

Stock Code 股份代號：1929

Chow Tai Fook Jewellery Group Limited  
周大福珠寶集團有限公司

Annual Report 2017 年報

周大福

CHOW TAI FOOK

# Corporate Profile

## 企業簡介

Chow Tai Fook Jewellery Group Limited (Stock Code: 1929) was listed on the Main Board of The Stock Exchange of Hong Kong in December 2011.

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

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

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

周大福珠寶集團有限公司（股份代號：1929）於2011年12月在香港聯合交易所主板上市。

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

集團擁有龐大的零售網絡，包括逾2,300個遍佈大中華區、新加坡、馬來西亞、韓國、日本與美國的周大福及Hearts On Fire零售點，覆蓋500多個城市，以及透過自營周大福網絡旗艦店及於主要網購平台開設周大福網店而發展迅速的電子零售網絡。

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

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2016/2017  
Interim Report 中期報告



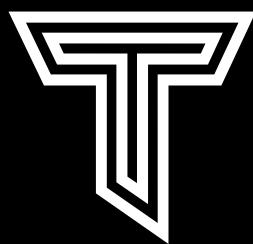
2017  
Annual Report 年報





An Iconic and  
**Trusted Brand**

標誌性且備受信賴之品牌



CHOW TAI FOOK T MARK

Enhance accountability via institutionalised structures and measures to drive better utilisation of resources and fulfillment of stakeholders' interests

通過制度化的架構和措施加強問責，以更有效運用資源和實現持份者的利益

## TRACEABLE 可尋

## TRANSPARENT 可知

Implement transparent disclosures and constructive dialogues to foster genuine mutual understanding with stakeholders

透過透明公開的披露和建設性對話，徹底促進與持份者的相互了解

## TRUTHFUL 可信

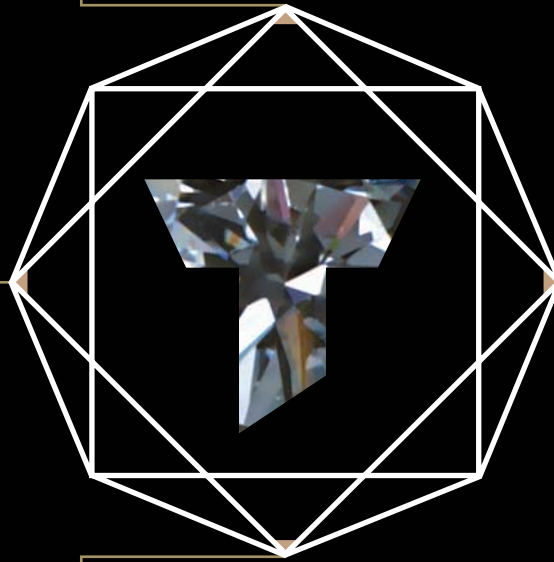
Uphold long-established culture of integrity to safeguard the fundamental interests of stakeholders and build trusting relationship with them

堅持長久建立的誠信文化，保障持份者的基本利益及彼此建立互信關係

## THOUGHTFUL 可頌

Embrace leaders with independent mindset, versatile expertise and business acumen who steer our long-term pursuit for sustainable business growth and attainment of common values with stakeholders

推舉具獨立思維、擁有全面的專業知識和商業頭腦的領袖，帶領我們長期追求可持續的業務增長和實現持份者的共同價值觀





We introduce CHOW TAI FOOK T MARK diamond brand, along with a new "4Ts" concept, to reinforce the efforts in ensuring our diamonds are natural and ethically sourced. Each CHOW TAI FOOK T MARK diamond carries a resume, tracing its entire life journey. Such intrinsic value as backed by our rigorous controls under the vertically integrated business model is unparalleled in the industry.

The same set of principles is in place to guide the development of our governance practices, supporting the Group in better achieving our strategic objectives towards sustainable growth and development.

周大福 T MARK 鑽石品牌蘊涵嶄新「4Ts」概念，確保鑽石天然唯真，來源可靠。每顆周大福 T MARK 鑽石皆附有可追蹤美鑽一生的履歷，具備只有在垂直整合業務模式的嚴密監控下，才能呈現出無可比擬的內在美。

我們的企業管治以同一套原則為指導方針，協助集團更有效地達成策略性目標，邁進可持續的增長和發展。



# Our Corporate Strategies

## 企業策略

1

### Market Development 市場發展

Optimising our retail network in response to the changing market conditions in Greater China, while expanding our business footprint to overseas markets underpinned by our vertically integrated business model

按市場環境的變化調整大中華之零售網絡，及藉著我們垂直整合模式，拓展海外市場的業務商機

2

### Customer Experience 顧客體驗

Enriching our product portfolio, rolling out multi-brand strategy and fostering O2O interactions to uplift customers' shopping experience

透過豐富產品組合，推行多品牌策略及促進線上線下的互動，以提升顧客購物體驗

3

### "Smart+" Initiatives 「Smart +」計劃

Promoting the use of smart devices in operations to support O2O interactions and leveraging big data analytics to attain sustainable growth

於營運上推廣智能工具之應用以支持線上線下的互動及借助大數據分析，以達致業務之可持續發展





TO TELL THE TRUTH  
唯真可鑒



# Annual Results in Five Minutes

## 全年業績摘要

### CHOW TAI FOOK T MARK 周大福 T MARK

Spearheaded product innovation and launched CHOW TAI FOOK T MARK diamond brand in August 2016

率先進行產品創新，於 2016 年 8 月推出周大福 T MARK 鑽石品牌



### Hearts On Fire

Established a global retail presence covering Asia-Pacific, Caribbean, Europe and North America

零售網絡遍佈全球，包括亞太區、加勒比、歐洲及北美洲

HEARTS ON FIRE®

THE WORLD'S MOST PERFECTLY CUT DIAMOND®

### Customer Experience 顧客體驗

Diversified store themes and products to target different customer needs and elevate their shopping experience

多元化的店舖主題及產品，以照顧不同顧客的需求和提升其購物體驗



Presence in Mainland China

於中國內地

75 POS  
零售點

Presence in Hong Kong and Macau

於香港及澳門

27 POS  
零售點21 POS  
零售點

187

SIS and CIS  
店中店及店內專櫃

509

Retailer locations  
分銷店

Revenue 營業額

HK\$51,246

million 百萬港元

YoY change 同比變化

▼ 9.4%

Mainland China 中國內地

POS 零售點

2,246

SSSG 同店銷售增長

▼ 5.2%

Hong Kong and Macau 香港及澳門

POS 零售點

102

SSSG 同店銷售增長

▼ 12.4%

Earnings per share 每股盈利

30.6 HK cents 港仙

FY2016 2016 財政年度

29.4 HK cents 港仙

Dividend per share for the year 每股全年股息

51.0<sup>(1)</sup> HK cents 港仙

Full year dividend payout ratio

全年派息率

52.3%<sup>(2)</sup>

Net assets per share 每股資產淨額

HK\$3.3 港元

As at 31 March 2016

於 2016 年 3 月 31 日

HK\$3.6 港元

Operating cash flows before movements in working capital

營運資金變動前之經營現金流量

HK\$5,702

million 百萬港元

YoY change 同比變化

▼ 1.5%



(1) Included the interim and special dividends of HK21.0 cents per share declared in FY2017, and the proposed final and special dividends of HK30.0 cents per share which are subject to the approval of shareholders at the forthcoming annual general meeting

包括於 2017 財政年度已宣派之中期及特別股息共 21.0 港仙，及須待股東在本公司應屆股東週年大會上批准之建議末期及特別股息共 30.0 港仙

(2) Excluded special dividend

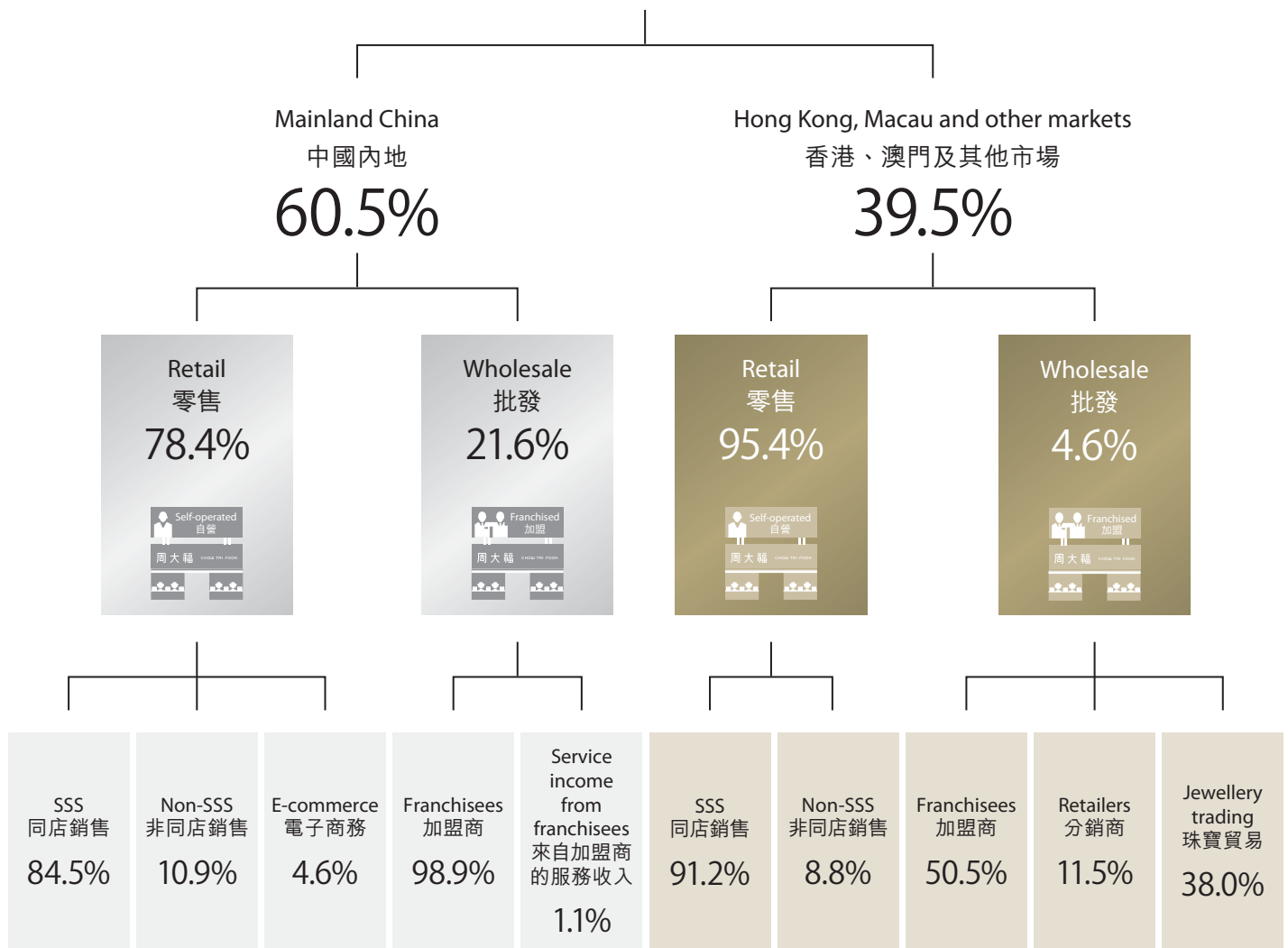
不包括特別股息

# Revenue Illustration and Vertically Integrated Business Model

## 營業額概述及垂直整合業務模式



FY2017 Revenue  
2017 財政年度營業額





## Upstream 上游



### Raw Material Procurement 原材料採購

All rough diamonds sourced are in compliance with Kimberley Process and De Beers Best Practice Principles  
採購的所有鑽石毛坯均符合金伯利進程及 De Beers 最佳執業守則

### Rough Diamond Cutting and Polishing 鑽石毛坯切割及打磨

Processed **200,000+** carats of diamond in FY2017  
於2017財政年度加工超過200,000卡鑽石

## Midstream 中游



### Product Development 產品研發

**580+** employees in Chow Tai Fook Jewellery Creative Centre  
周大福珠寶創意中心擁有超過580名員工

### Manufacturing and Quality Assurance 製造及品質保證

**60%+** of our gem-set jewellery (in retail sales volume) were produced in our 4 production sites in Greater China. In addition, all products are required to undergo stringent quality control procedures  
超過六成已售的珠寶鑲嵌首飾(按銷量計)乃於我們位於大中華的4處生產基地所生產。此外，所有產品均需經過嚴格的品質監控程序

### Logistics and Distribution 物流及配送

Automated facilities in Logistics and Distribution Centre in Shunde enable more frequent inventory replenishment and enhance inventory turnover  
順德物流及配貨中心的自動化設施能提高配貨次數及改善存貨周轉

## Downstream 下游

### Products Sold 產品銷量

**15+** million 百萬 pieces of product  
件產品

### Retail Network 零售網絡

**2,300+** POS零售點 covering more than 500 cities in Mainland China, Hong Kong, Macau and other markets  
遍佈中國內地、香港、澳門及其他市場500多個城市




### E-commerce 電子商務

**40+** e-commerce platforms  
逾40個電子商務平台

# Chairman's Statement

## 主席報告書



Although there is still a long way to a full-fledged recovery for our operations, we will remain focused in striving for sustainable growth by meticulously executing our initiatives. Adhering to our core value of "Sincerity · Eternity", we shall maintain an excellent standard in our products and services so as to fortify our iconic and trusted brand value.

儘管我們業務全面復甦之路依然漫長，但我們將仔細地執行各項措施，致力推動可持續增長。我們繼續秉承「真誠·永恒」的核心價值，保持產品及服務的卓越水平，進一步鞏固我們具標誌性且備受信賴之品牌價值。



## Dear shareholders,

I am pleased to present the annual results of the Group for FY2017. Despite challenging business dynamics, we continued to strive for excellence in our products and services while sharpening our competitive edges as an industry pioneer during FY2017. Encouragingly, our operations showed signs of stabilisation during 2HFY2017. We remain vigilant to ensure that the Group will emerge stronger and be better positioned for future growth.

## Performance review

The Group registered a decrease in revenue of 9.4% year-on-year to HK\$51,246 million in FY2017. Despite a negative full year sales performance, the tide began to turn in our operations in 2HFY2017. Revenue grew by 4.4% year-on-year in 2HFY2017, a remarkable improvement compared to a 23.5% year-on-year decline in 1HFY2017. Benefitting partially from this improving trend, profit attributable to shareholders of the Company rose by 3.9% to HK\$3,055 million during FY2017, while earnings per share were HK30.6 cents.

The Board has proposed a final dividend and a special dividend of HK10 cents and HK20 cents per share, respectively.

## Pursuing sustainable growth

We carried out a number of initiatives and embarked on new ones during FY2017 to ensure sustainable growth of the Group. All such initiatives shall provide us with a strong foundation to ride the wave of Mainland China's "new normal" economy — one in which growth is mainly driven by consumption and science-oriented innovation takes on great significance to improve the quality of growth and standard of living, as set out in the 13<sup>th</sup> Five-Year Plan (2016–2020) on National Economic and Social Development ("13<sup>th</sup> FYP"). We are constructive that under this national direction, the structure of consumption will be elevated as consumers become wealthier, more tech-savvy and sophisticated in buying habits.

To capitalise on these evolving consumption changes, we have been taking the lead to transform and enhance various aspects of our business, especially through the application of technology and innovation.

## 各位股東：

本人欣然呈列本集團2017財政年度的全年業績。儘管2017財政年度營商環境充滿挑戰，但我們在產品及服務上堅持精益求精，同時提升競爭優勢，成為行業先驅。值得鼓舞的是，我們的經營業務於2017財政年度下半年漸趨穩定。我們將保持警惕，確保本集團作好充份的準備以迎接未來的增長。

## 表現回顧

2017財政年度，本集團營業額按年下降9.4%至51,246百萬港元。雖然全年銷售表現錄得負增長，但經營業務於2017財政年度下半年開始回升。2017財政年度下半年的營業額按年增長4.4%，較上半年度按年下降23.5%有明顯改善。2017財政年度本公司股東應佔溢利上升3.9%至3,055百萬港元，每股盈利則為30.6港仙，部分原因乃受惠於下半年度的營業額升勢。

董事會建議派付末期股息每股10港仙及特別股息每股20港仙。

## 推動可持續增長

我們於2017財政年度實行多項措施，同時推行新計劃，以確保本集團可持續增長。種種措施為我們奠定穩健的基礎，捕捉中國內地經濟發展「新常態」的勢頭，如國民經濟和社會發展第十三個五年（2016年–2020年）規劃綱要（「國家十三五規劃」）所載，「新常態」的經濟主要由推動消費及科技創新引領增長，著重提升人民生活質數和水平。在這個國家指引下，隨著消費者財富增加，愈來愈精通科技且其購物習慣愈趨成熟，消費架構將會有所改善。

為把握消費模式轉變的機遇，我們一直作先驅，改變及提升業務各個範疇，特別是科技應用及創新。

## Chairman's Statement 主席報告書

We have launched “Smart+” initiatives in which Internet technology, smart devices and big data are used to understand customer preferences. Our inventory and logistics management have been streamlined to achieve greater supply chain efficiency through the use of automated technology. Revamp of store image and in-store layout, as well as store segmentation, are in progress to provide brand new shopping experience. With e-commerce accounting for 9.3% of our retail sales volume in Mainland China in FY2017, we have been focusing in deepening O2O interactions, such as channelling online traffic to physical stores and extracting synergies through innovative channels.

We have also been adapting to the fast changing preference of Chinese consumers. Differentiated and diversified products have been added to our portfolio to target different customer segments. CHOW TAI FOOK T MARK diamond brand, a disruptive innovation and revolutionary product offering, was launched during FY2017. This was a major milestone for the Group as a breakthrough on the current industry practice by displaying to customers the complete life journey of a diamond from its source, made possible by state-of-the-art technology on the backbone of our vertically integrated business model.

### Outlook

Mainland China is on track to become a consumption led economy and a moderately prosperous society, which bodes well for the retail industry, especially the luxury sector, in the long term. Despite an economic slowdown, Mainland China's GDP growth in absolute terms still remains to be the highest in the world. Coupled with the continuing trends of income increase, expansion of the middle-income class and urbanisation, abundant growth potentials still persist. Under the 13<sup>th</sup> FYP, the Chinese government will implement measures to foster a conducive consumer environment, which will help to re-shore overseas consumption back to Mainland China and revitalise domestic luxury consumption. The “new normal” economy, characterised by slowing but quality growth, is expected to propel the nation to a stable, healthy and sustainable long-term development. We are fully confident of and optimistic about the long-term prospects of Mainland China.

In Hong Kong and Macau, the retail industry is undergoing structural changes inevitably as travel patterns and spending preferences of Chinese tourists have changed. Nevertheless, the two cities' well-established infrastructure, high degree of internationalisation, mature legal systems, tax-free shopping environment as well as high-quality customer service, give them a solid competitive edge in the long run. Hong Kong has been ranked as the world's freest economy by the Heritage Foundation for the 23<sup>rd</sup> consecutive year, reaffirming the city's strong underlying fundamentals and status as the world's most competitive financial and business hub.

我們已推出「Smart+」計劃，利用互聯網技術、智能設備及大數據了解顧客的喜好。我們精簡了存貨及物流管理，利用自動化技術提高供應鏈效率。同時，我們正重塑店舖形象及店內設計，並進行店舖差異化，致力為顧客提供嶄新的購物體驗。隨著2017財政年度，電子商務佔我們中國內地銷量的9.3%，我們著力加強線上線下互動，將線上客流引入實體店，並透過不同的創新渠道締造協同效益。

此外，我們一直就中國消費者快速變化的喜好，按不同的目標顧客群，在我們的產品組合中注入與眾不同及多元化的產品。2017財政年度，我們推出周大福T MARK鑽石品牌，此乃顛覆創新的產品，以尖端科技打造，並有垂直整合業務模式作支撐，突破了行業慣例，從鑽石源頭開始向顧客展示鑽石完整的生命旅程，為本集團的重大里程碑。

### 展望

中國內地的經濟正走向消費主導，社會亦逐步繁榮富庶，長遠有利零售業的發展，特別是奢侈品行業。即使中國內地經濟放緩，但國內生產總值增長的絕對值依然保持全球最高。加上國民的收入持續上升，中產階層增加以及城鎮化發展持續，中國經濟增長潛力依然龐大。根據國家十三五規劃，中國政府將落實措施營造放心便利的消費環境，有助促進海外消費回流並刺激國內奢侈品消費。「新常態」經濟的特點是增長放緩但具質量，預期有助國家達致穩健且可持續的長遠發展。我們對中國內地的長遠前景樂觀並充滿信心。

至於香港及澳門，隨著國內遊客的旅遊模式和消費喜好的轉變，零售業不得不進行結構性改變。然而，港澳兩地擁有完善的基建、高度國際化的環境、成熟的法制、再加上免稅購物和優質的客戶服務，長遠為兩地提供鞏固的競爭優勢。香港連續23年獲美國傳統基金會評為全球最自由經濟體，重申香港強勁的基本因素以及全球最具競爭力的金融及商業中心的地位。

Although there is still a long way to a full-fledged recovery for our operations, we will remain focused in striving for sustainable growth by meticulously executing our aforementioned initiatives. We have started to provide a holistic jewellery retail solution on a global scale by leveraging our vertically integrated business model. Last but not least, adhering to our core value of “Sincerity • Eternity”, we shall maintain an excellent standard in our products and services so as to fortify our iconic and trusted brand value.

I would like to take this opportunity to express my gratitude to my fellow Board members for their strategic guidance and the management and staff for their dedicated efforts and invaluable contributions over the years. I also thank our shareholders, business partners and customers for their long-term support and trust.

**Dr. Cheng Kar-Shun, Henry**

*Chairman*

Hong Kong, 8 June 2017

儘管業務全面復甦之路依然漫長，但我們將仔細執行上述措施，致力推動可持續增長。另外，我們開始利用垂直整合業務模式，提供全球性的全方位珠寶零售解決方案。最後，我們繼續秉承「真誠•永恒」的核心價值，保持產品及服務的卓越水平，進一步鞏固我們具標誌性且備受信賴之品牌價值。

本人謹此對董事會同仁的策略性指導、管理層及員工多年來不懈的努力與寶貴的貢獻致以衷心的謝意。本人亦感謝股東、業務夥伴及顧客長期的支持及信任。

主席

**鄭家純博士**

香港，2017年6月8日

# Managing Director's Strategic Report 董事總經理策略報告



FY2017 continued to be a challenging year to the Group as the operating environment remained uncertain. In particular, Greater China has now entered into a macro-economic adjustment phase after years of robust growth. Riding on this surging tide of change, we have focused on fostering new growth drivers through seizing various opportunities that fit in our business strategies and harnessing technological innovations in our key operations. Alongside an improving momentum since 2HFY2017, we believe all these strategic developments would lead to a sustainable future for the Group.

2017財政年度的營商環境仍不明朗，對本集團而言繼續為充滿挑戰的一年。尤其是，大中華的經濟經過多年強勁增長後，現正步入宏觀經濟調整期。我們乘著洶湧變革之勢，捕捉符合我們業務策略的不同商機，於關鍵經營業務上堅持技術創新，著力蘊育業務新增長動力。隨著自2017財政年度下半年逐升的增長動力，我們相信種種的策略性發展將達致本集團日後可持續的增長。

Riding with this surging tide of change, we have been focusing on fostering new growth drivers through seizing various opportunities that fit in our business strategies and harnessing technological innovations in our key operations.

我們乘著洶湧變革之勢，捕捉符合我們業務策略的不同商機，於關鍵經營業務上堅持技術創新，著力蘊育業務新增長動力。

## Market development

Luxury retail market in Hong Kong and Macau has long been benefitting from the influx of tourists especially those from Mainland China. However, we have experienced a continuous reverse trend in recent years mainly due to tourists' changing shopping preferences and the decline in foot traffic to the region. To navigate the situation, we optimised our retail network by closing 9 POS in FY2017 in touristic areas, and we further expect to close a few more POS in FY2018 in order to enhance our overall store productivity. At the same time, we recognise the importance of tapping into the local demand and spending power, as more than half of our revenue in Hong Kong and Macau was generated from local customers. To this end, we remain open to store openings in residential neighbourhood as long as these investments are accretive to our business.

Mainland China is undergoing an adjustment phase after trajectory economic growth in previous years. Under the changing retail landscape in the region, we moderated our store expansion plan and opened a net of 67 POS in FY2017, which was far below our average annual net openings in prior years. As the current market condition is likely to persist driven by the evolving shopping preferences of the Chinese customers, we will remain selective in POS expansion.

Apart from Greater China, we also expanded our footprint to overseas markets. In FY2017, we added 3 POS in Korea, Malaysia and the United States with a view to capitalise the business potentials from the Chinese customers in these countries. Under our vertically integrated business model, we are in progress of reaching out to the U.S. wholesale business for polished diamonds and jewellery with branded retailers. We also envision to transform our retail know-how to consultancy services to other retailers, a strategy recognised as an integral part of our sustainable growth in the future.

## 市場發展

一直以來，香港及澳門的奢侈品零售市場受惠於大批遊客到訪，特別是來自中國內地的遊客。然而，遊客購物喜好的轉變和兩地客流的減少，令零售市場的浩大的聲勢於近年持續逆轉。為此，我們於2017財政年度優化零售網絡，關閉9個位於旅遊區的零售點，預計於2018財政年度將進一步關閉數個零售點，以提升我們整體店舖生產力。同時，由於我們香港及澳門市場的營業額過半來自本地顧客，故此迎合本地需求，吸納本土的消費力極為重要。因此，我們對於住宅區開設新店持開放態度，但前提是該等投資必須對業務有利。

中國內地的經濟經過多年的高速增長後，現步入調整期。隨著中國內地零售市場環境的轉變，我們適度放慢店舖擴張計劃，於2017財政年度淨開設67個零售點，遠少於過往數年每年平均淨開店數目。受中國內地顧客購物喜好轉變的影響，相信現時市況將會持續，故此我們將繼續選擇性地擴張零售點。

除大中華外，我們亦於海外市場擴充業務版圖。2017財政年度，我們於韓國、馬來西亞及美國開設3個零售點，藉以捕捉當地華人顧客的潛力。在我們垂直整合業務模式之下，我們正開始與品牌零售商於美國發展已打磨鑽石及珠寶之批發業務。另外，我們計劃利用本身具備的零售專業知識向其他零售商提供顧問服務，此策略為我們日後可持續發展的重要一環。



# Managing Director's Strategic Report 董事總經理策略報告

## Customer experience

The 13<sup>th</sup> FYP in Mainland China has identified innovation as one of the five new tenets of the country's economic and social development. Going towards this direction, we spearhead innovation to deliver extraordinary products, services and experience to our customers.

Leveraging the strength of our business model and employing state-of-the-art technology, we successfully launched CHOW TAI FOOK T MARK diamond brand in August last year. This initiative is embedded with our new "4Ts" concept — transparent, traceable, thoughtful and truthful, which revolutionises the current industry practice by enabling customers to witness the life cycle of a diamond from its source. To further elevate our brand equity and design offerings, we refreshed our gem-set jewellery portfolio by launching more fashion diamond jewellery and Hearts On Fire products including the "Hearts On Fire by Stephen Webster — White Kites" and "Triplixity" Collections in FY2017. Riding on the popularity of blockbusters and characters such as Disney's "Star Wars" and "Tsum Tsum", we also rolled out licensed collections to meet customers' demand.

At the same time, customers' appetite is also gearing towards lifestyle and experiential luxuries, as evidenced by their personalised and diversified needs. For that purpose, we accommodated the increasingly affluent and sophisticated customers through store differentiation. We also refreshed the in-store display segmenting our merchandises by different themes tailoring to customers' needs. Moreover, as an integral part of our strategy to deliver unique and personalised customer experience, we offered diversified products and collections through a multi-brand strategy. Notable examples include our new brand "Monologue" which opened its first store last year focusing on fashion jewellery for younger generations, and "SOINLOVE" which debuted in May this year tapping the potential from the wedding market in Mainland China.

E-commerce and O2O interactions will continue to reshape the retail industry in the years ahead. To seize the opportunities arising from these trends, we levered on our extensive retail network paired with our new inventory unification system to collaborate with online platform partners and launched the online order distribution programme in FY2017. This programme enabled our customers to enjoy jewellery deliveries directly from our nearby POS in shorter delivery time. O2O synergies were fully extracted by establishing closer relationship between our physical stores and online customers.

## 顧客體驗

據中國內地的國家十三五規劃所示，創新為國家經濟和社會發展的五個新理念之一。我們朝這方向，著力創新，為顧客提供非凡的產品、服務及體驗。

憑藉我們業務模式的優勢和尖端科技，我們於去年8月成功推出周大福T MARK鑽石品牌。此品牌蘊涵我們嶄新的「4Ts」概念——可知、可尋、可頌及可信，徹底改變現時鑽石行業慣例，可讓顧客從源頭追溯鑽石的生命旅程。為進一步提升品牌信譽及豐富設計選擇，我們於2017財政年度增推時尚鑽石珠寶首飾以及Hearts On Fire產品，包括「Hearts On Fire by Stephen Webster — White Kites」及「Triplixity」系列，將我們珠寶鑲嵌首飾的產品組合煥然一新。此外，我們亦乘著賣座電影及受歡迎的卡通人物熱潮，如迪士尼「星球大戰」及「Tsum Tsum」，推出授權系列以滿足顧客的需求。

此外，顧客的購物口味漸趨個性化及多元化，證明他們對生活品味和奢華體驗的追求。為此，我們實行店舖差異化，以滿足富裕且具品味的顧客。我們亦翻新了店內陳列，按不同主題劃分以切合顧客需要。此外，為實踐向顧客提供獨特個性化體驗的策略，我們透過多品牌策略提供多元化的產品及系列，最為明顯有我們的新品牌「Monologue」，該品牌去年開設首間店舖，主攻年青人市場；而另一品牌「SOINLOVE」則於今年5月開設首間店舖，主攻中國內地潛力龐大的婚慶市場。

電子商務及線上線下互動將繼續重塑未來的零售業。為把握電子商務及線上線下互動所帶來的商機，我們於2017財政年度將龐大的零售網絡與全新統一存貨系統連繫，與線上平台夥伴合作，推出線上訂單分配計劃。該計劃可讓附近的零售點直接向顧客送貨，縮短送貨時間。我們的實體店因而能夠與線上客戶建立緊密關係，全面產生線上線下協同效益。



## “Smart+” initiatives

We recognise the importance of harnessing technology and big data analytics to achieve business growth over the long run. Our “Smart+” initiatives kicked off in 2014 and had since supported us in fostering O2O interactions, further enhancing our operational efficiency and staying responsive to the ever-changing retail landscape.

During the financial year, we continued to invest in our supply chain infrastructure. Our Logistics and Distribution Centre located in Shunde commenced its operations with automated facilities and capability of analysing stock movement to enhance efficiency of our inventory planning, distribution and replenishment. In addition, Chow Tai Fook Jewellery Park in Wuhan plays an important role in optimising our production processes by leveraging automation and artificial intelligence. The operation of its E-commerce Centre was kicked off in September last year and it currently supports the distribution and logistics of more than one-third of our e-commerce sales volume. We expect this ratio to further increase in the coming years.

Investing in big data analytics also forms a critical corporate strategy to draw valuable insights on customers’ behaviour. One of our smart devices, the RFID-embedded “Smart Tray”, serves as our sales assistant to deliver seamless customer experience. More importantly, information collected during the course of serving would be transformed into responsive and apt business actions via big data deliverables such as trend prediction, inventory planning and assortment. Most of our POS in Hong Kong have already deployed the “Smart Tray” in FY2017, and we are progressively extending its use to our retail network in Macau and Mainland China.

To further utilise big data analytics to facilitate our business decision making, we established Data Intelligence Space in both Hong Kong and Mainland China. The Space is managed by our professional team tasked with data analytics management covering a wide spectrum of strategic planning projects and initiatives.

## 「Smart+」計劃

我們深明應用科技和大數據分析的重要，此舉長遠有助我們達成業務增長。我們的「Smart+」計劃自2014年開始，一直支援我們的線上線下互動，推動提升我們的營運效率，及時回應多變的零售市場環境。

本財政年度，我們繼續投資供應鏈基建。我們位於順德的物流及配貨中心已開始營運，其中自動化設施及分析存貨流向的功能有助提升我們的存貨規劃、配送及補貨的效率。此外，武漢的周大福珠寶文化產業園利用自動化及人工智能，對優化生產工序方面極為重要。旗下的電子商務中心於去年9月正式開始營運，現支援我們超過三分之一電子商務銷量的物流配送，預計有關比例將於未來幾年持續提升。

投資大數據分析也是我們重要的公司策略，以了解顧客行為的寶貴資訊。我們智能設備之一、具內置無線射頻識別(RFID)技術的「智能奉客盤」，能發揮銷售助理的功能，提供無縫的顧客體驗。更重要的是，向顧客提供服務時所收取的資訊將透過大數據分析結果(如趨勢預測、存貨規劃及種類)並轉化為及時適當的業務行動。2017財政年度，香港大部分零售點已採用「智能奉客盤」，我們會逐步推展至澳門及中國內地的零售網絡。

為方便利用大數據分析作我們的業務決策，我們於香港及中國內地設立數據智能空間，並由專業團隊管理，專責對多項策略性規劃項目及計劃之數據進行分析管理。

# Managing Director's Strategic Report 董事總經理策略報告

## Corporate social responsibility

Chow Tai Fook sustainability framework is characterised by our corporate core value of "Sincerity • Eternity", which guides us to operate with integrity and act as a responsible corporate citizen. During the financial year, we rebranded "Do Good" programme as part of our ongoing commitment to execute corporate social responsibility initiatives. Chow Tai Fook cares for the community because we believe it is our corporate responsibility to meet the needs of society. We therefore strive to accomplish the mission by committing resources to sustainable development in the community. Our desire to care for and create a better world is well represented and inspired by our corporate culture of giving and caring.

## Looking forward

Over our 88-year operating history, we have witnessed and experienced various economic ups and downs. Nevertheless, we continue to maintain a strong financial position with support from our strong vertically integrated business model and extensive retail network. History proved that we have been consistently capable of riding the wave of economic growth and weathering various downturns in the previous decades. In this respect, we believe Chow Tai Fook is well-placed to achieve sustainable business growth and development as our quick response to market changes, relentless efforts in driving innovation in customer experience and optimisation of our business operations have been bearing fruit. We believe Chow Tai Fook will maintain its status as one of the renowned jewellery industry players in the years to come.

**Mr. Wong Siu-Kee, Kent**

*Managing Director*

Hong Kong, 8 June 2017

## 企業社會責任

周大福持續發展架構環繞著我們「真誠·永恒」的企業核心價值，指引我們以誠經營及成為負責任的企業公民。我們於本財政年度重塑「Do Good」計劃，作為我們持續履行企業社會責任及承擔之一部分。周大福關心社區，因為我們相信顧及社會需要乃我們的企業責任。因此，我們承諾就社區的可持續發展投放資源，致力履行企業責任。我們施予、關懷的企業文化正好代表及驅使我們對美好世界追求的意願。

## 展望

在88年的經營歷史中，我們見證和經歷了多次的經濟高低起伏。然而，在強大的垂直整合業務模式和龐大的零售網絡之支持下，我們一直保持穩健的財務狀況。我們的往績證明過去數十年，我們貫徹成功捕捉經濟的升浪、衰退時亦能自處的本領。就此，鑒於我們迅速回應市場轉變、著力以創新方式提供顧客體驗，優化業務營運已取得成果，我們相信周大福已準備就緒，隨時迎接可持續的業務增長及發展。未來，我們深信周大福會保持其知名珠寶商的地位。

董事總經理

**黃紹基先生**

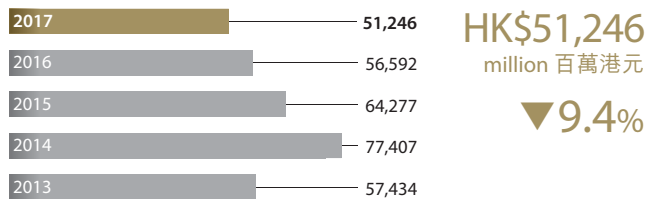
香港，2017年6月8日

# Financial and Operational Highlights

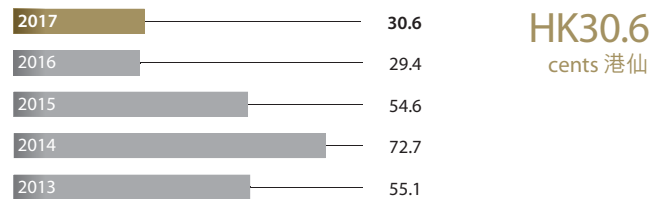
## 財務及營運摘要

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

### Revenue 營業額 (HK\$ million 百萬港元)

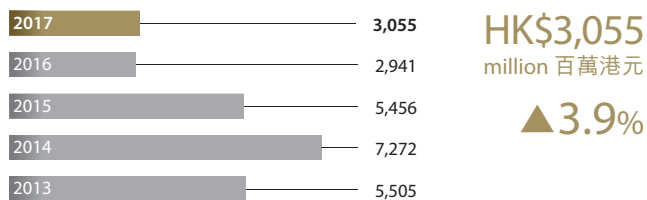


### Earnings per share 每股盈利 (HK cent 港仙)



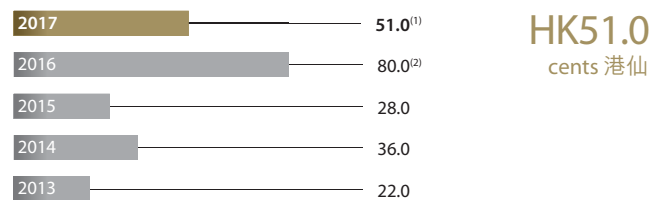
### Profit attributable to shareholders of the Company

本公司股東應佔溢利 (HK\$ million 百萬港元)



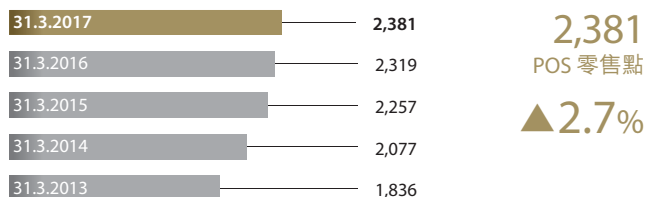
### Full year and special dividends per share

每股全年及特別股息 (HK cent 港仙)

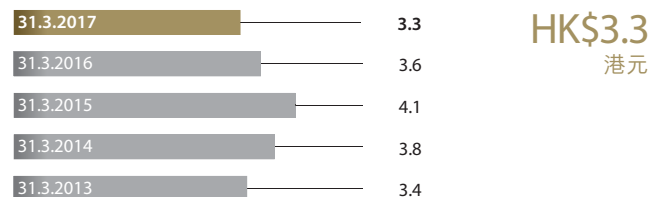


As at 於

### POS 零售點



### Net assets per share 每股資產淨額 (HK\$ 港元)



(1) Being a total of full year dividend of HK16.0 cents and special dividend of HK35.0 cents

(2) Being a total of full year dividend of HK16.0 cents and special dividend of HK64.0 cents

(1) 全年股息 16.0 港仙及特別股息 35.0 港仙的總計

(2) 全年股息 16.0 港仙及特別股息 64.0 港仙的總計

# Financial and Operational Highlights 財務及營運摘要

For the year ended 31 March	截至3月31日止年度	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元
Revenue	營業額	57,434	77,407	64,277	56,592	51,246
Gross profit	毛利	16,283	21,152	19,072	15,641	14,963
Core operating profit <sup>(1)</sup>	主要經營溢利 <sup>(1)</sup>	7,106	9,500	6,691	5,050	4,649
Profit for the year	年度溢利	5,678	7,449	5,536	2,979	3,151
Profit attributable to shareholders of the Company	本公司股東應佔溢利	5,505	7,272	5,456	2,941	3,055
Earnings per share (HK cent)	每股盈利(港仙)	55.1	72.7	54.6	29.4	30.6
Dividend per share (HK cent)	每股股息(港仙)					
Full year dividend (HK cent)	全年股息(港仙)	22.0	36.0	28.0	16.0	16.0
Special dividend (HK cent)	特別股息(港仙)	-	-	-	64.0	35.0
Gross profit margin	毛利率	28.4%	27.3%	29.7%	27.6%	29.2%
Adjusted gross profit margin <sup>(2)</sup>	經調整後的毛利率 <sup>(2)</sup>	28.1%	27.7%	29.2%	28.9%	28.5%
Core operating profit margin <sup>(1)</sup>	主要經營溢利率 <sup>(1)</sup>	12.4%	12.3%	10.4%	8.9%	9.1%
Net profit margin	淨溢利率	9.9%	9.6%	8.6%	5.3%	6.1%
Full year dividend payout ratio <sup>(3)</sup>	全年派息率 <sup>(3)</sup>	40.0%	49.5%	51.3%	54.4%	52.3%

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

- (1) 主要經營溢利及主要經營溢利率並非按國際財務報告準則計算，指經調整後的毛利及其他收益的合計，減銷售及分銷成本以及一般及行政開支，本公司相信此等數據有助更透徹了解其經營表現及核心業務的實際趨勢
- (2) 經調整後的毛利率並非按國際財務報告準則計算，扣除了黃金借貸的未變現對沖虧損/(收益)的影響，本公司相信此數據有助更透徹了解其經營表現及業務的實際趨勢
- (3) 不包括特別股息

For the year ended 31 March	截至3月31日止年度	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	7,663	9,465	7,288	5,787	5,702
Net cash from/(used in) operating activities	經營活動所得/(所用)現金淨額	10,030	(5,420)	7,568	13,897	6,252
Net cash from/(used in) investing activities	投資活動所得/(所用)現金淨額	(1,113)	(1,727)	(3,093)	(1,045)	(1,147)
Net cash from/(used in) financing activities	融資活動所得/(所用)現金淨額	(10,623)	8,221	(5,472)	(8,008)	(9,771)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	(1,705)	1,074	(996)	4,845	(4,667)
Capital expenditure	資本開支	(1,174)	(1,368)	(2,768)	(1,046)	(862)
Pro forma free cash flows <sup>(4)</sup>	備考自由現金流 <sup>(4)</sup>	8,151	(412)	2,764	10,690	1,989

- (4) Net cash from/(used in) operating activities less purchase of jewellery collectibles, capital expenditures and net movements for gold loans

- (4) 經營活動所得/(所用)現金淨額減購買珠寶珍藏、資本開支及黃金借貸淨變動

As at 31 March	於 3 月 31 日	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元
Non-current assets	非流動資產	3,442	4,263	7,038	6,670	7,133
Current assets	流動資產	39,777	57,554	54,083	49,005	42,269
Current liabilities	流動負債	8,413	22,507	19,880	18,764	15,788
Net current assets	流動資產淨額	31,364	35,047	34,203	30,241	26,480
Net assets	資產淨額	33,861	38,452	40,541	35,750	32,502
Total assets	資產總額	43,219	61,817	61,121	55,675	49,402
Inventories	存貨	27,315	42,544	39,798	31,377	29,259
Bank deposits and cash equivalents <sup>(5)</sup>	銀行存款及現金等價物 <sup>(5)</sup>	8,331	9,972	8,478	13,001	7,943
Bank borrowings	銀行貸款	1,000	6,300	6,751	7,920	6,793
Gold loans	黃金借貸	4,836	10,787	8,338	6,513	3,216
Net debt/(cash) <sup>(6)</sup>	債項／(現金)淨額 <sup>(6)</sup>	(2,495)	7,115	6,611	1,432	2,066
Net assets per share (HK\$)	每股資產淨額(港元)	3.4	3.8	4.1	3.6	3.3
Net gearing ratio <sup>(7)</sup>	淨資本負債比率 <sup>(7)</sup>	N/A 不適用 <sup>(8)</sup>	18.5%	16.3%	4.0%	6.4%
Inventory turnover period (day) <sup>(9)</sup>	存貨周轉期(天數) <sup>(9)</sup>	242	276	320	279	294
Return on equity <sup>(10)</sup>	股本回報率 <sup>(10)</sup>	16.8%	19.4%	13.7%	8.3%	9.7%

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

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

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

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

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

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

Note: The percentages calculated are subject to minor rounding differences

(5) 包括銀行結餘及現金、已抵押銀行存款及短期銀行存款

(6) 銀行貸款及黃金借貸之總額(扣除銀行存款及現金等價物)

(7) 銀行貸款及黃金借貸之總額(扣除銀行存款及現金等價物)除以權益總額

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

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

(10) 年內溢利除以年末權益總額

附註：百分比計算結果或略有進位差異

# Financial and Operational Highlights 財務及營運摘要

For the year ended 31 March	截至3月31日止年度	2013	2014	2015	2016	2017
<b>Mainland China</b>	<b>中國內地</b>					
SSSG	同店銷售增長	(3.0)%	17.2%	(15.6)%	(9.6)%	(5.2)%
SSS volume growth	同店銷量增長	(5.2)%	33.1%	(15.8)%	(8.4)%	(15.8)%
<b>Hong Kong and Macau</b>	<b>香港及澳門</b>					
SSSG	同店銷售增長	(3.8)%	20.2%	(32.8)%	(21.7)%	(12.4)%
SSS volume growth	同店銷量增長	2.5%	40.3%	(27.7)%	(23.9)%	(18.8)%
<b>Retail sales volume (unit)</b>	<b>銷量 (件數)</b>					
Mainland China	中國內地	9,888,000	14,556,000	13,637,000	13,280,000	12,004,000
Hong Kong, Macau and other markets	香港、澳門及其他市場	3,861,000	6,109,000	4,907,000	3,971,000	3,152,000

As at 31 March	於3月31日	2013	2014	2015	2016	2017
<b>POS network<sup>(10)</sup></b>	<b>零售點網絡<sup>(10)</sup></b>					
Mainland China	中國內地	1,731	1,965	2,124	2,179	2,246
Hong Kong	香港	80	86	93	89	83
Macau	澳門	15	16	19	20	19
Taiwan	台灣	8	8	16	23	22
Korea	韓國	–	–	1	4	5
Malaysia	馬來西亞	1	1	1	1	2
Singapore	新加坡	1	1	1	1	1
United States	美國	–	–	2	2	3
Total	總計	1,836	2,077	2,257	2,319	2,381

(10) SIS and CIS excluded

(10) 不包括店中店及店內專櫃





# Management Discussion and Analysis

管理層討論與分析

## Management Discussion and Analysis 管理層討論與分析

## Business Review

## 業務回顧

In response to changing customer preferences and market uncertainties, we remained focused in seizing business opportunities and enhancing store productivity through optimising our network portfolio. Striving to enrich customer experience, we strengthened our product offerings and implemented store differentiation and multi-brand strategy.

我們繼續專注優化網絡組合，把握商機及提高店舖產能，以應對顧客喜好的轉變及市場的不明朗因素。我們加強了產品組合，實行店舖差異化和多品牌策略，致力豐富顧客購物體驗。

## Group

## Revenue

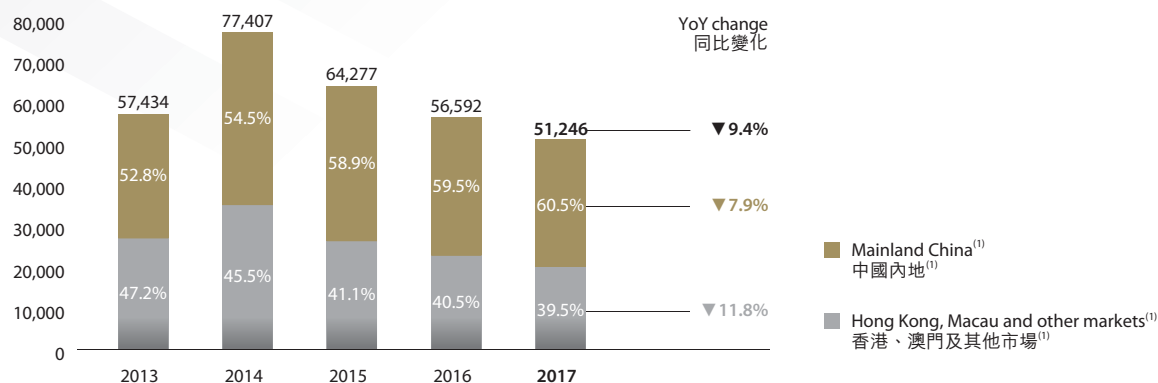
## Revenue by reportable segment

## 集團

## 營業額

## 按可呈報分部劃分的營業額

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



Revenue (HK\$ million)		1HFY2016	2HFY2016	1HFY2017	2HFY2017	1HFY YoY change 財政年度 上半年 同比變化	2HFY YoY change 財政年度 下半年 同比變化
營業額 (百萬港元)		2016 財政 年度上半年	2016 財政 年度下半年	2017 財政 年度上半年	2017 財政 年度下半年		
Mainland China <sup>(1)</sup>	中國內地 <sup>(1)</sup>	16,660	17,011	12,851	18,169	▼22.9%	▲6.8%
Hong Kong, Macau and other markets <sup>(1)</sup>	香港、澳門及其他市場 <sup>(1)</sup>	11,464	11,457	8,675	11,551	▼24.3%	▲0.8%
Overall	整體	28,124	28,468	21,526	29,720	▼23.5%	▲4.4%

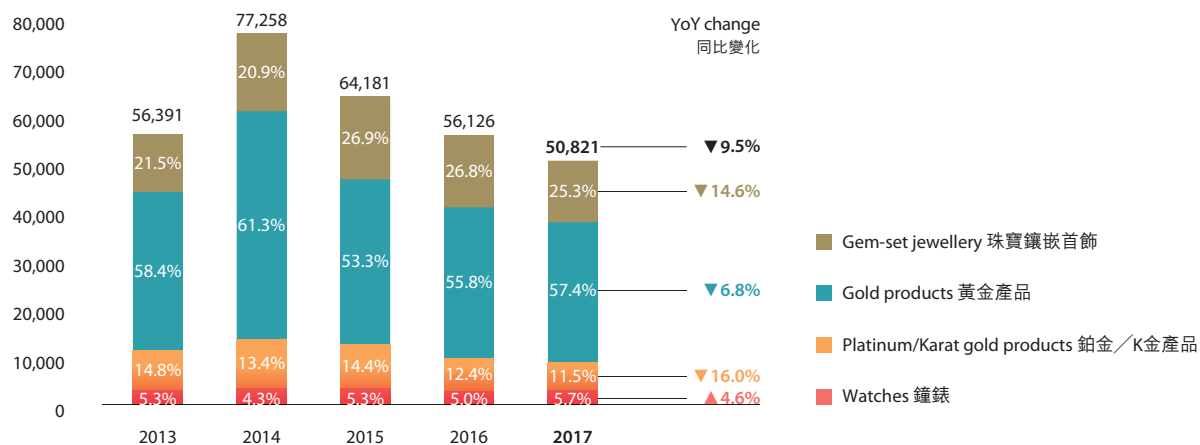
(1) In FY2016, the Group's reportable segments included (i) Mainland China — Jewellery business, (ii) Mainland China — Watch business, (iii) Hong Kong, Macau and other markets and (iv) Hearts On Fire. In FY2017, in the course of organisational restructuring and business integration, we combined the former Mainland China — Jewellery and Mainland China — Watch segments into one reportable segment, called Mainland China. Furthermore, the former Hearts On Fire segment, which included Hearts On Fire retail business in the U.S. and Taiwan and wholesale business with retailers globally, was integrated into the Hong Kong, Macau and other markets segment. Following these changes, the Group's new reportable segments included (i) Mainland China and (ii) Hong Kong, Macau and other markets

(1) 於2016財政年度，本集團的可呈報分部包括(i)中國內地—珠寶業務；(ii)中國內地—鐘錶業務；(iii)香港、澳門及其他市場；及(iv)Hearts On Fire。於2017財政年度，於架構重組和業務整合過程中，我們將前中國內地—珠寶業務與中國內地—鐘錶業務分部合併為單一可呈報分部，稱之為中國內地。另外，前Hearts On Fire分部(包括美國及台灣Hearts On Fire零售業務以及與分銷商進行的全球批發業務)則併入香港、澳門及其他市場分部。上述變動後，本集團新可呈報分部包括(i)中國內地；及(ii)香港、澳門及其他市場

- Revenue contribution from Mainland China increased steadily over the past few years, and contributed to over 60% of the Group's revenue in FY2017.
  - Full year revenue declined by 9.4% to HK\$51,246 million with an improving trend noted in 2HFY2017. As operations stabilised, revenue grew by 4.4% year-on-year in 2HFY2017, a remarkable improvement versus a year-on-year decline of 23.5% in 1HFY2017.
  - Both reportable segments showed encouraging signs of turnaround in 2HFY2017. Hong Kong, Macau and other markets returned to a revenue growth of 0.8% during 2HFY2017 whereas Mainland China recorded an even stronger rebound of 6.8% year-on-year.
- 中國內地過去數年的營業額貢獻穩步上升，於2017財政年度佔集團營業額超過60%。
  - 全年營業額下降9.4%至51,246百萬港元，於2017財政年度下半年則呈回升之勢。隨著經營業務趨穩，2017財政年度下半年的營業額按年增長4.4%，相對2017財政年度上半年按年下降23.5%有顯著改善。
  - 兩個可呈報分部於2017財政年度下半年均呈令人鼓舞的回升跡象。香港、澳門及其他市場於2017財政年度下半年的營業額上升0.8%，而中國內地按年更顯著回升6.8%。

### Revenue by product<sup>(2)</sup>

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



(2) Revenue from jewellery trading and service income from franchisees excluded

(2) 不包括來自珠寶貿易的營業額及加盟商的服務收入

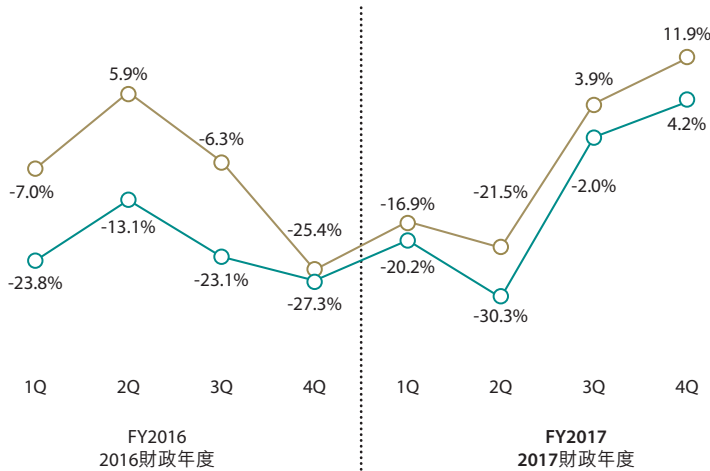
% of revenue 營業額佔比		1HFY2016 2016財政年度 上半年	2HFY2016 2016財政年度 下半年	1HFY2017 2017財政年度 上半年	2HFY2017 2017財政年度 下半年
Gem-set jewellery	珠寶鑲嵌首飾	26.6%	27.1%	27.2%	24.0%
Gold products	黃金產品	55.7%	55.9%	53.6%	60.1%
Platinum/Karat gold products	鉑金/K金產品	12.7%	12.1%	12.9%	10.6%
Watches	鐘錶	5.0%	4.9%	6.3%	5.4%

- A higher revenue contribution from gold products was seen in FY2017, especially during 2HFY2017 as gold price weakened.
  - Revenue contribution from gold products reached 60.1% in 2HFY2017, up 420 basis points year-on-year and 650 basis points when compared to 1HFY2017.
- 2017財政年度，黃金產品的營業額貢獻上升，尤其下半年度因黃金價格偏軟帶動黃金產品銷售。
  - 2017財政年度下半年黃金產品的營業額貢獻為60.1%，按年上升420個基點，較2017財政年度上半年上升650個基點。

# Management Discussion and Analysis 管理層討論與分析

## SSSG

### SSSG by major market



## 同店銷售增長

### 按主要市場劃分的同店銷售增長

#### FY2017 SSSG

##### 2017財政年度同店銷售增長

▼5.2%

Mainland China  
中國內地

▼12.4%

Hong Kong and Macau  
香港及澳門

#### FY2017 SSS volume growth

##### 2017財政年度同店銷量增長

▼15.8%

Mainland China  
中國內地

▼18.8%

Hong Kong and Macau  
香港及澳門

—○— Mainland China 中國內地

—○— Hong Kong and Macau 香港及澳門

- During FY2017, SSSG recovery in both markets was driven by an increase in ASP. SSS volume was down by 15.8% and 18.8% in Mainland China and in Hong Kong and Macau, respectively.
- Mainland China has consistently outperformed Hong Kong and Macau in terms of SSSG trend over the past 8 quarters, signifying a stronger recovery momentum.
- SSS of Mainland China rebounded to a 8.2% growth in 2HFY2017, versus a 19.2% decline in 1HFY2017.
- SSSG of Hong Kong and Macau returned to positive in 4QFY2017. This is the first time Hong Kong and Macau recorded a positive quarterly SSSG after 12 consecutive quarters of decline since 4QFY2014.
- 2017財政年度，兩個市場的同店銷售增長均受平均售價上升帶動。中國內地的同店銷量下降15.8%，而香港及澳門之同店銷量則減少18.8%。
- 於過往8個季度，中國內地的同店銷售增長一直較香港及澳門為佳，呈現較強大的回升動力。
- 中國內地同店銷售於2017財政年度下半年回升，錄得8.2%的升幅，而2017財政年度上半年則下降19.2%。
- 香港及澳門的同店銷售於2017財政年度第四季度回復正增長，為自2014財政年度第四季度起連續12個季度下跌後，首次錄得正增長。

POS network<sup>(1)</sup>零售點網絡<sup>(1)</sup>

As at 於		31.3.2015 Total 總計	31.3.2016 Total 總計	Addition 增加	During FY2017 2017財政年度 Reduction 減少	Net 淨增減	31.3.2017 Total 總計
Mainland China	中國內地	2,124	2,179	235	(168)	67	2,246
Hong Kong	香港	93	89	1	(7)	(6)	83
Macau	澳門	19	20	1	(2)	(1)	19
Taiwan	台灣	16	23	–	(1)	(1)	22
Korea	韓國	1	4	1	–	1	5
Malaysia	馬來西亞	1	1	1	–	1	2
Singapore	新加坡	1	1	–	–	–	1
United States	美國	2	2	1	–	1	3
<b>Total</b>	<b>總計</b>	<b>2,257</b>	<b>2,319</b>	<b>240</b>	<b>(178)</b>	<b>62</b>	<b>2,381</b>

						31.3.2017 Total 總計
		Chow Tai Fook Jewellery 周大福珠寶	CTF Watch 周大福鐘錶	Hearts On Fire	Monologue	
Mainland China	中國內地	2,118	117	8	3	2,246
Hong Kong	香港	80	3	–	–	83
Macau	澳門	18	1	–	–	19
Taiwan	台灣	11	–	11	–	22
Korea	韓國	5	–	–	–	5
Malaysia	馬來西亞	2	–	–	–	2
Singapore	新加坡	1	–	–	–	1
United States	美國	1	–	2	–	3
<b>Total</b>	<b>總計</b>	<b>2,236</b>	<b>121</b>	<b>21</b>	<b>3</b>	<b>2,381</b>

(1) SIS and CIS excluded

(1) 不包括店中店及店內專櫃

- In FY2017, we opened a net of 67 POS in Mainland China, with gross openings of 235 POS and closures of 168 POS. With an easing trend of consolidation in department stores, our POS reduction has also moderated compared to last year.
- In Hong Kong and Macau, we continued to optimise our retail network to enhance efficiency and productivity. A net of 7 POS were closed during the year.
- We also opened 3 POS in Korea, Malaysia and the U.S. to capture the opportunities arising from the demand of Chinese customers there.
- 2017財政年度，我們於中國內地淨開設67個零售點，總共開設了235個零售點，同時亦關閉了168個零售點。隨著百貨公司整合趨勢有所舒緩，零售點數目的減幅較去年為低。
- 於香港及澳門，我們持續優化零售網絡，以提升效率及產能，年內淨關閉7個零售點。
- 我們亦於韓國、馬來西亞及美國開設3個零售點，以捕捉當地華人顧客需求帶來的商機。

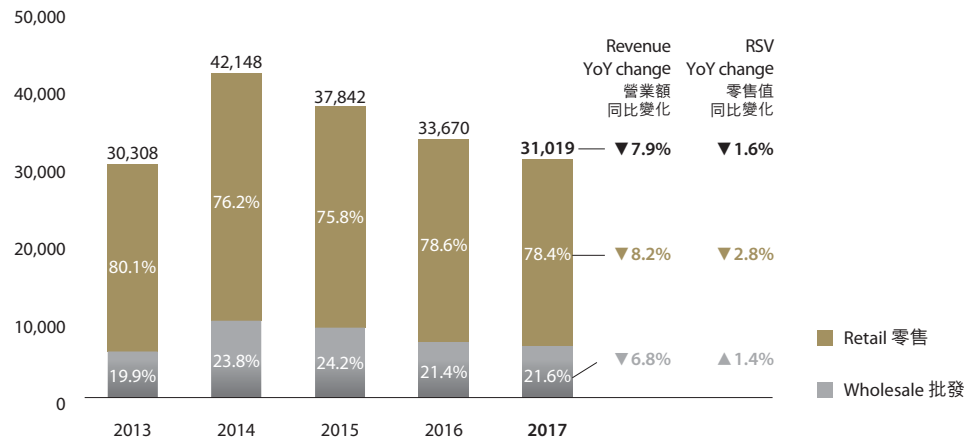
# Management Discussion and Analysis 管理層討論與分析

## Mainland China

### Revenue

#### Revenue by operation model

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



- Our retail revenue represents sales from self-operated POS, e-commerce and other direct channels, while wholesale revenue represents sales to franchisees and provision of services to franchisees under the inventory ownership unification programme.
- Upon complete adoption of the inventory ownership unification programme by all franchised POS, the trends of wholesale revenue and RSV are expected to converge considerably. As at 31 March 2017, 517 franchised POS (approximately 65% of our total franchised POS) were in the programme, holding inventories valued at approximately HK\$1,870 million, representing 6.4% of total inventories of the Group.
- 我們的零售營業額指來自直營零售點、電子商務及其他直接渠道的銷售額，而批發營業額則指向加盟商銷售貨品及根據統一存貨擁有權計劃向加盟商提供服務的收入。
- 待所有加盟零售點全面採用統一存貨擁有權計劃後，預計批發營業額與零售值的走勢將大致相同。於2017年3月31日，517個加盟零售點（約佔我們加盟零售點總數的65%）已參與該計劃，持有的存貨價值約1,870百萬港元，相當於本集團總存貨之6.4%。

## 中國內地

### 營業額

#### 按營運模式劃分的營業額



RSV, SSSG and POS network

零售值、同店銷售增長與零售點網絡



RSV growth by province  
按省份劃分的零售值增長

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

Number of POS  
零售點數目



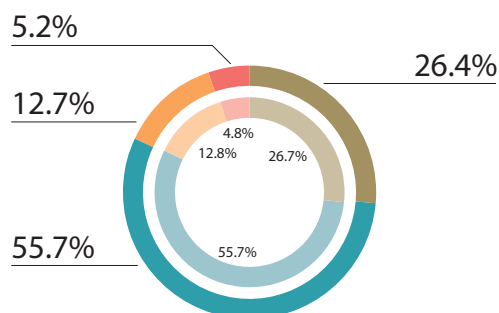
Total number of POS  
零售點總數

2,246

# Management Discussion and Analysis 管理層討論與分析

## RSV by product

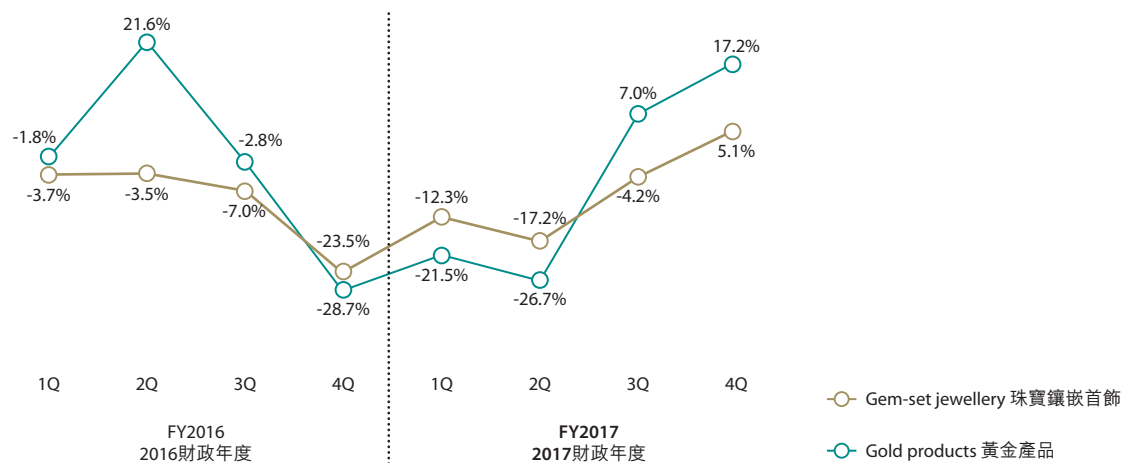
## 按產品劃分的零售值



FY2016 2016財政年度	FY2017 2017財政年度		RSV YoY change 零售值同比變化
		Gem-set jewellery 珠寶鑲嵌首飾	▼2.1%
		Gold products 黃金產品	▼1.1%
		Platinum/Karat gold products 鉑金/K金產品	▼2.2%
		Watches 鐘錶	▲6.1%

## SSSG of major products

## 主要產品的同店銷售增長

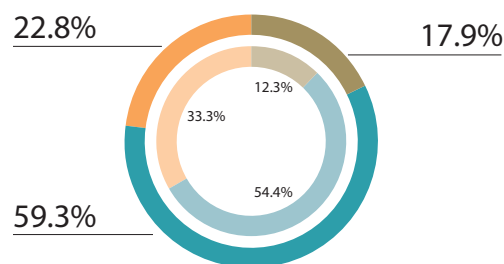


		FY2017 2017財政年度		FY2016 2016財政年度
		SSSG 同店銷售增長	SSS volume growth 同店銷量增長	ASP 平均售價
Gem-set jewellery	珠寶鑲嵌首飾	▼6.8%	▼11.7%	HK\$5,900
Gold products	黃金產品	▼5.3%	▼17.5%	HK\$3,000
Platinum/Karat gold products	鉑金/K金產品	▼10.0%	▼15.7%	HK\$1,700
Watches	鐘錶	▲11.3%	▲2.0%	HK\$13,100
Overall	整體	▼5.2%	▼15.8%	

