

## REPORT OF THE DIRECTORS

### 董事會報告書

The directors of the Company (the "Board") submit their report together with the audited financial statements for the year ended 31 March 2015.

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 34 to the financial statements.

An analysis of the Group's performance for the year by operating segment is set out in note 5 to the financial statements.

#### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2015 are set out in the consolidated income statement on page 40.

Interim dividend of HK\$0.02 (2014: HK\$0.036) per ordinary share totalling HK\$20,929,000 was paid during the year.

The directors recommend the payment of a final dividend of HK\$0.01 (2014: HK\$0.037) per ordinary share totalling HK\$10,465,000.

#### DONATIONS

During the year, the Group made charitable donations of HK\$5,316,000.

#### SHARES ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 March 2015 are set out in notes 21 to the financial statements.

#### FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 1 of this annual report.

#### DISTRIBUTABLE RESERVES

As at 31 March 2015, the distributable reserves of the Company available for distribution as dividends to shareholders amounted to HK\$61,309,000 (2014: HK\$78,383,000).

#### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there is no restriction against such rights under the laws in Bermuda.

本公司董事會（「董事會」）提呈董事會報告書連同截至2015年3月31日止年度的經審核財務報表。

#### 主要業務

本公司的主要業務為投資控股。其主要附屬公司的業務載於財務報表附註34。

本集團年內的營運分部表現載於財務報表附註5。

#### 業績及股息

本集團截至2015年3月31日止年度的業績載於第40頁的綜合收益表內。

年內已派發每股普通股港幣0.02元（2014年：港幣0.036元）總額為港幣20,929,000元的中期股息。

董事會建議派發末期股息每股普通股港幣0.01元（2014年：港幣0.037元）總額為港幣10,465,000元。

#### 捐款

年內，本集團作出慈善捐款港幣5,316,000元。

#### 年內已發行股份

截至2015年3月31日止年度已發行的股份的詳情載於財務報表附註21。

#### 五年財務摘要

本集團於過去五個財政年度之業績以及資產及負債摘要載於年報第1頁。

#### 可分派儲備

截至2015年3月31日，本公司可作為股息向股東分派的可分派儲備為港幣61,309,000元（2014年：港幣78,383,000元）。

#### 優先認股權

本公司的公司細則並無有關優先認股權的規定，百慕達的法例亦無對該等權利作出限制。



**Joseph C. C. Wong 黃創增**  
Chairman and Chief Executive Officer  
主席及行政總裁

## BUSINESS REVIEW

In the year under review, the Group operated under challenging conditions as weak fundamentals persisted. Group costs remained well contained with total Group operating expenses rising 3.3% due to stepped up cost discipline (front line staff costs and shop rentals rising respectively by 1.2% and 3.2%). Group gross profit margin stood at 61.3% (2014: 61.1%).

The Group reported a y-o-y increase in turnover of 5.6% in the first half year ("1H") but the sudden downturn in sentiment seen in Hong Kong and Macau in the second half year ("2H") wiped out most gains. For the year under review, the Group posted an increase in turnover of 1.3% to HK\$3.94 billion (2014: HK\$3.89 billion) and a Profit Attributable to Shareholders of HK\$91.8 million (2014: HK\$171.7 million).

## 業務回顧

回顧年內，由於基本經濟因素疲弱，本集團在充滿挑戰情況下營運。在妥善控制成本及嚴守財務紀律下，營運支出總額僅上升3.3%，當中前線員工成本及店鋪租金分別上升1.2%及3.2%。本集團毛利率維持在61.3% (2014：61.1%)。

本集團上半年營業額按年增長5.6%，但下半年香港及澳門銷售市況隨社會氣氛轉變而急速下滑，抵銷上半年所錄增長。回顧年內，本集團錄得營業額增加1.3%至HK\$39.4億 (2014：HK\$38.9億) 及本集團權益持有人應佔溢利HK\$91.8百萬 (2014：HK\$171.7百萬)。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

If excluding:

- (i) a non-cash impact from convertible bonds of HK\$55.4 million (2014: HK\$20.2 million) due to an increase in the liability component of convertible bonds; and
- (ii) a larger exchange loss of HK\$15.9 million (2014: Loss of HK\$3.6 million),

the Group posted a Profit Attributable to Shareholders of HK\$163.1 million (2014: HK\$195.5 million), a decline of 16.6% from the previous year.

BECOMING A GREATER CHINA RETAILER

In line with our vision to become a major retailer in Greater China, increased resources were deployed in Mainland China during the year. Our Greater China business segment which covers CITY CHAIN, OPTICAL 88, and eGG in Mainland China, Hong Kong and Macau (accounting for around 75% of Group turnover) stayed resilient given the economic malaise, with all three chains reporting turnover growth.

Specifically in Mainland China:

CITY CHAIN Mainland China achieved a y-o-y turnover growth of 23.2%.

OPTICAL 88 Mainland China achieved a y-o-y turnover growth of 4.7%.

eGG Mainland China achieved a y-o-y turnover growth of 178.8%.

FINAL DIVIDEND

Facing uncertainty in Hong Kong, the Board is of the view that a cautious approach should continue to be adopted and as such recommend the payment of a final dividend of HK\$0.01 (2014: HK\$0.037) which together with the interim dividend payment represents a payout of 34.2% for the fiscal year (2014: 44.5%).

管理層討論及分析(續)

若撇除：

- (i) 由於可換股債券負債部分增加而帶來的非現金影響共HK\$55.4百萬(2014：HK\$20.2百萬)；及
- (ii) 匯兌虧損HK\$15.9百萬(2014：虧損HK\$3.6百萬)，

本集團股東應佔溢利為HK\$163.1百萬(2014：HK\$195.5百萬)，較上年度減少16.6%。

致力成為覆蓋大中華區的零售商

本集團致力成為覆蓋大中華區的零售商，於年內已投放更多資源於中國內地。儘管經濟放緩，本集團在大中華地區的三個連鎖品牌，包括在中國內地、香港及澳門的「時間廊」、「眼鏡88」及「eGG」營業額均保持增長(三個連鎖於大中華區共佔本集團總營業額約75%)。

其中：

中國內地的「時間廊」營業額按年增長23.2%。

中國內地「眼鏡88」營業額按年增長4.7%。

中國內地「eGG」營業額按年增長178.8%。

末期股息

面對香港不明朗因素，董事會認為須繼續採取謹慎措施，故建議派發末期股息HK\$0.01(2014：HK\$0.037)。連同已派付的中期股息，本財政年度派息率34.2%(2014：44.5%)。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

**CITY CHAIN GROUP**

City Chain Group turnover up 1.5%

City Chain Group EBIT down 12.1% to HK\$189.4 million

City Chain Group Gross Profit Margin 60.1%

For the period under review, the City Chain Group, a fashion lifestyle watch chain with online (<http://citychain.tmall.com/>) and <http://titus.tmall.com/>) and offline business operations recorded a rise in turnover of 1.5% to HK\$2,212.5 million (2014: HK\$2,180.2 million) and a fall in EBIT of 12.1% to HK\$189.4 million. As at 31 March 2015, the City Chain Group operates 388 stores (2014: 392 stores). Store breakdown by geographical region is shown below:

|                   |       | 2015       | 2014       | Change<br>變動 |
|-------------------|-------|------------|------------|--------------|
| Hong Kong & Macau | 香港及澳門 | 106        | 110        | -4           |
| Mainland China    | 中國內地  | 104        | 96         | +8           |
| Southeast Asia    | 東南亞   | 178        | 186        | -8           |
| Total             | 總數    | <b>388</b> | <b>392</b> | -4           |

**CITY CHAIN – Hong Kong and Macau**

In the 1H, our operations in Hong Kong and Macau outperformed the general retail market recording a y-o-y turnover growth of 6.4%. However, the sudden downturn in sentiment in the 2H led to turnover falling by 0.6% to HK\$1,467.4 million for the full fiscal year (2014: HK\$1,477 million). Gross margin came under pressure in the 2H, falling 1.3% to 61.7% and, consequently, EBIT declined by 12.6% to HK\$244.3 million (2014: HK\$279.5 million). Operating costs rose mildly by 3.2%.

A cautious approach undertaken on store leasing such as, remapping of stores in key tourist areas and resetting key parameters on store rental affordability contributed to a mild rise in store rentals of 1.7% (2014: 16.9%).

管理層討論及分析(續)

「時間廊」集團

「時間廊」集團營業額上升1.5%。

「時間廊」集團除利息及稅項前溢利(「EBIT」)下降12.1%至HK\$189.4百萬。

「時間廊」集團毛利率為60.1%。

回顧期內，集團時尚流行手錶連鎖店「時間廊」錄得營業額上升1.5%至HK\$2,212.5百萬(2014：HK\$2,180.2百萬)，而EBIT盈利則下降12.1%至HK\$189.4百萬(包括集團網上業務(<http://citychain.tmall.com/>)及<http://titus.tmall.com/>)及實體店業務)。於2015年3月31日，「時間廊」集團營運388間店舖(2014：392間店舖)。按地區劃分之明細如下：

「時間廊」—香港及澳門

香港及澳門的業務上半年表現優於整體零售市場，錄得營業額按年增長約6.4%，但下半年業務隨外圍因素下滑，導致整個財政年度的營業額略微下降0.6%至HK\$1,467.4百萬(2014：HK\$1,477百萬)。毛利率在下半年受壓，下降1.3%至接近61.7%，因此，EBIT盈利減少12.6%至HK\$244.3百萬(2014：盈利HK\$279.5百萬)。營運成本溫和上升3.2%。

本集團審慎處理店舖租賃事宜，例如重新布局旅遊區的店舖及調整店舖租金承擔能力的關鍵參數。期內店舖租金僅溫和上升1.7%(2014：16.9%)。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

With external conditions in Hong Kong and Macau remaining largely unfavourable and, particularly, in Hong Kong less certain, the foremost task is to maintain top line performance and to achieve a better stock turn. Hence immediate measures have been adopted or are in the pipeline to reduce the adverse impact on our business.

### CITY CHAIN – Mainland China

Our Mainland operations achieved a strong top line growth of 23.2% to HK\$230.9 million (2014: HK\$187.5 million) with same store growth up by around 12%. A wider loss of HK\$55.1 million was sustained (2014: HK\$46.7 million) due to start-up costs from expansion into second and third tier cities, in Guangdong and Fujian (Southern China); Jiangsu and Zhejiang (Eastern China); Sichuan and Chongqing (Southwestern China). But ongoing operational initiatives implemented since FY12/13 led to a narrowing of store level losses and better store productivity compared to the previous year. Specifically, our Guangdong operations have turned the corner to report store level profits.

With the external operating environment in Hong Kong and Macau remaining bleak and uncertain, plans were implemented in the 2H of the year to fasten the pace of expansion of the retail network in Greater China.

Therefore, in the coming year, accelerating turnover growth will be a key objective. Plans are underway to open new stores in Southern, Eastern and Southwestern China and to focus more resources on growing our online business. To support this, advertising savings from CITY CHAIN Hong Kong will be redeployed to this business segment to increase advertising spending, and reallocated to digital and social media.

### CITY CHAIN – South East Asia

The performance of our CITY CHAIN business in SEA was mixed, with Singapore and Malaysia posting much improved results but Thailand lagging. For the fiscal year, turnover remained flat despite a 7.2% decline in number of shop months. For Singapore and Malaysia, the positive effects from restructuring efforts are beginning to be seen. An EBIT of HK\$0.3 million was reported (2014: loss of HK\$17.4 million) and on an exchange neutral basis, EBIT would have improved substantially to HK\$10.9 million (2014: loss of HK\$13.0 million). Gross profit improved for all three regions in the 2H of the year. Operating costs and shop rentals respectively fell 6.4% and 8% compared to last year, whilst gross margin was stable at 55%.

## 管理層討論及分析(續)

鑒於香港及澳門營運環境欠佳，尤其是香港的不明朗因素，集團當前要務是維持營業額水平及加快存貨週轉。本集團已採取及陸續推行各項措施以舒緩對業務的不利影響。

### 「時間廊」— 中國內地

「時間廊」內地業務強勁增長23.2%至HK\$230.9百萬(2014: HK\$187.5百萬)，同店增長亦上升約12%。由於拓展二線及三線城市(例如廣東及福建(華南); 江蘇及浙江(華東); 四川及重慶(中國西南部)等)的初期投入開支龐大，以致內地業務EBIT虧損擴大至HK\$55.1百萬(2014: 虧損HK\$46.7百萬)。但自12/13財政年度開始實施的各項改善營運措施漸見成效，店舖層面虧損已較上年度收窄，現有店舖的生產力也有所提升。其中廣東業務已錄得店舖層面盈利。

由於香港及澳門的經營環境仍然困難及不明朗，本年度下半年集團已決定加速發展大中華區零售網絡的步伐。

鑒於提高營業額增長是集團來年主要目標，集團於華南、華東及中國西南區均有計劃積極拓展新店及投入更多資源發展業務。例如，原有香港「時間廊」的廣告資源將部分調撥投放在中國「時間廊」，以增加用於國內線上及社交媒體平臺的廣告投放。

### 「時間廊」— 東南亞

東南亞「時間廊」三個營運地區個別發展，當中新加坡及馬來西亞業績錄得改善，但泰國表現滯後。整個財政年度而言，營業額在店舖營運月份數目減少7.2%下仍能持平。本年度錄得EBIT盈利HK\$0.3百萬(2014: 虧損HK\$17.4百萬)，若撇除匯率因素，EBIT由去年虧損HK\$13百萬，顯著上升至盈利HK\$10.9百萬。三個營運地區下半年的毛利均錄得增長。營運成本及店舖租金分別下降6.4%及8%，毛利率維持在55%。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

CITY CHAIN Malaysia recorded a y-o-y 156% improvement in EBIT to around HK\$20 million and a turnover increase of 11.7%.

CITY CHAIN Singapore reported a significant narrowing of losses to HK\$11.2 million this year against HK\$25.7 million the previous year as an accelerated improvement in the 2H resulted in an EBIT of HK\$1.3 million against a loss of HK\$12.5 million in the 1H.

