

STELUX Holdings International Limited

(Stock Code 股份代號 : 84)

寶光實業(國際)有限公司

Annual Report 2020
年報二零二零

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FINANCIAL SUMMARY

財務摘要

		2016	2017	2018	2019	2020
		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	3,401.7	1,634.9*	1,509.1*	1,457.8*	1,034.8
Loss for the year	年度虧損					
Continuing operations	持續營運業務	–	(132.5)	(145.8)	(144.4)	(402.7)
Discontinued operations	終止營運業務	–	(45.2)	(4.5)	110.0	–
Net loss for the year	年度淨虧損	(189.8)	(177.7)	(150.3)	(34.4)	(402.7)
Interim dividend paid	已派中期股息	–	–	–	–	–
Final dividend proposed	擬派末期股息	–	–	–	–	–
Special dividend paid	已派特別股息	–	–	–	198.8	–
Consolidated balance sheet as at 31 March	綜合資產負債表 3月31日結算					
Assets	資產	2,958.4	2,648.2	2,651.9	1,981.7	1,705.9
Less: Liabilities and non-controlling interests	減：負債及 非控股權益	1,728.6	1,729.1	1,631.3	996.7	1,175.5
Shareholders' funds	股東資金	1,229.8	919.1	1,020.6	985.0	530.4
		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					
Loss	虧損	(0.182)	(0.170)	(0.144)	(0.033)	(0.385)
Interim dividend paid	已派中期股息	–	–	–	–	–
Final dividend proposed	擬派末期股息	–	–	–	–	–
Special dividend paid	已派特別股息	–	–	–	0.19	–
Shareholders' funds	股東資金	1.175	0.878	0.975	0.941	0.507

* On 26 January 2018, the Group announced the disposal of its entire optical retail and wholesale businesses (the "Optical Business") to its controlling shareholder (the "Disposal"). The Optical Business is classified as Discontinued operations. The completion of the Disposal took place on 1 June 2018.

於2018年1月26日，本集團宣佈向其控股股東出售其整個眼鏡零售及批發業務（「眼鏡業務」）（「出售事項」），而已出售的業務於本年報分類為終止營運業務。出售事項已於2018年6月1日完成。

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 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in Note 39 on pages 173 to 176 to the financial statements.

BUSINESS REVIEW

A fair review of the Group’s businesses for the year ended 31 March 2020 and an indication of likely future development in the Group’s businesses are set out under Management Discussion and Analysis on pages 25 to 32.

Subsequent to the year ended 31 March 2020, an important event, the COVID-19 pandemic is affecting the Group and its particulars are set out under Management Discussion and Analysis on page 29 and Note 40 to the Financial Statements on page 176.

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. Certain core principles 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 watches available at our physical and online stores, 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-branded retailer “CITY CHAIN”, appealing to customers who enjoy fashionable watches.

本公司董事會（「董事會」）提呈董事會報告書連同截至2020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173頁至第176頁附註39。

業務回顧

有關截至2020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25頁至32頁的管理層討論及分析。

於截至2020年3月31日止年度後，一件重要事件－新型冠狀病毒疫情對本集團造成影響，詳情載於第29頁的管理層討論及分析及第176頁的財務報表附註40。

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。我們依照若干核心原則經營業務，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。由我們的實體店舖及網上購物平台所提供的潮流手錶及智能穿戴式裝置等生活產品，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。

As for the Group's watch wholesale business, (in addition to selling to City Chain), our customers comprise of a large network of independent dealer stores spanning, Hong Kong, Singapore, Brunei and Malaysia. Many of these dealers have been doing business with the Group for an average period of over 25 years. On average around 13% of our watch dealers operate at least 2 points of sales.

The Group is aware of the challenges brought on by underlying structural changes in labour markets and employee expectations towards 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 184 to 187 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. Credit terms granted by the Group's suppliers range from 30 to 90 days. More details on our suppliers are set out on pages 188 to 189 of the Environmental, Social and Governance Report.

Businesses require stable relationships with their lenders. Without exception, the Group maintains strong and active communications 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 regional and global banks with solid reputations.

The Group faces certain principal risks and uncertainties, described below (in no order of preference):

Risks arising from the COVID-19 pandemic, fluctuations in the global and local economic environments, political tensions and government activities impact our business performance and appropriate strategies and measures are adopted to mitigate these risks. For more details, refer to pages 29 of the Management, Discussion and Analysis and Note 40 to the Financial Statements.

Due to the challenging business environment, (particularly in Q4 FY2019/20 with the outbreak of COVID-19), there was an added focus on cash flow management with extra measures adopted to strengthen liquidity. For more details, refer to the "Finance" section of the Management, Discussion and Analysis on pages 29 to 31.

關於本集團的鐘錶批發業務(銷售予時間廊除外),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、汶萊及馬來西亞。大部分代理商與本集團於業務上已合作多年,平均年期超過25年。鐘錶代理商中平均約有13%於最少2個銷售點經營。

本集團關注到勞工市場的潛在結構變化及員工對工作生活平衡及工作流動性的期望帶來挑戰。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,我們讓與本集團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184頁至第187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。本集團供應商授出的信貸期介乎30至90日。有關供應商的詳情載於環境、社會及管治報告內第188頁至第189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及積極溝通,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地區及國際銀行。

本集團所面對的主要風險及不確定性如下(排名不分先後):

新型冠狀病毒疫情帶來的風險、全球及本地經濟狀況的波動風險、政治緊張局勢及政府政策對本集團業務表現造成影響,本集團已採取適當的策略及措施緩和前述風險。有關更多詳情,請參閱第29頁的管理層討論及分析及財務報表附註40。

由於營商環境充滿挑戰,(尤其是在新型冠狀病毒疫情爆發的2019/20年第4季度),本公司更加重視現金流管理,並採取額外措施加強流動性。進一步詳情載於第29頁至第31頁的管理層討論及分析內「財務」一節。

With the deadly outbreak and extensive spread of COVID-19, our operations came under severe strain. In addition to increasing efforts to provide a safe work place for our employees, our operations also faced varying periods of lockdowns, movement control or mandatory social distancing orders in all the territories where we operate, thus to a large extent our physical store operations were suspended. Whilst these operations have since resumed, it is not possible to assess with certainty the likely impact from any resurgent waves of infection.

As inventory levels impact sales, profitability and cash flows and with watch production lead times averaging 12 months, effective inventory management is important. Systems are in place to ensure key functions including merchandising, store operations and finance closely monitor metrics like, inventory levels, aging and turnover ratios. The Group adopts a conservative approach to ordering and purchasing stock. There are also measures to fasten stock turn and to facilitate disciplined capital management including flexible cross regional clearance initiatives.

Securing the right store location is another principal driver of performance and affects Group turnover and profitability. Leasing, store operations, finance and senior management review and assess location suitability using a checklist of pre-agreed criteria. A dedicated leasing team focusses on leasing strategies and activities in our major markets.

Product sourcing impacts on Group turnover, gross margins and inventory levels. CITY CHAIN being a multi-branded retailer, a proportion of products are sourced from third party brand principals or distributors and there is no assurance that supply will continue on terms acceptable to the Group. CITY CHAIN has a dedicated merchandising function to focus on sourcing of non-house branded products and maintaining good relationships, particularly with principal suppliers. We look to form medium to long term strategic brand partnerships with our suppliers, working closely with them to facilitate the sharing of fashion trends and market information. To stay attuned to customer tastes and preferences, market research on social media trends, competitors' offerings and market visits are carried out regularly, and customer feedback is closely monitored.

The Group's financial risks and relevant management policies can be found in the "Finance" section under Management, Discussion and Analysis on pages 29 to 31 and Note 6 to the Financial Statements.

隨著新型冠狀病毒疫情的爆發及廣泛傳播引致死亡事件，我們的經營受到嚴峻壓力。除了加強努力為僱員提供安全的工作地點外，我們經營所有地亦面臨著不同時期的停工、出入控制或強制性的社會限聚令，因此很大程度上暫停實體店的經營。儘管此等經營已恢復，但不可能確切地評估疫情浪潮重新出現可能帶來的影響。

由於存貨水平影響銷售、盈利能力、現金流量及平均為12個月的鐘錶製造週期，故有效的存貨管理甚為重要。集團已建立系統以確保透過主要職能，包括商品、店舖營運及財務，密切監察指標、存貨水平、賬齡及週轉率。本集團採取保守方式訂購及購買存貨。亦有措施加快存貨週轉期，並加強資本管理紀律，包括採取彈性跨區域存貨的措施。

能確保於合適地點開設店舖是另一個對業績表現的主要推動力，並影響集團營業額及盈利水平。不同的部門，包括租賃、店舖營運、財務及高級管理層利用預先協定的準則審核及評估位置合適度。本集團設有租賃團隊專注於主要市場的租賃策略及活動。

產品採購影響集團營業額、毛利率及存貨水平。「時間廊」作為多品牌零售商，不少產品均採購自第三方品牌代理或分銷商，因此難確保供應符合集團可接受的條款。「時間廊」設有採購部，專注於採購非自家品牌產品尤其與主供應商維持良好關係。本集團採取與供應商建立中長期戰略品牌合作夥伴關係的策略與其密切合作，促進交流時尚趨勢及市場資料。為適時了解客戶喜好，本集團定期進行社交媒體市場研究、競爭對手的產品及考察，並對客戶反饋進行密切監控。

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29頁至第31頁及財務報表附註6。

Laws and regulations governing consumer protection, employment and personal data 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. There was no material non-compliance with the above laws and regulations for the year ended 31 March 2020.

Climate change and other social issues may at times impact our business decisions and actions. Our environmental policy is based on 3R's – to reduce, reuse or recycle whenever feasible or practical so as to reduce our environmental impact. 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 180 to 184 under Environmental, Social and Governance Report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2020 are set out in the consolidated income statement on page 44.

No interim dividend was paid during the year (2019: nil).

The directors did not recommend the payment of a final dividend in respect of the year ended 31 March 2020 (2019: nil).

A conditional special distribution in cash of HK\$0.19 dollar per share was proposed by the Board on 23 January 2018 relating to the disposal of the Disposal group and was approved by the shareholders in the special general meeting on 19 April 2018. The special distribution, amounting to HK\$198.83 million, had been paid on 14 June 2018.

監管消費者保障、僱傭及個人資料的法律及法規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。於截至2020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於任何時候或對我們的業務決策及措施造成一定影響。我們的環境政策根據減量、再利用及循環使用的環保3R原則而定，以減少環境影響。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環保政策。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180頁至第184頁的環境、社會及管治報告。

業績及股息

本集團截至2020年3月31日止年度的業績載於第44頁的綜合收益表內。

年內，本公司並沒有派發中期股息(2019年：無)。

董事會不建議派發截至2020年3月31日止年度的末期股息(2019年：無)。

董事會於2018年1月23日就出售集團建議作出有條件特別分派每股股份現金19港仙，並已於2018年4月19日的股東特別大會上獲股東批准。建議特別分派總額為港幣198.83百萬元，在2018年6月14日已派付。

REPORT OF THE DIRECTORS 董事會報告書

DONATIONS

During the year, the Group made charitable and other donations of HK\$388,000.

SHARES ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 March 2020 are set out in Note 26 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 2020, the distributable reserves of the Company available for distribution as dividends to shareholders amounted to HK\$32.737 million (2019: HK\$32.737 million).

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.

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. Wong	(Chairman and Chief Executive Officer)
Wallace Kwan Chi Kin	(executive director and CFO)
Wu Chun Sang	(independent non-executive)
Lawrence Wu Chi Man	(independent non-executive)
Agnes Kwong Yi Hang	(independent non-executive)

In accordance with Bye-law 110(A), Dr. Agnes Kwong Yi Hang and Mr. Wu Chun Sang will retire by rotation at the forthcoming Annual General Meeting ("AGM"). Dr. Agnes Kwong Yi Hang being eligible, offers herself for re-election. Mr. Wu Chun Sang has expressed his intention not to seek re-election as an independent non-executive director as he has served the Group in this capacity for nearly 16 years. The Company confirms that Mr. Wu has no disagreements with the Board and nothing needs to be brought to the attention of the shareholders of the Company due to Mr. Wu's retirement.

捐款

年內，本集團作出慈善及其他捐款港幣388,000元。

年內已發行股份

截至2020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26。

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

於2020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32.737億萬元(2019年：港幣32.737億萬元)。

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。

董事及交易、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	(行政董事及首席財務總裁)
胡春生	(獨立非行政董事)
胡志文	(獨立非行政董事)
鄭易行	(獨立非行政董事)

按照公司細則第110(A)條，鄭易行博士及胡春生先生將於應屆股東週年大會(「股東週年大會」)輪席告退，鄭易行博士合資格並願膺選連任。胡春生先生已表示不再出任獨立非執行董事的意願，原因是彼以獨立非執行董事身分服務本集團接近16年的時間。本公司已確認，胡春生先生與董事會並無意見分歧，亦無其他與胡春生先生退任有關的事宜需提請本公司股東垂注。

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

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, Ms. Stella Chow Yin Oi 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).

The Company's directors have formal letters of appointment setting out the key terms and conditions of their appointment. During the year, Mr. Wallace Kwan Chi Kin was eligible to an annual bonus determinable under the terms of a KPI based executive bonus scheme with respect to his management of the Group. Provision for the bonus under the executive bonus scheme for the year ended 31 March 2020 amounted to HK\$570,000 (2019: HK\$820,000). Mr. Joseph C. C. Wong did not participate in the executive bonus scheme for the year ended 31 March 2020.

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

Chumphol KANJANAPAS (aka Joseph C. C. WONG), aged 60, 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 20 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.

董事及交易、協議及合約權益 (續)

年內及直至本報告日期，黃創增先生及關志堅先生同為本公司若干附屬公司董事。年內及直至本報告日期，其他香港本公司附屬公司董事：張素萍大律師、許健偉先生，周燕愛女士及陳冠橋先生。

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。

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，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2020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570,000元(2019年：港幣820,000元)。黃創增先生未參加截至2020年3月31日止年度的行政人員花紅計劃。

除上述者及本集團的持續關聯交易外，於年終時或年內任何時間，概無任何本公司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，60歲，於1986年獲委任為本公司行政董事。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二十年。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。

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

Directors

Wallace KWAN Chi Kin, aged 50, 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 MBA from the University of Manchester and a LLM 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 28 years of experience in financial management having worked at an international audit firm and several listed companies.

WU Chun Sang, aged 63, 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 61, was appointed an independent non-executive director of the Company in 2005. He graduated from Bristol University, United Kingdom with a BSc(Eng) and PhD in Aeronautical Engineering. He is a Professor at the Department of Materials Science and Engineering 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 60, holds a PhD in Molecular Immunology from the University of Hong Kong and an MBA from Troy State University in the USA. She was appointed an independent non-executive director of the Company in 2006. She has a background in consulting with a major focus on healthy and environmentally sustainable living.

Chief Counsel and Company Secretary

Caroline CHONG, aged 58, 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 Group Legal and Corporate Secretariat, and Group Human Resources.

董事及高級管理人員的履歷詳情 (續)

董事

關志堅先生，50歲，自2011年11月加入本集團出任集團首席財務總監及於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數間上市公司任職，擁有大約28年的財務管理經驗。

胡春生先生，63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，61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。彼為香港城市大學材料科學及工程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，60歲，擁有香港大學頒授之分子免疫學博士銜頭及美國Troy State University頒授之工商管理碩士銜頭。彼於2006年獲委任為本公司獨立非行政董事。彼擁有顧問背景，主要專注健康及環保生活方式。

首席法律顧問及公司秘書

張素萍大律師，58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。

SHARE OPTIONS

The Company and its subsidiaries did not set up or operate any share option scheme for the year ended 31 March 2020 and up to the date of publication of this Annual Report.

DIRECTORS' INTERESTS

As at 31 March 2020, 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:

(a) The Company – Ordinary shares

Long position in shares and underlying shares of the Company

購股權

本公司及其附屬公司於截至2020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2020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：

(a) 本公司－普通股

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 the total shares in issue as at 31 March 2020 於2020年3月31日全部 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 1) (附註1)	–	549,341,014	52.49

Notes:

(1) As at 31 March 2020, Yee Hing Company Limited held 855,200 shares of the Company through its subsidiary Active Lights Company Limited, 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 is a beneficiary of the Trust and was therefore deemed to be interested in 855,200 shares of the Company through the Trust's interest in Yee Hing Company Limited.

附註：

(1) 於2020年3月31日，義興有限公司通過其附屬公司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 – Preference shares

(b) 附屬公司－優先股

	Number of shares 股份數目				Total 總數	Approximate percentage of the total preference shares in issue as at 31 March 2020 於2020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/ trust interest 法團/ 信託權益	Other Interest 其他權益		
(i) City Chain (Thailand) Company Limited – Preference shares ¹ City Chain (Thailand) Company Limited – 優先股 ¹						
Mr. Joseph C. C. Wong 黃創增先生	200	–	208,800	–	209,000	99.52
(ii) Stelux Watch (Thailand) Company Limited – Preference shares ² Stelux Watch (Thailand) Company Limited – 優先股 ²						
Mr. Joseph C. C. Wong 黃創增先生	600	–	–	–	600	16.67
(iii) Stelux (Thailand) Limited – Preference shares ³ Stelux (Thailand) Limited – 優先股 ³						
Mr. Joseph C. C. Wong 黃創增先生	5,100	–	–	–	5,100	100

DIRECTORS' INTERESTS (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.
- (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) 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.

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 and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or no such interest or right has been granted or exercised.

INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT TO THE SFO

As at 31 March 2020, 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)

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。
- (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) 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。

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)的股份或相關股份及債券中擁有任何權益或淡倉或並無授出或行使該權益或權利。

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2020年3月31日於本公司之股份或相關股份中擁有權益：

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 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 Shareholder 股東姓名	Number of shares 股份數目				Total 總數	Approximate percentage of the total shares in issue as at 31 March 2020 於2020年 3月31日全部 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 1) (附註1)	-	549,341,014	52.49

Notes:

附註：

(1) As at 31 March 2020, Yee Hing Company Limited held 855,200 shares of the Company through its subsidiary Active Lights Company Limited, 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 is a beneficiary of the Trust and was therefore deemed to be interested in 855,200 shares of the Company through the Trust's interest in Yee Hing Company Limited.

(1) 於2020年3月31日，義興有限公司通過其附屬公司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。

INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT TO THE SFO (continued)

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 2020.

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	55%
– five largest suppliers combined	72%
Sales	
– the largest customer	1%
– five largest customers combined	4%

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.

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.

根據證券及期貨條例須予以披露之股東權益(續)

除上文所披露者外，於2020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	55%
– 五大供應商合計	72%
銷售額	
– 最大客戶	1%
– 五大客戶合計	4%

就各董事所知各董事、彼等之聯繫人士或擁有本公司股本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。

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。

CONTINUING CONNECTED TRANSACTIONS

The following continuing connected transactions are based on normal commercial terms agreed after arms' length negotiations between the relevant 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.

The Group's internal audit function conducted an audit to verify compliance of the following continuing connected transactions with the Listing Rules and a summary of the audit findings were presented to the independent non-executive directors as part of their annual review of the continuing connected transactions.

Continuing connected transactions of the Group for the financial year ended 31 March 2020

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) on normal commercial terms or better; and
- (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with 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 directors confirm that the Company's auditor has issued an unqualified letter 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 Hong Kong Stock Exchange.

持續關聯交易

以下持續關聯交易乃基於相關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。持續關聯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14A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。

本集團的內部審計部進行了審核，以核實下列各項持續關聯交易與上市規則的合規性。審核結果概要已呈報給獨立非行政董事作為年度審閱持續關聯交易的一部分。

本集團截至2020年3月31日止財政年度之持續關聯交易

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聯交易，並已確認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) 按一般商業條款或更好條款訂立；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。

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聯交易的核數師函件」，本公司核數師已受聘對本集團持續關聯交易作出報告。董事確認，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聯交易發出無保留意見函件。本公司已向香港聯交所提供核數師函件副本。

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關聯交易(續)

Summary of the continuing connected transactions:

持續關聯交易概要：

1. Renewal of leases or licensing of office premises, parking spaces and warehouse spaces

1. 更新租賃或獲許可用辦公室場所、停車位及倉庫

Connected persons 關聯人士	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	(7,883)	(7,883)	(i), (iv) & (vii)
Active Lights Company Limited ("ALCL") as Landlord Active Lights Company Limited(「ALCL」) 作為業主	Leasing of a warehouse and licensing of parking space 租賃倉庫及停車位許可	(1,115)	(1,115)	(ii), (iv) & (vi)
MPIL, as Licensor 明華，作為許可人	Licensing of parking spaces 停車位許可	(362)	(362)	(iii), (iv) & (vii)
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	2,460	2,460	(v) & (vii)

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes:

All definitions in the notes below have the same meaning as referred to in the Company's announcement dated 21 March 2019 unless otherwise indicated.

Leasing of properties

- (i) On 21 March 2019, Stelux Holdings Limited ("SHL") and Thong Sia Watch Company Limited ("TSWCL"), wholly owned subsidiaries of the Company, each individually as tenant/licensee, entered into the Stelux House Renewal Tenancy Licence Agreements 2019 with MPIL in respect of the following properties:

Premises A:	whole of 27th floor and portion of 28th floor of Stelux House
Premises B:	portion of 21st floor of Stelux House
Premises C:	office unit number 2206A on the 22nd floor of Stelux House
Premises D:	storeroom 6A on the 16th floor of Stelux House
Premises E:	storeroom 1B on the 17th floor of Stelux House
Premises F:	storeroom 6A on the 22nd floor of Stelux House

For Premises A, B, C, D, E and F, the term was for three years from 1 April 2019 up to and including 31 March 2022.

The total monthly rental for Premises A, B and C amounted to HK\$637,470 (exclusive of rates, government rent and management charges). The total monthly licence fees for Premises D, E and F amounted to HK\$19,440 (inclusive of rates, government rent and management charges). All rents and licence fees are payable monthly in advance in cash by the tenants/licensees 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 a rental valuation conducted by an independent property valuer dated 5 March 2019 and as such reflected the prevailing market rental values/licence fees of the subject premises. Accordingly, the directors considered the Stelux House Renewal Tenancy Agreements 2019; and the TSWCL Tenancy Agreement 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 (but not an obligation), to renew the tenancy agreements for the Premises A, B; and the TSWCL Tenancy Agreement with the landlord every three years for three more years for a maximum of 9 years commencing from 1 April 2022 at the then prevailing open market rent.

持續關聯交易 (續)

附註：

除另有註明者外，本附註所有刊發定義與本公司於2019年3月21日所刊發之公告所載者具相同涵義。

租賃物業

- (i) 於2019年3月21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2019年寶光商業中心租賃更新協議，內容有關以下物業：

物業A：	寶光商業中心27樓全層及28樓的一部份
物業B：	寶光商業中心21樓的一部分
物業C：	寶光商業中心22樓2206A室之辦公室單位
物業D：	寶光商業中心16樓6A儲存室
物業E：	寶光商業中心17樓1B儲存室
物業F：	寶光商業中心22樓6A儲存室

物業A、物業B、物業C、物業D、物業E及物業F的租期自2019年4月1日起計至2022年3月31日(包括該日)為止，為期三年。

物業A、物業B及物業C的每月租金總額為港幣637,470元(不包括差餉、政府地租及管理費)。物業D、物業E及物業F的每月許可使用費總額為港幣19,440元(包括差餉、政府地租及管理費)。所有租金及許可使用費由租戶/獲許可人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，並計及一位獨立物業估值師於2019年3月5日作出的租金估值反映有關業之物業現行市場租金/許可使用費。因此，董事認為，2019年寶光商業中心租賃更新協議及通城鐘錶租賃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及物業B及通城鐘錶租賃協議獲授選擇續約權(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2022年4月1日起計最多續期九年。

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

Leasing of warehouse and licensing of parking space

- (ii) On 21 March 2019, Active Lights Company Limited (“ALCL”) (as landlord/licensor) and a wholly-owned subsidiary of the Company (as tenant/licensee), entered into the Warehouse Leasing and Licence Agreements 2019 with respect to the following warehouse and parking spaces in Hong Kong:
- (a) Warehouse space A at an industrial building in Kowloon Bay, Kowloon, Hong Kong (“Kowloon Bay Building”); and
 - (b) One vehicle parking space at an industrial building in Kowloon Bay, Kowloon, Hong Kong at a monthly license fee of HK\$5,800 (inclusive of rates, government rent and management charges)

for a term of three years from 1 April 2019 up to and including 31 March 2022.

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

The monthly rental/license fees were determined on an arm’s length basis taking into account the prevailing market rates in the vicinity, which indicated that the renewal rentals/licence fees were favourable to the Group. Accordingly, the directors considered the Warehouse Leasing and Licence Agreements 2019 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

持續關聯交易 (續)

附註：(續)

租賃倉庫及停車位

- (ii) 於2019年3月21日，Active Lights Company Limited(「ALCL」) (作為業主／許可人) 及本公司一間全資附屬公司 (作為租戶／獲許可人) 訂立2019年倉庫租賃及許可使用協議，內容有關以下香港倉庫及停車位：
- (a) 位於香港九龍九龍灣一幢工業大廈(「九龍灣樓宇」)之倉庫A；及
 - (b) 香港九龍九龍灣一幢工業大廈之一個車輛停放位置合共每月許可使用費港幣5,800元(包括差餉、政府地租及管理費)。

租期自2019年4月1日起計至2022年3月31日(包括該日)為期三年。

所有租金及許可使用費由租戶／獲許可人於每個曆月首日以現金預付。

每月租金／許可使用費乃按公平原則釐定，並計及附近位置之現行市場利率，由此顯示的續期租金／許可使用費經對本集團有利。因此，董事認為，2019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 parking spaces

(iii) On 21 March 2019, certain wholly-owned subsidiaries of the Company (each individually as licensee) entered into the Carparking Space Licenses with MPIL with respect to the following parking spaces:

- (a) eight parking spaces at Stelux House at a total monthly license fee of HK\$30,100 (inclusive of rates, government rent and management charges);

for a period of three years from 1 April 2019 up to and including 31 March 2022. 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 Parking 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, storerooms, warehouses and parking spaces primarily for office, administrative and storage purposes generally 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, storerooms, parking 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 with use as long as the relevant rental/ licence fee and other terms are on normal commercial terms or better 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, 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 2020 was approximately HK\$9,360,000.

持續關聯交易 (續)

附註：(續)

停車位許可

(iii) 於2019年3月21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) 寶光商業中心八個停車位合共每月許可使用費港幣30,100元(包括差餉、政府地租及管理費)；

租期為自2019年4月1日起計至2022年3月31日(包括該日)為期三年。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、儲存室、倉庫及停車位，一般用作辦公室、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、儲存室、停車位及倉庫。董事認為，只要有關於之租金/許可使用費及其他條款按一般商業條款或更佳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，本集團繼續使用以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)所載的交易為須合併計算之持續關聯交易，而截至2020年3月31日止財政年度的年度上限總額約為港幣9,360,000元。

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

Provision of management and property agency liaison services

- (v) On 21 March 2019, 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 2019”) with MPIL, as principal, for a term of three years from 1 April 2019 up to and including 31 March 2022 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 2019.

Monthly remuneration was set at HK\$205,000 per calendar month (in the first year ended 31 March 2020) payable in advance in cash on the first day of each and every calendar month. Parties to the Service Agreement 2019 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 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 2019. Accordingly, the directors considered the terms of the Service Agreement 2019 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

持續關聯交易 (續)

附註：(續)

提供管理及物業代理聯絡服務

- (v) 於2019年3月21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(「2019年服務協議」)，由2019年4月1日起至2022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2019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205,000元(於截至2020年3月31日止第一年度)，須於每個曆月首日以現金預付。2019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，則該酬金將維持不變。

酬金按訂約各方公平磋商後達成，並參考本公司於截至2019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，2019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 2019, the Annual Cap Amount for this continuing connected transaction was set at HK\$2,460,000 for the financial year ended 31 March 2020.

Relationships between counterparties

- (vi) ALCL is a wholly owned subsidiary of Yee Hing Company Limited (“Yee Hing”). The Trust, of which Mr. Joseph C.C. Wong, is a beneficiary, holds 55% of the total issued shares of Yee Hing. As Mr. Joseph C.C. Wong is a director of the Company, each of TSCL and ALCL is an associate of Mr. Joseph C.C. Wong and hence is a connected person of the Company.
- (vii) MPIL is a 30% controlled company held indirectly by Mr. Joseph C. C. Wong, who is a director of the Company.

2. Master Property Agreement

Notes:

All definitions in the notes below have the same meaning as referred to in the Company’s announcement dated 26 January 2018, unless otherwise indicated.

持續關聯交易 (續)

附註：(續)

(v) (續)

參照根據2019年服務協議下之每月酬金，該持續關聯交易截至2020年3月31日止財政年度之年度上限金額設定為港幣2,460,000元。

與交易對方之關係

- (vi) ALCL為義興有限公司(「義興」)之全資附屬公司。黃創增先生實益擁有的信託持有義興已發行股份總數之55%。由於黃創增先生為本公司董事，而TSCL及ALCL均為黃創增先生之關聯公司，故此，黃創增先生為本公司之關連人士。
- (vii) 本公司董事黃創增先生間接持有明華控股30%股權。

2. 物業總協議

附註：

除非文義另有所指，否則下文附註內所用釋義與本公司日期為2018年1月26日之公告所界定者具有相同涵義。

Connected persons 關聯人士	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
All of Chumphol Kanjanapas (also known as Joseph C. C. Wong) and the Joseph Family Members 黃創增先生及其所有家族成員	Leasing, sub-leasing or licensing offices, shops and warehouses by the Retained Group to the Disposed Entities 保留集團向被出售實體租賃、分租或許可使用辦公室、店舖及倉庫	5,522	8,500	(i)
All of Chumphol Kanjanapas (also known as Joseph C. C. Wong) and the Joseph Family Members 黃創增先生及其所有家族成員	Leasing, sub-leasing or licensing offices and shops to the Retained Group by the Disposed Entities 被出售實體向保留集團租賃、分租或許可使用辦公室及店舖	(7,415)	(13,500)	(ii)

CONTINUING CONNECTED TRANSACTIONS (continued)

2. Master Property Agreement (continued)

- * Disposed Entities includes Optical 88 Group (BVI) Limited, eGG Optical Boutique Group Limited, Thong Sia Optical Group Limited and Optical 88 (Thailand) Ltd disposed on 1 June 2018.

During the year ended 31 March 2019, as a result of the disposal of the Optical Business on 1 June 2018, the Master Property Agreement was entered into between Stelux Holdings Limited (“the Retained Group”) and the Disposed Entities, including Optical 88 Group (BVI) Limited, eGG Optical Boutique Group Limited, Thong Sia Optical Group Limited and Optical 88 (Thailand) Ltd., commencing from 1 June 2018 and expiring on 31 March 2021. Under the Master Property Agreement, the Retained Group and the Disposed Group will lease, sub-lease or license certain offices, shops and warehouse to each other. and is renewable upon mutual agreement between the parties provided that the requirements of the Listing Rules related to connected transactions shall be complied with in connection with such renewal.

- (i) The office, shops and warehouse leased, sub-leased or licensed by the Retained Group to the Disposed Entities are as follows:

Number 編號	Region 地區	Nature 性質	Location 地址
2	HK 香港	Shop 店舖	65-68, Upper Ground Floor, Olympian City II, 18 Hoi Ting Road, West Kowloon 西九龍海庭道18號奧海城二期地下高層65-68號
5	Macau 澳門	Shop 店舖	Em Macau, Rua da Palha N20 Beco da Palha N 1A, San Vo Res-do-chao F and G
7	SEA	Shop 店舖	JEM – shop
9	SEA	Office 辦公室	63 Ubi Avenue 1 #06-04 Singapore 408937
10	SEA	Warehouse 倉庫	No.32, Jalan BP 6/6, Bandar Bukit Puchong 2, 47120 Puchong, Selangor Darul Ehsan
11	SEA	Office 辦公室	G8, Jalan Puteri 7/13A Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan, Malaysia
12	SEA	Shop 店舖	Mall Ngamwongwan – shop
13	SEA	Shop 店舖	Future Rangsit – shop

持續關聯交易 (續)

2. 物業總協議 (續)

- * 於2018年6月1日，被出售實體包括Optical 88 Group (BVI) Limited、eGG Optical Boutique Group Limited、Thong Sia Optical Group Limited及Optical 88 (Thailand) Ltd。

於截至2019年3月31日止年度，由於眼鏡業務已於2018年6月1日出售，寶光實業(集團)有限公司(「保留集團」)與被出售實體，包括Optical 88 Group (BVI) Limited、eGG Optical Boutique Group Limited、Thong Sia Optical Group Limited及Optical 88 (Thailand) Ltd訂立物業總協議，相關協議由2018年6月1日開始直至2021年3月31日到期。根據物業總協議，保留集團及被出售實體將互相租賃、分租或許可使用辦公室、店舖及倉庫，並可經雙方共同協定後續期，惟該續期須遵守與關聯交易有關的上市規則的規定。

- (i) 保留集團向被出售實體租賃、分租或許可使用辦公室、店舖及倉庫如下：

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Number 編號	Region 地區	Nature 性質	Location 地址
17	SEA	Shop 店舖	Central Rama III
18	SEA	Office 辦公室	CP27, Suite 2601-04, 26th Floor, Central Plaza, 34, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
19	SEA	Office 辦公室	31 Ubi Road 1 #02-06 Singapore 408694
20	SEA	Shop 店舖	Ayuthaya Park

The total monthly rental for the above properties approximated HK\$ 460,000 (exclusive of rates, government rent and management charges). All rents incurred during FY19/20 were paid during the year. The continuing connected transactions as set out under 2(i) above 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 2020 was approximately HK\$8,500,000.

(ii) Alternatively, the office and shops leased, sub-leased or licensed to the Retained Group by the Disposed Entities are as follows:

上述物業的每月租金總額約為港幣460,000元(不包括差餉、政府地租及管理費)。所有於19/20財政年度產生的租金已於年內支付。上述2(i)項下的持續關聯交易已根據上市規則第14A.81條合併計算，而截至2020年3月31日止財政年度的年度上限總額約為港幣8,500,000元。

(ii) 此外，被出售實體向保留集團租賃、分租或許可使用辦公室及店舖如下：

Number 編號	Region 地區	Nature 性質	Location 地址
1	HK 香港	Shop 店舖	Shop 27A, 27B & 27F, Level 3, Shatin Plaza, Shatin 沙田沙田廣場3樓27A、27B及27F號舖
6	SEA	Shop 店舖	Rental for SH140 – Johor City Square (1347 Sqft)
14	SEA	Shop 店舖	Future Rangsit II – shop
16	SEA	Office 辦公室	347, 349 Muang Thong Thani, Bondstreet Road, Bangpood Subdistrict, Pakkred District, Nonthaburi 11120, Thailand

CONTINUING CONNECTED TRANSACTIONS (continued)

2. Master Property Agreement (continued)

The total monthly rent for the above properties approximated HK\$620,000 (exclusive of rates, government rent and management charges). All rents incurred during FY19/20 were paid during the year. The continuing connected transactions as set out under 2(ii) above 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 2020 was approximately HK\$13,500,000.

The monthly rents of the above properties in 2(i) and 2(ii) above were determined on an arms-length basis taking into account publicly available information of similar properties leased, sub-leased or licensed by independent third parties.

