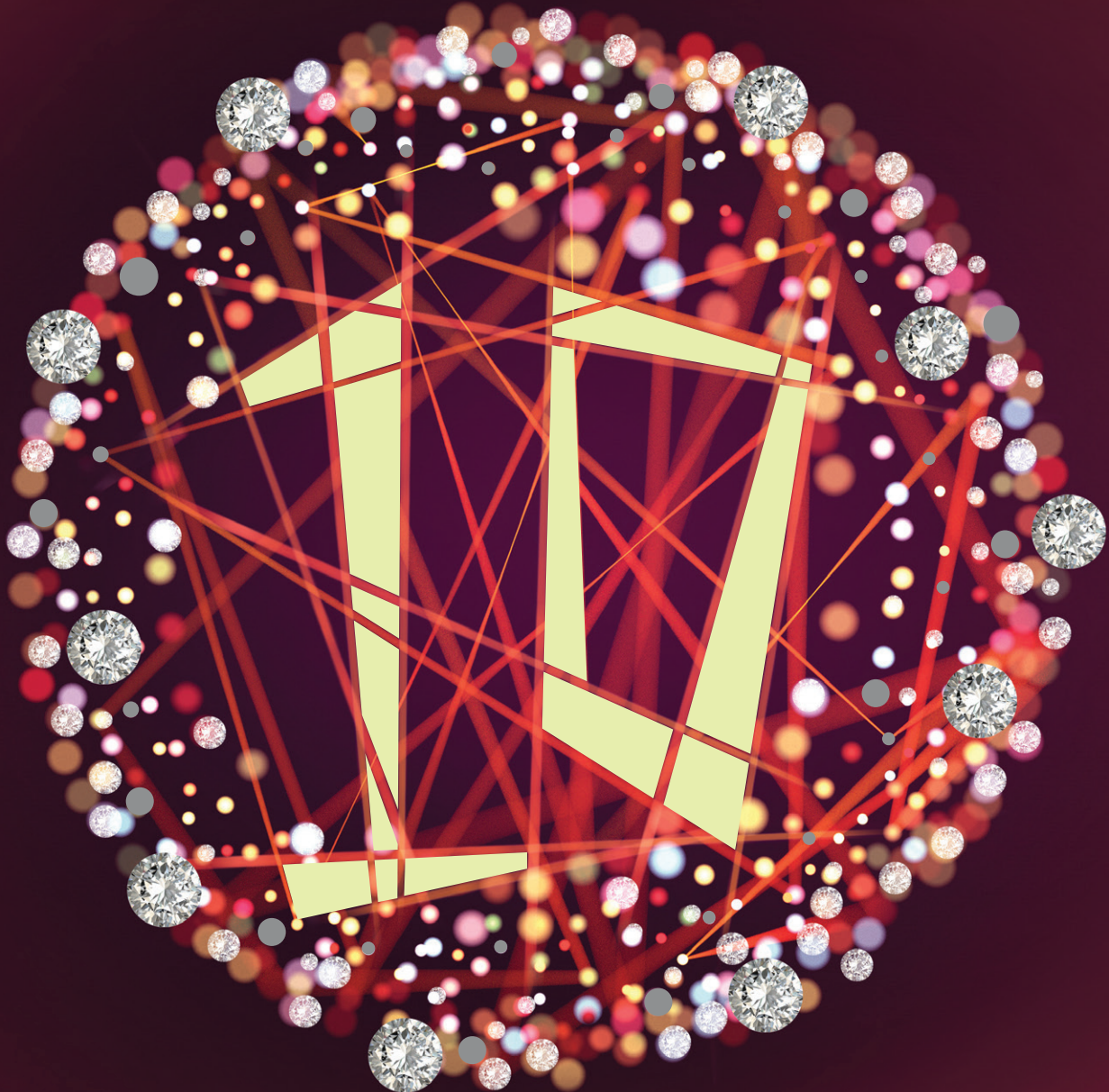




英皇鐘錶珠寶有限公司
EMPEROR WATCH & JEWELLERY LIMITED

Incorporated in Hong Kong with limited liability (Stock Code: 887)
於香港註冊成立之有限公司 (股份代號: 887)



ANNUAL REPORT 2018
2018 年報

CONTENTS

目錄

2	CORPORATE INFORMATION AND KEY DATES 公司資料及重要日期
4	RESULTS HIGHLIGHTS 業績亮點
5	ACHIEVEMENTS 殊榮
6	MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析
16	BIOGRAPHIES OF DIRECTORS AND SENIOR EXECUTIVES 董事及高級行政人員之履歷
19	DIRECTORS' REPORT 董事會報告
32	CORPORATE GOVERNANCE REPORT 企業管治報告
57	INDEPENDENT AUDITOR'S REPORT 獨立核數師報告
64	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收入報表
65	CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況報表
66	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表
67	CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表
69	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註
144	FINANCIAL SUMMARY 財務概要



CORPORATE INFORMATION AND KEY DATES

公司資料及重要日期

DIRECTORS

Cindy Yeung (*Chairperson*)
Wong Chi Fai
Fan Man Seung, Vanessa
Chan Sim Ling, Irene*
Liu Hing Hung*
Chan Wiling, Yvonne*
* Independent Non-executive Directors

董事

楊諾思 (*主席*)
黃志輝
范敏嫦
陳嬋玲*
廖慶雄*
陳慧玲*
* 獨立非執行董事

COMPANY SECRETARY

Chung Ho Ying, Frina

公司秘書

鍾好英

EXECUTIVE COMMITTEE

Cindy Yeung (*Chairperson*)
Wong Chi Fai
Fan Man Seung, Vanessa

執行委員會

楊諾思 (*主席*)
黃志輝
范敏嫦

AUDIT COMMITTEE

Liu Hing Hung (*Chairman*)
Chan Sim Ling, Irene
Chan Wiling, Yvonne

審核委員會

廖慶雄 (*主席*)
陳嬋玲
陳慧玲

REMUNERATION COMMITTEE

Chan Wiling, Yvonne (*Chairperson*)
Wong Chi Fai
Liu Hing Hung

薪酬委員會

陳慧玲 (*主席*)
黃志輝
廖慶雄

NOMINATION COMMITTEE

Chan Sim Ling, Irene (*Chairperson*)
Fan Man Seung, Vanessa
Chan Wiling, Yvonne

提名委員會

陳嬋玲 (*主席*)
范敏嫦
陳慧玲

CORPORATE GOVERNANCE COMMITTEE

Fan Man Seung, Vanessa (*Chairperson*)
Chan Sim Ling, Irene
Liu Hing Hung
a representative from company secretarial function
a representative from finance and accounts function

企業管治委員會

范敏嫦 (*主席*)
陳嬋玲
廖慶雄
一名公司秘書職能代表
一名財務會計職能代表

INVESTOR RELATIONS CONTACT

Luk Man Ching, Anna
Email: ir@emperorgroup.com

投資者關係查詢

陸文靜
電郵: ir@emperorgroup.com

WEBSITE

<http://www.emperorwatchjewellery.com>

網站

<http://www.emperorwatchjewellery.com>

STOCK CODE

Hong Kong Stock Exchange: 887

股份代號

香港聯合交易所: 887





REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

25th Floor
Emperor Group Centre
288 Hennessy Road
Wanchai
Hong Kong

註冊辦事處及 主要營業地點

香港
灣仔
軒尼詩道288號
英皇集團中心
25樓

SHARE REGISTRAR

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

股份過戶登記處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

核數師

德勤•關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一期35樓

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited
Chong Hing Bank Limited
Hang Seng Bank Limited

主要往來銀行

香港上海滙豐銀行有限公司
東亞銀行有限公司
創興銀行有限公司
恒生銀行有限公司

KEY DATES

Annual Results Announcement	19 March 2019
Final Dividend	
– Last time to lodge transfers	29 May 2019 (before 4:30 p.m.)
– Book Close Dates	30 and 31 May 2019
– Record Date	31 May 2019
– Payment Date	21 June 2019 (HK0.55 cent per share)
Annual General Meeting	23 May 2019
– Last time to lodge transfers	17 May 2019 (before 4:30 p.m.)

重要日期

年度業績公告	2019年3月19日
末期股息	
– 遞交過戶文件 最後限期	2019年5月29日 下午4時30分前
– 暫停辦理股份 過戶登記日期	2019年5月30日及31日
– 記錄日期	2019年5月31日
– 派付日期	2019年6月21日 (每股0.55港仙)
股東週年大會	2019年5月23日
– 遞交過戶文件 最後限期	2019年5月17日 下午4時30分前

CORPORATE COMMUNICATIONS

This Annual Report (in both English and Chinese versions) is available to any shareholder of the Company either in printed form and on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company. In order to protect the environment, the Company highly recommends the shareholders to receive electronic copy of this Annual Report. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company's Share Registrar, Tricor Secretaries Limited, by post or by email at is-enquiries@hk.tricorglobal.com.

公司通訊

本年報(中、英文版本)可供本公司任何股東選擇以印刷本或於香港聯合交易所有限公司網站(<http://www.hkexnews.hk>)及本公司之網站收取。為支持環保,本公司極力推薦各股東選擇收取本年報之電子版本。股東可有權隨時以適時之書面通知,或透過郵寄或電郵(is-enquiries@hk.tricorglobal.com)向本公司之股份過戶登記處「卓佳秘書商務有限公司」,更改所選擇日後收取公司通訊之方式。



	For the year ended 31 December 截至12月31日止年度		
HK\$ Million 百萬港元	2017	2018	Changes 變動
Revenue 收入	4,075	4,722	+15.9%
Gross profit 毛利	1,089	1,305	+19.8%
Gross profit margin 毛利率	26.7%	27.6%	+0.9 pp 百分點
Net profit 純利			
– Per Reported 按報表	160	264	+65.0%
– Adjusted 經調整*	160	269	+ 68.1%
Net profit margin 純利率			
– Per Reported 按報表	3.9%	5.6%	+ 1.7 pp 百分點
– Adjusted 經調整*	3.9%	5.7%	+ 1.8 pp 百分點
Basic earnings per share (HK cents) 每股基本盈利(港仙)	2.32	3.87	+66.8%
Total dividends per share (HK cents) 每股股息總額(港仙)	0.75	1.25	+66.7%

* Excluding a depreciation charge of HK\$4.8 million (2017: Nil) on a self-owned store at Nos. 4-8 Canton Road, Tsim Sha Tsui, Kowloon, one of the Group's flagship stores in Hong Kong.

撇除本集團於香港之其中一家旗艦店—九龍尖沙咀廣東道4-8號之自置店鋪之折舊開支4,800,000港元(2017年：無)。

10 Years+ Caring Company
10 Years+ 商界展關懷



Mission

To build a cohesive society by promoting strategic partnerships among business and social service partners, and inspiring corporate social responsibility through caring for the community, employees and the environment.

宗旨

促進商界與社會伙伴合作，推動企業履行社會責任，並鼓勵工商及公共機構關懷社群、關心員工及愛護環境，攜手建設共融社會。



Hong Kong Service Awards 2018 –
Luxury Watch Retailer

2018年香港服務大獎—名貴鐘錶行

East Week (Mar 2018)

東周刊 (2018年3月)



HKIRA 4th Investor Relations
Awards 2018

2018年第4屆投資者關係大獎

- 3 Years IR Awards Winning Company
3年投資者關係大獎公司
- Best IR Company
最佳投資者關係公司
- Best Investor Presentation Material
最佳投資者推介素材

Hong Kong Investor Relations Association

(May 2018)

香港投資者關係協會(2018年5月)



The Outstanding Brand Awards
2018 – Luxury Watch Retailer

2018年實力品牌大獎—名貴鐘錶行

Economic Digest (Jul 2018)

經濟一週 (2018年7月)





MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Emperor Watch & Jewellery Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is a leading retailer of European-made internationally renowned watches, together with self-designed fine jewellery products under its own brand, “**Emperor Jewellery**”. The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since July 2008.

The Group has established a retail network of over 90 stores across Hong Kong, Macau, mainland China, Singapore and Malaysia, as well as an online shopping platform, and now has over 1,100 staff. With a history of over 75 years, the Company carries a balanced and comprehensive watch dealership list. The target customers range from middle to high income groups worldwide. The Group’s core strategy focuses on maintaining its position as the leading watch and jewellery retailing group in Greater China, coupled with an eye on expansion beyond the region.

英皇鐘錶珠寶有限公司(「本公司」)連同其附屬公司(統稱「本集團」)主要銷售享譽國際之歐洲製腕錶及旗下「**英皇珠寶**」品牌之自家設計的高級珠寶首飾，為零售商之翹楚。本公司於2008年7月在香港聯合交易所有限公司主板上市。

本集團之零售網絡設有逾90間店鋪，遍及中國香港、中國澳門、中國內地、新加坡及馬來西亞，亦設有線上購物平台，現員工人數超過1,100人。本公司擁有逾75載之歷史，代理均衡而全面的鐘錶品牌。目標顧客群為遍及全球各地的中至高收入人士。本集團的核心策略為保持其於大中華地區作為領先腕錶及珠寶零售集團的地位，同時放眼大中華以外地區以擴展業務。

MARKET REVIEW

2018 was a year of contrasts. The first half of the year was marked by encouraging growth for the luxury consumption market in general. However, this growth was not sustained and the second half was punctuated by a fall-off in market sentiment in the shadow of a prolonged Sino-US trade dispute.

In Hong Kong, retail sales growth has moderated since September 2018, particularly in the jewellery and watch sector. Statistics from The Census and Statistics Department revealed that September retail sales in the jewellery, watches and clocks category increased year-on-year by a slight 1.9% only after eight straight months of double-digit growth, and the trend has become even weaker after the third quarter of 2018. The moderation in retail sales was due partly to softer Chinese tourist spending because of a weaker yuan, and partly to the more cautious local consumption sentiment amid various external uncertainties and weaker asset prices.

市場回顧

2018年市場歷盡高低起伏。上半年整體奢侈品消費市場錄得令人鼓舞之增長，然而，此增長未能持續，在中美貿易糾紛持續之陰霾下，下半年之市場氣氛受挫。

於香港，零售銷售增長自2018年9月以來表現放緩，尤其是珠寶及鐘錶業。據香港政府統計處之數據顯示，經過連續8個月之雙位數字增長後，9月份珠寶首飾及鐘錶類別之零售銷售額按年僅微升1.9%，而此趨勢於2018年第3季度後更見疲弱。零售銷售放緩在某程度上乃由於人民幣轉弱使中國旅客消費力減弱，另一方面亦由於各種外圍不明朗因素及資產價格回落，使本地消費情緒變得謹慎。





FINANCIAL REVIEW

OVERALL REVIEW

Despite a slowdown in the second half, the Group's overall results during the year ended 31 December 2018 (the "Year") remained satisfactory. During the Year, the Group's total revenue increased by 15.9% to HK\$4,722.2 million (2017: HK\$4,075.1 million). Gross profit grew by 19.8% to HK\$1,304.5 million (2017: HK\$1,089.2 million). The gross profit margin was lifted by 0.9 percentage point to 27.6% (2017: 26.7%), which was mainly attributable to stronger market demand for luxury watches.

The Group's net profit recorded a growth of 65.5% to HK\$264.3 million (2017: HK\$159.7 million). Subsequent to the completion of the acquisition of a retail space at Nos. 4-8 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong – as a self-owned store (the "Self-owned Store") – on 12 December 2018, a depreciation charge of HK\$4.8 million (2017: Nil) was incurred. Excluding such depreciation charge, the adjusted net profit grew by 68.5% to HK\$269.1 million (2017: HK\$159.7 million). The increase in profit was due to an improved gross profit and disciplined control over the operating and administrative expenses. Basic earnings per share increased to HK3.87 cents (2017: HK2.32 cents). The board of directors of the Company (the "Board" or the "Directors") recommended the payment of a final dividend of HK0.55 cent (2017: HK0.58 cent) per share. Together with the interim dividend of HK0.70 cent (2017: HK0.17 cent) per share, the total dividends for the Year are HK1.25 cents (2017: HK0.75 cent) per share.

財務回顧

整體回顧

儘管下半年市場放緩，本集團於截至2018年12月31日止年度（「本年度」）之整體業績依然表現理想。於本年度，本集團之總收入增加15.9%至4,722,200,000港元（2017年：4,075,100,000港元）。毛利增加19.8%至1,304,500,000港元（2017年：1,089,200,000港元）。由於高級腕錶市場需求增強，毛利率提升0.9個百分點至27.6%（2017年：26.7%）。

本集團之純利錄得65.5%增長至264,300,000港元（2017年：159,700,000港元）。於2018年12月12日完成收購位於香港九龍尖沙咀廣東道4-8號之零售舖位作為自置店舖（「自置店」）後，產生折舊開支4,800,000港元（2017年：無）。撇除該折舊開支，其經調整純利則增長68.5%至269,100,000港元（2017年：159,700,000港元）。溢利增加是由於毛利改善及嚴加控制營運及行政開支所致。每股基本盈利增加至3.87港仙（2017年：2.32港仙）。本公司之董事會（「董事會」或「董事」）建議派付末期股息每股0.55港仙（2017年：0.58港仙）。連同中期股息每股0.70港仙（2017年：0.17港仙），本年度股息總額為每股1.25港仙（2017年：0.75港仙）。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Hong Kong remained the core market for the Group, with revenue delivering a solid growth of 19.6% to HK\$3,642.9 million (2017: HK\$3,046.7 million), which accounted for 77.1% (2017: 74.8%) of the total revenue. Revenue from Macau grew by 22.4% to HK\$286.6 million (2017: HK\$234.3 million), while sales from Southeast Asia and mainland China were broadly stable year-on-year.

Considering the breakdown by product, watch segment revenue rose 13.1% to HK\$3,664.0 million (2017: HK\$3,238.6 million) and accounted for 77.6% (2017: 79.5%) of the total revenue. Revenue from the jewellery segment recorded impressive growth of 26.5% to HK\$1,058.2 million (2017: HK\$836.5 million), as a result of an expanded “**Emperor Jewellery**” store network, coupled with successful marketing strategies.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

In December 2018, the Group completed the acquisition of the Self-owned Store at a total consideration of HK\$1,800 million. Approximately HK\$1,200 million cash was deployed, equivalent to the total consideration net of the outstanding amounts payable under the mortgages of approximately HK\$600 million. The acquisition has resulted in changes in the Group's financial position.

Bank balances and cash on hand of the Group as at 31 December 2018 amounted to HK\$627.3 million (31 December 2017: HK\$1,613.1 million), which were mainly denominated in Hong Kong dollars and Renminbi (“RMB”). As at 31 December 2018, the Group had total bank borrowings of approximately HK\$1,156.5 million (31 December 2017: Nil), resulting a net gearing ratio (calculated on the basis of net debts over net asset value) of 11.9% (31 December 2017: Nil). The Group also had available un-utilised banking facilities of approximately HK\$526.6 million.

During the Year, the Company repurchased a total of 102,990,000 of its own shares from the market by using internal resources at an aggregate consideration of HK\$51.2 million, with an average price of HK\$0.50 per share. These repurchased shares were cancelled during the Year. Having considered the Group's cash reserves, the Directors believe the share repurchases would recognise value to the Company's shareholders and benefit the Company and its shareholders as a whole.

中國香港繼續是本集團之核心市場，收入穩健增長19.6%至3,642,900,000港元（2017年：3,046,700,000港元），佔總收入77.1%（2017年：74.8%）。來自中國澳門之收入上升22.4%至286,600,000港元（2017年：234,300,000港元），而來自東南亞及中國內地之收入則同比大致穩定。

按產品分類，鐘錶分部之收入上升13.1%至3,664,000,000港元（2017年：3,238,600,000港元），佔總收入77.6%（2017年：79.5%）。受惠「**英皇珠寶**」店舖網絡擴張，加上成功的市場營銷策略，珠寶分部之收入錄得理想增長，其增加26.5%至1,058,200,000港元（2017年：836,500,000港元）。

資本架構、流動資金及財務資源

於2018年12月，本集團以總代價1,800,000,000港元完成收購自置店，當中調撥了現金約1,200,000,000港元，相當於總代價扣除約600,000,000港元之未償還之按揭應付金額。該項收購導致本集團之財務狀況出現變動。

於2018年12月31日，本集團之銀行結餘及手頭現金為627,300,000港元（2017年12月31日：1,613,100,000港元），主要以港元及人民幣計值。於2018年12月31日，本集團之總銀行借貸約為1,156,500,000港元（2017年12月31日：無），因此淨負債比率（以淨負債除以資產淨值之比率計算）為11.9%（2017年12月31日：無）。本集團亦有可供動用之未動用銀行融資約526,600,000港元。

於本年度，本公司以總代價51,200,000港元之內部資源在市場上回購其合共102,990,000股股份，平均價為每股0.50港元。該等回購股份已於本年度註銷。經考慮本集團之現金儲備，董事相信股份回購將為本公司股東提升價值，並為本公司及其股東整體帶來裨益。





As at 31 December 2018, the Group's current assets and current liabilities were approximately HK\$3,896.8 million (31 December 2017: HK\$4,450.3 million) and HK\$908.7 million (31 December 2017: HK\$305.7 million), respectively. Current ratio and quick ratio of the Group were 4.3 (31 December 2017: 14.6) and 0.9 (31 December 2017: 5.9), respectively.

In view of the Group's financial position as at 31 December 2018, the Directors considered that the Group had sufficient working capital for its operations and future development plans.

於2018年12月31日，本集團流動資產及流動負債分別約為3,896,800,000港元（2017年12月31日：4,450,300,000港元）及908,700,000港元（2017年12月31日：305,700,000港元）。本集團之流動比率及速動比率分別為4.3（2017年12月31日：14.6）及0.9（2017年12月31日：5.9）。

鑒於本集團於2018年12月31日的財務狀況，董事認為本集團擁有充裕之營運資金以應付其營運及未來發展計劃。

BUSINESS REVIEW

PRESENCE IN PRIME RETAIL LOCATIONS

As at 31 December 2018, the Group was operating 95 stores (31 December 2017: 80) in Hong Kong, Macau, mainland China, Singapore and Malaysia. The distribution was as follows:

	Number of stores 店鋪數目
Hong Kong 中國香港	29
Macau 中國澳門	5
Mainland China 中國內地	53
Singapore 新加坡	7
Malaysia 馬來西亞	1
Total 總數	95

These stores include self-branded "**Emperor Jewellery**" stores, dedicated watch boutiques and multi-brand watch stores (with or without jewellery counters).

In Hong Kong, the Group has established a strong presence in prime shopping areas, on Russell Street in Causeway Bay, Canton Road in Tsim Sha Tsui, and Queen's Road Central in Central. Surrounded by the world's leading brands, the stores located in these areas continue to benefit from massive tourist exposure and high foot traffic. In addition, the solid foothold in prime areas enables the Group to ensure its market position as one of Hong Kong's leading watch retailers.

業務回顧

覆蓋黃金零售地段

於2018年12月31日，本集團於中國香港、中國澳門、中國內地、新加坡及馬來西亞經營95間（2017年12月31日：80間）店鋪，其分佈如下：

該等店鋪包括自有品牌「**英皇珠寶**」、鐘錶專賣店及多品牌鐘錶店（附設或不設珠寶櫃檯）。

香港方面，本集團已於銅鑼灣羅素街、尖沙咀廣東道及中環皇后大道中之黃金購物地段建立強大的據點。在頂尖國際品牌環繞下，於該等地段開設之店鋪均持續受益於龐大旅客效應及高人流。此外，進駐黃金地段將有助本集團確保其作為領先鐘錶零售商之市場地位。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In December 2018, the Group secured its significant foothold on the core part of Canton Road through the acquisition of the Self-owned Store, which it has operated as a flagship store for over the past decade. Being one of the busiest shopping streets in Hong Kong, Canton Road receives massive tourist traffic as it is within a comprehensive public transportation network comprising mass transit railways, buses and ferries. Acquiring the Self-owned Store has enabled the Group to sustain a strategic sales network on Canton Road, which abounds with the world's premier brands. Given its proven sales performance, the continuity of a major financial contributor has also been guaranteed.

於2018年12月，本集團收購了其於過去10年營運其旗艦店之鋪位作為自置店，成功鞏固其於廣東道核心地段的立足點。作為香港其中一條最繁忙的購物街道，廣東道具備由地下鐵路、巴士及渡輪組成之完善交通網絡，因而承接龐大的旅客流量。通過收購自置店，本集團能於廣東道維繫具戰略性之銷售網絡，與多間世界頂尖品牌為鄰。鑒於其良好銷售往績，將能保證持續的財務貢獻。

SOLIDIFYING LEADING POSITION

In the watch sector, it is imperative to maintain a collaborative brand-retailer relationship. The Group has continued to enjoy solid long-term relationships with major Swiss watch brand suppliers and retain comprehensive watch dealerships in Greater China.

The Group actively participates in co-marketing campaigns and events with brands, highlighting new products and connecting the customer in a personalised way. During the Year, one multi-watch store and three dedicated watch boutiques were launched in Beijing and Chongqing, further reinforcing the Group's market penetration in mainland China.



鞏固領導地位

在鐘錶行業，維持品牌與零售商之間的合作關係攸關重要。本集團繼續與主要瑞士鐘錶品牌供應商維持穩固及長期業務關係，並保持於大中華地區擁有全面之鐘錶代理權。

本集團積極參與與各大品牌合辦之市場推廣活動，重點宣傳新產品並與顧客建立個人化聯繫。於本年度，本集團在北京及重慶開設了1間多品牌鐘錶店及3間鐘錶專賣店，進一步鞏固本集團於中國內地之市場滲透率。





ENHANCING THE JEWELLERY BUSINESS

The Group offers premium quality “**Emperor Jewellery**” products with a dedication to design excellence and craftsmanship. The spectacular “**Emperor Jewellery**” range features a variety of precious gem stones with a key focus on diamonds and jadeites. “**Emperor Jewellery**” unveils unique collections of exquisite designs that embrace and nurture different clusters of customers.

During the Year, the Group strived to enrich its product offerings in an effort to penetrate the affordable luxury jewellery segment. The signature collections launched during the Year included new “**Yo Yo**” Collection featuring unisex designs, “**Mini Me**” mother-and-baby pendant sets, “**One Vow, Two Love**” Bridal Collection, “**Emperor Jewellery X Joey Yung Heartbeat**” Collection and Chinese Wedding Fine Gold Collection. To engage with the evolving preferences of fashion-savvy customers, the Group has been revamping the images of some “**Emperor Jewellery**” stores, to refresh them with new store layouts. Meanwhile, the Group also seeks to broaden customer portfolio through expanding its presence in local shopping areas, enhancing product displays, and implementing a series of social media campaigns.

In Hong Kong, six “**Emperor Jewellery**” stores were added during the Year. These are all in shopping malls with heavy foot traffic, such as Telford Plaza I in Kowloon Bay, APM in Kwun Tong and MOSTown in Ma On Shan. The stores are decorated with warm colour combinations, creating a harmonious and relaxing atmosphere, and are perfect settings for presenting exquisite jewellery pieces.



加強珠寶業務

本集團堅持以優秀設計及工藝，為顧客提供優質「**英皇珠寶**」產品。富麗堂皇的「**英皇珠寶**」系列呈獻多款珍貴寶石，當中以鑽石及翡翠玉石為主。「**英皇珠寶**」推出之珠寶系列均設計精緻、獨一無二，以迎合及滿足不同顧客群體。

於本年度，本集團致力豐富其產品款式，力求滲透輕奢華珠寶市場。於本年度推出之重點系列包括以中性設計打造之全新「**Yo Yo**」系列、「**Mini Me**」親子珠寶系列、「**One Vow Two Love**」婚嫁系列、「**英皇珠寶x容祖兒Heartbeat心動**」系列及中式足金婚嫁珠寶系列。為了迎合顧客追求潮流及不斷創新之口味，本集團已革新部分「**英皇珠寶**」店鋪之形象，為店鋪重新打造煥然一新之格局。同時，本集團亦力求透過於本地購物區拓展網絡、提升產品展示及推動一系列社交媒體推廣計劃，以擴大客戶組合。

香港方面，本年度新開設6間「**英皇珠寶**」店。這些店鋪均座落於人流暢旺之購物商場內，如九龍灣德福廣場一期、觀塘APM商場及馬鞍山新港城中心。該等店鋪以柔和色調配搭，打造出和諧、舒適的氛圍，是呈現精緻珠寶首飾的完美佈置。





MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Going beyond borders, “**Emperor Jewellery**” has expanded its footprint to include Malaysia. The new store was opened in November 2018, spans 2,000 square feet and is strategically located in the iconic premium shopping mall Pavilion Kuala Lumpur. The grand launch was graced by special guests including Dr. Albert Yeung, Chairman of Emperor Group; multi-hyphenate Hong Kong pop star Ms. Joey Yung; as well as Malaysia prominent celebrity couple Mr. Awal Ashaari and Ms. Scha Alyahya, who were joined by Ms. Cindy Yeung, Chairperson and Chief Executive Officer of the Group, to officiate the opening ceremony and celebrate this important milestone.

The Group has organised various marketing events to showcase and reveal the design essence of “**Emperor Jewellery**”. In November 2018, the Group was proud to present “**Nuò by Cindy Yeung**”, the new high jewellery brand led by Ms. Yeung, in its prestigious annual jewellery exhibition. “**Nuò**” is a brand of high jewellery that embodies perfect artwork imbued with boundless creativity and passion, delivering an extraordinary experience. Meaning “promise”, the word “**Nuò**” is taken from the Putonghua pronunciation of a Chinese character in the names of Ms. Yeung and her daughter. The collection symbolises a distinctive family lineage that continues through generations.

海外方面，「**英皇珠寶**」已擴充其版圖至馬來西亞。該新店於2018年11月開幕，佔地2,000平方呎，策略性地座落於地標性高級購物中心—吉隆坡柏威年廣場。為了慶祝這一重大里程碑，本集團舉行了盛大的開幕典禮，並邀得多位特別嘉賓出席，包括英皇集團主席楊受成博士、香港著名歌影視藝人容祖兒女士，以及馬來西亞知名名人Awal Ashaari先生和Scha Alyahya女士伉儷，聯同本集團主席兼行政總裁楊諾思女士主持開幕儀式。

本集團舉辦了多項市場推廣活動以展示及呈現「**英皇珠寶**」之設計精萃。於2018年11月，本集團在其尊貴的年度珠寶展覽上推出由楊女士率領打造之「**Nuò by Cindy Yeung**」高級珠寶品牌。「**Nuò**」作為高級珠寶品牌，其以完美的美學設計，揉合無限創意及熱情，創造超凡的體驗。「**Nuò**」一字源自中文「諾」字之普通話拼音，解作承諾之意，同時亦是楊女士及其女兒之中文名字中的其中一字。此系列象徵家庭獨有之世代傳承特質。





LEVERAGING GROUP SYNERGIES

The Group enjoys unique advantages by leveraging synergies with other companies within Emperor Group. For example, Emperor International Holdings Limited – another listed company under Emperor Group – owns many premium retail properties in renowned shopping areas. By leasing retail stores at prime locations from it on an arm's length basis, the Group can enjoy guaranteed foot traffic. Another synergy arises through Emperor Entertainment Group and Emperor Motion Pictures, two private arms under Emperor Group. The Group invited VIP guests to its movie premieres and sponsored jewellery for the artistes. Such exposure opportunities, with pop artistes, movie stars and high-profile celebrities, serve as an important tool for enhancing the reputation of the “**Emperor**” brand, particularly in Chinese-speaking communities.

發揮集團協同效益

本集團憑藉與英皇集團旗下其他公司所產生的協同效應而享有獨特優勢。舉例而言，英皇集團旗下另一上市公司英皇集團(國際)有限公司擁有多項位於著名購物區之優質零售物業。本集團以公平磋商原則向其租賃該些黃金地段零售舖位，以確保客流量。另一協同效應源於與英皇集團旗下兩間私營企業英皇娛樂集團及英皇電影之合作。本集團邀請其尊尚貴賓出席電影首映禮，並贊助藝人佩戴珠寶首飾。該等由著名藝人、電影明星和城中名人參與其中的曝光機會，對提升「**英皇**」的品牌知名度甚為重要，在華語社區尤其如此。



Ms. Gillian Chung featuring
Chinese Wedding Fine Gold Collection
鍾欣潼女士演繹中式足金婚嫁珠寶系列



Ms. Joey Yung featuring
Heartbeat Collection
容祖兒女士演繹Heartbeat心動系列



Ms. Niki Chow featuring
One Vow Two Love Bridal Collection
周勵淇女士演繹
One Vow Two Love婚嫁系列

During the Year, the Group continued collaborating with pop stars of Emperor Entertainment Group and Emperor Motion Pictures, to tie-in with the launch of its new initiatives. For instance, pop star Ms. Gillian Chung, who got married last year, was invited to showcase the Chinese Wedding Fine Gold Collection and to share her joy, creating a vibrant touch for the wedding jewellery. To spotlight the new “**Yo Yo**” collection, renowned artist Mr. Nicholas Tse carried the jewellery pieces that are imbued with an urban sense of style. In October 2018, famous actress Ms. Niki Chow was appointed as the endorser for “**One Vow Two Love**” Bridal Collection, which featured a romantic story as its design motif.

於本年度，本集團持續與英皇娛樂集團及英皇電影旗下紅星合作，以配合其新系列之面世，例如剛於去年新婚之紅星鍾欣潼女士獲邀展示中式足金婚嫁珠寶系列以及分享其喜悅，為婚嫁珠寶營造出活力氣息。為了演繹全新的「**Yo Yo**」系列，特意邀請了著名藝人謝霆鋒先生佩戴該系列飾品，以展示該系列之都市風格。於2018年10月，著名藝人周勵淇女士獲邀擔任以浪漫愛情故事為設計主軸之「**One Vow Two Love**」婚嫁系列之代言人。



PROSPECTS

The macro-economic headwinds such as the Sino-US trade dispute, cooling economy in China and swings in currencies all present formidable business challenges in the near-term. Over the past decades, the Group has witnessed many ups and downs, and has emerged stronger after each cycle. As such, the Group will continue to execute responsive and flexible strategies while fine-tuning its priorities to stay competitive. The Group will also strive to optimise its cost structures across each level of business and remain vigilant regarding uncertainties on the horizon.

China remains an important engine of the world's growth. Despite recent uncertainties, the expansion of the luxury market is apparent across China, fuelled by rising income levels, shifting demographics and improving quality of life. With convenient access supported by better infrastructure, comprehensive assortment of luxury products and competitive pricing, Hong Kong remains a top shopping destination for mainland Chinese. All these factors result in favourable market fundamentals and propel the Group's long-term growth prospects.

With rising female empowerment, along with women's increasing spending, the jewellery sector is well placed to benefit from the expanding roles of modern women in the society. The Group is committed to reinforcing the brand identity of "**Emperor Jewellery**" in Chinese-speaking communities. In the coming years, the Group will focus on boosting marketing efforts, strengthening its presence in strategic locations and delivering a more favourable product mix to evolve the right path for sustainable growth in the affordable luxury jewellery segment.

前景

多項宏觀經濟利淡因素，如中美貿易磨擦、中國經濟緩和及貨幣匯率波動等，均會於短期對經濟構成巨大挑戰。過去數十年，本集團見證了不少高低起伏，並於每次周期整頓後更加頑強。因此，本集團將繼續保持其迅速反應及靈活之策略，同時持續微調其業務重點，以保持競爭力。本集團亦將致力優化其各個業務層面之成本架構，並對迎面而來之不明朗因素保持警覺。

中國依然為全球增長之主要驅動力。儘管近期出現不明朗因素，惟在收入水平上升、人口結構變化及生活質素提升帶動下，中國奢侈品市場明顯有所擴張。憑藉基建改善使交通更便捷、品類齊全的奢侈品產品以及價格優勢，香港仍為內地人的首選購物熱點。這些因素均造就了利好的市場基本面，並推動本集團之長遠增長前景。

隨著女性權益擴張及女仕消費力持續增加，現代女性社會地位之提升，使珠寶業受惠。本集團致力鞏固「**英皇珠寶**」在華語社區之品牌形象。展望未來數年，本集團將專注於加大市場推廣力度、加強於策略地段之覆蓋，以及推出更多受歡迎之產品組合，奠下其於輕奢華珠寶板塊中，持續增長之路向。





Geographically, the Group is adopting a two-pronged strategy, comprising further penetration in Greater China while expanding its presence into new cities in other regions. The Group's recent initiative in Malaysia has demonstrated its dedication to strengthening its footprint in Southeast Asia. In view of ample opportunities arising from outbound travel by mainland Chinese, the Group will continue to further explore scope for geographical expansion.

Looking beyond the near-term uncertainties, the Group is confident that its acknowledged position as a leading retailer shall enable it to effectively capitalise on its core competencies. The Group remains committed to seeking and seizing new opportunities, and is well-prepared to excel in changing times.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2018, the Group has 875 salespersons (2017: 752) and 251 office staff (2017: 216). Total staff costs (including Directors' remuneration) were HK\$291.7 million (2017: HK\$256.5 million) for the Year. Employees' remuneration was determined in accordance with individual's responsibility, competence & skills, experience and performance as well as market pay level. Staff benefits include medical and life insurance, provident funds and other competitive fringe benefits.

