denominated in currencies other than the functional currency of the group entities to which they relate. The Group considers its foreign currency exposure as mainly arising from the exposure of the Singapore dollar, Malaysian ringgit, Thai baht and Renminbi against the Hong Kong dollar. The Group regularly monitors its exposures to foreign currency transactions.

## 3 財務風險管理

## (a) 財務風險因素

本集團之主要金融工具包括銀行貸款與及銀行存款。此等金融工具之主要用途乃為本集團之業務籌集資金。本集團有若干其他財務資產及負債來自其經營業務直接產生，例如應收賬款及應付賬款。本集團之整體風險管理政策針對金融市場之難以預測性，並尋求減低對本集團財務表現構成之潛在不利影響。風險管理乃由管理層根據董事會批核之政策進行，而管理層與本集團之營運單位緊密合作，以識別、評估及監察財務風險。

本集團經營活動面對各種財務風險：外匯風險、利率風險、信貸風險及流動資金風險。董事會審閱並同意下文所概述管理各項此等風險之政策。

## (i) 外匯風險

本集團主要於香港、中國及若干東南亞國家經營業務。而零售交易大部分乃以集團實體的功能貨幣計值。本集團主要承受來自以集團實體的功能貨幣以外貨幣計值的商業交易，已確認資產及負債的外匯風險。本集團認為其外幣風險主要來自新加坡元、馬來西亞令吉、泰銖及人民幣兌港幣的風險。本集團定期監控其外幣交易風險。



3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

The details of the currencies in which the Group's bank loans are denominated are set out in Note 24 to the consolidated financial statements. The Group's bank loans are principally denominated in the functional currency of the relevant group entity. Management does not anticipate any significant foreign exchange risk associated with the Group's borrowings.

The approximate impact to the Group's loss before tax that might be resulted from the reasonable possible changes in the foreign exchange rates against the Hong Kong dollar to which the Group has significant exposure at 31 March 2017 is summarised below. The analysis includes balances between group companies where the balances are denominated in a currency other than the functional currencies of the lending or the borrowing entities.

		2017		2016	
		Increase in foreign exchange rate	Decrease in loss before income tax	Increase in foreign exchange rate	Decrease in loss before income tax
		外匯匯率 的增加	除稅前虧 損的減少	外匯匯率 的增加	除稅前虧 損的減少
			HK\$'000 港幣仟元		HK\$'000 港幣仟元
Singapore dollar	新加坡元	5%	3,345	5%	3,876
Malaysian ringgit	馬來西亞令吉	5%	1,602	5%	4,666
Thai baht	泰銖	5%	680	5%	390
Renminbi	人民幣	5%	8,754	5%	8,064

Decrease in the above foreign exchange rates by 5% (2016: 5%) would affect the loss before income tax by the same amount but in the opposite direction.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(i) 外匯風險 (續)

本集團的銀行貸款的計值貨幣詳情載於賬目附註24。本集團的銀行貸款主要以本集團相關實體的功能貨幣計值。管理層並不預期有關本集團貸款的任何重大外匯風險。

於2017年3月31日，因本集團主要面臨的港幣外匯匯率的合理可能變動而導致的對本集團的稅前虧損概約影響概要如下。該分析包括集團公司之間的結餘，而該結餘乃以除借貸實體的功能貨幣外的貨幣計值。

上述外匯匯率減少5% (2016年：5%) 將對除稅前虧損產生相同金額但相反方向的影響。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets other than bank balances, details of which have been disclosed in Note 19. The Group's exposure to changes in interest rates is mainly attributable to its bank loans. Bank borrowings at variable rates expose the Group to cash flow interest-rate risk. Details of the Group's bank borrowings are disclosed in Note 24(a) to the consolidated financial statements. The Group's policy is to obtain the most favorable interest rates available.

The Group has not used any interest rate swaps to hedge its exposure to cash flow interest rate risk.

At 31 March 2017, if interest rates of bank borrowings at variable rates had been 50 basis points (2016: 50) higher/lower with all other variables held constant, loss for the year would have been HK\$4,429,000 (2016: HK\$3,265,000) higher/lower, mainly as a result of higher/lower interest expense.

(iii) Credit risk

The Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to perform an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets (mainly include deposits with banks and debtors) as stated in the consolidated balance sheet.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(ii) 利率風險

由於本集團並無重大計息資產除銀行結餘外，有關詳情已披露於附註19，故本集團之收入及營運現金流量大致上不受市場利率變動影響。本集團面對的利率變動風險主要來自其銀行貸款。按浮動利率授出的銀行貸款使本集團承受現金流量利率風險。有關本集團銀行借貸的詳情披露於綜合財務報表附註24(a)。本集團的政策乃為公司爭取最有利之利率。

本集團並無使用任何利率掉期對沖現金流量利率風險。

於2017年3月31日，倘貸款利率上升／降低50個(2016年：50個)基點而其他因素保持不變，除所得稅前虧損將上升／降低港幣4,429,000元(2016年：港幣3,265,000元)，主要是由於浮動利率借貸利息開支上升／降低所致。

(iii) 信貸風險

本集團因交易對手方未能履行責任引致財務虧損所承擔之最大信貸風險來自綜合資產負債表所載各已確認財務資產之賬面值，主要包括銀行存款以及應收賬款。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Credit risk (Continued)

Bank balances are deposited in banks with sound credit ratings to mitigate the risk arising from banks. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. The Group also has policies in place to assess the credit worthiness of customers to ensure that sales of products are made to wholesale customers with an appropriate credit history. Besides, management of the Group monitors its credit risk on an ongoing basis by reviewing the debtors' aging to minimise its exposure to credit risk.

Sales to retail customers are made in cash or via major credit cards.

Rental deposits are mainly placed with various landlords in countries where the Group operates and are due to refund upon the expiry of the tenancy agreements and handover of the leased premises. During the year, the Group did not experience any defaults by the landlords.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of banking facilities. Due to the dynamic nature of the underlying businesses, management aims to maintain flexibility in funding by keeping credit lines available and to maintain a balance between continuity of funding and flexibility through the use of banking facilities in order to meet its liquidity requirements both in the short term and long term.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(iii) 信貸風險 (續)

銀行結餘存放於信貸評級良好的銀行以減低銀行產生的風險。本集團並無與任何單一交易對手方或一組交易對手方有關的任何重大信貸集中風險。本集團亦已訂有政策評估客戶之信貸記錄，以確保產品乃向信貸紀錄良好之批發客戶銷售。此外，本集團管理層通過檢討應收賬款的賬齡以持續監察及減低其信貸風險。

對零售顧客之銷售以現金支付或透過主要信用卡進行。

租金按金主要給予本集團有經營業務的國家的多名業主，並於租賃協議屆滿及交還租賃物業時可予退還。年內，本集團並無遭遇重大業主違約事件。

(iv) 流動資金風險

審慎之流動資金風險管理代表維持足夠之現金及透過獲取足夠之已承諾信貸額度獲得足夠之資金。由於相關業務活躍多變，故管理層旨在維持充裕信貸融資，以保持資金之靈活彈性及透過使用銀行之信貸在資金之持續性及靈活性之間取得平衡，以配合其短期及長期資金需求。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Repayable on demand/ within 1 year 應要求償還/ 1年以下 HK\$'000 港幣仟元	Between 1 and 2 years 1至2年內 HK\$'000 港幣仟元	Between 2 and 3 years 2至3年內 HK\$'000 港幣仟元	Over 3 years 3年以上 HK\$'000 港幣仟元
At 31 March 2017	於2017年3月31日				
Bank borrowings (note b)	銀行貸款(附註b)	1,106,511	1,551	1,579	12,790
Finance lease	融資租賃	60	60	55	-
Creditors and accruals	應付賬款及應計費用	571,749	-	-	-
At 31 March 2016	於2016年3月31日				
Bank borrowings (note b)	銀行貸款(附註b)	668,886	1,666	1,700	15,888
Finance lease	融資租賃	31	62	62	88
Convertible bonds (note a)	可換股債券(附註a)	124,293	380,308	-	-
Creditors and accruals	應付賬款及應計費用	556,018	-	-	-

3 財務風險管理(續)

(a) 財務風險因素(續)

(iv) 流動資金風險(續)

下表顯示本集團及本公司之財務負債，按照相關到期組別，根據由結算日至合約到期日的剩餘時間進行分析。於表內披露的金額為未折現的現金流量。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

Notes:

- (a) The convertible bonds were fully redeemed on 15 September 2016 (Note 25).
- (b) Certain borrowings contain a repayment on demand clause which can be exercised at the bank's sole discretion. The analysis below shows the cash outflows based on the scheduled repayment. The amount includes interest payments computed using contractual rates. The directors believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

		Within 1 year 1年以下 HK\$'000 港幣仟元	Between 1 and 2 years 1至2年內 HK\$'000 港幣仟元	Between 2 and 3 years 2至3年內 HK\$'000 港幣仟元	Over 3 years 3年以上 HK\$'000 港幣仟元
At 31 March 2017	於2017年3月31日	327,788	126,855	132,842	596,836
At 31 March 2016	於2016年3月31日	323,486	43,019	42,047	309,955

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(iv) 流動資金風險 (續)

附註：

- (a) 上述可換股債券於2016年9月15日全數贖回(附註25)。
- (b) 若干貸款載有應要求償還的條文，可按銀行全權酌情行使。以下分析顯示根據計劃還款的現金流出。有關金額包括使用合約利率計算的利息付款。董事認為，有關貸款將根據貸款協議所載的計劃還款日期償還。

(b) 資本風險管理

本集團的資本管理目標是保障本集團能繼續營運以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本之能力。

為了維持或調整資本結構，本集團可能會調整支付股東的股息數額、向股東返還資本、發行新股或出售資產以減低債務。

3 FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings and convertible bonds as shown in the consolidated balance sheet) less bank balances and cash. Total capital is calculated as 'shareholders' funds' as shown in the consolidated balance sheet.

The gearing ratios at 31 March 2017 and 2016 were as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Total borrowings (Note 24)	貸款總額 (附註24)	1,097,355	674,487
Convertible bonds (Note 25)	可換股債券 (附註25)	-	446,424
Less: Bank balances and cash (Note 19)	減：銀行結餘及現金 (附註19)	(533,774)	(599,225)
Net debt	淨債務	563,581	521,686
Shareholders' funds	股東資金	919,079	1,229,803
Gearing ratio	借貸比率	61%	42%

The increase in gearing ratio is due to the decrease in shareholder's funds.

3 財務風險管理 (續)

(b) 資本風險管理 (續)

與業內其他公司作法一致，本集團以借貸比率作為監控資本的基準。借貸比率按淨債務除以資本總額計算。淨債務按貸款總額(包括綜合資產負債表所示之流動及非流動貸款以及可換股債券)減銀行結餘及現金計算。資本總額計算為綜合資產負債表所示的「股東資金」。

於2016年及2017年3月31日之借貸比率載列如下：

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Total borrowings (Note 24)	貸款總額 (附註24)	1,097,355	674,487
Convertible bonds (Note 25)	可換股債券 (附註25)	-	446,424
Less: Bank balances and cash (Note 19)	減：銀行結餘及現金 (附註19)	(533,774)	(599,225)
Net debt	淨債務	563,581	521,686
Shareholders' funds	股東資金	919,079	1,229,803
Gearing ratio	借貸比率	61%	42%

借貸比率增加乃由於股東資金減少所致。

## 3 FINANCIAL RISK MANAGEMENT (Continued)

## (c) Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's available-for-sale financial assets and liability components of convertible bonds are measured at fair value by discounting the estimated future cash flows. Their fair value measurement is classified as level 3. Changes in level 3 instruments for the year ended 31 March 2017 are set out in Note 16 and Note 25 respectively.

There was no transfer of financial instruments into or out of level 3 during the year.

The carrying amounts of the Group's financial assets including cash and cash equivalents, deposits, debtors and other receivables, and financial liabilities including creditors, other payables and current borrowings, approximate their fair values due to their short maturities.

## 3 財務風險管理 (續)

## (c) 公平值評估

本集團按公平值計量財務工具，其規定以下列公平值計量架構披露公平值計量層次：

- 相同資產或負債在活躍市場上的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，資產或負債的可直接(即價格)或間接(即從價格得出)觀察所得輸入值(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

本集團的可供出售財務資產及可換股債券負債部分乃按公平值由折現估計未來現金流量計量。公平值測量按第三級分類。截至2017年3月31日止第三級工具的變動分別載於附註16及附註25。

年內並無轉入或轉出第三級分類之金融工具。

由於到期日短，本集團之財務資產(包括現金及現金等價物、存款、應收賬款及其他應收款項)及財務負債(包括應付賬款、其他應付費用及短期貸款)之賬面值與公平值相若。

#### 4 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.

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:

##### (i) Net realisable value of stocks

Net realisable value of stocks is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycles. Management will reassess the estimations at the balance sheet date.

##### (ii) Impairment of trade debtors

The Group's management determines the provision for impairment of trade debtors. This estimate is based on the credit history of its customers and the current market condition. Management reassesses the provision at each balance sheet date.

#### 4 關鍵會計估計及判斷

估計及判斷不斷按過往經驗及其他因素評核並以此為基準，包括預期相信於有關情況屬合理的日後事項。

本集團就日後作出估計及假設，因此而作出之估計顧名思義大多有別於相關實際結果。有重大風險或會導致下一個財政年度內資產及負債賬面值作出重大調整之有關估計及假設之論述如下：

##### (i) 存貨的可變現淨值

存貨的可變現淨值乃日常業務中的估計售價減去完成時的估計成本及銷售開支。該等估計乃基於當時市況，以及生產和銷售同類產品的過往經驗，並可能因客戶喜好及競爭對手的行動有所改變而有大幅變動。管理層將於結算日重新評估該等估計。

##### (ii) 應收賬款減值

本集團管理層釐定應收賬款減值之撥備。此項估計乃基於本集團客戶的信貸記錄以及當時市況而作出。管理層於各結算日重新評估撥備。



#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

##### (iii) Impairment of property, plant and equipment

The Group assesses at least annually whether property, plant and equipment exhibit any indications of impairment. The recoverable amounts are determined based on value-in-use calculation. The value-in-use calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and applying the appropriate discount rate to those future cash flows. The estimation of future cash flows and selection of discount rate require the use of judgements and estimates. Management believes that any reasonably foreseeable change in any of the above key elements in the value-in-use calculation would not result in material additional impairment charges.

##### (iv) Impairment of intangible assets

The Group tests annually whether goodwill and trademarks have suffered any impairment. Technical know-how is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates (Note 15).

##### (v) Deferred income tax

The Group's management determines the amount of deferred tax asset to be recognised by estimating the amount of future profit available to utilise the tax losses or certain temporary differences in the relevant tax jurisdiction and entity. The estimate is based on the projected profit in respective jurisdiction and entity and the Group uses its judgement to make assumptions that are mainly based on market conditions existing on balance sheet date. It could change as a result of the uncertainties in the market conditions.

#### 4 關鍵會計估計及判斷 (續)

##### (iii) 物業、機器及設備的減值

本集團會至少每年評估物業、機器及設備是否存在任何減值跡象。可收回金額按照使用價值計算而釐定。使用價值計算包括對持續使用該資產於未來所得之現金流入及流出，以及按適當貼現率折現現金流量。對將產生之現金流量、及選擇適用市場該等計算需要應用判斷及估計。管理層認為，上述任何主要假設的任何合理可預見變動，將不會導致重大額外的減值。

##### (iv) 無形資產的減值

本集團每年測試商譽及商標是否出現減值。當事件出現或狀況變動顯示帳面值可能無法收回時會對專業技術是否需要減值進行檢討。可收回金額按照使用價值計算或按公平值減去銷售成本而釐定。此等計算需要利用判斷及估計(附註15)。

##### (v) 遞延所得稅

本集團管理層決定將遞延稅項資產數額，按估計日後可動用有關稅務司法權區及公司稅務虧損的溢利確認。該估計乃根據各司法權區及實體的預測溢利作出，而本集團則以該判斷及主要根據結算日當時市況作出假設。該估計或會因市況不明朗而更改。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

##### (vi) The right to acquire 12% equity interest in CATENA SA

On 16 April 2015, the Group entered into a shareholders' agreement with the 12% equity interest holder of CATENA SA for a right to purchase the 12% equity interest. Management has assessed the risks and rewards of the 12% equity interest by considering the purchase price of the right and the Group's intention to exercise the right. Since the exercise price is the net asset value in the book of CATENA SA which is substantially lower than the fair value of CATENA SA and it is highly likely that the Group will exercise the right, management considered that the risks and rewards of the 12% equity interest have been transferred to the Group upon the completion of the transaction. Accordingly, the financial statements of CATENA SA have been consolidated as if it is a 100% owned subsidiary since 16 April 2015.

#### 4 關鍵會計估計及判斷 (續)

##### (vi) 收購 CATENA SA 的 12% 股權的權利

於2015年4月16日，本集團與CATENA SA的12%股權持有人就收購CATENA SA的12%股權的權利訂立股東協議。管理層考慮到收購CATENA SA的12%股權的權利的購買價及本集團有意行使有關認購權以評估12%股權的風險及回報。由於該權利的行使價為CATENA SA的賬面淨值，這比CATENA SA的公平值低很多，本集團極有可能行使認購權，管理層認為，12%股權的風險及回報已於交易完成後轉嫁本集團。因此，CATENA的財務報表已合併，並當作從2015年4月16日成為集團全資子公司。

5 SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors. The executive directors review the Group's financial information mainly from product and geographical perspectives. From a geographical perspective, management mainly assesses the performance of watch and optical operations in Hong Kong, Macau and Mainland China and rest of Asia.

Revenue represents sales of goods. Sales between operating segments are carried out on terms equivalent to those prevailing in arm's length transactions. The executive directors assess the performance of the operating segments based on a measure of adjusted earnings before interest and tax (EBIT). This measurement basis excludes unallocated income and net corporate expenses.

Unallocated income represents dividend income from investment. Net corporate expenses mainly represent corporate staff costs and provision for senior management bonus. Unallocated assets represent property, plant and equipment, deposits and prepayments at corporate level, available-for-sale financial assets, deferred tax assets and bank balances and cash. Unallocated liabilities represent creditors and accruals at corporate level, borrowings, convertible bonds, deferred tax liabilities and income tax payable.

5 分部資料

本集團之首席經營決策者為行政董事。行政董事主要從產品及地區角度審閱本集團之財務資料。管理層主要從地區角度評核香港、澳門及中國大陸和亞洲其餘地區之鐘錶及眼鏡業績。

收入為貨品銷售。營運分部間之銷售按相等於現行按公平原則進行的交易之條款進行。行政董事按除利息及稅項前經調整盈利(EBIT)評核營運分部之業績，計算該盈利時不包括未分配收入及集團行政淨支出。

未分配收入為投資的股息收入。集團行政淨支出主要為集團層面的員工成本及高級管理層花紅撥備。未分配資產為集團層面的物業、機器及設備、按金及預付款項、可供出售財務資產、遞延稅項資產以及銀行結餘及現金。未分配負債為集團層面的應付賬款及應計費用、借貸、可換股債券、遞延稅項負債及應付所得稅。

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

		For the year ended 31 March 2017 截至2017年3月31日止年度					
		Watch retail 鐘錶零售		Optical retail 眼鏡零售		Wholesale Trading	Group Total
		Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸	Rest of Asia 亞洲 其餘地區	Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸	Rest of Asia 亞洲 其餘地區		
		HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元
Revenues	收入						
Gross segment	分部總額	964,464	360,831	1,001,191	197,127	557,089	3,080,702
Inter-segment	分部間	-	-	-	-	(230,292)	(230,292)
		<u>964,464</u>	<u>360,831</u>	<u>1,001,191</u>	<u>197,127</u>	<u>326,797</u>	<u>2,850,410</u>
Segment results	分部業績	(107,097)	(11,475)	28,620	(31,571)	22,288	(99,235)
Unallocated income	未分配收入						1,938
Net corporate expenses	集團行政淨支出						(17,972)
Operating loss	營業虧損						(115,269)
Finance costs	財務成本						(59,755)
Loss before income tax	除所得稅前虧損						(175,024)
Income tax expense	所得稅支出						(2,689)
Loss for the year	年度虧損						<u>(177,713)</u>

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

For the year ended 31 March 2017  
截至2017年3月31日止年度

		Watch retail 鐘錶零售		Optical retail 眼鏡零售		Wholesale Trading	Unallocated	Group Total
		Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元	Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元	Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元	Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元			
Capital expenditures	資本性開支	(14,196)	(10,665)	(32,664)	(13,807)	(3,380)	(3,992)	(78,704)
Depreciation	折舊	(21,794)	(12,446)	(33,983)	(11,247)	(2,494)	(12,679)	(94,643)
Amortisation of prepayment of lease premium	攤銷預付租賃地價	-	(2,960)	-	(2,835)	-	-	(5,795)
Amortisation of intangible assets	攤銷無形資產	-	-	-	-	(2,311)	-	(2,311)
(Provision)/write back of provision for stocks	存貨(撥備)/撥回	(10,772)	3,297	(4,715)	35	(11,214)	-	(23,369)
Impairment of property, plant and equipment	物業、機器及 設備減值	(3,643)	(1,264)	(2,820)	(1,734)	-	-	(9,461)
Impairment of intangible assets	無形資產減值	-	-	-	-	(3,736)	-	(3,736)
Provision for onerous contracts	有法律義務合約 的撥備	(17,713)	(827)	(3,271)	(2,084)	-	-	(23,895)

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

For the year ended 31 March 2016  
截至2016年3月31日止年度

		Watch retail 鐘錶零售		Optical retail 眼鏡零售		Wholesale Trading	Group Total
		Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸	Rest of Asia 亞洲 其餘地區	Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸	Rest of Asia 亞洲 其餘地區		
		HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元
Revenues	收入						
Gross segment	分部總額	1,387,825	415,946	1,025,062	228,746	613,815	3,671,394
Inter-segment	分部間	-	-	-	-	(269,678)	(269,678)
		<u>1,387,825</u>	<u>415,946</u>	<u>1,025,062</u>	<u>228,746</u>	<u>344,137</u>	<u>3,401,716</u>
Segment results	分部業績	<u>(30,770)</u>	<u>(199)</u>	<u>22,950</u>	<u>(10,590)</u>	<u>10,159</u>	<u>(8,450)</u>
Unallocated income	未分配收入						3,506
Net corporate expenses	集團行政淨支出						(89,991)
Operating loss	營業虧損						(94,935)
Finance costs	財務成本						(90,778)
Loss before income tax	除所得稅前虧損						(185,713)
Income tax expense	所得稅支出						(4,066)
Loss for the year	年度虧損						<u>(189,779)</u>

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

		For the year ended 31 March 2016 截至2016年3月31日止年度						
		Watch retail 鐘錶零售		Optical retail 眼鏡零售		Wholesale Trading	Unallocated	Group Total
		Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元	Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元	Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元	Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元	Wholesale Trading 批發 業務 HK\$'000 港幣仟元	Unallocated 未分配 港幣仟元	Group Total 集團 總計 HK\$'000 港幣仟元
Capital expenditures	資本性開支	(28,827)	(11,096)	(39,957)	(18,174)	(76,947)	(9,042)	(184,043)
Depreciation	折舊	(27,590)	(17,136)	(36,957)	(10,674)	(3,157)	(12,760)	(108,274)
Amortisation of prepayment of lease premium	攤銷預付租賃地價	-	(3,126)	-	(2,774)	-	-	(5,900)
Amortisation of intangible assets	攤銷無形資產	-	-	-	-	(2,346)	-	(2,346)
(Provision)/write back of provision for stocks	存貨(撥備)/撥回	(4,947)	6,545	(5,678)	(673)	(29,477)	-	(34,230)
Impairment of property, plant and equipment	物業、機器及設備 減值	(3,438)	(568)	(2,620)	(395)	-	-	(7,021)
Impairment of intangible assets	無形資產減值	-	-	-	-	(26,431)	-	(26,431)
Provision for onerous contracts	有法律義務合約 的撥備	(15,424)	-	(2,136)	-	-	-	(17,560)
		As at 31 March 2017 於2017年3月31日						
		Watch retail 鐘錶零售		Optical retail 眼鏡零售		Wholesale Trading	Unallocated	Group Total
		Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元	Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元	Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元	Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元	Wholesale Trading 批發 業務 HK\$'000 港幣仟元	Unallocated 未分配 港幣仟元	Group Total 集團 總計 HK\$'000 港幣仟元
Segment assets	分部資產	680,919	167,066	331,699	112,898	490,313		1,782,895
Unallocated assets	未分配資產							865,336
Total assets	總資產							<u>2,648,231</u>
Segment liabilities	分部負債	289,455	35,733	156,745	23,918	70,537		576,388
Unallocated liabilities	未分配負債							1,145,684
Total liabilities	總負債							<u>1,722,072</u>

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

		As at 31 March 2016 於2016年3月31日					
		Watch retail 鐘錶零售		Optical retail 眼鏡零售		Wholesale Trading 批發 業務	Group Total 集團 總計
		Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸	Rest of Asia 亞洲 其餘地區	Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸	Rest of Asia 亞洲 其餘地區		
Segment assets	分部資產	787,577	200,472	365,570	136,079	536,047	2,025,745
Unallocated assets	未分配資產						932,643
Total assets	總資產						<u>2,958,388</u>
Segment liabilities	分部負債	256,077	40,140	155,551	28,333	85,909	566,010
Unallocated liabilities	未分配負債						1,155,560
Total liabilities	總負債						<u>1,721,570</u>

An analysis of the Group's revenue by geographical area is as follows:

