



六福集團(國際)有限公司
LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with Limited Liability)
Stock Code 股份代號 : 0590

Annual Report
年報
2016/17



六福珠寶

LUKFOOK JEWELLERY

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全年業績簡報



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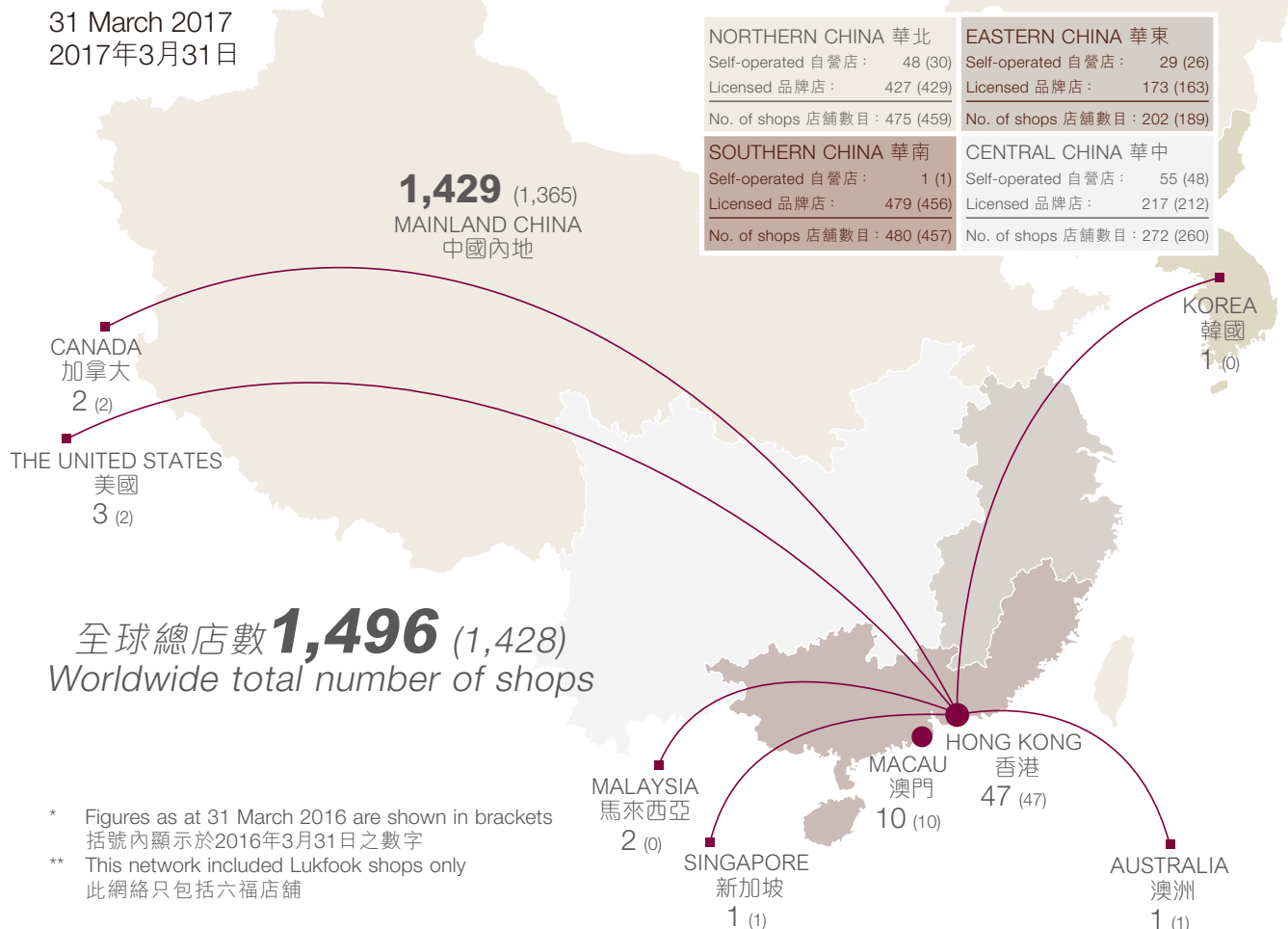


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GLOBAL DISTRIBUTION NETWORK

全球分銷網絡

31 March 2017
2017年3月31日



NORTHERN CHINA 華北	EASTERN CHINA 華東
Self-operated 自營店: 48 (30)	Self-operated 自營店: 29 (26)
Licensed 品牌店: 427 (429)	Licensed 品牌店: 173 (163)
No. of shops 店舖數目: 475 (459)	No. of shops 店舖數目: 202 (189)
SOUTHERN CHINA 華南	CENTRAL CHINA 華中
Self-operated 自營店: 1 (1)	Self-operated 自營店: 55 (48)
Licensed 品牌店: 479 (456)	Licensed 品牌店: 217 (212)
No. of shops 店舖數目: 480 (457)	No. of shops 店舖數目: 272 (260)

NUMBER OF SHOPS | 店舖數目

Lukfook Shops 六福店舖		31 March 2017 2017年3月31日	31 March 2016 2016年3月31日	Y-o-Y Change 按年變化
Hong Kong 香港		47	47	-
Macau 澳門		10	10	-
Mainland China 中國內地	Self-operated 自營店			
	- Tier I 一線城市	28	27	+1
	- Tier II 二線城市	54	40	+14
	- Tier III & IV 三線及四線城市	51	38	+13
	Sub-total 小計	133	105	+28
	Licensed 品牌店			
	- Tier I 一線城市	199	214	-15
	- Tier II 二線城市	402	398	+4
	- Tier III & IV 三線及四線城市	695	648	+47
	Sub-total 小計	1,296	1,260	+36
	Sub-total 小計	1,429	1,365	+64
Other locations 其他地區	Self-operated 自營店	9	6	+3
	Licensed 品牌店	1	-	+1
Total 合共		1,496	1,428	+68
3D-GOLD Shops 金至尊店舖		31 March 2017 2017年3月31日	31 March 2016 2016年3月31日	Y-o-Y Change 按年變化
Mainland China 中國內地	Self-operated 自營店			
	- Tier II 二線城市	5	5	-
	- Tier III & IV 三線及四線城市	4	4	-
Total 合共		9	9	-

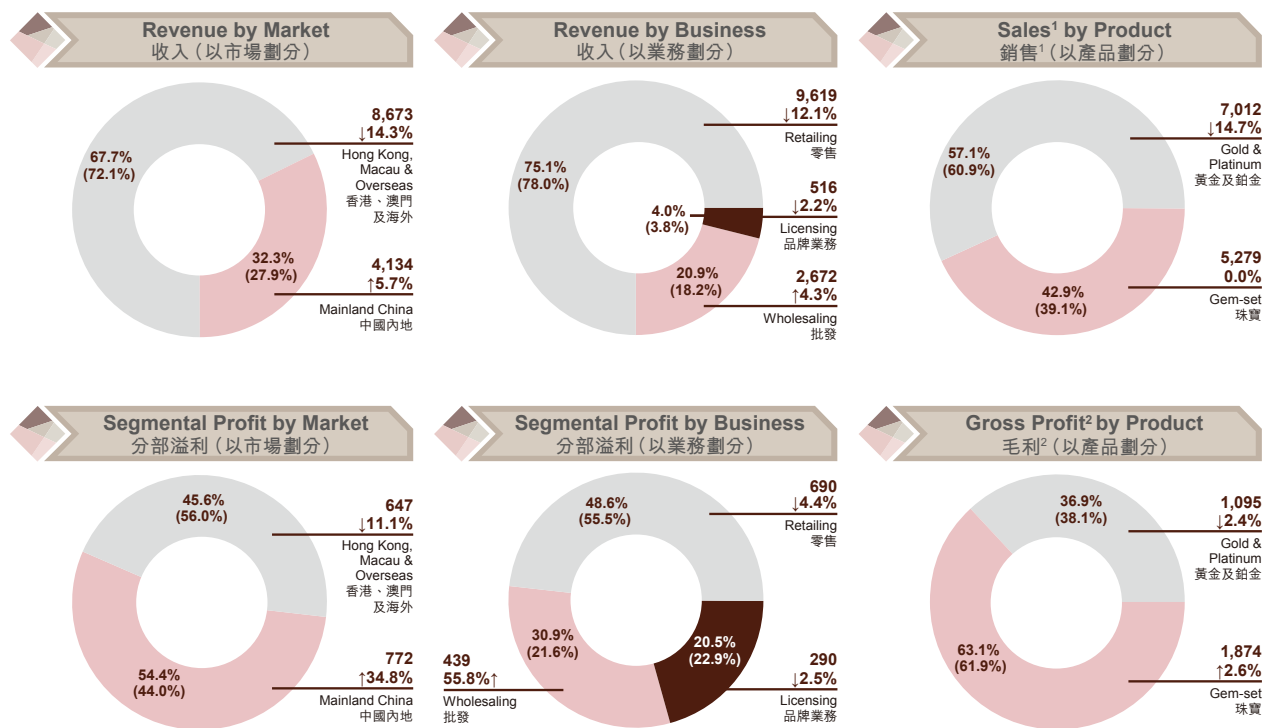
Remarks: During the year under review, the Group operated 9 3D-GOLD self-operated shops established by a joint venture (the Group held 51% equity) with a licensee in Mainland China. As at 31 December 2016, total number of 3D-GOLD points of sale operated by China Gold Silver Group Company Limited through self-operating and franchising models was approximately 360.

註: 於回顧年度內, 本集團以合資公司(本集團佔51%權益)形式營運9間金至尊自營店。於2016年12月31日, 中國金銀集團有限公司以自營及特許經營模式共開設約360個金至尊零售點。

OPERATIONAL HIGHLIGHTS

營運摘要

REVENUE AND PROFIT ANALYSIS (HK\$ million) | 收入及溢利分析 (百萬港元)



Remarks: Comparative figures for the year ended 31 March 2016 are shown in brackets

註：截至2016年3月31日止年度之比較數字於括號內顯示

1 Sales = Revenue – Licensing Income
銷售 = 收入 – 品牌業務收入

2 Gross Profit = Consolidated Gross Profit – Gross Profit of Licensing Income
毛利 = 綜合毛利 – 品牌業務收入毛利

RETAIL SALES PERFORMANCE | 零售銷售表現

	For the year ended 31 March 截至3月31日止年度			
	2017	2016	2017	2016
	Y-o-Y Change 按年變化		SSSG* 同店銷售增長	
Overall 整體	-12%	-13%	-18%	-19%
Gold & Platinum 黃金及鉑金	-18%	-11%	-25%	-17%
Gem-set 珠寶	-1%	-16%	-6%	-24%
Hong Kong & Macau 香港及澳門	-18%	-15%	-20%	-20%
Gold & Platinum 黃金及鉑金	-24%	-13%	-26%	-17%
Gem-set 珠寶	-6%	-19%	-7%	-25%
Mainland China 中國內地	+27%	+7%	-5%	-8%
Gold & Platinum 黃金及鉑金	+20%	+2%	-8%	-13%
Gem-set 珠寶	+47%	+29%	+5%	+9%

Remarks: Lukfook self-operated shops only

註：只限六福零售店

* Same store sales growth ("SSSG") represented a comparison of sales of the same self-operated shop having full day operations in the comparable periods and such data did not include sales of licensed shops and Mainland China's e-commerce business.
同店銷售增長 ("同店銷售增長") 為同一間自營店於可比較期內完整日營運的銷售額比較，有關數據並不包括品牌店及中國內地電子商貿的銷售額。

FINANCIAL HIGHLIGHTS

財務摘要

FINANCIAL PERFORMANCE | 財務表現

HK\$ m 百萬港元	For the year ended 31 March 2017 截至2017年 3月31日 止年度	For the year ended 31 March 2016 截至2016年 3月31日 止年度	Y-o-Y Change 按年變化
Revenue 收入	12,807	14,031	-8.7%
Gross Profit 毛利	3,277	3,254	+0.7%
Operating Profit 經營溢利	1,289	1,212	+6.4%
Profit for the Year 年內溢利	1,027	961	+6.8%
Profit Attributable to Equity Holders 權益持有人應佔溢利	1,017	959	+6.1%
Basic Earnings per Share 每股基本盈利	HK\$1.73港元	HK\$1.63港元	+6.1%
Final Dividend per Share 每股末期股息	HK\$0.40港元	HK\$0.34港元	+17.6%
Special Dividend per Share 每股特別股息	HK\$0.15港元	HK\$0.21港元	-28.6%
Annual Dividend per Share 每股全年股息	HK\$1.10港元	HK\$1.10港元	-
Dividend Payout Ratio 派息比率	63.5%	67.5%	-4.0p.p. 個百分點
Gross Margin 毛利率	25.6%	23.2%	+2.4p.p. 個百分點
Operating Margin 經營溢利率	10.1%	8.6%	+1.5p.p. 個百分點
Net Margin 淨利率	8.0%	6.9%	+1.1p.p. 個百分點
EBITDA 未計利息、稅項、折舊及攤銷前盈利	1,367	1,269	+7.7%
EBITDA Margin 未計利息、稅項、折舊及攤銷前盈利率	10.7%	9.0%	+1.7p.p. 個百分點
Total Operating Expenses to Revenue Ratio 總經營開支佔收入比率	16.8%	15.2%	+1.6p.p. 個百分點
Effective Tax Rate 實際稅率	17.8%	17.2%	+0.6p.p. 個百分點

KEY FINANCIAL INDICATORS | 關鍵績效指標

	Financial Year 2017 2017財政年度	Financial Year 2016 2016財政年度	Y-o-Y Change 按年變化
Inventory 存貨 (HK\$ m) (百萬港元)	6,973	6,345	+9.9%
Average Inventory Turnover Days ¹ 平均存貨週轉日數 ¹	261	238	+23
Cash and Bank Balances 現金及銀行結餘 (HK\$ m) (百萬港元)	1,862	2,432	-23.4%
Bank Borrowings & Gold Loans 銀行貸款及黃金借貸 (HK\$ m) (百萬港元)	437	711	-38.5%
Net Cash 淨現金 (HK\$ m) (百萬港元)	1,425	1,721	-17.2%
Net Gearing Ratio ² 淨債務比率 ²	-	-	N/A 不適用
Debt-to-Equity Ratio ³ 負債權益比率 ³	19.2%	21.5%	-2.3p.p. 個百分點
Return on Equity (ROE) ⁴ 股東權益回報率 ⁴	11.5%	11.1%	+0.4p.p. 個百分點
Return on Total Assets ⁵ 總資產回報率 ⁵	9.5%	9.0%	+0.5p.p. 個百分點
Current Ratio 流動比率	5.9	5.3	+0.6
Net Asset Value per Share 每股淨資產值	HK\$15.30港元	HK\$14.94港元	+2.4%
CAPEX 資本開支 (HK\$ m) (百萬港元)	168	113	+48.7%

1 (Opening Inventory + Closing Inventory) ÷ 2 ÷ Cost of Inventories Sold* Number of Days for the Year
(期初存貨 + 期末存貨) ÷ 2 ÷ 已售存貨成本*年內日數

2 (Long-term Bank Loans + Short-term Bank Loans + Bank Overdrafts + Gold Loans – Cash and Bank Balances) ÷ Capital and Reserves Attributable to Equity Holders of the Company
(長期銀行貸款 + 短期銀行貸款 + 銀行透支 + 黃金借貸 – 現金及銀行結餘) ÷ 本公司權益持有人應佔資本及儲備

3 (Long-term Liabilities + Short-term Liabilities) ÷ Capital and Reserves Attributable to Equity Holders of the Company
(長期負債 + 短期負債) ÷ 本公司權益持有人應佔資本及儲備

4 Profit Attributable to Equity Holders ÷ Capital and Reserves Attributable to Equity Holders of the Company
權益持有人應佔溢利 ÷ 本公司權益持有人應佔資本及儲備

5 Profit Attributable to Equity Holders ÷ (Long-term Assets + Short term Assets)
權益持有人應佔溢利 ÷ (長期資產 + 短期資產)



CORPORATE PROFILE

企業簡介

Established in 1991, Luk Fook Holdings (International) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is one of the leading jewellery retailers in Hong Kong and Mainland China. The Group principally engages in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery and gem-set jewellery products, with a total of over 1,500 shops in Hong Kong, Macau, Mainland China, Singapore, Korea, Malaysia, the United States, Canada and Australia.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited in May 1997.

六福集團（國際）有限公司（「本公司」）及其附屬公司（統稱「本集團」）成立於1991年，是香港及中國內地主要珠寶零售商之一。本集團主要從事各類黃白金首飾及珠寶首飾產品之採購、設計、批發、商標授權及零售業務。本集團現時在香港、澳門、中國內地、新加坡、韓國、馬來西亞、美國、加拿大及澳洲共擁有超過1,500間店舖。

本公司於1997年5月在香港聯合交易所有限公司主板上市。

CORPORATE VISION

企業願景

The corporate vision of the Group is to be the “Brand of Hong Kong, Sparkling the World”. This is also our core brand value. The Group always puts forth maximum effort for Lukfook to reach its goal of becoming a globally recognised and desired brand, and as one of the Hong Kong’s most renowned brands in the luxury industry, the Group commits to crafting the finest jewellery for customers to further establish its reputation in the international market.

「香港名牌•國際演繹」為本集團的企業願景及品牌核心價值。本集團一直堅持不懈，盡心竭力使六福成為全球認知及喜愛的品牌。作為香港知名奢侈品牌，本集團致力為全球顧客提供優質首飾，以進一步確立其於國際市場上的聲譽。

CHAIRMAN'S STATEMENT

主席報告



WONG Wai Sheung 黃偉常

Chairman and Chief Executive 主席兼行政總裁

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of Luk Fook Holdings (International) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), I hereby present the Group's annual results for the year ended 31 March 2017 ("FY2017" or the "Year under review").

With the gradually improving retail sentiment and a relatively low base in the second half of the Year under review, the revenue for the second half of the financial year improved significantly comparing to its first half. The Group's revenue for FY2017 therefore recorded a slight drop only.

Furthermore, the Group's gross profit increased despite the decrease in revenue, attributable to the improved gross margin of both gold and gem-set jewellery products. Together with the much narrowed loss in the investments and operating activities in relation to Hong Kong Resources Holdings Company Limited and its subsidiaries during the Year under review, profit attributable to equity holders for FY2017 therefore increased when compared to last year.

The Group's total revenue for the Year under review amounted to HK\$12,807,277,000 (2016: HK\$14,031,302,000), representing a decrease of 8.7% over last year. Profit attributable to equity holders increased by 6.1% to HK\$1,016,838,000 (2016: HK\$958,692,000), with earnings per share of HK\$1.73 (2016: HK\$1.63). The board of directors of the Company proposed a final dividend of HK\$0.40 per share (2016: HK\$0.34) and a special dividend of HK\$0.15 per share (2016: HK\$0.21), totaling HK\$0.55 per share. Together with the interim and special dividends of HK\$0.55 per share in total (2016: HK\$0.55) paid in December 2016, the total dividend for FY2017 amounted to HK\$1.10 per share (2016: HK\$1.10 per share). The dividend payout ratio reached 63.5% on a full year basis (2016: 67.5%).

Despite the slowing economic growth in Mainland China, its GDP growth was amongst those at the top of the world. Given the considerable growth potential of the middle-class population, the Group still actively pursued further development in the Mainland China market. During the Year under review, the Group opened a net total of 64 Lukfook shops in Mainland China and there were 4 shops opened in Korea, Malaysia and the United States as well. As at 31 March 2017, the Group had a total of 1,496 "Lukfook" shops globally (of which 1,296 were licensed shops and 200 were self-operated shops). Together with our 9 "3D-GOLD" self-operated shops in Mainland China, there were 1,505 shops in total globally, spanning over Hong Kong, Macau, Mainland China, Singapore, Korea, Malaysia, the United States, Canada and Australia.

各位股東：

本人謹代表六福集團（國際）有限公司（「本公司」）及其附屬公司（統稱「本集團」）謹此提呈本集團截至2017年3月31日止年度（「2017財年」或「回顧年度」）之全年業績。

由於零售氣氛逐步改善，加上回顧年度之下半年基數較低，令下半財年的收入對比其上半年大幅改善，本集團於2017財年的收入因此只錄得輕微減幅。

再者，黃金及珠寶首飾產品的毛利率皆有所提升，總毛利因而在收入下跌的情況下仍有升幅。加上香港資源控股有限公司及其子公司之投資及營運項目於回顧年度內的虧損亦大幅收窄，2017財年的權益持有人應佔溢利相對去年因而錄得增長。

本集團於回顧年度的總收入為12,807,277,000港元（2016年：14,031,302,000港元），較去年同期減少8.7%。權益持有人應佔溢利則增加6.1%至1,016,838,000港元（2016年：958,692,000港元），每股盈利為1.73港元（2016年：1.63港元）。本公司董事會建議派付末期股息每股0.40港元（2016年：0.34港元）及特別股息每股0.15港元（2016年：0.21港元），合共每股0.55港元，連同已於2016年12月派付的中期及特別股息合共每股0.55港元（2016年：0.55港元），2017財年股息合共為每股1.10港元（2016年：每股1.10港元），全年派息比率達63.5%（2016年：67.5%）。

雖然中國內地經濟增長放緩，惟其國民生產總值增長率仍處於世界前列，在中產人口可觀的增長潛力下，本集團仍會繼續積極拓展中國內地市場。回顧年度內，於中國內地淨增設64間六福店舖，並在韓國、馬來西亞及美國增加合共4間店舖。於2017年3月31日，本集團於全球共有1,496間「六福」店舖（其中1,296間為品牌店，200間為自營店），加上我們9間於中國內地的「金至尊」自營店，全球共有1,505間店舖，遍及香港、澳門、中國內地、新加坡、韓國、馬來西亞、美國、加拿大及澳洲。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

During the Year under review, the same store sales of gem-set jewellery products in the Group's retail business recorded a notable narrowing decline. Besides, there was great improvement in sales for the second half of the financial year, and the fourth quarter same store sales resumed growth. The market sentiment is improving, and this sentiment extends to the new financial year. In view of this, we remain cautiously optimistic about the business prospect for the new financial year. The Group will endeavour to uphold the Group's business development via focusing on product offering enrichment, China network expansion and market-oriented branding strategy in the coming year, and through offering more fashionable yet affordable products to cater for the trend of trading down consumption and to target at the mass market covering middle-class customers as well as kids. We therefore expect business for the coming year to restore a growth track.

As the policies in Mainland China still emphasise on actively pushing forward urbanisation and increasing the per capita income, the Group will focus on expanding into the sub second-tier cities and the Group's net shop additions in Mainland China will not be less than 50 in the new financial year. Moreover, since young consumers have strong spending potential on online sales platforms, the Group will continue to develop the e-commerce business and to further strengthen cooperation with e-commerce platforms in Mainland China. During the Year under review, the number of the Group's online sales platforms in Mainland China was 12, including Tmall.com, VIP.com and JD.com. The Group will continue to promote sales of good-value-for-money jewellery on online platforms to attract more young consumers, thereby raising the Group's brand awareness. The Group targets to grow e-commerce revenue by 50% in the coming year.

By understanding customers' spending habits, the Group will adopt comprehensive initiatives to penetrate into the markets for middle-class, wedding and kids. We will also continue to attract customers and boost local consumption by enhancing product displays, cross-promotional campaigns and VIP promotional activities so as to improve sales and profit. The Group will also showcase, promote and market its products on mobile applications and social media platforms such as Facebook and WeChat.

In addition to broadening the sources of income in different ways, the Group will strive to enhance productivity and reduce expenditure in different operational aspects, including the ongoing negotiations with landlords about reducing rents, improvement of service quality control, enhancement of support to licensees, promotion of a continuous improvement culture and full automation of operational processes, so as to enhance efficiency and reduce costs in the hope of delivering better results to our shareholders.

前景

於回顧年度，本集團零售業務中珠寶首飾產品的同店銷售跌幅顯著收窄。除此以外，下半財年的銷售大幅改善，並於第四季度同店銷售重見增長，市場氣氛正逐步改善中，並延伸至新一財年。有見及此，我們對新一財年的業務前景審慎樂觀。本集團將繼續透過集中於豐富產品的組合，中國的網絡擴張及市場導向的品牌推廣策略，積極配合目前消費降級的趨勢，並針對覆蓋了中產及孩童市場的大眾市場，推出更多款式新穎、價格相宜的產品，我們因此期待來年業務可重拾升軌。

基於中國內地政策上仍積極推動城市化，並致力提升人均收入，本集團將會繼續集中於二線以下城市的擴張，新財年在中國內地店舖之淨增長將不少於50間。另外，鑑於年輕消費者於網上銷售平台的消費有著強勁的上升潛力，本集團將繼續在中國內地致力發展電子商務業務，並加強與電子商務平台的合作。於回顧年度內，本集團在中國內地的網上銷售平台為12家，當中包括天貓、唯品會及京東商城等等。此外，本集團將繼續於網上平台推動性價比高的珠寶首飾之銷售，吸引更多年輕消費者，並藉此提升本集團的品牌知名度。本集團於來年電子商務收入的增長目標為50%。

本集團將透過了解顧客的消費習慣，採取全面性舉措以滲透中產、婚嫁及孩童市場，我們亦會繼續透過加強產品陳列、交叉促銷和VIP推廣活動，吸引顧客，推動本土消費，以提高銷售和利潤。本集團將以手機應用程式和網絡社交平台如Facebook和微信，進行產品展示、宣傳及推廣。

除以不同方法開源外，本集團亦會致力在各營運層面盡力提升生產力及節流，其中包括繼續向業主尋求減租、改善服務質量的監控、加強對品牌商的支援、推動持續進步文化及營運流程全面自動化等措施，以提升效率及減省成本，期望為股東帶來更佳業績。

CHAIRMAN'S STATEMENT

主席報告

In the long run, there will still be solid customer demand for jewellery products driven by the unique geographic and tax advantages of Hong Kong and Macau, cumulative brand awareness over the years, extensive retail network, management's effective sales strategies plus various cost-effectiveness enhancement measures, and increasing per capita income in Mainland China. The outlook for jewellery industry remains promising, which will be conducive to the sustainable business development of the Group.

This year is the 20th anniversary since the public listing of the Group on the Main Board of The Stock Exchange of Hong Kong Limited. This was an important milestone to the Group. Looking backward, the Group has made significant achievements. The Group's business has been progressing steadily, with the number of shops increasing continuously. In the past 20 years, the compound annual growth rate ("CAGR") of the revenue was 11% while the CAGR of the profit for the year was 14%. As at 28 June 2017, the Group's market capitalization reached HK\$14.9 billion which was 33 times of that at the time of the initial public offering ("IPO") and the net asset reached HK\$8.9 billion, which was 41 times of that at the time of the IPO. Besides, the average dividend payout ratio was 47%. Except for FY2003 which was affected by SARS, the Group has achieved double-digit return on equity every year since its IPO, which was a remarkable performance.

I would like to extend my heartfelt gratitude to all our staff members, shareholders, customers, business partners and other stakeholders for their unfaltering support and contributions to the Group's continuing success. Going forward, the Group will still adopt pragmatic and sound growth measures, strengthen its competitive advantages and further enhance its leading position in the market so as to generate sustainable returns to our shareholders and establish a new benchmark for corporate excellence.

By order of the Board

WONG Wai Sheung

Chairman and Chief Executive

Hong Kong, 29 June 2017

長遠而言，憑著港澳獨特的地理及稅務優勢、歷年來累積的品牌知名度、龐大的零售網絡、管理層有效的銷售策略、加上各項提高成本效益措施及中國內地的人均收入之提升等，加上顧客對於珠寶產品仍有殷切的剛性需求，珠寶行業前景仍然樂觀，有利本集團業務的持續發展。

今年適逢本集團於香港聯合交易所有限公司主板上市二十週年，為本集團發展重要里程碑。回溯過去，本集團取得重大成就，集團業務穩步增長，店舖數量不斷增加。過去二十年，收入年複合增長率（「年複合增長率」）為11%，而年內溢利年複合增長率達14%。於2017年6月28日，本集團的市值達149億港元，是首次公開招股（「上市」）時的33倍，而淨資產達89億港元，是上市時的41倍，此外，平均派息比率為47%。除2003財年受非典型肺炎影響以外，本集團自上市以來的股東權益回報率每年皆達雙位數字，成績驕人。

本集團持續的成功，全賴我們的員工、股東、顧客、業務夥伴和其他持份者的鼎力支持和貢獻，本人謹此致以衷心謝意！來年，本集團仍將以務實穩健的發展舉措，加強競爭優勢，進一步鞏固本集團於市場上的領導地位，為股東帶來持續回報及樹立成功的企業典範。

承董事會命

主席兼行政總裁

黃偉常

香港，2017年6月29日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL PERFORMANCE

Revenue

收入

HK\$12,807M 百萬港元

-8.7%

Operating Profit

經營溢利

HK\$1,289M 百萬港元

+6.4%

Profit Attributable to Equity Holders

權益持有人應佔溢利

HK\$1,017M 百萬港元

+6.1%

Mainland China's Segmental Profit Mix

中國內地分部溢利佔比

54.4%

+10.4p.p.個百分點

財務表現

Basic Earnings per Share

每股基本盈利

HK\$1.73 港元

+6.1%

Proposed Dividend per Share

擬派每股股息

HK55 Cents 港仙

Final Dividend per Share: HK40 Cents

每股末期股息: 40港仙

Special Dividend per Share: HK15 Cents

每股特別股息: 15港仙

Overall Net Shop Additions

整體淨增設店舖

+68

Mainland China 中國內地: +64

Overseas 海外: +4

Results

With the gradually improving retail sentiment and a relatively low base in the second half of the financial year, Luk Fook Holdings (International) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") recorded slight revenue drop of 8.7% only to HK\$12,807,277,000 (2016: HK\$14,031,302,000) for the year ended 31 March 2017 (the "Year under review"). Nevertheless, the sales mix of gem-set jewellery products which were at a relatively higher gross margin increased, as a result of slowdown in demand for gold products due to the relatively high gold price. Together with the improved gross margin of both gold and gem-set jewellery products, the Group's overall gross margin improved by 2.4 p.p. to 25.6% (2016: 23.2%). Gross profit therefore still improved by 0.7% to HK\$3,277,061,000 (2016: HK\$3,254,111,000) despite the decrease in revenue. The total operating expenses to revenue ratio increased to 16.8% (2016: 15.2%). Moreover, the much narrowed loss in the investments and operating activities in relation to Hong Kong Resources Holdings Company Limited ("HKRH") and its subsidiaries contributed to the improvement in the Group's business performance. Therefore, the operating profit increased by 6.4% to HK\$1,289,317,000 (2016: HK\$1,212,152,000) and the operating margin was 10.1% (2016: 8.6%), restoring to a double-digit level; the net margin was 8.0% (2016: 6.9%). The profit attributable to equity holders increased by 6.1% to HK\$1,016,838,000 (2016: HK\$958,692,000). Basic earnings per share were HK\$1.73 (2016: HK\$1.63).

業績

在零售氣氛逐步改善，以及下半財年基數較低的情況下，六福集團（國際）有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至2017年3月31日止年度（「回顧年度」）的收入只輕微減少8.7%至12,807,277,000港元（2016年：14,031,302,000港元）。然而，黃金需求因金價相對高企而下跌，以致較高毛利率的珠寶首飾產品銷售佔比上升，加上黃金及珠寶首飾產品毛利率皆有所提升，集團整體毛利率上升2.4個百分點至25.6%（2016年：23.2%），總毛利在收入下跌的情況下因此仍上升0.7%至3,277,061,000港元（2016年：3,254,111,000港元）。總經營開支佔收入比率則增至16.8%（2016年：15.2%），另外，由於香港資源控股有限公司（「香港資源控股」）及其子公司之投資及營運項目的虧損大幅收窄，有助改善本集團之業績表現。因此，經營溢利上升6.4%至1,289,317,000港元（2016年：1,212,152,000港元），經營溢利率為10.1%（2016年：8.6%），重返雙位數字水平，淨利率為8.0%（2016年：6.9%）。權益持有人應佔溢利則上升6.1%至1,016,838,000港元（2016年：958,692,000港元），每股基本盈利為1.73港元（2016年：1.63港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

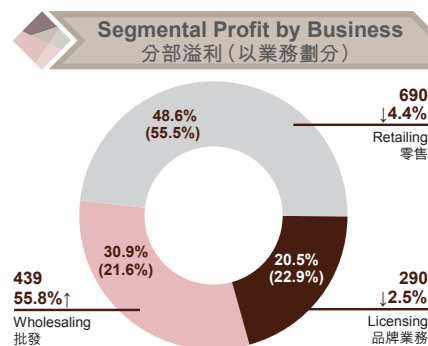
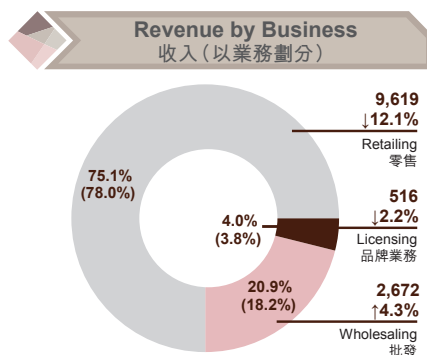
管理層討論及分析

Overview

During the Year under review, the Group added a net total of 68 new shops worldwide, including a net addition of 64 Lukfook shops in Mainland China, 1 self-operated shop in New York, the United States and 2 self-operated shops in Kuala Lumpur, Malaysia, as well as re-opening of 1 licensed shop in Seoul, Korea. As at 31 March 2017, the Group had a global network of 1,505 shops (2016: 1,437 shops), including 1,496 Lukfook shops (2016: 1,428 shops) and 9 3D-GOLD self-operated shops (2016: 9 shops) operated in Mainland China, with business spreading across Hong Kong, Macau, Mainland China, Singapore, Korea, Malaysia, the United States, Canada and Australia.

概覽

於回顧年度內，本集團於全球淨增設68間店舖，包括於中國內地淨增設64間六福店舖，於美國紐約增設1間及於馬來西亞吉隆坡開設2間六福自營店，並於韓國首爾重設1間品牌店。於2017年3月31日，本集團於全球共有1,505間店舖（2016年：1,437間），其中包括1,496間六福店舖（2016年：1,428間），和在中國內地經營的9間金至尊自營店（2016年：9間），業務遍及香港、澳門、中國內地、新加坡、韓國、馬來西亞、美國、加拿大及澳洲。



The retail business was the Group's primary source of revenue. During the Year under review, its revenue declined by 12.1% year-on-year to HK\$9,618,677,000 (2016: HK\$10,940,712,000) mainly because of sales decline in Hong Kong and Macau; it accounted for 75.1% (2016: 78.0%) of the Group's total revenue. With improved gross margin, segmental profit in the retail business dropped by 4.4% only to HK\$690,021,000 (2016: HK\$721,645,000), representing 48.6% (2016: 55.5%) of the total; its segmental profit margin was 7.2% (2016: 6.6%).

零售業務為本集團主要收入來源。於回顧年度內，由於港澳銷售下跌，零售收入按年減少12.1%至9,618,677,000港元（2016年：10,940,712,000港元），佔本集團總收入75.1%（2016年：78.0%）。因毛利率的改善，零售業務的分部溢利只下跌4.4%至690,021,000港元（2016年：721,645,000港元），佔比為48.6%（2016年：55.5%），其分部溢利率為7.2%（2016年：6.6%）。

Benefited from the increase in sales of scrap gold and rough diamonds, the wholesale business revenue increased by 4.3% over the corresponding period last year to HK\$2,672,459,000 (2016: HK\$2,562,697,000), accounting for 20.9% (2016: 18.2%) of the Group's total revenue; its segmental profit, because of the improved gross margin as well, increased substantially by 55.8% to HK\$438,891,000 (2016: HK\$281,637,000), representing 30.9% (2016: 21.6%) of the total, while its segmental profit margin was 16.4% (2016: 11.0%).

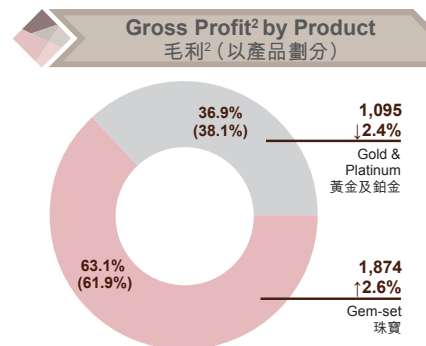
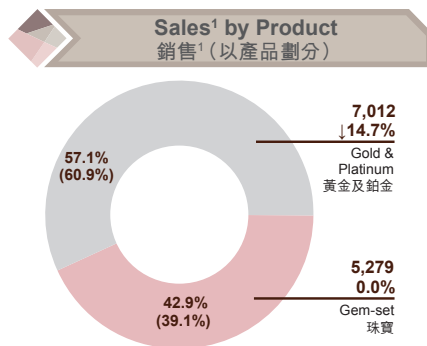
受惠於黃金廢料及石胚的銷售增長，批發業務收入較去年同期上升4.3%至2,672,459,000港元（2016年：2,562,697,000港元），佔本集團總收入的20.9%（2016年：18.2%）。其分部溢利亦因毛利率的改善而大幅上升55.8%至438,891,000港元（2016年：281,637,000港元），佔比為30.9%（2016年：21.6%），其分部溢利率為16.4%（2016年：11.0%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Due to depreciation of Renminbi, licensing income decreased by 2.2% to HK\$516,141,000 (2016: HK\$527,893,000), accounting for 4.0% (2016: 3.8%) of the Group's total revenue; its segmental profit dropped by 2.5% to HK\$290,384,000 (2016: HK\$297,797,000), representing 20.5% (2016: 22.9%) of the total, while its segmental profit margin was 56.3% (2016: 56.4%).

品牌業務收入則因人民幣的貶值而減少2.2%至516,141,000港元（2016年：527,893,000港元），佔本集團總收入的4.0%（2016年：3.8%），其分部溢利下跌2.5%至290,384,000港元（2016年：297,797,000港元），佔比為20.5%（2016年：22.9%），其分部溢利率為56.3%（2016年：56.4%）。



¹ Sales = Revenue – Licensing Income

² Gross Profit = Consolidated Gross Profit – Gross Profit of Licensing Income

¹ 銷售 = 收入 – 品牌業務收入

² 毛利 = 綜合毛利 – 品牌業務收入毛利

Gold products remained the most favourite item; together with platinum products, their revenue decreased by 14.7% (2016: -10.9%) to HK\$7,012,528,000 (2016: HK\$8,225,319,000) due to the relatively high gold price which had adversely affected the demand, accounting for 57.1% (2016: 60.9%) of the overall sales (the Group's revenue minus licensing income). Nevertheless, the high gold price also led to an increase in gross margin of gold products of 1.6 p.p. to 15.2% (2016: 13.6%), gross profit of gold and platinum products therefore decreased slightly by 2.4% only to HK\$1,094,924,000 (2016: HK\$1,122,157,000), accounting for 36.9% (2016: 38.1%) of the overall gross profit (consolidated gross profit of the Group minus gross profit of licensing income). On the other hand, sales of gem-set jewellery products stayed flat at HK\$5,278,608,000 (2016: HK\$5,278,090,000), accounting for 42.9% (2016: 39.1%) of the overall sales. Gross margin of gem-set jewellery products increased slightly by 0.9 p.p. to 35.5% (2016: 34.6%), its gross profit, as a result, increased by 2.6% to HK\$1,873,848,000 (2016: HK\$1,826,796,000), accounting for 63.1% (2016: 61.9%) of the overall gross profit.

黃金產品為最受歡迎產品，但因金價相對高企對需求產生負面影響，連同鉑金產品，其銷售額下跌14.7%（2016年：-10.9%）至7,012,528,000港元（2016年：8,225,319,000港元），佔整體銷售額（本集團收入減去品牌業務收入）的57.1%（2016年：60.9%）。然而，金價高企亦令黃金產品毛利率上升1.6個百分點至15.2%（2016年：13.6%），黃金及鉑金產品毛利因此只輕微下跌2.4%至1,094,924,000港元（2016年：1,122,157,000港元），佔整體毛利（本集團綜合毛利減去品牌業務收入毛利）的36.9%（2016年：38.1%）。另一方面，珠寶首飾產品的銷售額則持平，達5,278,608,000港元（2016年：5,278,090,000港元），佔整體銷售額的42.9%（2016年：39.1%）。珠寶首飾產品的毛利率則輕微上升0.9個百分點至35.5%（2016年：34.6%），其毛利因此上升2.6%至1,873,848,000港元（2016年：1,826,796,000港元），佔整體毛利的63.1%（2016年：61.9%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Year under review, the overall same store sales growth* of the Group was -18.3% (2016: -19.3%). SSSG for Hong Kong and Macau market was -19.5% (2016: -20.1%) and that for the Mainland China market was -4.8% (2016: -8.2%). The SSSG for gold and platinum products was -24.6% (2016: -16.7%). The Group's same store sales drop of gem-set jewellery products substantially narrowed to -6.3% (2016: -24.1%) because of the much improved performance in Hong Kong and Macau market under the relatively low base situation.

The Group has been striving to diversify its product mix to offer customers with more choices. Since 2010, the Group has been engaging in the mid-to-high end watch business. As at 31 March 2017, the Group was the authorised dealer of 36 watch brands, including ARNOLD & SON, AUDEMARS PIGUET, BALL and its BALL for BMW series, BALMAIN, BULOVA, BURBERRY, BVLGARI, CERTINA, COINWATCH, CORUM, DOXA, EMILE CHOURIET, EMPORIO ARMANI, ENICAR, ERNEST BOREL, ETERNA, FREDERIQUE CONSTANT, GRONEFELD, HAMILTON, H. MOSER & CIE, LONGINES, LOUIS ERARD, LUDOVIC BALLOUARD, MAURICE LACROIX, MIDO, OMEGA, ORIS, RADO, ROMAGO SWISS, TAG HEUER, TISSOT, URWERK, VICTORINOX SWISS ARMY, ZENITH, WENGER and PHANTOMS. For the Year under review, the watch business contributed a revenue of HK\$211,182,000 (2016: HK\$247,843,000), representing 1.6% (2016: 1.8%) of the Group's total revenue with 14.8% decrease when compared with last year.

於回顧年度內，本集團整體同店銷售增長*為-18.3%（2016年：-19.3%）。香港及澳門市場的同店銷售增長為-19.5%（2016年：-20.1%），而中國內地市場則為-4.8%（2016年：-8.2%）。黃金及鉑金產品的同店銷售增長為-24.6%（2016年：-16.7%）；由於港澳市場在基數較低的情況下，珠寶首飾產品的表現顯著改善，本集團珠寶首飾產品的同店銷售跌幅得以大幅收窄至-6.3%（2016年：-24.1%）。

本集團一直銳意拓展多元化產品，為顧客提供更多選擇。自2010年起，本集團開始從事中高檔鐘錶業務，於2017年3月31日，本集團已成為36個鐘錶品牌的授權經銷商，品牌包括亞諾、愛彼錶、波爾及其「波爾寶馬時計」系列、寶曼、寶路華、博柏利、寶格麗、雪鐵納、科因沃奇、崑崙、時度、艾米龍、EMPORIO ARMANI、英納格、依波路、綺年華、康斯登、GRONEFELD、漢米爾頓、亨利慕時、浪琴、諾時錶、LUDOVIC BALLOUARD、艾美、美度、歐米茄、豪利時、雷達、瑞士雷米格、豪雅、天梭、和域、瑞士維氏、真力時、瑞士威戈及PHANTOMS。於回顧年度內，來自鐘錶業務的收入為211,182,000港元（2016年：247,843,000港元），佔本集團總收入1.6%（2016年：1.8%），較去年下跌14.8%。

* Same store sales growth ("SSSG") represented a comparison of sales of the same self-operated shop having full day operations in the comparable periods and such data did not include sales of licensed shops, and Mainland China's e-commerce business.

* 同店銷售增長（「同店銷售增長」）為同一間自營店可比較期內完整日營運的銷售額比較，有關數據並不包括品牌店及中國內地電子商務的銷售額。

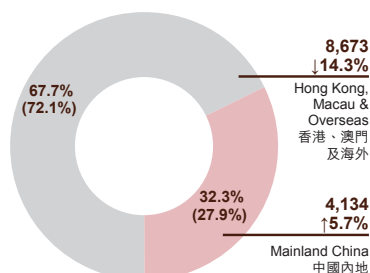
MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

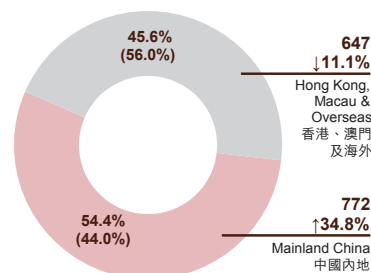
BUSINESS REVIEW

業務回顧

Revenue by Market
收入（以市場劃分）



Segmental Profit by Market
分部溢利（以市場劃分）



Hong Kong, Macau and Overseas Hong Kong

The Hong Kong market has been the key source of revenue for the Group. Visitors from Mainland China had been the major driver for the retail business growth in Hong Kong for the past few years. However, under the impact of the slowdown in economic growth in Mainland China and the changes to the Individual Visit Scheme, Mainland tourists tended to stay shorter period of time. Consumption expenditure per capita continued to fall with the poor macro-economic conditions and decreased spending power of consumers. The situation, however, has started to stabilise and improve recently. According to the statistics on visitor arrivals to Hong Kong published by the Hong Kong Tourism Board in January 2017, visitor arrivals from Mainland China in 2016 decreased by 6.7% year-on-year to approximately 42.78 million. According to the visitor arrival statistics published in April 2017, Mainland Chinese visitors from January to March 2017 increased by 3.8% year-on-year to approximately 10.82 million. In respect of tourist spending, according to the figures on retail sales released by the Census and Statistics Department of Hong Kong in May 2017, the value of sales of jewellery, watches and clocks, and valuable gifts in 2016 decreased by 17.2% when compared to 2015. The sales value of jewellery, watches and clocks, and valuable gifts from January to March 2017 rose by 1.4% over the corresponding period last year. It indicated a gradually improving market sentiment.

香港、澳門及海外 香港

香港市場為本集團的主要收入來源，中國內地旅客在過去多年一直為推動香港零售業務增長之主要動力。然而，受到中國內地經濟增長放緩及個人遊政策調整之影響，中國內地旅客傾向縮短留港時間，人均消費亦因宏觀經濟狀況欠佳，及消費者消費力下調而連續下滑，幸而近期情況已開始穩定及改善。根據香港旅遊發展局於2017年1月公布之訪港旅客統計數據顯示，2016年訪港的中國內地旅客按年減少6.7%至約42.78百萬人次；而於2017年4月公布之訪港旅客統計數據顯示，2017年1月至3月份訪港的中國內地旅客按去年同比增加3.8%至約10.82百萬人次。旅客消費方面，據香港政府統計處於2017年5月發表的零售業銷貨額數字顯示，2016年全年的珠寶首飾、鐘錶及名貴禮物的銷貨價值與2015年比較下跌17.2%；而2017年1月至3月份珠寶首飾、鐘錶及名貴禮物的銷貨價值與去年同比則上升1.4%，反映市場氣氛正在逐步改善中。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Due to the impact of overall market performance, the Group's retail revenue in Hong Kong decreased by 19.4% to HK\$6,227,060,000 (2016: HK\$7,727,658,000) during the Year under review. However, the revenue of the wholesale business generated from the Hong Kong market increased by 45.5% to HK\$713,900,000 (2016: HK\$490,646,000) due to the increase in sales of scrap gold and wholesale of rough diamonds. As at 31 March 2017, the Group operated a total of 47 self-operated shops (2016: 47 shops) in Hong Kong, with the number of shops unchanged.

Macau

According to the tourism statistics published by the Statistics and Census Service of the Macau Special Administrative Region on 4 May 2017, visitor arrivals to Macau increased slightly by 0.8% in 2016 to 30.95 million, but GDP of Macau decreased by 2.1% over last year; while the number of visitor arrivals from January to March 2017 rose by 5.6% year-on-year. According to figures from the Macau Government Tourist Office, visiting tourists' per capita spending on jewellery and watches increased by 3.9% in 2016. With the better business environment in Macau than Hong Kong, its retail revenue in the second half of the financial year turned to a positive growth of 5.4% from a 27.7% drop in the first half of the financial year. Therefore, the Group's revenue generated from the Macau market decreased by only 11.9% to HK\$1,549,409,000 (2016: HK\$1,758,769,000) during the Year under review. As at 31 March 2017, the Group had a total of 10 self-operated shops (2016: 10 shops) in Macau.

Overseas

Adhering to its motto "Brand of Hong Kong, Sparkling the World", the Group has been seeking opportunities around the world in recent years. During the Year under review, the Group added 1 Lukfook self-operated shop in New York, the United States and 2 Lukfook self-operated shops in Kuala Lumpur, Malaysia, and re-opened 1 Lukfook licensed shop in Seoul, Korea. As at 31 March 2017, the Group operated a total of 10 overseas shops (2016: 6 shops), including self-operated shops of 1 in Singapore, 2 in Malaysia, 3 in the United States, 2 in Canada and 1 in Australia and 1 licensed shop in Korea.

受到整體市場狀況影響所及，本集團於回顧年度在香港市場的零售收入減少19.4%至6,227,060,000港元（2016年：7,727,658,000港元）。由於黃金廢料及石胚批發的銷售增加，令本集團於香港市場的批發業務收入上升45.5%至713,900,000港元（2016年：490,646,000港元）。於2017年3月31日，本集團在香港經營的店舖數目不變，合共47間自營店（2016年：47間）。

澳門

根據澳門特別行政區政府統計暨普查局於2017年5月4日發表的旅遊統計數字，2016年訪澳旅客較去年輕微增加0.8%至30.95百萬人次，但本地生產總值卻較去年減少2.1%；而2017年1月至3月份訪澳旅客與去年同比則上升5.6%。根據澳門特別行政區政府旅遊局之數字，訪澳旅客於珠寶手錶項目的人均消費於2016年上升了3.9%。由於澳門經營環境比香港表現較佳，其下半財年的零售收入從上半財年的27.7%跌幅轉為正增長5.4%，因此於回顧年度內，本集團來自澳門市場的收入只減少11.9%至1,549,409,000港元（2016年：1,758,769,000港元）。於2017年3月31日，本集團在澳門共設10間自營店（2016年：10間）。

海外

秉承著「香港名牌•國際演繹」的宗旨，本集團近年在世界各地不斷尋找機遇。於回顧年度內，本集團於美國紐約增設1間及於馬來西亞吉隆坡開設2間六福自營店，並於韓國首爾重新開設1間六福品牌店。於2017年3月31日，本集團總共經營10間海外店舖（2016年：6間），包括1間位於新加坡、2間位於馬來西亞、3間位於美國、2間位於加拿大和1間位於澳洲的自營店，以及1間位於韓國的品牌店。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The revenue from the Hong Kong, Macau and overseas markets decreased by 14.3% to HK\$8,673,186,000 (2016: HK\$10,119,551,000) due to the decreased retail revenue in Hong Kong and Macau, accounting for 67.7% (2016: 72.1%) of the Group's total revenue. Because of the improvement in gross margin, the segmental profit declined by 11.1% only to HK\$647,637,000 (2016: HK\$728,696,000), accounting for 45.6% (2016: 56.0%) of the total; their segmental profit margin was 7.5% (2016: 7.2%).

The SSSG for gold and platinum products of Hong Kong, Macau and overseas markets was -26.1% (2016: -16.9%) and that for gem-set jewellery products substantially narrowed to -6.8% (2016: -25.4%).

Mainland China

During the Year under review, retail revenue from the Mainland China market increased by 26.5% to HK\$1,659,391,000 (2016: HK\$1,311,807,000) due to the increase in the number of self-operated shops. The SSSG for gold and platinum products in Mainland China was -8.2% (2016: -12.8%) and that for gem-set jewellery products was +4.7% (2016: +8.7%).

The wholesale business from the Mainland China market, because of devaluation of Renminbi, fell by 5.5% to HK\$1,958,559,000 (2016: HK\$2,072,051,000) after the conversion to Hong Kong dollars, despite the around flat revenue in Renminbi. The decline of full year licensing income narrowed significantly from 17.8% for the first half of the financial year to a minor drop of 2.2% to HK\$516,141,000 (2016: HK\$527,893,000) for the full year. Again, due to Renminbi devaluation, it changed from a slight rise to a slight drop after the conversion from Renminbi to Hong Kong dollars.

As at 31 March 2017, the Group had a total of 1,429 shops (2016: 1,365 shops) under the "Lukfook" brandname in Mainland China, including 133 self-operated shops (2016: 105 shops) and 1,296 licensed shops (2016: 1,260 shops). During the Year under review, the Group had a net increase of 36 Lukfook licensed shops (2016: 20 shops) and 28 Lukfook self-operated shops (2016: 26 shops) there. 23 (2016: 14 shops) of the new self-operated shops were opened by a joint venture (in which the Group held a 51% equity interest) established with a licensee. Together with 9 3D-GOLD self-operated shops in Mainland China, the Group had a total of 1,438 shops in Mainland China.

香港、澳門及海外市場的收入因港澳的零售收入下跌而減少14.3%至8,673,186,000港元(2016年: 10,119,551,000港元),佔本集團整體收入67.7%(2016年: 72.1%)。其分部溢利則因毛利率的改善而只下跌11.1%至647,637,000港元(2016年: 728,696,000港元),佔整體的45.6%(2016年: 56.0%),其分部溢利率為7.5%(2016年: 7.2%)。

香港、澳門及海外市場的黃金及鉑金產品之同店銷售增長為-26.1%(2016年: -16.9%),珠寶首飾產品的跌幅則大幅收窄至-6.8%(2016年: -25.4%)。

中國內地

於回顧年度內,中國內地市場的零售收入因自營店數目增加而上升26.5%至1,659,391,000港元(2016年: 1,311,807,000港元),中國內地黃金及鉑金產品之同店銷售增長為-8.2%(2016年: -12.8%),珠寶首飾產品則為+4.7%(2016年: +8.7%)。

中國內地市場批發業務因人民幣貶值,令其原本持平的收入轉換為港幣後變為下跌5.5%至1,958,559,000港元(2016年: 2,072,051,000港元),而品牌業務全年之收入則從上半財年的17.8%跌幅大幅收窄至全年微跌2.2%,達516,141,000港元(2016年: 527,893,000港元)。同樣因人民幣貶值,令其由微升轉換港幣後變為微跌。

於2017年3月31日,本集團在中國內地以「六福」品牌經營的店舖總數達1,429間(2016年: 1,365間),包括133間自營店(2016年: 105間)及1,296間品牌店(2016年: 1,260間)。於回顧年度內,本集團於當地淨增設了36間六福品牌店(2016年: 20間)及28間六福自營店(2016年: 26間),其中23間(2016年: 14間)新增的自營店乃與品牌商建立的合資公司(本集團佔51%權益)所設立。加上9間「金至尊」自營店,本集團在中國內地共經營1,438間店舖。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FY2017 Mainland China E-Commerce Business Performance 2017財年中國內地電子商務業務表現

Revenue

收入

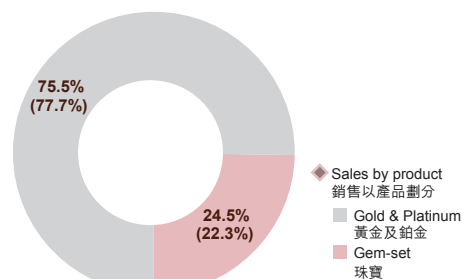
↑ 97.4% YoY Change 按年變化

Contribution to Mainland China retail revenue 佔中國內地零售收入

11.0% (FY2016 財年：7.0%)

Contribution to Group's retail revenue 佔集團零售收入

1.9% (FY2016 財年：0.8%)



Average selling price 平均售價

RMB700人民幣 (YoY Change 按年變化：
↑ 16.0%)

FY2018 revenue growth target
2018財年收入增長目標
50%

Due to the rapid development of e-commerce, the revenue of e-commerce business from Mainland China during the Year under review increased by 97.4% to HK\$182,198,000 (2016: HK\$92,277,000), which accounted for 11.0% (2016: 7.0%) of the Group's retail revenue in Mainland China. Gold and platinum product sales accounted for 75.5% (2016: 77.7%) of its sales mix while gem-set jewellery accounted for 24.5% (2016: 22.3%).

Overall speaking, during the Year under review, revenue from the Mainland China market increased by 5.7% to HK\$4,134,091,000 (2016: HK\$3,911,751,000), accounting for 32.3% (2016: 27.9%) of the Group's total revenue. Benefited from its retail business growth and improved overall gross margin, its segmental profit increased by 34.8% to HK\$771,659,000 (2016: HK\$572,383,000), contributing more than half of the Group's profit, accounting for 54.4% (2016: 44.0%) of the total; its segmental profit margin was 18.7% (2016: 14.6%).