To provide incentive or rewards to staff, the Company adopted a share option scheme, particulars of which are set out in note 30 to the consolidated financial statements.

在地理版圖上，本集團採取雙管齊下之策略，包括進一步滲透大中華市場，以及擴大其版圖至其他地區之新城市。本集團於近期進駐馬來西亞市場，證明了其加強東南亞業務覆蓋之決心。鑒於內地人境外旅遊所帶來之機遇處處，本集團將繼續進一步探討地域範圍的擴張。

撇除短期之不明朗因素，本集團有信心，其獲公認之領先零售商地位，將有助其有效發揮核心競爭力。本集團繼續致力於尋找及把握新機遇，並已做好準備在時代變遷中脫穎而出。

僱員及薪酬政策

於2018年12月31日，本集團僱有875名（2017年：752名）銷售人員及251名（2017年：216名）辦公室職員。於本年度內，總員工成本（包括董事酬金）為291,700,000港元（2017年：256,500,000港元）。僱員薪酬乃根據個人職責、能力及技術、經驗及表現以及市場薪酬水平釐定。員工福利包括醫療及人壽保險、公積金及其他具競爭性福利待遇。

本公司已採納一項購股權計劃以激勵或獎勵員工，其詳情列載於綜合財務報表附註30。





CINDY YEUNG 楊諾思

Executive Director
(Chairperson & Chief Executive Officer)
執行董事 (主席兼行政總裁)

CINDY YEUNG, aged 54, the Chairperson and Managing Director of the Board and the Chief Executive Officer of the Group, as well as the Chairperson of the Executive Committee of the Company and a director of certain subsidiaries of the Company. She joined the Group in September 1990 and became a director of Emperor Watch & Jewellery (HK) Company Limited, an operating arm of the retail outlets of the Group in Hong Kong, in April 1999. The Group has been under her steering since then. Ms. Yeung is responsible for the Group's strategic planning, business growth and development and overseeing different operations within the Group. She is the Director of Examination (Supervisory Committees) of Hong Kong Jewellers' & Goldsmiths' Association Ltd. She is also the ambassador of "Because I am a Girl" organized by a charity body, PLAN International Hong Kong. Ms. Yeung has over 20 years of experience in watch and jewellery industry. Prior to joining the Group, she joined the sales department of Anju Jewelry Ltd., a US based company engaging in trading of jewellery products. She has obtained the qualification of the Graduate Gemologist of Gemological Institute of America (GIA) and subsequently graduated from University of San Francisco with a Bachelor's Degree of Science in Business Administration majoring in Management, with emphasis on International Business.

楊諾思，54歲，為董事會之主席兼董事總經理及本集團之行政總裁，以及本公司執行委員會主席及本公司若干附屬公司之董事。彼於1990年9月加盟本集團，並於1999年4月獲委任為英皇鐘錶珠寶(香港)有限公司之董事，該公司為本集團於香港零售門市之營運公司。本集團自此由楊女士掌舵，負責本集團之策略規劃、業務增長與發展以及本集團內各項業務運作之監察。彼為香港珠石玉器金銀首飾業商會監事兼審查主任。彼亦為慈善機構國際培幼會(香港)舉辦之「愛·女孩」之行動大使。楊女士於鐘錶及珠寶行業擁有超逾20年之經驗。於加盟本集團前，彼任職於從事珠寶首飾產品貿易之美國公司Anju Jewelry Ltd.之銷售部。彼獲Gemological Institute of America (GIA) 頒授寶石鑒定師文憑，繼而畢業於三藩市大學，持有工商管理學士學位，主修管理學，專注於國際商務。



EXECUTIVE DIRECTORS

WONG CHI FAI, aged 63, an Executive Director of the Company. Mr. Wong has been involved in the management of the Group since November 1998. He is a member of the Executive Committee and the Remuneration Committee of the Company as well as a director of certain subsidiaries of the Company. Mr. Wong is currently a director of four listed companies in Hong Kong, namely Emperor International Holdings Limited (Stock Code: 163) (“Emperor International”), Emperor Entertainment Hotel Limited (Stock Code: 296) (“Emperor E Hotel”), Emperor Culture Group Limited (Stock Code: 491) (“Emperor Culture”) and Ulferts International Limited (Stock Code: 1711) (“Ulferts”), all being associated corporations of the Company. Having over 30 years of finance and management experience, Mr. Wong has diversified experience in different businesses ranging from retailing of watch and jewellery, manufacturing to wholesaling and retailing of furniture, property investment and development, hotel and hospitality, financial and securities services, cinema development and operation to entertainment production and investment, artiste management as well as media and publication. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

FAN MAN SEUNG, VANESSA aged 56, an Executive Director of the Company. Ms. Fan has been involved in the management of the Group since November 1998. She is also the Chairperson of the Corporate Governance Committee, a member of the Executive Committee and the Nomination Committee of the Company as well as a director of certain subsidiaries of the Company. Ms. Fan is currently a director of four listed companies in Hong Kong, namely Emperor International, Emperor E Hotel, Emperor Culture and Ulferts. Having over 30 years of corporate management experience, Ms. Fan possesses diversified experience in different businesses ranging from retailing of watch and jewellery, wholesaling and retailing of furniture, property investment and development, hotel and hospitality, financial and securities services, cinema development and operation to entertainment production and investment, artiste management as well as media and publication. She is a lawyer by profession in Hong Kong and a qualified accountant, and holds a Master’s Degree in Business Administration.

執行董事

黃志輝，63歲，為本公司之執行董事。黃先生自1998年11月起參與本集團之管理。彼亦為本公司執行委員會及薪酬委員會成員以及本公司若干附屬公司之董事。黃先生現為四間香港上市公司之董事，即為英皇集團（國際）有限公司（股份代號：163）（「英皇國際」）、英皇娛樂酒店有限公司（股份代號：296）（「英皇娛樂酒店」）、英皇文化產業集團有限公司（股份代號：491）（「英皇文化產業」）及歐化國際有限公司（股份代號：1711）（「歐化」），該等公司為本公司之相聯法團。黃先生擁有逾30年之財務及管理經驗，於多項業務包括鐘錶珠寶零售、製造業以至傢俬批發及零售、物業投資及發展、酒店營運、金融證券服務、戲院發展及營運以至娛樂製作及投資、藝人管理以及傳媒與出版業務等範疇具有廣泛經驗。彼為香港會計師公會執業會計師及特許公認會計師公會資深會員。

范敏嫦，56歲，為本公司之執行董事。范女士自1998年11月起參與本集團之管理。彼亦為本公司企業管治委員會主席及執行委員會和提名委員會成員以及本公司若干附屬公司之董事。范女士現為四間香港上市公司之董事，即英皇國際、英皇娛樂酒店、英皇文化產業及歐化。范女士擁有逾30年之企業管理經驗，於多項業務包括鐘錶珠寶零售、傢俬批發及零售、物業投資及發展、酒店營運、金融證券服務、戲院發展及營運以至娛樂製作及投資、藝人管理以及傳媒與出版業務等範疇具有廣泛經驗。彼具備香港專業律師資格及為合資格會計師，並持有工商管理碩士學位。



INDEPENDENT NON-EXECUTIVE DIRECTORS

CHAN SIM LING, IRENE, aged 56, was appointed as Independent Non-executive Director of the Company in May 2016. She is also the Chairperson of the Nomination Committee as well as a member of the Audit Committee and the Corporate Governance Committee of the Company. Ms. Chan is a retired solicitor with over 20 years' of experience as independent non-executive director of listed companies. She is currently also an independent non-executive director of two Hong Kong listed companies, Chinlink International Holdings Limited (Stock Code: 997) and Emperor Culture. Ms. Chan graduated from The University of Hong Kong with Bachelor's Degree in Laws.

LIU HING HUNG, aged 55, was appointed as Independent Non-executive Director of the Company in May 2017. He is also the Chairman of the Audit Committee as well as a member of the Remuneration Committee and the Corporate Governance Committee of the Company. Mr. Liu runs a professional accountancy firm in Hong Kong and has over 20 years of experience in accounting, taxation, auditing and corporate finance. He is currently an independent non-executive director of another Hong Kong listed company, SIM Technology Group Limited (Stock Code: 2000). Mr. Liu holds a Master's Degree in Business Administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong and also a member of the Society of Chinese Accountants and Auditors.

CHAN WILING, YVONNE, aged 54, was appointed as Independent Non-executive Director of the Company in May 2017. She is the Chairperson of the Remuneration Committee as well as a member of the Audit Committee and the Nomination Committee of the Company. Ms. Chan previously worked in two international accounting firms, Touche Ross & Co. and Ernst & Young and engaged in accounting, auditing and information security fields for 20 years. She graduated from the Hong Kong Polytechnic University majoring in accountancy and obtained a Master's Degree in Business Administration from Heriot-Watt University in Scotland. Ms. Chan is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

獨立非執行董事

陳嬋玲，現年56歲，於2016年5月獲委任為本公司之獨立非執行董事。彼亦為本公司提名委員會主席及審核委員會和企業管治委員會成員。陳女士為退休律師，且具有作為多家上市公司獨立非執行董事職務超逾20年之經驗。彼現為兩間香港上市公司之獨立非執行董事，即普匯中金國際控股有限公司（股份代號：997）及英皇文化產業。陳女士畢業於香港大學，持有法律學士學位。

廖慶雄，55歲，於2017年5月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會主席及薪酬委員會和企業管治委員會成員。廖先生主理香港一間專業會計師行，於會計、稅務、核數及企業融資方面擁有逾20年之經驗。彼現為另一間香港上市公司晨訊科技集團有限公司（股份代號：2000）之獨立非執行董事。廖先生持有工商管理碩士學位。彼為香港會計師公會、特許公認會計師公會及香港稅務學會之資深會員，亦為香港華人會計師公會會員。

陳慧玲，54歲，於2017年5月獲委任為本公司之獨立非執行董事。彼為本公司薪酬委員會主席及審核委員會和提名委員會成員。陳女士曾任職於兩間國際會計師行Touche Ross & Co.及安永會計師事務所，於會計、核數及資訊保安方面具有20年之經驗。彼畢業於香港理工大學，主修會計學，並於蘇格蘭Heriot-Watt University取得工商管理碩士學位。陳女士為香港會計師公會會員及特許公認會計師公會資深會員。



The Board presents its annual report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 64.

An interim dividend of HK0.7 cent per share for the Year (2017: HK0.17 cent per share) amounting to approximately HK\$47.5 million (2017: HK\$11.7 million) was paid to the Shareholders during the Year.

The Directors recommended the payment of a final dividend of HK0.55 cent per share (2017: HK0.58 cent per share) for the Year, amounting to approximately HK\$37.3 million (2017: HK\$39.9 million) to those Shareholders whose names appear on the register of members of the Company on 31 May 2019, subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 23 May 2019 (Thursday) ("2019 AGM").

BUSINESS REVIEW AND PERFORMANCE

A fair review of the Group's business, a discussion and analysis of the Group's performance during the Year and an analysis of the likely future development of the Group's business are set out in the Management Discussion and Analysis from pages 6 to 15. Description of the principal risks and uncertainties facing the Group are set out in the Corporate Governance Report on pages 51 to 53 and note 27B to the consolidated financial statements respectively.

There is no important event affecting the Company that had occurred since the end of the Year up to the date of this report.

In addition, discussion on the key relationships with key stakeholders, the Group's environmental policy and performance as well as compliance with relevant laws and regulations which have significant impact on the Company are set out in the 2018 Environmental, Social and Governance Report.

RESERVES

Details of movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 66.

董事會欣然提呈本集團於本年度之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載於綜合財務報表附註35。

業績及股息

本集團於本年度之業績載於第64頁之綜合損益及其他全面收入報表。

本年度內本公司向其股東派發本年度之中期股息每股0.7港仙（2017年：每股0.17港仙），共約47,500,000港元（2017年：11,700,000港元）。

董事建議向該等於2019年5月31日名列本公司股東名冊之股東派付每股0.55港仙（2017年：每股0.58港仙）之本年度末期股息，總額約為37,300,000港元（2017年：39,900,000港元），惟須待股東於2019年5月23日（星期四）舉行之應屆股東週年大會（「2019股東週年大會」）上批准後方可作實。

業務回顧及表現

於本年度內本集團業務之公平審核、本集團表現之討論與分析及本集團業務之可能未來發展分析乃載於管理層討論與分析第6至15頁。本集團面臨之主要風險及不確定因素詳情乃分別列載於企業管治報告第51至53頁及綜合財務報表附註27B。

自本年度末直至本報告日期，概無發生影響本公司之重大事件。

此外，有關與本集團主要持份者之重要關係、本集團環保政策及表現及遵守對本公司有重大影響的相關法律及法規之討論載於2018環境、社會及管治報告內。

儲備

本集團於本年度內之儲備變動詳情載於第66頁之綜合權益變動表。



DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to Shareholders as at 31 December 2018, calculated in accordance with the Companies Ordinance, amounted to HK\$856,999,000 (2017: HK\$802,153,000).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 144 of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 23 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 13 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, the Company repurchased a total of 102,990,000 shares of the Company ("Shares") at an aggregate consideration of HK\$51,193,950 (before expenses) on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Particulars of the Share repurchase during the Year are as follows:

本公司可供分派儲備

於2018年12月31日，按公司條例之規定計算，本公司可供分派予股東之儲備為856,999,000港元（2017年：802,153,000港元）。

五年財務概要

本集團過去五個財政年度之業績及資產與負債之概要載於本年報第144頁。

股本

本公司於本年度內之股本變動詳情載於綜合財務報表附註23。

物業、機器及設備

本集團物業、機器及設備於本年度內之變動詳情載於綜合財務報表附註13。

購回、出售或贖回本公司上市證券

於本年度內，本公司以總代價51,193,950港元（扣除開支前）於香港聯合交易所有限公司（「聯交所」）回購合共102,990,000股本公司股份（「股份」）。

於本年度內股份回購之詳情如下：

Months of share repurchase 回購股份之月份 (2018)	Date of Cancellation 註銷日期 (DD/MM/YY) 日/月/年	Number of shares repurchased 回購股份之數目	Highest price paid per Share 已付每股最高價	Lowest price paid per Share 已付每股最低價	Aggregate consideration paid (before expenses) 已付總代價（扣除開支前）
			HK\$ 港元	HK\$ 港元	HK\$ 港元
April 4月	15/05/2018	4,010,000	0.495	0.480	1,970,150
May 5月	15/05/2018	22,790,000	0.520	0.485	11,394,100
June 6月	29/06/2018	53,690,000	0.530	0.510	27,965,700
July 7月	31/07/2018	22,500,000	0.480	0.410	9,864,000
Total 總計		102,990,000			51,193,950



PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES (Continued)

The repurchases were made with a view to enhancing the net asset value and/or earnings per Share.

Save as disclosed above, during the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

As at 31 December 2018, there was a total of 6,779,458,129 Shares in issue (2017: 6,882,448,129 Shares).

DIRECTORS OF THE COMPANY

The Directors during the Year and up to the date of this report were:

EXECUTIVE DIRECTORS

Ms. Cindy Yeung (*Chairperson*)
Mr. Chan Hung Ming (*resigned on 1 March 2018*)
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chan Sim Ling, Irene
Mr. Liu Hing Hung
Ms. Chan Wiling, Yvonne

Biographical details of the Directors as at the date of this report are set out from pages 16 to 18. Details of Directors' remuneration are set out in note 9 to the consolidated financial statements.

In accordance with Article 80(1) and (3) of the Company's Articles of Association, Mr. Wong Chi Fai and Mr. Liu Hing Hung shall retire by rotation at the 2019 AGM and, being eligible, offer themselves for re-election thereat.

None of the Directors offering themselves for re-election at the 2019 AGM has an unexpired service contract with the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Company during the Year or during the period from 1 January 2018 up to the date of this report are set out below and those marked with an asterisk* are also Directors of the Company as at the date of this report:

* Ms. Cindy Yeung
* Mr. Wong Chi Fai
* Ms. Fan Man Seung, Vanessa
Mr. Chan Hung Ming
Mr. Yeung Ching Loong, Alexander
Ms. Koo Betty Po Har Yeung
Mr. Au Yit Hoo, Abel
Ms. Chui Man Yee
Mr. Luk Pak Chiu, David
Ms. Rafiati Binti Safiie

購回、出售或贖回本公司上市證券 (續)

進行回購務求提高每股資產淨值及／或每股盈利。

除上文披露者外，於本年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

於2018年12月31日，已發行股份總數為6,779,458,129股（2017年：6,882,448,129股）。

本公司之董事

本年度內及直至本報告日期止，董事如下：

執行董事

楊諾思女士 (*主席*)
陳鴻明先生 (*於2018年3月1日辭任*)
黃志輝先生
范敏嫦女士

獨立非執行董事

陳嬋玲女士
廖慶雄先生
陳慧玲女士

於本報告日期董事之履歷詳情乃載於第16至18頁。董事之酬金詳情乃載於綜合財務報表附註9。

根據本公司之組織章程細則第80(1)及(3)條，黃志輝先生及廖慶雄先生將於2019股東週年大會上輪值告退。彼等均符合資格並願意於會上膺選連任。

概無擬在2019股東週年大會上膺選連任之董事與本集團訂有本集團不可於一年內免付賠償（法定賠償除外）而終止之未屆滿服務合約。

附屬公司之董事

於本年度內或自2018年1月1日直至本報告日期期間於本公司附屬公司董事會任職之全體董事姓名乃載於下文，而該等標註*號者亦為於本報告日期之本公司董事：

* 楊諾思女士
* 黃志輝先生
* 范敏嫦女士
陳鴻明先生
楊政龍先生
楊寶霞女士
歐逸豪先生
徐敏儀女士
陸伯超先生
Rafiati Binti Safiie女士



MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group's business were entered into or existed during the Year.

PERMITTED INDEMNITY PROVISIONS

During the Year and up to the date of this report, the Company has in force the permitted indemnity provisions which are provided for in the Company's Articles of Association and in the directors and officers liability insurance maintained for the Group in respect of potential liability and costs associated with legal proceedings that may be brought against the Directors and the directors of the Group respectively.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("EWJ Securities Code") were as follows:

(A) LONG POSITION INTERESTS IN THE COMPANY

Ordinary shares of the Company ("Shares")

Name of Director 董事姓名	Capacity/ Nature of interests 身份/權益性質	Number of issued Shares 已發行股份數目	% of issued Shares 佔已發行股份%
Ms. Cindy Yeung 楊諾思女士	Beneficiary of the AY Trust AY Trust之受益人	4,033,480,000	59.50%

Note:

These Shares were held by Emperor Watch & Jewellery Group Holdings Limited ("Emperor W&J Holdings"), a wholly-owned subsidiary of Albert Yeung Holdings Limited ("AY Holdings"). AY Holdings was held by STC International Limited ("STC International") in trust for The Albert Yeung Discretionary Trust ("AY Trust"), a discretionary trust under which Ms. Cindy Yeung is one of the eligible beneficiaries.

管理合約

於本年度內，除僱傭合約外，概無訂立或存續有關管理及經營本集團全部或任何重大部分之業務之合約。

獲准許的彌償條文

於本年度及直至本報告日期止就董事及本集團董事分別面臨的法律訴訟而產生的潛在責任及費用，本公司備有彌償條文，該等條文均載於本公司之組織章程細則及於投購之董事及高級管理人員責任險內。

董事及主要行政人員之證券權益及淡倉

於2018年12月31日，董事及本公司之主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有本公司根據證券及期貨條例第352條須予備存之登記冊所記錄之權益及淡倉，或根據本公司採納之董事進行證券交易之標準守則（「英皇鐘錶珠寶證券守則」）須另行知會本公司及聯交所之權益及淡倉如下：

(A) 於本公司權益之好倉

本公司之普通股（「股份」）

附註：

該等股份乃由楊受成產業控股有限公司（「楊受成產業控股」）之全資附屬公司英皇鐘錶珠寶集團控股有限公司（「英皇鐘錶珠寶控股」）持有。楊受成產業控股由STC International Limited（「STC International」）以信託形式代The Albert Yeung Discretionary Trust（「AY Trust」）持有，AY Trust為酌情信託，而楊諾思女士為合資格受益人之一。



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

董事及主要行政人員之證券權益及淡倉 (續)

(B) LONG POSITION INTERESTS IN ASSOCIATED CORPORATIONS OF THE COMPANY

(B) 於本公司相聯法團權益之好倉

Ordinary Shares

普通股

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity/Nature of interests 身份/權益性質	Number of shares interested 持有權益之股份數目	% of issued shares 佔已發行股份%
Ms. Cindy Yeung 楊諾思女士	Emperor International Holdings Limited ("Emperor International") 英皇集團(國際)有限公司 (「英皇國際」)	Beneficiary of the AY Trust AY Trust之受益人	2,747,610,489 (Note) (附註)	74.71%
Ms. Cindy Yeung 楊諾思女士	Emperor Entertainment Hotel Limited ("Emperor E Hotel") 英皇娛樂酒店有限公司 (「英皇娛樂酒店」)	Beneficiary of the AY Trust AY Trust之受益人	851,352,845 (Note) (附註)	66.45%
Ms. Cindy Yeung 楊諾思女士	Ulferts International Limited ("Ulferts") 歐化國際有限公司(「歐化」)	Beneficiary of the AY Trust AY Trust之受益人	600,000,000 (Note) (附註)	75.00%
Ms. Fan Man Seung, Vanessa 范敏嫦女士	Emperor International 英皇國際	Beneficial Owner 實益擁有人	10,500,000	0.29%

Note:

Emperor International, Emperor E Hotel and Ulferts are companies with their shares listed on the Stock Exchange. These respective shares were ultimately owned by the AY Trust. Ms. Cindy Yeung, by virtue of being one of the eligible beneficiaries of the AY Trust, had deemed interests in the same shares.

附註:

英皇國際、英皇娛樂酒店及歐化均為股份於聯交所上市之公司。各有關股份乃由AY Trust最終擁有。鑑於楊諾思女士為AY Trust合資格受益人之一，彼被視為於上述股份中擁有權益。

Save as disclosed above, as at 31 December 2018, none of the Directors nor chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

除上文披露者外，於2018年12月31日，概無董事或本公司主要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)之任何股份、相關股份及債權證中擁有任何權益或淡倉。

SHARE OPTIONS

The share option scheme adopted by the Company in June 2008 had expired automatically in June 2018. To continue to provide incentives or rewards to the staff, the Company had adopted a new share option scheme in May 2018. Particulars of the said share option schemes are summarized and set out in note 30 to the consolidated financial statements. No option was granted, exercised or cancelled by the Company under the said share option schemes since its adoption and up to 31 December 2018.

購股權

本公司於2008年6月採納之購股權計劃已於2018年6月自動失效。為了繼續向員工提供獎勵或回報，本公司已於2018年5月採納一項新的購股權計劃。該項購股權計劃之詳情已概述並載於綜合財務報表附註30。自採納有關該等購股權計劃起直至2018年12月31日，本公司概無據此授出、行使或註銷任何購股權。

EQUITY-LINKED AGREEMENTS

Other than the share option schemes as disclosed in note 30 to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

股票掛鉤協議

除於綜合財務報表附註30披露的購股權計劃外，並無任何股票掛鉤協議由本公司於本年度訂立或於本年度末存續。



ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as stated above, at the end of the Year and at no time during the Year was the Company, any of its holding companies, subsidiaries or its fellow subsidiaries, a party to any arrangements to enable the Directors or chief executive of the Company or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at 31 December 2018, none of the Directors or their respective close associates was interested in any business which was considered to compete or was likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SECURITIES AND UNDERLYING SHARES

So far as is known to any Directors or chief executive of the Company, as at 31 December 2018, the following persons or corporations (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO ("DI Register") or as otherwise notified to the Company were as follows:

LONG POSITION IN THE SHARES

Name 名稱／姓名	Capacity/Nature of interests 身份／權益性質	Number of Shares interested 持有權益之股份數目	% of issued Shares 佔已發行股份%
Emperor W&J Holdings 英皇鐘錶珠寶控股	Beneficial owner 實益擁有人	4,033,480,000	59.50%
AY Holdings 楊受成產業控股	Interest in a controlled Corporation 於受控制法團之權益	4,033,480,000	59.50%
STC International	Trustee of the AY Trust AY Trust之受託人	4,033,480,000	59.50%
Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung") 楊受成博士(「楊博士」)	Founder of the AY Trust AY Trust之創立人	4,033,480,000	59.50%
Ms. Luk Siu Man, Semon 陸小曼女士	Interest of spouse 配偶權益	4,033,480,000	59.50%

購買股份或債權證之安排

除上文所述者外，於本年度末及本年度內任何時間，本公司、其任何控股公司、附屬公司或同系附屬公司概無訂立任何安排，致使董事或本公司主要行政人員或彼等配偶或18歲以下子女可藉購入本公司或任何其他法人團體之股份或債權證而獲取利益。

董事於競爭業務之權益

於2018年12月31日，概無根據上市規則須予披露董事或彼等各自之緊密聯繫人士於被視為可能與本集團業務直接或間接構成競爭之任何業務中擁有權益。

其他人士於證券及相關股份之權益及淡倉

就任何董事或本公司主要行政人員所知，於2018年12月31日，除董事或本公司主要行政人員外，以下人士或法團於本公司股份或相關股份中擁有或被視為或被當作擁有記錄於根據證券及期貨條例第336條須予備存之登記冊(「權益披露登記冊」)內或須另行知會本公司之權益及淡倉如下：

於股份之好倉



OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SECURITIES AND UNDERLYING SHARES (Continued)

LONG POSITION IN THE SHARES (Continued)

Note: These Shares were the same Shares of which Ms. Cindy Yeung had deemed interest by virtue of being one of the eligible beneficiaries of the AY Trust as set out under Section (A) of "Directors' and Chief Executives' Interests and Short Positions in Securities" above.

All interests stated above represent long positions. As at 31 December 2018, no short positions were recorded in the DI Register of the Company.

Save as disclosed above, as at 31 December 2018, the Directors were not aware of any person or corporation (other than the Directors and chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the DI Register of the Company or as otherwise notified to the Company.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS

During the Year, the Group had the following transactions with connected persons (as defined in the Listing Rules) of the Company:

(1) CONNECTED TRANSACTION – ACQUISITION OF ENTIRE EQUITY INTEREST IN PERFECT RAISE HOLDINGS LIMITED

On 27 August 2018, Emperor Watch & Jewellery (HK & Macau) Holdings Limited, a wholly-owned subsidiary of the Company, as purchaser, had entered into a sale and purchase agreement ("SP Agreement") with Emperor Property Investment Limited ("Vendor") (a wholly-owned subsidiary of Emperor International), as vendor, for the acquisition of (a) the entire equity interest (1 ordinary share) of Perfect Raise Holdings Limited ("Target Company"); and (b) all loans due and payable by the Target Company to the Vendor as at completion, at a consideration of HK\$1,800 million (being adjusted on completion). The Target Company directly holds the property at the shops on G/F, shop of 1/F (including the staircases lending thereto from the G/F) together with the right to use the advertising space on the external wall of 1/F to the building of 4-8 Canton Road, Kowloon, Hong Kong. The transaction became unconditional after the approval by the shareholders of the Company and Emperor International on 5 December 2018. Completion of the transaction took place on 12 December 2018 at the cash consideration of HK\$1,151,472,008.69. Details of the acquisition are set out in note 25 to the consolidated financial statements.

其他人士於證券及相關股份之權益及淡倉(續)

於股份之好倉(續)

附註： 該等股份乃上文「董事及主要行政人員之證券權益及淡倉」中第(A)節所載該等由楊諾思女士作為AY Trust合資格受益人之一而被視為擁有權益之股份。

上述所有權益均屬好倉。於2018年12月31日，於本公司之權益披露登記冊內概無任何淡倉記錄。

除上文披露者外，於2018年12月31日，董事並不知悉任何人士或法團(董事及本公司主要行政人員除外)於任何股份或相關股份中擁有或被視為或被當作擁有權益披露登記冊所記錄或須另行知會本公司之任何權益或淡倉。

董事於交易、安排或合約之權益及持續關連交易

於本年度內，本集團曾與關連人士(定義見上市規則)進行下列交易：

(1) 關連交易 – 收購湛揚控股有限公司之全部股權

於2018年8月27日，本公司之全資附屬公司英皇鐘錶珠寶(港澳)控股有限公司(作為買方)與英皇國際之全資附屬公司英皇物業投資有限公司(「賣方」，作為賣方)訂立買賣協議(「買賣協議」)，以按代價1,800,000,000港元(於完成時已調整)收購(a)湛揚控股有限公司(「目標公司」)之全部股權(1股普通股)；及(b)目標公司於完成時結欠及應付賣方之所有貸款。目標公司直接持有香港九龍廣東道4-8號樓宇地下之商店、1樓之商店(包括由地下通往1樓之樓梯)，連同1樓外牆廣告位之使用權。有關交易已於2018年12月5日獲本公司及英皇國際之股東批准後成為無條件。交易於2018年12月12日完成，其現金代價為1,151,472,008.69港元。收購詳情列載於綜合財務報表附註25。

**DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS***(Continued)***(1) CONNECTED TRANSACTION – ACQUISITION OF ENTIRE EQUITY INTEREST IN PERFECT RAISE HOLDINGS LIMITED** *(Continued)*

The Company and Emperor International were both indirectly controlled by the AY Trust. As such, under Chapter 14A of the Listing Rules, the Vendor was a connected person of the Company and accordingly, the SP Agreement and the transactions contemplated thereunder constituted connected transaction for the Company. Ms. Cindy Yeung had deemed interest in the transaction by virtue of being one of the eligible beneficiaries of the AY Trust.

Details of the above transaction were set out in the announcement of the Company dated 27 August 2018 and the circular of the Company dated 12 November 2018.

(2) CONTINUING CONNECTED TRANSACTION – MASTER LEASING AGREEMENTS

On 24 May 2018, the Company entered into 2 respective master leasing agreements with Emperor International and Emperor E Hotel (collectively the “Master Leasing Agreements”) which set out the framework of the terms governing all existing and future tenancy/licensing transaction(s) (“Tenancy Transactions”) regarding leasing of certain office properties or other properties (including retail shop, signage or signboard space) from Emperor International/Emperor E Hotel for the period from 24 May 2018 to 31 March 2021 with aggregate tenancy annual caps being set for each of the financial years ended/ending 31 December 2018, 2019, 2020 and the three months ending 31 March 2021 (“Aggregate Tenancy Annual Caps”).

The Master Leasing Agreement with Emperor International became unconditional on 9 August 2019 after the approval by the respective independent shareholders of the Company and Emperor International; whereas the Master Leasing Agreement with Emperor E Hotel became unconditional on 2 August 2018 after the approval by the independent shareholders of the Company and the board of directors of Emperor E Hotel, whereupon the Aggregate Tenancy Annual Caps had replaced all the then annual caps previously obtained by the Company for the Tenancy Transactions.

董事於交易、安排或合約之權益及持續關連交易 (續)**(1) 關連交易 – 收購湛揚控股有限公司之全部股權 (續)**

本公司與英皇國際均由AY Trust間接控制。因此，根據上市規則第14A章，賣方為本公司之關連人士，故買賣協議及據此擬進行之交易構成本公司之關連交易。楊諾思女士為AY Trust合資格受益人之一，因此被視作於該交易中擁有權益。

上述交易之詳情載於本公司日期為2018年8月27日之公告及本公司日期為2018年11月12日之通函。

(2) 持續關連交易 – 總租賃協議

於2018年5月24日，本公司與英皇國際及英皇娛樂酒店分別訂立兩份總租賃協議（統稱「總租賃協議」），當中載列規管英皇國際／英皇娛樂酒店於2018年5月24日至2021年3月31日期間就租賃若干辦公室物業或其他物業（包括零售商舖、廣告牌或招牌）而進行之所有現有及未來租賃／授權交易（「租賃交易」）的框架條款，並就截至2018年、2019年、2020年12月31日止各財政年度及截至2021年3月31日止3個月設定總租賃年度上限（「總租賃年度上限」）。

與英皇國際訂立之總租賃協議經本公司及英皇國際各自之獨立股東批准後於2018年8月9日成為無條件，而與英皇娛樂酒店訂立之總租賃協議經本公司獨立股東及英皇娛樂酒店董事會批准後於2018年8月2日成為無條件，而總租賃年度上限亦已取代本公司所有就租賃交易於先前所取得之當時年度上限。



DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS

(Continued)

(2) CONTINUING CONNECTED TRANSACTION – MASTER LEASING AGREEMENTS (Continued)

Pursuant to the Master Leasing Agreements, relevant members of the Group and any member(s) of Emperor International and Emperor E Hotel (as the case may be) may from time to time enter into any definitive leasing agreements in relation to any Tenancy Transactions (“Definitive Leasing Agreement(s)”). The terms of each of Definitive Leasing Agreement shall be on normal commercial terms or on terms which are no less favourable available to the Group than terms offered by independent third parties. The terms and rental shall be subject to arm's length negotiation and determined based on the condition of the properties and with reference to the then prevailing market rents on property(ies) comparable in location, area and permitted use. During the Year, the aggregate amounts of the Tenancy Transactions with Emperor International and Emperor E Hotel were HK\$171,567,090 and HK\$4,140,961 respectively.

The Company, Emperor International and Emperor E Hotel were all indirectly controlled by the AY Trust. As such, under Chapter 14A of the Listing Rules, each of Emperor International and Emperor E Hotel was a connected person of the Company and accordingly, the transactions contemplated under the Master Leasing Agreements constituted continuing connected transactions of the Company. Ms. Cindy Yeung had deemed interest in the Master Leasing Agreements by virtue of being one of the eligible beneficiaries of the AY Trust.

Details of the Master Leasing Agreements were set out in the announcement of the Company dated 24 May 2018 and the circular of the Company dated 17 July 2018.

董事於交易、安排或合約之權益及持續關連交易 (續)

(2) 持續關連交易 – 總租賃協議 (續)

根據總租賃協議，本集團相關成員公司與英皇國際及英皇娛樂酒店（視情況而定）任何成員公司可不時就任何租賃交易訂立任何正式租賃協議（「正式租賃協議」）。各正式租賃協議之條款按一般商業條款或按不遜於獨立第三方給與本集團之條款訂立。條款及租金應經公平磋商協定，並根據該等物業狀況及參考具有相若位置、面積及許可用途之物業當時市場租金而釐定。於本年度內，與英皇國際及英皇娛樂酒店所進行之租賃交易總額分別為171,567,090港元及4,140,961港元。

本公司、英皇國際與英皇娛樂酒店均由AY Trust間接控制。因此，根據上市規則第14A章，英皇國際及英皇娛樂酒店各自為本公司之關連人士，故根據總租賃協議擬進行之交易構成本公司之持續關連交易。楊諾思女士為AY Trust合資格受益人之一，因此被視作於總租賃協議中擁有權益。

總租賃協議之詳情載於本公司日期為2018年5月24日之公告及本公司日期為2018年7月17日之通函。





DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS

(Continued)

(3) CONTINUING CONNECTED TRANSACTION – CONSIGNMENT AGREEMENT WITH DR. ALBERT YEUNG

Under the consignment agreement dated 4 November 2016 made between the Company and Dr. Albert Yeung, the Group may at its discretion make consignment arrangements with Dr. Albert Yeung and his associates during the period from 1 January 2017 to 31 December 2019 and sell the consigned items at its retail shops as the Directors may think fit and beneficial to the Group.

During the Year, a consigned jewellery item of HK\$10,000,000 from Dr. Albert Yeung or his associate was recorded. The Group had applied the same purchasing and retail pricing policy and mechanism to this item as those normally adopted in the ordinary and usual course of business of the Group. No sale of such item was made during the Year.

COMPLIANCE WITH DISCLOSURE REQUIREMENTS

Regarding the “Related Party Transactions” as out in note 32 to the consolidated financial statements, the “rental” payments in the amount of HK\$175,708,000 as incorporated in item (2) are non-exempt continuing connected transactions and that the Company had complied with the disclosure requirements under Chapter 14A of the Listing Rules.

AUDITOR'S LETTER ON NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Company's auditor was engaged to report on the Group's non-exempt continuing connected transactions (“CCTs”) in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” (“Auditor's Letter”) issued by the Hong Kong Institute of Certified Public Accountants.