按地區分析集團收入如下：

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Hong Kong, Macau and Mainland China	香港、澳門及中國大陸	<b>2,135,881</b>	2,577,680
Rest of Asia	亞洲其餘地區	<b>711,973</b>	823,003
Europe	歐洲	<b>2,556</b>	1,033
		<u><b>2,850,410</b></u>	<u>3,401,716</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 5 SEGMENT INFORMATION (Continued)

An analysis of the Group's segments results by geographical area is as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Hong Kong, Macau and Mainland China	香港、澳門及中國大陸	(55,268)	20,761
Rest of Asia	亞洲其餘地區	(23,948)	4,450
Europe	歐洲	(20,019)	(33,661)
		<b>(99,235)</b>	<b>(8,450)</b>

An analysis of the Group's non-current assets (other than financial instruments and deferred tax assets) by geographical area is as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Hong Kong, Macau and Mainland China	香港、澳門及中國大陸	434,090	481,835
Rest of Asia	亞洲其餘地區	154,310	176,459
Europe	歐洲	75,384	80,721
		<b>663,784</b>	<b>739,015</b>

#### 5 分部資料 (續)

按地區分析集團分部業績如下：

按地區分析集團非流動資產(金融工具及遞延稅項資產除外)如下：

#### 6 OTHER GAINS, NET

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
(Loss)/gain on disposal of property, plant and equipment, net	出售物業、機器及設備的 (虧損)/收益，淨額	(3,758)	265
Exchange losses, net	滙兌虧損，淨額	(16,658)	(2,170)
Gain on redemption of convertible bonds	贖回可換股債券的收益	75,901	-
Gain on bargain purchase of a subsidiary (Note 30)	議價購買子公司收益 (附註30)	-	9,863
Gain on remeasuring to fair value of the existing interest in an associate upon acquisition of control (Note 30)	於收購現有聯營公司控制權 之重新測量公平值收益 (附註30)	-	4,222
		<b>55,485</b>	<b>12,180</b>

#### 6 其他收益淨額

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7 OTHER INCOME

7 其他收入

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Building management fee income	樓宇管理費收入	2,340	2,340
Dividend income from investments	投資股息收入	1,938	3,506
Interest income	利息收入	2,827	1,946
Sundries	雜項	19,295	14,578
		<b>26,400</b>	<b>22,370</b>

8 EXPENSES BY NATURE

8 按性質列示的費用

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Cost of stocks sold and raw materials consumed	出售存貨成本及原材料消耗	1,173,680	1,370,752
Amortisation of intangible assets	攤銷無形資產	2,311	2,346
Amortisation of prepayment of lease premium	攤銷預付租賃地價	5,795	5,900
Depreciation of property, plant and equipment	物業、機器及設備的折舊		
– Owned	– 自置	94,589	108,220
– Leased	– 租賃	54	54
Impairment of property, plant and equipment	物業、機器及設備減值	9,461	7,021
Impairment of intangible assets	無形資產減值	3,736	26,431
Provision for onerous contracts	有法律義務合約的撥備	23,895	17,560
Auditor's remuneration	核數師酬金		
– Audit services	– 核數服務	5,813	5,350
– Non-audit services	– 非核數服務	1,208	1,777
Operating leases on buildings	樓宇營業租賃	650,046	715,354
Provision for stocks	存貨準備	23,369	34,230
Impairment of debtors	應收款項減值	813	80
Write back of bad debt provision	撥回壞賬準備	(63)	(55)
Donations	捐款	963	293
Employee benefit expenses (Note 9)	僱員福利支出(附註9)	594,022	683,546
Others	其他	457,872	552,342
Total cost of sales, selling expenses, general and administrative expenses and other operating expenses	銷售成本、銷售支出、一般及行政支出及其他營運支出總額	<b>3,047,564</b>	<b>3,531,201</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 9 EMPLOYEE BENEFIT EXPENSES

		2017	2016
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
Salaries and allowances	薪金及津貼	533,670	621,199
Pension contributions less forfeiture utilised (Note a)	退休金供款(扣除已被動用的沒收供款)(附註a)	33,655	33,853
Termination benefits	終止福利	2,762	2,124
Unutilised annual leave	未被動用的年假	230	(576)
Social security costs	社會保障支出	19,504	23,143
Other allowances	其他津貼	4,201	3,803
		<b>594,022</b>	<b>683,546</b>

#### (a) Pensions-defined contribution plans

The Group operated a retirement scheme under Occupation Retirement Scheme Ordinance (“ORSO scheme”) up to 30 November 2000 for employees in Hong Kong. With effect from 1 December 2000, a mandatory provident fund (“MPF”) scheme is set up which is available to eligible employees of the Group, including executive directors. No further employees and contributions have been added to the ORSO scheme after the set up of MPF. Contributions to the MPF scheme by the Group and employees are calculated at rates specified in the rules of the MPF scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund.

For subsidiaries outside Hong Kong, contributions to the local pension schemes are made by the Group and employee, which are calculated at rates specified in the rules of the local pension schemes. The assets of the pension scheme are held separately from those of the Group in an independently administered fund.

Forfeited contributions totalling HK\$1,940,000 for the year ended 31 March 2017 (2016: HK\$4,049,000) arising from employees leaving the ORSO scheme, were utilised to offset contributions during the year.

#### 9 僱員福利支出

#### (a) 退休金－定額供款計劃

直至2000年11月30日為止，本集團根據職業退休計劃條例為香港區僱員提供退休計劃。自2000年12月1日起，本集團設立強制性公積金計劃（「強積金計劃」），本集團的合資格僱員（包括行政董事）均有權參與。本集團及僱員向強積金計劃作出的供款乃依據強積金計劃規則所規定的水平計算。強積金計劃的資產與本集團的資產分開持有，並由獨立管理基金負責管理。

就香港以外的附屬公司而言，本集團及僱員對當地退休金計劃作出的供款，乃按當地退休金計劃規則所規定的水平計算。退休金計劃之資產與本集團之資產分開持有，並由獨立管理基金負責管理。

截至2017年3月31日止年度內，僱員離職時被沒收之職業退休計劃供款總額港幣1,940,000元（2016年：港幣4,049,000元），已被動用以抵銷年內供款。

9 EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2016: three) directors whose emoluments are reflected in the analysis shown in Note 33.

The emoluments payable to the remaining three (2016: two) individuals during the year are as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Basic salaries, allowance and benefits in kind	基本薪金，津貼及實物利益	3,890	2,451
Performance bonus	表現花紅	4,602	3,201
Contributions to pension plans	退休金計劃的供款	176	115
		<b>8,668</b>	<b>5,767</b>

The emoluments fell within the following bands:

		Number of individuals 人數	
		2017	2016
Emolument bands (in HK dollar)	薪酬組別 (港幣)		
HK\$2,000,001 to HK\$2,500,000	港幣 2,000,001 元至港幣 2,500,000 元	-	1
HK\$2,500,001 to HK\$3,000,000	港幣 2,500,001 元至港幣 3,000,000 元	2	-
HK\$3,000,001 to HK\$3,500,000	港幣 3,000,001 元至港幣 3,500,000 元	1	1
		<b>3</b>	<b>2</b>

(c) Senior management emoluments

The emoluments fell within the following bands:

		Number of individuals 人數	
		2017	2016
Emolument bands (in HK dollar)	薪酬組別 (港幣)		
HK\$2,000,001 to HK\$2,500,000	港幣 2,000,001 元至港幣 2,500,000 元	-	1
		-	1

9 僱員福利支出 (續)

(b) 五位最高薪酬人士

本年度本集團五名最高薪酬人士包括二名(2016年：三名)董事，其薪酬詳情已於附註33分析中反映。

於年內應付予其餘三名(2016年：二名)人士之酬金如下：

	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Basic salaries, allowance and benefits in kind	3,890	2,451
Performance bonus	4,602	3,201
Contributions to pension plans	176	115
	<b>8,668</b>	<b>5,767</b>

介於下列酬金組別人士如下：

		Number of individuals 人數	
		2017	2016
Emolument bands (in HK dollar)	薪酬組別 (港幣)		
HK\$2,000,001 to HK\$2,500,000	港幣 2,000,001 元至港幣 2,500,000 元	-	1
HK\$2,500,001 to HK\$3,000,000	港幣 2,500,001 元至港幣 3,000,000 元	2	-
HK\$3,000,001 to HK\$3,500,000	港幣 3,000,001 元至港幣 3,500,000 元	1	1
		<b>3</b>	<b>2</b>

(c) 高級管理人員酬金

介於下列酬金組別人士如下：

		Number of individuals 人數	
		2017	2016
Emolument bands (in HK dollar)	薪酬組別 (港幣)		
HK\$2,000,001 to HK\$2,500,000	港幣 2,000,001 元至港幣 2,500,000 元	-	1
		-	1

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10 FINANCE COSTS

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Interest on bank loans and overdrafts	銀行貸款及透支利息	18,538	12,089
Borrowing cost on convertible bonds	可換股債券借貸費用	41,210	78,657
Interest on other financial liabilities	其他財務負債利息	-	25
Interest on finance leases	融資租賃利息	7	7
		<b>59,755</b>	<b>90,778</b>

11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year ended 31 March 2017 (2016: 16.5%) less relief for available tax losses. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the territories in which the Group operates.

The amount of income tax charged to the consolidated income statement represents:

10 財務成本

11 所得稅支出

截至2017年3月31日止年度香港利得稅乃根據已沖銷可動用稅項損失的估計應課稅溢利按稅率16.5%(2016年: 16.5%)計算。海外利得稅乃根據年內估計應課稅溢利按本集團經營地區的適用稅率計算。

已計入綜合收益表的所得稅包括:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Current income tax	本期所得稅		
– Hong Kong profits tax	– 香港利得稅	9,012	11,188
– Overseas profits tax	– 海外利得稅	5,680	6,145
– Over provision in respect of prior years	– 過往年度撥備過多	(184)	(1,048)
		<b>14,508</b>	16,285
Deferred income tax (Note 26)	遞延所得稅(附註26)	<b>(11,819)</b>	(12,219)
Income tax expense	所得稅支出	<b>2,689</b>	4,066

11 INCOME TAX EXPENSE (Continued)

The taxation on the Group's loss before income tax differs from the theoretical amount that would arise using the applicable tax rate, being the weighted average of tax rates prevailing in the territories in which the Group operates, as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Loss before income tax	除所得稅前虧損	(175,024)	(185,713)
Theoretical tax at weighted average rate of 23.07% (2016: 20.75%)	按加權平均率23.07% (2016年：20.75%) 而計算的理論稅項	(40,380)	(38,538)
Income not subject to tax	無需課稅的收入	(17,901)	(8,037)
Expenses not deductible for tax purpose	不可扣稅的開支	17,484	13,679
Recognition of temporary differences not previously recognised	確認往年未被確認的暫時性差額	-	423
Utilisation of previously unrecognised tax losses	使用往年未確認的稅項虧損	(2,214)	(6,221)
Tax losses not recognised	未確認的稅項虧損	45,703	41,975
Over provisions in respect of prior years	過往年度撥備過多	(184)	(1,048)
Others	其他	181	1,833
Income tax expense	所得稅支出	<b>2,689</b>	4,066

The weighted average applicable tax rate was 23.07% (2016: 20.75%). The increase is caused by a change in the distribution of profitability of the Group's subsidiaries in the respective countries.

11 所得稅支出 (續)

本集團按其除所得稅前虧損而計算的稅項，與按其於各營運地區的適用稅率(加權平均率)而計算的理論稅項有差別，詳情如下：

加權平均適用稅率為23.07% (2016年：20.75%)。增加乃由於本集團於各個國家的附屬公司的溢利分配變動所致。

12 LOSS PER SHARE

**Basic**

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2017	2016
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (以仟股計)	<b>1,046,474</b>	1,046,474
Loss attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔虧損 (港幣仟元)	<b>(177,921)</b>	(190,009)
Basic loss per share (HK cents)	每股基本虧損(港仙)	<b>(17.00)</b>	(18.16)

**Diluted**

Diluted loss per share for the years ended 31 March 2017 and 2016 equal the basic loss per share as the conversion of convertible bonds is anti-dilutive.

12 每股虧損

**基本**

每股基本虧損以年內本公司權益持有人應佔虧損除以已發行普通股加權平均數而計算。

**攤薄**

截至2017年3月31日及2016年3月31日，每股攤薄虧損等於每股基本虧損，因為兌換可換股債券造成反攤薄所致。

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13 PROPERTY, PLANT AND EQUIPMENT

13 物業、機器及設備

		Land and buildings	Equipment, leasehold improvements and others 設備、 租賃權益 改良及其他	Total
		土地及樓宇 HK\$'000 港幣仟元	HK\$'000 港幣仟元	總額 HK\$'000 港幣仟元
<b>Year ended 31 March 2016</b>	<b>截至2016年3月31日止年度</b>			
Opening net book amount	年初賬面淨額	307,157	153,306	460,463
Additions	添置	–	109,695	109,695
Disposals/write off	出售／撇賬	–	(939)	(939)
Depreciation	折舊	(7,995)	(100,279)	(108,274)
Impairment (note d)	減值(附註d)	–	(7,021)	(7,021)
Acquisition of a subsidiary (Note 30)	收購子公司(附註30)	–	3,532	3,532
Exchange differences	匯兌差額	(2,476)	(3,788)	(6,264)
Closing net book amount	年終賬面淨額	296,686	154,506	451,192
<b>At 31 March 2016</b>	<b>於2016年3月31日</b>			
Cost	成本	448,881	766,034	1,214,915
Accumulated depreciation and impairment	累計折舊及減值	(152,195)	(611,528)	(763,723)
Net book amount	賬面淨額	296,686	154,506	451,192



13 PROPERTY, PLANT AND EQUIPMENT (Continued)

13 物業、機器及設備 (續)

		Land and buildings	Equipment, leasehold improvements and others	Total
		土地及樓宇	設備、 租賃權益 改良及其他	總額
		HK\$'000	HK\$'000	HK\$'000
		港幣仟元	港幣仟元	港幣仟元
<b>Year ended 31 March 2017</b>	<b>截至 2017 年 3 月 31 日止年度</b>			
Opening net book amount	年初賬面淨額	296,686	154,506	451,192
Additions	添置	–	67,460	67,460
Disposals/write off	出售／撇賬	–	(4,611)	(4,611)
Depreciation	折舊	(8,080)	(86,563)	(94,643)
Impairment (note d)	減值 (附註 d)	–	(9,461)	(9,461)
Exchange differences	匯兌差額	(2,529)	(4,195)	(6,724)
Closing net book amount	年終賬面淨額	<u>286,077</u>	<u>117,136</u>	<u>403,213</u>
<b>At 31 March 2017</b>	<b>於 2017 年 3 月 31 日</b>			
Cost	成本	446,485	709,383	1,155,868
Accumulated depreciation and impairment	累計折舊及減值	(160,408)	(592,247)	(752,655)
Net book amount	賬面淨額	<u>286,077</u>	<u>117,136</u>	<u>403,213</u>

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) Certain property, plant and equipment of the Group have been pledged for bank borrowings. The carrying value of these property, plant and equipment as at 31 March 2017 were approximately HK\$272,796,000 (2016: HK\$283,382,000).
- (b) At 31 March 2017, the net book value of property, plant and equipment held under finance leases amounted to HK\$155,000 (2016: HK\$215,000).
- (c) Depreciation expense of HK\$74,912,000 (2016: HK\$89,595,000) has been charged in selling expenses and HK\$19,731,000 (2016: HK\$18,679,000) has been charged in general and administrative expenses.
- (d) The Group regards its individual retail stores as separately identifiable CGUs. It assessed the recoverable amounts of the CGUs with reference to their value-in-use. During the year ended 31 March 2017, an impairment provision of HK\$9,461,000 (2016: HK\$7,021,000) was made as their carrying values are not expected to be fully recoverable. Impairment loss was included in other operating expenses in the consolidated income statement.

14 PREPAYMENT OF LEASE PREMIUM

At beginning of the year	於年初
Additions	添置
Amortisation	攤銷
Exchange differences	匯兌差額
Disposal	出售
At end of the year	於年終

Amortisation of prepayment of lease premium for premises was included in selling expenses in the consolidated income statement.

13 物業、機器及設備(續)

附註：

- (a) 本集團若干物業、機器及設備已就銀行貸款作抵押。於2017年3月31日，該等物業、機器及設備的賬面值約為港幣272,796,000元(2016年：港幣283,382,000元)。
- (b) 於2017年3月31日，在融資租賃下所持物業、機器及設備之賬面淨額為港幣155,000元(2016年：港幣215,000元)。
- (c) 折舊費用港幣74,912,000元(2016年：港幣89,595,000元)已計入銷售支出及港幣19,731,000元(2016年：港幣18,679,000元)已計入一般及行政支出。
- (d) 本集團視其個別零售店舖為獨立可識別現金產生單位。而評估可收回之現金產生單位是經參考若干物業及設備的使用價值，截至2017年3月31日，因預期無法悉數收回其賬面值，故就其作出減值撥備港幣9,461,000元(2016年：港幣7,021,000元)。減值虧損計入綜合收益表的其他營運支出。

14 預付租賃地價

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
At beginning of the year	於年初	29,777	40,242
Additions	添置	8,614	–
Amortisation	攤銷	(5,795)	(5,900)
Exchange differences	匯兌差額	718	(3,038)
Disposal	出售	(2,032)	(1,527)
At end of the year	於年終	31,282	29,777

物業預付租賃地價的攤銷於綜合收益表內計入銷售支出中。

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15 INTANGIBLE ASSETS

		Goodwill	Trademarks	Technical know-how	Total
		商譽	商標	專業技術	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣仟元	港幣仟元	港幣仟元	港幣仟元
<b>Year ended 31 March 2016</b>	<b>截至2016年3月31日止年度</b>				
Opening net book amount	年初賬面淨值	9,006	51,658	–	60,664
Acquisition of a subsidiary (Note 30)	收購子公司(附註30)	–	–	70,816	70,816
Amortisation	攤銷	–	–	(2,346)	(2,346)
Impairment	減值	–	–	(26,431)	(26,431)
Exchange differences	匯兌差額	876	86	535	1,497
Closing net book amount	年終賬面淨額	<u>9,882</u>	<u>51,744</u>	<u>42,574</u>	<u>104,200</u>
<b>At 31 March 2016</b>	<b>於2016年3月31日</b>				
Cost	成本	9,882	81,512	70,941	162,335
Accumulated amortisation and impairment	累計攤銷及減值	–	(29,768)	(28,367)	(58,135)
Net book amount	賬面淨額	<u>9,882</u>	<u>51,744</u>	<u>42,574</u>	<u>104,200</u>
<b>Year ended 31 March 2017</b>	<b>截至2017年3月31日止年度</b>				
Opening net book amount	年初賬面淨值	<b>9,882</b>	<b>51,744</b>	<b>42,574</b>	<b>104,200</b>
Additions	添置	–	<b>2,630</b>	–	<b>2,630</b>
Amortisation	攤銷	–	–	(2,311)	(2,311)
Impairment	減值	–	–	(3,736)	(3,736)
Exchange differences	匯兌差額	<b>9</b>	<b>(588)</b>	<b>(505)</b>	<b>(1,084)</b>
Closing net book amount	年終賬面淨額	<u><b>9,891</b></u>	<u><b>53,786</b></u>	<u><b>36,022</b></u>	<u><b>99,699</b></u>
<b>At 31 March 2017</b>	<b>於2017年3月31日</b>				
Cost	成本	<b>9,891</b>	<b>83,567</b>	<b>74,120</b>	<b>167,578</b>
Accumulated amortisation and impairment	累計攤銷及減值	–	<b>(29,781)</b>	<b>(38,098)</b>	<b>(67,879)</b>
Net book amount	賬面淨額	<u><b>9,891</b></u>	<u><b>53,786</b></u>	<u><b>36,022</b></u>	<u><b>99,699</b></u>

**Impairment test for goodwill**

Goodwill is allocated to the Group's CGUs identified according to business segment. The goodwill is attributable to the watch wholesale trading operations.

15 無形資產

**商譽減值測試**

商譽根據業務分部分配至本集團可識別的現金產生單位。商譽來自鐘錶批發貿易業務。

15 INTANGIBLE ASSETS (Continued)

**Impairment test for goodwill (Continued)**

The recoverable amount of a CGU is determined based on value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets performed by management covering a five-year period. Management determined the financial budgets based on past performance and its expectations for the market development. Cash flows beyond the five year period are extrapolated using the estimated growth rate stated below.

The key assumptions used for value-in-use calculation are as follows:

1. Growth rate used to extrapolate cash flows beyond the budget period of 0% (2016: 0%) which does not exceed historical growth rate.
2. Pre-tax discount rate applied to cash flow projections of 8% (2016: 8%). The discount rate used reflects specific risks related to the Group.

Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount significantly.

During the year ended 31 March 2017, there was no impairment on the CGUs containing goodwill with indefinite useful lives (2016: nil).

15 無形資產 (續)

**商譽減值測試 (續)**

現金產生單位的可收回金額根據使用價值計算。計算方式利用稅前現金流量預測，依據管理層批核的五年期財政預算。管理層依據過往表現及其對市場發展的預期制定財政預算。超越該五年期的現金流量採用以下所述的估計增長率作出推算。

計算使用價值的主要假設如下：

1. 用以推算超過預算期的現金流量所使用的增長率為0% (2016年：0%)，並不超出過往的增長率。
2. 用於現金流量預測的稅前貼現率為8% (2016年：8%)。該貼現率為稅前，並反映與本集團有關的特定風險。

管理層認為，上述任何主要假設的任何合理可預見變動，將不會導致商譽之賬面值大幅超過可收回金額。

截至2017年3月31日止年度內，現金產生單位所含具無限壽命的商譽並無減值(2016年：無)。

## 15 INTANGIBLE ASSETS (Continued)

**Impairment test for trademarks**

Management tests annually whether the trademarks here suffered any impairment by considering the economic benefit generated from the trademarks. The recoverable amount is determined based on value-in-use calculation. This calculation use pre-tax cash flow projections based on financial budgets performed by management covering a four-year period. Management determined the financial budgeted based on past performance and its expectations for the market development. The key assumption used for the value-in-use calculation includes a pre-tax discount rate of 8%.

No impairment provision on trademarks was made during the year ended 31 March 2017 (2016: nil).

**Impairment test for technical know-how**

In order to secure the supply of mechanical movements in the future, the Group acquired CATENA SA, a Swiss watch manufacturer, on 16 April 2015 and recognised an identified technical know-how of HK\$70,816,000. In view of the unexpected downturn of the market condition and the decrease in demand for mechanical watches subsequent to the acquisition, management has performed an impairment assessment for the technical know-how as at 31 March 2017 and 2016, taking into account the current market condition and production plan of CATENA SA.

The recoverable amount of the technical know-how is determined based on value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets performed by management covering a five-year period. Management determined the financial budgets based on past performance and its expectations for the market development. Cash flows beyond the five year period are extrapolated using the estimated growth rate stated below.

## 15 無形資產 (續)

**商標減值測試**

管理層考慮到商標產生的經濟利益，每年測試商標是否受到任何減值。可回收金額根據使用價值之計算而釐定。該等計算採用根據管理層就涵蓋四年期間之財政預算作出之稅前現金流量預測。本集團管理層根據過往表現及其對市場發展之預期而釐定財政預算。用於使用價值之計算的主要假設包括除稅前折現率8%。

截至2017年3月31日止年度，並無就商標作出減值撥備(2016年：無)。

**專業技術的減值測試**

為確保日後的鐘錶零件供應，本集團於2015年4月16日收購瑞士鐘錶生產商CATENA SA，並確認可識別專業技術為港幣70,816,000元。鑑於市況低迷及收購後對電子機械鐘錶的需求下跌，管理層已於2017年3月31日及2016年3月31日就專業技術進行減值評估，並已計及現行市況及CATENA SA的生產計劃。

專業技術的可收回金額乃根據使用價值計算釐定。此計算方式根據管理層就涵蓋五年期間之財務預算使用除稅前現金流預測。管理層根據過往表現及預期市場發展釐定財務預算。超過五年期的現金流使用下述的估計增長率推斷。

15 INTANGIBLE ASSETS (Continued)

**Impairment test for technical know-how (Continued)**

The key assumptions used for value-in-use calculation are as follows:

1. The useful life of the technical know-how of 29 years (2016: 30 years).
2. Growth rate used to extrapolate cash flows beyond the five-year budget period of 2% (2016: 2%).
3. Pre-tax discount rate applied to cash flow projections of 12% (2016:12%). The discount rate used reflects specific risk related to the Group's watch movement manufacturing business.

Based on the result of the impairment test, the Group has made an impairment provision of HK\$30,167,000 as at 31 March 2017 (2016: HK\$26,431,000).

Should the growth rate used to extrapolate cash flows beyond the five-year budget period applied in the value-in-use calculation for the technical know-how had been reduced to 1%, additional impairment provision of HK\$3,080,000 (2016: HK\$3,949,000) would have been recognised.

15 無形資產 (續)

**專業技術的減值測試 (續)**

使用價值計算所用的主要假設如下：

1. 專業技術的使用期限為29年(2016年：30年)。
2. 用作推斷超過五年預算期的現金流增長率為2%(2016年：2%)。
3. 應用於現金流預測的除稅前折讓率為12%(2016年：12%)。所用折讓率反映有關本集團鐘錶零件生產業務的特定風險。

根據減值測試的結果，本集團截至2017年3月31日止年度的減值費用為港幣30,167,000元(2016年：港幣26,431,000元)。

倘用作推斷超過五年預期的現金流增長率於計算使用價值時下調至1%，則需確認額外減值港幣3,080,000元(2016年：港幣3,949,000元)。

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
At beginning of the year	於年初	12,129	12,652
Revaluation deficit transfer to equity (Note 21)	轉往權益的重估虧損 (附註21)	(896)	(523)
At end of the year	於年終	<b>11,233</b>	12,129

Available-for-sale financial assets as at 31 March 2017 represent unlisted equity investment in an entity incorporated in Liechtenstein and are denominated in Swiss Francs.

