

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1. GENERAL INFORMATION

The principal activity of Stelux Holdings International Limited (“the Company”) is investment holding. The activities of its principal subsidiaries are shown in Note 35 to the consolidated financial statements.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton, HM12, Bermuda.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated. These consolidated financial statements have been approved by the Board of Directors on 23 June 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together, the “Group”) have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and the liability component of the convertible bonds, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

1 一般資料

寶光實業(國際)有限公司(「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綜合財務報表附註35。

本公司為於百慕達註冊成立之有限公司，其註冊地址為Canon’s Court, 22 Victoria Street, Hamilton, HM12, Bermuda。

本公司於香港聯合交易所有限公司具有第一上市地位。

除另有註明者外，本綜合財務報表乃以港幣計值。此等財務報表已於2016年6月23日獲董事會批准。

2 主要會計政策概要

編製本綜合財務報表所採用的主要會計政策載列如下。除另有註明者外，否則該等政策已於呈報年間貫徹應用。

(a) 編製基準

寶光實業(國際)有限公司及其附屬公司(「本集團」)綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」)，按歷史成本常規法編製，本集團綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」)，按歷史成本常規法編製，惟可供出售財務資產及可換股債券負債部分按公平值計量(視情況而定)。

根據香港財務報告準則規定編製財務報表需進行若干重大會計估計，而規定管理層在採用本集團會計政策時作出判斷。有關範圍涉及較高程度判斷或複雜性，或對賬目而言屬重大範疇之假設及估計，於附註4披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Basis of preparation (Continued)

Adoption of amendments to standards

The following amendments to standards are mandatory for the first time for the financial year beginning 1 April 2015 and are adopted by the Group during the year:

| | |
|-------------------------------|--|
| HKAS 19 (Amendment) | Defined Benefit Plans: Employee Contributions |
| Annual Improvement Project | Annual Improvements (2010-2012 cycle) |
| Annual Improvement Project | Annual Improvements (2011-2013 cycle) |

The adoption of the above amendments to standards has no significant impact on the results and financial position of the Group.

New standards and amendments to standards that are not yet effective and have not been early adopted by the Group

The following new standards and amendments to standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2015 or later periods, but the Group has not early adopted them:

2 主要會計政策概要 (續)

(a) 編製基準 (續)

採納準則修訂

以下準則修訂於2015年4月1日開始之財政年度首次生效，本集團已採納：

| | |
|-------------------------|----------------------------|
| 香港會計準則 第19號 (修訂本) | 界定福利計劃： 僱員供款 |
| 年度改進項目 | 於2010至 2012年週年 之年度改進 |
| 年度改進項目 | 於2011至 2013年週年 之年度改進 |

採納上述準則修訂對本集團的業績及財務狀況並沒有重大影響。

尚未生效而本集團亦無提早採納的新準則及準則修訂

以下為已頒佈且須於2015年4月1日或之後開始之會計期間或其後期間強制應用，惟本集團並無提前採納對現有準則之新準則及準則修訂：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Basis of preparation (Continued)

New standards and amendments to standards that are not yet effective and have not been early adopted by the Group (Continued)

2 主要會計政策概要 (續)

(a) 編製基準 (續)

尚未生效而本集團亦無提早採納的新準則及準則修訂 (續)