- SSSG of gem-set jewellery in Mainland China stabilised from 3QFY2017 onwards, reflecting a recovery in fundamentals. Full year ASP at same store level rose steadily to reach HK\$6,200.
- SSSG of gold products rebounded since 2HFY2017. Full year ASP of gold products in Mainland China was up by around 15%. The lift in ASP was partly due to an increase in average international gold price of around 9% year-on-year. The rest was resulted from an average weight gain per gold product sold.
- As the luxury watch market recovered broadly in Mainland China, both RSV and SSS of watches recorded a year-on-year growth.
- 中國內地珠寶鑲嵌首飾的同店銷售增長自2017財政年度第三季度開始回穩，反映基本因素復甦。按同店層面計算的全年平均售價穩步升至6,200港元。
- 黃金產品同店銷售增長自2017財政年度下半年開始回升。中國內地黃金產品的全年平均售價上升約15%。平均售價上升部分是由於平均國際金價按年上升約9%，部分則由於已售黃金產品的平均重量上升所致。
- 隨著中國內地的名貴鐘錶市場普遍復甦，鐘錶零售值及同店銷售按年均錄得增長。

## Jewellery business

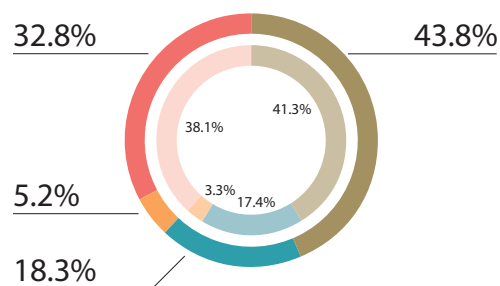
### RSV and POS by tier of cities



	% of RSV 零售值 佔比	% of POS 零售點 佔比	RSV YoY change 零售值同比變化	POS movement 零售點變動
Tier I cities 一線城市			▲0.7%	▲8
Tier II cities 二線城市			▼2.5%	▲47
Tier III cities and others 三線城市及其他			▼4.6%	▲17

- Tier I and II cities continued to be more resilient in RSV performance thanks to the relatively stable fundamentals and consumer sentiment.
- 一線及二線城市的基本因素及消費意欲較為穩定，因此其零售值的表現持續較佳。

### RSV and POS by operation model



	% of RSV 零售值 佔比	% of POS 零售點 佔比	RSV YoY change 零售值同比變化	POS movement 零售點變動
Self-operated (Department store) 直營(百貨公司)			▼8.8%	▼39
Self-operated (Shopping mall) 直營(購物中心)			▲13.1%	▲76
Self-operated (Standalone store) 直營(專賣店)			▼13.8%	▼4
Franchised 加盟			▲1.4%	▲39

- Major net openings were in shopping malls with 76 net openings while our footprint in department stores continued to reduce with a net closing of 39 POS in FY2017.
- Major net openings were in shopping malls with 76 net openings while our footprint in department stores continued to reduce with a net closing of 39 POS in FY2017.
- By RSV, the performance of shopping mall was also ranked best among all operation models and channels illustrated above.
- 2017財政年度的淨開店主要設於購物中心，淨開76個零售點，而設於百貨公司的零售點則持續減少，淨關閉39個零售點。
- 按零售值計算，購物中心於上述營運模式及渠道中表現最佳。

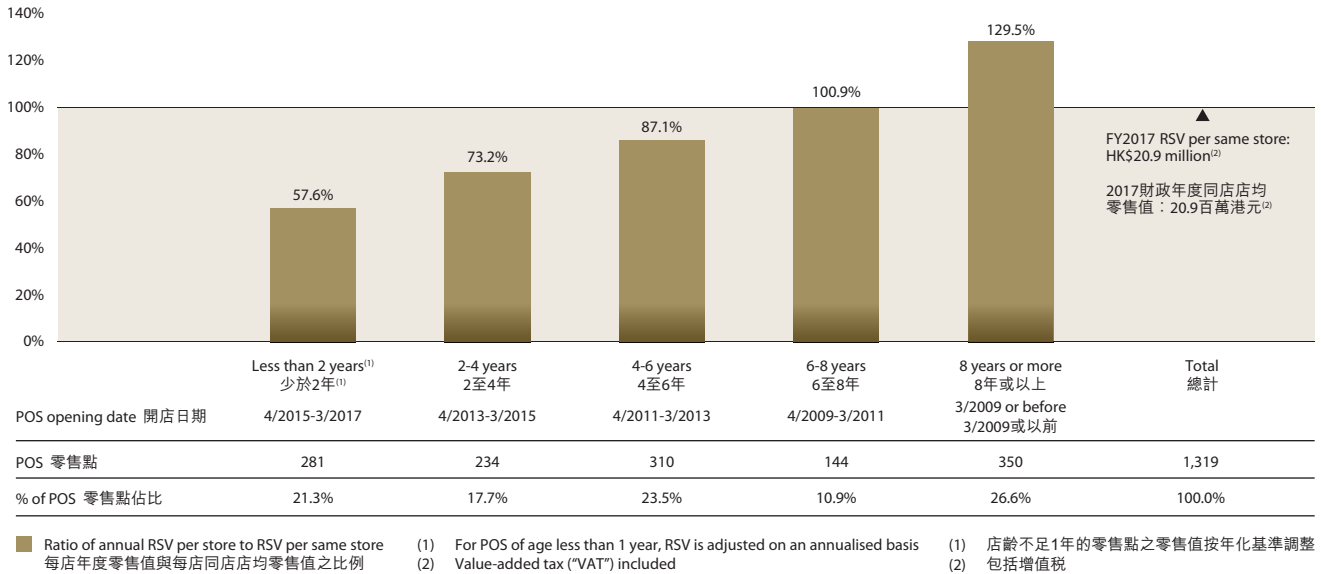
# Management Discussion and Analysis 管理層討論與分析

## Self-operated Jewellery POS

## 直營珠寶零售點

### RSV per store by store age

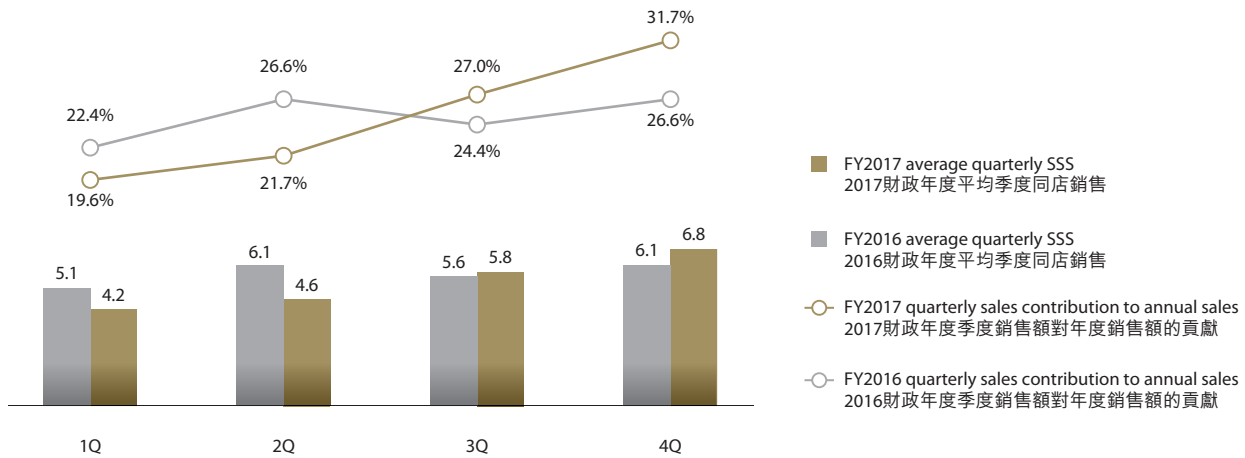
### 按店齡劃分的每店零售值



### Average quarterly sales

### 平均季度銷售額

(HK\$ million 百萬港元)



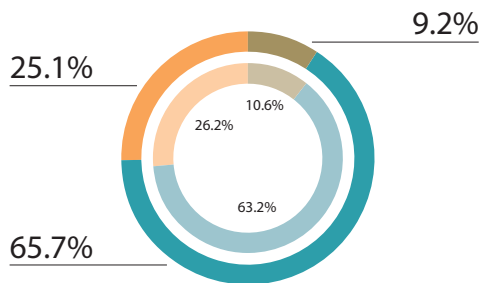
- 4Q, being our peak season as driven by festive occasions such as Chinese New Year and Valentine's Day, usually accounts for the highest quarterly SSS contribution.
- While FY2016 strayed away from this usual pattern, quarterly SSS contribution in FY2017 was generally in line with normal seasonality as fundamentals began to stabilise.
- 第四季度適逢農曆新年及情人節等節慶活動，故屬我們的旺季，該季度通常在我們同店銷售中有最高的季度貢獻。
- 儘管2016財政年度偏離了慣常的模式，但隨著基本因素趨穩，2017財政年度的季度同店銷售貢獻已大致回復正常的季節性表現。

## E-commerce — Jewellery business

## 電子商務 — 珠寶業務

## RSV by product

## 按產品劃分的零售值



FY2016 2016財政年度	FY2017 2017財政年度	RSV YoY change 零售值同比變化
		Gem-set jewellery 珠寶鑲嵌首飾 ▲22.0%
		Gold products 黃金產品 ▲47.0%
		Platinum/Karat gold products 鉑金/K金產品 ▲35.6%
		Overall 整體 ▲41.4%



Unique daily visitors<sup>(1)</sup>  
平均每日瀏覽量 — 不重覆訪客<sup>(1)</sup>  
**364,000**

Number of followers<sup>(2)</sup>  
關注人數<sup>(2)</sup>  
**3,043,000**

## FY2017 e-commerce 2017財政年度電子商務

RSV 零售值  
**▲41.4%** YoY change  
同比變化

**3.3%** of respective RSV  
佔相關零售值  
(FY2016 2016財政年度: 2.3%)

**9.3%** of respective retail sales volume  
佔相關銷量  
(FY2016 2016財政年度: 7.0%)

ASP 平均售價

**HK\$1,200港元**  
(FY2016 2016財政年度: HK\$1,000港元)

(1) Source from Chow Tai Fook e-shop, Tmall and JD.com

(2) Source from official Sina Weibo, Tencent Weibo and WeChat accounts

(1) 數據源自周大福網絡旗艦店、天貓及京東

(2) 數據源自新浪微博、騰訊微博及微信官方帳戶



# Management Discussion and Analysis 管理層討論與分析

- We continue to integrate our online and offline resources to direct traffic to our distribution channels empowered by digital marketing.
- Our e-commerce business growth accelerated in 2HFY2017, mainly thanks to a strengthened co-operation with major online platform partners.
- A notable example is our online order distribution initiatives with JD.com and Tmall. Orders on online platforms are routed directly to our physical POS nearby the customers. By mobilising our extensive physical retail network, we can achieve full O2O interactions and enhance customer experience by shortening delivery time and cost.
- We ranked 6<sup>th</sup> in digital intelligence firm L2's "Digital IQ Index Luxury China 2017" and were also the top-ranked pure play jeweller on the list, a global benchmark for digital performance of consumer brands. The ranking is based on the overall performance in digital competence across four dimensions, namely site and e-commerce, digital marketing, social media and mobile and tablet among international fashion, watches and jewellery brands.
- 我們繼續整合線上線下資源，透過數碼市場推廣進行引流。
- 電子商務業務於2017財政年度下半年取得了快速的增長，主要由於我們加強了與主要線上平台夥伴的合作。
- 當中最具代表性的例子是，我們與京東和天貓合作的線上訂單分配計劃。線上平台的訂單直接發送到顧客就近的實體零售點。我們借助龐大的實體零售網絡，能縮短送貨時間及降低成本，達致全面的線上線下互動，從而提升顧客購物體驗。
- 我們榮登數碼智商公司L2作為全球消費品牌數碼表現基準的「2017中國奢侈品數碼智商指數」第6位，亦是排名最高的純珠寶商。有關排名乃根據國際時尚、鐘錶及珠寶品牌在網站與電子商務、數碼市場推廣、社交媒體及流動裝置應用四大範疇的綜合數碼表現而定。



## Strategies 策略

- Stay selective in POS openings
- Continue store differentiation: roll out luxury, elegant and trendy style POS and revamp store image
- Employ multi-brand strategy: launch new brands "Monologue" and "SOINLOVE"
- 保持選擇性地開設零售點
- 持續進行店舖差異化：開設名貴、豪雅、時尚形象店及重塑店舖形象
- 多品牌策略：推出「Monologue」及「SOINLOVE」新品牌

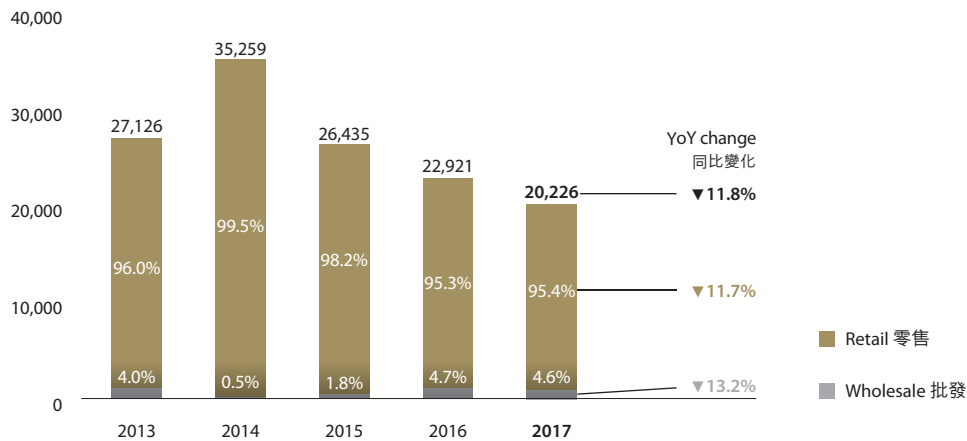


## Hong Kong, Macau and other markets

## Revenue

## Revenue by operation model

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



- Weak consumer sentiment and the change in purchase behaviour of Mainland tourists continued to affect the sales performance during FY2017.

## 香港、澳門及其他市場

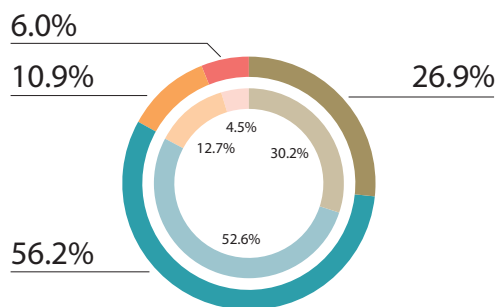
## 營業額

## 按營運模式劃分的營業額

- 2017財政年度，銷售表現持續受消費意慾疲弱及內地遊客購買行為改變而有所影響。

## Hong Kong and Macau

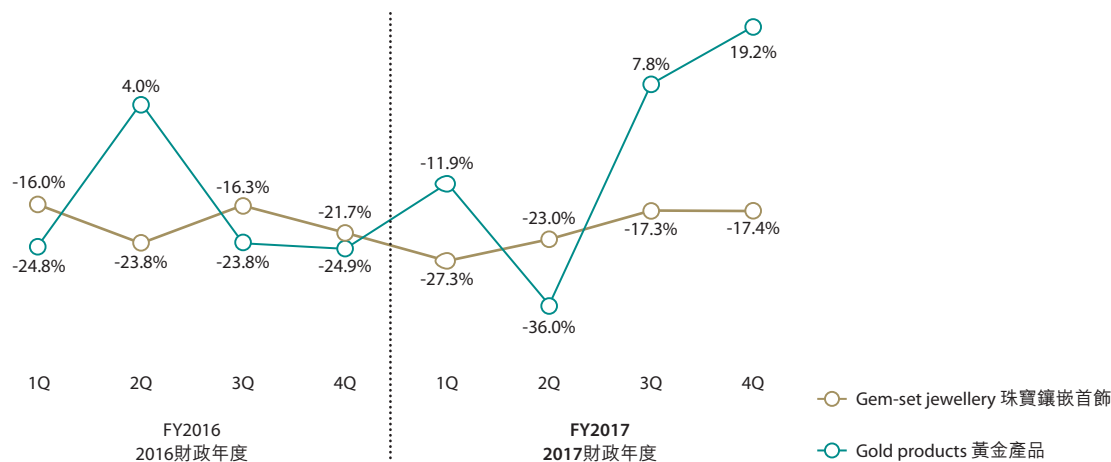
## RSV and SSSG by product



FY2016 2016財政年度	FY2017 2017財政年度	RSV YoY change 零售值同比變化
		▼24.8%
		▼10.0%
		▼27.5%
		▲14.0%

## SSSG of major products

## 主要產品的同店銷售增長



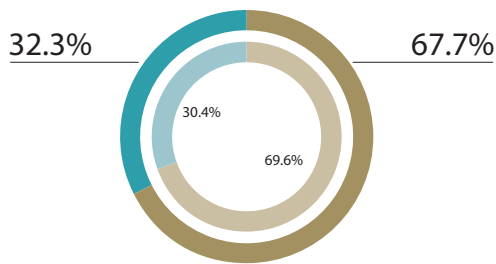
# Management Discussion and Analysis 管理層討論與分析

		FY2017 2017財政年度			FY2016 2016財政年度
		SSSG 同店銷售增長	SSS volume growth 同店銷量增長	ASP 平均售價	ASP 平均售價
Gem-set jewellery	珠寶鑲嵌首飾	▼21.0%	▼20.8%	HK\$12,000	HK\$12,100
Gold products	黃金產品	▼6.9%	▼21.8%	HK\$6,700	HK\$5,700
Platinum/Karat gold products	鉑金/K金產品	▼25.7%	▼13.7%	HK\$1,700	HK\$2,000
Watches	鐘錶	▲13.7%	▼1.3%	HK\$46,200	HK\$40,100
Overall	整體	▼12.4%	▼18.8%		

- Despite sequential improvement in 2HFY2017, SSS performance of gem-set jewellery in Hong Kong and Macau was still under pressure as affected by a year-on-year decline in customer traffic. Customer traffic dropped by 20.3% year-on-year in 2HFY2017, yet has improved relative to 1HFY2017 with a traffic decline of 28.8% year-on-year. Gem-set jewellery ASP held well at HK\$12,000, similar to FY2016 level.
- SSSG of gold products in Hong Kong and Macau had a remarkable rebound since 2HFY2017. Full year ASP of gold products rose by around 19% due to a combination of an increase in average international gold price of around 9% year-on-year and an average weight gain per gold product sold.
- The better RSV and SSS performance of watches was mainly due to the general recovery of the luxury watch market and the launch of an enhanced instalment payment programme during FY2017.
- 儘管同店銷售自2017財政年度下半年持續改善，惟受客流按年減少的影響，香港及澳門珠寶鑲嵌首飾之同店銷售表現仍然受壓力。2017財政年度下半年，客流按年減少20.3%，惟相比2017財政年度上半年客流按年下降28.8%已有所改善。珠寶鑲嵌首飾平均售價按年維持於12,000港元，與2016財政年度的水平相若。
- 香港及澳門黃金產品的同店銷售增長自2017財政年度下半年錄得顯著回升。黃金產品的全年平均售價上升約19%，原因是平均國際金價按年上升約9%，再加上已售黃金產品的平均重量上升所致。
- 鐘錶的零售值及同店銷售隨2017財政年度名貴鐘錶市場普遍復甦及推出優化的分期付款計劃而表現較佳。

## RSV and POS by area

## 按區域劃分的零售值及零售點



% of RSV 零售值佔比	% of POS 零售點佔比	RSV YoY change 零售值同比變化	POS movement 零售點變動	
■	■	Touristic area <sup>(1)</sup> 旅遊區 <sup>(1)</sup>	▼19.7%	▼7
■	■	Other area 其他地區	▼4.0%	-

(1) Touristic area includes Causeway Bay, Tsim Sha Tsui, Mong Kok, Yau Ma Tei, Shatin, Sheung Shui, Hong Kong International Airport, Hong Kong Disneyland and Macau

(1) 旅遊區包括銅鑼灣、尖沙咀、旺角、油麻地、沙田、上水、香港國際機場、香港迪士尼樂園及澳門

## Hong Kong and Macau industry performance<sup>(2)</sup> in FY2017

港澳市場於2017財政年度的行業表現<sup>(2)</sup>

▼11.1% YoY change of retail sales of jewellery industry in Hong Kong  
香港珠寶業銷貨價值同比變化

Number of Mainland visitors<sup>(3)</sup>  
內地訪客人數<sup>(3)</sup>

▼1.9% YoY change in Hong Kong  
於香港同比變化

▲2.5% YoY change in Macau  
於澳門同比變化

## Our Hong Kong and Macau performance in FY2017

我們港澳市場於2017財政年度的表現

▼24.6% YoY change in customer traffic at POS  
零售點客流量同比變化

RSV settled by China UnionPay/RMB  
以中國銀聯/人民幣結算之零售值

45.8% (FY2016 2016財政年度：52.6%)

(2) Being the value of retail sales of jewellery, watches and clocks, and valuable gifts in Hong Kong, and was sourced from Census and Statistics Department of Hong Kong

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

(3) Source from Commerce and Economic Development Bureau of Hong Kong, and the Macau Statistics and Census Service

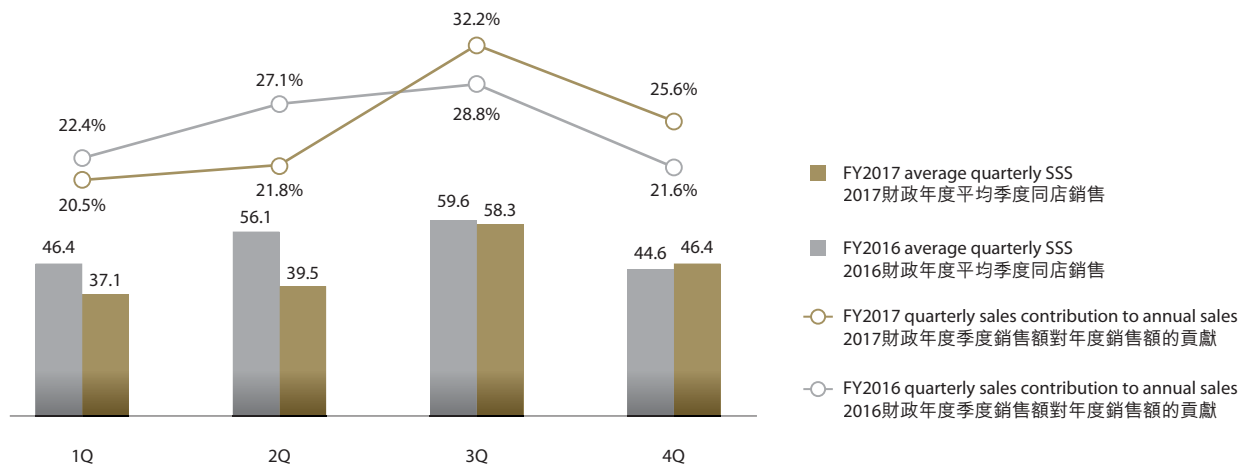
(3) 數據源自香港商務及經濟發展局與澳門統計暨普查局

- Touristic area in Hong Kong and Macau recorded a 19.7% drop in RSV, compared to a decline of 22.3% last year, indicating that touristic area was still under pressure in FY2017.
- The percentage of RSV settled by China UnionPay or RMB to the total RSV of Hong Kong and Macau market, a proxy for sales contribution from Mainland tourists, reduced to 45.8% in FY2017 from 52.6% in FY2016. Yet, such contribution remained stable from 1HFY2017.
- 香港及澳門旅遊區的零售值下降19.7%，相比去年下降22.3%，反映旅遊區表現於2017財政年度仍然受壓。
- 中國銀聯或人民幣結算之零售值（代表來自中國內地旅客的銷售貢獻）佔香港及澳門市場總零售值由2016財政年度的52.6%降至2017財政年度的45.8%。然而，該佔比與2017財政年度上半年相比則維持穩定。

### Average quarterly sales

### 平均季度銷售額

(HK\$ million 百萬港元)



- 3Q, being our peak season as driven by Christmas and our annual mega sales, usually accounts for the highest quarterly SSS contribution for Hong Kong and Macau market.
- 第三季度適逢聖誕節及年度大減價活動，故屬我們香港及澳門市場的旺季，該季度通常在我們同店銷售中有最高的季度貢獻。

### Strategies 策略

- Continue to optimise POS network while being opportunistic to store openings in residential neighbourhood
- Extend presence cautiously in overseas markets
- Reach out to business prospects in soliciting wholesale business in the U.S.
- 繼續優化零售點網絡，同時對於住宅區開設新店持開放態度
- 審慎地於海外市場擴充業務
- 在美國拓展批發業務



# Management Discussion and Analysis 管理層討論與分析

## Hearts On Fire

- We have been expanding the presence of Hearts On Fire primarily in SIS and CIS format through our extensive retail network.

## POS network

		31.3.2015 Total 總計	31.3.2016 Total 總計	During FY2017 2017 財政年度		Net 淨增減	31.3.2017 Total 總計
				Addition 增加	Reduction 減少		
<b>POS</b>	<b>零售點</b>	12	19	3	(1)	2	21
Mainland China	中國內地	2	5	3	-	3	8
Taiwan	台灣	8	12	-	(1)	(1)	11
United States	美國	2	2	-	-	-	2
<b>SIS and CIS</b>	<b>店中店及店內專櫃</b>	-	136	81	(30)	51	187
Mainland China	中國內地	-	118	74	(29)	45	163
Hong Kong	香港	-	18	3	(1)	2	20
Macau	澳門	-	-	1	-	1	1
Other markets	其他市場	-	-	3	-	3	3
<b>Retailer locations</b>	<b>分銷店</b>	524	544	19	(54)	(35)	509
North America	北美	367	362	14	(37)	(23)	339
Others	其他	157	182	5	(17)	(12)	170

## Hearts On Fire

- 我們一直透過自身龐大的零售網絡拓展 Hearts On Fire 的版圖，形式以店中店及店內專櫃為主。

## 零售點網絡

### Roll-out plan and synergies 推展計劃及協同效益

#### Mainland China, Hong Kong and Macau 中國內地、香港及澳門

- We strive for further realising the synergies from the acquisition by leveraging our retail network.
- In FY2017, Hearts On Fire products contributed 2.2% and 3.6% of the RSV of our diamond products sold in Mainland China and in Hong Kong and Macau, respectively.
- 借助我們的零售網絡，力圖進一步實現收購所得的協同效益。
- 2017 財政年度，Hearts On Fire 產品分別佔我們於中國內地與香港及澳門已出售的鑽石產品零售值之 2.2% 及 3.6%。

#### United States 美國

- Given our well-established relationship with retailers, we will continue our efforts in wholesale business.
- During FY2017, we also focused on brand building and group integration.
- 憑藉我們與分銷商已建立穩固的業務關係，我們會繼續發展批發業務。
- 2017 財政年度，我們亦專注於品牌建立及內部整合。

#### Taiwan 台灣

- 1 POS was closed during FY2017.
- 於 2017 財政年度內關閉了 1 個零售點。





CTF Watch  
POS network

周大福鐘錶  
零售點網絡

		31.3.2015 Total 總計	31.3.2016 Total 總計	During FY2017 2017 財政年度		Net 淨增減	31.3.2017 Total 總計
				Addition 增加	Reduction 減少		
<b>POS</b>	<b>零售點</b>	135	125	7	(11)	(4)	121
Mainland China	中國內地	132	122	6	(11)	(5)	117
Hong Kong	香港	3	3	-	-	-	3
Macau	澳門	-	-	1	-	1	1
<b>SIS and CIS</b>	<b>店中店及店內專櫃</b>	48	42	-	(8)	(8)	34
Mainland China	中國內地	10	9	-	(5)	(5)	4
Hong Kong	香港	29	26	-	(2)	(2)	24
Macau	澳門	9	7	-	(1)	(1)	6



### Market performance 市場表現

#### Mainland China 中國內地

- In Mainland China, revenue contribution of watches increased from 5.4% in FY2016 to 5.8% in FY2017. Revenue grew by 5.7% year-on-year at constant exchange rate, a sign of broad recovery in the luxury watch market.
- 中國內地的鐘錶營業額佔比由2016財政年度的5.4%升至2017財政年度的5.8%，按相同匯率計算，營業額增長5.7%，反映名貴鐘錶市場普遍復甦。

#### Hong Kong, Macau and other markets 香港、澳門及其他市場

- In Hong Kong, Macau and other markets, revenue contribution of watches increased from 4.3% in FY2016 to 5.6% in FY2017. Revenue rose by 14.4% year-on-year thanks to the general recovery in the luxury watch market as well as the launch of an enhanced instalment payment programme during FY2017.
- 香港、澳門及其他市場的鐘錶營業額佔比由2016財政年度的4.3%升至2017財政年度的5.6%。受惠於名貴鐘錶市場普遍復甦及推出優化的分期付款計劃，2017財政年度營業額按年增長14.4%。

# Management Discussion and Analysis 管理層討論與分析

## Operations and Management 營運及管理

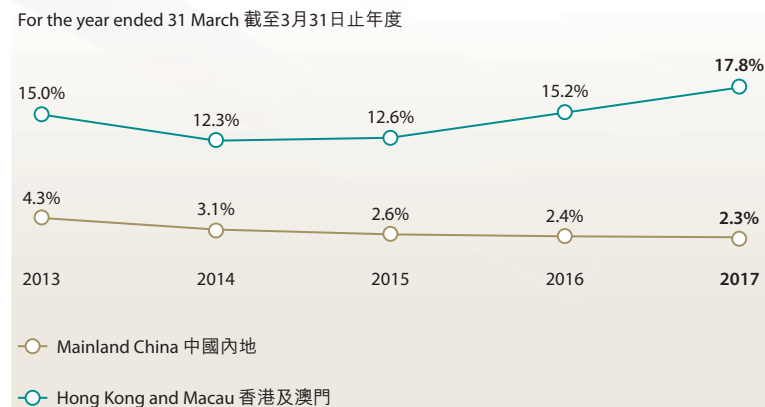
Leveraging the strength of our business model and employing state-of-the-art technology, we spearheaded innovation to deliver extraordinary products, services and experience to our customers. Our “Smart+” initiatives had also supported us in fostering O2O interactions, further enhancing our operational efficiency and staying responsive to the ever-changing retail landscape.

憑藉我們的業務模式和尖端科技，我們率先進行創新，為顧客提供卓越的產品、服務和體驗。我們的「Smart+」計劃亦一直支援我們的線上線下互動，推動我們提升營運效率，並及時回應多變的零售市場環境。

### Product management

#### Product price range and RSV contribution

##### Contribution of high-end luxury jewellery to respective RSV



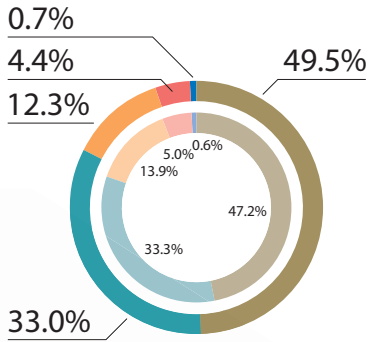
### 產品管理

#### 產品價格分佈及零售值貢獻

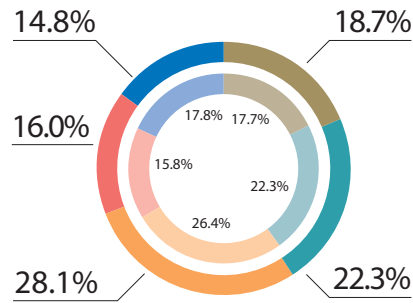
##### 名貴珠寶之零售值貢獻



**Mainland China**  
RSV by price range – Gem-set jewellery  
中國內地  
按價格範圍劃分的零售值 — 珠寶鑲嵌首飾



**Hong Kong and Macau**  
RSV by price range – Gem-set jewellery  
香港及澳門  
按價格範圍劃分的零售值 — 珠寶鑲嵌首飾



FY2016 2016財政年度	FY2017 2017財政年度	HK\$ 港元
		≤10,000
		10,001-30,000
		30,001-100,000
		100,001-500,000
		≥500,001



**Wedding gem-set jewellery RSV**  
as a % of total gem-set jewellery RSV  
婚嫁珠寶鑲嵌首飾零售值  
佔整體珠寶鑲嵌首飾零售值之百分比

**51.0%**  
(FY2016 2016財政年度：51.8%)



**Licensed gem-set jewellery RSV**  
as a % of total gem-set jewellery RSV  
授權珠寶鑲嵌首飾零售值  
佔整體珠寶鑲嵌首飾零售值之百分比

**13.8%**  
(FY2016 2016財政年度：15.0%)



# Management Discussion and Analysis 管理層討論與分析

## CHOW TAI FOOK T MARK products 周大福 T MARK 產品



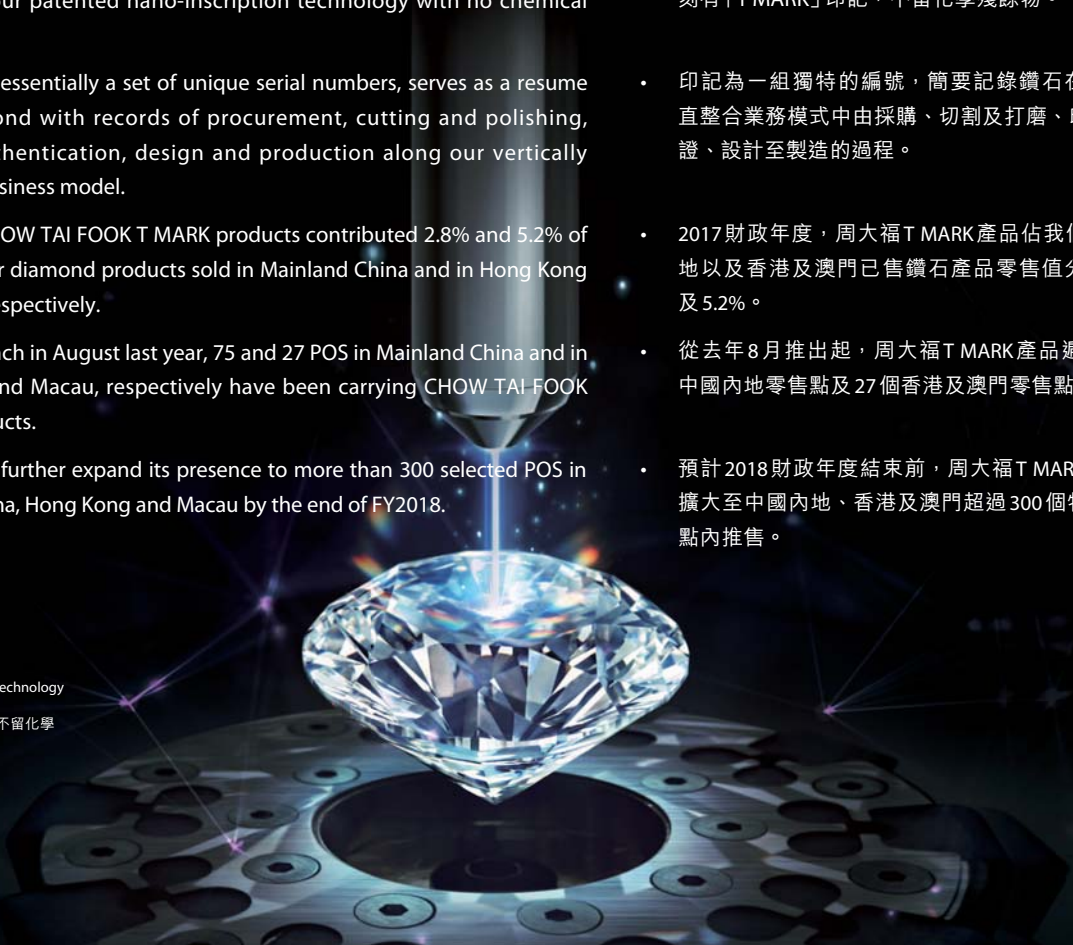
### CHOW TAI FOOK T MARK

- In an effort to differentiate our product offerings, we brought in a disruptive innovation, CHOW TAI FOOK T MARK diamond brand, in Mainland China, Hong Kong and Macau in August last year. It was a breakthrough on the current industry practice by introducing the “4Ts” concept.
- Each CHOW TAI FOOK T MARK diamond is inscribed with a “T MARK” marking by our patented nano-inscription technology with no chemical residue.
- The marking, essentially a set of unique serial numbers, serves as a resume of the diamond with records of procurement, cutting and polishing, marking, authentication, design and production along our vertically integrated business model.
- In FY2017, CHOW TAI FOOK T MARK products contributed 2.8% and 5.2% of the RSV of our diamond products sold in Mainland China and in Hong Kong and Macau, respectively.
- Since the launch in August last year, 75 and 27 POS in Mainland China and in Hong Kong and Macau, respectively have been carrying CHOW TAI-FOOK T MARK products.
- We expect to further expand its presence to more than 300 selected POS in Mainland China, Hong Kong and Macau by the end of FY2018.

### 周大福 T MARK

- 為使我們的產品組合更顯與眾不同，我們於去年8月在中國內地、香港及澳門推出顛覆創新的周大福T MARK鑽石品牌，提出「4Ts」概念，突破了目前的行業慣例。
- 每顆周大福T MARK鑽石均採用納米刻字專利技術刻有「T MARK」印記，不留化學殘餘物。
- 印記為一組獨特的編號，簡要記錄鑽石在我們垂直整合業務模式中由採購、切割及打磨、印記、鑒證、設計至製造的過程。
- 2017財政年度，周大福T MARK產品佔我們中國內地以及香港及澳門已售鑽石產品零售值分別2.8%及5.2%。
- 從去年8月推出起，周大福T MARK產品遍佈75個中國內地零售點及27個香港及澳門零售點。
- 預計2018財政年度結束前，周大福T MARK產品將擴大至中國內地、香港及澳門超過300個特選零售點內推售。

Patented nano-inscription technology  
with no chemical residue  
採用納米刻字專利技術，不留化學  
殘餘物





In order to provide a new and exclusive experience to our customers, we revolutionised the current industry practice by introducing the “4Ts” concept that enables us “To Tell The Truth” backed by our vertically integrated business model.

為向顧客提供全新及獨特的體驗，我們以垂直整合業務模式為基礎，推出「唯真可鑒」的「4Ts」概念，徹底改變目前的行業慣例。

**TRANSPARENT 可知**

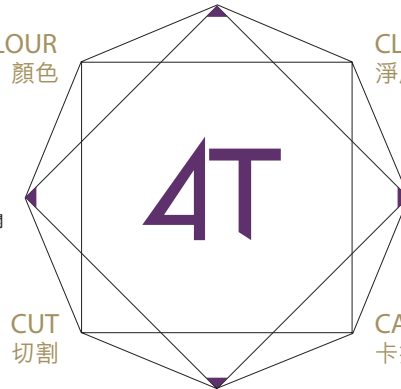
Unconcealed history from sourcing to retail sales  
由採購至銷售，資料透明公開

**TRACEABLE 可尋**

Traceable origin of CHOW TAI FOOK T MARK diamond  
周大福T MARK鑽石可追溯的來歷

COLOUR  
顏色

CLARITY  
淨度



**TRUTHFUL 可信**

Credible source behind each CHOW TAI FOOK T MARK diamond  
每顆周大福T MARK鑽石背後可信賴的來源

**THOUGHTFUL 可頌**

New and pleasant customer experience and services  
嶄新及愉快的客戶體驗和服務



- 1 CHOW TAI FOOK T MARK diamond viewer 周大福T MARK鑽石鑒賞儀
- 2 Roadshow in Chongqing, Mainland China 於中國內地重慶舉行路演
- 3 Microfilm featuring “4Ts” concept on social media platforms 於社交媒體平台播放的「4Ts」概念微电影

1 Procurement 採購	2 Cutting and polishing 切割及打磨	3 Marking 印記	4 Authentication 鑒證	5 Design 設計	6 Production 製造

# Management Discussion and Analysis 管理層討論與分析

## Hearts On Fire collections

### “Hearts On Fire by Stephen Webster — White Kites” Collection

- During FY2017, we collaborated with acclaimed London-based jewellery designer Stephen Webster and launched “Hearts On Fire by Stephen Webster — White Kites” Collection.
- This collection, inspired by the magnificence of the white-tailed kite, further elevates our design offerings with greater variety in both high-end fashion and bridal jewellery.



## Hearts On Fire 系列

### 「Hearts On Fire by Stephen Webster – White Kites」系列

- 於2017財政年度，我們與著名倫敦珠寶設計師 Stephen Webster 攜手合作，推出「Hearts On Fire by Stephen Webster — White Kites」系列。
- 該系列以雄偉的白尾鳶為設計靈感，進一步提升我們的產品設計，令名貴時尚及婚嫁珠寶的款式更為豐富。



### Hearts On Fire “Triplcity” Collection

### Hearts On Fire「Triplcity」系列

- Introduced during FY2017, this unique collection by Hearts On Fire Director of Design Ilaria Lanzoni takes inspiration from the city skyline in New York. The perfectly cut diamonds highlight the glowing elegance and trendsetting style of modern women.
- 此系列於2017財政年度推出，出自Hearts On Fire設計總監Iliara Lanzoni之手筆，以紐約的天際為設計靈感。車工完美的鑽石優雅閃耀，塑造現代女性前衛的形象。



## Continual collaboration with The Walt Disney Company

### 與華特迪士尼公司持續合作

#### Chow Tai Fook Disney “Beauty and the Beast” Collection

- The Chow Tai Fook Disney “Beauty and the Beast” Collection transforms the movie characters into sophisticated ornaments and diamond jewellery pieces.

#### 周大福迪士尼「美女與野獸」系列

- 周大福迪士尼「美女與野獸」系列將電影中的角色人物製作成精緻的飾品及鑽石珠寶首飾。



#### Chow Tai Fook “Star Wars™” Collection

- The Chow Tai Fook “Star Wars™” Collection brings back the popular Star Wars characters as meticulously crafted ornaments and jewellery pieces.

#### 周大福「星球大戰™」系列

- 周大福「星球大戰™」系列，將一眾星球大戰經典角色鑄造成精緻飾品及珠寶首飾。



#### Opening of POS in Hong Kong Disneyland Resort and Disneytown of Shanghai Disney Resort

- During the year, we further strengthened our partnership with The Walt Disney Company by opening POS in Hong Kong Disneyland Resort and Disneytown of Shanghai Disney Resort.

#### 於香港迪士尼樂園度假區及上海迪士尼度假區迪士尼小鎮開設零售點

- 年內，我們與華特迪士尼公司加強合作，於香港迪士尼樂園度假區及上海迪士尼度假區迪士尼小鎮開設零售點。



POS in Hong Kong Disneyland Resort  
於香港迪士尼樂園度假區之零售點



POS in Disneytown of Shanghai Disney Resort  
於上海迪士尼度假區迪士尼小鎮之零售點

## Management Discussion and Analysis 管理層討論與分析

### Franco-Chinese Branding Forum

- In April 2017, we participated in a prestigious event, The Third Franco-Chinese Branding Forum in Paris. As a company of rich Chinese culture, we are delighted to leverage this platform to exchange ideas and inspirations with up-and-coming designers from the West.
- During the event, we also signed up with 6 French designers for the collaboration of new collections which shall be launched later in FY2018.

### 中法品牌高峰論壇

- 於2017年4月，我們遠赴巴黎參與一項盛事「第三屆中法品牌高峰論壇」。作為一間富有中國文化的企業，我們榮幸借此機會與西方新晉且備受矚目的設計師交流心得和靈感。
- 是次盛會中，我們亦與6名法國設計師簽署合作協議，落實於2018財政年度合作推出新產品系列。



### Customer experience

- Effective brand management and strong customer loyalty lead to the successful long-term development of the Group. As customers are becoming more sophisticated and well-informed, we are committed to offering personalised and unique shopping experiences to customers.

### 顧客體驗

- 有效的品牌管理和極高的客戶忠誠度讓本集團得以成功實現長遠發展。鑒於顧客愈來愈追求品味，亦相當了解行情，我們會致力為顧客提供個性化和與眾不同的購物體驗。

## Store differentiation

- In response to the evolving retail landscape, 3 POS styles are available to meet different customer expectations: luxury, elegant and trendy styles.
- The luxury and elegant style POS, with more personalised product offerings and services, bring about a privileged experience to customers who strive for exceptional excellence. These stores are mainly located in Tier I and II cities where customer expectations tend to be higher.
- For the trendy style POS, we have refreshed the store image. The new display, apart from looking more refreshing, segments the merchandise display area by different themes of customer needs such as wedding, fashion, classic, etc.



Trendy style POS with refreshed store image  
嶄新風格之時尚形象店



Elegant style POS  
豪雅形象店

## 店舖差異化

- 面對不斷變化的零售環境，我們將零售點打造出3個形象以迎合顧客不同的期望，分別為名貴、豪雅及時尚的形象。
- 名貴及豪雅形象店提供更為個性化的產品組合及服務，為追求極致的顧客提供優越的購物體驗。名貴及豪雅形象店主要設於顧客期望往往較高的一線及二線城市。
- 就時尚形象店，我們將店舖風格煥然一新。除換上嶄新裝潢外，亦按產品主題劃分陳列區以迎合顧客需要，如婚嫁、時尚、經典等。



Luxury style POS  
名貴形象店



# Management Discussion and Analysis 管理層討論與分析

## Multi-brand strategy

- We are in process of executing our multi-brand strategy to further diversify our product offerings and enhance customer experience primarily in Tier I and II cities.
- “Monologue”, targeting young generations, offers fashion-oriented jewellery at lower ASP. As at 31 March 2017, there were 3 Monologue POS.
- As the wedding market was blooming, we introduced “SOINLOVE” to target soon-to-be-wed couples. The first POS was opened in May 2017.

## 多品牌策略

- 我們正主要在一線及二線城市推行多品牌策略，旨在進一步豐富產品組合及提升顧客體驗。
- 「Monologue」針對年青人市場，提供平均售價較低的時尚珠寶首飾。於2017年3月31日，共有3個Monologue零售點。
- 由於婚慶市場趨熱，故此針對準婚情侶開設「SOINLOVE」。首家零售點於2017年5月開業。



## Wedding Gift Card

- During the financial year, we engaged celebrity couple Pal Sinn and Paisley Hu to market our brand new Wedding Gift Card via social media and online channels.
- The card provides our customers with a through-train convenience of various wedding-related privileges and promotions, such as jewellery, wedding banquets, overseas trips and photography services.

## 幸福禮金卡

- 於本財政年度，我們與名人夫婦單立文和胡蓓蔚合作推廣全新的幸福禮金卡，並藉社交媒體及線上渠道宣傳。
- 幸福禮金卡主要為我們的顧客提供各種婚嫁相關的優惠和推廣活動，如珠寶、婚宴、旅遊及攝影等一站式便利體驗。



# Management Discussion and Analysis 管理層討論與分析

## Customer relationship management

- Our membership programme plays an important role in supporting our business growth. To stay connected with our members, we provide them with an exclusive experience that matches with their privileged status.

## 顧客關係管理

- 會員計劃對我們的業務增長尤其重要。為與會員保持緊密聯繫，我們提供與其尊貴地位相匹配的尊屬服務。

### Mainland China

### 中國內地

Number of members:	會員數目：	1,015,000
% of members in top 3 tiers:	3大會籍級別會員佔比：	3.6%
Repeat purchase as a % of RSV:	再消費佔零售值之百分比：	
All members	所有會員	27.2%
Members in top 3 tiers	3大會籍級別會員	8.7%

### Hong Kong and Macau

### 香港及澳門

Number of members:	會員數目：	590,000
% of members in top 3 tiers:	3大會籍級別會員佔比：	2.4%
Repeat purchase as a % of RSV:	再消費佔零售值之百分比：	
All members	所有會員	29.5%
Members in top 3 tiers	3大會籍級別會員	11.5%



Hearts On Fire x Stephen Webster jewellery preview luncheon  
Hearts On Fire x Stephen Webster 珠寶鑒賞午宴



Mother's Day flower workshop  
母親節花藝工作坊



## Production and operations

- Our vertically integrated business model gives us centralised and tight control over the processes from raw material procurement, design, production to marketing and sales through our extensive retail network. It allows us to monitor and control the quality of our products and to respond quickly to customers' needs and preferences.

### Procurement

- Steady supply of raw materials and first-class production capabilities are very important to us in maintaining our competitive edge.
- Our excellent capabilities and reputation in processing and trading of raw materials, together with our long-term relationship with suppliers, safeguard our stable supply of raw materials.

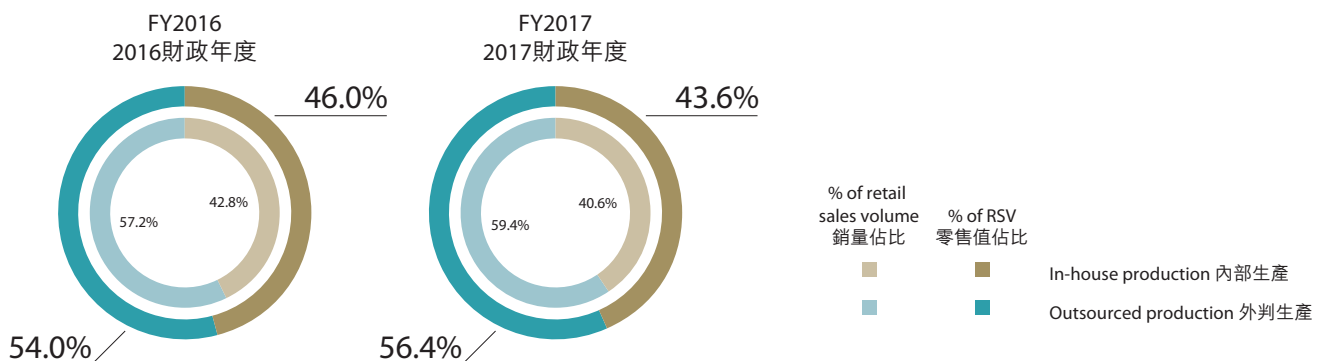
### Product development

- With our award-winning jewellery designers and experienced craftsmen, we aim to refine traditional craftsmanship and techniques in design, sampling and production processes by the application of the latest technology.

### Production

- We continue to develop, upgrade and improve our production facilities and retain skilled craftsmen and technicians to maintain our position in the industry.
- During FY2017, we further improved our production processes by automation and the use of artificial intelligence.

#### Products sold by production mode — Jewellery products



## 生產及營運

- 我們的垂直整合業務模式，能集中和謹慎監控從原材料採購、設計、生產、以及在龐大的零售網絡進行市場推廣及銷售活動的整個過程，令我們能監控產品的質量，並迅速回應客戶的需求及喜好。

### 採購

- 穩定的原材料供應及卓越的生產能力對於我們維持競爭優勢極為重要。
- 我們在原材料加工及交易方面均擁有卓越能力和聲譽，加上與供應商的長期合作關係，能確保原材料的穩定供應。

### 產品開發

- 我們多名獲獎無數的珠寶設計師與富經驗的工匠，合力利用最新科技改進傳統的工藝以及設計、製樣及生產工序的技術。

### 生產

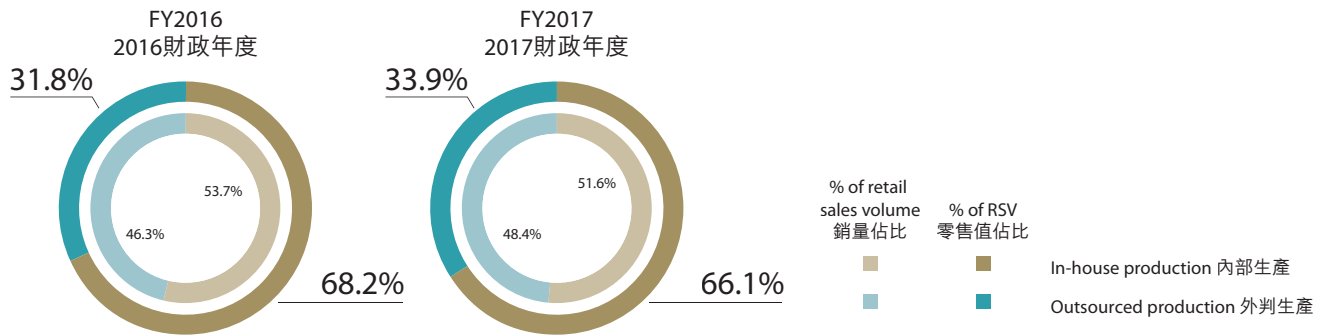
- 我們持續發展、提升及改善生產設施和保留熟練的工匠及技師以維持於行業中的地位。
- 2017財政年度，我們使用自動化系統及人工智能，進一步改善生產工序。

#### 按生產模式劃分的已售產品 — 珠寶產品

# Management Discussion and Analysis 管理層討論與分析

## Products sold by production mode — Gem-set jewellery

## 按生產模式劃分的已售產品 — 珠寶鑽嵌首飾



## Supply chain

- We strive to enhance the operation capabilities of our supply chain. The Logistics and Distribution Centre (the “Centre”), situated in our Shunde production site, has commenced operation.
- Equipped with an automated warehousing system, the Centre extensively applies the Internet of Things (IoT) and item-level RFID technology to enhance the overall efficiency of stock movements and distribution. Such technology also streamlines the storing, sorting, packing and delivery processes, and provides real-time security surveillance.
- The Centre won the Productivity and Quality Grand Award at 2016 Hong Kong Awards for Industries, as well as the Merit Award in Retail and Supply Chain Management at Asia Pacific ICT Alliance Awards 2016.

## 供應鏈

- 我們致力提升供應鏈的營運能力。位於順德生產基地的物流及配貨中心（「該中心」）已開始營運。
- 該中心配置自動化倉存系統，廣泛使用物聯網 (IoT) 及單品級無線射頻識別 (RFID) 技術，提升了存貨流向及配貨的整體效率，亦精簡了儲存、分揀、包裝及送貨工序，同時提供實時保安監控。
- 該中心榮獲2016香港工商業獎：生產力及品質大獎，並獲頒2016亞太資訊及通訊科技大獎的零售及供應鏈管理組別優異獎。



RFID-embedded sorter can automatically sort the products to the designated POS  
結合RFID技術的輸送帶可自動分揀貨品到指定的零售點



Automated Logistics and Distribution Centre in Shunde, Mainland China  
於中國內地順德設置的自動物流及配貨中心

## Chow Tai Fook Jewellery Park

- Since FY2015, Chow Tai Fook Jewellery Park in Wuhan (the “Jewellery Park”) has been serving as a pioneer site for improvement initiatives of our production processes.
- In addition to the production function, the e-commerce function of the Jewellery Park has gradually commenced operations in FY2017.
- In our Jewellery Park, we are committed to promoting sustainable practices in operations and production. With our “Clean Production” principle, we implement stringent controls to monitor the potential environmental issues such as air emission, wastewater discharge and waste disposal.



Chow Tai Fook Jewellery Park — April 2017  
周大福珠寶文化產業園 — 2017年4月

## 周大福珠寶文化產業園

- 自2015財政年度起，位於武漢的周大福珠寶文化產業園（「產業園」）一直為先驅基地，執行生產工序的改良措施。
- 除生產功能外，產業園的電子商務功能亦於2017財政年度逐步開始營運。
- 產業園致力推廣實踐可持續的營運及生產。按照我們「綠色生產」的原則，我們對監察潛在環境影響問題進行嚴控，如廢氣、廢水及廢物排放和處置。

## Data Intelligence Space

- Embracing big data analytics in formulating and tracking our strategic moves, we established Data Intelligence Space in both Hong Kong and Mainland China. The Space is managed by professional team tasked with data analytics management spearheading various strategic corporate projects and initiatives.

## 數據智能空間

- 我們於香港及中國內地設立數據智能空間，使用大數據分析來制定及追蹤策略措施。數據智能空間由專業團隊管理，率先對多項策略性企業項目及計劃進行數據分析管理。



Data Intelligence Space — Headquarters in Shenzhen, Mainland China  
數據智能空間 — 中國內地深圳總部



Data Intelligence Space — Production Management Centre in Shenzhen, Mainland China  
數據智能空間 — 中國內地深圳生產管理中心



Data Intelligence Space — Hong Kong  
數據智能空間 — 香港

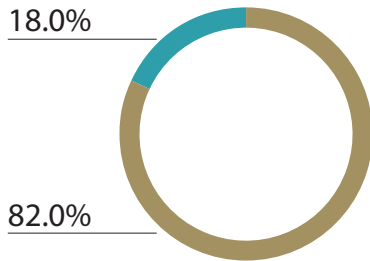
# Management Discussion and Analysis 管理層討論與分析

## Human resources management

## 人力資源管理

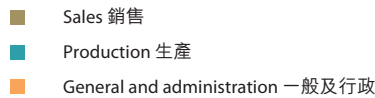
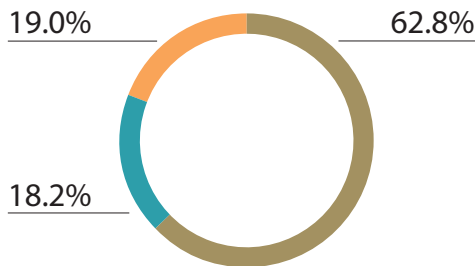
### Number of employees by reportable segment

### 按可呈報分部劃分的員工數目



### Number of employees by function

### 按職能劃分的員工數目



## Training and development

## 培訓及發展

We value our staff and believe their professional and personal development form a major pillar of our sustainable growth. Our talent development is supported by our all-rounded training opportunities which aim at encouraging our employees to unleash their potentials by sharpening their skills.

我們重視員工，相信他們的專業及個人發展是我們持續增長的重大基石。我們提供全面的培訓機會以作人才發展，旨在鼓勵員工提高技能，發揮潛能。

### Chow Tai Fook Academy

- Established with a mission to provide our employees with a wide variety of training programs.
- 3,800 courses were provided with an aggregate of 714,000 training hours during FY2017.

### 周大福培訓學院

- 成立目的是為員工提供不同範疇的培訓課程。
- 於2017財政年度提供了3,800個課堂，培訓時數合共714,000課時。

### Accredited courses

- Gemstone courses recognised by the Qualifications Framework of the Hong Kong Government and Gemological Institute of America were offered to our employees.

### 認證課程

- 向員工提供香港政府資歷架構及美國寶石學院認證的寶石課程。

### Strategic Acumen and Ambidextrous Leadership Programme

- A training programme for senior management was conducted by Ivey Business School of the University of Western Ontario in August 2016.
- Through sharing of inspirational success stories, group discussions and presentations, the competence of our senior management in strategic planning was enhanced, so as to grasp the business opportunities in the highly competitive environment nowadays.

### 戰略觸覺及靈巧領導力培訓

- 2016年8月西安大略大學Ivey Business School為高級管理層提供培訓課程。
- 通過分享成功故事、小組討論及演說，提升高級管理層戰略管理的能力，得以於現時競爭激烈的環境中把握商機。



### Smart Learning

- An online learning platform, iLearning, was implemented to encourage continuing studies. A new smartphone App, “Smart Learning”, was launched in April 2017, facilitating our staff’s learning at any time and any place.

### Hearts On Fire Champion Club

- Staff who has completed the Hearts On Fire training course becomes a member of Hearts On Fire Champion Club. An award ceremony was held in September 2016 to recognise our winners in the Hearts On Fire 2016 Championship on their efforts and support.
- The five staff who have achieved the highest level of sales target are entitled to participate in a 4-day training to be held in Las Vegas at Hearts On Fire University, an educational seminar designed to enhance sales and customer service skills, in October 2017.

### 智·學平台

- 我們設立了網上學習平台 iLearning 鼓勵員工持續進修。為促進員工隨時隨地進修，2017年4月更推出全新的智能手機應用程式「智·學平台」。

### Hearts On Fire Champion Club

- 完成 Hearts On Fire 培訓課程的員工會成為 Hearts On Fire Champion Club 的成員。於2016年9月舉行之頒獎典禮，以表揚在 Hearts On Fire 2016 世界錦標賽表現傑出學員的努力及支持。
- 我們5名達到最高銷售目標的優秀員工可於2017年10月參與由 Hearts On Fire 大學於拉斯維加斯舉辦為期4天的培訓，此乃針對提升銷售額和顧客服務技巧而設之教育研討班。



# Management Discussion and Analysis 管理層討論與分析

## Financials

### 財務狀況

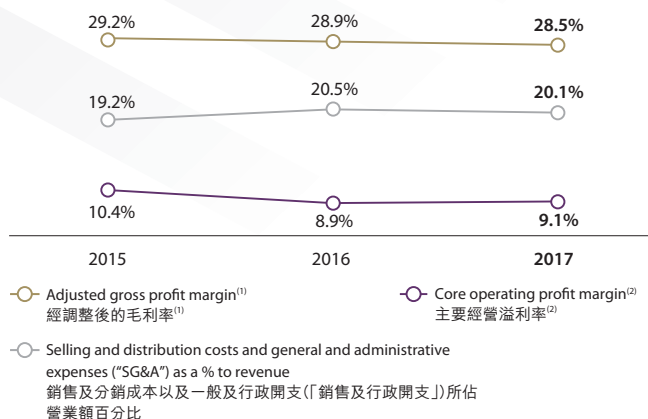
Benefitting from the sales rebound and operating leverage in 2HFY2017, our profitability remained relatively stable year-on-year and exhibited improvement when compared to 1HFY2017. We strive to maintain an optimal capital structure and capital efficiency in creating long-term value and return to our shareholders.

受惠於2017財政年度下半年銷售回升及營運效益，我們的盈利能力按年維持穩定，相比2017財政年度上半年更錄得改善。我們將致力維持合適的資本架構及效率，為股東創造長期價值及回報。

#### Profitability

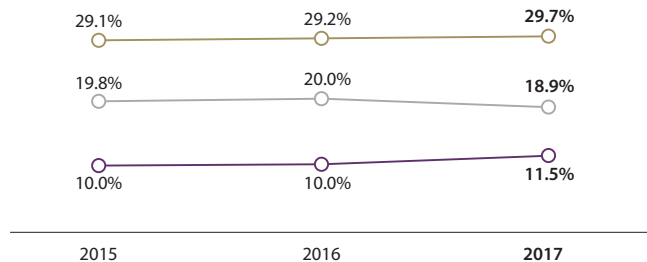
##### Overall 整體

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



##### Mainland China 中國內地

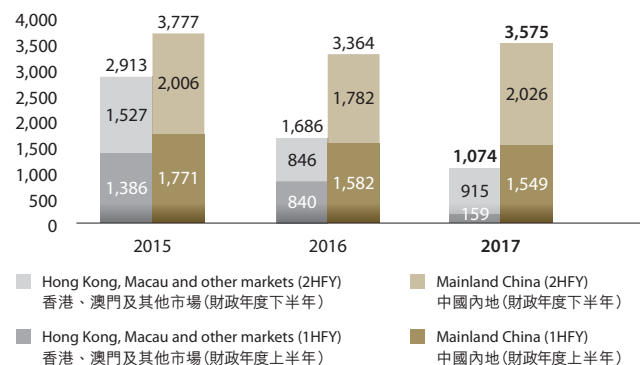
For the year ended 31 March 截至3月31日止年度



#### 盈利能力

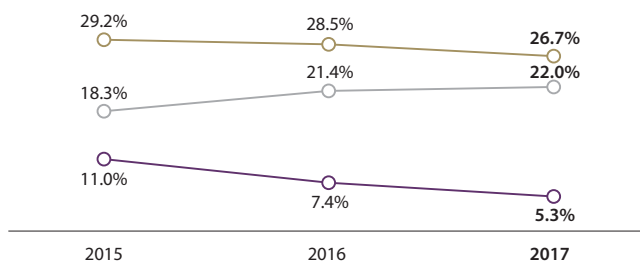
##### Core operating profit<sup>(2)</sup> by reportable segment 按可呈報分部劃分的主要經營溢利<sup>(2)</sup>

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



##### Hong Kong, Macau and other markets 香港、澳門及其他市場

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





Half yearly performance	半年度表現	1HFY2016 2016 財政年度 上半年	2HFY2016 2016 財政年度 下半年	1HFY2017 2017 財政年度 上半年	2HFY2017 2017 財政年度 下半年	1HFY YoY change 財政年度 上半年 同比變化	2HFY YoY change 財政年度 下半年 同比變化
Revenue	營業額	28,124	28,468	21,526	29,719	▼23.5%	▲4.4%
Adjusted gross profit <sup>(1)</sup>	經調整後的毛利 <sup>(1)</sup>	8,038	8,329	6,471	8,156	▼19.5%	▼2.1%
Adjusted gross profit margin <sup>(1)</sup>	經調整後的毛利率 <sup>(1)</sup>	28.6%	29.3%	30.1%	27.4%	▲1.5% pts 個百分點	▼1.9% pts 個百分點
Other income	其他收入	166	140	178	152	▲7.0%	▲8.3%
SG&A	銷售及行政開支	(5,782)	(5,841)	(4,941)	(5,367)	▼14.6%	▼8.1%
SG&A as a % to revenue	銷售及行政開支所佔 營業額百分比	20.6%	20.5%	23.0%	18.1%	▲2.4% pts 個百分點	▼2.4% pts 個百分點
Core operating profit <sup>(2)</sup>	主要經營溢利 <sup>(2)</sup>	2,422	2,628	1,708	2,942	▼29.5%	▲11.9%
Core operating profit margin <sup>(2)</sup>	主要經營溢利率 <sup>(2)</sup>	8.6%	9.2%	7.9%	9.9%	▼0.7% pts 個百分點	▲0.7% pts 個百分點

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

(2) Core operating profit and the corresponding margin, a non-IFRS measure, being the aggregate of adjusted gross profit and other income, less SG&A, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its core businesses

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

(2) 主要經營溢利及主要經營溢利率並非按國際財務報告準則計算，指經調整後的毛利及其他收益的合計，減銷售及行政開支，本公司相信此等數據有助更透徹了解其經營表現及核心業務的實際趨勢

### Mainland China

- Mainland China was our main profit contributor and accounted for over 75% of the Group's core operating profit in FY2017.
- Thanks to the business turnaround in 2HFY2017, core operating profit delivered a 13.7% growth in 2HFY2017, resulting in a 6.3% growth for the full year.
- In terms of profitability, adjusted gross profit margin was uplifted by 50 basis points in FY2017 primarily due to margin improvement on gem-set jewellery.
- Coupled with a reduction in operating expenses, core operating profit margin of Mainland China improved by 150 basis points to 11.5%.

### Hong Kong, Macau and other markets

- Similarly, Hong Kong, Macau and other markets recorded a growth of 8.1% in core operating profit during 2HFY2017, compared to a decline of 81.1% in 1HFY2017. 2HFY2017 core operating profit contributed around 85% of the respective segment profit in FY2017.
- On the other hand, adjusted gross profit margin dropped by 180 basis points mainly due to an increase in gold products sales mix and jewellery trading income.
- Core operating profit margin fell by 210 basis points to 5.3% on a full year basis. 2HFY2017 core operating profit margin improved to 7.9%, up by 610 basis points from 1.8% in 1HFY2017, as business stabilised and the benefit of operating leverage kicked in.