The valuation of available-for-sale financial assets was determined using dividend growth model and are within level 3 of fair value hierarchy. The most significant unobservable input is the rate of return on the investment of 22% (2016: 24%). The lower the rate of return, the higher the fair value of the available-for-sale financial assets.

17 STOCKS

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Raw materials	原材料	155,669	166,386
Work-in-progress	在製品	9,981	15,127
Finished goods	製成品	985,848	1,130,578
		<b>1,151,498</b>	1,312,091
Less: Provision	減：撥備	(224,994)	(213,484)
		<b>926,504</b>	1,098,607

The cost of stocks sold recognised as expense and included in cost of sales amounted to HK\$1,173,680,000 (2016: HK\$1,370,752,000).

16 可供出售的財務資產

於2017年3月31日，可供出售的財務資產乃指以瑞士法郎計值的於一間在列支敦士登註冊成立的公司的非上市股本投資。

可供出售的財務資產估值通過使用貼現現金流量預測釐定，並屬於第三級公平值等級範圍內。較重大不可觀察輸入值即為投資的回報率為22% (2016年：24%)。回報率越低，可供出售財務資產的公平值越高。

17 存貨

已確認為開支並計入銷售成本內的存貨成本為港幣1,173,680,000元(2016年：港幣1,370,752,000元)。

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財務報表附註

18 DEBTORS, DEPOSITS AND PREPAYMENTS

18 應收賬款、按金及預付款項

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Trade debtors, gross	應收貿易賬款，總額	252,701	249,337
Less: provision for impairment of trade debtors (note b)	減：應收貿易賬款的 減值撥備 (附註 b)	(1,253)	(549)
Trade debtors, net (note a)	應收貿易賬款，淨額 (附註 a)	251,448	248,788
Deposits, prepayments and other debtors (notes c and d)	按金、預付款項及 其他應收款項 (附註 c 及 d)	303,134	338,308
		<b>554,582</b>	587,096
Less: non-current portion	減：非流動部份	(129,590)	(153,846)
Current portion	流動部份	<b>424,992</b>	433,250
Trade debtors analysed by invoice date:	按發票日分析的 應收貿易賬款：		
Below 60 days	60 日以下	48,458	54,902
Over 60 days	60 日以上	204,243	194,435
		<b>252,701</b>	249,337

Notes:

- (a) The Group engages designated import and export agents for the importation of products from the subsidiaries in Hong Kong to the subsidiaries in the Mainland China. The balances due from and due to the import and export agents are settled on a back-to-back basis, and hence, there are no fixed terms of settlement for such balances. The Group's trade debtors and trade creditors include balances due from and due to the import and export agents of HK\$175,081,000 (2016: HK\$159,755,000).

Other than the balances due from the import and export agents, the Group allows an average credit period of 60 days from the invoice date to its trade debtors.

Balances that are neither past due nor impaired relate to a number of independent customers whom there was no relevant history of default.

Included in the Group's trade debtors were debtors with a carrying amount of HK\$24,170,000 (2016: HK\$31,098,000) which were past due but not impaired. The ageing analysis of these trade debtors based on due dates is as follows:

附註：

- (a) 本集團透過指定的進出口代理，將香港附屬公司的產品運往內地的附屬公司。應收及應付進出口代理的結餘乃按同等的對應金額結算，因此，該等結餘之結算並無固定年期。本集團應收賬款及應付賬款包括應收及應付進出口代理的結餘為港幣175,081,000元(2016年：港幣159,755,000元)。

除應收及應付進出口代理的結餘外，本集團給予其應收貿易賬款由發票日起計平均60天的信貸期。

並無逾期或減值的結餘乃關於多名並無相關違約記錄之獨立客戶。

本集團的應收貿易賬款包括賬面值為港幣24,170,000元(2016年：港幣31,098,000元)的應收款項，有關款項已逾期但尚未減值。該等應收貿易賬款按到期日之賬齡分析如下：



NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

18 DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(a) (Continued)

Overdue:	逾期：
Within 1 year	1年內
1-2 years	1-2年
2-3 years	2-3年
Over 3 years	超過3年

Receivables that were past due but not impaired relate to a number of independent customers for whom there is no recent history of default. Based on past 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 receivable. The Group does not hold any collateral over these balances.

(b) Movements on the provision for impairment of trade debtors are as follows:

At beginning of the year	於年初
Provision for impairment	減值撥備
Provision written back	減值撥備撥回
Exchange differences	匯兌差額
At end of the year	於年終

The creation and release of provision for impaired receivables have been included in other operating expenses in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(c) The balance included amounts due from related companies of HK\$5,871,000 (2016: HK\$4,897,000).

The balances due from related companies (Note 29 (iii)) are unsecured, interest-free and repayable on demand.

18 應收賬款、按金及預付款項 (續)

附註：(續)

(a) (續)

2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
21,968	29,747
1,922	1,048
47	66
233	237
<b>24,170</b>	<b>31,098</b>

逾期但未減值的應收貿易賬款與多名獨立客戶有關，彼等近期並無拖欠還款記錄。根據過往經驗，鑒於有關應收賬項的信貸質素並沒有重大改變，欠款仍視為可以全數收回，因此管理層相信無需作出減值撥備。本集團並無就該等欠款持有任何抵押。

(b) 應收貿易賬款的減值撥備的變動如下：

2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
549	472
813	80
(63)	(55)
(46)	52
<b>1,253</b>	<b>549</b>

新增及撥回之應收款項的減值撥備已計入綜合收益表的「其他營運支出」內。計入撥備賬的金額一般於預期不可再收回額外現金時撇銷。

(c) 此筆款項包括應收關連公司的款項港幣5,871,000元(2016年：港幣4,897,000元)。

應收有關連公司的結餘均為無抵押、免息及應要求償還(附註29(iii))。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 18 DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(d) As at 31 March 2017, there is no prepayment for services arising from the issue of convertible bonds (2016: HK\$9,302,000) (Note 25).

(e) An analysis of debtors, deposits and prepayments by currency is as follows:

Hong Kong dollars	港幣
Renminbi	人民幣
Singapore dollars	新加坡元
Malaysian ringgit	馬來西亞令吉
Thai bahts	泰銖
Swiss Francs	瑞士法郎
Others	其他

#### 18 應收賬款、按金及預付款項 (續)

附註 (續) :

(d) 於可2017年3月31日，此筆款項並無包括發行可換股債券產生的服務預付款項 (2016年：港幣9,302,000元) (附註25)。

(e) 應收賬款、按金及預付款項按貨幣分析如下：

	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Hong Kong dollars	357,853	353,052
Renminbi	70,601	83,782
Singapore dollars	33,344	35,081
Malaysian ringgit	41,848	55,296
Thai bahts	11,449	17,068
Swiss Francs	3,204	6,682
Others	36,283	36,135
	<b>554,582</b>	<b>587,096</b>

#### 19 BANK BALANCES AND CASH

An analysis of bank balances and cash by currency is as follows:

Hong Kong dollars	港幣
Renminbi	人民幣
Singapore dollars	新加坡元
Malaysian ringgit	馬來西亞令吉
Thai bahts	泰銖
Swiss Francs	瑞士法郎
Others	其他

The conversion of Renminbi into foreign currencies and remittance of Renminbi out of the PRC is subject to the rules and regulations of exchange controls promulgated by the PRC government.

#### 19 銀行結餘及現金

銀行結餘及現金按貨幣分析如下：

	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Hong Kong dollars	184,134	179,750
Renminbi	70,689	104,295
Singapore dollars	63,173	50,956
Malaysian ringgit	67,290	127,877
Thai bahts	110,497	106,762
Swiss Francs	6,079	2,555
Others	31,912	27,030
	<b>533,774</b>	<b>599,225</b>

將人民幣兌換為外幣及將人民幣匯出中國須受中國政府頒佈的外匯管控規則及條例規限。

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財務報表附註

20 SHARE CAPITAL

20 股本

		Number of shares of HK\$0.1 each 每股面值港幣 0.1元的股份數目	HK\$'000 港幣仟元
Authorised:	法定股本：		
At 31 March 2016 and 2017	於2016年及2017年3月31日	1,600,000,000	160,000
Issued and fully paid:	已發行及繳足股本：		
At 31 March 2016 and 2017	於2016年及2017年3月31日	1,046,474,025	104,647

The Company and its subsidiaries did not set up or operate any share option scheme for the year ended 31 March 2017 and up to the date of publication of this Annual Report.

本公司及其附屬公司於截至2017年3月31日止年度及直至本年報刊發日期並無設立或進行任何購股權計劃。

21 RESERVES

21 儲備

		Share premium	Revaluation reserve	Exchange reserve	Convertible bonds reserve (Note 25) 可換股 債券儲備 (附註25)	Retained earnings	Total
		股份溢價 HK\$'000 港幣仟元	重估儲備 HK\$'000 港幣仟元	匯兌儲備 HK\$'000 港幣仟元	(附註25) HK\$'000 港幣仟元	保留盈利 HK\$'000 港幣仟元	總額 HK\$'000 港幣仟元
At 1 April 2015	於2015年4月1日	1,977	10,401	(26,046)	77,090	1,278,411	1,341,833
Exchange differences	匯兌差額	-	-	(15,680)	-	-	(15,680)
Revaluation of available-for-sale financial assets (Note 16)	可供出售的財務資產 重估(附註16)	-	(523)	-	-	-	(523)
Loss for the year	年內虧損	-	-	-	-	(190,009)	(190,009)
Dividends paid (Note 22)	已付股息(附註22)	-	-	-	-	(10,465)	(10,465)
At 31 March 2016	於2016年3月31日	1,977	9,878	(41,726)	77,090	1,077,937	1,125,156
At 1 April 2016	於2016年4月1日	1,977	9,878	(41,726)	77,090	1,077,937	1,125,156
Exchange differences	匯兌差額	-	-	(54,817)	-	-	(54,817)
Revaluation of available-for-sale financial assets (Note 16)	可供出售的財務資產 重估(附註16)	-	(896)	-	-	-	(896)
Loss for the year	年內虧損	-	-	-	-	(177,921)	(177,921)
Release of convertible bonds reserve upon redemption	贖回後撥回可換股債券儲備	-	-	-	(77,090)	-	(77,090)
At 31 March 2017	於2017年3月31日	1,977	8,982	(96,543)	-	900,016	814,432

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財務報表附註

22 DIVIDENDS

The dividends paid in 2016 were HK\$10,465,000 (HK\$0.01 per ordinary share). The directors did not recommend a final dividend in respect of the years ended 31 March 2017 and 2016.

23 CREDITORS AND ACCRUALS

Trade creditors analysed by invoice date:	按發票日分析的 應付貿易賬款：
Below 60 days	60日以下
Over 60 days	60日以上
Other creditors and accruals (note a)	其他應付賬款及 應計費用 (附註a)

Notes:

- (a) Included in other creditors and accruals are amounts due to related companies of HK\$7,334,000 (2016: HK\$1,367,000) (Note 29(iii)), which are unsecured, interest-free and repayable on demand.
- (b) An analysis of creditors and accruals by currency is as follows:

22 股息

於2016年派發股息為港幣10,465,000元(每股普通股港幣0.01元)。董事會不建議宣派截至2017年3月31日及2016年3月31日止年度的末期股息。

23 應付賬款及應計費用

	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Trade creditors analysed by invoice date:		
Below 60 days	125,986	157,259
Over 60 days	187,196	164,002
	<b>313,182</b>	321,261
Other creditors and accruals (note a)	<b>298,723</b>	267,974
	<b>611,905</b>	589,235

附註：

- (a) 計入其他應付賬款及應計費用的款項包括應付關連公司的款項港幣7,334,000元(2016年：港幣1,367,000元)(附註29(iii))，款項為無抵押、免息及應要求償還。
- (b) 應付賬款及應計費用按貨幣分析如下：

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Hong Kong dollars	港幣	442,120	372,253
Renminbi	人民幣	59,673	63,140
Singapore dollars	新加坡元	20,586	27,325
Malaysian ringgit	馬來西亞令吉	19,857	27,484
Thai bahts	泰銖	26,272	23,579
Swiss Francs	瑞士法郎	4,757	24,922
US dollars	美元	22,295	34,476
Others	其他	16,345	16,056
		<b>611,905</b>	589,235

24 BORROWINGS

24 貸款

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Bank borrowings (note a)	銀行貸款 (附註 a)	1,097,200	674,272
Obligations under finance leases (note b)	融資租賃承擔 (附註 b)	155	215
		<b>1,097,355</b>	674,487
Balances repayable on demand or within one year included in current liabilities	應要求償還或於一年內償還的流動負債款項	<b>(1,082,645)</b>	(656,439)
		<b>14,710</b>	18,048

(a) Bank borrowings

The Group's bank borrowings are repayable as follows:

(a) 銀行貸款

本集團銀行貸款的須償還情況如下：

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Repayable on demand/ within 1 year	應要求償還／一年之內	1,082,592	656,412
Between 1 and 2 years	1 至 2 年	1,233	1,336
Between 2 and 5 years	2 至 5 年	4,034	4,369
Over 5 years	5 年以上	9,341	12,155
		<b>1,097,200</b>	674,272

Included in bank borrowings as at 31 March 2017 are secured borrowings amounted to HK\$1,097,200,000 (2016: HK\$661,237,000), which are secured by property, plant and equipment of the Group (Note 13).

於2017年3月31日之銀行貸款內有抵押之貸款港幣1,097,200,000元(2016年：港幣661,237,000元)，以本集團的物業、機器及設備抵押(附註13)。

24 BORROWINGS (Continued)

(a) Bank borrowings (Continued)

An analysis of the carrying amount of the Group's bank borrowings by currency is as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Hong Kong dollars	港幣	1,081,411	655,132
Malaysian ringgit	馬來西亞令吉	15,789	19,140
		<b>1,097,200</b>	<b>674,272</b>

The weighted average effective interest rate per annum for bank borrowings was 2.09% (2016: 1.85%).

As at 31 March 2017, the carrying amounts of current bank borrowings approximate their fair values.

As at 31 March 2017, the Company had given guarantees to various banks to secure general banking facilities granted to certain subsidiaries amounting to HK\$1,620,950,000 (2016: HK\$1,661,773,000). As at 31 March 2017, the utilised amount of such facilities covered by the Company's guarantees was HK\$1,097,200,000 (2016: HK\$674,272,000) and the undrawn banking facilities was HK\$271,529,000 (2016: HK\$857,471,000).

Prior to the date of this report, the Group obtained a one-off waiver from a bank from strict compliance with certain covenant requirements; and the Group has further agreed revisions to certain covenant requirements of bank borrowings amounting to HK\$660,830,000 (2016: HK\$222,364,000) with the same bank.

24 貸款 (續)

(a) 銀行貸款 (續)

本集團銀行貸款賬面值按貨幣分析如下：

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Hong Kong dollars	港幣	1,081,411	655,132
Malaysian ringgit	馬來西亞令吉	15,789	19,140
		<b>1,097,200</b>	<b>674,272</b>

銀行貸款的加權平均實際年利率為2.09厘(2016年：1.85厘)。

於2017年3月31日，銀行貸款的賬面值與公平值相若。

於2017年3月31日，本公司就授予若干附屬公司的一般銀行融資向不同銀行作出擔保共港幣1,620,950,000元(2016年：港幣1,661,773,000元)。於2017年3月31日，該等由本公司擔保的融資已動用之金額為港幣1,097,200,000元(2016年：港幣674,272,000元)。而尚未動用的銀行融資金額為港幣271,529,000元(2016年：港幣857,471,000元)。

在此報告日期前，本集團已從一間銀行獲得一次性豁免關於借貸合約的部份合約要求；本集團亦同意同一銀行的有關借貸金額港幣660,830,000元(2016年：港幣222,364,000元)相關借貸合約要求的修訂。

24 BORROWINGS (Continued)

(b) Obligations under finance leases

The obligations under finance leases are payable as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Within 1 year	1年之內	60	31
Between 1 and 2 years	1至2年	60	62
Between 2 and 5 years	2至5年	55	150
		<b>175</b>	<b>243</b>
Future finance charges on finance leases	融資租賃的未來財務支出	(20)	(28)
Present value of finance lease liabilities	融資租賃負債的現值	<b>155</b>	<b>215</b>

The present value of finance lease liabilities is analysed as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Within 1 year	1年之內	53	27
Between 1 and 2 years	1至2年	53	55
Between 2 and 5 years	2至5年	49	133
		<b>155</b>	<b>215</b>

The carrying amount of obligations under finance leases is denominated in Singapore dollars.

24 貸款 (續)

(b) 融資租賃承擔

融資租賃承擔的須償還情況如下：

	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Within 1 year	60	31
Between 1 and 2 years	60	62
Between 2 and 5 years	55	150
	<b>175</b>	<b>243</b>
Future finance charges on finance leases	(20)	(28)
Present value of finance lease liabilities	<b>155</b>	<b>215</b>

融資租賃負債的現值分析如下：

	2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Within 1 year	53	27
Between 1 and 2 years	53	55
Between 2 and 5 years	49	133
	<b>155</b>	<b>215</b>

融資租賃承擔的賬面淨值以新加坡元計價。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 25 CONVERTIBLE BONDS

On 29 November 2012, the Company issued unlisted and unsecured convertible bonds with a principal amount of HK\$371,022,600 to Sapphire Illuminatus Holdings Limited (“Sapphire”), an independent third party.

On 15 September 2016, the convertible bonds were fully redeemed and the convertible bonds were re-measured at its fair value at the date of redemption. The Group has recognised HK\$75,901,000 as a gain upon redemption of convertible bonds mainly as a result of the release of the convertible bond reserve upon redemption.

The terms of the convertible bonds were summarised below:

- the bonds bore interest at 3.5% per annum if the bonds were held by Sapphire or its affiliates, or 2.75% per annum if otherwise, on the principal amounts of the convertible bonds outstanding from time to time, payable semi-annually in arrears;
- the bonds were convertible at the option of the bondholders into fully paid ordinary shares 18 months after the issue of bonds up to fifth anniversary of the issue date of the bonds at a conversion price of HK\$1.95 per share, subject to certain adjustments pursuant to the terms of the agreement entered with the bondholders;
- 190,268,000 conversion shares would be issued upon full conversion of the bonds based on the initial conversion price of HK\$1.95 per share;

#### 25 可換股債券

於2012年11月29日，本公司向一名獨立第三方Sapphire Illuminatus Holdings Limited (「Sapphire」) 發行本金總額港幣371,022,600元的非上市及無抵押可換股債券。

集團於2016年9月15日贖回全部可換股債券，可換股債券於贖回日以公平值重新測量。集團於贖回後確認港幣75,901,000元的收益，主要由於贖回後撥回可換股債券儲備而產生。

可換股債券的條款概述如下：

- 根據不時尚未行使的可換股債券本金金額，倘債券由Sapphire或其聯屬人士持有，按年利率3.5%計息，或倘由其他人士持有，則按年利率2.75%計息，每半年支付一次；
- 債券可按債券持有人的選擇於債券發行18個月後截至債券發行日期的第五週年按兌換價每股港幣1.95元兌換為已繳足股款的普通股，惟兌換價或須根據與債券持有人訂立協議的條款進行若干調整；
- 190,268,000股兌換股份將於債券根據初步兌換價每股港幣1.95元悉數兌換後發行；



## 25 CONVERTIBLE BONDS (Continued)

- Sapphire had the option to require the Company to early redeem 30% of the outstanding principal (the "Option") if i) the consolidated net income of the Company (without taking into account any expenses arising from accounting treatment of the bonds) was less than HK\$400 million in more than one out of the three financial years ended/ending 31 March 2015 to 2017; or ii) the aggregate consolidated net income of the Company (without taking into account any expenses arising from accounting treatment of the bonds) was less than HK\$1 billion for three financial years ended/ending 31 March 2015 to 2017. The remainder of the bonds shall remain to be convertible, and such the bonds which had not been previously converted, redeemed, or purchased and cancelled and remain outstanding on the maturity shall be redeemed. The Company shall also pay an amount in cash to Sapphire equal to 3/7th of the outstanding principal amount of such remaining bonds held by Sapphire upon maturity; and
- Sapphire would be compensated by the difference between the accrued interest and cash dividend (calculated on as-converted basis) (the "Additional Interest"), if the former was less than the latter.

The convertible bonds consisted of a liability component, comprising the 5-year 3.5% straight debt, other redemption features and additional interest liabilities, and an equity component, representing the convertible option of HK\$1.95 per share. At the date of the issuance of the bonds, the liability component and the equity component were recognised at fair value, determined based on the valuations performed by an independent professional valuer using the binominal model with the major following assumptions:

- Risk-free interest rate of 0.261%;
- Volatility of 25.07%;
- Borrowing rate of 8.29%;
- Dividend yield of 6.0%

## 25 可換股債券 (續)

- Sapphire於以下情況可要求本公司提早贖回30%未償還本金(「期權」)，倘i)本公司的綜合淨收入(未計及債券會計處理產生的任何開支)於截至2015年至2017年3月31日止三個財政年度中一個或多個財政年度低於港幣400,000,000元；或ii)截至2015年至2017年3月31日止三個財政年度本公司的綜合淨收入總額(未計及債券會計處理產生的任何開支)低於港幣1,000,000,000元。餘下債券應為可兌換，而未曾贖回、兌換或購買及註銷且於到期時尚未償還的債券可予以贖回。本公司亦應向Sapphire支付相當於其於到期時持有的尚未償還的餘下債券本金額七份之三的現金；及
- 倘應計利息少於現金股息(按已兌換的基準計算)，Sapphire將獲補償應計利息與現金股息之間的差額(「額外利率」)。

可換股債券包括負債部分(為按5年3.5%計息的普通債券及其他贖回機制以及額外利率負債)及權益部分(每股港幣1.95元兌換權)。於發行債券時，負債部分及權益部分按公平值確認，根據獨立專業估值師的估值採用下列主要假設的二項式模式：

- 無風險利率0.261%；
- 波幅25.07%；
- 貸款利率8.29%；
- 股息率6.0%

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

25 CONVERTIBLE BONDS (Continued)

The liability component and equity component of the convertible bonds recognised at initial recognition as at 29 November 2012 were as follows:

		HK\$'000 港幣仟元
Fair value of convertible bonds issued	已發行可換股債券的公平值	396,772
Less: Liability component	減：負債部分	(319,682)
Equity component	權益部分	<u>77,090</u>

The convertible bonds were issued with fair value higher than the principal amount and were accounted for as share-based payment transactions. The excess of the fair value of the convertible bonds over the consideration received of HK\$28,018,000 were recorded as a prepayment for services and are amortised on a straight line basis over the term of contract. Amortisation expense of HK\$9,302,000 has been recognised in the consolidated income statement for the year ended 31 March 2017 (2016: HK\$5,604,000) (Note 18).

The liability component of the bonds was stated at fair value. The equity component was presented in equity as "convertible bonds reserve".

The movement of the liability component of the convertible bonds for the year is set out below:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Liability component at beginning of the year	於年初的負債部分	446,424	380,753
Changes in fair value included in finance costs	計入融資成本的公平值變動	41,210	78,657
Interest paid	已付利息	(6,493)	(12,986)
Redeemed	已贖回	(481,141)	-
Liability component at end of the year	於年終的負債部分	-	446,424
Less: balances redeemable/payable within one year	減：於1年內贖回／償還餘額	-	(109,949)
		<u>-</u>	<u>336,475</u>

25 可換股債券 (續)

可換股債券的負債部分及權益部分於2012年11月29日初步確認時確認如下：

可換股債券乃按高於本金金額的公平值發行，並按以股份為基礎的付款交易入賬。可換股債券的公平值超出所收取的代價港幣28,018,000元乃記錄為服務的預付款項，並按直線基準於合約期間內攤銷。攤銷開支港幣9,302,000元已於截至2017年3月31日止年度的綜合收益表中的其他營運支出內確認(2016年：港幣5,604,000元)(附註18)。

債券的負債部分按公平值呈列。權益部分於股權內呈列為「可換股債券儲備」。

年內，可換股債券負債部分的變動載列如下：

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 25 CONVERTIBLE BONDS (Continued)

The liability component of the convertible bonds was valued by independent qualified valuers, AVISTA Valuation Advisory Limited, who holds a recognised relevant professional qualification and have recent experience in valuation of convertible bonds.

The valuation of the liability component of the convertible bonds was determined using the binominal option pricing model. In valuing the Option, the external valuer has assigned a probability for each scenario under the Option and calculated the probability weighted fair value of the liability component of the convertible bonds. In valuing the Additional Interest portion, the amount is based on the present value of the differences between the estimated dividend received on an as-if converted basis and the annual coupon interest of the convertible bonds over the remaining outstanding period.