The above continuing connected transactions also constitute related party transactions and are disclosed in note 36 to the financial statements on page 167. For operating lease rental in respect of the office premises, the amounts shown in note 36(a)(ii) to the financial statements on page 169 were calculated at effective rents in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

PERMITTED INDEMNITY PROVISIONS

To the extent permitted by Bermuda law, and 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 save where incurred or sustained through his/her own wilful neglect or default, fraud and dishonesty. 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.

持續關聯交易 (續)

2. 物業總協議 (續)

上述物業的每月租金總額約為港幣620,000元(不包括差餉、政府地租及管理費)。所有於19/20財政年度產生的租金已於年內支付。上述2(ii)項下的持續關聯交易已根據上市規則第14A.81條合併計算，而截至2020年3月31日止財政年度的年度上限總額約為港幣13,500,000元。

上述2(i)及2(ii)項的物業的每月租金乃按公平原則，並已考慮獨立第三方租賃、分租或許可使用類似物業的公開資料後釐定。

上述持續關聯交易亦構成有關連人士交易，並於第167頁財務報表附註36內披露。就辦公室物業的營業租金而言，第169頁財務報表附註36(a)(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。

獲准許的彌償條文

本公司之細則允許及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，惟不包括由其自身故意忽視或違約、欺詐及不誠實所致或持續。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。

PERMITTED INDEMNITY PROVISIONS (continued)

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 RSM Hong Kong who retire and, being eligible, offer themselves for re-appointment.

Ernst & Young resigned as auditors of the Company on 14 April 2020 and RSM Hong Kong were appointed by the directors on 16 April 2020 to fill the casual vacancy so arising. Ernst & Young confirmed that there were no matters in respect of those circumstances that in their opinion needed to be reported to the Shareholders of the Company. The Board also confirmed that there were no other matters in relation to the resignation of Ernst & Young that needed to be brought to the attention of the Shareholders of the Company. There was a change in auditors in FY2018/19. A resolution for the re-appointment of RSM Hong Kong as auditors of the Company will be proposed at the forthcoming Annual General Meeting of the Company.

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, 26 June 2020

獲准許的彌償條文(續)

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申美會計師事務所審核，該核數師任滿告退，惟合資格並願膺選連任。

於2020年4月14日，安永會計師事務所已辭任本公司核數師，而於2020年4月16日羅申美會計師事務所則由董事委任以填補因此而產生的臨時空缺。安永會計師事務所已確認，並無出現彼等認為需向本公司股東報告的該等情況相關事宜。董事會亦確認無其他與安永會計師事務所辭職有關的事宜需提請本公司股東垂注。於2018/19財政年度更換核數師。本公司將於應屆股東週年大會上提呈羅申美會計師事務所為本公司核數師的決議案。

最後，本人衷心感謝各位員工於年內持續對本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，2020年6月26日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- Group Turnover down 29.0% to HK\$1,034.8 million
- Loss Attributable to Equity Holders of the Company of HK\$402.9 million
- Group Inventory down 33.4% to HK\$373.0 million
- 集團營業額下降29.0%至HK\$1,034.8百萬
- 本公司權益持有人應佔虧損為HK\$402.9百萬
- 集團存貨減少33.4%至HK\$373.0百萬

For the year under review, Group turnover decreased by 29.0% to HK\$1,034.8 million (FY2018/19: HK\$1,457.8 million) and a loss attributable to Group equity holders of HK\$402.9 million was recorded as the worsened socio-political climate in Hong Kong since June 2019, the ongoing US-China trade war and the COVID-19 pandemic outbreak since late January 2020 exerted severe pressure on the turnover and operating performance of the Group.

於回顧年度，本集團的營業額下降 29.0% 至 HK\$1,034.8 百萬(2018/19 財政年度：HK\$1,457.8 百萬)，集團權益持有人應佔虧損為 HK\$402.9 百萬。自 2019 年 6 月以來香港社會政治氣氛不穩、中美貿易戰持續及自 2020 年 1 月末起新型冠狀病毒疫情爆發嚴重影響集團的營業額及營運表現。

The Group would have reported a loss of HK\$145.8 million in FY2019/20, after excluding the following non-cash items totalling HK\$257.1 million:

於剔除下列總額為 HK\$257.1 百萬的非現金項目之後，集團於 2019/20 財政年度之虧損為 HK\$145.8 百萬：

- the accounting impact from HKFRS 16 Leases of HK\$12.3 million
- an impairment of HK\$76.9 million relating to right-of-use assets mainly arising from retail stores with declined store profitability
- an impairment of HK\$66.3 million due to revaluation of investment properties
- a stock provision expense of HK\$95.4 million mainly relating to slow-moving watch movements given the uncertain watch retail environment
- an impairment of intangible assets of HK\$6.2 million due to reducing recoverable amount
- 香港財務報告準則第16號租賃的會計影響 HK\$12.3 百萬
- 使用權資產減值(盈利水平有所下降的零售店舖)HK\$76.9 百萬
- 重新估值投資物業而產生減值HK\$66.3 百萬
- 因手錶零售環境不明朗而導致手錶機芯慢流的存貨撥備開支HK\$95.4 百萬
- 無形資產減值HK\$6.2 百萬(由於可回收金額減少)

Compared to FY2018/19, the Group reported a loss of HK\$144.7 million after excluding a gain on Disposal of the Optical Business of HK\$111.8 million recorded in FY2018/19 following the completion on 1 June 2018, by the Group of the disposal of its entire optical retail and wholesale businesses (the “**Discontinued Operations**”) to its controlling shareholder and a loss from the Discontinued Operations of HK\$1.7 million.

與 2018/19 財政年度相比，本集團虧損為 HK\$144.7 百萬(經撇除本集團於 2018 年 6 月 1 日完成向其控股股東出售其整個眼鏡零售及批發業務(「**終止營運業務**」)錄得的收益 HK\$111.8 百萬及終止營運業務虧損 HK\$1.7 百萬)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Group gross profit margin was maintained at around 48.8% (FY2018/19: 50.7%) as promotional strategies were implemented to stimulate consumer demand and to reduce inventory to enhance liquidity.

In FY2019/20, the Group continued with measures to further reduce operating costs:

- selling expenses (excluding expenses related to investment in brand building) fell 20.6% mainly due to reduced rental expenses and other overheads at shops;
- Group general and administrative expenses fell by 21.6%;
- In FY2019/20, capital expenditures were significantly reduced by 62.1% to HK\$11.4 million (FY2018/19: HK\$30.1 million). Shop numbers fell by 15.5% in line with Group strategy to close non-performing shops and rationalise shop portfolio to improve shop productivity;
- The Group's inventory declined by 33.4% vs that at the end of March 2019 as a stock provision expense of HK\$95.4 million for slow-moving watch movements was recorded with a view that the consumption of watch movements will remain stagnant given the current sluggish retail climate and uncertainty around the magnitude of recovery of retail and tourism in the near future. Excluding the impact of the provision expense of watch movements, Group inventory balance at the end of March 2020 declined by 16.3% or HK\$91.4 million year-on-year as a result of strict inventory control and tightened stock procurement.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2020 (2019: Nil per ordinary share).

本集團的毛利率維持在約48.8% (2018/19財政年度：50.7%)的水平，是由於推行促銷策略以刺激消費者需求及減少存貨從而改善資金周轉。

於2019/20財政年度，本集團繼續實施各項措施以進一步減少營運費用：

- 銷售支出(撇除與品牌推廣投資有關的開支)下降20.6%，主要由於商舖的租金支出及其他店舖營運開支的減少；
- 集團一般及行政支出下降21.6%；
- 於2019/20財政年度，資本開支大幅減少62.1%至HK\$11.4百萬(2018/19財政年度：HK\$30.1百萬)。店舖數目下降15.5%，與本集團關閉表現欠佳的店舖及優化店舖組合以提升店舖生產力的策略相符；
- 本集團的存貨與2019年3月末比較下降33.4%，由於當前零售氣候疲弱及零售和旅遊業復蘇不明朗，手錶機芯存貨慢流，因此手錶機芯存貨撥備為HK\$95.4百萬。剔除手錶機芯撥備支出的影響，本集團於2020年3月末之存貨結餘按年計減少16.3%或HK\$91.4百萬，是由於嚴格存貨控制並收緊採購。

末期股息

董事會不建議宣派截至2020年3月31日止年度的末期股息(2019年：每股普通股零)。

CITY CHAIN GROUP

The City Chain Group operates around 185 stores in Hong Kong, Macau, Mainland China (the “**Greater China**”), Singapore, Thailand and Malaysia together with on-line stores for “City Chain” and “Solvil et Titus”.

The City Chain Group reported a 33.7% decline in turnover to HK\$773.3 million (FY2018/19: HK\$1,166.5 million) and a loss before interest and tax (LBIT) of HK\$206.1 million (FY2018/19: HK\$98.0 million) with an impairment loss of HK\$76.9 million being right-of-use assets of the Group’s retail stores arising from the adoption of the new HKFRS 16 Lease.

As part of the CITY CHAIN Group’s key strategy to shift to an omni-channel model, we have continued to invest in our e-commerce business. Due to COVID-19, we accelerated our pace of investment, adopting the necessary infrastructure and expertise, increasing allocation of marketing expenditure on our online operations such as social networking platforms to maintain quality interactions with consumers to boost online sales and to enhance the online brand presence of CITY CHAIN.

Greater China

Turnover for CITY CHAIN operations in Greater China fell by 42.3% to HK\$477.1 million (FY2018/19: HK\$826.3 million) amid a difficult retail environment in Hong Kong/Macau which resulted in a wider LBIT of HK\$209.2 million (FY2018/19: LBIT HK\$98.9 million). In line with our shop consolidation strategy, 27 shops were closed. An impairment loss of HK\$71.9 million being the right-of-use assets of the Group’s retail stores in Greater China and a deficit in valuation of investment properties of HK\$29.5 million contributed to this wider LBIT.

Following streamlining operations, the operating expenses in Greater China fell by 21.7% in FY2019/20. This falling costs trend is expected to continue in FY2020/21.

Our online business in Hong Kong performed up to expectations whilst cost efficiencies at our Mainland China watch e-commerce business improved.

「時間廊」集團

「時間廊」集團於香港、澳門、中國內地（「大中華」）、新加坡、泰國及馬來西亞營運約185間店舖，並經營「時間廊」及「鐵達時」電商平台。

「時間廊」集團的營業額下降33.7%至HK\$773.3百萬（2018/19財政年度：HK\$1,166.5百萬）及除利息及稅項前虧損HK\$206.1百萬（2018/19財政年度：HK\$98.0百萬），其中包括因採納新香港財務報告準則第16號租賃而產生本集團的零售店舖使用權資產的減值虧損HK\$76.9百萬。

作為「時間廊」集團轉型至全域營銷模式的主要策略的一部份，集團持續投資電子商貿業務。由於新型冠狀病毒疫情，集團加快此投資步伐，建立各項基建配置及掌握線上市場數據，增加投放於線上營運（例如社交網絡平台）以保持與消費者的積極互動，從而促進線上銷售並加強「時間廊」品牌於線上的滲透力。

大中華

大中華「時間廊」業務的營業額在香港／澳門艱難的零售環境中下跌42.3%至HK\$477.1百萬（2018/19財政年度：HK\$826.3百萬），除利息及稅項前虧損增至HK\$209.2百萬（2018/19財政年度：利息及稅項前虧損HK\$98.9百萬）。為配合集團店舖整合策略，已關閉27間店舖。其中集團於大中華的零售店舖使用權資產減值虧損HK\$71.9百萬以及投資物業估值虧損HK\$29.5百萬導致除利息及稅項前虧損增加。

隨著落實各項成本控制措施，大中華營運開支於2019/20財政年度下降21.7%，而此成本下滑將持續至2020/21財政年度。

集團香港線上業務表現符合預期，而中國內地手錶電子商貿業務的成本效益則有所提昇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Southeast Asia

Before the outbreak of COVID-19 in Q4 FY2019/20, our Southeast Asian operations in Singapore, Malaysia and Thailand were generally impacted by weak sentiment during the year due to declining country exports. Therefore, with less jobs and lower variable income, consumers were more conservative with spending. Since March 2020, the situation seriously worsened when economic activities were severely disrupted by lockdowns and movement controls imposed by individual governments as our physical stores were temporarily closed.

Turnover at our Southeast Asian operations declined by 12.9% to HK\$296.2 million (FY2018/19: HK\$340.2 million) with the number of shops falling by 6.6% due to the closure of certain non-performing shops. Despite the challenging business environment, with continuous efforts on cost control and productivity improvement, our Southeast Asian operations reported an EBIT (excluding exchange difference) of HK\$3.1 million. (FY2018/19: HK\$3.4 million)

Due to our quicker pace of investment online, we saw an uplift in online sales together with a strengthening of our brand presence on different online market place platforms.

SUPPLY CHAIN MANAGEMENT AND WHOLESALE TRADING

Turnover for this division comprising our supply chain and wholesale trading subsidiaries decreased moderately by 10.2% to HK\$261.5 million (FY2018/19: HK\$291.2 million) and a LBIT of HK\$65.0 million was posted. Excluding the provision expense of HK\$95.4 million for slow-moving watch movements, this division reported a profit during FY2019/20, a decrease of 24.2% compared with FY2018/19.

As the sole distributor for the “SEIKO” and “GRAND SEIKO” brand of watches in Hong Kong, Macau, Singapore, Brunei and Malaysia, our wholesale trading unit launched various marketing campaigns, which were well received, and with prompt service support promoted sell-through to retailers.

東南亞

於2019/20財政年度第4季度爆發新型冠狀病毒疫情之前，由於有關國家出口下降，集團在新加坡、馬來西亞及泰國的東南亞業務於年內總體受到市場信心疲軟的影響。因此，隨著就業職位減少及收入下降，消費者的購買意欲漸趨保守。自2020年3月以來，個別國家實行封關及流動限制令經濟活動受到嚴重干擾，經濟急劇惡化，而本集團的實體店亦暫時關閉。

東南亞業務的營業額下降12.9%至HK\$296.2百萬(2018/19財政年度：HK\$340.2百萬)，店舖數目減少6.6%，是由於關閉若干表現欠佳的店舖。儘管業務環境充滿挑戰，集團致力於成本控制及提高生產力，因此東南亞業務錄得除利息及稅項前溢利(不包括匯兌差額)HK\$3.1百萬(2018/19財政年度：HK\$3.4百萬)。

由於加快線上投資步伐，線上銷量增加及在不同在線市場平台上品牌知名度得以加強。

供應鏈管理及批發貿易

供應鏈及批發貿易分部的營業額溫和下降10.2%至HK\$261.5百萬(2018/19財政年度：HK\$291.2百萬)及除利息及稅項前虧損為HK\$65.0百萬。撇除慢流手錶機芯撥備開支HK\$95.4百萬，此分部於2019/20財政年度錄得溢利，較2018/19財政年度減少24.2%。

作為鐘錶品牌「精工」及「GRAND SEIKO」於香港、澳門、新加坡、汶萊及馬來西亞的獨家經銷商，集團此分部已開展多項市場營銷活動，廣受消費者歡迎，並提供及時顧客服務以支援零售商的銷售。

COVID-19 AND THE SHORT TERM OUTLOOK

In the territories where we operate, all of our stores have re-opened following the relaxation of controls by most governments. However, the outbreak and rapid spread of COVID-19 have caused seismic disruptions posing a significant threat to the global economy and the duration and true extent of these disruptions are uncertain, whilst closer to home here in Hong Kong, we still continue to feel the impact of ongoing socio-political tensions. These external conditions severely impacted Group turnover in April and May 2020, and amid such a challenging external environment, it is difficult to assess the economic recovery for the remaining 1H FY2020/21. The Group will continue to adopt appropriate measures to meet the headwinds, including closely monitoring cash flow, operating costs, capital expenditure, inventory management; closing non-performing shops and applying for COVID-19 related government relief/subsidies. The financial impact of cost containment measures will continue to be reflected in FY2020/21.

OUR COMMITMENT TO CHANGE

We remain committed to an omni-channel business model and notwithstanding the harsh external conditions will continue not only to prioritise but also accelerate deployment of resources in this area. Therefore, in the coming months, we will invest in appropriate infrastructure to grow our online presence and also enhance synergies between our online and offline businesses.

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.

新型冠狀病毒疫情及短期前景

於集團營運所在地，全部店舖在大部份政府放寬管制後現已重新營運。然而，新型冠狀病毒疫情爆發及快速傳播已對民生造成嚴重損害，對全球經濟構成重大威脅，而相關影響的持續時間及程度尚不明確，同時就香港而言，仍持續受到社會政治分歧的影響。該等外在條件嚴重影響本集團於2020年4月及5月的營業額，且面對充滿挑戰的外部環境，集團難以預計2020/21年上半年餘下月份的經濟復蘇情況。集團將繼續採納合適措施應對相關挑戰，包括密切監控現金流、經營成本、資本開支、存貨管理，關閉表現欠佳的店舖及申請新型冠狀病毒相關各項政府資助／補貼。成本控制措施的財務影響會繼續於2020/21財政年度反映。

變革及創新

儘管營運環境持續嚴峻，集團將繼續發展全域營銷業務模式，並加快對此領域的投放。因此，集團將於未來數月持續投資於線上業務，以提升集團的線上品牌知名度，以增強集團線上及線下業務的互動協同效應。

財務

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Group gearing ratio was 88.6% (31 March 2019: 40.3%) with shareholders' funds standing at HK\$530.4 million (31 March 2019: HK\$985.0 million) and net debts of HK\$469.8 million (31 March 2019: HK\$396.8 million). The net debts are based on the bank borrowings of HK\$651.4 million (31 March 2019: HK\$688.3 million) less bank balance and cash of HK\$181.6 million (of the Group as at 31 March 2019: HK\$291.5 million) of which HK\$54.6 million were pledged (31 March 2019: HK\$56.6 million). The bank borrowings comprised of HK\$115.8 million repayable within one year and HK\$ 535.6 million with scheduled repayment after one year but repayable on demand and were classified as current liabilities. The increase in gearing ratio was due to the fact that certain non-cash expenses (such as stock provision and impairment of investment properties, right-of-use assets and intangible assets) were recorded during FY2019/20, and thus reducing shareholders' funds. The Group's cash inflow from its operations was HK\$159.1 million. Upon adoption of HKFRS 16 Leases, the repayment of lease liabilities is included in financing activities and therefore the cash inflow from its operations increased. The unutilized banking facilities as at 31 March 2020 was HK\$192 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 Macanese Pataca, the natural hedge mechanism was applied.

As at 31 March 2020, the current assets and current liabilities were approximately HK\$718.1 million (31 March 2019: HK\$1,033.8 million) and HK\$1,017.6 million (31 March 2019: HK\$958.6 million), respectively. The current ratio was approximately 0.71 (1.08 as at 31 March 2019). On the adoption of HKFRS 16 Leases, the Group recognized the commitments under operating leases for future periods as lease liabilities, whereas, under the previous accounting standard, no such liabilities were required. Therefore, the net current assets is lower.

本集團的借貸比率為88.6% (2019年3月31日：40.3%)，股東資金為HK\$530.4百萬 (2019年3月31日：HK\$985.0百萬)，本集團的淨債務為HK\$469.8百萬 (2019年3月31日：HK\$396.8百萬)。淨債務乃根據銀行貸款HK\$651.4百萬 (2019年3月31日：HK\$688.3百萬) 減去銀行結餘及現金HK\$181.6百萬 (本集團於2019年3月31日：HK\$291.5百萬)，其中HK\$54.6百萬為抵押銀行存款 (2019年3月31日：HK\$56.6百萬) 計算。銀行貸款包括HK\$115.8百萬需於一年內償還，及HK\$535.6百萬為預定還款期於一年以後 (但可應要求償還因此列為流動負債)。借貸比率增加乃由於在2019/20財政年度錄得若干非現金開支 (例如存貨撥備及投資物業、使用權資產及無形資產減值)，因此股東資金減少。本集團營運的現金流入為HK\$159.1百萬。在採納香港財務報告準則第16號「租賃」後，租賃負債還款計入融資活動，營運現金流入因而增加。於2020年3月31日，未動用銀行融資為HK\$192百萬。

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2020年3月31日，流動資產及流動負債分別約為HK\$718.1百萬 (2019年3月31日：HK\$1,033.8百萬) 及HK\$1,017.6百萬 (2019年3月31日：HK\$958.6百萬)。流動比率約為0.71 (2019年3月31日：1.08)。於採納香港財務報告準則第16號「租賃」後，本集團將未來經營租賃承擔確認為租賃負債，而根據先前會計準則，本集團無須確認該等負債。因此，流動資產淨額因而降低。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 March 2020, the Group's total equity funds amounted to HK\$537.1 million.

Prior to the date of this report, the Group obtained a one-off waiver from a bank from strict compliance with certain covenant requirements of bank borrowings amounting to HK\$429.697 million.

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

The Group does not engage in speculative derivative trading.

As at 31 March 2020, the Group does not have any significant contingent liabilities.

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

As at 31 March 2020, certain property, plant and equipment, investment properties and bank deposit amounting to HK\$640.4 million (31 March 2019: HK\$712.3 million) were pledged to secure banking facilities granted to the Group. Capital expenditures was under control and reduced to HK\$11.4 million (FY2018/19: HK\$30.1 million).

The investment properties were revalued by an independent valuer as at 31 March 2020. An impairment loss of HK\$66.3 million was recorded in the year ended 31 March 2020 accordingly.

The deferred tax asset balance decreased by HK\$11.2 million and this expense was charged to the income statement during the year ended 31 March 2020. The decrease was mainly from a decrease in tax losses recognised as deferred tax asset.

於2020年3月31日，本集團的股權總額為HK\$537.1百萬。

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，有關借貸金額HK\$429.697百萬。

集團並無使用任何財務工具作對沖用途。

集團並無參與純投機的衍生工具交易。

於2020年3月31日，集團並沒有任何重大或然負債。

集團並無任何重大投資或轉變資本資產之計劃。

於2020年3月31日，本集團部分物業、機器及設備、投資物業以及銀行存款總值HK\$640.4百萬(2019年3月31日：HK\$712.3百萬)已抵押予銀行以獲取銀行信貸。資本開支處於控制中並削減至HK\$11.4百萬(2018/19財政年度：HK\$30.1百萬)。

於2020年3月31日，投資物業由獨立專業合資格估值師重新估值。截至2020年3月31日止年度，錄得減值虧損HK\$66.3百萬元。

遞延稅項資產結餘減少HK\$11.2百萬及此支出已於截至2020年3月31日止年度之收益表扣除。減少主要來自確認為遞延稅項資產之稅項虧損減少所致。

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

The Group's remuneration policies are reviewed on a regular basis and remuneration packages are in line with market practices in the relevant countries where the Group operates. As at 31 March 2020, the Group had 1,120 employees (31 March 2019: 1,550 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, 26 June 2020

**僱員數目及酬金、酬金政策、獎金及僱員培訓
計劃**

集團以其運營國家的人力資源市場為準則，釐定給予當地僱員的報酬，並定期進行檢討。本集團於 2020年3月31日有1,120位(2019年3月31日：1,550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，2020年6月26日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF STELUX HOLDINGS INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Stelux Holdings International Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 44 to 176, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, 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.

致寶光實業(國際)有限公司股東

(於百慕達註冊成立之有限公司)

意見

本核數師(以下簡稱「吾等」)已審計列載於第44至176頁的寶光實業(國際)有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此等綜合財務報表包括於2020年3月31日的綜合資產負債表以及截至該日止年度的綜合收益表及綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2020年3月31日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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 matters we identified are:

意見基準

我們已根據香港會計師公會頒布的《香港審計準則》（「香港審計準則」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《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道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

關鍵審計事項

關鍵審計事項為按照吾等的專業判斷，審計本期綜合財務報表中最重要的事項。吾等於審計綜合財務報表之整體過程中處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。吾等識別的關鍵審計事項如下：

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>Net realisable value of inventories</p> <p>The net realisable value of inventories is identified as a key audit matter because of the magnitude of the inventories combined with the judgements associated with determining the amount of allowance for inventories.</p> <p>As at 31 March 2020, the Group recorded inventories of approximately HK\$373.04 million net of provision for inventories of approximately HK\$296.961 million.</p> <p>The write-down of inventories to net realisable value was estimated by management through the application of judgement and the use of assumptions.</p> <p>During the year ended 31 March 2020, a provision for inventories of approximately HK\$91.004 million was recognised to the consolidated income statement based on management's assessment.</p>	<p>Our procedures in relation to management's estimation and judgement applied in determining the net realisable value of inventories included:</p> <ul style="list-style-type: none"> - Understanding the inventories allowances/write down policy of the Group; - Testing, on a sample basis, the accuracy of the inventory ageing reports; and - Evaluating the key assumptions and estimates applied by management to determine the provisioning percentages applicable to individual ageing categories of inventory by comparing to current year and historical sales trends. 	<p>存貨的可變現淨值</p> <p>存貨的可變現淨值被確定為關鍵的審計事項，與確定存貨撥備的判斷相關聯。</p> <p>於2020年3月31日，貴集團於存貨撥備約港幣296.961佰萬元後錄得存貨約港幣373.04佰萬元。</p> <p>管理層透過判斷及高度主觀假設來估計撇銷存貨至可變現淨值。</p> <p>截至2020年3月31日止年度，存貨撥備約港幣91.004佰萬元，並根據管理層的評估計入綜合收益表。</p>	<p>對於管理層在釐定存貨的可變現淨值中所運用的估計及判斷，我們的程序包括：</p> <ul style="list-style-type: none"> - 了解集團存貨撥備及撇賬政策； - 以抽樣方式測試存貨貨齡報告之準確性；及 - 根據比較本年度及過往銷售趨勢，評估管理層釐定存貨的個別賬齡分類之撥備比率所應用的主要假設及估計；

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>Impairment assessment on property, plant and equipment and right-of-use assets</p> <p>Refer to Notes 17 and 20 to the consolidated financial statements.</p> <p>The impairment of property, plant and equipment, and right-of-use assets is identified as a key audit matter because of the significant judgement involved in assessing the amount of impairment of property, plant and equipment, and right-of-use assets.</p> <p>As at 31 March 2020, the Group had retail store assets recorded under property, plant and equipment and right-of-use assets of approximately HK\$13.199 million and HK\$146.823 million, respectively.</p> <p>The carrying amount of the retail store assets is written down to their recoverable amount when the assets carrying amount exceeded their estimated recoverable amount.</p> <p>Management determined that each retail store is a cash-generating unit and monitors their financial performance for the existence of impairment indicators, such as stores making a loss and early closure of stores before the lease term.</p>	<p>Our procedures in relation to management's assessment process for identifying impairment indications include:</p> <ul style="list-style-type: none">• Understanding management's process for identifying impairment indicators;• challenging the judgements made by management in identifying impairment indicators;• Obtaining the cash flow forecasts prepared by management, understanding the major assumptions adopted in the cash flow forecasts for each cash-generating unit and checking arithmetic accuracy of the forecast calculation;• Comparing the major assumptions such as growth rates, budgeted sales and gross margins to historical results and evaluating their reasonableness in light of current and expected future market conditions; and• Evaluating the sufficiency of the disclosure of the impairment assessment by management in the consolidated financial statements.	<p>物業、機器及設備及使用權資產的減值評估</p> <p>請參閱綜合財務報表附註17及20。</p> <p>物業、機器及設備及使用權資產減值識別為關鍵審計事項，因為於評估物業、機器及設備及使用權資產的減值金額時涉及重大判斷。</p> <p>於2020年3月31日，記錄於貴集團的物業、機器及設備及使用權資產之下的零售店舖資產分別為約HK\$13.199百萬元及HK\$146.823百萬元。</p> <p>倘零售店舖資產的賬面值大於其估計可收回金額，則將其賬面值撇減至可收回金額。</p> <p>管理層釐定其個別零售店舖為獨立可識別現金產生單位，並監察零售店舖的財務表現，檢視有否出現減值指標，如店舖產生虧損及於店舖租期完結前提前關閉。</p>	<p>管理層在識別減值跡象時，我們的程序包括：</p> <ul style="list-style-type: none">• 了解管理層識別減值指標的過程；• 對於識別減值指標時作出的判斷提出質疑；• 獲取管理層編製之現金流量預測，了解各現金產生單位之現金流量預測採納之主要假設，以及核實現金流量預測計算之運算準確性；• 將主要假設，如增長率、預算銷售額及毛利與歷史數據進行比較，並根據現時及預期未來市場狀況評估其合理性；及• 評估管理層在綜合財務報表中披露減值評估的充足性。

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>Impairment assessment on trademarks</p> <p>Refer to Note 21 to the consolidated financial statements.</p> <p>The impairment of trademarks is identified as a key audit matter because the assessment which is based on past performance and management's expectations for the future market development involved significant judgment and estimates.</p> <p>As at 31 March 2020, trademarks of the Group amounted to approximately HK\$48.262 million.</p> <p>Trademarks with an indefinite useful life are carried at costs and are not amortised.</p> <p>Management tests annually whether the trademarks suffered any impairment by considering the economic benefit to be generated from trademarks. The recoverable amount is determined based on a value-in-use calculation. This calculation used pre-tax cashflows projections based on financial budgets prepared by management.</p>	<p>Our procedures in relation to management's impairment assessment on trademarks include:</p> <ul style="list-style-type: none"> Understanding from management the business plans associated with these trademarks; Assessing the appropriateness of impairment method used and evaluating key assumptions such as growth rate and discount rate applied by management with the assistance of our in-house valuation specialists; and Evaluating the sufficiency of the disclosure of the impairment assessment by management in the consolidated financial statements. 	<p>商標的減值評估</p> <p>請參閱綜合財務報表附註21。</p> <p>商譽減值識別為關鍵審計事項，乃由於管理層對過往表現以及未來市場發展的預計時涉及重大判斷及估計。</p> <p>於2020年3月31日，貴集團的商標總額約為HK\$48.262佰萬元。</p> <p>具有無限使用年期的商標按成本列賬，且毋須攤銷。</p> <p>管理層考慮到商標產生的經濟利益，每年測試商譽是否受到任何減值。可回收金額根據使用價值之計算而釐定。此計算採用根據管理層之財政預算作出之稅前現金流量預測。</p>	<p>對於管理層商標的減值評估，我們的程序包括：</p> <ul style="list-style-type: none"> 向管理層了解與此等商標相關的業務計劃； 在內部估值專家的協助下評估減值方式是否適當，及評估主要假設(如管理層所用的增長率及貼現率)；及 評估管理層在綜合財務報表中披露減值評估的充足性。

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
Going concern assessment		持續經營評估	
Refer to Note 2 to the consolidated financial statements.	Our procedures in respect of the directors' assessment of going concern included:	請參閱綜合財務報表附註2。	對於董事就持續經營的評估，我們的程序包括：
During the year ended 31 March 2020, the Group incurred a net loss of HK\$402.684 million and, as of that date, the Group had net current liabilities of approximately HK\$299.541 million. These conditions may create doubt about the Group's ability to continue as going concern.	<ul style="list-style-type: none">• Obtaining an understanding of the inputs and key assumptions of the cash flow projections prepared for the purpose of the going concern assessment;• Challenging the inputs and assumptions used in the cash flow projections by benchmarking them against historical trends and data and observable external economic data;	於截至2020年3月31日止年度，貴集團錄得虧損淨額約HK\$402.684百萬，而於當日，貴集團流動負債淨額約HK\$299.541百萬。此財務狀況可能導致對貴集團的持續經營能力產生重大疑慮。	<ul style="list-style-type: none">• 了解為進行持續經營評估而編製的現金流量預測的輸入及主要假設；• 通過對照歷史趨勢及數據以及可觀察外部經濟數據對現金流量預測中使用的輸入及假設提出質疑；
The Group's financial statements were prepared on a going concern basis. The directors' assessment in respect of going concern is set out in Note 2.	<ul style="list-style-type: none">• Assessing the availability of unused banking facilities during the forecast periods by inspecting relevant documentation and evaluating whether the facilities were sufficient to meet the Group's funding needs with reference to the cash flows projections;	貴集團綜合財務報表乃按持續經營基準編製。董事就持續經營的評估載於附註2。	<ul style="list-style-type: none">• 檢查相關文件並參考現金流量預測以評估融資是否足夠以滿足貴集團的資金需求，以評估預測期內未動用銀行融資的可行性；
The going concern assessment is identified as a key audit matter as significant management judgement is involved in determining whether a material uncertainty exists and in estimating the Group's future cash flows and funding requirements.	<ul style="list-style-type: none">• Performing sensitivity analysis on the cash flow projections;• Assessing the possible mitigating actions identified by management in the event that actual cash flows are below forecast;	持續經營評估識別為關鍵審計事項，原因是於釐定是否出現重大不確定性以及估計貴集團的日後現金流量及資金需求時涉及重大管理判斷。	<ul style="list-style-type: none">• 對現金流量預測進行敏感性分析；• 倘實際現金流量低於預測時，評估管理層識別的可能緩解措施；
	<ul style="list-style-type: none">• Challenging the directors' assessment that there was not a material uncertainty in relation to going concern based on our understanding of the Group's expected liquidity requirements during the forecast period; and		<ul style="list-style-type: none">• 根據吾等對貴集團在預測期內的預期流動資金需求的理解，對董事的評估認為持續經營不存在重大不確定性提出質疑；及
	<ul style="list-style-type: none">• Assessing the appropriateness of the disclosures included in note 2 to the consolidated financial statements.		<ul style="list-style-type: none">• 評估載於綜合財務報表附註2的披露的恰當性。

OTHER INFORMATION

The directors of the Company are responsible for the Other Information. The Other Information comprises the information included in Management Discussion and Analysis (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Report of the Directors and Environmental, Social and Governance Report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not and will 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 identified above 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 on the Other Information that we obtained prior to the date of this auditor's report, 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.

When we read Report of the Directors and Environmental, Social and Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit committee and take appropriate action considering our legal rights and obligations.

其他資料

貴公司董事須對其他信息負責。其他信息包括我們在本核數師報告日期前取得的管理層討論及分析內的信息(但不包括綜合財務報表及我們的核數師報告)，以及預期會在本核數師報告日期後取得的環境、社會及管治報告內的信息。

我們對綜合財務報表的意見並不涵蓋其他信息，我們既不也將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，我們的責任是閱讀上述的其他信息，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。

基於我們就我們於本核數師報告日期前取得的其他信息所執行的工作，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。

當我們閱讀董事會報告書及環境、社會及管治報告後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與審核委員會溝通，並考慮我們的法律權利和義務後採取適當行動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

董事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，貴公司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，除非貴公司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。

貴公司董事在審核委員會協助下，須負責監督貴集團的財務報告過程。

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任何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。我們僅向閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 judgement 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.

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匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，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，我們與審核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。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，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 Mr. Liu Eugene.