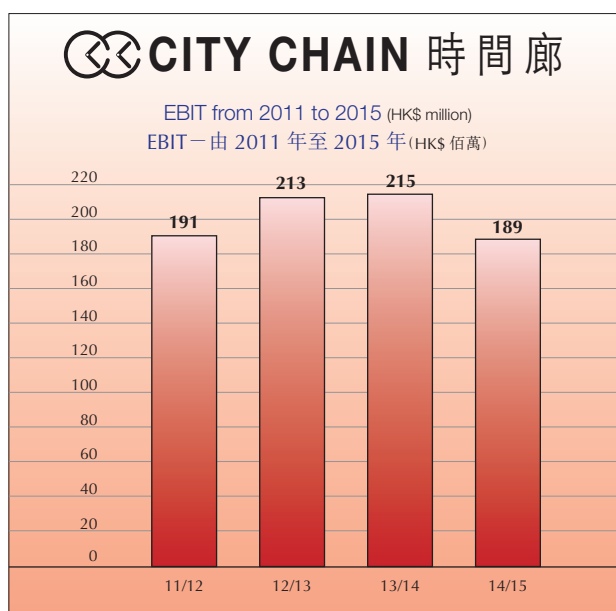
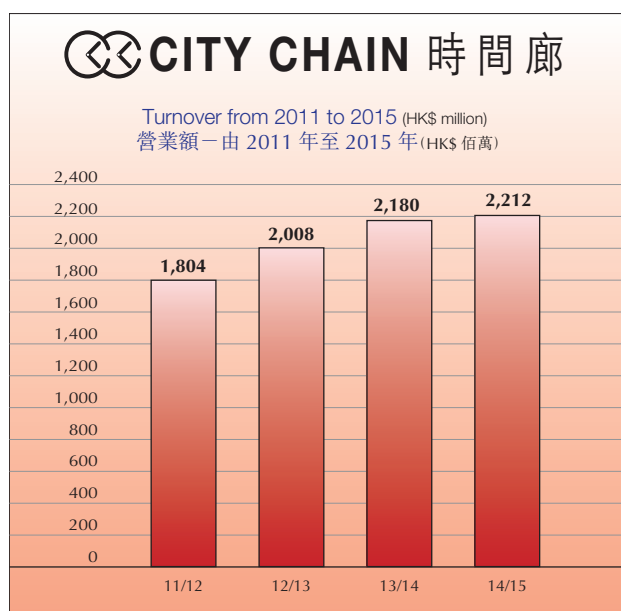
CITY CHAIN Thailand reported a loss of HK\$8.4 million as fragile sentiment continued to weigh down performance. In the 2H, we turned to focus on restructuring these operations. While operating costs have fallen 4%, intense competition shaved gross margin. Non-performing stores will be closed. Similar policies adopted in Singapore and Malaysia to enhance operational efficiencies are being implemented. Improvements are expected to be seen.

管理層討論及分析(續)

馬來西亞「時間廊」之EBIT盈利錄得按年增長156%至約HK\$20百萬，營業額增長11.7%。

新加坡「時間廊」虧損大幅收窄，由上年度EBIT虧損HK\$25.7百萬大幅改善至本年度虧損HK\$11.2百萬。下半年更錄得EBIT盈利HK\$1.3百萬(對比上半年虧損HK\$12.5百萬)。

受持續疲弱零售氣氛影響，泰國「時間廊」業務全年錄得EBIT虧損HK\$ 8.4百萬。儘管營運成本下降4%，但競爭激烈使毛利率難以維持。下半年開始，集團聚焦重組泰國「時間廊」業務。措施包括關閉表現欠佳店舖，並仿效於新加坡及馬來西亞已見成效的方案，提升營運效率及改善表現。





MANAGEMENT DISCUSSION AND ANALYSIS (continued)

**OPTICAL 88 GROUP**

Optical 88 Group turnover up 1.0%

Optical 88 Group EBIT up 12.8% to HK\$61.2 million

Optical 88 Group Gross Profit Margin 62.5%

For the period under review, the Optical 88 Group, which operates stores in Hong Kong, Macau, Mainland China, Singapore, Thailand and Malaysia saw turnover rise marginally by 1.0% to HK\$1,218.1 million (2014: HK\$1,206.1 million) and an increase in EBIT of 12.8% to HK\$61.2 million (2014: HK\$54.3 million) due to improved performances reported by our Hong Kong and Mainland China operations.

As at 31 March 2015, the Optical 88 Group has 227 stores (2014: 234 stores). Store breakdown by geographical region is shown below:

|                   |       | 2015 | 2014 | Change<br>變動 |
|-------------------|-------|------|------|--------------|
| Hong Kong & Macau | 香港及澳門 | 97   | 95   | +2           |
| Mainland China    | 中國內地  | 42   | 48   | -6           |
| Southeast Asia    | 東南亞   | 88   | 91   | -3           |
| Total             | 總數    | 227  | 234  | -7           |

**OPTICAL 88 – Hong Kong and Macau**

The very soft economy in Macau together with the accelerated slowdown in Hong Kong in the 2H (erasing a y-o-y 9.4% increase in turnover and a y-o-y 30% increase in EBIT in the 1H) led to Optical 88 Hong Kong and Macau reporting a 3.9% increase in turnover to HK\$835.6 million (2014: HK\$804.5 million). Hence, for the full fiscal year, EBIT improvement was comparatively less robust increasing by 19.5% to HK\$95.4 million (2014: HK\$79.8 million). Gross margin improved slightly to 64.2%; operational costs edged up by 1.6% and shop rentals increased by 5.2%.

Though less affected by the decline in Mainland tourist spending, a cautious approach has nonetheless been adopted to review our store portfolio in key tourist locations.

With a strong emphasis on delivering high quality professional services and products, the Optical 88 Group continues to distinguish by focusing on high value added products such as progressive and functional lenses to cater for the ageing demography and children.

管理層討論及分析(續)

**「眼鏡88」集團**

「眼鏡88」集團的營業額上升1%。

「眼鏡88」集團的EBIT盈利上升12.8%至HK\$61.2百萬。

「眼鏡88」集團的毛利率為62.5%。

回顧期內，「眼鏡88」在香港、澳門、中國內地、新加坡、泰國及馬來西亞營運，由於香港及中國內地業務的表現持續改善，營業額微升1%至HK\$1,218.1百萬(2014：HK\$1,206.1百萬)，EBIT盈利更增長12.8%至HK\$61.2百萬(2014：盈利HK\$54.3百萬)。

於2015年3月31日，「眼鏡88」共營運227間店舖(2014：234間)。店舖其區域分佈如下：

|                   | 2015 | 2014 | Change<br>變動 |
|-------------------|------|------|--------------|
| Hong Kong & Macau | 97   | 95   | +2           |
| Mainland China    | 42   | 48   | -6           |
| Southeast Asia    | 88   | 91   | -3           |
| Total             | 227  | 234  | -7           |

**「眼鏡88」—香港及澳門**

由於下半年澳門經濟疲弱以及香港經濟急速放緩，上半年營業額按年增長9.4%及EBIT盈利按年增長30%的成績被抵銷。綜觀全年，香港及澳門「眼鏡88」的營業額增長3.9%至HK\$835.6百萬(2014：HK\$804.5百萬)，EBIT盈利上升19.5%至HK\$95.4百萬(2014：盈利HK\$79.8百萬)。毛利率微升至64.2%，營運成本輕微上升1.6%及店舖租金上升5.2%。

雖然受到內地旅客消費下降的影響稍微，但集團仍採取謹慎措施，重新審視旅遊區的店舖組合。

貫徹提供優質專業服務及產品的精神，「眼鏡88」將繼續專注於高增值產品，如漸進及功能性鏡片等，以照顧兒童及銀髮一族的需要。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

**OPTICAL 88 – Mainland China**

Our OPTICAL 88 operations in Mainland China achieved a moderate rise in turnover of 4.7% given a reduced number of shop months. Compared to the previous year, losses narrowed by 10% to HK\$27.5 million (2014: HK\$30.7 million).

In line with our Greater China strategy, resources have been strengthened to accelerate shop opening in Southern and Southwestern China as we have relocated out from expensive cities, like Shanghai. In addition, as we increasingly cater for the ageing demography and children, sales in progressive and functional lenses have improved whilst myopia control lenses have also been introduced.

**OPTICAL 88 – South East Asia**

Our SE Asian OPTICAL 88 operations sustained a loss of HK\$6.7 million (2014: EBIT of HK\$5.1 million) and on an exchange neutral basis, the loss was reduced to HK\$1.4 million. Operating costs declined 2.2%, with shop rentals falling 3.8%.

In the 2H of the year, a Hong Kong team was parachuted in to strengthen operational management and to improve operational efficiencies in all three regions. Initiatives were introduced to increase store productivity, improve gross margin and tighten procurement control. We will continue to see progressive improvements as a result of the above measures in the next year.

Our Singapore operations reported improved sales per shop month as we focused on strengthening our customer base; and the loss incurred in the 2H of the year has narrowed.

Our Malaysian operations reported an EBIT of around HK\$1.8 million. However, if excluding an exchange loss of HK\$3 million, our Malaysian operations returned an EBIT of HK\$4.8 million (2014: HK\$5.4 million) whilst a higher gross margin was seen in the 2H of the year. In the medium term, we will be opening new stores to increase market coverage and to grow business scale.

Our Thai operations recorded a drop in EBIT to HK\$8.6 million (2014: HK\$13.8 million). Given the poor economy and the unstable political situation, a cautious approach will be adopted towards shop leasing.

管理層討論及分析(續)

**「眼鏡88」— 中國內地**

由於每月營運店舖數目減少，中國內地眼鏡88業務營業額錄得4.7%的溫和增長。與去年比較，虧損收窄10%至HK\$ 27.5百萬(2014：虧損HK\$30.7百萬)。

配合集團的大中華策略，集團已調撥更多資源加快於華南及西南的拓展計劃，並撤出營運成本高昂的城市(如上海)。另外，為更佳覆蓋銀髮一族及兒童，漸進及功能性鏡片以及近期引入的近視控制鏡片將繼續為重點發展領域。

**「眼鏡88」— 東南亞**

東南亞的「眼鏡88」業務虧損HK\$6.7百萬(2014：盈利HK\$5.1百萬)。若撇除匯率因素，虧損減低至HK\$1.4百萬。營運成本下降2.2%，店舖租金亦下降3.8%。

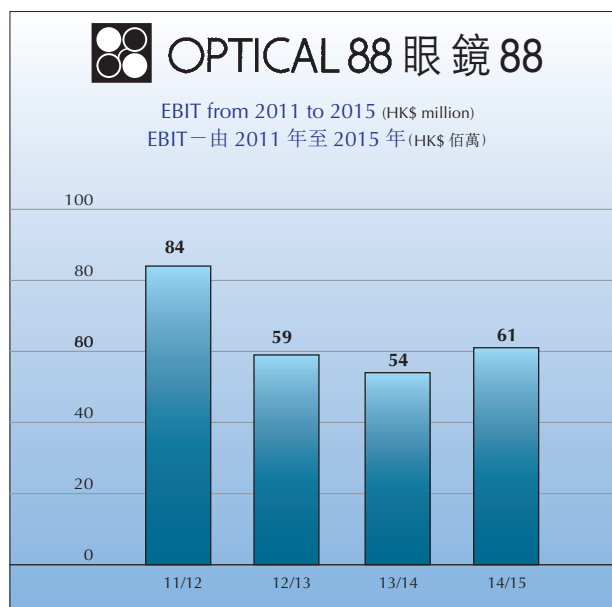
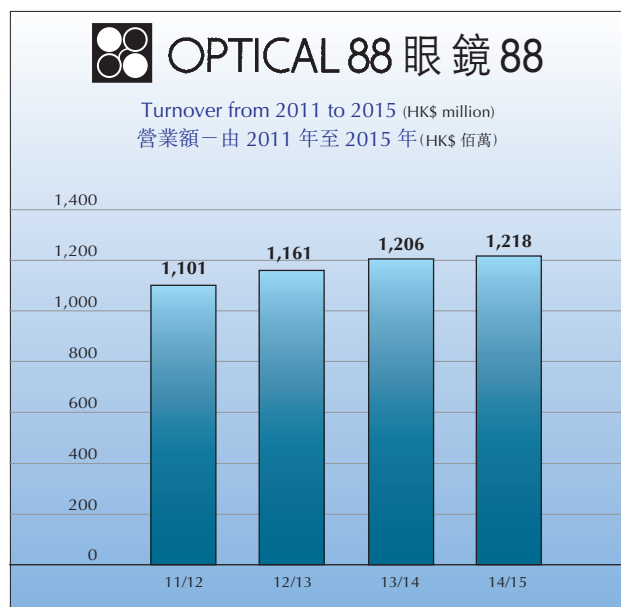
於下半年，香港營運團隊協助東南亞三個地區提昇營運管理從而改善營運效率。本集團推行各項措施提昇店舖生產力、改善毛利率及強化採購管理，逐步改善營運。

由於集團積極擴闊顧客對象，新加坡店舖月均銷售已有所增長，而本年度下半年的虧損亦較上財年下半年的虧損收窄。

馬來西亞業務錄得EBIT盈利約HK\$1.8百萬。若撇除匯兌虧損HK\$3百萬，馬來西亞業務錄得EBIT盈利為HK\$4.8百萬(2014：盈利HK\$5.4百萬)，同時本年度下半年毛利率錄得上升。中期而言，我們將拓展新店以提高市場覆蓋率及擴大業務規模。

泰國業務錄得的EBIT盈利下降至HK\$8.6百萬(2014：盈利HK\$13.8百萬)。鑒於泰國經濟欠佳及政治局勢不穩，集團將謹慎處理店舖續租。





## eGG GROUP

### eGG – Hong Kong and Mainland China

eGG Optical Boutique, a fast fashion optical retailer, achieved a strong performance on the back of soft sentiment successfully capturing consumer preference for trendy and fancy optical eye wear.

For the period under review, eGG Hong Kong with 15 stores as of 31 March 2015 (2014: 10 stores) continued to outperform the general retail market with turnover increasing 52.4% to HK\$71.4 million. The increase was driven by the opening of new stores and same store growth which was around 40%. As such, eGG Hong Kong came very close to break even, incurring a small loss of HK\$0.7 million (2014: loss of HK\$7.3 million).

Driven largely by new store openings, our eGG operations on the Mainland saw turnover rise by 178% to HK\$42 million (2014: HK\$15.1 million). Same store growth was 27%. Despite the continual rollout of new stores, losses narrowed slightly to HK\$15.3 million (2014: loss of HK\$16 million) but store level profit was achieved by our operations in April and May 2015.

## 「eGG」集團

### 「eGG」—香港及中國內地

快時尚眼鏡「eGG」在市況回軟下仍能成功把握消費者對時尚及新穎設計眼鏡的追求，保持強勁的業務表現。

回顧期內，香港的「eGG」截至2015年3月31日共營運15間店舖(2014：10間)，營業額增加52.4%至HK\$71.4佰萬，持續優於整體零售市道。增長由開設新店及同店增長同時帶動，而同店增長約40%。香港的「eGG」已近乎收支平衡，僅錄得輕微EBIT虧損HK\$ 0.7佰萬(2014：虧損HK\$7.3佰萬)。

中國內地的「eGG」業務的營業額上升178%至HK\$42佰萬(2014：HK\$15.1佰萬)，主要由開設新店所帶動，而同店增長為27%。儘管持續拓展，但EBIT虧損仍能略為收窄至HK\$15.3佰萬(2014：虧損HK\$16佰萬)。2015年4月及5月集團於店舖層面已錄得盈利。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

As of 31 March 2015, there were 24 eGG stores (2014: 17 stores) located in Hangzhou, Suzhou, Wuxi (Eastern China); Chongqing, Sichuan (Southwestern China); and Beijing, Tianjin, Shenyang, Dalian (Northern China).