### 中國內地

- 中國內地為我們主要溢利來源，於2017財政年度佔本集團主要經營溢利超過75%。
- 受惠於2017財政年度下半年業務回升，2017財政年度下半年的主要經營溢利錄得13.7%增長，全年則錄得6.3%增長。
- 就盈利能力而言，2017財政年度經調整後的毛利率上升50個基點，主要因為珠寶鑲嵌首飾的毛利率有所改善。
- 加上經營開支下降，中國內地的主要經營溢利率上升150個基點至11.5%。

### 香港、澳門及其他市場

- 同樣，香港、澳門及其他市場的主要經營溢利於2017財政年度下半年亦錄得8.1%增長，而2017財政年度上半年的主要經營溢利佔此分部的2017財政年度溢利約85%。
- 另一方面，經調整後的毛利率下降180個基點，主要由於黃金產品銷售佔比及珠寶貿易收入上升所致。
- 全年的主要經營溢利率下降210個基點至5.3%。受惠於業務趨穩及營運效益，主要經營溢利率由2017財政年度上半年的1.8%上升610個基點至2017財政年度下半年的7.9%。

# Management Discussion and Analysis 管理層討論與分析

## Group

- At group level, core operating profit margin improved sequentially from 7.9% in 1HFY2017 to 9.9% in 2HFY2017 due to the sales rebound and operating leverage in 2HFY2017.

## Gross profit margin

### Unrealised hedging loss/(gain)

For the year ended 31 March	截至3月31日止年度	2015	2016	2017
Gross profit margin	毛利率	29.7%	27.6%	29.2%
Unrealised hedging loss/(gain) on gold loans	黃金借貸未變現對沖虧損/(收益)	(0.5)%	1.3%	(0.7)%
Adjusted gross profit margin	經調整後的毛利率	29.2%	28.9%	28.5%

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

## 集團

- 於集團層面，受惠於2017財政年度下半年銷售回升及營運效益，主要經營溢利率由2017財政年度上半年的7.9%上升至2017財政年度下半年的9.9%。

## 毛利率

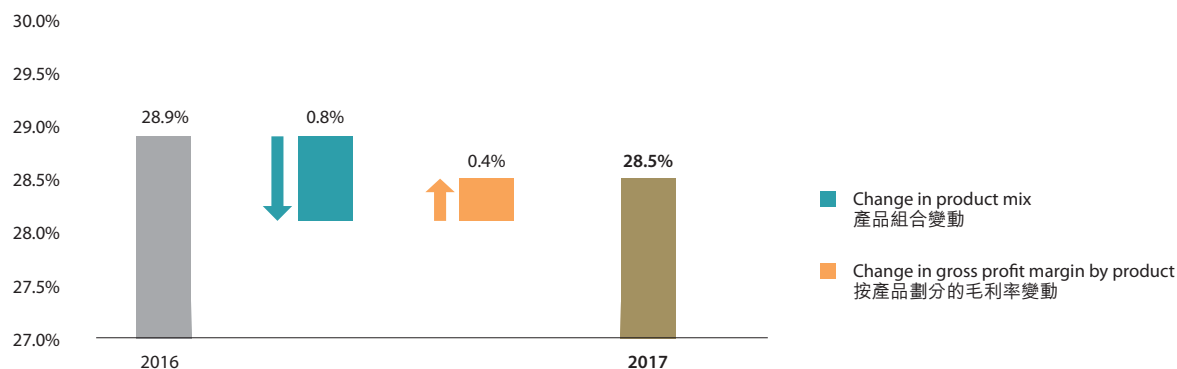
### 未變現對沖虧損/(收益)

- 年內未變現對沖虧損/(收益)指(i)撥回於上一個財政年度完結時因確認黃金好倉與淡倉影響之時間差所產生的虧損/(收益)與(ii)於當前財政年度結算時，因相關的時間差而產生的虧損/(收益)的淨影響。
- 我們利用黃金借貸(黃金淡倉)對沖黃金存貨(黃金好倉)的價格波動。雖然黃金好淡倉的長線影響預期將會在出售黃金產品時互相抵銷，惟對報告期末的持倉狀況而言，計入銷售成本的黃金借貸虧損/(收益)與已對沖黃金存貨的銷售之間或會有短暫的時間差，從而可能產生虧損/(收益)。

## Changes in adjusted gross profit margin

## 經調整後的毛利率變動

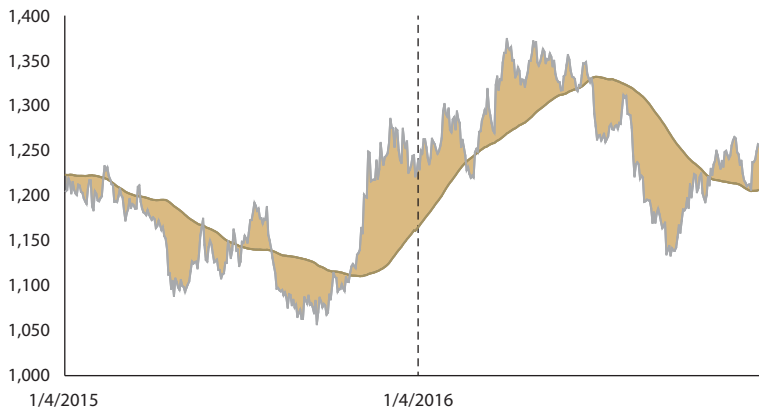
Year ended 31 March 截至3月31日止年度



- At group level, adjusted gross profit margin was reduced by 40 basis points year-on-year primarily as sales contribution of gold products increased.

- 於集團層面，經調整後的毛利率按年下降40個基點，主要由於黃金產品銷售佔比擴大所致。

London gold price 倫敦金價  
(US\$ per ounce 美元每盎司)



(1) Average of T-120 days refers to the average gold price of previous 120 days on rolling basis, being a proxy of the average price of our hedged gold inventories. Average of T-120 days was used for FY2016 and FY2017

— London gold price 倫敦金價  
— Average of T-120 days T-120天平均值<sup>(1)</sup>

(1) T-120天平均值指過往連續120天的黃金均價，用作代表我們已對沖黃金存貨的平均價格。2016財政年度及2017財政年度均使用T-120天平均值

### Changes in hedging mechanism

- We regularly review our gold hedging mechanism and during the year, we decided to use a more targeted hedging approach to enhance effectiveness after considering the below factors:
  - Higher reliance has been placed on Mainland China operations where seasonality plays a more prominent role.
  - There has been a higher proportion of consigned inventory due to inventory ownership unification programme.
  - A relatively low gold price level has been seen in recent years.
- Under the new approach, our gold inventory is classified as (i) base inventory, (ii) seasonal inventory, and (iii) consigned inventory and others.

Seasonal and consigned inventories are 100% hedged as they are more short-term and volatile in nature and usually have thinner margins. By taking a fully hedged position, our profit margin could be protected.

Base inventory, which is the inventory needed for the normal course of business, is regarded as our long-term cost of capital. Short-term fluctuation in commodity price is not a concern to our continuing operations. Thus, no hedging is applied on base inventory. As at 31 March 2017, base inventory accounted for around 75% of gold inventory balances.

- With this approach, the hedging ratio would change from a constant 70% to a floating ratio ranging from 20–50%. With a lower hedging ratio, volatility on the reported earnings and finance costs arisen from gold loans would be reduced.
- This new approach has been gradually implemented since 2HFY2017. The hedging ratio was around 35% as at 31 March 2017. Full implementation of the new hedging mechanism is expected in FY2018.

### 對沖機制變動

- 我們定期檢討黃金對沖機制，年內，我們經考慮以下因素後，決定以較為針對性的對沖方式提升其成效：
  - 對中國內地業務的依賴較高，而該市場的季節性的影響更為顯著。
  - 統一存貨擁有權計劃使寄售存貨佔比較高。
  - 近年黃金價格水平相對較低。
- 在新方式下，黃金存貨可分為(i)基礎存貨、(ii)季節性存貨；及(iii)寄售存貨及其他。

我們將季節性及寄售存貨作100%對沖，此乃由於該等存貨性質較為短暫及波動，毛利率亦一般較低。將該等存貨作完全對沖將可保障我們的毛利率。

基礎存貨（即正常業務過程所需的存貨水平）被視為我們的長期資本成本。商品價格的短期波動並不會對我們的持續經營業務造成問題。因此並無就基礎存貨採取對沖措施。於2017年3月31日，基礎存貨佔黃金存貨結餘約75%。

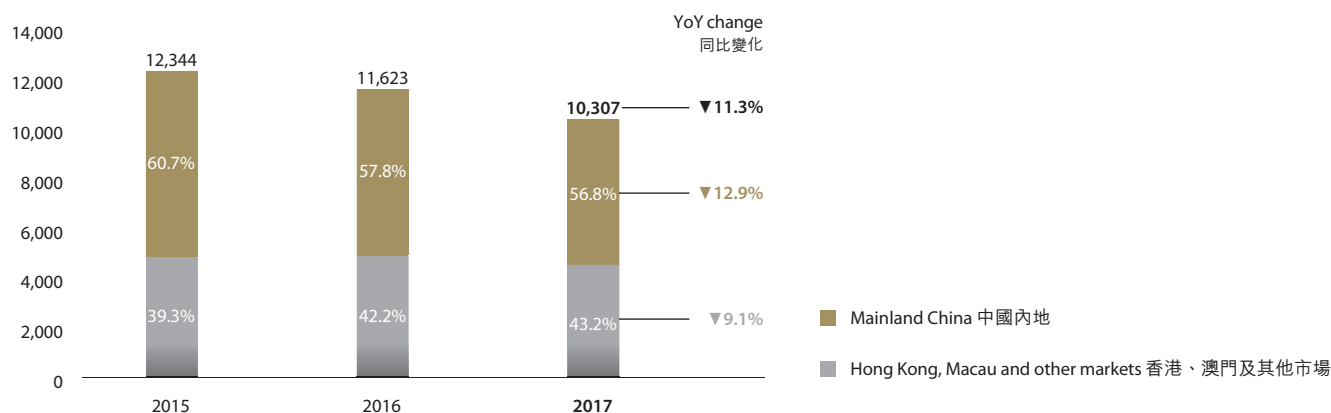
- 在此方式下，對沖比率將由固定的70%改為介乎20%至50%的浮動比率。由於對沖比率降低，所呈報盈利的波動性及黃金借貸的融資成本可獲減少。
- 新對沖方式自2017財政年度下半年起逐步實行。於2017年3月31日的對沖比率約為35%。預計於2018財政年度將全面實施新對沖機制。

# Management Discussion and Analysis 管理層討論與分析

## SG&A

### SG&A by reportable segment

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

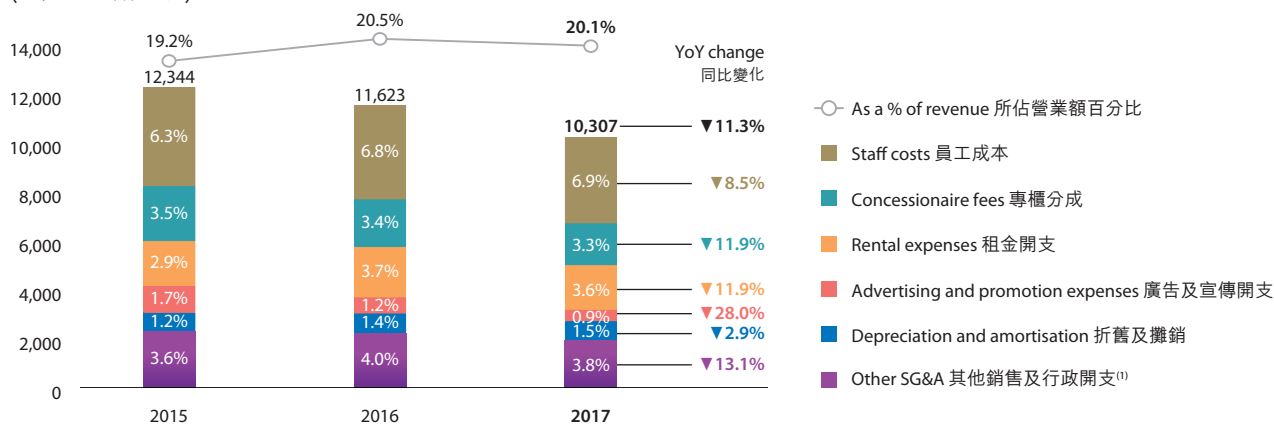


## 銷售及行政開支

### 按可呈報分部劃分的銷售及行政開支

### SG&A to revenue ratio

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



(1) Other SG&A mainly represented bank charges incurred for sales transaction settlement, royalty fees for the sales of licensed products, certificate expenses, packing materials, utilities and staff welfare

(1) 其他銷售及行政開支主要包括銷售交易結算產生的銀行手續費、銷售授權產品的專利費用、證書費、包裝物料、水電費及員工福利

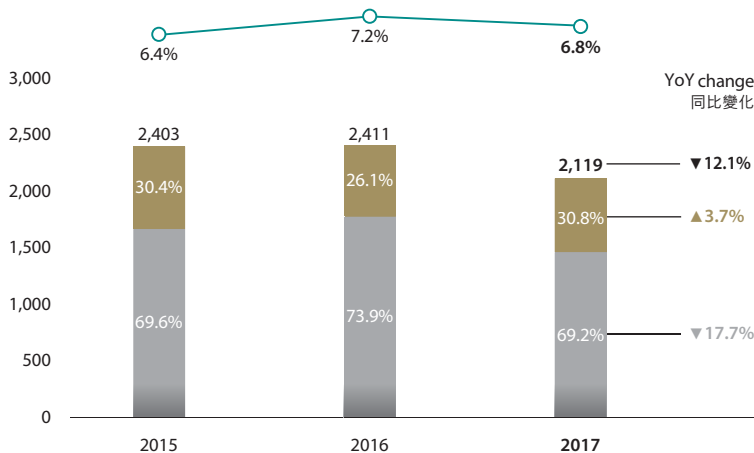
- Our Mainland China segment contributed over half of SG&A over the past 3 years.
- With effective cost saving measures, we managed to trim SG&A expenses by 11.3% to HK\$10,307 million in FY2017 with both segments and all expense components recording a year-on-year drop.
- Advertising and promotion expenses were reduced by 28.0% as some marketing activities have been deferred.
- Thanks to the sales rebound during 2HFY2017, SG&A ratio fell to 18.1% in 2HFY2017 from 23.0% in 1HFY2017. On a full-year basis, SG&A ratio improved slightly by 40 basis points to 20.1%.
- 中國內地分部於過往3年均佔逾一半銷售及行政開支。
- 於2017財政年度，我們實行有效的節省成本措施後，將銷售及行政開支降低11.3%至10,307百萬港元，而兩個分部及所有開支項目均錄得同比下降。
- 廣告及宣傳開支因部分市場推廣活動延後而減少28.0%。
- 受惠於2017財政年度下半年銷售回升，銷售及行政開支比率由2017財政年度上半年的23.0%降至2017財政年度下半年的18.1%。按全年計，銷售及行政開支比率稍微改善40個基點至20.1%。

## Major SG&A components

### Staff costs

#### Mainland China

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



## 銷售及行政開支的主要項目

### 員工成本

#### 中國內地

FY2017 2017財政年度  
25,270 average number of employees  
平均員工數目  
▼10.4% YoY change  
同比變化

○ As a % of respective revenue 所佔營業額百分比

■ Variable proportion 浮動部分

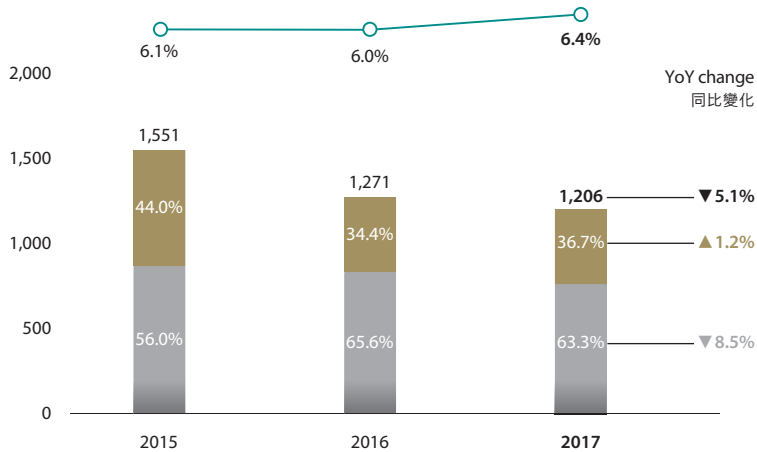
■ Fixed proportion 固定部分

# Management Discussion and Analysis 管理層討論與分析

## Hong Kong and Macau

## 香港及澳門

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



○ As a % of respective revenue 所佔營業額百分比

■ Variable proportion 浮動部分

■ Fixed proportion 固定部分

- We strive for staff costs optimisation by enhancing productivity of our employees. The average number of frontline staff per self-operated POS decreased by approximately 12% for both Mainland China market and Hong Kong and Macau market as compared to last year.
- In Mainland China, staff costs contracted by 12.1% to HK\$2,119 million, generally in line with the reduction of average number of employees during the year.
- In Hong Kong and Macau, staff costs dropped by 5.1% while average number of employees reduced by 13.6% as a result of POS consolidation.

- 我們致力透過提升員工生產力以優化員工成本。中國內地市場與香港及澳門市場的直營零售點的店均前線員工數目均較去年減少約12%。
- 於中國內地，員工成本削減12.1%至2,119百萬港元，與年內平均員工數目減幅相若。
- 於香港及澳門，員工成本削減5.1%，平均員工數目則由於零售點整合而下降13.6%。

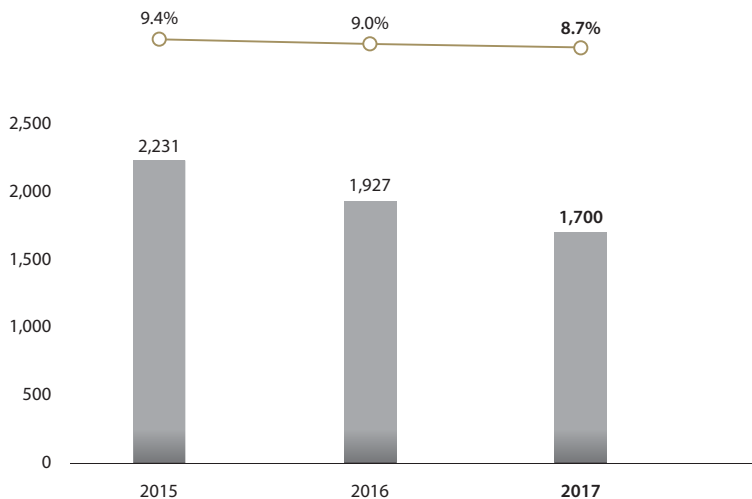
## Concessionaire fees and rental expenses

## 專櫃分成及租金開支

### Mainland China

### 中國內地

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



○ As a % of respective revenue 所佔營業額百分比

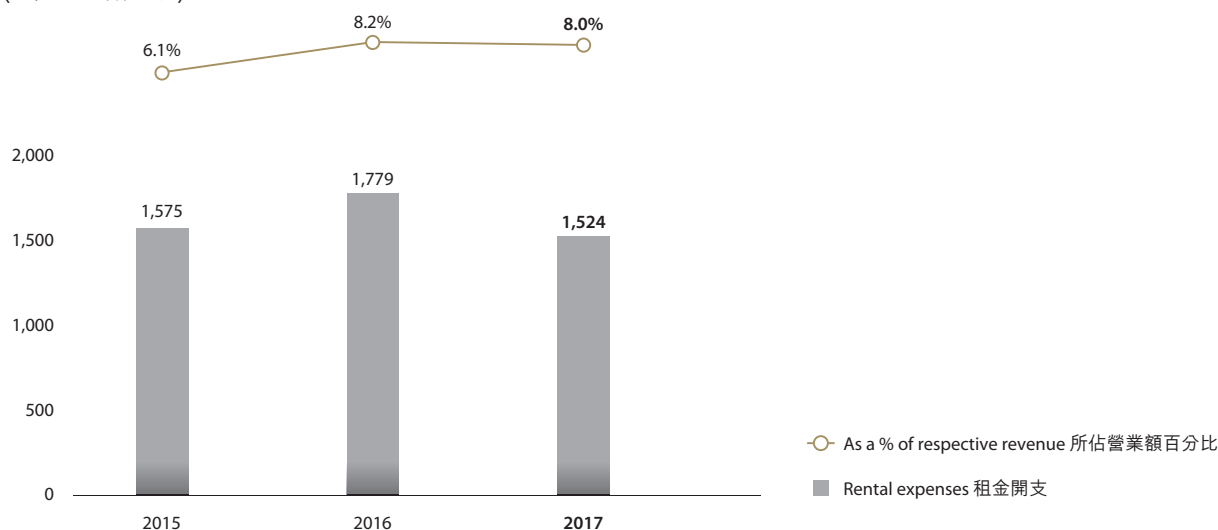
■ Concessionaire fees 專櫃分成



## Hong Kong and Macau

## 香港及澳門

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



- In Mainland China, concessionaire fees dropped by 11.8% as a result of revenue decline as well as the reduction of concessionaire fees by product during the year. The slight decline in concessionaire fees ratio was mainly due to lower concessionaire fees by product.
- In Hong Kong and Macau, rental expenses were down by 14.3% due to consolidation of POS and rental renewal reduction. Rental expenses ratio also edged down slightly by 20 basis points to 8.0% in FY2017, helped by a stabilising business environment. We achieved an average reduction on rental renewal of approximately 35% in FY2017.

## Other income, other gains and losses and other expenses

## 其他收入、其他收益及虧損以及其他開支

For the year ended 31 March	截至3月31日止年度	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元	2017 vs 2016 YoY change 同比變化
Other income	其他收入	302	306	330	▲7.6%
Other gains and losses	其他收益及虧損	(36)	(245)	(286)	▲16.7%
Other expenses	其他開支	(95)	(51)	(215)	▲318.9%

- Other income mainly arose from the government grants received by the subsidiaries in Mainland China.
- Other gains and losses mainly represented a net foreign exchange loss of HK\$273 million (FY2016: HK\$229 million) due to the devaluation of RMB.
- An impairment loss on investment, amount due from an associate and amount due from a joint venture amounted to an aggregate of HK\$164 million was recognised and included in "other expenses" during the year.

其他收入主要指來自中國內地附屬公司獲得的政府補貼。

其他收益及虧損主要包括因人民幣貶值而產生的外匯淨虧損273百萬港元(2016財政年度：229百萬港元)。

投資減值虧損、應收一家聯營公司款項以及應收一家合資企業款項共計164百萬港元已獲確認，並計入年內「其他開支」。

# Management Discussion and Analysis 管理層討論與分析

## Interest income, finance costs and taxation

## 利息收入、融資成本及稅項

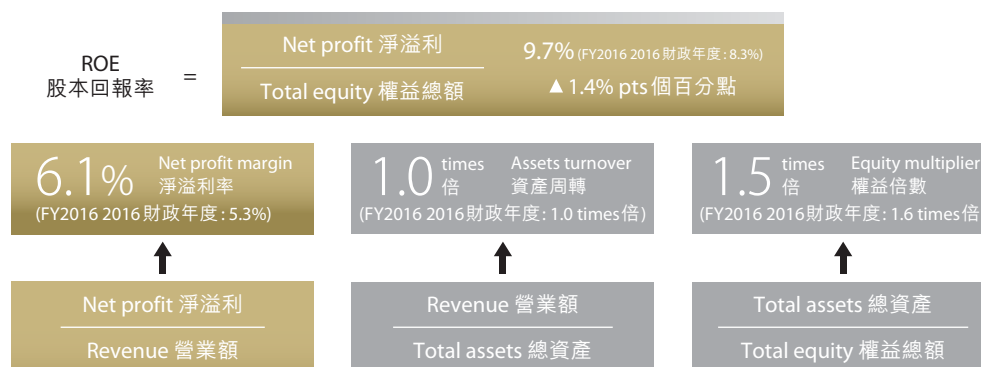
For the year ended 31 March	截至3月31日止年度	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元	2017 vs 2016 YoY change 同比變化
Interest income from banks	銀行利息收入	125	112	122	▲9.0%
Other interest income	其他利息收入	26	43	18	▼57.7%
Finance costs on bank borrowings	銀行貸款融資成本	149	69	93	▲36.0%
Finance cost on gold loans	黃金借貸融資成本	232	174	143	▼17.8%
Taxation	稅項	1,123	957	1,227	▲28.2%

- Effective tax rate increased from 24.3% in FY2016 to 28.0% in FY2017 due to higher profit contribution from Mainland China, where higher tax rate applied, and as more tax expenses were incurred during the year for the dividends distributed from the subsidiaries in Mainland China for paying the special dividend declared by the Group.
- 實際稅率由2016財政年度的24.3%升至2017財政年度的28.0%，這是由於稅率較高的中國內地盈利貢獻增加，以及就本集團宣派的特別股息，中國內地附屬公司於年內因而撥備較多可分派的股息而產生額外的稅費所致。

## Return on equity

## 股本回報率

- We use return on equity ("ROE") to measure the efficiency of generating profits from each unit of shareholder equity.
- 我們使用股本回報率計量自每股股東權益獲取溢利的效率。
- Net profit margin increased by 80 basis points to 6.1% due to an expanded reported gross profit margin and operating leverage as fundamentals improved. As a result, ROE improved by 140 basis points to 9.7%.
- 呈報毛利率及營運效益因基礎因素改善而有所上升，令淨溢利率上升80個基點至6.1%。因此，股本回報率上升140個基點至9.7%。

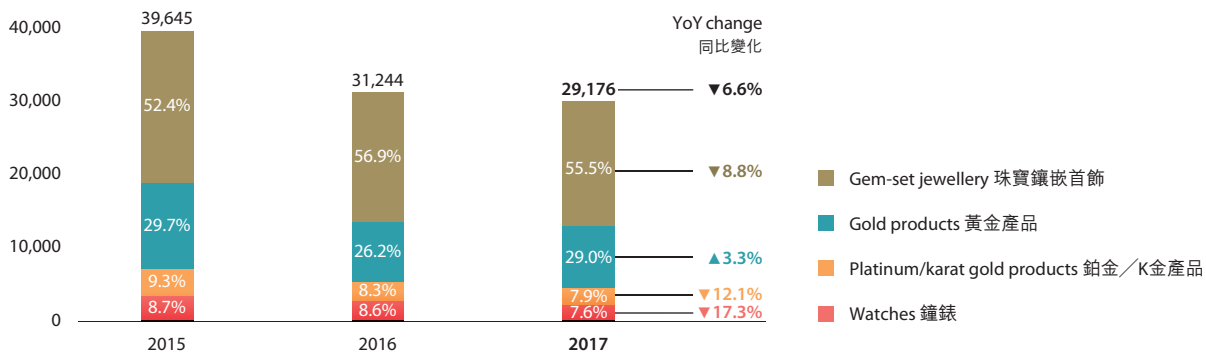


## Inventory turnover and capital structure

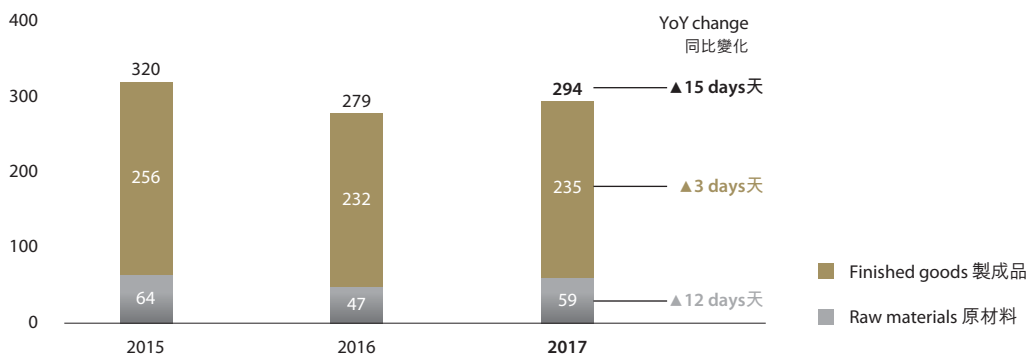
## Inventory balances and turnover period

Inventory balances by product<sup>(1)</sup>

As at 31 March 於3月31日  
(HK\$ million 百萬港元)

Inventory turnover period by category<sup>(2)</sup>

For the year ended 31 March 截至3月31日止年度  
(Day 天數)



(1) Packing materials excluded

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

## 存貨周轉及資本架構

## 存貨結餘及周轉期

按產品劃分的存貨結餘<sup>(1)</sup>按類別劃分的存貨周轉期<sup>(2)</sup>

- Inventory balances, excluding packing materials, decreased over the past 2 years and stood at HK\$29,176 million as at 31 March 2017.
- The reduction was partly attributable to our continual optimisation of inventory balances and partly related to the reclassification of certain high value unique collectibles into "Non-current assets — Jewellery Collectibles" on our consolidated statement of financial position. As at 31 March 2017, jewellery collectibles amounted to HK\$967 million.
- On a full year basis, inventory turnover period was 294 days, 15 days longer than last year.

- 存貨結餘(不包括包裝物料)在過去兩年一直下降,降至2017年3月31日的29,176百萬港元。
- 下降原因部分是由於我們持續優化存貨結餘,部分是有關於在我們的綜合財務狀況表內將若干高價值獨特珍品重新分類入「非流動資產—珠寶珍藏」。於2017年3月31日,珠寶珍藏為967百萬港元。
- 按全年計,存貨周轉期為294天,較去年多15天。

(1) 不包括包裝物料

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

## Management Discussion and Analysis 管理層討論與分析

## Capital structure

## 資本架構

As at 31 March	於3月31日	2016 HK\$ million 百萬港元	% to total equity 佔權益總額 百分比	2017 HK\$ million 百萬港元	% to total equity 佔權益總額 百分比	Increase/ (decrease) 增加/ (減少) HK\$ million 百萬港元	Denominated currency <sup>(1)</sup> 計值貨幣 <sup>(1)</sup>	Interest rate structure <sup>(1)</sup> 利率架構 <sup>(1)</sup>
Non-current assets	非流動資產	6,670	18.7%	7,133	21.9%	463	N/A 不適用	N/A 不適用
Inventories	存貨	31,377	87.8%	29,259	90.0%	(2,118)	N/A 不適用	N/A 不適用
Bank deposits and cash equivalents <sup>(2)</sup>	銀行存款及 現金等價物 <sup>(2)</sup>	13,001	36.4%	7,943	24.4%	(5,058)	Mainly HKD, RMB and USD 主要為港元、 人民幣及 美元	Mainly variable interest rate 主要為浮動 利率
Total borrowings <sup>(3)</sup>	總貸款 <sup>(3)</sup>	14,433	40.4%	10,009	30.8%	(4,424)		
Bank borrowings	銀行貸款	7,920	22.2%	6,793	20.9%	(1,127)	HKD and RMB 港元及人民幣	Variable interest rate 浮動利率
Gold loans	黃金借貸	6,513	18.2%	3,216	9.9%	(3,297)	RMB and USD 人民幣及美元	Fixed interest rate 固定利率
Net debt <sup>(4)</sup>	債項淨額 <sup>(4)</sup>	1,432	4.0%	2,066	6.4%	634	N/A 不適用	N/A 不適用
Working capital <sup>(5)</sup>	營運資金 <sup>(5)</sup>	30,241	84.6%	26,480	81.5%	(3,761)	N/A 不適用	N/A 不適用
Total equity	權益總額	35,750	100.0%	32,502	100.0%	(3,248)	N/A 不適用	N/A 不適用

(1) Information about denominated currency and interest rate structure related to the condition as at 31 March 2017

(2) Bank balances and cash included

(3) As at 31 March 2017, bank borrowings amounted to HK\$6,193 million and all the gold loans would be matured within 12 months while bank borrowings amounted to HK\$600 million would be matured in more than 1 year but not exceeding 2 years

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

(5) Being net current assets

(1) 有關計值貨幣及利率結構為2017年3月31日的情況

(2) 包括銀行結餘及現金

(3) 於2017年3月31日，6,193百萬港元的銀行貸款及所有黃金借貸將於12個月內到期，而600百萬港元的銀行貸款將於超過1年但不多於2年內到期

(4) 銀行貸款、黃金借貸之總額(已扣除銀行存款及現金等價物)

(5) 淨流動資產

- We principally meet our working capital and other liquidity requirements through a combination of capital contributions, including cash flows from operations, bank borrowings and gold loans. Gold loans are also used to hedge against the financial impact of the price fluctuations in the Group's gold inventories.
  - The Group's daily operation was mainly financed by operating cash flows, and mainly relied on short-term borrowings to satisfy inventory financing needs during peak seasons, working capital for future expansion plans and unexpected needs. The Group has not experienced any difficulties in repaying its borrowings.
  - The Group's income and expenditure were mostly denominated in HKD and RMB, while its assets and liabilities were mostly denominated in HKD, RMB and USD.
- 我們主要透過來自經營現金流量、銀行貸款及黃金借貸的資本來源應付營運資金及其他流動資金需求。黃金借貸亦用作對沖本集團黃金存貨價格波動的財務影響。
  - 本集團日常業務所需資金主要來自經營現金流量，亦會主要以短期借貸滿足旺季時的存貨資金需求、未來擴展計劃所需營運資金及預計之外的需求。本集團於償還貸款方面並無任何困難。
  - 本集團之收入及開支主要以港元及人民幣計值，而資產及負債則主要以港元、人民幣及美元計值。

### Effect of RMB fluctuation

- RMB continued to devalue during FY2017. As at 31 March 2017, RMB further went down by around 6% as compared to 31 March 2016. As part of our business operation was in Mainland China, the devaluation of RMB affected the performance and balances of assets and liabilities of our Mainland China operation, as well as the balances of inter-group advances denominated in RMB, which posed some impact to our net profit for the year.
- The table below illustrates the impact to our financial performance due to RMB fluctuation:

### 人民幣波動的影響

- 人民幣於2017財政年度持續貶值。相較2016年3月31日，2017年3月31日的人幣進一步下降約6%。由於我們有部分業務在中國內地經營，人民幣貶值會影響中國內地營運的表現及資產和負債的結餘以及以人民幣計值的集團間墊款的餘額，因而對年內淨溢利有所影響。
- 下表列示人民幣波動對我們財務表現的影響：

For the year ended 31 March	截至3月31日止年度	2016		2017	
		As reported 所呈報	Constant exchange rate basis 按相同匯率計算	As reported 所呈報	Constant exchange rate basis 按相同匯率計算
Revenue YoY change	營業額同比變化	▼12.0%	▼10.5%	▼9.4%	▼6.0%
Net profit YoY change	淨溢利同比變化	▼46.2%	▼41.0%	▲5.8%	▲11.8%
Inventory balances YoY change	存貨結餘同比變化	▼21.2%	▼19.0%	▼6.7%	▼6.4%
Bank balances and cash YoY change	銀行結餘及現金同比變化	▲53.4%	▲57.3%	▼38.9%	▼37.3%



# Management Discussion and Analysis 管理層討論與分析

## Cash flows and others

## 現金流量及其他

### Cash flows

### 現金流量

For the year ended 31 March	截至3月31日止年度	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	7,288	5,787	5,702
Decrease in inventories	存貨減少	3,117	7,499	599
Net change in gold loans	黃金借貸淨變動	(2,036)	(2,161)	(3,023)
Net cash from/(used in) other operating activities	其他經營活動所得/(所用)現金淨額	(2,837)	611	(49)
Purchase of jewellery collectibles	購買珠寶珍藏	-	-	(378)
Capital expenditure	資本開支	(2,768)	(1,046)	(862)
<b>Pro forma free cash flows</b>	<b>備考自由現金流量</b>	<b>2,764</b>	<b>10,690</b>	<b>1,989</b>
Net change in bank borrowings	銀行貸款淨變動	450	1,192	(1,112)
Dividends paid	已付股息	(3,534)	(6,582)	(5,148)
Net cash outflow used in acquisition of subsidiaries	收購附屬公司所用現金流出淨額	(1,188) <sup>(1)</sup>	-	-
Other movements	其他變動	518	(776)	(787)
<b>Net increase/(decrease) in bank balances and cash</b>	<b>銀行結餘及現金增加/(減少)淨額</b>	<b>(990)</b>	<b>4,524</b>	<b>(5,058)</b>

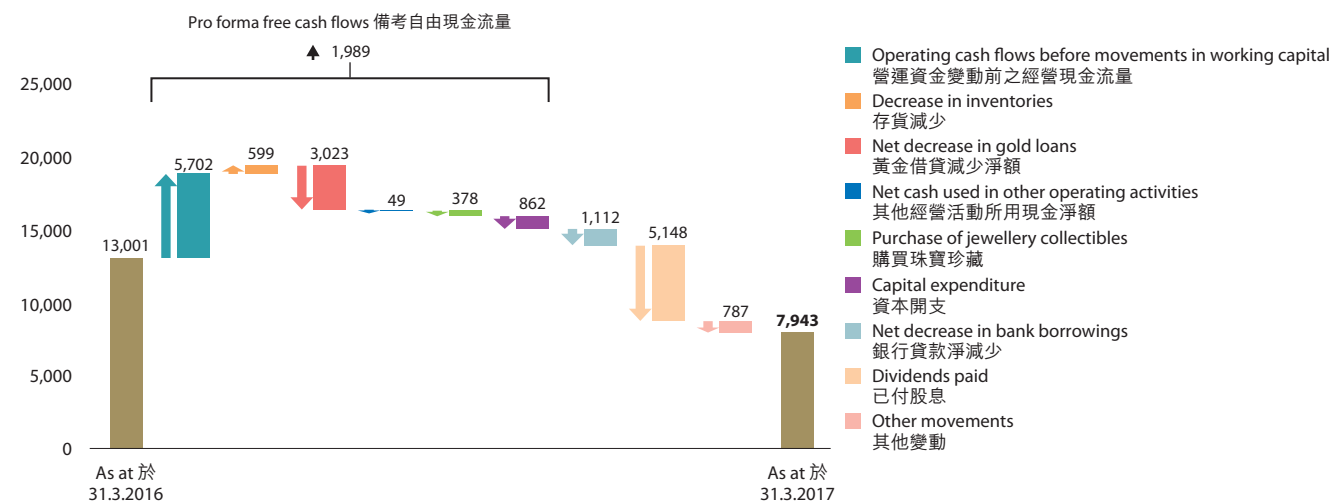
(1) Cash paid for the respective fixed assets upon acquisition of the subsidiaries were included in "capital expenditure"

(1) 於收購附屬公司時用於購入相關固定資產的現金包含在「資本開支」

### Major cash flows items for FY2017

### 2017 財政年度主要現金流量項目

(HK\$ million 百萬港元)

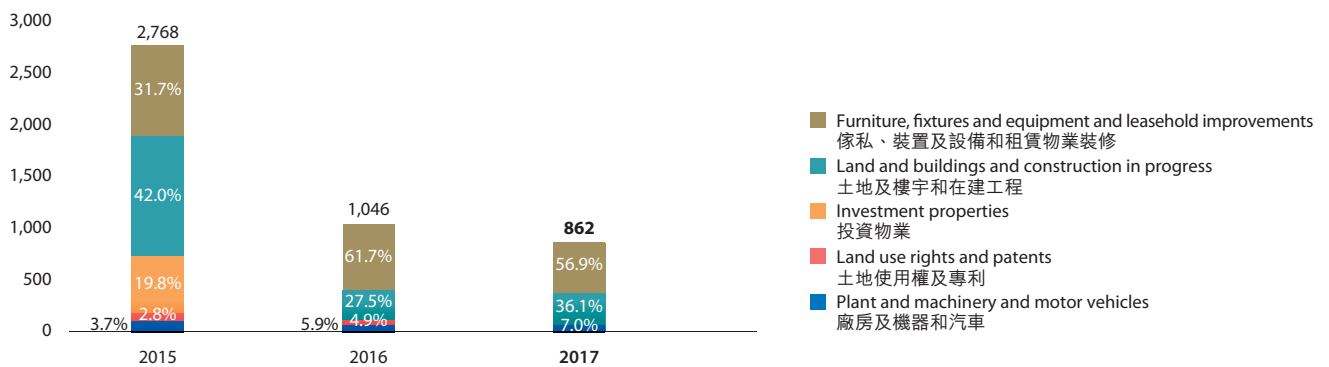


## Capital expenditure

- The Group's capital expenditure incurred during FY2017 amounted to HK\$862 million (FY2016: HK\$1,046 million).

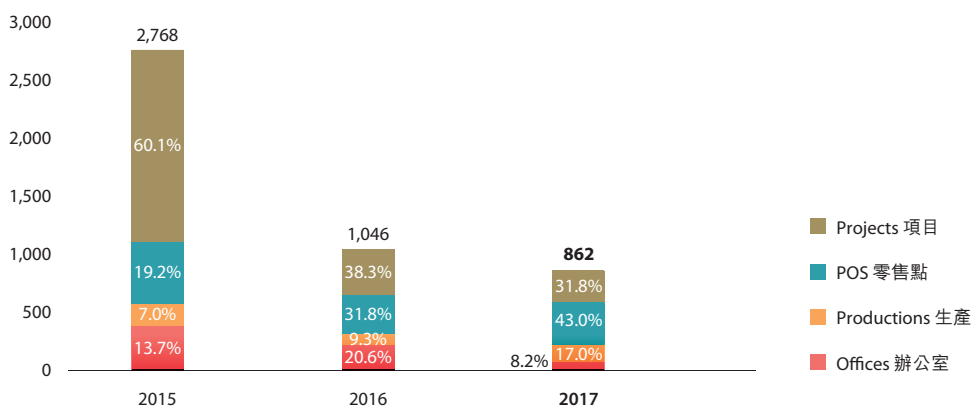
### Capital expenditure by nature

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



### Capital expenditure by function

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



## Contingent liabilities

- The Group did not have any material contingent liabilities as at 31 March 2017 and 31 March 2016.

## Capital commitments

- Details of the Group's capital commitments as at 31 March 2017 and 31 March 2016 are set out in note 34 to the consolidated financial statements.

## 資本開支

- 本集團於2017財政年度的資本開支為862百萬港元(2016財政年度:1,046百萬港元)。

### 按性質劃分的資本開支

### 按功能劃分的資本開支

## 或然負債

- 本集團於2017年3月31日及2016年3月31日並無任何重大或然負債。

## 資本承擔

- 本集團於2017年3月31日及2016年3月31日的資本承擔詳情載於綜合財務報表附註34。



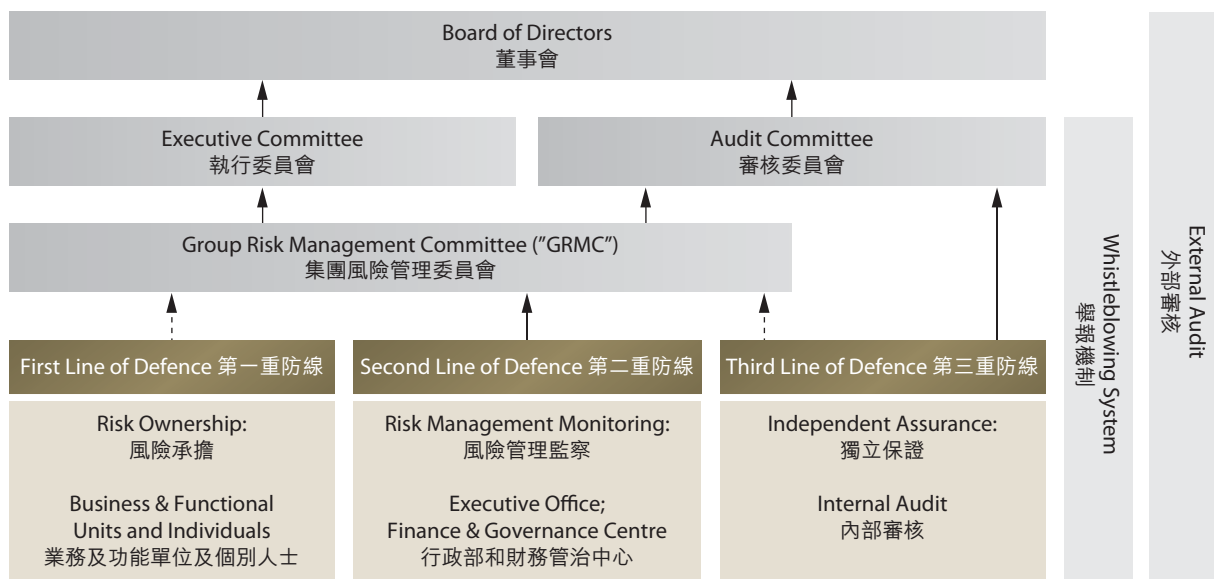
# Risk Management Report

風險管理報告

## Risk management and internal controls

The Board acknowledges the importance of adequate and effective risk management and internal control systems which assist them in understanding the Company's risk profile, allocating resources to strengthen control measures and making risk-reward optimised business decisions for business planning. The Board recognises these as the prerequisites for the Company to overcome challenges flexibly and achieve its strategic objectives towards sustainable growth and development.

## Our risk management and internal control governance framework



### Board oversight

#### Board of Directors

- Evaluates and determines the nature and extent of the risks the Company is willing to take in achieving its strategic objectives
- Ensures that the Company establishes and maintains appropriate and effective risk management and internal control systems
- Reviews the adequacy and effectiveness of our risk management and internal control systems

## 風險管理及內部監控

董事會深明充足有效的風險管理及內部監控系統之重要性，該等系統有助他們辨識本公司風險狀況、分配資源加強監控措施、衡量風險與回報作出最佳的營商決策，以進行業務規劃。董事會確信，此等系統為公司能夠靈活應付種種挑戰的必備條件，協助公司達成策略性目標，最終達致可持續增長及發展。

## 風險管理及內部監控管治框架

### 董事會監督

#### 董事會

- 評估及釐定公司達成策略目標時所願意接受的風險性質及程度
- 確保公司設立和維持合適及有效的風險管理及內部監控系統
- 檢討我們的風險管理及內部監控系統之充足及有效性

# Risk Management Report 風險管理報告

## Audit Committee

- Oversees the design, implementation and supervision of the risk management and internal control systems on behalf of the Board

## Executive Committee

- Regularly reviews the risk and control issues escalated via GRMC
- Suggests the priority of risk management efforts at Group level
- Drives risk-conscious culture and promotes control environment of the Group

## Management oversight and communication

### GRMC

- A management committee comprising the Managing Director, four executive directors and management personnel from major business and functional units
- Maintains the risk management and internal control framework and drives improvement for the processes
- Identifies and manages risks at corporate level, reviews the principal risks, control measures and oversees the progress of works of risk owners on a quarterly basis

## Independent assurance and investigation

### Internal Audit

- Our internal auditors and PricewaterhouseCoopers have teamed up and are responsible for carrying out the risk-based internal audit
- Provides independent assurance on the adequacy and effectiveness of our risk management and internal control systems
- Communicates audit findings and control deficiencies to management for their implementation of remedial actions

### External Audit

- Communicates with board committees and management on risk and control issues identified in the course of audit

### Whistleblowing System

- Provides a confidential channel to encourage employees to raise concerns on frauds and other misconduct
- Whistleblowing officers are responsible for the investigation of the possible improprieties and engagement with appropriate level of management for their implementation of remedial actions
- Cases of gross misconduct and fraudulent behaviour and the measures undertaken by the management would be reported to the Audit Committee for assessment

## 審核委員會

- 代表董事會監督風險管理及內部監控系統在設計、實施及監察方面的管理工作

## 執行委員會

- 定期檢討透過集團風險管理委員會上報的風險及監控事宜
- 就集團層面風險管理優先次序提出建議
- 宣揚風險意識的文化以及提升集團的內部監控環境

## 管理層監督及溝通

### 集團風險管理委員會

- 這管理委員會的成員為董事總經理、四名執行董事以及主要業務及功能單位的管理人員
- 維護風險管理及內部監控框架，推動改進程序
- 以公司層面識別及管理風險，按季檢討主要風險、監控措施，並監督風險負責人的工作進度

## 獨立保證及調查

### 內部審核

- 內部核數師與羅兵咸永道合作，負責進行以風險評估為基礎的內部審核
- 對我們的風險管理及內部監控系統之充足及有效性提供獨立保證
- 就審核結果及監控不足之處與管理層溝通，以便執行補救措施

### 外部審核

- 就審核過程中發現的風險及監控事宜與董事委員會及管理層溝通

### 舉報機制

- 提供保密渠道，鼓勵員工對舞弊事項及其他不當行為提出關注
- 舉報專員負責調查潛在的不當行為，與適當層面的管理人員溝通，以便他們執行補救措施
- 向審核委員會匯報嚴重不當及舞弊行為的個案，和管理層採取的措施以供評核



## Risk management monitoring

### Executive Office and Finance & Governance Centre (“FGC”)

- Support GRMC on the risk and control functions through ongoing risk communication and monitoring
- Establish policies, standards and guidelines to reinforce risk management and internal control systems

## Risk ownership

### Business & Functional Units and Individuals

- Identify, assess and control risks in day-to-day operations
- Design, implement and ensure the effectiveness of risk and control measures within their area of accountability

## Risk management process

GRMC is responsible for leading the risk management process in an integrated approach in accordance with the Enterprise Risk Management Policy Manual. Our risk management process involves the following steps:

- Risk identification — adopts both top-down and bottom-up approach
- Risk analysis — assesses the potential consequences and likelihood of the risks
- Risk evaluation — evaluates the risk level, risk treatment and priorities
- Risk mitigation — recognises the control gaps, assigns risk ownership and confirms risk control measures
- Risk monitoring — conducts evaluations on the design and progress of implementation of the risk control measures
- Risk reporting — facilitates risk communication, reviews the net risk level after control measures and assesses areas for continuous improvement

GRMC adopts both top-down and bottom-up approach to facilitate risk identification and quarterly risk review process.

### Top-down approach

- GRMC has various channels for risk identification, for example, the material risks escalated through the Group risk registers, potential control weaknesses indicated through internal and external audit and concerns of our stakeholders on social, environment and governance issues
- Members of GRMC and representatives from Executive Office and FGC discuss the risk issues they consider important to the Group
- Upon approval, the risk management strategy is cascaded to relevant business and functional units to design, implement and monitor the risk control measures

## 風險管理監察

### 行政部和財務管治中心

- 透過進行持續風險溝通及監察，支持集團風險管理委員會履行風險及監控職能
- 制定強化風險管理及內部監控系統的政策、準則及指引

## 風險承擔

### 業務及功能單位及個別人士

- 於日常業務中識別、評估及監控風險
- 在其負責範圍內設計、實施及確保風險及監控措施的成效

## 風險管理流程

集團風險管理委員會負責按照《企業風險管理手冊》以綜合方式指導風險管理流程。我們的風險管理流程包括以下步驟：

- 風險識別 — 同時採納由上而下以及由下而上的方式
- 風險分析 — 評核風險出現的可能性以及潛在後果
- 風險評價 — 評價風險水平、風險處理方法及優先次序
- 風險應對 — 識別監控差距、委派風險承擔人及確認風險監控措施
- 風險監督 — 評價風險監控措施的設計以及實行進度
- 風險報告 — 促進風險溝通，檢討監控措施後的淨風險水平以及評核需持續改進的範圍

集團風險管理委員會同時採納由上而下以及由下而上的方式來進行風險識別以及每季度的風險檢討流程。

### 由上而下的方式

- 集團風險管理委員會由多種途徑識別風險，如利用風險登記冊上報重大風險、透過內部及外部審核指出潛在監控弱點以及持份者對社會、環境及管治事宜的關注
- 集團風險管理委員會與行政部和財務管治中心代表討論彼等認為對集團重要的風險事宜
- 經審批後，風險管理策略會交由有關的業務及功能單位進行有關風險監控措施的設計、實行及監察

# Risk Management Report 風險管理報告

## Bottom-up approach

- Heads of business and functional units are required to submit their risk registers for material risks identified along with their existing control measures at least annually through risk management training cum brainstorming workshops
- FGC consolidates and validates the risk registers and Executive Office assists the respective general managers to endorse the risk level and priority
- GRMC reviews the Group's consolidated risk register and determines the level of attention from GRMC and the Executive Committee

## Internal controls

The structure of our internal control system is based on the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") integrated framework for effective internal controls, which comprises 17 principles under five components, namely, Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities.

Our internal control system is integrated into our business processes with the support of information system and technology. Control objectives, authorities and responsibilities, backed by established policies and procedures, and the performance of control activities are maintained in the system. This helps capture audit trails in the system, facilitates the monitoring activities and hence appropriate corrective actions can be formulated by management as soon as practicable.

Our review of internal controls is closely linked with our risk management framework and process. Principal risks and risk management strategy of the Group are communicated to heads of business and functional units and internal audit team. This aims at helping them to allocate their resources and control monitoring efforts. Controls of high risk areas are continually evaluated by management while internal audit team would consider the need of adjustment on its audit plan on the testing of key controls for significant risks of the Group.

On an annual basis, members of GRMC, senior management of all major business and functional units are required to assess the effective implementation of internal controls through self-assessment questionnaires, covering the effectiveness of financial, operational and compliance controls and the reliability of financial reporting. Through this exercise, they also undertake to fully support various Company programmes which promote effective internal control practices, including internal control review, internal audit, case investigation and whistleblowing system.

## 由下而上的方式

- 業務及功能單位主管每年最少參加一次風險管理培訓暨集思工作坊，他們須提交載有已識別之重大風險和其現行監控措施的風險登記冊
- 財務管治中心綜合並驗證風險登記冊，行政部協助各總經理認同風險水平及優先次序
- 集團風險管理委員會審議集團綜合風險登記冊，並判斷集團風險管理委員會及執行委員會需關注的水平

## 內部監控

我們的內部監控系統架構是以 Committee of Sponsoring Organisations of the Treadway Commission (「COSO」) 的綜合框架為基礎，以達致有效的內部監控，該綜合框架由五個部份分17項原則組成，五個部份為控制環境、風險評估、控制活動、訊息與溝通及監控活動。

內部監控系統併入我們的業務流程，並有資訊系統及技術作支援。監控目的、授權及責任以行之有效的政策及程序為後盾，而監控活動的表現保存於系統內。此舉有助利用系統追蹤審核流程，促成監控活動，管理層因而可在切實可行的情況下制定合適的糾正行動。

我們對內部監控的檢討工作與風險管理框架及流程息息相關。集團的主要風險和風險管理策略會傳達至業務及功能單位各主管以及內部審核團隊。此舉有助他們進行資源及內控監督工作的分配。在管理層持續評價高風險範圍的監控工作之同時，內部審核團隊將考慮是否有需要調整對集團重大風險關鍵監控的測試之審核計劃。

集團風險管理委員會成員、各主要業務及功能單位的高級管理人員須每年以自身評價問卷方式，評核內部監控實行的成效，範圍涵蓋財務、營運及合規監控的成效以及財務申報的可靠性。他們亦可藉此承諾全力支持公司就推動有效內部監控工作推行的各個計劃，包括內部監控檢討、內部審核、案件調查及舉報機制。

## Our continuous improvement in risk management & internal controls

In view of the amendment of Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules (effective from the year under review for us) relating to risk management and internal control aspects, we have conducted in-depth review and extensive engagement with the directors and senior management in order to conclude the phased improvement plan for the relevant processes in medium term.

Focuses of our phased improvement plan are:

- Risk and control governance culture — strengthening the accountability on all levels of management; promotion of risk culture and fraud risk awareness
- Risk communication — reinforcing the risk and control governance framework, by redefining the roles and responsibilities of the major parties involved, to streamline the communication of risk profile and risk management strategy
- Risk monitoring — enhancing the evaluation process on the quality and efficiency of risk control measures
- Risk reporting — enriching the visuals and contents of risk and control reports to the Executive Committee and Audit Committee, aiming to facilitate their informed decision making and assessment processes

## 我們持續改進風險管理及內部監控

鑒於上市規則附錄 14 企業管治守則及企業管治報告在風險管理及內部監控方面作出修訂(對我們而言自本回顧年度起生效)，我們進行了深入的檢討，與多名董事及高級管理人員溝通，並確定中期分階段的改進計劃。

我們分階段改進計劃的重點為：

- 風險及監控管治文化 — 提高各管理階層的責任，宣揚風險文化及舞弊風險的意識
- 風險溝通 — 對參與風險及監控管治的各主要相關方的角色及責任重新定義，以強化風險及監控管治框架，並理順風險狀況和風險管理策略的溝通
- 風險監督 — 提升對風險監控措施質素及成效的評價程序
- 風險匯報 — 豐富向執行委員會及審核委員會提交的風險及監控報告的視覺效果及內容，旨在協助他們作出知情的決策，以及理順評估的流程

# Risk Management Report 風險管理報告

## Effectiveness of risk management and internal control systems

On behalf of the Board, the Audit Committee reviews the adequacy and continued effectiveness of the Group's risk management and internal control systems through the reports prepared by GRMC, internal audit team and external auditors and communicates with them at least three times a year.

The review covers risk management functions and all material controls, including financial, operational and compliance controls. Key elements of review include:

- Principal risks identified by GRMC, internal audit and external audit
- Changes in the nature and extent of principal risks since last annual review and the ability of the Company to respond to the changes in its business and the external environment
- The scope and quality of the management's ongoing monitoring of risks and of the internal control systems
- The extent and frequency of communication of monitoring results to the Audit Committee which enables it to assess control of the Company and the effectiveness of risk management
- Significant control failings or weaknesses that have been identified during the year
- The progress of remedial measures implemented by management
- Assurance provided by internal audit on the effectiveness of the Company's processes for financial reporting and compliance with prevailing regulations
- Significant issues arising from whistleblowing system, internal and external audit
- The results of management's control self-assessment

As a result of the above review, the Audit Committee, on behalf of the Board, has confirmed that there was no significant issue that would have an adverse impact on the effectiveness and adequacy of the risk management and internal control systems of the Group for the year under review.

Our risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss as sustainable growth and profits are, in part, the reward for informed and successful risk taking in business.

## 風險管理及內部監控系統成效

審核委員會代表董事會利用集團風險管理委員會、內部審核團隊及外部核數師編制的報告，檢討集團風險管理及內部監控系統是否充足及持續有效，並每年最少與他們溝通三次。

檢討覆蓋風險管理職能及所有重大監控，包括財務、營運及合規監控。檢討的關鍵元素包括：

- 集團風險管理委員會、內部審核團隊及外部核數師識別的主要風險
- 自上次年度檢討以來主要風險的性質變動及改變幅度，而公司能否應付其業務及外在環境的改變
- 管理層持續監督風險及內部監控系統的範圍及質素
- 向審核委員會匯報監督成果的範圍及次數，以便審核委員會評價公司的監控及風險管理的成效
- 年內發現的重大監控缺失或弱點
- 管理層執行補救措施的進度
- 內部審核就公司財務報告程序的成效以及現行法規合規情況提供保證
- 透過舉報機制、內部及外部審核發現的重大事宜
- 管理層內部監控成效的自身評價之結果

審核委員會基於上述檢討，代表董事會確認回顧年內沒有重大的事宜將對集團風險管理及內部監控系統的成效及充足性構成不利影響。


我們的風險管理及內部監控系統旨在管理而非消除未能達成各類目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證，此乃由於可持續增長及溢利在某程度上是經營業務上成功地承受知情風險所得的回報。

## Principal risks and control measures

## Business and market development risks

## 主要風險及監控措施

## 業務和市場發展風險

<p><b>A challenging macroeconomic environment</b></p> <p>A challenging macroeconomic environment coupled with fast changing consumer behaviour across Greater China may adversely affect our sales and growth if we could not navigate the situations well.</p> <p>We control and mitigate the risks by:</p> <ul style="list-style-type: none"> <li>• optimising our retail network to enhance our store productivity</li> <li>• expanding our business footprint to overseas market</li> <li>• uplifting customers' shopping experience by introducing various store brands and fostering O2O interaction</li> <li>• accommodating the increasingly sophisticated customers through store differentiation and product innovation</li> </ul> <p><b>充滿挑戰的宏觀經濟環境</b></p> <p>現時宏觀經濟環境充滿挑戰，再加上大中華消費者行為急速轉變，如我們無法妥善應對如此環境，或對我們的銷售和增長構成不利影響。</p> <p>我們監控和緩和這些風險的方法如下：</p> <ul style="list-style-type: none"> <li>• 優化零售網絡，以提升店舖產能</li> <li>• 將業務版圖拓展至海外市場</li> <li>• 引入不同的店舖品牌，培育線上線下互動，提升顧客購物體驗</li> <li>• 以店舖差異化和產品創新來迎合經驗越見成熟的顧客</li> </ul>	<p>Risk trend 風險趨勢 </p> <p>For more analysis, see Management Discussion and Analysis</p> <ul style="list-style-type: none"> <li>&gt; Business Review</li> <li>&gt; Operations and Management</li> </ul> <p>詳細分析，見管理層討論與分析</p> <ul style="list-style-type: none"> <li>&gt; 業務回顧</li> <li>&gt; 營運及管理</li> </ul>
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Risk level increased during FY2017  
2017 財政年度內風險水平上升



Risk level remains similar as FY2016  
與 2016 財政年度的風險水平相若



Risk level decreased during FY2017  
2017 財政年度內風險水平下降



# Risk Management Report 風險管理報告

## Franchisees management

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

We control and mitigate the risks by:

- adopting the inventory ownership unification programme and optimising the financial settlement with franchisees
- reinforcing our monitoring on franchisees, including implementation of whistleblowing system and special audit programme in franchised POS

### 加盟商管理

除直營零售點外，我們也借助加盟商利用當地的資源拓展我們的零售業務版圖。如我們無法有效管理加盟商，將對我們的業務及聲譽構成不利影響。

我們監控和緩和這些風險的方法如下：

- 採用統一存貨擁有權計劃，並改善與加盟商的財務結算安排
- 加強對加盟商在營運上的監察，包括實行舉報機制和加盟零售點的特別審核計劃

Risk trend

風險趨勢



## Competition Ordinance of Hong Kong

The Competition Ordinance of Hong Kong (effective from December 2015) aims to protect consumers by preserving the integrity and sufficiency of competition. If we violate the Ordinance, our business and brand image will be adversely affected.

We control and mitigate the risks by:

- maintaining our own pricing mechanism for jewellery products
- reviewing business agreements particularly on franchising and distribution regularly
- updating our related policies, procedures and guidelines with reference to legal opinions
- conducting regular training for our staff, especially those with exposure to competition law issues

### 香港競爭條例

香港的競爭條例(自2015年12月起生效)旨在保持誠信和足夠競爭以保護消費者。如我們違反條例，將對我們的業務和品牌形象構成不利影響。

我們監控和緩和這些風險的方法如下：

- 維持自身對珠寶產品的定價機制
- 定期檢討業務協議，尤其是與加盟商和分銷商的業務合約
- 參照法律意見更新我們相關的政策、程序和指引
- 向員工提供定期培訓，特別是涉及競爭法事宜的員工

Risk trend

風險趨勢



Well-established guidelines and monitoring system

行之有效的指引和監察系統

## Operational risks

## 營運風險

**Intellectual property protection**

Our business heavily relies on our intellectual property, particularly our trademarks. We strive to avoid infringement and unauthorised use of our intellectual property rights in counterfeit products. The unauthorised use of our trademark in counterfeit products could harm our brand image and reputation, which could have a material adverse effect on our business, financial condition, results of operations and prospect.

We control and mitigate the risks by:

- taking legal actions against brand infringement
- filing registration of certain of our intellectual property according to our internal policies and guidelines
- observing intellectual property rights and collecting information regarding actual or possible infringement of our intellectual property from various channels
- improving continuously our anti-counterfeiting techniques

**知識產權保護**

我們的業務依賴我們的知識產權，尤其是我們的商標。我們致力避免受到侵權，以及不被偽冒產品擅自使用我們的知識產權。若我們的商標品牌被盜用於偽冒產品，可能會損害我們的品牌形象與聲譽，從而對我們的業務、財務狀況、經營業績及前景造成重大不利影響。

我們監控和緩和這些風險的方法如下：

- 針對品牌侵權採取法律行動
- 按照我們的內部政策和指引就若干知識產權辦理註冊登記
- 遵守知識產權並從多種途徑收集有關實際或潛在侵犯我們知識產權的資訊
- 不斷改善防偽技術

Risk trend

風險趨勢



For more analysis, see Sustainability Report

> Our Practices — Respect for Intellectual Property

詳細分析，見可持續發展報告

> 營商操守 — 尊重知識產權

# Risk Management Report 風險管理報告

## Synthetic diamonds

We take the entire life-cycle of our products seriously and are committed to ensuring that our products are genuine, safe and ethically sourced. Irruption of synthetic diamonds could impact our brand image and operation.

We control and mitigate the risks by:

- introducing “CHOW TAI FOOK T MARK” diamond brand to reinforce our efforts in ensuring that our diamonds are natural and ethically sourced
- conducting evaluation on suppliers regularly and sourcing from trustworthy suppliers with sufficient accreditations
- deploying new devices to authenticate our diamond products according to the rigorously designed procedures throughout our value chain
- engaging external professional experts to perform in-depth verifications on our diamond products where appropriate

## 合成鑽石

我們對產品整個生產週期都一絲不苟，致力確保產品為真品、安全及採購來源符合道德。假如合成鑽石流入，會嚴重影響我們的品牌形象及營運。

我們監控和緩和這些風險的方法如下：

- 推出「周大福 T MARK」鑽石品牌，致力確保我們的鑽石為天然品且採購來源符合道德
- 定期評估供應商並向信譽良好的可靠供應商採購產品
- 按照我們價值鏈中嚴格審定程序，設置嶄新設備鑒定鑽石產品的真偽
- 按需要委聘外部專業專家以深入鑒證我們的鑽石產品

## Risk trend

風險趨勢



For more analysis, see Management Discussion and Analysis

- > Operations and Management Sustainability Report
  - > Our Customers — Product Responsibility
- 詳細分析，見管理層討論與分析
- > 營運及管理可持續發展報告
  - > 顧客服務 — 產品責任

**Customer loyalty**

Customer loyalty is critical to our business and operation. We would lose market share to our competitors if we could not manage our membership programme effectively or provide professional and dedicated services to our customers.