| | | Effective for the Group's annual financial periods beginning on or after 於下列日期或之後開始 之財務年度生效 |
|--|--|---|
| HKAS 1 (Amendment) | Disclosure initiative | 1 April 2016 |
| 香港會計準則第1號(修訂本) | 披露主動性 | 2016年4月1日 |
| HKAS 7 (Amendment) | Disclosure initiative | 1 April 2017 |
| 香港會計準則第7號(修訂本) | 披露主動性 | 2017年4月1日 |
| HKAS 12 (Amendment) | Recognition of deferred tax assets for unrealised losses | 1 April 2017 |
| 香港會計準則第12號(修訂本) | 確認未變現損失產生的遞延稅項資產 | 2017年4月1日 |
| HKAS 16 and HKAS 38 (Amendment) | Clarification of acceptable methods of depreciation and amortisation | 1 April 2016 |
| 香港會計準則第16號及香港會計準則第38號(修訂本) | 釐清折舊及攤銷可接納之方法 | 2016年4月1日 |
| HKAS 16 and HKAS 41 (Amendment) | Agriculture: Bearer plants | 1 April 2016 |
| 香港會計準則第16號及香港會計準則第41號(修訂本) | 農業：生產性植物 | 2016年4月1日 |
| HKAS 27 (Amendment) | Equity method in separate financial statements | 1 April 2016 |
| 香港會計準則第27號(修訂本) | 獨立財務報表之權益法 | 2016年4月1日 |
| HKFRS 9 | Financial instruments | 1 April 2018 |
| 香港財務報告準則第9號 | 金融工具 | 2018年4月1日 |
| HKFRS 10 and HKFRS 12 and HKAS 28 (Amendment) | Investment entities: Applying the consolidation exception | 1 April 2016 |
| 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本) | 投資實體：應用綜合之入賬例外情況 | 2016年4月1日 |
| HKFRS 10 and HKAS 28 (Amendment) | Sale or contribution of assets between an investor and its associate or joint venture | To be determined |
| 香港財務報告準則第10號及 香港會計準則第28號(修訂本) | 投資者與其聯營公司或合營企業之間之資產出售或注資 | 待確定 |
| HKFRS 11 (Amendment) | Accounting for acquisitions of interests in joint operations | 1 April 2016 |
| 香港財務報告準則第11號(修訂本) | 收購合營業務權益之會計處理 | 2016年4月1日 |
| HKFRS 14 | Regulatory deferral accounts | 1 April 2016 |
| 香港財務報告準則第14號 | 監管遞延賬戶 | 2016年4月1日 |
| HKFRS 15 | Revenue from contracts with customers | 1 April 2017 |
| 香港財務報告準則第15號 | 與客戶訂立合約之收入 | 2017年4月1日 |
| HKFRS 16 | Leases | 1 April 2019 |
| 香港財務報告準則第16號 | 租賃資產 | 2019年4月1日 |
| Annual improvements project | Annual improvements 2012-2014 cycle | 1 April 2016 |
| 年度改進項目 | 2012至2014年週期之年度改進 | 2016年4月1日 |

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)(a) Basis of preparation *(Continued)*

New standards and amendments to standards that are not yet effective and have not been early adopted by the Group (Continued)

The expected impacts from the adoption of the above standards and amendments to standards are still being assessed in details by management and management is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

(b) Subsidiaries

(i) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 主要會計政策概要 (續)

(a) 編製基準 (續)

尚未生效而本集團亦無提早採納的新準則及準則修訂 (續)

本集團現正評估採納此等新準則及準則修訂之預期影響，惟現階段未就此等新準則及準則修訂是否對本集團經營業績及財務狀況構成重大影響。

(b) 附屬公司

(i) 綜合賬目

附屬公司指本集團對其具有控制權的所有實體(包括結構性實體)。當本集團因為參與該實體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該實體的權力影響此等回報時，本集團即控制該實體。附屬公司之賬目自控制權轉讓予本集團之日起全面綜合入賬，並自該控制權終止之日停止綜合計入賬目。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)***(b) Subsidiaries** *(Continued)**(i) Consolidation (Continued)*

(1) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

2 主要會計政策概要 (續)

(b) 附屬公司 (續)*(i) 綜合賬目* (續)

(1) 業務合併

本集團採用收購法為業務合併入賬。收購附屬公司所轉讓代價根據本集團所轉讓的資產、對被收購方前擁有人所產生的負債及本集團所發行股本權益的公平值計算。所轉讓的代價包括因或然代價安排產生的任何資產或負債的公平值。在業務合併過程中所收購的可識別資產以及所承擔的負債及或然負債，均於收購當日按其公平值作初步計量。本集團視乎個別收購基準按公平值或按非控股權益佔被收購方可識別淨資產的已確認金額的比例，確認其於被收購方的非控股權益。

本集團視乎個別收購基準確認其於被收購方的非控股權益。於被收購方的屬於現時擁有權權益並賦予其持有人於清盤時按比例分佔實體資產淨值的非控股權益乃初步以公平值或現時的擁有權工具應佔被收購方可識別資產淨值中已確認款額的比例計量。非控股權益的所有其他成分均按公平值計量，除非香港財務報告準則規定必須以其他計量基準計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Subsidiaries (Continued)

(i) Consolidation (Continued)

(1) Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in the income statement. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (note 2(g)). If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

2 主要會計政策概要 (續)

(b) 附屬公司 (續)

(i) 綜合賬目 (續)

(1) 業務合併 (續)