董事於交易、安排或合約之權益及持續關連交易(續)

(3) 持續關連交易－與楊博士之寄售協議

根據本公司與楊博士於2016年11月4日訂立之寄售協議，於2017年1月1日至2019年12月31日期間，本集團可酌情決定與楊博士及其聯繫人作出寄售安排，董事可於認為合適及對本集團有利時在其零售店鋪出售寄售物品。

於本年度內，本集團錄得一件由楊博士之聯繫人所寄售珠寶首飾，金額為10,000,000港元。本集團就該首飾採納的購買及零售定價政策及機制與本集團於日常及一般業務過程中所採納者相同。於本年度，該首飾未獲出售。

遵守披露規定

就納入綜合財務報表附註32「關連方交易」而言，第(2)項為數175,708,000港元之租金付款為不獲豁免之持續關連交易，而本公司已遵守上市規則第14A章的披露規定。

核數師有關不獲豁免持續關連交易之函件

本公司核數師已獲委聘按照香港會計師公會頒佈之《香港審驗應聘服務準則3000》(經修訂)的「歷史財務資料審計或審閱以外的審驗應聘」，並參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」(「核數師函件」)，匯報本集團之不獲豁免持續關連交易(「持續關連交易」)。



DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS

(Continued)

AUDITOR'S LETTER ON NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS (Continued)

The auditor had issued an unqualified letter containing its findings and conclusions in respect of the CCTs in accordance with Rule 14A.56 of the Listing Rules. A copy of the Auditor's Letter had been provided by the Company to the Stock Exchange.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to rule 14A.55 of the Listing Rules, the independent non-executive directors of the Company ("INEDs") had reviewed the CCTs and the Auditor's Letter and confirmed that these transactions had been entered into by the Group:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better (as the case may be); and
- (iii) according to the agreements governing them on terms that were fair and reasonable and in the interests of the Shareholders as a whole.

Saved as disclosed above, there was no transaction, arrangement or contract of significance which was significant in relation to the Group's business to which the Company or any of its holding companies, subsidiaries, or fellow subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate sales to the Group's five largest customers accounted for approximately 1.1% (2017: 2.0%) of the total turnover of the Group. The Group's five largest suppliers contributed to approximately 74.4% (2017: 77.7%) of the purchases of the Group during the Year.

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the number of issued Shares) had any beneficial interest in the above major customers and suppliers of the Group.

董事於交易、安排或合約之權益及持續關連交易 (續)

核數師有關不獲豁免持續關連交易之函件 (續)

核數師已按照上市規則第14A.56條發出無保留意見函件，內含其就持續關連交易之發現及結論。本公司已向聯交所提供核數師函件之副本。

獨立非執行董事之確認

根據上市規則第14A.55條，本公司之獨立非執行董事（「獨立非執行董事」）已審閱持續關連交易及核數師函件，並確認該等交易已由本集團：

- (i) 於本集團之日常及一般業務過程中訂立；
- (i) 按一般或更佳（視情況而定）商業條款進行；及
- (iii) 根據有關規管協議進行，其中條款公平合理，並符合股東整體利益。

除上文所披露者外，於本年度完結時或本年度任何時間並無存在本公司或其任何控股公司、附屬公司或同系附屬公司參與訂立而董事或其關連實體於當中擁有重大權益（無論直接或間接）且對本集團業務而言屬重大之重大交易、安排或合約。

主要客戶及供應商

於本年度內，本集團五大客戶之總銷售額佔本集團總營業額約1.1%（2017年：2.0%）。本集團五大供應商佔本集團本年度採購額約74.4%（2017年：77.7%）。

董事或彼等之任何聯繫人士或據董事所深知擁有已發行股份數目5%以上之任何股東，概無於上述本集團主要客戶及供應商擁有任何實際權益。





CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company had received from each of the INEDs an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considered all of the INEDs are independent.

EMOLUMENT POLICY

The remuneration of the Executive Directors were decided by the Board as recommended by the Remuneration Committee having regard to a written remuneration policy (which ensures a clear link of business strategy and a close alignment with the Shareholders' interest and current market best practice), the Group's operating results, individual performance and comparisons of market statistics. The INEDs are paid fees in line with market practice. No individual should determine his or her own remuneration.

Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performances as well as market pay level. Remuneration package includes, as the case may be, basic salaries, Directors' fees, contribution to pension schemes, discretionary bonus relating to financial performance of the Group and individual performance, and other competitive fringe benefits such as medical and life insurances. To provide incentive to the eligible participants (including Directors and employees), the remuneration package has been extended to include share options under the Share Option Scheme.

Details of the emoluments of the Directors and the five highest paid individuals in the Group are set out in note 9 to the consolidated financial statements.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 32 to 56.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, there was sufficient public float of at least 25% of the Company issued Shares as required under the Listing Rules.

獨立非執行董事之確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書。本公司認為，全體獨立非執行董事均為獨立人士。

薪酬政策

執行董事之酬金由薪酬委員會參照一套書面薪酬政策（以確保與業務策略清晰聯繫，並緊密符合股東之權益及現行市場最佳常規）、本集團之營運業績、個別人士表現及市場統計可比較數字提供意見，並由董事會釐定。獨立非執行董事之酬金則以符合市場慣例之基準而支付。並無個別人士可自行釐定其酬金。

僱員薪酬乃根據個人責任、能力及技術、經驗及表現以及市場薪酬水平釐定。薪酬組合包括（視情況而定）基本薪金、董事袍金、退休金計劃供款、有關本集團財務表現及個人表現之酌情花紅及其他具有競爭力之額外福利（如醫療及人壽保險）。為了激勵合資格參與者（包括董事及僱員），薪酬待遇已擴大至包括購股權計劃項下之購股權。

董事及本集團五位最高薪人士之薪酬詳情載於綜合財務報表附註9。

企業管治

本公司採納之主要企業管治常規載於第32至56頁之企業管治報告。

足夠之公眾持股量

根據本公司可得之公開資料及據董事所知，於刊發本年報前之最後實際可行日期，本公司已發行股份維持上市規則所規定至少25%之足夠公眾持股量。





DONATIONS

During the Year, the Group made charitable donation amounting to approximately HK\$938,250.

AUDITOR

A resolution will be submitted to the 2019 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Cindy Yeung

Chairperson

Hong Kong, 19 March 2019

捐款

於本年度內，本集團作出慈善捐款約938,250港元。

核數師

續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於2019股東週年大會上提呈。

代表董事會

楊諾思

主席

香港，2019年3月19日



The Board is committed to maintaining a high standard of corporate governance for the Company so as to ensure “Accountability, Responsibility and Transparency” towards shareholders, stakeholders, investors as well as employees of the Company.

The Board has adopted various policies to ensure compliance with the code provisions of the Corporate Governance Code (the “CG Code”) under Appendix 14 of the Listing Rules. For the Year, the Company had complied fully with the code provisions of the CG Code except with the deviation from code provision A.2.1 regarding segregation of roles of chairman and chief executive officer as explained below.

THE BOARD

BOARD COMPOSITION

As at 31 December 2018, the Board comprised six Directors (three Executive Directors and three INEDs) who possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The biographies of the Directors are set out on pages 16 to 18 of this annual report under the “Biographies of Directors and Senior Executives” section.

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Ms. Cindy Yeung (being the Chief Executive Officer of the Group) has also been appointed as the Chairperson of the Board who provides the Group and the Board with strong and consistent leadership while at the same time allows for more effective planning, formulation, implementation and execution of long-term business strategies and overall business management of the Group. The Company has considered the issue of balance of power of authority on the Board and believes the structure of the Company, including strong independent elements in the Board, delegation of authorities to the management, supervision by the Board and Board committees, is sufficient to address the potential issue on power concentration. All Directors, who possess different experiences and bring expertise to the Company, are properly briefed on issues arising at Board meetings and that adequate, complete and reliable information is received by the Directors. The Board is of the opinion that the current Board structure functions effectively and does not intend to make any change thereof.

董事會致力為本公司維持高水平之企業管治，以確保為本公司股東、持份者、投資者以及僱員提供「問責、負責及具透明度」之制度。

董事會已採納多項政策，以確保遵守上市規則附錄十四《企業管治守則》（「企業管治守則」）之守則條文。於本年度內，本公司已全面遵守企業管治守則之守則條文，惟偏離守則條文第A.2.1條（有關主席及行政總裁之角色應予以區分）除外，詳情載於下文。

董事會

董事會組成

於2018年12月31日，董事會由六名董事組成（三名執行董事及三名獨立非執行董事），彼等擁有於相同行業或與本集團業務管理相關之技能、經驗及專業知識。董事履歷載於本年報第16至18頁「董事及高級行政人員之履歷」一節。

主席及行政總裁

守則條文第A.2.1條規定主席及行政總裁之職務須分開且不得由同一人士擔任。本集團行政總裁楊諾思女士亦獲委任為董事會主席，彼為本集團及董事會提供穩健及一致的領導效能，同時能更有效籌劃、制定、執行及推行長遠業務策略和本集團的整體業務管理。本公司已考慮董事會權力制衡的事宜，並相信本公司的架構（包括董事會具備足夠獨立性、向管理層授予權力、由董事會及董事委員會進行監察）足以應對權力集中之潛在問題。擁有不同經驗及為本公司帶來專業技能之所有董事於董事會會議上提出之事項均能獲妥善講解及能收取足夠、完整及可靠之資料。董事會認為，董事會現時之架構功能可有效地運作，且不擬作出任何變動。



THE BOARD (Continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS

The INEDs are all professionals with valuable experience and expertise in legal, accounting or auditing fields who contribute impartial view and make independent judgment on issues to be discussed at Board meetings. Each of them has been appointed for an initial term of two years which is renewed automatically for successive term of one year subject to early termination with notice being served by either party. The terms of the INEDs are also subject to retirement by rotation and re-election provision under the Articles of Association of the Company.

The Company had received confirmation of independence from each of the INEDs. Based on the annual review conducted by the Nomination Committee, the Board considered each of them to be independent by reference to the factors as set out in Rule 3.13 of the Listing Rules. The INEDs had been expressly identified as such in all corporate communications of the Company that disclose the names of Directors.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Company is headed by the Board which is responsible for the leadership, control and promotion of the success of the Group in the interests of the shareholder of the Company ("Shareholders") by directing and supervising its affairs and by formulating strategic directions and monitoring the financial and management performance of the Group.

DELEGATION TO THE MANAGEMENT

The management is led by the Executive Committee of the Company (which comprises all the Executive Directors of the Board) and has delegated powers and authorities to carry out the day-to-day management and operation of the Group, formulate business policies and make decision on key business issues. The Executive Committee shall have all powers and authorities of the Board except the following matters as set out in a "formal schedule of matters specifically reserved by the Board":

- determining the Group's objectives and strategies;
- approving annual and interim results and financial reporting;
- declaring or recommending payment of dividends or other distributions;
- approving major changes that require notification by announcement under the Listing Rules;
- approving publication of the announcement for notifiable transactions under the Listing Rules;

董事會(續)

獨立非執行董事

獨立非執行董事均為於法律、會計或審計界別中擁有寶貴經驗及知識之專業人士，就將於董事會會議上討論之事宜提供中立觀點及作出獨立判斷。彼等各自之初步任期為兩年，其後按年自動重續，惟可由任何一方發出書面通知提早終止。獨立非執行董事的任期亦受本公司組織章程細則項下之輪值退任及重選連任條文所規限。

本公司已接獲各獨立非執行董事之獨立性確認書。基於提名委員會之年度審閱，董事會認為在參照上市規則第3.13條所載之因素後，各獨立非執行董事均屬獨立人士。本公司在所有需要披露董事姓名的公司通訊中，均已明確列明獨立非執行董事之身份。

董事會之角色及職責

本公司由董事會領導，董事會負責以符合本公司股東(「股東」)利益為出發點指導及監督其事務，並透過制定策略方向及監察本集團之財務及管理表現，從而領導、監控及促進本集團之成功。

授權予管理層

管理層乃由本公司執行委員會(此由董事會之所有執行董事所組成)領導，並獲授予權力及授權，以進行本集團之日常管理及營運、制定業務政策，並就主要業務事項作出決定。執行委員會須具有董事會之一切權力及授權，惟「正式預定計劃表由董事會特別保留作決定」之下列事項除外：

- 釐定本集團之目標及策略；
- 批准年度及中期業績以及財務報告；
- 宣派或建議派付股息或其他分派；
- 批准根據上市規則須以公告形式作出通知之重大變動；
- 批准刊發上市規則項下之須予公佈交易之公告；



**THE BOARD (Continued)****DELEGATION TO THE MANAGEMENT (Continued)**

- approving non-exempted connected transactions/ non-exempted continuing connected transactions (other than those transactions took place from time to time under the master agreement(s) previously approved by the Board/Shareholders (as the case may be)) under the Listing Rules;
- approving proposed transactions requiring Shareholders' approval under the Listing Rules;
- approving major capital restructuring and issue of new securities of the Company;
- approving the establishment of Board committees;
- approving policies and practices on compliance with legal and regulatory requirements, including but not limited to risk management policy, remuneration policy and corporate governance policy;
- approving financial assistance to Directors;
- ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions; and
- approving such other matters or transactions as specified by the Board or as thought fit by the Committee or as required by all applicable laws, rules and regulations from time to time.

INDUCTION, SUPPORT AND PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of equity/business interest in the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have been updated on the latest developments of the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. There is a procedure agreed by the Board to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses in order to assist them to perform their duties to the Company.

董事會 (續)**授權予管理層 (續)**

- 批准上市規則項下之非豁免關連交易／非豁免持續關連交易(根據已由董事會／股東(視情況而定)批准之主協議不時進行之交易除外)；
- 批准根據上市規則需要股東批准之建議交易；
- 批准本公司之主要資本重組及新證券發行；
- 批准成立董事委員會；
- 批准有關遵守法例及監管規定方面的政策及常規，包括但不限於風險管理政策、薪酬政策及企業管治政策；
- 批准對董事之財務援助；
- 確保本公司會計、內部審計及財務匯報職能之資源、員工資格及經驗、培訓計劃及預算之充足性；及
- 批准董事會指定或委員會認為適合或所有不時適用的法律、規則及規例所規定之有關其他事項或交易。

董事之啟導、支援及專業發展

所有董事均已獲提供有關擔任董事之職責及責任、適用於董事之相關法例及規例、股權／業務利益披露之責任及本集團業務之相關指引資料，而於新任董事獲委任後，亦會於短期內向其提供該等就任董事須知資料。全體董事亦已就上市規則及其他適用監管要求之發展獲得最新資料，從而確保遵例，同時加強彼等對良好企業管治常規之意識。董事會已議定程序，使董事可在適當情況下經合理要求後尋求獨立專業意見以協助彼等為本公司執行職責，費用由本公司承擔。



THE BOARD (Continued)

INDUCTION, SUPPORT AND PROFESSIONAL DEVELOPMENT OF DIRECTORS (Continued)

The Directors confirmed that they had complied with the Code provision A.6.5 on Directors' training. During the Year, each Director had participated in continuous professional development by attending seminars/workshops/reading materials on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company.

董事會 (續)

董事之啟導、支援及專業發展 (續)

董事確認，彼等已遵守企業管治守則條文第A.6.5條有關董事培訓之守則。於本年度，各董事均已參與持續專業發展，透過出席有關以下主題之座談會／工作坊／閱讀材料，以發展及重溫彼等之知識及技能，並已向本公司提供培訓紀錄。

Name of Directors 董事姓名	Topics of training covered 所涵蓋之培訓主題
Ms. Cindy Yeung 楊諾思女士	(1) corporate governance 企業管治
Mr. Chan Hung Ming 陳鴻明先生	(2) finance 財務
Mr. Wong Chi Fai 黃志輝先生	(3) industry specific 行業相關
Ms. Fan Man Seung, Vanessa 范敏嫦女士	(4) regulatory 監管
Ms. Chan Sim Ling, Irene 陳嬋玲女士	
Mr. Liu Hing Hung 廖慶雄先生	
Ms. Chan Wiling, Yvonne 陳慧玲女士	

RELATIONSHIP BETWEEN THE BOARD MEMBERS

None of the members of the Board has any relationship (including financial, business, family or other material/relevant relations) among each other.

DIRECTORS' INSURANCE

The Company has arranged appropriate insurance cover in respect of any legal action against the Directors.

董事會成員間之關係

董事會成員之間概無任何關係(包括財務、業務、家屬或其他重大／相關關係)。

董事之保險

本公司已就董事可能會面對之任何法律訴訟作出適當之投保安排。



THE BOARD (Continued)

DIRECTORS' ATTENDANCE AND TIME COMMITMENT

The attendance of the Directors at the meetings during the Year is set out below:

董事會(續)

董事之出席情況及時間投入

本年度董事出席下列會議之情況如下：

Name of Directors 董事姓名	Number of meetings attended/held 出席會議/舉行會議次數						
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Corporate Governance Committee 企業管治 委員會	Executive Committee 執行委員會	General Meeting 股東大會
Executive Directors 執行董事							
Ms. Cindy Yeung (Note 1) 楊諾思女士 (附註1)	9/9	-	-	-	-	10/10	3/3
Mr. Chan Hung Ming (Note 2) 陳鴻明先生 (附註2)	2/2	-	-	-	-	1/1	-
Mr. Wong Chi Fai 黃志輝先生	9/9	-	1/1	-	-	10/10	3/3
Ms. Fan Man Seung, Vanessa (Note 3) 范敏嫦女士 (附註3)	9/9	-	-	2/2	1/1	10/10	3/3
Independent Non-executive Directors 獨立非執行董事							
Ms. Chan Sim Ling, Irene (Note 4) 陳嫻玲女士 (附註4)	9/9	4/4	-	2/2	1/1	-	3/3
Mr. Liu Hing Hung (Note 5) 廖慶雄先生 (附註5)	9/9	4/4	1/1	-	1/1	-	3/3
Ms. Chan Wiling, Yvonne (Note 6) 陳慧玲女士 (附註6)	9/9	4/4	1/1	2/2	-	-	3/3
Total number of meetings held: 舉行會議之總數：	9	4	1	2	1	10	3

Notes:

- Chairperson of the Executive Committee
- Mr. Chan Hung Ming resigned as Director with effect from 1 March 2018 and automatically ceased to act as a member of the Executive Committee on that day.
- Chairperson of the Corporate Governance Committee
- Chairperson of the Nomination Committee
- Chairman of the Audit Committee
- Chairperson of the Remuneration Committee

Upon reviewing (a) the annual confirmation of the time commitment given by each Director; (b) the directorships and major commitments of each Director; and (c) the attendance rate of each Director on full Board and his/her respective Board committee meetings as well as general meetings, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during the Year.

附註：

- 執行委員會主席
- 陳鴻明先生於2018年3月1日辭任董事職務，並於該日自動停任為執行委員會成員。
- 企業管治委員會主席
- 提名委員會主席
- 審核委員會主席
- 薪酬委員會主席

經檢討(a)各董事就其投入時間發出之年度確認；(b)各董事所持之董事職務及主要任命；及(c)各董事於董事會全體會議及各董事委員會會議以及股東大會之出席率後，董事會信納，於本年度內，全體董事均已付出足夠時間履行彼等之職責。



THE BOARD (Continued)

BOARD MEETINGS AND PROCEEDINGS

Regular Board meetings were held at approximately quarterly intervals. The Directors have access to the advice and services of the Company Secretary and key officers of the company secretarial team for ensuring that the Board procedures as well as all applicable rules and regulations are followed.

With the assistance of the Company Secretary, the meeting agenda is set by the Chairperson of the meeting in consultation with other Board members. Board meeting notice was sent to the Directors at least 14 days prior to each regular Board meeting. For all other board meetings, reasonable notice was given. Board papers and related materials which provide appropriate, accurate, clear, complete and reliable information are generally sent to all Directors and relevant committee members at least 3 days before each Board meeting and Board Committee meeting (on other agreed period) to enable the Directors to make informed decisions.

Minutes of Board meetings and Board committee meetings are drafted by the secretary of the meetings and recorded in sufficient details the matters considered and decisions reached, with draft and final versions being circulated to the Directors for their comment and records respectively, within reasonable time after the meetings are held. Originals of such minutes, being kept by the Company Secretary, are open for inspection at any reasonable time on reasonable notice by any Director.

If a Director has conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution. That Director will abstain from voting on the relevant Board resolution in which he/she or any of his/her associates has a material interest and he/she shall not be counted in the quorum present at such Board meeting. INEDs, who, and whose close associates, have no material interest in the transaction are present at that Board meeting.

董事會(續)

董事會會議及程序

董事會定期會議約每季舉行。董事會可獲取公司秘書及公司秘書團隊主要職員之意見及服務，確保遵循董事會程序以及所有適用之規則及規例。

在公司秘書之協助下，會議議程乃由會議主席在諮詢其他董事會成員後設定。董事會會議之通告於每次董事會定期會議舉行前至少14日發送予董事。至於所有其他董事會會議，亦會於合理時間內發出通知。董事會文件連同所有提供適當、準確、清晰、完整及可靠資料之相關會議材料一般於每次董事會會議及董事委員會會議(於其他經協定之期間)舉行前至少3日前發送予全體董事及相關委員會成員，以便董事作出知情決策。

經由會議秘書就所考慮之事宜及所達成之決策起草及作出充分詳細記錄之董事會會議及董事委員會會議紀錄之初稿及最終定稿，均會交予董事傳閱，分別供彼等於舉行有關會議後之合理時間內表達意見及備案之用。有關會議紀錄之正本由公司秘書保存，可供任何董事於發出合理通知後在任何合理時間查閱。

若董事在董事會將予考慮之事項中存有董事會認為屬重大之利益衝突，則該事項將以召開董事會會議而非以書面決議案方式處理，而該董事將就彼或其任何聯繫人士具有重大利益之相關董事會決議案放棄投票，且不會計入出席該董事會會議之法定人數內。自身及其緊密聯繫人沒有重大利益的獨立非執行董事會出席該董事會會議。





THE BOARD (Continued)

BOARD COMMITTEES

To assist the Board in execution of its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to the Executive Committee, Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee.

The majority of the members of the Audit Committee, Remuneration Committee and Nomination Committee are INEDs. Clear written terms of reference of all the Board Committees are given to the respective members of these Committees. Details of the Board Committees are set out below:

1. Executive Committee (set up on 22 October 2014)

The Executive Committee consists of all the Executive Directors, namely Ms. Cindy Yeung (*Chairperson of the Committee*), Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa. The primary duties of the Executive Committee are (a) formulating business policies and making decision (including entering into transactions) on matters relating to the management and day-to-day operations of the Group; (b) making and reviewing corporate/financial/treasury planning, investment and operation strategy of the Group; (c) discussing and approving any financial, borrowing, charging and guarantee commitment to be made or on behalf of the Group; (d) approving any transactions, including discloseable transactions, exempted connected transactions and non-exempted continuing connected transactions took place from time to time under the master agreement(s) previously approved by the Board/Shareholders (as the case may be) under the Listing Rules; and (e) having all power and authorities of the Board except those matters specifically reserved for the full Board as set out in the "Formal Schedule on matters reserved for and delegated by the Board" adopted by the Board from time to time.

董事會(續)

董事委員會

為協助董事會履行其職責及促進有效管理，董事會若干職能已由董事會委派予執行委員會、審核委員會、薪酬委員會、提名委員會及企業管治委員會。

審核委員會、薪酬委員會及提名委員會大多數成員為獨立非執行董事。所有董事委員會之清晰書面職權範圍已提供予此等委員會之各自成員。董事委員會詳情載列如下：

1. 執行委員會(於2014年10月22日成立)

執行委員會由全體執行董事組成，其分別為楊諾思女士(委員會主席)、黃志輝先生及范敏嫦女士。執行委員會之主要職責為(a)就與本集團管理及日常營運有關之事宜制定業務政策及作出決定(包括進行交易)；(b)制定及檢討本集團之企業／財務／庫務規劃、投資及營運策略；(c)討論及批准任何本集團或代表本集團制定之財務、借貸、收費及保證承諾；(d)批准任何交易，包括上市規則項下之須予披露交易、獲豁免關連交易及根據已由董事會／股東(視情況而定)已批准之總協議下不時進行之非豁免持續關連交易；及(e)擁有董事會之所有權力及授權，惟董事會不時採納之「需要董事會決定及由董事會授權之事項之正式預定計劃表」所載指定由全體董事會作決定之事項除外。



THE BOARD (Continued)

2. Audit Committee (set up on 19 June 2008)

The Audit Committee consists of three INEDs, namely Mr. Liu Hing Hung (*Chairman of the Committee*), Ms. Chan Sim Ling, Irene and Ms. Chan Wiling, Yvonne.

The specific written terms of reference of the Audit Committee is available on the websites of the Stock Exchange and the Company. The Audit Committee is primarily responsible for (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor; (b) reviewing and monitoring the external auditor's independence and objectivity and effectiveness of the audit process; (c) approving the remuneration and terms of engagement of external auditor; and (d) reviewing financial information and overseeing the financial reporting system, risk management and internal control systems. The Audit Committee held four meetings during the Year.

A summary of work performed by the Audit Committee during the Year is set out as follows:

- i. reviewed with the management/finance personnel and/or the external auditor the effectiveness of audit process and the accounting policies and practices adopted by the Group, the accuracy and fairness of the annual consolidated financial statements for the financial year ended 31 December 2017 ("Previous Year") and the interim consolidated financial statements for the six months ended 30 June 2018;
- ii. reviewed with the senior management and finance personnel the effectiveness of the risk management and internal control systems of the Group during the Previous Year;
- iii. annual review of the non-exempt continuing connected transactions of the Group for the Previous Year;
- iv. recommended to the Board on the re-appointment of external auditor at the 2018 annual general meeting ("2018 AGM");
- v. approved the audit plans for the Previous Year and the Year respectively, reviewed the independence of the external auditor and approved its engagement; and
- vi. made recommendation to the Board to adopt the revised terms of reference of the Audit Committee.

董事會(續)

2. 審核委員會(於2008年6月19日成立)

審核委員會由三名獨立非執行董事組成，其分別為廖慶雄先生(委員會主席)、陳嬋玲女士及陳慧玲女士。

審核委員會之具體書面職權範圍可於聯交所及本公司網站查閱。審核委員會之主要職責為(a)就委任、重新委任及罷免外聘核數師提供意見；(b)檢討及監察外聘核數師之獨立性以及審核程序之客觀性及有效性；(c)批准外聘核數師之酬金及委聘條款；及(d)審閱財務資料及監察財務報告制度、風險管理及內部監控系統。審核委員會於本年度舉行了四次會議。

審核委員會於本年度內所履行之工作概要載列如下：

- i. 與管理層／財務人員及／或外聘核數師審閱本集團所採納之審核程序及會計政策及實務之成效，以及截至2017年12月31日止財政年度(「上年度」)之年度綜合財務報表及截至2018年6月30日止六個月之中期綜合財務報表之準確性及公平性；
- ii. 與高級管理層及財務人員檢討上年度本集團風險管理及內部監控系統之成效；
- iii. 對本集團於上年度之非豁免持續關連交易進行年度審閱；
- iv. 就於2018股東週年大會(「2018股東週年大會」)上重新委聘外聘核數師向董事會提出建議；
- v. 批准上年度及本年度之審核計劃、檢討外聘核數師之獨立性及批准其委聘；及
- vi. 就採納審核委員會之經修訂職權範圍向董事會提出建議。



THE BOARD (Continued)

3. Remuneration Committee (set up on 19 June 2008)

The Remuneration Committee consists of three members, namely Ms. Chan Wiling, Yvonne (*Chairperson of the Committee*) and Mr. Liu Hing Hung, both being INEDs, and Mr. Wong Chi Fai, being an Executive Director.

The specific written terms of reference of the Remuneration Committee is available on the websites of the Stock Exchange and the Company. The Remuneration Committee is primarily responsible for making recommendations to the Board on (a) the Company's policy and structure of all remuneration of Directors and senior management; (b) the remuneration of INEDs; and (c) the specific remuneration packages of individual Executive Directors and senior management. Details of the remuneration of each of the Directors for the Year are set out in note 9 to the consolidated financial statements. The Remuneration Committee held one meeting during the Year.

A summary of the work performed by the Remuneration Committee during the Year is set out as follows:

- i. reviewed the Directors' fee and made recommendation to the Board;
- ii. reviewed the current remuneration structure/package of the Executive Directors and senior management and recommended the Board to approve their specific packages; and
- iii. made recommendation to the Board to adopt a revised terms of reference of the Remuneration Committee.

4. Nomination Committee (set up on 19 March 2012)

The Nomination Committee consists of three members, namely Ms. Chan Sim Ling, Irene (*Chairperson of the Committee*) and Ms. Chan Wiling, Yvonne, both being INEDs, and Ms. Fan Man Seung, Vanessa, being the Executive Director.

The specific written terms of reference of the Nomination Committee is available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are (a) reviewing the structure, size, composition and diversity of the Board; (b) reviewing the Board Diversity Policy; (c) reviewing the policy for the nomination of Directors ("Nomination Policy") and identifying potential candidates for directorship; (d) making recommendations to the Board on the appointment, re-appointment, re-election or re-designation of Directors and succession planning for Directors; (e) assessing the independence of INEDs; and (f) reviewing the time commitment of each Director. The Nomination Committee held two meetings during the Year.

董事會(續)

3. 薪酬委員會(於2008年6月19日成立)

薪酬委員會由三名成員組成，其分別為獨立非執行董事陳慧玲女士(委員會主席)與廖慶雄先生及執行董事黃志輝先生。

薪酬委員會之具體書面職權範圍可於聯交所及本公司網站查閱。薪酬委員會之主要職責為就(a)所有本公司之董事及高級管理層之薪酬政策及架構；(b)獨立非執行董事之薪酬；及(c)個別執行董事及高級管理層之特定薪酬待遇向董事會提供意見。本年度各董事之薪酬詳情載於綜合財務報表附註9。薪酬委員會於本年度舉行了一次會議。

薪酬委員會於本年度內所履行之工作概要載列如下：

- i. 檢討董事袍金，並向董事會提出建議；
- ii. 檢討執行董事及高級管理層之現時薪酬架構／待遇，並就批准彼等之具體薪酬待遇向董事會提出建議；及
- iii. 就採納薪酬委員會之經修訂職權範圍向董事會提出建議。

4. 提名委員會(於2012年3月19日成立)

提名委員會由三名成員組成，其分別為獨立非執行董事陳嬋玲女士(委員會主席)與陳慧玲女士及執行董事范敏嫦女士。

提名委員會之具體書面職權範圍可於聯交所及本公司網站查閱。提名委員會之主要職責為(a)檢討董事會的架構、人數、組成及成員多元性；(b)檢討董事會多元化政策；(c)檢討董事提名之政策(「提名政策」)及物色潛在董事候選人；(d)就董事會委任、重新委任、重選或調任董事及董事連任計劃向董事會提出建議；(e)評核獨立非執行董事的獨立性；及(f)檢討各董事所投入的時間。提名委員會於本年度舉行了兩次會議。



THE BOARD (Continued)

4. Nomination Committee (set up on 19 March 2012) (Continued)

A summary of the work performed by the Nomination Committee during the Year is set out as follows:

- i. reviewed the structure, size and diversity of the Board;
- ii. reviewed the independence of the INEDs;
- iii. reviewed the confirmation from the Directors on time commitment in performing their duties as Directors;
- iv. made recommendation to the Board on the re-election of Directors at the 2018 AGM; and
- v. made recommendation to the Board to adopt the Nomination Policy and the revised terms of reference of the Nomination Committee.

Board Diversity Policy

As adopted by the Board, the Board Diversity Policy aims to achieve diversity on the Board in the broadest sense in order to have a balance of skills, experience and diversity of perspectives to the business nature of the Company. Selection of candidates on the Board is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Nomination Committee will also assess the merits and contribution of any Director proposed for re-election or any candidate nominated to be appointed as Director that will bring to the Board against the objective criteria, with due regard for the benefits of diversity on the Board that would complement the Company's corporate strategy.

Nomination Policy

During the Year, the Company had adopted the Nomination Policy of the Group. It aims at assisting the Nomination Committee in identifying and nominating suitable candidates for directorship based on the Board Diversity Policy and sets out the nomination criteria, the nomination procedures for (i) nominating additional Director to fill in casual vacancy on the Board; (ii) making recommendation to Shareholders regarding any Director for election or re-election at general meeting; and (iii) nomination by Shareholders on election of new Director.

董事會(續)

4. 提名委員會(於2012年3月19日成立) (續)

提名委員會於本年度內履行之工作概要載列如下：

- i. 檢討董事會的架構、人數及多元化；
- ii. 檢討獨立非執行董事之獨立性；
- iii. 檢討董事就履行董事職責所投入時間之確認書；
- iv. 就於2018股東週年大會上重選董事向董事會提出建議；及
- v. 就採納提名政策及提名委員會之經修訂職權範圍向董事會提出建議。

董事會多元化政策

董事會所採納之董事會多元化政策旨在從最廣義角度實現董事會多元化，以達致適合本公司業務性質之均衡的技能、經驗及多元觀點。甄選董事會候任董事乃基於多方面考慮，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識以及服務年資。提名委員會亦評估任何建議重選的董事或任何獲提名委任為董事之候選人會為董事會帶來之價值及貢獻，並以客觀準則評選，充分考慮董事會多元化的裨益，從而對本公司企業策略提供互補作用。

提名政策

於本年度內，本公司已採納本集團之提名政策。該政策旨在協助提名委員會依據董事會多元化政策物色及提名合適的董事人選，以及訂明有關(i)提名額外董事填補董事會之臨時空缺；(ii)向股東提出建議以於股東大會上投選或重選任何董事；及(iii)股東提名新董事參選之提名準則及提名程序。





THE BOARD (Continued)

5. Corporate Governance Committee (set up on 19 March 2012)

The Corporate Governance Committee (“CGC”) consists of five members, namely Ms. Fan Man Seung, Vanessa (*Chairperson of the Committee*) being an Executive Director, Ms. Chan Sim Ling, Irene and Mr. Liu Hing Hung, both being INEDs, a representative from company secretarial function and a representative from finance and accounts function. The specific written terms of reference of the CGC is available on the Company’s website. The primary duties of the CGC are (a) reviewing the policies and practices on corporate governance of the Company and making recommendations to the Board; (b) reviewing and monitoring the policies and practices of the Company on compliance with legal and regulatory requirements of the Company; (c) developing, reviewing and monitoring the code of conduct applicable to Directors and relevant employees of the Group on dealings with the Company’s securities; (d) reviewing and monitoring the training and continuous professional development of Directors and senior management; and (e) reviewing the Company’s compliance with the CG Code and disclosure in this report. The CGC held one meeting during the Year.

A summary of the work performed by the CGC during the Year is set out as follows:

- i. reviewed the Corporate Governance Policy and made recommendation to the Board;
- ii. reviewed the policies and practices on compliance with legal and regulatory requirements;
- iii. reviewed the training and continuous professional development of Directors and senior management;
- iv. reviewed the code of conduct applicable to Directors and relevant employees of the Group;
- v. reviewed the Company’s compliance with the CG Code and disclosure in Corporate Governance Report; and
- vi. made recommendation to the Board to adopt its own code of conduct regarding securities transactions by Directors (“EWJ Securities Code”) and the revised terms of reference of the CGC.

董事會(續)

5. 企業管治委員會(於2012年3月19日成立)

企業管治委員會(「企業管治委員會」)由五名成員組成，其分別為執行董事范敏嫦女士(委員會主席)、獨立非執行董事陳嬋玲女士與廖慶雄先生、一名公司秘書職能代表及一名財務及會計職能代表。企業管治委員會之具體書面職權範圍可於本公司網站查閱。企業管治委員會之主要職責為(a)檢討本公司企業管治之政策及常規並向董事會提出建議；(b)檢討及監察本公司在遵守法律及監管規定方面之政策及常規；(c)制定、檢討及監察董事及本集團有關員工買賣本公司證券之適用行為守則；(d)檢討及監察董事及高級管理層之培訓及持續專業發展；及(e)檢討本公司遵守企業管治守則之情況及在本報告內之披露。企業管治委員會於本年度舉行了一次會議。

企業管治委員會於本年度內所履行之工作概要載列如下：

- i. 檢討企業管治政策及向董事會提出建議；
- ii. 檢討遵守法律及監管規定方面之政策及常規；
- iii. 檢討董事及高級管理層之培訓及持續專業發展；
- iv. 檢討董事及本集團有關員工之行為守則；
- v. 檢討本公司遵守企業管治守則之情況及於企業管治報告內之披露；及
- vi. 就董事進行證券交易採納其自訂之行為守則(「英皇鐘錶珠寶證券守則」)及就採納企業管治委員會之經修訂職權範圍向董事會提出建議。



COMPANY SECRETARY

The Company Secretary whose appointment was approved by the Board, plays an important role in supporting the Board for ensuring good information flow within the Board and that the Board policy and procedures are followed. She reports to the Chairperson on governance matters and has day-to-day knowledge of the Group's affairs.

During the Year, the Company Secretary had duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

SECURITIES TRANSACTION OF DIRECTORS

The Company has adopted EWJ Securities Code on no less exacting terms than the required standards as set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") under Appendix 10 of the Listing Rules. Having made specific enquiry to Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code and EWJ Securities Code throughout the Year.

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Directors acknowledge their responsibilities to prepare the annual consolidated financial statements of the Group and other financial disclosures required under the Listing Rules. The management has provided all members of the Board with monthly updates on internal consolidated financial statements which give a balanced and understandable assessment of the Group's performance, position and prospects as at the reporting date.