We control and mitigate the risks by:

- providing our members with an exclusive experience that matches with their privileged status
- reviewing our membership programme on a regular basis to strive for continuous improvement
- conducting mystery shopper inspections by professional consulting companies to enhance the service quality of our frontline staff
- offering comprehensive after-sale services to our customers to enhance customer confidence

**顧客忠誠度**

顧客忠誠度對我們的業務及營運成功至關重要。若我們未能有效管理會員計劃或向顧客提供專業盡心的服務，市場份額可能會流向競爭對手。

我們監控和緩和這些風險的方法如下：

- 向會員提供與其尊貴地位相匹配的尊屬服務
- 定期檢討會員計劃，務求持續改進
- 由專業管理顧問公司進行神秘顧客巡查，從而提升我們前線員工的服務質素
- 給予顧客全面的售後服務，增強顧客的信心

Risk trend

風險趨勢



Effective membership programme  
有效的會員計劃

For more analysis, see Management Discussion and Analysis

- > Operations and Management Sustainability Report
  - > Our Customers — Service Quality
- 詳細分析，見管理層討論與分析
- > 營運及管理
  - 可持續發展報告
  - > 顧客服務 — 服務質素

**Inventory turnover**

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

We control and mitigate the risks by:

- using item-level RFID technology to timely trace and record warehouse inventories and stock-taking information
- setting up an enquiry mechanism to enhance efficiency of transportation of products across stores and different channels, thereby lowering the inventory per store
- setting up a dedicated team to closely monitor our inventory turnover, performing ageing analysis and clearing the aged inventories as appropriate e.g. through outlet stores

**存貨周轉**

受到大中華整體經濟波動影響，我們的存貨周轉有放慢的風險。

我們監控和緩和這些風險的方法如下：

- 使用單品級無線射頻識別 (RFID) 技術以及時準確地記錄倉存與盤點資訊
- 設立查詢機制，使跨店及跨渠道的貨品調配更有效率，以降低分店層面的存貨水平
- 成立專門團隊密切監察存貨周轉，進行貨齡分析，並適時清理貨齡較長的存貨（如透過特賣店清貨）

Risk trend

風險趨勢



Effective measures on inventory turnover monitoring  
監察存貨周轉的有效措施

For more analysis, see Management Discussion and Analysis

- > Operations and Management — Supply chain
- 詳情分析，見管理層討論與分析
- > 營運及管理 — 供應鏈

# Risk Management Report 風險管理報告

## Information Technology governance

We are keen on effective application of IT resources to facilitate reporting and monitoring of the performance of our operations and internal controls as well as performing big data analysis. We are also committed to harnessing technological innovations in our key operations to support our business development and strategies. If our IT set up and resources could not match with our business development or reasonably protect us from security breaches, our business growth and results of operations may be adversely and materially affected.

We control and mitigate the risks by:

- establishing IT Governance Committee to review and improve the governance issues concerning IT resources and matters including the business role of IT, IT architecture, IT infrastructure, business application needs of IT and IT investment and prioritisation under the Group's overall strategy
- engaging external consultants to review controls and recommend improvement measures on system security issues

## 資訊科技管治

我們著力有效應用資訊科技資源，以促進業務營運表現的匯報和監察、內部監控及進行大數據分析。我們亦於關鍵業務營運上堅持技術創新，以支持我們的業務發展及策略。如我們的資訊科技的設置和資源無法配合我們的業務發展，或無法對保安違規作出合理保障，或對我們的業務增長和經營業績構成重大不利影響。

我們監控和緩和這些風險的方法如下：

- 成立資訊科技委員會檢討和改善有關資訊科技資源和事項的管治事宜，包括本集團整體策略下資訊科技的業務職能、資訊科技架構、資訊科技基礎建設、資訊科技的業務應用需求以及資訊科技的投資和優先次序
- 外聘顧問就系統保安事宜檢討監控，並提出改善措施建議

Risk trend

風險趨勢





### Talent acquisition and retention

Talent is one of our most important assets. We endeavour to build a people-oriented culture and have high regard for talents acquisition, development and retention as they collectively make substantial contribution to the development of our operation. Outflow of talents may adversely affect our business and operation.

We control and mitigate the risks by:

- performing benchmarking analysis to ensure remuneration packages of our staff members are competitive in respective industries, taking into account their skills and experiences
- providing a safe, comfortable and harmonious working environment for our people working at frontline, back office and factories
- promoting well-being and benefit of our employees so as to enhance their sense of belonging with the Company, e.g. a set of family-friendly measures are implemented and a wide variety of recreational activities were organised by dedicated teams
- fostering effective communication across different levels of staff and management, e.g. opinion and voices could be sent directly to senior management for independent assessments, exit interviews are conducted to understand and remediate the issues
- offering holistic and tailored training programmes to different segments of employees through our Chow Tai Fook Academy, iLearning and Smart Learning (online learning platform and App via mobile devices) and the collaboration with certain renowned organisations such as Ivey Business School of the University of Western Ontario

### 人才招攬與挽留

人才是我們最重要的資產之一。我們竭力建立以人為本的企業文化，非常重視人才招攬、發展及挽留，因其為我們的營運發展共同作出重大貢獻。人才流失可能對我們的業務及營運構成重大不利影響。

我們監控和緩和這些風險的方法如下：

- 考慮員工技能及經驗後進行基準分析，以確保我們的員工薪酬制度在行內具有競爭力
- 向前線、後勤及工廠員工提供安全、舒適及和諧的工作環境
- 提升僱員福祉，從而增加他們對公司的歸屬感，例如推行一系列家庭友善措施以及委派團隊組織不同康樂休閒活動
- 培養不同層級員工及管理層的有效溝通，例如，可直接向高級管理層傳遞意見及觀點，從而作出獨立評核；會見離職員工以了解並改善有關情況
- 透過周大福培訓學院、iLearning及「智·學平台」(網上學習平台及移動設備應用程式)並與若干知名機構(如西安大略大學 Ivey Business School)合作，向各分部僱員提供全面的度身訂造培訓課程

Risk trend

風險趨勢



Effective engagement with employees  
有效與僱員接觸

For more analysis, see Management Discussion and Analysis

> Operations and Management — Human resources management & Training and development

Sustainability Report

> Our People

詳細分析，見管理層討論與分析

> 營運及管理 — 人力資源管理和培訓及發展

可持續發展報告

> 員工關懷

# Risk Management Report 風險管理報告

## Financial risks

## 財務風險

### Credit control

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

We control and mitigate the risks by:

- monitoring the receivables turnover and overdue balances
- building a good rapport with the management of department stores and shopping malls to understand their credibility and financial condition
- recovering receivables in accordance with internal policies and guidelines
- escalating exception reports and prompting follow-up actions when recoverability of these retail operators is in doubt
- taking legal actions when appropriate if serious cases are concerned

### 信貸控制

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

我們監控和緩和這些風險的方法如下：

- 監察應收賬款周轉及逾期應收餘額
- 與百貨公司及購物中心的管理層建立良好溝通關係，以了解其信貸及財務狀況
- 依照內部政策及指引收回應收賬款
- 於該等零售商的應收賬可收回性成疑時作出異常報告，且立即採取跟進行動
- 如所涉個案嚴重，則在適當時採取法律行動

### Risk trend

風險趨勢



Tightly designed internal guidelines on receivables and close monitoring on the implementation  
設計嚴謹的應收賬款內部指引和密切監察實施情況

### Gold price fluctuation

The gold market is influenced by global and regional supply and demand conditions. Our purchases of gold represent the largest component of the cost of sales of our gold products. Fluctuation in gold price may materially and adversely affect our operation and financial condition.

We control and mitigate the risks by:

- hedging gold price fluctuation in our gold inventories (long position) through gold loans (short position)
- assessing regularly the actual and potential impact on our profitability and financial condition due to gold price fluctuation
- reviewing and optimising gold hedging mechanism, in response to the changes in our business development, strategic objectives and trend in global gold market

### 黃金價格波動

黃金價格受全球及區域供需狀況所影響。我們的黃金採購佔黃金產品銷售成本的最大部分。黃金價格的波動可能對我們的經營及財務狀況構成重大不利影響。

我們監控和緩和這些風險的方法如下：

- 透過黃金借貸（淡倉）對沖黃金存貨（好倉）中的黃金價格波動
- 定期評估黃金價格波動對我們的盈利能力及財務狀況的實際及潛在影響
- 檢討並優化黃金對沖機制，以應對業務發展、策略目標以及全球黃金市場趨勢的變動

### Risk Trend

風險趨勢



Change in gold hedging mechanism in 2HFY2017  
2017財政年度下半年的黃金對沖機制變動

For more analysis, see Management Discussion and Analysis

> Financials — Changes in hedging mechanism

詳細分析，見管理層討論與分析

> 財務狀況 — 對沖機制變動

### Fluctuation in RMB exchange rate

Our operations in Mainland China and intercompany balances denominated in RMB expose the Group to RMB currency risk. Inability to manage our RMB risk exposure may adversely affect our results of operations and financial condition.

We control and mitigate the risks by:

- monitoring the RMB exposure of the Group periodically
- reviewing the financial impact arising from RMB fluctuation, especially the effect brought about by the bank balances and intercompany balances denominated in RMB
- monitoring the market information closely and adjusting financing plans to accommodate operational needs when appropriate
- obtaining sufficient credit facilities from Mainland China banks to minimise the use of offshore RMB for financing our operations in Mainland China

### 人民幣匯率波動

我們在中國內地的業務和以人民幣計值的往來賬戶結餘令本集團承擔人民幣貨幣風險。如未能妥善管理此風險，或對我們的經營業績及財務狀況構成不利影響。

我們監控和緩和這些風險的方法如下：

- 定期監察本集團的人民幣風險程度
- 檢討人民幣波動產生的財務影響，尤其是人民幣計值的銀行結餘和往來賬戶結餘帶來的影響
- 密切監察市場訊息，適當時調整融資計劃以迎合營運需要
- 向中國內地的銀行獲取充足的信用額度，以減少離岸人民幣融資操作

Risk trend

風險趨勢



For more analysis, see Management Discussion and Analysis

> Financials – Effect of RMB fluctuation

詳細分析，見管理層討論與分析

> 財務狀況 — 人民幣波動的影響



# Major Awards and Recognitions

主要獎項及嘉許

## Governance 管治

### Award 獎項

### Presenting organisation 頒獎機構

2016 All-Asia (ex-Japan) Executive Team Rankings (Consumer/Discretionary sector) Institutional Investor

2016 年度 All-Asia Executive Team (不包括日本) 排行榜 (非必需消費品類別)

1. Most Honored Company — Third Place  
最受尊崇公司 — 第三名
2. Best Investor Relations — Third Place (Nominated by the buy side and sell side)  
最佳投資者關係公司 — 第三名 (由買方及賣方分析員提名)
3. Best Investor Relations — Third Place (Nominated by the sell side)  
最佳投資者關係公司 — 第三名 (由賣方分析員提名)
4. Best CEO — Second Place — Kent Wong (Nominated by the sell side)  
最佳行政總裁 — 第二名 — 黃紹基 (由賣方分析員提名)
5. Best Investor Relations Professional — Third Place — Danita On  
(Nominated by the buy side and sell side)  
最佳投資者關係專員 — 第三名 — 安殷霖 (由買方及賣方分析員提名)
6. Best Investor Relations Professional — First Place — Danita On  
(Nominated by the sell side)  
最佳投資者關係專員 — 第一名 — 安殷霖 (由賣方分析員提名)
7. Best Website — First Place (Nominated by the buy side and sell side)  
最佳網站 — 第一名 (由買方及賣方分析員提名)

2016 Best Annual Reports Awards — Best New Entry

2016 年最佳年報獎 — 最優秀新參賽年報獎

Hong Kong Management Association

香港管理專業協會

12<sup>th</sup> Corporate Governance Asia Recognition Awards 2016 — The Best of Asia  
— Asia's Outstanding Company on Corporate Governance

第十二屆亞洲企業管治獎 2016 — 亞洲傑出企業 — 最佳亞洲企業管治

Corporate Governance Asia

亞洲企業管治

HKIRA Investor Relations Awards — Certificate of Excellence

香港投資者關係大獎 — 卓越獎

Hong Kong Investor Relations Association

香港投資者關係協會



# Major Awards and Recognitions 主要獎項及嘉許

## Corporate social responsibility 企業社會責任

### Award 獎項

### Presenting organisation 頒獎機構

Diamonds Do Good Awards — Community Development Award  
鑽石行善大獎 — 社區發展獎

Diamond Empowerment Fund  
鑽石力量慈善基金會

BOCHK Corporate Environmental Leadership Awards 2015  
中銀香港企業環保領先大獎 2015

Bank of China (Hong Kong) and Federation of Hong Kong Industries

1. EcoChallenger  
環保優秀企業
2. 5 years + EcoPioneer  
5年+參與環保先驅

中銀香港及香港工業總會

Green Office Label and Better World Company Label 2016  
2016年度綠色辦公室及環球愛心企業標誌

World Green Organisation and United Nations Sustainable Development Goals  
世界綠色組織及聯合國可持續目標

The 7<sup>th</sup> Hong Kong Outstanding Corporate Citizenship Award — Merit Award  
(Enterprise Category)

Hong Kong Productivity Council

第七屆香港傑出企業公民獎 — 優異獎(企業組別)

香港生產力促進局

Caring Company  
商界展關懷

The Hong Kong Council of Social Service  
香港社會服務聯會

Consumer Caring Company 2016  
2016貼心企業

GS1 Hong Kong  
香港貨品編碼協會



Diamonds Do Good Awards — Community Development Award  
鑽石行善大獎 — 社區發展獎



The 7<sup>th</sup> Hong Kong Outstanding Corporate Citizenship Award — Merit Award  
(Enterprise Category)  
第七屆香港傑出企業公民獎 — 優異獎(企業組別)

## Corporate branding 企業品牌

Award 獎項	Presenting organisation 頒獎機構
2016 Forbes Global 2000 2016 福布斯全球上市公司 2000 強	Forbes 福布斯
Brand Finance Global 500	Brand Finance
IAIR Awards — Company of the Year for Leadership (Luxury, Asia) IAIR 大獎 — 最佳領導才能企業 (亞洲區奢侈品行業)	International Alternative Investment Review
World's 500 Most Influential Brands — Ranked 443 <sup>rd</sup> 世界品牌 500 強 — 第 443 位	World Brand Lab 世界品牌實驗室
China's 500 Most Valuable Brands — Ranked 45 <sup>th</sup> 中國 500 最具價值品牌 — 第 45 位	World Brand Lab 世界品牌實驗室
World Branding Awards 2016 — Brand of the Year (Retailer — Jewellery, Hong Kong) 2016 世界品牌大獎 — 年度最佳品牌 (零售商 — 珠寶, 香港)	World Branding Forum 世界品牌論壇
China's 10 Most Influential Brands (Jewellery) — Ranked 1 <sup>st</sup> 中國十大影響力品牌 (珠寶首飾) — 第 1 位	World Brand Lab 世界品牌實驗室
Influential Brands 2016 2016 年影響力品牌	Influential Brands 影響力品牌
1. The Top Influential Brands 2016 in Premium Jewellery 高級珠寶類最具影響力品牌	
2. The Most Trustworthy Brand in Premium Jewellery 高級珠寶類最值得信賴品牌	
The BrandLaureate Most Celebrated Brand Award 2015–2016 (Premier & Luxury Jewellery) The BrandLaureate 最佳品牌獎 2015–2016 (高級及名貴珠寶)	The BrandLaureate
Quamnet Outstanding Enterprise Awards 2016 — Outstanding Jewellery Retail Network 華富財經傑出企業大獎 2016 — 傑出珠寶零售網絡大獎	Quamnet 華富財經



IAIR Awards — Company of the Year for Leadership (Luxury, Asia)  
IAIR 大獎 — 最佳領導才能企業 (亞洲區奢侈品行業)

World Branding Awards 2016 – Brand of the Year (Retailer — Jewellery, Hong Kong)  
2016 世界品牌大獎 — 年度最佳品牌 (零售商 — 珠寶, 香港)

# Major Awards and Recognitions 主要獎項及嘉許

## Design 設計

### Award 獎項

### Presenting organisation 頒獎機構

Year of Jewellery Design Excellence — “Le Labyrinthe Artistique”  
High Jewellery Collection  
年度傑出珠寶設計獎 — 「凝光臻藝」 高端珠寶系列

Bazaar Jewelry  
芭莎珠寶

## E-commerce and technology 電子商務及科技

### Award 獎項

### Presenting organisation 頒獎機構

Digital IQ Index Luxury China 2017 — Digital Competence — Ranked 6<sup>th</sup>  
2017 中國奢侈品數碼智商指數 — 數碼能力 — 第6位

L2

Asia Pacific ICT Alliance Awards 2016 — Merit Prize in Retail and Supply Chain Management  
2016 亞太資訊及通訊科技大獎 — 零售及供應鏈管理組別優異獎

Asia Pacific ICT Alliance  
亞太資訊及通訊科技聯盟

2016 Hong Kong Awards for Industries — Productivity and Quality Grand Award  
2016 香港工商業獎 — 生產力及品質大獎

HKSAR Government  
香港特別行政區政府

HKIM Market Leadership Award 2016 — Market Leadership in O2O  
香港市務學會 2016 市場領袖大獎 — O2O 市場領袖大獎

Hong Kong Institute of Marketing  
香港市務學會

### Metro Awards

我最愛上 · 網上流動品牌大獎

Metro Broadcast Corporation Limited  
新城廣播有限公司

1. My Favourite Online Jewellery Platform  
網上珠寶金飾平台
2. My Favourite Mobile Jewellery Platform  
流動珠寶金飾平台



2016 Hong Kong Awards for Industries — Productivity and Quality Grand Award  
2016 香港工商業獎 — 生產力及品質大獎



HKIM Market Leadership Award 2016 — Market Leadership in O2O  
香港市務學會 2016 市場領袖大獎 — O2O 市場領袖大獎

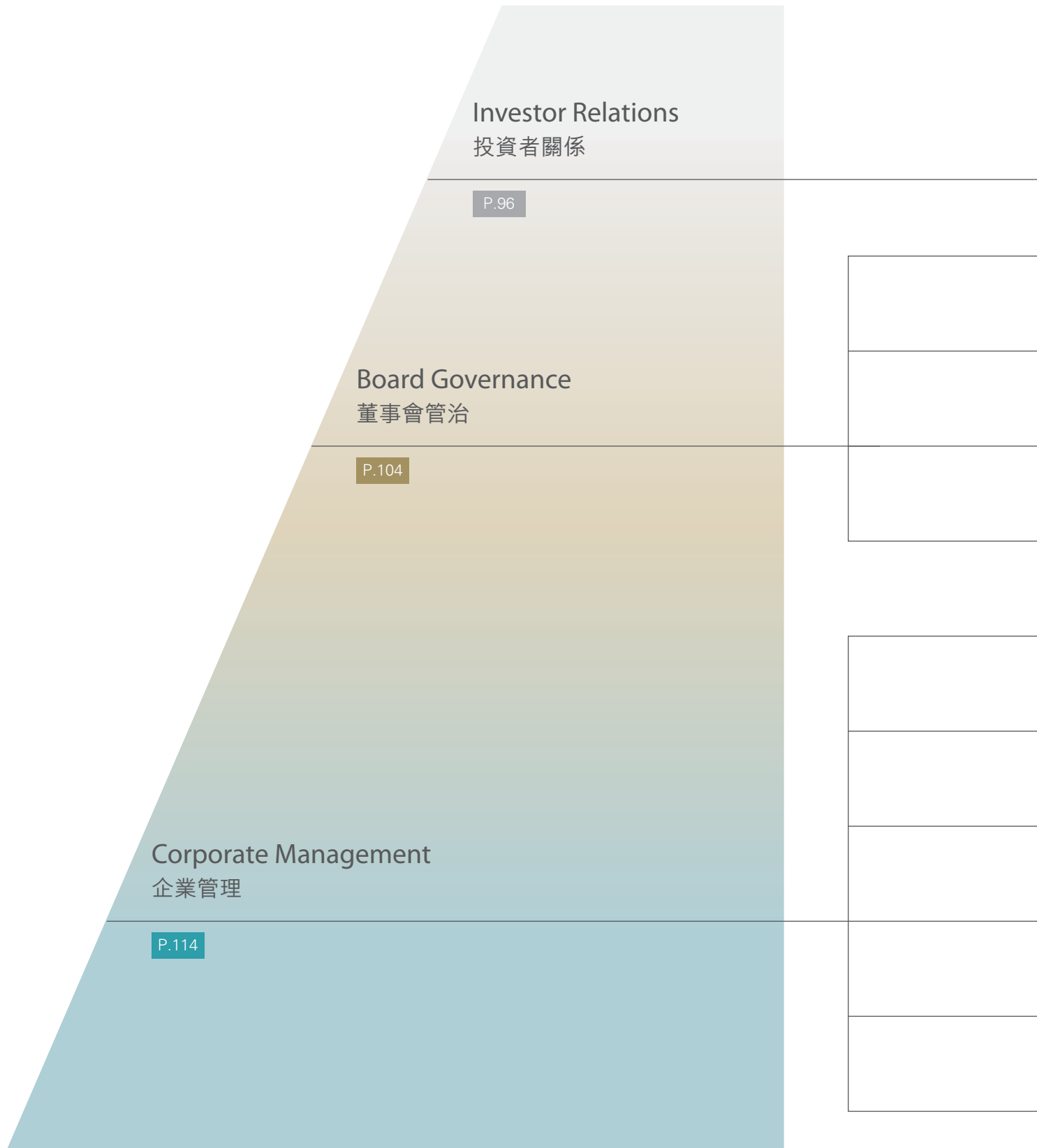


# Corporate Governance

企業管治

# Corporate Governance 企業管治

## Our Corporate Governance Framework 企業管治框架







# Corporate Governance 企業管治

## Investor Relations 投資者關係

- We are committed to being responsible and transparent towards our investors in order to bolster their confidence towards the Company.
- Since being founded in 1929, we have stayed focused on the development of business. We supervise directly the key functions throughout our value chain from procurement of raw materials, design and production, to marketing and sales.
- After we became listed on the Stock Exchange in 2011, transparency, communication and fair treatment have always been the core values to our approach in investor relations. We believe that facilitating investors to make informed investment decisions would enhance their confidence towards the Company.
- In FY2017, the Company received various industry accolades in recognition of our relentless effort in corporate governance and investor relations.
- 「對股東負責任及提升透明度，從而給予投資者信心」是我們的宗旨。
- 自1929年創始以來，我們一直專注發展珠寶首飾業務，親自監督價值鏈上包括原材料採購、設計、生產、市場推廣和銷售等主要活動。
- 自2011年在香港聯交所上市後，我們遵從透明度、溝通和公平對待這三大原則來建立與投資者的關係。我們相信能夠幫助投資者作出知情的決定，有助增加他們對公司的信心。
- 於2017財政年度，公司獲得各種行業獎項以表彰我們在企業管治和投資者關係方面的不懈努力。



*In the 2016 All-Asia (ex-Japan) Executive Team rankings by Institutional Investor, the Company and its key executives garnered the "Most Honored Company", "Best Investor Relations", "Best Investor Relations Professional" and "Best Website" accolades*

於Institutional Investor舉辦的2016年度All-Asia Executive Team (不包括日本) 排行榜中，公司及主要行政人員奪得「最受尊崇公司」、「最佳投資者關係公司」、「最佳投資者關係專員」及「最佳網站」之殊榮

*We were awarded "The Best of Asia — Asia's Outstanding Company on Corporate Governance" in the 12<sup>th</sup> Corporate Governance Asia Recognition Awards 2016 organised by Corporate Governance Asia*

我們於亞洲企業管治舉辦第十二屆亞洲企業管治獎2016中榮獲「亞洲企業管治年度嘉許大獎—最佳亞洲企業管治」

## Timely and transparent disclosure

- Enhancing transparency has been our Board's crucial mission in governance. Maintaining a high level of transparency prompts us to be responsible to stakeholders in our decisions and operations, and to proactively prepare for scrutiny and the ever-changing regulatory environment.
- To ensure timely and simultaneous public access to the Group's material information, we publish announcements and results presentations, annual and interim reports and press releases via public channels including websites of the Stock Exchange and the Company. We also hold press and analyst conferences at least twice a year after releasing the interim and annual results.
- The presentations and webcasts for these conferences are uploaded to our company website. In addition, we keep our investor relations webpage up-to-date and provide an "Investor FAQ" section for ease of reference. Furthermore, investors can subscribe to our email alerts and contact our investor relations and corporate communications team directly via email at [ir@chowtaifook.com](mailto:ir@chowtaifook.com).
- We publish quarterly voluntary announcements of key operational data in standard format generally in about 10 working days after each quarter end.
- The Company has policies and internal control measures in place regarding inside information disclosure to ensure announcements are published in due course. We adhere to the principle of providing timely, transparent and effective disclosures with the aim of keeping the market regularly informed of the Group's performance and minimising market surprises.
- Our motives for enhancing annual reports go beyond compliance with the Listing Rules. The annual report is not only a means of communication with our shareholders, but also an internal management tool that drives us to continuously improve and create value.



## 及時和透明的披露

- 董事會以致力提升透明度為管治方面的核心工作。高透明度驅使我們無論在決策及營運當中都應考慮要對持份者負責任，時刻裝備自己以面對各方監察和不斷變化的規管環境。
- 為確保大眾能夠及時和同步獲取本集團的重要訊息，我們利用公開渠道包括聯交所和公司網站，發佈公告及業績簡報、全年及中期報告和新聞稿等。我們亦會在發佈中期及全年業績公告後舉行記者及分析員招待會，該等會議每年最少舉行兩次。
- 這些會議的簡報和錄影片段都會上載到公司網站，我們亦不時更新投資者網頁，並設有「投資者常問問題」以方便瀏覽。投資者亦可登記收取公司的電郵信息，同時可透過投資者關係及企業傳訊團隊的官方電郵 [ir@chowtaifook.com](mailto:ir@chowtaifook.com) 直接聯絡我們。
- 公司在聯交所和公司網站以標準的匯報格式自願公佈每年4個季度的主要經營數據，通常在季度完結後大約10個工作天內發佈。
- 對於內幕消息的披露管理，公司設有相關政策及內控措施，務求適時發出公告。我們的原則是保持及時、透明、有效的披露，務求使市場可定期知悉集團的業務表現，減低與市場預期之間的差距。
- 我們認為編製公司年報不只是為了符合上市規則，它是我們與股東溝通的橋樑，同時也是推動我們內部力求進步、積極創造價值的管理工具。

*Our FY2016 annual report won the "Best New Entry" in the general category at the 2016 Best Annual Reports Awards competition held by the Hong Kong Management Association*

*我們公司2016財政年度年報獲得香港管理專業協會舉辦的2016年「最佳年報獎」比賽中工商企業組別「最優秀新參賽年報」獎*

# Corporate Governance 企業管治

## Investor Relations 投資者關係

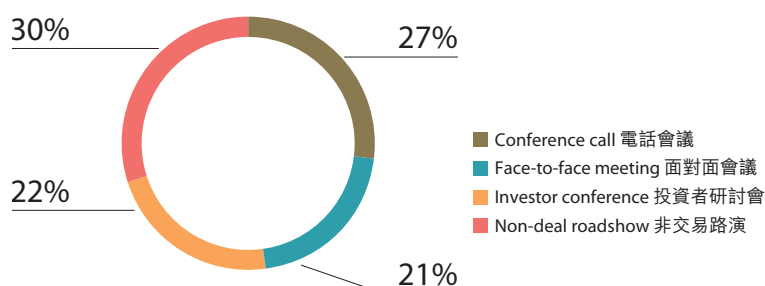
### Interactive engagement

- We believe communication with our shareholders is a two-way process. We make no distinction between institutional and retail investors.
- While we try to understand investors' perspective, we also share with them a full picture of our business through the eyes of the management, including our thoughts in making decisions, our views on market outlook, our development strategies and so on. In addition to reporting results, we take a step forward to show how we run the business and how the Group will develop in the future.
- Our executive directors and senior management in the investor relations and corporate communications team participate in various investor meetings, conferences and non-deal roadshows every year.
- In FY2017, we attended over 400 one-on-one and group meetings, 12 investor conferences and 19 non-deal roadshows held in Beijing, Boston, Hong Kong, Kuala Lumpur, London, Los Angeles, Melbourne, New York, San Diego, San Francisco, Seoul, Shanghai, Shenzhen, Singapore, Sydney and Tokyo. We also maintained continuous dialogues with a large number of analysts from research institutions, of which 18 of them covered our Company and published research reports on a regular basis.
- Investor visits are often arranged to our operation centres, POS and production facilities.
- The annual general meeting ("AGM") is a platform for face-to-face communication with our shareholders. Our full Board and external auditors attend the AGM and answer questions raised by shareholders on the performance of the Group. In general, over 100 shareholders or their proxies are present at the AGM and the voting rate among the independent shareholders is around 20–30%. Shareholders are welcomed to stay after the AGM and meet with our Managing Director and Finance Director for further exchanges.
- In our meetings with investors, frequently discussed topics include business outlook, gross margin, change in product mix, POS network, industry benchmarking, capital expenditure, inventory management, e-commerce business, dividend payout ratio, free cashflows and so on.
- In the other way round, investors often give us constructive ideas that inspire us to improve and create more values for shareholders. We are therefore always keen to engage with investors.

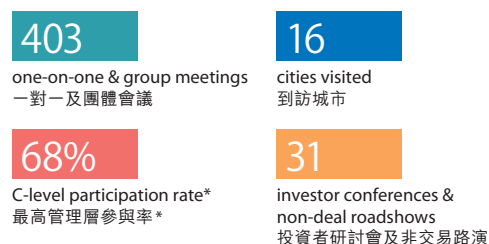
### 互動關係

- 我們相信與股東的溝通應該是一個雙向的過程，並對機構投資者和個人投資者一視同仁。
- 我們嘗試置身投資者的角度，同時亦主動跟投資者分享管理層的思維縱觀全局，包括作出決策時的考慮、市場見解、發展策略等。我們目標是走前一步，除匯報業績，也讓投資者能夠看見我們的業務是怎樣經營，集團的未來將會是如何。
- 我們的投資者關係及企業傳訊團隊，由執行董事及高級管理層組成，每年參加多個投資者會議、研討會和非交易路演。
- 2017財政年度內，我們出席逾400次一對一會議及團體會議，也曾參與12次投資者研討會和19次非交易路演，遍及北京、波士頓、香港、吉隆坡、倫敦、洛杉磯、墨爾本、紐約、聖地亞哥、三藩市、首爾、上海、深圳、新加坡、悉尼和東京。此外，我們與多間證券研究機構的多名分析師定期會談，其中18名分析員就本公司業務定期發表研究報告。
- 我們安排投資者到我們的營運中心、零售點和生產設施進行實地參觀。
- 股東週年大會是一個親身與股東交流的平台，我們的全體董事會和外聘核數師均會出席並就股東提出有關本集團表現的問題作出回應。一般超過100位股東或委任代表出席有關大會，少數股東的投票率大約為20–30%。會後股東可以留步繼續跟董事總經理和財務董事交流意見。
- 投資者在會面時最關注的事項包括業務展望、毛利率、產品組合趨勢、零售點網絡、同行比較、資本開支、存貨管理、電子商務發展、派息率、自由現金流等。
- 股東也給予公司不少有建設性的意見，啟示了我們如何提升自己，如何為股東創造價值，所以我們積極跟投資者交流。

Meetings by investor event in FY2017:  
2017 財政年度會議 (按投資者活動分類) :



Summary of investor relations activities in FY2017:  
2017 財政年度投資者關係活動概要 :



\* In investor conferences and non-deal roadshow meetings  
於投資者研討會和非交易路演中的會議

Major investor conferences that we participated in FY2017 are set out below:

於2017 財政年度參與的大型投資者會議 :

Date 日期	Event 事項	Location 地點
June 2016 2016 年 6 月	J.P. Morgan 12th Annual Global China Summit 摩根大通投資者研討會 UBS Asian Consumer Conference 2016 瑞銀投資者研討會	Beijing 北京 Hong Kong 香港
July 2016 2016 年 7 月	Nomura HK Retail Corporate Day 野村投資者研討會	Hong Kong 香港
August 2016 2016 年 8 月	J.P. Morgan's Asia Yield 1x1 Forum 摩根大通投資者研討會	Tokyo 東京
September 2016 2016 年 9 月	CLSA 23rd Investors' Forum 里昂投資者研討會	Hong Kong 香港
November 2016 2016 年 11 月	CITIC Securities Investor Forum 2017 中信證券投資者研討會	Shenzhen 深圳
January 2017 2017 年 1 月	Deutsche Bank 15th Annual dbAccess China Conference 德意志銀行投資者研討會 Citi Hong Kong/China Consumer Corporate Day 花旗投資者研討會	Beijing 北京 Hong Kong 香港
February 2017 2017 年 2 月	CICC Corporate Day 中金投資者研討會 Morgan Stanley Hong Kong / China Consumer Corporate Day 摩根士丹利投資者研討會	Hong Kong 香港 Hong Kong 香港
February–March 2017 2017 年 2–3 月	Daiwa Investment Conference Tokyo 2017 大和投資者研討會	Tokyo 東京
March 2017 2017 年 3 月	Credit Suisse 20th Annual Asian Investment Conference 瑞信投資者研討會	Hong Kong 香港



# Corporate Governance 企業管治

## Investor Relations 投資者關係

- Our investor relations and corporate communications team also plays an important role in assisting the Board to obtain market feedback, which in turn helps to strengthen the Company's inside information policy.
- We constantly monitor the share price of the Company, screen media and analyst reports, document feedback from investor meetings in order to understand market expectations.
- Based on such information, we are able to conduct analysis for the Board to assess whether market expectations differ significantly from the Group's circumstances.
- Such information also facilitates the Company to assess the likelihood of material share price movement in the event that a particular piece of information on the Group's circumstances is made public.
- Furthermore, such market signals help the Company to determine whether certain media news or market rumours should be clarified after considering the possibility of misleading the market; and to monitor whether the Group's inside information that relies on a safe harbour provision has been leaked, in which case disclosure is immediately required.
- 我們的投資者關係及企業傳訊團隊也在協助董事會獲取市場反饋方面起重要作用，從而有助於加強本公司內幕消息的政策。
- 我們持續監察本公司的股價，並留意傳媒和分析師報告，記錄來自投資者會議的反饋以了解市場的期望。
- 據此，我們可以為董事會提供分析，協助他們評估市場預期與本集團的情況是否存在重大差別。
- 這些資訊亦有助本公司評估某一項有關本集團情況的資料倘向公眾公佈後會否導致股價大幅波動。
- 此外，這些市場信號也有助於本公司決定是否需就傳媒消息或市場謠言作出澄清，因為這些消息或謠言可能會錯誤引導市場活動；以及監察本集團的內幕消息(有關消息倚賴安全港條例)是否已經外泄，因而須即時作出披露。

## Equal treatment of shareholders

- The Board is conscientious about returns to shareholders. The Company declares dividends twice a year. The basic payout ratio for the last financial year was about 50% of the Group's net profit. Special dividends will be considered by the Board, on a case by case basis, when the Company has managed sufficient funds for expansion and operational needs of the Group.
- Shareholder analysis, conducted every quarter, enables us to review our investor relations strategy and work plan. Through well-planned roadshows and investor conferences, we endeavour to make long-term value of the Company visible to the investment community at large, thereby enhancing the investment return to all shareholders.
- No selective disclosure of inside information is allowed in our Company. We have formalised controls on the sources of information and the communication channels.
- We emphasise the integrity and consistency in the content of the annual and interim reports, which contain information desired by investors and the public.
- This set of published information is used in investor meetings and conferences.
- According to our spokesperson policy, only designated executive directors and the investor relations and corporate communications team are authorised to speak to or hold meetings with investors or media on behalf of the Company. Attendance notes and call logs are properly kept for future reference.
- Our investor relations and corporate communications team establishes its own code of practices, which includes setting out a quiet period to refrain from investor relations activities before results announcement; preparing scripts and Q&As to manage the information released to the public; and obtaining approval from the Board on the results presentation materials.
- 董事會重視其向股東回報的責任。公司每年派息2次，上個財政年度的基本股息約佔集團淨利潤的50%。公司如有充足資金應付集團的拓展和營運需要時，董事會將按個別情況考慮派付特別股息。
- 每季進行的股東構成分析，讓我們檢討投資者關係的策略和工作計劃。我們希望藉著適當安排路演和投資者會議，可以向投資市場展示公司的長期價值，從而提升所有股東的投資回報。
- 本公司概不允許選擇性披露內幕消息。我們已設立制度在資料來源和溝通渠道方面加以規範。
- 我們用心編製公司年報和中期報告，務求保持內容中肯及一致，而且投資者和公眾都可以在其中獲得需要的資訊。
- 我們在投資者會議和研討會中，亦沿用這些已公開的資料。
- 設發言人制度，指定執行董事和投資者關係及企業傳訊團隊成員方可代表公司向投資者或媒體發言或召開會議。我們備存會議筆錄和通話記錄以備日後參考。
- 投資者關係及企業傳訊團隊遵守其工作常規，包括：在業績發佈前設「靜默期」避免進行投資者活動；制定講稿和問答內容以管理對外溝通的信息；及業績簡報資料提交董事會通過。

## 公平對待所有股東



## Other information

### Shareholders' rights

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

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

Enquiries may be put to our investor relations team and the Board via email at [ir@chowtaifook.com](mailto:ir@chowtaifook.com).

### Constitutional documents

There was no change made to the constitutional documents of the Company during the year.

### Market capitalisation

As at 31 March 2017, the market capitalisation of the listed shares of the Company was approximately HK\$75.5 billion (31 March 2016: HK\$48.5 billion) based on the total number of 10,000,000,000 issued shares of the Company and the closing price of HK\$7.55 per share.

### Sufficiency of public float

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

## 其他資料

### 股東權利

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

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

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

### 組織章程文件

本公司於年內並無對其組織章程文件作出任何改動。

### 市值

於2017年3月31日，按本公司已發行股份合共10,000,000,000股以及每股收市價7.55港元計算，本公司上市股份市值約為755億港元(2016年3月31日：485億港元)。

### 充足的公眾持股量

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

# Corporate Governance 企業管治

## Information for Investors 投資者資訊

Investor calendar	投資者日誌
<b>FY2017 annual results announcement</b> 8 June 2017	<b>2017 財政年度全年業績公告</b> 2017年6月8日
<b>AGM</b> 26 July 2017	<b>股東週年大會</b> 2017年7月26日
<b>Proposed payment of final dividend and special dividend</b> on or about 11 August 2017	<b>建議派發末期股息和特別股息</b> 2017年8月11日或前後
<b>Closure of register of members (both days inclusive)</b> For ascertaining attendance and voting right at the AGM 21 July to 26 July 2017	<b>暫停辦理股份過戶登記手續(首尾兩天包括在內)</b> 就確定出席股東週年大會並於會上投票 2017年7月21日至26日
For ascertaining entitlement to proposed final dividend and special dividend 2 August 2017	就確認獲發建議末期股息和特別股息的權利 2017年8月2日

Share information	股份資料
<b>Company name</b> Chow Tai Fook Jewellery Group Limited	<b>公司名稱</b> 周大福珠寶集團有限公司
<b>Listing</b> Hong Kong Stock Exchange	<b>上市</b> 香港聯交所
<b>Stock code</b> 1929	<b>股份代號</b> 1929
<b>Listing date</b> 15 December 2011	<b>上市日期</b> 2011年12月15日
<b>Board lot size</b> 200 shares	<b>每手買賣單位</b> 200股
<b>Issued share capital as at 31 March 2017</b> 10,000,000,000 shares	<b>於2017年3月31日已發行股本</b> 10,000,000,000股
<b>Index constituent</b> Hang Seng Global Composite Index Hang Seng Composite Index Hang Seng China (Hong Kong-listed) 100 Index FTSE Asian Retail Index Hang Seng High Dividend Yield Index Hang Seng Corporate Sustainability Benchmark Index	<b>成份股</b> 恒生環球綜合指數 恒生綜合指數 恒生中國(香港上市)100指數 富時亞洲零售業指數 恒生高股息率指數 恒生可持續發展企業基準指數

<p><b>Shareholder services</b></p> <p>For matters relating to your shareholding such as transfer of shares, change of name or address, and loss of share certificates, please write to our Hong Kong Branch Registrar:</p> <p>Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong Tel: (852) 2980-1333 Fax: (852) 2810-8185</p> <p>Shareholders can obtain the annual/interim report of the Company by writing to our Hong Kong Branch Registrar, or access the electronic version from our corporate website.</p>	<p><b>股東服務</b></p> <p>有關閣下的持股事宜，如股份轉讓、更改姓名或地址及遺失股票，請以書面方式通知我們的香港股份過戶登記分處：</p> <p>卓佳證券登記有限公司 香港 皇后大道東 183 號 合和中心 22 樓 電話：(852) 2980-1333 傳真：(852) 2810-8185</p> <p>股東可透過書面方式聯絡我們的香港股份過戶登記分處以領取本公司的年報／中期報告，或於我們的公司網站閱覽電子版。</p>
<p><b>Investor relations</b></p> <p>For more information about the Group, please visit <a href="http://corporate.chowtaifook.com">corporate.chowtaifook.com</a></p> <p>or contact our Investor Relations and Corporate Communications Department at 38/F, New World Tower 16-18 Queen's Road Central, Hong Kong Tel: (852) 2524-3166 Fax: (852) 2526-9178 e-mail: <a href="mailto:ir@chowtaifook.com">ir@chowtaifook.com</a></p>	<p><b>投資者關係</b></p> <p>有關本集團詳情，請瀏覽 <a href="http://corporate.chowtaifook.com">corporate.chowtaifook.com</a></p> <p>或與我們的投資者關係及企業傳訊部門聯絡： 香港皇后大道中 16-18 號 新世界大廈 38 樓 電話：(852) 2524-3166 傳真：(852) 2526-9178 電郵：<a href="mailto:ir@chowtaifook.com">ir@chowtaifook.com</a></p>
<p><b>General information</b></p> <p><b>Headquarters and principal place of business in Hong Kong</b> 33/F, New World Tower 16-18 Queen's Road Central, Hong Kong</p> <p><b>Registered office</b> Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P. O. Box 2681 Grand Cayman KY1-1111 Cayman Islands</p>	<p><b>一般資料</b></p> <p><b>總部及香港主要營業地點</b> 香港皇后大道中 16-18 號 新世界大廈 33 樓</p> <p><b>註冊辦事處</b> Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands</p>

# Corporate Governance 企業管治

## Board Governance 董事會管治



## Board governance framework and major tasks

- The Board's role is to provide leadership for the Company and direction for the management as an independent decision-making body. Our Board is collectively responsible and accountable to our shareholders for the Group's performance.
- The Audit Committee, Nomination Committee and Remuneration Committee each has its respective terms of reference specified by the Board to undertake detailed governance work. A brief summary of their tasks during FY2017 is shown on the chart in the preceding page and further mentioned in the sections below.
- The Executive Committee is delegated with all the powers, authorities and discretion to act for the Board according to its terms of reference in all operational, managerial and administrative functions concerning the Group's ordinary course of business. It monitors the execution of the Group's strategic plans and the operations of all business units of the Group.
- Matters beyond its delegated authority are reserved to the Board for decision, including those transactions which are notifiable transactions or non-exempt connected transactions under the Listing Rules; or in which an executive director has (individually or together with others) material interest; and those matters of onerous or unusual nature.
- The roles of our Chairman and Managing Director are clearly defined and there is an effective segregation of duties between the Board and the management. Our Chairman, Dr. Cheng Kar-Shun, Henry, provides leadership for the Board and ensures that the Board works effectively and all important issues are discussed in a timely manner. Our Managing Director, Mr. Wong Siu-Kee, Kent, takes the lead in managing the Group's operations and business development.

## Directors' composition and appointments

- The Board currently comprises a total of 15 directors, with 9 executive directors, 1 non-executive director and 5 independent non-executive directors. The profile, role and function of each director, their relationship with each other and the membership of the board committees are set out in the section headed "Profile of Directors and Senior Management" in this annual report.
- The Executive Committee comprises executive directors. Each executive director has his own role and function to oversee the Group's operations.

## 董事會管治框架與主要工作

- 董事會的角色為領導公司，並作為獨立決策機構為管理層訂立方向。董事會就本集團的表現集體負責及對股東問責。
- 審核委員會、提名委員會和薪酬委員會分別承擔董事會指定的職責，進行具體的管治工作。這些委員會2017財政年度的工作於前頁圖表簡述，詳情見以下章節。
- 執行委員會獲授所有權力、權限和酌情權，根據其與本集團一般業務過程有關的所有營運、管理和行政職能的職權範圍為董事會行事，負責監察本集團策略規劃的執行情況和集團所有業務單位的營運。
- 超越執行委員會職權範圍的事宜須留待董事會決定，包括根據上市規則須予披露的交易和非豁免關連交易；執行董事單獨或與他人共同於其中有重大權益的交易；非常重大或不尋常事宜的交易。
- 主席和董事總經理的角色有清晰界定，董事會和管理層的職責亦有明確區分。主席鄭家純博士領導董事會以及確保董事會有效運作和適時討論所有重要事項。董事總經理黃紹基先生領導本集團營運和業務發展。

## 董事組成與委任

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

# Corporate Governance 企業管治

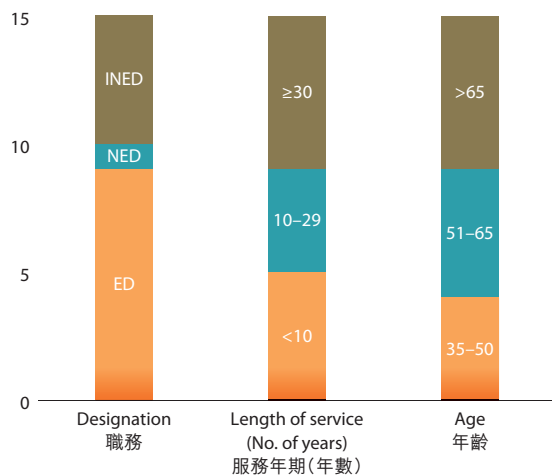
## Board Governance 董事會管治

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

### General status

#### 基本情況

(Number of Directors)  
(董事人數)



ED – Executive Director 執行董事

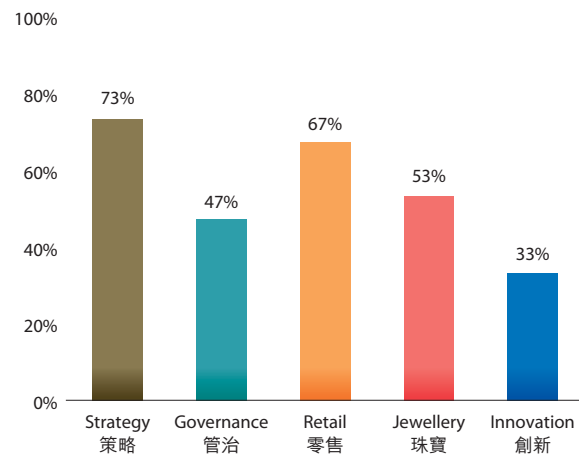
NED – Non-executive Director 非執行董事

INED – Independent NED 獨立非執行董事

### Area of experience

#### 經驗領域

(Percentage of Directors)  
(董事佔比)





- The Nomination Committee held one meeting during the year, amongst other things, reviewed the structure, size and composition of the Board. We believe that the current Board composition is of sufficient diversity for the achievement of our corporate strategic objectives, which explore opportunities in business innovation and technological transformation by leveraging on the existing competitive edge of our Group.
- All directors have formal letters of appointment with the Company for a term of three years, subject to retirement by rotation in accordance with the Articles. Appointments to the Board and Board committees are made for specific terms to facilitate regular reviews and planning for any adaptations in the structure and composition of the Board.

## Board effectiveness

### Leadership and control

- Strategies drive our risk-based management approach which aims at seizing emerging opportunities amid the changing external and internal environment, in order to achieve sustainability.
- During the year, strategy workshops and risk evaluation workshops were held to facilitate the Board to devise the Group's strategy plan for the forthcoming year and determine the critical tasks and key performance indicators.
- We also organised the annual corporate planning day to lay down the work plans for various business units and to prepare the annual financial budget of the Group.
- The reporting and analysis generated from our information management system are reviewed by the management who monitor the financial budget and analyse the outcomes of the Group's strategies in order to review or make appropriate adaptations.
- In the four Board meetings held during the year, the Managing Director took the lead to make reports to the Board on various aspects, including business performance and prospects, financial performance, risk management and corporate governance.
- During the year, the Board allocated sufficient time to discuss on strategies related to O2O synergies, big data analytics, development of U.S. wholesale business, industrial automation and artificial intelligence, launch of CHOW TAI FOOK T MARK, revamp of store image and enhancement of shopping experience. Besides, the directors revisited the risks profile related to RMB exchange rates and gold inventory hedging.

- 提名委員會於年內舉行1次會議，會上(其中包括)檢討了董事會的架構、人數及組成。我們認為現時的組成具足夠的多元性，有助達致企業策略目標，即利用本集團現有的競爭優勢發掘業務創新與科技變革的機遇。
- 所有董事均已與本公司訂立正式委任函，任期為三年，惟須根據細則輪值退任。董事會和董事會轄下委員會的委任設有特定任期，以便定期檢討及規劃董事會架構和組成的任何調整。

## 董事會的有效運作

### 領導與監督

- 以策略導向管理，應付內外環境的轉變，發掘前瞻商機，管理風險，以達致持續發展為目的。
- 年內，舉辦策略工作坊和風險評價工作坊，協助董事會制定來年的集團策略、關鍵任務，以及重要指標。
- 我們也籌備公司年度規劃會議，落實各業務單位的工作計劃，制定年度財務預算。
- 管理層重視數據匯報系統和分析，以密切監察財務預算，及權衡策略的成效，適時檢討和應變。
- 於年內舉行的4次董事會會議中，董事總經理帶領就多個範疇向董事會作出匯報，包括業務表現及前景、財務業績、風險管理和企業管治。
- 年內，董事會充份善用時間討論線上線下協同效益的策略、開發應用大數據、發展美國批發業務、工業自動化和人工智能化、推出的周大福T MARK、提升店舖形象和購物體驗。另外，董事審議與人民幣匯率和黃金存貨對沖的風險狀況。

# Corporate Governance 企業管治

## Board Governance 董事會管治

- The Company also provides monthly updates to all the directors on the Group's performance and position to enable the directors to make balanced assessment and informed decisions for the benefit of the Group.
- The enhanced accountability and objectivity of the management are built on the scientific management approach mentioned above which promotes a professional management style.

### Board independence in decision-making

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

- 本公司每月向全體董事更新報告本集團業績和狀況，讓董事能就本集團作出平衡的評核及有根據地作出有利於本集團的決定。

- 以上各項科學化管理方針旨在促進管理層專業化，有助加強問責性和客觀判斷。

### 董事會的獨立決策

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

## Compliance and audit

- The Board is responsible for reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, primarily the Listing Rules, the Companies Ordinance and the Securities and Futures Ordinance; and for developing and reviewing the Company's policies and practices on corporate governance.
- The Company has established its policy for inside information disclosures as well as its internal controls on the reporting and monitoring systems so that material matters are escalated to the Board in a timely manner for them to judge whether inside information exists and whether an announcement is required to disclose inside information in due course.
- All our directors and employees are bound by the prevention of insider dealing policy of the Company and should refrain from dealing in the Company's securities if they are in possession of any inside information of the Group.
- The Company has adopted a code of conduct on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules regarding the securities transactions by all the directors and those employees who are likely to come across inside information because of their duties. Having made specific enquiry of all our directors and relevant employees, they confirmed that they had complied with the required standard as set out in the Model Code and the Company's code of conduct during FY2017.
- The Company's corporate governance practices are discussed in the section headed "Corporate Governance" in this annual report. During the year ended 31 March 2017, the Company was in full compliance with all applicable principles and code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.
- The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. The directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. The statement by the auditors of the Company and the Group regarding their reporting responsibilities on the financial statements of the Company and the Group is set out in the section headed "Independent Auditor's Report" of this annual report.
- The Audit Committee held three meetings during the year. They reviewed the financial statements for the Group's interim and annual results. They also reviewed reports on the Group's risk management, internal controls, internal audit and whistleblowing system, and discussed the related matters directly with the management, external and internal auditors. The Audit Committee has reviewed and was satisfied with the effectiveness of our risk management and internal control systems. Further details are included under the section headed "Risk Management Report" in this annual report.

## 合規與審核

- 董事會負責審議和監察本公司遵守法律法規(主要為上市規則、公司條例和證券及期貨條例)規定的政策和實務，並制定和檢討本公司企業管治的政策和實務。
- 對於內幕消息的披露管理，公司設有相關政策和內控措施，使重要事項能及時匯報給董事會考慮是否內幕消息，而適時發出公告。
- 設有防止內幕交易政策，全體董事和所有僱員均受本公司的公司政策約束，當他們持有本集團的任何內幕消息，則不得買賣本公司證券。
- 本公司已就董事和有可能因為職務而接觸到內幕消息的僱員進行證券交易訂立條款不遜於上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)。經向全體董事和有關僱員作出具體查詢後，他們確認於2017財政年度內已遵守標準守則和本公司標準守則所載的規定標準。
- 本公司企業管治常規在本年報的「企業管治」一節討論。截至2017年3月31日止年度，本公司一直全面遵守上市規則附錄14所載企業管治守則的所有適用原則及守則條文。
- 董事會在財務部門支持下負責編製本公司和本集團的財務報表。董事並不知悉任何可能對本集團持續經營的能力構成重大疑問的事件或情況相關的任何重大不明朗因素。本公司和本集團核數師就他們對本公司和本集團財務報表的報告責任所作聲明載於本年報的「獨立核數師報告」。
- 審核委員會年內舉行3次會議，審閱本集團中期和年度業績的財務報表。他們也審閱有關本集團風險管理、內部監控、內部審核和舉報機制的報告；與管理層、外部和內部審核人員直接交流討論有關事項。審核委員會已審視和認可風險管理和內部監控系統的有效性。詳情載於本年報的「風險管理報告」。

# Corporate Governance 企業管治

## Board Governance 董事會管治

- The Audit Committee, after reviewing the external auditor's independence, objectivity and effectiveness of the audit process, recommended the re-appointment of Deloitte Touche Tohmatsu as the Company's principal auditor. During FY2017, the total fee paid/payable in relation to audit services provided to the Group amounted to HK\$8.8 million, of which a sum of HK\$5.0 million was paid/payable to our principal auditor, Deloitte Touche Tohmatsu, and the remaining was mainly paid/payable to other auditors performing audit work for the Company's subsidiaries in Mainland China which were subject to local statutory requirements. The remuneration paid to Deloitte Touche Tohmatsu and its affiliated firms for services rendered is listed as follows:
- 審核委員會經審議外聘核數師於核數程序上的獨立性、客觀性和有效性後，建議續聘德勤·關黃陳方會計師行為本公司主要核數師。本集團於2017財政年度就其審核服務已付／應付費用總額為8.8百萬港元，其中已付／應付主要核數師德勤·關黃陳方會計師行5.0百萬港元，餘款則主要就本公司中國內地附屬公司按地方法規須進行的審核工作已付／應付其他核數師。就獲提供服務已付德勤·關黃陳方會計師行及其附屬公司的酬金載列如下：

Types of services 服務類型		FY2016 2016財政年度 HK\$'000 千港元	FY2017 2017財政年度 HK\$'000 千港元
Audit services	審核服務	4,793	4,985
Audit-related services	審核相關服務	1,738	1,821
Non-audit services <sup>(Note)</sup>	非審核服務 <sup>(附註)</sup>	4,345	1,705
		10,876	8,511

Note: Non-audit services comprise primarily services on tax compliance and IT system enhancement provided to the Group. None of these services provided compromise the independence as auditor, in terms of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and were reviewed and approved by the Audit Committee.

附註：非審核服務主要包括向本集團提供有關稅務合規及資訊科技改進之服務。根據國際會計師職業道德準則理事會的「專業會計師道德守則」，上述提供的服務並無影響核數師的獨立性，且已經審核委員會審閱和批准。

### Dedication and evaluation

- The directors have diligently and actively engaged in our Group's business. Our executive directors carried out their respective duties to formulate corporate strategies, supervise operations and take part in day-to-day management. They attended the Company's business meetings and monthly meetings of the executive directors, managing director and senior management, provided leadership over and supervised the attainment of the Company's business objectives.
- 董事們勤勉積極地投入集團的事務，執行董事各司其職，制定公司策略、監督運作，參與日常管理。他們參與公司各業務會議，每月執行董事溝通會，董事總經理和高級管理層的溝通會，領導和督導公司達成各項業務目標。

### 盡責與評價

- Their performances are closely related to the results and development of our Group. As such, the directors (including the independent non-executive directors) reviews and evaluates the Group's success in strategies, operating efficiency, effectiveness in risk management and internal control systems, reliability and disclosure standards in financial reporting, corporate governance standards and sustainable development principles through various management reports and the annual report, taking into account investors' feedback and comments.
  - Meanwhile, we are committed to enhancing the disclosure standards of our annual report and the level of transparency for investors and other members of the public, with a view to supplying meaningful information which would enable stakeholders to play a part in reviewing the Board's performance in corporate governance.
- 他們的績效與集團業績和發展密切相關，所以董事會(包括獨立非執行董事)通過各種管理報告和年報的綜合匯報，以及聽取投資者反饋的意見，對集團策略成效、營運效率、風險管理和內控系統的有效性、財務匯報的可靠性和披露水平，以及企業管治標準和可持續發展的方針作出檢討和評價。
  - 同時，我們致力於提高年報的披露水平和對公眾和投資者的透明度，有利於提供有意義的資訊讓利益相關者一同參與檢討董事會的管治績效。

#### Attendance at AGM and Board meetings

#### 股東週年大會及董事會會議的出席記錄

		Number of Meetings Attended/Eligible to attend for FY2017 2017財政年度出席/合資格出席會議次數				
		Annual General Meeting 股東週年大會	Board Meeting 董事會會議	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Dr. Cheng Kar-Shun, Henry	鄭家純博士	1/1	3/4	-	1/2	1/1
Mr. Wong Siu-Kee, Kent	黃紹基先生	1/1	4/4	-	2/2	1/1
Dr. Cheng Chi-Kong, Adrian	鄭志剛博士	1/1	4/4	-	-	-
Mr. Cheng Chi-Heng, Conroy	鄭志恒先生	1/1	4/4	-	-	-
Mr. Chan Sai-Cheong	陳世昌先生	1/1	4/4	-	-	-
Mr. Suen Chi-Keung, Peter	孫志強先生	1/1	4/4	-	-	-
Mr. Chan Hiu-Sang, Albert	陳曉生先生	1/1	4/4	-	-	-
Mr. Cheng Ping-Hei, Hamilton	鄭炳熙先生	1/1	4/4	-	-	-
Mr. Liu Chun-Wai, Bobby	廖振為先生	1/1	4/4	-	-	-
Mr. Cheng Kam-Biu, Wilson	鄭錦標先生	1/1	4/4	-	-	-
Mr. Cheng Ming-Fun, Paul	鄭明訓先生	1/1	4/4	3/3	-	1/1
Dr. Fung Kwok-King, Victor <sup>(1)</sup>	馮國經博士 <sup>(1)</sup>	0/1	2/4	-	1/2	0/1
Mr. Kwong Che-Keung, Gordon <sup>(2)</sup>	鄺志強先生 <sup>(2)</sup>	0/1	3/4	3/3	2/2	-
Mr. Lam Kin-Fung, Jeffrey	林健鋒先生	1/1	4/4	3/3	-	1/1
Dr. Or Ching-Fai, Raymond	柯清輝博士	1/1	4/4	3/3	2/2	1/1

#### Notes:

- (1) Dr. Fung was unable to attend the AGM and a Board meeting both re-scheduled to 9 August 2016 due to typhoon, as Dr. Fung had another prior engagement. The Company invited another member of the Nomination Committee, Dr. Or Ching-Fai, Raymond to answer questions addressed to the chairman of the Nomination Committee at the AGM. Besides, due to unexpected technical problem, Dr. Fung was unable to attend a meeting of each of the Board, Remuneration Committee and Nomination Committee held on 7 June 2016 which he originally intended to join by telephone conference from overseas.
- (2) Mr. Kwong was unable to attend the AGM and a Board meeting both re-scheduled to 9 August 2016 due to typhoon, as Mr. Kwong had another prior engagement. The Company invited another member of the Audit Committee, Dr. Or Ching-Fai, Raymond to answer questions addressed to the chairman of the Audit Committee at the AGM.

#### 附註：

- (1) 股東週年大會及董事會會議皆因颱風關係而改於2016年8月9日舉行，馮博士因另有事務安排在先而無法出席該股東週年大會及董事會會議。本公司已邀請提名委員會另一成員柯清輝博士回答向提名委員會主席提出的提問。另外，馮博士未能出席於2016年6月7日舉行的董事會、薪酬委員會與提名委員會的會議，當時馮博士身在海外，原定以電話會議方式出席會議，但因無法預計的技術問題而最終未能出席。
- (2) 股東週年大會及董事會會議皆因颱風關係而改於2016年8月9日舉行，鄺先生因另有事務安排在先而無法出席該股東週年大會及董事會會議。本公司已邀請審核委員會另一成員柯清輝博士回答向審核委員會主席提出的提問。



# Corporate Governance 企業管治

## Board Governance 董事會管治

### Remuneration and continuing development

- The remuneration policy for the executive directors and senior management is incentive-based, with a significant portion of discretionary bonus being linked to the overall performance and profitability of the Group, as well as the share price of the Company. This aims at enhancing accountability by a better alignment of their rewards with the interests of our shareholders.
- The Remuneration Committee held two meetings during the year. The performance of the executive directors was assessed, and the remuneration packages of the executive directors and senior management were reviewed and approved by the Remuneration Committee a majority members of which were independent non-executive directors. They also reviewed the effectiveness of the Company's medium to long-term incentives for the management's remuneration package to align with corporate goals in the long term.
- In order to broaden the management's horizon, the Company sponsors them to attend professional programmes and participate in forums or conferences. The Company also commits to enriching the roles to be played by young management and creating promotional opportunities in their career path which in turn will promote the sustainability of the Group's business.
- The Company's basic principle for selection of the management is on merits. Coupled with talents obtained via external recruitment, the Company has built up its management team primarily through internal promotion.
- We tailor-made induction programme for new directors in view of their background to brief them on the Board proceedings and culture, the operation and business of the Company, its corporate governance policies, and statutory duties and responsibilities of directors.
- We arrange visits to our management centres and production sites to enable the independent non-executive directors to understand our management, operation and control systems, as well as the latest innovations.
- We also encourage colleagues to participate in awards or competitions which are relevant to their expertise.

### 薪酬與持續發展

- 執行董事和高級管理層薪酬政策主要激勵表現為原則，其中的酌情花紅大部份與本集團整體表現、盈利能力以及本公司股份價格掛鈎。目的為使他們所獲得的獎勵與本公司股東的利益更為一致，以加強問責性。
- 於年內舉行的2次薪酬委員會會議中，薪酬委員會已評估執行董事的表現；執行董事和高級管理層的薪酬待遇必須經過以由大部分獨立非執行董事組成的薪酬委員會審議和批准；會上也檢討本公司設立中長期管理層薪酬待遇的有效性，以配合長遠企業目標。
- 公司資助管理層修讀專業課程、參加研討會等，開拓視野；同時，積極開放發揮和晉升機會給年青的管理層，以協助集團業務持續發展。
- 委任管理層的基本政策是選賢任能，除了從外招聘獲取外界經驗之外，集團目前大部分的管理層為內部培育和提拔。
- 按新委任董事的背景，度身安排啟導方式，介紹董事會程序和文化，公司營運和業務、管治政策，以及董事的法定職責和責任。
- 安排獨立非執行董事到訪本集團的管理中心和生產基地，以便他們了解本集團的管理、營運和監控系統，以及創新發展。
- 我們也鼓勵同事參與與其專長有關的獎項或比賽。



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

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

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

# Corporate Governance 企業管治

## Corporate Management 企業管理

- We believe that our commitment to ethical practices and critical oversight on our organisational processes and structures has contributed to a strong control environment. It enables our organisation to preserve its integrity and be resilient to internal and external pressures.
- Systematic management infrastructure and scientific analysis have been the key to the internal controls on our business activities and governance in our organisational behaviour, supporting a sustainable growth in the scale of operations.
- We consider “ethics” and “science” as the two pillars in preserving integrity and disciplining behaviour throughout the organisation, which prove to be a pragmatic model to enhance our trustworthiness with traceable accountability.
- 我們相信，我們致力貫徹道德操守及嚴格監管組織程序和架構以締造堅實的監管環境。此舉讓我們可秉持誠信，並抗禦內外壓力。
- 系統化管理的建構及科學化分析是我們業務活動的內部監管及規範組織行為的關鍵，支撐經營規模持續增長。
- 我們認為「道德」及「科學」為整個機構秉持誠信和規範行為的兩大支柱，支撐務實的管理模式，憑據有事實可尋的實踐成果，贏得企業信譽。

## Corporate culture

### Blessings and collaboration

- Jewellery represents our commitment to consumers and not merely a product. We wish to create unforgettable experience for the most precious moment of our customers with excellent products and services. In pursuit of our corporate core value of “Sincerity • Eternity”, we have been committed to giving our best and blessings to our customers, employees, partners, shareholders and the society. We ensure proper and efficient use of social resources in support of our business and give back to the society by creating shared value for sustainable development and establishing a constructive rapport with the community.

### Ethical business practices

- We have encountered various challenges along our development path. Nonetheless, we stay firm in our adherence to good corporate governance. Having inherited an “artisan” DNA in the pursuit of excellence, we are relentlessly dedicated to details in order to consistently align our beliefs with real-life practices. Committed to integrity, business ethics and legal compliance, we are widely recognised and supported by customers, partners and other stakeholders. With their support, we are able to overcome challenges and surpass ourselves in our pursuit of sustainable development.

### People-oriented objectives

- All along, we operate with a people-oriented spirit and regard communication as a fundamental in building mutual trust. We have a culture of openness in listening to stakeholders’ needs and expectations through interactions in our daily operation. We consider that a scientific management system can only thrive by implementing people-oriented practices in parallel. This can inspire continuous remediation and enhancement towards our dual goal to explore growth opportunities for the Group and our stakeholders.