The more significant input used in the valuation of the liability component of the convertible bonds are as follows:

		2016
Risk-free interest rate	無風險利率	0.45%
Volatility	波幅	47.79%
Borrowing rate	貸款利率	9.37%
Dividend yield	股息率	0%
Probability of the Option being exercised	行使期權的可能性	100%

#### 26 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities (to be recovered/settled after more than one year) is as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Deferred tax assets	遞延稅項資產	87,944	76,162
Deferred tax liabilities	遞延稅項負債	(7,474)	(7,342)
		<b>80,470</b>	<b>68,820</b>

#### 25 可換股債券 (續)

可換股債券負債部分經獨立合資格估值師艾華迪評估諮詢有限公司估值，其持有獲認可的相關專業資格及具備近期就可換股債券進行估值的相關經驗。

可換股債券負債部分的估值乃採用據二項式期權定價模式釐定。於期權估值時，外部估值師就期權各情境分配概率，並計算可股負債部分的概率加權公平值。於額外利息部分的估值時，該金額乃根據估計已收股息（按假設已兌換基準）及可換股債券於餘下未行使期的年度票面利率的差額的現值而定。

對可換股債券負債部分進行估值所用的最重大的輸入值如下：

#### 26 遞延所得稅

遞延稅項資產及遞延稅項負債（在一年後回收／結算）分析如下：

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

26 DEFERRED INCOME TAX (Continued)

The gross movement on the deferred tax accounts is as follows:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
At beginning of the year	於年初	68,820	68,393
Acquisition of a subsidiary (Note 30)	收購子公司 (附註30)	-	(9,844)
Credited to income statement	計入收益表	11,819	12,219
Exchange differences	匯兌差額	(169)	(1,948)
At end of the year	於年終	<b>80,470</b>	68,820

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets

		Depreciation allowances	Provision for unrealised profit in stocks 存貨中 未變現溢利 的準備	Tax losses	Other provisions	Other temporary differences	Total
		折舊 準備 HK\$'000 港幣仟元	未變現溢利 的準備 HK\$'000 港幣仟元	稅項虧損 HK\$'000 港幣仟元	其他撥備 HK\$'000 港幣仟元	其他 暫時性差額 HK\$'000 港幣仟元	總額 HK\$'000 港幣仟元
At 1 April 2015	於2015年4月1日	9,491	24,734	10,956	20,534	10,945	76,660
Credited/(charged) to income statement	計入/(扣除自)收益表	159	(6,443)	15,122	(685)	(111)	8,042
Exchange differences	匯兌差額	(59)	(654)	-	(501)	(781)	(1,995)
At 31 March 2016	於2016年3月31日	9,591	17,637	26,078	19,348	10,053	82,707
At 1 April 2016	於2016年4月1日	9,591	17,637	26,078	19,348	10,053	82,707
Credited/(charged) to income statement	計入/(扣除自)收益表	117	(2,079)	11,664	360	1,299	11,361
Exchange differences	匯兌差額	10	(332)	-	(30)	85	(267)
At 31 March 2017	於2017年3月31日	9,718	15,226	37,742	19,678	11,437	93,801

26 遞延所得稅 (續)

遞延稅項賬目的變動如下：

年內遞延稅項資產及負債的變動 (不考慮於相同稅務司法權區內餘額抵銷) 如下：

遞延稅項資產

26 DEFERRED INCOME TAX (Continued)

Deferred tax liabilities

		Depreciation allowances	Other temporary differences	Identified intangible assets	Total
		折舊準備	其他暫時性差額	已識別無形資產	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣仟元	港幣仟元	港幣仟元	港幣仟元
At 1 April 2015	於2015年4月1日	7,325	942	–	8,267
Acquisition of a subsidiary (Note 30)	收購子公司(附註30)	–	–	9,844	9,844
Charged/(credited) to income statement	扣除自/(計入)收益表	581	–	(4,758)	(4,177)
Exchange differences	匯兌差額	(47)	–	–	(47)
At 31 March 2016	於2016年3月31日	7,859	942	5,086	13,887
At 1 April 2016	於2016年4月1日	7,859	942	5,086	13,887
Charged/(credited) to income statement	扣除自/(計入)收益表	214	–	(672)	(458)
Exchange differences	匯兌差額	(98)	–	–	(98)
At 31 March 2017	於2017年3月31日	7,975	942	4,414	13,331

Out of the total unrecognised tax losses of HK\$785,169,000 (2016: HK\$629,457,000) carried forward, an amount of HK\$291,464,000 (2016: HK\$256,131,000) can be carried forward indefinitely. The remaining HK\$493,705,000 (2016: HK\$373,326,000) will expire in the following years:

所結轉以抵銷未來應課稅之未確認稅項虧損總額為港幣785,169,000元(2016年:港幣629,457,000元),其中港幣291,464,000元(2016年:港幣256,131,000元)可無限期結轉,其餘港幣493,705,000元(2016年:港幣373,326,000元)將在下列期限屆滿:

		2017	2016
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
In the first year	第1年	61,506	18,063
In the second year	第2年	80,355	62,555
In the third year	第3年	70,654	81,349
In the fourth year	第4年	45,343	71,240
In the fifth to tenth years inclusive	第5年至第10年(包括首尾兩年)	235,847	140,119
		493,705	373,326

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

27 綜合現金流量表附註

Reconciliation of loss before income tax to cash generated from operations:

除所得稅前虧損與營運活動所得現金兩者的對賬：

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Loss before income tax	除所得稅前虧損	(175,024)	(185,713)
Depreciation	折舊	94,643	108,274
Amortisation of intangible assets	攤銷無形資產	2,311	2,346
Amortisation of prepayment of lease premium	攤銷預付租賃地價	5,795	5,900
Loss/(gain) on disposal of property, plant and equipment	出售物業、機器及設備的虧損／(收益)	3,758	(265)
Provision of stocks	存貨準備	23,369	34,230
Impairment of debtors	應收款項減值	813	80
Write back of bad debt provision	撥回壞賬準備	(63)	(55)
Impairment of property, plant and equipment	物業、機器及設備減值	9,461	7,021
Impairment of intangible assets	無形資產減值	3,736	26,431
Provision for onerous contracts	有法律義務合約的撥備	23,895	17,560
Expenses on convertible bonds	發行可換股債券費用	9,302	5,604
Interest income	利息收入	(2,827)	(1,946)
Finance costs	財務成本	59,755	90,778
Dividend income	股息收入	(1,938)	(3,506)
Release of convertible bonds reserve upon redemption	贖回後撥回可換股債券儲備	(77,090)	-
Gain on remeasuring to fair value of the existing interest in an associate upon acquisition of control (Note 6)	於收購現有聯營公司控制權之重新測量公平值收益(附註6)	-	(4,222)
Bargain purchase of a subsidiary	議價購買子公司收益	-	(9,863)
Operating (loss)/profit before working capital changes	除營運資金轉變前的經營(虧損)／溢利	(20,104)	92,654
Decrease in stocks	存貨減少	123,986	204,838
Decrease in debtors, deposits and prepayments	應收賬款、按金及預付款項減少	12,663	14,312
Increase/(decrease) in creditors and accruals	應付賬款及應計費用增加／(減少)	6,330	(41,873)
Cash generated from operations	營運活動所得現金	122,875	269,931

28 COMMITMENTS

- (a) Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

Property, plant and equipment	物業、機器及設備
-------------------------------	----------

- (b) Commitments under operating leases (where the Group is the lessee)

The Group had future aggregate minimum lease payments under non-cancellable operating leases as follow:

Buildings	樓宇
Not later than one year	1年內
Later than one year but not later than five years	1年後但5年內
Later than five years	5年以上

The leases have varying terms, escalation clauses and renewal rights. The operating lease rentals of certain stores are based on the higher of a minimum guaranteed rental or a sales level based rental. The minimum guaranteed rental has been used to arrive at the above commitments.

28 承擔

- (a) 本集團已簽約但未作出撥備的資本性支出如下：

2017	2016
<b>HK\$'000</b>	HK\$'000
港幣仟元	港幣仟元

-	6,275
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- (b) 營業租賃下的承擔(本集團作為承租人)

本集團在不可撤銷營業租賃下的未來最低租金付款總額如下：

2017	2016
<b>HK\$'000</b>	HK\$'000
港幣仟元	港幣仟元

524,186	581,130
347,852	453,802
4,624	4,935
<b>876,662</b>	<b>1,039,867</b>

該等租賃有不同租期、調整租金條款及續租權利。若干店舖的營運租賃租金乃按最低保證租金或銷售額租金(以較高者為準)計算。上述承擔乃按最低保證租金計算。

28 COMMITMENTS (Continued)

(c) Operating leases arrangements (where the Group is the lessor)

The Group had future aggregate minimum lease receivables under non-cancellable operating leases as follow:

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Properties	物業		
Not later than one year	1年內	1,091	869
Later than one year but not later than five years	1年後但5年內	1,093	1,202
		<b>2,184</b>	<b>2,071</b>

29 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Yee Hing Company Limited, directly and indirectly through its subsidiary including Active Lights Company Limited, held 855,200 shares of the Company as at 31 March 2017. 55% of the total issued ordinary shares of Yee Hing Company Limited is held by Klayze Holdings Limited, which is the trustee of a discretionary trust (the "Trust"). Mr Joseph C.C. Wong and Mr. Sakorn Kanjanapas are the beneficiaries of the Trust and were therefore deemed to be interested in 855,200 shares of the Company through the Trust's interest in Yee Hing Company Limited.

28 承擔(續)

(c) 營業租賃安排(本集團作為出租人)

本集團在不可撤銷營業租賃下的未來最低應收租金總額如下：

29 有關連人士交易

有關連人士指可直接或間接控制另一方，或在作出財務及營運決策時對另一方行使重大影響力之人士。共同受他人控制或受他人重大影響力之人士亦視為有關連人士。

於2017年3月31日，義興有限公司直接或間接通過其附屬公司Active Lights Company Limited持有本公司855,200股股份。Klayze Holdings Limited以作為一項酌情信託(「信託」)之受託人身份持有義興有限公司全部已發行普通股之55%權益。黃創增先生及黃創江先生為信託之受益人，故被視為通過信託於義興有限公司之權益而擁有本公司855,200股股份權益。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 29 RELATED PARTY TRANSACTIONS (Continued)

Save as disclosed in Notes 18, 23 and 33, the following is a summary of the significant related party transactions carried out in the normal course of the Group's business:

##### (i) Provision of services to a related company

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Building management fee income from a related company	向一家有關連公司收取物業管理收入	<u>2,340</u>	<u>2,340</u>

A wholly-owned subsidiary of the Group entered into a renewal agreement with Mengiwa Property Investment Limited ("MPIL"), a wholly-owned subsidiary of Yee Hing, for the provision of the following services for the period from 1 April 2016 to 31 March 2019:

- (a) contract administration with respect to contracts entered into between MPIL and third parties from time to time;
- (b) property agency liaison and tenancy management;
- (c) management of the property manager of Stelux House; and
- (d) other miscellaneous administrative services.

The fee for the provision of the above services was agreed at HK\$195,000 per calendar month during the duration of the agreement.

#### 29 有關連人士交易 (續)

除附註18、23及33所披露者外，下列為本集團與有關連人士之間所進行的重大交易概要，該等交易乃於本集團日常業務中進行：

##### (i) 向一家有關連公司提供服務

本集團全資附屬公司與義興全資附屬公司明華物業投資有限公司(「明華」)就於2016年4月1日至2019年3月31日期間提供以下服務訂立協議：

- (a) 明華與第三方不時訂立的合約下之合約行政；
- (b) 物業代理洽商及租賃管理；
- (c) 管理寶光商業中心物業管理公司；及
- (d) 其他行政服務。

於服務協議年內，提供上述服務的有關費用為每個曆月港幣195,000元。

29 RELATED PARTY TRANSACTIONS (Continued)

(ii) Purchases of goods and services from related companies

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Purchase of goods from related companies (note a)	向有關連公司購買貨品(附註a)	-	913
Rental expense to related companies (note b)	向有關聯公司支付租金支出(附註b)	17,521	16,725
		<b>17,521</b>	<b>17,638</b>

Notes:

- (a) During the year ended 31 March 2016, certain subsidiaries of the Group purchased optical products from International Optical Manufacturing Company Limited and its subsidiary ("IOM Group"), indirectly owned subsidiaries of Yee Hing, in accordance with the terms of written agreements for the Group's retail and trading operations.
- (b) During the year, certain subsidiaries of the Group have entered into tenancy agreements with the following related parties for office premises, warehouses, showroom and car-parking spaces:

MPIL	明華
Other related parties	其他有關連人士

(iii) Year-end balances arising from service income, purchases of goods and rental expenses are disclosed in Note 18(c) and Note 23(a).

29 有關連人士交易(續)

(ii) 向有關連公司購買貨品及服務

附註：

- (a) 於2016年3月31日止年度內，本集團若干附屬公司向義興之間接附屬公司國際眼鏡製造廠有限公司及其附屬公司(「IOM集團」)就本集團零售及買賣業務訂立之書面協議之條款購買光學產品。
- (b) 年內，本集團若干附屬公司與下列有關連人士訂立租賃協議，以租用辦公物業、倉庫、陳列室及停車位：

Rental expense for the year 年度租金支出		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
MPIL	明華	14,721	14,750
Other related parties	其他有關連人士	2,800	1,975
		<b>17,521</b>	<b>16,725</b>

(iii) 服務收入、購買貨品及租金支出產生的年終結餘於附註18(c)及附註23(a)內披露。

29 RELATED PARTY TRANSACTIONS (Continued)

(iv) Key management compensation

		2017 HK\$'000 港幣仟元	2016 HK\$'000 港幣仟元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	14,406	15,862
Other long-term benefits	其他長期福利	123	147
		<b>14,529</b>	<b>16,009</b>

30 BUSINESS COMBINATION

On 16 April 2015, the Group acquired an additional 48% equity interest in CATENA SA, a Swiss watch movement manufacturer, for a cash consideration of EUR1,660,000 and entered into a shareholders' agreement with the 12% equity interest holder of CATENA SA for a right to purchase the 12% equity interest. Together with the previously owned 40% equity interest and the Group's underlying right, the Group is considered as controlling all equity interest in CATENA SA.

29 有關連人士交易 (續)

(iv) 主要管理層報酬

30 企業合併

於2015年4月16日，本集團收購了一間瑞士手錶機芯製造廠家CATENA SA額外48%的權益，代價為現金1,660,000歐元。在此同時與CATENA SA的12%權益持有人達成股東協議，以購買12%的股權認購權。此與先前擁有的40%權益和本集團的看漲認購權之潛在權益一起，本集團被認為已控制CATENA SA的所有權益。

30 BUSINESS COMBINATION (Continued)

The following table summarises the consideration paid for CATENA SA and the fair value of assets acquired and liabilities assumed at the acquisition date:

		HK\$'000 港幣仟元
Consideration:	代價：	
– Cash	– 現金	14,386
– Deferred consideration payable in respect of the purchase right	– 遞延應付認購權代價	11,083
Total consideration	代價總額	<u>25,469</u>
Recognised amounts of identifiable assets and liabilities assumed	所收購可識別資產及所承擔負債 的確認金額	
Property, plant and equipment	物業、機器及設備	3,532
Intangible assets	無形資產	70,816
Stocks	存貨	25,849
Debtors and prepayments	應收賬款及預付款項	2,206
Cash and cash equivalents	現金及現金等值物	22,257
Creditors and accruals	應付賬款及應計費用	(10,957)
Deferred tax liabilities	遞延稅項負債	(9,844)
Total identifiable net assets	可識別淨資產總值	103,859
Less: Fair value of equity interest in CATENA SA held before the business combination	減：與CATENA SA業務合併前 之權益公平值	(68,527)
		35,332
Bargain purchase	議價購買	(9,863)
		<u>25,469</u>
Additional purchase consideration settled in cash	以現金支付的額外購買代價	(14,386)
Cash and cash equivalents acquired	所收購現金及現金等值物	22,257
Cash inflow on acquisition	收購時現金流入	<u>7,871</u>

Acquisition-related costs of HK\$770,000 had been charged to administrative expenses in the consolidated income statement for the year ended 31 March 2016.

30 企業合併 (續)

下表概述於收購日期就CATENA SA 所支付的代價、所收購資產的公平值及所承擔負債：

收購相關成本港幣770,000元已於截至2016年3月31日止年度之綜合收益表之行政支出內扣除。

### 30 BUSINESS COMBINATION (Continued)

The Group recognised a gain of HK\$4,222,000 as a result of remeasuring its 40% equity interest in CATENA SA held before the business combination at fair value. The gain was included in other gains, net in the consolidated income statement for the year ended 31 March 2016.

A gain on bargain purchase of HK\$9,863,000 had been recognised to other gains, net in the consolidated income statement for the year ended 31 March 2016.

The identified intangible assets represent technical know-how for watch movement with useful life of 30 years. The fair value of the intangible assets as at the date of acquisition was determined based on cash flow projections using multi-period excess earning method with a discount rate of 12%.

The right to acquire 12% equity interest in CATENA SA is exercisable at the price equal to the proportional net assets value of CATENA SA set out in the latest audited financial statements available on the date of exercise the purchase right. The purchase right is exercisable until 31 December 2035. The fair value of the deferred consideration payable in respect of the purchase right is determined based on the discounted cash flow method.

CATENA SA contributed a revenue of approximately HK\$606,000 and a loss of approximately HK\$44,812,000 to the Group for the year ended 31 March 2016.

Had CATENA SA been consolidated from 1 April 2015, the consolidated income statement for the year ended 31 March 2016 would show revenue of approximately HK\$3,401,716,000 and a loss of approximately HK\$189,779,000.

### 31 POST BALANCE SHEET DATE EVENT

Prior to the date of this report, the Group obtained a one-off waiver from a bank from strict compliance with certain covenant requirements; and the Group has further agreed revisions to certain covenant requirements of bank borrowing amounting to HK\$660,830,000 with the same bank.

### 30 企業合併 (續)

本集團認可一項港幣4,222,000元收益作為重新計量與CATENA SA業務合併前之40%權益公平值的結果。此收益已包含於截至2016年3月31日止年度內之綜合收益表之其他收益，淨額內。

一項議價購買收益港幣9,863,000元已確認於截至2016年3月31日止年度內之綜合收益表之其他收益，淨額內。

可識別無形資產代表按30年使用年期攤銷的機芯專業技術。於購買日的無形資產公平值按12%折扣率以多期超額收益方法預測現金流確認。

收購CATENA SA的12%股權的權利是可行使的，行使價格相等於行使權利時按CATENA SA最近期的已審計財務報表的資產淨值計算。直至2035年12月31日，該認購權是可以行使的，遞延應付認購權代價的公平值是按現金流量折現法來計算。

截至2016年3月31日止年度，CATENA SA為本集團帶來收入約港幣606,000元及虧損約港幣44,812,000元。

倘若CATENA SA自2015年4月1日起綜合入賬，截至2016年3月31日止年度之綜合收益表顯示收入約港幣3,401,716,000元及虧損約港幣189,779,000元。

### 31 結算日後事項

在此報告日期前，本集團已從一間銀行獲得一次性豁免關於借貸合約的部份合約要求；本集團亦同意同一銀行的有關借貸金額港幣660,830,000元相關借貸合約要求的修訂。

NOTES TO THE FINANCIAL STATEMENTS  
財務報表附註

32 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY

32 公司資產負債及儲備變動表

Balance sheet of the Company

公司資產負債表

		As at 31 March 於3月31日	
		2017	2016
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
	Note 附註		
<b>ASSETS</b>	<b>資產</b>		
Non-current assets	非流動資產		
Investment in subsidiaries	附屬公司投資	34	-
Debtors, deposits and prepayments	應收賬款、按金及預付款項	-	9,304
		-	9,304
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	b	301,403
Debtors, deposits and prepayments	應收賬款、按金及預付款項		142
Bank balances and cash	銀行結餘及現金		1,719
			153
			38
		303,264	707,833
Total assets	資產總額	303,264	717,137
<b>EQUITY</b>	<b>股權</b>		
Capital and reserves attributable to the equity holders of the Company	本公司權益持有人應佔股本及儲備		
Share capital	股本		104,647
Reserves	儲備	a	115,334
			104,647
			158,635
Total equity	權益總額	219,981	263,282

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY (Continued)

32 公司資產負債及儲備變動表 (續)

Balance sheet of the Company (Continued)

公司資產負債表 (續)

		As at 31 March 於3月31日	
		2017	2016
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
	Note 附註		
<b>LIABILITIES</b>			
Non-current liabilities			
Convertible bonds	25	–	336,475
		–	336,475
Current liabilities			
Creditors and accruals		5	1,930
Amount due to a subsidiary	b	5,500	5,501
Borrowings		77,778	–
Convertible bonds	25	–	109,949
		<b>83,283</b>	117,380
Total liabilities		<b>83,283</b>	453,855
Total equity and liabilities		<b>303,264</b>	717,137

The balance sheet of the Company was approved by the Board of Directors on 22 June 2017 and was signed on its behalf.

董事會在2017年6月22日批准並簽署了本公司資產負債表。

**Joseph C.C. Wong**  
黃創增  
Chairman and  
Chief Executive Officer  
主席及行政總裁

**Wallace Kwan Chi Kin**  
關志堅  
Executive Director and  
Chief Financial Officer  
行政董事及  
首席財務總裁

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財務報表附註

32 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY (Continued)

32 公司資產負債及儲備變動表 (續)

Notes:

附註：

(a) Reserves movement of the Company

(a) 公司儲備變動

		Share premium	Convertible bonds reserve	Retained earnings	Total
		股本溢價	可換股債券儲備	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣仟元	港幣仟元	港幣仟元	港幣仟元
At 1 April 2015	於2015年4月1日	1,977	77,090	61,309	140,376
Profit for the year	年內溢利	–	–	28,724	28,724
Dividends paid	已付股息	–	–	(10,465)	(10,465)
At 31 March 2016	於2016年3月31日	1,977	77,090	79,568	158,635
At 1 April 2016	於2016年4月1日	1,977	77,090	79,568	158,635
Profit for the year	年內溢利	–	–	33,789	33,789
Release of convertible bonds reserve upon redemption	贖回後撥回可換股債券儲備	–	(77,090)	–	(77,090)
At 31 March 2017	於2017年3月31日	1,977	–	113,357	115,334

(b) Amounts due from/to subsidiaries

(b) 應收及應付附屬公司款項

The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand. The carrying amounts of these balances approximate their fair values.

應收及應付附屬公司的款項為無抵押，免息及應要求償還。其餘額的眼面價值接近其公平值。



33 BENEFITS AND INTERESTS OF DIRECTORS

(A) Directors' emoluments

The remuneration of every director is set out below:

For the year ended 31 March 2017:

33 董事福利及權益

(A) 董事酬金

本公司各董事酬金如下：

截至2017年3月31日：

Name	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking: 本公司或其附屬公司已付董事或董事應收薪酬：				Remunerations paid or receivable in respect of office as director		Total
	Fees	Basic salaries, allowances, and benefits in kind	Contributions to retirement benefit schemes	Discretionary bonus <sup>i</sup>	已支付或就該接受為董事應收酬金	本公司或其附屬公司就董事的其他管理服務的酬金	
姓名	袍金 HK\$'000 港幣千元	基金薪金、津貼及實物利益 HK\$'000 港幣千元	退休金 供款計劃 HK\$'000 港幣千元	酌情花紅 <sup>i</sup> HK\$'000 港幣千元	董事應收酬金 HK\$'000 港幣千元	其他管理服務的酬金 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
Joseph C. C. Wong (ii) 黃創增 (ii)	100	2,936	105	7,356	-	-	10,497
Kwan Chi Kin, Wallace 關志堅	80	1,506	18	1,943	-	-	3,547
Sakorn Kanjanapas (v) 黃創江 (v)	80	-	-	-	-	-	80
Mary Ma (iv) 馬雪征 (iv)	-	-	-	-	-	-	-
Alex Wong (iv) 黃宇鏗 (iv)	-	-	-	-	-	-	-
Kwong Yi Hang, Agnes 鄺易行	135	-	-	-	-	-	135
Wu Chun Sang, Nelson 胡春生	135	-	-	-	-	-	135
Wu Chi Man, Lawrence 胡志文	135	-	-	-	-	-	135
	665	4,442	123	9,299	-	-	14,529

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33 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

33 董事福利及權益 (續)

(A) Directors' emoluments (Continued)

(A) 董事酬金 (續)

For the year ended 31 March 2016:

截至2016年3月31日：

Name	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking: 本公司或其附屬公司已付董事或董事應收薪酬：					Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or its subsidiary undertaking: 本公司或其附屬公司就董事的其他管理服務的酬金		Total
	Fees	Basic salaries, allowances, and benefits in kind	Contributions to retirement benefit schemes	Discretionary bonus <sup>i</sup>	Remunerations paid or receivable in respect of office as director	Other management services	Other services	
姓名	袍金 HK\$'000 港幣仟元	基金薪金、津貼及實物利益 HK\$'000 港幣仟元	退休金 供款計劃 HK\$'000 港幣仟元	酌情花紅 <sup>i</sup> HK\$'000 港幣仟元	已支付或就該接受為董事應收酬金 HK\$'000 港幣仟元	其他管理	其他管理	總額 HK\$'000 港幣仟元
Joseph C. C. Wong (ii) 黃創增(ii)	100	2,938	105	7,341	-	-	10,484	
Kwan Chi Kin, Wallace 關志堅	80	1,506	18	1,576	-	-	3,180	
Lau Tak Bui, Vincent (iii) 劉德杯(iii)	20	798	24	5,192	-	-	6,034	
Sakorn Kanjanapas (v) 黃創江(v)	80	-	-	-	-	-	80	
Mary Ma (iv) 馬雪征(iv)	-	-	-	-	-	-	-	
Alex Wong (iv) 黃宇錚(iv)	-	-	-	-	-	-	-	
Kwong Yi Hang, Agnes 鄺易行	135	-	-	-	-	-	135	
Wu Chun Sang, Nelson 胡春生	135	-	-	-	-	-	135	
Wu Chi Man, Lawrence 胡志文	135	-	-	-	-	-	135	
	685	5,242	147	14,109	-	-	20,183	

<sup>i</sup> Discretionary bonus represents the amount paid during the year.