收購相關成本於產生時支銷。

倘業務合併分階段達成，收購方以往持有之被收購方股權在列入收益表時乃按收購日期之公平值重新計量。

本集團將予轉讓之任何或然代價按收購日期之公平值確認。被視為資產或負債之或然代價日後在公平值上如有任何變動乃根據香港會計準則第39號於收益表中確認。分類為權益之或然代價不予重新計量，而在日後支付時於權益中入賬。

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公允價值高於所收購可辨認資產淨值之公平值時，其差額以商譽列賬就議價購買而言，如轉讓代價、已確認非控股權益及先前持有之權益計量總額低於所收購附屬公司資產淨值之公平值，其差額將直接於收益表中確認(附註2(g))。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(b) Subsidiaries (Continued)

(i) Consolidation (Continued)

(1) Business combinations (Continued)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(2) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 主要會計政策概要 (續)

(b) 附屬公司 (續)

(i) 綜合賬目 (續)

(1) 業務合併 (續)

集團內交易、集團內公司間交易之結餘及未變現收益予以對銷。未變現虧損亦予以對銷。於有需要時，附屬公司匯報之金額予以調整以確保與本集團之會計政策符合一致。

(2) 改變於附屬公司之擁有權益而控制權維持不變

與非控股性權益進行不致失去控制權之交易以權益交易形式入賬，即列作與擁有人進行之交易。任何已付代價之公平值與應佔所購入附屬公司淨資產賬面值兩者間之差額列入權益。出售予非控股性權益所產生之盈虧亦列入權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)***(b) Subsidiaries** *(Continued)**(i) Consolidation (Continued)*

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

(ii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 主要會計政策概要 (續)

(b) 附屬公司 (續)*(i) 綜合賬目 (續)*

(3) 出售附屬公司

當本集團不再擁有控制權，於實體中之任何保留權益須按失去控制權當日之公平值重新計量，而賬面值的變動均於損益確認。就其後為保留權益以聯營公司、合營公司或財務資產等形式入賬而言，公平值為初始賬面值。此外，以往就該實體於其他全面收益中確認之任何金額，乃按猶如本集團已直接出售相關資產或負債之方式入賬。此舉可能意味以往在其他全面收益中確認之金額重新分類至收益表。

(ii) 獨立財務報表

於附屬公司的投資按成本扣除減值列賬。成本亦包括投資的直接應佔成本。本公司將附屬公司的業績根據已收及應收股息入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面收益總額或倘該等投資於獨立財務報表內的賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表內的賬面值，則於收到該等股息時須對該等投資進行減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2 主要會計政策概要 (續)

(c) 聯營公司

聯營公司指本集團對其有重大影響力而無控制權之實體，通常附帶20%至50%表決權之股權。於聯營公司之投資使用權益會計法入賬。根據權益會計法，投資初步按成本確認，並增加或減少賬面值以確認於收購日期後投資者應佔投資對象之溢利或虧損。本集團於聯營公司之投資包括收購時確認之商譽。

倘聯營公司之權益持有被削減但仍保留重大影響力，只有按比例將之前在其他全面收益中確認之數額重新分類至收益表(如適用)。

本集團應佔收購後溢利或虧損於收益表確認，而應佔收購後其他全面收益之變動，則於其他全面收益內確認，並對投資賬面值作出相應調整。當本集團應佔聯營公司虧損等於或超過其應佔聯營公司之權益(包括任何其他無抵押應收款項)時，本集團不再確認進一步虧損，除非本集團代聯營公司承擔法律或推定責任或支付款項。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)(c) Associates *(Continued)*

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of results of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on disposal or dilution of equity interest in associates are recognised in the income statement.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

2 主要會計政策概要 (續)

(c) 聯營公司 (續)

本集團於各報告日期釐定於聯營公司之投資是否存在客觀減值證據。倘存在減值證據，本集團會按聯營公司可收回金額與其賬面值間之差額計算減值金額，並於收益表中「應佔聯營公司溢利」確認有關金額。

本集團及其聯營公司之間之上游及下游交易所產生溢利及虧損，於本集團財務報表確認，惟僅以非關連投資者於該聯營公司之權益為限。除非交易提供證據顯示已轉讓資產有所減值，否則未變現虧損均予以對銷。聯營公司之會計政策已於必要時改變，以確保與本集團所採納的政策保持貫徹一致。

於聯營公司權益中所產生之攤薄收益或虧損於收益表確認。

(d) 分部報告

營運分部之報告方式，與向主要營運決策者提供內部報告之方式之一致。主要營運決策者負責就營運分部分配資源及評估分部之表現，而行政董事被視為作出策略決定的主要營運決策者。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars (HK\$), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 主要會計政策概要 (續)