## 企業文化

### 共享共贏

- 我們不只視珠寶為產品，更是視為對消費者作出的情感承諾，希望憑藉卓越的產品和服務，透過產品見證顧客最值得銘記的人生階段，為顧客創造難忘的愉悅時刻。秉持「真誠•永恒」的企業核心價值，我們對顧客、同事、合作夥伴、股東以及社會大眾，都貫徹如一，以真誠續寫永恆的祝福。我們會善用手上的資源，並為社會作出貢獻，維繫互惠互利的良好關係，共同成長。

### 誠信經營

- 我們在發展道路上經歷不少挑戰，卻沒有動搖我們對良好企業管治的堅持。秉承我們的「工匠精神」，為追求卓越鍥而不捨，對細節事情都用心執著，使信念與言行貫徹如一。管理層堅持以誠信經營，堅守營商道德和合法合規的精神，促使我們得到顧客、合作夥伴和其他持份者持續的認同和支持，得以衝破困難，超越自己，成就當今的持續發展。

### 以人為本

- 我們一向重視以人為本，以溝通建立互信，日常運作當中設有許多與利益相關者持續互動的渠道，聆聽他們的反饋意見，以了解他們的需要和期望。我們相信科學化的管理系統必須以人本思維引導其發展、修正和完善，兩者並行才能共同提升，發掘和實現企業和利益相關者共同增值的機遇。

### “Listen to Your Heart” programme

- In view of the challenge of rapid market changes, the management focuses on formulating responsive strategies and stepping up the application of technology and innovation. Meanwhile, the Board cares about how major stakeholders (including colleagues and business partners) are coping under such circumstances. We therefore encourage frequent sharing and communication hoping that more interactions would inspire and drive us to make continuous improvement in various aspects of our operations. We hope to be a faithful partner of our fellow colleagues who stand by them and grow together in good and bad times. Trust from our major stakeholders is highly valued by Chow Tai Fook.
- During the year, recently retired senior management members were appointed as advisors of a new programme “Listen to Your Heart”. The advisors paid visits to frontline staff of our POS as well as officers of shopping malls and franchisees in different cities each month to understand how they felt about the work environment, team work, remuneration, administration, technological application, business performance and prospects in a relaxed setting through face-to-face conversations and satisfaction surveys. The advisors then escalated those feedbacks, together with their own observations, to our directors in an organised way. Actions or improvement were to be taken under the coordination of the respective executive offices. The advisors also made recommendations to the heads of regional operations based on their observations on the business sentiments and strengths of these regions.
- This programme has yielded positive results by facilitating our directors to stay tuned to frontline situations, helping them to take into account of the perspective of major stakeholders in their decision-making. This programme also reiterates our corporate culture that emphasises the priority of people and persistent attention to details. Meanwhile, it has also provided an alternative means of appraising the management’s performance, thereby strengthening corporate governance.

### 「聆聽心聲」計劃

- 面對市場急速變化的經營挑戰，公司管理層專注於制定應變戰略，加快科技和創新。董事會更加關注主要利益相關者（包括同事和商業夥伴）在這個環境下所承受的影響，同時也提倡多交流、多分享，冀他們的參與，在這些人與人之間的互動之中，啟發和推動我們在業務營運的各個層面中不斷進步。我們希望讓同事感受到公司是和他們共同面對，共同經歷福禍，共同成長的真誠夥伴，珍視主要利益相關者對周大福的信任。
- 年內，由剛退休高級管理層擔任「聆聽心聲」新計劃的顧問，每月探訪各地分店的基層同事、商場和加盟商負責人，在輕鬆的氣氛下以面對面的交談和填寫滿意度問卷的方式，收集受訪者對工作環境、團隊合作、薪金報酬、行政管理、科技應用、業務表現和前景等各方面的感受和意見。顧問整理這些意見和自己的觀察後給董事反饋，並由各相關執行辦公室協調解決或改善。顧問也會觀察各地區的營商氣氛和優勢，向地區主管提供建議。
- 這個計劃的效果很好，開闢人性化的途徑，讓董事們掌握前線的信息，幫助董事決策時考慮主要利益相關者的角度；而且鞏固以人為本和重視對細節的用心執著的企業文化；同時也間接監督管理層績效，增強企業管治。

# Corporate Governance 企業管治

## Corporate Management 企業管理

### Promotion of “Do Good” spirit

- Ever since the inception of Chow Tai Fook more than 88 years ago, bringing happiness and well-being to people and mutual benefits to partnerships have been at the heart of our business. While the concept of sustainability has already been embedded in our business operations, we used to stay low profile in marketing our “Do Good” efforts.
- Recently, we have come to realise that better communication of our efforts pertaining to sustainability both internally and externally would promote inclusiveness and interactive engagements with stakeholders. We want to understand more on how they perceive our current efforts and what they further expect from us.
- “Do Good, Feel Good” is our latest branding programme to showcase our well-developed series of deliverables in pursuit of good business practices, customer relations, well-being of staff members, better living of community and harmony in a green environment.
- Although we have published CSR reports for a few years containing comprehensive information, we need more real-time sharing with our staff in order to promote their engagement. In the course of launching “Do Good” programme, we have formulated the communication protocols, including logo, signature, information collection catalogue and message circulation mechanism on various social platforms for staff. Directors, management and staff are invited to join in “Do Good” promotional events.
- We aim to create a “Do Good” culture that strengthens our staff’s sense of corporate identity and encourages them to take part in “Do Good” in daily lives. From now on, “Do Good” is from everyone and for everyone of Chow Tai Fook.

### Sustainability report

- We published a standalone sustainability report, an electronic version of which is available for download on the corporate website of the Group ([corporate.chowtaifook.com/en/cg/sdreports.php](http://corporate.chowtaifook.com/en/cg/sdreports.php)).
- The report focuses on aspects with important impacts on or opportunities for the Group and its stakeholders, including our business practices, our customers, our people, our environment and our community.
- The sustainability report shall be read in conjunction with this annual report to form a comprehensive view on the Group’s sustainable development efforts, which are found with our strategic planning, corporate governance and business performance, as well as the recognition of social responsibilities in our strategic planning and business operation.

### 推廣「Do Good」精神

- 自周大福成立超過88年以來，我們旨在經營一個能夠帶給人快樂與幸福，與夥伴們互惠互利的生意。可持續發展的原則已植根於我們的業務營運之中，但我們以往默默耕耘，甚少宣傳我們的「Do Good」精神。
- 然而我們漸漸發覺要達致更全面的共融，需要首先改進內部和外部溝通，讓人們知道我們正在怎樣實踐可持續發展，才能通過利益相關者更多的參與和互動，了解他們對我們現在已付出的努力的看法，以及他們對我們長遠的期望。
- 「Do Good, Feel Good」是我們最近推出的宣傳計劃，傳達我們一系列在良好營商操守、顧客關係、員工福祉、完善社區和綠色環境各方面的努力和成果。
- 雖然過去幾年我們一直刊發載有完整資料的企業社會責任報告，但我們需要更多實時分享的資訊，以增強同事們的投入感。在推出「Do Good」計劃過程中，我們制定了通訊方式，包括標誌、口號手語、資訊收集目錄，以及在各員工社交平台的信息發送機制。董事、管理層和員工均獲邀參與「Do Good」文化的推廣活動。
- 我們希望藉著營造「Do Good」精神提升同事們作為公司一份子的歸屬和認同感，也鼓勵同事們日常更多主動參與「Do Good」。今後，周大福上下一起「Do Good」，一起「Feel Good」。

### 可持續發展報告

- 我們的可持續發展報告為一份獨立報告，其電子版可於集團網站([corporate.chowtaifook.com/tc/cg/sdreports.php](http://corporate.chowtaifook.com/tc/cg/sdreports.php))下載。
- 報告重點關注對本集團及利益相關者而言具有重大影響或機遇的範疇，包括我們的營商操守、顧客服務、員工關懷、環境保護和社區參與。
- 這份可持續發展報告應與本年報一併閱讀，以更加適當及全面了解本集團為可持續發展所盡努力，這些包括我們的策略規劃、企業管治和業務表現，以及集團在策略規劃和業務營運之中對企業社會責任的承擔。

## Organisational structure

- Our management structure is mainly organised by regions and functions. All regional and department heads report to the Managing Director and the Executive Committee. In this flat hierarchy, directions at the top level reach regional offices promptly for implementation. Our established corporate policies and operational procedures have ensured consistent management standards over all key business activities throughout the organisation. This mode of centralisation works well particularly for corporate functions to ensure the overall management standards.
- Meanwhile, in view of the rapidly changing and diversifying local markets, our management is adapting to a more agile form in business decentralisation. The regional units are promoted as active owners in charge of the relevant purchase to sale strategies, taking advantage of their local wisdoms to capture opportunities quickly in the local market. The scope of duties and authority of each business unit are designated according to the Group's business model and management strategy. An appropriate measure of autonomy and accountability is maintained through staffing structure and clear definition of authority, with a view to delegating the Group's strategic tasks.
- In addition to the above vertical management structure, we also have cross-departmental committees jointly led by our executive directors and senior management. With clearly defined functions, roles and duties, these committees assist in the Group's strategic planning for relevant areas and supervise the attainment of the Group's objectives. The committees include:
  - Risk Management Committee
  - Sustainability Committee
  - Reform and Development Committee
  - Human Resources Planning Committee
  - IT Governance Committee
- Further, we have been setting up more project teams to undertake business explorations and pilot projects. We like the flexible and open-minded characteristics of small teams which enable us to be highly responsive to market opportunities, as well as to train up our young potentials.

## 組織架構

- 集團管理架構主要按地域和功能劃分，向董事總經理和執行委員會負責。最高層面所發出的指示能迅速按既定行政階層組織下達各地區加以實施。通過制定的公司政策和運作流程，保持組織內對關鍵業務活動的一致管理標準。尤其對於企業功能，這種向中央集中的模式相當有效，可確保整體管理標準。
- 與此同時，有見於本地市場急速變化，管理層正在更靈活地進行業務分權。地區單位獲授予更大主動權，善用他們本地的智慧，掌握下單訂貨至銷售的策略，適時捕捉商機。依據集團業務模式和管理策略規劃各業務單位的權責範圍，通過人事架構和明確職權分工，維持適度的自主性和問責性，分擔集團的策略任務。
- 在上述垂直管理架構之外，集團設有多個跨部門委員會，由執行董事和高級管理層共同領導協作，明確訂定委員會的功能和委員會的角色和職責協助集團制定相關範疇的戰略規劃和監察集團目標達成的成效，例如
  - 風險管理委員會
  - 可持續發展委員會
  - 改革發展委員會
  - 人力資源戰略規劃委員會
  - 資訊科技管治委員會
- 此外，集團也開始增加運用項目小組，負責創新業務的探索，先導項目的領航試驗，目的是利用小型團隊的機動性和開放思維，靈活迅速發掘和把握市場商機，同時也培育更多有潛質的年青同事。

# Corporate Governance 企業管治

## Corporate Management 企業管理

- The Company has formulated applicable policies, rules, employees' handbook and operational manuals for implementation in day-to-day operations across all business segments through the management hierarchies and operational systems. This scientific system is underpinned by a reporting and self-inspecting mechanism for the purposes of supervision and internal control. Independent certifications by external institutions as well as internal audits are being conducted.

### Performance and analysis

- The Group conducts business planning on an annual basis, and all regional offices and departments are required to prepare financial budgets, which are consolidated at Group level and subjected to sensitivity tests, while key performance indicators are also set.
- We have established information management systems at the upstream, midstream and downstream business units to allow close tracking and monitoring of business input and output, including the procurement of raw materials, production per order, inventory control, product sales, human resources and customer relations.
- Reports and variance analyses of multiple dimensions can be easily retrieved from the business intelligence system. The transparency of information transmission allows prompt indication of deviations in key performance indicators and business performance trends, thereby providing comprehensive information for the management to facilitate appropriate planning and decision-making.
- Given the inseparability of financial and business analysis, the Group has made huge efforts to facilitate the convergence of financial data and business data to improve the analysis of effectiveness of strategies and monitor the use of resource, while enhancing integrated analysis in annual reporting and overall performance review.
- During the year, the Group set up the Strategic Business Office and Data Intelligence Space in order to leverage on big data analytics and business intelligence with a view to providing timely, visualized and market-compatible analyses to drive business innovation and grab new business opportunities.

- 公司在各業務環節制定適用的政策、規則、員工手冊和運作手冊，通過設立管理架構和運作制度，應用於日常運作。這個科學化系統也設有匯報和自我檢查的機制，設置制度監督、內部控制，進行內部審核，也接受外部機構獨立鑑證。

### 績效與分析

- 集團每年進行業務規劃，各個地區和部門都需要制定財務預算，在集團層面整合和進行敏感度測試模型，並制定各項關鍵績效指標。
- 我們在上游、中游和下游各分部業務單位建立的資訊管理系統，讓我們可以緊密追蹤和監察業務上的各項投入和產出，包括原材料採購、訂單生產、存貨控制、產品銷售、人力資源、及客戶關係等。
- 多個維度的報告和差異分析可輕易透過商業智慧系統讀取，資訊傳遞的透明度可迅速提示關鍵績效指標的偏差和業務表現走勢。為管理層提供全面的資訊，以利作出適切的計劃和決策。
- 財務與業務分析不可分割，集團作出很多努力令財務與業務營運數據接軌，加強策略成效的分析，有效地監察資源運用的效益，而且能夠促進年報匯報的綜合分析，以及整體績效檢討。
- 年內，集團更成立商業策略辦公室(Strategic Business Office)和周大福數據空間(Data Intelligence Space)，務求借助大數據分析與商業智慧，提供貼合市場和直觀及時的分析，協助集團推動業務創新，發掘商機。



## IT governance

- The management is keen on applying IT resources in close tandem with the business development of Chow Tai Fook, in order to support cross-regional management, innovative retail business model, maintain a close connection among the upstream, midstream and downstream business units, and facilitate big data analytics, internal control and business and financial reporting.
- We have appointed a professional consultant to review the extent to which the Group's IT set-up matches with its business development and to assess the Group's IT security. Reforms in the Group's IT governance have been made with reference to recommendations furnished following the review exercise. During the year, the IT Governance Committee comprising executive directors and senior management in charge of business innovation, financial and production management, data analysis and IT was established to provide a platform for coordinated actions with major stakeholders. The potential benefits and risks associated with the IT requirements identified by business units are weighted in a rational manner from a strategic point of view, with the aim of finding solutions that maximise the benefits and efficiency in resource allocation in tandem with the priorities under the Group's overall strategy.
- We have formulated the IT governance policy to regulate, among others, activities relating to IT and computer security, social media software application, management of product procurement and outsourced services, operational and project management, and data management.
- The IT Governance Committee also undertakes responsibility in IT risk management, conducting analysis and evaluation of risks identified on an annual basis and reporting to the Group Risk Management Committee.
- During the year, the Management Information System Department has been restructured and renamed the "Information and Communication Centre" while the functions of IT professionals were streamlined to enhance management of user requirement analyses, technical solutions and service standards.

## 資訊科技管治

- 管理層重視資訊科技資源獲得有效運用，與周大福業務發展保持高度契合，能夠支持跨地域管理、創新零售業務模式、保持上、中、下游業務鏈環環緊扣，以及大數據分析、內部控制、營運和財務匯報。
- 我們委聘專業顧問檢討資訊科技與業務發展的契合度和保安評估，參考檢討的建議對集團的資訊科技管治作出改革。在年內成立資訊科技管治委員會，匯集負責業務創新、財務和生產管理、數據分析和資訊科技的執行董事和高級管理層，建立主要利益相關者共同協作的平台，從策略層面理性地權衡與業務單位所識別需求相關的裨益和潛在風險，務求達成利益最大化的解決方案和資源分配效率，配合集團整體戰略的優先排序。
- 我們制定了資訊科技管治政策，對包括資訊和電腦保安、社交媒體軟件運用、採購產品和外判服務管理、營運和項目管理，以及數據管理等活動作出規範。
- 資訊科技管治委員會也承擔資訊科技風險管理的責任，每年對所識別的風險進行分析和評價，並向集團風險管理委員會匯報。
- 年內，資訊管理部重組其功能架構，並更名為「資訊及通訊中心」，重新梳理資訊科技專業人員的職能分工，加強對分析用戶需求、技術解決和服務水平的管理。

# Corporate Governance 企業管治

## Corporate Management 企業管理

### Risk management and internal controls

- While the Board has overall responsibility for the Group's systems of risk management and internal control, we adopt an enterprise-wide risk management structure from leadership role at Board level down to accountability at business unit level. We take both "top-down" and "bottom-up" approach.
- During the day-to-day business processes, the executive directors have ongoing dialogue with management of business units on the emerging risks and opportunities, their possible impact and suggestion of measures. They have ongoing review on the variance reports and analysis, budget plan and actual performance, findings of control weaknesses reported by audit teams. All such information also assists them in identifying what and where problems may have arisen which require tackling from "top-down" in order to achieve the strategic objectives.
- On the other hand, policies, procedures and parameters of delegated authority are in place to implement a formalised risk management annual cycle from "bottom-up". In the annual risk management cycle, business units are required to identify and assess risks they face at the operation level and record them in a risk register. Mitigation measures are also registered to facilitate subsequent review and tracing of progress. To facilitate both consolidated risk assessment at top level and following up on each entry of registered risk, we process the risk data in a system similar to an accounting system which is designed to allow traceability of each risk entry and owner, categorized by business segment or business objective, and consolidation of a holistic view of risk profile for the Board's oversight on all significant risks facing the Group.
- We put much effort in improving the formalised process, scope of inclusiveness and quality of reporting of risk management. We aim to raise risk awareness and accountability across all business operations by putting all levels of management under a risk management framework and then integrate risk management into day-to-day operations and control system of the Group, resulting in a continuous process.
- As part of monitoring of the effectiveness of internal control system, an internal control self-assessment process is in place. Executive directors and senior management of all major business and functional units are required to complete and submit self-assessment questionnaires, covering the effectiveness of financial, operational and compliance controls and the reliability of financial reporting of the respective business or function that they are held accountable for.

### 風險管理與內部監控

- 董事會對本集團風險管理和內部監控承擔整體責任。我們採納涵蓋董事會領導人員以至業務單位所承擔責任的企業全面風險管理架構。我們同時採納「由上而下」及「由下而上」方式。
- 於日常業務過程中，執行董事與業務單位的管理層持續進行對話，討論新出現的風險與機會、潛在影響和措施建議。他們持續審閱差異報告和分析、預算計劃和實際表現，以及審核團隊編制的監控弱點報告結果，各項資料均有助他們識別需「由上而下」注意解決的潛在問題所在，以達致策略性目標。
- 另一方面，我們也制定政策、程序和責任架構，「由下而上」以實行正規的風險管理年度周期。於風險管理年度周期，業務單位須識別和評核營運層面所面對的風險，並將其記錄為風險登記表。應對措施也會作記錄，以便隨後檢討和跟進進度。為進行最高層面的綜合風險評核，並跟進每項已記錄的風險，我們於會計系統般的系統內處理風險數據，該系統可追溯每項風險記錄和負責人，按業務分部或業務目標分類，並以綜合方式呈列風險的整體概覽，以便董事會監督本集團面對的所有重大風險。
- 我們著力改進風險管理的流程規範化、參與度和匯報質量。風險管理框架包含每個管理階層，以提高整體業務營運對風險的意識和責任，再將風險管理併入本集團日常營運和監控系統，使之成為持續的流程。
- 我們設有內部監控自我評價流程，作為監察內部監控系統成效的一環。執行董事和各主要業務和職能單位的高級管理層須完成並遞交自我評價問卷，內容涵蓋財務、營運和合規監控的成效、其負責各自業務或職能的財務報告可靠性。

- Three lines of defence have been laid down in our governance framework so that our internal control procedures, risk management, financial compliance and internal audit can function in tandem.
- Notwithstanding all the above, our risk management system is designed to manage rather than eliminate the risk of failure in achieving business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

## Compliance and audit

### Legal and regulatory compliance

- The Group is committed to ensuring its business operations are in compliance with applicable laws and regulations.
- The Board, the executive office and the legal department monitor from time to time new legislations on our Group, while staying alert to relevant notices from relevant authorities and industry news, to evaluate the implications of such new regulations to the Group and our business.
- We typically start to study the potential impact from new regulations might have on our business operation during the stage of public consultation relating to such new regulations or otherwise ahead of their formal implementation, so that we have sufficient time to prepare and seek the best handling approach. In the event that changes in policies are required, a company notice will be issued to announce the implementation of new or revised policies.
- We held almost 20 sessions of training on compliance and corporate governance knowledge during the year, covering knowledge in new advertising laws, consumer rights, intellectual property rights, personal data privacy, prevention of corruption and bribery as well as risk management. Over 600 colleagues from relevant business units participated in these training sessions.
- Regular reporting and monitoring on the compliance of various business units are conducted via our management hierarchy. Through our crisis management and reporting mechanism, social responsibility compliance examination team and cases handled by our legal department, all important areas of compliance monitoring have been covered.
- There were no threatened or concluded cases of material nature in connection with legal compliance during the year.

- 我們的管治架構內已設下三道防線，內部監控程序、風險管理、財務合規與內部審核可一起發揮作用。

- 儘管設有以上措施，風險管理系統旨在管理而非消除未能達成各類目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

## 合規與審核

### 法律合規

- 本集團致力確保其業務營運符合適用法律法規。
- 董事會、行政部、法律事務部等不時監控新法例對集團和集團業務的影響，集團也會收到有關部門的通知、行業的消息，有關於新例實施的資訊，作出適用性評估。
- 在新法例諮詢階段或未正式實施前，公司會及早開始研究，新規定可能對運作流程產生的影響，使公司有較充裕時間準備和探討最佳處理方法。如需要作出政策性的變動，將擬定新的公司通告發布，並按照新修訂的政策執行。
- 年內我們舉辦了接近20場有關合規及企業管治常識的培訓，涵蓋新廣告法、消費者權益、知識產權、個人私隱、防止貪賄舞弊及風險管理知識等，超過600位相關業務單位的同事參加。
- 我們的管理架構行政管理機關對各業務環節的合規情況進行恒常通報和監察，通過危機處理通報機制、社會責任合規審查執行小組，以及法律部門處理的個案，涵蓋各個合規監察的重要範疇。
- 年內於法律合規方面沒有發生重大程度的指控或審結個案。

# Corporate Governance 企業管治

## Corporate Management 企業管理

### Internal audit

- The internal audit function is responsible for making an independent assessment on the Group's risk management and internal control systems and reporting its findings to the Audit Committee.
- Our internal audit department draws up annual audit plan to review our major operational, financial, compliance and risk management controls.
- We team up with PricewaterhouseCoopers ("PwC") to execute the audit plan to utilise respective expertise and achieve better resources efficiency.
- PwC focuses more on operational and compliance risks and controls, such as IT system, production management, human resources promotion and appraisal system which were reviewed during the year.
- Our internal auditors conduct the Financial Control Assessment and Monitoring System ("FAMS") to monitor the Group's financial statement controls, aiming to enhance the reliability of financial reporting system.
- Audit findings and control deficiencies are communicated between the internal audit team and the management, who is responsible for ensuring these deficiencies are rectified within a reasonable period. Post-audit reviews are also performed to ensure the remedial actions have been implemented.
- The audit plan is designed based on risk assessment. Ad hoc reviews may be arranged on top of the pre-set annual plan in case of potential uncertainties raised by the management that require internal auditors to attend to. Examples include review of franchise management, management controls in overseas subsidiaries and handling of defective products that were reviewed during the year.
- We also monitor the Group's POS audit programme which covers all of our POS in Mainland China, Hong Kong and Macau, allowing cross-checking by skillful store management personnel between different stores in order to assure the protection of inventories and cash and operational compliance.

### 內部審核

- 內部審核職能負責對本集團的風險管理和內部監控系統進行獨立評核，並向審核委員會匯報評核結果。
- 我們的內部審核部門會制定全年的審核計劃，以檢討其主要營運、財務、合規和風險管理監控。
- 我們與與羅兵咸永道（「羅兵咸」）合作執行審核計劃，利用各自的專業知識達致更佳的資源效率。
- 羅兵咸較為專注於營運和合規風險和監控，如年內已審閱的資訊科技系統、生產管理、人力資源晉升和表現評核系統。
- 我們的內部審核人員實行財務監控評估及監管制度，以監察本集團的財務報表監控，目的為提升財務報告系統的可靠性。
- 內部審核團隊會與管理層溝通審核發現的監控弱點，管理層負責確保在合理期限內改善這些弱點。內部審核團隊會進行後續審核工作，以確保改善方案已經實施。
- 審核計劃以風險評核為基礎制定。除預定的年度計劃外，如管理層指出若干潛在不確定之處而需內部審核人員檢視，則會安排進行特別的審閱。例如包括年內已審閱加盟商管理、海外附屬公司的管理監控及有瑕疵貨品的處理。
- 我們也會監察本集團涵蓋中國內地、香港和澳門所有店鋪的零售點交叉稽查計劃。目的是讓熟練的店鋪管理人員互相檢查不同店鋪，以保障對存貨和現金的監控，並確保營運合法合規。

### External assurance

- External assurance on the Group's financial statements is obtained from the independent auditor. Their roles and opinion are included in the section "Independent Auditor's Report" in this annual report.
- For operational aspects, we engage independent experts from respective profession to assure standards such as environmental compliance, quality management of manufacturing activities, product quality and safety.
- With the assistance of independent experts who should have obtained sufficient and appropriate evidence and tested the validity of such evidence, we aim to enhance the monitoring of our business activities and ensure our ability to meet the desired technical or quality standards enabling us to remain as an industry pioneer.

### Whistleblowing

- This system provides a confidential channel for all employees to raise concerns about fraud and other misconduct or improper behaviour. We have put up posters at various staff corners to promote the whistleblowing channel.
- The chief whistleblowing officer is directly accountable to the Audit Committee. The system is managed by a team of whistleblowing officers appointed at the Group level. Their responsibilities include case management, investigation on possible improprieties, engagement with appropriate level of management for their investigation findings and review of the progress of remedial actions undertaken by the management.
- Investigation results of cases involving fraudulent behaviour and gross misconduct and relevant remedial measures are reported to the Audit Committee and executive management for their evaluation.
- The aim of the whistleblowing system is to detect, rectify and control weaknesses at the earliest stage. More importantly, this system involves participation of all levels of staff, reinforcing our determination in preserving an integrity culture within the organisation.

### 外部鑒證

- 本集團從獨立核數師獲取對本集團財務報表的外部鑒證。其職責和意見載於本年報「獨立核數師報告」一節。
- 至於營運方面，我們委聘不同專長的獨立專家，鑒證各項標準，如專注生產活動、產品品質和安全的環境合規、品質管理等。
- 在獨立專家的協助下，他們負責獲取充足合適的證據並測試其有效性，我們致力改善對業務活動的監察，確保能夠符合所需的技術或品質標準，以維持我們於行內領先的地位。

### 舉報機制

- 本機制提供保密渠道，鼓勵所有員工對舞弊事項及其他失當或不當行為提出關注。我們在各員工告示板張貼海報，推廣舉報渠道。
- 舉報總監直接向審核委員會負責。本機制由以集團層面獲委任的舉報專員團隊管理。職責包括案件管理、潛在不當行為的調查、向適當層面的管理層匯報調查結果以及檢討管理層採取改善行動的進度。
- 向審核委員會及管理行政人員匯報涉及舞弊行為及嚴重行為不當案件之調查結果以及相關改善措施以供評核。
- 舉報機制旨在於最早的階段偵測和修正監控弱點。更重要的是，此舉涉及各階層員工的參與，加強我們於企業各層面堅持誠信的決心。



# Corporate Governance 企業管治

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

### Executive Director 執行董事



### Non-executive Director 非執行董事





## Independent Non-executive Director 獨立非執行董事



1 Dr. Cheng Kar-Shun, Henry, GBS (Chairman)  
鄭家純博士 (GBS) (主席)

2 Mr. Wong Siu-Kee, Kent (Managing Director)  
黃紹基先生 (董事總經理)

3 Dr. Cheng Chi-Kong, Adrian, JP  
鄭志剛博士 (JP)

4 Mr. Cheng Chi-Heng, Conroy  
鄭志恒先生

5 Mr. Chan Sai-Cheong  
陳世昌先生

6 Mr. Suen Chi-Keung, Peter  
孫志強先生

7 Mr. Chan Hiu-Sang, Albert  
陳曉生先生

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

9 Mr. Liu Chun-Wai, Bobby  
廖振為先生

10 Mr. Cheng Kam-Biu, Wilson  
鄭錦標先生

11 Mr. Cheng Ming-Fun, Paul, JP  
鄭明訓先生 (JP)

12 Dr. Fung Kwok-King, Victor, GBM, GBS, CBE  
馮國經博士 (GBM, GBS, CBE)

13 Mr. Kwong Che-Keung, Gordon  
鄺志強先生

14 Mr. Lam Kin-Fung, Jeffrey, GBS, JP  
林健鋒先生 (GBS, JP)

15 Dr. Or Ching-Fai, Raymond, SBS, JP  
柯清輝博士 (SBS, JP)

# Corporate Governance 企業管治

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

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

Non-executive Director 非執行董事	Responsibilities 職責
Mr. Cheng Kam Biu, Wilson <sup>#</sup> 鄭錦標先生 <sup>#</sup>	Bank and landlord relationship management 銀行及業主關係管理

Independent Non-executive Directors 獨立非執行董事	Responsibilities 職責
Mr. Cheng Ming-Fun, Paul 鄭明訓先生	AC, NC Independent Non-executive Directors serve a significant role in the Board to bring independent judgment on the performance, development and risk management of the Group. As chairmen or members of the Audit Committee, Nomination Committee and/or
Dr. Fung Kwok-King, Victor 馮國經博士	NC*, RC Remuneration Committee, they also undertake detailed governance work under the respective terms of reference of the committees
Mr. Kwong Che-Keung, Gordon 鄺志強先生	AC*, RC 獨立非執行董事於董事會內擔當重要職能，就本集團的表現、發展及風險管理給予獨立意見。作為審核委員會、提名委員會及／或薪酬委員會
Mr. Lam Kin-Fung, Jeffrey 林健鋒先生	AC, NC 的主席或成員，他們亦根據各委員會相應的職責進行具體的管治工作
Dr. Or Ching-Fai, Raymond 柯清輝博士	RC*, AC, NC

NC = Nomination Committee member  
提名委員會成員

RC = Remuneration Committee member  
薪酬委員會成員

AC = Audit Committee member  
審核委員會成員

\* Committee Chairman  
委員會主席

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

## Chairman and Executive Director

### Dr. Cheng Kar-Shun, Henry, GBS

Aged 70, joined the Group in 1971, was appointed as Chairman and an executive director in July 2011 and is a member of the Nomination Committee and Remuneration Committee of the Company. Dr. Cheng is responsible for the strategic direction and overall performance of the Group.

Dr. Cheng is a director of certain subsidiaries of the Group. He is also a director of several substantial shareholders of the Company, including Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited and Chow Tai Fook (Holding) Limited and a director of Chow Tai Fook Enterprises Limited, a subsidiary of Chow Tai Fook (Holding) Limited.

In addition, Dr. Cheng is chairman and an executive director of New World Development Company Limited, chairman and an executive director of NWS Holdings Limited and International Entertainment Corporation, chairman and a non-executive director of New World Department Store China Limited, Newton Resources Ltd and FSE Engineering Holdings Limited, a non-executive director of SJM Holdings Limited, and an independent non-executive director of HKR International Limited and Hang Seng Bank Limited, all of which are listed public companies in Hong Kong. He is chairman and managing director of New World China Land Limited, which was a listed public company in Hong Kong until its delisting on 4 August 2016. He was a non-executive director of Lifestyle International Holdings Limited, which is a listed public company in Hong Kong, until his retirement on 4 May 2015.

Dr. Cheng is chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference.

Dr. Cheng is the father of Dr. Cheng Chi-Kong, Adrian, an uncle of Mr. Cheng Chi-Heng, Conroy, a cousin of Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy and a nephew of Mr. Cheng Yu-Wai.

## 主席及執行董事

### 鄭家純博士 (GBS)

現年70歲，於1971年加入本集團，2011年7月獲委任為主席及執行董事，並為本公司提名委員會及薪酬委員會成員。鄭博士負責本集團的策略方針及整體表現。

鄭博士為本集團若干附屬公司董事。他也是本公司主要股東Cheng Yu Tung Family (Holdings) Limited、Cheng Yu Tung Family (Holdings II) Limited、Chow Tai Fook Capital Limited及周大福(控股)有限公司董事，以及周大福(控股)有限公司的附屬公司周大福企業有限公司的董事。

此外，鄭博士擔任新世界發展有限公司主席兼執行董事、新創建集團有限公司及國際娛樂有限公司主席及執行董事、新世界百貨中國有限公司、新礦資源有限公司及豐盛機電控股有限公司主席及非執行董事、澳門博彩控股有限公司非執行董事、以及香港興業國際集團有限公司及恒生銀行有限公司獨立非執行董事，該等公司均為香港上市公眾公司。他是新世界中國地產有限公司主席兼董事總經理，該公司曾為香港上市公眾公司，直至2016年8月4日除牌。他也曾擔任香港上市公眾公司利福國際集團有限公司非執行董事，直至2015年5月4日退任。

鄭博士為「香港明天更好基金」顧問委員會主席及第十二屆全國政協常務委員。

鄭博士為鄭志剛博士的父親、鄭志恒先生的伯父、鄭錦標先生及鄭錫鴻先生的堂兄以及鄭裕偉先生的侄兒。

# Corporate Governance 企業管治

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

### Executive Directors

#### Mr. Wong Siu-Kee, Kent

Aged 61, joined the Group in 1977, was appointed as Managing Director in July 2011 and is a member of the Nomination Committee and Remuneration Committee of the Company. Mr. Wong is responsible for the overall management of the Group.

Mr. Wong is a director of certain subsidiaries of the Group and a director of Chow Tai Fook Enterprises Limited, which is a subsidiary of a substantial shareholder of the Company.

Mr. Wong has diverse experience in both operations and management. He was responsible for developing the Group's market in Mainland China and in 2008 he was promoted to managing director of Chow Tai Fook Jewellery Company Limited.

Mr. Wong is chairman of the Jewellery Advisory Committee of the Hong Kong Trade Development Council ("HKTDC") and a member of the 2017 fair organising committee of the HKTDC for its Hong Kong International Jewellery Show and Hong Kong International Diamond, Gem and Pearl Show, council member of The Hong Kong Management Association and chairman of its 2017 Theme Year Working Party, chairman of the Hong Kong Jewellers' & Goldsmiths' Association Ltd., chairman of the supervising committee of the Hong Kong & Kowloon Jewellers' & Goldsmiths' Employees' Association Ltd, a vice chairman of the Gems & Jewelry Trade Association of China, a member of Hong Kong Consumer Council, vice-chairman of the Yantian District General Chamber of Commerce and a member of the Yantian Committee of Chinese People's Political Consultative Conference.

Mr. Wong was awarded Director of The Year Awards 2015 by The Hong Kong Institute of Directors in December 2015 and named as "CEO of the Year/Luxury/Asia" at the 2016 IAIR Awards presentation ceremony held by International Alternative Investment Review.

#### Dr. Cheng Chi-Kong, Adrian, JP

Aged 37, joined the Group in 2007, was appointed as an executive director in July 2011. Dr. Cheng is responsible for the brand identity re-creation and marketing activities of the Group.

Dr. Cheng is also a director of certain subsidiaries of the Group, and a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited.

Dr. Cheng holds a Bachelor of Arts degree (cum laude) from Harvard University and was conferred the Honorary Doctorate of Humanities by the Savannah College of Art and Design. He worked at UBS AG from September 2003 to April 2006 prior to joining the Group, and has substantial experience in corporate finance.

### 執行董事

#### 黃紹基先生

現年61歲，於1977年加入本集團，2011年7月獲委任為董事總經理，並為本公司提名委員會及薪酬委員會成員。黃先生負責本集團的整體管理。

黃先生為本集團若干附屬公司、及本公司主要股東的附屬公司周大福企業有限公司的董事。

黃先生擁有豐富的營運及管理經驗，曾負責為集團開拓中國內地市場，並於2008年擢升為周大福珠寶金行有限公司董事總經理。

黃先生為香港貿易發展局（「香港貿發局」）珠寶業諮詢委員會主席及香港貿發局香港國際珠寶展與香港國際鑽石、寶石及珍珠展之2017年籌備委員會委員，香港管理專業協會理事會委員及2017主題年工作小組主席，香港珠石玉器金銀首飾業商會有限公司理事長，港九珠寶首飾業文員會有限公司監事長，中國珠寶玉石首飾行業協會副會長，香港消費者委員會委員，鹽田區總商會理事會副會長及中國人民政治協商會議深圳市鹽田區委員會委員。

黃先生於2015年12月榮獲香港董事學會頒發的2015年度傑出董事獎，及在International Alternative Investment Review舉行的2016年IAIR Awards頒獎典禮上獲選為「年度行政總裁—亞洲區奢侈品行業」。

#### 鄭志剛博士 (JP)

現年37歲，於2007年加入本集團，於2011年7月獲委任為執行董事。鄭博士負責本集團品牌形象創新及市場推廣活動。

鄭博士也是本集團若干附屬公司的董事，並為本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司的董事。

鄭博士持有哈佛大學文學士學位(優等成績)，並獲得薩凡納藝術設計學院頒授名譽博士學位。彼於加入本集團前曾在2003年9月至2006年4月期間任職於瑞士銀行，具有豐富企業融資經驗。

Dr. Cheng is an executive vice-chairman and general manager of New World Development Company Limited, an executive director of New World Department Store China Limited and International Entertainment Corporation, and a non-executive director of Giordano International Limited and Modern Media Holdings Limited, all of which are listed public companies in Hong Kong. He is an executive director of New World China Land Limited, which was a listed public company in Hong Kong until its delisting on 4 August 2016.

Dr. Cheng is chairman of New World Group Charity Foundation Limited, the vice-chairman of the All-China Youth Federation, a member of the Tianjin Municipal Committee of The Chinese People's Political Consultative Conference, a vice-chairman of the Youth Federation of the Central State-owned Enterprises, chairman of the China Young Leaders Foundation, founder of K11 Art Foundation and a member of the board of the West Kowloon Cultural District Authority.

Dr. Cheng is a son of Dr. Cheng Kar-Shun, Henry, a cousin of Mr. Cheng Chi-Heng, Conroy, a nephew of Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy and a grandnephew of Mr. Cheng Yu-Wai.

### Mr. Cheng Chi-Heng, Conroy

Aged 39, joined the Group in 2007, was appointed as an executive director in July 2011. Mr. Cheng is responsible for the procurement of diamonds and gemstones as well as production management of the Group.

Mr. Cheng is a director of certain subsidiaries of the Group and a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited.

Mr. Cheng holds a Bachelor of Arts degree in Economics from The Western University (formerly known as The University of Western Ontario). Prior to joining the Group, Mr. Cheng had worked at Yu Ming Investment Management Limited from 1999 to 2000 as a corporate finance executive. He is currently a member of the executive committee of the Diamond Federation of Hong Kong, China Ltd..

Mr. Cheng is an executive director of New World Development Company Limited, which is a listed public company in Hong Kong. He was a non-executive director of China Huishan Dairy Holdings Company Limited until his resignation in June 2015.

Mr. Cheng is a nephew of Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy, a cousin of Dr. Cheng Chi-Kong, Adrian and a grandnephew of Mr. Cheng Yu-Wai.

鄭博士擔任新世界發展有限公司執行副主席兼總經理，新世界百貨中國有限公司及國際娛樂有限公司執行董事，以及佐丹奴國際有限公司及現代傳播控股有限公司的非執行董事，該等公司均為香港上市公眾公司。他也是新世界中國地產有限公司執行董事，該公司曾為香港上市公眾公司，直至2016年8月4日除牌。

鄭博士為新世界集團慈善基金有限公司主席、中華全國青年聯合會副主席、中國人民政治協商會議天津市委員會委員、中央企業青年聯合會副主席、中華青年精英基金會主席、K11 Art Foundation創辦人及西九文化區管理局董事局成員。

鄭博士為鄭家純博士的兒子、鄭志恒先生的堂弟、鄭錦標先生及鄭錫鴻先生的侄兒以及鄭裕偉先生的侄孫。

### 鄭志恒先生

現年39歲，於2007年加入本集團，於2011年7月獲委任為執行董事。鄭先生負責本集團鑽石、寶石採購及生產管理。

鄭先生為本集團若干附屬公司的董事，並為本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司的董事。

鄭先生持有韋仕敦大學(前稱「西安大略大學」)經濟學文學士學位。加入本集團前，鄭先生由1999年至2000年於禹銘投資管理有限公司擔任企業融資行政人員。他現為香港鑽石總會有限公司常務委員會成員。

鄭先生現為新世界發展有限公司執行董事，該公司為香港上市公眾公司。他曾擔任中國輝山乳業控股有限公司非執行董事，於2015年6月辭任。

鄭先生為鄭家純博士、鄭錦標先生及鄭錫鴻先生的侄兒，鄭志剛博士的堂兄以及鄭裕偉先生的侄孫。

## Corporate Governance 企業管治

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

#### Mr. Chan Sai-Cheong

Aged 54, joined the Group in 1985, was appointed as an executive director in July 2011. Mr. Chan is responsible for the Group's operations in Mainland China. Mr. Chan is a director of certain subsidiaries of the Group.

Mr. Chan has been in the jewellery industry for 36 years. He is an administrative director of the Gems and Jewellery Trade Association of China, a member of the standing council of China Gold Association, a member of National Technical Committee 298 on Jewelry and Jade of Standardization Administration of China, an executive vice-chairman of the Guangdong Gold and Silver Jewellery Chamber of Commerce, a vice-chairman of the Shenzhen Gold & Jewellery Association, a general vice-chairman of Gold Association of Guangdong Province, a vice-chairman of the Guangdong Golden Jewellery and Jade Industry's Association and a director of the Gemmological Institute, China University of Geosciences (Wuhan).

Mr. Chan is also a non-executive director of Giordano International Limited, which is a listed public company in Hong Kong.

#### Mr. Suen Chi-Keung, Peter

Aged 52, joined the Group in 1985, was appointed as an executive director in July 2011. Mr. Suen is responsible for the Group's Hong Kong, Macau and overseas operations. Mr. Suen is also a director of certain subsidiaries of the Group.

Mr. Suen has been in the jewellery industry for 32 years. He holds an Executive Master's degree in Business Administration from The Chinese University of Hong Kong.

#### Mr. Chan Hiu-Sang, Albert

Aged 66, joined the Group in 1977, was appointed as an executive director in July 2011. Mr. Chan is responsible for the diamond procurement and operations of the Group's diamond department. Mr. Chan is also a director of certain subsidiaries of the Group.

Mr. Chan holds a Bachelor's degree in Business from Western Illinois University. He is a Graduate Gemologist of the Gemmological Institute of America, a Fellow of The Gemmological Association of Great Britain and a Lifetime Member of the Gemmological Institute of America, Alumni Association.

#### 陳世昌先生

現年54歲，於1985年加入本集團，於2011年7月獲委任為執行董事。陳先生負責本集團中國內地業務。陳先生為本集團若干附屬公司的董事。

陳先生從事珠寶行業已有36年。他是中國珠寶玉石首飾行業協會常務理事、中國黃金協會常務理事、全國珠寶玉石標準化技術委員會委員、廣東省金銀首飾商會常務副會長、深圳市黃金珠寶首飾行業協會副會長、廣東省黃金協會常務副會長、廣東省金銀珠寶玉器業廠商會副主席及中國地質大學(武漢)珠寶學院董事。

陳先生也是佐丹奴國際有限公司的非執行董事，其為香港上市公眾公司。

#### 孫志強先生

現年52歲，於1985年加入本集團，2011年7月獲委任為執行董事。孫先生負責本集團港澳地區及海外之業務。孫先生也是本集團若干附屬公司的董事。

孫先生從事珠寶行業已有32年。他持有香港中文大學行政人員工商管理碩士學位。

#### 陳曉生先生

現年66歲，於1977年加入本集團，2011年7月獲委任為執行董事。陳先生負責本集團鑽石部的鑽石採購及營運。陳先生也是本集團若干附屬公司的董事。

陳先生持有西伊利諾大學商學學士學位。彼為美國寶石學院的寶石鑑證師、大不列顛寶石學協會資深會員及美國寶石學院校友會終身會員。



### Mr. Cheng Ping-Hei, Hamilton

Aged 42, joined the Group in 2004, was appointed as an executive director in July 2011. Mr. Cheng is the finance director and company secretary of the Group and is responsible for the Group's financial management and company secretarial functions. He is also a director of certain subsidiaries of the Group.

Mr. Cheng holds a Bachelor of Business Administration degree in Professional Accountancy from The Chinese University of Hong Kong. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a Fellow of The Association of Chartered Certified Accountants and a Chartered Financial Analyst. He is also a member of The Hong Kong Institute of Directors and a committee member of its Corporate Governance Policies Committee, dedicating to the advancement of good corporate governance practices. Mr. Cheng was awarded Director of the Year Awards 2015 by the Hong Kong Institute of Directors in December 2015.

### Mr. Liu Chun-Wai, Bobby

Aged 42, joined the Group in 1999, was appointed as an executive director in January 2016. Mr. Liu is responsible for the business innovation of the Group and managing the Mainland China Management Centre. He is also a director of certain subsidiaries of the Group.

Mr. Liu has been responsible for developing the Group's e-commerce and high-end luxury jewellery business in Mainland China since 2010. He has also been in charge of the Group's watch business in Mainland China from 2016 onwards. Mr. Liu holds a Master of Business Administration degree from The Western University (formerly known as The University of Western Ontario) and a Bachelor of Science degree in Computer Mathematics from Carleton University. He has over 18 years of experience in retail and administrative management.

## Non-executive Directors

### Mr. Cheng Kam-Biu, Wilson

Aged 58, joined the Group in 1979, was appointed as a non-executive director in July 2011. Mr. Cheng is responsible for the Group's bank and landlord relationship management.

Mr. Cheng is also a director of certain subsidiaries of the Group and a director of Chow Tai Fook Enterprises Limited, a subsidiary of a substantial shareholder of the Company.

Mr. Cheng holds a Bachelor of Arts degree in Economics from the University of Hawaii, Honolulu. Mr. Cheng is a vice-president of The Chinese Gold and Silver Exchange Society.

Mr. Cheng is an executive director of International Entertainment Corporation, which is a listed public company in Hong Kong.

Mr. Cheng is a cousin of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Sek-Hung, Timothy, an uncle of Dr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Heng, Conroy and a nephew of Mr. Cheng Yu-Wai.

### 鄭炳熙先生

現年42歲，於2004年加入本集團，2011年7月獲委任為執行董事。鄭先生為本集團的財務董事兼公司秘書，負責本集團財務管理並履行公司秘書的職能。他也是本集團若干附屬公司的董事。

鄭先生持有香港中文大學工商管理學士(專業會計學)學位，為香港會計師公會資深會員、特許公認會計師公會資深會員及特許財務分析師。他也是香港董事學會會員、以及該學會企業管治政策委員會委員，致力推進良好企業管治實踐。鄭先生於2015年12月榮獲香港董事學會頒發的2015年度傑出董事獎。

### 廖振為先生

現年42歲，於1999年加入本集團，2016年1月獲委任為執行董事。廖先生負責集團的業務創新及管理本集團中國營運管理中心。他也是本集團若干附屬公司的董事。

自2010年起，廖先生一直負責為集團開拓中國內地的電子商務及名貴珠寶業務。由2016年起，他也負責集團中國內地之鐘錶業務發展。廖先生持有韋仕敦大學(前稱「西安大略大學」)工商管理碩士學位及卡爾頓大學計算機數學理學士學位，並於零售及行政管理方面擁有逾18年經驗。

## 非執行董事

### 鄭錦標先生

現年58歲，於1979年加入本集團，2011年7月獲委任為非執行董事。鄭先生負責本集團之銀行及業主關係管理。

鄭先生也是本集團若干附屬公司、及本公司主要股東的附屬公司周大福企業有限公司的董事。

鄭先生從夏威夷大學檀香山分校取得經濟學文學士學位。鄭先生現擔任香港金銀業貿易場副理事長。

鄭先生為國際娛樂有限公司的執行董事，該公司為香港上市公眾公司。

鄭先生為鄭家純博士及鄭錫鴻先生的堂弟、鄭志剛博士及鄭志恒先生的叔父以及鄭裕偉先生的侄兒。

# Corporate Governance 企業管治

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

### Independent Non-executive Directors

#### Mr. Cheng Ming-Fun, Paul, JP

Aged 80, was appointed as an independent non-executive director in September 2012 and is a member of the Audit Committee and Nomination Committee of the Company.

Mr. Cheng holds a Bachelor of Arts degree from Lake Forest College (Illinois, the United States) and a Master's degree in Business Administration from the Wharton Graduate School of Business at The University of Pennsylvania.

He is deputy chairman and an independent non-executive director of Esprit Holdings Limited, a listed public company in Hong Kong; and an independent non-executive director of Global Logistic Properties Limited (a company listed on the Singapore Stock Exchange) and Pacific Alliance China Land Limited (a company listed on the AIM Board of the London Stock Exchange). In addition, he is a director of the CHG Capital Growth Fund. He was also an independent non-executive chairman of Vietnam Infrastructure Limited, which is listed on the AIM Board of the London Stock Exchange, until his resignation in June 2014. He was a former member of the Hong Kong Legislative Council as well as the former chairman of Inchcape Pacific Limited, N M Rothschild & Sons (Hong Kong) Limited, The Link Management Limited and the Hong Kong General Chamber of Commerce.

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

Aged 71, was appointed as an independent non-executive director in November 2011 and is chairman of the Nomination Committee and a member of the Remuneration Committee of the Company.

Dr. Fung holds Bachelor's and Master's Degrees in Electrical Engineering from the Massachusetts Institute of Technology and a Doctorate in Business Economics from Harvard University.

He is group chairman of the Fung Group, a Hong Kong based multinational group which comprises major operating groups engaging in trading, logistics, distribution and retailing. They include publicly-listed Li & Fung Limited, Global Brands Group Holding Limited, Convenience Retail Asia Limited and Trinity Limited. He is also honorary chairman of Li & Fung Limited. In addition, Dr. Fung is an independent non-executive director of Koc Holding A.S. (a company listed on the Istanbul Stock Exchange). He retired from the Board of China Petrochemical Corporation (PRC) end of January 2016. He was an independent non-executive director of BOC Hong Kong (Holdings) Limited (Hong Kong) from June 2002 to June 2014.

### 獨立非執行董事

#### 鄭明訓先生 (JP)

現年80歲，於2012年9月獲委任為獨立非執行董事，並為本公司審核委員會及提名委員會成員。

鄭先生持有美國伊利諾州萊福雷大學文學士學位、及賓夕凡尼亞州大學華頓商學院工商管理碩士學位。

鄭先生擔任思捷環球控股有限公司副主席及獨立非執行董事，該公司為香港上市公眾公司；以及普洛斯公司（於新加坡證券交易所上市）及Pacific Alliance China Land Limited（於倫敦證券交易所另項投資市場AIM Board上市）的獨立非執行董事；CHG Capital Growth Fund董事。鄭先生曾為越南基建有限公司的獨立非執行主席，於2014年6月辭任，該間公司於倫敦證券交易所另項投資市場上市。鄭先生為前香港立法會議員，以及英之傑太平洋有限公司、洛希爾父子（香港）有限公司、領匯管理有限公司及香港總商會之前任主席。

#### 馮國經博士 (GBM, GBS, CBE)

現年71歲，於2011年11月獲委任為獨立非執行董事，並為本公司提名委員會主席及薪酬委員會成員。

馮博士持有美國麻省理工學院電機工程學士及碩士學位，以及哈佛大學經濟學博士學位。

馮國經博士是馮氏集團主席，該集團是以香港為基地的跨國集團，其營運集團從事業務包括貿易、物流、經銷和零售，主要附屬公司利豐有限公司、利標品牌有限公司、利亞零售有限公司及利邦控股有限公司均在香港聯合交易所上市。馮博士亦為該集團旗下利豐有限公司的榮譽主席。此外，馮博士擔任Koc Holding A.S.（伊斯坦堡證券交易所上市公司）獨立非執行董事。彼於2016年1月底退任中國石油化工集團公司董事會職務。馮博士於2002年6月至2014年6月擔任中銀香港（控股）有限公司獨立非執行董事。

In 2015, Dr. Fung was appointed Chairman of the Advisory Board of the Asia Global Institute at The University of Hong Kong, a new multi-disciplinary think-tank to assume and carry forward the mission and operations of Fung Global Institute, of which Dr. Fung was Founding Chairman (July 2010-June 2015). In public service, Dr. Fung is a member of the Chinese People's Political Consultative Conference. He is also a member of the Economic Development Commission of the Hong Kong Government, and chairman of the Steering Committee on the Hong Kong Scholarship for Excellence Scheme. Dr. Fung was appointed adviser of the Infrastructure Financing Facilitation Office of The Hong Kong Monetary Authority in July 2016. He was chairman of the International Chamber of Commerce ("ICC") (2008-2010), a member of WTO Panel on Defining the Future of Trade (2012-April 2013) and a vice chairman of China Centre for International Economic Exchanges (March 2009-October 2014). The Government of Hong Kong awarded Dr. Fung the Gold Bauhinia Star in 2003 and the Grand Bauhinia Medal in 2010 for his distinguished service to the community in Hong Kong.

### Mr. Kwong Che-Keung, Gordon

Aged 67, was appointed as an independent non-executive director in November 2011 and is chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Mr. Kwong is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Kwong was a Partner of PriceWaterhouse from 1984 to 1998, an independent member of the Council of the Hong Kong Stock Exchange from 1992 to 1997, during which, he had acted as convener of both the Compliance Committee and the Listing Committee.

Mr. Kwong is an independent non-executive director of Agile Group Holdings Limited (formerly known as Agile Property Holdings Limited), COSCO Shipping Holdings Company Limited (formerly known as China COSCO Holdings Company Limited), China Power International Development Limited, CITIC Telecom International Holdings Limited, Global Digital Creations Holdings Limited, Henderson Investment Limited, Henderson Land Development Company Limited, NWS Holdings Limited, OP Financial Investments Limited, and FSE Engineering Holdings Limited, all of which are listed public companies in Hong Kong. He was also an independent supervisor of the supervisory committee of Beijing Capital International Airport Company Limited until his resignation on 30 June 2014 upon completion of his term.

馮博士於2015年獲委任香港大學亞洲環球研究所(Asia Global Institute)顧問委員會主席，該機構為一個新的擔當並推動馮氏環球研究所之使命及實踐的跨學科智囊團，而馮博士亦是馮氏環球研究所的創辦主席(2010年7月至2015年6月)。在社會公職方面，馮博士為中國人民政治協商會議委員，香港政府經濟發展委員會成員及香港卓越獎學金計劃督導委員會主席。於2016年7月，馮博士獲委任香港金融管理局基建融資促進辦公室顧問。他曾出任國際商會主席(2008至2010年)、世界貿易組織「世界貿易未來」的高級別諮詢小組成員(2012年至2013年4月)以及中國國際經濟交流中心副主席(2009年3月至2014年10月)。香港政府於2003年向馮博士頒授金紫荊星章並於2010年頒授大紫荊勳章，以表揚其在香港服務社會的傑出貢獻。

### 鄭志強先生

現年67歲，於2011年11月獲委任為獨立非執行董事，並為本公司審核委員會主席及薪酬委員會成員。

鄭先生為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員。鄭先生於1984年至1998年間曾為羅兵咸會計師事務所合夥人，於1992年至1997年間出任聯交所獨立理事，在任期間，亦擔任監察委員會及上市委員會召集人。

鄭先生擔任雅居樂集團控股有限公司(前稱「雅居樂地產控股有限公司」)、中國海運控股股份有限公司(前稱「中國遠洋控股股份有限公司」)、中國電力國際發展有限公司、中信國際電訊集團有限公司、環球數碼創意控股有限公司、恒基兆業發展有限公司、恒基兆業地產有限公司、新創建集團有限公司、東英金融投資有限公司及豐盛機電控股有限公司的獨立非執行董事，該等公司均為香港上市公眾公司。鄭先生曾為北京首都國際機場股份有限公司監事會獨立監事，於2014年6月30日屆滿辭任。

# Corporate Governance 企業管治

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

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

Aged 65, was appointed as an independent non-executive director in November 2011 and is a member of the Audit Committee and Nomination Committee of the Company.

Mr. Lam holds a Bachelor Degree in mechanical engineering from Tufts University in the United States. He has over 30 years of experience in the toy industry and is currently the managing director of Forward Winsome Industries Limited which is engaged in toy manufacturing.

Mr. Lam is an independent non-executive director of C C Land Holdings Limited, China Overseas Grand Oceans Group Limited, Wynn Macau, Limited and HNA Holding Group Company Limited (formerly known as HNA International Investment Holdings Limited), all of which are listed public companies in Hong Kong. He was also an independent non-executive director of Hsin Chong Group Holdings Limited until his resignation on 10 May 2014 and Bracell Limited until his resignation on 1 November 2016 after its delisting.

Mr. Lam is a member of the National Committee of the Chinese People's Political Consultative Conference. He also holds a number of other public and community service positions including being a non-official member of the Executive Council and a member of the Legislative Council in Hong Kong, chairman of the Assessment Committee of Mega Events Fund, a member of the board of Airport Authority Hong Kong, a general committee member of the Hong Kong General Chamber of Commerce, chairman of Independent Commission Against Corruption (ICAC) Complaints Committee, a member of Fight Crime Committee, a director of the Hong Kong Mortgage Corporation Limited and the board of Heifer International-Hong Kong.

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

Aged 67, was appointed as an independent non-executive director in November 2011 and is chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company.

Dr. Or holds a bachelor of social sciences degree in economics and psychology from the University of Hong Kong and was awarded an Honorary Doctor of Social Science from the City University of Hong Kong in 2014.

Dr. Or is also chairman, chief executive officer and an executive director of China Strategic Holdings Limited, vice-chairman and an independent non-executive director of G-Resources Group Limited, chairman and an independent non-executive director of Esprit Holdings Limited, and an independent non-executive director of Industrial and Commercial Bank of China Limited, Television Broadcasts Limited and Regina Miracle International (Holdings) Limited, all of which are listed public companies in Hong Kong. Dr. Or is also deputy chairman and a non-executive director of Aquis Entertainment Limited (a company listed on the Australian Securities Exchange).

### 林健鋒先生 (GBS, JP)

現年65歲，於2011年11月獲委任為獨立非執行董事，並為本公司審核委員會及提名委員會成員。

林先生持有美國塔夫斯大學機械工程學士學位。彼於玩具業擁有逾30年經驗，現為玩具製造商永和實業有限公司之董事長。

林先生擔任中渝置地控股有限公司、中國海外宏洋集團有限公司、永利澳門有限公司及海航實業集團股份有限公司(前稱「海航國際投資集團有限公司」)之獨立非執行董事，該等公司均為香港上市公眾公司。他曾擔任新昌集團控股有限公司獨立非執行董事，於2014年5月10日辭任；及Bracell Limited獨立非執行董事，在該公司除牌後於2016年11月1日辭任。

林先生為中國人民政治協商會議全國委員會委員。林先生亦身兼多項其他公職及社區服務職銜，包括為香港特別行政區行政會議非官守議員、香港立法會議員、盛事基金評審委員會主席、香港機場管理局董事會成員、香港總商會理事會成員、廉政公署事宜投訴委員會主席、撲滅罪行委員會成員、香港按揭證券有限公司董事及國際小母牛香港分會董事局成員。

### 柯清輝博士 (SBS, JP)

現年67歲，於2011年11月獲委任為獨立非執行董事，並為本公司薪酬委員會主席及本公司審核委員會及提名委員會成員。

柯博士持有香港大學社會科學學士(經濟學與心理學)學位，及於2014年獲香港城市大學頒授社會科學榮譽博士學位。

柯博士也擔任中策集團有限公司主席、行政總裁及執行董事，國際資源集團有限公司副主席及獨立非執行董事，思捷環球控股有限公司主席及獨立非執行董事，中國工商銀行股份有限公司獨立非執行董事，電視廣播有限公司，及維珍妮國際(控股)有限公司獨立非執行董事，該等公司均為香港上市公眾公司。柯博士為Aquis Entertainment Limited副主席及非執行董事(該公司於澳洲證券交易所上市)。

## Honorary advisers to the Board of Directors

### Mr. Ho Pak-Tao

Aged 86, joined the Group in 1947, was appointed as an honorary adviser to the Board with effect from August 2011 and is responsible for advising on research and development. Mr. Ho is also a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited.

### Mr. Cheng Yu-Wai

Aged 85, joined the Group in 1949, was appointed as an honorary adviser to the Board with effect from August 2011 and is responsible for advising on procurement. Mr. Cheng is also a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited. Mr. Cheng is an uncle of Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kam-Biu, Wilson and Mr. Cheng Sek-Hung, Timothy, and a granduncle of Dr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Heng, Conroy.

### Mr. Cheng Sek-Hung, Timothy

Aged 66, joined the Group in 1994, was appointed as an honorary adviser to the Board with effect from August 2011. Mr. Cheng is a director of certain subsidiaries of the Group. Mr. Cheng is also a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited. Mr. Cheng is a cousin of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kam-Biu, Wilson, an uncle of Dr. Cheng Chi-Kong Adrian and Mr. Cheng Chi-Heng, Conroy, and a nephew of Mr. Cheng Yu-Wai.

## Senior Management

### Mr. Chan Yee-Pong, Alan

Aged 45, joined the Group in 2010, is a deputy general manager of the Group and the director of Branding Department. Mr. Chan is mainly responsible for the branding and marketing activities of the Group. Mr. Chan has over 22 years of experience in luxury branding and marketing.

### Mr. Tsang Siu-Kwong, Patrick

Aged 46, joined the Group in 1993, is a deputy general manager of the Group and the head of Information and Communication Centre. Mr. Tsang is mainly responsible for managing and developing the information infrastructures and technologies of the Group. Mr. Tsang has over 24 years of experience in information technology.

## 董事會名譽顧問

### 何伯陶先生

現年86歲，於1947年加入本集團，2011年8月起獲任董事會名譽顧問，負責就研究及開發提出意見。何先生兼任本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司董事。

### 鄭裕偉先生

現年85歲，於1949年加入本集團，2011年8月起獲任董事會名譽顧問，負責就採購提出意見。鄭先生兼任本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司董事。鄭先生為鄭家純博士、鄭錦標先生及鄭錫鴻先生的叔父，以及鄭志剛博士和鄭志恒先生的叔公。

### 鄭錫鴻先生

現年66歲，於1994年加入本集團，2011年8月起獲任董事會名譽顧問。鄭先生亦為本集團若干附屬公司之董事。鄭先生兼任本公司主要股東周大福(控股)有限公司及其附屬公司周大福企業有限公司董事。鄭先生為鄭家純博士和鄭錦標先生的堂兄弟、鄭志剛博士和鄭志恒先生的堂叔父、及鄭裕偉先生的侄兒。

## 高級管理人員

### 陳義邦先生

現年45歲，於2010年加入本集團，為集團副總經理及品牌部總監。陳先生主要負責本集團品牌管理及市場推廣活動。陳先生擁有逾22年名貴品牌管理及市場推廣經驗。

### 曾紹光先生

現年46歲，於1993年加入本集團，為集團副總經理及資訊及通訊應用中心總監。曾先生主要負責本集團資訊設施及資訊科技的管理與開發。曾先生擁有逾24年資訊科技經驗。



# Corporate Governance 企業管治

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

### Mr. Chan Chi-Kong, Morison

Aged 50, joined the Group in 2012, is a deputy general manager of the Group. Mr. Chan is responsible for corporate planning and related affairs of the Group. Mr. Chan has over 27 years of experience in accounting, auditing, corporate finance and management. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators, and a Chartered Financial Analyst. Mr. Chan is the past Chairman of the Association of Chartered Certified Accountants Hong Kong. He is currently a member of the Professional Development Subcommittee of the ACCA Hong Kong, Human Resources Development Management Committee of the Hong Kong Management Association and Council of Management of the Hong Chi Association.

### Mr. Lau King-Ming

Aged 50, joined the Group in 2013, is a deputy general manager of the Group. Mr. Lau is responsible for the Group's production management and the management of Chow Tai Fook Jewellery Park in Wuhan. Mr. Lau has over 27 years of management and consultancy experience.

### Mr. Lee Tin-Hei, Jade

Aged 42, joined the Group in 2016, is a deputy general manager of the Group. Mr. Lee is responsible for business strategy and analytics of the Group. Mr. Lee has over 20 years of experience in advanced analytics carrying out consulting and business management roles with leading business analytics corporations.

### Mr. Wong Kim-Ming, Mark

Aged 55, joined the Group in 1986, is the senior manager of Diamond Department. Mr. Wong is responsible for the operation of Diamond Department and diamond manufacturing management of the Group. Mr. Wong has over 31 years of experience in the jewellery industry.

### Mr. Cheng Ming-Chi

Aged 45, joined the Group in 1994, is the senior manager of Procurement (Gemstones) Department. Mr. Cheng is responsible for managing and purchasing gemstones such as jadeite, colour stones and pearls for the Group. Mr. Cheng has over 22 years of experience in the jewellery industry.

### Mr. Lam Hung-Shing, Max

Aged 34, joined the Group in 2011, is the creative director of the Group. He is responsible for the design and development of jewellery products. Mr. Lam has over 13 years of experience in jewellery design. He was awarded Hong Kong Ten Outstanding Designer Award in 2014 and is an adjunct professor of the Shanghai International College of Fashion and Innovation, Donghua University.

### 陳志光先生

現年50歲，於2012年加入本集團，為集團副總經理。陳先生負責本集團企業規劃及相關事務。陳先生擁有逾27年會計、核數、企業財務及管理經驗。彼為香港會計師公會、特許公認會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會資深會員，亦同時為特許財務分析師。彼為特許公認會計師公會香港分會前會長，目前擔任特許公認會計師公會香港分會專業發展委員會、香港管理專業協會人力資源發展管理委員會及匡智會執行委員會委員。

### 劉競明先生

現年50歲，於2013年加入本集團，為集團副總經理。劉先生負責本集團生產管理並管理武漢周大福珠寶文化產業園。劉先生擁有逾27年管理及顧問經驗。

### 李天熹先生

現年42歲，於2016年加入本集團，為集團副總經理。李先生負責本集團商業策略與分析。李先生擁有逾20年高端統計分析經驗，曾在多間領先的商業數據分析公司負責諮詢及管理工作。

### 黃劍明先生

現年55歲，於1986年加入本集團，為鑽石部高級經理。黃先生負責本集團鑽石部的營運及鑽石生產管理。黃先生於珠寶行業擁有逾31年經驗。

### 鄭明智先生

現年45歲，於1994年加入本集團，為採購部(寶石)高級經理。鄭先生負責本集團寶石，如翡翠、有色寶石及珍珠之管理及採購。鄭先生在珠寶行業擁有逾22年的經驗。

### 林鴻勝先生

現年34歲，於2011年加入本集團，為集團創作總監，負責本集團珠寶產品設計與研發。林先生於珠寶設計領域擁有逾13年經驗。彼曾獲評為「2014年香港十大傑出設計師」，並擔任東華大學上海國際時尚創意學院兼職教授。



### Mr. Wong-Tang, Alex

Aged 58, joined the Group in 2000, is the general manager of the Hong Kong and Macau Management Centre. Mr. Wong is responsible for managing the Hong Kong and Macau Management Centre and Chow Tai Fook Fei Cui Testing Centre of the Group. Mr. Wong has over 43 years of experience in the jewellery industry. Mr. Wong holds an Executive Master's degree in Business Administration from The Chinese University of Hong Kong. He is also a Graduate Gemologist of the Gemological Institute of America and a Certified Gemmologist (Fei Cui) of the Gemmological Association of Hong Kong Limited.