RSM Hong Kong
Certified Public Accountants
Hong Kong
26 June 2020

從與審核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，除非法律或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廖於勤先生。

羅申美會計師事務所
執業會計師
香港
2020年6月26日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2020 截至2020年3月31日止年度

		Note	2020	2019
		附註	HK\$'000	HK\$'000
			港幣仟元	港幣仟元
Continuing operations	持續營運業務			
Revenue	收入	8	1,034,794	1,457,779
Cost of sales	銷售成本		(529,403)	(718,595)
Gross profit	毛利		505,391	739,184
Other losses	其他虧損	9	(68,292)	(19,982)
Other income	其他收入	10	53,705	41,624
Selling expenses	銷售支出		(444,765)	(594,852)
General and administrative expenses	一般及行政支出		(186,095)	(237,428)
Other operating expenses	其他營運支出		(190,809)	(19,101)
Finance costs	財務成本	11	(50,607)	(24,920)
Loss before tax	除稅前虧損	12	(381,472)	(115,475)
Income tax expense	所得稅支出	15	(21,212)	(28,967)
Loss for the year from continuing operations	年內持續營運業務的虧損		(402,684)	(144,442)
Discontinued operations	終止營運業務			
Loss for the year from discontinued operations	年內終止營運業務的虧損	33	-	(1,706)
Gain on disposal of discontinued operations	出售終止營運業務的收益	33	-	111,766
Profit for the year arising from discontinued operations	年內終止營運業務溢利淨額		-	110,060
Loss for the year	年內虧損		(402,684)	(34,382)
Attributable to:	以下應佔：			
Equity holders of the Company	本公司權益持有人		(402,898)	(34,551)
Non-controlling interests	非控股權益		214	169
			(402,684)	(34,382)
Loss attributable to the equity holders of the Company arising from:	本公司權益持有人應佔虧損來自：			
- Continuing operations	- 持續營運業務		(402,898)	(144,611)
- Discontinued operations	- 終止營運業務		-	110,060
			(402,898)	(34,551)
Loss per share	每股虧損		HK cents	HK cents
From continuing operations	來自持續營運業務		港仙	港仙
- Basic and diluted	- 基本及攤薄	16	(38.50)	(13.82)
From continuing and discontinued operations	來自持續及終止營運業務			
- Basic and diluted	- 基本及攤薄	16	(38.50)	(3.30)

The notes on page 50 to 176 are an integral part of these consolidated financial statements.

第50頁至176頁的附註為此等綜合財務報表的不可或缺部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2020 截至2020年3月31日止年度

		Note	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
		附註		
Loss for the year	年內虧損		(402,684)	(34,382)
Other comprehensive loss:	其他全面虧損：			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益的項目：</i>			
Exchange differences of translation of foreign operations	海外業務的匯兌差額		(42,789)	7,171
Release of exchange reserve upon disposal of discontinued operations	終止營運業務出售後匯兌儲備轉出	33	–	(14,978)
			(42,789)	(7,807)
<i>Items that will not be reclassified to profit or loss:</i>	<i>其後不會重新分類至損益的項目：</i>			
Gain on revaluation of property, plant and equipment, net of tax	除稅後物業、機器及設備的重估收益		–	202,040
Change in fair value of equity investments at fair value through other comprehensive income	按公平值透過其他全面收益列賬的股份投資的公平值變動	22	(9,526)	2,596
			(9,526)	204,636
Other comprehensive (loss)/income for the year, net of tax	年內除稅後其他全面(虧損)/收益		(52,315)	196,829
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額		(454,999)	162,447
Attributable to:	以下應佔：			
Equity holders of the Company	本公司權益持有人		(454,525)	163,211
Non-controlling interests	非控股權益		(474)	(764)
			(454,999)	162,447
Total comprehensive (loss)/income for the year attributable to the equity holders of the Company arising from:	本公司權益持有人應佔年內全面(虧損)/收益總額來自：			
Continuing operations	持續營運業務		(454,525)	68,129
Discontinued operations	終止營運業務		–	95,082
			(454,525)	163,211

The notes on page 50 to 176 are an integral part of these consolidated financial statements.

第50頁至176頁的附註為此等綜合財務報表的不可或缺部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2020 於2020年3月31日

		Note	2020	2019
		附註	HK\$'000 港幣仟元	HK\$'000 港幣仟元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	17	131,315	165,411
Investment properties	投資物業	18	519,800	586,100
Prepaid lease premium	預付租賃地價	19	–	11,135
Right-of-use assets	使用權資產	20	198,704	–
Intangible assets	無形資產	21	57,541	65,633
Deferred tax assets	遞延稅項資產	28	38,384	49,553
Equity investments at fair value through other comprehensive income	按公平值透過其他全面收益列賬的股份投資	22	5,444	14,970
Deposits and prepayments	按金及預付款項	24	36,638	55,080
Total non-current assets	非流動資產總額		987,826	947,882
Current assets	流動資產			
Inventories	存貨	23	373,040	559,829
Trade and other receivables	貿易及其他應收賬款	24	163,454	182,488
Pledged bank deposits	抵押銀行存款	25	54,579	56,649
Cash and cash equivalents	現金及現金等值物	25	127,016	234,869
Total current assets	流動資產總額		718,089	1,033,835
Total assets	資產總額		1,705,915	1,981,717
EQUITY	股權			
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	26	104,647	104,647
Reserves	儲備	27	425,799	880,324
Shareholders' funds	股東資金		530,446	984,971
Non-controlling interests	非控股權益		6,655	7,129
Total equity	股權總額		537,101	992,100

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2020 於2020年3月31日

		Note	2020	2019
		附註	HK\$'000	HK\$'000
			港幣仟元	港幣仟元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	28	32,933	31,004
Lease liabilities	租賃負債	29	118,251	–
Total non-current liabilities	非流動負債總額		151,184	31,004
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	30	172,583	237,472
Income tax payable	應付所得稅		16,288	32,840
Bank and other borrowings	銀行及其他貸款	31	651,449	688,301
Lease liabilities	租賃負債	29	177,310	–
Total current liabilities	流動負債總額		1,017,630	958,613
Total liabilities	負債總額		1,168,814	989,617
Total equity and liabilities	股權及負債總額		1,705,915	1,981,717

The consolidated financial statements on page 44 to 176 were approved by the Board of Directors on 26 June 2020 and were signed on its behalf.

董事會在2020年6月26日批准並簽署載於第44至176頁的綜合財務報表。

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

The notes on page 50 to 176 are an integral part of these consolidated financial statements.

第50頁至176頁的附註為此等綜合財務報表的不可或缺部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2020 截至2020年3月31日止年度

		Attributable to equity holders of the company 本公司權益持有人應佔				
		Share capital 股本	Reserves 儲備	Total 總計	Non- controlling interests 非控股權益	Total equity 權益總額
		HK\$'000 港幣仟元	HK\$'000 港幣仟元 (Note 27) (附註27)	HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元
At 1 April 2018	於2018年4月1日	104,647	915,943	1,020,590	8,193	1,028,783
(Loss)/profit for the year	年度(虧損)/溢利	-	(34,551)	(34,551)	169	(34,382)
Other comprehensive income/(loss)	其他全面收益/(虧損)	-	197,762	197,762	(933)	196,829
Dividend paid (note 32)	支付股息(附註32)	-	(198,830)	(198,830)	(300)	(199,130)
Changes in equity for the year	年度權益變動	-	(35,619)	(35,619)	(1,064)	(36,683)
At 31 March 2019	於2019年3月31日	104,647	880,324	984,971	7,129	992,100
At 1 April 2019	於2019年4月1日	104,647	880,324	984,971	7,129	992,100
(Loss)/profit for the year	年度(虧損)/溢利	-	(402,898)	(402,898)	214	(402,684)
Other comprehensive loss	其他全面虧損	-	(51,627)	(51,627)	(688)	(52,315)
Changes in equity for the year	年度權益變動	-	(454,525)	(454,525)	(474)	(454,999)
At 31 March 2020	於2020年3月31日	104,647	425,799	530,446	6,655	537,101

The notes on page 50 to 176 are an integral part of these consolidated financial statements.

第50頁至176頁的附註為此等綜合財務報表的不可或缺部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2020 截至2020年3月31日止年度

		Note	2020	2019
		附註	HK\$'000 港幣仟元	HK\$'000 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	34(a)	228,101	127,813
Interest paid	支付利息		(50,607)	(24,920)
Hong Kong profits tax paid	支付香港利得稅		(4,329)	(8,825)
Hong Kong profits tax refunded	已退回香港利得稅		10	40
Overseas profits tax paid	支付海外利得稅		(15,641)	(25,023)
Overseas profits tax refunded	已退回海外利得稅		1,551	492
Net cash generated from operating activities	營運活動所得的現金淨額		159,085	69,577
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		(11,446)	(31,723)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項		897	2,737
Interest received	已收利息		836	1,096
Dividends received	已收股息		1,014	2,798
Proceeds from disposal of business	出售業務所得款項	33	–	340,013
Net cash (used in)/generated from investing activities	投資活動(所用)/所得的現金淨額		(8,699)	314,921
Cash flows from financing activities	融資活動的現金流量			
Drawdown of bank borrowings	提取銀行貸款		143,357	215,725
Repayment of bank borrowings	償還銀行貸款		(180,158)	(485,907)
Capital element of finance lease payments	償還融資租賃本金		–	(58)
Principal portion of lease payment	支付租賃本金部份		(192,316)	–
Increase in pledged bank deposits	抵押銀行存款增加		–	(56,649)
Dividend paid	已付股息		–	(198,830)
Net cash used in financing activities	融資活動所用的現金淨額		(229,117)	(525,719)
Net decrease in cash and cash equivalents	現金及現金等值物之減少淨額		(78,731)	(141,221)
Cash and cash equivalents at beginning of the year	年初的現金及現金等值物		234,869	382,997
Effect of foreign exchange rate changes	匯率變動的影響		(29,122)	(6,907)
Cash and cash equivalents at end of the year	年終的現金及現金等值物		127,016	234,869
Analysis of balances of cash and cash equivalents:	現金及現金等值物結餘的分析：			
Cash and cash equivalents	— 現金及現金等值物	25	127,016	234,869

The notes on page 50 to 176 are an integral part of these consolidated financial statements.

第50頁至176頁的附註為此等綜合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 Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, Hamilton, HM11 2 Church Street, Bermuda.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

The principal activity of Stelux Holdings International Limited (the “Company”) is investment holding. The activities of its principal subsidiaries are shown in Note 39 to consolidated financial statements.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

During the year ended 31 March 2020, the Group incurred a net loss of approximately HK\$402.684 million as of that date, the Group recorded net current liabilities of approximately HK\$299.541 million.

In preparing these consolidated financial statements, the directors of the Company have given careful consideration to the current and anticipated future liquidity of the Group and the ability of the Group to continue to attain profitable and positive cash flows from operations in the immediate and longer terms.

1. 一般資料

本公司為於百慕達註冊成立之有限公司，其註冊地址為Clarendon House, Hamilton, HM11 2 Church Street, Bermuda。

本公司的股份於香港聯合交易所有限公司上市。

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39。

除另有註明者外，本綜合財務報表乃以港幣計值。

2. 編製基準

此等綜合財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。此等綜合財務報表亦符合聯交所證券上市規則之適用披露條文及香港《公司條例》(香港法例第622章)的披露規定。本集團所採納的主要會計政策於下文披露。

於截至2020年3月31日止年度，本集團錄得虧損淨額約HK\$402.684百萬，而於當日，本集團流動負債淨額約HK\$299.541百萬。

於編製該等綜合財務報表時，本公司董事已審慎考慮本集團之現有及預期未來流動資金，以及本集團即期及較長期業務持續達至盈利及正面現金流量之能力。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. BASIS OF PREPARATION (Continued)

Included in current liabilities are bank borrowings of HK\$651.449 million which contain a repayment on demand clause. Based on the Group's credit history and historical relationship with the banks, the executive directors do not believe that it is probable that the banks will demand immediate repayment but rather such bank borrowings will be repaid in accordance with their scheduled repayment dates as disclosed in Note 6.1(d). Accordingly, principal and interest payments due within the next twelve months from the reporting date will amount to HK\$138.961 million.

In order to strengthen the Group's liquidity in the foreseeable future, the directors of the Company have taken measures such as, closing down under-performing retail stores; and implementing various cost control measures in order to reduce the costs of operations.

The directors of the Company have taken into account the cash requirements of the Group for the next twelve months from the end of the reporting period, unutilised banking facilities of approximately HK\$192 million as at 31 March 2020, other potential sources of funding, and the above measures, and therefore the directors have concluded that the Group will have sufficient working capital to meet in full its financial obligations as they fall due during that period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. 編製基準 (續)

流動負債中包括HK\$651.449佰萬元的銀行貸款，當中包括按要求償還條款。根據本集團的信貸歷史及與銀行的長期關係，執行董事並不認為銀行要求即時償還，反而根據附註6.1(d)內披露之預定償還日期償還該等銀行貸款。因此，自報告日期起計未來十二個月內到期應付的本金及利息為HK\$138.961佰萬。

為增強本集團於可預見未來流動資金狀況，本公司董事已採取以下措施：關閉表現不佳的零售店舖；並制定各項成本控制措施，以縮緊經營成本。

本公司董事已考慮本集團於報告期末起未來十二個月之現金需求、於2020年3月31日的未動用銀行融資約為HK\$192 佰萬元及上述措施，因此董事已得出結論，本集團將擁有充足營運資金以履行其到期之財務責任，因此，此綜合財務報表已按持續經營基準編製。

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可供提早採納的新訂及經修訂香港財務報告準則。附註3提供於本會計期間及過往會計期間因初步應用與本集團相關之此等發展而產生之會計政策變動的資料，有關變動資料反映於此等綜合財務報表。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a new HKFRS, HKFRS 16 Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, and the related interpretations, HK(IFRIC) 4 Determining whether an Arrangement contains a Lease, HK(SIC) 15 Operating Leases-Incentives and HK(SIC) 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low-value assets.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈本集團本會計期間首次生效的新訂香港財務報告準則、香港財務報告準則第16號租賃及香港財務報告準則多項修訂。

除香港財務報告準則第16號外，概無發展對本期間或過往期間本集團之業績及財務狀況如何編製或呈列有重大影響。本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋、香港(國際財務報告詮釋委員會詮釋)第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會)詮釋第15號「經營租賃－優惠」及香港(準則詮釋委員會)詮釋第27號「評估涉及租賃法律形式交易之內容」。香港財務報告準則第16號為承租人引入單一會計處理模式，要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下之租賃及低價值資產租賃除外。

香港財務報告準則第16號大致沿用香港會計準則第17號的出租人會計處理方式。出租人將繼續使用與香港會計準則第17號中類似的原則將租賃分類為經營或融資租賃。因此，香港財務報告準則第16號對本集團為出租人的租賃並無影響。沿用香港會計準則第17號的出租人會計處理規定大致維持不變。

香港財務報告準則第16號亦引入額外的定性及定量披露要求，旨在讓財務報表使用者評估租賃對實體財務狀況、財務表現及現金流量的影響。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

本集團自2019年4月1日起首次應用香港財務報告準則第16號。本集團已選擇使用經修訂追溯法，因此將首次應用的累計影響確認為2019年4月1日之期初權益結餘的調整。比較資料不予重列，並繼續根據香港會計準則第17號報告。

有關過往會計政策變動的性質及影響以及所應用過渡選擇的進一步詳情載列如下：

(i) 租賃的新定義

租賃定義的變動主要涉及控制的概念。香港財務報告準則第16號根據客戶是否於一段期間內控制已識別資產的使用而定義租賃，其可藉界定的使用量釐定。倘客戶既有權指示已識別資產的使用，亦有權自該使用中獲得絕大部分經濟利益，則控制權已轉移。

本集團僅對於2019年4月1日或之後訂立或變更的合約應用香港財務報告準則第16號中的租賃新定義。對於2019年4月1日前訂立的合約，本集團已採用過渡性實際權宜方法，以令對現有安排為租賃或包含租賃的過往評估不受新規定限制。因此，先前根據香港會計準則第17號評估為租賃的合約繼續按香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約繼續入賬列為待履行合約。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(ii) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities at the date of initial application. The average incremental borrowing rates applied by the relevant group entities range from 2.9% to 12.8%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2019;

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響

香港財務報告準則第16號取消承租人將租賃分類為經營租賃或融資租賃的規定(如香港會計準則第17號先 前所規定)。相反,本集團作為承租人時,須資本化所有租賃(包括先前根據香港會計準則第17號分類為經營租賃的租賃),惟短期租賃及低價值資產租賃則獲豁免。

於確認先前分類為經營租賃的租賃負債時,本集團已應用於首次應用日期相關集團實體的增量借 款利率。所應用的加權平均增量借款利率介於2.9%至12.8%。

為方便過渡至香港財務報告準則第16號,本集團於首次應用香港財務報告準則第16號當日應用下列確認 豁免及實際權宜方法:

- 對於剩餘租期於首次應用香港財務報告準則第16號當日起計12個月內屆滿(即租期於2019年3月31日 或之前屆滿)的租賃,選擇不就確認租賃負債及使用權資產應用香港財務報告準則第16號的規定;

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(ii) Lessee accounting and transitional impact (Continued)

- used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- relied on the assessment of whether leases are onerous by applying HKAS 37 as an alternative to an impairment review.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

- 根據於首次應用日期的事實及情況使用事後方式為本集團具有延長選擇權的租賃釐定租期；
- 於首次應用日期計量使用權資產時撇除初始直接成本；及
- 透過應用香港會計準則第37號作為減值檢討的替代方法，評估租賃是否屬有償。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將香港會計準則第12號「所得稅」規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，有關使用權資產及租賃負債之暫時差額並未於初步確認時或於租期內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(ii) Lessee accounting and transitional impact (Continued)

The following table reconciles the operating lease commitments as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

下表載列於2019年3月31日之經營租賃承擔與於2019年4月1日確認之租賃負債的期初結餘對賬：

		HK\$000 港幣仟元
Operating lease commitments as disclosed as at 31 March 2019	於2019年3月31日披露之經營租賃承擔	439,707
Less:	減：	
Commitments relating to leases exempt from capitalisation:	獲豁免資本化之租賃相關承擔：	
– short-term leases and other leases with remaining lease term ended on or before 31 March 2019	– 短期租賃及剩餘租期於2019年3月31日或之前屆滿之其他租賃	(23,904)
– leases of low-value assets	– 低價值資產租賃	(8)
– contracts signed before 31 March 2019, but leases commenced after 1 April 2019	– 於2019年3月31日前簽約，但於2019年4月1日後開始的租賃	(24,393)
Add:	加：	
Lease payments for the additional periods where the Group considers it reasonably certain that it will exercise the extension options	本集團認為其合理確定將行使延長選擇權下額外期間的租賃款項	97,741
		489,143
Less:	減：	
Total future interest expenses	未來利息開支總額	(32,548)
Present value of remaining lease payments, discounted using the incremental borrowing rate as at 1 April 2019	採用2019年4月1日之增量借款利率貼現之餘下租賃付款現值	456,595
Add:	加：	
Finance lease liabilities recognised as at 31 March 2019	於2019年3月31日確認之融資租賃負債	51
Lease liabilities recognised as at 1 April 2019	於2019年4月1日確認之租賃負債	456,646
Represented by:	當中：	
Current lease liabilities	流動租賃負債	194,093
Non-current lease liabilities	非流動租賃負債	262,553
		456,646

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(ii) Lessee accounting and transitional impact (Continued)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of consolidated financial position at 31 March 2019.

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of “Finance leases payables”, these amounts are included within “Lease liabilities”, and the depreciated carrying amount of the corresponding leased assets is identified as right-of-use assets. There is no impact on the opening balance of equity.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

先前分類為經營租賃之租賃相關使用權資產已獲確認為與其餘租賃負債相等的金額，並根據於2019年3月31日的綜合財務狀況中確認的與該等租賃負債有關的任何預付款或應計租賃付款金額進行調整。

已付可退回租賃按金根據香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)入賬，初步按公平值計量。於初步確認時對公平值的調整被視為額外租賃付款並計入使用權資產成本。

對於採用香港財務報告準則第16號對先前分類為融資租賃的租賃的影響，本集團除更改相關結餘名稱外，無需在香港財務報告準則第16號的首次採用日作出其他任何調整。因此，「融資租賃應付款項」項目會被移除，相關金額會計入「租賃負債」，相應的租賃資產的經折舊賬面價值識別為使用權資產。期初權益餘額並未受到任何影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(ii) Lessee accounting and transitional impact (Continued)

The following table summaries the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

下表概述採納香港財務報告準則第16號對本集團綜合財務狀況表之影響：

		Carrying amount as at 31.3.2019 於2019年3月31日之賬面值 HK\$'000 港幣仟元	Effects of adoption of HKFRS 16 採納香港財務報告準則第16號的影響		As at 1.4.2019 於2019年4月1日 HK\$'000 港幣仟元
			Reclassification 重新分類 HK\$'000 港幣仟元	Recognition of leases 租賃確認 HK\$'000 港幣仟元	
Non-current assets	非流動資產				
Right-of-use assets	使用權資產	-	4,320	452,687	457,007
Property, plant and Equipment (notes i and ii)	物業、機器及設備 (附註i及ii)	165,411	(2,339)	-	163,072
Prepaid lease Premium (note iii)	預付租賃地價(附註iii)	11,135	(11,135)	-	-
Current assets	流動資產				
Prepayments	預付款項	18,762	(667)	-	18,095
Liabilities	負債				
Lease liabilities	租賃負債	-	3,959	452,687	456,646
Finance lease Payables (note iv)	融資租賃款項(附註iv)	51	(51)	-	-
Other payables (note v)	其他應付賬款(附註v)	20,838	(13,729)	-	7,109

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(ii) Lessee accounting and transitional impact (Continued)

Note:

- (i) In relation to assets previously under finance leases, the Group recategorises the carrying amount of the relevant assets which were still leased as at 1 April 2019 amounting to HK\$51,000 as right-of-use assets.
- (ii) The Group reclassified the reinstatement under property, plant and equipment to right-of-use assets as at 1 April 2019.
- (iii) Upfront payments for owned used leasehold land arising from Thailand subsidiary was classified as prepaid land lease payments as at 31 March 2019. Upon application of HKFRS 16, the non-current portion of prepaid land lease payments amounting to HK\$11.135 million was classified to right-of-use assets.
- (iv) The Group reclassified the obligation under finance leases of HK\$51,000 to lease liabilities as current liabilities at 1 April 2019.
- (v) The Group reclassified the provision of onerous contract to right-of-use assets and accrued rental to lease liabilities as at 1 April 2019.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

(ii) 承租人會計處理及過渡影響(續)

附註：

- (i) 就先前確認為融資租賃的資產而言，本集團於2019年4月1日將仍租賃的有關資產賬面值港幣51,000元重新分類至使用權資產。
- (ii) 於2019年4月1日，本集團將物業、機器及設備內的復原款項重新分類至使用權資產。
- (iii) 於2019年3月31日，泰國附屬公司產生的自用土地租賃預付款項被分類為預付租賃地價。於採用香港財務報告準則第16號時，非流動部分的預付租賃地價港幣11.135百萬元已分類為使用權資產。
- (iv) 本集團於2019年4月1日將港幣51,000元融資租賃款項重新分類至以流動負債入賬的租賃負債。
- (v) 本集團於2019年4月1日將有法律義務合約撥備款項重新分類至使用權資產及應計租金重新分類至租賃負債。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(iii) Impact of the financial results and cash flows of the Group

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases under HKAS 17, the Group recognised right-of-use assets of approximately HK\$198.704 million and lease liabilities of approximately HK\$295.561 million as at 31 March 2020.

Also, in relation to those leases under HKFRS 16, the Group had recognised depreciation and financial costs, instead of operating lease charges. During the year ended 31 March 2020, the Group recognised depreciation charges of HK\$212.221 million and finance costs of HK\$25.273 million from these leases.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(iii) 對本集團財務業績及現金流量之影響

由於首次採用香港財務報告準則第16號，就先前根據香港會計準則第17號分類為經營租賃而言，本集團於2020年3月31日確認使用權資產港幣198.704百萬元及租賃負債港幣295.561百萬元。

此外，根據香港財務報告準則第16號的租賃而言，本集團已確認折舊及財務成本，而非經營租賃費用。截至2020年3月31日止年度，本集團從該等租賃確認折舊費用港幣212.221百萬元及財務成本港幣25.273百萬元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 April 2019. These new and revised HKFRSs include the following which may be relevant to the Group.

		Effective for accounting periods beginning on or after 於以下日期或之後 開始的會計期間生效
Amendments to HKFRS 3 經修訂香港財務報告準則第3號	Definition of a Business 業務之界定	1 April 2020 2020年4月1日
Amendments to HKAS 1 and HKAS 8 經修訂香港會計準則第1號及香港會計準則第8號	Definition of Material 重大性之界定	1 April 2020 2020年4月1日
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 經修訂香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號	Interest Rate Benchmark Reform 利息基準改革	1 April 2020 2020年4月1日

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用於2019年4月1日開始之財政年度已頒佈但尚未生效的新訂及經修訂香港財務報告準則。該等新訂及經修訂香港財務報告準則包括以下可能與本公司相關的準則。

**Effective for accounting periods beginning on or after
於以下日期或之後
開始的會計期間生效**

本集團現正對該等新訂及經修訂香港財務報告準則於初步應用期間預期出現的影響進行評估。目前已得出結論，採納該等準則對綜合財務報表產生重大影響的可能性極低。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. investment properties and certain financial instruments that are measured at fair value).

The preparation of 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 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

4.1 Business Combination

Subsidiaries are all entities (including structured entities) 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. 主要會計政策

本綜合財務報表乃按歷史成本常規法編製，除以下會計政策中另有說明之外(投資物業及部分金融工具按公平值計量)。

編製符合香港財務報告準則之綜合財務報表須採用若干重要會計估計，管理層亦須於應用本集團會計政策時作出判斷。附註5披露對涉及對本綜合財務報表重要的較高判斷力或複雜性的領域或假設和估計。

編制此綜合財務報表所採用的重要會計政策如下：

4.1 業務合併

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。

本集團採用收購法為所有合併業務合併入賬。

集團內交易、結餘及未變現溢利均會予以對銷。除非該交易有證據顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已經於需要時作出變動，以確保與本集團所採納之政策貫徹一致。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.1 Business Combination (Continued)**

Non-controlling interests in the results and equity of subsidiaries are shown separately in the income statement and statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the income statement. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, 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 or transferred to another category of equity as specified/permitted by applicable HKFRSs.

4. 主要會計政策 (續)**4.1 業務合併 (續)**

非控股權益及附屬公司的權益在綜合收益表和綜合全面收益表，綜合權益變動表及資產負債表內呈列。

本集團視與非控制性權益進行而並無導致失去控制權之交易為與本集團權益擁有人的交易。控制性權益變動導致控股權益及非控股權益賬面值之間的調整，以反映其於附屬公司之相對權益。對非控制性權益之調整金額與已付或已收任何代價之間的任何差額在本公司擁有人應佔權益內的獨立儲備中確認。

本集團因失去控制權、共同控制權或重大影響力而就終止一項投資之綜合入賬或權益入賬時，於實體之任何保留權益重新計量至其公平值，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或財務資產之保留權益，此公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在其他全面收益確認之金額按適用香港財務報告準則之規定／許可條文重新分類至損益或轉撥至另一類股權。倘合營企業或聯營公司的控制性權益有所減少但仍保留共同控制權或重大影響力，則過往在其他全面收益確認的按比例應佔金額會在適當時重新分類至損益。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Business Combination (Continued)

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and

4. 主要會計政策(續)

4.1 業務合併(續)

本集團採用收購法為所有合併業務合併入賬(包括收購部份權益或其他資產)。收購一間附屬公司之轉讓代價包括：

- 所轉讓資產的公平價值
- 對被收購方前擁有人所產生的負債
- 本集團所發行股本權益的公平價值計算
- 因或然代價安排所產生的任何資產或負債的公平值；及
- 附屬公司任何先前的股權的公平價值

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(除少數例外情況外)，均於收購當日按其公平值作初步計量。本集團確認所收購非控股權益實體按公平值或按非控股權益被收購實體的可識別資產淨值比例入賬。

收購相關成本於產生時支銷。

超出：

- 所轉讓代價、
- 被收購方之任何非控股權益金額，及

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Business Combination (Continued)

- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the income statement as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated income statement.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated income statement.

4.2 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 financial statements of the investee's net assets including goodwill.

4. 主要會計政策(續)

4.1 業務合併(續)

- 任何先前於被收購方之股權於收購日期之公平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。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。

或然代價分類為權益或金融負債。分類為金融負債的金額其後按公平值重新計量，並於綜合收益表確認公平值變動。

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，因重新計量而產生的任何收益或虧損於綜合收益表內確認。

4.2 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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Company has appointed the executive directors as the chief operating decision makers to review the operating results of the Group on a consolidated basis, and makes strategic decisions.

4.4 Foreign currency translation

(a) 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 financial statements are presented in HK\$, which is the functional currency of the Company and presentation currency of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. 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 generally recognised in the consolidated income statement. All foreign exchange gains and losses are presented in the consolidated income statement within "other gains, net".

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

4. 主要會計政策(續)

4.3 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。

本公司已委任行政董事為首席經營決策者，其會按綜合基準審閱本集團的營運業績，並作出策略性決定。

4.4 外幣換算

(a) 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本集團之呈報貨幣。

(b) 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。所有匯兌損益均在綜合收益表「其他收益，淨額」內列示。

按歷史成本以外幣計量的非貨幣項目，使用初始交易日的匯率換算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair values are reported as part of the fair value gain or loss. For example, translation differences on nonmonetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets/equity investments are recognised in other comprehensive income.

(c) 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

4. 主要會計政策(續)

4.4 外幣換算(續)

(b) 交易及結餘(續)

按公平值以外幣計量的非貨幣項目使用釐定公平值當日的匯率換算。有關按公平值列賬之資產及負債之換算差額均呈報為公平值收益或虧損的一部分。舉例而言，非貨幣性財務資產及負債(如按公平值透過損益列賬之證券)之換算差額在損益內確認為公平值收益或虧損的一部分，而非貨幣財務資產／股份投資(如分類為可供出售財務資產)的換算差額則在其他全面收益內確認。

(c) 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(全部均非高通漲經濟之貨幣)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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

- all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the consolidated income statement, as part of the gain or loss on sale.

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.

(d) 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), 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 consolidated 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 the consolidated income statement.

4. 主要會計政策 (續)

4.4 外幣換算 (續)

(c) 集團旗下公司 (續)

- 所有匯兌差額於其他全面收益表中確認

於綜合入賬時，換算任何海外實體淨投資以及借款所產生之匯兌差額均在其他全面收益中確認。當出售海外業務或償還組成淨投資一部分的任何借款時，相關匯兌差額會於出售時重新分類至損益，作為收益或虧損的一部分。

收購一間海外實體所產生之商譽及公允值調整被視作海外實體之資產及負債，並按期末匯率換算。

(d) 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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 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. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets (or disposal groups) held for sale and discontinued operations”.

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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated 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. 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	Shorter 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	5 years

4. 主要會計政策(續)

4.5 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。當物業、機器及設備項目分類為持作可供出售或屬於分類為持作可供出售的出售集團的一部分時，則不計提折舊，並按照香港財務報告準則第5號入賬。持作可供出售(或出售集團)的「非流動資產」及「已終止營運業務」將在會計政策中作進一步說明。

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)。計入為獨立資產的已更換零件之賬面值於置換時被終止確認。所有其他維修及保養費用於產生財政期間於綜合收益表扣除。

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。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。所採用年率如下：

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	5年

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Property, plant and equipment (Continued)

No depreciation is provided on freehold land. Freehold land is stated at cost less accumulated impairment loss, if any. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement within "Other (losses)/gains, net". Valuations are performed to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. An annual transfer from the revaluation reserve to retained earnings is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained earnings as a movement in reserves.

4. 主要會計政策 (續)

4.5 物業、機器及設備 (續)

永久業權之土地無須折舊。永久業權之土地以成本減累計減值虧損(如有)入賬。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)。

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。

出售之損益按比較所得款項與賬面值釐定，並計入綜合收益表「其他(虧損)/收益，淨額」內。物業、機器及設備須進行估值以確保重估資產的公允價值與其賬面金額並無重大差異。其公允價值變動按重估儲備之變動處理。以單一資產為基礎，如果該儲備的總金額不足以彌補赤字，超出赤字部分將計入損益表內。任何其後重估盈餘均按先前已計的赤字計入損益表。根據資產的重估賬面值折舊與根據資產初始成本的折舊之間的差額，每年從重估儲備轉移至保留盈利。在出售重估資產時，先前已變現的重估儲備的相關部分，作為儲備變動轉入保留盈利。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.6 Investment properties**

Investment properties principally leasehold land and buildings are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at fair value at the date of transfer from property, plant and equipment. Differences between the costs and fair values of the properties are recognised in revaluation reserve. Subsequently, they are carried at fair value. Changes in fair values are presented in consolidated income statement as part of other income.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment” up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment” above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

4. 主要會計政策 (續)**4.6 投資物業**

投資物業指本集團為獲得長期租金收益，但並不由本集團佔用而持有之物業。投資物業在由物業、機器及設備轉入日期按公平值在列賬。物業的成本與公平值之間的差額確認為重估儲備。隨後，其以公平價值呈示。公平價值之變動在綜合收益表中列示為其他收入的一部分。

由投資物業轉撥為自用物業之物業或存貨，用作日後會計處理之視作成本為其於更改用途當日之公平價值。倘本集團之自用物業轉為投資物業，則在用途變更當日之前，本集團根據「物業、機器及設備」所規定之政策將該物業入賬，於該日之物業賬面值與公平價值之任何差額根據上述「物業、機器及設備」所規定之重估政策入賬。對於從存貨轉為投資物業，於該日之物業公平價值與之賬面值之任何差額在損益表內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Intangible assets

(a) Goodwill

Goodwill is subsequently measured as described in Note 4.8. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks have an indefinite useful life and are not amortised but tested annually for impairment.

(c) 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 30 years.

