

周大福

CHOW TAI FOOK

Annual Report 2016 年報



Corporate Profile 企業簡介

Chow Tai Fook Jewellery Group Limited (Stock Code: 1929) is a world-class leading jeweller listed on the Main Board of The Stock Exchange of Hong Kong in December 2011, and has become the largest jeweller listed in Hong Kong by market capitalisation.

The iconic brand “Chow Tai Fook” of the Group has been widely recognised for its trustworthiness and authenticity, and renowned for product design, quality and value. The acquisition of Hearts On Fire, an internationally acclaimed U.S. premium diamond brand, in August 2014 has further underpinned the Group’s stature as a diamond expert in the industry.

The Group boasts an extensive retail network comprising over 2,300 Chow Tai Fook and Hearts On Fire stores spanning more than 500 cities in Greater China, Singapore, Malaysia, South Korea and the United States, as well as a strong and fast growing e-tail network through operating its Chow Tai Fook e-Shops and various e-tail accounts on other online shopping platforms.

The Group’s sophisticated vertically integrated business model provides it with an effective and tight control over the entire operation chain from raw material procurement, design, production, to marketing and sales through its extensive POS and e-tail channels.

周大福珠寶集團有限公司(股份代號：1929)為世界級領先珠寶公司，於2011年12月在香港聯合交易所主板上市，成為在香港上市市值最大之珠寶公司。

集團標誌性品牌「周大福」廣獲認同為信譽及正貨的象徵，並以產品設計、品質及價值聞名。於2014年8月收購國際知名的美國高級鑽石品牌Hearts On Fire，更進一步鞏固集團為鑽石專家的行業地位。

集團擁有龐大的零售網絡，包括逾2,300個遍佈大中華區、新加坡、馬來西亞、南韓與美國的周大福及Hearts On Fire店舖，覆蓋500多個城市，以及透過自營周大福電子商務旗艦店及於多個網購平台開設周大福網店而迅速強勢發展的電子零售網絡。

集團發展成熟的垂直整合業務模式，能有效和謹慎監控集團的整體業務運作，包括原材料採購、設計、生產、以及在龐大的零售點與電子零售渠道進行之市場推廣與銷售活動。

Contents 目錄

- 2 Annual Results in 5 Minutes 全年業績摘要
- 4 Chow Tai Fook at a Glance 周大福一覽
- 9 Chairman’s Statement 主席報告書
- 12 Managing Director’s Strategic Report 董事總經理策略報告
- 16 Financial and Operational Highlights 財務及營運摘要
- 20 Management Discussion and Analysis 管理層討論與分析
- 76 Major Awards and Recognition 主要獎項及嘉許
- 80 Governance 管治
 - 81 Risk Management and Internal Controls 風險管理及內部監控
 - 86 Board Governance 董事會管治
 - 95 Profile of Directors and Senior Management 董事及高級管理人員簡介
 - 107 Directors’ Report 董事會報告
 - 121 Investor Relations 投資者關係
 - 130 Corporate Social Responsibility 企業社會責任
- 132 Independent Auditor’s Report 獨立核數師報告
- 136 Financial Statements 財務報表
- 218 Financial Summary 財務概要
- 219 Glossary 詞彙

Annual Results in 5 Minutes

全年業績摘要



Market Development 市場發展

Revenue
營業額

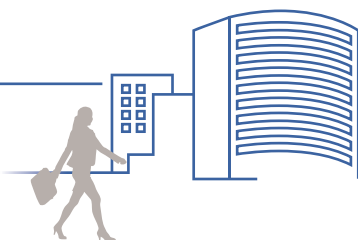
HK\$56,591.5

million 百萬港元

YoY change
同比變化 **▼12.0%**

YoY growth in RSV of e-commerce
電子商務之零售值同比增長

▲51.7%[^]



Mainland China – Jewellery Business 中國內地 – 珠寶業務

POS 零售點

2,057

SSSG 同店銷售增長

▼10.3%

Hong Kong and Macau 香港及澳門

POS 零售點

109

SSSG 同店銷售增長

▼21.7%

Hearts On Fire in Mainland China, Hong Kong and Macau

於中國內地、香港及澳門的 Hearts On Fire

5 POS
零售點

136

Shop-in-shop &
Counter-in-shop
店中店及店內專櫃



Customer Service and Marketing 顧客服務及市場推廣



Interbrand: 2015 Best China Brands
Interbrand: 2015最佳中國品牌



L2: Digital IQ Index Luxury China 2016 —
Luxury Brand for Digital Competence
L2: 2016中國奢侈品數碼指數 —
奢侈品品牌數碼能力

Members' Repeat Purchase as a % of RSV 會員再消費佔零售值之百分比

Mainland China
中國內地

29.0%

Hong Kong and Macau
香港及澳門

26.0%

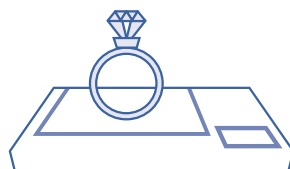
Number of members 會員數目

Mainland China
中國內地

1,104,000

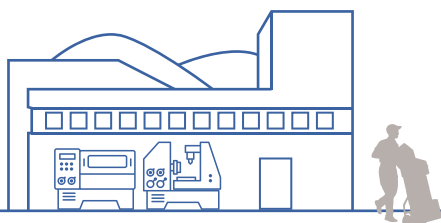
Hong Kong and Macau
香港及澳門

362,000





Products and Production 產品及生產



Revenue of gem-set jewellery
as a % of total revenue
珠寶鑲嵌首飾之營業額佔
總營業額之百分比

27.4%

RSV of gem-set jewellery of
wedding collection as a % of
gem-set jewellery RSV
婚嫁系列的珠寶鑲嵌首飾之零售值佔
珠寶鑲嵌首飾零售值之百分比

51.8%

In-house production mix of products sold
— Jewellery products (in RSV)
內部生產產品佔已售產品比例 — 珠寶產品
(按零售值)

46.0%



Operations and Management 營運及管理

Number of employees 員工數目

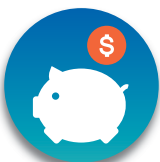
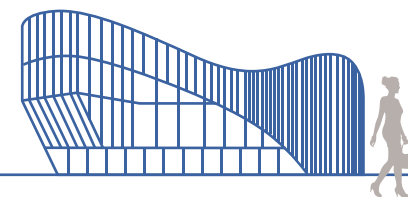
32,170

Number of POS under new inventory
management mechanism
採用新存貨管理機制的零售點

1,468[#]

Establishment of
Chow Tai Fook Academy
in June 2015

於2015年6月成立周大福培訓學院



Financials 財務

Operating cash flows before
movements in working capital
營運資金變動前之經營現金流量

HK\$5,787.4

million 百萬港元

YoY change 同比變化 **▼20.6%**

Earnings per share
每股盈利

29.4 HK cents
港仙

FY2015 2015財政年度

54.6 HK cents
港仙

Total dividends per share for the year
每股全年股息

80.0* HK cents
港仙

FY2015 2015財政年度

28.0 HK cents
港仙

Net assets per share
每股資產淨額

HK\$3.6 HK dollar
港元

FY2015 2015財政年度

HK\$4.1 HK dollar
港元



[^] Measured at constant exchange rates.

[#] Included self-operated POS and franchised POS.

* Included second special dividend of HK22.0 cents and final dividend of HK8.0 cents, subject to the approval of shareholders at the forthcoming annual general meeting.

[^] 按相同匯率計算。

[#] 包括直營零售點與加盟零售點。

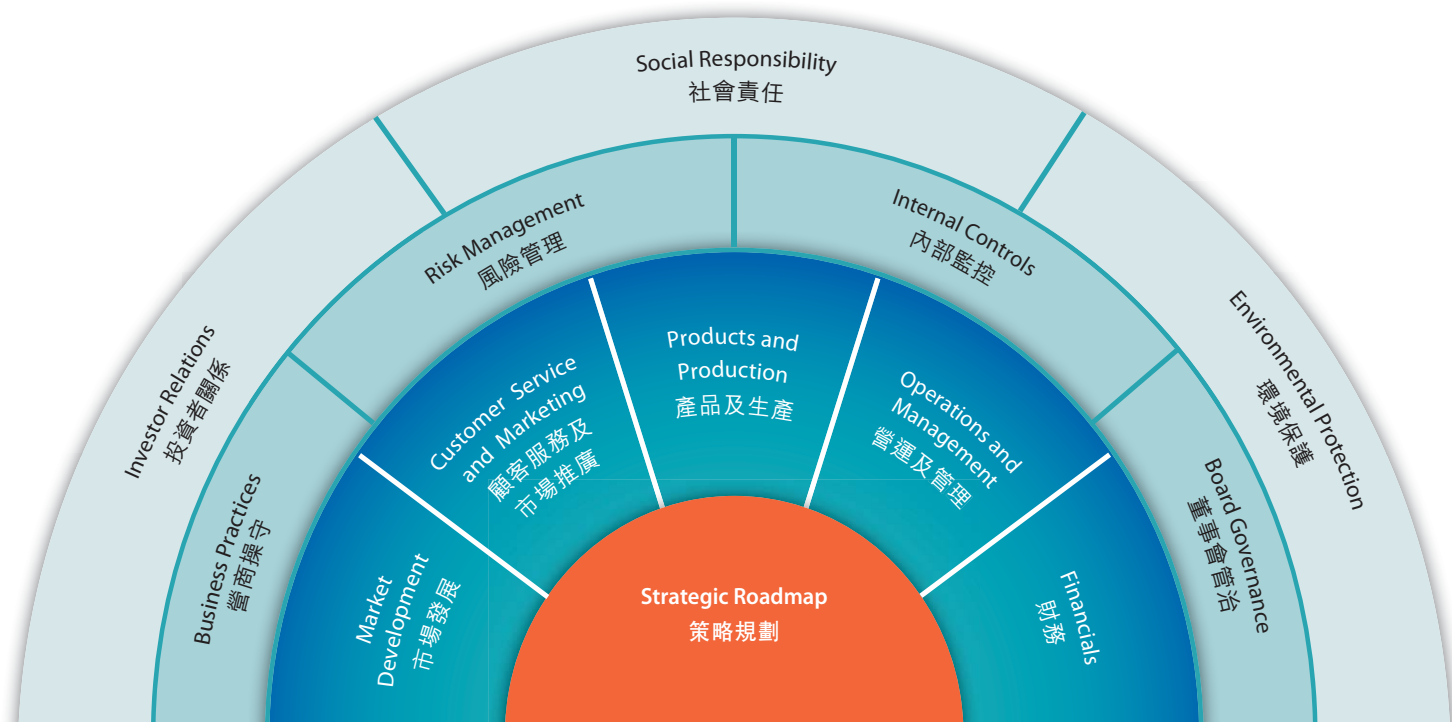
* 包括第二次特別股息22.0港仙及末期股息8.0港仙，須待股東在本公司應屆股東週年大會上批准。

Chow Tai Fook at a Glance

周大福一覽

As an iconic and trusted brand with 87 years of heritage, we commit to attaining sustainable business growth and maximising shareholders' returns through our continuous endeavour to excel in corporate governance, while our contribution to the society and attention to stakeholders will never be forsaken, as illustrated below:

作為擁有 87 年傳統具標誌性且值得信賴的品牌，我們致力於實現持續業務增長，通過堅守卓越的企業管治為股東提供最佳回報，同時服務社會及關懷持份者，載列如下：



Smart+ Initiatives

"Smart+" initiatives are our response to the ever-changing market environment, with the objective to enable the long-term sustainable growth of our business. As retail operations continue to be the core of our business, we leverage the Internet, technological tools and innovative products, new sales platforms and new way of serving to satisfy customers' personalised requirements and fulfill technological retail and smart service.

Smart+ 計劃

我們推出「Smart+」計劃以應對不斷變化的市場環境，維持業務長期持續發展。在堅守零售本業的前提下，我們利用互聯網及科技工具，通過創新的產品、新銷售平台與新奉客模式，滿足顧客個性化需求，實現科技化零售和智能服務。



Vertically Integrated Business Model

垂直整合業務模式

This graphical summary illustrates our vertically integrated business model, which is critical to keep us ahead of the game in delivering best quality products and services. It is also key to the sustainability of our business.

下列圖表摘要呈現我們的垂直整合業務模式，該模式對我們提供最優質產品及服務的領先優勢至關重要，亦是我們業務持續發展的關鍵。

Upstream 上游



Processed 加工

190,000 +

carats of diamond
卡鑽石

Procurement of Raw Materials

原材料採購

Well-established relationship with suppliers of diamonds, gemstones and precious metals around the world
與全球鑽石、寶石及貴金屬供應商建立良好關係



Midstream 中游



Produced 生產

50% +

of gem-set jewellery sold
(in retail sales volume)
已售珠寶鑲嵌首飾 (按銷量)

Design 設計

Award-winning team in Chow Tai Fook Jewellery Creative Centre with over 650 employees
獲獎無數的周大福珠寶創意中心團隊，僱員超過 650 名

Jewellery Manufacturing 珠寶首飾製造

4 production sites in Shunde, Shenzhen, Wuhan, and Hong Kong, producing almost half of our products sold
位於順德、深圳、武漢及香港的4處生產基地，生產近一半我們已售的產品



Downstream 下游



Sold 銷售

17 million 百萬 +

pieces of products
件產品

POS Network 零售點網絡

Extensive retail network with over 2,300 POS covering more than 500 cities in Mainland China, Hong Kong, Macau and other markets, with the co-operation of around 300 franchisees

龐大的零售網絡，包括逾2,300個遍佈中國內地、香港、澳門及其他市場的零售點，覆蓋500多個城市，並與約300個加盟商合作



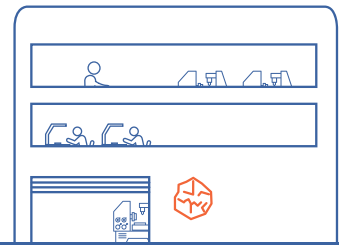


Rough Diamond Cutting and Polishing

切割及打磨鑽石毛坯



Processed over 190,000 carats of diamond in FY2016 through in-house diamond cutting and polishing capabilities
透過內部鑽石毛坯切割及打磨能力, 於2016財政年度加工超過 190,000 卡鑽石

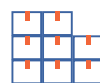


Logistics and Distribution

物流及配送



In-house automated logistic facilities enable timely and efficient product distribution
內部自動化物流設施確保貨品及時高效配送



E-commerce

電子商務

More than 40 e-commerce platforms
逾40個電子商務平台

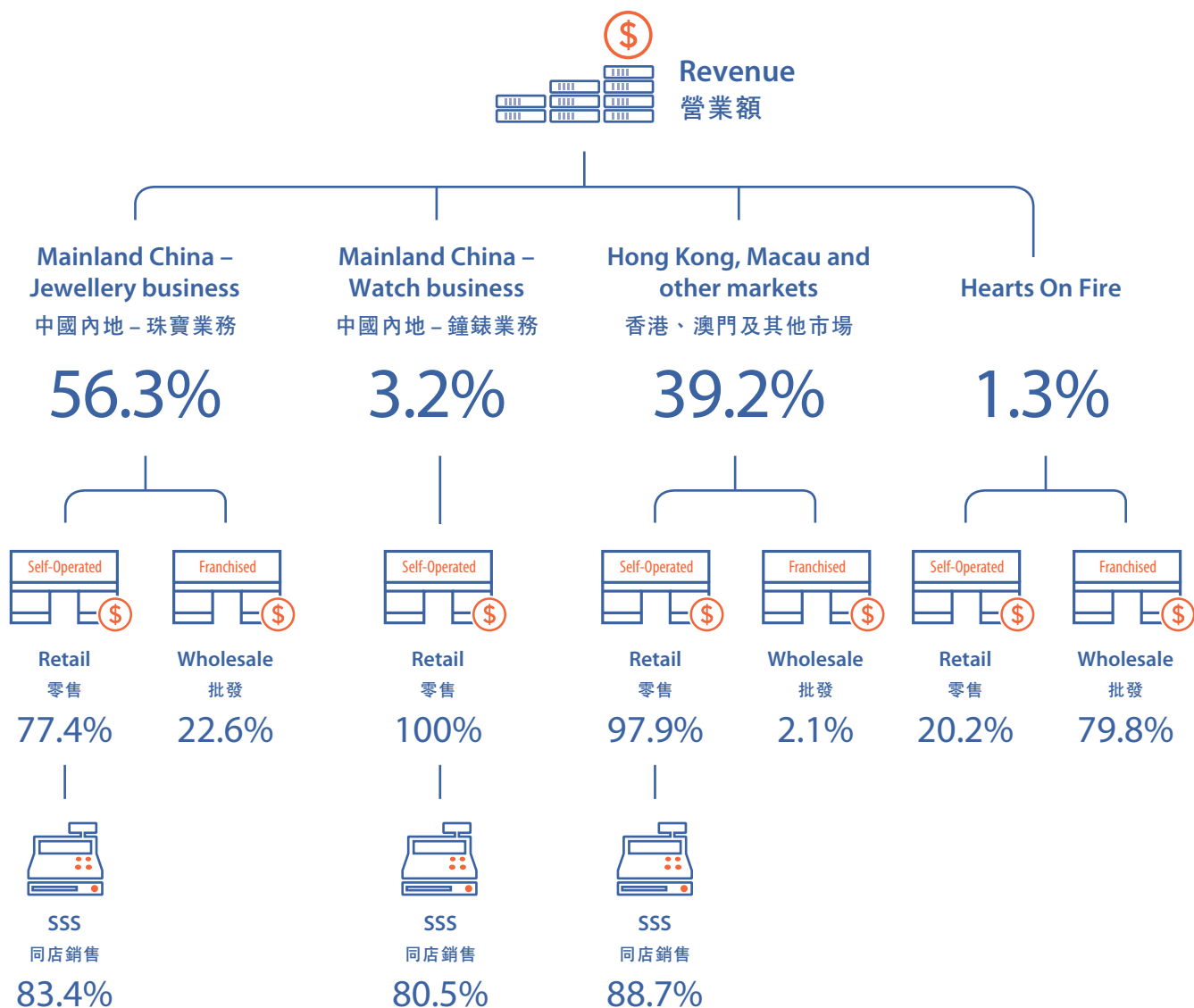


Illustration of Revenue

營業額概述

The following diagram summarises the contribution of our revenue stream:

下圖載列我們的各項營業額佔比：



Note: Information above was based on FY2016 revenue.

附註：上述資料乃根據2016財政年度之營業額。

Chairman's Statement

主席報告書



Over the past decades, we have been striving for excellence in sustainable business development.

過去數十年，我們於可持續業務發展上一直追求卓越成就。

Dear Shareholders,

Year 2016 marks Chow Tai Fook's 87th year of legacy as a leading jewellery brand in Greater China. Over the past decades, we have been striving for excellence in sustainable business development. FY2016 was a year filled with challenges and uncertainties amid the volatile macro-economic environment in Greater China. Yet, the Group's underlying competences remain strong against the backdrop of the headwinds. We will continue to invest for the future to maintain our competitive advantages, and to capture the market opportunities through our well-established brand and extensive industry experience.

Performance Review

Following the continuous softness in luxury retail market in Greater China, the Group's revenue recorded a decrease of 12.0% year-on-year to HK\$56,591.5 million in FY2016. Profit attributable to shareholders of the Company declined 46.1% to HK\$2,941.4 million, while earnings per share decreased to HK29.4 cents. In light of the strong cash position, the Board has proposed a final and a special dividend of HK8.0 cents and HK22.0 cents per share, respectively.

Market Dynamics

Mainland China has shown a sign of economic slowdown after achieving a remarkable pace of growth in the past two decades, with its GDP growth moderated to 6.9% in 2015. Volatility in capital market also impacted the luxury retail sentiment. Besides, the increasingly affluent and sophisticated Chinese consumers continue to look for more personalised products and shopping experience. Lifestyle and leisure spending becomes the trend, with strong outbound tourism boosting the consumption abroad. However, taking into account the relatively stable fundamentals, continuous urbanisation and the ever-growing middle-class in the region, we believe that Mainland China will stay the course on sustainable growth.

In Hong Kong and Macau where we have been maintaining our leading position for many years, the persistently weak retail sentiment and the decline in tourist visitations, particularly the Mainland tourists, as a result of the strengthening US dollar and evolving travel preference continue to affect our operation in FY2016. Mainland tourist arrivals in Hong Kong and Macau fell 8.6% and 3.7%, respectively during the financial year. We expect the market environment for the region to remain challenging in the year ahead.

各位股東：

2016年是周大福作為大中華領先珠寶品牌傳承的第87年。過去數十年，我們於可持續業務發展上一直追求卓越成就。在大中華宏觀經濟環境變化無常下，2016財政年度充滿挑戰與不確定因素。儘管市場面臨阻力，本集團仍然具備雄厚的實力。憑藉卓越的品牌與豐富的行業經驗，我們將繼續投資未來，維持競爭優勢，把握市場機遇。

表現回顧

大中華奢侈品零售市場持續疲弱，本集團的營業額同比下降12.0%至2016財政年度的56,591.5百萬港元。本公司股東應佔溢利下降46.1%至2,941.4百萬港元，每股盈利降至29.4港仙。鑑於本公司現金充裕，董事會建議派付末期股息每股8.0港仙及特別股息每股22.0港仙。

市場動態

中國內地經濟在經歷過去二十年的驚人增速後出現放緩跡象，2015年的國內生產總值增長降至6.9%。奢侈品零售市場消費情緒亦受到資本市場波動影響。此外，中國消費者日益富裕，生活品味愈來愈高，追求更為個性化的產品與購物體驗。生活與休閒娛樂開支成為消費趨勢，出境遊蓬勃發展亦相繼推動境外消費。然而，考慮到基本因素相對穩定、城市化進程持續推進及中產階級不斷增長，我們相信中國內地會保持可持續增長。

多年來，我們在香港及澳門一直保持領先地位。但由於美元升值及遊客外遊喜好不斷變化，本地零售市場情緒持續疲軟，遊客（尤其是內地遊客）減少，我們2016財政年度的營運持續受到影響。於本財政年度，到訪港澳的內地遊客分別下降8.6%及3.7%，預期未來一年該區域的市場環境依舊充滿挑戰。

Strategies for Sustainable Business

Despite the challenges ahead, we are dedicated to further enhancing our product portfolio such as introducing Hearts On Fire brand and diamond fashion jewellery in response to the changing customer preferences towards more lifestyle and design-oriented. Our “Smart+” initiatives highlight our focus in extracting more online-to-offline synergies and uplifting the customer experience through the use of Internet and technology. For instance, we leverage on digital marketing to communicate with our customers via mobile apps and offer them personalised shopping experience. Our smart devices applied in operations help us understand better of the consumer behaviour and refine our business strategies.

Chinese customers remain to be our major customer group. We will continue to optimise our business operation in Greater China in order to further strengthen our industry leadership in the region. At the same time, we endeavour to assess the opportunities in expanding our business abroad and tap the growth potential from the Mainland outbound tourism. Leveraging our successful brand history with the spirit of “Fixed Price Policy”, solid expertise and business innovations would give impetus to our sustainable growth and development.

Corporate Social Responsibility

Adhering to our core value “Sincerity • Eternity”, we also attach great importance to corporate governance, risk management and community services as our corporate social responsibility that is vital to our long-term sustainable development. While we are striving for cost efficiency and business expansion in face of the current economic adversities, our contribution to society are never interrupted. We strive to act as a role model and inspire the industry to uphold the integrity and ethics in business operations, to take part in the environmental protection and community work, and eventually to build a better society.

In closing, I would like to express my heartfelt gratitude to my fellow Board members for their strategic guidance and the management and staff for their dedication and hard work. I also thank our shareholders, business partners and customers for their continual support. In spite of the challenges ahead, I have every confidence that the Group will grasp each and every opportunity to maximise the interests of our stakeholders with our concerted efforts.

Dr. Cheng Kar-shun, Henry
Chairman

Hong Kong, 7 June 2016

可持續業務策略

儘管挑戰重重，我們仍然積極優化產品組合，引入 Hearts On Fire 品牌及推出時尚鑽石珠寶，迎合顧客對生活品味及設計的追求。我們的「Smart+」計劃注重使用互聯網與科技以達至線上線下協同效益，提升顧客體驗。例如，我們利用數碼市場推廣使用手機應用程式與顧客溝通，為其提供個性化的購物體驗。我們於營運中使用智能設備有助我們更有效地了解消費者行為，從而優化業務策略。

中國消費者仍是我們的主要消費群。我們將繼續優化大中華地區的業務營運，進一步鞏固於該區域的行業領先地位。與此同時，我們努力物色海外擴展機會，從內地出境遊中發掘增長潛力。憑藉我們成功的品牌歷史、「一口價」政策精神、紮實的專業知識及創新業務，將為可持續增長與發展注入新的動力。

企業社會責任

秉承「真誠•永恒」的核心價值，我們亦重視企業管治、風險管理及社區服務，該等企業社會責任對我們的長期可持續發展至關重要。面對當前經濟逆境，我們努力提升成本效益，擴充業務，同時堅持回饋社會。我們致力成為業界表率，在業務營運過程中堅守行業道德及操守，參與環境保護和社區工作，共建美好社會。

最後，本人謹此對董事會同仁的策略性指導、管理層及員工的忠誠貢獻與辛勤工作致以衷心的謝意，亦對股東、業務夥伴和顧客的一貫支持表示真誠的感謝。儘管挑戰重重，我相信本集團會把握每個機遇，共同努力，為持份者創造最大利益。

主席
鄭家純博士

香港，2016年6月7日

Managing Director's Strategic Report

董事總經理策略報告

Chow Tai Fook enters its 87th year of operation. In light of the ever-changing market and the new opportunities arising from it, we have risen to the challenges and sought to keep the right initiatives in place to deliver sustainable growth over the long run.

踏入周大福發展的第 87 年，面對整個大環境的不斷變化與新的機遇，我們無懼挑戰，積極應對，研究並推出各種措施，以快速應對市場轉變，令業務能夠持續發展。

Dear Shareholders,

The overall market environment was full of changes and challenges during the year. Despite the slowdown in market growth under the new economic normal, we proactively respond to our customers' pursuit of customised and stylish experiences through strengthening our personalised products and services, so as to induce their purchasing desire. In our endeavours, we are pleased that FY2016 represented a year of progress to our team:

Strengthening of retail network: We added a net of 62 POS to our retail network. Through optimising and consolidating our existing retail network, we emphasise on providing best-in-class products and services, enhancing customer experience in order to support our sustainable development and reinforce our leadership position in the jewellery industry;

Strong momentum of e-commerce: Our e-commerce business continued its strong trajectory from the year before, with a solid RSV year-on-year growth of 51.7% and comprising 2.3% of the total RSV of the jewellery business in Mainland China. Following the latest development of omni-channel retailing, we integrated our online and offline resources and collaborated with the renowned business partners to deliver seamless shopping experiences to our customers;

Use of technology to enhance customers' shopping experience and to improve operational efficiency: We innovated and made use of the Internet and smart devices, such as the Smart Tray, in our POS. We offered new shopping experiences to our customers by bringing in new channels, products, and fast and convenient payment options;

各位股東：

本年度整個市場環境充滿變化與挑戰。在經濟新常态下，縱使市場增長速度放緩，我們透過加強個性化的產品和服務，積極回應顧客對個性化時尚生活的殷切追求，以提高其購買慾望。在不斷努力下，我們樂見團隊於2016財政年度取得成果：

鞏固零售網絡：我們的零售網絡淨增加62個零售點。透過優化並整合現有零售網絡，我們著重於提供最佳的產品及服務以提升顧客體驗，從而維持業務持續發展並鞏固我們在珠寶行業的領先地位；

電子商務持續發展：電子商務業務承接去年的強勢發展，零售值按年顯著增長51.7%並佔國內珠寶業務零售總值的2.3%。緊貼全渠道零售趨勢，我們整合線上線下資源，積極與著名業務夥伴進行合作，致力於為顧客提供無縫的消費體驗；

運用科技提升顧客購物體驗及提高營運效率：我們積極創新，於零售點運用互聯網與科技設備如智能奉客盤，並提供新的渠道與產品、方便快捷的支付服務，給予顧客新的購物體驗；

Membership programme to stay connected with customers: By optimising our membership programme, we insisted on the customer-centric approach and continued to step up our efforts in connecting with our customers to increase their brand loyalty. During the year, the number of our members in Mainland China and Hong Kong and Macau were approximately 1.1 million and 0.4 million respectively, with the repeat purchase ratio maintained at 29.0% and 26.0% respectively in Mainland China and Hong Kong and Macau; and

Optimisation of our product offerings: We improved our product design and craftsmanship to cater ever-changing customer tastes through an optimised product portfolio. For instance, our premium diamond brand Hearts On Fire and our one-of-a-kind high jewellery collection “Le Labyrinthe Artistique” showcase our mastery of craftsmanship and artisan spirit, taking crucial roles in attracting customers’ desires and awareness towards our products. In addition, we managed to ride on the opportunities created by important moments in life and continued to breed our bridal collections.

“Smart+” initiatives

Since the launch of our “Smart+” initiatives, we are committed to dedicating ourselves to elevate our brand and competitiveness through innovation and the use of technology for the sake of achieving sustainable development. Going forward, we strive to further develop our business and improve our efficiency, with specific targets set out in the following five major areas:

Market Development

In Mainland China, our net POS openings in FY2017 shall be similar to that of last year. We will be more selective and targeted in opening new POS and consolidate our existing retail network. We aim at enhancing our shopping experience at store level from multiple perspectives including visual angles and emotional interaction, catering to trends of connecting with customers through omni-channel retailing and differentiation.

In Hong Kong and Macau, we continue to consolidate our retail network to enhance our operational efficiency in FY2017. In overseas market, we will grasp the opportunities brought about by the tourism boom from Mainland China and gradually build our presence overseas.

As our omni-channel retailing model develops, we are no longer connecting with our customers only through our physical stores; our customers could now choose to browse product information or to shop either online or offline. Hence, we aim at integrating our online and offline resources to direct traffic to our distribution channels through an omni-channel strategy empowered by digital marketing. Adhering to the spirit in our core business, we will explore ways to transform our business model, such as supporting our frontline staff with mobile applications.

透過會員計劃緊密與顧客聯繫：透過優化會員計劃，我們堅持以顧客為本，不斷加強與顧客之間的互動，進一步增強顧客的品牌忠誠度。年內，中國內地與港澳地區的會員人數分別約110萬人及40萬人，會員再消費的比率分別維持在29.0%與26.0%；及

優化產品組合：為滿足顧客不同喜好與需求，我們不斷提升產品設計與工藝，並優化產品組合。例如我們的高級鑽石品牌Hearts On Fire，及獨一無二的高端珠寶系列「凝光臻藝」，都展現了卓越工藝與工匠精神，長遠而言對提高顧客對產品的慾望度及新鮮度至關重要。此外，我們把握相關機遇，持續致力發展婚嫁產品，滿足正準備人生大事的顧客之需要。

「Smart+」計劃

自推行「Smart+」計劃以來，我們堅持創新的理念，運用科技使業務得到可持續發展，不斷提升品牌與競爭力。未來，我們將繼續致力於發展業務與提高效益，具體目標分為以下五大範疇：

市場發展

中國內地方面，2017財政年度我們計劃淨增加零售點的數量將與本年相若，更有選擇性和針對性地增設新零售點及整合現有零售網絡。我們將著重於分店差異化經營，並順應以全渠道方式接觸顧客的趨勢，從視覺、情感交流多角度提升顧客購物體驗。

香港和澳門方面，我們將於2017財政年度進一步整合現有零售網絡，提升分店營運效益；海外方面，我們將把握中國旅客往海外旅遊熱潮所帶來的各種機遇，逐步開拓海外市場。

隨著全渠道零售模式的發展，我們不再單一以實體店接觸顧客，顧客更可以選擇線上購物或取得產品資訊到線下購物。因此，我們將透過數碼市場推廣，整合線上線下資源，利用全渠道方式進行引流。在堅守核心業務的前提下，不斷探索如使用應用程式支援前線員工等的新業務模式。

Customer Service and Marketing

To successfully manage our brand and customer loyalty is critical to our development. With the applications of the Internet and technology, we make use of our self-developed Smart Tray in our POS to understand our customers' preferences and tastes. In the meantime, we intend to cater to our customers' demands and enhance shopping experiences by bringing groundbreaking changes to our product display settings.

We will extend our online-to-offline interactive marketing activities all the way to the integration of our multi-channel layout and strategic marketing, reaching our target customer group via omni-channel marketing.

By optimising our membership programme and increasing our social media outreach, we strive for strengthening our customer relationship management, improvement in customer satisfaction, as well as a healthy and quality repeat purchase from our members.

Products and Production

As customer preference evolves, we strive to manage the shift in our product offerings arising from the changing market dynamics, i.e. from a product-oriented strategy all along to creating more emotional connections between products and people. Under the new normal, we will solidify our leadership position in the jewellery market by further strengthening our product management and optimising our product portfolio through an innovative and diversified product strategy.

The striving for excellence "artisan spirit" has been the talk of the town recently, which coincides with our strategy to build competitive advantages with differentiated and original designs all along. We are devoted to manifesting our products' brand value through creating our own one-of-a-kind products, such as the "Palace Museum" Collection and other high-end jewellery collections.

On the production side, while we have a stable supply of raw materials, we adhere to low-carbon living and invest in technology to give our customers jewellery pieces of the most trusted quality through streamlined production and innovation, guiding our industry to great new heights.

Operations and Management

We optimise our inventory management mechanism and retain inventory ownership to better serve our customers' needs and to attain higher stability in our retail network. The developments of Chow Tai Fook Jewellery Park and Logistic and Distribution Centre will fuel the sustainable growth of the Group's business.

To better facilitate the development in our business and to improve operational efficiency, we will give more autonomy to our regional management teams as an attempt to decentralise authority to regional level in Mainland China. We also established the Data Intelligence Space during the year to equip the management team with data analysis tools to facilitate business decision-making.

顧客服務及市場推廣

品牌和顧客忠誠度對我們的企業發展而言至關重要，通過互聯網及科技的應用，我們於零售點採用自行研發的智能奉客盤以了解顧客喜好和品味。同時，在產品陳列上作出創新的調整，提升顧客體驗，滿足顧客購買需求。

我們將持續增加線上線下互動營銷活動，加強整合多渠道佈局及策略推廣，透過全渠道營銷覆蓋目標顧客群。

通過優化會員計劃和增加社交媒體推廣，我們將加強顧客關係管理，提升顧客滿意度，提高會員再消費比率。

產品及生產

隨著顧客喜好日益多元化，我們調整一直以貨品為主導的產品策略為更重視顧客對產品的情感訴求，並推出相關產品系列予以呼應。在新常態下，我們將進一步加強貨品管理，優化產品組合，透過創新、多元化的產品策略，鞏固我們在珠寶市場的領先地位。

最近引起廣泛討論的「工匠精神」講求精益求精的精神理念，與我們一直通過發展獨家設計作差異化競爭的策略不謀而合。我們致力打造獨一無二的產品如「故宮」系列及高端珠寶系列，進一步彰顯我們產品的品牌價值。

在生產方面，我們擁有穩定的原材料供應，並堅持環保低碳的理念，在科技方面投放資源，精益生產，通過品質和創新給予顧客最可信賴的珠寶精品，引領珠寶行業提升與轉變。

營運及管理

我們優化存貨管理機制，統一及保留存貨擁有權，以滿足顧客需求及加強零售網絡的穩定性。周大福珠寶文化產業園、物流及配貨中心的建設，將維持集團未來業務持續增長。

我們嘗試使各營運地區作為一個獨立個體，給予區域管理層更多的自主權，以發展當地業務及提高營運效益。我們亦於年內成立數據空間以提供數據分析工具予管理層作更好的業務決策。

Talent development is indispensable to our future growth. During the year, we established the Chow Tai Fook Academy and provided our staff a wide variety of training programs through iLearning platform. We encourage lifelong learning in the workplace to support sustainable growth of our business.

Financials

We are committed to optimising our capital structure in order to improve capital efficiency and to save costs. We believe in creating long-term value and return to our shareholders by striking a balance between maintaining adequate liquidity and fulfilling working capital and investment needs.

Social Responsibility

Business development is inseparable from the support of the society. As a member of the society, we fulfill our social responsibility as a corporate citizen by participating in community welfare and voluntary work with our employees. In addition, we kick-start projects to protect traditional craftsmanship under our co-operation with schools. We also establish enterprise scholarships to support students in need, to give back to the society, and to promote sustainable growth in our community.

We put different kinds of resources to technological innovation with an aim to strengthen environmental protection in our production processes. We also introduced a green office initiative as an advocate of energy saving and carbon reduction in the workplace to minimise its impacts on the environment. In the meantime, we call on the public to protect the environment with us by launching community projects such as "How Hot could the Earth Get" and "One Hundred Million SuoSuo".

Looking Forward

As always, I would like to extend my sincere gratitude to our management team for their loyalty and contribution, to our staff for their hard work, and to our business partners for their continued trust and support.

As Chow Tai Fook enters its 87th year of business, in light of the ever-changing market and the new opportunities arising from it, we have risen to the challenges and sought to keep the right initiatives in place to deliver sustainable growth over the long run.

Wong Siu-Kee, Kent
Managing Director

Hong Kong, 7 June 2016

企業的發展離不開人才的培養，我們於年內成立周大福培訓學院，透過自主學習平台提供各類豐富的培訓課程，鼓勵員工不斷學習，支持各項業務可持續發展。

財務

我們致力於優化資本結構以提高資本效率和節約成本，在維持充足流動資金及滿足營運資金投資的需求之間達致平衡，創造長期的價值及回報。

社會責任

企業的業務發展離不開社會支持，作為社會的一部分，我們履行企業公民的社會責任，組織員工積極參與各項社會公益及義工活動。此外，我們亦與學校合作展開保護傳統工藝的項目，設立企業獎學金資助學生，回饋社會，為社會的可持續發展作出貢獻。

我們投入不同資源進行科技創新，加強生產環節中對環境保護。同時亦成立綠色辦公室，號召公司員工積極參與節能減排、減碳等方面的工作。同時，發起「下一刻地球幾度」、「一億棵梭梭」等公益項目，呼籲社會大眾一同行動，保護環境。

展望

一如既往，本人謹在此對管理團隊的忠誠貢獻、全體員工的辛勤努力和業務夥伴的信任及支持表示最衷心的感謝。

踏入周大福發展的第87年，面對整個大環境的不斷變化與新的機遇，我們無懼挑戰，積極應對，研究並推出各種措施，以快速應對市場轉變，令業務能夠持續發展。

董事總經理
黃紹基

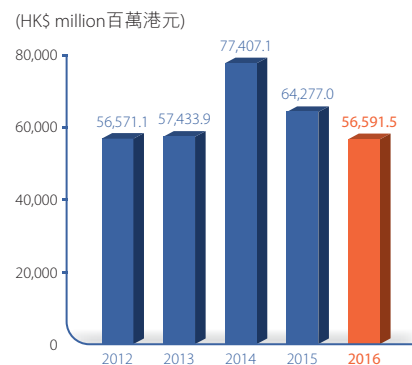
香港，2016年6月7日

Financial and Operational Highlights

財務及營運摘要

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

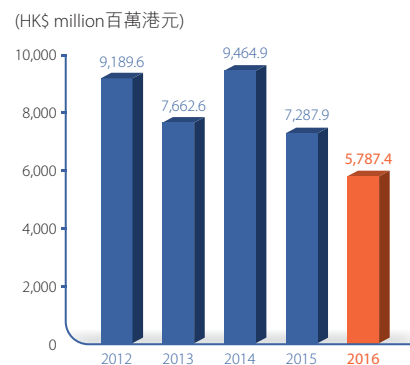
Revenue 營業額



HK\$56,591.5

million 百萬港元
▼ 12.0%

Operating cash flows before movements in working capital 營運資金變動前之經營現金流量

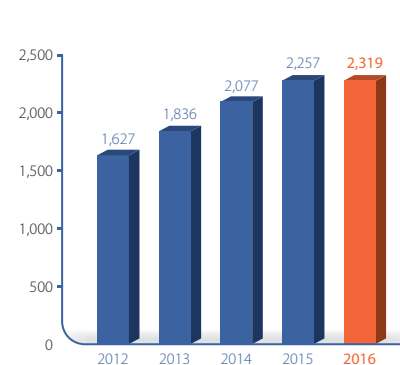


HK\$5,787.4

million 百萬港元
▼ 20.6%

As at 31 March 於3月31日

POS 零售點

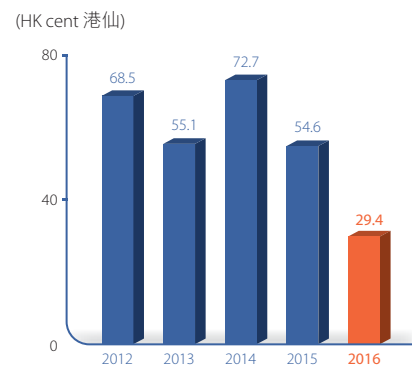


2,319

POS 零售點
▲ 2.7%

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

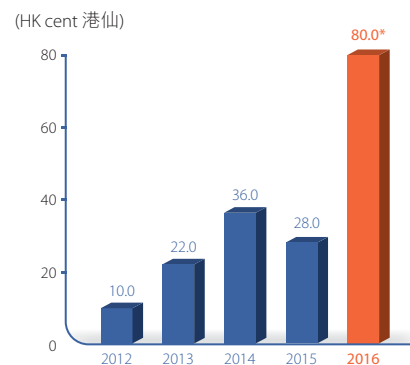
Earnings per share 每股盈利



29.4

HK cents 港仙
▼ 46.1%

Full year and special dividends per share 每股全年及特別股息

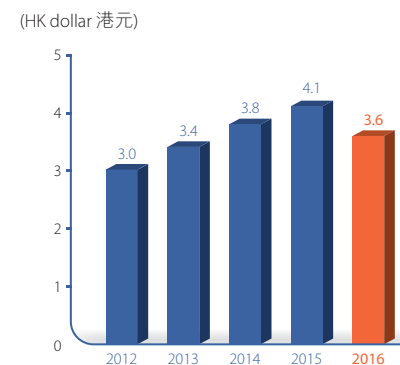


80.0*

HK cents 港仙
▲ 185.7%

As at 31 March 於3月31日

Net assets per share 每股資產淨額



3.6

HK dollar 港元
▼ 11.8%

* Included second special dividend of HK22.0 cents and final dividend of HK\$8.0 cents, subject to the approval of shareholders at the forthcoming annual general meeting.
包括第二次特別股息22.0港仙及末期股息8.0港仙，須待股東在本公司應屆股東週年大會上批准。

Note: The percentages calculated are subject to minor rounding differences

附註：百分比計算結果或略有進位差異

For the year ended 31 March	截至3月31日止年度	2012 HK\$ million 百萬港元	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Revenue	營業額	56,571.1	57,433.9	77,407.1	64,277.0	56,591.5
Gross profit	毛利	16,447.9	16,283.1	21,152.3	19,072.4	15,641.4
Core operating profit ⁽¹⁾	主要經營溢利 ⁽¹⁾	8,135.8	7,106.4	9,499.5	6,690.8	5,050.0
Profit for the year	年度溢利	6,570.9	5,678.4	7,449.2	5,535.8	2,978.9
Profit attributable to shareholders of the Company	本公司股東應佔溢利	6,340.6	5,505.3	7,272.0	5,456.0	2,941.4
Earnings per share (HK cent)	每股盈利(港仙)	68.5	55.1	72.7	54.6	29.4
Full year dividend per share (HK cent)	每股全年股息(港仙)	10.0 ⁽³⁾	22.0	36.0	28.0	16.0
Special dividend per share (HK cent)	每股特別股息(港仙)	–	–	–	–	64.0
Gross profit margin	毛利率	29.1%	28.4%	27.3%	29.7%	27.6%
Adjusted gross profit margin ⁽²⁾	經調整後的毛利率 ⁽²⁾	28.4%	28.1%	27.7%	29.2%	28.9%
Core operating profit margin ⁽¹⁾	主要經營溢利率 ⁽¹⁾	14.4%	12.4%	12.3%	10.4%	8.9%
Net profit margin	淨溢利率	11.6%	9.9%	9.6%	8.6%	5.3%
Dividend payout ratio	派息率	27.4% ⁽³⁾	40.0%	49.5%	51.3%	54.4%

For the year ended 31 March	截至3月31日止年度	2012 HK\$ million 百萬港元	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	9,189.6	7,662.6	9,464.9	7,287.9	5,787.4
Net cash from/(used in) operating activities	經營活動所得/(所用)現金淨額	(6,653.7)	10,030.3	(5,419.5)	7,568.2	13,897.2
Net cash from/(used in) investing activities	投資活動所得/(所用)現金淨額	477.0	(1,112.6)	(1,727.3)	(3,092.7)	(1,044.6)
Net cash from/(used in) financing activities	融資活動所得/(所用)現金淨額	10,497.0	(10,622.6)	8,220.6	(5,471.5)	(8,007.7)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	4,320.3	(1,704.9)	1,073.8	(996.0)	4,844.9
Capital expenditure	資本開支	(867.2)	(1,174.1)	(1,368.3)	(2,767.9)	(1,046.0)
Pro forma free cash flow ⁽⁴⁾	備考自由現金流 ⁽⁴⁾	(6,058.3)	8,150.5	(412.0)	2,764.0	10,690.4

(1) Core operating profit and the corresponding margin, a non-IFRS measure, being the aggregate of gross profit and other income, less selling and distribution costs and general and administrative expenses and unrealised hedging loss/(gain) on gold loans and bullion forward contracts, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its core businesses

(2) Adjusted gross profit margin, a non-IFRS measure, eliminates the effect of unrealised hedging loss/(gain) on gold loans and bullion forward contracts, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trends of its businesses

(3) Dividend per share and dividend payout ratio derived from the profit in the second half of FY2012 after the Global Offering

(4) Net cash from/(used in) operating activities less capital expenditures and net movements for gold loans

Note: The percentages calculated are subject to minor rounding differences

(1) 主要經營溢利及主要經營溢利率並非按國際財務報告準則計算，指毛利及其他收益的合計，減銷售及分銷成本以及一般及行政開支與黃金借貸及黃金遠期合約的未變現對沖虧損/(收益)，本公司相信此等數據有助更透徹了解其經營表現及業務的實際趨勢

(2) 經調整後的毛利率並非按國際財務報告準則計算，扣除了黃金借貸及黃金遠期合約的未變現對沖虧損/(收益)的影響，本公司相信此等數據有助更透徹了解其經營表現及業務的實際趨勢

(3) 每股派息與派息率來自全球發售後2012財政年度下半年溢利

(4) 經營活動所得/(所用)現金淨額減資本開支及黃金借貸淨變動

附註：百分比計算結果或略有進位差異

As at 31 March	於 3 月 31 日	2012 HK\$ million 百萬港元	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Non-current asset	非流動資產	2,156.0	3,441.6	4,262.8	7,038.3	6,670.4
Current assets	流動資產	45,258.3	39,777.0	57,554.3	54,082.7	49,005.0
Current liabilities	流動負債	14,218.0	8,412.8	22,506.9	19,879.9	18,764.0
Net current assets	流動資產淨額	31,040.3	31,364.2	35,047.4	34,202.8	30,241.0
Net assets	資產淨額	29,573.0	33,860.7	38,452.4	40,540.8	35,749.9
Total assets	資產總額	47,414.3	43,218.6	61,817.1	61,121.0	55,675.4
Inventories	存貨	29,694.2	27,314.8	42,543.7	39,797.6	31,376.5
Bank deposits and cash equivalents ⁽⁵⁾	銀行存款及現金等價物 ⁽⁵⁾	10,004.8	8,330.5	9,971.9	8,477.5	13,001.4
Bank borrowings	銀行貸款	9,000.6	1,000.0	6,299.6	6,750.6	7,920.0
Gold loans	黃金借貸	5,806.6	4,835.7	10,786.8	8,338.3	6,513.3
Net debt/(cash) ⁽⁶⁾	債項/(現金)淨額 ⁽⁶⁾	4,802.4	(2,494.8)	7,114.5	6,611.4	1,431.9
Net assets per share (HK\$)	每股資產淨額(港元)	3.0	3.4	3.8	4.1	3.6
Net gearing ratio ⁽⁷⁾	淨資本負債比率 ⁽⁷⁾	16.2%	N/A 不適用 ⁽⁸⁾	18.5%	16.3%	4.0%
Inventory turnover period (days) ⁽⁹⁾	存貨周轉期(天) ⁽⁹⁾	271	242	276	320	279
Return on equity ⁽¹⁰⁾	股本回報率 ⁽¹⁰⁾	22.2%	16.8%	19.4%	13.7%	8.3%

(5) Included bank balances and cash, pledged bank deposits and short-term bank deposits

(6) Aggregate of bank borrowings and gold loans, net of bank deposits and cash equivalents

(7) Aggregate of bank borrowings and gold loans, net of bank deposits and cash equivalents, divided by total equity

(8) The Group had a net cash position as at 31 March 2013, and therefore the net gearing ratio was not applicable

(9) Being inventory balance, excluding packing materials, at the end of the year divided by cost of goods sold for the year, multiplied by 365/366

(10) Being profit for the year divided by total equity at the end of the year

Note: The percentages calculated are subject to minor rounding differences

(5) 包括銀行結餘及現金、已抵押銀行存款及短期銀行存款

(6) 銀行貸款及黃金借貸之總額(扣除銀行存款及現金等價物)

(7) 銀行貸款及黃金借貸之總額(扣除銀行存款及現金等價物)除以權益總額

(8) 本集團於2013年3月31日處於淨現金狀況，故淨資本負債比率並不適用

(9) 即年末存貨結餘(不包括包裝物料)除以年內銷售成本，再乘以365/366

(10) 即年內溢利除以年末權益總額

附註：百分比計算結果或略有進位差異

For the year ended 31 March	截至3月31日止年度	2012	2013	2014	2015	2016
Mainland China – Jewellery Business	中國內地 – 珠寶業務					
SSSG	同店銷售增長	31.9%	(2.9)%	18.6%	(16.1)%	(10.3)%
SSS Volume Growth	同店銷量增長	13.5%	(5.1)%	33.6%	(16.0)%	(8.9)%
Hong Kong and Macau	香港及澳門					
SSSG	同店銷售增長	48.5%	(3.8)%	20.2%	(32.8)%	(21.7)%
SSS Volume Growth	同店銷量增長	29.5%	2.5%	40.3%	(27.7)%	(23.9)%
Retail sales volume (unit)	銷量 (件)					
Mainland China	中國內地	9,248,000	9,888,000	14,556,000	13,637,000	13,280,000
Hong Kong, Macau and other markets	香港、澳門及其他市場	3,225,000	3,861,000	6,109,000	4,902,000	3,966,000
As at 31 March	於3月31日	2012	2013	2014	2015	2016
POS network	零售點網絡					
Mainland China	中國內地	1,532	1,731	1,965	2,124	2,179
Jewellery POS	珠寶零售點	1,448	1,640	1,828	1,992	2,057
Watch POS	鐘錶零售點	84	91	137	132	122
Hong Kong, Macau and other markets	香港、澳門及其他市場	95	105	112	123	126
Hearts On Fire	Hearts On Fire	–	–	–	10	14
Total	總計	1,627	1,836	2,077	2,257	2,319



Management Discussion and Analysis

管理層討論與分析



In the face of the changing consumer preferences and uncertainties in the current market environment, we remain committed to sustainable development through adoption of proactive and integrated approach with specific strategies further outlined in the following five main areas:

面對顧客喜好的轉變及當前市場環境的不明朗因素，我們繼續採取積極綜合措施達致可持續發展，具體分為以下五個範疇：

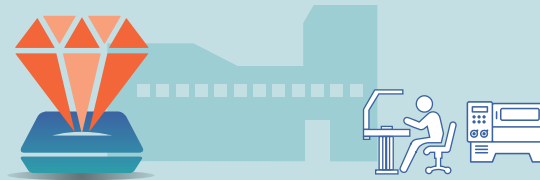
P 22–34
Market Development
市場發展



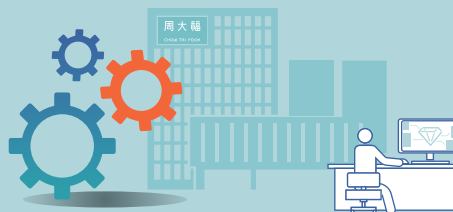
P 35–45
Customer Service and Marketing
顧客服務及市場推廣



P 46–52
Products and Production
產品及生產



P 53–59
Operations and Management
營運及管理



P 60–75
Financials
財務





Market Development 市場發展



The luxury retail market is challenging this year amid volatile macroeconomic environment in Greater China. In response to these headwinds, we are taking a pragmatic and proactive approach to reinforce our leading position in the jewellery market.

受大中華整體經濟環境波動影響，奢侈品零售市場今年面對重重挑戰。面對該等挑戰，我們採取務實及積極的態度，致力鞏固我們在珠寶市場的領先地位。

While strengthening our foothold across the Greater China region, we are extracting more online-to-offline synergies and innovative channels to expand our customer base and satisfy our evolving customers' preferences through our "Smart+" initiatives.

我們一方面鞏固於大中華市場的地位，另一方面透過「Smart+」計劃增加更多線上線下協同效益及創新渠道，以拓展顧客群及滿足他們不斷變化的喜好。

Strategies in Mainland China

- More selective and targeted approach in POS opening
- Focus on store differentiation to target different customer segments, uplift brand image and enhance customer experience
- Explore e-commerce opportunities and other new sales channels

於中國內地的策略

- 更有選擇性和針對性地開設零售點
- 著重分店差異化以針對不同顧客群，提升品牌形象及顧客體驗
- 探索電子商務機遇及其他新的銷售渠道

Strategies in Hong Kong, Macau and other markets

- Enhance store productivity through POS consolidation
- Expand footprint in overseas market to grasp opportunities from the booming Chinese outbound tourism

於香港、澳門及其他市場的策略

- 整合零售點以提高店舖產能
- 拓展海外市場以把握中國出境旅遊市場發展蓬勃的機遇

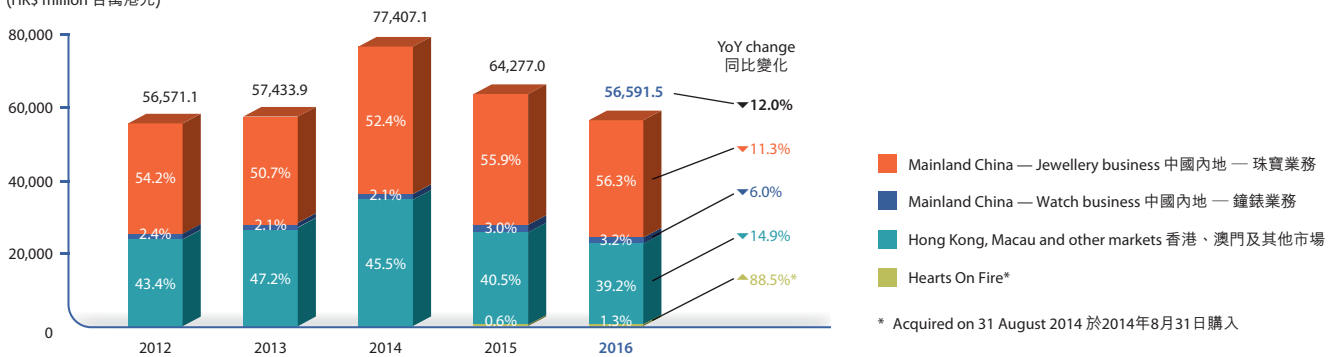
Revenue and SSSG

營業額及同店銷售增長

Revenue by reportable segment

按可呈報分部劃分的營業額

For the year ended 31 March 截至3月31日止年度
(HK\$ million 百萬港元)

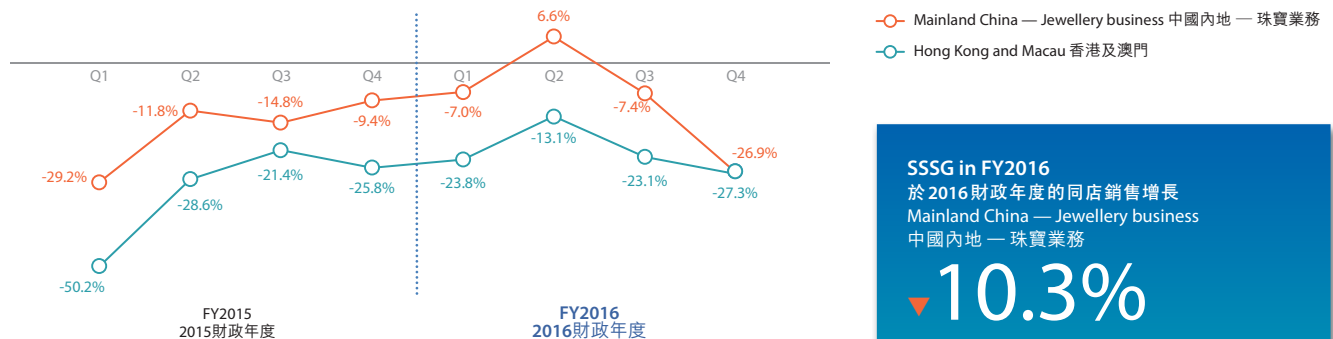


■ Mainland China — Jewellery business 中國內地 — 珠寶業務
■ Mainland China — Watch business 中國內地 — 鐘錶業務
■ Hong Kong, Macau and other markets 香港、澳門及其他市場
■ Hearts On Fire*

* Acquired on 31 August 2014 於2014年8月31日購入

SSSG

同店銷售增長



○ Mainland China — Jewellery business 中國內地 — 珠寶業務
○ Hong Kong and Macau 香港及澳門

SSSG in FY2016

於2016財政年度的同店銷售增長
Mainland China — Jewellery business
中國內地 — 珠寶業務

▼10.3%

Hong Kong and Macau 香港及澳門

▼21.7%

- Mainland China market contributed over 50% of the Group's revenue in FY2016 and such contribution has been increasing over the past 3 years.
- Backed by the increasing urbanisation and a rising middle-income class in Mainland China, we are still confident about the long-term growth potentials in the region in spite of the moderation of its economic growth.
- 中國內地市場於2016財政年度貢獻本集團50%以上的營業額，而其貢獻於過往3年持續增加。
- 儘管中國內地經濟增長放緩，但鑑於城鎮化進程持續以及中產階級增加，我們仍然看好其長期增長的潛力。



Market Development 市場發展

POS network

零售點網絡

As at 31 March	於 3 月 31 日	2014 Total 總計	2015 Total 總計	Addition 增加	During FY2016 2016 財政年度 Reduction 減少	Net 淨增減	2016 Total 總計
Mainland China	中國內地	1,965	2,124	270	(215)	55	2,179
Jewellery POS [^]	珠寶零售點 [^]	1,828	1,992	251	(186)	65	2,057
Watch POS	鐘錶零售點	137	132	19	(29)	(10)	122
Hong Kong, Macau and other markets	香港、澳門及 其他市場	112	123	8	(5)	3	126
Hearts On Fire [#]	Hearts On Fire [#]	–	10	4	–	4	14
Total*	總計*	2,077	2,257	282	(220)	62	2,319

[^] Included Hearts On Fire POS in Mainland China

[#] Included Hearts On Fire POS in the United States and Taiwan

* Excluded Hearts On Fire shop-in-shop and counter-in-shop

[^] 包括於中國內地的 Hearts On Fire 零售點

[#] 包括於美國及台灣的 Hearts On Fire 零售點

* 不包括 Hearts On Fire 店中店及店內專櫃

- A relatively higher number of our jewellery POS closures in the Mainland China market was recorded this year resulting from the consolidation and restructuring of traditional distribution channels, such as department stores.
- 5 POS were closed in Hong Kong and Macau and optimisation of our store productivity continued.
- 6 POS in Taiwan and South Korea were opened in other markets in total to capture the opportunities arising from the boom of Chinese outbound tourism.
- A net of 10 watch POS in Mainland China were closed in FY2016 to enhance efficiency and productivity.
- 年內於中國內地關閉的珠寶零售點相對較多，主要受傳統分銷渠道整合重組（例如百貨公司）影響所致。
- 於香港及澳門共關閉5個零售點並會持續優化店舖產能。
- 在其他市場中的台灣及韓國開設6個零售點，以把握中國出境旅遊市場發展蓬勃的機遇。
- 2016財政年度於中國內地淨關閉10個鐘錶零售點以提升營運效率及產能。

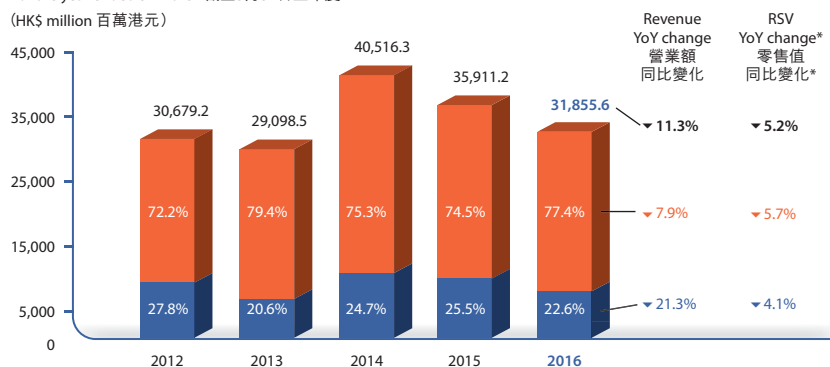
Mainland China — Jewellery Business

Revenue

Revenue by operation model

按營運模式劃分的營業額

For the year ended 31 March 截至3月31日止年度
(HK\$ million 百萬港元)



中國內地 — 珠寶業務

營業額

- Our retail revenue represents sales from self-operated POS, e-commerce and other direct channels while wholesale revenue represents sales and provision of services to franchisees.
- A decline in revenue and RSV in FY2016 was mainly attributable to the softness in spending by customers amid the slowdown of economic growth.
- Our franchisee's progressive adoption of the inventory ownership unification program, which brought about timing difference in revenue recognition, resulted in a wholesale revenue drop of 21.3% while RSV fell by only 4.1%.
- 我們的零售營業額指來自直營零售點、電子商務及其他直接渠道的銷售額，而批發營業額則指向加盟商銷售貨品及提供服務的收入。
- 2016財政年度的營業額及零售值有所減少主要由於經濟增長放緩，令顧客的消費意慾下降。
- 我們的加盟商正逐步採取統一存貨擁有權計劃，由於營業額確認時間會有所不同，以致批發營業額下滑21.3%而零售值則僅下跌4.1%。



Superior shopping experience 優越的購物體驗

We upgraded some of our POS to "high-end luxury" and "elegant" style to cater for the escalating customer expectations. The uniqueness of our POS, coupled with more personalised product offerings and services, bring about a superior experience to customers who strive for exceptional excellence.