### Ms. Danita On

Aged 40, joined the Group in 2012, is the director of Investor Relations and Corporate Communications Department of the Group. Ms. On is mainly responsible for maintaining effective communications with investors and media. Ms. On has over 19 years of experiences in auditing, management consulting, equity research, asset management and investor relations. She is a member of Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst.

### 王騰先生

現年58歲，於2000年加入本集團，擔任港澳營運管理中心總經理。王先生負責管理港澳營運管理中心及周大福翡翠鑑證中心。王先生於珠寶行業擁有逾43年經驗。王先生持有香港中文大學行政人員工商管理碩士學位，並為美國寶石學院的寶石鑑證師及香港寶石學協會的註冊認可寶石(翡翠)鑑證師。

### 安殷霖女士

現年40歲，於2012年加入本集團，為集團投資者關係與企業傳訊部總監。安女士主要負責與投資者和媒體之間的有效溝通。安女士擁有逾19年審核、管理諮詢、證券研究、資產管理及投資者關係方面的經驗，也是香港會計師公會會員及特許財務分析師。

# Corporate Governance 企業管治

## Directors' Report 董事會報告

The Board is pleased to present the annual report of the Company together with the audited consolidated financial statements of the Group for FY2017.

### Principal activities

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

The Group's revenue is derived from business activities conducted in Mainland China, Hong Kong, Macau and other markets. The segment information of the Group's operation is set out in note 5 to the consolidated financial statements.

### Results and dividends

The results of the Group for FY2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 158.

The directors recommended the payment of a final dividend of HK10.0 cents per share (FY2016: HK8.0 cents per share) and a special dividend of HK20.0 cents per share (FY2016: HK22.0 cents per share) for FY2017, amounting to approximately HK\$3,000 million (FY2016: HK\$3,000 million). Such payment of dividends will be subject to the approval of shareholders at the forthcoming annual general meeting of the Company to be held on Wednesday, 26 July 2017 and is payable to shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 2 August 2017. Together with the interim and special dividends of HK21.0 cents per share paid in December 2016, the total distribution of dividend by the Company for FY2017 will be HK51.0 cents per share (FY2016: HK80.0 cents per share). The payment date of the final and special dividends is expected to be on or about 11 August 2017.

董事會欣然提呈本公司2017財政年度年報以及本集團經審核綜合財務報表。

### 主要業務

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

本集團的營業額來自中國內地、香港、澳門及其他市場進行的業務活動。本集團的業績分部資料載於綜合財務報表附註5。

### 業績及股息

本集團於2017財政年度的業績載列於第158頁的綜合損益及其他全面收益表內。

2017財政年度董事會建議派付每股10.0港仙末期股息(2016財政年度:每股8.0港仙)及每股20.0港仙特別股息(2016財政年度:每股22.0港仙),合共約3,000百萬港元(2016財政年度:3,000百萬港元)。派付該等股息須待股東在本公司將於2017年7月26日(星期三)舉行的應屆股東週年大會上批准,並應向於2017年8月2日(星期三)營業時間結束時名列本公司股東名冊的股東派付該等股息。連同已於2016年12月派付的中期及特別股息每股21.0港仙,本公司於2017財政年度所分派股息總額為每股51.0港仙(2016財政年度:每股80.0港仙)。末期及特別股息的派付日期預計為2017年8月11日或前後。

## Business review

FY2017 continued to be a year filled with challenging business dynamics. The Group's revenue decreased and we remained selective in our moderated POS expansion. Encouragingly, remarkable improvement was shown in the 2HFY2017, resulting in an increase of the Group's profit in FY2017. Despite the headwinds ahead, the Group's underlying competences and strategies remain strong. We are dedicated to leveraging the Internet and technology to facilitate our business innovation and enhancement. We will further invest in the use of automated technology to achieve greater supply chain efficiency, and sharpen our edge on the vertically integrated business model to reach out to U.S. wholesale business. Besides, we aim at delivering unique and personalised customer experience by refreshing store image and offering diversified products and collections in view of the evolving lifestyle consumption. Looking ahead, we will remain focused in striving for sustainable growth with quick response to market changes and customer preference.

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

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

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

- "Risk Management Report"
- "Board Governance"
- "Investor Relations"
- "Corporate Management"
- "Sustainability Report", which is available on our corporate website

## Financial summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 238.

## Share capital

Details of the Company's share capital are set out in note 32 to the consolidated financial statements. There is no movement in the share capital during the year.

## Distributable reserves

Distributable reserves of the Company as at 31 March 2017 amounted to approximately HK\$5,540 million (31 March 2016: HK\$5,539 million).

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 162.

## 業務審視

2017財政年度業務營運依舊充滿挑戰。本集團的營業額下降，而我們堅持選擇性地適度進行零售點擴充。值得鼓舞的是，2017財政年度下半年市況呈顯著的改善，使本集團2017財政年度錄得溢利上升。儘管前路困難重重，但本集團的實力和策略仍相當強大。我們著力借助互聯網和科技推動業務創新和改進。我們亦會投資應用自動化技術，以提升供應鏈的效率，同時鞏固垂直綜合業務模式的優勢，以發展美國批發業務。此外，我們盡力將店鋪形象煥然一新，提供多元化產品和系列，迎合生活態度演變過程的消費模式，從而為顧客提供獨特且個人化的購物體驗。展望未來，我們將堅持專注可持續增長，且迅速回應市場變化和顧客喜好。

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

- 「主席報告書」
- 「董事總經理策略報告」
- 「管理層討論與分析」

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

- 「風險管理報告」
- 「董事會管治」
- 「投資者關係」
- 「企業管理」
- 「可持續發展報告」，全文刊載於本公司網站

## 財務概要

本集團過去五個財政年度的業績以及資產及負債概要載列於第238頁。

## 股本

本公司的股本詳載於綜合財務報表附註32。年內概無股本變動。

## 可供分派儲備

於2017年3月31日，本公司可供分派儲備為數約5,540百萬港元(2016年3月31日：5,539百萬港元)。

年內本集團儲備的變動載列於第162頁的綜合權益變動表。

# Corporate Governance 企業管治

## Directors' Report 董事會報告

### Pre-emptive rights

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

### Purchase, sale or redemption of listed securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

### Directors

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

#### Executive Directors

Dr. Cheng Kar-Shun, Henry  
Mr. Wong Siu-Kee, Kent  
Dr. Cheng Chi-Kong, Adrian  
Mr. Cheng Chi-Heng, Conroy  
Mr. Chan Sai-Cheong  
Mr. Suen Chi-Keung, Peter  
Mr. Chan Hiu-Sang, Albert  
Mr. Cheng Ping-Hei, Hamilton  
Mr. Liu Chun-Wai, Bobby

#### Non-executive Director

Mr. Cheng Kam-Biu, Wilson

#### Independent Non-executive Directors

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

In accordance with article 84 of the Articles, Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Kam-Biu, Wilson, Dr. Fung Kwok-King, Victor and Mr. Kwong Che-Keung, Gordon will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

### Directors' service contracts

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

### 優先購買權

細則或開曼群島法例概無任何關於優先購買權的條文。

### 購買、出售或贖回上市證券

本公司及其任何附屬公司於年內均無購買、出售或贖回本公司的任何上市證券。

### 董事

年內及直至本年報日期的董事為：

#### 執行董事

鄭家純博士  
黃紹基先生  
鄭志剛博士  
鄭志恒先生  
陳世昌先生  
孫志強先生  
陳曉生先生  
鄭炳熙先生  
廖振為先生

#### 非執行董事

鄭錦標先生

#### 獨立非執行董事

鄭明訓先生  
馮國經博士  
鄺志強先生  
林健鋒先生  
柯清輝博士

根據細則第84條，鄭家純博士、鄭志剛博士、鄭錦標先生、馮國經博士及鄺志強先生將於應屆股東週年大會上退任，且符合資格膺選連任。

### 董事服務合約

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

## Directors' interests in transactions, arrangements and contracts

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

## Continuing connected transactions

The Group has certain ongoing transactions carried on with connected persons with expected annual transaction amounts exceeding the "de minimis" exemption threshold and therefore the Company reports these non-exempt continuing connected transactions during FY2017 under the Listing Rules. These transactions are mainly related to lease of premises and sale and purchase of goods and services. Information about the connected persons is shown on page 144. Details of these transactions are set out in the tables below.

## 董事於交易、安排及合約中的權益

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

## 持續關連交易

本集團正與關連人士進行若干交易，預期年度交易金額超過最低豁免水平，故本公司根據上市規則匯報2017財政年度內的該等非豁免持續關連交易。該等交易主要關於物業租賃以及銷售及購買貨品及服務。有關關連人士的資料載於第144頁。該等交易的詳情載列於下表。

Lease of premises 物業租賃 Name of counterparties 交易對方名稱	CTFE 周大福企業	NWD 新世界發展	NWDS 新世界百貨
Main purposes of the leases 租賃主要用途	Standalone retail shops, industrial and office uses in Hong Kong 於香港的獨立零售店、 工業及辦公室用途	Offices and standalone retail shops in Hong Kong 於香港的辦公室及 獨立零售店	Concessionaire counters operated in department stores in Mainland China 於中國內地百貨公司 開設專櫃
Master/framework agreement date 綜合/框架協議日期	28/11/2011*	11/4/2014**	22/3/2012**
Next renewal date 下次重續日期	31/3/2020	30/6/2020	30/6/2020
Annual cap approved and actual amount incurred for FY2017 (HK\$million) 2017財政年度的已批准年度上限及實際發生金額(百萬港元)			
Annual cap 年度上限	108	199	455
Amount incurred 實際發生金額	77	111	69
Annual cap approved for subsequent financial years (HK\$million) 其後財政年度的已批准年度上限(百萬港元)			
FY2018 2018財政年度	122	132	100
FY2019 2019財政年度	122	132	124
FY2020 2020財政年度	122	134	154

Notes:

\* This agreement was renewed on 1 April 2017

\*\* These agreements will be renewed on 1 July 2017

附註：

\* 該協議於2017年4月1日重續

\*\* 該等協議將於2017年7月1日重續

## Corporate Governance 企業管治

## Directors' Report 董事會報告

Sale and purchase of goods and services 銷售及購買貨品和服務 Name of counterparties 交易對方名稱	NWDS 新世界百貨	NWCL 新世界中國地產	NCE	KTL 利鷗品牌
Major types of goods and services	Use of shopping vouchers, prepaid shopping cards, joint name vouchers etc. to purchase goods at NWDS stores, and settlement of respective purchase value, commissions and rebates, where appropriate	Use of gift vouchers to purchase goods in our Group's POS and settlement of respective voucher value and rebates; sale of gold products	Polishing, processing and handling of gemstones for the Group, and provision of related technology, related assets and other ancillary services, products and devices	Licensing of intellectual property rights in, among other things, cartoon characters to the Group for production, sale and marketing of certain licensed products
貨品及服務的主要種類	使用消費券、預付購物卡及聯名消費券等於新世界百貨店內購買貨品，並結付相應購買價值、佣金及讓利(如適用)	使用禮券於本集團旗下零售點購買貨品，並結付相應禮券價值及回扣；銷售黃金產品	為本集團寶石拋光、加工及處理，提供相關技術、相關資產和其他配套服務、產品及工具	向本集團授出(其中包括)卡通角色的知識產權，供生產、銷售及市場推廣若干授權產品
Master/framework agreement date 綜合/框架協議日期	11/4/2014***	19/3/2013****	29/1/2016	29/4/2016
Next renewal date 下次重續日期	30/6/2020	30/6/2018	28/1/2019	28/4/2019
Annual cap approved and actual amount incurred for FY2017 (HK\$million) 2017財政年度的已批准年度上限及實際發生金額(百萬港元)				
Annual cap 年度上限	96	390	130	44
Amount incurred 實際發生金額	0.3	5	25	26
Annual cap approved for subsequent financial years (HK\$million) 其後財政年度的已批准年度上限(百萬港元)				
FY2018 2018財政年度	N/A 不適用	461	240	57
FY2019 2019財政年度	N/A 不適用	N/A 不適用	N/A 不適用	73

## Note:

\*\*\* This agreement will be renewed on 1 July 2017. As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the transactions contemplated upon renewal of this agreement are, on an annual basis, less than 0.1%, the renewed agreement commencing from 1 July 2017 will be fully exempt from the reporting, announcement and shareholders' approval requirements

\*\*\*\* This agreement was renewed on 1 July 2015

## 附註:

\*\*\* 該等協議將於2017年7月1日重續。由於該協議重續時擬進行的年度交易所有適用百分比率(定義見上市規則第14.07條)低於0.1%，故自2017年7月1日開始的經重續協議將全面獲豁免遵守申報、公告及股東批准規定

\*\*\*\* 該協議於2015年7月1日重續



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

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

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

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

### 集團定價政策及持續關連交易的內部監控

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

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

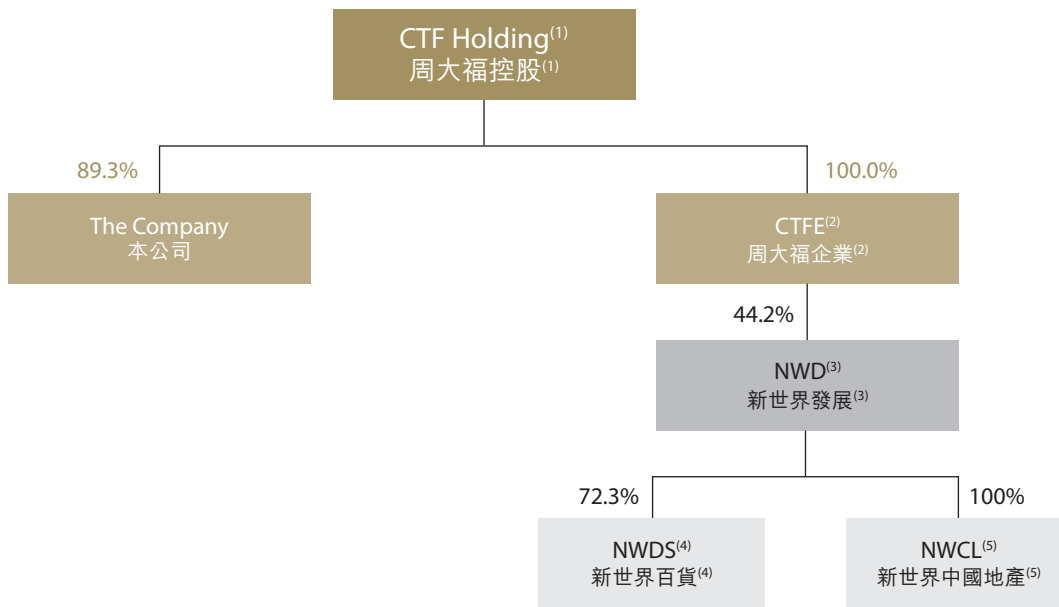
集團將定期監測行業常規和市場趨勢，以確保向集團提供的合約條款與市場價格相若或更佳。

# Corporate Governance 企業管治

## Directors' Report 董事會報告

### Relationships between counterparties

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



#### Notes:

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

#### 附註：

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

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

KT Licensing Limited ("KTL"), through its holding companies, is in turn owned as to 50% by the trustee of a trust established for the benefit of the family members of Dr. Fung Kwok-King, Victor. Therefore, KTL is an associate of a director of the Company under Chapter 14A of the Listing Rules. As such, KTL and its subsidiaries are connected persons of the Company.

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

利鷗品牌有限公司(「利鷗品牌」)通過其控股公司由以馮國經博士家族成員利益而設立的信託的受託人擁有50%權益。因此，根據上市規則第14A章，利鷗品牌為本公司一名董事的聯繫人。故此，利鷗品牌及其附屬公司為本公司關連人士。

### Annual review of the continuing connected transactions

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

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

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

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

### Related party transactions

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

### 持續關連交易的年度審閱

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

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

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

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

### 關聯人士交易

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

# Corporate Governance 企業管治

## Directors' Report 董事會報告

### Major customers and suppliers

During the year, less than 30.0% of the Group's revenue was attributed to the Group's five largest customers. Besides, 71.2% of the Group's total purchases were attributed to the Group's five largest suppliers and 52.3% of the Group's total purchases were attributed to the Group's largest supplier. To the best of the directors' knowledge, none of the directors, their respective close associates (as defined in the Listing Rules) and any shareholder who to the knowledge of the directors owned more than 5% of the issued share capital of the Company as at 31 March 2017 held any interest in any of the five largest suppliers or customers of the Group.

### Directors' interests in the shares, underlying shares and debentures

As at 31 March 2017, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

#### Long position in shares

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

Note:

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

### 主要顧客和供應商

年內，本集團少於30.0%營業額來自本集團五大顧客。此外，本集團總採購額71.2%來自本集團五大供應商，而本集團總採購額52.3%來自本集團最大供應商。據董事所知，於2017年3月31日，概無董事、彼等各自緊密聯繫人(定義見上市規則)或董事知悉擁有本公司已發行股本5%或以上的任何股東持有本集團五大供應商或顧客的任何權益。

### 董事於本公司的股份、相關股份及債權證的權益

於2017年3月31日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司及聯交所的權益及淡倉，或記錄於根據證券及期貨條例第352條規定須予存置的登記冊內的權益及淡倉，或根據上市規則附錄10所載的標準守則須知會本公司及聯交所的權益及淡倉如下：

#### 於股份的好倉

附註：

(1) 該等股份由鄭志剛博士全資擁有的一家公司實益擁有

## Substantial shareholders' interests in securities

As at 31 March 2017, the following persons (not being directors or chief executives of the Company) had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

### Long position in shares

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

#### Note:

As at 31 March 2017, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 49.0% and 46.7% interest in Chow Tai Fook Capital Limited respectively, which in turn held an approximately 81.0% interest in Chow Tai Fook (Holding) Limited and accordingly each of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited is deemed to have an interest in the shares of the Company held by Chow Tai Fook (Holding) Limited. Chow Tai Fook (Holding) Limited held 8,933,937,400 shares of the Company directly as at 31 March 2017.

## 主要股東於證券的權益

於2017年3月31日，根據證券及期貨條例第336條須存置的登記冊所記錄的以下人士（並非本公司董事或最高行政人員）所持有本公司股份及相關股份的權益或淡倉如下：

### 於股份的好倉

#### 附註：

於2017年3月31日，Cheng Yu Tung Family (Holdings) Limited及Cheng Yu Tung Family (Holdings II) Limited各自於Chow Tai Fook Capital Limited分別持有約49.0%及46.7%權益，而Chow Tai Fook Capital Limited則於周大福(控股)有限公司持有約81.0%權益，因此Cheng Yu Tung Family (Holdings) Limited、Cheng Yu Tung Family (Holdings II) Limited及Chow Tai Fook Capital Limited被視為於周大福(控股)有限公司所持本公司股份中擁有權益，而周大福(控股)有限公司於2017年3月31日則直接持有本公司8,933,937,400股股份。

## Share option scheme

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

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

## 購股權計劃

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

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

# Corporate Governance 企業管治

## Directors' Report 董事會報告

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

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

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

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

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

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

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

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

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

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

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

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

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

承授人接納購股權時毋須繳付任何款項。

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

該計劃自有條件採納之日（即2011年11月17日）起計10年內有效。



## Permitted indemnity provision

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

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

## Management contracts

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

## Donations

Charitable and other donations made by the Group during the year amounted to approximately HK\$10.8 million (FY2016: HK\$9.8 million).

## Events after the reporting period

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2017 and up to the date of this annual report.

## Auditor

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

On behalf of the Board

**Dr. Cheng Kar-Shun, Henry**

*Chairman*

Hong Kong, 8 June 2017

## 獲許的彌償條文

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

本公司於年內已購買及維持全年的董事責任保險，為董事提供適當的保障。

## 管理合約

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

## 捐款

本集團於年內作出的慈善及其他捐款合共約為10.8百萬港元(2016財政年度：9.8百萬港元)。

## 報告期後事項

本公司或本集團於2017年3月31日後及截至本報告日期並無進行任何重大其後事項。

## 核數師

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

代表董事會

主席

**鄭家純博士**

香港，2017年6月8日



# Independent Auditor's Report

獨立核數師報告

# Independent Auditor's Report 獨立核數師報告

# Deloitte.

# 德勤

TO THE MEMBERS OF

Chow Tai Fook Jewellery Group Limited

周大福珠寶集團有限公司

(incorporated in the Cayman Islands with limited liability)

致周大福珠寶集團有限公司成員

(於開曼群島註冊成立的有限公司)

## Opinion

We have audited the consolidated financial statements of Chow Tai Fook Jewellery Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 158 to 237, which comprise the consolidated statement of financial position as at 31 March 2017, 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 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' 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(以下簡稱「我們」)已審計列載於158至237頁的周大福珠寶集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於2017年3月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於2017年3月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

## 意見的基礎

我們已根據《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據國際會計師職業道德準則理事會頒佈的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

# Independent Auditor's Report 獨立核數師報告

## Key Audit Matters

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

## 關鍵審計事項

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

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p><b>Valuation of inventories</b> 存貨估值</p> <p>We identified valuation of inventories as a key audit matter due to significance of the balance to the consolidated financial statements as a whole, combined with the judgements associated with determining the amount of allowances on inventories.</p> <p>As at 31 March 2017, the carrying amount of inventories was HK\$29,259.3 million. The management of the Group determined that allowances on inventories were recognised in profit or loss amounting to HK\$39.8 million during the year ended 31 March 2017.</p> <p>As disclosed in note 4 to the consolidated financial statements, in estimating the amount of allowances on inventories, it is the Group's policy to review the net realisable value of inventories periodically with reference to current market situation and conditions of the items. The Group's management reviewed regularly the suitability of the allowance policy and then applied allowances on those inventories by considering the net realisable value. The Group's management reviewed the inventory age listing to identify slow-moving inventories and then estimated the amount of allowances primarily based on pricing policy and strategies and the historical experience in selling goods of similar nature. The Group also engaged an independent professional gemologist to perform valuation and assess the conditions of certain items based on gemstone testing for gem-set jewellery with reference to international diamond prices, its expertise and the current market situation.</p> <p>我們判別出存貨估值為關鍵審計事項，因為其結餘金額對整體綜合財務報表而言重大，以及釐定存貨準備金額涉及判斷。</p> <p>於2017年3月31日，存貨的賬面值為29,259.3百萬港元。據貴集團管理層作出的決定，截至2017年3月31日止年度於損益確認的存貨準備為39.8百萬港元。</p> <p>如綜合財務報表附註4所披露，為估算存貨準備，貴集團的政策為參照現時市況及項目狀況以定期檢討存貨可變現淨值。貴集團管理層定期檢討撥備政策的合適性，再考慮該等存貨的可變現淨值以計算撥備。貴集團管理層檢閱貨齡清單，判別出滯銷存貨後，主要按定價政策及策略以及銷售類似性質貨品的經驗再估算撥備金額。此外，貴集團亦委聘獨立專業珠寶鑑定師以進行估值，並參照國際鑽石價格、其專業知識和現時市況，對珠寶鑲嵌首飾的寶石測試進行估值以評核若干存貨的狀況。</p>	<p>Our procedures in relation to the valuation of inventories included:</p> <ul style="list-style-type: none"> <li>• Understanding how the Group's management identified the slow-moving inventories, set the allowance policy and assessed the amount of allowances on inventories, and the involvement of independent professional gemologist appointed by the Group to assess the conditions and valuation of certain inventories;</li> <li>• Assessing the appropriateness of allowances on inventories made by the management and the accuracy of the net realisable value by comparing the subsequent selling prices of the finished goods to their carrying amounts, on a sample basis;</li> <li>• Evaluating the competence, capabilities and objectivity of the independent professional gemologist and obtaining an understanding of the scope of work and their terms of engagement;</li> <li>• Evaluating the appropriateness of the valuation prepared by the independent professional gemologist with reference to international diamond price references for selected gem-set jewellery products and market research reports on jewellery industry, on a sample basis;</li> <li>• Testing the accuracy of the inventory age listing, on a sample basis, by tracing to the invoices and delivery documents; and</li> <li>• Evaluating the historical accuracy of allowances on inventories assessed by the management by comparing the actual loss to historical allowances recognised.</li> </ul> <p>與存貨估值有關的程序包括：</p> <ul style="list-style-type: none"> <li>• 了解貴集團管理層如何判別滯銷存貨、制定準備政策及評估存貨準備金額，以及貴集團委聘的獨立專業珠寶鑑定師對評核若干存貨狀況和估值之參與度；</li> <li>• 抽樣對製成品隨後的售價與其賬面值作比較，以評核管理層所作存貨準備的合適性和可變現淨值的準確性；</li> <li>• 評核獨立專業珠寶鑑定師之才能、能力及客觀性，並了解彼等的工作範疇和委聘條款；</li> <li>• 參照國際鑽石價格以及珠寶行業的市場調研報告作抽樣評核獨立專業珠寶鑑定師就選定珠寶鑲嵌首飾的估值之合適性；</li> <li>• 抽樣索查發票及送貨文件，測試存貨貨齡清單的準確性；及</li> <li>• 將實際損失與過往確認的準備作比較，評核過往由管理層評估存貨準備的準確性。</li> </ul>

## Key Audit Matters (Continued)

## 關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p><b>Valuation of jewellery collectibles</b> 珠寶珍藏估值</p> <p>We identified valuation of jewellery collectibles as a key audit matter due to significance of the balance to the consolidated financial statements as a whole, combined with the judgements associated with determining the valuation of jewellery collectibles. As at 31 March 2017, the carrying amount of jewellery collectibles was HK\$967.1 million.</p> <p>As disclosed in note 4 to the consolidated financial statements, the jewellery collectibles are those unique treasures with extremely high-value considered by the Group and are designated not for sale. In estimating the valuation of jewellery collectibles, it is the Group's policy to review the conditions of items by internal gemologist and assess the recoverable amount periodically with reference to international diamond prices and market research reports on jewellery industry. The Group's management reviewed regularly if there was impairment indicator and estimated the recoverable amount if necessary. The Group also engaged an independent professional gemologist to perform valuation and assess the conditions of items based on gemstone testing for gem-set jewellery with reference to international diamond prices, its expertise and the current market situation.</p> <p>我們判別出珠寶珍藏估值為關鍵審計事項。因為其金額對整體綜合財務報表而言重大以及當中的估值涉及判斷。於2017年3月31日，珠寶珍藏的賬面值為967.1百萬港元。</p> <p>如綜合財務報表附註4所披露，貴集團視珠寶珍藏為獨一無二、價值不菲的珍藏並指定為非賣品。對珠寶珍藏進行估值時，貴集團的政策是以內部珠寶鑑定師檢討項目的狀況並參照國際鑽石價格以及珠寶行業的市場調研報告定期評核可收回金額。貴集團管理層定期檢視是否存在減值跡象以及估計可收回金額(如有需要)。此外，貴集團亦委聘獨立專業珠寶鑑定師以進行估值，並參照國際鑽石價格、其專業知識和現時市況，對珠寶鑲嵌首飾的寶石測試進行估值以評核珠寶珍藏的狀況。</p>	<p>Our procedures in relation to the valuation of jewellery collectibles included:</p> <ul style="list-style-type: none"> <li>• Understanding how and when the jewellery was determined as jewellery collectibles by the Group's management, and how the Group identified the impairment indicator and involvement of independent professional gemologist appointed by the Group to assess the conditions and valuation of jewellery collectibles;</li> <li>• Evaluating the competence, capabilities and objectivity of the independent professional gemologist and obtaining an understanding of the scope of work and their terms of engagement;</li> <li>• Evaluating the appropriateness of the valuation prepared by the independent professional gemologist with reference to international diamond price references and market research reports on jewellery industry; and</li> <li>• Checking the accuracy of the acquisition costs of or carrying value upon the designation to jewellery collectibles by tracing to the source documents.</li> </ul> <p>與珠寶珍藏估值有關的程序包括：</p> <ul style="list-style-type: none"> <li>• 了解 貴集團管理層如何及何時判別出珠寶屬珠寶珍藏、貴集團如何判別出是否存在減值跡象，以及 貴集團委聘獨立專業珠寶鑑定師對評核珠寶珍藏狀況和估值之參與度；</li> <li>• 評核獨立專業珠寶鑑定師之才能、能力及客觀性，並了解彼等的工作範疇和委聘條款；</li> <li>• 參照國際鑽石價格以及珠寶行業的市場調研報告作評核獨立專業珠寶鑑定師的估值之合適性；及</li> <li>• 指定為珠寶珍藏後，會索查來源文件，以檢查收購成本或賬面值的準確性。</li> </ul>

# Independent Auditor's Report 獨立核數師報告

## Key Audit Matters (Continued)

## 關鍵審計事項 (續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p><b>Impairment testing of goodwill of Hearts On Fire Company, LLC ("Hearts On Fire")</b> <b>Hearts On Fire Company, LLC (「Hearts On Fire」) 商譽減值測試</b></p> <p>We identified the impairment testing of goodwill of Hearts On Fire as a key audit matter due to the significant judgement of determining the recoverable amount of goodwill.</p> <p>The carrying amount of goodwill as at 31 March 2017 was HK\$257.8 million (note 17 to the consolidated financial statements).</p> <p>As disclosed in note 4 to the consolidated financial statements, the determination of an impairment is highly subjective as significant judgement is required by the management of the Group in determining the recoverable amount of goodwill. The recoverable amount is determined based on value in use calculation which uses cash flow projections of cash-generating units to which goodwill has been allocated and the Group engages an independent professional valuer to perform such valuation. The cash flow projections for goodwill are based on financial budgets covering a 5-year period, in which the key assumptions include the discount rate used, points of sale ("POS") opening plan, gross margins of products and long-term average growth rate, taking into account the economic outlook, the Group's past sales experience of premium diamond jewellery and jewellery industry growth forecasts to calculate the present value.</p> <p>The management of the Group determined that there was no impairment recognised with respect to the goodwill of Hearts On Fire during the year ended 31 March 2017.</p> <p>我們判別出Hearts On Fire商譽減值測試為關鍵審計事項因為釐定商譽可收回金額涉及重大判斷。</p> <p>於2017年3月31日，商譽賬面值為257.8百萬港元(綜合財務報表附註17)。</p> <p>如綜合財務報表附註4所披露，判定減值是相當主觀的舉動，因為判定商譽的可收回金額需 貴集團管理層作出重大的判斷。可收回金額乃按已獲分配商譽的現金產生單位的現金流量預測來估算使用價值， 貴集團亦委聘獨立專業估值師進行估值。商譽現金流量預測以五年期的財務預算為基礎，其中關鍵的假設包括所用貼現率、零售點開設計劃、產品毛利率及長期平均增長率，並會考慮經濟前景、 貴集團過往銷售高級鑽石珠寶的經驗及珠寶行業增長預測，從以計算現值。</p> <p>據 貴集團管理層所斷定，截至2017年3月31日止年度並無就Hearts On Fire商譽確認任何減值。</p>	<p>Our procedures in relation to impairment testing of goodwill of Hearts On Fire included:</p> <ul style="list-style-type: none"> <li>• Understanding the Group's impairment assessment process, including the valuation model adopted, key assumptions used and involvement of independent professional valuer appointed by the Group to perform valuation of goodwill;</li> <li>• Evaluating the reasonableness of the POS opening plan by considering the approved financial budgets, management's business plan and available industry and market data;</li> <li>• Evaluating the reasonableness of management's assumption of the gross margins of products with reference to the Group's past sales experience of premium diamond jewellery and market research reports on jewellery industry;</li> <li>• Evaluating the historical accuracy of the financial budgets prepared by the management by comparing the historical financial budgets with the actual performance; and</li> <li>• Engaging our valuation expert to evaluate the appropriateness of the discount rate used and long-term average growth rate.</li> </ul> <p>對Hearts On Fire商譽減值測試有關的程序包括：</p> <ul style="list-style-type: none"> <li>• 了解 貴集團的減值評核程序，包括採用的估值模型、關鍵假設以及 貴集團委聘的獨立專業估值師對商譽進行估值的參與度；</li> <li>• 評估經審批財務預算、管理層業務計劃以及可得的行業和市場數據，從而評核零售點開設計劃的合理性；</li> <li>• 參照 貴集團過往銷售高級鑽石珠寶的經驗和珠寶行業的市場調研報告，評核管理層對產品毛利率假設的合理性；</li> <li>• 將過往財務預算與實際表現作比較，評核管理層過往編制財務預算的準確性；及</li> <li>• 委聘我們的估值專家，評核所用貼現率和長期平均增長率的合適性。</li> </ul>



## 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 IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## 其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

## 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督 貴集團的財務報告過程。

# Independent Auditor's Report 獨立核數師報告

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

## 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們商定的業務約定條款僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。本行並不就本行報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。

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

- 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.

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.

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.

The engagement partner on the audit resulting in the independent auditor's report is Tsang Chi Wai.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong

8 June 2017

## 核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

出具本獨立核數師報告的審計項目合夥人是曾志偉。

德勤·關黃陳方會計師行  
執業會計師  
香港

2017年6月8日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

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

		Notes 附註	2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Revenue	營業額	5	51,245.5	56,591.5
Cost of goods sold	銷售成本		(36,282.8)	(40,950.1)
<b>Gross profit</b>	<b>毛利</b>		<b>14,962.7</b>	<b>15,641.4</b>
Other income	其他收入	6	329.5	306.2
Selling and distribution costs	銷售及分銷成本		(8,011.3)	(9,196.8)
General and administrative expenses	一般及行政開支		(2,296.0)	(2,426.6)
Other gains and losses	其他收益及虧損	7	(285.8)	(244.9)
Other expenses	其他開支		(214.5)	(51.2)
Share of results of associates	分佔聯營公司之業績	20	(9.6)	(3.6)
Interest income	利息收入	8	140.0	154.6
Finance costs	融資成本	8	(236.6)	(243.0)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	9	<b>4,378.4</b>	<b>3,936.1</b>
Taxation	稅項	11	(1,227.3)	(957.2)
<b>Profit for the year</b>	<b>年度溢利</b>		<b>3,151.1</b>	<b>2,978.9</b>
<b>Other comprehensive income (expense):</b>	<b>其他全面收益(開支):</b>			
<i>Item that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益的項目:</i>			
— remeasurement of defined benefit scheme	— 重新計算定額福利計劃		15.8	(2.1)
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能會重新分類至損益的項目:</i>			
— exchange differences arising on translation of foreign operation	— 換算境外業務所產生之匯兌差額		(1,094.6)	(1,010.7)
— share of translation reserve of associates	— 分佔聯營公司之換算儲備		1.9	(0.7)
			(1,092.7)	(1,011.4)
<b>Other comprehensive expense for the year</b>	<b>年度其他全面開支</b>		<b>(1,076.9)</b>	<b>(1,013.5)</b>
<b>Total comprehensive income for the year</b>	<b>年度全面收益總額</b>		<b>2,074.2</b>	<b>1,965.4</b>

		Note 附註	2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
<b>Profit for the year attributable to:</b>	<b>以下各方應佔年度溢利：</b>			
Shareholders of the Company	本公司股東		3,055.3	2,941.4
Non-controlling interests	非控股權益		95.8	37.5
			<b>3,151.1</b>	<b>2,978.9</b>
<b>Total comprehensive income (expense) attributable to:</b>	<b>以下各方應佔全面收益(開支)總額：</b>			
Shareholders of the Company	本公司股東		2,030.1	1,979.3
Non-controlling interests	非控股權益		44.1	(13.9)
			<b>2,074.2</b>	<b>1,965.4</b>
<b>Earnings per share — Basic</b>	<b>每股盈利 — 基本</b>	12	<b>HK30.6 cents 港仙</b>	<b>HK29.4 cents 港仙</b>

## Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 March 2017 於2017年3月31日

		Notes 附註	2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	4,666.3	4,749.7
Land use rights	土地使用權	15	184.9	211.6
Investment properties	投資物業	16	250.0	272.9
Goodwill	商譽	17	257.8	257.8
Other intangible assets	其他無形資產	18	356.3	407.5
Jewellery collectibles	珠寶珍藏	19	967.1	–
Deposits paid for acquisition of property, plant and equipment	購買物業、廠房及設備 已付按金		52.7	132.6
Interests in associates	於聯營公司之權益	20	–	39.7
Amounts due from associates	應收聯營公司款項	20	19.7	82.8
Interest in a joint venture	於一家合資企業之權益	21	–	–
Loan receivables	應收貸款	22	65.9	37.6
Deferred tax assets	遞延稅項資產	23	312.7	478.2
			7,133.4	6,670.4
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	24	29,259.3	31,376.5
Trade and other receivables	貿易及其他應收款項	25	5,057.3	4,605.2
Loan receivables	應收貸款	22	8.5	4.1
Convertible bonds	可兌換債券	26	–	17.8
Bank balances and cash	銀行結餘及現金	27	7,943.4	13,001.4
			42,268.5	49,005.0
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	28	5,693.4	4,336.1
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東 款項	29	89.9	161.2
Taxation payable	應付稅項		596.4	433.4
Bank borrowings	銀行貸款	30	6,192.5	7,320.0
Gold loans	黃金借貸	31	3,215.9	6,513.3
			15,788.1	18,764.0
<b>Net current assets</b>	<b>流動資產淨額</b>		26,480.4	30,241.0
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		33,613.8	36,911.4



		Notes 附註	2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行貸款	30	600.0	600.0
Retirement benefit obligations	退休福利承擔	37	226.6	243.4
Deferred tax liabilities	遞延稅項負債	23	285.7	318.1
			1,112.3	1,161.5
<b>Net assets</b>	<b>資產淨額</b>		<b>32,501.5</b>	<b>35,749.9</b>
<b>Share capital</b>	<b>股本</b>	32	<b>10,000.0</b>	<b>10,000.0</b>
<b>Reserves</b>	<b>儲備</b>		<b>21,798.8</b>	<b>24,904.3</b>
<b>Equity attributable to shareholders of the Company</b>	<b>本公司股東應佔權益</b>		<b>31,798.8</b>	<b>34,904.3</b>
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>702.7</b>	<b>845.6</b>
			<b>32,501.5</b>	<b>35,749.9</b>

The consolidated financial statements on pages 158 to 237 were approved and authorised for issue by the Board of Directors on 8 June 2017 and are signed on its behalf by:

董事會於2017年6月8日批准並授權刊發載於第158至237頁之綜合財務報表，並由以下代表簽署：

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

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

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

## Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Share capital 股本 HK\$ million 百萬港元	Share premium 股份溢價 HK\$ million 百萬港元	Special reserve 特別儲備 HK\$ million 百萬港元 (note a) (附註 a)	Statutory surplus reserve 法定盈餘儲備金 HK\$ million 百萬港元 (note b) (附註 b)	Translation reserve 換算儲備 HK\$ million 百萬港元	Retained profits 保留溢利 HK\$ million 百萬港元	Attributable to shareholders of the Company 本公司股東應佔 HK\$ million 百萬港元	Non-controlling interests 非控股權益 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
At 1 April 2015	2015年4月1日	10,000.0	5,498.7	2,499.5	659.5	1,455.0	19,316.8	39,429.5	1,111.3	40,540.8
Profit for the year	年度溢利	-	-	-	-	-	2,941.4	2,941.4	37.5	2,978.9
Other comprehensive expense for the year	年度其他全面開支	-	-	-	-	(960.0)	(2.1)	(962.1)	(51.4)	(1,013.5)
Total comprehensive (expense) income for the year	年度全面(開支)收益總額	-	-	-	-	(960.0)	2,939.3	1,979.3	(13.9)	1,965.4
Acquisitions of additional interests in subsidiaries	收購附屬公司額外權益	-	-	-	-	-	1.1	1.1	(11.3)	(10.2)
Partial disposal of interests in a subsidiary to non-controlling shareholders	向非控股股東出售一家附屬公司部分權益	-	-	-	-	-	0.1	0.1	0.4	0.5
Deregistration of subsidiaries	註銷附屬公司	-	-	-	(5.7)	-	-	(5.7)	(112.1)	(117.8)
Transfers	轉撥	-	-	-	138.1	-	(138.1)	-	-	-
Dividends	股息	-	-	-	-	-	(6,500.0)	(6,500.0)	(128.8)	(6,628.8)
At 31 March 2016	2016年3月31日	10,000.0	5,498.7	2,499.5	791.9	495.0	15,619.2	34,904.3	845.6	35,749.9
Profit for the year	年度溢利	-	-	-	-	-	3,055.3	3,055.3	95.8	3,151.1
Other comprehensive (expense) income for the year	年度其他全面(開支)收益	-	-	-	-	(1,041.0)	15.8	(1,025.2)	(51.7)	(1,076.9)
Total comprehensive (expense) income for the year	年度全面(開支)收益總額	-	-	-	-	(1,041.0)	3,071.1	2,030.1	44.1	2,074.2
Acquisitions of additional interests in subsidiaries	收購附屬公司額外權益	-	-	-	-	(2.5)	(33.1)	(35.6)	28.0	(7.6)
Capital reduction in respect of non-controlling interest in a subsidiary	削減一家附屬公司非控股權益之股本	-	-	-	-	-	-	-	(13.9)	(13.9)
Deregistration of subsidiaries	註銷附屬公司	-	-	-	(21.4)	0.1	21.3	-	(153.6)	(153.6)
Transfers	轉撥	-	-	-	175.4	-	(175.4)	-	-	-
Dividends	股息	-	-	-	-	-	(5,100.0)	(5,100.0)	(47.5)	(5,147.5)
At 31 March 2017	2017年3月31日	10,000.0	5,498.7	2,499.5	945.9	(548.4)	13,403.1	31,798.8	702.7	32,501.5

Notes:

(a) Special reserve represents (i) the accumulated contribution from the Macau jewellery business and (ii) the difference between the nominal value of the shares of various subsidiaries under common control, and cash consideration payable arising from acquisition of these subsidiaries under common control pursuant to the group reorganisation in 2011.

(b) As stipulated by the relevant laws and regulations for foreign investment enterprises in Mainland China, the Company's subsidiaries in Mainland China are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the subsidiaries in Mainland China in accordance with the relevant laws and regulations applicable to enterprises in Mainland China. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

附註:

(a) 特別儲備指(i)澳門珠寶業務之累計貢獻及(ii)分佔根據共同控制下各附屬公司的股份面值與根據2011年集團重組時收購共同控制下附屬公司應支付之現金代價之差額。

(b) 按有關中國內地外資企業的相關法律及法規，本公司的中國內地附屬公司須存置法定盈餘儲備基金。有關儲備之撥款乃來自中國內地附屬公司的法定財務報表(根據中國內地企業適用的相關法律及法規編製)所載的除稅後溢利淨額。法定盈餘儲備基金可用於彌補過往年度的虧損(如有)，並可以資本化發行之方式轉換為資本。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
<b>OPERATING ACTIVITIES</b>	經營活動		
Profit before taxation	除稅前溢利	4,378.4	3,936.1
Adjustments for:	就下列各項作出調整：		
Interest income	利息收入	(140.0)	(154.6)
Interest expenses	利息開支	236.6	243.0
Allowances for doubtful debts	壞賬準備	3.7	19.5
Allowances on inventories	存貨準備	39.8	74.2
Fair value change of gold loans	黃金借貸的公平值變動	(107.2)	542.1
Depreciation of property, plant and equipment	物業、廠房及設備折舊	788.8	837.0
Depreciation of investment properties	投資物業折舊	14.4	21.3
Amortisation of land use rights	土地使用權攤銷	14.0	14.9
Amortisation of other intangible assets	其他無形資產攤銷	51.2	41.4
Share of results of associates	分佔聯營公司之業績	9.6	3.6
Impairment loss of interest in an associate	一家聯營公司權益之減值虧損	32.0	-
Impairment loss of amount due from an associate	應收一家聯營公司款項之減值虧損	79.6	-
Impairment loss of amount due from a joint venture	應收一家合資企業款項之減值虧損	52.3	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	10.3	10.9
Provision for defined benefit obligations	定額退休福利承擔撥備	7.4	6.7
Effect of foreign exchange rate changes in intercompany balances	匯率變動對內部公司間結餘之影響	231.0	191.3
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	5,701.9	5,787.4
Decrease in inventories	存貨減少	598.5	7,499.2
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(753.9)	937.1
Increase in trade and other payables	貿易及其他應付款項增加	1,615.4	509.9
Defined benefits paid	已付定額退休福利	(8.4)	(8.7)
Cash generated from operations	經營所得現金	7,153.5	14,724.9
Interest received	已收利息	17.7	42.4
Income tax paid	已付所得稅		
Hong Kong Profits Tax	香港利得稅	(1.2)	(177.9)
Enterprise Income Tax and withholding tax in Mainland China	中國內地企業所得稅及預扣稅	(855.9)	(608.1)
Macau complementary tax	澳門所得補充稅	(61.8)	(82.2)
Taxation in other jurisdictions	其他司法地區之稅項	(0.7)	(1.9)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	經營活動所得現金淨額	<b>6,251.6</b>	<b>13,897.2</b>

## Consolidated Statement of Cash Flows 綜合現金流量表

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

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
<b>INVESTING ACTIVITIES</b>	投資活動		
Interest received	已收利息	122.3	112.2
Withdrawal of pledged bank deposits	提取已抵押銀行存款	-	0.4
Purchase of property, plant and equipment	購買物業、廠房及設備	(835.1)	(917.3)
Deposits paid for acquisition of property, plant and equipment	購買物業、廠房及設備已付按金	(26.8)	(77.0)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	6.4	19.5
Purchase of jewellery collectibles	購買珠寶珍藏	(378.3)	-
Purchase of patents	購買專利	-	(51.7)
Loan advanced by the Group	本集團已墊付貸款	(21.6)	(4.9)
Repayment of loan to the Group	已償還予本集團之貸款	5.7	1.0
Capital contribution to an associate	向一家聯營公司注資	-	(44.0)
Advances to associates	向聯營公司墊款	(19.7)	(82.8)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	投資活動所用現金淨額	<b>(1,147.1)</b>	<b>(1,044.6)</b>
<b>FINANCING ACTIVITIES</b>	融資活動		
Interest paid	已付利息	(250.7)	(257.1)
Bank borrowings raised	已籌集銀行貸款	5,655.1	6,300.0
Repayment of bank borrowings	償還銀行貸款	(6,767.1)	(5,107.8)
Payment for capital reduction to non-controlling shareholders of a subsidiary	支付股本削減予一家附屬公司非控股股東	(13.9)	-
Deregistration of subsidiaries	註銷附屬公司	(153.6)	(117.8)
Dividends paid	已付股息	(5,147.5)	(6,581.6)
Gold loans raised	已籌集黃金借貸	15,899.4	16,799.2
Repayment of gold loans	償還黃金借貸	(18,922.2)	(18,960.0)
Acquisition of additional interest from non-controlling interest	向非控股權益收購的額外權益	(7.6)	(10.2)
Advance from non-controlling shareholders of subsidiaries	來自附屬公司非控股股東的墊款	-	40.2
Repayment to non-controlling shareholders of subsidiaries	償還予附屬公司非控股股東	(62.9)	(112.6)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	融資活動所用的現金淨額	<b>(9,771.0)</b>	<b>(8,007.7)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	現金及現金等價物(減少)增加淨額	<b>(4,666.5)</b>	<b>4,844.9</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	年初的現金及現金等價物	<b>13,001.4</b>	<b>8,477.1</b>
Effect of foreign exchange rate changes	滙率變動的影響	(391.5)	(320.6)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH</b>	年末的現金及現金等價物，即銀行結餘及現金	<b>7,943.4</b>	<b>13,001.4</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 1. General

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

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

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

### 2. Application of New and Amendments to International Financial Reporting Standards (“IFRSs”)

#### Amendments to IFRSs that are mandatorily effective for the current year

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

Amendments to IAS 1	Disclosure initiative
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants
Amendments to IAS 27	Equity method in separate financial statements
Amendments to IFRSs	Annual improvements to IFRSs 2012–2014 cycle
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations

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

### 1. 一般資料

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

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

綜合財務報表以港元(即本公司的功能貨幣)呈列。

### 2. 採納新訂及經修訂國際財務報告準則

#### 於本年度強制生效之國際財務報告準則修訂本

本集團於本年度首次應用下列國際會計準則理事會頒佈的國際財務報告準則修訂本：

國際會計準則第1號(修訂本)	主動披露
國際會計準則第16號及第38號(修訂本)	澄清折舊及攤銷的可接受方法
國際會計準則第16號及第41號(修訂本)	農業：生產性植物
國際會計準則第27號(修訂本)	獨立財務報表之權益法
國際財務報告準則(修訂本)	2012年至2014年週期之國際財務報告準則年度改進
國際財務報告準則第10號、第12號及國際會計準則第28號(修訂本)	投資主體：豁免應用合併
國際財務報告準則第11號(修訂本)	收購共同經營權益的會計法

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

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

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

### New and amendments to IFRSs issued but not yet effective

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

IFRS 9	Financial instruments <sup>3</sup>
IFRS 15	Revenue from contracts with customers and the related amendments <sup>3</sup>
IFRS 16	Leases <sup>4</sup>
IFRS 17	Insurance contracts <sup>5</sup>
IFRIC 22	Foreign currency transactions and advance consideration <sup>3</sup>
Amendments to IFRSs	Annual improvements to IFRSs 2014–2016 cycle <sup>2</sup>
Amendments to IFRS 2	Classification and measurement of share-based payment transactions <sup>3</sup>
Amendments to IFRS 4	Applying IFRS 9 “Financial instruments” with IFRS 4 “Insurance contracts” <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture <sup>6</sup>
Amendments to IAS 7	Disclosure initiative <sup>1</sup>
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses <sup>1</sup>
Amendments to IAS 40	Transfers of investment property <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>6</sup> Effective for annual periods beginning on or after a date to be determined.

## 2. 採納新訂及經修訂國際財務報告準則(續)

### 已頒佈但尚未生效之新訂及經修訂國際財務報告準則

本集團並未提早應用下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第9號	金融工具 <sup>3</sup>
國際財務報告準則第15號	客戶合約收益及相關修訂 <sup>3</sup>
國際財務報告準則第16號	租賃 <sup>4</sup>
國際財務報告準則第17號	保險合約 <sup>5</sup>
國際財務報告詮釋公告第22號	外幣交易和預付代價 <sup>3</sup>
國際財務報告準則(修訂本)	2014年至2016年週期之國際財務報告準則年度改進 <sup>2</sup>
國際財務報告準則第2號(修訂本)	以股份為基礎支付之交易之分類和計量 <sup>3</sup>
國際財務報告準則第4號(修訂本)	於國際財務報告準則第4號「保險合約」下應用國際財務報告準則第9號「金融工具」 <sup>3</sup>
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營或合資企業之間的資產出售或注資 <sup>6</sup>
國際會計準則第7號(修訂本)	主動披露 <sup>1</sup>
國際會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產 <sup>1</sup>
國際會計準則第40號(修訂本)	轉撥投資物業 <sup>3</sup>

<sup>1</sup> 於2017年1月1日或之後開始之年度生效。

<sup>2</sup> 於2017年1月1日或2018年1月1日(如適用)或之後開始之年度生效。

<sup>3</sup> 於2018年1月1日或之後開始之年度生效。

<sup>4</sup> 於2019年1月1日或之後開始之年度生效。

<sup>5</sup> 於2021年1月1日或之後開始之年度生效。

<sup>6</sup> 於待釐定日期或之後之年度生效。



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

### IFRS 9 “Financial Instruments”

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of IFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

## 2. 採納新訂及經修訂國際財務報告準則(續)

### 國際財務報告準則第9號「金融工具」

國際財務報告準則第9號引入有關金融資產、金融負債、一般對沖會計法的分類及計量新要求及金融資產的減值要求。

國際財務報告準則第9號與本集團有關之主要規定：

- 於國際財務報告準則第9號範圍內之所有已確認金融資產其後須按攤銷成本或公平值計量，特別是，按其目標為收取合約現金流之業務模式所持有之債務投資及合約現金流僅為支付尚未償還本金及其利息款項之債務投資一般於後續會計期間結束時按攤銷成本計量。於目的為同時收回合約現金流及出售金融資產之業務模式中持有，以及合約條款令於特定日期產生之現金流純粹為支付本金及未償還本金之利息的債務工具，一般以按公平值計入其他全面收益列賬之方式計量。所有其他債務投資及股本投資則按其後會計期間結算日之公平值計量。此外，根據國際財務報告準則第9號，實體須作出不可撤回之選擇，以於其他全面收益呈報股本投資（並非持作買賣者）公平值之其後變動，只有股息收入全面於損益確認。
- 就計量指定為以按公平值計入損益列賬之金融負債而言，國際財務報告準則第9號規定該金融負債之信貸風險變動以致該負債公平值變動之金額於其他全面收益內呈報，除非於其他全面收益中確認該負債信貸風險變動影響將造成或加大損益內之會計錯配則作別論。金融負債之信貸風險引致之公平值變動其後不會重新分類納入損益內。根據國際會計準則第39號，指定為按公平值計入損益列賬之金融負債之整筆公平值變動金額於損益內呈報。
- 就金融資產之減值而言，與國際會計準則第39號項下按已產生信貸虧損模式計算相反，國際財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

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

### IFRS 9 “Financial instruments” (Continued)

Application of IFRS 9 in the future may have an impact on the classification and measurement of the Group’s financial assets. The expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost. The change in fair value of the Group’s gold loan designated at fair value through profit or loss that is attributable to changes in credit risk could be presented in other comprehensive income. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group performs a detailed review.

### IFRS 16 “Leases”

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. It distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees. However, the standard does not significantly change the accounting of lessors.

Application of IFRS 16 will result in the Group’s recognition of right-of-use assets and corresponding liabilities in respect of many of the Group’s lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed as commitments to these financial statements. As at 31 March 2017, the Group has non-cancellable operating lease commitments of HK\$2,974.1 million as disclosed in note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence 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 upon the application of IFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

The directors of the Company do not anticipate that the application of the other new and amendments to IFRSs will have material impact on the results and financial position of the Group.

## 2. 採納新訂及經修訂國際財務報告準則(續)

### 國際財務報告準則第9號「金融工具」(續)

日後採納國際財務報告準則第9號對本集團的金融資產的分類及計量可能有影響。預期信貸虧損模式可能導致對本集團按攤銷成本計量的金融資產尚未產生的信貸虧損作出提早撥備。本集團指定按公平值計入損益的黃金貸款因信貸風險變動導致之公平值變動可於其他全面收益內呈列。然而，在本集團完成詳細檢討前，要求提供國際財務報告準則第9號影響的合理估算並不切實際。

### 國際財務報告準則第16號「租賃」

國際財務報告準則第16號規範識別租賃安排的綜合模型及承租人和出租人的會計處理，它基於是否存在由顧客控制的特定資產來區分租賃合同與服務合同。除了短期租賃和低價值資產的有限例外情況，取消經營租賃與融資租賃之間承租人會計處理的區分，同時承租人需要就所有租賃通過模型確認資產使用權及相應負債。然而，該標準並未大幅更改出租人的會計處理。

應用國際財務報告準則第16號將使本集團確認部分租賃安排相關的資產使用權及相應負債。該等資產及負債目前毋須確認，但部分相關資料作為承諾披露於財務報表中。於2017年3月31日，本集團有不可撤銷的經營租賃承擔2,974.1百萬港元(如附註33所述)。初步評核結果顯示該等安排符合國際財務報告準則第16號項下租賃的定義，故此本集團將就所有相關租賃確認資產使用權及相應負債，除非應用國際財務報告準則第16號之後，該等租賃的質素屬低價值或屬短期租賃。此外，如上文所述，應用新規定或使計量、呈列及披露有變。然而，於本公司董事完成詳細審閱前，提供財務影響之合理估計並不可行。

本公司董事預料，應用其他新訂和經修訂國際財務報告準則不會對本集團業績和財務狀況構成重大影響。

### 3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 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 entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3. 重大會計政策

綜合財務報表根據國際會計準則理事會頒佈的國際財務報告準則編制。此外，綜合財務報表亦包括香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露資料。

於各報告期末，綜合財務報表按歷史成本基準編制，惟若干金融工具則以公平值計量，載於下文會計政策。

歷史成本一般基於為取得產品和服務所支付代價的公平值。

公平值為於計算日的有序交易中，市場參與者間出售資產之應收價值或轉移負債之應付價格，而不論該價值是否直接可觀察，或以其他估值方法估計。在估計資產或負債的公平值時，本集團會考慮資產或負債的特徵，即市場參與者於計算日所考慮對資產或負債定價的特徵。除國際財務報告準則第2號「以股份為基礎的支付」中以股份為基礎的支付交易、國際會計準則第17號「租賃」中的租賃交易和與公平值相似但並非公平值的計算，例如國際會計準則第2號「存貨」中的可變現淨值或國際會計準則第36號「資產減值」中的使用價值外，綜合財務報表的公平值之計算和／或披露均以該基準確定。

此外，就財務報告而言，公平值的計算按用以計算公平值的輸入數據的可觀察性和該數據對整個公平值的計算的重要性，分為一、二或三級。描述如下：

- 第一級輸入數據乃實體於計算日於活躍市場可以取得相同的資產或負債之未調整報價；
- 第二級輸入數據乃第一級之報價外，可根據直接或間接觀察資產或負債所得出之輸入數據；及
- 第三級輸入數據乃並非可根據觀察資產或負債所得出之輸入數據。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

### 3. Significant Accounting Policies (Continued)

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.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

### 3. 重大會計政策(續)

主要會計政策如下：

#### 綜合基準

綜合財務報表包括本公司與本公司所控制實體及其附屬公司的財務報表。控制得到實現當本公司：

- 對投資對象有控制權；
- 對其因參與投資對象的可變回報而承受風險或享有權力；及
- 有能力運用其權力影響其回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本集團會重估是否仍然控制被投資方。

倘本集團於投資對象之投票權未能佔大多數，則考慮投票權是否足以賦予本集團實際能力以單方面指示投資對象的相關活動時即對投資對象擁有權力。本集團於評估本集團於投資對象的投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 與其他投票權持有人所持投票權的數量及分散情況相對的本集團持有投票權的數量；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生的權利；及
- 顯示於需要作出決定之時本集團目前能夠或不能指示相關活動的任何額外事實及情況(包括於過往股東會議上的投票模式)。

本集團獲得附屬公司控制權時便開始將附屬公司綜合入賬，於喪失控制權時則終止綜合入賬。具體而言，年內所收購或出售附屬公司之收入及開支於本集團獲得控制權日期計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

### 3. Significant Accounting Policies (Continued)

#### Basis of consolidation (Continued)

Profit or loss and each item of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of the relevant equity component, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 3. 重大會計政策(續)

#### 綜合基準(續)

損益及其他全面收益各項目均歸屬於本公司股東及非控股權益。附屬公司的全面收益總額歸屬於本公司股東及非控股權益，即使此舉會導致結餘為負數的非控股權益。

必要時會調整附屬公司財務報表以使其會計政策與本集團會計政策一致。

所有有關本集團成員公司之間交易的集團內資產及負債、權益、收入、開支及現金流量會於綜合時全數撇銷。

於附屬公司的非控股權益會於本集團權益內獨立呈列。

#### 本集團於現有附屬公司之擁有權益變動

本集團於附屬公司之擁有權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益相關組成部分(包括儲備)及非控股權益之賬面值作出調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額(相關權益組成部分重新歸屬後)以及已付或已收代價之公平值間之任何差額直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去對附屬公司之控制權，則收益或虧損會於損益確認，並按(i)所收代價之公平值及任何保留權益之公平值的總額與(ii)本公司擁有人應佔該附屬公司之資產(包括商譽)及負債之賬面值間的差額計算。先前於其他全面收益就該附屬公司確認之所有金額，按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用國際財務報告準則所訂明/允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留之任何投資的公平值，根據國際會計準則第39號於其後入賬時視為初步確認之公平值，或(如適用)初步確認於聯營公司或合資企業投資之成本。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

## 3. Significant Accounting Policies (Continued)

**Goodwill**

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business and net of trade discounts.

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.

Sales of goods, including retail sales and wholesale to franchisees/retailers and jewellery trading, are recognised when goods are delivered and title has passed.

Service income including franchise income and income from provision of services to franchisees is recognised when the services are provided.

Sales of goods that result in award credits for customers, under the Group's customer loyalty program, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to the fair value of the awards for which they could be redeemed. Such consideration is not recognised as revenue at the time of the initial sale transaction — but is deferred and recognised as revenue when the award credits are redeemed and expired and the Group's obligations have been fulfilled.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 3. 重大會計政策(續)

**商譽**

收購業務產生之商譽乃按收購業務日期所確立之成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽乃分配至預期從合併的協同效應中獲利之本集團各現金產生單位(或現金產生單位組別)。

已獲分配商譽之現金產生單位每年或當有跡象顯示單位可能出現減值時更頻繁測試減值。倘現金產生單位之可收回金額少於其賬面值，減值虧損首先減少該單位獲分配之任何商譽之賬面值，其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產。商譽之減值虧損直接於損益內確認。就商譽確認之減值虧損於隨後期間不予撥回。

**營業額確認**

營業額按已收或應收代價的公平值計量，乃指於一般業務過程中已售商品的應收款項(扣除交易折扣)。

當未來經濟利益可能流入本集團及當已達成下文所述本集團各項活動的特定標準，而營業額能可靠地計量，則確認營業額。

銷售貨品(包括零售銷售及向加盟商/分銷商的批發銷售以及珠寶貿易)於貨品交付及所有權轉移時確認。

服務收入(包括加盟費收入及向加盟商提供服務的收入)在服務提供時確認。

根據本集團會員計劃向顧客提供獎勵額度之貨品銷售入賬為多元收入交易，且已收或應收代價之公平值於供應貨品及所給予獎勵額度之間分配。分配予獎勵額度之代價，參考可獲兌換獎勵的公平值計算，有關代價不會於最初銷售交易時確認為收入 — 而是遞延至獎勵額度獲兌換及到期及本集團已履行有關責任時方會確認為收入。

當經濟利益可能流入本集團，且收入金額能夠可靠計量時，確認來自金融資產的利息收入。利息收入參照未償還本金額及適用的實際利率按時間基準累計，適用的實際利率指將金融資產於整個預計年期內的估計日後現金收入確切貼現至該資產於初始確認時的賬面淨值的利率。



### 3. Significant Accounting Policies (Continued)

#### Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

For land and buildings where the cost of land cannot be reliably allocated between the land and buildings elements, the cost of land and buildings are depreciated and amortised on a straight-line basis over the lease terms or 20 years, whichever is the shorter.

Depreciation is recognised so as to write off the cost of other property, plant and equipment, other than construction in progress and land and buildings, less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Plant and machinery	10%
Furniture, fixtures and equipment	20%–33 <sup>1</sup> / <sub>3</sub> %
Leasehold improvements	Over the lease term, or 20%, whichever is the shorter
Motor vehicles	25%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress is carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3. 重大會計政策(續)

#### 物業、廠房及設備

物業、廠房及設備包括用以生產或提供貨品或服務或作行政用途的土地及樓宇(在建工程物業除外)，乃按成本值減其後累計折舊及累計減值虧損(如有)列賬於綜合財務狀況表。

就土地及樓宇而言，倘無法可靠地在土地與樓宇之間分配土地成本，土地及樓宇的成本則會以直線法按租期或20年(以期限較短者為準)計提折舊及攤銷。

除在建工程及土地及樓宇外，其他物業、廠房及設備折舊乃按其估計可使用年期以直線法按以下年率確認，以撇銷其成本減剩餘價值：

廠房及機器	10%
傢俬、裝置及設備	20%–33 <sup>1</sup> / <sub>3</sub> %
租賃物業裝修	按租約年期，或20% (以期限較短者為準)
汽車	25%

估計可使用年期、剩餘價值及折舊方法於報告期終時檢討，而估計之任何變動的影響按預期基準列賬。

在建工程按成本值減任何確認減值虧損列賬。成本包括專業費用，以及關乎合資格資產並根據本集團會計政策撥充資本的貸款成本。有關物業於竣工及可供擬定用途時，歸類至物業、廠房及設備的適當類別。該等資產在可供擬定用途時，方開始如其他物業資產般計提折舊。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目時產生之任何收益或虧損，按出售所得款項與該資產賬面值之差額釐定，並於損益內確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

### 3. Significant Accounting Policies (Continued)

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses.

If there is a transfer from investment property to owner-occupied property evidenced by the commencement of owner's occupation, the property shall be measured at its carrying amount at the date of change in use for subsequent accounting.

Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line basis over 20 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

#### Land use rights

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land elements and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "land use rights" in the consolidated financial statements and is amortised over the lease term on a straight-line basis. Land use rights which are to be amortised in the next twelve months or less are classified as current assets.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

### 3. 重大會計政策(續)

#### 投資物業

投資物業指持作賺取租金及／或資本增值之物業。

投資物業初步按成本(包括任何直接應佔費用)計量。初始確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。

倘將投資物業轉撥至自用物業，以擁有人開始佔用為證，則該物業於其後入賬時按變更用途日期之賬面值計量。

投資物業按估計可使用年期經考慮其估計剩餘價值利用20年之直線基準確認折舊以撇銷投資物業成本。

投資物業於出售後或投資物業永久不再使用且預期出售不會產生未來經濟利益時終止確認。終止確認物業產生的任何收益或虧損(按該資產之出售所得款項淨額與賬面值之差額計算)於該物業終止確認期間計入損益。

#### 土地使用權

凡租賃包括土地及樓宇兩部份，本集團以各部份的擁有權所承擔的絕大部份風險及回報是否已轉移本集團，作為獨立評估其分類屬於融資或經營租賃的依據，但當兩者均明顯為經營租賃，則全部租賃歸類為經營租賃。具體而言，最低租賃款項(包括任何一次性預付款)，以其租賃開始時土地租賃權益和樓宇租賃權益相關公平值的比例，分配到土地及樓宇部份。

倘能可靠地分配租賃款項，入賬為經營租賃的租賃土地權益將於綜合財務報表列賬為「土地使用權」，並按租賃年期以直線法攤銷。於未來12個月或以下進行攤銷的土地使用權會歸類為流動資產。

在租賃款項不能在土地及樓宇之間作可靠分配的情況下，全數租賃一般均被列為物業、廠房及設備的融資租賃入賬。

### 3. Significant Accounting Policies (Continued)

#### Intangible assets

##### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

##### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

#### Jewellery collectibles

Jewellery collectibles are stated at cost less accumulated impairment loss, if any.