From the positive performance seen this year, expansion plans will be accelerated and in the next year, more than 30 stores will be opened.

We expect to see a good performance from eGG Hong Kong and eGG Mainland China in the coming fiscal year, as encouraging momentum has been carried through into the first quarter of FY15/16.

Further to tap into new markets, our eGG concept will be introduced in Singapore, Malaysia and Thailand in the next year.

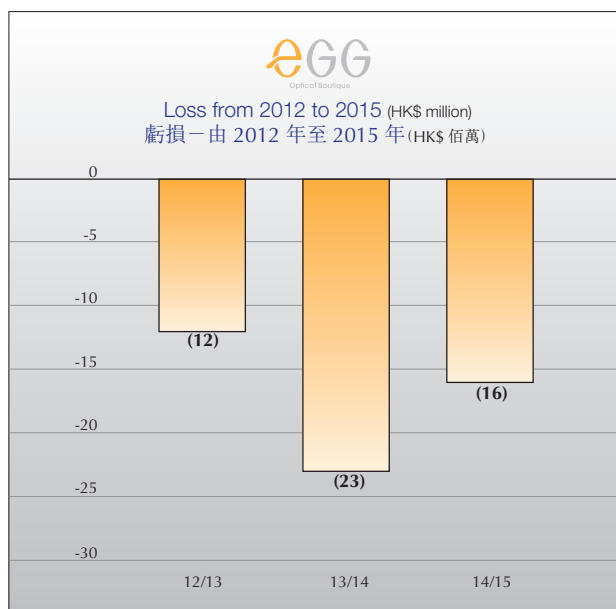
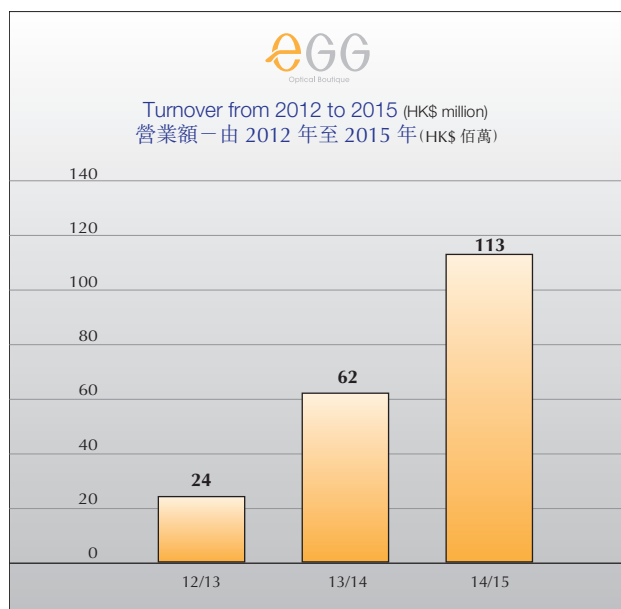
管理層討論及分析(續)

截至2015年3月31日，「eGG」共營運24間店舖(2014：17間)，分別位於杭州、蘇州、無錫(華東)；重慶、四川(中國西南)；及北京、天津、瀋陽、大連(華北)等地。

由於年內表現優異，「eGG」將加快拓展計劃，在下年度開設超過30間新店。

集團預計來年香港及中國內地的「eGG」將會有滿意的表現，而增長趨勢已見延續於2015/2016首季。

「eGG」在下財年將會拓展新市場如新加坡、馬來西亞及泰國。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

**SUPPLY CHAIN MANAGEMENT AND WHOLESALE TRADING**

This business segment covers the Group's watch Supply Chain Management Unit and its Wholesale Business Unit. Our Supply Chain Management Unit is responsible for design, procurement and other ancillary services for the Group's watch house brands. The Wholesale Business Unit engages in watch and optical wholesale trading, for SEIKO and ALBA watches and clocks (as sole distributor for Hong Kong, Singapore and Malaysia) and Suunto watches (exclusive distributor for Hong Kong).

During the fiscal year, turnover fell by 10.5% to HK\$396.9 million (2014: HK\$ 443.3 million) due to a drop in order placements as retailers generally adopted a cautious approach because of the soft underlying environment. EBIT decreased by 9.5% to HK\$85.1 million (2014: HK\$94.0 million), partly due to a provision for stocks of HK\$15.2 million made for Swiss made watch movements in view of a slowdown in demand for Swiss made watches (2014: write back income of HK\$3.5 million).

With the acquisition of Catena S.A., the Group has added Swiss made watch movement and watch assembly production facilities to its existing supply chain capabilities. We intend to make this facility our Swiss production base for our Swiss house brands Cyma, Titus, Pronto and Catena.

**SHORT TERM OUTLOOK**

Faced with uncertainty surrounding Hong Kong and the prolonged and widespread slowdown in Mainland China, the Group's immediate priority in the next year is to drive top line growth in Mainland China and maintain a healthy inventory level.

Through various initiatives implemented in the 2H of the year, such as tightened stock replenishment and marketing campaigns to accelerate stock turn, Group inventory levels in the 2H of the year fell by 7%; further decreasing 1.5% in May 2015 against March 2015. The situation will be closely monitored to ensure that initiatives in place set an appropriate balance between increasing stock turn and maintaining a stable gross margin.

管理層討論及分析(續)

**供應鏈管理及批發貿易**

此業務包括集團的鐘錶供應鏈管理單位及其批發業務單位。集團供應鏈管理單位負責集團鐘錶內部品牌的設計、採購及其他配套服務。批發業務單位負責鐘錶及眼鏡批發業務貿易，專營品牌包括精工、ALBA (集團為兩個品牌的香港、新加坡及馬來西亞總代理)，以及Suunto (集團為香港獨家代理)。

於財政年度內，營業額下跌10.5%至HK\$396.9百萬(2014：HK\$443.3百萬)，主要因為經銷商在疲弱的市況下普遍採取謹慎策略，引致訂單下跌。EBIT盈利下跌9.5%至HK\$85.1百萬(2014：盈利HK\$94.0百萬)。EBIT的下跌幅歸因於目前市場對瑞士製手錶的需求放緩，集團因此就瑞士手錶機芯存貨作出HK\$15.2百萬的撥備(2014：撥回收入HK\$3.5百萬)。

集團在年內成功收購Catena S.A. 嘉蒂納，在現有供應鏈的基礎上將因而加入瑞士手錶機芯及手錶裝嵌生產設施。集團往後將利用這瑞士機芯和裝嵌基地自行生產瑞士製造的手錶，包括的品牌有司馬、鐵達時、百浪多及嘉蒂納。

**短期展望**

面對圍繞香港的不明朗因素及中國內地零售市場持續及廣泛的放緩，本集團下年度將主力確保營業額的維持及改善存貨水平。

自本年度下半年起，集團已推行多項措施如收緊補充存貨及增加銷售以加快存貨周轉，初步已見下半年存貨水平較上半年下降7%。截至2015年5月，存貨水平更進一步減少約1.5% (與2015年3月相比)。本集團將密切監察措施成效，在改善存貨周轉的同時盡量平衡毛利水平。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

THE FUTURE

Despite the recent slowdown in the retail market in Mainland China, the Group has every confidence that China will gradually become one of the most important retail markets in the world.

With the quickened pace of transformation, Mainland China will be the Group's new growth engine in terms of revenue and profit in the mid-long term. Currently, Mainland China accounts for 10% of Group turnover but this is expected to increase to around 15% in the next fiscal year. In the coming year, we are targeting to open more than 80 stores across China. Social media and digital marketing platforms will be used to increase market penetration and to boost e-commerce turnover.

FINANCE

The Group's gearing ratio as at 31 March 2015 was 38% (2014: 28%). Group gearing ratio was calculated based on the Group's net debt of HK\$553 million (2014: HK\$408 million) and shareholders' funds of HK\$1,446 million (2014: HK\$1,458 million). The Group's net debt was calculated based on the Group's borrowings of HK\$632 million (2014: HK\$535 million) and convertible bonds of HK\$381 million (2014: HK\$331 million) less the Group's bank balances and cash of HK\$460 million (2014: HK\$458 million).

The increase in Group gearing was due to an increase in Group inventory following the sudden slowdown of the business in the 2H of the year and the increase in the liability component of the convertible bonds.

The Group's policy is to uphold a sound balance sheet and liquidity for future business development. Capital expenditures have been reduced to HK\$95.8 million from HK\$121.5 million in 2013/14, representing a decrease of 21.2%. The Group will continue to be prudent in treasury and inventory management in 2015/16 to reduce inventory so as to improve operational cash inflow and the Group's balance sheet.

Of the Group's borrowings at balance sheet date, HK\$580 million (2014: HK\$464 million) were repayable within 12 months.

Of the Group's borrowings, 3% (2014: 5%) were denominated in foreign currencies. The Group's bank borrowings denominated in Hong Kong Dollars were on a floating rate basis at either bank prime lending rates or short term inter-bank offer rates.

管理層討論及分析(續)

願景

雖然中國零售市場目前經歷放緩期，但集團深信，在中長期而言，中國定必成為世界舞台上舉足輕重的零售市場之一。

隨著集團發展步伐加速，中國內地將成為集團收入及盈利的重要來源。目前，中國內地業務佔集團營業額的10%，預計下年度可增至15%。在2015/16，集團將計劃在全國增加超過80間店舖，並運用線上及社交媒體平台提高集團市場滲透率，同時推動電子商貿的業務增長。

財務

集團於2015年3月31日的借貸比率為38%(2014: 28%)，該項比率是根據集團的淨債務HK\$553百萬(2014: HK\$408百萬)及股東資金HK\$1,446百萬(2014: HK\$1,458百萬)計算。集團的淨債務是根據集團的貸款HK\$632百萬(2014: HK\$535百萬)和可換股債券HK\$381百萬(2014: HK\$331百萬)減集團的銀行結餘及現金HK\$460百萬(2014: HK\$458百萬)。

集團的借貸比率上升是由於下半年業務突然放緩，使集團的存貨增加，同時可換股債券的負債部份亦有所增加所致。

集團的策略是維持穩健的資產負債表及現金流作未來業務發展。資本開支由2013/14年度的HK\$121.5百萬減少至HK\$95.8百萬，減幅達21.2%。於2015/16年度，集團將繼續實行謹慎的財政及存貨管理，減少存貨，改善營運現金流及集團的資產負債表。

集團於結算日的貸款總額中，HK\$580百萬(2014: HK\$464百萬)的貸款須於未來十二個月內償還。

集團的貸款總額中約3%(2014: 5%)以外幣結算。而集團的港幣貸款，均按銀行最優惠利率或短期銀行同業拆息基準，以浮動息率計算。

#### MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The Group does not engage in speculative derivative trading.

As at 31 March 2015, the Group does not have any significant contingent liabilities.

On 29 November 2012, the Company issued unlisted and unsecured convertible bonds with a principal amount of HK\$371,022,600 ("Bonds") to Sapphire Illuminatus Holdings Limited, an independent third party and an indirect subsidiary of Boyu Capital Holdings Ltd ("Boyu").

The bonds are convertible at the option of the bondholders into fully paid ordinary shares 18 months after the issue of bonds up to fifth anniversary of the issue date of the bonds, 190,268,000 conversion shares will be issued upon full conversion of the bonds.

The new funding through the issue of the Bonds combined with the Company's leading position and strong management team as well as Boyu's in-depth retail industry experience will assist the Group to strengthen its position in the Greater China region and bring unparalleled experiences and expertise in expanding the Group's presence in Mainland China in order to achieve profitable long term growth.

The proceeds from the issue of the Bonds is used for further expansion of the Group's store networks, promotion of in-house brands, potential business expansion opportunities, and/or other general corporate purposes.

#### STAFF

The Group's remuneration policies are reviewed on a regular basis and remuneration packages are in line with market practices in the relevant countries where the Group operates. As of 31 March 2015, the Group had 3,876 (2014: 3,812) employees. The Group offers KPI related bonuses to eligible employees based on the performance of the Group and the individual employee. The Group also provides related training programmes to improve the quality, competence and skills of its employees.

#### 管理層討論及分析(續)

集團不參與純投機的衍生工具交易。

於2015年3月31日，集團並沒有任何重大的或然負債。

於2012年11月29日，本公司向一名獨立第三方 Sapphire Illuminatus Holdings Limited (Boyu Capital Holdings Ltd (「Boyu」) 的間接子公司) 發行本金總額港幣371,022,600元的非上市及無抵押可換股債券。

債券可按債券持有人的選擇於債券發行18個月後截至債券發行日期的第五週年兌換為已繳足股款的普通股，190,268,000股兌換股份將於債券悉數兌換後發行。

透過發行債券獲得的新資金，結合本公司的領導地位和強大的管理團隊以及Boyu在零售行業的深入經驗，有助加強本集團在大中華區的地位以及為集團在擴大中國內地業務上帶來前所未有的經驗和專業知識，以達致有利的長期增長。

來自發行債券之收益用於進一步擴大本集團之店舖網絡，推廣自家品牌，潛在業務擴展機會及／或其他一般企業用途上。

#### 員工

集團以其經營國家的人力資源市場為準則，釐定給予當地僱員的報酬，並定時進行檢討。本集團於2015年3月31日共有3,876位(2014年：3,812位)僱員。集團就業績及個別僱員表現提供按「關鍵績效指標」釐定之獎金予合資格的僱員。集團亦提供相關的培訓計劃改善僱員質素、能力及技能。

## REPORT OF THE DIRECTORS

### 董事會報告書

#### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Environmental, Social and Governance Report is set out on pages 163 to 178.

#### DIRECTORS AND INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

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

Joseph C. C. **Wong** (Chairman and Chief Executive Officer)  
Vincent **Lau** Tak Bui (retirement effective from 1 July 2015)  
Wallace **Kwan** Chi Kin  
Sakorn **Kanjanapas**  
Mary **Ma** Xuezheng  
Alex **Wong** Yu Tsang  
Nelson **Wu** Chun Sang (independent non-executive)  
Lawrence **Wu** Chi Man (independent non-executive)  
Agnes **Kwong** Yi Hang (independent non-executive)

In accordance with Bye-law 110(A), Dr. Agnes Kwong Yi Hang, Mr. Wallace Kwan Chi Kin and Mr. Alex Wong Yu Tsang will retire by rotation at the forthcoming Annual General Meeting (“AGM”) and, being eligible, offer themselves for re-election.