我們提升部分零售點至「華貴」及「豪雅」形象以迎合不斷上升的顧客期望。店舖的獨特之處加上更為個性化的產品及服務，可為追求極致的顧客提供優越的購物體驗。

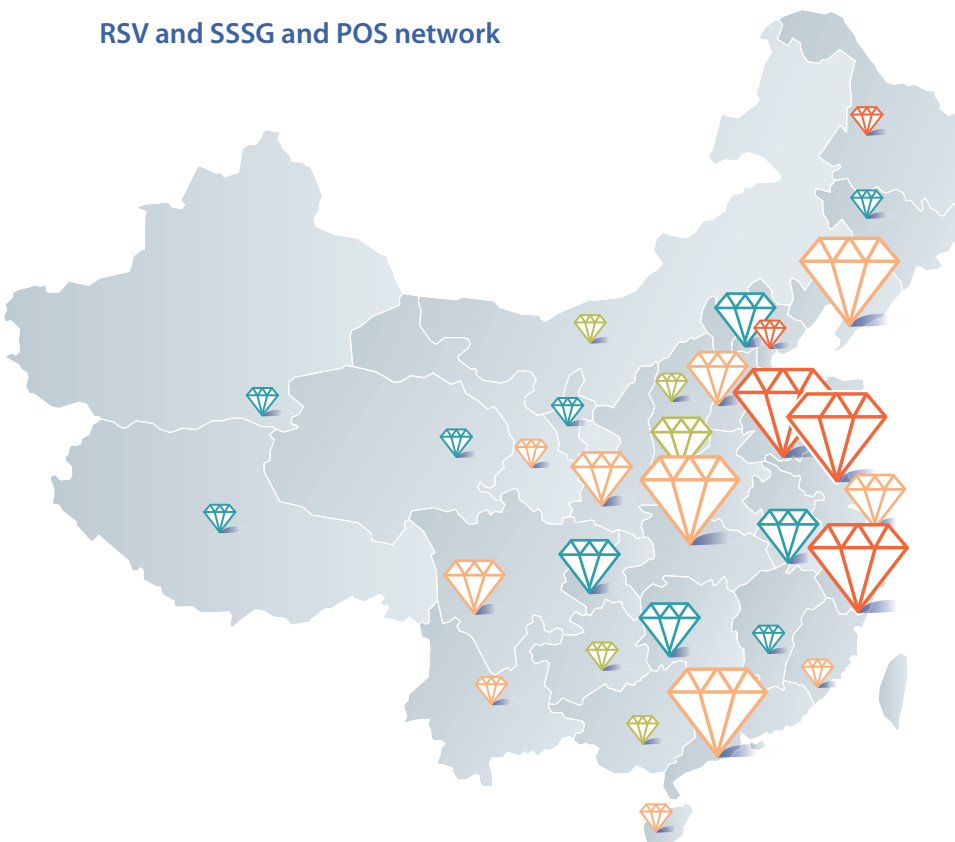




Market Development
市場發展

RSV and SSSG and POS network

零售值及同店銷售增長與零售點網絡



SSS by province*
按省份劃分的同店銷售*

- 5 highest performance
5個最高表現
- Above average performance
高於平均表現
- Below average performance
低於平均表現
- 5 lowest performance
5個最低表現

Number of POS
零售點數目

- <50
- 50-100
- >100

Total number of jewellery POS
總珠寶零售點數目

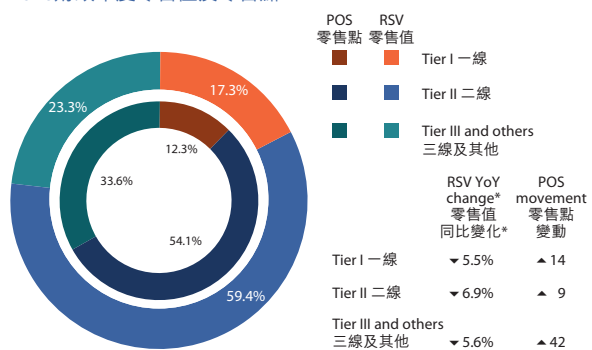
2,057

* To give a better understanding of the relationship between our sales performance and POS network, the above illustration included the performance of our franchised POS.
為進一步了解我們的銷售表現與零售點網絡之間的關係，以上的概述包括我們的加盟零售點的銷售表現。

FY2016 RSV and POS by tier of cities

按城市級別劃分的

2016財政年度零售值及零售點

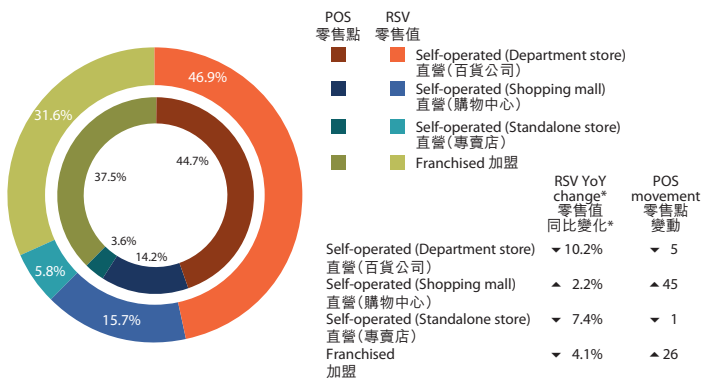


* Measured at constant exchange rates 按相同匯率計算

FY2016 RSV and POS by operation model

按營運模式劃分的

2016財政年度零售值及零售點



- RSV performance in Tier I cities was more resilient as supported by a stable fundamental and consumer sentiment.
- A net of 45 POS were opened in shopping malls during the year in light of the changing retail landscape in Mainland China.

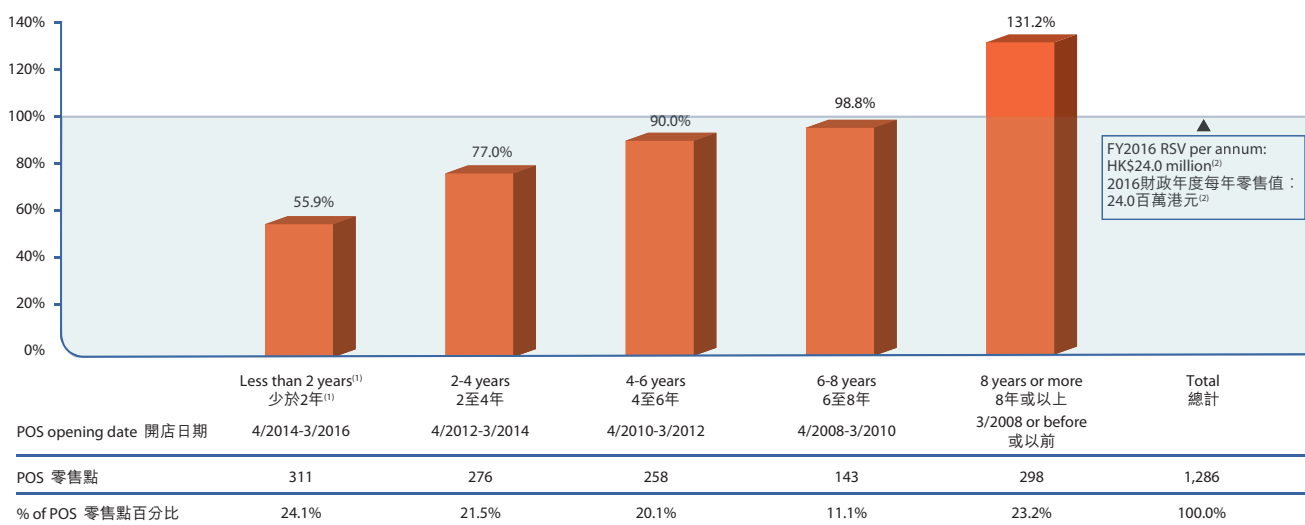
- 一線城市的經濟基礎及消費意慾較為穩定，因此其零售值的抗逆能力較強。
- 年內因應中國內地零售市場的轉變，於購物中心淨開設45個零售點。

Self-operated POS

直營零售點

RSV per store by store age

按店齡劃分的每店零售值

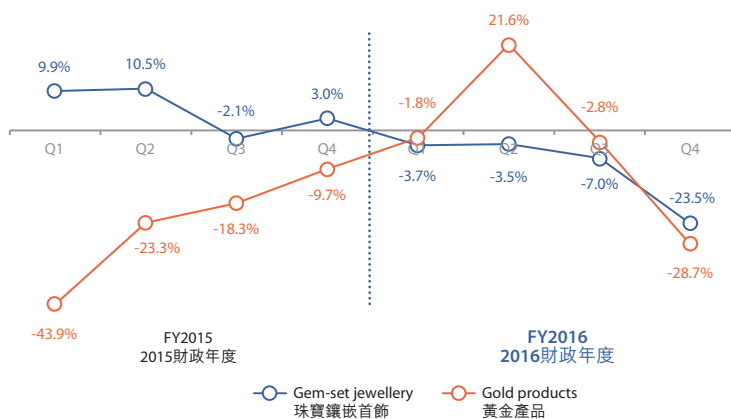


Ratio of annual sales per store to average SSS per store
每店年度銷售額與每店平均同店銷售之比例

(1) For POS of age less than 1 year, sales is adjusted on an annualised basis 店齡不足1年的零售點之銷售按年化基準調整
(2) Included value-added tax ("VAT") 包括增值稅

SSSG

同店銷售增長



FY2016 2016 財政年度
SSSG
同店銷售增長

SSS Volume Growth
同店銷量增長

▼10.3% ▼8.9%

Gem-set jewellery 珠寶鑲嵌首飾

SSSG 同店銷售增長

▼10.4%

ASP 平均售價

HK\$6,300 港元
(FY2015 2015 財政年度: HK\$6,600 港元)

Gold products 黃金產品

SSSG 同店銷售增長

▼6.3%

ASP 平均售價

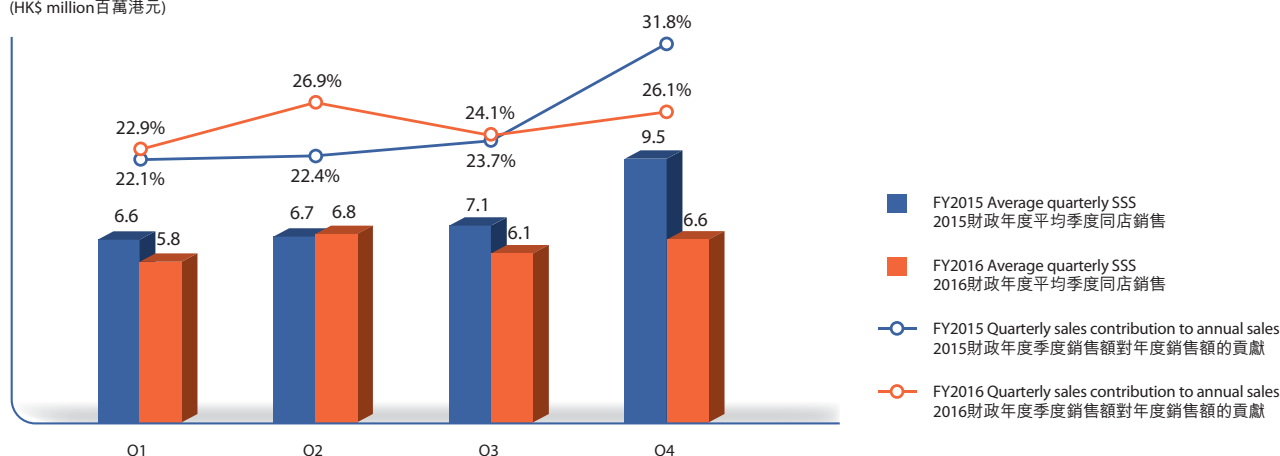
HK\$3,200 港元
(FY2015 2015 財政年度: HK\$3,300 港元)



Market Development 市場發展

Average quarterly sales and its contribution to annual sales 平均季度銷售額及其對年度銷售額的貢獻

(HK\$ million 百萬港元)



- Our Q2 sales contribution in FY2016 outperformed as a result of the mini gold rush triggered by the drop in international gold price in July and August 2015.
- Q4 of our financial year used to be our peak season where most of the festive events, such as Chinese New Year and Valentine's Day, fall in the quarter, yet in FY2016, our Q4 performance was worse than our normal course of business due to the sequential softness in the market.
- 我們於2016財政年度第二季度因2015年7月至8月國際金價下跌引發的小金潮而錄得對本財政年度銷售相對較大的貢獻。
- 我們財政年度第四季度通常為我們的旺季（大多數的節慶活動例如農曆新年及情人節亦集中於此季度）。但由於市場不景氣，2016財政年度第四季度的表現不如往常。



Hearts On Fire in Mainland China 在中國內地的 Hearts On Fire

- Leveraging Chow Tai Fook's extensive retail network and customer base, we introduced Hearts On Fire, the premium diamond brand, to Mainland China.
- A net of 3 Hearts On Fire POS and 118 shop-in-shop and counter-in-shop were opened during the year to cater for the sophisticated and design-oriented customers.
- 憑藉周大福龐大的零售網絡及顧客群，我們將高級鑽石品牌Hearts On Fire引入中國內地。
- 我們年內淨開設3個Hearts On Fire零售點和118間店中店及店內專櫃以迎合追求設計及高品味顧客。



Hearts On Fire POS in Nanjing and shop-in-shop in Shenyang were opened during FY2016 在2016財政年度於南京開設的Hearts On Fire零售點以及於瀋陽開設的店中店

Smart E-commerce



Unique daily visitors* 平均每日瀏覽量*
268,000

* Sourced from Chow Tai Fook e-shop, Tmall and JD.com
數據源自周大福網絡旗艦店、天貓及京東



Number of followers* 關注人數#
2,393,000

Sourced from Official Sina Weibo, Tencent Weibo, WeChat
數據源自新浪微博、騰訊微博及微信官方帳戶

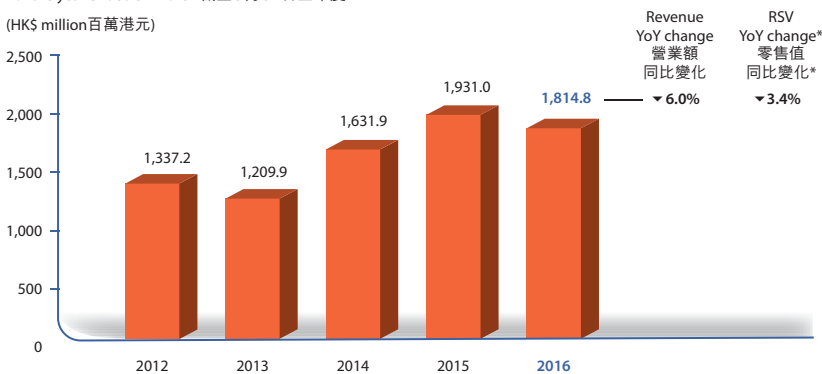
- We integrated our online and offline resources to direct traffic to our distribution channels through omni-channel strategy empowered by digital marketing.
- Leveraging on our established e-commerce platforms and expanding e-tail network, we recorded a remarkable sales performance on "Single's Day", the online shopping festival in Mainland China, and were ranked No. 1 at Tmall in terms of sales of jewellery.
- We had an encouraging development in e-commerce this year through strengthening the co-operation with existing online platforms and exploring other new sales channels.
- Adhering to the spirit in our core business, we are exploring other new platforms to deliver seamless shopping experience to our customers.
- With our solid e-commerce strategy, we were ranked No.1 in digital competence out of all luxury brands in Mainland China according to L2's Digital IQ Index in 2016.

Mainland China — Watch Business

Revenue

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

(HK\$ million 百萬港元)



- Revenue and RSV performance dropped slightly on a year-on-year basis.
- SSSG was 1.6% with SSS volume up by 27.9%.

電子商務

RSV 零售值

51.7%[^]

[^] Measured at constant exchange rates
按相同匯率計算

As a % of respective RSV
佔相關零售值百分比

2.3%

(FY2015 2015 財政年度: 1.5%)

- 我們整合線上線下資源，透過數碼市場推廣，利用全渠道方式進行引流。
- 隨著電子商務平台日漸成熟及網絡銷售渠道的擴展，我們於中國內地網絡購物狂歡節「光棍節」錄得極佳的銷售成績，並位列天貓珠寶類目銷售第一。
- 透過加強與現在電商平台合作與開拓其他創新銷售渠道，我們對本年度的電子商務發展感到滿意。
- 在堅守主要業務的前提下，我們不斷發掘新的平台，為顧客提供無縫的消費體驗。
- 根據2016年L2數碼智商指數，我們透過穩健的電子商務策略在中國內地所有奢侈品牌中數碼能力排行第一位。

中國內地 — 鐘錶業務

營業額

* Measured at constant exchange rates
按相同匯率計算

- 營業額及零售值表現按年同比略差於往年。
- 同店銷售增長為1.6%而同店銷量增加27.9%。



Market Development 市場發展

Hong Kong, Macau and other markets

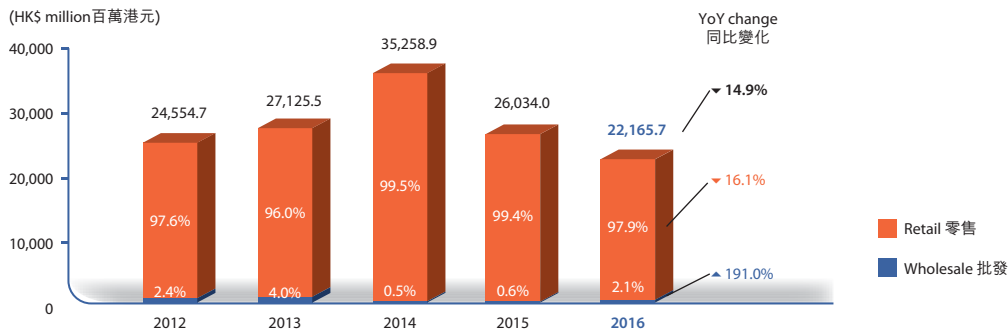
Revenue

Revenue by operation model

按營運模式劃分的營業額

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

(HK\$ million 百萬港元)



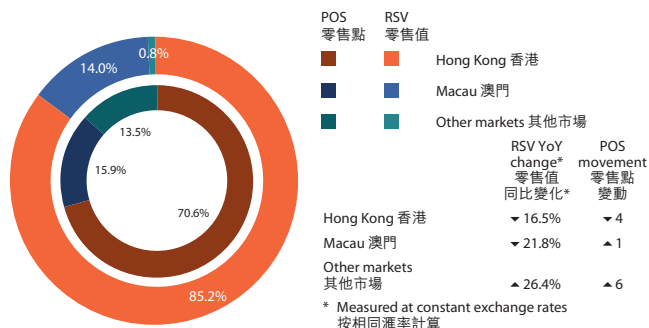
- The decline in revenue in FY2016 was largely affected by the stagnant consumer sentiment and a decline in Mainland tourist visitations in Hong Kong and Macau, where the impact was more prominent in the touristic area.
- Apart from boosting store productivity in Hong Kong and Macau markets, we expanded abroad to capture the Chinese outbound tourism opportunities and achieved a 26.4% RSV growth in other markets this year.
- To enhance our product portfolio and widen our product offerings, we introduced 18 Hearts On Fire shop-in-shop and counter-in-shop to our existing retail network during the year.
- 2016 財政年度營業額下跌主要受港澳地區消費意慾疲弱及內地遊客減少影響，而當中以旅遊區所受的影響較大。
- 除提升港澳市場的店舖產能外，我們拓展海外市場以把握中國出境旅遊市場發展蓬勃的機遇，令年內其他市場的零售值錄得26.4%的增長。
- 為優化產品組合和豐富產品種類，我們於年內於現有的零售點網絡開設18間Hearts On Fire店中店及店內專櫃。



New POS were opened in Shin Kong Mitsukoshi in Taiwan and Hearts On Fire shop-in-shop in K11, Tsim Sha Tsui during the year
年內在台灣新光三越開設零售點及在尖沙咀K11開設Hearts On Fire店中店

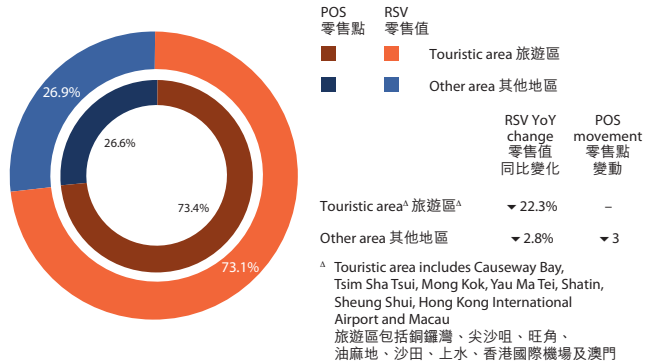
FY2016 RSV and POS by geography

2016 財政年度按地區劃分的零售值及零售點



FY2016 RSV and POS by touristic area in Hong Kong and Macau

2016 財政年度按港澳旅遊區劃分的零售值及零售點



Hong Kong and Macau market performance in FY2016

港澳市場於 2016 財政年度的表現

Retail sales of jewellery industry in Hong Kong[#] 香港珠寶業銷貨價值[#] ▼17.1%

Number of Mainland tourists[^] to: 到訪下列地區的內地遊客人數[^]:

Hong Kong 香港 ▼8.6%
Macau 澳門 ▼3.7%

Our Hong Kong and Macau performance in FY2016

我們港澳市場於 2016 財政年度的表現

YoY change in customer traffic at POS: 零售點客流量同比變化: ▼26.0%

RSV settled by China UnionPay / RMB 以中國銀聯/人民幣結算的零售值 52.6% (FY2015 2015 財政年度 56.9%)

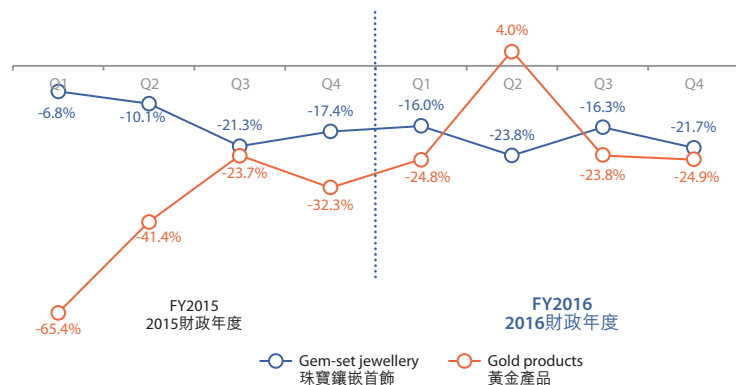
Being the value of retail sales of jewellery, watches and clocks, and valuable gifts in Hong Kong. Data are sourced from Census and Statistics Department of Hong Kong

指有關珠寶首飾、鐘錶及名貴禮品於香港的零售業銷貨價值。數據源自香港政府統計處

^A Data are sourced from Commerce and Economic Development Bureau of Hong Kong, and the Macau Statistics and Census Service

^A 數據源自香港商務及經濟發展局與澳門統計暨普查局

SSSG in Hong Kong and Macau



港澳同店銷售增長



Gem-set jewellery 珠寶鑲嵌首飾

SSSG 同店銷售增長 ▼19.3%
ASP 平均售價 HK\$12,100 港元 (FY2015 2015 財政年度: HK\$12,100 港元)

Gold products 黃金產品

SSSG 同店銷售增長 ▼17.6%
ASP 平均售價 HK\$5,700 港元 (FY2015 2015 財政年度: HK\$5,300 港元)



Market Development 市場發展

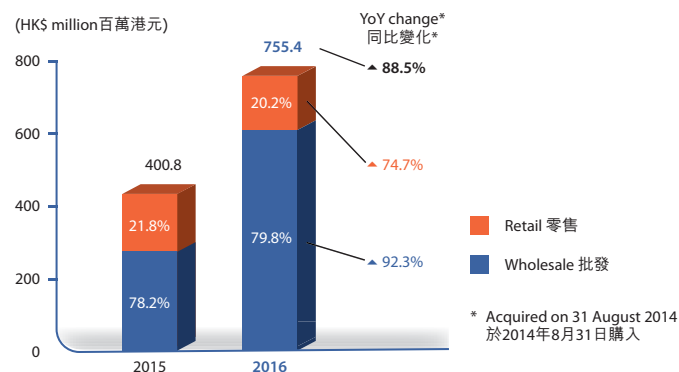
Hearts On Fire Revenue

Revenue by operation model

按經營模式劃分的營業額

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

(HK\$ million 百萬港元)



- The revenue of Hearts On Fire, if consolidated on an annualised basis, would increase 2.6%.
 - A net of 4 POS were opened in Taiwan and 20 net additions of retail partner locations were mainly in Europe and Ireland in FY2016.
 - Around 70% of the retail partner locations are in North America and the rest are mainly situated in the United Kingdom, Ireland, Caribbean and Asia-Pacific region.
 - We are honoured to partner strategically with the renowned United States luxury department stores, Saks Fifth Avenue, this year, with 12 additions of retail partner locations. We endeavour to seek more opportunities for introducing this premium brand and its perfectly cut diamonds to our customers.
- 若以年度化合併，Hearts On Fire 的營業額將上升 2.6%。
 - 2016 財政年度於台灣淨增設 4 個零售點，20 個零售夥伴店舖位置主要在歐洲及愛爾蘭。
 - 約 70% 的零售夥伴店舖位置位於北美，餘下則主要位於英國、愛爾蘭、加勒比地區及亞太地區。
 - 年內我們與美國著名奢華百貨公司 Saks Fifth Avenue 成為戰略性合作夥伴，增設 12 個零售夥伴店舖位置，我們亦會發掘更多機會向顧客推介此高級品牌及其車工完美的鑽石。

Hearts On Fire 營業額

POS network 零售點網絡

As at 31 March 2016
於 2016 年 3 月 31 日

Total
總計

Taiwan 台灣	12
The United States 美國	2
Total 總計	14
Retail partner locations 零售夥伴店舖位置	544



Synergies from Integration with Hearts On Fire 與 Hearts On Fire 整合的協同效應

- **Rollout in Mainland China, Hong Kong and Macau:** Hearts On Fire was brought to Mainland China, Hong Kong and Macau via "shop-in-shop" and "counter-in-shop" strategies. As at 31 March 2016, we have a total of 5 POS and 136 shop-in-shop/counter-in-shop in those regions.
 - **Complementary to our product offerings:** We introduced the exclusive and unique Hearts On Fire jewellery into our existing distribution network. The strategy complements Chow Tai Fook brand by widening the spectrum of our product offerings and uplifting our brand equity.
 - **Procurement cost efficiencies:** We enhanced our cost efficiencies by leveraging on our strong production and procurement capabilities.
- 於中國內地及港澳擴展：Hearts On Fire 以「店中店」及「店內專櫃」之策略推售至中國內地、香港及澳門。於 2016 年 3 月 31 日，我們於這些地區共有 5 個零售點及 136 個店中店／店內專櫃。
 - 豐富我們的產品組合：我們將高級及獨特的 Hearts On Fire 珠寶引入我們現有的零售網絡。這策略可豐富周大福的產品組合以及提升我們的品牌價值。
 - 採購成本效益：透過我們強大的生產和採購能力，提高我們的成本效益。



Major Risk Factors and Control Measures

主要風險因素及控制措施

Competition Ordinance in Hong Kong

Hong Kong Competition Ordinance has come into effect on 14 December 2015. If we violate the Ordinance, our business and brand image will be adversely affected.

The Group always has its own gold-pricing mechanism. For the compliance with the Ordinance, we have reviewed our gold-price mechanism and business agreements, especially on franchising and distribution. We have also updated our related policies and procedures with reference to legal opinions.

A Challenging Macroeconomic Environment

A challenging macroeconomic environment and uncertainty over a prolonged period of time could adversely affect our sales and growth.

In response to these challenges, we are optimising and consolidating our retail network to reinforce our leading position in the jewellery market. We have also adopted a more selective and targeted approach in planning new POS openings thorough market research and pre-opening forecast analysis, and discontinued the operations of low performing retail stores.

Franchisees Management

Apart from the self-operated POS, we also leverage on the local resources of our franchisees to expand our retail footprint. If we cannot manage the franchisees effectively, it will adversely affect our business and reputation.

We have optimised financial settlement with franchisees by unifying inventory ownership. Meanwhile, we have strengthened the monitoring on franchisees, including implementation of whistleblowing system and special audit programme in franchised POS.

香港《競爭條例》

香港《競爭條例》於2015年12月14日生效。若違反條例，將對我們的業務及品牌形象構成不利影響。

公司一向有自己的黃金定價機制。為遵守條例，我們重新審閱黃金定價機制及業務合約，特別是與加盟商及分銷商的業務合約。我們也更新相關政策與流程，並獲得相關法律意見。

具挑戰性的經濟環境

長期具挑戰性的經濟環境及不明朗因素，可能對我們的銷售與增長構成不利影響。

為應對該等挑戰，我們通過優化及整合零售網絡，致力鞏固我們在珠寶市場的領先地位。通過市場調研及開店前預測分析，我們採取選擇性和針對性的方法開設零售點，和關閉表現較遜色店舖。

加盟商管理

除直營零售點外，我們亦運用加盟商的地方資源協助開拓市場。若我們未能有效管理加盟商，將對公司業務及聲譽構成負面影響。

我們通過統一存貨擁有權優化與加盟商的結算模式。同時，我們亦加強對加盟商在營運上的監管，包括將集團舉報機制及在分店層面的特別稽查機制推行至加盟零售點。



Market Development 市場發展



Major Social and Environmental Initiatives 主要社會及環保事項

- The Group has a set of business codes and pricing policies in place in compliance with the Anti-monopoly Law of the People's Republic of China and the Competition Ordinance of Hong Kong in respect of retail pricing, procurement and outsourcing. Our pricing committee is responsible for formulating our pricing strategies and policies in respect of our products as well as supervising and coordinating the implementation of our pricing policies and procedures by the relevant departments within the Group. Our pricing committee determines the price of our gold products by taking into account the international gold price and our operating costs, including costs of materials, design and craftsmanship. As for procurement, quotations from not less than three suppliers are compared in accordance with the Group's procurement guidelines. Outsourcing of infrastructure projects is arranged through tender process in accordance with the Group's tender policy to ensure fair competition. Suppliers are required to sign an agreement acknowledging and undertaking to comply with the business ethics policies of the Group. Internally, the Group also has enhanced the education of business ethics for various business departments.
- The Group applies new technologies in production, logistics and retail. It successfully incorporated Radio-frequency identification (RFID) and Internet of Things (IoT) technologies into the Inventory Control System (ICS). Through the use of RFID-enabled and IoT-based smart devices such as Smart Tray, it further expands the application of big data in jewellery business. The Group has also participated in seminars to promote the sustainable development of the industry in the era of "Internet +" by sharing with industry peers the innovative technology and application of RFID.
- The Group is committed to training professionals of the jewellery industry. The Group organised various programmes in co-operation with educational institutions, including the career orientation programme of the Education Bureau of Hong Kong, training programmes of vocational training schools in Wuhan and Shunde, and the "Michelangelo Plan" jointly organised by CTS Expo Education, Le Arti Orafe Jewellery School and the Group. The Michelangelo Plan was organised to provide a platform for teaching, practice and technology exchange for the jewellery schools in Mainland China and job opportunities for the students.
- 集團已有一系列之營商服務守則和定價策略，在零售定價和採購方面遵守內地實施的《中華人民共和國反壟斷法》及於香港實施的《競爭條例》。我們的定價委員會專責制定產品的公司定價方向策略及政策，監察及協調集團各部門執行定價政策及流程。在金飾定價方面，定價委員會以國際金價作為主要參考，考慮原材料成本、設計及工藝等營運成本，而作出合理定價。而在採購方面，按集團的指引「貨比三家」，工程基建有投標政策監管，旨在維持公平競爭，並要求供應商簽署確認遵守集團的商業道德政策。內部亦向相關部門增加宣傳教育。
- 集團積極研發創新科技及應用於生產、物流、零售各環節。把無線射頻識別(RFID)和物聯網(IoT)技術成功融合於集團的存貨控制系統(ICS)，配合利用無線射頻技術及以物聯網為基礎的智能設備如智能奉客盤(Smart Tray)，開發大數據在珠寶行業的應用層面。同時藉出席研討會與業界人士分享RFID創新技術與應用，推動珠寶行業在「互聯網+」時代的可持續發展。
- 集團致力培育珠寶業界人才，與多間專上院校合作推行校企合作項目，包括支持香港教育局職業生涯導向計劃、贊助武漢及順德職業訓練學校課程、與西廷思世博教育和佛羅倫斯歐納菲珠寶設計學院合辦中國珠寶產業教育「米開朗基羅計劃」，為此計劃的中國內地珠寶學院提供教學平台、實習基地、技術支援與學員就業機會。

Awards and Recognition

- Being listed on the Hang Seng Corporate Sustainability Benchmark Index in 2014 and 2015.
- Received "Corporate Citizenship Logo (Enterprise)" from Hong Kong Productivity Council for three consecutive years.
- Received "5 Years + Caring Company Logo" and "2013-16 Caring Company" Logo from The Hong Kong Council of Social Services under the names of Chow Tai Fook Jewellery Company Limited and Chow Tai Fook Jewellery Group Limited respectively.
- 2014及2015連續兩年獲納入恒生可持續發展基準指數。
- 連續3年獲香港生產力促進局頒發「香港企業公民—企業組別」標誌。
- 分別以周大福珠寶金行有限公司及周大福珠寶集團有限公司之名義，獲香港社會服務聯會頒發「5年+商界展關懷」標誌及「商界展關懷2013-16」標誌。

獎項及認可



Customer Service and Marketing 顧客服務及市場推廣



With our 87 years of brand heritage as backbone, we leverage the emerging marketing opportunities while continue our effort in enhancing customer experience along different stages of shopping cycle.

憑藉 87 年的品牌傳承，我們在把握新興市場推廣機會的同時，亦將繼續提升不同購物階段的顧客體驗。

Our brand “Chow Tai Fook”, serves as one of our most important assets, and with this prestige brand image vividly recallable by customers through our 87 years of heritage and our branding campaigns, we have taken a step further to lever on the emerging marketing opportunities while continuing our effort in enhancing customer experience along different stages of shopping cycle.

「周大福」品牌是我們最重要的資產之一，經過 87 年來的傳承和推廣，品牌的尊貴形象深受顧客推崇，我們藉此更進一步，在把握新興市場推廣機會的同時，亦將繼續提升於不同購物階段的顧客體驗。

P 43

- Stay connected with our members and offer them different kinds of exclusive and privileged lifestyle experience
與會員保持互動，向他們提供各種專屬高品味的生活體驗

P 40-42

- Lever on innovation and technology to create a unique and personalised shopping experience to our customers
利用創新及科技為顧客打造獨特個性化的購物體驗



P 36-37

- Focus on effective advertising and promotional campaigns, while continuing to strengthen our brand awareness and prestige image
一方面致力展開有效宣傳及推廣活動，另一方面繼續加強我們的品牌關注度及尊貴形象

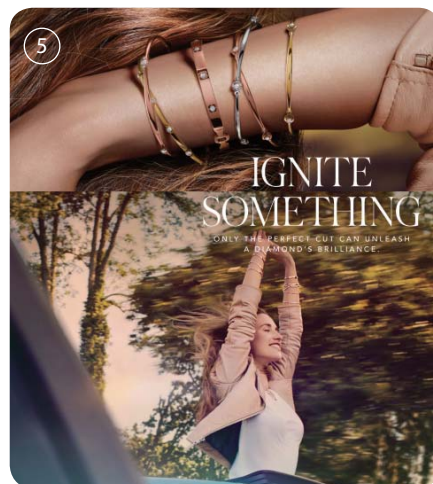
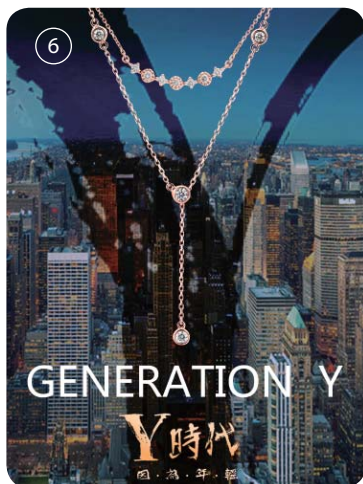
P 38-40

- Extract online-to-offline synergies by collaborating with various business partners and in tapping customers
與多個業務夥伴合作，發掘更多顧客群，實現線上線下協同效應



Customer Service and Marketing 顧客服務及市場推廣

Advertising and Promotion 廣告及宣傳



1. Preview of annual high jewellery collection

- Hosted a private preview of our annual high jewellery collection in Hong Kong in April 2016 and unveiled the one-of-a-kind “Le Labyrinthe Artistique” Collection. More than 400 guests were invited to attend the event. The collection was inspired by the great abstract artists, celebrating iconic geometric oeuvres of the modern period.
- A total of 13 breath-taking jewellery sets of the collection will be put up for auction in November 2016.

2. “A Heritage in Bloom”

- Our Cullinan Masterpiece “A Heritage in Bloom” was unveiled in September 2015.
- The masterpiece is centered upon 24 diamonds, with the largest piece in 104 carats D-colour internally flawless, cut from the Cullinan Heritage, an exceptionally rare 507 carat rough diamond we acquired in 2010.

3. Expo Milano 2015

- We were invited as the official global partner of the China Pavilion at Expo Milano 2015.
- “Expo Milano 2015” Collection was showcased in the Expo in response to the Pavilion’s core concept of “Heaven, Earth, Humans and Harmony”.

4. Collaboration with Stephen Webster for jewellery design

- As an ongoing effort in brand building and market development, Hearts On Fire and Stephen Webster, an acclaimed British jewellery designer, join hands to offer opportunity to five elite Rock Vault designers (the British Fashion Council’s fine jewellery initiative) to create breath-taking jewellery with Hearts On Fire’s diamonds.
- Their masterpieces were showcased in the “IGNITE INSPIRATION EXHIBITION” at K11 Art Mall in Hong Kong in November 2015.

5. Hearts On Fire “Ignite Something” marketing campaign

- First ever global marketing campaign, started in the U.S. and Taiwan in September 2015, followed by Mainland China and Hong Kong in November.
- A total of 7 stories were released in rotation throughout the year to strengthen the brand image and raise the brand awareness.

6. Generation Y marketing campaign

- Promote mix and match of fashion jewellery to gauge the needs of younger generation.
- Collaborate with key opinion leader (KOL) to launch featured promotional video of the series, and received over 2 million views in the first 20 days following the launch.

7. “Freely on Silk Road” campaign

- Successful candidates started their journey in July 2015 and arrived in Italy, the final destination, in September 2015.
- More than 400 million views were recorded and forward actions in social media platforms.
- The second “Freely on Silk Road” campaign – “Revisit of Maritime Silk Road” was launched in March 2016.

1. 年度高端珠寶系列預覽會

- 2016年4月，我們於香港舉辦年度高端珠寶系列私人預覽會，展示獨一無二的高端珠寶系列「凝光臻藝」，超過400名貴賓受邀赴會。該系列的創作靈感源自顯赫抽象派藝術巨匠的傑作，彰顯當代具代表性的幾何藝術。
- 該系列中共13套璀璨奪目的珠寶首飾，將於2016年11月進行拍賣。

2. 「裕世鑽芳華」

- 於2015年9月展示庫里南遺產珠寶傑作「裕世鑽芳華」。
- 此珠寶珍品由我們於2010年成功競投得珍稀的507卡庫里南遺產鑽石毛坯切割打磨出來的24顆鑽石組成，其中最大的一顆鑽石為重達104卡的D級內部完美無瑕鑽石。

3. 2015米蘭世博會

- 我們獲選為2015米蘭世博會中國館的全球官方合作夥伴。
- 於世博會中展示「2015米蘭世博」系列，以切合中國館「天、地、人、和」的核心理念。

4. 與 Stephen Webster 聯手珠寶設計

- 為持續建立品牌及拓展市場，Hearts On Fire 與著名英國珠寶設計師 Stephen Webster 攜手合作，為英國時裝協會精緻珠寶計劃中5位出類拔萃的 Rock Vault 設計師提供機會，以 Hearts On Fire 鑽石設計璀璨奪目的珠寶。
- 該等作品於2015年11月在香港K11購物藝術館「IGNITE INSPIRATION 展覽」上展出。

5. Hearts On Fire「點燃這一刻」推廣活動

- 於2015年9月在美國及台灣開始第1個的全球性推廣活動，及後於11月在中國內地及香港展開宣傳。
- 全年輪流發佈7個故事以鞏固品牌形象及提升品牌認知度。

6. Y時代市場推廣活動

- 推崇時尚珠寶首飾配搭，以貼合年輕一代的生活訴求。
- 與關鍵意見領袖協作，推出該等珠寶系列特色宣傳視頻，其瀏覽量於20天內達到超過200萬。

7. 「絲路任我行」活動

- 成功獲選的參加者於2015年7月開始旅程，並於2015年9月抵達最終目的地意大利。
- 活動獲得超過4億的瀏覽量並於社交媒體廣泛轉發。
- 2016年3月推出「絲路任我行」活動第二季「重走海上絲綢之路」。



Customer Service and Marketing 顧客服務及市場推廣

Store Traffic

Smart Collaboration with Ctrip to boost target customer traffic from online to offline

- Target the market of Mainland tourists of Individual Visit Scheme.
- Collaborated with Ctrip, a leading online travel agent in Mainland China, to launch “Shopping Chic with Ctrip” in various regions in Mainland China and overseas to tap the large potential of the consumer group. Ctrip customers, upon online booking of travel service, will receive information of our stores and will be directed to the nearest one.
- We were ranked top among all jewellery retail brands with the highest rebate amount according to Ctrip.

門店客流

與攜程網開展合作，實現從線上到線下的目標顧客引流

- 瞄準內地個人遊計劃的旅客市場。
- 與攜程網（中國內地線上領先的旅遊代理商）合作，於中國內地及海外多地開展「全球購」計劃，發掘其龐大潛在顧客群。攜程旅客在預定旅遊服務時，將收到有關我們的門店資訊，並被引導至最近的門店。
- 根據攜程網，我們於珠寶零售品牌中為現金回贈金額最高的第一位。

周大福
CHOW TAI FOOK

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Ctrip
攜程

Collaboration with “Ctrip” to boost target customer traffic from online to offline

與攜程網開展合作，實現從線上到線下的精準顧客引流



Smart Collaboration with MiaoJie to provide new shopping experience at shopping mall

- Collaborated with MiaoJie, an application of Alibaba, to provide customers with a new shopping experience through the combination of the Internet and retailing to enhance the interaction with users, in response to the new commercial mode of shopping mall under the emerging “Internet +” trend.
- Customers receive updates of the promotional activities in the shopping malls through MiaoJie before shopping, and receive the latest news of the events of our stores while shopping in the mall. With the indoor navigation function, they will be directed to the nearby store. In addition, customers may enjoy convenient and one-stop shopping experience through mobile payment.
- We are currently one of the best retailers in MiaoJie.

與喵街合作於商場提供新購物體驗

- 基於「互聯網+」型態下商場全新商業模式的發展，我們與阿里巴巴旗下的喵街應用程式合作，透過結合互聯網和零售為顧客帶來全新購物體驗，增強與用戶間的互動。
- 顧客在前往商場購物前，可透過喵街了解商場活動訊息等，並在商場購物過程中，顧客可收到我們門店活動訊息，通過室內導航功能，被引導至附近門店進行消費；同時，顧客可享受便捷的移動支付服務，體驗一站式的購物服務。
- 我們目前為喵街中表現最佳的零售商之一。



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Collaboration with MiaoJie to provide new shopping experience at shopping mall

與喵街合作於商場提供新購物體驗



Smart Collaboration with Baidu Nuomi to expand in local life services market

- Collaborated with Baidu Nuomi, a mobile group purchasing platform under Baidu (the world's largest search engine in Chinese language), to make use of the search and navigating functions of Baidu in expanding our coverage to potential customers in the young generation.
- Customers who enjoy local services through Baidu Nuomi may search our promotion activities at store level and purchase coupons online. They will be directed to the nearby POS for offline purchases.

和百度糯米合作，開拓本地生活服務市場

- 與百度(全球最大的中文搜尋引擎)旗下的移動團購平台百度糯米合作，借助百度的搜索、導航等資源的連接整合，進一步拓展至年青一代的潛在顧客群。
- 顧客在使用百度糯米享受本地服務的過程中，可即時搜尋我們門店相關推廣活動，在線上購買優惠禮券，並被引導至附近零售點進行線下消費。



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Collaboration with Baidu Nuomi to expand in local life services market

和百度糯米合作，開拓本地生活服務市場





Customer Service and Marketing 顧客服務及市場推廣

Store events organised to attract customer traffic

- Customer traffic is essential to our retail business, and it has been our continuous endeavor to attract customer traffic via store promotional events, especially at heavy traffic areas and during holiday occasions, to engage with our customers in an interactive and dynamic way.

舉辦門店活動吸引客流

- 客流對零售業務尤其重要，我們不斷透過門店宣傳活動，特別是在人流暢旺地帶及假日開展活動以吸引客流，與顧客互動。



Shopping Experience



Innovations in store image

- Introduced brand new store layout with a refreshing store image. One of our latest store designs segmented our store area and product display by customer needs instead of the traditional way which segmented products by the type of materials used.

購物體驗

創新店鋪形象

- 透過推出全新店鋪陳列令店鋪形象煥然一新。我們其中一個新門店設計按顧客需求而非傳統的按產品材質劃分門店與商品陳列區域。

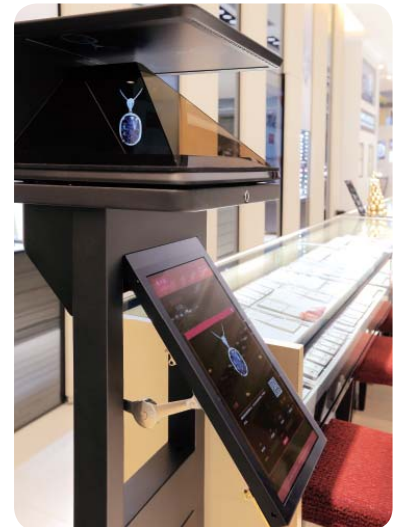


Experiential POS

- With “Smart+” concept in mind, our experiential POS aim at infusing energetic, stylish and innovative elements in our stores through technological devices and infrastructure, so that customers can interact and enjoy unique shopping experience. As at 31 March 2016, we had 18 experiential POS in Mainland China.

體驗店

- 基於「Smart+」概念，我們的體驗店透過鋪設科技裝置及設施，為我們的門店注入活力、時尚、創新等元素，讓顧客透過與其互動實現獨一無二的購物體驗。於2016年3月31日，我們於中國內地已有18個體驗店。





Customer Service and Marketing 顧客服務及市場推廣

Smart Smart Tray

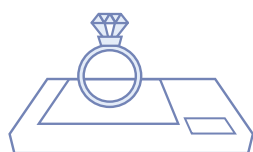
- Our self-developed Smart Tray enables us to understand customer preferences and tastes by automatically capturing of valuable data such as age, gender, nationality and average customer serving time during a customer visit. From there, we can generate conversion rate and other analysis.
- All these findings can enhance our ability in formulating strategies and making decisions in areas such as product offerings, product display, inventory stocking and staff development and training etc.
- We had Smart Tray in place in 74 POS in Hong Kong and Macau as at 31 March 2016. Below are the highlights from the data collected from the Smart Tray during the year:

智能奉客盤

- 我們自行研發的智能奉客盤可自動記錄一些重要數據，如來訪顧客的年齡、性別、國籍及平均顧客服務時間等，幫助我們了解顧客喜好及品味。藉此，我們可進行銷售轉化率及其他分析。
- 這些發現有助於我們制訂策略及優化我們對產品供應、產品展示方式、庫存量及員工發展與培訓等方面之決定。
- 截至2016年3月31日，我們已於香港及澳門的74個零售點備有智能奉客盤。智能奉客盤於年內所記錄的數據摘要如下：

Conversion rate ranking 轉化率排名

- 1 Mainland China
中國內地
- 2 Hong Kong
香港
- 3 Overseas
海外
- 4 Taiwan
台灣



Customers from Mainland China yield the highest conversion rate, followed by that of customers from Hong Kong
中國內地的顧客的轉化率為最高，其次為香港顧客

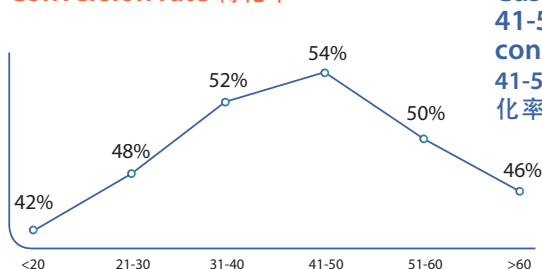
 53%

 46%

The conversion rate for female customers is higher than that of male customers

女性顧客的轉化率較男性顧客的高

Conversion rate 轉化率



Customers with age 41-50 yield the highest conversion rate
41-50歲的年齡層顧客的轉化率為最高

Smart Convenient payment service

- We continue to enhance customers' shopping experience. Through co-operating with Alipay (the world's largest mobile payment merchant) and WeChat payment platform, convenient payment services are provided in our POS to simplify the transaction processes. As such, we are able to lay a foundation for our online-to-offline operation through connecting online to offline activities.
- As at 31 March 2016, approximately one tenth of our POS support WeChat payment or Alipay payment services.

便捷的支付服務

- 我們不斷提升顧客購物體驗，與支付寶(全球最大的移動支付廠商)及微信平台合作，於零售點提供方便快捷的支付服務，簡化交易流程，連接線上線下，為線上線下運作建立基礎。
- 截至2016年3月31日，我們約十分之一的零售點可使用微信支付或支付寶付款服務。

Customer Relationship Management



- To stay connected with our members and provide them with exclusive experience that match with their privileged status, we cater their needs in every detail and invited them to various activities and events.

顧客關係管理

- 為與會員保持聯繫及確保他們獲享與其尊貴地位相匹配的尊屬服務，我們滿足他們不同需求並邀請他們出席各類活動。



Mainland China 中國內地

Number of members
會員數目

1,104,000

Members' Repeat Purchase as a % of RSV
會員再消費佔零售值之百分比

29.0%

(FY2015 2015 財政年度: 29.2%)

Number of Fans members
粉絲會員數目

7,873,000

Hong Kong and Macau 香港及澳門

Number of members
會員數目

362,000

Members' Repeat Purchase as a % of RSV
會員再消費佔零售值之百分比

26.0%

(FY2015 2015 財政年度: 19.3%)



Customer Service and Marketing 顧客服務及市場推廣

Major Risk Factors and Control Measures 主要風險因素及控制措施

Intellectual Property Protection

Our business heavily relies on our intellectual property, particularly our trademarks. We strive for avoiding of infringement and unauthorised use in counterfeit products. The 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.

To safeguard the Group's brand and reputation, particularly against damage by counterfeit products, we have taken legal actions against brand infringement. We have also registered certain of our intellectual property according to our internal policies, collected relevant information regarding infringement or possible infringement of our intellectual property from customers, suppliers, business partners and employees, and continuously improved our anti-counterfeiting techniques.

Customer Loyalty

Customer loyalty is critical to our success. We would lose our customers if we are ineffectively manage membership programme, which could have a material adverse effect on our sales and growth.

We have offered more personalised experiences to customers e.g. organising family activities and inviting customers to join movie premieres. We continuously improved our membership programme, and have a specialised team providing concierge services to members.

During the year, We engaged professional consulting companies to conduct approximately 4,400 mystery shoppers inspections in Hong Kong and Mainland China to ensure high standard services have been continuously provided by our sales staff.

知識產權保護

我們的業務依賴我們的知識產權，尤其是我們的商標。我們致力避免受到侵權，以及不被偽冒產品擅自使用。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。

為了保護我們的品牌及聲譽，尤其是避免偽冒產品的傷害，我們採取相應的法律手段應對侵權行為。我們也根據公司內部相關政策進行特定的知識產權註冊，從顧客、供應商、業務合作夥伴與員工收集侵權及可能侵權訊息，並且不斷改善防偽技術。

顧客忠誠度

顧客忠誠度對我們的業務成功至關重要。若我們未能有效管理會員計劃，可能會流失顧客並對我們的銷售及增長造成不利影響。

我們向顧客提供更加豐富的個性化體驗，例如：組織各種家庭活動及邀請客戶參加電影首映禮。我們不斷改善我們的會員計劃，並且設有專業團隊向會員提供尊貴服務。

我們委託專業管理顧問公司於年內在香港和中國內地共舉行約4,400次神秘顧客巡查，確保我們的銷售人員保持優質服務水平。



Major Social and Environmental Initiatives

主要社會及環保事項

- The Group has reviewed the confidential policies and procedures that protect our customers' personal data collected through the Company's website, membership programme and social media platforms to ensure that all relevant departments have properly complied with the policies of the Group regarding collection, accessibility, storage and removal of personal information and prevention of information leakage.
- In accordance with the Trade Descriptions Ordinance of Hong Kong, the Group has provided true product descriptions and information through channels of the Group (including points-of-sale, websites, social media platforms and advertisements) and during the sale process. In accordance with the new standards issued by the Standardization Administration of the People's Republic of China, during the year, the Group standardised the labels as "pure gold" on all gold jewellery sold in the points-of-sale located in Mainland China.
- 審視現行公司網站、會員計劃、社交媒體平台保障顧客個人資料的保密機制和流程，以確保各部門有適當執行集團政策有關限制資料收集、閱覽權限、資料保存和銷毀的流程，防止資料外洩。
- 遵守香港《商品說明條例》，在集團資料(包括零售點、公司網頁、社交媒體平台及宣傳品等)及銷售過程中均作出真實的商品說明及資料。根據國家標準化管理委員會的新標準，集團年內在中國內地零售點出售的黃金首飾統一一用「足金」標籤。

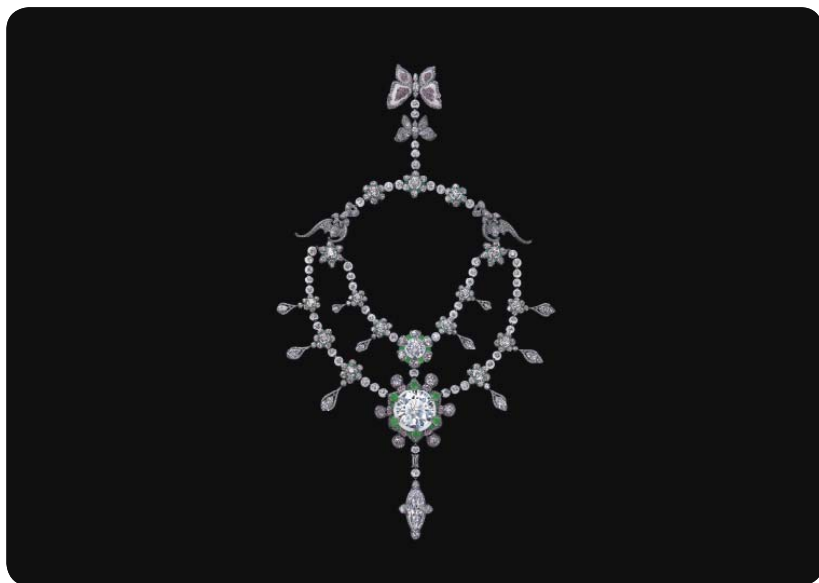
Awards and Recognition

- Our frontline staff received several awards in 2015 Service and Courtesy Award held by Hong Kong Retail Management Association, including Winner in the Watch and Jewellery Category, Outstanding Performance Award (Watch and Jewellery Category), Excellent Service Star and The Best Team Performance Silver Award.
- Our frontline staff from the airport branch were awarded for their outstanding service in 2015 Customer Service Excellence Programme Award organised by Hong Kong International Airport, including individual and corporate team awards.
- Our Tseung Kwan O branch and Tsing Yi branch were awarded Customer Service Excellence Award in Mystery Shopper Programme 2015 held by the property management department of the MTR for their excellent performance in staff appearance, staff attitude, sales skills and shopping site housekeeping etc.
- 前線員工獲香港零售管理協會舉辦之2015年傑出服務獎獲頒多項殊榮，包括鐘錶及珠寶店組別第一名、優越表現獎(鐘錶及珠寶店組別)、優質服務之星及最佳服務團隊獎銀獎。
- 於香港國際機場舉辦的2015年優質顧客服務大獎中，機場分行的前線員工憑卓越的服務獲頒個人獎及企業團隊獎。
- 於港鐵物業舉辦的2015年神秘顧客評審中，將軍澳及青衣分行於專業形象、待客態度、產品銷售技巧、店舖整潔等評審標準中表現超卓，獲頒「優質顧客服務大獎」。

獎項及認可



Products and Production 產品及生產



Building on our strength in the mass luxury jewellery market, we constantly broaden our product offerings to satisfy customer needs.

- Further develop gem-set jewellery products and maintain our market leadership in gold products, through more advanced craftsmanship and better fulfillment of customers' emotional appeal.
- Introduce high-end and one-of-a-kind auction jewellery collections to further uplift our brand equity.
- Introduce diamond fashion jewellery collections and licensed collections through collaboration with well-known movies, animations or characters to offer creative and diversified product selection to customers.
- Continue develop wedding jewellery products to seize market opportunities.
- Capitalise on our vertically integrated business model and unique technology to provide reliable, innovative and distinctive product offerings to our customers.

With 87 years' heritage in promoting jewellery culture and enhancing industry standards, our product design and craftsmanship have been evolving all the time. These enable us to create unique products for customers.

我們秉承 87 年來弘揚珠寶文化，提升行業標準的傳統。透過產品設計與工藝之不斷提升，為顧客打造獨一無二的產品。

憑藉我們於主流珠寶產品市場之優勢，我們持續拓寬我們的產品組合以滿足顧客之需求。

- 透過工藝提升與滿足顧客情感訴求，致力拓展珠寶鑲嵌首飾產品以及維持我們黃金產品之市場領先地位。
- 透過引入名貴珠寶產品與推出獨一無二的拍賣珠寶系列，鞏固品牌地位。
- 透過推出時尚鑽飾系列及與一些大家耳熟能詳的電影、動漫或人物作跨界別合作推出授權產品系列，為顧客帶來創新與多樣的產品選擇。
- 繼續致力發展婚嫁珠寶產品，把握有關機遇。
- 抓緊我們垂直整合業務模式的優勢，配合獨有技術，為顧客帶來可靠、創新、特色的產品選擇。

Smart

Product offerings

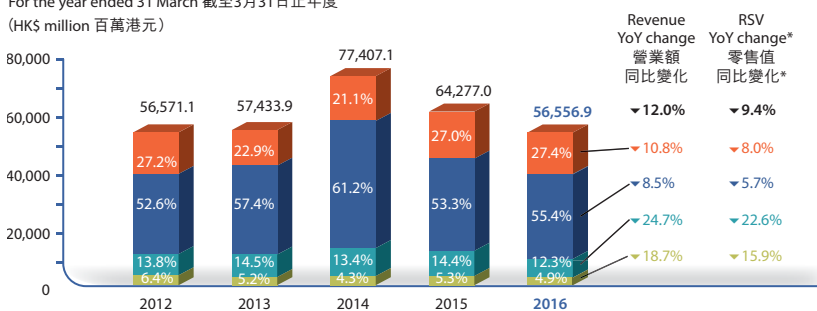
As a world-class jewellery specialist, we provide a wide range of products to our customers. Our products are categorised into four types namely gem-set jewellery, gold products, platinum/karat gold products and watches.

Our jewellery product selection covers high-end jewellery, mass luxury jewellery and youth line products.

Revenue by product

按產品劃分的營業額

For the year ended 31 March 截至3月31日止年度
(HK\$ million 百萬港元)



Revenue YoY change 營業額 同比變化	RSV YoY change* 零售值 同比變化*
▼12.0%	▼9.4%
▼10.8%	▼8.0%
▼8.5%	▼5.7%
▼24.7%	▼22.6%
▼18.7%	▼15.9%

- Gem-set jewellery 珠寶鑲嵌首飾
- Gold products 黃金產品
- Platinum/Karat gold products 鉑金/K金產品
- Watches 鐘錶

* Measured at constant exchange rates 按相同匯率計算

Note: The revenue excludes the amount service income from franchisees

產品組合

我們為世界級的珠寶專家，為顧客提供各式各樣的產品。我們將產品分為珠寶鑲嵌首飾、黃金產品、鉑金/K金產品與鐘錶四大類別。

我們提供多元化的珠寶首飾產品，包括名貴珠寶、主流珠寶與年青產品。

Gold products and gem-set jewellery contribute more than 80% of our revenue.

黃金產品與珠寶鑲嵌首飾為我們貢獻超過八成營業額。

附註：營業額不包括來自加盟商的服務收入

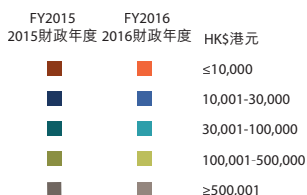
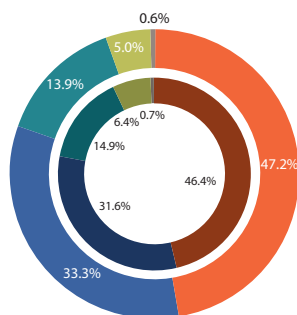
Product price range

Mainland China

RSV by price range — Gem-set jewellery

中國內地

按價格範圍劃分的零售值 — 珠寶鑲嵌首飾

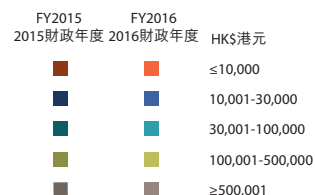
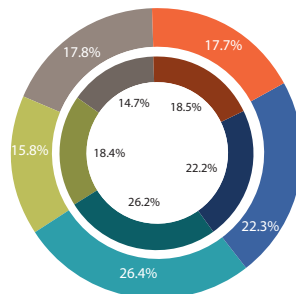


Hong Kong, Macau and other markets

RSV by price range — Gem-set jewellery

香港、澳門及其他市場

按價格範圍劃分的零售值 — 珠寶鑲嵌首飾



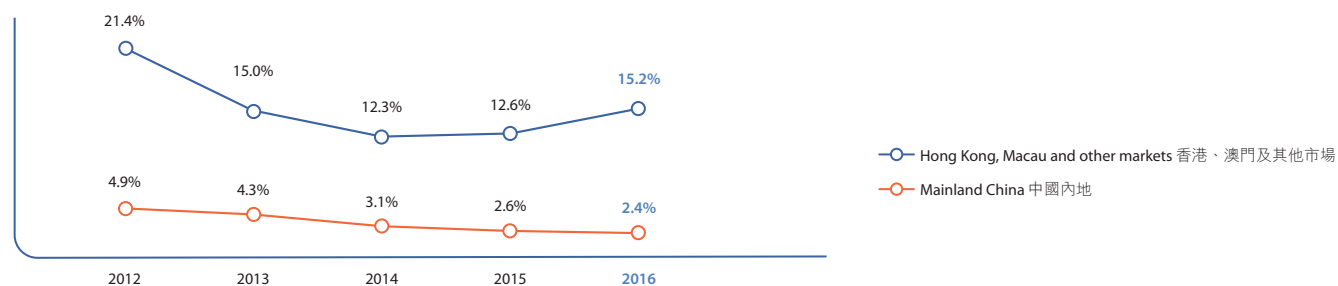


Products and Production 產品及生產

Contribution of high-end jewellery* to respective RSV

名貴珠寶*之零售值佔比

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



* Selling price > HK\$100,000 售價 > 100,000港元

High-end and one-of-a-kind jewellery products

Introduction of high-end and one-of-a-kind jewellery to further uplift our brand equity.

名貴珠寶與獨一無二的珠寶產品系列

通過引入名貴珠寶產品與推出獨一無二的珠寶系列，鞏固品牌地位。



"Le Labyrinth Artistique" Collection
「凝光臻藝」系列



"The Palace Museum" Collection
「故宮」系列



Licensed products

Collaboration with well-known movies, animations or characters to offer creative and diversified products to customers.



Disney "Star Wars" Collection
迪士尼「星球大戰」系列

授權產品系列

與大家耳熟能詳的電影、動漫或人物合作，為顧客帶來創新與多樣的產品選擇。

RSV of gem-set jewellery of FOREVERMARK, Rio Tinto Group and Disney licensed products, as a % of gem-set jewellery RSV

12.9%

(FY2015
2015 財政年度: 11.8%)

FOREVERMARK、力拓集團及迪士尼授權產品的珠寶鑲嵌首飾零售值佔珠寶鑲嵌首飾零售值的百分比

Wedding products

Continual effort in bridal products to seize market opportunities.



婚嫁產品

繼續致力發展婚嫁珠寶產品，把握有關機遇。

"Bridal" Collection
「完美婚嫁」系列



RSV of gem-set jewellery of wedding product as a % of gem-set jewellery RSV

51.8%

(FY2015
2015 財政年度: 52.2%)

婚嫁系列珠寶鑲嵌首飾零售值佔珠寶鑲嵌首飾零售值的百分比

Hearts On Fire products

Introduction of Hearts On Fire products to broaden our product offerings.



"ILLA"
Collection
「ILLA」系列

Hearts On Fire 產品

通過引入 Hearts On Fire 產品拓寬我們產品組合。



"AERIAL"
Collection
「AERIAL」系列



Products and Production 產品及生產

Procurement and Production

Steady supply of raw materials and first-class production capabilities are crucial for us to maintain competitive advantages.

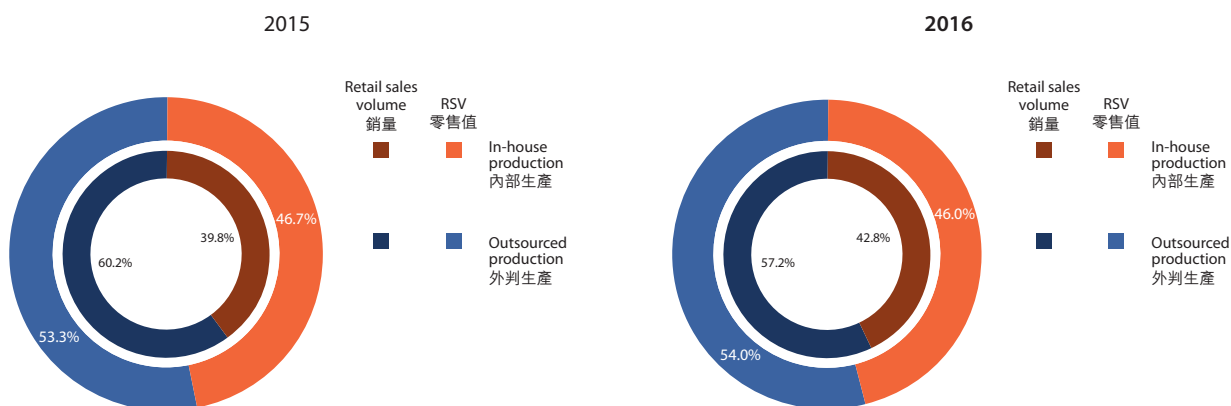
Our diamond processing capabilities and our well-established relationships with De Beers, Rio Tinto Group, ALROSA and other suppliers provide us with a stable supply of raw materials.

We continue to make investment and expand our research and development, design and production capabilities according to our business needs so as to meet market demand for our products and reduce production costs.

