

周大福

CHOW TAI FOOK

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

Stock Code 股份代號: 1929

Annual Report 2018 年報

Corporate Profile

企業簡介

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

Founded in 1929, the Group's iconic brand "Chow Tai Fook" has been widely recognised for its trustworthiness and authenticity, and is renowned for its product design, quality and value. The success of the Group and its iconic brand is rooted in innovation, craftsmanship and heritage. The Group also holds other jewellery brands including CHOW TAI FOOK T MARK, Hearts On Fire, MONOLOGUE and SOINLOVE, which are the first examples of a long term multi-brand strategy rollout.

The Group's commitment to sustainable growth is anchored in its "Smart+" strategy, which is in place to promote long term innovation in the business, in people and in culture. Another asset underpinning sustainable growth is a sophisticated vertically integrated business model. This supports the Group by fostering excellence and extending opportunities along the entire value chain to communities and industry partners.

With an extensive retail network in Greater China, Korea, Japan, Singapore, Malaysia and the United States, and a fast-growing e-commerce business, the Group is implementing effective online-to-offline ("O2O") strategies to succeed in today's omni-channel retail environment.

周大福珠寶集團有限公司(香港聯交所股份代號: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」創立於1929年，被廣獲認為信譽及正貨的象徵，並以產品設計、品質與價值聞名。集團及其標誌性品牌的成功植根於創新、工藝與傳承。集團亦制定長線多品牌發展策略，旗下擁有其他珠寶品牌包括周大福 T MARK、Hearts On Fire、MONOLOGUE與SOINLOVE等首批具代表性品牌。

集團對可持續增長的承諾以「Smart+」策略為基礎，致力於業務、員工和文化推動長遠的創新發展。發展成熟的垂直整合業務模式為支撐集團可持續增長的另一優勢，在整個價值鏈中支持集團追求卓越，以及延伸商機至不同社區和行業合作夥伴。

集團擁有龐大的零售網絡，遍及大中華、韓國、日本、新加坡、馬來西亞與美國，並經營發展迅速的電子商務業務，能有效地執行線上線下策略，在現今的全渠道零售環境下成功突圍而出。

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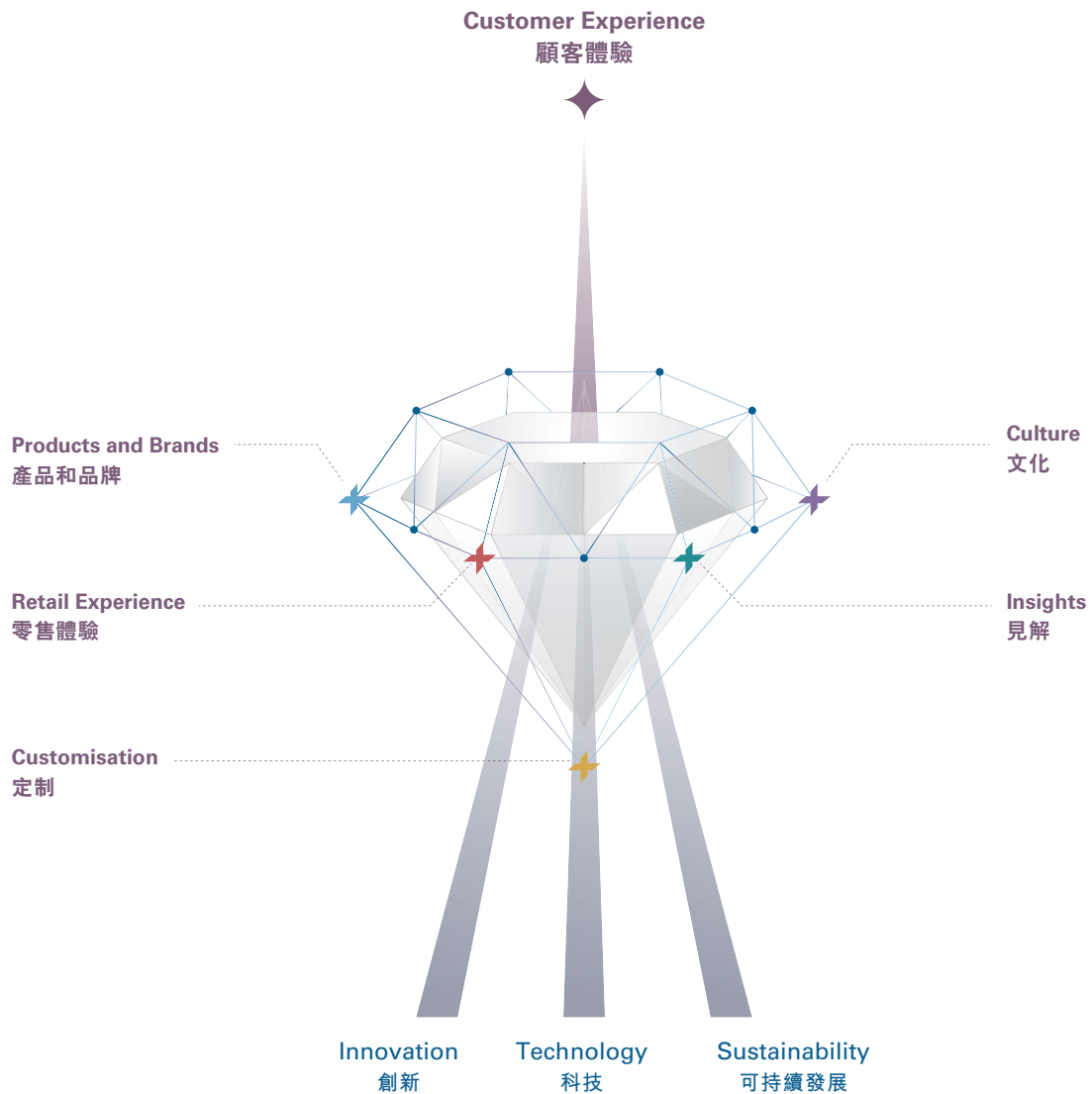
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SMART⁺

2020



SMART⁺ 2020



In order to deliver exceptional customer experiences that create long-term differentiation and loyalty, we focus on five key areas of work, each of which is underpinned by a firm commitment to innovation, technology and sustainability.

我們專注於五大關鍵工作，各方面都堅持以創新、科技和可持續發展承諾為基礎，締造長期的獨特性和忠誠度，以提供卓越的顧客體驗。

Vertically Integrated Business Model

垂直整合業務模式

Our evolving upstream, midstream and downstream capabilities empower us to further our development to become a more diversified and sustainable business.

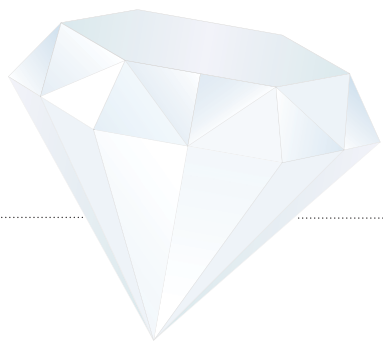
我們不斷革新上游、中游和下游的能力，推動我們邁向更多元化和可持續的業務發展。

Upstream 上游

Strengthening raw material procurement and processing capabilities to meet different requirements of our various products and brands
加強原材料採購和加工能力，以滿足我們多種產品和品牌的不同需求

Raw material procurement 原料採購

Procurement of rough diamonds is in compliance with The Kimberley Process Certification Scheme
所有鑽石毛坯的採購均符合金伯利進程認證計劃



Rough diamond cutting and polishing 鑽石毛坯切割和打磨

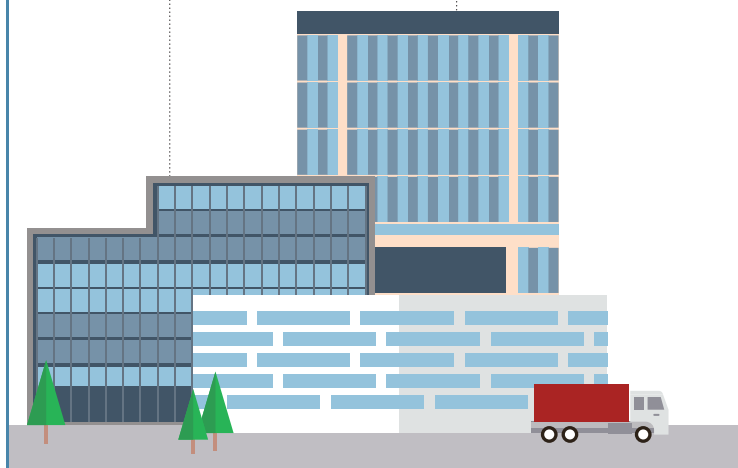
Processed **270,000+** carats of diamond in FY2018 which were all in compliance with De Beers Best Practice Principles
於2018財政年度加工超過270,000卡鑽石，其處理程序均符合De Beers最佳執業守則

Midstream 中游

Investing in innovation and technology in areas from product design and development, to manufacturing, logistics and distribution so as to offer more personalised experiences to our customers and other jewellery retailers

Smart production Smart 生產

We orchestrate our production and supply chain around four key principles – standardisation, automation, digitalisation and intelligence
我們圍繞四大主要原則——標準化、自動化、數據化和智能化，策劃生產和供應鏈



在產品設計和開發、生產以至物流和分銷等方面致力投資於創新和科技，為我們的顧客及其他珠寶零售商提供更個性化的體驗

Customisation 定制

“D-ONE” jewellery customisation online platform engages our customers in designing their own jewellery
「D-ONE」珠寶定制線上平台讓我們的顧客能參與設計自己的珠寶首飾



Logistics and distribution 物流及分銷

Our Logistics and Distribution Centre in Shunde, which started operations in FY2017, will continue to expand its capacity in FY2019 and beyond
我們於2017財政年度啟用的順德物流及配貨中心，將於2019財政年度及以後繼續提升配貨能力

Downstream 下游

Leveraging our strong global network and omni-channel retailing capabilities to deliver unique shopping experiences and value to our customers
通過我們強大的環球網絡和全渠道零售，為我們的顧客提供獨特的購物體驗和價值

Products sold in FY2018 2018財政年度產品銷量

16+ million 百萬
pieces of product
件產品



**Our multi-brand strategy
spanning across
我們的多品牌策略覆蓋**

2,500+
POS 零售點

70+
e-commerce platforms
電子商務平台

Customer behaviour analytics and business insights 顧客行為分析及業務見解

Information collected by our Smart Tray during customer shopping journey enables big data analytics and empowers useful business insights
我們的智能奉客盤於顧客購物過程中所收集的資訊，可用作大數據分析及綜合出有用的業務見解



Annual Results at a Glance

年度業績概覽

For the year ended 31 March 2018
截至2018年3月31日止年度

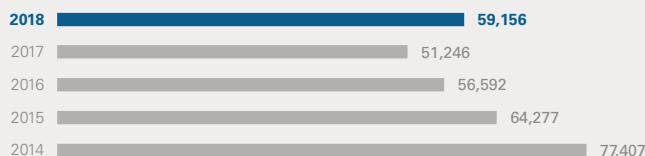
Revenue 營業額

million 百萬港元

HK\$59,156

YoY change 同比變化

▲ 15.4%



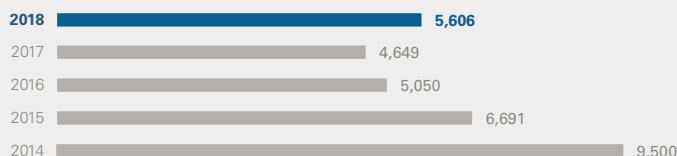
Core operating profit⁽¹⁾ 主要經營溢利⁽¹⁾

million 百萬港元

HK\$5,606

YoY change 同比變化

▲ 20.6%



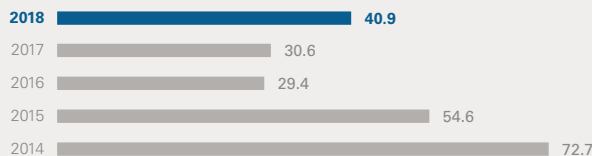
Earnings per share 每股盈利

HK cents 港仙

40.9

YoY change 同比變化

▲ 34.0%



Dividend per share for the year⁽²⁾ 每股全年股息⁽²⁾

HK cents 港仙

57.0

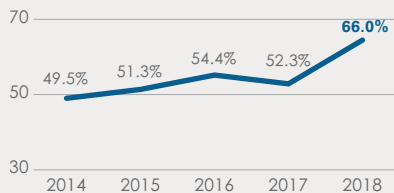
Including special dividend
per share
包括每股特別股息

HK cents 港仙

30.0

Dividend payout ratio (Special dividend excluded) 全年派息率(不包括特別股息)

66.0%



As at 31 March 2018
於2018年3月31日

Net gearing ratio 淨資本負債比率

15.6%

As at 31 March 2017
於2017年3月31日

6.4%

Net assets per share 每股資產淨額

港元

HK\$3.4

As at 31 March 2017
於2017年3月31日

港元

HK\$3.3

(1) Core operating profit, a non-IFRS measure, being the aggregate of gross profit and other income, less selling and distribution costs and general and administrative expenses and unrealised hedging loss/(gain) on gold loans, 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) Being a total of full year dividend of HK27.0 cents per share and special dividend of HK30.0 cents per share. The proposed final and special dividends of HK45.0 cents per share which are subject to the approval of shareholders at the forthcoming annual general meeting

(1) 主要經營溢利並非按國際財務報告準則計算，指毛利及其他收益的合計，減銷售及分銷成本以及一般及行政開支與黃金借貸的未變現對沖虧損/(收益)，本公司相信此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) 包括每股全年股息27.0港仙和每股特別股息30.0港仙，建議每股末期及特別股息共45.0港仙須待股東在本公司應屆股東週年大會上批准

As at 31 March 2018
於2018年3月31日

Retail network and performance
零售網絡及表現

Hong Kong and Macau
香港及澳門

POS 零售點

99

FY2018
2018 財政年度

SSSG 同店銷售增長

▲ **10.2%**



Mainland China
中國內地

FY2018
2018 財政年度

POS 零售點

SSSG 同店銷售增長

2,449

▲ **8.0%**

E-commerce (Mainland China)
電子商務 (中國內地)



FY2018
2018 財政年度

RSV 零售值

▲ **73.2%**

YoY change
同比變化

4.8%

of respective RSV
佔相關零售值

12.5%

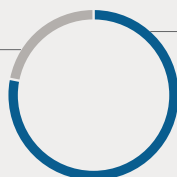
of respective retail
sales volume
佔相關銷量

Total number of employees
員工總數

29,200+

Number of employees by reportable segment
按可呈報分部劃分的員工數目

21.9%
Hong Kong,
Macau and
other markets
香港、澳門及
其他市場



78.1%
Mainland China
中國內地

Chow Tai Fook membership programme
周大福會員計劃

Total number of members 會員總數

2,117,000

FY2018
2018 財政年度

Members' repeat purchase as a % of respective RSV
會員再消費佔相關零售值之百分比

Mainland China 中國內地

30.7%

Hong Kong and Macau 香港及澳門

32.8%

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 | 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 | 2018 HK\$ million 百萬港元 |
|--|-------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Revenue | 營業額 | 77,407 | 64,277 | 56,592 | 51,246 | 59,156 |
| Gross profit | 毛利 | 21,152 | 19,072 | 15,641 | 14,963 | 16,213 |
| Core operating profit ⁽¹⁾ | 主要經營溢利 ⁽¹⁾ | 9,500 | 6,691 | 5,050 | 4,649 | 5,606 |
| Profit for the year | 年度溢利 | 7,449 | 5,536 | 2,979 | 3,151 | 4,203 |
| Profit attributable to shareholders of the Company | 本公司股東應佔溢利 | 7,272 | 5,456 | 2,941 | 3,055 | 4,095 |
| Earnings per share (HK cent) | 每股盈利(港仙) | 72.7 | 54.6 | 29.4 | 30.6 | 40.9 |
| Dividend per share (HK cent) | 每股股息(港仙) | | | | | |
| Full year dividend (HK cent) | 全年股息(港仙) | 36.0 | 28.0 | 16.0 | 16.0 | 27.0 |
| Special dividend (HK cent) | 特別股息(港仙) | – | – | 64.0 | 35.0 | 30.0 |
| Gross profit margin | 毛利率 | 27.3% | 29.7% | 27.6% | 29.2% | 27.4% |
| Adjusted gross profit margin ⁽²⁾ | 經調整後的毛利率 ⁽²⁾ | 27.7% | 29.2% | 28.9% | 28.5% | 27.2% |
| Core operating profit margin ⁽¹⁾ | 主要經營溢利率 ⁽¹⁾ | 12.3% | 10.4% | 8.9% | 9.1% | 9.5% |
| Net profit margin | 淨溢利率 | 9.6% | 8.6% | 5.3% | 6.1% | 7.1% |
| Full year dividend payout ratio ⁽³⁾ | 全年派息率 ⁽³⁾ | 49.5% | 51.3% | 54.4% | 52.3% | 66.0% |

(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 trend of its businesses

(3) Special dividend excluded

(1) 主要經營溢利及相應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 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------------------|---------------|------------|------------|------------|------------|-------------------|
| Mainland China | 中國內地 | | | | | |
| SSSG | 同店銷售增長 | 17.2% | (15.6)% | (9.6)% | (5.2)% | 8.0% |
| SSS volume growth | 同店銷量增長 | 33.1% | (15.8)% | (8.4)% | (15.8)% | 1.2% |
| Hong Kong and Macau | 香港及澳門 | | | | | |
| SSSG | 同店銷售增長 | 20.2% | (32.8)% | (21.7)% | (12.4)% | 10.2% |
| SSS volume growth | 同店銷量增長 | 40.3% | (27.7)% | (23.9)% | (18.8)% | 6.1% |
| Retail sales volume (unit) | 銷量(件數) | | | | | |
| Mainland China | 中國內地 | 14,556,000 | 13,637,000 | 13,280,000 | 12,004,000 | 13,416,000 |
| Hong Kong, Macau and other markets | 香港、澳門及其他市場 | 6,109,000 | 4,907,000 | 3,971,000 | 3,152,000 | 3,169,000 |

| As at 31 March | 於 3 月 31 日 | 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 | 2018 HK\$ million 百萬港元 |
|---|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Non-current assets | 非流動資產 | 4,263 | 7,038 | 6,670 | 7,133 | 8,258 |
| Current assets | 流動資產 | 57,554 | 54,083 | 49,005 | 42,269 | 49,312 |
| Current liabilities | 流動負債 | 22,507 | 19,880 | 18,764 | 15,788 | 20,719 |
| Net current assets | 流動資產淨額 | 35,047 | 34,203 | 30,241 | 26,480 | 28,593 |
| Net assets | 資產淨額 | 38,452 | 40,541 | 35,750 | 32,502 | 34,098 |
| Total assets | 資產總額 | 61,817 | 61,121 | 55,675 | 49,402 | 57,570 |
| Inventories | 存貨 | 42,544 | 39,798 | 31,377 | 29,259 | 34,929 |
| Bank deposits and cash equivalents ⁽⁴⁾ | 銀行存款及現金等價物 ⁽⁴⁾ | 9,972 | 8,478 | 13,001 | 7,943 | 7,944 |
| Bank borrowings | 銀行貸款 | 6,300 | 6,751 | 7,920 | 6,793 | 7,923 |
| Gold loans | 黃金借貸 | 10,787 | 8,338 | 6,513 | 3,216 | 5,335 |
| Net debt ⁽⁵⁾ | 債項淨額 ⁽⁵⁾ | 7,115 | 6,611 | 1,432 | 2,066 | 5,314 |
| Net assets per share (HK\$) | 每股資產淨額(港元) | 3.8 | 4.1 | 3.6 | 3.3 | 3.4 |
| Net gearing ratio ⁽⁶⁾ | 淨資本負債比率 ⁽⁶⁾ | 18.5% | 16.3% | 4.0% | 6.4% | 15.6% |
| Inventory turnover period (day) ⁽⁷⁾ | 存貨周轉期(天數) ⁽⁷⁾ | 276 | 320 | 279 | 294 | 296 |
| Return on equity ⁽⁸⁾ | 股本回報率 ⁽⁸⁾ | 19.4% | 13.7% | 8.3% | 9.7% | 12.3% |

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

(4) 包括銀行結餘及現金、已抵押銀行存款及短期銀行存款

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

(5) 銀行貸款及黃金借貸之總額(扣除銀行存款及現金等價物)

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

(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)除以權益總額

(7) 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

(7) 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

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

(8) 年內溢利除以年末權益總額

Note: The percentages calculated are subject to minor rounding differences

附註：百分比計算結果或略有進位差異

| For the year ended 31 March | 截至 3 月 31 日止年度 | 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 | 2018 HK\$ million 百萬港元 |
|--|------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | 9,465 | 7,288 | 5,787 | 5,702 | 6,879 |
| Net cash from/(used in) operating activities | 經營活動所得/(所用)現金淨額 | (5,420) | 7,568 | 13,897 | 6,252 | 2,851 |
| Net cash from/(used in) investing activities | 投資活動所得/(所用)現金淨額 | (1,727) | (3,093) | (1,045) | (1,147) | (1,577) |
| Net cash from/(used in) financing activities | 融資活動所得/(所用)現金淨額 | 8,221 | (5,472) | (8,008) | (9,771) | (1,753) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物增加/(減少)淨額 | 1,074 | (996) | 4,845 | (4,667) | (479) |
| Capital expenditure | 資本開支 | (1,368) | (2,768) | (1,046) | (862) | (1,084) |
| Pro forma free cash flows ⁽⁹⁾ | 備考自由現金流 ⁽⁹⁾ | (412) | 2,764 | 10,690 | 1,989 | 3,019 |

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

(9) 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

Financial and Operational Highlights
 財務及營運摘要

| As at 31 March | 於3月31日 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------|-----------------------------|-------|-------|-------|-------|--------------|
| POS network⁽¹⁰⁾ | 零售點網絡⁽¹⁰⁾ | | | | | |
| Mainland China | 中國內地 | 1,965 | 2,124 | 2,179 | 2,246 | 2,449 |
| Hong Kong | 香港 | 86 | 93 | 89 | 83 | 80 |
| Macau | 澳門 | 16 | 19 | 20 | 19 | 19 |
| Taiwan | 台灣 | 8 | 16 | 23 | 22 | 22 |
| Korea | 韓國 | – | 1 | 4 | 5 | 7 |
| Japan | 日本 | – | – | – | – | 2 |
| Malaysia | 馬來西亞 | 1 | 1 | 1 | 2 | 2 |
| Singapore | 新加坡 | 1 | 1 | 1 | 1 | 1 |
| United States | 美國 | – | 2 | 2 | 3 | 3 |
| Total | 總計 | 2,077 | 2,257 | 2,319 | 2,381 | 2,585 |

(10) SIS and CIS excluded

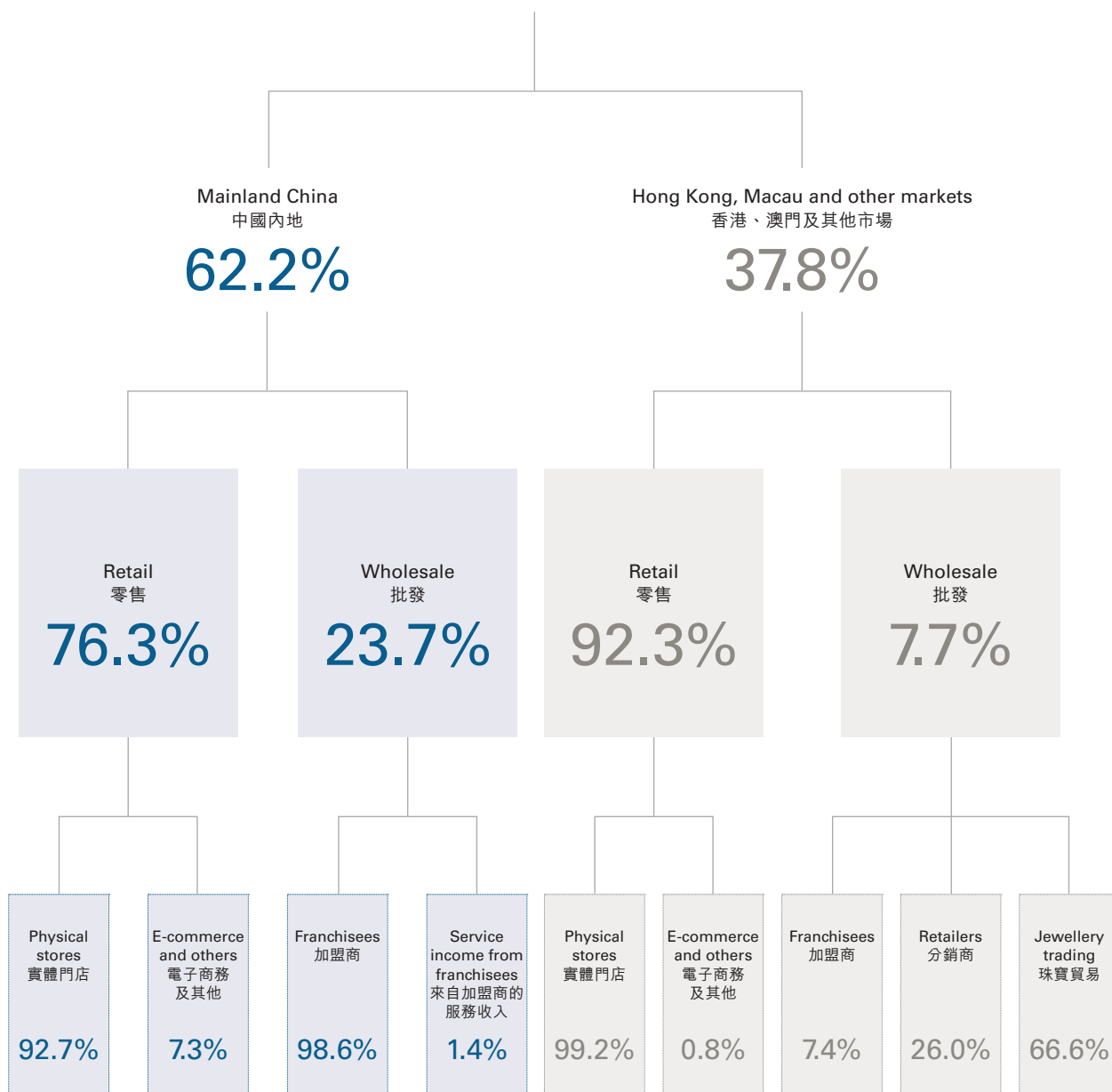
(10) 不包括店中店及店內專櫃

Revenue Illustration

營業額概述



FY2018 Revenue
2018 財政年度營業額



Chairman's Statement

主席報告書



“Chow Tai Fook is proudly approaching the 90th anniversary. We will, as always, continue to uphold our leading edges to bring our business to fruition by meticulously executing our “Smart+ 2020” strategic framework. We believe that the customer-centric approach fortified with our iconic and trusted brand value would further solidify our status as the industry leader.

周大福昂然迎進創業90周年，我們將一如既往，持守企業優勢，精準實行「Smart+ 2020」策略框架，引領未來共創豐碩成果。我們相信，在「以客為本」的共同目標驅使下，結合標誌性且備受信賴的品牌，將會進一步鞏固我們在行業的翹楚地位。 ”

Dear Shareholders,

I am pleased to present FY2018 annual results of the Group. Over the past decades, we have been striving for excellence and capturing market opportunities through our well-established brand and industry know-how.

FY2018 was a year of recovery with encouraging development. The retail market in Greater China has regained its upward momentum, leading to a vibrant performance for the Group.

Performance Review

The Group's revenue increased by 15.4% year-on-year to HK\$59,156 million in FY2018 on the back of recovering market fundamentals. Benefitting from the improvement in operations, profit attributable to shareholders of the Company rose 34.0% to HK\$4,095 million, with earnings per share of HK40.9 cents. The Board has proposed a final dividend of HK15.0 cents per share and a special dividend of HK30.0 cents per share. Dividend per share for the year amounted to HK57.0 cents. Excluding special dividend, full year payout ratio approximated 66%.

各位股東：

本人欣然呈列本集團2018財政年度的全年業績。過去數十年，我們憑藉卓越的品牌和豐富的行業知識，不斷精益求精，捕捉市場契機。

2018財政年度實為復甦之年，發展成果令人鼓舞。大中華零售市場重拾動力，使本集團取得傑出的表現。

表現回顧

受惠於市場的基本因素持續改善，本集團2018財政年度的營業額按年增長15.4%至59,156百萬港元。受經營業務改善所帶動，本公司股東應佔溢利上升34.0%至4,095百萬港元，每股盈利為40.9港仙。董事會建議派發末期股息每股15.0港仙及特別股息每股30.0港仙，按全年股息計算，合共每股57.0港仙。撇除特別股息，全年派息率約相等於66%。

Legacy • Passing down with Passion

Having gone through the ups and downs over various economic cycles, Chow Tai Fook is proudly approaching the 90th anniversary. We are delighted to witness our relentless pursuit of excellence in craftsmanship, innovation and heritage being passed along from generation to generation.

The Group has consistently nurtured innovation and sets ourselves as a pioneer in the industry. The introduction of 999.9 gold standard and "Fixed Price Policy" are splendid exemplars of our ambition to the best in breed in the past. The launch of CHOW TAI FOOK T MARK brand, a disruptive and revolutionary innovation, signifies another milestone of Chow Tai Fook. The artisanal spirit that always kindles our undiminished passion and devotion to the creation of one-of-a-kind high jewellery, has been manifested in a multitude of collectable masterpieces and auction high jewellery, embodying the sublime of bespoke design and service.

We value heritage and sustainable development and we try every effort in promoting the cultural standard of general population. Through collaborating with the Shaanxi Institute for Preservation of Cultural Heritage, Art Museum of The Chinese University of Hong Kong and Conservation Office of Leisure and Cultural Services Department of Hong Kong on "Ancient Chinese Gold Techniques" Research Project and "Golden Techniques: Art of the Chinese Goldsmiths" exhibition, we bore fruitful achievement in the preservation and inheritance of ancient Chinese gold techniques. Loupe, a design incubation space in PMQ, Hong Kong is also a testimony that demonstrates our dedication to inspiring creativity. Aiming to nurture budding young talents and provide a creative environment for jewellery making and craftsmanship, Loupe provides a platform for designers and artisans, local and abroad, to connect with the public.

Outlook

Jewellery retail has gained in vitality with sanguine consumption sentiment, industry jewellery retail sales in 2017 resumed to a growth of 5.6%⁽¹⁾ and 5.2%⁽²⁾ in Mainland China and Hong Kong, respectively. The overall underlying trends remain promising with rising disposable incomes, expanding middle-class population, and surging demand from millennials. Such stabilising fundamentals bode well for the consumption of affordable luxury and high-end luxury products.

(1) Source: National Bureau of Statistics of the People's Republic of China

(2) Source: Census and Statistics Department of the HKSAR Government

堅守本業 傳承傳情

周大福創業至今，屢逢經濟周期波動，經歷無數跌宕起伏仍屹立茁壯成行業翹楚，今年更昂然迎進90周年。時至今日，我們一直堅守做好珠寶本業，堅定不移地推動匠心工藝、創新求變，以及用心相傳珠寶文化，代代傳承，實感萬分欣喜。

本集團堅持推陳出新，堪稱同業先驅。當年首創999.9黃金標準和「一口價」政策，展示集團作行業翹首的雄心壯志。其後推出周大福T MARK品牌，再次成就革新市場的突破性創舉，標誌著周大福業務發展的另一里程碑。我們的匠心工藝精神，點燃著永不止息的創作熱誠，引領我們鑄造獨一無二的高端珠寶，成就無數珍藏傑作和拍賣珍品，皆蘊含精緻貼心的設計與尊貴服務。

我們非常重視傳承與可持續發展，矢志推動及提升大眾的文化水平。我們與陝西省文物保護研究院、香港中文大學文物館、香港康樂及文化事務署文物修復辦事處合作，開展「中國古代黃金工藝」研究項目及《鑠古鑄今：中國古代黃金工藝與傳承》展覽，在保存與繼承中國古代黃金工藝方面，取得豐碩成果。位於香港元創方Loupe是一個設計創業培育空間，再一次體現出我們銳意啟發創意的精神和毅志。成立Loupe的目的是要培養珠寶設計新秀，為他們提供鑽研珠寶製作工藝的創意工作空間，這是一個為本土及世界各地的設計師、工藝師提供與大眾交流的平台。

展望

隨著消費信心增強，珠寶零售業亦重拾活力，2017年珠寶零售銷貨額回復增長，中國內地及香港重回正增長，增幅分別為5.6%⁽¹⁾及5.2%⁽²⁾。基於可支配收入增加、中產人口不斷增長，以及來自千禧世代的需求激增等情況，基本因素整體趨向樂觀，支持經濟穩步發展，皆有利於價格相宜的奢侈品及名貴奢侈品消費。

(1) 數據來源：中華人民共和國國家統計局

(2) 數據來源：香港特別行政區政府統計處

We believe that the Chinese government will deploy increased measures to vitalise domestic luxury consumption, and secure a decisive victory in building a moderately prosperous society. The underpinnings of the “new normal” economy would also spur the consumption growth. We are fully confident and optimistic about the long-term prospects of Mainland China and Hong Kong and Macau to continue reaping the fruits of economic benefits.

In Hong Kong and Macau, by leveraging the advantages on the well-established infrastructure, tax-free shopping environment and excellent customer service, these two cities remain vibrant and dynamic despite of rapidly changing and evolving consumer landscape. In addition, the “Greater Bay Area” development is set to benefit Hong Kong, Macau and cities in the Pearl River Delta with increased connectivity and economic integration in different areas including innovation and technology, higher education, youth entrepreneurship and cultural tourism, etc. We are confident that the retail market will be on track towards a full-fledged recovery.

Nowadays, multiple disruptive changes on the overall market landscape are taking place. Consumers are becoming more tech-savvy, sophisticated and highly knowledgeable. To capitalise on these evolving consumption changes, our “Smart+ 2020” strategic framework focusing on innovation, technology and sustainability with a goal of delivering exceptional customer experience is well in place. We believe that the customer-centric approach fortified with our iconic and trusted brand value would further solidify our status as the industry leader.

In closing, I would like to express my heartfelt gratitude to my fellow Board members for their strategic guidance, our shareholders, business partners, customers and, not least, our staff who have served us with dedication and commitment. As we move into a new era, I hope all will join us and make Chow Tai Fook a company we are all proud of.

Dr. Cheng Kar-Shun, Henry

Chairman

Hong Kong, 7 June 2018

我們相信，中國政府將採取措施加大振興內地奢侈品消費市場的力度，在建設小康社會方面取得決定性勝利。「新常態」經濟的支撐因素也將刺激消費增長。我們對於中國內地以及香港及澳門的長遠前景非常樂觀，深信將能繼續共享經濟發展的成果。

香港及澳門擁有完善的基建、免稅購物環境和優質顧客服務，鞏固兩地的高度競爭優勢，儘管消費市場形勢快速轉變，深信兩地在自身優勢下仍充滿活力。此外，隨著「大灣區」的發展，區內無論在創新科技、高等教育、青年創業和文化旅遊等各方面，將有更加密切聯繫和進一步經濟整合，香港、澳門和珠江三角城市皆將得享其利。我們相信零售市場將會重上軌道，邁向全面復甦。

當前，整體市場格局正醞釀多方面的蛻變，消費者對科技的掌握、成熟程度和知識水平，皆比以前大幅提升。為充分應對消費型態的演變，我們推出了「Smart+ 2020」策略框架，專注創新、科技和可持續發展，奉行為顧客提供非凡的體驗。我們相信在這個「以客為本」的共同目標驅使下，結合標誌性且備受信賴的品牌，將會進一步鞏固我們在行業的翹楚地位。

最後，本人謹此對董事會同仁的策略性指導、股東、業務夥伴及顧客的支持、以及盡心服務的員工致以衷心的謝意。我們即將邁進嶄新時代，相信各界人士必會繼續支持我們，將周大福發展成為一家讓我們引以為傲的公司。

主席

鄭家純博士

香港，2018年6月7日



Managing Director's Strategic Report

董事總經理策略報告

Managing Director's Strategic Report

董事總經理策略報告



“ Being a distinguished jeweller in the industry, we are dedicated to creating a seamless and unique customer experience through our commitment to innovation, technology and sustainability.

作為業界舉足輕重的珠寶商，我們堅持藉著創新、科技與可持續發展，致力創造無縫且獨特的顧客體驗。 ”

Driven by stable fundamentals and improving consumer sentiment, the retail market in Greater China has been picking up steadily over the past year, and continues to be transformed by disruptive innovation and technology. Customers are also changing; with the rise of middle class and millennials, increasing urbanisation leading to a stable demand growth, along with the rapid shift in their preferences.

In response to these dynamics, a step change in customer engagement is indispensable to the sustainable growth of the industry. Being a distinguished jeweller in the industry, we are dedicated to creating a seamless and unique customer experience through our commitment to innovation, technology and sustainability.

受惠於穩定的基本因素和消費氣氛的改善，大中華零售市場在過去一年逐步回暖，與此同時，突破性的創新與科技持續令市場轉型。顧客亦正在不斷演變，中產階層和千禧世代的興起及城鎮化發展持續，促進需求穩定增長，同時顧客喜好亦見快速改變。

面對上述種種動態，加強與顧客之間的互動已是整體行業持續增長不可或缺的。作為業界舉足輕重的珠寶商，我們堅持藉著創新、科技與可持續發展，致力創造無縫且獨特的顧客體驗。

Business Development

Mainland China

- Majority of the net openings were located in shopping malls in FY2018 so as to leverage the opportunities of their increasing popularity and foot traffic.
- A two-pronged strategy shall be adopted to further our business development in different tiers of cities. While we would remain selective in openings and focus on uplifting the ASP in Tier I and II cities, market penetration in lower tier cities will be the priority. The pace of expansion will be accelerated in order to capitalise on the rapid urbanisation and infrastructural development in these areas.
- To further grow market share and diversify our product portfolio, we have implemented a multi-brand strategy such as the rollout of two new brands, MONOLOGUE and SOINLOVE, to target new customer segments during FY2018.

業務發展

中國內地

- 於2018財政年度，大部份的淨開店均位於購物中心內，務求藉其普及化和與日俱增的客流，增進商機。
- 我們採取雙線發展策略，在不同級別城市拓展業務。在一、二線城市選擇性開設新店，著重提升平均售價；在較次級城市則以擴大市場滲透為首要。我們將會加快相關拓展，把握這些地方的城鎮化和基建發展所帶來的機遇。
- 我們採取多品牌策略，針對新的顧客群，於2018財政年度推出兩個新品牌MONOLOGUE和SOINLOVE，使產品更多樣化及進一步擴大市場佔有率。



Hong Kong, Macau and other markets

Hong Kong and Macau

- Closures were mainly located in touristic area in FY2018.
- Five experience shops were opened in residential area in Hong Kong to cater to the evolving expectations of local customers.
- We will continue our effort to engage the relatively stable local clientele through optimising our POS network and the delivery of rejuvenated shopping experiences.

Other markets

- Our openings covered Japan and Korea during the financial year.
- Further extension of our footprint to other markets, such as Southeast Asia, is in the pipeline to capitalise on the business potential from the Chinese customers present in the region.

Wholesale business

- By leveraging the inherent strength of our business model and harnessing Hearts On Fire's strong retail network globally, we are increasingly engaging the wholesale business community, especially the jewellery retailers in the United States.
- Through our products, retail experience and technology, we aim to offer greater value to other retailers, and ultimately complement the sustainable growth of our business.

香港、澳門及其他市場

香港及澳門

- 2018財政年度關閉的零售點主要位於旅遊區。
- 於民生區開設了五家體驗店，滿足本地顧客不斷演變的期望。
- 我們將繼續優化零售網絡，提供煥然一新的購物體驗，致力與相對穩定的本地顧客群維繫良好的關係。

其他市場

- 於本財政年度內，我們在日本和韓國均開設新店。
- 我們正籌備於東南亞等其他市場拓展業務，把握華人顧客於該等地區所帶來的潛在商機。

批發業務

- 我們借助自身業務模式的固有優勢和Hearts On Fire全球強大的零售網絡，加強拓展批發業務，尤其針對與美國珠寶零售商的合作。
- 我們希望借助本身的產品、零售經驗與科技，為其他零售商增值，最終輔助我們業務的可持續增長。

“Smart+ 2020” Strategic Framework 「Smart+ 2020」策略框架

Our “Smart+ 2020” strategic framework is a three-year strategic work plan supported by our dedicated Smart working teams, which are tasked with the delivery of each strategy from conception through to execution.

我們的「Smart+ 2020」策略框架是一個為期三年的策略性工作計劃，由專責Smart工作團隊推動，負責各項策略的構思以至執行。

SMART+
2020

Customer Experience
顧客體驗

Products and Brands 產品和品牌

Smart Product working teams are dedicated to the rollout of a multi-brand strategy in order to target multiple customer segments and expand overall market share

Smart 產品 工作團隊專責推動多品牌策略，對準不同層面的顧客，擴大整體市場佔有率

Retail Experience 零售體驗

Smart Channel working teams are dedicated to creating unique experiences for customers across all channels and seamlessly integrated O2O customer journeys

Smart 渠道 工作團隊專責構思跨越所有渠道的獨特顧客體驗，創造無縫和綜合的線上線下顧客購物之旅

Customisation 定制

Smart Production working teams are dedicated to product customisation, which is supported by an optimised data-driven manufacturing process

Smart 生產 工作團隊專責以優化的數據主導生產程序，支持產品的度身定制

Culture 文化

Smart Office working teams are dedicated to enforcing culture of innovation and sustainable development

Smart 辦公室 工作團隊專責推動創新及可持續發展之文化

Insights 見解

Smart Advisor working teams are dedicated to data analytics, customer and market big data insights

Smart 顧問 工作團隊專責數據分析，以及顧客和市場的大數據見解

Innovation 創新

Embedding in our culture to spearhead our product and brand development strategy
植入我們的文化推動產品與品牌發展策略

Technology 科技

Enabling great customer experiences
提供卓越的顧客體驗

Sustainability 可持續發展

Driving our long-term economic sustainability, social and environmental impact and corporate governance
推動我們長遠的經濟可持續發展，社會與環境的影響及企業管治

Smart Product

We are positioned to meet a wide spectrum of customer needs through our multi-brand strategy.

Smart 產品

我們透過多品牌策略，滿足廣泛的顧客需求。



House 1929

One-of-a-kind artistic
jewellery pieces
獨一無二的
藝術珠寶珍品



Hearts On Fire

U.S. premium diamond
brand with exquisite
craftsmanship
富精巧工藝的
美國高級鑽石品牌



Jewelria
周大福薈館
International
jewellery
product offerings
國際珠寶品牌薈萃



Chow Tai Fook Jewellery
周大福珠寶
Classic jewellery
product offerings
經典珠寶產品組合



CHOW TAI FOOK T MARK
周大福 T MARK
Pursuit of true diamond
authenticity and traceability
追溯鑽石真品及來源



MONOLOGUE

Fashion jewellery for
trendsetting millennials
崇尚潮流品味的千禧一代的
時尚首飾



SOINLOVE
Affordable luxury
bridal jewellery
輕奢侈婚嫁珠寶





Jewelria retail network
周大福薈館零售網絡

As at 31 March 2018
於2018年3月31日

7
POS
零售點

Chow Tai Fook Jewellery and Jewelria

- Our iconic brand, Chow Tai Fook Jewellery, contributes to the majority of our business with classic product offerings at reasonable prices.
- Targeting more sophisticated customer groups, we upgraded some of our POS and introduced Jewelria last year which has a differentiated store layout with an increased gem-set product offerings.

House 1929

- House 1929, our official high jewellery brand was founded this year.
- The brand houses one-of-a-kind artistic jewellery pieces with preeminent quality gemstones and superlative craftsmanship, exclusively catered for VVIPs and invited jewellery enthusiasts.
- The first high jewellery collection under House 1929 "Mosäique de Réverie" was unveiled in an exclusive VIP Preview Show in Beijing in April 2018, where 13 sets were showcased to more than 700 guests at the event. Most of them will be available for auction in Hong Kong in November this year, two of which will be listed as museum pieces for exhibition only.

周大福珠寶及周大福薈館

- 我們的標誌性品牌周大福珠寶，以經典的產品組合和合理的價格，為我們業務的主要部分。
- 針對愈趨有品味的顧客，我們去年將部分零售點升格為周大福薈館，以不一樣的門店裝潢提供更多珠寶鑲嵌首飾系列。

House 1929

- House 1929是我們今年創立的高端珠寶品牌。
- 以品質卓越的寶石和超凡的工藝，打造獨一無二的藝術珠寶珍品，僅為尊尚的顧客及獲邀的珠寶愛好者而設。
- House 1929首個高端珠寶系列「夢榮尚藝」於2018年4月在北京舉行的尊貴顧客獨家鑒賞會中展出，當天展出13套珠寶予在場超過700位賓客預覽。大部分珠寶將於今年11月在香港進行拍賣，其中2套則為博物館珍藏僅供展出欣賞。



High jewellery "Mosäique de Réverie"
Collection exclusive preview
高端珠寶系列「夢榮尚藝」獨家鑒賞會

CHOW TAI FOOK T MARK retail network
周大福 T MARK零售網絡

As at 31 March 2018
於2018年3月31日

Mainland China
中國內地

Hong Kong and Macau
香港及澳門

258

CIS
店內專櫃

41

CIS
店內專櫃

ASP
平均售價

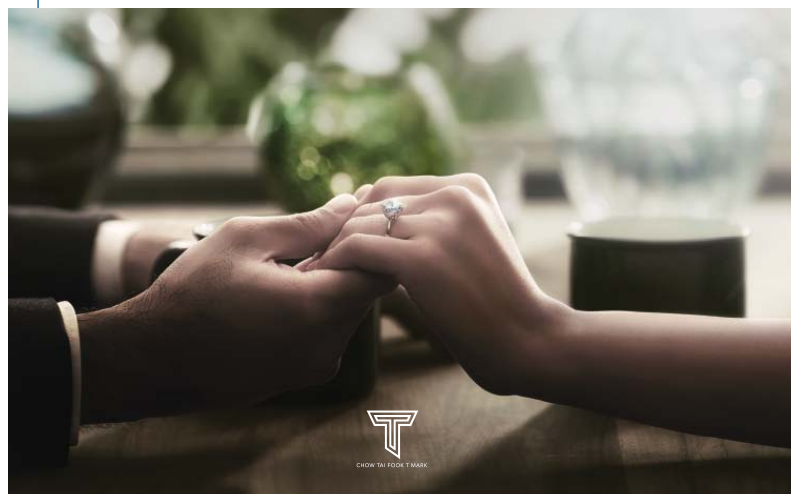


HK\$ 13,100

Mainland China
中國內地

HK\$ 17,700

Hong Kong and Macau
香港及澳門



CHOW TAI FOOK T MARK

- Our diamond brand launched in 2016 to fulfil customer demand and expectations for true diamond authenticity and traceability.
- As an assurance, each CHOW TAI FOOK T MARK diamond is inscribed with a mark that carries a set of unique serial numbers, which enable customers to trace the life journey of a diamond from sourcing to production. The patented nano-inscription technology of the mark was awarded a gold medal at the 46th International Exhibition of Inventions of Geneva in April 2018.
- We also collaborated with Gemological Institute of America ("GIA"), the leading independent diamond grading authority in the industry to apply blockchain technology in order to deliver secure and digital diamond grading reports to our customers for the first time. Customers will receive a permanent and immutable blockchain record of their diamond's GIA grading information. This innovation will first be piloted in selected POS in Hong Kong in 2018.
- Our debut CHOW TAI FOOK T MARK diamond specialty store was opened in Hong Kong in April this year, and we expect to further roll out in both Mainland China and Hong Kong and Macau.
- During the financial year, CHOW TAI FOOK T MARK products accounted for 11.5% and 15.6% of the RSV of our diamond products sold in Mainland China and Hong Kong and Macau, respectively.

周大福 T MARK

- 2016年面世的自家鑽石品牌，滿足顧客對追溯鑽石真品來源的需求與期望。
- 每顆周大福 T MARK 鑽石均刻有一組獨特編號的印記作為保證，讓顧客可追溯鑽石從採購至生產的生命旅程。2018年4月，該印記之納米刻字專利技術於第46屆日內瓦國際發明展中獲得金獎殊榮。
- 我們亦與行業領先的獨立鑽石鑒定機構美國寶石研究院（「GIA」）合作，首次應用區塊鏈技術向顧客提供安全的數碼鑽石鑒定證書。顧客將獲取關於其鑽石的GIA鑒定訊息的永久、不可改變的區塊鏈記錄。是項創新將於2018年在香港的特選零售點率先試行。
- 首家周大福 T MARK 鑽石專門店於今年4月在香港開幕，我們預計將在中國內地以及香港及澳門陸續增設專門店。
- 本財政年度內，周大福 T MARK 產品佔我們在中國內地以及香港及澳門已售鑽石產品零售值分別為11.5%及15.6%。



Celebrities and key opinion leaders ("KOL") were invited to promote the brand, with their videos launched on various social media platforms such as Facebook and WeChat in January 2018. 2018年1月，演藝名人與網絡紅人獲邀為品牌推广，在Facebook及微信等各類社交媒體平台推出視頻。



Hearts On Fire retail network
Hearts On Fire 零售網絡

As at 31 March 2018
於2018年3月31日

20

POS
零售點

192

SIS and CIS
店中店及店內專櫃

517

Retailer locations
分銷店

ASP
平均售價



HK\$ 22,200

Mainland China
中國內地

HK\$ 22,900

Hong Kong and Macau
香港及澳門

Hearts On Fire

- A U.S. premium diamond brand acquired in 2014 which carries design-oriented bridal and fashion jewellery with exquisite craftsmanship.
- In FY2018, Hearts On Fire products contributed 2.6% and 3.7% of diamond product RSV in Mainland China and Hong Kong and Macau, respectively.
- RSV growth amounted to 21.5% and 16.8% in Mainland China and Hong Kong and Macau, respectively.

Hearts On Fire

- 2014年收購的美國高級鑽石品牌，以富設計元素的婚嫁與時尚珠寶及精巧工藝見稱。
- 2018財政年度，Hearts On Fire產品佔我們在中國內地以及香港及澳門已售鑽石產品零售值分別為2.6%及3.7%。
- 於中國內地以及香港及澳門的零售值增長分別為21.5%及16.8%。



1
Viral marketing – Famous artist Fala Chen's promotional video "Shinier Than You Think" was posted on social media platforms 網傳推廣—邀請影視紅星陳法拉拍攝「Shinier Than You Think」宣傳短片，上載社交媒體平台

2
Sponsorship of the 12th Asian Film Awards in March 2018 where celebrity guests were invited to showcase Hearts On Fire jewellery in the event 2018年3月，贊助第12屆亞洲電影大獎，邀請名人嘉賓佩戴 Hearts On Fire 珠寶首飾

SOINLOVE retail network
SOINLOVE 零售網絡

As at 31 March 2018
於2018年3月31日

9

POS
零售點

Price range
價格範圍



HK\$2,000 – HK\$20,000



SOINLOVE

- Tapping Mainland China's affordable luxury bridal jewellery market, we unveiled SOINLOVE in April last year with its products and store layouts enriched with romantic and sweet ambience.
- We will continue to explore the opportunities to further roll out the brand in FY2019.

SOINLOVE

- 我們對準中國內地輕奢侈婚嫁市場，去年4月推出 SOINLOVE 品牌，其產品和門店布置均以浪漫甜蜜為主調。
- 我們會繼續發掘商機，於2019財政年度進一步推廣該品牌。



1
Store opening event in December 2017 in Chengdu, Mainland China
2017年12月，中國成都門店開幕活動

2
A SOINLOVE POS with beauty lounge decoration in Shanghai, Mainland China
位於中國上海的SOINLOVE零售點，以美容店為設計主題



MONOLOGUE retail network
MONOLOGUE 零售網絡

As at 31 March 2018
於2018年3月31日

11

POS
零售點

Price range
價格範圍



HK\$500 – HK\$5,000

MONOLOGUE

- To address the trendsetting millennials' demand in Mainland China, we introduced MONOLOGUE in 2016.
- Scaling up our efforts to raise brand awareness, we organised themed exhibitions and sponsored reality shows in Mainland China, where featured collections were showcased by the contestants.