In preparing the consolidated financial statements for the Year, the Board adopted appropriate accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable and ensured the consolidated financial statements are prepared on a "going concern" basis (with supporting assumptions or qualifications as necessary) and showed a true view of the state of affairs of the Group for the Year. The management had provided sufficient explanation and information to the Board on the consolidated financial statements to enable it to make an informed assessment of the financial and other information put before it for approval. The auditor of the Company had made a statement about their reporting responsibilities in the Independent Auditor's Report.

公司秘書

公司秘書由董事會批准委聘，其在支持董事會方面擔當重要角色，以確保董事會內部之資訊流通良好及董事會政策及程序獲得遵行。彼向主席匯報有關管治方面之事宜，並對本集團之日常事務有所認識。

於本年度內，公司秘書已妥為遵守上市規則第3.29條項下之相關培訓規定。

董事之證券交易

本公司已採納英皇鐘錶珠寶證券守則，其條款不遜於上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）的規定標準。經向董事作出特定查詢後，全體董事確認，彼等於本年度內均已遵守標準守則及英皇鐘錶珠寶證券守則所規定之買賣標準。

問責及核數

財務匯報

董事知悉彼等負責編製本集團之年度綜合財務報表及上市規則所規定之其他財務披露事項。管理層已每月向董事會全體成員提供最新之內部綜合財務報表，藉此可公正及易於理解地評估本集團之表現、狀況及前景。

於編製本年度綜合財務報表時，董事會採納適用之會計政策，並貫徹應用該等政策、作出審慎及合理之判斷及估計，並確保綜合財務報表按「持續經營」基準編製（於需要時附上佐證假設或保留意見）及真實反映本集團於本年度之財務狀況。管理層已向董事會提供有關綜合財務報表之充份解釋及資料，以便董事會就向其提交作審批之財務及其他資料作出知情評估。本公司之核數師已就彼等之匯報責任於獨立核數師報告內作出聲明。





RISK MANAGEMENT AND INTERNAL CONTROL

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists a company in achieving its business objectives. Internal control policies and procedures within the Group are with the primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control systems.

A review has been conducted on (i) the internal control measures and procedures covering all material controls, including financial, operational and compliance controls; and (ii) risk management functions in its principal subsidiaries for the Year as follows:-

A. GOALS AND OBJECTIVES

The Board acknowledged that it is its responsibility to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems for the Group ("Systems"). Such Systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

B. INTERNAL CONTROL

(1) Governance Control

The control structure of the Systems is set out as follows:

The Board

- responsible for the Systems and reviewing their effectiveness;
- oversee the Systems on an ongoing basis with the assistance of Audit Committee;
- ensure maintenance of appropriate and effective Systems;
- define management structure with clear lines of responsibility and limit of authority; and
- determine the nature and extent of significant risks that the Company is willing to take in achieving the strategic objectives and formulate the Group's risk management strategies.

風險管理及內部監控

內部監控對成功經營及日常業務營運至關重要，並能協助公司達成其業務目標。本集團之內部監控政策及程序的主要目標為就風險管理及內部監控系統之基本框架提供一般指引及意見。

本年度已就以下方面進行檢討：(i)內部監控措施及程序，涵蓋所有重大監控，包括財務、營運及合規監控；及(ii)其主要附屬公司內風險管理職能：-

A. 宗旨及目標

董事會知悉董事會之職責乃確保本公司設立及維持本集團合適及有效之風險管理及內部監控系統（「該等系統」）。該等系統旨在管理而非消除未能達成業務目標之風險，並僅可就重大錯誤陳述或損失提供合理而非絕對保證。

B. 內部監控

(1) 管治監控

該等系統的監控架構載列如下：

董事會

- 負責該等系統並審閱其有效性；
- 在審核委員會協助下持續監督該等系統；
- 確保該等系統維持合適及有效性；
- 制定有明確責任及權限的管理架構；及
- 釐定本公司就達致戰略目標所願承擔之重大風險之性質及程度，並制定本集團之風險管理策略。



RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Audit Committee

- review and discuss the Systems with the management annually to ensure that the management has performed its duty to have effective Systems. This discussion includes the adequacy of resources, staff qualification and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function;
- review the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment (as detailed below);
- review and discuss annually the significant control failings or weaknesses that are identified and raised by the auditors; and
- consider major findings on internal control matters (if any) raised by external auditor and make recommendations to the Board.

The management (includes heads of business units, departments and divisions)

- design and implement the risk management policy and procedures duly endorsed by senior management and the Board;
- monitor the Systems properly and ensure the Systems are executed effectively;
- monitor risks and take measures to mitigate risks in their day-to-day operations;
- give prompt responses to, and follow up the findings (if any) on internal control matters raised by internal or external auditors; and
- provide confirmation to the Board on the effectiveness of the Systems.

Internal Audit Department

- carry out the analysis and independent appraisal of adequacy and effectiveness of the Systems in respect of all material controls, including financial, operational and compliance aspects;

風險管理及內部監控(續)

審核委員會

- 每年檢討並與管理層討論該等系統，以確保管理層履行其職責以維持該等系統之有效性。該討論包括本公司會計、內部審計及財務匯報職能之資源、員工資格及經驗以及彼等之培訓計劃及預算之充足性；
- 檢討重大風險之性質及程度，以及本公司應對其業務及外部環境變化之能力(詳述如下)；
- 每年檢討及討論由核數師發現並提出之重大監控失效或弱點；及
- 考慮外聘核數師所提出之內部監控事宜的重要發現(如有)並向董事會提出建議。

管理層(包括業務單位、部門及分部主管)

- 設計及實施由高級管理層及董事會正式批准之風險管理政策及程序；
- 監督該等系統並確保該等系統得到有效執行；
- 監察風險並採取措施降低日常營運風險；
- 對內部或外聘核數師提出之有關內部監控事宜之發現(如有)作出及時回應及跟進；及
- 就該等系統之有效性向董事會作出確認。

內部審核部門

- 對該等系統所有重要監控(包括財務、營運及合規方面)之充足性及有效性進行分析及獨立評價；



RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Internal Audit Department (Continued)

- alert the management on the audit review findings or irregularities and advise them on the implementation of necessary steps and actions to enhance the internal controls of the Group; and
- report results of internal audit reviews and agreed action plans to the Audit Committee and the Board on regular basis.

(2) Operational Control

During the Year, the management had analyzed the control environment, identified risks pertaining thereto, and implemented various controls therein as follows:

- **Approach taken:** The management conducted interviews with relevant staff, reviewing relevant documentation of the internal control system and evaluating findings of any deficiencies in the design of the Group's internal control system, providing recommendations for improvement and assessing the effectiveness of implementation of such recommendations, where appropriate. The scope and findings of review on the Systems have been reported to and reviewed by the Audit Committee annually.
- **Procedure manuals and operational guidelines:** They are in place to safeguard the assets against unauthorized use or disposition and ensure maintenance of proper accounting records that are in compliance with the applicable laws, rules and regulations for the provision of reliable financial that are information for internal use and/or external publication.
- **Management information system and technology:** Such use to control over the business activities allows close tracking of various inputs and outputs of the Company's business such as raw materials, inventory, products, customer information system and human resources. It also tracks audit trails in the authorization system, under which permissions and responsibility of authorization are clearly identified and adequate records can be maintained in the Systems.

風險管理及內部監控(續)

內部審核部門(續)

- 向管理層提報有關審核檢討之發現或不規範行為，及就採取必要步驟及行動以提高本集團內部監控方面向彼等提供意見；及
- 定期向審核委員會及董事會匯報內部審核檢討之結果及協定執行之計劃。

(2) 營運監控

於本年度內，管理層已對監控環境及其相關已識別風險作分析，並就此實施以下多項監控：

- **所採取方法：**管理層與相關員工進行面談，並審閱內部監控系統相關文件及評估本集團內部監控系統設計中所發現之任何不足，就改善措施提出建議及評估實施有關建議之有效性(倘適用)。對該等系統審閱的範圍及發現已每年呈報審核委員會並經其審閱。
- **程序手冊及運作指引：**制定該等手冊及指引以保障資產，以免未經授權使用或處置，並確保遵守適用法律、規則及法規存置適當會計記錄，以提供可靠財務資料供內部使用及／或對外刊發。
- **管理資訊系統及技術：**此用於控制業務活動，允許密切追蹤本集團業務之各項輸入及輸出，如原材料、存貨、產品、客戶資料系統及人力資源。其亦於授權系統追蹤審核程序，據此，授權許可及責任獲明確識別及該等系統可存置足夠記錄。



RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

- **Reports and variance analysis:** Such reports and analysis of each segment in the upstream, midstream and downstream are conducted on regular basis such that the performance of each point of sales and each product category can be easily accessible.
- **Information flow:** The transparent information flow alerts the management promptly of any deviations. Benchmarking with historical database and comparisons with the same also acts as a detecting device for spotting unusual activities.
- **Safeguarding of assets:** Insurance coverage on inventory is periodically reviewed by the management for sufficient coverage, and to ensure compliance with the terms and conditions of the insurance policies. To safeguard shops' assets, security systems are installed and properly maintained in good condition at each shop. In addition, tests are carried out on a daily basis to ensure the proper functioning of the security system.
- **Quality control:** Diamonds are either sent to authoritative and reliable organizations for assessment and certification or are tested internally with our own professional equipment to assure the quality fulfills good standard requirement. In order to provide assurance of high quality products and service and to enhance the protection of our customers' interest, the Company had joined several associations and schemes.
- **Proper authorization on sales discounts:** Discount policies are properly maintained and controlled by electronic point-of-sales systems. Discount policies and pricing strategy are reviewed from time to time.

風險管理及內部監控(續)

- **報告及差異分析:** 定期對上游、中游及下游各階段進行有關報告及分析，故可易於了解各銷售點及各產品類別之表現。
- **信息流:** 透明的信息流及時提醒管理層任何偏差。以過往數據庫為基準及與之比較亦為發現不尋常活動之檢測工具。
- **保障資產:** 管理層定期就存貨的保險範圍是否充足進行檢討，並確保符合保險的條款及條件。為保障店鋪資產，各店鋪均安裝保安系統且維持妥善運作。此外，每日進行測試以確保保安系統維持良好運作。
- **品質監控:** 鑽石送往法定及信譽可靠的機構進行評估及認證，或經由我們的專業儀器進行內部測試，以確保品質達致高水平。為提供高品質產品及服務及增強對我們客戶權益的保護，本公司已加入若干協會及計劃。
- **就銷售折扣作出適當授權:** 折扣政策經電子銷售點系統妥善管理及控制，並不時檢討折扣政策及定價策略。



RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

(3) Financial Control

- proper controls are in place for the recording of complete, accurate and timely accounting and management information;
- annual budget and quarterly forecast on all capital and revenue items are prepared and approved by the management before being adopted;
- the management monitors the business activities closely and reviews monthly financial results of operations against budgets/forecast;
- regular reports on revenue, trade receivables' ageing and debtors' ageing and internal financial reports are prepared to the management which give a balanced and understandable assessment of the Group's financial performance;
- monthly updates on internal financial statements are provided to all Directors which give a balanced and understandable assessment of the Group's performance, financial position and prospects in sufficient details;
- annual audit by external auditor is carried out to ensure that the consolidated financial statements are prepared in accordance with generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations; and
- daily available fund report is reviewed to monitor the cash flows against budgets/forecast.

風險管理及內部監控 (續)

(3) 財務監控

- 已建立適當的監控程序，確保全面、準確及準時記錄會計及管理資料；
- 所有資本及收入項目之年度預算及季度預測編製後，均須先獲管理層批准方可採納；
- 管理層嚴密監控業務活動並每月將經營之財務業績與預算／預測進行對比檢討；
- 為管理層編製收入、貿易應收款項賬齡及應收債項賬齡的定期報告以及內部財務報告，對本集團的財務表現給予平衡及可理解的評估；
- 每月向全體董事提供內部財務報表的更新，其中載有本集團表現、財務狀況及前景的持平及易於理解的評估，並具有充足詳情；
- 外聘核數師進行年度審核以確保綜合財務報表乃根據公認會計原則、本集團之會計政策及適用的法律及法規編製；及
- 審閱每日所得的資金報告，以就現金流量與預算／預測的對比進行監控。



RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

(4) Compliance Control

The following policies and procedures are in place to safeguard the compliance control:

- **Systems and Procedures on Disclosure of Inside Information** to ensure, with the assistance of an internal work team (if required), that any material information which comes to the knowledge of any one or more officers should be promptly identified, assessed and escalated, where appropriate, for the attention of the Board. The Board shall make timely decisions on disclosure, if necessary, and take appropriate measures to preserve confidentiality of inside information until proper dissemination of inside information;
- **Policies and practices on compliance with legal and regulatory requirements** which shall be reviewed and monitored regularly by the CGC as delegated by the Board;
- **CCT Compliance Committee** is established to monitor, control and regularly review connected transactions and continuing connected transactions of the Company and ensure proper compliance with all relevant laws and regulations, the Listing Rules and disclosure requirements; and
- **Whistle-blowing policy** for the employees of the Group to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

風險管理及內部監控(續)

(4) 合規監控

設有以下政策及程序以保障合規監控：

- 設有**內幕消息披露機制及程序**，以在內部工作小組(如需要)協助下確保任何一名或多名主要人員得悉的任何重大資料須予及時識別、評估及提交(倘適用)至董事會。董事會須就披露作出適時決定(如需要)，並採取適當措施將內幕消息保密，直至妥善發佈內幕消息為止；
- 有關**遵守法律及監管規定之政策與常規**會由董事會委派之企業管治委員會定期檢討及監察；
- 設有**持續關連交易合規委員會**以監察、監控及定期檢討本公司之關連交易及持續關連交易，並確保妥為符合一切相關法律及法規、上市規則及披露規定；及
- 設有**檢舉政策**，可讓本集團僱員在保密的情況下就財務匯報、內部監控或其他事宜中的可能不當行為進行舉報。該等安排將由審核委員會檢討，確保有恰當安排就有關事項進行公平及獨立之調查。



RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

C. RISK MANAGEMENT

(1) Risk Management Process

The risk management process includes risk identification, risk evaluation, risk management measures and risk control and review.

The management is entrusted with duties to identify, analyze, evaluate, respond, monitor and communicate risks associated with any activity, function or process within its scope of responsibility and authority. Risk are evaluated by the Board and management based on (i) the severity of the impact of the risk on the Group's financial results; (ii) the probability that the risk will occur; and (iii) the velocity or speed at which risk could occur.

Based on the risk evaluation, the Company will manage the risk as follows:-

- **Risk elimination** – the management may identify and implement certain changes or controls that in effect eliminate the risk entirely.
- **Risk mitigation** – the management may implement risk mitigation plan designed to reduce the likelihood, velocity or severity of the risk to an acceptable level or contingency plan for possible loss scenarios.
- **Risk control and monitoring** – it involves making decisions regarding which risks are acceptable and how to address those that are not; accidents and other situations involving loss or near-loss will be investigated and properly documented as part of the effort to manage risks.
- **Risk retention** – the management may decide that the risk rating is low enough that the risk is acceptable level and no action is required and the risk will continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.

風險管理及內部監控(續)

C. 風險管理

(1) 風險管理程序

風險管理程序包括風險識別、風險評估、風險管理措施及風險監控及檢討。

管理層獲委派於其責任及權力範圍內識別、分析、評估、應對、監察及傳達與任何活動、職務或程序有關風險。董事會及管理層根據(i)風險對本公司財務業績造成之影響之嚴重性；(ii)風險發生之概率；及(iii)風險發生之速度或速率，對風險進行評估。

根據風險評估，本公司將按以下方式管理風險：-

- **風險消除**—管理層可確定及實施若干變動或監控，完全排除風險。
- **減低風險水平**—管理層可實施風險緩解計劃，旨在使風險之可能性、速度或嚴重性降低降至可接受水平，或就潛在虧損情境預備應變方案。
- **風險監控及監察**—涉及對那種風險屬可接受及如何應對不可接受之風險作出決定；而作為管理風險之一部分，對涉及造成損失或接近損失之事故及其他情況將進行調查並妥為存檔。
- **維持風險水平**—管理層可確定基於風險評級屬於低而風險屬可接受水平而毋須採取任何措施以及作為風險管理計劃的一部分，將繼續監察風險以確保風險不會上升至不可接受水平。



RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

(2) Significant Risks and Strategies

Certain significant risks have been identified through the process of risk identification and assessment. Such significant risks of the Group and their respective key strategies/control measures are set out below:-

a) Damage to brand name and reputation

In addition to advertising and promotional efforts in strengthening our brand image, the Group has also given much attention to

- register of brand name and major jewellery product collection names;
- conduct customer service training and mystery shopper reviews to ensure sales staff service standards;
- maintain product quality by various means from vendor selection to quality check upon delivery from vendors; and
- brand name infringements are followed up by legal department until completely resolved.

b) Reliance on major suppliers and watch brands

In fact, the Group's success largely rides on its relationship with the world's giant watch suppliers and top-tier brands. The loss of key brands may adversely affect the Group's business. To cope with this, the Group

- centralises communication with major watch brands suppliers within top management;
- develops and maintains mutually beneficial and long-term relationship with all suppliers;
- continues to build up our own jewellery brands; and
- arranges senior sales staff to inspect all watches delivered to shops.

風險管理及內部監控(續)

(2) 主要風險及策略

本集團已透過風險識別及評估程序識別若干重大風險。本集團所面臨的該等重大風險以及其相關之主要策略／控制措施載列如下：-

a) 品牌及信譽受損

除透過廣告及宣傳活動加強品牌形象外，本集團亦特別關注以下方面：

- 註冊品牌和主要珠寶系列名稱；
- 安排客戶服務培訓及神秘顧客審查，以確保銷售人員之服務水平；
- 透過供應商篩選及供應商交付後之質量檢查等不同途徑，維持產品質量；及
- 品牌侵權個案交由法律部門跟進，直至完全解決為止。

b) 過度依賴大型供應商及鐘錶品牌

事實上，本集團的成功極大依賴其與世界大型鐘錶供應商及頂級品牌的關係。失去主要品牌可能會對本集團的業務產生不利影響。為應對此風險，本集團：

- 與大型鐘錶品牌供應商在高級管理層級別之間建立統一溝通；
- 與所有供應商發展及維持互惠互利及長遠合作關係；
- 持續建立自家珠寶品牌；及
- 安排高級銷售員工檢查所有進店之鐘錶。





RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

c) Substandard design and production of jewellery

The Group's strategy is to yield higher gross margin and avoid of price competition with other market players. As such, quality of our jewellery and highly regarded designer are vital.

- The Group maintains a high quality design team with good market trend knowledge, measured by effectiveness of successful product design launched.
- Merchandising managers, design managers, sales operation managers and shop representatives review all jewellery design before approval by chief executive officer for production.
- Production vendors selection and regular quality performance review are conducted by merchandising managers, technical manager and in some cases jewellery design manager.
- Merchandising managers, technical manager and in some cases design manager inspect jewellery product mold and first sample before bulk production.
- All jewellery products must pass through quality inspection by quality control team and shop front sales team.
- Scanning of diamond by equipment is in place to avoid receiving synthetic diamonds and procure diamonds from international renowned suppliers.
- Higher value jewellery products are tested by reputable and commonly recognized third-party laboratories who issue testing certificates.

風險管理及內部監控(續)

c) 不符合標準的珠寶設計及生產

本集團之策略是要賺取更高毛利及避免與其他市場競爭對手展開價格戰。因此，珠寶質量及擁有備受推崇的設計相當重要。

- 本集團維持高水平、熟知市場趨勢之設計團隊；就此，以成功推出產品設計之效率來衡量。
- 珠寶設計在提交行政總裁批准生產前，先經過採購經理、設計經理、銷售營運經理及店鋪代表檢視。
- 由採購經理、技術經理及(在部份情況)珠寶設計經理篩選生產供應商及進行定期質量表現審查。
- 於大量生產前，由採購經理、技術經理及(在部份情況)珠寶設計經理檢查珠寶成品模具及第一批樣品。
- 所有珠寶產品均必須通過品質監控團隊及店鋪前線銷售團隊之品質檢查。
- 利用相關設備掃描鑽石以避免收到合成鑽石，並向國際知名供應商採購鑽石。
- 委託具信譽及獲普遍認可之第三方實驗室為價值較高之珠寶產品進行檢測並發出檢測證書。



RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

d) Excessive and shortage of watch inventory

The Group strives to be leading retailer in bands that have higher consumer appreciation and consequently stronger profit yield. In order to achieve this leading position, we

- maintain close business relationship and communication with watch manufacturers to strive for optimal and timely supply; and
- systematic inventory review with updated sales forecasts to determine appropriate inventory level.

e) Stable supply of raw materials at fair price

In order to maintain our timely replenishment and new product launch, we secure reliable sourcing by

- adopting systematic vendor selection process; and
- regularly reviewing and exploring more attractive sources.

f) Stock loss or theft

Since our stock items are easily concealable, the Group places very much attention on safeguarding them with all practicable measures as follows:

- CCTV monitoring and back up;
- daily stocktake at shops;
- procedures and approval requirements for stock transfer, and use of security guarded service;
- security systems for stock locations; and
- insurance coverage.

The Board will make sure that the risks facing by the Company shall be reviewed regularly, and the management will take suitable measures to deal with them on ongoing basis.

D. MANAGEMENT CONFIRMATION

The Board had received a written confirmation from the management on the effectiveness of the Systems of the Group for the Year. The Audit Committee and the Board, upon reviewing the Systems, were not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the Group's operational, financial and compliance areas of the Systems.

風險管理及內部監控(續)

d) 鐘錶存貨過量與短缺

本集團力爭成為該等獲較多顧客欣賞並因此擁有較強溢利回報之品牌之領先零售商。為了達到此頂尖地位，我們：

- 與鐘錶製造商維持緊密業務關係及溝通，力求獲得妥善及時的供應；及
- 進行系統化的存貨審查及不斷更新銷售預測，以釐定適當存貨水平。

e) 以公平價格獲得穩定的原材料供應

為了保持存貨獲得適時補充及新產品及時推出，我們透過以下方法取得可靠供應源：

- 實行系統化的供應商篩選流程；及
- 定期審視及探索更具吸引力之供應源。

f) 現貨遺失或失竊

因現貨商品易被收藏，本集團特別注重該等商品之保管事宜，並採取一切以下切實措施：

- 閉路電視監察及備份；
- 每日進行店鋪盤點；
- 訂定有關商品轉移的程序及審批要求，以及利用保安護衛服務；
- 於存放地點裝設保安系統；及
- 投購保險。

董事會保證其將定期審閱本公司所面對之風險，而管理層會恆常採取適當措施應對有關風險。

D. 管理層確認

董事會已接獲管理層關於本集團本年度該等系統有效性的書面確認。審核委員會及董事會於檢視該等系統後，並不知悉任何可對本集團該等系統於營運、財務及合規方面之有效性及充足性產生不利影響之重大問題。





COMMUNICATION WITH SHAREHOLDERS

The Company had established a shareholders' communication policy and shall review it on a regular basis to ensure its effectiveness. The Company communicates with the Shareholders mainly in the following ways: (i) the holding of annual general meetings and extraordinary general meetings, if any, which may be convened for specific purposes to provide opportunities for the Shareholders to communicate directly to the Board; (ii) the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules and press releases providing updated information of the Group; (iii) the availability of latest information of the Group on the Company's website; (iv) the holding of press conference(s) from time to time; and (v) meeting with investors and analysts on a regular basis and participate investor road show and sector conference.

There is regular dialogue with institutional Shareholders and general presentations are made when financial results are announced. Shareholders and investors are welcome to visit the Company's website to raise enquiries through our Investor Relations Department whose contact details are available on the Company's website and the "Corporate Information and Key Dates" section of this annual report.

Separate resolutions are proposed at the general meetings for substantial separate issues, including re-election of retiring Directors. The Company's notice to Shareholders for the 2018 AGM was sent to Shareholders at least 20 clear business days before the meeting and notices of other general meetings were sent to Shareholders at least 10 clear business days before the meetings.

The chairperson/chairman of the Board Committees and the external auditor had attended the 2018 AGM to answer questions from the Shareholders. With the assistance of the Company Secretary, the Chairperson of the meeting had explained the procedures for conducting a poll during the meeting.

DIVIDEND POLICY

The Company had adopted a dividend policy which intends to provide Shareholders with regular interim and final dividends (as the case may be) based on the earnings attribution with its Shareholders after taking into consideration of, inter alia, (i) cash flow requirements for business operations; (ii) cash available, financial liabilities and capital commitment; (iii) market environment and challenges; and (iv) future development and investment opportunities. The declaration of dividends or recommendation on such payment shall be subject to all applicable laws, rules and regulations including but not limited to the Listing Rules, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("CO") and the articles of association of the Company. The Management will continuously review the dividend policy and propose any amendments to the Board for approval.

與股東之溝通

本公司已經制定股東溝通政策，並將定期檢討以確保其成效。本公司主要以下列方式與股東溝通：(i)舉行股東週年大會及可能就特別目的而召開股東特別大會(如有)，藉以提供機會讓股東直接與董事會溝通；(ii)根據上市規則之規定刊發公告、年報、中期報告及／或通函及提供本集團最新資料之新聞稿；(iii)發放本集團之最新資料於本公司網站；(iv)不時舉行記者招待會；及(v)定期與投資者及分析員會面及參加投資者路演及業界大會。

本公司與機構股東定期對話，發佈財務業績時亦會舉行全面發佈會。歡迎股東及投資者瀏覽本公司網站及透過本公司投資者關係部門查詢，該部門之聯絡詳情可於本公司網站及本年報「公司資料及重要日期」一節查閱。

獨立事宜(包括重選退任董事)均會於股東大會上提呈個別決議案。本公司就2018股東週年大會致股東之通告已於大會舉行前至少足20個營業日向股東發送，而就其他股東大會而言，則在該大會舉行前至少足10個營業日向股東發送有關通知。

董事委員會主席及外聘核數師均已出席2018股東週年大會，以解答股東所提出之疑問。在公司秘書之協助下，大會主席已於大會上解釋以點票方式進行表決之程序。

股息政策

本公司已採納股息政策，以根據其股東應佔之盈利，向股東提供經常性的中期及末期股息(視情況而定)，當中已考慮(i)業務營運之現金流量需求；(ii)可用現金、金融負債及資本承擔；(iii)市場環境及挑戰；及(iv)未來發展及投資機遇等因素。宣派股息或建議作出有關派付時須符合所有適用法律、規則及規例，包括但不限於上市規則、公司條例(香港法例第622章)(「公司條例」)及本公司的組織章程細則。管理層將持續檢討股息政策，並向董事會提議任何修訂，以供董事會審批。





SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Shareholders as required to be disclosed pursuant to the CG Code.

RIGHT TO CONVENE / CALL A GENERAL MEETING

Shareholder(s) representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings may send a request to the Company pursuant to Section 566 of the CO. The request must state the general nature of the business to be dealt with at the meeting, and may include the text of resolution that may properly be moved and is intended to be moved at the meeting. Requests may consist of several documents in like form. A request may be sent to the Company for the attention of the Company Secretary in hard copy form or in electronic form and must be authenticated by the relevant Shareholder(s). Such request will be verified with the Company's share registrar and the Company Secretary will request the Board to convene a general meeting within 21 days upon its confirmation that the request is in order. Such meeting must be held on a date not more than 28 days after the date of the notice convening the meeting and such notice must include notice of the resolution.

Section 568 of the CO provides that if the Directors do not within 21 days as stated above to call a general meeting, the Shareholders representing more than one half of the total voting rights of all of them, may themselves call a general meeting, but the meeting so convened must be called for a date not more than 3 months after the Directors become subject to the requirement to call a meeting. The meeting must be called in the same matter, as nearly as possible, as that in which that meeting is required to be called by the Directors. The business that may be dealt with at the meeting includes a resolution to be dealt with at the meeting. All reasonable expenses incurred by the Shareholders of this purpose must be reimbursed by the Company.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS / RIGHT TO CIRCULATE RESOLUTION AT AGM

Section 615 of the CO provides that (i) Shareholder(s) representing at least 2.5% of the total voting rights of all Shareholders; or (ii) at least 50 Shareholders having a right to vote on the resolution at the annual general meeting ("AGM") may request the Company to circulate a notice of a resolution to be properly moved or is intended to be moved at that meeting. Such request must identify the resolution to be moved at the AGM, must be authenticated by the relevant Shareholder(s) and sent to the registered office of the Company for the attention of the Company Secretary in hard copy form or in electronic form not later than six weeks before the relevant AGM or if later, the time when the notice of AGM is despatched.

股東之權利

根據企業管治守則須予披露之若干股東權利之摘要如下：

召開股東大會之權利／召開股東大會

根據公司條例第566條，倘股東擁有佔全體有權於股東大會上投票之股東之總投票權最少5%，則可向本公司發出要求。要求須列明大會上將處理事項之一般性質，並可包含在該大會可能恰當地動議並擬於該大會動議之決議案文本。要求可包含多份格式相似之文件。要求可以列印本或電子版本送達本公司予公司秘書且必須經相關股東確認。該要求將由本公司股份過戶登記處核實且公司秘書將要求董事會於其確認相關要求符合程序後21日內召開股東大會。相關大會須於不超過召開大會通告日期後28日之日期舉行且相關通告必須包含決議案之通告。

公司條例第568條規定，倘董事未按以上所述於21日內召開股東大會，則佔全體股東總投票權一半以上之股東，可自行召開股東大會，但如此召開之大會須在董事收到召開大會要求後不超過三個月舉行。該大會須以盡可能接近董事召開大會之相同方式召開。可能於大會上處理之事宜包括將於會上處理之決議案。股東就此產生的所有合理開支須由本公司償還。

於股東大會上提出建議／於股東週年大會上傳閱決議案之權利

公司條例第615條規定：(i)佔全體有投票權的股東最少2.5%之股東；或(ii)最少50名有權於股東週年大會(「股東週年大會」)上就決議案投票之股東可要求本公司發出關於可在該會議上恰當地動議並擬在該會議上動議決議案的通告。該要求須指出有待於股東週年大會上動議之決議案，須經相關股東認證並不遲於相關股東週年大會或(如較後)寄發股東週年大會通告時間前六個星期以列印本或電子版送至本公司註冊辦事處予公司秘書。

**PROPOSING A PERSON FOR ELECTION AS A DIRECTOR**

The procedures for Shareholders to propose a person for election as a Director are available for viewing on the Company's website.

ENQUIRES FROM SHAREHOLDERS

Shareholders should direct their enquiries about their shareholdings to the Company's share registrar, Tricor Secretaries Limited. Other Shareholders' enquiries can be directed to the Investor Relations Department of the Company whose contact details are shown on "Corporate Information and Key Dates" section of this Annual Report.

CONSTITUTIONAL DOCUMENTS

There are no significant changes in the Company's constitutional documents during the Year.

AUDITOR'S INDEPENDENCE AND REMUNERATION

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and the effectiveness of the audit process of the financial statements in accordance with applicable standards. Members of the Audit Committee were of the view that the Company's auditor, Messrs. Deloitte Touche Tomatsu ("Deloitte"), was independent and had recommended the Board to re-appoint it as the Company's auditor at the 2019 AGM. During the Year, Deloitte had rendered audit services and certain non-audit services to the Group and the remuneration paid/payable to it by the Group is set out as follows:

提名他人參選董事

股東提名他人參選董事之程序可於本公司網站查閱。

股東查詢

股東可向本公司之股份過戶登記處「卓佳秘書商務有限公司」查詢彼等之持股情況。股東之其他查詢可向本公司投資者關係部門作出，其聯絡資料已列載於本年報「公司資料及重要日期」一節。

組織章程文件

於本年度，本公司之組織章程文件並無任何重大變動。

核數師之獨立性及酬金

審核委員會獲授權根據適用之準則審閱及監督核數師之獨立性，以確保財務報表審計過程之客觀性及有效性。審核委員會成員認為，本公司之核數師德勤•關黃陳方會計師行（「德勤」）屬獨立人士並建議董事會於2019股東週年大會上重新委任其為本公司之核數師。於本年度內，德勤曾向本集團提供核數服務及若干非核數服務，而本集團已付／應付予彼之酬金載列如下：

Service rendered 所提供服務	Fees paid/payable 已付／應付費用 HK\$'000 千港元
Audit services 核數服務	3,589
Non-audit services: 非核數服務：	
– Agreed-upon procedures for continuing connected transactions 就持續關連交易進行之議定程序	20
– Review of preliminary results announcement 審閱初步業績公告	10
– Preparation of accountants' report and unaudited pro forma financial information for major acquisition 就主要收購事項擬備會計師報告及未經審核備考財務資料	600
– Transfer pricing documentation service 轉讓定價之文書服務	68



Deloitte.

德勤

**TO THE MEMBERS OF
EMPEROR WATCH & JEWELLERY LIMITED**
(incorporated in Hong Kong with limited liability)

致：英皇鐘錶珠寶有限公司
全體股東
(於香港註冊成立之有限公司)

Opinion

We have audited the consolidated financial statements of Emperor Watch & Jewellery Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 64 to 143, which comprise the consolidated statement of financial position as at 31 December 2018, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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

意見

本核數師行已審核載於第64頁至第143頁英皇鐘錶珠寶有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於2018年12月31日之綜合財務狀況報表與截至該日止年度之綜合損益及其他全面收入報表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

本核數師行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2018年12月31日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現及其綜合現金流量，並已按照香港《公司條例》妥為編製。

意見之基準

本核數師行已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。根據該等準則，本核數師行的責任於本報告「核數師就審核綜合財務報表的責任」一節中詳述。根據香港會計師公會香港職業會計師道德守則(「守則」)，本核數師行獨立於 貴集團，並已遵循守則履行其他道德責任。本核數師行相信，本核數師行所獲得的審核憑證足夠及能適當地為本核數師行的意見提供基礎。



**TO THE MEMBERS OF
EMPEROR WATCH & JEWELLERY LIMITED**
(incorporated in Hong Kong with limited liability)

致：英皇鐘錶珠寶有限公司
全體股東
(於香港註冊成立之有限公司)

Key Audit Matters

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

關鍵審核事項

關鍵審核事項為本核數師行的專業判斷中，審核本期間綜合財務報表中最重要的事項。本核數師行於審核整體綜合財務報表處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。

Key audit matter 關鍵審核事項

Valuation of inventories – Goods held for resale 存貨—持作轉售商品之估值

We identified the valuation of inventories – goods held for resale as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the judgements associated with determining the amount of allowance for inventories.

本核數師行確定存貨—持作轉售商品之估值為一項關鍵審核事項，原因在於其結餘對綜合財務報表整體而言十分重要，亦涉及與釐定存貨撥備金額有關之判斷。

In estimating the amount of allowance for inventories – goods held for resale, it is the Group's policy to review the net realisable value of inventories periodically with reference to the condition of the items and the market condition. The management reviews regularly the suitability of the allowance policy and the amount of allowance for inventories that are based on the estimation by considering factors as detailed in the note 4 to the consolidated financial statements in relation to the allowance for inventories.

於估計存貨—持作轉售商品之撥備金額時，貴集團之政策為參考各項目狀況及市況定期檢討存貨之可變現淨值。管理層乃根據於綜合財務報表附註4詳載有關存貨撥備之考慮因素所作之估計，定期檢討撥備政策之適當性及存貨撥備金額。

How our audit addressed the key audit matter 本核數師行如何處理關鍵審核事項

Our procedures in relation to evaluating the appropriateness of valuation of inventories – goods held for resale included:

本核數師行評估存貨—持作轉售商品之估值恰當性之程序包括：

- Assessing the management's process of reviewing and evaluating net realisable value of inventories, with reference to subsequent sales information and the external price data and performing testing on a sample basis, by tracing to the source documents;
參考其後銷售資料及外部價格數據並透過追溯源文件進行抽樣測試，評估管理層檢討及評估存貨可變現淨值之程序；
- Evaluating the allowance policy adopted by the management with reference to the current market condition, the historical and current sales information, pricing policy and strategies, inventory realisation plan, ageing and conditions of inventories;
參考現行市況、過往及當前銷售資料、定價政策及策略、存貨變現計劃、存貨的賬齡及狀況評估管理層所採納的撥備政策；



**TO THE MEMBERS OF
EMPEROR WATCH & JEWELLERY LIMITED**
(incorporated in Hong Kong with limited liability)

致：英皇鐘錶珠寶有限公司
全體股東
(於香港註冊成立之有限公司)

Key Audit Matters (Continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項

How our audit addressed the key audit matter 本核數師行如何處理關鍵審核事項

Valuation of inventories – Goods held for resale (Continued)

存貨—持作轉售商品之估值 (續)

As disclosed in notes 4 and 14 to the consolidated financial statements, as at 31 December 2018, the carrying amount of inventories – goods held for resale is HK\$3,067,443,000, net of allowance of HK\$55,459,000, which represents 69% of the net assets of the Group.