Mr. Vincent Lau Tak Bui resigned on 1 July 2015 as executive director of the Company due to retirement. Mr. Lau has confirmed that he has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

During the year and up to the date of this report, Mr. Joseph C. C. Wong, Mr. Sakorn Kanjanapas, Mr. Vincent Lau Tak Bui and Mr. Wallace Kwan Chi Kin are also directors in certain subsidiaries of the Company. Other directors of the Company’s subsidiaries in Hong Kong during the year and up to the date of this report: Mr. William Hui Kin Wai, Mr. Cheng Hok Yuk, Ms. Stella Chow Yin Oi, Mr. Lancelot Lo Kwun Fung, Mr. Wong Kai Kwong, Ms. Emily Choy Pik Yin, Ms. Leung Sze Mun and Mr. Johnny Chan Koon Kiu.

No director has a service contract with the Company which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

The Company’s directors have formal letters of appointment setting out the key terms and conditions of their appointment.

#### 環境政策及表現

環境、社會及管治報告已列載於第163至178頁內。

#### 董事會及交易、協議及合約權益

年內及直至本報告日期的在任董事如下：

黃創增 (主席及行政總裁)  
劉德杯 (於2015年7月1日退休)  
關志堅  
黃創江  
馬雪征  
黃宇錚  
胡春生 (獨立非行政董事)  
胡志文 (獨立非行政董事)  
鄺易行 (獨立非行政董事)

按照公司細則第110(A)條，鄺易行博士，關志堅先生及黃宇錚先生將於應屆股東週年大會（「股東週年大會」）輪席告退，惟彼等合資格並願膺選連任。

劉德杯先生因退休而於二零一五年七月一日辭任本公司行政董事。劉先生已確認與董事會並無意見分歧，亦無其他有關其辭任的事宜而須知會本公司股東。

年內及直至本報告日期，黃創增，黃創江，劉德杯及關志堅同為本公司若干附屬公司董事。年內及直至本報告日期，其他香港附屬公司董事：許健偉先生，鄭學玉先生，周燕愛小姐，盧冠峯先生，黃啓光先生，蔡碧欣小姐，梁思敏小姐及陳冠橋先生。

各董事概無與本公司訂立本公司不可於1年內免付補償（法定賠償除外）而終止的服務合約。

本公司董事均有正式委任信，載列其委任的主要條款及條件。



## REPORT OF THE DIRECTORS

### 董事會報告書

During the year, Mr. Joseph C. C. Wong, Mr. Vincent Lau Tak Bui and Mr. Wallace Kwan Chi Kin were each eligible to an annual bonus determinable under the terms of a KPI based executive bonus scheme with respect to their management of the Group. Provision for the bonuses in respect of the directors eligible under the executive bonus scheme for the year ended 31 March 2015 amounted to HK\$16,945,000 (2014: HK\$12,293,000).

Apart from the foregoing, no other transactions, arrangements and contracts of significance in relation to the Group's businesses to which the Company's subsidiaries or its holding company was a party and in which a director of the Company and 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.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR EXECUTIVES

#### Chairman and Chief Executive Officer

Joseph C. C. WONG, aged 55, was appointed executive director of the Company in 1986. Mr. Wong undertook his tertiary studies in the United Kingdom. He graduated from the University of Bradford with a B.Sc. in Industrial Engineering (First Class Honours). Mr. Wong also holds a M.Sc. (with Distinction) in Operational Research from the University of Southampton. Mr. Wong is the Founding Honorary Patron of the HKU Foundation for Education Development and Research and has been serving the Board of Directors of the Foundation for over 15 years. He is also a member of the Court of the University of Hong Kong. He was awarded an Honorary Fellowship by the University of Hong Kong in 2013. He is a brother of Mr. Sakorn Kanjanapas, a non-executive director of the Company.

#### Directors

Vincent LAU Tak Bui (retirement effective on 1 July 2015), aged 57, was appointed executive director of the Company in 2006. Mr. Lau was CEO of the Thong Sia Group of Companies ("Thong Sia Group") (acquired by the Company in September 2005) between 2002 and 2012. He was appointed Vice-Chairman of Thong Sia Group in 2012. He is an associate member of the Hong Kong Institute of Certified Public Accountants. Up till Mr. Lau's retirement, he was Group Chief Operating Officer.

年內，黃創增先生、劉德杯先生及關志堅先生就管理本集團作出貢獻而合資格根據「關鍵績效指標」之行政人員花紅計劃條款獲得待定金額之年度花紅。截至2015年3月31日止年度，就行政人員花紅計劃合資格董事而作出之行政人員花紅撥備為港幣16,945,000元(2014年：港幣12,293,000元)。

除上述者外，於年終時或年內任何時間，概無任何本公司、其附屬公司或其控股公司所簽訂而本公司董事及其關聯方直接或間接享有重大利益之與本集團業務有關之重要交易、協議及合約。

### 董事及高級管理人員的履歷詳情

#### 主席及行政總裁

黃創增先生，55歲，於1986年獲委任為本公司董事。黃先生於英國接受高等教育，畢業於布拉德福德大學並擁有工業工程專業理學士學位(一級榮譽)。黃先生亦持有英國南開普敦大學統籌學理學士學位(最優等)。黃先生為香港大學教育發展研究基金會名譽贊助人並已於該基金的董事會任職逾十五年。彼亦為香港大學校董會的成員並於2013年獲得香港大學名譽院士銜頭。黃先生為本公司非行政董事黃創江先生之胞弟。

#### 董事

劉德杯先生(於2015年7月1日退休)，57歲，於2006年獲委任為本公司行政董事。自2002年至2012年期間，劉先生為通城集團(本公司於2005年9月收購)的行政總裁。劉先生於2012年獲委任為通城集團副主席。彼為香港會計師公會會員，截至劉先生的退休之日，彼為本集團首席營運總監。

## REPORT OF THE DIRECTORS

### 董事會報告書

Wallace KWAN Chi Kin, aged 45, joined the Group in November 2011 as Group Finance Director and was appointed an executive director and Chief Financial Officer of the Company in July 2013. Mr. Kwan holds a Bachelor of Social Science Degree from The Chinese University of Hong Kong. He also holds a Master of Business Administration Degree from the University of Manchester and a Master of Laws in Corporate & Financial Law from The University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and also a fellow of the Association of Chartered Certified Accountants. Mr. Kwan has over 20 years of experience in financial management having worked at an international audit firm and listed companies.

Sakorn KANJANAPAS, aged 65, was appointed a non-executive director of the Company in 1987. He is a director of publicly listed Bangkok Land Public Company Limited (Thailand). He is a brother of the Chairman.

Mary MA Xuezheng, aged 63, was appointed a non-executive director of the Company in December 2012. Ms. Ma graduated from Capital Normal University. She was appointed a non-executive director of the Securities and Futures Commission on 15 November 2013. She is a Managing Partner of Boyu Capital Advisory Co. Ltd., the adviser to the investment fund which ultimately owns Sapphire Illuminatus Holdings Limited. Prior to Boyu Capital, Ms. Ma was a Partner of TPG Capital and co-Chairman of TPG China where she primarily focused on investments in the Greater China region. Before joining TPG, Ms. Ma was a Senior Vice President and Chief Financial Officer of Lenovo Group Ltd. Ms. Ma has been a member of the Lenovo board since 1997 and currently serves as non-executive Vice Chairman, a role she has served since 2007. She is also a non-executive director of Wumart Stores, Inc. and a non-executive director of Unilever N.V. and Unilever PLC. Between 2009 and 2011, Ms. Ma was a non-executive director of Daphne International Holdings Ltd. Between 2009 and 2013, Ms. Ma was a member of the Listing Committee of the Hong Kong Stock Exchange and between 2004 and 2013, was an independent non-executive director of Standard Chartered Bank (Hong Kong) Limited. Ms. Ma has been a member of The Hong Kong Institute of Directors since 2000. Ms. Ma worked for The Chinese Academy of Sciences before joining Lenovo.

關志堅先生，45歲，自2011年11月加入本集團出任集團財務總監及於2013年7月獲委任為本公司行政董事及首席財務總裁。彼擁有香港中文大學社會科學學士。彼亦擁有曼徹斯特大學工商管理碩士及香港大學公司及金融法法學碩士。彼為香港會計師公會會員及特許公認會計師公會資深會員。關先生曾在國際審計師事務所及上市公司任職，擁有超過20年的財務管理經驗。

黃創江先生，65歲，於1987年獲委任為本公司非行政董事。彼為泰國上市公司曼谷置地公眾有限公司的現任董事，乃主席之胞兄。

馬雪征女士，63歲，於2012年12月獲委任為本公司非行政董事。馬女士畢業於首都師範大學。彼於2013年11月15日獲委任為證券及期貨事務監察委員會非執行董事。彼為博裕投資顧問有限公司的管理合伙人，而博裕投資顧問有限公司為最終擁有 Sapphire Illuminatus Holdings Limited 的投資基金的顧問。加入博裕資本前，馬女士為 TPG Capital 的合伙人及 TPG 中國區的聯席主席，主要專注於大中華區投資。加入 TPG 前，馬女士為聯想集團有限公司的資深副總裁及首席財務總裁。馬女士自1997年起出任聯想董事會成員，並自2007年擔任董事會非行政副主席。馬女士亦為北京物美商業集團股份有限公司的非行政董事及聯合利華的非行政董事。2009年至2011年期間，馬女士為達芙妮國際控股有限公司的非行政董事。馬女士自2009年至2013年期間為香港聯交所上市委員會成員，並於2004年至2013年期間為渣打銀行(香港)有限公司的獨立非行政董事。馬女士自2000年起為香港董事學會成員。馬女士於加入聯想前曾任職中國科學院。

## REPORT OF THE DIRECTORS

### 董事會報告書

Alex WONG Yu Tsang, aged 37, was appointed a non-executive director of the Company in December 2012. Mr. Wong holds a Bachelor of Business Administration degree (First Class Honours) from the Chinese University of Hong Kong. Mr. Wong is an executive director of Boyu Capital Advisory Co. Ltd., the adviser to the investment fund which ultimately owns Sapphire Illuminatus Holdings Limited. Prior to Boyu Capital, Mr. Wong was an executive director at Goldman Sachs' Principal Investment Area. Prior to this, Mr. Wong was a consultant in McKinsey & Company's Corporate Finance Practice.

WU Chun Sang, aged 58, was appointed an independent non-executive director of the Company in 2004. He is a Macau Registered Auditor. He is also a fellow member of the Association of Chartered Certified Accountants, UK and an associate member of the Hong Kong Institute of Certified Public Accountants.

Lawrence WU Chi Man, aged 57, was appointed an independent non-executive director of the Company in 2005. He graduated from Bristol University, UK with a BSc(Eng) and PhD in Aeronautical Engineering. He is a Professor at the Department of Physics and Material Science at the City University of Hong Kong. He is a fellow of the Hong Kong Institution of Engineers (HKIE). He is also a Council Member of the HKIE. He received the Taishan (泰山學者) Scholar award from the Shandong Provincial Government in 2012.

Agnes KWONG Yi Hang, aged 56, holds a PhD in Molecular Immunology from the University of Hong Kong. She was appointed an independent non-executive director of the Company in 2006. She is a director of TEMP Limited and Health Wisdom Limited, both of these companies are health consultancies.

#### Chief Counsel and Company Secretary

Caroline CHONG, aged 53, joined the Group in 1997. She graduated from the University of Kent, United Kingdom with a Bachelor of Arts (Law) (Hons) degree. She is admitted as a Barrister in England and Wales, and, Hong Kong. She is responsible for the Group's legal and corporate secretarial matters. Ms. Chong was awarded with the "Managing IP In-House Award" organised by the Euromoney Legal Media Group in 2012.

黃宇錚先生，37歲，於2012年12月獲委任為本公司非行政董事。黃先生持有香港中文大學頒授的工商管理學士學位（一級榮譽）。彼為博裕投資顧問有限公司的行政董事，而博裕投資顧問有限公司為最終擁有 Sapphire Illuminatus Holdings Limited 的投資基金的顧問。加入博裕資本前，黃先生為高盛直接投資部的執行董事。此前，黃先生為麥肯錫公司企業財務部顧問。

胡春生先生，58歲，於2004年獲委任為本公司獨立非行政董事。彼為澳門註冊核數師。彼亦為英國特許公認會計師公會資深會員及香港會計師公會會員。

胡志文教授，57歲，於2005年獲委任為本公司獨立非行政董事。彼畢業於英國布里斯托大學，獲得航空工程學士及博士銜頭。彼為香港城市大學物理及材料科學系教授及香港工程師學會資深會員，亦為香港工程師學會理事。於2012年，彼獲得山東省政府頒發的泰山學者獎。

鄺易行博士，56歲，擁有香港大學頒授之分子免疫學博士銜頭。彼於2006年獲委任為本公司獨立非行政董事。彼為兩所健康顧問公司，TEMP Limited 及 Health Wisdom Limited 的董事。

#### 首席法律顧問及公司秘書

張素萍大律師，53歲，於1997年加入本集團。彼畢業於英國肯特大學，榮獲法律（榮譽）學士學位。彼在英格蘭及威爾斯以及香港獲認可為大律師。彼負責集團法律及公司秘書事務。張大律師於2012年榮獲 Euromoney Legal Media Group（「歐洲貨幣法律傳媒集團」）之 Managing IP In-House Award（「企業內部知識產權管理獎」）。

## SHARE OPTIONS

On 9 March 2005, a new share option scheme, replacing the previous scheme which was approved by the shareholders on 25 June 1997, for the employees, officers and directors of the Company and its subsidiaries (the "Share Option Scheme") was approved and adopted by the shareholders pursuant to which the Board was authorised to grant options to the employees, officers and directors of the Company or its subsidiaries to subscribe for shares of the Company for a fixed period. The option period refers to a period which the Board may in its absolute discretion determine and specify, save that (a) for ease of administration, in the absence of a separate Board resolution at the time of grant specifying otherwise, such period should be seven years from the commencement date of the share option and (b) in any event such period shall expire not later than 10 years from the commencement date of the share option. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 95,134,002 shares. The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded. An offer of the grant of options must be accepted within 28 days from the commencement date of the relevant option period. The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of the Company's business; to provide additional incentives to the employees, officers and directors of the Company and its subsidiaries and to promote the long term financial success of the Company by aligning the interests of Option Holder (any employee or a director of the Company or any subsidiary who accepts an offer of the grant of an Option in accordance with the terms of the Share Option Scheme or their legal personal representatives) to shareholders. The consideration payable on acceptance of the offer for the grant of an option is HK\$1. The subscription price is determined by the Board at the time of grant of the relevant option and shall not be less than whichever is the higher of the closing price of the shares as stated in the daily quotation sheets of the Stock Exchange of Hong Kong Limited ("Stock Exchange") on the commencement date of the share option, which must be a business day; the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the commencement date of the share option; and the nominal value of a share. No option had been granted during the year. The Share Option Scheme expired before 31 March 2015.