由於電子商務的發展迅速，中國內地電子商務業務之收入於回顧年度內上升97.4%至182,198,000港元（2016年：92,277,000港元），佔中國內地零售收入的11.0%（2016年：7.0%）。黃金及鉑金產品的銷售佔比為75.5%（2016年：77.7%），而珠寶首飾則佔比24.5%（2016年：22.3%）。

整體而言，於回顧年度內，來自中國內地市場的收入上升5.7%至4,134,091,000港元（2016年：3,911,751,000港元），佔本集團總收入32.3%（2016年：27.9%）。受惠於其零售業務的增長及整體毛利率的改善，其分部溢利上升34.8%至771,659,000港元（2016年：572,383,000港元），貢獻集團超過一半的盈利，佔整體的54.4%（2016年：44.0%），其分部溢利率為18.7%（2016年：14.6%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial Impact in relation to Investments and Operating Activities in HKRH[#] & Its Subsidiaries

於香港資源控股[#]及其附屬公司的投資及營運活動之財務影響

Profit/(Loss) 盈利／（虧損）			
HK\$ m 百萬港元	FY2017 2017財年	FY2016 2016財年	Y-o-Y Change 按年變化
50% Share of Profit/(Loss) of Associate 聯營公司50%盈利／（虧損）貢獻	(54)	(81)	27
Valuation Gain/(Loss) on Convertible Bond 可換股債券估值得益／（虧損）	3	(21)	24
Wholesale Gross Profit 批發毛利	9	13	(4)
Fair Value Devaluation of Option 購股權公允值減值	—	(5)	5
Interest Income on Working Capital Loan 流動資金貸款利息收入	4	4	—
Interest Income on Convertible Bond 可換股債券利息	2	2	—
Total 整體	(36)	(88)	52

The loss on investments and operating activities in HKRH and its subsidiaries substantially improved by 59.1% to approximately HK\$36,000,000 (2016: HK\$88,000,000 loss) during the Year under review.

於香港資源控股及其附屬公司的投資及營運活動的虧損於回顧年度內大幅改善59.1%至約36,000,000港元（2016年：88,000,000港元虧損）。

[#] HKRH represents Hong Kong Resources Holdings Company Limited (Stock Code: 2882) which conducts jewellery retail and franchise business under the brandname of "3D-GOLD" in Hong Kong, Macau and Mainland China.

[#] 香港資源控股代表香港資源控股有限公司（股份代號：2882），於香港、澳門及中國內地經營以「金至尊」品牌從事珠寶零售及特許經營業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 March 2017, the Group's cash and bank balances were approximately HK\$1,862,000,000 (2016: approximately HK\$2,432,000,000). The Group's net gearing ratio at the year-end was 0% (2016: 0%), which was concluded by using the ratio of total bank borrowings and gold loans of approximately HK\$437,000,000 (2016: approximately HK\$711,000,000) less cash and bank balances against total shareholders' equity of approximately HK\$8,873,000,000 (2016: approximately HK\$8,674,000,000). Net cash was approximately HK\$1,425,000,000 (2016: approximately HK\$1,721,000,000). The debt-to-equity ratio was 19.1% (2016: 21.5%), being the ratio of total liabilities of approximately HK\$1,699,000,000 (2016: approximately HK\$1,861,000,000) against total shareholders' equity of approximately HK\$8,873,000,000 (2016: approximately HK\$8,674,000,000). The Group's income and expenditure streams are mainly denominated in Hong Kong dollars.

Inventory

財務回顧

流動資金及財務資源

於2017年3月31日，本集團的現金及銀行結餘約為1,862,000,000港元（2016年：約2,432,000,000港元）。本集團於年結日的淨債務比率為0%（2016年：0%），此乃按銀行貸款及黃金借貸總額約437,000,000港元（2016年：約711,000,000港元），減去現金及銀行結餘後，相對股東權益總額約8,873,000,000港元（2016年：約8,674,000,000港元）之比例計算後之結論，淨現金約為1,425,000,000港元（2016年：約1,721,000,000港元）。負債權益比率為19.1%（2016年：21.5%），此乃按總負債約1,699,000,000港元（2016年：約1,861,000,000港元）相對股東權益總額約8,873,000,000港元（2016年：約8,674,000,000港元）之比例計算。本集團之收支項目主要以港元列值。

存貨

Inventory Turnover Days by Product 存貨週轉日數（以產品劃分）

	FY2017 2017財年	FY2016 2016財年
Gold 黃金	152	119
Gem-set 珠寶	436	469
Overall 整體	261	238

As at 31 March 2017, the Group's inventory increased by 9.9% to approximately HK\$6,973,000,000 (2016: approximately HK\$6,345,000,000) due to increase in number of self-operated shops. The average inventory turnover days were 261 days (2016: 238 days) with inventory turnover days of gold products being 152 days (2016: 119 days) and that of gem-set jewellery products being 436 days (2016: 469 days).

於2017年3月31日，本集團的存貨因自營店舖數目增加而增加9.9%至約6,973,000,000港元（2016年：約6,345,000,000港元），而平均存貨週轉日數為261日（2016年：238日），其中黃金產品之存貨週轉日數為152日（2016年：119日），珠寶首飾產品之存貨週轉日數則為436日（2016年：469日）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital Expenditure

During the Year under review, the Group incurred capital expenditures of approximately HK\$168,000,000 (2016: approximately HK\$113,000,000), including the costs of properties, leasehold lands, land use rights, leasehold improvements, furniture, fixtures and equipments.

Capital Commitments

As at 31 March 2017, the Group's total capital commitments amounted to approximately HK\$13,000,000 (2016: approximately HK\$12,000,000).

Contingent Liabilities

As at 31 March 2017, the Group had outstanding financial guarantees amounting to approximately HK\$764,000,000 (2016: approximately HK\$673,000,000) issued to several banks in respect of banking facilities granted to an associate.

Human Capital Policy

As at 31 March 2017, the number of employees of the Group was approximately 7,400 (2016: approximately 7,100). The management reviews and examines the remuneration policies on a regular basis to ensure that employees are offered fair rewards and compensation. Remuneration packages are structured to be comparable to the market rate while bonuses and other rewards are linked to the performances of the Group and the employees. This policy aims to motivate employees with monetary incentives to work together to achieve the objective of enhancing the Group's business performance.

資本開支

於回顧年度內，本集團產生資本開支約為168,000,000港元（2016年：約113,000,000港元），包括物業、租賃土地、土地使用權、租賃物業裝修、傢俬、裝置及設備成本。

資本承擔

於2017年3月31日，本集團的資本承擔總額約為13,000,000港元（2016年：約12,000,000港元）。

或然負債

於2017年3月31日，本集團向數間銀行出具有關向一間聯營公司授予銀行融資之未償還財務擔保約為764,000,000港元（2016年：約673,000,000港元）。

人力資本政策

於2017年3月31日，本集團的員工人數約為7,400人（2016年：約7,100人）。管理層定期檢討及審核薪酬政策，以確保為員工提供公平報酬及補償。薪酬待遇乃經考慮相近市場水平後釐定，而花紅及其他獎賞則與本集團表現及僱員表現掛鉤。此政策旨在以金錢獎賞，鼓勵員工協力達成提升本集團業務表現的目標。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

前景



During the Year under review, the same store sales of gem-set jewellery products in the Group's retail business recorded a substantially narrowed decline in Hong Kong and Macau market. Together with a relatively low base in the second half of the financial year, sales of gem-set jewellery products stopped its declining trend from the past year and extended to the first two months of the new financial year. Based on the continually improving market sentiment, the Group expects its business to restore growth in the coming year. The Group continues to be optimistic about the prospects of the mid- to long-term business development and will endeavour to focus on enriching the product offerings, expanding its network in Mainland China and implementing market-oriented branding strategy in the coming years, with a view to optimise the business development of the Group.

於回顧年度，本集團零售業務中珠寶首飾產品在香港及澳門市場的同店銷售跌幅呈大幅收窄現象，而在下半財年基數相對較低的情況下，其珠寶首飾產品的銷售得以扭轉過去一年的下跌趨勢，並延伸至新一財年之首兩個月份。基於持續改善的市場氣氛，本集團期望來年業務可重拾升軌。中長線而言，本集團對業務發展前景仍感樂觀，並將在未來數年透過積極推行集中於豐富產品的組合，針對中國內地的網絡擴張及市場導向的品牌策略，持續優化本集團的業務發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Product Focus

It was stated at the Fifth Plenary Session of the Eighteenth Central Committee of the Communist Party of China that China would maintain medium to high economic growth during the Thirteenth Five-Year Plan period (2016–2020) and that China would double its 2010 GDP and per capita income of urban and rural residents by 2020 as planned to build China into a moderately prosperous society in all respects. The per capita disposable income of all national residents and urban residents are both increasing. Furthermore, the annual number of marriages in Mainland China remained stable, and the annual number of births is increasing, which are conducive to the long-term development of the mass luxury sector. The demand for luxury products for kids will increase gradually as well. Accordingly, the Group will offer more fashionable yet affordable products to cater to the trend of trading down consumption and target at the mass market covering middle-class customers as well as kids.

China Focus

Based on the confidence in the long-term development of the Mainland China market, the Group will continue to focus its expansion in the sub second-tier cities. The net shop additions in Mainland China were 64 during the Year under review, while the target net addition of shops in the coming year is at least 50. The Group will also continue to develop the e-commerce business and to further strengthen cooperation with online platforms in Mainland China. During the Year under review, the Group had 12 online sales platforms in Mainland China, including Tmall.com, JD.com and VIP.com.

According to the report on internet spending trends in China jointly published by Taobao and CBNDData at the end of 2015, 80% of consumers aged between 20 and 40 learnt about gold and jewellery products through the internet and 60% of them had spent money on the internet. The proportion of spending on gold jewellery under RMB1,600 was 64%, while that on gold jewellery over RMB3,000 was 15% only. Currently, the products priced at around RMB1,000 are prevalent in the internet spending on gold jewellery, while the products priced under RMB2,000 are the major market for the internet spending on gem-set jewellery. Since young consumers have enormous spending potential on online sales platforms, the Group will endeavour to promote sales of good-value-for-money jewellery on online platforms to attract young consumers group. The Group targets to grow e-commerce revenue by 50% in the coming year.

專注於產品

中共十八屆五中全會提出，「十三五」（2016至2020年）期間，中國經濟將保持中高速增长，並強調將會如期在2020年達到國內生產總值和城鄉居民人均收入比2010年翻一番，實現全面建成小康社會目標。而全國居民及城鎮居民人均可支配收入均在增長中，此外，中國內地每年結婚之數字保持平穩，每年的出生人數亦正在上升，有利大眾奢侈品市場之長遠發展，對兒童奢侈品的需求亦會日漸增加。因此，本集團將會積極配合目前消費降級，針對覆蓋了中產及兒童市場的大眾市場，推出更多款式新穎、價格相宜的產品。

專注於中國

基於對中國內地市場長遠發展的信心，本集團將會繼續集中於二線以下城市的擴張，中國內地店舖於回顧年度內之淨增長為64間，來年店舖目標淨增長不少於50間。本集團亦銳意在中國內地繼續發展電子商務業務，加強與網上平台的合作。於回顧年度內，本集團在中國內地包括天貓、京東商城和唯品會等共有12家網上銷售平台。

根據淘寶網和第一財經商業數據中心(CBNDData)於2015年年底公布的中國互聯網消費趨勢報告，20歲至40歲的消費者通過互聯網了解黃金和珠寶產品的比例達八成，而參與消費的比例亦達到六成。黃金首飾消費在1,600人民幣以下的比例為64%，而3,000人民幣以上的比例僅為15%。目前，互聯網上黃金消費的主力價格基本在1,000人民幣左右；而2,000人民幣以下區間則是珠寶產品消費的主要戰場。鑑於年輕消費者於網上銷售平台的消費有著無限潛力，本集團將致力於網上平台推動高性價比珠寶首飾之銷售，吸引年輕消費群。本集團已訂下目標，於來年促進電子商務收入增長50%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Branding Focus

By understanding customers' spending habits, the Group will adopt comprehensive initiatives to penetrate into the markets for middle-class, wedding couples and kids. It will also continue to attract customers and boost local consumption by enhancing product displays, cross-promotional campaigns and VIP promotional activities so as to improve sales and profit performance. The Group will also showcase, promote and market its products on mobile applications and internet social media platforms such as Facebook and WeChat.

Productivity Enhancement

In addition to broadening the sources of income in different ways, the Group will strive to enhance productivity and reduce expenditure in different operational aspects, including the ongoing negotiations with landlords about reducing rents as appropriate, improvement of service quality control, enhancement of support to licensees, promotion of a continuous improvement culture and full automation of operational processes, in order to enhance efficiency and reduce costs in the hope of restoring business growth and therefore obtaining better performance, with the improving retail sentiment.

專注於品牌推廣

本集團將透過了解顧客的消費習慣，採取全面性舉措以滲透中產、婚嫁及孩童市場，亦會繼續透過加強產品陳列、交叉促銷和VIP推廣活動，吸引顧客，推動本土消費，以提高銷售和利潤。本集團將以手機應用程式和網絡社交平台如Facebook和微信，進行產品展示、宣傳及推廣。

促進生產力

本集團除以不同方法開源外，亦會致力在各營運層面盡力提升生產力及節流，其中包括把握時機繼續向業主尋求減租、改善服務質量的監控、加強對品牌商提供的支援、推動持續進步之文化及營運流程全面自動化等措施，以提升效率及減省成本，期望在零售氣氛逐漸改善下，令業務重拾升軌，取得更佳業績。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FY1998-2017 Financial Performance

1998至2017財年財務回顧

Revenue

收入

11% CAGR 年複合增長率

Profit for the Year

年內溢利

14% CAGR 年複合增長率

Return on Equity

股東權益回報率

19%

(All financial years achieved double digit return, except for FY2003 which was affected by the outbreak of SARS
除發生沙士疫情的2003財年外，所有財年皆錄得雙位數字)

Market capitalisation reached

HK\$14.9 billion (as at 28 June 2017)

市值達149億港元 (於2017年6月28日)

33 times since IPO

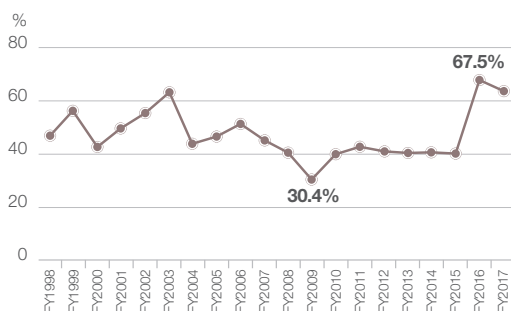
上市時的33倍

Net asset reached HK\$8.9 billion

淨資產達89億港元

41 times since IPO

上市時的41倍



Average Dividend Payout Ratio
平均派息比率
47%

The date of 6 May 2017 marked the 20th anniversary since the public listing of the Group on the Main Board of The Stock Exchange of Hong Kong Limited. This was an important milestone to the Group. Looking backward, the Group has made significant achievements. The Group's business has been progressing steadily, with the number of shops increasing continuously. In the past 20 years, the compound annual growth rate ("CAGR") of the revenue was 11% while the CAGR of the profit for the year was 14%. As at 28 June 2017, the Group's market capitalization reached HK\$14.9 billion which was 33 times of that at the time of the initial public offering ("IPO") and the net asset reached HK\$8.9 billion, which was 41 times of that at the time of the IPO. We always strive for the best interest of our shareholders. We have had a generous dividend policy, with the average dividend payout ratio of 47% for the past 20 years. Except for FY2003 which was affected by SARS, the Group has achieved double-digit return on equity every year since its IPO, which was a remarkable performance.

2017年5月6日為本集團於香港聯合交易所有限公司主板上市二十週年誌慶，亦為本集團發展重要里程碑。回溯過去，本集團取得重大成就，集團業務穩步增長，店舖數量不斷增加。過去二十年，收入年複合增長率（「年複合增長率」）為11%，而年內溢利年複合增長率達14%。於2017年6月28日，本集團的市值達149億港元，是首次公開招股（「上市」）時的33倍，而淨資產達89億港元，是上市時的41倍。我們以股東最大利益為依歸，我們設有慷慨的派息政策，過去20年平均派息比率為47%。除2003財年受非典型肺炎影響以外，本集團自上市以來的股東權益回報率每年皆達雙位數字，業績亮麗。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As a traditional retail industry, there will still be a rigid demand for jewellery products from consumers. The outlook for jewellery industry is promising. In the long run, apart from the exceptional business environment shaped by the unique geographic and tax advantages of Hong Kong and Macau and increasing per capita income in Mainland China, the Group's sustainable business development relies on its brand awareness established over the years, constantly expanding retail network, management's effective sales strategies and cost-effectiveness-oriented measures. Therefore, the Group will sharpen its competitive edge and consolidate its leading position in the jewellery retail market through its pragmatic and prudent business strategies, proactive response to market challenges and a firm grip on opportunities.

珠寶零售行業作為傳統零售行業，消費者對於珠寶產品仍存在殷切的剛性需求，行業前景樂觀。長遠而言，本集團業務的持續發展除了港澳獨特的地理及稅務優勢，以及中國內地人均收入的提升所形成的絕佳營商環境外，亦有賴本集團多年來努力建立的品牌知名度、不斷擴展的零售網絡、管理層有效的銷售策略和以成本效益為本的措施。因此，本集團將貫徹務實穩健的業務策略，積極應對市場挑戰，抓緊發展機遇，藉此提升自身的競爭優勢，鞏固其於珠寶零售市場的領導地位。

BRANDING

品牌策略

In order to align with the branding theme of “Love is Beauty”, the Group has been building a brand image that is welcoming and warm-hearted, and strengthening customers’ emotional attachment to the brand through outstanding marketing campaigns and excellent service programmes.

Adhering to the motto of “Exquisite Craftsmanship, Quality Services and Customer Orientation”, we act in the customers’ best interests in our operational management, and are meticulous from product design, quality assurance to sales services. To tie in with our “Six Heartfelt Services” culture, we are dedicated to fulfilling customers’ need with a caring heart and offering sincere quality services, aiming to provide the most enjoyable shopping experience for customers.

Meanwhile, we also extend the concept of “love” to our employees. We strive to promote a caring culture and create a friendly and harmonious working atmosphere. We treat employees as our family members and care for their physical and mental well-being in order to enhance their sense of belonging and foster a corporate culture of Lukfook Family.



為貫徹「愛很美」的品牌推廣主題，本集團一直以來透過出色的市場推廣活動及卓越的顧客服務計劃，建立殷切親和的品牌形象，加強顧客對品牌的情意連繫。

本著「匠心獨運 服務為本 以客為先」的精神，在經營理念上以顧客權益為首要，從產品設計、質量保證以至銷售服務均一絲不苟，並秉承本集團「六心服務」的宗旨，用「心」了解顧客需要，時刻提供優質摯誠的服務，務求令每一位客人有賓至如歸的感覺。

與此同時，我們將「愛」的概念延伸至員工層面，積極推廣關愛文化，締造友愛和諧的工作氣氛，並視員工如我們的家庭成員一樣，關顧他們的身心健康，以增強員工歸屬感，締造六福大家庭的企業文化。



To Customers
對顧客

六心服務
Six Heartfelt
Services

To Employees
對員工

六福大家庭
Lukfook Family

六福
LUKFOOK

To Public
對大眾

愛很美
Love is Beauty

BRANDING

品牌策略

MARKET ORIENTED STRATEGY

Targeting the mid-to-high end consumer markets in Mainland China, Hong Kong, Macau and overseas, the Group has implemented comprehensive marketing strategies, and launched diversified product offerings with exquisite designs, together with outstanding marketing campaigns, to seize the business opportunities arising from the middle-class, wedding and kids markets.

MIDDLE-CLASS MARKET

To cope with the brand's positioning of mass luxury sector, we have endeavoured to further penetrate the middle-class market through various channels. During the Year under review, the Group held the "Lukfook Jewellery Raceday" featuring the theme "Crown Beauty with Love", and invited Miss Hong Kong Pageant title winners to showcase a series of glamorous diamond jewellery to the guests and audience, so as to raise our brand awareness among the middle-class population. In the light of the popularity of fashionable diamond jewellery suitable for daily wear among this group of customers, the Group stepped up the marketing efforts on the "Love is Beauty" and "Convergence of Love" Collection. We also introduced the "Love Forever" Collection in collaboration with our celebrity endorser Mr. Lam-Fung, which turned out to be well received by couples, thus attracting this group of sophisticated, chic middle-class customers.

Nowadays, marathon running has become one of the most popular sports among the middle-class in pursuit of a healthy lifestyle. Therefore, the Group sponsored the medals set with gold and diamonds for the Hong Kong, Beijing, Shanghai and Wuhan marathons to honour over 118,000 marathon finishers. Apart from that, the Group also rolled out marketing programmes jointly with the popular brands among the middle-class, such as the privileges offered in partnership with ZALORA, manicure services provided in collaboration with "Helijia", free air tickets and hotel accommodation promotion launched in cooperation with "Tuniu.com", and the "Love Car" promoted jointly with "CAR Inc.", with a view to boosting brand awareness and seizing the business opportunities from the middle-class market.

市場導向策略

針對中港澳及海外的中高端消費市場，本集團採取全面的市場推廣策略，配合設計精湛、多元化的產品組合，以及出色的市場推廣活動，以抓緊中產、婚嫁和孩童市場帶來的發展機遇。

中產市場

為配合本集團大眾化奢侈品的市場定位，我們致力透過不同渠道進一步滲透中產市場。本集團於回顧年度內舉辦「六福珠寶賽馬日」，以「愛為美加冕」為活動主題，邀請了多位香港小姐向現場嘉賓及觀眾完美演繹一系列閃爍瑰麗的鑽石首飾，藉以吸引中產人士對品牌的關注。有見此客戶群追求設計時尚並適合日常佩戴的鑽石首飾，本集團除加強宣傳「愛很美」及「亮聚」系列外，更推出以林峯先生為代言人及深受情侶歡迎的「愛恆久」系列，吸納富品味及潮流觸覺的中產顧客群。

現今都市人追求健康生活文化，而馬拉松正是深受中產階層熱愛的運動之一，因此，本集團透過贊助香港、北京、上海及武漢馬拉松鑲足金及鑽石獎牌，向超過118,000位完賽跑手致意。此外，本集團亦聯合受中產歡迎的品牌舉辦推廣活動，例如與ZALORA聯合推出購物優惠、與「河狸家」合作於全國推出美甲體驗服務、與「途牛旅遊網」推出免費機票及酒店活動、以及與「神州專車」共同推廣「真愛專車」等，以提升品牌的認知度，抓緊中產市場帶來的商機。



BRANDING

品牌策略

WEDDING MARKET

According to the statistics released by the Ministry of Civil Affairs of the People's Republic of China, there have been over 11 million pairs of newlyweds per year in the past 6 years. In order to seize this valuable business opportunity of the wedding market, the Group has participated in wedding expos in Hong Kong and Mainland China, and held large-scale wedding shows with high-end hotels and other wedding related partners. Besides, the Group launched a wide range of Chinese and western wedding products. In the traditional Chinese culture, people like to purchase gold jewellery for gifts and wear. Accordingly, the Group introduced the "Beloved" Collection of gold wedding jewellery, which integrates the traditional Chinese wedding culture into trendy gold jewellery design. Nowadays, diamond jewellery, a symbol of promise of eternity, is also a popular choice among wedding couples. To cater for this trend, the Group launched the Wedding Collection of diamond jewellery and the Platinum Bridal Collection which was introduced in cooperation with Platinum Guild International. Moreover, we have a wide array of wedding rings with complete range of sizes and complimentary engraving services for wedding couples at our shops, aiming to increase our share in the wedding market by leveraging our diversified wedding products and caring services.

KIDS MARKET

In response to the implementation of the two-child policy in Mainland China, the Group has introduced a variety of kids' products, including the "Hugging Family" Collection and the Rilakkuma™ Collection which has been well received by both adults and kids. To boost sales strategically, the Group launched an array of jewellery accessories featuring the adorable Rilakkuma, and the baby gift sets that came with the accessories invoking blessings for peace, safety and health as well as the exquisitely designed gift boxes, making them the best choice for gifts or personal use.

The Group also organised a series of promotional activities, such as arranging members of the "Hugging Family" to interact with customers at famous amusement parks, so as to build a brand image of warm family.

婚嫁市場

根據中華人民共和國民政部發表的統計數據顯示，過去6年每年有超過1,100萬對新人結婚，為把握龐大婚嫁市場的寶貴商機，本集團除參與香港及國內婚慶博覽會、與高端酒店等跟婚嫁有關之合作夥伴舉行大型婚禮秀外，更推出多款中西式婚嫁產品。中國人傳統多喜愛購買黃金首飾作送禮及佩戴之用，本集團精心打造的「囍」愛嫁囍金飾系列，將傳統婚慶文化完美融入於時尚黃金首飾當中。隨著潮流轉變，現今新人亦喜愛選購鑲飾作結婚之用，取其象徵恆久承諾的意思，因此本集團亦推出「婚嫁」鑲飾系列，並與國際鉑金協會攜手推出的Pt「純•結」婚嫁系列。另外，店舖更備有多款尺碼齊全的結婚對戒供新人選擇，並附有免費即時刻字等增值服務，以多元化的婚嫁產品及貼心的服務去擴大婚嫁市場的份額。

孩童市場

配合於中國內地推行的二孩政策，本集團推出不同的孩童產品，如「抱抱家庭」系列及深受大人小朋友歡迎的Rilakkuma™「輕鬆小熊」系列。為策略性地提高銷售，本集團以可愛的輕鬆小熊造型設計出多款首飾產品，並推出寶寶禮盒套裝，把寓意平安、健康的飾品配以設計精緻的禮盒，作為饋贈或自用的最佳選擇。

本集團亦透過舉辦一系列的推廣活動，包括將抱抱家庭成員帶到著名遊樂園與市民互動，以建立溫馨家庭之品牌形象。



BRANDING

品牌策略

BRANDING ACTIVITIES

To increase brand awareness more strategically and secure our market share in Hong Kong and Mainland China, the Group continued to strengthen the connection between love and beauty in line with our branding theme of “Love is Beauty”. The Group not only sponsored the diamond crown and precious jewellery pieces for the “Miss Hong Kong Pageant” for nineteen consecutive years, but also served as the exclusive sponsor of the diamond crown for the “Miss Universe China Reignwood Pageant” for six consecutive years.

Furthermore, the Group also made good use of various promotional channels, such as public relations activities, media advertising and various kinds of sponsorships, to enhance our brand exposure. Moreover, the Group has captured the trend of rapid growth of online marketing by placing advertisements on major social media platforms, portals, video websites and search engines and promoting products through mobile applications and Internet celebrities. Inter alia, the cross-platform collaboration with the classic game “Richman 9”, incorporated the Lukfook Jewellery elements into the game under the theme of “Lukfook Richman”, placed advertisements on the popular social media platforms Weibo and NetEase, and launched the H5 mobile phone interactive game, which successfully attracted the attention of game players and the participation of the game was up to 2.5 million players. To step up promotion, the Group also distributed the limited edition game-themed gold lucky coins in various regions during the Chinese New Year to increase local traffic, which helped attract more potential customers to our offline physical stores and thereby boost sales.

As online interactions became the new trend in promotion, the Group utilised the brand-new promotional channels of live broadcast by cooperating with the e-commerce live broadcast platform of – VIP.com. We invited Mr. Lam-Fung, celebrity endorser for our “Love Forever” Collection, to participate in the live broadcast of our new product launch press conference, which attracted up to 2.1 million viewers. Apart from that, the Group also launched the “Fabulous Offers” promotional campaign, allowing more than 300 customers to spell out the messages for their loved ones through words displayed on the large billboards in various areas, thus strengthening customers’ emotional attachment to the brand.

品牌推廣

為能更有策略地提升品牌知名度，鞏固香港及中國內地的市場佔有率，本集團繼續以「愛很美」為品牌推廣主題，緊扣愛與美的不解之緣，更連續十九年贊助「香港小姐競選」的金鑽后冠及名貴珠寶首飾，連續六年獲邀成為「環球小姐中國區大賽」金鑽后冠的獨家贊助商。

此外，本集團亦透過各種宣傳渠道，如公關活動、媒體廣告及各類型的贊助等，增加品牌曝光率。本集團也抓緊網上推廣快速增長的趨勢，於各大社交平台、門戶、視頻及搜尋網站投放廣告，並利用手機程式及網絡紅人宣傳。其中，六福珠寶與經典遊戲「大富翁9」跨平台合作，以「六福齊來大富翁」為主題於遊戲內植入六福珠寶元素，並於人氣社交媒體「新浪微博」及「網易」投放廣告，更推出H5手機互動遊戲，成功吸引玩家們關注，參與人數高達250萬。為進一步加強宣傳攻勢，更於新年期間在各個地區派發遊戲限量版黃金壓歲錢，增加當地人流，藉此吸納更多潛在客戶由線上到線下消費，帶動銷售增長。

隨著網上互動成為推廣工具之新趨勢，本集團利用網上直播之嶄新的宣傳渠道，與唯品會電商直播平台合作，更邀請「愛恆久」系列代言人林峯先生參與新品發布會現場直播，吸引高達210萬觀眾觀看。除此之外，本集團亦舉辦了「感謝遇『賞』」活動，為超過300位顧客於各地大型廣告牌上向他們心愛的人展示心底話，深化顧客對品牌的情意聯繫。



BRANDING

品牌策略

PRODUCT DESIGN

Producing the finest products with exquisite craftsmanship and stylish designs is one of the core competencies of the Group. To enhance innovation capabilities and broaden design team's horizon, we arrange overseas trips for the team from time to time to explore and apply different design concepts to jewellery. Our outstanding design team has actively participated in various local and international jewellery design competitions, and won over 180 awards up to now, further raising Lukfook's brand image.

During the Year under review, our design pieces "Auspicious Bird" and "To Rejoice with Your Heart" won the "Best of Show Award (Open Group)" in "The 18th Hong Kong Jewellery Design Competition", and the design piece "Auspicious Bird" also received the "Craftsmanship and Technology Award".

BRANDING AWARDS

During the Year under review, Lukfook's continuous efforts in brand building have resulted in numerous awards and recognition. These included:

- "Retail Asia-Pacific Top 500 Awards" for five consecutive years and "Top 10 Retailers in the Hong Kong Market"
- "Hong Kong Star Brand Award – Enterprise" for five consecutive years
- "15-year QTS Merchant Recognition" from the Hong Kong Tourism Board

產品設計

製造優質精湛、設計新穎時尚的產品為本集團其中一項核心競爭力。為持續提升創新能力及擴闊設計團隊的視野，本集團不時安排團隊外出勘察，將不同設計概念融合於珠寶創意上。我們傑出的設計團隊亦積極參與多個本地及國際珠寶設計比賽，至今共獲得逾180個獎項，進一步提升六福的品牌形象。

於回顧年度內，設計作品「瑞鳥鳳凰」及「隨心而樂」於「第18屆香港珠寶設計比賽」中榮獲「公開組大獎」，而「瑞鳥鳳凰」亦同時獲得「工藝技術獎」。

品牌殊榮

於回顧年度內，六福在品牌建設上的持續努力，獲得業界及市場認同並贏得多個獎項及嘉許，包括：

- 連續五年入選「亞太區最佳零售商500強」並榮獲「香港區十大零售商」殊榮
- 連續五年榮獲「香港星級品牌—企業獎」
- 榮獲香港旅遊發展局頒發「15年資深優質商戶嘉許」獎項



BRANDING

品牌策略

QUALITY ASSURANCE

The Group puts emphasis on quality control and authentication to enhance consumers' confidence, and is meticulous from raw materials procurement to authentication. In 1996, China Gems Laboratory Limited ("CGL"), a wholly-owned subsidiary of the Group, was established for the purpose of providing services including authentication and grading of diamonds, authentication of jadeite jade and coloured gemstones, and quality assessment for jewellery. The laboratory is operated by a group of experienced and certified gemologists specialising in authentication of gemstones and jadeite jade.

In addition, the Group set up Victoria Gemological Institute Limited principally engaged in jewellery authentication and professional training. With branch offices in Hong Kong and Mainland China, the institute provides services for the jewellery sector and customers. The institute has passed the accreditation of the Laboratory Accreditation Bureau (L-A-B) of the United States, and is authorised to issue internationally recognised reports that conform to ISO/IEC 17025 in diamond grading and fei cui (jadeite jade) testing.

To further boost consumers' confidence, the Group cooperated with The International Institute of Diamond Grading and Research (IIDGR) to provide an additional report for any Hearts & Arrows diamond sold at our shops in Hong Kong and Macau, so as to give customers a more comprehensive understanding of the diamond products purchased.

質量保證

本集團十分注重品質監控及鑑定，務求為顧客帶來多一份信心保證，由採購至鑑定均一絲不苟，更於1996年成立全資附屬公司—中華珠寶鑑定中心有限公司（「中華珠寶鑑定中心」），提供鑽石鑑定、評級、翡翠及有色寶石鑑定及珠寶質量評估等服務。該中心由一群專門從事寶石及翡翠鑑定的資深認可寶石鑑定師營運。

除此之外，本集團設立維多利亞珠寶學院，業務主要是珠寶鑑定及專業培訓，並在香港及中國設立鑑定中心分站，為珠寶業界和大眾消費者提供服務。學院已通過美國試驗所認可局Laboratory Accreditation Bureau (L-A-B)的認可，可簽發國際承認的ISO/IEC 17025鑽石評級報告及翡翠（硬玉質翡翠）檢測報告。

為了給顧客帶來多一份信心保證，集團與國際鑽石評級及研究所The International Institute of Diamond Grading and Research (IIDGR)合作，為港澳區分店的八心八箭鑽石提供額外一份報告，讓顧客對其所購的鑽石產品有更深入及全面的認識。

BRANDING

品牌策略

EXCELLENT SERVICE

Lukfook's cultivation of a warm-hearted brand image would not be successful without a commitment to service excellence. Adhering to the motto of "Exquisite Craftsmanship, Quality Services and Customer Orientation", we act in the customers' best interests in our operational management. In line with the branding theme of "Love is Beauty", the "Delivering the Beauty of Love with Six Heartfelt Services" excellent customer service programme was introduced to fulfil customers' need with a caring heart and offer sincere quality services for customers with a view to relaying the culture of Six Heartfelt Services to each customer all over the world.

SHOPPING EXPERIENCE

To deliver the most enjoyable shopping experience to customers, the Group has established the Member Zone in the shops for our privileged members to enjoy special offers, leisure space and caring services. In addition, featuring warm, romantic pink decoration, the Western Wedding Zone and Chinese Wedding Zone at our shops display different collections of wedding jewellery products. New couples and their families can select wedding jewellery in a comfortable and spacious environment.

Besides, the Group creates a gentle yet noble shopping environment by using luminous materials such as mirrors and metal steel, with leather interspersed throughout our shops to create a more distinct three-dimensional and multi-layered effect. Moreover, we offer a wide selection of jewellery and superior shopping services for customers to enjoy unparalleled shopping experience and pleasure.

優質服務

為能呈現六福殷切親和的品牌形象，本集團對追求卓越服務的承諾及堅持從不怠慢，本著「匠心獨運 服務為本 以客為先」的精神，在經營理念上以顧客權益為首要，為貫徹「愛很美」的品牌推廣主題，推出「六心傳為您 因為愛很美」卓越顧客服務計劃，用「心」瞭解顧客需要，時刻為顧客提供優質摯誠的服務，矢志把六心服務文化傳至世界各地每一位顧客。

購物體驗

務求令顧客有賓至如歸的感覺，本集團於分店設立會員「優」閒專區，使尊貴會員尊享特別購物優惠、休閒空間以及貼心服務。除此之外，分店內亦設置「西式婚嫁」及「中式婚嫁」專區，專區內以溫馨浪漫粉紅色系佈置，陳列了集團設計師悉心設計之不同婚嫁系列的首飾產品，讓新人及其家人在舒適寬敞環境下挑選婚嫁首飾。

另外，本集團店舖全面採用了鏡、金屬鋼等高光度物料，配合皮革物料的點綴，突出店舖的立體和層次感，拼湊成一種柔和而高貴的感覺，加上琳琅滿目的珠寶首飾以及嶄新優越的購物服務，為顧客帶來非凡的購物體驗和樂趣。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

This is the first Environmental, Social and Governance (“ESG”) report prepared by Luk Fook Holdings (International) Limited (hereinafter referred to as “We”, “Lukfook”, the “Company”) and its subsidiaries (the “Group”), according to the ESG Reporting Guide published by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This report presents our sustainability performance in the financial year 2017 (“FY2017”) which is from 1 April 2016 to 31 March 2017. It covers the operations of offices, factories, showrooms and self-operated shops across Hong Kong, Macau and Mainland China.

With cumulative brand awareness established over the years, we seize the opportunities to consolidate our leading position in the jewellery retail market. We understand our responsibility is not limited to providing quality products and services to customers. Therefore, we are very pleased to publish the ESG report which provides information on environmental and social issues that is relevant to the Group and details our efforts in sustainable development.

We would like to hear your feedback on our ESG report, feel free to post to Luk Fook Jewellery Centre, 239 Temple Street, Jordan, Kowloon, Hong Kong with attention to Corporate Communications Department or email us at ir@lukfook.com.

此為六福集團（國際）有限公司（下文稱為「我們」、「六福」、「本公司」）及其附屬公司（「本集團」）根據香港聯合交易所有限公司（「聯交所」）頒佈的《環境、社會及管治報告指引》而編製的首份環境、社會及管治（「環境、社會及管治」）報告。本報告匯報我們於2016年4月1日至2017年3月31日止財政年度（「2017財年」）的可持續發展表現，涵蓋於香港、澳門及中國內地辦事處、廠房、展廳及自營店的業務營運。

我們憑著多年來努力建立的品牌知名度，抓緊發展機遇，鞏固我們於珠寶零售市場的領導地位。我們深知，我們的責任遠不止為顧客提供優質產品及服務。因此，我們欣然刊發環境、社會及管治報告，提供有關本集團的環境及社會事宜的資料及詳述我們於可持續發展方面作出的努力。

我們誠心聆聽 閣下對環境、社會及管治報告的意見，請郵寄至香港九龍佐敦廟街239號六福珠寶中心企業傳訊部或電郵至 ir@lukfook.com。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

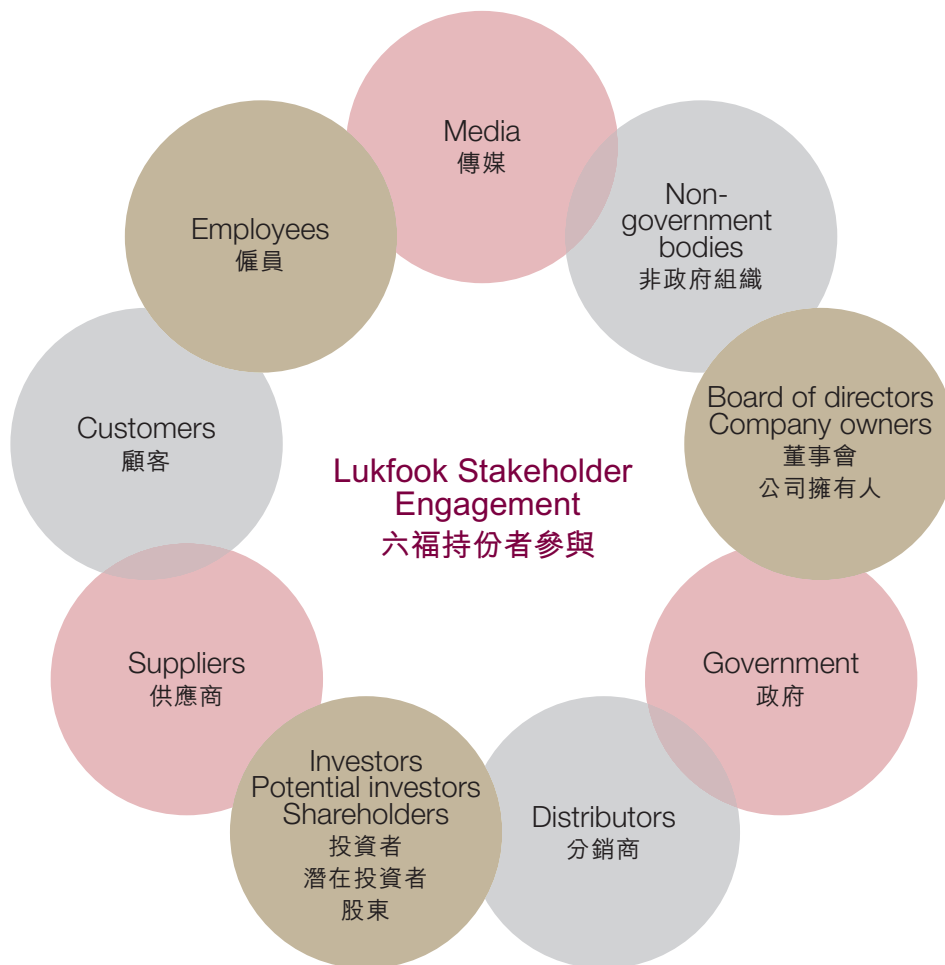
We believe that the voices of our stakeholders are valuable to our business and sustainable development. In order to understand the concerns of our key stakeholders and to identify the material topics of the Group, a stakeholder engagement activity was conducted via online questionnaire by a third party. The questionnaire acted as a tool for us to communicate with our stakeholders and obtain their opinions. A materiality assessment was then conducted to provide us insights into the formulation of our ESG reporting and upcoming Corporate Social Responsibility ("CSR") strategies.

During the materiality assessment, we engaged both internal and external stakeholders from Hong Kong, Macau and Mainland China to rate on 20 ESG topics.

持份者參與及重要性評估

我們深信，持份者的意見對促進業務成功及可持續發展至關重要。為了解主要持份者所關注事宜，我們委聘第三方進行在線問卷調查，藉此展開持份者參與活動，以識別本集團的重大議題。我們透過問卷調查與持份者進行溝通並了解他們的相關看法，從而進行重要性評估，這有助編製環境、社會及管治報告及制定未來企業社會責任（「企業社會責任」）策略。

於重要性評估過程中，我們邀請來自香港、澳門及中國內地的內部及外部持份者，就20項環境、社會及管治議題進行評分。

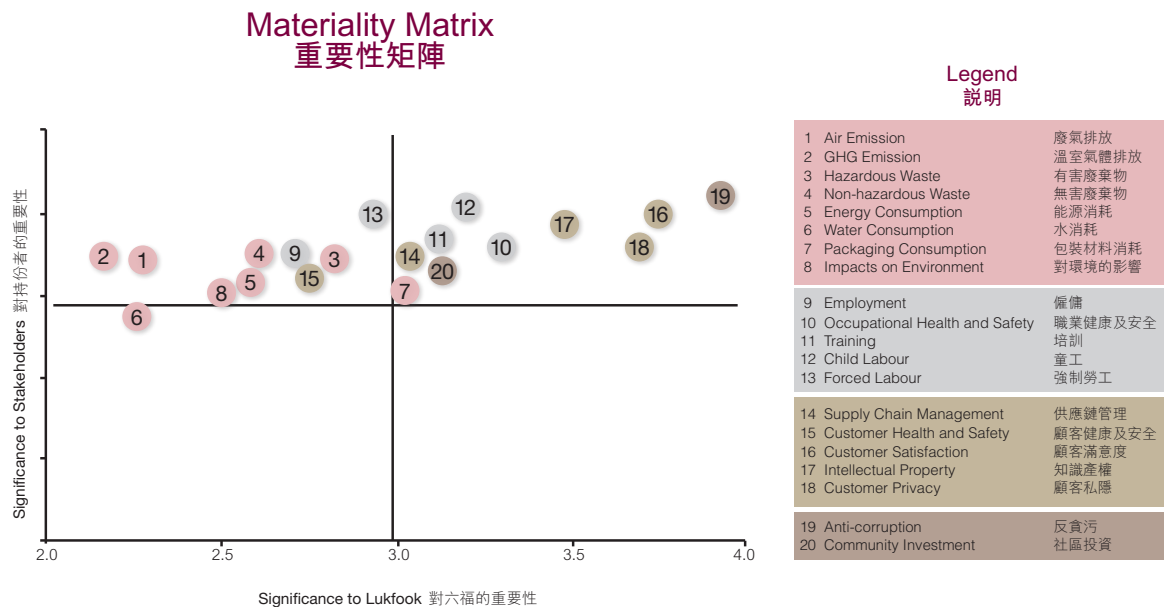


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

These ESG topics were generalized from the key performance indicators of the ESG Reporting Guide. Their valuable feedback helps us identify the priority of material topics as shown below:

該等環境、社會及管治議題歸納自環境、社會及管治報告指引的關鍵績效指標。持份者的寶貴意見有助我們對下列重大議題進行排序：



“Significance to Stakeholders” are shown on the vertical axis of the materiality matrix, while “Significance to Lukfook” are shown on the horizontal axis. The topics considered to be of greatest importance are shown in the top right hand quadrant of the graph.

重要性矩陣的豎軸為「對持份者的重要性」，橫軸則「為對六福的重要性」，圖中右上象限所示乃被視為最重要的議題。

Based on the above analysis, we prioritize 10 topics which are the most material to us: 19. Anti-corruption, 16. Customer Satisfaction, 18. Customer Privacy, 17. Intellectual Property, 10. Occupational Health and Safety, 12. Child Labour, 11. Training, 14. Supply Chain Management, 20. Community Investment and 7. Packaging Consumption.

根據上述分析，我們就對我們而言最為重大的10項議題作出排序：19.反貪污；16.顧客滿意度；18.顧客私隱；17.知識產權；10.職業健康及安全；12.童工；11.培訓；14.供應鏈管理；20.社區投資及7.包裝材料消耗。

The result is affirmed by the senior management of the Group and is considered significant to the sustainable development of Lukfook. With the result in mind, we will continue to improve its ESG performance and work on the direction to sustainability to respond to the expectations of our stakeholders.

本集團高級管理層確認，有關結果對六福的可持續發展至關重要。有見及此，我們將進一步提升環境、社會及管治表現，推進企業可持續發展，竭力達致持份者預期。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDERS' VOICE

Our CSR initiatives were commended by our stakeholders, including awards and sponsorships in large-scale events that could build up a positive corporate image and reputation.

Despite environmental issues not being rated as material to the Group in the assessment, many of our stakeholders paid high attention to environmental issues. As our operation is mainly confined to offices, retail shops and processing plants, stakeholders showed their concern about wastewater treatment from the processing plant, and thought that environmental protection was everyone's responsibility in the community. Preserving the environment was vital to good health and state of mind to each individual, which could eventually benefit the whole society including Lukfook. Our stakeholders proposed that the Group could consider paperless operation, workplace indoor greening, energy efficiency and even environmentally friendly decoration materials in shops.

Our staff reflected that they were aware of the community programme such as: marathons and voluntary services. They supported red packet and mooncake box recycling. Many also said that they hoped to receive more training on product knowledge and sales technique. Staff outside of Hong Kong hoped that they could receive training certificates as recognition. In addition, our staff also indicated that the Group could further enhance the two-way communication channels for conveying their suggestions more effectively.

持份者的意見

我們的企業社會責任活動贏得持份者的讚譽，包括為大型活動提供獎勵及贊助，有助樹立正面的企業形象及聲譽。

儘管在重要性評估中，環境議題未被列為對本集團重大事宜，多數持份者十分注重環境議題。由於我們的營運主要限於辦公室、零售店及加工廠，持份者對加工廠廢水處理問題表示關注，並認為保護環境人人有責。保護環境對每個人的身心健康至為重要，最終令整個社會包括六福受惠。持份者建議本集團考慮實施無紙化辦公、工作場所室內綠化、節約能源及於商舖採用環保裝修材料。

員工反映他們知曉社區活動，諸如馬拉松比賽及義工服務，並支持利是封及月餅盒回收活動。很多員工表示希望加強產品知識及銷售技巧培訓，而香港境外員工希望獲頒培訓認可證書。此外，員工亦表示本集團應加強雙向溝通渠道，更有效地傳達員工建議。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

MATERIALITY ANALYSIS TABLE

The table below shows the material issues to our business and their impact within and outside of Lukfook.

重要性分析一覽表

下表列載對本集團業務重大的事宜以及其對六福內部及以外的影響。

	Level of Materiality 重要程度	Within Lukfook 六福內部	Outside Lukfook 六福以外
Environmental 環境			
Air Emission 廢氣排放	Low 低	x	✓
GHG Emission 溫室氣體排放	Low 低	x	✓
Hazardous Waste 有害廢棄物	Low 低	x	✓
Non-hazardous Waste 無害廢棄物	Low 低	x	✓
Energy Consumption 能源消耗	Low 低	x	✓
Water Consumption 水消耗	Low 低	x	x
Packaging Consumption 包裝材料消耗	Medium 中	✓	x
Impacts on Environment 對環境的影響	Low 低	x	✓
Social 社會			
Employment 僱傭	Low 低	x	✓
Occupational Health and Safety 職業健康及安全	High 高	✓	✓
Training 培訓	High 高	✓	✓
Child Labour 童工	Medium 中	✓	✓
Forced Labour 強制勞工	Medium 中	x	✓
Supply Chain Management 供應鏈管理	Medium 中	x	✓
Customer Health and Safety 顧客健康及安全	Low 低	x	✓
Customer Satisfaction 顧客滿意度	High 高	✓	✓
Intellectual Property 知識產權	High 高	✓	✓
Customer Privacy 顧客私隱	High 高	✓	✓
Anti-corruption 反貪污	High 高	✓	✓
Community Investment 社區投資	Medium 中	✓	✓

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

TO CUSTOMERS: SIX HEARTFELT SERVICES

Following the motto of “Exquisite Craftsmanship, Quality Services and Customer Orientation”, we are committed to maintaining the high standard in daily operation, and remaining meticulous from supply chain management, quality assurance, to product and service responsibility.

Supply chain management

Selection process

A well-established procurement procedure and systematic process is in place that new suppliers or subcontractors have to be evaluated before being approved and adopted. In addition, the Group has established strict tendering guidelines. All approved suppliers and subcontractors have to fulfil the Group’s internal approval processes and enter into the Supplier Agreement to ensure that products and services provided are up-to-standard. Ongoing and regular inspections and assessments are conducted as regulatory monitoring.

Apart from quality and price, CSR performance is also an important factor to be considered during the selection process in order to manage the environmental and social risks of the supply chain. Guideline for environmental procurement stipulates that 4R (reduce, reuse, recycle and renew) method must be applied to the whole product life cycle. Under the same conditions, we give preference to non-allergenic, energy efficient and durable materials during the selection process.

Responsible sourcing

All our diamond suppliers are required to fulfil the Kimberley Process Certificate Scheme which ensures that the rough diamonds supplied are not “conflict diamonds”. To ensure that the sources of gold raw materials are legal, we select suppliers with integrity which are recognised within the industry, such as member of The Chinese Gold and Silver Exchange Society and Shanghai Gold Exchange.

顧客：六心服務

本著「匠心獨運 服務為本 以客為先」的精神，我們致力在日常營運方面維持高水平管理，從供應鏈管理、質量保證以至產品及服務責任均一絲不苟。

供應鏈管理

甄選程序

我們建立完善的採購程序及系統化流程，規定新供應商或分包商須經評估後方予批准採用。此外，本集團制定嚴格的招標指引。所有認可供應商及分包商須遵守本集團的內部審批程序，並簽訂《供應商協議》以確保所提供的產品及服務符合標準。我們會定期進行檢測及評估以作監管。

為了管理供應鏈的環保及社會風險，於甄選供應商的過程中，除了質量和價格外，企業社會責任表現亦是重要考慮因素之一。環保採購指引規定，整個產品使用年期內應貫徹「減少使用、重複使用、循環再造及更新使用」的4R原則。在同等條件下，我們會在甄選過程中優先選用非過敏性、節能及耐用的材料。

負責任採購

所有鑽石供應商均須遵守金伯利流程認證計劃，確保所供應的鑽石毛坯並非「衝突鑽石」。為確保黃金原材料來源合法，我們甄選獲業界認可的誠信供應商，如金銀業貿易場及上海黃金交易所會員。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Business ethics

The principles of integrity, fairness and justice are always the foundation of operation. The Group obtained formal management policies to prevent bribery, extortion, fraud and money laundering. All of our suppliers and subcontractors are required to sign the corruption prevention policy in accordance with the guidelines laid down by the Hong Kong Independent Commission Against Corruption ("ICAC") which sets out relevant code of integrity, mechanisms for declaration of interest and whistle-blowing to prevent and curb conflict of interests and corruption issues.

A strict approval system is in place for transactions monitoring and there are different kinds of internal control to ensure the compliance by all stakeholders. Apart from employees, we also expect that all our business partners including customers adhere to the policy. We do not have any concluded legal cases regarding corrupt practices during FY2017.

Quality control and assurance

The Group exercises tight quality control and is meticulous from raw materials procurement, production to sales and after-sales services.

For our procurement practice, to ensure a reliable supply of quality diamonds and enhance customer confidence, the Group is a sightholder of De Beers, the world's largest diamond producer. At the same time, our diamond passed the "Natural Diamond Quality Assurance" Mark scheme accredited by the Diamond Federation of Hong Kong, which assures that our diamond products sold are natural diamonds.

商業道德

廉潔、公平及公正的原則為商業營運的基石。本集團已制定正規管理政策，防止賄賂、勒索、欺詐及洗黑錢活動。所有供應商及分包商均須根據香港廉政公署（「廉政公署」）頒佈的指引簽署《廉潔交易政策》，當中列明相關廉潔守則、利益申報及舉報機制，防範及遏止任何利益衝突及貪污的情況。

我們採取嚴謹的審批制度，監管交易項目，並實施多項內部監控措施，確保所有持份者嚴格遵守。除僱員外，我們亦期望包括顧客在內的所有業務合作夥伴遵守有關政策。於2017財年，並無任何已審結的貪污訴訟案件。

質量控制及保證

本集團實施嚴格的質量控制，從原材料採購、生產到銷售以至售後服務均一絲不苟。

採購方面，為確保優質鑽石供應穩定及加強顧客信心，本集團為全球最大鑽石供應商 De Beers 的鑽石毛坯特約配售商。同時，我們的鑽石成功通過由香港鑽石總會推行的「天然鑽石品質保證」標誌計劃，保證我們所銷售的鑽石產品皆為天然鑽石。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

For our production process, the Group wholly owns a large-scale jewellery processing plant in Nansha, Guangzhou, which enables the Group to offer stable quality supply and carry out quality control effectively. The production plant will also help the Group to cope with its growing distribution network and provide stable jewellery supply to its jewellery shops. Our jewellery processing plant is warranted on ISO 9001:2008 quality management system and ISO 14001:2004 environmental management system by an external certification body.

In terms of sales services, a “Six Heartfelt Services” ambassador was nominated in every retail shop to execute the spirit thoroughly. “Six Heartfelt Service Voices” has been implemented as an enhancement of the service programme. Video clips and service standard are available on the intranet so our staff can review anytime. The Group have been recognised with a wide array of awards for management excellence and high-quality products and service. These include:

- Won “Hong Kong Service Awards – Quality Living Category (Jewellery and Gold)” for ten consecutive years and “Outstanding Award” by “East Week Magazine”
- Awarded “Consumer Caring Company” by GS1 Hong Kong for five consecutive years
- “Smiling Enterprise Award” by Mystery Shopper Service Association

Concerning our after-sales services, we have a systematic process for handling recycled products and quality issues. Recycled products would be passed to our laboratories after preliminary identification from retail shops for further verification, test report would be issued if necessary. Quality issues would be examined and followed up by relevant department.

生產方面，本集團全資擁有一間位於廣州市南沙區的大型珠寶加工廠，提供穩定優質的貨源並有效控制產品質量。憑藉該生產工廠，本集團亦能夠應付不斷擴大的分銷網絡，為其珠寶商舖提供穩定的珠寶產品供應。我們的珠寶加工廠獲外部認證機構授予ISO 9001:2008品質管理系統及ISO 14001:2004環境管理系統認證。

銷售服務方面，每間零售店均設有「六心服務大使」，以貫徹執行有關服務宗旨，並組織「六心服務之聲」活動，以提升服務質素。員工可隨時透過內聯網觀看有關視頻及了解服務標準。本集團的卓越管理及優質產品與服務屢獲殊榮，包括：

- 連續十年榮獲《東周刊》頒發「香港服務大獎—優越生活組別（珠寶金行）」以及獲頒發「超卓榮譽大獎」
- 連續五年獲香港貨品編碼協會評選為「貼心企業」
- 獲神秘顧客服務協會頒發「微笑企業獎」

售後服務方面，我們設立處理產品回收及質量問題的系統化流程。回收產品經零售店初步檢測後將移交鑑定中心進一步檢驗，並於有需要的情況下提供檢測報告。質量問題將由相關部門檢查及跟進。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Product and Service Responsibility

Intellectual properties

Intellectual properties committees were set up in Hong Kong and Mainland China to handle tasks in respect of intellectual properties, including trademark registration, design patent and combating of infringement. The Group also actively monitors any infringement by free-riding brands across the country to safeguard customers from losses caused by misleading brandnames.

Customer privacy

The Group endeavours to respect and safeguard the confidentiality of customer privacy, and to strictly observe the requirements of the Personal Data (Privacy) Ordinance. We have formulated this Policy to set out how the Group collects, uses, discloses, and maintains customers' personal data. We have implemented reasonable measures to protect these data in terms of monitoring facilities, electronic system and staff management.

Advertisement and labelling on product and service

We have a team of experts to take care of the advertisement and labelling issues to ensure that only accurate product information is provided. Our legal team and legal advisor interact actively with relevant government departments to safeguard the compliance on Code of Advertising Practice in overseas and Advertisements Law of the People's Republic of China, Provisions on the administration of advertising language in Mainland China, as well as other relevant laws and regulations. In Hong Kong, appropriate training is provided to our frontline staff with monitoring measures to govern the compliance of Trade Descriptions Ordinance.

Customer satisfaction

Adhering to "Six Heartfelt Services" motto, it is our core values to maintain high quality standards and to fulfil customers' requirements, however, complaints are still received in some cases, which we see as a driving force for our growth. Procedures regarding customer complaints handling and product returns are established to respond to our customers in a timely manner and as an input of continual improvement. During FY2017, we confirm that there is no product recall due to safety and health reasons.