如綜合財務報表附註4及14所披露，於2018年12月31日，存貨—持作轉售商品之賬面值為3,067,443,000元，已扣除撥備55,459,000港元，相當於 貴集團資產淨值之69%。

- Understanding the management's process of review and evaluating the work of an independent external valuer of jewellery items; 瞭解管理層的審閱程序及評估珠寶項目獨立外部估值師的工作；
- Evaluating the competence, capabilities and objectivity of the independent external valuer and obtaining an understanding of the scope of work and the terms of engagement; and 評估獨立外部估值師之才幹、能力及客觀性，並瞭解其工作範圍及委聘條款；及
- Evaluating the reasonableness of valuation techniques and key inputs adopted by the independent external valuer by comparing these estimates to entity-specific information and market data to evaluate the reasonableness of these judgements. 為評估該等判斷之合理性，透過比較該等估計與實體特定之資料及市場數據評估獨立外部估值師所用估值技術及主要輸入數據之合理性。



**TO THE MEMBERS OF
EMPEROR WATCH & JEWELLERY LIMITED**
(incorporated in Hong Kong with limited liability)

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

致：英皇鐘錶珠寶有限公司
全體股東
(於香港註冊成立之有限公司)

其他資料

貴公司董事就其他資料負責。其他資料包括已計入年報的資料，惟不包括綜合財務報表及相關核數師報告。

本核數師行就綜合財務報表的意見並不涵蓋其他資料且本核數師行並不就此發表任何形式的核證結論。

就本核數師行審核綜合財務報表而言，本核數師行負責閱讀其他資料，並在閱讀中考慮其他資料是否與綜合財務報表或本核數師行於審核中的瞭解存在重大不一致或可能存在重大錯誤陳述。倘根據本核數師行所進行的工作，本核數師行認為該其他資料存在重大錯誤申述，則本核數師行須報告該事實。本核數師行並無須就此作出報告之事項。

董事及治理層就綜合財務報表之責任

貴公司董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例編製真實公平的綜合財務報表，並負責董事認為就使綜合財務報表之編製不存在由於欺詐或錯誤而產生的重大錯誤陳述而言屬必要的相關內部監控。

於編製綜合財務報表時，董事負責評估貴集團的持續經營能力、披露(如適用)與持續經營相關的事宜並採用持續經營基準的會計法，惟董事擬清盤貴集團或終止經營或除此之外並無其他切實可行的選擇則除外。

治理層負責監督貴集團的財務報告程序。



**TO THE MEMBERS OF
EMPEROR WATCH & JEWELLERY LIMITED**
(incorporated in Hong Kong with limited liability)

致：英皇鐘錶珠寶有限公司
全體股東
(於香港註冊成立之有限公司)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

核數師就審核綜合財務報表之責任

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

本核數師行的目標為合理確保綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並出具載有本核數師行意見的核數師報告，該報告乃根據香港公司條例第405條僅向閣下（作為整體）作出而並無其他目的。本核數師行不就本報告的內容向任何其他人士負責或承擔責任。合理確保為高水平的確保，惟並不保證根據香港審計準則進行的審核總能發現所存在的重大錯誤陳述。錯誤陳述可能由欺詐或錯誤而產生，倘其個別或整體可合理預期將影響使用者根據該等綜合財務報表作出的經濟決定，則被視為重大。

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

根據香港審計準則進行審核時，本核數師行運用專業判斷，於整個審核過程中抱持專業懷疑態度。本核數師行亦：

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為本核數師行的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部監控，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 了解與審核有關的內部監控，以設計恰當的審核程序，但並非旨在對貴集團內部監控的有效性發表意見。



**TO THE MEMBERS OF
EMPEROR WATCH & JEWELLERY LIMITED**
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

致：英皇鐘錶珠寶有限公司
全體股東
(於香港註冊成立之有限公司)

核數師就審核綜合財務報表之責任 (續)

- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用持續經營基準的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘本核數師行認為存在重大不確定因素，本核數師行需於核數師報告中提請注意綜合財務報表內的相關披露，或如果相關披露不足，則修訂本核數師行的意見。本核數師行的結論以截至核數師報告日期所獲得的審核憑證為基礎。惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括披露)的整體列報、架構及內容，以及綜合財務報表是否已公允列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。本核數師行負責指導、監督及執行集團的審核工作。本核數師行僅為本核數師行的審核意見承擔責任。

本核數師行與治理層就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括本核數師行於審核期間識別出內部監控的任何重大缺陷溝通。



**TO THE MEMBERS OF
EMPEROR WATCH & JEWELLERY LIMITED**
(incorporated in Hong Kong with limited liability)

致：英皇鐘錶珠寶有限公司
全體股東
(於香港註冊成立之有限公司)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

核數師就審核綜合財務報表之責任 (續)

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

本核數師行亦向治理層提交聲明，說明本核數師行已遵守有關獨立性的道德要求，並就所有被合理認為可能影響本核數師行的獨立性的關係及其他事宜及相關防範措施(如適用)與治理層溝通。

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

本核數師行從與治理層溝通的事項中，確定對本期綜合財務報表的審核工作最為重要的事項，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，本核數師行認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則本核數師行會於核數師報告中描述此等事項。

The engagement partner on the audit resulting in the independent auditor's report is Ka-Lai Man.

出具本獨立核數師報告的審核項目合夥人為文嘉麗。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

德勤•關黃陳方會計師行
執業會計師
香港

19 March 2019

2019年3月19日



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

For the year ended 31 December 2018

截至2018年12月31日止年度

		NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Revenue	收入	5	4,722,248	4,075,124
Cost of sales	銷售成本		(3,417,722)	(2,985,880)
Gross profit	毛利		1,304,526	1,089,244
Other income	其他收入	6	11,240	7,793
Selling and distribution expenses	銷售及分銷開支		(817,746)	(776,232)
Administrative and other expenses	行政及其他開支		(175,672)	(147,568)
Finance costs	融資成本	7	(4,095)	–
Profit before tax	除稅前溢利	8	318,253	173,237
Taxation	稅項	10	(53,969)	(13,546)
Profit for the year	年度溢利		264,284	159,691
Other comprehensive (expense) income for the year	年度其他全面 (開支)收入			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類 至損益之項目：</i>			
Exchange differences arising on translation of foreign operations	換算海外業務產生 之匯兌差額		(27,435)	44,584
Total comprehensive income for the year and attributable to owners of the Company	本公司擁有人應佔 年度全面收入總額		236,849	204,275
Earnings per share – basic	每股盈利—基本	12	3.87 HKcents港仙	2.32 HKcents港仙

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表



At 31 December 2018
於2018年12月31日

		NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	1,923,019	73,047
Deferred tax assets	遞延稅項資產	21	5,161	8,662
Rental deposits	租金按金		126,037	135,793
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備之已付按金		18,435	5,643
			2,072,652	223,145
Current assets	流動資產			
Inventories	存貨	14	3,096,504	2,651,111
Right to returned goods asset	退貨權資產		2,462	–
Receivables, deposits and prepayments	應收款項、按金及預付款項	15	165,564	186,148
Amount due from a related company	應收關連公司款項	20	5,034	–
Bank balances and cash	銀行結餘及現金	16	627,256	1,613,080
			3,896,820	4,450,339
Current liabilities	流動負債			
Payables, deposits received and accrued charges	應付款項、已收訂金及應計費用	17	292,720	283,823
Contract liabilities	合約負債	18	10,293	–
Refund liabilities	退款負債	19	3,415	–
Amounts due to related companies	應付關連公司款項	20	4,072	4,146
Taxation payable	應付稅項		36,350	17,780
Bank borrowings	銀行借貸	22	561,822	–
			908,672	305,749
Net current assets	流動資產淨值		2,988,148	4,144,590
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	21	1,107	1,050
Bank borrowings	銀行借貸	22	594,673	–
			595,780	1,050
Net assets	資產淨值		4,465,020	4,366,685
Capital and reserves	資本及儲備			
Share capital	股本	23	3,484,152	3,484,152
Reserves	儲備	24	980,868	882,533
Total equity	總權益		4,465,020	4,366,685

The consolidated financial statements on pages 64 to 143 were approved and authorised for issue by the Board of Directors on 19 March 2019 and are signed on its behalf by:

第64頁至第143頁之綜合財務報表已於2019年3月19日獲董事會批准及授權刊發，並由下列董事代為簽署：

CINDY YEUNG

楊諾思

DIRECTOR

董事

WONG CHI FAI

黃志輝

DIRECTOR

董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018
截至2018年12月31日止年度

		Share capital 股本 HK\$'000 千港元	Merger reserve 合併儲備 HK\$'000 千港元 (note 24(a)) (附註24(a))	Other reserve 其他儲備 HK\$'000 千港元 (note 24(b)) (附註24(b))	Capital reserve 資本儲備 HK\$'000 千港元 (note 24(c)) (附註24(c))	Translation reserve 匯兌儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	3,484,152	(373,003)	(26,195)	2,529	(42,075)	1,128,702	4,174,110
Profit for the year	年度溢利	-	-	-	-	-	159,691	159,691
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	44,584	-	44,584
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	44,584	159,691	204,275
Interim dividend paid for 2017 (note 11)	2017年中期股息(附註11)	-	-	-	-	-	(11,700)	(11,700)
At 31 December 2017	於2017年12月31日	3,484,152	(373,003)	(26,195)	2,529	2,509	1,276,693	4,366,685
Profit for the year	年度溢利	-	-	-	-	-	264,284	264,284
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(27,435)	-	(27,435)
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	(27,435)	264,284	236,849
Final dividend paid for 2017 (note 11)	2017年末期股息(附註11)	-	-	-	-	-	(39,864)	(39,864)
Interim dividend paid for 2018 (note 11)	2018年中期股息(附註11)	-	-	-	-	-	(47,456)	(47,456)
Repurchase of ordinary shares (note 23)	回購普通股(附註23)	-	-	-	-	-	(51,194)	(51,194)
At 31 December 2018	於2018年12月31日	3,484,152	(373,003)	(26,195)	2,529	(24,926)	1,402,463	4,465,020

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表



For the year ended 31 December 2018
截至2018年12月31日止年度

	NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	318,253	173,237
Adjustments for:	調整：		
Reversal of allowance for inventories	存貨撥備撥回	(14,472)	(20,109)
Depreciation of property, plant and equipment	物業、機器及設備折舊	33,851	33,070
Impairment loss recognised in respect of property, plant and equipment	就物業、機器及設備確認之減值虧損	1,761	1,135
Loss on disposal/write-off of property, plant and equipment	出售／註銷物業、機器及設備之虧損	2,994	3,249
Allowance for doubtful debts	呆賬撥備	4,519	–
Allowance for sales return	銷售退貨撥備	953	763
Provision for customer loyalty programmes	顧客忠誠計劃撥備	1,700	–
Interest income	利息收入	(10,393)	(5,951)
Interest expense	利息開支	4,095	–
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	343,261	185,394
(Increase) decrease in inventories	存貨之(增加)減少	(449,825)	47,689
Decrease (increase) in receivables, deposits and prepayments	應收款項、按金及預付款項減少(增加)	14,346	(2,300)
Increase in amount due from a related company	應收關連公司款項增加	(5,034)	–
Increase in payables, deposits received and accrued charges	應付款項、已收訂金及應計費用增加	20,373	53,329
Decrease in contract liabilities	合約負債減少	(7,184)	–
(Decrease) increase in amounts due to related companies	應付關連公司款項(減少)增加	(74)	468
Net cash (used in) generated from operations	經營(所用)所得之現金淨額	(84,137)	284,580
Income tax refunded	退回所得稅	–	28,986
Income taxes paid	已付所得稅	(30,536)	(847)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營業務(所用)所得之現金淨額	(114,673)	312,719

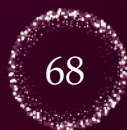


CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018
截至2018年12月31日止年度

			2018 HK\$'000 千港元	2017 HK\$'000 千港元
		NOTES 附註		
INVESTING ACTIVITIES	投資活動			
Deposits paid for acquisition of property, plant and equipment	購置物業、機器及設備之已付按金		(17,493)	(14,965)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項		–	84
Purchase of property, plant and equipment	購置物業、機器及設備		(84,279)	(14,866)
Placement of time deposits with original maturity over three months	存入原到期日為三個月以上的定期存款		(134,850)	(17,644)
Withdrawal of time deposits with original maturity over three months	提取原到期日為三個月以上的定期存款		215,879	106,635
Interest received	已收利息		10,393	5,951
Net cash outflow arising on acquisition of subsidiaries	收購附屬公司所產生之現金流出淨額	25	(1,148,471)	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得之現金淨額		(1,158,821)	65,195
FINANCING ACTIVITIES	融資活動			
Dividends paid	已付股息		(87,320)	(11,700)
Repurchase of ordinary shares	回購普通股		(51,194)	–
Bank borrowings raised	已籌得之銀行借貸	33	522,745	–
Repayments of bank borrowings	償還銀行借貸	33	(3,256)	–
Interest paid	已付利息	33	(4,095)	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所用)之現金淨額		376,880	(11,700)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)增加淨額		(896,614)	366,214
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初之現金及現金等價物		1,532,051	1,154,399
Effect of foreign exchange rate changes	外匯匯率變動之影響		(8,181)	11,438
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年終之現金及現金等價物		627,256	1,532,051
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘之分析			
Bank balances and cash	銀行結餘及現金		627,256	1,613,080
Less: Time deposits with original maturity over three months	減：原到期日為三個月以上的定期存款		–	(81,029)
			627,256	1,532,051





For the year ended 31 December 2018
截至2018年12月31日止年度

1. GENERAL

Emperor Watch & Jewellery Limited (the “Company”) is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate holding company is Emperor Watch & Jewellery Group Holdings Limited (“Emperor W&J Holdings”) which is incorporated in the British Virgin Islands (“BVI”). The directors of the Company (the “Directors”) consider that its ultimate holding company is Albert Yeung Holdings Limited, a company incorporated in the BVI which is in turn held by STC International Limited (“STC International”), being the trustee of The Albert Yeung Discretionary Trust (“AY Trust”), the settlor and founder of which is Dr. Yeung Sau Shing, Albert. The address of the registered office and principal place of business of the Company is 25/F, Emperor Group Centre, 288 Hennessey Road, Wanchai, Hong Kong.

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 35.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

The Company and its subsidiaries (collectively referred to as “the Group”) have applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

1. 一般事項

英皇鐘錶珠寶有限公司(「本公司」)為一間於香港註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。其直接控股公司為英皇鐘錶珠寶集團控股有限公司(「英皇鐘錶珠寶控股」)，於英屬處女群島(「英屬處女群島」)註冊成立之公司。本公司董事(「董事」)認為本公司之最終控股公司為楊受成產業控股公司，於英屬處女群島註冊成立之公司，而該公司由STC International Limited(「STC International」)(即The Albert Yeung Discretionary Trust(「AY Trust」)(楊受成博士為該信託之財產授予人及創立人)之受託人)持有。本公司之註冊辦事處及主要營業地點之地址是香港灣仔軒尼詩道288號英皇集團中心25樓。

本公司為一間投資控股公司。其主要附屬公司之業務載於附註35。

綜合財務報表以港元(「港元」)呈報，港元亦為本公司之功能貨幣。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本年度強制生效的新訂及經修訂香港財務報告準則

本公司及其附屬公司(「統稱「本集團」)已於本年度首次應用下列由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約之收入及相關修訂
香港(國際財務報告詮釋委員會) – 詮釋第22號	外匯交易及預付代價
香港財務報告準則第2號之修訂本	以股份為基礎之付款交易之分類及計量
香港財務報告準則第4號之修訂本	就香港財務報告準則第4號保險合約應用香港財務報告準則第9號金融工具
香港會計準則第28號之修訂本	作為香港財務報告準則2014年至2016年週期之年度改進之一部份
香港會計準則第40號之修訂本	轉讓投資物業



For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

Except as described below, the application of the new and amendments to HKFRSs 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.

2.1 HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and the related interpretations.

The Group recognises revenue from the sales of watches and jewellery and commission income, which arise from contracts with customers.

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

本年度強制生效的新訂及經修訂香港財務報告準則 (續)

除下文所述者外，於本年度應用該等新訂及經修訂香港財務報告準則對本集團於目前及以往年度之財務表現及狀況及／或該等綜合財務報表所載之披露並無重大影響。

2.1 香港財務報告準則第15號來自客戶合約之收入

本集團已於本年度首次採納香港財務報告準則第15號。香港財務報告準則第15號取代了香港會計準則第18號收入、香港會計準則第11號建造合約及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累計影響於2018年1月1日首次應用當日確認。於首次應用日期之任何差異於期初保留溢利中確認，且並無重列比較資料。此外，根據財務報告準則第15號之過渡條文，本集團只選擇對2018年1月1日尚未完成之合約追溯應用該準則，並已對首次應用日期前發生之所有合約修改採用簡便實務操作方法，所有修改之總體影響均於首次應用日期反映。因此，基於比較資料已根據香港會計準則第18號收入及相關詮釋編製，若干比較資料未必具有可比性。

本集團從客戶合約所產生之鐘錶及珠寶銷售額及佣金收入中確認收入。

有關本集團因應用香港財務報告準則第15號而產生之履約責任及會計政策之資料，分別於附註5及3披露。



For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

2.1 HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本年度強制生效的新訂及經修訂香港財務報告準則（續）

2.1 香港財務報告準則第15號來自客戶合約之收入（續）

下列調整乃於2018年1月1日對綜合財務狀況報表中已確認之金額作出。未受變更影響之報表項目並無被納入。

			Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018
		Notes 附註	先前於 2017年12月31日 呈報之賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	於2018年1月1日 根據香港財務報告準則 第15號確認之 賬面值 HK\$'000 千港元
Current Assets	流動資產				
Right to returned goods asset	退貨權資產	(a)	-	1,844	1,844
Receivables, deposits and prepayments	應收款項、按金及預付款項		186,148	(1,844)	184,304
Current Liabilities	流動負債				
Payables, deposits received and accrued charges	應付款項、已收訂金及應計費用	(b)	283,823	(18,384)	265,439
Contract liabilities	合約負債	(b)	-	15,777	15,777
Refund liabilities	退款負債	(a)	-	2,607	2,607

Notes:

- (a) As at 1 January 2018, the Group expected to refund some of the considerations received from customers and hence such balance was reclassified from payables, deposits received and accrued charges to refund liabilities. The Group also recognised an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and hence such balance was reclassified from receivables, deposits and prepayments to right to returned goods asset.

附註：

- (a) 於2018年1月1日，本集團預期會退還部分已收客戶之代價，因此，有關結餘由應付款項、已收訂金及應計費用重新分類至退款負債。本集團亦就其向客戶收回產品之權利確認資產（並相應調整銷售成本），因此，有關結餘由應收款項、按金及預付款項重新分類至退貨權資產。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

2.1 HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Notes: (Continued)

- (b) As at 1 January 2018, advances from customers of HK\$15,777,000 in respect of sales of watches and jewellery, previously included in payables, deposits received and accrued charges, were reclassified to contract liabilities for HK\$15,777,000.

The following tables summarise the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

本年度強制生效的新訂及經修訂香港財務報告準則 (續)

2.1 香港財務報告準則第15號來自客戶合約之收入 (續)

附註：(續)

- (b) 於2018年1月1日，就銷售鐘錶及珠寶而收取之客戶預付款項15,777,000港元由先前所計入之應付款項、已收訂金及應計費用重新分類至合約負債15,777,000港元。

下表概述應用香港財務報告準則第15號對本集團於2018年12月31日之綜合財務狀況報表及其於本年度之綜合損益及其他全面收入報表及綜合現金流量表中各條受影響項目之影響。未受變更影響之報表項目並無被納入。

對綜合財務狀況報表之影響

			As reported	Adjustments	Amounts without application of HKFRS 15
		Notes	如呈報 HK\$'000 千港元	重新分類 HK\$'000 千港元	未應用 香港財務報告 準則第15號下 之金額 HK\$'000 千港元
		附註			
Current Assets	流動資產				
Right to returned goods asset	退貨權資產	(a)	2,462	(2,462)	-
Receivables, deposits and prepayments	應收款項、按金及預付款項		165,564	2,462	168,026
Current Liabilities	流動負債				
Payables, deposits received and accrued charges	應付款項、已收訂金及應計費用	(b)	292,720	13,708	306,428
Contract liabilities	合約負債	(b)	10,293	(10,293)	-
Refund liabilities	退款負債	(a)	3,415	(3,415)	-



For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

2.1 HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Impact on the consolidated statement of financial position (Continued)

Notes:

- (a) As at 31 December 2018, the Group expected to refund some of the considerations received from customers and hence such balance was reclassified from payables, deposits received and accrued charges to refund liabilities. The Group also recognised an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and hence such balance was reclassified from receivables, deposits and prepayments to right to returned goods asset.
- (b) As at 31 December 2018, advances from customers of HK\$8,593,000 in respect of sales of watches and jewellery, previously included in payables, deposits received and accrued charges, were reclassified to contract liabilities for HK\$8,593,000.

Sales of goods that result in award credits for customers, under the Group's customer loyalty programmes, 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. As at 31 December 2018, the consideration allocated to the award credits of HK\$1,700,000, previously included in payables, deposits received and accrued charges, was reclassified to contract liabilities for HK\$1,700,000.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

本年度強制生效的新訂及經修訂香港財務報告準則 (續)

2.1 香港財務報告準則第15號來自客戶合約之收入 (續)

對綜合財務狀況報表之影響 (續)

附註：

- (a) 於2018年12月31日，本集團預期會退還部分已收客戶之代價，因此，有關結餘由應付款項、已收訂金及應計費用重新分類至退款負債。本集團亦就其向客戶收回產品之權利確認資產（並相應調整銷售成本），因此，有關結餘由應收款項、按金及預付款項重新分類至退貨權資產。
- (b) 於2018年12月31日，就銷售鐘錶及珠寶而收取之客戶預付款項8,593,000港元由先前所計入之應付款項、已收訂金及應計費用重新分類至合約負債8,593,000港元。

能夠讓客戶根據本集團之顧客忠誠計劃獲得獎賞之商品銷售乃入賬為多元素收入交易，當中已收或應收代價之公允價值於所供應商品與所給予獎賞之間進行分配。分配至獎賞之代價乃參考該等可予兌換之獎賞之公允價值計量。於2018年12月31日，分配至獎賞之代價1,700,000港元由先前所計入之應付款項、已收訂金及應計費用重新分類至合約負債1,700,000港元。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

本年度強制生效的新訂及經修訂香港財務報告準則 (續)

2.1 HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

2.1 香港財務報告準則第15號來自客戶合約之收入 (續)

Impact on the consolidated statement of profit or loss and other comprehensive income

對綜合損益及其他全面收入報表之影響

			As reported	Adjustments	Amounts without application of HKFRS 15
		Note	如呈報	調整	未應用
		附註	HK\$'000	HK\$'000	香港財務報告準則第15號下
			千港元	千港元	之金額
					千港元
Revenue	收入	(a)	4,722,248	15,678	4,737,926
Cost of sales	銷售成本	(a)	(3,417,722)	(15,678)	(3,433,400)

Note:

附註：

(a) Under HKAS 18, the Group recognised sales of watches and jewellery on a gross basis, i.e. the Group was considered as a principal, due to its significant exposure to credit risk of customers. Upon application of HKFRS 15, the Group is considered as an agent, the performance obligation is to arrange for the provision of watches and jewellery as the Group did not obtain the control over the goods before passing on to customers. This change in accounting policies resulted in a reduction of revenue by HK\$15,678,000 for the year ended 31 December 2018. Revenue from commission income, reported on gross basis for the year ended 31 December 2017 amounted to HK\$17,184,000.

(a) 根據香港會計準則第18號，本集團按毛額確認鐘錶及珠寶銷售額，換言之，基於其承受重大的客戶信貸風險，本集團被視為主事人。應用香港財務報告準則第15號後，本集團被視為代理人，其履約責任為就提供鐘錶及珠寶作出安排，此乃由於本集團在轉移商品予客戶前對商品並無控制權。此項會計政策變動導致截至2018年12月31日止年度之收入減少15,678,000港元。截至2017年12月31日止年度按毛額呈報之佣金收入為17,184,000港元。



For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

2.1 HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Impact on the consolidated statement of cash flows

			As reported	Adjustments	Amounts without application of HKFRS 15
	Note	如呈報	調整	未應用	
	附註	HK\$'000	HK\$'000	香港財務報告準則第15號下	
		千港元	千港元	之金額	
				HK\$'000	
				千港元	
OPERATING ACTIVITIES	經營業務				
Increase in payables, deposits received and accrued charges	(a)	20,373	(5,484)	14,889	
Decrease in contract liabilities	(a)	(7,184)	7,184	-	
Provision for customer loyalty programmes	(a)	1,700	(1,700)	-	

Note:

- (a) As at 31 December 2018, advances from customers of HK\$8,593,000 in respect of sales of watches and jewellery, previously included in payables, deposits received and accrued charges, were reclassified to contract liabilities for HK\$8,593,000.

Sales of goods that result in award credits for customers, under the Group's customer loyalty programmes, 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. As at 31 December 2018, the consideration allocated to the award credits of HK\$1,700,000, previously included in payables, deposits received and accrued charges, was reclassified to contract liabilities for HK\$1,700,000.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本年度強制生效的新訂及經修訂香港財務報告準則（續）

2.1 香港財務報告準則第15號來自客戶合約之收入（續）

對綜合現金流量表之影響

附註：

- (a) 於2018年12月31日，就銷售鐘錶及珠寶而收取之客戶預付款項8,593,000港元由先前所計入之應付款項、已收訂金及應計費用重新分類至合約負債8,593,000港元。

能夠讓客戶根據本集團之顧客忠誠計劃獲得獎賞之商品銷售乃入賬為多元素收入交易，當中已收或應收代價之公允價值於所供應商品與所給予獎賞之間進行分配。分配至獎賞之代價乃參考該等可予兌換之獎賞之公允價值計量。於2018年12月31日，分配至獎賞之代價1,700,000港元由先前所計入之應付款項、已收訂金及應計費用重新分類至合約負債1,700,000港元。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

2.2 HKFRS 9 FINANCIAL INSTRUMENTS

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, and 2) expected credit losses (“ECL”) for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

本年度強制生效的新訂及經修訂香港財務報告準則 (續)

2.2 香港財務報告準則第9號金融工具

於本年度，本集團已應用香港財務報告準則第9號金融工具及其他香港財務報告準則之相關相應修訂本。香港財務報告準則第9號引入有關 1) 金融資產及金融負債之分類及計量，及 2) 金融資產之預期信貸虧損 (「預期信貸虧損」) 之新規定。

本集團已根據香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即對於2018年1月1日 (首次應用日期) 尚未終止確認之工具追溯應用分類及計量規定 (包括根據預期信貸虧損模式進行減值)，而並無對已於2018年1月1日終止確認之金融工具應用有關規定。於2017年12月31日之賬面值與於2018年1月1日之賬面值之間的差異於期初保留溢利中確認，且並無重列比較資料。

因此，基於比較資料已根據香港會計準則第39號金融工具：確認及計量編製，若干比較資料未必具有可比性。

因應用香港財務報告準則第9號而產生之會計政策於附註3披露。



For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

2.2 HKFRS 9 FINANCIAL INSTRUMENTS (Continued)

Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables from contracts with customers. Except for those which had been determined as credit impaired under HKAS 39, trade receivables from contracts with customers have been assessed individually with outstanding significant balances with customers, the remaining balances are grouped based on internal credit rating and past due analysis.

The Group has therefore estimated the expected loss rates for the trade receivables from contracts with customers based on the assessment by the Directors, if the expected credit loss model were to be applied by the Group, there would be no material impact on the accumulated amount of impairment loss to be recognised by the Group as at 1 January 2018 as compared to the accumulated amount recognised under HKAS 39.

ECL for other financial assets at amortised cost including other receivables, amount due from a related company and bank balances are assessed on 12-month ECL basis as there had been no significant increase in credit risk since initial recognition.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本年度強制生效的新訂及經修訂香港財務報告準則（續）

2.2 香港財務報告準則第9號金融工具（續）

預期信貸虧損模式下之減值

本集團應用香港財務報告準則第9號中的簡易方法計量預期信貸虧損，而就來自客戶合約之所有貿易應收款項而言為全期預期信貸虧損。除該等已根據香港會計準則第39號被確定為信貸減值外，來自客戶合約之貿易應收款項已作逐項評估，就此與客戶之間擁有未償還之龐大結餘，而餘下結餘則按照內部信貸評級及逾期分析進行歸納。

因此，本集團已基於董事所作之評估為來自客戶合約之貿易應收款項估計預期虧損率。倘若本集團應用預期信貸虧損模式，其相較根據香港會計準則第39號所確認之累計金額而言，不會對本集團將於2018年1月1日確認之減值虧損累計金額構成重大影響。

按攤銷成本列賬之其他金融資產（包括其他應收款項、應收關連公司款項及銀行結餘）之預期信貸虧損因信貸風險自初始確認以來並無顯著增加，而按12個月預期信貸虧損基準進行評估。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after a date to be determined

³ Effective for annual periods beginning on or after 1 January 2021

⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

⁵ Effective for annual periods beginning on or after 1 January 2020

Except for the new HKFRS mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不確定性 ¹
香港財務報告準則第3號之修訂本	業務之定義 ⁴
香港財務報告準則第9號之修訂本	提早還款特性及負補償 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業間出售或注入資產 ²
香港會計準則第1號及香港會計準則第8號之修訂本	重大之定義 ⁵
香港會計準則第19號之修訂本	計劃修訂、縮減或結清 ¹
香港會計準則第28號之修訂本	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則之修訂本	香港財務報告準則2015年至2017年週期之年度改進 ¹

¹ 於2019年1月1日或之後開始之年度期間生效

² 於將予釐定之日期或之後開始之年度期間生效

³ 於2021年1月1日或之後開始之年度期間生效

⁴ 於業務合併及資產收購時生效，其中收購日期為於2020年1月1日或之後開始之首個年度期間開始或之後

⁵ 於2020年1月1日或之後開始之年度期間生效

除下文所述之新訂香港財務報告準則外，董事預期應用所有其他新訂及經修訂香港財務報告準則於可見未來對綜合財務報表並無重大影響。





For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE (Continued)

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by customer.

Distinctions of operating leases 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, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$558,897,000 as disclosed in note 28. An assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號將於生效時取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。

除短期租賃及租賃低值資產外，經營租賃與融資租賃的差異自承租人會計處理中撤銷，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，而其後乃按成本（若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債初步按並非於該日支付之租賃付款現值計量。其後，租賃負債會就利息及租賃付款以及（其中包括）租賃修訂的影響而作出調整。就現金流量分類而言，本集團現時將其他經營租賃付款呈列為營運現金流量。自應用香港財務報告準則第16號，本集團將有關租賃負債之租賃付款分配為本金及利息部分，呈列為融資現金流量。

此外，香港財務報告準則第16號要求更詳盡的披露。

如附註28所披露，於2018年12月31日，本集團擁有不可撤銷經營租賃承擔558,897,000港元。評估顯示，該等安排將符合香港財務報告準則第16號項下租賃之定義。自應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應的負債，除非有關租賃符合低價值或短期租賃。



For the year ended 31 December 2018
截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE (Continued)

HKFRS 16 Leases (Continued)

In addition, the Group currently considers refundable rental deposits paid of HK\$126,037,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. 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 consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

此外，本集團目前將已付可退回租賃按金126,037,000港元視為香港會計準則第17號適用的租賃下的權利。根據香港財務報告準則第16號租賃款項的定義，有關按金並非與相關資產使用權有關的款項，因此，該等按金的賬面值可能會調整為攤銷成本，有關調整被視為額外租賃款項。已付可退回租賃按金的調整將被視為額外租賃付款，並計入使用權資產的賬面值內。

應用新規定可能導致計量、呈列及披露方式會出現如上所述的變動。本集團擬選用於實務操作上之簡便方法，以應用香港財務報告準則第16號於先前識別為租賃並應用香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號釐定一項安排是否包含租賃之合約，以及不應用此準則於並無於先前識別為包含租賃並應用香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號之合約。因此，本集團將不會重新評估合約是否為或包含一項於首次應用日期前已存在之租賃。此外，本集團擬就應用香港財務報告準則第16號（作為承租人）選用經修訂之追溯法，並將確認首次應用之累計影響至期初保留溢利，而並無重列比較資料。

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。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。

誠如下文在會計政策所述，綜合財務報表乃於每個匯報期末根據歷史成本基準編製。

歷史成本一般基於用作交換商品及服務之代價之公允價值計算。





For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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 HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value-in-use in HKAS 36 *Impairment of Assets*.

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 Group 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. 主要會計政策 (續)

公允價值乃於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付之價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債之特徵，則本集團於估計資產或負債之公允價值時會考慮該資產或負債之特徵。此等綜合財務報表中作計量及／或披露用途之公允價值乃按此基準釐定，惟屬於香港財務報告準則第2號以股份為基礎之付款範圍之以股份為基礎之付款交易、屬於香港會計準則第17號租賃範圍內之租賃交易，以及與公允價值部份相似但並非公允價值之計量（如香港會計準則第2號存貨內之可變現淨值或香港會計準則第36號資產減值之使用價值）除外。

此外，就財務報告而言，公允價值計量根據公允價值計量輸入數據之可觀察程度及公允價值計量之輸入數據對其整體之重要性分類為一級、二級及三級，詳情如下：

- 一級輸入數據是本集團於計量日期可以取得之可識別資產或負債於活躍市場之報價（未經調整）；
- 二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（包括在一級內之報價除外）；及
- 三級輸入數據是資產或負債的不可觀察之輸入數據。

主要會計政策載列於下文：

綜合賬目基準

綜合財務報表包括本公司及本公司控制之實體及其附屬公司之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BASIS OF CONSOLIDATION (Continued)

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.

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.

MERGER ACCOUNTING FOR BUSINESS COMBINATION INVOLVING BUSINESSES UNDER COMMON CONTROL

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been consolidated from the date when the combining businesses first came under the control of the controlling party.

The net assets of the consolidated entities are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the consolidated entities from the earliest date presented or since the date when the consolidated entities first came under the common control, where this is a shorter period.

ACQUISITION OF A SUBSIDIARY NOT CONSTITUTING A BUSINESS

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to property, plant and equipment and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

3. 主要會計政策 (續)

綜合賬目基準 (續)

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收入報表內。

附屬公司之財務報表於有需要情況下作出調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、支出及現金流(與本集團成員公司間之交易有關)均於綜合賬目時予以全數對銷。

涉及共同控制業務之業務合併之合併會計法

綜合財務報表納入該等涉及發生共同控制合併之合併業務之財務報表項目，猶如該等財務報表項目於合併業務首次被置於控制方之控制下當日起已被綜合入賬。

從控制方之角度而言，經綜合實體之資產淨值乃採用現有賬面值綜合入賬。於共同控制合併發生時，並無確認有關商譽或議價購買收益之任何金額。

綜合損益及其他全面收入報表計入各經綜合實體自最早呈列之日起或各經綜合實體首次受共同控制之日起(以期間較短者為準)之業績。

收購並非構成業務之附屬公司

當本集團收購一組並非構成業務之資產及負債，本集團藉由先將購買價按照各自之公允價值分配至物業、機器及設備以及金融資產/金融負債，再將購買價之餘下結餘按其於購買日之相對公允價值分配至其他個別可識別資產及負債，藉此識別及確認所收購之個別可識別資產及所承擔之個別可識別負債。有關交易不會產生商譽或議價收購收益。



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

REVENUE FROM CONTRACTS WITH CUSTOMERS (UPON APPLICATION OF HKFRS 15 IN ACCORDANCE WITH TRANSITIONS IN NOTE 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3. 主要會計政策(續)

來自客戶合約之收入(按附註2之過渡方式於應用香港財務報告準則第15號時)

根據香港財務報告準則第15號，本集團於完成履約責任時(或就此)確認收入，即當特定履約責任的相關商品或服務的「控制權」轉移予客戶時確認收入。

履約責任涉及一個單獨商品或服務(或一組捆綁銷售之商品或服務)或一系列大致相同之單獨商品或服務。

控制權於一段時間內轉移，倘達成以下其中一項條件，收入將參照相關履約責任之完成進度，於一段時間內確認：

- 客戶於本集團履約時同時收取及耗用本集團履約所帶來之利益；
- 本集團履約導致產生及提升一項資產，而該資產於本集團履約時由客戶控制；或
- 本集團履約並無產生對本集團有替代用途之資產，而本集團可享有強制執行權利，以收取迄今已達成履約義務之款項。

否則，客戶可於取得該單獨商品或服務之控制權之時間點確認收入。

合約資產指本集團向客戶轉移商品或服務而收取代價之權利，但有關權利尚未成為無條件。合約資產根據香港財務報告準則第9號進行減值評估。相反，應收款項指本集團收取代價之無條件權利，亦即代價付款僅需待時間流逝就可收取。

合約負債指本集團向客戶轉移商品或服務之責任，而本集團就此已向客戶收取代價(或已到期可收取代價金額)。



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

REVENUE FROM CONTRACTS WITH CUSTOMERS (UPON APPLICATION OF HKFRS 15 IN ACCORDANCE WITH TRANSITIONS IN NOTE 2)

(Continued)

CONTRACTS WITH MULTIPLE PERFORMANCE OBLIGATIONS (INCLUDING ALLOCATION OF TRANSACTION PRICE)

For contracts that contain more than one performance obligations including customer loyalty programme, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis, except for the allocation of discounts and variable consideration.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

VARIABLE CONSIDERATION

For contracts that contain variable consideration including the customers' right to return goods, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

REFUND LIABILITIES

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

3. 主要會計政策 (續)

來自客戶合約之收入(按附註2之過渡方式於應用香港財務報告準則第15號時)
(續)

包含多項履約責任(包括分配交易價)之合約

對於包含多於一項履約責任之合約(包括顧客忠誠計劃),本集團按照相對單獨售價基準將交易價分配至各履約責任,惟分配折扣及可變代價除外。

各履約責任下之單獨商品或服務之單獨售價於合約訂立時釐定。有關售價為本集團會獨立向客戶出售承諾商品或服務之價格。倘單獨售價不可直接觀察得知,本集團會使用適當的技巧作出估計,使最終分配至任何履約責任之交易價,可反映本集團預期就轉移承諾商品或服務至客戶而有權換取之代價金額。

可變代價

對於包含可變代價之合約(包括客戶退貨權),本集團估計其將有權獲得之代價金額,就此採用之方法視乎哪種方法能更準確預知本集團將有權獲得之代價金額而定,可以按(a)預期價值法,還是(b)最有可能金額作出估計。

可變代價之估計金額乃計入交易價內,前提是計入後有很大可能不會導致於未來(當與可變代價相關之不確定性於其後變得確定時)出現顯著收入撥回。

於各匯報期完結時,本集團會更新估計交易價(包括更新其就可變代價之估計是否有限度而作出之評估),以忠實反映於匯報期末之現況及於匯報期間之情況變動。

退款負債

倘本集團預期須退回向客戶所收取之部分或全部代價,本集團會確認退款負債。



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

REVENUE FROM CONTRACTS WITH CUSTOMERS (UPON APPLICATION OF HKFRS 15 IN ACCORDANCE WITH TRANSITIONS IN NOTE 2)

(Continued)

SALE WITH A RIGHT OF RETURN/EXCHANGE

For a sale of products with a right of return/exchange for dissimilar products, the Group recognises all of the following:

- (a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned/exchanged);
- (b) a refund liability/contract liability; and
- (c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers.