MONOLOGUE

- 針對中國內地崇尚潮流品味的千禧一代的需求，我們於2016年推出MONOLOGUE品牌。
- 我們舉辦主題展覽及贊助中國內地真人秀節目，由參賽者佩戴展示系列產品，以提升品牌認知度。



1 Sponsorship of the "Hot-Blood Dance Crew" reality show
贊助《熱血街舞團》真人秀

2 MONOLOGUE interactive exhibition in Beijing, Mainland China
MONOLOGUE於中國北京舉行的互動主題展覽

Smart Channel

Evolving consumer expectation around how they wish to engage with the retail brands are driving our continuous innovation in customer experience, both online and in-store.

Smart 渠道

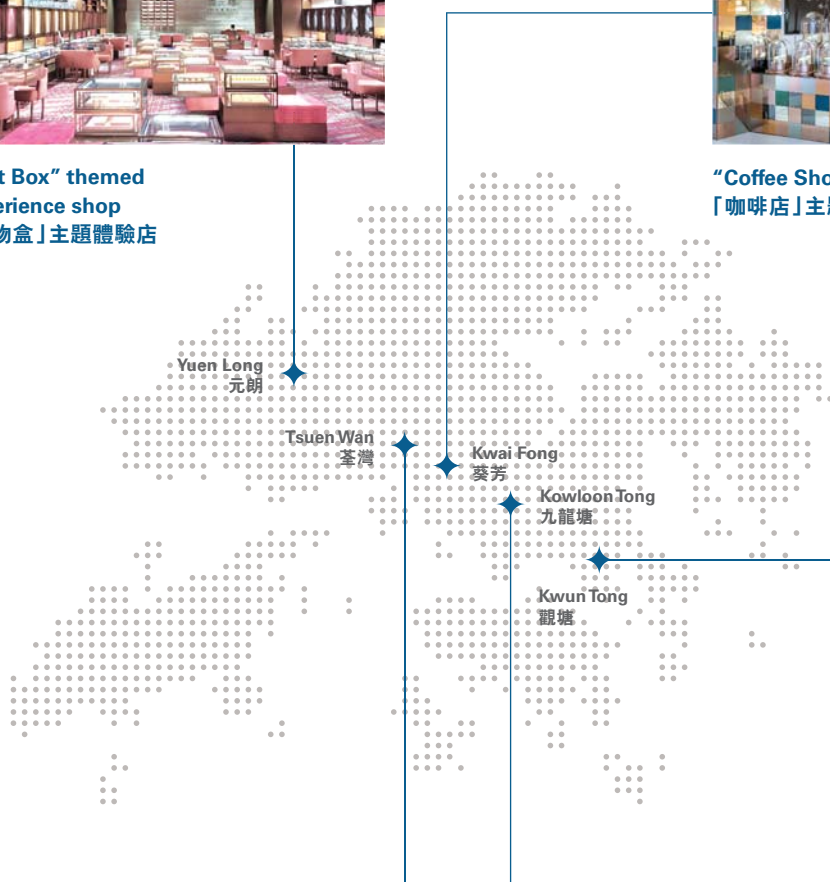
顧客對於零售品牌與消費者互動持續演變的期望，推動我們不斷創新線上和門店的顧客體驗。



"Gift Box" themed experience shop
「禮物盒」主題體驗店



"Coffee Shop" themed experience shop
「咖啡店」主題體驗店



"Wave" themed experience shop
「浪鑽潮」主題體驗店



"Artistry" themed experience shop
「精品店」主題體驗店



"Treasure Vault" themed experience shop
「保險庫」主題體驗店

New in-store experiences

- Catering to different customer profiles and neighbourhoods in Hong Kong, we opened five new experience shops. Each renovated in different themes to deliver a rejuvenated shopping experience has resonated with consumers in the neighbourhoods.
- Following the rollout in Hong Kong, we expect experience shops with similar or new themes to be gradually introduced in Mainland China in FY2019 and beyond.

Omni-channel retailing

- We deploy technology and collaborate with business partners to create integrated sales channels as part of our ongoing effort to offer more seamless omni-channel journeys to our customers.

Smartphone as sales channel

- Riding on the sweeping trend towards online transactions through smartphones, we leverage the power of instant sharing on social media platforms to boost the sales of our collections.
- For example, we engaged Zhao Liying, a famous Chinese actress as our Brand Ambassador to promote our online exclusive jewellery pendant for Valentine's Day on social media platforms such as WeChat. Followers could act on their desires immediately to buy the pendants directly through the mini program under Chow Tai Fook's official WeChat account in their smartphones.

Self-service experience corner

- To further enhance our customer experience, we are committed to investing in technological innovation and successfully launched the self-service experience corner for jewellery retail in Mainland China in FY2018.
- The corner extends the idea of "grab-and-go" to offer our customers a faster check-out process and a more convenient shopping experience.
- The mobility of the corner also enables us to reach a vast base of potential customers in various locations such as cinemas, shopping malls and other public areas.

嶄新門店體驗

- 我們在香港新開了五家體驗店，以滿足不同顧客及社區的需求。每一家體驗店都按不同的主題裝潢，務求為區內顧客營造獨一無二的貼心購物體驗。
- 繼香港體驗店開業後，我們預計於2019財政年度開始，逐步在中國內地開設同類或其他主題新穎的體驗店。

全渠道零售

- 我們採用先進科技，與業務夥伴合作，設立綜合銷售渠道，持續為顧客打造更多無縫全渠道購物旅程。

智能手機作為銷售渠道

- 我們順應銳不可擋的手機線上購物熱潮，借助社交媒體即時上載分享的威力，提升系列產品的銷量。
- 例如我們邀請中國紅星趙麗穎擔任品牌代言人，在微信等社交媒體平台推廣情人節線上獨家版珠寶吊飾。其粉絲可隨時隨地通過手機內周大福官方微信官方帳號的小程序購買吊飾。

自助體驗區

- 為提升顧客體驗，我們致力投資於科技創新，並於2018財政年度在中國內地成功推出自助珠寶販賣體驗區。
- 自助體驗區進一步發揮「grab-and-go」的概念，為顧客帶來更快捷的付款過程及更加便利的購物體驗。
- 自助體驗區可以流動地擺放在不同位置，有助於在戲院、商場等不同公眾地點，接觸更多潛在顧客。



1, 2
Promotion of online exclusive "Firefly" jewellery pendant by Zhao Liying on WeChat
趙麗穎在微信推廣線上獨家版「穎火虫」珠寶吊飾

3
First self-service experience corner for jewellery retail in Shenzhen, Mainland China
位於中國深圳的首個自助珠寶販賣體驗區

Customer relationship management

Chow Tai Fook membership programme

- In order to strengthen our membership base and retain the loyalty of our customers, we have intensified collaboration with various business partners to offer more lifestyle rewards and privileges to our members especially in Mainland China.

顧客關係管理

周大福會員計劃

- 我們深化與業務夥伴的合作，特別為中國內地之會員，提供更多生活優閒獎賞與優惠，以鞏固會員根基和增強顧客忠誠度。

Mainland China 中國內地

As at 31 March 2018
於2018年3月31日

1,300,000 

Number of members
會員數目

FY2018
2018財政年度

30.7% 

Members' repeat purchase
as a % of respective RSV
會員再消費佔相關零售值之百分比

Hong Kong and Macau 香港及澳門

As at 31 March 2018
於2018年3月31日

817,000 

Number of members
會員數目

FY2018
2018財政年度

32.8% 

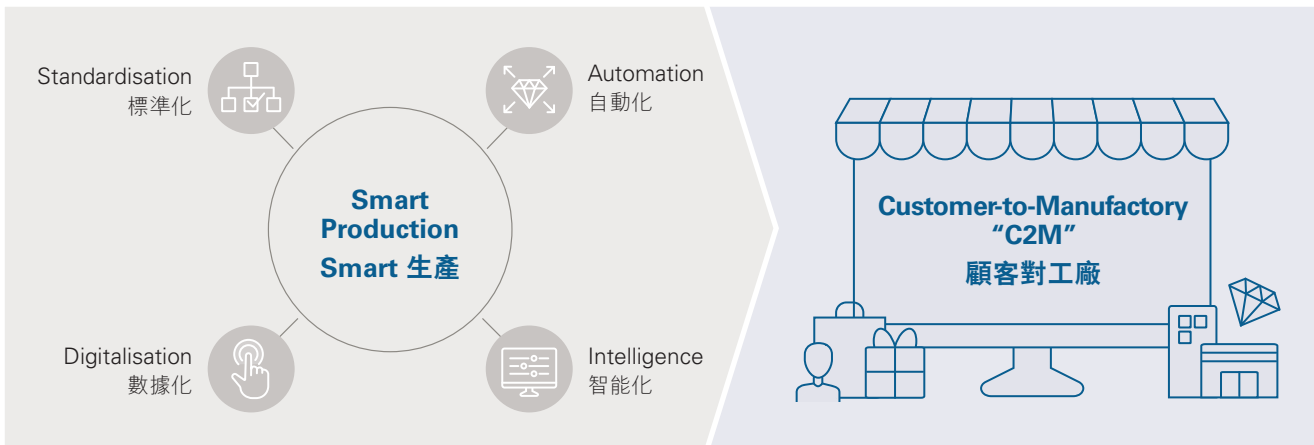
Members' repeat purchase
as a % of respective RSV
會員再消費佔相關零售值之百分比



Membership bonus points could be transferred to air miles with China Southern Airlines
會員積分將可換取中國南方航空飛行里數

Smart Production

We are adopting a more customer-driven approach in our production and operations in order to drive excellence in customer experience.



Customer-to-Manufacturer ("C2M")

- Our production framework enables us to move towards flexible manufacturing and ultimately to the completion of our C2M business model. This allows us to engage our customers along the supply chain from design to manufacturing.
- As a pilot, we introduced a jewellery customisation online platform named "D-ONE" in Mainland China last year. It offers our customers the unique experience of creating their own jewellery by choosing the diamonds and settings according to their own preferences.
- In the future, we envision the customer experience to further extend to our production hubs, so that customers would be able to personally witness the craftsmanship of their customised jewellery pieces. This will reinforce their personalised shopping journey from design to manufacturing, packaging and delivery as a whole.

顧客對工廠

- 我們的生產框架，使我們的生產更有彈性，最終能實現顧客對工廠的業務模式，讓顧客可以參與從設計至生產整個供應鏈環節。
- 我們去年於中國內地首度推出「D-ONE」珠寶定制線上平台。顧客可透過平台，根據自己的喜好挑選鑽石和款式，製作更個性化的珠寶首飾，為顧客提供獨特的體驗。
- 今後，我們計劃進一步提升顧客體驗，讓他們親臨生產基地，見證定制珠寶的製作工藝，由設計、製作、包裝至付運，整個購物歷程將會更趨個性化。



"D-ONE" jewellery customisation online platform with QR code access
掃描二維碼進入「D-ONE」珠寶定制線上平台

Production Framework

- In response to evolving market dynamics, we strive to deliver a personalised shopping journey to our customers. To achieve this, we created our production framework characterised by four key principles:

生產框架

- 應對不斷演變的市場動態，我們最終以為顧客提供個性化的購物歷程為目標。為此，我們圍繞四大方針構建生產框架：

Standardisation 標準化

We consolidate, streamline and standardise relevant operations, procedures and specifications for better quality control and efficiency.

我們整合、精簡和規範相關營運、程序與規格，以提升品質監控和效率。

- **Accreditations of international standards for better production control and management**

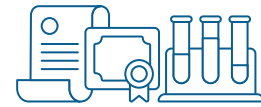
Accreditations from Integrated Management Systems "IMS" to standardise production management and promote continuous improvement.

Accreditations of precious metal testing laboratories from China National Accreditation Service "CNAS" also certified our attainment of accuracy, consistency and level of management system. All of our precious metal testing laboratories in Mainland China have received the same accreditations since December 2017.

- **引用國際標準規範以優化生產監控和管理**

綜合管理體系認證，有助於規範生產管理，促進持續改善。

獲取中國國家認可委員會貴金屬檢測實驗室認證，證明我們達到管理體系的準確性、穩定性和水平。我們在中國內地所有貴金屬檢測化驗所於2017年12月已全面獲得此認證。



ISO 9001: Quality Management obtained across all the production hubs

所有生產基地均已獲得 ISO 9001：品質管理認證



ISO 14001: Environmental Management obtained in the production hubs in Wuhan and Shenzhen

武漢及深圳生產基地已獲 ISO 14001：環境管理認證



OHSAS 18001: Occupational Health and Safety Management obtained in the production hubs in Wuhan and Shenzhen

武漢及深圳生產基地已獲 OHSAS 18001：職業安全健康管理認證

Automation 自動化

Upon standardisation, automated facilities can be operated efficiently to reduce lead time and enhance reliability.

實現標準化後，自動化設施作業效率將會提升，縮減運作時間及提升可靠度。

- **Automated facilities and distribution system**

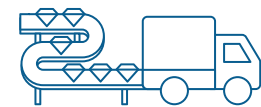
Wuhan Production Centre successfully deployed an automatic weighing system and an automated guided vehicle in FY2018 to realise unmanned logistics in production lines.

In addition, Phase I of Logistics and Distribution Centre in Shunde has started its operation since FY2017. Phase II is expected to commence operation in FY2019 to further uplift the distribution capacity.

- **自動化設備及配貨系統**

武漢智造生產中心於2018財政年度成功啟用自動稱重系統及自動導引車，生產線逐步實現無人化物流操作。

順德物流及配貨中心第一期已於2017財政年度營運。我們預計第二期將於2019財政年度開始營運，屆時配貨能力將會進一步提升。



Automated guided vehicle 自動導引車



Logistics and Distribution Centre in Shunde
順德物流及配貨中心



Digitalisation 數據化

Simultaneously, data analytics are widely deployed to strengthen the production planning and supply chain management. 與此同時，我們廣泛採用數據分析，以加強生產規劃與供應鏈管理。

- **RFID application**

Extensive application of RFID technology is deployed to monitor the production status in our Wuhan Production Centre which reduced order tracking time by about 40%.

- **應用無線射頻識別技術**

武漢智造生產中心廣泛應用無線射頻識別技術，以監察生產狀態，訂單追蹤時間減少約40%。



RFID application 應用無線射頻識別技術

- **Data Intelligence Space**

Data Intelligence Space at our Shenzhen Research and Development Centre provides a comprehensive data platform for management to monitor production processes and analyse production data in real time.

- **數據智能空間**

位於深圳研發中心的數據智能空間，為管理層提供綜合數據平台對生產過程實時監察及就生產數據進行分析。



Data Intelligence Space 數據智能空間



Intelligence 智能化

Following digitalisation and application of sophisticated mathematical algorithms, we can automate the business decision making process to deliver more reliable and consistent production and operations.

我們通過數碼化和精深數學運算，實現業務決策過程自動化，生產營運更加穩定可靠。

- **Plant simulation system**

We deployed a pilot plant simulation system in one of our production lines in Wuhan Production Centre in March 2018.

The system optimises layout of the production lines, predicts production process bottlenecks and estimates production capacity to improve resource allocation and production efficiency.

- **生產仿真系統**

2018年3月，生產仿真系統在武漢智造生產中心其中一條生產線啟動作試驗運行。

該系統能夠對生產流程樽頸、產能作出預測估算，我們可以在此基礎上調配資源，優化生產線的規劃，提升實際生產效益。



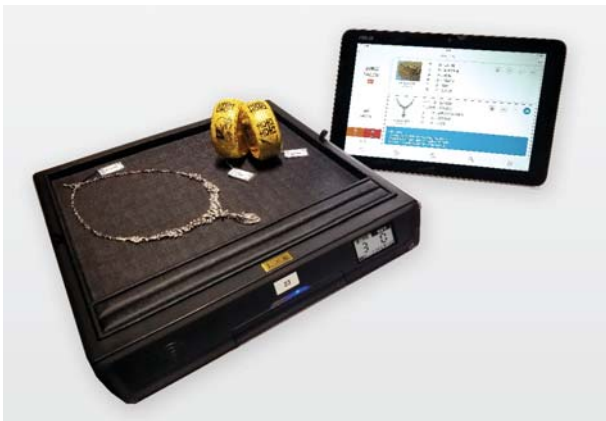
Plant simulation system 生產仿真系統

Smart Advisor

Technology and innovation not only drive the strategies in our "Smart+ 2020" framework, but also empower us, with the aid of data analytics and insights, to improve operating efficiency and to deliver an exceptional customer experience.

Data analytics and insights

- Following the successful deployment of our RFID-enabled Smart Tray three years ago, we continued our efforts to enhance the functionality and experience of the device.
- We aim to not only further smoothen the customer sales process, but also to analyse customer preference in a more systematic and scientific way.
- Data that passes through the analytic process empowers us with useful insights for spearheading various business strategies and making informed decisions.



Smart Tray smoothen our sales process and enables us to analyse customer preference
智能奉客盤使銷售流程更加順暢，並且有助於我們分析顧客的喜好及品味

Smart 顧問

科技創新不單推動「Smart+ 2020」框架的策略，同時透過數據分析與見解，讓我們營運效率得以提升，以提供卓越的顧客體驗。

數據分析與見解

- 自三年前成功推出無線射頻識別智能奉客盤後，我們一直致力於提升其功能和體驗。
- 我們不單希望顧客的銷售過程更加順暢，還為了以更加系統化和科學化的方法分析顧客的喜好及品味。
- 數據經過分析後整理出有用的見解，有助我們為各類業務策略提供方針，以作出明智決策。

Examples of applied data analytics:
應用數據分析的案例：



Predictive analytics

Predictive analytics empowers business knowledge and decision-making in a scientific way. A test would be designed for a particular initiative such as a new collection launch or marketing event. The performance of the test group would be compared with those in a selected control group. Through predictive analytics, we can identify the performance drivers and assess the profitability impact effectively.

預測分析

我們對各類項目實行預測分析，以科學方法獲取業務資訊，支持業務決策。譬如推出新款系列產品或進行推廣活動時，我們會為這些項目設定測試，然後對比測試組別與選定的對照組別的績效。通過預測分析，有助我們有效地識別如何推動績效及評估其對盈利的影響。



Inventory assortment and distribution

Inventory assortment and distribution to a particular store could be more effective with insights into customer preferences based on the analysis of information collected such as product view times, frequency and stock-out ratio, etc.

存貨組合及配貨

根據對收集資料(譬如產品瀏覽次數、頻率和缺貨比率等)的分析，了解顧客喜好，從而對特定門店作更有效的存貨組合及配貨。



Performance management

The collected data could also provide us with insights to evaluate our salespersons' performance, so that we could develop targeted trainings to improve their sales techniques and strategies.

績效管理

收集的資料也有助於我們了解銷售人員的績效表現，據此作出評核，制訂針對性的培訓，提升員工的銷售技巧與策略。

Smart Office

We believe that culture is the key enabler behind continued innovation and our ability to attract and retain the right talent to contribute to the sustainable development of the Group and the jewellery industry as a whole.

Internal innovation incubator

Sustainability and Innovation Centre ("SI Centre")

- We are committed to uplifting our customer experience by harnessing innovation and technology across our key operations.
- To facilitate the more effective allocation of resources, and to support our conventional jewellery retail business, we set up a new SI Centre in April 2018, comprising three key areas of focus – culture and art, craftsmanship and creativity.
- A designated management team is responsible for the investment in innovation, brand management, culture and art, craftsmanship, technology and data applications to underpin the sustainable growth of the Group.

External innovation incubator

Loupe at PMQ in Central, Hong Kong

- A common design incubation space was established in December last year to foster creativity and to provide an engagement platform for local and international talent in the jewellery sector.
- We aim to nurture young jewellery talent in engaging ways such as offering co-working space where they can share design ideas, acquire craftsmanship techniques and participate in workshops led by industry professionals.

Smart 辦公室

我們相信，文化是持續創新的主要動力，也有助於我們招攬及保留合適人才，為本集團以至整個珠寶行業的可持續發展作出貢獻。

內部的創新培育

可持續發展及創新中心

- 我們於主要業務營運中致力利用創新科技，提升顧客體驗。
- 我們於2018年4月設立可持續發展及創新中心，聚焦文化藝術、工藝和創意三大領域，冀能更有效地分配資源及支持傳統珠寶零售業務。
- 我們已委派專責管理團隊，負責創新、品牌管理、文化藝術、工藝、科技與數據應用等領域的投資，以支持集團的可持續增長。

外部的創新培育

香港中環元創方 Loupe

- 去年12月設立共享設計培育空間，藉以推動創意，並為本地與國際設計師提供一個互動交流的平台。
- 我們旨在以互動的方式培養年輕珠寶業人才，譬如提供共享工作間，讓他們交流設計意念、學習工藝技巧及參與由業界專才舉辦的工作坊等。



1
Loupe advertisement
Loupe 宣傳廣告

2
Co-working space for designers
供設計師使用的共享工作間

C+ Creative Park in Wuhan, Mainland China

- Echoing the spirit of innovation and entrepreneurship advocated by the Chinese government, alongside our "Smart+ 2020" strategic framework, we established the "C+ Creative Park" in Chow Tai Fook Jewellery Park in Wuhan, Mainland China. The aim is to support talent in technological development, to promote our entrepreneurial culture and to encourage the pursuit of various long-term business opportunities.

Culture preservation and inheritance

As we are approaching 90 years of operating history, we have always taken the lead in preserving, passing on and promoting culture and craftsmanship.

Franco-Chinese Branding Forum

- Following our participation in the third Franco-Chinese Branding Forum in Paris, France last year to share our inspirations with prominent designers from the West, we invited 6 French designers to join us for a cultural exchange where we successfully collaborated to launch the "Palace" Collection during FY2018.
- To foster the exchange of inspirational designs, selected senior management and designers across the Group have participated in the Forum in May this year, where various activities such as jewellery market seminars, craftsmanship workshops and museum visits were offered.

Ancient Chinese gold techniques exhibition

- We are dedicated to promoting sustainable development of the jewellery industry and continued inheritance of traditional jewellery craftsmanship techniques.
- To preserve and inherit ancient Chinese goldsmith techniques, we supported and sponsored a research project that spanned three years, and concluded with an exhibition of ancient Chinese gold and silver wares to showcase the beauty of these traditional gold art work.

中國內地武漢「C+ 創意園」

- 我們響應中國政府倡導的創新與創業精神，配合「Smart+ 2020」策略框架，在中國內地武漢的周大福珠寶文化產業園內設立「C+ 創意園」，目的在於支持科技發展的人才，促進創業文化，以及鼓勵尋求各類長遠商機。

文化保存與傳承

我們創業近90年，一向以保存、傳承、推廣文化與工藝為己任。

中法品牌高峰論壇

- 繼去年參加法國巴黎第三屆中法品牌高峰論壇，與傑出的西方設計師交流後，我們邀請了6位法國設計師前來進行文化交流，並於2018財政年度夥伴合作推出「宮廷」系列。
- 集團經挑選的高級管理人員和設計師亦參與了今年5月舉行的高峰論壇，活動包括珠寶市場研討會、工藝工作坊和博物館參觀等，以促進設計靈感的交流。

中國古代黃金工藝展覽

- 我們非常重視推廣珠寶行業的可持續發展，以及傳統珠寶工藝的傳承。
- 我們支持中國古代黃金工藝的傳承，贊助一項為期三年的研究項目，項目以中國古代金銀器具的展覽作為總結，以展示傳統黃金工藝之美。



1
The opening ceremony of "C+ Creative Park" in September 2017

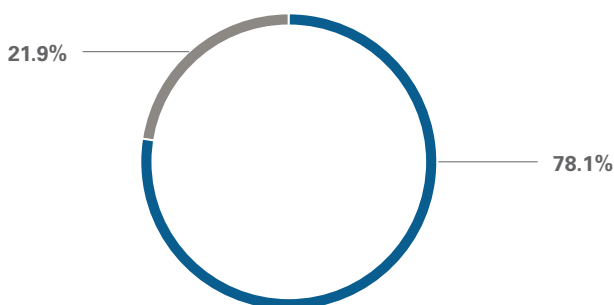
2
"Palace" Collection collaborated with French designers is now available in our Jewellria POS in Mainland China 與法國設計師合作的「宮廷」系列，已於中國內地的周大福珠寶零售點面市

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

As at 31 March 2018
於2018年3月31日



Total number of employees 員工總數

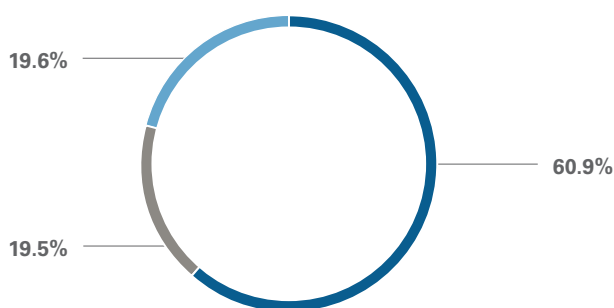
29,200+



- Mainland China 中國內地
- Hong Kong, Macau and other markets 香港、澳門及其他市場

Number of employees by function 按職能劃分的員工數目

As at 31 March 2018
於2018年3月31日



- Sales 零售
- Production 生產
- General and administration 一般及行政

- Our business growth and success are led and supported by our people dedicated to their professional duties and their expertise across different operational areas.
- Apart from this, maintaining an effective franchised business operation is essential to our growth. To this end, we proactively support the employees under our franchised partners with training and development so that consistency of customer experience and services can be warranted which will eventually contribute to the overall success of the Group.
- 我們的業務增長與成功，有賴各級員工帶領和支持，緊守專業崗位，在不同營運領域發揮才能。
- 除此之外，維持對加盟業務有效的營運，對我們的發展極為重要。為此，我們積極支持加盟商的員工培訓和發展，以便提供一致的顧客體驗和服務，並最終為集團的整體成功作出貢獻。



Training and Development

- Nurturing our people with comprehensive training and development programmes and inspiring their personal growth are vital to our sustainability strategy.

CTF Academy

- Numerous learning courses are offered ranging from knowledge of jewellery and watches to training in specific skills such as sales and marketing techniques for our colleagues.

Qualifications Framework accredited courses

- Four types of accredited gemstone courses recognised by the Qualifications Framework of the HKSAR Government are arranged for our colleagues on a regular basis.
- More than 1,300 employees have completed the accredited courses since the launch in 2013.

培訓與發展

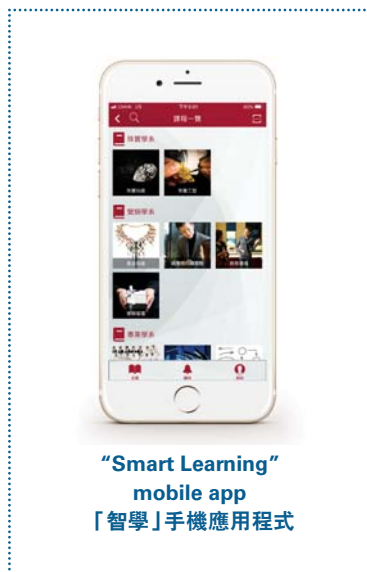
- 通過多元培訓和發展計劃培養員工，啟發個人成長，乃本集團可持續發展策略的重要元素。

周大福培訓學院

- 我們提供多種學習課程，內容包括珠寶鐘錶知識以至專業技能培訓，例如針對同事之銷售與推銷技巧。

資歷架構認證課程

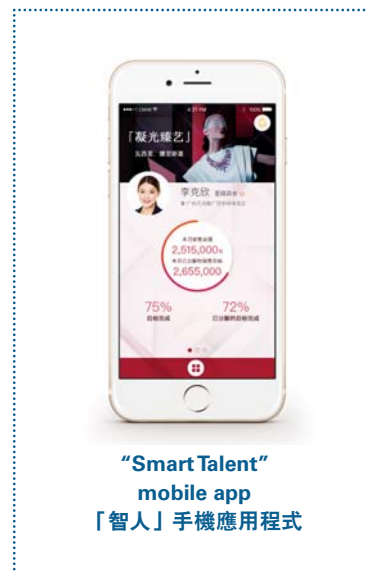
- 我們定期為員工安排四類獲香港特別行政區政府資歷架構認證的寶石課程。
- 自2013年推行以來，已有超過1,300位員工完成認證課程。



→

Knowledge acquired from the “Smart Learning” mobile app can be applied on the job, and salesperson’s performance can be tracked in the “Smart Talent” mobile app

從「智學」手機應用程式吸收的知識，可應用於日常工作中；而前線銷售人員的工作表現也可以通過「智人」手機應用程式作監察。



←

Mobile learning and assessment platforms

- We launched our “Smart Learning” and “Smart Talent” mobile apps in 2017.
- The “Smart Learning” mobile app is an online platform that our people can access at their own convenience, which helps cultivate a corporate culture of continuous learning. Currently more than 70 courses are offered through the app.
- The “Smart Talent” mobile app enables our people to set their sales targets and monitor their own performance continuously.

手機學習與評核平台

- 我們於2017年推出「智學」及「智人」手機應用程式。
- 「智學」手機應用程式讓員工可隨時登入線上平台學習，有助於培養持續學習的企業文化。目前我們通過該應用程式提供超過70種課程。
- 另一方面，「智人」手機應用程式幫助員工制訂銷售目標及自行持續監察業績表現。

Chow Tai Fook Management Forum

- To foster communication and engagement with our people across the Group, we organised a two-day Chow Tai Fook Management Forum named "Ready for the Future" in Mainland China and Hong Kong in November last year. More than 200 colleagues were invited to participate in the forum to understand the Group's strategic direction and the business dynamics we have been facing so far.
- Our senior management and guest speakers were also invited to share their thoughts and to discuss with the floor in interactive sessions.

Talent development

- To nurture young talent and leverage their competencies for business development, we launched "Smart Learning" Internship and Management Trainee Programmes regularly to recruit young talent in Mainland China and Hong Kong.
- For the "Smart Learning" Internship Programme, students are enriched through exposure to various kinds of training, on-the-job experiences and participation in projects. Business insights are also acquired from interactions with our senior management. More than 30 students were admitted to the programme last year.
- To attract talented candidates, we launched the Management Trainee Programme in Mainland China and Hong Kong. The programme is designed to accelerate the professional development of our staff and enhance their contribution to the Group through extensive exposure, such as job rotation experience and multi-skill training and development.

周大福高峰論壇

- 為促進集團各部門人員溝通互動，去年11月，我們以「應辦未來」為題，在中國內地與香港舉辦為期兩天的周大福高峰論壇，超過200位同事獲邀出席，以加深對集團的策略方向及當前業務動態的了解。
- 集團高級管理人員及嘉賓講者應邀分享見解，與在場參與者互動討論。

人才發展

- 我們定期推出「智學大使」計劃及見習管理人員計劃，招募中國內地與香港年輕人才，以培育後進，並以其能力促進業務發展。
- 參加「智學大使」計劃的學員，通過各類培訓、在職體驗、項目參與等，與高級管理人員互動交流，增進業務見解。去年超過30位學員參與此計劃。
- 我們在中國內地與香港開展見習管理人員計劃，招攬優秀人才。計劃通過職位輪崗、多技能培訓及發展等，擴闊員工視野，藉以加快員工專業發展，加強他們對集團的貢獻。



1
Initiation of thinking and discussion in the forum
論壇引發思考討論

2
One of the sharing sessions from our guest speaker, Mr. Shih Wing-Ching, regarding the philosophy of governance
分享環節嘉賓講者之一施永青先生，以管治哲學為題作分享

Business Outlook and Strategies

We are delighted to have enjoyed a year of recovery with resilient business performance seen in both Mainland China and Hong Kong and Macau. Against the backdrop of the shifting retail landscape, we remain confident in the prospects of the Greater China jewellery market in FY2019 and beyond, as it enables us to explore new customer segments and unleash the full potential of our capabilities.

To this end, we have embarked on our "Smart+ 2020" three-year strategic work plan in FY2018 committing to delivering seamless experiences to our customers in the long-term with the following five areas of focus: (1) introducing more product offerings and innovations coupled with the launch of our multi-brand strategy; (2) enhancing in-store experiences and fostering omni-channel retailing; (3) cultivating customer-led manufacturing capabilities and versatile supply chain to reinforce a personalised shopping journey; (4) investing in big data analytics to empower insights for a more efficient operational model that can respond to fast-changing consumer preferences; (5) inspiring an innovative and entrepreneurial culture for talent development across the Group and the jewellery industry as a whole.

Corporate social responsibility is recognised as part of our guiding business principles and a key metric to our success. In FY2018, we continued our focus on "Do Good" programme to promote a positive and caring attitude that is embedded in our corporate culture to showcase our commitment to create a better world. We adhere to the efficient use of economic, social and environmental resources while being mindful of our responsibility to society and creating shared value with our stakeholders and in the community.



Scan the QR code to refer to our Sustainability Report
掃描二維碼參閱我們的「可持續發展報告」

Supported by our people with their dedication and hard work to execute and deliver the business and social initiatives together, we firmly believe that Chow Tai Fook is well-placed to achieve sustainable business development and emerge stronger than ever in the years to come.

Mr. Wong Siu-Kee, Kent
Managing Director
Hong Kong, 7 June 2018

業務展望與策略

回顧年度內，中國內地以及香港及澳門的業務均見復甦，業績展現韌力，我們對此深感欣慰。儘管零售行業面貌不斷轉變，我們對大中華珠寶市場於2019財政年度和未來的前景依然充滿信心，因為變化有利於開拓新客源，充分發揮我們的潛力。

為此，我們於2018財政年度開展「Smart+ 2020」為期三年的策略性工作計劃，長期致力於以下五大範疇提供無縫顧客體驗：(1) 推出更多產品與創新項目以及推行多品牌策略；(2) 提升門店體驗，促進全渠道零售；(3) 培養以顧客為主導的生產能力和靈活的供應鏈，加強打造個性化的購物旅程；(4) 投資大數據分析，利用見解建立更高效率的營運模式，迅速應對消費者的喜好；(5) 啟導創新及創業文化，配合集團及整個珠寶行業人才發展。

企業社會責任是我們在指導業務守則不可或缺的部分，也是我們成功的重要指標。2018財政年度，我們繼續專注推行「Do Good」計劃，推動在企業文化注入正面與關愛的價值觀，表明與社會共創美好世界的決心。我們關注經濟、社會與環境資源的有效使用，同時不忘社會責任，努力與持份者和社會締造共享價值。

我們的員工一直盡忠職守，努力執行與實現我們的業務和社會計劃。在他們的支持下，我們深信周大福必能實現可持續業務發展，今後實力不斷壯大。

董事總經理
黃紹基先生
香港，2018年6月7日

Management Discussion and Analysis

管理層討論與分析

Business Review

業務回顧

FY2018 marked a year of recovery. Our operations revived meaningfully backed by improving macro-economic environment and buoyant consumer demand.

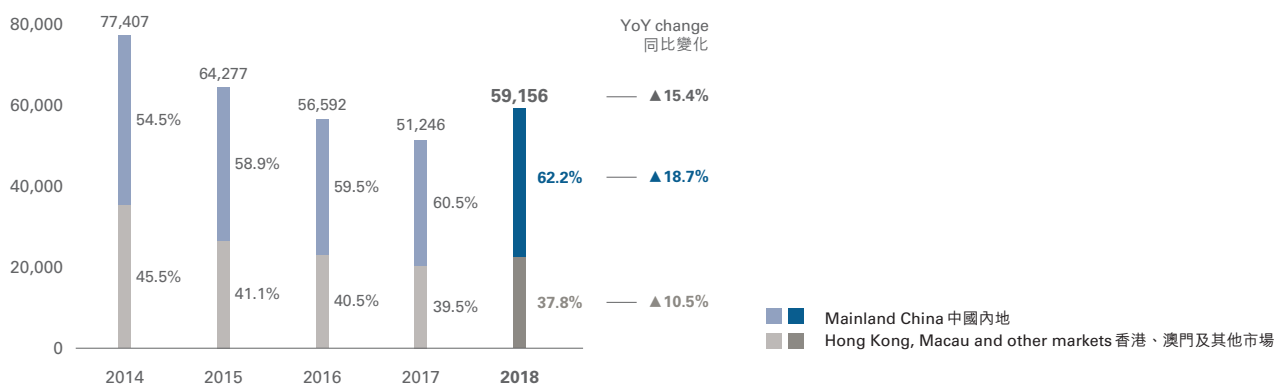
2018財政年度迎來復甦之年。隨著宏觀經濟環境持續改善，消費需求上揚，帶動我們的經營業務顯著回升。

Revenue Breakdown Group

營業額明細分析集團

Revenue by reportable segment 按可呈報分部劃分的營業額

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

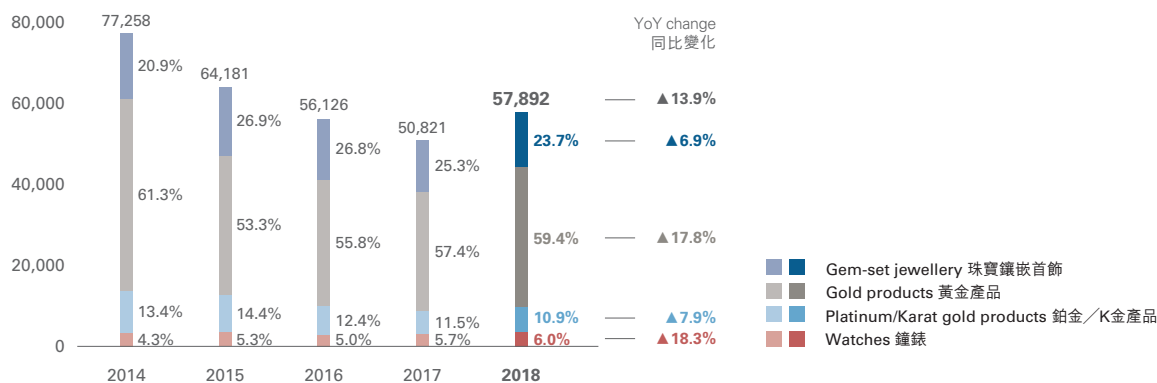


| Revenue (HK\$ million) | 營業額 (百萬港元) | 1HFY2017 2017 財政年度 上半年 | 2HFY2017 2017 財政年度 下半年 | 1HFY2018 2018 財政年度 上半年 | 2HFY2018 2018 財政年度 下半年 | 1HFY YoY change 財政年度 上半年 同比變化 | 2HFY YoY change 財政年度 下半年 同比變化 |
|------------------------------------|------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---|---|
| Mainland China | 中國內地 | 12,851 | 18,169 | 14,944 | 21,860 | ▲16.3% | ▲20.3% |
| Hong Kong, Macau and other markets | 香港、澳門及其他市場 | 8,675 | 11,551 | 9,810 | 12,542 | ▲13.1% | ▲8.6% |
| Overall | 整體 | 21,526 | 29,720 | 24,754 | 34,402 | ▲15.0% | ▲15.8% |

- Revenue contribution from Mainland China increased steadily over the past few years, and contributed to 62.2% of the Group's revenue in FY2018.
- Full year revenue increased by 15.4% year-on-year to HK\$59,156 million.
- Operations in both reportable segments rebounded in FY2018. Mainland China reported a 18.7% growth in revenue while Hong Kong, Macau and other markets delivered a 10.5% increase.
- Revenue growth in Mainland China during 2HFY2018 accelerated to 20.3% from 16.3% in 1HFY2018 due to RMB appreciation, whereas that of Hong Kong, Macau and other markets moderated to 8.6% in 2HFY2018 from 13.1% in 1HFY2018.
- 過去數年中國內地的營業額貢獻穩步上升，於2018財政年度佔集團營業額62.2%。
- 全年營業額按年上升15.4%至59,156百萬港元。
- 兩個可呈報分部於2018財政年度的經營業務皆呈回升之勢。中國內地的營業額增長18.7%，而香港、澳門及其他市場則上升10.5%。
- 中國內地於2018財政年度下半年的營業額增長加快，由2018財政年度上半年的16.3%升至20.3%，主要受惠於人民幣升值。而香港、澳門及其他市場的營業額增長則由2018財政年度上半年錄得13.1%的升幅平穩放緩至2018財政年度下半年8.6%的升幅。

Revenue by product (excluding jewellery trading and service income from franchisees) 按產品劃分的營業額(不包括珠寶貿易及加盟商的服務收入)

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



| % of Revenue | 營業額佔比 | 1HFY2017 2017 財政年度 上半年 | 2HFY2017 2017 財政年度 下半年 | 1HFY2018 2018 財政年度 上半年 | 2HFY2018 2018 財政年度 下半年 |
|------------------------------|---------|------------------------------|------------------------------|------------------------------|------------------------------|
| Gem-set jewellery | 珠寶鑲嵌首飾 | 27.2% | 24.0% | 24.2% | 23.4% |
| Gold products | 黃金產品 | 53.6% | 60.1% | 57.8% | 60.5% |
| Platinum/Karat gold products | 鉑金/K金產品 | 12.9% | 10.6% | 11.3% | 10.6% |
| Watches | 鐘錶 | 6.3% | 5.4% | 6.7% | 5.4% |

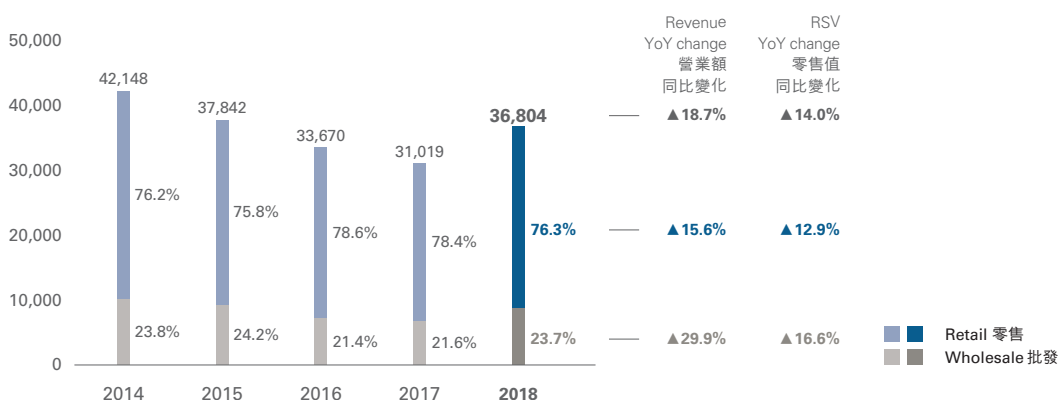
- Revenue contribution from gold products rose by 200 basis points year-on-year to 59.4% in FY2018, reflecting robust customer demand for gold products, especially during 1HFY2018. Gold products mix was relatively stable in 2HFY2018 at around 60% comparing to that of 2HFY2017.
- Watches continued to show resilient performance during FY2018 and delivered a 18.3% revenue growth, thanks to market recovery.
- 2018 財政年度，黃金產品的營業額貢獻按年上升200個點子至59.4%，反映尤其於2018財政年度上半年黃金產品的強勁消費需求。2018財政年度下半年的黃金產品佔比與2017財政年度下半年相若，穩定維持於約60%。
- 鐘錶市場持續復甦，於2018財政年度，鐘錶業務繼續展現韌力，錄得18.3%的營業額增長。

Mainland China

中國內地

Revenue by operation model 按營運模式劃分的營業額

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



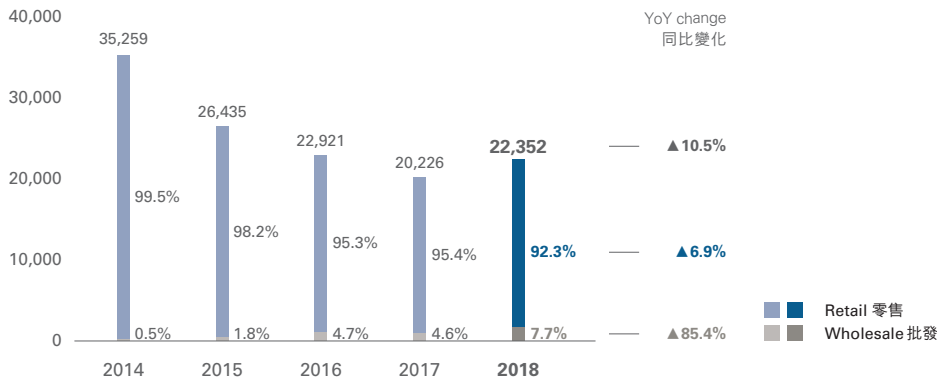
- In Mainland China, our retail revenue represents sales from self-operated POS, e-commerce and other direct channels, while wholesale revenue represents sales to franchisees and provision of services to franchisees under the inventory ownership unification programme.
- Franchisees' gradual adoption of the inventory ownership unification programme led to a low comparison base in prior years which resulted in a faster growth in wholesale revenue than RSV in FY2018. Upon complete adoption of the programme, the trends of wholesale revenue and RSV are expected to converge.
- 於中國內地，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於統一存貨擁有權計劃下向加盟商提供服務的收入。
- 自各加盟商先後採納統一存貨擁有權計劃後，使過往年度比較基數處於低水平，致使2018財政年度的批發營業額的增長高於零售值。待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。

Hong Kong, Macau and other markets

香港、澳門及其他市場

Revenue by operation model 按營運模式劃分的營業額

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

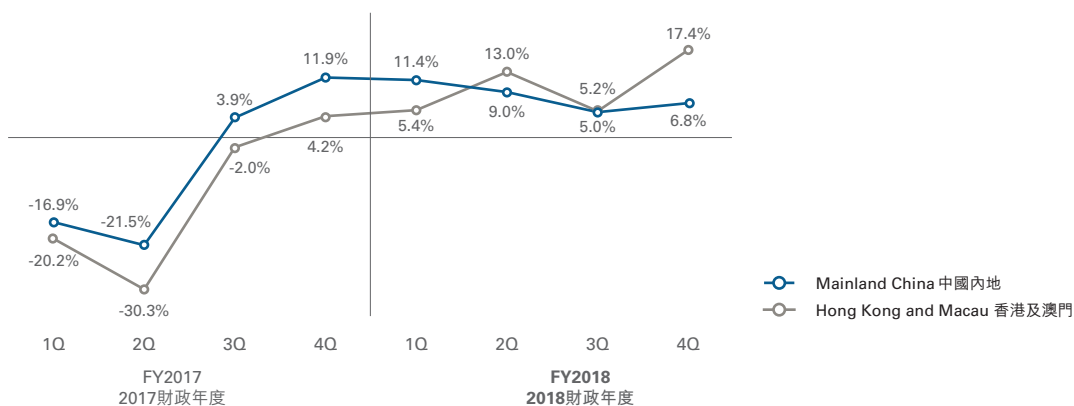


- In Hong Kong, Macau and other markets, our retail revenue represents sales from self-operated POS, e-commerce and other direct channels, while wholesale revenue represents sales to franchisees, sales to retailers and sales from jewellery trading.
- Wholesale revenue contribution expanded by 310 basis points to 7.7% during FY2018, primarily due to the increase in sales from jewellery trading business.
- 於香港、澳門及其他市場，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、向分銷商銷售貨品以及來自珠寶貿易的銷售額。
- 2018財政年度，批發營業額貢獻上升310個點子至7.7%，主要由於珠寶貿易業務的銷售額增長所致。

SSSG Group

同店銷售增長 集團

SSSG by major market 按主要市場劃分的同店銷售增長



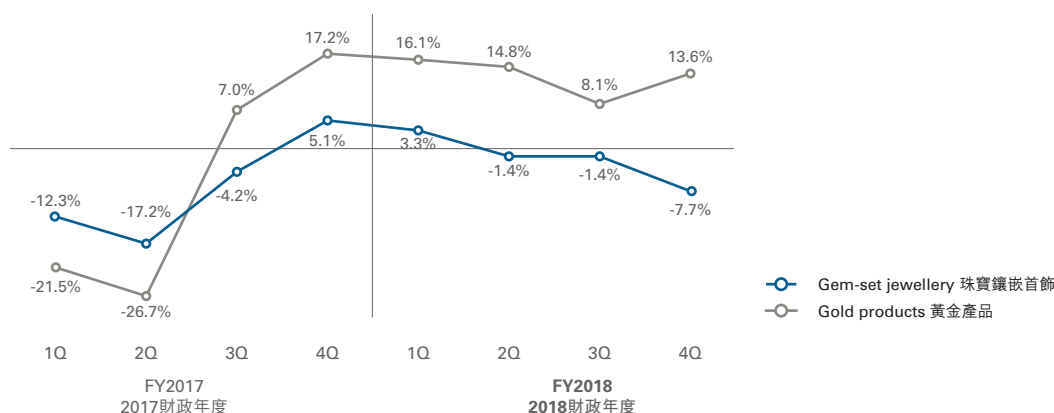
| | | FY2017 2017 財政年度 | FY2018 2018 財政年度 | SSS volume growth 同店銷量增長 |
|---------------------|-------|---------------------|---------------------|--------------------------------|
| Mainland China | 中國內地 | ▼ 5.2% | ▲ 8.0% | ▲ 1.2% |
| Hong Kong and Macau | 香港及澳門 | ▼ 12.4% | ▲ 10.2% | ▲ 6.1% |

- In Mainland China and Hong Kong and Macau, SSSG turnaround commenced in 2HFY2017 and the recovery trend sustained into FY2018.
- SSSG was driven by both ASP and volume growth in both markets during the financial year. Yet, Hong Kong and Macau registered a stronger volume growth than Mainland China.
- SSSG in Hong Kong and Macau stood at 10.2% in FY2018. Despite a high comparison base, the strong momentum continued in 2HFY2018 in Hong Kong and Macau, thanks to the improving consumer sentiment and reviving Mainland visitation.
- SSS in Mainland China grew by 8.0% in FY2018. Including our e-commerce business, Mainland China SSSG would be 10.8%.
- 於中國內地以及香港及澳門，兩者的同店銷售增長自2017財政年度下半年均開始回升，並於2018財政年度延續其復甦之勢。
- 兩大市場於年內的同店銷售增長均受平均售價及銷量增長所帶動。惟香港及澳門的銷量增長較中國內地強勁。
- 2018財政年度，香港及澳門的同店銷售增長為10.2%。受惠於消費意欲持續改善，內地旅客到訪人次回升，即使比較基數高，香港及澳門於2018財政年度下半年的增長動力依然強勁。
- 2018財政年度，中國內地同店銷售增長8.0%。如計入我們的電子商務業務，中國內地的同店銷售增長則為10.8%。

Mainland China

中國內地

SSSG of major products 主要產品的同店銷售增長



| | | FY2018 2018 財政年度 | | FY2017 2017 財政年度 | FY2018 2018 財政年度 |
|------------------------------|---------|---------------------|--------------------------------|---|--------------------------|
| | | SSSG 同店銷售增長 | SSS volume growth 同店銷量增長 | Same Store ASP ⁽¹⁾ 同店平均售價 | Same Store ASP 同店平均售價 |
| Gem-set jewellery | 珠寶鑲嵌首飾 | ▼ 2.0% | ▼ 8.2% | HK\$6,300 | HK\$6,700 |
| Gold products | 黃金產品 | ▲ 13.0% | ▲ 1.0% | HK\$3,500 | HK\$4,000 |
| Platinum/Karat gold products | 鉑金/K金產品 | ▲ 1.9% | ▲ 7.6% | HK\$1,900 | HK\$1,800 |
| Watches | 鐘錶 | ▲ 17.9% | ▲ 0.3% | HK\$12,600 | HK\$14,800 |
| Overall | 整體 | ▲ 8.0% | ▲ 1.2% | | |

(1) Same Store ASP on FY2018 Same Store basis

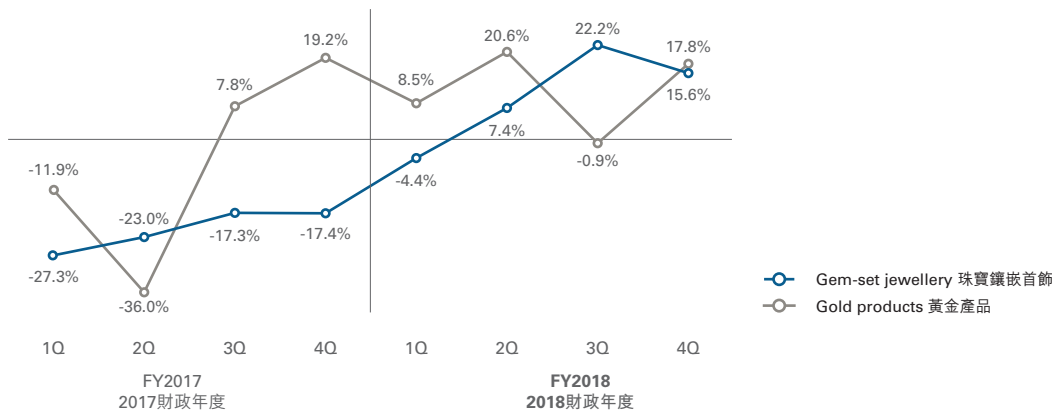
(1) 同店平均售價以2018財政年度的同店作基準

- SSSG in Mainland China was generally fuelled by gold products which delivered a growth of 13.0% in FY2018.
- Gold products ASP was lifted by 11.9%, benefitted from a gain in the average weight per gold product sold during FY2018. Average international gold price appreciated by 2.1% year-on-year in FY2018.
- Gem-set jewellery SSS reported a negative growth of 2.0% in FY2018 due to volume decline. ASP, however, expanded by 6.8% year-on-year to HK\$6,700, as we have been focusing on upselling during FY2018.
- 2018 財政年度，中國內地的同店銷售增長基本上由錄得 13.0% 升幅的黃金產品所帶動。
- 2018 財政年度，受惠於已售黃金產品平均單件重量增加，黃金產品的平均售價上升 11.9%。2018 財政年度，國際平均金價則按年上升 2.1%。
- 2018 財政年度，珠寶鑲嵌首飾的同店銷售增長隨銷量下降而錄得 2.0% 的負增長。然而，平均售價則按年上升 6.8% 至 6,700 港元，原因是我們著力向顧客推銷價格較高的珠寶產品。