## 購股權

於2005年3月9日，股東就本公司及其附屬公司之僱員、高級職員及董事批准及採納一項新購股權計劃（「購股權計劃」），取代股東於1997年6月25日批准之早前計劃，據此，董事會獲授權向本公司或其附屬公司之僱員、高級職員及董事授出可於指定期間認購本公司股份之購股權。購股權期間指董事會可能全權酌情決定及訂明之期間，惟(a)為方便行政工作，倘於授出之時並無個別董事會決議案另行訂明，該期間將為購股權開始日期起計七年；及(b)於任何情況下，該期間不得於購股權開始日期起計超過十年後屆滿。根據購股權計劃及任何其他計劃授出之所有購股權獲行使而可能發行之股份總數，合共不得超過95,134,002股股份。購股權計劃及任何其他計劃項下已授出及尚未行使之所有發行在外購股權獲行使時可能發行之有關股份數目限額，不得超過當時已發行股份30%。倘根據本公司任何計劃授出購股權將超出該限額，則不得授出購股權。提呈授出之購股權必須於有關購股權期間開始日期起計28日內接納。購股權計劃之目的，為透過將購股權持有人（根據購股權計劃之條款接納提呈授出之購股權之本公司或任何附屬公司任何僱員或董事或其法定遺產代理人）與股東之權益聯繫，招攬及留聘優秀人才參與本公司業務發展；向本公司及其附屬公司之僱員、高級職員及董事提供額外獎勵以及促進本公司長遠財務表現。接購提呈授出之購股權時應付代價為港幣1元。認購價由董事會於有關購股權授出時釐定，不得低於以下較高者：購股權開始日期（必須為營業日）香港聯合交易所有限公司（「聯交所」）每日報價表所報股份收市價；緊接購股權開始日期前五個營業日聯交所每日報價表所報股份平均收市價；及股份面值。年內並無授出任何購股權。購股權計劃於2015年3月31日前屆滿。



**REPORT OF THE DIRECTORS**  
**董事會報告書**

With the exception of the Share Option Scheme of the Company, at no time during the year was the Company, its subsidiaries or its holding company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

除本公司的購股權計劃外，年內本公司、其附屬公司或其控股公司概無訂立任何安排，致使本公司董事可藉收購本公司或任何其他法團的股份或債券而獲益。

**DIRECTORS' INTERESTS**

**董事之權益**

As at 31 March 2015, the interests and short positions of the directors, and the Company's chief executive in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

於2015年3月31日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條而置存之登記冊所記錄，董事及本公司之最高行政人員於本公司或其任何相聯法團（按證券及期貨條例第XV部之定義）之股份、相關股份及債券中擁有之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則而須知會本公司及聯交所之權益及淡倉如下：

(a) The Company – Ordinary shares

(a) 本公司－普通股

*Long position in shares and underlying shares of the Company*

*於本公司之股份及相關股份之好倉*

| Name of Director<br>董事姓名          | Number of shares<br>股份數目         |                            |   |                           | Total<br>總數 | Approximate<br>percentage of<br>issued share<br>capital<br>佔已發行<br>股本之<br>概約百分比 |
|-----------------------------------|----------------------------------|----------------------------|---|---------------------------|-------------|---|
|                                   | Personal<br>interest<br>個人權益     | Family<br>interest<br>家屬權益 | Corporate/<br>trust interest<br>法團/<br>信託權益 | Other<br>interest<br>其他權益 |             |   |
| Mr. Joseph C. C. Wong<br>黃創增先生    | 607,109,892<br>(Note 1)<br>(附註1) | 11,000                     | 1,195,100<br>(Note 2)<br>(附註2)              | –                         | 608,315,992 | 58.13   |
| Mr. Vincent Lau Tak Bui<br>劉德杯先生  | 10,024,920                       | –                          | –   | –                         | 10,024,920  | 0.96  |
| Mr. Wallace Kwan Chi Kin<br>關志堅先生 | –                                | –                          | –   | –                         | –           | –   |
| Mr. Sakorn Kanjanapas<br>黃創江先生    | 67,221,078                       | –                          | 1,195,100<br>(Note 2)<br>(附註2)              | –                         | 68,416,178  | 6.54  |

**REPORT OF THE DIRECTORS**  
**董事會報告書**

Notes:

- (1) These interests include Mr. Joseph C. C. Wong's interest in the 67,221,078 shares of the Company (which are beneficially owned by Mr. Sakorn Kanjanapas) under unlisted physically settled equity derivatives arising from options granted by Mr. Sakorn Kanjanapas to Mr. Joseph C. C. Wong to purchase such shares within a period of 3 years from 27 August 2012.
- (2) Yee Hing Company Limited, directly and indirectly through its subsidiary including Active Lights Company Limited, held 1,195,100 shares of the Company as at 31 March 2015. 55% of the total issued ordinary shares of Yee Hing Company Limited is held by Klayze Holdings Limited, which is the trustee of a discretionary trust (the "Trust"). Mr. Joseph C. C. Wong and Mr. Sakorn Kanjanapas are the beneficiaries of the Trust and were therefore deemed to be interested in 1,195,100 shares of the Company through the Trust's interest in Yee Hing Company Limited.

*Short position in shares and underlying shares of the Company*

Mr. Sakorn Kanjanapas has a short position in 67,221,078 shares of the Company under unlisted physically settled equity derivatives arising from options granted by Mr. Sakorn Kanjanapas to Mr. Joseph C. C. Wong to purchase such shares within a period of 3 years from 27 August 2012.

(b) Subsidiaries

附註：

- (1) 該等權益包括黃創增先生於本公司67,221,078股股份(由黃創江先生實益擁有)之權益，該等股份乃黃創江先生向黃創增先生授出於2012年8月27日起計3年期間購買股份之購股權所產生的非上市實質交易股票衍生工具項下股份。
- (2) 於2015年3月31日，義興有限公司直接或間接通過其附屬公司Active Lights Company Limited持有本公司1,195,100股股份。Klayze Holdings Limited以作為一項酌情信託(「信託」)之受託人身份持有義興有限公司全部已發行普通股之55%權益。黃創增先生及黃創江先生為信託之受益人，故被視為通過信託於義興有限公司之權益而擁有本公司1,195,100股股份權益。

*於本公司股份及相關股份的淡倉*

黃創江先生擁有本公司67,221,078股股份的淡倉，該等股份乃黃創江先生向黃創增先生授出於2012年8月27日起計3年期間購買股份之購股權所產生的非上市實質交易股票衍生工具項下股份。

(b) 附屬公司

|  | Number of shares<br>股份數目      |                            |                                |         | Total<br>總數 | Approximate<br>percentage<br>of the total<br>preference<br>shares in issue<br>as at<br>31 March<br>2015<br>於2015年<br>3月31日<br>佔全部已<br>發行優先股<br>概約百分比 |
|--|-------------------------------|----------------------------|--------------------------------|---------|-------------|--|
|  | Personal<br>interests<br>個人權益 | Family<br>interest<br>家屬權益 | Corporate<br>interests<br>法團權益 |         |             |  |
| (i) City Chain (Thailand) Company Limited – Preference shares <sup>1</sup><br>City Chain (Thailand) Company Limited – 優先股 <sup>1</sup> |                               |                            |                                |         |             |  |
| Mr. Joseph C. C. Wong<br>黃創增先生   | 200                           | –                          | 208,800                        | 209,000 | 99.52       |  |
| Mr. Sakorn Kanjanapas<br>黃創江先生   | 200                           | –                          | 208,800                        | 209,000 | 99.52       |  |



|   | Number of shares<br>股份數目      |                            |                                | Total<br>總數 | Approximate<br>percentage<br>of the total<br>preference<br>shares in issue<br>as at<br>31 March<br>2015<br>於2015年<br>3月31日<br>佔全部已<br>發行優先股<br>概約百分比 |
|---|-------------------------------|----------------------------|--------------------------------|-------------|--|
|   | Personal<br>interests<br>個人權益 | Family<br>interest<br>家屬權益 | Corporate<br>interests<br>法團權益 |             |  |
| (ii) Stelux Watch (Thailand) Company Limited – Preference shares <sup>2</sup><br>Stelux Watch (Thailand) Company Limited – 優先股 <sup>2</sup> |                               |                            |                                |             |  |
| Mr. Joseph C. C. Wong<br>黃創增先生  | 600                           | –                          | –                              | 600         | 16.67  |
| Mr. Sakorn Kanjanapas<br>黃創江先生  | 600                           | –                          | –                              | 600         | 16.67  |
| (iii) Optical 88 (Thailand) Company Limited – Preference shares <sup>3</sup><br>Optical 88 (Thailand) Company Limited – 優先股 <sup>3</sup>    |                               |                            |                                |             |  |
| Mr. Joseph C. C. Wong<br>黃創增先生  | 5,000                         | –                          | 225,000                        | 230,000     | 90.20  |
| Mr. Sakorn Kanjanapas<br>黃創江先生  | 5,000                         | –                          | 225,000                        | 230,000     | 90.20  |
| (iv) Stelux (Thailand) Limited – Preference shares <sup>4</sup><br>Stelux (Thailand) Limited – 優先股 <sup>4</sup>                             |                               |                            |                                |             |  |
| Mr. Joseph C. C. Wong<br>黃創增先生  | 5,100                         | –                          | –                              | 5,100       | 100  |

Notes:

附註：

- (1) City Chain (Thailand) Company Limited is a subsidiary of the Company. Each preference share carries a right to vote and a right to an annual fixed dividend but not to any other profit sharing. The corporate interests of each of Mr. Joseph C. C. Wong and Mr. Sakorn Kanjanapas in 208,800 preference shares duplicate with each other.
- (2) Stelux Watch (Thailand) Company Limited is a subsidiary of the Company. Each preference share carries a right to vote and a right to an annual fixed dividend but not to any other profit sharing.

- (1) City Chain (Thailand) Company Limited為本公司的附屬公司。每股優先股享有投票權及每年的固定股息，但並無權利分取任何其他盈利。黃創增先生及黃創江先生各自以法團名義權益持有的208,800股優先股為互相重複。
- (2) Stelux Watch (Thailand) Company Limited為本公司的附屬公司。每股優先股享有投票權及每年的固定股息，但並無權分取任何其他盈利。

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- (3) Optical 88 (Thailand) Company Limited is a subsidiary of the Company. Each preference share carries a right to vote and a right to an annual fixed dividend but not to any other profit sharing. The corporate interests of each of Mr. Joseph C. C. Wong and Mr. Sakorn Kanjanapas in 225,000 preference shares duplicate with each other.
- (4) Stelux (Thailand) Limited is a subsidiary of the Company. Mr. Joseph C. C. Wong is entitled to approximately 8.6% of the voting power of such subsidiary and an annual fixed dividend by virtue of the 5,100 preference shares held by him but not to any other profit sharing.

- (3) Optical 88 (Thailand) Company Limited 為本公司的附屬公司。每股優先股享有投票權及每年的固定股息，但並無權分取任何其他盈利。黃創增先生及黃創江先生各自以法團名義權益持有的225,000股優先股為互相重複。

- (4) Stelux (Thailand) Limited 為本公司的附屬公司。黃創增先生於該附屬公司所持有的5,100股優先股享有該附屬公司大概8.6%投票權及每年的固定股息，但並無權分取任何其他盈利。

Save as disclosed above, no directors, chief executive of the Company or their associates have any interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

除上文所披露者外，根據本公司依據證券及期貨條例第352條而置存登記冊所記錄或本公司及聯交所根據上市公司董事進行證券交易的標準守則所獲通知，本公司各董事、最高行政人員或彼等的聯繫人士概無在本公司或其任何相聯法團（按證券及期貨條例第XV部的定義）的股份或相關股份中擁有任何權益或淡倉。

### INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT TO THE SFO

### 根據證券及期貨條例須予以披露之股東權益

As at 31 March 2015, the following persons had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

根據證券及期貨條例第336條而置存之登記冊所記錄，以下人士於2015年3月31日於本公司之股份或相關股份中擁有權益或淡倉：

*Long positions in shares and underlying shares of the Company*

*於本公司之股份及相關股份之好倉*

| Name of Director<br>董事姓名       | Number of shares<br>股份數目          |                            |   |                           | Total<br>總數 | Approximate<br>percentage of<br>issued share<br>capital<br>佔已發行<br>股本之<br>概約百分比 |
|--------------------------------|-----------------------------------|----------------------------|---|---------------------------|-------------|---|
|                                | Personal<br>interest<br>個人權益      | Family<br>interest<br>家屬權益 | Corporate/<br>trust interest<br>法團/<br>信託權益 | Other<br>interest<br>其他權益 |             |   |
| Mr. Joseph C. C. Wong<br>黃創增先生 | 607,109,892<br>(Note 1)<br>(附註 1) | 11,000                     | 1,195,100<br>(Note 2)<br>(附註 2)             | –                         | 608,315,992 | 58.13   |
| Mr. Sakorn Kanjanapas<br>黃創江先生 | 67,221,078                        | –                          | 1,195,100<br>(Note 2)<br>(附註 2)             | –                         | 68,443,178  | 6.54  |
| Boyu Capital Holdings Ltd.     | –                                 | –                          | 190,268,000<br>(Note 3)<br>(附註 3)           | –                         | 190,268,000 | 18.18   |
| NTAsian Discovery Master Fund  | 54,250,000                        | –                          | –   | –                         | 54,250,000  | 5.18  |

## REPORT OF THE DIRECTORS

### 董事會報告書

#### Notes:

- (1) These interests include Mr. Joseph C. C. Wong's interest in the 67,221,078 shares of the Company (which are beneficially owned by Mr. Sakorn Kanjanapas) under unlisted physically settled equity derivatives arising from options granted by Mr. Sakorn Kanjanapas to Mr. Joseph C. C. Wong to purchase such shares within a period of 3 years from 27 August 2012.
- (2) Yee Hing Company Limited, directly and indirectly through its subsidiary including Active Lights Company Limited, held 1,195,100 shares of the Company as at 31 March 2015. 55% of the total issued ordinary shares of Yee Hing Company Limited is held by Klayze Holdings Limited, which is the trustee of a discretionary trust (the "Trust"). Mr. Joseph C. C. Wong and Mr. Sakorn Kanjanapas are the beneficiaries of the Trust and were therefore deemed to be interested in 1,195,100 shares of the Company through the Trust's interest in Yee Hing Company Limited.
- (3) The Company has issued convertible bonds in an aggregate principal amount of HK\$371,022,600 to Sapphire Illuminatus Holdings Limited (the "Convertible Bonds"), all of which were outstanding as at 31 March 2015. The Convertible Bonds are convertible into shares of the Company at the initial conversion price of HK\$1.95 per new share. Assuming the exercise in full of the conversion right attaching to the Convertible Bonds at the initial conversion price, a total of 190,268,000 new shares of the Company will be issued. Sapphire Illuminatus Holdings Limited is wholly-owned by Boyu Capital Fund I, L.P., which is wholly-owned by Boyu Capital General Partner I, L.P., which is wholly-owned by Boyu Capital General Partner I, Ltd., which is in turn wholly-owned by Boyu Capital Holdings Ltd.