PRINCIPAL VERSUS AGENT

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

3. 主要會計政策 (續)

來自客戶合約之收入(按附註2之過渡方式於應用香港財務報告準則第15號時)
(續)

具有退貨／換貨權之銷售

對於具有退貨／換取不同產品之權利之產品銷售，本集團確認以下所有項目：

- (a) 按本集團預期有權收取之代價確認已轉移之產品之收入(因此，不會就預期須退貨／換貨之產品確認收入)；
- (b) 退款負債／合約負債；及
- (c) 就其向客戶收回產品之權利確認資產(及相應之銷售成本調整)。

主事人與代理人

當有另一方參與向客戶提供商品或服務，本集團會釐定其履約責任承諾之性質是自身提供指定商品或服務(即本集團為主事人)，還是安排另一方提供該等商品或服務(即本集團為代理人)。

倘本集團於向客戶轉移指定商品或服務之前已控制該商品或服務，則本集團為主事人。

倘本集團的履約義務為安排另一方提供指定商品或服務，則本集團為代理人。在這一情況下，本集團於轉讓指定商品或服務予客戶之前，不控制由另一方提供之該商品或服務。倘本集團作為代理人行事，其所確認之收入金額為安排另一方提供指定商品或服務後預期有權收取之任何費用或佣金。



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

REVENUE RECOGNITION (PRIOR TO 1 JANUARY 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and trade discounts.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from sales of goods is recognised when the goods are delivered and titles have passed.

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.

LEASES

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 LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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.

LEASEHOLD LAND AND BUILDING

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element 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 property is accounted as an operating lease.

3. 主要會計政策 (續)

收入確認 (2018年1月1日之前)

收入乃按已收或應收代價之公允價值計算。收入會就估計顧客退貨及貿易折扣作出扣減。

收入於收入之金額能夠可靠計量；可能會有未來經濟利益流入本集團且符合本集團下文所述各項活動的特定標準時確認。

商品的銷售收入於商品交付且所有權已轉移時確認。

利息收入乃參照尚未償還的本金額按適用實際利率以時間基準累計，實際利率為以金融資產的預期年期將估計未來現金收入準確貼現至該資產初始確認時的賬面淨值的利率。

租賃

凡租約條款規定擁有權之一切風險及回報大部分轉往承租人，即歸類為融資租約。所有其他租約均歸類為經營租約。

本集團作為承租人

經營租約付款以直線法按租期確認為開支。經營租約下之或然租金於產生期間確認為開支。

倘訂立經營租約時收取租金優惠，則有關優惠確認為負債。優惠總利益以直線法攤銷為租金開支減少。

租賃土地及樓宇

當本集團就包含租賃土地及樓宇兩個元素之物業權益作出付款，本集團會根據各元素之擁有權所連帶之絕大部分風險與回報是否已轉移至本集團，而分開評估各元素類別，除非兩個元素均明顯屬經營租賃，則在此情況下，整個物業會以經營租賃入賬。



For the year ended 31 December 2018
截至2018年12月31日止年度

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 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 on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal.

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. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items 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 the heading of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

BORROWING COSTS

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

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

外幣

於編製各個集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)結算之交易按交易日期當時之匯率確認。於匯報期間結算日，以外幣結算之貨幣項目均按該日當時之匯率重新換算。按歷史成本法按外幣計量之非貨幣項目毋須重新換算。

結算貨幣項目及重新換算貨幣項目產生之匯兌差額乃於其產生期間於損益確認，惟應收或應付海外業務而結算並無計劃亦不可能發生(因此構成海外業務投資淨額之一部分)之貨幣項目之匯兌差額除外，該等匯兌差額初步於其他全面收入內確認，並於出售時自權益重新分類至損益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債按各匯報期間結算日當時之匯率換算為本集團之呈列貨幣(即港元)，而收支項目則按年內平均匯率換算，除非匯率於期間內大幅波動，於此情況下，則使用交易日期當時之匯率換算。所產生之匯兌差額(如有)於其他全面收入內確認，並於匯兌儲備項下之權益累計。

於出售海外業務(即出售本集團於海外業務之全部權益，或出售涉及失去包含海外業務附屬公司之控制權)時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新分類至損益。

借貸成本

用於收購、興建或生產符合規定資產(即須經過一段頗長時間方可作擬定用途或出售之資產)之直接應計借貸成本，會添加至上述資產之成本，直至其大體上可作擬定用途或出售為止。

所有其他借貸成本於產生期間於損益內確認。





For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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 tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of 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, 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 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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax 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.

3. 主要會計政策 (續)

稅項

稅項指本期應繳稅項及遞延稅項之總和。

本期應繳稅項按年內應課稅溢利計算。應課稅溢利有別於綜合損益及其他全面收入報表呈報之「除稅前溢利」，源於其他年度需要課稅或可扣稅之收入或支出且其毋須課稅或從不獲扣稅之項目。本集團之本期稅項負債按匯報期間結算日已頒佈或實質頒佈之稅率計算。

遞延稅項按綜合財務報表中資產及負債之賬面金額與計算應課稅溢利所用相應稅基間之暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額進行確認。遞延稅項資產一般於預期應課稅溢利可用作抵銷可予扣稅暫時差額時，確認所有可扣稅暫時差額。如因初次確認交易（業務合併除外）中之資產及負債而出現暫時差異，但並未對應課稅溢利或會計溢利造成影響，該遞延稅項資產及負債將不予確認。

遞延稅項負債按附屬公司投資相關之應課稅暫時差額確認，惟若本集團可控制該暫時差額之撥回，而該暫時差額又可能不會在可見將來撥回則不在此限。可扣減暫時差額產生之遞延稅項資產（與該等投資有關）可確認，惟僅以可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可見將來撥回為限。

遞延稅項資產之賬面值於各匯報期間結束時進行檢討，並調低至預期將不可能有充裕的應課稅溢利以收回所有或部份資產。

倘負債可結算或資產可變現，遞延稅項資產及負債按預期於期間內可應用之稅率以於匯報期間結束時已施行或大部份施行之稅率（及稅法）之稅率為基準。





For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

TAXATION (Continued)

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 they relate 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.

RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans, the Mandatory Provident Fund Scheme and state-managed retirement benefit schemes, are recognised as an expense when employees have rendered service entitling them to contributions.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

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 the profit or loss.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項負債及資產之計量反映稅務影響，可由本集團於匯報期間結束時預期之方式以收回或結算其資產及負債之賬面值。

即期及遞延稅項於損益確認，惟倘其與其他全面收入或直接於權益確認之項目有關為限，於此情況下，即期及遞延稅項資產亦分別於其他全面收入或直接於權益確認。

退休福利成本

界定供款退休福利計劃、強制性公積金計劃及國家管理之退休福利計劃付款於僱員提供服務而有權獲得供款時列作開支。

短期僱員福利

短期僱員福利乃按僱員提供服務時預期將予支付之未貼現福利金額確認。所有短期僱員福利均確認為開支。

僱員之應計福利(例如工資及薪金及年假)乃於扣減任何已付金額後確認負債。

物業、機器及設備

物業、機器及設備按成本減去其後累計折舊及累計減值虧損(如有)於綜合財務狀況報表入賬。

折舊採用直線法按資產的估計可使用年期註銷其成本減剩餘價值確認。估計可使用年期、剩餘價值和折舊方法會在各匯報期間結算時復核，估計的任何變動影響按預先計提基準入賬。

當出售物業、機器及設備項目時或預期繼續使用有關資產不會產生日後經濟利益時，該資產予以終止確認。出售或廢棄物業、機器及設備項目產生之任何收益或虧損，按出售所得款項與該資產賬面值間之差額計算，並於損益內確認。



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

IMPAIRMENT ON ASSETS

At the end of the reporting period, the Group reviews the carrying amounts of its assets with finite useful lives 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 relevant asset is estimated in order to determine the extent of the impairment loss, (if any).

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an individual asset individually, 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 unit, 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 of disposal 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 or a cash-generating unit 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. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in-use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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.

3. 主要會計政策 (續)

資產減值

本集團會於匯報期間結算日審閱其具有限可使用年期之資產之賬面值，確定是否有任何跡象顯示該等資產已蒙受減值虧損。倘出現任何有關跡象，則估計有關資產之可收回金額，以釐定減值虧損程度(如有)。

有形資產之可收回金額乃單獨估計，倘無法單獨估計個別資產之可收回金額，則本集團估計該項資產所屬之現金產生單位之可收回金額。倘有可識別之合理一致分配基準，企業資產亦會分配至個別現金產生單位，或分配至有可識別之合理一致分配基準之現金產生單位之最小組別。

可收回金額為公允價值減銷售成本及使用價值兩者之較高者。於評估使用價值時，估計未來現金流量利用稅前折現率折現至其現值，以反映當前市場對貨幣時間價值及估計未來現金流量未經調整之資產之特定風險之評估。

倘一項資產之可收回金額估計低於其賬面值，則該資產之賬面值扣減至其可收回金額。一項資產的賬面值不會減至其公允價值減出售成本(如可計量)、其使用價值(如可釐定)及零中最高者。本將分配至該資產的減值虧損之金額按比例分配至該單位的其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回，則該資產之賬面值須增加至其經修訂之估計可收回金額，惟增加後之賬面值數額不得超過倘若於過往年度未有就該項資產確認減值虧損之原有賬面值。資產減值虧損撥回會即時於損益確認。



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined on a weighted average basis for gold and specific identification basis for watches and other jewellery items depending on the nature of the inventory. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. 主要會計政策 (續)

存貨

存貨按成本與可變現淨值之較低者入賬。黃金之存貨成本根據加權平均值基準釐定，而鐘錶及其他珠寶項目成本則根據指定識別基準釐定，視乎存貨之性質。可變現淨值指存貨估計售價減所有估計完成成本及進行出售所需成本。

撥備

當本集團因過往事件而承擔現有責任（不論屬法律或推定責任），而本集團可能須償付該責任時及就承擔責任之金額可作出可靠估計時，則確認撥備。

計及有關責任的風險及不明朗因素後，確認為撥備的金額為清償於匯報期末的現時責任所需代價的最佳估計。倘使用估計用以清償現時責任的現金流量計算撥備，則該撥備賬面值為該等現金流量現值（倘金錢時間值的影響屬重大）。

金融工具

當集團實體成為工具合約條文的一方時，金融資產及金融負債會予以確認。所有以正規途徑購買或銷售之金融資產乃按交易日期基準確認及終止確認。正規途徑購買或銷售乃要求於市場法規或慣例所確定之時間框架內交付資產之金融資產購買或銷售。

金融資產及金融負債初步按公允價值計量，惟產生自客戶合約之貿易應收款項乃按照香港財務報告準則第15號自2018年1月1日起初步計量除外。收購或發行金融資產及金融負債直接產生的交易成本乃於初步確認時加入金融資產或金融負債之公允價值或自金融資產或金融負債之公允價值扣除（視適用情況而定）。





For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and 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 asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

FINANCIAL ASSETS

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables from contracts with customers, other receivables, amount due from a related company and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. 主要會計政策 (續)

金融工具 (續)

實際利率法是一種在相關期間內用於計算金融資產或金融負債之已攤銷成本以及分配利息開支之方法。實際利率是可將金融資產或金融負債預計年期或(如適用)較短期間之估計未來現金付款(包括屬於實際利率整體部分的所有已付或已收費用、交易成本及其他溢價或折讓)精確貼現至首次確認的賬面淨值之利率。

金融資產

金融資產之分類及其後計量(按照附註2之過渡方式應用香港財務報告準則第9號)

符合下列條件之金融資產其後按攤銷成本計量：

- 持有金融資產之業務模式目的為收取合約現金流量；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

攤銷成本及利息收入

其後按攤銷成本計量之金融資產之利息收入乃採用實際利率法確認。利息收入之計算方法為對金融資產之賬面總值應用實際利率。

金融資產減值(按照附註2之過渡方式應用香港財務報告準則第9號)

本集團根據香港財務報告準則第9號就須作減值之金融資產(包括來自客戶合約之貿易應收款項、其他應收款項、應收關連公司款項以及銀行結餘)之預期信貸虧損確認虧損撥備。預期信貸虧損之金額於各匯報日期更新，以反映信貸風險自初始確認以來之變化。

全期預期信貸虧損指於相關工具之預期使用期內所有可能發生之違約事件所產生之預期信貸虧損。相反，12個月預期信貸虧損指預期於匯報日期後12個月內可能發生之違約事件所產生之部分全期預期信貸虧損。有關評估乃根據本集團之過往信貸虧損經驗進行，並根據債務人特有之因素、整體經濟狀況以及於匯報日期時之當前狀況評估及未來狀況預測而作出調整。





For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

FINANCIAL ASSETS (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

The Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

(i) Significant increase in credit risk

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (按照附註2之過渡方式應用香港財務報告準則第9號) (續)

本集團計量之虧損撥備相等於12個月預期信貸虧損，除非信貸風險自初始確認以來顯著增加，則在此情況下，本集團確認全期預期信貸虧損。就應否確認全期預期信貸虧損而作出之評估乃基於自初始確認以來發生違約之可能性或風險有否顯著增加而定。

本集團必然就貿易應收款項確認全期預期信貸虧損。該等資產之全期預期信貸虧損就具有重大結餘之債務人而言將予獨立評估及／或作出適當分組並使用撥備矩陣以進行集體評估。

(i) 信貸風險顯著增加

於評估信貸風險自初始確認以來是否顯著增加時，本集團對金融工具於匯報日期發生違約之風險與金融工具於初始確認日期發生違約之風險進行比較。在進行該評估時，本集團考慮合理有據之定量及定性資料，包括毋須付出過度成本或精力就可獲得之過往經驗及前瞻性資料。

具體而言，評估信貸風險是否顯著增加時會考慮以下資料：

- 金融工具之外部(如有)或內部信貸評級實際上或預期會顯著惡化；
- 外部市場指標顯示信貸風險顯著惡化，如信貸息差顯著增加、債務人之信貸違約掉期價格顯著增加等；
- 商業、金融或經濟環境於現時或預測會出現不利變化，其預期可導致債務人償還其債務之能力大幅下降；
- 債務人經營業績實際上或預期會顯著惡化；



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

FINANCIAL ASSETS (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk (Continued)

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值(按照附註2之過渡方式應用香港財務報告準則第9號)(續)

(i) 信貸風險顯著增加(續)

- 債務人所在之監管、經濟或技術環境實際上或預期會出現重大不利變化，其可導致債務人償還其債務之能力大幅下降。

不論上述評估之結果如何，當合約付款逾期超過30天，本集團將假定信貸風險自初始確認以來已顯著增加，除非本集團有合理有據之資料證明事實並非如此。

儘管上文所述，倘債務工具於匯報日期釐定為具較低信貸風險，本集團將假定債務工具之信貸風險自初始確認以來並無顯著增加。倘出現以下情況，債務工具將被釐定為具較低信貸風險：i)具有低違約風險；ii)借款人擁有雄厚實力，可於短期內履行其合約現金流量責任；及iii)經濟及商業狀況之長期不利變動可能(但未必會)削弱借款人履行其合約現金流量責任之能力。倘債務工具之內部或外部信貸評級為「投資級別」(根據國際通用釋義)，本集團將視該債務工具為具較低信貸風險。

本集團定期監察其確定信貸風險是否顯著增加時所用標準之效用，並因應適當情況修訂有關標準，以確保能夠於款項逾期前確定信貸風險顯著增加。



For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

FINANCIAL ASSETS (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (按照附註2之過渡方式應用香港財務報告準則第9號) (續)

(ii) 違約之定義

就內部信貸風險管理而言，本集團認為，違約事件是在內部所形成或外部所得資料顯示，債務人不大可能向債權人（包括本集團）償還全數款項（不考慮本集團所持任何抵押品）時發生。

不管上文所述為何，本集團認為，當金融資產逾期超過90日，即代表已發生違約，除非本集團有合理有據之資料顯示使用更寬鬆之違約標準更為恰當。

(iii) 金融資產已信貸減值

在一項或以上違約事件發生，而有關事件對該金融資產之估計未來現金流量構成負面影響時，即代表金融資產已信貸減值。金融資產已信貸減值之證據包括與下列事件有關之可觀察數據：

- (a) 發行人或借款人出現重大財政困難；
- (b) 違反合約，如違約或逾期事件；
- (c) 借款人之貸款人出於借款人面臨財政困難所涉及之經濟或合約理由，而向借款人給予其在其他情況下不會考慮之寬限；
- (d) 借款人有可能面臨破產或其他財務重組；或
- (e) 有關金融資產因出現財政困難而失去活躍市場。





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

FINANCIAL ASSETS (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables from contracts with customers when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值(按照附註2之過渡方式應用香港財務報告準則第9號)(續)

(iv) 註銷政策

當有資料顯示對手方處於嚴重財政困難及有關資產無實際收回之可能時(例如,對手方被頒布清盤令或進入破產程序時),或倘為來自客戶合約之貿易應收款項,當有關款項逾期超過兩年時(兩者以較早發生者為準),本集團將註銷金融資產。經考慮適當法律意見後,遭註銷之金融資產可能仍須根據本集團之收回程序進行強制執行活動。註銷構成一項終止確認事件。其後任何收回均於損益確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量是違約概率、違約虧損率(即違約時之虧損程度)與違約風險敞口之函數。違約概率及違約虧損率乃基於過往數據進行評估並按前瞻性資料作調整。預期信貸虧損之估計值反映一個無偏概率之加權平均金額,以各自發生違約之風險為權重確定。

一般而言,預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差額(按初始確認時釐定之有效利率貼現)。





For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

FINANCIAL ASSETS (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

The Group's financial assets are all classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets 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 asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (於2018年1月1日應用香港財務報告準則第9號前)

本集團之金融資產全部分類為貸款及應收款項。分類視乎金融資產之性質及目的於初步確認時釐定。所有以正規途徑購買或銷售之金融資產乃按交易日期基準確認及終止確認。正規途徑購買或銷售乃要求於市場法規或慣例所確定之時間框架內交付資產之金融資產購買或銷售。

貸款及應收款項

貸款及應收款項為固定或可釐定款項，且並無在活躍市場上報價的非衍生金融資產。於初步確認後，貸款及應收款項（包括貿易應收款項、其他應收款項及銀行結餘及現金）均採用實際利率法減任何減值（見下文有關金融資產減值虧損之會計政策）。

利息收入採用實際利率基準確認，惟短期應收賬款因其利息微不足道，故不予確認。

金融資產減值 (於2018年1月1日應用香港財務報告準則第9號前)

金融資產會於各匯報期間結算日評定是否有減值跡象。金融資產於有客觀證據顯示金融資產之預期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，被視為出現減值。

減值之客觀證據可能包括：

- 發行人或對方出現重大財政困難；或
- 違反合約，如未能繳付或拖欠利息及本金；或
- 借款人有可能面臨破產或財務重組。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

FINANCIAL ASSETS (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

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 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 from contracts with customers, 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 from contracts with customers is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

FINANCIAL LIABILITIES AND EQUITY

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 and the definitions of a financial liability and an equity instrument.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (於2018年1月1日應用香港財務報告準則第9號前) (續)

應收款項組合出現減值之客觀證據包括本集團過往收款經驗、組合內超過平均信貸期之逾期付款數目上升、國家或地區經濟狀況出現明顯變動導致未能收回應收款項。

就按攤銷成本列賬之金融資產而言，已確認之減值虧損金額為資產賬面值與估計未來現金流量之現值間之差額，按金融資產之原有實際利率貼現。

與所有金融資產有關之減值虧損會直接於金融資產之賬面值中扣減，惟來自客戶合約之貿易應收款項除外，其賬面值會透過使用撥備賬扣減。撥備賬內之賬面值變動於損益確認。當來自客戶合約之貿易應收款項被視為不可收回時，其將於撥備賬內註銷。先前註銷但隨後收回之金額計入損益。

以攤銷成本計量之金融資產而言，倘於隨後期間減值虧損之數額減少，而此項減少可客觀地與確認減值虧損後之某一事件發生聯繫，則先前確認之減值虧損於損益中撥回，惟以撥回減值當日之投資賬面值不得超過假設未確認減值時之已攤銷成本為限。

金融負債及權益

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內容與金融負債及股本工具之定義作為金融負債或權益工具分類。





For the year ended 31 December 2018
截至2018年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

FINANCIAL LIABILITIES AND EQUITY (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables, amounts due to related companies and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

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, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable 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 liability when, and only when, the Group's obligations are discharged, cancelled or have 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. 主要會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

權益工具

權益工具為證明實體於扣減所有負債後在資產中有剩餘權益之任何合同。本公司發行之權益工具經扣除直接發行成本後按已收所得款項確認。

倘本公司回購本身之權益工具，有關回購將直接於權益確認及扣除。購買、出售、發行或註銷本公司本身之權益工具不會導致於損益確認收益或虧損。

按攤銷成本計量的金融負債

金融負債(包括貿易應收款項、其他應付款項、應付關連公司款項以及銀行借貸)其後採用實際利率法按攤銷成本計量。

利息開支按實際利率基準確認。

終止確認

僅於資產現金流量之合約權利屆滿時，或將金融資產所有權之絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。

於終止確認全部金融資產時，資產賬面值與已收及應收代價與已於其他全面收入確認及於權益累計的累計損益之和之差額，會於損益確認。

僅當本集團之義務獲解除、取消或到期時，本集團方會終止確認金融負債。已終止確認之金融負債賬面值與已付及應付代價之差額，會於損益確認。



For the year ended 31 December 2018

截至2018年12月31日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make 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 on-going 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.

ALLOWANCE FOR INVENTORIES

The management of the Company reviews regularly the suitability of allowance policy and estimates the net realisable value of inventories based primarily on condition of the inventories, current market conditions, historical and current sales information, pricing policy and strategies, inventory realisation plan, as well as the ageing of inventories to identify slow-moving items to ascertain the amount of inventory allowance. In addition, the management also appoints an independent external valuer to perform valuation on certain jewellery items as reference for allowance consideration. The Group carries out an inventory review at the end of the reporting period and makes allowance when the subsequent estimated net realisable value of inventories is less than the original cost, a material allowance may arise. As at 31 December 2018, the carrying amount of inventories for goods held for resale is HK\$3,067,443,000 (net of allowance for inventories of HK\$55,459,000) (31 December 2017: HK\$2,630,444,000 (net of allowance for inventories of HK\$70,837,000)).

4. 估計不確定因素之主要來源

於應用附註3所載之本集團會計政策時，董事須就從其他來源不顯而易見之資產及負債賬面值作出估計及假設。估計及相關假設乃以過往經驗及認為屬有關之其他因素為基礎。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘若會計估計修訂只影響該期間，則有關修訂會在修訂估計期間確認。倘若有關修訂既影響當期，亦影響未來期間，則有關修訂會在修訂期間及未來期間確認。

存貨撥備

本公司管理層定期審閱撥備政策之適當性並初步根據存貨之狀況、當前市況、過往及現時銷售資料、定價政策及策略、存貨變現計劃以及存貨賬齡分析以識別滯銷項目從而估計存貨的可變現淨值以確定存貨撥備金額。此外，管理層亦委聘一名獨立外部估值師以對若干珠寶項目進行估值作為撥備考慮之參考。本集團於匯報期末進行存貨檢討並在其後存貨之估計可變現淨值少於其原有估計時作出撥備，可能產生重大撥備。於2018年12月31日，持作轉售商品之存貨賬面值為3,067,443,000港元（扣除存貨撥備55,459,000港元）（2017年12月31日：2,630,444,000港元，扣除存貨撥備70,837,000港元）。



For the year ended 31 December 2018
截至2018年12月31日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

IMPAIRMENT ASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that these assets have suffered an impairment loss. Property, plant and equipment are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable. This process requires the management's estimate of future cash flow generated by each asset or group of assets, of which key assumptions include discount rates, sales growth rate and margin. For any instance where this evaluation process indicates impairment, the appropriate asset's carrying values are written down to the recoverable amount which is based on the value-in-use calculations and the amount of the write-down is charged against the results of operations. As at 31 December 2018, the carrying value of property, plant and equipment is HK\$1,923,019,000 (2017: HK\$73,047,000), net of impairment of HK\$9,603,000 (2017: HK\$7,842,000).

INCOME TAXES

As at 31 December 2018, no deferred tax asset has been recognised on the tax losses of HK\$189,658,000 (2017: HK\$204,775,000) for certain operating subsidiaries due to the unpredictability of future profit streams for these subsidiaries. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. If the future profit streams become predictable in the future, a deferred tax asset will be recognised to the extent that future taxable profits will be available in the future.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold less returns and net of trade discounts, and commission income from services provided.

Information reported to the chief operating decision maker ("CODM"), the Executive Director and Chief Executive of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the locations of the operations. This is also the basis upon which the Group is arranged and organised. The Group's operating segments under HKFRS 8 *Operating Segments* are operations located in Hong Kong, Macau and other regions in Asia Pacific. The revenue generated by each of the operating segments is mainly derived from sales of watch and jewellery. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

4. 估計不確定因素之主要來源(續)

物業、機器及設備之減值評估

物業、機器及設備按成本減其後累計折舊及累計減值虧損列賬。於匯報期末，本集團審閱其物業、機器及設備之賬面值，以確定是否有任何跡象顯示該等資產已蒙減值虧損。物業、機器及設備按個別資產基準或按類似資產組別(倘適用)評估可能之減值。此程序要求管理層按主要假設(包括折現率、銷售增長及利潤率)估計各項資產或資產組別產生的未來現金流量。倘該評估程序出現任何減值跡象，則將適當資產賬面值撇減至其以使用價值計算為基礎可收回金額，而該撇減金額自營運業績扣除。於2018年12月31日，物業、機器及設備之賬面值為1,923,019,000港元(2017年：73,047,000港元)，扣除減值9,603,000港元(2017年：7,842,000港元)。

所得稅

於2018年12月31日，由於未能預計若干營運附屬公司未來溢利來源，因此並無就該等附屬公司之稅項虧損189,658,000港元(2017年：204,775,000港元)確認遞延稅項資產。變現遞延稅項資產主要有賴是否有足夠未來溢利或將來可供利用之應課稅暫時差異而定。倘於日後可預計未來溢利來源，則確認遞延稅項資產，惟以可用作抵銷未來應課稅溢利為限。

5. 收入及分部資料

收入指已收及應收售出商品款項減退貨及交易折扣和已提供之服務佣金收入之淨額。

本集團主要營運決策者(「主要營運決策者」)，即本集團執行董事及主要行政人員，就資源分配及評估分部表現所獲匯報之資料主要集中於業務所在地。此亦為本集團進行安排及籌劃之基準。根據香港財務報告準則第8號營運分部，本集團之營運分部為位於香港、澳門及亞太其他地區。各經營分部所產生之收益主要來自銷售鐘錶及珠寶。主要營運決策者於得出本集團之可呈報分部時，概無將已識別之任何經營分部作合併處理。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION

5. 收入及分部資料 (續)

(Continued)

The following is an analysis of the Group's revenue and results by reportable and operating segment:

以下為本集團收入及業績之可呈報及經營分部分析：

For the year ended 31 December 2018

截至2018年12月31日止年度

		Hong Kong	Macau	Other regions in Asia Pacific	Elimination	Consolidated
		香港 HK\$'000 千港元	澳門 HK\$'000 千港元	其他地區 HK\$'000 千港元	撇銷 HK\$'000 千港元	綜合 HK\$'000 千港元
Revenue	收入					
External sales	外界銷售	3,639,735	286,387	792,771	-	4,718,893
Inter-segment sales*	分部間銷售*	126,556	20,898	2,624	(150,078)	-
Commission income	佣金收入	3,176	179	-	-	3,355
		3,769,467	307,464	795,395	(150,078)	4,722,248
* Inter-segment sales are charged at cost	* 分部間銷售按成本支銷					
Segment profit	分部溢利	406,752	21,942	58,086	-	486,780
Unallocated other income	未分配其他收入					11,240
Unallocated administrative and other expenses	未分配行政及其他開支					(175,672)
Unallocated finance costs	未分配融資成本					(4,095)
Profit before tax	除稅前溢利					318,253

For the year ended 31 December 2017

截至2017年12月31日止年度

		Hong Kong	Macau	Other regions in Asia Pacific	Elimination	Consolidated
		香港 HK\$'000 千港元	澳門 HK\$'000 千港元	其他地區 HK\$'000 千港元	撇銷 HK\$'000 千港元	綜合 HK\$'000 千港元
Revenue	收入					
External sales	外界銷售	3,046,688	234,296	794,140	-	4,075,124
Inter-segment sales*	分部間銷售*	116,421	23,068	-	(139,489)	-
		3,163,109	257,364	794,140	(139,489)	4,075,124
* Inter-segment sales are charged at cost	* 分部間銷售按成本支銷					
Segment profit	分部溢利	237,350	17,679	57,983	-	313,012
Unallocated other income	未分配其他收入					7,793
Unallocated administrative and other expenses	未分配行政及其他開支					(147,568)
Profit before tax	除稅前溢利					173,237



For the year ended 31 December 2018
截至2018年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION

(Continued)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the gross profit generated from each segment including gross profit directly attributable to each segment, net of selling and distribution expenses. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

SEGMENT ASSETS AND LIABILITIES

No assets and liabilities are included in the measures of the Group's segment reporting that are regularly reviewed by the CODM. Accordingly, no segment assets and liabilities are presented.

OTHER SEGMENT INFORMATION

Amounts included in the measure of segment profit:

For the year ended 31 December 2018

截至2018年12月31日止年度

	Hong Kong	Macau	Other regions in Asia Pacific	Unallocated	Consolidated
	香港	澳門	其他地區	未分配	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Operating lease payments	323,000	19,748	76,638	12,090	431,476
經營租賃付款					

For the year ended 31 December 2017

截至2017年12月31日止年度

	Hong Kong	Macau	Other regions in Asia Pacific	Unallocated	Consolidated
	香港	澳門	其他地區	未分配	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Operating lease payments	330,597	12,583	79,847	8,638	431,665
經營租賃付款					

5. 收入及分部資料 (續)

可呈報及經營分部之會計政策與附註3所述之本集團會計政策相同。分部溢利指各分部所產生之毛利，包括各分部直接應佔毛利，並扣除銷售及分銷開支。此為向主要營運決策者進行匯報，以作資源分配及評估分部表現之計量基準。

分部資產及負債

主要營運決策者定期審閱之本集團分部報告計量中並無計入資產及負債。因此，並無呈報分部資產及負債。

其他分部資料

計入分部溢利計量之金額：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION (Continued)

OTHER SEGMENT INFORMATION (Continued)

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:

For the year ended 31 December 2018
截至2018年12月31日止年度

	Hong Kong	Macau	Other regions in Asia Pacific	Unallocated	Consolidated
	香港 HK\$'000 千港元	澳門 HK\$'000 千港元	其他地區 HK\$'000 千港元	未分配 HK\$'000 千港元	綜合 HK\$'000 千港元
Depreciation of property, plant and equipment	16,466	3,202	8,140	6,043	33,851

物業、機器及設備折舊

5. 收入及分部資料 (續)

其他分部資料 (續)

向主要營運決策者定期提供但並未計入分部溢利或分部虧損計量之金額：

For the year ended 31 December 2017
截至2017年12月31日止年度

	Hong Kong	Macau	Other regions in Asia Pacific	Unallocated	Consolidated
	香港 HK\$'000 千港元	澳門 HK\$'000 千港元	其他地區 HK\$'000 千港元	未分配 HK\$'000 千港元	綜合 HK\$'000 千港元
Depreciation of property, plant and equipment	19,944	2,155	6,754	4,217	33,070

物業、機器及設備折舊

REVENUE BY MAJOR PRODUCTS

The following is an analysis of the Group's revenue from its major products:

主要產品之收入

本集團來自主要產品之收入分析如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Sales of watch	銷售鐘錶	3,660,692	3,238,603
Sales of jewellery	銷售珠寶	1,058,201	836,521
Commission income – Watch	佣金收入 – 鐘錶	3,355	–
		4,722,248	4,075,124

All revenue are recognised at a point in time.

所有收入均為於某時間點確認。



For the year ended 31 December 2018
截至2018年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION

(Continued)

GEOGRAPHICAL INFORMATION

Information about the Group's non-current assets, excluding deferred tax assets, presented based on the geographical location of the assets are detailed below:

As at 31 December 2018

於2018年12月31日

	Hong Kong	Macau	Other regions in Asia Pacific	Consolidated
	香港	澳門	其他地區	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Non-current assets	1,982,948	31,535	53,008	2,067,491
非流動資產				

As at 31 December 2017

於2017年12月31日

	Hong Kong	Macau	Other regions in Asia Pacific	Consolidated
	香港	澳門	其他地區	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Non-current assets	160,902	20,113	33,468	214,483
非流動資產				

No revenue from a single customer amounted to 10 percent or more of the Group's total revenue for both years.

於兩個年度，概無來自本集團單一客戶之收益佔本集團收益總額10%或以上。

6. OTHER INCOME

6. 其他收入

	2018	2017
	HK\$'000	HK\$'000
	千港元	千港元
Interest income from bank deposits	10,393	5,951
銀行存款利息收入		
Others	847	1,842
其他		
	11,240	7,793

7. FINANCE COSTS

7. 融資成本

	2018	2017
	HK\$'000	HK\$'000
	千港元	千港元
Interest on bank borrowings	4,095	—
銀行借貸利息		



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

8. PROFIT BEFORE TAX

8. 除稅前溢利

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before tax has been arrived at after charging (crediting):	除稅前溢利已扣除(計入)下列項目:		
Auditor's remuneration	核數師酬金	4,287	3,609
Cost of inventories included in cost of sales (included reversal of allowance for inventories of HK\$14,472,000 (2017: reversal of allowance for inventories HK\$20,109,000)) (note a)	銷售成本內之存貨成本(包括撥回存貨撥備14,472,000港元(2017年:撥回存貨撥備20,109,000港元))(附註a)	3,423,524	2,972,858
Allowance for doubtful debts	呆賬撥備	4,519	-
Depreciation of property, plant and equipment used for:	在以下項目使用之物業、機器及設備折舊:		
– retail shops	– 零售店鋪	27,808	28,853
– offices	– 辦公室	6,043	4,217
Impairment loss recognised in respect of property, plant and equipment (included in administrative and other expenses) (note b)	就物業、機器及設備確認之減值虧損(計入行政及其他開支)(附註b)	1,761	1,135
Loss on disposal/write-off of property, plant and equipment	出售/註銷物業、機器及設備之虧損	2,994	3,249
Net exchange loss (gain)	匯兌虧損(收益)淨額	3,869	(1,472)
Operating lease payments in respect of rented premises	有關租賃物業之經營租賃付款		
– minimum lease payments	– 最低租賃付款	401,577	401,144
– contingent rent	– 或然租金	29,899	30,521
Staff costs, including Directors' remuneration (note 9(a))	員工成本, 包括董事酬金(附註9(a))		
– salaries and other benefits costs	– 薪金及其他福利費用	268,662	235,876
– retirement benefits scheme contributions	– 退休福利計劃供款	22,998	20,574

Notes:

- (a) During the year, reversal of allowance for inventories recognised in profit or loss was attributable to the continued upswing of the watches and jewellery business.
- (b) Impairment loss of approximately HK\$1,761,000 (2017: HK\$1,135,000) was recognised in respect of property, plant and equipment in the segment of other regions in Asia Pacific during the year ended 31 December 2018 as part of administrative and other expenses in profit or loss with reference to the estimated value-in-use of the cash generating units as certain shops in the segment of other regions in Asia Pacific did not perform as expected.