As for striving for excellence, a customer satisfaction survey has been carried out to collect feedback and as a channel to keep abreast of market trend. Seasonal mystery shopper assessment was conducted by an independent agency to assess Lukfook's quality of products and services.

產品及服務責任

知識產權

本集團於香港及中國內地均設有專責小組處理知識產權工作，包括申請註冊商標、外觀設計專利和打擊侵權等，並積極跟進全國各地的傍名品牌的侵權情況，竭力避免顧客被誤導而蒙受損失。

顧客私隱

本集團致力尊重及保護顧客私隱，並嚴格遵守《個人資料（私隱）條例》的規定。本集團制定該政策以列明收集、使用、披露及存置顧客個人資料的規定。我們已於監控設施、電子系統及員工管理方面採取合理措施保護該等資料安全。

產品與服務的廣告及標籤

我們擁有一支專家團隊，專責廣告及標籤事宜，確保提供準確產品資訊。我們的法務團隊及法律顧問積極與相關政府部門溝通，保障於海外遵守《廣告行為守則》及於中國內地遵守《中華人民共和國廣告法》、《廣告語言文字管理暫行規定》等相關法律及規例。香港方面，我們為前線員工提供適當培訓，並實施監控措施，確保遵守《商品說明條例》。

顧客滿意度

秉持「六心服務」的精神，我們的核心價值觀為維持高質量水平及滿足顧客要求。然而，我們偶爾接到顧客投訴，這被視為促進業務發展的動力。我們制定處理顧客投訴及產品回收的程序，及時對顧客作出回應，從而推動持續改善。在2017財年，我們確認並無由於安全及健康原因而回收產品。

本集團力求精益求精，並進行顧客滿意度問卷調查，藉此收集顧客反饋意見，以緊貼市場潮流走勢。本集團委聘獨立機構進行季度性神秘顧客服務調查，以評估六福的產品及服務質素。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

TO PUBLIC: LOVE IS BEAUTY

In response to the commitment towards CSR, continually endeavours to contribute to the society by taking care of the Earth and making use of our expertise in community engagement is our strategy to sustainability.

Environmental protection

As a luxuries manufacturer, we crave for different resources extracted from the planet and the community in which we serve. It is, therefore, our responsibility to protect the environment by reducing the impacts within our operations – from factories, retail stores to offices.

Factory

Certified with the international ISO 14001:2004 standard, an environmental management system has been developed at our jewellery processing plants. Our mission is to minimise the pollution to the environment, make continuous improvement, and comply with relevant laws and regulations. To achieve so, we have identified the opportunities to reduce air emission, wastewater, water use, waste, and energy consumption by analysing the environmental risks within our operations, and conducted regular monitoring to ensure the issues were well managed.

While air emissions are inevitably generated as part of the manufacturing process, we place emphasis on limiting the emissions from our operations and complying with relevant laws and regulations. To achieve this, we have implemented our emission guidelines for cleaner production. For instance, a filtering system was installed to treat air pollutants – mainly fugitive emissions and volatile organic compounds – meeting the legal emission standard before releasing to the atmosphere. We have also upgraded to laser welding machines which can not only effectively reduce the air emissions but also protect our workers' health.

We produce a wide range of waste across the operations; therefore, we have established comprehensive procedures to manage waste – no matter whether they are recyclable, non-recyclable or hazardous. Hazardous waste such as waste solvents and lubricants generally requires more efforts and clear guidance is provided for clear labelling, careful storage, transport and treatment. To promote waste reduction and recycling practices, we encourage our employees to recycle and reuse useful parts of the waste such as jewellery pieces and packaging, helping to divert the waste from landfills.

對大眾：愛很美

秉持企業社會責任精神，持續關愛保護地球，發揮所長建設社區，致力回饋社會，乃我們達致可持續發展的策略。

環境保護

作為奢侈品製造商，我們極需從地球及社群中攫取各類資源。因此，我們肩負保護環境的重責，從工廠、零售店到辦公室，減少每個營運環節的影響。

工廠

我們的珠寶加工廠設立環境管理系統，並獲得國際ISO 14001: 2004認證。我們以減少環境污染、持續改善環境及遵守相關法律及規例為己任。為此，我們分析營運中的環境風險，藉此減少廢氣排放、廢水、用水、廢物及能耗，並定期監控以確保有關問題在可控範圍。

生產過程產生廢氣排放實難避免，我們著重限制營運產生的排放物，並嚴格遵守相關法律及規例。為此，我們制定排放指引，實現清潔生產。舉例來說，安裝過濾系統以處理空氣污染物，主要為散性排放物及揮發性有機物，在排入大氣前達到法定排放標準。設備方面亦升級至激光焊機，不僅有效減少廢氣排放，同時亦保障工人健康。

業務營運產生各類廢棄物。因此，我們設立全面的廢物管理程序，涵括可循環再用、不可循環再用或有害廢物。廢溶劑及潤滑劑等有害廢物通常須更加謹慎處理，在清晰標籤、小心儲存、運輸及處理方面均有明確指引。為促進減廢及循環再用，我們鼓勵員工循環再用及重複使用珠寶飾件及包裝材料等廢物的可用部分，有助減少堆填區的廢棄量。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Water and energy are used in many of the manufacturing processes. For water, we place emphasis on not only reducing the consumption through installing water-saving faucets, but also exploring ways to optimise its use through reclaiming wastewater for different purposes such as greening or toilet flushing. For energy consumption, various initiatives are implemented such as replacing lighting with energy efficient LEDs and T8 light bulbs. Maintenance is also regularly carried out to ensure the equipment is in good condition to conserve resources.

Retail store

Having more than 1,500 stores in different cities around the globe, we realise that we have a great responsibility and opportunity to make positive impacts to the environment by making more efforts.

External lighting is used in many ways such as decoration, advertisement or promotion, and even after midnight when the stores are closed. As such, we continue to support the “Charter on External Lighting” initiated by the Hong Kong Environment Bureau, reducing not only the electricity costs but also lowering the energy use during off-hours.

生產過程多個環節均涉及用水及能源消耗。用水方面，我們不僅注重透過安裝節約水龍頭降低水耗，同時透過回收廢水用於綠化或沖廁等各種用途，探索多方途徑提升用水效益。能源消耗方面，我們實施多項措施，包括改用高效能LED及T8照明燈具，並定期進行保養維護，確保設備運作良好以節約資源。

零售店

本集團旗下有1,500多間店舖，遍佈世界各地城市。我們意識到在肩負環保重任的同時，亦能為環境帶來正面影響。

戶外燈光可作裝飾、廣告或宣傳等多種用途，且於午夜商舖關店後仍舊亮著。由此，我們繼續支持香港環境局發起的《戶外燈光約章》，在節省用電成本的同時，亦降低非營業時段能源消耗。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Office

Office operations, in general, do not pose significant impact on the environment. Still, it is of high importance to encourage green practices in the office and reduce our footprints by focusing on the use of water, electricity and paper.

辦公室

辦公室營運一般不會對環境造成重大影響。不過，鼓勵綠色辦公，節約水、電力及紙張，減少對環境影響，仍然至關重要。

Water 水	We make sure there is no leakage of taps to conserve water. 確保沒有水龍頭漏水的情況，節約用水。
Electricity 電力	We encourage switching off the equipment such as computers when they are not in use. 鼓勵於非使用時關閉電腦等設備。
Paper 紙張	- We encourage using electronic communication over paper. 鼓勵使用電子通訊取代紙質文件。 - We encourage wise use of toilet paper. 鼓勵善用廁紙。 - We opt for recycled paper for everyday printing. 選擇日常印刷採用再造紙。 - We encourage using double-sided printing instead of single-sided printing. 鼓勵雙面印刷而非單面印刷。

With our great efforts, our environmental performance was recognised by several organisations in FY2017. For instance, we won the “EcoPartner” and “5 Years+ EcoPioneer Companies” in the “2015 BOCHK Corporate Environmental Leadership Awards” organised by the Federation of Hong Kong Industries and Bank of China (Hong Kong), recognising our efforts in combatting pollution and climate change. We were also awarded the “Hong Kong – Guangdong Cleaner Production Partners (Manufacturing)” in recognition of our dedication in both Hong Kong and China’s environmental protection.

於2017財年，本集團在環保工作上的不斷努力獲得多個機構嘉許。舉例來說，本集團榮獲由香港工業總會及中國銀行（香港）頒發「2015中銀香港企業環保領先大獎」之「環保傑出伙伴」及「5年+參與環保先驅獎章」，表彰本集團於治理污染及氣候變化方面的努力。本集團亦獲頒發「粵港清潔生產伙伴（製造業）」標誌，肯定本集團對中港兩地環保工作的貢獻。

Corporate citizen

It is always our top priority to fulfil our corporate citizenship and strive to create long-term values for the communities in which we operate. As a socially responsible corporation, we are actively participating in community investment programmes through donation and volunteering in four main areas: protecting the environment, caring for community wellness and health, supporting local arts and culture, and empowering the youth. In addition, our Lukfook Volunteer Team has been established not only to build cohesion and a sense of belonging in the Group, but also to raise employee awareness by encouraging them to participate in voluntary activities and make contribution to the communities.

企業公民

我們向來重視履行企業公民責任，致力為經營業務所在社區創造長遠價值。作為一家肩負社會責任的企業，我們積極投身社區投資項目，參與四個主要方面的捐款及義工活動，包括保護環境、關懷社區公益及健康、支持當地藝術及文化以及扶助青年人才。此外，我們成立六福義工隊，不僅旨在打造集團凝聚力及歸屬感，同時透過鼓勵僱員參與義工活動提高僱員意識，為社區作出貢獻。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In FY2017, we supported a wide range of charitable activities and some of them are highlighted as below:

Environmental Conservation

Climate change is a big challenge that needs to be tackled. During the Year under review, we partnered with the non-governmental organisations (“NGOs”), which include The Conservancy Association, Greeners Action and Green Power, to promote “bring your own shopping bag” at our retail stores and improve local waste reduction issue. All the levy we received on plastic shopping bags was donated to the abovementioned charity groups. At the same time, we have carried out a number of programmes at the Group, such as the used red packets recycling, to raise employees’ environmental awareness.

Community Wellness and Health

Making positive impacts to the community is important to us. During FY2017, we uphold the spirit of giving back to the society by playing a part in a series of activities. Our volunteer team has been supporting Food Angel by preparing hot meal boxes in the kitchen to provide food assistance for the people in need.

The Group took part in the “Walks for Millions” held by The Community Chest of Hong Kong once again, and encouraged the participation of employees and their families to help the needy in our community.

In FY2017, the Group once again donated HK\$1,000,000 to support the development of medical and community services provided by Tung Wah Group of Hospitals.

In Mainland China, we sponsored “Free Lunch for Children” organised by China Social Welfare Foundation for three consecutive years, offering nutritious free meals for the underprivileged school children.

Arts and Culture

We believe that arts and culture are intangibly precious in our communities. We supported various events such as traditional Bak Mei martial arts, Cantonese opera and Bun Carnival for the artistic and cultural development in Hong Kong.

於2017財年，我們支持多項慈善活動，概括如下：

環境保護

氣候變化問題已經迫在眉睫。於回顧年度內，我們與長春社、綠領行動及綠色力量等非政府組織（「非政府組織」）攜手，在旗下零售店推廣「自備購物袋」，致力改善當地減廢問題。就塑料購物袋收取的所有收費均捐贈予上述慈善團體。同時，我們在集團內發起多項活動，包括利是封回收再用，提升員工的環保意識。

社區公益及健康

我們注重回饋社區。於2017財年，我們積極參與多項活動，實踐「取之於民，還之於民」的信念。我們的義工隊熱心響應惜食堂號召，參與廚房義工活動，協助準備熱飯餐，讓有需要人士獲得食物援助。

本集團再次參與香港公益金舉辦的「百萬行」活動，並鼓勵員工及其家人積極參與，為社區貧困人士伸出援助之手。

於2017財年，本集團再度捐助1,000,000港元，支持東華三院開展醫療社區服務。

中國內地方面，我們連續三年贊助中國社會福利基金會發起的「免費午餐」活動，為貧困學童提供免費營養午餐。

藝術及文化

我們深信，藝術及文化為社區建設的無形瑰寶。我們贊助多項活動，包括傳統白眉拳術、粵劇及包山嘉年華，以促進香港藝術及文化發展。



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Youth Empowerment

To empower the young people, we have been partnering with different organisations to nurture our future leaders in pursuit of their personal development. For instance, we provided support for the talented young chess players in the Hong Kong Youth Chinese Chess Competition 2016, and sponsored the VTC Design Education Fund for encouraging the designers of the next generation in Hong Kong.

The Group received a number of awards as recognitions of its continued efforts in fulfilling CSR. Below are some of the highlights:

- Awarded “Corporate Citizenship Merit (Enterprise Category)” in the 7th Hong Kong Corporate Citizenship Award scheme”
- Won the First Runner-up in “Ordering Oxfam Rice (Organization Category)” and “Award for Five Consecutive Years of Support” in “Oxfam Rice Event 2016”
- Awarded the “SE Supporter 2016” logo under the “SE Supporter Award Scheme”

扶助青年人才

為扶助青年人才，我們與多個組織共同攜手，扶持青年追求個人發展，培養未來領袖人物。例如，我們為2016年全港青年象棋比賽優秀年輕選手提供資助，並向職訓局設計教育基金提供贊助，藉此鼓勵香港未來一代設計人才。

本集團屢獲殊榮及嘉許，肯定了我們在履行企業社會責任工作上的長期努力。概括如下：

- 於「第七屆香港企業公民嘉許計劃」中榮獲「企業組別－優異獎」
- 於「樂施米義賣大行動2016」中榮獲「集體訂米（機構組）籌款獎」亞軍及「樂施扶貧企業夥伴五年獎」
- 於「支持社企機構」嘉許計劃中獲頒發「2016支持社企機構」標誌



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TO EMPLOYEES: LUKFOOK FAMILY

We strive to promote a caring culture and create a friendly and harmonious working atmosphere to extend the concept of “love” to our employees. We treat employees as our family members and care for their physical and mental well-being in order to enhance their sense of belonging and foster a corporate culture of the Lukfook Family.

Labour standard

The Group has zero tolerance towards child labour or forced labour and strictly follows major human rights declaration. We have procedures, which were established in accordance with relevant national and local laws, regulations and international standard, to ensure that our recruitment process as well as daily operation were in line with the standard. During the Year under review, we did not identify any issue with child labour and forced or compulsory labour, indicating positive results from our efforts in practice.

Equal opportunity employer

We are an equal opportunity employer committed to fair and impartial treatment of all our staff. As an equal opportunity employer, diversity in the workplace and in our recruiting practices is crucial for us. We do not tolerate any discrimination based on race, religion, disability, family status, sex, marital status, age, national origin, or other considerations deemed inappropriate by local laws.

Remuneration packages are based on job responsibilities, performance and contributions to business results as well as the employees' professional and managerial competency. Staff undergo annual appraisals and are rewarded appropriately according to their performance and contributions to the Group's development, as outlined in our staff handbook.

Employment standard

Staff handbooks are distributed to all new staff members when they join the Group to ensure that they understand their rights and obligations. In addition to hard copy, the content of staff handbook is also available on the intranet for staff access.

The Group provides staff with competitive remuneration and benefits, including paid leave, paternity and maternity leave and marriage leave, medical insurance and retirement plans, staff discount as well as performance-based incentives and bonuses. Meal allowance, bonuses and other merit payments are provided to retail staff. Remuneration policies are reviewed and approved by the management regularly to ensure fair rewards and compensation for employees. Remuneration packages are structured to be comparable to the market while bonuses and other merit payments are linked to the performances of the Group and the employees.

員工：六福大家庭

我們積極推廣關愛文化，締造友愛和諧的工作氣氛，將「愛」的概念延伸至員工層面。我們視員工如家庭成員一樣，關顧他們的身心健康，以增強員工歸屬感，締造六福大家庭的企業文化。

勞工準則

本集團對童工或強制勞工採取零容忍態度，同時嚴格遵守主要人權宣言。我們根據相關國家及地方法律、規例及國際準則設立相關程序，確保招聘流程及日常營運符合相關準則。於回顧年度並無有關童工及強制或強迫勞工事件的報告，顯示我們的相關舉措成效正面。

平等機會僱主

本集團為平等機會僱主，致力為全體員工提供公平公正待遇。作為公平機會僱主，我們在公司及招聘方面秉持多元化策略，杜絕任何種族、宗教、殘疾、家庭崗位、性別、婚姻狀況、年齡、國籍或地方法律認為不當的其他考慮因素方面的歧視。

薪酬待遇乃基於員工職責、表現及業績貢獻以及個人專業及管理能力的而定。誠如僱員手冊所載，每年均會對員工作出評估，並根據個人表現及對集團發展的貢獻給予合理回報。

僱傭標準

新員工入職時均獲發僱員手冊，以確保彼等了解其權利及責任。除印刷版本外，僱員手冊內容亦已上載我們的內聯網供員工參閱。

本集團為員工提供具競爭力的薪酬及福利，包括有薪假期、侍產假、產假及婚假、醫療保險及退休計劃、員工折扣以及表現掛鈎獎勵及花紅。零售員工還享有餐補、花紅及其他獎賞。管理層會定期審閱及審批薪酬政策，確保為員工提供公平回報及報酬。薪酬待遇乃經考慮相近市場水平後釐定，而花紅及其他獎賞則與本集團及僱員表現掛鈎。

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We won the “Good MPF Employer Award 2015-16” from the Mandatory Provident Fund Schemes Authority for placing a high value on their employees’ retirement needs.

Anti-corruption

Appropriate measures were set up to maintain the integrity of our staff all the time. All newly employed staff are required to sign the corruption prevention undertaking and comply with the code of conduct and discipline as set out in our staff handbook and relevant ordinances with respect to prevention of acceptance of advantages between suppliers and staff. In addition, refreshing training held by the ICAC was arranged regularly for new and existing staff to reaffirm the importance of integrity.

Grievance mechanism

Grievance mechanism was established for the Group to enhance the competitiveness and management policies. Grievance and suggestions can be directly delivered to the Group via email, telephone or face-to-face interview. Whistle-blowing channel is addressed in staff handbook; grievances raised would be treated confidentially to protect the whistle-blower.

Work-life balance

We offer different kinds of leisure and sports activities such as: yoga class, Japanese class, charitable mah-jong competition and marathon to energise the working atmosphere as well as achieve a work-life balance. We have achieved the “Happiness-at-work” Label organised by the Promoting Happiness Index Foundation and the Hong Kong Productivity Council for three consecutive years.

本集團高度重視僱員退休需求，並獲強制性公積金計劃管理局嘉許為「2015—16年度『積金好僱主』」。

反貪污

本集團制定適當措施，保證員工始終廉潔奉公。所有新入職員工須簽署廉潔承諾書，並須遵守僱員手冊內列明的員工品行紀律守則，以及有關防止供應商與員工之間收受利益的相關條例。還定期安排新晉及現有員工參與廉政公署舉辦的複訓，重申廉潔奉公的重要性。

申訴機制

本集團設立申訴機制，旨在加強競爭力及管理制度。僱員可透過電郵、電話或面談直接向本集團提出申訴及建議。舉報渠道已載列於僱員手冊；為保護舉報人員，將對申訴進行保密。

工作與生活的平衡

我們組辦各種休閒及體育活動，例如瑜伽課程、日語課程、慈善麻將比賽及馬拉松，激勵工作氛圍之餘，亦達致工作與生活的平衡。我們連續三年榮獲香港提升快樂指數基金及香港生產力促進局頒發的「開心工作間」標誌。



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Development and training

The Group encourages continuous learning in our employees and puts emphasis on their holistic development; we highly regard nurturing talents as one for our key strategies. The Group has established a comprehensive training system and assessment criteria from theory, sales technique, product knowledge to personal character. For director and management level staff, continuous professional training is provided on topics such as: leadership, corporate governance and updated laws and regulations. Internal, external and electronic learning are provided for employees in different departments to sharpen their skills and competencies. Orientation and on-the-job training is provided for new joiners. Apart from the Hong Kong head office and the online training platform, four regional training centres are established in Beijing, Shanghai, Guangzhou and Wuhan, respectively, for providing internal training programmes. Subsidies are provided to eligible employees for studying industry related programmes.

The Group has co-organised training programmes with external organisations, for instance: jade product knowledge training course with the Hong Kong Institute of Gemmology; China GTC diamond and jade inspector certificate with Guangdong Province Jewellery and precious metals testing centre.

Qualifications Framework

The Group actively supported the “Qualifications Framework (QF)” held by the Education Bureau of Hong Kong Special Administrative Region by encouraging and sponsoring employees to participate in professional training. Our training department registered the “Certificate Programme in Quality Customer Service and Jewellery Knowledge (QF Level 2)” and “Certificate Programme in Advanced Jewellery Knowledge (QF Level 3)” so that employees can be qualified and benchmarked through this hierarchy.

發展及培訓

本集團鼓勵僱員持續進修，並注重員工全方位發展。我們高度重視人才培養，將其視為主要策略之一。本集團從理論、銷售技巧、產品知識以至個人性格，建立全面的培訓系統及評估標準。本集團為董事及管理層人員提供有關領導能力、企業管治以及法律及規例最新動態等的持續專業培訓，並為各個部門的員工提供內部、外部及電子學習機會，藉此增強其專業技巧及能力。本集團還為新晉人員提供入職及在職培訓。除香港總辦事處及網上學習平台外，分別在北京、上海、廣州及武漢四個地區設立分區培訓中心，為僱員提供內部培訓課程。我們還為報讀行業相關課程的合資格僱員提供課程贊助。

本集團還與外部機構合作舉辦培訓課程，例如與香港珠寶學院合辦翡翠產品知識培訓課程；與廣東省珠寶及貴金屬檢測中心聯合頒發的中國GTC鑽石及翡翠檢測師證書。

資歷架構

本集團積極支持香港特別行政區教育局推出的「資歷架構」，鼓勵及資助員工參加專業培訓。我們的培訓部門註冊資歷架構二級的「優質服務與珠寶知識證書課程」及資歷架構第三級的「進階珠寶知識證書課程」，僱員可透過該架構獲取認可資格及按標準評定能力。



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Outreach training

Outreach training was the highlight of this year. The training combined adventure activities, experiential learning with group and individual counselling to enhance the self-belief of staff. Managerial staff in Hong Kong and Mainland China were invited to join. Positive feedback was provided by our managers that they could improve their leadership and communication skills after the training, mutual trust and tacit understanding were also built. To conclude, this is an effective tool for us to build an outstanding team.

The Group has obtained “Manpower Developer” by the Employees Retraining Board in 2016 for the outstanding performance in fostering new talents in the jewellery industry.

Occupational health and safety

Lukfook believes that occupational health and safety is not only one of our core principles, but also our commitment to every employee. Safety and health management are incorporated into our operation by complying with relevant safety regulations and standards. During the Year under review, the number and ratio of work fatality for the Group were both zero.

Office and retail store

The Group endeavours to provide a comfortable and safe working environment. Our occupational health and safety code, for example, on electricity, manual handling and working with display screen equipment, is regularly reviewed and updated on our intranet to enhance the awareness of staff and prevent accidents from happening.

Factory

Risk assessment on occupational hazard and disease was conducted for our factories in Mainland China by an external competent organisation to ensure that all workplace hazards were identified and under monitoring. An occupational hygiene management system was established so that relevant measures such as: occupational health check for related employees, regular health and safety inspection in workplace, personal protective equipment and training were executed to ensure the physical well-being of our employees.

戶外拓展訓練

今年重點推行戶外拓展訓練。有關培訓將探險活動、體驗式學習與小組及個人輔導相結合，藉此提升員工自信。香港及中國內地管理人員受邀參加有關培訓。經理級人員對此反應正面，有關培訓有助提升領導能力及溝通技巧，並有助建立互信及默契。總括而言，這是建立出色團隊的有效方法。

基於在珠寶行業培養新人才方面的突出表現，本集團於2016年榮獲僱員再培訓局頒發的「人才企業」殊榮。

職業健康及安全

六福深信，職業健康及安全不僅為集團的核心原則之一，亦是我們對每一位僱員的承諾。本集團遵守相關安全條例及準則，將安全及健康管理融入營運的每個方面。於回顧年度，本集團員工因工作關係而死亡的人數及比率均為零。

辦公室及零售店

本集團致力提供舒適及安全的工作環境，並定期檢討及在內聯網更新有關電力、人手操作及使用顯示屏幕設備工作等的職業健康及安全守則，以提高員工安全意識及避免發生安全事故。

工廠

本集團委聘外部具備資質的機構，對位於中國內地的工廠進行職業危害及疾病風險評估，確保發現所有工作場所隱患並予以監控。本集團設立職業衛生管理系統，藉此實施相關措施，譬如相關僱員的職業健康檢查、工作場所定期健康及安全檢查、個人保護設備及培訓，以確保僱員的身體健康。



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THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

聯交所環境、社會及管治報告指引索引

The Stock Exchange ESG Reporting Guide General Disclosures 聯交所環境、社會及管治報告指引的一般披露		Policy/Procedure 政策／程序	Reference Section 參考章節
A. Environment A. 環境			
A1 Emissions A1 排放物	Information on: (a) the policies; and (b) 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, generation of hazardous and non-hazardous wastes, etc 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： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Air Emission Management Guideline 廢氣排放管理指引 Solid Waste Management Guideline 固體廢物管理指引 Wastewater Emission Management Guideline 廢水排放管理指引	To Public: Love is Beauty – Environmental Protection 對大眾：愛很美 — 環境保護
A2 Use of Resources A2 資源使用	Policies on the efficient use of resources including energy, water and other raw materials 有效使用資源（包括能源、水及其他原材料）的政策	Green Office Guideline 綠色辦公指引 Environmental Procurement Guideline 環保採購工作指引 Office and Workshop General Operation Guideline 辦公室及工場一般運作工作指引 Green practices on the use of resources are implemented. We are in the process of setting up the environmental policies in retail store 實施資源使用的環保政策。我們現正制定零售店的環保政策	To Public: Love is Beauty – Environmental Protection 對大眾：愛很美 — 環境保護
A3 The Environment and Natural Resources A3 環境及天然資源	Policies on minimizing the issuer's significant impact on the environment and natural resources 減低發行人對環境及天然資源造成重大影響的政策	The Group's operations do not have significant impact on the environment and natural resources 本集團營運對環境及天然資源並無造成重大影響	Not applicable 不適用

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B. Social B. 社會			
B1 Employment B1 僱傭	Information on: (a) the policies; and (b) 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 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： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Staff Handbook 僱員手冊	To Employees: Lukfook Family – Employment Standard, Work-life Balance, Equal Opportunity Employer 對員工：六福大家庭 — 僱傭標準、工作與生活的平衡、平等機會僱主
B2 Health and Safety B2 健康與安全	Information on: (a) the policies; and (b) 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 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Occupational Health and Safety Guideline for Office and Retail Store 辦公室及零售店的職業健康及安全指引	To Employees: Lukfook Family – Occupational Health and Safety 對員工：六福大家庭 — 職業健康及安全
B3 Development and Training B3 發展及培訓	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動	Training Key Performance Indicator 培訓關鍵績效指標	To Employees: Lukfook Family – Development and Training 對員工：六福大家庭 — 發展及培訓

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The Stock Exchange ESG Reporting Guide General Disclosures 聯交所環境、社會及管治報告指引的一般披露		Policy/Procedure 政策／程序	Reference Section 參考章節
B4 Labour Standards B4 勞工準則	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to preventing child or forced labour 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Staff Handbook 僱員手冊	To Employees: Lukfook Family – Labour Standard 對員工：六福大家庭 — 勞工準則
B5 Supply Chain Management B5 供應鏈管理	Policies on managing environmental and social risks of supply chain 管理供應鏈的環境及社會風險政策	Anti-bribery Trade Policy; Engineering and Operation of Goods Approval Process; Financial Authorization and Signing Approval Procedure 反賄賂交易政策；商品工程及營運審批程序；財務授權及簽字審批程序	To Customers: Six Heartfelt Services – Supply Chain Management 對顧客：六心服務 — 供應鏈管理
B6 Product Responsibility B6 產品責任	Information on: (a) the policies; and (b) compliance with relevant laws and regulations on that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress 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： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Customer Complaint Handling Procedure 顧客投訴處理程序	To Customers: Six Heartfelt Services – Product and Service Responsibility 對顧客：六心服務 — 產品及服務責任
B7 Anti-corruption B7 反貪污	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Staff Handbook 僱員手冊	To Employees: Lukfook Family – Anti-corruption, Grievance Mechanism 對員工：六福大家庭 — 反貪污、申訴機制
B8 Community Investment B8 社區投資	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策	We are in the process of setting up the community investment policies 我們現正制定社區投資政策	To Public: Love is Beauty – Corporate Citizen 對大眾：愛很美 — 企業公民

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPOSITION OF THE BOARD AND BOARD COMMITTEES 董事會及董事委員會的架構

Board of Directors 董事會

Mr. WONG Wai Sheung* (Chairman & Chief Executive)
黃偉常先生* (主席兼行政總裁)

Mr. TSE Moon Chuen* (Deputy Chairman)
謝滿全先生* (副主席)

Ms. WONG Hau Yeung*
王巧陽女士*

Ms. WONG Lan Sze, Nancy*
黃蘭詩女士*

Ms. CHUNG Vai Ping*
鍾惠冰女士*

Dr. CHAN So Kuen*
陳素娟博士*

Mr. WONG Ho Lung, Danny# (Deputy Chairman)
黃浩龍先生# (副主席)

Ms. YEUNG Po Ling, Pauline#
楊寶玲女士#

Mr. HUI Chiu Chung, JP#
許照中太平紳士#

Mr. LI Hon Hung, MH, JP#
李漢雄MH太平紳士#

Mr. TAI Kwok Leung, Alexander[△]
戴國良先生[△]

Mr. IP Shu Kwan, Stephen, GBS, JP[△]
葉澍堃GBS太平紳士[△]

Mr. MAK Wing Sum, Alvin[△]
麥永森先生[△]

Ms. WONG Yu Pok, Marina, JP[△]
黃汝璞太平紳士[△]

Mr. HUI King Wai[△]
許競威先生[△]

Audit Committee 審核委員會

Mr. TAI Kwok Leung, Alexander[△] (Chairman)
戴國良先生[△] (主席)

Mr. IP Shu Kwan, Stephen, GBS, JP[△]
葉澍堃GBS太平紳士[△]

Mr. MAK Wing Sum, Alvin[△]
麥永森先生[△]

Ms. WONG Yu Pok, Marina, JP[△]
黃汝璞太平紳士[△]

Mr. HUI King Wai[△]
許競威先生[△]

Nomination Committee 提名委員會

Mr. MAK Wing Sum, Alvin[△] (Chairman)
麥永森先生[△] (主席)

Mr. WONG Wai Sheung*
黃偉常先生*

Mr. TSE Moon Chuen*
謝滿全先生*

Mr. TAI Kwok Leung, Alexander[△]
戴國良先生[△]

Mr. IP Shu Kwan, Stephen, GBS, JP[△]
葉澍堃GBS太平紳士[△]

Ms. WONG Yu Pok, Marina, JP[△]
黃汝璞太平紳士[△]

Mr. HUI King Wai[△]
許競威先生[△]

Remuneration Committee 薪酬委員會

Mr. IP Shu Kwan, Stephen, GBS, JP[△] (Chairman)
葉澍堃GBS太平紳士[△] (主席)

Mr. WONG Wai Sheung*
黃偉常先生*

Ms. WONG Hau Yeung*
王巧陽女士*

Mr. TAI Kwok Leung, Alexander[△]
戴國良先生[△]

Mr. MAK Wing Sum, Alvin[△]
麥永森先生[△]

Ms. WONG Yu Pok, Marina, JP[△]
黃汝璞太平紳士[△]

Mr. HUI King Wai[△]
許競威先生[△]

* Executive Director 執行董事

Non-executive Director 非執行董事

[△] Independent Non-executive Director 獨立非執行董事

CORPORATE GOVERNANCE REPORT

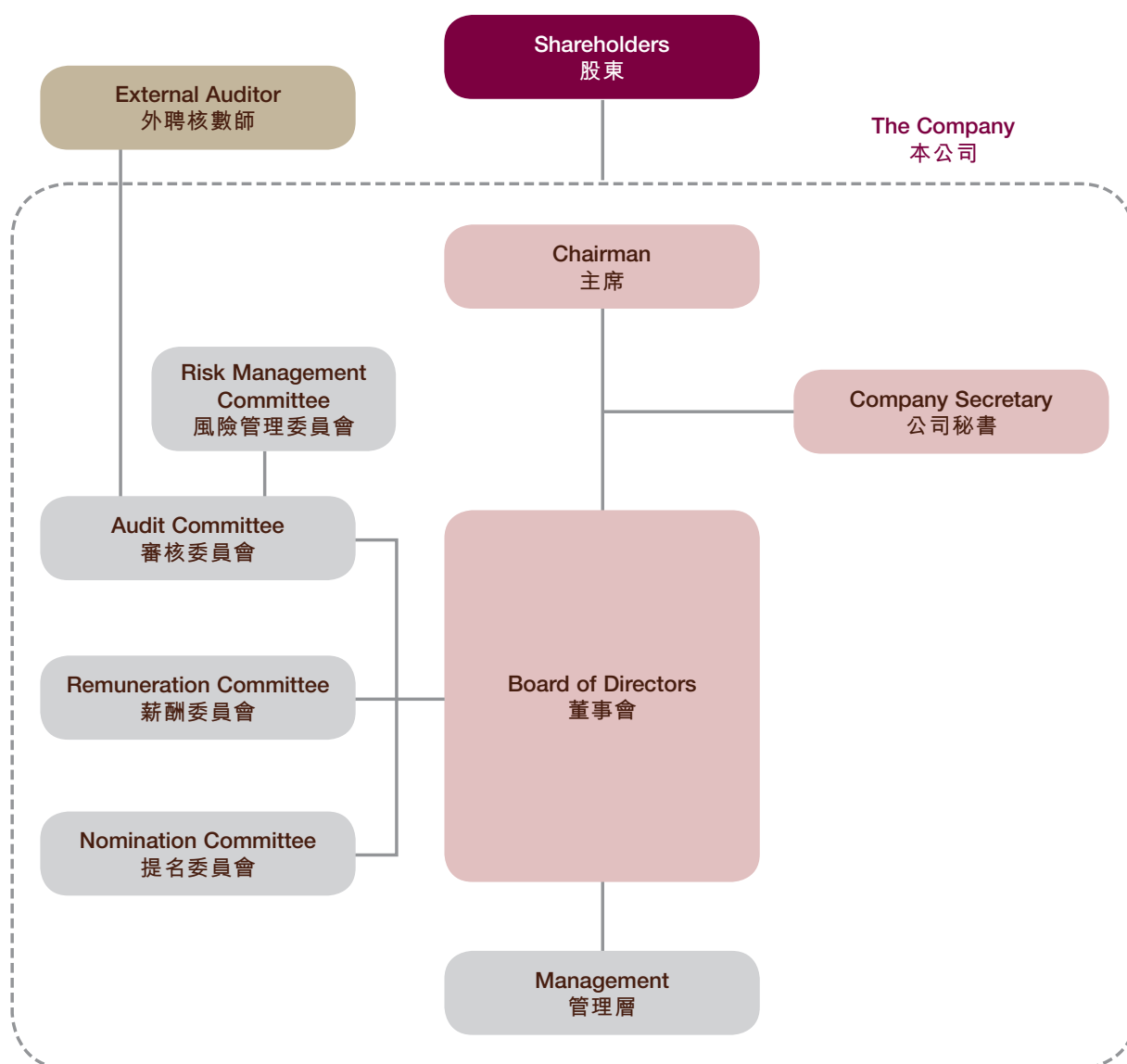
企業管治報告

The board of directors (the “Board”) of Luk Fook Holdings (International) Limited (the “Company”, together with its subsidiaries, the “Group”) recognises that sound and effective corporate governance practices and procedures, with an emphasis on integrity, transparency, accountability and independence, are essential to enhance the shareholders’ value and safeguard the shareholders’ interest. The Company is committed to maintaining a good corporate governance standard and endeavours to ensure that its businesses are conducted in accordance with all applicable rules and regulations.

六福集團（國際）有限公司（「本公司」，連同其附屬公司，統稱「本集團」）董事會（「董事會」）深明，在強調完整性、透明度、問責性及獨立性之情況下，穩健及有效之企業管治常規及程序對提升股東價值及保障股東權益極為重要。本公司承諾維持良好企業管治標準，並致力確保按照所有適用規則及規例進行業務。

CORPORATE GOVERNANCE FRAMEWORK

企業管治架構



CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code and Corporate Governance Report (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) through the year ended 31 March 2017, except for the following deviation:

Code Provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual, so that there is a clear division of responsibilities for the management of the Board and the day-to-day management of the Group’s business to ensure a balance of power and authority.

In view of the increasing trend of business deriving from the Mainland China market, it is believed that Mr. WONG Wai Sheung being the Chairman and Chief Executive of the Company will further enhance the business development of the Group in the Mainland China market due to the norms in the Mainland China market on “status parity” when future business negotiations are conducted in Mainland China. Besides, members of the Board also include qualified professionals and other prominent and experienced individuals from our community. The Board considers that the existing Board composition, with the support of Board Committees and two Deputy Chairmen, can ensure a balance of power and authority. The Board will nevertheless review this structure from time to time and will consider the segregation of the two roles at the appropriate time.

Save as disclosed above, none of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the year ended 31 March 2017, in compliance with the Code.

企業管治常規

於截至2017年3月31日止年度，本公司已採用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之《企業管治守則》及《企業管治報告》（「守則」）的原則，並已遵守所有守則條文及建議最佳常規（如適用），惟下列偏離者除外：

守則條文第A.2.1條規定主席與行政總裁的角色應有區分，並不應由一人同時兼任，使董事會管理與本集團日常業務管理之職責清楚劃分，以確保權力和授權之平衡。

由於中國內地市場帶動業務增長及基於中國內地市場對「對等階級」之觀念，黃偉常先生作為本公司主席兼行政總裁，可望於未來在中國內地進行商務磋商時，進一步提升本集團在中國內地市場的業務發展。此外，董事會成員亦包括合資格專業人士及社會上其他顯赫、富經驗之個別人士。董事會認為，於董事會轄下委員會及兩名副主席之協助下，現有董事會之組成可確保權力和授權之平衡。儘管如此，董事會將不時檢討此架構，並於適當時候，考慮將兩職分開。

除上文披露者外，董事概不知悉有任何資料可合理顯示本公司現時或於截至2017年3月31日止年度任何時間曾經違反守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as a code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, it is confirmed that all directors have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions during the year ended 31 March 2017.

BOARD OF DIRECTORS

(i) Board Composition

The Board currently comprises six executive directors, four non-executive directors and five independent non-executive directors. They include persons with a wealth of practical experiences in the jewellery industry, accountancy profession, general trading, securities industry, banking industry and legal profession. There is a balance of skills and experiences appropriate for the requirements of the Company's business. The composition of our Board complies with Rules 3.10(1) and (2) and 3.10A of the Listing Rules. The current composition of the Board is set out as follows:

Executive Directors

Mr. WONG Wai Sheung (*Chairman & Chief Executive*)
Mr. TSE Moon Chuen (*Deputy Chairman*)
Ms. WONG Hau Yeung
Ms. WONG Lan Sze, Nancy
Ms. CHUNG Vai Ping
Dr. CHAN So Kuen

Non-executive Directors

Mr. WONG Ho Lung, Danny (*Deputy Chairman*)
Ms. YEUNG Po Ling, Pauline
Mr. HUI Chiu Chung, JP
Mr. LI Hon Hung, MH, JP

Independent Non-executive Directors

Mr. TAI Kwok Leung, Alexander
Mr. IP Shu Kwan, Stephen, GBS, JP
Mr. MAK Wing Sum, Alvin
Ms. WONG Yu Pok, Marina, JP
Mr. HUI King Wai

The biographical details of the directors are set out in the section of "Biographical Details of Directors and Senior Management" on pages 86 to 96 of this Annual Report.

董事進行證券交易

本公司已採納上市規則附錄10所載之《上市發行人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準則。經向全體董事作出具體查詢後，彼等確認，全體董事於截至2017年3月31日止年度一直遵守標準守則所載規定準則及有關董事進行證券交易之操守準則。

董事會

(i) 董事會成員

董事會現時由六名執行董事、四名非執行董事及五名獨立非執行董事組成，當中包括於珠寶行業、會計專業、一般貿易、證券行業、銀行業及法律專業具廣泛實務經驗之人士，亦具備符合本公司業務所需之均衡技能及經驗。董事會之組成符合上市規則第3.10(1)及(2)條及第3.10A條。現時董事會成員載列如下：

執行董事

黃偉常先生 (*主席兼行政總裁*)
謝滿全先生 (*副主席*)
王巧陽女士
黃蘭詩女士
鍾惠冰女士
陳素娟博士

非執行董事

黃浩龍先生 (*副主席*)
楊寶玲女士
許照中太平紳士
李漢雄MH太平紳士

獨立非執行董事

戴國良先生
葉樹堃GBS太平紳士
麥永森先生
黃汝璞太平紳士
許競威先生

董事履歷詳情載於本年報第86頁至第96頁「董事及高層管理人員之履歷詳情」一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

(ii) Attendance Records at the Board, Committees and General Meetings

The attendance records of the individual directors at the Board, Audit Committee, Nomination Committee, Remuneration Committee and general meetings for the year ended 31 March 2017 are set out as follows:

董事會 (續)

(ii) 董事會會議、委員會會議及股東大會之出席記錄

個別董事於截至2017年3月31日止年度舉行之董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議及股東大會之出席記錄載列如下：

Directors	董事	No. of Meetings Attended/Held 出席／舉行會議次數				Annual General Meeting 股東週年大會
		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	
Executive Directors	執行董事					
Mr. WONG Wai Sheung (<i>Chairman & Chief Executive</i>) (Note 1)	黃偉常先生 (主席兼行政總裁) (附註1)	4/4	N/A 不適用	1/1	2/2	1/1
Mr. TSE Moon Chuen (<i>Deputy Chairman</i>) (Note 2)	謝滿全先生 (副主席) (附註2)	4/4	N/A 不適用	1/1	N/A 不適用	1/1
Ms. WONG Hau Yeung	王巧陽女士	4/4	N/A 不適用	N/A 不適用	2/2	1/1
Ms. WONG Lan Sze, Nancy	黃蘭詩女士	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Ms. CHUNG Vai Ping	鍾惠冰女士	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Dr. CHAN So Kuen	陳素娟博士	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Non-executive Directors	非執行董事					
Mr. WONG Ho Lung, Danny (<i>Deputy Chairman</i>) (Note 3)	黃浩龍先生 (副主席) (附註3)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Ms. YEUNG Po Ling, Pauline	楊寶玲女士	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. HUI Chiu Chung, JP	許照中太平紳士	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. LI Hon Hung, MH, JP	李漢雄MH太平紳士	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Independent Non-executive Directors	獨立非執行董事					
Mr. TAI Kwok Leung, Alexander	戴國良先生	4/4	2/2	1/1	2/2	1/1
Mr. IP Shu Kwan, Stephen, GBS, JP	葉澍堃GBS太平紳士	4/4	2/2	1/1	2/2	1/1
Mr. MAK Wing Sum, Alvin	麥永森先生	4/4	2/2	1/1	2/2	1/1
Ms. WONG Yu Pok, Marina, JP	黃汝璞太平紳士	4/4	2/2	1/1	2/2	1/1
Mr. HUI King Wai	許競威先生	4/4	2/2	1/1	2/2	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

(ii) Attendance Records at the Board, Committees and General Meetings (Continued)

Notes:

1. Mr. WONG Wai Sheung was re-elected as the Chairman of the Company with effect from 17 August 2016.
2. Mr. TSE Moon Chuen was re-elected as the Deputy Chairman of the Company with effect from 17 August 2016.
3. Mr. WONG Ho Lung, Danny was re-elected as the Deputy Chairman of the Company with effect from 17 August 2016.

(iii) Board Responsibilities and Delegation

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risks to be assessed and managed. The Board controls the business but delegates day-to-day responsibilities to the executive management. The Board sets the Company's strategic aims, values and standards and ensures that its obligations to its shareholders and others are understood and met.

The Company has a formal schedule of matters specifically reserved to the Board for its decision. The Board gives clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Company.

董事會 (續)

(ii) 董事會會議、委員會會議及股東大會之出席記錄 (續)

附註：

1. 黃偉常先生自2016年8月17日起獲重選為本公司主席。
2. 謝滿全先生自2016年8月17日起獲重選為本公司副主席。
3. 黃浩龍先生自2016年8月17日起獲重選為本公司副主席。

(iii) 董事會責任及權力的轉授

董事會之職責為以企業精神，肩負領導本公司之角色，於審慎有效之企業架構內評估及管理風險。董事會監控業務，而日常業務運作則交由執行管理層負責。董事會制訂本公司之策略目標、價值及標準，確保其成員瞭解及履行對股東及他人之責任。

本公司已正式表列指定留待董事會決定之事宜。董事會已就須董事會批准方可代表本公司作出決定之事宜，向管理層發出清楚指示。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

(iii) Board Responsibilities and Delegation (Continued)

All the directors of the Company have full and timely access to all relevant information and have access to the advice and services of the company secretary of the Company, with a view to ensuring that all proper Board procedures, applicable rules and regulations are followed. All the directors including the independent non-executive directors may seek independent professional advice in appropriate circumstances at the Company's expense in carrying out their functions, upon making request to the Board.

The Company has arranged appropriate liability insurance to indemnify the directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed regularly.

(iv) Independence of the Independent Non-executive Directors

The Company confirms that the Board has received from each of the independent non-executive directors, namely, Mr. TAI Kwok Leung, Alexander, Mr. IP Shu Kwan, Stephen, Mr. MAK Wing Sum, Alvin, Ms. WONG Yu Pok, Marina and Mr. HUI King Wai, an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules, and, having taken into account the factors as set out in Rule 3.13 of the Listing Rules in assessing the independence of independent non-executive directors, the Company considers that all independent non-executive directors are independent.

Mr. TAI Kwok Leung, Alexander, will have served as an independent non-executive director of the Company for more than 9 years after 24 July 2017. He will retire at the 2017 annual general meeting of the Company held on 23 August 2017. Pursuant to Code Provision A.4.3 of the Code, his re-election as Director should be subject to a separate resolution to be approved by shareholders. The Company's circular to be despatched to shareholders on or about 20 July 2017 will contain the biographical information of Mr. TAI Kwok Leung, Alexander and the reasons why the Board believes he is still independent and should be re-elected.

董事會 (續)

(iii) 董事會責任及權力的轉授 (續)

本公司全體董事均可全面及適時查閱所有相關資料及獲取本公司公司秘書之意見及服務，務求確保已依循所有恰當之董事會程序以及遵守所有適用規則及規例。全體董事（包括獨立非執行董事）於履行職務時，可於向董事會提出要求後，在適當情況下尋求獨立專業意見，有關開支由本公司承擔。

本公司已為董事安排適當責任保險，以保障彼等因企業活動所產生之責任賠償，並定期檢討保險之保障範圍。

(iv) 獨立非執行董事之獨立性

本公司確認董事會已接獲各獨立非執行董事，即戴國良先生、葉樹堃先生、麥永森先生、黃汝璞女士及許競威先生根據上市規則第3.13條作出有關其獨立身份之年度確認，且經參考根據上市規則第3.13條有關評估獨立非執行董事獨立性的因素後，認為各獨立非執行董事具獨立身份。

戴國良先生於2017年7月24日後擔任本公司獨立非執行董事將超過9年。彼將於本公司於2017年8月23日舉行的2017年股東週年大會上退任。根據守則的守則條文第A.4.3條，其是否獲重選為董事應以獨立決議案形式由股東審議通過。本公司將於2017年7月20日或該日前後寄發予股東的通函將載列戴國良先生的履歷詳情及董事會相信戴國良先生仍具獨立身份並建議繼續委任其為獨立非執行董事的理由。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

(iv) Independence of the Independent Non-executive Directors (Continued)

Throughout the year ended 31 March 2017 and up to the date of this Annual Report, the Board had at all times met the requirements under Rule 3.10 of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

(v) Directors' Relationship

Save as disclosed in this Annual Report, there is no financial, business, family or other material or connected relationship between members of the Board.

(vi) Re-election of Directors

All directors are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Bye-laws.

(vii) Directors' Ongoing Development

All directors have the opportunities to receive professional training programmes arranged by the Company during their terms of appointment covering the topics of corporate governance, updates on the Listing Rules and other regulatory developments at the expense of the Company. Directors were encouraged by the Company to participate in the relevant continuous professional training to develop and refresh their knowledge and skills. The Company has also arranged for consultants to provide training programmes. The average training hours that the directors received were not less than 10 hours.

董事會 (續)

(iv) 獨立非執行董事之獨立性 (續)

於截至2017年3月31日止年度內及截至本年報日期，董事會於任何時間均符合上市規則第3.10條有關委任最少三名獨立非執行董事之規定，當中最少一名須具備適當專業資格、或具備會計或相關財務管理專長。

(v) 董事關係

除本年報披露者外，董事會成員之間不存在任何包括財務、業務、家屬或其他重大或關連的關係。

(vi) 重選董事

全體董事須根據本公司之公司細則，於本公司股東週年大會上輪值告退及重選連任。

(vii) 董事的持續發展

所有董事在任期內均有機會獲得本公司為其安排的專業培訓，內容包括企業管治、上市規則之更新及其他監管發展情況，相關費用由本公司承擔。本公司鼓勵董事參與相關持續專業培訓以發展及更新彼等之知識及技能，還專門聘請顧問為董事提供培訓。董事平均培訓時間不少於10個小時。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

(vii) Directors' Ongoing Development (Continued)

During the year ended 31 March 2017, the Company arranged a seminar covering updates on Accounting Standards and Cybersecurity. Directors' training records during the Year under review are summarised as follows:

董事會 (續)

(vii) 董事的持續發展 (續)

截至2017年3月31日止年度，本公司曾舉行一次研討會，內容關於會計準則的更新和網絡安全。於回顧年度內，董事的培訓記錄概述如下：

Directors	董事	Training on regulatory development, directors profession or duties, or other relevant topics 有關監管發展、董事專業或職責或其他相關議題的培訓
Executive Directors	執行董事	
Mr. WONG Wai Sheung (Chairman & Chief Executive)	黃偉常先生 (主席兼行政總裁)	✓
Mr. TSE Moon Chuen (Deputy Chairman)	謝滿全先生 (副主席)	✓
Ms. WONG Hau Yeung	王巧陽女士	✓
Ms. WONG Lan Sze, Nancy	黃蘭詩女士	✓
Ms. CHUNG Vai Ping	鍾惠冰女士	✓
Dr. CHAN So Kuen	陳素娟博士	✓
Non-executive Directors	非執行董事	
Mr. WONG Ho Lung, Danny (Deputy Chairman)	黃浩龍先生 (副主席)	✓
Ms. YEUNG Po Ling, Pauline	楊寶玲女士	✓
Mr. HUI Chiu Chung, JP	許照中太平紳士	✓
Mr. LI Hon Hung, MH, JP	李漢雄MH太平紳士	✓
Independent Non-executive Directors	獨立非執行董事	
Mr. TAI Kwok Leung, Alexander	戴國良先生	✓
Mr. IP Shu Kwan, Stephen, GBS, JP	葉澍堃GBS太平紳士	✓
Mr. MAK Wing Sum, Alvin	麥永森先生	✓
Ms. WONG Yu Pok, Marina, JP	黃汝璞太平紳士	✓
Mr. HUI King Wai	許競威先生	✓

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE

The Chairman leads the Board in the determination of strategies and in the achievement of objectives and ensures that all directors are properly briefed on issues arising at the Board meetings and receive adequate, complete and reliable information. The Chief Executive is delegated with the authority and responsible for running the Company's business, implementing the Company's strategies in achieving business objectives. Both the Chairman and the Chief Executive positions are currently held by Mr. WONG Wai Sheung, an executive director. The Board believes that the current governance structure, with a combined Chairman and Chief Executive and a vast majority of non-executive directors, provides an effective balance of power and authority for the management of the Company in the best interest of the Company at the present stage.

NON-EXECUTIVE DIRECTORS

All the non-executive directors are appointed for a term of two years, and the appointments are renewable from time to time, subject to retirement by rotation at annual general meetings.

BOARD COMMITTEES

The Board has established three Board committees, including the Audit Committee, Nomination Committee and Remuneration Committee, for overseeing the respective aspects of the Group's affairs.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice at the Company's expense in appropriate circumstances.

主席及行政總裁

主席領導董事會制定策略及達成目標，並確保全體董事對董事會會議上的事項獲適當的簡介，並及時獲得足夠、完整及可靠的資料。行政總裁獲授權力，負責本公司業務營運、推行本公司之策略，以實踐業務目標。主席及行政總裁兩者的職務現時均由執行董事黃偉常先生出任。董事會相信，以現時的管治架構而言（由一人兼任主席及行政總裁，以及大部分均為非執行董事）足以有效使本公司管理層達致均衡權責，符合本公司現時的最佳利益。

非執行董事

所有非執行董事之任期為兩年，而其任期可不時重續，惟須於股東週年大會上輪值告退。

董事委員會

董事會轄下設有三個委員會，包括審核委員會、提名委員會及薪酬委員會，以監督本集團事務之各有關範疇。

董事會轄下委員會均獲提供充裕資源以履行其職責，並可於提出合理要求後，在適當情況下尋求獨立專業意見，費用由本公司承擔。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

(i) Audit Committee

The Audit Committee was established on 1 February 1999 with written terms of reference accessible on the websites of the Company and the Stock Exchange. The Audit Committee is chaired by Mr. TAI Kwok Leung, Alexander, with four other members namely Mr. IP Shu Kwan, Stephen, Mr. MAK Wing Sum, Alvin, Ms. WONG Yu Pok, Marina and Mr. HUI King Wai. All Committee members are independent non-executive directors, a higher majority than that required by the Listing Rules. In compliance with Rule 3.10(2) of the Listing Rules, majority of the members possess appropriate professional qualifications or accounting or related financial management expertise.

During the Year under review, the Audit Committee held two meetings to discuss and review, inter alia, the interim and annual financial statements, the submission and publication of the interim and annual reports, the disclosures in the Corporate Governance Report, the corporate governance and compliance status of the Code and the internal audit plan and functions of the Group.

The Company believes that a clear appreciation of the separate roles of the management, the external auditors and Audit Committee members is crucial to the effective functioning of an audit committee. The Board is responsible for selecting appropriate accounting policies and the preparation of the financial statements. The external auditors are responsible for auditing and attesting to the Group's financial statements and evaluating the Group's system of internal controls, to the extent that they consider necessary to support their audit report. The Audit Committee is responsible for overseeing the entire process.

董事委員會 (續)

(i) 審核委員會

本公司於1999年2月1日成立審核委員會，其書面職權範圍載於本公司及聯交所網頁。審核委員會之主席為戴國良先生，其他四名成員為葉澍堃先生、麥永森先生、黃汝璞女士及許競威先生。該委員會全部成員為獨立非執行董事，超過上市規則有關大部分成員須為獨立非執行董事的規定。遵照上市規則第3.10(2)條，大部分成員具備合適專業資格、或具備會計或相關財務管理專長。

於回顧年度內，審核委員會曾舉行二次會議，以討論及審閱（其中包括）中期及年度財務報表、提交及刊發中期及年度報告、企業管治報告之披露事項、企業管治及守則合規狀況，以及本集團之內部審核計劃及職能。

本公司相信，管理層、外聘核數師及審核委員會成員應各自具有清晰的職份，使審核委員會能有效地運作。董事會負責選定適當的會計政策及編製財務報表。外聘核數師負責審核及核證本集團的財務報表及在配合審核報告的範圍內評估本集團的內部監控系統。審核委員會負責監督整個過程。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

(i) Audit Committee (Continued)

The major functions and duties of the Audit Committee mainly include:

- reviewing the Group's interim and annual financial statements and the interim and annual reports before submission to the Board for approval;
- reviewing the financial reporting obligations and considering any matters raised by the Group's staff responsible for the accounting and financial reporting function, compliance officer or external auditor;
- reviewing and monitoring the independence and objectivity of the external auditor, and the effectiveness of the audit process in accordance with applicable standards;
- approving the remuneration and terms of engagement of external auditor and making recommendations on the appointment, re-appointment or removal of external auditor;
- reviewing the internal audit programme and ensuring that the internal audit function is adequately resourced and effective, and considering any major findings of internal control matters;
- reviewing the financial control, internal control and risk management systems of the Group and ensuring that the management has discharged its duty to have effective risk management and internal control systems, in particular, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions; and
- reviewing the Company's policies and practices on corporate governance and the Company's compliance with legal and regulatory requirements.

As at 31 March 2017, the arrangements for employees and stakeholders of the Group to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters and the whistleblowing procedures are in place.