(e) 外幣換算

(i) 功能及呈報貨幣

本集團旗下每個實體之財務報表所包括之項目，均以該實體之主要營運地區之貨幣計算，此為功能貨幣。本綜合財務報表乃以港幣呈報，港幣為本公司之功能及呈報貨幣。

(ii) 交易及結餘

外幣交易均按交易當日或項目重新估值採用估值日之現行匯率換算為功能貨幣。因上述交易結算及按結算日之匯率兌換以外幣計值之貨幣資產及負債而產生之匯兌損益，均於綜合收益表確認。除合資格的現金流量對沖及合資格的淨投資對沖在其他全面收益內確認。

非貨幣財務資產（如分類為可供出售財務資產之股本）之匯兌差額則計入其他全面收益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 主要會計政策概要 (續)

(e) 外幣換算 (續)

(iii) 集團旗下公司

集團旗下所有功能貨幣與呈報貨幣不同之實體(全部均非高通脹經濟之貨幣)之業績及財務狀況，按以下方式換算為呈報貨幣：

- 各資產負債表所呈列資產及負債，按結算日之收市匯率換算；
- 各收益表之收入及支出，按平均匯率換算，惟此平均值並非交易當日現行匯率具累積效果之合理約數除外。在此情況下，收入及支出將於交易日期換算；及
- 所有匯兌差額將確認為個其他全面收益。

收購海外實體所產生商譽及公平值調整視作海外實體之資產及負債處理，並按收市匯率換算。產生的匯兌差額確認為其他全面收益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(e) Foreign currency translation** *(Continued)**(iv) Disposal of foreign operation and partial disposal*

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to the income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associate that do not result in the group losing significant influence), the proportionate share of the accumulated exchange difference is reclassified to the income statement.

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2 主要會計政策概要 (續)**(e) 外幣換算 (續)***(iv) 出售海外業務及部分出售*

於出售一項海外業務時(即出售本集團於海外業務所持全部權益,或涉及失去(包括一項海外業務)附屬公司之控制權之出售),就公司權益持有人應佔該項業務而在權益中累計之匯兌差額均重新分類至收益表。

在部分出售不致令本集團失去對海外業務附屬公司控制權之情況,按比例分佔之累計匯兌差額重新歸屬非控股性權益而不在損益中確認。其他部分出售(即集團減少聯營公司的權益不會導致集團失去對此的重大影響力)。比例分佔之累計之匯兌差額均重新分類至收益表。

(f) 物業、機器及設備

物業、機器及設備按歷史成本減累積折舊及累積減值虧損入賬。歷史成本包括直接歸屬於該收購項目的支出。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced parts is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|--|--|
| Leasehold land classified as finance lease | Shorter of remaining lease term or useful life |
| Buildings | Lesser of the unexpired lease term or 20 to 50 years |
| Equipment and leasehold improvements | 3 to 10 years or over the lease term |
| Furniture and fixtures | 3 to 15 years |
| Motor vehicles | 4 to 5 years |

No depreciation is provided on freehold land.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2 主要會計政策概要 (續)

(f) 物業、機器及設備 (續)

當與項目有關之未來經濟利益可能流入本集團，以及項目成本能可靠計算時，其後成本才會計入資產之賬面值或確認為獨立資產（視適用情況而定）。所有其他維修及保養費於產生財政期間於收益表扣除。

租賃土地分類為融資租賃，並當土地權益可用作其擬定用途時開始攤銷。分類為融資租賃之租賃土地之攤銷及其他資產之折舊以直線法於其估計可用年期內分配其成本至剩餘價值。所採用年率如下：

| | |
|----------------|---------------------------|
| 租賃土地 (分類為融資租賃) | 未屆滿租期或使用年限 (以較短者為準) |
| 樓宇 | 未屆滿租期或 20 至 50 年 (以較短者為準) |
| 設備及租賃權益改良 | 3 至 10 年或租賃期 |
| 傢俬及裝修 | 3 至 15 年 |
| 汽車 | 4 至 5 年 |

永久業權之土地無須折舊。

資產之剩餘價值及可用年期會於各結算日審閱及調整 (如適用)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)(f) Property, plant and equipment *(Continued)*

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(h)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

(g) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of CGU containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 主要會計政策概要 (續)

(f) 物業、機器及設備 (續)