附註:

- (a) 於年內, 於損益確認的撥備撥回乃由於手錶及珠寶業務持續上升所致。
- (b) 由於亞太其他地區分部若干店鋪的表現未如預期, 因此於截至2018年12月31日止年度經參考現金產生單位的估計使用價值於損益中就亞太其他地區分部之物業、機器及設備確認減值虧損約1,761,000港元(2017年: 1,135,000港元)作為行政及其他開支的一部分。



For the year ended 31 December 2018
截至2018年12月31日止年度

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(A) DIRECTORS AND CHIEF EXECUTIVE

Details of the emoluments paid and payable to the Directors and Chief Executive for the years ended 31 December 2018 and 2017 are as follows:

For the year ended 31 December 2018
截至2018年12月31日止年度

9. 董事、主要行政人員及僱員酬金

(A) 董事及主要行政人員

截至2018年及2017年12月31日止年度之已付及應付董事及主要行政人員之酬金詳情如下：

		Fees	Salaries and allowance	Performance related incentive payment	Retirement benefits scheme contributions	Total
		袍金 HK\$'000 千港元	薪金及津貼 HK\$'000 千港元	表現獎勵開支 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive Director and Chief Executive	執行董事及主要行政人員					
Ms. Cindy Yeung	楊諾思女士	225	3,383	1,000	46	4,654
Executive Directors	執行董事					
Mr. Chan Hung Ming (resigned on 1 March 2018)	陳鴻明先生 (於2018年3月1日辭任)	25	250	1,000	–	1,275
Mr. Wong Chi Fai	黃志輝先生	225	–	–	–	225
Ms. Fan Man Seung, Vanessa	范敏嫦女士	225	–	–	–	225
Independent Non-executive Directors	獨立非執行董事					
Ms. Chan Sim Ling, Irene	陳嫻玲女士	215	–	–	–	215
Mr. Liu Hing Hung	廖慶雄先生	215	–	–	–	215
Ms. Chan Wiling, Yvonne	陳慧玲女士	215	–	–	–	215
		1,345	3,633	2,000	46	7,024



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

9. 董事、主要行政人員及僱員酬金(續)

(A) DIRECTORS AND CHIEF EXECUTIVE (Continued)

(A) 董事及主要行政人員(續)

For the year ended 31 December 2017
截至2017年12月31日止年度

		Fees	Salaries and allowance	Performance related incentive payment	Retirement benefits scheme contributions	Total
		袍金 HK\$'000 千港元	薪金及津貼 HK\$'000 千港元	表現獎勵開支 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive Director and Chief Executive	執行董事及主要行政人員					
Ms. Cindy Yeung	楊諾思女士	150	3,198	230	18	3,596
Executive Directors	執行董事					
Mr. Chan Hung Ming	陳鴻明先生	150	1,440	120	-	1,710
Mr. Wong Chi Fai	黃志輝先生	150	-	-	-	150
Ms. Fan Man Seung, Vanessa	范敏嫦女士	150	-	-	-	150
Independent Non-executive Directors	獨立非執行董事					
Ms. Yip Kam Man (retired on 24 May 2017)	葉錦雯女士 (於2017年5月24日退任)	80	-	-	-	80
Ms. Lai Ka Fung, May (retired on 24 May 2017)	黎家鳳女士 (於2017年5月24日退任)	80	-	-	-	80
Ms. Chan Sim Ling, Irene	陳嬋玲女士	200	-	-	-	200
Mr. Liu Hing Hung (appointed on 24 May 2017)	廖慶雄先生 (於2017年5月24日獲任命)	122	-	-	-	122
Ms. Chan Wiling, Yvonne (appointed on 24 May 2017)	陳慧玲女士 (於2017年5月24日獲任命)	122	-	-	-	122
		1,204	4,638	350	18	6,210



For the year ended 31 December 2018
截至2018年12月31日止年度

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(B) EMPLOYEES

Of the five individuals with the highest emoluments in the Group, one was (2017: two were) Director and Chief Executive whose emoluments are included in note 9(a) above. The emoluments of the remaining four (2017: three) individuals were as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Salaries and allowance	薪金及津貼	4,905	3,525
Performance related incentive payment	表現獎勵開支	1,718	610
Retirement benefits scheme contributions	退休福利計劃供款	104	45
		6,727	4,180

Their emoluments were within the following bands:

彼等之薪酬範圍如下：

		Number of employees 僱員人數	
		2018	2017
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2	2
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	1
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	1	–

Notes:

附註：

- (i) The fees paid or payable to the Chief Executive, Executive Directors and Independent Non-executive Directors shown above were for their services in connection with their services as directors of the Company.
- (ii) The salaries and allowance, performance related incentive payment and retirement benefits scheme contributions paid or payable to the Executive Directors and Chief Executive shown above were for their services in connection with the management of the affairs of the Group.

- (i) 已付或應付主要行政人員、執行董事及獨立非執行董事之袍金乃與彼等就擔任本公司董事而提供之服務有關。
- (ii) 已付或應付執行董事及主要行政人員之薪金及津貼、表現獎勵開支及退休福利計劃供款乃與彼等就管理本集團事務而提供之服務有關。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(B) EMPLOYEES (Continued)

- (iii) The performance related incentive payment is a discretionary bonus determined based on the financial performance of the Group.
- (iv) No Directors or Chief Executive waived any emoluments in the years ended 31 December 2018 and 31 December 2017.
- (v) During the years ended 31 December 2018 and 31 December 2017, no emoluments were paid by the Group to any of the directors of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 董事、主要行政人員及僱員酬金(續)

(B) 僱員(續)

- (iii) 表現獎勵開支乃按本集團之財務表現釐定之酌情花紅。
- (iv) 截至2018年12月31日及2017年12月31日止年度，概無董事放棄任何酬金。
- (v) 截至2018年12月31日及2017年12月31日止年度，本集團概無向任何本集團董事或五位最高薪酬僱員支付任何酬金，作為加入本集團或於加入本集團後的獎勵，或作為離職時的補償。

10. TAXATION

10. 稅項

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
The tax charge for the year comprises:	年內稅項支出包括：		
Current year:	本年度：		
Hong Kong	香港	41,840	5,935
Macau	澳門	3,004	2,575
Singapore	新加坡	5,722	1,444
		50,566	9,954
(Over)underprovision in prior years:	過往年度(超額撥備) 撥備不足：		
Macau	澳門	(172)	-
Singapore	新加坡	-	389
		(172)	389
Deferred taxation (note 21)	遞延稅項(附註21)	3,575	3,203
		53,969	13,546

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)引入利得稅兩級制。該條例草案於2018年3月28日簽署成為法律，並於翌日刊登憲報。根據利得稅兩級制，合資格集團實體首筆200萬港元溢利將按8.25%稅率徵稅，而超過200萬港元之溢利將按16.5%稅率徵稅。不符合利得稅兩級制資格之集團實體之溢利將繼續按16.5%之劃一稅率徵稅。





For the year ended 31 December 2018
截至2018年12月31日止年度

10. TAXATION (Continued)

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The Macau Complementary Income Tax is calculated at 12% of the estimated assessable profits for both years.

Singapore Income Tax is calculated at 17% of the estimated assessable profits for both years.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company's subsidiaries in the PRC is 25% for both years.

Malaysia Income Tax is calculated at 24% of the estimated assessable profits for the year ended 31 December 2018.

Details of deferred taxation are set out in note 21.

Taxation for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 稅項(續)

董事認為，利得稅兩級制實施後所涉及之金額與綜合財務報表並無重大關係。因此，兩個年度之香港利得稅均按估計應課稅溢利之16.5%計算。

澳門所得補充稅乃根據兩個年度之估計應課稅溢利按稅率12%計算。

新加坡所得稅根據兩個年度之估計應課稅溢利按稅率17%計算。

根據中華人民共和國(「中國」)企業所得稅法(「企業所得稅法」)及企業所得稅法之實施規定，本公司在中國之附屬公司於兩個年度之稅率為25%。

馬來西亞所得稅根據截至2018年12月31日止年度之估計應課稅溢利按稅率24%計算。

遞延稅項之詳情載列於附註21。

本年度稅項與綜合損益及其他全面收入報表所示之除稅前溢利對賬如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before tax	除稅前溢利	318,253	173,237
Tax charge at Hong Kong Profits Tax rate of 16.5%	按16.5%之香港利得稅稅率徵收之稅項	52,512	28,584
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	7,493	8,264
Tax effect of income not taxable for tax purpose	無須課稅收入之稅務影響	(8,506)	(8,030)
Effect of different tax rates of subsidiaries operating in other jurisdictions	附屬公司於其他司法權區經營之不同稅率之影響	(1,230)	(792)
Tax effect of tax losses not recognised	尚未確認稅項虧損之稅務影響	4,567	1,604
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(512)	(17,899)
(Over)underprovision in respect of prior years	過往年度之(超額撥備)撥備不足	(172)	389
Others	其他	(183)	1,426
Taxation for the year	年度稅項	53,969	13,546



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

10. TAXATION (Continued)

The Hong Kong Profits Tax rate is used as this is the domestic tax rate in the jurisdiction where the operation of the Group is substantially based. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

10. 稅項 (續)

所採用之香港利得稅率乃本集團業務主要所在司法權區之當地稅率。於其他司法權區產生之稅項乃按相關司法權區之適用稅率計算。

11. DIVIDENDS 股息

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Dividends recognised as distribution during the year:	確認為本年度分派之股息：		
2017 Final: HK0.58 cent (2017: Nil) per share	2017年末期： 每股0.58港仙 (2017年：無)	39,864	–
2018 Interim: HK0.70 cent (2017: interim dividend HK0.17 cent) per share	2018年中期： 每股0.70港仙 (2017年：中期股息 0.17港仙)	47,456	11,700
		87,320	11,700

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2018 of HK0.55 cent (2017: HK0.58 cent) per ordinary share, in an aggregate amount of HK\$37,287,000 (2017: HK\$39,864,000), has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

於匯報期完結後，董事建議派發截至2018年12月31日止年度末期股息每股0.55港仙（2017年：0.58港仙），所涉總額為37,287,000港元（2017年：39,864,000港元），惟須於應屆股東週年大會上經股東批准方可作實。

12. EARNINGS PER SHARE – BASIC

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

12. 每股盈利 – 基本

本公司擁有人應佔每股基本盈利乃根據下列數據計算：

EARNINGS 盈利

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit for the year attributable to the owners of the Company for the purpose of basic earnings per share	就計算每股基本盈利之 本公司擁有人應 佔年度溢利	264,284	159,691

NUMBER OF SHARES 股份數目

		2018	2017
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利之 普通股加權 平均數目	6,825,404,677	6,882,448,129

No diluted earnings per share in both years was presented as there were no potential dilutive ordinary shares in issue during both years.

由於兩個年度並無已發行潛在攤薄普通股，因此於兩個年度內並無呈報每股攤薄盈利。





For the year ended 31 December 2018
截至2018年12月31日止年度

13. PROPERTY, PLANT AND EQUIPMENT 物業、機器及設備

		Leasehold land and building 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 改善工程 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本					
At 1 January 2017	於2017年1月1日	-	305,547	75,408	873	381,828
Exchange realignment	匯兌調整	-	3,134	1,011	13	4,158
Additions	添置	-	21,000	12,043	668	33,711
Disposals/write-off	出售/註銷	-	(32,596)	(3,026)	(638)	(36,260)
At 31 December 2017	於2017年12月31日	-	297,085	85,436	916	383,437
Exchange realignment	匯兌調整	-	(1,229)	(508)	(10)	(1,747)
Additions	添置	-	58,303	30,237	440	88,980
Acquired on acquisition of subsidiaries (note 25)	收購附屬公司所購入 (附註25)	1,800,000	-	-	-	1,800,000
Disposals/write-off	出售/註銷	-	(15,700)	(7,667)	(8)	(23,375)
At 31 December 2018	於2018年12月31日	1,800,000	338,459	107,498	1,338	2,247,295
DEPRECIATION AND IMPAIRMENT	折舊及減值					
At 1 January 2017	於2017年1月1日	-	254,945	50,486	765	306,196
Exchange realignment	匯兌調整	-	2,412	497	7	2,916
Provided for the year	年內撥備	-	24,697	8,283	90	33,070
Impairment loss recognised in profit or loss	於損益確認之減值虧損	-	653	482	-	1,135
Eliminated on disposals/write-off	出售/註銷時撇銷	-	(29,562)	(2,727)	(638)	(32,927)
At 31 December 2017	於2017年12月31日	-	253,145	57,021	224	310,390
Exchange realignment	匯兌調整	-	(1,073)	(265)	(7)	(1,345)
Provided for the year	年內撥備	4,793	17,258	11,549	251	33,851
Impairment loss recognised in profit or loss	於損益確認之減值虧損	-	1,761	-	-	1,761
Eliminated on disposals/write-off	出售/註銷時撇銷	-	(13,858)	(6,515)	(8)	(20,381)
At 31 December 2018	於2018年12月31日	4,793	257,233	61,790	460	324,276
CARRYING VALUES	賬面值					
At 31 December 2018	於2018年12月31日	1,795,207	81,226	45,708	878	1,923,019
At 31 December 2017	於2017年12月31日	-	43,940	28,415	692	73,047



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

物業、機器及設備 (續)

The items of property, plant and equipment above are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and building	Over the unexpired lease terms
Leasehold improvements	Shorter of lease term or 16.7% – 33.3%
Furniture, fixtures and equipment	9% – 33.3%
Motor vehicles	18% – 20%

Leasehold land and building is located in Hong Kong and held under a finance lease.

Impairment loss of approximately HK\$1,761,000 (2017: approximately HK\$1,135,000) was recognised in respect of property, plant and equipment in the segment of other regions in Asia Pacific during the year ended 31 December 2018 as part of administrative and other expenses in profit or loss with reference to the estimated value-in-use of the cash generating units as certain shops in the segment of other regions in Asia Pacific did not perform as expected.

上述物業、機器及設備項目以直線基準按下列年率折舊：

租賃土地及樓宇	於未屆滿租期內
租賃物業改善工程	按租期或16.7%至33.3% (以較短者為準)
傢俬、裝置及設備	9%至33.3%
汽車	18%至20%

租賃土地及樓宇位於香港，其按融資租賃形式持有。

由於亞太其他地區分部若干店鋪的表現未如預期，因此於截至2018年12月31日止年度經參考現金產生單位的估計使用價值於損益中就亞太其他地區分部之物業、機器及設備確認減值虧損約1,761,000港元(2017年：約1,135,000港元)作為行政及其他開支的一部分。

14. INVENTORIES 存貨

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Raw materials	原材料	29,061	20,667
Goods held for resale	持作轉售商品	3,067,443	2,630,444
		3,096,504	2,651,111

15. RECEIVABLES, DEPOSITS AND PREPAYMENTS 15. 應收款項、按金及預付款項

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade receivables from contracts with customers	來自客戶合約之貿易應收款項	65,855	79,334
Less: Allowance for credit losses	減：信貸虧損撥備	(4,519)	–
		61,336	79,334
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	84,378	99,378
Other PRC tax recoverable	其他中國可收回稅項	17,347	6,318
Other Singapore tax recoverable	其他新加坡可收回稅項	2,503	1,118
		165,564	186,148



For the year ended 31 December 2018
截至2018年12月31日止年度

15. RECEIVABLES, DEPOSITS AND PREPAYMENTS

(Continued)

Retail sales are normally settled in cash or by credit cards with the settlement from the corresponding banks or other financial institutions within seven days. Receivables from retail sales in department stores are normally collected within one month.

Included in other receivables, deposits and prepayments as at 31 December 2018 were advance payments to suppliers of HK\$20,935,000 (2017: HK\$29,878,000) and rebate receivables of HK\$32,516,000 (2017: HK\$39,891,000). The remaining are individually insignificant.

The following is an ageing analysis of trade receivables presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within 30 days	30日內	52,249	65,253
31 – 60 days	31至60日	1,362	12,821
61 – 90 days	61至90日	2,536	488
Over 90 days	超過90日	9,708	772
		65,855	79,334

Trade receivables that are neither past due nor impaired relate to receivables from credit card sales and department stores sales for whom there were no history of default.

Included in the trade receivables balance were receivables from department stores with aggregate carrying amount of HK\$4,835,000 (2017: HK\$4,763,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collaterals over nor charge any interest on these balances.

15. 應收款項、按金及預付款項(續)

零售銷售一般以現金或相關銀行或其他金融機構支付之信用卡於七日內償付。於百貨公司零售銷售之應收款項一般於一個月內收取。

於2018年12月31日，向供應商墊款20,935,000港元(2017年：29,878,000港元)及應收回扣32,516,000港元(2017年：39,891,000港元)已計入其他應收款項、按金及預付款項。其餘的均為單項不重大金額。

以下為貿易應收款項於匯報期末按發票日期(與各相應收入確認日期相近)呈列之賬齡分析。

既無逾期亦沒有減值之貿易應收款項與並無拖欠記錄之信用卡銷售及百貨公司銷售之應收款項相關。

貿易應收款項結餘中包括賬面總值為4,835,000港元(2017年：4,763,000港元)之某些應收百貨公司款項，於匯報日期，該等款項已逾期，而本集團並無作出減值虧損撥備。本集團並無就此等結餘取得任何抵押品或收取任何利息。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

15. RECEIVABLES, DEPOSITS AND PREPAYMENTS 15. 應收款項、按金及預付款項(續) (Continued)

AGEING OF TRADE RECEIVABLES WHICH ARE PAST DUE BUT NOT IMPAIRED

已逾期但未作減值之貿易應收款項賬齡

		2017 HK\$'000 千港元
Overdue 1 – 30 day(s)	逾期1至30日	3,386
Overdue 31 – 60 days	逾期31至60日	457
Overdue 61 – 90 days	逾期61至90日	148
Overdue more than 90 days	逾期超過90日	772
		4,763

Trade receivables that are past due but not impaired relate to department stores sales that have continuous settlements subsequent to reporting date.

百貨公司銷售相關之已逾期但未減值貿易應收款項於匯報日期後將繼續清償。

MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS 呆賬撥備變動

		2018 HK\$'000 千港元
As at 1 January 2018	於2018年1月1日	–
Impairment losses recognised	已確認減值虧損	4,519
As at 31 December 2018	於2018年12月31日	4,519

Trade receivables that are not denominated in the functional currencies of the respective group entities are as follows:

並非以各集團實體之功能貨幣計值之貿易應收款項如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Macau Pataca ("MOP")	澳門元(「澳門元」)	–	1,529

16. BANK BALANCES AND CASH

As at 31 December 2018, bank balances carried interest at market rates which ranged from 0.01% to 1.10% per annum.

As at 31 December 2017, bank balances included time deposits of HK\$81,029,000 with maturity over three months that carried interest at prevailing interest rate which ranged from 1.00% to 1.76% per annum. Remaining bank balances carried interest at market rates which ranged from 0.01% to 1.76% per annum with maturity three months or less.

16. 銀行結餘及現金

於2018年12月31日，銀行結餘按每年0.01%至1.10%的市場利率計息。

於2017年12月31日，銀行結餘包括按每年1.00%至1.76%的現行利率計息且屆滿期超過三個月的定期存款81,029,000港元。餘下銀行結餘按每年0.01%至1.76%的市場利率計息且屆滿期為三個月或以下。



For the year ended 31 December 2018
截至2018年12月31日止年度

16. BANK BALANCES AND CASH (Continued)

Bank balances and cash that are not denominated in the functional currencies of the respective group entities are as follow:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	1,108	1,909
MOP	澳門元	37,831	32,084
United States dollars ("USD")	美元(「美元」)	2,085	1,213

16. 銀行結餘及現金(續)

並非以各集團實體之功能貨幣列值之銀行結餘及現金如下：

17. PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade payables	貿易應付款項	190,625	139,170
Other payables, deposits received and accrued charges	其他應付款項、已收訂金及應計費用	101,714	139,497
Other PRC tax payables	其他中國稅項應付款項	381	5,156
		292,720	283,823

17. 應付款項、已收訂金及應計費用

Included in other payables, deposits received and accrued charges as at 31 December 2018 were accrued bonus and incentive of HK\$15,863,000 (2017: HK\$18,980,000) and effective rental payables of HK\$21,590,000 (2017: HK\$37,500,000). The remaining are individually insignificant.

The ageing analysis of trade payables presented based on the invoice date at the end of the reporting period are as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within 30 days	30日內	158,937	134,090
31 – 60 days	31至60日	26,048	4,154
61 – 90 days	61至90日	4,208	194
Over 90 days	超過90日	1,432	732
		190,625	139,170

已計入其他應付款項、已收訂金及應計費用於2018年12月31日止年度為累計花紅及獎金15,863,000港元(2017年：18,980,000港元)及實際應付租賃21,590,000港元(2017年：37,500,000港元)。其餘的均為單項不重大金額。

貿易應付款項於匯報期末按發票日期呈列之賬齡分析如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

17. PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES (Continued)

The Group normally receives credit terms of 30 to 60 days.

Trade payables that are not denominated in the functional currencies of the respective group entities are as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
MOP	澳門元	5,436	4,252
USD	美元	23,225	6,988

17. 應付款項、已收訂金及應計費用(續)

本集團一般獲授之信貸期為30至60日。

並非以各集團實體之功能貨幣計值之貿易應付款項如下：

18. CONTRACT LIABILITIES

		Notes 附註	31.12.2018 HK\$'000 千港元	1.1.2018* HK\$'000 千港元
Customer deposits	客戶按金	(a)	8,593	15,777
Customer loyalty programmes	顧客忠誠計劃	(b)	1,700	-
			10,293	15,777

18. 合約負債

* The amounts in this column are after the adjustments from the application of HKFRS 15.

Notes:

- (a) Advances from customers of HK\$8,593,000 (2017: HK\$15,777,000) were received for the sales of watches and jewellery.
- (b) Sales of goods that result in award credits for customers, under the Group's customer loyalty programmes, 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. As at 31 December 2018, the consideration of HK\$1,700,000 was allocated to the award credits.

The customer loyalty points have no expiration.

* 此欄所載之金額為自應用香港財務報告準則第15號所調整後之金額。

附註：

- (a) 自銷售鐘錶及珠寶所收取之客戶預付款項為8,593,000港元(2017年：15,777,000港元)。
- (b) 能夠讓客戶根據本集團之顧客忠誠計劃獲得獎賞之商品銷售乃入賬為多元素收入交易，當中已收或應收代價之公允價值於所供應商品與所給予獎賞之間進行分配。分配至獎賞之代價乃參考該等可予兌換之獎賞之公允價值計量。於2018年12月31日，分配至獎賞之代價為1,700,000港元。

顧客忠誠計劃之積分並無屆滿日期。



For the year ended 31 December 2018
截至2018年12月31日止年度

19. REFUND LIABILITIES 退款負債

		2018 HK\$'000 千港元
Refund liabilities arising from right of return	退貨權所產生之退款負債	3,415

20. AMOUNTS DUE FROM (TO) RELATED COMPANIES

The amount due from a related company mainly represents deposits placed for financing activities. The amount due from a related company was fully settled after year end.

The amounts due to related companies mainly represent the rental, electricity and air-conditioning expenses payable and service charge payable to related companies.

These amounts are unsecured, interest-free and repayable on demand. The related companies represent companies controlled by the AY Trust of which STC International is the trustee.

20. 應收(付)關連公司款項

應收關連公司款項主要為就融資活動存置之按金。應收關連公司款項已於年末後悉數結清。

應付關連公司款項主要為應付關連公司之租金、電費及空調費支出，以及應付服務費。

該等款項為無抵押、免息及按要求償還。關連公司為AY Trust (STC International為其受託人) 控制之公司。

21. DEFERRED TAXATION

The following are the deferred tax assets (liabilities) recognised by the Group and the movements thereon during the current and prior years:

21. 遞延稅項

本集團確認之遞延稅項資產(負債)及其於本年度及過往年度之變動如下：

		Accelerated accounting depreciation 加速會計折舊 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	10,819
Exchange realignment	匯兌調整	(4)
Charge to profit or loss for the year	於年內損益扣除	(3,203)
At 31 December 2017	於2017年12月31日	7,612
Exchange realignment	匯兌調整	17
Charge to profit or loss for the year	於年內損益扣除	(3,575)
At 31 December 2018	於2018年12月31日	4,054



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

21. DEFERRED TAXATION (Continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	5,161	8,662
Deferred tax liabilities	遞延稅項負債	(1,107)	(1,050)
		4,054	7,612

At the end of the reporting period, the Group has unused tax losses of approximately HK\$189,658,000 (2017: HK\$204,775,000) available for offset against future profits. No deferred taxation asset has been recognised in respect of tax losses due to unpredictability of future profit streams. Included in unrecognised tax losses are losses incurred by subsidiaries in other jurisdictions of HK\$172,272,000 (2017: HK\$204,615,000) that will expire in the coming years (please see the table below). Other losses may be carried forward indefinitely. Tax losses of HK\$52,937,000 (2017: HK\$44,398,000) have been expired during the year.

The unused tax losses available for offset against future profits are analysed as follows:

21. 遞延稅項(續)

就呈列於綜合財務狀況報表而言，若干遞延稅項資產及負債已予抵銷。以下為就財務申報而言的遞延稅項結餘的分析：

於匯報期間結算日，本集團擁有可供抵銷未來溢利之未動用稅項虧損約189,658,000港元（2017年：204,775,000港元）。由於未來溢利來源難以預計，故未就稅項虧損確認遞延稅項資產。於其他司法權區經營之附屬公司所產生尚未確認稅項虧損包括將於未來數年屆滿之172,272,000港元（2017年：204,615,000港元）之虧損（見下表）。其他虧損可無限期結轉。年內已屆滿之稅項虧損達52,937,000港元（2017年：44,398,000港元）。

可用作抵銷未來溢利之未動用稅項虧損分析如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Will expire on:	將於下列日期屆滿：		
31 December 2018	2018年12月31日	-	55,152
31 December 2019	2019年12月31日	26,249	26,249
31 December 2020	2020年12月31日	48,181	48,818
31 December 2021	2021年12月31日	79,556	72,205
31 December 2022	2022年12月31日	2,191	2,191
31 December 2023	2023年12月31日	11,347	-
31 December 2025	2025年12月31日	4,748	-
		172,272	204,615
Unrecognised tax losses that may be carried forward indefinitely	可無限期結轉之尚未確認稅項虧損	17,386	160
		189,658	204,775





For the year ended 31 December 2018
截至2018年12月31日止年度

22. BANK BORROWINGS 銀行借貸

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amounts repayable:	須於以下期間償還之 賬面值：		
Within one year	一年內	561,822	-
Within a period of more than one year but not exceeding two years	一年以上但不超過兩年	77,689	-
Within a period of more than two years but not exceeding five years	兩年以上但不超過五年	103,788	-
Within a period of more than five years	五年以上	413,196	-
		1,156,495	-
Less: Amounts due within one year shown under current liabilities	減：列入流動負債並須 於一年內償還 之金額	(561,822)	-
Amounts shown under non-current liabilities	列入非流動負債之金額	594,673	-

The bank borrowings carry variable interest rate ranged from 0.9% to 2.25% over Hong Kong Interbank Offered Rate ("HIBOR") per annum (2017: Nil).

As at 31 December 2018, the weighted effective interest rate on the Group's borrowings is 2.88% (2017: Nil).

The Group had pledged a property of HK\$1,795,207,000 and related interests to secure banking facilities granted to the Group. In addition, corporate guaranteed was also issued in favour of the banks by the Company to secure banking facilities granted to Group.

銀行借貸按香港銀行同業拆息（「香港銀行同業拆息」）加0.9%至2.25%之浮動年利率計息（2017年：無）。

於2018年12月31日，本集團借貸之加權實際利率為2.88%（2017年：無）。

本集團已質押一項價值1,795,207,000港元之物業及相關利息，以作為本集團獲授銀行融資之抵押品。此外，本公司亦就本集團獲授銀行融資而向銀行提供企業擔保。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

23. SHARE CAPITAL 股本

		Number of ordinary shares 普通股數目		Share capital 股本	
		2018	2017	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Issued and fully paid	已發行及繳足				
At beginning of year	年初	6,882,448,129	6,882,448,129	3,484,152	3,484,152
Shares repurchased and cancelled	回購及註銷股份	(102,990,000)	-	-	-
At end of year	年終	6,779,458,129	6,882,448,129	3,484,152	3,484,152

During the year, the Company repurchased and cancelled 102,990,000 ordinary shares. The corresponding consideration of HK\$51,194,000 is debited to retained profits. Further information is disclosed under the Directors' Report section.

年內，本公司回購並註銷102,990,000股普通股，相應代價51,194,000港元於保留溢利中扣除。有關進一步資料於董事會報告中披露。

24. RESERVES

- (a) Merger reserve arose from the group reorganisation scheme (the "Group Reorganisation") undertaken by the Company to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Stock Exchange in 2008.
- (b) Other reserve represented the aggregate amount of:
- the difference between the nominal value of share capital and the amount due to Emperor W&J Holdings capitalised for issue of 344 ordinary shares of US\$1 each in a subsidiary of HK\$343,997,000 prior to the Group Reorganisation;
 - the capital contribution of HK\$6,000 by Emperor W&J Holdings in Emperor Watch and Jewellery Company Limited (subsequently renamed as Prime Sharp Limited, a then fellow subsidiary of the Company) ("EWJCL") prior to the Group Reorganisation;
 - promissory notes in aggregate of HK\$373,006,000 issued in exchange for shares in the subsidiaries as a part of Group Reorganisation;

24. 儲備

- (a) 合併儲備因本公司為籌備本公司股份於2008年在聯交所上市而精簡本集團架構之集團重組計劃(「集團重組」)所產生。
- (b) 其他儲備指下列各項之總額：
- 於集團重組前，股本面值與應付英皇鐘錶珠寶控股款項資本化(發行344股附屬公司每股面值1美元之普通股股份)之間的差額343,997,000港元；
 - 英皇鐘錶珠寶控股在集團重組前對英皇鐘錶珠寶有限公司(其後稱為Prime Sharp Limited，當時為本公司之同母系附屬公司)(「EWJCL」)之出資6,000港元；
 - 作為集團重組之部份，就交換附屬公司之股份而發行之承兌票據合共373,006,000港元；



For the year ended 31 December 2018
截至2018年12月31日止年度

24. RESERVES (Continued)

- (b) Other reserve represented the aggregate amount of:
(Continued)
- (iv) the excess of the consideration paid for acquisition of additional interest in a subsidiary from a non-controlling shareholder over the carrying amount of non-controlling interest of HK\$927,000 during the year ended 31 December 2010;
 - (v) the shortfall of the consideration paid for acquisition of additional interest in a subsidiary from a non-controlling interest of HK\$4,063,000 during the year ended 31 December 2010;
 - (vi) the reversal of reserve of HK\$295,000 arising from the deregistration of a non-wholly owned subsidiary during the year ended 31 December 2011; and
 - (vii) the reversal of HK\$28,000 and HK\$5,000 arising from the deregistration of a wholly owned subsidiary during the year ended 31 December 2015 and 31 December 2014 respectively.
- (c) Capital reserve represented the excess of the value of net assets acquired over purchase consideration paid to EWJCL by Emperor Watch & Jewellery (HK) Company Limited in 1987.

24. 儲備(續)

- (b) 其他儲備指下列各項之總額：(續)
- (iv) 向一名非控股股東收購一間附屬公司額外權益之已付代價超過非控股權益於截至2010年12月31日止年度之賬面值927,000港元；
 - (v) 於截至2010年12月31日止年度向一名非控股權益收購一間附屬公司額外權益之已付代價不足金額4,063,000港元；
 - (vi) 截至2011年12月31日止年度，剔除註冊一間非全資附屬公司而撥回之儲備295,000港元；及
 - (vii) 截至2015年12月31日及2014年12月31日止年度，剔除註冊一間全資附屬公司而分別撥回28,000港元及5,000港元。
- (c) 資本儲備指英皇鐘錶珠寶(香港)有限公司於1987年收購EWJCL之資產淨值超逾購買代價之部份。





For the year ended 31 December 2018

截至2018年12月31日止年度

25. ACQUISITION OF SUBSIDIARIES

On 12 December 2018, the Group acquired entire equity interest in Perfect Raise Holdings Limited (“Perfect Raise”) and its subsidiaries (together, “Perfect Raise Group”) and the amount due to a fellow subsidiary of Perfect Raise at cash consideration of HK\$1,151,472,000. This acquisition has been accounted for acquisition of an asset. Perfect Raise is an investment holding company. Perfect Raise Group is principally engaged in property investment in Hong Kong.

Assets acquired and liabilities recognised at the date of acquisition (which is 12 December 2018) are set as follows:

		HK\$'000
		千港元
Property, plant and equipment	物業、機器及設備	1,800,000
Receivables and deposits	應收款項及按金	2,106
Taxation receivable	可收回稅項	1,253
Bank balances and cash	銀行結餘及現金	3,001
Payables, deposits received and accrued charges	應付款項、已收訂金及應計費用	(17,882)
Bank borrowings	銀行借貸	(637,006)
Total identifiable net assets	可識別資產淨值總額	1,151,472
Purchase consideration settled in cash	以現金結算之購買代價	1,151,472
Less: Cash and cash equivalent balances acquired	減：所購入之現金及現金等價物結餘	(3,001)
Net cash outflow arising on acquisition of Perfect Raise Group	收購湛揚集團所產生之淨現金流出	1,148,471

26. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents, debt comprising bank borrowings and equity attributable to the owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure periodically. As part of this review, the Group considers the cost of capital and risks associated with the capital, and will balance its overall capital structure through new share issues and share buy-backs as well as raising of new bank borrowings.

25. 收購附屬公司

於2018年12月12日，本集團以現金代價1,151,472,000港元收購湛揚控股有限公司（「湛揚」）及其附屬公司（統稱「湛揚集團」）之全部股權及應付湛揚之同系附屬公司之款項。此收購已入賬為資產收購。湛揚為一間投資控股公司。湛揚集團主要於香港從事物業投資業務。

於收購日（即2018年12月12日）確認之已收購資產及負債如下：

26. 資本風險管理

本集團管理資本以確保集團內各實體均可持續經營，同時透過優化債務及股本結餘為股東謀求最大回報。本集團之整體策略與過往年度相比並無改變。

本集團之資本結構包括現金及現金等價物、由銀行借貸組成之債務以及本公司擁有人應佔權益（包括已發行股本及儲備）。

董事定期檢討資本結構。檢討時，本集團考慮資本成本及資本相關風險，並將透過發行新股、回購股份及籌措銀行借貸平衡整體資本結構。



For the year ended 31 December 2018
截至2018年12月31日止年度

27. FINANCIAL INSTRUMENTS

27. 金融工具

A. CATEGORIES OF FINANCIAL INSTRUMENT

A. 金融工具類別

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<i>Financial assets</i>	金融資產		
Financial assets at amortised cost	按攤銷成本列賬之 金融資產	726,440	–
Loans and receivables	貸款及應收款項	–	1,739,008
<i>Financial liabilities</i>	金融負債		
At amortised cost	按攤銷成本	1,401,292	193,431

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

B. 財務風險管理目標及政策

The Group's financial instruments include trade receivables, other receivables, amount due from a related company, bank balances and cash, trade payables, other payables, amounts due to related companies and bank borrowings. Details of these financial instruments are disclosed in their respective notes. The risks associated with these financial instruments include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

本集團之金融工具包括貿易應收款項、其他應收款項、應收關連公司款項、銀行結餘及現金、貿易應付款項、其他應付款項、應付關連公司款項以及銀行借貸。該等金融工具詳情於各附註披露。與該等金融工具相連之風險包括市場風險(包括外匯風險及利率風險)、信貸風險及流動資金風險。下文載列減低該等風險之政策。本公司管理層管理及監察該等風險，以確保及時有效地採取適當措施。

MARKET RISK

市場風險

The Group's activities are exposed primarily to the financial risks of changes in interest rates and foreign currency exchange rates (see below).

本集團業務主要面臨來自利率及外幣匯率變動之財務風險(見下文)。

(i) Interest rate risk

(i) 利率風險

The Group also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 16 for details) and variable-rate bank borrowings (see note 22 for details). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and HIBOR arising from the Group's Hong Kong dollar denominated borrowings. The Group aims at keeping bank borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of bank borrowings in fixed and floating rates and ensure they are within reasonable range.