Save as disclosed above, the directors are not aware of any person (other than a director or chief executive of the Company or his/her respective associate(s)), who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as at 31 March 2015.

#### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

#### 附註：

- (1) 該等權益包括黃創增先生於本公司67,221,078股股份(由黃創江先生實益擁有)之權益，該等股份乃黃創江先生向黃創增先生授出於2012年8月27日起計3年期間購買股份之購股權所產生的非上市實質交易股票衍生工具項下股份。
- (2) 於2015年3月31日，義興有限公司直接或間接通過其附屬公司Active Lights Company Limited持有本公司1,195,100股股份。Klayze Holdings Limited以作為一項酌情信託(「信託」)之受託人身份持有義興有限公司全部已發行普通股之55%權益。黃創增先生及黃創江先生為信託之受益人，故被視為通過信託於義興有限公司之權益而擁有本公司1,195,100股股份權益。
- (3) 本公司向Sapphire Illuminatus Holdings Limited(「Sapphire」)發行綜合本金總額為港幣371,022,600元的可換股債券，截至2015年3月31日Sapphire尚未行使該權益。可換股債券可以根據初步兌換價每股港幣1.95元兌換為公司之股份。若按初步兌換價悉數行使可換股債券附帶之換股權，公司將會發行總數190,268,000股新股份。Sapphire由Boyu Capital Fund I, L.P.全資擁有，而Boyu Capital Fund I, L.P.由Boyu Capital General Partner I, L.P.全資擁有，而Boyu Capital General Partner I, L.P.由Boyu Capital General Partner I, Ltd.全資擁有，而Boyu Capital General Partner I, Ltd.又是由Boyu Capital Holdings Ltd.全資擁有。

除上文所披露者外，於2015年3月31日，按本公司根據證券及期貨條例第336條而置存之登記冊所記錄，董事概無知悉有任何人士(董事或本公司之最高行政人員或其各自之聯繫人除外)於本公司之股份或相關股份中擁有權益或淡倉。

#### 上市證券的購買、出售或贖回

本公司於年內並無贖回其任何股份。本公司或其任何附屬公司於年內並無購買或出售本公司的任何股份。

## MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

|                                   |
|-----------------------------------|
| Purchases                         |
| – the largest supplier            |
| – five largest suppliers combined |
| Sales                             |
| – the largest customer            |
| – five largest customers combined |

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

## 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.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the directors of the Company, at least 25% of issued share capital of the Company was held by public members as at the date of this report.

## CONFIRMATION OF INDEPENDENCE BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received confirmations of independence from its independent non-executive directors, who have confirmed their independence as of 1 April 2014 up to and including 31 March 2015. The Company considers its independent non-executive directors to be independent.

Dr. Agnes Kwong Yi Hang was appointed an independent non-executive director of the Company in 2006 and by the forthcoming AGM will have served for 9 years. Dr. Kwong has confirmed her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; she does not have any past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any connected person (as defined under the Listing Rules); and there are no other factors that may affect her independence. Therefore, the Board believes that Dr. Kwong is independent and proposes her re-election as an independent non-executive director of the Company at the forthcoming AGM.

## 主要客戶及供應商

本集團主要供應商及客戶應佔本年度採購額及銷售額百分比如下：

|           |     |
|-----------|-----|
| 採購額       |     |
| – 最大供應商   | 15% |
| – 五大供應商合計 | 43% |
| 銷售額       |     |
| – 最大客戶    | 1%  |
| – 五大客戶合計  | 2%  |

就各董事所知各董事、彼等之聯繫人士擁有本公司已發行股本5%以上之股東並無於上述主要供應商或客戶擁有權益。

## 管理合約

年內，本公司並無簽訂或存有任何有關於整體或部分主要業務的管理及行政合約。

## 足夠公眾持股量

根據本公司可公開獲得之資料及據本公司董事所知，於本報告日期本公司已發行股本中至少25%由公眾人士持有。

## 獨立非行政董事的獨立性確認

本公司已接獲獨立非行政董事對彼等由2014年4月1日至2015年3月31日(包括該日)期內的獨立性的確認。本公司認為獨立非行政董事均具獨立性。

鄺易行博士於2006年獲委任為本公司獨立非行政董事及截至應屆股東週年大會已任職9年。鄺易行博士已就上市規則第3.13(1)至(8)條所述各因素確認其獨立性，其過往或現時並無於本公司或其附屬公司的業務中擁有任何財務或其他利益或與任何關連人士(定義見上市規則)有任何關連及概無其他因素可能影響其獨立性。因此，董事會相信鄺易行博士仍具獨立性及建議其於應屆股東週年大會重選為本公司獨立非行政董事。

## CONTINUING CONNECTED TRANSACTIONS

The following continuing connected transactions are based on normal commercial terms agreed after arms' length negotiations between the parties and are in the ordinary and usual course of business of the Company. The continuing connected transactions are subject to the annual review, reporting and announcement requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and exempt from independent shareholders' approval.

### Continuing Connected Transactions of the Group for the Financial Year Ended 31 March 2015

The following continuing connected transactions under the heading above have been reviewed by the directors (including the independent non-executive directors) of the Company. The independent non-executive directors of the Company have confirmed that during the year all these transactions were entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) either (i) on normal commercial terms or (ii) where there was no available comparison on terms no less favourable to or from the Group than terms available to or from independent third parties; and
- (c) in accordance with the relevant agreements governing such transactions on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged 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 Company's auditor has issued an unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group below in accordance with paragraph 14A.56 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

## 持續關連交易

以下持續關連交易乃基於訂約各方經公平磋商後協定的一般商業條款，並於本公司一般及日常業務過程中進行。持續關連交易須遵守聯交所證券上市規則（「上市規則」）第十四A章有關年度審閱、申報及公告的規定，並獲豁免獨立股東的批准。

### 本集團截至2015年3月31日止財政年度之持續關連交易

上述標題下的以下各項持續關連交易已由本公司董事（包括獨立非行政董事）審閱。本公司的獨立非行政董事已確認年內的所有該等交易：

- (a) 於本集團一般及日常業務過程中訂立；
- (b) (i) 按一般商業條款訂立；或(ii) 倘無可供比較的公司作為參考時，則按對本集團而言不遜於給予或取自獨立第三方的條款訂立；及
- (c) 根據規管該等交易的相關協議按公平合理並符合本公司股東整體利益的條款訂立。

根據香港會計師公會發佈之香港核證委聘準則第3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據香港聯合交易所有限公司證券上市規則第14A.56條，本公司核數師已就本集團以下披露的持續關連交易發出無保留意見函件，其中載有其發現及結論。本公司已向香港聯合交易所有限公司提供核數師函件副本。

## REPORT OF THE DIRECTORS

### 董事會報告書

Summary of the continuing connected transactions:

持續關連交易概要：

| Connected persons<br>關連人士   | Nature of transactions<br>交易性質  | Income/<br>(expenses)<br>收入/(支出)<br>HK\$'000<br>港幣仟元 | Annual Caps<br>年度上限<br>HK\$'000<br>港幣仟元 | Notes<br>附註        |
|---|---|--|---|--------------------|
| International Optical Manufacturing Company Limited and its subsidiaries ("IOM")<br>國際眼鏡製造廠有限公司及其附屬公司 (「IOM」)   | Manufacture & supply of optical products and purchase of optical products<br>製造及供應眼鏡產品及購買眼鏡產品 | (1,032)  | (5,800)                                 | (i)&(xi)           |
| Mengiwa Property Investment Limited ("MPIL") as Landlord<br>明華物業投資有限公司 (「明華」)，作為業主  | Leasing of properties<br>租賃物業   | (13,430)   | (16,455)                                | (ii) to (vi)&(xi)  |
| Active Lights Company Limited ("ALCL") and Thong Sia Company Limited ("TSCL"), each of them as Landlord<br>Active Lights Company Limited (「ALCL」) 及 Thong Sia Company Limited (「TSCL」)，彼等各自作為業主 | Leasing of properties<br>租賃物業   | (1,970)  | (1,975)                                 | (vii) to (ix)&(xi) |
| MPIL as Principal<br>明華，作為委託人   | Provision of management and property agency liaison services<br>提供管理及物業代理聯絡服務                 | 2,340  | 2,574                                   | (x)&(xi)           |



Notes:

**Manufacture & supply of optical products and purchase of optical products**

- (i) The Group announced on 22 March 2013 (“Announcement”), that on 21 March 2013, the Group, through certain of its wholly-owned subsidiaries, entered into the Manufacturing and Supply Agreements 2013 with IOM with effect from 1 April 2013 to 31 March 2016 to renew the Manufacturing and Supply Agreements. All definitions in this note have the same meaning as referred to in the Announcement.

The Group has continued to engage IOM to design, manufacture and supply house-brand and licensed-brand optical products to the Group typically for cash with payment terms ranging from 30 days to 90 days, upon receipt of invoice. The terms of purchases have been determined on an individual purchase order basis based on prevailing industry conditions and the purchases have been made on normal commercial terms.

The annual cap for the year ended 31 March 2015 was set at HK\$5,200,000 based on the Group’s past experience and best estimation of the maximum amount of future purchases.

In order for the Group to continue to make purchases of optical products for the Group’s retail operations from the IOM Group after the expiry of the Renewal Retail Purchase Agreement on 31 March 2013, on 21 March 2013, the Group and IOM Group, through their respective subsidiaries, entered into a Further Renewal Retail Purchase Agreement with effect from 1 April 2013 to 31 March 2016.

The annual cap for the year ended 31 March 2015 was set at HK\$600,000 based on the Group’s past experience and best estimation of the maximum amount of future purchases. Based on the above, the maximum aggregate annual values of purchases of optical products by the Group from the IOM Group under the Manufacturing and Supply Agreements 2013 and the Further Renewal Retail Purchase Agreement in aggregate for the year ended 31 March 2015 were set at HK\$5,800,000.

The Group is satisfied with the business relationship with IOM over the previous years, and IOM’s market knowledge and trend perception in certain major markets, as evidenced by its success in being a supplier to various internationally renowned brands of optical products.

附註：

**製造及供應眼鏡產品及購買眼鏡產品**

- (i) 本集團於2013年3月22日公告(「該公告」)，於2013年3月21日，本集團透過其全資附屬公司與IOM訂立2013年製造及供應協議，自2013年4月1日起至2016年3月31日止生效，以重續製造及供應協議。本附註所有定義與該公告所載者具相同涵義。

本集團一直委聘IOM設計、製造及供應自家品牌及特許品牌眼鏡產品，主要以現金支付，支付期限為收取發票後起計30日至90日。採購條款將按現行行業情況及個別採購訂單而釐定，而採購將按正常商業條款進行。

截至2015年3月31日止年度的年度上限設定為港幣5,200,000元，乃根據本集團過往經驗及就未來採購上限所作的最佳預測而釐定。

為了令本集團於2013年3月31日更新零售採購協議屆滿後就本集團的零售業務向IOM集團購買眼鏡產品，於2013年3月21日，本集團與IOM集團透過彼等各自的附屬公司訂立再度更新零售採購協議，自2013年4月1日起至2016年3月31日止期間生效。

截至2015年3月31日止年度的年度上限設定為港幣600,000元，乃根據本集團過往經驗及就未來採購上限所作的最佳預測而釐定。基於上文所述，截至2015年3月31日止年度，本集團根據2013年製造及採購協議及再度更新零售採購協議從IOM集團採購之眼鏡產品的最高年度購買值設定為港幣5,800,000元。

本集團滿意多年來與IOM的業務關係，而IOM於若干主要市場的市場知識及潮流觸角，自其成功擔任多個國際知名眼鏡產品品牌的供應商足以證明。

## REPORT OF THE DIRECTORS

### 董事會報告書

The directors (including all independent non-executive directors) of the Company are of the view that the Manufacturing and Supply Agreements 2013 and the Further Renewal Retail Purchase Agreement were entered into in the usual and ordinary course of business of the Group on normal commercial terms which were agreed after arm's length negotiations between the parties, and that the terms of the above-mentioned agreements and the maximum aggregate annual values of purchases of optical products by the Group from IOM Group are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

#### Leasing of office premises and carparking spaces

- (ii) The Group announced on 10 December 2012 ("Announcement"), that on 10 December 2012, Stelux Holdings Limited ("SHL"), Thong Sia Watch Company Limited ("TSWCL") and Thong Sia Optics (Hong Kong) Company Limited ("TSOHK"), wholly-owned subsidiaries of the Company, each individually as tenant, entered into the Stelux House Renewal Tenancy Agreements 2013 with Mengiwa Property Investment Limited ("MPIL") in respect of the following properties:

|             |  |
|-------------|--|
| Premises A: | whole of 27th floor and portion of 28th floor (including 12 carparking spaces) at Stelux House                     |
| Premises B: | whole of 21st floor (including 3 carparking spaces) at Stelux House  |
| Premises C: | office unit numbers 502, 503, 505 and 506 on the 5th floor at Stelux House   |
| Premises D: | office unit numbers 1901, 1902 and 1903 with two storerooms numbers 1A and 1B on the 19th floor at Stelux House    |
| Premises E: | office unit numbers 1702 and 1703 on the 17th floor at Stelux House  |
| Premises F: | storeroom no. 6A on 18th floor at Stelux House   |
| Premises G: | portion of office unit numbers 1905 and 1906 with storeroom no. 6A on 19th floor at Stelux House                   |
| Premises H: | office unit numbers 2201, 2202 and 2206 with storeroom numbers 1A, 1B, 6A and 6B on the 22nd Floor of Stelux House |

All definitions in this note have the same meaning as referred to in the Announcement.

The lease term of the above premises is from 1 April 2013 up to and including 31 March 2016 with no rent-free period.