Hong Kong and Macau

香港及澳門

SSSG of major products 主要產品的同店銷售增長



| | | FY2018 2018 財政年度 | FY2017 2017 財政年度 | FY2018 2018 財政年度 |
|------------------------------|---------|---------------------|--------------------------------|---|
| | | SSSG 同店銷售增長 | SSS volume growth 同店銷量增長 | Same Store ASP ⁽¹⁾ 同店平均售價 |
| Gem-set jewellery | 珠寶鑲嵌首飾 | ▲ 11.6% | ▲ 17.6% | HK\$12,300 |
| Gold products | 黃金產品 | ▲ 10.3% | ▲ 2.7% | HK\$6,800 |
| Platinum/Karat gold products | 鉑金/K金產品 | ▲ 4.5% | ▲ 6.9% | HK\$1,700 |
| Watches | 鐘錶 | ▲ 13.1% | ▲ 6.1% | HK\$47,900 |
| Overall | 整體 | ▲ 10.2% | ▲ 6.1% | |

(1) Same Store ASP on FY2018 Same Store basis

(1) 同店平均售價以 2018 財政年度的同店作基準

- SSSG in Hong Kong and Macau was supported by both gem-set jewellery and gold products in FY2018.
- Gold products SSSG moderated to 7.3% in 2HFY2018 due to the higher base of comparison as key recovery in the performance of gold products commenced in 3QFY2017.
- Gem-set jewellery SSSG in Hong Kong and Macau rebounded strongly since 2QFY2018, supported by improving consumer sentiment, a favourable comparison base as well as our effective promotional efforts.
- 2018 財政年度，香港及澳門的同店銷售增長動力源自珠寶鑲嵌首飾及黃金產品。
- 由於黃金產品的表現於 2017 財政年度第三季度始呈顯著復甦，致使比較基數較高，因此 2018 財政年度下半年，黃金產品的同店銷售增長溫和上升 7.3%。
- 香港及澳門珠寶鑲嵌首飾的同店銷售增長自 2018 財政年度第二季度開始強勁回升，主要因為消費情緒持續改善，以及有利的比較基數和我們實行有效的推廣活動。

Mainland China Business

中國內地的業務發展

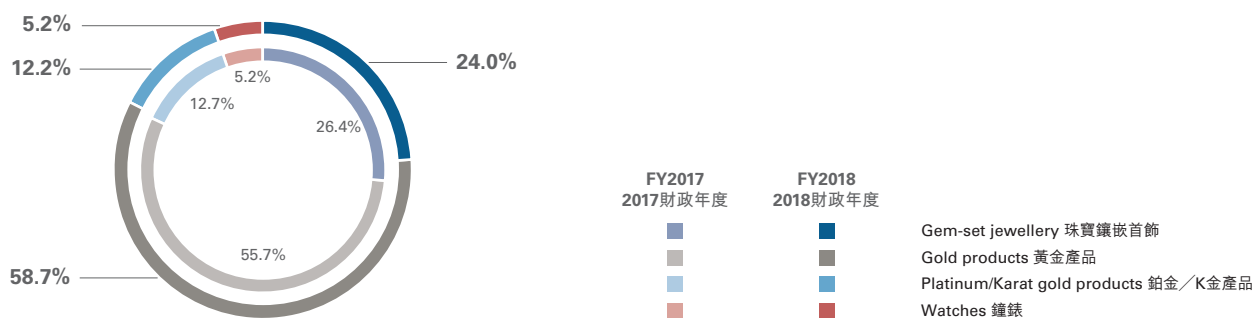
POS movement by store brand⁽¹⁾ – Mainland China 按店舖品牌劃分的零售點變動⁽¹⁾ – 中國內地

| As at | 於 | 31.3.2016 | 31.3.2017 | During FY2018 2018 財政年度 | | | 31.3.2018 |
|-------------------------|----------------|-------------|-------------|----------------------------|-----------------|------------|-------------|
| | | | | Addition 增加 | Reduction 減少 | Net 淨增減 | |
| | | Total 總計 | Total 總計 | | | | Total 總計 |
| Chow Tai Fook Jewellery | 周大福珠寶 | 2,052 | 2,118 | 296 | (97) | 199 | 2,317 |
| CTF Watch | 周大福鐘錶 | 122 | 117 | 4 | (15) | (11) | 106 |
| Hearts On Fire | Hearts On Fire | 5 | 8 | – | (2) | (2) | 6 |
| SOINLOVE | SOINLOVE | – | – | 9 | – | 9 | 9 |
| MONOLOGUE | MONOLOGUE | – | 3 | 8 | – | 8 | 11 |

(1) SIS and CIS excluded

(1) 不包括店中店及店內專櫃

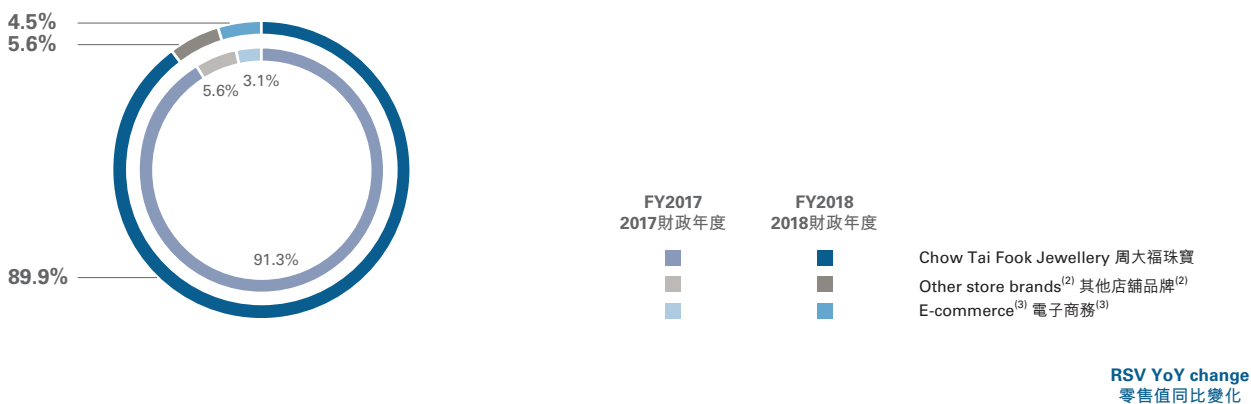
RSV by product 按產品劃分的零售值



RSV YoY change 零售值同比變化

| | | |
|------------------------------|---------|---------|
| Gem-set jewellery | 珠寶鑲嵌首飾 | ▲ 3.5% |
| Gold products | 黃金產品 | ▲ 20.1% |
| Platinum/Karat gold products | 鉑金/K金產品 | ▲ 9.0% |
| Watches | 鐘錶 | ▲ 13.7% |
| Overall | 整體 | ▲ 14.0% |

RSV by channel 按銷售渠道劃分的零售值



| | | |
|-----------------------------------|-----------------------|---------|
| Chow Tai Fook Jewellery | 周大福珠寶 | ▲ 12.3% |
| Other store brands ⁽²⁾ | 其他店舖品牌 ⁽²⁾ | ▲ 13.1% |
| E-commerce ⁽³⁾ | 電子商務 ⁽³⁾ | ▲ 66.8% |
| Overall | 整體 | ▲ 14.0% |

(2) CTF Watch, Hearts On Fire, SOINLOVE and MONOLOGUE included

(3) Major platforms included Chow Tai Fook e-shop, Tmall, JD.com, Vipshop; Online order distribution excluded

(2) 包括周大福鐘錶、Hearts On Fire、SOINLOVE及MONOLOGUE

(3) 主要平台包括周大福網絡旗艦店、天貓、京東、唯品會，但不包括線上訂單分配

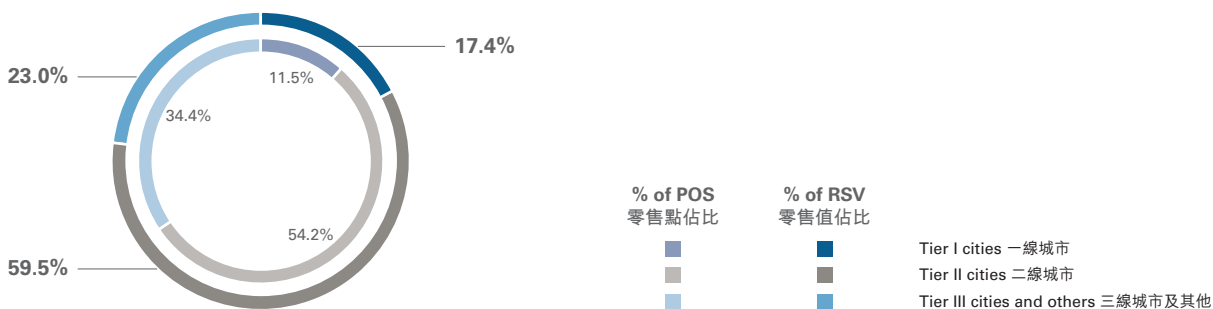
In FY2018, as our Mainland China business was predominately contributed by Chow Tai Fook Jewellery POS which accounted for approximately 90% of the RSV, the following analyses would focus on its operations:

2018財政年度，我們中國內地的業務絕大部分源自周大福珠寶零售點，佔零售值約90%，以下將集中該業務分析：

Chow Tai Fook Jewellery POS

周大福珠寶零售點

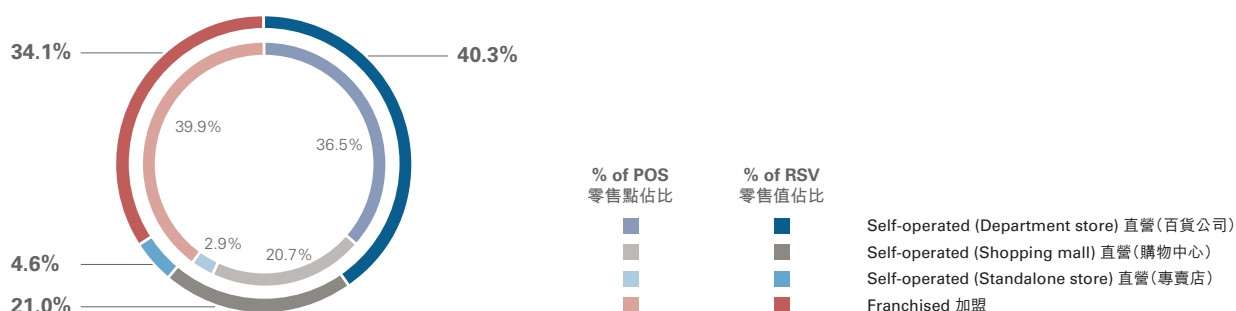
RSV and POS by tier of cities 按城市級別劃分的零售值及零售點



| | | RSV YoY change 零售值同比變化 | FY2018 net POS movement 2018 財政年度 零售點淨變動 |
|----------------------------|---------|------------------------|--|
| Tier I cities | 一線城市 | ▲ 12.4% | ▲ 19 |
| Tier II cities | 二線城市 | ▲ 12.9% | ▲ 119 |
| Tier III cities and others | 三線城市及其他 | ▲ 10.5% | ▲ 61 |

- All tiers of cities reported positive RSV growth in FY2018, reflecting a broad recovery in Mainland China. Tier I and II cities continued to outperform Tier III cities and others during the financial year.
- Yet, Tier III cities and others gained traction in 2HFY2018 and delivered a comparable RSV performance with Tier I and II cities during the period.
- 2018財政年度，所有城市級別均錄得零售值正增長，反映中國內地復甦狀況遍及全國。一線及二線城市的零售值繼續優於三線城市及其他。
- 然而，三線城市及其他於2018財政年度下半年已取得前進動力，期內的零售值表現與一線及二線城市相若。

RSV and POS by operation model 按營運模式劃分的零售值及零售點



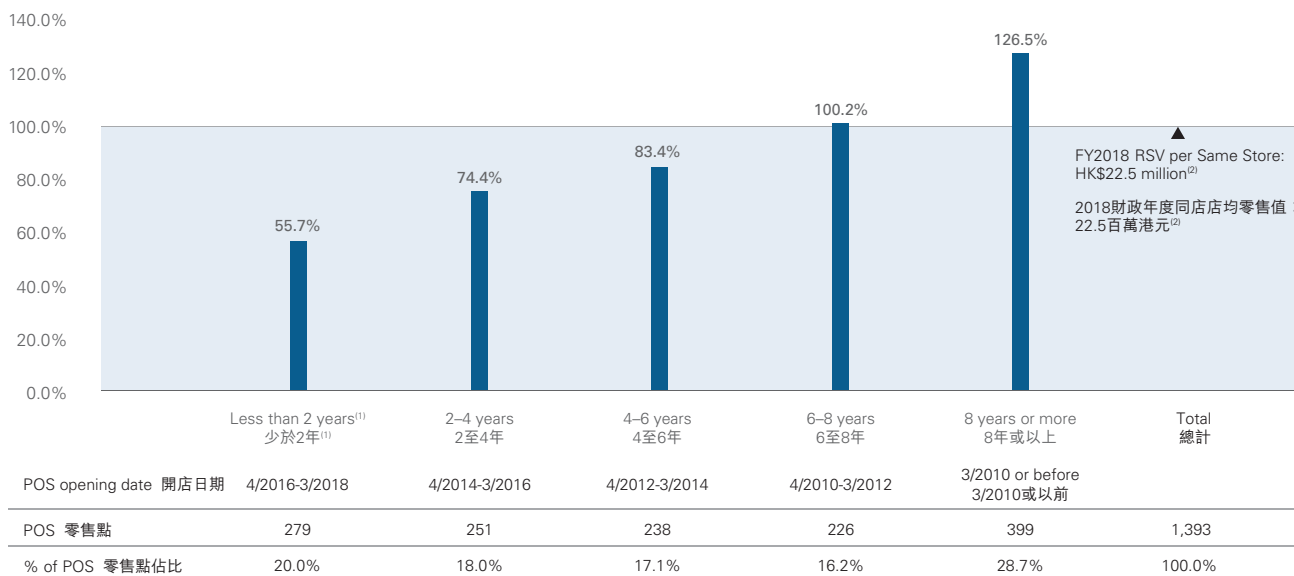
| | | RSV YoY change 零售值同比變化 | FY2018 net POS movement 2018 財政年度 零售點淨變動 |
|----------------------------------|----------|---------------------------|--|
| Self-operated (Department store) | 直營(百貨公司) | ▲ 3.0% | ▼ 32 |
| Self-operated (Shopping mall) | 直營(購物中心) | ▲ 30.1% | ▲ 119 |
| Self-operated (Standalone store) | 直營(專賣店) | ▲ 1.3% | ▼ 2 |
| Franchised | 加盟 | ▲ 16.6% | ▲ 114 |

- While all operation models delivered an improvement in RSV performance during FY2018, shopping mall remained the best performer.
- Majority of our openings were in shopping malls, with a net openings of 119 POS in FY2018. Meanwhile, we maintained a net closure in department stores but closures have been narrowed to 32 POS in FY2018 as retail landscape stabilised and macro-environment improved.
- 2018財政年度，所有營運模式的零售值均有改善，而購物中心仍為其中表現最佳的營運模式。
- 2018財政年度，淨開店主要位於購物中心，淨開設零售點數目為119個。同時，我們於2018財政年度繼續關閉百貨公司的零售點，惟隨著零售市場的格局回穩，宏觀經濟環境改善，淨關店數目收窄至32個零售點。

Self-operated Chow Tai Fook Jewellery POS

直營周大福珠寶零售點

RSV per store by store age 按店齡劃分的每店零售值

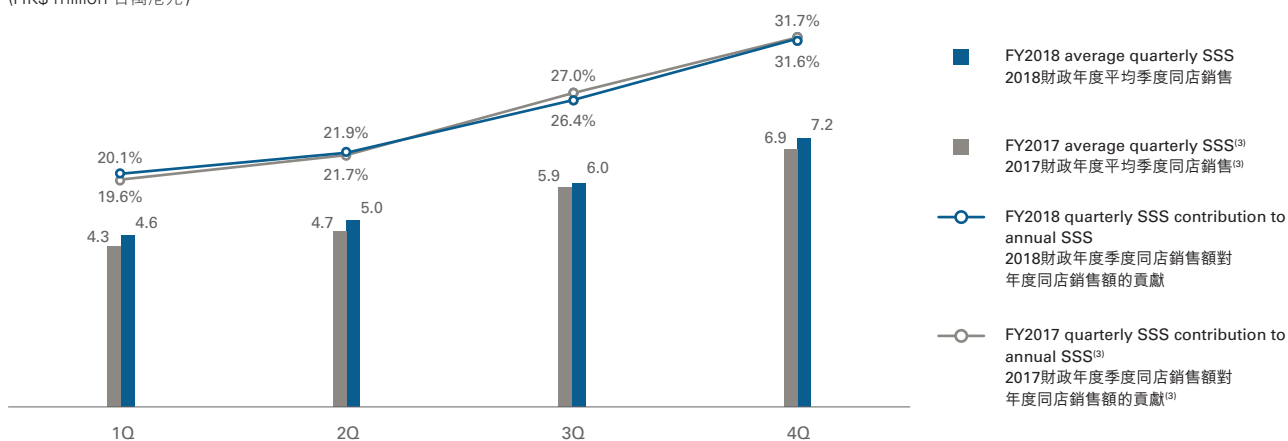


■ Ratio of annual RSV per store to RSV per Same Store
每店年度零售值與同店店均零售值之比例

(1) For POS of age less than 1 year, RSV is adjusted on an annualised basis
店齡不足1年的零售點之零售值按年化基準調整
(2) Value-added tax ("VAT") included
包括增值稅

Average quarterly sales 平均季度銷售額

(HK\$ million 百萬港元)



(3) SSS on FY2018 Same Store basis

(3) 同店銷售以2018財政年度的同店作基準

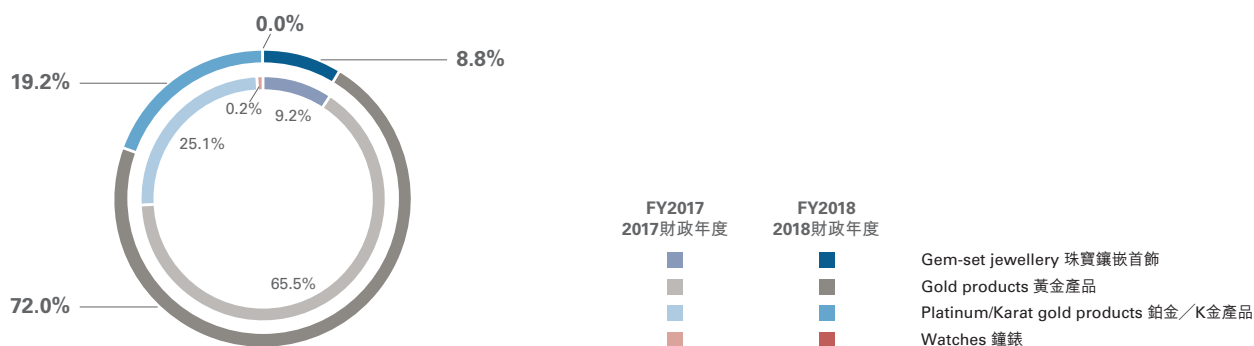
- Around 58% of the annual SSS was generated in 2HFY2018, this was similar to that in 2HFY2017.
- 4Q being our peak season as driven by festive occasions such as Chinese New Year and Valentine's Day, usually accounts for the highest quarterly SSS contribution.

- 2018財政年度下半年錄得的同店銷售佔全年同店銷售約58%，有關佔比與2017財政年度下半年相若。
- 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。

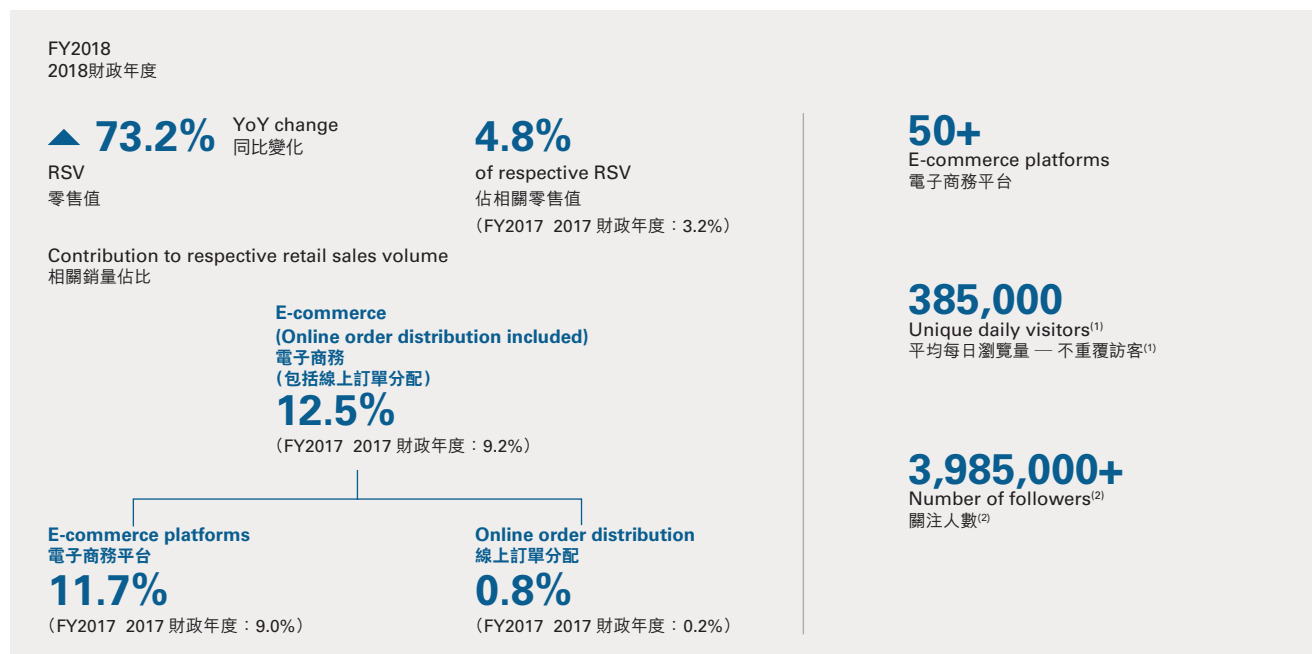
E-commerce business

電子商務業務

RSV by product 按產品劃分的零售值



| | | FY2018 2018 財政年度 | FY2017 2017 財政年度 | FY2018 2018 財政年度 |
|------------------------------|---------|---------------------------|---------------------|---------------------|
| | | RSV YoY change 零售值同比變化 | ASP 平均售價 | ASP 平均售價 |
| Gem-set jewellery | 珠寶鑲嵌首飾 | ▲ 65.4% | HK\$1,400 | HK\$1,500 |
| Gold products | 黃金產品 | ▲ 90.3% | HK\$1,400 | HK\$1,600 |
| Platinum/Karat gold products | 鉑金/K金產品 | ▲ 32.5% | HK\$900 | HK\$900 |
| Watches | 鐘錶 | ▼ 51.0% | HK\$500 | HK\$900 |
| Overall | 整體 | ▲ 73.2% | HK\$1,200 | HK\$1,400 |



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

(2) Source: Official Sina Weibo, Tencent Weibo and WeChat accounts

(1) 數據來源: 周大福網絡旗艦店、天貓及京東

(2) 數據來源: 新浪微博、騰訊微博及微信官方帳戶

- Our e-commerce business accelerated and registered a significant growth of 73.2% in FY2018, benefitted from a strengthened co-operation with our major online platform partners.
- It contributed to 4.8% of the RSV in Mainland China during FY2018, which was generated from e-commerce platforms and online order distribution.

Other store brands

- During the financial year, a net of 11 CTF Watch POS were closed in Mainland China. Despite the closings, RSV of watches delivered a promising growth of 13.7% thanks to recovery in the luxury watch market.
- Presence of Hearts On Fire is primarily in SIS and CIS format by leveraging our extensive retail network in Mainland China. Moving ahead, enhancing store productivity through retail network optimisation will be our priority for Hearts On Fire.
- In FY2018, we opened 9 POS for SOINLOVE and 8 POS for MONOLOGUE. We will continue to explore opportunities to further roll out these brands in FY2019.

- 於2018財政年度，電子商務業務進一步快速增長，錄得73.2%的強勁升幅，此乃受惠於我們加強與主要線上平台夥伴的合作。
- 2018財政年度，電子商務業務佔中國內地零售值4.8%，包括來自電子商務平台及線上訂單分配的銷售。

其他店舖品牌

- 於本財政年度內，中國內地淨關閉11個周大福鐘錶零售點。儘管出現淨關店的情況，惟由於名貴鐘錶市場復甦，鐘錶的零售值錄得13.7%的可觀增長。
- 我們一直借助自身於中國內地龐大的零售網絡拓展Hearts On Fire，形式以店中店及店內專櫃為主。展望未來，透過優化零售網絡以提升店舖生產力將為我們發展Hearts On Fire的首要工作。
- 2018財政年度，我們開設9個SOINLOVE零售點及8個MONOLOGUE零售點。2019財政年度，我們將繼續發掘推廣該等品牌的商機。

Hong Kong, Macau and Other Markets Business

香港、澳門及其他市場的業務發展

POS movement by store brand⁽¹⁾ – Hong Kong, Macau and other markets 按店舖品牌劃分的零售點變動⁽¹⁾ – 香港、澳門及其他市場

| As at | 於 | 31.3.2016 | 31.3.2017 | During FY2018 2018財政年度 | | | |
|--------------------------------|-----------------------|-------------|-------------|---------------------------|-----------------|------------|-------------|
| | | | | Addition 增加 | Reduction 減少 | Net 淨增減 | Total 總計 |
| | | Total 總計 | Total 總計 | | | | Total 總計 |
| Chow Tai Fook Jewellery | 周大福珠寶 | 123 | 118 | 15 | (14) | 1 | 119 |
| Hong Kong | 香港 | 86 | 80 | 8 | (10) | (2) | 78 |
| Macau | 澳門 | 20 | 18 | 1 | (1) | - | 18 |
| Other markets | 其他市場 | 17 | 20 | 6 | (3) | 3 | 23 |
| CTF Watch | 周大福鐘錶 | 3 | 4 | - | (1) | (1) | 3 |
| Hearts On Fire | Hearts On Fire | 14 | 13 | 1 | - | 1 | 14 |

(1) SIS and CIS excluded

(1) 不包括店中店及店內專櫃

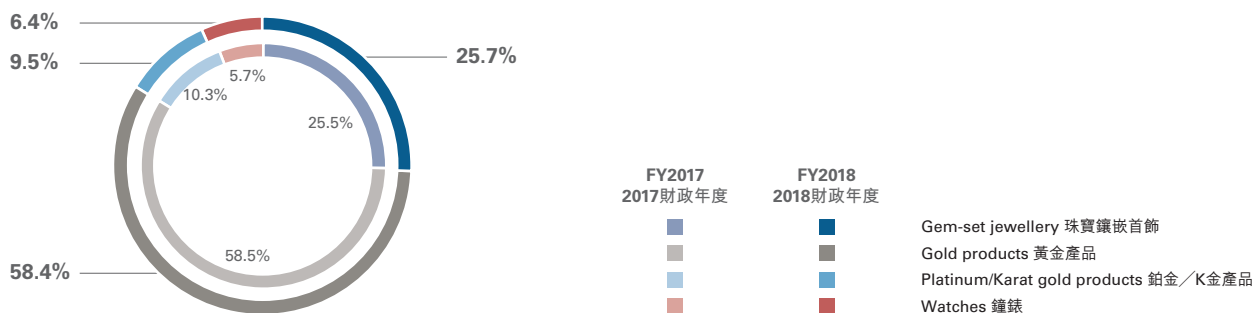
- In Hong Kong and Macau, consolidation of POS in touristic area continued while there were openings focusing in residential neighbourhoods, resulted in net closures of 3 POS in FY2018. Majority of closures were located in touristic area such as Mong Kok and Causeway Bay. Meanwhile, there were openings focusing in other area such as Tsuen Wan and Yuen Long.
- We also opened 2 Chow Tai Fook Jewellery POS in Korea and 2 in Japan to capture the opportunities arising from the demand of Chinese customers there.

- 於香港及澳門，旅遊區的零售點持續整合，而新增零售點則主要位於民生區，致使2018財政年度淨關閉3個零售點。關閉的分店大多位於旺角及銅鑼灣等旅遊區。同時，新增零售點主要位於荃灣及元朗等其他地區。
- 我們亦分別於韓國開設2個及於日本開設2個周大福珠寶零售點，以滿足當地華人顧客的需求。

Hong Kong and Macau business

香港及澳門的業務發展

RSV by product 按產品劃分的零售值



| | | |
|------------------------------|---------|---------|
| Gem-set jewellery | 珠寶鑲嵌首飾 | ▲ 8.0% |
| Gold products | 黃金產品 | ▲ 6.7% |
| Platinum/Karat gold products | 鉑金/K金產品 | ▼ 0.8% |
| Watches | 鐘錶 | ▲ 19.3% |
| Overall | 整體 | ▲ 7.0% |

Hong Kong and Macau industry performance 香港及澳門的行業表現

FY2018
2018財政年度

▲ **10.5%** YoY change 同比變化

Retail sales of jewellery industry
in Hong Kong⁽¹⁾
香港珠寶業銷售價值⁽¹⁾

▲ **6.1%** YoY change 同比變化

Number of Mainland visitors⁽²⁾
(Hong Kong)
內地訪客人數⁽²⁾(香港)

▲ **10.0%** YoY change 同比變化

Number of Mainland visitors⁽²⁾
(Macau)
內地訪客人數⁽²⁾(澳門)

Our Hong Kong and Macau performance 我們香港及澳門的表現

FY2018
2018財政年度

▼ **7.2%** YoY change 同比變化

Customer traffic at POS
零售點客流量

44.6% (FY2017 2017 財政年度 : 43.9%)

RSV settled by China UnionPay, Alipay, WeChat Pay or RMB
以中國銀聯、支付寶、微信支付或人民幣結算之零售值

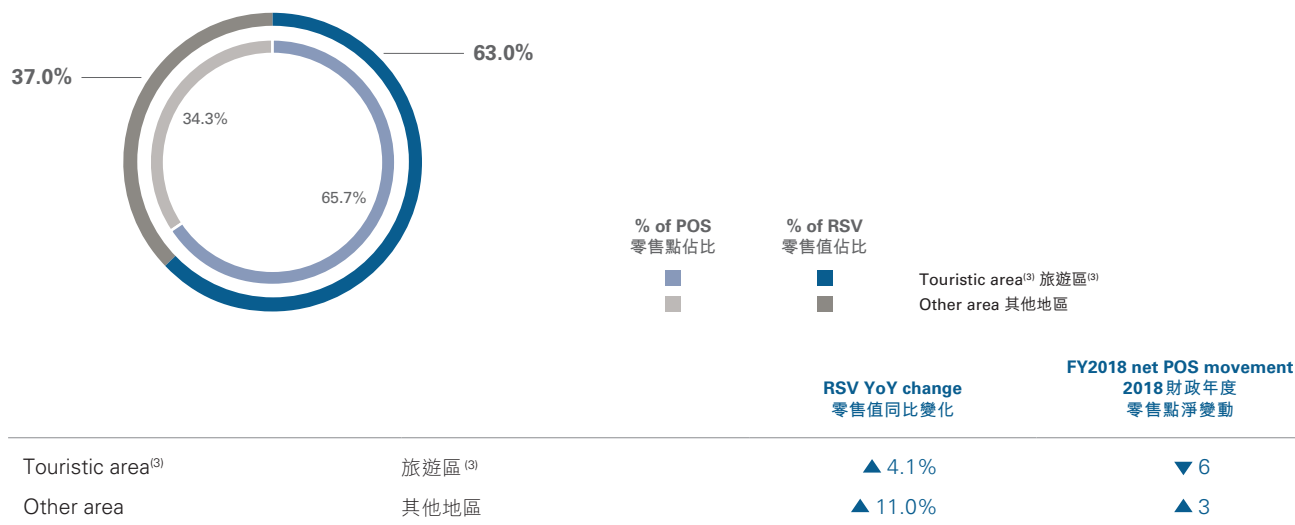
(1) Value of retail sales of jewellery, watches and clocks, and valuable gifts in Hong Kong according to Census and Statistics Department of the HKSAR Government

(2) Source: Commerce and Economic Development Bureau of the HKSAR and Macao Statistics and Census Service

(1) 珠寶首飾、鐘錶及名貴禮品於香港的零售業銷售價值，源自香港特別行政區政府統計處

(2) 數據來源：香港特別行政區商務及經濟發展局與澳門統計暨普查局

RSV and POS by area 按區域劃分的零售值及零售點



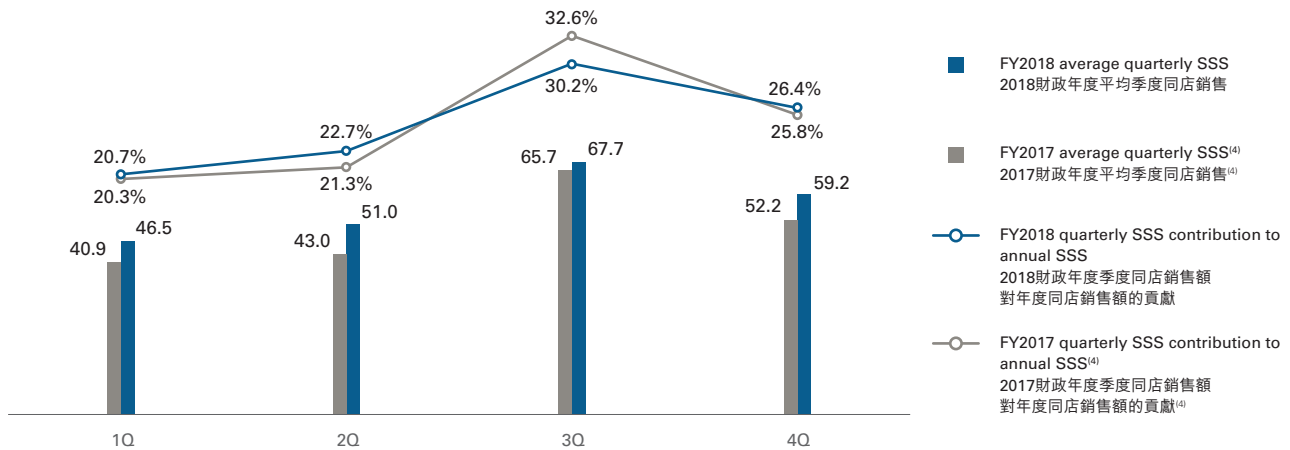
(3) Touristic area includes Causeway Bay, Tsim Sha Tsui, Mong Kok, Yau Mei Tei, Shatin, Sheung Shui, Hong Kong International Airport, Hong Kong Disneyland and Macau

(3) 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

- RSV of touristic area rebounded since 1HFY2018 and increased by 4.1%. RSV growth improved to 5.6% in 2HFY2018 from 1.8% in 1HFY2018 amid a recovering Mainland visitation to Hong Kong.
- Customer traffic decline narrowed to 7.2% year-on-year during FY2018. Decline in customer traffic improved sequentially from 8.4% in 1HFY2018 to 2.5% in 2HFY2018.
- The percentage of RSV settled by China UnionPay, Alipay, WeChat Pay or RMB to the total RSV of Hong Kong and Macau market, a proxy for sales contribution from Mainland tourists, improved slightly from 43.9% to 44.6% in FY2018. The percentage was 42.6% and 46.1% in 1HFY2018 and 2HFY2018, respectively.
- 旅遊區的零售值表現自2018財政年度上半年回升，錄得4.1%增長。隨著中國內地旅客訪港數目回升，零售值增長由2018財政年度上半年的1.8%升至2018財政年度下半年的5.6%。
- 2018財政年度客流量按年的跌幅收窄至7.2%。客流量跌幅持續改善，由2018財政年度上半年的8.4%降至2018財政年度下半年的2.5%。
- 2018財政年度，以中國銀聯、支付寶、微信支付或人民幣結算之零售值佔香港及澳門市場總零售值的百分比(代表來自中國內地旅客的銷售貢獻)由43.9%微升至44.6%。2018財政年度上半年及2018財政年度下半年的百分比分別為42.6%及46.1%。

Average quarterly sales 平均季度銷售額

(HK\$ million 百萬港元)



(4) SSS on FY2018 Same Store basis

(4) 同店銷售以2018財政年度的同店作基準

- SSS contribution of 2HFY2018 was around 57%, this was generally similar to 2HFY2017 level.
- 2018 財政年度下半年錄得的同店銷售佔全年同店銷售約57%，有關佔比與2017財政年度下半年相若。
- 3Q, being our peak season as driven by Christmas and our annual mega sales, usually accounts for the highest quarterly SSS contribution for the Hong Kong and Macau market.
- 第三季度適逢聖誕節及我們的年度大減價活動，故屬我們的旺季，該季度通常佔香港及澳門市場同店銷售中最高的季度貢獻。

Financials

財務狀況

Benefitted from the recovering market fundamentals and the improvement in operations, our profitability demonstrated continuous improvement over the past three years.

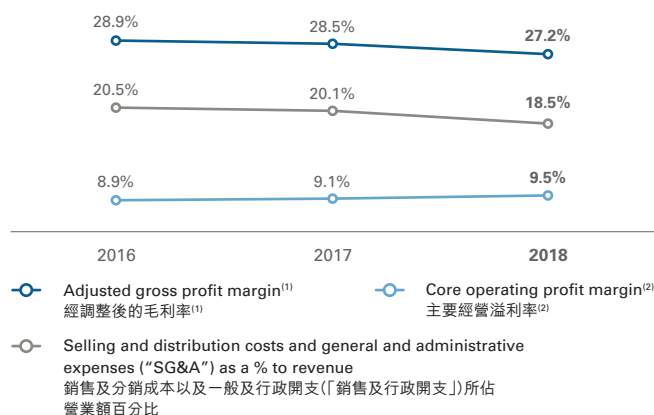
受惠於市場的基本因素回穩和經營業務改善，我們過去三年的盈利能力持續提升。

Profitability

盈利能力

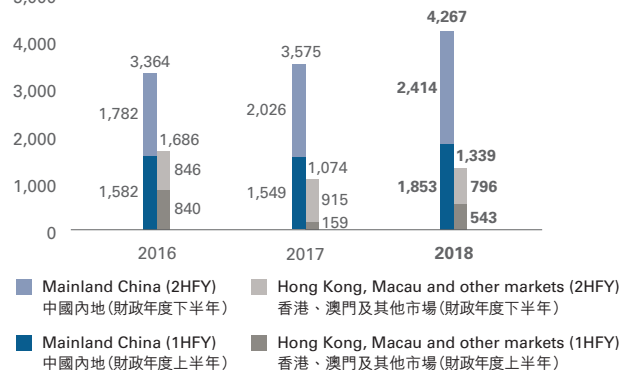
Overall 整體

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



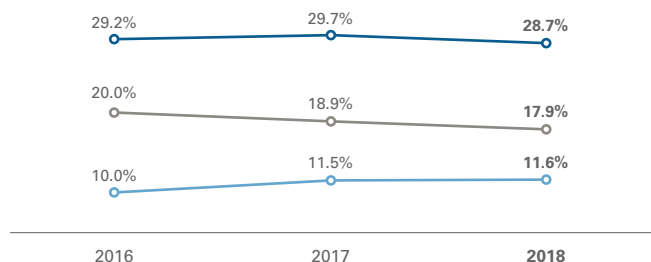
Core operating profit⁽²⁾ by reportable segment 按可呈報分部劃分的主要經營溢利⁽²⁾

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



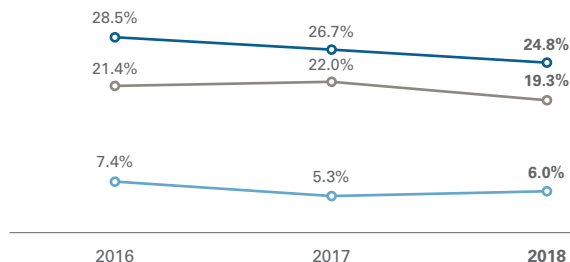
Mainland China 中國內地

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



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



(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 business

(1) 經調整後的毛利及相應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) 主要經營溢利及相應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

Group

集團

| (HK\$ million) | (百萬港元) | 1HFY2017 2017 財政年度 上半年 | 2HFY2017 2017 財政年度 下半年 | 1HFY2018 2018 財政年度 上半年 | 2HFY2018 2018 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 | 21,526 | 29,720 | 24,754 | 34,402 | ▲ 15.0% | ▲ 15.8% |
| Adjusted gross profit | 經調整後的毛利 | 6,471 | 8,156 | 7,097 | 9,022 | ▲ 9.7% | ▲ 10.6% |
| <i>Adjusted gross profit margin</i> | <i>經調整後的毛利率</i> | 30.1% | 27.4% | 28.7% | 26.2% | ▼ 1.4% pts | ▼ 1.2% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |
| Other income | 其他收入 | 178 | 152 | 186 | 222 | ▲ 4.8% | ▲ 45.9% |
| SG&A | 銷售及行政開支 | (4,941) | (5,367) | (4,887) | (6,033) | ▼ 1.1% | ▲ 12.4% |
| <i>SG&A as a % to revenue</i> | <i>銷售及行政開支所佔營業額百分比</i> | 23.0% | 18.1% | 19.7% | 17.5% | ▼ 3.3% pts | ▼ 0.6% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |
| Core operating profit | 主要經營溢利 | 1,708 | 2,942 | 2,396 | 3,211 | ▲ 40.3% | ▲ 9.1% |
| <i>Core operating profit margin</i> | <i>主要經營溢利率</i> | 7.9% | 9.9% | 9.7% | 9.3% | ▲ 1.8% pts | ▼ 0.6% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |

- As a result of the increasing sales contribution from gold products and wholesale business, adjusted gross profit margin declined slightly across the years, yet core operating profit margin demonstrated continuous improvement over the past three years.
- Among the two segments, Mainland China continued to be our main profit contributor and accounted for over 75% of the Group's core operating profit in FY2018.
- 隨著黃金產品及批發業務銷售額貢獻不斷擴大，經調整後的毛利率於過去數年輕微下降，惟主要經營溢利率於過去三年持續上升。
- 我們的兩大業務分部中，中國內地繼續為主要溢利來源，於2018財政年度佔本集團主要經營溢利超過75%。

Mainland China

中國內地

| (HK\$ million) | (百萬港元) | 1HFY2017 2017 財政年度 上半年 | 2HFY2017 2017 財政年度 下半年 | 1HFY2018 2018 財政年度 上半年 | 2HFY2018 2018 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 | 12,851 | 18,169 | 14,944 | 21,860 | ▲ 16.3% | ▲ 20.3% |
| Adjusted gross profit | 經調整後的毛利 | 4,229 | 4,988 | 4,593 | 5,980 | ▲ 8.6% | ▲ 19.9% |
| <i>Adjusted gross profit margin</i> | <i>經調整後的毛利率</i> | 32.9% | 27.5% | 30.7% | 27.4% | ▼ 2.2% pts | ▼ 0.1% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |
| Other income | 其他收入 | 123 | 89 | 131 | 161 | ▲ 7.1% | ▲ 81.6% |
| SG&A | 銷售及行政開支 | (2,803) | (3,051) | (2,872) | (3,727) | ▲ 2.4% | ▲ 22.2% |
| <i>SG&A as a % to revenue</i> | <i>銷售及行政開支所佔營業額百分比</i> | 21.8% | 16.8% | 19.2% | 17.1% | ▼ 2.6% pts | ▲ 0.3% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |
| Core operating profit | 主要經營溢利 | 1,549 | 2,026 | 1,853 | 2,414 | ▲ 19.6% | ▲ 19.1% |
| <i>Core operating profit margin</i> | <i>主要經營溢利率</i> | 12.1% | 11.2% | 12.4% | 11.0% | ▲ 0.3% pts | ▼ 0.2% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |

- Thanks to a stabilised consumer demand, revenue in Mainland China increased by 18.7% while core operating profit delivered a promising growth of 19.3% in FY2018.
- Adjusted gross profit margin was lowered by 100 basis points in FY2018 primarily due to a higher gold products sales contribution at retail level and an increased wholesale contribution.
- SG&A ratio was contracted by 100 basis points as operations improved. Core operating profit margin remained stable at 11.6% in FY2018.
- 由於中國消費者需求回穩，中國內地於2018財政年度的營業額上升18.7%而主要經營溢利則錄得19.3%的可觀增長。
- 2018財政年度經調整後的毛利率下降100個點子，主要由於零售層面有較高的黃金產品銷售貢獻以及批發貢獻上升所致。
- 銷售及行政開支比率隨業務經營改善而下降100個點子。2018財政年度主要經營溢利率穩定維持於11.6%。

Hong Kong, Macau and other markets

香港、澳門及其他市場

| (HK\$ million) | (百萬港元) | 1HFY2017 2017 財政年度 上半年 | 2HFY2017 2017 財政年度 下半年 | 1HFY2018 2018 財政年度 上半年 | 2HFY2018 2018 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 | 8,675 | 11,551 | 9,810 | 12,542 | ▲ 13.1% | ▲ 8.6% |
| Adjusted gross profit | 經調整後的毛利 | 2,242 | 3,168 | 2,504 | 3,042 | ▲ 11.7% | ▼ 4.0% |
| <i>Adjusted gross profit margin</i> | <i>經調整後的毛利率</i> | 25.8% | 27.4% | 25.5% | 24.3% | ▼ 0.3% pts | ▼ 3.1% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |
| Other income | 其他收入 | 55 | 63 | 55 | 61 | ▼ 0.2% | ▼ 4.3% |
| SG&A | 銷售及行政開支 | (2,138) | (2,316) | (2,016) | (2,306) | ▼ 5.7% | ▼ 0.4% |
| <i>SG&A as a % to revenue</i> | <i>銷售及行政開支所佔營業額百分比</i> | 24.6% | 20.0% | 20.5% | 18.4% | ▼ 4.1% pts | ▼ 1.6% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |
| Core operating profit | 主要經營溢利 | 159 | 915 | 543 | 796 | ▲ 242.2% | ▼ 13.0% |
| <i>Core operating profit margin</i> | <i>主要經營溢利率</i> | 1.8% | 7.9% | 5.5% | 6.3% | ▲ 3.7% pts | ▼ 1.6% pts |
| | | | | | | <i>個百分點</i> | <i>個百分點</i> |

- Core operating profit of Hong Kong, Macau and other markets was up by 24.7% in FY2018.
- Adjusted gross profit margin reduced by 190 basis points when compared to FY2017. Yet, benefitted from operating leverage, core operating profit margin increased by 70 basis points to 6.0% in FY2018.
- Adjusted gross profit margin fell 120 basis points from 25.5% in 1HFY2018 to 24.3% in 2HFY2018 due to the negative impact from the increased sales contribution from jewellery trading business, which carries a thinner margin, and a one-off inventory impairment made after considering the latest market value of the gem-set jewellery inventories. If the impact from the one-off impairment is excluded, adjusted gross profit margin would be 25.8% and core operating profit would register an approximately 8% year-on-year growth in 2HFY2018.
- 2018 財政年度，香港、澳門及其他市場的主要經營溢利上升 24.7%。
- 經調整後毛利率較 2017 財政年度下降 190 個點子，惟受惠於營運效益，2018 財政年度主要經營溢利率上升 70 個點子至 6.0%。
- 經調整後毛利率由 2018 財政年度上半年的 25.5% 下降 120 個點子至 2018 財政年度下半年的 24.3%，此乃由於毛利率較低的珠寶貿易業務銷售增加及就珠寶鑲嵌首飾存貨最新市值而對相關存貨作出一次性減值的負影響所致。如扣除一次性減值的影響，2018 財政年度下半年經調整後的毛利率將為 25.8%，主要經營溢利則按年增長約 8%。

Gross profit margin

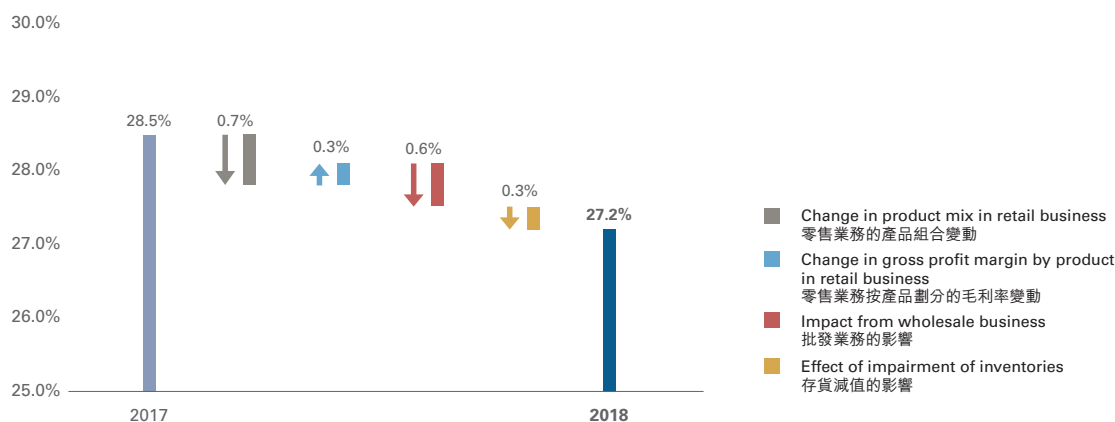
Unrealised hedging loss/(gain)

| For the year ended 31 March | 截至3月31日止年度 | 2016 | 2017 | 2018 |
|--|------------------|-------|--------|--------|
| Gross profit margin | 毛利率 | 27.6% | 29.2% | 27.4% |
| Unrealised hedging loss/(gain) on gold loans | 黃金借貸未變現對沖虧損/(收益) | 1.3% | (0.7)% | (0.2)% |
| Adjusted gross profit margin | 經調整後的毛利率 | 28.9% | 28.5% | 27.2% |

- 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.
- 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

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



- Adjusted gross profit margin was down by 130 basis points in FY2018. Despite an improvement in gross profit margin at retail level, a higher contribution from our wholesale business in both reportable segments, a less favourable product mix and the one-off impairment on gem-set jewellery inventories led to the contraction of the margin.
- 2018財政年度，經調整後的毛利率下降130個點子。儘管零售層面的毛利率有所改善，惟兩個可呈報分部的批發業務的貢獻上升、產品組合未如理想及珠寶鑲嵌首飾存貨的一次性減值導致毛利率下降。

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 FY2017 and FY2018

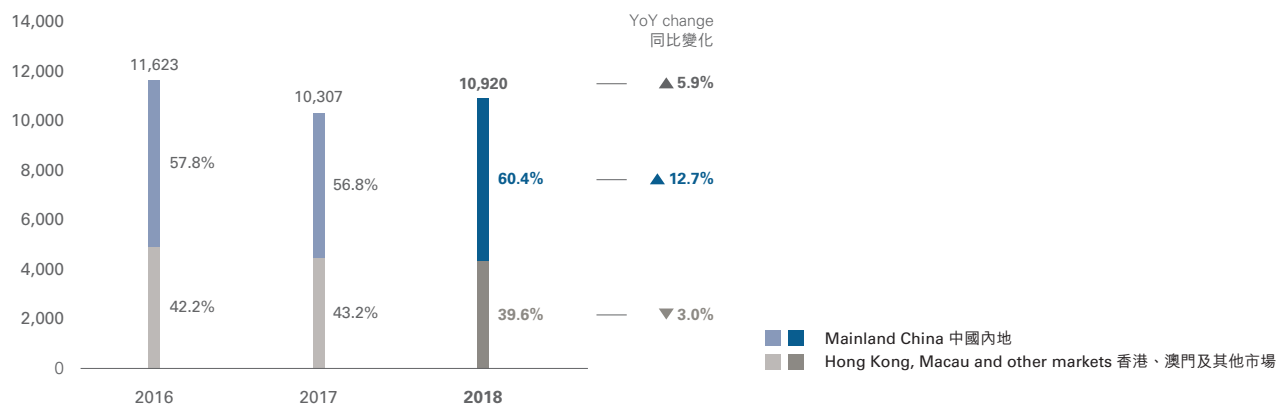
(1) T-120天平均值指過往連續120天的黃金均價，用作代表我們已對沖黃金存貨的平均價格。2017財政年度及2018財政年度均使用T-120天平均值

SG&A

銷售及行政開支

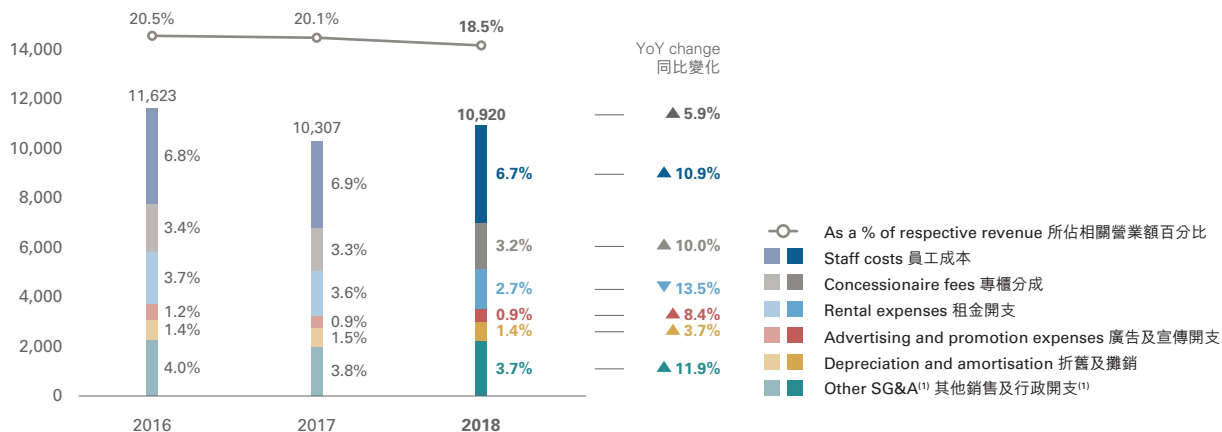
SG&A by reportable segment 按可呈報分部劃分的銷售及行政開支

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



SG&A to revenue ratio 銷售及行政開支佔營業額比率

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 other staff related expense

(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、水電費及其他員工相關開支

- Our Mainland China segment contributed over half of SG&A over the past three years.
- SG&A increased by 5.9% to HK\$10,920 million in FY2018 as most of our major SG&A components increased, except rental expenses recorded a 13.5% decrease.
- Thanks to operating leverage, SG&A ratio fell to 17.5% in 2HFY2018 from 19.7% in 1HFY2018. During the financial year, SG&A ratio further improved by 160 basis points to 18.5%.