本集團亦面臨與浮息銀行結餘(詳情見附註16)及浮息銀行借貸(詳情見附註22)有關之現金流量利率風險。本集團之現金流量利率風險主要集中於銀行結餘利率波動及本集團以港元計值之借貸所產生之香港銀行同業拆息波動。本集團致力維持借貸為按浮動利率計息。本集團通過評估以利率水平及前景為基礎之任何利率變動所產生之潛在影響，以管理其利率風險。管理層將審閱固定及浮動利率銀行借貸之比例，並確保該等借貸處於合理範圍內。



For the year ended 31 December 2018
截至2018年12月31日止年度

27. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

MARKET RISK (Continued)

(i) *Interest rate risk (Continued)*

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point (2017: Nil) increase or decrease in variable-rate bank balances and a 100 basis point (2017: Nil) increase or decrease in variable-rate bank borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 100 basis points (2017: Nil) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2018 would decrease/increase by HK\$9,657,000 (2017: Nil). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

(ii) *Foreign currency risk*

The Group undertakes certain sales and purchases transactions denominated in MOP, USD, Renminbi ("RMB"), Singapore Dollars ("SGD") and Malaysian Ringgit ("MYR") which are the currencies other than the functional currencies of respective group entities. As the foreign exchange rate of HK\$ is closed to MOP and HK\$ is pegged with USD, the Directors consider the Group's exposure to foreign currency risk of these currencies is minimal. The Group is mainly exposed to foreign currency fluctuation of HK\$, RMB and HK\$, as these group entities, whose functional currencies are RMB, HK\$, SGD and MYR hold certain bank balances and inter-group balances denominated in HK\$, RMB and HK\$ respectively. The Group manages its foreign currency risk by closely monitoring the movements of the foreign currency rates. The Directors conduct periodical review of foreign currency exposure and will consider hedging significant foreign exchange exposure should the need arise.

27. 金融工具(續)

B. 財務風險管理目標及政策(續)

市場風險(續)

(i) *利率風險(續)*

敏感度分析

以下敏感度分析乃根據於匯報期末之利率風險釐定。編製分析時乃假設於各匯報期結束時未償還之金融工具於整個年度一直維持未償還狀態。向內部主要管理人員匯報利率風險時就浮息銀行結餘採用100基點(2017年:無)升降及就浮息銀行借貸採用100基點(2017年:無)升降為基礎,乃反映管理層對利率合理潛在變動之評估。由於董事認為浮息銀行結餘所產生之現金流量利率風險並不顯著,故並無將銀行結餘納入敏感度分析。

倘利率上升/下降100基點(2017年:無),而所有其他可變因素維持不變,則本集團截至2018年12月31日止年度之除稅後溢利將減少/增加9,657,000港元(2017年:無)。此乃主要歸因於本集團面對浮息銀行借貸之利率風險。

(ii) *外匯風險*

本集團以澳門元、美元、人民幣、新加坡元及馬來西亞令吉(即各集團實體功能貨幣以外之貨幣)為單位進行若干買賣交易。由於港元兌澳門元之匯率相近,而港元與美元掛鈎,董事認為,本集團就該等貨幣面對之外匯風險輕微。本集團之主要風險來自港元、人民幣及港元之外幣匯率波動,乃由於相關集團實體之功能貨幣為人民幣、港元、新加坡元及馬來西亞令吉,而該等集團實體持有若干分別以港元、人民幣及港元計值之銀行結餘及集團間結餘。本集團透過緊密監察外幣匯率變動管理其外幣風險。董事定期審閱外匯風險,並於需要時考慮對沖重大外匯風險。



For the year ended 31 December 2018
截至2018年12月31日止年度

27. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

MARKET RISK (Continued)

(ii) Foreign currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities and the foreign currency denominated inter-group balances at the respective reporting dates are as follows:

27. 金融工具 (續)

B. 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 外匯風險 (續)

本集團於各匯報日期以外幣結算之貨幣資產及負債以及以外幣結算之集團間結餘賬面值如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Assets	資產		
<i>Third parties</i>	<i>第三方</i>		
HK\$	港元	1,108	1,909
MOP	澳門元	38,452	33,613
USD	美元	2,085	1,213
RMB	人民幣	69	4
MYR	馬來西亞令吉	192	-
<i>Inter-group balances</i>	<i>集團間結餘</i>		
SGD	新加坡元	101,114	160,780
MYR	馬來西亞令吉	9,923	-
Liabilities	負債		
<i>Third parties</i>	<i>第三方</i>		
MOP	澳門元	11,739	4,252
USD	美元	23,428	6,988
<i>Inter-group balances</i>	<i>集團間結餘</i>		
HK\$	港元	858,395	858,395



For the year ended 31 December 2018
截至2018年12月31日止年度

27. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

MARKET RISK (Continued)

(ii) *Foreign currency risk (Continued)*

Sensitivity analysis

The sensitivity analysis below details the Group's sensitivity to a 6% (2017: 6%) increase in the functional currencies of the relevant group entities, HK\$ and RMB, relative to respective foreign currencies, HK\$, MOP, RMB, SGD and MYR. The sensitivity analysis of the Group also includes foreign currency exposure on inter-group balances. 6% (2017: 6%) is the sensitivity rate used in the management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only foreign currencies denominated monetary items and adjusts their translation at the end of the reporting period for a 6% (2017: 6%) change in the foreign currency rates. If the functional currencies of the relevant group entities strengthen/weaken 6% against respective foreign currencies:

Translation reserve would have increased/decreased by HK\$44,841,000 (2017: HK\$41,857,000) as a result of change in foreign currency rates of inter-group balances, as the inter-group balances form part of the Group's net investments in subsidiaries.

Post-tax profit for the year would have decreased/increased by HK\$1,397,000 (2017: Post-tax loss for the year would have increased/decreased by HK\$1,567,000) as a result of change in foreign currency rates of third parties' assets and liabilities.

CREDIT RISK AND IMPAIRMENT ASSESSMENT

As at 31 December 2018, the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position best represent the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties.

In order to minimise the credit risk, the Group has delegated a team responsible for the determination of credit limits and credit approvals.

27. 金融工具 (續)

B. 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) *外匯風險 (續)*

敏感度分析

下列敏感度分析詳述本集團對相關集團公司之功能貨幣港元及人民幣，兌各自之外幣（即港元、澳門元、人民幣、新加坡元及馬來西亞令吉）升值6%（2017年：6%）之敏感度。本集團之敏感度分析亦包括集團間結餘所承擔之外幣風險。敏感度比率6%（2017年：6%）乃管理層就外幣匯率可能合理出現之變動所作出之評估。敏感度分析僅包括以外幣結算之貨幣項目，並於匯報期末按6%（2017年：6%）外幣匯率變動調整換算。倘若相關集團公司之功能貨幣兌各自之外幣升值／貶值6%：

由於集團間結餘（乃本集團於附屬公司投資淨值中之集團間結餘部分）之外幣匯率變動，匯兌儲備將增加／減少44,841,000港元（2017年：41,857,000港元）。

由於第三方人士之資產及負債外幣匯率變動，本年度之除稅後溢利將減少／增加1,397,000港元（2017年：該年度除稅後虧損將增加／減少1,567,000港元）。

信貸風險及減值評估

於2018年12月31日，本集團之最高信貸風險源自於綜合財務狀況報表列賬之各項已確認金融資產賬面值，將導致本集團因交易對方未能履行其責任而出現財務虧損。

為盡可能減低信貸風險，本集團指派團隊負責釐定信貸額及信貸批核。



For the year ended 31 December 2018
截至2018年12月31日止年度

27. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

The Group has concentration of credit risk as 8% (2017: 13%) of total trade receivables due from the Group's largest trade debtor. The Group's largest trade debtor is a department store located in the PRC with good repayment history.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明	Trade receivables 貿易應收款項	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手方之違約風險較低，且並無任何逾期未還款項	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部形成之資料或外部資源，信貸風險自初始確認以來顯著增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 已信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 已信貸減值
Write-off 註銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人面對嚴重財政困難及本集團並無實際可收回希望	Amount is written off 款項被註銷	Amount is written off 款項被註銷

27. 金融工具 (續)

B. 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團承受集中信貸風險，因為貿易應收款項總額之8% (2017年：13%) 由本集團之最大貿易債務人結欠。本集團之最大貿易債務人為一家位於中國之百貨公司，其還款記錄良好。

本集團內部信貸風險評級由下列類別組成：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

27. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

2018	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月還是全期預期信貸虧損	Gross carrying amount 賬面總值 HK\$'000 千港元
Financial assets at amortised cost 按攤銷成本列賬之金融資產					
Trade receivables 貿易應收款項	1	N/A 不適用	(Note 1) (附註1)	Lifetime ECL (provision matrix) 全期預期信貸虧損 (撥備矩陣)	61,336
				Credit-impaired 已信貸減值	4,519
Other receivables 其他應收款項	2	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	32,814
Amount due from a related company 應收關連公司款項	2	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	5,034
Bank balances 銀行結餘	3	A or above or state owned A級或以上、 國有資產	N/A 不適用	12-month ECL 12個月預期信貸虧損	537,812

Notes:

1. Trade receivables primarily consist of credit card sales and department store sales from customers or department store. The Directors monitor their balances on an ongoing basis. In addition, the Group performs impairment assessment under ECL model upon application of IFRS 9 (2017: incurred loss model) on trade balances individually. Trade receivables in connection with invoices settled through credit card or e-payment platforms such as Alipay or WeChat Pay are also with high credit rating and no past due history. For the trade receivables in connection with department stores, the management of the Group considers these assets are short-term in nature and the probability of default is negligible on the basis of high internal credit-rating issuers during the year. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

附註：

1. 貿易應收款項主要包括來自客戶或百貨公司之信用卡銷售及百貨公司銷售。董事定期監察其結餘。此外，本集團在應用香港財務報告準則第9號後根據預期信貸虧損模式(2017年：已產生虧損模式)對貿易結餘個別進行減值評估。與透過信用卡或電子支付平台(如支付寶或微信支付)結算之發票有關之貿易應收款項均具有高信貸評級及並無逾期未付紀錄。就與百貨公司有關之貿易應收款項而言，本集團管理層認為該等資產屬短期性質，並基於其內部信貸評級較高，其於年內被拖欠之可能性微乎其微。在此方面，董事認為本集團之信貸風險已顯著減少。

27. 金融工具 (續)

B. 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表詳述本集團金融資產(須進行預期信貸虧損評估)所面臨之信貸風險：





For the year ended 31 December 2018
截至2018年12月31日止年度

27. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

Notes: (Continued)

- In determining the ECL for other receivables and amount due from a related company, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate, and concluded that credit risk inherent in the Group's outstanding other receivables and amount due from a related company are insignificant. The management of the Group has assessed that other receivables and amount due from a related company have not had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no impairment has been recognised.
- The Group measures the loss allowance on liquid funds equal to 12-month ECL. The credit risk on liquid funds is limited because cash are placed with reputable banks with external credit rating of at least "A" assigned by an international credit-rating agency or state owned.

There has been no change in the estimation techniques or significant assumptions made throughout the year.

LIQUIDITY RISK

The Group's liquidity position is monitored closely by the management of the Company. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on 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. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

27. 金融工具 (續)

B. 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

附註：(續)

- 於釐定其他應收款項及應收關連公司款項之預期信貸虧損方面，本集團管理層已視情況適當考慮過往拖欠紀錄及前瞻性資料，並認為本集團之未償還其他應收款項及應收關連公司款項內含之信貸風險相當輕微。本集團管理層已評定，其他應收款項及應收關連公司款項之信貸風險自初始確認以來並無顯著增加，且拖欠風險相當輕微，因此，並無就此確認減值。
- 本集團計量流動資金之虧損撥備為相等於12個月預期信貸虧損。流動資金之信貸風險有限，是由於現金乃存放於具信譽且外部信貸評級至少達到「A級」(由國際信貸評級機構授予)之銀行或國有銀行內。

於本年度並無改變估計技巧或主要假設。

流動資金風險

本集團之流動資金狀況由本公司管理層密切監察。於管理流動資金風險時，本集團監督及維持足夠的現金及現金等價物水平，以撥付本集團業務及減低現金流量波動影響。

下表詳列本集團金融負債根據議定還款期之剩餘合約年期。下表乃根據本集團可被要求還款之最早日期按照金融負債之未貼現現金流量編製。下表已載入利息及本金現金流量。就浮動利率之利息現金流而言，未貼現款額來自於匯報期末之利率曲線。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

27. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

LIQUIDITY RISK (Continued)

		Weighted average effective interest rate 加權平均實際利率 %	Within 1 year 1年內 HK\$'000 千港元	More than 1 year but less than 2 years 1年以上 但少於2年 HK\$'000 千港元	More than 2 years but less than 5 years 2年以上 但少於5年 HK\$'000 千港元	Over 5 years 超過5年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount at the end of the reporting period 於匯報期末之賬面值 HK\$'000 千港元
At 31 December 2018	於2018年12月31日							
Payables	應付款項	-	240,725	-	-	-	240,725	240,725
Amounts due to related companies	應付關連公司款項	-	4,072	-	-	-	4,072	4,072
Bank borrowings	銀行借貸	2.88	583,310	140,680	138,136	414,491	1,276,617	1,156,495
			828,107	140,680	138,136	414,491	1,521,414	1,401,292

		Weighted average effective interest rate 加權平均實際利率 %	Within 1 year 1年內 HK\$'000 千港元	More than 1 year but less than 2 years 1年以上 但少於2年 HK\$'000 千港元	More than 2 years but less than 5 years 2年以上 但少於5年 HK\$'000 千港元	Over 5 years 超過5年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount at the end of the reporting period 於匯報期末之賬面值 HK\$'000 千港元
At 31 December 2017	於2017年12月31日							
Payables	應付款項	-	189,285	-	-	-	189,285	189,285
Amounts due to related companies	應付關連公司款項	-	4,146	-	-	-	4,146	4,146
			193,431	-	-	-	193,431	193,431

27. 金融工具 (續)

B. 財務風險管理目標及政策 (續)

流動資金風險 (續)

C. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

C. 金融資產及負債之公允價值計量

董事認為，按攤銷成本於綜合財務報表所記錄之金融資產及金融負債之賬面值與彼等之公允價值相若。



For the year ended 31 December 2018
截至2018年12月31日止年度

28. OPERATING LEASE ARRANGEMENTS

At the end of the reporting period, the Group had commitments for the future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	313,252	375,615
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	245,645	473,085
		558,897	848,700

Operating lease payments represent rentals payable by the Group for its offices and shops. Leases are negotiated for terms ranging from one month to five years (2017: one month to four years) with fixed monthly rentals and certain operating leases are subject to contingent rents based on a fixed percentage of the monthly gross turnover in excess of the monthly minimum lease payments.

Included in the above is future lease payments with related companies of approximately HK\$212,829,000 (2017: HK\$475,347,000) which fall due as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	126,091	178,926
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	86,738	296,421
		212,829	475,347

The related companies are companies controlled by the AY Trust of which STC International is the trustee.

28. 經營租約安排

於匯報期末，本集團根據不可撤銷經營租約，承諾就租用物業支付之未來最低租金的到期日如下：

經營租約付款指本集團就其辦公室及商舖應付之租金。經協商之物業租賃期介乎一個月至五年（2017年：一個月至四年），月租固定，而若干經營租賃須受按每月營業總額與每月最低租賃付款之差額之固定百分比計算之或然租金所規限。

上述款項包括應付予關連公司之未來租金開支約212,829,000港元（2017年：475,347,000港元），其支付期限如下：

關連公司指由AY Trust (STC International 為其受託人) 控制之公司。

29. CAPITAL COMMITMENT 資本承擔

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	有關購買已訂約但未於綜合財務報表撥備之物業、機器及設備之資本開支	4,841	4,260



For the year ended 31 December 2018
截至2018年12月31日止年度

30. SHARE OPTION SCHEME

The share option scheme adopted by the Company on 19 June 2008 (“2008 Share Option Scheme”) had lapsed automatically in June 2018 upon the expiry of the 10-year period. Following the expiry of the 2008 Share Option Scheme, no share options can be granted thereunder.

In order to ensure the continuity of a share option scheme for the Company to provide incentives or rewards to participants (including the Directors and eligible employees of the Group), the shareholders of the Company passed and ordinary resolution at the annual general meeting of the Company held on 23 May 2018 to approve the adoption of a new share option scheme of the Company (“2018 Share Option Scheme”). During the Year, no share options were granted under the 2008 Share Option Scheme and the 2018 Share Option Scheme.

A summary of the 2008 Share Option Scheme and the 2018 Share Option Scheme (collectively “Share Option Schemes”) is set out as follows:

1. Purpose of the Share Option Schemes

To enable the Group to attract, retain and motivate talented eligible participants to strive for future development and expansion of the Group.

2. Eligibility

Eligible participants include employees (whether full-time or part time, including any Executive Director, Non-executive Director or Independent Non-executive Director) and such other eligible participants.

3. Total Number of Shares available for issue under the 2018 Share Option Scheme

- i. No. of Shares: 687,308,812 Shares, representing 10% of the total number of issued shares as at 23 May 2018, the date of passing the resolution for adoption of the 2018 Share Option Scheme.
- ii. Percentage of the issued shares that it represents as at 19 March 2019 (the date of this Annual Report): 10.14%.

30. 購股權計劃

本公司於2008年6月19日採納之購股權計劃(「2008年購股權計劃」)已於10年期限屆滿後於2018年6月自動失效。2008年購股權計劃屆滿後，概無據此授出任何購股權。

為確保本公司購股權計劃繼續向參與者(包括董事及本集團合資格僱員)提供獎勵或回報，本公司股東已於2018年5月23日舉行之本公司股東週年大會上通過一項普通決議案，批准採納本公司一項新購股權計劃(「2018年購股權計劃」)。於本年度，概無根據2008年購股權計劃及2018年購股權計劃授出任何購股權。

2008年購股權計劃及2018年購股權計劃(統稱「購股權計劃」)之概要載列如下：

1. 購股權計劃之目的

讓本集團能夠吸引、挽留及激勵卓越之合資格參與者為本集團之日後發展及擴張而努力。

2. 參與資格

合資格參與者包括僱員(無論為全職或兼職，包括任何執行董事、非執行董事及獨立非執行董事)及其他合資格參與者。

3. 2018年購股權計劃項下可供發行股份總數

- i. 股份數目：687,308,812股股份，佔於2018年5月23日(即通過採納2018年購股權計劃之決議案日期)已發行股份總數之10%。
- ii. 於2019年3月19日(即本年報日期)佔已發行股份百分比：10.14%。



For the year ended 31 December 2018
截至2018年12月31日止年度

30. SHARE OPTION SCHEME (Continued)

4. Maximum entitlement of each eligible participant

2008 Share Option Scheme

- i. in aggregate not to exceed 1% of the Shares in issue in any 12-month period unless approved by the Shareholders; and
- ii. options granted to substantial shareholders or Independent Non-executive Directors or their respective associates in any 12-month period exceeding the higher of 0.1% of the Shares in issue and with an aggregate value in excess of HK\$5,000,000 must be approved by the Shareholders.

2018 Share Option Scheme

- i. in aggregate not to exceed 1% of the Shares in issue in any 12-month period unless approved by the Shareholders; and
- ii. options granted to eligible participant in excess of the 1% limit must be approved by the Shareholders.

5. Period within which the Shares must be taken up under an option

At any time from the date of grant of the option to such a date determined by the Board but in any event no exceeding 10 years from the date of grant.

6. Minimum period for which an option must be held before it can be exercised

No minimum period unless otherwise determined by the Board.

7. (i) Price payable on application or acceptance of the option: HK\$1.00;
- (ii) The period within which payments or calls must or may be made: Within 28 days from the date of grant; and
- (iii) Period within which loans for such purposes of the payments or calls must be repaid: Not applicable.

8. Basis for determining the exercise price:

The exercise price is determined by the Board (subject the adjustment) and will not be less than the highest of (i) the closing price of the Share as stated in daily quotation sheet of the Stock Exchange on the offer date; and (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the offer date.

30. 購股權計劃 (續)

4. 每名合資格參與者可獲授權益上限

2008年購股權計劃

- i. 除非獲股東批准，否則在任何12個月內總計不得超過已發行股份之1%；及
- ii. 於任何12個月期間向主要股東或獨立非執行董事或彼等各自之聯繫人授出之購股權，若超過已發行股份之0.1%及總值超過5,000,000港元則須經股東批准。

2018年購股權計劃

- i. 除非獲股東批准，否則在任何12個月內總計不得超過已發行股份之1%；及
- ii. 向合資格參與者授出之購股權若超過1%限額則須經股東批准。

5. 行使購股權後必須認購股份之期限

自購股權授出日期起至董事會釐定之有關日期止期間內任何時間，惟無論如何不得超過授出日期起計10年。

6. 購股權行使前必須持有之最短期限

除非董事會另行決定，否則概無最短期限。

7. (i) 申請或接納購股權時所須繳付的代價：1.00港元；
- (ii) 付款或通知付款之期限：授出日期起計28日內；及
- (iii) 償還作付款或通知付款用途的貸款期限：不適用。

8. 釐定行使價之基準

行使價由董事會釐定(可予調整)，其將不低於下列最高者：(i)股份於要約日期於聯交所每日報價表所示之收市價；及(ii)股份於緊接要約日期前5個營業日於聯交所每日報價表所示之平均收市價。



For the year ended 31 December 2018
截至2018年12月31日止年度

30. SHARE OPTION SCHEME (Continued)

9. The remaining life of the 2018 Share Option Scheme

Approximately 9 years (expiring on 22 May 2028).

For the year ended 31 December 2018, no option was granted, exercised or cancelled under the Share Option Schemes.

31. RETIREMENT BENEFIT SCHEMES

The Group participates in both a 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 costs 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 Scheme, which contribution is matched by the employee. The maximum amount of contribution is limited to HK\$1,500 per each employee.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at 5% of the employee's basic salary.

The eligible employees of the Company's subsidiaries in the PRC, Macau, Singapore are members of pension schemes operated respective local governments. The subsidiaries in the PRC are required to contribute a certain percentage ranging from 38% to 44% 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 contribute MOP60 for every employee per month while the subsidiary in Singapore is required to contribute 16% of the employee's monthly gross salary. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contribution under the schemes.

30. 購股權計劃(續)

9. 2018年購股權計劃尚餘之年期

約9年(於2028年5月22日屆滿)。

於2018年12月31日止年度，概無根據購股權計劃授出、行使、或註銷購股權。

31. 退休福利計劃

本集團參與根據香港職業退休計劃條例註冊之界定供款計劃(「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之強制性公積金計劃(「強積金計劃」)。該等計劃資產與本集團之資產分開處理，由獨立受託人控制之基金持有。凡於成立強積金計劃前已參與職業退休計劃條例計劃之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之新僱員則須參加強積金計劃。

自綜合損益及其他全面收入報表扣除之退休福利成本指本集團按計劃規則指定之比率應付予基金之供款。倘員工於供款全數歸屬前退出職業退休計劃，本集團應付供款將按已沒收供款扣減。

就強積金計劃之成員而言，本集團須向該計劃就相關工資成本作5%供款，該筆供款與僱員之供款額一致。每位僱員最高供款金額為1,500港元。

職業退休計劃之資金來自僱員及本集團雙方按僱員底薪之5%計算之每月供款。

本公司於中國、澳門及新加坡之附屬公司之合資格僱員為各當地政府管理之退休金計劃成員，中國之附屬公司須按有關僱員薪金相關成本之若干百分比(介乎38%至44%)就彼等退休金計劃供款，為福利提供資金，澳門之附屬公司須每月就每名僱員供款60澳門元，而新加坡附屬公司須就僱員月薪總金額作出16%供款。本集團有關退休福利計劃之唯一責任為根據計劃作出所須供款。



For the year ended 31 December 2018
截至2018年12月31日止年度

31. RETIREMENT BENEFIT SCHEMES (Continued)

The total expense recognised in profit or loss of HK\$22,998,000 (2017: HK\$20,574,000) represents contributions, payable to those plans by the Group at the rate specified in the rules of the plans.

32. RELATED PARTY TRANSACTIONS

The terms and balances with related companies at the end of the reporting periods are set out in consolidated statements of financial position and note 20.

During the year, the Group had the following transactions with related parties:

31. 退休福利計劃 (續)

於損益確認的總開支22,998,000港元(2017年: 20,574,000港元)為本集團按該等計劃規則所規定的費率應向該等計劃作出的供款。

32. 關連方交易

於匯報期末之關連公司條款及結餘載列於綜合財務狀況報表及附註20。

於年內，本集團與關連方之交易如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
(1) Sales of goods to Directors, their close family members and related companies (notes a and b)	(1) 銷售商品予董事、彼等之近親及關連公司(附註a及b)	4,846	9,239
(2) Rental, electricity and air-conditioning expenses paid and payable to related companies (notes a and c)	(2) 已支付及應付予關連公司之租金、電費及空調費支出(附註a及c)	176,094	157,089
(3) Service charge in respect of information system and administrative work paid and payable to related companies (notes a and b)	(3) 已支付及應付予關連公司有關資訊系統及行政工作之服務費(附註a及b)	15,981	14,951
(4) Advertising expenses paid and payable to related companies (notes a and b)	(4) 已支付及應付予關連公司之廣告開支(附註a及b)	1,414	173
(5) Financial advisory fee paid and payable to a related company (notes a and b)	(5) 已支付及應付予一間關連公司之財務顧問費用(附註a及b)	420	420
(6) On 12 December 2018, the Group acquired entire equity interest in by Perfect Raise Group and the amount due to a fellow subsidiary of Perfect Raise at consideration of HK\$1,151,472,000. Details of the transaction are stated in the note 25.	(6) 於2018年12月12日，本集團以代價1,151,472,000港元收購湛揚集團之全部股權及應付湛揚之同系附屬公司之款項。有關交易詳情載於附註25。		

As at 31 December 2018, deposits paid to related companies amounting to HK\$56,590,000 (2017: HK\$66,410,000) and effective rental payables to related parties amounting to HK\$20,271,000 (2017: HK\$20,740,000) were included in rental deposits under non-current assets and trade and other payables under current liabilities respectively. The related companies are the companies controlled by the AY Trust of which STC International is the trustee.

於2018年12月31日，已支付予關連公司之按金56,590,000港元(2017年: 66,410,000港元)及應付關連方之實際租金20,271,000港元(2017年: 20,740,000港元)已分別列入非流動資產之租賃按金及流動負債之貿易及其他應付款項。關連公司為AY Trust(STC International為其受託人)控制之公司。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

32. RELATED PARTY TRANSACTIONS (Continued)

Notes:

- The related company/companies is/are controlled by the Directors/their associates or the AY Trust of which a Director is one of the eligible beneficiaries.
- These transactions are connected transactions exempt from announcement, reporting and independent shareholders' requirements under Rule 14A.33 of the Listing Rules.
- The expenses paid are in relation to the tenancy agreements entered into with the related companies of the Company. Some of these transactions are discloseable continuing connected transactions (as defined under Chapter 14A of the Listing Rules) of the Company which details are disclosed under the section headed "Continuing Connected Transactions" under "Directors' Interests in Transactions, Arrangements or Contracts and Continuing Connected Transactions" of the Directors' Report.

The compensation to the Directors and key management personnel of the Group are disclosed in note 9.

32. 關連方交易 (續)

附註：

- 關連公司由董事／彼等聯繫人或AY Trust（一名董事為其合資格受益人）控制。
- 該等交易為根據上市規則第14A.33條獲豁免遵守公告、匯報及獨立股東批准之規定的關連交易。
- 已付支出乃關於與本公司關連公司訂立之租賃協議。其中某些交易乃本公司之須予披露持續關連交易（定義見上市規則第14A章），其詳情於董事會報告「董事於交易、安排或合約之權益及持續關連交易」項下「持續關連交易」一節披露。

本集團董事及主要管理人員之酬金乃於附註9披露。

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

融資活動產生之負債對賬

		Bank borrowings 銀行借貸 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	-
Financing cash flows:	融資現金流量：	
– Bank borrowings raised	– 已籌得之銀行借貸	522,745
– Repayments of bank borrowings	– 償還銀行借貸	(3,256)
– Interest paid	– 已付利息	(4,095)
Net cash used in financing cash flows	融資現金流量所用之現金淨額	515,394
Interest expenses	利息開支	4,095
Arising on acquisition of subsidiaries (note 25)	因收購附屬公司而產生（附註25）	637,006
At 31 December 2018	於2018年12月31日	1,156,495





For the year ended 31 December 2018
截至2018年12月31日止年度

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

本公司之財務狀況報表及儲備

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	1,583,094	1,583,094
Amount due from a subsidiary	應收一間附屬公司款項	2,808,374	2,713,137
		4,391,468	4,296,231
Current assets	流動資產		
Deposits and prepayments	按金及預付款項	546	541
Tax recoverable	可收回稅項	34	-
Amount due from a related company	應收一間關連公司款項	5,034	-
Bank balances and cash	銀行結餘及現金	1,662	957
		7,276	1,498
Current liabilities	流動負債		
Other payables and accrued charges	其他應付款項及預提費用	387	300
Amount due to a subsidiary	應付一間附屬公司款項	57,206	11,089
Amount due to a related company	應付一間關連公司款項	-	35
		57,593	11,424
Net current liabilities	流動負債淨值	(50,317)	(9,926)
Net assets	資產淨值	4,341,151	4,286,305
Capital and reserves	資本及儲備		
Share capital	股本	3,484,152	3,484,152
Reserves	儲備	856,999	802,153
Total equity	總權益	4,341,151	4,286,305

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 19 March 2019 and are signed on its behalf by:

本公司之財務狀況報表於2019年3月19日經董事會批准及授權刊發，並由下列董事代表簽署：

CINDY YEUNG
楊諾思
DIRECTOR
董事

WONG CHI FAI
黃志輝
DIRECTOR
董事



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

本公司之財務狀況報表及儲備 (續)

MOVEMENT IN THE COMPANY'S RESERVES

本公司之儲備變動

		Retained profits 保留溢利 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	684,334
Profit and total comprehensive income for the year	年內溢利及全面收入總額	129,519
Interim dividend paid for 2017	2017年中期股息	(11,700)
At 31 December 2017	於2017年12月31日	802,153
Profit and total comprehensive income for the year	年內溢利及全面收入總額	193,360
Repurchase of ordinary shares	回購普通股	(51,194)
Final dividend paid for 2017	2017年末期股息	(39,864)
Interim dividend paid for 2018	2018年中期股息	(47,456)
At 31 December 2018	於2018年12月31日	856,999



For the year ended 31 December 2018
截至2018年12月31日止年度

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2018 and 2017 are as follows:

35. 主要附屬公司之詳情

於2018年及2017年12月31日，本公司主要附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立／註冊／ 營運地點	Issued ordinary share capital/ registered capital 已發行 普通股股本／ 註冊資本	Proportion of issued share capital held by the Group 本集團持有 已發行股本之比例		Principal activities 主要業務
			2018	2017	
Direct subsidiaries 直接附屬公司					
Emperor Watch & Jewellery (China) Holdings Limited 英皇鐘錶珠寶（中國）控股有限公司	Hong Kong ("HK") 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
Emperor Watch & Jewellery (China) Holdings Limited 英皇鐘錶珠寶（中國）控股有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Investment holding 投資控股
Emperor Watch & Jewellery (HK & Macau) Holdings Limited 英皇鐘錶珠寶（港澳）控股有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Investment holding 投資控股
Emperor Watch & Jewellery Overseas Holdings Limited 英皇鐘錶珠寶海外控股有限公司	HK 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
Indirect subsidiaries 間接附屬公司					
Beauty Royal Limited 麗盟有限公司	HK 香港	HK\$2 2港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務
Charter Loyal Limited 耀仁有限公司	HK 香港	HK\$2 2港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務
Emperor Watch & Jewellery (HK) Company Limited 英皇鐘錶珠寶（香港）有限公司	HK 香港	HK\$100 100港元	100%	100%	Sales of watches & jewellery 銷售鐘錶及珠寶
Emperor Watch & Jewellery (Malaysia) Sdn. Bhd.	Malaysia 馬來西亞	MYR3,000,000 3,000,000 馬來西亞令吉	100%	-	Sales of jewellery 銷售珠寶
Emperor Watch & Jewellery Management Limited 英皇鐘錶珠寶管理服務有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Provision of management services 提供管理服務
Emperor Watch & Jewellery (Singapore) Pte. Ltd.	Singapore 新加坡	SGD1,000,000 1,000,000 新加坡元	100%	100%	Sales of watches & jewellery 銷售鐘錶及珠寶



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至2018年12月31日止年度

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

35. 主要附屬公司之詳情 (續)

(Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營運地點	Issued ordinary share capital/ registered capital 已發行 普通股股本/ 註冊資本	Proportion of issued share capital held by the Group 本集團持有 已發行股本之比例		Principal activities 主要業務
			2018	2017	
Indirect subsidiaries (Continued) 間接附屬公司 (續)					
Esteem Step Limited 譽階有限公司	Macau 澳門	MOP25,000 25,000澳門元	100%	100%	Provision of group administration services 提供集團行政管理服務
EWJ Macau Company Limited EWJ澳門有限公司	Macau 澳門	MOP25,000 25,000澳門元	100%	100%	Sales of watches and jewellery 銷售鐘錶及珠寶
Foremost Resources Limited 富茂資源有限公司	HK 香港	HK\$1 1港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務
Gold Pleasure Investment Limited 樂德投資有限公司	HK 香港	HK\$10,000 10,000港元	100%	–	Property investment 物業投資
Mount Win Limited 嶺耀有限公司	HK 香港	HK\$1,000,000 1,000,000港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務
Phoenix Noble Limited 鳳御有限公司	Macau 澳門	MOP25,000 25,000澳門元	100%	100%	Provision of group marketing services 提供集團市場推廣服務
Success Wealthy Limited 隆寶有限公司	HK 香港	HK\$1 1港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務
Trillion Winner Limited 亨士奧有限公司	HK 香港	HK\$1 1港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務



For the year ended 31 December 2018
截至2018年12月31日止年度

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

35. 主要附屬公司之詳情(續)

(Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營運地點	Issued ordinary share capital/ registered capital 已發行 普通股股本/ 註冊資本	Proportion of issued share capital held by the Group 本集團持有 已發行股本之比例		Principal activities 主要業務
			2018	2017	
Indirect subsidiaries (Continued) 間接附屬公司(續)					
Up Success Limited 雄揚有限公司	HK 香港	HK\$300,000 300,000港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務
Vision Wing Limited 景翔有限公司	Macau 澳門	MOP25,000 25,000澳門元	100%	100%	Provision of group sourcing services 提供集團採購服務
Wealthy Able Limited 財領有限公司	HK 香港	HK\$1 1港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務
Zeal Team Limited 潔渝有限公司	HK 香港	HK\$1 1港元	100%	100%	Provision of group tenancy agent services 提供集團租賃代理服務
英皇鐘錶珠寶(北京)有限公司#	PRC 中國	HK\$160,000,000 160,000,000港元	100%	100%	Sales of watches & jewellery 銷售鐘錶及珠寶
英皇鐘錶珠寶(深圳)有限公司#	PRC 中國	HK\$100,500,000 100,500,000港元	100%	100%	Sales of watches & jewellery 銷售鐘錶及珠寶
北京富嘉佳美鐘錶貿易有限公司#	PRC 中國	HK\$73,000,000 73,000,000港元	100%	100%	Sales of watches & jewellery 銷售鐘錶及珠寶

The subsidiaries are wholly foreign owned enterprises.

None of the subsidiaries had issued any debt securities at the end of the year.

The Directors are of the opinion that a complete list of the particulars of all subsidiaries of the Group will be of excessive length and therefore the list above contains only the particulars of subsidiaries which principally affect the results or assets of the Group.

該等附屬公司為外商獨資企業。

在年結日並無附屬公司發行任何債務證券。

董事認為列出本集團所有附屬公司之詳情會使名單過度冗長，故上表僅列出對本集團業績或資產有重大影響之附屬公司詳情。



		For the year ended 31 December 截至12月31日止年度				
		2014	2015	2016	2017	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
RESULT	業績					
Revenue	收入	5,924,947	4,430,846	3,641,845	4,075,124	4,722,248
Profit/(loss) before taxation	除稅前溢利／(虧損)	168,690	(116,609)	(59,843)	173,237	318,253
Taxation	稅項	(30,548)	(3,473)	(4,978)	(13,546)	(53,969)
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔年度溢利／(虧損)	138,142	(120,082)	(64,821)	159,691	264,284

		As at 31 December 於12月31日				
		2014	2015	2016	2017	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	4,796,332	4,466,392	4,408,032	4,673,484	5,969,472
Total liabilities	總負債	(338,527)	(191,196)	(233,922)	(306,799)	(1,504,452)
Net Assets	資產淨值	4,457,805	4,275,196	4,174,110	4,366,685	4,465,020
Equity attributable to owners of the Company and total equity	本公司擁有人應佔權益及總權益	4,457,805	4,275,196	4,174,110	4,366,685	4,465,020