4. 主要會計政策(續)

4.7 無形資產

(a) 商譽

商譽其後按附註4.8所述計量。收購附屬公司之商譽計入無形資產。商譽不予攤銷，惟會每年進行減值測試，或倘出現事件或情況轉變顯示可能出現減值時，則更頻密地進行測試，且按成本減累計減值虧損列賬。出售實體之收益及虧損包括有關已售實體的商譽賬面值。

商譽就減值測試目的分配至現金產生單位。分配乃對該等預期將受惠於產生商譽的業務合併的現金產生單位或現金產生單位組別作出。該等單位或單位組別乃按就內部管理目的監察商譽的最低層級識別，即經營分部。

(b) 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，且毋須攤銷，但須每年就減值進行測試。

(c) 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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.9 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs of disposal, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

4. 主要會計政策(續)

4.8 非財務資產減值

沒有確定可使用年期之商譽及無形資產毋須攤銷，但每年或於發生事件或情況改變顯示其或已減值時則更頻密地就減值進行測試。當有事件出現或情況改變顯示賬面值可能無法收回時會測試其他非財務資產是否有減值。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允值扣除銷售成本及使用價值兩者之較高者為準。為評估減值，資產將按獨立可識別現金流入之最低層次組合，即與其他資產或資產組合之現金流入大致獨立者(現金產生單位)。非財務資產(除商譽外)若已減值，則須在各報告期間期末評估資產有否減值轉撥之可能性。

4.9 持作可供出售的非流動資產(或出售集團)及終止營運業務

倘非流動資產(或出售集團)的賬面值主要透過銷售交易而非持續使用收回且有關銷售被認為極有可能發生，則分類為持作可供出售。其按賬面值與公允值扣除銷售成本兩者的較低者計量，本規定明確豁免的遞延稅項資產、僱員福利產生的資產、財務資產、以公允值列賬的投資物業及保險合約項下的合約權利等資產除外。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Non-current assets (or disposal groups) held for sale and discontinued operations (Continued)

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

A discontinued operations is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

4. 主要會計政策(續)

4.9 持作可供出售的非流動資產(或出售集團)及終止營運業務(續)

減值虧損乃按資產(或出售集團)初始或其後撇減至公平值扣除銷售成本確認。收益乃按公平值扣除資產(或出售集團)的銷售成本的其後增加確認，惟不超過先前確認的累計減值虧損。先前並未確認的收益或虧損乃按非流動資產(或出售集團)的銷售日期於終止確認日期確認。

非流動資產(包括屬出售集團部分者)在分類為持作可供出售時不予折舊或攤銷。分類為持作可供出售的出售集團負債應佔的利息及其他開支將繼續予以確認。

分類為持作可供出售的非流動資產及分類為持作可供出售的出售集團資產於資產負債表內與其他資產分開呈列。分類為持作可供出售的出售集團負債於綜合資產負債表內與其他負債分開呈列。

終止營運業務為已出售或分類為持作可供出售及代表一項按業務或地區劃分的獨立主要業務的實體的組成部分，為出售按業務或地區劃分的該獨立主要業務的單一統籌計劃的一部分，或為一間專為轉售目的而收購的附屬公司。終止營運業務的業績於綜合收益表中單獨呈列。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

4. 主要會計政策(續)

4.10 金融資產

所有通過常規方式買賣之金融資產買賣於交易日確認及終止確認。常規買賣指須在市場規則或慣例訂定的時間內交收資產之金融資產買賣。所有已確認金融資產整體以攤銷成本或公平值計量，視乎金融資產的類別而定。

債權投資

本集團持有的權投資歸為以下計量類別之一：

- 如果投資是為收取合同現金流量而持有的，僅表示本金和利息的支付，則為攤銷成本。投資產生的利息收入採用實際利率法計算。
- 以公平值計入其他全面收益(轉回)如果投資的合同現金流量僅包括本金和利息的支付，且投資以一種通過收取合同現金流量和出售均可實現目標的業務模式而持有，則為以公平值計入其他全面收益(可轉回)。除在損益中確認的預期信用損失、使用實際利率法計算的利息收入和匯兌損益外，公平價值的變動在其他全面收益中確認。當終止確認該投資時，其他全面收益中累計的金額將從股權轉為當期損益。
- 如果投資不符合以攤銷成本計量的標準，則以公平價值計量且其變動計入當期損益；或者以公平值計入其他全面收益(轉收)。投資(包括利息)的公平價值變動計入當期損益。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.10 Financial assets (Continued)***Equity investments*

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

4.11 Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

4. 主要會計政策 (續)**4.10 金融資產 (續)***股本投資*

權益證券投資分類為以公平值計入收益(「以公平值計入收益」)，除非該股本投資不是持作買賣用途，並且本集團於初次確認投資時選擇指定將投資以公平值計入其他全面收益(不可轉回)計量，此後公平值之變動則於其他全面收益中確認。該等選擇以個別工具的基礎上作出，但該投資需符合發行人對權益之定義，方可作出該選擇。倘已作出選擇，於其他全面收益中所累計之金額便保留於公平值儲備(不可轉回)中，直至出售該投資為止。於出售時，該公平值儲備(不可轉回)中之累計金額將轉撥至保留溢利，而不會轉回計入損益。權益證券投資之股息，不論分類為以公平值計入損益，或以公平值計入其他全面收益(不可轉回)，均於損益中確認為其他收入。

4.11 金融資產減值

本集團就所有並非按公平價值計入損益持有之債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合約應付的合約現金流量與本集團預期收取並按原有實際利率的相若利率貼現的所有現金流量之間的差額計算。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級所得的現金流量。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4. 主要會計政策 (續)

4.11 金融資產減值 (續)

一般方法

預期信貸虧損於兩個階段確認。就初次確認後並無顯著增加的信貸風險，預期信貸虧損就可能於未來12個月內(12個月的預期信貸虧損)發生就違約事件而產生的信貸虧損計提撥備。就初次確認後顯著增加的信貸風險，須於信貸虧損風險剩餘年內計提虧損撥備，不論違約時間(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險是否自初次確認後大幅提高。於作出該評估時，本集團將於報告日期金融工具產生的違約風險與於初次確認時金融工具產生的違約風險進行比較，並考慮在無須付出不必要成本或努力而可獲得合理及可靠資料，包括過往及前瞻性資料。

本集團將合約付款逾期90日的財務資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能認為該財務資產違約。倘無法合理預期收回合約現金流量，則撇銷財務資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Impairment of financial assets (Continued)

General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECL

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and lease receivables, if any, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

4. 主要會計政策 (續)

4.11 金融資產減值 (續)

一般方法 (續)

按攤銷成本入賬之財務資產根據一般方法減值及除應收賬款使用下文詳述的簡化法外，其在以下階段分類用於預期信貸虧損計量。

第一階段－信貸風險自初次確認後並無大幅增加之金融工具，其虧損撥備按等於12個月預期信貸虧損的金額計量

第二階段－信貸風險自初次確認後大幅增加但並無出現財務資產信貸減值之金融工具，其虧損撥備按等於全期預期信貸虧損的金額計量

第三階段－於報告日期已出現信貸減值之財務資產(但在購買或產生之時並無信貸減值)，其虧損撥備按等於全期預期信貸虧損的金額計量

簡化方法

就不包含重大融資組成部分的應收賬款或當本集團使用不調整重大融資組成部分影響之可行權宜方法時，本集團計算預期信貸虧損時應用簡化法。根據簡化法，本集團並無追蹤信貸風險之變化，但於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據過往信貸虧損經驗，建立撥備矩陣，並就債務人及經濟環境之特定前瞻性因素作出調整。

對於包含重大融資成分及應收租賃款項之應收賬款(如有)，本集團選擇採用簡化方法計算上述預期信貸虧損之會計政策。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

4. 主要會計政策(續)

4.12 金融負債

初次確認及計量

金融負債於初次確認時適當地分類為按公平價值計入損益的金融負債、借貸及貸款、應付款或指定為有效對沖套期的衍生工具(如適用)。

所有金融負債初次按公平價值確認，如屬借貸及貸款及應付款，則扣除直接應佔交易成本。

其後計量

金融負債之其後計量根據其分類進行，方式如下：

借貸及貸款

初次確認後，計息借貸及貸款其後採用實質利率法按攤銷成本計量，除非折現影響不大，在該情況下則按成本列賬。於負債不再確認時以及透過實質利率法計量之攤銷過程之收益及虧損於損益賬確認。

攤銷成本之計算包括收購產生之任何折價或溢價以及屬於實質利率組成部分之費用或成本。按實質利率法計量之攤銷包括在損益賬之財務費用內。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Financial liabilities (Continued)

Derecognition of financial liabilities

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

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

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 Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

4.13 Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials and subcontracting fee. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision for inventories are recognised in the consolidated income statement within "other operating expenses".

4. 主要會計政策 (續)

4.12 金融負債 (續)

終止確認金融負債

金融負債於負債之責任已解除或註銷或屆滿時終止確認。

當現有金融負債為同一貸款人以大致上不同條款之負債取代時，或現有負債之條款有重大修改時，此等取代或修改會被視為不再確認為原有負債及確認為一項新負債，而有關賬面值之差額乃於損益賬確認。

當本集團具有抵銷已確認金額之合法強制執行權，而有關方面擬按淨額基準結算或同時變現資產和結算負債時，金融資產與負債將會互相抵銷，並在綜合資產負債表報告其淨額。本集團亦已經訂立不符合抵銷準則之安排，惟仍然容許在若干情況下抵銷相關金額，如破產或終止合約。

4.13 存貨

原材料、在製品及製成品按成本與可變現淨值之較低者列賬。成本包括直接材料及直接勞工。成本按加權平均成本獲分配至個別存貨項目。已購買存貨成本於扣除回扣及折扣後釐定。可變現淨值為日常業務過程中的估計售價，減去估計完成成本及進行銷售所需的估計成本。存貨撥備於綜合收益表內「其他營運支出」內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.14 Cash and cash equivalents**

For the purpose of presentation in the cash flows statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

4.15 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.

4.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

4. 主要會計政策 (續)**4.14 現金及現金等值物**

就於綜合現金流量表呈列而言，現金及現金等值物包括手頭現金、隨時可用於提取之金融機構存款、其他短期、高流通性投資(原到期日為三個月或以下，可即時轉換為已知現金金額且面臨的價值變動風險並不重大)以及銀行透支。銀行透支在綜合資產負債表內流動負債中的借款內列示。

4.15 股本

普通股被列為權益。直接歸屬於發行新股或認股權之新增成本在權益中列為所得款項之減少(扣除稅項)。

4.16 貸款成本

可直接歸屬收購、建造或生產合資格資產之一般及特定貸款成本，於需要完成及準備資產作其擬定用途或銷售的期間內資本化。合資格資產為需要大量時間準備方可作擬定用途或銷售的資產。

在特定貸款撥作合資格資產支出前之暫時投資所賺取之投資收入，須自合資格資本化之貸款成本中扣除。

所有其他借貸成本於其發生期間的收益表內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Taxation

Income tax represents the sum of the current tax and deferred tax.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 主要會計政策(續)

4.17 稅項

所得稅指即期稅項及遞延稅項之總和。

即期應付稅項乃根據本年度之應課稅溢利計算。應課稅溢利與於損益確認之溢利不同，乃由於其他年度之應課稅或可予扣稅之收入或開支項目，以及免稅或不可扣稅之項目所致。本集團有關即期稅項之負債乃採用於報告期末已實施或實質已實施之稅率計算。

遞延稅項乃指在綜合財務報表內資產及負債之賬面值與計算應課稅溢利採用之相應稅基之差額。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債乃按於附屬公司之投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來撥回者除外。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

4. 主要會計政策 (續)

4.17 稅項 (續)

遞延稅項資產之賬面值乃於各報告期末進行檢討，並於預期將不可能有充裕之應課稅溢利以抵銷所有或部分資產時調減。

遞延稅項乃根據於報告期末已實施或實質實施之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項乃自損益中扣除或計入，惟倘遞延稅項與其他全面收益或直接於權益確認之項目相關，則在此情況下亦會在其他全面收益或直接於權益內確認。

遞延稅項資產及負債之計量反映於報告期末本集團預期收回及結付其資產及負債賬面值之方式所產生之稅務影響。

就本集團確認使用公平價值方式計量之投資物業計量遞延稅項而言，除非對推定有反駁，否則假定該等物業賬面值是通過出售而收回的。當投資物業可折舊且以本集團的業務模式持有時，該推定被駁回。本集團的業務目標是隨著時間的推移體現該等物業的經濟利益，而不是通過出售該等物業來體現該等物業的經濟利益。如果推定被駁回，則該等投資物業的遞延稅項將根據有關如何收回物業的預期方式計量。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. 主要會計政策 (續)

4.17 稅項 (續)

就本集團確認使用權資產及相關租賃負債的租賃交易計量遞延稅項而言，本集團首先釐定使用權資產或租賃負債是否應佔稅項扣減。

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團會對使用權資產及租賃負債分開應用香港會計準則第12號之規定。由於應用初始確認豁免，故有關使用權資產及租賃負債之暫時差異不會於初始確認時及租賃年期內確認。

當可合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並涉及與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Employee benefits

(a) 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.

(b) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

4. 主要會計政策(續)

4.18 僱員福利

(a) 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。

(b) 花紅計劃

本集團就花紅確認負債及支出。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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Employee benefits (Continued)

(c) 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.

(d) 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.

4. 主要會計政策(續)

4.18 僱員福利(續)

(c) 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。

(d) 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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.19 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 amount has been reliably estimated. Provisions are not recognised for future operating losses.

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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The Group provides for warranties in relation to the sale of watch products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

4. 主要會計政策(續)**4.19 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。

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。

本集團在保修期內提供手錶產品售後一般維修。本集團就若干產品授出此等保證條款乃根據銷售量及過往維修及退貨水平的經驗確認，並酌情貼現至其現值。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

4. 主要會計政策 (續)

4.20 收入確認

來自客戶合約之收益乃於貨品或服務按反映本集團預期就轉讓貨品或服務而有權獲得的代價金額轉予客戶時確認。

當合約中的代價包含可變金額時，代價金額於本集團就轉讓貨品或服務至客戶而有權獲得交換時估計。可變代價在合約開始時估計並受約束，直至可變代價的相關不確定因素得到解決時，確認的累計收益金額不大可能出現重大收益回撥。

倘合約中包含為客戶提供超過一年的重大融資利益(撥付轉讓貨品或服務至客戶)的融資部分，則收益按應收金額的現值計量，並使用本集團與客戶之間於合約開始時的單獨融資交易中反映的貼現率貼現。倘合約中包含為本集團提供一年以上重大融資利益的融資部分，合約項下確認的收益包括按實際利率法計算的合約負債所產生的利息開支。就客戶付款與轉讓承諾貨品或服務之期間為一年或者更短的合約，交易價格採用香港財務報告準則第15號的可行權宜方法，不會就重大融資部分的影響作出調整。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 Revenue recognition (Continued)

(a) Sale of watch products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Some contracts for the sale of products provide customers with rights of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

4. 主要會計政策(續)

4.20 收入確認(續)

(a) 銷售鐘錶

來自貨品銷售之收益於資產之控制權轉讓予客戶時(一般為交付貨品時)確認。

若干銷售合約給予客戶退貨權及批量折扣。其退貨權及批量折扣引致產生可變代價。

(i) 退貨權

就給予客戶於指定時間內可退回貨品之合約而言，使用預期價值法估計將不予退回之貨品，因該方法為預測本集團將享有之可變代價金額之最佳方法。採用香港財務報告準則第15號關於可變代價估計之規限，以釐定可計入交易價格之可變代價金額。就預期將予退回之貨品，確認退款負債，而並非收入。另就向客戶收回產品之權利確認退貨權資產(並對銷售成本作出相應調整)。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 Revenue recognition (Continued)

(a) Sale of watch products (Continued)

(ii) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used that best predicts the amount of variable consideration. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

The Group do not have expected future volume rebates and no refund liability is recognised as at 31 March 2020.

(b) Other income

Building management services income and shared services income are recognised when the services are rendered.

(c) Rental income

Rental income is recognised on a time proportion basis over the lease terms.

4. 主要會計政策(續)

4.20 收入確認(續)

(a) 銷售鐘錶(續)

(ii) 批量折扣

本集團向若干客戶提供可追溯批量折扣，一旦彼等在此期間購買的產品數量超過合同規定的限值，其折扣可抵消應付賬款。本集團使用預期價值法估計將提供給客戶的折扣，因該方法為預測本集團將享有之可變代價金額之最佳方法。採用關於可變代價估計之規限，就預期提供之折扣，確認退款負債。

於2020年3月31日，本集團並無預期未來的批量折扣及無就其確認退款負債。

(b) 其他收入

物業管理費收入及共享服務收入於有關服務提供後確認。

(c) 租金收入

租金收入按租賃期時間比例基準確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 Revenue recognition (Continued)

(d) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(e) Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

4.21 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

4. 主要會計政策 (續)

4.20 收入確認 (續)

(d) 利息收入

利息收入採用實質利息法，按應計基準，以有關利率在有關金融工具之預計年期或較短期間(按適用情況)內準確折現估計未來現金收入至有關財務資產之賬面淨值確認。

(e) 股息收入

股息收入於股東收取股息權利確立時，與股息相關之經濟利益很可能流入本集團，而股息金額可以可靠地計量時確認。

4.21 合約負債

合約負債指就本集團已向客戶收取代價(或代價款項已到期)而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，合約負債則於作出付款或該款項到期時(以較早者為準)確認。合約負債於本集團履行合約時確認為收益。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.22 Related parties

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

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

Or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow Subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the postemployment benefit plan;

4. 主要會計政策(續)

4.22 關聯人士

在下列情況下，一方將視為與本集團有關聯：

- (a) 該方為一名人士或該人士之直系親屬，而該人士：
 - (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；

或

- (b) 該方為實體，而任何以下條件適用：
 - (i) 該實體及本集團為同一集團之成員公司；
 - (ii) 一實體為另一實體(或另一實體之母公司、附屬公司或同系附屬公司)之聯營公司或合營公司；
 - (iii) 該實體及本集團為同一第三者之合營公司；
 - (iv) 一實體為一第三者之合營公司，而另一實體為該第三者之聯營公司；
 - (v) 該實體為本集團或與本集團有關聯的實體的僱員而設的受僱後福利計劃；

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.22 Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies: (Continued)
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

4.23 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) *The Group as a lessee*

Policy applicable from 1 April 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

4. 主要會計政策(續)

4.22 關聯人士(續)

- (b) 該方為實體，而任何以下條件適用：(續)
- (vi) 該實體受(a)所識別人士控制或共同控制；
- (vii) 所識別之人士對該實體有重大影響力，或為該實體(或該實體之母公司)之主要管理層成員；及
- (viii) 該實體或其所屬集團之任何成員公司向本集團或本集團母公司提供主要管理人員服務。

4.23 租賃

訂立一份合約時，本集團評估合約是否或包含租賃。倘合約轉移一段時期內控制已識別資產的使用以換取代價，則合約屬或包含租賃。如顧客有權控制已識別資產的使用並從該使用中獲得近乎所有的經濟利益時，即有控制權。

(i) 本集團作為承租人

自2019年4月1日起適用的政策

倘合約包含租賃部分及非租賃部分，則本集團選擇不區分非租賃部分，並就所有租賃將各租賃部分及任何相關的非租賃部分入賬列為單一租賃部分。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.23 Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 April 2019 (Continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

4. 主要會計政策 (續)

4.23 租賃 (續)

(i) 本集團作為承租人 (續)

自2019年4月1日起適用的政策 (續)

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租賃期為12個月或以下的短期租賃及低價值資產租賃除外，就本集團而言主要為電腦及辦公傢俱。倘本集團就低價值資產訂立租賃，則本集團決定是否按個別租賃基準將有關租賃資本化。與該等並無資本化的租賃相關的租賃付款於租期內按系統基準確認為開支。

倘有關租賃被資本化，則有關租賃負債於租期內按應付租賃付款現值初步確認，並使用租賃內含利率或(如該利率無法輕易釐定)使用相關增量借款利率貼現。初步確認後，租賃負債按攤銷成本計量，利息開支則使用實際利率法計算。計量租賃負債時並不計及不會依賴指數或利率的可變租賃付款，故有關付款在產生的會計期間於損益中扣除。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.23 Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 April 2019 (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

4. 主要會計政策(續)

4.23 租賃(續)

(i) 本集團作為承租人(續)

自2019年4月1日起適用的政策(續)

租賃資本化時確認的使用權資產初步按成本計量，其中包括租賃負債的初步金額加於開始日期或之前作出的任何租賃付款及任何已產生初步直接成本。倘適用，使用權資產成本亦包括就拆除並移除相關資產或修復相關資產或其所在地盤產生的估計成本，並將其貼現至現值(扣除任何已收租賃優惠)。使用權資產其後按成本減累計折舊及減值虧損列賬。

本集團於租期結束時合理確定獲取相關租賃資產所有權的使用權資產自開始日期起至使用年期結束期間計提折舊。在其他情況下，使用權資產以直線法於其估計使用年期及租賃期(以較短者為準)內計提折舊。

已付的可退款租賃按金根據香港財務報告準則第9號列賬，初步按公平值計量。初步確認的公平值調整被視為額外租賃付款及計入使用權資產成本。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.23 Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 April 2019 (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment properties and lease liabilities separately in the consolidated statement of financial position.

4. 主要會計政策 (續)

4.23 租賃 (續)

(i) 本集團作為承租人 (續)

自2019年4月1日起適用的政策 (續)

倘指數或利率變動導致未來租賃付款變動，或本公司所估計根據餘值擔保預期應付的金額變動，或因重新評估本集團將是否合理確定行使購買、續期或終止選擇權而導致變動，則租賃負債予以重新計量。倘以此方式重新計量租賃負債，則會相應調整使用權資產賬面值，或倘使用權資產賬面值減至零，則將有關調整計入損益。

本集團將不符合投資物業定義的使用權資產及租賃負債單獨呈列於綜合財務狀況表內。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.23 Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable before 1 April 2019

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. 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 asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee 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.

(ii) The Group as a lessor

Lease income from operating leases where the Group is a lessor is recognised in the income statement on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

4. 主要會計政策(續)

4.23 租賃(續)

(i) 本集團作為承租人(續)

於2019年4月1日前適用的政策

倘本集團(作為承租人)擁有擁有權的絕大部分風險及回報，則物業、廠房及設備的租約均分類為融資租約。融資租約於租約開始時按租賃物業的公允值或(倘屬較低)最低租賃付款之現值資本化。相應租金責任(扣除財務支出)計入其他短期及長期應付款。各租賃付款會在負債及財務成本之間分配。財務成本在租賃期內在損益中扣除，以就各期間的負債剩餘結餘產生固定定期利率。根據融資租約所得之物業、廠房及設備會於資產的可使用年期或(倘不可合理確定本集團將於租賃期末取得擁有權)資產的可使用年期與租賃期間之較短者予以折舊。

擁有權之重大部分風險及回報並無轉移至本集團(作為承租人)的租約分類為營業租約。根據營業租約作出的付款(扣除自出租人收取的任何獎勵)於租約期間按直線法於損益中扣除。

(ii) 本集團作為出租人

本集團屬出租人的營業租約的租金收入於租賃期間內按直線法確認於收入。相關租賃資產按其性質計入綜合資產負債表。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.24 Dividends distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern basis*

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon future operational performance and the expected future operating cash inflows; and the continuous availability of banking facilities. Details are explained in note 2.

4. 主要會計政策 (續)

4.24 股息分派

在獲本公司股東或董事(倘合適)批准分派股息之期間內，分派予本公司股東之股息於本集團之綜合財務報表內確認為負債。

5. 關鍵判斷及主要估計

應用會計政策之關鍵判斷

於應用會計政策過程中，董事已作出以下對綜合財務報表中所確認金額具有重大影響的判斷(在下文處理涉及估計的判斷除外)。

(a) *持續經營基準*

此等綜合財務報表乃按持續經營基準編製，其有效性取決於未來的經營業績和預期的未來經營現金流入；以及銀行融資的持續可用性。有關詳情於綜合財務報表附註2說明。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

*(Continued)***Critical judgements in applying accounting policies***(Continued)**(b) Significant increase in credit risk*

The ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) Determining the lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation.

Generally, periods covered by an extension option in other properties leases have not been included in the lease liability because the Group could replace the assets without significant cost or business disruption. See Note 29 for further information.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. During the year, no lease term has been reassessed.

5. 關鍵判斷及主要估計 (續)

應用會計政策之關鍵判斷 (續)

(b) 信貸風險顯著增加

預期信貸虧損的計量方法是：第一階段資產的預期信貸虧損等於12個月的虧損撥備，第二階段或第三階段資產的預期信貸虧損按整個存續期預期信貸虧損的虧損撥備計量。自初始確認後，資產的信貸風險顯著增加，則資產進入第二階段。香港財務報告準則第9號並未界定何為信貸風險顯著增加。在評估資產的信貸風險是否顯著增加時，本集團考慮定性和定量的合理且可支持的前瞻性信息。

(c) 釐定租賃年期

於開始日期釐定含有本集團可行使重續選擇權的租賃的租賃年期時，本集團評估行使重續選擇權的可能性，當中計及產生令本集團行使選擇權的經濟優惠的所有相關事實及情況，包括優惠條款、已進行租賃裝修及該相關資產對本集團營運的重要性。

一般而言，因為本集團可替換有關資產而不產生重大成本或導致業務中斷，其他物業租賃中延長選擇權涵蓋的期間並無計入租賃負債。進一步資料請參閱附註29。

當出現本集團可控制範圍內的重大事務或重大變動，則重新評估租賃年期。於本財務年度，並無重新評估租賃年期。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

*(Continued)***Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are discussed below.

(a) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, the income tax was charged to profit or loss based on the estimated profit from continuing operations is disclosed in Note 15.

(b) Impairment of property, plant and equipment and right-of-use assets

The Group assesses at least annually whether property, plant and equipment and right-of-use assets 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.

5. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源

很大可能導致下一個財政年度資產及負債賬面值須作出重大調整之未來主要假設及於報告期末估計不明朗因素之其他主要來源於下文討論。

(a) 所得稅

本集團須繳納若干司法權區之所得稅。釐定所得稅撥備時須作出重大估計。於日常業務過程中，本集團不少交易及計算之最終稅項釐定並不明確。倘有關事宜之最終稅務結果與初步記錄之金額有所不同，則該等差額將對作出釐定期間之即期稅項及遞延稅項撥備構成影響。年內，本公司根據持續營運業務之估計溢利於附註15內披露所得稅。

(b) 物業、機器及設備以及使用權資產減值

本集團會至少每年評估物業、機器及設備及使用權資產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。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES
(Continued)

Key sources of estimation uncertainty (Continued)

(b) Impairment of property, plant and equipment and right-of-use assets (Continued)

The carrying amount of property, plant and equipment and right-of-use assets as at 31 March 2020 were in Notes 17 and 20 respectively.

(c) Fair value of investment properties

The Group considers information from a variety of sources, including (1) current prices in an active market for properties of a different nature, condition and location, adjusted to reflect those differences; (2) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and (3) independent valuations.

The carrying amount of investment properties as at 31 March 2020 is disclosed in Note 18.

(d) Impairment of goodwill and technical know-how

The Group tests at least annually whether goodwill and technical know-how have suffered any impairment. The Group reviews goodwill and technical know-how for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The recoverable amount has been determined based on higher of value-in-use calculation and fair value less cost of disposal. The calculation requires the use of judgments and estimates.

The carrying amount of goodwill and technical know-how as at 31 March 2020 and valuation assumption used in determining recoverable amount is disclosed in Note 21.

5. 關鍵判斷及主要估計 (續)

估計不明朗因素之主要來源 (續)

(b) 物業、機器及設備以及使用權資產減值 (續)

於2020年3月31日，物業、機器及設備及使用權資產之賬面值分別在附註17和20內披露。

(c) 投資物業之公平值

本集團考慮來自各種途徑之資料，包括：(1)於活躍市場上不同性質、狀況或地點的物業的現價，並作出調整以反映該等差別；(2)於次要市場上類似物業近期的價格，並作出調整以反映自按該等價格進行交易日期起出現的任何經濟狀況變化；及(3)獨立估值。

於2020年3月31日，投資物業之賬面值在附註18內披露。

(d) 商譽和專業技術的減值

本集團每年測試商譽及專業技術是否出現減值。本集團審閱商譽及專業技術的減值，當事件發生或情況變動顯示相關賬面值或不能被收回時。釐定是否減值須作出各種判斷和估計，可收回金額按照使用價值計算及按公平值減出售成本的較高者而釐定。

於2020年3月31日，商譽和專業技術之賬面值及用於確定可收回金額的估值假設在附註21內披露。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

*(Continued)***Key sources of estimation uncertainty** *(Continued)**(e) Impairment of trademarks*

Trademarks with an indefinite useful life are carried at costs and are not amortised. Management tests annually whether the trademarks suffered any impairment by considering the economic benefit to be generated from trademarks. The recoverable amount is determined based on value-in-use calculation. This calculation used pre-tax cashflows projections based on financial budgets prepared by management. Management determined the financial budget based on past performance and its expectations for the future market development, which involved significant judgment and estimates.

The carrying amount of trademarks as at 31 March 2020 and valuation assumption used in determining recoverable amount is disclosed in Note 21.

(f) Deferred tax assets

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.

The carrying amount of deferred tax assets recognised as at 31 March 2020 is disclosed in Note 28.

5. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源(續)

(e) 商標減值

商標因使用壽命不確定不每年攤銷而以成本計價。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。可收回金額基於使用價值釐定。此計算使用基於管理層所編製的財務預算的稅前現金流量預測而作出。管理層根據過往表現及其對未來市場發展的預期釐定財務預算，其中涉及重大判斷及估計。

於2020年3月31日，商標之賬面值及有關釐定可收回金額所用估值假設的資料於附註21內披露。

(f) 遞延稅項資產

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。

於2020年3月31日，已確認的遞延稅項資產之賬面值在附註28內披露。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

*(Continued)***Key sources of estimation uncertainty** *(Continued)**(g) Fair value measurement*

The Group's unlisted equity investment was classified as equity investments at fair value through other comprehensive income and measure at fair value using market approach with reference to the price to earnings multiple of comparable companies listed in the market. This valuation requires the Group to make estimates about price to earnings multiple, non-marketability discount, and hence they are subject to uncertainty.

The fair value of the equity investments at fair value through other comprehensive income as at 31 March 2020 is disclosed in Note 22.

(h) Net realisable value of inventories

Net realisable value of inventories 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.

The allowance for inventories was made for the year ended 31 March 2020 is disclosed in Note 23.

5. 關鍵判斷及主要估計 *(續)*估計不明朗因素之主要來源 *(續)**(g) 公平值計量*

本集團的非上市股份投資分類為以公平值透過其他全面收益列賬的股份投資，並採用市場方法參照市場上可比較公司的市盈率進行公平價值計量。此估值需要本集團對市盈率，非市場性折讓進行估計，因此存在不確定性。

於2020年3月31日，以公平值透過其他全面收益列賬的股份投資之公平值在附註22內披露。

(h) 存貨的可變現淨值

存貨之可變現淨值乃在日常業務進行之估計售價，減去估計完成成本及銷售開支。該等估計乃以現有市況及製造與銷售同類產品之歷來經驗為基準進行。由於客戶品味和競爭對手行動的變化而導致嚴重的行業周期變化，其可能會發生顯著變化。管理層將於各報告期間期末重新評估有關估計。

截至2020年3月31日止年度的存貨撥備在附註23內披露。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES
(Continued)

Key sources of estimation uncertainty (Continued)

(i) Impairment of trade receivables

The management of the Group estimates the amount of impairment loss for ECL on trade receivables and contract assets based on the credit risk of trade receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 March 2020, the carrying amount of trade receivables (net of impairment loss) is disclosed in Note 24.

5. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源(續)

(i) 應收貿易賬款減值

本集團管理層根據應收貿易賬款和合同資產的信貸風險估計應收貿易賬款和合同資產的預期信貸虧損減值虧損金額。根據合同應歸於本集團的所有合同現金流量與本集團預計將收到的所有現金流量之間的差額，按實際利率折現後確認。重大減值損失可能產生，如果未來現金流量少於預期，或由於事實和情況的變化而向下調整。

於2020年3月31日，應收貿易賬款之賬面值(扣除減值損失淨額)在附註24內披露。

6. FINANCIAL RISK MANAGEMENT

6.1 Financial risk factors

The Group's principal financial instruments comprise bank borrowings. The main purpose of net debt is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations. The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management under the policies approved by the board of directors of the Company and it identifies, evaluates and monitors financial risks in close cooperation 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 of directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below.

6. 財務風險管理

6.1 財務風險因素

本集團之主要金融工具包括銀行貸款。此等金融工具之主要用途乃為本集團之業務營運籌集資金。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，例如貿易及其他應收賬款及貿易及其他應付賬款。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本公司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。本公司董事會審閱並同意下文所概述管理各項此等風險之政策。

6. FINANCIAL RISK MANAGEMENT (Continued)

6.1 Financial risk factors (Continued)

(a) 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, Malaysia ringgit, Thai baht, Renminbi and Swiss Franc against the Hong Kong dollar. The Group regularly monitors its exposures to foreign currency transactions.

The Group's bank borrowings 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 bank borrowings.

6. 財務風險管理(續)

6.1 財務風險因素(續)

(a) 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、人民幣及瑞士法郎兌港幣的風險。本集團定期監控其外幣交易風險。

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。

6. FINANCIAL RISK MANAGEMENT (Continued)

6.1 Financial risk factors (Continued)

(a) Foreign exchange risk (Continued)

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 2020 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 Group entities.

		2020		2019	
		(Increase) / decrease in loss before income tax from continuing operations		Decrease in loss before income tax from continuing operations	
		Increase in foreign exchange rate		Increase in foreign exchange rate	
		外匯匯率的增加		外匯匯率的增加	
		HK\$'000 港幣仟元		HK\$'000 港幣仟元	
Singapore dollars	新加坡元	5%	(156)	5%	100
Malaysia ringgit	馬來西亞令吉	5%	(506)	5%	24
Thai baht	泰銖	5%	407	5%	468
Renminbi	人民幣	5%	1,747	5%	1,670
Swiss franc	瑞士法郎	5%	8,885	5%	8,697

Decrease in the above foreign exchange rates by 5% (2019: 5%) would affect the loss before income tax by the same amount but in the opposite direction.

6. 財務風險管理(續)

6.1 財務風險因素(續)

(a) 外匯風險(續)

於2020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，而該結餘乃以除本集團實體的功能貨幣外的貨幣計值。

上述外匯匯率減少5% (2019年：5%) 將對除稅前虧損產生相同金額但相反方向的影響。

6. FINANCIAL RISK MANAGEMENT (Continued)

6.1 Financial risk factors (Continued)

(b) 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 as disclosed in Note 25. The Group's exposure to changes in interest rates is mainly attributable to its bank borrowings as disclosed in Note 31. Bank borrowings at variable rates expose the Group to cash flow interest-rate risk. 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 2020, if interest rates of bank borrowings at variable rates had been 50 basis points (2019: 50 basis points) higher/lower with all other variables held constant, loss before income taxes would have been HK\$3.257 million (2019: HK\$3.441 million) higher/lower, mainly as a result of higher/lower interest expense.

6. 財務風險管理(續)

6.1 財務風險因素(續)

(b) 利率風險

由於本集團並無重大計息資產除附註25中詳述的銀行結餘外，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31。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2020年3月31日，倘貸款利率上升／降低50個(2019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3.257百萬元(2019年：港幣3.441百萬元)，主要是由於浮動利率借貸利息開支上升／降低所致。

6. FINANCIAL RISK MANAGEMENT (Continued)

6.1 Financial risk factors (Continued)

(c) 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 trade and other receivables) as disclosed in the consolidated balance sheet.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2020. The amounts presented are gross carrying amounts for financial assets.

6. 財務風險管理(續)

6.1 財務風險因素(續)

(c) 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貿易及其他應收賬款。

下表根據本集團的信貸政策，列示信貸質素及最高信貸風險，除非無須過大成本或努力便可獲得其他資料，否則下表主要以逾期資料，及於2020年3月31日之年末分階段分類為基礎。呈列數字為財務資產的賬面總值。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

6. FINANCIAL RISK MANAGEMENT (Continued)

6.1 Financial risk factors (Continued)

(c) Credit risk (Continued)

		12-month ECLs 12個月預期 信貸虧損		Lifetime ECLs 全期預期信貸虧損		
		Stage 1 第一階段 HK\$'000 港幣仟元	Stage 2 第二階段 HK\$'000 港幣仟元	Stage 3 第三階段 HK\$'000 港幣仟元	Simplified approach 簡化方法 HK\$'000 港幣仟元	Total 總計 HK\$'000 港幣仟元
2020	2020年					
Trade receivables (note a)	應收賬款(附註 a)	-	-	-	79,995	79,995
Financial assets included in deposits and other receivables (note b)	包括按金及其他應收賬款的財務資產(附註 b)	114,067	-	-	-	114,067
Pledged bank deposits	抵押銀行存款	54,579	-	-	-	54,579
Cash and cash equivalents	現金及現金等值物	127,016	-	-	-	127,016
		295,662	-	-	79,995	375,657
2019	2019年					
Trade receivables (note a)	應收賬款(附註 a)	-	-	-	85,542	85,542
Financial assets included in deposits and other receivables (note b)	包括按金及其他應收賬款的財務資產(附註 b)	133,264	-	-	-	133,264
Pledged bank deposits	抵押銀行存款	56,649	-	-	-	56,649
Cash and cash equivalents	現金及現金等值物	234,869	-	-	-	234,869
		424,782	-	-	85,542	510,324

Note:

- (a) For accounts receivable to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 24 to the financial statements.
- (b) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

附註：

- (a) 本集團應用簡化方式評估應收賬款的減值，以撥備矩陣為基礎的資料披露於財務報告附註 24。
- (b) 倘包含在預付款項、其他應收賬款及其他資產的財務資產並無逾期且並無資訊顯示該等財務資產之信貸風險自初次確認後大幅增加，則該等財務資產之信貸質量被視為「正常」。

6. FINANCIAL RISK MANAGEMENT (Continued)

6.1 Financial risk factors (Continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of banking facilities to meet obligations when due and to close out market positions. 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.