For the year ended 31 March

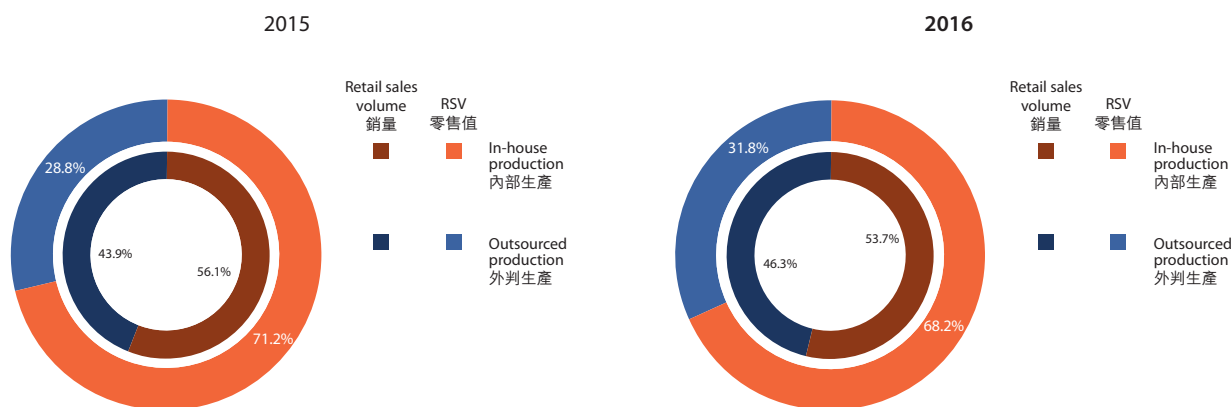
In-house/outsourced production mix of products sold – Jewellery products

內部生產 / 外判生產產品佔已售產品比例 – 珠寶產品



In-house/outsourced production mix of products sold – Gem-set jewellery

內部生產 / 外判生產產品佔已售產品比例 – 珠寶鑲嵌首飾



採購及生產

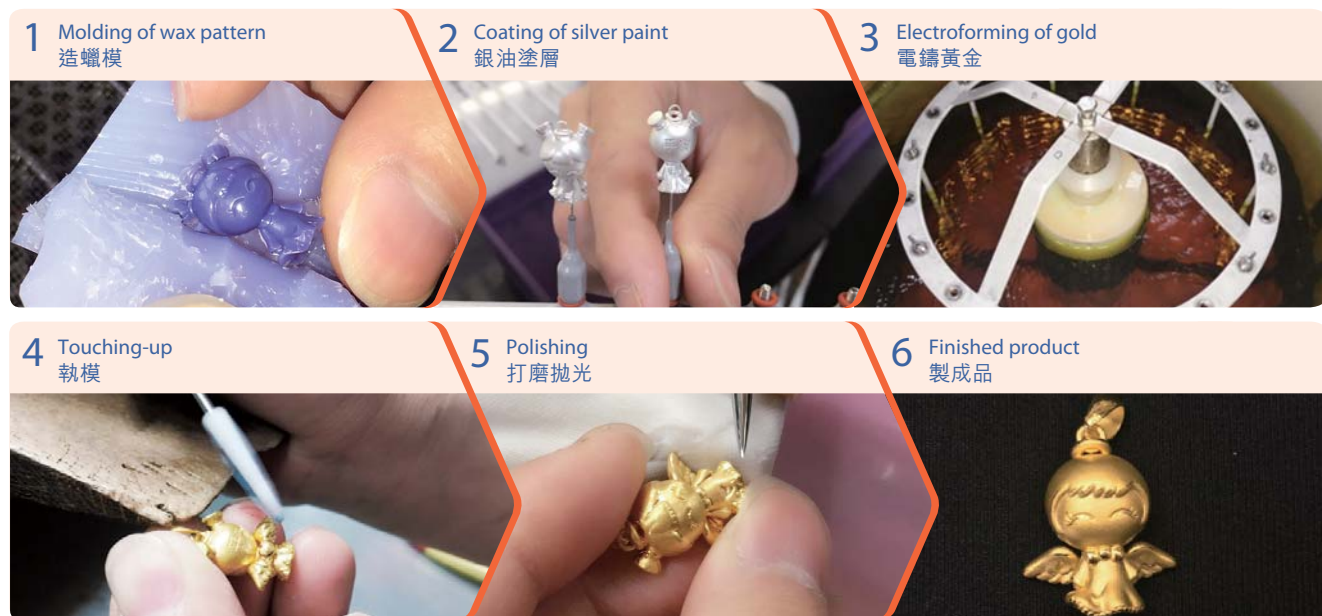
穩定的原材料供應以及卓越的生產能力對於我們維持競爭優勢極為重要。

我們的鑽石加工實力，加上我們與De Beers、力拓集團、ALROSA及其他供應商的穩固關係，為我們帶來穩定的原料供應。

我們持續按需要投資及擴充我們的研發、設計及生產能力，以滿足市場對我們產品的需求，同時致力減低生產成本。

截至3月31日止年度

Manufacturing Process of Hard Gold Jewellery 硬金首飾的製造流程



Major Risk Factors and Control Measures 主要風險因素及控制措施

Synthetic Diamonds

Irruption of synthetic diamonds could impact our brand image and sale of high quality products.

To minimise the risk of irruption of synthetic diamonds, the Group has introduced new devices and procedures to safeguard our high standard of product quality. We also dealt with trust-worthy suppliers with sufficient accreditations and performed regular inspections to their diamonds.

Inventory Turnover

Owing to the impact of volatile macroeconomic environment in Greater China, our inventory turnover has the risk of slowing down.

We closely monitored our inventory turnover. We have used RFID technique to timely and accurately record warehouse inventories and stock taking data. We have set up an inquiry mechanism to increase efficiency of transportation of products across stores and different channels, thereby lowering the inventory level per store. We have also set up a dedicated team to closely monitor inventory turnover and carry out ageing analysis; the ageing inventories are cleared through outlet stores.

合成鑽石

假如合成鑽石流入，會嚴重影響我們的品牌形象及優質產品的銷售。

為減低合成鑽石流入風險，集團引入全新設備與方法以確保我們的產品維持高品質。同時，我們與值得信任的供應商合作，並對其貨品採取充份的認證與定期檢查。

存貨周轉

受到大中華整體經濟波動影響，我們的存貨周轉有放慢的風險。

我們密切關注集團的存貨周轉。我們使用RFID技術以及時準確地記錄倉存與取貨數據。我們設立查詢機制，使得跨店及跨渠道的調貨更有效率，以降低分店層面的存貨水平。我們也成立專門團隊定期檢討存貨周轉及進行貨齡分析；並通過開設特賣店清理貨齡較長的产品。



Products and Production 產品及生產



Major Social and Environmental Initiatives 主要社會及環保事項

- The Group conducts various environmental risk assessments at our plants for emission reduction. An environmental protection unit has been established by the Chow Tai Fook Jewellery Park in Wuhan to organise, operate and monitor environmental protection projects. A real-time monitor system has also been established to monitor gas emission and sewage discharge.
- The Group introduces various environmental protection measures at our offices for conservation of resources. The Chow Tai Fook Group Tower in Shenzhen participated in “A Joyful Life of Low Carbon — Earth Hour”, a lights-off event. Central and Kwai Chung offices in Hong Kong and some floors of the office in Shenzhen also participated in the “United Nations Millennium Development Goals — Green Office Awards Labelling Scheme” organised by the World Green Organisation (“WGO”) and received the “Green Office” label from the WGO in July 2015. The Group was named the United Nations “Better World Company” for its successful achievement in energy conservation, water-saving, waste reduction, paper and printing reduction, green procurement, use of technology, waste disposal, transportation arrangement, environmental education and environmental protection initiatives. In April 2016, the Group signed the “Charter on External Lighting” launched by the Environmental Bureau of Hong Kong, committing to switching off lighting installations of decorative, promotional or advertising purposes before 11 p.m. to avoid light pollution to the surrounding environment. The Group will also learn from industry peers and review light intensity and scattering angle to formulate relevant guidelines.
- During FY2016, the Group launched a “Zero-Accident Programme” at its production facilities to promote occupational safety and health by increasing the frequency and the comprehensiveness of inspection each month. The Group also stepped up the occupational safety and health trainings to our staff, including the safe use of chemicals, spillage handling drills, safe use of gas, fire alarm and evacuation drills. Occupational safety and health handbooks were prepared to provide clear safety instructions. Staff knowledge of occupational safety and health was enhanced through quiz contests and poster design contests. In 2015, over 17,000 employees participated in 50 training programmes at our Shunde production facilities. Employees were encouraged to take part in safety officer certification examinations. There are required number of safety officers in our production facilities.
- 在減排方面，於廠房進行多方面的環境風險評估，如武漢周大福珠寶文化產業園設立環保專責小組，負責統籌、實施及監控環保工程項目，設置時監察廢氣及廢水排放系統。
- 為達致善用資源，辦公室亦推行多項環保措施，如深圳的周大福集團大廈舉辦「越低碳·悅生活 — 地球一小時」熄燈行動，而香港中環和葵涌辦公室及深圳辦公室部分樓層亦參與「世界綠色組織」的「聯合國千禧發展目標 — 綠色辦公室獎勵計劃」，通過在節能、節水、減少廢物、減少用紙和打印、環保採購、運用科技及廢物處置、交通安排、環保教育及環保創新的評核，於2015年7月獲「世界綠色組織」頒「綠色辦公室」標誌，並成為聯合國「環球愛心企業」。另集團於2016年4月簽署香港環境局推出的「戶外燈光約章」，於晚上11時關掉對戶外環境有影響的裝飾、宣傳或廣告燈光裝置，以紓減戶外燈光造成的問題，並會參考同業經驗，檢討燈光亮度和散射角度並訂立有關指引。
- 在職業安全與健康方面，集團於2016財政年度在廠房新增推行「零意外計劃」，加強每月巡查次數及作全面檢查，亦增加職安健培訓，包括化學品使用的安全培訓及洩漏應急演習、氣體安全操作及消防系統警報及疏散演習等，以及編制職安健手冊為員工提供清晰的工作安全指引，又透過問答比賽和海報設計比賽，加深員工對職安健的知識。2015年順德廠房已舉辦50場培訓，超過17,000人次參加。同時，推薦員工考取安全主任證認可，目前廠房的安全主任人數已符合配置標準。



Operations and Management 營運及管理




We are committed to offering value-for-money products and quality services in our continuous pursuit of maintaining industry-leading operation capabilities and preserving our heritage and edges in human capital.

我們將繼續鞏固行業領先的營運能力與保持我們優良的傳統與人力資本的優勢，致力提供物有所值之產品與優質之服務。

We continue to develop, improve and expand our operation capabilities and human capital according to business needs to underpin our steady development and seize new market opportunities in the future.

我們持續開發、改進及按業務需要擴充營運能力及人力資源，以支持可持續發展，並把握未來市場上之新機遇。

-  Unify ownership of inventories in our retail network to facilitate inventory pooling and better management of price risk of gold inventories.
- Embark on different development projects to expand our operation capacities and to enhance our operation efficiencies.
- Optimise our operations and management model to sustain our responsiveness and flexibility towards market development.
- Set up Chow Tai Fook Academy and organise series of designated training courses to provide progressive development opportunities to every level of our staff.
- 統一零售網絡之存貨擁有權，以達到庫存共享，並更有效管理黃金存貨價格風險。
- 透過不同的發展項目，加強我們之營運能力，並提升營運效率。
- 優化營運與管理模式，使我們更及時、靈活應對市場發展。
- 成立周大福培訓學院與舉辦一系列精心設計之培訓課程，為我們各層面的員工提供持續的發展計劃。



Operations and Management 營運及管理

Inventory Ownership Unification

In order to promptly address our customers' needs and strengthen the stability of our retail network, we have been optimising our inventory management mechanism.

- Inventories are dispatched to franchised POS upon the receipt of deposits at value equivalent to the prescribed inventory level.
- We retain inventory ownership until sales transactions are completed with retail customers, upon which wholesale revenue is recognised at the prevailing price.
- Inventories at self-operated and franchised POS would be unified in an inventory pool and the related price risk on gold inventories is mitigated by our gold hedging mechanism.
- Up to 31 March 2016, 274 franchised POS (accounting for approximately 40.0% of our franchised POS) were under the new mechanism, holding inventories valued at approximately HK\$970.0 million, representing 3.1% of total inventories of the Group as at 31 March 2016.

Development Projects

To meet the need of our future business growth, we have embarked on the development of Chow Tai Fook Jewellery Park in Wuhan, Hubei and a logistic and distribution centre in Shunde.

Chow Tai Fook Jewellery Park

- Taking into account of the second land parcel acquired in FY2015, the development has a gross floor area of approximately 750,000 square metres on a land parcel of approximately 386,000 square metres.
- Eight buildings of a total gross floor area of approximately 180,000 square metres were completed in FY2015. In addition, the construction of another five buildings with a total gross floor area of approximately 80,000 square metres started in FY2016 and is expected to be completed in FY2018.
- Production operation had commenced progressively since FY2015. It is expected the annual jewellery production capacity would reach 2.4 million pieces by the end of FY2017.

Capital investments in the Jewellery Park for which specific plans have been made amount to approximately HK\$2.6 billion, of which approximately HK\$840.0 million has been spent up to the end of FY2016.

統一存貨擁有權

為了更及時滿足顧客需求及加強零售網絡穩定性，我們正優化存貨管理機制。

- 於收取與指定存貨量對等的按金後向加盟零售點發送存貨。
- 而我們保留存貨擁有權，直至與零售顧客完成銷售交易為止，然後按當時價格確認批發營業額。
- 直營零售點間與加盟零售點中之存貨將聯合起來，達致庫存共享，同時相關之黃金價格風險也被我們之黃金對沖機制所減緩。
- 截至2016年3月31日，採用新機制的274個加盟零售點（約佔加盟零售點40.0%）所持本集團存貨約為970.0百萬港元，相當於本集團於2016年3月31日的存貨總額的3.1%。

發展項目

為配合集團未來業務增長，我們正進行湖北省武漢市的周大福珠寶文化產業園與順德的物流及配貨中心發展項目。

周大福珠寶文化產業園

- 計入2015財政年度購入的第二塊土地後，整個發展項目佔地面積約386,000平方米，建築面積約750,000平方米。
- 總建築面積約180,000平方米的八棟建築於2015財政年度內竣工。另外總建築面積約80,000平方米的另外五棟建築已於2016財政年度開始動工，預計於2018財政年度竣工。
- 自2015財政年度起已逐步投產，預計截至2017財政年度年底產能達2.4百萬件首飾。

珠寶文化產業園已作具體規劃之資本投資額約為26億港元，其中約840.0百萬港元已於2016或之前財政年度出資。



Scene of the Chow Tai Fook Jewellery Park — April 2016
周大福珠寶文化產業園實境 — 2016年4月



Scene of the Logistic and distribution centre
物流及配貨中心實境

Logistic and distribution centre

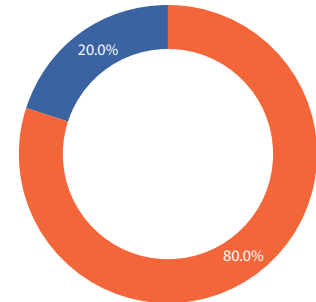
We strive to enhance operating capabilities of our supply chain. The logistic and distribution centre, situated in our Shunde production site, will process our products manufactured in the South China region on a consolidated basis.

With our automation facilities and inventory movement analysis mechanism, the accuracy and efficiency of our product distribution would be enhanced further. This enables in-time inventory replenishment to our retail network.

- System installation has substantially completed.
- System tuning and test run are in progress.
- Operation is expected to start in FY2017.

Capital investment classification (with specific plans)

資本投資分類 (已作具體規劃)



- Land and buildings
土地與樓宇
- Others (Plant and machinery, motor vehicles, furniture, fixture and equipment)
其他 (廠房及機器、汽車、傢俬、裝置及設備)

物流及配貨中心

我們致力提升供應鏈的營運能力。位於中國順德的物流及配貨中心，將打造成為集團綜合處理華南地區製成品之基地。

結合自動化設備與我們之存貨流向分析機制，進一步提升我們配貨之準確度與效率，確保貨品能適時配送到零售點。

- 系統組裝已大致完成。
- 系統調試正在進行。
- 預計於2017財政年度內正式投入使用。

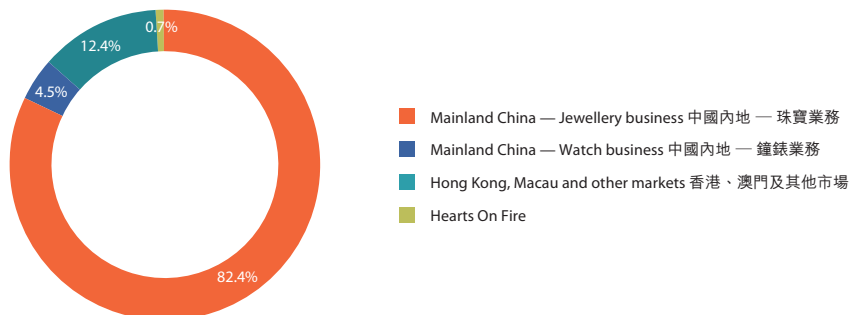


Operations and Management 營運及管理

Human Resources and Management

Number of employees by reportable segment

As at 31 March 2016 於 2016 年 3 月 31 日



The decrease in the number of employees was mainly due to our effort in enhancing efficiency.

We optimise our operation and management model by giving more autonomy to the regional management. We believe this will help us to cope with market changes promptly and improve our efficiency by leveraging on their local knowledge. We also established the Data Intelligence Space during the year to equip the management team with data analysis tools to facilitate business decision making.

人力資源與管理

按可呈報分部劃分的員工數目



員工數目減少主要是由於我們致力於提高效率。

我們優化營運及管理模式，授予區域管理層更多自主權。憑藉區域管理層對當地情況的了解，我們相信此項轉變有助於我們迅速應對市場變化及提高效率。我們亦於年內成立數據空間以提供數據分析工具予管理層作更好的業務決策。



Data Intelligence Space — A workspace, combining data analytics and business intelligence
數據空間 —— 一個結合數據分析與商業智慧的工作空間

Training and Development

Human resources is our greatest asset and we believe that human resources investment is vital to the sustainable development of our business.

Chow Tai Fook Academy

- In June 2015, we established Chow Tai Fook Academy to provide more professional and systematic training courses.
- Management from various departments were invited to share in-house expertise and knowledge with other staff so as to enhance continuous learning atmosphere.
- Professional jewellery related technical training, such as Gemological Institute of America class and Certificate in Advanced Level of Gemstone knowledge, were launched in FY2016.



iLearning

- In order to have more flexibility in training arrangements, we implemented the online learning platform.
- Online courses include Putonghua, jewellery knowledge etc.

Training Program for Management

Project Management Training Program

In FY2016, we developed the Project Management Training Program for selected frontline and back office staff members from operational to managerial grades. This training programme aims to foster all-round development of staff. Courses regarding professional knowledge of jewellery products, customer service, selling technique and management skills were provided to enhance their professional knowledge.

Strategic Acumen and Ambidextrous Leadership Program

In April 2016, we engaged Ivey Business School of the University of Western Ontario to provide a 3-day training at Hong Kong Convention and Exhibition Centre for our senior executives including directors. The program aims to stimulate actionable plans on internationalisation, customer level innovation and to inculcate anchoring attitude and skills to exploit existing advantages and explore future opportunities in this highly competitive environment.

培訓及發展

人力資源乃我們最寶貴的資產，我們認為人力資源投資對業務的可持續發展至關重要。

周大福培訓學院

- 2015年6月，我們開辦周大福培訓學院，提供更專業更系統化的培訓課程。
- 各個部門的管理層受邀與其他員工分享自身專業技術知識以增強持續學習氛圍。
- 我們於2016財政年度開辦美國寶石學院課程及進階寶石知識證書等專業珠寶相關技術培訓。



網上學習

- 我們推行網上學習平台，靈活安排培訓。
- 課程實例包括普通話、珠寶知識等。

管理層培訓課程

項目管理人才培育課程

2016財政年度，我們為選定的前線銷售及後勤支援部門員工制定項目管理人才培育課程。此培育課程旨在促進員工全面發展。課程提供關於珠寶產品、顧客服務、銷售技能及管理技能的專業知識，以提升員工的專業知識。

戰略觸覺及靈巧領導力培訓

2016年4月，我們邀請西安大略大學 Ivey Business School 於香港會議展覽中心為我們的高級行政人員(包括董事)提供為期3天的培訓。培訓旨在推進國際化經營及發掘新顧客群的可行計劃，灌輸一致的觀念及技能以於激烈的競爭環境中把握現有優勢及發掘未來機遇。



Operations and Management 營運及管理

Major Risk Factors and Control Measures 主要風險因素及控制措施

Information System

Interruption and security breaches to our information systems may have a material adverse effect on our business, results of operations or financial condition.

We have taken necessary measures to deal with significant breakdown which may cause interruptions to our daily operations. We have a comprehensive disaster recovery plan, including back up offsite data, regularly conduct rehearsal and Internet penetration test. We have also been continually upgrading our management information systems to ensure the continuity of our operations.

Talent Acquisition and Retention

Our talents are one of our most important assets. We pay attention to recruitment, training and retaining talents; so as to build a people-oriented culture. If our employees lose confidence causing outflow of talents, our business may be adversely affected.

We have established salaries level analysis and benchmarking to make sure remuneration package is at a competitive level. We have enhanced staff benefits and caring programme, improved feedback channel of complaints, opinions are directly sent to senior management for independent assessments. We also have exit interview to understand reasons of resignation. We found Chow Tai Fook Academy in the year for improving talents' professional skills and knowledge. We have organised more targeted internal activities to create sense of belonging with the Company.

資訊系統

若我們的資訊系統安全受到破壞，會對我們的業務、經營業績或財務狀況構成重大不利影響。

我們已採取必要措施以避免重大系統故障使日常營運中斷。我們制定了周詳的災難恢復計劃，包括進行異地數據備份，定期進行演習及網絡滲透測試，同時亦不斷升級管理信息系統以確保業務的持續性。

人才招攬與挽留

人才是我們最重要的資產之一。我們非常重視招攬、培訓及挽留員工，以建立以人為本的企業文化。如果員工對公司信心不足造成人才流失，可能對我們的業務構成重大不利影響。

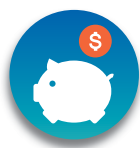
我們建立薪酬水平分析與基準，以確保公司具有競爭力的薪酬制度。我們提高員工福利，改善員工意見反映渠道，其意見可以直接反饋給高層管理層，以獨立評估問題根源。此外，離職會談亦可以幫助我們了解員工的離職原因。我們在年內成立周大福培訓學院，致力培育優秀人才。我們也組織更有針對性的內部活動，以增加員工的歸屬感。



Major Social and Environmental Initiatives

主要社會及環保事項

- The Group provides medical insurance for its employees and their family members, as well as subsidies and scholarships for their children. Paid wedding leave, gratuity leave, birthday leave and voluntary work leave are granted in addition to those stipulated under the Employment Ordinance of Hong Kong.
- The Group has set up online platforms Leti and iShare to share the Group's latest information, plans and development as well as lifestyle information and sales offers to the employees. As at 31 March 2016, approximately 20,000 employees have signed up on Leti and iShare, respectively. Leisure rooms have been set up at offices in Hong Kong and Mainland China. The Chow Tai Fook headquarters in Shenzhen has nursing room, fitness room and recreation rooms in place to provide comfortable working environment for employees.
- The Group has assisted the staff to apply for recognition of qualification from the Qualifications Framework of the Hong Kong Government and succeeded in obtaining recognition of the qualification of more than 800 employees in the jewellery and watch and clock industries. In FY2016, nearly 13,000 hours of gemstone and gold jewellery courses recognised by the Qualification Framework of the Hong Kong Government were organised. iLearning, an online learning platform, has been launched to encourage staff to further their studies through online channels at office or at home.
- 為員工提供惠及直系親屬的醫療保險、子女助學金及獎學金。除設香港《僱傭條例》訂明的有薪年假外，更額外設有薪結婚假期、恩恤假期、員工生日假期及義工假期。
- 建立線上平台樂提網及iShare，向員工傳達集團的最新訊息、動向和發展，並提供生活資訊與優惠，截至2016年3月31日，已登記樂提網上平台及iShare的員工人數分別達約20,000人。此外，中港的辦公室設有休息室，而位於深圳的周大福總部更設有哺乳室、健身室、聯誼室及文化康樂室，為員工提供舒適的工作環境。
- 協助員工向香港政府資歷架構申請過往資歷認可，成功為800多位員工申請珠寶及鐘錶業的認可資歷；2016財政年度，開辦接近13,000小時的獲香港政府資歷架構認可的寶石及金飾知識課程；並推行iLearning網上學習平台，鼓勵員工在辦公室或工餘時間透過網上渠道學習。



Financials 財務

We strive for an optimal capital structure and capital efficiency to create long-term value and return to our shareholders.

我們致力優化資本架構及效率，為股東創造長期價值及回報。

We are committed to creating long-term value and return to our shareholders by setting our payout policy, investment strategies and financing plans carefully, which help to maintain an optimal capital structure to finance our profitable operations and prosperous development:

- Pursue cost optimisation by increasing efficiency and initiating cost savings in alignment with the Group's business strategy
- Optimise capital structure and minimise our cost of financing
- Balance between maintaining an adequate cushion of liquidity and fulfilling working capital and investment needs
- Create long-term value and return to shareholders via dividend payments

我們致力為股東創造長期價值及回報，透過謹慎地制訂派息政策、投資策略和融資計劃，以維持合適的資本架構，提供資源予有合理利潤的營運和具前景的發展計劃：

- 通過提升營運效率以及支持集團業務策略的前提下節約成本，提高成本效益
- 優化資本架構及減少融資成本
- 在維持充足流動資金與滿足營運資金及投資需求之間達成平衡
- 為股東創造長期價值及透過派息回報股東

Gross Profit Margin

Unrealised hedging gain/loss

For the year ended 31 March	截至3月31日止年度	2014	2015	2016
Gross profit margin	毛利率	27.3%	29.7%	27.6%
Unrealised hedging loss/(gain) on gold loans	黃金借貸未變現對沖虧損／(收益)	0.4%	(0.5)%	1.3%
Adjusted gross profit margin	經調整後的毛利率	27.7%	29.2%	28.9%

- Unrealised hedging gain/loss for the year represents the net effect of (i) the reversal of the gain/loss recorded due to the timing difference in recognising the effect of long and short position in gold when we take a snap-shot position at the end of the previous financial year; and (ii) the gain/loss arising from such timing difference at the end of the current financial year.
- We use gold loans (short position in gold) to hedge against the gold price fluctuations in our gold inventories (long position). While the long-term effect of long and short positions in gold is expected to net out each other through the sales of gold products, a gain/loss may arise due to a short-term timing difference between the time when a gain/loss on gold loans recorded in the cost of goods sold and the time when sales of hedged gold inventories are recognised, when we take a snap-shot position at the end of the reporting period.

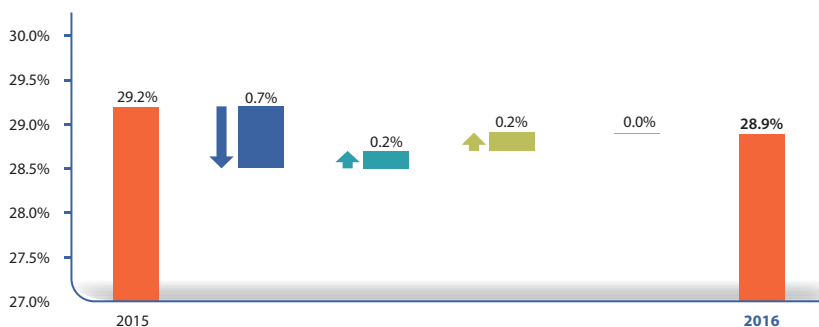
毛利率

未變現對沖收益／虧損

- 年內未變現對沖收益／虧損指(i)撥回於上一個財政年度完結時因確認黃金好倉與淡倉影響的時間差所產生的收益／虧損與(ii)於本財政年度完結時，因相關的時間差而產生的收益／虧損的淨影響。
- 我們利用黃金借貸(黃金淡倉)對沖黃金存貨(黃金好倉)的價格波動。雖然黃金好淡倉的長線影響預期將會在出售黃金產品時互相抵銷，惟對報告期末的持倉狀況而言，計入銷售成本的黃金借貸收益／虧損與已對沖黃金存貨的銷售之間或會有短暫的時差，令報告期末錄得收益／虧損。

Changes in adjusted gross profit margin

For the year ended 31 March



- Changes in adjusted gross profit margin of the Group was due to the combination of: (i) the reduction of gross profit margin as a result of the change in the product mix with increased sale of relatively lower-margin gold products, (ii) the improvement of gross profit margin by product; and (iii) improvement of gross profit margin following the increase in retail revenue mix of Mainland China's jewellery business.
- Other changes in adjusted gross profit margin included the effect of impairment of watch inventories amounting to HK\$74.2 million, which was made after considering the conditions and latest market values of such inventories.

經調整後的毛利率變動

截至3月31日止年度

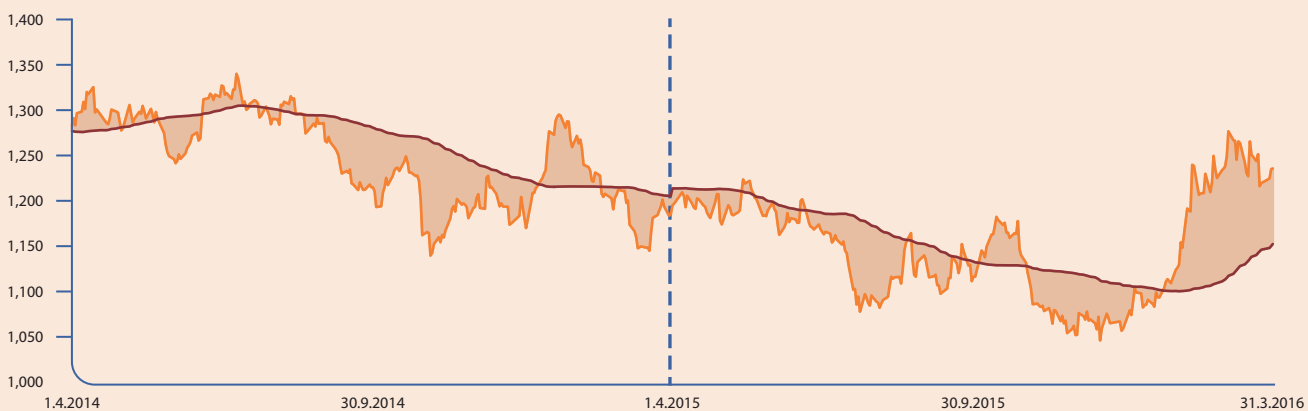
- Change in product mix
產品組合變動
- Change in gross profit margin by product
按產品劃分的毛利率變動
- Change in retail and wholesale revenue mix of Mainland China jewellery business
中國內地的珠寶業務零售及批發營業額組合變動
- Other changes
其他變動

- 本集團經調整後的毛利率變動是由於(i)產品組合中毛利率相對較低的黃金產品銷量增加導致毛利率下降、(ii)按產品劃分的毛利率提升及(iii)隨中國內地珠寶業務零售營業額佔比增加而上升的毛利率。
- 經調整後的毛利率的其他變動包括我們考慮鐘錶存貨的狀況及其最近的市場價值後，就鐘錶存貨計提減值準備74.2百萬港元的影響。



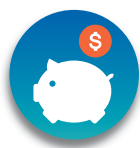
London gold price 倫敦金價

US\$ per ounce
美元每盎司



— London gold price 倫敦金價
— Average of T-120/T-150 days⁽¹⁾ T-120/T-150天⁽¹⁾平均值

(1) Average of T-120/T-150 days refers to the average gold price of previous 120 or 150 days on rolling basis, being a proxy of the average price of our hedged gold inventories. As gold inventories turnover was faster in FY2016, average of T-150 days and T-120 days was used for FY2015 and FY2016 respectively
T-120/T-150天平均值指過往連續120天或150天的黃金均價，用作代表我們已對沖黃金存貨的平均價格。由於2016財政年度的黃金存貨周轉加快，2015財政年度及2016財政年度分別使用T-150天及T-120天平均值



Financials
財務

Selling and Distribution Costs and General and Administrative Expenses ("SG&A")

銷售及分銷成本以及一般及行政開支(「銷售及行政開支」)

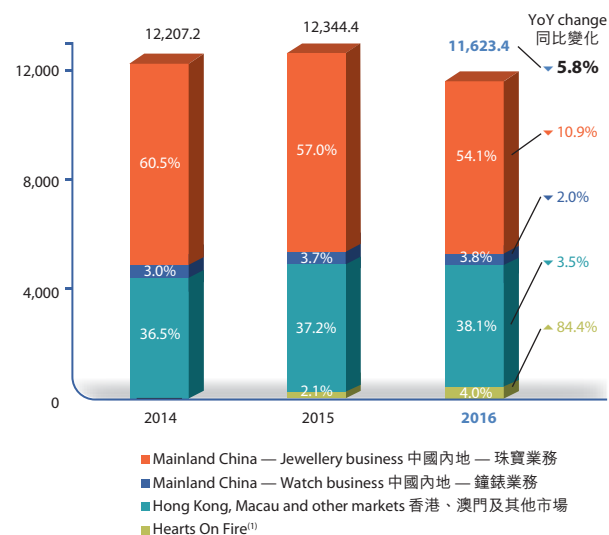
For the year ended 31 March

截至3月31日止年度

SG&A by reportable segment

按可呈報分部劃分的銷售及行政開支

(HK\$ million 百萬港元)



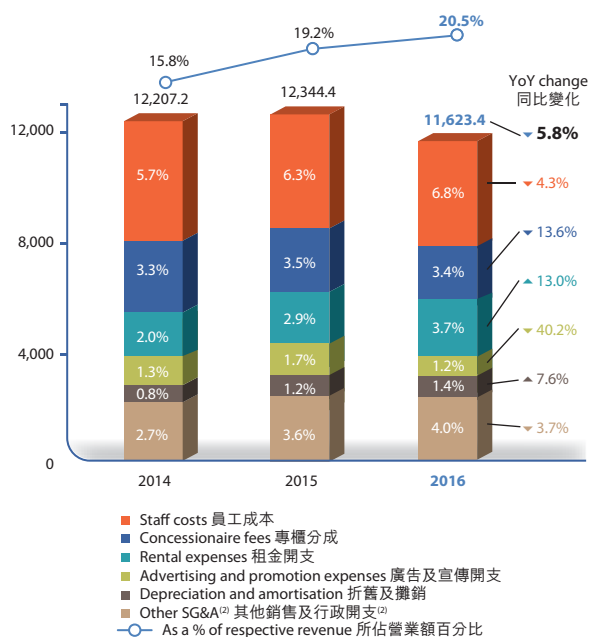
- (1) Hearts On Fire was acquired on 31 August 2014
 (2) Other SG&A mainly represented bank charges incurred for sales transaction settlement, royalty fees for the sales of licensed products, certificate expenses, packing materials, utilities and staff welfare

Note: The percentages calculated are subject to minor rounding differences

SG&A to revenue ratio

銷售及行政開支佔營業額比率

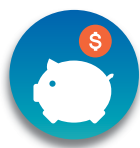
(HK\$ million 百萬港元)



- (1) 於2014年8月31日購入Hearts On Fire
 (2) 其他銷售及行政開支主要包括銷售交易結算產生的銀行手續費、銷售授權產品的專利費用、證書費、包裝物料、水電費及員工福利

附註：百分比計算結果或略有進位差異

- Pursue cost optimisation by increasing efficiency and initiating cost savings in alignment with the Group's business strategy.
- The focus of our continuous effort of cost optimisation including staff productivity enhancement, concessionaire fee rates and rental expenses reduction and cost containment of ineffective promotional campaigns during the year. Our SG&A dropped 5.8% as benefitted from certain of these cost saving initiatives, coupled with the decreased variable SG&A as revenue declined.
- Nevertheless our SG&A ratio increased as a significant portion of our expenses, including basic salary, rental expenses and depreciation and amortisation, was fixed in nature and did not slide with revenue at the same pace.
- Depreciation and amortisation expenses recorded a considerable growth following the completion of Mainland China headquarters building in Shenzhen and the acquisition of the new operation centre in Hong Kong as well as the new POS openings in FY2015.
- Decline in SG&A of jewellery business in Mainland China was due to the decrease in concessionaire fees and advertising and promotion expenses.
- SG&A of Hong Kong, Macau and other markets decreased modestly by 3.5% as it has a relatively higher fixed proportion of SG&A such as rental expenses.
- We acquired Hearts On Fire on 31 August 2014 and consolidated its results since then. On an annualised basis, the SG&A year-on-year change of Hearts On Fire and the Group would be 19.0% and -6.9%, respectively. The SG&A structure of Hearts On Fire is different from the rest of our reportable segments. While its gross profit margin is much higher than other segments, it requires more resources on advertising and promotion. During the year, it launched the global marketing campaign "Ignite Something" to raise its brand awareness as we are extending our footprint progressively.
- 通過提升營運效率以及支持集團業務策略的前提下節約成本，提高成本效益。
- 年內我們提高員工生產力、降低專櫃分成比率及租金開支並控制低效益的推廣活動開支，不斷努力提高成本效益。受益於若干成本節約措施以及銷售及行政開支變動部分隨營業額下降而減少，我們的銷售及行政開支減少 5.8%。
- 由於我們的銷售及行政開支顯著部分為固定性質(包括基本薪資、租金開支、折舊及攤銷)，其同比下降幅度少於營業額的同比下降幅度，導致相關開支比率上升。
- 折舊及攤銷開支因 2015 財政年度落成於深圳的中國內地總部大樓及收購於香港的新營運中心，以及新開零售點而錄得相當的增長。
- 中國內地的珠寶業務銷售及行政開支下降是由於專櫃分成與廣告及宣傳開支下降所致。
- 香港、澳門及其他市場的銷售及行政開支稍微下降 3.5%，是由於其銷售及行政開支固定部分(如租金開支)相對較高。
- 我們於 2014 年 8 月 31 日收購 Hearts On Fire 並將其業績合併入賬。按年度計算，Hearts On Fire 與本集團銷售及行政開支同比變化將分別為 19.0% 及 -6.9%。Hearts On Fire 的銷售及行政開支結構有別於其他可呈報分部。雖然其毛利率遠高於其他分部，但需投入更多廣告及宣傳資源。年內，隨著我們逐步拓展，我們推出全球市場推廣活動「點燃這一刻」以提高品牌知名度。



Financials 財務

Mainland China — Jewellery business

For the year ended 31 March

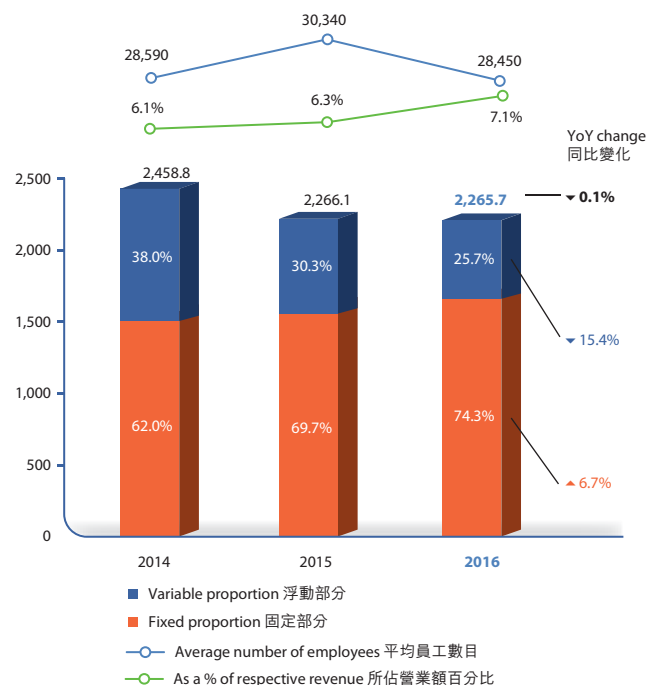
中國內地 — 珠寶業務

截至3月31日止年度

Staff costs

員工成本

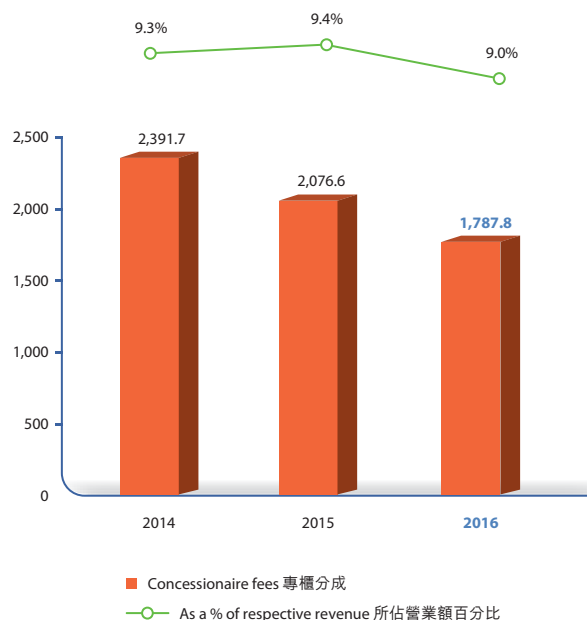
(HK\$ million 百萬港元)



Concessionaire fees

專櫃分成

(HK\$ million 百萬港元)



- An increase in the fixed proportion of staff costs was mainly attributable to the revision of staff remuneration package during the year in order to attract and retain talents. We strive for staff costs optimisation by enhancing productivity of our employees. The average number of frontline staff per self-operated POS decreased by approximately 10.0% as compared with that of last year.
- Significant portion of self-operated POS situated at department stores and shopping malls incur concessionaire fees. Concessionaire fees ratio, which measures the concessionaire fees to the respective revenue, declined due to the reduction of concessionaire fees by product, and the sales mix shifted towards gold products which generally are subject to lower rates.
- 員工成本的固定部分增加主要是由於年內為吸引及挽留人才而修訂員工薪酬待遇組合所致。我們致力透過提高員工的生產力，以提升員工成本效益。直營零售點的店均前線員工數目較去年減少約10.0%。
- 位於百貨公司及購物中心的大部份直營零售點均會產生專櫃分成。專櫃分成比率按專櫃分成除以相關營業額計算，由於按產品劃分的專櫃分成減少及銷售組合轉向專櫃分成比率一般較低的黃金產品而減少。

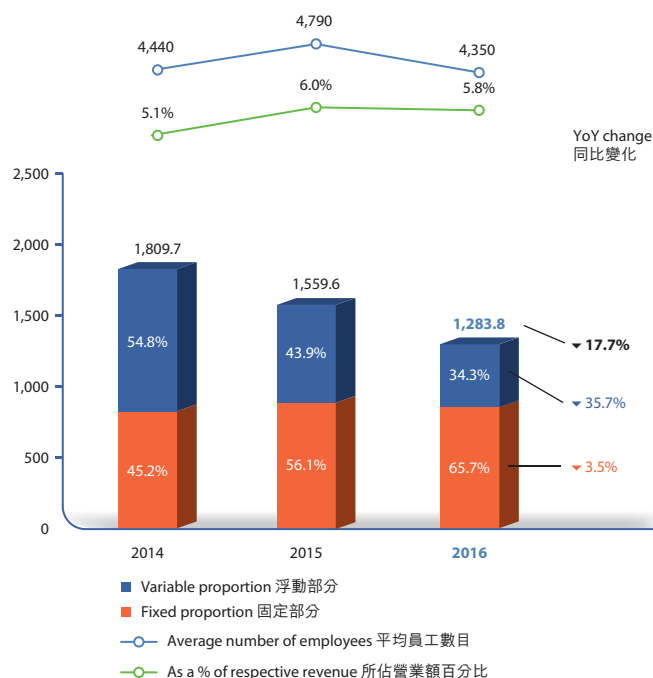
Hong Kong, Macau and other markets

For the year ended 31 March

Staff costs

員工成本

(HK\$ million 百萬港元)



- Decrease in staff costs was due to the decline in average number of employees, mainly through attrition, as well as the decline in variable component of staff costs along with the drop of sales. The average number of frontline staff per self-operated POS decreased by approximately 13.0% to boost the productivity.
- Rental expenses increased 12.9% mainly due to the new POS openings in FY2015. Our cost saving measures in this area included POS consolidation and negotiation with landlords for rental reduction. We achieved approximately 13.0% rental reduction on average for rental renewed during the year. As a result, the rising pressure on rental expenses was eased in the second half of the year, compared with 18.9% growth recorded in first half of FY2016. We expect the impact of our efforts in reducing rental expenses shall become more obvious in the near future.

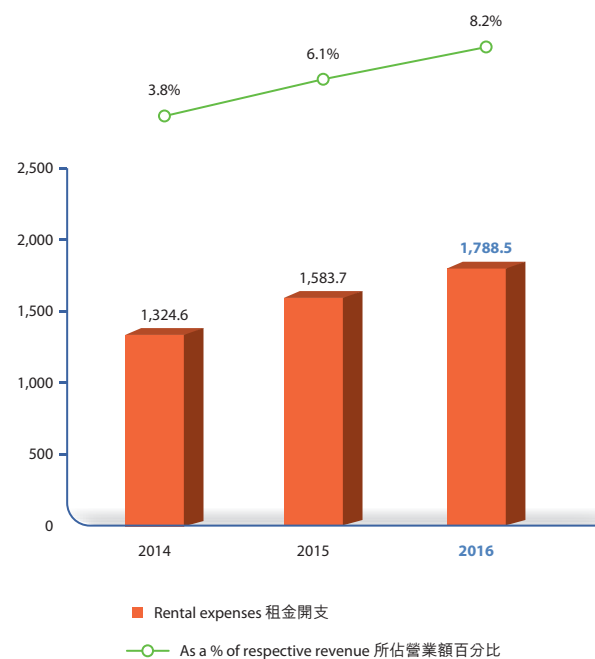
香港、澳門及其他市場

截至3月31日止年度

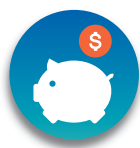
Rental expenses

租金開支

(HK\$ million 百萬港元)



- 員工成本減少主要是由於透過自然流失令平均員工數目減少，以及銷售下跌令員工成本的浮動部分減少所致。直營零售點的店均前線員工數目減少約13.0%以提高成本效益。
- 租金開支增加12.9%，主要是由於2015財政年度新開零售點所致。我們採取相關成本節約措施，包括整合零售點及與業主協商調減租金，年內續租平均調減約13.0%。相比2016財政年度上半年增加18.9%，租金開支增長壓力在下半年有所緩解，預期我們調減租金的努力將於日後取得更顯著的成果。



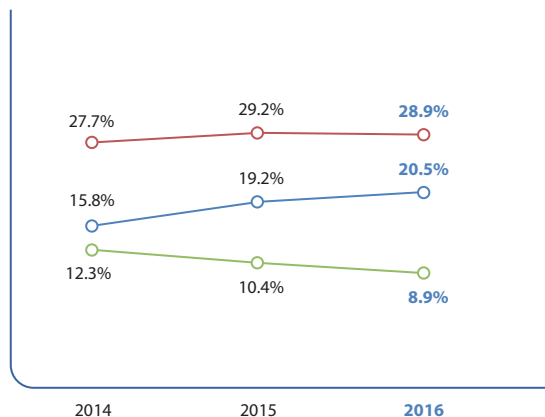
Financials 財務

Profitability, Basic Earnings per Share and Dividend per Share

For the year ended 31 March

Overall

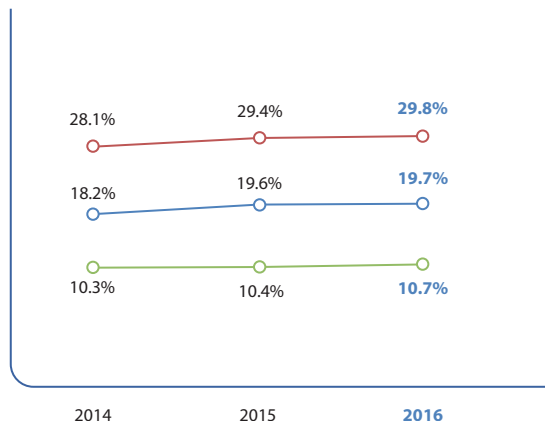
整體



- Adjusted gross profit margin⁽¹⁾ 經調整後的毛利率⁽¹⁾
- % of SG&A to revenue 銷售及行政開支所佔營業額百分比
- Core operating profit margin⁽²⁾ 主要經營溢利率⁽²⁾

Mainland China - Jewellery business

中國內地 – 珠寶業務



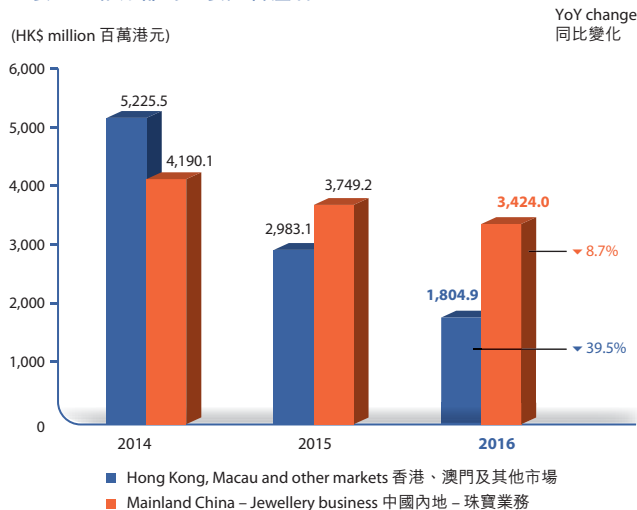
- (1) Adjusted gross profit margin, a non-IFRS measure, eliminates the effect of unrealised hedging loss/(gain) on gold loans, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its businesses
- (2) Core operating profit and the corresponding margin, a non-IFRS measure, being the aggregate of gross profit and other income, less SG&A and unrealised hedging loss/(gain) on gold loans, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its core businesses

盈利能力、每股基本盈利及每股股息

截至3月31日止年度

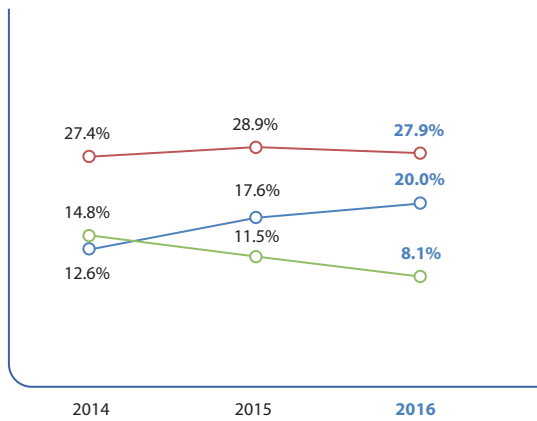
Core operating profit⁽²⁾ of major reportable segments

主要可呈報分部的主要經營溢利⁽²⁾



Hong Kong, Macau and other markets

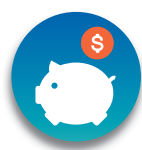
香港、澳門及其他市場



- (1) 經調整後的毛利率並非按國際財務報告準則計算，扣除了黃金借貸的未變現對沖虧損/(收益)的影響，本公司相信此數據有助更透徹了解其經營表現及業務的實際趨勢
- (2) 主要經營溢利及主要經營溢利率並非按國際財務報告準則計算，指毛利及其他收益的合計，減銷售及行政開支與黃金借貸的未變現對沖虧損/(收益)，本公司相信此等數據有助更透徹了解其經營表現及業務的實際趨勢

- Core operating profit margin shrank by 150 basis points to 8.9% as a result of the drop in adjusted gross profit margin mainly due to the shift of product mix towards relatively lower-margin gold products and the worsened SG&A ratio due to operating leverage.
 - The jewellery business in Mainland China has earned importance recently with profit contribution to the Group continuing to increase, thanks to its relatively stable adjusted gross profit margin and SG&A ratio. A slight improvement in adjusted gross profit margin for FY2016 was mainly benefitted from the increase in retail revenue mix which outweighed the drop in margin due to the increase in sales mix of gold products.
 - Profitability of Hong Kong, Macau and other markets was under pressure due to the decline in adjusted gross profit margin following a significant growth in wholesale revenue mix and increased SG&A ratio as a result of operating leverage.
 - Watch business in Mainland China suffered core operating losses of HK\$60.1 million (FY2015: core operating profit of HK\$28.2 million) mainly due to the decline in revenue and gross profit margin.
 - Core operating losses of Hearts On Fire expanded by 70.4% to HK\$118.8 million (FY2015: HK\$69.7 million, represented the post-acquisition results since 31 August 2014) which was attributable to the additional advertising expenses for the global marketing campaign. Notwithstanding the core operating losses, we believe the positive effect from the synergy brought about by Hearts On Fire to the Group, including widening the spectrum of our product offerings and the optimisation of resources allocation, funding and raw materials procurement, will be materialised gradually in the medium-term.
- 主要經營溢利率下降150個基點至8.9%，主要是由於產品組合轉向毛利率較低的黃金產品使經調整後的毛利率減少，以及因負面經營槓桿使銷售及行政開支比率增加所致。
 - 中國內地的珠寶業務經調整後的毛利率與銷售及行政開支比率相對較為穩定，對本集團溢利的貢獻佔比持續上升而變得日趨重要。2016財政年度經調整後的毛利率略升，主要受惠於零售營業額佔比增加，而其影響超過黃金產品銷售組合增加所導致毛利下降的影響。
 - 香港、澳門及其他市場的盈利能力下滑，原因是批發營業額佔比顯著增加導致經調整後的毛利率下降及因負面經營槓桿而使銷售及行政開支比率上升所致。
 - 中國內地的鐘錶業務主要因營業額及毛利率下跌而錄得60.1百萬港元主要經營虧損(2015財政年度主要經營溢利：28.2百萬港元)。
 - 由於全球市場推廣活動產生額外廣告開支，Hearts On Fire的主要經營虧損增加70.4%至118.8百萬港元(2015財政年度：69.7百萬港元，即2014年8月31日被收購後的業績)。儘管錄得主要經營虧損，我們相信Hearts On Fire為本集團帶來正面的協同效應影響(包括豐富產品種類和優化資源分配、資金及原材料採購)將於中期逐步實現。

For the year ended 31 March	截至3月31日止年度	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2016 vs 2015 YoY change 同比變化
Core operating profit ⁽²⁾	主要經營溢利 ⁽²⁾	9,499.5	6,690.8	5,050.0	(24.5)%
Net profit	淨溢利	7,449.2	5,535.8	2,978.9	(46.2)%
Profit attributable to shareholders of the Company	本公司股東應佔溢利	7,272.0	5,456.0	2,941.4	(46.1)%
Basic earnings per share (HK cent)	每股基本盈利(港仙)	72.7	54.6	29.4	(46.1)%
Dividend per share (HK cent)	每股股息(港仙)				
Interim	中期	17.0	13.0	8.0	(38.5)%
Final	末期	19.0	15.0	8.0	(46.7)%
Full year	全年	36.0	28.0	16.0	(42.9)%
First special	第一次特別	-	-	42.0	N/A 不適用
Second special	第二次特別	-	-	22.0	N/A 不適用



Financials 財務

- Net profit tumbled as compared to that of last year. The decrease was mainly attributable to the decline in revenue and the reduced gross profit margin owing to the unrealised hedging loss on gold loans (while it was an unrealised hedging gain last year) and the increased revenue mix of gold products.
- Net profit margin decreased by 330 basis points as a result of the drop of gross profit margin and deteriorated SG&A ratio due to operating leverage.
- Apart from the net exchange loss recognised in other gains and losses, the fluctuations of Renminbi (“RMB”) during the year also adversely affected the operating results of the Group as we translate the results and financial position of our Mainland China’s operation from RMB to Hong Kong dollar (“HKD”), being the Group’s presentation currency, when preparing consolidated financial statements. For more details, please refer to page 136.
- Special dividend was declared to return the excess cash to shareholders after considering the working capital requirement and business growth outlook in the near term.
- 淨溢利跟去年相比顯著減少，主要是由於營業額下降及黃金借貸未變現對沖虧損（去年有錄得未變現對沖收益）與黃金產品營業額組合增加導致毛利率減少所致。
- 淨溢利率下降330個基點，是由於毛利率下降及因負面經營槓桿使銷售及行政開支比率上升所致。
- 年內人民幣波動，除於其他收益與虧損已確認的匯兌虧損淨額外，亦對本集團的經營業績產生不利影響，原因是我們編製綜合財務報表時須將以人民幣列值的中國內地業務的業績及財務狀況換算成港元（本集團的呈列貨幣）。詳情請參閱第136頁。
- 特別股息於考慮營運資金需要及短期業務增長前景後宣派，以將額外的現金回報股東。

Other Income, Other Gains and Losses and Other Expenses

其他收入、其他收益及虧損以及其他開支

For the year ended 31 March	截至3月31日止年度	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2016 vs 2015 YoY change 同比變化
Other income	其他收入	218.0	301.5	306.2	1.6%
Other gains and losses	其他收益及虧損	130.2	(35.9)	(244.9)	582.2%
Other expenses	其他開支	(38.0)	(94.7)	(51.2)	(45.9)%

- Other income mainly represented income from franchisees who have yet adopted the new optimised inventory management mechanism.
- Other gains and losses mainly represented a net foreign exchange loss of HK\$229.0 million (FY2015: HK\$12.7 million) due to the fluctuation of RMB during the year.
- Other expenses for the year mainly represented the amortisation of other intangible assets and recurring charitable donation whereas the amount in last year mainly represented non-recurring charitable donation and transaction costs related to the acquisition of Hearts On Fire.
- 其他收入主要指來自尚未採用新存貨管理機制之加盟費收入。
- 其他收益及虧損主要包括由於年內人民幣波動而產生的外匯淨虧損額229.0百萬港元（2015財政年度：12.7百萬港元）。
- 本年度其他開支主要為其他無形資產攤銷及常規性慈善捐贈，而去年的開支則主要為非常規性慈善捐贈及收購Hearts On Fire的相關交易成本。

Interest Income, Finance Costs and Taxation

利息收入、融資成本及稅項

For the year ended 31 March	截至3月31日止年度	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2016 vs 2015 YoY change 同比變化
Interest income from banks	銀行利息收入	115.2	125.1	111.8	(10.6)%
Other interest income	其他利息收入	18.5	26.4	42.8	(62.1)%
Finance costs on bank borrowings	銀行貸款融資成本	37.1	148.9	68.6	(53.9)%
Finance costs on gold loans	黃金借貸融資成本	185.7	231.6	174.4	(24.7)%
Taxation	稅項	1,713.8	1,123.3	957.2	(14.8)%

- The decrease in finance costs on gold loans was due to the decrease in average gold loan balances corresponded to the drop of gold product inventories.
- Decrease in finance costs on bank borrowings was due to the increase in contribution of average bank borrowings from Hong Kong which in general are subject to relatively lower interest rates.
- The effective tax rate increased from 16.9% in FY2015 to 24.3% in FY2016 which was mainly attributable to an one-off effect of the reversal of excessive withholding tax provision for dividend payments previously recognised by certain subsidiaries of the Group in FY2015 and the increased profit contribution from the jewellery business in Mainland China, where higher tax rates are generally applied.
- 黃金借貸融資成本下降原因為黃金產品存貨減少導致平均黃金借貸結餘減少。
- 銀行貸款融資成本下降原因為香港的平均銀行貸款佔比增加，而其利率普遍相對較低。
- 實際稅率由2015財政年度的16.9%升至2016財政年度的24.3%，主要是由於2015財政年度本集團若干附屬公司撥回多計提之股息預扣稅的一次性影響，以及中國內地的珠寶業務的溢利貢獻增加而其稅率普遍較高所致。

Return on Equity, Inventory Turnover and Capital Structure

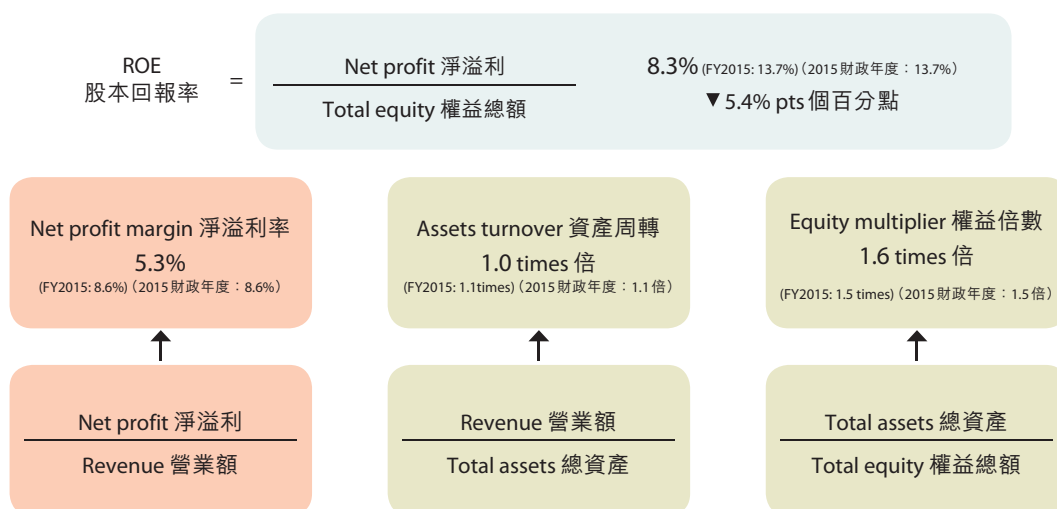
股本回報率、存貨周轉及資本架構

Return On Equity

We use return on equity ("ROE") to measure the efficiency of generating profits from each unit of shareholder equity by net profit divided by total equity.

股本回報率

我們使用股本回報率(按淨溢利除以權益總額計算)計量自每股股東權益獲取溢利的效率。



- The drop of ROE by 540 basis points was primarily attributable to the deteriorated net profit margin.
- 股本回報率下降540個基點主要是由於淨溢利率下降所致。



Financials
財務

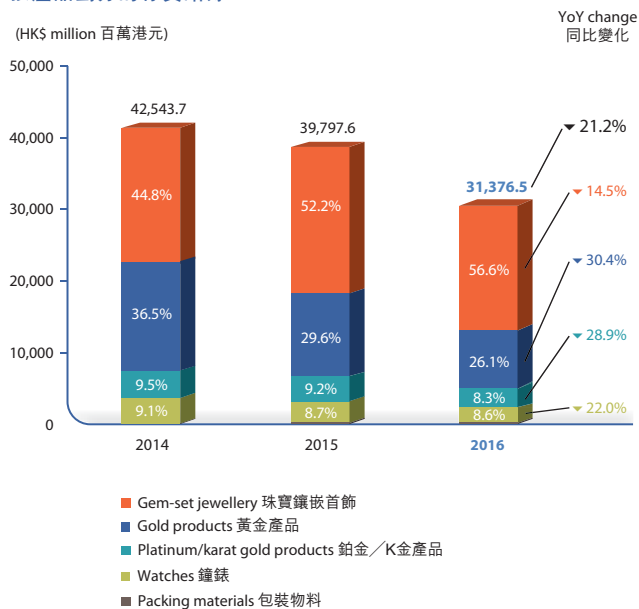
Inventory balances and turnover period

As at 31 March

Inventory balances by product

按產品劃分的存貨結餘

(HK\$ million 百萬港元)



⁽¹⁾ Being inventory balances, excluding packing materials, at the end of the reporting period divided by cost of goods sold for the year, multiplied by 365/366

Note: The percentages calculated are subject to minor rounding differences

- Inventory turnover period improved by 41 days, as compared to that as at 31 March 2015, mainly attributable to the improvement in inventory days of gem-set jewellery and gold products as a result of the decreased inventory balances.