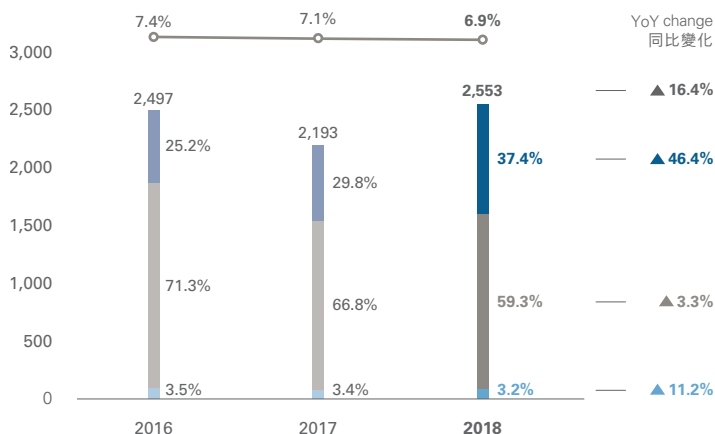
- 過去三年，我們中國內地分部佔銷售及行政開支超過一半。
- 2018財政年度，銷售及行政開支上升5.9%至10,920百萬港元，此乃由於我們的銷售及行政開支大部份主要項目均上升所致，惟租金開支則錄得13.5%的降幅。
- 由於營運效益，故銷售及行政開支佔比由2018財政年度上半年的19.7%降至2018財政年度下半年的17.5%。於財政年度內，銷售及行政開支佔比進一步下降160個點子至18.5%。

Major SG&A components

Staff costs and related expenses

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)



銷售及行政開支的主要項目

員工成本及相關開支

FY2018 2018財政年度

20,100

Average number of employees⁽¹⁾
平均員工數目⁽¹⁾

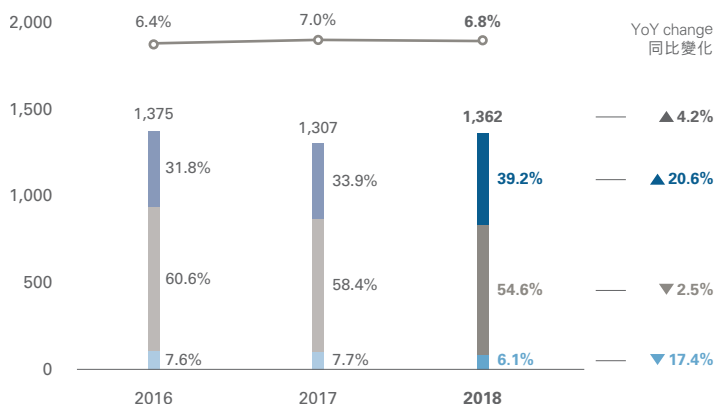
▼ 4.9%

YoY change
同比變化

- As a % of respective revenue 所佔相關營業額百分比
- Variable staff costs 浮動員工成本
- Fixed staff costs 固定員工成本
- Other staff related expenses⁽²⁾ 其他員工相關開支⁽²⁾

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)



FY2018 2018財政年度

3,180

Average number of employees⁽¹⁾
平均員工數目⁽¹⁾

▼ 8.4%

YoY change
同比變化

- As a % of respective revenue 所佔相關營業額百分比
- Variable staff costs 浮動員工成本
- Fixed staff costs 固定員工成本
- Other staff related expenses⁽²⁾ 其他員工相關開支⁽²⁾

(1) Employees in production function excluded

(2) Other staff related expenses mainly included staff messing, medical care, educational expenses, etc.

(1) 不包括生產部門的員工

(2) 其他員工相關開支主要包括員工膳食、醫療費和教育經費等

- In Mainland China, staff costs and related expenses were up by 16.4% in FY2018. The expansion was mostly on the variable performance based component, as we aligned the staff remuneration with the market standard.
- In Hong Kong and Macau, staff costs and related expenses increased by 4.2% in FY2018. The fixed staff costs reduced by 2.5%, while variable staff costs was up by 20.6% as business recovered.

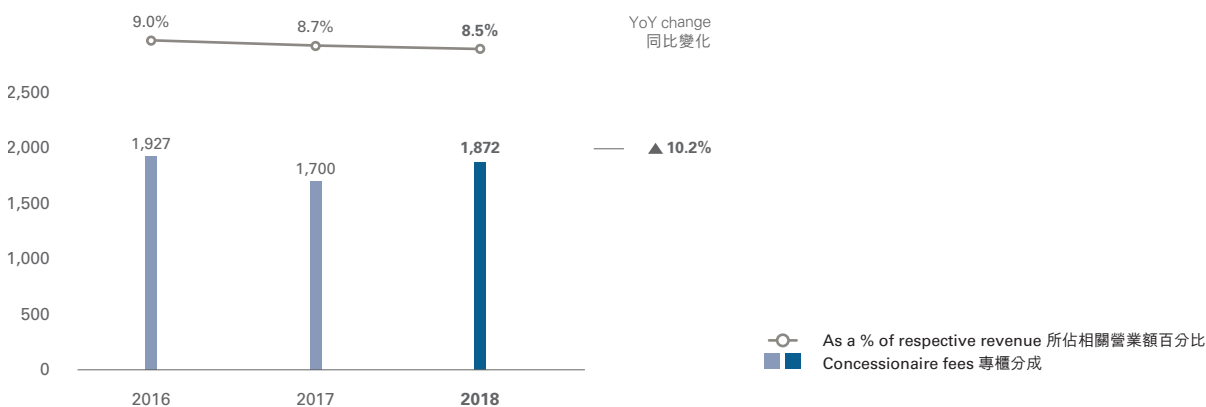
- 2018財政年度，中國內地的員工成本及相關開支上升16.4%。有關升幅主要由於我們按市場標準釐定員工薪酬，致使與員工表現掛鈎的浮動薪金增加。
- 2018財政年度，香港及澳門的員工成本及相關開支上升4.2%。固定員工成本下降2.5%，惟隨著業務回升，浮動員工成本上升20.6%。

Concessionaire fees and rental expenses

專櫃分成及租金開支

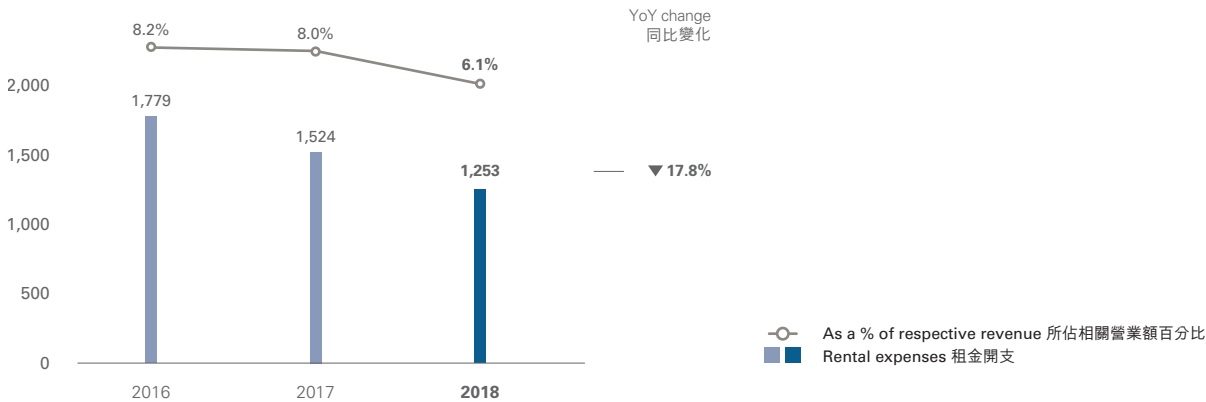
Mainland China 中國內地

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



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 increased by 10.2% along with sales growth. The slight decline in concessionaire fees ratio was mainly due to the shift of sales mix towards gold products which are generally subject to lower rates.
- In Hong Kong and Macau, rental expenses were down by 17.8% thanks to POS consolidation and rental renewal reduction. Coupled with a stabilising business environment, rental expenses ratio was further lowered by 190 basis points to 6.1% in FY2018. We achieved an average reduction on rental renewal of approximately 29% in FY2018.
- 於中國內地，專櫃分成隨銷售上升而增加10.2%。專櫃分成比率微降主要由於銷售組合轉向專櫃分成比率一般較低的黃金產品所致。
- 於香港及澳門，零售點整合及續租減租使租金開支削減17.8%。加上營商環境回穩，2018財政年度的租金開支比率進一步下降190個點子至6.1%。2018財政年度，我們續租的租金平均減幅約為29%。

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 | 2016 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 | 2018 HK\$ million 百萬港元 | 2018 vs 2017 YoY change 同比變化 |
|-----------------------------|------------|------------------------------|------------------------------|------------------------------|------------------------------------|
| Other income | 其他收入 | 306 | 330 | 408 | ▲ 23.8% |
| Other gains and losses | 其他收益及虧損 | (245) | (286) | 342 | N/A 不適用 |
| Other expenses | 其他開支 | (51) | (215) | (48) | ▼ 77.6% |

- 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 gain of HK\$343 million (FY2017: net foreign exchange loss of HK\$273 million) due to the appreciation of RMB.
 - Other expenses dropped by 77.6% as 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" in FY2017.
- 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指因人民幣升值而產生的外匯淨收益343百萬港元(2017財政年度：外匯淨虧損273百萬港元)。
 - 其他開支下降77.6%乃由於2017財政年度確認且於「其他開支」內計入投資減值虧損、應收一家聯營公司款項及應收一家合資企業款項合計164百萬港元。

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 | 2016 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 | 2018 HK\$ million 百萬港元 | 2018 vs 2017 YoY change 同比變化 |
|----------------------------------|------------|------------------------------|------------------------------|------------------------------|------------------------------------|
| Interest income from banks | 銀行利息收入 | 112 | 122 | 67 | ▼ 45.1% |
| Other interest income | 其他利息收入 | 43 | 18 | 13 | ▼ 26.0% |
| Finance costs on bank borrowings | 銀行貸款融資成本 | 69 | 93 | 111 | ▲ 18.6% |
| Finance costs on gold loans | 黃金借貸融資成本 | 174 | 143 | 133 | ▼ 7.2% |
| Taxation | 稅項 | 957 | 1,227 | 1,629 | ▲ 32.7% |

- Finance costs on gold loans decline slightly as the new hedging mechanism was fully implemented during the financial year. On average, the hedging ratio approximately reduced from 65% in FY2017 to 47% in FY2018.
 - Effective tax rate stayed at approximately 28% in both FY2018 and FY2017. In FY2018, additional withholding tax expenses were incurred for dividends to be distributed from the subsidiaries in Mainland China as Mainland China is expected to continue to contribute a higher portion of the Group's profit. While in FY2017, more withholding tax expenses were incurred for paying a higher special dividend declared. If the withholding tax impact was excluded in both years, the effective tax rate would stay at around 24%.
- 黃金借貸融資成本微降，乃由於本財政年度內全面實施新對沖機制。平均對沖比率由2017財政年度約65%降至2018財政年度約47%。
 - 2018財政年度及2017財政年度的實際稅率均維持於約28%。2018財政年度的預扣稅開支增加乃來自中國內地附屬公司將分派的股息，因我們預計中國內地溢利貢獻將繼續對集團有較高的佔比。然而，2017財政年度預扣稅增加乃來自宣派較高的特別股息。如撇除兩年的預扣稅影響，實際稅率將維持於約24%。

Return on equity

- We use return on equity ("ROE") to measure the efficiency of generating profits from each unit of shareholder equity.
- Net profit margin increased by 100 basis points to 7.1% due to the uplift in core operating profit margin and the positive impact from RMB movements. As a result, ROE improved by 260 basis points to 12.3%.

股本回報率

- 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。
- 淨溢利率上升100個點子至7.1%乃由於主要經營溢利率上升以及人民幣變動的正面影響所致。因此，股本回報率上升260個點子至12.3%。



Inventory Turnover and Capital Structure

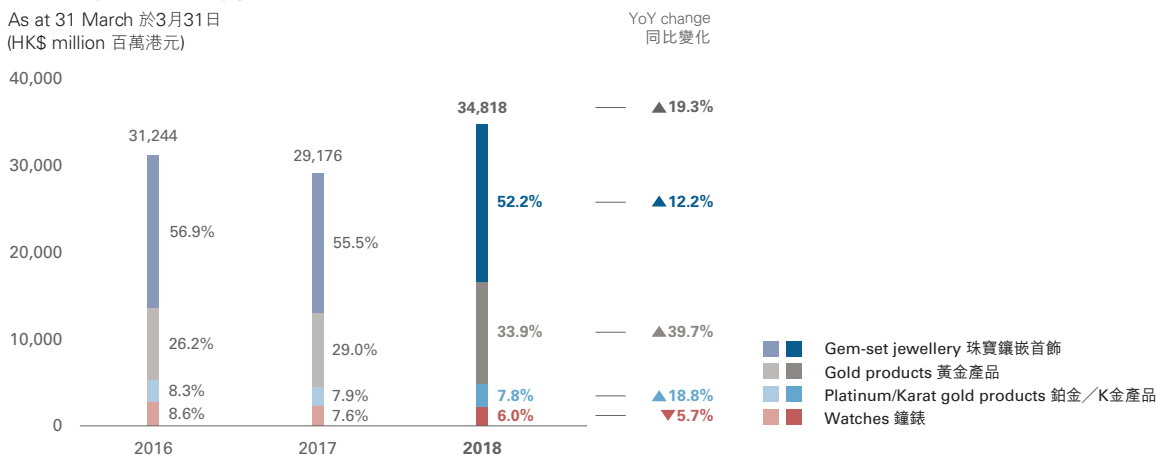
Inventory balances and turnover period

存貨周轉及資本架構

存貨結餘及周轉期

Inventory balances by product⁽¹⁾ 按產品劃分的存貨結餘⁽¹⁾

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

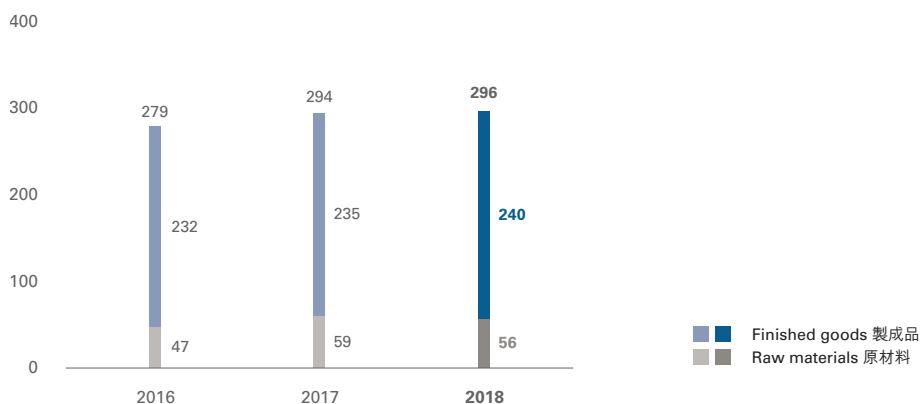


(1) Packing materials excluded

(1) 不包括包裝物料

Inventory turnover period by category⁽²⁾ 按類別劃分的存貨周轉期⁽²⁾

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



(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

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

- Inventory balances, excluding packing materials, increased by 19.3% and stood at HK\$34,818 million as at 31 March 2018, which was mainly attributable to the addition of gold inventories amid strong consumer demand.
- As at 31 March 2018, approximately HK\$3,290 million or 9.4% of our total inventory balances were held by 712 franchised POS (31 March 2017: approximately HK\$1,870 million or 6.4% were held by 517 franchised POS).
- If the inventory balances held by franchisees were excluded, inventory turnover period would be 268 days, around 7 days shorter than last year.
- 於2018年3月31日,存貨結餘(不包括包裝物料)上升19.3%至34,818百萬港元,主要由於黃金存貨增加以滿足消費者的強勁需求。
- 於2018年3月31日,712個加盟零售點持有我們總存貨結餘約3,290百萬港元(或9.4%)(2017年3月31日:517個加盟零售點持有約1,870百萬港元(或6.4%))。
- 撇除加盟商持有的存貨結餘,存貨周轉期為268天,較去年少約7天。

Capital structure

資本架構

| As at | 於 | 31.3.2017 HK\$ million 百萬港元 | % to total equity 佔權益總額 百分比 | 31.3.2018 HK\$ million 百萬港元 | % to total equity 佔權益總額 百分比 | Increase 增加 HK\$ million 百萬港元 | Denominated currency ⁽¹⁾ 計值貨幣 ⁽¹⁾ | Interest rate structure ⁽¹⁾ 利率架構 ⁽¹⁾ |
|--|-------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|--|---|--|
| Non-current assets | 非流動資產 | 7,133 | 21.9% | 8,258 | 24.2% | 1,125 | N/A 不適用 | N/A 不適用 |
| Inventories | 存貨 | 29,259 | 90.0% | 34,929 | 102.4% | 5,670 | N/A 不適用 | N/A 不適用 |
| Bank deposits and cash equivalents ⁽²⁾ | 銀行存款及現金 等價物 ⁽²⁾ | 7,943 | 24.4% | 7,944 | 23.3% | 1 | 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 ⁽³⁾ | 總貸款 ⁽³⁾ | 10,009 | 30.8% | 13,258 | 38.9% | 3,249 | | |
| Bank borrowings | 銀行貸款 | 6,793 | 20.9% | 7,923 | 23.3% | 1,130 | HKD 港元 | Variable interest rate 浮動利率 |
| Gold loans | 黃金借貸 | 3,216 | 9.9% | 5,335 | 15.6% | 2,119 | RMB and USD 人民幣及美元 | Fixed interest rate 固定利率 |
| Net debt ⁽⁴⁾ | 債項淨額 ⁽⁴⁾ | 2,066 | 6.4% | 5,314 | 15.6% | 3,248 | N/A 不適用 | N/A 不適用 |
| Working capital ⁽⁵⁾ | 營運資金 ⁽⁵⁾ | 26,480 | 81.5% | 28,593 | 83.9% | 2,113 | N/A 不適用 | N/A 不適用 |
| Total equity | 權益總額 | 32,502 | 100.0% | 34,098 | 100.0% | 1,596 | 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 2018

(2) Bank balances and cash included

(3) As at 31 March 2018, bank borrowings amounted to HK\$5,823 million and all the gold loans would be matured within 12 months while bank borrowings amounted to HK\$2,100 million would be matured in more than 2 years but not exceeding 5 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的資料為2018年3月31日的情況

(2) 包括銀行結餘及現金

(3) 於2018年3月31日，5,823百萬港元的銀行貸款及所有黃金借貸將於12個月內到期，而2,100百萬港元的銀行貸款將於超過2年但不多於5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

人民幣波動的影響

| FY2018 2018財政年度 | Closing exchange rate YoY change 收市匯率同比變化 | Average exchange rate YoY change 平均匯率同比變化 |
|----------------------|--|--|
| RMB to HKD 人民幣兌港元 | ▲ 11% | ▲ 2% |

- As part of our business operation was in Mainland China, the appreciation 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:
- 由於我們有部分業務在中國內地經營，人民幣升值對我們中國內地營運的表現及資產和負債的結餘以及人民幣計值的集團間墊款餘額帶來影響，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 | 2017 | | 2018 | |
|-----------------------------------|------------|--------------------|---|--------------------|---|
| | | 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 | ▼ 9.4% | ▼ 6.0% | ▲ 15.4% | ▲ 14.0% |
| Core operating profit YoY change | 主要經營溢利同比變化 | ▼ 7.9% | ▼ 3.5% | ▲ 20.6% | ▲ 18.7% |
| Changes in inventory balances | 存貨結餘變化 | ▼ 6.7% | ▼ 6.4% | ▲ 19.4% | ▲ 13.6% |
| Changes in bank balances and cash | 銀行結餘及現金變化 | ▼ 38.9% | ▼ 37.3% | ▲ 0.0% | ▼ 7.5% |

- Revenue and core operating profit on constant exchange rate basis are calculated by translating current year's revenue and core operating profit of the Mainland China segment in RMB into HKD using the prior year's average RMB to HKD exchange rates. We believe using constant exchange rate basis could enhance the comparability between two financial years.
- 按相同匯率計算的營業額及主要經營溢利乃使用中國內地分部於本年度以人民幣計值的營業額及主要經營溢利以上一年度之人民幣兌港元平均匯率換算為港元，我們相信使用相同匯率基準有助提高兩個財政年度的可比性。

Cash Flows and Others

Cash flows

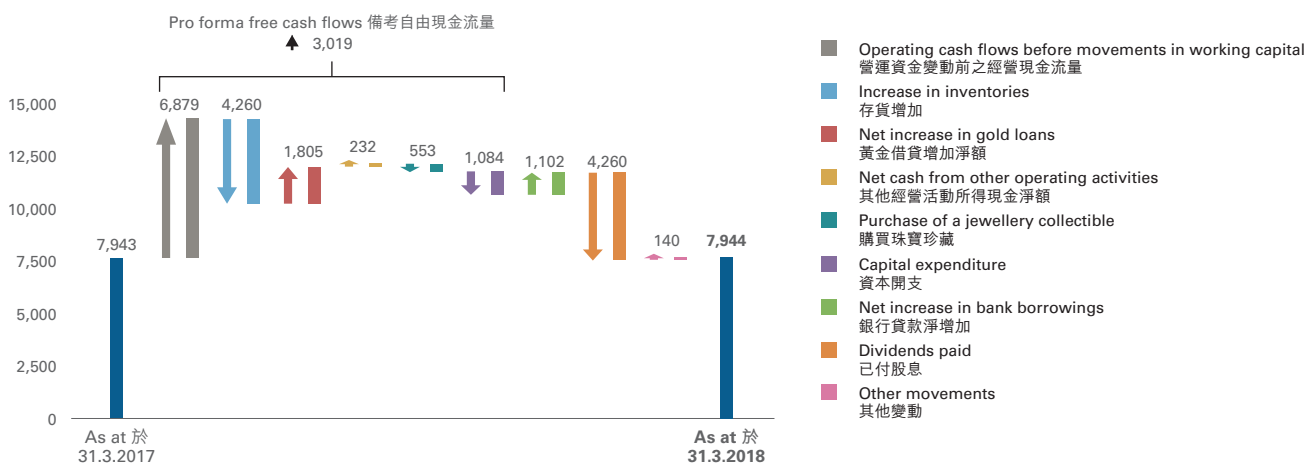
現金流量及其他

現金流量

| For the year ended 31 March | 截至3月31日止年度 | 2016 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 | 2018 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 | 5,787 | 5,702 | 6,879 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | 7,499 | 599 | (4,260) |
| Net change in gold loans | 黃金借貸淨變動 | (2,161) | (3,023) | 1,805 |
| Net cash from/(used in) other operating activities | 其他經營活動所得/(所用)現金淨額 | 611 | (49) | 232 |
| Purchase of jewellery collectibles | 購買珠寶珍藏 | – | (378) | (553) |
| Capital expenditure | 資本開支 | (1,046) | (862) | (1,084) |
| Pro forma free cash flows | 備考自由現金流量 | 10,690 | 1,989 | 3,019 |
| Net change in bank borrowings | 銀行貸款淨變動 | 1,192 | (1,112) | 1,102 |
| Dividends paid | 已付股息 | (6,582) | (5,148) | (4,260) |
| Other movements | 其他變動 | (776) | (787) | 140 |
| Net increase/(decrease) in bank balances and cash | 銀行結餘及現金增加/(減少)淨額 | 4,524 | (5,058) | 1 |

Major cash flows items for FY2018 2018財政年度主要現金流量項目

(HK\$ million 百萬港元)



Capital expenditure

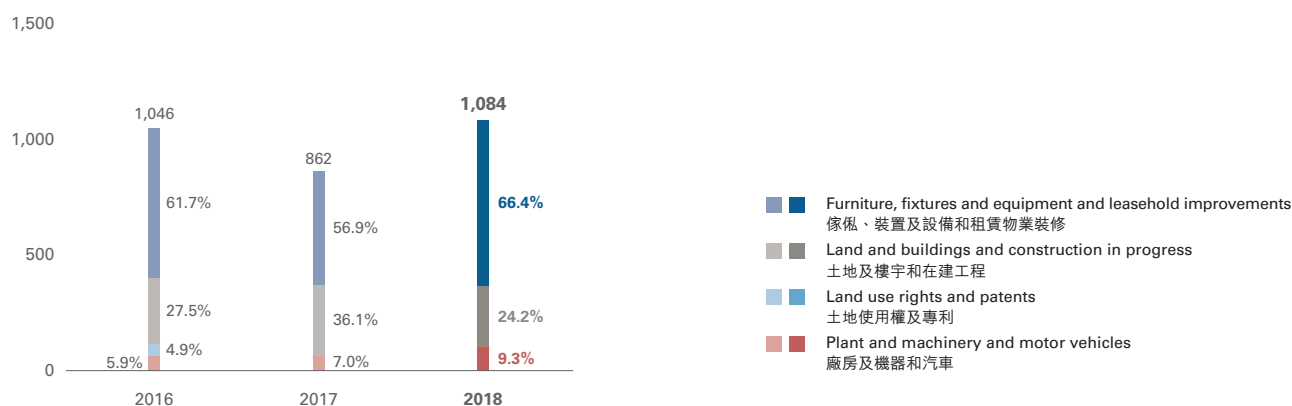
- The Group's capital expenditure incurred during FY2018 amounted to HK\$1,084 million (FY2017: HK\$862 million).

資本開支

- 本集團於2018財政年度的資本開支為1,084百萬港元（2017財政年度：862百萬港元）。

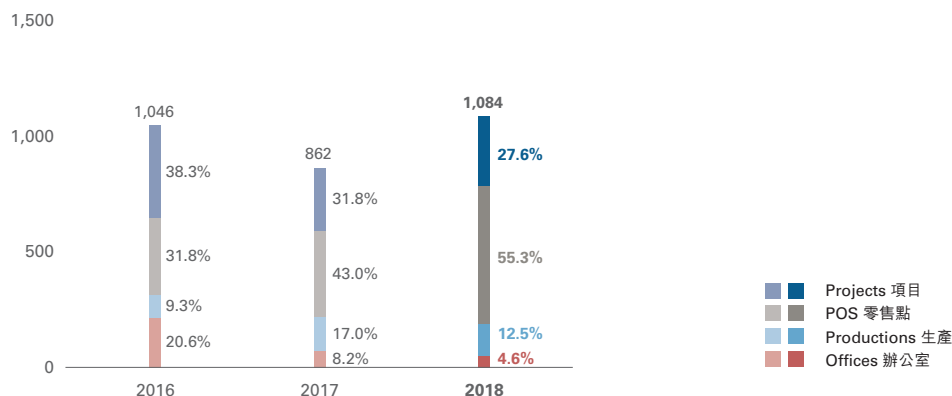
Capital expenditure by nature 按性質劃分的資本開支

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 按功能劃分的資本開支

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 2018 and 31 March 2017.

或然負債

- 本集團於2018年3月31日及2017年3月31日並無任何重大或然負債。

Capital commitments

- Details of the Group's capital commitment as at 31 March 2018 and 31 March 2017 are set out in note 32 to the consolidated financial statements.

資本承擔

- 本集團於2018年3月31日及2017年3月31日的資本承擔詳情載於綜合財務報表附註32。

Risk Management Report

風險管理報告

Risk Management Report

風險管理報告

The Board acknowledges the importance of adequate and effective risk management and internal control systems which assist them in understanding the Group's risk profile, allocating resources to manage key risks and making risk-reward optimised business decisions for business planning.

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集團風險狀況、分配資源以管理主要風險以及衡量風險與回報作出最佳的營商決策，以進行業務規劃。

Our Risk Management and Internal Control Governance Framework

風險管理及內部監控管治框架



We adopt the "Three Lines of Defense" model to assist the Board of Directors, Board Committees and management to carry out on-going oversight and monitoring on the effectiveness of our risk and control systems. Set out below are their distinct roles and responsibilities:

我們採納「三重防線」模型以協助董事會、董事委員會及管理層進行持續監督和監察我們的風險及監控系統之成效。下文載列彼等各自明確的角色及責任：

Board oversight

Board of Directors

- Evaluates and determines the nature and extent of the risks the Group is willing to take in achieving its strategic objectives.
- Ensures that the Group 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.

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.

Audit Committee

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

Management oversight

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, and oversees the effectiveness of process controls to manage risks on a quarterly basis.

First Line of Defense – Ownership

Business and functional units and individuals

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

Second Line of Defense – Monitoring

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

- Support GRMC on the risk and control functions through on-going risk communications and monitoring.
- Establish policies, procedures and standards to reinforce risk management and internal control systems.
- Provide guidance and training related to risk management and control processes.

董事會監督

董事會

- 評估及釐定集團達成策略目標時所願意接受的風險性質及程度。
- 確保集團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。

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。

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。

管理層監督

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、監督程序監控的成效，以管理風險。

第一重防線 – 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。

第二重防線 – 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、程序及準則。
- 提供與風險管理及監控程序有關的指引及培訓。

Third Line of Defense — Assurance

Internal audit

- Provides independent and objective assurance on the adequacy and effectiveness of our risk management and internal control systems by carrying out the risk-based internal audit.
- Communicates audit findings and control deficiencies to management for their implementation of remedial actions.

Independent assessment

External audit

- Provides observations and assessments of the processes and controls over financial reporting and related risks.
- 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.

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:

Identification — adopts both top-down and bottom-up approach.

Analysis — assesses the potential consequences and likelihood of the risks.

Evaluation — evaluates the risk level, risk treatment and priorities.

Mitigation — Recognises the control gaps, assigns risk ownership and confirms risk control measures.

Monitoring — conducts evaluations on the design and progress of implementation of the risk control measures.

Reporting — facilitates risk communications, reviews the residual risk level after control measures and assesses areas for continuous improvement.

第三重防線 — 保證

內部審核

- 以進行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和客觀保證。
- 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。

獨立評核

外部審核

- 對財務報告及相關風險進程序序和監控的觀察和評核。
- 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。

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：

識別 — 同時採納由上而下以及由下而上的方式。

分析 — 評核風險發生的可能性以及潛在後果。

評價 — 評價風險水平、風險處理方法及優先次序。

應對 — 識別監控差距、委派風險承擔人及確認風險監控措施。

監察 — 評價風險監控措施的設計以及實施進度。

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。

GRMC adopts both top-down and bottom-up approach to facilitate risk identification as it is of paramount importance to understand the risk universe that the Group is facing before we can effectively manage them.

Top-down approach

- Members of GRMC and representatives from Executive Office and FGC discuss the risk issues they consider important.
- GRMC has various channels for risk identification, for example, the principal and emerging risks from macro environment and strategic objectives escalated by corporate function units, potential control weaknesses indicated through whistleblowing system, internal and external audit and concerns of our stakeholders on social, environmental and governance issues come through by our Sustainability Committee.
- Upon approval, the risk management strategy is cascaded to relevant business and functional units to design, implement and monitor the risk control measures.

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.

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以識別風險，因為本集團在有效管理其面對的風險前了解風險全域極為重要。

由上而下的方式

- 集團風險管理委員會成員與行政部和財務管治中心代表討論彼等認為重要的風險事宜。
- 集團風險管理委員會由多種途徑識別風險，如從宏觀環境或由企業功能單位上報之策略性目標而產生的主要及新興風險、透過舉報機制、內部及外部審核識別之潛在監控弱點，以及由可持續發展委員會傳遞持份者對社會、環境及管治議題的關注事項。
- 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、實施及監察。

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。
- 財務管治中心綜合併驗證風險登記冊，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。

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 Group programmes which promote effective internal control practices, including internal control review, internal audit, case investigation and whistleblowing system.

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根據集團重大風險而調整關鍵監控的審核計劃。

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報告的可靠性。他們亦可藉此承諾全力支持集團就推動有效內部監控工作的各個計劃，包括內部監控檢討、內部審核、案件調查及舉報機制。

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 Group to respond to the changes in its business and the external environment.
- The scope and quality of the management's on-going 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 Group 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.
- The effectiveness of the Group's internal audit function.
- Assurance provided by internal audit on the effectiveness of the Group'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, 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 FY2018.

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、內部審核及外部審核團隊識別的主要風險。
- 自上次年度檢討以來主要風險的性質變動及改變幅度，而集團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察成果的範圍及次數，以便審核委員會評價集團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。
- 集團內部審核功能的成效。
- 內部審核就集團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2018財政年度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業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證，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。

Our Continuous Improvement Plan and Highlights of The Year

We endeavour to build a robust risk management system to align risk with strategy and performance throughout the Group. We are progressing towards the phased improvement plan launched in FY2017 (“Improvement Plan”). Set out below are some of the highlights of improvement we have made during this year:

Highlights of improvement made in FY2018

Focus of Improvement Plan

Risk and control governance culture — strengthen management’s accountability, promote risk-conscious culture and fraud risk awareness

Promotion of risk-conscious culture and fraud risk awareness

- Reviewed and refined the Code of Conduct and Anti-fraud Policy to reinforce the Group’s core value on honesty, integrity and fair play and ensure all directors and staff are well informed of expected ethical conduct.
- Conducted a series of workshop to promote a culture of integrity to our staff, in particular for those who are more vulnerable to fraud risk and improprieties based on their job nature, to raise their awareness on actions constitute fraud, approach to address and mitigate fraud risk as well as the reporting channel for suspected fraud cases.

Focus of Improvement Plan

Risk reporting — facilitate the Board Committees and management to better understand the challenges and risk outlook and formulate strategy to manage principal risks through enhanced visualisation of the report

Integration of risk reporting

- We connected the interrelated risks across different business units identified via various channels and prepared in-depth special reports by consolidating the key challenges, issues and recommendations to manage underlying causes.
- Visualised the findings and data that offer a holistic view of the subject matters to facilitate the GRMC members to comprehend, critically discuss from a diversity of perspective and conclude the direction and strategy to manage such risks.

我們的持續改進計劃及年度摘要

我們致力建立穩健的風險管理系統，以平衡本集團承擔的風險與其策略及表現。我們正分階段推進2017財政年度開始啟動的改進計劃(「改進計劃」)。下文載列本年度我們的改進摘要：

2018財政年度改進摘要

改進計劃重點

風險及監控管治文化 — 加強管理層問責、推廣風險意識文化及舞弊風險的認知

推廣風險意識文化及舞弊風險的認知

- 檢討及改良紀律守則及反舞弊政策，以強調本集團誠實、廉潔及公平的核心價值，並確保所有董事及員工均熟悉對其道德操守的期望。
- 為員工舉辦一系列推廣廉潔守正文化的工作坊，特別針對因工作性質而較易受到舞弊及不當行為影響的員工，從而提高他們有關構成舞弊行為的意識、應對及緩減舞弊風險的方法和懷疑舞弊案件的通報渠道。

改進計劃重點

風險報告 — 促使董事委員會及管理層更全面了解挑戰和風險前景，對報告更深層次的解讀，制定管理主要風險的策略

風險報告整合

- 我們通過不同渠道來識別不同業務單位之間相互聯繫的風險，整合關鍵挑戰、事宜及應對根本成因的建議，並編制詳盡的特別報告，管理相關的因由。
- 檢視結果及數據，從而對主題提供全面的見解，以便集團風險管理委員會成員了解、多角度深入討論，再就相關風險制定管理方針及策略。

Focus of Improvement Plan

Risk communication — reinforce the roles and responsibilities of the major parties involved, streamline the communication of risk profile and risk management strategy

Coordination among the Three Lines of Defense

- Strengthened the collaboration and information flow among the Three Lines of Defense as we recognised the coordinated effort from them, leveraging on their distinct roles and competencies, is critical in achieving the shared goal — to help the Group achieve its objectives with a robust risk management system. Examples of coordination are as follows:

First and Second Line — timely and balanced advice

While the First Line is responsible for managing the risk in daily operations, the Second Line who is familiar with, yet relative independent from, operations offered timely and balanced advice on risks associated with new business initiatives or opportunities emerging from the increasingly fast changing market landscape which the First Line may overlook.

Second and Third Line — insight and knowledge transfer

Our in-house internal auditors were invited to attend certain major business meetings to better understand the recent business plans, momentum and challenges. Insights into potential issues could be identified, riding on their professional skepticism and cross-industry experience, and passed on to the Second Line, who would then engage with the risk owners in a structured approach.

改進計劃重點

風險溝通 — 加強各主要執行方的角色及責任、精簡風險狀況和風險管理策略的溝通

三重防線之間的協調

- 加強三重防線之間的協作和資訊流通，憑藉彼等各自的獨特角色和功能，我們深信三重防線的協作對達成共同目標相當重要 — 以穩健的風險管理系統協助本集團達成其目標。協調例子如下：

第一與第二重防線 — 適時中肯的意見

儘管第一重防線負責管理日常業務的風險，惟熟悉業務經營但相對獨立於業務經營的第二重防線則就瞬息萬變市況中冒起新商機或涉及的風險提供適時中肯的意見，此等訊息或被第一重防線所忽略。

第二與第三重防線 — 深入見解與知識轉移

我們的內部審計師獲邀出席若干主要業務會議，以更全面了解近期的業務計劃、增長動力和挑戰。憑藉內部審計師的專業懷疑態度及跨行業經驗，發掘對潛在事宜的深入見解，並將之傳達給第二重防線，以便以結構性方式引起風險承擔人的注意。

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

Disruptive innovation and technology

Rapid technological advancements and innovations empower consumers throughout their shopping journeys have profound impact on the retail industry. If we are not agile enough to embrace the necessary adjustments, our competitiveness and sustainable development may at risk in the digital era.

We control and mitigate the risks by:

- Adopting a multi-brand strategy to offer personalised services and products for a wide spectrum of customer segments.
- Introducing experience shops, each renovated in different themes, to deliver a rejuvenated shopping experience.
- Harnessing the power of social media and technological innovation to expand our business and enrich customer shopping experiences.

顛覆性創新及技術

日新月異的技術創新提升消費者的購物體驗，對零售業帶來深遠的影響。於數碼時代，倘若我們未能迅速作出必要的調整，或對我們的競爭力及可持續發展構成風險。

我們監控和緩和這些風險的方法如下：

- 採納多品牌策略，為不同顧客群提供個人化服務及產品。
- 引入體驗店，各店以不同主題裝潢，為顧客營造貼心的購物體驗。
- 借助社交媒體和技術創新的力量，拓展業務，提升顧客的購物體驗。

Risk trend 風險趨勢 ▲

For more analysis, see Managing Director's Strategic Report

- Smart Product
 - Smart Channel — New in-store experiences, Omni-channel retailing
- 分析詳情載於董事總經理策略報告
- Smart 產品
 - Smart 渠道 — 嶄新門店體驗、全渠道零售

▲ Risk level increased during FY2018
2018財政年度內風險水平上升

◀▶ Risk level remained similar as FY2017
與2017財政年度的風險水平相若

▼ Risk level decreased during FY2018
2018財政年度內風險水平下降

Management of disruptive change

Resistance to change amid the sweeping forces arising from disruptive technology and innovation could restrict us from making necessary adjustments in exploiting market opportunities and addressing challenges in the digital age. Our competitiveness and sustainable development may at risk if we are not resilient enough to embrace the breakthrough changes.

We control and mitigate the risks by:

- Promoting an innovation culture to motivate our employees to embrace change and engage other key stakeholders with the necessary adjustments.
- Reinforcing our competency to harness innovation and technology across our key operations by an internal incubator — Sustainability and Innovation Centre.
- Strengthening our capability of strategic human resources management to enable the evolution of our business model and become a more diversified and sustainable business.

顛覆性轉變的管理

顛覆性創新及技術激起巨浪，抗拒變革的心態或限制我們作出必要的調整，從而無法於數碼時代發掘市場機遇和跨越挑戰。倘若我們的韌力不足以應對革新的轉變，或對我們的競爭力及可持續發展構成風險。

我們監控和緩和這些風險的方法如下：

- 推動創新文化，以鼓勵員工樂於作出改變，並讓其他關鍵持份者了解必要的調整。
- 透過內部的創新培育 — 可持續發展及創新中心 — 提升我們運用創新和科技的能力，以支持主要業務營運。
- 加強我們人力資源策略管理的能力，以推動我們不斷革新的業務模式，邁向更多元化和可持續的業務發展。

Risk trend 風險趨勢 ▲

For more analysis, see Managing Director's Strategic Report

- Human Resources Management — Training and Development
- Smart Office — Internal innovation incubator

分析詳情載於董事總經理策略報告

- 人力資源管理 — 培訓與發展
 - Smart辦公室 — 內部的創新培育
-

Fast changing consumer behaviour

The rise of middle class and young tech-savvy millennials continuously driving the demand for customised and personalised products as they increasingly favour bespoke products and services representing their values, attitudes and personality beyond the conventional shopping experience.

We control and mitigate the risks by:

- Creatively using technology and information to improve operational efficiency, effectiveness and transparency.
- Leveraging data analytics to anticipate consumer behaviour and demands to facilitate the development of effective inventory distribution strategies and targeted sales and marketing plans.
- Introducing a jewellery customisation online platform “D-ONE” to offer our customers a unique experience of creating their own jewellery.

變化多端的消費者行為

中產階層及年輕且精通科技的千禧一代冒起，繼續推動定製個人化產品的需求。定製產品及服務的需求越見殷切，因該等產品及服務代表了顧客重視的價值觀、態度及個性，超越傳統購物體驗。

我們監控和緩和這些風險的方法如下：

- 憑創意應用技術及資訊，以提升營運效率、成效及透明度。
- 利用數據分析預測消費者行為及需求，以便制定有效的配貨策略以及針對性營銷計劃。
- 推出珠寶定製線上平台「D-ONE」，顧客專享其自訂珠寶首飾的獨有體驗。

Risk trend 風險趨勢 ◀▶

For more analysis, see Managing Director’s Strategic Report

- Smart Advisor — Data analytics and insights
 - Smart Production — Customer-to-Manufactory
- 分析詳情載於董事總經理策略報告
- Smart顧問 — 數據分析與見解
 - Smart生產 — 顧客對工廠

Operational risks

營運風險

Sources of diamonds

The irruption of synthetic or unethically sourced diamonds could impact our brand image and operations.

We control and mitigate the risks by:

- Maintaining rigorous controls on supplier management, covering the policy and procedure for engaging and evaluating our suppliers, to ensure our diamonds are sourced from trustworthy suppliers.
- Introducing CHOW TAI FOOK T MARK diamond brand to reinforce our efforts in ensuring that our diamonds are natural and ethically sourced.
- Deploying advanced devices and engaging third party professionals to authenticate our diamond products.

鑽石來源

合成或不合乎道德方式採購的鑽石流入，可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：

- 嚴謹監控供應商管理，包括遵行選用和評核供應商的政策和程序，以確保向負責任及可信賴的供應商採購鑽石。
- 推出周大福T MARK鑽石品牌，以進一步確保我們的鑽石天然唯真，來源可靠。
- 設置嶄新設備及委聘第三方專業人士鑒定鑽石產品的真偽。

Risk trend 風險趨勢 ◀▶

For more analysis, see Sustainability Report

- Our Customers — Sourcing
- 分析詳情載於可持續發展報告
- 顧客服務 — 採購

Information technology governance

We are committed to harnessing technological innovations in our business development and big data analytics. Our business growth and results of operations may be adversely and materially affected if our IT set up and resources could not match with our business development; generate reliable operational or financial data; or protect us from security threats.

We control and mitigate the risks by:

- Offering training programmes for our IT professionals to enhance their capabilities to better respond to business needs.
- Strengthening the critical initiatives along the system development life cycle in delivering solutions to support our business development.
- Establishing the data governance function to review and improve our data management on data availability, usability, consistency, integrity and security.
- Engaging external consultants to review controls and recommend improvement measures on system security issues.
- Strengthening IT contingency planning to develop guidelines for how we will react to and recover from emerging security threats.

資訊科技管治

我們致力於業務發展和大數據分析使用技術創新。倘若我們建立的資訊科技和有關資源未能配合業務發展、未能提供可靠的營運或財務數據、或未能保護我們免除安全威脅，可能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：

- 為我們的資訊科技專才提供培訓計劃，提升實力以妥善應對業務需求。
- 加強系統開發生命週期的重大改善舉措，提升解決方案，以支持業務發展。
- 建立數據管治職能，以檢討和提升在數據供應、可用性、一致性、完整性及安全性方面的數據管理。
- 委任外部顧問，就系統保安事宜檢討監控，並提出改善措施建議。
- 加強資訊科技應變計劃，以應對不斷湧現的安全威脅並恢復正常運作制定指引。

Risk trend 風險趨勢 ◀▶

Franchisee 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 and engage them along our value chain, it will adversely affect our business and reputation.

We control and mitigate the risks by:

- Adopting the inventory ownership unification programme to optimise the financial settlement with franchisees.
- Building rapport with franchisees through “Listen to Your Heart”, an interactive programme led by our recently retired senior management, aims to gain trust and insights for our continuous improvement on franchisee management.
- 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。
- 透過「聆聽心聲」互動計劃與加盟商建立良好關係。「聆聽心聲」計劃由剛退休高級管理層率領，旨在與加盟商互建信任及就我們持續改善加盟商管理方面提供獨到的專業意見。
- 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 ▼

Well-established mechanism has been implemented to engage and manage our franchisees
實施行之有效的機制以管理我們的加盟商

Intellectual property rights

The originality of our products and the trademark of our brand are critical to our customers when making their purchasing decisions. The unauthorised use of our trademark in counterfeit products or brand infringement could harm our brand image and reputation.

We control and mitigate the risks by:

- Optimising our internal policy and procedures to facilitate registration and management of our intellectual property rights.
- Collecting information regarding actual or possible infringement of our intellectual property from various channels, and taking legal action against brand infringement.
- Providing regular trainings for our staff to raise their awareness on the protection of intellectual property rights.
- Improving continuously our anti-counterfeiting techniques.

知識產權

產品的原創性及品牌商標對顧客作出購買決定相當重要。若我們的商標品牌被盜用於偽冒產品或出現品牌侵權，可能會損害我們的品牌形象與聲譽。

我們監控和緩和這些風險的方法如下：

- 優化我們的內部政策及程序，以就知識產權辦理註冊登記及進行管理。
- 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，並針對品牌侵權採取法律行動。
- 定時向員工提供培訓，以提高員工保護知識產權的意識。
- 不斷改善防偽技術。

Risk trend 風險趨勢 ▼

Effective measures has been deployed to prevent and counter brand infringement and unauthorised use of our intellectual property rights

For more analysis, see Sustainability Report

- Our Customers — Intellectual property rights
實行防止及應對品牌侵權和盜用知識產權的有效措施
分析詳情載於可持續發展報告
- 顧客服務 — 知識產權

Financial risk

財務風險

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 operations 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 the 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 ▼

Effective monitoring system has been deployed to reduce volatility on reported profitability due to gold price fluctuation

實行有效的監察系統，以收窄因金價波動而導致呈報溢利的波幅

Major Awards and Recognitions

主要獎項及嘉許

Major Awards and Recognitions

主要獎項及嘉許

Governance 管治



Corporate Governance Asia 亞洲企業管治

7th Asian Excellence Award 2017

1. Asia's Best CEO (Investor Relations)
– Kent Wong
2. Asia's Best CFO (Investor Relations)
– Hamilton Cheng
3. Best Investor Relations Company
(Hong Kong)
4. Best Investor Relations Professional
– Danita On

第七屆亞洲卓越大獎2017

1. 亞洲最佳行政總裁(投資者關係) — 黃紹基
2. 亞洲最佳首席財務總監(投資者關係)
— 鄭炳熙
3. 最佳投資者關係企業(香港)
4. 最佳投資者關係專員 — 安殷霖



Hong Kong Economic Journal 信報

Listed Company Award of Excellence 2017

傑出上市公司 2017

MerComm, Inc.