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

6. 財務風險管理(續)

6.1 財務風險因素(續)

(d) 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。

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。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

6. FINANCIAL RISK MANAGEMENT (Continued)

6.1 Financial risk factors (Continued)

(d) Liquidity risk (Continued)

		Repayable on demand/ within 1 year 應要求償還/ 1年以下 HK\$'000 港幣千元	Between 1 and 2 years 1至2年內 HK\$'000 港幣千元	Between 2 and 5 years 2至5年內 HK\$'000 港幣千元	Over 5 years 5年以上 HK\$'000 港幣千元
As at 31 March 2020	於2020年3月31日				
Bank and other borrowing (note)	銀行及其他貸款(附註)	674,574	-	-	-
Lease liabilities	租賃負債	191,602	75,263	38,304	28,733
Trade and other payables	貿易及其他應付賬款	168,342	-	-	-
		1,034,518	75,263	38,304	28,733
As at 31 March 2019	於2019年3月31日				
Bank and other borrowing (note)	銀行及其他貸款(附註)	708,210	-	-	-
Finance lease	融資租賃	57	-	-	-
Trade and other payables	貿易及其他應付賬款	227,106	-	-	-
		935,373	-	-	-

Note:

Certain bank borrowings contain a repayment on demand clause which can be exercised at the bank's sole discretion. Based on the Group's credit history and historical relationships with the banks, the executive directors do not believe that it is probable that the banks will demand immediate repayment but rather such bank borrowings will be repaid in accordance with their scheduled repayment dates. The analysis below shows the cash outflows based on the scheduled repayment. The amount includes interest payments computed using contractual rates.

6. 財務風險管理(續)

6.1 財務風險因素(續)

(d) 流動資金風險(續)

		Repayable on demand/ within 1 year 應要求償還/ 1年以下 HK\$'000 港幣千元	Between 1 and 2 years 1至2年內 HK\$'000 港幣千元	Between 2 and 5 years 2至5年內 HK\$'000 港幣千元	Over 5 years 5年以上 HK\$'000 港幣千元
As at 31 March 2020	於2020年3月31日				
Bank and other borrowing (note)	銀行及其他貸款(附註)	674,574	-	-	-
Lease liabilities	租賃負債	191,602	75,263	38,304	28,733
Trade and other payables	貿易及其他應付賬款	168,342	-	-	-
		1,034,518	75,263	38,304	28,733
As at 31 March 2019	於2019年3月31日				
Bank and other borrowing (note)	銀行及其他貸款(附註)	708,210	-	-	-
Finance lease	融資租賃	57	-	-	-
Trade and other payables	貿易及其他應付賬款	227,106	-	-	-
		935,373	-	-	-

附註：

若干貸款載有應要求償還的條文，可按銀行全權酌情行使。根據本集團的信貸歷史及與銀行的長期關係，執行董事並不認為銀行會要求即時償還，反而根據其預定的償還日期償還該等銀行貸款。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。

		Within 1 year 1年以下 HK\$'000 港幣千元	Between 1 and 2 years 1至2年內 HK\$'000 港幣千元	Between 2 and 3 years 2至3年內 HK\$'000 港幣千元	Over 3 years 3年以上 HK\$'000 港幣千元
At 31 March 2020	於2020年3月31日	138,961	233,226	113,622	239,634
At 31 March 2019	於2019年3月31日	133,325	121,301	175,766	332,051

6. FINANCIAL RISK MANAGEMENT (Continued)

6. 財務風險管理(續)

6.2 Categories of financial instruments

6.2 金融工具分類

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Financial assets:	金融資產：		
Equity investments at fair value through other comprehensive income	按公平值透過其他全面收益列賬的股份投資	5,444	14,970
Financial assets at amortised cost:	以攤銷成本計量的金融資產：		
– Trade and other receivables and deposits	– 貿易及其他應收賬款及按金	194,062	218,806
– Pledged bank deposits	– 抵押銀行存款	54,579	56,649
– Cash and cash equivalents	– 現金及現金等值物	127,016	234,869
		381,101	525,294
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost:	以攤銷成本計量的金融負債：		
– Trade and other payables	– 貿易及其他應付賬款	168,342	227,106
– Bank and other borrowings	– 銀行及其他貸款	651,449	688,301
		819,791	915,407

6.3 Fair value

6.3 公平值

The carrying amounts of the Group's financial assets and financial liabilities as disclosed in the consolidated balance sheet approximate their respective fair value.

本集團綜合資產負債表內反映之金融資產及金融負債之賬面值與其各自之公平值相若。

6. FINANCIAL RISK MANAGEMENT (Continued)

6.4 Capital 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.

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 as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'shareholders' funds' as shown in the consolidated balance sheet.

The gearing ratios of the Group were as follows:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Bank and other borrowings (Note 31)	銀行及其他貸款(附註31)	651,449	688,301
Less:	減：		
Cash and cash equivalents (Note 25)	現金及現金等值物(附註25)	(127,016)	(234,869)
Pledged bank deposits (Note 25)	抵押銀行存款(附註25)	(54,579)	(56,649)
Net debt	淨債務	469,854	396,783
Shareholders' funds	股東資金	530,446	984,971
Gearing ratio	借貸比率	88.6%	40.3%

6. 財務風險管理(續)

6.4 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。

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)減現金及現金等值物計算。資本總額計算為綜合資產負債表所示的「股東資金」。

借貸比率載列如下：

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財務報表附註

7. FAIR VALUE MEASUREMENTS

(i) Fair value hierarchy

The Group classified its financial instruments and non-financial assets into three levels:

Level 1 The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

Level 2 The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group's finance department led by the Chief Financial Officer (the "CFO") is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

The finance controllers report directly to the CFO. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the CFO.

7. 公平值計量

(i) 公平值架構

本集團將其金融工具和非金融資產分為三層：

第1層 在活躍市場(如公開買賣衍生工具、貿易及可供出售證券)買賣的金融工具的公平值按報告期末的市場報價列賬。

第2層 並非於活躍市場(如場外衍生工具)買賣的金融工具的公平值採用估值技術釐定，該等估值技術盡量利用可觀察市場數據而極少依賴實體的特定估計。倘計算工具公平值所需全部重大輸入數據均為可觀察數據，則該工具會被列入為第2層。

第3層 如一項或多項重大輸入數據並非根據可觀察市場數據得出，則該工具會被列入為第3層。非上市股本證券即屬此情況。

本集團由財務總監帶領的財務部門負責確定金融工具公平價值計量之政策及程序。

財務總監直接向首席財務總裁報告。在每個報告日期，財務部門分析金融工具價值之變動，並確定估值應用數據。其估值由首席財務總裁審核及批准。

7. FAIR VALUE MEASUREMENTS (Continued)

(i) Fair value hierarchy (Continued)

The fair values of the non-current portion of deposits and bank borrowings are calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for bank borrowings as at 31 March 2020 was assessed to be insignificant.

7. 公平值計量(續)

(i) 公平值架構(續)

其他非流動部份之按金及計息銀行貸款之公平價值，有關賬面值乃採用具有類似條款、信貸風險及餘下到期日之工具之現時適用利率折現計算預期未來現金流量。本集團於2020年3月31日就計息銀行貸款面對之不履約風險被評估為並不重大。

		Level 1 第1層 HK\$'000 港幣仟元	Level 2 第2層 HK\$'000 港幣仟元	Level 3 第3層 HK\$'000 港幣仟元	Total 總計 HK\$'000 港幣仟元
Recurring fair value measurements	經常性公平值計量				
At 31 March 2020	於2020年3月31日				
Financial assets	金融資產				
Equity investments at fair value through other comprehensive income	按公平值透過其他全面收益列賬的股份投資				
– unlisted equity securities	– 非上市股本證券	–	–	5,444	5,444
Non-financial assets	非金融資產				
Investment properties	投資物業				
– commercial building	– 商業樓宇	–	–	519,800	519,800
		–	–	525,244	525,244
At 31 March 2019 and date of transfer	於2019年3月31日及轉讓日期				
Financial assets	金融資產				
Equity investments at fair value through other comprehensive income	按公平值透過其他全面收益列賬的股份投資				
– unlisted equity securities	– 非上市股本證券	–	–	14,970	14,970
Non-financial assets	非金融資產				
Investment properties	投資物業				
– commercial building	– 商業樓宇	–	–	586,100	586,100
		–	–	601,070	601,070

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

年內，經常性公平值計量之第1、2及3層之間概無轉撥。

7. FAIR VALUE MEASUREMENTS (Continued)

(ii) Valuation techniques used to determine fair values

Financial assets

The valuation of unlisted equity investments at fair value through other comprehensive income was determined using a market-based valuation technique. The valuation requires the directors to determine comparable public companies based on industry, size, leverage and strategy, and calculates an appropriate price to earnings multiple, for each comparable company identified. The multiple is calculated by dividing the market capitalisation by the profits of the comparable companies. The multiple is discounted for non-marketability. The discounted multiple is applied to the profit of the unlisted equity investments to measure the fair value at each reporting period.

Non-financial assets

The fair value of the investment properties is arrived at on the basis of valuations carried out by CS Surveyors Limited (“CS”) and Savills (Macau) Limited (“Savills”) independent valuers which are not related to the Group. The Group’s finance department reviews the valuations performed by CS and Savills for financial reporting purpose. These valuation results are then reported to the Group’s management for discussions and review in relation to the valuation processes and the reasonableness of the valuation results.

The fair value of the investment properties were arrived at by using the direct comparison method based on market observable transactions of similar properties in similar conditions and locations of the subject properties and adjusted to reflect the conditions of the subject properties including property size and property floor level. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

7. 公平值計量(續)

(ii) 釐定公平值所用的估值技術

金融資產

按公平值透過其他全面收益列賬的財務資產的估值通過使用基於市場的估值技術釐定。估值要求董事根據行業、規模、槓桿及戰略釐定可資比較公眾公司，並就各間識別可資比較公眾公司計算合適市盈率倍數。倍數乃以可資比較公司的市值除以盈利計算得出。倍數以非流動性予以貼現。於各報告期間，貼現倍數用於非上市股份投資的盈利以計量公平值。

非金融資產

投資物業的公平值乃按由與本集團並無關聯的獨立估值師忠誠測量行有限公司(「忠誠」)及第一太平戴維斯(澳門)有限公司「第一太平戴維斯」進行的估值而達成。為編製財務報表，本集團財務部審閱忠誠及第一太平戴維斯所進行的估值。有關估值結果會向本集團管理層報告，以就估值程序及估值結果的合理性作出討論及審閱。

投資物業的公平值乃根據與目標物業的狀況及位置相若的類似物業的(經對物業面積及物業樓層等作出調整以反映目標物業之狀況)可觀察市場交易使用直接比較法達致。於估計物業的公平值時，物業的最高及最佳用途為目前用途。

7. FAIR VALUE MEASUREMENTS (Continued)

(iii) Reconciliation of financial assets and non-financial assets measured at level 3

7. 公平值計量(續)

(iii) 按第3層公平值計量之金融資產及非金融資產對賬

		Equity investments at fair value through other comprehensive income 按公平值透過其他全面收益列賬的股份投資 HK\$'000 港幣仟元	Investment properties 投資物業 HK\$'000 港幣仟元
At 1 April 2018	於2018年4月1日	12,374	230,000
Revaluation surplus transfer to equity	轉至股權的重估盈餘	2,596	–
Transfer from property, plant and equipment	轉自物業、機器及設備	–	356,100
At 31 March 2019	於2019年3月31日	14,970	586,100
Revaluation deficit transfer to equity	轉至股權的重估虧損	(9,526)	–
Change in fair value recognised in income statement	於收益表內確認的公平值變動	–	(66,300)
At 31 March 2020	於2020年3月31日	5,444	519,800

7. FAIR VALUE MEASUREMENTS (Continued)

(iv) Valuation processes

The Group's finance department is responsible for the fair value measurement of financial assets required for financial purposes, including Level 3 fair value measurements. The financial department reports directly to the CFO and the Audit Committee. Discussions of valuation processes and results are held between the CFO and the Audit Committee at least once every six months, in line with the Group's half-yearly reporting periods.

The main inputs used in fair value measurement by the Group are derived and evaluated as follows:

- price to earnings multiple
- non-marketability discount rate

(v) Valuation inputs and relationships to fair value

Financial assets

The most significant unobservable input is price to earnings multiple of 6 (2019: 7) and non-marketability discount rate of 30% (2019: 20%). The lower the price to earnings multiple, the lower the fair value of the equity investments at fair value through other comprehensive income. The lower of the non-marketability discount rate or non-controlling interest discount, the higher the fair value of the equity investments at fair value through other comprehensive income.

If the non-marketability discount rate increase/ (decrease) by 1%, it would result in (decrease)/ increase in fair value by HK\$78,000 as at 31 March 2020.

7. 公平值計量(續)

(iv) 估值程序

本集團財務部門專責就財務報告目的所需的金融資產項目估值，包括第3層公平值。此財務部門直接向首席財務官(CFO)和審核委員會(AC)匯報。為配合本集團的半年報告期，CFO與AC最少每六個月開會一次，討論估值流程和相關結果。

本集團使用的主要第3層輸入數據從下列資訊中取得和評估：

- 市盈率倍數
- 非流動性貼現率

(v) 估值輸入數據及與公平值的關係

金融資產

最重大不可觀察輸入數據為6(2019年：7)的市盈率倍數及30%的非流動性貼現率(2019年：20%)。市盈率倍數越低，按公平值透過其他全面收益列賬的股份投資的公平值越低。非流動性貼現率或非控股權益貼現越低，按公平值透過其他全面收益列賬的股份投資的公平值越高。

於2020年3月31日，如果非流動性貼現率上升／(降低)1%，將導致公平值(降低)／上升港幣78,000元。

7. FAIR VALUE MEASUREMENTS (Continued)

(v) Valuation inputs and relationships to fair value
(Continued)

Non-financial assets

	Valuation technique(s) and key input(s) 估值技術及關鍵輸入數據	Significant unobservable input(s) 重大不可觀察 輸入數據	Range of unobservable inputs 不可觀察 輸入數據之範圍	Relationship of unobservable inputs to fair value 不可觀察輸入數據 與公平值的關係
At 31 March 2020	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions of the subject property. The key inputs are: 1) Property size 2) Unit rate	1) Unit rate 2) Frontage	From HK\$98,000 to HK\$842,000 per square feet	1) The higher the unit rate, the higher the fair value 2) The larger the shop frontage, the higher the fair value
於2020年3月31日	根據類似物業的可觀察市場交易使用直接比較法，並經調整以反映目標物業的狀況。 關鍵輸入數據為： 1) 物業面積 2) 單位價格	1) 單位價格 2) 朝向	每平方呎由98,000港元至842,000港元	1) 單位價格越高，公平值越高 2) 舖面越大，公平值越高
At 31 March 2019 and date of transfer	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions of the subject property. The key inputs are: 1) Property size 2) Unit rate	1) Unit rate 2) Frontage	From HK\$180,000 to HK\$823,000 per square feet	1) The higher the unit rate, the higher the fair value 2) The larger the shop frontage, the higher the fair value
於2019年3月31日及轉讓日期	根據類似物業的可觀察市場交易使用直接比較法，並經調整以反映目標物業的狀況。 關鍵輸入數據為： 1) 物業面積 2) 單位價格	1) 單位價格 2) 朝向	每平方呎由180,000港元至823,000港元	1) 單位價格越高，公平值越高 2) 舖面越大，公平值越高

7. 公平值計量(續)

(v) 估值輸入數據及與公平值的關係(續)

非金融資產

8. REVENUE AND SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors of the Company. The executive directors review the Group's financial information mainly from product and geographical perspectives. From a product perspective, the Group has two reportable segments namely watch retail and watch wholesale trading segments. From a geographical perspective, management mainly assesses the performance of watch retail operations in (i) Hong Kong, Macau and Mainland China and (ii) 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.

The optical retail segment and certain subsidiaries under optical wholesale trading segment (the "disposal group" or "discontinued operations") were discontinued and disposed on 1 June 2018. Information about this discontinued segment is disclosed in Note 33.

The watch retail segment and watch wholesale trading segment together formed the continuing operations. Unallocated income represents dividend income from investment and gain on disposal of discontinued operations. Net corporate expenses mainly represent corporate staff costs and provision for senior management bonus. Unallocated assets represent property, plant and equipment, investment properties and right-of-use assets at corporate level, unlisted equity investments, deferred tax assets, pledged bank deposit and cash and cash equivalents. Unallocated liabilities represent lease liabilities other payables and accruals at corporate level, bank and other borrowings, deferred tax liabilities and income tax payable.

8. 收入及分部資料

本集團之首席運營決策者為本公司行政董事。行政董事主要從產品及地區角度審閱本集團之財務資料。從產品角度來看，本集團有二個分部報告，即鐘錶零售及鐘錶批發業務分部。管理層主要從地區角度評核(i)香港、澳門及中國大陸和(ii)亞洲其餘地區之鐘錶業績。

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。

眼鏡零售業務分部及眼鏡批發業務分部(「出售集團」或「終止營運」)已於2018年6月1日終止及出售。有關此已終止分部的資料載於附註33。

鐘錶零售分部及鐘錶批發業務分部共同組成為持續經營業務。未分配收入為投資的股息收入及出售終止營運業務的收益。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、投資物業及使用權資產、非上市股份投資，遞延稅項資產、抵押銀行存款以及現金及現金等值物。未分配負債為集團層面的租賃負債、其他應付賬款及應計費用、銀行及其他貸款、遞延稅項負債及應付所得稅。

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8. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 March 2020

8. 收入及分部資料(續)

截至2020年3月31日止年度

		Continuing operations 持續營運業務			
		Watch retail 鐘錶零售			
		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	Watch wholesale trading 鐘錶 批發業務 HK\$'000 港幣仟元	Total 合計 HK\$'000 港幣仟元
Revenues from contracts with customers within the scope of HKFRS 15	香港財務報告準則第15號範圍內的客戶合約收益				
– Gross segment	– 分部總額	477,141	296,154	433,673	1,206,968
– Inter-segment	– 分部間	–	–	(172,174)	(172,174)
Sales to external customers	銷售予外來客戶	477,141	296,154	261,499	1,034,794
Timing of revenue recognition	收入確認時間				
– At a point in time	– 於一個時間點轉撥	477,141	296,154	261,499	1,034,794
Segment results	分部業績	(209,178)	3,124	(64,995)	(271,049)
Unallocated income	未分配收入				1,014
Net corporate expenses	集團行政淨支出				(60,830)
Finance costs	財務成本				(50,607)
Loss before tax	除稅前虧損				(381,472)
Income tax expense	所得稅支出				(21,212)
Loss for the year	年度虧損				(402,684)

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財務報表附註

8. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 March 2020 (Continued)

8. 收入及分部資料(續)

截至2020年3月31日止年度(續)

		Continuing operations 持續營運業務				
		Watch retail 鐘錶零售			Unallocated 未分配	Total 合計
		Hong Kong, Macau and Mainland China 香港、澳門及 中國大陸	Rest of Asia 亞洲 其餘地區	Watch wholesale trading 鐘錶 批發業務		
		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
Capital expenditures	資本性開支	(5,905)	(3,273)	(135)	(2,133)	(11,446)
Depreciation:	折舊					
– Property, plant and equipment	– 物業、機器及設備	(12,019)	(8,908)	(2,246)	(10,374)	(33,547)
– Right-of-use assets	– 使用權資產	(151,219)	(51,181)	(6,642)	(3,179)	(212,221)
Impairment of:	減值：					
– Property, plant and equipment	– 物業、機器及設備	(5,694)	(148)	–	–	(5,842)
– Intangible assets	– 無形資產	–	–	(6,166)	–	(6,166)
– Right-of-use assets	– 使用權資產	(71,900)	(5,018)	–	–	(76,918)
Amortisation of intangible assets	攤銷無形資產	–	–	(1,430)	–	(1,430)
Fair value change of investment properties	投資物業公平值變動	(29,500)	–	–	(36,800)	(66,300)
Write back of provision/(provision) for inventories	存貨撥回/(撥備)	4,782	115	(95,901)	–	(91,004)
Segment assets	分部資產	552,054	188,645	321,702	–	1,062,401
Unallocated assets	未分配資產					643,514
Total assets	總資產					1,705,915
Segment liabilities	分部負債	250,165	86,061	74,657	–	410,883
Unallocated liabilities	未分配負債					757,931
Total liabilities	總負債					1,168,814

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財務報表附註

8. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 March 2019

8. 收入及分部資料(續)

截至2019年3月31日止年度

		Continuing operations 持續營運業務				Discontinued operations 終止營運業務				
		Watch retail 鐘錶零售				Optical 眼鏡零售				
		Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸	Rest of Asia 亞洲 其餘地區	Watch wholesale trading 鐘錶 批發業務	Sub-total 小計	Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸	Rest of Asia 亞洲 其餘地區	Optical wholesale trading 眼鏡 批發業務	Sub-total 小計	Total 總計
		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	HK\$'000 港幣仟元	HK\$'000 港幣仟元	HK\$'000 港幣仟元
Revenues from contracts with customers within the scope of HKFRS 15	香港財務報告準則第15號範圍內的客戶合約收益									
- Gross segment	一分部總額	826,338	340,200	593,991	1,760,529	186,012	30,161	4,029	220,202	1,980,731
- Inter-segment	一分部間	-	-	(302,750)	(302,750)	-	-	(1,244)	(1,244)	(303,994)
Sales to external customers	銷售予外來客戶	826,338	340,200	291,241	1,457,779	186,012	30,161	2,785	218,958	1,676,737
Timing of revenue recognition - At a point in time	收入確認時間 - 於一個時間點轉撥	826,338	340,200	291,241	1,457,779	186,012	30,161	2,785	218,958	1,676,737
Segment results	分部業績	(98,853)	844	40,119	(57,890)	9,626	(3,443)	313	6,496	(51,394)
Unallocated income	未分配收入				2,798				124,043	126,841
Net corporate expenses	集團行政淨支出				(35,463)				(5,481)	(40,944)
Finance costs	財務成本				(24,920)				(440)	(25,360)
(Loss)/profit before income tax	除稅前(虧損)/溢利				(115,475)				124,618	9,143
Income tax expense	所得稅支出				(28,967)				(14,558)	(43,525)
(Loss)/profit for the year	年度(虧損)/溢利				(144,442)				110,060	(34,382)

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

8. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 March 2019 (Continued)

8. 收入及分部資料(續)

截至2019年3月31日止年度(續)

		Continuing operations 持續營運業務					Discontinued operations 終止營運業務				
		Watch retail 鐘錶零售		Watch wholesale trading	Unallocated	Sub-total	Optical retail 眼鏡零售			Sub-total	Total
Hong Kong	Macau and Mainland China	Rest of Asia	Hong Kong, Macau and Mainland China				Rest of Asia	Hong Kong, Macau and Mainland China	Rest of Asia		
香港、 澳門及 中國大陸	亞洲 其餘地區	亞洲 其餘地區	鐘錶 批發業務	未分配	小計	香港、 澳門及 中國大陸	亞洲 其餘地區	眼鏡 批發業務	小計	總計	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
港幣仟元	港幣仟元	港幣仟元	港幣仟元	港幣仟元	港幣仟元	港幣仟元	港幣仟元	港幣仟元	港幣仟元	港幣仟元	
Capital expenditures	資本性開支	(20,781)	(8,187)	(567)	(612)	(30,147)	(1,301)	(271)	(4)	(1,576)	(31,723)
Depreciation	折舊	(19,735)	(9,484)	(2,399)	(10,915)	(42,533)	-	-	-	-	(42,533)
Impairment of property, plant and equipment	物業、機器及設備減值	(4,251)	-	-	-	(4,251)	-	-	-	-	(4,251)
Amortisation of prepaid lease premium	攤銷預付租賃地價 溢價	-	(2,796)	-	-	(2,796)	-	-	-	-	(2,796)
Amortisation of intangible assets	攤銷無形資產	-	-	(2,322)	-	(2,322)	-	-	-	-	(2,322)
(Provision)/write back of provision for inventories	存貨(撥備)/撥回	(30,162)	1,248	31,510	-	2,596	-	-	-	-	2,596
Write back of provision(provision) for onerous contracts	有法律義務合約的撥回/ (撥備)	4,916	(761)	-	-	4,155	-	-	-	-	4,155
Segment assets	分部資產	582,945	150,340	462,157	-	1,195,442					
Unallocated assets	未分配資產					786,275					
Total assets	總資產					<u>1,981,717</u>					
Segment liabilities	分部負債	96,014	34,963	78,691	-	209,668					
Unallocated liabilities	未分配負債					779,949					
Total liabilities	總負債					<u>989,617</u>					

8. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

An analysis of the Group's revenue and segment results by geographical area are as follows:

8. 收入及分部資料(續)

地區資料

按地區分析集團收入及分部業績如下：

		Continuing operations 持續營運業務			
		Revenue 收入		Segment results 分部業績	
		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Hong Kong	香港	434,085	721,668	(195,849)	(37,872)
Macau	澳門	69,663	115,553	(21,927)	18,843
Mainland China	中國大陸	84,027	128,906	(31,665)	(43,520)
Rest of Asia	亞洲其餘地區	445,072	489,154	17,722	15,659
Europe	歐洲	1,947	2,498	(39,330)	(11,000)
		1,034,794	1,457,779	(271,049)	(57,890)
		Discontinued operations 終止營運業務			
		Revenue 收入		Segment results 分部業績	
		2019 HK\$'000 港幣仟元		2019 HK\$'000 港幣仟元	
Hong Kong	香港	145,265		15,632	
Macau	澳門	9,956		2,242	
Mainland China	中國大陸	32,741		(7,896)	
Rest of Asia	亞洲其餘地區	30,996		(3,482)	
		218,958		6,496	

8. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information (Continued)

An analysis of the Group's non-current assets (other than equity investments at fair value through other comprehensive income and deferred tax assets) by geographical area is as follows:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Hong Kong	香港	411,328	375,065
Macau	澳門	322,640	360,574
Mainland China	中國大陸	26,113	10,858
Rest of Asia	亞洲其餘地區	147,278	97,264
Europe	歐洲	36,639	39,598
		943,998	883,359

The revenue information above is based on the locations of the customers.

There were no revenue transactions with a single external customer which amounted to 10% or more of the Group's revenue during the year (2019: Nil).

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Sales of watches	銷售鐘錶	1,058	2,887

8. 收入及分部資料(續)

地區資料(續)

按地區分析集團非流動資產(按公平值透過其他全面收益列賬的股份投資及遞延稅項資產除外)如下：

	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Hong Kong	411,328	375,065
Macau	322,640	360,574
Mainland China	26,113	10,858
Rest of Asia	147,278	97,264
Europe	36,639	39,598
	943,998	883,359

上述收入資料乃根據客戶所在地編製。

年內，並無來自單一外部客戶的收入超過本集團收入的10%或以上(2019年：無)。

在報告期初計入合同負債的已確認收入：

	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Sales of watches	1,058	2,887

8. REVENUE AND SEGMENT INFORMATION (Continued)

Performance obligations

The performance obligation is satisfied upon delivery of the goods and payment is mainly on cash and credit card settlement, except for wholesale customers, where payment is due within credit period from delivery. As at 31 March 2020, the remaining performance obligations (unsatisfied or partially unsatisfied) are part of contracts that have an original expected duration of one year or less, the transaction price allocated to which is not presented according to practical expedient in HKFRS 15.

9. OTHER LOSSES

8. 收入及分部資料(續)

履約義務

履約責任於交付貨物時達成，付款主要以現金或信用卡結算，惟批發客戶除外，其於交付後的信貸期內付款。由於2020年3月31日的剩餘履約責任(未滿足或部分未滿足)為原初預期持續時間為一年或以下的合約的一部分，根據香港財務報告準則第15號的權宜方法，並無呈列分配的交易價格。

9. 其他虧損

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
Gain/(loss) on disposal of property, plant and equipment	出售物業、機器及設備 收益／(虧損)	40	(3,841)
Impairment loss of investment properties	投資物業減值	(66,300)	-
Exchange losses	匯兌虧損	(2,032)	(16,141)
		(68,292)	(19,982)

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財務報表附註

10. OTHER INCOME

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
Building management fee income	樓宇管理費收入	2,460	2,340
Rental income	租金收入	11,483	9,148
Rental concession	租金減免	13,100	–
Dividend income from unlisted equity investments	非上市股份投資 股息收入	1,014	2,798
Interest income	利息收入	836	1,096
Sundries	雜項	4,412	3,418
Shared service income	共享服務收入	20,400	22,824
		53,705	41,624

10. 其他收入

11. FINANCE COSTS

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
Interest on:	利息：		
– bank borrowings and overdrafts	– 銀行貸款及透支	25,334	24,913
– lease liabilities	– 租賃負債	25,273	–
– finance leases	– 融資租賃	–	7
		50,607	24,920

11. 財務成本

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12. LOSS BEFORE TAX

The Group's loss before tax from continuing operations has been derived after debiting or (crediting) the following items in the income statement.

12. 除稅前虧損

本集團的持續營運業務除稅前虧損已扣除／(計入)收益表中以下項目。

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Amortisation of intangible assets (Note 21)	攤銷無形資產(附註21)	1,430	2,322
Amortisation of prepaid lease premium (Note 19)	攤銷預付租賃地價(附註19)	-	2,796
Auditor's remuneration	核數師酬金		
- Audit services	- 核數服務	2,646	3,045
- Non-audit services	- 非核數服務	424	1,286
Cost of inventories sold and raw materials consumed	出售存貨成本及原材料消耗	529,403	718,595
Depreciation of:	折舊：		
- Property, plant and equipment (Note 17)	- 物業、機器及設備(附註17)	33,547	42,533
- Right-of-use assets (Note 20)	- 使用權資產(附註20)	212,221	-
Employee benefit expenses (Note 13)	僱員福利支出(附註13)	238,686	312,844
Fair value changes of investment properties (Note 18)	投資物業公平值變動(附註18)	66,300	-
Impairment loss of:	減值：		
- Property, plant and equipment (Note 17)	- 物業、機器及設備(附註17)	5,842	4,251
- Right-of-use assets (Note 20)	- 使用權資產(附註20)	76,918	-
- Intangible asset (Note 21)	- 無形資產(附註21)	6,166	-
(Gain)/loss on disposal of property, plant and equipment	出售物業、機器及設備(收益)／虧損	(40)	3,841
Lease rentals in respect of land and buildings	關於土地及樓宇的租賃租金		
- Minimum lease payments	- 最低租賃付款	-	279,756
- Short-term lease payments	- 短期租賃付款	25,995	-
- Variable lease payments	- 可變租賃付款	4,733	9,826
- Rental concession	- 租金減免	(13,100)	-
Reversal of impairment of trade receivables (Note 24)	壞賬準備撥回(附註24)	(368)	(386)
Write back of provision for onerous contracts	有法律義務合約的撥回	-	(4,155)
Provision/(write back of provision) for inventories	存貨撥備／(撥回)	91,004	(2,596)

13. EMPLOYEE BENEFIT EXPENSES

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
Salaries and allowances	薪金及津貼	215,982	284,632
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)	19,488	23,465
Others	其他	3,216	4,747
		238,686	312,844

(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 of the Company. 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 and ORSO scheme are held separately from those of the Group in an independently administered fund.

Meanwhile, relevant employees of subsidiaries outside Hong Kong contribute to the local pension schemes, contributions to the local pension schemes 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.

For the year ended 31 March 2020, forfeited contributions totalling HK\$5.678 million (2019: HK\$2.337 Million) arising from employees leaving the ORSO scheme of the Continuing Operations, were utilised to offset contributions during the year.

13. 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(包括本公司行政董事)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2020年3月31日止年度內，持續營運業務僱員離職時被沒收之職業退休計劃供款總額港幣5.678百萬元(2019年：港幣2.337百萬元)，已被動用以抵銷年內供款。

13. 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 (2019: two) directors whose emoluments are reflected in the analysis shown in Note 14.

The emoluments payable to the remaining three (2019: three) highest paid individuals during the year are as follows:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Basic salaries, allowance and benefits in kind	基本薪金，津貼及實物利益	4,103	3,950
Performance bonus	表現花紅	3,178	5,205
Contributions to pension plans	退休金計劃的供款	181	181
		7,462	9,336

The emoluments fell within the following bands:

		Number of individuals 人數	
		2020	2019
Emolument bands (in HK dollars)	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	1
HK\$3,000,001 to HK\$3,500,000	港幣3,000,001元至港幣3,500,000元	-	1
HK\$3,500,001 to HK\$4,000,000	港幣3,500,001元至港幣4,000,000元	-	1
		3	3

(c) Senior management emoluments

The emoluments fell within the following bands:

		Number of individuals 人數	
		2020	2019
Emolument bands (in HK dollars)	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\$3,500,001 to HK\$4,000,000	港幣3,500,001元至港幣4,000,000元	-	1

13. 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(2019年：二名)董事，其薪酬詳情已於附註14分析中反映。

於年內應付予其餘最高薪酬三名(2019年：三名)人士之酬金如下：

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Basic salaries, allowance and benefits in kind	基本薪金，津貼及實物利益	4,103	3,950
Performance bonus	表現花紅	3,178	5,205
Contributions to pension plans	退休金計劃的供款	181	181
		7,462	9,336

介於下列酬金組別人士如下：

		Number of individuals 人數	
		2020	2019
Emolument bands (in HK dollars)	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	1
HK\$3,000,001 to HK\$3,500,000	港幣3,000,001元至港幣3,500,000元	-	1
HK\$3,500,001 to HK\$4,000,000	港幣3,500,001元至港幣4,000,000元	-	1
		3	3

(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	
		2020	2019
Emolument bands (in HK dollars)	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\$3,500,001 to HK\$4,000,000	港幣3,500,001元至港幣4,000,000元	-	1

14. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director of the Company is set out below:

14. 董事福利及權益

(a) 董事酬金

本公司各董事酬金如下：

Emoluments paid or payable 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：

Name	Fee	Basic salaries, allowances, and benefits in kind	Contributions to retirement benefit schemes	Discretionary bonus (i)	Remunerations paid or payable in respect of accepting office as director	Emoluments paid or payable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
姓名	袍金	基金薪金、津貼 及實物利益	退休金 供款計劃	酌情花紅(i)	董事應收酬金	其他管理 服務的酬金	總額
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
For the year ended 31 March 2020 截至2020年3月31日							
Joseph C. C. Wong (ii) 黃創增(ii)	-	1,391	58	-	-	-	1,449
Kwan Chi Kin, Wallace 關志堅	80	1,539	18	973	-	-	2,630
Kwong Yi Hang, Agnes 龔易行	122	-	-	-	-	-	122
Wu Chun Sang 胡春生	122	-	-	-	-	-	122
Wu Chi Man, Lawrence 胡志文	122	-	-	-	-	-	122
	446	2,950	76	973	-	-	4,445
For the year ended 31 March 2019 截至2019年3月31日							
Joseph C. C. Wong (ii) 黃創增(ii)	100	1,750	63	2,637	-	-	4,550
Kwan Chi Kin, Wallace 關志堅	80	1,558	18	2,633	-	-	4,289
Kwong Yi Hang, Agnes 龔易行	135	-	-	-	-	-	135
Wu Chun Sang 胡春生	135	-	-	-	-	-	135
Wu Chi Man, Lawrence 胡志文	135	-	-	-	-	-	135
	585	3,308	81	5,270	-	-	9,244

14. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

- (i) Discretionary bonus represents the amount paid during the respective year.
- (ii) Mr. Joseph C. C. Wong is also the Chief Executive Officer of the Group.