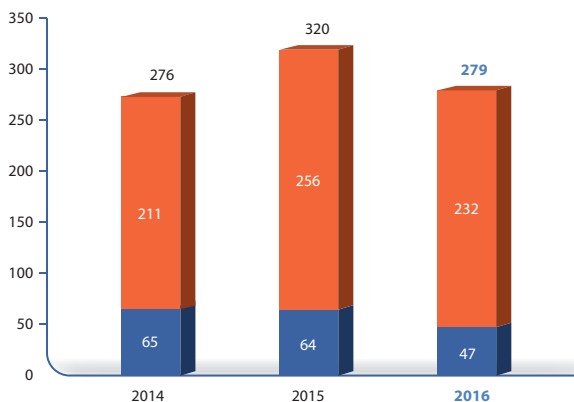
存貨結餘及周轉期

於3月31日

Inventory turnover period⁽¹⁾ by category

按類別劃分的存貨周轉期⁽¹⁾

(Days 日數)



⁽¹⁾ 即報告期末存貨結餘(不包括包裝物料)除以年內銷售成本,再乘以 365/366

附註: 百分比計算結果或略有進位差異

- 存貨周轉期相比2015年3月31日減少41日,主要是由於存貨結餘下降令珠寶鑲嵌首飾及黃金產品存貨周轉期同比下跌所致。

Capital structure

資本架構

As at 31 March (HK\$ million)	於3月31日 (百萬港元)	2015	% to total equity 佔權益總額 百分比	2016	% to total equity 佔權益總額 百分比	Increase/ (decrease) 增加/ (減少)	Denominated currency ⁽¹⁾ 計值貨幣 ⁽¹⁾	Interest rate structure ⁽¹⁾ 利率架構 ⁽¹⁾	Maturity ⁽¹⁾ 到期日 ⁽¹⁾
Non-current assets	非流動資產	7,038.3	17.4%	6,670.4	18.7%	(367.9)	N/A 不適用	N/A 不適用	N/A 不適用
Inventories	存貨	39,797.6	98.2%	31,376.5	87.8%	(8,421.1)	N/A 不適用	N/A 不適用	N/A 不適用
Bank deposits and cash equivalents ⁽²⁾	銀行存款及 現金等價物 ⁽²⁾	8,477.5	20.9%	13,001.4	36.4%	4,523.9	HKD, RMB and USD 港元、人民幣 及美元	Variable interest rate 浮動利率	N/A 不適用
Total borrowings	總貸款	15,088.9	37.2%	14,433.3	40.4%	(655.6)			
Bank borrowings (short-term)	銀行貸款 (短期)	6,750.6	16.7%	7,320.0	20.5%	569.4	HKD 港元	Variable interest rate 浮動利率	Within 12 months 12個月內 More than 2 years but not exceeding 5 years
Bank borrowings (long-term)	銀行貸款 (長期)	-	-	600.0	1.7%	600.0	HKD 港元	Variable interest rate 浮動利率	2 years above and below 5 years
Gold loans	黃金借貸	8,338.3	20.6%	6,513.3	18.2%	(1,825.0)	RMB and USD 人民幣及美元	Fixed interest rate 固定利率	Within 12 months 12個月內
Net debt ⁽³⁾	債項淨額 ⁽³⁾	6,611.4	16.3%	1,431.9	4.0%	(5,179.5)	N/A 不適用	N/A 不適用	N/A 不適用
Working capital ⁽⁴⁾	營運資金 ⁽⁴⁾	34,202.8	84.4%	30,241.0	84.6%	(3,961.8)	N/A 不適用	N/A 不適用	N/A 不適用
Total equity	權益總額	40,540.8	100.0%	35,749.9	100.0%	(4,790.9)	N/A 不適用	N/A 不適用	N/A 不適用

⁽¹⁾ Information about denominated currency, interest rate structure and maturity related to the condition as at 31 March 2016

⁽²⁾ Include bank balances and cash and pledged bank deposits

⁽³⁾ Aggregate of bank borrowings, gold loans, net of bank deposits and cash equivalents

⁽⁴⁾ Being net current assets

Note: The percentages calculated are subject to minor rounding differences

⁽¹⁾ 有關計值貨幣、利率結構及到期日為2016年3月31日的情況

⁽²⁾ 包括銀行結餘及現金及已抵押銀行存款

⁽³⁾ 銀行貸款及黃金借貸之總額(已扣除銀行存款及現金等價物)

⁽⁴⁾ 即淨流動資產

附註：百分比計算結果或略有進位差異

- We principally meet our working capital and other liquidity requirements through a combination of capital contributions, including cash flows from operations, bank borrowings and gold loans. Gold loans are also used to hedge against the financial impact of the price fluctuations in the Group's gold inventories. The decrease in gold loans corresponded to the drop of gold product inventories.
- The Group's daily operation was mainly financed by operating cash flows, and relied on short-term borrowings to satisfy inventory financing needs during peak seasons, working capital for future expansion plans and unexpected needs. Our source of financing extended to long-term borrowings during the year which help mitigate the interest rate risk in view of the rising trend of interest rate and spread. The Group has not experienced any difficulties in repaying its borrowings.
- The Group's income and expenditure were mostly denominated in HKD and RMB, while its assets and liabilities were mostly denominated in HKD, RMB and United States dollar "USD".
- 我們主要透過來自經營現金流量、銀行貸款及黃金借貸的資本來源應付營運資金及其他流動資金需求。黃金借貸亦用作對沖本集團黃金存貨價格波動的財務影響。黃金借貸減少與黃金產品存貨減少相關。
- 本集團日常業務所需資金主要來自經營現金流量，亦會以短期借貸滿足旺季時的存貨資金需求、未來擴展計劃所需營運資金及預計之外的需求。我們年內已將資金來源拓展至長期借貸，以緩減利率上升及利息差距所帶來的利率風險。本集團於償還貸款方面並無任何困難。
- 本集團之收入及開支主要以港元及人民幣計值，而資產及負債則主要以港元、人民幣及美元計值。



Financials

財務

Effect of RMB fluctuations

- We recorded a net foreign exchange loss of HK\$229.0 million as certain of our group companies entered into transactions denominated in currencies other than their own functional currencies and when the exchange rate at the reporting date or settlement date differs from the exchange rate on the date they entered into the transactions.
- The fluctuations of RMB also impacted the Group when we prepare the consolidated financial statements as the results and financial position of our operations in Mainland China were translated into the Group's presentation currency of HKD from their functional currency of RMB, resulted in a loss of HK\$960.0 million recognised in translation reserve (a component of equity). For the movement of translation reserve, please refer to the consolidated statement of changes in equity on page 140.
- If a constant exchange rate of RMB were used, the year-on-year change of the revenue and net profit would be -10.5% (-12.0% as reported) and -41.0% (-46.2% as reported), respectively.

Cash Flows

For the year ended 31 March 截至3月31日止年度	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Operating cash flows before movements in working capital 營運資金變動前之經營現金流量	9,464.9	7,287.9	5,787.4
Decrease/(increase) in inventories 存貨減少/(增加)	(15,072.6)	3,116.9	7,499.2
Net change in gold loans 黃金借貸淨變動	6,375.8	(2,036.3)	(2,160.8)
Net cash from/(used in) other operating activities 其他經營活動所得/(所用)現金淨額	188.2	(2,836.6)	610.6
Capital expenditure 資本開支	(1,368.3)	(2,767.9)	(1,046.0)
Pro forma free cash flow 備考自由現金流量	(412.0)	2,764.0	10,690.4
Net change in bank borrowings 銀行貸款淨變動	5,296.9	450.0	1,192.2
Dividends paid 已付股息	(3,349.5)	(3,534.0)	(6,581.6)
Net cash outflow used in acquisition of subsidiaries 收購附屬公司所用現金流出淨額	-	(1,187.7)	-
Other movements 其他變動	(373.6)	518.2	(776.7)
Net increase/(decrease) in bank balances and cash 銀行結餘及現金增加/(減少)淨額	1,161.8	(989.5)	4,524.3

人民幣波動的影響

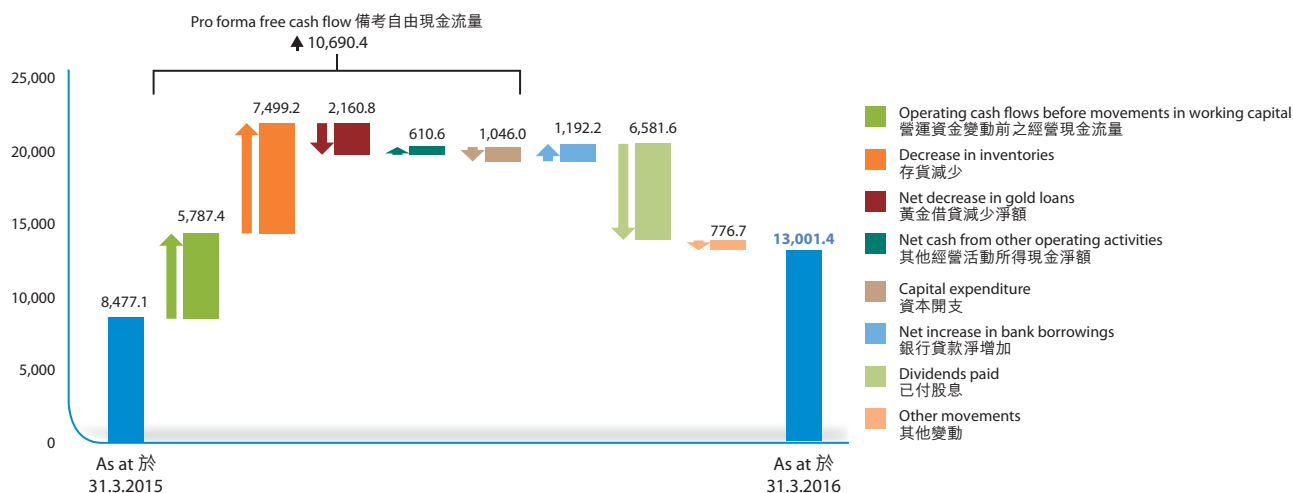
- 由於本集團若干成員公司訂立以非功能貨幣計值的交易，且報告日期或結算日期的匯率不同於訂立交易當日的匯率，我們錄得外匯淨虧損 229.0 百萬港元。
- 我們編製綜合財務報表時，須將以功能貨幣人民幣列值的中國內地業務業績及財務狀況換算成本集團的呈列貨幣港元，於權益中的換算儲備項下確認虧損 960.0 百萬港元，故人民幣波動亦會影響本集團。換算儲備變動詳情請參閱綜合權益變動表(第 140 頁)。
- 倘使用相同人民幣匯率，營業額及淨溢利的同比變化將分別為 -10.5% (所呈報變化為 -12.0%) 及 -41.0% (所呈報變化為 -46.2%)。

現金流量

Major cash flows items for FY2016

2016財政年度主要現金流量項目

(HK\$ million 百萬港元)



Capital Expenditure

The Group's capital expenditure incurred during the year amounted to HK\$1,046.0 million (FY2015: HK\$2,767.9 million) which was back to our normal level. Capital expenditure of last financial year was mainly driven up by non-recurring projects such as the acquisition of an industrial building in Hong Kong as operation centre and the construction of Chow Tai Fook Jewellery Park in Wuhan.

資本開支

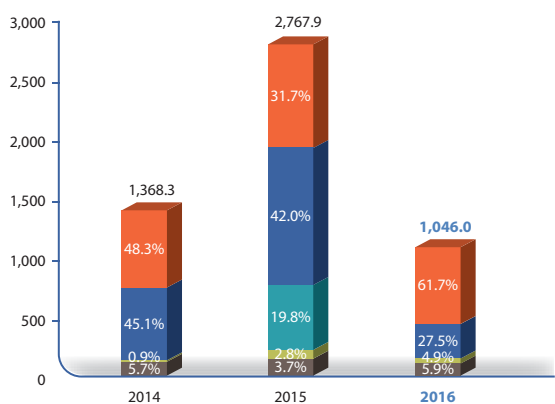
本集團年內資本開支為1,046.0百萬港元(2015財政年度：2,767.9百萬港元)，回復至我們的正常水平。上一財政年度資本開支主要與非常規項目有關(例如收購位於香港的一棟工業大廈作營運中心及建設武漢周大福珠寶文化產業園)。

For the year ended 31 March

Capital expenditure by nature

按性質劃分的資本開支

(HK\$ million 百萬港元)



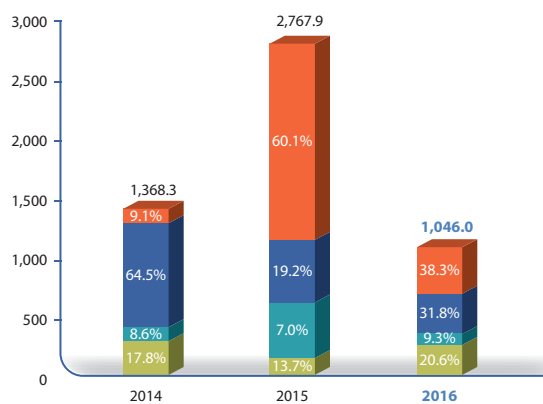
- Furniture, fixtures and equipment and leasehold improvements 傢私、裝置及設備和租賃物業裝修
- Land and buildings and construction in progress 土地及樓宇和在建工程
- Investment properties 投資物業
- Land use rights and patents 土地使用權及專利
- Plant and machinery and motor vehicles 廠房及機器和汽車

截至3月31日止年度

Capital expenditure by function

按功能劃分的資本開支

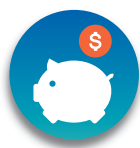
(HK\$ million 百萬港元)



- Projects 項目
- POS 零售點
- Productions 生產
- Offices 辦公室

Note: The percentage calculated are subject to minor rounding differences

附註：百分比計算結果或略有進位差異



Financials 財務

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 March 2016 and 31 March 2015.

Capital Commitments

Details of the Group's capital commitments as at 31 March 2016 and 31 March 2015 are set out in note 36 to the consolidated financial statements.

或然負債

本集團於2016年3月31日及2015年3月31日並無任何重大或然負債。

資本承擔

本集團於2016年3月31日及2015年3月31日的資本承擔詳情載於綜合財務報表附註36。



Major Risk Factors and Control Measures



主要風險因素及控制措施

Credit Control

Most of our transactions in Mainland China with department stores and shopping malls are on credit, which expose the Group to credit risk. If the department stores or shopping malls have difficulties in financing, it could adversely affect our financial condition.

We have monitored the receivables turnover and overdue balances carefully, strictly followed guidelines of recovering receivables, closely communicated with management of department stores and shopping malls to understand the credibility and cash flow status of these retail operators, and we have also taken legal actions concerning serious cases.

RMB fluctuation

Our operations in Mainland China exposed the Group to RMB fluctuation risk.

We closely monitor the RMB exposure. We have paid close attention to our RMB bank balances and intercompany balances denominated in RMB to control the RMB exposure. We have obtained sufficient credit facilities from Mainland China banks to avoid using offshore RMB for financing China operations. We also closely monitored market information and regularly evaluated the impact.

信貸控制

我們大部分於中國內地與百貨公司及購物中心的交易為賒銷形式，使得集團面對信貸風險。若百貨公司或購物中心出現財務困境，可能對我們的財務狀況構成重大不利影響。

我們謹慎地監控應收賬款周轉及逾期應收餘額，嚴格執行應收賬款追收工作指引，與百貨公司與購物中心負責人保持密切溝通以便及時了解其信貸及現金流狀況，我們對較嚴重情況會採取法律行動。

人民幣匯率波動

我們在中國內地的業務使得集團面對人民幣匯率波動風險。

我們密切關注此外幣風險。通過關注我們銀行人民幣賬戶餘額及人民幣往來賬戶餘額以控制人民幣匯率波動風險。對於中國內地的業務，我們從中國內地的銀行獲得充足的信用額度以避免離岸融資操作。我們同時密切關注市場信息，並定期評估影響。



Major Social and Environmental Initiatives

主要社會及環保事項

- This year, the Group supported social enterprises by engaging them to provide services so as to create job and training opportunities for the underprivileged groups. The venue and performance of the annual spring dinner this year were decorated and organised by a social enterprise under the Youth Outreach. The co-operation allowed young people who aspired to work in stage management to have chances to practise and gain experience.
- The Group has a volunteer team, the “CTF CARES”. As at 31 March, 2016, the number of volunteer team members in Mainland China, Hong Kong and Macau was 6,549, providing an aggregate of 8,942 man-hours of services.
- The Group prepares donation budget and plans every year mainly for 3 aspects, namely the care of children, teenagers and the elderly, education and medical treatment, each accounting for about one-third of the donations. In FY2016, the total charitable donations amounted to approximately HK\$9.8 million.
- Under the name of Bao Bao Family, the Group held the “Bao Bao Family Smart Dreamer — Charitable Art Exhibition” and bazaars.
- The Group sponsored activities of various charitable organisations, including the YO Dancical of Youth Outreach, “China Children’s Week: Little Artists Big Dream Drawing Competition” and the charity run of UNICEF as well as the fundraising gala of Diamond Empowerment Fund.
- 支持社會企業機構，於2016年起聘用社企為集團的活動提供服務，為弱勢社羣創造就業和培訓機會。今年公司春茗的場地佈置及節目製作更與協青社旗下社企合作，讓有志於舞台製作發展的年輕人發揮所長，累積經驗。
- 組織「周大福愛心義工隊」，截至2016年3月31日，中國內地和港澳的企業義工人數為6,549名，總服務時數達8,942小時。
- 每年會定立捐款預算和計劃，主要圍繞兒童、青少年及長者的社區關懷、教育和醫療三大範疇，各佔捐款預算約三分之一。2016財政年度的慈善捐款總額約為港幣9.8百萬港元。
- 以「福星寶寶」的名義舉辦「福星寶寶大夢想家 — 慈善藝術展及義賣活動」。
- 贊助不同慈善機構的活動，包括協青社 YO Dancical 街舞表演活動、聯合國兒童基金會的「中國兒童周：小畫家大夢想繪畫比賽」及慈善跑，以及 Diamond Empowerment Fund 的籌款晚宴。



Major Awards and Recognition

主要獎項及嘉許



Major Awards and Recognition

主要獎項及嘉許

Governance 管治

Award 獎項	Presenting Organisation 頒獎機構
2015 All-Asia Executive Team 2015 年度 All-Asia Executive Team	Institutional Investor
1. Most Honored Company — Ranked 26th Most Honored Company 第 26 位	
2. Best Investor Relations — Second Place 最佳投資者關係公司 — 第二級別	
3. Best CEO — First Place 最佳行政總裁 — 第一級別	
4. Best CFO — Second Place 最佳財務總監 — 第二級別	
5. Best Investor Relations Professional — First Place 最佳投資者關係專員 — 第一級別	
Directors Of The Year Awards 傑出董事獎	The Hong Kong Institute of Directors 香港董事學會
HKIRA Investor Relations Awards 香港投資者關係大獎	Hong Kong Investor Relations Association 香港投資者關係協會
1. Best IR Company — Large Cap 最佳投資者關係公司 — 大型股	
2. Best IR by Chairman/CEO — Large Cap 最佳投資者關係(主席/行政總裁) — 大型股	
3. Best IR by CFO — Large Cap 最佳投資者關係(財務總監) — 大型股	
4. Best IRO — Large Cap 最佳投資者關係專員 — 大型股	
5. Best IR Presentation Collaterals — Large Cap 最佳投資者關係推介材料 — 大型股	

Corporate Social Responsibility 企業社會責任

Award 獎項	Presenting Organisation 頒獎機構
Caring Company 商界展關懷	The Hong Kong Council of Social Service 香港社會服務聯會
Consumer Caring Company 貼心企業	GS1 Hong Kong 香港貨品編碼協會
Gold Award for Volunteer Service 義務工作嘉許金狀	Social Welfare Department 社會福利署
Hong Kong Corporate Citizenship Logo — Enterprise Category 香港企業公民嘉許標誌 — 企業組別	Hong Kong Productivity Council 香港生產力促進局

Corporate Branding 企業品牌

Award 獎項	Presenting Organisation 頒獎機構
2008 – 2015 Award for Outstanding Contribution Enterprise to the Standardization of Jewelry Industry 2008 – 2015 年度珠寶玉石標準化工作特殊貢獻企業	Gems & Jewelry Trade Association of China 中國珠寶玉石首飾行業協會
2015 Top 10 Jewelry Retail Brands of China 2015 年度中國珠寶玉石首飾行業零售業十大品牌	Gems & Jewelry Trade Association of China 中國珠寶玉石首飾行業協會
Best Franchise: Princess/Frozen Product Award 最佳產品獎：公主系列	Disney 迪士尼
HKMA/TVB Awards for Marketing Excellence 2015 Citation for Excellence in Mainland Marketing HKMA/TVB 傑出市場策劃獎 2015 傑出中國內地市場策劃嘉許獎	Hong Kong Management Association 香港管理專業協會
Hong Kong Leaders' Choice 2016 — Excellent Brand of Jewellery 香港企業領袖品牌 2016 — 卓越珠寶金飾品牌	Metro Finance Radio and Metro Finance Digital Channel 新城財經台及新城數碼財經台
IAIR Awards IAIR 大獎	IAIR Magazine IAIR 雜誌
1. Best Company for Leadership/Luxury/Asia 最佳領導才能公司 — 亞洲區奢侈品行業 2. CEO Of The Year/Luxury/Asia 年度行政總裁 — 亞洲區奢侈品行業	
Outstanding Listed Company Award 2015 上市公司年度大獎 2015	The Hong Kong Institute of Financial Analysts and Professional Commentators Limited 香港股票分析師協會
Quamnet Outstanding Enterprise Award — Outstanding Jewelry Retail Network 華富財經傑出企業大獎 — 傑出珠寶零售網絡大獎	Quamnet 華富財經
2015 Best China Brands — Ranked 22nd 2015 最佳中國品牌第 22 位	Interbrand
Top 500 Most Valuable Brands in China — Ranked 42nd 中國 500 最具價值品牌第 42 位	World Brand Lab 世界品牌實驗室

Design 設計

Award 獎項	Presenting Organisation 頒獎機構
Chuk Kam Jewellery Design Competition 2016 “Open Group” Award 足金首飾設計比賽 2016「公開組」獎項	Hong Kong Jewellers' & Goldsmiths' Association 香港珠石玉器金銀首飾業商會
Year of Jewellery Design Excellence — A Heritage in Bloom 年度傑出珠寶設計獎 — 裕世鑽芳華	Bazaar Jewelry 芭莎珠寶

E-commerce and Technology 電子商務及科技

Award 獎項	Presenting Organisation 頒獎機構
Digital IQ Index Luxury China 2016 — No. 1 Luxury Brand for Digital Competence 2016 中國奢侈品數碼智商指數 — 數碼能力第一位奢侈品牌	L2
ECR Golden Circle Award 2015 — Technology Innovation Leader ECR金環獎 2015 — 創新科技領袖獎	Efficient Consumer Response Hong Kong and GS1 Hong Kong ECR香港及香港貨品編碼協會
JNA Awards 2015 — Industry Innovator of the Year JNA大獎 2015 — 年度創新企業大獎	Jewellery News Asia 亞洲珠寶雜誌

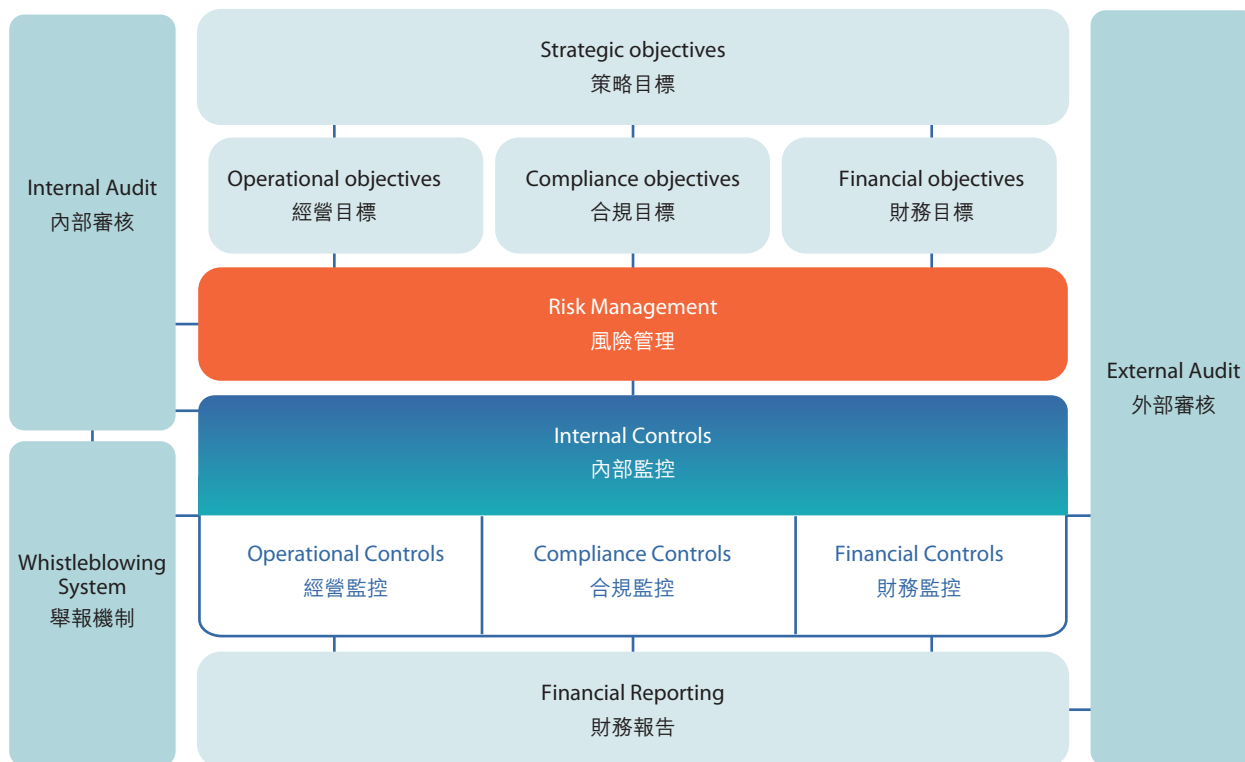


Governance

管治



Risk Management and Internal Controls 風險管理及內部監控



To ensure sustainable development, management shall fulfil the following objectives in three major aspects:

- **Operational:** maximise effectiveness and efficiency
- **Compliance:** comply with laws and regulations, by-laws and rules of the Company, code of business practices and moral standards
- **Financial:** assure data accuracy, information reliability and asset security

In order to realise the Company's vision, management shall adapt to the latest changes and overcome difficulties in the five main areas in the Group's strategic roadmap (i.e. market development, customer service and marketing, products and production, operations and management, financials) by analysing major risk factors and allocating resources to strengthen relevant monitoring measures, aiming to fulfil the strategic objectives of every financial year.

為了持續穩健發展，管理層必須達成以下三類基本目標及其關注點：

- **經營：**最大限度地提升效益及效率
- **合規：**遵循法律法規、公司規章制度、營商操守及道德標準
- **財務：**確保數據準確、訊息可靠及資產安全

為了最終實現公司願景，管理層需要在集團策略規劃的五個範疇（即市場發展、顧客服務及市場推廣、產品及生產、營運及管理、財務）適應最新變化和克服挑戰，分析主要的風險因素然後分配資源加強相關監控措施，盡力完成每個財政年度的策略目標。

Risk Management and Internal Controls 風險管理及內部監控

The Board is responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving its strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems.

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

The Board, through the Audit Committee, oversees the management on the design, implementation and supervision of the risk management and internal control systems.

In the year under review, the Audit Committee reviewed the reports prepared by the management, internal audit team and external auditors:

- Risk management and internal controls reports
- Internal audit reports
- Follow-ups review of internal audit reports
- Whistleblowing system reports
- Independent auditor's report

Having considered the findings of these reports and other relevant factors, the Audit Committee has confirmed that there was no significant issue that would have an adverse impact on the effectiveness and adequacy of the risk management and internal control systems of the Group.

Risk Management

The Group Risk Management Committee was established in 2012, comprising the Managing Director, four executive directors and management personnel from Group Executive Office and Finance & Governance Centre. The committee aims to promote the awareness of risk management in daily operations and develop best business practices of the Group.

董事會負責評估及釐定公司達成策略目標時所願意接受的風險性質及程度，並確保公司設立及維持合適及有效的風險管理及內部監控系統。

該等系統旨在管理而非消除未能達成各類目標的風險，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。

董事會透過審核委員會監督管理層對風險管理及內部監控系統的設計、實施及監察。

於回顧年度內，審核委員會已審閱由管理層、內部審核團隊和外聘核數師編制的報告：

- 風險管理及內部監控報告
- 內部審核報告
- 內部審核後續跟進工作報告
- 舉報機制工作報告
- 獨立核數師報告

審核委員會考慮過上述報告結果以及其他有關因素後，確認並無重大事宜對本集團風險管理及內部監控系統的有效性及充足性構成不利影響。

風險管理

集團風險管理委員會在2012年成立，委員會由董事總經理及其他四名執行董事、集團行政部和財務管治中心管理人員組成，致力推動集團各方面從風險管理角度開展工作，和建構業務最佳實踐。

In each financial year, the Group Risk Management Committee coordinates the management of all major business units to walk through the risk management cycle in accordance with "Enterprise Risk Management Manual". The six steps included in the cycle are as follows:

- Risk identification
- Risk analysis
- Risk evaluation
- Risk mitigation
- Risk monitoring
- Risk reporting

As a result of the abovementioned cycle, the three highest risks of the Group were as follows:

- Loss of talents
- Stringent economic environment
- Brand and reputation damage

These risk factors and the corresponding control measures are further discussed in "Management Discussion and Analysis" in this annual report.

In the year under review, the Group Risk Management Committee was not aware of unexpected adverse changes that were significant to the risks related to the Group's business.

在每個財政年度，集團風險管理委員會都會根據《企業風險管理手冊》指引，組織各主要業務單位的管理層執行風險管理流程，流程包括六大步驟：

- 風險識別
- 風險分析
- 風險評價
- 風險應對
- 風險監督
- 風險報告

根據上述流程，本集團認為以下三個風險較高：

- 人才流失
- 嚴峻經濟環境
- 品牌聲譽受損

上述風險有關描述及主要的風險因素和監控措施的詳情，請查閱本年報的「管理層討論與分析」。

於回顧年度內，集團風險管理委員會沒有發現與集團業務有關的風險出現預期以外的重大不利變化。

Internal Controls

The Board is responsible for the internal controls of the Company, including operational controls, compliance controls and financial controls, and reviewing their effectiveness and adequacy annually through the Audit Committee.

The review is based on the internal control framework set down by the Committee of Sponsoring Organisations of the Treadway Commission which covers the areas of control environment, risk assessment, control activities, information and communication and monitoring.

The Audit Committee obtains confirmation from senior management of all major business units with regards to the effective implementation of internal controls through self-assessment questionnaires for internal controls collected by the Group Risk Management Committee. The management has also undertaken in such questionnaires to fully respond to the related work, including external audit, internal audit, internal control review, case investigation, risk management and whistleblowing system.

In the year under review, the Board was not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the internal control systems of the Group.

Internal Audit

Our internal auditors and PricewaterhouseCoopers ("PwC") formed an internal audit team whom independently adopts the risk-based approach to establish the annual audit plan, in order to assess the adequacy and effectiveness of the internal controls.

Taking into consideration of the size and complexity of the business, and the required expertise of information technology and other areas, the Board believes that such composition can provide the most conducive audit advice.

Audit findings and control deficiencies would be communicated between the internal audit team and management, who is responsible for ensuring these deficiencies are rectified within a reasonable period. Afterwards, post audit review would be performed to ensure the remediate actions have been implemented.

In the year under review, the internal audit team was not aware of any material frauds or deficiencies in internal controls of the Group.

內部監控

董事會負責公司的內部監控(包括經營監控、合規監控和財務監控)，並透過審核委員會每年檢討其有效性和充足性。

有關檢討是根據 Committee of Sponsoring Organisations of the Treadway Commission 頒佈的內部監控框架而作出，當中涵蓋的範圍包括控制環境、風險評估、控制活動、訊息與溝通及監督。

審核委員會通過集團風險管理委員會收集自我評價問卷，取得各主要業務單位高級管理層對內部監控運作有效的確認意見。在問卷記錄內，管理層承諾會全力配合和內部監控相關的具體工作，包括外部審核、內部審核、內部監控檢討、個案調查、風險管理及舉報機制。

於回顧年度內，據董事會所悉，並無任何重大事宜對本集團的內部監控系統的有效性及充足性構成不利影響。

內部審核

我們的內部核數師與羅兵咸永道(「羅兵咸」)組成內部審核團隊，以風險評估為基礎編制年度審計計劃，獨立評估內部監控的充足性和有效性。

考慮到業務的規模和複雜程度，及對資訊科技和其他範疇所需的專業知識，董事會相信有關組合配置可以提供最高素質的審核意見。

內部審核團隊會與管理層溝通審核發現點和控制缺陷，管理層負責確保在合理期限內改善這些缺陷。之後，內部審核團隊會進行後續審核工作，以確保改善方案已經實施。

於回顧年度內，內部審核團隊沒有發現本集團存在重大的舞弊問題或內部監控缺陷。

Whistleblowing System

The system provides a confidential channel to encourage employees to raise concerns to frauds and other misconduct behaviour.

Being appointed by Audit Committee, whistleblowing officers have formed a team at the group level to manage the daily operation of the system and report independently to the Audit Committee.

During the year, whistleblowing officers revised the whistleblowing policy, and poster design, whistleblowing system has been well known within more than 2,000 stores via the POS audit programme. Besides, seminars were organised in Shunde and Wuhan (in which there are many construction, renovation, production and procurement activities).

During the year under review, whistleblowing officers were not aware of significant fraud or significant deficiencies in internal controls in the Company.

External Audit

Regarding the roles of external audit and its opinions, please see the Independent Auditor's Report in this annual report.

舉報機制

本機制提供保密渠道，鼓勵員工對舞弊事項及其他不當行為提出關注。

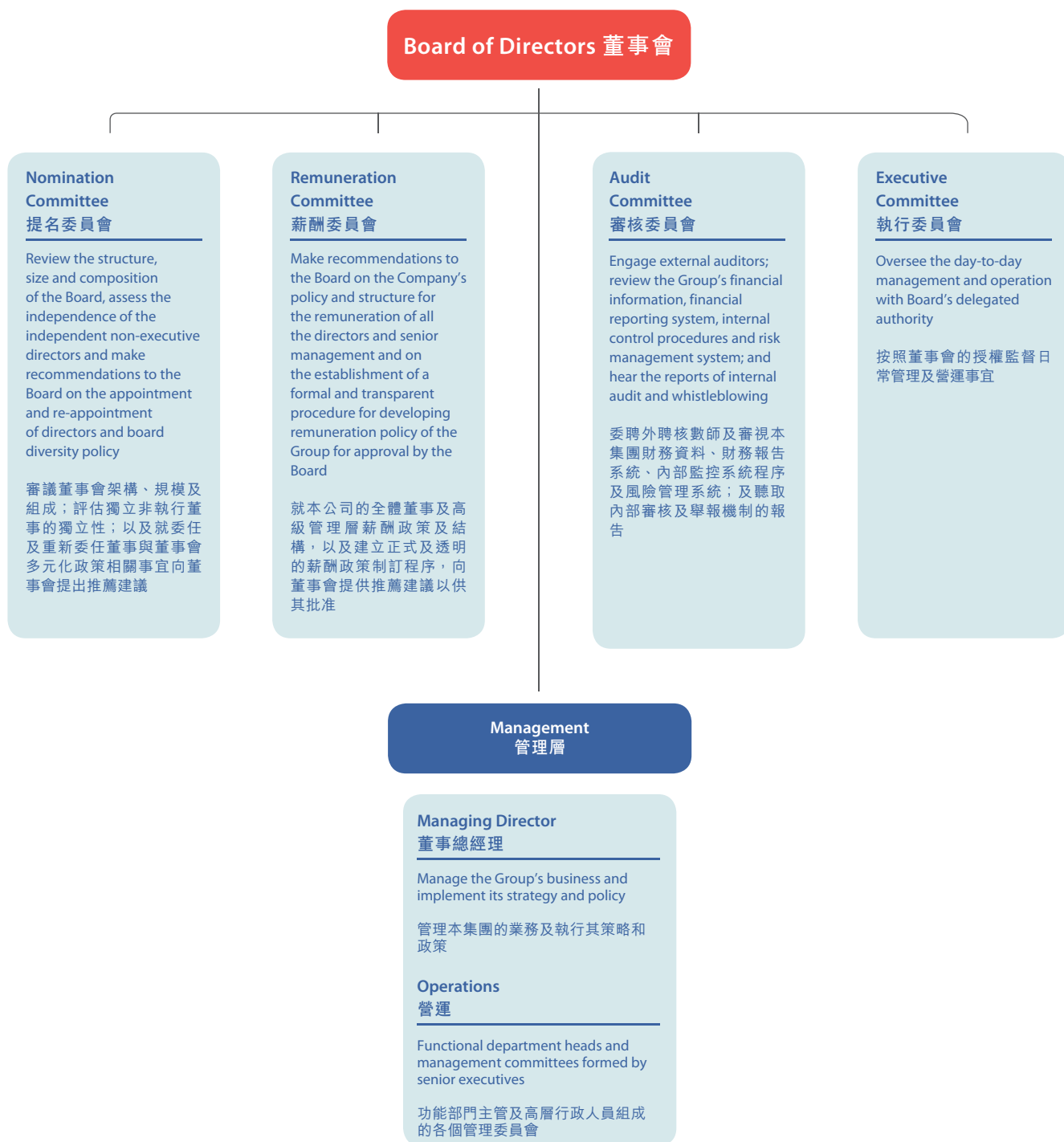
由審核委員會委任的舉報專員，已在集團層面成立專責小組，負責日常管理本機制和獨立地向審核委員會匯報工作。

年內，舉報專員完成修訂舉報政策內容和海報設計，通過集團交叉稽查機制對二千多間分店有效地進行宣傳和教育工作。此外，亦曾在順德及武漢（較多基建和裝修工程、生產及採購活動進行）舉辦宣傳講座。

於回顧年度內，舉報專員沒有發現公司存在重大的舞弊問題或重大的內部監控缺陷。

外部審核

有關外部審核的角色和意見請參閱本年報的「獨立核數師報告」。



Board Governance Framework and Their Works

- The Board's role is to provide leadership of the Company and direction for the management as an independent decision-making body. Our Board is collectively responsible and accountable to our shareholders for the Group's performance.
- The Audit Committee, Nomination Committee and Remuneration Committee each having its respective terms of reference specified by the Board to undertake detailed governance work. A brief summary of their works during FY2016 is shown on the chart in the preceding page and further mentioned in the sections below.
- The Executive Committee is delegated with all the powers, authorities and discretion to act for the Board according to its terms of reference in all operational, managerial and administrative functions concerning the Company's ordinary course of business. It monitors the execution of the Company's strategic plans and the operations of all business units of the Company.
- Matters beyond its delegated authority are reserved to the Board for decision, including those transactions which are notifiable transaction, non-exempt connected transaction under the Listing Rules; or which an executive director has or together have material interest; and those matters of onerous or unusual nature.
- The roles of our Chairman and Managing Director are clearly defined and there is an effective segregation of duties between the Board and the management. Our Chairman, Dr. Cheng Kar-Shun, Henry, provides leadership for the Board and ensures that the Board works effectively and all important issues are discussed in a timely manner. Our Managing Director, Mr. Wong Siu-Kee, Kent, takes the lead in managing the Group's operations and business development.

Directors' Composition and Appointments

- The Board currently comprises a total of 15 directors, with nine executive directors, one non-executive director and five independent non-executive directors. The profile, role and function of each director, their relationship with each other and the membership of the board committees are set out in the section headed "Profile of Directors and Senior Management" in this annual report.
- The Executive Committee comprises of executive directors. Each executive director has his own role and function to oversee the Group's operations.

董事會管治框架及其主要工作

- 董事會的角色為領導公司，並作為獨立決策機構為管理層訂立方向。董事會就本集團的表現集體負責及對股東問責。
- 審核委員會、提名委員會及薪酬委員會分別承擔董事會指定的職責，進行具體的管治工作。該等委員會2016財政年度的工作於前頁圖表簡述，詳情見以下章節。
- 執行委員會獲授所有權力、權限及酌情權，根據其與本公司一般業務過程有關的所有營運、管理及行政職能之職權範圍為董事會行事，負責監察本公司策略規劃的執行情況及公司所有業務單位的營運。
- 超越執行委員會職權範圍的事宜須留待董事會決定，包括根據上市規則須予披露的交易及非豁免關連交易；執行董事單獨或與他人共同於其中有重大權益的交易；非常重大或不尋常事宜的交易。
- 主席和董事總經理的角色有清晰界定，董事會和管理層的職責亦有明確區分。主席鄭家純博士領導董事會以及確保董事會有效運作及適時討論所有重要事項。董事總經理黃紹基先生領導本集團營運和業務發展。

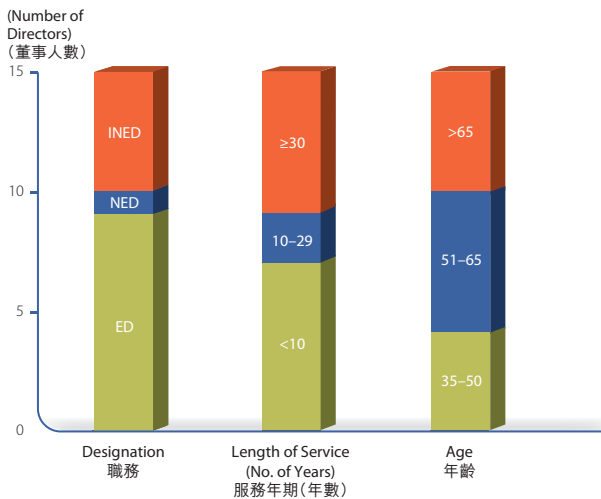
董事組成及委任

- 董事會目前共由15名董事組成，其中包括9名執行董事、1名非執行董事及5名獨立非執行董事。各董事的簡介、角色及職能，彼此之間的關係及董事委員會的成員組成載於本年報「董事及高級管理人員簡介」一節。
- 執行委員會由執行董事組成，各執行董事均有管理本集團營運的專責角色和職能。

- The Company has its Board diversity policy and looks for a broad spectrum of background, to bring along comprehensive considerations in forming Board decisions. During the year, Mr. Liu Chun-Wai, Bobby, who has been engaging in the Group's business innovation, was invited to join the Board in the hope for a younger and more diversified Board.
 - Independent directors nominated to the Board are required to be of sufficient calibre and experience for their views to carry weight and pose constructive challenge to Board proposals.
 - The five independent non-executive directors come from diverse business and professional background. Their experience ranges from general management to professional practices, from China business to global enterprises, from private investments to companies listed worldwide. All of them have proven experience in forming corporate strategies, risk management and corporate governance.
 - While the executive directors possess management experience and professional knowledge in various fields, the diverse composition of the Board enables us to connect with a wide range of stakeholders including our customers, suppliers, business partners, investors and colleagues. The diversity of the Board is summarised in the following charts:
- 公司制定了董事會多元化政策，務求董事們的多元背景，有助董事會決策時通過全面的考慮。年內，負責集團創新業務的廖振為先生獲邀加盟董事會，希望使董事會更年輕和多元化。
 - 提名獨立董事的原則是必須有足夠才幹和資歷，能夠以使其意見具有影響力，以及在董事會的討論中提出有建設性的質詢。
 - 目前五位獨立非執行董事來自不同的行業和專業，從事業務由整體企業管理以至專業執業、中國業務以至環球企業、私人投資以至外國的上市公司，對於企業策略制訂、風險管理及企業管治等，均有豐富的實踐經驗。
 - 我們的執行董事亦擁有不同領域的管理經驗及專業知識，董事會多元的組合有利於我們與顧客、供應商、業務夥伴、投資者和同事等不同方面的持份者聯繫溝通。董事會的多元化組合概述於下圖：

General Status

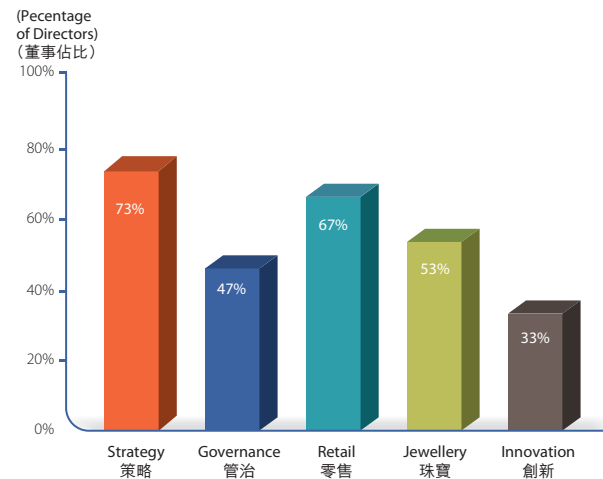
基本情況



ED – Executive Director 執行董事
 NED – Non-executive Director 非執行董事
 INED – Independent NED 獨立非執行董事

Area of Experience

經驗領域



- The Nomination Committee held two meetings during the year. New appointment to the Board was reviewed and approved by the Nomination Committee of which majority members are independent non-executive directors; and the new director has to stand for re-election in the forthcoming shareholders' meeting pursuant to the Articles where all shareholders are entitled to vote.
- All directors have formal letters of appointment with the Company for a term of three years, subject to retirement by rotation in accordance with the Articles. Appointments to the Board and board committees are made on specific terms to facilitate regular reviews and planning for any adaptations in the structure and composition of the Board.

Board Effectiveness

Leadership and Control

- Strategies drive our risk-based management approach that aims at seizing emerging opportunities amid the changing external and internal environment, in order to achieve sustainability.
- During the year, strategy workshop and risk evaluation workshop were held to facilitate the Board to draw up the Group's strategy plan for the forthcoming year and determine the critical tasks and key performance indicators.
- We also organised the annual corporate planning day to lay down the work plans for various business units and to prepare the annual financial budget of the Group.
- The reporting and analysis generated from our information management system are put under the spotlight by the management who keep a close eye on the financial budget and analyse the outcomes of its strategies in order to review or make appropriate adaptations.
- In the four Board meetings held during the year, the Managing Director took the lead to make reports to the Board on various aspects, including business performance and prospects, financial performance, risk management and corporate governance.
- The Company also provides monthly updates to all directors on the Group's performance and position to enable the directors to make balanced assessment and informed decisions for the benefit of the Group.
- The enhanced accountability and objectivity of the management are built on the scientific management approach mentioned above which promotes a professional management style.

- 於年內舉行的2次提名委員會中，對於新董事的委任，必須經過由大部分獨立非執行董事組成的提名委員會審議及批准，而且按照公司細則在下次股東會議全體股東投票重選。

- 所有董事均已與本公司訂立正式委任函，任期為三年，惟須根據細則輪值退任。董事會及董事會轄下委員會的委任設有特定任期，以便定期檢討及規劃董事會架構及組成的任何調整。

董事會的有效運作

領導與監督

- 以策略導向管理，應付內外環境的轉變，發掘前瞻商機，管理風險，以達成持續發展為目的。
- 年內，舉辦策略工作坊和風險評價工作坊，協助董事會制定來年的集團策略、關鍵任務，以及重要指標。
- 我們亦籌備公司規劃會議，落實各業務單位的工作計劃，制定年度財務預算。
- 管理層重視數據匯報系統和分析，以密切監察財務預算，及權衡策略的成效，適時檢討和應變。
- 於年內舉行的4次董事會會議中，董事總經理帶領就多個範疇向董事會作出匯報，包括業務表現及前景、財務業績、風險管理和企業管治。
- 本公司亦每月向全體董事更新報告本集團業績及狀況，讓董事能就本集團作出平衡的評核及有根據地作出有利於本集團的決定。
- 以上各項科學化管理方針旨在促進管理層專業化，有助加強問責性和客觀判斷。

Board Independence in Decision-making

- We believe that independence is crucial for the Board to work effectively to create value for our stakeholders as a whole. Notwithstanding the family stake of 89.3%, the Company is committed to maintaining a balance among the interests of the stakeholders by implementing various corporate governance policies and practices.
- The Group and the controlling shareholder exhibit independence in regard to their respective operation, asset holding and financial management. The business nature differs from each other so that conflict of interests are minimised fundamentally in the absence of directly competing business.
- Driving for long-term value is the main objective in making Board decisions. During the year, the independent non-executive directors raised questions actively in the Board meetings and board committee meetings. Both the commercial context and perspectives of minority shareholders are taken into account for the Board to make thoughtful decisions which are regarded as reasonable by third parties and to keep the interests of controlling shareholder and other shareholders in alignment.
- In respect of our approach for connected transactions, we work together with related companies mainly for collaborating efforts in marketing to explore value-added services for our common customers. While each of us contributes our edge, we believe such efforts could enhance the competitiveness of our brand and shareholders' interests as a whole.
- When approving a connected transaction, apart from the fairness of the agreement terms, independent directors also consider the commercial rationale and the benefits brought by the proposal to the business of the Group.
- It is a norm for the director who is a connected person in relation to the connected transaction tabled for approval to declare his interest in advance and then abstain from voting on that resolution, regardless of the materiality of such interest involved.
- The Company has received annual confirmation of independence from all the independent non-executive directors in accordance with Rule 3.13 of the Listing Rules. The Board is of the view that all the independent non-executive directors are independent.

董事會的獨立決策

- 我們相信，高度的獨立性為董事會有效運作、創造價值及維護全體股東利益的要點。雖然家族持股達89.3%，但公司致力設立各項企業管治的制度和常規，期望平衡各持份者的利益。
- 集團的營運、資產、財務與控股股東之間保持獨立，集團業務的性質與控股股東之間亦不存在直接競爭，從本質上減低利益衝突的源頭。
- 董事會的決策以長期價值為主要考慮。年內，獨立非執行董事均投入董事會及委員會會議積極提問，兼顧營商和小股東的角度，務求董事會決策經周全考慮，使控股股東和其他股東利益均保持一致，對第三方來說亦視為合理的決定。
- 在關連交易方面，我們的方針是積極開發關連公司之間在市場拓展方面的合作商機，各自發揮所長，目的為重疊的顧客群引入更多增值服務，增強我們品牌的市場優勢，以提升整體股東利益。
- 獨立董事審議關連交易除了協議的條款的公平性之外，著重考慮方案的商業合理性，可以為集團業務發展帶來的裨益。
- 建立董事會的常規，即使需予批准的關連交易，與相關連的董事並不屬於重大利益，該等董事亦會於審議前申報利益關係，並不參與批准有關交易的表決。
- 本公司亦已根據上市規則第3.13條收集各獨立非執行董事的年度獨立性確認書。董事會認為，所有獨立非執行董事均為獨立人士。

Compliance and Audit

- The Company has established policy for inside information disclosures and its internal controls on the reporting and monitoring systems so that material matters are escalated to the Board timely for them to judge whether inside information exists and to issue an announcement to disclose inside information in due course.
- All directors and employees are bound by prevention of insider trading policy of the Company to refrain from dealing in the Company's securities if they are in possession of any inside information of the Group.
- The Company has adopted a code of conduct on terms no less exacting than the Model Code for Securities Transactions by Director of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules regarding the securities transactions by all directors and those employees who are likely to come across inside information because of their duties. Having made specific enquiry of all directors and relevant employees, they confirmed that they had complied with the required standard as set out in the Model Code during FY2016.
- The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. The directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. The statement by the auditors of the Company and the Group regarding their reporting responsibilities on the financial statements of the Company and the Group is set out in the section headed "Independent Auditor's Report" of this annual report.
- The Audit Committee held three meetings during the year. They reviewed the financial statements for the Group's interim and annual results. They also reviewed reports on the Group's risk management, internal controls, internal audit and whistleblowing system; and discussed the related matters directly with the management, external and internal auditors. The Audit Committee has reviewed and was satisfied with the effectiveness of our risk management and internal control systems. Further details are included under the section headed "Risk Management and Internal Controls" in this annual report.

合規及審核

- 對於內幕消息的披露管理，公司設有相關政策及內控措施，使重要事項能及時匯報給董事會考慮是否內幕消息，而適時發出公告。
- 設有防止內幕交易政策，全體董事及所有僱員均受本公司的公司政策約束，當他們持有本集團的任何內幕消息，則不得買賣本公司證券。
- 本公司已就董事及有可能因為職務而接觸到內幕消息的僱員進行證券交易訂立條款不遜於上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」）。經向全體董事及有關僱員作出具體查詢後，他們確認於2016財政年度內已遵守標準守則所載規定標準。
- 董事會在財務部門支持下負責編製本公司及本集團的財務報表。董事並不知悉任何可能對本集團持續經營的能力構成重大疑問的事件或情況相關的任何重大不明朗因素。本公司及本集團核數師就他們對本公司及本集團財務報表的報告責任所作聲明載於本年報的「獨立核數師報告」。
- 審核委員會年內舉行3次會議，審閱本集團中期及年度業績的財務報表。彼等亦審閱有關本集團風險管理、內部監控、內部審核和舉報機制的報告；與管理層、外部及內部審核人員直接交流討論有關事項。審核委員會已審視及認可風險管理及內部監控系統的有效性。詳情載於本年報的「風險管理及內部監控」。

- The Audit Committee recommended the re-appointment of Deloitte Touche Tohmatsu the Company's principal auditor. During FY2016, the total fee paid/payable in relation to audit services of the Group amounting to HK\$8.9 million, of which a sum of HK\$4.8 million was paid/payable to our principal auditor, Deloitte Touche Tohmatsu, and the remaining was mainly paid/payable to other auditors performing audit work for the Company's subsidiaries in Mainland China which were subject to local statutory requirements. The remuneration paid to Deloitte Touche Tohmatsu and its affiliated firms for services rendered is listed as follows:

- 審核委員會建議續聘德勤•關黃陳方會計師行為本公司主要核數師。本集團於2016財政年度就其審核服務已付/應付費用總額為8.9百萬港元，其中已付/應付主要核數師德勤•關黃陳方會計師行4.8百萬港元，餘款則主要就本公司中國內地附屬公司按地方法規須進行的審核工作已付/應付其他核數師。就獲提供服務已付德勤•關黃陳方會計師行及其聯屬公司的酬金載列如下：

Types of services 服務類型	FY2015 2015財政年度 HK\$'000 千港元	FY2016 2016財政年度 HK\$'000 千港元
	Statutory audit 法定審核	4,737
Non-audit services ^(Note) 非審核服務 ^(附註)	4,168	6,083
	8,905	10,876

Note: Non-audit services comprise primarily services on review of interim results, tax advisory and IT system enhancement provided to the Group

附註：非審核服務主要包括向本集團提供審閱中期業績、稅務顧問及加強資訊系統服務

Attendance at Annual General Meeting and Board Meetings

股東週年大會及董事會會議的出席記錄

		Number of Meetings Attended/Eligible to attend for FY2016 2016財政年度出席/合資格出席會議次數				
		Annual General Meeting 股東週年大會	Board Meeting 董事會會議	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Dr. Cheng Kar-Shun, Henry	鄭家純博士	0/1	3/4	-	1/2	2/2
Mr. Wong Siu-Kee, Kent	黃紹基先生	1/1	4/4	-	2/2	2/2
Dr. Cheng Chi-Kong, Adrian	鄭志剛博士	1/1	4/4	-	-	-
Mr. Cheng Chi-Heng, Conroy	鄭志恒先生	1/1	4/4	-	-	-
Mr. Chan Sai-Cheong	陳世昌先生	1/1	4/4	-	-	-
Mr. Suen Chi-Keung, Peter	孫志強先生	1/1	4/4	-	-	-
Mr. Chan Hiu-Sang, Albert	陳曉生先生	1/1	4/4	-	-	-
Mr. Cheng Ping-Hei, Hamilton	鄭炳熙先生	1/1	4/4	-	-	-
Mr. Liu Chun-Wai, Bobby ⁽¹⁾	廖振為先生 ⁽¹⁾	-	1/1	-	-	-
Mr. Cheng Kam-Biu, Wilson	鄭錦標先生	1/1	4/4	-	-	-
Mr. Koo Tong-Fat ⁽²⁾	古堂發先生 ⁽²⁾	1/1	3/3	-	-	-
Mr. Cheng Ming-Fun, Paul	鄭明訓先生	1/1	4/4	3/3	-	2/2
Dr. Fung Kwok-King, Victor	馮國經博士	1/1	4/4	-	2/2	2/2
Mr. Kwong Che-Keung, Gordon	鄺志強先生	1/1	4/4	3/3	2/2	-
Mr. Lam Kin-Fung, Jeffrey	林健鋒先生	1/1	4/4	3/3	-	2/2
Dr. Or Ching-Fai, Raymond	柯清輝博士	1/1	4/4	3/3	2/2	2/2

Notes:

- Mr. Liu Chun-Wai, Bobby was appointed as an executive director of the Company with effect from 1 January 2016.
- Mr. Koo Tong-Fat resigned as a non-executive director of the Company with effect from 1 January 2016.

附註：

- 廖振為先生於2016年1月1日獲委任為本公司執行董事。
- 古堂發先生已於2016年1月1日辭任本公司非執行董事。

Remuneration and Continuing Development

- The remuneration policy for the executive directors and senior management is incentive-based, with a significant portion of discretionary bonus linking to the overall performance and profitability of the Group, as well as the share price of the Company. This aims at enhancing accountability by a better alignment of their rewards with the interests of our shareholders.
- The Remuneration Committee held two meetings during the year. The performance of the executive directors was assessed; and the remuneration packages of the executive directors and senior management were reviewed and approved by the Remuneration Committee of which majority members are independent non-executive directors. They also reviewed the effectiveness of the Company's medium to long-term incentives for the management's remuneration package to align with corporate goals to be achieved in a longer term.
- In order to broaden the management's horizon, the Company sponsors them to study professional programmes and participate in forums or conferences. It also commits to enriching the roles to be played by young management and creating promotional opportunities in their career path which in turn promote the sustainability of the Group's business.
- The Company's basic principle for selection of the management is on merits. Coupled with talents obtained via external recruitment, the Company has built up its management team primarily through internal promotion.
- We tailor-made induction programme for new directors in view of their background to brief them on the Board proceedings and culture, the operation and business of the Company, its corporate governance policies, and statutory duties and responsibilities of directors.
- We arrange visits to our management centres and production sites to enable independent non-executive directors to understand the management, operation and control systems, as well as the latest innovations. During the year, we arranged an intensive workshop for them to understand the latest developments in e-commerce and try our Smart Tray technology applications.
- We also encourage colleagues to participate in awards or competitions which are relevant to their expertise. During the year, we nominated our Managing Director Mr. Wong Siu-Kee, Kent and Finance Director Mr. Cheng Ping-Hei, Hamilton to participate in the Directors Of The Year Awards organised by The Hong Kong Institute of Directors (HKIoD). Both of them were selected winners by the professional judging panel and such recognition was encouraging for the Company and the management alike.

管理層的薪酬與持續發展

- 執行董事及高級管理層薪酬政策主要激勵表現為原則，其中的酌情花紅大部份與本集團整體表現、盈利能力以及本公司股份價格掛鈎。目的為使他們所獲得的獎勵與本公司股東的利益更為一致，以加強問責性。
- 於年內舉行的2次薪酬委員會會議中，薪酬委員會已評估執行董事的表現；執行董事及高級管理層的薪酬待遇必須經過以由大部分獨立非執行董事組成的薪酬委員會審議及批准；會上亦檢討本公司設立中長期管理層薪酬待遇的有效性，以配合長遠企業目標。
- 公司資助管理層修讀專業課程、參加研討會等，開拓視野；同時，亦積極開放發揮和晉升機會給年青的管理層，以協助集團業務持續發展。
- 委任管理層的基本政策是選賢任能，除了從外招聘獲取外界經驗之外，集團目前大部分的管理層為內部培育和提拔。
- 按新委任董事的背景，度身安排啟導方式，介紹董事會程序及文化，公司營運及業務、管治政策，以及董事的法定職責及責任。
- 安排獨立非執行董事到訪本集團的管理中心及生產基地，以便彼等了解本集團的管理、營運及監控系統，以及創新發展。年內，我們安排了電子商貿最新發展的多方面介紹，以及親身體驗我們智能奉客盤科技系統的應用。
- 我們鼓勵同事參加與其專長有關的比賽或競逐獎項。年內，我們提名董事總經理黃紹基先生和財務董事鄭炳熙先生參選香港董事學會舉辦的傑出董事獎，經專業評審結果，兩位均獲頒發傑出董事獎，讓公司和整個管理層也為之鼓舞。

The directors also attended seminars or workshops relevant to their profession and duties as directors. Their training records during the year are summarised as follows:

董事亦會出席與他們作為董事的專業和職務相關的講座或工作坊。董事在年內的培訓記錄概要如下：

Name 名稱	Attending trainings organised by the Company 出席本公司組織的培訓	Other Professional Development Activities 其他專業發展活動		
		as speaker/trainer 作為講者／講師	as attendant 作為出席者	read materials 閱讀資料
Dr. Cheng Kar-Shun, Henry	鄭家純博士			✓
Mr. Wong Siu-Kee, Kent	黃紹基先生	✓	✓	✓
Dr. Cheng Chi-Kong, Adrian	鄭志剛博士	✓		✓
Mr. Cheng Chi-Heng, Conroy	鄭志恒先生		✓	✓
Mr. Chan Sai-Cheong	陳世昌先生	✓	✓	✓
Mr. Suen Chi-Keung, Peter	孫志強先生	✓	✓	✓
Mr. Chan Hiu-Sang, Albert	陳曉生先生	✓	✓	✓
Mr. Cheng Ping-Hei, Hamilton*	鄭炳熙先生*	✓	✓	✓
Mr. Liu Chun-Wai, Bobby	廖振為先生	✓	✓	✓
Mr. Cheng Kam-Biu, Wilson	鄭錦標先生	✓	✓	✓
Mr. Cheng Ming-Fun, Paul	鄭明訓先生		✓	✓
Dr. Fung Kwok-King, Victor	馮國經博士	✓	✓	
Mr. Kwong Che-Keung, Gordon	鄺志強先生	✓	✓	✓
Mr. Lam Kin-Fung, Jeffrey	林健鋒先生		✓	✓
Dr. Or Ching-Fai, Raymond	柯清輝博士	✓	✓	

* Our company secretary, Mr. Cheng Ping Hei, Hamilton, had taken no less than 15 hours relevant professional training as required under Rule 3.29 of the Listing Rules.

* 本公司的公司秘書鄭炳熙先生，根據上市規則第3.29條規定，於年內接受不少於15小時相關專業培訓。

Corporate Governance Practices

The Company's corporate governance practices are discussed in the section headed "Governance" in this annual report. During the year ended 31 March 2016, the Company was in full compliance with all applicable principles and code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for the deviation mentioned below.

- Pursuant to code provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting of the Company.
- Due to another meeting engagement, Dr. Cheng Kar-Shun, Henry, the Chairman of the Board, was unable to attend the AGM of the Company held on 31 July 2015.
- Mr. Wong Siu-Kee, Kent, the Managing Director who took the chair of the 2015 AGM, together with other members of the Board who attended this meeting, were of sufficient calibre for answering questions at the 2015 AGM.

企業管治常規

本公司企業管治常規於本年報的「管治」一節討論。截至2016年3月31日止年度，除下文所提及的偏離外，本公司一直全面遵守上市規則附錄14所載企業管治守則的所有適用原則及守則條文。

- 根據企業管治守則的守則條文第E.1.2條，董事會主席應出席本公司股東週年大會。
- 董事會主席鄭家純博士因另有會議安排，而未有出席主持2015年7月31日舉辦的本公司股東週年大會。
- 當日會議由董事總經理黃紹基先生主持，黃先生及出席的其他董事會成員的資歷足以於2015年股東週年大會回答股東的問題。

Profile of Directors and Senior Management 董事及高級管理人員簡介

Executive Directors 執行董事	Responsibilities 職責
Dr. Cheng Kar-Shun, Henry [#] (Chairman) 鄭家純博士 [#] (主席)	NC, RC Strategic direction and overall performance of the Group 本集團的策略方針及整體表現
Mr. Wong Siu-Kee, Kent (Managing Director) 黃紹基先生 (董事總經理)	NC, RC Overall management of the Group 本集團的整體管理
Dr. Cheng Chi-Kong, Adrian [#] 鄭志剛博士 [#]	Brand identity re-creation and marketing activities 品牌形象創新及市場推廣活動
Mr. Cheng Chi-Heng, Conroy [#] 鄭志恒先生 [#]	Procurement of diamonds and gemstones and production management 鑽石、寶石採購及生產管理
Mr. Chan Sai-Cheong 陳世昌先生	Mainland China operations 中國內地之業務
Mr. Suen Chi-Keung, Peter 孫志強先生	Hong Kong, Macau and overseas operations 港澳地區及海外之業務
Mr. Chan Hiu-Sang, Albert 陳曉生先生	Diamond procurement and operations of Diamond Department 鑽石部之鑽石採購及運營
Mr. Cheng Ping-Hei, Hamilton 鄭炳熙先生	Financial management and company secretarial functions 財務管理兼公司秘書職能
Mr. Liu Chun-Wai, Bobby 廖振為先生	Business innovation and Mainland China operation management 業務創新及中國內地營運管理

Non-Executive Directors 非執行董事	Responsibilities 職責
Mr. Cheng Kam Biu, Wilson [#] 鄭錦標先生 [#]	Bank and landlord relationship management 銀行及業主關係管理

Independent Non-Executive Directors 獨立非執行董事	Responsibilities 職責
Mr. Cheng Ming-Fun, Paul 鄭明訓先生	AC, NC Independent non-executive directors serve a significant role in the Board to bring independent judgment on the performance, development and risk management of the Group. As chairmen or members of the Audit Committee, Nomination Committee and Remuneration Committee, they also undertake detailed governance work under their respective terms of reference
Dr. Fung Kwok-King, Victor 馮國經博士	NC*, RC
Mr. Kwong Che-Keung, Gordon 鄺志強先生	AC*, RC
Mr. Lam Kin-Fung, Jeffrey 林健鋒先生	AC, NC
Dr. Or Ching-Fai, Raymond 柯清輝博士	RC*, AC, NC

NC = Nomination Committee member
提名委員會成員

RC = Remuneration Committee member
薪酬委員會成員

AC = Audit Committee member
審核委員會成員

* Committee Chairman
委員會主席

[#] Four directors are family members related to the Company's major shareholders. Apart from them, all other directors are not related to each other
四名董事為與本公司主要股東有關的家族成員。除彼等之外，所有其他董事之間並無關連

Chairman and Executive Director

Dr. Cheng Kar-Shun, Henry, GBS

Aged 69, joined the Group in 1971, was appointed as Chairman and an executive director in July 2011 and is a member of the Nomination Committee and Remuneration Committee of the Company. Dr. Cheng is responsible for the strategic direction and overall performance of the Group. He is a director of certain subsidiaries of the Group. Dr. Cheng is also chairman and an executive director of New World Development Company Limited, chairman and managing director of New World China Land Limited, chairman and an executive director of NWS Holdings Limited and International Entertainment Corporation, chairman and a non-executive director of New World Department Store China Limited, Newton Resources Ltd and FSE Engineering Holdings Limited (became listed in Hong Kong on 10 December 2015), a non-executive director of SJM Holdings Limited, and an independent non-executive director of HKR International Limited and Hang Seng Bank Limited, all of which are listed public companies in Hong Kong. He was also a non-executive director of Lifestyle International Holdings Limited, which is a listed public company in Hong Kong, until his retirement on 4 May 2015. In addition, Dr. Cheng is also a director of several substantial shareholders of the Company, including Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited and Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited. Dr. Cheng is chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference. Dr. Cheng is the eldest son of Dato' Dr. Cheng Yu-Tung, the father of Dr. Cheng Chi-Kong, Adrian, an uncle of Mr. Cheng Chi-Heng, Conroy, a cousin of Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy and a nephew of Mr. Cheng Yu-Wai.