<sup>ii</sup> Mr. Joseph C. C. Wong is also the chief executive of the Group.

<sup>iii</sup> Mr. Lau Tak Bui, Vincent has resigned on 1 July 2015.

<sup>iv</sup> Ms. Mary Ma and Mr. Alex Wong have resigned on 15 September 2016.

<sup>v</sup> Mr. Sakorn Kanjanapas has passed away on 8 April 2017.

<sup>i</sup> 酌情花紅指年內已付的金額。

<sup>ii</sup> 黃創增先生亦是本集團行政總裁。

<sup>iii</sup> 劉德杯先生已於2015年7月1日因退休辭任執行董事。

<sup>iv</sup> 馬雪征女士及黃宇錚先生已於2016年9月15日辭任。

<sup>v</sup> 黃創江先生於2017年4月8日辭世。

33 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(A) Directors' emoluments (Continued)

During the years ended 31 March 2017 and 2016, none of the directors waived their emoluments, except Ms. Mary Ma and Mr. Alex Wong waived emoluments of HK\$80,000 each.

(B) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2016: nil).

(C) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2017, the Company did not pay consideration to any third parties for making available directors' services (2016: nil).

(D) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 March 2017, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2016: nil).

(E) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company 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 anytime during the year.

33 董事福利及權益 (續)

(A) 董事酬金 (續)

截至2016年3月31日及2017年3月31日止年度，概無任何董事放棄酬金，除馬雪征女士和黃宇錚先生各放棄袍金港幣80,000元外。

(B) 董事退休福利及離職福利

年內，概無董事已收取或將收取任何退休福利及離職福利(2016年：無)。

(C) 就獲取董事服務向第三方支付之代價

截至2017年3月31日止年度，本公司並無就獲取董事服務而向任何第三方支付代價(2016年：無)。

(D) 有關以董事、該等董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易之資料

截至2017年3月31日止年度，概無以董事、或該等董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易安排(2016年：無)。

(E) 董事在交易，協議或合同的重大利益

本年度內或年結時，本公司並無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大利益之重要交易、協議或合同。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March:

34 主要附屬公司

截至3月31日，主要附屬公司如下：

	Place of incorporation/ operation 註冊成立/經營地	Principal activities 主要業務	Particulars of share capital issued 已發行股本		Percentage of equity attributable to the Group 集團所佔權益的百分比	
			Number 股數	Value 每股面值	2017	2016
<b>Investment 投資</b>						
Stelux Holdings International Group (BVI) Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1	US\$1 1美元	100 <sup>a</sup>	100 <sup>a</sup>
Stelux Holdings Limited 寶光實業(集團)有限公司	Hong Kong 香港	Investment holding 投資控股	1,000	HK\$1 港幣1元	100	100
Stelux Investments and Properties (BVI) Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1	US\$1 1美元	100	100
Thong Sia (BVI) Company Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1	US\$1 1美元	100	100
<b>Property 物業</b>						
City Chain Properties Limited 時間廊物業有限公司	Hong Kong 香港	Property investment 物業投資	2	HK\$1 港幣1元	100	100
Fulani Investment Limited	Hong Kong 香港	Property investment 物業投資	2	HK\$1 港幣1元	100	100
Optical 88 Properties Limited 眼鏡88物業有限公司	Hong Kong 香港	Property investment 物業投資	2	HK\$1 港幣1元	100	100
Oswald Property Management Company Limited	Hong Kong 香港	Property investment 物業投資	2	HK\$100 港幣100元	100	100
Stelux Properties Agency Limited 寶光地產代理有限公司	Hong Kong 香港	Property agency and management 物業代理及管理	2	HK\$1 港幣1元	100	100
Stelux Properties Limited 寶光地產有限公司	Hong Kong 香港	Property management 物業管理	500	HK\$100 港幣100元	100	100

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財務報表附註

34 PRINCIPAL SUBSIDIARIES (Continued)

34 主要附屬公司 (續)

	Place of incorporation/ operation 註冊成立/經營地	Principal activities 主要業務	Particulars of share capital issued 已發行股本		Percentage of equity attributable to the Group 集團所佔權益的百分比	
			Number 股數	Value 每股面值	2017	2016
<b>Retailing and trading</b>						
<b>零售及貿易</b>						
City Chain Company Limited 時間廊鐘錶有限公司	Hong Kong 香港	Watch retailing 鐘錶零售	250,000	HK\$100 港幣100元	100	100
City Chain (M) Sdn Bhd	Malaysia 馬來西亞	Watch retailing 鐘錶零售	3,333,333	RM1 1令吉	100	100
City Chain (Macau) Company Limited 時間廊鐘錶(澳門)有限公司	Macau 澳門	Watch retailing 鐘錶零售	2	MOP5,000 澳門葡幣 5,000元	100	100
City Chain Stores (S) Pte Limited	Singapore 新加坡	Watch retailing 鐘錶零售	1,800,000	S\$1 新加坡幣1元	100	100
City Chain (Thailand) Company Limited	Thailand 泰國	Watch retailing 鐘錶零售	200,000 210,000 <sup>b</sup>	Baht100 100泰銖 Baht100 100泰銖	100	100
Optical 88 Limited 眼鏡88有限公司	Hong Kong 香港	Optical products 光學產品	33,379,940	HK\$1 港幣1元	100	100
Optical 88 Eyecare (M) Sdn Bhd	Malaysia 馬來西亞	Optical products 光學產品	1,428,572	RM1 1令吉	100	100
Optical 88 (Macau) Limited 眼鏡88(澳門)有限公司	Macau 澳門	Optical products 光學產品	2	MOP5,000 澳門葡幣 5,000元	100	100
Optical 88 (S) Pte Limited	Singapore 新加坡	Optical products 光學產品	500,000	S\$1 新加坡幣1元	100	100
Optical 88 (Thailand) Company Limited	Thailand 泰國	Optical products 光學產品	245,000 255,000 <sup>b</sup>	Baht10 10泰銖 Baht10 10泰銖	100	100
EGG Optical Boutique Limited 一隻隻眼鏡有限公司	Hong Kong 香港	Optical products 光學產品	10,000,000	HK\$1 港幣1元	100	100
Pronto Watch S.A.	Switzerland 瑞士	Watch distribution 鐘錶分銷	100	SFr1,000 1,000瑞士 法郎	100	100

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財務報表附註

34 PRINCIPAL SUBSIDIARIES (Continued)

34 主要附屬公司 (續)

	Place of incorporation/ operation 註冊成立/經營地	Principal activities 主要業務	Particulars of share capital issued 已發行股本		Percentage of equity attributable to the Group 集團所佔權益的百分比	
			Number 股數	Value 每股面值	2017	2016
<b>Retailing and trading (Continued)</b> 零售及貿易 (續)						
Solvil et Titus S.A.	Switzerland 瑞士	Watch distribution 鐘錶分銷	300	SFr1,000 1,000 瑞士 法郎	100	100
Stelux International Licensing Limited	Bahamas 巴哈馬	Trademark holding and licensing 商標持有及特許經營	2	US\$1 1 美元	100	100
Stelux Watch Limited 寶光鐘錶有限公司	Hong Kong 香港	Watch supply chain management 鐘錶供應鏈管理	1,000,000	HK\$1 港幣 1 元	100	100
Thong Sia Watch Company Limited 通城鐘錶有限公司	Hong Kong 香港	Watch distribution 鐘錶分銷	80,000	HK\$10 港幣 10 元	100	100
Thong Tai Watch Company Limited 通泰鐘錶有限公司	Hong Kong 香港	Watch distribution 鐘錶分銷	2,000	HK\$1,000 港幣 1,000 元	100	100
Thong Sia Company (Singapore) Pte Limited	Singapore 新加坡	Watch distribution 鐘錶分銷	2,000,000	S\$1 新加坡幣 1 元	100	100
Thong Sia Sdn Bhd	Malaysia 馬來西亞	Watch distribution 鐘錶分銷	1,000,000	RM1 1 令吉	97.6	97.6
Thong Tai (Taiwan) Company Limited 通泰(台灣)有限公司	Hong Kong/Taiwan 香港/台灣	Watch distribution 鐘錶分銷	1,000	HK\$10 港幣 10 元	100	100
Thong Sia (Thailand) Limited	Thailand 泰國	Watch retailing and distribution 鐘錶零售及分銷	20,000	Baht100 100 泰銖	100	100
Thong Sia Optics (Hong Kong) Company Limited 通城光學(香港)有限公司	Hong Kong 香港	Optical distribution 眼鏡分銷	5,000	HK\$1,000 港幣 1,000 元	100	100
Universal Geneve S.A.	Switzerland 瑞士	Watch supply chain management and distribution 鐘錶供應鏈管理及分銷	5,000	SFr1,000 1,000 瑞士 法郎	100	100
Catena S.A.	Switzerland 瑞士	Manufacture of watch movements 手錶機芯製造商	1,016,667	SFr1 1 瑞士 法郎	100 <sup>c</sup>	100 <sup>c</sup>

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財務報表附註

34 PRINCIPAL SUBSIDIARIES (Continued)

34 主要附屬公司 (續)

	Place of incorporation/ operation 註冊成立/經營地	Principal activities 主要業務	Paid-up capital 繳足資本	Percentage of equity attributable to the Group 集團所佔權益的百分比	
				2017	2016
<b>Retailing and trading (Continued)</b>					
<b>零售及貿易 (續)</b>					
Stelux Thong Sia (Guangdong) Trading Limited 寶光通城(廣東)商貿有限公司	People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業)	Watch retailing, trading and related services 鐘錶零售、貿易及 相關服務	HK\$181,400,000 港幣181,400,000元	100	100
Stelux Thong Sia (Beijing) Trading Limited 寶光通城(北京)商貿有限公司	People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業)	Watch retailing, trading and related services 鐘錶零售、貿易及 相關服務	US\$20,500,000 20,500,000美元	100	100
Stelux Thong Sia (Shanghai) Trading Limited 寶光通城(上海)商貿有限公司	People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業)	Watch retailing, trading and related services 鐘錶零售、貿易及 相關服務	US\$16,000,000 16,000,000美元	100	100
Baoqing (Chongqing) Trading Limited 寶慶(重慶)商貿有限公司	People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業)	Watch retailing, trading and related services 鐘錶零售、貿易及 相關服務	HK\$40,000,000 港幣40,000,000元	100	100
Baoshi (Guangdong) Company Limited 寶視(廣東)視光眼鏡有限公司	People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業)	Retailing, trading and related optical services 眼鏡產品零售、貿易及 相關服務	HK\$224,890,000 港幣224,890,000元	100	100

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34 PRINCIPAL SUBSIDIARIES (Continued)

34 主要附屬公司 (續)

	Place of incorporation/ operation 註冊成立/經營地	Principal activities 主要業務	Paid-up capital 繳足資本	Percentage of equity attributable to the Group 集團所佔權益的百分比	
				2017	2016
<b>Retailing and trading (Continued)</b> 零售及貿易 (續)					
Baoshi (Beijing) Company Limited 寶光寶視(北京)眼鏡有限公司	People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業)	Retailing, trading and related optical services 眼鏡產品零售、貿易及 相關服務	HK\$38,000,000 港幣38,000,000元	100	100
Baoshi (Shanghai) Company Limited 寶視(上海)眼鏡有限公司	People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業)	Retailing, trading and related optical services 眼鏡產品零售、貿易及 相關服務	RMB29,038,081 人民幣29,038,081元	100	100
Shibao (Chongqing) Trading Limited 視寶(重慶)商貿有限公司	People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業)	Retailing, trading and related optical services 眼鏡產品零售、貿易及 相關服務	HK\$18,000,000 港幣18,000,000元	100	100
a	Directly held subsidiary		a	直接擁有的附屬公司	
b	Non-redeemable preference shares		b	不可贖回優先股	
c	100% equity interest included 88% of equity interest and a right to purchase 12% of equity interest		c	100%權益包括88%股權及以買入認購權 購買12%股權	



## ESG STRATEGY AND REPORTING

This Report is prepared in accordance with the “Corporate Governance Code and Corporate Governance Report” and “Environmental, Social and Governance Reporting Guide” of Appendices 14 and 27 respectively of the Hong Kong Listing Rules and covers reporting on environmental, social and corporate governance issues of the Group’s retail and wholesale watch and optical businesses in Greater China (Mainland China, Hong Kong and Macau), Singapore, Malaysia and Thailand (unless otherwise stated) for the financial year ended 31 March 2017, as these businesses represent a significant part of the Group’s operations.

The Board acknowledges that it has overall responsibility for the Group’s ESG strategy and reporting. The Board is further responsible for evaluating and determining ESG related risks and ensuring that effective ESG risk management and internal controls are implemented. Management has provided confirmation to the Board on the effectiveness of these systems.

Stelux has a long business history in the watch and optical sectors. We own CITY CHAIN and OPTICAL 88, both leading retailers and Hong Kong SuperBrands, which together with our Swiss watch brand, SOLVIL et TITUS are well known in Asia.

Stelux’ ethos is to engage and work with our stakeholders in a responsible, fair and honest way. We strive to

- provide high quality products and services of best value to our customers;
- grow, respect and reward our employees as they develop together with us;
- serve and contribute within our communities; and
- create and safeguard shareholders’ value in a sustainable manner.

## 環境、社會及管治策略及匯報

本報告乃根據香港上市規則附錄十四《企業管治守則》及《企業管治報告》及附錄二十七《環境、社會及管治報告指引》而編制，內容覆蓋本集團於大中華（中國大陸、香港及澳門）、新加坡、馬來西亞及泰國（除另有指明）於截至2017年3月31日止財政年度鐘錶及眼鏡的零售及批發業務的環境、社會及管治事宜。前述內容之覆蓋乃由於有關業務為本集團的主要業務。

董事會知悉其對本集團的環境、社會及管治策略及匯報承擔全部責任，並負責評估及釐定有關環境、社會及管治之風險，並確保實施有效之環境、社會及管治風險管理及內部監控系統。管理層已向董事會確認該等系統之有效性。

寶光在鐘錶及眼鏡領域擁有悠久的業務歷史。本集團旗下擁有「時間廊」及「眼鏡88」，兩間居領導地位的零售商亦榮獲「香港超級品牌」的殊榮，連同集團的瑞士鐘錶品牌 SOLVIL et TITUS，都是亞洲著名的品牌。

寶光的使命是以盡責、公平及誠實的方式處事並與權益人合作。本集團致力

- 為顧客提供優質的產品和服務；
- 讓與公司一同發展的員工得到成長、受到尊重、獲得應得的獎勵；
- 為社會服務、貢獻；及
- 持續為股東創造價值、保證股東長期權益。

Our management approach and the corresponding strategies adopted for ESG issues are founded on the above principles. Appropriate systems, SOPs and internal controls are built upon these core foundations to achieve the Group's business objectives.

Our employees work within a culture where respect for others is encouraged, rewards are fair and the workplace is safe and conducive, allowing for an optimal environment to engage with and deliver to our stakeholders and others in general. The Group's vendors and suppliers are a key part of the success equation as we work with them to source and deliver high quality products to our customers. Procedures are in place to ensure that we partner vendors and suppliers who understand our values and expectations. Our customers are pivotal and without their support and custom, delivery of quality products and services cannot be achieved. Finally, our shareholders look for sustainable profits delivered within the parameters of good corporate governance, environmental awareness and community engagement.

These stakeholders each interacting with the other work to ensure the Group's objectives are achieved and hence, its success and sustainability.

## **A. Environmental**

### **Aspect A1: Emissions**

#### *General Disclosure*

*Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste*

KPI A1.1 to KPI A1.6 are not applicable. The nature of the Group's products, namely watches and optical products, are such that emissions discharged during the production process are not material. Moreover, the Group buys complete watches and optical products from third party brands and also outsources the production of its house brand products to third party manufacturers. Emissions discharged from the services the Group provides are also not material.

本集團根據以上的原則制訂有關環境、社會及管治事宜的管理方針及相關策略，並基於此等核心基礎建立合適系統、標準作業程序及內部監控措施，以達致本集團的業務目標。

本集團推廣互相尊重的企業文化、提供公平的獎勵制度及安全且便利的工作空間，同時為權益人及其他相關人士提供理想的合作環境。本集團一直致力與廠商及供應商合作從而採購優質的產品提供予顧客，彼等乃本集團成功的重要元素。本集團亦已制訂若干程序，以確保與本集團合作的廠商及供應商充分了解本集團的價值及期望。本集團的客戶亦十分重要，若缺乏客戶支持和惠顧，本集團便無法達成提供優質產品和服務的願景。最後，本集團股東期望可在達致良好企業管治、環境關注及社區參與的同時為本集團持續創造利潤。

權益人互相合作，確保本集團能夠達致目標，從而促使本集團的業務成功及其可持續性。

## **A. 環境**

### **層面 A1：排放物**

#### *一般披露*

*有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策；及遵守對發行人有重大影響的相關法律及規例的資料*

關鍵績效指標 A1.1 至關鍵績效指標 A1.6 並不適用。本集團產品（即鐘錶及眼鏡）在生產過程中的污染排放並不嚴重。另外，本集團向第三方品牌購買鐘錶及眼鏡的製成品，並將自家品牌產品的製作工序外判予第三方製造商。本集團服務所引致的污染排放亦不嚴重。

There are no relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that the Group has to comply with.

Notwithstanding the above, the Group has policies in place to reduce its carbon footprint. Pre-approval is required for all staff air travel and staff are encouraged to use video conferencing or other meeting tools, like Skype, FaceTime or WeChat to conduct meetings to reduce travelling. Our offices in different regions are linked by video conferencing facilities.

#### GHG Emissions Breakdown for FY16/17

Sources 來源	Emissions (thousand tonnes CO <sub>2</sub> e) 排放量 (千噸二氧化碳)	Percentage 百分比
Business Travel 商旅	0.059	0.55%
Electricity* 電力*	10.232	95.91%
Mobile Combustion 流動燃燒源頭	0.173	1.63%
Paper Usage 紙張	0.204	1.91%

Note

附註

\* Electricity Emissions Breakdown

\* 電力排放表

Sources 來源	Emissions (thousand tonnes CO <sub>2</sub> e) 排放量 (千噸二氧化碳)	Percentage 百分比
CLP Power (Hong Kong) Limited 中華電力有限公司	2.156	21.07%
The Hong Kong Electric Co., Ltd 香港電燈有限公司	0.635	6.21%
Others 其他	7.441	72.72%

#### Aspect A2: Use of Resources

#### 層面 A2：資源使用

##### General Disclosure

##### 一般披露

*Policies on the efficient use of resources, including energy, water and other raw materials*

*有效使用資源 (包括能源、水及其他原材料) 的政策*

The Group's policies on the efficient use of resources, including energy, water and other raw materials are based on 3R's – reduce, reuse or recycle whenever feasible or practical.

本集團的有效使用資源 (包括能源、水及其他原材料) 的政策乃基於在可行情況下的環保 3R 原則而定，分別為減量 (Reduce)、再利用 (Reuse) 及循環使用 (Recycle)。

概無本集團須遵守的有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的相關法律及法規對本集團造成重大影響。

儘管如此，本集團已實行有助減少碳排放的政策。所有員工的商務航空旅程須獲預先批准，而本集團亦鼓勵員工使用視像會議或透過其他會議方式 (例如：Skype、FaceTime 或 WeChat) 進行會議，從而減少外遊。本集團不同地區的辦公室亦可通過視像會議設備聯繫。

#### 16/17 財政年度的溫室氣體排放表

## KPI A2.1

*Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh) and intensity (e.g. per unit of production volume, per facility)*

Since the Group buys complete watches and optical products from third party brands and also outsources the production of its house brand products to third party manufacturers, direct energy consumption figures are not available. For FY16/17, direct energy consumption for electricity for our shops, offices and warehouses was 14,288 mWh.

## KPI A2.2

Water consumption is not material in the production of the Group's house brand products or the services it provides.

## KPI A2.3

The Group has numerous efficiency initiatives currently in place. These include the following:-

- Store fixtures and fittings are designed to be reused. Percentage of reuse ranges between 80% to 90% with a life expectancy of between 5 to 7 years. Natural materials like metal, wood and glass that are easier to reuse and recycle are the main building materials utilised in our store fit out and these materials constitute between 80% to 90% of store fixtures and fittings.
- Office equipment are switched off at the end of the work day.
- Office air conditioning and lights are switched off when not in use.
- Office lightning are switched off during lunch.
- Energy saving lighting is used in most of our offices, stores and warehouses.

## 關鍵績效指標 A2.1

*按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千瓦時計算)及密度(如以每產量單位、每項設施計算)*

由於本集團向第三方品牌購買鐘錶及眼鏡的製成產品，並將自家品牌產品的製作工序外判予第三方製造商，因此並無任何直接能源耗量數據。於16/17財政年度，店舖、辦公室及倉庫電力的直接能源耗量為14,288兆瓦時。

## 關鍵績效指標 A2.2

本集團自家品牌產品的生產過程或其提供服務的耗水量並不重大。

## 關鍵績效指標 A2.3

本集團目前已推行多項能源使用效益計劃，包括：

- 重用店舖的裝置和設備。設備重用的百分比介乎80%至90%，預期壽命介乎5至7年。較易再利用及循環使用的金屬、木材及玻璃等天然材料乃本集團店舖設備的主要建造材料，店舖內近80%至90%的裝置和設備由該等天然材料製造。
- 每天辦公時間結束後關掉辦公室設備。
- 在不使用時關掉空調和照明系統。
- 午飯期間關燈。
- 在大部分辦公室、店舖及倉庫安裝節能照明裝置。

- Paperless meetings are encouraged. For example, the Company's board meetings are paperless and directors are assigned ipads. When printing is necessary use of double sided printing is encouraged and single sided printed paper is reused.
- Re-rostering of delivery despatch teams responsible for delivery and transfer of products. This re-rostering has led to savings of 11.463 kilolitres of petrol and diesel and a reduction in GHG emissions of approximately 0.023 thousand tonnes CO<sub>2</sub>e in FY16/17.
- Communal use of office stationary, like staplers, erasers, hole punchers, calculators instead of assigning one unit to each employee.
- Ordering of office stationary, including paper, letterheads and name cards are centralised for better monitoring and control.
- The initiatives described under "Aspect A1: Emissions" on page 143.
- 鼓勵無紙張會議。例如，本公司的董事會會議不會使用紙張，並會向董事分派ipad。當有需要列印時，公司鼓勵雙面印刷及重用單面印刷的紙張。
- 重新編制負責送付產品隊伍的輪值表，此舉於16/17財政年度節省汽油及柴油11.463千升，並減少溫室氣體排放約0.023千噸二氧化碳。
- 不會向每名員工分派文具，相反，鼓勵員工共同使用釘書機、擦膠、打孔機及計算機等文具。
- 統一訂購辦公室文具(包括紙張、信封及卡片)，方便監控。
- 第143頁「層面A1：排放物」所述的措施。

#### KPI A2.4

Water consumption is not material in the production of the Group's house brand products or the services it provides.

#### KPI A2.5 Total packaging material

Packaging that the Group uses include, paper bags, spectacle cases, eyewear cleansing cloth and watch boxes, made from paper, plastic and synthetic fibre.

For FY16/17, total packaging used by the Group was around 0.327 thousand tonnes.

#### 關鍵績效指標 A2.4

本集團自家品牌產品的生產過程或其提供的服務不涉及重大水耗量。

#### 關鍵績效指標 A2.5 包裝材料的總量

本集團使用的包裝物件包括紙袋、眼鏡盒、眼鏡清潔布和鐘錶盒，由紙張、塑膠及合成纖維製成。

於16/17財政年度，本集團使用的包裝材料的總量約為0.327千噸。

### Aspect A3: The Environment and Natural Resources

#### General Disclosure

#### *Policies on minimising the issuer's significant impact on the environment and natural resources*

The Group's policies are based on 3R's – reduce, reuse or recycle whenever feasible or practical.

#### KPI A3.1

Policies are adopted to ensure that our house brand watches are manufactured to comply with international standards like CE, RoHS and REACH. More information on these standards can be found on the following links:-

#### **CE-European Conformity**

[https://ec.europa.eu/growth/single-market/ce-marking\\_en](https://ec.europa.eu/growth/single-market/ce-marking_en)

#### **RoHS – Restriction on Hazardous Substances**

[http://ec.europa.eu/environment/waste/rohs\\_eee/index\\_en.htm](http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm)

#### **REACH – Registration, Evaluation, Authorization and Restriction of Chemicals**

[http://ec.europa.eu/environment/chemicals/reach/reach\\_en.htm](http://ec.europa.eu/environment/chemicals/reach/reach_en.htm)

For details on managing these policies, please see “Aspect B5 Supply Chain Management” on page 150.

### 層面 A3：環境及天然資源

#### 一般披露

#### 減低發行人對環境及天然資源造成重大影響的政策

本集團的政策乃基於在可行情況下的減量、再利用及循環使用的環保3R原則。

#### 關鍵績效指標 A3.1

所採納的政策確保自家品牌鐘錶根據CE、RoHS及REACH等國際標準製造。有關標準的詳情，請參考以下網址：

#### **CE-European Conformity (歐洲合格認證)**

[https://ec.europa.eu/growth/single-market/ce-marking\\_en](https://ec.europa.eu/growth/single-market/ce-marking_en)

#### **RoHS – Restriction on Hazardous Substances (危害性物質限制指令)**

[http://ec.europa.eu/environment/waste/rohs\\_eee/index\\_en.htm](http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm)

#### **REACH – Registration, Evaluation, Authorization and Restriction of Chemicals (化學品註冊、評估、授權和限制法案)**

[http://ec.europa.eu/environment/chemicals/reach/reach\\_en.htm](http://ec.europa.eu/environment/chemicals/reach/reach_en.htm)

有關本公司管理以上政策的詳情，請參閱第150頁「層面B5：供應鏈管理」。

## B. Social

Employment and Labour Practices

### Aspect B1: Employment

#### General Disclosure

*Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare*

The Group has established employment policies and guidelines that are compliant with applicable local employment and labour legislation, regulations and practices.