During the year ended 31 March 2020 and 31 March 2019, none of the directors waived their emoluments, except for Mr. Joseph C.C Wong waived director fees of HK\$100,000 for the year ended 31 March 2020 (2019: waived nil director fee and discretionary bonus of HK\$1.45 million was waived) and Mr. Wu Chun Sang, Professor Lawrence Wu Chi Man and Dr. Agnes Kwong Yi Hang waived 10% of director fees (HK\$13,500) each for the year ended 31 March 2020 (2019: nil waived).

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2019: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2020, the Company did not pay consideration to any third parties for making available directors' services (2019: 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 2020, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors (2019: Nil).

14. 董事福利及權益 (續)

(a) 董事酬金 (續)

- i 酌情花紅指年內已付的金額。
- ii 黃創增先生亦是本集團行政總裁。

截至2020年3月31日及2019年3月31日止年度，概無任何董事放棄酬金，除黃創增先生於截至2020年3月31日放棄董事袍金港幣100,000元(2019年：放棄董事袍金零元及酌情花紅港幣1.45佰萬元)及胡春生先生、胡志文教授及鄺易行博士於截至2020年3月31日止年度各放棄10%董事袍金(港幣13,500元)(2019年：無放棄)。

(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(2019年：無)。

(c) 就獲取董事服務向第三方支付之代價

截至2020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(2019年：無)。

(d) 有關以董事、該等董事之受控制法團及關聯實體為受益人之貸款、準貸款及其他交易之資料

截至2020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聯實體為受益人之貸款、準貸款及其他交易安排(2019年：無)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(e) Directors' material interests in transactions, arrangements or contracts

Except as disclosed in Notes 33 and 36, no other 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 any time during the year.

15. INCOME TAX EXPENSE

Current income tax	本期所得稅		
– Hong Kong profits tax	– 香港利得稅	3,925	7,500
– Overseas profits tax	– 海外利得稅	5,268	23,041
– (Over)/under provision in prior years	– 過往年度撥備(過多)/過少	(523)	192
		8,670	30,733
Deferred income tax (Note 28)	遞延所得稅(附註28)	12,542	12,792
		21,212	43,525
Income tax expense is attributable to:	以下應佔所得稅支出		
– Continuing operations	– 持續營運業務	21,212	28,967
– Discontinued operations	– 終止營運業務	–	2,281
– Gain on disposal of discontinued operations	– 出售終止營運業務收益	–	12,277
		21,212	43,525

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) based on the estimated assessable profits for the year ended 31 March 2020 less tax relief, if any. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

14. 董事福利及權益(續)

(e) 董事在交易，協議或合同的重大利益

除附註33及36所披露者外，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。

15. 所得稅支出

	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Current income tax		
– Hong Kong profits tax	3,925	7,500
– Overseas profits tax	5,268	23,041
– (Over)/under provision in prior years	(523)	192
	8,670	30,733
Deferred income tax (Note 28)	12,542	12,792
	21,212	43,525
Income tax expense is attributable to:		
– Continuing operations	21,212	28,967
– Discontinued operations	–	2,281
– Gain on disposal of discontinued operations	–	12,277
	21,212	43,525

截至2020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%(2019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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15. 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 rates, being the weighted average of tax rates prevailing in the jurisdictions in which the Group operates, as follows:

15. 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：

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Loss from continuing operations before tax	持續營運業務除所得稅前虧損	(381,472)	(115,475)
Profit from discontinued operations before tax	終止營運業務除所得稅前盈利	-	124,618
		(381,472)	9,143
Theoretical tax at weighted average rate of 16.75% (2019: -18.64%)	按加權平均率16.75%(2019年： -18.64%)而計算的理論稅項	(63,915)	(1,704)
Tax effect arising from:	稅務影響產生自：		
- Non-taxable income	- 無需課稅的收入	(14,060)	(6,905)
- Non-deductible expenses	- 不可扣稅的開支	58,010	11,207
- Recognition of temporary differences not previously recognised	- 確認往年未被確認的暫時性 差額	13,050	13,031
- Utilisation of previously unrecognised tax losses	- 使用往年未確認的稅項虧損	(5,005)	(16,124)
- Tax losses not recognised	- 未確認的稅項虧損	33,505	31,648
- Others	- 其他	150	65
- Capital gain tax on discontinued operations	- 終止營運業務之資本收益 產生的稅項	-	12,277
- Tax relief	- 所得稅減免	-	(162)
- (Over)/under provision in prior years	- 過往年度(超額撥備)/撥備不足	(523)	192
Income tax expense	所得稅支出	21,212	43,525

The weighted average applicable tax rate is 16.75% (2019: -18.64%). The increase is caused by a change in the distribution of profitability of the Group's subsidiaries in the respective countries.

加權平均適用稅率為16.75%(2019年：
-18.64%)。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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. LOSS PER SHARE

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

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Loss from continuing operations	持續營運業務的虧損	(402,898)	(144,611)
Profit from discontinued operations	終止營運業務的盈利	-	110,060
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	(402,898)	(34,551)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (以仟股計)	1,046,474	1,046,474
		HK cents 港仙	HK cents 港仙
Basic loss per share from continuing operations	持續營運業務每股基本虧損	(38.50)	(13.82)
Basic earnings per share from discontinued operations	終止營運業務每股基本盈利	-	10.52
Basic loss per share attributable to the equity holders of the Company	本公司權益持有人應佔每股基本虧損	(38.50)	(3.30)

Diluted

Diluted loss per share for the years ended 31 March 2019 and 31 March 2020 are the same as the basic loss per share amounts as there were no potentially dilutive ordinary shares in issues during two years.

16. 每股虧損

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。

	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Loss from continuing operations	(402,898)	(144,611)
Profit from discontinued operations	-	110,060
Loss attributable to equity holders of the Company	(402,898)	(34,551)
Weighted average number of ordinary shares in issue (thousands)	1,046,474	1,046,474
	HK cents 港仙	HK cents 港仙
Basic loss per share from continuing operations	(38.50)	(13.82)
Basic earnings per share from discontinued operations	-	10.52
Basic loss per share attributable to the equity holders of the Company	(38.50)	(3.30)

攤薄

截至2020年3月31日及2019年3月31日止年度，每股攤薄虧損金額與每股基本虧損金額相同，因為於兩個財政年度內並無潛在攤薄普通股。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、機器及設備

		Leasehold Land and buildings 租賃 土地及樓宇 HK\$'000 港幣仟元	Equipment, leasehold improvements and others 設備、租賃 權益改良及其他 HK\$'000 港幣仟元	Total 總額 HK\$'000 港幣仟元
Cost	成本			
At 1 April 2018	於2018年4月1日	361,690	408,104	769,794
Additions	添置	770	29,377	30,147
Revaluation upon transfer to investment properties	轉至投資物業重估收益	225,498	–	225,498
Transfer to investment properties	轉至投資物業	(368,465)	–	(368,465)
Disposal/written off	出售/撇賬	–	(45,915)	(45,915)
Exchange realignment	匯兌差額	(2,389)	(12,925)	(15,314)
At 31 March 2019 and 1 April 2019	於2019年3月31日及2019年4月1日	217,104	378,641	595,745
Additions	添置	–	11,446	11,446
Disposals/written off	出售	–	(74,263)	(74,263)
Transfer to right-of-use assets	轉至使用權資產	–	(9,431)	(9,431)
Exchange realignment	匯兌差額	(3,064)	(8,918)	(11,982)
At 31 March 2020	於2020年3月31日	214,040	297,475	511,515
Accumulated depreciation and impairment losses	累計折舊及減值			
At 1 April 2018	於2018年4月1日	119,850	327,172	447,022
Charge for the year	本年度折舊	5,193	37,340	42,533
Impairment loss	減值	–	4,251	4,251
Transfer to investment properties	轉至投資物業	(12,365)	–	(12,365)
Disposal/written off	出售/撇賬	–	(39,337)	(39,337)
Exchange realignment	匯兌差額	(621)	(11,149)	(11,770)
At 31 March 2019 and 1 April 2019	於2019年3月31日及2019年4月1日	112,057	318,277	430,334
Charge for the year	本年度折舊	4,872	28,675	33,547
Impairment loss	減值	–	5,842	5,842
Transfer to right-of-use assets	轉至使用權資產	–	(7,092)	(7,092)
Disposals/written off	出售/撇賬	–	(73,406)	(73,406)
Exchange realignment	匯兌差額	(1,136)	(7,889)	(9,025)
At 31 March 2020	於2020年3月31日	115,793	264,407	380,200
Carrying amount	賬面值			
At 31 March 2020	於2020年3月31日	98,247	33,068	131,315
At 31 March 2019	於2019年3月31日	105,047	60,364	165,411

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Note:

- (a) As at 31 March 2019, the carrying amount of equipment under a finance lease arrangement amounted to HK\$51,000.
- (b) As at 31 March 2020, carrying amounts of retail stores assets represent property, plant and equipment and right-of-use assets of approximately HK\$13.199 million (2019: HK\$28.252 million) and HK\$146.823 million (2019: Nil) respectively.

The Group regards its individual retail stores as separately identifiable CGUs and the recoverable amounts of the CGUs is determined with reference to their value-in-use. Management carried out an impairment assessment for the retail store assets, including property, plant and equipment and right-of-use assets, which exhibited an impairment indicator. Given the potential adverse impact on the performance of the Group's retail stores as a result of the social events and COVID-19, management performed impairment assessment for all the retail stores. The carrying amount of the retail store assets is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash flow projections based on the forecasts approved by management covering the remaining tenure of the lease, with major assumptions such as percentage change in revenue and percentage change of running cost.

As a result, during the year ended 31 March 2020, impairment of property, plant and equipment of approximately HK\$5.842 million (2019: HK\$4.251 million) and impairment of right-of-use assets of approximately HK\$76.918 million (2019: Nil) were 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.

Key assumptions used in the value-in-use calculations for the recoverable amount as follow:

- Revenue: based on estimated timing on lifting restrictions in all regions and the consequential effect on the Group's retail stores.
 - Running cost: based on the estimated change related to the Group's cost saving plan and measures.
- (c) As at 31 March 2020, the carrying amount of the Group's property, plant and equipment pledged as security for the Group's bank borrowings (Note 31) amounted to HK\$66.060 million (2019: HK\$69.556 million).

17. 物業、機器及設備(續)

附註：

- (a) 於2019年3月31日，融資租賃安排下的設備賬面淨值為港幣51,000元。
- (b) 於2020年3月31日，零售店舖分為物業、機器及設備及使用權資產的賬面值分別約為港幣13.199百萬元(2019年：港幣28.252百萬元)和港幣146.823百萬元(2019年：無)。

本集團視其個別零售店舖為獨立可識別現金產生單位，而可收回之現金產生單位是經參考若干物業設備的使用價值釐定。管理層對出現減值指標的零售店舖資產(包括物業、機器及設備以及使用權資產)進行減值評估。鑑於社會事件及新型冠狀病毒疫情對本集團零售店舖的表現可能造成不利影響，因此管理層對所有零售店舖進行減值評估。倘零售店舖資產的賬面值大於其估計可收回金額，則將其賬面值撇減至可收回金額。可收回金額乃根據管理層批准之涵蓋餘下租期的預測，採用貼現現金流量預測透過計算使用價值而釐定，並使用主要假設，例如收入變化百分比及營運成本變化百分比。

因此，截至2020年3月31日止年度，物業、機器及設備的減值約為港幣5.842百萬元(2019年：港幣4.251百萬元)及使用權資產減值約為港幣76.918百萬元(2019年：無)。由於其賬面值預計無法悉數收回而作出減值。減值虧損已計入綜合收益表的其他營運支出中。

可收回金額的使用價值計算中使用的主要假設如下：

- 收入：根據所有地區放寬社交距離限制的估計時間，對本集團零售店舖的相應影響的估計。
 - 營運成本：根據本集團節省成本計劃及措施有關的估計變化。
- (c) 於2020年3月31日，本集團物業、機器及設備賬面值港幣66.060百萬元(2019年：港幣69.556百萬元)已抵押給銀行以獲取附註31內本集團的銀行信貸。

18. INVESTMENT PROPERTIES

18. 投資物業

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
At 1 April	於4月1日	586,100	230,000
Transfer from property, plant and equipment (Note 17)	自物業、機器及設備轉入(附註17)	-	356,100
Change in fair value recognised in income statement	於收益表內確認的公平值變動	(66,300)	-
At 31 March	於3月31日	<u>519,800</u>	<u>586,100</u>

In year 2019, the Group transferred three owner occupied properties to investment properties.

於2019年，本集團將三個自用物業轉至投資物業。

The investment properties were revalued by independent professionally qualified valuer as at the date of transfer when they were transferred from property, plant and equipment, and as at balance sheet dates.

該投資物業於自物業、機器及設備轉入時及於資產負債表日由獨立專業合資格估值師估值。

(i) Amount recognised in income statement for investment properties

(i) 投資物業於收益表中確認的金額

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Rental income	租金收入	9,587	7,359
Direct operating expenses from properties which generated rental income	產生租金收入的物業之直接營運支出	(132)	(335)
		<u>9,455</u>	<u>7,024</u>

18. INVESTMENT PROPERTIES (Continued)

(ii) Lease arrangements

Commitments for minimum lease payments receivable on leases of the investment properties are set out in Note 35(b).

The Group leases out retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 3 years, with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

(iii) Pledge

The Group's investment properties have been pledged as security for the Group's bank borrowings (Note 31).

19. PREPAID LEASE PREMIUM

At 1 April	於4月1日	
Upon adoption of HKFRS 16	採納香港財務報告準則第16號	
Amortisation	攤銷	
Exchange realignment	匯兌差額	
At 31 March	於3月31日	

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

18. 投資物業(續)

(ii) 租賃安排

有關投資物業應收最低租賃款項承諾載於附註35(b)。

本集團在經營租賃項下出租若干零售店舖，每月收取租金。租賃通常為期3年，承租人有優先續租權利。在承租人行使續租權時，大多數租賃合約均包含市場審查條款。

由於所有租賃合約均以集團實體各自的功能貨幣計算，故本集團不會因租賃安排而承受外幣風險。租賃合約均不包含殘值擔保，在租賃期滿時承租人亦無權選擇購買該物業。

(iii) 抵押

本集團的投資物業已抵押給銀行以獲取銀行貸款(附註31)。

19. 預付租賃地價

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
At 1 April	於4月1日	11,135	14,266
Upon adoption of HKFRS 16	採納香港財務報告準則第16號	(11,135)	-
Amortisation	攤銷	-	(2,796)
Exchange realignment	匯兌差額	-	(335)
At 31 March	於3月31日	-	11,135

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。

20. RIGHT-OF-USE ASSETS

20. 使用權資產

		Total 總額 HK\$'000 港幣仟元
At 1 April 2019	於2019年4月1日	457,007
Addition	添置	31,079
Depreciation charge for the year	本年度折舊	(212,221)
Impairment (note 17(b))	減值(附註17(b))	(76,918)
Exchange differences	匯兌差額	(243)
At 31 March 2020	於2020年3月31日	<u>198,704</u>

The recognised right-of-use assets relate to the following types of assets:

已確認的使用權資產涉及以下類型的資產：

		2020 HK\$'000 港幣仟元
Land use rights	土地使用權	3,911
Property:	物業：	
– office premises	– 辦公室	47,970
– retail stores	– 零售店鋪	146,823
Total	總計	<u>198,704</u>

Lease liabilities of HK\$295.561 million are recognised with related right-of-use assets of HK\$198.704 million as at 31 March 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

於2020年3月31日，港幣295.561百萬元租賃負債已連同港幣198.704百萬元之相關使用權資產予以確認。該等租賃協議並無施加任何契諾，惟出租人於已租賃資產中持有的擔保權益除外。已租賃資產不得就借貸目的用作抵押品。

The Group leases various offices for its operations. Generally, lease contracts are entered into for fixed term of 1 year to 3 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

本集團租賃若干辦公室進行營運。租賃合約按1年到3年的固定年期訂立，惟可具有下文所述的延長及終止選擇權。租賃年期乃按個別基準商定，其中包含各種不同的條款和條件。釐定租賃年期及評估不可撤銷期間的長度時，本集團應用合約的定義及釐定合約可強制執行的期間。

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20. RIGHT-OF-USE ASSETS (Continued)

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to these future lease payments is summarised below:

		Office 辦公室 HK\$'000 港幣仟元	Retail stores 零售店舖 HK\$'000 港幣仟元
Lease liabilities recognised as at 31 March 2020 (discounted)	於2020年3月31日確認的租賃負債(貼現)	28,935	3,720
Potential future lease payments under extension options not included in lease liabilities (undiscounted)	不包括在租賃負債中延期選擇權項下潛在的未來租賃付款(未貼現)	22,548	21,021

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 March 2020, there has been no such triggering event.

Details of total cash outflow for leases is set out in Note 34(c).

During the year ended 31 March 2020, the Group leased a number of retail stores which contain variable lease payment terms that are based on sales generated from the retail stores and minimum annual lease payment terms that are fixed. These payment terms are common in retail stores in Hong Kong, Singapore and Malaysia where the Group operates. The fixed lease payments and variable lease payments are disclosed in Note 12.

20. 使用權資產(續)

部分租賃包括於合約年期結束後按額外期間重續租賃的選擇權。於實際可行的情況下，本集團尋求含有可供本集團行使該等延長選擇權的租賃，以提供營運靈活性。本集團於租賃開始日期評估是否合理確定能行使延長選擇權。倘本集團無法合理確定行使延長選擇權，延長期間內的未來租賃付款不會計入租賃負債的計量內。該等未來租賃付款的潛在風險概述如下：

	Office 辦公室 HK\$'000 港幣仟元	Retail stores 零售店舖 HK\$'000 港幣仟元
Lease liabilities recognised as at 31 March 2020 (discounted)	28,935	3,720
Potential future lease payments under extension options not included in lease liabilities (undiscounted)	22,548	21,021

此外，當承租人的控制範圍內發生重大事件或情況有重大改變，本集團重新評估是否合理確定能行使延長選擇權。於截至2020年3月31日止年度，概無有關觸發事件。

租賃現金流出總額的詳細資料在附註34(c)中列出。

於截至2020年3月31日止年度，本集團租賃多間零售店舖，包含基於零售店舖所產生銷售的可變租賃付款條款及固定最低年度租賃付款條款。該等付款條款於本集團營運所在的香港、新加坡及馬來西亞零售店舖屬常見。固定租賃付款和可變租賃付款在附註12披露。

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21. INTANGIBLE ASSETS

21. 無形資產

		Goodwill 商譽 HK\$'000 港幣仟元	Trademarks 商標 HK\$'000 港幣仟元	Technical Know-how 專業技術 HK\$'000 港幣仟元	Total 總額 HK\$'000 港幣仟元
Cost	成本				
At 1 April 2018	於2018年4月1日	10,773	84,584	75,195	170,552
Exchange realignment	匯兌差額	(445)	(644)	(775)	(1,864)
At 31 March 2019 and 1 April 2019	於2019年3月31日及 2019年4月1日	10,328	83,940	74,420	168,688
Exchange alignment	匯兌差額	(1,049)	394	475	(180)
At 31 March 2020	於2020年3月31日	9,279	84,334	74,895	168,508
Accumulated amortisation and impairment loss	累計折舊及減值				
At 1 April 2018	於2018年4月1日	–	29,906	71,210	101,116
Charge for the year	本年度攤銷	–	–	2,322	2,322
Exchange alignment	匯兌差額	–	–	(383)	(383)
At 31 March 2019 and 1 April 2019	於2019年3月31日及 2019年4月1日	–	29,906	73,149	103,055
Charge for the year	本年度攤銷	–	–	1,430	1,430
Impairment loss	減值	–	6,166	–	6,166
Exchange alignment	匯兌差額	–	–	316	316
At 31 March 2020	於2020年3月31日	–	36,072	74,895	110,967
Carrying amount	賬面值				
At 31 March 2020	於2020年3月31日	9,279	48,262	–	57,541
At 31 March 2019	於2019年3月31日	10,328	54,034	1,271	65,633

21. INTANGIBLE ASSETS (Continued)

Impairment assessment for technical know-how

In 2015, in order to secure a stable supply of mechanical movements in the future, the Group acquired CATENA SA, a Swiss watch movement manufacturer, and recognised an identified technical know-how of HK\$70.816 million. As at 31 March 2020, the technical know-how has been fully amortised/impaired.

Impairment assessment for trademarks

Management assesses annually whether the Group's trademarks exhibit any impairment by considering the economic benefit generated from the trademarks. The recoverable amount is determined based on a 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 budget based on past performance and its expectations for the market development.

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

- (a) Growth rate used to extrapolate cash flows beyond the five-year budget period of 0% (2019: 0%).
- (b) Growth rate used within the five-year budget period of 0% (2019: 0%) which was considered reasonable with reference to subsequent sales growth rate.
- (c) Pre-tax discount rate applied to cash flow projections of 14% (2019: 10%). 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 trademarks to exceed the recoverable amount significantly.

Impairment provision on trademarks amounted to HK\$6.166 million during the year ended 31 March 2020 (2019: Nil).

21. 無形資產(續)

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70.816百萬元。於2020年3月31日，該專業技術已全部攤銷／減值。

商標減值測試

管理層考慮到本集團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五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：

- (a) 用作推斷超過五年預算期的現金流增長率為0%(2019年：0%)。
- (b) 根據後續銷售增長率的合理考慮，用作推斷五年預算期內的增長率為0%(2019年：0%)。
- (c) 用於現金流預測的除稅前貼現率為14%(2019年：10%)。該貼現率反映了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，將不會導致商標的賬面值大幅超過可收回金額。

截至2020年3月31日止年度，商標減值撥備港幣6.166百萬元(2019年：無)。

21. INTANGIBLE ASSETS (Continued)

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. 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:

- (a) Growth rate used to extrapolate cash flows beyond the five-year budget period of 0% (2019: 0%).
- (b) Growth rate used within the five-year budget period of 0% (2019: 0%) which does not exceed historical growth rate.
- (c) Pre-tax discount rate applied to cash flow projections of 14% (2019: 10%). 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 2020, there was no impairment on the CGUs containing goodwill (2019: Nil).

21. 無形資產(續)

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。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：

- (a) 用以推算超過五年預算期的現金流量所使用的增長率為0% (2019年：0%)。
- (b) 用作推斷五年預算期內的增長率為0% (2019年：0%)，並不超出過往的增長率。
- (c) 用於現金流量預測的稅前貼現率為14% (2019年：10%)。該貼現率反映了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，將不會導致商譽的賬面值大幅超過可收回金額。

截至2020年3月31日止年度內，現金產生單位所含具無限使用壽命的商譽並無減值 (2019年：無)。

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22. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity investments at fair value through other comprehensive income	按公平值透過其他全面收益列賬的股份投資
Unlisted equity investments, at fair value	非上市公司股份投資(公平值)

On 1 April 2019, the above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year ended 31 March 2020, the fair value loss in respect of the Group's equity investments at fair value through other comprehensive income recognised in other comprehensive income amounted to HK\$9.526 million (2019: fair value gain of HK\$2.596 million).

23. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品
Less: Provision for inventories	減：存貨撥備

The cost of inventories sold recognised as expense and included in cost of sales for continuing operations amounted to HK\$529.403 during the year ended 31 March 2020 (2019: HK\$718.595 million).

22. 按公平值透過其他全面收益列賬的股份投資

2020	2019
HK\$'000	HK\$'000
港幣仟元	港幣仟元

5,444	14,970
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於2019年4月1日，上述股份投資已不可撤回地指定為按公平值透過其他全面收益列賬，乃由於本集團認為該等投資屬策略性質。

截至2020年3月31日止年度，於其他全面收益確認的本集團按公平值透過其他全面收益列賬的股份投資公平值變動虧損為港幣9.526佰萬元(2019年：公平值變動收益2.596佰萬元)。

23. 存貨

2020	2019
HK\$'000	HK\$'000
港幣仟元	港幣仟元

183,722	130,073
14,850	5,561
471,429	630,103

670,001	765,737
(296,961)	(205,908)

373,040	559,829
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於截至2020年3月31日止年度已確認為開支並計入持續營運業務的銷售成本內的存貨成本為港幣529.403佰萬元(2019年：港幣718.595佰萬元)。

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24. TRADE AND OTHER RECEIVABLES

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
Trade receivables, gross	應收貿易賬款，總額	80,107	86,036
Less: Impairment loss (note (b))	減：減值撥備(附註(b))	(112)	(494)
		79,995	85,542
Other receivables	其他應收賬款	35,155	38,116
Deposits	按金	78,912	95,148
Prepayments	預付款項	6,030	18,762
		200,092	237,568
Less: non-current portion	減：非流動部份	(36,638)	(55,080)
Current portion	流動部份	163,454	182,488

The ageing analysis of the trade receivables based on invoice date is as follows:

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
0-60 days	0-60天	28,692	35,027
Over 60 days	60天以上	51,415	51,009
		80,107	86,036

Note:

- (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 such balances are repayable on demand. The Group's trade receivables and trade payables include balances due from and due to the import and export agents of HK\$34.596 million as at 31 March 2020 (2019: HK\$33.096 million).

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 receivables.

24. 貿易及其他應收賬款

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
Trade receivables, gross	應收貿易賬款，總額	80,107	86,036
Less: Impairment loss (note (b))	減：減值撥備(附註(b))	(112)	(494)
		79,995	85,542
Other receivables	其他應收賬款	35,155	38,116
Deposits	按金	78,912	95,148
Prepayments	預付款項	6,030	18,762
		200,092	237,568
Less: non-current portion	減：非流動部份	(36,638)	(55,080)
Current portion	流動部份	163,454	182,488

按發票日期分析的應收貿易賬款賬齡如下：

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
0-60 days	0-60天	28,692	35,027
Over 60 days	60天以上	51,415	51,009
		80,107	86,036

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，該等結餘按要求結算。截至2020年3月31日，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34.596佰萬元(2019年：港幣33.096佰萬元)。

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。

24. TRADE AND OTHER RECEIVABLES (Continued)

Note : (Continued)

- (b) An impairment analysis is performed at each reporting date by using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off when the counter party is in severe financial difficulty and there is no realistic prospect of recovering e.g under liquidation or entered into bankruptcy.

Trade receivables that were past due but not impaired related to a number of independent customers for whom there was no recent history of default. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral over these balances.

Meanwhile, the Group applied general approach to provide for expected credit losses for financial assets included in deposits and other receivables under HKFRS9. The Group considers the historical loss rate and adjusts for forward looking macroeconomic data in calculating the expected credit loss rate. As at 31 March 2020, the Group estimated the expected loss rate for financial assets included in deposits and other receivables is insignificant.

- (c) Movements on the loss allowance for impairment of trade receivables are as follows:

At 1 April	於4月1日
Reversal of impairment losses	壞賬減值撥回
Exchange realignment	匯兌差額
At 31 March	於3月31日

- (d) Trade and other receivables included amount due from related companies of HK\$12.193 million (2019: HK\$8.451 million). Details of amounts due from related companies are disclosed in Note 36.

24. 貿易及其他應收賬款

附註：(續)

- (b) 本集團於各報告年度使用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似損失情況(例如按地區以及客戶類型及評級)之各個客戶分類組別之逾期天數釐定。相關計算反映可能性加權結果、貨幣之時間價值以及於報告日期可獲得有關過往事件之合理及可支持資料、當前狀況以及未來經濟狀況預測。一般而言，當交易對手處於嚴重的財務困境時且應收賬款顯示不能被收回時(交易對手進入清盤或破產時)，該應收賬款會予以撇銷。

已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。

與此同時，本集團已應用一般方法香港財務報告準則第9號項下就包括按金及其他應收賬款的財務資產計提預期信貸虧損。本集團於計算預期信貸損率時計及歷史虧損率，並就前瞻性宏觀經濟數據作出調整。於2020年3月31日，本集團估計按金及其他應收賬項所包括的金融資產的預期虧損率並不重大。

- (c) 應收貿易賬款的減值撥備變動如下：

	2020	2019
	HK\$'000	HK\$'000
	港幣仟元	港幣仟元
At 1 April	494	933
Reversal of impairment losses	(368)	(386)
Exchange realignment	(14)	(53)
At 31 March	112	494

- (d) 貿易及其他應收賬款包括應收關聯公司的款項港幣12.193百萬元(2019年：港幣8.451百萬元)，應收關聯公司款項載於附註36披露。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

24. TRADE AND OTHER RECEIVABLES (Continued)

Note : (Continued)

- (e) The carrying amount of trade and other receivables, deposits and prepayments are denominated in the following currencies:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Hong Kong dollars	港幣	81,820	89,738
Renminbi	人民幣	41,612	52,930
Singapore dollars	新加坡元	23,426	24,170
Malaysia ringgit	馬來西亞令吉	30,424	28,910
Thai bahts	泰銖	3,726	10,391
Swiss francs	瑞士法郎	2,942	8,735
Others	其他	16,142	22,694
		200,092	237,568

25. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

Note:

- (a) The above balances mainly represent cash at banks. Bank balances are deposited in banks with sound credit ratings to mitigate the credit risk.
- (b) Bank deposits were pledged as security for the Group's bank borrowings in Note 31.

24. 貿易及其他應收賬款

附註：(續)

- (e) 貿易及其他應收賬款、按金及預付款項之賬面值按貨幣呈列如下：

25. 現金及現金等值物及抵押銀行存款

附註：

- (a) 上述餘額主要為銀行現金。銀行存款餘額為存放於信用評級良好的銀行存款，以減低信貸風險。
- (b) 銀行存款已抵押給銀行以獲取附註31內的銀行貸款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS (Continued)

Notes: (Continued)

- (c) The cash and cash equivalents and pledged bank deposits are denominated in the following currency:

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

- (d) 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.

26. SHARE CAPITAL

25. 現金及現金等值物及抵押銀行存款(續)

附註：(續)

- (c) 現金及現金等值物及抵押銀行存款按貨幣呈列如下：

	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Hong Kong dollars	36,013	103,245
Renminbi	5,037	18,318
Singapore dollars	36,173	47,377
Malaysia ringgit	35,509	43,532
Thai bahts	62,833	68,564
Swiss francs	3,123	1,073
Others	2,907	9,409
	181,595	291,518

- (d) 將人民幣兌換為外幣及將人民幣匯出中國大陸須受中國政府頒佈的外匯管控制規則及條例規限。

26. 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 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020	於2018年4月1日，2019年3月31日， 2019年4月1日及2020年3月31日	1,600,000,000	160,000
Issued and fully paid:	已發行及繳足股本：		
At 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020	於2018年4月1日，2019年3月31日 2019年4月1日及2020年3月31日	1,046,474,025	104,647

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財務報表附註

27. RESERVES

27. 儲備

		Share premium	Revaluation reserve	Exchange reserve	Property, plant and equipment revaluation reserve 物業、機器 及設備 重估儲備	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	重估儲備 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 2018	於2018年4月1日	1,977	10,123	(47,240)	201,644	749,439	915,943
Loss for the year	年內虧損	-	-	-	-	(34,551)	(34,551)
Other comprehensive income for the year	年內其他全面收益	-	2,596	(6,874)	202,040	-	197,762
Dividend paid (note 32)	支付股息(附註32)	-	-	-	-	(198,830)	(198,830)
At 31 March 2019	於2019年3月31日	1,977	12,719	(54,114)	403,684	516,058	880,324
At 1 April 2019	於2019年4月1日	1,977	12,719	(54,114)	403,684	516,058	880,324
Loss for the year	年內虧損	-	-	-	-	(402,898)	(402,898)
Other comprehensive loss for the year	年內其他全面虧損	-	(9,526)	(42,101)	-	-	(51,627)
At 31 March 2020	於2020年3月31日	1,977	3,193	(96,215)	403,684	113,160	425,799

28. DEFERRED INCOME TAX

28. 遞延所得稅

The analysis of deferred tax assets and deferred tax liabilities is as follows:

遞延稅項資產及遞延稅項負債分析如下：

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Deferred tax assets	遞延稅項資產	38,384	49,553
Deferred tax liabilities	遞延稅項負債	(32,933)	(31,004)
Net deferred tax assets	遞延稅項資產淨額	5,451	18,549

NOTES TO THE FINANCIAL STATEMENTS
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28. DEFERRED INCOME TAX (Continued)

The gross movement on the deferred tax accounts is as follows:

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
At 1 April	於4月1日	18,549	55,407
Charged to income statement (Note 15)	扣除自收益表(附註15)	(12,542)	(12,792)
Charged to property, plant and equipment revaluation reserve	扣除自物業、機器及設備重估儲備	–	(23,458)
Exchange realignment	匯兌差額	(556)	(608)
At 31 March	於3月31日	5,451	18,549

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 inventories 存貨中未變現溢利的準備	Tax losses	Other provisions	Other temporary differences 其他暫時性差額	Total
		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
At 1 April 2018	於2018年4月1日	4,168	11,946	31,642	12,408	6,041	66,205
Charged to income statement	扣除自收益表	2,121	(780)	(12,552)	(1,018)	(1,663)	(13,892)
Exchange differences	匯兌差額	2	(512)	–	(7)	(136)	(653)
At 31 March 2019	於2019年3月31日	6,291	10,654	19,090	11,383	4,242	51,660
At 1 April 2019	於2019年4月1日	6,291	10,654	19,090	11,383	4,242	51,660
Charged to income statement	扣除自收益表	(3,146)	(1,260)	(10,070)	(279)	2,068	(12,687)
Exchange differences	匯兌差額	(17)	(213)	–	(95)	(264)	(589)
At 31 March 2020	於2020年3月31日	3,128	9,181	9,020	11,009	6,046	38,384

28. 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

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

28. DEFERRED INCOME TAX (Continued)

Deferred tax assets (Continued)

Out of the unrecognised tax losses of HK\$887.241 million (2019: HK\$964.103 million) carried forward, an amount of HK\$656.724 million (2019: HK\$655.83 million) can be carried forward indefinitely. The remaining HK\$230.517 million (2019: HK\$308.273 million) will expire in the following years:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
In the first year	第1年	43,021	43,075
In the second year	第2年	63,450	55,523
In the third year	第3年	62,731	93,619
In the fourth year	第4年	29,159	72,422
In the fifth to tenth years inclusive	第5年至第10年(包括首尾兩年)	32,156	43,634
		230,517	308,273

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax liabilities

		Depreciation allowances 折舊準備 HK\$'000 港幣仟元	Revaluation of property, plant and equipment 物業、機器 及設備重估 HK\$'000 港幣仟元	Right-of-use assets 使用權資產 HK\$'000 港幣仟元	Total 總計 HK\$'000 港幣仟元
At 1 April 2018	於2018年4月1日	10,798	-	-	10,798
Credited to income statement	計入收益表	(1,100)	-	-	(1,100)
Charged to property, plant and equipment revaluation reserve	扣除自物業、機器及設備重 估儲備	-	23,458	-	23,458
Exchange differences	匯兌差額	(45)	-	-	(45)
At 31 March 2019	於2019年3月31日	9,653	23,458	-	33,111
At 1 April 2019	於2019年4月1日	9,653	23,458	-	33,111
(Credited)/charged to income statement	(計入)/扣除自收益表	(2,502)	-	2,357	(145)
Exchange differences	匯兌差額	(7)	-	(26)	(33)
At 31 March 2020	於2020年3月31日	7,144	23,458	2,331	32,933

28. 遞延所得稅(續)

遞延稅項資產(續)

所結轉以抵銷未來應課稅之未確認稅項虧損總額為港幣887.241百萬元(2019年：港幣964.103百萬元)，其中港幣656.724百萬元(2019年：港幣655.830百萬元)可無限期結轉，其餘港幣230.517百萬元(2019年：港幣308.273百萬元)將在下列期限屆滿：

若干在一段時間內產生虧損的附屬公司，並且很可能無法獲得應課稅利潤以抵銷其稅項虧損，故此本集團並未就該等虧損確認遞延稅項資產。

遞延稅項負債

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

29. LEASE LIABILITIES

29. 租賃負債

		2020	
		Minimum lease payment due 最低租賃款項 HK\$'000 港幣仟元	Present value of lease liabilities 最低租賃款項 之現值 HK\$'000 港幣仟元
Minimum lease payment due:	到期最低租賃付款：		
– within one year	– 1年內	191,602	177,310
– more than one year but not exceeding two years	– 1年後但2年內	75,263	68,734
– more than two years but not exceeding five years	– 2年後但5年內	38,304	29,066
– more than five years	– 5年以上	28,733	20,451
		333,902	295,561
Less: future finance charge	減：未來財務支出	(38,341)	N/A
Present value of lease liabilities	租賃負債現值	295,561	295,561
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：12個月內到期結算金額 (於流動負債內呈列)		(177,310)
Amount due for settlement after 12 months	12個月後到期結算金額		118,251

The lease liabilities are denominated in the following currencies:

租賃負債按貨幣呈列如下：

		2020 HK\$'000 港幣仟元
Hong Kong dollars	港幣	197,119
Renminbi	人民幣	24,244
Singapore dollars	新加坡元	40,465
Malaysia ringgit	馬來西亞令吉	29,802
Thai bahts	泰銖	3,931
		295,561

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29. LEASE LIABILITIES (Continued)

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 April 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Comparative information as at 31 March 2019 has not been restated. Further details on the impact of the transition to HKFRS 16 are set out in Note 3(a).