1. Galaxy Awards 2017 – Bronze Award
(Mobile Media – Annual Report)
2. iNOVA Awards 2017 – Bronze Award
(Corporate Website)
3. Astrid Awards 2018 – Bronze Award
(Corporate Website)

1. Galaxy大獎2017—銅獎(手機媒體一年報)
2. iNOVA大獎2017—銅獎(企業網站)
3. Astrid大獎2018—銅獎(企業網站)



Bloomberg Businessweek/ Chinese Edition 彭博商業周刊／中文版

Listed Enterprises of the Year 2017

1. Listed Enterprises of the Year
2. Best Investor Relations

年度上市企業2017

1. 年度上市企業
2. 最佳投資者關係獎

Hong Kong Investor Relations Association 香港投資者關係協會

HKIRA 3rd Investor Relations Awards –
Certificate of Excellence

第三屆香港投資者關係大獎—卓越獎



Legacy Academy 傳承學院

Professional Leader Legacy Award

職業領導人傳承大獎

IR Magazine

IR Magazine Awards – Greater China 2017
– Certificate for Excellence in Investor
Relations

IR Magazine大獎—大中華區2017
—投資者關係卓越表現證書

Institutional Investor

2017 All-Asia (ex-Japan) Executive Team
Rankings (Consumer/Discretionary sector)
Best Investor Relations Professional –
Second Place – Danita On
(Nominated by the sell side)

2017年度All-Asia Executive Team
(不包括日本)排行榜(非必需消費品類別)
最佳投資者關係專員—第二名—安殷霖
(由賣方分析員提名)

Yue Diao Yan 約調研

Top 100 Stock Connect Companies –
Institutional Investor Sector, Mainland China
最受內地機構投資者關注港股通公司100強

Corporate Social Responsibility 企業社會責任

Hong Kong Productivity Council 香港生產力促進局

The 8th Hong Kong Outstanding
Corporate Citizenship Award

1. Merit Award (Enterprise Category)
2. Corporate Citizenship 5+ Logo

第八屆香港傑出企業公民獎

1. 優異獎(企業組別)
2. 企業公民5+標誌



GS1 Hong Kong 香港貨品編碼協會

Consumer Caring 5 Years Award

貼心企業五年賞



Environment Bureau of HKSAR Government 香港特別行政區政府環境局

Charter on External Lighting –
Platinum Award

《戶外燈光約章》— 鉑金獎

World Green Organisation 世界綠色組織

Green Office Awards Label and
ECO-Healthy Workplace Label

綠色辦公室及健康工作間標誌

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

Caring Company

1. Chow Tai Fook Jewellery
Company Limited (10 Years+)
2. Chow Tai Fook Jewellery
Group Limited (5 Years+)

商界展關懷

1. 周大福珠寶金行有限公司
(連續10年或以上)
2. 周大福珠寶集團有限公司
(連續5年或以上)



Corporate Branding 企業品牌



World Branding Forum 世界品牌論壇

World Branding Awards 2017 – Brand of
the Year (Retailer – Jewellery, Hong Kong)

世界品牌大獎2017—年度最佳品牌
(零售商—珠寶，香港)

Hong Kong Management Association 香港管理專業協會

HKMA/TVB Awards for Marketing
Excellence 2017 – Citation for Excellence
in Mainland Marketing

2017年度HKMA/TVB傑出市場策劃獎—
傑出中國內地市場策劃獎

Deloitte 德勤

Global Powers of Retailing 2018 – Ranked 150th

零售力量與趨勢展望2018—第150位

Forbes 福布斯

2017 Forbes Global 2000

2017福布斯全球上市公司2000強

Brand Finance

World's Most Valuable Brands Global 500

全球500最具價值品牌

Influential Brands 影響力品牌

Influential Brands 2017

1. The Most Trustworthy Brand –
Premium Jewellery
2. Top CEO of the Year

2017年影響力品牌

1. 高級珠寶類—最值得信賴品牌
2. 亞洲最佳高管領袖獎

The BrandLaureate

The BrandLaureate Industry Champion
Brand Icon Leadership Awards 2017

The BrandLaureate行業最佳領導品牌大獎2017

World Brand Lab 世界品牌實驗室

China's 500 Most Valuable Brands –
Ranked 47th

中國500最具價值品牌—第47位

Quamnet 華富財經

Quamnet Outstanding Enterprise Awards –
Outstanding Premium Jewellery Brand

華富財經傑出企業大獎—傑出高級珠寶品牌

Le Fonti

Le Fonti Awards – Excellence of the Year
for Leadership – Luxury, Asia

Le Fonti大獎—最佳領導卓越大獎—
亞洲區奢侈品行業

Design 設計



China Arts and Crafts Association 中國工藝美術協會

Baihua Cup Crafts
Competition – Gold Award

2017 百花杯中國工藝
美術精品獎—金獎

Bazaar Jewelry 芭莎珠寶

1. Year of Jewellery Design Excellence – CHOW TAI FOOK
T MARK Touch collection diamond necklace
 2. Year of High-Quality Jewellery – Hearts On Fire
Triplexity Golden diamond necklace
1. 年度傑出珠寶設計大獎—周大福 T MARK「綴」系列鑽石項鍊
 2. 年度極品高級珠寶—Hearts On Fire Triplexity Golden 鑽石項鍊

E-commerce and Technology 電子商務及科技



UBM Asia 亞洲博聞

JNA Awards 2017 – Industry Innovation
of the Year

JNA 大獎 2017 一年度創新企業大獎

The 46th International Exhibition of Inventions Geneva 第46屆日內瓦國際發明展

Gold Medal and
Silver Medal
金獎及銀獎



Hong Kong Federation of Innovative Technologies and Manufacturing Industries 香港創新科技及製造業聯合總會

Hong Kong Innovation Technology 2017 –
Innovative Technology Achievement
Award

香港創新科技成就大獎 2017—
卓越科技成就大獎

L2

Digital IQ Index Luxury China 2017 –
Digital Competence – Ranked 6th

2017 中國奢侈品數碼智商指數—
數碼能力—第6位

Inside Retail Asia Ltd

Top 50 Innovative Retail Leaders in
Hong Kong 2017

2017 年度香港創新零售領袖 50 強

Training 培訓



Hong Kong Management Association 香港管理專業協會

Award for Excellence in Training and Development 2017 –
Excellence Award in Skills Training Category

2017 年最佳管理培訓及發展獎—培訓類別優異獎

Profile of Directors and Senior Management

董事及高級管理人員簡介

Executive Director 執行董事

1 Dr. Cheng Kar-Shun, Henry, GBM,
GBS (Chairman)
鄭家純博士 (GBM, 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. Cheng Ping-Hei, Hamilton
鄭炳熙先生



6 Mr. Chan Sai-Cheong
陳世昌先生

7 Mr. Suen Chi-Keung, Peter
孫志強先生



8 Mr. Chan Hiu-Sang, Albert
陳曉生先生



9 Mr. Liu Chun-Wai, Bobby
廖振為先生



◆
Non-executive Director
非執行董事

- 10 Mr. Cheng Kam-Biu, Wilson
鄭錦標先生



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

- 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)

| Executive Director 執行董事 | Responsibilities 職責 |
|--|--|
| Dr. Cheng Kar-Shun, Henry# (Chairman) 鄭家純博士#(主席) | NC, RC Strategic direction and overall performance of the Group 本集團的策略方針及整體表現 |
| Mr. Wong Siu-Kee, Kent (Managing Director) 黃紹基先生(董事總經理) | NC, RC Strategic planning and overall management of the Group 本集團的策略規劃及整體管理 |
| Dr. Cheng Chi-Kong, Adrian# 鄭志剛博士# | Strategic investment of the Group 本集團的策略投資 |
| Mr. Cheng Chi-Heng, Conroy# 鄭志恒先生# | Raw material procurement (diamonds and gemstones) 原料採購(鑽石、寶石) |
| Mr. Cheng Ping-Hei, Hamilton 鄭炳熙先生 | Financial management and corporate operations 財務管理及企業營運 |
| Mr. Chan Sai-Cheong 陳世昌先生 | Mainland China business 中國內地業務 |
| Mr. Suen Chi-Keung, Peter 孫志強先生 | Hong Kong, Macau and overseas business 香港、澳門及海外業務 |
| Mr. Chan Hiu-Sang, Albert 陳曉生先生 | Raw material procurement (diamonds and gemstones) 原料採購(鑽石、寶石) |
| Mr. Liu Chun-Wai, Bobby 廖振為先生 | Sustainability and Innovation 可持續發展及創新 |
| Non-executive Director 非執行董事 | Responsibilities 職責 |
| Mr. Cheng Kam-Biu, Wilson# 鄭錦標先生# | Bank and landlord relationship management 銀行及業主關係管理 |
| Independent Non-executive Director 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 Remuneration Committee, they also undertake detailed governance work under the respective terms of reference of the committees. |
| Dr. Fung Kwok-King, Victor 馮國經博士 | NC*, RC |
| Mr. Kwong Che-Keung, Gordon 鄺志強先生 | AC*, RC |
| Mr. Lam Kin-Fung, Jeffrey 林健鋒先生 | AC, NC 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，本公司所有其他董事之間並無關連。

Chairman and Executive Director

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

Aged 71, 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, chairman and a non-executive director of New World Department Store China Limited and FSE Engineering Holdings Limited, vice-chairman and a non-executive director of i-CABLE Communications Limited (with effect from 15 September 2017), and a non-executive director of SJM Holdings 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 until his retirement on 4 May 2015; chairman and executive director of International Entertainment Corporation until his resignation on 10 June 2017; independent non-executive director of HKR International Limited until his resignation on 31 March 2018; chairman and non-executive director of Newton Resources Ltd. until his resignation on 9 April 2018; and an independent non-executive director of Hang Seng Bank Limited until his retirement on 10 May 2018, all of the foregoing companies are listed public companies in Hong Kong.

Dr. Cheng is chairman of the Advisory Council for The Better Hong Kong Foundation. He was 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(GBM, GBS)

現年71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主席及執行董事、新世界百貨中國有限公司及豐盛機電控股有限公司主席及非執行董事、有線寬頻通訊有限公司副主席及非執行董事(自2017年9月15日起)、以及澳門博彩控股有限公司非執行董事，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；國際娛樂有限公司主席及執行董事，於2017年6月10日辭任；香港興業國際集團有限公司獨立非執行董事，於2018年3月31日辭任；新礦資源有限公司主席及非執行董事，於2018年4月9日辭任；以及恒生銀行有限公司獨立非執行董事，直至2018年5月10日退任，前述公司均為香港上市公眾公司。

鄭博士為「香港明天更好基金」顧問委員會主席。他曾為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。

Executive Director

Mr. Wong Siu-Kee, Kent

Aged 62, joined the Group in 1977, was appointed as Managing Director of the Company in July 2011 and is a member of the Nomination Committee and Remuneration Committee of the Company. Mr. Wong is responsible for the strategic planning and 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 business development as well as in 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 2018 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, chairman of executive committee of the Hong Kong Jewellers' & Goldsmiths' Association Ltd., chairman of the supervising committee of the Hong Kong & Kowloon Jewellers' & Goldsmiths' Employees' Association Ltd., a permanent honorable president of the Kowloon Gold Silver and Jewel Merchants' Staff Association, a vice chairman of the Gems & Jewelry Trade Association of China, a board member of the World Diamond Council, a member of Hong Kong Consumer Council, vice-chairman of the Yantian District General Chamber of Commerce and a member of the Anhui Provincial Committee and the Yantian District Committee of the Chinese People's Political Consultative Conference. He is also a board member of the Diamond Empower Fund and vice president of the executive committee of the Youth Outreach.

Mr. Wong was awarded Director of The Year Awards 2015 by The Hong Kong Institute of Directors in December 2015. He was named as "CEO of the Year/Luxury/Asia" at the 2016 IAIR Awards presentation ceremony held by International Alternative Investment Review. He was also named as "Asia's Best CEO (Investor Relations)" by Corporate Governance Asia, an authoritative regional journal on corporate governance, at its 7th Asian Excellence Award 2017.

執行董事

黃紹基先生

現年62歲，於1977年加入本集團，2011年7月獲委任為本公司董事總經理，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策略規劃及整體管理。

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

黃先生擁有豐富的業務拓展以及營運和管理經驗，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2018年籌備委員會委員、香港管理專業協會理事會委員、香港珠石玉器金銀首飾業商會有限公司理事長、港九珠寶首飾業文員會有限公司監事長、九龍首飾業文員會永遠名譽會長、中國珠寶玉石首飾行業協會副會長、世界鑽石委員會委員、香港消費者委員會委員、鹽田區總商會理事會副會長以及中國人民政治協商會議安徽省委員會委員及鹽田區委員會委員。他亦是鑽石力量慈善基金理事會成員，及協青社執行委員會副會長。

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。在International Alternative Investment Review舉行的2016年IAIR Awards頒獎典禮上，他獲選為「年度行政總裁 — 亞洲區奢侈品行業」。在區域企業管治權威雜誌《亞洲企業管治》舉辦之第七屆亞洲卓越大獎2017上，他亦獲選為「亞洲最佳行政總裁（投資者關係）」。

Dr. Cheng Chi-Kong, Adrian, JP

Aged 38, joined the Group in 2007, was appointed as an executive Director in July 2011. Dr. Cheng is responsible for the strategic investment of the Group, fostering sustainability and innovation initiatives in the areas of culture & art, craftsmanship and creativity.

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.

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 a non-executive director of Giordano International Limited and i-CABLE Communications Limited (with effect from 15 September 2017), 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. He was an executive director of International Entertainment Corporation until his resignation on 10 June 2017; vice-chairman and non-executive director of Modern Media Holdings Limited until his resignation on 26 August 2017, both of which are listed public companies in Hong Kong.

Dr. Cheng is chairman of New World Group Charity Foundation Limited, the vice-president 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.

鄭志剛博士 (JP)

現年38歲，於2007年加入本集團，於2011年7月獲委任為執行董事。鄭博士負責本集團策略投資，扶植在文化及藝術、工藝和創意方面的可持續發展和創新計劃。

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。他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。

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執行董事，以及佐丹奴國際有限公司及有線寬頻通訊有限公司(自2017年9月15日起)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。他曾為國際娛樂有限公司執行董事，於2017年6月10日辭任；現代傳播控股有限公司副主席兼非執行董事，於2017年8月26日辭任，此兩間公司均為香港上市公眾公司。

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。

Mr. Cheng Chi-Heng, Conroy

Aged 40, 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 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.

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 on 23 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.

Mr. Cheng Ping-Hei, Hamilton

Aged 43, joined the Group in 2004, was appointed as an executive Director in July 2011. Mr. Cheng is responsible for the Group's financial management and corporate operations, including information technology and human capital management. He also serves as a joint company secretary of the Company. Mr. Cheng is 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 Graduate of HKIoD Global Directorship Programme (HKIoD.GD) accredited by The Hong Kong Institute of Directors, committing to achieving the highest standard of directorship and dedicating to the advancement of good corporate governance.

鄭志恒先生

現年40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及寶石採購。

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23日辭任。

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。

鄭炳熙先生

現年43歲，於2004年加入本集團，2011年7月獲委任為執行董事。鄭先生負責本集團財務管理及企業營運(包括資訊科技和人力資本管理)。他也是本公司聯席公司秘書。鄭先生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。他亦是香港董事學會認可的卓越文憑「HKIoD.GD(環球董事)」畢業生，致力達成董事職務的最高標準和推進良好企業管治。

Mr. Cheng was awarded Director of the Year Awards 2015 by the Hong Kong Institute of Directors in December 2015. He was also named as “Asia’s Best CFO (Investor Relations)” by Corporate Governance Asia, an authoritative regional journal on corporate governance, at its 7th Asian Excellence Award 2017.

Mr. Chan Sai-Cheong

Aged 55, joined the Group in 1985, was appointed as an executive Director in July 2011. Mr. Chan is responsible for the Group’s business in Mainland China. Mr. Chan is a director of certain subsidiaries of the Group.

Mr. Chan has been in the jewellery industry for 37 years. He is an administrative director of the Gems and Jewelry Trade Association of China, a member of National Technical Committee 298 on Jewelry and Jade of Standardization Administration of China, a member of the standing council of China Gold Association, 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). He is also a member of the Liaoning Province Committee of the Chinese People’s Political Consultative Conference.

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 53, 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 business. Mr. Suen is also a director of certain subsidiaries of the Group.

Mr. Suen has been in the jewellery industry for 33 years. He’s a member of the executive committee of the Hong Kong Jewellers’ & Goldsmiths’ Association. Mr. Suen holds an Executive Master’s degree in Business Administration from The Chinese University of Hong Kong.

Mr. Chan Hiu-Sang, Albert

Aged 67, joined the Group in 1977, was appointed as an executive Director in July 2011. Mr. Chan is responsible for the procurement of diamonds and gemstones of the Group. Mr. Chan is also a director of certain subsidiaries of the Group.

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。在區域企業管治權威雜誌《亞洲企業管治》舉辦之第七屆亞洲卓越大獎2017上，他亦獲選為「亞洲最佳首席財務總監(投資者關係)」。

陳世昌先生

現年55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37年。他是中國珠寶玉石首飾行業協會常務理事、全國珠寶玉石標準化技術委員會委員、中國黃金協會常務理事、廣東省金銀首飾商會常務副會長、深圳市黃金珠寶首飾行業協會副會長、廣東省黃金協會常務副會長、廣東省金銀珠寶玉器業廠商會副主席及中國地質大學(武漢)珠寶學院董事。他亦是中國人民政治協商會議遼寧省委員會委員。

陳先生也是佐丹奴國際有限公司的非執行董事，該公司為香港上市公眾公司。

孫志強先生

現年53歲，於1985年加入本集團，2011年7月獲委任為執行董事。孫先生負責本集團香港、澳門及海外之業務。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33年。他是香港珠玉石器金銀首飾業商會理事。孫先生持有香港中文大學行政人員工商管理碩士學位。

陳曉生先生

現年67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及寶石採購。陳先生也是本集團若干附屬公司的董事。

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

Mr. Liu Chun-Wai, Bobby

Aged 43, joined the Group in 1999, was appointed as an executive Director in January 2016. Mr. Liu is responsible for the development of the Sustainability and Innovation Centre of the Group, leading and synergising initiatives in the areas of culture & art, craftsmanship and creativity. He is also a director of certain subsidiaries of the Group.

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.

Mr. Liu has over 19 years of experience in retail and administrative management. He 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.

Non-executive Director

Mr. Cheng Kam-Biu, Wilson

Aged 59, 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 was an executive director of International Entertainment Corporation, a listed public company in Hong Kong, until his resignation on 10 June 2017.

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.

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。

廖振為先生

現年43歲，於1999年加入本集團，2016年1月獲委任為執行董事。廖先生負責本集團可持續發展及創新中心的發展，引領和協同在文化及藝術、工藝和創意方面的創新計劃。他也是本集團若干附屬公司的董事。

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。

廖先生在零售及行政管理方面擁有逾19年經驗。自2010年起，他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。

非執行董事

鄭錦標先生

現年59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。

鄭先生曾為香港上市公眾公司國際娛樂有限公司的執行董事，於2017年6月10日辭任。

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。

Independent Non-executive Director

Mr. Cheng Ming-Fun, Paul, JP

Aged 81, 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; an independent non-executive director of Pacific Alliance China Land Limited (a company listed on the AIM Board of the London Stock Exchange); and a director of the CHG Capital Growth Fund. He was an independent non-executive director of Global Logistic Properties Limited (which was listed on the Singapore Stock Exchange until its delisting on 22 January 2018).

Mr. Cheng 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.

獨立非執行董事

鄭明訓先生 (JP)

現年81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；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；以及CHG Capital Growth Fund董事。他曾為普洛斯公司獨立非執行董事(該公司曾於新加坡證券交易所上市，直至2018年1月22日除牌)。

鄭先生為前香港立法會議員，以及英之傑太平洋有限公司、洛希爾父子(香港)有限公司、領匯管理有限公司及香港總商會之前任主席。

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

Aged 72, 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 a member of the board of Koc Holding A.S. (a company listed on the Istanbul Stock Exchange). He was an independent non-executive director of China Petrochemical Corporation (PRC) (April 2012–January 2016).

Dr. Fung is chairman of the Advisory Board of the Asia Global Institute at The University of Hong Kong, a new multidisciplinary 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 chairman of the Steering Committee on the Hong Kong Scholarship for Excellence Scheme and an adviser of the Infrastructure Financing Facilitation Office of The Hong Kong Monetary Authority. Dr. Fung was also appointed as a member of The Chief Executive's Council of Advisers on Innovation and Strategic Development on 21 March 2018. Formerly, he was a member of the Chinese People's Political Consultative Conference (January 2003–January 2018), a member of the Economic Development Commission of the Hong Kong Government (January 2013–March 2018), chairman of the Hong Kong Trade Development Council (1991–2000), the Hong Kong representative on the APEC Business Advisory Council (1996–2003), chairman of the Hong Kong Airport Authority (1999–2008), chairman of the Council of The University of Hong Kong (2001–2009), chairman of the Greater Pearl River Delta Business Council (2004–2013), a member of the Commission on Strategic Development of the Hong Kong Government (2005–2012), chairman of the International Chamber of Commerce ("ICC") (2008–2010), a member of WTO Panel on Defining the Future of Trade (2012–2013) and a vice chairman of China Centre for International Economic Exchanges (2009–2014). The Government of Hong Kong awarded Dr. Fung the Gold Bauhinia Star in 2003 and the Grand Bauhinia Medal in 2010 for his distinguished service to the community in Hong Kong.

馮國經博士(GBM, GBS, CBE)

現年72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)董事會成員。他曾為中國石油化工集團公司獨立非執行董事(2012年4月至2016年1月)。

馮博士為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庫，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，馮博士為香港卓越獎學金計劃督導委員會主席及香港金融管理局基建融資促進辦公室顧問。馮博士於2018年3月21日獲委任為行政長官創新及策略發展顧問團成員。他曾出任中國人民政治協商會議委員(2003年1月至2018年1月)、香港政府經濟發展委員會成員(2013年1月至2018年3月)、香港貿易發展局主席(1991至2000年)、亞太經濟合作組織(APEC)商業顧問委員會香港代表(1996至2003年)、香港機場管理局主席(1999至2008年)、香港大學校務委員會主席(2001至2009年)、大珠三角商務委員會主席(2004至2013年)、香港政府策略發展委員會委員(2005至2012年)、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)以及中國國際經濟交流中心副主席(2009年至2014年)。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。

Mr. Kwong Che-Keung, Gordon

Aged 68, 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, China Power International Development Limited, Global Digital Creations Holdings Limited, Henderson Investment Limited, Henderson Land Development Company Limited, NWS Holdings Limited, OP Financial Limited (formerly known as OP Financial Investments Limited), and FSE Engineering Holdings Limited, all of which are listed public companies in Hong Kong. Mr. Kwong is also an independent non-executive director of Piraeus Port Authority SA (a company listed on the Athens Stock Exchange). He was an independent non-executive director of COSCO Shipping Holdings Company Limited, until his retirement on 25 May 2017; and independent non-executive director of CITIC Telecom International Holdings Limited, until his retirement on 1 June 2017.

鄺志強先生

現年68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。

鄺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。鄺先生於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。

鄺先生擔任雅居樂集團控股有限公司、中國電力國際發展有限公司、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、東英金融有限公司(前稱「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。鄺先生亦是Piraeus Port Authority SA(雅典證券交易所上市公司)的獨立非執行董事。他曾是中遠海運控股股份有限公司獨立非執行董事，於2017年5月25日退任；中信國際電訊集團有限公司獨立非執行董事，於2017年6月1日退任。

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

Aged 66, 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 40 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, CWT International Limited (formerly known as HNA Holding Group Company Limited), i-CABLE Communications Limited (with effect from 15 September 2017), and Wing Tai Properties Limited (with effect from 6 June 2018), all of which are listed public companies in Hong Kong. He was an independent non-executive director of 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 of the HKSAR and a member of the Legislative Council in Hong Kong, 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 director of the Hong Kong Mortgage Corporation Limited and the board of Heifer International-Hong Kong. He was the former chairman of the Assessment Committee of Mega Events Fund and a member of Fight Crime Committee.

林健鋒先生 (GBS, JP)

現年66歲，於2011年11月獲委任為獨立非執行董事，並為本公司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40年經驗，現為玩具製造商永和實業有限公司之董事總經理。

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、CWT International Limited (前稱「海航實業集團股份有限公司」)、有線寬頻通訊有限公司(自2017年9月15日起)及永泰地產有限公司(自2018年6月6日起)之獨立非執行董事，該等公司均為香港上市公司。他曾擔任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、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、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。他曾為盛事基金評審委員會前主席和撲滅罪行委員會成員。

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

Aged 68, 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. He was conferred Honorary Fellowship by Hang Seng Management College in May 2017.

Dr. Or is also chairman and a non-executive director of China Strategic Holdings Limited (re-designated from chief executive officer and an executive director with effect from 1 April 2018), executive chairman and executive director of Esprit Holdings Limited (re-designated from an independent non-executive director with effect from 1 April 2018), 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 was vice-chairman and an independent non-executive director of G-Resources Group Limited until his retirement on 30 June 2017. He was also deputy chairman and a non-executive director of Aquis Entertainment Limited (a company listed on the Australian Securities Exchange) until his resignation on 31 December 2017.

Joint Company Secretary

Mr. Cheng Ping-Hei, Hamilton

Mr. Cheng Ping-Hei, Hamilton is an executive Director and Joint Company Secretary. His profile is set out on page 100 of this annual report under the sub-section of "Executive Director".

Mr. Lai Sau-Cheong, Simon

Aged 57, joined the Group in 2017, is Group General Counsel and Joint Company Secretary. Mr. Lai is also the general counsel of Chow Tai Fook Enterprises Limited, a subsidiary of a substantial shareholder of the Company.

Mr. Lai is admitted as a solicitor in Hong Kong, England and Wales, and New South Wales, Australia and has over 30 years of experience in corporate, commercial and related regulatory practice. He was a long standing partner and later on, consultant, of a leading law firm before joining the Group. He is currently a Council Member of the Law Society of Hong Kong and chairs a number of its committees including the Company Law Committee. Mr. Lai also serves on a number of public appointments, including acting as a current chairman of the Building Appeals Tribunal and chairing Housing Appeal hearings.

柯清輝博士(SBS, JP)

現年68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。他於2017年5月獲恒生管理學院頒授榮譽院士榮銜。

柯博士也擔任中策集團有限公司主席及非執行董事(自2018年4月1日起由行政總裁及執行董事改任)，思捷環球控股有限公司執行主席及執行董事(自2018年4月1日起由獨立非執行董事改任)，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。柯博士曾是國際資源集團有限公司副主席及獨立非執行董事，於2017年6月30日退任。他亦曾為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)，於2017年12月31日辭任。

聯席公司秘書

鄭炳熙先生

鄭炳熙先生為本公司執行董事及聯席公司秘書。他的簡介載於本年報第100頁「執行董事」分部。

黎壽昌先生

現年57歲，於2017年加入本集團，為本集團法務總監及聯席公司秘書。黎先生亦為本公司主要股東附屬公司周大福企業有限公司的法務總監。

黎先生持有香港、英格蘭及威爾士、澳大利亞新南威爾士執業律師資格，在企業、商業及相關的監管實踐方面擁有逾30年經驗。加入本集團之前，他曾為一間領先律師事務所的長期合夥人，隨後成為該所顧問。他現為香港律師會理事會成員，並主持數個其下屬委員會，其中包括公司法委員會。黎先生亦身兼數項公職，包括擔任建築物上訴審裁團現任主席、及主持房屋上訴委員會聆訊。

Honorary adviser to the Board of Directors

Mr. Ho Pak-Tao

Aged 87, 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 86, 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 67, 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.

董事會名譽顧問

何伯陶先生

現年87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86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67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。

Senior Management

Ms. Danita On

Aged 41, joined the Group in 2012, is the director of Investor Relations and Corporate Communications of the Group, responsible for maintaining effective communications with investors and media. Ms. On has over 20 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.

Mr. Wong-Tang, Alex

Aged 59, joined the Group in 2000, is the general manager responsible for managing the Hong Kong and Macau Management Centre and Chow Tai Fook Fei Cui Testing Centre of the Group. Mr. Wong has over 44 years of experience in the jewellery industry. He 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.

Mr. Wong Kim-Ming, Mark

Aged 56, joined the Group in 1986, is the senior manager responsible for the operation of Diamond Department and diamond manufacturing management of the Group. Mr. Wong has over 32 years of experience in the jewellery industry.

Mr. Cheng Ming-Chi

Aged 46, joined the Group in 1994, is the senior manager responsible for managing and purchasing gemstones such as jadeite, colour stones and pearls for the Group. Mr. Cheng has over 23 years of experience in the jewellery industry.

Mr. Lau King-Ming

Aged 51, joined the Group in 2013, is the general manager responsible for managing production and logistics capacities as well as the related infrastructures of the Group. Mr. Lau has over 28 years of management and consultancy experience.

Mr. Chan Yee-Pong, Alan

Aged 46, joined the Group in 2010, is the general manager responsible for the branding and marketing functions of the Group. Mr. Chan has over 23 years of experience in luxury branding and marketing.

高級管理人員

安殷霖女士

現年41歲，於2012年加入本集團，為集團投資者關係與企業傳訊總監，負責與投資者和媒體之間的有效溝通。安女士擁有逾20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。

王騰先生

現年59歲，於2000年加入本集團，擔任總經理，負責管理本集團之港澳營運管理中心和周大福翡翠鑑證中心。王先生於珠寶行業擁有逾44年經驗。他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。

黃劍明先生

現年56歲，於1986年加入本集團，擔任高級經理，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32年經驗。

鄭明智先生

現年46歲，於1994年加入本集團，擔任高級經理，負責本集團寶石，如翡翠、有色寶石及珍珠之管理和採購。鄭先生在珠寶行業擁有逾23年的經驗。

劉競明先生

現年51歲，於2013年加入本集團，擔任總經理，負責管理本集團生產與物流的效能和相關基礎設施。劉先生擁有逾28年管理及顧問經驗。

陳義邦先生

現年46歲，於2010年加入本集團，擔任總經理，負責本集團品牌管理及市場推廣功能。陳先生擁有逾23年名貴品牌管理及市場推廣經驗。

Mr. Lam Hung-Shing, Max

Aged 35, joined the Group in 2011, is the deputy general manager responsible for the creative design and development of jewellery products. Mr. Lam has over 14 years of experience in jewellery design. He was awarded Hong Kong Ten Outstanding Designer Award in 2014 and is an adjunct professor of the Shanghai International College of Fashion and Innovation, Donghua University.

Mr. Lee Tin-Hei, Jade

Aged 43, joined the Group in 2016, is the general manager responsible for business strategy and analytics as well as technology applications 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. Tsang Siu-Kwong, Patrick

Aged 47, joined the Group in 1993, is the general manager responsible for managing and developing the information infrastructures and technologies of the Group. Mr. Tsang has over 25 years of experience in information technology.

林鴻勝先生

現年35歲，於2011年加入本集團，擔任副總經理，負責本集團珠寶產品創意設計與研發。林先生於珠寶設計領域擁有逾14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。

李天熹先生

現年43歲，於2016年加入本集團，擔任總經理，負責本集團商業策略與分析、以及科技應用。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。

曾紹光先生

現年47歲，於1993年加入本集團，擔任總經理，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25年資訊科技經驗。

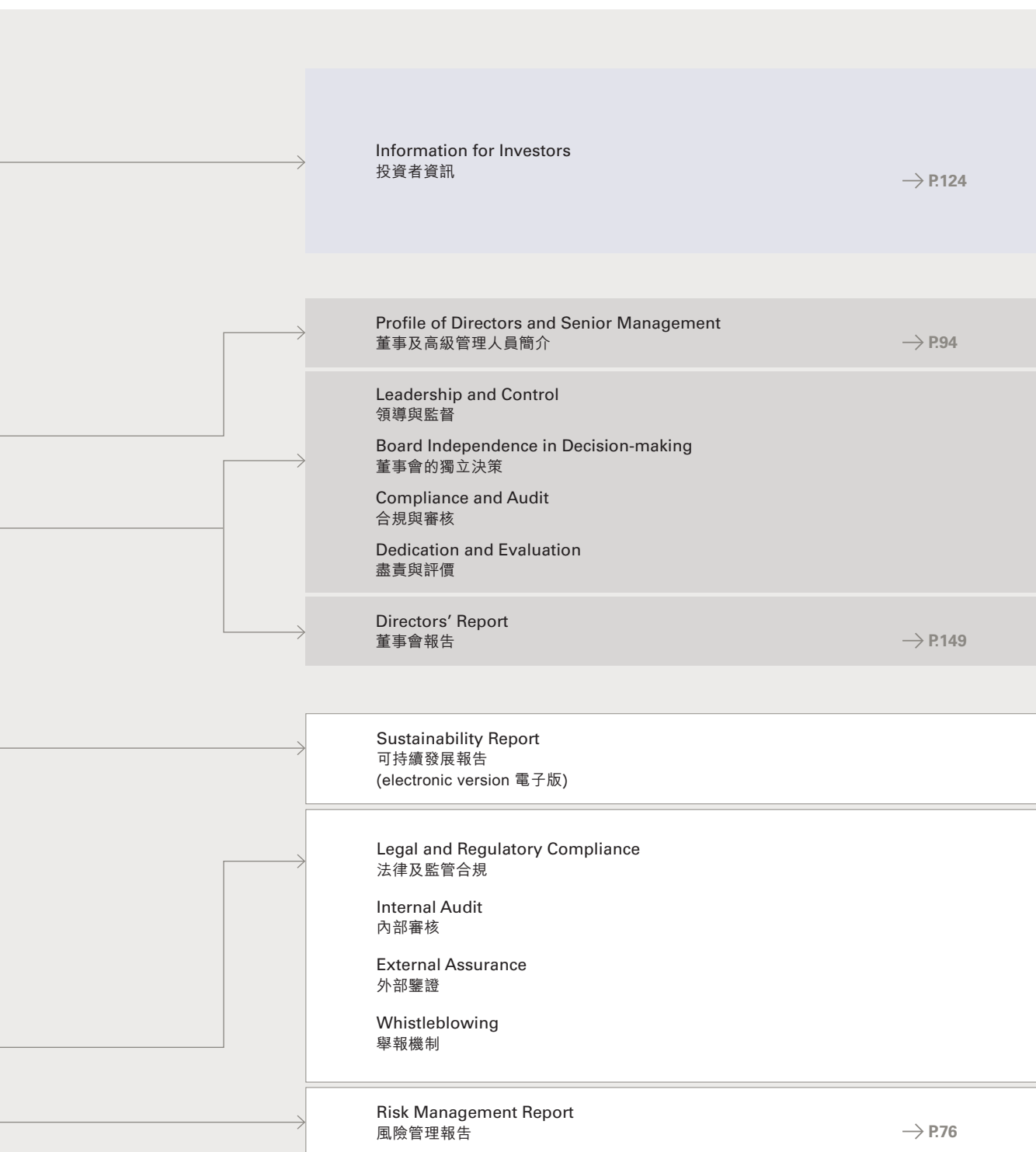
Corporate Governance

企業管治

Our Corporate Governance Framework

企業管治框架





The new “4Ts” concept introduced by CHOW TAI FOOK T MARK diamond brand in ensuring our diamonds are natural and ethically sourced is reinforced by our rigorous controls under the vertically integrated business model. The same set of principles, Transparent, Thoughtful, Truthful and Traceable, is in place to guide the development of our corporate governance framework, supporting the Group in better achieving our strategic objectives towards sustainable growth and development.

周大福T MARK鑽石品牌推出的全新「4Ts」概念，我們根據垂直整合業務模式施行嚴格監控，確保我們的鑽石天然唯真，來源可靠。同一套原則(即可知、可頌、可信及可尋)同時指導企業管治框架的發展，支持本集團更妥善達成策略性目標，成就可持續增長和發展。



Stakeholder Relations

持份者關係

Stakeholder Approach

- The Board has adopted a stakeholder approach to foster relations with a wider range of stakeholders both inside and outside the Group based on the principles of transparency, interactive engagement and fair treatment.
- In the pursuit of good corporate governance, our relationship with stakeholders is critical to the long-term performance of the Group and our shareholders' value. This is because by maintaining a close connection with stakeholders, it fosters the growth of our value creation chain by enabling better Board decisions and creating a supportive ecosystem for the operations.

Enabling better board decisions

- From the Board's point of view, engaging with a wider range of stakeholders helps to identify emerging trends of social needs and business opportunities; enhance our capacity to innovate by feeding in stakeholders' lines of sight; foster high quality strategy and customer-centric business model; identify synergies between the Group and our stakeholders which encourage collaborations and integrated solutions to future challenges.
- Examples of our approaches to the key stakeholders in connection with the above include proactive investor relations, win-win collaboration with business partners, customer-driven "Smart+ 2020" strategic framework, partnership with non-profit organisations on community projects for preserving craftsmanship and nurturing innovation, and a diversified Board which engages with a broad spectrum of stakeholders.

Creating a supportive ecosystem for the operations

- In view of facilitating corporate management, engaging with stakeholders assists the business to gain access to a supportive ecosystem, where valuable human capital and social resources are available and barriers and resistance to the business are lessened.
- We embed into our operations the people-oriented culture and value creation objectives for a wider range of stakeholders which gather our people working together for meaningful purposes beneficial to the communities at large.

以持份者為本的方針

- 董事會已採納以持份者為本的方針，本著透明、互動與公平對待的原則，與本集團內外更廣泛的持份者建立關係。
- 為實行良好企業管治，我們與持份者的關係對本集團長遠表現和我們股東的價值相當重要。此乃由於與持份者維持緊密關係，將有助董事會作出更完善的決策，建構有效支持業務營運的生態系統，促進我們價值鏈的發展。

協助董事會作出更完善決策

- 從董事會的角度，使更廣泛的持份者參與有助識別社會需要和商業機遇的新興趨勢；以不同持份者的洞見，提升我們的創新能力；制定優質策略和「以客為本」的業務模式；識別出本集團與持份者達致的協同效益，有助促成合作和綜合解決方案，應對未來的挑戰。
- 與上述有關以主要持份者為本的方針的例子包括主動建立投資者關係、與業務夥伴進行雙贏合作、執行顧客主導的「Smart+ 2020」策略框架、為承傳工藝和培育創新與非牟利組織合作發展社區項目、以及多元化董事會以連繫更廣泛的持份者。

建構有效支持業務營運的生態系統

- 提升企業管理方面，持份者的參與有助連接業務與支持其營運的生態系統，其中可提供寶貴的人力資本和社會資源，同時減低業務經營的屏障和阻礙。
- 我們將以人為本的文化為更廣泛持份者創造價值的目標灌輸入我們的業務經營，拉近人與人之間距離，合力建立更美好的社區。

- While mutual trust is paramount to the success of our business, we build it up by open, honest and transparent communications with stakeholders through active listening and communicating with them the outcomes of these engagements.
- As an iconic and trusted brand, we safeguard our reputational capital and reduce business risks by addressing early on potential misalignment between our corporate behaviour and social expectations on our social, environmental and governance performance as a responsible corporate citizen, and by promoting both economic and social well-beings of our stakeholders by efficient use of resources.
- Examples of our approaches to the key stakeholders in connection with the above include responsible media and public communications, “Do Good” campaign for caring employees and the communities, “Listen to Your Hearts” engagement programme for soliciting feedbacks from frontline employees and business partners, and comprehensive sustainability reporting for the public to understand our position and practices on material issues concerned by the stakeholders and the context and business realities that we are operating in and facing with.
- 互信對我們業務的成功極為重要，故此我們通過主動聆聽持份者且就互動的結果與他們溝通，從而以公開、誠懇且透明的交流建立互信。
- 作為標誌性且備受信賴的品牌，為保障我們的聲譽資本，減低營商風險，我們以擔當負責任的企業公民為己任，如果我們在社會、環境及管治表現方面的企業行為與社會期望之間有潛在差異，當盡早處理；而且我們促使有效使用資源，務求改善我們持份者的經濟和社會狀況。
- 與上述有關以主要持份者為本的方針的例子包括負責任的傳媒及公關通訊、關顧員工及社區的「Do Good」計劃、徵求前線員工及業務合夥人回饋意見的「聆聽心聲」計劃、並向公眾人士作全面可持續發展專題的報告（以供了解我們就持份者關注重要事宜的狀況及處理實務，以及我們所處及所面對的環境和營商實況）。

Stakeholder engagement

Our key stakeholders mainly include business partners, customers, employees, investors, media and non-profit organisations. Their primary areas of interest and the results of materiality assessment are detailed in our Sustainability Report.



Scan the QR code to refer to our Sustainability Report
掃描二維碼參閱我們的「可持續發展報告」

持份者參與

我們的主要持份者，主要包括商業合作夥伴、顧客、員工、投資者、傳媒和非牟利機構。他們首要的關注領域和重要性評估的結果詳情，列載於我們的可持續發展報告。

Investor Relations

- 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 FY2018, the Company received various industry accolades in recognition of our relentless effort in corporate governance and investor relations.



Corporate Governance Asia 亞洲企業管治

7th Asian Excellence Award 2017

1. Asia's Best CEO (Investor Relations)
– Kent Wong
2. Asia's Best CFO (Investor Relations)
– Hamilton Cheng
3. Best Investor Relations Company (Hong Kong)
4. Best Investor Relations Professional
– Danita On

第七屆亞洲卓越大獎2017

1. 亞洲最佳行政總裁(投資者關係)
— 黃紹基
2. 亞洲最佳首席財務總監(投資者關係)
— 鄭炳熙
3. 最佳投資者關係企業(香港)
4. 最佳投資者關係專員 — 安殷霖

投資者關係

- 「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2018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。

MerComm, Inc.

1. Galaxy Awards 2017 – Bronze Award (Mobile Media – Annual Report)
2. iNOVA Awards 2017 – Bronze Award (Corporate Website)
3. Astrid Awards 2018 – Bronze Award (Corporate Website)

1. Galaxy大獎2017 — 銅獎 (手機媒體 — 年報)
2. iNOVA大獎2017 — 銅獎(企業網站)
3. Astrid大獎2018 — 銅獎(企業網站)



Bloomberg Businessweek/ Chinese Edition 彭博商業周刊／中文版

Listed Enterprises of the Year 2017

1. Listed Enterprises of the Year
2. Best Investor Relations

年度上市企業2017

1. 年度上市企業
2. 最佳投資者關係獎



Institutional Investor

2017 All-Asia (ex-Japan) Executive Team Rankings (Consumer/Discretionary sector)
Best Investor Relations Professional –
Second Place – Danita On
(Nominated by the sell side)

2017年度All-Asia Executive Team (不包括日本) 排行榜 (非必需消費品類別)
最佳投資者關係專員 — 第二名 — 安殷霖
(由賣方分析員提名)

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 have access to contact our investor relations and corporate communications team directly via email at 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公司的重要訊息，我們利用公開渠道包括聯交所和公司網站，發佈公告及業績簡報、全年及中期報告和新聞稿等。我們亦會在發佈中期及全年業績公告後舉行記者及分析員招待會，該等會議每年最少舉行兩次。
- 這些會議的簡報和錄影片段都會上載到公司網站，我們亦不時更新投資者網頁，並設有「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 直接聯絡我們。
- 公司以標準的匯報格式自願公佈每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，而不會對公司業績感到特別意外。
- 我們認為編製公司年報不只是為了符合上市規則，它是我們與股東溝通的橋樑，同時也是推動我們內部力求進步、積極創造價值的管理工具。

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, with reference to our shareholder composition. Pursuant to our regular shareholder analysis conducted during the year, over 70% of the institutional shareholdings were held by overseas investors, mainly from North America and Europe. In FY2018, we attended investor relations events held in Boston, Geneva, Hong Kong, London, Los Angeles, New York, Paris, San Francisco, Shanghai, Shenzhen, Singapore, Sydney, Tokyo and Toronto.



- We also maintained continuous dialogues with a large number of analysts from research institutions, of which 21 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.

雙向互動關係

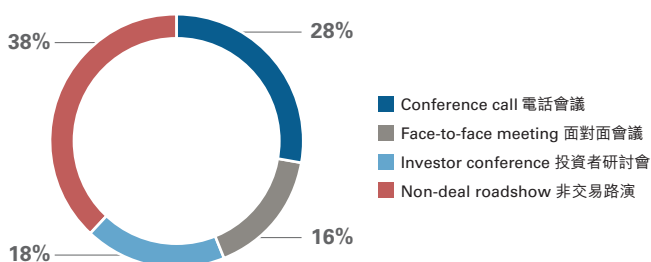
- 我們相信與股東的溝通應該是一個雙向的過程，並對機構投資者和個人投資者一視同仁。
- 我們嘗試置身投資者的角度，同時亦主動跟投資者分享管理層的思維縱觀全局，包括作出決策時的考慮、市場見解、發展策略等。我們目標是走前一步，除匯報業績，也讓投資者能夠看見我們的業務是怎樣經營，集團的未來將會是如何。
- 由執行董事及高級管理層組成的投資者關係及企業傳訊團隊，參考股權分佈，每年參加多個投資者會議、研討會和非交易路演。根據我們於年內定期進行的股東構成分析結果，逾70%的機構股權由主要來自北美及歐洲之海外投資者所持有。2018財政年度內，我們出席參與的投資者關係活動遍及波士頓、日內瓦、香港、倫敦、洛杉磯、紐約、巴黎、三藩市、上海、深圳、新加坡、悉尼、東京及多倫多。

- 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21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、零售點及生產設施進行實地參觀。

- The annual general meeting (“AGM”) is a platform for face-to-face communication with our shareholders. Our Board and external auditors attend the AGM and answer questions raised by shareholders on the performance of the Group. Shareholders are welcomed to stay after the AGM and meet our Managing Director and Executive Director, Finance and Operations for further exchanges.

- 股東週年大會是一個親身與股東交流的平台，我們的董事會及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。會後股東可以留步繼續跟董事總經理和執行董事(財務及營運)交流意見。

Meetings by investor event in FY2018 2018財政年度會議(按投資者活動分類)



Summary of investor relations activities in FY2018 2018財政年度投資者關係活動概要

327

One-on-one and group meetings
一對一及團體會議

63%

C-level participation rate⁽¹⁾
最高管理層參與率⁽¹⁾

18

Non-deal roadshows
非交易路演

9

Investor conferences
投資者研討會

13

Cities visited
到訪城市

(1) In investor conference and non-deal roadshow meetings
(1) 於投資者研討會及非交易路演中的會議

Major investor conferences that we participated in FY2018 are set out below:

於2018財政年度參與的大型投資者會議：

| Date 日期 | Event 事項 | Location 地點 |
|---------------------------|---|-----------------|
| June 2017 2017年6月 | Credit Suisse HK/China Consumer Corporate Day 瑞信投資者研討會 | Hong Kong 香港 |
| | UBS Asian Consumer Conference 2017 瑞銀投資者研討會 | Hong Kong 香港 |
| September 2017 2017年9月 | Goldman Sachs China Conference 2017 高盛投資者研討會 | Shenzhen 深圳 |
| | J.P. Morgan Asia Pacific CEO-CFO Conference 2017 摩根大通投資者研討會 | New York 紐約 |
| | CLSA 24 th Investors' Forum 里昂投資者研討會 | Hong Kong 香港 |
| | | |
| January 2018 2018年1月 | UBS Greater China Conference 2018 瑞銀投資者研討會 | Shanghai 上海 |
| | Citi Hong Kong/China Consumer Corporate Day 花旗投資者研討會 | Hong Kong 香港 |
| March 2018 2018年3月 | Daiwa Investment Conference Tokyo 2018 大和投資者研討會 | Tokyo 東京 |
| | Credit Suisse 21 st Annual Asian Investment Conference 瑞信投資者研討會 | Hong Kong 香港 |

- In our meetings with investors, frequently discussed topics include business outlook, gross profit margin, change in product mix, POS network, industry benchmarking, capital expenditure, inventory management, e-commerce business, dividend payout ratio, free cash flows and so on.
- 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.
- 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 directors 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.
- 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、電子商務業務、派息率、自由現金流等。
- 投資者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，所以我們也踴躍跟投資者交流。
- 我們的投資者關係及企業傳訊團隊亦在協助董事會獲取市場反饋方面起重要作用，從而有助加強本公司內幕消息的政策。
- 我們持續監察本公司的股價，並留意傳媒及分析師報告，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。

Fair treatment of shareholders

- 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.

公平對待所有股東

- 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，指定執行董事及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；制定講稿及問答內容以管理對外溝通的訊息；及業績簡報資料提交董事會通過。

Corporate Communications

- Our investor relations and corporate communications team is responsible for developing communications strategies and messaging with the management of the Group, and creating, implementing and overseeing communications programmes.
- Through effectively communications of the Group's business development, initiatives and prospects, it helps us to promote our corporate reputation and branding, and convey corporate messages efficiently to a wider range of stakeholders including media.
- Apart from organising press conferences, publishing announcements and press releases, as well as timely update of media centre in corporate website, we also arranged 35 media interviews and handled 71 media enquiries in FY2018, in addition to organising 40 corporate events including leadership speaking, store visits and luncheons for media and stock commentators during the financial year. Furthermore, media have direct access to contact us via email at media@chowtaifook.com.
- In FY2018, we also produced a 360 Virtual Tour webpage to lead viewers to experience the journey through design, manufacturing processes and innovative technologies and also artisanal techniques in our Chow Tai Fook Jewellery Cultural Centre, Chow Tai Fook Jewellery Creative Centre and Automated Logistics and Distribution Centre, situated in Shunde, Mainland China. The webpage is designed with interactive elements and can display information corresponding to viewers' choices on scenes and routes, in order to facilitate a better understanding of our craftsmanship and innovation.

企業傳訊

- 我們的投資者關係及企業傳訊團隊負責制定傳訊策略，與本集團管理層互通訊息，並建立、實行及監督傳訊計劃。
- 將本集團業務發展、計劃及前景的訊息有效傳達，有助我們推廣企業聲譽及品牌建立，同時可有效將企業訊息傳達至更廣泛的持份者(包括傳媒)。
- 除籌辦傳媒發佈會、刊發公告及新聞稿，並適時更新公司網頁的傳媒中心訊息，於2018財政年度，我們更安排了35次傳媒訪談，處理71個傳媒查詢，同年亦舉辦了40次公司活動，包括領袖演講、為傳媒及股評家安排巡訪店舖和午聚。此外，傳媒可以透過電郵 media@chowtaifook.com 直接與我們聯繫。
- 於2018財政年度，我們製作360虛擬導賞網頁，帶領觀眾體驗設於中國內地順德周大福珠寶文化中心、周大福珠寶創意中心及自動物流及配貨中心的設計、生產工序、創新及工藝技術的旅程。網頁設有互動元素，隨觀眾所選擇的景點和路線，呈現相關的資訊，令他們對我們的工藝和創新有更深入的认识。

Information for Investors

Investor calendar

FY2018 annual results announcement

7 June 2018

AGM

26 July 2018

Proposed payment of final dividend and special dividend

on or about 15 August 2018

Closure of register of members (both days inclusive)

For ascertaining attendance and voting right at the AGM

23 July to 26 July 2018

For ascertaining entitlement to proposed final dividend and special dividend

2 August 2018

投資者資訊

投資者日誌

2018 財政年度全年業績公告

2018年6月7日

股東週年大會

2018年7月26日

建議派發末期股息和特別股息

2018年8月15日或前後

暫停辦理股份過戶登記手續(首尾兩天包括在內)

就確定出席股東週年大會並於會上投票

2018年7月23日至26日

就確認獲發建議末期股息和特別股息的權利

2018年8月2日

Share information

Company name

Chow Tai Fook Jewellery Group Limited

Listing

Hong Kong Stock Exchange

Stock code

1929

Listing date

15 December 2011

Board lot size

200 shares

Issued share capital as at 31 March 2018

10,000,000,000 shares

Index constituent

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

股份資料

公司名稱

周大福珠寶集團有限公司

上市

香港聯交所

股份代號

1929

上市日期

2011年12月15日

每手買賣單位

200股

於2018年3月31日已發行股本

10,000,000,000股

成份股

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

Shareholder services

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

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

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

股東服務

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

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

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

Investor relations

For more information about the Group, please visit

corporate.chowtaifook.com

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

投資者關係

有關本集團詳情，請瀏覽

corporate.chowtaifook.com

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

General information

Headquarters and principal place of business in Hong Kong

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

Registered office

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

一般資料

總部及香港主要營業地點

香港皇后大道中16-18號
新世界大廈33樓

註冊辦事處

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

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 and corporate communications team and the Board via email at 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 2018, the market capitalisation of the listed shares of the Company was approximately HK\$89.4 billion (31 March 2017: HK\$75.5 billion) based on the total number of 10,000,000,000 issued shares of the Company and the closing price of HK\$8.94 per share.

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的提名通知書，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 向投資者關係及企業傳訊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2018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8.94港元計算，本公司上市股份市值約為894億港元(2017年3月31日：755億港元)。

Dividend information

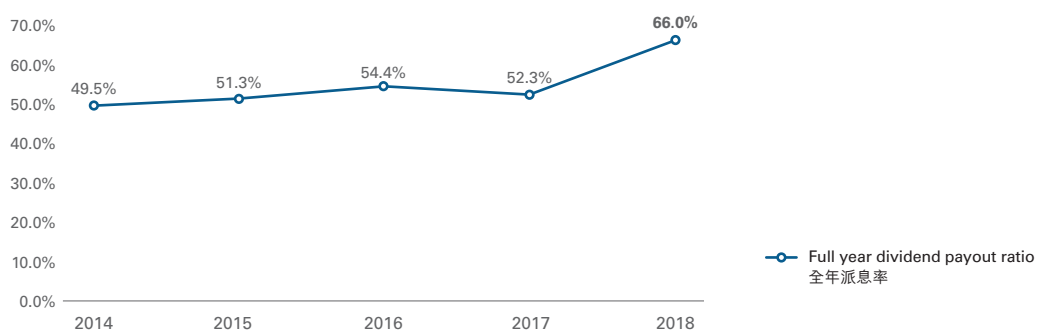
- The Board is conscientious about returns to shareholders. The Company declares dividend twice a year. The full year dividend payout ratio for FY2018 was about 66% of the Group's net profit.