Jewellery collectibles are derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

### 3. 重大會計政策(續)

#### 無形資產

##### 單獨收購之無形資產

單獨收購並具有有限使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有有限使用年期之無形資產攤銷採用直線法於其估計可使用年內確認。估計可使用年期及攤銷方法於各報告期末檢討，而估計之任何變動的影響按預期基準列賬。

##### 於業務合併中收購之無形資產

於業務合併中收購及與商譽分開確認之無形資產按其於收購日期之公平值(視為其成本)初步確認。

初步確認後，於業務合併中收購之無形資產按成本減累計攤銷及累計減值虧損列賬，與獨立收購之無形資產的基準相同。

#### 政府補貼

除非有合理保證本集團將遵守政府補貼的附帶條件，並且將會收取該筆補貼，否則不會確認政府補貼。

於本集團確認擬作補償補貼的有關成本為開支的期間，有系統地在損益內確認政府補貼。

作為已產生開支或虧損的補償或作為給予本集團即時財務資助而無日後相關成本的應收政府補貼，於可收取期間在損益確認。

#### 珠寶珍藏

珠寶珍藏按成本減累計減值虧損(如有)列賬。

珠寶珍藏於出售時終止確認。終止確認資產產生的任何損益(按出售所得款項淨額與項目賬面值之差額計算)於項目終止確認之期內計入損益。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 March 2017 截至2017年3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 is calculated using specific identification basis for gem-set jewellery and watches; and weighted average for other inventories. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## Financial assets

The Group's financial assets are mainly loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

## Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

## Financial assets at fair value through profit or loss

The Group has designated the convertible bonds as financial assets at FVTPL as the convertible bonds form part of a contract containing one or more embedded derivatives, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

## 3. 重大會計政策(續)

## 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。就珠寶鑲嵌首飾及鐘錶而言，成本採用特定識別基準計算，而其他存貨則利用加權平均法計算。可變現淨值指存貨估計售價減估計完成所需之全部成本以及銷售所需成本。

## 金融工具

當集團實體成為工具合約條文的訂約方時，確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。因收購或發行金融資產及金融負債(按公平值計入損益之金融資產或金融負債除外)而直接產生的交易成本，於首次確認時於該項金融資產或金融負債的公平值中計入或扣除(視適用情況而定)。因收購按公平值計入損益之金融資產或金融負債而直接產生的交易成本即時於損益確認。

## 金融資產

本集團的金融資產主要為貸款及應收款項及按公平值計入損益之金融資產。分類視乎金融資產的性質及目的，於初步確認時釐定。

## 實際利息法

實際利息法為計算債務工具於有關期間的攤銷成本以及分配利息收入之方法。實際利率指將金融資產於整個預計可使用年期或較短期間內(倘適用)的未來現金收入(包括屬於實際利率不可分割部份的所有已付或已收費用、交易成本及其他溢價或折讓)確切貼現為初步確認時賬面淨值的利率。

就債務工具而言，利息收入按實際利息基準確認。

## 按公平值計入損益之金融資產

本集團之可兌換債券指定為按公平值計入損益之金融資產，因其組成包含一個或多個嵌入式衍生工具之合約部份，而重新計量所引起之損益於損益內確認。於損益確認之收益或虧損淨額包括從相關金融資產賺取之任何股息或利息。

### 3. Significant Accounting Policies (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Loans and receivables

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

##### Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date of the impairment loss is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 貸款及應收款項

貸款及應收款項為具有固定或可釐定付款之非衍生金融資產，該等資產於活躍市場上並無報價。初次確認後，貸款及應收款項(包括貿易及其他應收款項、應收貸款、應收聯營公司款項以及銀行結餘及現金)乃使用實際利息法按攤銷成本減任何減值計算(見下文金融資產減值會計政策)。

##### 金融資產減值

貸款及應收款項會於各報告期末評定是否有減值跡象。當有客觀證據顯示金融資產之估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時，該金融資產視為已減值。

此外，就貿易應收款項而言，評估為不會單獨作出減值之資產會匯集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合內超過平均信貸期的延遲付款數目增加、國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

關於按攤銷成本入賬的金融資產，減值虧損確認為資產賬面值與按金融資產原實際利率對估計未來現金流量貼現後的現值兩者之間的差額。

所有金融資產之減值虧損會直接自金融資產之賬面值扣減，惟貿易應收款項則除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益確認。當貿易應收款項視為不可收回時，其將於撥備賬內撇銷。於其後收回的已撇銷款項將計入損益。

倘於其後期間其減值虧損之金額減少，而該減少可以客觀地與確認減值虧損後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回，惟該資產撥回減值虧損當日之賬面值，不得超過該資產於未確認減值時之攤銷成本。



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## 3. Significant Accounting Policies (Continued)

## Financial instruments (Continued)

## Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

## Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

## Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

## Financial liabilities

Financial liabilities classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

## Financial liabilities at fair value through profit or loss

The Group has designated the gold loans as financial liabilities at FVTPL as the gold loans form part of a contract containing one or more embedded derivatives, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

## Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to non-controlling shareholders of subsidiaries and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

## 3. 重大會計政策(續)

## 金融工具(續)

## 金融負債及權益工具

集團實體發行之債務及權益工具乃根據所訂立合約安排之主旨與金融負債及權益工具之定義分類為金融負債或權益。

## 權益工具

權益工具乃證明本集團於扣減其所有負債後之資產中擁有剩餘權益之任何合約。本集團發行的權益工具按收取所得款項扣除直接發行成本確認。

## 實際利息法

實際利息法為計算金融負債於有關期間之攤銷成本以及分配利息支出之方法。實際利率指將金融負債於預計可使用年期或較短期間內(視適用情況而定)的估計未來現金付款(包括組成實際利率不可分割部份已付或已收之所有費用及點數、交易成本及其他溢價或折讓)確切貼現為初步確認時賬面淨值的利率。

利息開支按實際利息基準確認。

## 金融負債

金融負債分類為按公平值計入損益的金融負債或按攤銷成本列賬的金融負債。

## 按公平值計入損益之金融負債

本集團之黃金借貸指定為按公平值計入損益之金融負債，因其組成包含一個或多個嵌入式衍生工具之合約部份，而重新計量產生之任何損益於損益內確認。在損益中確認的收益或虧損淨值不包括任何相關金融負債所付之利息。

## 按攤銷成本列賬的金融負債

金融負債包括貿易及其他應付款項、應付附屬公司非控股股東款項及銀行貸款，隨後按攤銷成本使用實際利息法計量。



### 3. Significant Accounting Policies (Continued)

#### Financial instruments (Continued)

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the 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 liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 終止確認

本集團僅於資產現金流量之合約權利屆滿時，終止確認金融資產。

終止確認金融資產時，資產賬面值與已收及應收代價總額及已於其他全面收益確認及於權益累計之累計收益或虧損之總和間之差額乃於損益中確認。

僅於本集團的責任解除、取消或屆滿時，方終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價之差額於損益確認。

#### 有形及無形資產(商譽(有關商譽的會計政策見上文)除外)減值

於報告期末，本集團均會審閱其有形及無形資產之賬面值，以釐定此等資產有否出現蒙受減值虧損的跡象。倘有任何減值虧損跡象出現，將會估計有關資產之可收回金額，藉以釐定減值虧損(如有)之程度。當無法估計個別資產之可收回數額時，本集團會估計該資產所屬現金產生單位之可收回數額。倘可確定合理一致之分配基準，企業資產亦分配至單個現金產生單位，否則該等資產會分配至可為其確定合理一致之分配基準之最小組別之現金產生單位。

可收回數額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量採用反映貨幣時間價值及尚未調整估計未來現金流量之資產特有風險之當前市場評估之稅前貼現率貼現至其現值。

倘資產(或現金產生單位)之可收回數額估計低於賬面值，則會將該項資產(或現金產生單位)之賬面值減至其可收回數額。減值虧損即時於損益內確認。

倘減值虧損其後撥回，則該資產(或現金產生單位)之賬面值會增加至經修訂的估計可收回金額，惟增加後的賬面值不得超出倘以往年度並無就該項資產(或現金產生單位)確認減值虧損而應有的賬面值。減值虧損撥回即時於損益確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 March 2017 截至2017年3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 taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income or expense items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, an associate and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## 3. 重大會計政策(續)

## 稅項

所得稅開支指即期應繳稅項與遞延稅項的總和。

即期應付稅項乃根據年內的應課稅溢利計算。由於應課稅溢利不包括須於其他年度應課稅或可扣稅的收入或開支項目，亦不包括毋須課稅或不可扣稅的收入或開支項目，故應課稅溢利與綜合損益及其他全面收益表內列賬的「除稅前溢利」不同。本集團的即期稅項負債乃採用於各報告期末已實施或實質上已實施的稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時性差異確認。所有應課稅暫時性差異一般均確認為遞延稅項負債。倘可能出現應課稅溢利可用作抵銷所有可扣減暫時性差異，則一般就所有可扣減暫時性差異確認遞延稅項資產。若因商譽或首次確認一項交易之其他資產與負債而產生並無影響應課稅溢利或會計溢利的暫時性差異，則不會確認該等資產與負債。

除非本集團可控制有關暫時性差異的回撥及暫時性差異在可見將來都不會回撥，否則將就投資附屬公司、聯營公司及合資企業相關的應課稅暫時性差異確認遞延稅項負債。與該等投資及權益相關的可扣減暫時性差異所產生的遞延稅項資產僅在動用暫時性差異利益時有足夠的應課稅溢利且預期在可見將來其將被撥回時，方可確認。

於報告期末會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利以收回全部或部份資產為止。

遞延稅項資產及負債基於報告期末已頒佈或實質上已頒佈的稅率(及稅法)，按償還負債或變現資產期間的預期適用稅率計算。遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算資產及負債賬面值的方式產生的稅務結果。

### 3. Significant Accounting Policies (Continued)

#### Taxation (Continued)

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising 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.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rate prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under translation reserve (attributable to non-controlling interests as appropriate). Such exchange differences are reclassified to profit or loss in the period in which the foreign operation is disposed of.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

### 3. 重大會計政策(續)

#### 稅項(續)

即期及遞延稅項於損益內確認，惟若與其他全面收益或直接於權益確認的項目相關者，則亦分別於其他全面收益或直接於權益確認。當業務合併初步會計時產生即期或遞延稅項，稅務影響計入業務合併的賬目。

#### 外幣

編製各個別集團實體的財務報表時，以非該實體功能貨幣(外幣)進行的交易，須按交易當日的匯率以各自的功能貨幣(即該實體經營所在主要經濟環境的貨幣)列賬。於各報告期末，以外幣計值的貨幣項目均按該日的匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則毋須重新換算。

因結算貨幣項目及重新換算貨幣項目而產生的匯兌差額，均於產生期間於損益確認。

為呈列綜合財務報表，本集團國外業務的資產及負債按各報告期末的匯率換算成本集團的呈列貨幣(即港元)。收支則按年內平均匯率換算，惟匯率於期內大幅波動則除外，在此情況下，採用交易日現行匯率。所產生匯兌差額(如有)於其他全面收益確認及累計於換算儲備項下權益，如情況適用則計入非控股權益。該等匯兌差額於海外業務被出售期間重新分類至損益。

關於出售附屬公司部份權益，而不會導致本集團失去對該附屬公司的控制權，累計匯兌差額的按比例份額重新歸入非控股權益，並不於損益內確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

### 3. Significant Accounting Policies (Continued)

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### The Group as lessee

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

#### Retirement benefit costs

Payments to retirement benefit plans and government-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

### 3. 重大會計政策(續)

#### 租賃

其條款將所有權絕大部份風險及回報轉讓予承租人的租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

##### 本集團作為出租人

經營租賃之租金收入按直線法在有關租賃之租期內確認。在磋商和安排經營租賃期間錄得之初始直接成本計入租賃資產之賬面值，並以直線法在租期內確認。

##### 本集團作為承租人

經營租賃付款按直線法於租期內確認為開支。經營租賃產生的或然租金及專櫃分成於所產生的期內確認為開支。

倘於訂立經營租賃時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法確認為租金開支減少。

#### 退休福利成本

向退休福利計劃及政府管理退休福利計劃支付款項，於僱員已提供令其可享有該項供款的服務時確認為開支。

就定額退休福利計劃而言，提供福利的成本乃採用預計單位給付成本法計算，而精算估值於各年度報告期末進行。由精算收益及虧損組成的重新計量會即時在綜合財務狀況表反映，並在其發生期間的其他全面收益中確認為支銷或進賬。在其他全面收益中確認的重新計量即時於保留盈餘中反映，且不會重新歸類至損益。過往服務成本在計劃修訂期內於損益中確認。利息淨額透過對界定福利負債或資產淨額採用期初貼現率計算。界定福利成本分類如下：

- 服務成本(包括現時服務成本、過往服務成本以及削減及結算錄得的收益及虧損)；
- 利息開支或收入淨額；及
- 重新計量。

### 3. Significant Accounting Policies (Continued)

#### Retirement benefit costs (Continued)

The Group presents the first two components of defined benefit costs in profit or loss in “selling and distribution costs” and “general and administrative expenses”. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation.

### 4. Key Sources of Estimation Uncertainty

In the application of the Group’s accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

### 3. 重大會計政策(續)

#### 退休福利成本(續)

本集團於損益內分別以「銷售及分銷成本」及「一般及行政開支」呈列定額福利成本首兩個項目。削減損益計入過往服務成本。

在綜合財務狀況表內確認的退休福利承擔，乃為定額福利承擔的現值。

### 4. 估計不明朗因素的主要來源

本公司董事於應用附註3所述之本集團會計政策時，須就無法直接通過其他來源獲得之資產及負債賬面值作出判斷、估計及假設。估計及相關假設是基於歷史經驗及視為相關之其他因素。實際結果可能與該等估計存在差異。

這些估計及相關假設會持續予以審閱。如會計估計的修訂僅對修訂期間產生影響，則其修訂只會在當期確認；如會計估計的修訂對修訂期間及未來期間均產生影響，相關修訂則同時在修訂當期和未來期間進行確認。

於報告期末，有關未來的主要假設及其他估計不明朗因素之主要來源(於下一財政年度具有相當風險導致資產及負債賬面值出現重大調整)如下。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

## 4. Key Sources of Estimation Uncertainty (Continued)

## Valuation of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. It is the Group's policy to review the net realisable value of inventories periodically with reference to current market situation and conditions of the items. The Group's management reviewed regularly the suitability of the allowance policy and then applied allowances on those inventories by considering the net realisable value. The Group's management reviewed the inventory age listing to identify slow-moving inventories and then estimated the amount of allowance primarily based on the pricing policy and strategies and the historical experience in selling goods of similar nature. The Group also engaged an independent professional gemmologist to perform valuation and assess conditions of certain items based on gemstone testing for gem-set jewellery with reference to international diamond prices, its expertise and the current market situation. The Group reassessed the estimation at the end of each reporting period. As at 31 March 2017, the carrying amount of inventories was HK\$29,259.3 million (net of allowances of HK\$86.6 million) (2016: carrying amount of HK\$31,376.5 million (net of allowances of HK\$49.1 million)). The management of the Group determined that allowances on inventories were recognised in profit or loss amounting to HK\$39.8 million (2016: HK\$74.2 million) during the year ended 31 March 2017.

## Valuation of jewellery collectibles

The jewellery collectibles are those unique treasures with extremely high-value considered by the Group and are designated not for sale. They are classified as non-current assets at cost less accumulated impairment loss, if any. In estimating the valuation of jewellery collectibles, it is the Group's policy to review the conditions of items by internal gemmologist and assess the recoverable amount periodically with reference to international diamond prices and market research reports on jewellery industry. The Group's management reviewed regularly if there was impairment indicator and estimated the recoverable amount if necessary. The Group also engaged an independent professional gemmologist to perform valuation and assess the conditions of items based on gemstone testing for gem-set jewellery with reference to international diamond prices, its expertise and the current market situation. As at 31 March 2017, the carrying amount of jewellery collectibles was HK\$967.1 million. The management of the Group determined that the carrying amount of jewellery collectibles approximated its recoverable amount.

## 4. 估計不明朗因素的主要來源(續)

## 存貨估值

存貨按成本與可變現淨值兩者中之較低者列賬。存貨之可變現淨值乃根據估計售價減完成及出售將予產生之任何估計成本而計算。本集團的政策為參照現時市況及項目狀況以定期檢討存貨可變現淨值。本集團管理層定期檢討撥備政策的合適性，再考慮該等存貨的可變現淨值以計算撥備。本集團管理層檢閱貨齡清單，判別出滯銷存貨後，主要按定價政策及策略以及銷售類似性質貨品的經驗再估算撥備金額。此外，本集團亦委聘獨立專業珠寶鑑定師以進行估值，並參照國際鑽石價格、其專業知識和現時市況，對珠寶鑲嵌首飾的寶石測試進行估值以評核若干存貨的狀況。本集團於各報告期末重新評核估算結果。於2017年3月31日，存貨的賬面值為29,259.3百萬港元(扣減撥備86.6百萬港元)(2016年：賬面值31,376.5百萬港元(扣減撥備49.1百萬港元))。本集團管理層斷定截至2017年3月31日止年度於損益內確認的存貨撥備為39.8百萬港元(2016年：74.2百萬港元)。

## 珠寶珍藏估值

本集團視珠寶珍藏為獨一無二、價值不菲的珍藏並指定為非賣品。該等珍藏按成本減累計減值虧損(如有)分類為非流動資產。對珠寶珍藏進行估值時，本集團的政策是以內部珠寶鑑定師檢討項目狀況並參照國際鑽石價格以及珠寶行業的市場調研報告定期評核可收回金額。本集團管理層定期檢視是否存在減值跡象以及估計可收回金額(如有需要)。此外，本集團亦委聘獨立專業珠寶鑑定師以進行估值，並參照國際鑽石價格、其專業知識和現時市況，對珠寶鑲嵌首飾的寶石測試進行估值以評核珠寶珍藏的狀況。於2017年3月31日，珠寶珍藏的賬面值為967.1百萬港元。本集團管理層斷定該等珠寶珍藏的賬面值與可收回金額相若。



#### 4. Key Sources of Estimation Uncertainty (Continued)

##### Impairment testing of goodwill of Hearts On Fire Company, LLC (“Hearts On Fire”)

Determining the recoverable amount of goodwill of Hearts On Fire is highly subjective as it requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The Group engages an independent professional valuer to perform such valuation. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. The cash flows projections for goodwill is based on financial budgets covering a 5-year period in which the key assumptions include the discount rate used, points of sale opening plan, gross margins of products and long-term average growth rate taking into account the economic outlook, the Group’s past sales experience of premium diamond jewellery and jewellery industry growth forecasts to calculate the present value.

The carrying amount of goodwill for Hearts On Fire as at 31 March 2017 was HK\$257.8 million (2016: HK\$257.8 million). The management of the Group determined that there was no impairment recognised during the year ended 31 March 2017 (2016: nil). Details of the impairment testing are set out in note 17.

##### Useful lives, residual value and impairment of property, plant and equipment, investment properties and other intangible assets

The Group’s management determines the estimated useful lives, residual value and related depreciation and amortisation charges for its property, plant and equipment, investment properties and other intangible assets. This estimate is based on the historical experience of the actual useful lives and residual value of property, plant and equipment, investment properties and other intangible assets of similar nature and functions. Management will increase the depreciation and amortisation charges where useful lives or residual value are expected to be shorter or lower than estimated, or it will write-off or write-down obsolete assets that have been abandoned or sold. Changes in these estimations may have a material impact on the results of the Group, which would be recognised in profit or loss in the year when such change occur. As at 31 March 2017, the carrying amounts of property, plant and equipment, investment properties and other intangible assets are HK\$4,666.3 million (2016: HK\$4,749.7 million), HK\$250.0 million (2016: HK\$272.9 million) and HK\$356.3 million (2016: HK\$407.5 million), respectively.

#### 4. 估計不明朗因素的主要來源(續)

##### Hearts On Fire Company, LLC (「Hearts On Fire」)的商譽減值測試

判定Hearts On Fire商譽的可收回金額需要估算獲分配商譽的現金產生單位之使用價值，故此舉相當主觀。本集團亦委聘獨立專業估值師完成有關估值。計算使用價值要求管理層估算現金產生單位預計產生的未來現金流量以及適當貼現率，以計算現值。商譽現金流量預測以五年期的財務預算為基礎，其中關鍵的假設包括所用貼現率、零售店開設計劃、產品毛利率及長期平均增長率，並會考慮經濟前景、本集團過往銷售高級鑽石珠寶的經驗及珠寶行業增長預測，從而計算現值。

於2017年3月31日，Hearts On Fire商譽的賬面值為257.8百萬港元(2016年：257.8百萬港元)。本集團管理層斷定，截至2017年3月31日止年度並無確認減值(2016年：無)。減值測試詳情載於附註17。

##### 物業、廠房及設備、投資物業及其他無形資產的可使用年期、剩餘價值及減值

本集團管理層釐定其物業、廠房及設備、投資物業及其他無形資產的估計可使用年期、剩餘價值及有關折舊及攤銷費用。有關估計乃根據性質及功能相若的物業、廠房及設備、投資物業及其他無形資產的實際可使用年期及剩餘價值的過往經驗而進行。倘預期可使用年期或剩餘價值將短於或低於估計水平，管理層將增加折舊及攤銷開支或撇銷或撇減已報廢或售出的陳舊資產。該等估計的變動可能對本集團業績產生重大影響，而有關變動於出現年度的損益內確認。於2017年3月31日，物業、廠房及設備、投資物業及其他無形資產的賬面值分別為4,666.3百萬港元(2016年：4,749.7百萬港元)、250.0百萬港元(2016年：272.9百萬港元)及356.3百萬港元(2016年：407.5百萬港元)。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

### 4. Key Sources of Estimation Uncertainty (Continued)

#### Deferred taxation in respect of temporary differences attributable to the undistributed profits of subsidiaries in Mainland China

The Group's management determines the dividend distribution plan of the subsidiaries in Mainland China. Based on the dividend distribution plan, retained profits as at 31 March 2017 amounting to HK\$5,304.3 million (2016: HK\$6,086.7 million) will be distributed by the subsidiaries as dividend in the foreseeable future, while the remaining retained profits amounting to HK\$7,496.0 million (2016: HK\$9,130.0 million) has been set aside for reinvestment by the subsidiaries and will not be distributed in the foreseeable future. The Group's management further reassesses the dividend withholding tax rate based on current dividend distribution plan and determines that certain of these subsidiaries should be entitled to a withholding tax at the rate of 5% for dividend payments. The dividend distribution plan is determined and made with reference to the Group's approved expansion plans in Mainland China. Future change in the dividend distribution plan may have a material impact on the amount of deferred taxation being recognised.

### 5. Revenue and Segment Information

Revenue represents the net amounts received and receivable for goods sold less returns and net of trade discounts.

For the purposes of resource allocation and performance assessment, information reported to the chief operating decision maker (the "CODM"), which comprises executive directors of the Company, mainly focuses on the location of management. Revenue derived from each location of management is further analysed into those from retail and wholesale markets when reviewed by the CODM. The Group's reportable and operating segments for the year ended 31 March 2016 included four segments, namely (i) jewellery business in the Mainland China, (ii) watch business in the Mainland China, (iii) business in Hong Kong, Macau and other markets and (iv) business of Hearts On Fire. During the year ended 31 March 2017, for the purposes of better assessment of performance from each location of operation by the CODM, the segments were reorganised into business (i) in the Mainland China and (ii) in Hong Kong, Macau and other markets. Comparative figures have been restated to conform with the current year's presentation.

### 4. 估計不明朗因素的主要來源(續)

#### 中國內地附屬公司之未分派溢利所引伸的暫時性差異之相關遞延稅項

本集團管理層釐定中國內地附屬公司之股息分派計劃。根據股息分派計劃，該等附屬公司於2017年3月31日之保留溢利合共5,304.3百萬港元(2016年：6,086.7百萬港元)將於可見未來分派作為股息，而餘下保留溢利合共7,496.0百萬港元(2016年：9,130.0百萬港元)已保留作該等附屬公司再投資用途，而不會於可見將來分派。本集團管理層進一步根據現行股息分派計劃重新評估股息預扣稅率並釐定若干附屬公司以5%的稅率繳納派付股息的預扣稅。股息分派計劃參照本集團經批准的中國內地拓展計劃制定及進行。股息分派計劃的日後變動或會對所確認遞延稅項金額造成重大影響。

### 5. 營業額及分部資料

營業額指已收及應收售出商品款項減退貨及交易折扣的淨額。

就資源分配及表現評估而向主要營運決策者(即本公司執行董事)報告的資料主要按管理所在地劃分。主要營運決策者在審閱時會進一步將各管理所在地所得營業額按零售及批發市場劃分進行分析。截至2016年3月31日止年度，本集團的可呈報營運分部包括四個分部，即(i)位於中國內地的珠寶業務；(ii)位於中國內地的鐘錶業務；(iii)位於香港、澳門及其他市場的業務；及(iv)Hearts On Fire的業務。截至2017年3月31日止年度，主要營運決策者為更好評估各營運所在地的表現，分部重組為以下兩個業務：(i)中國內地；及(ii)香港、澳門及其他市場。本集團已重列比較數字以與本年度之呈報方式保持一致。

## 5. Revenue and Segment Information (Continued)

## (a) An analysis of the Group's revenue and results by reportable segment

For the year ended 31 March

## 5. 營業額及分部資料(續)

## (a) 本集團營業額及業績的可呈報分部分析：

截至3月31日止年度

		Mainland China 中國內地		Hong Kong, Macau and other markets 香港、澳門及其他市場		Total 總計	
		2017 HK\$ million 百萬元	2016 HK\$ million 百萬元	2017 HK\$ million 百萬元	2016 HK\$ million 百萬元	2017 HK\$ million 百萬元	2016 HK\$ million 百萬元
Revenue	營業額						
External sales (note i)	外界銷售(附註i)						
— Retail	— 零售	24,313.7	26,472.6	19,299.2	21,852.9	43,612.9	48,325.5
— Wholesale (note ii)	— 批發(附註ii)	6,705.4	7,197.8	927.2	1,068.2	7,632.6	8,266.0
Segment/group revenue	分部/集團營業額	31,019.1	33,670.4	20,226.4	22,921.1	51,245.5	56,591.5
Inter-segment sales (note iii)	分部間銷售(附註iii)	384.8	419.6	2,241.2	1,999.5	2,626.0	2,419.1
		31,403.9	34,090.0	22,467.6	24,920.6	53,871.5	59,010.6
Adjusted gross profit (before elimination)	經調整毛利(撇銷前)	9,217.3	9,840.6	5,467.3	6,234.3	14,684.6	16,074.9
Inter-segment eliminations	分部間撇銷	0.3	(7.4)	(57.8)	299.7	(57.5)	292.3
Adjusted gross profit (note i)	經調整毛利(附註i)	9,217.6	9,833.2	5,409.5	6,534.0	14,627.1	16,367.2
Other income	其他收入	211.5	253.3	118.0	52.9	329.5	306.2
Selling and distribution costs and general and administrative expenses	銷售及分銷成本與 一般及行政開支	(5,853.8)	(6,722.6)	(4,453.5)	(4,900.8)	(10,307.3)	(11,623.4)
Core operating profit (segment result)	主要經營溢利(分部業績)	3,575.3	3,363.9	1,074.0	1,686.1	4,649.3	5,050.0
Unrealised hedging gain (loss) on gold	黃金未變現對沖收益(虧損)					335.6	(725.8)
Others (note iv)	其他(附註iv)					(509.9)	(299.7)
Interest income	利息收入					140.0	154.6
Finance costs	融資成本					(236.6)	(243.0)
Profit before taxation	除稅前溢利					4,378.4	3,936.1
Other segment information included in measurement of core operating profit (segment result):	計入主要經營溢利 (分部業績)計量的其他 分部資料：						
Concessionaire fees	專櫃分成	1,699.5	1,927.4	16.9	21.8	1,716.4	1,949.2
Operating lease payments in respect of rented premises	承租物業經營租賃款項	249.5	250.7	1,580.7	1,827.7	1,830.2	2,078.4
Staff costs	員工成本	2,119.0	2,410.5	1,430.5	1,470.0	3,549.5	3,880.5

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

## 5. Revenue and Segment Information (Continued)

## (a) An analysis of the Group's revenue and results by reportable segment (Continued)

## Notes:

- (i) Included in the external sales and adjusted gross profit, HK\$657.0 million (2016: HK\$755.4 million) and HK\$290.8 million (2016: HK\$350.4 million) are generated from Hearts On Fire Company, LLC, respectively.
- (ii) Wholesale revenue represents revenue from jewellery trading, sales to franchisees and retailers and provision of services to franchisees.
- (iii) Inter-segment sales are charged at a price mutually agreed by both parties.
- (iv) Amount represents other gains and losses, other expenses, and share of results of associates.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Adjusted gross profit represents the gross profit generated from each segment without allocation of unrealised hedging gain (loss) on gold. Core operating profit represents the profit generated from each segment without allocation of unrealised hedging gain (loss) on gold, other gains and losses, other expenses, share of results of associates, interest income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

## (b) Analysis of the Group's property, plant and equipment, investment properties, jewellery collectibles and inventories by reportable segment:

As at 31 March

	Mainland China 中國內地		Hong Kong, Macau and other markets 香港、澳門及其他市場		Total 總計	
	2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Property, plant and equipment 物業、廠房及設備	3,349.4	3,610.0	1,316.9	1,139.7	4,666.3	4,749.7
Investment properties 投資物業	–	–	250.0	272.9	250.0	272.9
Jewellery collectibles 珠寶珍藏	–	–	967.1	–	967.1	–
Inventories 存貨	13,480.5	13,979.6	15,778.8	17,396.9	29,259.3	31,376.5

## Segment assets and liabilities

Except for the above, no other assets and liabilities are included in the measures of the Group's segment reporting that are reviewed by the CODM. Accordingly, no segment assets and liabilities are presented.

## 5. 營業額及分部資料 (續)

## (a) 本集團營業額及業績的可呈報分部分析：(續)

## 附註：

- (i) 來自 Hearts On Fire Company, LLC 的外界銷售及經調整毛利分別為 657.0 百萬港元 (2016 : 755.4 百萬港元) 及 290.8 百萬港元 (2016 : 350.4 百萬港元)。
- (ii) 批發營業額指珠寶貿易、銷售予加盟商及分銷商的營業額及提供服務予加盟商的收入。
- (iii) 分部間銷售按雙方協定之價格支銷。
- (iv) 該金額指其他收益及虧損、其他開支與分佔聯營公司之業績。

可呈報分部的會計政策與附註3所述本集團的會計政策相同。經調整毛利指在未分配黃金未變現對沖收益(虧損)前各分部所產生的毛利。主要經營溢利指在未分配黃金未變現對沖收益(虧損)、其他收益及虧損、其他開支、分佔聯營公司之業績、利息收入及融資成本前各分部所產生的溢利。此為向主要營運決策者匯報以作資源分配及表現評估的計量基準。

## (b) 本集團物業、廠房及設備、投資物業、珠寶珍藏及存貨的可呈報分部分析：

於3月31日

## 分部資產及負債

除以上所述外，主要營運決策者審閱的本集團分部呈報計量並無計入其他資產及負債，因此並無呈列分部資產及負債。

## 5. Revenue and Segment Information (Continued)

### (c) An analysis of the Group's revenue is as follows:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Retail sales of	零售銷售		
— Gem-set jewellery	— 珠寶鑲嵌首飾	11,075.6	13,167.4
— Gold products	— 黃金產品	24,524.0	26,136.7
— Platinum/karat gold products	— 鉑金/K金產品	5,098.8	6,235.9
— Watches	— 鐘錶	2,914.5	2,785.5
		<b>43,612.9</b>	<b>48,325.5</b>
Wholesale to franchisees/retailers	向加盟商/分銷商批發	7,208.4	7,800.6
Jewellery trading	珠寶貿易	352.4	430.8
Service income from franchisees	來自加盟商的服務收入	71.8	34.6
		<b>51,245.5</b>	<b>56,591.5</b>

No individual customer contributed over 10% of the total revenue of the Group in both years.

兩個年度內，概無個別顧客佔本集團每年總營業額10%以上。

The Group's non-current assets, excluding loan receivables, interests in associates and a joint venture, amounts due from associates and deferred tax assets, by geographical areas are as follows:

按地域位置劃分的本集團非流動資產(不包括應收貸款、於聯營公司及一家合資企業之權益、應收聯營公司款項及遞延稅項資產)分析如下：

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Mainland China	中國內地	3,572.5	3,942.9
Hong Kong, Macau and other markets	香港、澳門及其他市場	3,162.6	2,089.2
		<b>6,735.1</b>	<b>6,032.1</b>

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## 6. Other Income

## 6. 其他收入

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Franchise income	加盟費收入	62.3	116.3
Government grants (note)	政府補貼(附註)	100.9	77.7
Gain on scrap sales	廢料銷售收益	14.4	11.9
Rental income	租金收入	12.5	18.0
Commission income	回扣收入	95.7	49.5
Others	其他	43.7	32.8
		<b>329.5</b>	<b>306.2</b>

Note: This mainly represents the government incentives granted by the government in Mainland China for the development of the Group's operation in Mainland China.

附註：主要為中國內地政府提供的政府獎勵，以推動本集團中國內地的業務發展。

## 7. Other Gains and Losses

## 7. 其他收益及虧損

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Net foreign exchange loss	匯兌虧損淨額	(272.9)	(229.0)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(10.3)	(10.9)
Others	其他	(2.6)	(5.0)
		<b>(285.8)</b>	<b>(244.9)</b>

## 8. Interest Income and Finance Costs

## 8. 利息收入及融資成本

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Interest income from	利息收入		
— banks	— 銀行	121.9	111.8
— trade receivables	— 貿易應收款項	17.7	42.4
— loan receivables	— 應收貸款	0.4	0.4
		<b>140.0</b>	<b>154.6</b>
Finance costs on borrowings	借貸融資成本		
— gold loans	— 黃金借貸	143.3	174.4
— bank loans	— 銀行貸款	93.3	68.6
		<b>236.6</b>	<b>243.0</b>



## 9. Profit before Taxation

## 9. 除稅前溢利

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入):		
Directors' remuneration (note 10)	董事酬金(附註10)	49.6	47.7
Staff's retirement benefits scheme contributions	員工退休福利計劃供款	531.7	643.1
Staff costs	員工成本	2,968.2	3,189.7
		<b>3,549.5</b>	<b>3,880.5</b>
Cost of inventories recognised as expenses	存貨成本確認為開支	35,327.0	39,153.6
Concessionaire fees	專櫃分成	1,716.4	1,949.2
Operating lease rentals in respect of rented premises	承租物業經營租賃租金	1,830.2	2,078.4
Depreciation of property, plant and equipment	物業、廠房及設備折舊	788.8	837.0
Depreciation of investment properties	投資物業折舊	14.4	21.3
Amortisation of land use rights	土地使用權攤銷	14.0	14.9
Amortisation of other intangible assets	其他無形資產攤銷	51.2	41.4
Impairment loss of interest in an associate (included in other expenses) (note 20)	一家聯營公司權益之減值虧損(計入其他開支內)(附註20)	32.0	-
Impairment loss of amount due from an associate (included in other expenses) (note 20)	應收一家聯營公司款項之減值虧損(計入其他開支內)(附註20)	79.6	-
Impairment loss of amount due from a joint venture (included in other expenses)	應收一家合資企業款項之減值虧損(計入其他開支內)	52.3	-
Allowances on inventories (included in cost of goods sold)	存貨準備(計入銷售成本內)	39.8	74.2
Allowances for doubtful debts	壞賬準備	3.7	19.5
Fair value (gain) loss of gold loans (included in cost of goods sold)	黃金借貸的公平值(收益)虧損(計入銷售成本內)	(107.2)	542.1
Donations (included in other expenses)	捐款(計入其他開支內)	10.8	9.8
Auditors' remuneration	核數師酬金		
— audit services	— 核數服務	8.8	8.9
— non-audit services	— 非核數服務	3.5	6.1

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

10. Directors', Chief Executives' and Employee's  
Emoluments10. 董事、最高行政人員及僱員酬  
金

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Directors' fees	董事袍金	4.1	4.1
Other emoluments to directors	董事的其他酬金		
— salaries and other benefits	— 薪金及其他福利	25.3	25.2
— performance-based bonus	— 績效花紅	18.2	16.5
— retirement benefits scheme contributions	— 退休福利計劃供款	2.0	1.9
		<b>49.6</b>	<b>47.7</b>

## 10. Directors', Chief Executives' and Employee's Emoluments (Continued)

Details of emoluments paid by the Group to the directors and the chief executives of the Company are as follows:

## 10. 董事、最高行政人員及僱員酬金 (續)

本集團向本公司董事及最高行政人員支付的酬金詳情如下：

		2017					2016				
		Director's fee	Salaries and other benefits	Performance-based bonus	Retirement benefits scheme contributions	Total	Director's fee	Salaries and other benefits	Performance-based bonus	Retirement benefits scheme contributions	Total
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	
				(note i) (附註 i)				(note i) (附註 i)			
<b>Executive directors:</b>	<b>執行董事：</b>										
Dr. Cheng Kar-Shun, Henry (Chairman)	鄭家純博士 (主席)	0.2	4.4	3.1	0.2	7.9	0.2	4.4	2.9	0.2	7.7
Mr. Wong Siu-Kee, Kent (Managing Director)	黃紹基先生 (董事總經理)	0.2	4.3	3.3	0.4	8.2	0.2	4.3	2.8	0.4	7.7
Dr. Cheng Chi-Kong, Adrian	鄭志剛博士	0.2	1.1	0.8	0.1	2.2	0.2	1.1	0.7	0.1	2.1
Mr. Cheng Chi-Heng, Conroy	鄭志恒先生	0.2	2.1	1.5	0.2	4.0	0.2	2.1	1.4	0.2	3.9
Mr. Chan Sai-Cheong	陳世昌先生	0.2	2.9	2.0	0.3	5.4	0.2	2.9	1.9	0.3	5.3
Mr. Suen Chi-Keung, Peter	孫志強先生	0.2	2.1	1.5	0.2	4.0	0.2	2.1	1.4	0.2	3.9
Mr. Chan Hiu-Sang, Albert	陳曉生先生	0.2	2.3	1.7	0.1	4.3	0.2	2.3	1.5	0.1	4.1
Mr. Cheng Ping-Hei, Hamilton	鄭炳熙先生	0.2	2.4	1.8	0.2	4.6	0.2	2.3	1.5	0.2	4.2
Mr. Liu Chun Wai, Bobby (note ii)	廖振為先生 (附註 ii)	0.2	2.1	1.4	0.2	3.9	-	0.5	0.2	-	0.7
<b>Non-executive directors:</b>	<b>非執行董事：</b>										
Mr. Cheng Kam-Biu, Wilson	鄭錦標先生	0.2	1.6	1.1	0.1	3.0	0.2	1.6	1.1	0.1	3.0
Mr. Koo Tong-Fat (note iii)	古堂發先生 (附註 iii)	-	-	-	-	-	0.2	1.6	1.1	0.1	3.0
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>										
Mr. Cheng Ming-Fun, Paul	鄭明訓先生	0.4	-	-	-	0.4	0.4	-	-	-	0.4
Dr. Fung Kwok-King, Victor	馮國經博士	0.4	-	-	-	0.4	0.4	-	-	-	0.4
Mr. Kwong Che-Keung, Gordon	龐志強先生	0.5	-	-	-	0.5	0.5	-	-	-	0.5
Mr. Lam Kin-Fung, Jeffrey	林健鋒先生	0.4	-	-	-	0.4	0.4	-	-	-	0.4
Dr. Or Ching-Fai, Raymond	柯清輝博士	0.4	-	-	-	0.4	0.4	-	-	-	0.4
<b>Total</b>	<b>總計</b>	<b>4.1</b>	<b>25.3</b>	<b>18.2</b>	<b>2.0</b>	<b>49.6</b>	<b>4.1</b>	<b>25.2</b>	<b>16.5</b>	<b>1.9</b>	<b>47.7</b>

Notes:

- (i) The performance-based bonus is discretionary based on the Group's financial results and directors' performance decided by the management of the Group.
- (ii) Mr. Liu Chun Wai, Bobby was appointed as an executive director on 1 January 2016. The amount of his emoluments for the year ended 31 March 2016 shown on the above table covered the period from the date of his appointment to 31 March 2016.
- (iii) Mr. Koo Tong-Fat as a non-executive director retired on 1 January 2016. The amount of his emoluments for the year ended 31 March 2016 shown on the above tables covered the period from 1 April 2015 to the date of his resignation.

附註：

- (i) 績效花紅乃由本集團管理層按本集團的財務業績及董事表現酌情釐定。
- (ii) 廖振為先生於2016年1月1日起獲委任為執行董事。於上表中呈列截至2016年3月31日止年度的酬金為他於委任日至2016年3月31日的酬金。
- (iii) 古堂發先生於2016年1月1日起退任非執行董事。於上表中呈列截至2016年3月31日止年度的酬金為他於2015年4月1日至退任日的酬金。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

## 10. Directors', Chief Executives' and Employee's Emoluments (Continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.

### Five highest paid individuals

The five highest paid individuals included four directors (2016: four) of the Company, details of whose emoluments are included above. The emoluments of the remaining highest paid individual during the year were as follows:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Employee	僱員		
— salaries and other benefits	— 薪金及其他福利	3.6	4.8
— performance-based bonus	— 績效花紅	—	—
— retirement benefits scheme contributions	— 退休福利計劃供款	—	—
— compensation for the loss of office in connection with the management of the affairs of any member of the Group	— 就離任管理本集團任何成員公司之職務而作出補償	14.4	—
		18.0	4.8

The emoluments were within the following bands:

其薪酬乃介乎下列範圍：

		Number of employee 僱員數目	
		2017	2016
HK\$4,500,001 to HK\$5,000,000	4,500,001 港元至 5,000,000 港元	—	1
HK\$18,000,001 to HK\$18,500,000	18,000,001 港元至 18,500,000 港元	1	—

During the year ended 31 March 2017 and 2016, no emoluments were paid by the Group to the directors and the chief executives of the Company or the five highest paid individuals (including directors, the chief executives and employees) as an inducement to join or upon joining the Group. None of the directors have waived any emoluments during the year ended 31 March 2017 and 2016.

## 10. 董事、最高行政人員及僱員酬金(續)

上文所示之執行董事酬金主要有關彼等就管理本公司及本集團事務提供服務。上文所示之非執行董事及獨立非執行董事酬金主要有關彼等擔任本公司董事職務。

### 五名最高酬金人士

五名最高酬金人士包括本公司四名董事(2016年：四名)，彼等薪酬詳情載於上文。年內餘下最高酬金人士的薪酬如下：

截至2017年3月31日及2016年3月31日止年度，本集團並無向本公司董事及最高行政人員或五名最高酬金人士(包括董事、最高行政人員及僱員)支付酬金，以吸引彼等加入或當加入本集團時的獎勵。截至2017年3月31日及2016年3月31日止年度並無任何董事放棄任何薪酬。

## 10. Directors', Chief Executives' and Employee's Emoluments (Continued)

### Emoluments of senior management

Other than the emoluments of directors and five highest paid individuals disclosed above, the emoluments of the senior management whose profiles are included in "Profile of Directors and Senior Management" section fell within the following bands:

		Number of individuals 僱員數目	
		2017	2016
Nil to HK\$1,000,000	零至 1,000,000 港元	1	–
HK\$1,000,001–HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2	5
HK\$1,500,001–HK\$2,000,000	1,500,001 港元至 2,000,000 港元	7	5
		<b>10</b>	<b>10</b>

## 11. Taxation

## 11. 稅項

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
The taxation charge comprises:	稅項開支包括：		
Current tax:	即期稅項：		
Enterprise Income Tax ("EIT") in Mainland China	中國內地企業所得稅	720.9	377.1
Hong Kong Profits Tax	香港利得稅	150.5	128.9
Macau complementary tax	澳門所得補充稅	36.3	54.3
Taxation in other jurisdictions	其他司法地區之稅項	0.7	1.9
		<b>908.4</b>	<b>562.2</b>
(Over)underprovision in prior years:	過往年度(超額撥備)撥備不足：		
EIT in Mainland China	中國內地企業所得稅	(11.8)	(22.7)
Hong Kong Profits Tax	香港利得稅	0.3	(0.9)
Macau complementary tax	澳門所得補充稅	1.9	–
		<b>(9.6)</b>	<b>(23.6)</b>
Deferred tax charge (note 23)	遞延稅項開支(附註 23)	<b>300.2</b>	<b>388.2</b>
Withholding tax*	預扣稅*	<b>28.3</b>	<b>30.4</b>
		<b>1,227.3</b>	<b>957.2</b>

\* Withholding tax mainly represents withholding tax on intra-group licence income and interest income from Mainland China.

\* 預扣稅主要指集團內公司向中國內地授權收入及利息收入預扣稅。

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## 11. Taxation (Continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Enterprise Income Tax Law (the "EIT Law") of the People's Republic of China ("PRC") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in Mainland China is 25% for both years.

For certain subsidiaries of the Company in Mainland China, they are entitled to the tax incentives in connection with the development of the western part of Mainland China. The applicable tax rate is 15% for both years.

Macau complementary tax is calculated at the maximum progressive rate of 12% on the estimated assessable profit for both years.

Taxation charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

## 11. 稅項(續)

兩個年度內，香港利得稅乃按估計應課稅溢利按16.5%稅率計算。

根據中華人民共和國企業所得稅法及其實施細則，中國內地附屬公司的稅率兩年均為25%。

本公司若干中國內地附屬公司獲有關中國內地西部發展的稅項優惠。兩個年度的適用稅率均為15%。

兩個年度內，澳門所得補充稅乃按估計應課稅溢利按最高累進稅率12%計算。

年內稅項支出可與綜合損益及其他全面收益表除稅前溢利對賬如下：

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Profit before taxation	除稅前溢利	4,378.4	3,936.1
Tax at the applicable income tax rate — (Mainland China: 25%; Hong Kong: 16.5%; Macau: 12%)	按適用所得稅率計算的稅項—(中國內地：25%；香港：16.5%；澳門：12%)	977.9	798.6
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	110.6	45.8
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(67.6)	(73.4)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	92.5	113.2
Utilisation of tax losses previously not recognised	動用先前未確認的稅項虧損	(31.6)	(1.0)
Tax effect of tax exemptions and incentives granted to certain subsidiaries in Mainland China	若干中國內地附屬公司稅項豁免及優惠的稅務影響	(19.0)	(5.6)
Withholding tax on undistributed profits of subsidiaries in Mainland China	中國內地附屬公司未分派溢利預扣稅	144.9	73.7
Overprovision in prior years	過往年度超額撥備	(9.6)	(23.6)
Withholding tax	預扣稅	28.3	30.4
Others	其他	0.9	(0.9)
Taxation charge for the year	年內稅項支出	1,227.3	957.2



## 11. Taxation (Continued)

At 31 March 2017, the Group has tax losses of HK\$812.6 million (2016: HK\$672.8 million) not recognised as deferred tax assets. All of the unrecognised tax losses may be carried forward indefinitely, except for HK\$318.3 million (2016: HK\$335.7 million) which will be expired as follows:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Tax losses expiring in	稅項虧損將於以下年份屆滿		
— 2018	— 2018年	4.2	3.2
— 2019	— 2019年	72.2	111.7
— 2020	— 2020年	13.1	41.5
— 2021	— 2021年	154.1	179.3
— 2022	— 2022年	74.7	—
		<b>318.3</b>	<b>335.7</b>

At 31 March 2017, the Group has deductible temporary differences of HK\$9.0 million (2016: HK\$5.5 million) of which deferred taxation has not been recognised. Tax effect of such deductible temporary differences as at 31 March 2017 was HK\$1.5 million (2016: HK\$0.9 million).

Under the EIT Law of the PRC, withholding tax of 5% to 10% (2016: 5% to 10%) is imposed on dividends declared in respect of profits earned by subsidiaries in Mainland China from 1 January 2008 onwards. Based on the dividend distribution plan of the management, retained profits as at 31 March 2017 amounting to HK\$5,304.3 million (2016: HK\$6,086.7 million) will be distributed as dividend in the foreseeable future, while the remaining retained profits amounting to HK\$7,496.0 million (2016: HK\$9,130.0 million) has been set aside for reinvestment and will not be distributed in the foreseeable future.

## 11. 稅項 (續)

於2017年3月31日，本集團未確認為遞延稅項資產的稅項虧損為812.6百萬港元(2016年：672.8百萬港元)。所有未確認稅項虧損可無限期結轉，惟318.3百萬港元(2016年：335.7百萬港元)將於下列時間屆滿：

於2017年3月31日，本集團尚未就此確認遞延稅項的可扣減暫時性差異為9.0百萬港元(2016年：5.5百萬港元)。上述於2017年3月31日可扣減暫時性差異的稅務影響為1.5百萬港元(2016年：0.9百萬港元)。

根據中國企業所得稅法，中國內地的附屬公司須就自2008年1月1日起所賺取溢利在宣派股息時繳交介乎5%至10%(2016年：5%至10%)之預扣稅。根據管理層的股息分派計劃，於2017年3月31日的保留溢利合共5,304.3百萬港元(2016年：6,086.7百萬港元)將在可見將來作為股息分派，而餘下保留溢利合共7,496.0百萬港元(2016年：9,130.0百萬港元)已保留作再投資用途，不會在可見將來分派。

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

## 12. Earnings per Share

The calculation of the basic earnings per share for the year is based on the consolidated profit attributable to shareholders of the Company for the year and on the number of 10,000,000,000 (2016: 10,000,000,000) shares in issue during the year.

No diluted earnings per share is presented as there were no potential ordinary shares during both years.

## 12. 每股盈利

年度每股基本盈利是基於本公司股東應佔年內綜合溢利，以及年內已發行股份10,000,000,000股(2016年：10,000,000,000股)計算。

由於兩個年度並無潛在普通股，故並無呈列每股攤薄盈利。

## 13. Dividends

		2017		2016	
		HK cents per share 每股港仙	HK\$ million 百萬港元	HK cents per share 每股港仙	HK\$ million 百萬港元
Dividends recognised as distribution during the year:	於本年度確認為分派之股息：				
2017 Interim (2016: 2016 Interim)	2017年中期(2016年：2016年中期)	6.0	600.0	8.0	800.0
2017 Special (2016: 2016 Special)	2017年特別(2016年：2016年特別)	15.0	1,500.0	42.0	4,200.0
2016 Final (2016: 2015 Final)	2016年末期(2016年：2015年末期)	8.0	800.0	15.0	1,500.0
2016 Special (2016: nil)	2016年特別(2016年：無)	22.0	2,200.0	–	–
			<b>5,100.0</b>		<b>6,500.0</b>

## 13. 股息

Subsequent to the end of the reporting period, a final dividend of HK10.0 cents per share and a special dividend of HK20.0 cents per share, totalling HK\$3,000.0 million in respect of the year ended 31 March 2017 (2016: a final dividend of HK8.0 cents per share and a special dividend of HK22.0 cents per share, totalling HK\$3,000.0 million) have been proposed by the directors of the Company and are subject to approval by the shareholders in the forthcoming annual general meeting.

於報告期末後，本公司董事建議就截至2017年3月31日止年度派付末期股息每股10.0港仙及特別股息每股20.0港仙，合共3,000.0百萬港元(2016年：末期股息每股8.0港仙及特別股息每股22.0港仙，合共3,000.0百萬港元)，惟須待股東於應屆股東週年大會上批准方告作實。

## 14. Property, Plant and Equipment

## 14. 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$ million 百萬港元	Plant and machinery 廠房及機器 HK\$ million 百萬港元	Furniture, fixtures and equipment 傢俬、裝置及設備 HK\$ million 百萬港元	Leasehold improvements 租賃物業裝修 HK\$ million 百萬港元	Motor vehicles 汽車 HK\$ million 百萬港元	Construction in progress 在建工程 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
<b>COST</b>	<b>成本</b>							
At 1 April 2015	於 2015 年 4 月 1 日	2,580.4	312.7	1,784.4	1,982.0	51.4	684.9	7,395.8
Currency realignment	貨幣調整	(112.9)	(20.2)	(42.2)	(92.9)	(2.2)	(36.1)	(306.5)
Additions	添置	204.5	29.8	365.3	275.0	2.9	267.3	1,144.8
Transfer	轉撥	4.1	-	-	1.5	-	(5.6)	-
Disposals	出售	-	(1.6)	(80.1)	(18.9)	(2.1)	-	(102.7)
Transferred from investment properties	轉自投資物業	214.7	-	-	-	-	-	214.7
At 31 March 2016	於 2016 年 3 月 31 日	2,890.8	320.7	2,027.4	2,146.7	50.0	910.5	8,346.1
Currency realignment	貨幣調整	(156.4)	(17.2)	(54.8)	(117.6)	(2.2)	(41.5)	(389.7)
Additions	添置	77.4	43.7	288.5	213.6	3.1	309.6	935.9
Transfer	轉撥	604.4	39.7	24.7	2.6	-	(671.4)	-
Disposals	出售	-	(15.3)	(112.6)	(16.2)	(1.6)	-	(145.7)
Transferred from investment properties	轉自投資物業	8.5	-	-	-	-	-	8.5
At 31 March 2017	於 2017 年 3 月 31 日	3,424.7	371.6	2,173.2	2,229.1	49.3	507.2	8,755.1
<b>DEPRECIATION</b>	<b>折舊</b>							
At 1 April 2015	於 2015 年 4 月 1 日	365.4	76.3	1,149.8	1,328.5	33.3	-	2,953.3
Currency realignment	貨幣調整	(19.4)	(5.9)	(26.4)	(68.6)	(1.3)	-	(121.6)
Provided for the year	年內撥備	131.9	32.8	344.9	319.8	7.6	-	837.0
Eliminated on disposals	出售撇銷	-	(0.7)	(68.5)	(1.0)	(2.1)	-	(72.3)
At 31 March 2016	於 2016 年 3 月 31 日	477.9	102.5	1,399.8	1,578.7	37.5	-	3,596.4
Currency realignment	貨幣調整	(31.6)	(4.6)	(36.8)	(92.8)	(1.6)	-	(167.4)
Provided for the year	年內撥備	139.6	30.3	332.8	280.5	5.6	-	788.8
Eliminated on disposals	出售撇銷	-	(13.9)	(104.3)	(9.4)	(1.4)	-	(129.0)
At 31 March 2017	於 2017 年 3 月 31 日	585.9	114.3	1,591.5	1,757.0	40.1	-	4,088.8
<b>CARRYING VALUES</b>	<b>賬面值</b>							
At 31 March 2017	於 2017 年 3 月 31 日	2,838.8	257.3	581.7	472.1	9.2	507.2	4,666.3
At 31 March 2016	於 2016 年 3 月 31 日	2,412.9	218.2	627.6	568.0	12.5	910.5	4,749.7

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## 14. Property, Plant and Equipment (Continued)

The carrying values of the Group's properties (including construction in progress) are analysed as follows:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
In Hong Kong	香港	648.3	645.8
In Mainland China	中國內地	2,696.5	2,676.5
In South Africa	南非	1.2	1.1
		<b>3,346.0</b>	<b>3,323.4</b>

## 14. 物業、廠房及設備(續)

本集團物業(包括在建工程)的賬面值分析如下:

## 15. Land Use Rights

## 15. 土地使用權

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Carrying amount	賬面值		
At 1 April	於4月1日	226.1	253.2
Currency realignment	貨幣調整	(13.5)	(12.2)
Charged to profit or loss during the year	於年內自損益扣除	(14.0)	(14.9)
At 31 March	於3月31日	<b>198.6</b>	<b>226.1</b>
Analysed for reporting purposes as:	下列各項就報告用途的分析:		
Current assets (included in trade and other receivables)	流動資產(計入貿易及其他應收款項內)	13.7	14.5
Non-current assets	非流動資產	184.9	211.6
		<b>198.6</b>	<b>226.1</b>

## 16. Investment Properties

## 16. 投資物業

		HK\$ million 百萬港元
<b>COST</b>		
At 1 April 2015	成本 於2015年4月1日	525.6
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(228.8)
<hr/>		
At 31 March 2016	於2016年3月31日	296.8
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(9.4)
<hr/>		
At 31 March 2017	於2017年3月31日	287.4
<hr/>		
<b>DEPRECIATION</b>		
At 1 April 2015	折舊 於2015年4月1日	16.7
Provided for the year	年內撥備	21.3
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(14.1)
<hr/>		
At 31 March 2016	於2016年3月31日	23.9
Provided for the year	年內撥備	14.4
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(0.9)
<hr/>		
At 31 March 2017	於2017年3月31日	37.4
<hr/>		
<b>CARRYING VALUES</b>		
At 31 March 2017	賬面值 於2017年3月31日	250.0
<hr/>		
At 31 March 2016	於2016年3月31日	272.9
<hr/>		

The fair value of the Group's investment properties at 31 March 2017 was HK\$328.5 million (2016: HK\$328.3 million). The fair value has been arrived at based on a valuation carried out by Knight Frank Petty Limited ("Knight Frank"), an independent property valuer not connected with the Group (whose address is 4/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong), in accordance with the HKIS Valuation Standards (2012 Edition) issued by Hong Kong Institute of Surveyors and the RICS Valuation — Professional Standards issued by the Royal Institution of Chartered Surveyors. Knight Frank is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

本集團的投資物業於2017年3月31日的公平值為328.5百萬港元(2016年: 328.3百萬港元), 由與本集團無關連的獨立物業估值師萊坊測計師行有限公司(「萊坊」)(地址為香港灣仔港灣道6-8號瑞安中心4樓)根據香港測量師學會頒佈之香港測量師學會估值準則(2012年版)及皇家特許測量師學會頒佈RICS估值 — 專業標準進行之估值而釐定。萊坊為香港測量師學會成員之一, 並有合適資格及近期有對相關地點的類似物業估值的經驗。

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## 16. Investment Properties (Continued)

The fair value was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The capitalisation rate is determined by reference to the yields derived from analysing the sales transactions of similar properties in Hong Kong and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy at the end of each reporting period are as follows:

		Fair value hierarchy 公平值等級	Fair value 公平值 2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
At 31 March	於3月31日	Level 3		
Industrial property units located in Hong Kong	位於香港的工業物業單位	第三級	328.5	328.3

The above investment properties are depreciated on a straight-line basis over 20 years.

## 16. 投資物業(續)

該公平值乃根據收入法估值。該等物業之所有可出租單位之市場租金按投資者就此類物業預期之市場收益率評估及貼現。市場租金參考該等物業可出租單位之租金以及鄰近類似物業的其他出租情況作評估。貼現率乃參考分析香港類似物業銷售交易所得之收益率而釐定，並就物業投資者之市場預期作出調整以反映本集團投資物業特有之因素。

於評估該等物業的公平值時，該等物業之最高及最佳用途為彼等目前用途。

本集團於各報告期末的投資物業詳情及有關公平值等級的資料如下：

上述投資物業以直線法按20年計提折舊。



## 17. Goodwill

## 17. 商譽

		HK\$ million 百萬港元
COST AND CARRYING VALUES	成本及賬面值	
At 1 April 2015, 31 March 2016 and 31 March 2017	於2015年4月1日、2016年3月31日和2017年3月31日	257.8

The goodwill arose in the acquisition of Hearts On Fire included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Hearts On Fire. The recoverable amount of the Hearts On Fire cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a 5-year (2016: 5-year) period, and a discount rate of 10.5%–13.5% (2016: 11.0%–14.3%) per annum.

Cash flow projections during the budget period are based on the same expected gross margins throughout the budget period. The cash flows beyond that 5-year period have been extrapolated using the projected long-term average growth rate for the jewellery industry. In the opinion of the directors, no impairment loss was required for the year ended 31 March 2017 and 31 March 2016. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the group of units to exceed the aggregate recoverable amount.

收購 Hearts On Fire 產生的商譽包括與預期協同效益、收益增長、日後市場發展以及 Hearts On Fire 整體人手的利益相關的金額。Hearts On Fire 所產生的現金產生單位的可收回金額乃根據使用價值進行計算（基於董事所批准涵蓋5年（2016年：5年）之財政預算，使用每年10.5%–13.5%（2016年：11.0%–14.3%）之貼現率以現金流預測法進行計算）而釐定。

該預算期間的現金流預測基於整個預算期內相同的預期毛利率。而超過5年的現金流則使用預期珠寶行業長期平均增長率推算。董事認為，截至2017年3月31日及2016年3月31日止年度無須減值虧損。董事相信，可收回金額所依據的關鍵假設的任何合理可能變動，不會造成單位組別賬面值超過其可收回金額總額。

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## 18. Other Intangible Assets

## 18. 其他無形資產

		Trademarks and patents 商標及專利 HK\$ million 百萬港元
<b>COST</b>	成本	
At 1 April 2015	於2015年4月1日	421.2
Additions	添置	51.7
At 31 March 2016 and 31 March 2017	於2016年3月31日及2017年3月31日	472.9
<b>ACCUMULATED AMORTISATION</b>	累計攤銷	
At 1 April 2015	於2015年4月1日	24.0
Provided for the year	年內撥備	41.4
At 31 March 2016	於2016年3月31日	65.4
Provided for the year	年內撥備	51.2
At 31 March 2017	於2017年3月31日	116.6
<b>CARRYING VALUES</b>	賬面值	
At 31 March 2017	於2017年3月31日	356.3
At 31 March 2016	於2016年3月31日	407.5

The trademarks and patents are amortised with useful life of 5 to 15 years.

該等商標及專利按可使用年期5至15年攤銷。

## 19. Jewellery Collectibles

The amounts represent the aggregate cost of gem-set jewellery collectibles held by the Group which is designated not for sale. Included in the jewellery collectibles, an amount of HK\$588.8 million was transferred from inventories upon the designation at carrying values, which was a major non-cash transaction during the year. In the opinion of the directors of the Company, the recoverable amounts of the jewellery collectibles are at least their carrying amounts at the end of the reporting period.

## 19. 珠寶珍藏

該款項乃指本集團持作指定為非賣品的珠寶鑲嵌首飾珍藏之總成本。計入珠寶珍藏的588.8百萬港元已於指定為非賣品時以賬面值從存貨轉出，此為年內的一項主要非現金交易。本公司董事認為，珠寶珍藏的可收回金額至少為其於報告日期的賬面值。

## 20. Interests in Associates/Amounts Due from Associates

## 20. 於聯營公司之權益／應收聯營公司款項

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Cost of unlisted investment	非上市投資成本	44.0	44.0
Share of losses	應佔虧損	(13.2)	(3.6)
Share of translation reserve	應佔換算儲備	1.2	(0.7)
Impairment loss of interest in an associate	於一家聯營公司之權益減值虧損	(32.0)	-
		-	39.7

Details of the associates are set out as below:

聯營公司的詳情載列如下：

Name of companies 公司名稱	Place of incorporation and principal place of operation 註冊成立地點及主要營業地點	Issued and fully paid registered capital/ share capital 已發行及繳足註冊股本／股本	Proportion of ownership interest held by the Group 本集團所佔擁有權益比例		Proportion of voting rights held by the Group 本集團所佔投票權比例		Principal activities 主要業務
			2017	2016	2017	2016	
Shenzhen Qianhai Chow Tai Fook Hong Kong Goods Centre Co., Ltd ("Qianhai CTF") 深圳前海周大福港貨中心有限公司 (「前海周大福」)	Mainland China 中國內地	RMB120,000,000 人民幣120,000,000元	30.0%	30.0%	28.6%	28.6%	Operating a shopping complex in Mainland China 於中國內地經營購物中心
CTF Business Management Limited (note) 周大福商務管理有限公司(附註)	Hong Kong 香港	HK\$10 10港元	30.0%	-	28.6%	-	Operating an online shopping platform 經營網上購物平台

Note: During the year ended 31 March 2017, the Group contributed HK\$3 for 30.0% of the issued share capital of CTF Business Management Limited which was incorporated in Hong Kong and engaged in operating an online shopping platform.

附註：截至2017年3月31日止年度，本集團就於周大福商務管理有限公司的30.0%已發行股本出資3港元，該公司於香港註冊成立，從事經營網上購物平台業務。

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## 20. Interests in Associates/Amounts Due from Associates (Continued)

During the year ended 31 March 2016, the Group contributed RMB36.0 million (approximately HK\$44.0 million) for 30.0% of the registered capital of Qianhai CTF which was established in Mainland China during the year ended 31 March 2016. Qianhai CTF is engaged in operating shopping complex in Qianhai, Shenzhen in Mainland China.

The Group is able to exercise significant influence over Qianhai CTF because it has the power to appoint two out of seven directors of Qianhai CTF under the provisions stated in the Articles of Association of Qianhai CTF, representing 28.6% of voting rights held by the Group as at 31 March 2017 and 31 March 2016.

At 31 March 2017, the directors of the Company consider that recoverable amount of Qianhai CTF is below the aggregate amount of interest in an associate and amount due from an associate due to unfavourable market conditions. As the information on the fair value less cost of disposal of interest in Qianhai CTF is difficult to obtain unless negotiation with potential purchasers are taking place, no reliable fair value information in the market could be found. Therefore, in the opinion of the directors of the Company, the interest in Qianhai CTF and amount due from Qianhai CTF were fully impaired and impairment losses of interest in an associate and amount due from an associate of HK\$32.0 million and HK\$79.6 million were recognised, respectively, in profit or loss during the year ended 31 March 2017.

The recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the directors covering a 5-year period, and discount rate of 15%. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows include budgeted rental income and expenses, such estimation is based on the unit's past performance and management's expectation for the market.

As at 31 March 2017, the amount due from an associate of CTF Business Management Limited of HK\$19.7 million is unsecured, interest-free and has no fixed repayment terms.

As at 31 March 2016, the amount due from an associate of Qianhai CTF was unsecured, interest-free and had no fixed repayment terms which was fully impaired in current year.