30. TRADE AND OTHER PAYABLES

Trade payables (note a)	應付貿易賬款(附註a)
Contract liabilities (note b)	合約負債(附註b)
Other payables	其他應付賬款
Accruals	應計費用
Provision (note c)	撥備款項(附註c)

Trade payables are unsecured and usually paid within 30 days of recognition.

Note:

- (a) The ageing analysis of the trade payables based on invoice date is as follows:

0-60 days	0-60天
Over 60 days	60天以上

Trade and other payables include amounts due to related companies of HK\$3.611 million (2019: HK\$1.943 million). Details of amounts due to related companies are disclosed in Note 36.

- (b) Contract liabilities include short-term advances received to deliver watch products. The decrease in balance of contract liabilities is due to a change in the time frame for a performance obligation to be satisfied.

29. 租賃負債(續)

本集團已採用經修訂追溯法初步應用香港財務報告準則第16號，並於2019年4月1日調整年初結餘以確認與租賃有關的租賃負債，該等租賃負債先前已根據香港會計準則第17號分類為經營租賃。於2019年3月31日的比較資料並無重列。過渡至香港財務報告準則第16號的影響詳情載於附註3(a)。

30. 貿易及其他應付賬款

	2020	2019
	HK\$'000	HK\$'000
	港幣仟元	港幣仟元
Trade payables (note a)	61,826	87,451
Contract liabilities (note b)	451	1,058
Other payables	45,741	20,838
Accruals	64,565	118,971
Provision (note c)	-	9,154
	172,583	237,472

應付貿易賬款為無抵押，通常於確認後30日內支付。

附註：

- (a) 按發票日期分析的應付貿易賬款賬齡如下：

	2020	2019
	HK\$'000	HK\$'000
	港幣仟元	港幣仟元
0-60 days	22,192	45,722
Over 60 days	39,634	41,729
	61,826	87,451

貿易及其他應付賬款包括應付關聯公司款項港幣3.611百萬元(2019年：港幣1.943百萬元)。應付關聯公司款項詳情於附註36披露。

- (b) 合約負債包括就交付鐘錶產品收取的短期款項。合約負債餘額減少仍由於履行合約的時間變化所致。

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財務報表附註

30. TRADE AND OTHER PAYABLES (Continued)

Note: (Continued)

- (c) The provision relates to amount for onerous contract is as follows.

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
At 1 April	於4月1日	9,154	13,309
Utilisation	已動用	-	(4,155)
Transfer to right-of-use assets	轉至使用權資產	(9,154)	-
At 31 March	於3月31日	-	9,154

- (d) The trade and other payables are denominated in the following currencies:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Hong Kong dollars	港幣	89,945	128,819
Renminbi	人民幣	29,691	21,316
Singapore dollars	新加坡元	5,525	9,331
Malaysia ringgit	馬來西亞令吉	11,926	15,558
Thai bahts	泰銖	8,230	21,149
Swiss francs	瑞士法郎	9,168	9,040
United states dollars	美元	16,436	25,463
Others	其他	1,662	6,796
		172,583	237,472

31. BANK AND OTHER BORROWINGS

Bank borrowings, secured (note a)	銀行貸款，抵押(附註(a))	651,449	688,250
Obligations under finance leases (note b)	融資租賃承擔(附註(b))	-	51
		651,449	688,301
Current portion	流動部份	(651,449)	(688,301)
Non-current portion	非流動部份	-	-

30. 貿易及其他應付賬款(續)

附註：(續)

- (c) 有關有法律義務合約撥備金額如下。

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
At 1 April	於4月1日	9,154	13,309
Utilisation	已動用	-	(4,155)
Transfer to right-of-use assets	轉至使用權資產	(9,154)	-
At 31 March	於3月31日	-	9,154

- (d) 貿易及其他應付賬款按貨幣呈列如下：

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Hong Kong dollars	港幣	89,945	128,819
Renminbi	人民幣	29,691	21,316
Singapore dollars	新加坡元	5,525	9,331
Malaysia ringgit	馬來西亞令吉	11,926	15,558
Thai bahts	泰銖	8,230	21,149
Swiss francs	瑞士法郎	9,168	9,040
United states dollars	美元	16,436	25,463
Others	其他	1,662	6,796
		172,583	237,472

31. 銀行及其他貸款

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Bank borrowings, secured (note a)	銀行貸款，抵押(附註(a))	651,449	688,250
Obligations under finance leases (note b)	融資租賃承擔(附註(b))	-	51
		651,449	688,301
Current portion	流動部份	(651,449)	(688,301)
Non-current portion	非流動部份	-	-

31. BANK AND OTHER BORROWINGS (Continued)

(a) The Group's bank borrowings are repayable as follows:

Repayable on demand and within 1 year 應要求償還及一年之內

The carrying amounts of assets pledged as security for the Group's bank borrowings are:

Property, plant and equipment	物業、機器及設備
Investment properties	投資物業
Pledged bank deposits	抵押銀行存款

The bank borrowing of the Group is denominated in Hong Kong dollars.

The bank borrowings bear interests at 1.5% to 2.0% plus HIBOR (2019: 1.5% to 3% plus HIBOR). As at 31 March 2020, weighted average effective interest rate per annum for bank borrowings was 3.6% (2019: 2.9%).

The banks imposed certain financial covenants over the loan facilities granted to the Group. Prior to the date of this report, the Group obtained a one-off waiver from a bank from strict compliance with certain covenant requirements of bank borrowings amounting to HK\$429.697 million.

31. 銀行及其他貸款 (續)

(a) 本集團銀行貸款的須償還情況如下：

2020	2019
HK\$'000	HK\$'000
港幣仟元	港幣仟元

651,449	688,250
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已抵押給銀行以獲取本集團銀行信貸的資產賬面值如下：

Note	2020	2019
附註	HK\$'000	HK\$'000
	港幣仟元	港幣仟元

17	66,060	69,556
18	519,800	586,100
25	54,579	56,649
	640,439	712,305

本集團的銀行貸款以港元計值。

銀行貸款利率介於1.5厘至2厘加銀行同業拆息。(2019年：1.5厘至3厘加銀行同業拆息)。於2020年3月31日，銀行貸款的加權平均實際年利率為3.6厘(2019年：2.9厘)。

銀行對授予本集團的銀行信貸作出若干財務約定。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，有關借貸金額HK\$429.697百萬。

31. BANK AND OTHER BORROWINGS (Continued)

(b) The obligations under finance leases are payable as follows:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Within 1 year	1年之內	–	57
Future finance charges on finance lease	融資租賃的未來財務支出	–	(6)
Present value of finance lease liabilities	融資租賃負債的現值	–	51

The present value of finance lease liabilities as at 31 March 2019 is repayment within one year.

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

31. 銀行及其他貸款(續)

(b) 融資租賃承擔的須償還情況如下：

	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
於2019年3月31日，融資租賃負債現值須於1年內償還。	–	57
	–	(6)
	–	51

於2019年3月31日，融資租賃負債現值須於1年內償還。

融資租賃承擔的賬面淨值以新加坡元計算。

32. DIVIDEND

Special, paid of Nil (2019: HK\$0.19) per ordinary share	2020年無特別股息(2019：已派發每股普通股HK\$0.19)	–	198,830
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The directors did not recommend any interim or final dividends in respect of the years ended 31 March 2020 and 2019.

A conditional special distribution in cash of HK\$0.19 dollar per share was proposed by the Board on 23 January 2018 relating to the disposal of the disposal group and was approved by the shareholders in the special general meeting on 19 April 2018. The special distribution, amounting to HK\$198.83 million, had been paid on 14 June 2018.

32. 股息

	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
董事會不建議宣派截至2020年3月31日及2019年3月31日止年度的中期或末期股息。	–	198,830

董事會不建議宣派截至2020年3月31日及2019年3月31日止年度的中期或末期股息。

董事會於2018年1月23日就出售眼鏡業務建議作出有條件特別分派每股股份現金19港仙，並已於2018年4月19日的股東特別大會上獲股東批准。建議特別分派總額為港幣198.83佰萬元在2018年6月14日已派付。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. DISCONTINUED OPERATIONS/DISPOSAL OF BUSINESS

On 26 January 2018, the Group entered into a share purchase agreement with a related party for disposal of shares in the subsidiaries of the Group engaged in the optical retail and wholesale business (the "Disposal") at a consideration of HK\$400 million, subject to adjustments. The Disposal was communicated to shareholders on 22 March 2018 through a circular. The Disposal was subsequently approved by the shareholders in the special general meeting on 19 April 2018. The completion of the Disposal took place on 1 June 2018.

The net assets disposed of and the resulting gain on disposal of HK\$111.766 million is summated as follows:

33. 終止營運業務／出售業務

於2018年1月26日，本集團與一位關聯方訂立購股協議，出售其眼鏡業務的附屬公司（「出售事項」），總購買價為港幣4億元（可作若干調整）。就出售事項已於2018年3月22日向股東寄發通函。出售事項隨後已於2018年4月19日舉行之本公司股東特別大會上獲股東批准。出售事項已於2018年6月1日完成。

出售資產淨值及出售業務收益為港幣111.766佰萬元，詳情如下：

		2019 HK\$'000 港幣仟元
Property, plant and equipment	物業、機器及設備	70,728
Prepaid lease premium	預付租賃地價	13,220
Other non-current assets	其他非流動資產	11,590
Inventories	存貨	216,403
Trade and other receivables	貿易及其他應收賬款	165,370
Cash and cash equivalents	現金及現金等值物	59,987
Trade and other payables	貿易及其他應付賬款	(211,538)
Amount due to the Group	應付本集團的款項	(403,827)
Other non-current liabilities	其他非流動負債	(50,832)
Net assets disposed	出售資產淨值	(128,899)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. DISCONTINUED OPERATIONS/DISPOSAL OF BUSINESS

(Continued)

33. 終止營運業務／出售業務(續)

		2019 HK\$'000 港幣仟元
Gain on disposal	出售業務收益	
Consideration	代價	(3,827)
Net assets disposed	出售資產淨值	128,899
Release of cumulative exchange reserve on disposal	出售後累計匯兌儲備轉出	14,978
Professional fees and taxes on disposal	專業服務費用及所得稅	(28,284)
		<u>111,766</u>
Satisfied by:	支付	
– Cash	– 現金	400,000
– Waiver of intercompany debts	– 公司間債務豁免	(403,827)
		<u>(3,827)</u>

An analysis of net inflow of bank balances and cash in respect of the Disposal is as follows:

有關出售業務的銀行結餘及現金流入淨額分析如下：

		2019 HK\$'000 港幣仟元
Cash consideration	現金代價	400,000
Cash and bank disposed of	出售業務的現金及銀行結餘	(59,987)
Net inflow of bank balances and cash in respect of the disposal group	有關出售集團的銀行結餘及現金流入淨額	<u>340,013</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. DISCONTINUED OPERATIONS/DISPOSAL OF BUSINESS

(Continued)

The financial performance and cash flows information presented are for the two months ended 31 May 2018.

33. 終止營運業務／出售業務(續)

截至2018年5月31日止兩個月，出售集團的財務表現及現金流量資料呈列如下：

		Two months ended 31 May 2018 截至2018年 5月31日 止2個月 HK\$'000 港幣仟元
Revenue	收入	218,958
Other losses	其他虧損	(2,004)
Other income	其他收入	5,738
Expenses	支出	(222,117)
Profit before tax	除稅前溢利	575
Income tax expense	所得稅支出	(2,281)
Loss from discontinued operations	終止營運業務的虧損	(1,706)
Gain on disposal of discontinued operations, net of tax	出售終止營運業務的除稅後收益	111,766
Profit for the period	期內溢利	110,060
Release of exchange reserve relating to discontinued operations	終止營運業務匯兌儲備轉出	(14,978)
Total comprehensive income from discontinued operations	終止營運業務的全面收益總額	95,082
		Two months ended 31 May 2018 截至2018年 5月31日 止2個月 HK\$'000 港幣仟元
Net cash outflow from operating activities	營運活動所用現金淨額	(51,380)
Net cash outflow from investing activities	投資活動所用現金淨額	(1,576)
Net cash outflow from financing activities	融資活動所用現金淨額	(31,410)
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	(84,366)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34. CONSOLIDATED CASH FLOW INFORMATION

34. 綜合現金流量表附註

(a) Reconciliation of loss before income tax to cash generated from operations:

(a) 除所得稅前虧損與營運活動所得現金兩者的對賬：

		Notes 附註	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Loss before tax from	除所得稅前虧損			
– Continuing operations	– 持續營運業務		(381,472)	(115,475)
– Discontinued operations	– 終止營運業務	33	–	575
Gain on disposal of discontinued operations before tax	出售終止營運業務除稅前收益		–	124,043
(Loss)/profit before tax including discontinued operations	包括終止營運業務的除稅前(虧損)/溢利		(381,472)	9,143
Adjustments for	調整			
Depreciation of:	折舊：			
– Property, plant and equipment	– 物業、機器及設備		33,547	42,533
– Right-of-use assets	– 使用權資產		212,221	–
Amortisation of:	攤銷：			
– Intangible assets	– 無形資產		1,430	2,322
– Prepaid lease premium	– 預付租賃地價		–	2,796
(Gain)/loss on disposal of property, plant and equipment	出售物業、機器及設備(收益)/虧損		(40)	3,841
Fair value change of investment properties	投資物業公平值變動		66,300	–
Provision/(write back of provision) for inventories	存貨撥備/(撥回)		91,004	(2,596)
Inventory written off	存貨撇賬		194	–
Reversal of impairment of trade receivables	壞賬準備撥回		(368)	(386)
Impairment loss of:	減值：			
– Property, plant and equipment	– 物業、機器及設備		5,842	4,251
– Right-of-use assets	– 使用權資產		76,918	–
– Intangible assets	– 無形資產		6,166	–
Utilisation of provision for onerous contracts	有法律義務合約的撥回		–	(4,155)
Interest income	利息收入		(836)	(1,096)
Finance costs	財務成本		50,607	25,360
Dividend income	股息收入	10	(1,014)	(2,798)
Gain on disposal of discontinued operations	出售終止營運業務收益		–	(124,043)
Operating profit/(loss) before working capital changes	除營運資金轉變前的經營溢利/(虧損)		160,499	(44,828)
Decrease in inventories	存貨減少		85,629	98,429
Decrease in trade and other receivables	貿易及其他應收賬款減少		30,745	156,224
Decrease in trade and other payables	貿易及其他應付賬款減少		(48,772)	(82,012)
Cash generated from operations	營運活動所得現金		228,101	127,813

34. CONSOLIDATED CASH FLOW INFORMATION
(Continued)

(b) Changes in liabilities arising from financing activities

Analysis of liabilities arising from financing activities and the movements in liabilities arising from financing activities for each of the years presented.

		Lease liabilities 租賃負債 HK\$'000 港幣仟元	Bank and other borrowings 銀行及其他貸款 HK\$'000 港幣仟元	Total 總計 HK\$'000 港幣仟元
1 April 2018	於2018年4月1日	–	928,044	928,044
Cash flows from continuing operations	持續營運業務現金流量	–	(238,830)	(238,830)
Exchange differences	匯兌差額	–	(913)	(913)
31 March 2019	於2019年3月31日	–	688,301	688,301
1 April 2019	於2019年4月1日	–	688,301	688,301
Impact on application of HKFRS 16	採納香港財務報告準則 第16號之影響	456,646	(51)	456,595
Restated balance as at 1 April 2019	於2019年4月1日餘額重列	456,646	688,250	1,144,896
Cash flows	現金流量	(192,316)	(36,801)	(229,117)
Non-cash flows	非現金流量	31,079	–	31,079
Exchange differences	匯兌差額	152	–	152
31 March 2020	於2020年3月31日	295,561	651,449	947,010

(c) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Within operating cash flows	於營運活動現金流量內	42,901	289,582
Within financing cash flows	於融資活動現金流量內	192,316	58
		235,217	289,640

34. 綜合現金流量表附註(續)

(b) 融資活動產生的債務變動

本節載列各所示年度融資活動產生的債務及融資活動所產生債務變動的分析：

(c) 租賃現金流出總額

租賃現金流量表中包含的金額如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34. CONSOLIDATED CASH FLOW INFORMATION

(Continued)

(c) Total cash outflow for leases (Continued)

These amounts relate to the following:

	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Lease rental paid	235,217	289,640

35. COMMITMENTS

(a) Non-cancellable operating leases (where the Group is the lessee)

As at 31 March 2019, the total future minimum lease payments under non-cancellable operating lease are repayable as follows:

	2019 HK\$'000 港幣仟元
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:	
Not later than one year	224,862
Later than one year but not later than five years	213,022
Later than five years	1,823
	<u>439,707</u>

The Group leases certain stores under non-cancellable operating leases expiring within 2 to 5 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Lease payments are based on the higher of a minimum guaranteed rent and a sales level based rent. The commitments disclosed above do not include variable rentals determined based on sales level.

34. 綜合現金流量表附註(續)

(c) 租賃現金流出總額(續)

該金額涉及如下：

35. 承擔

(a) 不可撤銷的營業租賃(本集團作為承租人)

於2019年3月31日，不可撤銷經營租賃下的未來最低租賃付款總額如下：

	2019 HK\$'000 港幣仟元
本集團在不可撤銷營業租賃下的未來最低應付租金總額如下：	
1年內	224,862
1年後但5年內	213,022
5年以上	1,823
	<u>439,707</u>

本集團若干店舖根據2至5年內到期不可撤銷的營業租賃進行租賃。該等租賃有不同租期、調整租金條款及續租權利。若干店舖的營業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。本節載列的租賃承擔不包括根據銷售水平確定的可變租金。

35. COMMITMENTS (Continued)

(b) Non-cancellable operating leases (where the Group is the lessor)

Minimum lease payments receivable on leases of certain land and buildings are as follows:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Investment properties	投資物業		
Commitments for minimum lease payments receivable in relation to non-cancellable operating leases are payable as follows:	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：		
Not later than one year	1年內	7,374	10,422
Later than one year but not later than five years	1年後但5年內	1,815	10,074
		9,189	20,496
Properties	物業		
Commitments for minimum lease payments receivable in relation to non-cancellable subleases of operating leases are payable as follows:	本集團在不可撤銷營業租賃下的未來最低應收分租租金總額如下：		
Not later than one year	1年內	1,241	2,012
Later than one year but not later than five years	1年後但5年內	662	722
		1,903	2,734

35. 承擔(續)

(b) 不可撤銷的營業租賃(本集團作為出租人)

若干土地及樓宇租賃下的未來最低應收租金總額如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36. RELATED PARTY TRANSACTIONS

The ultimate shareholder of the Company is Mr. Chumphol Kanjanapas (aka Joseph C. C. Wong).

As at 31 March 2020 and 31 March 2019, Yee Hing Company Limited held 855,200 shares of the Company through its subsidiary Active Lights Company Limited. 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 is a beneficiary of the Trust, therefore deemed to be interested in 855,200 shares of the Company through the Trust's interest in Yee Hing Company Limited.

(a) Significant transactions with related parties

Apart of elsewhere disclosed in the financial statements, the following is a summary of the significant related party transactions carried out in the normal course of the Group's business. The related parties are entities which have directors in common with the Company.

(i) Provision of services to related companies

		2020	2019
		HK\$'000	HK\$'000
		港幣仟元	港幣仟元
Building management service income (note a)	物業管理收入(附註a)	2,460	2,340
Shared service income (note b)	共享服務收入(附註b)	20,400	22,824
Rental income (note c)	租金收入(附註c)	5,522	5,633
Royalty income (note d)	特許權使用費收入(附註d)	778	1,088
		29,160	31,885

36. 有關聯人士交易

本公司之最終股東是黃創增先生。

於2020年3月31日及2019年3月31日，義興有限公司通過其附屬公司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。

(a) 與有關聯人士進行之重大交易

除財務報表其他部分所披露外，下列為本集團與有關聯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。關聯人士是指與本公司擁有共同董事的實體。

(i) 向有關聯公司提供服務

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant transactions with related parties (Continued)

(i) Provision of services to related companies (Continued)

Note:

- (a) 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 Company, for the provision of the following services for the period from 1 April 2019 to 31 March 2022 (2019: 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\$205,000 (2019: HK\$195,000) per calendar month during the agreement period.

- (b) The Group provided administrative services to a related company which has directors in common with the Group. Shared service income was charged at cost basis allocated based on the counterparties' usage of each type of service, taking into account factors such as headcount and the number of shops.
- (c) The Group provided leasing services to related parties which have directors in common with the Group. Rental income was charged to related parties based on the occupied area ratio times total actual costs incurred.
- (d) The Group provided licensing service to related parties which have directors in common with the Group. Royalty income was charged at 10% of the amount invoiced by suppliers or vendors of the counterparties.

36. 有關聯人士交易 (續)

(a) 與有關聯人士進行之重大交易 (續)

(i) 向有關聯公司提供服務 (續)

附註：

- (a) 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2019年4月1日至2022年3月31日期間提供以下服務訂立協議(2019：由2016年4月1日至2019年3月31日)：

- (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。

於服務協議年期內，提供上述服務的有關費用為每個曆月港幣205,000元(2019：港幣195,000元)。

- (b) 本集團向與本集團擁有共同董事的關聯人士提供管理服務。共享服務費收入是根據交易對方對各種服務的應用且經考慮員工人數和店鋪數量等因素按成本收取。
- (c) 本集團向與本集團擁有共同董事的關聯人士提供租賃服務。租金收入根據佔地面積乘以實際產生的實際總成本向關聯人士收取。
- (d) 本集團向與本集團擁有共同董事的關聯人士提供牌照服務。特許權使用費收入按供應商或交易對方之供應商開具的發票價值的10%收取。

36. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant transactions with related parties
(Continued)

(ii) Purchases of services from related parties

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Rental expenses (note a)	租金支出(附註a)	16,775	18,742
Lease management expenses (note b)	租賃管理費支出(附註b)	600	600
		17,375	19,342

Note:

- (a) During the year, certain subsidiaries of the Group entered into tenancy agreements with the following related parties for office premises shops, warehouses, showroom and car-parking spaces:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
MPIL	明華	8,245	11,259
Other related parties	其他有關聯人士	8,530	7,483
		16,775	18,742

- (b) A related company provided lease management services to the Group. The fee for the provision of such services was charged at pre-determined amount during the agreement period.

(b) Balances with related parties

The balances arising from service income and rental expenses are as follows:

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Trade and other receivables (Note 24)	貿易及其他應收賬款(附註24)	12,193	8,451
Trade and other payables (Note 30)	貿易及其他應付賬款(附註30)	(3,611)	(1,943)

36. 有關聯人士交易(續)

(a) 與有關聯人士進行之重大交易(續)

(ii) 向有關聯人士購買服務

附註：

- (a) 年內，本集團若干附屬公司與下列有關聯人士訂立租賃協議，以租用辦公物業店鋪、倉庫、陳列室及停車位：

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
		8,245	11,259
		8,530	7,483
		16,775	18,742

- (b) 一家有關聯公司向本集團提供租賃管理服務。提供該等服務的費用已於協議期內按預定收費收取。

(b) 與有關聯人士之間的結餘

服務收入及租金支出產生的年終結餘如下：

		2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
Trade and other receivables (Note 24)	貿易及其他應收賬款(附註24)	12,193	8,451
Trade and other payables (Note 30)	貿易及其他應付賬款(附註30)	(3,611)	(1,943)

36. RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

The balances due from/to related companies are unsecured, interest-free and repayable on demand.

The related companies are entities which have directors in common with the Group.

(c) Key management compensation

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Other long-term benefits	其他長期福利

2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
6,625	8,403
141	146
6,766	8,549

37. CONTINGENT LIABILITIES

In April 2018, a third party filed a legal claim against one of the subsidiaries (the "Subsidiary") of the Group for outstanding management service fees plus interest and surcharges amounting to THB143.67 million. Subsequently on 31 January 2020, both parties mutually settled the dispute while the Subsidiary agreed to pay THB18.45 million (equivalent to approximately HK\$4.428 million) to the third party, who agreed not to pursue the case further.

36. 有關聯人士交易 (續)

(b) 與有關聯人士之間的結餘 (續)

應收及應付關聯公司間的款項為無抵押、免息及應要求償還。

關聯公司指與本集團擁有共同董事之實體。

(c) 主要管理層報酬

37. 或然負債

於2018年4月，一位第三方向本集團其中一間附屬公司（「該附屬公司」）就未償付的服務費用連同利息及附加費提出法律申索，涉及泰銖143.67佰萬元。其後於2020年1月31日，雙方達成共同協議，該附屬公司同意向第三方支付泰銖18.45佰萬元（折合港幣約4.428佰萬元）。該第三方亦同意不進一步追究該案。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38. BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY

38. 公司資產負債及儲備變動表

Balance sheet of the Company

公司資產負債表

		Notes 附註	2020 HK\$'000 港幣仟元	2019 HK\$'000 港幣仟元
ASSETS	資產			
Non-current assets	非流動資產			
Investment in a subsidiary	附屬公司投資	39	–	–
			–	–
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	a	766,848	766,848
Trade and other receivables	貿易及其他應收賬款		142	176
Cash and cash equivalents	現金及現金等值物		2,304	2,320
			769,294	769,344
Total assets	資產總額		769,294	769,344
EQUITY	股權			
Share capital	股本		104,647	104,647
Reserves	儲備	b	34,714	34,714
			139,361	139,361
Total equity	權益總額			
LIABILITIES	負債			
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款		2,017	2,024
Amounts due to subsidiaries	應付附屬公司款項	a	627,916	627,959
			629,933	629,983
Total liabilities	負債總額		629,933	629,983
Total equity and liabilities	權益及負債總額		769,294	769,344

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 balance sheet of the Company was approved by the board of directors on 26 June 2020 and was signed on its behalf.

董事會在2020年6月26日批准並簽署本公司資產負債表。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

38. BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY (Continued)

Note:

- (a) The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.
- (b) Reserve movements of the Company

38. 公司資產負債及儲備變動表(續)

附註：

- (a) 應收及應付附屬公司的款項為無抵押、免息及應要求償還。
- (b) 公司儲備變動

		Share Premium 股本 溢價 HK\$'000 港幣仟元	Retained profits 保留 盈利 HK\$'000 港幣仟元	Total 總額 HK\$'000 港幣仟元
At 1 April 2018	於2018年4月1日	1,977	231,657	233,634
Loss for the year	年內虧損	-	(90)	(90)
Dividend paid (note 32)	已付股息(附註32)	-	(198,830)	(198,830)
At 31 March 2019	於2019年3月31日	1,977	32,737	34,714
At 1 April 2019	於2019年4月1日	1,977	32,737	34,714
Loss for the year	年內虧損	-	-	-
At 31 March 2020	於2020年3月31日	1,977	32,737	34,714

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

39. PRINCIPAL SUBSIDIARIES

The list of principal subsidiaries at 31 March 2020 and 31 March 2019:

39. 主要附屬公司

截至2020年及2019年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	2020	2019
Investment投資						
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	100
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
Property物業						
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
STL Properties Limited (formerly known as Optical 88 Properties Limited) 寶光物業有限公司(原名為：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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39. PRINCIPAL SUBSIDIARIES (Continued)

39. 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	2020	2019
Retailing and trading						
零售及貿易						
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(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 ^a	Baht100 100泰銖 Baht100 100泰銖	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
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

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

39. PRINCIPAL SUBSIDIARIES (Continued)

39. 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	2020	2019
Retailing and trading (Continued) 零售及貿易(續)						
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 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
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 ^b	100 ^b

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39. PRINCIPAL SUBSIDIARIES (Continued)

39. 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	
				2020	2019
Retailing and trading (Continued) 零售及貿易(續)					
Stelux Thong Sia (Guangdong) Trading Limited 寶光通城(廣東)商貿有限公司	The PRC (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\$224,900,000 港幣224,900,000元	100	100
Stelux Thong Sia (Beijing) Trading Limited ^c 寶光通城(北京)商貿有限公司	The PRC (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
Stelux Thong Sia (Shanghai) Trading Limited 寶光通城(上海)商貿有限公司	The PRC (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\$16,180,000 16,180,000美元	100	100
Baoqing (Chongqing) Trading Limited 寶慶(重慶)商貿有限公司	The PRC (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\$51,000,000 港幣51,000,000元	100	100
a.	Non-redeemable preference shares		a	不可贖回優先股	
b.	100% equity interest included 88% of equity interest and a right to purchase 12% of equity interest		b	100%權益包括88%股權及以買入認購權 購買12%股權	
c.	Deregistered on 23 rd December 2019		c	於2019年12月23日註銷	

40. EVENT AFTER THE REPORTING PERIOD

40. 報告期後事件

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impact on the Group's financial position, cash flows and operating results at the date on which these financial statements are authorised for issue.

在2020年初爆發新型冠狀病毒疫情之後，全球各地已經並繼續實施一系列預防和控制措施。本集團一直密切關注新型冠狀病毒疫情的發展以及其對業務和經濟活動中斷的影響，並評估其對本集團財務狀況，現金流量和經營業績的影響。鑑於新型冠狀病毒疫情的動態性質，在公布此等財務報表之日，難以合理預計其對本集團財務狀況，現金流量和經營業績的影響。

PARTICULARS OF INVESTMENT PROPERTIES HELD

所持投資物業詳情

As at 31 March 2020 於2020年3月31日

Location 地點	Lot Number 地段號數	Type 種類	Lease term 租期	Attributable interest of the Group 本集團應佔權益
Hong Kong 香港				
Shop 5 On Ground Floor Chungking Mansion Nos.36-44 Nathan Road Kowloon, Hong Kong 香港九龍彌敦道36-44號 重慶大廈地下5號舖	6817	Commercial 商業	Medium 中	100%
Macau 澳門				
Em Macau Rua de S.Domingos N.21-A 澳門，板樟堂街 21-A號	712	Commercial 商業	Medium 中	100%
Em Macau Estrada da Areia Preta N.5, Kei Kuan Bairro (Bloco 1A Bloco 6) Res-do-Chao G 澳門，黑沙環馬路5號 歧關新村(第一座至第六座) 地下G座	12125-GR/C	Commercial 商業	Medium 中	100%
Em Macau Rua da Palha N. 20, Beco da Palha N. 1-A San Vo Res-do-Chao F and G 澳門，賣草地街20號 乾草里(賣草地圍)1-A號 新和大廈地下F座及G座	10253-FR/C & GR/C	Commercial 商業	Medium 中	100%

Environmental, Social and Governance Report (“ESG Report”)

環境、社會及管治報告 (「環境、社會及管治報告」)

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. This Report covers reporting on environmental, social and corporate governance (“ESG”) issues of the Group’s businesses comprising of retail and wholesale trading of watches, and watch supply chain management of its house brands and where meaningful provides y-o-y comparisons.

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.

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》而編製。本報告的內容覆蓋本集團業務(包括鐘錶零售及批發貿易，以及其自家品牌的鐘錶供應鏈管理)的環境、社會及企業管治(「ESG」)事宜，在適用的情況下提供按年度比較。

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。

Environmental, Social and Governance Report (“ESG Report”)

環境、社會及管治報告 (「環境、社會及管治報告」)

Stelux has a long business history in the watch industry. We own CITY CHAIN, a leading retailer, and also Swiss watch brand, SOLVIL et TITUS. Stelux is also the sole distributor for “SEIKO” watches and clocks and “GRAND SEIKO” watches in Hong Kong, Macau, Singapore, Malaysia and Brunei.

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.

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.

We strive for our employees to 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, produce 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 performance delivered within the parameters of good corporate governance, environmental awareness and community engagement.

Our stakeholders each interacting with and supporting the other work together to facilitate the Group’s objectives, and its success.

寶光在鐘錶業界擁有悠久的業務歷史。本集團旗下擁有「時間廊」，一間居領導地位的零售商，亦擁有瑞士鐘錶品牌SOLVIL et TITUS。寶光亦為「精工」及「GRAND SEIKO」鐘錶於香港、澳門、新加坡、馬來西亞及汶萊的獨家經銷商。

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。

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。

本集團致力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、生產優質的產品並提供予顧客，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佳績。

權益人互相合作、支持，促使本集團能夠達致目標，從而取得成功。

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, are such that emissions discharged during the production process are not material. Moreover, the Group buys complete watches 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.