股息資料

- 董事會重視其向股東回報的責任。公司每年派息兩次。2018財政年度的全年派息率約佔集團淨利潤的66%。

Full year dividend payout ratio⁽¹⁾ 全年派息率⁽¹⁾

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



(1) Special dividend excluded

(1) 不包括特別股息

Sufficiency of public float

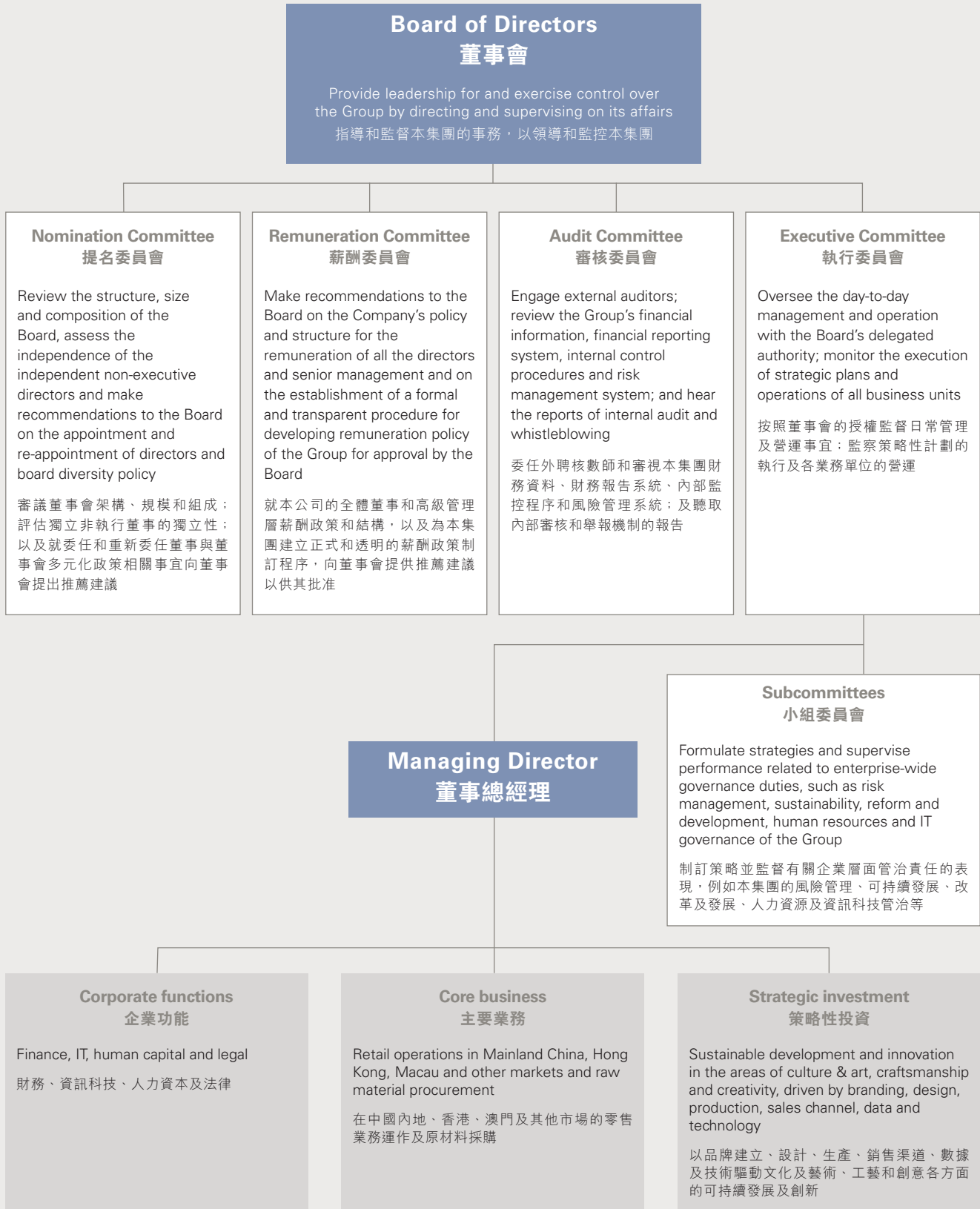
- Based on the information publicly available to the Company and within the knowledge of the directors, as at the date of this annual report, the directors confirm that the Company has maintained the prescribed public float of 10.7%, which is a lower minimum percentage of public float accepted at the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

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%。

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 FY2018 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.

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2018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，根據其於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；和非常重大或不尋常事宜。
- 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，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。

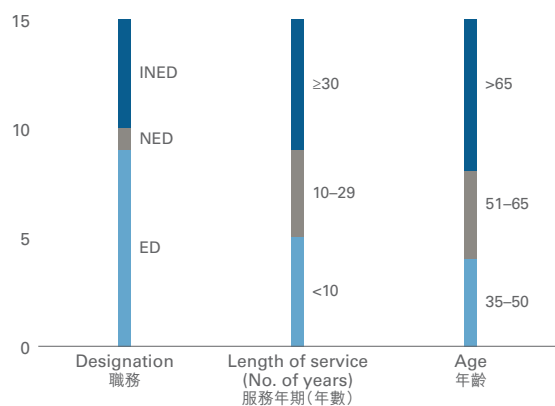
董事組成與委任

- 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。

- The Executive Committee comprises executive directors. Each executive director has his own role and function to oversee the Group's operations.
 - 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:
- 執行委員會由執行董事組成，各執行董事均有監督本集團營運的專責角色和職能。
 - 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，從事業務由整體企業管理以至專業執業、中國業務以至環球企業、私人投資以至外國的上市公司，對於企業策略制訂、風險管理和企業管治等，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)



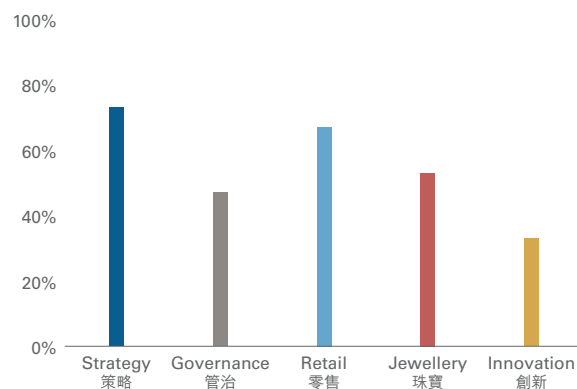
ED – Executive Director 執行董事

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 two meetings 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 enables the exploration of 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.
- 提名委員會於年內舉行2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，有助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。

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 multi-brand positioning, store and product differentiation, retail store coverage and customer segmentation. It also committed to the work plans under the "Smart+ 2020" Strategic Framework and the reorganisation of the management structure to step up our transformational efforts in exploiting market opportunities and addressing challenges in the digital age.
- 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，以及重要績效指標。
- 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，制定本集團的年度財務預算。
- 管理層審視資訊管理系統的匯報和分析，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有關多品牌定位、店舖及產品差異化、零售店覆蓋及顧客細分的策略。此外，董事會亦致力落實「Smart+ 2020」策略框架項的工作計劃，並重組管理架構加以配合，促進變革步伐，以適時在數碼時代發掘市場契機，迎接種種挑戰。

董事會的有效運作

領導與監督

- 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.

- 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。

- 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.

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 FY2018.
- The Company's corporate governance practices are discussed in the section headed "Corporate Governance" in this annual report. During the year ended 31 March 2018, 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 "CG Code"), except for the deviation mentioned below.

- 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。

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。
- 本公司已就全體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」)的操守守則。經向全體董事和有關僱員作出具體查詢後，他們確認於2018財政年度內已遵守標準守則和本公司操守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2018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(「企業管治守則」)的所有適用原則及守則條文，惟下文所述的偏離除外。

Pursuant to code provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting of the Company. Due to health reasons, Dr. Cheng Kar-Shun, Henry, the Chairman of the Board, did not attend the AGM held on 26 July 2017. Mr. Wong Siu-Kee, Kent, the Managing Director who took the chair of the AGM, together with other members of the Board who attended this meeting, were of sufficient calibre for answering questions at the AGM.

- 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.

根據企業管治守則的守則條文第E.1.2條，董事會主席應出席本公司股東週年大會。董事會主席鄭家純博士因健康理由，沒有出席本公司於2017年7月26日舉行的股東週年大會。擔任股東週年大會主席的董事總經理黃紹基先生與其他出席大會的董事會成員，已具備足夠能力於股東週年大會上回答提問。

- 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」一節。
- 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」一節。

- The Audit Committee has reviewed and was satisfied with the external auditor's independence, objectivity and effectiveness of the audit process. During FY2018, the total fee paid/payable in relation to audit services provided to the Group amounted to HK\$8.7 million, of which a sum of HK\$5.2 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:
- 審核委員會已審議且信納外聘核數師於核數程序上的獨立性、客觀性和有效性。本集團於2018財政年度就其審核服務已付／應付費用總額為8.7百萬港元，其中已付／應付主要核數師德勤•關黃陳方會計師行5.2百萬港元，餘款則主要就本公司中國內地附屬公司按地方法規須進行的審核工作已付／應付其他核數師。就獲提供服務已付德勤•關黃陳方會計師行及其聯屬公司的酬金載列如下：

| Types of services 服務類型 | | FY2017 2017 財政年度 HK\$'000 千港元 | FY2018 2018 財政年度 HK\$'000 千港元 |
|--------------------------------------|-----------------------|--|--|
| Audit services | 審核服務 | 4,985 | 5,219 |
| Audit-related services | 審核相關服務 | 1,821 | 2,110 |
| Non-audit services ^(Note) | 非審核服務 ^(附註) | 1,705 | 1,005 |
| | | 8,511 | 8,334 |

Note:

Non-audit services comprise primarily services on tax compliance 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的服務。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。
- 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.
- 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。

盡責與評價

- We strive to keep benchmarking to the best practices of corporate governance. With reference to the investors' comments and advocates made by the governance professionals, the Nomination Committee evaluated our board structure, board composition and board meeting procedures. The independent non-executive directors recommend that while leveraging the diversified mix of executive and non-executive directors, our board size should not expand further. They also recommend efficient ways to arrange private meetings between the Chairman and independent non-executive directors and offsite visits at our regional headquarters.
 - Besides, we conducted a survey to collect directors' feedbacks on the quality and adequacy of information provided to the directors. With regards to the ever-changing retail landscape, our directors anticipate to have more details on the customers and business model and strategy execution for the Board meetings and more time shall be allocated to consider forward looking issues.
 - 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.
- 我們致力以企業管治最佳實務作為參照標準。提名委員會參考投資者的意見和管治專業人士提出的倡議，評核我們的董事會架構、董事會組成及董事會會議程序。據獨立非執行董事的建議，董事會借助執行與非執行董事的多元組合效益的同時，董事會的規模不應進一步擴大。他們也建議便捷有效的方法安排主席與獨立非執行董事閉門會談，以及到訪區域總部視察。
 - 此外，就向董事發出資訊的質素和充足性，我們已進行董事回饋意見的調查分析。對於變化多端的零售格局，董事期望可以在董事會會議獲取更多有關顧客和業務模式的詳情，以及策略執行的狀況，並分配更多時間以考慮前瞻性事宜。
 - 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持份者一同參與檢討董事會的企業管治績效。

Attendance at AGM and Board meetings

股東週年大會和董事會會議的出席記錄

| | | Number of Meetings Attended/Eligible to attend for FY2018 2018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 |
| Executive Directors | | 執行董事 | | | | |
| Dr. Cheng Kar-Shun, Henry ⁽¹⁾ | 鄭家純博士 ⁽¹⁾ | 0/1 | 2/4 | – | 1/2 | 1/2 |
| Mr. Wong Siu-Kee, Kent | 黃紹基先生 | 1/1 | 4/4 | – | 2/2 | 2/2 |
| Dr. Cheng Chi-Kong, Adrian | 鄭志剛博士 | 1/1 | 4/4 | – | – | – |
| Mr. Cheng Chi-Heng, Conroy | 鄭志恒先生 | 1/1 | 4/4 | – | – | – |
| Mr. Cheng Ping-Hei, Hamilton | 鄭炳熙先生 | 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 | 0/1 | 3/4 | – | – | – |
| Mr. Liu Chun-Wai, Bobby | 廖振為先生 | 1/1 | 4/4 | – | – | – |
| Non-executive Director | | 非執行董事 | | | | |
| Mr. Cheng Kam-Biu, Wilson | 鄭錦標先生 | 1/1 | 4/4 | – | – | – |
| Independent Non-executive Directors | | 獨立非執行董事 | | | | |
| Mr. Cheng Ming-Fun, Paul | 鄭明訓先生 | 1/1 | 4/4 | 2/3 | – | 2/2 |
| Dr. Fung Kwok-King, Victor | 馮國經博士 | 1/1 | 4/4 | – | 2/2 | 2/2 |
| Mr. Kwong Che-Keung, Gordon | 鄺志強先生 | 1/1 | 4/4 | 3/3 | 2/2 | – |
| Mr. Lam Kin-Fung, Jeffrey | 林健鋒先生 | 1/1 | 4/4 | 3/3 | – | 2/2 |
| Dr. Or Ching-Fai, Raymond | 柯清輝博士 | 1/1 | 4/4 | 3/3 | 2/2 | 2/2 |

Note:

(1) Dr. Cheng Kar-Shun, Henry did not attend the AGM and certain Board meetings due to health reasons.

附註：

(1) 鄭家純博士因健康理由沒有出席股東週年大會和一些董事會會議。

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.
- Training and continuous professional development of directors and senior management were reviewed and monitored by the Nomination Committee. We take a strategic approach to re-align training and development of the management with a view to drive performance towards our strategic goals. In order to sharpen the strategic vision and competency of the management in embracing the era of innovation and disruption, the Company organises forums inviting inspirational speakers and workshops where our leaders coincide to propel the business priorities. 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.

薪酬與持續發展

- 執行董事和高級管理層薪酬政策主要以激勵表現為原則，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。
- 董事及高級管理層的培訓和持續專業發展經提名委員會檢討和監察。我們重視對於管理層的培訓和持續專業發展的策略性方針，致力提升績效表現，達致我們的策略目標。為加強管理層的戰略思維和能力，以積極迎接創新變革的年代，本公司邀請演講嘉賓出席我們的論壇和峰會，啟發我們的思維，舉行多個管理人員工作坊，聚合領導人才共同推動業務關鍵工作。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，本公司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、企業管治政策，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。

- We also share articles and seminar information in the form of custom-made newsletters related to hot topics in the field of directors, such as big data applications, changing workforce, organisation in a digital transformation and emphasis on governance duties etc.. Keeping abreast of the market pulses, we hope this helps catalysing a high-performing Board in exercising critical oversight and objective judgement over the Company's latest developments.
 - 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:
- 我們也就與董事相關的熱門話題透過度身選材的通訊形式分享文章及講座資訊，如大數據應用、人力資源轉變、數碼轉型的組織結構以及管治責任的重要性等。我們希望掌握市場脈膊，提升董事會高效表現，對本公司最新發展作重要的監察和客觀判斷。
 - 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 作為講者 | as attendant/reader 作為出席者/讀者 |
| 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. Cheng Ping-Hei, Hamilton | 鄭炳熙先生 | ✓ | ✓ |
| 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. 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 | ✓ | ✓ |

- The training records were further analysed into knowledge fields, such as macro-trends, innovation and technology and regulatory updates, and benchmarked with a training needs survey conducted by us earlier. This analysis assists us in the planning for the next year.
- 培訓記錄會進一步按知識領域作分析，如宏觀趨勢、創新和科技以及監管最新狀況，並對我們早前進行培訓需要調查作比對判斷。分析有助我們為來年制定培訓計劃。

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和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。
- 系統化管理的建構和科學化分析是我們業務活動的內部監管和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」和「科學」是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.

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、股東和社會大眾，都貫徹如一，以真誠續寫永恒的祝福。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。

People-oriented objectives

- All along, we operate with a people-oriented spirit and regard communication as 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.

“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.
- Recently retired senior management members are appointed as advisors of “Listen to Your Heart” programme. 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 and the Risk Management Committee. 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 and identifying operational risks, thereby strengthening corporate governance.

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。

「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，共同經歷高峰低谷，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。
- 由剛退休高級管理層擔任「聆聽心聲」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，並由各相關行政部及風險管理委員會協調解決或改善。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。
- 這個計劃帶來正面效果，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，判別營運風險，增強企業管治。

Promotion of “Do Good” spirit

- Ever since the inception of Chow Tai Fook, 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.
- Through “Do Good, Feel Good” promotional campaign, we showcase our various initiatives and deliverables in pursuit of good business practices, customer relations, well-being of staff members, better living of community and harmony in a green environment.
- While we have published sustainability reports every year containing comprehensive information, we also need more real-time sharing with our staff in order to promote their engagement. In our “Do Good” series, we have “Do Good” logo, signature, video, information collection catalogue and message circulation on various social platforms for staff. Directors, management and staff are invited to join events promoting “Do Good” spirit.
- 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. We believe “Do Good” is a shared value across different generations who want to work with purpose and make a positive impact on the wider society, and who want their workplace to be aligned with their values. From now on, “Do Good” is from everyone and for everyone at 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).
- The report focuses on aspects with important impacts on or opportunities for the Group and its stakeholders, including our ethical business practices, our customers, our people, our environment and our community.

推廣「Do Good」精神

- 自周大福成立以來，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。
- 透過「Do Good, Feel Good」推廣活動，我們展示各項積極措施，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。
- 我們每年刊發載有完整資料的可持續發展報告，同時我們仍需要更多實時的分享，以增強同事們的投入感。在我們「Do Good」系列中，我們有「Do Good」標誌、口號手語、錄像、資訊收集目錄，以及在各員工社交平台的信息發送。董事、管理層和員工均獲邀參與推廣「Do Good」精神的活動。
- 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」。我們相信，「Do Good」是跨代共享的價值，都渴望為有意義的工作而付出，且為更廣大的社會帶來正面影響，更希望我們的公司也是奉行與其相符的價值。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)下載。
- 報告重點關注對本集團和持份者而言具有重大影響或機遇的範疇，包括我們的營商道德操守、顧客服務、員工關懷、環境保護和社區參與。

- The sustainability report shall be read in conjunction with this annual report to form a holistic 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.

Organisational Structure

- Our management structure is mainly organised by regions and functions. All regional and functional heads report to the Managing Director. Information can flow swiftly in this flat hierarchy. This empowers the top level to decide precisely on corporate vision and prioritising strategic initiatives in due course. Directions at the top level can reach regional offices promptly for implementation.
 - Meanwhile, in view of the rapidly changing and diversifying local markets, our management is adapting to a more agile approach of 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 local opportunities quickly. An appropriate measure of accountability and autonomy is maintained through appropriate staffing structure and clear lines of reporting and authority, with a view to working towards the Group's strategic goals.
 - Corporate functions such as finance, human resources, IT and legal have a unified reporting line to the Managing Director. This promotes collaboration among cross-functional teams and with external partners towards business priorities and the Group's transformation. By thorough analyses on the needs of the business units, options and risks, these business partners work with business units collectively to attain strategic goals.
 - In addition to the above vertical management structure, we also have committees jointly led by our executive directors and senior management, namely the Risk Management Committee, Sustainability Committee, Reform and Development Committee, Human Resources Planning Committee and IT Governance Committee. These committees assist in the Group's strategic planning for relevant areas and supervise the attainment of the Group's objectives.
 - 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.
- 這份可持續發展報告應與本年報一併閱讀，以適當和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。

組織架構

- 集團管理架構主要按地域和功能劃分。所有區域和職能主管須向董事總經理匯報。在扁平式行政結構下，資訊能迅速流通。此舉有助最高階層準確適時決定公司願景，並將策略性舉措區分優先次序。最高層面所發出的指示能迅速下達各地區執行。
- 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，迅速捕捉本地商機。通過適當人事架構和明確匯報流程和職權分工，維持適度的自主性和問責性，致力達成集團的策略目標。
- 財務、人力資源、資訊科技及法律等企業功能統一地向董事總經理匯報，此舉有助促進跨功能隊伍之間以及與外部夥伴的合作，以達成關鍵任務和集團變革。這些業務夥伴會與業務單位合作，對業務單位的需要、選項及風險作透徹的分析，以共同達成策略性目標。
- 在上述垂直管理架構之外，集團設有多個委員會（即風險管理委員會、可持續發展委員會、改革發展委員會、人力資源規劃委員會及資訊科技管治委員會），由執行董事和高級管理層共同領導協作，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。
- 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。

- To step up these transformational efforts, the Company decided to establish the Sustainability and Innovations Centre, sided by the core business units as the Group's strategic investment. The Sustainability and Innovations Centre is responsible to oversee all investments related to business innovations that were once scattered within various core business units. These strategic investments relating to culture & art, craftsmanship and creativity aim at diversifying the Group's income stream and building new differentiating capabilities for our business. With enhanced visibility on its strategic incentives and accountability, we expect our innovation initiatives to scale up and add to our business edges in the near future. Under this operating model, it is also easier to preserve and prioritise resources and attract talents and partnerships.
- 為加速推動變革，本公司決定成立可持續發展及創新中心，以核心業務單位為後盾，作為集團策略性投資。可持續發展及創新中心負責監督所有與業務創新有關的投資，使以往散落在各個核心業務單位內的項目集中統籌。此等與文化及藝術、工藝及創意有關的策略性投資旨在分散本集團的收入來源，為我們的業務建立差異性能力。這樣使策略性項目的績效回報和問責制度具更高透明度，我們預期業務創新的規模將會擴大，並於不久將來成為我們業務優勢。在此營運模式下，也較容易預留資源和將之區分優先次序，吸納人才和合作夥伴。

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 make appropriate decisions and therefore improve the success rate.
- 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.
- 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管理資訊，以利管理層作恰當的決策，提升成功機率。
- 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。

績效與分析

- In the digital era, data is a key to drive business innovation and seize new business opportunities. In order to leverage on big data analytics and business intelligence, the Group has set up the Strategic Business Office and Data Intelligence Space to provide timely, visualized and market-compatible analyses for the purpose of advising on strategic business solutions. Examples of these solutions include predictive new launch analytics, inventory assortment and distribution, salesperson's performance management etc.

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 multi-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.
- 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 constructive debate among major stakeholders with a view to keeping aligning IT strategies with business strategies. The potential benefits and risks associated with the IT needs 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.
- In the implementation of IT service business alignment, business analysts teams are set up to actively listen to business units. Throughout system development or system-change projects, the business analysts facilitate transparency and continuous feedbacks amongst the sponsor departments, other users and IT colleagues. To better align IT manpower with the future business development of the Group, the business analysts teams assist to understand better from the business units on their priorities and plan ahead the job resources for the next year.
- Enhancement of data governance is also a major initiative to align with the data-driven business innovation strategy. Specialists and consultants were recruited to review the data structure, data quality and ownership across various data systems in the Group. We aim at procuring a reliable and consistent database under effective management in order to enable the application of data analytics, which unlocks the income generation potential from the use of data.

- 身處數碼時代，數據實為推動業務創新，把握新商機的關鍵。為借助大數據分析與商業智慧，本集團成立了商業策略辦公室及周大福數據空間，提供貼合市場、直觀及時的分析，從而對商業策略解決方案提供洞見，例如新產品預測性分析、存貨分類及分配、銷售人員表現管理等。

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，能夠支持多地域管理、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。
- 我們成立了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，建立主要持份者進行建設性討論的平台，使資訊科技策略與業務策略一致。從策略層面理性地權衡與業務單位所識別資訊科技需求相關的潛在裨益和風險，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。
- 為使資訊科技服務能配合業務發展，我們成立業務分析團隊，用心聆聽和了解業務單位的需要。進行系統發展或系統轉變項目時，業務分析員會推動提高透明度，促成提出建議的部門、其他用戶與資訊科技的同事持續提出回饋意見。為使資訊科技人力資源能更加配合本集團業務未來發展，業務分析團隊協助向業務單位加深了解其優次工作的排序，從而規劃來年的工作資源。
- 提升數據管治也是配合數據主導業務創新策略的主要舉措。我們委聘了專家和顧問檢討本集團各數據系統的數據架構、數據質素及所有權。我們致力在有效的管理下建立可靠且貫徹一致的數據庫，以便應用數據分析，發揮從利用數據轉化為收入的商業潛力。

- 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 Risk Management Committee.

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 involving all levels from the Board level and down to the business unit level. We take both "top-down" and "bottom-up" approach.
- In the day-to-day operations, the executive directors have ongoing dialogue with management of the business units to identify and evaluate emerging risks and opportunities, and formulate appropriate action plans. By ongoing review on the variance reports and analysis, budget plan and actual performance, findings of control weaknesses reported by audit teams, they become alert to what and where problems may have arisen which require tackling from "top-down" in order to achieve the strategic objectives.
- On the other hand, a formalised risk management annual cycle from "bottom-up" is in place which is equipped with routine implementation procedures and delegated risk owners. Business units are required to identify and assess risks in their operations and then record them in a risk register. Proposed mitigation measures are also registered to facilitate subsequent review of the outcome. We catalog risk data in a system similar to an accounting system. This allows us to trace down to each risk entry and owner, or summarise risks by region or function, and consolidate a risk profile for the Board's oversight on all significant risks facing the Group.
- Active engagement of the risk owners is paramount to the success of risk management. We organise training workshops to enhance risk owners' management skills and hold regular meetings to discuss on the effectiveness of risk mitigation measures. We aim at integrating risk management into day-to-day operations, resulting in a practical and continuous process.

- 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。

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系統承擔整體責任。我們採納涵蓋董事會領導人員以至業務單位各層面的企業全面風險管理架構。我們同時採納「由上而下」和「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，識別及評估新出現的風險與機會，並制定合適實施計劃。他們持續審閱差異報告和分析、預算計劃和實際表現，以及審核團隊編製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，我們也實行「由下而上」的正規風險管理年度周期，其中包含例行實施程序和特定風險負責人。業務單位須識別和評核營運層面所面對的風險，並記錄至風險登記表。建議應對措施也會作記錄，以便隨後檢討結果。我們會將風險數據分類儲存在系統，與會計系統賬目相似。此舉有助我們追溯每項風險記錄和負責人，按區域或職能劃分概要風險分類，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。
- 風險負責人積極參與對成功的風險管理極為重要。我們籌辦培訓工作坊以提升風險負責人的管理技能，並定期舉行會議以討論風險應對措施的成效。我們致力整合日常營運的風險管理，將之化為實務持續的流程。

- Besides, it is our annual exercise to conduct self-assessment on the internal control system. Executive directors and senior management of all major business and functional units are required to submit self-assessment questionnaires, covering the effectiveness of financial, operational and compliance controls and the reliability of financial reporting of which they are held accountable for.
- 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.
- 此外，我們每年會自我評價內部監控系統。執行董事和各主要業務和職能單位的高級管理層須遞交自我評價問卷，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。
- 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業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

Compliance and Audit

Legal and regulatory compliance

- The Group is committed to ensuring its business operations are in compliance with applicable laws and regulations.
- From time to time, the Board, the executive office and the legal department stay alert to regulatory updates and new legislations relevant to our industry or operation; and then evaluate the implications of such new regulations to the Group.
- For those new regulations applicable to the Group, we start preliminary assessment of the potential impact on our business operation as early as practicable. This allows us sufficient time to seek advice and formulate our approach. If existing policies and procedures have to change, we will draw up such amendments and announce the implementation plan by way of a company notice.
- We conducted staff training on compliance and corporate governance knowledge, covering knowledge in new advertising laws, consumer rights, intellectual property rights, personal data privacy, prevention of corruption and bribery as well as risk management.
- 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、法律事務部不時對監管最新動向和與我們行業或業務經營相關的新法例保持警惕，並就新例實施對本集團的影響作出評估。
- 對本集團適用的新例，我們會在可行的情況下盡早開展新例對我們業務經營潛在影響之初步評估。這樣，我們有充足時間尋求意見，制定我們的應對方針。如現行政策及程序需作出修改，我們會提前制定修訂本，並以公司公告的方式宣佈實施計劃。
- 我們進行了有關合規和企業管治常識的員工培訓，涵蓋新廣告法、消費者權益、知識產權、個人私隱、防止貪賄舞弊和風險管理知識等。

合規與審核

法律及監管合規

- Regular monitoring on the compliance of laws and regulations is conducted by various business units via our management hierarchy. It also covers incident reports from crisis management mechanism, social responsibility compliance checks and case reports by our legal department, whereby all important areas of compliance are monitored.
- The Group complied with all major aspects of laws and regulations that are significant to our business operations. There were no threatened or concluded cases of material nature in connection with legal compliance during the year.
- 各業務單位會通過我們的管理架構匯報定期監察合法合規情況。此亦涵蓋危機管理機制的事件報告、社會責任合規審查以及法律部門的個案報告，使各個合規監察的重要範疇得以監察。
- 本集團一直遵守對我們業務經營屬重大的各重大方面的法律法規。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。

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.
- During the year, we teamed 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 logistics system, marketing management, production and product development 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.
- 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。
- 年內，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最佳的資源效率。
- 羅兵咸較為專注於營運和合規風險和監控，如年內已審閱的物流系統、營銷管理、生產及產品開發系統。
- 我們的內部審核人員實行財務監控評估和監管制度，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和監控弱點，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的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。

- 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.

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.
- We emphasise on close monitoring of our business activities, which assures our products, our services and our practices to meet the desired technical or quality standards in order to safeguard our reputation and stay ahead in the industry.

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.

- 我們也會監察本集團涵蓋中國內地、香港和澳門所有店舖的零售點交叉稽查計劃。目的是讓熟練的店舖管理人員互相檢查不同店舖，以保障對存貨和現金的監控，並確保營運合法合規。

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。
- 我們重視嚴密監察業務經營，確保產品、服務及實務均符合所需的技術或品質標準，從而維持良好商譽以及於行內領先的地位。

舉報機制

- 本機制提供保密渠道，鼓勵所有員工對舞弊事項和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。
- 向審核委員會和管理行政人員匯報涉及舞弊行為和嚴重行為不當案件的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。

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 FY2018.

Principal Activities

The Company is an investment holding company. The Group is principally engaged in the business of manufacturing and selling of high-end luxury, mass luxury and youth line jewellery products, including gem-set jewellery, gold products and platinum/karat gold products, and distribution of various watch brands. The activities of the principal subsidiaries are set out in note 39 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 FY2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 171.

The directors recommended the payment of a final dividend of HK15.0 cents per share and a special dividend of HK30.0 cents per share for FY2018, amounting to approximately HK\$4,500 million (FY2017: a final dividend of HK10.0 cents per share and a special dividend of HK20.0 cents per share, totalling 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 Thursday, 26 July 2018 and is payable to shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 2 August 2018. Together with the interim dividend of HK12.0 cents per share paid in December 2017, the total distribution of dividend by the Company for FY2018 will be HK57.0 cents per share (FY2017: HK51.0 cents per share). The payment date of the final and special dividends is expected to be on or about 15 August 2018.

董事會欣然提呈本公司2018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。本集團的主要業務為生產和銷售名貴珠寶、主流珠寶與年青產品(包括珠寶鑲嵌首飾、黃金產品、鉑金/K金產品)，以及分銷名錶。主要附屬公司的業務載於綜合財務報表附註39。

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2018財政年度的業績載列於第171頁的綜合損益及其他全面收益表內。

2018財政年度董事會建議派付每股15.0港仙末期股息及每股30.0港仙的特別股息，合共約4,500百萬港元(2017財政年度：末期股息每股10.0港仙及特別股息每股20.0港仙，總共3,000百萬港元)。派付該等股息須待股東在本公司將於2018年7月26日(星期四)舉行的應屆股東週年大會上批准，並應向於2018年8月2日(星期四)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2017年12月派付的中期股息每股12.0港仙，本公司於2018財政年度所分派股息總額為每股57.0港仙(2017財政年度：每股51.0港仙)。末期股息及特別股息的派付日期預計為2018年8月15日或前後。

Business Review

FY2018 was a year of recovery with encouraging development. The retail market in Greater China has regained its upward momentum, leading to a vibrant performance for the Group. In Mainland China and Hong Kong and Macau, Same Store Sales Growth turnaround commenced in 2HFY2017 and the recovery trend sustained into FY2018. For the retail network management in Mainland China, a two-pronged strategy shall be adopted to further the Group's business development in different tiers of cities. While the Group would remain selective in openings in Tier I and II cities, market penetration in lower tier cities would be the priority.

The Group has embarked on the "Smart+ 2020" three-year strategic work plan since FY2018 committing to delivering seamless experiences to its customers in the long-term with five areas of focus: (1) introducing more product offerings and innovations through the multi-brand strategy; (2) enhancing in-store experiences and fostering omni-channel retailing; (3) cultivating customer-led manufacturing capabilities and versatile supply chain to reinforce a personalised shopping journey; (4) investing in big data analytics to empower insights for a more efficient operational model that can respond to fast-changing consumer preferences; (5) inspiring an innovative and entrepreneurial culture for talent development across the Group and the jewellery industry as a whole.

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 sections:

- "Risk Management Report"
- "Board Governance"
- "Stakeholder 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 252.

Share Capital

Details of the Company's share capital are set out in note 30 to the consolidated financial statements. There is no movement in the share capital during the year.

業務審視

2018財政年度實為復甦之年，發展成果令人鼓舞。大中華零售市場重拾動力，使本集團取得傑出的表現。於中國內地以及香港及澳門，同店銷售增長均自2017財政年度下半年均開始回升，並於2018財政年度延續其復甦之勢。就中國內地零售網絡管理而言，我們採取雙線發展策略，在不同級別城市拓展業務。我們在一、二線城市會繼續選擇性開設新店，而在較次級城市則以擴大市場滲透為首要策略。

本集團於2018財政年度開展「Smart+ 2020」為期三年的策略性工作計劃，長期致力於五大範疇提供無縫顧客體驗：(1) 透過推行多品牌策略，推出更多產品與創新項目；(2) 提升門店體驗，促進全渠道零售；(3) 培養以顧客為主導的生產能力和靈活的供應鏈，加強打造個性化的購物旅程；(4) 投資大數據分析，利用見解建立更高效率的營運模式，迅速應對消費者的喜好；(5) 啟導創新及創業文化，配合集團及整個珠寶行業人才發展。

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

- 「主席報告書」
- 「董事總經理策略報告」
- 「管理層討論與分析」

本年報各處，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，主要在下列章節中：

- 「風險管理報告」
- 「董事會管治」
- 「持份者關係」
- 「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252頁。

股本

本公司的股本詳情載於綜合財務報表附註30。年內概無股本變動。

Distributable Reserves

Distributable reserves of the Company as at 31 March 2018 amounted to approximately HK\$5,536 million (31 March 2017: HK\$5,540 million).

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 175.

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. Cheng Ping-Hei, Hamilton
Mr. Chan Sai-Cheong
Mr. Suen Chi-Keung, Peter
Mr. Chan Hiu-Sang, Albert
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, Mr. Cheng Chi-Heng, Conroy, Mr. Cheng Ping-Hei, Hamilton, Mr. Chan Sai-Cheong, Mr. Cheng Ming-Fun, Paul and Dr. Or Ching-Fai, Raymond will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

可供分派儲備

於2018年3月31日，本公司可供分派儲備為數約5,536百萬港元（2017年3月31日：5,540百萬港元）。

年內本集團儲備的變動載列於第175頁的綜合權益變動表。

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
鄭炳熙先生
陳世昌先生
孫志強先生
陳曉生先生
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
鄭志強先生
林健鋒先生
柯清輝博士

根據細則第84條，鄭志恒先生、鄭炳熙先生、陳世昌先生、鄭明訓先生及柯清輝博士將於應屆股東週年大會上退任，且符合資格膺選連任。

Directors' Service Contracts

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

Directors' Interests in Transactions, Arrangements and Contracts

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

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 FY2018 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 155. Details of these transactions are set out in the tables below.

| 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 FY2018 (HK\$million) 2018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 | 122 | 132 | 100 |
| Amount incurred 實際發生金額 | 67 | 103 | 74 |
| 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) | | | |
| FY2019 2019財政年度 | 122 | 132 | 124 |
| FY2020 2020財政年度 | 122 | 134 | 154 |

董事服務合約

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

董事於交易、安排及合約中的權益

除本年報所披露者外，本公司的附屬公司、同系附屬公司或母公司於年末或年內任何時間，並無訂有任何對本集團業務而言屬重大且本公司董事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2018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155頁。該等交易的詳情載列於下表。

| 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 | NWCL 新世界中國地產 | NCE | KTL 利麗品牌 |
| Major types of goods and services | 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 | 19/3/2013 | 29/1/2016 | 29/4/2016 |
| Next renewal date 下次重續日期 | 30/6/2018* | 31/3/2021 | 28/4/2019 |
| Annual cap approved and actual amount incurred for FY2018 (HK\$million) 2018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 | 461 | 240 | 57 |
| Amount incurred 實際發生金額 | – | 60 | 21 |
| 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) | | | |
| FY2019 2019財政年度 | N/A 不適用 | 208 | 73 |
| FY2020 2020財政年度 | N/A 不適用 | 236 | N/A 不適用 |
| FY2021 2021財政年度 | N/A 不適用 | 245 | N/A 不適用 |

Note:

* 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 2018 will be fully exempt from the reporting, announcement and shareholders' approval requirements.

附註：

* 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2018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。

These transactions are governed by respective master or framework agreements which have an initial term of not more than 3 years and will be renewed automatically for another 3 years upon expiry. The initial agreement date and the next renewal date of these master or framework agreements are set out in the tables above.

該等交易受各綜合或框架協議所監管，而協議的初始年期不超過3年，期滿時會自動重續3年。該等綜合或框架協議的初始協議日期及下一個重續日期載於上表。

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

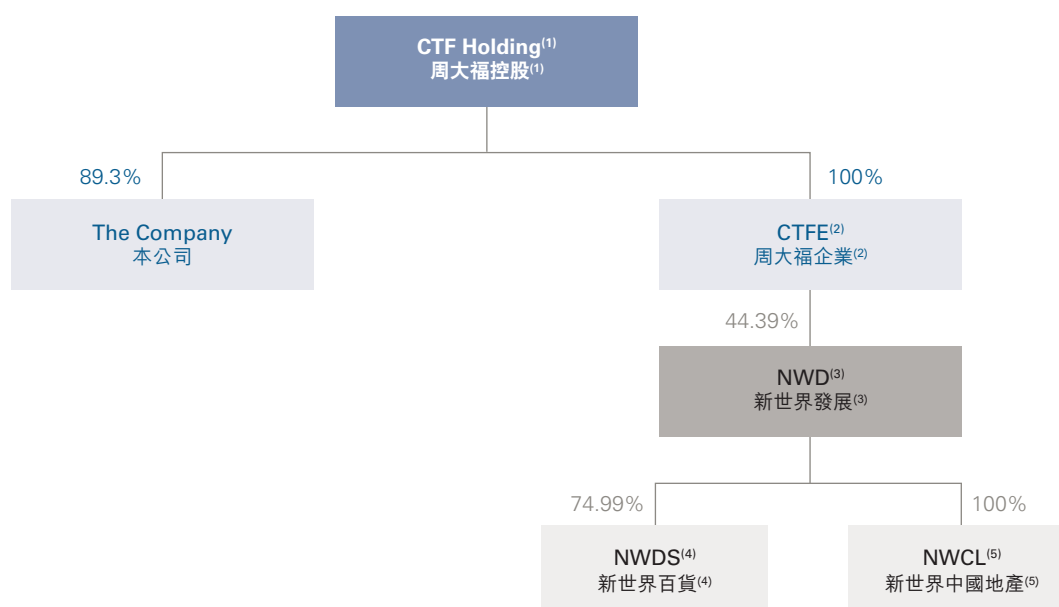
本公司已訂立綜合協議或框架協議以載列相關原則規管上述持續關連交易。本集團設有定價政策，就與對方磋商釐定本集團持續關連交易安排下的明確協議作出指引。

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

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

Relationships between Counterparties

Other than NCE 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.

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.

與交易對方的關係

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

附註：

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

New Cutting Edge Limited ("NCE") 及其附屬公司是由某幾位董事的親屬鄭錦超先生間接持有的佔多數控制權的公司，按照上市規則第 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.

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及其他相關條款，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條款進行。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)。

Related Party Transactions

The significant related party transactions entered into by the Group during the year set out in note 38 to the financial statements include transactions that constitute connected transactions and continuing connected transactions for which the disclosure requirements under Chapter 14A of the Listing Rules have been complied with.

Major Customers and Suppliers

During the year, less than 30.0% of the Group's revenue was attributed to the Group's five largest customers. Besides, 64.2% of the Group's total purchases were attributed to the Group's five largest suppliers and 46.1% 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 2018 held any interest in any of the five largest suppliers or customers of the Group.

Directors' Interests in the Shares, Underlying Shares and Debentures of the Company

As at 31 March 2018, 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 | | |
| The Company (ordinary shares of HK\$1 each) | 本公司(每股面值 1港元的普通股) | | | | | |
| Mr. Wong Siu-Kee, Kent | 黃紹基先生 | 12,000 | | | 12,000 | 0.0% |
| Dr. Cheng Chi-Kong, Adrian | 鄭志剛博士 | | | 20,000 ⁽¹⁾ | 20,000 | 0.0% |
| Mr. Cheng Ping-Hei, Hamilton | 鄭炳熙先生 | 4,800 | | | 4,800 | 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. 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

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38，包括構成關連／持續關連交易的交易，而本集團已就該等交易遵守上市規則第14A章的披露規定。

主要顧客和供應商

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64.2%來自本集團五大供應商，而本集團總採購額46.1%來自本集團最大供應商。據董事所知，於2018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%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2018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

| | | 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 | | |
| The Company (ordinary shares of HK\$1 each) | 本公司(每股面值 1港元的普通股) | | | | | |
| Mr. Wong Siu-Kee, Kent | 黃紹基先生 | 12,000 | | | 12,000 | 0.0% |
| Dr. Cheng Chi-Kong, Adrian | 鄭志剛博士 | | | 20,000 ⁽¹⁾ | 20,000 | 0.0% |
| Mr. Cheng Ping-Hei, Hamilton | 鄭炳熙先生 | 4,800 | | | 4,800 | 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. Liu Chun-Wai, Bobby | 廖振為先生 | | 12,000 | | 12,000 | 0.0% |

附註：

(1) 該等股份由鄭志剛博士全資擁有的一家子公司實益擁有

Substantial Shareholders' Interests in Securities

As at 31 March 2018, the following persons (not being directors or chief executives of the Company) had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long position in shares

| Name 名稱 | Number of shares 股份數目 | | Total 合計 | Approximate % of shareholding 概約持股 百分比 |
|--|---------------------------------|--------------------------------|---------------|--|
| | Beneficial interests 實益權益 | Corporate interests 法團權益 | | |
| 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 2018, 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 2018.

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 of the Company (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.

主要股東於證券的權益

於2018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

| Name 名稱 | Number of shares 股份數目 | | Total 合計 | Approximate % of shareholding 概約持股 百分比 |
|--|---------------------------------|--------------------------------|---------------|--|
| | Beneficial interests 實益權益 | Corporate interests 法團權益 | | |
| 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% |

附註：

於2018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2018年3月31日則直接持有本公司8,933,937,400股股份。

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本公司董事（包括執行董事、非執行董事及獨立非執行董事）、本公司附屬公司的董事、本集團的僱員以及任何其他人士（包括諮詢人或顧問）授出購股權。

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

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

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

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

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

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

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

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

根據該計劃及本公司任何其他購股權計劃可予授出之購股權所涉及股份的總數不得超過本公司於上市日期2011年12月15日已發行本公司股份的10%，即1,000,000,000股股份（「計劃授權上限」），相當於本年報日期當日本公司股份的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本公司當時已發行股份的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\$8.3 million (FY2017: HK\$10.8 million).

Events after the Reporting Period

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2018 and up to the date of this annual report.

獲許的彌償條文

本公司細則規定，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8.3百萬港元（2017財政年度：10.8百萬港元）。

報告期後事項

本公司或本集團於2018年3月31日後及截至本年報日期並無進行任何重大其後事項。

Auditor

The consolidated financial statements of the Group have been audited by Deloitte Touche Tohmatsu, who will retire and will not offer themselves for re- appointment at the forthcoming annual general meeting of the Company.

Deloitte Touche Tohmatsu has been holding office as the independent auditor of the Company since the incorporation of the Company in 2011. The Board is of the view that, as a good corporate governance measure, the Company should consider rotation of its auditor after an appropriate period of time. The Board therefore proposes not to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company upon expiration of its current term of office with effect from the close of the forthcoming annual general meeting of the Company to be held on 26 July 2018.

The Board resolved, with the recommendation from the Audit Committee of the Company, to propose the appointment of PricewaterhouseCoopers as the new independent auditor of the Company following the retirement of Deloitte Touche Tohmatsu, subject to the approval of shareholders of the Company at the annual general meeting.

The Company has received a confirmation letter dated 7 June 2018 from Deloitte Touche Tohmatsu confirming that there are no matters in relation to its retirement that need to be brought to the attention of the shareholders. The Board has also confirmed that there are no other matters in relation to the proposed change of auditor that need to be brought to the attention of the shareholders.

The Board would like to take this opportunity to express its sincere gratitude to Deloitte Touche Tohmatsu for their professional services and support in the past.

On behalf of the Board

Dr. Cheng Kar-Shun, Henry
Chairman

Hong Kong, 7 June 2018

核數師

本集團綜合財務報表經德勤·關黃陳方會計師行審核。德勤·關黃陳方會計師行任滿退席，於本公司應屆股東週年大會上不會膺選連任。

德勤·關黃陳方會計師行自本公司於2011年成立起已擔任本公司獨立核數師。董事會認為，作為良好企業管治措施，本公司應於適當期間後考慮輪換核數師。因此，董事會建議在現時任期屆滿後不重新續任德勤·關黃陳方會計師行為本公司核數師，自2018年7月26日股東週年大會結束後生效。

經本公司審核委員會建議，董事會決議建議在德勤·關黃陳方會計師行退任後，委任羅兵咸永道會計師事務所為本公司新任獨立核數師，惟須獲本公司股東於股東週年大會上批准作實。

本公司已接獲德勤·關黃陳方會計師行於2018年6月7日出具的確認函，確認就其退任事宜並沒有任何需要通知股東的事項。董事會也已經確認，就建議更換核數師一事，並沒有任何其他需要通知股東的事項。

董事會謹此就德勤·關黃陳方會計師行過去所提供的專業服務和支持致以衷心謝意。

代表董事會

主席
鄭家純博士

香港，2018年6月7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 171 to 251, which comprise the consolidated statement of financial position as at 31 March 2018, 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") 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") issued by the IASB. 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171至251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2018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會計準則理事會頒佈的《國際財務報告準則》真實而中肯地反映了貴集團於2018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

我們已根據國際會計準則理事會頒佈的《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。

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.

Key audit matter 關鍵審計事項

Existence and valuation of inventories 存貨之存在性及估值

We identified existence and valuation of inventories as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the judgements associated with determining the amount of allowances on inventories and the inherent risk of loss from theft or dishonest intent due to the high intrinsic value and portable nature of individual inventory items.

As at 31 March 2018, the carrying amount of inventories was HK\$34,929.4 million. The management of the Group determined that allowances on inventories were recognised in profit or loss amounting to HK\$207.7 million during the year ended 31 March 2018.

我們判別出存貨之存在性及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，加上釐定存貨準備金額涉及判斷，以及因個別存貨的內在價值高昂兼具便攜性質，使其存在遭盜竊或因不誠實意圖引致損失之固有風險。

於2018年3月31日，存貨的賬面值為34,929.4百萬港元。據貴集團管理層作出的決定，截至2018年3月31日止年度於損益確認的存貨準備為207.7百萬港元。

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。

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

Our procedures in relation to the existence and valuation of inventories included:

- Understanding and assessing the effectiveness of the Group's internal controls over inventory;
- Conducting surprised and random physical counts at various points of sale ("POS") of the Group throughout the year;
- Inspecting daily physical count reports and the reconciliation to daily ending inventories record in the inventory system, on a sample basis;
- Attending the annual physical inventory count at year end date at selected POS, manufacturing facilities and distribution centres of the Group;
- Understanding how management identifies slow-moving inventories and the amount of allowances required, and management's process in monitoring the quality of the work of the independent professional gemologist appointed;

與存貨之存在性及估值有關的程序包括：

- 了解及評估 貴集團內部控制存貨之成效；
- 全年於各零售點進行突擊及隨機的實物盤點；
- 抽樣檢查每日實物盤點報告及每日結束時與存貨系統記錄的對賬；
- 於年結日參與 貴集團部分零售點、生產設施及分銷中心的年度實物存貨盤點；
- 了解管理層如何判別滯銷存貨及需要作出的撥備，及管理層監察委聘的獨立專業珠寶鑑定師工作質素的過程；

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

Existence and valuation of inventories

存貨之存在性及估值

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, on a regular basis, the suitability of its inventory allowance policy and has applied the policy consistently. The Group's management also reviewed, on a regular basis, the inventory age listing to identify any slow-moving inventories and estimated the amount of allowances 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 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.

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其存貨撥備政策的合適性，並已經一致採納有關政策。貴集團管理層亦定期檢閱貨齡清單，判別任何滯銷存貨，並主要按定價政策及策略以及過往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。

- 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 similar products to their carrying amounts, on a sample basis;
- 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;
- 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;
- Checking the accuracy of the inventory age listing, on a sample basis, by tracing to the invoices and delivery documents; and
- Evaluating the historical accuracy of allowances on inventories assessed by the management by comparing the actual loss to historical allowances recognised.
- 抽樣對同類產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；
- 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；
- 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；
- 抽樣索查發票及送貨文件，測試存貨貨齡清單的準確性；及
- 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。

Key Audit Matters (Continued)

Key audit matter 關鍵審計事項

Valuation of jewellery collectibles 珠寶珍藏估值

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 and the significant estimation associated with determining the valuation of jewellery collectibles. As at 31 March 2018, the carrying amount of jewellery collectibles was HK\$1,520.1 million.

As disclosed in note 4 to the consolidated financial statements, the jewellery collectibles were those unique treasures with extremely high-value considered by the Group and were 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 on a regular basis 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.

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屬重大以及當中的估值涉及重大判斷。於2018年3月31日，珠寶珍藏的賬面值為1,520.1百萬港元。

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。

關鍵審計事項(續)

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

Our procedures in relation to the valuation of jewellery collectibles included:

- 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;
- 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;
- 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
- Checking the accuracy of the acquisition costs of or carrying value upon the designation to jewellery collectibles by tracing to relevant source documents.

與珠寶珍藏估值有關的程序包括：

- 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；
- 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；
- 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
- 指定為珠寶珍藏後，會索查相關來源文件，以檢測收購成本或賬面值的準確性。

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 issued by the IASB 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綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為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會計準則理事會頒佈的《國際財務報告準則》及香港《公司條例》的披露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。

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.

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該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《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。

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

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

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

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.