董事委員會 (續)

(i) 審核委員會 (續)

審核委員會之主要職能及職責主要包括：

- 於提交董事會批准前審閱本集團中期及全年財務報表以及中期及年度報告；
- 檢討財務申報責任，並考慮任何由本集團屬下會計及財務匯報職員、監察主任或外聘核數師提出之事宜；
- 按適用的標準檢討及監察外聘核數師是否獨立客觀，以及核數程序是否有效；
- 批准外聘核數師之薪酬及聘用條款，並就委任、重新委任或罷免外聘核數師提供建議；
- 檢討內部審核計劃及確保內部審核職能具有足夠資源及有效地運作，並考慮內部監控事宜之任何主要調查結果；
- 檢討本集團之財務監控、內部監控及風險管理制度，並確保管理層已履行職責建立有效之風險管理及內部監控制度，尤其是有關本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否充足；及
- 檢討本公司之企業管治政策及常規，以及公司遵守法律及監管規定政策及常規之情況。

於2017年3月31日，本公司已設有制度讓本集團僱員及權益人可就關於財務匯報、風險管理、內部監控或其他方面可能發生的不當事宜提出關注及舉報程序。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

(ii) Nomination Committee

The Nomination Committee was established on 1 April 2012 with written terms of reference accessible on the websites of the Company and the Stock Exchange. The Nomination Committee is chaired by Mr. MAK Wing Sum, Alvin, being an independent non-executive director, with six other members namely Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. TAI Kwok Leung, Alexander, Mr. IP Shu Kwan, Stephen, Ms. WONG Yu Pok, Marina and Mr. HUI King Wai, with majority of whom being the independent non-executive directors. The Chairman of this Committee is an independent non-executive director and five out of seven Committee members are independent non-executive directors, a higher majority than that required by the Code.

During the Year under review, the Nomination Committee held one meeting to assess the independence of the independent non-executive directors, review and make recommendation to the Board on the structure, size and composition of the Board, and to review the retirement and rotation plan of the directors.

董事委員會 (續)

(ii) 提名委員會

本公司於2012年4月1日成立提名委員會，其書面職權範圍載於本公司及聯交所網頁。提名委員會之主席為獨立非執行董事麥永森先生，其他六名成員為黃偉常先生、謝滿全先生、戴國良先生、葉澍堃先生、黃汝璞女士及許競威先生，大部分成員為獨立非執行董事。該委員會主席為獨立非執行董事及該委員會七分之五的成員為獨立非執行董事，超過守則有關大部分成員須為獨立非執行董事的規定。

於回顧年度內，提名委員會曾舉行一次會議，以評估獨立非執行董事之獨立性、審閱及向董事會建議董事會之架構、人數及組成，以及審閱董事輪值告退計劃。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

(ii) Nomination Committee (Continued)

The principal role and responsibilities of the Nomination Committee mainly include giving full consideration to succession planning for directors and senior management, identifying individuals suitably qualified to become Board members and assessing the independence of the independent non-executive directors. In order to achieve a balanced and appropriately qualified Board, the Nomination Committee is also responsible for reviewing the structure, size and composition, including the skills, knowledge, diversity and experience, of the Board, and advising the Board as to any changes that may be required. The Nomination Committee has the authority given by the Board to seek external professional advice in the selection and recommendation for directorship, if necessary, to fulfil the requirements for professional knowledge and industry experience of any proposed candidates.

The Company recognises and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in maintaining a competitive advantage. As such, the Company continued to adopt board diversity policy during the Year under review. In achieving a truly diverse Board, candidates with different talents, skills, knowledge, length of service and professional experience, cultural and educational background, age, gender and other qualities may be selected as members of the Board. Selection of candidates is based on a range of diversity criteria. The ultimate decision is based on merit and contribution which would be brought by the candidates to the Board if he/she was selected as a director. The Nomination Committee is of the view that the current composition of the Board has achieved the objectives set out in the above board diversity policy.

董事委員會 (續)

(ii) 提名委員會 (續)

提名委員會之主要角色及職責包括對董事及高級管理人員之繼任計劃作出全面考慮、物色具備合適資格可擔任董事的人士，並評估獨立非執行董事之獨立性。為令董事會資歷平衡及恰宜，提名委員會亦須負責檢討董事會之架構、人數及組成（包括技能、知識、多元化及經驗方面），並就任何需作出的變動向董事會提出建議。董事會已授權提名委員會，於必要時可就挑選及推薦董事人選之事宜尋求外部專業意見，以符合有關任何建議人選之專業知識及業界經驗之要求。

本公司認同和接納擁有一個多元化董事會的裨益，並認為董事會層面的多元化是保持競爭優勢的必要元素。因此，本公司於回顧年度內繼續採納董事會成員多元化政策，為達致真正的董事會成員多元化，具備不同才能、技能、知識、服務任期及專業經驗、文化及學術背景、年齡、性別及其他資格的董事候選人可獲選為董事會成員。甄選董事會人選將按一系列多元化範疇為基準。最終乃按照假設候選人獲選為董事，其將為董事會帶來的優勢及貢獻而作出決定。提名委員會認為現時的董事會之組成已達致上述董事會多元化政策所載之目標。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

(iii) Remuneration Committee

The Remuneration Committee was established on 7 April 2005 with written terms of reference posted on the websites of the Company and the Stock Exchange. The Remuneration Committee is chaired by Mr. IP Shu Kwan, Stephen, being an independent non-executive director, with six other members namely, Mr. WONG Wai Sheung, Ms. WONG Hau Yeung, Mr. TAI Kwok Leung, Alexander, Mr. MAK Wing Sum, Alvin, Ms. WONG Yu Pok, Marina and Mr. HUI King Wai, with majority of whom being the independent non-executive directors. The Chairman of this Committee is an independent non-executive director and five out of seven Committee members are independent non-executive directors, a higher majority than that required by the Listing Rules.

The principal role and responsibilities of the Remuneration Committee mainly include making recommendations to the Board on the Company's policy, structure and packages for all remuneration of directors and senior management; reviewing and approving performance-based remuneration and the terms of service contracts of the directors and senior management, reviewing and approving the compensation payable in connection with any loss or termination of office or appointment of directors and senior management, overseeing any major changes in employee benefits structures throughout the Company or the Group; and reviewing the on-going appropriateness of the remuneration policy. No director or member of the senior management determined his/her own remuneration package.

The Remuneration Committee held two meetings during the Year under review to review the remuneration policies and recommend for the Board approval of the annual salary increments for the calendar year 2017, the discretionary year-end bonus for 2016 and the performance bonus for all non-sales employees working at the Head Office.

Details of directors' emoluments, five highest paid individuals and the remuneration of the members of the senior management by band during the Year under review are set out in Note 15 to the financial statements on pages 180 to 184 of this Annual Report.

董事委員會 (續)

(iii) 薪酬委員會

本公司於2005年4月7日成立薪酬委員會，其書面職權範圍載於本公司及聯交所網頁。薪酬委員會之主席為獨立非執行董事葉樹堃先生，其他六名成員為黃偉常先生、王巧陽女士、戴國良先生、麥永森先生、黃汝璞女士及許競威先生，大部分成員為獨立非執行董事。該委員會主席為獨立非執行董事及該委員會七分之五的成員為獨立非執行董事，超過上市規則有關大部分成員須為獨立非執行董事的規定。

薪酬委員會主要就本公司全體董事及高級管理人員之薪酬政策、結構及組合向董事會作出建議、檢討及審批與績效表現掛鉤之薪酬及董事及高級管理人員服務合約條款、檢討及審核與離職或終止受聘或委任董事及高級管理人員有關之應付補償、監管本公司或本集團僱員福利結構之任何重大變動；以及持續檢討薪酬政策是否合適。董事或高級管理人員概無釐定彼等本身薪酬待遇。

於回顧年度內，薪酬委員會先後舉行二次會議以檢討薪酬政策，及向董事會建議審批2017曆年之年度薪金加幅、2016年年終酌情花紅及總辦事處所有非銷售僱員之獎勵花紅。

於回顧年度內，董事酬金、五名最高薪酬人士及高級管理人員之薪酬範圍之詳情載於本年報第180至184頁之財務報表附註15。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

Board Diversity

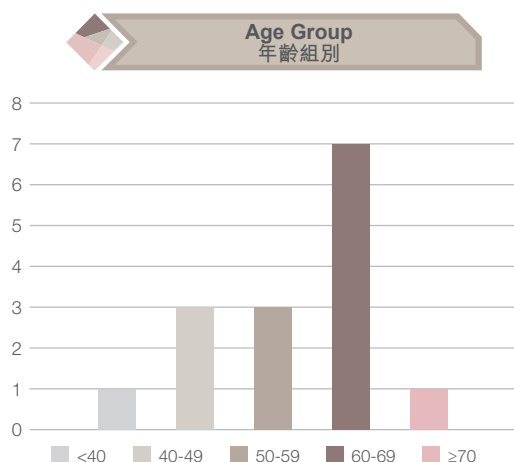
The Board is composed of members from a diverse background. The Company excels in gender equality as female Directors account for two-fifth of the whole Board. The chief financial officer, an executive director and three independent non-executive directors are qualified accountants. There is also an independent non-executive director who is a qualified solicitor. The Chairman of the Remuneration Committee was the Secretary for Economic Development and Labour of the Government of the Hong Kong Special Administrative Region. Seven Directors have experience sitting on the boards of other companies listed on the Stock Exchange of Hong Kong. The Directors have extensive experiences in the retail jewellery business, finance and accounting, taxation, business strategy, securities and investment, public relations, communications and marketing, branding, and exposure or experience in various countries including China, etc. They are members, or committee or panel members of various industry bodies, public service or government bodies or charities. The Directors bring a wealth of diverse experience to the Board, which is conducive to the growth of the Company over the years.

董事委員會 (續)

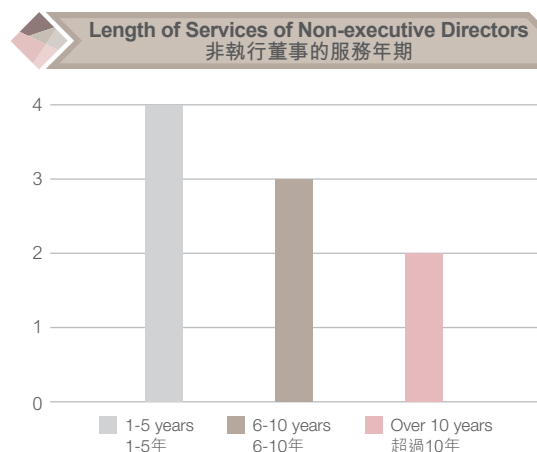
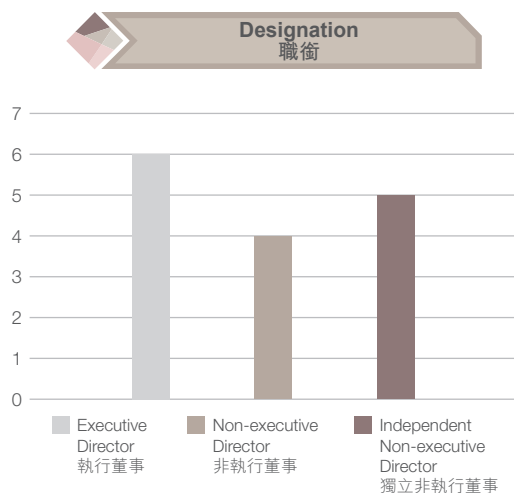
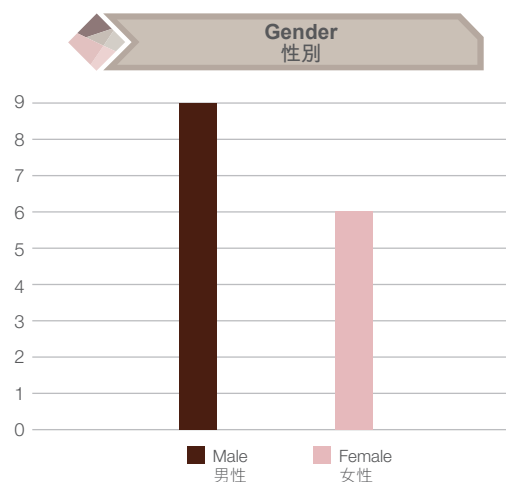
董事會成員多元化

董事會由來自多元化背景的成員組成。女性董事佔董事會全體成員的五分之二，顯示本公司在性別平等方面表現優越。我們的首席財務總監、一名執行董事及三名獨立非執行董事為合資格會計師。另有一名獨立非執行董事為合資格律師。薪酬委員會主席曾為香港特別行政區政府經濟發展及勞工局局長。七名董事具備於香港聯交所上市的其他公司擔任董事會成員的經驗。董事擁有珠寶零售業務、金融及會計、稅務、業務策略、證券及投資、公關工作、通訊及市場推廣、品牌策略的豐富經驗，及在包括中國等多個國家任職的經驗。彼等為多個行業機構、公共服務或政府機構或慈善機構的成員、委員會或小組成員。董事為董事會帶來各種多元化經驗，有利本公司多年來的增長。

Areas of Diversity



多元化之範疇



CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

Analysis of remuneration in respect of audit and non-audit services provided by the external auditor, PricewaterhouseCoopers, Certified Public Accountants, were as follows:

		2017 HK\$'000 千港元
Audit services	審計服務	5,353
Non-audit services	非審計服務	
– Review service	– 審閱服務	546
– Tax related service	– 稅務相關服務	380
Total	總計	6,279

The responsibilities of the external auditor with respect to financial reporting are stated in the Independent Auditor's Report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledged their responsibility for preparing the financial statements of each financial period, which give a true and fair view of the state of affairs of the Group as at the end of the financial period and of the result and cash flows of the Group for the year. In the Company's interim and annual reports which are issued within the time limits stipulated by the Listing Rules, the Board presents a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The published financial statements adopt, and consistently apply, suitable accounting policies complying with Hong Kong Financial Reporting Standards.

The Board ensures that the Company maintains sound and effective internal control to safeguard the shareholders' interest and the Company's assets. The Audit Committee, with the assistance of the Internal Audit Team, regularly reviews the effectiveness of the Company's internal control system. The Head of the Internal Audit Team directly reports to the Audit Committee.

The Board establishes monitoring and procedural guidelines for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's external auditors. The Audit Committee established by the Company pursuant to the Listing Rules has clear terms of reference.

核數師酬金

有關外聘核數師羅兵咸永道會計師事務所（執業會計師）提供審計及非審計服務之酬金分析如下：

外聘核數師於財務報告方面之職責，載於獨立核數師報告內。

董事對財務報表承擔之責任

董事深明彼等有責任編製各財政期間之財務報表，以真實公平反映本集團於財政期間結束時之狀況，以及本集團於該年度之業績及現金流量。於本公司在上市規則所規定時限內刊發之中期報告及年報內，董事會對本公司之表現、狀況及前景作出持平、清晰及全面之評估。所刊發財務報表採納及貫徹應用符合香港財務報告準則之會計政策。

董事會確保本公司維持健全及有效率之內部監控，以保障股東之權益及本公司之資產。審核委員會在內部審核小組之協助下，定期檢討本公司內部監控制度之成效。內部審核小組主管直接向審核委員會報告。

董事會就如何應用財務報告及內部監控原則以及與本公司之外聘核數師維持適當關係，制定監管及程序指引。本公司根據上市規則成立之審核委員會具清晰職權範圍。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTION

In order to achieve enhanced corporate governance of the Company, the Board has undertaken and delegated to the Audit Committee to constantly review the Company's policies and practices on corporate governance, the training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the code of conduct and compliance manual applicable to employees and the directors, and the Company's compliance with the Code and disclosure in this Corporate Governance Report. During the Year under review, the Audit Committee performed the duties relating to corporate governance matters as aforementioned.

COMPANY SECRETARY

During the Year under review, the company secretary undertook over 15 hours of professional training to update the skills and knowledge, which exceeded the requirements of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Company's systems of risk management and internal control and for reviewing their effectiveness annually through the Audit Committee.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee has received the risk management and internal control evaluation reports submitted by the Internal Audit Team. The reports summarised information relating to the work carried out in the following areas:

- the results of selective testing of internal control procedures, assets, and financial records of the Company;
- a general evaluation of risk management and internal control systems installed by the Company; and
- an outline of major control issues, if any, noticed during the Year under review.

企業管治職能

為達致加強本公司之企業管治，董事會已承擔並授予審核委員會權力定期檢討本公司之企業管治政策及常規、董事及高級管理層之培訓及持續專業發展、本公司在遵守法律及監管規定方面之政策及常規、適用於僱員及董事之操守守則及合規手冊以及公司遵守守則之情況及在企業管治報告內之披露。於回顧年度內，審核委員會已履行上述有關企業管治事宜之職責。

公司秘書

於回顧年度內，公司秘書共接受超過15個小時的專業培訓，以更新其技能及知識，超過上市規則規定。

風險管理及內部監控

董事會負責本公司風險管理及內部監控制度，並透過審核委員會每年檢討其成效。

風險管理及內部監控制度旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

審核委員會已接獲內部審核小組呈交之風險管理及內部監控評估報告。該等報告概述下列工作之詳情：

- 對本公司內部監控程序、資產及財務記錄之抽樣調查結果；
- 本公司所採納風險管理及內部監控制度之一般評估；及
- 列出回顧年度內注意到之任何重大監控問題（如有）。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

The Audit Committee has reviewed the reports and discussed with the management.

The Audit Committee recognised that an evaluation of the risk management system and an examination of the internal control system have been adequately executed by the Internal Audit Team during the Year under review. The Audit Committee acknowledged that the management has been progressively implementing adequate and effective risk management and internal control systems in order to ensure the effective functioning of the Company's operations.

Risk Management Committee

As our commitment to establishing and improving the risk management system, ensuring timely identification and management of risks for the achievement of corporate objectives, the Risk Management Committee was set up in 2016, comprising the Chairman and Chief Executive, four executive Directors and a senior executive of the Group. The duties of the Risk Management Committee include, but are not limited to: (i) review the Company's compliance with the Code as set out in Appendix 14 of the Listing Rules regarding risk management requirements; (ii) coordinate staff training, including risk management principles, assessment methodology and its implementation; and (iii) assign personnel to support departments to perform risk assessment for newly established business or projects, if necessary. This committee reports directly to the Audit Committee.

風險管理及內部監控 (續)

審核委員會已審閱該等報告，並與管理層進行討論。

審核委員會確認，於回顧年度內，內部審核小組已充分進行對風險管理制度的評估及對內部監控制度的檢測。審核委員會確認，管理層積極採納完善之風險管理及內部監控制度，以確保本公司能有效運作。

風險管理委員會

本集團於2016年設立風險管理委員會，此委員會由本集團主席兼行政總裁、四名執行董事及一名高級行政人員組成，目標是為集團建立及改良風險管理系統，並確保及時識別及管理風險，以達致企業目標。風險管理委員會負責包括但不限於：(i) 檢討本公司遵守上市規則附錄14所載之守則中有關風險管理的規定；(ii) 統籌員工培訓，包括風險管理的原則及評估方式，以及如何有效實施風險管理；及(iii) 於需要時，委派人員協助各部門就新設業務或項目進行風險評估。此委員會直接向審核委員會匯報。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL(Continued)

Risk Management Framework

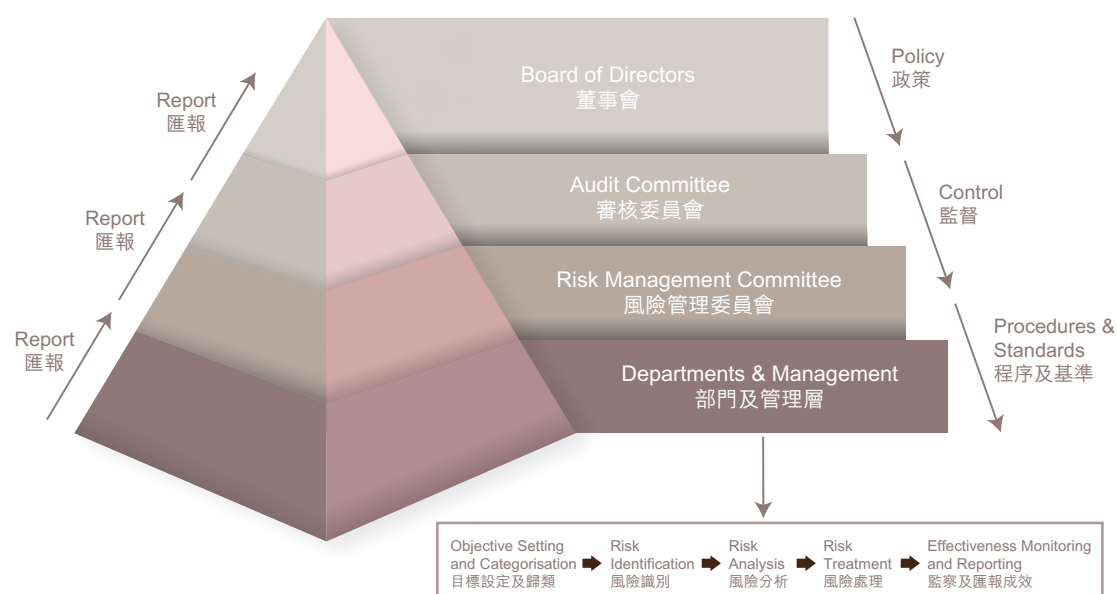
A summary of the risk management framework of the Company is shown as below:

風險管理及內部監控(續)

風險管理架構

本公司的風險管理架構簡介如下列所示：

Risk Management Framework 風險管理架構



Board of Directors

- Setting the basic tone and culture of risk management across the Group;
- Approving the criteria of risk assessment;
- Approving major decisions affecting the Group's risk profile or exposure;
- Approving changes to key elements of the risk management procedures;
- Approving the Group's risk management policy; and
- Monitoring significant risks

董事會

- 建立集團風險管理制度的基調及文化；
- 審批風險評估準則；
- 審批對集團風險狀況及曝光有重大影響的決策；
- 審批風險管理流程上關鍵部份的改變；
- 審批集團風險管理政策；及
- 監察重大風險

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

Risk Management Framework (Continued)

Audit Committee

- Reviewing the risk management and internal control systems of the Group; and
- Ensuring that effective systems of risk management and internal control are established by the management

Risk Management Committee

- Recommending the Group's risk tolerant level and criteria;
- Approving standard risk management templates including forms and tools;
- Approving risk registers;
- Reviewing the Group's compliance with the Code as set out in Appendix 14 of the Listing Rules regarding risk management requirements;
- Appointing risk owners;
- Appointing staff to support departments to conduct risk assessments on new ventures and activities;
- Conducting review on procedures and policies of risk management;
- Reporting, if any, significant risks to Audit Committee in a timely manner; and
- Coordinating staff training

風險管理及內部監控 (續)

風險管理架構 (續)

審核委員會

- 檢討本集團的風險管理及內部監控系統；及
- 確保管理層已履行職責建立有效的風險管理及內部監控系統

風險管理委員會

- 建議本集團的風險容忍度及風險評估準則；
- 審批用作風險管理的標準化範本，包括表格及工具；
- 審批風險登記冊；
- 檢討集團遵守上市規則附錄14所載之守則中有關風險管理的規定；
- 委任風險負責人；
- 委派人員協助各部門就新設業務或項目進行風險評估；
- 檢討風險管理流程及政策；
- 及時向審核委員會匯報重大風險（如有）；及
- 統籌員工培訓

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

Risk Management Framework (Continued)

Departments & Management

Departments and management are responsible for the identification and assessment of risks within their areas of responsibility:

Objective Setting and Categorisation

- Strategies;
- Operation;
- Financial reporting; and
- Compliance

Risk Identification

- The Group provides examples of risk factors; and
- Risks should be relevant to strategies and objectives

Risk Analysis

- Considering existing control measures;
- Using a consistent scoring criteria; and
- Assessing the residual risks

Risk Treatment

- Choosing a risk treatment strategy;
- Establishing a treatment plan; and
- Appointing risk owners

Effectiveness Monitoring and Reporting

- Monitoring and reporting risks periodically; and
- Setting up an emergent risk reporting mechanism

風險管理及內部監控 (續)

風險管理架構 (續)

部門及管理層

部門及管理層負責其管轄範圍內的風險識別及評估：

目標設立及歸類

- 策略；
- 營運；
- 財務匯報；及
- 合規

風險識別

- 集團提供風險考慮因素範例；及
- 風險須與策略及目標有關聯

風險分析

- 考慮現有監控措施；
- 採用統一風險評分準則；及
- 評估剩餘風險

風險處理

- 選擇風險應對策略；
- 訂立應對計劃；及
- 委任風險負責人

監察及匯報成效

- 定期監察及匯報風險；及
- 設立突發風險匯報制度

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

Review Processes of the Effectiveness of the Risk Management and Internal Control Systems

The management and the Risk Management Committee review the effectiveness of the risk management and internal control systems. The Internal Audit Team also conducts independent audit of the effectiveness of these systems. Separate reports are submitted to the Audit Committee for its review and appraisal. A final report will be submitted to the Board for accessing the effectiveness of the systems.

If any material internal control defects are found, the Audit Committee will discuss them with the management. The Internal Audit Team will follow up and/or re-classified as “severe” risk in the risk management system for further formulating measures to resolve or prevent such defects.

INTERNAL AUDIT

The internal audit is an independent function undertaken by the Internal Audit Team reporting administratively to the Company’s management and reporting functionally to the Audit Committee. The Internal Audit Team is authorised to obtain all information necessary to accomplish internal audit work.

The Board has conducted an annual review to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit and financial reporting functions.

風險管理及內部監控 (續)

風險管理及內部監控系統有效性檢討程序

管理層及風險管理委員會檢討風險管理及內部監控系統的有效性。內部審核小組亦獨立評審該系統的有效性。個別報告會提交審核委員會以供其審閱及評估。最終之報告將交予董事會評定該系統之有效性。

如發現任何嚴重的內部監控缺失，審核委員會將與管理層對其進行討論而內部審核小組將會跟進及／或於風險管理系統內再分類為「嚴重」風險以進一步制定措施解決或避免該缺失。

內部審核

內部審核為內部審核小組負責的獨立工作，並分別向本公司管理層及審核委員會作出行政及功能匯報。內部審核小組獲授權取得一切所需資料，以完成內部審核工作。

董事會已作年度檢討以確保本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算均屬足夠。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL AUDIT (Continued)

A risk-based audit approach has been adopted by the Internal Audit Team. Internal control reviews are conducted regularly to closely monitor business or operation changes. Regular audit tests are carried out to ensure key controls are in operation. The Internal Audit Team also conducts other projects and investigating work as required.

Any significant internal audit findings are discussed with respective department heads to have actions agreed and subsequently followed up, in order to ensure that satisfactory control is maintained.

In each semi-annual work plan, manning levels of the Internal Audit Team are agreed with the Audit Committee. A summary of the internal audit activities and audit results are also submitted to the Audit Committee twice a year.

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene a Special General Meeting ("SGM")

Pursuant to Section 74 of the Bermuda Companies Act 1981, shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring an SGM to be called by the Board. The written requisition (i) must state the purposes of the SGM; and (ii) 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.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene an SGM, the requisitionists or any of them representing more than one-half of the total voting rights of all of them may convene an SGM, but any SGM so convened shall not be held after expiration of three months from the said date of deposit of the requisition. An SGM convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in any SGM to be convened by the Board.

內部審核 (續)

內部審核小組採用風險主導審核方針，定期檢討內部監控，密切監察業務或營運變動，定期進行審核測試，以確保主要監控正常運作。內部審核小組亦視乎需要進行其他項目及調查工作。

任何重大內部審核結果均與各有關部門主管予以討論，議定行動並作出跟進，以確保維持滿意的監控。

於各半年工作計劃內，內部審核小組與審核委員會議定其人員配備水平，並每年兩次向審核委員會提交內部審核活動概要及審核結果。

股東權利

股東召開股東特別大會（「股東特別大會」）之程序

根據百慕達《1981年公司法》第74條，於遞呈請求董事會召開股東特別大會的書面請求日期持有本公司已繳足股本不少於十分之一，並可於本公司股東大會上投票之一名或多名股東將有權遞交書面請求，以請求董事會召開股東特別大會。書面請求(i)須列明股東特別大會的目的；及(ii)須由呈請人簽署並送交本公司之註冊辦事處，並可由數份同樣格式的文件組成，而每份由一名或多名呈請人簽署。

倘董事會在請求書遞呈日期起計21日內未有召開股東特別大會，則該等呈請人或佔全體呈請人總投票權一半以上之任何呈請人，可自行召開股東特別大會，惟任何如此召開之股東特別大會不得在上述請求書遞呈日期起計三個月屆滿後舉行。由呈請人召開之股東特別大會須盡可能以接近由董事會召開任何股東特別大會之方式召開。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

Procedures for putting forward proposals at a general meeting

Pursuant to Sections 79 and 80 of the Bermuda Companies Act 1981, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (i) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (ii) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists must be deposited at the registered office of the Company (contact details are disclosed in the section headed "Corporate Information") with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

The procedures for shareholders of the Company to propose for election as a director have been posted on the website of the Company.

股東權利 (續)

於股東大會上提呈動議之程序

根據百慕達《1981年公司法》第79及80條，持有有權於本公司股東大會投票之本公司繳足股本不少於二十分之一之任何數目股東，或不少於100名股東，可向本公司提交書面要求：(i)向有權接收下一屆股東週年大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案；及(ii)向有權獲發送任何股東大會通告之股東傳閱不超過1,000字之任何陳述書，以告知於該大會上任何提呈之決議案所述事宜或將處理之事項。

由所有呈請人簽署之呈請須送交本公司註冊辦事處（詳細聯絡資料於「企業資料」一節中披露），並須在（倘為須發送決議案通知之呈請）大會舉行前至少六星期或（倘為任何其他呈請）大會舉行前至少一星期遞交及須支付足以合理彌補本公司相關開支之款項。

本公司股東提名候選董事之程序已刊登於本公司網站。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board maintains an ongoing dialogue with shareholders and in particular, endeavours to provide transparency and uses the annual general meetings and investors' conferences, to communicate with shareholders and invites their participation in certain marketing events. Besides, the Company's official website serves as a handy communication channel for the shareholders. Press releases and announcements about the Company's business affairs are made from time to time.

The Company informs shareholders of the procedure for voting by poll in the circular to shareholders, and ensures compliance with the requirements regarding voting by poll contained in the Listing Rules and the Company's Bye-laws.

Specific enquiries by shareholders requiring the Board's attention can be sent in writing to the company secretary at the Company's business address in Hong Kong at Luk Fook Jewellery Centre, No. 239 Temple Street, Jordan, Kowloon, Hong Kong. Shareholders may also make proposals at the general meetings.

There was no significant change in the Company's constitutional documents during the Year under review.

投資者關係及與股東之溝通

董事會與股東保持溝通，尤其致力提高透明度，並透過股東週年大會及投資者會議與股東溝通及邀請彼等參與若干市場推廣活動。此外，本公司之官方網站亦為與股東溝通之便利渠道。本公司亦不時就本公司之業務發表新聞稿及公告。

本公司於股東通函內知會股東按股數投票方式表決之程序，並確保符合上市規則及本公司之公司細則所載有關按股數投票方式表決之規定。

股東如欲向董事會作出特定查詢，可以書面形式致函公司秘書，寄往本公司的香港營業地址——香港九龍佐敦廟街239號六福珠寶中心。另外，股東可在股東大會提出建議。

本公司的組織章程文件於回顧年度內並沒有重大變動。

REPORT OF THE DIRECTORS

董事會報告

The directors submit their report together with the audited financial statements for the year ended 31 March 2017 (“the Year under review”).

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activity of Luk Fook Holdings (International) Limited (the “Company”) is investment holding. The subsidiaries are principally engaged in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery and gem-set jewellery products.

An analysis of the performance of the Company and its subsidiaries (collectively referred to as the “Group”) for the year by operating segment is set out in Note 6 to the financial statements.

BUSINESS REVIEW

A fair review of the business of the Group and a discussion and analysis of the Group’s performance during the Year under review, the material factors underlying its results and financial position and material attributable factors of the development and likely future developments of the Group’s business, are provided throughout this Annual Report, particularly in the following separate sections:

- (a) Review of the Group’s business – “Chairman’s Statement” on pages 3 to 6 and “Management Discussion and Analysis” on pages 7 to 22;
- (b) The principal risks and uncertainties the Group is facing – “Report of the Directors” on pages 77 to 105;
- (c) Future development in the Group’s business – “Chairman’s Statement” on pages 3 to 6 and “Management Discussion and Analysis” on pages 7 to 22;
- (d) Analysis using financial key performance indicators – “Financial Highlights” on page 1 and “Management Discussion and Analysis” on pages 7 to 22;
- (e) Information about the Group’s Environmental, Social and Governance (“ESG”) policies and performance – ESG Report on pages 30 to 50 and “Report of the Directors” on pages 77 to 105;

董事謹提呈彼等之董事會報告連同截至2017年3月31日止年度（「回顧年度」）的經審核財務報表。

主要業務及業務分部之分析

六福集團（國際）有限公司（「本公司」）主要業務為投資控股，其附屬公司主要從事各類黃鉑金首飾及珠寶首飾產品之採購、設計、批發、商標授權及零售業務。

本公司及其附屬公司（統稱「本集團」）按營運分部劃分之年內業績分析載於財務報表附註6。

業務回顧

有關本集團業務的中肯審視、本集團於回顧年度的表現、本集團業績及財務狀況的重要因素，及對本集團的業務發展及日後發展的重要因素的探討及分析，已於本年報不同部份披露，於以下個別章節尤其詳盡：

- (a) 本集團業務回顧－第3至6頁的「主席報告」及第7至22頁的「管理層討論及分析」；
- (b) 本集團正面對的主要風險及不明朗因素－第77至105頁的「董事會報告」；
- (c) 本集團日後的業務發展－第3至6頁的「主席報告」及第7至22頁的「管理層討論及分析」；
- (d) 運用財務關鍵績效指標進行的分析－第1頁的「財務摘要」及第7至22頁的「管理層討論及分析」；
- (e) 有關本集團環境、社會及管治政策及表現的資料－第30至50頁的環境、社會及管治報告和第77至105頁的「董事會報告」。

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW (Continued)

- (f) Discussion on the Group's compliance with the relevant laws and regulations — “Corporate Governance Report” on pages 51 to 76 and “Report of the Directors” on pages 77 to 105; and
- (g) An account of the Group's key relationships with its employees, customers and suppliers and others – “ESG Report” on pages 30 to 50 and “Report of the Directors” on pages 77 to 105.

Principal Risks and Uncertainties

The Board is ultimately responsible for ensuring that the risk management practices of the Group are sufficient to mitigate the risks present in our businesses and operations as efficiently and effectively as possible. The Board delegates some of such responsibilities to various departments.

The Group's financial position, operations, business and prospects may be affected by the following identified risks and uncertainties. The Group adopts risk management policies, measures and monitoring systems to pre-empt and contain exposures associated with the identified risks.

Economic Risks

Global Economic Condition

Economic slowdown or prolonged downturn of the global or Mainland China's economy affects the retail market sentiment as a whole.

Tourist Destinations

The increase in popularity of other tourist destinations weakens the spending of Mainland tourists in Hong Kong and Macau.

Operational Risks

Rent

As a retailer, rent accounts for a considerable portion of the Group's expenses. Rental increment on retail shops directly affects the profit of the Group. The Group strikes a good balance between shop expansion and profit increment. The Group strives to lower rent via negotiations with landlords, close branches with low profitability and search for suitable locations in other areas, for new shops.

業務回顧 (續)

- (f) 討論本集團對有關法律及規例的遵守—第51至76頁的「企業管治報告」及第77至105頁的「董事會報告」；及
- (g) 敘述本集團與其僱員、客戶、供應商及其他人士的重要關係—第30至50頁的「環境、社會及管治報告」及第77至105頁的「董事會報告」。

主要風險及不明朗因素

董事會最終負責確保本集團的風險管理常規能充份而有效地減低業務及營運中的風險。董事會將部份職責委派予各個部門。

本集團的財務狀況、營運、業務及前景會受以下已識別風險及不確定因素影響。本集團採用風險管理政策、措施及監控系統，防範及控制所面臨的相應已識別風險。

經濟風險

全球經濟狀況

全球或中國內地經濟放緩或持續低迷影響整體零售市場氣氛。

旅遊目的地

其他旅遊目的地興起，削弱內地旅客於香港及澳門的消費意欲。

經營風險

租金

作為零售商，租金佔本集團的開支比重不少，零售商舖的租金上升直接影響集團之盈利。我們在店舖擴張與增加盈利之間取得一個良好平衡，本集團積極透過與業主商討減租、關閉盈利能力較低的店舖，並於其他地段尋求合適位置開設新店。

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW (Continued)

Operational Risks (Continued)

Prices of Raw Materials

Fluctuations in prices of raw materials may adversely affect our profitability. We strive to improve our purchasing procedures in order to maintain reasonable raw materials costs. On the other hand, the Group has a gold hedging ratio of around 20% which mitigate the impact on the profit due to the drop in gold prices.

Fierce Competition

There is strong competition from national and local competitors in jewellery and watch industry. The Group has formulated a set of branding strategies to increase brand image and awareness. Details of such strategies are set out in “Branding” on pages 23 to 29.

Inventory Turnover

Owing to the impact of volatile macroeconomic environment in Asia especially Mainland China, our inventory turnover bears the risk of slowing down.

Management of Licensed Shops

Licensed shops play an important role in raising the brand awareness of the Group. Maintaining a good brand image and reputation is a win-win situation for both the Group and the licensed shops. Therefore, the Group uses best endeavours to ensure their consistency with the Group's image and operation standard. We maintain a close working relationship with our licensed shops as well as provide one-stop support to them, such as shop-opening training, the provision of operation manuals and regular operation review meetings.

We also closely monitored the licensed shops through a stringent control system which consists of 6 areas of control, including Operational Control; Product Quality Control; Distribution Network Control; Pricing Control; Brand Image Control; and Service Quality Control. Details of such system are set out in page 80.

業務回顧 (續)

經營風險 (續)

原材料價格

原材料價格的波動對我們的盈利能力或有不良影響。我們致力改善採購程序，務求將原材料成本維持在合理水平。另一方面，本集團的黃金對沖比率為大約20%，以減少金價下跌而對盈利的衝擊。

劇烈競爭

全國及當地珠寶及鐘錶行業的競爭對手眾多，競爭十分劇烈。本集團制定了一連串的品牌策略以提升品牌形象及知名度。有關策略詳情可參考第23至29頁的「品牌策略」。

存貨週轉

受到亞洲尤其是中國內地宏觀經濟波動影響，我們的存貨週轉有放慢的風險。

品牌店管理

品牌店對於提升本集團品牌知名度扮演一個重要的角色。維持一個良好品牌形象及聲譽對本集團及品牌店是一個雙贏局面。因此，本集團以最大努力確保品牌商的營運符合本集團形象及營運準則。我們與品牌店維持緊密合作關係並向其提供一站式支援，例如開店培訓、營運指引和定期營運檢討會議。

我們還採用一個嚴格的監管系統密切監控品牌店，該系統由6個監控領域組成，包括營運監管、貨品品質監管、零售網絡監管、價格監管、品牌形象監管和服務質量監管。有關系統詳情可參考第80頁。

REPORT OF THE DIRECTORS

董事會報告

Control System on Licensed Shops 品牌店監管系統

Operational Control 營運監管

- Whistle-blowing System and Reward Scheme
舉報系統及獎勵計劃
- Sales and Inventory System Access
銷售及存貨系統登入
- DVR System
錄像系統
- Operational Compliance Audit Team
營運合規性審查小組
- Annual Contract Renewal Basis
每年續約機制
- Cash On Delivery Basis
貨到付款機制

Product Quality Control 貨品品質監管

- 100% diamond products in Mainland market
offered by Lukfook
內地市場鑽石產品100%由六福提供
- Authorized suppliers on other products
其他產品由指定供應商供應
- Certificate issued by NGTC/GTC for
quality assurance
國檢／省檢證書作為質量保證
- Sightholder of De Beers - steady quality rough
diamond supply
De Beers特約配售商 – 穩定優質石胚之供應

Distribution Network Control 零售網路監管

- Prior approval on retail locations
預先批核零售點位置

Pricing Control 價格監管

- Standardised retail price for products through
centralised labeling process
透過中央控制統一標籤流程，以劃一產品零售
價
- Centralised control on discount policy
中央控制折扣政策

Brand Image Control 品牌形象監管

- Authorised renovation contractors
指定裝修承包商
- Prior approval on all advertising & promotion
預先審批所有廣告和宣傳
- Standardised operational materials
(e.g. uniform, packaging) in all shops
所有店舖統一營運物資（例如：制服、包裝）

Service Quality Control 服務品質監管

- Mystery Shopper System on service
quality control
神秘顧客計劃以監管服務品質
- Centralised Staff Training
統一員工培訓
 - Regional training centres 區域培訓中心
 - E-Learning programmes 網上學習課程
 - On-site training 實地培訓

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW (Continued)

Regulatory Risks

Change in Laws and Regulations

The changes in laws and regulations such as the Competition Ordinance (Cap. 619 of the Laws of Hong Kong) and the adjustment to the policy of Individual Visit Scheme could adversely affect our businesses. Our management keeps a close eye on the change in such laws and regulations and adjusts the Group's operating strategies accordingly, in order to maintain the Group's market competitiveness.

Intellectual Property

We recognise the importance of building a good reputation and protecting our intellectual property. Any unauthorised use of our trademarks in counterfeit products could harm our brand image and reputation, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In view of this, the Group's legal department has set up committees in both Hong Kong and Nansha of Mainland China to handle tasks in respect of intellectual properties (such as trademarks, design patents and fighting against infringement).

The Group has successfully registered the "Lukfook" trademark in the regions where Lukfook has a presence (such as Mainland China, Hong Kong, Macau, Singapore, Malaysia, Korea, Australia, the United States and Canada). Our legal department has reached a consensus with our product development department, marketing department and design department that any new product, collection, display prop and fitting out design should be forwarded as soon as practicable to the legal department for applying for design patent/copyright in Mainland China, Hong Kong and Macau so as to ensure the maximum protection for the Group.

The Group's legal department and business department constantly monitor any infringement by free-riding brands across Mainland China, and cooperate with the law enforcement agencies to fight against infringement. The Group always encourages colleagues to monitor any infringement during their business trips and report the infringement to the legal department, and endeavours to fight against infringement of the Group's intellectual properties.

Financial Risks

Details of financial risks are set out in Note 4 to the consolidated financial statements.

業務回顧 (續)

監管風險

法律及規例之變動

法律及規例之變動，例如競爭條例（香港法例第619章）和個人遊政策之調整可能對我們的業務造成不利的影響。我們的管理層一直密切留意有關法律及規例之變動及隨之調整營運策略，以維持本集團在市場上的競爭力。

知識產權

我們深明建立良好聲譽及保護知識產權的重要性。若我們的商標品牌被盜用於偽冒產品，可能會損害我們的品牌形象與聲譽，從而對我們的業務、財務狀況、經營業績及前景造成重大不利影響。

有見及此，本集團法務部於香港及中國內地南沙均設有小組負責處理知識產權工作（如商標、外觀設計專利、打擊侵權等）。

本集團於設有六福分店的地區（如中國內地、香港、澳門、新加坡、馬來西亞、韓國、澳洲、美國和加拿大等地）均已成功註冊「六福」商標；而法務部與產品拓展部、市場推廣部及設計等部門已有共識：當本集團有新產品、系列、陳列道具及裝修設計，須盡快轉交法務部安排主力於中港澳申請外觀設計專利／版權，為本集團爭取最大保障。

本集團法務部與業務部有恆常跟進外間傍名品牌於中國內地各地的侵權情況，並與執法機關配合打擊工作；本集團亦時刻鼓勵各部門同事於出差期間多加留意及向法務部舉報外間侵權情況，盡力打擊外間一切侵犯本集團知識產權的行為。

財務風險

財務風險詳情載於綜合財務報表附註4。

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW (Continued)

Compliance with Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and the non-compliance with such requirements could lead to the risk of termination of operating licences. The Group has been allocating systems and human resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators effectively through effective communications. During the Year under review, as far as the Group is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

Environmental Policies and Performance

The Group places great importance on environmental protection and endeavours to promote sustainable development. It incorporates relevant environmental strategies in every aspect of its business, and implements initiatives in areas such as energy saving and waste management in manufacturing, administration and daily retail operations to mitigate the impact on the environment.

Relationships with Key Stakeholders

The Group recognises that employees, customers and suppliers are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners. The Group provides a fair and safe work environment, promotes staff diversity, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate training and resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and facilitate their self-fulfillment in their positions.

業務回顧 (續)

法律及規例的遵守

本集團確認符合法規要求的重要性，不符合該等要求可導致終止經營許可證的風險。本集團已分配系統及人力資源，確保持續符合規則及規例，並通過有效溝通與監管部門保持良好工作關係。於回顧年度內，據本集團所知，其已於各重大方面遵循對本集團之業務及營運構成重大影響的有關法律及規例。

環境政策及表現

本集團非常重視環境保護，並致力推動可持續發展。本集團將相關環保策略融入其業務的各個方面，將節能及廢物管理等措施應用於生產、行政及日常零售業務中，以減低對環境的影響。

與主要持份者的關係

本集團深明僱員、客戶及供應商均為其可持續發展之關鍵因素。本集團致力建立與僱員之緊密關切關係、為客戶提供優質服務，並加強與業務夥伴合作。本集團提供公平而安全之工作環境、提倡員工多元化、根據彼等之長處及表現提供具競爭力的薪金及福利以及職業發展機會。本集團亦竭力為僱員提供充足培訓及資源，以使彼等可緊貼市場及行業的最新發展，與此同時改善其於職位上的表現及幫助其實現自我價值。

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW (Continued)

Relationships with Key Stakeholders (Continued)

The Group understands the importance of maintaining good relationship with customers and providing products which satisfy their needs and requirements. The Group enhances the relationship by continuous interaction with customers to gain insight into the changing market demand for different products so that the Group can respond proactively. The Group has also established procedures in handling customers' feedbacks and complaints to ensure that customers' opinions are dealt with in prompt and timely manner.

The Group maintains stable business relationship with its suppliers and service providers. In order to have a better and close monitoring of suppliers' performance, the Group's management regularly conducts performance reviews targeting the Group's major suppliers and service providers, and communicates with them for rectification and improvements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year under review are set out in the consolidated income statement on page 115.

The directors have declared an interim dividend of HK\$0.29 per ordinary share and a special dividend of HK\$0.26 per ordinary share, totalling HK\$0.55 per ordinary share. A total of HK\$322,909,000 was paid on 20 December 2016.

The directors proposed a final dividend of HK\$0.40 per ordinary share and a special dividend of HK\$0.15 per ordinary share, totalling HK\$0.55 per ordinary share for the year ended 31 March 2017 (2016: HK\$0.55 per share) to shareholders whose names appear on the register of members of the Company on 29 August 2017. Taking into account of the interim and special dividends paid, the total dividend for the year would amount to HK\$1.10 per ordinary share, totalling HK\$645,818,000 for the year (2016: HK\$1.10 per ordinary share, totalling HK\$646,918,000). Subject to the approval of the shareholders at the forthcoming annual general meeting ("AGM") of the Company to be held on 23 August 2017, the final and special dividends will be paid on or around 7 September 2017.

業務回顧 (續)

與主要持份者的關係 (續)

本集團明白與客戶保持良好關係及提供能滿足其需要及要求之產品的重要性。本集團透過與客戶持續互動促進關係，以了解各種產品不斷變化之市場需求，從而主動作出回應。本集團亦已設立程序處理客戶反饋及投訴，確保客戶意見可妥為及時處理。

本集團與供應商及服務供應商保持穩健的業務夥伴關係。為了更有效及密切監察供應商表現，本集團管理層定期就本集團主要供應商及服務供應商之表現進行檢討，並與彼等溝通以期作出糾正及改善。

業績及分派

本集團回顧年度之業績載於第115頁之綜合損益表內。

董事已宣派中期股息每股普通股0.29港元及特別股息每股普通股0.26港元，合共每股普通股0.55港元。總數322,909,000港元已於2016年12月20日派發。

董事建議就截至2017年3月31日止年度向於2017年8月29日名列本公司股東名冊之股東派付末期股息每股普通股0.40港元及特別股息每股普通股0.15港元，合共每股普通股0.55港元（2016年：每股0.55港元），連同已派付的中期及特別股息，本年度股息合共為每股普通股1.10港元，年度股息總額為645,818,000港元（2016年：每股普通股1.10港元，總額為646,918,000港元）。待股東於2017年8月23日舉行之本公司應屆股東週年大會（「股東週年大會」）上批准後，末期及特別股息將於2017年9月7日或前後支付。

REPORT OF THE DIRECTORS

董事會報告

DONATIONS

Donations made by the Group during the Year under review amounted to approximately HK\$1,805,000 (2016: HK\$2,016,000).

SHARES ISSUED

Details of the shares issued by the Company during the Year under review are set out in Note 28 to the financial statements.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year under review or subsisted at the end of the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2017, calculated under the Companies Act of Bermuda, amounted to HK\$998,771,000 (2016: HK\$947,756,000).

FIVE-YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for each of the last five financial years ended 31 March are as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元	2014 HK\$'000 千港元	2013 HK\$'000 千港元
Results	業績					
Revenue	收入	12,807,277	14,031,302	15,922,708	19,214,930	13,411,691
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	1,016,838	958,692	1,614,805	1,864,928	1,242,951
Assets and liabilities	資產及負債					
Total assets	總資產	10,679,250	10,629,499	11,511,237	9,586,156	7,561,875
Total liabilities	總負債	1,699,310	1,860,580	2,910,730	1,887,001	1,084,282
Shareholders' funds	股東資金	8,873,350	8,673,796	8,536,363	7,640,769	6,424,748

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

捐款

本集團於回顧年度內作出之捐款約1,805,000港元(2016年:2,016,000港元)。

已發行股份

本公司於回顧年度內發行股份之詳情載於財務報表附註28。

股票掛鈎協議

於回顧年度內或年度結束時，本公司概無訂立或存在任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立任何協議將會或可導致本公司發行股份。

可供分派儲備

根據百慕達公司法計算，本公司於2017年3月31日之可供分派儲備為998,771,000港元(2016年:947,756,000港元)。

五年財務摘要

本集團截至3月31日止對上五個財政年度各年之業績、資產及負債如下：

購入、出售或贖回證券

本公司及其附屬公司於回顧年度內均無購回、出售或贖回任何本公司之上市證券。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The directors who held office during the year ended 31 March 2017 and up to the date of this Annual Report are as follows:

Executive Directors

Mr. WONG Wai Sheung (*Chairman & Chief Executive*)
Mr. TSE Moon Chuen (*Deputy Chairman*)
Ms. WONG Hau Yeung
Ms. WONG Lan Sze, Nancy
Ms. CHUNG Vai Ping
Dr. CHAN So Kuen

Non-executive Directors

Mr. WONG Ho Lung, Danny (*Deputy Chairman*)
Ms. YEUNG Po Ling, Pauline
Mr. HUI Chiu Chung, JP
Mr. LI Hon Hung, MH, JP

Independent Non-executive Directors

Mr. TAI Kwok Leung, Alexander
Mr. IP Shu Kwan, Stephen, GBS, JP
Mr. MAK Wing Sum, Alvin
Ms. WONG Yu Pok, Marina, JP
Mr. HUI King Wai

Pursuant to Bye-law 99 of the Bye-laws, one-third of the directors shall retire from office by rotation at each AGM of the Company. Accordingly, Mr. WONG Wai Sheung, Ms. WONG Hau Yeung, Mr. LI Hon Hung, Mr. TAI Kwok Leung, Alexander and Ms. WONG Yu Pok, Marina, shall retire from office by rotation at the AGM. All the retiring directors, being eligible, will offer themselves for re-election at the AGM. Details of the proposed directors to be re-elected are set out in the circular sent together with this Annual Report.

董事

截至2017年3月31日止年度內及直至本年報日期在任之董事如下：

執行董事

黃偉常先生 (*主席兼行政總裁*)
謝滿全先生 (*副主席*)
王巧陽女士
黃蘭詩女士
鍾惠冰女士
陳素娟博士

非執行董事

黃浩龍先生 (*副主席*)
楊寶玲女士
許照中太平紳士
李漢雄MH太平紳士

獨立非執行董事

戴國良先生
葉樹堃GBS太平紳士
麥永森先生
黃汝璞太平紳士
許競威先生

根據公司細則第99條，三分之一之董事須於本公司每屆股東週年大會輪值告退。據此，黃偉常先生、王巧陽女士、李漢雄先生、戴國良先生及黃汝璞女士將於股東週年大會上輪值告退。所有退任董事均符合資格，並願意於股東週年大會上膺選連任。有關擬重選董事之資料載於隨本年報寄發之通函內。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. WONG Wai Sheung, aged 66, is the founder, Chairman, Chief Executive and Executive Director of the Group. He is also a member of the Remuneration Committee and Nomination Committee. Mr. WONG has over 50 years of experience in the jewellery industry and is responsible for the overall strategic planning and management of the Group. He is the Honorary Life President and the Associate Director of The Kowloon Gold Silver and Jewel Merchant's Staff Association, the Honorary Permanent Chairman of Hong Kong Jade Association, the Chairman of Supervisory Committee of The Kowloon Pearls, Precious Stones, Jade, Gold and Silver Ornament Merchants Association, the Honorary Chairman of Macau Goldsmith's Guild, the Honorary Chairman of the First General Committee and Vice President of Guangdong Golden Jewelry and Jade Industry's Association, the Honorary Vice-president of the Gems & Jewelry Trade Association of China, the Honorary Chairman of the Hong Kong Small and Medium Enterprises Association, the Honorary Chairman of Hong Kong Gemstone Manufacturers' Association, Founding Member and Vice-president of Shenzhen Gold & Silver Jewelry Creative Industry Association, Honorary Consultant of H.K. Gold & Silver Ornament Workers & Merchants General Union, the President of Hong Kong Precious Metals Traders Association Limited as well as the elected member of General Committee of Hong Kong Brand Development Council. Mr. WONG is the father of Mr. WONG Ho Lung, Danny, Deputy Chairman and Non-executive Director of the Company and Ms. WONG Lan Sze, Nancy, Executive Director and Deputy Business Director of the Company.

董事及高層管理人員之履歷詳情

執行董事

黃偉常先生，66歲，為本集團創辦人、主席、行政總裁兼執行董事。彼亦為薪酬委員會和提名委員會之成員。黃先生於珠寶業擁有超過 50 年經驗，負責本集團的整體企業策劃及管理。彼現為九龍首飾業文員會永遠榮譽會長兼理事長、香港玉器商會永遠名譽會長、九龍珠石玉器金銀首飾業商會監事長、澳門金業同業公會名譽會長、廣東省金銀珠寶玉器業廠商會首屆名譽會長兼副主席、中國珠寶玉石首飾行業協會理事會榮譽副會長、香港中小型企業聯合會名譽會長、香港寶石廠商會榮譽會長、深圳市金銀珠寶創意產業協會創會會員兼副會長、香港金銀首飾工商總會名譽顧問、香港貴金屬同業協會有限公司會長及香港品牌發展局理事會選任理事。黃先生為本公司副主席兼非執行董事黃浩龍先生及本公司執行董事兼業務副總監黃蘭詩女士之父親。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Mr. TSE Moon Chuen, aged 66, is the co-founder of the Group. Presently, he is the Deputy Chairman, Executive Director and Deputy General Manager of the Group. He is also a member of the Nomination Committee. Mr. TSE has over 44 years of experience in jewellery retailing business and is responsible for the merchandising and production functions of the Group. Mr. TSE is an Executive Committee member of the Diamond Federation of Hong Kong, China Ltd., a Vice President of The Chinese Gold & Silver Exchange Society, the Vice-chairman of The Kowloon Pearls, Precious Stones, Jade, Gold and Silver Ornament Merchants Association, a Life Honorary Chairman of Hong Kong Tsuen Wan Industries and Commerce Association Limited, the President of The Tsuen Wan Festival Lightings Organizing Committee, a member of the Kwun Tong District Junior Police Call (JPC) Honorary President Council, a Vice-chairman of Macau Goldsmith's Guild, a Director of Hong Kong, Guangzhou, Foshan and Zhaoqing Friendship Association, an Honorary President of Tsuen Wan Committee for Celebration of Reunification of Hong Kong with China, an Honorary President of Tsuen Wan Preparatory Community of National Day, a Vice President of Zhaoqing Overseas Friendship Association, an Honorary Consultant of Shatin Friends Society, an Executive Committee member and Vice Director of Finance of Hong Kong Jewellers' & Goldsmiths' Association, a Vice-chairperson of Tsuen Wan District Fire Safety Ambassador Honorary Presidents' Association, an Honorary President of H.K. Gold & Silver Ornament Workers & Merchants General Union, an Honorary President of The Residents Association of Tsuen Wan Hoi Bun District, an Honorary President of Hong Kong New Territories District Adviser Alumni Association, a 12th Term Executive Director of Guangzhou Panyu Jewelry Manufacturers Association and an Honorary Consultant of Hong Kong Precious Metals Traders Association Limited. Moreover, Mr. TSE was awarded the "Chief Executive's Commendation for Community Service" by the Government of the Hong Kong SAR.