These policies and guidelines are:-

#### Recruitment and Promotion

1. We are an equal opportunities employer. We promote and adopt a policy of equal opportunities to eliminate any discrimination in sex, family status and disability in employment and the workplace. For example, City Chain Hong Kong, employs persons with disabilities as watch technicians.
2. We hire and promote based on merit.
3. We hire and promote those who share our values and work ethics; and those who demonstrate initiative, responsibility and integrity.

## B. 社會

僱傭及勞工常規

### 層面 B1：僱傭

#### 一般披露

*有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策；及遵守對發行人有重大影響的相關法律及規例的資料*

本集團已制定符合適用僱傭、勞工法例、法規及常規的僱傭政策及指引。

該等政策及指引為：-

#### 招聘及晉升

1. 我們是平等機會僱主。本公司採納相關政策，致力消除招聘及職場上的性別、家庭狀況及殘疾歧視。例如香港「時間廊」僱用殘疾人士擔任鐘錶維修員。
2. 我們按照表現僱用及晉升。
3. 我們僱用及晉升有共同價值觀及職業道德，並表現主動、有責任心及誠信之人士。

*Compensation*

1. Remuneration and benefits are benchmarked against prevailing local industry norms and commensurate with experience and qualifications.
2. For some staff categories, performance bonus and commission schemes are adopted as part of staff packages to incentivise.

*Dismissal*

This is based on employment policies and guidelines that are compliant with applicable local employment and labour legislation, regulations and practices.

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

Working hours, rest periods, and other benefits and welfare are in line with local industry practice and/or where applicable commensurate with experience, qualification and seniority.

During FY16/17, there was no material non-compliance with applicable employment or labour legislation and/or regulations.

**Aspect B2: Health and Safety**

*Information on the policies and compliance with relevant laws and regulations that have a significant impact on the Issuer relating to providing a safe working environment and protecting employees from occupational hazards*

One of our foremost priorities is to provide employees with a safe and conducive working environment.

1. Office employees are assigned individual work stations unless due to the nature of work, this is considered unnecessary.
2. Offices, stores and warehouses are properly lit and ventilated and kept clean and tidy.
3. Offices, stores and warehouses are smoke-free.
4. Furniture and fittings are well maintained.

*薪酬*

1. 薪酬及福利以現行本地行業常規為準，並按經驗及資格調整。
2. 就同一員工類別而言，採用表現花紅及佣金計劃為員工獎勵計劃一部份。

*解僱*

解僱依符合適用的僱傭、勞工法例、法規及常規的僱傭政策及指引執行。

*工作時數、假期及其他待遇及福利*

工作時數、假期及其他待遇及福利與本地行業慣例一致，及／或（如適用）按經驗、資格及年資調整。

於16/17財政年度，並無嚴重違反適用的僱傭或勞工法例及／或規例。

**層面 B2：健康與安全**

*有關提供安全工作環境及保障僱員避免職業性危害的政策；及遵守對發行人有重大影響的相關法律及規例的資料*

本集團首要優先事項之一是向僱員提供安全方便的工作環境。

1. 除非工作性質所需，否則辦公室僱員毋須被調派至個別工作地點。
2. 辦公室、店舖及倉庫具備妥善照明及通風系統，環境保持整潔。
3. 辦公室、店舖及倉庫均禁煙。
4. 家具及配置保養良好。



5. Security measures are in place at our offices and warehouses to restrict entry and exit only to staff and permitted visitors.
6. We follow applicable government work guidelines, for example in Hong Kong, on typhoon and rainstorm warnings.
7. Free yearly influenza vaccinations are offered to staff in Hong Kong (and to their families at discounted rates).
8. Managerial staff and above in Hong Kong are offered free basic body check-ups every two years.

#### Aspect B3: Development and Training

*Policies on improving employees' knowledge and skills for discharging duties at work*

Our customers enjoy and have come to expect a personal shopping experience when they visit our stores. As there is a direct correlation between service standards and employee development and training, proper emphasis is given to training.

The Group has policies concerning employee development and training and these are set out below:–

1. Store staff receive both regular and ad hoc training.
2. New staff undergo orientation.
3. Training is conducted by internal and external trainers.
4. Training and development is given in relevant areas like, product knowledge, customer servicing, correct sales techniques and new laws and regulations that impact on our business operations.
5. Follow-up evaluation is carried out after training and development to ensure effectiveness.

5. 辦公室及倉庫設有保安措施，僅限員工及許可訪客進出。
6. 我們遵照香港有關颱風及暴雨警告的適用政府工作指引。
7. 每年為香港員工提供免費流感疫苗接種(員工家屬享有折扣)。
8. 香港的管理人員及以上職級每兩年享有免費基本身體檢查。

#### 層面 B3：發展及培訓

*有關提升僱員履行工作職責的知識及技能的政策*

客戶到訪店舖時可享受並擁有個人購物體驗。由於服務水平與僱員發展及培訓息息相關，我們重視提供充足的培訓。

本集團已採納若干關於僱員發展及培訓的政策，載列如下：–

1. 店舖員工定期及不時接受培訓。
2. 新員工有迎新會。
3. 培訓由內部及外部培訓人員進行。
4. 提供相關範疇的培訓及發展，例如產品知識、客戶服務、正確銷售技巧及對業務經營可能有影響的新法例及規例。
5. 培訓及發展後進行跟進評估以確保成效。

**Aspect B4: Labour Standards***General Disclosure*

*Information on the policies and compliance with relevant laws and regulations that have a significant impact on the Issuer relating to preventing child and forced labour*

The Group has a zero tolerance policy on bonded or underaged labour.

**Aspect B5: Supply Chain Management**

*Policies on managing environmental and social risks of the supply chain*

1. The Group outsources the manufacturing process of its house brand products by partnering suppliers who share our principles to conduct business in a fair, honest and responsible manner.
2. Our suppliers are contractually obliged to ensure that they do not employ bonded or underaged labour.
3. Our suppliers are contractually obliged to supply products that are free from toxic materials.
4. Our suppliers are encouraged to align their values with the Group by agreeing to adopt certain Standards of Engagement which form part of the contracts they sign. These Standards include the following:–
  - (i) No compulsion to work through force or intimidation of any form.
  - (ii) Employment to be based solely on the ability to perform the job and without any discrimination due to ethnicity, gender, age, disability or marital status.
  - (iii) Fair wages and all other legally mandated benefits should be paid.
  - (iv) Provision of a safe and hygienic working environment which complies with local laws or practices.

**層面 B4：勞工準則***一般披露*

*有關防止童工或強制勞工的政策；及遵守對發行人有重大影響的相關法律及規例的資料*

本集團對抵債或未成年勞工採取零容忍政策。

**層面 B5：供應鏈管理**

*管理供應鏈的環境及社會風險政策*

1. 本集團將自家品牌產品的製作工序外判，務求與擁有共同營商理念的供應商合作，以公平、誠實及盡責之態度經營業務。
2. 供應商受合約約束，確保其不可僱用抵債或未成年勞工。
3. 供應商受合約約束，提供產品須不含有毒物質。
4. 鼓勵供應商同意採用所訂合約中若干行為標準，使理念與本集團一致。該等標準包括以下事項：–
  - (i) 不得以任何武力或威嚇形式強迫工作。
  - (ii) 僱傭僅依據履行工作的能力，概不因種族、性別、年齡、殘障或婚姻狀況而遭受歧視。
  - (iii) 支付公平工資及一切其他合法待遇。
  - (iv) 提供安全衛生的工作環境，符合本地法例或慣例。

- (v) Integration of sustainability principles into business decisions.
- (vi) Community involvement.

#### Aspect B6: Product Responsibility

##### General Disclosure

*Information on the policies and compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress*

As a provider of high quality products and services, we take our responsibilities relating to the products and services that we deliver very seriously. Customer safety is paramount. Quality control and assurance processes are closely monitored.

Personal data policies and SOPs are in place to ensure that applicable laws are followed. Our policies on consumer data protection explain the meaning of personal data, and the general principles relating to its collection, use, retention and disposal according to local applicable privacy laws.

The Group takes the confidentiality and handling of personal data very seriously and employees who breach policies or the Group's related guidelines may face disciplinary action.

We do not engage in false advertising or false labelling. Products sold generally come with warranties and our warranty and exchange policies are clearly stated. There are SOPs relating to product after-sales, product warranties and product exchange.

Our intellectual property rights are protected and managed through registration, maintenance and enforcement measures. We respect third party intellectual property rights and will not use third party intellectual rights without authorisation;

- (v) 業務決策須秉持可持續發展原則。
- (vi) 融入社區。

#### 層面 B6：產品責任

##### 一般披露

*有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的政策；及遵守對本集團有重大影響的相關法律及規例的資料*

作為優質產品及服務的提供者，本公司十分重視產品及服務提供的責任。顧客安全一向被視為極其重要的一環。品質控制及保證均受嚴格監控。

本公司已制訂個人資料政策及標準作業程序，以確保遵從適用法例。本公司的客戶資料保護政策已詳述個人資料的定義，以及依據當地適用私隱法例收集、使用、保留及處置該等資料的一般原則。

本集團嚴肅處理個人資料並將其保密。僱員如有違反此政策或本集團相關指引，或會面臨紀律處分。

本公司絕不進行虛假宣傳或使用虛假標籤。產品一般提供保養期，而保養及退貨的政策均明確標示。本公司已制訂產品售後服務、產品保養及退貨的標準作業程序。

我們透過註冊、維護及強制措施管理及保護本集團的知識產權。我們尊重第三方的知識產權並將不會未經授權使用第三方知識產權；

**Aspect B7: Anti-corruption***General Disclosure*

*Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering*

The Group has established anti-corruption policies and all employees are expected to discharge their duties with integrity and to follow relevant local laws. Our anti-corruption policies are set out in our Employee Handbooks and Operations Manuals.

The Group has a whistle blowing policy with clearly stated reporting procedures set out in Employee Handbooks and/or on the intranet.

**Aspect B8: Community Investment***General Disclosure*

*Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests*

We engage with those within our communities who have special needs and concerns.

Our motto is to "Connect through Love", and, through this we hope to:-

1. show love, to give hope and to support the disadvantaged;
2. encourage compassion and empathy in our employees;
3. foster a sense of community within Stelux; and
4. empower through education.

Periodic appraisal meetings are held with the charities we support to understand specific needs and to ensure contributions are appropriately disbursed.

## 層面 B7：反貪污

## 一般披露

有關防止賄賂、勒索、欺詐及洗黑錢的政策；及遵守對發行人有重大影響的相關法律及規例的資料

本集團已制定反貪污政策，全體僱員應遵守相關本地法例，以誠信履行職務。我們的反貪污政策載於僱員手冊及業務手冊。

本集團已制定舉報政策，並在僱員手冊及／或內聯網清楚列明有關舉報程序。

## 層面 B8：社區投資

## 一般披露

有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策

我們幫助社區內有特殊需要的人士。

我們的座右銘為「以愛連繫」。藉著連繫社區，我們希望：－

1. 表達關愛，為弱勢社群送上希望與支持；
2. 鼓勵僱員要憐憫和有同情心；
3. 於寶光內培養團體歸屬感；及
4. 教育使人有所成就。

本集團定期與慈善團體召開檢討會議，以了解他們的具體需要，並確定本集團的捐獻被適當地運用。

Stelux' charitable volunteer team participated in various activities with charities like Hong Fook Church Bradbury Community Health Development Centre, St. Barnabas' Society and Home, Evangel Children's Home, Hong Chi Association and Orbis which target low-income families, the elderly and homeless, orphans and children from broken families, those with intellectual special needs and sight saving respectively.

Activities included visitations to the elderly, and homeless, hosting a group of young children to a movie at the cinema (for some, this was their first visit to a cinema), hosting a group of young children to a day trip at Ocean Park; special games and activities to celebrate the Mid-Autumn Festival; visitations by our Malaysian operations to an orphanage to celebrate Christmas; participation in the "Hong Chi Climbathon – Hong Chi Charity Stair Run 2016"; the "2017 Hong Chi Association New Territories Flag Day"; buying office floral displays arranged by Hong Chi trainees on a weekly basis; and helping to raise donations for "ORBIS World Sight Day 2016". Other sponsorships included free tutorial classes for underprivileged students; gift packages of basic groceries, fresh fruits, vegetables to food banks for low-income families; the provision of eyeglasses and eye examinations for underprivileged children; and providing students from low income families attending S.K.H. St. Thomas' Primary School with opportunities to learn a musical instrument and to set up a school orchestra. The total sum contributed to charities was around HK\$960,000.

Our volunteer team has grown in size and experience with repeat volunteers and new volunteers joining in the activities.



Thank you cards designed by primary school students  
由小學生親自設計的感謝帖

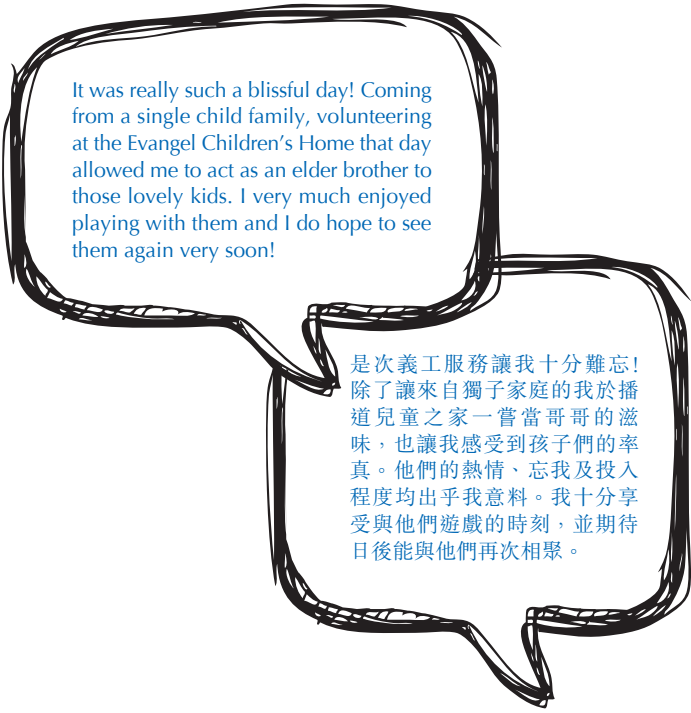
寶光慈善義工隊參與各種各樣的義工活動，與播道會康福堂白普理社區健康發展中心、聖巴拿巴會之家、播道兒童之家、匡智會及奧比斯等慈善團體合作。以上慈善團體分別致力協助低收入家庭；長者及無家者；孤兒及破碎家庭的小朋友；智障人士及救盲。

我們與以上慈善團體合作舉辦多項活動，包括探訪長者及無家者；攜帶小朋友到戲院觀看電影（部分小朋友更是第一次看電影）；攜帶小朋友到海洋公園一天遊；舉辦特別遊戲、活動慶祝中秋節；馬來西亞員工團隊探訪當地孤兒院與孤兒慶祝聖誕節；贊助「匡智競步上雲霄慈善跑樓梯大賽2016」；在2017匡智會新界區賣旗日進行籌款；每週購買匡智會學員製作之辦公室花藝擺設；及協助「奧比斯世界視覺日2016」的籌款工作。其他贊助項目包括為貧困學生提供免費功課輔導班；向食物銀行提供給予低收入家庭的基本雜貨、新鮮水果及蔬菜；向貧困兒童提供眼鏡及驗眼服務；為就讀聖公會聖多馬小學的低收入家庭學童提供學習樂器的機會及贊助該校成立管弦樂團。慈善活動開支合共約HK\$960,000。

我們的義工團隊規模及服務次數日漸增加，新加盟的義工聯同舊義工攜手參與活動。

During the year, our Hong Kong subsidiary, the sole distributor for “SEIKO” watches and clocks sponsored several sports and charitable events, including “UNICEF Charity Run 2016” by UNICEF, various Dragon Boat Races, “Oxfam Trailwalker 2016” by Oxfam Hong Kong, “MSF Orienteering Competition 2017” by Médecins Sans Frontières; “Stride for Cure 2016” by the Hong Kong Cancer Fund and “Race for Water 2017” by A Drop of Life Ltd.

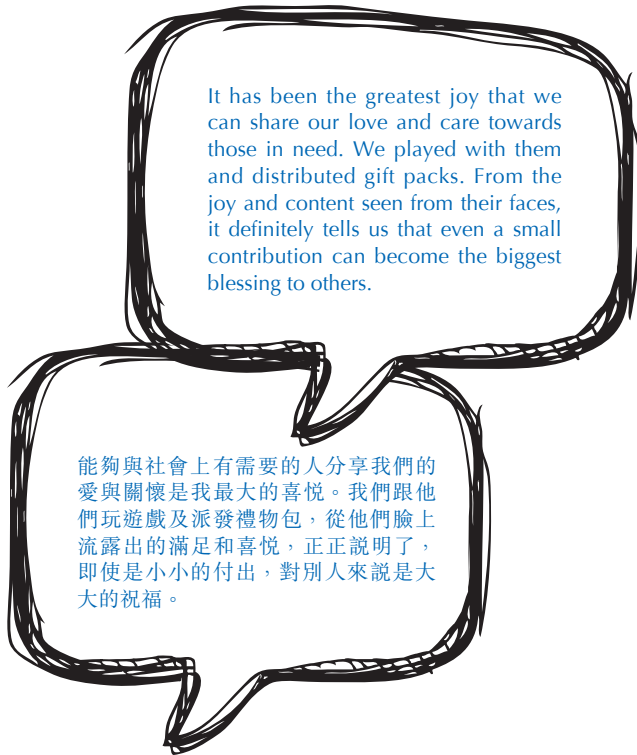
「精工」鐘錶的獨家經銷商(本集團香港附屬公司)在年內贊助多項體育及慈善活動，包括聯合國舉辦的「聯合國兒童基金會慈善跑2016」、多項龍舟賽事、樂施會舉辦的「樂施毅行者2016」、無國界醫生舉辦的「無國界醫生野外定向2017」、香港癌症基金會舉辦的「抗癌大步走2016」及點滴是生命舉辦的「揸水一戰2017」。



It was really such a blissful day! Coming from a single child family, volunteering at the Evangel Children's Home that day allowed me to act as an elder brother to those lovely kids. I very much enjoyed playing with them and I do hope to see them again very soon!

是次義工服務讓我十分難忘！除了讓來自獨子家庭的我於播道兒童之家一嘗當哥哥的滋味，也讓我感受到孩子們的率真。他們的熱情、忘我及投入程度均出乎我意料。我十分享受與他們遊戲的時刻，並期待日後能與他們再次相聚。

Bryan Lam, Management Trainee, Group Human Resources  
集團人力資源部見習生藍皓倫



It has been the greatest joy that we can share our love and care towards those in need. We played with them and distributed gift packs. From the joy and content seen from their faces, it definitely tells us that even a small contribution can become the biggest blessing to others.

能夠與社會上有需要的人分享我們的愛與關懷是我最大的喜悅。我們跟他們玩遊戲及派發禮物包，從他們臉上流露出的滿足和喜悅，正正說明了，即使是小小的付出，對別人來說是大大的祝福。

Christy Tsoi, Secretary, Stelux Watch Limited  
寶光鐘錶有限公司秘書蔡穎詩

## 1. CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to improve transparency and protect the interests of shareholders in general. The Board of directors (the “Board”) of the Company is committed to making sure that effective self-regulatory practices exist to protect the interests of its shareholders. These include a Board comprising experienced and high calibre members, board committees, and effective and sound systems of risk management and internal controls.

This section describes the Company’s corporate governance practices with specific reference to the Corporate Governance Code contained in Appendix 14 (the “Corporate Governance Code”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). During the financial year ended 31 March 2017, the Company complied with the provisions of the Corporate Governance Code except for certain deviations. These deviations with considered reasons are set out in this Report.

## 2. DIRECTORS’ AND EMPLOYEES’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 of the Listing Rules (the “Model Code”) as the code of conduct regarding directors’ securities transactions.

The Company has also made specific enquiry of all its directors to ascertain whether they have complied with or whether there has been any non-compliance with the required standard set out in the Model Code.

In addition, the Board has established written guidelines on no less exacting terms than the Model Code for relevant employees of the Company and its subsidiaries (the “Group”) in respect of these employees’ dealings in the securities of the Company.

## 1. 企業管治常規守則

本集團致力維持高水平企業管治，以確保維持更高透明度以及維護股東整體利益。本公司董事會（「董事會」）致力確保具備有效的自我監察常規，以保障股東的利益，當中包括設立由資深能幹人員組成的董事會、董事委員會以及實施有效及完善的風險管理及內部控制系統。

本部分闡述本公司的企業管治常規，當中特別參照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）。截至2017年3月31日止財政年度，本公司已遵守企業管治守則條文，惟本報告所述偏離事項則除外。偏離守則之因由，在本報告內亦有詳述。

## 2. 董事及僱員進行證券交易

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之操守守則。

本公司亦已向全體董事作出具體查詢，以確定彼等是否遵守標準守則所載規定標準，並無違規的情況。

此外，董事會已就本公司及其附屬公司（「本集團」）有關僱員買賣本公司證券事宜訂立書面指引，指引條文不比標準守則寬鬆。

### 3. BOARD OF DIRECTORS

The Board assumes responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising its affairs. Every director is expected to discharge his or her duties in good faith and up to the standard of prevailing applicable laws and regulations, acting in the best interests of the Group and the Company's shareholders.

Appointments to the Board are based on merit having regard to an appropriate balance of skills, experience, independence and knowledge.

Subsequent to the resignation of Ms. Mary Ma and Mr. Alex Wong on 15 September 2016, and the passing of Mr. Sakorn Kanjanapas, on 8 April 2017 the Board currently comprises of 5 members; two executive directors and three independent non-executive directors.

Under Code Provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. Under the current organisation structure of the Group, Mr. Joseph C. C. Wong is the Chairman and CEO of the Group. The Board believes that with Mr. Joseph C. C. Wong acting as both Chairman and CEO ensures consistent leadership and further enables better strategic planning for the Group. The Board also believes that the non-separation of roles does not affect the balance of power and authority within the Board.

The independent non-executive directors are highly experienced individuals with a broad range of expertise and experience including in areas such as accounting, finance, academia and healthcare consulting. Together, they ensure that the Board maintains high standards of financial accounting and other mandatory reporting; providing adequate checks and balances to safeguard the interests of shareholders in general and the Group as a whole.

### 3. 董事會

董事會負有領導及監控本集團的責任，並集體負責統管並監督本集團事務以促使其業務成功。各董事應本著真誠且符合現行適用法例及法規所訂標準履行其責任，以本集團及本公司股東之最佳利益行事。

委任董事會成員，會根據技能、經驗、獨立性及知識的適當比重作考慮。

繼馬雪征女士和黃宇錚先生在2016年9月15日辭任及黃創江先生於2017年4月8日辭世後，董事會有五名成員，包括兩名行政董事及三名獨立非行政董事。

根據企業管治守則的守則條文第A.2.1條規定，主席與行政總裁（「行政總裁」）的角色應有區分，並應由不同人士擔任。根據本集團現有組織架構，黃創增先生現為本集團主席及行政總裁。董事會認為，主席及行政總裁之角色由黃創增先生同時兼任，確保本集團內統一領導，從而使本集團之整體策略計劃更佳。董事會亦相信，董事會內之權力制衡並不會受到不區分角色影響。

非行政董事及獨立非行政董事為資深專業人士，各自擁有不同專業知識及經驗，彼等分別來自包括管理會計、金融、學術及保健諮詢等界別。彼等須共同確保董事會維持高水平的財務會計及其他法定匯報機制，提供足夠檢測及權衡，以保障股東及本集團整體利益。



### 3. BOARD OF DIRECTORS (Continued)

To assist the directors to discharge their duties, there are established written procedures to enable the directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense.

The term of office of the Company's non-executive directors, including the independent non-executive directors, is 3 years, subject to retirement by rotation (pursuant to Bye-law 110(A) of the Company's Bye-laws), whichever is the earlier.

Under Code Provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Not all directors of the Company retire strictly under Code Provision A.4.2. The Company's Bye-Laws 110(A) stipulates that, one-third of the directors of the Company who have been longest serving in office since their last election, except the Chairman or CEO, shall retire from office by rotation at each annual general meeting ("AGM").

Both the Board and management have clearly defined roles and responsibilities. The Board is ultimately responsible for establishing the overall long term strategic direction and objectives of the Group, monitoring the performance of senior management and oversees corporate governance and risk management and internal control systems. Management is responsible for formulating and, implementing operational and business strategies and plans to achieve the Group's strategic direction. Directors have access to management for enquiries, explanations, briefings or informal discussions on the Group's operations and businesses.