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 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。

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

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 Tang Ying Cheung, Eric.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

7 June 2018

核數師就審計綜合財務報表承擔的責任(續)

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鄧迎章。

德勤•關黃陳方會計師行
執業會計師
香港

2018年6月7日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 March 2018 截至2018年3月31日止年度

| | | Notes 附註 | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---|-------------------------|-------------|------------------------------|------------------------------|
| Revenue | 營業額 | 5 | 59,156.4 | 51,245.5 |
| Cost of goods sold | 銷售成本 | | (42,943.0) | (36,282.8) |
| Gross profit | 毛利 | | 16,213.4 | 14,962.7 |
| Other income | 其他收入 | 6 | 407.9 | 329.5 |
| Selling and distribution costs | 銷售及分銷成本 | | (8,238.7) | (8,011.3) |
| General and administrative expenses | 一般及行政開支 | | (2,681.6) | (2,296.0) |
| Other gains and losses | 其他收益及虧損 | 7 | 342.4 | (285.8) |
| Other expenses | 其他開支 | | (48.1) | (214.5) |
| Share of results of associates | 分佔聯營公司之業績 | | – | (9.6) |
| Interest income | 利息收入 | 8 | 80.3 | 140.0 |
| Finance costs | 融資成本 | 8 | (243.7) | (236.6) |
| Profit before taxation | 除稅前溢利 | 9 | 5,831.9 | 4,378.4 |
| Taxation | 稅項 | 11 | (1,628.6) | (1,227.3) |
| Profit for the year | 年度溢利 | | 4,203.3 | 3,151.1 |
| Other comprehensive (expense) income: | 其他全面(開支)收益: | | | |
| <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 | | (5.4) | 15.8 |
| <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 operations | — 換算境外業務所產生之匯兌差額 | | 1,814.9 | (1,094.6) |
| — share of translation reserve of associates | — 分佔聯營公司之換算儲備 | | – | 1.9 |
| | | | 1,814.9 | (1,092.7) |
| Other comprehensive income (expense) for the year | 年度其他全面收益(開支) | | 1,809.5 | (1,076.9) |
| Total comprehensive income for the year | 年度全面收益總額 | | 6,012.8 | 2,074.2 |

Consolidated Statement of Profit or Loss and Other Comprehensive Income
綜合損益及其他全面收益表

| | | Note 附註 | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---|-----------------|------------|------------------------------|------------------------------|
| Profit for the year attributable to: | 以下各方應佔年度溢利： | | | |
| Shareholders of the Company | 本公司股東 | | 4,094.9 | 3,055.3 |
| Non-controlling interests | 非控股權益 | | 108.4 | 95.8 |
| | | | 4,203.3 | 3,151.1 |
| Total comprehensive income for the year attributable to: | 以下各方應佔年度全面收益總額： | | | |
| Shareholders of the Company | 本公司股東 | | 5,834.8 | 2,030.1 |
| Non-controlling interests | 非控股權益 | | 178.0 | 44.1 |
| | | | 6,012.8 | 2,074.2 |
| Earnings per share — Basic | 每股盈利 — 基本 | 12 | HK40.9 cents 港仙 | HK30.6 cents 港仙 |

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 March 2018 於2018年3月31日

| | | Notes 附註 | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---|--------------------|-------------|------------------------------|------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 5,340.7 | 4,666.3 |
| Land use rights | 土地使用權 | 15 | 189.8 | 184.9 |
| Investment properties | 投資物業 | 16 | 233.5 | 250.0 |
| Goodwill | 商譽 | 17 | 257.8 | 257.8 |
| Other intangible assets | 其他無形資產 | 18 | 306.4 | 356.3 |
| Jewellery collectibles | 珠寶珍藏 | 19 | 1,520.1 | 967.1 |
| Deposits paid for acquisition of property, plant and equipment | 購買物業、廠房及設備 已付按金 | | 27.6 | 52.7 |
| Interests in associates | 於聯營公司之權益 | 20 | – | – |
| Amounts due from associates | 應收聯營公司款項 | 20 | 62.2 | 19.7 |
| Loan receivables | 應收貸款 | 21 | 26.9 | 65.9 |
| Deferred tax assets | 遞延稅項資產 | 22 | 293.1 | 312.7 |
| | | | 8,258.1 | 7,133.4 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 23 | 34,929.4 | 29,259.3 |
| Trade and other receivables | 貿易及其他應收款項 | 24 | 6,410.0 | 5,057.3 |
| Loan receivables | 應收貸款 | 21 | 28.4 | 8.5 |
| Bank balances and cash | 銀行結餘及現金 | 25 | 7,944.0 | 7,943.4 |
| | | | 49,311.8 | 42,268.5 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 26 | 8,358.6 | 5,693.4 |
| Amounts due to non-controlling shareholders of subsidiaries | 應付附屬公司非控股股東 款項 | 27 | 100.5 | 89.9 |
| Taxation payable | 應付稅項 | | 1,101.5 | 596.4 |
| Bank borrowings | 銀行貸款 | 28 | 5,823.0 | 6,192.5 |
| Gold loans | 黃金借貸 | 29 | 5,335.4 | 3,215.9 |
| | | | 20,719.0 | 15,788.1 |
| Net current assets | 流動資產淨額 | | 28,592.8 | 26,480.4 |
| Total assets less current liabilities | 總資產減流動負債 | | 36,850.9 | 33,613.8 |

Consolidated Statement of Financial Position
綜合財務狀況表

| | | Notes 附註 | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---|------------------|-------------|------------------------------|------------------------------|
| Non-current liabilities | 非流動負債 | | | |
| Bank borrowings | 銀行貸款 | 28 | 2,100.0 | 600.0 |
| Retirement benefit obligations | 退休福利承擔 | 36 | 232.2 | 226.6 |
| Deferred tax liabilities | 遞延稅項負債 | 22 | 421.1 | 285.7 |
| | | | 2,753.3 | 1,112.3 |
| Net assets | 資產淨額 | | 34,097.6 | 32,501.5 |
| Share capital | 股本 | 30 | 10,000.0 | 10,000.0 |
| Reserves | 儲備 | | 23,423.4 | 21,798.8 |
| Equity attributable to shareholders of the Company | 本公司股東應佔權益 | | 33,423.4 | 31,798.8 |
| Non-controlling interests | 非控股權益 | | 674.2 | 702.7 |
| | | | 34,097.6 | 32,501.5 |

The consolidated financial statements on pages 171 to 251 were approved and authorised for issue by the Board of Directors on 7 June 2018 and are signed on its behalf by:

董事會於2018年6月7日批准並授權刊發載於第171至251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 2018 截至2018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 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 2016 | 於2016年4月1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 | 於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 |
| Profit for the year | 年度溢利 | - | - | - | - | - | 4,094.9 | 4,094.9 | 108.4 | 4,203.3 |
| Other comprehensive income (expense) for the year | 年度其他全面收益(開支) | - | - | - | - | 1,745.3 | (5.4) | 1,739.9 | 69.6 | 1,809.5 |
| Total comprehensive income for the year | 年度全面收益總額 | - | - | - | - | 1,745.3 | 4,089.5 | 5,834.8 | 178.0 | 6,012.8 |
| Acquisitions of additional interests from a non-controlling shareholder of a subsidiary | 向一家附屬公司非控股股東收購額外權益 | - | - | - | 10.0 | (17.1) | (2.8) | (9.9) | (50.0) | (59.9) |
| Capital contribution from a non-controlling shareholder of a subsidiary | 一家附屬公司非控股股東出資 | - | - | - | - | - | - | - | 11.5 | 11.5 |
| Deregistration of subsidiaries | 註銷附屬公司 | - | - | - | (22.0) | (3.0) | 24.7 | (0.3) | (107.7) | (108.0) |
| Transfers | 轉撥 | - | - | - | 275.1 | - | (275.1) | - | - | - |
| Dividends | 股息 | - | - | - | - | - | (4,200.0) | (4,200.0) | (60.3) | (4,260.3) |
| At 31 March 2018 | 於2018年3月31日 | 10,000.0 | 5,498.7 | 2,499.5 | 1,209.0 | 1,176.8 | 13,039.4 | 33,423.4 | 674.2 | 34,097.6 |

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 2018 截至2018年3月31日止年度

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--|-------------------|------------------------------|------------------------------|
| OPERATING ACTIVITIES | 經營活動 | | |
| Profit before taxation | 除稅前溢利 | 5,831.9 | 4,378.4 |
| Adjustments for: | 就下列各項作出調整： | | |
| Interest income | 利息收入 | (80.3) | (140.0) |
| Interest expenses | 利息開支 | 243.7 | 236.6 |
| Allowances for doubtful debts | 壞賬準備 | 18.3 | 3.7 |
| Allowances on inventories | 存貨準備 | 207.7 | 39.8 |
| Fair value change of gold loans | 黃金借貸的公平值變動 | 35.3 | (107.2) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 806.6 | 788.8 |
| Depreciation of investment properties | 投資物業折舊 | 14.3 | 14.4 |
| Amortisation of land use rights | 土地使用權攤銷 | 14.3 | 14.0 |
| Amortisation of other intangible assets | 其他無形資產攤銷 | 49.9 | 51.2 |
| Share of results of associates | 分佔聯營公司之業績 | - | 9.6 |
| 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 | 7.1 | 10.3 |
| Provision for defined benefit obligations | 定額退休福利承擔撥備 | 8.4 | 7.4 |
| Effect of foreign exchange rate changes in intercompany balances | 匯率變動對內部公司間結餘之影響 | (278.6) | 231.0 |
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | 6,878.6 | 5,701.9 |
| (Increase) decrease in inventories | 存貨(增加)減少 | (4,260.0) | 598.5 |
| Increase in trade and other receivables | 貿易及其他應收款項增加 | (907.6) | (753.9) |
| Increase in trade and other payables | 貿易及其他應付款項增加 | 2,149.9 | 1,615.4 |
| Defined benefits paid | 已付定額退休福利 | (8.2) | (8.4) |
| Cash generated from operations | 經營所得現金 | 3,852.7 | 7,153.5 |
| Interest received | 已收利息 | 13.1 | 17.7 |
| Income tax paid | 已付所得稅 | | |
| Hong Kong Profits Tax | 香港利得稅 | (70.9) | (1.2) |
| Enterprise Income Tax and withholding tax in Mainland China | 中國內地企業所得稅及預扣稅 | (901.1) | (855.9) |
| Macau complementary tax | 澳門所得補充稅 | (41.8) | (61.8) |
| Taxation in other jurisdictions | 其他司法地區之稅項 | (0.9) | (0.7) |
| NET CASH FROM OPERATING ACTIVITIES | 經營活動所得現金淨額 | 2,851.1 | 6,251.6 |

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--|-----------------------------|------------------------------|------------------------------|
| INVESTING ACTIVITIES | 投資活動 | | |
| Interest received | 已收利息 | 67.2 | 122.3 |
| Repayment of loan to the Group | 已償還予本集團之貸款 | 24.1 | 5.7 |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (1,057.8) | (835.1) |
| Deposits paid for acquisition of property, plant and equipment | 購買物業、廠房及設備已付按金 | (26.6) | (26.8) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 13.0 | 6.4 |
| Purchase of jewellery collectibles | 購買珠寶珍藏 | (553.0) | (378.3) |
| Loan advanced by the Group | 本集團已墊付貸款 | (1.5) | (21.6) |
| Advances to associates | 向聯營公司墊款 | (42.5) | (19.7) |
| NET CASH USED IN INVESTING ACTIVITIES | 投資活動所用現金淨額 | (1,577.1) | (1,147.1) |
| FINANCING ACTIVITIES | 融資活動 | | |
| Interest paid | 已付利息 | (244.6) | (250.7) |
| Bank borrowings raised | 已籌集銀行貸款 | 5,667.9 | 5,655.1 |
| Repayment of bank borrowings | 償還銀行貸款 | (4,566.1) | (6,767.1) |
| Capital contribution from a non-controlling shareholder of a subsidiary | 一家附屬公司非控股股東出資 | 11.5 | - |
| 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) |
| Distribution received from deregistration of subsidiaries | 已收註銷附屬公司之分派 | (108.0) | (153.6) |
| Dividends paid | 已付股息 | (4,260.3) | (5,147.5) |
| Gold loans raised | 已籌集黃金借貸 | 19,153.4 | 15,899.4 |
| Repayment of gold loans | 償還黃金借貸 | (17,348.1) | (18,922.2) |
| Acquisition of additional interest from non-controlling interest | 向非控股權益收購的額外權益 | (59.9) | (7.6) |
| Advance from non-controlling shareholders of subsidiaries | 來自附屬公司非控股股東的墊款 | 0.9 | - |
| Repayment to non-controlling shareholders of subsidiaries | 償還予附屬公司非控股股東 | - | (62.9) |
| NET CASH USED IN FINANCING ACTIVITIES | 融資活動所用現金淨額 | (1,753.3) | (9,771.0) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等價物減少淨額 | (479.3) | (4,666.5) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 年初的現金及現金等價物 | 7,943.4 | 13,001.4 |
| Effect of foreign exchange rate changes | 匯率變動的影響 | 479.9 | (391.5) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH | 年末的現金及現金等價物，即銀行結餘及現金 | 7,944.0 | 7,943.4 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 March 2018 截至2018年3月31日止年度

1. General

Chow Tai Fook Jewellery Group Limited (the “Company”, and its subsidiaries collectively referred to as the “Group”) 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 its ultimate holding company is Chow Tai Fook Capital Limited, both are incorporated in the British Virgin Islands (“BVI”).

The Company acts as an investment holding company. The principal activities of the Company’s principal subsidiaries are set out in note 39. 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 Revised 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 which are effective for the first time in the current year:

| | |
|-----------------------|---|
| Amendments to IAS 7 | Disclosure Initiative |
| Amendments to IAS 12 | Recognition of Deferred Tax Assets for Unrealised Losses |
| Amendments to IFRS 12 | As part of the Annual Improvements to IFRSs 2014–2016 Cycle |

Except as described below, 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」，與其附屬公司統稱「本集團」)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，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39。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已生效的國際財務報告準則修訂本：

| | |
|-------------------|-------------------------------|
| 國際會計準則第7號(修訂本) | 披露計劃 |
| 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 |
| 國際財務報告準則第12號(修訂本) | 2014年至2016年週期之國際財務報告準則年度改進的部分 |

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

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

Amendments to IAS 7 “Disclosure Initiative”

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 35. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 35, the application of these amendments has had no impact on the Group’s consolidated financial statements.

2. 採納新訂及經修訂國際財務報告準則 (續)

國際會計準則第7號(修訂本)「披露計劃」

本集團於本年度首次應用此等修訂。該等修訂要求實體提供披露資料，使財務報表使用者能夠評估融資活動產生的負債變動，包括現金及非現金變動。此外，倘若此等金融資產的現金流量或將來的現金流量將計入融資活動的現金流量，則此等修訂亦要求披露金融資產的變動。

具體而言，修訂要求披露以下各項：(i) 融資現金流量的變動；(ii) 因取得或失去附屬公司或其他業務的控制權而產生的變動；(iii) 匯率變動的影響；(iv) 公平值變動；及(v) 其他變動。

有關該等項日期初及期末結餘之對賬載於附註35。根據修訂本之過渡條文，本集團並無披露去年的比較資料。除附註35的額外披露外，應用該等修訂並無對本集團綜合財務報表造成影響。

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

New and revised IFRSs issued but not yet effective

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

| | |
|----------------------------------|--|
| IFRS 9 | Financial Instruments ⁽¹⁾ |
| IFRS 15 | Revenue from Contracts with Customers and the related Amendments ⁽¹⁾ |
| IFRS 16 | Leases ⁽²⁾ |
| IFRS 17 | Insurance Contracts ⁽⁴⁾ |
| IFRIC 22 | Foreign Currency Transactions and Advance Consideration ⁽¹⁾ |
| IFRIC 23 | Uncertainty over Income Tax Treatments ⁽²⁾ |
| Amendments to IFRS 2 | Classification and Measurement of Share-based Payment Transactions ⁽¹⁾ |
| Amendments to IFRS 4 | Applying IFRS 9 “Financial Instruments” with IFRS 4 “Insurance Contracts” ⁽¹⁾ |
| Amendments to IFRS 9 | Prepayment Features with Negative Compensation ⁽²⁾ |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾ |
| Amendments to IAS 19 | Plan Amendment, Curtailment or Settlement ⁽²⁾ |
| Amendments to IAS 28 | Long-term Interests in Associates and Joint Ventures ⁽²⁾ |
| Amendments to IAS 28 | As part of the Annual Improvements to IFRS Standards 2014–2016 Cycle ⁽¹⁾ |
| Amendments to IAS 40 | Transfers of Investment Property ⁽¹⁾ |
| Amendments to IFRSs | Annual Improvements to IFRS Standards 2015–2017 Cycle ⁽²⁾ |

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2018.

⁽²⁾ Effective for annual periods beginning on or after 1 January 2019.

⁽³⁾ Effective for annual periods beginning on or after a date to be determined.

⁽⁴⁾ Effective for annual periods beginning on or after 1 January 2021.

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 ⁽¹⁾ |
| 國際財務報告準則第15號 | 客戶合約收益及相關修訂 ⁽¹⁾ |
| 國際財務報告準則第16號 | 租賃 ⁽²⁾ |
| 國際財務報告準則第17號 | 保險合約 ⁽⁴⁾ |
| 國際財務報告詮釋公告第22號 | 外幣交易和預付代價 ⁽¹⁾ |
| 國際財務報告詮釋公告第23號 | 所得稅處理之不確定性 ⁽²⁾ |
| 國際財務報告準則第2號 (修訂本) | 以股份為基礎支付的交易之分類和計量 ⁽¹⁾ |
| 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」 ⁽¹⁾ |
| 國際財務報告準則第9號 (修訂本) | 具有負補償之提前還款特點 ⁽²⁾ |
| 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 ⁽³⁾ |
| 國際會計準則第19號 (修訂本) | 計劃修改、削減或結算 ⁽²⁾ |
| 國際會計準則第28號 (修訂本) | 於聯營公司或合資企業之長期權益 ⁽²⁾ |
| 國際會計準則第28號 (修訂本) | 作為2014年至2016年週期之國際財務報告準則年度改進的一部份 ⁽¹⁾ |
| 國際會計準則第40號 (修訂本) | 轉撥投資物業 ⁽¹⁾ |
| 國際財務報告準則 (修訂本) | 2015年至2017年週期之國際財務報告準則年度改進 ⁽²⁾ |

⁽¹⁾ 於2018年1月1日或之後開始之年度生效。

⁽²⁾ 於2019年1月1日或之後開始之年度生效。

⁽³⁾ 於待釐定日期或之後之年度生效。

⁽⁴⁾ 於2021年1月1日或之後開始之年度生效。

2. Application of New and Revised 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. All other debt investments are measured at their fair value at the end of subsequent accounting periods.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss (“FVTPL”), 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 FVTPL is presented in profit or loss.

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為：

- 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。所有其他債務投資於後續會計期間結束時按公平值計量。
- 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。

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

IFRS 9 “Financial Instruments” (Continued)

- 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.

Based on the Group’s financial instruments and risk management policies as at 31 March 2018, the directors of the Company anticipate the following potential impact on initial application of IFRS 9:

Classification and measurement:

Gold loans which are designated as at FVTPL as disclosed in note 29: these financial liabilities qualify for designation as measured at FVTPL under IFRS 9 and the Group will continue this designation upon initial application of IFRS 9, however, the amount of change in the fair value of these financial liabilities that is attributable to changes in the credit risk of those liabilities will be recognised in other comprehensive income with the remaining fair value change recognised in profit or loss. This is different from the current accounting treatment under which the entire change in fair value of the financial liabilities is recognised in profit or loss. The change in fair value attributed to a change in credit risk of these financial liabilities is not expected to be material.

Upon application of IFRS 9, the Group will not restate the prior period’s comparative figures for the classification and measurement of IFRS 9. Instead, the Group will recognise any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opening retained earnings of the annual reporting period that includes the date of initial application.

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)

- 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。

根據本集團於2018年3月31日之金融工具及風險管理政策，本公司董事預期首次應用國際財務報告準則第9號之潛在影響如下：

分類及計量：

指定為按公平值計入損益的黃金借貸並載於附註29：根據國際財務報告準則第9號，該等金融負債合資格指定為按公平值計入損益，而本集團於初始應用國際財務報告準則第9號後將繼續有關指定，惟因該等金融負債之信貸風險變動而導致之該等金融負債公平值變動的金額將於其他全面收益確認，而其餘公平值變動於損益內確認。此舉有別於目前將全部金融負債公平值變動於損益內確認之會計處理方法。該等金融負債之信貸風險變動應佔之公平值變動金額不預計並不重大。

本集團應用國際財務報告準則第9號後，將不會按國際財務報告準則第9號的分類及計量重列過往期間的比較數字。反之，本集團將在包括初始應用日期的年報期初的保留盈利確認先前的賬面值與包括初始應用日期的年報期初的賬面值之間的任何差額。

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

IFRS 9 “Financial Instruments” (Continued)

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs.

The Group expects to apply the simplified approach to recognise lifetime expected credit losses for its trade receivables, loan receivables and prepayments to suppliers as required under IFRS 9. Based on the assessment by the directors of the Company, under expected credit loss model, the accumulated amount of impairment loss to be recognised by the Group as at 1 April 2018 would be increased when compared to the accumulated amount recognised under IAS 39 mainly attributable to expected credit losses provision on financial assets which will be measured at amortised cost upon application of IFRS 9. Such further impairment recognised under expected credit loss model would reduce the opening retained profits and increase the deferred tax assets at 1 April 2018.

IFRS 15 “Revenue from contracts with customers”

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 “Revenue”, IAS 11 “Construction contracts” and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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)

減值

一般而言，本公司董事預期應用國際財務報告準則第9號的預期信貸虧損模式將導致本集團提早就與本集團按攤銷成本計量的金融資產相關的尚未產生信貸虧損計提撥備。

本集團預期按照國際財務報告準則第9號項下的規定應用經簡化的方法確認貿易應收款項、應收貸款、向供應商預付款項於整個可使用年期的預期信貸虧損。根據本公司董事的評估，在預期信貸虧損模式下，本集團將確認於2018年4月1日的累計減值虧損金額將較根據國際會計準則第39號確認的累計金額有所增加，主要原因是於應用國際財務報告準則第9號時就將按攤銷成本計量的金融資產計提預期信貸虧損撥備。有關按預期信貸虧損模式確認的進一步減值將令於2018年4月1日的年初保留溢利有所減少及於該日的遞延稅項資產有所增加。

國際財務報告準則第15號「客戶合約收益」

已頒佈之國際財務報告準則第15號制定一項單一全面模式供實體用作將自客戶合約所產生之收益入賬。於國際財務報告準則第15號生效後，其將取代現時載於國際會計準則第18號「收益」、國際會計準則第11號「建築合約」及相關詮釋之收益確認指引。

國際財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入五個確認收益之步驟：

- 第一步：識別與客戶訂立之合約。
- 第二步：識別合約中之履約責任。
- 第三步：釐定交易價。
- 第四步：將交易價分配至合約中之履約責任。
- 第五步：於實體完成履約責任時確認收益。

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

IFRS 15 “Revenue from contracts with customers”

(Continued)

Under IFRS 15, an entity recognise revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In 2016, the IASB issued Classifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company have assessed the impact on application of IFRS 15 and have identified the following areas that will be affected:

Under the Group’s customer loyalty program, the customers have an option to use its membership points to ask for a discount on future purchase in a specified period, which provides a material right to the customers and gives rise to a separate performance obligation. Under IFRS 15, portion of the transaction price needs to be allocated to such option with such an amount being recognised as revenue when the additional goods or services are transferred to the customer, or when the option expires. Currently the Group recognised its obligation to provide discounted goods or services for the estimated future costs of supplying the awards and deferred the related revenue. At this stage, the Group estimates that the impact of the amount after the application of the IFRS 15 on the consolidated financial statements is immaterial.

In addition, the application of IFRS 15 in the future may result in more disclosures in the consolidated financial statements.

The directors of the Company intend to apply the limited retrospective method with cumulative effect of initial application recognised in the opening balance of equity at 1 April 2018.

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15號「客戶合約收益」(續)

根據國際財務報告準則第15號，實體於完成履約責任時確認收益，即於特定履約責任相關之貨品或服務之「控制權」轉讓予客戶時。國際財務報告準則第15號已就特別情況之處理方法加入更明確指引。此外，國際財務報告準則第15號規定作出更詳盡之披露。

於2016年，國際會計準則理事會頒佈有關國際財務報告準則第15號識別履約責任、主事人與代理的考量及許可證申請指引之分類。

本公司董事已評核應用國際財務報告準則第15號的影響，並識別以下範圍將受影響：

根據本集團會員計劃，顧客於特定期限內可選擇於日後購物時利用其會員積分獲取折扣，此計劃向顧客授出重大的權利，使本公司須承擔獨立的履約責任。根據國際財務報告準則第15號，交易價格之一部分需分配至該選擇權，而該金額在額外的貨品或服務轉入顧客或選擇權到期時確認為收益。目前，本集團確認其就估計未來提供獎勵的成本供應已折扣的貨品或服務之責任，並將有關收益遞延。於此階段，本集團估計應用國際財務報告準則第15號後對綜合財務報表的影響金額並不重大。

此外，日後應用國際財務報告準則第15號可能需於綜合財務報表作更詳盡的披露。

本公司董事擬應用有限追溯方法，於2018年4月1日的年初權益結餘中確認初始應用的累計影響。

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

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 2018, the Group has non-cancellable operating lease commitments of HK\$2,802.2 million as disclosed in note 31. On transition to IFRS 16, the Group plans to apply the practical expedient to apply IFRS 16 only to contracts that were previously identified as leases applying IAS 17 “Lease” (the “IAS 17”) and IFRIC 4 “Determining whether an Arrangement Contains a Lease”. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases. In addition, the Group currently considers refundable rental deposits paid of HK\$306.0 million included in “trade and other receivables” as at 31 March 2018 as rights and obligations under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets. Accordingly, these deposits are accounted for as financial assets and will be measured at amortised cost. The difference between the carrying amount and the amortised costs of these deposits on the date of initial application of IFRS 16 will be added to the carrying amount of the right-of-use assets upon initial application of IFRS 16.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosures as indicated above.

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出租人和承租人的會計處理，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2018年3月31日，本集團有不可撤銷的經營租賃承擔2,802.2百萬港元（如附註31所披露）。於過渡至國際財務報告準則第16號時，作為權宜之計，本集團計劃僅將國際財務報告準則第16號應用於以往應用國際會計準則第17號「租賃」（「國際會計準則第17號」）及國際財務報告詮釋公告第4號「釐定安排是否包含租賃」時判別為租賃的合約。應用國際財務報告準則第16號後，本集團將就所有相關租賃確認資產使用權及相應負債，除非該等租賃的質素屬低價值或屬短期租賃。此外，本集團目前將於2018年3月31日計入「貿易及其他應收款項」的已付之可退回租金按金306.0百萬港元視為國際會計準則第17號適用之租賃項下之權利及責任。根據國際財務報告準則第16號項下之租賃付款定義，該等按金並非有關使用相關資產之權利之付款。因此，該等按金入賬為金融資產，並按攤銷成本計量。在首次應用國際財務報告準則第16號當日，該等按金的賬面值及攤銷成本之差額將加進首次應用國際財務報告準則第16號後使用權資產的賬面值。

此外，應用新規定或使上文所示的計量、呈列及披露有所變動。

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. 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, 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，公平值的計算採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。

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投資對象。

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 existing 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 and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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撤銷。

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

本集團於現有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，包括按本集團及非控股權益之權益比例，重新歸屬本集團及非控股權益之間的相關儲備。

非控股權益之調整金額以及已付或已收代價之公平值間之任何差額直接於權益確認，並歸屬於本公司擁有人。

3. Significant Accounting Policies (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, the assets and liabilities of the subsidiary and non-controlling interests (if any) are derecognised. 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).

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.

3. 重大會計政策(續)

本集團於現有附屬公司之擁有權益變動(續)

倘本集團失去對附屬公司之控制權，則附屬公司及非控股權益的資產及負債(如有)將終止確認。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)。

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。

3. Significant Accounting Policies (Continued)

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 scheme, 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 is accrued on a time apportionment 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)

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。

利息收入參照未償還本金額及適用的實際利率按時間劃分基準累計，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 subsequent accumulated impairment losses, if any.

For land and buildings where the cost of land cannot be reliably allocated between the land and buildings elements, the cost of land and buildings are depreciated and amortised on a straight-line basis over the lease terms or 20 years, whichever is the shorter.

Depreciation is recognised so as to write off the cost of other property, plant and equipment, other than construction in progress and land and buildings, less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

| | |
|-----------------------------------|--|
| Plant and machinery | 10% |
| Furniture, fixtures and equipment | 20%–33 $\frac{1}{3}$ % |
| Leasehold improvements | Over the lease term, or 20%, whichever is the shorter |
| Motor vehicles | 25% |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties which comprise a portion that is held to earn rentals and another significant portion that is held for use in the production or supply of goods or for administrative purposes, and the portion of properties rent out under operating lease cannot be sold out separately (or cannot be leased out separately under a finance lease), are accounted for as property, plant and equipment.

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.

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其後累計減值虧損(如有)於綜合財務狀況表列賬。

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 $\frac{1}{3}$ % |
| 租賃物業裝修 | 按租約年期，或20% (以期限較短者為準) |
| 汽車 | 25% |

估計可使用年期、剩餘價值及折舊方法於各報告期終時檢討，而估計之任何變動的影響按預期基準列賬。

倘物業由持作賺取租金的部分及另一持作生產或供應貨品或作行政用途的重要部分組成，而以經營租賃出租的該部分物業不可獨立出售(或不可以融資租賃獨立出租)，該等物業計入物業、廠房及設備。

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。

3. Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

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.

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.

3. 重大會計政策(續)

物業、廠房及設備(續)

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。

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。

3. Significant Accounting Policies (Continued)

Land use rights

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land elements and building element at initial recognition.

To the extent the allocation of the relevant 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 statement of financial position 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 leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

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.

3. 重大會計政策(續)

土地使用權

本集團為包括土地及樓宇兩部份之物業權益支付款項時，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的依據，但當兩者均明顯為經營租賃，則全部物業入賬為經營租賃。具體而言，全部代價(包括任何一次性預付款)，以土地租賃權益和樓宇租賃權益相關公平值的比例於初始確認時分配到租賃土地及樓宇部份。

倘能可靠地分配相關款項，入賬為經營租賃的租賃土地權益將於綜合財務狀況表列賬為「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。

在租賃款項不能在租賃土地及樓宇之間作可靠分配的情況下，全數物業一般當作以融資租賃持有租賃土地分類。

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。

3. Significant Accounting Policies (Continued)

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.

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 FVTPL) 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 FVTPL are recognised immediately in profit or loss.

3. 重大會計政策(續)

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。

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。

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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 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).

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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產

本集團的金融資產為貸款及應收款項。分類視乎金融資產的性質及目的，於初步確認時釐定。

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之會計政策)。

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。

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

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。

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。

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.

Financial liabilities

Financial liabilities classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

Financial liabilities at FVTPL

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.

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.

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。

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。

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。

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 asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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。

當無法個別估計一項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(或現金產生單位)特有風險之當前市場評估之稅前貼現率貼現至其現值。

3. Significant Accounting Policies (Continued)

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income or expense items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

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.

3. 重大會計政策(續)

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(續)

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內確認。

稅項

所得稅開支指即期應繳稅項與遞延稅項的總和。

即期應付稅項乃根據年內的應課稅溢利計算。由於應課稅溢利不包括須於其他年度應課稅或可扣稅的收入或開支項目，亦不包括毋須課稅或不可扣稅的收入或開支項目，故應課稅溢利與綜合損益及其他全面收益表內列賬的「除稅前溢利」不同。本集團的即期稅項負債乃採用於各報告期末已實施或實質上已實施的稅率計算。

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。

3. Significant Accounting Policies (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

3. 重大會計政策(續)

稅項(續)

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及聯營公司相關的應課稅暫時性差異確認遞延稅項負債。與該等投資及權益相關的可扣減暫時性差異所產生的遞延稅項資產僅在動用暫時性差異利益時有足夠的應課稅溢利且預期在可見將來其將被撥回時，方可確認。

於報告期末會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利以收回全部或部份資產為止。

遞延稅項資產及負債基於報告期末已頒佈或實質上已頒佈的稅率(及稅法)，按償還負債或變現資產期間的預期適用稅率計算。遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算資產及負債賬面值的方式產生的稅務結果。

即期及遞延稅項於損益內確認，惟若與其他全面收益或直接於權益確認的項目相關者，則亦分別於其他全面收益或直接在權益確認。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。

3. Significant Accounting Policies (Continued)

Foreign currencies (Continued)

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.

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 in profit or loss 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.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease 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.

3. 重大會計政策(續)

外幣(續)

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權益項下之換算儲備，如情況適用則計入非控股權益。該等匯兌差額於海外業務被出售期間重新分類至損益。

關於出售附屬公司部份權益，而不會導致本集團失去對該附屬公司的控制權，累計匯兌差額的按比例份額重新歸入非控股權益，並不於損益內確認。

租賃

其條款將所有權絕大部份風險及回報轉讓予承租人的租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

經營租賃之租金收入按直線法在有關租賃之租期內於損益確認。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。

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。

3. Significant Accounting Policies (Continued)

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, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in “selling and distribution costs” and “general and administrative expenses”. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

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

3. 重大會計政策(續)

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、資產上限變動產生的影響(如適用)及計劃資產的回報(利息除外)組成的重新計量會即時在綜合財務狀況表反映，並在其發生期間的其他全面收益中確認為支銷或進賬。在其他全面收益中確認的重新計量即時於保留盈利中反映，且不會重新歸類至損益。過往服務成本在計劃修訂期內於損益中確認。利息淨額透過對界定福利負債或資產淨額採用期初貼現率計算。

界定福利成本分類如下：

- 服務成本(包括現時服務成本、過往服務成本以及削減及結算錄得的收益及虧損)；
- 利息開支或收入淨額；及
- 重新計量。

本集團於損益內分別以「銷售及分銷成本」及「一般及行政開支」呈列定額福利成本首兩個項目。削減損益計入過往服務成本。

在綜合財務狀況表內確認的退休福利承擔，乃為定額福利承擔的現值。

短期僱員福利

短期僱員福利乃於員工提供服務時確認預期將支付的福利之未貼現金額。所有短期僱員福利均確認為開支，除非另有國際財務報告準則要求或允許在資產成本中計入福利。

經扣除任何已付金額後，僱員應得的福利(例如工資及薪金、年假及病假)確認為負債。

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 following are 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.

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 reviews on a regular basis the suitability of the allowance policy and has applied the policy consistently. The Group's management on a regular basis reviews the inventory age listing to identify any slow-moving inventories and will estimate the amount of allowance primarily based on the pricing policy and strategies and the historical experience in selling goods of similar nature. The Group's management also engages an independent professional gemologist 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 2018, the carrying amount of inventories was HK\$34,929.4 million (net of allowances of HK\$277.1 million) (2017: carrying amount of HK\$29,259.3 million (net of allowances of HK\$86.6 million)). Allowances on inventories of HK\$207.7 million (2017: HK\$39.8 million) were recognised in profit or loss during the year ended 31 March 2018.

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。

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，並已經一致採納有關政策。本集團管理層定期檢閱貨齡清單，判別任何滯銷存貨，並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，本集團管理層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2018年3月31日，存貨的賬面值為34,929.4百萬港元（扣減撥備277.1百萬港元）（2017年：賬面值29,259.3百萬港元（扣減撥備86.6百萬港元））。截至2018年3月31日止年度於損益內確認的存貨撥備為207.7百萬港元（2017年：39.8百萬港元）。

4. Key Sources of Estimation Uncertainty

(Continued)

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 gemologist and assess the recoverable amount periodically with reference to international diamond prices and market research reports on jewellery industry. The Group's management on a regular basis reviews if there is impairment indicator and estimated the recoverable amount if necessary. The Group's management also engages 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. As at 31 March 2018, the carrying amount of jewellery collectibles was HK\$1,520.1 million (2017: HK\$967.1 million). The management of the Group determined that the carrying amount of jewellery collectibles approximated its recoverable amount.

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 2018, the carrying amounts of property, plant and equipment, investment properties and other intangible assets were HK\$5,340.7 million (2017: HK\$4,666.3 million), HK\$233.5 million (2017: HK\$250.0 million) and HK\$306.4 million (2017: HK\$356.3 million), respectively.

4. 估計不明朗因素的主要來源(續)

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，本集團管理層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2018年3月31日，珠寶珍藏的賬面值為1,520.1百萬港元(2017年：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。

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2018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5,340.7百萬港元(2017年：4,666.3百萬港元)、233.5百萬港元(2017年：250.0百萬港元)及306.4百萬港元(2017年：356.3百萬港元)。

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 2018 amounting to HK\$7,948.4 million (2017: HK\$5,304.3 million) will be distributed by the subsidiaries as dividend in the foreseeable future, while the remaining retained profits amounting to HK\$6,784.0 million (2017: HK\$7,496.0 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 years ended 31 March 2018 and 2017 included two segments, namely (i) business in the Mainland China and (ii) business in Hong Kong, Macau and other markets.

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2018年3月31日之保留溢利合共7,948.4百萬港元(2017年：5,304.3百萬港元)將於可見未來分派作為股息，而餘下保留溢利合共6,784.0百萬港元(2017年：7,496.0百萬港元)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2018年3月31日及2017年3月31日止年度，本集團的可呈報營運分部包括兩個分部，即(i)位於中國內地的業務及(ii)位於香港、澳門及其他市場的業務。

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 | |
|---|----------------------------------|------------------------------|------------------------------|--|------------------------------|------------------------------|------------------------------|
| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
| Revenue | 營業額 | | | | | | |
| External sales (note i) | 外界銷售(附註i) | | | | | | |
| — Retail | — 零售 | 28,096.2 | 24,313.7 | 20,632.7 | 19,299.2 | 48,728.9 | 43,612.9 |
| — Wholesale (note ii) | — 批發(附註ii) | 8,708.3 | 6,705.4 | 1,719.2 | 927.2 | 10,427.5 | 7,632.6 |
| Segment/group revenue | 分部/集團營業額 | 36,804.5 | 31,019.1 | 22,351.9 | 20,226.4 | 59,156.4 | 51,245.5 |
| Inter-segment sales (note iii) | 分部間銷售(附註iii) | 25.9 | 384.8 | 3,122.2 | 2,241.2 | 3,148.1 | 2,626.0 |
| | | 36,830.4 | 31,403.9 | 25,474.1 | 22,467.6 | 62,304.5 | 53,871.5 |
| Adjusted gross profit (before elimination) | 經調整毛利(撇銷前) | 10,574.4 | 9,217.3 | 5,697.2 | 5,467.3 | 16,271.6 | 14,684.6 |
| Inter-segment eliminations | 分部間撇銷 | (1.3) | 0.3 | (151.5) | (57.8) | (152.8) | (57.5) |
| Adjusted gross profit (note i) | 經調整毛利(附註i) | 10,573.1 | 9,217.6 | 5,545.7 | 5,409.5 | 16,118.8 | 14,627.1 |
| Other income | 其他收入 | 292.7 | 211.5 | 115.2 | 118.0 | 407.9 | 329.5 |
| Selling and distribution costs and general and administrative expenses | 銷售及分銷成本與 一般及行政開支 | (6,598.8) | (5,853.8) | (4,321.5) | (4,453.5) | (10,920.3) | (10,307.3) |
| Core operating profit (segment result) | 主要經營溢利 (分部業績) | 4,267.0 | 3,575.3 | 1,339.4 | 1,074.0 | 5,606.4 | 4,649.3 |
| Unrealised hedging gain on gold Others (note iv) | 黃金未變現對沖收益 其他(附註iv) | | | | | 94.6 294.3 | 335.6 (509.9) |
| Interest income | 利息收入 | | | | | 80.3 | 140.0 |
| Finance costs | 融資成本 | | | | | (243.7) | (236.6) |
| Profit before taxation | 除稅前溢利 | | | | | 5,831.9 | 4,378.4 |
| 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 | 1,872.0 | 1,699.5 | 16.4 | 16.9 | 1,888.4 | 1,716.4 |
| Operating lease payments in respect of rented premises | 承租物業經營租賃款項 | 276.3 | 249.5 | 1,306.1 | 1,580.7 | 1,582.4 | 1,830.2 |
| Staff costs | 員工成本 | 2,471.0 | 2,119.0 | 1,465.2 | 1,430.5 | 3,936.2 | 3,549.5 |

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\$661.9 million (2017: HK\$657.0 million) and HK\$270.2 million (2017: HK\$290.8 million) are generated from Hearts On Fire (defined in note 17).
- (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 on gold. Core operating profit represents the profit generated from each segment without allocation of unrealised hedging gain 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 | |
|---|------------------------------|------------------------------|--|------------------------------|------------------------------|------------------------------|
| | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
| Property, plant and equipment 物業、廠房及設備 | 3,958.4 | 3,349.4 | 1,382.3 | 1,316.9 | 5,340.7 | 4,666.3 |
| Investment properties 投資物業 | – | – | 233.5 | 250.0 | 233.5 | 250.0 |
| Jewellery collectibles 珠寶珍藏 | – | – | 1,520.1 | 967.1 | 1,520.1 | 967.1 |
| Inventories 存貨 | 18,387.8 | 13,480.5 | 16,541.6 | 15,778.8 | 34,929.4 | 29,259.3 |

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分析： (續)

附註：

- (i) 來自 Hearts On Fire (定義見附註17) 的外界銷售及經調整毛利為 661.9 百萬港元 (2017 年：657.0 百萬港元) 及 270.2 百萬港元 (2017 年：290.8 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、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:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|------------------------------------|------------|------------------------------|------------------------------|
| Retail sales of | 零售銷售 | | |
| — Gem-set jewellery | — 珠寶鑲嵌首飾 | 11,659.1 | 11,075.6 |
| — Gold products | — 黃金產品 | 28,159.3 | 24,524.0 |
| — Platinum/karat gold products | — 鉑金/K金產品 | 5,463.2 | 5,098.8 |
| — Watches | — 鐘錶 | 3,447.3 | 2,914.5 |
| | | 48,728.9 | 43,612.9 |
| Wholesale to franchisees/retailers | 向加盟商/分銷商批發 | 9,163.0 | 7,208.4 |
| Jewellery trading | 珠寶貿易 | 1,144.1 | 352.4 |
| Service income from franchisees | 來自加盟商的服務收入 | 120.4 | 71.8 |
| | | 59,156.4 | 51,245.5 |

No individual customer contributed over 10% of the total revenue of the Group in both years.

The Group's non-current assets, excluding loan receivables, interests in associates, amounts due from associates and deferred tax assets, by geographical areas are as follows:

5. 營業額及分部資料(續)

(c) 本集團營業額分析如下：

兩個年度內，概無個別顧客佔本集團每年總營業額10%以上。

按地域位置劃分的本集團非流動資產(不包括應收貸款、於聯營公司之權益、應收聯營公司款項及遞延稅項資產)分析如下：

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|------------------------------------|------------|------------------------------|------------------------------|
| Mainland China | 中國內地 | 4,161.6 | 3,572.5 |
| Hong Kong, Macau and other markets | 香港、澳門及其他市場 | 3,714.3 | 3,162.6 |
| | | 7,875.9 | 6,735.1 |

6. Other Income

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--------------------------|----------|------------------------------|------------------------------|
| Government grants (note) | 政府補貼(附註) | 138.8 | 100.9 |
| Commission income | 回扣收入 | 89.6 | 95.7 |
| Franchise income | 加盟費收入 | 81.1 | 62.3 |
| Gain on scrap sales | 廢料銷售收益 | 19.2 | 14.4 |
| Rental income | 租金收入 | 12.5 | 12.5 |
| Others | 其他 | 66.7 | 43.7 |
| | | 407.9 | 329.5 |

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

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---|--------------|------------------------------|------------------------------|
| Net foreign exchange gain (loss) | 匯兌收益(虧損)淨額 | 343.0 | (272.9) |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | (7.1) | (10.3) |
| Others | 其他 | 6.5 | (2.6) |
| | | 342.4 | (285.8) |

7. 其他收益及虧損

8. Interest Income and Finance Costs

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|-----------------------------|----------|------------------------------|------------------------------|
| Interest income from | 利息收入 | | |
| — banks | — 銀行 | 66.9 | 121.9 |
| — trade receivables | — 貿易應收款項 | 13.1 | 17.7 |
| — loan receivables | — 應收貸款 | 0.3 | 0.4 |
| | | 80.3 | 140.0 |
| Finance costs on borrowings | 借貸融資成本 | | |
| — gold loans | — 黃金借貸 | 133.0 | 143.3 |
| — bank borrowings | — 銀行貸款 | 110.7 | 93.3 |
| | | 243.7 | 236.6 |

8. 利息收入及融資成本

9. Profit before Taxation

9. 除稅前溢利

| | | 2018 HK\$ million 百萬港元 | 2017 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) | 62.4 | 49.6 |
| Staff's retirement benefits scheme contributions | 員工退休福利計劃供款 | 546.2 | 531.7 |
| Staff costs | 員工成本 | 3,327.6 | 2,968.2 |
| | | 3,936.2 | 3,549.5 |
| Cost of inventories recognised as expenses | 存貨成本確認為開支 | 41,579.9 | 35,327.0 |
| Concessionaire fees | 專櫃分成 | 1,888.4 | 1,716.4 |
| Operating lease rentals in respect of rented premises | 承租物業經營租賃租金 | 1,582.4 | 1,830.2 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 806.6 | 788.8 |
| Depreciation of investment properties | 投資物業折舊 | 14.3 | 14.4 |
| Amortisation of land use rights | 土地使用權攤銷 | 14.3 | 14.0 |
| Amortisation of other intangible assets | 其他無形資產攤銷 | 49.9 | 51.2 |
| Allowances on inventories (included in cost of goods sold) | 存貨準備(計入銷售成本內) | 207.7 | 39.8 |
| Allowances for doubtful debts | 壞賬準備 | 18.3 | 3.7 |
| Fair value loss (gain) of gold loans (included in cost of goods sold) | 黃金借貸的公平值虧損(收益) (計入銷售成本內) | 35.3 | (107.2) |
| Donations (included in other expenses) | 捐款(計入其他開支內) | 8.3 | 10.8 |
| Auditors' remuneration | 核數師酬金 | | |
| — audit services | — 核數服務 | 8.7 | 8.8 |
| — non-audit services | — 非核數服務 | 3.1 | 3.5 |
| 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 |

10. Directors', Chief Executives' and Employees' Emoluments

10. 董事、最高行政人員及僱員酬金

| | | 2018 HK\$ million 百萬港元 | 2017 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 | 27.0 | 25.3 |
| — performance-based bonus | — 績效花紅 | 28.9 | 18.2 |
| — retirement benefits scheme contributions | — 退休福利計劃供款 | 2.4 | 2.0 |
| | | 62.4 | 49.6 |

10. Directors', Chief Executives' and Employees' 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：

| | | 2018 | | | | | 2017 | | | | |
|---|------------------|------------------------------|---------------------------------|--|--|----------------------------|------------------------------|---------------------------------|--|--|----------------------------|
| | | 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 |
| | | 董事袍金 HK\$ million 百萬港元 | 薪金及其他福利 HK\$ million 百萬港元 | 績效花紅 HK\$ million (note i) 百萬港元 | 退休福利計劃供款 HK\$ million 百萬港元 | 總計 HK\$ million 百萬港元 | 董事袍金 HK\$ million 百萬港元 | 薪金及其他福利 HK\$ million 百萬港元 | 績效花紅 HK\$ million (note i) 百萬港元 | 退休福利計劃供款 HK\$ million 百萬港元 | 總計 HK\$ million 百萬港元 |
| Executive directors: | 執行董事： | | | | | | | | | | |
| Dr. Cheng Kar-Shun, Henry (Chairman) | 鄭家純博士(主席) | 0.2 | 4.5 | 4.7 | 0.2 | 9.6 | 0.2 | 4.4 | 3.1 | 0.2 | 7.9 |
| Mr. Wong Siu-Kee, Kent (Managing Director) | 黃紹基先生 (董事總經理) | 0.2 | 4.5 | 5.0 | 0.5 | 10.2 | 0.2 | 4.3 | 3.3 | 0.4 | 8.2 |
| Dr. Cheng Chi-Kong, Adrian | 鄭志剛博士 | 0.2 | 1.6 | 2.0 | 0.2 | 4.0 | 0.2 | 1.1 | 0.8 | 0.1 | 2.2 |
| Mr. Cheng Chi-Heng, Conroy | 鄭志恒先生 | 0.2 | 2.3 | 1.2 | 0.3 | 4.0 | 0.2 | 2.1 | 1.5 | 0.2 | 4.0 |
| Mr. Cheng Ping-Hei, Hamilton | 鄭炳熙先生 | 0.2 | 2.5 | 2.7 | 0.3 | 5.7 | 0.2 | 2.4 | 1.8 | 0.2 | 4.6 |
| Mr. Chan Sai-Cheong | 陳世昌先生 | 0.2 | 3.0 | 3.7 | 0.3 | 7.2 | 0.2 | 2.9 | 2.0 | 0.3 | 5.4 |
| Mr. Suen Chi-Keung, Peter | 孫志強先生 | 0.2 | 2.3 | 2.4 | 0.2 | 5.1 | 0.2 | 2.1 | 1.5 | 0.2 | 4.0 |
| Mr. Chan Hiu-Sang, Albert | 陳曉生先生 | 0.2 | 2.4 | 2.5 | 0.1 | 5.2 | 0.2 | 2.3 | 1.7 | 0.1 | 4.3 |
| Mr. Liu Chun Wai, Bobby | 廖振為先生 | 0.2 | 2.2 | 2.7 | 0.2 | 5.3 | 0.2 | 2.1 | 1.4 | 0.2 | 3.9 |
| Non-executive director: | 非執行董事： | | | | | | | | | | |
| Mr. Cheng Kam-Biu, Wilson | 鄭錦標先生 | 0.2 | 1.7 | 1.5 | 0.1 | 3.5 | 0.2 | 1.6 | 1.1 | 0.1 | 3.0 |
| Independent non-executive directors: | 獨立非執行董事： | | | | | | | | | | |
| Mr. Cheng Ming-Fun, Paul | 鄭明訓先生 | 0.4 | - | 0.1 | - | 0.5 | 0.4 | - | - | - | 0.4 |
| Dr. Fung Kwok-King, Victor | 馮國經博士 | 0.4 | - | 0.1 | - | 0.5 | 0.4 | - | - | - | 0.4 |
| Mr. Kwong Che-Keung, Gordon | 鄺志強先生 | 0.5 | - | 0.1 | - | 0.6 | 0.5 | - | - | - | 0.5 |
| Mr. Lam Kin-Fung, Jeffrey | 林健鋒先生 | 0.4 | - | 0.1 | - | 0.5 | 0.4 | - | - | - | 0.4 |
| Dr. Or Ching-Fai, Raymond | 柯清輝博士 | 0.4 | - | 0.1 | - | 0.5 | 0.4 | - | - | - | 0.4 |
| Total | 總計 | 4.1 | 27.0 | 28.9 | 2.4 | 62.4 | 4.1 | 25.3 | 18.2 | 2.0 | 49.6 |

Note:

(i) The performance-based bonus is discretionary based on the Group's financial results and directors' performance decided by the management of the Group.

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。

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.

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。

10. Directors', Chief Executives' and Employees' Emoluments (Continued)

Five highest paid individuals

The five highest paid individuals included five directors (2017: four) of the Company, details of whose emoluments are included above. The emoluments of the remaining highest paid individual during the year ended 31 March 2017 were as follows:

| | | 2017 HK\$ million 百萬港元 |
|---|--------------------------|------------------------------|
| Employee | 僱員 | |
| — salaries and other benefits | — 薪金及其他福利 | 3.6 |
| — 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 |

The emoluments were within the following band:

其薪酬乃介乎下列範圍：

| | | Number of employee 僱員數目 2017 |
|----------------------------------|------------------------------|---------------------------------------|
| HK\$18,000,001 to HK\$18,500,000 | 18,000,001 港元至 18,500,000 港元 | 1 |

During the years ended 31 March 2018 and 2017, 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 years ended 31 March 2018 and 2017.

截至2018年3月31日及2017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，以作為吸引彼等加入或當加入本集團時的獎勵。截至2018年3月31日及2017年3月31日止年度並無任何董事放棄任何薪酬。

10. 董事、最高行政人員及僱員酬金 (續)

五名最高酬金人士

五名最高酬金人士包括本公司五名董事（2017年：四名），彼等薪酬詳情載於上文。截至2017年3月31日止年度內餘下最高酬金人士的薪酬如下：

10. Directors', Chief Executives' and Employees' 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 | |
|-----------------------------|----------------------------|-------------------------------|------|
| | | 2018 | 2017 |
| 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 |
| HK\$1,500,001–HK\$2,000,000 | 1,500,001 港元至 2,000,000 港元 | 8 | 7 |
| HK\$2,000,001–HK\$2,500,000 | 2,000,001 港元至 2,500,000 港元 | 1 | – |
| | | 9 | 10 |

11. Taxation

10. 董事、最高行政人員及僱員酬金 (續)

高級管理人員酬金

除上述董事及五名最高酬金人士的酬金外，高級管理人員（履歷載於「董事及高級管理人員簡介」一節）的酬金乃介乎下列範圍：

11. 稅項

| | | 2018 HK\$ million 百萬港元 | 2017 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 | 941.1 | 720.9 |
| Hong Kong Profits Tax | 香港利得稅 | 401.2 | 150.5 |
| Macau complementary tax | 澳門所得補充稅 | 44.5 | 36.3 |
| Taxation in other jurisdictions | 其他司法地區之稅項 | 1.1 | 0.7 |
| | | 1,387.9 | 908.4 |
| (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 | (17.5) | (11.8) |
| Hong Kong Profits Tax | 香港利得稅 | 0.2 | 0.3 |
| Macau complementary tax | 澳門所得補充稅 | – | 1.9 |
| | | (17.3) | (9.6) |
| Deferred tax charge (note 22) | 遞延稅項開支(附註22) | 230.9 | 300.2 |
| Withholding tax* | 預扣稅* | 27.1 | 28.3 |
| | | 1,628.6 | 1,227.3 |

* 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間中國內地授權收入及利息收入預扣稅。

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(「中國」)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：

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---|---|------------------------------|------------------------------|
| Profit before taxation | 除稅前溢利 | 5,831.9 | 4,378.4 |
| 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%) | 1,465.6 | 977.9 |
| Tax effect of expenses not deductible for tax purposes | 不可扣稅開支的稅務影響 | 36.8 | 110.6 |
| Tax effect of income not taxable for tax purposes | 毋須課稅收入的稅務影響 | (85.7) | (67.6) |
| Tax effect of tax losses not recognised | 未確認稅項虧損的稅務影響 | 80.5 | 92.5 |
| Utilisation of tax losses previously not recognised | 動用先前未確認的稅項虧損 | (40.7) | (31.6) |
| 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 | (38.2) | (19.0) |
| 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 | 204.7 | 144.9 |
| Overprovision in prior years | 過往年度超額撥備 | (17.3) | (9.6) |
| Withholding tax | 預扣稅 | 27.1 | 28.3 |
| Others | 其他 | (4.2) | 0.9 |
| Taxation charge for the year | 年內稅項支出 | 1,628.6 | 1,227.3 |

11. Taxation (Continued)

At 31 March 2018, the Group has tax losses of HK\$870.0 million (2017: HK\$812.6 million) not recognised as deferred tax assets. All of the unrecognised tax losses may be carried forward indefinitely, except for HK\$261.9 million (2017: HK\$314.1 million) which will be expired on or before 31 December 2023.