董事及高層管理人員之履歷詳情 (續)

執行董事 (續)

謝滿全先生，66歲，為本集團之共同創辦人，現職本集團之副主席、執行董事兼副總經理。彼亦為提名委員會成員之一。謝先生具備逾44年珠寶零售業經驗，負責本集團之採購及生產事宜。彼現為香港鑽石總會有限公司常務委員、金銀業貿易場理監事會副理事長、九龍珠石玉器金銀首飾業商會副理事長、香港荃灣工商業聯合會永遠會長、荃灣區節日燈飾籌備委員會會長、觀塘區少年警訊名譽會長會委員、澳門金業同業公會副理事長、香港廣佛肇聯誼總會會董、荃灣各界慶祝回歸委員會名譽會長、荃灣各界慶祝國慶委員會名譽會長、肇慶海外聯誼會副會長、沙田之友社名譽顧問、香港珠石玉器金銀首飾業商會理事兼副財務主任、荃灣區消防安全大使名譽會長會副主席、香港金銀首飾工商總會名譽會長、荃灣海濱海灣居民協會名譽會長、香港新界地區事務顧問協會名譽會長、廣州市番禺區珠寶廠商會第十二屆理事會常務理事及香港貴金屬同業協會名譽顧問。此外，謝先生獲香港特別行政區政府頒授「行政長官社區服務獎狀」。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Ms. WONG Hau Yeung, aged 44, is the Executive Director and Deputy General Manager of the Group and a member of the Remuneration Committee. She is also a Director of China Gold Silver Group Company Limited ("CGS"), an associate of the Company which conducts jewellery retail and franchise business under the brandname of "3D-GOLD" in Hong Kong, Macau and Mainland China. Ms. WONG initially joined the Group in 1994 and served various departments for about 7 years until 2002. She rejoined the Group in 2004. Currently, she is responsible for the Group's operations and development of the retail and licensing businesses. In addition, she is also responsible for the human resources, administration and training functions of the Group. She holds a Master's Degree in Business Administration from University of Southern Queensland. Ms. WONG is a member of Guangzhou Panyu District Committee of the Chinese People's Political Consultative Conference, a Standing Director of Gemmological Association of Fujian, a member of The Jewellery Industry Training Advisory Committee, the Honorary Life President of Hong Kong Pun Yue Industrial and Commercial Fellowship Association, the 5th Term Standing Director of Guangzhou Panyu Overseas Friendship Association and the First Term Committee Member of Hong Kong Federation of Guangzhou Associations Women's Committee. She has over 23 years of experience in the jewellery industry.

Ms. WONG Lan Sze, Nancy, aged 36, is the Executive Director and Deputy Business Director of the Group. She joined the Group in 2006 and assists in formulating and implementing the Group's overall business strategies. She is also responsible for the Group's corporate branding, marketing, corporate communications and e-commerce operations. Ms. WONG holds a Bachelor's Degree in Commerce from the University of Toronto, Canada and a Master's Degree of Science in China Business Studies from The Hong Kong Polytechnic University. She is also a Certified Public Accountant of the United States of America. Prior to joining the Group, Ms. WONG worked for an international professional accounting firm in Hong Kong, where she performed auditing and accounting assignments for a variety of business organizations including listed companies. She received the GIA Diamond Graduate title in 2007. She is a Co-opted Member of the Marketing Activities Committee of the Quality Tourism Services Association, a member of Jewellery Advisory Committee of the Hong Kong Trade Development Council and a member of Young Diamantaire Group of Diamond Federation of Hong Kong. Ms. WONG is the daughter of Mr. WONG Wai Sheung, the Group's Chairman, Chief Executive and Executive Director and the sister of Mr. WONG Ho Lung, Danny, Deputy Chairman and Non-executive Director of the Company.

董事及高層管理人員之履歷詳情 (續)

執行董事 (續)

王巧陽女士，44歲，為本集團之執行董事兼副總經理及薪酬委員會成員之一。彼亦為中國金銀集團有限公司（「中國金銀」）（本公司之聯營公司，以「金至尊」品牌在香港、澳門及中國內地從事珠寶首飾零售及特許經營之業務）之董事。王女士於1994年首次加入本集團，至2002年期間曾於本集團多個部門任職達7年，彼其後於2004年再次加入本集團，現負責本集團之零售與品牌業務之營運及拓展。此外，彼亦負責本集團人力資源、行政及培訓的工作。彼持有澳洲南昆士蘭大學工商管理碩士學位。王女士為中國人民政治協商會議廣州市番禺區委員會委員、福建省寶玉石協會常務理事、珠寶行業培訓諮詢委員會委員、香港番禺工商聯誼會永遠名譽會長、廣州市番禺海外聯誼會第五屆理事會常務理事及香港廣州社團總會婦女委員會第一屆常務委員。彼具備超過23年珠寶業經驗。

黃蘭詩女士，36歲，為本集團執行董事兼業務副總監。彼於2006年加入本集團，協助規劃及實施本集團之整體業務策略，彼亦負責本集團之品牌管理、市場推廣、企業傳訊，以及電子商務營運。黃女士畢業於加拿大多倫多大學，獲頒商學士學位，並持有香港理工大學中國商貿管理理學碩士學位。彼亦為美國註冊執業會計師。加入本集團前，黃女士曾於本港一間國際專業會計師行工作，為包括上市公司的不同商業機構執行核數及會計工作。彼亦於2007年獲取GIA Diamond Graduate銜頭。彼為優質旅遊服務協會推廣活動委員會之增選委員、香港貿發局珠寶業諮詢委員會委員及香港鑽石總會鑽石商青年小組會員。黃女士為本集團主席、行政總裁及執行董事黃偉常先生之女兒，亦為本公司副主席兼非執行董事黃浩龍先生之胞妹。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Ms. CHUNG Vai Ping, aged 47, is the Executive Director and Deputy Product Development Director of the Group. She has over 29 years of experience in the jewellery industry. She joined the Group in 1990 and is responsible for the product design and development functions of the Group. Ms. CHUNG frequently visits jewellery exhibitions worldwide for product exploration and sourcing the finest jewellery and jewellery parts for the Group. In 2001, Ms. CHUNG won the Best of Show Award for her design "Flashing" in the 2nd Hong Kong Jewellery Design Competition. She received the GIA Diamonds Graduate title in 2004. Ms. CHUNG is an Executive Committee member and Vice Director of General Affairs of Hong Kong Jewellers' & Goldsmiths' Association, a Director of the 5th Congress of Gemmological Association of Fujian and a fellow of the Professional Validation Centre of Hong Kong Business Sector Limited.

Dr. CHAN So Kuen, aged 57, has been appointed as the Chief Financial Officer and Company Secretary of the Group since September 2012 and an Executive Director of the Group since 21 August 2015. Dr. CHAN graduated from The Hong Kong Polytechnic University and Oklahoma City University (the United States of America), with a doctorate degree and a master's degree in Business Administration, respectively. She is also a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Dr. CHAN had been the Director of Finance & Company Secretary and the Deputy Chairman of the Board of Directors & Chief Executive Officer of Bossini International Holdings Limited (Stock Code: 0592) for approximately 3 and 4 years respectively during the period from 2003 to 2010. Dr. CHAN has substantial financial and management experiences in vast varieties of businesses for more than 31 years. Dr. CHAN is currently responsible for the overall financial management, corporate finance, information technology, investor relations and company secretarial matters of the Group.

董事及高層管理人員之履歷詳情 (續)

執行董事 (續)

鍾惠冰女士，47歲，為本集團之執行董事兼產品拓展副總監。彼於1990年起加入本集團，於珠寶業擁有超過29年經驗，主要負責本集團產品設計及拓展事宜。鍾女士經常到世界各地的珠寶展覽進行考察，為本集團搜羅優質的珠寶首飾及原材料。於2001年，鍾女士所設計的作品「煙花」贏取第二屆香港珠寶設計比賽大獎。彼於2004年獲取GIA Diamonds Graduate銜頭。鍾女士為香港珠玉石器金銀首飾業商會之理事兼副會務主任、福建省寶玉石協會第五屆理事會理事及香港商業專業評審中心有限公司之院士。

陳素娟博士，57歲，於2012年9月起獲委任為本集團之首席財務總監及公司秘書，並於2015年8月21日起獲委任為本集團之執行董事。陳博士畢業於香港理工大學及美國奧克拉荷馬城大學，分別持有工商管理博士及碩士學位。彼亦為英國特許公認會計師公會及香港會計師公會之資深會員。陳博士曾在2003年至2010年期間，於堡獅龍國際集團有限公司（股份代號：0592）擔任財務董事兼公司秘書及董事局副主席兼行政總裁分別約3年及4年。陳博士於多類型業務已積累逾31年之豐富財務及管理經驗。目前，陳博士負責本集團之整體財務管理、企業財務、資訊科技、投資者關係及公司秘書工作。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Non-executive Directors

Mr. WONG Ho Lung, Danny, aged 40, is the Deputy Chairman and Non-executive Director of the Group. He is also the Chief Executive Officer and Director of CGS. He joined the Group as an Operations Manager in 2002. Mr. Danny WONG is an active participant in the community and is currently a member of Sihui Municipal Committee of the Chinese People's Political Consultative Conference, a Permanent President of Sze Wui and Kwong Ning Clansman's Association (Hong Kong) Limited, the President of Sihui Dasha Town Clansman's Association (Hong Kong), an Executive Committee member of Diamond Federation of Hong Kong, China Limited, a Supervisory Committee member of Hong Kong Jewellers' & Goldsmiths' Association, a Supervisory Committee member of The Kowloon Pearls, Precious Stones, Jade, Gold and Silver Ornament Merchants Association, a Vice President of Executive Committee of Shamshuipo Council For the Promotion of Cultural & Recreational Services Ltd., a member of Lions Club of Sham Shui Po Hong Kong and a member of The Association of the Hong Kong Members of Guangdong's Chinese People's Political Consultative Conference Committees Limited. In December 2008, Mr. Danny WONG received the GIA Diamond Graduate title. He is the son of Mr. WONG Wai Sheung, the Group's Chairman, Chief Executive and Executive Director and the elder brother of Ms. WONG Lan Sze, Nancy, an Executive Director and Deputy Business Director of the Company.

Ms. YEUNG Po Ling, Pauline, aged 50, is the co-founder of the Group. Ms. YEUNG has over 29 years of experience in public relations. Ms. YEUNG was the winner of Miss Hong Kong and Miss International of Goodwill in 1987, and also the 4th Runner-up of Miss Universe and Queen of Asia in 1988. Ms. YEUNG was the President of the Wai Yin Association for the year 1995-1996. She received the GIA Diamonds Graduate title in 2005.

董事及高層管理人員之履歷詳情 (續)

非執行董事

黃浩龍先生，40歲，為本集團之副主席兼非執行董事。彼亦為中國金銀之行政總裁兼董事。彼於2002年加入本集團為營運經理。黃浩龍先生積極參與社區活動，彼現時為中國人民政治協商會議四會市委員會委員、香港會寧同鄉會有限公司永遠會長、香港四會大沙同鄉會會長、香港鑽石總會常務委員、香港珠石玉器金銀首飾業商會監事、九龍珠石玉器金銀首飾業商會監事、深水埗區文娛康樂促進會有限公司執行委員會副主席、香港深水埗獅子會會員及香港廣東各級政協委員聯誼會有限公司會員。於2008年12月，黃浩龍先生亦獲GIA Diamond Graduate銜頭。彼為本集團主席、行政總裁兼執行董事黃偉常先生之兒子，亦為本公司執行董事兼業務副總監黃蘭詩女士之胞兄。

楊寶玲女士，50歲，為本集團之共同創辦人。楊女士具備逾29年公關工作經驗。楊女士為1987年度香港小姐冠軍及國際親善大使，亦是1988年環球小姐第五名兼亞洲皇后。楊女士曾任1995-1996年度慧妍雅集主席。彼於2005年獲取GIA Diamonds Graduate銜頭。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Non-executive Directors (Continued)

Mr. HUI Chiu Chung, JP, aged 70, joined the Group in 1997. He was re-designated from an Independent Non-executive Director to a Non-executive Director of the Company on 1 October 2011, owing to changes in factors concerning his independence. Mr. HUI has 46 years of experience in the securities and investment industry. Mr. HUI had for years been serving as a Council Member and Vice Chairman of The Stock Exchange of Hong Kong Limited, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, a Director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of Standing Committee on Company Law Reform, a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission and also an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A. Mr. HUI was appointed by the Government of the HKSAR as a Justice of the Peace in 2004 and was also a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference from 2006 to 2017. He had also been a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. HUI also serves as Independent Non-executive Director of Zhuhai Holdings Investment Group Limited (Stock Code: 0908), Lifestyle International Holdings Limited (Stock Code: 1212), Gemdale Properties and Investment Corporation Limited (Stock Code: 0535), China South City Holdings Limited (Stock Code: 1668), SINOPEC Engineering (Group) Co., Ltd. (Stock Code: 2386), Agile Property Holdings Limited (Stock Code: 3383) and FSE Engineering Holdings Limited (Stock Code: 0331) whose shares are listed on The Stock Exchange of Hong Kong Limited. He was an Independent Non-executive Director of Asia Allied Infrastructure Holdings Limited (Stock Code: 0711) and Hong Kong Exchange and Clearing Limited (Stock Code: 0388) until his resignation effective from 1 February 2015 and his retirement effective from 29 April 2015 respectively.

董事及高層管理人員之履歷詳情 (續)

非執行董事 (續)

許照中太平紳士，現年70歲，於1997年加入本集團。由於可影響許先生獨立性之因素有所改變，他已於2011年10月1日由獨立非執行董事重新委任為非執行董事。許先生具備46年之證券及投資經驗，多年來曾出任香港聯合交易所有限公司理事會理事及副主席、香港證券及期貨事務監察委員會諮詢委員會委員、香港中央結算有限公司董事、香港交易及結算所有限公司上市委員會委員、證券及期貨事務上訴審裁處委員、公司法改革常務委員會委員、香港證券及期貨事務監察委員會房地產投資信託基金委員會委員及香港會計師公會調查小組A組委員等。許先生於2004年獲香港特別行政區政府頒授太平紳士榮銜，並自2006年至2017年擔任中國珠海市人民政治協商會議政協委員。彼亦曾任香港旅遊業議會上訴委員會獨立委員。許先生亦為股份於香港聯合交易所有限公司上市之珠海控股投資集團有限公司（股份代號：0908）、利福國際集團有限公司（股份代號：1212）、金地商置集團有限公司（股份代號：0535）、華南城控股有限公司（股份代號：1668）、中石化煉化工程（集團）股份有限公司（股份代號：2386）、雅居樂地產控股有限公司（股份代號：3383）及豐盛機電控股有限公司（股份代號：0331）之獨立非執行董事。彼曾為亞洲聯合基建控股有限公司（股份代號：0711）及香港交易及結算所有限公司（股份代號：0388）之獨立非執行董事，分別至2015年2月1日辭任及2015年4月29日任滿為止。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Non-executive Directors (Continued)

Mr. LI Hon Hung, MH, JP, aged 60, has been appointed as a Non-executive Director of the Company since 1 October 2011. Mr. LI holds a Diploma of Architectural Design from Humber College of Toronto, Canada in 1981 and a Bachelor's of Architecture from New York Institute of Technology in 1984. Mr. LI was awarded the Certificate of Registration Authorized Person (List of Architects) in 1989 and the Certificate of Registered Inspector in 2012, by the Government of the HKSAR respectively. In professional qualification aspect, Mr. LI is a Fellow of Hong Kong Institute of Architects and a Member of Architect Registration Board. He also got the PRC Class 1 Registered Architect Qualification. Mr. LI has extensive architecture experience and is a Director of Li & Siu Associates Ltd. and A. Li & Associates Architects Ltd. In addition, he is a Director of Keen Mind Kindergarten. Mr. LI was appointed as a District Council Member of Sham Shui Po District from 2000 to 2007 and awarded the Chief Executive's Commendation For Community Service and Medal of Honor. He was also appointed by the Government of the HKSAR a Justice of the Peace in 2008. Mr. LI has been appointed to various positions over the years including: Chairman of Sham Shui Po District Office (East Liaison Team), Chairman of Sham Shui Po District Fire Safety Committee, Chairman of Sham Shui Po Council for the Promotion of Cultural and Recreation Service Limited, Chairman of Sham Shui Po District Fight Crime Committee, Honorary President of Sham Shui Po District Junior Police Call, Honorary President of Kowloon City District Junior Police Call, Honorary President of Yau Tsim District Junior Police Call, Chairman of Yau Yat Chuen Residents Association Ltd., President of Police Dragon Boat Club and Chartered President of Lions Club of Sham Shui Po Hong Kong. Mr. LI is also an Independent Non-executive Director of Sheung Yue Group Holdings Limited (Stock Code: 1633) which is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Independent Non-executive Directors

Mr. TAI Kwok Leung, Alexander, aged 59, has been an Independent Non-executive Director of the Company since July 2008 and is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. Mr. TAI graduated from Victoria University of Wellington in New Zealand with a degree in Bachelor of Commerce and Administration in 1982 and became an associate member of the Hong Kong Institute of Certified Public Accountants in 1983. Mr. TAI has extensive accountancy, corporate finance and investment experience in Hong Kong and overseas. Mr. TAI is an executive director of Investec Capital Asia Limited (formerly known as Access Capital Asia Limited), a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. Mr. TAI is an Independent Non-executive Director of Anhui Conch Cement Company Limited (Stock Code: 0914), Jiayuan International Group Limited (Stock Code: 2768) and G & M Holdings Limited (Stock Code: 6038) which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

董事及高層管理人員之履歷詳情 (續)

非執行董事 (續)

李漢雄MH太平紳士，60歲，於2011年10月1日起獲委任為本公司之非執行董事。李先生於1981年持有加拿大多倫多Humber College頒授之理工建築系文憑，及於1984年持有美國紐約理工大學頒授之建築系學士學位。李先生分別於1989年獲得香港特別行政區認可人士（建築師）證書及於2012年獲得香港特別行政區註冊檢驗人員證書。在專業資格方面，李先生為香港建築師學會資深會員，以及香港建築師註冊管理局之會員。彼亦取得中國一級註冊建築師資格，李先生擁有豐富之建築經驗，亦為李邵建築師樓有限公司及李漢雄建築師樓有限公司之董事。另外，彼為劍鳴幼稚園暨幼兒園之董事。李先生於2000年至2007年間擔任深水埗區議會政府委任區議員，並獲頒授行政長官社區服務獎狀及榮譽勳章，彼更於2008年獲香港特別行政區政府頒授太平紳士榮銜。過往多年來李先生曾擔任多項公職，當中包括：深水埗東分區委員會主席、深水埗防火委員會主席、深水埗區文娛康樂促進會主席、深水埗區撲滅罪行委員會主席、深水埗區少年警訊名譽會長、九龍城區少年警訊名譽會長、油尖區少年警訊名譽會長、又一村居民聯會主席、香港警察龍舟會會長及深水埗獅子會創會會長。李先生現時亦為香港聯合交易所有限公司主板上市的上諭集團控股有限公司（股份代號：1633）之獨立非執行董事。

獨立非執行董事

戴國良先生，59歲，由2008年7月起為本公司之獨立非執行董事，彼為本公司審核委員會之主席及提名委員會與薪酬委員會之成員。戴先生於1982年在紐西蘭威靈頓Victoria University畢業，獲取商業及行政學士學位，並於1983年成為香港會計師公會會員。戴先生在香港及海外擁有豐富之會計、企業融資及投資經驗。戴先生為天達融資亞洲有限公司（前稱卓怡融資有限公司）之執行董事，該公司為根據證券及期貨條例可從事第1類（證券交易）、第4類（就證券提供意見）、第6類（就機構融資提供意見）及第9類（提供資產管理）受規管活動之持牌法團。戴先生現為香港聯合交易所有限公司主板上市的安徽海螺水泥股份有限公司（股份代號：0914）、佳源國際控股有限公司（股份代號：2768）及信越控股有限公司（股份代號：6038）之獨立非執行董事。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-executive Directors (Continued)

Mr. IP Shu Kwan, Stephen, GBS, JP, aged 65, is an Independent Non-executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr. IP graduated from The University of Hong Kong with a degree of Social Sciences in 1973. He subsequently pursued further studies in Oxford University and Harvard Business School. Mr. IP joined the Hong Kong Government in November 1973 as an Administrative Officer and had served various government departments. Mr. IP was promoted to the rank of Director of Bureau in April 1997. He worked in the Government of the Hong Kong Special Administrative Region (the "Government of the HKSAR") as a Principal Official from July 1997 to June 2007. Senior positions held by Mr. IP in the past included Commissioner of Insurance, Commissioner for Labour, Secretary for Economic Services and Secretary for Financial Services. Mr. IP took up the position of Secretary for Economic Development and Labour on 1 July 2002. His portfolio in respect of economic development covered air and sea transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection. He was also responsible for labour policies including matters relating to employment services, labour relations and employees' rights. In his capacity as Secretary for Economic Development and Labour, Mr. IP was a member of the Hong Kong Airport Authority Board, the Mandatory Provident Fund Authority Board, the Hong Kong International Theme Parks Company Board as well as the Chairman of the Logistics Development Council, Port Development Board, Maritime Industry Council and Aviation Development Advisory Committee. Mr. IP retired from the Government of the HKSAR in July 2007. Mr. IP received the Gold Bauhinia Star award from the Government of the HKSAR in 2001, and is an unofficial Justice of the Peace. Mr. IP is also an Independent Non-executive Director of China Resources Cement Holdings Limited (Stock Code: 1313), Synergis Holdings Limited (Stock Code: 2340), Lai Sun Development Company Limited (Stock Code: 0488) and Kingboard Laminates Holdings Limited (Stock Code: 1888) which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

董事及高層管理人員之履歷詳情 (續)

獨立非執行董事 (續)

葉樹堃 GBS太平紳士，65歲，為本公司之獨立非執行董事、薪酬委員會之主席及審核委員會與提名委員會之成員。葉先生於1973年於香港大學社會科學系畢業，其後曾赴牛津大學及哈佛商學院深造。葉先生於1973年11月加入香港政府政務主任職級，亦曾服務多個政府部門。葉先生於1997年4月升任局長級。彼由1997年7月至2007年6月出任香港特別行政區政府（「香港特別行政區政府」）主要官員。葉先生曾經出任的高層職位包括保險業監理專員、勞工處處長、經濟局局長及財經事務局局長。葉先生自2002年7月1日起出任經濟發展及勞工局局長。在經濟發展方面，葉先生的職責範疇包括海空交通、物流發展、旅遊、能源、郵政服務、氣象服務、競爭及保障消費者權益。葉先生亦負責勞工政策，處理的事宜包括就業服務、勞資關係和僱員權益。葉先生過去以經濟發展及勞工局局長身份出任香港機場管理局、強制性公積金計劃管理局及香港國際主題樂園公司董事局成員，及香港物流發展局、香港港口發展局、香港航運發展局及航空發展諮詢委員會主席。葉先生於2007年7月退休離開香港特別行政區政府。葉先生於2001年獲香港特別行政區政府頒發金紫荊勳章，及現時為非官守太平紳士。葉先生現時亦為香港聯合交易所有限公司主板上市的華潤水泥控股有限公司（股份代號：1313）、新昌管理集團有限公司（股份代號：2340）、麗新發展有限公司（股份代號：0488）及建滔積層板控股有限公司（股份代號：1888）之獨立非執行董事。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-executive Directors (Continued)

Mr. MAK Wing Sum, Alvin, aged 64, is an Independent Non-executive Director of the Company and is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Mr. MAK graduated from the University of Toronto with a Bachelor of Commerce degree in 1976. He is a member of the Canadian Institute of Chartered Accountants and the Hong Kong Institute of Certified Public Accountants. After working in Citibank for over 26 years, Mr. MAK retired on 1 May 2012. He last served as the Head of Markets and Banking for Citibank Hong Kong, being the country business manager for corporate and investment banking business. Mr. MAK had also held various other senior positions in Citibank including Head of Global Banking responsible for managing all the coverage bankers. Prior to that, he also managed the bank's Hong Kong corporate finance business, regional asset management business and was the Chief Financial Officer of North Asia. Before joining Citibank in 1985, Mr. MAK was an audit group manager at Coopers & Lybrand (now known as PricewaterhouseCoopers). He worked for Coopers & Lybrand for 8 years, 5 of which was in Toronto, Canada.

Mr. MAK is an Independent Non-executive Director of I.T Limited (Stock Code: 0999), Lai Fung Holdings Limited (Stock Code: 1125), Hong Kong Television Network Limited (Stock Code: 1137) and Goldpac Group Limited (Stock Code: 3315) which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. MAK was admitted as a member of Hong Kong Housing Society in May 2015 and is currently a member of its Audit Committee and Special Committee on Investment.

Ms. WONG Yu Pok, Marina, JP, aged 68, is an Independent Non-executive Director, a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Ms. WONG joined the Company on 20 August 2013. Ms. WONG had been with PricewaterhouseCoopers for over 36 years specializing in the Mainland China tax and business advisory services. Since 1978, she was responsible for the development of the firm's business in the Mainland China. Ms. WONG joined Tricor Services Limited as a director from 2004 to 2006 after her retirement as a partner from PricewaterhouseCoopers in 2004. Ms. WONG is currently a member of the Dental Council of Hong Kong. She is also a Fellow Member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

董事及高層管理人員之履歷詳情 (續)

獨立非執行董事 (續)

麥永森先生，64歲，為本公司之獨立非執行董事，彼為提名委員會之主席及審核委員會與薪酬委員會之成員。麥先生於1976年在多倫多大學畢業，獲取商業學士學位。彼為加拿大特許會計師公會會員及香港會計師公會會員。麥先生於花旗銀行任職逾26年後，於2012年5月1日退休。離任前彼為花旗銀行香港區資本市場及企業銀行業務總裁，主管香港企業和投資銀行業務。麥先生在任職花旗銀行期間亦曾擔任過多項其他高級職務，包括環球銀行香港主管，專責管理所有顧客關係經理。在此之前，彼亦曾管理該銀行香港區企業融資業務、區域資產管理業務，並曾為北亞地區財務總裁。麥先生於1985年加入花旗銀行前，於永道會計師事務所（現為羅兵咸永道會計師事務所）任審計組經理。彼於永道會計師事務所工作了8年，其中5年於加拿大多倫多工作。

麥先生現為香港聯合交易所有限公司主板上市的I.T Limited（股份代號：0999）、麗豐控股有限公司（股份代號：1125）、香港電視網絡有限公司（股份代號：1137）及金邦達寶嘉控股有限公司（股份代號：3315）之獨立非執行董事。彼亦於2015年5月獲委任為香港房屋協會的成員，現亦為其審核委員會和投資特別委員會之成員。

黃汝璞太平紳士，68歲，為本公司獨立非執行董事，以及審核委員會、提名委員會及薪酬委員會之成員。黃女士於2013年8月20日加入本公司。黃女士在羅兵咸永道會計師事務所工作逾36年，對中國內地稅務及商業諮詢服務尤其熟悉。黃女士自1978年起負責事務所於中國內地之業務發展。黃女士自2004年退任羅兵咸永道會計師事務所合夥人一職後，於2004年至2006年出任卓佳專業商務有限公司之董事。黃女士現為香港牙醫管理委員會委員。彼亦為香港會計師公會及特許公認會計師公會資深會員。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-executive Directors (Continued)

Ms. WONG is also an Independent Non-executive Director of Hong Kong Ferry (Holdings) Company Limited (Stock Code: 0050), Kerry Properties Limited (Stock Code: 0683) and Kerry Logistics Network Limited (Stock Code: 0636), which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. HUI King Wai, aged 67, was appointed as an Independent Non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company with effect from 21 August 2015. He is a solicitor practising in Hong Kong. Mr. HUI is currently an Of Counsel of Locke Lord LLP. Mr. HUI was admitted the solicitor practising of the Supreme Court of England and Wales and of the Supreme Court of Hong Kong in 1981 and 1982 respectively. Mr. HUI was a Non-executive Director of the Group during the period from 1999 to 2013.

Senior Management

Mr. WONG Wai Tong, aged 56, is the Business Director of the Group. He initially joined the Group in 1998 and served various departments for over 10 years until 2013. Mr. WONG rejoined the Group in 2014. He has over 40 years of manufacturing and purchasing experience in jewellery and gold industry. Mr. WONG is responsible for the Group's merchandising and assembly functions of diamonds and gemstones. He holds the titles of a Diamond Grader of National Gemstone Testing Center and a Certified Diamond Grader of HRD Antwerp Institute of Gemmology. He is the 2nd term member of the Guangzhou Nansha District Municipal Committee of the Chinese People's Political Consultative Conference, the Vice-chairman of Hong Kong Guangzhou Nansha Association, the 6th term Executive Director of Guangzhou Overseas Friendship Association, a Consultant of Guangzhou Panyu Jewelry Manufacturers Association, the 4th term Executive Director of Guangzhou Panyu Overseas Friendship Association, the 3rd term Director of Guangzhou Panyu District Overseas Exchange Association, a Director of Guangzhou Diamond Exchange and a Director of Guangzhou Panyu District Chamber of Commerce (Chamber). Mr. WONG is the brother of Mr. WONG Wai Sheung, the Group's Chairman, Chief Executive and Executive Director.

董事及高層管理人員之履歷詳情 (續)

獨立非執行董事 (續)

黃女士亦為於香港聯合交易所有限公司主板上市之香港小輪(集團)有限公司(股份代號: 0050)、嘉里建設有限公司(股份代號: 0683)及嘉里物流聯網有限公司(股份代號: 0636)之獨立非執行董事。

許競威先生, 67歲, 獲委任為本公司獨立非執行董事、審核委員會、提名委員會及薪酬委員會成員, 自2015年8月21日生效。彼為香港執業律師。許先生現為洛克律師事務所之顧問律師。許先生分別於1981年及1982年獲英格蘭及威爾斯最高法院以及香港最高法院認可為執業律師。許先生於1999年至2013年期間擔任本集團之非執行董事。

高級管理層

黃偉棠先生, 56歲, 為本集團之業務總監。彼於1998年首次加入本集團, 至2013年期間曾於多個部門任職達10多年。黃先生其後於2014年再次加入本集團。彼具備逾40年珠寶黃金製造及採購經驗。黃先生現負責本集團鑽石與寶石之採購及鑲嵌事宜。彼持有國家珠寶玉石質量監督檢驗中心鑽石分級師及HRD Antwerp Institute of Gemmology之Certified Diamond Grader銜頭。彼亦是中國人民政治協商會議廣州市南沙區委員會第二屆委員、香港廣州南沙聯誼會副會長、廣州市海外聯誼會第六屆理事會常務理事、廣州市番禺區珠寶廠商會顧問、廣州市番禺區海外聯誼會第四屆理事會常務理事、廣州市番禺區海外交流協會第三屆理事會理事、廣州鑽石交易中心董事及廣州市番禺區工商業聯合會(總商會)執委會理事。黃先生為本集團主席、行政總裁兼執行董事黃偉棠先生之胞弟。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management (Continued)

Ms. WONG So Kuen, aged 55, is the Deputy Financial Controller of the Group. Ms. WONG joined the Group in 1997. She is mainly responsible for accounting, finance and tax planning matters of the Group. Ms. WONG often travels to Mainland China in search of information on national tax policies and privileges in order to develop relevant tax plans for the Group. She has over 31 years of experience in financial and accounting for commercial firms.

RETIREMENT SCHEME

Details of the retirement scheme operated by the Group are set out in Note 14 to the financial statements.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the AGM have service contracts with the Company or any of its subsidiaries which are not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The fees and other emoluments of directors are determined by reference to industry norm and market conditions, with discretionary bonus on performance awarded to executive directors.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 37 to the financial statements, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its holding 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 under review.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Year under review.

董事及高層管理人員之履歷詳情 (續)

高級管理層 (續)

黃蘇娟女士，55歲，為本集團之財務副總監。黃女士於1997年加入本集團。彼主要負責本集團會計、財務及稅務策劃事宜。黃女士經常到中國內地考察，為本集團搜尋國家稅務政策及優惠條款，以制定有關稅務計劃。彼具備逾31年之商業機構財務及會計經驗。

退休計劃

本集團推行之退休計劃詳情載於財務報表附註14。

董事服務合約

擬於股東週年大會上重選連任之董事概無與本公司或其任何附屬公司訂立本集團不可於一年內終止而毋須作出賠償（法定補償除外）之服務合約。

董事袍金及其他酬金乃參考行業慣例及市況釐定，執行董事另可按表現獲發酌情花紅。

董事於重要交易、安排或合約之重大權益

除財務報表附註37披露者外，於年結日或回顧年度內任何時間內，本公司、其附屬公司或其控股公司概無簽訂任何其他與本集團業務有關而本公司董事直接或間接擁有重大權益之重要交易、安排或合約。

管理合約

於回顧年度內，本集團概無訂立或訂有任何與本集團整體或任何主要部分業務之管理及行政有關之合約。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 March 2017, save as disclosed below, none of the directors and chief executive of the Company had interests and short positions 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")) which (a) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), to be notified to the Company and the Stock Exchange:

董事及最高行政人員於證券之權益及淡倉

於2017年3月31日，除下文披露者外，本公司董事及最高行政人員概無於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有(a)根據證券及期貨條例第352條規定須記錄於該條所述登記冊；或(b)根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄10所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）須知會本公司及聯交所之權益及淡倉：

Long positions in shares and underlying shares of the Company:

本公司股份及相關股份之好倉：

Name of Director 董事姓名	Number of Ordinary Shares 普通股數目			Beneficial of Trust 信託受益人	Total Interest 權益總額	% of Shares 佔股份百分比
	Beneficiary Owner 實益擁有人	Spouse 配偶	Controlled Corporation 受控制法團			
Mr. WONG Wai Sheung 黃偉常先生	4,044,561	404,000 note (a) 附註(a)	240,868,176 note (b) 附註(b)	1,511,050 note (d) 附註(d)	246,827,787 (L)	42.04%
Mr. TSE Moon Chuen 謝滿全先生	422,344		240,868,176 note (c) 附註(c)		241,290,520 (L)	41.10%
Ms. WONG Hau Yeung 王巧陽女士	60,000				60,000 (L)	0.01%
Ms. WONG Lan Sze, Nancy 黃蘭詩女士	385,000			1,511,050 note (d) 附註(d)	1,896,050 (L)	0.32%
Ms. CHUNG Vai Ping 鍾惠冰女士	267,865				267,865 (L)	0.05%
Dr. CHAN So Kuen 陳素娟博士	80,000	5,000 note (e) 附註(e)			85,000 (L)	0.01%
Mr. WONG Ho Lung, Danny 黃浩龍先生	370,000			1,511,050 note (d) 附註(d)	1,881,050 (L)	0.32%
Mr. LI Hon Hung 李漢雄先生	837,437				837,437 (L)	0.14%

(L) Long position 好倉

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

Long positions in shares and underlying shares of the Company: (Continued)

Note (a)

Mr. WONG Wai Sheung's spouse, Ms. LUK Chui Yee, held 404,000 shares of the Company.

Note (b)

Mr. WONG Wai Sheung was a discretionary beneficiary of the WONG's Family Trust (the "Trust"). The Trust was the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited which controlled over one-third of the voting power of Luk Fook (Control) Limited. Accordingly, Mr. WONG Wai Sheung, together with others, collectively controlled (directly or indirectly) over one-half of the voting power of Luk Fook (Control) Limited and was deemed to be interested in 234,185,672 shares held by Luk Fook (Control) Limited in the Company.

In addition, Mr. WONG Wai Sheung, together with others, collectively controlled (directly or indirectly) over one-third of the voting power of Dragon King Investment Ltd.. Accordingly, Mr. WONG Wai Sheung was deemed to be interested in 6,682,504 shares held by Dragon King Investment Ltd. in the Company.

Note (c)

Mr. TSE Moon Chuen, together with others, collectively controlled (directly or indirectly) over one-half of the voting power of Luk Fook (Control) Limited. Accordingly, Mr. TSE Moon Chuen was deemed to be interested in 234,185,672 shares held by Luk Fook (Control) Limited in the Company.

In addition, Mr. TSE Moon Chuen, together with others, collectively controlled (directly or indirectly) over one-third of the voting power of Dragon King Investment Ltd.. Accordingly, Mr. TSE Moon Chuen was deemed to be interested in 6,682,504 shares held by Dragon King Investment Ltd. in the Company.

Note (d)

Mr. WONG Wai Sheung, Ms. LUK Chui Yee, Ms. WONG Lan Sze, Nancy and Mr. WONG Ho Lung, Danny, were discretionary beneficiaries of the Trust. The Trust was the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited which in turn was the beneficial owner of 1,511,050 shares of the Company.

Note (e)

Dr. CHAN So Kuen's spouse, Mr. LO Kwing Chi, held 5,000 shares of the Company.

董事及最高行政人員於證券之權益及淡倉 (續)

本公司股份及相關股份之好倉：(續)

附註(a)

黃偉常先生之配偶陸翠兒女士持有404,000股本公司股份。

附註(b)

黃偉常先生為黃氏家族信託(「信託」)之全權受益人。該信託為桂記祥珠寶金行有限公司全部已發行股本之實益擁有人，控制六福(控股)有限公司超過三分之一投票權。因此，黃偉常先生連同其他人士共同(直接或間接地)控制六福(控股)有限公司超過一半投票權，並被視為於六福(控股)有限公司持有之234,185,672股本公司股份中擁有權益。

此外，黃偉常先生連同其他人士共同(直接或間接地)控制龍寶投資有限公司超過三分之一投票權。因此，黃偉常先生被視為於龍寶投資有限公司持有之6,682,504股本公司股份中擁有權益。

附註(c)

謝滿全先生連同其他人士共同(直接或間接地)控制六福(控股)有限公司超過一半投票權。因此，謝滿全先生被視為於六福(控股)有限公司持有之234,185,672股本公司股份中擁有權益。

此外，謝滿全先生連同其他人士共同(直接或間接地)控制龍寶投資有限公司超過三分之一投票權。因此，謝滿全先生被視為於龍寶投資有限公司持有之6,682,504股本公司股份中擁有權益。

附註(d)

黃偉常先生、陸翠兒女士、黃蘭詩女士及黃浩龍先生為信託之全權受益人。該信託為桂記祥珠寶金行有限公司全部已發行股本之實益擁有人，而該公司則為1,511,050股本公司股份之實益擁有人。

附註(e)

陳素娟博士之配偶盧炯志先生持有5,000股本公司股份。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to the directors and chief executive of the Company, as at 31 March 2017, save as disclosed below, no person, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

主要股東於股份及相關股份之權益

於2017年3月31日，除下文披露者外，據本公司董事及最高行政人員所悉，概無其他非本公司董事或最高行政人員之人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露之權益或淡倉。

Name of Shareholder 股東姓名／名稱	Number of Shares 股份數目	Capacity 身份	Total Interest 權益總額	% of Shares 佔股份百分比
Mr. CHAN Wai 陳偉先生	3,799,022 (L)	Beneficial Owner 實益擁有人	244,669,198 (L)	41.67%
	2,000 (L) (note (a)) (附註(a))	Spouse 配偶		
	240,868,176 (L) (note (b)) (附註(b))	Controlled Corporation 受控制法團		
Mr. WONG Koon Cheung (Deceased on 19 June 2016) 黃冠章先生 (於2016年6月19日辭世)	2,678,090 (L)	Beneficial Owner 實益擁有人	243,546,266 (L)	41.48%
	240,868,176 (L) (note (b)) (附註(b))	Controlled Corporation 受控制法團		
Mr. LEE Shu Kuan (Deceased on 14 July 2011) 李樹坤先生 (於2011年7月14日辭世)	6,370,229 (L)	Beneficial Owner 實益擁有人	249,825,029 (L)	42.55%
	243,454,800 (L) (notes (b), (c) and (d)) (附註(b)、(c) 及(d))	Controlled Corporation 受控制法團		
Luk Fook (Control) Limited 六福(控股)有限公司	234,185,672 (L)	Beneficial Owner 實益擁有人	234,185,672 (L)	39.89%
Silchester International Investors LLP	64,665,600 (L)	Investment Manager 投資經理	64,665,600 (L)	11.01%
Brandes Investment Partners, L.P.	35,056,900 (L)	Investment Manager 投資經理	35,056,900 (L)	5.97%

(L) Long position 好倉

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Note (a)

Mr. CHAN Wai's spouse, Ms. NG Siu Ping, held 2,000 shares of the Company.

Note (b)

Mr. CHAN Wai, the administrator of Mr. WONG Koon Cheung and the administrator of Mr. LEE Shu Kuan, together with others, collectively controlled (directly or indirectly) over one-half of the voting power of Luk Fook (Control) Limited and were deemed to be interested in 234,185,672 shares held by Luk Fook (Control) Limited in the Company.

In addition, Mr. CHAN Wai, the administrator of Mr. WONG Koon Cheung and the administrator of Mr. LEE Shu Kuan, together with others, collectively controlled (directly or indirectly) over one-third of the voting power of Dragon King Investment Ltd. and were deemed to be interested in 6,682,504 shares held by Dragon King Investment Ltd. in the Company.

Note (c)

The administrator of Mr. LEE Shu Kuan held 33.3% of the entire issued share capital of Wah Hang Kimon Investments Limited which in turn held 630,624 shares of the Company.

Note (d)

The administrator of Mr. LEE Shu Kuan held 51% of the entire issued share capital of Wah Hang Kimon Holdings Limited which in turn held 1,956,000 shares of the Company.

CONNECTED TRANSACTIONS

The related party transactions entered into by the Group during the Year under review as disclosed in Note 37 to the financial statements do not constitute connected transactions under the Listing Rules.

主要股東於股份及相關股份之權益 (續)

附註(a)

陳偉先生之配偶吳少屏女士持有2,000股本公司股份。

附註(b)

陳偉先生、黃冠章先生的遺產管理人及李樹坤先生的遺產管理人，連同其他人士共同（直接或間接地）控制六福（控股）有限公司超過一半投票權，且被視為於六福（控股）有限公司持有的234,185,672股本公司股份中擁有權益。

此外，陳偉先生、黃冠章先生的遺產管理人及李樹坤先生的遺產管理人，連同其他人士共同（直接或間接地）控制龍寶投資有限公司超過三分之一投票權，且被視為於龍寶投資有限公司持有的6,682,504股本公司股份中擁有權益。

附註(c)

李樹坤先生的遺產管理人持有華亨錦安投資有限公司全部已發行股本的33.3%，而華亨錦安投資有限公司則持有630,624股本公司股份。

附註(d)

李樹坤先生的遺產管理人持有華亨錦安控股有限公司全部已發行股本的51%，而華亨錦安控股有限公司則持有1,956,000股本公司股份。

關連交易

財務報表附註37所披露本集團於回顧年度內訂立之關連人士之交易，並不構成上市規則項下之關連交易。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year under review was the Company, its subsidiaries, its associated companies, its fellow subsidiaries, or its parent company or its other associated corporation a party to any arrangement to enable the directors and the chief executive of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporations.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 March 2017, the aggregate amount of financial assistance to an affiliated company and its wholly-owned subsidiaries by the Group exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules. Details of advances (including guarantee given by the Group) which were non-trading in nature, made by the Group to the affiliated company and its wholly-owned subsidiaries were as follows:

董事藉收購股份或債券權利獲取之利益

於回顧年度內任何時間，本公司、其附屬公司、其聯營公司、同系附屬公司或母公司，或其他有聯繫法團概無成為某些安排的其中一方，致使本公司的董事及行政總裁（包括其配偶及18歲以下子女）能持有本公司或其指明企業或其他有聯繫法團之股份、相關股份或債權證的權益或淡倉。

根據上市規則第13.22條作出之披露

於2017年3月31日，本集團向一家聯屬公司及其全資附屬公司提供之財務援助總額超過上市規則第14.07(1)條所界定的資產比率之8%。本集團向該聯屬公司及其全資附屬公司提供之非貿易性墊款（包括本集團提供之擔保）之詳情如下：

Name of Company	Relationship with the Group	Advances	Corporate Guarantee	Extent of Corporate Guarantee Utilised
公司名稱	與本集團之關係	墊款 HK\$'000 千港元	公司擔保 HK\$'000 千港元	已使用公司擔保額 HK\$'000 千港元
3D-GOLD Jewellery (HK) Limited 金至尊珠寶（香港）有限公司	Associated company 聯營公司	—	575,440	524,500
3D-GOLD Enterprises Development (Shenzhen) Company Limited 金至尊實業發展（深圳）有限公司	Associated company 聯營公司	—	188,604	—
China Gold Silver Group Company Limited 中國金銀集團有限公司	Associated company 聯營公司	120,000	—	—

REPORT OF THE DIRECTORS

董事會報告

Pursuant to Rule 13.22 of the Listing Rules, a pro-forma combined balance sheet of these affiliated companies with financial assistance from the Group and the Group's attributable interest in these affiliated companies as at 31 March 2017 (the latest practical date) are presented as follows:

根據上市規則第13.22條，該等獲得本集團財務資助之聯屬公司之備考合併資產負債表及本集團於2017年3月31日（最後可行日期）應佔該等聯屬公司之權益載述如下：

Interest held	所持權益	Pro-forma combined balance sheet 備考合併資產負債表	Group's attributable interest 本集團應佔權益 50%
		HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產	586,468	293,234
Current assets	流動資產	1,984,185	992,093
Current liabilities	流動負債	(1,423,350)	(711,675)
Non-current liabilities	非流動負債	(41,460)	(20,730)
Loans from shareholders	股東貸款	(240,000)	(120,000)
Net assets	淨資產	865,843	432,922

PERMITTED INDEMNITY PROVISIONS

During the Year under review and up to the date of this report, the Company has in force indemnity provisions as permitted under the relevant statutes for the benefit of the Directors (including former Directors) of the Company or its associated companies. The permitted indemnity provisions are provided for in the Company's Articles of Association and in the directors and officers liability insurance maintained for the Group in respect of potential liability and costs associated with legal proceedings that may be brought against such Directors.

獲准許彌償條文

於回顧年度內及截至本報告日期為止，本公司按有關法規的允許，備有以本公司或其有聯繫公司董事（包括前董事）為受益人的彌償條文。獲准許彌償條文的規定載於本公司組織章程細則，以及於本集團為董事及高級行政人員購買的責任保險內，有關保險就董事的責任和其可能面對法律訴訟而產生相關費用而作出賠償。

MAJOR CUSTOMERS

During the Year under review, the percentages of sales for the year attributable to the Group's major customers are as follows:

主要客戶

於回顧年度內，本集團主要客戶所佔年內銷售額之百分比如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
The largest customer	最大客戶	3.0%	2.7%
Five largest customers combined	五名最大客戶合計	5.5%	4.6%

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

各董事、彼等之聯繫人士或據董事所知擁有本公司5%以上股本之任何股東，概無擁有上述主要客戶之權益。

REPORT OF THE DIRECTORS

董事會報告

MAJOR SUPPLIERS

The percentages of purchases for the Year under review attributable to the Group's major suppliers are as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
The largest supplier	最大供應商	33.3%	25.5%
Five largest suppliers combined	五名最大供應商合計	64.0%	68.6%

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

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

Particulars of bank loans, overdrafts and other borrowings of the Group as at 31 March 2017 are set out in Notes 32 and 33 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws of Bermuda.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company for the AGM will be closed from 18 August 2017 to 23 August 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance at the AGM to be held on 23 August 2017, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 17 August 2017.

The register of members of the Company for the final and special dividends will also be closed on 29 August 2017 and no transfer of shares will be registered on that day. In order to qualify for the final and special dividends, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 28 August 2017.

主要供應商

於回顧年度內，本集團主要供應商所佔購貨額之百分比如下：

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
The largest supplier	33.3%	25.5%
Five largest suppliers combined	64.0%	68.6%

各董事、彼等之聯繫人士或據董事所知擁有本公司5%以上股本之任何股東，概無擁有上述主要供應商之權益。

銀行貸款、透支及其他借貸

於2017年3月31日之本集團銀行貸款、透支及其他借貸詳情載於財務報表附註32及33。

優先購買權

本公司之公司細則並無載列有關優先購買權之規定，惟百慕達法例對該等權利並無限制。

暫停辦理股份過戶登記

就股東週年大會而言，本公司將於2017年8月18日至2017年8月23日（首尾兩天包括在內）暫停辦理股份過戶登記手續。為符合資格出席將於2017年8月23日舉行之股東週年大會，所有過戶文件連同有關股票最遲須於2017年8月17日下午4時30分送達本公司之香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

就末期及特別股息而言，本公司亦將於2017年8月29日暫停辦理股份過戶登記手續。為符合資格享有末期及特別股息，所有過戶文件連同有關股票最遲須於2017年8月28日下午4時30分送達本公司之香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

REPORT OF THE DIRECTORS

董事會報告

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the directors are reviewed and determined by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. No director, or any of his or her associates involved in deciding his or her own remuneration.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Company had 11.19% interest in Hong Kong Resources Holdings Co. Ltd. ("HKRH") as at 31 March 2017. HKRH is listed on the Main Board of the Stock Exchange.

As at 31 March 2017, Ms. WONG Hau Yeung and Mr. WONG Ho Lung, Danny who were directors of the Company, were also directors of China Gold Silver Group Company Limited, a subsidiary of HKRH. Mr. WONG Wai Sheung and Mr. TSE Moon Chuen who were directors of the Company held certain shares in HKRH, were also considered as having an interest in HKRH under Rule 8.10(2) of the Listing Rules.

The retail and franchising operations for selling gold and jewellery products carried on by HKRH and its subsidiaries ("HKRH Group") constitute competing businesses of the Group. As the Company and HKRH were separate listed entities and run by separate and independent management teams, the directors of the Company believed that the Company was capable of carrying on its business independently of the HKRH Group.

For safeguarding the interests of the Group, the independent non-executive directors and the Audit Committee of the Company would on a regular basis review the business and operational results of the Group to ensure, inter alia, that the Group's development of retail, wholesale and licensing operations for selling gold and jewellery products are and continue to be run on the basis that they are independent of, and at arm's length from, the business of the HKRH Group.

Save as disclosed as aforesaid and in this report, none of the directors of the Company and their respective associates (as defined in the Listing Rules) had an interest in any business which competed or might compete with the business in which the Group is engaged.

薪酬政策

本集團僱員之薪酬政策乃基於僱員之表現、資歷及能力。董事之薪酬由薪酬委員會經參考本公司之營運業績、個別僱員表現及可資比較市場數據而檢討及釐定。概無任何董事或其任何聯繫人士參與釐定其本身之薪酬。

董事在競爭業務中之權益

於2017年3月31日，本公司於香港資源控股有限公司（「香港資源控股」）中擁有11.19%的權益。香港資源控股於聯交所主板上市。

於2017年3月31日，本公司董事王巧陽女士及黃浩龍先生亦為香港資源控股附屬公司中國金銀集團有限公司的董事。本公司董事黃偉常先生及謝滿全先生均持有香港資源控股的若干股份，故根據上市規則第8.10(2)條彼等被視為於香港資源控股佔有權益。

香港資源控股及其附屬公司（「香港資源控股集團」）從事銷售黃金及珠寶首飾產品的零售及特許權業務構成本集團的競爭業務。由於本公司及香港資源控股為獨立上市實體且由不同的獨立管理團隊運營，故本公司董事認為本公司有能力與香港資源控股集團各不相涉的情況下獨立經營其業務。

為保障本集團的權益，本公司獨立非執行董事及審核委員會會定期檢討本集團的業務及營運業績，以確保（其中包括）本集團黃金及珠寶首飾產品的零售、批發及品牌業務發展是及持續與香港資源控股集團之間在公平原則下獨立經營。

除上文及本報告所披露者外，概無本公司董事及彼等各自聯繫人（定義見上市規則）於與本集團所從事的業務構成競爭或可能構成競爭的任何業務中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holdings of the Company's securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of its directors as at the date of this Annual Report, the public float of shares in the Company has remained above the minimum percentage required by the Stock Exchange throughout the year.

AUDITOR

The financial statements of the Group for the Year under review have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for reappointment.

By order of the Board,

WONG Wai Sheung

Chairman & Chief Executive

Hong Kong, 29 June 2017

稅務寬減及豁免

本公司概不知悉有任何因股東持有本公司證券而向彼等提供之稅務寬減及豁免。

充裕公眾持股量

根據本公司獲得之公開資料及據董事所知，於本年報日期，本公司股份之公眾持股量全年維持於聯交所規定的最低百分比以上。

核數師

本集團有關回顧年度之財務報表已由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟合資格並表示願意應聘連任。

承董事會命

主席兼行政總裁

黃偉常

香港，2017年6月29日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

TO THE SHAREHOLDERS OF LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(incorporated in Bermuda with limited liability)

致六福集團（國際）有限公司股東

（於百慕達註冊成立之有限公司）

OPINION

What we have audited

The consolidated financial statements of Luk Fook Holdings (International) Limited (the "Company") and its subsidiaries (the "Group") set out on pages 115 to 216, which comprise:

- the consolidated balance sheet as at 31 March 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

意見

我們已審計的內容

六福集團（國際）有限公司（「貴公司」）及其附屬公司（「貴集團」）列載於第115至216頁的綜合財務報表，包括：

- 於2017年3月31日的綜合資產負債表；
- 截至該日止年度的綜合損益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong

羅兵咸永道會計師事務所，香港中環太子大廈廿二樓

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Our opinion

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

BASIS FOR OPINION

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

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

Independence

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」）真實而公平地反映 貴集團於2017年3月31日的綜合財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的意見提供基礎。

獨立性

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

關鍵審計事項

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matter identified in our audit relates to existence and valuation of inventories.

Key Audit Matter

關鍵審計事項

Existence and valuation of inventories

存貨之存在性及其價值

Refer to note 3.10, 5(a) and 24 to the consolidated financial statements.

請參閱綜合財務報表附註3.10、5(a)及24。

The carrying value of inventories of the Group is HK\$6,973 million as at 31 March 2017. The Group's inventories mainly comprised of gold, platinum and gem-set jewellery products in the stores, manufacturing facilities and distribution centres. Valuation of inventories is at lower of cost or net realisable value. Significant portion of value at cost includes cost of precious metals and gems which are subject to the risk of changes in market value. The assessment of net realisable value of inventories is based on estimates and judgements by management in respect of, amongst others, the economic condition, forecast sales performance, marketability of products and the forecast market price of precious metals and gems used to make the jewellery products. Furthermore, there is a higher inherent risk of theft and pilferage given the high intrinsic value and portable nature of individual inventory items.

於2017年3月31日，貴集團存貨的賬面值為6,973,000,000港元。貴集團存貨主要包括店舖、生產設施及分銷中心的黃金、鉑金及珠寶首飾產品。存貨乃按成本值或可變現淨值兩者之較低者估值。成本值絕大部分為貴金屬及珠寶成本，而該等成本承受市價變動風險。存貨的可變現淨值按管理層就（其中包括）經濟狀況、預期銷售表現、產品的適銷性以及製造珠寶首飾產品所用貴金屬及珠寶的預期市價的估計及判斷進行評估。此外，個別存貨的內在價值高昂兼具便攜性質，令其存在較高的遭偷盜風險。

關鍵審計事項 (續)

我們在審計中識別的關鍵審計事項為存貨之存在性及其價值。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our audit procedures to test the physical existence of inventories mainly consist of evaluating and testing the relevant internal control procedures, in particular, we 對存貨進行實物檢測時，我們的審計程序主要包括評估及測試有關的內部控制程序，尤其是我們：

- (i) attended a selection of daily cycle physical counts in stores throughout the year to observe the daily count procedures performed in retail outlets;
(i) 全年有選擇性地參加店舖的每日實物盤點過程，以觀察零售店的每日盤點程序；
- (ii) inspected the respective daily physical cycle counts reports for reconciliation of daily ending inventories to the record in the inventory system;
(ii) 查閱有關的每日實物盤點過程報告，以將每日營業結束時存貨與存貨系統記錄進行對賬；
- (iii) inspected the in-house and external gemological appraisal or laboratory reports on the authenticity of gold, platinum and gem-set jewellery products.
(iii) 檢查內部及外聘第三方有關黃金、鉑金及珠寶首飾產品鑑定的珠寶評估或實驗報告。

Furthermore, we attended the annual physical inventory counts at year end date and performed “two-way” sample count procedures in a selected sample of stores, manufacturing facilities and distribution centres of the Group. We compared our sample count results with the counts performed by the Group and the records in the inventory system.

此外，我們還參加年結日的每年存貨實物盤點，並對貴集團店舖、生產設施及分銷中心抽樣執行「雙向」樣品點算程序。我們已將抽樣點算的結果與貴集團進行的點算及存貨系統的記錄作對比。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key Audit Matter

關鍵審計事項

關鍵審計事項 (續)

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- (ii) obtained an understanding of management's processes for the identification of slow moving gem-set jewellery products and assessed the basis adopted by management for determining the inventory provision with reference to, amongst others, the market price movement of the materials, the aging profile and the historical sales pattern and the subsequent selling prices of these products.
- (ii) 瞭解管理層有關滯銷珠寶首飾產品的識別程序，並參考（其中包括）該等產品的材料市價變動、貨齡及以往銷售模式以及之後售價，以對管理層採用的存貨撥備釐定基準加以評估。
- (iii) compared the results of independent gemmological appraisal report of our selected samples above to the cost of gem-set jewellery in evaluating the sufficiency of inventory provision made by management.
- (iii) 於評估管理層所作存貨撥備是否充足時，已將上文所述我們選定樣本的獨立珠寶評定報告結果與珠寶成本進行比較。

Based on the procedures performed, we found that the physical existence of inventories, as well as the estimates and judgement made by management in respect of the net realisable value of inventories, are supportable by the available evidence.

基於執行的程序，我們發現存貨的實物存在性以及管理層就存貨可變現淨值作出的估計及判斷有可得的證據支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載全部資料，但不包括綜合財務報表及我們的核數師報告。

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

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

基於我們已執行的工作，如果我們認為有關其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表承擔的責任

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

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

審核委員會須負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們按照百慕達1981年《公司法》第90條僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響該等綜合財務報表使用者依賴該等綜合財務報表所作出的經濟決定，則有關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該等風險，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相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、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、監督及執行。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.