主席及執行董事

鄭家純博士 (GBS)

現年69歲，於1971年加入本集團，2011年7月獲委任為主席及執行董事，並為本公司提名委員會及薪酬委員會成員。鄭博士負責本集團的策略方針及整體表現。鄭博士為本集團若干附屬公司董事。鄭博士亦擔任新世界發展有限公司主席兼執行董事、新世界中國地產有限公司主席兼董事總經理、新創建集團有限公司及國際娛樂有限公司主席及執行董事、新世界百貨中國有限公司、新礦資源有限公司及豐盛機電控股有限公司（於2015年12月10日在香港上市）主席及非執行董事、澳門博彩控股有限公司非執行董事、以及香港興業國際集團有限公司及恒生銀行有限公司獨立非執行董事，該等公司均為香港上市公眾公司。彼亦曾擔任香港上市公眾公司利福國際集團有限公司非執行董事，直至2015年5月4日退任。此外，鄭博士亦擔任本公司主要股東Cheng Yu Tung Family (Holdings) Limited、Cheng Yu Tung Family (Holdings II) Limited、Chow Tai Fook Capital Limited及周大福（控股）有限公司及其附屬公司周大福企業有限公司之董事。鄭博士為香港明天更好基金顧問委員會主席及第十二屆全國政協常務委員。鄭博士為拿督鄭裕彤博士之長子、鄭志剛博士之父親、鄭志恒先生之伯父、鄭錦標先生及鄭錫鴻先生之堂兄以及鄭裕偉先生之侄兒。

Executive Directors

Mr. Wong Siu-Kee, Kent

Aged 60, joined the Group in 1977, was appointed as Managing Director in July 2011 and is a member of the Nomination Committee and Remuneration Committee of the Company. Mr. Wong is responsible for the overall management of the Group. Mr. Wong has diverse experience in both operations and management. He was responsible for developing the Group's market in Mainland China and in 2008 he was promoted to managing director of Chow Tai Fook Jewellery Company Limited. He is also a director of certain subsidiaries of the Group and a director of Chow Tai Fook Enterprises Limited, which is a subsidiary of a substantial shareholder of the Company. Mr. Wong is a member of the 2016 fair organising committee of the Hong Kong Trade Development Council for its Hong Kong International Jewellery Show and Hong Kong International Diamond, Gem and Pearl Show, chairman of the Hong Kong Jewellers' & Goldsmiths' Association Ltd., chairman of the supervising committee of the Hong Kong & Kowloon Jewellers' & Goldsmiths' Employees' Association Ltd, a vice chairman of the Gems & Jewelry Trade Association of China, a member of Hong Kong Consumer Council, vice-chairman of the Yantian District General Chamber of Commerce and a member of the Yantian Committee of Chinese People's Political Consultative Conference. He was awarded Director of The Year Awards 2015 by The Hong Kong Institute of Directors in December 2015 and named as "CEO of the Year/Luxury/Asia" at the 2016 IAIR Awards presentation ceremony held by International Alternative Investment Review.

Dr. Cheng Chi-Kong, Adrian

Aged 36, joined the Group in 2007, was appointed as an executive director in July 2011. Dr. Cheng is responsible for the brand identity re-creation and marketing activities of the Group. Prior to joining the Group, Dr. Cheng worked at UBS AG from September 2003 to April 2006. He is also a director of certain subsidiaries of the Group, a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited. Dr. Cheng is executive vice-chairman and joint general manager of New World Development Company Limited, an executive director of New World China Land Limited, New World Department Store China Limited and International Entertainment Corporation, and a non-executive director of Giordano International Limited and Modern Media Holdings Limited, all of which are listed public companies in Hong Kong. Dr. Cheng is also chairman of New World Group Charity Foundation Limited, the vice-chairman of the All-China Youth Federation, a member of the Tianjin Municipal Committee of The Chinese People's Political Consultative Conference, a vice-chairman of the Youth Federation of the Central State-owned Enterprises, chairman of the China Young Leaders Foundation, founder of K11 Art Foundation and a member of the board of the West Kowloon Cultural District Authority. Dr. Cheng holds a Bachelor of Arts degree (cum laude) from Harvard University and was conferred the Honorary Doctorate of Humanities by the Savannah College of Art and Design. Dr. Cheng is a grandson of Dato' Dr. Cheng Yu-Tung, a son of Dr. Cheng Kar-Shun, Henry, a cousin of Mr. Cheng Chi-Heng, Conroy, a nephew of Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy and a grandnephew of Mr. Cheng Yu-Wai.

執行董事

黃紹基先生

現年60歲，於1977年加入本集團，2011年7月獲委任為董事總經理，並為本公司提名委員會及薪酬委員會成員。黃先生負責本集團的整體管理。彼擁有豐富的營運及管理經驗，曾負責為集團開拓中國內地市場，並於2008年擢升為周大福珠寶金行有限公司董事總經理。黃先生亦為本集團若干附屬公司及本公司主要股東之附屬公司周大福企業有限公司之董事。黃先生為香港貿易發展局香港國際珠寶展與香港國際鑽石、寶石及珍珠展之2016年籌備委員會委員，香港珠石玉器金銀首飾業商會有限公司理事長，港九珠寶首飾業文員會有限公司監事長，中國珠寶玉石首飾行業協會副會長，香港消費者委員會委員，鹽田區總商會理事會副會長及中國人民政治協商會議深圳市鹽田區委員會委員。彼於2015年十二月榮獲香港董事學會頒發的2015年度傑出董事獎，及在International Alternative Investment Review舉行的2016年IAIR Awards頒獎典禮上獲選為「年度行政總裁 — 亞洲區奢侈品行業」。

鄭志剛博士

現年36歲，於2007年加入本集團，於2011年7月獲委任為執行董事。鄭博士負責本集團品牌形象創新及市場推廣活動。加入本集團前，鄭博士由2003年9月至2006年4月期間任職於瑞士銀行。鄭博士亦為本集團若干附屬公司之董事，並為本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司董事。鄭博士擔任新世界發展有限公司執行副主席兼聯席總經理，新世界中國地產有限公司、新世界百貨中國有限公司及國際娛樂有限公司執行董事，以及佐丹奴國際有限公司及現代傳播控股有限公司的非執行董事，該等公司均為香港上市公司。鄭博士亦為新世界集團慈善基金有限公司主席、中華全國青年聯合會副主席、中國人民政治協商會議天津市委員會委員、中央企業青年聯合會副主席、中華青年精英基金會主席、K11 Art Foundation創辦人及西九文化區管理局董事局成員。鄭先生持有哈佛大學文學士學位(優等成績)，並獲得薩凡納藝術設計學院頒授名譽博士學位。鄭博士為拿督鄭裕彤博士之孫兒、鄭家純博士之兒子、鄭志恒先生之堂弟、鄭錦標先生及鄭錫鴻先生之侄兒以及鄭裕偉先生之侄孫。

Profile of Directors and Senior Management 董事及高級管理人員簡介

Mr. Cheng Chi-Heng, Conroy

Aged 38, joined the Group in 2007, was appointed as an executive director in July 2011. Mr. Cheng is responsible for the procurement of diamonds and gemstones as well as production management of the Group. Prior to joining the Group, Mr. Cheng had worked at Yu Ming Investment Management Limited from 1999 to 2000 as a corporate finance executive. Mr. Cheng is an executive director of New World Development Company Limited, which is a listed public company in Hong Kong. Mr. Cheng is also a director of certain subsidiaries of the Group and a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited. He was a non-executive director of China Huishan Dairy Holdings Company Limited until his resignation in June 2015. Mr. Cheng holds a Bachelor of Arts degree in Economics from The University of Western Ontario. He is a member of the executive committee of the Diamond Federation of Hong Kong, China Ltd.. Mr. Cheng is a grandson of Dato' Dr. Cheng Yu-Tung, a nephew of Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy, a cousin of Dr. Cheng Chi-Kong, Adrian and a grandnephew of Mr. Cheng Yu-Wai.

Mr. Chan Sai-Cheong

Aged 53, joined the Group in 1985, was appointed as an executive director in July 2011. Mr. Chan is responsible for the Group's operations in Mainland China. Mr. Chan has been in the jewellery industry for 35 years. He is also a director of certain subsidiaries of the Group. Mr. Chan is a non-executive director of Giordano International Limited, which is a listed public company in Hong Kong. Mr. Chan is an administrative director of the Gems and Jewellery Trade Association of China, an executive vice-chairman of the Guangdong Gold and Silver Jewellery Chamber of Commerce, a vice-chairman of the Shenzhen Gold & Jewellery Association, a general vice-chairman of Gold Association of Guangdong Province, a vice-chairman of the Guangdong Golden Jewellery and Jade Industry's Association and a director of the Gemmological Institute, China University of Geosciences (Wuhan).

Mr. Suen Chi-Keung, Peter

Aged 51, joined the Group in 1985, was appointed as an executive director in July 2011. Mr. Suen is responsible for the Group's Hong Kong, Macau and overseas operations. He is also a director of certain subsidiaries of the Group. Mr. Suen holds an Executive Master's degree in Business Administration from The Chinese University of Hong Kong.

Mr. Chan Hiu-Sang, Albert

Aged 65, joined the Group in 1977, was appointed as an executive director in July 2011. Mr. Chan is responsible for the diamond procurement and operations of the Group's diamond department. He is also a director of certain subsidiaries of the Group. Mr. Chan holds a Bachelor's degree in Business from Western Illinois University. Mr. Chan is a Graduate Gemologist of the Gemmological Institute of America, a Fellow of The Gemmological Association of Great Britain and a Lifetime Member of the Gemmological Institute of America, Alumni Association.

鄭志恒先生

現年38歲，於2007年加入本集團，於2011年7月獲委任為執行董事。鄭先生負責鑽石、寶石採購及生產管理。加入本集團前，鄭先生由1999年至2000年於禹銘投資管理有限公司擔任企業融資行政人員。鄭先生現為新世界發展有限公司執行董事，該公司為香港上市公眾公司。鄭先生亦為本集團若干附屬公司之董事，並為本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司之董事。彼曾為中國輝山乳業控股有限公司非執行董事，於2015年6月辭任。鄭先生持有西安大略大學經濟學文學士學位。彼為香港鑽石總會有限公司常務委員會成員。鄭先生為拿督鄭裕彤博士之孫兒，鄭家純博士、鄭錦標先生及鄭錫鴻先生之侄兒，鄭志剛博士之堂兄以及鄭裕偉先生之侄孫。

陳世昌先生

現年53歲，於1985年加入本集團，於2011年7月獲委任為執行董事。陳先生負責本集團中國內地業務。陳先生從事珠寶行業已有35年。彼亦為本集團若干附屬公司之董事。陳先生為佐丹奴國際有限公司之非執行董事，其為香港上市公眾公司。陳先生為中國珠寶玉石首飾行業協會常務理事、廣東省金銀首飾商會常務副會長、深圳市黃金珠寶首飾行業協會副會長、廣東省黃金協會常務副會長、廣東省金銀珠寶玉器業廠商會副主席及中國地質大學(武漢)珠寶學院董事。

孫志強先生

現年51歲，於1985年加入本集團，2011年7月獲委任為執行董事。孫先生負責本集團港澳地區及海外之業務。彼亦為本集團若干附屬公司之董事。孫先生持有香港中文大學行政人員工商管理碩士學位。

陳曉生先生

現年65歲，於1977年加入本集團，2011年7月獲委任為執行董事。陳先生負責本集團鑽石部之鑽石採購及營運。彼亦為本集團若干附屬公司之董事。陳先生持有西伊利諾大學商學學士學位。陳先生為美國寶石學院的寶石鑑定師、大不列顛寶石學協會資深會員及美國寶石學院校友會終身會員。

Mr. Cheng Ping-Hei, Hamilton

Aged 41, joined the Group in 2004, was appointed as an executive director in July 2011. Mr. Cheng is the finance director and company secretary of the Group and is responsible for the Group's financial management and company secretarial functions. He is also a director of certain subsidiaries of the Group. Mr. Cheng holds a Bachelor of Business Administration degree in Professional Accountancy from The Chinese University of Hong Kong. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a Fellow of The Association of Chartered Certified Accountants and a Chartered Financial Analyst. He is also a member of The Hong Kong Institute of Directors. Mr. Cheng was awarded Director of the Year Awards 2015 by the Hong Kong Institute of Directors in December 2015.

Mr. Liu Chun-Wai, Bobby

Aged 41, joined the Group in 1999, was appointed as an executive director in January 2016. Mr. Liu is responsible for the business innovation of the Group and managing the Mainland China Management Centre. He has also been responsible for developing the Group's e-commerce and high-end luxury jewellery business in Mainland China since 2010. He is also a director of certain subsidiaries of the Group. Mr. Liu holds a Master of Business Administration degree from the University of Western Ontario and a Bachelor of Science degree in Computer Mathematics from Carleton University. He has over 17 years of experience in retail and administrative management.

Non-executive Directors

Mr. Cheng Kam-Biu, Wilson

Aged 57, joined the Group in 1979, was appointed as a non-executive director in July 2011. Mr. Cheng is responsible for the Group's bank and landlord relationship management. Mr. Cheng is also a director of certain subsidiaries of the Group and a director of Chow Tai Fook Enterprises Limited, a subsidiary of a substantial shareholder of the Company. Mr. Cheng is currently an executive director of International Entertainment Corporation, which is a listed public company in Hong Kong. Mr. Cheng is a vice-president of The Chinese Gold and Silver Exchange Society. Mr. Cheng holds a Bachelor of Arts degree in Economics from the University of Hawaii, Honolulu. Mr. Cheng is a nephew of Dato' Dr. Cheng Yu-Tung, a cousin of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Sek-Hung, Timothy, an uncle of Dr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Heng, Conroy and a nephew of Mr. Cheng Yu-Wai.

鄭炳熙先生

現年41歲，於2004年加入本集團，2011年7月獲委任為執行董事。鄭先生為本集團的財務董事兼公司秘書，負責本集團財務管理並履行公司秘書的職能。彼亦為本集團若干附屬公司之董事。鄭先生持有香港中文大學工商管理學士（專業會計學）學位，彼為香港會計師公會資深會員、特許公認會計師公會資深會員及特許財務分析師。彼亦為香港董事學會會員。鄭先生於2015年十二月榮獲香港董事學會頒發的2015年度傑出董事獎。

廖振為先生

現年41歲，於1999年加入本集團，2016年1月獲委任為執行董事。廖先生負責集團的業務創新及管理本集團中國營運管理中心。自2010年起，廖先生亦一直負責為集團開拓中國內地之電子商務及名貴珠寶業務。彼亦為本公司數家附屬公司之董事。廖先生持有西安大略大學工商管理碩士學位及卡爾頓電腦數學理學士學位，並於零售及行政管理方面擁有逾17年經驗。

非執行董事

鄭錦標先生

現年57歲，於1979年加入本集團，2011年7月獲委任為非執行董事。鄭先生負責本集團之銀行及業主關係管理。彼亦為本集團若干附屬公司及本公司主要股東之附屬公司周大福企業有限公司之董事。鄭先生為國際娛樂有限公司之執行董事，其為香港上市公眾公司。鄭先生亦擔任香港金銀業貿易場副理事長。鄭先生從夏威夷大學檀香山分校取得經濟學文學士學位。鄭先生為拿督鄭裕彤博士之侄兒、鄭家純博士及鄭錫鴻先生之堂弟、鄭志剛博士及鄭志恒先生之叔父以及鄭裕偉先生之侄兒。

Mr. Cheng Ming-Fun, Paul, JP

Aged 79, was appointed as an independent non-executive director in September 2012 and is a member of the Audit Committee and Nomination Committee of the Company. Mr. Cheng holds a Bachelor of Arts degree from Lake Forest College (Illinois, the United States) and a Master's degree in Business Administration from the Wharton Graduate School of Business at The University of Pennsylvania. He is deputy chairman and an independent non-executive director of Esprit Holdings Limited, a listed public company in Hong Kong; and an independent non-executive director of Global Logistic Properties Limited (a company listed on the Singapore Stock Exchange) and Pacific Alliance China Land Limited (a company listed on the AIM Board of the London Stock Exchange). In addition, he is a director of the CHG Capital Growth Fund. He was an independent non-executive director of Kingboard Chemical Holdings Limited and Pou Sheng International (Holdings) Limited, which are both listed public companies in Hong Kong. He was also an independent non-executive chairman of Vietnam Infrastructure Limited, which is listed on the AIM Board of the London Stock Exchange, until his resignation in June 2014. He was a former member of the Hong Kong Legislative Council as well as the former chairman of Inchcape Pacific Limited, N M Rothschild & Sons (Hong Kong) Limited, The Link Management Limited and the Hong Kong General Chamber of Commerce.

鄭明訓先生 (JP)

現年79歲，於2012年9月獲委任為獨立非執行董事，並為本公司審核委員會及提名委員會成員。鄭先生持有美國伊利諾州萊福雷大學文學士學位、及賓夕凡尼亞州大學華頓商學院工商管理碩士學位。鄭先生亦擔任思捷環球控股有限公司副主席及獨立非執行董事，該公司為香港上市公眾公司；以及普洛斯公司（於新加坡證券交易所上市）及Pacific Alliance China Land Limited（於倫敦證券交易所另項投資市場AIM Board上市）之獨立非執行董事；CHG Capital Growth Fund董事。鄭先生曾為建滔化工集團有限公司及寶勝國際(控股)有限公司之獨立非執行董事，該兩間公司均為香港上市公眾公司。鄭先生亦曾為越南基建有限公司之獨立非執行主席，於2014年6月辭任，該間公司於倫敦證券交易所另項投資市場上市。鄭先生為前香港立法會議員，以及英之傑太平洋有限公司、洛希爾父子(香港)有限公司、領匯管理有限公司及香港總商會之前任主席。

Dr. Fung Kwok-King, Victor, GBM, GBS, CBE

Aged 70, was appointed as an independent non-executive director in November 2011 and is chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Dr. Fung holds Bachelor's and Master's Degrees in Electrical Engineering from the Massachusetts Institute of Technology and a Doctorate in Business Economics from Harvard University. He is group chairman of the Fung Group, a Hong Kong based multinational which comprises major operating groups engaging in trading, logistics, distribution and retailing. They include publicly-listed Li & Fung Limited, Global Brands Group Holding Limited, Convenience Retail Asia Limited and Trinity Limited. He is also honorary chairman of Li & Fung Limited. In addition, Dr. Fung is an independent non-executive director of Koc Holding A.S. (a company listed on the Istanbul Stock Exchange). He retired from the Board of China Petrochemical Corporation (PRC) end of January 2016. He was an independent non-executive director of Baosteel Group Corporation (PRC) from October 2005 to January 2013, and BOC Hong Kong (Holdings) Limited (Hong Kong) from June 2002 to 11 June 2014. In 2015, Dr. Fung was appointed Chairman of the Advisory Board of the Asia Global Institute at The University of Hong Kong, a new multi-disciplinary think-tank to assume and carry forward the mission and operations of Fung Global Institute, of which Dr. Fung was Founding Chairman (July 2010-June 2015). In public service, Dr. Fung is a member of the Chinese People's Political Consultative Conference. He is also a member of the Economic Development Commission of the Hong Kong Government, and chairman of the Steering Committee on the Hong Kong Scholarship for Excellence Scheme. Dr. Fung was chairman of the Hong Kong Trade Development Council (1991-2000), the Hong Kong representative on the APEC Business Advisory Council (1996-2003), chairman of the Hong Kong Airport Authority (1999-2008), chairman of the Council of The University of Hong Kong (2001-2009), chairman of the Greater Pearl River Delta Business Council (2004-February 2013), a member of the Commission on Strategic Development of the Hong Kong Government (2005-June 2012), chairman of the International Chamber of Commerce ("ICC") (2008-2010), a member of WTO Panel on Defining the Future of Trade (2012-April 2013) and a vice chairman of China Centre for International Economic Exchanges (March 2009-October 2014). The Government of Hong Kong awarded Dr. Fung the Gold Bauhinia Star in 2003 and the Grand Bauhinia Medal in 2010 for his distinguished service to the community in Hong Kong.

馮國經博士 (GBM, GBS, CBE)

現年70歲，於2011年11月獲委任為獨立非執行董事，並為本公司提名委員會主席及薪酬委員會成員。馮博士持有美國麻省理工學院電機工程學士及碩士學位，以及哈佛大學經濟學博士學位。馮國經博士是馮氏集團主席，該集團是以香港為基地的跨國集團，其營運集團從事業務包括貿易、物流、經銷和零售，主要附屬公司利豐有限公司、利標品牌有限公司、利亞零售有限公司及利邦控股有限公司均在香港聯合交易所上市。馮博士亦為該集團旗下利豐有限公司的榮譽主席。此外，馮博士擔任Koc Holding A.S. (伊斯坦堡證券交易所上市公司)獨立非執行董事。彼於2016年1月底退任中國石油化工集團公司董事會職務。馮博士於2005年10月至2013年1月間擔任中華人民共和國寶鋼集團有限公司獨立非執行董事，及於2002年6月至2014年6月11日擔任中銀香港(控股)有限公司獨立非執行董事。馮博士於2015年獲委任香港大學亞洲環球研究所(Asia Global Institute)顧問委員會主席，該機構為一個新的擔當並推動馮氏環球研究所之使命及實踐的跨學科智囊團，而馮博士亦是馮氏環球研究所的創辦主席(2010年7月至2015年6月)。在社會公職方面，馮博士為中國人民政治協商會議委員。彼亦為香港政府經濟發展委員會成員及香港卓越獎學金計劃督導委員會主席。馮博士曾於1991至2000年出任香港貿易發展局主席、於1996至2003年任亞太經濟合作組織(APEC)商業顧問委員會香港代表、於1999至2008年任香港機場管理局主席、於2001至2009年任香港大學校務委員會主席、於2004至2013年2月任大珠三角商務委員會主席、於2005至2012年6月出任香港政府策略發展委員會委員，並曾出任國際商會主席(2008至2010年)、世界貿易組織「世界貿易未來」的高級別諮詢小組成員(2012年至2013年4月)以及中國國際經濟交流中心副主席(2009年3月至2014年10月)。香港政府於2003年向馮博士頒授金紫荊星章並於2010年頒授大紫荊勳章，以表揚其在香港服務社會的傑出貢獻。

Profile of Directors and Senior Management 董事及高級管理人員簡介

Mr. Kwong Che-Keung, Gordon

Aged 66, was appointed as an independent non-executive director in November 2011 and is chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr. Kwong is an independent non-executive director of Agile Property Holdings Limited, China COSCO Holdings Company Limited, China Power International Development Limited, CITIC Telecom International Holdings Limited, Global Digital Creations Holdings Limited, Henderson Investment Limited, Henderson Land Development Company Limited, NWS Holdings Limited, OP Financial Investments Limited, and FSE Engineering Holdings Limited (became listed in Hong Kong on 10 December 2015), all of which are listed public companies in Hong Kong. He was also an independent non-executive director of China Chengtong Development Group Limited until his resignation on 1 November 2013 and an independent supervisor of the supervisory committee of Beijing Capital International Airport Company Limited until his resignation on 30 June 2014 upon completion of his term. Mr. Kwong is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Kwong was a Partner of PriceWaterhouse from 1984 to 1998, an independent member of the Council of the Hong Kong Stock Exchange from 1992 to 1997, during which, he had acted as convener of both the Compliance Committee and the Listing Committee.

Mr. Lam Kin-Fung, Jeffrey, GBS, JP

Aged 64, was appointed as an independent non-executive director in November 2011 and is a member of the Audit Committee and Nomination Committee of the Company. Mr. Lam is also an independent non-executive director of C C Land Holdings Limited, China Overseas Grand Oceans Group Limited, Bracell Limited, Wynn Macau, Limited and HNA International Investment Holdings Limited, all of which are listed public companies in Hong Kong. He was also an independent non-executive director of Hsin Chong Group Holdings Limited (formerly known as Hsin Chong Construction Group Limited) until his resignation on 10 May 2014. Mr. Lam is a member of the National Committee of the Chinese People's Political Consultative Conference. He also holds a number of other public and community service positions including being a non-official member of the Executive Council and a member of the Legislative Council in Hong Kong, chairman of the Assessment Committee of Mega Events Fund, a member of the board of Airport Authority Hong Kong, a council member of Hong Kong Trade Development Council, a general committee member of the Hong Kong General Chamber of Commerce, chairman of Independent Commission Against Corruption (ICAC) Complaints Committee, a member of Fight Crime Committee, a director of the Hong Kong Mortgage Corporation Limited and the board of Heifer International-Hong Kong.

鄭志強先生

現年66歲，於2011年11月獲委任為獨立非執行董事，並為本公司審核委員會主席及薪酬委員會成員。鄭先生亦擔任雅居樂地產控股有限公司、中國遠洋控股股份有限公司、中國電力國際發展有限公司、中信國際電訊集團有限公司、環球數碼創意控股有限公司、恒基兆業發展有限公司、恒基兆業地產有限公司、新創建集團有限公司、東英金融投資有限公司及豐盛機電控股有限公司（於2015年12月10日在香港上市）之獨立非執行董事，該等公司均為香港上市公眾公司。鄭先生曾為中國誠通發展集團有限公司獨立非執行董事，於2013年11月1日辭任；及北京首都國際機場股份有限公司監事會獨立監事，於2014年6月30日屆滿辭任。鄭先生為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員。鄭先生於1984年至1998年間曾為羅兵咸會計師事務所合夥人，於1992年至1997年間出任聯交所獨立理事，在任期間，亦擔任監察委員會及上市委員會召集人。

林健鋒先生 (GBS, JP)

現年64歲，於2011年11月獲委任為獨立非執行董事，並為本公司審核委員會及提名委員會成員。林先生亦擔任中渝置地控股有限公司、中國海外宏洋集團有限公司、Bracell Limited、永利澳門有限公司及海航國際投資集團有限公司之獨立非執行董事，該等公司均為香港上市公眾公司。彼亦曾擔任新昌集團控股有限公司（前稱新昌營造集團有限公司）獨立非執行董事，於2014年5月10日辭任。林先生為中國人民政治協商會議全國委員會委員。林先生亦身兼多項其他公職及社區服務職銜，包括為香港特別行政區行政會議非官守議員、香港立法會議員、盛事基金評審委員會主席、香港機場管理局董事會成員、香港貿易發展局理事會成員、香港總商會理事會成員、廉政公署事宜投訴委員會主席、撲滅罪行委員會成員、香港按揭證券有限公司董事及國際小母牛香港分會董事局成員。

Dr. Or Ching-Fai, Raymond, SBS, JP

Aged 66, was appointed as an independent non-executive director in November 2011 and is chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Dr. Or is also chairman, chief executive officer and an executive director of China Strategic Holdings Limited, vice-chairman and an independent non-executive director of G-Resources Group Limited, chairman and an independent non-executive director of Esprit Holdings Limited, and an independent non-executive director of Industrial and Commercial Bank of China Limited, Television Broadcasts Limited and Regina Miracle International (Holdings) Limited (became listed in Hong Kong on 8 October 2015), all of which are listed public companies in Hong Kong. Dr. Or is appointed by Aquis Entertainment Limited (a company listed on the Australian Securities Exchange) as deputy chairman and a non-executive director in August 2015. Dr. Or was a former vice-chairman of Hang Seng Bank Limited until his retirement in May 2009. Dr. Or was deputy chairman of the Council of City University of Hong Kong until 31 December 2013.

柯清輝博士 (SBS, JP)

現年66歲，於2011年11月獲委任為獨立非執行董事，並為本公司薪酬委員會主席及本公司審核委員會及提名委員會成員。柯博士亦擔任中策集團有限公司主席、行政總裁及執行董事，國際資源集團有限公司副主席及獨立非執行董事，思捷環球控股有限公司主席及獨立非執行董事，中國工商銀行股份有限公司獨立非執行董事，電視廣播有限公司，及維珍妮國際(控股)有限公司(於2015年10月8日在香港上市)獨立非執行董事，該等公司均為香港上市公眾公司。柯博士於2015年8月獲Aquis Entertainment Limited委任為副主席及非執行董事(該公司於澳洲證券交易所上市)。柯博士為恒生銀行有限公司前副主席，於2009年5月退任。柯博士曾為香港城市大學校董會副主席，於2013年12月31日退任。

Honorary Chairman

Dato' Dr. Cheng Yu-Tung, GBM

Aged 90, joined the Group in 1947, was appointed as Company's honorary chairman and a non-executive director in July 2011. He retired from the position of non-executive director in December 2012 and retained the title of Honorary Chairman. Dr. Cheng is a director of several substantial shareholders of the Company, including Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited and Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited. Dr. Cheng is the father of Dr. Cheng Kar-Shun, Henry, the grandfather of Dr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Heng, Conroy, an uncle of Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy and a brother of Mr. Cheng Yu-Wai.

Honorary advisers to the Board of Directors

Mr. Ho Pak-Tao

Aged 85, joined the Group in 1947, was appointed as an honorary adviser to the Board with effect from August 2011 and is responsible for advising on research and development. Mr. Ho is also a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited.

Mr. Cheng Yu-Wai

Aged 84, joined the Group in 1949, was appointed as an honorary adviser to the Board with effect from August 2011 and is responsible for advising on procurement. Mr. Cheng is also a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited. Mr. Cheng is a brother of Dato' Dr. Cheng Yu-Tung, an uncle of Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy, and a granduncle of Dr. Cheng Chi-Kong Adrian and Mr. Cheng Chi-Heng, Conroy.

Mr. Cheng Sek-Hung, Timothy

Aged 65, joined the Group in 1994, was appointed as an honorary adviser to the Board with effect from August 2011. Mr. Cheng is a director of certain subsidiaries of the Group. Mr. Cheng is also a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited. Mr. Cheng is a nephew of Dato' Dr. Cheng Yu-Tung, a cousin of Dr. Cheng Kar-Shun, Henry, an uncle of Dr. Cheng Chi-Kong Adrian and Mr. Cheng Chi-Heng, Conroy, a cousin of Mr. Cheng Kam-Biu, Wilson and a nephew of Mr. Cheng Yu-Wai.

名譽主席

拿督鄭裕彤博士 (GBM)

現年90歲，於1947年加入本集團，於2011年7月獲任本公司名譽主席及非執行董事。2012年12月，鄭博士退任非執行董事，而留任本公司名譽主席。鄭博士為本公司主要股東Cheng Yu Tung Family (Holdings) Limited、Cheng Yu Tung Family (Holdings II) Limited、Chow Tai Fook Capital Limited及周大福(控股)有限公司及其附屬公司周大福企業有限公司之董事。鄭博士為鄭家純博士之父親、鄭志剛博士及鄭志恒先生之祖父、鄭錦標先生及鄭錫鴻先生之伯父以及鄭裕偉先生之兄長。

董事會名譽顧問

何伯陶先生

現年85歲，於1947年加入本集團，2011年8月起獲任董事會名譽顧問，負責就研究及開發提出意見。何先生兼任本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司董事。

鄭裕偉先生

現年84歲，於1949年加入本集團，2011年8月起獲任董事會名譽顧問，負責就採購提出意見。鄭先生兼任本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司董事。鄭先生為拿督鄭裕彤博士之親弟、鄭家純博士、鄭錦標先生及鄭錫鴻先生之叔父以及鄭志剛博士和鄭志恒先生之叔公。

鄭錫鴻先生

現年65歲，於1994年加入本集團，2011年8月起獲任董事會名譽顧問。鄭先生亦為本集團若干附屬公司之董事。鄭先生兼任本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司董事。鄭先生為拿督鄭裕彤博士之侄兒、鄭家純博士之堂弟、鄭志剛博士和鄭志恒先生之堂叔父、鄭錦標先生之堂兄及鄭裕偉先生之侄兒。

Senior Management

Dr. Tan Guet-Lan, Lauren

Aged 49, joined the Group in 2011, is General Counsel of the Group. She is responsible for overseeing the Legal Department of the Group. Dr. Tan is a lawyer with over 20 years of international legal experience in regional and global roles in Asia, North America and Europe providing legal advice and support to multinational and start-up companies at both management and operational level.

Mr. Chan Yee-Pong, Alan

Aged 44, joined the Group in 2010, is deputy general manager of the Group and director of the Branding Department. Mr. Chan is mainly responsible for the branding and marketing activities of the Group. Mr. Chan has over 21 years of experience in luxury branding and marketing.

Mr. Tsang Siu-Kwong

Aged 45, joined the Group in 1993, is deputy general manager of the Group and head of the Management Information System Department. Mr. Tsang is mainly responsible for managing the information system of the Group. Mr. Tsang has over 23 years of experience in information technology.

Mr. Chan Chi Kong, Morison

Aged 49, joined the Group in 2012, is deputy general manager of the Group. Mr. Chan is responsible for corporate planning and the related affairs of the Group. Mr. Chan has over 26 years of experience in accounting, auditing, corporate finance and management. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators, and a Chartered Financial Analyst. Mr. Chan is the past Chairman of the Association of Chartered Certified Accountants Hong Kong. He is currently a member of the Professional Development Sub-committee of the ACCA Hong Kong, Human Resources Development Management Committee of the Hong Kong Management Association and Council of Management of the Hong Chi Association.

Mr. Lau King Ming

Aged 49, joined the Group in 2013, is a deputy general manager of the Group. Mr. Lau is responsible for the Group's production management and the management of Chow Tai Fook Jewellery Park in Wuhan. Mr. Lau has over 26 years of management and consultancy experience.

高級管理人員

陳月蘭博士

現年49歲，於2011年加入本集團，為集團法律總監。陳博士負責監督本集團法律部門。陳博士為擁有逾20年國際法律經驗的律師，在亞洲、北美及歐洲擔任地區性及全球性的工作，在管理和經營層面為跨國及初創公司提供法律意見及支援。

陳義邦先生

現年44歲，於2010年加入本集團，為集團副總經理及品牌推廣部總監。陳先生主要負責本集團品牌管理及市場推廣活動。陳先生擁有逾21年名貴品牌管理及市場推廣經驗。

曾紹光先生

現年45歲，於1993年加入本集團，為集團副總經理及資訊管理部總監。曾先生主要負責本集團資訊系統管理。曾先生擁有逾23年資訊科技經驗。

陳志光先生

現年49歲，於2012年加入本集團，為集團副總經理。陳先生負責本集團企業規劃及相關事務。陳先生擁有逾26年會計、核數、企業財務及管理經驗。彼為香港會計師公會、特許公認會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會資深會員，亦同時為特許財務分析師。彼為特許公認會計師公會香港分會前會長，目前擔任特許公認會計師公會香港分會專業發展委員會、香港管理專業協會人力資源發展管理委員會及匡智會執行委員會委員。

劉競明先生

現年49歲，於2013年加入本集團，為集團副總經理。劉先生負責本集團生產管理並管理武漢周大福珠寶文化產業園。劉先生擁有逾26年管理及顧問經驗。

Profile of Directors and Senior Management 董事及高級管理人員簡介

Mr. Wong Kim-Ming, Mark

Aged 54, joined the Group in 1986, is senior manager of the Diamond Department. Mr. Wong is responsible for the operation of the Diamond Department and diamond manufacturing management of the Group. Mr. Wong has over 29 years of experience in the jewellery industry.

Mr. Cheng Ming-Chi

Aged 44, joined the Group in 1994, is senior manager in the Procurement (Gemstones) Department. Mr. Cheng is responsible for managing and purchasing gemstones such as jadeite, colour stones and pearls for the Group. Mr. Cheng has over 21 years of experience in the jewellery industry.

Mr. Lam Hung Shing, Max

Aged 33, joined the Group in 2011, is creative director of the Group. He is responsible for the design and development of jewellery products. Mr. Lam has over 12 years of experience in jewellery design. He was awarded Hong Kong Ten Outstanding Designer Award in 2014 and is an adjunct professor of the Shanghai International College of Fashion and Innovation, Donghua University.

Mr. Tam Chun-Wah, Daniel

Aged 53, joined the Group in 2011, is head of Production Management Centre of the Group. Mr. Tam is responsible for the production technology innovation of the Group. He has over 23 years of experience in jewellery manufacturing and 8 years of experience in gold inventory management.

Mr. Wong Tang, Alex

Aged 57, joined the Group in 2000, is the general manager responsible for managing the Hong Kong and Macau Management Centre and Chow Tai Fook Fei Cui Testing Centre of the Group. Mr. Wong has over 42 years of experience in the jewellery industry. Mr. Wong holds an Executive Master's degree in Business Administration from The Chinese University of Hong Kong. He is also a Graduate Gemologist of the Gemological Institute of America and a Certified Gemmologist (Fei Cui) of the Gemmological Association of Hong Kong Limited.

Ms. Danita On

Aged 39, joined the Group in 2012, is director of Investor Relations and Corporate Communications of the Group. Ms. On is mainly responsible for maintaining effective communications with investors and media. Ms. On has over 18 years of experiences in auditing, management consulting, equity research, asset management and investor relations. She is a member of Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst.

黃劍明先生

現年54歲，於1986年加入本集團，為鑽石部門高級經理。黃先生負責本集團鑽石部的營運及鑽石生產管理。黃先生於珠寶行業擁有逾29年經驗。

鄭明智先生

現年44歲，於1994年加入本集團，為採購部(寶石)高級經理。鄭先生負責本集團寶石，如翡翠、有色寶石及珍珠之管理及採購。鄭先生在珠寶行業擁有逾21年的經驗。

林鴻勝先生

現年33歲，於2011年加入本集團，為集團創作總監，負責本集團珠寶產品設計與研發。林先生於珠寶設計領域擁有逾12年經驗。彼曾獲評為「2014年香港十大傑出設計師」，並擔任東華大學上海國際時尚創意學院兼職教授。

譚振華先生

現年53歲，於2011年加入本集團，擔任本集團生產管理中心總監。譚先生負責本集團生產技術創新。譚先生有逾23年珠寶生產經驗及逾8年黃金庫存管理經驗。

王騰先生

現年57歲，於2000年加入本集團，現為總經理，負責管理港澳營運管理中心及周大福翡翠鑑證中心。王先生於珠寶行業擁有逾42年經驗。王先生持有香港中文大學行政人員工商管理碩士學位，並為美國寶石學院的寶石鑑證師及香港寶石學協會的註冊認可寶石(翡翠)鑑證師。

安殷霖女士

現年39歲，於2012年加入本集團，為集團投資者關係與企業傳訊總監。安女士主要負責與投資者和媒體之間的有效溝通。安女士擁有逾18年審核、管理諮詢、證券研究、資產管理及投資者關係方面的經驗。彼為香港會計師公會會員及特許財務分析師。

The Board is pleased to present the annual report of the Company together with the audited consolidated financial statements of the Group for FY2016.

Principal Activities

The Company is an investment holding company. The Group's core business is manufacturing and selling of mass luxury and high-end luxury jewellery, including gem-set products, gold products and platinum/karat gold products, and provision of related services; and distributing watches of various brands. The activities of the principal subsidiaries are set out in note 40 to the consolidated financial statements.

The Group's revenue is derived from business activities conducted in Mainland China, Hong Kong, Macau and other markets. The segment information of the Group's operation is set out in note 7 to the consolidated financial statements.

Results and Dividends

The results of the Group for FY2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 136.

The directors recommended the payment of a final dividend of HK8.0 cents per share (FY2015: 15.0 cents per share) and a special dividend of HK22.0 cents per share for FY2016, amounting to approximately HK\$3,000.0 million (FY2015: HK\$1,500.0 million). Such payment of dividends will be subject to the approval of shareholders at the forthcoming annual general meeting of the Company to be held on Tuesday, 2 August 2016 and is payable to shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 9 August 2016. Together with the interim and special dividends of HK50.0 cents per share paid in December 2015, the total distribution of dividend by the Company for FY2016 will be HK80.0 cents per share (FY2015: HK28.0 cents). The payment date of the final and special dividends is expected to be on or about 18 August 2016.

董事會欣然提呈本公司2016財政年度年報以及本集團經審核綜合財務報表。

主要業務

本公司為投資控股公司。本集團的核心業務為製造及銷售主流珠寶及名貴珠寶(包括珠寶鑲嵌產品、黃金產品與鉑金/K金產品)及提供相關服務，並代理多個品牌名錶。主要附屬公司的業務載於綜合財務報表附註40。

本集團的收益來自中國內地、香港、澳門及其他市場進行的業務活動。本集團的業績分部資料載於綜合財務報表附註7。

業績及股息

本集團於2016財政年度的業績載列於第136頁的綜合損益及其他全面收益表內。

2016財政年度董事會建議派付每股8.0港仙末期股息(2015財政年度：每股15.0港仙)及每股22.0港仙特別股息合共約3,000.0百萬港元(2015財政年度：1,500.0百萬港元)。派付該等股息須待股東在本公司將於2016年8月2日(星期二)舉行的應屆股東週年大會上批准，並應向於2016年8月9日(星期二)營業時間結束時名列本公司股東名冊的股東派付該等股息。連同已於2015年12月派付的中期及特別股息每股50.0港仙，本公司於2016財政年度所分派股息總額為每股80.0港仙(2015財政年度：28.0港仙)。末期股息的派付日期預計為2016年8月18日或前後。

Business Review

FY2016 continued to be a year filled with challenges amid the volatile macro-economic environment in Greater China. The Group's revenue and profit decreased and we slowed down the pace of POS openings. Despite the headwinds ahead, the Group's underlying competences and strategies remain strong. We are dedicated to leverage the Internet and technology to extract online-to-offline synergies and direct traffic to our distribution channels. Besides, we will be more selective in opening new POS and aim at enhancing customers' shopping experience by creating more visual and emotional connections and optimising our product portfolio. We will further invest for the future to strengthen our infrastructure and talents development.

A review of the Group's business and operations for the year as well as a discussion on the likely future developments are provided throughout this annual report, particularly in the following sections:

- "Chairman's Statement"
- "Managing Director's Strategic Report"
- "Management Discussion and Analysis"

Further discussion on the Group's principal risks and uncertainties, compliance with the relevant laws and regulations, environmental policies and performance and key relationships with its stakeholders are provided throughout the "Governance" section in this annual report, particularly in the following sub-sections:

- "Risk Management and Internal Controls"
- "Board Governance"
- "Investor Relations"
- "Corporate Social Responsibility" (the full report is available on our corporate website)

Financial Summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 218.

Share Capital

Details of the Company's share capital are set out in note 33 to the consolidated financial statements. There is no movement in the share capital during the year.

Distributable Reserves

Distributable reserves of the Company as at 31 March 2016 amounted to approximately HK\$5,539.3 million (31 March 2015: HK\$5,536.8 million).

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 140.

業務審視

在大中華宏觀經濟環境變化無常下，2016財政年度仍繼續充滿挑戰。本集團的收益及利潤有所下降，我們已放緩開設零售店的步伐。雖然市況並不樂觀，本集團仍然具備雄厚的實力和強大的策略。我們致力於憑藉互聯網及科技進一步實現線上線下協同效應及進行引流。此外，我們將更有選擇性地增設新零售點，旨在從視覺、感情交流及優化產品組合等多角度提升顧客消費體驗。我們將繼續投資未來，加強基礎建設及人才發展。

本年報內各處已就本年度集團業務及營運做出回顧，並對集團未來可能的發展進行討論，主要分布於以下章節：

- 「主席報告書」
- 「董事總經理策略報告」
- 「管理層討論與分析」

本年報「管治」章節下各處，對集團之主要風險及不確定因素、遵守相關法律法規的情況、環境政策和表現、以及與其持份者之間關鍵關係的進一步討論，主要在下列分部中：

- 「風險管理及內部監控」
- 「董事會管治」
- 「投資者關係」
- 「企業社會責任」（報告全文刊載於本公司網站）

財務概要

本集團過去五個財政年度的業績以及資產及負債概要載列於第218頁。

股本

本公司的股本詳載於綜合財務報表附註33。年內概無股本變動。

可供分派儲備

於2016年3月31日，本公司可供分派儲備為數約5,539.3百萬港元（2015年3月31日：5,536.8百萬港元）。

年內本集團儲備的變動載列於第140頁的綜合權益變動表。

Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands.

Purchase, Sale or Redemption of Listed Securities

The Company had not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the year.

Directors

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

Executive Directors

Dr. Cheng Kar-Shun, Henry
Mr. Wong Siu-Kee, Kent
Dr. Cheng Chi-Kong, Adrian
Mr. Cheng Chi-Heng, Conroy
Mr. Chan Sai-Cheong
Mr. Suen Chi-Keung, Peter
Mr. Chan Hiu-Sang, Albert
Mr. Cheng Ping-Hei, Hamilton
Mr. Liu Chun-Wai, Bobby (appointed with effect from 1 January 2016)

Non-executive Directors

Mr. Cheng Kam-Biu, Wilson
Mr. Koo Tong-Fat (resigned with effect from 1 January 2016)

Independent Non-executive Directors

Mr. Cheng Ming-Fun, Paul
Dr. Fung Kwok-King, Victor
Mr. Kwong Che-Keung, Gordon
Mr. Lam Kin-Fung, Jeffrey
Dr. Or Ching-Fai, Raymond

In accordance with articles 83 and 84 of the Articles, Mr. Wong Siu-Kee, Kent, Mr. Cheng Chi-Heng, Conroy, Mr. Chan Hiu-Sang, Albert, Mr. Suen Chi-Keung, Peter, Mr. Liu Chun-Wai, Bobby and Mr. Lam Kin-Fung, Jeffrey will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

優先購買權

細則或開曼群島法例概無任何關於優先購買權的條文。

購買、出售或贖回上市證券

年內，本公司並無贖回其任何上市證券。本公司及其任何附屬公司於年內均無購買或出售本公司的任何上市證券。

董事

年內及直至本年報日期的董事為：

執行董事

鄭家純博士
黃紹基先生
鄭志剛博士
鄭志恒先生
陳世昌先生
孫志強先生
陳曉生先生
鄭炳熙先生
廖振為先生(自2016年1月1日起委任)

非執行董事

鄭錦標先生
古堂發先生(自2016年1月1日起辭任)

獨立非執行董事

鄭明訓先生
馮國經博士
鄭志強先生
林健鋒先生
柯清輝博士

根據細則第83及84條，黃紹基先生、鄭志恒先生、陳曉生先生、孫志強先生、廖振為先生及林健鋒先生將於應屆股東週年大會上退任，且彼等符合資格膺選連任。

Mr. Koo Tong-Fat resigned with effect from 1 January 2016 as a non-executive director. Mr. Koo confirmed that he had no disagreement with the Board and there were no other matters relating to his resignation that need to be brought to the attention of the shareholders of the Company.

Directors' Service Contracts

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Transactions, Arrangements and Contracts

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which any of the Company's subsidiaries, fellow subsidiaries or parent companies was a party and in which a director of the Company or the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

古堂發先生自2016年1月1日起辭任本公司非執行董事。古先生已確認，彼與董事會概無意見分歧，亦無有關彼辭任之事宜需提呈本公司股東注意。

董事服務合約

概無董事與本公司或其任何附屬公司訂立不可於一年內毋須支付任何賠償（法定補償除外）而終止的服務合約。

董事於交易、安排及合約中的權益

除本年報所披露者外，本公司的附屬公司、同系附屬公司或母公司於年末或年內任何時間，並無訂有任何對本集團業務而言屬重大且本公司董事及董事的關連人士於當中擁有重大權益（不論直接或間接）的交易、安排及合約。

Continuing Connected Transactions

The Group has certain ongoing transactions carried on with connected persons with expected annual transaction amounts exceeding the “de minimis” exemption threshold and therefore the Company reports these non-exempt continuing connected transactions during FY2016 under the Listing Rules. These transactions are mainly related to lease of premises and sale and purchase of goods and services. Information about the connected persons is shown on page 114. Details of these transactions are set out in the tables below.

持續關連交易

本集團正與關連人士進行若干交易，預期年度交易金額超過最低豁免水平，故本公司根據上市規則匯報2016財政年度內的該等非豁免持續關連交易。該等交易主要關於物業租賃以及銷售及購買貨品及服務。有關關連人士的資料載於第114頁。該等交易的詳情載列於下表。

Lease of premises 物業租賃

Name of counterparties 交易對方名稱	CTFE 周大福企業	NWD 新世界發展	NWDS 新世界百貨
Main purposes of the leases 租賃主要用途	Standalone retail shops, industrial and office uses in Hong Kong 於香港的獨立零售店、 工業及辦公室用途	Offices and standalone retail shops in Hong Kong 於香港的辦公室及 獨立零售店	Concessionaire counters operated in department stores in Mainland China 於中國內地百貨公司 開設專櫃
Master/framework agreement date 綜合/框架協議日期	28 November 2011* 2011年11月28日*	28 November 2011/ 11 April 2014 2011年11月28日/ 2014年4月11日	22 March 2012** 2012年3月22日**
Next renewal date 下次重續日期	31 March 2017 2017年3月31日	30 June 2017 2017年6月30日	30 June 2017 2017年6月30日
Annual cap approved and actual amount incurred for FY2016 (HK\$million) 2016財政年度的已批准年度上限及實際發生金額(百萬港元)			
Annual cap 年度上限	108.0	178.0	348.0
Amount incurred 實際發生金額	76.2	126.2	74.0
Annual cap approved for subsequent financial years (HK\$million) 其後財政年度的已批准年度上限(百萬港元)			
FY2017 2017財政年度	108.0	199.0	455.0

Notes:

* This agreement was renewed on 1 April 2014

** This agreement was renewed on 1 July 2014

附註：

* 該協議於2014年4月1日重續

** 該協議於2014年7月1日重續

Sale and purchase of goods and services 銷售及購買貨品和服務

Name of counterparties 交易對方名稱	NWDS 新世界百貨	NWCL 新世界中國地產	NCE
Major types of goods and services 貨品及服務的主要種類	Use of shopping vouchers, prepaid shopping cards, joint name vouchers etc. to purchase goods at NWDS stores, and settlement of respective purchase value, commissions and rebates, where appropriate 使用消費券、預付購物卡及聯名消費券等於新世界百貨店內購買貨品，並結付相應購買價值、佣金及讓利(如適用)	Use of gift vouchers to purchase goods in our Group's POS and settlement of respective voucher value and rebates; sale of gold products 使用禮券於本集團旗下零售點購買貨品，並結付相應禮券價值及回扣；銷售黃金產品	Polishing, processing and handling of gemstones for the Group, and provision of related technology, related assets and other ancillary services, products and devices 為本集團寶石拋光、加工及處理，提供相關技術、相關資產和其他配套服務、產品及工具
Master/framework agreement date 綜合／框架協議日期	22 March 2012/11 April 2014 2012年3月22日/2014年4月11日	19 March 2013*** 2013年3月19日***	29 January 2016 2016年1月29日
Next renewal date 下次重續日期	30 June 2017 2017年6月30日	30 June 2018 2018年6月30日	28 January 2019 2019年1月28日

Annual cap approved and actual amount incurred for FY2016 (HK\$million)

2016財政年度的已批准年度上限及實際發生金額(百萬港元)

Annual cap 年度上限	64.0	369.2	90.0
Amount incurred 實際發生金額	0.7	41.0	68.4

Annual cap approved for subsequent financial years (HK\$million)

其後財政年度的已批准年度上限(百萬港元)

FY2017 2017財政年度	96.0	390.1	130.0
FY2018 2018財政年度	N/A 不適用	461.0	240.0

Note:

*** This agreement was renewed on 1 July 2015

附註：

*** 該協議於2015年7月1日重續

The Group's pricing policy and internal control on continuing connected transactions

The Company has entered into master agreements or framework agreements to set out the principles governing the above continuing connected transactions. The Group maintains a pricing policy which serves as a guidance for the negotiation with counterparties regarding the respective definitive agreements under the continuing connected transaction arrangements of the Group.

- (a) For rental of premises, prevailing market rates around the time of entering into the respective tenancy agreements will be followed. The Group will obtain comparison from relevant market information from the market or independent valuers and with rental rates of premises in similar locations leased by the Group.
- (b) For sale of goods and services, retail or wholesale prices (as the case maybe) and discretionary discounts which the Group offers or is willing to offer to independent customers around the time of transaction will apply.
- (c) For purchase of goods, services and other assets, prevailing market prices around the time of transaction will apply. The Group will obtain quotations or tenders from independent third parties for goods, services or assets with similarities to compare with the prices and terms offered in the market; if there is no sufficient comparable in the market, the Group will make reference to the reasonable costs for developing or providing such goods, services or assets plus a reasonable profit margin that commensurates with industry practices.

The Group will monitor industry practices and market trends on a regular basis to ensure the terms offered to the Group are either equivalent to or better than the prevailing market prices.

集團定價政策及持續關連交易之內部監控

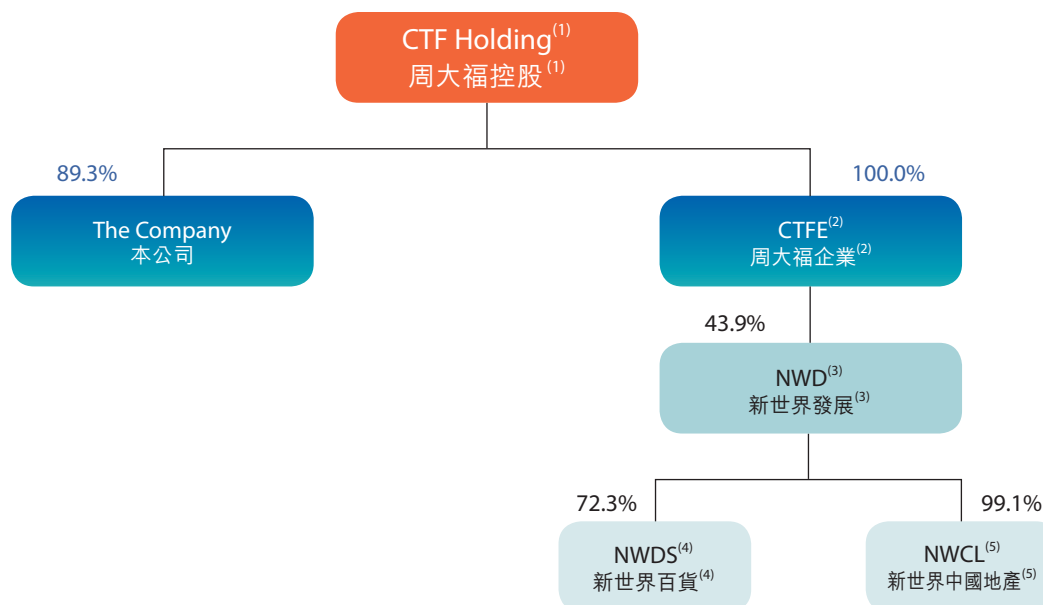
本公司已訂立綜合協議或框架協議以載列相關原則規管上述持續關連交易。本集團設有定價政策，就與對方磋商釐定持續關連交易安排下的明確協議作出指引。

- (a) 物業租賃方面，採用簽訂有關租賃合同當時的市場價格為依據。本集團會從市場上或者獨立估值師取得相關的市場資訊，及跟集團在類似地點的租賃物業的租金作出比較。
- (b) 銷售貨品和服務提供方面，採用進行交易時集團開列或願意開列給獨立顧客的零售價或批發價（視乎情況）及酌情優惠。
- (c) 購買貨品、服務或其他資產方面，採用進行交易時市場價格為依據。集團會根據進行類似交易的獨立第三方所提供的報價或標書，以比較市場上的價格和條款內容；如市場上並無充分可作比較的參考，集團將考慮開發或提供有關貨品、服務或資產的合理成本，及加入與行業常規相符的合理利潤。

集團將定期監測行業常規和市場趨勢，以確保向集團提供的合約條款與市場價格相若或更佳。

Relationships between counterparties

Other than NCE, the other counterparties to the continuing connected transactions mentioned above are connected persons of the Company mainly due to direct or indirect shareholding held by the Company's substantial shareholder, CTF Holding, in these counterparties. Shareholding relationships among the Company, CTFE, NWD, NWDS and NWCL are illustrated in the simplified chart below:



Notes:

- (1) Chow Tai Fook (Holding) Limited
- (2) Chow Tai Fook Enterprises Limited
- (3) New World Development Company Limited (stock code: 17)
- (4) New World Department Store China Limited (stock code: 825)
- (5) New World China Land Limited (stock code: 917)
- (6) The approximate percentages of shareholding are shown for reference only to illustrate the relationships between the connected parties. The information is sourced from the Disclosure of Interests published on the Stock Exchange website as at the date of annual report, which however may not be updated or correct

New Cutting Edge Limited ("NCE") and its subsidiaries are majority-controlled companies indirectly held by Mr. Cheng Kam-Chiu, Stewart, who is a family member and therefore an associate of certain directors of the Company under Chapter 14A of the Listing Rules. As such, NCE and its subsidiaries are connected persons of the Company.

與交易對方之關係

除NCE之外，上述持續關連交易的其他交易對方構成本公司的關連人士，主要是由於本公司主要股東周大福控股直接或間接持有該等對手方股權。本公司、周大福企業、新世界發展、新世界百貨與新世界中國地產的持股權關係概述於下面簡圖：

附註：

- (1) 周大福(控股)有限公司
- (2) 周大福企業有限公司
- (3) 新世界發展有限公司(股份代號：17)
- (4) 新世界百貨中國有限公司(股份代號：825)
- (5) 新世界中國地產有限公司(股份代號：917)
- (6) 概約持股百分比僅供參考，以說明與關連方的關係。該資料源自截至年報日期聯交所網站上刊載的權益披露，未必是最新或屬實

New Cutting Edge Limited ("NCE")及其附屬公司是由某幾位董事的親屬鄭錦超先生間接持有的佔多數控制權的公司，按照上市條例第14A章規定，鄭先生是彼等董事的聯繫人，因此，NCE及其附屬公司是本公司的關連人士。

Annual review of the continuing connected transactions

At the end of each financial year, the management will prepare a summary of the pricing and other relevant terms of those non-exempt continuing connected transactions for the review of the Executive Committee to ensure that those transactions are entered into in the ordinary and usual course of business, on normal commercial terms or better and in accordance with the relevant agreements on terms which are fair and reasonable. Our internal audit team will further select samples from those transactions and compare them with similar types of transactions entered into by the Group with independent third parties during that financial year.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the Company's auditor to perform certain review procedures in order to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The results of the review procedures performed by each of the Executive Committee, the internal audit team and the auditor of the Company were reported to the independent non-executive directors in the Audit Committee meeting. After review by the Audit Committee, the independent non-executive directors confirmed that the continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or better; and (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Announcements were published regarding the Group's non-exempt continuing connected transactions. The directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in so far as they are applicable.

持續關連交易的年度審核

管理層在財政年度結束後會準備一份概要，羅列不獲豁免的持續關連交易的定價條款，給執行委員會審視，以確保該等交易乃是在日常的業務中，按正常或更有利的商務條款，根據有關合約中公平合理的約定進行。我們的內審團隊將進一步從這些交易中抽取樣本，並與集團在該財政年度期間和獨立第三方之間發生的相似交易進行比較。

根據上市規則第14A.56條，本公司已委聘本公司的核數師根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，進行若干審閱程序就本集團的持續關連交易作出報告。根據上市規則第14A.56條，核數師已就本集團於本年報披露的持續關連交易，發出無保留意見的函件。本公司已向聯交所提交核數師函件副本。

由執行委員會、內部審核團隊及公司的核數師分別進行的審閱程序所得結果，已在審核委員會會議上向獨立非執行董事匯報。經審核委員會審閱，獨立非執行董事確認這些持續關連交易(i)在本集團的日常業務中訂立；(ii)按照一般商務條款或更佳條款進行；及(iii)根據有關交易協議進行，其條款公平合理且符合本公司股東的整體利益。

本集團已就非豁免持續關連交易刊登公告。董事確認本公司已遵守上市規則第14A章的披露規定(如適用)。

Connected Transaction

Formation of Joint Venture

On 25 August 2015, a wholly-owned subsidiary of the Group, Chow Tai Fook Jewellery (Shenzhen) Co. Ltd., entered into a joint venture agreement with the respective wholly-owned subsidiaries of CTFE and NWD for the purposes of forming certain joint venture entities to jointly develop and operate a shopping complex in Qianhai, Shenzhen.

The effective interests in the joint venture entity held by the Group, CTFE and NWD were 30%, 50% and 20% respectively. The total investment in the said joint venture entity was RMB350 million, of which RMB105 million was contributed by the Group, representing 30% of the total investment.

Details of this connected transaction is disclosed in the Company's announcement dated 25 August 2015.

Related Party Transactions

The significant related party transactions entered into by the Group during the year set out in note 39 to the financial statements include transactions that constitute connected transactions and continuing connected transactions for which the disclosure requirements under Chapter 14A of the Listing Rules have been complied with.

Major Customers and Suppliers

During the year, less than 30.0% of the Group's revenue was attributed to the Group's five largest customers. Besides, 71.1% of the Group's total purchases were attributed to the Group's five largest suppliers and 48.9% of the Group's total purchases were attributed to the Group's largest supplier. To the best of the directors' knowledge, none of the directors, their respective close associates (as defined in the Listing Rules) and any shareholder who to the knowledge of the directors owned more than 5.0% of the issued share capital of the Company as at 31 March 2016 held any interest in any of the five largest suppliers or customers of the Group.

關連交易

成立合資企業

2015年8月25日，本集團全資擁有的附屬公司周大福珠寶金行(深圳)有限公司，與周大福企業及新世界發展各自旗下的全資附屬公司簽訂一份合營協議，以設立合營企業共同發展和經營深圳前海的一個購物綜合體。

集團、周大福企業和新世界發展在該合營企業中持有的有效權益分別為30%、50%及20%。而該合營企業的總投資為350百萬元人民幣，其中集團投入105百萬元人民幣，即佔總投資的30%。

該項關連交易詳情披露於本公司於2015年8月25日刊發的公告。

關聯人士交易

本集團於本年度訂立的重大關聯交易載於財務報表附註39，包括構成關連／持續關連交易的交易，而本集團已就該等交易遵守上市規則第14A章的披露規定。

主要顧客及供應商

年內，本集團少於30.0%收益來自本集團五大顧客。此外，本集團總採購額71.1%來自本集團五大供應商，而本集團總採購額48.9%來自本集團最大供應商。據董事所知，於2016年3月31日，概無董事、彼等各自緊密聯繫人(定義見上市規則)或董事知悉擁有本公司已發行股本5.0%或以上的任何股東持有本集團五大供應商或顧客的任何權益。

Directors' Interests in the Shares, Underlying Shares and Debentures

As at 31 March 2016, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

董事於本公司之股份、相關股份及債權證之權益

於2016年3月31日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司及聯交所之權益及淡倉，或記錄於根據證券及期貨條例第352條規定須予存置的登記冊內之權益及淡倉，或根據上市規則附錄10所載的標準守則須知會本公司及聯交所之權益及淡倉如下：

Long position in shares

於股份之好倉

		Number of shares 股份數目			Approximate % of shareholding 概約持股 百分比	
		Personal interests	Spouse interests	Corporate interests		Total
		個人權益	配偶權益	法團權益		合計
The Company (ordinary shares of HK\$1.00 each)	本公司(每股面值1.00港元的普通股)					
Dr. Cheng Kar-Shun, Henry	鄭家純博士		1,900,000		1,900,000	0.0%
Mr. Wong Siu-Kee, Kent	黃紹基先生	12,000			12,000	0.0%
Dr. Cheng Chi-Kong, Adrian	鄭志剛博士			20,000 ⁽¹⁾	20,000	0.0%
Mr. Chan Sai-Cheong	陳世昌先生	12,000			12,000	0.0%
Mr. Suen Chi-Keung, Peter	孫志強先生	3,600			3,600	0.0%
Mr. Chan Hiu-Sang, Albert	陳曉生先生	12,000			12,000	0.0%
Mr. Cheng Ping-Hei, Hamilton	鄭炳熙先生	4,800			4,800	0.0%
Mr. Liu Chun-Wai, Bobby	廖振為先生		12,000		12,000	0.0%
International Entertainment Corporation (ordinary shares of HK\$1.00 each)	國際娛樂有限公司(每股面值1.00港元的普通股)					
Mr. Suen Chi-Keung, Peter	孫志強先生	4,000	4,000		8,000	0.0%

Note:

(1) These shares are beneficially owned by a company, which in turn is wholly-owned by Dr. Cheng Chi-Kong, Adrian

附註：

(1) 該等股份由鄭志剛博士全資擁有的一家子公司實益擁有

Substantial Shareholders' Interests in Securities

As at 31 March 2016, the following persons (not being directors or chief executives of the Company) had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long position in shares

Name 名稱	Number of shares 股份數目			Approximate % of shareholding 概約持股百分比
	Beneficial interests 實益權益	Corporate interests 法團權益	Total 合計	
Cheng Yu Tung Family (Holdings) Limited		8,933,937,400	8,933,937,400	89.3%
Cheng Yu Tung Family (Holdings II) Limited		8,933,937,400	8,933,937,400	89.3%
Chow Tai Fook Capital Limited		8,933,937,400	8,933,937,400	89.3%
Chow Tai Fook (Holding) Limited	8,933,937,400		8,933,937,400	89.3%

Note:

As at 31 March 2016, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 49.0% and 46.7% interest in Chow Tai Fook Capital Limited respectively, which in turn held an approximately 78.6% interest in Chow Tai Fook (Holding) Limited and accordingly each of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited is deemed to have an interest in the shares of the Company held by Chow Tai Fook (Holding) Limited. Chow Tai Fook (Holding) Limited held 8,933,937,400 shares of the Company directly.