The total monthly rental is HK\$881,700 comprising HK\$830,000 per calendar month for the office premises (Premises A, B, C, D, E, G and H (exclusive of rates, government rent and management charges) and HK\$51,700 per calendar month for the 15 carparking spaces and a storeroom (Premises F) (inclusive of rates, government rent and management charges), both payable monthly in advance in cash by the tenant on the first day of each and every calendar month.

本公司董事(包括全體獨立非執行董事)認為, 2013年製造及採購協議及再度更新零售採購協議為本集團日常業務中按訂約各方公平磋商後協定的一般商業條款訂立, 上述協議之條款及本集團從IOM集團採購之眼鏡產品的最高年度購買價值屬公平合理, 符合本集團及股東之整體利益。

#### 租賃辦公場所及停車位

- (ii) 本集團於2012年12月10日公告(「該公告」), 於2012年12月10日, Stelux Holdings Limited (「SHL」)及本公司之全資附屬公司通城鐘錶有限公司(「通城鐘錶」)及通城光學(香港)有限公司(「通城光學」)(各自個別作為租戶)與明華物業投資有限公司(「明華」)訂立2013年寶光商業中心租賃更新協議, 內容有關以下物業:

|      |  |
|------|--|
| 物業A: | 寶光商業中心27樓全層及28樓部分(包括12個停車位)                        |
| 物業B: | 寶光商業中心21樓全層(包括3個停車位)                               |
| 物業C: | 寶光商業中心5樓502室、503室、505室及506室之辦公室單位                  |
| 物業D: | 寶光商業中心19樓1901室、1902室及1903室之辦公室單位(連同1A及1B兩個儲存室)     |
| 物業E: | 寶光商業中心17樓1702室及1703室之辦公室單位                         |
| 物業F: | 寶光商業中心18樓6A儲存室                                     |
| 物業G: | 寶光商業中心19樓1905室及1906室之部分辦公室單位(連同6A儲存室)              |
| 物業H: | 寶光商業中心22樓2201室、2202室及2206室之辦公室單位(連同1A、1B、6A及6B儲存室) |

本附註所有定義與該公告所載者具相同涵義。

上述物業租期自2013年4月1日起至2016年3月31日(包括該日)止, 並無免租期。

月租總額港幣881,700元, 包括辦公室物業租金每個曆月港幣830,000元(物業A、B、C、D、E、G及H(不包括差餉、政府地租及管理費))及15個停車位及一個儲存室(物業F)租金每個曆月港幣51,700元(包括差餉、政府地租及管理費), 兩者均須由租戶於每個曆月首日以現金預付。

On 21 March 2013, the renewed tenancy agreement in respect of Premises G above was surrendered (“Surrendered Tenancy Agreement”) and SHL (as tenant) entered into a new tenancy agreement with MPIL (as landlord) to rent a larger portion of office unit numbers 1905 and 1906 with storeroom no. 6A on 19th floor and an additional 6 carparking spaces at Stelux House for the same rental period as that for the Surrendered Tenancy Agreement (“Tenancy Agreement”).

The monthly rental for the Tenancy Agreement is HK\$70,762.90 comprising HK\$51,862.90 per calendar month for the portion of the office units with a storeroom (exclusive of rates, government rent and management charges) and HK\$18,900 per calendar month for the 6 carparking spaces (inclusive of rates, government rent and management charges), both payable in advance in cash by the tenant on the first day of each and every calendar month.

With respect to Premises B, the lease of one of the car parking spaces with monthly rental of HK\$3,350 was early terminated with effect from 1 June 2014.

SHL, as tenant, has been granted the naming right of Stelux House and each of SHL, TSWCL and TSOHK has been granted an option for the Premises A, B, C, D, E, H and the Tenancy Agreement, but not an obligation, to renew the relevant tenancy agreement with the landlord every three years for three more years for a maximum of 15 years commencing from 1 April 2016 at the then prevailing open market rent.

The monthly rents of all the above-mentioned office premises were determined on an arm's length basis taking into account the valuations conducted by an independent property valuer dated 2 November 2012, which indicate that the renewal rental rates under the Stelux House Tenancy Renewal Agreements 2013 and the Tenancy Agreement were favourable to the Group as compared with the prevailing market rental values of the subject premises, while the rental rates for carparking spaces were determined with reference to the prevailing market rental rates. Accordingly, the Directors considered the Stelux House Renewal Tenancy Agreements 2013 and the Tenancy Agreement were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group has been using the subject office premises (including the carparking spaces) primarily for office, administrative and storage purposes over a long period of time. In order to avoid possible disruption to its business due to relocation, the Group intends to continue to lease/licence the subject office premises (including the carparking spaces) following the expiration of the relevant leases/licences. The directors consider it to be in the interests of the Company and the Shareholders as a whole for the Group to continue to use the subject premises as long as the relevant rental/licence fee and other terms are favourable to the Group so as to avoid relocation and refurbishment costs which otherwise the Group will have to incur.

於2013年3月21日，有關物業G的租賃更新協議已退回（「退租協議」），而SHL（作為租戶）與明華（作為業主）訂立新租賃協議，於與退租協議相同的租賃期內租用寶光商業中心19樓1905室及1906室之大部分辦公室單位（連同6A儲存室）及額外6個停車位（「租賃協議」）。

租賃協議月租港幣70,762.90元，包括部分辦公室單位連同一個儲存室租金每個曆月港幣51,862.90元（不包括差餉、政府地租及管理費）及6個停車位租金每個曆月港幣18,900元（包括差餉、政府地租及管理費），兩者均須由租戶於每個曆月首日以現金預付。

就物業B而言，其中一個每月租金為港幣3,350元的停車位租賃已提早終止並自2014年6月1日起生效。

SHL（作為租戶）獲授寶光商業中心之命名權，以及SHL、通城鐘錶及通城光學就物業A、B、C、D、E、H及租賃協議各自獲授選擇權（但無責任）可每三年與業主按當時現行公開市場租金將有關租賃協議續期，每次續期三年，由2016年4月1日起計最多續期十五年。

上述辦公室物業的月租經公平原則釐定，並計及獨立物業估值師於2012年11月2日進行的估值，該估值顯示2013年寶光商業中心租賃更新協議及租賃協議項下續期租金與有關物業當時現行市場租值比較，對本集團有利，而停車位之租金則參考現行市場租金釐定。因此，董事認為，2013年寶光商業中心租賃更新協議及租賃協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

本集團一直將上述有關物業（包括停車位）長期作為首要的辦公室、管理及儲存用途。為避免因搬遷可能給其業務帶來之干擾，本集團於有關租賃／許可協議屆滿後，繼續租賃／許可使用有關物業（包括停車位）。董事認為，只要有關之租金／許可費及其他條款對本集團有利及使本集團可避免產生搬遷及裝修費用，本集團繼續使用有關物業實符合本公司及股東之整體利益。

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(iii) The Group announced on 22 May 2013 (“Announcement”), that on 22 May 2013, SHL (as tenant) entered into two tenancy agreements with MPIL (as landlord) as summarized below. All definitions in this note have the same meaning as referred to in the Announcement.

- (a) to rent office unit number 2205 on 22nd floor at Stelux House for a term of two years ten months and nine days commencing on 23 May 2013 and expiring on 31 March 2016 (“Tenancy Agreement A). The monthly rental of HK\$23,850 (exclusive of rates, government rent and management charges) is payable in advance in cash by the tenant on the first day of each and every calendar month; and
- (b) to rent storeroom number 1B on 20th floor at Stelux House for a term of two years eight months and nineteen days from 13 July 2013 up to and including 31 March 2016 (“Tenancy Agreement B). The monthly rental of HK\$5,000 (inclusive of rates, government rent and management charges) is payable in advance in cash by the tenant on the first day of each and every calendar month.

The above monthly rents were determined on an arm’s length basis taking into account the prevailing market rental rates at Stelux House. Accordingly, the directors considered that the terms of the Tenancy Agreements A and B reflected normal commercial terms and were fair and reasonable, and the entering into of Tenancy Agreements A and B were in the interests of the Company and the Shareholders as a whole.

With respect to the Tenancy Agreement A, SHL was granted an option, but not an obligation, to renew the tenancy every three years for three more years for a maximum of 15 years commencing from 1 April 2016 at the then prevailing open market rent.

(iv) The Group announced on 28 November 2013 (“Announcement”), that on 28 November 2013, SHL (as tenant) entered into a tenancy agreement with MPIL (as landlord) to rent office unit number 601 and storeroom numbers 1A and 1B on 6th floor at Stelux House for a term of two years and three months commencing on 1 January 2014 and expiring on 31 March 2016. All definitions in this note have the same meaning as referred to in the Announcement.

The monthly rental of HK\$42,500 (exclusive of rates, government rent and management charges) is payable in advance in cash by the tenant on the first day of each and every calendar month.

The monthly rental was determined on an arm’s length basis taking into account the valuation on the office unit with two storerooms conducted by an independent property valuer dated 22 November 2013. Accordingly, the directors considered that the terms of the tenancy agreement reflected normal commercial terms and were fair and reasonable, and the entering into of tenancy agreement was in the interests of the Company and the Shareholders as a whole.

(iii) 本集團於2013年5月22日公告(「該公告」), 於2013年5月22日, SHL(作為租戶)與明華(作為業主)訂立兩份租賃協議, 概述如下。本附註所有定義與該公告所載者具相同涵義。

- (a) 租用寶光商業中心22樓2205室之辦公室單位, 為期兩年十個月零九日, 自2013年5月23日起至2016年3月31日(包括首尾兩日)屆滿(「租賃協議A」)。月租港幣23,850元(不包括差餉、政府地租及管理費), 須由租戶於每個曆月首日以現金預付; 及
- (b) 租用寶光商業中心20樓1B號儲存室, 為期兩年八個月零十九日, 自2013年7月13日起至2016年3月31日(包括首尾兩日)屆滿(「租賃協議B」)。月租港幣5,000元(包括差餉、政府地租及管理費), 須由租戶於每個曆月首日以現金預付。

上述每月租金乃按公平原則釐定, 並計及寶光商業中心現行市場租值。因此, 董事認為, 租賃協議A及B的條款反映一般商業條款, 屬公平合理, 而訂立租賃協議A及B符合本公司及股東之整體利益。

就租賃協議A而言, SHL獲授予選擇權(但無責任)可每三年按當時現行公開市場租金續租, 每次續期三年, 由2016年4月1日起計最多續期十五年。

(iv) 本集團於2013年11月28日公告(「該公告」), 於2013年11月28日, SHL(作為租戶)與明華(作為業主)訂立租賃協議, 租用寶光商業中心6樓601室之辦公室單位及1A及1B號儲存室, 為期兩年零三個月, 自2014年1月1日起至2016年3月31日屆滿。本附註所有定義與該公告所載者具相同涵義。

月租港幣42,500元(不包括差餉、政府地租及管理費), 須由租戶於每個曆月首日以現金預付。

每月租金乃按公平原則釐定, 並計及獨立物業估值師於2013年11月22日就辦公室單位及兩個儲存室進行的估值。因此, 董事認為, 租賃協議之條款反映一般商業條款, 屬公平合理, 而訂立租賃協議符合本公司及股東之整體利益。

In addition, SHL was granted an option, but not an obligation, to renew the tenancy every three years for three more years for a maximum of 15 years commencing from 1 April 2016 at the then prevailing open market rent.

- (v) The Group announced on 9 April 2014, that on 9 April 2014, SHL (as tenant) entered into a tenancy agreement with MPIL (as landlord) to rent storeroom number 6A on 17th floor at Stelux House for a term commencing from 16 April 2014 and expiring on 31 March 2016 (i.e. one year eleven months and sixteen days).

The monthly rental of HK\$4,570 (inclusive of rates, government rent and management charges) is payable in advance in cash by the tenant on the first day of each and every calendar month.

The monthly rental was determined on an arm's length basis taking into account prevailing market rental rates at Stelux House. Accordingly, the Directors consider that the terms of the tenancy agreement reflect normal commercial terms and to be fair and reasonable, and the entering into this tenancy agreement is in the interests of the Company and the Shareholders as a whole.

In addition, SHL was granted an option, but not an obligation, to renew the tenancy every three years for three more years for a maximum of 15 years commencing from 1 April 2016 at the then prevailing open market rent.

The Group requires more space to meet its operational needs and leasing this additional space at Stelux House (where the Group's headquarter is located) is more convenient than at other locations and will also help to improve operational efficiency.

- (vi) The Group announced on 9 October 2014, that on 9 October 2014, SHL (as tenant) entered into the following tenancy agreements with MPIL (as landlord) to rent office premises and storerooms:

|             |   |
|-------------|---|
| Premises I: | whole of 26th floor with storeroom numbers. 1A, 1B, 6A and 6B on 26th floor at Stelux House |
| Premises J: | office unit 2203 on 22nd floor at Stelux House  |
| Premises K: | office unit 1501 with storeroom number 1A on 15th floor at Stelux House                     |

The lease term of the above premises is from 9 October 2014 and expiring on 31 March 2016 (i.e. one year five months and twenty three days).

The total monthly rental is HK\$352,540 (exclusive of rates, government rent and management charges) and is payable in advance in cash by the tenant on the first day of each and every calendar month.

此外，SHL獲授選擇權(但無責任)可每三年按當時現行公開市場租金續租，每次續期三年，由2016年4月1日起計最多續期十五年。

- (v) 本集團於2014年4月9日公告，於2014年4月9日，SHL(作為租戶)與明華(作為業主)訂立一份租賃協議，租賃寶光商業中心17樓6A儲存室，自2014年4月16日起至2016年3月31日屆滿(即為期一年十一個月零十六日)。

每月租金為港幣4,570元(包括差餉、政府地租及管理費)，須由租戶於每個曆月首日以現金預付。

每月租金乃按公平原則釐定，並計及寶光商業中心現行市場租值。因此，董事認為，租賃協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

此外，SHL獲授予選擇權(但無責任)，可每三年與業主按當時現行公開市場租金將有關租賃協議續期，每次續期三年，由2016年4月1日起計最多續期15年。

本集團需求更多地方以應付業務需要，租賃寶光商業中心(本集團總部所在地)的額外地方比其他地方更為方便，且有助改善營運效率。

- (vi) 本集團於2014年10月9日公告，於2014年10月9日，SHL(作為租戶)與明華(作為業主)訂立下列租賃協議，租賃辦公室及儲存室：

|      |                                  |
|------|----------------------------------|
| 物業I: | 寶光商業中心26樓全層及同層的1A, 1B, 6A及6B號儲存室 |
| 物業J: | 寶光商業中心22樓2203室之辦公室單位             |
| 物業K: | 寶光商業中心15樓1501室之辦公室單位及同層的1A號儲存室   |

上述物業租賃期自2014年10月9日起及於2016年3月31日屆滿(即一年五個月零二十三日)。

每月租金總額港幣352,540元(不包括差餉、政府地租及管理費)，須由租戶於每個曆月首日以現金預付。



The monthly rents for all the above-mentioned office premises were determined on an arm's length basis taking into account the respective rental valuations conducted by an independent property valuer dated 30 September 2014, which indicate that the rental rates of these office premises are at market rates. Accordingly, the Directors considered that the terms of these tenancy agreements reflect normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, SHL was granted an option, but not an obligation, to renew the tenancy every three years for three more years for a maximum of 15 years commencing from 1 April 2016 at the then prevailing open market rent.