## 20. 於聯營公司之權益／應收聯營公司款項(續)

截至2016年3月31日止年度，本集團向截至2016年3月31日止年度在中國內地註冊成立的前海周大福注資人民幣36.0百萬元(約44.0百萬元)，佔註冊資本的30.0%。前海周大福於中國深圳前海經營購物中心。

根據前海周大福的組織章程細則，本集團於前海周大福合共7名的董事中有權委任其中2名，佔本集團截至2017年3月31日及2016年3月31日所持投票權的28.6%，因此本集團對前海周大福有重大影響力。

於2017年3月31日，本公司董事認為，因市況不利所致，前海周大福的可收回金額較於一家聯營公司權益總額及應收一家聯營公司款項為低。除非本集團與潛在買家進行磋商，否則難以取得有關前海周大福權益之公平值減出售成本的資料。本集團無法在市場上取得可靠的公平值資料。因此，本公司董事認為，於前海周大福的權益及應收前海周大福款項全數減值，故截至2017年3月31日止年度的損益分別確認於一家聯營公司權益及應收一家聯營公司款項減值虧損32.0百萬元及79.6百萬元。

可收回金額基於使用價值釐定。該計算方法使用經董事核准的5年財務預算所得出的現金流預測以及15%貼現率。計算使用價值而與估計現金流入／流出相關的其他重要假設包括預算租金收入及開支，該估計基於單位的過往表現及管理層的市場預計而得出。

於2017年3月31日，應收周大福商務管理有限公司一家聯營公司款項19.7百萬元為無抵押、免息及無固定還款期。

於2016年3月31日，應收前海周大福一家聯營公司款項為無抵押、免息及無固定還款期，且於本年度全數減值。

## 21. Interest in a Joint Venture

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Cost of unlisted investment	非上市投資成本	14.0	14.0
Share of losses	應佔虧損	(14.0)	(14.0)
		-	-

Details of the joint venture are set out as below:

合資企業的詳情載列如下：

Name of company 公司名稱	Place of incorporation and principal place of operation 註冊成立地點及主要營業地點	Issued and fully paid ordinary shares 已發行及繳足股款普通股	Proportion of ownership interest and voting power held by the Group 本集團所佔擁有權權益及投票權比例 2017	2016	Principal activity 主要業務
Fook Ming Watch Limited 福名鐘錶有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000 港元	50%	50%	Sales of watches in Mainland China 於中國內地的鐘錶銷售

## 22. Loan Receivables

Loan receivables represent loan to staff and an amount due from the issuer of the convertible bonds (note 26). Loan receivables are classified as current or non-current assets based on contractual terms and taking into account the timing of recovery as expected by the management. As at 31 March 2017 and 2016, there are no past due but not impaired loan receivables.

All loan receivables from staff were secured over certain properties, the fair value of which exceeds the carrying amount of the related loan on an individual basis.

As at 31 March 2017, loan receivables from the issuer of the convertible bonds has a principal amount of Australian Dollar ("AUS") 3,000,000, bears interest at 7.0% per annum and will be repaid to the Group by instalments until 30 June 2020.

Included in loan receivables are the following amounts denominated in currencies other than the functional currency of the relevant group entity:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
AUS	澳元	18.8	-

## 21. 於一家合資企業之權益

## 22. 應收貸款

應收貸款指員工貸款及應收可兌換債券(附註26)發行人的款項。應收貸款根據合約條款及考慮管理層預期款項的可收回時間而被分類為流動或非流動資產。於2017年及2016年3月31日，概無已逾期但未減值的應收貸款。

全部應收員工貸款已以若干物業作抵押，而各公平值均超逾其相關貸款的賬面值。

於2017年3月31日，應收可兌換債券發行人貸款的本金額為3,000,000澳元、年利率為7.0%，並將分期償付予本集團至2020年6月30日。

下列計入應收貸款的金額以相關集團實體功能貨幣外的貨幣計值：

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## 23. Deferred Taxation

The followings are the major deferred tax (assets) liabilities recognised by the Group and movements thereon during the current and prior years:

## 23. 遞延稅項

以下為於本年度及過往年度本集團已確認主要遞延稅項(資產)負債以及有關變動：

		Unrealised fair value change of gold loans in Mainland China 中國內地黃金 借貸之未變現 公平值變動 HK\$ million 百萬港元	Withholding tax on undistributed profits of subsidiaries in Mainland China 中國內地附屬 公司未分派 溢利之預扣稅 HK\$ million 百萬港元	Unrealised profit on inventories 存貨之 未變現溢利 HK\$ million 百萬港元	Amortisation and depreciation 攤銷及折舊 HK\$ million 百萬港元	Tax losses 稅項虧損 HK\$ million 百萬港元	Others 其他 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
At 1 April 2015	於2015年4月1日	49.3	404.2	(817.3)	(21.1)	(21.7)	3.5	(403.1)
(Credit) charge to profit or loss (note 11)	(計入)扣除損益 (附註11)	(92.5)	73.7*	406.6	(8.7)	3.1	6.0	388.2
Utilised during the year	年內使用	-	(148.7)	-	-	-	-	(148.7)
Currency realignment	貨幣調整	(0.4)	(20.6)	24.5	-	-	-	3.5
At 31 March 2016	於2016年3月31日	(43.6)	308.6	(386.2)	(29.8)	(18.6)	9.5	(160.1)
Charge (credit) to profit or loss (note 11)	扣除(計入)損益 (附註11)	28.6	144.9*	121.6	(3.5)	2.6	6.0	300.2
Utilised during the year	年內使用	-	(164.8)	-	-	-	-	(164.8)
Currency realignment	貨幣調整	2.0	(18.5)	14.2	-	-	-	(2.3)
At 31 March 2017	於2017年3月31日	(13.0)	270.2	(250.4)	(33.3)	(16.0)	15.5	(27.0)

\* Under the EIT Law of PRC, a 10% withholding tax is imposed on dividends declared to foreign investors in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

Pursuant to approvals from the relevant PRC government obtained by certain subsidiaries of the Group and reassessment of dividend distribution plan, certain of these subsidiaries should be entitled to a withholding tax at the rate of 5% for dividend payments. Therefore, the amount included reversal of excessive withholding tax of HK\$24.7 million in 2016 (2017: nil).

\* 根據中國企業所得稅法，自2008年1月1日起，凡就中國的附屬公司賺取的溢利向境外投資者宣派股息，均須徵收10%之預扣稅。

按照本集團若干附屬公司取得中國有關政府的批准及重估股息分派計劃，若干該等附屬公司應有權以優惠稅率5%繳納派付股息之預扣稅。因此，於2016年，包括超額支付預扣稅之撥回的金額為24.7百萬港元(2017年：零)。



## 23. Deferred Taxation (Continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Deferred tax assets	遞延稅項資產	(312.7)	(478.2)
Deferred tax liabilities	遞延稅項負債	285.7	318.1
		(27.0)	(160.1)

## 23. 遞延稅項 (續)

以下為就財務報告用途所作出遞延稅項結餘分析：

## 24. Inventories

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Raw materials for:	生產以下產品的原材料：		
Gem-set jewellery	珠寶鑲嵌首飾	5,059.1	4,757.6
Gold products	黃金產品	632.8	415.7
Platinum/karat gold products	鉑金/K金產品	126.2	111.0
		5,818.1	5,284.3
Finished goods:	製成品：		
Gem-set jewellery	珠寶鑲嵌首飾	11,140.6	13,000.2
Gold products	黃金產品	7,826.3	7,773.8
Platinum/karat gold products	鉑金/K金產品	2,166.5	2,496.4
Watches	鐘錶	2,224.0	2,689.7
		23,357.4	25,960.1
Packing materials	包裝物料	83.8	132.1
		29,259.3	31,376.5

## 24. 存貨

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## 25. Trade and Other Receivables

## 25. 貿易及其他應收款項

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Trade receivables	貿易應收款項	2,377.8	2,287.6
Less: Allowance for doubtful debts	減：壞賬準備	(21.9)	(19.5)
		<b>2,355.9</b>	<b>2,268.1</b>
Prepayments to suppliers	向供應商預付款項	647.2	600.2
Deposits	按金	674.5	546.9
Land use rights charged within one year	一年內支銷的土地使用權	13.7	14.5
Other tax recoverables	其他可回收稅項	1,232.7	998.0
Amount due from a joint venture	應收一家合資企業款項	–	33.8
Others	其他	133.3	143.7
		<b>5,057.3</b>	<b>4,605.2</b>

As at 31 March 2017, trade receivables of HK\$63.6 million and HK\$11.3 million (2016: HK\$84.7 million and HK\$23.9 million) are due from entities in which certain directors of the Company, who are also shareholders of the Company, have beneficial interests in both the Company and those entities, and non-controlling shareholders of the subsidiaries, respectively.

The Group's sales to retail customers are mainly on cash basis. Sales to certain customers are on credit with credit period up to 6 months. For sales through concessionaire stores, the Group usually allow 30 days credit period to these receivables.

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximates to the respective revenue recognition dates:

於2017年3月31日，貿易應收款項63.6百萬港元及11.3百萬港元(2016年：84.7百萬港元及23.9百萬港元)分別來自本公司若干董事(亦為本公司股東)同時於本公司及其當中擁有實益權益之實體以及附屬公司非控股股東。

本集團對零售顧客的銷售以現金為主，而向若干顧客的銷售則以賒銷形式，信貸期最多為6個月。就專櫃的銷售而言，本集團一般就該等應收款項給予30日的信貸期。

以下為根據發票日期呈列，於報告期末的貿易應收款項的賬齡分析，結算日與各自之收益確認日期若若：

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
0 to 30 days	0至30日	1,836.0	1,738.2
31 to 90 days	31至90日	416.7	375.5
91 to 180 days	91至180日	64.7	118.6
Over 180 days	180日以上	38.5	35.8
		<b>2,355.9</b>	<b>2,268.1</b>

## 25. Trade and Other Receivables (Continued)

In determining the recoverability of the trade receivables, the Group monitors change in the credit quality of the trade receivables since the credit was granted and up to the reporting date. The directors of the Company considered that the trade receivables that are neither past due nor impaired to be of a good credit quality.

As at 31 March 2017, included in the trade receivable balances are receivables of HK\$122.1 million (2016: HK\$241.0 million) carrying a fixed interest rate ranging from 7.4% to 8.6% (2016: 6.4% to 7.4%) per annum, and no receivables carry a variable interest rate (2016: receivables of HK\$87.7 million carried a variable interest rate ranging from 6.4% to 7.4% per annum).

Also, as at 31 March 2017, included in the trade receivable balances are trade receivables with aggregate carrying amount of HK\$103.2 million (2016: HK\$154.4 million) which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in the credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

During the year ended 31 March 2017, an allowance for doubtful debt of HK\$21.9 million (2016: HK\$19.5 million) is recognised based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial positions.

### Ageing of trade receivables, based on the invoice dates, which are past due but not impaired

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
91 to 180 days	91 至 180 日	64.7	118.6
Over 180 days	180 日以上	38.5	35.8
		103.2	154.4

## 25. 貿易及其他應收款項(續)

於釐定貿易應收款項的可收回程度時，本集團監察自授出信貸起直至報告日有關貿易應收款項信貸質素的變動。本公司董事認為，貿易應收款項既未逾期亦未減值，信貸質素良好。

於2017年3月31日，計入貿易應收款項結餘為固定年利率介乎7.4%至8.6%（2016年：6.4%至7.4%）的應收款項122.1百萬港元（2016年：241.0百萬港元），而並無應收款項按浮動利率計息（2016年：按浮動年利率介乎6.4%至7.4%計息的應收款項為87.7百萬港元）。

此外，於2017年3月31日，計入貿易應收款項結餘為於報告日期已逾期的總賬面值為103.2百萬港元（2016年：154.4百萬港元）的貿易應收款項。由於信貸質素並無出現重大變動且根據過往經驗認為該等款項為可收回，故本集團並無計提減值虧損撥備。本集團並未就該等結餘持有任何抵押品。

截至2017年3月31日止年度，21.9百萬港元（2016年：19.5百萬港元）的壞賬準備乃基於參考對方過往違約經驗及對對方當前財務狀況的分析而釐定的估計不可收回金額確認。

### 根據發票日期已逾期但未減值的貿易應收款項的賬齡

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## 25. Trade and Other Receivables (Continued)

## Movement in the allowance for doubtful debts

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
At 1 April	於4月1日	19.5	–
Impairment losses recognised	已確認減值虧損	3.7	19.5
Currency realignment	貨幣調整	(1.3)	–
At 31 March	於3月31日	21.9	19.5

As at 31 March 2016, the amount due from a joint venture was unsecured, interest-free and repayable on demand which was fully impaired in current year.

## 25. 貿易及其他應收款項 (續)

## 壞賬準備之變動

於2016年3月31日，應收一家合資企業款項為無抵押、免息及按要求可予償還，且於本年度全數減值。

## 26. Convertible Bonds

During the year ended 31 March 2012, the Group invested in an unlisted convertible bonds with principal amount of AUS3,000,000, bearing interest at 8.0% per annum and an original maturity date of 31 December 2014, issued by a private entity (the "Issuer") which is principally engaged in agriculture and wholesale of pearls in Australia. The convertible bonds were renewed during the year ended 31 March 2015 and the coupon interest was changed to 7.0% per annum with a maturity date of 31 December 2016 (the "Maturity Date"). The Group is entitled at any time after the date of issue up to the Maturity Date to redeem the convertible notes in cash or pearls or combination of both to the value of the principal amount outstanding or convert the convertible notes into ordinary shares of the Issuer. The convertible notes comprised debt component and embedded derivatives being the conversion option and the Group's early redemption option. Such convertible bonds are designated as at fair value through profit or loss and in the opinion of the directors of the Company, the fair value of the convertible notes was substantially the same as the carrying amount.

## 26. 可兌換債券

截至2012年3月31日止年度，本集團投資一項非上市可兌換債券，本金金額為3,000,000澳元，年利率8.0%，原始到期日為2014年12月31日，由主要在澳洲從事珍珠培植及批發的私營實體（「發行人」）發行。可兌換債券於截至2015年3月31日止年度續期，票面年利率變更為7.0%，到期日為2016年12月31日。本集團有權於發行日起至到期日任何時候以現金或珍珠或兩者混合兌換價值相當於未償還本金金額的可兌換債券或將其轉換為發行人的普通股。可兌換債券包括負債成份及嵌入式衍生工具，即換股權及本集團之提早贖回權。該等可兌換債券指定為按公平值計入損益，而本公司董事認為，可兌換債券的公平值與賬面值大致相同。

## 27. Bank Balances and Cash

During the year ended 31 March 2017, the bank deposits carry interest at the prevailing market rate of about 0.01% to 8.20% (2016: 0.01% to 7.10%) per annum.

As at 31 March 2017, the Group's cash and cash equivalents denominated in RMB were HK\$5,284.8 million (2016: HK\$7,891.3 million). The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations in Mainland China and the Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct business in foreign currency.

Included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the relevant group entities:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
RMB	人民幣	879.6	536.3
US\$	美元	495.7	334.9

## 28. Trade and Other Payables

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Trade payables	貿易應付款項	420.7	399.7
Deposits received from franchisees and customers	自加盟商及顧客收取的按金	3,967.9	2,503.7
Other tax payables	其他應付稅項	308.2	268.5
Accruals	應計費用	340.3	373.6
Accrued staff costs	應計員工成本	338.2	360.1
Interest payables	應付利息	5.0	31.6
Others	其他	313.1	398.9
		5,693.4	4,336.1

Deposits received from franchisees and customers mainly represent deposits made by franchisees in Mainland China for the consigned products. The amounts are unsecured and interest-free.

## 27. 銀行結餘及現金

截至2017年3月31日止年度，銀行存款按當時市場年利率介乎約0.01%至8.20%（2016年：介乎0.01%至7.10%）計息。

於2017年3月31日，本集團按人民幣列值的現金及現金等價物為5,284.8百萬港元（2016年：7,891.3百萬港元）。人民幣並不可自由兌換為其他貨幣；然而，根據於中國內地的中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過特許銀行進行外幣業務，將人民幣兌換為外幣。

計入銀行結餘及現金的款項為下列按有關貨幣（並非有關集團實體的功能貨幣）列值的款項：

## 28. 貿易及其他應付款項

自加盟商及顧客收取的按金主要指中國內地加盟商接收寄售產品時所支付之按金。該款項為無抵押及免息。

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## 28. Trade and Other Payables (Continued)

The Group normally receives credit terms of 7 to 180 days from its suppliers. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
0 to 30 days	0至30日	381.0	305.8
31 to 90 days	31至90日	23.7	12.0
91 to 180 days	91至180日	3.6	4.5
Over 180 days	180日以上	12.4	77.4
		420.7	399.7

## 29. Amounts Due to Non-Controlling Shareholders of Subsidiaries

The balances are unsecured, interest-free and repayable on demand.

## 30. Bank Borrowings

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Unsecured bank loans	無抵押銀行貸款	6,792.5	7,920.0
The carrying amounts of the above borrowings are repayable*:	以上借貸之賬面值按下列期限償還*：		
Within one year	一年內	6,192.5	7,320.0
More than one year, but not exceeding two years	一年以上，但不超過兩年	600.0	-
More than two years, but not exceeding five years	兩年以上，但不超過五年	-	600.0
		6,792.5	7,920.0
Less: Amounts due within one year shown under current liabilities	減：流動負債項下所示一年內到期的款項	(6,192.5)	(7,320.0)
Amount shown under non-current liabilities	非流動負債項下所示款項	600.0	600.0

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

## 28. 貿易及其他應付款項 (續)

本集團一般自其供應商取得的信貸期為介乎7日至180日不等。以下為根據發票日期呈列於各報告期末的貿易應付款項的賬齡分析：

## 29. 應付附屬公司非控股股東款項

結餘為無抵押、免息及按要求可予償還。

## 30. 銀行貸款

\* 到期款項乃以貸款協議所載計劃還款日期為依據。



### 30. Bank Borrowings (Continued)

The bank borrowings carry variable interest rates at 0.7% over Hong Kong Interbank Offered Rate ("HIBOR") per annum or 90% to 91% of The Peoples' Bank of China Standard Loan Interest Rate (2016: ranged from 0.7% to 0.8% over HIBOR per annum).

As at 31 March 2017, the range of interest rates on the bank borrowings were 1.1% to 3.9% (2016: 0.9% to 1.0%) per annum.

All bank borrowings are denominated in functional currency of relevant group entities.

### 31. Gold Loans

The amounts represent unsecured borrowings from banks and the amounts payable are pegged with gold prices.

As at 31 March 2017, the gold loans carry fixed interest rates of 1.0% to 2.5% (2016: 1.2% to 2.7%) per annum, with original maturity of 1 to 7 months (2016: 1 to 4 months) from date of inception.

Gold loans were borrowed to reduce the impact of fluctuations in gold prices on gold inventories. Gold loans were designated as financial liabilities at fair value through profit or loss.

Included in gold loans are the following amounts denominated in currencies other than functional currency of the relevant group entities:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
US\$	美元	1,573.1	3,184.0

### 30. 銀行貸款(續)

銀行貸款按浮動年利率計息，年利率為香港銀行同業拆息加0.7%或中國人民銀行貸款基準利率90%至91%（2016年：年利率為香港銀行同業拆息加介乎0.7%至0.8%）。

於2017年3月31日，有關銀行貸款的年利率介乎1.1%至3.9%（2016年：0.9%至1.0%）。

所有銀行貸款按有關集團實體的功能貨幣列值。

### 31. 黃金借貸

該款項乃指無抵押銀行貸款，而應付款項與黃金價格掛鈎。

於2017年3月31日，黃金借貸按年利率1.0%至2.5%（2016年：年利率1.2%至2.7%）的固定利率計息，原到期日為授出日起1至7個月（2016年：1至4個月）。

借取黃金借貸目的在於減低黃金存貨受黃金價格波動的影響。黃金借貸指定為按公平值計入損益的金融負債。

計入黃金借貸為下列按有關貨幣（並非有關集團實體的功能貨幣）列值的款項：

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## 32. Share Capital

## 32. 股本

		2017 and 2016 2017年及2016年 HK\$ million 百萬港元
Authorised:	法定：	
50,000,000,000 ordinary shares of HK\$1 each	50,000,000,000 股每股面值1港元之普通股	50,000.0
Issued and fully paid:	已發行及繳足：	
10,000,000,000 ordinary shares of HK\$1 each	10,000,000,000 股每股面值1港元之普通股	10,000.0

There was no change in the Company's authorised, issued and fully paid capital in both years.

兩個年度內，本公司之法定、已發行及繳足股本概無改變。

## 33. Operating Lease Commitments

## 33. 經營租賃承擔

## The Group as lessee

## 本集團作為承租人

At the end of each reporting period, the Group was committed to make the following future minimum lease payments which represent lease payments of its rented premises, under non-cancellable operating leases which fall due as follows:

於各報告期末，本集團承諾會就根據不可撤銷的經營租賃於下列到期時間作出未來最低租金付款（代表承租物業的租金）為：

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Within one year	一年內	1,243.0	1,466.4
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	1,323.5	1,435.5
Over five years	五年以後	407.6	472.6
		<b>2,974.1</b>	<b>3,374.5</b>

Included in above are commitments to entities in which certain directors\* of the Company have beneficial interests:

計入上文所述為向本公司若干董事\*擁有受益權的實體之承擔：

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Within one year	一年內	162.6	164.6
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	275.8	163.4
Over five years	五年以後	351.7	380.3
		<b>790.1</b>	<b>708.3</b>

\* The directors also have beneficial interests in the Company.

\* 董事亦擁有本公司的受益權。

### 33. Operating Lease Commitments (Continued)

#### The Group as lessee (Continued)

There are certain lease arrangements for rented premises, according to which the Group is committed to pay minimum guaranteed amounts and additional monthly payments determined based on monthly sales levels.

There are concessionaire arrangements for concessionaire stores according to which the Group is committed to pay either minimum guaranteed amounts or concessionaire fees that are based on prescribed rates of corresponding sales depending on product categories, whichever is higher. The minimum guaranteed amounts are not material and the concessionaire fees paid during the year were all determined based on sales level.

Majority of leases with fixed rentals and concessionaire arrangement are negotiated for terms ranging from 1 to 3 years.

#### The Group as lessor

Property rental income earned during the year was HK\$12.5 million (2016: HK\$18.0 million). All of the Group's investment properties are held for rental purposes. All of the properties held have committed tenants for the next 1 to 3 years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Within one year	一年內	9.6	8.6
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	–	12.9
		<b>9.6</b>	<b>21.5</b>

### 34. Capital Commitments

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Capital expenditure contracted but not provided for in respect of the acquisition of property, plant and equipment	就收購物業、廠房及設備已訂約但未撥備的資本開支	429.2	412.7

### 33. 經營租賃承擔(續)

#### 本集團作為承租人(續)

根據若干承租物業的租賃安排，本集團承諾支付最低擔保金額及根據每月銷售水平釐定的每月額外付款。

本集團就專櫃設有專櫃安排，據此，本集團承諾視乎產品類別按規定相關銷售額之百分率支付最低保證金或專櫃分成(以較高者為準)。最低擔保金額並不重大，本年度支付的全部專櫃分成乃根據銷售水平釐定。

大部份租約及專櫃安排乃經磋商後釐定，租期一年至三年內租金不變。

#### 本集團作為出租人

於年內賺取之物業租金收入為12.5百萬港元(2016年：18.0百萬港元)。本集團所有投資物業均持作租賃。所持有之全部物業於未來一至三年均有已承諾租賃之租戶。

於報告期末，本集團與租戶所訂租約的未來最低租金付款如下：

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## 35. Capital Risk Management

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of bank borrowings, gold loans and equity attributable to shareholders of the Company, comprising share capital, reserves and retained profits as disclosed in the consolidated financial statements.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new share issues as well as the raising of bank borrowings and gold loans.

## 36. Financial Instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in note 3.

## Categories of financial instruments

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
<b>Financial assets</b>	<b>金融資產</b>		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	10,526.7	15,571.5
Convertible bonds at fair value through profit or loss	按公平值計入損益之可兌換債券	-	17.8
		<b>10,526.7</b>	<b>15,589.3</b>
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	7,621.2	8,911.4
Gold loans at fair value through profit or loss	以公平值計入損益的黃金借貸	3,215.9	6,513.3
		<b>10,837.1</b>	<b>15,424.7</b>

## 35. 資本風險管理

本集團管理資本旨在確保集團實體可持續經營，並透過維持債務與權益的最佳平衡而為股東提供最大回報。

本集團的資本架構包括銀行貸款、黃金借貸和本公司股東應佔股權(包括綜合財務報表所披露之股本、儲備及保留溢利)。

本集團管理層定期檢討資本架構。本集團會考慮資本成本及各類資本相關的風險，亦透過派付股息、發行新股、籌集銀行貸款及黃金借貸平衡本集團整體資本架構。

## 36. 金融工具

與各類金融資產及金融負債有關的所採納重大會計政策及方法的詳情(包括確認標準、計量基準以及確認收入及開支的基準)於附註3披露。

## 金融工具類別

## 36. Financial Instruments (Continued)

### Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, bank balances and cash, trade and other payables, amounts due to non-controlling shareholders of subsidiaries, bank borrowings and gold loans. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and commodity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

##### Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate loan receivables, certain trade receivables and gold loans. The Group currently does not have any instruments to hedge against the fair value interest rate risk.

Also, the Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly certain bank balances and bank borrowings at variable interest rates. The Group currently does not have an interest rate hedging policy. However, the management will consider hedging significant interest rate risk should the need arise.

In the opinion of the directors of the Company, the cash flow interest rate risk is considered insignificant and therefore no sensitivity analysis is presented.

##### Currency risk

Certain group entities have foreign currency sales, which expose the Group to foreign currency risk. During the year ended 31 March 2017, about 0.3% (2016: 0.4%) of the Group's sales are denominated in currency other than the functional currency of the group entities. During the year ended 31 March 2017, about 4.6% (2016: 6.1%) of the Group's purchases, are denominated in currencies other than the functional currency of the group entities making the purchase. The majority of the Group's foreign currency denominated monetary items are bank balances denominated in Renminbi ("RMB"), which are held by Group entities whose functional currencies are not RMB, with carrying amounts of HK\$879.6 million (2016: HK\$536.3 million). In addition, certain group entities whose functional currency is HK\$, have intra-group advances to their subsidiaries, denominated in RMB.

The Group mainly exposes to currency of United States dollars ("US\$") and RMB, which are arising from relevant group entities' foreign currency denominated monetary assets and liabilities for the Group's operating activities.

## 36. 金融工具 (續)

### 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、應收貸款、銀行結餘及現金、貿易及其他應付款項、應付附屬公司非控股股東款項、銀行貸款以及黃金借貸。該等金融工具詳情於各附註披露。該等金融工具之相關風險包括市場風險(利率風險、貨幣風險及商品價格風險)、信貸風險及流動資金風險。如何減輕該等風險的政策載於下文。管理層管理及監控該等風險以確保及時有效地實施適當措施。

#### 市場風險

##### 利率風險

本集團須就應收固定利率貸款、若干貿易應收款項及黃金借貸承擔公平值利率風險。本集團現在並無任何工具就公平值利率風險進行對沖。

此外，本集團因計息金融資產及負債(主要為若干銀行結餘和按浮動利率計息的銀行貸款)利率變動的影響而面對現金流量利率風險。本集團目前概無利率對沖政策。然而，管理層將於需要時考慮對沖重大利率風險。

由於本公司董事認為現金流量利率風險並不重大，故此並無呈列敏感度分析。

##### 貨幣風險

若干集團實體以外幣進行銷售，令本集團面臨外幣風險。於截至2017年3月31日止年度內，本集團約0.3% (2016年：0.4%)的銷售額並非以集團實體的功能貨幣計值。於截至2017年3月31日止年度內，本集團約4.6% (2016年：6.1%)的採購並非以進行採購的集團實體之功能貨幣計值。本集團大部份以外幣計值的貨幣項目為銀行結餘(由功能貨幣並非人民幣的集團實體持有)，其賬面值為879.6百萬港元(2016年：536.3百萬港元)。此外，若干以港幣為功能貨幣之集團實體，有以人民幣計值，向其附屬公司提供的集團內公司墊款。

本集團的經營活動所用相關集團實體以外幣計值的貨幣資產與負債令本集團主要面臨美元及人民幣之貨幣風險。

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## 36. Financial Instruments (Continued)

## Financial risk management objectives and policies (Continued)

## Market risk (Continued)

## Currency risk (Continued)

The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures. However, the management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise. As at 31 March 2017, if the exchange rate of RMB had been 2% appreciated or depreciated against HK\$, the Group's profit after taxation for the year would increase or decrease by HK\$70.0 million (2016: HK\$101.7 million).

In the opinion of the directors of the Company, the currency risk of US\$ is considered insignificant.

## Commodity price risk

The Group is engaged in the sales of jewellery including gold products. The gold market is influenced by global as well as regional supply and demand conditions. A significant decline in prices of gold could adversely affect the Group's financial performance. In order to reduce the commodity price risk, the Group uses gold loans to reduce its exposure to fluctuations in the gold price on gold inventory. Gold loans are settled at maturity which is usually in 1 to 7 months (2016: 1 to 4 months) from date of inception and any fair value change is immediately recognised in profit or loss.

As at 31 March 2017, if the market price of gold had been higher or lower by 10%, the potential effect on gold loans and the resulting impact on profit after taxation for the year would decrease or increase approximately by HK\$295.6 million (2016: HK\$598.8 million).

## Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk in trade and loan receivables, with exposure spread over a number of counterparties.

The credit risk on bank balances is minimal as such amounts are placed in banks with good reputation.

## 36. 金融工具(續)

## 金融風險管理目標及政策(續)

## 市場風險(續)

## 貨幣風險(續)

本集團現時並無就撇除貨幣風險設定外幣對沖政策。然而，管理層會密切監察相關的外幣風險，需要時將考慮對沖重大的外幣風險。於2017年3月31日，倘人民幣兌港元的匯率升值或貶值2%，本集團的年度除稅後溢利將增加或減少70.0百萬港元(2016年：101.7百萬港元)。

本公司董事認為美元的貨幣風險並不重大。

## 商品價格風險

本集團從事包括黃金產品等的珠寶銷售業務。黃金市場受全球以及地區供求狀況影響。黃金價格大幅下跌可對本集團之財務表現造成不利影響。為減低商品價格風險，本集團使用黃金借貸減低黃金價格波動就黃金存貨帶來之風險。黃金借貸於屆滿時結算，而期限通常自其開始日起計1至7個月(2016年：1至4個月)，如有公平值變動則立即於損益內確認。

於2017年3月31日，倘黃金市價上升或下跌10%，對黃金借貸的潛在影響及該年度的除稅後溢利的影響，將分別減少或增加約295.6百萬港元(2016年：598.8百萬港元)。

## 信貸風險

倘交易對手於各報告期末未能履行其責任，則本集團就各類已確認金融資產而面對的最大信貸風險，為綜合財務狀況表所列該等資產的賬面值。為盡量降低信貸風險，本集團管理層已委派一組人員專責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期債務。此外，於報告期末，本集團會檢討個別貿易債項的可收回金額，以確保能就不可收回金額作出足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大大降低。

本集團於貿易應收款項及應收貸款中並無高度集中的信貸風險，風險分散至多名交易對手。

由於銀行結餘乃存入具良好聲譽的銀行，故該等款項的信貸風險甚為輕微。



## 36. Financial Instruments (Continued)

### Financial risk management objectives and policies (Continued)

#### Liquidity risk

The management of the Group has built an appropriate liquidity risk management framework for the management of the Group's short and medium-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecasted and actual cash flows and the maturity profiles of its financial liabilities.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up to reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

		Weighted average interest rate 加權平均利率	On demand or less than 3 months 於要求時或3個月內 HK\$ million 百萬港元	3 months to 1 year 3個月至1年 HK\$ million 百萬港元	1 to 5 years 1至5年 HK\$ million 百萬港元	Total undiscounted cash flows 未貼現現金流量總額 HK\$ million 百萬港元	Carrying amount 賬面值 HK\$ million 百萬港元
<b>Financial liabilities</b>	<b>金融負債</b>						
At 31 March 2017	於2017年3月31日						
Trade and other payables	貿易及其他應付款項	-	738.8	-	-	738.8	738.8
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	-	89.9	-	-	89.9	89.9
Bank borrowings	銀行貸款	1.4%	5,804.1	399.6	610.4	6,814.1	6,792.5
Gold loans	黃金借貸	1.7%	3,158.9	63.0	-	3,221.9	3,215.9
			<b>9,791.7</b>	<b>462.6</b>	<b>610.4</b>	<b>10,864.7</b>	<b>10,837.1</b>

## 36. 金融工具 (續)

### 金融風險管理目標及政策 (續)

#### 流動資金風險

本集團管理層已為本集團的短期及中期資金以及流動資金管理規定建立適當的流動資金風險管理框架。本集團透過維持銀行融資以及持續監察預測及實際現金流量及其金融負債之到期情況，管理流動資金風險。

下表為本集團之金融負債餘下合約到期日之詳情。該表格根據本集團可被要求支付金融負債之最早日期編製，以反映金融負債之未貼現現金流量。該表格包括利息及本金現金流量。

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## 36. Financial Instruments (Continued)

## Financial risk management objectives and policies (Continued)

## Liquidity risk (Continued)

## 36. 金融工具(續)

## 金融風險管理目標及政策(續)

## 流動資金風險(續)

		Weighted average interest rate 加權平均利率	On demand or less than 3 months 於要求時 或3個月內 HK\$ million 百萬港元	3 months to 1 year 3個月至1年 HK\$ million 百萬港元	1 to 5 years 1至5年 HK\$ million 百萬港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$ million 百萬港元	Carrying amount 賬面值 HK\$ million 百萬港元
<b>Financial liabilities</b>	<b>金融負債</b>						
At 31 March 2016	於2016年3月31日						
Trade and other payables	貿易及其他應付款項	-	830.2	-	-	830.2	830.2
Amounts due to non- controlling shareholders of subsidiaries	應付附屬公司非控股 股東款項	-	161.2	-	-	161.2	161.2
Bank borrowings	銀行貸款	0.9%	7,324.8	-	614.2	7,939.0	7,920.0
Gold loans	黃金借貸	1.9%	6,389.7	139.0	-	6,528.7	6,513.3
			14,705.9	139.0	614.2	15,459.1	15,424.7

Notes:

- (i) The amounts included in above for variable rate bank borrowings are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.
- (ii) The amounts of gold loans are determined with reference to quoted market bid price of gold traded in active liquid markets.

附註:

- (i) 倘若報告期末的浮息利率變動有別於已釐定的利率估計，上列浮息銀行貸款包括的數額或會改變。
- (ii) 黃金借貸的金額參照在高流通市場買賣之黃金市場買入報價釐定。

## 36. Financial Instruments (Continued)

### Fair value measurements of financial instruments

(i) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of gold loans is determined using discounted cash flow valuation technique reference to quoted market bid price of gold traded in active liquid markets as a key input; and
- the fair value of convertible bonds is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The following table provides an analysis of convertible bonds and gold loans that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

		Level 1 第 1 級 HK\$ million 百萬港元	Level 2 第 2 級 HK\$ million 百萬港元	Level 3 第 3 級 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
<b>At 31 March 2017</b>	<b>於 2017 年 3 月 31 日</b>				
Financial liabilities	金融負債				
Gold loans	黃金借貸	-	3,215.9	-	3,215.9
<b>At 31 March 2016</b>	<b>於 2016 年 3 月 31 日</b>				
Financial assets	金融資產				
Convertible bonds	可兌換債券	-	-	17.8	17.8
Financial liabilities	金融負債				
Gold loans	黃金借貸	-	6,513.3	-	6,513.3

## 36. 金融工具 (續)

### 金融工具公平值計量

(i) 按經營基準以公平值計量金融資產及金融負債之公平值

金融資產及金融負債之公平值乃以下列各項釐定：

- 黃金借貸之公平值利用貼現現金流評估法釐定，其中參照在高流通市場買賣之黃金市場買入報價為主要輸入數據；及
- 可兌換債券之公平值乃根據公認定價模式，按照貼現現金流量分析釐定。

下表提供初步按公平值確認後計量之可兌換債券及黃金借貸之分析，按照公平值觀察所得程度分為 1 至 3 級。

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

## 36. Financial Instruments (Continued)

## Fair value measurements of financial instruments (Continued)

## (i) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of convertible bonds

		HK\$ million 百萬港元
At 1 April 2015	於2015年4月1日	17.9
Currency realignment	貨幣調整	(0.1)
At 31 March 2016	於2016年3月31日	17.8
Derecognition upon maturity	於到期時終止確認	(16.8)
Currency realignment	貨幣調整	(1.0)
At 31 March 2017	於2017年3月31日	-

## Fair value measurements and valuation processes

In estimating the fair value of convertible bonds, the Group used market-observable data to the extent it was available. Where Level 1 inputs were not available, the Group performed the valuation using discounted cash flow model with reference to comparable market data.

## (ii) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

## 36. 金融工具(續)

## 金融工具公平值計量(續)

## (i) 按經營基準以公平值計量金融資產及金融負債之公平值(續)

可兌換債券第3級公平值計量之對賬

## 公平值計量及估值過程

在估計可兌換債券公平值時，本集團會利用其可得的市場可觀察數據。倘沒有第1級輸入數據，本集團會參照可比較市場數據利用貼現現金流量模型進行估值。

## (ii) 並非按經營基準以公平值計量金融資產及金融負債之公平值

其他金融資產及金融負債之公平值乃根據公認定價模式，按照貼現現金流量分析釐定。

本公司董事認為，於綜合財務報表按攤銷成本入賬的金融資產及負債之賬面值與其公平值相約。

## 37. Retirement Benefit Obligations

### Defined contribution scheme

The Group participates in defined contribution schemes which are registered under the Hong Kong Occupational Retirement Scheme Ordinance (the “ORSO Scheme”) and a Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Hong Kong Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of independent trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The retirement benefit cost charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable to the funds by the Group at rates specified in the rules of the schemes. Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employee. The maximum monthly amount of contribution is limited to HK\$1,000 per employee, which was revised to HK\$1,250 with effect from 1 June 2012 and further revised to HK\$1,500 with effect from 1 June 2014.

The eligible employees of the Company’s subsidiaries in Mainland China and Macau are members of pension schemes operated by local government of Mainland China and the Macau government, respectively. The subsidiaries in Mainland China are required to contribute a certain percentage of the relevant cost of the payroll of these employees to the pension schemes to fund the benefits. The subsidiary in Macau is required to pay a monthly fixed contribution to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contribution under the schemes.

## 37. 退休福利承擔

### 定額供款計劃

本集團已參與根據香港職業退休計劃條例註冊的定額供款計劃（「職業退休計劃條例計劃」）及於2000年12月根據香港強制性公積金條例成立的強制性公積金計劃（「強積金計劃」）。該等計劃資產與本集團的資產分開處理，由獨立受託人控制的基金持有。凡於成立強積金計劃前已參與職業退休計劃條例計劃的僱員可選擇繼續留用職業退休計劃條例計劃或轉用強積金計劃，而所有於2000年12月1日或之後加入本集團的新僱員則須參加強積金計劃。

自綜合損益及其他全面收益表扣除的退休福利成本指本集團按計劃規則指定的比率應付予基金的供款。倘僱員於全數供款歸屬前退出職業退休計劃條例計劃，本集團應付供款將按已沒收供款扣減。

就強積金計劃的成員而言，本集團須向強積金計劃就相關工資成本作5%供款，該筆供款與僱員的供款額一致。每月供款的最高金額為每位僱員1,000港元，自2012年6月1日起已修訂為1,250港元，自2014年6月1日起進一步修訂為1,500港元。

本公司中國內地及澳門附屬公司的合資格僱員分別為中國內地當地政府及澳門政府營運的退休金計劃成員，中國內地及澳門附屬公司須分別按有關僱員薪金總額成本的若干百分比就彼等退休金計劃供款及每月向退休福利計劃支付定額供款，作為福利供款。本集團有關退休福利計劃的唯一責任為根據該等計劃作出所須供款。

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

## 37. Retirement Benefit Obligations (Continued)

## Defined benefit scheme

Certain subsidiaries of the Company provide defined pension benefits to the employees, who joined to these subsidiaries before 1995. The amount payable is dependent on the employees' final salary and years of services. The Group does not set aside any assets to fund such obligations.

Under the scheme, the employees are entitled to a pension between 25% and 40% of final salary for each year of pensionable service at an age of 65. No other post-retirement benefits are provided. The most recent actuarial valuations of the present value of the defined benefit obligations were carried out in March 2017 by Roma Appraisals Limited ("Roma"), an independent qualified professional valuer, using the projected unit credit method. The principal place of business of Roma is 22/F, China Overseas Building, 193 Hennessy Road, Wanchai, Hong Kong. The assumptions which have the most significant effect on the results of the valuation are discount rate, retirement age, turnover rate, mortality rate and the rate of increase in salaries.

The main actuarial assumptions used were as follows:

		2017	2016
Discount rate	貼現率	1.6%	1.2%
Expected rate of salary increase	預期薪金增加比率	2.5%	2.5%
Turnover rate	周轉率	0%	0%

Amounts recognised in comprehensive income in respect of the defined benefit scheme are as follows:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Current service cost	現時服務成本	3.5	3.9
Interest on obligation	承擔的利息	3.9	2.8
Components of defined benefits recognised in profit or loss	於損益確認的定額福利部份	7.4	6.7
Remeasurement on defined benefit scheme recognised in other comprehensive income:	於其他全面收益確認的定額福利計劃重新計量：		
Actuarial (gain) loss arising from changes in financial assumptions	財務假設改變所產生的精算(收益)虧損	(15.8)	2.1
<b>Total</b>	<b>總額</b>	<b>(8.4)</b>	<b>8.8</b>

## 37. 退休福利承擔(續)

## 定額福利計劃

本公司若干附屬公司向於1995年前加入該等附屬公司的僱員提供定額退休金福利。應付款項取決於僱員最後的薪金及服務年期。本集團並無留存任何資產以支付有關承擔。

根據該計劃，僱員於年屆65歲時就每年提供可獲退休金的服務按介乎最後薪金25%至40%享有退休金。本集團並無提供其他退休後福利。最近的定額福利承擔現值精算估值乃於2017年3月由獨立合資格估值師羅馬國際評估有限公司(「羅馬」)採用預計單位貸記法進行。羅馬的主要營業地點為香港灣仔軒尼詩道193號中國海外大廈22樓。對估值結果最具影響的假設乃貼現率、退休年齡、周轉率、死亡率及薪金的升幅。

所使用的主要精算假設如下：

就定額福利計劃於全面收益確認的款項如下：



### 37. Retirement Benefit Obligations (Continued)

#### Defined benefit scheme (Continued)

The current service costs and interest on obligation for the year ended 31 March 2017 and 2016 are included in “selling and distribution costs” and “general and administrative expenses” depending on the respective employee’s function.

The remeasurement of the defined benefit scheme for the year ended 31 March 2017 and 2016 is included in other comprehensive income.

Movements in the present value of the defined benefit obligations are as follows:

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
At 1 April	於4月1日	243.4	243.3
Service costs	服務成本	3.5	3.9
Interest costs	利息成本	3.9	2.8
Actuarial (gain) loss	精算(收益)虧損	(15.8)	2.1
Benefits paid	已支付福利	(8.4)	(8.7)
At 31 March	於3月31日	226.6	243.4

### 37. 退休福利承擔(續)

#### 定額福利計劃(續)

截至2017年3月31日及2016年3月31日止年度的現時服務成本及承擔的利息按各自的僱員職能計入「銷售及分銷成本」及「一般及行政開支」項。

截至2017年3月31日及2016年3月31日止年度的定額福利計劃重新計量計入其他全面收益。

定額福利承擔現值變動如下：

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## 38. Share Option Scheme

Pursuant to a resolution which were passed on 17 November 2011, the Company adopted a share option scheme (the "Share Option Scheme") for the purpose of attracting skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Under the Share Option Scheme, the directors of the Company may grant options to directors (including executive directors, non-executive directors and independent non-executive directors), the directors of the subsidiaries and the employees of the Group and any other persons (including consultants or advisers) who the directors of the Company consider, in its absolute discretion, have contributed or will contribute to the Group (the "Participants").

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on 17 November 2011. An offer of the grant of an option shall be made to a Participant by a notice of grant requiring the Participant to undertake to hold the option on the terms on which it is to be granted (which may include a minimum period for which the option must be held before it can be exercised and a performance target that must be reached before the option can be exercised in whole or in part) and to be bound by the terms of the Share Option Scheme. An offer of the grant of an option is deemed to be accepted by the Participant (the "Grantee") when the Company receives from the Grantee the duplicate notice of grant duly signed by the Grantee. An offer may be accepted or deemed to have been accepted in respect of less than the number of shares in respect of which it is offered, provided that it is accepted in respect of a board lot or an integral multiple thereof. No amount is payable by the Grantee upon acceptance of an offer of an option. The offer shall remain open for acceptance for such time to be determined by the directors of the Company, provided that no such offer shall be open for acceptance after the expiry of the Share Option Scheme or after the termination of the Share Option Scheme in accordance with its terms or after the Participant to whom the offer is made has ceased to be a Participant. To the extent that the offer is not accepted within the time period and in the manner specified in the offer, the offer will be deemed to have been irrevocably declined.

The exercise price shall be determined by the directors of the Company, and shall not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant.

During the year ended 31 March 2017 and 2016, no such share options were granted nor exercised by the Company.

The Company issued to the directors and certain employees share appreciation rights (the "SARs") that the Company would pay the intrinsic value of the SARs to the directors and certain employees as part of the discretionary bonus. The Group recorded a total expense of HK\$3.6 million during the year ended 31 March 2017 (2016: nil).

## 38. 購股權計劃

根據於2011年11月17日通過的決議案，本公司採納購股權計劃（「購股權計劃」），旨在通過提供獲取本公司股權的機會吸引有技能和經驗的人員，激勵彼等留任本集團，鼓勵其為本集團的未來發展及擴展而努力。根據購股權計劃，本公司董事會可向其全權酌情認為對本集團作出或將作出貢獻的董事（包括執行董事、非執行董事及獨立非執行董事）、附屬公司的董事、本集團的僱員以及任何其他人士（包括諮詢人或顧問）（「參與者」）授出購股權。

購股權計劃的有效期為10年，自2011年11月17日開始。授出購股權的要約須以授出通知的形式向參與者作出，要求參與者承諾按授出條款持有購股權（可能包括行使購股權前最短持有限期，及全部或部份行使購股權前須達到的表現目標），並受購股權計劃條款約束。倘本公司接獲經承授人正式簽署的授出通知副本，則授出購股權的要約會被視為已獲參與者（「承授人」）接納。承授人可能接納或視為接納的要約，所涉及的股份數目可較所提呈的要約所涉及者為少，惟所接納的須為一手買賣單位或其整數倍數。承授人接納購股權要約時毋須繳付任何金額。有關要約於本公司董事會釐定的期間內一直可供接納，惟於購股權計劃期限屆滿或購股權計劃根據其條款終止後或獲作出要約的參與者不再為參與者後，則不再可供接納。倘要約於時限內未按要約所指明方式接納，將視為已不可撤回地拒絕有關要約。

行使價須由本公司董事會釐定，並不得低於以下較高者：(i) 授出日期本公司股份的收市價；(ii) 緊接授出日期前五個交易日股份平均收市價；及(iii) 授出日期本公司股份的面值。

截至2017年及2016年3月31日止年度，本公司並無授出或行使任何該等購股權。

本公司向董事及若干僱員發行股份增值權（「股份增值權」），本公司會向董事及若干僱員支付股份增值權的內在價值，作為酌情花紅的一部份。截至2017年3月31日止年度，本集團錄得總開支為3.6百萬港元（2016年：零）。

### 39. Related Party Transactions

- (i) Other than the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had entered into the following related party transactions during the year:

Relationship 關係	Nature of transactions 交易性質	2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Entities in which certain directors* of the Company have beneficial interests 本公司若干董事*擁有受益權的實體	Advertising expenses 廣告開支	7.7	10.7
	Concessionaire fees in department stores 百貨公司專櫃分成	69.0	74.0
	Rental expenses 租金開支	195.0	198.4
	Purchase of goods and coupons and commission expenses 購買貨品及禮券以及佣金開支	0.3	0.7
	Sales of goods and coupons 銷售貨品及禮券	4.5	41.0
	Rental income 租金收入	0.1	10.9
	Non-controlling shareholders of subsidiaries 附屬公司非控股股東	Concessionaire fees in department stores 百貨公司專櫃分成	8.0
Franchise sales 加盟銷售		22.9	293.7
Entities in which a close family member of certain directors* of the Company has control 本公司若干董事*的近親家屬成員 擁有控制權的實體		Engineering services fee 工程服務費	7.4
	Rental expenses 租金開支	23.8	21.6
	Purchase of equipment 購買設備	12.3	11.4
	Licence fee 授權費用	12.5	5.3
	Acquisition of patents 收購專利	–	51.7

\* The directors also have beneficial interests in the Company.

\* 董事亦擁有本公司的受益權。

Apart from the aforementioned transactions, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company had, directly or indirectly, a material interest at any time during the year.

除上述交易外，本公司於本年度內任何時間，並無簽訂其他本公司董事在其中直接或間接享有重大利益之重要交易、安排及合約。

### 39. 關聯方交易

- (i) 除綜合財務報表內其他地方披露的交易及結餘外，本集團已於年內訂立下列關聯方交易：

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## 39. Related Party Transactions (Continued)

- (ii) Remuneration paid for key management personnel includes the directors and the chief executives of the Company as disclosed in note 10.

The remuneration of the directors and the chief executives of the Company is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 40. Principal Subsidiaries of the Company

Details of the Company's principal subsidiaries at the end of the reporting period are set out below:

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立／設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本／ 註冊資本／配額資本	Proportion of ownership interest held by the Company		Principal activities 主要業務
			2017	2016	
Highrise Achiever Limited* 擇天有限公司	BVI 20 June 2011 英屬維爾京群島 2011年6月20日	Share US\$1 股本 1美元	100%	100%	Investment holding 投資控股
Bentley Trading Limited 栢力貿易有限公司	Hong Kong 10 January 2008 香港 2008年1月10日	Ordinary shares HK\$10,000 普通股本 10,000港元	100%	100%	Trading of diamond 鑽石買賣
Chow Tai Fook Jewellery Company Limited 周大福珠寶金行有限公司	Hong Kong 6 March 1961 香港 1961年3月6日	Ordinary shares HK\$350,000,000 普通股本 350,000,000港元	100%	100%	Sales of jewellery products 珠寶產品銷售
CTF Diamond Trading Company Limited 大福鑽石貿易有限公司	Hong Kong 19 September 2003 香港 2003年9月19日	Ordinary shares HK\$100 普通股本 100港元	100%	100%	Procurement of diamond 鑽石採購
CTF Watch (HK) Limited 周大福鐘錶(香港)有限公司	Hong Kong 7 February 2011 香港 2011年2月7日	Ordinary share HK\$1 普通股本 1港元	100%	100%	Sales of watches 鐘錶銷售

## 39. 關聯方交易 (續)

- (ii) 支付予主要管理人員的酬金包括附註10披露的本公司董事及最高行政人員。

本公司董事及最高行政人員的酬金是經由薪酬委員會根據個別人士的表現及市場趨勢而釐定。

## 40. 本公司主要附屬公司

下列為於報告期末本公司主要附屬公司之詳情：

## 40. Principal Subsidiaries of the Company (Continued)

## 40. 本公司主要附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/ 註冊資本/配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2017	2016	
Techni Development Investment Limited 達利發展投資有限公司	Hong Kong 26 May 2005 香港 2005年5月26日	Ordinary shares HK\$5,000,000 普通股本 5,000,000 港元	100%	100%	Procurement of gemstones, sales of jewellery products and investment holding 採購寶石、珠寶產品銷售以及投資控股
Chow Tai Fook Jewellery and Watch Company (Macau) Limited 周大福珠寶鐘錶(澳門)有限公司	Macau 17 March 2009 澳門 2009年3月17日	Quota capital MOP5,000,000 配額資本 5,000,000 澳門元	100%	100%	Sales of jewellery products 珠寶產品銷售
Hearts On Fire	The United States of America 14 May 2001 美國 2001年5月14日	Capital US\$74,468,737 資本 74,468,737 美元	100%	100%	Sales of jewellery products 珠寶產品銷售
Beijing Chow Tai Fook Jewellery Company Limited 北京周大福珠寶金行有限公司	PRC <sup>^</sup> 13 November 2006 中國 <sup>^</sup> 2006年11月13日	Registered capital US\$30,000,000 註冊資本 30,000,000 美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chongqing Chow Tai Fook Watch Marketing Company Limited 重慶周大福鐘錶銷售有限公司	PRC <sup>+</sup> 25 December 2008 中國 <sup>+</sup> 2008年12月25日	Registered capital RMB10,000,000 註冊資本 人民幣 10,000,000 元	80%	80%	Sales of watches 鐘錶銷售
Chongqing Flamingo Watches Company Limited 重慶富明高鐘錶有限公司	PRC <sup>+</sup> 25 December 2008 中國 <sup>+</sup> 2008年12月25日	Registered capital RMB1,000,000 註冊資本 人民幣 1,000,000 元	80%	80%	Sales of watches 鐘錶銷售

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

## 40. Principal Subsidiaries of the Company (Continued)

## 40. 本公司主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/ 註冊資本/配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2017	2016	
Chow Tai Fook Jewellery (Chongqing) Company Limited 周大福珠寶金行(重慶)有限公司	PRC <sup>^</sup> 23 December 2008 中國 <sup>^</sup> 2008年12月23日	Registered capital US\$30,000,000 註冊資本 30,000,000 美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chow Tai Fook Jewellery (Shenyang) Company Limited 周大福珠寶金行(瀋陽)有限公司	PRC <sup>~</sup> 2 January 2014 中國 <sup>~</sup> 2014年1月2日	Registered capital RMB20,000,000 註冊資本 人民幣 20,000,000 元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chow Tai Fook Jewellery (Shenzhen) Company Limited 周大福珠寶金行(深圳)有限公司	PRC <sup>^</sup> 2 April 2002 中國 <sup>^</sup> 2002年4月2日	Registered capital US\$100,000,000 註冊資本 100,000,000 美元	100%	100%	Manufacturing and sales of jewellery products 珠寶產品生產及銷售
Chow Tai Fook Jewellery (Suzhou) Company Limited 周大福珠寶金行(蘇州)有限公司	PRC <sup>^</sup> 11 January 2006 中國 <sup>^</sup> 2006年1月11日	Registered capital US\$30,000,000 註冊資本 30,000,000 美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chow Tai Fook Jewellery (Wuhan) Company Limited 周大福珠寶金行(武漢)有限公司	PRC <sup>^</sup> 29 January 2008 中國 <sup>^</sup> 2008年1月29日	Registered capital US\$30,000,000 註冊資本 30,000,000 美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Chow Tai Fook Jewellery Culture Industrial Park (Wuhan) Company Limited 周大福珠寶文化產業園(武漢)有限公司	PRC <sup>^</sup> 16 August 2012 中國 <sup>^</sup> 2012年8月16日	Registered capital US\$140,000,000 註冊資本 140,000,000 美元	100%	100%	Manufacturing of jewellery products 珠寶產品生產



## 40. Principal Subsidiaries of the Company (Continued)

## 40. 本公司主要附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/註冊資本/配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2017	2016	
Chow Tai Fook Jewellery Zhangjiagang Baoshui Company Limited 周大福珠寶金行張家港保稅區有限公司	PRC~ 21 April 2010 中國~ 2010年4月21日	Registered capital RMB65,723,500 註冊資本 人民幣65,723,500元	100%	100%	Sales of jewellery products 珠寶產品銷售
Foshan Shunde Yuda Jewellery Manufacturing Company Limited 佛山市順德區裕達珠寶首飾製造有限公司	PRC^ 14 March 2007 中國^ 2007年3月14日	Registered capital US\$10,639,400 註冊資本 10,639,400美元	100%	100%	Manufacturing of jewellery products 珠寶產品生產
Foshan Yushunfu Jewellery and Diamond Company Limited 佛山裕順福首飾鑽石有限公司	PRC^ 9 November 1988 中國^ 1988年11月9日	Registered capital US\$18,000,000 註冊資本 18,000,000美元	100%	100%	Manufacturing of jewellery products 珠寶產品生產
Guangdong Chow Tai Fook Jewellery Company Limited 廣東周大福珠寶金行有限公司	PRC^ 10 December 2007 中國^ 2007年12月10日	Registered capital US\$30,000,000 註冊資本 30,000,000美元	100%	100%	Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商
Guangdong Shunde Chow Tai Fook Jewellery Manufacturing Company Limited 廣東順德周大福珠寶製造有限公司	PRC~ 30 July 2014 中國~ 2014年7月30日	Registered capital RMB60,000,000 註冊資本 人民幣60,000,000元	100%	100%	Manufacturing of jewellery products 珠寶產品生產
Shanghai Fulong Chow Tai Fook Jewellery Company Limited 上海福龍周大福珠寶有限公司	PRC+ 5 January 2000 中國+ 2000年1月5日	Registered capital RMB10,000,000 註冊資本 人民幣10,000,000元	60%	60%	Sales of jewellery products 珠寶產品銷售

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

## 40. Principal Subsidiaries of the Company (Continued)

## 40. 本公司主要附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/ 註冊資本/配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2017	2016	
Shenzhen Chow Tai Fook Jewellery Manufacturing Company Limited 深圳市周大福珠寶製造有限公司	PRC <sup>-</sup> 5 March 2012 中國 <sup>-</sup> 2012年3月5日	Registered capital RMB20,000,000 註冊資本 人民幣20,000,000元	100%	100%	Manufacturing of jewellery products 珠寶產品生產
Shenzhen CTF Watch Company Limited 深圳周大福鐘錶有限公司	PRC <sup>+</sup> 27 June 2011 中國 <sup>+</sup> 2011年6月27日	Registered capital HK\$300,000,000 註冊資本 300,000,000 港元	80%	80%	Sales of watches 鐘錶銷售
Shenzhen Shenfu Jewellery Company Limited 深圳市深福珠寶金行有限公司	PRC <sup>+</sup> 19 April 2007 中國 <sup>+</sup> 2007年4月19日	Registered capital RMB8,000,000 註冊資本 人民幣8,000,000元	50%#	50%#	Sales of jewellery products 珠寶產品銷售
Wuhan Hanfu Jewellery Company Limited 武漢漢福珠寶金行有限公司	PRC <sup>+</sup> 26 November 2003 中國 <sup>+</sup> 2003年11月26日	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	70%	70%	Sales of jewellery products 珠寶產品銷售
Zhangjiagang Baoshui Dade Xinfu Jewellery Company Limited 張家港保稅區大德新福珠寶金行有限公司	PRC <sup>+</sup> 3 December 2010 中國 <sup>+</sup> 2010年12月3日	Registered capital RMB3,000,000 註冊資本 人民幣3,000,000元	50%#	50%#	Sales of jewellery products 珠寶產品銷售
Zhangjiagang Baoshui Dehui Jewellery Company Limited 張家港保稅區德輝珠寶金行有限公司	PRC <sup>-</sup> 24 September 2012 中國 <sup>-</sup> 2012年9月24日	Registered capital RMB94,567,500 註冊資本 人民幣94,567,500元	100%	100%	Sales of jewellery products 珠寶產品銷售

## 40. Principal Subsidiaries of the Company (Continued)

## 40. 本公司主要附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/設立地點及日期	Issued and fully paid share capital/ registered capital/ quota capital 已發行及繳足股本/ 註冊資本/配額資本	Proportion of ownership interest held by the Company 本公司所佔擁有權權益比例		Principal activities 主要業務
			2017	2016	
Zhangjiagang Baoshui Qifu Jewellery Trading Company Limited 張家港保稅區祺福珠寶貿易有限公司	PRC <sup>+</sup> 11 June 2007 中國 <sup>+</sup> 2007年6月11日	Registered capital RMB150,000,000 註冊資本 人民幣150,000,000元	51%	51%	Sales of jewellery products 珠寶產品銷售
Zhangjiagang Baoshui Zhaofu Jewellery Company Limited 張家港保稅區肇福珠寶金行有限公司	PRC <sup>+</sup> 17 November 2011 中國 <sup>+</sup> 2011年11月17日	Registered capital RMB70,000,000 註冊資本 人民幣70,000,000元	51%	51%	Sales of jewellery products 珠寶產品銷售

\* Directly held by the Company.

# Pursuant to the relevant agreements entered into among shareholders of these entities, the Group has power to direct the relevant activities of these entities since their respective date of establishment/acquisition, and hence these entities are classified as subsidiaries of the Company.

+ Being a co-operative joint venture establishment in the PRC.

^ Being a wholly foreign owned enterprise.

~ Being a wholly owned enterprise in the PRC.

Note: The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

\* 本公司直接持有。

# 根據該等實體的股東之間訂立的相關協議，本集團自此等實體各自成立/收購日期以來有權指導該等實體的相關活動，因此此等實體歸類為本公司的附屬公司。

+ 為中國成立的合資合作企業。

^ 為外商獨資企業。

~ 為中國成立的獨資企業。

附註：上表列出董事認為主要影響本集團的業績或資產的本公司附屬公司。載列其他附屬公司之詳情，董事則認為會導致詳情過於冗長。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

41. Statement of Financial Position and Reserve  
Movement of the Company

## 41. 本公司財務狀況表及儲備變動

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Non-current assets	非流動資產		
Investment in a subsidiary	於一間附屬公司之投資	15,387.3	15,387.3
Amounts due from subsidiaries	應收附屬公司款項	600.0	600.0
		<b>15,987.3</b>	<b>15,987.3</b>
Current assets	流動資產		
Amount due from a subsidiary	應收一間附屬公司款項	7,298.9	10,657.3
Bank balances	銀行結餘	1.1	0.5
		<b>7,300.0</b>	<b>10,657.8</b>
Current liabilities	流動負債		
Other liabilities	其他負債	1.6	1.8
Bank borrowings	銀行貸款	5,573.0	7,320.0
Gold loans	黃金借貸	1,573.1	3,184.0
		<b>7,147.7</b>	<b>10,505.8</b>
Net current assets	流動資產淨額	<b>152.3</b>	<b>152.0</b>
Total assets less current liabilities	總資產減流動負債	<b>16,139.6</b>	<b>16,139.3</b>
Non-current liability	非流動負債		
Bank borrowings	銀行貸款	600.0	600.0
		<b>15,539.6</b>	<b>15,539.3</b>
Capital and reserves	資本及儲備		
Share capital	股本	10,000.0	10,000.0
Reserves	儲備	5,539.6	5,539.3
		<b>15,539.6</b>	<b>15,539.3</b>

#### 41. Statement of Financial Position and Reserve Movement of the Company (Continued)

#### 41. 本公司財務狀況表及儲備變動(續)

		Share capital 股本 HK\$ million 百萬港元	Share premium 股份溢價 HK\$ million 百萬港元	Retained profits 保留溢利 HK\$ million 百萬港元	Total 總計 HK\$ million 百萬港元
At 1 April 2015	於 2015 年 4 月 1 日	10,000.0	5,498.7	38.1	15,536.8
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	6,502.5	6,502.5
Dividends	股息	-	-	(6,500.0)	(6,500.0)
At 31 March 2016	於 2016 年 3 月 31 日	10,000.0	5,498.7	40.6	15,539.3
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	5,100.3	5,100.3
Dividends	股息	-	-	(5,100.0)	(5,100.0)
At 31 March 2017	於 2017 年 3 月 31 日	10,000.0	5,498.7	40.9	15,539.6

# Financial Summary 財務概要

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years. The financial information are extracted from the consolidated financial statements in the annual reports.

以下為本集團過去五個財政年度已刊發業績以及資產與負債概要。財務資料摘錄自年報的綜合財務報表。

		For the year ended 31 March 截至3月31日止年度				
		2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元
Revenue	營業額	57,433.9	77,407.1	64,277.0	56,591.5	51,245.5
Gross profit	毛利	16,283.1	21,152.3	19,072.4	15,641.4	14,962.7
Profit for the year	年度溢利	5,678.4	7,449.2	5,535.8	2,978.9	3,151.1

		As at 31 March 於3月31日				
		2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2017 HK\$ million 百萬港元
Total assets	資產總額	43,218.6	61,817.1	61,121.0	55,675.4	49,401.9
Total liabilities	負債總額	9,357.9	23,364.7	20,580.2	19,925.5	16,900.4
Net assets	資產淨額	33,860.7	38,452.4	40,540.8	35,749.9	32,501.5



# Glossary 詞彙

1HFY 財政年度上半年	the first half of the financial year, six months ending 30 September 財政年度上半年，截至9月30日止六個月
2HFY 財政年度下半年	the second half of the financial year, six months ending 31 March 財政年度下半年，截至3月31日止六個月
Articles 細則	the articles of association of the Company (as amended from time to time) 本公司組織章程細則(經不時修訂)
ASP 平均售價	average selling price 平均銷售價格
Board 董事會	the board of directors of the Company 本公司董事會
China UnionPay 中國銀聯	a bankcard organisation based in Mainland China 中國內地的一家銀行卡組織
CIS 店內專櫃	Counter-in-shop in POS 於零售點內的店內專櫃
Company/Chow Tai Fook 本公司/周大福	Chow Tai Fook Jewellery Group Limited (stock code: 1929) 周大福珠寶集團有限公司(股份代號：1929)
FY 財政年度	financial year, 1 April of a year to 31 March of the following year 財政年度，當年4月1日至翌年3月31日
Gem-set jewellery 珠寶鑲嵌首飾	jewellery products made with diamonds and gemstones 鑲有鑽石及寶石的首飾產品
Group 集團/本集團	the Company and its subsidiaries 本公司及其附屬公司
Hearts On Fire	Hearts On Fire Company, LLC.
High-end luxury jewellery 名貴珠寶	jewellery products with a retail price of above HK\$100,000 per piece 每件零售價10萬港元以上的珠寶產品
Karat gold K金	jewellery products made from gold alloy 以合金製成的首飾產品
Listing Rules 上市規則	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司證券上市規則
Mainland China 中國內地	the mainland of the People's Republic of China 中華人民共和國內地

# Glossary 詞彙

Mass luxury jewellery 主流珠寶	jewellery products with a retail price ranging from HK\$2,000 to HK\$100,000 per piece 每件零售價介乎2千港元至10萬港元的珠寶產品
O2O 線上線下	online-to-offline 線上到線下
POS 零售點	points of sale 產品零售點
Retail Sales Value/RSV 零售值	the sales at the ending price (VAT inclusive, if any), in respective functional currencies, of products sold to customers in the POS network and other channels 於零售點網絡和其他渠道向客戶銷售產品以相應的功能貨幣計值的最終零售價(包括增值稅, 如有)計算
Same Store 同店	self-operated POS existing as at the end of the relevant financial period and which have been operating since the beginning of the prior financial year 自前一個財政年度初已經營並於有關財政期間末仍然續存的直營零售點
Same Store Sales/SSS 同店銷售	for FY2017, the revenue from self-operated POS existing as at 31 March 2017 and which have been opened prior to 1 April 2015, measured at constant exchange rates. Revenue from wholesale and other channels are excluded 就2017財政年度而言, 於2015年4月1日前開業並於2017年3月31日仍然續存的直營零售點的營業額(按相同匯率計量), 惟不包括批發及其他渠道的營業額
Same Store Sales Growth/SSSG 同店銷售增長	a comparison between Same Store Sales of a particular period and sales from comparable POS in the previous period, measured at constant exchange rates 以相同匯率比較特定期間的同店銷售與前一期間的可比零售點銷售
SFO 證券及期貨條例	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
SIS 店中店	Shop-in-shop in POS 於零售點內的店中店
Stock Exchange 聯交所	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Tier I, II, III and other cities 一線、二線、三線及其他城市	for the list of cities, please refer to the glossary of our FY2014/15 interim report 有關城市詳情請參閱2014/2015財政年度中期報告的詞彙

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