我們與審核委員會溝通了計劃的審計範圍、時間安排及重大審計發現等事宜，包括我們在審計中識別出內部控制的任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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.

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 Yuen Kwok Kin Andrew.

我們亦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專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與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該等事項，除非法律及規例不允許公開披露有關事項，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袁國健。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 June 2017

羅兵咸永道會計師事務所
執業會計師

香港，2017年6月29日

CONSOLIDATED INCOME STATEMENT

綜合損益表

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

		Note	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Revenue	收入	6	12,807,277	14,031,302
Cost of sales	銷售成本	8	(9,530,216)	(10,777,191)
Gross profit	毛利		3,277,061	3,254,111
Other income	其他收入	7	175,594	139,293
Selling and distribution costs	銷售及分銷費用		(1,994,310)	(1,981,763)
Administrative expenses	行政費用		(155,253)	(148,818)
Other losses, net	其他虧損·淨額	9	(13,775)	(50,671)
Operating profit	經營溢利	8	1,289,317	1,212,152
Finance income	財務收入		23,982	41,725
Finance costs	財務費用		(9,011)	(13,689)
Finance income, net	財務收入·淨額	10	14,971	28,036
Share of results of associates	應佔聯營公司業績	19	(54,273)	(79,103)
Profit before income tax	除所得稅前溢利		1,250,015	1,161,085
Income tax expenses	所得稅開支	11	(223,047)	(199,631)
Profit for the year	年內溢利		1,026,968	961,454
Profit attributable to:	應佔溢利:			
Equity holders of the Company	本公司權益持有人		1,016,838	958,692
Non-controlling interests	非控股權益		10,130	2,762
			1,026,968	961,454
Earnings per share for profit attributable to equity holders of the Company during the year	年內本公司權益持有人應佔溢利之每股盈利	12		
Basic	基本		HK\$1.73港元	HK\$1.63港元
Diluted	攤薄		HK\$1.73港元	HK\$1.63港元

The notes on pages 122 to 216 are an integral part of these consolidated financial statements.

第122至216頁的附註為此等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入報表

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

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Profit for the year	年內溢利	1,026,968	961,454
Other comprehensive income:	其他全面收入：		
<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>		
Remeasurements of employee benefit obligations	僱員福利責任的重新計量	1,349	12,766
<i>Items that may be reclassified to profit or loss</i>	<i>其後可能會重新分類至損益的項目</i>		
Currency translation differences:	匯兌差額：		
– Group	– 本集團	(158,405)	(141,711)
– Associates	– 聯營公司	(15,246)	(12,300)
Revaluation of available-for-sale financial assets	可供出售金融資產的價值變動	(1,077)	(3,977)
Other comprehensive income for the year	年內其他全面收入	(173,379)	(145,222)
Total comprehensive income for the year	年內全面總收入	853,589	816,232
Attributable to:	下列人士應佔：		
– Equity holders of the Company	– 本公司權益持有人	845,372	814,594
– Non-controlling interests	– 非控股權益	8,217	1,638
Total comprehensive income for the year	年內全面總收入	853,589	816,232

The notes on pages 122 to 216 are an integral part of these consolidated financial statements.

第122至216頁的附註為此等綜合財務報表的一部分。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2017
於2017年3月31日

		As at 31 March 於3月31日	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	16 564,270	603,878
Land use rights	土地使用權	17 247,781	215,245
Investment properties	投資物業	18 35,020	24,617
Interests in associates	於聯營公司之權益	19 85,012	154,531
Loan to an associate	貸款予一家聯營公司	20 90,830	86,911
Derivative financial instrument	衍生金融工具	21 48,979	46,135
Available-for-sale financial assets	可供出售金融資產	22 7,690	8,767
Trading licence	交易執照	1,080	1,080
Rental deposits and prepayment	租金按金及預付賬項	23 121,204	121,828
Deferred income tax assets	遞延所得稅資產	30 45,954	36,770
		1,247,820	1,299,762
Current assets	流動資產		
Inventories	存貨	24 6,972,770	6,344,728
Trade receivables	貿易應收賬項	25 217,258	214,534
Deposits, prepayments and other receivables	按金、預付賬項及其他應收賬項	23 323,323	241,752
Derivative financial instruments	衍生金融工具	21 9	9
Amount due from an associate	應收一家聯營公司賬項	19 33,340	56,374
Loan to an associate	貸款予一家聯營公司	20 20,000	20,000
Income tax recoverable	可收回所得稅	2,956	20,155
Cash and bank balances	現金及銀行結餘	26 1,861,774	2,432,185
		9,431,430	9,329,737
Total assets	總資產	10,679,250	10,629,499
EQUITY	權益		
Capital and reserves attributable to the equity holders of the Company	本公司權益持有人應佔資本及儲備		
Share capital	股本	28(a) 58,710	58,710
Share premium	股份溢價	28(b) 2,494,040	2,494,040
Reserves	儲備	29 6,320,600	6,121,046
		8,873,350	8,673,796
Non-controlling interests	非控股權益	106,590	95,123
Total equity	權益總額	8,979,940	8,768,919

The notes on pages 122 to 216 are an integral part of these consolidated financial statements.

第122至216頁的附註為此等綜合財務報表的一部分。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2017
於2017年3月31日

		As at 31 March 於3月31日	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Deferred income tax liabilities	遞延所得稅負債	30 81,670	79,892
Employee benefit obligations	僱員福利責任	31 23,754	23,918
		105,424	103,810
Current liabilities	流動負債		
Trade payables, other payables and accruals	貿易應付賬項、其他應付 賬項及應計款項	27 1,004,664	892,459
Amount due to an associate	應付一家聯營公司賬項	19 1,995	2,235
Bank borrowings	銀行貸款	32 –	400,000
Gold loans	黃金借貸	33 437,151	310,692
Current income tax liabilities	即期所得稅負債	150,076	151,384
		1,593,886	1,756,770
Total liabilities	總負債	1,699,310	1,860,580
Total equity and liabilities	權益及負債總額	10,679,250	10,629,499

The consolidated financial statements were approved by the Board of Directors on 29 June 2017 and were signed on its behalf.

綜合財務報表乃由董事會於2017年6月29日批准並經由下列董事代表簽署。

Wong Wai Sheung
黃偉常
Director
董事

Chan So Kuen
陳素娟
Director
董事

The notes on pages 122 to 216 are an integral part of these consolidated financial statements.

第122至216頁的附註為此等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔					Non-controlling interests 非控股權益		Total equity 權益總額
		Share Capital 股本	Share premium 股份溢價	Reserves 儲備	Subtotal 小計				
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note 29) (附註 29)	HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元
For the year ended 31 March 2016	截至2016年 3月31日止年度								
At 1 April 2015	於2015年4月1日	58,910	2,522,983	5,954,470	8,536,363		64,144		8,600,507
Comprehensive income	全面收入								
Profit for the year	年內溢利	–	–	958,692	958,692		2,762		961,454
Other comprehensive income	其他全面收入								
Remeasurements of employee benefit obligations	僱員福利責任的重新計量	–	–	12,766	12,766		–		12,766
Currency translation differences	匯兌差額	–	–	(152,887)	(152,887)		(1,124)		(154,011)
Revaluation of available-for-sale financial assets	可供出售金融資產的價值變動	–	–	(3,977)	(3,977)		–		(3,977)
Total other comprehensive income	其他全面總收入	–	–	(144,098)	(144,098)		(1,124)		(145,222)
Total comprehensive income	全面總收入	–	–	814,594	814,594		1,638		816,232
Transactions with owners	與擁有人之交易								
Dividends paid	已付股息	–	–	(648,018)	(648,018)		–		(648,018)
Capital injection from non-controlling interests of subsidiaries	附屬公司非控股權益注資	–	–	–	–		29,341		29,341
Repurchase of shares (Note 28(c))	購回股份(附註28(c))	(200)	(28,943)	–	(29,143)		–		(29,143)
At 31 March 2016	於2016年3月31日	58,710	2,494,040	6,121,046	8,673,796		95,123		8,768,919

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔					
		Share Capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Reserves 儲備 HK\$'000 千港元 (Note 29) (附註 29)	Subtotal 小計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
For the year ended 31 March 2017	截至2017年 3月31日止年度						
At 1 April 2016	於2016年4月1日	58,710	2,494,040	6,121,046	8,673,796	95,123	8,768,919
Comprehensive income	全面收入						
Profit for the year	年內溢利	-	-	1,016,838	1,016,838	10,130	1,026,968
Other comprehensive income	其他全面收入						
Remeasurements of employee benefit obligations	僱員福利責任的 重新計量	-	-	1,349	1,349	-	1,349
Currency translation differences	匯兌差額	-	-	(171,738)	(171,738)	(1,913)	(173,651)
Revaluation of available-for-sale financial assets	可供出售金融資產的 價值變動	-	-	(1,077)	(1,077)	-	(1,077)
Total other comprehensive income	其他全面總收入	-	-	(171,466)	(171,466)	(1,913)	(173,379)
Total comprehensive income	全面總收入	-	-	845,372	845,372	8,217	853,589
Transactions with owners	與擁有人之交易						
Dividends paid	已付股息	-	-	(645,818)	(645,818)	-	(645,818)
Capital injection from non-controlling interests of a subsidiary	附屬公司非控股權益注資	-	-	-	-	3,250	3,250
At 31 March 2017	於2017年3月31日	58,710	2,494,040	6,320,600	8,873,350	106,590	8,979,940

The notes on pages 122 to 216 are an integral part of these consolidated financial statements.

第122至216頁的附註為此等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		Note 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cash flows from operating activities	營運活動之現金流量			
Net cash generated from operations	營運產生之現金淨額	34	934,926	2,257,712
Hong Kong profits tax paid	已付香港利得稅		(61,580)	(54,515)
Overseas income taxes paid	已付海外所得稅		(152,982)	(140,541)
Net cash generated from operating activities	營運活動產生之現金淨額		720,364	2,062,656
Cash flows from investing activities	投資活動之現金流量			
Purchases of property, plant and equipment	購置物業、廠房及設備	16	(94,778)	(104,312)
Prepayment for purchase of property, plant and equipment	購置物業、廠房及設備之預付款項		(10,016)	–
Purchases of land use right	購置土地使用權	17	(51,704)	(8,468)
Purchases of investment properties	購置投資物業	18	(11,735)	–
Purchases of available-for-sale financial assets	購買可供出售金融資產	22	–	(3,924)
(Increase)/decrease in short-term bank deposits, with maturities over 3 months	到期日超過三個月的短期銀行存款 (增加)/減少		(261,978)	644,458
Interest received	已收利息		18,507	56,381
Capital injection from non-controlling interests of subsidiaries	附屬公司非控股權益注資		3,250	29,341
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		–	596
Net cash (used in)/generated from investing activities	投資活動 (所用)/所得之現金淨額		(408,454)	614,072
Cash flows from financing activities	融資活動之現金流量			
Proceeds from bank borrowings	銀行貸款所得款項		–	754,496
Proceeds from gold loans	黃金借貸所得款項		–	1,731,662
Repayment of bank borrowings	償還銀行貸款		(400,000)	(1,825,748)
Repayment of gold loans	償還黃金借貸		(76,541)	(1,637,406)
Repurchase of ordinary shares	購回普通股股份	28(c)	–	(29,143)
Interest on bank borrowings and gold loans	銀行貸款及黃金借貸利息		(9,011)	(13,689)
Dividends paid	已付股息		(645,818)	(648,018)
Net cash used in financing activities	融資活動所用之現金淨額		(1,131,370)	(1,667,846)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物之 (減少)/增加淨額		(819,460)	1,008,882
Cash and cash equivalents at 1 April	於4月1日之現金及現金等價物		2,361,595	1,375,079
Exchange differences	匯兌差額		(12,929)	(22,366)
Cash and cash equivalents at 31 March	於3月31日之現金及現金等價物	26	1,529,206	2,361,595

The notes on pages 122 to 216 are an integral part of these consolidated financial statements.

第122至216頁的附註為此等綜合財務報表的一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

Luk Fook Holdings (International) Limited (the “Company”) was incorporated in Bermuda on 3 September 1996 as a company with limited liability under the Companies Act of Bermuda. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery, and gem-set jewellery products.

The Company’s shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 6 May 1997.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated, and have been approved for issue by the board of directors on 29 June 2017.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Company Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention except that certain financial assets and financial liabilities are carried at fair value, as explained in Note 4.

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.

1 一般資料

六福集團（國際）有限公司（「本公司」）於1996年9月3日在百慕達根據百慕達公司法註冊成立為有限公司，其註冊辦事處地址為Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda。

本公司及其附屬公司（統稱「本集團」）主要從事各類黃白金首飾及珠寶首飾產品之採購、設計、批發、商標授權及零售業務。

本公司股份於1997年5月6日在香港聯合交易所有限公司（「聯交所」）主板上市。

除另有說明者外，此等綜合財務報表均以港元（「港元」）呈列，並已於2017年6月29日獲董事會批准刊發。

2 編製基準

本公司之綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」）及香港公司條例第622章編製。除若干金融資產及金融負債按公允價值列賬（如附註4所解釋）外，綜合財務報表按歷史成本慣例編製。

編製與香港財務報告準則貫徹一致之財務報表需要使用若干關鍵會計估算，同時亦需要管理層在應用本集團會計政策時作出判斷。涉及高度判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註5中披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (Continued)

- (a) New amendments to existing standards that are effective for the first time for the financial year beginning 1 April 2016 and are relevant to the Group's operations:
 - (i) Amendments to HKAS 1 "Disclosure initiative", clarify guidance in HKAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
 - (ii) Amendments to HKAS 16 and HKAS 38 "Clarification of acceptable methods of depreciation and amortisation", clarify when a method of depreciation or amortisation based on revenue may be appropriate.
 - (iii) Amendment to HKAS 27 "Equity method in separate financial statements", allows entities to use equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
 - (iv) Amendments to HKFRS 10, HKFRS 12 and HKAS 28 "Investment entities", clarify the application of the consolidation exception for investment entities and their subsidiaries.
 - (v) Annual improvements 2014, these amendments include changes from the 2012-2014 cycle of the annual improvements project that affect on HKFRS 5, "Noncurrent assets held for sale and discounted operations", HKFRS 7, "Financial instruments: Disclosures" and HKAS 19, "Employee benefits".

2 編製基準 (續)

- (a) 於2016年4月1日開始之財政年度內首次生效並與本集團經營有關之新訂現有準則之修訂本：
 - (i) 香港會計準則第1號「披露計劃」的修訂本，澄清香港會計準則第1號中關於重要性及匯總、小計之呈報、財務報表結構及會計政策披露的指引。
 - (ii) 香港會計準則第16號的修訂本及香港會計準則第38號「折舊和攤銷的可接受方法的澄清」的修訂本，澄清以收入為基礎的折舊或攤銷方法可能適用的情況。
 - (iii) 香港會計準則第27號「獨立財務報表中使用權益法」的修訂本允許實體使用權益法作為會計方法，在附屬公司、合營企業及聯營公司之獨立財務報表中計算於附屬公司、合營企業及聯營公司的投資。
 - (iv) 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號「投資實體」的修訂本澄清就投資實體及其附屬公司應用綜合入賬之例外情況。
 - (v) 2014年年度改進，該等修訂本包括2012年至2014年週期之年度改進項目的變動，影響香港財務報告準則第5號「持作出售的非流動資產及終止經營」、香港財務報告準則第7號「金融工具：披露」及香港會計準則第19號「僱員福利」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (Continued)

- (b) Certain new standards and amendments to existing standards relevant to the Group have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2017 or later periods, which the Group has not early adopted, are as follows:

Amendments to HKAS 7	Disclosure initiative ⁽¹⁾
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses ⁽¹⁾
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions ⁽²⁾
HKFRS 9	Financial instruments ⁽²⁾
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁽⁴⁾
HKFRS 15	Revenue from contracts with customers ⁽²⁾
HKFRS 16	Leases ⁽³⁾

⁽¹⁾ Effective for annual period beginning on or after 1 January 2017

⁽²⁾ Effective for annual period beginning on or after 1 January 2018

⁽³⁾ Effective for annual periods beginning on or after 1 January 2019

⁽⁴⁾ To be announced by HKICPA

2 編製基準 (續)

- (b) 本集團必須於2017年4月1日或之後或往後期間開始之會計年度採用之若干與本集團相關之新訂準則及現有準則之修訂經已頒佈，惟本集團並未提早採納該等準則，該等準則如下：

香港會計準則第7號 (修訂本)	披露計劃 ⁽¹⁾
香港會計準則第12號 (修訂本)	對未實現稅項損失確認遞延所得稅資產 ⁽¹⁾
香港財務報告準則第2號 (修訂本)	以股份為基礎的支付交易的分類及計量 ⁽²⁾
香港財務報告準則第9號	金融工具 ⁽²⁾
香港財務報告準則第10號及香港會計準則第28號 (修訂本)	投資者與其聯營或合營企業之間的資產出售或注資 ⁽⁴⁾
香港財務報告準則第15號	與客戶之間的合同產生的收入 ⁽²⁾
香港財務報告準則第16號	租賃 ⁽³⁾

⁽¹⁾ 於2017年1月1日或之後開始之年度期間生效

⁽²⁾ 於2018年1月1日或之後開始之年度期間生效

⁽³⁾ 於2019年1月1日或之後開始之年度期間生效

⁽⁴⁾ 待香港會計師公會公佈

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (Continued)

- (b) Certain new standards and amendments to existing standards relevant to the Group have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2017 or later periods, which the Group has not early adopted, are as follows: (Continued)

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2017 and have not been early adopted in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except those new standards set out below:

– HKFRS 9, 'Financial instruments'

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, currently classified as available-for-sale (AFS) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.

2 編製基準 (續)

- (b) 本集團必須於2017年4月1日或之後或往後期間開始之會計年度採用之若干與本集團相關之新訂準則及現有準則之修訂經已頒佈，惟本集團並未提早採納該等準則，該等準則如下：(續)

多項新訂準則及準則的修訂本及詮釋於2017年4月1日之後開始的年度期間生效，但並未於編製本綜合財務報表時提前應用。該等準則、修訂本及詮釋預期不會對本集團的綜合財務報表造成重大影響，惟以下列載者除外：

– 香港財務報告準則第9號，「金融工具」

新訂準則闡述金融資產及金融負債的分類、計量及終止確認，並引入對沖會計及金融資產新減值模型的新規則。

儘管本集團尚未對金融資產的分類及計量進行詳細評估，但目前歸類為可供出售（可供出售）的金融資產似乎符合歸類為按公允價值計入其他全面收入（按公允價值計入其他全面收入）的條件，因此該等資產的會計處理將無變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (Continued)

- (b) Certain new standards and amendments to existing standards relevant to the Group have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2017 or later periods, which the Group has not early adopted, are as follows: (Continued)

– HKFRS 9, 'Financial instruments' (Continued)

The other financial assets held by the Group include:

- equity instruments currently classified as AFS for which a FVOCI election is available.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

2 編製基準 (續)

- (b) 本集團必須於2017年4月1日或之後或往後期間開始之會計年度採用之若干與本集團相關之新訂準則及現有準則之修訂經已頒佈，惟本集團並未提早採納該等準則，該等準則如下：(續)

– 香港財務報告準則第9號，「金融工具」(續)

由本集團持有的其他金融資產包括：

- 目前分類為可供出售而其可選擇按公允價值計入其他全面收入的股權工具。

因此，本集團預期新指引不會對其金融資產的分類及計量有重大影響。

由於新規定僅影響指定按公允價值計入損益的金融負債的會計處理，而本集團並不持有任何該等負債，這將不會對本集團的金融負債有任何影響。終止確認的規則引自香港會計準則第39號「金融工具：確認及計量」，沒有任何變動。

新減值模型要求按預期信貸損失（「預期信貸損失」）確認減值撥備，而非僅發生的信貸損失（根據香港會計準則第39號）。其適用於按攤銷成本分類的金融資產、按公允價值計入其他全面收入的債務工具、香港財務報告準則第15號「與客戶之間的合同產生的收入」下的合同資產、應收租賃款、貸款承擔和若干財務擔保合同。儘管本集團尚未詳細評估新模型將如何影響其減值撥備，但有可能導致提早確認信貸損失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (Continued)

- (b) Certain new standards and amendments to existing standards relevant to the Group have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2017 or later periods, which the Group has not early adopted, are as follows: (Continued)

– **HKFRS 9, 'Financial instruments' (Continued)**

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

– **HKFRS 15, 'Revenue from contracts with customers'**

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group is currently assessing the impact of adopting HKFRS 15 on the Group's consolidated financial statements, by identifying the separate performance obligations in the contracts with customers and allocating the transactions price, if applicable, which could affect the timing of the revenue recognition. In light of the multi-location of operations of the Group, the directors of the Company is currently in the process of evaluating the full impact of HKFRS 15 on the Group's consolidated financial statements. Management will make more detailed assessments of the impact over the next twelve months.

2 編製基準 (續)

- (b) 本集團必須於2017年4月1日或之後或往後期間開始之會計年度採用之若干與本集團相關之新訂準則及現有準則之修訂經已頒佈，惟本集團並未提早採納該等準則，該等準則如下：(續)

– **香港財務報告準則第9號，「金融工具」(續)**

新訂準則亦引入延伸的披露要求及呈列方式變動。該等要求及變動預期將改變本集團有關其金融工具披露的性質及程度（尤其是於採納新訂準則的年度）。

– **香港財務報告準則第15號，「與客戶之間的合同產生的收入」**

香港會計師公會已頒佈收入確認的新訂準則。該準則將取代香港會計準則第18號（涵蓋貨品及服務合約）及香港會計準則第11號（涵蓋建築合約）。新訂準則乃基於當貨品或服務控制權轉移至客戶時確認收入的原則。該準則允許在採納時採用全面追溯法或修改追溯法。

本集團現正透過識別與客戶合約中的單項履行責任及交易價格的分配（如適用），有可能影響收益確認時間，以評估香港財務報告準則第15號對本集團綜合財務報表的影響。鑒於本集團的眾多營業地點，本公司董事現正評估香港財務報告準則第15號對本集團綜合財務報表的全面影響。管理層將對未來十二月的影響作出更為詳盡的評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION (Continued)

- (b) Certain new standards and amendments to existing standards relevant to the Group have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2017 or later periods, which the Group has not early adopted, are as follows: (Continued)

– HKFRS 16, 'Leases'

HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$1,179,584,000, see note 35(b). However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

2 編製基準 (續)

- (b) 本集團必須於2017年4月1日或之後或往後期間開始之會計年度採用之若干與本集團相關之新訂準則及現有準則之修訂經已頒佈，惟本集團並未提早採納該等準則，該等準則如下：(續)

– 香港財務報告準則第16號，「租賃」

香港財務報告準則第16號將導致差不多所有租賃在資產負債表內確認，經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產（該租賃項目的使用權）與支付租金的金融負債被確認。唯一例外者為短期和低價值租賃。

對出租人的會計處理將不會有重大改變。

此準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團有不可取消的經營租賃承擔1,179,584,000港元（附註35(b)）。然而，本集團仍未釐定該等承擔將導致資產和負債就未來付款確認的程度，以及將如何影響本集團的利潤和現金流量分類。

若干承擔或會由短期和低價值租賃之例外情況所涵蓋，同時部分承擔可能關乎不符合香港財務報告準則第16號項下租賃定義之安排。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 March.

(a) Subsidiary

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

Inter-company transactions, balances, unrealised gains on transactions between group companies are eliminated. Unrealised loss are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with group's accounting policies.

3 主要會計政策概要

編製此等綜合財務報表時所應用之主要會計政策載於下文。除另有說明者外，此等政策已於所有呈報年度貫徹應用。

3.1 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至3月31日止之財務報表。

(a) 附屬公司

附屬公司指本集團擁有控制權的實體（包括結構性實體）。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。附屬公司自其控制權轉移至本集團當日起綜合入賬，並自控制權終止當日起取消綜合入賬。

集團內公司間的交易、結餘及交易的未變現利益，均於綜合入賬時對銷。未變現虧損亦予抵銷。附屬公司所呈報的金額已在需要時作出調整，以確保與本集團所採納的會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Consolidation (Continued)

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

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

(c) Separate financial statements

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

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

3 主要會計政策概要 (續)

3.1 綜合賬目 (續)

(b) 並無控制權變動的附屬公司擁有權益變動

與非控股權益進行而不會導致失去控制權之交易入賬列作權益交易—即以彼等作為擁有人之身份與擁有人進行之交易。所支付任何代價之公允價值與所收購附屬公司之資產淨值賬面值相關部分之差額於權益記賬。向非控股權益進行出售所產生之盈虧亦於權益記賬。

(c) 獨立財務報表

附屬公司投資按成本扣除減值列賬。成本包括投資直接應佔成本。附屬公司的業績由本公司按已收及應收股息入賬。

於接獲該等投資的股息後，如股息超過宣派股息期內附屬公司的總全面收益，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司淨資產（包括商譽）的賬面值，則必須對附屬公司投資作減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Associates

An associate is an entity over which the Group has significant influence on but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associate's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in the consolidated statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. The financial statements of the associates used for this purpose are either coterminous with the financial statements of the Group or cover a year end not more than three months before the Group's year-end. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

3 主要會計政策概要(續)

3.2 聯營公司

聯營公司指本集團對其有重大影響力而非擁有控制權，且一般附帶20%至50%投票權持股量之實體。於聯營公司之投資乃以權益會計法入賬。根據權益法，有關投資初步按成本值確認，並於收購日期後增加或減少賬面值以確認投資方應佔被投資方之損益。收購聯營公司之擁有權權益時，聯營公司的成本與本集團應佔聯營公司可識別資產及負債公允淨值間的任何差額入賬列作商譽。

倘於聯營公司之擁有權權益減少但仍保留重大影響力，則過往於其他全面收入確認之金額按比例重新分類至損益（如適用）。

本集團應佔其聯營公司收購後溢利或虧損於綜合損益表內確認，而應佔收購後其他全面收入之變動則於綜合全面收入報表內確認，同時對投資賬面值作出相應調整。就此採用的聯營公司財務報表與本集團財務報表日期相同或所涵蓋年結日不早於本集團者三個月。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益（包括任何其他無抵押應收賬項），除非本集團已代聯營公司承擔責任或作出付款，否則，本集團不會確認進一步虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Associates (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of results of an associate' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported by associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in an associate is recognised in the consolidated income statement.

3.3 Segment reporting

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

3 主要會計政策概要 (續)

3.2 聯營公司 (續)

本集團於各報告日期釐定是否有任何客觀證據顯示於聯營公司之投資已減值。倘已減值，則本集團按聯營公司之可收回金額與其賬面值之差額計算減值金額，並於綜合損益表中「應佔一家聯營公司業績」內確認為有關金額。

本集團與其聯營公司之間之上下游交易所產生之損益於本集團財務報表內確認，惟僅以非相關投資方所持聯營公司之權益為限。除非該交易證明已轉讓資產出現減值，否則未變現虧損亦予以對銷。聯營公司所呈報之金額於有需要時亦作出變動，以確保與本集團採納之政策保持一致。

於聯營公司之股權攤薄時的盈虧在綜合損益表確認。

3.3 分部呈報

經營分部按與向最高營運決策者作內部呈報一致之方式呈報。最高營運決策者（負責分配資源及評核經營分部之表現）被認為共同負責作出策略決定之執行董事與高級管理人員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 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 consolidated financial statements are presented in HK\$, which is the Company's functional and Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within 'other gains, net' in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within 'finance income, net'. All other foreign exchange gains and losses are presented in statement of profit or loss within 'other losses – net'.

3 主要會計政策概要 (續)

3.4 外幣換算

(a) 功能貨幣及列賬貨幣

本集團旗下各實體之財務報表所列項目均採用有關實體經營所在主要經濟環境之通用貨幣(「功能貨幣」)計量。綜合財務報表以港元列賬，港元為本公司之功能貨幣及本集團之列賬貨幣。

(b) 交易及結餘

外幣交易按進行交易當日或項目重新計量日適用之匯率換算為功能貨幣。因結算有關交易及按年結日匯率換算以外幣列值之貨幣資產及負債所產生之匯兌損益，於綜合損益表「其他收益，淨額」內確認。

與貸款有關的匯兌盈虧在綜合損益表內之「財務收入，淨額」內呈列。所有其他匯兌盈虧在損益表內「其他虧損，淨額」中呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Foreign currency translation (Continued)

(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:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) 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
- (iii) all resulting exchange differences are recognised in other comprehensive income.

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

3 主要會計政策概要 (續)

3.4 外幣換算 (續)

(c) 集團公司

所有集團實體 (概無實體採用高通脹經濟體系之貨幣) 之功能貨幣倘有別於列賬貨幣, 其業績及財務狀況須按以下方式換算為列賬貨幣:

- (i) 各資產負債表所列資產及負債按其結算日之收市匯率換算;
- (ii) 各損益表所列收支按平均匯率換算 (除非此平均匯率不足以合理概括交易日期適用匯率之累計影響, 在此情況下, 收支按交易日期之匯率換算); 及
- (iii) 所有因而產生之匯兌差額在其他全面收入中確認。

因收購海外實體所產生的商譽及公允價值調整, 乃視作該海外實體的資產及負債處理, 並按收市匯率折算。因而產生的匯兌差額於其他全面收入確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Foreign currency translation (Continued)

(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, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to 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 re-attributed to non-controlling interests and are not recognised in consolidated income statement. For all other partial disposals (that is, reductions in the Group's ownership interests in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to consolidated income statement.

3 主要會計政策概要 (續)

3.4 外幣換算 (續)

(d) 出售海外業務及部分出售

於出售海外業務 (即出售本集團於海外業務的全部權益、涉及失去對包含海外業務的附屬公司的控制權的出售、涉及失去對包含海外業務的合營企業的共同控制權的出售或涉及失去對包含海外業務的聯營公司的重大影響力的出售) 時, 就本公司擁有人應佔該業務於權益內累計的所有匯兌差額會重新分類至綜合損益表。

如部分出售附屬公司並未導致本集團失去對包含海外業務的該附屬公司的控制權, 則按比例將累計匯兌差額重新歸屬為非控股權益, 而並不於綜合損益表內確認。對於所有其他部分出售 (即減持本集團於聯營公司或合營企業的擁有權權益並無造成本集團失去重大影響力或共同控制權), 會按比例將累計匯兌差異重新分類至綜合損益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Property, plant and equipment

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

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

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

Leasehold land interests classified as finance leases	Shorter of remaining lease term of 16-51 years or useful life
Buildings	50 years or over the unexpired lease period of leasehold land, whichever is shorter
Leasehold improvements	5 years or over the unexpired lease period, whichever is shorter
Furniture and fixtures and computer equipment	5 years
Plant and machinery	5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

3 主要會計政策概要 (續)

3.5 物業、廠房及設備

物業、廠房及設備乃按歷史成本減折舊列賬。歷史成本包括收購該等項目直接應佔之開支。

僅於與項目相關之日後經濟利益可能流入本集團，且該項目之成本能夠可靠計量時，其後成本方會計入該項資產之賬面值或確認為一項獨立資產（視適用情況而定）。重置部分之賬面值會終止確認。所有其他維修及保養會於其產生之財務期間內在綜合損益表支銷。

分類為融資租賃之租賃土地權益及其他物業、廠房及設備自資產可作其擬定用途時開始攤銷／折舊。分類為融資租賃之租賃土地之攤銷及其他資產之折舊採用以下估計可使用年期將成本按直線法分攤至剩餘價值計算：

分類為融資租賃之租賃土地權益	剩餘租期16至51年或使用年期的較短者
樓宇	50年或按租賃土地租約尚餘期間（以較短者為準）
租賃物業裝修	5年或按租約尚餘期間（以較短者為準）
傢俬、裝置及電腦設備	5年
機器及設備	5年
汽車	5年

資產之剩餘價值及可使用年期在各結算日檢討，並在適當時調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Property, plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.9).

Gains and losses on disposals are determined by comparing net proceeds with carrying amount of the relevant assets and are included in the consolidated income statement.

3.6 Land use rights

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, (if any). Cost represents consideration paid for the rights to use the land on which various plants and buildings are generally situated for a period from 19 to 54 years. Amortisation of land use rights is calculated on a straight-line basis over the period of the lease.

3.7 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group.

Investment property is measured at cost, including related transaction costs, less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided using the straight-line method to write off the cost of the investment properties over their estimated useful lives of 30 to 54 years. Where the carrying amount of an investment property is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3 主要會計政策概要 (續)

3.5 物業、廠房及設備 (續)

倘資產之賬面值高於其估計可收回金額，則該項資產之賬面值會即時撇減至其可收回金額（附註3.9）。

出售盈虧透過將所得款項淨額與有關資產之賬面值比較釐定並計入綜合損益表。

3.6 土地使用權

土地使用權按成本值減累計攤銷及累計減值虧損（如有）列賬。成本指就使用通常建有多幢廠房及樓宇之土地之權利（為期19至54年）支付之代價。土地使用權攤銷按租賃年期以直線法計算。

3.7 投資物業

投資物業主要由租賃土地及樓宇所組成，為獲得長期租金收益或資本升值或兩者兼備而持有，且並非由本集團佔用。

投資物業按成本值（包括相關交易費用）扣除累計折舊及累計減值虧損（如有）列賬。

折舊採用為期30至54年之估計可使用年期按直線法撇銷投資物業之成本。倘投資物業賬面值高於其估計可收回金額，則即時撇減至其可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Investment properties (Continued)

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. At the date of reclassification, its cost and accumulated depreciation are transferred to property, plant and equipment and become its cost and accumulated depreciation for accounting purposes. If an owner-occupied property becomes an investment property because its use has changed, it is reclassified as investment property. At the date of reclassification, its cost and accumulated depreciation are transferred to investment property and become its cost and accumulated depreciation for accounting purposes.

3.8 Trading licence

Trading licence with indefinite useful life represents a membership in Chinese Gold and Silver Exchange Society and is carried at cost less accumulated impairment losses, if any.

3 主要會計政策概要 (續)

3.7 投資物業 (續)

僅在有關項目之未來經濟收益有可能流向本集團，而該項目成本能夠可靠計量時，方會自資產賬面值扣除其後開支。所有其他維修及保養成本於產生之財政期間在綜合損益表支銷。

倘投資物業由業主自用，則重新分類為物業、廠房及設備。於重新分類當日，其成本與累計折舊乃轉撥至物業、廠房及設備，並按照會計處理成為其成本與累計折舊。倘業主自用物業因改變用途而成為投資物業，則重新分類為投資物業。於重新分類當日，其成本及累計折舊乃轉撥至投資物業，並按照會計處理成為其成本與累計折舊。

3.8 交易執照

並無特定可使用年期之交易執照（即金銀業貿易場會籍）按成本值減累計減值虧損（如有）列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Impairment of non-financial assets

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

3.10 Inventories

Inventories, comprise raw materials and finished goods, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. The cost of finished goods comprises raw materials, direct labour and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.11 Financial assets

3.11.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the Group's financial assets at initial recognition.

3 主要會計政策概要 (續)

3.9 非金融資產之減值

沒有確定可使用年期之無形資產或未達到可使用狀態之無形資產毋須攤銷，並每年進行減值檢測。須作攤銷之資產乃於發生任何事件或環境變化顯示其賬面值可能不能收回時作減值檢討。倘資產之賬面值超過其可收回金額，會就其差額確認減值虧損。資產之可收回金額為其公允價值減出售成本與其可使用價值中較高者。就評估減值而言，資產乃按最低水平之可獨立識別現金流量（現金產生單位）予以分類。出現減值之非金融資產（商譽除外）將於每個報告日期審閱是否有撥回減值之可能。

3.10 存貨

存貨（包括原材料及製成品）乃按成本值與可變現淨值兩者之較低者列賬。成本採用先入先出法釐定。製成品成本包括原材料、直接勞工成本及其他直接成本，惟不包括貸款成本。可變現淨值乃按於日常業務過程中之估計售價減適用之可變銷售費用。

3.11 金融資產

3.11.1 分類

本集團將其金融資產分為以下類別：按公允價值計入損益、貸款及應收賬項及可供出售金融資產。類別乃視乎所收購金融資產之目的而定。管理層於本集團初步確認金融資產時釐定類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

3.11.1 Classification (Continued)

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be recovered within 12 months; otherwise, they are classified as non-current.

(b) *Loans and receivables*

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

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

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

3 主要會計政策概要 (續)

3.11 金融資產 (續)

3.11.1 分類 (續)

(a) *按公允價值計入損益之金融資產*

按公允價值計入損益之金融資產乃持作買賣之金融資產。倘收購目的主要作短期出售用途，則金融資產被分為此類別。衍生工具分類為持作買賣，惟其指定為對沖工具者除外。此類別之資產如預期可於12個月內收回，則分類為流動資產；否則分類為非流動資產。

(b) *貸款及應收賬項*

貸款及應收賬項乃具有固定或可釐定付款額而並無在活躍市場報價之非衍生金融資產。其被列入流動資產，惟倘其到期日於報告期間結算日後逾12個月，則被分類為非流動資產。本集團之貸款及應收賬項包括於綜合資產負債表中之「貸款予一家聯營公司」、「貿易及其他應收賬項」、「現金及銀行結餘」、「按金」及「應收一家聯營公司賬項」。

(c) *可供出售金融資產*

可供出售金融資產為非衍生項目，無論是否劃分為此類別。除非投資到期或管理層計劃於報告期末起計12個月內出售有關投資，否則可供出售金融資產將計入非流動資產內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

3.11.2 Recognition and measurement

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

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the consolidated income statement within ‘other gains, net’ in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

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

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

3 主要會計政策概要 (續)

3.11 金融資產 (續)

3.11.2 確認及計量

金融資產之定期買賣乃於本集團承諾買賣該資產之日（即交易日）確認。投資乃初步按公允價值加並無按公允價值計入損益之所有金融資產之交易成本確認。按公允價值計入損益之金融資產乃初步按公允價值確認，而交易成本則於綜合損益表內列為開支。本集團於收取來自投資之現金流量之權利屆滿或已被轉讓，且本集團已轉讓擁有權之絕大部分風險及回報時終止確認金融資產。按公允價值計入損益之金融資產及可供出售金融資產於其後按公允價值列賬。貸款及應收賬項其後採用實際利率法按攤銷成本列賬。

因「按公允價值計入損益之金融資產」類別之公允價值變動而產生之盈虧，乃於產生之期間在綜合損益表之「其他收益，淨額」內呈列。來自按公允價值計入損益之金融資產之股息收入，於確立本集團收取付款權利時在綜合損益表內確認為其他收入一部分。

分類為可供出售的貨幣及非貨幣證券的公允價值變動於其他全面收入確認。

當分類為可供出售的證券已出售或減值時，於權益確認的累計公允價值調整計入綜合損益表「其他（虧損）／收益，淨額」項下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

3.11.2 Recognition and measurement (Continued)

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

3.12 Offsetting financial instruments

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

3.13 Impairment of financial assets

(a) Assets carried at amortised cost

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

3 主要會計政策概要 (續)

3.11 金融資產 (續)

3.11.2 確認及計量 (續)

按實際利率法計算的可供出售證券的利息於綜合損益表確認為其他收入一部分。可供出售股本工具的股息，於確立本集團收取付款權利時於綜合損益表確認為其他收入一部分。

3.12 抵銷金融工具

當具有抵銷已確認金額之合法強制執行權，且擬按淨額基準結算或同時變現資產和結算負債時，金融資產與負債會互相抵銷，並在資產負債表報告其淨額。此項合法強制執行權利不得以未來事項作為條件，且必須可於正常業務過程中及本公司或對手方違約、無力償還或破產時強制執行。

3.13 金融資產減值

(a) 按攤銷成本列賬的資產

本集團於各報告期間結算日對個別或一組金融資產是否存在減值之客觀證據進行評估。僅當有客觀減值證據表明資產在初始確認後因發生一項或多項事件（「虧損事件」），且能可靠估計該虧損事件對該項金融資產或該組金融資產之估計未來現金流產生之影響，則該項或該組金融資產被認為已發生減值並出現減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

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

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

3 主要會計政策概要 (續)

3.13 金融資產減值 (續)

(a) 按攤銷成本列賬的資產 (續)

減值證據包括債務人或一組債務人遇到重大財政困難；違約或拖欠利息或本金還款；可能破產或進行其他財務重組；及觀察資料顯示估計未來現金流量出現可量度之減幅，如欠款數目變更或出現與違約相關的經濟狀況。

就貸款及應收賬項類別而言，虧損金額將按照該資產賬面值與該金融資產按原實際利率貼現後之估計未來現金流（不包括尚未發生之未來信用虧損）之現值之間的差額計量。該資產之賬面值會減少，而虧損金額於綜合損益表內確認。倘一項貸款或持至到期投資按浮動息率計算，計量任何減值虧損之貼現率為根據合約釐定之現行實際利率。

倘有實際需要，本集團可採用觀察所得市價按工具之公允價值計量減值。

倘於往後期間，減值虧損金額減少，且該等減少可客觀認為與確認減值後發生之事件有關（例如債務人信貸評級改善），則過往已確認減值虧損將予撥回並於綜合損益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Impairment of financial assets (Continued)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated income statement – is removed from equity and recognised in consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated income statement, the impairment loss is reversed through the consolidated income statement.

3 主要會計政策概要 (續)

3.13 金融資產減值 (續)

(b) 分類為可供出售的資產

本集團於各報告期末評估一項金融資產或一組金融資產是否有減值的客觀證據。對於債務證券，本集團利用上文(a)所述的條件。如屬分類為可供出售的股本投資，證券公允價值大幅或持續下跌至低於其成本亦為資產減值的證據。如可供出售金融資產有任何該等減值證據，累計虧損（即收購成本與現時公允價值之差額減去該金融資產先前於綜合損益表內確認的任何減值虧損）自權益刪除並於綜合損益表內確認。於綜合損益表確認的股本工具減值虧損並無於綜合損益表撥回。倘於其後期間分類為可供出售的債務工具的公允價值增加，而增加可客觀地與於減值虧損於綜合損益表確認後發生的事件相關，則於綜合損益表撥回減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Derivative financial instruments which do not qualify for hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. The method of recognising the resulting gains or losses depends on whether the derivative is designated and qualified as a hedging instrument, and if so, the nature of the item being hedged. Since the derivative financial instruments entered into by the Group do not qualify for hedge accounting, changes in fair value of any derivative financial instruments are recognised immediately in the consolidated income statement.

3.15 Trade and other receivables

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

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

3.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

3 主要會計政策概要(續)

3.14 不符合資格作對沖會計處理之衍生金融工具

衍生工具初步按衍生工具合約訂立日期之公允價值確認，其後按其公允價值重新計量。確認所產生盈虧之方法取決於該衍生工具是否指定並符合資格作對沖工具，如指定為對沖工具，則取決於其所對沖項目之性質。由於本集團之衍生金融工具並不符合資格作對沖會計處理，故任何衍生金融工具之公允價值變動須即時於綜合損益表確認。

3.15 貿易及其他應收賬項

貿易應收賬項為於正常業務過程中售出商品或提供服務之客戶結欠金額。如果貿易及其他應收賬項預計於一年或少於一年（或在業務正常經營週期內的更長時間）內收回，則被分類為流動資產。否則，在非流動資產中呈列。

貿易及其他應收賬項初步以公允價值確認，其後利用實際利率法按攤銷成本扣除任何減值撥備計量。

3.16 現金及現金等價物

於綜合現金流量表中，現金及現金等價物包括手頭現金、銀行通知存款、原定於三個月或以內到期之其他短期高流通量投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

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.

3.18 Trade and other payables

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

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

3.19 Borrowings

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

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

3 主要會計政策概要 (續)

3.17 股本

普通股分類為權益。強制可贖回優先股分類為負債。

發行新股份或購股權的增加的直接應佔成本於權益中列為所得款項的扣減項目（扣除稅項）。

3.18 貿易及其他應付賬項

貿易應付賬項是於日常業務過程中從供應商購買商品或接受服務產生之付款責任。倘貿易及其他應付賬項將在一年或一年內（若更長則在業務正常經營週期內）支付，則歸類為流動負債。否則，在非流動負債中呈列。

貿易及其他應付賬項按公允價值初步確認，其後以實際利率法按攤銷成本計量。

3.19 貸款

貸款初步按公允價值（扣除所產生交易成本）確認，其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值兩者間之任何差額，會以實際利率法於貸款期間內在綜合損益表中確認。

為建立貸款融資所支付的費用，當部分或所有融資很可能將被提取時確認為貸款的交易成本。於此情況下，該費用在提取貸款融資前予以遞延。倘無證據表明部分或所有融資很可能將被提取，則該費用將作為流動性服務的預付款項資本化，並在融資相關之期限內攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Borrowings (Continued)

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated income statement.

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

3.20 Borrowing costs

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

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.

All other borrowing costs are recognised as 'finance cost' in the consolidated income statement in the period in which they are incurred.

3 主要會計政策概要 (續)

3.19 貸款 (續)

當合約中規定的責任解除、取消或屆滿時，貸款將從綜合資產負債表中剔除。已消除或轉讓予另一方的金融負債的賬面值與已支付代價（包括已轉讓的任何非現金資產或已承擔的負債）之間的差額，在綜合損益表中確認。

除非本集團有無條件權利可將負債結清時間延遲至報告期結算日後最少12個月，否則貸款須分類為流動負債。

3.20 貸款成本

與收購、興建或生產合資格資產（指必須經一段長時間處理以作其預定用途或銷售的資產）直接相關的一般及特定貸款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

等待作為合資格資產開支的特定貸款臨時投資所賺取的投資收入，須在可資本化的貸款成本中扣除。

所有其他貸款成本均於產生期間內在綜合損益表「財務費用」中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

Inside basis differences

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

3 主要會計政策概要 (續)

3.21 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項於綜合損益表確認，惟倘稅項與於其他全面收入確認或直接於權益確認之項目有關者除外。在該情況下，稅項亦會分別於其他全面收入或直接於權益內確認。

(a) 即期所得稅

即期所得稅開支乃按結算日在本公司之附屬公司及聯營公司經營及產生應課稅收入之國家已實行或大致已實行之稅法計算。管理層定期評估就適用稅項法規有待詮釋之情況之稅項申報所採取措施，並在適當情況下按預期將支付予稅務機構之款項為基準計提撥備。

(b) 遞延所得稅

內在基準差異

遞延所得稅採用負債法就資產與負債之稅基與在綜合財務報表之賬面值兩者之暫時差額確認。然而，倘遞延所得稅乃源自進行交易（不包括業務合併）時不影響會計或應課稅溢利或虧損之資產或負債之初步確認，則不會計算遞延所得稅。遞延所得稅以結算日頒佈或實質上頒佈之稅率（及法例）釐定，且該等稅率預期將於相關遞延所得稅資產變現或遞延所得稅負債結算時應用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Inside basis differences (Continued)

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

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

Offsetting

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

3 主要會計政策概要 (續)

3.21 即期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

內在基準差異 (續)

遞延所得稅資產僅在可能有未來應課稅溢利可動用以抵銷暫時差額之情況下確認。

外在基準差異

按於附屬公司及聯營公司之投資產生之應課稅暫時差額計提遞延所得稅負債，惟遞延所得稅負債則除外，因本集團能控制暫時差額撥回之時間及於可見未來暫時差額可能不會撥回。本集團通常無法控制聯營公司暫時差額之撥回，僅於有適當協議使本集團有能力控制撥回暫時差額時不予確認。

遞延所得稅資產就於附屬公司及聯營公司投資產生之可扣減暫時差額予以確認，惟暫時差額可能將於日後撥回，且除可動用暫時差額外尚有足夠應課稅溢利可使用。

抵銷

當具有將即期稅項資產與即期稅項負債抵銷之合法強制執行權，以及當遞延所得稅資產及負債與同一稅務機關就該應課稅實體或不同應課稅實體徵收之所得稅有關，且擬按淨額基準結算時，遞延所得稅資產與負債將會抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 Employee benefits

(a) 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.

(b) Profit sharing and bonus plans

Provisions for profit sharing and bonus plans are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(c) Pension obligations

Hong Kong

The Group operates a defined contribution Mandatory Provident Fund Scheme (the “MPF Scheme”) which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. The assets of the MPF Scheme are held in a separately administered fund. The MPF Scheme is generally funded by payments from employees and by the Group.

The Group’s contributions to the MPF Scheme are expensed as incurred and are reduced by the employer’s voluntary contribution forfeited from the MPF Scheme by those employees who leave the scheme prior to vesting fully in the contributions.

3 主要會計政策概要 (續)

3.22 僱員福利

(a) 僱員休假權利

僱員享有年假之權利於此等權利產生時確認。本集團就截至結算日止僱員提供服務產生之年假之估計負債作出撥備。

僱員享有病假及分娩假期之權利於僱員休假時方予確認。

(b) 溢利分享及花紅計劃

當本集團因僱員提供服務而產生現有法定或推定責任，而責任金額能可靠估算時，則確認溢利分享及花紅計劃之撥備。

(c) 退休金責任

香港

本集團推行一項定額供款強制性公積金退休計劃（「強積金計劃」），計劃已根據香港強制性公積金計劃條例註冊。強積金計劃之資產乃以獨立管理之基金持有。強積金計劃之資金一般由僱員及本集團撥付。

本集團向強積金計劃作出之供款於產生時支銷，並可以自供款全數撥歸前退出計劃之僱員沒收之強積金計劃僱主自願性供款扣減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 Employee benefits (Continued)

(c) Pension obligations (Continued)

Mainland China

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement schemes for its relevant employees in Mainland China. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

The Group's contributions to the state-sponsored retirement schemes are expensed as incurred and are fully and immediately vested in the employees.

(d) Defined benefit obligation – long service payment

The Group's net obligation in respect of lump sum long service amounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method by a qualified actuary, discounted to its present value, and the fair value of any related plan assets is deducted. The discount rate is the yield at balance sheet date on Exchange Fund Notes that have maturity dates approximating the terms of the Group's obligations. All remeasurement gains/losses of defined benefit plans are recognised immediately in other comprehensive income in the period in which they occur. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested.

3 主要會計政策概要 (續)

3.22 僱員福利 (續)

(c) 退休金責任 (續)

中國內地

根據中國內地規則及規例，本集團為其有關中國內地僱員向國家資助之退休計劃供款。該等國家資助退休計劃須負責履行向退休僱員支付全部退休後福利之責任。

本集團向國家資助之退休計劃供款於產生時支銷，並即時全數歸屬僱員。

(d) 界定福利責任－長期服務金

本集團就根據香港僱傭條例在若干情況下於僱員終止受僱時支付一筆過長期服務金之責任為有關僱員於本期間及過往期間以所提供服務賺取之未來福利。該責任乃由合資格精算師利用預算單位信貸法計算並貼現至其現值，而任何相關計劃資產之公允價值則予以扣減。貼現率為與本集團付款責任年期相若之外匯基金債券於結算日之息率。界定福利計劃之所有重新計量的收益／虧損均於產生期間內即時於其他全面收入確認。過往服務成本於福利歸屬前以直線法按平均期間確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, sales returns and discounts, after eliminated sales within the Group.

(a) Sales of goods – wholesale

Sales of goods are recognised when a group entity has delivered products to the customers, retains neither continuing managerial involvement to the degree usually associates with ownership nor control over the goods sold, and there is no unfulfilled obligation that could affect the acceptance of the products. Delivery does not occur until the products have been delivered to the specified location, the risks of obsolescence and loss have been transferred to the customers, and either the customers has accepted the products in accordance with sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales of goods – retail

Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by credit card. It is the Group's policy to sell its jewellery products to the end customers with a right of return within one year at a certain discount on the original selling price. Accumulated experience is used to estimate and provide for such returns at the time of sale.

3 主要會計政策概要 (續)

3.23 收益及收入確認

收益指本集團於日常業務中出售貨物及服務而實收或應收代價之公允價值。收益扣除增值稅、退貨及折扣，並對銷本集團內部之銷售後列賬。

(a) 銷售貨品－批發

當集團實體已將貨品交付客戶，並無涉及通常與擁有權相關聯的持續管理，亦無保留對已銷售貨品的控制權，且並無未履行責任可能影響對產品的接收時，貨品銷售即確認入賬。當產品已付運至指定地點，廢棄及損失風險已轉讓予客戶，而客戶已根據銷售合約接收產品、接收條款已作廢，或本集團有客觀證據顯示所有接收條款已經履行後，方始計作已交付貨品。

(b) 銷售貨品－零售

銷售貨品於集團實體向客戶銷售貨物時確認。零售銷售通常以現金或信用卡結算。本集團的政策是向最終客戶銷售珠寶產品時附有一年可按原來售價之若干折讓退貨之權利。於銷售時估計該等退貨並作出撥備全憑過往累積之經驗。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Revenue and income recognition (Continued)

(c) **Royalty and service income**

Royalty and service income in respect of the use of the Group's trademarks is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(d) **Consultancy fee income**

Consultancy fee income in respect of technical support and consultancy services are recognised in the period the services are provided.

(e) **Interest income from bank deposits**

Interest income from bank deposits is recognised on a time proportion basis using the effective interest method.

(f) **Rental income**

Rental income is recognised on a straight-line basis over the lease period.

3.24 Operating leases (as a lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease. When a component of the lease payment which is not fixed but is based on future amount of a factor, other than with the passage of time, such as percentage of sales or concessionaire fees, the amount is recognised as expenses as it arises.

3 主要會計政策概要 (續)

3.23 收益及收入確認 (續)

(c) **品牌及服務費收入**

有關使用本集團商標的品牌及服務費收入根據相關協議按應計基準確認。

(d) **顧問費收入**

有關提供技術支援及顧問服務之顧問費收入，於提供服務之期間確認。

(e) **銀行存款利息收入**

銀行存款利息收入使用實際利率法按時間比例確認。

(f) **租金收入**

租金收入於租期內以直線法確認。

3.24 經營租賃 (作為承租人)

經營租賃指擁有權之絕大部分風險及回報仍屬出租人所有之租賃。根據經營租賃支付之租金 (扣除出租人所給予之優惠後) 以直線法按租期自綜合損益表扣除。倘租賃款項其中某部分並非固定而是按某項因素 (時間流逝除外，如銷售額百分比或特許經營費) 之未來款項計算，則該款項將於產生時確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.25 Dividend 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.

4 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, cash flow and fair value interest rate risks, commodity price risk, credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to manage certain risk exposures. The use of financial derivatives to hedge certain risk exposures is governed by the Board of Directors of the Company.

(i) Foreign exchange risk

The Group mainly operates in Hong Kong with most of the transactions settled in HK\$. The Group also has retail and wholesale operations in Mainland China, Macau, Canada, the United States, Australia, Malaysia and Singapore. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk from various currency exposures, primarily with respect to Renminbi ("RMB").

3 主要會計政策概要 (續)

3.25 股息分派

向本公司股東分派之股息，在股息獲本公司股東或董事（視適用情況而定）批准之期間內，於本集團財務報表確認為負債。

4 財務風險管理

(a) 財務風險因素

本集團業務承受各種財務風險，包括外匯風險、現金流量及公允價值利率風險、商品價格風險、信貸風險及流動資金風險。

本集團的整體風險管理計劃專注於金融市場難以預測之特性，並尋求盡量減低對本集團財務表現之潛在不利影響。本集團利用衍生金融工具管理若干風險。使用衍生金融工具對沖若干風險受本公司董事會規管。

(i) 外匯風險

本集團主要於香港經營業務，且大部分交易以港元結算。本集團在中國內地、澳門、加拿大、美國、澳大利亞、馬來西亞及新加坡亦有零售及批發業務。外匯風險來自以非實體功能貨幣的貨幣計值之未來商業交易或已確認資產或負債。本集團面對多種貨幣的外匯風險，主要與人民幣（「人民幣」）有關。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures. The Group also use foreign exchange derivative contracts to manage their foreign exchange risk arising from future commercial transactions and recognised asset or liabilities denominated in a currency that is not the group companies' functional currency, preliminary with respect to RMB.

The Group's assets and liabilities, and transactions arising from its operations primarily do not expose the Group to material foreign exchange risk. The Group's assets and liabilities are primarily denominated in the respective group companies' functional currency.

At 31 March 2017, if RMB had strengthened/weakened by 5% against HK\$, with all other variables held constant, post-tax profit would have been approximately HK\$315,000 (2016: HK\$1,491,000) higher/lower respectively.

(ii) Cash flow and fair value 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 except for the convertible bonds subscribed and loans to an associate which were issued at fixed rates and interest free respectively, and expose the Group to fair value interest rate risk. The Group's interest rate risk also arises from bank borrowings and gold loans. Bank borrowings at variable rate expose the Group to cash flow interest-rate risk. Gold loans at fixed rates expose the Group to fair value interest-rate risk. The Group does not enter into derivatives to address these risks.

At 31 March 2017, the Group does not enter into any bank borrowings.