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.

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)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。

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。

Aspect A2: Use of Resources

General Disclosure

Policies on the efficient use of resources, including energy, water and other raw materials

The Group has 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.

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 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. The Group’s indirect energy consumption for electricity for shops, offices and warehouses is not material.

KPI A2.2

Water consumption is not material in the production of the Group’s house brand products or the services it provides.

層面A2：資源使用

一般披露

有效使用資源(包括能源、水及其他原材料)的政策

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)。

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。本集團的店舖、辦公室及倉庫電力的間接能源耗量並不重大。

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。

Environmental, Social and Governance Report (“ESG Report”)

環境、社會及管治報告 (「環境、社會及管治報告」)

KPI A2.3

The Group has numerous energy 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 or on electricity saving mode at the end of the work day.
- Office air conditioning and lights are switched off when not in use.
- Office lighting are switched off during lunch.
- Energy saving lighting is used in most of our offices, stores and warehouses.
- 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.
- 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.
- Pre-approval is required for all staff air travel and staff are encouraged to use teleconferencing, video conferencing or other virtual meeting tools, like zoom, Microsoft Teams, Skype, FaceTime, WhatsApp or WeChat to conduct meetings to reduce travelling. Our offices in different regions are supported and linked by video conferencing facilities.

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或切換至節能模式。
- 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。
- 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。
- 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。
- 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電話會議、視像會議或透過其他會議方式(例如：zoom、Microsoft Teams、Skype、FaceTime、WhatsApp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取得支援及聯繫。

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 bags and watch boxes, made from paper, plastic or metal and was not material in FY19/20.

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 enable the manufacture of house brand watches to meet higher European standards like CE, RoHS and REACH to the extent possible, even though these standards are not mandatory in Asia, our primary and major market. 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

RoHS – Restriction on Hazardous Substances

http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm

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手提袋及鐘錶盒，由紙張、塑膠或金屬製成，於19/20財政年度不涉及重大用量。

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

儘管此等歐洲標準於亞洲(集團的基本及主要市場)並非強制性，集團政策在可行的範圍內使自家品牌鐘錶的生產上符合較高的歐洲標準，如CE、RoHS及REACH。有關標準的更多詳情，請參閱以下網址：–

CE-European Conformity(歐洲合格認證)

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

REACH – Registration, Evaluation, Authorization and Restriction of Chemicals

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 188 to 189.

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 discrimination on the basis of gender, family status and disability amongst others, 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.

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

有關本公司管理以上政策的詳情，請參閱第188頁至189頁「層面B5：供應鏈管理」。

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、家庭狀況及殘疾等歧視。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 certain employee categories, performance bonuses and commission schemes are adopted as part of remuneration 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 applicable local employment and labour legislation and regulations, local industry practice and/or where applicable commensurate with experience, qualification and seniority.

During 2019/20, 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.

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. 就若干員工類別而言，採用表現花紅及佣金計劃為薪酬獎勵計劃一部份。

解僱

解僱依符合適用的本地僱傭及勞工法例、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適用的本地僱傭及勞工法例及規例、本地行業慣例一致，及／或(如適用)按經驗、資格及年資調整。

於2019/20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。

Environmental, Social and Governance Report (“ESG Report”)

環境、社會及管治報告 (「環境、社會及管治報告」)

- | | |
|---|--|
| 4. Furniture, fittings and other office equipment and air conditioning and ventilation systems (where applicable) are regularly inspected and maintained. | 4. 傢俬、配置及其他辦公室設備以及空調及通風系統(如適用)獲定期檢查及保養良好。 |
| 5. Security measures are in place at our offices and warehouses to restrict entry and exit only to employees and permitted visitors. | 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. We follow applicable government work guidelines, for example in Hong Kong, on typhoon and rainstorm warnings. | 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. Free yearly influenza vaccinations are offered to staff in Hong Kong (and to their families at discounted rates). | 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. Eligible managerial staff and above in Hong Kong are offered free basic body check-ups every two years. | 8. 香港的合資格管理人員及以上職級每兩年享有免費基本身體檢查。 |
| 9. Due to COVID-19, extra precautionary measures like temperature screening, compulsory wearing of masks, increased cleaning and strict measures disallowing staff to attend work should they exhibit flu-like symptoms or if they have been in close contact with a confirmed or suspected case of COVID-19 have been adopted to provide a safe working environment for staff. | 9. 新型冠狀病毒疫情的額外預防措施，例如體溫檢測、強制配戴口罩、增加清潔工作並已採取嚴格措施，如果僱員出現類似流感症狀或與確診新型冠狀病毒人士或懷疑個案人士有密切接觸，則不得工作，為員工提供安全的工作環境。 |

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 experience when they shop with us. As there is a direct correlation between service standards and employee development and training, proper emphasis is given to training.

Group policies on employee development and training are set out below:–

1. Store staff receive both regular and ad hoc training.
2. New staff undergo orientation.
3. Training is generally conducted internally.
4. Training and development are given in relevant areas like, product knowledge, customer servicing, correct sales techniques and new laws and regulations that impact on business operations.
5. Follow-up evaluation is carried out after training and development to ensure effectiveness.

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.

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

客戶於店舖購物時可享受並擁有個人體驗。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. 培訓一般於內部進行。
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。

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。

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. Copyright relating to designs for our house brand products are systematically stored. We respect third party intellectual property rights and will not knowingly 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。與本集團自家品牌產品設計有關的版權已按系統化的方式儲存。我們尊重第三方的知識產權並將不會未經授權下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.

In Hong Kong, the ICAC are invited to conduct training seminars annually.

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

Through community engagement, the Group aims to:-

- show love, to give hope and to support the disadvantaged;
- encourage compassion and empathy in our employees;
- foster a sense of community within Stelux; and
- empower through education.

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。

在香港，每年均會邀請廉政公署進行培訓研討會。

層面B8：社區投資

一般披露

有關以社區參與來了解發行人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

透過社區參與，本集團期望：-

- 表達關愛，為弱勢社群送上希望與支持；
- 鼓勵僱員要憐憫和有同情心；
- 於寶光內培養團體歸屬感；及
- 教育使人有所成就。

Environmental, Social and Governance Report (“ESG Report”)

環境、社會及管治報告(「環境、社會及管治報告」)

With the above objectives in mind, we engage with those within our communities with specific emphasis on:-

- *the elderly poor*
- *the homeless*
- *poor immigrant families; and*
- *children and youth*

to provide them with:-

- *basic sustenance and daily necessities*
- *social interaction and integration with the wider community; and*
- *education*

Our policies on giving are:-

- *to partner reliable registered charities. Partnerships are reviewed annually*
- *to adopt a “no frills” approach to maximise each dollar donated*
- *employee volunteering during work hours are capped at 6 hours per employee for each financial year. There is no cap outside of work hours*
- *activities and giving focus on target groups and their identified needs*
- *receipts must be issued by a charity for the donations with a breakdown of costs, where applicable*

Periodic appraisal meetings are held with the charities we support to understand specific needs and to ensure contributions are appropriately disbursed.

就上述目標而言，幫助社區人士，特別是：-

- 貧困長者
- 無家可歸者
- 貧困的新移民家庭；及
- 兒童及青少年

以為彼等提供：-

- 基本物資及日常用品
- 社會互動及與更廣泛的社區融合；及
- 教育

本集團的捐獻政策為：-

- 與可靠的註冊慈善機構合作。夥伴關係每年進行審查
- 善用捐獻，以達至最大效益
- 每財政年度各員工在工作時間進行義務工作的時數上限為6小時。工作時間以外沒有上限
- 活動及捐獻重點關注目標群體及其確定的需求
- 捐款的收據(包括成本的明細(倘適用))必須由慈善機構發放

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。

Environmental, Social and Governance Report (“ESG Report”)

環境、社會及管治報告 (「環境、社會及管治報告」)

During the year, Stelux continued to collaborate with charities like The Tsung Tsin Mission of Hong Kong Social Service, Evangel Children’s Home, Hong Chi Association, Food Angel, Saint Barnabas Society and Home and Orbis which target low-income families, orphans and children from broken families, those with intellectual special needs and sight saving respectively. Sponsorships included year long donations of free tutorial classes for underprivileged students; gifting food containing packages, rice, fresh fruits, vegetables and fish to a food bank for low-income families. Sponsorships further included ad-hoc activities like art jamming and pottery-making workshops; attending a food charity to understand its work and mission and helping in food preparation, sponsoring the “Hong Chi” Flag Day, helping to raise donations for “ORBIS World Sight Day 2019. Our volunteer employees appreciate the engagement and interaction, especially the opportunity to share with and embrace those within our communities who are less fortunate.

年內，寶光繼續與基督教香港崇真會社會服務部、播道兒童之家、匡智會、惜食堂、聖巴拿巴會之家及奧比斯等慈善團體合作。以上慈善團體致力協助低收入家庭、孤兒及破碎家庭的小朋友、智障人士及救盲。贊助包括為貧困學生提供為期一年的免費功課輔導班；向食物銀行提供給予低收入家庭送贈包括基本雜貨、大米、新鮮水果、蔬菜及鮮魚的食品。贊助還包括特別活動，例如美術創作及陶藝工作坊；參與食品慈善機構的活動，了解其工作及使命，並協助準備食物；贊助匡智會賣旗日；協助「奧比斯世界視覺日2019」的籌款工作。我們的義工人員非常感謝他們的參與及互動，特別是有機會分享與安慰社區中較為不幸的一群。

1. CORPORATE GOVERNANCE

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 2020, 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

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，以保障其股東的利益，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2020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 objectively in the best interests of the Group.

Proposals for appointments to the Board are based on the Company's board diversity and nomination policies.

The Board currently comprises of 5 members; two executive directors and three independent non-executive directors (with a female independent non-executive director).

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, tax, engineering and environmental and healthy life style 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，並客觀地以本集團之最佳利益行事。

委任董事會成員的建議乃根據本公司董事會成員多元化政策及提名政策而提出。

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(其中一名獨立非行政董事為女性)。

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。

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，彼等分別來自包括會計、稅務、工程及環境以及保健諮詢等界別。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 ten board meetings and passed circular resolutions during the financial year ended 31 March 2020 and up to the date of this Report. At the board meetings, different issues and matters were discussed and reviewed including, approval of the Group's FY19/20 interim results and FY18/19 final results; reviewing financial and operating performances of the Group; approval of new and/or renewals of borrowing facilities; annual review of continuing connected transactions; appointing a replacement auditor; 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 and up to the date of this Report 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)

董事會於截至2020年3月31日止財政年度及直至本報告日期共舉行十次董事會會議並通過多項書面決議案。在該十次董事會會議上討論及檢討多方面事宜，包括通過本集團19/20財政年度中期業績及18/19財政年度末期業績；檢討本集團財務及營運表現；批准新及／或重續借貸融資；年度檢討持續關聯交易；委任替代核數師；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。於本財政年度及直至本報告日期，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
22 May 2019	2019年5月22日	5	5
20 June 2019	2019年6月20日	5	5
5 August 2019	2019年8月5日	5	5
2 October 2019	2019年10月2日	5	5
21 November 2019	2019年11月21日	5	5
16 January 2020	2020年1月16日	5	4
16 April 2020	2020年4月16日	5	5
22 April 2020	2020年4月22日	5	5
12 May 2020	2020年5月12日	5	5
26 June 2020	2020年6月26日	5	5

3. BOARD OF DIRECTORS (Continued)

3. 董事會(續)

Director 董事	No. of board meetings attended/held in FY19/20 於18/19財政年度出席/ 召開之董事會會議數目
Executive Directors	
行政董事	
Mr. Joseph C. C. Wong (Chairman and Chief Executive Officer)	黃創增先生 (主席及行政總裁) 10/10
Mr. Wallace Kwan Chi Kin (Chief Financial Officer)	關志堅先生(首席財務總裁) 10/10
Non-executive Directors	
非行政董事	
Mr. Wu Chun Sang (<i>independent</i>)	胡春生先生(獨立) 9/10
Professor Lawrence Wu Chi Man (<i>independent</i>)	胡志文教授(獨立) 10/10
Dr. Agnes Kwong Yi Hang (<i>independent</i>)	鄺易行博士(獨立) 10/10

During the financial year, the Company held its Annual General Meeting (“AGM”) on 23 August 2019. No other general meetings were held during the financial year. Details of the directors’ attendance at the AGM are set out below:

23 August 2019

Mr. Joseph C.C. Wong
 Mr. Wallace Kwan Chi Kin
 Mr. Wu Chun Sang
 Dr. Agnes Kwong Yi Hang

The Chairman of the Company attended the AGM together with the Chairman of the Audit Committee. The Group’s auditor was also present at the AGM.

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 internal controls, risk management or 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.

於本財政年度，本公司於2019年8月23日舉行股東週年大會(「股東週年大會」)。於本財政年度概無舉行其他股東大會。董事出席股東特別大會及股東週年大會之詳情載列如下：

2019年8月23日

黃創增先生
 關志堅先生
 胡春生先生
 鄺易行博士

本公司主席與審核委員會主席一同出席股東週年大會。本集團核數師亦出席股東週年大會。

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內部監控、風險管理或財務表現之報告。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。

3. BOARD OF DIRECTORS *(Continued)*

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 a meeting on 22 April 2020 with the independent non-executive directors without the other 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 and materials are circulated for their reading. E-training on the website of the HKEX was also made available to the directors. In general, each director participated in at least 2 hours of reading/attending relevant courses on topics including taxation, technology and ESG.

4. CONFIRMATION OF INDEPENDENCE

The Company confirms that it has received from each of its independent non-executive directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers the independent non-executive directors to be independent.

3. 董事會 *(續)*

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。在無其他董事出席的情況下，主席與獨立非行政董事於2020年4月22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及閱讀材料予各董事選修及閱讀。董事亦可於香港交易所網站上進行電子培訓。一般來說，各董事參加至少2個小時的閱讀／出席有關稅項、技術及環境、社會及管治報告等主題的相關課程。

4. 獨立性確認函

本公司確認已接獲各獨立非執行董事根據上市規則3.13條發出之年度獨立性確認函，且本公司仍認為獨立非執行董事為獨立人士。

5. BOARD DIVERSITY

(1) Policy on Board Diversity

- We believe that board appointments should first and foremost be based on merit
- We embrace diversity by being inclusive and support gender, ethnic, cultural, generational and geographical diversity, amongst others
- We believe that an optimal and balanced board should comprise of both male and female members with an appropriate balance of different skills, educational and industry background, experience, knowledge and independence

(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.

6. NOMINATION POLICY

- Nomination Committee to consider director retirements, re-election and eligibility within a reasonable time before proposing to the Board
- To review and assess proposed candidates' backgrounds, experience, expertise according to a) Board diversity policy of the Company; b) current board composition of the Company and c) Group's strategic objectives
- To consider how a proposed candidate (whether new or seeking re-election) can contribute to and support or has in the past contributed to and supported the Board
- For directors considering re-election, to review and assess if they have attended board, committee and general meetings, and, frequency of attendance

5. 董事會成員多元化

(1) 董事會成員多元化政策

- 本集團相信，用人唯才應為董事會委任董事的首要原則。
- 董事會兼收並蓄，奉行多元化政策，並支持性別、種族、文化、年紀及地域多樣化
- 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、知識及獨立性之間取得適度平衡的男性及女性成員組成。

(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，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。

6. 提名政策

- 提名委員會在向董事會提出董事退任、重選連任及資格的建議前在合理時間內考慮
- 根據a)本公司的董事會成員多元化政策；b)本公司目前的董事會組成；及c)本集團的戰略目標，審查及評估建議候選人的背景、經驗及專業知識
- 考慮建議候選人(無論是新候選人還是尋求連任的候選人)如何能為董事會作出貢獻及支持，或於過去對董事會所作出的貢獻及支持
- 考慮重選連任的董事時，審查及評估彼等有沒有出席董事會、委員會及股東大會，以及其出席次數

6. NOMINATION POLICY *(Continued)*

- To consider if a proposed candidate can devote sufficient time to discharge his/her duties and responsibilities
- If the position is for an INED, to ensure listing rules requirements on independence, are met

7. PROCEDURE FOR NOMINATION

- Refer/propose name to Company Secretary who will inform the Nomination Committee with CV of the proposed candidate
- Presents candidate and his/her CV and where possible, other relevant background information to the Nomination Committee for consideration according to the Nomination Policy.
- Where necessary, the Nomination Committee or the Chairman of the Nomination Committee meets the proposed candidate to assess suitability
- Nomination Committee confirms or rejects proposed candidate with proper reasons.
- To restart process when a proposed candidate is rejected.

6. 提名政策 *(續)*

- 考慮建議候選人能否投入足夠的時間履行其職責及責任
- 倘該職位為獨立非行政董事，需確保有關建議候選人符合上市規則內有關獨立性的規定

7. 提名程序

- 向公司秘書提交／提議建議候選人的名稱，公司秘書其後將向提名委員會提供有關建議候選人的履歷
- 根據提名政策，向提名委員會提交候選人及其履歷，以及在可行的情況下，提供其他相關的背景資料，以供委員會考慮
- 提名委員會或提名委員會主席於需要時會與建議候選人會面，以評估其合適性
- 提名委員會會以正當理由確認或拒絕建議候選人。
- 建議候選人被拒絕時，有關流程將重新開始。

8. 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 various professional development seminars and read materials on legal and corporate secretarial updates, receiving more than 15 hours of training during the financial year.

9. 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 Hong Kong Financial Reporting Standards ("HKFRS") 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, RSM Hong Kong about their reporting responsibilities on the Group's financial statements are set out in the Independent Auditor's Report on pages 33 to 43.

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. The Group's consolidated financial statements have been prepared on a going concern basis (see notes to financial statements "2. Basis of Preparation" on pages 50 to 51). Post reporting period, there was the COVID-19 outbreak (see notes to financial statements "40. Event after the Reporting Period").

8. 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各項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。

9. 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本集團首席財務總裁。本集團首席財務總裁及其屬下人員負責遵照香港財務報告準則（「香港財務報告準則」）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。本集團首席財務總裁須定期與外聘核數師溝通。本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，本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申美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33頁至43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。本集團的綜合財務報表已按持續經營基準編製（請參閱第50至51頁上的財務報表附註2「編製基礎」）。報告期後新型冠狀病毒爆發疫情事件（請參閱財務報表附註40「報告期後事件」）。

10. AUDITORS' REMUNERATION

Ernst & Young was re-appointed as the external auditors of the Company and certain of its subsidiaries at the 2019 AGM until their resignation effective from 14 April 2020. The Board appointed RSM Hong Kong as external auditor of the Company and certain of its subsidiaries to fill the casual vacancy following the resignation of Ernst & Young, from 16 April 2020 until the conclusion of the 2020 annual general meeting of the Company. During the year, HK\$1,734,000 was paid or payable to RSM Hong Kong for the provision of audit services.

The Group also engaged other auditors in Hong Kong and overseas for auditing and miscellaneous services and total fees paid amounted to HK\$912,000.

11. 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.

All businesses transacted at board committee meetings are recorded and minuted with copies provided to the Board. The terms of reference of these board committees are available on the Company's website at www.stelux.com.

(1) Audit Committee

The Audit Committee comprises of three independent non-executive directors, namely, Mr. Wu Chun Sang (Chairman of the Audit Committee), Professor Lawrence Wu Chi Man and Dr. Agnes Kwong Yi Hang.

10. 核數師酬金

本公司於2019年股東週年大會重新委任安永會計師事務所為本公司及若干其附屬公司之外聘核數師，直至其辭任(自2020年4月14日起生效)為止。安永會計師事務所辭任後，董事會委任羅申美會計師事務所為本公司及若干其附屬公司之外聘核數師(任期從2020年4月16日起直至本公司2020年股東週年大會結束為止)，以填補有關臨時空缺。年內，本公司就羅申美會計師事務所提供之核數服務向其支付或應付港幣1,734,000元。

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912,000元。

11. 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。

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。上述董事委員會的職權範圍於本公司網站www.stelux.com可供瀏覽。

(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。

11. 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 seven times during the financial year and up to the date of this Report (together with the external auditors, in two meetings) to discuss matters, including, the Group's audit service plan, the review of accounting standards (including HKFRS 16 Leases 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 interim results for FY2019/2020 and results for the year ended 31 March 2020 before they were presented to the Board for approval.

Attendance of directors at the Audit Committee meetings held on:

8 April 2019
17 June 2019
19 November 2019
1 April 2020
16 April 2020
22 April 2020
24 June 2020
Mr. Wu Chun Sang
Prof. Lawrence Wu Chi Man
Dr. Agnes Kwong Yi Hang

11. 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及直至本報告日期舉行七次會議，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準則(包括香港財務報告準則第16號租賃)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，包括在本公司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，特別是持續關聯交易；以及在呈報本集團2019/2020財政年度中期業績及截至2020年3月31日止年度業績予董事會核准前，審閱該等業績。

董事於下列日期舉行的審核委員會會議的出席情況：

2019年4月8日
2019年6月17日
2019年11月19日
2020年4月1日
2020年4月16日
2020年4月22日
2020年6月24日
胡春生先生
胡志文教授
鄺易行博士

11. BOARD COMMITTEES (Continued)

(2) Remuneration Committee

The Company's Remuneration Committee comprises of Professor Lawrence Wu Chi Man (Chairman of the Remuneration Committee), Mr. 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 were frozen in line with the Group's office staff in Hong Kong.

Mr. Joseph C. C. Wong did not participate in the Group's executive bonus scheme for FY19/20.

Mr. Wallace Kwan Chi Kin's annual target bonus base under the annual bonus scheme was reduced for FY19/20 in line with other senior executives participating under the same executive bonus scheme.

The circular resolutions were resolved by the Remuneration Committee comprising of:

Prof. Lawrence Wu Chi Man
Mr. Joseph C. C. Wong (abstaining with respect to his remuneration)

Mr. Wu Chun Sang
Dr. Agnes Kwong Yi Hang

11. 董事委員會(續)

(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(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其行政董事個人的報酬。行政董事的基本薪金與本集團香港辦事處職員一同凍結。

黃創增先生未參加本集團於19/20財政年度的行政人員花紅計劃。

與其他參加相同行政人員紅紅計劃的高級管理人員一樣，關志堅先生於19/20財政年度減少其年度花紅計劃下的年度目標花紅基本薪金。

由下列人士組成的薪酬委員會已通過傳閱決議案：

胡志文教授
黃創增先生(黃先生就其薪酬的動議棄權)

胡春生先生
鄺易行博士

11. 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. 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 once. The Committee considered the independence of its retiring independent non-executive director and confirmed having received from each of its independent non-executive directors an annual confirmation of his/her independence. Dr. Agnes Kwong Yi Hang and Mr. Wu Chun Sang are due to retire at the forthcoming AGM. Dr. Agnes Kwong Yi Hang, being eligible has put forward herself for re-election, Mr. Wu Chun Sang has decided not to put himself forward for re-election. In the nomination process for a new independent non-executive director to take the place of Mr. Wu, the Committee has received and assessed the CVs of several prospective candidates. The Committee proposes the most appropriate individual with the right balance of skills, experience, and industry background for the position based on the Company's board diversity policies and nomination processes for appointment or election/re-election of directors. In line with the Group's strategy to move to an omni-channel business model, the Committee selected a candidate with an e-commerce related background to add to the balance of relevant skill sets on the Board.

Attendance of directors at the Nomination Committee meetings held on:

20 June 2019

18 June 2020

Mr. Joseph C. C. Wong

Prof. Lawrence Wu Chi Man

Mr. Wu Chun Sang

Dr. Agnes Kwong Yi Hang

11. 董事委員會(續)

(3) 提名委員會

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，委員會曾舉行一次會議。委員會考慮退任的獨立非行政董事的獨立性，並確認已收到各獨立非執行董事的年度獨立性確認函。鄺易行博士及胡春生先生將於應屆股東週年大會上退任。鄺易行博士符合資格並願膺選連任，胡春生先生已決定不願膺選連任。於提名新獨立非執行董事以接替胡先生的提名過程中，委員會收到並評估數名具潛質的候選人的簡歷。委員會建議根據本公司董事會成員多元化政策以及委任或選舉／重選董事的提名程序提名具有勝任該職位的技能、經驗及行業背景的合適人選。與本集團轉變向全渠道業務模式的戰略一致，委員會挑選一名具有電子商務相關背景的候選人，以使董事會相關技能組合更加平衡。

董事於下列日期舉行的提名委員會會議的出席情況：

2019年6月20日

2020年6月18日

黃創增先生

胡志文教授

胡春生先生

鄺易行博士

11. 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. 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.

11. 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。

11. BOARD COMMITTEES (Continued)

(4) Corporate Governance Committee (Continued)

Attendance of directors at the Corporate Governance Committee Meeting held on:

22 April 2020

Mr. Wallace Kwan Chi Kin
Mr. Wu Chun Sang
Prof. Lawrence Wu Chi Man
Dr. Agnes Kwong Yi Hang

12. 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.

11. 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：

2020年4月22日

關志堅先生
胡春生先生
胡志文教授
鄺易行博士

12. 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。

12. 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

12. 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

12. 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.

12. 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舖之員工、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。

12. 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 cash positions 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.

12. 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、現金狀況及經營表現。
- 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。
- 主要或重大關聯交易需要獨立非行政董事的事前批准，而所有持續關聯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。

12. 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.

12. 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、及其他違反本集團政策及標準之事宜；及
- 監測「舉報」機制。

12. 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;
- (iv) the effectiveness of the Group's financial reporting and Listing Rule compliance processes;

12. 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，董事應最少每年對本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、營運及合規監控以及風險管理職能。

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的整體成效。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；
- (iv) 本集團財務報告及上市規則合規程序的有效性；

12. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

(4) Annual Review by the Board (Continued)

- (v) the Group's risk management system, 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
- (vi) 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 respectively, conducted an annual review of the Group's risk management and internal control systems for the year ended 31 March 2020 on 22 April 2020 and concluded that adequate and effective risk management and internal control systems of the Group are being maintained.

13. DIVIDEND POLICY

The Company's decision to pay dividends to its shareholders is based on a combination of factors including, the financial performance of the Group, its future developments and capital investments, its liquidity requirements for business operations and external market conditions, like the general operating environment.

14. INVESTOR RELATIONS

To promote and enhance investor relations, 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 model and the way we conduct our businesses.

12. 風險管理及內部監控(續)

(4) 董事會之年度審閱(續)

- (v) 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風險管理制度、主要風險及相應減低風險措施；及
- (vi) 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分別對本集團截至2020年3月31日止年度的風險管理及內部監控系統於2020年4月22日進行年度檢討，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。

13. 股息政策

本公司向其股東派付股息的決定基於多項因素，包括本集團的財務表現、其未來發展及資本投資、其業務營運的流動資金需求及外圍市況，如一般營運環境。

14. 投資者關係

為提倡及加強投資者關係，本集團定期與投資界舉行會議。本集團重視與現有及潛在投資者作緊密交流，以提高其對本集團業務模式及開展業務方式的了解。

15. 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.

15. 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. 如董事自遞交呈請後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。

15. 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:

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 ir@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.

15. 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其他薪酬內扣除。

(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：

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ir@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。

16. 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.

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 and CEO of the Company, the Chairman of the Audit, Nomination and Corporate Governance Committees were all present at the Company's AGM held in 2019. 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; or (ii) by email to ir@stelux.com.

17. 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.

18. 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.

16. 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發佈關於本集團及其業務的資料。

本公司視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。本公司主席及行政總裁、審核、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2019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ir@stelux.com向公司秘書提交。

17. 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本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。

18. 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 of the Group's services and support to the wider local community, Stelux and its subsidiaries, City Chain Hong Kong, and Thong Sia Watch, the Hong Kong sole distributor for "SEIKO" watches and clocks and "GRAND SEIKO" watches 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、「精工」以及「GRAND SEIKO」的手錶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

Clarendon House, 2 Church Street
Hamilton, HM11, 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

RSM Hong Kong

Share Registrar

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda
(up to 31 March 2020)

Conyers Corporate Services (Bermuda) Ltd.
Clarendon House, 2 Church Street
Hamilton HM11
Bermuda
(from 1 April 2020)

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

Clarendon House, 2 Church Street
Hamilton, HM11, 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

羅申美會計師事務所

股份過戶登記處

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda
(直至2020年3月31日)

Conyers Corporate Services (Bermuda) Ltd.
Clarendon House, 2 Church Street
Hamilton HM11
Bermuda
(自2020年4月1日起)

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

Audit Committee

Mr. Wu Chun Sang (*Chairman of Committee*)

Professor Lawrence Wu Chi Man

Dr. Agnes Kwong Yi Hang

Remuneration Committee

Professor Lawrence Wu Chi Man (*Chairman of Committee*)

Mr. Joseph C. C. Wong

Mr. Wu Chun Sang

Dr. Agnes Kwong Yi Hang

Nomination Committee

Mr. Joseph C. C. Wong (*Chairman of Committee*)

Mr. Wu Chun Sang

Professor Lawrence Wu Chi Man

Dr. Agnes Kwong Yi Hang

Corporate Governance Committee

Mr. Wallace Kwan Chi Kin (*Chairman of Committee*)

Mr. Wu Chun Sang

Professor Lawrence Wu Chi Man

Dr. Agnes Kwong Yi Hang

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

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

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

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

COMPANY DIRECTORY

公司資料索引

CONTINUING OPERATIONS

MAINLAND CHINA AND HONG KONG

Equity Investment, Property Investment, Retail, Trading, Wholesale and Supply Chain Management

- Stelux Holdings International Limited
- Stelux Holdings Limited
- Stelux Properties Limited
- City Chain Company Limited
27/F., Stelux House,
698 Prince Edward Road East,
San Po Kong, Kowloon, HONG KONG
- Stelux Watch Limited
27/F., Stelux House,
698 Prince Edward Road East,
San Po Kong, Kowloon, HONG KONG

6/F., Continental Electric Building,
17 Wang Chiu Road,
Kowloon Bay, Kowloon, HONG KONG
- Thong Sia Watch Company Limited
- Thong Tai Watch Company Limited
21/F., Stelux House
698 Prince Edward Road East,
San Po Kong, Kowloon, HONG KONG
- Stelux-Thong Sia (Shanghai) Trading Limited
5/F, Building 1, Industrial Park,
951 Hutai Road, Shanghai, PRC
- Stelux-Thong Sia (Guangdong) Trading Limited
28th Floor, Xinde Business Building,
246 Zhongshan 4th Road, Yuexiu District,
Guangzhou City, Guangdong Province, China

持續營運業務

中國大陸及香港

股本投資、物業投資、零售、貿易、批發及供應鏈管理

- 寶光實業(國際)有限公司
- 寶光實業(集團)有限公司
- 寶光地產有限公司
- 時間廊鐘錶有限公司
香港九龍新蒲崗
太子道東698號
寶光商業中心27樓
- 寶光鐘錶有限公司
香港九龍新蒲崗
太子道東698號
寶光商業中心27樓

香港九龍九龍灣
宏照道17號
康大電業大廈6樓
- 通城鐘錶有限公司
- 通泰鐘錶有限公司
香港九龍新蒲崗
太子道東698號
寶光商業中心21樓
- 寶光通城(上海)商貿有限公司
中國上海市閘北區滬太路951號
產業園區1號樓5樓
- 寶光通城(廣東)商貿有限公司
中國廣東省廣州市越秀區中山四路246號
信德商務大廈28樓

COMPANY DIRECTORY

公司資料索引

- Baoqing (Chongqing) Trading Limited
Shop UG-07B, Building A, Longhu Times Tianjie,
174 Changjiang 2, Yuzhong District,
Chongqing, China

MACAU

Retail

- City Chain (Macau) Co Limited
Rua de S. Domingos,
n°s 1G, 1H, 1I, R/C,
Lojas D&E, em
Macau

MALAYSIA

Retail and Wholesale Trading

- City Chain (M) Sdn Bhd
Stelux No. 8, Jalan Puteri 7/13A
Bandar Puteri
47100 Puchong
Selangor Darul Ehsan
MALAYSIA
- Thong Sia Sdn Bhd (87055-A)
CP 27, Suite 2601-04, 26th Floor, Central Plaza
34, Jalan Sultan Ismail
50250 Kuala Lumpur
MALAYSIA

- 寶慶(重慶)商貿有限公司
中國重慶市渝中區長江2號174號
龍湖時代天街A館UG-07B商舖

澳門

零售

- 時間廊鐘錶(澳門)有限公司
澳門板樟堂街
1G、1H及1I號
新和大廈地下D及E號舖

馬來西亞

零售及批發貿易業務

- City Chain (M) Sdn Bhd
Stelux No. 8, Jalan Puteri 7/13A
Bandar Puteri
47100 Puchong
Selangor Darul Ehsan
MALAYSIA
- Thong Sia Sdn Bhd (87055-A)
CP 27, Suite 2601-04, 26th Floor, Central
Plaza
34, Jalan Sultan Ismail
50250 Kuala Lumpur
MALAYSIA

COMPANY DIRECTORY

公司資料索引

THAILAND

Retail and Wholesale Trading

- City Chain (Thailand) Co Limited
- Thong Sia (Thailand) Limited
347, 349 Muang Thong Thani
Bondstreet Road
Bangpood Subdistrict
Pakkred District
Nonthaburi 11120
THAILAND

SINGAPORE

Retail and Wholesale Trading

- City Chain Stores (S) Pte Limited
63 Ubi Avenue 1, #06-04/05
Singapore 408937
SINGAPORE
- Thong Sia Co (S) Pte Ltd
31 Ubi Road 1, #02-06
Singapore 408694
SINGAPORE

SWITZERLAND

Watch Supply Chain Management and Trading

- Universal Geneve S.A.
- Catena S.A.
- Solvil et Titus S.A.
- Pronto Watch S.A.
38, chemin du Grand Puits
Case Postale 128
1217 Meyrin 2
SWITZERLAND

泰國

零售及批發貿易業務

- City Chain (Thailand) Co Ltd
- Thong Sia (Thailand) Ltd
347, 349 Muang Thong Thani
Bondstreet Road
Bangpood Subdistrict
Pakkred District
Nonthaburi 11120
THAILAND

新加坡

零售及批發貿易業務

- City Chain Stores (S) Pte Ltd
63 Ubi Avenue 1, #06-04/05
Singapore 408937
SINGAPORE
- Thong Sia Co (S) Pte Ltd
31 Ubi Road 1, #02-06
Singapore 408694
SINGAPORE

瑞士

鐘錶供應鏈管理及貿易業務

- Universal Geneve S.A.
- Catena S.A.
- Solvil et Titus S.A.
- Pronto Watch S.A.
38, chemin du Grand Puits
Case Postale 128
1217 Meyrin 2
SWITZERLAND

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 Monday, 24 August 2020

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, 26 August 2020)

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

Tuesday, 25 August 2020 to
Friday, 28 August 2020 (both days inclusive)

Annual General Meeting

3:00 p.m. on Friday, 28 August 2020

Email Contacts

Investor Relations: ir@stelux.com
Shareholder Enquiries: ir@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

2020年8月24日(星期一)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2020年8月26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

2020年8月25日(星期二)至
2020年8月28日(星期五)
(包括首尾兩日)

股東週年大會

2020年8月28日(星期五)下午三時正

聯絡電郵

投資者關係：ir@stelux.com
股東查詢：ir@stelux.com

website 網址：
<http://www.stelux.com>



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源自負責任的森林資源的紙張

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