At 31 March 2018, the Group has deductible temporary differences of HK\$13.8 million (2017: HK\$9.0 million) of which deferred taxation has not been recognised. Tax effect of such deductible temporary differences as at 31 March 2018 was HK\$2.3 million (2017: HK\$1.5 million).

Under the EIT Law of the PRC, withholding tax of 5% to 10% (2017: 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 2018 amounting to HK\$7,948.4 million (2017: HK\$5,304.3 million) will be distributed as dividend in the foreseeable future, while the remaining retained profits amounting to HK\$6,784.0 million (2017: HK\$7,496.0 million) has been set aside for reinvestment and will not be distributed in the foreseeable future.

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 (2017: 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.

11. 稅項(續)

於2018年3月31日，本集團未確認為遞延稅項資產的稅項虧損為870.0百萬港元(2017年：812.6百萬港元)。所有未確認稅項虧損可無限期結轉，惟261.9百萬港元(2017年：314.1百萬港元)將於2023年12月31日或之前屆滿。

於2018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13.8百萬港元(2017年：9.0百萬港元)。上述於2018年3月31日可扣減暫時性差異的稅務影響為2.3百萬港元(2017年：1.5百萬港元)。

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%(2017年：5%至10%)之預扣稅。根據管理層的股息分派計劃，於2018年3月31日的保留溢利合共7,948.4百萬港元(2017年：5,304.3百萬港元)將在可見將來作為股息分派，而餘下保留溢利合共6,784.0百萬港元(2017年：7,496.0百萬港元)已保留作再投資用途，不會在可見將來分派。

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(2017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

13. 股息

| | | 2018 | | 2017 | |
|--|-----------------|----------------------------|----------------------|----------------------------|----------------------|
| | | 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 paid and recognised as distribution during the year: | 於年內支付及確認為分派之股息： | | | | |
| For current year: | 本年度： | | | | |
| Interim | 中期 | 12.0 | 1,200.0 | 6.0 | 600.0 |
| Special | 特別 | — | — | 15.0 | 1,500.0 |
| For prior year: | 上年度： | | | | |
| Final | 末期 | 10.0 | 1,000.0 | 8.0 | 800.0 |
| Special | 特別 | 20.0 | 2,000.0 | 22.0 | 2,200.0 |
| | | | 4,200.0 | | 5,100.0 |

Subsequent to the end of the reporting period, a final dividend of HK15.0 cents per share and a special dividend of HK30.0 cents per share, totalling HK\$4,500.0 million in respect of the year ended 31 March 2018 (2017: 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) 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2018年3月31日止年度派付末期股息每股15.0港仙及特別股息每股30.0港仙，合共4,500.0百萬港元(2017年：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)，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 |
|--|-------------|---|--|---|--|--|--|-------------------------------------|
| COST | | | | | | | | |
| | 成本 | | | | | | | |
| At 1 April 2016 | 於2016年4月1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 |
| Currency realignment | 貨幣調整 | 323.9 | 44.3 | 107.0 | 230.6 | 3.9 | 32.1 | 741.8 |
| Additions | 添置 | 1.2 | 95.2 | 392.6 | 318.4 | 5.7 | 300.4 | 1,113.5 |
| Transfer | 轉撥 | 367.7 | 7.7 | 2.0 | 31.6 | – | (409.0) | – |
| Disposals | 出售 | (4.6) | (15.7) | (127.0) | (18.2) | (5.5) | – | (171.0) |
| Transferred from investment properties | 轉自投資物業 | 2.2 | – | – | – | – | – | 2.2 |
| At 31 March 2018 | 於2018年3月31日 | 4,115.1 | 503.1 | 2,547.8 | 2,791.5 | 53.4 | 430.7 | 10,441.6 |
| DEPRECIATION | | | | | | | | |
| | 折舊 | | | | | | | |
| At 1 April 2016 | 於2016年4月1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 | 出售撤銷 | – | (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 |
| Currency realignment | 貨幣調整 | 59.6 | 19.0 | 75.7 | 184.8 | 3.0 | – | 342.1 |
| Provided for the year | 年內撥備 | 182.6 | 27.2 | 331.4 | 260.2 | 5.2 | – | 806.6 |
| Eliminated on disposals | 出售撤銷 | (1.4) | (8.7) | (108.0) | (13.5) | (5.0) | – | (136.6) |
| At 31 March 2018 | 於2018年3月31日 | 826.7 | 151.8 | 1,890.6 | 2,188.5 | 43.3 | – | 5,100.9 |
| CARRYING VALUES | | | | | | | | |
| | 賬面值 | | | | | | | |
| At 31 March 2018 | 於2018年3月31日 | 3,288.4 | 351.3 | 657.2 | 603.0 | 10.1 | 430.7 | 5,340.7 |
| 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 |

14. Property, Plant and Equipment (Continued)

The carrying values of the Group's properties (including construction in progress) are analysed as follows:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|-------------------|------|------------------------------|------------------------------|
| In Mainland China | 中國內地 | 2,850.0 | 2,696.5 |
| In Hong Kong | 香港 | 869.1 | 648.3 |
| In South Africa | 南非 | - | 1.2 |
| | | 3,719.1 | 3,346.0 |

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

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--|--------------------|------------------------------|------------------------------|
| Carrying amount | 賬面值 | | |
| At 1 April | 於4月1日 | 198.6 | 226.1 |
| Currency realignment | 貨幣調整 | 20.6 | (13.5) |
| Charged to profit or loss during the year | 於年內自損益扣除 | (14.3) | (14.0) |
| At 31 March | 於3月31日 | 204.9 | 198.6 |
| 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) | 15.1 | 13.7 |
| Non-current assets | 非流動資產 | 189.8 | 184.9 |
| | | 204.9 | 198.6 |

15. 土地使用權

16. Investment Properties

16. 投資物業

HK\$ million
百萬港元

| | | |
|--|-------------|-------|
| COST | 成本 | |
| At 1 April 2016 | 於2016年4月1日 | 296.8 |
| Transferred to property, plant and equipment | 轉撥至物業、廠房及設備 | (9.4) |
| At 31 March 2017 | 於2017年3月31日 | 287.4 |
| Transferred to property, plant and equipment | 轉撥至物業、廠房及設備 | (2.4) |
| At 31 March 2018 | 於2018年3月31日 | 285.0 |
| DEPRECIATION | 折舊 | |
| At 1 April 2016 | 於2016年4月1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) |
| At 31 March 2017 | 於2017年3月31日 | 37.4 |
| Provided for the year | 年內撥備 | 14.3 |
| Transferred to property, plant and equipment | 轉撥至物業、廠房及設備 | (0.2) |
| At 31 March 2018 | 於2018年3月31日 | 51.5 |
| CARRYING VALUES | 賬面值 | |
| At 31 March 2018 | 於2018年3月31日 | 233.5 |
| At 31 March 2017 | 於2017年3月31日 | 250.0 |

The fair value of the Group's investment properties at 31 March 2018 was HK\$365.6 million (2017: HK\$328.5 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 2017 issued by Hong Kong Institute of Surveyors and the RICS Valuation — Global Standards 2017 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2018年3月31日的公平值為365.6百萬港元(2017年: 328.5百萬港元)，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2017及皇家特許測量師學會頒佈的RICS估值 — 全球估價標準2017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。

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:

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：

| | Fair value hierarchy 公平值等級 | Fair value 公平值 | |
|---|-------------------------------|------------------------------|------------------------------|
| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
| At 31 March Industrial property units located in Hong Kong | 於3月31日 位於香港的工業物業單位 | Level 3 第三級 | |
| | | 365.6 | 328.5 |

The above investment properties are depreciated on a straight-line basis over 20 years.

上述投資物業以直線法按20年計提折舊。

17. Goodwill

17. 商譽

| COST AND CARRYING VALUES | | HK\$ million 百萬港元 |
|--|----------------------------------|----------------------|
| 成本及賬面值 | | |
| At 1 April 2016, 31 March 2017 and 31 March 2018 | 於2016年4月1日、2017年3月31日和2018年3月31日 | 257.8 |

The goodwill arose in the acquisition of Hearts On Fire Company, LLC ("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 (2017: 5-year) period, and a discount rate of 10.0% — 13.0% (2017: 10.5% — 13.5%) per annum.

收購Hearts On Fire Company, LLC (「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(2017年: 5年)之財政預算，使用每年10.0%–13.0%(2017年: 10.5%–13.5%)之貼現率以現金流預測法進行計算)而釐定。

17. Goodwill (Continued)

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 years ended 31 March 2018 and 2017. 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.

18. Other Intangible Assets

17. 商譽(續)

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2018年3月31日及2017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。

18. 其他無形資產

Trademarks and
patents
商標及專利
HK\$ million
百萬港元

| | | |
|--|----------------------------------|-------|
| COST | 成本 | |
| At 1 April 2016, 31 March 2017 and 31 March 2018 | 於2016年4月1日、2017年3月31日及2018年3月31日 | 472.9 |
| ACCUMULATED AMORTISATION | 累計攤銷 | |
| At 1 April 2016 | 於2016年4月1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 |
| Provided for the year | 年內撥備 | 49.9 |
| At 31 March 2018 | 於2018年3月31日 | 166.5 |
| CARRYING VALUES | 賬面值 | |
| At 31 March 2018 | 於2018年3月31日 | 306.4 |
| At 31 March 2017 | 於2017年3月31日 | 356.3 |

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. During the year ended 31 March 2017, the jewellery collectibles included an amount of HK\$588.8 million transferred from inventories upon the designation at carrying values. No transfer was made in the current 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。截至2017年3月31日止年度，588.8百萬港元已於指定為非賣品時以賬面值從存貨轉出，並計入珠寶珍藏。本年度概無進行此等轉入。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末的賬面值。

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

| | | 2018 HK\$ million 百萬港元 | 2017 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) | (13.2) |
| Share of translation reserve | 應佔換算儲備 | 1.2 | 1.2 |
| Accumulated impairment loss of interest in an associate | 於一家聯營公司之累計權益減值虧損 | (32.0) | (32.0) |
| | | - | - |

Details of the associates are set out as below:

聯營公司的詳情載列如下：

| Name of company 公司名稱 | Place of incorporation and principal place of operation 註冊成立地點及主要營業地點 | Issued and fully paid registered capital/ 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 |
|--|--|---|---|-------|---|-------|--|
| | | | 2018 | 2017 | 2018 | 2017 | |
| 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 周大福商務管理有限公司 | Hong Kong 香港 | HK\$10 10 港元 | 30.0% | 30.0% | 28.6% | 28.6% | Operating an online shopping platform 經營線上購物平台 |
| Group Program Limited | BVI 英屬維爾京群島 | US\$10 10 美元 | 40.0% | - | 40.0% | - | Operating a customer loyalty scheme in Hong Kong and Mainland China 於香港及中國內地經營客戶忠誠度計劃 |

At 31 March 2017, the directors of the Company considered that recoverable amount of Qianhai CTF was 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 was difficult to obtain unless negotiation with potential purchasers were 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.

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32.0百萬港元及79.6百萬港元。

20. Interests in Associates/Amounts Due from Associates (Continued)

The recoverable amount had been determined based on a value in use calculation. That calculation used 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 relating to the estimation of cash inflows/outflows included budgeted rental income and expenses, such estimation was based on the unit's past performance and management's expectation for the market.

As at 31 March 2018, the remaining amount due from associates of HK\$62.2 million (2017: HK\$19.7 million) is unsecured, interest-free and has no fixed repayment terms.

21. Loan Receivables

Loan receivables represent loan to staff and an amount due from a private entity (the "Issuer") which is principally engaged in agriculture and wholesale of pearls in Australia. 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 2018 and 2017, 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 2018, loan receivable from the Issuer has a principal amount of Australian Dollar ("AUS") 2.7 million (2017: AUS3.0 million), 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:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|-----|----|------------------------------|------------------------------|
| AUS | 澳元 | 16.6 | 18.8 |

20. 於聯營公司之權益／應收聯營公司款項(續)

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2018年3月31日，應收聯營公司餘下款項62.2百萬港元(2017年：19.7百萬港元)為無抵押、免息及無固定還款期。

21. 應收貸款

應收貸款指員工貸款及應收一家主要在澳洲從事珍珠培植及批發的私營實體(「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2018年及2017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，而各公平值均超過其相關貸款的賬面值。

於2018年3月31日，應收發行人貸款的本金額為2.7百萬澳元(2017年：3.0百萬澳元)、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：

22. Deferred Taxation

The followings are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior years:

| | | Unrealised fair value change of gold loans in Mainland China 中國內地黃金借貸之未變現公平值變動 HK\$ million 百萬港元 | Withholding tax on undistributed profits of subsidiaries in Mainland China 中國內地附屬公司未分派溢利之預扣稅 HK\$ million 百萬港元 | Unrealised profit on inventories 存貨之未變現溢利 HK\$ million 百萬港元 | Amortisation and depreciation 攤銷及折舊 HK\$ million 百萬港元 | Tax losses 稅項虧損 HK\$ million 百萬港元 | Others 其他 HK\$ million 百萬港元 | Total 總計 HK\$ million 百萬港元 |
|---|----------------|---|---|--|--|--|--------------------------------------|-------------------------------------|
| At 1 April 2016 | 於2016年4月1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) |
| Charge (credit) to profit or loss (note 11) | 扣除(計入)損益(附註11) | 20.5 | 204.7* | 27.2 | 12.5 | 0.7 | (34.7) | 230.9 |
| Utilised during the year | 年內使用 | – | (96.7) | – | – | – | – | (96.7) |
| Currency realignment | 貨幣調整 | (0.2) | 35.6 | (13.5) | – | – | (1.1) | 20.8 |
| At 31 March 2018 | 於2018年3月31日 | 7.3 | 413.8 | (236.7) | (20.8) | (15.3) | (20.3) | 128.0 |

* 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.

22. 遞延稅項

以下為於本年度及過往年度本集團已確認主要遞延稅項負債(資產)以及有關變動：

* 根據中國企業所得稅法，自2008年1月1日起，凡就中國的附屬公司賺取的溢利向境外投資者宣派股息，均須徵收10%之預扣稅。

按照本集團若干附屬公司取得中國有關政府的批准及重估股息分派計劃，若干該等附屬公司應有權以優惠稅率5%繳納派付股息之預扣稅。

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為就財務報告用途所作出遞延稅項結餘分析：

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--------------------------|--------|------------------------------|------------------------------|
| Deferred tax assets | 遞延稅項資產 | (293.1) | (312.7) |
| Deferred tax liabilities | 遞延稅項負債 | 421.1 | 285.7 |
| | | 128.0 | (27.0) |

23. Inventories

23. 存貨

| | | 2018 HK\$ million 百萬港元 | 2017 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 | 5,064.2 | 5,059.1 |
| Gold products | 黃金產品 | 1,187.1 | 632.8 |
| Platinum/karat gold products | 鉑金/K金產品 | 308.4 | 126.2 |
| | | 6,559.7 | 5,818.1 |
| Finished goods: | 製成品： | | |
| Gem-set jewellery | 珠寶鑲嵌首飾 | 13,114.4 | 11,140.6 |
| Gold products | 黃金產品 | 10,632.2 | 7,826.3 |
| Platinum/karat gold products | 鉑金/K金產品 | 2,414.6 | 2,166.5 |
| Watches | 鐘錶 | 2,096.7 | 2,224.0 |
| | | 28,257.9 | 23,357.4 |
| Packing materials | 包裝物料 | 111.8 | 83.8 |
| | | 34,929.4 | 29,259.3 |

24. Trade and Other Receivables

24. 貿易及其他應收款項

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---|-------------|------------------------------|------------------------------|
| Trade receivables | 貿易應收款項 | 3,393.8 | 2,377.8 |
| Less: Allowance for doubtful debts | 減：壞賬準備 | (42.4) | (21.9) |
| | | 3,351.4 | 2,355.9 |
| Prepayments to suppliers | 向供應商預付款項 | 422.4 | 647.2 |
| Deposits | 按金 | 652.8 | 674.5 |
| Land use rights charged within one year | 一年內支銷的土地使用權 | 15.1 | 13.7 |
| Other tax recoverables | 其他可收回稅項 | 1,836.1 | 1,232.7 |
| Others | 其他 | 132.2 | 133.3 |
| | | 6,410.0 | 5,057.3 |

As at 31 March 2018, trade receivables of HK\$43.6 million and HK\$9.0 million (2017: HK\$63.6 million and HK\$11.3 million) are due from entities in which certain directors of the Company, who are also shareholders of the Company, have beneficial interests in both the Company and those entities, and non-controlling shareholders of the subsidiaries, respectively.

於2018年3月31日，貿易應收款項43.6百萬港元及9.0百萬港元(2017年：63.6百萬港元及11.3百萬港元)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。

24. Trade and Other Receivables (Continued)

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 allows 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:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|----------------|---------|------------------------------|------------------------------|
| 0 to 30 days | 0至30日 | 2,759.3 | 1,836.0 |
| 31 to 90 days | 31至90日 | 405.4 | 416.7 |
| 91 to 180 days | 91至180日 | 170.1 | 64.7 |
| Over 180 days | 180日以上 | 16.6 | 38.5 |
| | | 3,351.4 | 2,355.9 |

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 2018, included in the trade receivable balances are receivables of HK\$173.5 million (2017: HK\$122.1 million) carrying a fixed interest rate ranging from 7.4% to 8.6% (2017: 7.4% to 8.6%) per annum.

Also, as at 31 March 2018, included in the trade receivable balances are trade receivables with aggregate carrying amount of HK\$186.7 million (2017: HK\$103.2 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.

As at 31 March 2018, the accumulated allowance for doubtful debt of HK\$42.4 million (2017: HK\$21.9 million) represents the estimated irrecoverable amounts determined with reference to past default experience of the counterparty and an analysis of the counterparty's current financial positions.

24. 貿易及其他應收款項(續)

本集團對零售顧客的銷售以現金為主，而向若干顧客的銷售則以賒銷形式，信貸期最多為6個月。就專櫃的銷售而言，本集團一般就該等應收款項給予30日的信貸期。

以下為根據發票日期呈列，於報告期末的貿易應收款項的賬齡分析，結算日與各自之收益確認日期相若：

於釐定貿易應收款項的可收回程度時，本集團監察自授出信貸起直至報告日有關貿易應收款項信貸質素的變動。本公司董事認為，貿易應收款項既未逾期亦未減值，信貸質素良好。

於2018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%（2017年：7.4%至8.6%）的應收款項173.5百萬港元（2017年：122.1百萬港元）。

此外，於2018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186.7百萬港元（2017年：103.2百萬港元）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。

於2018年3月31日，42.4百萬港元（2017年：21.9百萬港元）的累計壞賬準備乃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。

24. Trade and Other Receivables (Continued)

Ageing of trade receivables, based on the invoice dates, which are past due but not impaired

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|----------------|------------|------------------------------|------------------------------|
| 91 to 180 days | 91 至 180 日 | 170.1 | 64.7 |
| Over 180 days | 180 日以上 | 16.6 | 38.5 |
| | | 186.7 | 103.2 |

24. 貿易及其他應收款項(續)

根據發票日期已逾期但未減值的貿易應收款項的賬齡

Movement in the allowance for doubtful debts

壞賬準備之變動

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|------------------------------|---------|------------------------------|------------------------------|
| At 1 April | 於4月1日 | 21.9 | 19.5 |
| Impairment losses recognised | 已確認減值虧損 | 18.3 | 3.7 |
| Currency realignment | 貨幣調整 | 2.2 | (1.3) |
| At 31 March | 於3月31日 | 42.4 | 21.9 |

25. Bank Balances and Cash

During the year ended 31 March 2018, the bank deposits carry interest at the prevailing market rate of about 0.01% to 5.75% (2017: 0.01% to 8.20%) per annum.

As at 31 March 2018, the Group's cash and cash equivalents denominated in RMB were HK\$5,317.6 million (2017: HK\$5,284.8 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.

25. 銀行結餘及現金

截至2018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5.75%（2017年：介乎0.01%至8.20%）計息。

於2018年3月31日，本集團按人民幣列值的現金及現金等價物為5,317.6百萬港元（2017年：5,284.8百萬港元）。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。

25. Bank Balances and Cash (Continued)

Included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the relevant group entities:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--------------------------------|-----|------------------------------|------------------------------|
| Renminbi ("RMB") | 人民幣 | 642.3 | 879.6 |
| United States dollars ("US\$") | 美元 | 611.4 | 495.7 |

26. Trade and Other Payables

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--|--------------|------------------------------|------------------------------|
| Trade payables | 貿易應付款項 | 470.6 | 420.7 |
| Deposits received from franchisees and customers | 自加盟商及顧客收取的按金 | 6,026.3 | 3,967.9 |
| Accruals | 應計費用 | 571.0 | 340.3 |
| Accrued staff costs | 應計員工成本 | 562.2 | 338.2 |
| Other tax payables | 其他應付稅項 | 464.5 | 308.2 |
| Interest payables | 應付利息 | 4.1 | 5.0 |
| Others | 其他 | 259.9 | 313.1 |
| | | 8,358.6 | 5,693.4 |

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.

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:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|----------------|---------|------------------------------|------------------------------|
| 0 to 30 days | 0至30日 | 440.3 | 381.0 |
| 31 to 90 days | 31至90日 | 12.7 | 23.7 |
| 91 to 180 days | 91至180日 | 7.0 | 3.6 |
| Over 180 days | 180日以上 | 10.6 | 12.4 |
| | | 470.6 | 420.7 |

25. 銀行結餘及現金(續)

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：

26. 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。

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：

27. Amounts Due to Non-Controlling Shareholders of Subsidiaries

The balances are unsecured, interest-free and repayable on demand.

28. Bank Borrowings

27. 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。

28. 銀行貸款

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---|--------------------|------------------------------|------------------------------|
| Unsecured bank loans | 無抵押銀行貸款 | 7,923.0 | 6,792.5 |
| 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 | 5,823.0 | 6,192.5 |
| 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 | 2,100.0 | - |
| | | 7,923.0 | 6,792.5 |
| 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 | (5,823.0) | (6,192.5) |
| Amount shown under non-current liabilities | 非流動負債項下所示款項 | 2,100.0 | 600.0 |

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 到期款項乃以貸款協議所載計劃還款日期為依據。

The bank borrowings carry variable interest rates ranged from 0.6% to 0.7% over Hong Kong Interbank Offered Rate ("HIBOR") per annum (2017: 0.7% over HIBOR per annum or 90% to 91% of The Peoples' Bank of China Standard Loan Interest Rate).

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介乎0.6%至0.7%（2017年：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%）。

As at 31 March 2018, the range of interest rates on the bank borrowings were 1.3% to 1.8% (2017: 1.1% to 3.9%) per annum.

於2018年3月31日，有關銀行貸款的年利率介乎1.3%至1.8%（2017年：1.1%至3.9%）。

All bank borrowings are denominated in functional currency of relevant group entities.

所有銀行貸款按有關集團實體的功能貨幣列值。

29. Gold Loans

The amounts represent unsecured borrowings from banks and the amounts payable are pegged with gold prices.

As at 31 March 2018, the gold loans carry fixed interest rates of 0.9% to 2.4% (2017: 1.0% to 2.5%) per annum, with original maturity of 2 to 7 months (2017: 1 to 7 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 FVTPL.

Included in gold loans are the following amounts denominated in currencies other than functional currency of the relevant group entities:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|------|----|------------------------------|------------------------------|
| US\$ | 美元 | 1,688.8 | 1,573.1 |

30. Share Capital

| | | 2018 and 2017 2018年及2017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.

29. 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鉤。

於2018年3月31日，黃金借貸按年利率0.9%至2.4%（2017年：年利率1.0%至2.5%）的固定利率計息，原到期日為授出日起2至7個月（2017年：1至7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：

30. 股本

| | | 2018 and 2017 2018年及2017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 |

兩個年度內，本公司之法定、已發行及繳足股本概無改變。

31. Operating Lease Commitments

The Group as lessee

At the end of each reporting period, the Group was committed to make the following future minimum lease payments which represent lease payments of its rented premises, under non-cancellable operating leases which fall due as follows:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---------------------------------------|----------------|------------------------------|------------------------------|
| Within one year | 一年內 | 1,177.6 | 1,243.0 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 1,248.0 | 1,323.5 |
| Over five years | 五年以後 | 376.6 | 407.6 |
| | | 2,802.2 | 2,974.1 |

Included in above are commitments to entities in which certain directors* of the Company and their close family member have beneficial interests:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---------------------------------------|----------------|------------------------------|------------------------------|
| Within one year | 一年內 | 156.3 | 162.6 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 207.1 | 275.8 |
| Over five years | 五年以後 | 320.3 | 351.7 |
| | | 683.7 | 790.1 |

* The directors also have beneficial interests in the Company.

There are certain lease arrangements for rented premises, according to which the Group is committed to pay minimum guaranteed amounts and additional monthly payments determined based on monthly sales levels.

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.

31. 經營租賃承擔

本集團作為承租人

於各報告期末，本集團承諾會就根據不可撤銷的經營租賃於下列到期時間作出未來最低租金付款(代表承租物業的租金)為：

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---------------------------------------|----------------|------------------------------|------------------------------|
| Within one year | 一年內 | 1,177.6 | 1,243.0 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 1,248.0 | 1,323.5 |
| Over five years | 五年以後 | 376.6 | 407.6 |
| | | 2,802.2 | 2,974.1 |

計入上文所述為向本公司若干董事*及彼等的近親擁有受益權的實體之承擔：

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|---------------------------------------|----------------|------------------------------|------------------------------|
| Within one year | 一年內 | 156.3 | 162.6 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 207.1 | 275.8 |
| Over five years | 五年以後 | 320.3 | 351.7 |
| | | 683.7 | 790.1 |

* 董事亦擁有本公司的受益權。

根據若干承租物業的租賃安排，本集團承諾支付最低擔保金額及根據每月銷售水平釐定的每月額外付款。

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。

31. Operating Lease Commitments (Continued)

The Group as lessor

Property rental income earned during the year was HK\$12.5 million (2017: HK\$12.5 million). All of the Group's investment properties are held for rental purposes. All of the properties held have committed tenants for the next year.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|-----------------|-----|------------------------------|------------------------------|
| Within one year | 一年內 | 9.6 | 9.6 |

32. Capital Commitments

| | | 2018 HK\$ million 百萬港元 | 2017 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 | 262.0 | 429.2 |

33. 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.

31. 經營租賃承擔(續)

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(2017年: 12.5百萬港元)。本集團所有投資物業均持作租賃。所持有之全部物業於未來一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:

| | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|-----------------|------------------------------|------------------------------|
| Within one year | 9.6 | 9.6 |

32. 資本承擔

| | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--|------------------------------|------------------------------|
| Capital expenditure contracted but not provided for in respect of the acquisition of property, plant and equipment | 262.0 | 429.2 |

33. 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。

34. 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

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--|-------------------------|------------------------------|------------------------------|
| Financial assets | 金融資產 | | |
| Loans and receivables (including cash and cash equivalents) | 貸款及應收款項 (包括現金及現金等價物) | 11,545.1 | 10,526.7 |
| Financial liabilities | 金融負債 | | |
| Amortised cost | 攤銷成本 | 8,758.1 | 7,621.2 |
| Gold loans at FVTPL | 以公平值計入損益的黃金借貸 | 5,335.4 | 3,215.9 |
| | | 14,093.5 | 10,837.1 |

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.

34. 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

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。

34. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Market risk (Continued)

Interest rate risk (Continued)

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 sales and purchases which are denominated in currency other than their respective functional currencies, which expose the Group to foreign currency risk. In the opinion of the directors of the Company, the foreign currency risk is insignificant considering the related sales and purchases to the total sales and purchases of the Group. The majority of the Group's foreign currency denominated monetary items are bank balances denominated in RMB, which are held by Group entities whose functional currencies are not RMB, with carrying amounts of HK\$642.3 million (2017: HK\$879.6 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 US\$ and RMB, which are arising from relevant group entities' foreign currency denominated monetary assets and liabilities for the Group's operating activities.

The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures. However, the management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise. As at 31 March 2018, 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\$93.4 million (2017: HK\$70.0 million) and the Group's exchange reserve would increase or decrease by HK\$367.9 million (2017: HK\$351.2 million) for the year.

In the opinion of the directors of the Company, the currency risk of US\$ is considered insignificant.

34. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

利率風險(續)

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

若干集團實體之銷售及採購以各自功能貨幣以外的貨幣計值，本集團因此面臨外幣風險。經考慮相關銷售及採購佔本集團銷售及採購總額的比例，本公司董事認為該等外幣風險並不重大。本集團大部份以外幣計值的貨幣項目為以人民幣計值的銀行結餘(由功能貨幣並非人民幣的集團實體持有)，其賬面值為642.3百萬港元(2017年：879.6百萬港元)。此外，若干以港幣為功能貨幣之集團實體，有以人民幣計值，向其附屬公司提供的集團內公司墊款。

本集團的經營活動所用相關集團實體以外幣計值的貨幣資產與負債令本集團主要面臨美元及人民幣之貨幣風險。

本集團現時並無就撇除貨幣風險設定外幣對沖政策。然而，管理層會密切監察相關的外幣風險，需要時將考慮對沖重大的外幣風險。於2018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93.4百萬港元(2017年：70.0百萬港元)，而本集團的年度外匯儲備將增加或減少367.9百萬港元(2017年：351.2百萬港元)。

本公司董事認為美元的貨幣風險並不重大。

34. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Market risk (Continued)

Commodity price risk

The Group is engaged in the sales of jewellery including gold products. The gold market is influenced by global as well as regional supply and demand conditions. A significant decline in prices of gold could adversely affect the Group's financial performance. In order to reduce the commodity price risk, the Group uses gold loans to reduce its exposure to fluctuations in the gold price on gold inventory. Gold loans are settled at maturity which is usually in 2 to 7 months (2017: 1 to 7 months) from date of inception and any fair value change is immediately recognised in profit or loss.

As at 31 March 2018, 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\$505.7 million (2017: HK\$295.6 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.

34. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

商品價格風險

本集團從事包括黃金產品等的珠寶銷售業務。黃金市場受全球以及地區供求狀況影響。黃金價格大幅下跌可對本集團之財務表現造成不利影響。為減低商品價格風險，本集團使用黃金借貸減低黃金價格波動對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2至7個月(2017年：1至7個月)，如有公平值變動則立即於損益內確認。

於2018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505.7百萬港元(2017年：295.6百萬港元)。

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。

34. 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.

34. 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。

| | | Weighted average interest rate 加權平均利率 | On demand or less than 3 months 於要求時或3個月內 HK\$ million 百萬港元 | 3 months to 1 year 3個月至1年 HK\$ million 百萬港元 | 1 to 5 years 1至5年 HK\$ million 百萬港元 | Total undiscounted cash flows 未貼現現金流量總額 HK\$ million 百萬港元 | Carrying amount 賬面值 HK\$ million 百萬港元 |
|---|---------------|--|--|--|--|--|--|
| Financial liabilities | 金融負債 | | | | | | |
| At 31 March 2018 | 於2018年3月31日 | | | | | | |
| Trade and other payables | 貿易及其他應付款項 | - | 734.6 | - | - | 734.6 | 734.6 |
| Amounts due to non-controlling shareholders of subsidiaries | 應付附屬公司非控股股東款項 | - | 100.5 | - | - | 100.5 | 100.5 |
| Bank borrowings (note i) | 銀行貸款(附註i) | 1.6% | 5,827.1 | - | 2,195.7 | 8,022.8 | 7,923.0 |
| Gold loans (note ii) | 黃金借貸(附註ii) | 1.9% | 3,994.0 | 1,360.7 | - | 5,354.7 | 5,335.4 |
| | | | 10,656.2 | 1,360.7 | 2,195.7 | 14,212.6 | 14,093.5 |

34. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Liquidity risk (Continued)

34. 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 |
|--|-------------------|--|--|---|--|--|---|
| Financial liabilities | 金融負債 | | | | | | |
| 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 (note i) | 銀行貸款(附註i) | 1.4% | 5,804.1 | 399.6 | 610.4 | 6,814.1 | 6,792.5 |
| Gold loans (note ii) | 黃金借貸(附註ii) | 1.7% | 3,158.9 | 63.0 | – | 3,221.9 | 3,215.9 |
| | | | 9,791.7 | 462.6 | 610.4 | 10,864.7 | 10,837.1 |

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。

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 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 is categorised at level 2 based on the degree to which the inputs to the model is observable.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

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.

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

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，並按模式的輸入數據的可觀察性分為第二級。

(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

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若。

35. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities.

| | | Bank borrowings | Gold loans | Amounts due to non-controlling shareholders of subsidiaries | Dividends payable (included in trade and other payables) | Interest payables (included in trade and other payables) | Total |
|-------------------------------|-------------------|--|--|---|--|--|----------------------------|
| | | 銀行貸款 Note 28 附註 28 HK\$ million 百萬港元 | 黃金借貸 Note 29 附註 29 HK\$ million 百萬港元 | 應付附屬公司 非控股股東款項 Note 27 附註 27 HK\$ million 百萬港元 | 應付股息 (計入貿易及 其他應付款項內) Note 26 附註 26 HK\$ million 百萬港元 | 應付利息 (計入貿易及 其他應付款項內) Note 26 附註 26 HK\$ million 百萬港元 | 總計 HK\$ million 百萬港元 |
| At 1 April 2017 | 於 2017 年 4 月 1 日 | 6,792.5 | 3,215.9 | 89.9 | – | 5.0 | 10,103.3 |
| Financing cash flows | 融資現金流量 | 1,101.8 | 1,805.3 | 0.9 | (4,260.3) | (244.6) | (1,596.9) |
| Finance costs | 融資成本 | – | – | – | – | 243.7 | 243.7 |
| Foreign exchange translation | 外匯換算 | 28.7 | 278.9 | 9.7 | – | – | 317.3 |
| Dividends declared | 宣派股息 | – | – | – | 4,260.3 | – | 4,260.3 |
| Fair value loss of gold loans | 黃金借貸公平值虧損 | – | 35.3 | – | – | – | 35.3 |
| At 31 March 2018 | 於 2018 年 3 月 31 日 | 7,923.0 | 5,335.4 | 100.5 | – | 4.1 | 13,363.0 |

36. 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.

35. 融資活動產生的負債對賬

下表詳列本集團融資活動所產生的負債變動，其中包括現金及非現金變動。融資活動產生的負債指其現金流量已經（或未來現金流量將會）於本集團的綜合現金流量表分類為融資活動所得現金流量之負債。

36. 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。

36. Retirement Benefit Obligations (Continued)

Defined contribution scheme (Continued)

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\$1,500 per employee.

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.

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 2018 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.

36. 退休福利承擔(續)

定額供款計劃(續)

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1,500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。中國內地附屬公司須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，澳門附屬公司則須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。

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2018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。

36. Retirement Benefit Obligations (Continued)

Defined benefit scheme (Continued)

The main actuarial assumptions used were as follows:

| | | 2018 | 2017 |
|----------------------------------|----------|------|------|
| Discount rate | 貼現率 | 1.9% | 1.6% |
| Expected rate of salary increase | 預期薪金增加比率 | 3.0% | 2.5% |
| Turnover rate | 周轉率 | 0% | 0% |

Amounts recognised in comprehensive income in respect of the defined benefit scheme are as follows:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|--|---|------------------------------|------------------------------|
| Current service cost | 現時服務成本 | 3.7 | 3.5 |
| Interest on obligation | 承擔的利息 | 4.7 | 3.9 |
| Components of defined benefits recognised in profit or loss | 於損益確認的定額福利部份 | 8.4 | 7.4 |
| Remeasurement on defined benefit scheme recognised in other comprehensive income: Actuarial loss (gain) arising from changes in financial assumptions | 於其他全面收益確認的定額福利計劃重新計量： 財務假設改變所產生的精算虧損(收益) | 5.4 | (15.8) |
| Total | 總額 | 13.8 | (8.4) |

The current service costs and interest on obligation for the years ended 31 March 2018 and 2017 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 years ended 31 March 2018 and 2017 is included in other comprehensive income.

36. 退休福利承擔(續)

定額福利計劃(續)

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：

截至2018年3月31日及2017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2018年3月31日及2017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。

36. Retirement Benefit Obligations (Continued)

Defined benefit scheme (Continued)

Movements in the present value of the defined benefit obligations are as follows:

| | | 2018 HK\$ million 百萬港元 | 2017 HK\$ million 百萬港元 |
|-----------------------|----------|------------------------------|------------------------------|
| At 1 April | 於4月1日 | 226.6 | 243.4 |
| Service costs | 服務成本 | 3.7 | 3.5 |
| Interest costs | 利息成本 | 4.7 | 3.9 |
| Actuarial loss (gain) | 精算虧損(收益) | 5.4 | (15.8) |
| Benefits paid | 已支付福利 | (8.2) | (8.4) |
| At 31 March | 於3月31日 | 232.2 | 226.6 |

37. 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").

36. 退休福利承擔(續)

定額福利計劃(續)

定額福利承擔現值變動如下：

37. 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。

37. Share Option Scheme (Continued)

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 years ended 31 March 2018 and 2017, no share options were granted by the Company nor were there any share options of the Company outstanding.

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\$31.1 million during the year ended 31 March 2018 (2017: HK\$3.6 million).

37. 購股權計劃(續)

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2018年及2017年3月31日止年度，本公司並無授出任何購股權，亦無任何尚未行使的購股權。

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2018年3月31日止年度，本集團錄得總開支為31.1百萬港元(2017年：3.6百萬港元)。

38. 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 | 2018 HK\$ million 百萬港元 | 2017 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 | 6.6 | 7.7 |
| | Concessionaire fees in department stores 百貨公司專櫃分成 | 74.1 | 69.0 |
| | Rental expenses 租金開支 | 176.4 | 195.0 |
| | Purchase of goods and coupons and commission expenses 購買貨品及禮券以及佣金開支 | 0.1 | 0.3 |
| | Sales of goods and coupons 銷售貨品及禮券 | — | 4.5 |
| | Rental income 租金收入 | — | 0.1 |
| | Non-controlling shareholders of subsidiaries 附屬公司非控股股東 | Concessionaire fees in department stores 百貨公司專櫃分成 | 6.5 |
| Franchise sales 加盟銷售 | | 23.7 | 22.9 |
| 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 | 9.5 |
| | Rental expenses 租金開支 | 24.8 | 23.8 |
| | Purchase of equipment 購買設備 | 3.9 | 12.3 |
| | Marking fee 標記費用 | 56.0 | 12.5 |

* The directors also have beneficial interests in the Company.

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.

38. 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：

* 董事亦擁有本公司的受益權。

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。

38. 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.

39. Principal Subsidiaries of the Company

Details of the Company's principal subsidiaries at the end of the reporting period are set out below:

38. 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。

39. 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：

| Name of subsidiary 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 |
|---|---|---|--|------|--|
| | | | 2018 | 2017 | |
| 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. Principal Subsidiaries of the Company

(Continued)

39. 本公司主要附屬公司 (續)

| Name of subsidiary 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 |
|--|--|---|---|------|---|
| | | | 2018 | 2017 | |
| Techni Development Investment Limited 達利發展投資有限公司 | Hong Kong 26 May 2005 香港 2005年5月26日 | Ordinary shares HK\$5,000,000 普通股本 5,000,000 港元 | 100% | 100% | Procurement of gemstones, sales of jewellery products and investment holding 採購寶石、珠寶產品銷售以及投資控股 |
| Chow Tai Fook Jewellery and Watch Company (Macau) Limited 周大福珠寶鐘錶(澳門)有限公司 | Macau 17 March 2009 澳門 2009年3月17日 | Quota capital MOP5,000,000 配額資本 5,000,000 澳門元 | 100% | 100% | Sales of jewellery products 珠寶產品銷售 |
| Hearts On Fire | The United States of America 14 May 2001 美國 2001年5月14日 | Capital US\$74,468,737 資本 74,468,737 美元 | 100% | 100% | Sales of jewellery products 珠寶產品銷售 |
| Beijing Chow Tai Fook Jewellery Company Limited 北京周大福珠寶金行有限公司 | PRC [^] 13 November 2006 中國 [^] 2006年11月13日 | Registered capital US\$30,000,000 註冊資本 30,000,000 美元 | 100% | 100% | Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及提供服務予加盟商 |
| Chongqing Chow Tai Fook Watch Marketing Company Limited 重慶周大福鐘錶銷售有限公司 | PRC [~] 25 December 2008 中國 [~] 2008年12月25日 | Registered capital RMB10,000,000 註冊資本 人民幣10,000,000元 | 100% | 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 [~] 25 December 2008 中國 [~] 2008年12月25日 | Registered capital RMB1,000,000 註冊資本 人民幣1,000,000元 | 100% | 80% | Sales of watches 鐘錶銷售 |
| Chongqing Meida Watch Company Limited 重慶美達鐘錶有限公司 | PRC [~] 21 May 2013 中國 [~] 2013年5月21日 | Registered capital RMB1,000,000 註冊資本 人民幣1,000,000元 | 100% | 80% | Sales of jewellery products 珠寶產品銷售 |

39. Principal Subsidiaries of the Company

(Continued)

39. 本公司主要附屬公司(續)

| Name of subsidiary 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 |
|---|---|---|--|------|--|
| | | | 2018 | 2017 | |
| Chongqing Xinhuang Watch Company Limited 重慶新漢鐘錶有限公司 | PRC+ 2 August 2013 中國+ 2013年8月2日 | Registered capital RMB10,000,000 註冊資本 人民幣10,000,000元 | 51% | 41% | Sales of watches 鐘錶銷售 |
| Chow Tai Fook Jewellery (Chongqing) Company Limited 周大福珠寶金行(重慶)有限公司 | PRC^ 23 December 2008 中國^ 2008年12月23日 | Registered capital US\$30,000,000 註冊資本 30,000,000美元 | 100% | 100% | Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及 提供服務予加盟商 |
| Chow Tai Fook Jewellery (Shenyang) Company Limited 周大福珠寶金行(瀋陽)有限公司 | PRC- 2 January 2014 中國- 2014年1月2日 | Registered capital RMB20,000,000 註冊資本 人民幣20,000,000元 | 100% | 100% | Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及 提供服務予加盟商 |
| Chow Tai Fook Jewellery (Shenzhen) Company Limited 周大福珠寶金行(深圳)有限公司 | PRC^ 2 April 2002 中國^ 2002年4月2日 | Registered capital US\$100,000,000 註冊資本 100,000,000美元 | 100% | 100% | Manufacturing and sales of jewellery products 珠寶產品生產及銷售 |
| Chow Tai Fook Jewellery (Suzhou) Company Limited 周大福珠寶金行(蘇州)有限公司 | PRC^ 11 January 2006 中國^ 2006年1月11日 | Registered capital US\$30,000,000 註冊資本 30,000,000美元 | 100% | 100% | Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及 提供服務予加盟商 |
| Chow Tai Fook Jewellery (Wuhan) Company Limited 周大福珠寶金行(武漢)有限公司 | PRC^ 29 January 2008 中國^ 2008年1月29日 | Registered capital US\$30,000,000 註冊資本 30,000,000美元 | 100% | 100% | Sales of jewellery products and provision of services to franchisees 珠寶產品銷售及 提供服務予加盟商 |

39. Principal Subsidiaries of the Company

(Continued)

39. 本公司主要附屬公司 (續)

| Name of subsidiary 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 |
|---|--|---|--|------|---|
| | | | 2018 | 2017 | |
| Chow Tai Fook Jewellery Culture Industrial Park (Wuhan) Company Limited 周大福珠寶文化產業園(武漢)有限公司 | PRC [^] 16 August 2012 中國 [^] 2012年8月16日 | Registered capital US\$140,000,000 註冊資本 140,000,000美元 | 100% | 100% | Manufacturing of jewellery products 珠寶產品生產 |
| Chow Tai Fook Jewellery Zhangjiagang Baoshui Company Limited 周大福珠寶金行張家港保稅區有限公司 | PRC ⁻ 21 April 2010 中國 ⁻ 2010年4月21日 | Registered capital 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 |

39. Principal Subsidiaries of the Company

(Continued)

39. 本公司主要附屬公司(續)

| Name of subsidiary 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 |
|--|--|---|--|------|---|
| | | | 2018 | 2017 | |
| Shenzhen Qianhai Chow Tai Fook Jewellery Company Limited 深圳前海周大福珠寶金行有限公司 | PRC [^] 31 October 2016 中國 [^] 2016年10月31日 | Registered capital US\$10,000,000 註冊資本 10,000,000美元 | 100% | 100% | Sales of jewellery products 珠寶產品銷售 |
| Shenzhen Chow Tai Fook Jewellery Manufacturing Company Limited 深圳市周大福珠寶製造有限公司 | PRC ⁻ 5 March 2012 中國 ⁻ 2012年3月5日 | Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元 | 100% | 100% | Manufacturing of jewellery products 珠寶產品生產 |
| Shenzhen Chow Tai Fook Online Media Company Limited 深圳周大福在線傳媒有限公司 | PRC ⁻ 5 January 2017 中國 ⁻ 2017年1月5日 | Registered capital RMB5,000,000 註冊資本 人民幣5,000,000元 | 100% | 100% | Sales of jewellery products 珠寶產品銷售 |
| Shenzhen CTF Watch Company Limited 深圳周大福鐘錶有限公司 | PRC [^] 27 June 2011 中國 [^] 2011年6月27日 | Registered capital HK\$300,000,000 註冊資本 300,000,000港元 | 100% | 80% | Sales of watches 鐘錶銷售 |
| Shenzhen Shenfu Jewellery Company Limited 深圳市深福珠寶金行有限公司 | PRC ⁺ 19 April 2007 中國 ⁺ 2007年4月19日 | Registered capital RMB8,000,000 註冊資本 人民幣8,000,000元 | 50%# | 50%# | Sales of jewellery products 珠寶產品銷售 |
| Wuhan Hanfu Jewellery Company Limited 武漢漢福珠寶金行有限公司 | PRC ⁺ 26 November 2003 中國 ⁺ 2003年11月26日 | Registered capital RMB90,000,000 註冊資本 人民幣90,000,000元 | 70% | 70% | Sales of jewellery products 珠寶產品銷售 |
| Zhangjiagang Baoshui Dade Xinfu Jewellery Company Limited 張家港保稅區大德新福珠寶金行有限公司 | PRC ⁺ 3 December 2010 中國 ⁺ 2010年12月3日 | Registered capital RMB3,000,000 註冊資本 人民幣3,000,000元 | 50%# | 50%# | Sales of jewellery products 珠寶產品銷售 |

39. Principal Subsidiaries of the Company

(Continued)

39. 本公司主要附屬公司 (續)

| Name of subsidiary 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 |
|---|---|--|--|------|---------------------------------------|
| | | | 2018 | 2017 | |
| Zhangjiagang Baoshui Dehui Jewellery Company Limited 張家港保稅區德輝珠寶金行有限公司 | PRC~ 24 September 2012 中國~ 2012年9月24日 | Registered capital 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 |
| Zhangjiagang Baoshui Zhaofu Jewellery Company Limited 張家港保稅區肇福珠寶金行有限公司 | PRC+ 17 November 2011 中國+ 2011年11月17日 | Registered capital RMB70,000,000 註冊資本 人民幣70,000,000元 | 51% | 51% | Sales of jewellery products 珠寶產品銷售 |

* Directly held by the Company.

* 本公司直接持有。

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.

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。

+ Being a co-operative joint venture establishment in the PRC.

+ 為中國成立的合資合作企業。

^ Being a wholly foreign owned enterprise.

^ 為外商獨資企業。

~ Being a wholly owned enterprise in the PRC.

~ 為中國成立的獨資企業。

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 which are mainly inactive or engaged in investment holding would, in the opinion of the directors, result in particulars of excessive length.

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。載列其他主要暫停營業或從事投資控股的附屬公司之詳情，董事則認為會導致詳情過於冗長。

40. Statement of Financial Position and Reserve Movement of the Company

40. 本公司財務狀況表及儲備變動

| | | 2018 HK\$ million 百萬港元 | 2017 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 a subsidiary | 應收一間附屬公司款項 | 2,100.0 | 600.0 |
| | | 17,487.3 | 15,987.3 |
| Current assets | 流動資產 | | |
| Amount due from a subsidiary | 應收一間附屬公司款項 | 7,662.4 | 7,298.9 |
| Bank balances | 銀行結餘 | 2.2 | 1.1 |
| | | 7,664.6 | 7,300.0 |
| Current liabilities | 流動負債 | | |
| Other liabilities | 其他負債 | 4.3 | 1.6 |
| Bank borrowings | 銀行貸款 | 5,823.0 | 5,573.0 |
| Gold loans | 黃金借貸 | 1,688.8 | 1,573.1 |
| | | 7,516.1 | 7,147.7 |
| Net current assets | 流動資產淨額 | 148.5 | 152.3 |
| Total assets less current liabilities | 總資產減流動負債 | 17,635.8 | 16,139.6 |
| Non-current liability | 非流動負債 | | |
| Bank borrowings | 銀行貸款 | 2,100.0 | 600.0 |
| | | 15,535.8 | 15,539.6 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 10,000.0 | 10,000.0 |
| Reserves | 儲備 | 5,535.8 | 5,539.6 |
| | | 15,535.8 | 15,539.6 |

40. Statement of Financial Position and Reserve Movement of the Company (Continued)

40. 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 2016 | 於2016年4月1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 |
| Profit and total comprehensive income for the year | 年內溢利及全面收入總額 | – | – | 4,196.2 | 4,196.2 |
| Dividends | 股息 | – | – | (4,200.0) | (4,200.0) |
| At 31 March 2018 | 於2018年3月31日 | 10,000.0 | 5,498.7 | 37.1 | 15,535.8 |

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

| | | 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 | 2018 HK\$ million 百萬港元 |
|---------------------|------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Revenue | 營業額 | 77,407.1 | 64,277.0 | 56,591.5 | 51,245.5 | 59,156.4 |
| Gross profit | 毛利 | 21,152.3 | 19,072.4 | 15,641.4 | 14,962.7 | 16,213.4 |
| Profit for the year | 年度溢利 | 7,449.2 | 5,535.8 | 2,978.9 | 3,151.1 | 4,203.3 |

As at 31 March 於3月31日

| | | 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 | 2018 HK\$ million 百萬港元 |
|-------------------|------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Total assets | 資產總額 | 61,817.1 | 61,121.0 | 55,675.4 | 49,401.9 | 57,569.9 |
| Total liabilities | 負債總額 | 23,364.7 | 20,580.2 | 19,925.5 | 16,900.4 | 23,472.3 |
| Net assets | 資產淨額 | 38,452.4 | 40,540.8 | 35,749.9 | 32,501.5 | 34,097.6 |

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 |
| 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) |
| Directors 董事 | directors of the Company 本公司董事 |
| FY 財政年度 | financial year, 1 April of a year to 31 March of the following year 財政年度·指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 FY2018, the revenue from self-operated POS existing as at 31 March 2018 and which have been opened prior to 1 April 2016, measured at constant exchange rates. Revenue from wholesale and other channels are excluded 就2018財政年度而言, 於2016年4月1日前開業並於2018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 FY2017/18 interim report 有關城市詳情請參閱2017/2018財政年度中期報告的詞彙 |

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