4 財務風險管理 (續)

(a) 財務風險因素 (續)

(i) 外匯風險 (續)

本集團透過定期檢討本集團的外匯風險淨額管理其外匯風險。本集團亦使用外匯衍生合約管理其來自未來商業交易和以集團公司功能貨幣之外的貨幣(初步為人民幣)計值之已確認資產或負債的外匯風險。

本集團的資產及負債,以及其經營業務產生的交易並無導致本集團承受重大外匯風險。本集團的資產及負債主要以有關集團公司的功能貨幣計值。

於2017年3月31日,倘人民幣兌港元增值/貶值5%,而所有其他參數保持不變,除稅前溢利將相應增加/減少約315,000港元(2016年:1,491,000港元)。

(ii) 現金流量及公允價值利率風險

本集團的收入及經營現金流量大致上不受市場利率變動影響,除了已認購的可換股債券及向聯營公司出具分別為定息及免息之貸款會令本集團承受公允價值利率風險外,本集團並無重大計息資產。本集團的利率風險亦來自銀行貸款及黃金借貸。浮息銀行貸款令本集團承受現金流量利率風險。定息黃金借貸令本集團承受公允價值利率風險。本集團並無訂立衍生工具以應付該等風險。

於2017年3月31日,本集團並無任何銀行貸款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Commodity price risk

The Group mainly engaged in the sale of gold ornaments. The gold markets are influenced by global as well as regional supply and demand conditions. A significant decline in the prices of gold could adversely affect the Group's financial performance. The Group manages commodity price risks mainly by hedging gold price fluctuations through certain derivative financial instrument-trading of gold contracts and gold loans contracts. Should the gold price go up, the Group would charge a loss representing the increase in gold price compared to the contract price, and largely net against the increase in turnover of gold products as a result of gold price increase.

The gold contracts are settled on daily basis and the differences between the contract price and market price are immediately recognised in the consolidated income statement. As at 31 March 2017, the notional value of the outstanding gold contracts amounted to HK\$168,192,000 (2016: HK\$166,148,000).

The gold loans (Note 33) are settled at maturity which usually mature in 1 to 6 months from date of inception and the fair value changes are immediately recognised in the consolidated income statement. As at 31 March 2017, gold loan contracts of 1,410 kilograms (2016: 780 kilograms) amounted to HK\$437,151,000 (2016: HK\$234,649,000) are outstanding and involved physical settlement. As at 31 March 2016, notional value of outstanding gold loan contracts amounted to HK\$76,043,000 involved cash settlement.

At 31 March 2017, if the market price of gold had increased or decreased by 5%, post-tax profit for the year ended 31 March 2017, due to changes in fair values of gold contracts, would have been approximately HK\$8,410,000 (2016: HK\$8,307,000) lower or higher respectively.

4 財務風險管理 (續)

(a) 財務風險因素 (續)

(iii) 商品價格風險

本集團主要從事黃金首飾銷售之業務。黃金市場受全球以及地區供求狀況影響。黃金價格大幅下跌可能對本集團之財務表現造成不利影響。本集團主要透過使用若干黃金買賣合約衍生金融工具及黃金借貸合約對沖黃金價格波動以管理商品價格風險。倘黃金價格上升，本集團將扣除之虧損相當於黃金價格相較合約價之升幅，其中大部分為因黃金價格上升導致黃金產品營業額增加所抵銷。

黃金合約按日結算。合約價及市場價格之差額乃即時於綜合損益表內確認。於2017年3月31日，未平倉黃金合約之名義價值為168,192,000港元（2016年：166,148,000港元）。

黃金借貸（附註33）在到期（大多為開始日期後一至六個月到期）時結算，公允價值變動即時於綜合損益表中確認。於2017年3月31日，價值437,151,000港元（2016年：234,649,000港元）之1,410千克（2016年：780千克）黃金借貸合約屬未平倉且涉及實物交割。於2016年3月31日，尚未平倉黃金借貸合約之名義價值為76,043,000港元，涉及現金交割。

於2017年3月31日，倘黃金之市場價格上升或下跌5%，則因黃金合約之公允價值變動導致截至2017年3月31日止年度之除稅後溢利分別減少或增加約8,410,000港元（2016年：8,307,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Commodity price risk (Continued)

At 31 March 2017, if the market price of gold had increased or decreased by 5%, post-tax profit for the year ended 31 March 2017, due to changes in fair values of gold loans, would have been approximately HK\$21,857,000 (2016: HK\$15,534,000), lower or higher respectively.

(iv) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of loans to an associate, amount due from an associate, trade and other receivables, deposits and bank balances included in the consolidated balance sheet, the principal amount of the subscribed convertible bond and the amount of contingent liabilities as disclosed in Note 36 represent the Group's maximum exposure to credit risk in relation to its financial assets and contingent liabilities.

The Group has policies in place to ensure that sales of products on credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's concessionaire sales through department stores are generally collectible within 30 days from the invoice date while credit sales are generally on credit terms within 90 days. Normally the Group does not require collaterals from trade debtors. The existing debtors have no significant defaults in the past. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible receivables, if any, has been made. The Group does not have a significant concentration of credit risk. No single customer accounted for more than 1% of the Group's total trade receivables during the year.

The deposits, trade and other receivables, subscribed convertible bond, amount due from an associate and loans to an associate are from counterparties with good credit history. There is no history of defaults from these counterparties.

4 財務風險管理 (續)

(a) 財務風險因素 (續)

(iii) 商品價格風險 (續)

於2017年3月31日，倘黃金之市場價格上升或下跌5%，則因黃金借貸之公允價值變動導致截至2017年3月31日止年度之除稅後溢利分別減少或增加約21,857,000港元（2016年：15,534,000港元）。

(iv) 信貸風險

本集團並無任何重大集中信貸風險之情況。記入綜合資產負債表內之貸款予一家聯營公司、應收一家聯營公司賬項、貿易及其他應收賬項、按金及銀行結餘之賬面值及已認購之可換股債券的本金額及附註36所披露的或然負債的金額為本集團就金融資產及或然負債面對之最高信貸風險。

本集團有既定政策確保向信貸記錄良好之客戶以信貸形式銷售產品，且本集團對客戶進行定期信用評估。本集團於百貨商場之特許銷售一般可於發票日起30日內收到貨款，而信貸銷售之信貸期一般為90日之內。本集團通常不要求貿易債務人提供擔保。現有債務人過去並無重大拖欠記錄。本集團貿易及其他應收賬項之過往收款經驗屬於記錄撥備幅度內，故董事認為，已就不可收回之應收賬項（如有）作出足夠撥備。本集團並無重大集中信貸風險。概無單一客戶佔超過本集團年內貿易應收賬款總額的1%。

按金、貿易及其他應收賬項、已認購之可換股債券、應收一家聯營公司賬項及貸款予一家聯營公司乃來自歷來信譽良好之對手方。此等對手方過往並無拖欠記錄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Credit risk (Continued)

As at 31 March 2017 and 2016, substantially all the bank balances as detailed in Note 26 are held in major financial institutions located in Hong Kong and Mainland China, which management believes are of high credit quality. The Group has a policy to limit the amount of credit exposure to any financial institution and management does not expect any losses arising from non-performance by these counterparties.

(v) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements have been for additions of and upgrades on property, plant and equipment, payment on debts, purchases and operating expenses. The Group finances its working capital requirements through a combination of internal resources and bank borrowings, as necessary.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure it maintains sufficient cash and bank balances and has available funding through adequate amount of committed credit facilities to meet its working capital requirements.

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 based on the earliest date on which the Group can be required to pay.

4 財務風險管理 (續)

(a) 財務風險因素 (續)

(iv) 信貸風險 (續)

誠如附註26所詳述，於2017年及2016年3月31日之絕大部分銀行結餘由位於香港及中國內地的大型金融機構持有，管理層認為該等金融機構的信貸質量優良。本集團採取政策限制對任何金融機構的信貸風險，且管理層預期不會出現任何因此等金融機構不履約而產生的虧損。

(v) 流動資金風險

審慎之流動資金風險管理指維持充足現金及銀行結餘，以及透過充裕之已承擔信貸融資以維持可供動用資金。

本集團之基本現金需求為添置及提升物業、廠房及設備，償還債務以及購貨及經營開支。本集團透過結合內部資源及銀行貸款（如需要）撥付其營運資金需求。

本集團之政策為定期監控目前及預期流動資金需求，以確保維持足夠之現金及銀行結餘及透過足夠之已承諾信貸融資取得備用資金，以應付其營運資金需要。

下表將本集團金融負債，根據於結算日至合約到期日期間之餘下到期日進行分析，分至有關到期日組別。表內披露之款項乃根據本集團可能被要求付款之最早日期計算之合約未貼現現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(v) Liquidity risk (Continued)

Maturity Analysis – Undiscounted cash outflows

		Within 1 year 一年內 HK\$'000 千港元	More than 1 year but less than 2 years 超過一年 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 超過兩年 但少於五年 HK\$'000 千港元	Total undiscounted cash outflows 未貼現現金 流出量總計 HK\$'000 千港元
As at 31 March 2017	於2017年3月31日				
Trade payables and other payables	貿易應付賬項及 其他應付賬項	811,958	-	-	811,958
Amount due to an associate	應付一家聯營公司賬項	1,995	-	-	1,995
		813,953	-	-	813,953
Financial guarantee contracts (Note)	財務擔保合約(附註)	764,044	-	-	764,044
As at 31 March 2016	於2016年3月31日				
Trade payables and other payables	貿易應付賬項及 其他應付賬項	685,832	-	-	685,832
Amount due to an associate	應付一家聯營公司賬項	2,235	-	-	2,235
Bank borrowings	銀行貸款	404,920	-	-	404,920
Gold loans	黃金借貸	76,702	-	-	76,702
		1,169,689	-	-	1,169,689
Financial guarantee contracts (Note)	財務擔保合約(附註)	672,845	-	-	672,845

Note:

The amount included in the above financial guarantee contracts represent the outstanding financial guarantee issued to several banks in respect of bank facilities granted to an associate of the Group as disclosed in Note 36 to the consolidated financial statements.

4 財務風險管理(續)

(a) 財務風險因素(續)

(v) 流動資金風險(續)

到期日分析 — 未貼現現金流出量

附註：

誠如綜合財務報表附註36所披露，上述財務擔保合約中的款項乃就授予本集團聯營公司的銀行融資向若干銀行發行的未償還財務擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(b) Fair value estimation

The carrying amounts of the Group's financial assets, including cash and bank balances, trade receivables, other receivables, deposits, amount due from an associate and loan to an associate and the Group's financial liabilities, including trade and other payables, amount due to an associate and bank borrowings approximate their fair values due to their maturities.

The fair values of financial instruments traded in active markets (such as gold loans) are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair values of financial assets and liabilities not traded in active markets are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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

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

4 財務風險管理 (續)

(b) 公允價值估計

本集團金融資產(包括現金及銀行結餘、貿易應收賬項、其他應收賬項、按金、應收一家聯營公司賬項及貸款予一家聯營公司)以及本集團之金融負債(包括貿易及其他應付賬項、應付一家聯營公司賬款及銀行貸款)因各自的期限,因此其賬面值與公允價值相若。

於活躍市場買賣的金融工具(如黃金借貸)的公允價值,按於結算日的市場報價計算。就本集團所持金融資產採用的市場報價為當前買入價。

未於活躍市場買賣的金融資產及負債之公允價值乃按本集團就類似金融工具可獲得之現時市場利率貼現未來合約現金流量而估計。

下表為採用估值法按公允價值列賬的金融工具的分析。已界定的不同級別如下:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(b) Fair value estimation (Continued)

The following table present the Group's financial assets that are measured at fair value at 31 March 2017.

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2017	於2017年3月31日				
Assets	資產				
- Derivative financial instruments	- 衍生金融工具				
- CGS Share Option	- 中國金銀購股權	-	-	9	9
- Convertible bond	- 可換股債券	-	48,979	-	48,979
- Available-for-sale financial assets	- 可供出售金融資產	7,690	-	-	7,690
Total assets	總資產	7,690	48,979	9	56,678

The following table present the Group's liabilities that are measured at fair value at 31 March 2017.

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities	負債				
- Gold loans with physical settlement	- 實物交割黃金借貸	437,151	-	-	437,151

4 財務風險管理 (續)

(b) 公允價值估計 (續)

下表呈列本集團於2017年3月31日按公允價值計量的金融資產。

下表呈列本集團於2017年3月31日按公允價值計量的負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(b) Fair value estimation (Continued)

The following table present the Group's financial assets and liabilities that are measured at fair value at 31 March 2016.

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2016	於2016年3月31日				
Assets	資產				
– Derivative financial instruments	– 衍生金融工具				
– CGS Share Option	– 中國金銀購股權	–	–	9	9
– Convertible bond	– 可換股債券	–	46,135	–	46,135
– Available-for-sale financial assets	– 可供出售金融資產	8,767	–	–	8,767
Total assets	總資產	8,767	46,135	9	54,911
Liabilities	負債				
– Gold loans with cash settlement	– 現金交割黃金借貸	76,043	–	–	76,043

The following table presents the Group's liabilities that are measured at fair value at 31 March 2016.

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities	負債				
– Gold loans with physical settlement	– 實物交割黃金借貸	234,649	–	–	234,649

The Group's policy is to recognise transfer into and transfer out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfer between levels 1, 2 and 3 during the year ended 31 March 2016 and 2017.

4 財務風險管理 (續)

(b) 公允價值估計 (續)

下表呈列本集團於2016年3月31日按公允價值計量的金融資產及負債。

下表呈列本集團於2016年3月31日按公允價值計量的負債。

本集團的政策是於導致轉撥之事件發生或情況改變之日確認有關公允價值層次轉入和轉出。

截至2016年及2017年3月31日止年度內，第一、第二級與第三級之間並無任何轉撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(c) Capital risk management

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

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, issue of new shares or obtain new bank borrowings.

The Group also monitors capital on the basis of gearing ratio. The gearing ratio is calculated as net (cash)/debt divided by total capital. Net (cash)/debt is calculated as total borrowings (including bank borrowings and gold loans) less cash and bank balances. Total capital is calculated as "equity", as shown in the consolidated balance sheet, plus net (cash)/debt.

The table below analyses the Group's capital structure as at 31 March 2017:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Bank borrowings (Note 32)	銀行貸款 (附註32)	—	400,000
Gold loans (Note 33)	黃金借貸 (附註33)	437,151	310,692
Less: Cash and bank balances (Note 26)	減：現金及銀行結餘 (附註26)	(1,861,774)	(2,432,185)
Net cash	淨現金	(1,424,623)	(1,721,493)
Total equity	權益總額	8,979,940	8,768,919
Total capital	總資本	7,555,317	7,047,426
Gearing ratio	負債資產比率	N/A 不適用	N/A 不適用

4 財務風險管理 (續)

(c) 資本風險管理

本集團管理資本的目標為保障本集團持續運作的能力，從而為股東提供回報、為其他利益相關者提供利益以及保持理想的資本架構以減低資本成本。

本集團管理資本架構，並因應經濟環境的變動作出調整。為保持或調整資本架構，本集團可調整支付予股東的股息、發行新股或獲得新的銀行貸款。

本集團亦以負債資產比率監察其資本。負債資產比率是以淨（現金）／債項除以總資本計算。淨（現金）／債項是以貸款總額（包括銀行貸款及黃金借貸）減現金及銀行結餘計算得出。總資本乃以「權益」（如綜合資產負債表所示）加淨（現金）／債項計算得出。

本集團於2017年3月31日之資本架構分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(c) Capital risk management (Continued)

As at 31 March 2016 and 31 March 2017, the Group maintained a net cash position of HK\$1,424,623,000 (2016: HK\$1,721,493,000).

The Group's strategy is to maintain a solid capital base to support the operations and development of its business in the long term.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(a) 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 cycle. Management reassesses these estimates at each balance sheet date.

4 財務風險管理 (續)

(c) 資本風險管理 (續)

於2016年3月31日及2017年3月31日，本集團維持1,424,623,000港元（2016年：1,721,493,000港元）的淨現金狀態。

本集團的策略為維持穩定的資本基礎，以為其營運及業務發展提供長期支持。

5 關鍵會計估計及判斷

在編製財務報表時所採用之估計及判斷，乃按過往經驗及其他因素（包括根據不同情況對未來事件作出之合理預計）不斷作出評估。所得會計估算按其定義，甚少會與相關實際結果相等。下文討論有重大風險導致下一財政年度資產及負債之賬面值須作出重大調整之估計及假設。

(a) 存貨

存貨的可變現淨值為日常業務中的估計售價扣除估計完工成本及銷售開支後的數額。此等估計乃根據現時市況及生產與出售類似性質產品的過往經驗而作出，並可因顧客喜好的轉變及競爭對手在嚴峻的行業週期所作的行動而有重大差異。管理層於各結算日重新評估此等估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Impairment of investments in subsidiaries, associates and non-financial assets

Investments in subsidiaries, investments in associates and non-financial assets including property, plant and equipment and land use rights, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of asset can be supported by its recoverable amount, being the higher of fair value less costs to sell and the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's reported financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated income statement.

5 關鍵會計估計及判斷 (續)

(b) 於附屬公司、聯營公司之投資及非金融資產的減值

倘出現事件或情況變動顯示於附屬公司之投資、於聯營公司之投資及非金融資產(包括物業、廠房及設備及土地使用權)賬面值可能無法收回,則須檢討減值。可收回數額乃根據使用值計算或按公允價值減出售成本而釐定。此等計算須運用判斷及估計。

釐定資產減值須運用管理層判斷,尤其為評估:(i) 是否已出現顯示有關資產值可能無法收回的事件;(ii) 其可收回數額(即公允價值減出售成本後的數額及估計繼續在業務中使用資產所帶來的未來現金流量現值淨額兩者的較高者)可否支持資產賬面值;及(iii) 現金流量預測所用的適當主要假設,包括此等現金流量預測是否以適當利率貼現。管理層所挑選用作評估減值的假設(包括貼現率或現金流量預測所用的增長率假設)若有變動,可能會對減值檢測所用現值淨額帶來重大影響,從而影響本集團所呈報的財務狀況及經營業績。倘預計表現及有關未來現金流量預測出現重大不利變動,則可能須在綜合損益表中扣除減值開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Current and deferred income taxes

The Group is subject to income taxes in Hong Kong, Mainland China and other jurisdictions. Judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such as differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. Deferred income tax liabilities relating to undistributed profit of those subsidiaries in Mainland China are recognised based on the undistributed profit of those subsidiaries in Mainland China generated since 1 January 2008 which is expected to be distributed in the foreseeable future. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and liabilities and taxation charges in the period in which such estimate is changed.

5 關鍵會計估計及判斷 (續)

(c) 即期及遞延所得稅

本集團須繳納香港、中國內地及其他司法權區的所得稅。釐定各司法權區的所得稅撥備時，需作出判斷。在日常業務中有若干未能確定最終稅項的交易及計算。倘此等事宜的最終稅務結果有別於最初記錄的數額，則有關差額會影響釐定有關數額期間的所得稅及遞延所得稅撥備。

與若干暫時差異及稅項虧損有關之遞延所得稅資產，按管理層認為未來有可能出現應課稅溢利可用作抵銷該等暫時差異或稅項虧損而確認。與中國內地附屬公司之未分派溢利有關之遞延所得稅負債乃按自2008年1月1日起中國內地附屬公司所產生並預期將於可見將來分派之未分派溢利確認。當預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內，影響遞延所得稅資產及負債與所得稅費用之確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 SEGMENT INFORMATION

The chief operating decision-makers ("CODM") have been identified as the executive directors and senior management collectively. The CODM review the Group's internal reporting in order to assess performance and allocate resources. The operating segments are reported in accordance with the internal reporting reviewed by the CODM.

CODM consider the business by nature of business activities and assess the performance of the following operating segments:

- i. Retailing – Hong Kong, Macau and overseas
- ii. Retailing – Mainland China
- iii. Wholesaling – Hong Kong
- iv. Wholesaling – Mainland China
- v. Licensing

CODM assess the performance of the operating segments based on segment results. Finance income and costs, corporate income and expenses and share of results of associates are not included in the results for each operating segment that is reviewed by the CODM. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

Assets of reportable segments exclude interests in associates, certain land and buildings, investment properties, deferred income tax assets and corporate assets, all of which are managed on a central basis.

Sales to external customers are stated after elimination of inter-segment sales. Sales between segments are carried out at mutually agreed terms. The revenue from external parties, assets and liabilities, reported to the CODM is measured in a manner consistent with that in the consolidated income statement and balance sheet.

6 分部資料

執行董事及高級管理層獲指定為共同最高營運決策者（「最高營運決策者」）。最高營運決策者通過審閱本集團之內部報告評估業績表現及分配資源。本集團根據最高營運決策者審閱之內部報告匯報經營分部。

最高營運決策者按業務活動性質研究業務發展及評估下列各經營分部之表現，即：

- i. 零售－香港、澳門及海外
- ii. 零售－中國內地
- iii. 批發－香港
- iv. 批發－中國內地
- v. 品牌業務

最高營運決策者根據分部業績評估經營分部表現。最高營運決策者審閱之各經營分部業績並未包括財務收入及費用、公司收入及開支以及應佔聯營公司業績。向最高營運決策者提供之其他資料所採用計量方法與綜合財務報表一致。

可呈報分部資產不包括於聯營公司之權益、若干土地及樓宇、投資物業、遞延所得稅資產以及公司資產，全部均為集中管理。

對外客戶銷售已抵銷分部間銷售。分部間銷售按相互協定條款進行。向最高營運決策者所呈報之外來客戶收入以及資產與負債所採納計量方法與綜合損益表及資產負債表一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 SEGMENT INFORMATION (Continued)

6 分部資料 (續)

Year ended 31 March 2017

截至2017年3月31日止年度

		Retailing – Hong Kong, Macau and overseas 零售 – 香港、 澳門及海外 HK\$'000 千港元	Retailing – Mainland China 零售 – 中國內地 HK\$'000 千港元	Wholesaling – Hong Kong 批發 – 香港 HK\$'000 千港元	Wholesaling – Mainland China 批發 – 中國內地 HK\$'000 千港元	Licensing 品牌業務 HK\$'000 千港元	Inter- segment elimination 分部間對銷 HK\$'000 千港元	Reportable segments Total 可呈報 分部總計 HK\$'000 千港元
Revenue	收入							
Sales to external customers	對外客戶銷售	7,959,286	1,659,391	117,712	1,958,559	–	–	11,694,948
Sales of scrap gold and platinum	銷售黃金及鉑金廢料	–	–	596,188	–	–	–	596,188
		7,959,286	1,659,391	713,900	1,958,559	–	–	12,291,136
Inter-segment sales	分部間銷售	196,922	81,502	2,011,307	432,471	–	(2,722,202)	–
Sales of merchandises	銷售商品	8,156,208	1,740,893	2,725,207	2,391,030	–	(2,722,202)	12,291,136
Royalty and service income	品牌及服務費收入	–	–	–	–	502,332	–	502,332
Consultancy fee income	顧問費收入	–	–	–	–	13,809	–	13,809
Total	總計	8,156,208	1,740,893	2,725,207	2,391,030	516,141	(2,722,202)	12,807,277
Results of reportable segments	可呈報分部業績	512,408	177,613	135,229	303,662	290,384	–	1,419,296
A reconciliation of results of reportable segments to profit for the year is as follows:	可呈報分部業績與 年內溢利對賬如下：							
Results of reportable segments	可呈報分部業績							1,419,296
Unallocated income	未分配收入							69,002
Unallocated expenses	未分配開支							(198,981)
Operating profit	經營溢利							1,289,317
Finance income	財務收入							23,982
Finance costs	財務費用							(9,011)
Share of results of associates	應佔聯營公司業績							(54,273)
Profit before income tax	除所得稅前溢利							1,250,015
Income tax expenses	所得稅開支							(223,047)
Profit for the year	年內溢利							1,026,968
Non-controlling interests	非控股權益							(10,130)
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利							1,016,838

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 SEGMENT INFORMATION (Continued)

6 分部資料 (續)

Year ended 31 March 2017

截至2017年3月31日止年度

	Retailing – Hong Kong, Macau and overseas 零售 – 香港、 澳門及海外 HK\$'000 千港元	Retailing – Mainland China 零售 – 中國內地 HK\$'000 千港元	Wholesaling – Hong Kong 批發 – 香港 HK\$'000 千港元	Wholesaling – Mainland China 批發 – 中國內地 HK\$'000 千港元	Licensing 品牌業務 HK\$'000 千港元	Inter- segment elimination 分部間對銷 HK\$'000 千港元	Reportable segments Total 可呈報 分部總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Depreciation of property, plant and equipment 物業、廠房及設備折舊	(54,054)	(17,102)	(4,261)	(11,245)	(7,112)	–	(93,774)	(28,481)	(122,255)
Amortisation of land use rights 土地使用權攤銷	–	–	–	(423)	(7,562)	–	(7,985)	(310)	(8,295)
Depreciation of investment properties 投資物業折舊	–	–	–	–	–	–	–	(942)	(942)
Additions of non-current assets 非流動資產添置	43,617	26,562	369	6,568	2,896	–	80,012	88,221	168,233

As at 31 March 2017

於2017年3月31日

	Retailing – Hong Kong, Macau and overseas 零售 – 香港、 澳門及海外 HK\$'000 千港元	Retailing – Mainland China 零售 – 中國內地 HK\$'000 千港元	Wholesaling – Hong Kong 批發 – 香港 HK\$'000 千港元	Wholesaling – Mainland China 批發 – 中國內地 HK\$'000 千港元	Licensing 品牌業務 HK\$'000 千港元	Inter- segment elimination 分部間對銷 HK\$'000 千港元	Reportable segments Total 可呈報 分部總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets including intercompany balances 分部資產 包括內部往來	6,361,957	1,673,504	682,328	2,151,384	430,868	(1,825,863)	9,474,178		9,474,178
Inter-segment elimination 分部間對銷	(1,740,093)	(85,770)	–	–	–	1,825,863	–		–
Segment assets 分部資產	4,621,864	1,587,734	682,328	2,151,384	430,868	–	9,474,178		9,474,178
Interests in associates 於聯營公司之權益								85,012	85,012
Land and buildings 土地及樓宇								325,306	325,306
Investment properties 投資物業								35,020	35,020
Deferred income tax assets 遞延所得稅資產								45,954	45,954
Income tax recoverable 可收回所得稅								2,956	2,956
Other unallocated assets 其他未分配資產								710,824	710,824
Total assets 總資產									10,679,250

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 SEGMENT INFORMATION (Continued)

6 分部資料 (續)

As at 31 March 2017

於2017年3月31日

		Retailing - Hong Kong, Macau and overseas 零售 - 香港、 澳門及海外 HK\$'000 千港元	Retailing - Mainland China 零售 - 中國內地 HK\$'000 千港元	Wholesaling - Hong Kong 批發 - 香港 HK\$'000 千港元	Wholesaling - Mainland China 批發 - 中國內地 HK\$'000 千港元	Licensing 品牌業務 HK\$'000 千港元	Inter-segment elimination 分部間對銷 HK\$'000 千港元	Reportable segments Total 可呈報 分部總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment liabilities including intercompany balances	分部負債 包括內部往來	(247,615)	(37,506)	(1,899,967)	(264,834)	(295,745)	1,825,863	(919,804)		(919,804)
Inter-segment elimination	分部間對銷	-	-	1,740,093	85,770	-	(1,825,863)	-		-
Segment liabilities	分部負債	(247,615)	(37,506)	(159,874)	(179,064)	(295,745)	-	(919,804)		(919,804)
Deferred income tax liabilities	遞延所得稅負債								(81,670)	(81,670)
Current income tax liabilities	即期所得稅負債								(150,076)	(150,076)
Gold loans	黃金借貸								(437,151)	(437,151)
Other unallocated liabilities	其他未分配負債								(110,609)	(110,609)
Total liabilities	總負債									(1,699,310)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 SEGMENT INFORMATION (Continued)

6 分部資料 (續)

Year ended 31 March 2016

截至2016年3月31日止年度

		Retailing – Hong Kong, Macau and overseas 零售 – 香港、 澳門及海外 HK\$'000 千港元	Retailing – Mainland China 零售 – 中國內地 HK\$'000 千港元	Wholesaling – Hong Kong 批發 – 香港 HK\$'000 千港元	Wholesaling – Mainland China 批發 – 中國內地 HK\$'000 千港元	Licensing 品牌業務 HK\$'000 千港元	Inter- segment elimination 分部間對銷 HK\$'000 千港元	Reportable segments Total 可呈報 分部總計 HK\$'000 千港元
Revenue	收入							
Sales to external customers	對外客戶銷售	9,628,905	1,311,807	32,992	2,072,051	–	–	13,045,755
Sales of scrap gold and platinum	銷售黃金及鉑金廢料	–	–	457,654	–	–	–	457,654
		9,628,905	1,311,807	490,646	2,072,051	–	–	13,503,409
Inter-segment sales	分部間銷售	240,243	8,238	2,085,531	274,428	–	(2,608,440)	–
Sales of merchandises	銷售商品	9,869,148	1,320,045	2,576,177	2,346,479	–	(2,608,440)	13,503,409
Royalty and service income	品牌及服務費收入	–	–	–	–	511,177	–	511,177
Consultancy fee income	顧問費收入	–	–	–	–	16,716	–	16,716
Total	總計	9,869,148	1,320,045	2,576,177	2,346,479	527,893	(2,608,440)	14,031,302
Results of reportable segments	可呈報分部業績	642,129	79,516	86,567	195,070	297,797	–	1,301,079
A reconciliation of results of reportable segments to profit for the year is as follows:		可呈報分部業績與年內溢利對賬如下：						
Results of reportable segments	可呈報分部業績							
Unallocated income	未分配收入							1,301,079
Unallocated expenses	未分配開支							67,192
								(156,119)
Operating profit	經營溢利							1,212,152
Finance income	財務收入							41,725
Finance costs	財務費用							(13,689)
Share of results of associates	應佔聯營公司業績							(79,103)
Profit before income tax	除所得稅前溢利							1,161,085
Income tax expenses	所得稅開支							(199,631)
Profit for the year	年內溢利							961,454
Non-controlling interests	非控股權益							(2,762)
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利							958,692

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 SEGMENT INFORMATION (Continued)

6 分部資料 (續)

Year ended 31 March 2016

截至2016年3月31日止年度

		Retailing – Hong Kong, Macau and overseas 零售 – 香港、 澳門及海外 HK\$'000 千港元	Retailing – Mainland China 零售 – 中國內地 HK\$'000 千港元	Wholesaling – Hong Kong 批發 – 香港 HK\$'000 千港元	Wholesaling – Mainland China 批發 – 中國內地 HK\$'000 千港元	Licensing 品牌業務 HK\$'000 千港元	Inter- segment elimination 分部間對銷 HK\$'000 千港元	Reportable segments Total 可呈報 分部總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(59,524)	(16,022)	(4,522)	(11,727)	(7,283)	–	(99,078)	(28,464)	(127,542)
Amortisation of land use rights	土地使用權攤銷	–	–	–	(445)	(6,931)	–	(7,376)	(326)	(7,702)
Depreciation of investment properties	投資物業折舊	–	–	–	–	–	–	–	(744)	(744)
Additions of non-current assets	非流動資產添置	46,969	26,797	416	8,785	14,152	–	97,119	15,661	112,780

As at 31 March 2016

於2016年3月31日

		Retailing – Hong Kong, Macau and overseas 零售 – 香港、 澳門及海外 HK\$'000 千港元	Retailing – Mainland China 零售 – 中國內地 HK\$'000 千港元	Wholesaling – Hong Kong 批發 – 香港 HK\$'000 千港元	Wholesaling – Mainland China 批發 – 中國內地 HK\$'000 千港元	Licensing 品牌業務 HK\$'000 千港元	Inter- segment elimination 分部間對銷 HK\$'000 千港元	Reportable segments Total 可呈報 分部總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets including intercompany balances	分部資產包括 內部往來	5,842,188	1,489,006	742,357	1,923,297	503,053	(1,611,496)	8,888,405		8,888,405
Inter-segment elimination	分部間對銷	(1,474,222)	(137,274)	–	–	–	1,611,496	–		–
Segment assets	分部資產	4,367,966	1,351,732	742,357	1,923,297	503,053	–	8,888,405		8,888,405
Interests in associates	於聯營公司之權益								154,531	154,531
Land and buildings	土地及樓宇								282,957	282,957
Investment properties	投資物業								24,617	24,617
Deferred income tax assets	遞延所得稅資產								36,770	36,770
Income tax recoverable	可收回所得稅								20,155	20,155
Other unallocated assets	其他未分配資產								1,222,064	1,222,064
Total assets	總資產									10,629,499
Segment liabilities including intercompany balances	分部負債包括 內部往來	(198,364)	(56,873)	(1,584,007)	(286,390)	(293,342)	1,611,496	(807,480)		(807,480)
Inter-segment elimination	分部間對銷	–	–	1,474,222	137,274	–	(1,611,496)	–		–
Segment liabilities	分部負債	(198,364)	(56,873)	(109,785)	(149,116)	(293,342)	–	(807,480)		(807,480)
Deferred income tax liabilities	遞延所得稅負債								(79,892)	(79,892)
Current income tax liabilities	即期所得稅負債								(151,384)	(151,384)
Bank borrowing	銀行借貸								(400,000)	(400,000)
Gold loans	黃金借貸								(310,692)	(310,692)
Other unallocated liabilities	其他未分配負債								(111,132)	(111,132)
Total liabilities	總負債									(1,860,580)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 SEGMENT INFORMATION (Continued)

The Group's revenues are mainly derived from Hong Kong customers, Mainland China visitors to Hong Kong and Macau and Mainland China customers. An analysis of the Group's revenue by location in which the transaction took place is as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Revenue	收入		
Hong Kong	香港	6,940,960	8,218,304
Mainland China	中國內地	4,134,091	3,911,751
Macau and overseas	澳門及海外	1,732,226	1,901,247
		12,807,277	14,031,302

An analysis of the Group's non-current assets (other than deferred income tax assets, available-for-sale financial assets, derivative financial instrument, rental deposits and prepayment and loan to an associate) by location of assets is as follows:

6 分部資料 (續)

本集團之收入主要來自香港之客戶、於香港及澳門之中國內地旅客及中國內地之客戶。按交易進行之地點劃分之本集團收入分析如下：

按資產所在地劃分之本集團非流動資產（不包括遞延所得稅資產、可供出售金融資產、衍生金融工具、租金按金及預付賬項及貸款予一家聯營公司）分析如下：

		2017				2016			
		Hong Kong 香港 HK\$'000 千港元	Mainland China 中國內地 HK\$'000 千港元	Macau and overseas 澳門及海外 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Mainland China 中國內地 HK\$'000 千港元	Macau and overseas 澳門及海外 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	337,835	199,791	26,644	564,270	371,080	214,168	18,630	603,878
Land use rights	土地使用權	-	247,781	-	247,781	-	215,245	-	215,245
Investment properties	投資物業	16,399	18,621	-	35,020	16,835	7,782	-	24,617
Interests in associates	於聯營公司之權益	85,012	-	-	85,012	154,531	-	-	154,531
Trading licence	交易執照	1,080	-	-	1,080	1,080	-	-	1,080
		440,326	466,193	26,644	933,163	543,526	437,195	18,630	999,351

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 OTHER INCOME

7 其他收入

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Government subsidies	政府補貼		
– Value-added tax refund (Note i)	– 增值稅退款 (附註i)	105,157	68,884
– other subsidies (Note ii)	– 其他補貼 (附註ii)	35,370	43,879
Rental income	租金收入	4,762	6,850
Others	其他	30,305	19,680
		175,594	139,293

Notes:

- (i) This represents refund from the tax authority in Mainland China; the amount of refund is based on 13% of the cost of the imported diamonds. The Group is entitled to the refund as it is a member of the Shanghai Diamond Exchange and the diamonds are imported through the Shanghai Diamond Exchange.
- (ii) This represents subsidies from a municipal government in Mainland China.

附註：

- (i) 此為來自中國內地稅務機關之退款，退款金額按進口鑽石成本13%計算。由於本集團為上海鑽石交易所之成員，而鑽石亦透過上海鑽石交易所進口，故本集團有權獲退款。
- (ii) 此為中國內地市政府發放之補貼。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 OPERATING PROFIT

The operating profit is stated after charging the following:

8 經營溢利

經營溢利扣除以下各項載列如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cost of sales (Note (i) & (ii))	銷售成本（附註(i)及(ii)）		
– cost of inventories sold	– 已售存貨成本	9,322,365	10,554,456
– cost of licensing business	– 品牌業務成本	207,851	222,735
		9,530,216	10,777,191
Staff costs (including the directors' emoluments) (Note (ii))	員工成本（包括董事酬金）（附註(ii)）	737,794	716,258
Operating lease	經營租賃		
– minimum lease payments	– 最低租賃付款	645,875	647,484
– contingent rents	– 或然租金	148,980	134,865
Commission expenses to credit card companies	支付信用卡公司之佣金開支	95,300	111,797
Depreciation of property, plant and equipment (Note 16)	物業、廠房及設備折舊（附註16）	122,255	127,542
Depreciation of investment properties (Note 18)	投資物業折舊（附註18）	942	744
Amortisation of land use rights (Note 17)	土地使用權攤銷（附註17）	8,295	7,702
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,966	994
Auditor's remuneration	核數師酬金		
– Audit services	– 審核服務	5,353	5,145
– Non-audit services	– 非審核服務	926	854

Notes

附註

(i): Staff costs (including directors' emoluments) of HK\$284,915,000 (2016: HK\$276,263,000) are included in cost of sales.

(i)：員工成本（包括董事酬金）284,915,000港元（2016年：276,263,000港元）計入銷售成本。

(ii): Breakdown of total staff costs are as follows:

(ii)：員工成本總額分析如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Basic salaries, wages, bonus and allowance	基本薪金、薪資、花紅及津貼	955,930	927,340
Pension costs – defined contribution plans (Note 14)	退休金成本—定額供款計劃（附註14）	65,543	62,039
Long service payment (Note 31)	長期服務金（附註31）	1,236	3,142
		1,022,709	992,521

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 OTHER LOSSES, NET

9 其他虧損，淨額

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Net realised losses on derivative financial instruments	衍生金融工具之已變現虧損淨額	(2,044)	(6,716)
Fair value losses on derivative financial instruments	衍生金融工具之公允值虧損	–	(5,225)
Fair value gains/(losses) on convertible bond (Note 21)	可換股債券之公允值收益／(虧損) (附註21)	2,844	(20,600)
Net realised losses on gold loans	黃金借貸之已變現虧損淨額	(14,815)	(3,577)
Net unrealised losses on gold loans (Note 33)	黃金借貸之未變現虧損淨額 (附註33)	(9,716)	(4,029)
Net realised losses on foreign exchange forward contracts	外匯遠期合約之已變現虧損淨額	–	(12,650)
Realised gain on gold forward contract	黃金遠期合約之已變現收益	2,943	–
Net exchange gains	匯兌收益淨額	7,013	2,126
		(13,775)	(50,671)

10 FINANCE INCOME, NET

10 財務收入，淨額

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Finance income:	財務收入：		
– Bank interest income	– 銀行利息收入	17,951	35,862
– Effective interest income on the loan to an associate	– 貸款予一家聯營公司之實際利息收入	3,919	3,751
– Interest income on the convertible bond	– 可換股債券之利息收入	1,712	1,712
– Interest income on the loan to an associate	– 貸款予一家聯營公司之利息收入	400	400
		23,982	41,725
Finance costs:	財務成本：		
– Interest expenses on bank borrowings	– 銀行貸款之利息開支	(803)	(12,257)
– Interest expenses on gold loans	– 黃金借貸之利息開支	(8,208)	(1,432)
		(9,011)	(13,689)
Finance income, net	財務收入，淨額	14,971	28,036

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX EXPENSES

Hong Kong profits tax has been provided for at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

11 所得稅開支

香港利得稅乃按照本年度估計應課稅溢利按稅率16.5% (2016年：16.5%) 計提撥備。海外溢利之稅項乃就本年度估計應課稅溢利按本集團業務所在國家當時稅率計算。

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current taxation:	即期稅項：		
– Hong Kong profits tax	– 香港利得稅	80,047	91,355
– Overseas taxation	– 海外稅項	149,710	122,797
– Under/(over)-provision in prior years	– 過往年度撥備不足／(過度)	696	(247)
Deferred income tax (Note 30)	遞延所得稅 (附註30)	(7,406)	(14,274)
		223,047	199,631

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the tax weighted average tax rate applicable to the profits of the consolidated entities as follows:

本集團除所得稅前溢利之稅項與使用適用於合併實體溢利的加權平均稅率計算之理論稅項差異如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	1,250,015	1,161,085
Add: Share of results of associates	加：應佔聯營公司業績	54,273	79,103
		1,304,288	1,240,188
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	按適用於各司法權區溢利的當地稅率計算之稅項	210,136	200,014
Income not subject to taxation	毋須課稅之收入	(10,698)	(10,837)
Expenses not deductible for taxation purposes	不可扣稅之支出	3,684	10,311
Under/(over)-provision in prior years	過往年度撥備不足／(過度)	696	(247)
Tax losses of which no deferred tax asset is recognised	未確認遞延稅項資產之稅項虧損	6,592	7,514
Utilisation of previously unrecognised tax losses	動用以往未確認稅項虧損	(248)	(8)
Withholding tax on undistributed profit of those subsidiaries in Mainland China	中國內地附屬公司未分派溢利之預扣稅	12,885	(7,116)
		223,047	199,631

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$1,016,838,000 (2016: HK\$958,692,000) and the weighted average number of 587,107,850 (2016: 588,636,276) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 March 2017 and 2016 is the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years.

12 每股盈利

每股基本盈利乃根據本公司權益持有人應佔本集團溢利1,016,838,000港元(2016年: 958,692,000港元)及年內已發行普通股之加權平均數587,107,850股(2016年: 588,636,276股)計算。

由於年內並無已發行具潛在攤薄效應的普通股，故截至2017年及2016年3月31日止年度之每股攤薄盈利與每股基本盈利相同。

13 DIVIDENDS

13 股息

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
2016/17 interim dividend, paid, of HK\$0.29 (2015/16 interim dividend: HK\$0.315) per ordinary share	已付2016/17年度中期股息每股普通股0.29港元(2015/16年度中期股息: 0.315港元)	170,261	185,569
2016/17 special dividend, paid, of HK\$0.26 (2015/16 special dividend: HK\$0.235) per ordinary share	已付2016/17年度特別股息每股普通股0.26港元(2015/16年度特別股息: 0.235港元)	152,648	138,440
		322,909	324,009
2016/17 final dividend, proposed, of HK\$0.40 (2015/16 final dividend: HK\$0.34) per ordinary share (Note)	擬派2016/17年度末期股息每股普通股0.40港元(2015/16年度末期股息: 0.34港元)(附註)	234,843	199,617
2016/17 special dividend, proposed, of HK\$0.15 (2015/16 special dividend: HK\$0.21) per ordinary share (Note)	擬派2016/17年度特別股息每股普通股0.15港元(2015/16年度特別股息: 0.21港元)(附註)	88,066	123,292
		322,909	322,909

Note:

At a meeting held on 29 June 2017, the directors recommended the payment of a final dividend of HK\$0.40 per ordinary share and a special dividend of HK\$0.15 per ordinary share, totalling HK\$0.55 per ordinary share. Such dividend is to be approved by the shareholders at the Annual General Meeting of the Company on 23 August 2017. This proposed dividend is not reflected as dividends payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2018.

附註:

於2017年6月29日舉行之會議上，董事建議派付末期股息每股普通股0.40港元及特別股息每股普通股0.15港元，合共每股普通股0.55港元。有關股息須待股東在本公司於2017年8月23日舉行之股東週年大會批准。此等擬派股息並無在此等財務報表中列作應付股息，惟將反映為截至2018年3月31日止年度之保留盈利分配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 RETIREMENT BENEFIT COSTS

14 退休福利成本

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Net contributions to pension plans charged to the consolidated income statement	於綜合損益表中扣除之 退休金計劃供款淨額	65,543	62,039

The expense is recognised in the following line items in the consolidated income statement:

有關開支乃於綜合損益表之以下項目確認：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cost of sales	銷售成本	23,896	22,989
Selling and distribution costs	銷售及分銷費用	38,340	36,029
Administrative expenses	行政費用	3,307	3,021
		65,543	62,039

The Group's net contributions to pension plans are mainly for employees in Hong Kong and Mainland China. Summary of the pension plans are as follows:

本集團之退休金計劃供款淨額主要為香港及中國內地僱員而設。退休金計劃概述如下：

- (i) The Group contributes to an MPF Scheme for its employees in Hong Kong, under which the Group and each employee each makes monthly contribution to the scheme at 5% of the qualifying earnings of the employee, subject to a maximum of HK\$1,500 (2016: HK\$1,500) per month.
- (i) 本集團為其香港僱員設立強制性公積金計劃，據此本集團及各僱員均須按僱員之合資格入息5%作每月供款，惟每月供款額上限為1,500港元（2016年：1,500港元）。
- (ii) The Group's subsidiaries in Mainland China also contributes to retirement plans for its employees in Mainland China at a percentage of their salaries in compliance with the requirements of the respective municipal governments in Mainland China. The municipal governments undertake to assume the retirement benefit obligation of all existing and future retired employees of the Group in Mainland China.
- (ii) 本集團於中國內地之附屬公司亦有遵守相關中國內地市政府之規定為其於中國內地的僱員作出為其薪金一定百分比之退休計劃供款。市政府保證承擔所有現有及未來本集團於中國內地僱員之退休福利責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Directors' and Chief Executive's emoluments

The aggregate amounts of emoluments payable to the directors and chief executive of the Company during the year were as follows:

15 董事及高級管理人員福利及權益

(a) 董事及行政總裁酬金

年內應付本公司董事及行政總裁之酬金總額如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Fees	袍金	2,170	2,105
Salaries	薪金	61,905	60,717
Performance and discretionary bonuses	按表現酌情發放之花紅	23,446	21,917
Contributions to pension plan	退休金計劃供款	477	416
Total director emoluments, payable and expensed in the financial statements	應付董事酬金及已於財務報表支銷之總額	87,998	85,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

(a) Directors' and Chief Executive's emoluments (Continued)

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

For the year ended 31 March 2017

Name of director and chief executive	董事及行政總裁姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Performance and discretionary bonuses 按表現酌情發放之花紅 HK\$'000 千港元	Housing allowance 住房津貼 HK\$'000 千港元	Estimated money values of other benefits 估計貨幣價值其他福利之 HK\$'000 千港元	Employer's contribution to a retirement benefit scheme 僱主向退休福利計劃供款 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
WONG Wai Sheung (Note i)	黃偉常 (附註i)	55	54,609	11,289	-	-	172	66,125
TSE Moon Chuen	謝滿全	55	1,367	2,084	-	-	59	3,565
WONG Hau Yeung	王巧陽	55	903	4,168	-	-	39	5,165
WONG Lan Sze, Nancy	黃蘭詩	55	648	3,473	-	-	28	4,204
CHUNG Vai Ping	鍾惠冰	55	651	695	-	-	28	1,429
CHAN So Kuen	陳素娟	55	3,487	1,737	-	-	151	5,430
WONG Ho Lung, Danny	黃浩龍	110	60	-	-	-	-	170
YEUNG Po Ling, Pauline	楊寶玲	110	60	-	-	-	-	170
HUI Chiu Chung	許照中	110	60	-	-	-	-	170
LI Hon Hung	李漢雄	110	60	-	-	-	-	170
WONG Yu Pok, Marina	黃汝璞	250	-	-	-	-	-	250
TAI Kwok Leung, Alexander	戴國良	300	-	-	-	-	-	300
IP Shu Kwan, Stephen	葉樹堃	300	-	-	-	-	-	300
MAK Wing Sum, Alvin	麥永森	300	-	-	-	-	-	300
HUI King Wai	許競威	250	-	-	-	-	-	250
		2,170	61,905	23,446	-	-	477	87,998

15 董事及高級管理人員福利及權益 (續)

(a) 董事及行政總裁酬金 (續)

就相關人士擔任本公司或其附屬公司董事已付或應收酬金：

截至2017年3月31日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

(a) Directors' and Chief Executive's emoluments (Continued)

For the year ended 31 March 2016

Name of director and chief executive	董事及行政總裁姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Performance and discretionary bonuses 按表現酌情發放之花紅 HK\$'000 千港元	Housing allowance 住房津貼 HK\$'000 千港元	Estimated money values of other benefits 其他福利之估計貨幣價值 HK\$'000 千港元	Employer's contribution to a retirement benefit scheme 僱主向退休福利計劃供款 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
WONG Wai Sheung (Note i)	黃偉常 (附註i)	55	54,718	10,398	-	-	176	65,347
TSE Moon Chuen	謝滿全	55	1,330	1,920	-	-	57	3,362
WONG Hau Yeung	王巧陽	55	884	3,840	-	-	38	4,817
WONG Lan Sze, Nancy	黃蘭詩	55	635	3,199	-	-	28	3,917
CHUNG Vai Ping	鍾惠冰	55	634	960	-	-	27	1,676
CHAN So Kuen (Note ii)	陳素娟 (附註ii)	34	2,276	1,600	-	-	90	4,000
WONG Ho Lung, Danny	黃浩龍	110	60	-	-	-	-	170
YEUNG Po Ling, Pauline	楊寶玲	110	60	-	-	-	-	170
HUI Chiu Chung	許照中	110	60	-	-	-	-	170
LI Hon Hung	李漢雄	110	60	-	-	-	-	170
WONG Yu Pok, Marina	黃汝璞	250	-	-	-	-	-	250
TAI Kwok Leung, Alexander #	戴國良 #	300	-	-	-	-	-	300
IP Shu Kwan, Stephen #	葉澍堃 #	300	-	-	-	-	-	300
MAK Wing Sum, Alvin #	麥永森 #	289	-	-	-	-	-	289
HUI King Wai # (Note ii)	許競威 # (附註ii)	153	-	-	-	-	-	153
FOK Kwong Man (Note iii)	霍廣文 # (附註iii)	64	-	-	-	-	-	64
		2,105	60,717	21,917	-	-	416	85,155

#: Independent non-executive directors

Notes:

(i) Mr. Wong Wai Sheung is also the chief executive of the Company.

(ii) Dr. CHAN So Kuen and Mr. HUI King Wai were appointed as executive director and independent non-executive director, respectively, on 21 August 2015.

(iii) Mr. FOK Kwong Man deceased on 18 June 2015.

No directors waived their emoluments in respect of the years ended 31 March 2016 and 2017.

No director received or will receive remuneration in respect of accepting office as a director. No director received or will receive other emoluments in respect of director's other services in connection with the management of the affairs of the Company, or its subsidiary undertaking.

15 董事及高級管理人員福利及權益 (續)

(a) 董事及行政總裁酬金 (續)

截至2016年3月31日止年度

: 獨立非執行董事

附註:

(i) 黃偉常先生亦為本公司之行政總裁。

(ii) 陳素娟博士及許競威先生於2015年8月21日分別獲委任為執行董事及獨立非執行董事。

(iii) 霍廣文先生於2015年6月18日辭世。

截至2016年及2017年3月31日止年度，並無董事放棄其酬金。

概無董事就接納董事職務已收或將收取酬金。概無董事就董事提供管理本公司或其附屬公司事務相關其他服務已收或將收取其他酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

(a) Directors' and Chief Executive's emoluments (Continued)

		Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the Company or its subsidiary undertakings 就作為本公司或其附屬公司董事之服務已付董事或董事應收酬金總額	Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company or its Subsidiary undertakings 就有關管理本公司事務或其附屬公司業務之董事其他服務已付或應收之酬金總額	Total 總額
For the year ended	截至2017年			
31 March 2017	3月31日止年度	2,170	85,828	87,998
For the year ended	截至2016年			
31 March 2016	3月31日止年度	2,105	83,050	85,155

(b) Directors' retirement benefits

Except the employer's contribution to a retirement benefit scheme as disclosed in (a), no other retirement benefits were paid to the directors of the Company during the year ended 31 March 2017 in respect of their services as directors of the Company and its subsidiaries (2016: same).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the years ended 31 March 2017 (2016: same).

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

During the year ended 31 March 2017, the Company did not pay any consideration to any third parties for making available the services of themselves as directors of the Company (2016: same).

15 董事及高級管理人員福利及權益 (續)

(a) 董事及行政總裁酬金 (續)

		Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company or its Subsidiary undertakings 就有關管理本公司事務或其附屬公司業務之董事其他服務已付或應收之酬金總額	Total 總額
For the year ended	截至2017年		
31 March 2017	3月31日止年度	85,828	87,998
For the year ended	截至2016年		
31 March 2016	3月31日止年度	83,050	85,155

(b) 董事之退休福利

除上述(a)於所披露之員工退休福利計劃供款外，截至2017年3月31日止年度，並無向本公司之董事就本公司及其附屬公司之服務支付其他退休福利(2016年：相同)。

(c) 董事之離職福利

於截至2017年3月31日止年度，概無董事經已或將要收取任何離職福利(2016年：相同)。

(d) 就提供董事服務向第三方支付代價

於截至2017年3月31日止年度，本公司並無向任何第三方就彼等為本公司提供董事服務支付任何代價(2016年：相同)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealing arrangements were entered into by the Company or its subsidiary undertaking in favour of the directors of the Company, a controlled body corporate or a connected entity of such directors at any time during the year (2016: same).

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

Save for transactions disclosed elsewhere in the notes to these financial statements, 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 has a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 March 2017 (2016: same).

(g) Five highest paid individuals

Among the five highest paid individuals, all (2016: all) of them are directors of the Company and the details of their remuneration are disclosed in the preceding paragraph.

(h) Senior management's emoluments

The emoluments fall within the following bands:

		2017	2016
HK\$500,001 – HK\$1,000,000	500,001港元至1,000,000港元	–	1
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	–	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元	1	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	–	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元	–	1
HK\$3,000,001 – HK\$3,500,000	3,000,001港元至3,500,000港元	1	–
		2	4

Senior management represents senior management staff who are non-directors.

15 董事及高級管理人員福利及權益 (續)

(e) 有關貸款、類似貸款及以董事、該等董事之受控法團及關連實體為受益人之其他買賣之資料

於本年度任何時間，本公司或其附屬公司並無訂立以本公司董事、該等董事之受控法團或關連實體為受益人之貸款、類似貸款及其他買賣安排 (2016年：相同)。

(f) 董事於交易、安排或合約之重大權益

除該等財務報表附註其他部分所披露之交易外，本公司並無就本集團業務訂立本公司董事於其中有重大直接或間接權益且於截至2017年3月31日止年度結束時或年內任何時間有效之其他重大交易、安排及合約 (2016年：相同)。

(g) 五名最高薪酬人士

五名最高薪酬人士當中，全部 (2016年：全部) 為本公司董事，彼等之酬金詳情已於上段披露。

(h) 高級管理人員酬金

彼等之酬金介乎下列組別：

高級管理層指為非董事之高級管理人員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 PROPERTY, PLANT AND EQUIPMENT

16 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture and fixtures and computer equipment 傢俬、裝置及 電腦設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2015	於2015年4月1日						
Cost	成本	466,511	448,229	156,924	55,969	23,793	1,151,426
Accumulated depreciation	累計折舊	(58,732)	(302,580)	(116,017)	(38,727)	(17,358)	(533,414)
Net book value	賬面淨值	407,779	145,649	40,907	17,242	6,435	618,012
Year ended 31 March 2016	截至2016年3月31日止年度						
Opening net book value	年初賬面淨值	407,779	145,649	40,907	17,242	6,435	618,012
Exchange differences	匯兌差額	(6,728)	(1,509)	(316)	(647)	(152)	(9,352)
Additions	添置	1,158	64,559	31,553	5,436	1,606	104,312
Transfer from investment properties (Note 18)	自投資物業轉撥 (附註18)	20,038	–	–	–	–	20,038
Disposals	出售	–	(163)	(1,193)	(234)	–	(1,590)
Depreciation charge	折舊支出	(11,406)	(84,086)	(22,615)	(5,901)	(3,534)	(127,542)
Closing net book value	年末賬面淨值	410,841	124,450	48,336	15,896	4,355	603,878
At 31 March 2016	於2016年3月31日						
Cost	成本	479,914	474,820	178,959	55,972	24,689	1,214,354
Accumulated depreciation	累計折舊	(69,073)	(350,370)	(130,623)	(40,076)	(20,334)	(610,476)
Net book value	賬面淨值	410,841	124,450	48,336	15,896	4,355	603,878
Year ended 31 March 2017	截至2017年3月31日止年度						
Opening net book value	年初賬面淨值	410,841	124,450	48,336	15,896	4,355	603,878
Exchange differences	匯兌差額	(6,868)	(1,416)	(1,095)	(628)	(158)	(10,165)
Additions	添置	–	60,142	29,813	4,823	–	94,778
Disposals	出售	–	(1,248)	(646)	(72)	–	(1,966)
Depreciation charge	折舊支出	(11,206)	(78,896)	(24,361)	(6,178)	(1,614)	(122,255)
Closing net book value	年末賬面淨值	392,767	103,032	52,047	13,841	2,583	564,270
At 31 March 2017	於2017年3月31日						
Cost	成本	474,596	498,825	189,784	48,217	23,867	1,235,289
Accumulated depreciation	累計折舊	(81,829)	(395,793)	(137,737)	(34,376)	(21,284)	(671,019)
Net book value	賬面淨值	392,767	103,032	52,047	13,841	2,583	564,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 LAND USE RIGHTS

17 土地使用權

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Year ended 31 March	截至3月31日止年度		
Opening net book amount	年初賬面淨值	215,245	224,883
Addition	添置	51,704	8,468
Amortisation charge	攤銷費用	(8,295)	(7,702)
Exchange differences	匯兌差額	(10,873)	(10,404)
Closing net book amount	年末賬面淨值	247,781	215,245
At 31 March	於3月31日		
Cost	成本	287,873	248,925
Accumulated amortisation	累計攤銷	(40,092)	(33,680)
		247,781	215,245

18 INVESTMENT PROPERTIES

18 投資物業

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Year ended 31 March	截至3月31日止年度		
Opening net book amount	年初賬面淨值	24,617	45,792
Addition	添置	11,735	–
Transfer to property, plant and equipment (Note 16)	轉撥至物業、廠房及設備 (附註16)	–	(20,038)
Depreciation	折舊	(942)	(744)
Exchange difference	匯兌差額	(390)	(393)
Closing net book amount	年末賬面淨值	35,020	24,617
At 31 March	於3月31日		
Cost	成本	40,446	29,189
Accumulated depreciation	累計折舊	(5,426)	(4,572)
		35,020	24,617
At valuation (Note)	估值 (附註)	99,028	87,119

Note:

The valuation of the investment properties was determined by an independent valuer BMI Appraisals Limited at open market values (2016: BMI Appraisals Limited).