The Group requires more space to meet its operational needs and leasing the additional space at Stelux House (where the Group's headquarter is located) is more convenient than at other locations and will also help to improve operational efficiency and reduce overall rental costs.

#### Leasing of warehouses and vehicle parking spaces

- (vii) The Group announced on 10 December 2012 ("Announcement"), that on 10 December 2012, the Group, through certain of its wholly owned subsidiaries, each individually as tenant/licensee, entered into the Warehouse Leasing and Licence Renewal Agreements 2013 with TSCL and ALCL, each individually as landlord/licensor, to renew the term of the leases/licences of 4 existing warehouse spaces in Hong Kong for terms of three years commencing on 1 April 2013 and expiring on 31 March 2016. All definitions in this note have the same meaning as referred to in the Announcement.

Monthly rental totaled HK\$155,920 comprising HK\$146,420 per calendar month (exclusive of rates, government rent and management charges) for 3 warehouse spaces and HK\$9,500 per calendar month (inclusive of rates, government rent and management charges) for the remaining 1 warehouse space, both payable monthly in advance in cash by the tenants on the first day of each and every calendar month.

The monthly rentals/licence fees were determined on an arm's length basis after having taken into account the valuations on the warehouses conducted by an independent property valuer on 23 November 2012, which indicate that the renewal rentals/licence fees under the Warehouse Leasing and Licence Renewal Agreements 2013 were favourable to the Group as compared with the prevailing market rental/licence fee values of the subject warehouses. Accordingly, the Directors considered the Warehouse Leasing and Licence Renewal Agreements 2013 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

上述所有辦公室的每月租金乃按公平原則釐定，並計及獨立物業估值師於2014年9月30日個別租賃估值，該估值顯示辦公室之租金為市場租值。因此，董事認為，租賃協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

此外，SHL獲授予選擇權（但無責任），可每三年與業主按當時現行公開市場租金將有關租賃協議續期，每次續期三年，由2016年4月起計最多續期15年。

本集團需求更多地方以應付業務需要，租賃寶光商業中心（本集團總部所在地）的額外地方比其他地方更為方便，且有助改善營運效率及減低整體租金開支。

#### 租賃貨倉及停車位

- (vii) 本集團於2012年12月10日公告（「該公告」），於2012年12月10日，本集團透過其若干全資附屬公司（各自作為租戶／獲許可人）與TSCL及ALCL（各自作為業主／許可人）訂立2013年倉庫租賃及許可更新協議，以更新香港4個現有倉庫之租賃／許可，自2013年4月1日起至2016年3月31日屆滿，為期三年。本附註所有定義與該公告所載者具相同涵義。

月租總額港幣155,920元，包括3個倉庫空間租金每個曆月港幣146,420元（不包括差餉、政府地租及管理費）及餘下1個倉庫空間租金每個曆月港幣9,500元（包括差餉、政府地租及管理費），兩者均須由租戶於每個曆月首日以現金預付。

每月租金／許可費乃按公平原則釐定，並計及獨立物業估值師於2012年11月23日對倉庫進行的估值，該估值顯示2013年倉庫租賃及許可更新協議項下的續期租金／許可費經與有關倉庫現行市場租金／許可費相比對本集團有利。因此，董事認為，2013年倉庫租賃及許可更新協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

(viii) The Group announced on 9 April 2014 (“Announcement”), that on 9 April 2014, the lease of the warehouse under the Renewal Tenancy Agreement has been surrendered and the warehouse was relocated within the same building for logistic efficiency. A new tenancy agreement was entered into between the existing tenant and the landlord (i.e. TSCL) for a term commencing from 16 April 2014 and expiring on 31 March 2016 (i.e. one year eleven months and sixteen days) and for a monthly rental of HK\$9,500. All definitions in this note have the same meaning as referred to in the Announcement.

The monthly rental was determined on an arm’s length basis taking into account prevailing market rental rates in the vicinity. The Directors consider that the terms of the tenancy agreement reflect normal commercial terms and to be fair and reasonable, and the entering into of this tenancy agreement is in the interests of the Company and the Shareholders as a whole.

(ix) The Group announced on 9 April 2014, that on 9 April 2014, the Company through two of its wholly-owned subsidiaries entered into two license agreements with ALCL to license two vehicle parking spaces for a term of one year eleven months and sixteen days commencing on 16 April 2014 and expiring on 31 March 2016. The total monthly license fee is HK\$8,600 (inclusive of management charges but exclusive of rates and government rent).

The monthly license fees were determined on an arm’s length basis taking into account prevailing market rates for the vehicle parking spaces in the vicinity. The Directors consider that the terms of the License Agreements reflect normal commercial terms and to be fair and reasonable, and the entering into of License Agreements are in the interests of the Company and the Shareholders as a whole.

The continuing connected transactions as set out in (ii) to (ix) above, in relation to the leasing of properties from connected parties, have been aggregated for the purpose of classification in accordance Rule 14A.81 of the Listing Rules, and the aggregate annual caps for the financial year ended 31 March 2015 was approximately HK\$18,430,000.

#### Provision of management and property agency liaison services

(x) The Group announced on 10 December 2012 (“Announcement”), that on 10 December 2012, Stelux Properties Agency Limited (“SPAL”), a wholly-owned subsidiary of the Company, as agent, renewed the management and property agency liaison services agreement (“Service Agreement 2013”) with MPIL for a term of three years up to and including 31 March 2016 for the provision of the following services (“Services”):

- (a) contract administration with respect to contracts entered into between MPIL and third parties from time to time;
- (b) property agency liaison and tenancy management;
- (c) management of the property manager of Stelux House; and

(viii) 本集團於2014年4月9日公告(「該公告」)，於2014年4月9日，根據租賃物業續約協議項下租用倉庫已予取消，倉庫將重新編配以提昇物流效率。現有租戶與業主(即TSCL)已訂立新租賃協議，自2014年4月16日起至2016年3月31日屆滿(即一年十六個月零十六日)，每月租金為港幣9,500元。本附註所有定義與該公告所載者具相同涵義。

每月租金乃按公平原則釐定，並計及附近現行市場租值。董事認為，租賃協議乃按一般商業條款訂立，屬公平合理，訂立此租賃協議符合本公司及股東之整體利益。

(ix) 本集團於2014年4月9日公告(「該公告」)，於2014年4月9日，本公司透過其兩間全資附屬公司與ALCL訂立兩份獲許可使用協議，獲許可使用兩個車位，為期一年十一個月零十六日，自2014年4月16日起至2016年3月31日屆滿。每月許可費合共港幣8,600元(包括管理費但不包括差餉及政府地租)。

每月許可費乃按公平原則釐定，並計及附近車位現行市場值。董事認為，獲許可使用協議乃按一般商業條款訂立，屬公平合理，訂立獲許可使用協議符合本公司及股東之整體利益。

上述(ii)至(ix)項有關關連人士租用物業的持續關連交易已根據上市規則第14A.81條合併計算供作分類目的，而截至2015年3月31日止財政年度的年度上限總額約為港幣18,430,000元。

#### 提供管理及物業代理聯絡服務

(x) 本集團於2012年12月10日公告(「該公告」)，於2012年12月10日，本公司全資附屬公司寶光地產代理有限公司(「寶光地產」)(作為代理)，與明華重續管理及物業代理聯絡服務協議(「2013年服務協議」)，至2016年3月31日(包括該日)止為期三年，提供下列服務(「服務」):

- (a) 管理明華與第三方不時訂立的合約；
- (b) 物業代理聯絡及租賃管理；
- (c) 管理寶光商業中心的物業管理公司；及

(d) other miscellaneous administrative services.

All definitions in this note have the same meaning as referred to in the Announcement.

SPAL has been providing the Services with respect to Stelux House since 1998 and has accumulated relevant knowledge and experience. MPIL is satisfied so far with the Services provided by the Group, whilst the remuneration received by the Group under the Service Agreement is more than enough to cover the relevant costs incurred by the Group in providing the Services. As such, SPAL continued to provide the Services to MPIL following the expiration of the preceding service agreement on 31 March 2013.

Monthly remuneration was set at HK\$195,000 per calendar month (in the first year up to and including 31 March 2014) payable in advance in cash on the first day of each and every calendar month. Parties to the Service Agreement 2013 shall negotiate and agree in good faith to increase the remuneration on an annual basis for the second year and the third year by not more than 10% over that in the preceding year with reference to the actual increase in costs (including but not limited to the related staff salaries) incurred by the Group with respect to the provision of the Services. In the event that no agreement is reached between the parties in negotiating the remuneration for the next year, the remuneration shall remain unchanged.

The monthly remuneration received by the Group for the year ended 31 March 2015 was the same as that under the preceding service agreement for the three years ended 31 March 2013. The remuneration was arrived at after arm's length negotiations between the parties and with reference to the estimate of the costs to be incurred by the Company with respect to the provision of the Services in the financial year ended 31 March 2013. The directors considered the terms of the Service Agreement 2013 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

With reference to the monthly remuneration under the Service Agreement 2013, the Annual Cap Amount for this continuing connected transaction was set at HK\$2,574,000 for the financial year ended 31 March 2015.

#### Relationships between counterparties

(xi) With respect to transactions (i) to (x) above, each of IOM, MPIL, TSCL and ALCL is a subsidiary of Yee Hing Company Limited ("Yee Hing"). Yee Hing, directly and indirectly through its subsidiary, held 0.11% of the Company's issued shares as at 31 March 2015. The Trust, of which Mr. Joseph C.C. Wong and Mr. Sakorn Kanjanapas, being directors of the Company, are beneficiaries, holds 55% of the total issued shares of Yee Hing. Therefore, each of IOM, MPIL, TSCL and ALCL is an associate of the aforesaid directors and hence is a connected person of the Company. Therefore, transactions (i) to (x) above constitute continuing connected transactions for the Company.

(d) 其他行政服務。

本附註所有定義與該公告所載者具相同涵義。

寶光地產自1998年起向寶光商業中心提供服務，並累積相關知識及經驗。明華迄今滿意本集團提供的服務，同時本集團根據服務協議收取的酬金足以抵銷本集團提供服務所產生的有關成本。因此，寶光地產於2013年3月31日先前服務協議屆滿後繼續向明華提供服務。

每月酬金為每個曆月港幣195,000元（於截至2014年3月31日（包括該日）止第一年度），須於每個曆月第一日以現金預付。2013年服務協議之訂約方須參考本集團因提供該等服務而產生之實際增加成本（包括但不限於相關員工薪酬），並按年度基準真誠磋商及協定於第二年度及第三年度之酬金升幅，惟升幅不得超過上一年度酬金之10%。倘訂約方在磋商下一年度酬金時未能達成協議，則該酬勞將維持不變。

本集團截至2015年3月31日止年度所收取的每月酬金與截至2013年3月31日止三個年度先前服務協議項下所收取的酬金相同。酬金按訂約各方公平磋商後達成，並參考本公司於截至2013年3月31日止財政年度提供服務所產生的估計成本。董事認為，2013年服務協議之條款為一般商業條款，屬公平合理，並符合本公司及股東之整體利益。

參照根據2013年服務協議下之每月酬金，該持續關連交易截至2015年3月31日止財政年度之年度上限金額設定為港幣2,574,000元。

#### 與交易對方之關係

(xi) 就上述(i)至(x)項之交易而言，IOM、明華、TSCL及ALCL均為義興有限公司（「義興」）之附屬公司。義興直接及間接通過其附屬公司持有本公司於2015年3月31日之已發行股份0.11%。本公司董事黃創增先生及黃創江先生實益擁有的信託持有義興全部已發行普通股之55%。因此，IOM、明華、TSCL及ALCL均為上述董事之聯繫人士，故為本公司之關連人士。因此，上述(i)至(x)項之交易構成本公司持續關連交易。

## REPORT OF THE DIRECTORS

### 董事會報告書

The above continuing connected transactions also constitute related party transactions and are disclosed in note 30 to the financial statements.

#### PERMITTED INDEMNITY PROVISIONS

As permitted by the Bye-laws of the Company, a director of the Company may be indemnified out of the Company's assets against any liability incurred by the director, to the extent permitted by Bermuda law. Such permitted indemnity provision has been in force throughout the financial year and is currently in force at the time of approval of this report.

The Company has also taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover for certain legal actions brought against its directors and officers.

As permitted by the articles of association of the Company's subsidiaries in Hong Kong ("Hong Kong Subsidiaries"), a director or a former director of the Hong Kong Subsidiaries may be indemnified out of the Hong Kong Subsidiaries' assets against any liability incurred by the director to a person other than the Hong Kong Subsidiaries or an associated company of the Hong Kong Subsidiaries, to the extent permitted by law. Such permitted indemnity provision is currently in force at the time of approval of this report.

#### AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

Last but not least, I express my most sincere thanks and gratitude to colleagues and staff members for their commitment, hard work and loyalty to the Group during the year.

On behalf of the Board

**Joseph C. C. Wong**  
*Chairman and Chief Executive Officer*

Hong Kong, 25 June 2015

上述持續關連交易亦構成有關連人士交易，並於財務報表附註30內披露。

#### 獲准許的彌償條文

本公司之組織章程細則允許本公司董事可在百慕達法律允許的範圍內，獲得從本公司於其資產中補償所有責任。此等獲准許的彌償條文於財政年度內及至批准本報告時仍為有效。

本公司於年內已購買及維持董事及高級職員責任保險，為其董事及高級職員面對若干法律行動時提供適當的保障。

本公司於香港附屬公司（「香港附屬公司」）之組織章程細則允許香港附屬公司董事或前董事可在法律允許的範圍內，獲得從香港附屬公司於其資產中補償所有除香港附屬公司或香港附屬公司相聯公司以外因該董事為香港附屬公司董事的任何責任。此等獲准許的彌償條文至批准本報告時仍為有效。

#### 核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟合資格並願膺選連任。

最後，本人衷心感謝各位員工持續對集團的辛勤貢獻及忠誠服務。

代表董事會

**黃創增**  
*主席及行政總裁*

香港，2015年6月25日