主要股東於證券的權益

於2016年3月31日，根據證券及期貨條例第336條須存置的登記冊所記錄的以下人士（並非本公司董事或最高行政人員）所持有本公司股份及相關股份的權益或淡倉如下：

於股份之好倉

附註：

於2016年3月31日，Cheng Yu Tung Family (Holdings) Limited及Cheng Yu Tung Family (Holdings II) Limited各自於Chow Tai Fook Capital Limited分別持有約49.0%及46.7%權益，而Chow Tai Fook Capital Limited則於周大福(控股)有限公司持有約78.6%權益，因此Cheng Yu Tung Family (Holdings) Limited、Cheng Yu Tung Family (Holdings II) Limited及Chow Tai Fook Capital Limited被視為於周大福(控股)有限公司所持本公司股份中擁有權益，而周大福(控股)有限公司則直接持有本公司8,933,937,400股股份。

Share Option Scheme

A share option scheme (the "Scheme") was adopted pursuant to a shareholders' written resolution of the Company passed on 17 November 2011. No options have been granted, exercised or cancelled under the Scheme since its adoption up to the date of this annual report.

The purpose of the Scheme is to attract skilled and experienced personnel, incentivise them to remain with the Group and motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. The Board may, at its discretion, grant options pursuant to the Scheme to the directors (including executive directors, non-executive directors and independent non-executive directors), the directors of the Company's subsidiaries and employees of the Group and any other persons (including consultants or advisers) whom the Board considers, in its absolute discretion, have contributed or will contribute to the Group.

購股權計劃

本公司根據於2011年11月17日的一份股東書面決議採納了購股權計劃（「該計劃」）。自該計劃採納日期至本年報日期，本公司概無授出、行使或註銷該計劃下任何購股權。

該計劃旨在通過提供獲取本公司股權的機會，吸引有技能和經驗的人員，激勵彼等留任本集團，鼓勵其為本集團的未來發展及擴展而努力。董事會可酌情根據該計劃向其酌情認為對本集團已作出或將作出貢獻的董事（包括執行董事、非執行董事及獨立非執行董事）、本公司附屬公司的董事、本集團的僱員以及任何其他人士（包括諮詢人或顧問）授出購股權。

The total number of shares in respect of which options may be granted pursuant to the Scheme and any other share option schemes of the Company shall not exceed 10% of the shares of the Company in issue on the Company's listing date of 15 December 2011, being 1,000,000,000 shares ("Scheme Mandate Limit"), which represented 10% of the shares of the Company as at the date of this annual report. The Company may renew the Scheme Mandate Limit with shareholders' approval provided that each such renewal may not exceed 10% of the shares in the Company in issue as at the date of the shareholders' approval.

The maximum number of shares underlying all outstanding options which have been granted and have yet to be exercised pursuant to the Scheme and any other share option schemes of the Company shall not exceed 30% of the shares in issue from time to time.

Unless approved by shareholders of the Company in the manner as set out in the Scheme, the maximum number of shares underlying the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1.0% of the shares of the Company in issue for the time being.

The period during which an option may be exercised by a grantee (the "Option Period") shall be determined and notified by the Board to the grantee at the time of such grant, which shall not expire later than 10 years from the grant date.

Subject to any restrictions applicable under the Listing Rules, an option may be exercised in whole or in part by the grantee at any time during the Option Period in accordance with the terms of the Scheme and the terms on which the option was granted.

No amount is payable by the grantee upon acceptance of an option.

The exercise price shall be determined by the Board but in any event shall not be less than the highest of: (a) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date, which must be a business day; (b) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date; and (c) the nominal value of the shares.

The Scheme will remain in force for a period of 10 years after the date of conditional adoption, i.e. 17 November 2011.

根據該計劃及本公司任何其他購股權計劃可予授出之購股權所涉及股份的總數不得超過本公司於上市日期2011年12月15日已發行本公司股份的10%，即1,000,000,000股股份（「計劃授權上限」），相當於本年報日期日本公司股份的10%。本公司可於獲得股東批准下重訂該計劃授權上限，惟該重訂各不得超過獲股東批准當日本公司已發行股份之10%。

所有根據該計劃及本公司任何其他購股權計劃已授出但尚未行使的購股權相關的最高股份數目，合共不得超過不時已發行股份的30%。

除非按該計劃所載方式獲本公司股東批准，每名合資格參與者在任何12個月內獲授購股權（包括已行使及尚未行使的購股權）相關的股份最高數目不得超過當時已發行股份的1.0%。

承授人可行使購股權的期間（「購股權期間」）由董事會授出購股權時決定並通知承授人，該期間不得遲於授出之日起計10年後屆滿。

承授人可根據該計劃的條款及授出購股權的條款於購股權期間隨時行使全部或部份購股權，惟須受上市規則的任何適用限制所規限。

承授人接納購股權時毋須繳付任何款項。

行使價由董事會釐定，惟於任何情況下不得低於以下最高者：(a) 聯交所於授出日期（須為營業日）發佈的每日報價表所報股份收市價；(b) 聯交所於緊接授出日期前五個營業日發出的每日報價表所報股份平均收市價；及(c) 股份面值。

該計劃自有條件採納之日（即2011年11月17日）起計10年內有效。

Permitted Indemnity Provision

The Company's Articles provides that every director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to the director.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the directors.

Management Contracts

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

Donations

Charitable and other donations made by the Group during the year amounted to approximately HK\$9.8 million (FY2015: HK\$72.2 million).

Events after the Reporting Period

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2016 and up to the date of this annual report.

Auditor

The financial statements of the Company have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Dr. Cheng Kar-shun, Henry
Chairman

Hong Kong, 7 June 2016

獲許的彌償條文

本公司組織章程細則規定，就其任期內或因執行其職務而可能遭致或發生與此相關之所有損失或責任，每位董事有權從本公司資產中獲得賠償，惟與董事本身之欺詐或不誠實事宜有關者除外。

本公司於年內已購買及維持全年的董事責任保險，為董事提供適當的保障。

管理合約

在本年度內，本公司並無就全部業務或其中任何重要部份簽訂或訂有管理及行政合約。

捐款

本集團於年內作出的慈善及其他捐款合共約為9.8百萬港元(2015財政年度：72.2百萬港元)。

報告期後事項

本公司或本集團於2016年3月31日後及截至本報告日期並無進行任何重大其後事項。

核數師

本公司財務報表經德勤·關黃陳方會計師行審核。德勤·關黃陳方會計師行任滿退席，並於本公司應屆股東週年大會上符合資格膺選連任。

代表董事會

主席
鄭家純博士

香港，2016年6月7日

Investor Relations 投資者關係

- We are committed to “Be responsible and provide confidence” towards our investors.
 - Since founded in 1929, we have stayed focused on development of jewellery business. We supervise directly on the key functions throughout the supply chain from procurement of raw materials, R&D and production, to marketing and sales.
 - After we became listed on the Stock Exchange in 2011, transparency, communication and fair treatment have always been the keys in our approach to investor relations. We believe that enabling investors to make informed investment decision is a way to enhance their confidence in the Company.
 - In FY2016, the Company received various industry accolades such as the inclusion in the “Most Honored Company” of 2015 All-Asia Executive Team (ex-Japan) rankings by Institutional Investor and was named as the “Best IR Company • Large Cap” by Hong Kong Investor Relations Association (HKIRA)’s Investor Relations Awards 2015, in recognition of our relentless effort in maintaining corporate governance and investor relations.
- 「對股東負責任，給予投資者信心」是我們的宗旨。
 - 自1929年創始以來，我們一直專注發展珠寶首飾業務，親自監督上、中、下游包括原材料採購、設計、生產、市場推廣和銷售等活動。
 - 2011年在香港聯交所上市。此後，我們遵從透明度、溝通和公平對待這三大原則來建立與投資者的關係。我們相信能夠幫助投資者作出知情的決定，有助增加他們投資的信心。
 - 2016財政年度內，公司獲得各種行業獎項，如獲投資者選列入2015年度「All-Asia Executive Team」（不包括日本）排行榜之「Most Honored Company」行列，及在2015年香港投資者關係協會舉辦的香港投資者關係大獎頒獎禮中榮獲「最佳投資者關係公司•大型股」殊榮，以表彰我們在企業管治和投資者關係方面的不懈努力。



The management of the Group at the press conference of 2015/2016 interim results presentation
本集團管理層於2015年／2016年中期業績新聞發佈會



HKIRA's Investor Relations award presentation 2015
香港投資者關係協會2015年香港投資者關係大獎頒獎禮

Timely and Transparent Disclosure

- Enhancing transparency has been our Board's crucial mission in governance. Increasing visibility prompts us to keep stakeholders in mind no matter in our decisions or operations, and to proactively prepare ourselves to stand up to scrutiny and the ever-changing regulatory environment.
- To ensure timely and simultaneous public access to the Group's material information, we publish announcements and results presentations, annual and interim reports and press releases via public channels including websites of the Stock Exchange and the Company. We also hold press and analysts conferences at least twice a year after releasing the interim and annual results.
- The presentations and webcasts for these conferences are uploaded to our company website. In addition, we keep our investor relations webpage up-to-date and provide an "Investors FAQ" section for ease of reference. Furthermore, investors subscribe to our email alerts and contact our investor relations team quite often via email at ir@chowtaifook.com directly.
- We publish quarterly announcements of key operational data voluntarily in standard format we developed to report in about 10 working days after each quarter end. Conference calls for the press and the analysts are arranged after the first and third quarter announcements where our executive directors are available to respond and help the public and investors to get a clearer view of the Group's business going forward.
- The Company has policies and internal control measures in place to handle inside information to make sure that announcements are published in due course. After all endeavours to keep timely, transparent and effective disclosures, the Company's results announcement is not supposed to surprise the market to a large extent.
- Our reasons for preparing better annual reports go beyond compliance with the Listing Rules. It is the means of communication with our shareholders externally but also an internal management tool driving for further self-actualisation and value creation.
- Our annual report for 2015 was awarded gold prize under retail-jewellery division in traditional annual report category by ARC Awards.

及時和透明的披露

- 董事會以致力提升透明度為管治方面的核心工作。高透明度驅使我們無論在決策及營運當中都應考慮要對持份者負責任，時刻裝備自己以面對各方監察和不斷變化的規管環境。
- 為確保大眾能夠及時和同步獲取本公司的重要訊息，我們利用公開渠道包括聯交所和公司網站，發佈公告及業績簡報、全年及中期報告和新聞稿等。我們亦會在發佈中期及全年業績公告後舉行記者及分析員招待會，該等會議每年最少舉行兩次。
- 這些會議的簡報和錄影片段都會上載到公司網站，我們亦不時更新投資者網頁，並增設「投資者FAQ」以方便瀏覽。投資者亦可登記收取公司的電郵信息，而平常透過投資者關係部門的官方電郵 ir@chowtaifook.com 直接聯絡我們的投資者亦不少。
- 公司主動在聯交所和公司網站公佈每年4個季度的主要經營數據，自行建立標準的匯報格式，在季度完結後大約10個工作天發佈。在第1季度和第3季度公佈之後舉行記者及分析員電話會議，由我們的執行董事回答他們的疑問，幫助公眾和投資者掌握我們的業務前景。
- 對於內幕消息的披露管理，公司設有相關政策及內控措施，務求適時發出公告。我們的原則是保持及時、透明、有效的披露，盡力使市場不會對公司業績感到特別意外。
- 我們認為編製公司年報不只是為了符合上市規則，它是我們與股東溝通的橋樑，同時也是推動我們內部力求進步、積極創造價值的管理工具。
- 我們公司2015年年報獲得ARC Awards傳統年報類零售珠寶組金獎。

Two-way Interactive Engagement

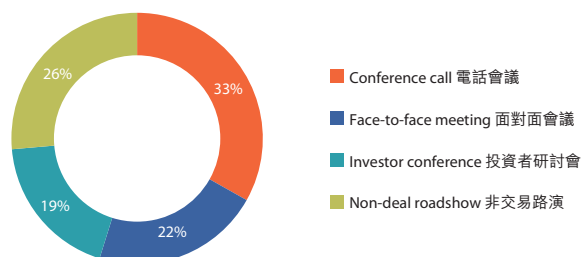
- We believe communication with our shareholders is a two-way process. We make no distinction between institutional investors and retail investors.
- While we try to understand investors' perspective, we are eager to share with investors a full picture through the eyes of the management, including our thoughts in making decisions, our views on the market outlook, our development strategies and so on. In addition to reporting the performance as a result, we move forward to show how we run this business and how the Company will look like in the future.
- Every year, our executive directors and senior management in the investor relations team participate in various investor meetings, conferences and non-deal roadshows.
- For FY2016, we attended over 380 one-on-one and group meetings, 11 investor conferences and 15 non-deal roadshows held in Beijing, Boston, Hong Kong, London, New York, Paris, Philadelphia, Radnor, San Francisco, Shanghai, Singapore, Taiwan and Toronto. We also maintained continuous dialogues with a large number of analysts from research institutions, of which 21 of them cover our Company and publish research reports on a regular basis.
- Investor visits are often arranged to our operation centres, shops and production facilities.
- The annual general meeting is a platform for face-to-face communication with our shareholders. Our full Board and external auditors will attend and answer questions on the performance of the Group raised by the shareholders. In general, we will meet over 100 shareholders or their proxies there and the voting rate among the independent shareholders is around 20–30%. Shareholders can also stay afterwards to meet with our Managing Director and Finance Director for further exchanges.
- In our meetings with investors, business outlook, gross margin, change in product mix, POS network, industry benchmarking, capital expenditure, inventory management, e-commerce development, dividends payout ratio and free cashflows are hot topics that are frequently touched on.
- In the other way round, they often give us thoughtful ideas that inspire us how to go further and enhance values for shareholders. That is why we are so keen on engaging with them.

雙向互動關係

- 我們相信與股東的溝通應該是一個雙向的過程，並對機構投資者和個人投資者一視同仁。
- 我們嘗試置身投資者的角度，同時亦主動跟投資者分享管理層的思維縱觀全局，包括作出決策時的考慮、市場見解、發展策略等。我們目標是走前一步，除匯報業績結果，也讓投資者能夠看見我們的業務是怎樣經營，公司的未來將會是如何。
- 我們的投資者關係團隊，由執行董事及高級管理層組成，每年參加多個投資者會議、研討會和非交易路演。
- 2016財政年度內，我們出席逾380次一對一會議及團體會議，亦曾參與11次投資者研討會及15次非交易路演，遍及北京、波士頓、香港、倫敦、紐約、巴黎、費城、拉德諾(美國)、三藩市、上海、新加坡、台灣及多倫多。此外，我們亦與多間證券研究機構的多名分析師定期會談，其中21名分析員就本公司業務定期發表報告。
- 我們亦安排投資者到我們的營運中心、店舖及生產設施進行實地參觀。
- 股東週年大會是一個親身與股東交流的平台，我們的董事會全體及外聘核數師均會出席，可以就股東提出有關本集團表現的問題作出回應。一般超過100位股東或委任代表出席，少數股東的投票率大約20–30%。會後增設茶聚區，股東可以留步繼續跟董事總經理和財務董事交流意見。
- 投資者在會面時最關注的事項包括業務展望、毛利率、產品組合趨勢、零售點網絡、同行比較、資本開支、存貨管理、電子商務發展、股息支付率、自由現金流等。
- 股東亦給予公司不少有建設性的意見，啟示了我們如何提升自己，如何為股東創造價值，所以我們也享受跟投資者交流。

Meetings by investor event in FY2016:

2016財政年度會議(按投資者活動分類):



Major investor conferences that we participated in FY2016 are set out below:

於2016財政年度參與的大型投資者會議:

Date 日期	Event 事項	Location 地點
May 2015 2015年5月	Bank of America Merrill Lynch Vanity Capital Conference 2015 美銀美林投資者研討會	Singapore 新加坡
June 2015 2015年6月	Deutsche Bank 12th Annual dbAccess Global Consumer Conference 德意志銀行投資者研討會	Paris 巴黎
	Credit Suisse Asia Corporate Days 瑞信投資者研討會	Boston 波士頓
	CICC Semi-annual Investment Strategy Conference 2015 中國國際金融投資者研討會	Shenzhen 深圳
	BNP Paribas Regional Consumer & Gaming Corporate Day 法國巴黎銀行投資者研討會	Hong Kong 香港
September 2015 2015年9月	J.P. Morgan's Asia CEO-CFO Conference 2015 摩根大通投資者研討會	New York 紐約
	Barclays Asia Consumption & Gaming Conference 2015 巴克萊投資者研討會	Hong Kong 香港
	CLSA 22nd Investors' Forum 里昂投資者研討會	Hong Kong 香港
October 2015 2015年10月	Macquarie Greater China Consumer Corporate Day 麥格理投資者研討會	Hong Kong 香港
December 2015 2015年12月	Morgan Stanley Hong Kong/China Consumer Corporate Day 摩根士丹利投資者研討會	Hong Kong 香港
January 2016 2016年1月	Deutsche Bank 14th Annual dbAccess China Conference 德意志銀行投資者研討會	Beijing 北京

- Our investor relations and corporate communications team also plays an important part in assisting the Board to watch on the market feedbacks, which in turn helps to strengthen the management of the Company's inside information policy.
- We constantly gauge and monitor the fluctuation in share prices of the Company, screen media and analysts' reports, record feedbacks from investors' meetings to understand the investors' expectation and the market's sensitivity.
- Accordingly, we can provide analysis for the directors to assess whether a significant gap exists between the expectation of the market and the Group's circumstances.
- It also provides basis for the Company to assess the likelihood of whether a particular piece of information on the Group's circumstances will lead to material share price movement when it is made public.
- Further, these market signals are helpful for the Company to determine whether it should clarify media news or market rumours in view of its possible influence in misleading the market activities; and to monitor whether the Group's inside information that relies on a safe harbour provision has been leaked and therefore prompt disclosure is immediately required.
- 我們的投資者關係及企業溝通團隊亦在協助董事會關注市場反饋方面起重要作用，有助加強本公司內幕消息政策的管理。
- 我們持續評估及監察本公司的股價波幅，並監察傳媒及分析師報告，記錄來自投資者會議的反饋以了解投資者的期望及市場敏感度。
- 據此，我們可以為董事提供分析，協助他們評估市場預期與本集團的情況是否存在重大差別。
- 這些資訊亦可作用參考，有助本公司評估某一項有關本集團情況的資料倘向公眾公佈後會否很可能導致股價大幅波動。
- 此外，該等市場信號亦有助於本公司決定是否需就傳媒消息或市場謠言作出澄清，原因為此等消息或謠言可能會錯誤引導市場活動；及監察本集團的內幕消息(有關消息倚賴安全港條例)是否已經外泄，因而須即時作出披露。

Treat all shareholders equally

- The Board is conscientious about returning dividends to shareholders. The Company used to declare dividends twice a year. The payout ratio for the last year is about 50% of the Group's net profit.
- In order to ensure adequate engagements with shareholders and potential investors, shareholders' analysis is conducted every quarter. It enables us to review our strategy and work plan on investor relations activities. Through well-planned roadshows and investor conferences, we hope that the long-term value of the Company can be made visible to the investment community at large, which helps to enhance the investment value of all shareholders.
- No selective disclosure of inside information is allowed in our Company. We have formalised controls on the sources of information and the communication channels.
- We emphasise the integrity and consistency in the content of the annual and interim reports, which should contain all meaningful information desired by investors and the public.
- We base upon this set of published information for the investor meetings and conferences attending thereafter.
- According to our spokesmen policy, only designated executive directors and the investor relations and corporate communications team are authorised to speak to or hold meetings with the investors or media on behalf of the Company. Attendance notes and call logs are kept for future reference.
- Our investor relations team establishes its own code of practices, which include setting out a quiet period to stay out of investor relations' publicity before results announcement; preparing mock Q&As to control the information being communicated to the public; and obtaining approval from the Board on the results presentation materials.

公平對待所有股東

- 董事會重視其向股東回報的責任。公司每年定時派息2次，過去一年的股息約佔集團淨利潤的50%。
- 每季進行股東構成分析，讓我們可以檢討投資者關係的策略和工作計劃，以確保可以充份照顧到股東和潛在投資者。我們亦希望藉著適當安排路演和投資者會議，可以向投資市場展示公司的長期價值，而有助提升所有股東的投資價值。
- 本公司概不允許選擇性披露內幕消息。我們已設立制度在資料來源和溝通渠道方面加以規範。
- 我們用心編製公司年報和中期報告，務求保持內容中肯及一致，而且投資者和公眾都可以在其中獲得需要的資訊。
- 我們往後參加投資者會議、研討會等，都是根據這些已公開的資料匯報。
- 設發言人制度，指定執行董事及投資者關係與企業傳訊團隊成員方可代表公司向投資者或媒體發言或召開發佈會。我們備存會議筆錄和通話記錄以備日後參考。
- 投資者關係部門遵守其工作常規，包括：在業績發佈前設「靜默期」避免進行投資者公關活動；制定及模擬內部指引問題與答案，控制對外溝通的內容；業績簡報資料提交董事會通過。

Other Information

Shareholders' Rights

We endeavour to ensure that shareholders are treated fairly and are able to exercise their shareholders' rights effectively. Shareholders are entitled by the Articles and are also encouraged to participate in the Company's general meetings or appoint proxies to attend and vote. Shareholder(s) holding not less than 10% of the Company's paid-up capital may request the Board to convene an extraordinary general meeting and put forward proposals. The objectives of the meeting must be stated in the related requisition signed and deposited with our company secretary at the Company's headquarters at 33/F, New World Tower, 16–18 Queen's Road Central, Hong Kong.

If a shareholder wishes to nominate a person for election as director in a general meeting, the particulars of the candidate must be stated in a nomination notice signed and deposited together with a notice of willingness signed by the candidate to our company secretary at the Company's headquarters or at the Registration Office (Tricor Investor Services Ltd., Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong) of the Company. The notice should be given at least seven days prior to the date of such general meeting.

Enquiries may be put to our investor relations team and the Board via email at ir@chowtaifook.com.

Market Capitalisation

As at 31 March 2016, the market capitalisation of the listed shares of the Company was approximately HK\$48.5 billion (31 March 2015: HK\$83.4 billion) based on the total number of 10,000,000,000 issued shares of the Company and the closing price of HK\$4.85 per share.

Sufficiency of Public Float

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Directors confirm that the Company has maintained the prescribed public float of 10.7%, which is a lower minimum percentage of public float accepted at the discretion of the Stock Exchange.

其他資料

股東權利

我們致力確保股東獲公平對待，而且可以有效行使其股東權利，包括細則賦予的參與股東大會的權利，或委派代表出席並於股東大會上投票等。持有不少於本公司10%已繳足股本的股東可要求董事會召開股東特別大會並提呈動議。有關股東需要以書面註明要求召開會議的目的，並簽署送交公司秘書，地址為：本公司總部，香港皇后大道中16–18號新世界大廈33樓。

股東如欲於股東大會上提名任何人士出選董事，則須將載有候選人詳細資料的經簽署提名通知書連同經候選人簽署的候選同意書，送交予本公司總部的公司秘書，或本公司登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。通知書須於有關股東大會日期前最少七天發出。

股東可透過電郵 ir@chowtaifook.com 向投資者關係團隊及董事會提出查詢。

市值

於2016年3月31日，按本公司已發行股份合共10,000,000,000股以及每股收市價4.85港元計算，本公司上市股份市值約為485億港元（2015年3月31日：834億港元）。

充足的公眾持股量

根據本公司獲得的公開資料及就董事所知，董事確認於本年報日期，本公司維持聯交所酌情接納的較低最少公眾持股量百分率10.7%。

Information for Investors

投資者資訊

Investor Calendar

投資者日誌

FY2016 annual results announcement

7 June 2016

2016 財政年度全年業績公告

2016年6月7日

Annual general meeting

2 August 2016

股東週年大會

2016年8月2日

Proposed payment of final dividend and special dividend

on or about 18 August 2016

建議派發末期股息及特別股息

2016年8月18日或前後

Closure of register of members (both days inclusive)

For ascertaining attendance and voting right at the annual general meeting
29 July to 2 August 2016

暫停辦理股份過戶登記手續(首尾兩天包括在內)

就確定出席股東週年大會並於會上投票
2016年7月29日至8月2日

For ascertaining entitlement to proposed final dividend and special dividend

9 August 2016

就確認獲發建議末期股息及特別股息的權利

2016年8月9日

Share Information

股份資料

Company name

Chow Tai Fook Jewellery Group Limited

公司名稱

周大福珠寶集團有限公司

Listing

Hong Kong Stock Exchange

上市

香港聯交所

Stock code

1929

股份代號

1929

Listing date

15 December 2011

上市日期

2011年12月15日

Board lot size

200 shares

每手買賣單位

200股

Issued share capital as at 31 March 2016

10,000,000,000 shares

於2016年3月31日已發行股本

10,000,000,000股

Index constituent

Hang Seng Global Composite Index

Hang Seng Composite Index

Hang Seng Mainland 100 Index

FTSE Asian Retail Index

Hang Seng Corporate Sustainability Benchmark Index

成份股

恒生環球綜合指數

恒生綜合指數

恒生中國內地100指數

富時亞洲零售業指數

恒生可持續發展企業基準指數

Shareholder Services

For matters relating to your shareholding such as transfer of shares, change of name or address, and loss of share certificates, please write to our Hong Kong Branch Registrar:

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980-1333
Fax: (852) 2810-8185

Shareholders can obtain the annual/interim report of the Company by writing to our Hong Kong Branch Registrar, or access the electronic version from our company website.

股東服務

有關閣下的持股事宜，如股份轉讓、更改姓名或地址及遺失股票，請以書面方式通知我們的香港股份過戶登記分處：

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 22 樓
電話：(852) 2980-1333
傳真：(852) 2810-8185

股東可透過書面方式聯絡我們的香港股份過戶登記分處以領取本公司的年報／中期報告，或於我們的公司網站閱覽電子版。

Investor Relations

For more information about the Group,

please visit our company website
www.chowtaifook.com

or contact our Investor Relations and Corporate Communications Department at
38/F, New World Tower
16-18 Queen's Road Central, Hong Kong
Tel: (852) 2524-3166
Fax: (852) 2526-9178
e-mail: ir@chowtaifook.com

投資者關係

有關本集團詳情，

請瀏覽我們的公司網站
www.chowtaifook.com

或與我們的投資者關係及企業傳訊部門聯絡：
香港皇后大道中 16-18 號
新世界大廈 38 樓
電話：(852) 2524-3166
傳真：(852) 2526-9178
電郵：ir@chowtaifook.com

General Information

Headquarters and principal place of business in Hong Kong

33/F, New World Tower
16-18 Queen's Road Central, Hong Kong

Registered office

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

一般資料

總部及香港主要營業地點

香港皇后大道中 16-18 號
新世界大廈 33 樓

註冊辦事處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Philosophy — Scientific system — Interaction with people — Contribution to shared value 文化理念 — 科學制度 — 人本互動 — 回饋共贏

Business philosophy and management approach

With 87 years of heritage, Chow Tai Fook's iconic brand has been widely recognised for its trustworthiness and authenticity. Jewellery represents our commitment to consumers but not merely a product. We wish to create unforgettable experience for the most precious moment of our consumers with excellent products and services. In pursuit of our corporate core value of "Sincerity • Eternity", we have been committed to giving our best and blessings to our customers, employees, partners, shareholders and the society. We have encountered various challenges along our development path. Nonetheless, our management has strictly followed our policy to sell genuine products at marked price. Committed to integrity, business ethics and legal compliance, we are widely recognised and supported by customers, partners and other stakeholders. With their support, we are able to overcome challenges and surpass ourselves in our pursuit of sustainable development.

We have stated our corporate culture, commitments, policies and principles regarding sustainable development that our employees have to follow (including business ethics, anti-money laundering, supply chain management, employment policy, occupational safety and health, anti-discrimination, human rights, rights to freedom of association and collective bargaining and environmental protection, etc.) and company rules (including intellectual property rights, prevention of bribery and corruption and conflict of interests, etc.) in our employee handbook. These are applied in our daily practice which forms an integral part of our relevant business processes and management systems, which are being governed by appropriate management structure and embedded operational procedures. This effective system is also supported by the monitoring mechanism with reporting and self-assessment functions. The relevant controls are reviewed internally by a designated team for corporate social responsibility and audits on the implementation of corporate social responsibilities are carried out by external independent institutions.

經營理念 管理方針

周大福承傳87年的輝煌歷史，其標示性的品牌廣獲認同為信譽和正貨的象徵。我們不只視珠寶為產品，更是視為對消費者作出的情感承諾，希望憑藉卓越的產品和服務，透過產品見證消費者最值得銘記的人生階段，為顧客創造難忘的愉悅時刻。秉持「真誠•永恒」的企業核心價值，我們對顧客、同事、合作夥伴、股東以及社會大眾，都貫徹如一，以真誠續寫永恒的祝福。我們在發展道路上經歷不少挑戰，然而，管理層堅持貨真價實，以誠信經營，堅守營商道德和合法合規的精神，促使我們得到顧客、合作夥伴和其他持份者持續的認同和支持，得以衝破困難，超越自己，成就當今的持續發展。

我們把企業文化、各項公司承諾，以及需要同事協作實踐的各項可持續發展的政策和原則(包括商業道德、反洗黑錢、供應鏈管理、僱傭政策、職業安全健康、反歧視、人權、結社和集體談判、環境保護等)、各項公司規則(如知識產權、防止收取利益及貪污、利益衝突等)納入員工手冊，並且在各業務環節，通過設立管理架構及運作制度形成相關範疇的管理系統，應用於日常運作。此科學化系統也設有匯報和自我檢查的機制，設置制度監督、內部控制，由「社會責任合規審查執行小組」進行內部審核，也接受外部機構就有關企業社會責任範疇獨立審核。

Stakeholder engagement and mutual trust

The development of a scientific management system shall originate from people-oriented objectives. In addition, it can only sustain by implementing the essence of people-oriented concepts in parallel. This enables us to meet the needs of stakeholders through continuous interactions and explore growth opportunities for the Group and our stakeholders. We engage with stakeholders continuously through various channels, including contacts during the daily business operations such as various meetings, employees' opinions, satisfaction surveys, customer hotlines and frontline sales, industry associations and events, inspection of suppliers' best practice principles and related training, communications from regulatory bodies, activities of social welfare or environmental protection bodies, compliance audits on our social responsibilities system by external institutions or suppliers. We also hold regular conferences with investors, franchisees and suppliers, results announcement briefing, media interviews, etc. Feedback collected and concerns raised via these channels are discussed and followed up in the respective meetings of responsible departments, a designated internal team for corporate social responsibility audits, the management, the risk management committee and the board of directors. All these human factors serve as valuable input which inspire and drive us to make continuous improvement in various levels of our operations.

Adhering to Chow Tai Fook's philosophy of "Sincerity" and the belief of "from the Society, for the Society", we ensure proper and efficient use of social resources in support of our business and give back to the society by creating shared value for sustainable development and establishing a constructive rapport with the community.

Corporate Social Responsibility Report

We published our first standalone corporate social responsibility report this year, an electronic version of which is available for download on the website of the Group (<http://corporate.chowtaifook.com/en/about/csr.php>) and the Stock Exchange of Hong Kong respectively.

The said report is made with reference to the ISO26000 corporate social responsibility framework and the Environmental, Social and Governance Reporting Guide of the Stock Exchange. It mainly covers the information of our wholly-owned subsidiaries from 1 April 2015 to 31 March 2016. The report focuses on illustrating aspects with important impacts on or opportunities for the Group and its stakeholders, including business practice, staff benefits, customer service, community involvement and environmental protection. The said report shall be read in conjunction with this annual report for further details of the Group's sustainable development, including strategic planning, corporate governance and business performance, as well as the inclusion of its social responsibilities in its strategic planning and business operation.

You are welcome to comment on the said report and the Group's sustainable development via email at ir@chowtaifook.com.

與持份者溝通 建立互信

科學化的管理系統必須與以人為本的精神並行，以人本思維引導系統發展，透過與持份者持續互動以了解和滿足他們的需要，同時發掘讓企業和持份者增值的機遇。我們通過各個途徑與持份者保持溝通，包括在日常業務過程中的接觸，例如各種會議、員工意見、滿意度調查、顧客熱線和前線銷售、業界商會和交流、供應商最佳執業守則檢查和培訓、監管機構的通訊、參與社會福利和環保機構活動、外部機構或供應商對公司進行的社會責任合規審核等；對外也舉辦投資者、加盟商、供應商等定期會議、業績發佈會、媒體訪問等。我們綜合持份者通過各途徑表達的意見和關注點，按性質在公司的各個業務單位會議、社會責任合規審查執行小組、管理層會議、風險管理委員會和董事會議等加以考慮和跟進。在這些人與人之間的互動之中，啟發和推動我們在業務營運的各個層面中不斷進步。

「真誠」是周大福恪守的信念，社會為企業提供業務發展所需的各種資源，秉承「取諸社會、用諸社會」的精神，我們會善用手上的資源，並為社會作出貢獻，維繫互惠互利的良好關係，共同成長。

企業社會責任報告

今年我們首次發表一份獨立的企業社會責任報告，其電子版本可於集團網站(<http://corporate.chowtaifook.com/tc/about/csr.php>)和香港聯合交易所網站下載。

該報告參考了ISO26000企業社會責任的框架和聯交所有關環境、社會及管治報告指引而編撰，主要涵蓋集團旗下全資附屬公司由2015年4月1日至2016年3月31日期間的資訊。報告集中闡述對本集團及持份者而言有重大影響或機遇的範疇，包括營商操守、員工待遇、顧客服務、社區參與和環境保護。該報告應與本年報一併閱讀，以了解更多關於本集團可持續發展的資料，包括策略規劃、企業管治和業務表現，與及集團在策略規劃和業務營運之中對企業社會責任的考慮。

歡迎閣下發送電郵到 ir@chowtaifook.com，對該報告和本集團的可持續發展表現提出意見。



Independent Auditor's Report

獨立核數師報告



Independent Auditor's Report

獨立核數師報告



TO THE MEMBERS OF

CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Chow Tai Fook Jewellery Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 136 to 217, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by International Accounting Standards Board 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.

致周大福珠寶集團有限公司股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審計列載於第136至217頁周大福珠寶集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2016年3月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港《公司條例》的披露規定編製真實及公平的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並按照我們協定的委聘條款僅向整體股東報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。我們已根據國際審計準則進行審計。該準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們審計意見提供基礎。

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

7 June 2016

意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實及公平地反映 貴集團於2016年3月31日的財務狀況，及 貴集團截至該日止年度的財務表現及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港

2016年6月7日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes 附註	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Revenue	營業額	7	56,591.5	64,277.0
Cost of goods sold	銷售成本		(40,950.1)	(45,204.6)
Gross profit	毛利		15,641.4	19,072.4
Other income	其他收入	8	306.2	301.5
Selling and distribution costs	銷售及分銷成本		(9,196.8)	(9,935.8)
General and administrative expenses	一般及行政開支		(2,426.6)	(2,408.6)
Other gains and losses	其他收益及虧損	9	(244.9)	(35.9)
Other expenses	其他開支		(51.2)	(94.7)
Share of results of an associate	分佔一家聯營公司之業績	21	(3.6)	–
Share of results of a joint venture	分佔一家合資企業之業績	22	–	(10.8)
Interest income	利息收入	10	154.6	151.5
Finance costs	融資成本	10	(243.0)	(380.5)
Profit before taxation	除稅前溢利	11	3,936.1	6,659.1
Taxation	稅項	13	(957.2)	(1,123.3)
Profit for the year	年度溢利		2,978.9	5,535.8
Other comprehensive (expense) income:	其他全面(開支)收益:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>隨後不會重新分類至損益的項目:</i>			
— remeasurement of defined benefit scheme	— 重新計算定額福利計劃		(2.1)	(19.0)
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能會重新分類至損益的項目:</i>			
— exchange differences arising on translation	— 換算產生的匯兌差額		(1,010.7)	21.1
— share of translation reserve of an associate	— 分佔一家聯營公司之換算儲備		(0.7)	–
— share of translation reserve of a joint venture	— 分佔一家合資企業之換算儲備		–	(0.1)
			(1,011.4)	21.0
Other comprehensive (expense) income for the year	年度其他全面(開支)收益		(1,013.5)	2.0
Total comprehensive income for the year	年度全面收益總額		1,965.4	5,537.8

		Note 附註	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Profit for the year attributable to:	以下各方應佔年度溢利：			
Shareholders of the Company	本公司股東		2,941.4	5,456.0
Non-controlling interests	非控股權益		37.5	79.8
			2,978.9	5,535.8
Total comprehensive income (expense) attributable to:	以下各方應佔全面 收益(開支)總額：			
Shareholders of the Company	本公司股東		1,979.3	5,456.2
Non-controlling interests	非控股權益		(13.9)	81.6
			1,965.4	5,537.8
Earnings per share — Basic	每股盈利 — 基本	14	HK29.4 cents 港仙	HK54.6 cents 港仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 March 2016 於2016年3月31日

		Notes 附註	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	4,749.7	4,442.5
Land use rights	土地使用權	17	211.6	237.9
Investment properties	投資物業	18	272.9	508.9
Goodwill	商譽	19	257.8	257.8
Other intangible assets	其他無形資產	20	407.5	397.2
Deposits paid for acquisition of property, plant and equipment	購買物業、廠房及設備已付按金		132.6	294.1
Interest in an associate	於一家聯營公司之權益	21	39.7	–
Amount due from an associate	應收一家聯營公司款項	21	82.8	–
Interest in a joint venture	於一家合資企業之權益	22	–	–
Loan receivables	應收貸款	23	37.6	39.8
Deferred tax assets	遞延稅項資產	24	478.2	860.1
			6,670.4	7,038.3
Current assets	流動資產			
Inventories	存貨	25	31,376.5	39,797.6
Trade and other receivables	貿易及其他應收款項	26	4,605.2	5,785.4
Loan receivables	應收貸款	23	4.1	4.3
Convertible bonds	可兌換債券	27	17.8	17.9
Pledged bank deposits	已抵押銀行存款	28	–	0.4
Bank balances and cash	銀行結餘及現金	28	13,001.4	8,477.1
			49,005.0	54,082.7
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	29	4,336.1	3,997.9
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	30	161.2	197.3
Taxation payable	應付稅項		433.4	595.8
Bank borrowings	銀行貸款	31	7,320.0	6,750.6
Gold loans	黃金借貸	32	6,513.3	8,338.3
			18,764.0	19,879.9
Net current assets	流動資產淨額		30,241.0	34,202.8
Total assets less current liabilities	總資產減流動負債		36,911.4	41,241.1

		Notes 附註	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Non-current liabilities	非流動負債			
Bank borrowings	銀行貸款	31	600.0	–
Retirement benefit obligations	退休福利承擔	37	243.4	243.3
Deferred tax liabilities	遞延稅項負債	24	318.1	457.0
			1,161.5	700.3
Net assets	資產淨額		35,749.9	40,540.8
Share capital	股本	33	10,000.0	10,000.0
Reserves	儲備		24,904.3	29,429.5
Equity attributable to shareholders of the Company	本公司股東應佔權益		34,904.3	39,429.5
Non-controlling interests	非控股權益		845.6	1,111.3
			35,749.9	40,540.8

The consolidated financial statements on pages 136 to 217 were approved and authorised for issue by the Board of Directors on 7 June 2016 and are signed on its behalf by:

董事會於2016年6月7日批准並授權刊發載於第136至217頁之綜合財務報表，並由以下代表簽署：

Dr. Cheng Kar-Shun, Henry
鄭家純博士
DIRECTOR
董事

Mr. Wong Siu-Kee, Kent
黃紹基先生
DIRECTOR
董事

Mr. Cheng Ping-Hei, Hamilton
鄭炳熙先生
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Share capital 股本 HK\$ million 百萬港元	Share premium 股份溢價 HK\$ million 百萬港元	Special reserve 特別儲備 HK\$ million 百萬港元 (note a) (附註a)	Statutory surplus reserve 法定盈餘儲備金 HK\$ million 百萬港元 (note b) (附註b)	Translation reserve 換算儲備 HK\$ million 百萬港元	Retained profits 保留溢利 HK\$ million 百萬港元	Attributable to shareholders of the Company 本公司股東應佔 HK\$ million 百萬港元	Non-controlling interests 非控股權益 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
At 1 April 2014	2014年4月1日	10,000.0	5,498.7	2,499.5	606.7	1,435.8	17,132.6	37,173.3	1,279.1	38,452.4
Profit for the year	年度溢利	-	-	-	-	-	5,456.0	5,456.0	79.8	5,535.8
Other comprehensive income (expense) for the year	年度其他全面收益(開支)	-	-	-	-	19.2	(19.0)	0.2	1.8	2.0
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	19.2	5,437.0	5,456.2	81.6	5,537.8
Capital contributions from non-controlling shareholders of subsidiaries	來自附屬公司非控股股東注資	-	-	-	-	-	-	-	92.0	92.0
Deregistration of subsidiaries	註銷附屬公司	-	-	-	-	-	-	-	(7.4)	(7.4)
Transfers	轉撥	-	-	-	52.8	-	(52.8)	-	-	-
Dividends	股息	-	-	-	-	-	(3,200.0)	(3,200.0)	(334.0)	(3,534.0)
At 31 March 2015	2015年3月31日	10,000.0	5,498.7	2,499.5	659.5	1,455.0	19,316.8	39,429.5	1,111.3	40,540.8
Profit for the year	年度溢利	-	-	-	-	-	2,941.4	2,941.4	37.5	2,978.9
Other comprehensive expense for the year	年度其他全面開支	-	-	-	-	(960.0)	(2.1)	(962.1)	(51.4)	(1,013.5)
Total comprehensive (expenses) income for the year	年度全面(開支)收益總額	-	-	-	-	(960.0)	2,939.3	1,979.3	(13.9)	1,965.4
Acquisitions of additional interests in subsidiaries	收購附屬公司額外權益	-	-	-	-	-	1.1	1.1	(11.3)	(10.2)
Partial disposal of interests in a subsidiary to non-controlling shareholders	向非控股股東出售一家附屬公司部份權益	-	-	-	-	-	0.1	0.1	0.4	0.5
Deregistration of subsidiaries	註銷附屬公司	-	-	-	(5.7)	-	-	(5.7)	(112.1)	(117.8)
Transfers	轉撥	-	-	-	138.1	-	(138.1)	-	-	-
Dividends	股息	-	-	-	-	-	(6,500.0)	(6,500.0)	(128.8)	(6,628.8)
At 31 March 2016	2016年3月31日	10,000.0	5,498.7	2,499.5	791.9	495.0	15,619.2	34,904.3	845.6	35,749.9

Notes:

- (a) Special reserve represents (i) the accumulated contribution from the Macau jewellery business and (ii) the difference between the nominal value of the shares of various subsidiaries under common control, and cash consideration payable arising from acquisition of these subsidiaries under common control pursuant to the group reorganisation as more fully explained in the section headed "History and Corporate Structure" of the prospectus of the Company dated 5 December 2011 in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.
- (b) As stipulated by the relevant laws and regulations for foreign investment enterprises in Mainland China, the Company's subsidiaries in Mainland China are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the subsidiaries in Mainland China in accordance with the relevant laws and regulations applicable to enterprises in Mainland China. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

附註：

- (a) 特別儲備指(i)澳門珠寶業務之累計貢獻及(ii)分佔根據共同控制下各附屬公司的股份面值與根據集團重組時收購共同控制下附屬公司應支付之現金代價之差額。詳情於有關本公司之股份於香港聯合交易所有限公司主板首次上市，日期為2011年12月5日之招股章程「歷史及公司架構」一節闡述。
- (b) 按有關中國內地外資企業的相關法律及法規，本公司的中國內地附屬公司須存置法定盈餘儲備基金。有關儲備之撥款乃來自中國內地附屬公司的法定財務報表(根據中國內地企業適用的相關法律及法規編製)所載的除稅後溢利淨額。法定盈餘儲備基金可用於彌補過往年度的虧損(如有)，並可以資本化發行方式轉換為資本。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
OPERATING ACTIVITIES			
Profit before taxation		3,936.1	6,659.1
Adjustments for:			
Interest income		(154.6)	(151.5)
Interest expenses		243.0	380.5
Allowance for doubtful debts		19.5	–
Impairment of inventories		74.2	–
Fair value change of gold loans		542.1	(418.0)
Depreciation of property, plant and equipment		837.0	730.6
Depreciation of investment properties		21.3	17.5
Amortisation of land use rights		14.9	14.1
Amortisation of other intangible assets		41.4	24.0
Share of results of an associate		3.6	–
Share of results of a joint venture		–	10.8
Loss on disposal of property, plant and equipment		10.9	17.4
Provision for defined benefit obligations		6.7	7.6
Effect of foreign exchange rate changes in intercompany balances		191.3	(4.2)
Operating cash flows before movements in working capital		5,787.4	7,287.9
Decrease in inventories		7,499.2	3,116.9
Decrease (increase) in trade and other receivables		937.1	(650.1)
Increase (decrease) in trade and other payables		509.9	(299.5)
Defined benefits paid		(8.7)	(8.3)
Cash generated from operations		14,724.9	9,446.9
Interest received		42.4	23.6
Income tax paid			
Hong Kong Profits Tax		(177.9)	(872.9)
Enterprise Income Tax and withholding tax in Mainland China		(608.1)	(903.0)
Macau complementary tax		(82.2)	(124.4)
Taxation in other jurisdictions		(1.9)	(2.0)
NET CASH FROM OPERATING ACTIVITIES		13,897.2	7,568.2
INVESTING ACTIVITIES			
Interest received		112.2	127.9
Withdrawal of pledged bank deposits		0.4	14.3
Placement of pledged bank deposits		–	(9.4)
Withdrawal of short-term bank deposits		–	500.0
Purchase of property, plant and equipment		(917.3)	(1,924.8)
Deposits paid for acquisition of property, plant and equipment		(77.0)	(133.2)
Payment for acquisition of land use rights		–	(78.6)
Proceeds from disposal of property, plant and equipment		19.5	12.9
Purchase of investment properties		–	(549.1)
Purchase of patents		(51.7)	–
Loan advanced by the Group		(4.9)	(10.5)
Repayment of loan to the Group		1.0	145.5
Capital contribution to an associate		(44.0)	–
Advance to an associate		(82.8)	–
Net cash outflow from acquisition of subsidiaries	34(a)	–	(1,187.7)
NET CASH USED IN INVESTING ACTIVITIES		(1,044.6)	(3,092.7)

Consolidated Statement of Cash Flows 綜合現金流量表

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

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	(257.1)	(400.3)
Bank borrowings raised	已籌集銀行貸款	6,300.0	7,486.2
Repayment of bank borrowings	償還銀行貸款	(5,107.8)	(7,036.2)
Capital contributions from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資	-	92.0
Deregistration of subsidiaries	註銷附屬公司	(117.8)	-
Dividends paid	已付股息	(6,581.6)	(3,534.0)
Gold loans raised	已籌集黃金借貸	16,799.2	12,903.9
Repayment of gold loans	償還黃金借貸	(18,960.0)	(14,940.2)
Acquisition of additional interest from non-controlling interest	自非控股權益收購的額外權益	(10.2)	-
Advance from non-controlling shareholders of subsidiaries	來自附屬公司非控股股東的墊款	40.2	48.8
Repayment to non-controlling shareholders of subsidiaries	償還予附屬公司非控股股東	(112.6)	(91.7)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用的現金淨額	(8,007.7)	(5,471.5)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	4,844.9	(996.0)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初的現金及現金等價物	8,477.1	9,466.6
Effect of foreign exchange rate changes	滙率變動的影響	(320.6)	6.5
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	年末的現金及現金等價物，即銀行結餘及現金	13,001.4	8,477.1

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. General

Chow Tai Fook Jewellery Group Limited (the “Company”) was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands on 20 July 2011. Its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 December 2011. Its immediate holding company is Chow Tai Fook (Holding) Limited (“CTF Holding”), and in the opinion of the directors of the Company, its ultimate holding company is Chow Tai Fook Capital Limited, both are incorporated in the British Virgin Islands.

The Company acts as an investment holding company. The principal activities of the Company’s principal subsidiaries are set out in note 40. The address of registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of principal place of business is 33/F, New World Tower, 16-18 Queen’s Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is same as the functional currency of the Company. Certain comparative figures have been reclassified to conform with current year’s presentation. These reclassifications have no effect on financial position, profit for the year or cash flows of the Group.

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”)

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the “IASB”) for the first time in the current year:

Amendments to IAS 19	Defined benefit plans: Employee contributions
Amendments to IFRSs	Annual improvements to IFRSs 2010-2012 cycle
Amendments to IFRSs	Annual improvements to IFRSs 2011-2013 cycle

The application of the above amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

周大福珠寶集團有限公司(「本公司」)於2011年7月20日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。其股份自2011年12月15日開始於香港聯合交易所有限公司(「聯交所」)主板上市。其直接控股公司為Chow Tai Fook (Holding) Limited(「CTF Holding」)，本公司董事認為其最終控股公司為Chow Tai Fook Capital Limited，兩家公司均於英屬維爾京群島註冊成立。

本公司為投資控股公司，而其主要附屬公司主營業務載於附註40。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。主要營業地址為香港皇后大道中16-18號新世界大廈33樓。

綜合財務報表以港元(即本公司的功能貨幣)呈列。若干比較數據已重新分類以與本年度的呈列一致。該等重新分類對本集團的財務狀況、年度溢利或現金流量並無影響。

2. 採納新訂及經修訂國際財務報告準則

本集團於本年度首次應用下列國際會計準則理事會頒佈的國際財務報告準則修訂本：

國際會計準則第19號(修訂本)	定額福利計劃：僱員供款
國際財務報告準則(修訂本)	2010年至2012年週期之國際財務報告準則年度改進
國際財務報告準則(修訂本)	2011年至2013年週期之國際財務報告準則年度改進

於本年度應用上列國際財務報告準則修訂本對於本年度及過往年度本集團之財務業績及財務狀況及／或於該等綜合財務報表載列之披露資料並無構成重大影響。

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (Continued)

New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial instruments ³
IFRS 15	Revenue from contracts with customers ³
IFRS 16	Leases ⁴
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations ¹
Amendments to IFRS 15	Clarifications to IFRS 15 “Revenue from contracts with customers” ³
Amendments to IAS 1	Disclosure initiative ¹
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation ¹
Amendments to IFRSs	Annual improvements to IFRSs 2012–2014 cycle ¹
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants ¹
Amendments to IAS 27	Equity method in separate financial statements ¹
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception ¹
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁵
Amendments to IAS 7	Disclosure initiative ²
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses ²

¹ Effective for annual periods beginning on or after 1 January 2016.

² Effective for annual periods beginning on or after 1 January 2017.

³ Effective for annual periods beginning on or after 1 January 2018.

⁴ Effective for annual periods beginning on or after 1 January 2019.

⁵ Effective for annual periods on or after a date to be determined.

2. 採納新訂及經修訂國際財務報告準則 (續)

已頒佈但尚未生效之新訂及經修訂國際財務報告準則

本集團並未提早應用下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第9號	金融工具 ³
國際財務報告準則第15號	客戶合約收益 ³
國際財務報告準則第16號	租賃 ⁴
國際財務報告準則第11號(修訂本)	收購共同經營權益的會計法 ¹
國際財務報告準則第15號(修訂本)	澄清國際財務報告準則第15號之「客戶合約收益」 ³
國際會計準則第1號(修訂本)	主動披露 ¹
國際會計準則第16號及第38號(修訂本)	澄清折舊及攤銷的可接受方法 ¹
國際財務報告準則(修訂本)	2012年至2014年週期之國際財務報告準則年度改進 ¹
國際會計準則第16號及第41號(修訂本)	農業：生產性植物 ¹
國際會計準則第27號(修訂本)	獨立財務報表之權益法 ¹
國際財務報告準則第10號、第12號及國際會計準則第28號(修訂本)	投資主體：豁免應用合併 ¹
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營或合資企業之間的資產出售或注資 ⁵
國際會計準則第7號(修訂本)	披露計劃 ²
國際會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產 ²

¹ 於2016年1月1日或之後開始之年度生效。

² 於2017年1月1日或之後開始之年度生效。

³ 於2018年1月1日或之後開始之年度生效。

⁴ 於2019年1月1日或之後開始之年度生效。

⁵ 於待釐定日期或之後之年度生效。

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

IFRS 9 Financial instruments

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company are in the process of assessing the impact of application of IFRS 9.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. It distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees. However, the standard does not significantly change the accounting of lessors.

Application of IFRS 16 will result in the Group’s recognition of right-of-use assets and corresponding liabilities in respect of many of the Group’s lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed as commitments to these financial statements. The directors of the Company anticipate that the application of IFRS 16 in the future will have a material impact on the Group’s consolidated financial statements; however, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

2. 採納新訂及經修訂國際財務報告準則 (續)

已頒佈但尚未生效之新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第9號金融工具

就金融資產的減值而言，與國際會計準則第39號下按已產生信貸虧損模式計算相反，國際財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件後方可確認信貸虧損。

本公司董事正評核應用國際財務報告準則第9號的影響。

國際財務報告準則第16號租賃

國際財務報告準則第16號規範識別租賃安排的綜合模型及承租人和出租人的會計處理，它基於是否存在由顧客控制的特定資產來區分租賃合同與服務合同。除了短期租賃和低價值資產例外情況，取消經營租賃與融資租賃之間承租人會計處理的區分，同時承租人需要就所有租賃通過模型確認資產使用權及相應負債。然而，該標準並未大幅更改出租人的會計處理。

應用國際財務報告準則第16號可能使本集團確認部分租賃安排相關的資產使用權及相應負債。該等資產及負債目前毋須確認，但部分相關資料作為承諾披露於財務報表中。本公司董事預期日後應用國際財務報告準則第16號會對本集團綜合財務報表有重大影響。然而，於本集團完成詳細審閱前，提供該影響之合理估計並不可行。

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with IFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

3. 重大會計政策

綜合財務報表根據國際會計準則理事會頒佈的國際財務報告準則編制。此外，綜合財務報表亦包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露資料。

上市規則所載有關年度賬目之披露規定已參考新公司條例作出修訂，與國際財務報告準則一致。因此，截至2016年3月31日止財政年度之綜合財務報表內的資料呈列及披露已根據此等新規定予以更改。有關截至2015年3月31日止財政年度之可比資料已根據新規定於綜合財務報表內呈列或披露。根據前公司條例或上市規則在以往須予披露但根據新公司條例或經修訂上市規則毋須披露之資料不在綜合財務報表中披露。

於各報告期末，綜合財務報表按歷史成本基準編制，惟若干金融工具則以公平值計量，載於下文會計政策。

歷史成本一般基於為取得產品和服務所支付代價的公平值。

公平值為於計算日的有序交易中，市場參與者間出售資產之應收價值或轉移負債之應付價格，而不論該價值是否直接可觀察，或以其他估值方法估計。在估計資產或負債的公平值時，本集團會考慮資產或負債的特徵即市場參與者於計算日所考慮對資產或負債定價的特徵。除國際財務報告準則第2號中以股份為基礎的支付交易、國際會計準則第17號中的租賃交易和國際會計準則第2號中與公平值相似但並非公平值的計算，例如國際會計準則第2號中的可變現淨值或國際會計準則第36號中的使用價值外，綜合財務報表的公平值之計算和／或披露均以該基準確定。

3. Significant Accounting Policies (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. 重大會計政策 (續)

此外，就財務報告而言，公平值的計算按用以計算公平值的輸入數據的可觀察性和該數據對整個公平值的計算的重要性，分為一、二或三級。描述如下：

- 第一級輸入數據乃實體於計算日於活躍市場可以取得相同的資產或負債之未調整報價；
- 第二級輸入數據乃第一級之報價外，可根據直接或間接觀察資產或負債所得出之輸入數據；及
- 第三級輸入數據乃並非可根據觀察資產或負債所得出之輸入數據。

主要會計政策如下：

綜合基準

綜合財務報表包括本公司與本公司所控制實體及其附屬公司的財務報表。控制得到實現當本公司：

- 對被投資方有控制權；
- 對其因參與被投資方的可變回報之風險及權力；及
- 有能力運用其權力影響其回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本公司會重估是否仍然控制被投資方。

3. Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

3. 重大會計政策 (續)

綜合基準 (續)

倘本集團於投資對象之投票權未能佔大多數，則考慮投票權是否足以賦予本公司實際能力以單方面指示投資對象的相關活動時即對投資對象所有權力。本集團於評估本集團於投資對象的投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 與其他投票權持有人所持投票權的數量及分散情況相對的本集團持有投票權的數量；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生的權利；及
- 顯示於需要作出決定之時本集團目前能夠或不能指示相關活動的任何額外事實及情況（包括於過往股東會議上的投票模式）。

本公司獲得附屬公司控制權時便開始將附屬公司綜合入賬，於喪失控制權時則終止綜合入賬。具體而言，年內所收購或出售附屬公司之收入及開支於本集團獲得控制權日期計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

損益及其他全面收益各項目均歸屬於本公司股東及非控股權益。附屬公司的全面收益總額歸屬於本公司股東及非控股權益，即使此舉會導致結餘為負數的非控股權益。

必要時會調整附屬公司財務報表以使其會計政策與本集團會計政策一致。

所有有關本集團成員之間的集團內資產及負債、權益、收入、開支及現金流量會於綜合時全數撇銷。

於附屬公司的非控股權益會於本集團權益內獨立呈列。

3. Significant Accounting Policies (Continued)

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 重大會計政策 (續)

本集團於現有附屬公司之擁有權益變動
本集團於附屬公司之擁有權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益及非控股權益之賬面值作出調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額以及已付或已收代價之公平值間之任何差額直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去對附屬公司之控制權，則收益或虧損會於損益確認，並按(i)所收代價之公平值及任何保留權益之公平值的總額與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益之先前賬面值間的差額計算。先前於其他全面收益就該附屬公司確認之所有金額，按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用國際財務報告準則所訂明/允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留之任何投資的公平值，根據國際會計準則第39號視為其後入賬為初步確認之公平值，或(如適用)初步確認於聯營公司或合資企業投資之成本。

業務合併

收購業務以收購法列賬。於業務合併轉讓之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團對被收購公司原擁有人產生之負債及本集團為換取被收購公司之控制權所發行之股本權益於收購日期之總公平值。與收購有關之成本一般於產生時在損益中確認。

3. Significant Accounting Policies (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 “Income taxes” and IAS 19 “Employee benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based payment” at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current assets held for sale and discontinued operations” are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another IFRS.

3. 重大會計政策 (續)

業務合併 (續)

於收購日期，所收購可識別資產及所承擔負債按公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據國際會計準則第12號「所得稅」及國際會計準則第19號「僱員福利」確認及計量；
- 與被收購公司以股份為基礎的支付款項安排或本集團就替換該款項安排而訂立之有關負債或權益工具於收購日期根據國際財務報告準則第2號「以股份為基礎的支付」計量；及
- 根據國際財務報告準則第5號「持作出售非流動資產及已終止經營業務」劃分為持作出售之資產（或出售組別）根據該項準則計量。

商譽乃以所轉讓之代價、任何非控股權益於被收購公司中所佔金額及收購方以往持有之被收購公司股本權益公平值（如有）之總和，超出所收購可識別資產及所承擔之負債於收購日期之淨值之部份計量。倘經過重估後，所收購可識別資產及所承擔負債於收購日期之淨值超出所轉讓代價、任何非控股權益於被收購公司中所佔金額及收購方以往持有之被收購公司權益公平值（如有）之總和，則超出部份即時於損益內確認為議價收購收益。

屬現時擁有權益且於清盤時讓持有人有權按比例分佔實體資產淨值之非控股權益，可初步按公平值或非控股權益應佔被收購公司可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別之非控股權益乃按其公平值或（如適用）按另一國際財務報告準則規定之基準計量。

3. Significant Accounting Policies (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business and net of trade discounts.

Sales of goods are recognised when goods are delivered and title has passed.

Service income including franchise income and income from provision of services to franchisees is recognised when the services are provided.

Sales of goods that result in award credits for customers, under the Group's customer loyalty program, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to the fair value of the awards for which they could be redeemed. Such consideration is not recognised as revenue at the time of the initial sale transaction — but is deferred and recognised as revenue when the award credits are redeemed and expired and the Group's obligations have been fulfilled.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 重大會計政策(續)

商譽

收購一項業務產生之商譽乃按收購業務日期(見上文會計政策)所確立之成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽乃分配至預期從合併的協同效應中獲利之本集團各現金產生單位(或現金產生單位組別)。

已獲分配商譽之現金產生單位每年或當有跡象顯示單位可能出現減值時更頻繁測試減值。倘現金產生單位之可收回金額少於其賬面值，減值虧損首先減少該單位獲分配之任何商譽之賬面值，其後為以單位各資產之賬面值為基準按比例分配至該單位之其他資產。商譽之減值虧損直接於損益內確認。確認為商譽之減值虧損於隨後期間不予撥回。

營業額確認

營業額按已收或應收代價的公平值計量，乃指於一般業務過程中已售商品的應收款項(扣除交易折扣)。

銷售貨品於貨品交付及所有權轉移時確認。

服務收入(包括加盟費收入及向加盟商提供服務的收入)在服務提供時確認。

根據本集團會員計劃向顧客提供獎勵額度而產生之貨品銷售入賬為多元收入交易，且已收或應收代價之公平值於供應貨品及所給予獎勵額度之間分配。分配予顧客所賺取獎勵額度，參考可獲兌換獎勵的公平值計算，有關代價不會於最初銷售交易時確認為收入 — 而是遞延至獎勵額度獲兌換及到期及本集團已履行有關責任時方會確認為收入。

當經濟利益可能流入本集團，且收入金額能夠可靠計量時，確認來自金融資產的利息收入。利息收入參照未償還本金額及適用的實際利率按時間基準累計，適用的實際利率指將金融資產於整個預計年期內的估計日後現金收入實際折現至該資產於初始確認時的賬面淨值的利率。

3. Significant Accounting Policies (Continued)

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

For land and buildings where the cost of land cannot be reliably allocated between the land and buildings elements, the cost of land and buildings are depreciated and amortised on a straight-line basis over the lease terms or 20 years, whichever is the shorter.

Depreciation is recognised so as to write off the cost of other property, plant and equipment, other than construction in progress and land and buildings, less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Plant and machinery	10%
Furniture, fixtures and equipment	20%–33 $\frac{1}{3}$ %
Leasehold improvements	Over the lease term, or 20%, whichever is the shorter
Motor vehicles	25%

The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress is carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 重大會計政策 (續)

物業、廠房及設備

物業、廠房及設備包括用以生產或提供貨品或服務或作行政用途的土地及樓宇(在建工程物業除外)，乃按成本值減其後累計折舊及累計減值虧損(如有)列賬於綜合財務狀況表。

就土地及樓宇而言，倘無法可靠從土地與樓宇之間分配土地成本，土地及樓宇的成本則會以直線法按租期或20年(以期限較短者為準)計提折舊及攤銷。

除在建工程及土地及樓宇外，其他物業、廠房及設備折舊乃按其估計可使用年期以直線法按以下年率確認，以撇銷其成本減剩餘價值：

廠房及機器	10%
傢俬、裝置及設備	20–33 $\frac{1}{3}$ %
租賃物業裝修	按租約年期，或20% (以期限較短者為準)
汽車	25%

估計可使用年期、剩餘價值及折舊方法於報告期終時檢討，並會考慮到未來估計任何變動的影響。

在建工程按成本值減任何確認減值虧損列賬。成本包括專業費用，以及關乎合資格資產並根據本集團會計政策撥充資本的貸款成本。有關物業於竣工及可供擬定用途時，歸類至物業、廠房及設備的適當類別。該等資產在可供擬定用途時，方開始如其他物業資產般計提折舊。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目時產生之任何收益或虧損，按出售所得款項與該資產賬面值之差額釐定，並於損益內確認。

3. Significant Accounting Policies (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses.

If there is a transfer from investment property to owner-occupied property evidenced by the commencement of owner's occupation, the property shall be measured at its carrying amount at the date of change in use for subsequent accounting.

Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line basis over 20 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Land use rights

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land elements and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "land use rights" in the consolidated financial statements and is amortised over the lease term on a straight-line basis. Land use rights which are to be amortised in the next twelve months or less are classified as current assets.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. 重大會計政策(續)

投資物業

投資物業指持作賺取租金及／或資本增值之物業。

投資物業初步按成本(包括任何直接應佔費用)計量。初始確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。

倘將投資物業轉換為自用物業，以擁有人開始佔用為證，則該物業按變更用途以作隨後會計用途日期之賬面值列賬。

投資物業按估計可使用年期經考慮其估計剩餘價值利用20年之直線基準確認折舊以撇銷投資物業成本。

投資物業於出售後或投資物業永久不再使用且預期出售不會產生未來經濟利益時終止確認。終止確認物業產生的任何收益或虧損(按該資產之出售所得款項淨額與賬面值之差額計算)於該物業終止確認期間計入損益。

土地使用權

凡租賃包括土地及樓宇兩部份，本集團以各部份的擁有權所承擔的絕大部份風險及回報是否已轉移本集團，作為獨立評估其分類屬於融資或經營租賃的依據，但當兩者均明顯為經營租賃，則全部租賃歸類為經營租賃。具體而言，最低租賃款項(包括任何一次性預付款)，以其租賃開始時土地租賃權益和樓宇租賃權益相關公平值的比例，分配到土地及樓宇部份。

倘能可靠地分配租賃款項，入賬為經營租賃的租賃土地權益將於綜合財務報表列賬為「土地使用權」，並按租賃年期以直線法攤銷。於未來12個月或以下進行攤銷的土地使用權會歸類為流動資產。

在租賃款項不能在土地及樓宇之間作可靠分配的情況下，全數租賃一般均被列為物業、廠房及設備的融資租賃入賬。

3. Significant Accounting Policies (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using specific identification basis for gem-set jewellery and watches; and weighted average for other inventories.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 重大會計政策 (續)

無形資產

單獨收購之無形資產

單獨收購並具有限使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有限使用年期之無形資產攤銷採用直線法於其估計可使用年內確認。估計可使用年期及攤銷方法於各報告期末檢討，並會考慮未來估計之任何變動按預期基準列賬的影響。

於業務合併中收購之無形資產

於業務合併中收購及與商譽分開確認之無形資產按其於收購日期之公平值(視為其成本)初步確認。

初步確認後，於業務合併中收購之無形資產按成本減累計攤銷及累計減值虧損列賬，與獨立收購之無形資產的基準相同。

貸款成本

所有貸款成本均於其產生的期間內於損益內確認。

存貨

存貨按成本與可變現淨值兩者中之較低者列賬。就珠寶鑲嵌首飾及鐘錶而言，成本採用特定識別基準計算，而其他存貨則利用加權平均法計算。

金融工具

當集團實體成為工具合約條文的訂約方時，確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。因收購或發行金融資產及金融負債(按公平值計入損益表之金融資產或金融負債除外)而直接產生的交易成本，於首次確認時於該項金融資產或金融負債的公平值中計入或扣除(視適用情況而定)。因收購按公平值計入損益表之金融資產或金融負債而直接產生的交易成本即時於損益確認。

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets are mainly loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

The Group has designated the convertible bonds as financial assets at FVTPL as the convertible bonds form part of a contract containing one or more embedded derivatives, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amount due from an associate, loan receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

3. 重大會計政策 (續)

金融工具 (續)

金融資產

本集團的金融資產主要為貸款及應收款項及按公平值計入損益之金融資產。分類視乎金融資產的性質及目的，於初步確認時釐定。

實際利息法

實際利息法為計算債務工具於有關期間攤銷成本以及分配利息收入之方法。實際利率指將金融資產於整個預計可使用年期或較短期間內(倘適用)的估計未來現金收入(包括屬於實際利率不可分割部份的所有已付或已收費用、交易成本及其他溢價或折讓)剛好貼現為初步確認時賬面淨值的利率。

就債務工具而言，利息收入按實際利息基準確認。

按公平值計入損益之金融資產

本集團之可兌換債券為按公平值計入損益之金融資產，因其組成包含一個或多個嵌入式衍生工具之合約部份，而重新計量所引起之損益於損益內確認。於損益確認之收益或虧損淨額包括從相關金融資產賺取之所有股息或利息。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款之非衍生金融資產，該等資產於活躍市場上並無報價。初次確認後，貸款及應收款項(包括貿易及其他應收款項、應收一家聯營公司款項、應收貸款、已抵押銀行存款以及銀行結餘及現金)乃使用實際利息法按攤銷成本減任何減值計算(見下文金融資產減值會計政策)。

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date of the impairment loss is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. 重大會計政策 (續)

金融工具 (續)

金融資產減值

貸款及應收款項會於各報告期末評定是否有減值跡象。當有客觀證據顯示金融資產之估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時，該金融資產視為已減值。

此外，就貿易應收款項而言，不會單獨作出減值之資產會匯集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合內超過平均信貸期的延遲付款數目增加、國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

關於按攤銷成本入賬的金融資產，減值虧損確認為資產賬面值與按金融資產原實際利率對估計未來現金流量貼現後的現值兩者之間的差額。

所有金融資產之減值虧損會直接自金融資產之賬面值扣減，惟貿易應收款項則除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益確認。當貿易應收款項視為不可收回時，其將於撥備賬內撇銷。於其後收回的已撇銷款項將計入損益。

倘於其後期間其減值虧損之金額減少，而該減少可以客觀地與確認減值虧損後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回，惟該資產撥回減值虧損當日之賬面值，不得超過該資產於未確認減值時之攤銷成本。

金融負債及權益工具

集團實體發行之債務及權益工具乃根據所訂立合約安排之主旨與金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具乃證明本集團於扣減其所有負債後之資產中擁有剩餘權益之任何合約。本集團發行之權益工具按收取所得款項扣除直接發行成本確認。

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at fair value through profit or loss

The Group has designated the gold loan as financial liabilities at FVTPL as the gold loans form part of a contract containing one or more embedded derivatives, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Other financial liabilities

Financial liabilities including trade and other payables, amounts due to non-controlling shareholders of subsidiaries and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融負債及權益工具(續)

金融負債

金融負債分類為按公平值計入損益的金融負債或其他金融負債。

按公平值計入損益之金融負債

本集團之黃金借貸為按公平值計入損益之金融負債，因其組成包含一個或多個嵌入式衍生工具之合約部份，而重新計量產生之任何損益於損益內確認。在損益中確認的收益或虧損淨值不包括任何相關金融負債所付之利息。

其他金融負債

金融負債包括貿易及其他應付款項、應付附屬公司非控股股東款項，銀行貸款隨後按攤銷成本使用實際利息法計量。

實際利息法

實際利息法為計算金融負債於有關期間之攤銷成本以及分配利息支出之方法。實際利率指將金融負債於預計可使用年期或較短期間內(視適用情況而定)的估計未來現金付款(包括組成實際利率、交易成本及其他溢價或折讓不可分割部份已付或已收之所有費用及點數)剛好貼現為初步確認時賬面淨值的利率。

利息開支按實際利息基準確認。

終止確認

本集團僅於資產現金流量之合約權利屆滿時，終止確認金融資產。

終止確認金融資產時，資產賬面值與已於其他全面收益確認及於權益累計之累計收益或虧損間之差額乃於損益中確認。

僅於本集團的責任解除、取消或屆滿時，方終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價之差額於損益確認。

3. Significant Accounting Policies (Continued)

Impairment on tangible and intangible assets (other than goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income or expense items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

3. 重大會計政策 (續)

有形及無形資產 (商譽除外) 減值

於報告期末，本集團均會審閱其有形及無形資產之賬面值，以釐定此等資產有否出現蒙受減值虧損的跡象。倘有任何減值虧損跡象出現，將會估計有關資產之可收回金額，藉以釐定減值虧損 (如有) 之程度。當無法估計個別資產之可收回數額時，本集團會估計該資產所屬現金產生單位之可收回數額。倘可確定合理一致之分配基準，企業資產亦分配至單個現金產生單位，否則該等資產會分配至可為其確定合理一致之分配基準之最小組別之現金產生單位。

可收回數額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量採用反映貨幣時間價值及尚未調整估計未來現金流量之資產風險之當前市場評估之稅前貼現率貼現至其現值。

倘資產 (或現金產生單位) 之可收回數額估計低於賬面值，則會將該項資產 (或現金產生單位) 之賬面值減至其可收回數額。減值虧損即時於損益內確認。

倘減值虧損其後撥回，則該資產 (或現金產生單位) 之賬面值會增加至經修訂的估計可收回金額，惟增加後的賬面值不得超出倘以往年度並無就該項資產 (或現金產生單位) 確認減值虧損而應有的賬面值。減值虧損撥回即時於損益確認。

稅項

所得稅開支指即期應繳稅項與遞延稅項的總和。

即期應付稅項乃根據年內的應課稅溢利計算。由於應課稅溢利不包括須於其他年度應課稅或可扣稅的收入或開支項目，亦不包括毋須課稅或不可扣稅的收入或開支項目，故應課稅溢利與綜合損益及其他全面收益表內列賬的「除稅前溢利」不同。本集團的即期稅項負債乃採用於各報告期末已實施或實質上已實施的稅率計算。

3. Significant Accounting Policies (Continued)

Taxation (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, an associate and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 重大會計政策 (續)

稅項 (續)

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時性差異確認。所有應課稅暫時性差異一般均確認為遞延稅項負債。倘可能出現應課稅溢利可用作抵銷所有可扣減暫時性差異，則一般就所有可扣減暫時性差異確認為遞延稅項資產。若因商譽或首次確認一項交易之其他資產與負債而產生並無影響應課稅溢利或會計溢利的暫時性差異，則不會確認該等資產與負債。

除非本集團可控制有關暫時性差異的回撥及暫時性差異在可見將來都不會回撥，否則將就投資附屬公司、聯營公司及合資企業相關的應課稅暫時性差異確認遞延稅項負債。與該等投資及權益相關的可扣減暫時性差異所產生的遞延稅項資產僅在動用暫時性差異利益時有足夠的應課稅溢利且預期在可見將來其將被撥回時，方可確認。

於報告期末會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利以收回全部或部份資產為止。

遞延稅項資產及負債基於報告期末已頒佈或實質上已頒佈的稅率(及稅法)，按償還負債或變現資產期間的預期適用稅率計算。遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算資產及負債賬面值的方式產生的稅務結果。

即期及遞延稅項於損益內確認，惟若與其他全面收益或直接於權益確認的項目相關者，則亦分別於其他全面收益或直接於權益確認。當業務合併初步會計時產生即期或遞延稅項，稅務影響計入業務合併的賬目。

3. Significant Accounting Policies (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rate prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under translation reserve (attributable to non-controlling interests as appropriate). Such exchange differences are reclassified to profit or loss in the period in which the foreign operation is disposed of.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term. Contingent rentals and concessionaire fees arising under operating leases are recognised as an expense in the period in which they are incurred.

3. 重大會計政策 (續)

外幣

編製各個別集團實體的財務報表時，以非該實體功能貨幣(外幣)進行的交易，須按交易當日的匯率以各自的功能貨幣(即該實體經營所在主要經濟環境的貨幣)列賬。於各報告期末，以外幣計值的貨幣項目均按該日的匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則毋須重新換算。

因貨幣項目而產生的匯兌差額，均於產生期間於損益確認。

為呈列綜合財務報表，本集團國外業務的資產及負債按各報告期末的匯率換算成本集團的呈列貨幣(即港元)。收支則按年內平均匯率換算，惟匯率於期內大幅波動則除外，在此情況下，採用交易日現行匯率。所產生匯兌差額(如有)於其他全面收益確認及累計於換算儲備項下權益，如情況適用則計入非控股權益。該等匯兌差額於海外業務被出售期間重新分類至損益。

關於出售附屬公司部份權益，而不會導致本集團失去對該附屬公司的控制權，累計匯兌差額的按比例份額重新歸入非控股權益，並不於損益內確認。

租賃

其條款將所有權絕大部份風險及回報轉讓予承租人的租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

經營租賃之租金收入按直線法在有關租賃之租期內確認。在磋商和安排經營租賃期間錄得之初始直接成本加於租賃資產之賬面值，並以直線法在租期內確認。

本集團作為承租人

經營租賃付款按直線法於租期內確認為開支。經營租賃產生的或然租金及專櫃分成於所產生的期內確認為開支。

3. Significant Accounting Policies (Continued)

Leasing (Continued)

The Group as lessee (Continued)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Retirement benefits costs

Payments to retirement benefits plans and government-managed retirement benefits schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in "selling and distribution costs" and "general and administrative expenses". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation.

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

倘於訂立經營租賃時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法確認為租金開支減少。

退休福利成本

向退休福利計劃及政府管理退休福利計劃支付款項，於僱員已提供令其可享有該項供款的服務時確認為開支。

就定額退休福利計劃而言，提供福利的成本乃採用預計單位給付成本法計算，而精算估值於各年度報告期末進行。由精算收益及虧損組成的重新計量會即時在綜合財務狀況表反映，並在其發生期間的其他全面收益中確認為支銷或進賬。在其他全面收益中確認的重新計量即時於保留盈利中反映，且不會重新歸類至損益。過往服務成本在計劃修訂期內於損益中確認。利息淨額透過對界定福利負債或資產淨額採用期初貼現率計算。界定福利成本分類如下：

- 服務成本 (包括現時服務成本、過往服務成本以及削減及結算錄得的收益及虧損)；
- 利息開支或收入淨額；及
- 重新計量。

本集團於損益內分別以「銷售及分銷成本」及「一般及行政開支」呈列定額福利成本首兩個項目。削減損益計入過往服務成本。

在綜合財務狀況表內確認的退休福利承擔，乃為定額福利承擔的現值。

4. Capital Risk Management

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of bank borrowings, gold loans and equity attributable to shareholders of the Company, comprising share capital, reserves and retained profits as disclosed in the consolidated financial statements.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new share issues as well as the raising of bank borrowings and gold loans.

5. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

4. 資本風險管理

本集團管理資本旨在確保集團實體可持續經營，並透過維持債務與權益的最佳平衡而為股東提供最大回報。

本集團的資本架構包括銀行貸款、黃金借貸和本公司股東應佔股權(包括綜合財務報表所披露之股本、儲備及保留溢利)。

本集團管理層定期檢討資本架構。本集團會考慮資本成本及各類資本相關的風險，亦透過派付股息、發行新股、籌集銀行貸款及黃金借貸平衡本集團整體資本架構。

5. 估計不明朗因素的主要來源

本公司董事於應用附註3所述之本集團會計政策時，須就無法直接通過其他來源獲得之資產及負債賬面值作出判斷、估計及假設。估計及相關假設是基於歷史經驗及視為相關之其他因素。實際結果可能與該等估計存在差異。

這些估計及相關假設會持續予以審閱。如會計估計的修訂僅對修訂期間產生影響，則其修訂只會在當期確認；如會計估計的修訂對修訂期間及未來期間均產生影響，相關修訂則同時在修訂當期和未來期間進行確認。

於報告期末，有關未來的主要假設及其他估計不明朗因素之主要來源(於下一財政年度具有相當風險導致資產及負債賬面值出現重大調整)如下。

5. Key Sources of Estimation Uncertainty (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market conditions. The Group will reassess the estimation at the end of each reporting period. As at 31 March 2016, the carrying amount of inventories is HK\$31,376.5 million (net of allowance of HK\$49.1 million) (2015: carrying amount of HK\$39,797.6 million, net of allowance of nil).

Useful lives, residual value and impairment of property, plant and equipment, investment properties and other intangible assets

The Group's management determines the estimated useful lives, residual value and related depreciation and amortisation charges for its property, plant and equipment, investment properties and other intangible assets. This estimate is based on the historical experience of the actual useful lives and residual value of property, plant and equipment, investment properties and other intangible assets of similar nature and functions. Management will increase the depreciation and amortisation charges where useful lives or residual value are expected to be shorter or lower than estimated, or it will write-off or write-down obsolete assets that have been abandoned or sold. Changes in these estimations may have a material impact on the results of the Group, which would be recognised in profit or loss in the year when such change occur. As at 31 March 2016, the carrying amounts of property, plant and equipment, investment properties and other intangible assets are HK\$4,749.7 million (2015: HK\$4,442.5 million), HK\$272.9 million (2015: HK\$508.9 million) and HK\$407.5 million (2015: HK\$397.2 million), respectively.

5. 估計不明朗因素的主要來源(續)

存貨

存貨按成本與可變現淨值兩者中之較低者列賬。存貨之可變現淨值乃根據估計售價減完成及出售將予產生之任何估計成本而計算。該等估計乃根據銷售類似性質之貨品之當前市場條件及過往經驗作出，其可因市況變動而有重大變動。本集團將於各報告期末重新評估有關估計。於2016年3月31日，存貨的賬面值為31,376.5百萬港元(扣除撥備49.1百萬港元)(2015年：賬面值為39,797.6百萬港元，扣除撥備為零)。

物業、廠房及設備、投資物業及其他無形資產的可使用年期、剩餘價值及減值

本集團管理層釐定其物業、廠房及設備、投資物業及其他無形資產的估計可使用年期、剩餘價值及有關折舊及攤銷費用。有關估計乃根據性質及功能相若的物業、廠房及設備、投資物業及其他無形資產的實際可使用年期及剩餘價值的過往經驗而進行。倘預期可使用年期或剩餘價值將短於或低於估計水平，管理層將增加折舊及攤銷開支或撇銷或撇減已報廢或售出的陳舊資產。該等估計的變動可能對本集團業績產生重大影響，而有關變動於出現年度的損益內確認。於2016年3月31日，物業、廠房及設備、投資物業及其他無形資產的賬面值分別為4,749.7百萬港元(2015年：4,442.5百萬港元)、272.9百萬港元(2015年：508.9百萬港元)及407.5百萬港元(2015年：397.2百萬港元)。

5. Key Sources of Estimation Uncertainty (Continued)

Deferred taxation in respect of temporary differences attributable to the undistributed profits of subsidiaries in Mainland China

The Group's management determines the dividend distribution plan of the subsidiaries in Mainland China. Based on the dividend distribution plan, retained profits as at 31 March 2016 amounting to HK\$6,086.7 million (2015: HK\$7,325.5 million) will be distributed by the subsidiaries as dividend in the foreseeable future, while the remaining retained profits amounting to HK\$9,130.0 million (2015: HK\$10,628.9 million) has been set aside for reinvestment by the subsidiaries and will not be distributed in the foreseeable future. The Group's management further reassesses the dividend withholding tax rate based on current dividend distribution plan and determines that certain of these subsidiaries should be entitled to a withholding tax at the rate of 5% for dividend payments instead of 10%. The dividend distribution plan is determined and made with reference to the Group's approved expansion plans in Mainland China. Future change in the dividend distribution plan may have a material impact on the amount of deferred taxation being recognised.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill as at 31 March 2016 was HK\$257.8 million (2015: HK\$257.8 million). Details of the impairment loss calculation are set out in note 19.

5. 估計不明朗因素的主要來源(續)

中國內地附屬公司之未分派溢利所引申的暫時性差異之相關遞延稅項

本集團管理層釐定中國內地附屬公司之股息分派計劃。根據股息分派計劃，該等附屬公司於2016年3月31日之保留溢利合共6,086.7百萬港元(2015年：7,325.5百萬港元)將於可見未來分派作為股息，而餘下保留溢利合共9,130.0百萬港元(2015年：10,628.9百萬港元)已保留作該等附屬公司再投資用途，而不會於可見將來分派。本集團管理層進一步根據現行股息分派計劃重新評估股息預扣稅率並釐定授權若干附屬公司以5%而非10%的預扣稅率派付股息。股息分派計劃參照本集團經批准的中國內地拓展計劃制定及進行。股息分派計劃的日後變動或會對所確認遞延稅項金額造成重大影響。

商譽減值

釐定商譽是否減值須估計獲分配商譽之現金產生單位使用價值。計算使用價值時，管理層須估計預期可自現金產生單位產生之未來現金流量及適當貼現率，從而計算現值。

2016年3月31日之商譽的賬面值為257.8百萬港元(2015年：257.8百萬港元)。減值虧損計算方法詳情載於附註19。

6. Financial Instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in note 3.

Categories of financial instruments

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	15,571.5	12,185.8
Convertible bonds at fair value through profit or loss	按公平值計入損益之可兌換債券	17.8	17.9
		15,589.3	12,203.7
Financial liabilities	金融負債		
Amortised cost	攤銷成本	8,911.4	8,173.0
Gold loans at fair value through profit or loss	以公平值計入損益的黃金借貸	6,513.3	8,338.3
		15,424.7	16,511.3

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount due from an associate, loan receivables, convertible bonds, pledged bank deposits, bank balances and cash, trade and other payables, amounts due to non-controlling shareholders of subsidiaries, bank borrowings and gold loans. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and commodity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. 金融工具

與各類金融資產及金融負債有關的所採納重大會計政策及方法的詳情(包括確認標準、計量基準以及確認收入及開支的基準)於附註3披露。

金融工具類別

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	15,571.5	12,185.8
Convertible bonds at fair value through profit or loss	按公平值計入損益之可兌換債券	17.8	17.9
		15,589.3	12,203.7
Financial liabilities	金融負債		
Amortised cost	攤銷成本	8,911.4	8,173.0
Gold loans at fair value through profit or loss	以公平值計入損益的黃金借貸	6,513.3	8,338.3
		15,424.7	16,511.3

金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、應收一間聯營公司款項、應收貸款、可兌換債券、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、應付附屬公司非控股股東款項、銀行貸款以及黃金借貸。該等金融工具詳情於各附註披露。該等金融工具之相關風險包括市場風險(利率風險、貨幣風險及商品價格風險)、信貸風險及流動資金風險。如何減輕該等風險的政策載於下文。管理層管理及監控該等風險以確保及時有效地實施適當措施。

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate loan receivables, certain trade receivables and gold loans. The Group currently does not have any instruments to hedge against the fair value interest rate risk.

Also, the Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest bearing pledged bank deposits, certain trade receivables, bank balances and bank borrowings at variable interest rates. The Group currently does not have an interest rate hedging policy. However, the management will consider hedging significant interest rate risk should the need arise.

In the opinion of the directors of the Company, the cash flow interest rate risk is considered insignificant and therefore no sensitivity analysis is presented.

Currency risk

Certain group entities have foreign currency sales, which expose the Group to foreign currency risk. During the year ended 31 March 2016, about 0.4% (2015: 0.5%) of the Group's sales are denominated in currency other than the functional currency of the group entities. During the year ended 31 March 2016, about 6.1% (2015: 6.3%) of the Group's purchases, are denominated in currencies other than the functional currency of the group entities making the purchase. The majority of the Group's foreign currency denominated monetary items are bank balances denominated in Renminbi ("RMB"), which are held by Group entities whose functional currencies are not RMB, with carrying amounts of HK\$536.3 million (2015: HK\$1,084.3 million). In addition, certain group entities whose functional currency is HK\$, have intra-group advances to their subsidiaries, denominated in RMB.

The Group mainly exposes to currency of United States dollars ("US\$") and RMB, which are arising from relevant group entities' foreign currency denominated monetary assets and liabilities for the Group's operating activities.

The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures. However, the management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise. As at 31 March 2016, if the exchange rate of RMB had been 2% appreciated or depreciated against HK\$, the Group's profit after taxation for the year would increase or decrease by HK\$101.7 million (2015: HK\$89.1 million).

In the opinion of the directors of the Company, the currency risk of US\$ is considered insignificant.

6. 金融工具 (續)

金融風險管理目標及政策 (續)

市場風險

利率風險

本集團須就應收固定利率貸款、若干貿易應收款項及黃金借貸承擔公平值利率風險。本集團現在並無任何工具就公平值利率風險進行對沖。

此外，本集團因計息金融資產及負債（主要為計息已抵押銀行存款、若干貿易應收款項、銀行結餘和按浮動利率計息的銀行貸款）利率變動的影響而面對現金流量利率風險。本集團目前概無利率對沖政策。然而，管理層將於需要時考慮對沖重大利率風險。

由於本公司董事認為現金流量利率風險並不重大，故此並無呈列敏感度分析。

貨幣風險

若干集團實體以外幣進行銷售，令本集團面臨外幣風險。於截至2016年3月31日止年度內，本集團約0.4%（2015年：0.5%）的銷售額並非以集團實體的功能貨幣計值。於截至2016年3月31日止年度內，本集團約6.1%（2015年：6.3%）的採購並非以進行採購的集團實體之功能貨幣計值。本集團大部份以外幣計值的貨幣項目為銀行結餘（由功能貨幣並非人民幣的集團實體持有），其賬面值為536.3百萬港元（2015年：1,084.3百萬港元）。此外，若干以港幣為功能貨幣之集團實體，有以人民幣計值，向其附屬公司提供的集團內公司墊款。

本集團的經營活動所用相關集團實體以外幣計值的貨幣資產與負債令本集團主要面臨美元及人民幣之貨幣風險。

本集團現時並無就撇除貨幣風險設定外幣對沖政策。然而，管理層會密切監察相關的外幣風險，需要時將考慮對沖重大的外幣風險。於2016年3月31日，倘人民幣兌港元的匯率升值或貶值2%，本集團的年度除稅後溢利將增加或減少101.7百萬港元（2015年：89.1百萬港元）。

本公司董事認為美元的貨幣風險並不重大。

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Commodity price risk

The Group is engaged in the sales of jewellery including gold products. The gold market is influenced by global as well as regional supply and demand conditions. A significant decline in prices of gold could adversely affect the Group's financial performance. In order to reduce the commodity price risk, the Group uses gold loans to reduce its exposure to fluctuations in the gold price on gold inventory. Gold loans are settled at maturity which is usually in 1 to 4 months (2015: 2 to 6 months) from date of inception and any fair value change is immediately recognised in profit or loss.

As at 31 March 2016, if the market price of gold had been higher or lower by 10%, the potential effect on gold loans and the resulting impact on profit after taxation for the year would decrease or increase approximately by HK\$598.8 million (2015: HK\$773.8 million).

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk in trade and loan receivables, with exposure spread over a number of counterparties.

The credit risk on bank balances is minimal as such amounts are placed in banks with good reputation.

6. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

商品價格風險

本集團從事包括黃金產品等的珠寶銷售業務。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對本集團之財務表現造成不利影響。為減低商品價格風險，本集團使用黃金借貸減低黃金價格波動就黃金存貨帶來之風險。黃金借貸於屆滿時結算，而期限通常自其開始日起計1至4個月(2015年：2至6個月)，如有公平值變動則立即於損益內確認。

於2016年3月31日，倘黃金市價上升或下跌10%，對黃金借貸的潛在影響及該年度的除稅後溢利的影響，將分別減少或增加約598.8百萬港元(2015年：773.8百萬港元)。

信貸風險

倘交易對手於各報告期末未能履行其責任，則本集團就各類已確認金融資產而面對的最大信貸風險，為綜合財務狀況表所列該等資產的賬面值。為盡量降低信貸風險，本集團管理層已委派一組人員專責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期債務。此外，於報告期末，本集團會檢討個別貿易債項的可收回金額，以確保能就不可收回金額作出足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大大降低。

本集團於貿易應收款項及應收貸款中並無高度集中的信貸風險，風險分散至多名交易對手。

由於銀行結餘乃存入具良好聲譽的銀行，故該等款項的信貸風險甚為輕微。

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

The management of the Group has built an appropriate liquidity risk management framework for the management of the Group's short and medium-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecasted and actual cash flows and the maturity profiles of its financial liabilities.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up to reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

		Weighted average interest rate 加權平均利率	On demand or less than 3 months 於要求時或3個月內 HK\$ million 百萬港元	3 months to 1 year 3個月至1年 HK\$ million 百萬港元	1 to 5 years 1至5年 HK\$ million 百萬港元	Total undiscounted cash flows 未貼現現金流量總額 HK\$ million 百萬港元	Carrying amount 賬面值 HK\$ million 百萬港元
Financial liabilities	金融負債						
At 31 March 2016	於2016年3月31日						
Trade and other payables	貿易及其他應付款項	-	830.2	-	-	830.2	830.2
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	-	161.2	-	-	161.2	161.2
Bank borrowings	銀行貸款	0.9%	7,324.8	-	614.2	7,939.0	7,920.0
Gold loans	黃金借貸	1.9%	6,389.7	139.0	-	6,528.7	6,513.3
			14,705.9	139.0	614.2	15,459.1	15,424.7

6. 金融工具 (續)

金融風險管理目標及政策 (續)

流動資金風險

本集團管理層已為本集團的短期及中期資金以及流動資金管理規定建立適當的流動資金風險管理框架。本集團透過維持銀行融資以及持續監察預測及實際現金流量及其金融負債之到期情況，管理流動資金風險。

下表為本集團之金融負債餘下合約到期日之詳情。該表格根據本集團可被要求支付金融負債之最早日期編製，以反映金融負債之未貼現現金流量。該表格包括利息及本金現金流量。

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

		Weighted average interest rate 加權平均利率	On demand or less than 3 months 於要求時或3個月內 HK\$ million 百萬港元	3 months to 1 year 3個月至1年 HK\$ million 百萬港元	1 to 5 years 1至5年 HK\$ million 百萬港元	Total undiscounted cash flows 未貼現現金流量總額 HK\$ million 百萬港元	Carrying amount 賬面值 HK\$ million 百萬港元
Financial liabilities	金融負債						
At 31 March 2015	於2015年3月31日						
Trade and other payables	貿易及其他應付款項	-	1,225.1	-	-	1,225.1	1,225.1
Amounts due to non- controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	-	197.3	-	-	197.3	197.3
Bank borrowings	銀行貸款	1.5%	6,760.2	-	-	6,760.2	6,750.6
Gold loans	黃金借貸	2.3%	7,537.6	825.1	-	8,362.7	8,338.3
			15,720.2	825.1	-	16,545.3	16,511.3

Notes:

- (i) The amounts included in above for variable rate bank borrowings are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.
- (ii) The amounts of gold loans are determined with reference to quoted market bid price of gold traded in active liquid markets.

6. 金融工具 (續)

金融風險管理目標及政策 (續)

流動資金風險 (續)

附註：

- (i) 倘若報告期末的浮息利率變動有別於已釐定的利率估計，上列浮息銀行貸款包括的數額或會改變。
- (ii) 黃金借貸的金額參照在高流通市場買賣之黃金市場買入報價釐定。

6. Financial Instruments (Continued)**Fair value measurements of financial instruments****(i) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis**

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of gold loans is determined using discounted cash flow valuation technique reference to quoted market bid price of gold traded in active liquid markets as a key input; and
- the fair value of convertible bonds is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The following table provides an analysis of convertible bonds and gold loans that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

		Level 1 第1級 HK\$ million 百萬港元	Level 2 第2級 HK\$ million 百萬港元	Level 3 第3級 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
At 31 March 2016	於2016年3月31日				
Financial assets	金融資產				
Convertible bonds	可兌換債券	–	–	17.8	17.8
Financial liabilities	金融負債				
Gold loans	黃金借貸	–	6,513.3	–	6,513.3
At 31 March 2015	於2015年3月31日				
Financial assets	金融資產				
Convertible bonds	可兌換債券	–	–	17.9	17.9
Financial liabilities	金融負債				
Gold loans	黃金借貸	–	8,338.3	–	8,338.3

6. 金融工具 (續)**金融工具公平值計量****(i) 按經營基準以公平值計量金融資產及金融負債之公平值**

金融資產及金融負債之公平值乃以下列各項釐定：

- 黃金借貸之公平值利用貼現現金流評估法釐定，其中參照在高流通市場買賣之黃金市場買入報價為主要輸入數據；及
- 可兌換債券之公平值乃根據公認定價模式，按照貼現現金流量分析釐定。

下表提供初步按公平值確認後計量之可兌換債券及黃金借貸，按照公平值觀察所得程度分為1至3級。

6. Financial Instruments (Continued)

Fair value measurements of financial instruments (Continued)

(i) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of convertible bonds

		HK\$ million 百萬港元
At 1 April 2014	於2014年4月1日	21.5
Currency realignment	貨幣調整	(3.6)
At 31 March 2015	於2015年3月31日	17.9
Currency realignment	貨幣調整	(0.1)
At 31 March 2016	於2016年3月31日	17.8

Fair value measurements and valuation processes

In estimating the fair value of convertible bonds, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group performs the valuation using discounted cash flow model with reference to comparable market data.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

6. 金融工具(續)

金融工具公平值計量(續)

(i) 按經營基準以公平值計量金融資產及金融負債之公平值(續)

可兌換債券第3級公平值計量之對賬

		HK\$ million 百萬港元
At 1 April 2014	於2014年4月1日	21.5
Currency realignment	貨幣調整	(3.6)
At 31 March 2015	於2015年3月31日	17.9
Currency realignment	貨幣調整	(0.1)
At 31 March 2016	於2016年3月31日	17.8

公平值計量及估值過程

在估計可兌換債券公平值時，本集團會利用其可得的市場可觀察數據。倘沒有第1級輸入數據，本集團會參照可比較市場數據利用貼現現金流量模型進行估值。

(ii) 並非按經營基準以公平值計量金融資產及金融負債之公平值

其他金融資產及金融負債之公平值乃根據公認定價模式，按照貼現現金流量分析釐定。

本公司董事認為，於綜合財務報表按攤銷成本入賬的金融資產及負債之賬面值與其公平值相約。

7. Revenue and Segment Information

Revenue represents the net amounts received and receivable for goods sold less returns and net of trade discounts.

For the purposes of resource allocation and performance assessment, information reported to the chief operating decision maker (the “CODM”), which comprises executive directors of the Company, mainly focuses on the location of management. Revenue derived from each location of management is further analysed into those from retail and wholesale markets when reviewed by CODM. The Group’s reportable and operating segments for the year ended 31 March 2015 included three segments, namely (i) jewellery business in the Mainland China, (ii) watch business in the Mainland China and (iii) business in Hong Kong, Macau and other markets. During the year ended 31 March 2016, for the purposes of better assessment of performance from each location and operation, the Group has further separated the business of Hearts On Fire Company, LLC (“Hearts On Fire”), where the operational decisions are made by the local management in the United States (the “US”), from business in Hong Kong, Macau and other markets. Comparative figures have been restated to conform with the current year’s presentation. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

7. 營業額及分部資料

營業額指已收及應收售出商品款項減退貨及交易折扣的淨額。

就資源分配及表現評估而向主要營運決策者（即本公司執行董事）報告的資料主要按管理所在地劃分。主要營運決策者在審閱時會進一步將各管理所在地所得營業額按零售及批發市場劃分進行分析。截至2015年3月31日止年度，本集團的可呈報營運分部包括三個分部，即(i)位於中國內地的珠寶業務；(ii)位於中國內地的鐘錶業務；及(iii)位於香港、澳門及其他市場的業務。截至2016年3月31日止年度，為更好評估各營運所在地的表現，本集團進一步將位於美國的Hearts On Fire Company, LLC（「Hearts On Fire」）業務（由當地管理層作出營運決策）與位於香港、澳門及其他市場的業務進行區分。本集團已重列比較數字以與本年度之呈報方式保持一致。釐定本集團可呈報分部時，概無將主要營運決策者所辨識的營運分部合併計算。

7. Revenue and Segment Information (Continued)

(a) An analysis of the Group's revenue and results by reportable segment:

For the year ended 31 March

7. 營業額及分部資料(續)

(a) 本集團營業額及業績的可呈報分部分析：

截至3月31日止年度

		Mainland China 中國內地				Hong Kong, Macau and other markets		Hearts On Fire (note i) (附註i)		Total 總計	
		Jewellery business 珠寶業務		Watch business 鐘錶業務		香港、澳門及其他市場					
		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Revenue	營業額										
External sales	外界銷售										
— Retail	— 零售	24,657.8	26,768.4	1,814.8	1,931.0	21,700.5	25,874.2	152.4	87.2	48,325.5	54,660.8
— Wholesale (note ii)	— 批發(附註ii)	7,197.8	9,142.8	–	–	465.2	159.8	603.0	313.6	8,266.0	9,616.2
Segment/group revenue	分部/集團營業額	31,855.6	35,911.2	1,814.8	1,931.0	22,165.7	26,034.0	755.4	400.8	56,591.5	64,277.0
Inter-segment sales (note iii)	分部間銷售 (附註iii)	419.6	560.6	–	–	2,272.0	3,094.9	2.1	20.1	2,693.7	3,675.6
		32,275.2	36,471.8	1,814.8	1,931.0	24,437.7	29,128.9	757.5	420.9	59,285.2	67,952.6
Adjusted gross profit	經調整毛利	9,485.7	10,616.0	354.9	472.1	5,883.9	7,909.6	350.4	184.8	16,074.9	19,182.5
Inter-segment eliminations	分部間撇銷	(7.4)	(68.2)	–	–	299.7	(380.6)	–	–	292.3	(448.8)
		9,478.3	10,547.8	354.9	472.1	6,183.6	7,529.0	350.4	184.8	16,367.2	18,733.7
Other income	其他收入	221.1	241.7	32.2	12.3	52.9	47.5	–	–	306.2	301.5
Selling and distribution costs and general and administrative expenses	銷售及分銷成本與 一般及行政開支	(6,275.4)	(7,040.3)	(447.2)	(456.2)	(4,431.6)	(4,593.4)	(469.2)	(254.5)	(11,623.4)	(12,344.4)
Core operating profit (loss)	主要經營溢利 (虧損)	3,424.0	3,749.2	(60.1)	28.2	1,804.9	2,983.1	(118.8)	(69.7)	5,050.0	6,690.8
Unrealised hedging (loss) gain on gold	黃金未變現對沖 (虧損) 收益									(725.8)	338.7
Others (note iv)	其他(附註iv)									(299.7)	(141.4)
Interest income	利息收入									154.6	151.5
Finance costs	融資成本									(243.0)	(380.5)
Profit before taxation	除稅前溢利									3,936.1	6,659.1
Other segment information included in measurement of segment profit or loss or segment assets:	計入分部損益或分 部資產計量的其 他分部資料：										
Concessionaire fees	專櫃分成	1,787.8	2,076.6	139.6	154.3	21.8	26.2	–	–	1,949.2	2,257.1
Operating lease payments in respect of rented premises	承租物業經營租賃 款項	214.0	191.6	36.7	41.6	1,788.5	1,583.7	39.2	23.1	2,078.4	1,840.0
Staff costs	員工成本	2,265.7	2,266.1	144.8	137.2	1,283.8	1,559.6	186.2	93.7	3,880.5	4,056.6

7. Revenue and Segment Information (Continued)

(a) An analysis of the Group's revenue and results by reportable segment: (Continued)

Notes:

- (i) Being operations managed by the management in the US.
- (ii) Wholesale mainly represents sales and provision of services to franchisees.
- (iii) Inter-segment sales are charged at a price mutually agreed by both parties.
- (iv) Amount represents other gains and losses, other expenses, share of results of an associate and a joint venture.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Core operating profit represents the profit generated from each segment without allocation of unrealised hedging (loss) gain on gold, other gains and losses, other expenses, share of results of an associate and a joint venture, interest income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Analysis of the Group's property, plant and equipment, investment properties and inventories by reportable segment:

As at 31 March

	Mainland China 中國內地				Hong Kong, Macau and other markets		Hearts On Fire		Total 總計	
	Jewellery business 珠寶業務		Watch business 鐘錶業務		香港、澳門及其他市場					
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
Property, plant and equipment 物業、廠房及設備	3,541.5	3,387.3	68.5	101.4	1,038.6	870.6	101.1	83.2	4,749.7	4,442.5
Investment properties 投資物業	-	-	-	-	272.9	508.9	-	-	272.9	508.9
Inventories 存貨	12,196.0	15,695.0	1,783.6	2,311.9	16,803.5	21,327.0	593.4	463.7	31,376.5	39,797.6

Segment assets and liabilities

Except for the above, no other assets and liabilities are included in the measures of the Group's segment reporting that are reviewed by the CODM. Accordingly, no segment assets and liabilities are presented.

7. 營業額及分部資料 (續)

(a) 本集團營業額及業績的可呈報分部分析：(續)

附註：

- (i) 指由美國當地管理層管理的業務。
- (ii) 批發主要指銷售及提供服務予加盟商。
- (iii) 分部間銷售按雙方協定之價格支銷。
- (iv) 該金額指其他收益及虧損、其他開支與分佔一家聯營公司及合資企業之業績。

可呈報分部的會計政策與附註3所述的本集團會計政策相同。主要經營溢利指在未分配黃金未變現對沖(虧損)收益、其他收益及虧損、其他開支、分佔一家聯營公司及合資企業之業績、利息收入及融資成本前各分部所產生的溢利。此為向主要營運決策者匯報以作資源分配及表現評估的計量基準。

(b) 按可呈報分部劃分的本集團物業、廠房及設備、投資物業及存貨分析：

於3月31日

分部資產及負債

除以上所述外，主要營運決策者審閱的本集團分部呈報計量並無計入其他資產及負債，因此並無呈列分部資產及負債。

7. Revenue and Segment Information (Continued)

(c) An analysis of the Group's revenue is as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Sales of	銷售		
— Gem-set jewellery	— 珠寶鑲嵌首飾	15,495.7	17,378.9
— Gold products	— 黃金產品	31,301.2	34,214.2
— Platinum/karat gold products	— 鉑金/K金產品	6,974.5	9,256.3
— Watches	— 鐘錶	2,785.5	3,427.6
Service income from franchisees	來自加盟商的服務收入	34.6	—
		56,591.5	64,277.0

No individual customer contributed over 10% of the total revenue of the Group in both years.

The Group's non-current assets, excluding loan receivables, interests in an associate and a joint venture, amount due from an associate and deferred tax assets, by geographical areas are as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Mainland China	中國內地	3,942.9	4,020.7
Hong Kong, Macau, the US and other markets	香港、澳門、美國及其他市場	2,089.2	2,117.7
		6,032.1	6,138.4

7. 營業額及分部資料(續)

(c) 本集團營業額分析如下：

兩個年度內，概無個別顧客佔本集團每年總營業額10%以上。

按地域位置劃分的本集團非流動資產(不包括應收貸款、於一家聯營公司及合資企業之權益、應收一家聯營公司款項及遞延稅項資產)分析如下：

8. Other Income

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Franchise income	加盟費收入	116.3	140.5
Government grants	政府補貼	77.7	64.3
Gain on scrap sales	廢料銷售收益	11.9	31.0
Rental income	租金收入	18.0	14.5
Others	其他	82.3	51.2
		306.2	301.5

8. 其他收入**9. Other Gains and Losses**

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Net foreign exchange loss	匯兌虧損淨額	(229.0)	(12.7)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(10.9)	(17.4)
Others	其他	(5.0)	(5.8)
		(244.9)	(35.9)

9. 其他收益及虧損**10. Interest Income and Finance Costs**

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Interest income from	利息收入		
— banks	— 銀行	111.8	125.1
— trade receivables	— 貿易應收款項	42.4	23.6
— loan receivables	— 應收貸款	0.4	2.8
		154.6	151.5
Finance costs on borrowings	借貸融資成本		
— gold loans	— 黃金貸款	174.4	231.6
— bank loans	— 銀行借貸	68.6	148.9
		243.0	380.5

10. 利息收入及融資成本

11. Profit before Taxation

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入):		
Directors' remuneration (note 12)	董事酬金(附註12)	47.7	80.4
Staff's retirement benefits scheme contributions	員工退休福利計劃供款	643.1	598.7
Staff costs	員工成本	3,189.7	3,377.5
		3,880.5	4,056.6
Allowance for doubtful debts	壞賬準備	19.5	-
Amortisation of other intangible assets	其他無形資產攤銷	41.4	24.0
Amortisation of land use rights	土地使用權攤銷	14.9	14.1
Auditors' remuneration	核數師酬金		
— audit services	— 核數服務	8.9	8.3
— non-audit services	— 非核數服務	6.1	4.2
Concessionaire fees	專櫃分成	1,949.2	2,257.1
Cost of inventories recognised as expenses	存貨成本確認為開支	39,153.6	43,847.5
Depreciation of property, plant and equipment	物業、廠房及設備折舊	837.0	730.6
Depreciation of investment properties	投資物業折舊	21.3	17.5
Donations (included in other expenses)	捐獻(計入其他開支內)	9.8	72.2
Fair value loss (gain) of gold loans (included in cost of goods sold)	黃金借貸的公平值虧損(收益) (計入銷售成本內)	542.1	(418.0)
Impairment of inventories (included in cost of goods sold)	存貨減值(計入銷售成本內)	74.2	-
Operating lease rentals in respect of rented premises	承租物業經營租賃租金	2,078.4	1,840.0

12. Directors', Chief Executives' and Employee's Emoluments

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Directors' fees	董事袍金	4.1	4.1
Other emoluments to directors	董事的其他酬金		
— salaries and other benefits	— 薪金及其他福利	25.2	25.3
— performance-based bonus	— 績效花紅	16.5	21.9
— retirement benefits scheme contributions	— 退休福利計劃供款	1.9	2.3
— share-based payments	— 以股份為基礎的支付	-	26.8
		47.7	80.4

11. 除稅前溢利

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入):		
Directors' remuneration (note 12)	董事酬金(附註12)	47.7	80.4
Staff's retirement benefits scheme contributions	員工退休福利計劃供款	643.1	598.7
Staff costs	員工成本	3,189.7	3,377.5
		3,880.5	4,056.6
Allowance for doubtful debts	壞賬準備	19.5	-
Amortisation of other intangible assets	其他無形資產攤銷	41.4	24.0
Amortisation of land use rights	土地使用權攤銷	14.9	14.1
Auditors' remuneration	核數師酬金		
— audit services	— 核數服務	8.9	8.3
— non-audit services	— 非核數服務	6.1	4.2
Concessionaire fees	專櫃分成	1,949.2	2,257.1
Cost of inventories recognised as expenses	存貨成本確認為開支	39,153.6	43,847.5
Depreciation of property, plant and equipment	物業、廠房及設備折舊	837.0	730.6
Depreciation of investment properties	投資物業折舊	21.3	17.5
Donations (included in other expenses)	捐獻(計入其他開支內)	9.8	72.2
Fair value loss (gain) of gold loans (included in cost of goods sold)	黃金借貸的公平值虧損(收益) (計入銷售成本內)	542.1	(418.0)
Impairment of inventories (included in cost of goods sold)	存貨減值(計入銷售成本內)	74.2	-
Operating lease rentals in respect of rented premises	承租物業經營租賃租金	2,078.4	1,840.0

12. 董事、最高行政人員及僱員酬金

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Directors' fees	董事袍金	4.1	4.1
Other emoluments to directors	董事的其他酬金		
— salaries and other benefits	— 薪金及其他福利	25.2	25.3
— performance-based bonus	— 績效花紅	16.5	21.9
— retirement benefits scheme contributions	— 退休福利計劃供款	1.9	2.3
— share-based payments	— 以股份為基礎的支付	-	26.8
		47.7	80.4

12. Directors', Chief Executives' and Employee's Emoluments (Continued)

Details of emoluments paid by the Group to the directors and the chief executives of the Company are as follows:

12. 董事、最高行政人員及僱員酬金 (續)

本集團向本公司董事及最高行政人員支付的酬金詳情如下：

		2016						2015					
		Director's fee	Salaries and other benefits	Performance based-bonus	Retirement benefits scheme contribution	Share-based payments	Total	Director's fee	Salaries and other benefit	Performance based-bonus	Retirement benefit scheme contribution	Share-based payments	Total
		董事袍金	薪金及其他福利	績效花紅	退休福利計劃供款	以股份為基礎的支付	總計	董事袍金	薪金及其他福利	績效花紅	退休福利計劃供款	以股份為基礎的支付	總計
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
Executive directors:	執行董事：												
Dr. Cheng Kar-Shun, Henry (Chairman)	鄭家純博士 (主席)	0.2	4.4	2.9	0.2	-	7.7	0.2	4.4	3.8	0.2	4.6	13.2
Mr. Wong Siu-Kee, Kent (Managing Director)	黃紹基先生 (董事總經理)	0.2	4.3	2.8	0.4	-	7.7	0.2	4.3	3.8	0.4	4.4	13.1
Dr. Cheng Chi-Kong, Adrian	鄭志剛博士	0.2	1.1	0.7	0.1	-	2.1	0.2	1.2	0.9	0.2	2.3	4.8
Mr. Cheng Chi-Heng, Conroy	鄭志恒先生	0.2	2.1	1.4	0.2	-	3.9	0.2	2.1	1.8	0.4	2.3	6.8
Mr. Chan Sai-Cheong	陳世昌先生	0.2	2.9	1.9	0.3	-	5.3	0.2	2.9	2.4	0.3	2.4	8.2
Mr. Suen Chi-Keung, Peter	孫志強先生	0.2	2.1	1.4	0.2	-	3.9	0.2	2.1	1.9	0.2	2.4	6.8
Mr. Chan Hiu-Sang, Albert	陳曉生先生	0.2	2.3	1.5	0.1	-	4.1	0.2	2.3	2.0	0.1	2.4	7.0
Mr. Cheng Ping-Hei, Hamilton	鄭炳熙先生	0.2	2.3	1.5	0.2	-	4.2	0.2	2.3	2.0	0.3	2.3	7.1
Mr. Liu Chun-Wai, Bobby (appointed on 1 January 2016) (note ii)	廖振為先生 (於2016年1月1日獲委任) (附註 ii)	-	0.5	0.2	-	-	0.7	-	-	-	-	-	-
Non-executive directors:	非執行董事：												
Mr. Cheng Kam-Biu, Wilson	鄭錦標先生	0.2	1.6	1.1	0.1	-	3.0	0.2	1.6	1.4	0.1	1.1	4.4
Mr. Koo Tong-Fat (retired on 1 January 2016) (note iii)	古堂發先生 (於2016年1月1日退任) (附註 iii)	0.2	1.6	1.1	0.1	-	3.0	0.2	2.1	1.9	0.1	1.1	5.4
Independent non-executive directors:	獨立非執行董事：												
Mr. Cheng Ming-Fun, Paul	鄭明訓先生	0.4	-	-	-	-	0.4	0.4	-	-	-	0.3	0.7
Dr. Fung Kwok-King, Victor	馮國經博士	0.4	-	-	-	-	0.4	0.4	-	-	-	0.3	0.7
Mr. Kwong Che-Keung, Gordon	鄺志強先生	0.5	-	-	-	-	0.5	0.5	-	-	-	0.3	0.8
Mr. Lam Kin-Fung, Jeffrey	林健鋒先生	0.4	-	-	-	-	0.4	0.4	-	-	-	0.3	0.7
Dr. Or Ching-Fai, Raymond	柯清輝博士	0.4	-	-	-	-	0.4	0.4	-	-	-	0.3	0.7
Total	總計	4.1	25.2	16.5	1.9	-	47.7	4.1	25.3	21.9	2.3	26.8	80.4

Notes:

- (i) The performance-based bonus is discretionary based on the Group's financial results and directors' performance decided by the management of the Group.
- (ii) Mr. Liu Chun-Wai, Bobby was appointed as an executive director on 1 January 2016. The amount of his emoluments shown on the above table covers the period from the date of his appointment to 31 March 2016.
- (iii) Mr. Koo Tong-Fat as a non-executive director retired on 1 January 2016. The amount of his emoluments shown on the above table covers the period from 1 April 2015 to the date of his resignation.

附註：

- (i) 績效花紅乃由本集團管理層按本集團的財務業績及董事表現酌情釐定。
- (ii) 廖振為先生於2016年1月1日起獲委任為執行董事。於上表中呈列的金額為他於委任日至2016年3月31日的酬金。
- (iii) 古堂發先生於2016年1月1日起退任非執行董事。於上表中呈列的金額為他於2015年4月1日至退任日的酬金。

12. Directors', Chief Executives' and Employee's Emoluments (Continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.

The five highest paid individuals included four directors (2015: five) of the Company, details of whose emoluments are included above. The emoluments of the remaining highest paid individual during the year were as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Employee	僱員		
— salaries and other benefits	— 薪金及其他福利	4.8	N/A 不適用
— performance-based bonus	— 績效花紅	—	N/A 不適用
— retirement benefits scheme contributions	— 退休福利計劃供款	—	N/A 不適用
		4.8	N/A 不適用

The emoluments were within the following bands:

		2016 Number of employee 僱員數目	2015 Number of employee 僱員數目
HK\$4,500,001 to HK\$5,000,000	4,500,001 港元至 5,000,000 港元	1	N/A 不適用

During the year ended 31 March 2016 and 2015, no emoluments were paid by the Group to the directors and the chief executives of the Company or the five highest paid individuals (including directors, the chief executives and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors have waived any emoluments during the year ended 31 March 2016 and 31 March 2015.

12. 董事、最高行政人員及僱員酬金 (續)

上文所示之執行董事酬金主要有關彼等就管理本公司及本集團事務提供服務。上文所示之非執行董事及獨立非執行董事酬金主要有關彼等擔任本公司董事職務。

五名最高酬金人士包括本公司四名董事(2015年：五名)，彼等薪酬詳情載於上文。年內餘下最高酬金人士的薪酬如下：

其薪酬乃介乎下列範圍：

		2016 Number of employee 僱員數目	2015 Number of employee 僱員數目
HK\$4,500,001 to HK\$5,000,000	4,500,001 港元至 5,000,000 港元	1	N/A 不適用

截至2016年及2015年3月31日止年度，本集團並無向本公司董事及最高行政人員或五名最高酬金人士(包括董事、最高行政人員及僱員)支付酬金，以吸引彼等加入或當加入本集團時的獎勵或作為離職補償。截至2016年3月31日及2015年3月31日止年度並無任何董事放棄任何薪酬。

13. Taxation

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
The taxation charge comprises:	稅項開支包括：		
Current tax:	即期稅項：		
Enterprise Income Tax ("EIT") in Mainland China	中國內地企業所得稅	377.1	842.8
Hong Kong Profits Tax	香港利得稅	128.9	472.9
Macau complementary tax	澳門所得補充稅	54.3	82.1
Taxation in other jurisdictions	其他司法地區之稅項	1.9	2.0
		562.2	1,399.8
(Over)underprovision in prior years:	過往年度(超額撥備)撥備不足：		
EIT in Mainland China	中國內地企業所得稅	(22.7)	0.1
Hong Kong Profits Tax	香港利得稅	(0.9)	(1.2)
Macau complementary tax	澳門所得補充稅	-	4.4
		(23.6)	3.3
Deferred tax charge (credit) (note 24)	遞延稅項扣除(計入)(附註24)	388.2	(307.8)
Withholding tax*	預扣稅*	30.4	28.0
		957.2	1,123.3

* Withholding tax mainly represents withholding tax on intra-group licence income and interest income from Mainland China.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Enterprise Income Tax Law (the "EIT Law") of the People's Republic of China ("PRC") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in Mainland China is 25% for both years.

For certain subsidiaries of the Company in Mainland China, they are entitled to the tax incentives in connection with the development of the western part of Mainland China. The applicable tax rate is 15% for both years.

Macau complementary tax is calculated at the maximum progressive rate of 12% on the estimated assessable profit for both years.

13. 稅項

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
The taxation charge comprises:	稅項開支包括：		
Current tax:	即期稅項：		
Enterprise Income Tax ("EIT") in Mainland China	中國內地企業所得稅	377.1	842.8
Hong Kong Profits Tax	香港利得稅	128.9	472.9
Macau complementary tax	澳門所得補充稅	54.3	82.1
Taxation in other jurisdictions	其他司法地區之稅項	1.9	2.0
		562.2	1,399.8
(Over)underprovision in prior years:	過往年度(超額撥備)撥備不足：		
EIT in Mainland China	中國內地企業所得稅	(22.7)	0.1
Hong Kong Profits Tax	香港利得稅	(0.9)	(1.2)
Macau complementary tax	澳門所得補充稅	-	4.4
		(23.6)	3.3
Deferred tax charge (credit) (note 24)	遞延稅項扣除(計入)(附註24)	388.2	(307.8)
Withholding tax*	預扣稅*	30.4	28.0
		957.2	1,123.3

* 預扣稅主要指集團內公司間中國內地授權收入及利息收入預扣稅。

香港利得稅乃按兩個年度的估計應課稅溢利按16.5%稅率計算。

根據中華人民共和國企業所得稅法及其實施細則，中國內地附屬公司的稅率兩年均為25%。

本公司若干中國內地附屬公司獲有關中國內地西部發展的稅項優惠。兩個年度的適用稅率均為15%。

澳門所得補充稅乃按兩個年度的估計應課稅溢利按最高累進稅率12%計算。

13. Taxation (Continued)

Taxation charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Profit before taxation	除稅前溢利	3,936.1	6,659.1
Tax at the applicable income tax rate — (Mainland China: 25%; Hong Kong: 16.5%; Macau: 12%)	按適用所得稅率計算的稅項 — (中國內地：25%；香港：16.5%；澳門：12%)	798.6	1,319.4
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	45.8	39.0
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(73.4)	(81.9)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	113.2	34.3
Utilisation of tax losses previously not recognised	動用先前未確認的稅項虧損	(1.0)	(1.3)
Tax effect of tax exemptions and incentives granted to certain subsidiaries in Mainland China	若干中國內地附屬公司稅項豁免及優惠的稅務影響	(5.6)	(10.6)
Withholding tax on undistributed profits of subsidiaries in Mainland China	中國內地附屬公司未分派溢利預扣稅	73.7	(216.3)
(Over)underprovision in prior years	過往年度(超額撥備)撥備不足	(23.6)	3.3
Withholding tax	預扣稅	30.4	28.0
Others	其他	(0.9)	9.4
Taxation charge for the year	年內稅項支出	957.2	1,123.3

At 31 March 2016, the Group has tax losses of HK\$672.8 million (2015: HK\$294.3 million) not recognised as deferred tax assets. All of the unrecognised tax losses may be carried forward indefinitely, except for HK\$336.5 million (2015: HK\$177.3 million) which will be expired as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Tax losses expiring in	稅項虧損將於以下年份屆滿		
— 2017	— 2017年	0.8	2.7
— 2018	— 2018年	3.2	4.8
— 2019	— 2019年	111.7	125.4
— 2020	— 2020年	41.5	44.4
— 2021	— 2021年	179.3	—
		336.5	177.3

Also, at 31 March 2016, the Group has deductible temporary differences of HK\$5.5 million (2015: HK\$11.3 million) of which deferred taxation has not been recognised. Tax effect of such deductible temporary differences as at 31 March 2016 was HK\$0.9 million (2015: HK\$1.9 million).

13. 稅項 (續)

年內稅項支出可與綜合損益及其他全面收益表除稅前溢利對賬如下：

於2016年3月31日，本集團未確認為遞延稅項資產的稅項虧損為672.8百萬港元(2015年：294.3百萬港元)。所有未確認稅項虧損可無限期結轉，惟336.5百萬港元(2015年：177.3百萬港元)將於下列時間屆滿：

此外，於2016年3月31日，本集團尚未就此確認遞延稅項的可扣減暫時性差異為5.5百萬港元(2015年：11.3百萬港元)。上述於2016年3月31日可扣減暫時性差異的稅務影響為0.9百萬港元(2015年：1.9百萬港元)。

13. Taxation (Continued)

Under the EIT Law of the PRC, withholding tax of 5% to 10% (2015: 5% to 10%) is imposed on dividends declared in respect of profits earned by subsidiaries in Mainland China from 1 January 2008 onwards. Based on the dividend distribution plan of the management, retained profits as at 31 March 2016 amounting to HK\$6,086.7 million (2015: HK\$7,325.5 million) will be distributed as dividend in the foreseeable future, while the remaining retained profits amounting to HK\$9,130.0 million (2015: HK\$10,628.9 million) has been set aside for reinvestment and will not be distributed in the foreseeable future.

14. Earnings per Share

The calculation of the basic earnings per share for the year is based on the consolidated profit attributable to shareholders of the Company for the year and on the number of 10,000,000,000 (2015: 10,000,000,000) shares in issue during the year.

No diluted earnings per share is presented as there were no potential ordinary shares during both years.

15. Dividends

Subsequent to the end of the reporting period, a final dividend of HK8.0 cents per share and a special dividend of HK22.0 cents per share, totalling approximately HK\$3,000.0 million in respect of the year ended 31 March 2016 (2015: a final dividend of HK15.0 cents per share, totalling approximately HK\$1,500.0 million) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

13. 稅項(續)

根據中國企業所得稅法，中國內地的附屬公司須就自2008年1月1日起所賺取溢利在宣派股息時繳交介乎5%至10%（2015年：5%至10%）之預扣稅。根據管理層的股息分派計劃，於2016年3月31日的保留溢利合共6,086.7百萬港元（2015年：7,325.5百萬港元）將在可見將來作為股息分派，而餘下保留溢利合共9,130.0百萬港元（2015年：10,628.9百萬港元）已保留作再投資用途，不會在可見將來分派。

14. 每股盈利

年度每股基本盈利是基於本公司股東應佔年內綜合溢利，以及年內已發行股份10,000,000,000股（2015年：10,000,000,000股）計算。

由於兩個年度並無潛在普通股，故並無呈列每股攤薄盈利。

15. 股息

	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Dividends recognised as distribution during the year: 於本年度確認為分派之股息：		
2016 Interim — HK50.0 cents (2015: 2015 Interim — HK13.0 cents) per share	5,000.0	1,300.0
2015 Final — HK15.0 cents (2015: 2014 Final — HK19.0 cents) per share	1,500.0	1,900.0
	6,500.0	3,200.0

於報告期末後，本公司董事建議就截至2016年3月31日止年度派付末期股息每股8.0港仙及特別股息每股22.0港仙，合共約3,000.0百萬港元（2015年：末期股息每股15.0港仙，合共約1,500.0百萬港元），惟須待股東於應屆股東大會上批准方告作實。

16. Property, Plant and Equipment

16. 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$ million 百萬港元	Plant and machinery 廠房及機器 HK\$ million 百萬港元	Furniture, fixtures and equipment 傢俬、裝置及設備 HK\$ million 百萬港元	Leasehold improvements 租賃物業裝修 HK\$ million 百萬港元	Motor vehicles 汽車 HK\$ million 百萬港元	Construction in progress 在建工程 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
COST	成本							
At 1 April 2014	於2014年4月1日	1,711.9	228.0	1,456.1	1,507.0	45.9	399.3	5,348.2
Currency realignment	貨幣調整	1.5	(3.3)	0.6	1.8	(1.5)	0.8	(0.1)
Additions	添置	394.3	93.5	413.4	390.1	8.3	746.3	2,045.9
Acquired on acquisition of subsidiaries (note 34(a))	因收購附屬公司而購入(附註34(a))	-	-	6.9	75.3	-	-	82.2
Transfer	轉撥	450.0	-	-	11.5	-	(461.5)	-
Disposals	出售	-	(5.5)	(92.6)	(3.7)	(1.3)	-	(103.1)
Transferred from investment properties	轉自投資物業	22.7	-	-	-	-	-	22.7
At 31 March 2015	於2015年3月31日	2,580.4	312.7	1,784.4	1,982.0	51.4	684.9	7,395.8
Currency realignment	貨幣調整	(112.9)	(20.2)	(42.2)	(92.9)	(2.2)	(36.1)	(306.5)
Additions	添置	204.5	29.8	365.3	275.0	2.9	267.3	1,144.8
Transfer	轉撥	4.1	-	-	1.5	-	(5.6)	-
Disposals	出售	-	(1.6)	(80.1)	(18.9)	(2.1)	-	(102.7)
Transferred from investment properties	轉自投資物業	214.7	-	-	-	-	-	214.7
At 31 March 2016	於2016年3月31日	2,890.8	320.7	2,027.4	2,146.7	50.0	910.5	8,346.1
DEPRECIATION	折舊							
At 1 April 2014	於2014年4月1日	268.2	52.4	902.0	1,045.8	25.7	-	2,294.1
Currency realignment	貨幣調整	0.4	(1.2)	0.6	1.6	-	-	1.4
Provided for the year	年內撥備	96.8	28.2	314.8	281.9	8.9	-	730.6
Eliminated on disposals	出售撇銷	-	(3.1)	(67.6)	(0.8)	(1.3)	-	(72.8)
At 31 March 2015	於2015年3月31日	365.4	76.3	1,149.8	1,328.5	33.3	-	2,953.3
Currency realignment	貨幣調整	(19.4)	(5.9)	(26.4)	(68.6)	(1.3)	-	(121.6)
Provided for the year	年內撥備	131.9	32.8	344.9	319.8	7.6	-	837.0
Eliminated on disposals	出售撇銷	-	(0.7)	(68.5)	(1.0)	(2.1)	-	(72.3)
At 31 March 2016	於2016年3月31日	477.9	102.5	1,399.8	1,578.7	37.5	-	3,596.4
CARRYING VALUES	賬面值							
At 31 March 2016	於2016年3月31日	2,412.9	218.2	627.6	568.0	12.5	910.5	4,749.7
At 31 March 2015	於2015年3月31日	2,215.0	236.4	634.6	653.5	18.1	684.9	4,442.5

16. Property, Plant and Equipment (Continued)

The carrying values of the Group's properties (including construction in progress) are analysed as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
In Hong Kong	香港	645.8	441.3
In Mainland China	中國內地	2,676.5	2,457.1
In South Africa	南非	1.1	1.5
		3,323.4	2,899.9

16. 物業、廠房及設備 (續)

本集團物業(包括在建物業)的賬面值分析如下:

17. Land Use Rights

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Carrying amount	賬面值		
At 1 April	於4月1日	253.2	188.8
Currency realignment	貨幣調整	(12.2)	(0.1)
Additions	添置	–	78.6
Charged to profit or loss during the year	於年內自損益扣除	(14.9)	(14.1)
At 31 March	於3月31日	226.1	253.2
Analysed for reporting purposes as:	下列各項就報告用途的分析:		
Current assets (included in trade and other receivables)	流動資產(包括在貿易及其他應收款項內)	14.5	15.3
Non-current assets	非流動資產	211.6	237.9
		226.1	253.2

17. 土地使用權

18. Investment Properties

18. 投資物業

HK\$ million
百萬港元

COST	成本	
Arising from acquisition of subsidiaries (note 34(b))	收購附屬公司產生的款項(附註34(b))	549.1
Transferred to property, plant and equipment	轉讓至物業、廠房及設備	(23.5)
At 31 March 2015	於2015年3月31日	525.6
Transferred to property, plant and equipment	轉讓至物業、廠房及設備	(228.8)
At 31 March 2016	於2016年3月31日	296.8
DEPRECIATION	折舊	
Provided for the year	年內撥備	17.5
Transferred to property, plant and equipment	轉讓至物業、廠房及設備	(0.8)
At 31 March 2015	於2015年3月31日	16.7
Provided for the year	年內撥備	21.3
Transferred to property, plant and equipment	轉讓至物業、廠房及設備	(14.1)
At 31 March 2016	於2016年3月31日	23.9
CARRYING VALUES	賬面值	
At 31 March 2016	於2016年3月31日	272.9
At 31 March 2015	於2015年3月31日	508.9

The fair value of the Group's investment properties at 31 March 2016 was HK\$328.3 million (2015: HK\$559.8 million). The fair value has been arrived at based on a valuation carried out by the Knight Frank Petty Limited ("Knight Frank"), an independent property valuer not connected with the Group (whose address is 4/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong), in accordance with the HKIS Valuation Standards (2012 Edition) issued by Hong Kong Institute of Surveyors. Knight Frank is a member of the Hong Kong Institute of Surveyors, and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

本集團的投資物業於2016年3月31日的公平值為328.3百萬港元(2015年：559.8百萬港元)，由與本集團無關連的獨立物業估值師萊坊測計師行有限公司(「萊坊」)(地址為香港灣仔港灣道6-8號瑞安中心4樓)根據香港測量師學會頒佈之香港測量師學會估值準則(2012年版)進行之估值而釐定。萊坊為香港測量師學會成員之一，並有合適資格及近期有對相關物業估值的經驗。

18. Investment Properties (Continued)

The fair value was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The capitalisation rate is determined by reference to the yields derived from analysing the sales transactions of similar properties in Hong Kong and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2016 and 31 March 2015 are as follows:

		Level 3 第三級 HK\$ million 百萬港元	Fair value 公平值 HK\$ million 百萬港元
At 31 March 2016	於2016年3月31日		
Industrial property units located in Hong Kong	位於香港的工業物業單位	272.9	328.3
At 31 March 2015	於2015年3月31日		
Industrial property units located in Hong Kong	位於香港的工業物業單位	508.9	559.8

The above investment properties are depreciated on a straight-line basis over 20 years.