附註：

投資物業之估值乃由獨立估值師中和邦盟評估有限公司按公開市值釐定 (2016年：中和邦盟評估有限公司)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INVESTMENT PROPERTIES (Continued)

Future aggregate minimum lease receipts under non-cancellable operating leases are as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Not later than one year	一年內	7,344	3,433
Later than one year and not later than five years	一年後但不超過五年	9,412	3,444
		16,756	6,877

18 投資物業 (續)

根據不可撤銷之經營租賃而於未來收取之最低租金總額如下：

19 INTERESTS IN ASSOCIATES

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
As at 1 April	於4月1日	154,531	245,934
Share of results of associates for the year	年內應佔聯營公司業績	(54,273)	(79,103)
Share of reserve movement of associates for the year	年內應佔聯營公司儲備變動	(15,246)	(12,300)
As at 31 March	於3月31日	85,012	154,531
Amount due from an associate (Note i)	應收一家聯營公司賬項 (附註i)	33,340	56,374
Amount due to an associate (Note i)	應付一家聯營公司賬項 (附註i)	(1,995)	(2,235)

19 於聯營公司之權益

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 INTERESTS IN ASSOCIATES (Continued)

Particulars of the associates of the Group as at 31 March 2017 are as follows:

Name 名稱	Place of incorporation 註冊成立地點	Particulars of issued share capital 已發行股本詳情	% of attributable interests held indirectly 間接持有應佔權益百分比		Principal activities 主要業務
			2017	2016	
Luk Fook Diamond Company Limited [#] 六福鑽石有限公司 [#]	Hong Kong 香港	HK\$6,120,000 6,120,000港元	50%	50%	Manufacturing and wholesale of diamond products 鑽石產品製造及批發
China Gold Silver Group Company Limited ("CGS") [*] 中國金銀集團有限公司 ("中國金銀") [*]	The British Virgin Islands ("BVI") 英屬維爾京群島	USD3,334 3,334美元	50%	50%	Retailing and franchising operations of gold and jewellery products in Hong Kong, Macau and Mainland China 在香港、澳門及中國內地 從事黃金及珠寶首飾 產品之零售及特許經 營業務

[#] Pursuant to the shareholder's agreement, this associate is controlled by a third party, who holds the casting vote in the directors' meetings.

^{*} The financial statements of this company are audited by firm other than PricewaterhouseCoopers. The financial year of this associate is not continuous with that of the Group and the financial statements used for equity accounting are for the 12 months period ended 31 December 2016. This associate uses 30 June as its financial year to conform with its holding company's reporting date. Pursuant to the shareholders' agreement, the company is controlled by its holding company, which holds the casting vote in the directors' meetings.

Notes:

- (i) Amount due from an associate of HK\$33,340,000 (2016: HK\$56,374,000) are trade in nature. Amount due from/(to) an associate is denominated in HK\$ and is unsecured, interest-free and receivable/(repayable) on demand.
- (ii) The Group's associates did not have any significant capital commitments as at 31 March 2017 and 2016.

19 於聯營公司之權益 (續)

本集團聯營公司於2017年3月31日之詳情如下：

[#] 根據股東協議，該聯營公司由於董事會會議可投決定票之第三方控制。

^{*} 該公司之財務報表由羅兵咸永道會計師事務所之外的其他事務所審核。該聯營公司之財政年度與本集團不同，其財務報表乃採用權益會計法，涵蓋截至2016年12月31日止12個月期間。該聯營公司採用6月30日作為其財政年度年結日，以與其控股公司的報告日期一致。根據股東協議，該公司由其控股公司控制，該控股公司於董事會會議可投決定票。

附註：

- (i) 應收一家聯營公司賬項33,340,000港元（2016年：56,374,000港元）為貿易性質。應收／（應付）一家聯營公司賬項以港元計值，無抵押、免息及須應要求收回／（償還）。
- (ii) 本集團的聯營公司於2017年及2016年3月31日並無任何重大資本承擔。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 LOANS TO AN ASSOCIATE

20 貸款予一家聯營公司

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current portion	非流動部分		
Loan to an associate (Note i)	貸款予一家聯營公司 (附註i)	90,830	86,911
Current portion	流動部分		
Loan to an associate (Note ii)	貸款予一家聯營公司 (附註ii)	20,000	20,000
		110,830	106,911

Notes:

- (i) In connection with the acquisition of CGS on 6 June 2014, the Group and Hong Kong Resources Holdings Limited ("HKRH") each agreed to provide funding of HK\$100,000,000 to CGS by way of shareholder loan for general working capital and business expansion purpose.

The shareholder loan is unsecured, interest-free and not to be repaid within one year after the end of the reporting period.

The difference between the nominal value of the loan and its fair value of HK\$80,207,000 at the time of acquisition amounting to HK\$19,793,000 is regarded as part of the cost of the investment in CGS.

- (ii) The Group and HKRH each agreed to provide a short term shareholder loan of HK\$20,000,000 to CGS. The short term shareholder loan is interest bearing at 2% per annum and with maturity date on 4 May 2017. This shareholder loan was subsequently extended to 4 May 2018.

附註：

- (i) 就於2014年6月6日收購中國金銀，本集團及香港資源控股有限公司（「香港資源控股」）均同意透過一筆股東貸款，向中國金銀提供100,000,000港元資金，作為一般營運資金及業務擴充。

股東貸款乃無抵押、免息，且毋須於報告期結束後一年內償還。

貸款之面值與其公允值80,207,000港元之差額於收購時達19,793,000港元被視為中國金銀投資成本之一部分。

- (ii) 本集團及香港資源控股各自同意向中國金銀提供一筆20,000,000港元的短期股東貸款。短期股東貸款按2%之年利率計息，並於2017年5月4日到期。該筆股東貸款其後延期至2018年5月4日。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 DERIVATIVE FINANCIAL INSTRUMENTS

21 衍生金融工具

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current portion	非流動部分		
Convertible bond (Note)	可換股債券 (附註)	48,979	46,135
Current portion	流動部分		
CGS Share Option	中國金銀購股權	9	9
		48,988	46,144

Note:

On 6 June 2014, the Company subscribed a convertible bond of HKRH of HK\$57,080,000 with 3% interest rate per annum and 5 years of maturity from the date of issuance. The conversion period commences on the 2nd anniversary of the issue date and expires on the date which is three days before its maturity.

The convertible bond comprises a loan receivable component and option component which together have been designated as derivative financial instrument by the Company. The convertible bond was initially recognised at HK\$57,080,000 and subsequently revalued using a Trinomial Tree model with the following key assumptions:

附註：

於2014年6月6日，本公司認購香港資源控股可換股債券57,080,000港元，年利率3%，由發行日期起計5年內到期。換股期於發行日期後兩週年開始至到期日前3天屆滿。

可換股債券包括應收貸款及購股權，由本公司指定為衍生金融工具。可換股債券按57,080,000港元進行初步確認，其後採用三叉樹模型及以下關鍵假設進行重估：

		As at 31 March 2017 於2017年3月31日	As at 31 March 2016 於2016年3月31日
Share price of HKRH	香港資源控股股份價格	HK\$0.10港元	HK\$0.114港元
Exercise price	行使價	HK\$0.18港元	HK\$0.18港元
Dividend yield	股息利率	0%	0%
Effective interest rate	實際利率	15.31%	19.22%
Volatility	波幅	41.14%	40.32%
Risk free rate	無風險率	0.91%	0.90%

The fair value gain of HK\$2,844,000 (2016: fair value loss of HK\$20,600,000) was included under "Other losses, net" in the consolidated income statement for the year ended 31 March 2017.

公允值收益2,844,000港元（2016年：公允值虧損20,600,000港元）計入截至2017年3月31日止年度之綜合損益表之「其他虧損，淨額」。

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綜合財務報表附註

22 AVAILABLE-FOR-SALE FINANCIAL ASSETS 22 可供出售金融資產

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
At 1 April	於4月1日	8,767	8,820
Additions	添置	–	3,924
Net loss transfer to equity (Note 29)	轉撥至權益之淨虧損 (附註29)	(1,077)	(3,977)
At 31 March	於3月31日	7,690	8,767

Available-for-sale financial assets represent common shares issued by a company listed on The Stock Exchange of Hong Kong Limited. The available-for-sale financial assets are denominated in HK\$ and stated at fair value, which is also the maximum exposure to credit risk at the reporting.

可供出售金融資產指一家於香港聯合交易所有限公司上市之公司發行之普通股。可供出售金融資產以港元計值及按公允價值呈列，該等金融資產亦為報告期間面臨的最高信貸風險。

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

23 按金、預付賬項及其他應收賬項

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current	非即期		
Rental deposits	租金按金	108,510	119,004
Prepayment	預付賬項	12,694	2,824
		121,204	121,828
Current	即期		
Rental deposits	租金按金	70,221	49,496
Value-added tax recoverable	可收回增值稅	154,184	108,162
Prepayments	預付賬項	50,495	32,870
Interest receivables	應收利息	2,613	1,457
Other receivables	其他應收賬項	19,419	21,534
Other deposits	其他按金	26,391	28,233
		323,323	241,752
		444,527	363,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

The carrying amounts of the deposits, prepayments and other receivables approximate their fair values and are denominated in the following currencies:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
HK\$	港元	168,543	164,098
RMB	人民幣	213,429	147,493
MOP	澳門元	52,263	47,675
Other currencies	其他貨幣	10,292	4,314
		444,527	363,580

The credit quality of deposits and other receivables has been assessed by reference to historical information about the counterparty default rates. The existing counterparties have not defaulted in the past. At 31 March 2017, no deposits and other receivables were considered impaired (2016: Nil).

24 INVENTORIES

The inventories net of provision are as follow:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Finished goods	製成品	6,916,477	6,269,269
Raw materials	原材料	56,293	75,459
		6,972,770	6,344,728

At 31 March 2017, inventories carried at net realisable value amounted to approximately HK\$47,290,000 (2016: HK\$44,621,000).

23 按金、預付賬項及其他應收賬項 (續)

按金、預付賬項及其他應收賬項之賬面值與其公允價值相若，並以下列貨幣為單位：

按金及其他應收賬項之信貸質量乃透過參考有關對手方拖欠比率之過往資料進行評估。現有對手方過往並無拖欠記錄。於2017年3月31日，並無按金及其他應收賬項被視為已減值（2016年：無）。

24 存貨

扣除撥備之存貨如下：

於2017年3月31日，按可變現淨值列賬之存貨約為47,290,000港元（2016年：44,621,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 TRADE RECEIVABLES

The Group's sales to retail customers comprised mainly cash sales and credit card sales. Concessionaire sales through department stores and sales to wholesale customers are generally on credit terms ranging from 0 to 90 days.

The ageing of trade receivables is as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
0 – 30 days	0至30日	143,542	148,719
31 – 60 days	31至60日	44,481	52,730
61 – 90 days	61至90日	20,371	12,121
91 – 120 days	91至120日	2,944	36
Over 120 days	超過120日	5,920	928
		217,258	214,534

The carrying amounts of trade receivables approximate their fair values.

The carrying amounts of the trade receivables are denominated in the following currencies:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
HK\$	港元	19,425	15,242
RMB	人民幣	186,078	193,259
MOP	澳門元	9,638	5,314
Other currencies	其他貨幣	2,117	719
		217,258	214,534

The credit quality of trade receivables has been assessed by reference to historical default rate of the counterparty. The existing counterparties have not defaulted in the past.

As at 31 March 2017, trade receivables of HK\$8,864,000 (2016: HK\$964,000) were past due but not considered impaired all of which were aged over 90 days.

25 貿易應收賬項

本集團向零售客戶銷售主要包括現金銷售及信用卡銷售。百貨商場特許銷售及向批發客戶銷售之信貸期一般介乎0至90日。

貿易應收賬項之賬齡如下：

貿易應收賬項之賬面值與其公允價值相若。

貿易應收賬項之賬面值以下列貨幣為單位：

貿易應收賬項信貸質量乃透過參考對手方過往拖欠比率進行評估。現有對手方過往並無拖欠記錄。

於2017年3月31日，賬齡超過90日的貿易應收賬項8,864,000港元（2016年：964,000港元）為已逾期但並無被視為減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CASH AND BANK BALANCES

26 現金及銀行結餘

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Short-term bank deposits, with maturities less than 3 months	到期日少於三個月的短期銀行存款	195,300	186,905
Cash at bank and on hand	銀行存款及手頭現金	1,333,906	2,174,690
Cash and cash equivalents	現金及現金等價物	1,529,206	2,361,595
Short-term bank deposits, with maturities over 3 months	到期日超過三個月的短期銀行存款	332,568	70,590
Total cash and bank balances	現金及銀行結餘總額	1,861,774	2,432,185

As at 31 March 2017, the cash and bank balances denominated in RMB amounted to approximately HK\$1,070,366,000 (2016: HK\$1,121,773,000) are held by the Group's subsidiaries in Mainland China. The conversion of the RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

於2017年3月31日，以人民幣計值的現金及銀行結餘約1,070,366,000港元（2016年：1,121,773,000港元）乃由本集團於中國內地之附屬公司持有。將該等以人民幣計值的結餘換算為外幣須遵守中國政府所頒佈之外匯管制規則及規例。

27 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

27 貿易應付賬項、其他應付賬項及應計款項

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Trade payables	貿易應付賬項	381,575	246,076
Deposits from customers and licensees	來自客戶及特許商之訂金	318,647	297,397
Salaries and welfare payables	應付薪金及福利	160,004	154,873
Other payables	其他應付賬項	111,736	142,359
Accrued expenses	應計費用	32,702	51,754
		1,004,664	892,459

The ageing of trade payables is as follows:

貿易應付賬項之賬齡如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
0 – 30 days	0至30日	247,907	150,510
31 – 60 days	31至60日	120,730	81,445
61 – 90 days	61至90日	11,224	9,512
91 – 120 days	91至120日	1,417	4,583
Over 120 days	超過120日	297	26
		381,575	246,076

The carrying amounts of the trade payables, other payables and accruals approximate their fair values.

貿易應付賬項、其他應付賬項及應計款項之賬面值與彼等之公允值相若。

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綜合財務報表附註

28 SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital

		2017		2016	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Issued and fully paid:	已發行及繳足：				
Ordinary shares	每股面值0.1港元				
of HK\$0.1 each	之普通股	587,107,850	58,710	587,107,850	58,710

(b) Share premium

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
At 31 March	於3月31日	2,494,040	2,494,040

(c) A summary of movements in the Company's issued share capital, share premium and capital redemption reserve is as follows:

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 股本贖回 儲備 HK\$'000 千港元
At 1 April 2015	於2015年4月1日	589,107,850	58,910	2,522,983	–
Repurchases of shares (Note)	購回股份 (附註)	(2,000,000)	(200)	(28,943)	200
At 31 March 2016, 1 April 2016 and 31 March 2017	於2016年3月31日、 2016年4月1日及 2017年3月31日	587,107,850	58,710	2,494,040	200

Note:

During the year ended 31 March 2016, the Company purchased 2,000,000 of its shares on Hong Kong Stock Exchange at a total consideration of HK\$29,143,000. All the repurchased shares were cancelled and the issued share capital of the Company was reduced by the nominal value of these shares accordingly. The premium paid on repurchase was charged against the share premium of the Company. An amount equivalent to the nominal value of the shares cancelled was transferred from retained earnings to the capital redemption reserve.

28 股本及股份溢價

(a) 股本

(b) 股份溢價

(c) 本公司已發行股本、股份溢價及股本贖回儲備之變動概要列載如下：

附註：

截至2016年3月31日止年度，本公司已於香港聯交所購回2,000,000股本公司股份，總代價為29,143,000港元。所有已購回之股份已註銷及本公司已發行股本已按該等股份之面值削減。就購回支付之溢價已計入本公司之股份溢價賬。相同於已註銷股份面值之款額已由保留盈利轉撥至資本贖回儲備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 RESERVES

29 儲備

		Capital reserve	Capital redemption reserve	Available- for-sale financial assets reserve	Exchange reserve	Statutory reserves	Retained earnings	Total
		資本儲備	資本贖回 儲備	金融資產儲備	匯兌儲備	法定儲備	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note i)	(Note 28(c))			(Note ii)		
		(附註i)	(附註28(c))			(附註ii)		
Representing:	指：							
Reserves	儲備							
(excluded proposed dividend)	(不包括擬派股息)	135,713	-	720	109,870	92,620	5,291,538	5,630,461
Proposed dividend	擬派股息	-	-	-	-	-	324,009	324,009
At 31 March 2015	於2015年3月31日	135,713	-	720	109,870	92,620	5,615,547	5,954,470
For the year ended	截至2016年3月31日							
31 March 2016	止年度							
At 1 April 2015	於2015年4月1日	135,713	-	720	109,870	92,620	5,615,547	5,954,470
Comprehensive income	全面收入							
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	-	-	-	-	-	958,692	958,692
Other comprehensive income	其他全面收入							
Currency translation differences	匯兌差額	-	-	-	(152,887)	-	-	(152,887)
Remeasurement of employee benefit obligations (Note 31(d))	僱員福利責任的重新計量(附註31(d))	-	-	-	-	-	12,766	12,766
Revaluation of available-for-sale financial assets (Note 22)	可供出售金融資產的價值變動(附註22)	-	-	(3,977)	-	-	-	(3,977)
Total other comprehensive income	其他全面總收入	-	-	(3,977)	(152,887)	-	12,766	(144,098)
Transactions with owners	與擁有人之交易							
2014/15 final dividend paid	已付2014/15年度末期股息	-	-	-	-	-	(324,009)	(324,009)
2015/16 interim dividend paid	已付2015/16年度中期股息	-	-	-	-	-	(185,569)	(185,569)
2015/16 special dividend paid	已付2015/16年度特別股息	-	-	-	-	-	(138,440)	(138,440)
Transfer to capital redemption reserve (Note 28(c))	轉撥至資本贖回儲備(附註28(c))	-	200	-	-	-	(200)	-
		-	200	-	-	-	(648,218)	(648,018)
At 31 March 2016	於2016年3月31日	135,713	200	(3,257)	(43,017)	92,620	5,938,787	6,121,046
Representing:	指：							
Reserves	儲備							
(excluded proposed dividend)	(不包括擬派股息)	135,713	200	(3,257)	(43,017)	92,620	5,615,878	5,798,137
Proposed dividend	擬派股息	-	-	-	-	-	322,909	322,909
At 31 March 2016	於2016年3月31日	135,713	200	(3,257)	(43,017)	92,620	5,938,787	6,121,046

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 RESERVES (Continued)

29 儲備 (續)

		Capital reserve	Capital redemption reserve	Available- for-sale financial assets reserve	Exchange reserve	Statutory reserves	Retained earnings	Total
		資本儲備	資本贖回 儲備	金融資產儲備	匯兌儲備	法定儲備	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note i)	(Note 28(b))			(Note ii)		
		(附註i)	(附註28(b))			(附註ii)		
Representing:	指：							
Reserves	儲備							
(excluded proposed dividend)	(不包括擬派股息)	135,713	200	(3,257)	(43,017)	92,620	5,615,878	5,798,137
Proposed dividend	擬派股息	-	-	-	-	-	322,909	322,909
At 31 March 2016	於2016年3月31日	135,713	200	(3,257)	(43,017)	92,620	5,938,787	6,121,046
For the year ended	截至2017年							
31 March 2017	3月31日止年度							
At 1 April 2016	於2016年4月1日	135,713	200	(3,257)	(43,017)	92,620	5,938,787	6,121,046
Comprehensive income	全面收入							
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	-	-	-	-	-	1,016,838	1,016,838
Other comprehensive income	其他全面收入							
Currency translation differences	匯兌差額	-	-	-	(171,738)	-	-	(171,738)
Remeasurement of employee benefit obligations (Note 31(d))	僱員福利責任的重新計量 (附註31(d))	-	-	-	-	-	1,349	1,349
Revaluation of available-for-sale financial assets (Note 22)	可供出售金融資產的價值變動 (附註22)	-	-	(1,077)	-	-	-	(1,077)
Total other comprehensive income	其他全面總收入	-	-	(1,077)	(171,738)	-	1,018,187	845,372
Transactions with owners	與擁有人之交易							
2015/16 final dividend paid	已付2015/16年度末期股息	-	-	-	-	-	(199,617)	(199,617)
2015/16 special dividend paid	已付2015/16年度特別股息	-	-	-	-	-	(123,292)	(123,292)
2016/17 interim dividend paid	已付2016/17年度中期股息	-	-	-	-	-	(170,261)	(170,261)
2016/17 special dividend paid	已付2016/17年度特別股息	-	-	-	-	-	(152,648)	(152,648)
		-	-	-	-	-	(645,818)	(645,818)
At 31 March 2017	於2017年3月31日	135,713	200	(4,334)	(214,755)	92,620	6,311,156	6,320,600
Representing:	指：							
Reserves	儲備							
(excluded proposed dividend)	(不包括擬派股息)	135,713	200	(4,334)	(214,755)	92,620	5,988,247	5,997,691
Proposed dividend	擬派股息	-	-	-	-	-	322,909	322,909
At 31 March 2017	於2017年3月31日	135,713	200	(4,334)	(214,755)	92,620	6,311,156	6,320,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 RESERVES (Continued)

Notes:

- (i) The capital reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the Group's reorganisation in 1997.
- (ii) Statutory reserves are non-distributable and the transfers of these funds are determined by the Board of Directors of the relevant Mainland China subsidiaries in accordance with the relevant laws and regulations in Mainland China.

29 儲備 (續)

附註：

- (i) 本集團之資本儲備指本集團於1997年重組時所收購附屬公司之股份面值與就收購發行本公司股份之面值兩者間之差額。
- (ii) 法定儲備乃不可分派，轉撥有關款項乃由相關中國內地附屬公司董事會根據中國內地相關法律及規例決定。

30 DEFERRED INCOME TAX

Deferred income tax of the Group is provided for in respect of:

30 遞延所得稅

本集團遞延所得稅乃就下列各項作出撥備：

		Tax depreciation		Unrealised profit on		Undistributed profit of			
		allowances and tax losses		closing inventories		those subsidiaries in		Total	
						Mainland China			
						未分派中國內地			
		稅務折舊撥備及稅項虧損		期末存貨之未變現溢利		附屬公司溢利		總額	
		2017	2016	2017	2016	2017	2016	2017	2016
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April	於4月1日	127	(746)	30,270	23,985	(73,519)	(80,635)	(43,122)	(57,396)
Credited/(charged) to the consolidated income statement (Note 11)	綜合損益表計入/(扣除)(附註11)	1,596	873	8,968	6,285	(3,158)	7,116	7,406	14,274
At 31 March	於3月31日	1,723	127	39,238	30,270	(76,677)	(73,519)	(35,716)	(43,122)

Representing:

指：

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Deferred income tax assets	遞延所得稅資產	45,954	36,770
Deferred income tax liabilities	遞延所得稅負債	(81,670)	(79,892)
At 31 March	於3月31日	(35,716)	(43,122)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profit is probable. As at 31 March 2017, the Group had potential unrecognised deferred tax assets amounting to HK\$14,703,000 (2016: HK\$8,359,000) in respect of tax losses to be carried forward against future taxable income. Cumulative tax losses of HK\$40,396,000 (2016: HK\$34,210,000) can be carried forward indefinitely; cumulative tax losses of HK\$35,522,000 (2016: HK\$26,553,000) will expire (if not utilised) within the next five years.

遞延所得稅資產乃就結轉之稅項虧損確認，惟須有可能透過日後應課稅溢利將相關稅項利益變現。於2017年3月31日，本集團有潛在未確認遞延稅項資產共14,703,000港元（2016年：8,359,000港元），乃有關將予結轉以抵銷日後應課稅收入之稅項虧損。累計稅項虧損40,396,000港元（2016年：34,210,000港元）可無限期結轉；累計稅項虧損35,522,000港元（2016年：26,553,000港元）倘不動用，則將於未來五年內屆滿。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 EMPLOYEE BENEFIT OBLIGATIONS – LONG SERVICE PAYMENT

Under the Hong Kong Employment Ordinance, the Group is obligated to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations. The long service payments are paid out from the Group's cash in hand when such payments are required.

The latest actuarial valuation as at 31 March 2016 and 31 March 2017 specifically designated for the Group's employees was completed by a qualified actuary, Towers Watson Hong Kong Limited, using projected unit credit method.

- (a) The amount recognised in the consolidated balance sheet is as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Present value of defined benefit obligations	界定福利責任之現值	23,754	23,918

- (b) Movements in the net liability recognised in the consolidated balance sheet are as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
At 1 April	於4月1日	23,918	34,008
Expenses recognised in the consolidated income statement	於綜合損益表確認之開支	1,236	3,142
Remeasurements recognised in other comprehensive income	於其他全面收入確認之重新計量	(1,349)	(12,766)
Benefits paid directly by employer	僱主直接支付之福利	(51)	(466)
At 31 March	於3月31日	23,754	23,918

31 僱員福利責任－長期服務金

根據香港僱傭條例，本集團有責任於若干情況下，於已服務本集團最少五年之若干僱員終止受僱時向其支付一次性款項。應付款項乃視乎有關僱員之最後薪金及服務年數而定，並減去本集團退休計劃項下及本集團之供款應佔之累算權益。本集團並無撥出任何資產作為任何餘下責任之資金。於需要支付有關款項時，會自本集團之手頭現金撥款支付長期服務金。

合資格精算師韜睿惠悅香港有限公司以預計單位信貸法完成專為本集團僱員而編製之2016年3月31日及2017年3月31日最新精算評估。

- (a) 於綜合資產負債表確認之款項如下：

- (b) 於綜合資產負債表確認之負債淨額變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 EMPLOYEE BENEFIT OBLIGATIONS – LONG SERVICE PAYMENT (Continued)

- (c) Expenses recognised in the consolidated income statement is as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current service cost	即期服務費	750	2,507
Interest cost	利息成本	486	635
		1,236	3,142

- (d) Income recognised in the consolidated statement of comprehensive income is as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Remeasurements of employees benefit obligations	僱員福利責任的重新計量	(1,349)	(12,766)

- (e) The principal actuarial assumptions used as at 31 March 2017 and 2016 (expressed as weighted average) are as follows:

		2017	2016
Discount rate	貼現率	2%	2.1%
Future salary increment	未來薪金增幅	3%	3%
Return of MPF balances	強積金結餘回報率	3%	3%

Impact on employee benefit obligations 對僱員福利責任的影響

	Change in assumption 假設變動	Increase in assumption 假設增加	Decrease in assumption 假設減少
Discount rate	0.25%	Decrease by 3.6%	Increase by 3.7%
貼現率	0.25%	減少3.6%	增加3.7%
Salary growth rate	0.25%	Increase by 7.0%	Decrease by 7.8%
薪金增長率	0.25%	增加7.0%	減少7.8%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

以上敏感度分析乃根據假設變動，而所有其他假設維持不變達致。實際上，此情況不大可能發生，一些假設變動可能相關。

31 僱員福利責任－長期服務金 (續)

- (c) 於綜合損益表確認之開支如下：

- (d) 於綜合全面收入報表確認之收入如下：

- (e) 於2017年及2016年3月31日使用之主要精算假設（以加權平均呈列）如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 BANK BORROWINGS

32 銀行貸款

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Short-term bank borrowings, unsecured 短期銀行貸款，無抵押	–	400,000

As at 31 March 2016, the bank borrowings were due for repayment within one month. Bank borrowings of HK\$400,000,000 bore interest at 1% above Hong Kong Interbank Offered Rate per annum. The bank borrowings were denominated in HK\$.

The fair value of the bank borrowings approximated their carrying amount, as the impact of discounting was not significant due to their short-term maturities.

於2016年3月31日，銀行貸款須於1個月內償還。為數400,000,000港元的銀行貸款按香港銀行同業拆息加1%計息。銀行貸款以港元計值。

因銀行貸款的期限較短，貼現影響不大，因此，銀行貸款之公允價值與其賬面值相若。

33 GOLD LOANS

Gold loans are measured at fair value at the end of each reporting period and the change in fair value is recognised in "Other losses, net" in the consolidated income statement.

As at 31 March 2017, gold loans of HK\$437,151,000 represent borrowings of gold from banks which involved physical settlement.

As at 31 March 2016, gold loans of HK\$76,043,000 represent borrowings from banks of which the repayment amount are pledged with gold prices and HK\$234,649,000 represent borrowings of gold which involved physical settlement.

As at 31 March 2017, the gold loans are interest bearing at 2.5% per annum (2016: 1.2% – 2.5%), with original maturity of 1 – 6 months (As at 31 March 2016: 1 – 3 months) from date of inception.

The net unrealised losses on gold loans arising from change in fair value of HK\$9,716,000 (2016: net unrealised loss of HK\$4,029,000) has been recognised in "Other losses, net" in the consolidated income statement.

33 黃金借貸

黃金借貸乃於各報告期間結算日按公允值計量及公允值變動於綜合損益表「其他虧損，淨額」中確認。

於2017年3月31日，黃金借貸437,151,000港元指涉及實物交割的銀行黃金借貸。

於2016年3月31日，黃金借貸76,043,000港元為銀行貸款，還款金額以黃金價格抵押，及234,649,000港元為涉及實物交割的黃金借貸。

於2017年3月31日，黃金借貸按2.5% (2016年：1.2%至2.5%) 之年利率計息，於其開始日起計1至6個月（於2016年3月31日：1至3個月）到期。

黃金借貸公允價值變動所產生之未變現虧損淨額為9,716,000港元（2016年：未變現虧損淨額4,029,000港元）乃於綜合損益表「其他虧損，淨額」中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 CONSOLIDATED STATEMENT OF CASH FLOWS

34 綜合現金流量表

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	1,250,015	1,161,085
Amortisation of land use rights (Note 17)	土地使用權攤銷 (附註17)	8,295	7,702
Depreciation of property, plant and equipment (Note 16)	物業、廠房及設備折舊 (附註16)	122,255	127,542
Depreciation of investment properties (Note 18)	投資物業折舊 (附註18)	942	744
Loss on disposal of property, plant and equipment (Note 8)	出售物業、廠房及設備之虧損 (附註8)	1,966	994
Provision for long service payment (Note 31(b))	長期服務金撥備 (附註31(b))	1,236	3,142
Net realised losses on gold loans (Note 9)	黃金借貸之已變現虧損淨額 (附註9)	14,815	3,577
Net unrealised losses on gold loans (Note 9)	黃金借貸之未變現虧損淨額 (附註9)	9,716	4,029
Interest income (Note 10)	利息收入 (附註10)	(23,982)	(41,725)
Interest expenses (Note 10)	利息開支 (附註10)	9,011	13,689
Fair value (gains)/losses on convertible bond (Note 9)	可換股債券之公允價值 (收益)/虧損 (附註9)	(2,844)	20,600
Fair value losses on derivative financial instruments (Note 9)	衍生金融工具之公允價值虧損 (附註9)	—	5,225
Share of results of associates (Note 19)	應佔聯營公司業績 (附註19)	54,273	79,103
Operating profit before working capital changes	營運資金變動前經營溢利	1,445,698	1,385,707
(Increase)/decrease in rental deposits	租金按金 (增加)/減少	(10,231)	5,316
(Increase)/decrease in inventories	存貨 (增加)/減少	(575,338)	947,853
Increase in trade receivables, deposits, prepayments and other receivables	貿易應收賬款、按金、預付款項及其他應收款項增加	(82,237)	(61,226)
Decrease/(increase) in amount due from/to associates	應收/應付聯營公司款項減少/(增加)	23,194	(25,337)
Increase in trade payables, other payables and accruals	貿易應付賬款、其他應付款項及應計款項增加	133,891	5,865
Decrease in employee benefit obligations (Note 31(b))	僱員福利責任減少 (附註31(b))	(51)	(466)
Net cash generated from operations	營運產生之現金淨額	934,926	2,257,712

Note: significant non-cash transactions

附註：重大非現金交易

During the year ended 31 March 2017, the Group entered into gold loan contracts with physical settlement amounting to HK\$437,151,000 (2016: HK\$234,649,000). The repayment and borrowing of gold loans with physical settlement are included in the inventories in the consolidated statement of cash flows as non-cash transactions.

截至2017年3月31日止年度，本集團訂立以實物交割的黃金借貸合約437,151,000港元（2016年：234,649,000港元）。實物交割黃金借貸的償還及貸款計入存貨並於綜合現金流量表中披露作非現金交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 COMMITMENTS

(a) Capital commitments

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Contracted but not provided for:	已訂約但未作出撥備：		
– property, plant and equipment	– 物業、廠房及設備	6,692	5,376
– investment in an available-for-sale financial asset	– 投資一項可供出售金融資產	6,250	6,588
Total capital commitments contracted but not provided for	已訂約但未作出撥備之資本承擔總額	12,942	11,964

As at 31 March 2017 and 31 March 2016, there are no capital commitments which are authorised but not contracted for.

於2017年3月31日及2016年3月31日，並無法定但未訂約之資本承擔。

(b) Commitments under operating leases

At 31 March 2017, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Not later than one year	一年內	582,736	689,403
Later than one year and not later than five years	一年後但不超過五年	596,527	768,733
Later than five years	超過五年	321	321
		1,179,584	1,458,457

The actual payments in respect of certain operating leases are calculated at the higher of the minimum commitments as noted above and the amounts determined based on a percentage of the sales of the related outlets.

(b) 經營租賃承擔

於2017年3月31日，本集團就土地及樓宇根據不可撤銷之經營租賃而於未來支付之最低租賃付款總額如下：

若干經營租賃實際付款乃按上文所述最低承擔與根據相關店舖銷售額某百分比所釐定金額之較高者計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 CONTINGENT LIABILITIES

As at 31 March 2017, the Group had an outstanding financial guarantee amounting to HK\$764,044,000 (2016: HK\$672,845,000) issued to several banks in respect of bank facilities granted to an associate.

37 RELATED PARTY TRANSACTIONS

The major shareholder of the Company is Luk Fook (Control) Limited ("Luk Fook Control"), a company incorporated in the BVI, which directly owns 39.89% of the Company's shares. The remaining shares of the Company are widely held.

Mr. WONG Wai Sheung and his family including Mr. WONG Ho Lung, Danny and Miss WONG Lan Sze, Nancy are discretionary beneficiaries of the Wong's Family Trust (the "Trust"). The Trust is the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited which is the beneficial owner of 36.72% of issued shares of Luk Fook Control. The remaining shares of Luk Fook Control are held by various shareholders.

Mr. WONG Wai Sheung, Mr. WONG Ho Lung, Danny and Miss WONG Lan Sze, Nancy are directors of the Company.

- (a) The Group has entered into supplementary licensing and maintenance agreement with GS Tech Company Limited (92% owned by the Wong's Family Trust) for acquiring a license to use certain computer programmes and to receive maintenance services fees. For the year ended 31 March 2017, license fees of HK\$2,832,000 (2016: HK\$3,453,000) were capitalised in the consolidated balance sheet and maintenance services fees of HK\$4,025,000 (2016: HK\$3,400,000) were charged in the consolidated income statement, respectively.

36 或然負債

於2017年3月31日，本集團就授予一家聯營公司的銀行融資向若干銀行發行的未償還財務擔保為764,044,000港元（2016年：672,845,000港元）。

37 關連人士之交易

本公司之主要股東為六福（控股）有限公司（「六福控股」），為於英屬維爾京群島註冊成立之公司，直接擁有本公司39.89%股份。本公司餘下股份分散持有。

黃偉常先生及其家屬（包括黃浩龍先生及黃蘭詩小姐）為黃氏家族信託（「信託」）之全權受益人。信託為桂記祥珠寶金行有限公司全部已發行股本之實益擁有人，桂記祥珠寶金行有限公司實益擁有六福控股36.72%已發行股份。六福控股餘下股份由多名股東持有。

黃偉常先生、黃浩龍先生及黃蘭詩小姐均為本公司董事。

- (a) 本集團已與金星資訊顧問有限公司（其92%權益由黃氏家族信託擁有）訂立特許及維修補充協議，以獲得若干電腦程式及收取維修服務費之特許權。截至2017年3月31日止年度，特許權費用2,832,000港元（2016年：3,453,000港元）於綜合資產負債表資本化及維修服務費4,025,000港元（2016年：3,400,000港元）已於綜合損益表內扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 RELATED PARTY TRANSACTIONS (Continued)

(b) The Group has entered into a lease agreement of a premise with tenancy period of 36 months with New Merit Corporation Limited, an entity jointly controlled by Mr Wong Wai Sheung and other two independent third parties. For the year ended 31 March 2017, rental deposits of HK\$2,550,000 (2016: HK\$2,550,000) and rental expenses of HK\$8,953,000 (2016: HK\$8,831,000) were recognised in the consolidated balance sheet and consolidated income statement respectively. This transaction was carried out at terms mutually agreed between the respective parties.

(c) Transactions with associates

		Note	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Sales of goods	銷售貨品	(i)	42,535	75,711
Subcontracting fee paid	已付分包費用	(i)	15,920	20,310
Rental income	租金收入	(i)	1,442	1,329
Management fee income	管理費收入	(i)	751	724
Purchase of goods	購貨	(i)	4,040	1,181
Licensing fee paid	已付品牌業務費用	(i)	341	600
Interest income on the loan to an associate	貸款予一家聯營公司之利息收入	20	400	400

Notes:

- (i) Sales of goods, subcontracting fee paid, rental income, purchases of goods, licensing fee paid and management fee income were charged at terms based on mutual agreements.
- (ii) As mentioned in Note 36, the Group had financial guarantee amounting to HK\$764,044,000 (2016: HK\$672,845,000) issued to several banks in respect of bank facilities granted to an associate.

37 關連人士之交易 (續)

(b) 本集團與New Merit Corporation Limited (由黃偉常先生及另外兩名獨立第三方共同控制的實體)訂立一間物業的租賃協議，租期為36個月。截至2017年3月31日止年度，分別已於綜合資產負債表及綜合損益表確認租賃按金2,550,000港元(2016年：2,550,000港元)及租賃開支8,953,000港元(2016年：8,831,000港元)。該交易乃按相關訂約方互相協定的條款進行。

(c) 與聯營公司之交易

附註：

- (i) 根據相互協議釐定之條款收取之銷售貨品、已付分包費用、租金收入、購貨、已付品牌業務費用及管理費收入。
- (ii) 誠如附註36，本集團就授予一家聯營公司的銀行融資向若干銀行發行的財務擔保為764,044,000港元(2016年：672,845,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 RELATED PARTY TRANSACTIONS (Continued)

(d) Year-end balances

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Loan to an associate	貸款予一家聯營公司		
– non-current (Note 20)	– 非即期 (附註20)	90,830	86,911
Loan to an associate	貸款予一家聯營公司		
– current (Note 20)	– 即期 (附註20)	20,000	20,000
Amount due from an associate (Note 19(i))	應收一家聯營公司賬項 (附註19(i))	33,340	56,374
Amount due to an associate (Note 19(i))	應付一家聯營公司賬項 (附註19(i))	(1,995)	(2,235)

(e) Key management compensation

Key management includes directors (executive and non-executive) and senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

(e) 主要管理層酬金

主要管理層包括董事 (執行及非執行董事) 及本集團高級管理人員。就僱員提供之服務而已付或應付主要管理層之酬金如下:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Salaries, allowances and benefits-in-kinds	薪金、津貼及實物利益	63,643	64,013
Performance and discretionary bonuses	按表現酌情發放之花紅	26,572	24,797
Contributions to pension plan	退休金計劃供款	553	565
		90,768	89,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES

At 31 March 2017, the Company had the following principal subsidiaries:

38 附屬公司

於2017年3月31日，本公司之主要附屬公司如下：

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital/ registered capital	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by non-controlling interests 非控股權益所持普通股比例
				Directly 直接	Indirectly 間接	
名稱	註冊成立／ 成立地點	主要業務	已發行股本／ 註冊資本詳情	本公司所持普通股比例		
Luk Fook Investment (B.V.I.) Limited	The BVI 英屬維爾京群島	Investment holding 投資控股	HK\$2 2港元	100	–	–
China Gems Laboratory Limited 中華珠寶鑑定中心有限公司	Hong Kong 香港	Authentication of gemstones 寶石鑑定	HK\$2 2港元	–	100	–
Fancy Trend Investment Limited 嘉旋投資有限公司	Hong Kong 香港	Property holding 持有物業	HK\$12,100 12,100港元	–	100	–
Ice Collection (International) Limited 冰姿(國際)有限公司	Hong Kong 香港	Retailing of gold and jewellery products 珠寶金飾產品零售業務	HK\$100 100港元	–	100	–
Jewellworld.com Limited 珠寶世界(B.V.I.)有限公司	The BVI 英屬維爾京群島	Investment holding, and provision of software development and services relating to internet 投資控股、提供軟件開發及從事互聯網相關服務	HK\$8,000,000 8,000,000港元	–	51	49
Jewellworld.com Limited 珠寶世界(香港)有限公司	Hong Kong 香港	Investment holding, and provision of software development and services relating to internet 投資控股、提供軟件開發及從事互聯網相關服務	HK\$100 100港元	–	51	49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES (Continued)

38 附屬公司 (續)

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital/ registered capital	Proportion of ordinary shares held by the Company	Proportion of ordinary shares held by non-controlling interests	
名稱	註冊成立／ 成立地點	主要業務	已發行股本／ 註冊資本詳情	本公司所持普通股比例	非控股權益 所持普通股 比例	
				Directly 直接	Indirectly 間接	
Luk Fook Bullions Dealers Limited 六福金號有限公司	Hong Kong 香港	Gold bullion trading 買賣純金條	HK\$14,000,000 14,000,000港元	—	100	—
Luk Fook Holdings Company Limited 六福集團有限公司	Hong Kong 香港	Provision of management services to group companies and wholesale distribution of gold and jewellery products 提供管理服務予集團公司及批發分銷黃金及珠寶產品	HK\$2 2港元	—	100	—
Luk Fook Jewellery & Goldsmith (Australia) Pty Limited	Australia 澳洲	Retailing of gold and jewellery products in Australia 於澳洲從事黃金及珠寶產品零售業務	AU\$100,000 100,000澳元	—	100	—
Luk Fook Jewellery & Goldsmith (HK) Company Limited 六福珠寶金行（香港）有限公司	Hong Kong 香港	Retailing of gold and jewellery products 黃金及珠寶產品零售業務	HK\$100 100港元	—	100	—
Luk Fook Jewellery & Goldsmith (Macao) Company Limited 六福珠寶金行（澳門）有限公司	Macau 澳門	Retailing of gold and jewellery products in Macau 於澳門從事黃金及珠寶產品零售業務	MOP 1,000,000 1,000,000澳門元	—	100	—
Luk Fook Jewellery & Goldsmith (Canada) Limited	Canada 加拿大	Retailing of gold and jewellery products in Canada 於加拿大從事黃金及珠寶產品零售業務	CAS\$100 100加拿大元	—	100	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES (Continued)

38 附屬公司 (續)

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital/ registered capital	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by non-controlling interests
				Directly 直接	Indirectly 間接	
名稱	註冊成立/ 成立地點	主要業務	已發行股本/ 註冊資本詳情	本公司所持普通股比例		非控股權益所持普通股比例
Luk Fook Jewellery & Goldsmith (Singapore) Pte. Limited	Singapore 新加坡	Retailing of gold and jewellery products in Singapore 於新加坡從事黃金及珠寶產品零售業務	S\$1,000,000 1,000,000新加坡元	–	100	–
Luk Fook Jewellery & Goldsmith (USA) Company Limited	USA 美國	Retailing of gold and jewellery products in USA 於美國從事黃金及珠寶產品零售業務	USD100 100美元	–	100	–
Luk Fook 3D Management Company Limited 六福3D管理有限公司	The BVI 英屬維爾京群島	Investment holding 投資控股	HK\$1 1港元	–	100	–
Max Forum Development Limited 溢富發展有限公司	Hong Kong 香港	Property holding 持有物業	HK\$100 100港元	–	100	–
Maxigood Enterprises Limited 萬利佳企業有限公司	Hong Kong 香港	Manufacturing and wholesale distribution of jewellery products 製造及批發分銷珠寶產品	HK\$3,000,000 3,000,000港元	–	93.3	6.7
廣州六福首飾有限公司+	Mainland China 中國內地	Manufacturing, wholesale, retailing of gold and jewellery products and provision of quality examination services in Mainland China 於中國內地從事製造、批發、零售黃金及珠寶產品以及提供質量鑑定服務	HK\$60,000,000 60,000,000港元	–	93.3	6.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES (Continued)

38 附屬公司 (續)

			Particulars of issued share capital/ registered capital	Proportion of ordinary shares held by the Company	Proportion of ordinary shares held by non-controlling interests	
Name	Place of incorporation/ establishment	Principal activities			非控股權益所持普通股比例	
名稱	註冊成立／ 成立地點	主要業務	已發行股本／ 註冊資本詳情	本公司所持普通股比例		
				Directly 直接	Indirectly 間接	
萬利佳（廣州）首飾有限公司+	Mainland China 中國內地	Manufacturing of jewellery products in Mainland China 於中國內地製造珠寶產品	HK\$8,000,000 8,000,000港元	—	93.3	6.7
廣州利盈首飾有限公司+	Mainland China 中國內地	Property holding in Mainland China 於中國內地持有物業	HK\$35,000,000 35,000,000港元	—	100	—
六福鑽石（上海）有限公司+	Mainland China 中國內地	Wholesale of polished diamond in Mainland China 於中國內地批發經打磨之鑽石	USD200,000 200,000美元	—	100	—
六福珠寶（北京）有限公司+	Mainland China 中國內地	Retailing of gold and jewellery products in Beijing, Mainland China 於中國內地北京從事黃金及珠寶產品零售業務	HK\$29,750,000 29,750,000港元	—	100	—
廣州六福營銷策劃有限公司+	Mainland China 中國內地	Trademark licensing, brand building and promotion in Mainland China 於中國內地從事商標授權、創建及推廣品牌	HK\$2,000,000 2,000,000港元	—	100	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES (Continued)

38 附屬公司 (續)

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital/ registered capital	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by non-controlling interests 非控股權益所持普通股比例
				Directly 直接	Indirectly 間接	
六福珠寶營銷策劃(深圳)有限公司+	Mainland China 中國內地	Trademark licensing, brand building and promotion in Mainland China 於中國內地從事商標授權、創建及推廣品牌	HK\$8,000,000 8,000,000港元	—	100	—
六福飾品設計(重慶)有限公司+	Mainland China 中國內地	Manufacturing, wholesale of gold and jewellery products in Mainland China 於中國內地從事製造及批發黃金及珠寶產品	HK\$50,000,000 50,000,000港元	—	100	—
六福珠寶首飾(重慶)有限公司+	Mainland China 中國內地	Retailing of gold and jewellery products in Mainland China 於中國內地從事黃金及珠寶產品零售業務	HK\$50,000,000 50,000,000港元	—	100	—
六福營銷策劃(重慶)有限公司+	Mainland China 中國內地	Trademark licensing, brand building, promotion and provision of quality examination services in Mainland China 於中國內地從事商標授權、創建及推廣品牌以及提供質量鑑定服務	HK\$3,000,000 3,000,000港元	—	100	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES (Continued)

38 附屬公司 (續)

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital/ registered capital	Proportion of ordinary shares held by the Company	Proportion of ordinary shares held by non-controlling interests	
名稱	註冊成立／ 成立地點	主要業務	已發行股本／ 註冊資本詳情	本公司所持普通股比例	非控股權益所持普通股比例	
				Directly 直接	Indirectly 間接	
重慶六福世家珠寶加工有限公司+	Mainland China 中國內地	Manufacturing of gold products in Mainland China 於中國內地製造黃金產品	RMB5,000,000 人民幣5,000,000元	—	100	—
重慶璐雲廊珠寶首飾有限公司+	Mainland China 中國內地	Wholesale of polished diamond and jewellery products in Mainland China 於中國內地批發經打磨鑽石及珠寶產品	RMB10,000,000 人民幣10,000,000元	—	100	—
六福珠寶（廣州）有限公司+	Mainland China 中國內地	Manufacturing, wholesale of gold and jewellery products in Mainland China 於中國內地從事製造及批發黃金及珠寶產品	RMB10,500,000 人民幣10,500,000元	—	100	—
廣州六福世家珠寶有限公司	Mainland China 中國內地	Manufacturing of gold products in Mainland China 於中國內地製造黃金產品	RMB5,000,000 人民幣5,000,000元	—	51	49
重慶福華珠寶首飾有限公司	Mainland China 中國內地	Retailing of gold and jewellery products in Mainland China 於中國內地從事黃金及珠寶產品零售業務	RMB50,000,000 人民幣50,000,000元	—	51	49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 SUBSIDIARIES (Continued)

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital/ registered capital	Proportion of ordinary shares held by the Company	Proportion of ordinary shares held by non-controlling interests	非控股權益所持普通股比例
名稱	註冊成立/ 成立地點	主要業務	已發行股本/ 註冊資本詳情	本公司所持普通股比例		比例
				Directly 直接	Indirectly 間接	
Luk Fook Prestige (Malaysia) SDN. BHD.	Malaysia 馬來西亞	Retailing of gold and jewellery products in Malaysia 於馬來西亞從事黃金及珠寶產品零售業務	MYR2,000,000 2,000,000 馬來西亞令吉	–	100	–
Luk Fook Optical Company Limited 六福眼鏡有限公司	Hong Kong 香港	Retailing of optical products in Hong Kong 於香港從事眼鏡產品零售業務	HK\$15,000,000 15,000,000港元	–	78.3	21.7

+ The subsidiaries are established as wholly foreign-owned enterprises in Mainland China.

Unless otherwise stated, all the above companies operate principally in Hong Kong.

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

38 附屬公司 (續)

+ 該等附屬公司為於中國內地成立之全外資企業。

除另有說明者外，上述所有公司均主要於香港經營業務。

董事認為，上表所列本公司附屬公司主要對本年度業績構成影響或構成本集團資產淨值之主要部分。董事認為，提供其他附屬公司之詳情會令資料過於冗長。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 BALANCE SHEET OF THE COMPANY

39 本公司之資產負債表

	Note 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
ASSETS			
Non-current assets			
Interests in subsidiaries		3,138,225	3,138,225
Current assets			
Amounts due from subsidiaries		2,228,711	1,528,711
Cash and bank balances		133,372	596,660
		2,362,083	2,125,371
Total assets		5,500,308	5,263,596
EQUITY			
Capital and reserve attributable to the equity holders of the Company			
Share capital		58,710	58,710
Share premium		2,494,040	2,494,040
Reserves	a	998,971	947,956
		3,551,721	3,500,706
LIABILITIES			
Current liabilities			
Accruals		1,434	1,264
Amount due to subsidiaries		1,947,153	1,285,583
Bank borrowings		–	400,000
Gold loans		–	76,043
		1,948,587	1,762,890
Total equity and liabilities		5,500,308	5,263,596

The balance sheet of the Company was approved by the Board of Directors on 29 June 2017 and was signed on its behalf.

本公司資產負債表乃由董事會於2017年6月29日批准並經由下列董事代表簽署。

Wong Wai Sheung
黃偉常
Director
董事

Chan So Kuen
陳素娟
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 BALANCE SHEET OF THE COMPANY

(Continued)

Note (a) Reserves movement of the Company

39 本公司之資產負債表 (續)

附註(a) 本公司儲備變動

		Contributed surplus 實繳盈餘 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
For the year ended 31 March 2017	截至2017年 3月31日止年度				
At 1 April 2016	於2016年4月1日	298,687	200	649,069	947,956
Profit for the year	年內溢利	-	-	696,833	696,833
2015/16 final dividend paid	已付2015/16年度 末期股息	-	-	(199,617)	(199,617)
2015/16 special dividend paid	已付2015/16年度 特別股息	-	-	(123,292)	(123,292)
2016/17 interim dividend paid	已付2016/17年度 中期股息	-	-	(170,261)	(170,261)
2016/17 special dividend paid	已付2016/17年度 特別股息	-	-	(152,648)	(152,648)
At 31 March 2017	於2017年3月31日	298,687	200	700,084	998,971
Representing:	指：				
Reserves (excluded proposed dividend)	儲備（不包括擬派 股息）	298,687	200	377,175	676,062
Proposed dividend	擬派股息	-	-	322,909	322,909
At 31 March 2017	於2017年3月31日	298,687	200	700,084	998,971
For the year ended 31 March 2016	截至2016年 3月31日止年度				
At 1 April 2015	於2015年4月1日	298,687	-	801,060	1,099,747
Profit for the year	年內溢利	-	-	496,227	496,227
2014/15 final dividend paid	已付2014/15年度 末期股息	-	-	(324,009)	(324,009)
2015/16 interim dividend paid	已付2015/16年度 中期股息	-	-	(185,569)	(185,569)
2015/16 special dividend paid	已付2015/16年度 特別股息	-	-	(138,440)	(138,440)
Transfer to capital redemption reserve (Note 28(c))	轉撥至資本贖回儲備 （附註28(c)）	-	200	(200)	-
At 31 March 2016	於2016年3月31日	298,687	200	649,069	947,956
Representing:	指：				
Reserves (excluded proposed dividend)	儲備（不包括擬派 股息）	298,687	200	326,160	625,047
Proposed dividend	擬派股息	-	-	322,909	322,909
At 31 March 2016	於2016年3月31日	298,687	200	649,069	947,956

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 BALANCE SHEET OF THE COMPANY

(Continued)

Note (a) Reserves movement of the Company

The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of Luk Fook Investment (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired by the Company during the Group's reorganisation in 1997. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, provided that the Company would, after the payment of dividends out of the contributed surplus, be able to pay its liabilities as they become due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, its issued share capital and its share premium. At the Group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.

39 本公司之資產負債表(續)

附註(a) 本公司儲備變動

本公司之實繳盈餘指本公司為交換Luk Fook Investment (B.V.I.) Limited全部已發行普通股而發行股份之面值與本公司於1997年本集團重組期間所收購相關附屬公司之資產淨值兩者之差額。根據百慕達《1981年公司法》(經修訂)，實繳盈餘可派發予股東，惟本公司自實繳盈餘派付股息後，須能於負債到期時支付債務；或本公司之資產可變現值據此不會少於其債務、其已發行股本及其股份溢價之總和。就本集團層面而言，此實繳盈餘經重新分類為各有關附屬公司之儲備部分。



CORPORATE INFORMATION

企業資料

DIRECTORS

Executive Directors:

Mr. WONG Wai Sheung (*Chairman and Chief Executive*)
Mr. TSE Moon Chuen (*Deputy Chairman*)
Ms. WONG Hau Yeung
Ms. WONG Lan Sze, Nancy
Ms. CHUNG Vai Ping
Dr. CHAN So Kuen

Non-executive Directors:

Mr. WONG Ho Lung, Danny (*Deputy Chairman*)
Ms. YEUNG Po Ling, Pauline
Mr. HUI Chiu Chung, JP
Mr. LI Hon Hung, MH, JP

Independent Non-executive Directors:

Mr. TAI Kwok Leung, Alexander
Mr. IP Shu Kwan, Stephen, GBS, JP
Mr. MAK Wing Sum, Alvin
Ms. WONG Yu Pok, Marina, JP
Mr. HUI King Wai

COMPANY SECRETARY

Dr. CHAN So Kuen

LEGAL ADVISERS

Oldham, Li & Nie Lawyers
Cleary Gottlieb Steen & Hamilton (Hong Kong)

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Luk Fook Jewellery Centre
No. 239 Temple Street, Jordan
Kowloon, Hong Kong
Tel: (852) 2308 1218
Fax: (852) 2374 1696
E-mail: group@lukfook.com
Website: lukfook.com

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
DBS Bank (Hong Kong) Limited
Citibank, N.A. Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

SHARE REGISTRAR

Estera Management (Bermuda) Limited

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

董事

執行董事：

黃偉常先生 (*主席兼行政總裁*)
謝滿全先生 (*副主席*)
王巧陽女士
黃蘭詩女士
鍾惠冰女士
陳素娟博士

非執行董事：

黃浩龍先生 (*副主席*)
楊寶玲女士
許照中太平紳士
李漢雄MH太平紳士

獨立非執行董事：

戴國良先生
葉樹堃GBS太平紳士
麥永森先生
黃汝璞太平紳士
許競威先生

公司秘書

陳素娟博士

法律顧問

高李嚴律師行
佳利 (香港) 律師事務所

核數師

羅兵咸永道會計師事務所
執業會計師

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

總辦事處及主要營業地點

香港九龍
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主要往來銀行

恒生銀行有限公司
三菱東京UFJ銀行
星展銀行 (香港) 有限公司
花旗銀行香港分行
香港上海滙豐銀行有限公司

股份登記處

Estera Management (Bermuda) Limited

香港股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17M樓



六福集團(國際)有限公司

LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED



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