### 3. 董事會 (續)

為協助董事履行職務，董事會已制訂書面程序，讓董事按合理要求，可在適當情況下尋求獨立專業意見，有關費用由本公司支付。

本公司非行政董事（包括獨立非行政董事）的任期為三年，並須根據本公司的公司細則第110(A)條規定輪席告退，以較早者為準。

根據守則條文第A.4.2條，各董事（包括有指定任期的董事）應最少每三年輪席告退一次。本公司細則第110(A)條規定除主席或行政總裁外自上次獲選起計任期最長的三分之一董事須於每次股東週年大會（「股東週年大會」）輪席告退，並非本公司全體董事均須嚴格遵照守則條文第A.4.2條告退，惟須根據本公司的公司細則告退。

董事會及管理層均有明確界定的角色和職責。董事會負責確立本集團整體長遠策略方向及目標策略、監察高級管理人員之表現以及監控企業管治、風險管理及內部監控系統。管理層則負責制定營運及業務策略及政策及達致本集團策略方向的計劃。各董事均可聯絡管理層，就本集團的營運和業務查詢任何問題、要求作出解答、要求提供簡報或作非正式交流。

## 3. BOARD OF DIRECTORS (Continued)

The Board held a total of eight board meetings and passed circular resolutions during the financial year. At the board meetings, different issues and matters were discussed and reviewed including, approval of the Group's FY15/16 final results and the FY16/17 interim results; reviewing financial and operating performances of the Group; approval of new and/or renewals of borrowing facilities; approval of renewals of continuing connected transactions; conducting an annual review of the effectiveness of the system of internal controls of the Company and its subsidiaries, reviewing risk management framework and identifying top risks and corresponding mitigation actions. Details of the directors' attendance at the Board meetings during the financial year are set out below. All businesses transacted at the Board meetings are well documented and the records are maintained in accordance with applicable laws and regulations.

## 3. 董事會 (續)

董事會於本財政年度共舉行八次董事會會議並通過多項書面決議案。在該八次董事會會議上討論及檢討多方面事宜，包括通過本集團15/16財政年度末期業績及16/17財政年度中期業績；檢討本集團財務及營運表現；批准新及／或重續借貸融資；批准重續持續關連交易；對本公司及其附屬公司的內部監控制度的成效進行年度檢討；檢討風險管理框架、辨別重大風險及相關緩解措施。於本財政年度，各董事於董事會會議之出席詳情載列如下。於董事會會議討論之各項事務均詳細記錄，並按照適用法例及法規存備有關記錄。

Date of board meeting	董事會會議舉行日期	Total no. of Directors 董事總人數	No. of Directors present 出席董事人數
19 April 2016	2016年4月19日	8	7
23 June 2016	2016年6月23日	8	7
18 July 2016	2016年7月18日	8	6
12 October 2016	2016年10月12日	6	4
24 November 2016	2016年11月24日	6	5
16 January 2017	2017年1月16日	6	5
17 March 2017	2017年3月17日	6	5
29 March 2017	2017年3月29日	6	4

3. BOARD OF DIRECTORS (Continued)

3. 董事會 (續)

Director 董事	No. of board meetings attended/held in FY16/17 於16/17財政年度 出席／召開之董事會會議數目
<b>Executive Directors</b>	<b>行政董事</b>
Mr. Joseph C. C. Wong (Chairman and Chief Executive Officer)	黃創增先生 (主席及行政總裁) 7/8
Mr. Wallace Kwan Chi Kin (Chief Financial Officer)	關志堅先生 (首席財務總裁) 8/8
<b>Non-executive Directors</b>	<b>非行政董事</b>
Mr. Sakorn Kanjanapas (passed away on 8 April 2017)	黃創江先生 (於2017年4月8日辭世) 0/8
Ms. Mary Ma Xuezheng (resignation effective on 15 September 2016)	馬雪征女士 (於2016年9月15日辭任) 3/3
Mr. Alex Wong Yu Tsang (resignation effective on 15 September 2016)	黃宇錚先生 (於2016年9月15日辭任) 3/3
Mr. Nelson Wu Chun Sang ( <i>independent</i> )	胡春生先生 (獨立) 8/8
Professor Lawrence Wu Chi Man ( <i>independent</i> )	胡志文教授 (獨立) 6/8
Dr. Agnes Kwong Yi Hang ( <i>independent</i> )	鄺易行博士 (獨立) 8/8

**3. BOARD OF DIRECTORS (Continued)**

During the financial year, the Company held its AGM on 17 August 2016. No other general meetings were held during the financial year. Details of the directors' attendance at the AGM are set out below:

**17 August 2016**

Mr. Joseph C. C. Wong  
Mr. Wallace Kwan Chi Kin  
Mr. Nelson Wu Chun Sang  
Professor Lawrence Wu Chi Man  
Dr. Agnes Kwong Yi Hang

The Board is supplied with relevant information by management pertaining to matters to be brought before the Board for decision as well as reports relating to operational and financial performance of the Group before each regular board meeting. At least 14 day's notice of a regular board meeting is given to all directors giving them the opportunity to attend. Board papers are despatched to directors generally at least 3 days before the meeting and in any event as soon as practicable, in all instances, ensuring that they have sufficient time to review the papers and are adequately prepared for the meeting.

The proceedings of board meetings are generally conducted by the Chairman of the Company who ensures that sufficient time is allocated for discussion and consideration of items on the agenda and also ample opportunities are given to directors to speak, express their views and share their concerns. The Chairman held one meeting on 29 March 2017 with the non-executive directors (including independent non-executive directors) without the executive directors present.

Under Code Provision A.6.5, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. As such the directors are encouraged to participate in continuous professional development. Courses have been regularly circulated to directors for their selection.

**3. 董事會 (續)**

於本財政年度，本公司於2016年8月17日舉行股東週年大會。於本財政年度概無舉行其他股東大會。董事出席股東週年大會之詳情載列如下：

**2016年8月17日**

黃創增先生  
關志堅先生  
胡春生先生  
胡志文教授  
鄺易行博士

於每次定期董事會會議召開前，管理人員會向董事會提供與將提呈董事會決議事項有關之資料以及有關本集團營運及財務表現之報告。於定期董事會會議舉行至少14天前向全體董事發出通告，讓董事有機會出席。董事會文件一般須於會議舉行至少3天前派發予董事，並無論如何應在切實可行情況下盡快作出有關安排，以確保董事有足夠時間審閱會議文件及為會議作出充足準備。

董事會之會議程序通常由本公司主席主持，彼須確保分配足夠時間讓董事就各項議程作出討論及審議，同時亦給予各董事充足機會發言，提出意見及表達其關注的事項。在無行政董事出席的情況下，主席與非行政董事(包括獨立非行政董事)於2017年3月29日舉行了一次會議。

根據守則條文第A.6.5條，所有董事均須參加持續專業發展以發展及更新其知識及技能。因此，本公司鼓勵董事參加持續專業發展並定期發送相關課程予各董事選修。

3. BOARD OF DIRECTORS (Continued)

Professional development seminars attended by the directors during the financial year are set out below:

Mr. Joseph C. C. Wong attended a seminar on “Finance for Directors”.

Mr. Wallace Kwan Chi Kin attended seminars on “SAP HANA on IBM System” and “Experience High Performance and Maximum Flexibility with SAP BW on HANA Platform” and was furnished with reading materials, including: “Global Tax Alert – Swiss voters reject Corporate Tax Reform III in referendum”, “Transfer pricing documentation: Addressing the practical challenges”, “China VAT: It’s time to reap the savings”, “Environmental, Social and Governance Reporting Guide”; and “Review of Disclosure in Issuers’ Annual Report to Monitor Rule Compliance Report”

Dr. Agnes Kwong Yi Hang attended seminars on “Role of Company Director I: Overview of Legal and Regulatory Framework” and “Role of Company Director II: Board Practices”.

Mr. Nelson Wu Chi Man attended the following: “2016會計業界稅務申報座談會”, “HK Listing Rules Appendices 14 & 27 Updates – Are You Ready?”, “Annual Accounting Update 2015 “Staying Tuned” (audio)”, “Annual Auditing Update 2015 “Embracing Changes””, “New HKCO: Section 436 and Consolidated Financial Statements”, “HK Listing Rules Update – Environmental, Social and Governance Reporting Becoming a Must in 2016”, “New HKCO: Impacts on Financial Reporting (audio)”, “Common Errors Uncovered by Field Audit (audio)”, “The Cloud Changes the Way We Communicate and Process Documents”, and “The revised Auditor’s Report (audio)”.

3. 董事會 (續)

本財政年度董事曾閱讀的其他閱讀材料或出席的專業發展研討會如下：

黃創增先生出席“Finance for Directors”研討會。

關志堅先生出席“SAP HANA on IBM System”及“Experience High Performance and Maximum Flexibility with SAP BW on HANA Platform”研討會，並閱讀以下材料，包括：“Global Tax Alert – Swiss voters reject Corporate Tax Reform III in referendum” “Transfer pricing documentation: Addressing the practical challenges” “China VAT: It’s time to reap the savings” “Environmental, Social and Governance Reporting Guide”; 及 “Review of Disclosure in Issuers’ Annual Report to Monitor Rule Compliance Report”

鄭易行博士出席“Role of Company Director I: Overview of Legal and Regulatory Framework”及“Role of Company Director II: Board Practices”研討會。

胡春生先生出席以下研討會：“2016會計業界稅務申報座談會”；“HK Listing Rules Appendices 14 & 27 Updates – Are You Ready?”；“Annual Accounting Update 2015 “Staying Tuned” (audio)”；“Annual Auditing Update 2015 “Embracing Changes””；“New HKCO: Section 436 and Consolidated Financial Statements”；“HK Listing Rules Update – Environmental, Social and Governance Reporting Becoming a Must in 2016”；“New HKCO: Impacts on Financial Reporting (audio)”；“Common Errors Uncovered by Field Audit (audio)”；“The Cloud Changes the Way We Communicate and Process Documents”；及“The revised Auditor’s Report (audio)”。

#### 4. BOARD DIVERSITY

##### (1) Policy on Board Diversity

- a. We embrace diversity by being inclusive.
- b. We believe in meritocracy irrespective of gender, ethnicity, culture, generation or geography.
- c. We believe that an optimal and balanced board should comprise of individuals with an appropriate balance of different skills, educational and industry background, experience, independence and knowledge.

##### (2) Objective and Benefits of Board Diversity

We believe in diversity and inclusiveness as these bring to the boardroom a spectrum of perspectives and opinions, necessary as we navigate our businesses through a more complex market place and as our customers' aspirations grow in sophistication.

#### 5. COMPANY SECRETARY

The Company Secretary is an employee of the Company and has day to day knowledge of the Group's affairs. She reports to the Chairman and CEO. The Board has access to the advice and services of the Company Secretary to ensure that board procedures and all applicable laws, rules and regulations, are followed.

The Company Secretary attended the following professional development seminars and read materials on legal and corporate secretarial updates, receiving more than 15 hours of training during the financial year: "Inside Information, Latest Developments and Practical Tips for Managing Risks", "ESG Reporting", "Biennial Corporate Governance Conference"; and "Brand Enforcement on the Internet: Strategies for 2016 and Beyond".

#### 4. 董事會成員多元化

##### (1) 董事會成員多元化政策

- a. 董事會兼收並蓄，奉行多元化政策。
- b. 本集團用人唯才，不論性別、種族、文化、年紀或地域。
- c. 本集團相信，一個至優及均衡的董事會應由在不同技能、教育及行業背景、經驗及知識之間適度平衡的人士組成。

##### (2) 董事會成員多元化的目標及裨益

本集團相信多元化及兼收並蓄，因會為董事會提供更全面的觀點與看法，對本集團在日趨複雜的市場開展業務以及滿足本集團客戶不斷提高且複雜多樣的期望實屬必要。

#### 5. 公司秘書

本公司的公司秘書為本公司的僱員，瞭解本集團的日常事務。公司秘書向主席及行政總裁報告。公司秘書向董事會提供建議及服務以確保遵守董事會程序及所有適用法律、規則及規例。

公司秘書已於本財政年度出席以下專業發展研討會並研讀法律及公司秘書的最新資訊，接受多於15個小時的培訓：“內幕消息、最新發展及管理風險的實用要訣”；“環境、社會及管治報告”；“Biennial Corporate Governance Conference”；及“網上品牌活動：2016年及未來的策略”。

## 6. ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility for the preparation of the Group's accounts and has delegated this responsibility to the Group CFO. The Group CFO and his team are responsible for preparing interim and annual financial statements based on generally accepted accounting principles in Hong Kong ensuring that the financial statements present a fair and true view of the results and the financial position of the Group and that they comply with the disclosure requirements of the Hong Kong Companies Ordinance, the Listing Rules and other applicable laws and regulations. The Group CFO maintains regular communications with the external auditors. He also plays a role in reviewing and making recommendations to the Board on the Group's financial risk management. During the fiscal year, the Group CFO was also responsible for overseeing the Group's investor relations activities.

A statement by the Group's external auditors, PricewaterhouseCoopers about their reporting responsibilities on the Group's financial statements are set out in the Independent Auditor's Report on pages 37 to 39.

The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company and its subsidiaries ability to continue as a going concern.

## 6. 問責及審核

董事會知悉其肩負編製本集團賬目之責任，並已將此責任委派予集團首席財務總裁。集團首席財務總裁及其屬下人員負責遵照香港公認會計原則編製中期及年度財務報表，確保財務報表真實及公平地反映本集團的業績及財務狀況，並遵守香港公司條例、上市規則及其他適用法例及法規之披露規定。集團首席財務總裁須定期與外聘核數師溝通。集團首席財務總裁在本集團財務風險管理方面亦擔當審核及向董事會作出建議的角色。於財政年內，集團首席財務總裁亦負責監管本集團投資者關係事務。

本集團外聘核數師羅兵咸永道會計師事務所就其對本集團財務報表的責任而作出的聲明載於第37至39頁獨立核數師報告。

董事會並未注意到任何與或對本公司及其附屬公司持續經營能力構成重大疑慮之事件或情況有關之重大不確定因素。

## 7. AUDITORS' REMUNERATION

The Company appointed PricewaterhouseCoopers as the external auditors of the Company and certain of its subsidiaries at the respective 2016 annual general meetings until the conclusion of the next annual general meetings. During the year, HK\$4,749,000 was paid or payable to PricewaterhouseCoopers for the provision of audit services. Details of nature for non-audit related services provided by and the fee paid or payable to PricewaterhouseCoopers are set out as below:

### Description

#### 簡介

Taxation compliance  
Advisory and other services

The Group also engaged other auditors in Hong Kong and overseas for auditing and miscellaneous services and total fees paid amounted to HK\$1,271,000.

## 8. BOARD COMMITTEES

To assist the Board in the discharge of its duties, the Board is supported by four board committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within the terms of reference of each committee.

### (1) Audit Committee

The Audit Committee comprises of three independent non-executive directors, namely, Mr. Nelson Wu Chun Sang (Chairman of the Audit Committee), Professor Lawrence Wu Chi Man and Dr. Agnes Kwong Yi Hang.

## 7. 核數師酬金

本公司於2016年股東週年大會委任羅兵咸永道會計師事務所為本公司及若干其附屬公司之外聘核數師，任期直至下屆股東週年大會結束為止。年內，本公司就羅兵咸永道會計師事務所提供之核數服務向其支付或應付港幣4,749,000元。羅兵咸永道會計師事務所提供之非核數相關服務性質及向其支付或應付費用之詳情如下：

	HK\$ 港幣元
稅務遵規	561,000
顧問及其他服務	440,000

本集團亦於香港及海外委聘其他核數師提供核數及不同服務，所支付費用合共港幣1,271,000元。

## 8. 董事委員會

為協助董事會履行職務，在董事會以下設有四個董事委員會。各委員會有既定的職責及職權範圍，委員會成員獲授權可就各委員會職權範圍內的事項作出決策。

### (1) 審核委員會

審核委員會由三名獨立非行政董事胡春生先生(審核委員會主席)、胡志文教授及鄺易行博士組成。



8. BOARD COMMITTEES (Continued)

(1) Audit Committee (Continued)

The terms of reference of the Committee are aligned with the recommendations set out in the Listing Rules and the code provisions set out in the Corporate Governance Code. The Committee provides advice and recommendations to the Board and oversees all matters relating to the external auditors, thus playing an important role in monitoring and safeguarding the independence of the external auditors.

The Committee met four times during the financial year and up to the date of this Report together with the external auditors in two of the four meetings to discuss matters, including, the Group's audit service plan, the review of accounting principles and practices adopted by the Group and other financial reporting matters; to ensure the completeness, accuracy and fairness of the financial statements of the Company; to discuss the effectiveness of the systems of internal control throughout the Group including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget; to review all significant business affairs managed by the executive directors in particular on continuing connected transactions and to review the Group's results for the year ended 31 March 2017 and interim results for 2016/2017 before they were presented to the Board for approval.

8. 董事委員會 (續)

(1) 審核委員會 (續)

委員會的職權範圍乃根據上市規則所載建議及企業管治守則所載守則條文而制定。委員會向董事會提供意見及建議，並監督與外聘核數師有關的所有事宜，因此，其在監察及保持外聘核數師獨立性方面扮演重要角色。

委員會於本財政年度內及截至本報告日期期間舉行四次會議，四次會議其中兩次連同外聘核數師，會議討論之事項包括本集團之核數服務計劃、檢討本集團採納的會計原則及慣例以及其他財務報告事項；確保本公司財務報表的完整性、準確性及公平性；檢討本集團整體內部監控制度的成效，包括在會計及財務匯報職能方面是否擁有充足的資源、員工是否具備足夠的資歷及經驗，並已接受充足的培訓，及是否備有充足的預算；檢討行政董事負責的一切重要商業事務，特別是持續關連交易；以及在呈報本集團截至2017年3月31日止年度業績及2016/2017財政年度中期業績予董事會核准前，審閱該等業績。

**8. BOARD COMMITTEES** (Continued)**(1) Audit Committee** (Continued)

Attendance of directors at the Audit Committee Meetings held on:

**20 June 2016**

Mr. Nelson Wu Chun Sang  
Professor Lawrence Wu Chi Man  
Dr. Agnes Kwong Yi Hang  
Ms. Mary Ma Xuezheng  
Mr. Alex Wong Yu Tsang

**21 November 2016****17 March 2017****19 June 2017**

Mr. Nelson Wu Chun Sang  
Professor Lawrence Wu Chi Man  
Dr. Agnes Kwong Yi Hang

**(2) Remuneration Committee**

The Company's Remuneration Committee comprises of Professor Lawrence Wu Chi Man (Chairman of the Remuneration Committee), Mr. Nelson Wu Chun Sang, Dr. Agnes Kwong Yi Hang (all independent non-executive directors of the Company) and Mr. Joseph C.C. Wong (Group Chairman and CEO).

Code Provision B.1.2 deals with the terms of reference of the remuneration committee. The Company has adopted the terms of reference under Code Provision B.1.2 except that the terms of reference do not include reviewing and determining the remuneration packages of senior management. The Company believes that the remuneration packages of senior management should be the responsibility of the executive directors as they are in a better position to appraise the performance of senior management. The Remuneration Committee determines with delegated responsibility the remuneration packages of its individual executive directors. The basic salaries of its executive directors are reviewed annually, and unless there are exceptional circumstances, increases if any, generally align with the average annual increment for the Group's office staff in Hong Kong.

**8. 董事委員會** (續)**(1) 審核委員會** (續)

董事於下列日期舉行的審核委員會會議的出席情況：

**2016年6月20日**

胡春生先生  
胡志文教授  
鄺易行博士  
馬雪征女士  
黃宇鏗先生

**2016年11月21日****2017年3月17日****2017年6月19日**

胡春生先生  
胡志文教授  
鄺易行博士

**(2) 薪酬委員會**

本公司的薪酬委員會由胡志文教授(薪酬委員會主席)、胡春生先生、鄺易行博士(均為本公司獨立非行政董事)及黃創增先生(本集團主席及行政總裁)組成。

守則條文第B.1.2條載有有關薪酬委員會的職權範圍。本公司已採納守則條文第B.1.2條所載的職權範圍，惟不包括有關檢討及釐定高級管理人員薪酬待遇的部分。本公司認為行政董事較適合評估高級管理人員的表現，因此，釐定高級管理人員的薪酬待遇應由行政董事負責。薪酬委員會的職責為釐定行政董事個人的報酬。其行政董事的基本薪金會每年進行審閱，除非有特殊情況，增幅(如有)一般與本集團香港辦事處職員的平均年度增幅相同。

8. BOARD COMMITTEES (Continued)

(2) Remuneration Committee (Continued)

There was a written circular resolution of all committee members to adopt and approve the basic salaries and annual bonus scheme for FY16/17 for its executive directors.

The Committee met once during the financial year and up to the date of this Report. At this meeting, the Committee conducted annual reviews of the basic salaries of its executive directors and determined their annual bonus scheme for FY17/18.

Attendance of directors at the Remuneration Committee Meeting held on:

**19 June 2017**

Mr. Joseph C. C. Wong  
Professor Lawrence Wu Chi Man  
Mr. Nelson Wu Chun Sang  
Dr. Agnes Kwong Yi Hang

8. 董事委員會 (續)

(2) 薪酬委員會 (續)

16/17 財政年度的行政董事基本薪金及年度花紅計劃已由全體委員會成員以書面決議通過。

於本財政年度及截至本報告日期，委員會曾舉行一次會議。於該會議上，委員會對其行政董事之基本薪酬作出年度檢討及釐定其行政董事 17/18 財政年度的年度花紅計劃。

董事於下列日期舉行的薪酬委員會會議的出席情況：

**2017年6月19日**

黃創增先生  
胡志文教授  
胡春生先生  
鄺易行博士

**8. BOARD COMMITTEES** (Continued)**(3) Nomination Committee**

The Nomination Committee comprises of Mr. Joseph C. C. Wong (Chairman of the Nomination Committee, Group Chairman and CEO) and three independent non-executive directors, namely, Mr. Nelson Wu Chun Sang, Professor Lawrence Wu Chi Man and Dr. Agnes Kwong Yi Hang.

Code Provision A.5.3 deals with the terms of reference of a nomination committee. The Company has adopted the terms of reference under Code Provision A.5.3. During the financial year, and up to the date of this Report, the Committee met twice. At these meetings, the Committee considered the independence of its retiring independent non-executive directors, having served more than 9 years by the time of the Annual General Meetings. In the nomination process, the Committee proposes the most appropriate individual with the right balance of skills, experience, and industry background for the position based on merit.

Attendance of directors at the Nomination Committee Meetings held on:

**23 June 2016**

Mr. Joseph C. C. Wong  
Professor Lawrence Wu Chi Man  
Mr. Nelson Wu Chun Sang  
Dr. Agnes Kwong Yi Hang  
Mr. Alex Wong

**19 June 2017**

Mr. Joseph C. C. Wong  
Professor Lawrence Wu Chi Man  
Mr. Nelson Wu Chun Sang  
Dr. Agnes Kwong Yi Hang

**8. 董事委員會 (續)****(3) 提名委員會**

本公司的提名委員會由黃創增先生 (提名委員會主席、本集團主席及行政總裁) 及三名獨立非行政董事胡春生先生、胡志文教授及鄺易行博士。

守則條文第A.5.3條載有有關提名委員會的職權範圍。本公司已採納守則條文第A.5.3條所載的職權範圍。於本財政年度及截至本報告日期，委員會曾舉行兩次會議。於該等會議，委員會考慮截至應屆股東週年大會等已就任超過9年的獨立非行政董事的獨立性。於提名過程中，委員會建議根據能力提名具有勝任該職位的技能、經驗及行業背景的合適人選。

董事於下列日期舉行的提名委員會會議的出席情況：

**2016年6月23日**

黃創增先生  
胡志文教授  
胡春生先生  
鄺易行博士  
黃宇錚先生

**2017年6月19日**

黃創增先生  
胡志文教授  
胡春生先生  
鄺易行博士

8. BOARD COMMITTEES (Continued)

(4) Corporate Governance Committee

Stelux recognises that adopting proper systems, running our businesses within a strong legal framework of rules and procedures, underpinned by sound business ethics are essential to safeguarding the economic performance of the Group and our shareholders' interests in a sustainable manner. The Corporate Governance Committee comprises Mr. Wallace Kwan Chi Kin (Chairman of the Corporate Governance Committee and Chief Financial Officer) and three independent non-executive directors, namely, Mr. Nelson Wu Chun Sang, Professor Lawrence Wu Chi Man and Dr. Agnes Kwong Yi Hang.

Code Provision D.3.1 deals with the terms of reference of a corporate governance committee. The Company has adopted the terms of reference under Code Provision D.3.1. The Corporate Governance Committee held one meeting during the financial year. At this meeting, the Committee amongst other things, reviewed the Company's compliance with the Code Provisions and disclosure in the Corporate Governance Report. Quarterly sales turnover updates are voluntarily issued by the Company and a whistleblowing policy is in place. With the implementation of the statutory disclosure regime for inside information under the Securities and Futures (Amendment) Ordinance 2012 on 1 January 2013, systems are in place on reporting and dissemination of inside information.

8. 董事委員會 (續)

(4) 企業管治委員會

寶光認為以良好的商業道德為本，採用合適的體制，按由規則及程序構成的健全法律框架下經營業務，乃保障本集團財務表現及以可持續的方式保障股東權益的基礎。企業管治委員會由關志堅先生（企業管治委員會主席及首席財務總裁）及三名獨立非行政董事胡春生先生、胡志文教授及鄺易行博士。

守則條文第D.3.1條載有有關企業管治委員會的職權範圍。本公司已採納守則條文第D.3.1條所載的職權範圍。企業管治委員會於本財政年度曾舉行一次會議。於該次會議，委員會（其中包括）檢討本公司對守則條文的遵守及於企業管治報告內的披露情況。本公司已自願發佈最新季度銷售營業額及已實施一項舉報政策。隨着2012年證券及期貨（修訂）條例下的內幕消息法定披露政策於2013年1月1日起生效，本公司已制定申報及發放內幕消息的體制。

**8. BOARD COMMITTEES** (Continued)**(4) Corporate Governance Committee** (Continued)

Attendance of directors at the Corporate Governance Committee Meeting held on:

**29 March 2017**

Mr. Wallace Kwan Chi Kin  
Mr. Nelson Wu Chun Sang  
Professor Lawrence Wu Chi Man  
Dr. Agnes Kwong Yi Hang

The above four board committees report to the Board. All businesses transacted at board committee meetings are recorded and minuted with copies provided to the Board. The terms of reference of the above board committees are available on the Company's website at [www.stelux.com](http://www.stelux.com).