18. 投資物業 (續)

該公平值乃根據收入法估值。該等物業之所有可出租單位之市場租金按投資者就此類物業預期之市場收益率評估及貼現。市場租金參考該等物業可出租單位之租金以及鄰近類似物業的其他出租情況作評估。貼現率乃參考香港類似物業銷售交易所得之收益率，並就物業投資者之市場預期作出調整以反映本集團投資物業特有之因素。

於評估該等物業的公平值時，該等物業之最高及最佳用途為彼等目前用途。

本集團投資物業詳情及有關於2016年3月31日及2015年3月31日公平值等級的資料如下：

上述投資物業以直線法按20年計提折舊。

19. Goodwill

19. 商譽

HKS million
百萬港元

COST AND CARRYING VALUES	成本及賬面值	
Arising from acquisition of Hearts On Fire (note 34(a)) during the year ended 31 March 2015, at 31 March 2015 and 31 March 2016	截至 2015 年 3 月 31 日止年度收購 Hearts On Fire 產生的款項 (附註 34(a))、 於 2015 年 3 月 31 日和 2016 年 3 月 31 日	257.8

The recoverable amount of the cash-generating units arising from Hearts On Fire is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a 5-year (2015: 5-year) period, and a discount rate of 11.0%–14.3% (2015: 11.5%) per annum.

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that 5-year period have been extrapolated using the projected long-term average growth rate for the luxury jewellery industry. In the opinion of the directors, no impairment loss was required for the year ended 31 March 2016 and 31 March 2015. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the group of units to exceed the aggregate its recoverable amount.

Hearts On Fire 所產生的現金產生單位的可收回金額乃根據使用價值進行計算 (基於董事所批准涵蓋 5 年 (2015 年 : 5 年) 之財政預算, 使用每年 11.0%–14.3% (2015 年 : 11.5%) 之貼現率以現金流預測法進行計算) 而釐定。

該預算期間的現金流預測基於相同的預期毛利率及整個預算期內原材料價格上漲。而超過 5 年的現金流則使用預期名貴珠寶行業長期平均增長率推算。董事認為, 截至 2016 年 3 月 31 日及 2015 年 3 月 31 日止年度無須減值虧損。董事相信, 可收回金額所依據的關鍵假設的任何合理可能變動, 不會造成單位組別賬面值超過其可收回金額總額。

20. Other Intangible Assets

20. 其他無形資產

		Trademarks and patents 商標及專利 HK\$ million 百萬港元
COST	成本	
Arising from acquisition of Hearts On Fire (note 34(a)) during the year ended 31 March 2015 and at 31 March 2015	截至 2015 年 3 月 31 日止年度收購 Hearts On Fire 產生的款項 (附註 34(a)) 及於 2015 年 3 月 31 日	421.2
Additions	添置	51.7
At 31 March 2016	於 2016 年 3 月 31 日	472.9
ACCUMULATED AMORTISATION	累計攤銷	
Provided for the year	年內撥備	24.0
At 31 March 2015	於 2015 年 3 月 31 日	24.0
Provided for the year	年內撥備	41.4
At 31 March 2016	於 2016 年 3 月 31 日	65.4
CARRYING VALUES	賬面值	
At 31 March 2016	於 2016 年 3 月 31 日	407.5
At 31 March 2015	於 2015 年 3 月 31 日	397.2

The trademarks and patents are amortised with useful life of 5 to 15 years.

該等商標及專利按可使用年期 5 至 15 年攤銷。

21. Interest in an Associate/Amount due from an Associate

During the year ended 31 March 2016, the Group contributed RMB36.0 million (approximately HK\$44.0 million) for 30.0% of the registered capital of Shenzhen Qianhai Chow Tai Fook Hong Kong Goods Centre Co., Ltd. ("Qianhai CTF") which was established in Mainland China in the current year. Qianhai CTF is engaged in operating a shopping complex in Qianhai, Shenzhen in Mainland China.

The Group is able to exercise significant influence over Qianhai CTF because it has the power to appoint two out of seven directors of Qianhai CTF under the provisions stated in the Articles of Association of Qianhai CTF, representing 28.6% of voting rights held by the Group as at 31 March 2016.

21. 於一家聯營公司之權益／應收一家聯營公司款項

截至2016年3月31日止年度，本集團於本年度對深圳前海周大福港貨中心有限公司（「前海周大福」，於中國內地註冊成立）注資人民幣36.0百萬元（約44.0百萬港元），佔註冊資本的30.0%。前海周大福於中國深圳前海經營購物中心。

根據前海周大福的組織章程細則，本集團於前海周大福合共7名的董事中有權委任其中2名，佔本集團截至2016年3月31日所持投票權的28.6%，因此本集團對前海周大福有重大影響力。

		2016 HK\$ million 百萬港元
Cost of unlisted investment	非上市投資成本	44.0
Share of losses	應佔虧損	(3.6)
Share of translation reserve	應佔換算儲備	(0.7)
		39.7
Amount due from the associate (note)	應收聯營公司款項(附註)	82.8

Note: Amount is unsecured, interest-free and has no fixed repayment terms. The directors of the Company do not expect to demand for repayment from the associate within 12 months from the end of the reporting period.

附註：該款項為無抵押、免息及無固定還款期。本公司董事預期不會要求聯營公司於報告期結算日起計12個月內償還款項。

Details of the associate are set out as below:

聯營公司的詳情載列如下：

Name of company 公司名稱	Place of incorporation and principal place of operation 註冊成立地點及主要營業地點	Issued and fully paid registered capital 已發行及繳足註冊股本	Proportion of ownership interest held by the Group 本集團所佔擁有權益比例 2016	Principal activity 主要業務
Qianhai CTF 前海周大福	Mainland China 中國內地	RMB120,000,000 人民幣120,000,000元	30%	Operating a shopping complex in Mainland China 於中國內地經營購物中心

21. Interest in an Associate/Amount due from an Associate (Continued)

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs. The associate is accounted for using the equity method in these consolidated financial statements.

		2016 HK\$ million 百萬港元
Current assets	流動資產	25.4
Non-current assets	非流動資產	216.3
Current liabilities	流動負債	(26.5)
Non-current liabilities	非流動負債	(82.8)
Revenue	營業額	20.0
Loss for the year	本年度虧損	(11.9)
Other comprehensive expense for the year	本年度其他全面開支	(2.4)
Total comprehensive expense for the year	本年度全面開支總額	(14.3)

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

		2016 HK\$ million 百萬港元
Net asset of an associate	聯營公司資產淨值	132.4
Proportion of the Group's ownership interest in an associate	本集團於聯營公司之擁有權權益百分比	30%
Carrying amount of the Group's interest in an associate	本集團於聯營公司之權益賬面值	39.7

21. 於一家聯營公司之權益／應收一家聯營公司款項 (續)

有關本集團聯營公司的財務資料概要載列如下。下列財務資料概要反映該聯營公司根據國際財務報告準則編製的財務報表所示的金額。該聯營公司以權益法於此等綜合財務報表入賬。

上述財務資料概要與於綜合財務報表確認於一家聯營公司之權益賬面值對賬：

22. Interest in a Joint Venture

22. 於一家合資企業之權益

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Cost of unlisted investment	非上市投資成本	14.0	14.0
Share of losses	應佔虧損	(14.0)	(14.0)
		-	-

Details of the joint venture are set out as below:

合資企業的詳情載列如下：

Name of company 公司名稱	Place of incorporation and principal place of operation 註冊成立地點及主要營業地點	Issued and fully paid ordinary shares 已發行及繳足股款普通股	Proportion of ownership interest and voting power held by the Group 本集團所佔擁有權權益及投票權比例		Principal activity 主要業務
			2016	2015	
Fook Ming Watch Limited 福名鐘錶有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000 港元	50%	50%	Sales of watches in Mainland China 於中國內地的鐘錶銷售

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs. The joint venture is accounted for using the equity method in these consolidated financial statements.

有關本集團合資企業的財務資料概要載列如下。下列財務資料概要反映該合資企業根據國際財務報告準則編製的財務報表所示的金額。該合資企業以權益法於此等綜合財務報表入賬。

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Current assets	流動資產	51.6	40.5
Non-current assets	非流動資產	8.3	9.5
Current liabilities	流動負債	(91.7)	(55.4)
Revenue	營業額	39.9	34.2
Loss for the year	本年度虧損	(26.0)	(27.0)
Other comprehensive expense for the year	本年度其他全面開支	(0.4)	(0.2)
Total comprehensive expense for the year	本年度全面開支總額	(26.4)	(27.2)

22. Interest in a Joint Venture (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Net liabilities of a joint venture	合資企業負債淨額	(31.8)	(5.4)
Proportion of the Group's ownership interest in a joint venture	本集團於合資企業之擁有權權益百分比	50%	50%
Effect of unrecognised portion of share of loss of a joint venture	應佔合資企業虧損未確認部份的影響	15.9	2.7
Carrying amount of the Group's interest in a joint venture	本集團於合資企業之權益賬面值	-	-

23. Loan Receivables

Loan receivables represent loan to staff and are classified as current or non-current assets based on contractual terms and taking into account the timing of recovery as expected by the management. As at 31 March 2016 and 2015, there are no past due but not impaired loan receivables. All loan receivables were secured over certain properties in Hong Kong, the fair value of which exceeds the carrying amount of the related loan on an individual basis.

All loan receivables are denominated in functional currency of the relevant group entity.

22. 於一家合資企業之權益 (續)

上述財務資料概要與於綜合財務報表確認於一家合資企業之權益賬面值對賬：

23. 應收貸款

應收貸款指員工貸款，基於合約條款及考慮管理層預期的可收回時間而被分類為流動或非流動資產。於2016年及2015年3月31日，概無已逾期但未減值的應收貸款。全部應收貸款已以香港若干物業作抵押，而各公平值均大於其相關貸款的賬面值。

所有應收貸款按相關集團實體的功能貨幣列值。

24. Deferred Taxation

The followings are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior years:

		Unrealised fair value change of gold loans in Mainland China 中國內地黃金借貸之未變現公平值變動 HK\$ million 百萬港元	Withholding tax on undistributed profits of subsidiaries in Mainland China 中國內地附屬公司未分派溢利之預扣稅 HK\$ million 百萬港元	Unrealised profit on inventories 存貨之未變現溢利 HK\$ million 百萬港元	Amortisation and depreciation 攤銷及折舊 HK\$ million 百萬港元	Tax losses 稅項虧損 HK\$ million 百萬港元	Others 其他 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
At 1 April 2014	於2014年4月1日	4.8	628.0	(703.1)	-	-	-	(70.3)
Arising from acquisition of subsidiaries	收購附屬公司產生的款項	-	-	-	6.0	(22.8)	-	(16.8)
Charge (credit) to profit or loss (note 13)	扣除(計入)損益(附註13)	44.4	(216.3)*	(113.4)	(27.1)	1.1	3.5	(307.8)
Utilised during the year	年內使用	-	(8.2)	-	-	-	-	(8.2)
Currency realignment	貨幣調整	0.1	0.7	(0.8)	-	-	-	-
At 31 March 2015	於2015年3月31日	49.3	404.2	(817.3)	(21.1)	(21.7)	3.5	(403.1)
(Credit) charge to profit or loss (note 13)	(計入)扣除損益(附註13)	(92.5)	73.7*	406.6	(8.7)	3.1	6.0	388.2
Utilised during the year	年內使用	-	(148.7)	-	-	-	-	(148.7)
Currency realignment	貨幣調整	(0.4)	(20.6)	24.5	-	-	-	3.5
At 31 March 2016	於2016年3月31日	(43.6)	308.6	(386.2)	(29.8)	(18.6)	9.5	(160.1)

* Under the EIT Law of PRC, a 10% withholding tax is imposed on dividends declared to foreign investors in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

Pursuant to approvals from the relevant PRC government obtained by certain subsidiaries of the Group and reassessment of dividend distribution plan, certain of these subsidiaries should be entitled to a withholding tax at the rate of 5% for dividend payments. Therefore, the amount included reversal of excessive withholding tax of HK\$24.7 million in 2016 (2015: HK\$279.2 million).

24. 遞延稅項

以下為於本年度及過往年度本集團已確認主要遞延稅項負債(資產)以及有關變動:

* 根據中國企業所得稅法，自2008年1月1日起，凡就中國的附屬公司賺取的溢利向境外投資者宣派股息，均須徵收10%之預扣稅。

按照本集團若干附屬公司取得中國有關政府的批准及重估股息分派計劃，若干該等附屬公司應有權以優惠稅率5%繳納派付股息之預扣稅。因此，於2016年，包括超額支付預扣稅之撥回的金額為24.7百萬港元(2015年：279.2百萬港元)。

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為就財務報告用途所作遞延稅項結餘分析:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Deferred tax assets	遞延稅項資產	(478.2)	(860.1)
Deferred tax liabilities	遞延稅項負債	318.1	457.0
		(160.1)	(403.1)

25. Inventories

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Raw materials for:	生產以下產品的原材料：		
Gem-set jewellery	珠寶鑲嵌首飾	4,757.6	6,705.6
Gold products	黃金產品	415.7	1,040.5
Platinum/karat gold products	鉑金／K金產品	111.0	174.6
		5,284.3	7,920.7
Finished goods:	製成品：		
Gem-set jewellery	珠寶鑲嵌首飾	13,000.2	14,061.3
Gold products	黃金產品	7,773.8	10,723.1
Platinum/karat gold products	鉑金／K金產品	2,496.4	3,492.8
Watches	鐘錶	2,689.7	3,447.2
		25,960.1	31,724.4
Packing materials	包裝物料	132.1	152.5
		31,376.5	39,797.6

25. 存貨

26. Trade and Other Receivables

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Trade receivables	貿易應收款項	2,287.6	3,536.5
Less: Allowance for doubtful debts	減：壞賬準備	(19.5)	-
		2,268.1	3,536.5
Prepayments to suppliers	向供應商預付款項	600.2	854.8
Deposits	按金	546.9	532.1
Land use rights charged within one year	一年內支銷的土地使用權	14.5	15.3
Other tax recoverables	其他可回收稅項	998.0	719.0
Others	其他	177.5	127.7
		4,605.2	5,785.4

26. 貿易及其他應收款項

26. Trade and Other Receivables (Continued)

As at 31 March 2016, trade receivables of HK\$84.7 million and HK\$23.9 million (2015: HK\$103.1 million and HK\$59.3 million) are due from entities in which certain directors of the Company, who are also shareholders of the Company, have beneficial interests in both the Company and those entities, and non-controlling shareholders of the subsidiaries, respectively.

The Group's sales to retail customers are mainly on cash basis. Sales to certain customers are on credit with credit period up to 6 months. For sales through concessionaire stores, the Group usually allow 30 days credit period to these receivables.

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximates to the respective revenue recognition dates:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
0 to 30 days	0至30日	1,738.2	3,149.7
31 to 90 days	31至90日	375.5	285.0
91 to 180 days	91至180日	118.6	62.3
Over 180 days	180日以上	35.8	39.5
		2,268.1	3,536.5

In determining the recoverability of the trade receivables, the Group monitors change in the credit quality of the trade receivables since the credit was granted and up to the reporting date. The directors of the Company considered that the trade receivables that are neither past due nor impaired to be of a good credit quality.

As at 31 March 2016, included in the trade receivable balances are receivables of HK\$87.7 million (2015: HK\$411.8 million) carrying a variable interest rate ranging from 6.4% to 7.4% (2015: 7.4% to 8.4%) per annum, and HK\$241.0 million (2015: nil) carrying a fixed interest rate of 6.4% to 7.4% per annum.

Also, as at 31 March 2016, included in the trade receivable balances are trade receivables with aggregate carrying amount of HK\$154.4 million (2015: HK\$101.8 million) which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in the credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

26. 貿易及其他應收款項(續)

於2016年3月31日，貿易應收款項84.7百萬港元及23.9百萬港元(2015年：103.1百萬港元及59.3百萬港元)分別來自於具本公司及該等實體受益權的本公司若干董事(亦為本公司股東)之實體以及附屬公司非控股股東。

本集團對零售顧客的銷售以現金為主，而向若干顧客的銷售則以賒銷形式，信貸期最多為6個月。就專櫃的銷售而言，本集團一般就該等應收款項給予30日的信貸期。

以下為根據發票日期呈列，於報告期末的貿易應收款項的賬齡分析，結算日與各自之收益確認日期相若：

於釐定貿易應收款項的可收回程度時，本集團監察自授出信貸起直至報告日有關貿易應收款項信貸質素的變動。本公司董事認為，貿易應收款項既未逾期亦未減值，信貸質素良好。

於2016年3月31日，計入貿易應收款項結餘中的計息應收款項分別為87.7百萬港元(2015年：411.8百萬港元)及241.0百萬港元(2015年：零)，分別按介乎6.4%至7.4%(2015年：7.4%至8.4%)的浮動年利率及介乎6.4%至7.4%的固定年利率計算。

此外，於2016年3月31日，計入貿易應收款項結餘為於報告日期已逾期的總賬面值為154.4百萬港元的貿易應收款項(2015年：101.8百萬港元)。由於信貸質素並無出現重大變動且根據過往經驗認為該等款項為可收回，故本集團並無計提減值虧損撥備。本集團並未就該等結餘持有任何抵押品。

26. Trade and Other Receivables (Continued)

During the year ended 31 March 2016, an allowance for doubtful debt of HK\$19.5 million is recognised based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial positions.

Ageing of trade receivables, based on the invoice date, which are past due but not impaired

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
91 to 180 days	91 至 180 日	118.6	62.3
Over 180 days	180 日以上	35.8	39.5
		154.4	101.8

Movement in the allowance for doubtful debts

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
At 1 April	於 4 月 1 日	-	-
Impairment losses recognised	已確認減值虧損	19.5	-
At 31 March	於 3 月 31 日	19.5	-

26. 貿易及其他應收款項 (續)

截至 2016 年 3 月 31 日止年度，19.5 百萬港元的壞賬準備乃基於參考對方過往違約經驗及對對方當前財務狀況的分析而釐定的估計不可收回金額確認。

根據發票日期已逾期但未減值的貿易應收款項的賬齡**壞賬準備之變動**

27. Convertible Bonds

During the year ended 31 March 2012, the Group invested in an unlisted convertible bonds with principal amount of Australian Dollar (“AUS”) \$3,000,000, bearing interest at 8.0% per annum and an original maturity date of 31 December 2014, issued by a private entity (the “Issuer”) which is principally engaged in agriculture and wholesale of pearls in Australia. The convertible bond was renewed during the year ended 31 March 2015 and the coupon interest was changed to 7.0% per annum with a maturity date of 31 December 2016 (the “Maturity Date”). The Group is entitled at any time after the date of issue up to the Maturity Date to redeem the convertible notes in cash or pearls or combination of both to the value of the principal amount outstanding or convert the convertible notes into ordinary shares of the Issuer. The convertible notes comprised debt component and embedded derivatives being the conversion option and the Group’s early redemption option. Such convertible bonds are designated as at fair value through profit or loss and in the opinion of the directors of the Company, the fair value of the convertible notes is substantially the same as the carrying amount.

28. Pledged Bank Deposits/Bank Balances and Cash

During the year ended 31 March 2016, the bank deposits carry interest at the prevailing market rate of about 0.01% to 7.1% (2015: 0.01% to 6.1%) per annum.

As at 31 March 2016, the Group’s cash and cash equivalents denominated in RMB were HK\$7,891.3 million (2015: HK\$6,031.9 million). The RMB is not freely convertible into other currencies, however, under the PRC’s Foreign Exchange Control Regulations in Mainland China and the Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct business in foreign currency.

Included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the relevant group entities:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
RMB	人民幣	536.3	1,084.3
US\$	美元	334.9	477.1

27. 可兌換債券

截至2012年3月31日止年度，本集團投資一項非上市可兌換債券，本金金額為3,000,000澳元，年利率8.0%，原始到期日為2014年12月31日，由主要在澳洲從事珍珠培植及批發的私營實體（「發行人」）發行。可兌換債券於截至2015年3月31日止年度續期，票面年利率變更為7.0%，到期日為2016年12月31日。本集團有權於發行日起至到期日任何時候以現金或珍珠或兩者混合兌換價值相當於可兌換債券未償還本金金額或將其轉換為發行人的普通股。可換股票據包括負債成份及嵌入式衍生工具，即換股權及本集團之提早贖回權。該可兌換債券指定為按公平值計入損益，而本公司董事認為，可兌換債券的公平值與賬面值大致相同。

28. 已抵押銀行存款／銀行結餘及現金

截至2016年3月31日止年度，銀行存款按當時市場年利率介乎約0.01%至7.1%（2015年：介乎0.01%至6.1%）計息。

於2016年3月31日，本集團按人民幣列值的現金及現金等價物為7,891.3百萬港元（2015年：6,031.9百萬港元）。人民幣並不可自由兌換為其他貨幣；然而，根據於中國內地的中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過特許銀行進行外幣業務，將人民幣兌換為外幣。

計入銀行結餘及現金的款項為下列按有關貨幣（並非有關集團實體的功能貨幣）列值的款項：

29. Trade and Other Payables

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Trade payables	貿易應付款項	399.7	840.4
Deposits received from franchisees/customers	自加盟商／顧客收取的按金	2,503.7	1,652.5
Other tax payables	其他應付稅項	268.5	306.4
Accruals	應計費用	373.6	390.9
Accrued staff costs	應計員工成本	360.1	423.0
Interest payables	應付利息	31.6	59.5
Others	其他	398.9	325.2
		4,336.1	3,997.9

Deposits received from franchisees/customers mainly represent prepayments made by franchisees in Mainland China for jewellery products. The amounts are unsecured and interest-free.

The Group normally receives credit terms of 7 to 180 days from its suppliers. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
0 to 30 days	0 至 30 日	305.8	631.3
31 to 90 days	31 至 90 日	12.0	36.7
91 to 180 days	91 至 180 日	4.5	130.7
Over 180 days	180 日以上	77.4	41.7
		399.7	840.4

29. 貿易及其他應付款項

自加盟商／顧客收取的按金主要指中國內地加盟商購買珠寶產品支付之預付款項。該款項為無抵押及免息。

本集團一般自其供應商取得的信貸期為介乎 7 日至 180 日不等。以下為根據發票日期於各報告期末的貿易應付款項的賬齡分析：

30. Amounts Due to Non-Controlling Shareholders of Subsidiaries

The balances are unsecured, interest-free and repayable on demand.

30. 應付附屬公司非控股股東款項

結餘為無抵押、免息及按要求可予償還。

31. Bank Borrowings

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Unsecured bank loans	無抵押銀行貸款	7,920.0	6,750.6
The carrying amounts of the above borrowings are repayable*:	以上借貸之賬面值按下列期限償還*：		
Within one year	一年內	7,320.0	6,750.6
More than two years, but not exceeding five years	兩年以上，但不超過五年	600.0	—
		7,920.0	6,750.6
Less: Amounts due within one year shown under current liabilities	減：流動負債項下所示一年內到期的款項	(7,320.0)	(6,750.6)
Amount shown under non-current liabilities	非流動負債項下所示款項	600.0	—

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

31. 銀行貸款

	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Unsecured bank loans	7,920.0	6,750.6
The carrying amounts of the above borrowings are repayable*:		
Within one year	7,320.0	6,750.6
More than two years, but not exceeding five years	600.0	—
	7,920.0	6,750.6
Less: Amounts due within one year shown under current liabilities	(7,320.0)	(6,750.6)
Amount shown under non-current liabilities	600.0	—

* 到期款項乃以貸款協議所載計劃還款日期為依據。

The bank borrowings carry variable interest rates ranged from 0.7% to 0.8% over Hong Kong Interbank Offered Rate ("HIBOR") per annum (2015: ranged from 0.7% to 0.8% over HIBOR per annum or 90% to 92% of The Peoples' Bank of China Standard Loan Interest Rate).

As at 31 March 2016, the range of interest rates on the bank borrowings were 0.9% to 1.0% (2015: 0.9% to 5.2%) per annum.

All bank borrowings are denominated in functional currency of relevant group entities.

銀行貸款按浮動年利率計息，年利率為香港銀行同業拆息（「香港銀行同業拆息」）加介乎0.7%至0.8%（2015年：年利率為香港銀行同業拆息加介乎0.7%至0.8%或中國人民銀行貸款基準利率90%至92%）。

於2016年3月31日，有關銀行貸款的年利率介乎0.9%至1.0%（2015年：0.9%至5.2%）。

所有銀行貸款按有關集團實體的功能貨幣列值。

32. Gold Loans

The amounts represent unsecured borrowings from banks and the amounts payable are pegged with gold prices.

As at 31 March 2016, the gold loans carry fixed interest rates of 1.2% to 2.7% (2015: 1.2% to 3.2%) per annum, with original maturity of 1 to 4 months (2015: 2 to 6 months) from date of inception.

Gold loans were borrowed to reduce the impact of fluctuations in gold prices on gold inventories. Gold loans were designated as financial liabilities at fair value through profit or loss.

Included in gold loans are the following amounts denominated in currencies other than functional currency of the relevant group entities:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
US\$	美元	3,184.0	3,639.8

33. Share Capital

		2016 and 2015 2016 年及 2015 年 HK\$ million 百萬港元
Authorised:	法定：	
50,000,000,000 ordinary share of HK\$1 each	50,000,000,000 股每股面值 1 港元之普通股	50,000.0
Issued and fully paid:	已發行及繳足：	
10,000,000,000 ordinary shares of HK\$1 each	10,000,000,000 股每股面值 1 港元之普通股	10,000.0

There were no change in the Company's authorised, issued and fully paid capital in both years.

32. 黃金借貸

該款項乃指無抵押銀行貸款，而應付款項與黃金價格掛鈎。

於 2016 年 3 月 31 日，黃金借貸按年利率 1.2% 至 2.7% (2015 年：年利率 1.2% 至 3.2%) 的固定利率計息，原到期日為授出日起 1 至 4 個月 (2015 年：2 至 6 個月)。

借取黃金借貸目的在於減低黃金存貨受黃金價格波動的影響。黃金借貸指定為按公平值計入損益的金融負債。

計入黃金借貸為下列按有關貨幣 (並非有關集團實體的功能貨幣) 列值的款項：

33. 股本

兩個年度內，本公司之法定、已發行及繳足股本概無改變。

34. Acquisition of Subsidiaries

During the year ended 31 March 2015, for the purpose of business expansion, the Group had acquired controlling equity interests of the following entities, using acquisition method:

- (a) In August 2014, a subsidiary of the Group acquired 100% equity interest in Hearts On Fire, a company engaged in sales of premium diamond jewellery, from independent third parties. The cash consideration was finalised at an amount of approximately HK\$1,187.7 million. The primary reason for the acquisition is to introduce an exclusive and unique premium luxury diamond jewellery line to the Group's existing diversified product offering, particularly in the Group's retail network.

Details of consideration of the acquisition are as follows:

		HK\$ million 百萬港元
Consideration satisfied by cash	以現金支付代價	1,187.7

Acquisition-related costs amounting to HK\$22.5 million were excluded from the consideration transferred and were recognised as an expense during the year ended 31 March 2015, within the other expenses line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities assumed recognised at the date of acquisition were as follows:

		HK\$ million 百萬港元
Property, plant and equipment	物業、廠房及設備	82.2
Other intangible assets	其他無形資產	421.2
Inventories	存貨	343.7
Trade and other receivables	貿易及其他應收款項	273.9
Trade and other payables	貿易及其他應付款項	(191.1)
		929.9

34. 收購附屬公司

於截至2015年3月31日止年度，為擴充業務，本集團以收購法收購以下實體的控股權：

- (a) 在2014年8月，本集團一家附屬公司向獨立第三方收購Hearts On Fire（從事高級鑽石銷售的公司）的全部股權。現金代價落實約為1,187.7百萬港元。收購主要是為本集團現有多元化的產品組合（特別是本集團零售網絡的產品組合）新增獨一無二的高檔名貴鑽石產品。

收購代價詳情如下：

	HK\$ million 百萬港元
Consideration satisfied by cash	1,187.7

收購相關成本22.5百萬港元並不計入所轉讓的代價，而於截至2015年3月31日止年度確認為開支，列入綜合損益及其他全面收益表的其他開支項目。

於收購日確認的已收購資產及所承擔負債如下：

	HK\$ million 百萬港元
Property, plant and equipment	82.2
Other intangible assets	421.2
Inventories	343.7
Trade and other receivables	273.9
Trade and other payables	(191.1)
	929.9

34. Acquisition of Subsidiaries (Continued)

(a) (continued)

Goodwill arising on acquisition

		HK\$ million 百萬港元
Consideration transferred	轉讓代價	1,187.7
Less: Fair values of identifiable net assets acquired	減：所收購的可識別資產淨值公平值	(929.9)
Goodwill arising on acquisition	由收購所產生的商譽	257.8
Analysis of net outflow of cash and cash equivalents in connection with the acquisition of subsidiaries:	收購附屬公司產生的現金及現金等價物流出淨額分析：	
Cash and cash equivalent balances acquired	所收購現金及現金等價物結餘	-
Less: Cash considerations paid	減：已支付的現金代價	(1,187.7)
		(1,187.7)

The goodwill arose in the acquisition of Hearts On Fire included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Hearts On Fire. Both the goodwill and other intangible assets are expected to be deductible for income tax purpose.

Revenue and loss attributable to the acquisition during the year are HK\$400.8 million and HK\$32.3 million, respectively. Had the above acquisition completed on 1 April 2014, total group revenue and profit for the year ended 31 March 2015 would have been HK\$64,612.2 million and HK\$5,536.4 million, respectively. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the above acquisition been completed on 1 April 2014, respectively, nor is it intended to be a projection of future results.

- (b) In July 2014, a subsidiary of the Group acquired 100% property interests in World Peace Centre, an industrial building in Kwai Chung, Hong Kong through the acquisition of 100% equity interest in Eagle Planet Limited and Fortune Ruby Limited. The property acquired was classified as investment properties by the acquiree companies and were at the time of acquisition, rented to the Group's companies and other lessees. The acquisition is accounted for as purchase of assets at a cash consideration of HK\$860.5 million from a related party, being an entity in which certain directors of the Company have beneficial interests. At date of acquisition, the Group recognised investment properties of HK\$549.1 million and property, plant and equipment of HK\$300.9 million based on the floor areas leased out to other lessees and floor areas occupied by the Group, respectively.

34. 收購附屬公司 (續)

(a) (續)

收購產生商譽

		HK\$ million 百萬港元
Consideration transferred	轉讓代價	1,187.7
Less: Fair values of identifiable net assets acquired	減：所收購的可識別資產淨值公平值	(929.9)
Goodwill arising on acquisition	由收購所產生的商譽	257.8
Analysis of net outflow of cash and cash equivalents in connection with the acquisition of subsidiaries:	收購附屬公司產生的現金及現金等價物流出淨額分析：	
Cash and cash equivalent balances acquired	所收購現金及現金等價物結餘	-
Less: Cash considerations paid	減：已支付的現金代價	(1,187.7)
		(1,187.7)

收購 Hearts On Fire 產生的商譽包括預期協同效益、收益增長、日後市場發展及 Hearts On Fire 員工的相關金額。商譽及其他無形資產預期均會減免所得稅。

於年內，收購應佔的營業額及虧損分別為 400.8 百萬港元及 32.3 百萬港元。倘上述收購於 2014 年 4 月 1 日完成，截至 2015 年 3 月 31 日止年度的集團總營業額及溢利分別應為 64,612.2 百萬港元及 5,536.4 百萬港元。備考資料僅供參考，未必代表倘以上收購事項於 2014 年 4 月 1 日完成時本集團可取得的實際營業額及經營業績，有關備考資料亦並非未來業績的預測。

- (b) 在 2014 年 7 月，本集團一家附屬公司通過收購 Eagle Planet Limited 及 Fortune Ruby Limited 全部股權而收購世和中心（位於香港葵涌的一棟工業大廈）的全部物業權益。所收購的公司將所收購的物業列作投資物業，收購當時租予本集團的公司及其他承租人。以現金代價 860.5 百萬港元從關連方（即本公司若干董事擁有受益權的實體）購入，按購買資產的方式入賬。於收購日期，本集團基於出租予其他承租人的建築面積與本身所佔用的建築面積確認投資物業 549.1 百萬港元與物業、廠房及設備 300.9 百萬港元。

35. Operating Lease Commitments

The Group as lessee

At the end of each reporting period, the Group was committed to make the following future minimum lease payments which represent lease payments of its rented premises, under non-cancellable operating leases which fall due as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Within one year	一年內	1,466.4	1,467.5
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	1,435.5	1,830.3
Over five years	五年以後	472.6	485.0
		3,374.5	3,782.8

Included in above are commitments to entities in which certain directors* of the Company have beneficial interests:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Within one year	一年內	164.6	132.4
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	163.4	194.5
Over five years	五年以後	380.3	408.9
		708.3	735.8

* The directors also have beneficial interests in the Company.

There are certain lease arrangements for rented premises, according to which the Group is committed to pay minimum guaranteed amounts and additional monthly payments determined based on monthly sales levels.

35. 經營租賃承擔

本集團作為承租人

於各報告期末，本集團承諾會就根據不可撤銷的經營租賃於下列到期時間作出未來最低租金付款(代表承租物業的租金)為：

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Within one year	一年內	1,466.4	1,467.5
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	1,435.5	1,830.3
Over five years	五年以後	472.6	485.0
		3,374.5	3,782.8

計入上文所述為向本公司若干董事*擁有受益權的實體之承擔：

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Within one year	一年內	164.6	132.4
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	163.4	194.5
Over five years	五年以後	380.3	408.9
		708.3	735.8

* 董事亦擁有本公司的受益權。

根據若干承租物業的租賃安排，本集團承諾支付最低擔保金額及根據每月銷售水平釐定的每月額外付款。

35. Operating Lease Commitments (Continued)**The Group as lessee** (Continued)

There are concessionaire arrangements for concessionaire stores according to which the Group is committed to pay either minimum guaranteed amounts or concessionaire fees that are based on prescribed rates of corresponding sales depending on product categories, whichever is higher. The minimum guaranteed amounts are not material and the concessionaire fees paid during the year were all determined based on sales level.

Majority of leases with fixed rentals and concessionaire arrangement are negotiated for terms ranging from 1 year to 3 years.

The Group as lessor

Property rental income earned during the year was HK\$18.0 million (2015: HK\$14.5 million). All of the Group's investment properties are held for rental purposes. All of the properties held have committed tenants for the next 1 to 3 years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Within one year	一年內	8.6	12.8
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	12.9	19.4
		21.5	32.2

36. Capital Commitments

Capital expenditure contracted but not provided for in respect of the acquisition of property, plant and equipment

就收購物業、廠房及設備已訂約但未撥備的資本開支

	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
	412.7	403.0

35. 經營租賃承擔 (續)**本集團作為承租人** (續)

本集團就專櫃設有專櫃安排，據此，本集團承諾視乎產品類別按規定相關銷售額之百分率支付最低保證金或專櫃分成(以較高者為準)。最低擔保金額並不重大，本年度支付的全部專櫃分成乃根據銷售水平釐定。

大部份租約及專櫃安排乃經磋商後釐定，租期一年至三年內租金不變。

本集團作為出租人

於年內賺取之物業租金收入為18.0百萬港元(2015年：14.5百萬港元)。本集團所有投資物業均持作租賃。所持有之全部物業於未來一至三年均有已承諾租賃之租戶。

於報告期末，本集團與租戶所訂租約的未來最低租金付款如下：

37. Retirement Benefits Obligations

Defined contribution scheme

The Group participates in defined contribution schemes which are registered under the Hong Kong Occupational Retirement Scheme Ordinance (the "ORSO" Scheme) and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Hong Kong Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of independent trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The retirement benefit cost charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable to the funds by the Group at rates specified in the rules of the schemes. Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employee. The maximum monthly amount of contribution is limited to HK\$1,000 per employee, which was revised to HK\$1,250 with effect from 1 June 2012 and further revised to HK\$1,500 with effect from 1 June 2014.

The eligible employees of the Company's subsidiaries in Mainland China and Macau are members of pension schemes operated by local government of Mainland China and the Macau government, respectively. The subsidiaries in Mainland China are required to contribute a certain percentage of the relevant cost of the payroll of these employees to the pension schemes to fund the benefits. The subsidiary in Macau is required to pay a monthly fixed contribution to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contribution under the schemes.

37. 退休福利承擔

定額供款計劃

本集團已參與根據香港職業退休計劃條例註冊的定額供款計劃（「職業退休計劃條例計劃」）及於2000年12月根據香港強制性公積金條例成立的強制性公積金計劃（「強積金計劃」）。該等計劃資產與本集團的資產分開處理，由獨立受託人控制的基金持有。凡於成立強積金計劃前已參與職業退休計劃條例計劃的僱員可選擇繼續留用職業退休計劃條例計劃或轉用強積金計劃，而所有於2000年12月1日或之後加入本集團的新僱員則須參加強積金計劃。

自綜合損益及其他全面收益表扣除的退休福利成本指本集團按計劃規則指定的比率應付予基金的供款。倘僱員於全數供款歸屬前退出職業退休計劃條例計劃，本集團應付供款將按已沒收供款扣減。

就強積金計劃的成員而言，本集團須向強積金計劃就相關工資成本作5%供款，該筆供款與僱員的供款額一致。每月供款的最高金額為每位僱員1,000港元，自2012年6月1日起已修訂為1,250港元，自2014年6月1日起進一步修訂為1,500港元。

本公司中國內地及澳門附屬公司的合資格僱員為中國內地當地政府及澳門政府營運的退休金計劃成員，中國內地及澳門附屬公司須分別按有關僱員薪金總額成本的若干百分比就彼等退休金計劃供款及每月向退休福利計劃支付定額供款，作為福利供款。本集團有關退休福利計劃的唯一責任為根據該等計劃作出所須供款。

37. Retirement Benefits Obligations (Continued)**Defined benefit scheme**

Certain subsidiaries of the Company provide defined pension benefits to the employees, who joined to these subsidiaries before 1995. The amount payable is dependent on the employees' final salary and years of services. The Group does not set aside any assets to fund such obligations.

Under the scheme, the employees are entitled to a pension between 25% and 40% of final salary for each year of pensionable service at an age of 65. No other post-retirement benefits are provided. The most recent actuarial valuations of the present value of the defined benefit obligations were carried out in March 2016 by Roma Appraisals Limited ("Roma"), an independent qualified professional valuer, using the projected unit credit method. The principal place of business of Roma is Unit 3806, 38/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. The assumptions which have the most significant effect on the results of the valuation are discount rate, retirement age, turnover rate, mortality rate and the rate of increase in salaries.

The main actuarial assumptions used were as follows:

		2016	2015
Discount rate	貼現率	1.2%	1.6%
Expected rate of salary increase	預期薪金增加比率	2.5%	3.0%
Turnover rate	周轉率	0%	0%

Amounts recognised in comprehensive income in respect of the defined benefit scheme are as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Current service cost	現時服務成本	3.9	4.1
Interest on obligation	承擔的利息	2.8	3.5
Components of defined benefits recognised in profit or loss	於損益確認的定額福利部份	6.7	7.6
Remeasurement on defined benefit scheme recognised in other comprehensive income:	於其他全面收益確認的定額福利計劃重新計量：		
Actuarial loss arising from changes in financial assumptions	財務假設改變所產生的精算虧損	2.1	19.0
Total	總額	8.8	26.6

37. 退休福利承擔 (續)**定額福利計劃**

本公司若干附屬公司向於 1995 年前加入該等附屬公司的僱員提供定額退休金福利。應付款項取決於僱員最後的薪金及服務年期。本集團並無留存任何資產以支付有關承擔。

根據該計劃，僱員於年屆 65 歲時就每年提供可獲退休金的服務按介乎最後薪金 25% 至 40% 享有退休金。本集團並無提供其他退休後福利。最近的定額福利承擔現值精算估值乃於 2016 年 3 月由獨立合資格估值師羅馬國際評估有限公司 (「羅馬」) 採用預計單位貸記法進行。羅馬的主要營業地點為香港灣仔港灣道 26 號華潤大廈 38 樓 3806 室。對估值結果最具影響的假設乃貼現率、退休年齡、周轉率、死亡率及薪金的升幅。

所使用的主要精算假設如下：

就定額福利計劃於全面收益確認的款項如下：

37. Retirement Benefits Obligations (Continued)

Defined benefit scheme (Continued)

The current services cost and interest on obligation for the year ended 31 March 2016 and 2015 are included in “selling and distribution costs” and “general and administrative expenses” depending on the respective employee’s function.

The remeasurement of the defined benefit scheme for the year ended 31 March 2016 and 2015 is included in other comprehensive income.

Movements in the present value of the defined benefit obligations are as follows:

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
At 1 April	於4月1日	243.3	225.0
Service costs	服務成本	3.9	4.1
Interest costs	利息成本	2.8	3.5
Actuarial loss	精算虧損	2.1	19.0
Benefits paid	已支付福利	(8.7)	(8.3)
At 31 March	於3月31日	243.4	243.3

37. 退休福利承擔(續)

定額福利計劃(續)

截至2016年及2015年3月31日止年度的現時服務成本及承擔的利息按各自的僱員職能計入「銷售及分銷成本」及「一般及行政開支」項。

截至2016年及2015年3月31日止年度的定額福利計劃重新計量計入其他全面收益。

定額福利承擔現值變動如下：

38. Share Option Scheme

Pursuant to a resolution which were passed on 17 November 2011, the Company adopted a share option scheme (the "Share Option Scheme") for the purpose of attracting skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Under the Share Option Scheme, the directors of the Company may grant options to directors (including executive directors, non-executive directors and independent non-executive directors), the directors of the subsidiaries and the employees of the Group and any other persons (including consultants or advisers) who the directors of the Company consider, in its absolute discretion, have contributed or will contribute to the Group (the "Participants").

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on 17 November 2011. An offer of the grant of an option shall be made to a Participant by a notice of grant requiring the Participant to undertake to hold the option on the terms on which it is to be granted (which may include a minimum period for which the option must be held before it can be exercised and a performance target that must be reached before the option can be exercised in whole or in part) and to be bound by the terms of the Share Option Scheme. An offer of the grant of an option is deemed to be accepted by the Participant (the "Grantee") when the Company receives from the Grantee the duplicate notice of grant duly signed by the Grantee. An offer may be accepted or deemed to have been accepted in respect of less than the number of shares in respect of which it is offered, provided that it is accepted in respect of a board lot or an integral multiple thereof. No amount is payable by the Grantee upon acceptance of an offer of an option. The offer shall remain open for acceptance for such time to be determined by the directors of the Company, provided that no such offer shall be open for acceptance after the expiry of the Share Option Scheme or after the termination of the Share Option Scheme in accordance with its terms or after the Participant to whom the offer is made has ceased to be a Participant. To the extent that the offer is not accepted within the time period and in the manner specified in the offer, the offer will be deemed to have been irrevocably declined.

The exercise price shall be determined by the directors of the Company, and shall not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant.

During the year ended 31 March 2016 and 2015, no such share options were granted nor exercised by the Company.

38. 購股權計劃

根據於2011年11月17日通過的決議案，本公司採納購股權計劃（「購股權計劃」），旨在通過提供獲取本公司股權的機會吸引有技能和經驗的人員，激勵彼等留任本集團，鼓勵其為本集團的未來發展及擴展而努力。根據購股權計劃，本公司董事會可向其全權酌情認為對本集團作出或將作出貢獻的董事（包括執行董事、非執行董事及獨立非執行董事）、附屬公司的董事、本集團的僱員以及任何其他人士（包括諮詢人或顧問）（「參與者」）授出購股權。

購股權計劃的有效期為10年，自2011年11月17日開始。授出購股權的要約須以授出通知的形式向參與者作出，要求參與者承諾按授出條款持有購股權（可能包括行使購股權前最短持有期限，及全部或部份行使購股權前須達到的表現目標），並受購股權計劃條款約束。倘本公司接獲經承授人正式簽署的授出通知副本，則授出購股權的要約會被視為已獲參與者（「承授人」）接納。承授人接納或視為接納的要約，所涉及的股份數目可較所提呈的要約所涉及者為少，惟所接納的須為一手買賣單位或其整數倍數。承授人接納購股權要約時毋須繳付任何金額。有關要約於本公司董事會釐定的期間內一直可供接納，惟於購股權計劃期限屆滿或購股權計劃根據其條款終止後或獲作出要約的參與者不再為參與者後，則不再可供接納。倘要約於時限內未按要約所指明方式接納，將視為已不可撤回地拒絕有關要約。

行使價須由本公司董事會釐定，並不得低於以下較高者：(i) 授出日期本公司股份的收市價；(ii) 緊接授出日期前五個交易日股份平均收市價；及(iii) 授出日期本公司股份的面值。

截至2016年及2015年3月31日止年度，本公司並無授出或行使任何該等購股權。

39. Related Party Transactions

- (i) Other than the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had entered into the following related party transactions during the year:

Relationship 關係	Nature of transactions 交易性質	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	
Entities in which certain directors* of the Company have beneficial interests 本公司若干董事*擁有受益權的實體	Advertising expenses 廣告開支	10.7	11.2	
	Concessionaire fees in department stores 百貨公司專櫃分成	74.0	90.6	
	Rental expenses 租金開支	198.4	194.6	
	Purchase of goods and coupons and commission expenses 購買貨品及禮券以及佣金開支	0.7	37.1	
	Sales of goods and coupons 銷售貨品及禮券	41.0	53.6	
	Purchases of land and buildings 購買土地及樓宇	–	66.0	
	Rental income 租金收入	10.9	7.2	
	Acquisition of patents 收購專利	51.7	–	
	Purchase of equipment 購買設備	11.4	–	
	Licence fee 授權費用	5.3	–	
	Acquisition of subsidiaries (note 34(b)) 收購附屬公司(附註34(b))	–	860.5	
	Entities in which a director# of the Company has significant influence 本公司一名董事#具重大影響的實體	Concessionaire fees in department stores 百貨公司專櫃分成	–	19.1
	Non-controlling shareholders of subsidiaries 附屬公司非控股股東	Concessionaire fees in department stores 百貨公司專櫃分成	10.5	13.7
Franchise sales 加盟銷售		293.7	607.5	
Entities in which a close family member of certain directors* of the Company has control 本公司若干董事*的近親家屬成員 擁有控制權的實體	Engineering services fee 工程服務費	28.6	9.5	
	Rental expenses 租金開支	21.6	21.6	

39. 關聯方交易

- (i) 除綜合財務報表內其他地方披露的交易及結餘外，本集團已於年內訂立下列關聯方交易：

39. Related Party Transactions (Continued)

- * The directors also have beneficial interests in the Company.
- * The directors lost significant influence over the related party during the year ended 31 March 2016.

Apart from the aforementioned transactions, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company had, directly or indirectly, a material interest at any time during the year.

- (ii) Remuneration paid for key management personnel includes the directors and the chief executives of the Company as disclosed in note 12.

The remuneration of the directors and the chief executives of the Company is determined by the remuneration committee having regard to the performance of individuals and market trends.

40. Principal Subsidiaries of the Company

Details of the Company's principal subsidiaries at the end of the reporting period are set out below:

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立／設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本／ 註冊資本／配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2016	2015	
Highrise Achiever Limited* 擇天有限公司*	BVI 20 June 2011 英屬維爾京群島 2011年6月20日	Share US\$1 股本 1 美元	100%	100%	Investment holding 投資控股
Bentley Trading Limited 栢力貿易有限公司	Hong Kong 10 January 2008 香港 2008年1月10日	Ordinary shares HK\$10,000 普通股 10,000 港元	100%	100%	Trading of diamond 鑽石買賣
Chow Tai Fook Jewellery Company Limited 周大福珠寶金行有限公司	Hong Kong 6 March 1961 香港 1961年3月6日	Ordinary shares HK\$350,000,000 普通股 350,000,000 港元	100%	100%	Sales of jewellery products 珠寶產品銷售
CTF Diamond Trading Company Limited 大福鑽石貿易有限公司	Hong Kong 19 September 2003 香港 2003年9月19日	Ordinary shares HK\$100 普通股 100 港元	100%	100%	Procurement of diamond 鑽石採購

39. 關聯方交易 (續)

- * 董事亦擁有本公司的受益權。
- * 董事於截至2016年3月31日止年度失去對關聯方的重大影響。

除上述交易外，本公司於本年度內任何時間，並無簽訂其他本公司董事在其中直接或間接享有重大利益之重要交易、安排及合約。

- (ii) 支付予主要管理人員的酬金包括附註12披露的本公司董事及最高行政人員。

本公司董事及最高行政人員的酬金是經由薪酬委員會根據個別人士的表現及市場趨勢而釐定。

40. 本公司主要附屬公司

下列為於報告期末本公司主要附屬公司之詳情：

40. Principal Subsidiaries of the Company (Continued)

40. 本公司主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立／設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本／ 註冊資本／配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2016	2015	
CTF Watch (HK) Limited 周大福鐘錶(香港)有限公司	Hong Kong 7 February 2011 香港 2011年2月7日	Ordinary share HK\$1 普通股本 1港元	100%	100%	Sales of watches 鐘錶銷售
Techni Development Investment Limited 達利發展投資有限公司	Hong Kong 26 May 2005 香港 2005年5月26日	Ordinary shares HK\$5,000,000 普通股本 5,000,000港元	100%	100%	Procurement of gemstones, sales of jewellery products and investment holding 採購寶石、珠寶產品銷售以及投資控股
Chow Tai Fook Jewellery and Watch Company (Macau) Limited 周大福珠寶鐘錶(澳門)有限公司	Macau 17 March 2009 澳門 2009年3月17日	Quota capital MOP5,000,000 配額資本 5,000,000澳門元	100%	100%	Sales of jewellery products 珠寶產品銷售
Hearts On Fire	The United States of America 14 May 2001 美國 2001年5月14日	Capital US\$74,468,737 資本 74,468,737美元	100%	100%	Sales of jewellery products 珠寶產品銷售
Beijing Chow Tai Fook Jewellery Company Limited 北京周大福珠寶金行有限公司	PRC [^] 13 November 2006 中國 [^] 2006年11月13日	Registered capital US\$30,000,000 註冊資本 30,000,000美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chongqing Chow Tai Fook Watch Marketing Company Limited 重慶周大福鐘錶銷售有限公司	PRC ⁺ 25 December 2008 中國 ⁺ 2008年12月25日	Registered capital RMB10,000,000 註冊資本 人民幣10,000,000元	80%	80%	Sales of watches 鐘錶銷售

40. Principal Subsidiaries of the Company (Continued)

40. 本公司主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/ 註冊資本/配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2016	2015	
Chongqing Flamingo Watches Company Limited 重慶富明高鐘錶有限公司	PRC ⁺ 25 December 2008 中國 ⁺ 2008年12月25日	Registered capital RMB1,000,000 註冊資本 人民幣1,000,000元	80%	80%	Sales of watches 鐘錶銷售
Chow Tai Fook Jewellery (Chongqing) Company Limited 周大福珠寶金行(重慶)有限公司	PRC [^] 23 December 2008 中國 [^] 2008年12月23日	Registered capital US\$30,000,000 註冊資本 30,000,000美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chow Tai Fook Jewellery (Shenyang) Company Limited 周大福珠寶金行(瀋陽)有限公司	PRC [~] 2 January 2014 中國 [~] 2014年1月2日	Registered capital RMB20,000,000 註冊資本 人民幣20,000,000元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chow Tai Fook Jewellery (Shenzhen) Company Limited 周大福珠寶金行(深圳)有限公司	PRC [^] 2 April 2002 中國 [^] 2002年4月2日	Registered capital US\$100,000,000 註冊資本 100,000,000美元	100%	100%	Manufacturing and sales of jewellery products 珠寶產品生產及銷售
Chow Tai Fook Jewellery (Suzhou) Company Limited 周大福珠寶金行(蘇州)有限公司	PRC [^] 11 January 2006 中國 [^] 2006年1月11日	Registered capital US\$30,000,000 註冊資本 30,000,000美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chow Tai Fook Jewellery (Wuhan) Company Limited 周大福珠寶金行(武漢)有限公司	PRC [^] 29 January 2008 中國 [^] 2008年1月29日	Registered capital US\$30,000,000 註冊資本 30,000,000美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商

40. Principal Subsidiaries of the Company (Continued)

40. 本公司主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立／設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本／ 註冊資本／配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2016	2015	
Chow Tai Fook Jewellery Culture Industrial Park (Wuhan) Company Limited 周大福珠寶文化產業園(武漢)有限公司	PRC [^] 16 August 2012 中國 [^] 2012年8月16日	Registered capital US\$80,000,000 註冊資本 80,000,000 美元	100%	100%	Manufacturing of jewellery products 珠寶產品生產
Chow Tai Fook Jewellery Zhangjiagang Baoshui Company Limited 周大福珠寶金行張家港保稅區有限公司	PRC [^] 21 April 2010 中國 [^] 2010年4月21日	Registered capital US\$10,000,000 註冊資本 10,000,000 美元	100%	100%	Sales of jewellery products 珠寶產品銷售
Foshan Shunde Yuda Jewellery Manufacturing Company Limited 佛山市順德區裕達珠寶首飾製造有限公司	PRC [^] 14 March 2007 中國 [^] 2007年3月14日	Registered capital US\$10,639,400 註冊資本 10,639,400 美元	100%	100%	Manufacturing of jewellery products 珠寶產品生產
Foshan Yushunfu Jewellery and Diamond Company Limited 佛山裕順福首飾鑽石有限公司	PRC [^] 9 November 1988 中國 [^] 1988年11月9日	Registered capital US\$18,000,000 註冊資本 18,000,000 美元	100%	100%	Manufacturing of jewellery products 珠寶產品生產
Guangdong Chow Tai Fook Jewellery Company Limited 廣東周大福珠寶金行有限公司	PRC [^] 10 December 2007 中國 [^] 2007年12月10日	Registered capital US\$30,000,000 註冊資本 30,000,000 美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Guangdong Shunde Chow Tai Fook Jewellery Manufacturing Company Limited 廣東順德周大福珠寶製造有限公司	PRC [~] 30 July 2014 中國 [~] 2014年7月30日	Registered capital RMB60,000,000 註冊資本 人民幣 60,000,000 元	100%	100%	Manufacturing of jewellery products 珠寶產品生產

40. Principal Subsidiaries of the Company (Continued)

40. 本公司主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/ 註冊資本/配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2016	2015	
Lida Noble Metal Technology and Development (Shenzhen) Company Limited 利達貴金屬工藝技術開發(深圳)有限公司	PRC [^] 31 March 2006 中國 [^] 2006年3月31日	Registered capital HK\$10,000,000 註冊資本 10,000,000 港元	100%	100%	Manufacturing of jewellery products 珠寶產品生產
Shanghai Fulong Chow Tai Fook Jewellery Company Limited 上海福龍周大福珠寶有限公司	PRC ⁺ 5 January 2000 中國 ⁺ 2000年1月5日	Registered capital RMB10,000,000 註冊資本 人民幣10,000,000元	60%	60%	Sales of jewellery products 珠寶產品銷售
Shenzhen CTF Watch Company Limited 深圳周大福鐘錶有限公司	PRC ⁺ 27 June 2011 中國 ⁺ 2011年6月27日	Registered capital HK\$300,000,000 註冊資本 300,000,000 港元	80%	80%	Sales of watches 鐘錶銷售
Shenzhen Shenfu Jewellery Company Limited 深圳市深福珠寶金行有限公司	PRC ⁺ 19 April 2007 中國 ⁺ 2007年4月19日	Registered capital RMB8,000,000 註冊資本 人民幣8,000,000元	50% [#]	50% [#]	Sales of jewellery products 珠寶產品銷售
Wuhan Hanfu Jewellery Company Limited 武漢漢福珠寶金行有限公司	PRC ⁺ 26 November 2003 中國 ⁺ 2003年11月26日	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	70%	70%	Sales of jewellery products 珠寶產品銷售
Zhangjiagang Baoshui Dade Xinfu Jewellery Company Limited 張家港保稅區大德新福珠寶金行有限公司	PRC ⁺ 3 December 2010 中國 ⁺ 2010年12月3日	Registered capital RMB3,000,000 註冊資本 人民幣3,000,000元	50% [#]	50% [#]	Sales of jewellery products 珠寶產品銷售

40. Principal Subsidiaries of the Company (Continued)

40. 本公司主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立／設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本／ 註冊資本／配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2016	2015	
Zhangjiagang Baoshui Dehui Jewellery Company Limited 張家港保稅區德輝珠寶金行有限公司	PRC [^] 24 September 2012 中國 [^] 2012年9月24日	Registered capital US\$15,000,000 註冊資本 15,000,000 美元	100%	100%	Sales of jewellery products 珠寶產品銷售
Zhangjiagang Baoshui Qifu Jewellery Trading Company Limited 張家港保稅區祺福珠寶貿易有限公司	PRC ⁺ 11 June 2007 中國 ⁺ 2007年6月11日	Registered capital RMB150,000,000 註冊資本 人民幣 150,000,000 元	51%	51%	Sales of jewellery products 珠寶產品銷售
Zhangjiagang Baoshui Zhaofu Jewellery Company Limited 張家港保稅區肇福珠寶金行有限公司	PRC ⁺ 17 November 2011 中國 ⁺ 2011年11月17日	Registered capital RMB70,000,000 註冊資本 人民幣 70,000,000 元	51%	51%	Sales of jewellery products 珠寶產品銷售

* Directly held by the Company.

Pursuant to the relevant agreements entered into among shareholders of these entities, the Group has power to direct the relevant activities of these entities since their respective date of establishment/acquisition, and hence these entities are classified as subsidiaries of the Company.

+ Being a co-operative joint venture establishment in the PRC.

[^] Being a wholly foreign owned enterprise.

~ Being a wholly owned enterprise in the PRC.

Note: The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

* 本公司直接持有。

根據該等實體的股東之間訂立的相關協議，本集團自此等實體各自成立／收購日期以來有權指導該等實體的相關活動，因此此等實體歸類為本公司的附屬公司。

+ 為中國成立的合資合作企業。

[^] 為外商獨資企業。

~ 為中國成立的獨資企業。

附註：上表列出董事認為主要影響本集團的業績或資產的本公司附屬公司。載列其他附屬公司之詳情，董事則認為會導致詳情過於冗長。

41. Statement of Financial Position and Reserve Movement of the Company

41. 本公司財務狀況表及儲備 變動

		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
Non-current assets	非流動資產		
Investment in a subsidiary	於一間附屬公司之投資	15,387.3	–
Amounts due from subsidiaries	應收附屬公司款項	600.0	15,387.3
		15,987.3	15,387.3
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	10,657.3	9,721.0
Bank balances	銀行結餘	0.5	0.4
		10,657.8	9,721.4
Current liabilities	流動負債		
Other liabilities	其他負債	1.8	2.1
Bank borrowings	銀行貸款	7,320.0	5,930.0
Gold loans	黃金借貸	3,184.0	3,639.8
		10,505.8	9,571.9
Net current assets	流動資產淨額	152.0	149.5
Total assets less current liabilities	總資產減流動負債	16,139.3	15,536.8
Non-current liability	非流動負債		
Bank borrowings	銀行貸款	600.0	–
		15,539.3	15,536.8
Capital and reserves	資本及儲備		
Share capital	股本	10,000.0	10,000.0
Reserves	儲備	5,539.3	5,536.8
		15,539.3	15,536.8

41. Statement of Financial Position and Reserve Movement of the Company (Continued)

41. 本公司財務狀況表及儲備 變動(續)

		Share capital HK\$ million 股本 百萬港元	Share premium HK\$ million 股份溢價 百萬港元	Retained profits HK\$ million 保留溢利 百萬港元	Total HK\$ million 總計 百萬港元
At 1 April 2014	於2014年4月1日	10,000.0	5,498.7	36.5	15,535.2
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	3,201.6	3,201.6
Dividends	股息	-	-	(3,200.0)	(3,200.0)
At 31 March 2015	於2015年3月31日	10,000.0	5,498.7	38.1	15,536.8
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	6,502.5	6,502.5
Dividends	股息	-	-	(6,500.0)	(6,500.0)
At 31 March 2016	於2016年3月31日	10,000.0	5,498.7	40.6	15,539.3

Financial Summary

財務概要

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years. The financial information are extracted from the consolidated financial statements in the annual reports.

以下為本集團過去五個財政年度已刊發業績以及資產與負債概要。年度財務資料摘錄自年報的綜合財務報表。

		For the year ended 31 March 截至3月31日止年度				
		2012 HK\$ million 百萬港元	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Revenue	營業額	56,571.1	57,433.9	77,407.1	64,277.0	56,591.5
Gross profit	毛利	16,447.9	16,283.1	21,152.3	19,072.4	15,641.4
Profit for the year	年度溢利	6,570.9	5,678.4	7,449.2	5,535.8	2,978.9

		As at 31 March 於3月31日				
		2012 HK\$ million 百萬港元	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Total assets	資產總額	47,414.3	43,218.6	61,817.1	61,121.0	55,675.4
Total liabilities	負債總額	17,841.3	9,357.9	23,364.7	20,580.2	19,925.5
Net assets	資產淨額	29,573.0	33,860.7	38,452.4	40,540.8	35,749.9

Glossary 詞彙

1HFY 財政年度上半年	the first half of the financial year, six months ending 30 September 財政年度上半年，截至9月30日止六個月
2HFY 財政年度下半年	the second half of the financial year, six months ending 31 March 財政年度下半年，截至3月31日止六個月
ALROSA	OJSC ALROSA
Articles 細則	the articles of association of the Company (as amended from time to time) 本公司組織章程細則(經不時修訂)
Board 董事會	the board of Directors of the Company 本公司董事會
China UnionPay 中國銀聯	a bankcard organisation based in Mainland China 中國內地的一家銀行卡組織
Company/Chow Tai Fook 本公司/周大福	Chow Tai Fook Jewellery Group Limited (stock code: 1929) 周大福珠寶集團有限公司(股份代號：1929)
concessionaire store 專櫃	self-operated POS with concessionaire agreement 簽訂專櫃協議的直營零售點
Directors 董事	directors of the Company 本公司董事
FY 財政年度	financial year, 1 April of a year to 31 March of the following year 財政年度，當年4月1日至翌年3月31日
gem-set jewellery 珠寶鑲嵌首飾	jewellery products made with diamonds and gemstones 鑲有鑽石及寶石的首飾產品
gemstones 寶石	colour stones, jadeite and pearls 彩色寶石、翡翠及珍珠
Group 集團/本集團	the Company and its subsidiaries 本公司及其附屬公司
Hearts On Fire	Hearts On Fire Company, LLC.
high-end luxury jewellery 名貴珠寶	jewellery products with a retail price of above HK\$100,000 per piece 每件零售價10萬港元以上的珠寶產品
karat gold K金	jewellery products made from gold alloy 以合金製成的首飾產品

Listing Rules 上市規則	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司證券上市規則
Mainland China 中國內地	the mainland of the People's Republic of China 中華人民共和國內地
mass luxury jewellery 主流珠寶	jewellery products with a retail price ranging from HK\$2,000 to HK\$100,000 per piece 每件零售價介乎2千港元至10萬港元的珠寶產品
POS 零售點	points of sale 產品零售點
R&D 研發	research and development 研究及開發
Retail Sales Value/RSV 零售值	the sales at the ending price (VAT inclusive, if any) of products sold to customers in the POS network and other channels. Sales made outside Hong Kong are translated to reporting currency at current exchange rates of respective period 於零售點網絡和其他渠道向客戶銷售產品的最終零售價(包括增值稅, 如有)計算。於香港境外進行的銷售按有關期間的匯率換算為呈報貨幣
Same Store 同店	self-operated POS existing as at the end of the relevant financial period and which have been operating since the beginning of the prior financial year 自前一個財政年度初已經營並於有關財政期間末仍然續存的直營零售點
Same Store Sales/SSS 同店銷售	the revenue, measured at constant exchange rates, from the Same Store for the relevant financial period, excluding revenue from wholesale and other channels 有關財政期間同店的營業額, 乃按固定匯率計量, 惟不包括批發及其他渠道的營業額
Same Store Sales Growth/SSSG 同店銷售增長	a comparison between Same Store Sales of a particular period and sales from comparable POS in the previous period, measured at constant exchange rates 以相同匯率比較特定期間的同店銷售與前一期間的可比零售點銷售
SFO 證券及期貨條例	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
Stock Exchange 聯交所	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Tier I, II, III and other cities 一線、二線、三線及其他城市	for the list of cities, please refer to the glossary of our FY2014/15 interim report 有關城市詳情請參閱2014/2015財政年度的中期報告

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