**9. RISK MANAGEMENT AND INTERNAL CONTROL**

The Board acknowledges that it has overall responsibility for ensuring that the Group establishes and maintains appropriate risk management and internal control systems and for reviewing their effectiveness. The Group's risk management and internal control systems are designed to manage and minimise risk of failures in the Group's operational systems, and to achieve our objectives. Such systems can only provide reasonable but not absolute assurance against material misstatement or loss.

During the year, the Group has complied with all the code provisions on risk management and internal control under the Corporate Governance Code.

The main features of the Group's Risk Management and Internal Control Systems, include:

**(1) Risk Management**

The Group's risk management process is a four-step process involving identifying, assessing, responding to and monitoring risks which could affect the Group from achieving its strategic or business objectives.

**8. 董事委員會** (續)**(4) 企業管治委員會** (續)

董事於下列日期舉行的企業管治委員會會議的出席情況：

**2017年3月29日**

關志堅先生  
胡春生先生  
胡志文教授  
鄺易行博士

上述四個董事委員會向董事會報告。於董事委員會會議進行的所有事項均有記錄及記入會議記錄，該等記錄的副本亦會提供予董事會。上述其中四個董事委員會的職權範圍於本公司網站 [www.stelux.com](http://www.stelux.com) 可供瀏覽。

**9. 風險管理及內部監控**

董事會知悉其有責任確保本集團制定及維持適當的風險管理及內部監控系統以及審查有關系統之效用。本集團風險管理及內部監控系統用於管理及減低本集團營運系統的失效風險，從而達致本集團之目標。該等系統只可就重大錯誤陳述或損失提供合理而非絕對之保證。

年內，本集團已符合企業管治守則項下風險管理及內部監控的所有守則條文。

本集團的風險管理及內部監控系統的主要特點包括：

**(1) 風險管理**

本集團的風險管理程序有四個步驟，包括識別、評估、回應及監察可能對本集團達致策略或業務目標造成影響的風險。

9. RISK MANAGEMENT AND INTERNAL CONTROL  
(Continued)

(1) Risk Management (Continued)

In order to ensure the risk management process is executed effectively and as an integral part of our business, the Board has established the following risk management and reporting framework which specifies the responsible parties and their roles and responsibilities for managing risks of the Group.

**The Board**

- oversees management in the design, implementation and monitoring of the risk management and internal control systems
- evaluate and determine the Group's key risks which would significantly affect it achieving strategic or business objectives
- review the Group's key risks and mitigation actions and ensure the effectiveness of risk management and internal control systems

**Audit Committee**

- oversees design and operating effectiveness of the Group's underlying risk management process and internal control systems
- review effectiveness of the Group's risk management and internal controls with support from the Internal Audit Function and reporting to the Board

**Risk Steering Committee**

- members comprised of key executives of the Group
- assess and determine the Group's key risks and ensure appropriate mitigation actions/controls are in place
- track progress of mitigation actions/controls over identified key risks and report to Audit Committee
- provide confirmation to the Board on the effectiveness of the Group's risk management and internal control systems annually

9. 風險管理及內部監控 (續)

(1) 風險管理 (續)

為確保風險管理程序可有效執行並作為本集團業務之整合部分，董事會已設立以下風險管理及報告框架，訂明各負責部門及其就管理本集團風險的職責及責任。

**董事會**

- 監督管理層對風險管理及內部監控系統之制定、實施及監察
- 評估及判斷可能對本集團達成策略或業務目標造成重大影響的主要風險
- 審閱本集團的主要風險及減低風險之措施，以及確保風險管理及內部監控系統之有效性

**審核委員會**

- 監測本集團相關風險管理程序及內部監控系統之制定及操作效用
- 在內部審計部的協助下審閱本集團的風險管理及內部監控的有效性，並向董事會報告

**風險督導委員會**

- 成員包括本集團的主要執行人員
- 評估及判斷本集團的主要風險，並確保實施適當減低風險的措施／監控
- 跟進已識別主要風險之緩減措施／監控，並向審核委員會報告
- 每年向董事會確認本集團的風險管理及內部監控系統的有效性

9. RISK MANAGEMENT AND INTERNAL CONTROL  
(Continued)

(1) Risk Management (Continued)

**Business Units and Functional Support Management**

- management meets periodically to identify new and review existing risks
- design, implement and monitor mitigation actions and internal control activities in their day-to-day operations
- ensure risk management process and mitigation actions and internal controls follow guidelines or recommendations provided by the Risk Committee and Internal Audit Function

**Internal Audit Function**

- carry out analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems
- support the Audit Committee in reviewing the effectiveness of the Group's risk management and internal control systems

(2) Internal Control

Internal control is a process for the Board and management to assure achievement of the Group's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and our internal policies.

The Group has the following major internal controls in place:

- Policies and standard operating procedures are set to govern staff in shop operations, integrity of trading practices, compliance on handling personal data of customers, acquisition and disposal of capital assets, financial reporting, etc.
- Authorisation and approval matrix are set based on nature and type of transactions.

9. 風險管理及內部監控 (續)

(1) 風險管理 (續)

**業務單位及部門支援管理**

- 管理層定期進行會議，以識別新風險及審閱現有風險
- 制定、實施及監測日常營運的減低風險措施及內部監控措施
- 確保風險委員會及內部審計部提供的風險管理程序及風險減低措施及內部監控指引或建議獲遵從

**內部審計部**

- 就本集團的風險管理及內部監控系統的合適性及有效性進行分析及獨立評估
- 支援審核委員會審閱本集團的風險管理及內部監控系統的有效性

(2) 內部監控

內部監控為董事會及管理層確保達致本集團有關營運有效性及效率、可靠財務匯報制度及遵守法律、法規及內部政策的程序。

本集團已實行下列主要內部監控措施：

- 制定政策及標準經營程序以監管營運店鋪之員工、交易常規的完整性、處理客戶個人資料的合規性、資本資產的收購及出售、財務報告等。
- 根據不同交易性質及類型制定不同授權及批准的基礎。



9. RISK MANAGEMENT AND INTERNAL CONTROL  
(Continued)

(2) Internal Control (Continued)

- Employees' Code of Conduct is available on the Company's intranet. Employees are required to strictly follow the Code of Conduct to ensure the Group operates to the highest standards of business behaviour and ethics.
- Business plans and budgets of individual business units are prepared and monitored by management regularly.
- Regular management meetings to review business updates and monitor operating performance against budgets and relevant benchmarks.
- Regular reviews on store portfolio.
- Information access from accounting, Human Resources and other IT systems are restricted and managed on a need-to-know basis in order to protect data and ensure data integrity.
- Major or material connected transactions require pre-approval of independent non-executive directors and all continuing connected transactions are reviewed on an annual basis pursuant to the requirements of the Hong Kong Listing Rules.
- The Group has a "whistle-blowing" mechanism to allow our staff to anonymously report any suspected fraud or employee's misconduct to the Head of Internal Audit Function who will refer the report to the Audit Committee and the Board for further investigation and/or actions.

9. 風險管理及內部監控 (續)

(2) 內部監控 (續)

- 上載僱員的操守守則至本公司內聯網。僱員需要嚴格遵守操守守則，確保本集團的營運符合業務行為及道德的最高標準。
- 管理層定期制定及監察個別業務單位的業務計劃及預算。
- 管理層定期舉行會議，參照有關各預算及相關基準，檢討業務的最新情況及經營表現。
- 定期審閱店舖組合。
- 限制並以「有需要知道」的原則管理有關會計、人力資源及其他電腦系統的資料，以保障資料及確保資料的完整性。
- 主要或重大關連交易需要獨立非執行董事的事前批准，而所有持續關連交易根據香港上市規則每年予以審閱。
- 本集團設有「舉報」機制，供員工向內部審計部主管匿名報告任何涉嫌欺詐或員工不當行為，而內部審計部主管將向審核委員會及董事會報告，以作出進一步調查及／或行動。

9. RISK MANAGEMENT AND INTERNAL CONTROL  
(Continued)

(2) Internal Control (Continued)

- The Company has a system which sets out the requirements and procedures for handling and disseminating inside information to the public. Any material information which comes to the knowledge of one or more officers should be promptly identified, assessed and escalated, where appropriate, to the attention of the Board.
- Our internal audit function conducts regular reviews and ad hoc engagements which cover risk assessment and monitoring, operational, financial and compliance aspects.

(3) Internal Audit

Under Code Provision C.2.5, an internal audit function should be in place. The key tasks of the Group's Internal Audit Function include:

- provides independent and objective assurance to the Audit Committee and the Board with respect to the Group's risk management and internal control systems;
- conduct independent audits on the Group's financial, operational and compliance controls and make recommendations on improving work flow efficiency and effectiveness;
- conduct special reviews on areas of concerns as identified by senior management or the Board;
- conduct investigations on business ethics, employee misconduct, fraud cases and other violations of the Group's policies and standards; and
- oversee the "whistle-blowing" mechanism.

9. 風險管理及內部監控 (續)

(2) 內部監控 (續)

- 本公司設有制度列明處理及向公眾傳播內幕資料的要求和程序。如一名或以上的高級人員知悉任何重要資料，則須即時查明、評估及向董事會提呈(如適用)有關資料。
- 內部審計部進行定期審閱及特設行動，包括風險評估及監測、營運、財務及合規等方面。

(3) 內部審計

根據守則條文第C.2.5條，須設立內部審計部。本集團內部審計部的主要職責包括：

- 就本集團的風險管理及內部監控系統向審核委員會及董事會提供獨立和客觀的保證；
- 就本集團的財務、經營及合規監控進行獨立審計，並就改善營運流程效率及效用提供建議；
- 就高級管理層或董事會成員識別的問題進行特別審閱；
- 調查有關業務道德、員工不當行為、欺詐個案、及違反本集團政策及標準之事宜；及
- 監測「舉報」機制。

9. RISK MANAGEMENT AND INTERNAL CONTROL  
(Continued)

(4) Annual Review by the Board

Under Code Provision C.2.1, the directors should at least annually conduct a review of the effectiveness of the Group's internal controls system reporting to the Company's shareholders in the Corporate Governance Report. The review should cover all material controls, including financial, operational and compliance controls and risk management functions.

Under Code Provision C.2.2, the Board's annual review should, in particular, consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.

The Board through the Audit Committee, reviews the overall effectiveness of the Group's risk management process and internal control systems annually. During the current financial year, the reviews covered the following:

- (i) any significant change in the nature and extent of significant risks and in the control environment of the Group;
- (ii) the significant control weaknesses (including financial, operational and compliance controls) as identified by the Internal Audit Function and the consideration of effectiveness over its recommendations on improving internal business environment;
- (iii) major investigation findings on internal control matters as presented by the Internal Audit Function;

9. 風險管理及內部監控 (續)

(4) 董事會之年度審閱

根據守則條文第C.2.1條，董事應最少每年對集團內部監控制度的成效進行一次檢討，並在企業管治報告中向本公司股東匯報。有關檢討應涵蓋所有重要的監控方面，包括財務、營運及合規以及風險管理職能。

根據守則條文第C.2.2條，董事會的年度檢討應特別審視本集團會計及財務匯報職能是否擁有充足的資源、員工是否具備足夠的資歷及經驗，並已接受充足的培訓，及是否備有充足的預算。

董事會透過審核委員會每年閱審本集團的風險管理程序及內部監控系統。於本財政年度，審閱包括以下：

- (i) 重大風險的性質及程度以及本集團監控環境的任何重大改變；
- (ii) 內部審計部識別的重大監控缺陷(包括財務、營運及合規監控)，以及有關其就改善內部業務環境建議的效用性之考慮；
- (iii) 內部審計部就內部監控事宜的主要調查結果；

**9. RISK MANAGEMENT AND INTERNAL CONTROL***(Continued)***(4) Annual Review by the Board** *(Continued)*

- (iv) the Group's key risks and corresponding mitigation actions which were summarized by the Risk Steering Committee and the Internal Audit Function based upon discussion with senior management of different business units and functional supports; and
- (v) the performance, staff qualification and experience, training and adequacy of the Group's accounting, financial reporting and internal audit functions.

The Board and the Audit Committee have reviewed the Group's risk management and internal control systems for the year ended 31 March 2017 and concluded that adequate and effective risk management and internal control systems of the Group are being maintained.

**10. INVESTOR RELATIONS**

To promote and enhance investor relations, regular meetings are held with the investment community. We value constant dialogue with existing and prospective investors as a way to promote a greater understanding of the Group's business models and the way we conduct our businesses.

**9. 風險管理及內部監控** *(續)***(4) 董事會之年度審閱** *(續)*

- (iv) 本集團由風險督導委員會及內部審計部根據與不同業務單位及部門支援的高級管理層之討論而概括的主要風險及相應減低風險措施；及
- (v) 本集團會計、財務匯報及內部審計部的表現、員工資歷及經驗、培訓及充足性。

董事會及審核委員會已審閱本集團截至2017年3月31日止年度的風險管理及內部監控系統，並總結本集團有維持合適及有效的風險管理及內部監控系統。

**10. 投資者關係**

本集團重視與現有及潛在投資者作緊密交流及與投資界定期舉行的記者招待會、路演及會議。本公司將繼續大力提倡和加強投資者關係，以提高其對本集團業務模式及開展業務方式的了解。

## 11. SHAREHOLDERS RIGHTS

### (1) How shareholders can convene an extraordinary general meeting

Shareholders may request to convene an extraordinary general meeting in accordance with section 74 of the Bermuda Companies Act 1981:

- i. The directors of a company, notwithstanding anything in its bye-laws shall, on the requisition of members of the company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the company as at the date of the deposit carries the right of voting at general meetings of the company, or, in the case of a company not having a share capital, members of the company representing not less than one-tenth of the total voting rights of all the members having at the said date a right to vote at general meetings of the company, forthwith proceed duly to convene a special general meeting of the company.
- ii. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form each signed by one or more requisitionists.
- iii. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

## 11. 股東權利

### (1) 股東要求召開股東特別大會程序

股東可根據百慕達《1981年公司法》第74條要求召開股東特別大會：

- i. 任何公司董事，儘管公司細則有所規定，如收到公司股東呈請，於提出呈請之日持有不少於公司於提出呈請之日已繳股本十分之一並享有在公司股東大會的投票權，或如公司沒有股本，則公司股東代表於提出呈請之日持有不少於公司所有股東於股東大會上投票的總投票權的十分之一，則應立刻召開公司股東特別大會。
- ii. 呈請必須列明會議目的，由呈請人簽署及投寄至公司註冊辦事處，及可包括由多於一位呈請人簽署的同一格式的多份文件。
- iii. 如董事自收到呈請後21天內仍未召開大會；該等呈請人，或代表多於全體呈請人一半的總投票權的任何呈請人，則可以自行召開大會，但任何大會皆不能在呈請日起超過三個月後召開。

11. SHAREHOLDERS RIGHTS (Continued)

(1) How shareholders can convene an extraordinary general meeting (Continued)

- iv. A meeting convened under this section by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.
- v. Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration in respect of their services to such directors as were in default.

(2) Procedures by which enquiries may be put to the board and sufficient contact details to enable these enquiries to be properly directed

Shareholders may send their enquiries to the Board by addressing them to the Company Secretary in writing to:

- (i) the Company's head office, 27/F, Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong; or (ii) by email to [shareholdersenquiries@stelux.com](mailto:shareholdersenquiries@stelux.com).

(3) Procedures and sufficient contact details for putting forward proposals at shareholders' meetings

Shareholders may, subject to (1) above, by way of request in writing request a shareholders' meeting to be convened for the purpose of considering a certain matter, addressing the request to the Company Secretary at:

the Company's head office, 27/F, Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong.

11. 股東權利 (續)

(1) 股東要求召開股東特別大會程序 (續)

- iv. 在此條例下由該等呈請人召開的大會須盡可能與由董事召開大會的形式一樣。
- v. 如因董事未能召開大會，任何由該等呈請人支付的合理費用，將由公司付回呈請人。已支付數額將從公司支付給該不履行責任董事的袍金或薪酬內扣除。

(2) 股東可向董事會提出查詢的程序，並提供足夠的聯絡資料以便有關查詢可獲恰當處理

股東可以書面方式透過公司秘書向董事會提出問題，郵寄地址為：

- (i) 香港九龍新蒲崗太子道東698號寶光商業中心27樓本公司總辦事處；或(ii) 電郵至 [shareholdersenquiries@stelux.com](mailto:shareholdersenquiries@stelux.com)。

(3) 在股東大會提出建議的程序及足夠的聯絡資料

在受限於上述第(1)條的情況下，股東可向公司秘書發出書面要求，要求召開股東大會以考慮若干事宜，郵寄地址為：

香港九龍新蒲崗太子道東698號寶光商業中心27樓本公司總辦事處。

## 12. COMMUNICATION WITH SHAREHOLDERS

The Company attaches great importance to communication with its shareholders and investors. To foster effective communications, the Company provides extensive information in its annual report, interim report and also publishes information relating to the Group and its businesses on its website: [www.stelux.com](http://www.stelux.com).

The Company regards the AGM as a platform to provide an important opportunity for direct communications between the Board and the Company's shareholders. All directors and senior management will make an effort to attend. External auditors will also attend the AGM. The chairman of the Audit, Remuneration, Nomination and Corporate Governance Committees were all present at the Company's AGM held in 2016. Shareholders are given at least 20 clear business days or 21 days' notice of the AGM (whichever is the longer). The Company supports the Corporate Governance Code principle to encourage shareholders' participation.

Shareholders may send any enquiries they have by addressing them to the Company Secretary in writing to:

(i) the Company's head office, 27/F, Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong; (ii) or by email to [shareholdersenquiries@stelux.com](mailto:shareholdersenquiries@stelux.com).

## 13. CODE OF CONDUCT

To enhance the ethical standards of employees, the Company has an employee handbook, setting out the Group's requisite standards and an ethical code of conduct for all employees of the Group. Employees at all levels are expected to conduct themselves in an honest, diligent and responsible manner.

## 14. CONCLUSION

The Company recognises that adopting good corporate governance principles and practices are important for the success of the Group and as such we will continue to strengthen and improve the standard and quality of the Group's corporate governance.

## 12. 與股東之間的溝通

本公司十分重視與其股東和投資者的溝通。為促進有效的溝通，本公司在年度報告、中期報告中詳盡公佈本集團的資料，亦透過其網站 [www.stelux.com](http://www.stelux.com) 發佈關於本集團及其業務的資料。

股東週年大會為董事會與本公司股東提供直接溝通的重要渠道。全體董事及高級管理人員會盡量抽空出席股東週年大會。外聘核數師亦會出席股東週年大會。審核委員會主席、薪酬委員會主席、提名委員會主席及企業管治委員會主席也有出席本公司於2016年舉行的股東週年大會。本公司會於舉行股東週年大會前最少20個完整營業日或21日向股東發出會議通知(以時間較長者為準)。本公司堅守企業管治守則，鼓勵股東出席會議。

股東如有任何查詢，可以書面方式郵寄至：

(i) 本公司總辦事處(地址為香港九龍新蒲崗太子道東698號寶光商業中心27樓)；或(ii) 電郵至 [shareholdersenquiries@stelux.com](mailto:shareholdersenquiries@stelux.com) 向公司秘書提交。

## 13. 操守守則

為提高僱員的操守標準，本公司設有員工手冊，為本集團全體員工列明集團所要求的標準及操守守則條文。預期各階級員工均以忠誠、盡職及負責的態度行事。

## 14. 總結

本公司認為採納良好的企業管治原則及慣例對本集團的成功至關重要，因此本公司將繼續加強及改善本集團企業管治的水平及質素。

# AWARDS

## 獎項

### CARING COMPANY

#### 商界展關懷

In recognition for the Group's services and support to the wider local community, Stelux and its subsidiaries, City Chain Hong Kong, Optical 88 Hong Kong, and Thong Sia Watch, the Hong Kong sole distributor for "SEIKO" watches and clocks were again respectively awarded Caring Company Awards by the Hong Kong Council of Social Service.

寶光及其附屬公司香港時間廊、香港眼鏡88以及「精工」鐘錶的香港獨家經銷商通城鐘錶再次分別榮獲香港社會服務聯會頒贈的商界展關懷獎狀，由此證明本集團對廣大社區提供的服務及支援獲得各界肯定。





## CORPORATE INFORMATION

### 公司資料

#### Registered Office

Canon's Court, 22 Victoria Street  
Hamilton, HM12, Bermuda

#### Principal Office

27th Floor, Stelux House  
698 Prince Edward Road East  
San Po Kong  
Kowloon  
Hong Kong

#### Principal Bankers

Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited

#### Auditors

PricewaterhouseCoopers

#### Share Registrar

MUFG Fund Services (Bermuda) Limited  
26 Burnaby Street  
Hamilton HM 11  
Bermuda

#### Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Room 1712-1716  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

#### 註冊辦事處

Canon's Court, 22 Victoria Street  
Hamilton, HM12, Bermuda

#### 主要辦事處

香港九龍新蒲崗  
太子道東698號  
寶光商業中心27樓

#### 主要往來銀行

恒生銀行有限公司  
香港上海滙豐銀行有限公司

#### 核數師

羅兵咸永道會計師事務所

#### 股份過戶登記處

MUFG Fund Services (Bermuda) Limited  
26 Burnaby Street  
Hamilton HM 11  
Bermuda

#### 股份過戶登記處香港分處

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

## CORPORATE INFORMATION

### 公司資料

#### Audit Committee

Mr. Nelson Wu Chun Sang (*Chairman of Committee*)  
Professor Lawrence Wu Chi Man  
Dr. Agnes Kwong Yi Hang  
Ms. Ma Xuezheng (also known as Mary Ma)<sup>#</sup>  
Mr. Alex Wong Yu Tsang (also known as Alex Wong)<sup>#</sup>

#### Remuneration Committee

Professor Lawrence Wu Chi Man (*Chairman of Committee*)  
Mr. Joseph C. C. Wong  
Mr. Nelson Wu Chun Sang  
Dr. Agnes Kwong Yi Hang  
Ms. Ma Xuezheng (also known as Mary Ma)<sup>#</sup>

#### Nomination Committee

Mr. Joseph C. C. Wong (*Chairman of Committee*)  
Mr. Nelson Wu Chun Sang  
Professor Lawrence Wu Chi Man  
Dr. Agnes Kwong Yi Hang  
Mr. Alex Wong Yu Tsang (also known as Alex Wong)<sup>#</sup>

#### Corporate Governance Committee

Mr. Wallace Kwan Chi Kin (*Chairman of Committee*)  
Mr. Nelson Wu Chun Sang  
Professor Lawrence Wu Chi Man  
Dr. Agnes Kwong Yi Hang  
Ms. Ma Xuezheng (also known as Mary Ma)<sup>#</sup>  
Mr. Alex Wong Yu Tsang (also known as Alex Wong)<sup>#</sup>

<sup>#</sup>resignation effective on 15 September 2016

#### 審核委員會

胡春生先生 (*委員會主席*)  
胡志文教授  
鄺易行博士  
馬雪征女士<sup>#</sup>  
黃宇錚先生<sup>#</sup>

#### 薪酬委員會

胡志文教授 (*委員會主席*)  
黃創增先生  
胡春生先生  
鄺易行博士  
馬雪征女士<sup>#</sup>

#### 提名委員會

黃創增先生 (*委員會主席*)  
胡春生先生  
胡志文教授  
鄺易行博士  
黃宇錚先生<sup>#</sup>

#### 企業管治委員會

關志堅先生 (*委員會主席*)  
胡春生先生  
胡志文教授  
鄺易行博士  
馬雪征女士<sup>#</sup>  
黃宇錚先生<sup>#</sup>

<sup>#</sup>於2016年9月15日辭任

**Latest time for lodging transfers of Shares for registration in order to qualify for attending and voting at the Annual General Meeting**

4:30 p.m. on Friday, 11 August 2017

**Latest date and time for return of proxy form for the Annual General Meeting**

not less than 48 hours before the time of the Annual General Meeting (i.e. not later than 3:00 p.m. on Wednesday, 16 August 2017)

**Closure of the register of members of the Company for determining the identity of Shareholders who are entitled to attend and vote at the Annual General Meeting**

Monday, 14 August 2017 to  
Friday, 18 August 2017 (both days inclusive)

**Annual General Meeting**

3:00 p.m. on Friday, 18 August 2017

**Email Contacts**

Investor Relations: [ir@stelux.com](mailto:ir@stelux.com)  
Shareholder's Enquiries: [shareholdersenquiries@stelux.com](mailto:shareholdersenquiries@stelux.com)

**遞交股份轉讓登記文件以獲資格出席股東週年大會並於會上投票之最後時間**

2017年8月11日(星期五)下午四時三十分

**交回股東週年大會代表委任表格之最後日期及時間**

股東週年大會召開時間48小時前(即不遲於2017年8月16日(星期三)下午3時正)

**暫停辦理股份過戶登記以確定有資格出席大會並於會上投票之股東身份**

2017年8月14日(星期一)至  
2017年8月18日(星期五)  
(包括首尾兩日)

**股東週年大會**

2017年8月18日(星期五)下午三時正

**聯絡電郵**

投資者關係：[ir@stelux.com](mailto:ir@stelux.com)  
股東查詢：[shareholdersenquiries@stelux.com](mailto:shareholdersenquiries@stelux.com)





混合產品

源自負責任的森林資源的紙張  
Paper from responsible sources  
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