倘資產之賬面值超過其估計可收回金額，則其賬面值將即時撇減至可收回金額(附註(2h))。

出售之損益按比較所得款項與賬面值釐定，並計入收益表。

(g) 無形資產

(i) 商譽

商譽於收購附屬公司時產生，指已轉移撥代價超出本集團於被收購方可識別資產淨值及被收購方非控股權益之公平值之權益。

為進行減值測試，於業務合併中收購之商譽乃分配至預期自合併協同效應受惠之各賺取現金單位(或現金單位組別)。各獲分配商譽之單位或單位組別指就內部管理而言實體監察商譽之最低層面。商譽於經營分部層面監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。商譽賬面值與可收回金額作比較，可收回金額為使用價值與公平值減出售成本之較高者。任何減值即時確認為開支，且其後不會撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)***(g) Intangible assets** *(Continued)**(i) Goodwill* *(Continued)**(ii) Trademarks*

Trademarks have an indefinite useful life and the carrying amount brought forward are not amortised but tested annually for impairment. Trademarks are carried at cost less accumulated amortisation up to 31 March 2005 and impairment losses.

(iii) Technical know-how

Technical know-how acquired in a business combination is recognised at fair value at the acquisition date. The technical know-how has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the technical know-how of thirty years.

(h) Impairment of non-financial assets

Assets that have an indefinite useful life, for example, goodwill and trademark or assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策概要 (續)

(g) 無形資產 (續)*(i) 商譽* (續)*(ii) 商標*

商標具有無限使用年期，而結轉自上一個年度之賬面值毋須攤銷，但須每年就減值進行測試。商標按成本值減截至2005年3月31日的累計攤銷及累計減值虧損入賬。

(iii) 專業技術

在業務合併中取得的專業技術於收購日期按公平值確認。專業技術具有使用期限，並按成本減累計攤銷列賬。攤銷乃使用直線法按預期專業技術的三十年使用期計算。

(h) 非財務資產減值

具有無限使用年期的資產(如商譽、商標或尚未可供使用之無形資產)毋須攤銷，但每年均作出減值評估。當有事件出現或狀況變動顯示賬面值可能無法收回時會對資產是否需要減值進行檢討。減值虧損為資產賬面值超越其可收回價值之數額。可收回金額為資產公平值減出售成本後之價值，與其使用價值之間的較高者。為了評估資產減值，本集團按可個別確認其現金流量(現金產生單位)的最低水平劃分資產類別。出現減值之非財務資產(商譽除外)將於每個申報日期進行檢討以確定其減值是否須撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Financial assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise deposits, trade and other receivables and bank balances in the balance sheet.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2 主要會計政策概要 (續)

(i) 金融資產

分類

本集團按以下類別分類其金融資產：貸款及應收款項以及可供出售。分類視乎已收購的金融資產而定。管理層按其初步確認將其金融資產進行分類。

(i) 貸款及應收款項

貸款及應收款項為具有固定或可釐定付款但並無於活躍市場報價的非衍生金融資產，其包括在流動資產，已結算或預期將於報告期間結束後12個月以後方會結算的款項則除外。該等分類為非流動資產。本集團的貸款及應收款項包括資產負債表的按金、貿易及其他應收款項及銀行結餘。

(ii) 可供出售金融資產

可供出售金融資產為指定於此類別或並無分類為任何其他類別的非衍生工具，包括在非流動資產，除非投資到期或管理層有意於報告期間結束後12個月內將其出售則另作別論。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)(i) Financial assets *(Continued)***Recognition and measurement**

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as other gains/(losses), net.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

2 主要會計政策概要 (續)

(i) 金融資產 (續)

確認及計量

以正常途徑購買及出售金融資產於交易日確認，交易日為本集團承諾購買或出售資產的日子。投資初步按公平值另加並非按公平值計入損益的所有金融資產的交易成本確認。金融資產於收取投資現金流的權利屆滿或已轉讓及本集團已大致上將所有擁有權風險及回報轉讓時剔除確認。可供出售金融資產及按公平值計入損益的金融資產其後按公平值列賬。貸款及應收款項其後使用實際利率法按攤銷成本列賬。

分類為可供出售的貨幣及非貨幣證券的公平值變動於其他全面收益中確認。

分類為可供出售的證券已出售或減值時，於權益確認的累計公平值調整包括在收益表之其他收益／(虧損)淨額。

使用實際利率法計算之可供出售證券利息於綜合收益表確認為部分其他收入。可供出售權益工具之股息於本集團有權收取獲發有關款項時於綜合收益表確認為部分其他收入。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Financial assets (Continued)

Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

2 主要會計政策概要 (續)

(i) 金融資產 (續)

金融資產減值

(i) 按攤銷成本列賬之資產

本集團於各報告期間結束時評估是否有客觀證據證明一項金融資產或一組金融資產減值。一項金融資產或一組金融資產已減值及減值虧損僅於初步確認資產後產生一項或多項事件(「虧損事件」)而虧損事件(或該等事件)對一項金融資產或一組金融資產的估計日後現金流造成影響能可靠地估計，導致出現減值的客觀證據方會產生減值虧損。

減值證據可能包括債務人或一組債務人正經歷重大財務困難、違約或逾期償付利息或本金、彼等將會破產或進行其他財務重組的可能性的跡象，而當可觀察數據指估計日後現金流出現可計量減少，例如與違約相關的其後變動或經濟狀況。

就貸款及應收款項類別而言，虧損金額按資產賬值與估計日後現金流(不包括尚未產生的日後信貸虧損)現值之差額按金融資產原先的實際利率折讓計算得出。資產的賬面值減少而虧損金額於綜合收益表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)(i) Financial assets *(Continued)***Impairment of financial assets** *(Continued)**(i) Assets carried at amortised cost (Continued)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(j) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes the cost of direct labour, materials and appropriate proportion of production overhead expenditure, and is calculated on the weighted average basis. Net realisable value is the anticipated sales proceeds less selling expenses in the ordinary course of business.

(k) Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade debtors is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 主要會計政策概要 (續)

(i) 金融資產 (續)

金融資產減值 (續)*(i) 按攤銷成本列賬的資產 (續)*

倘於其後期間減值虧損金額減少，而減幅客觀上與已確認減值後發生的事件(例如債務人信貸評級改善)相關，先前確認之減值虧損撥回於綜合收益表中確認。

(j) 存貨

存貨按成本值及可變現淨值兩者較低者入賬。成本值乃包括直接工資、原料成本及適當攤分的生產開支，並按加權平均基準計算。可變現淨值乃按預期銷售收益減估計銷售費用釐定。

(k) 應收賬款

應收賬款是於正常業務過程中自銷售商品或提供服務予客戶所應收的款項。倘應收賬款預計將在一年或以內收回(若更長則在業務正常經營週期內)，則為流動資產。否則，在非流動資產中列報。

應收賬款初步按公平值確認，其後使用實際利率法計量攤銷成本並扣除減值撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*(Continued)***(k) Trade debtors** *(Continued)*

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade debtors is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the trade debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for debtors. Subsequent recoveries of amounts previously written off are credited in the income statement.

2 主要會計政策概要 (續)

(k) 應收賬款 (續)

應收賬款是於正常業務過程中自銷售商品或提供服務予客戶所應收的款項。倘應收賬款預計將在一年或以內收回(若更長則在業務正常經營週期內)，則為流動資產。否則，在非流動資產中列報。

應收賬款初步按公平值確認，其後使用實際利率法計量攤銷成本並扣除減值撥備。

當有客觀證據顯示本集團未能根據應收款之原訂條款收回所有到期款項，則會作出應收賬款之減值撥備。債務人出現重大財務困難，可能破產或進行財務重組，及拖欠或無法如期償還，均將視為應收賬款減值之跡象。撥備金額為資產賬面值與預期日後現金流量之現值間之差額，按原有的實際息率貼現。資產之賬面值會使用撥備賬扣減，而虧損金額則於收益表確認。當應收貨款不可收回時，其將於應收貨款撥備賬內撇銷。先前撇銷而於其後收回之金額會計入收益表中。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

2 主要會計政策概要 (續)

(l) 現金及現金等價物

現金及現金等價物包括庫存現金、銀行通知存款及銀行透支。銀行透支在資產負債表列於流動負債的貸款內。

(m) 股本

普通股分類為權益。發行新股份或購股權直接應佔成本增幅於權益列示為自所得款項扣除稅項之扣減。

(n) 應付賬款

應付賬款為就於正常業務過程中自供應商收購貨品或服務的付款責任。倘應付賬款預計將在一年或以內支付（若更長則在業務正常經營週期內），則為流動負債。否則，在非流動負債中列報。

應付賬款最初以公平值確認，其後則以實際利率法按攤銷成本計量。

(o) 貸款及貸款費用

貸款初步以公平值確認（減去所產生之交易成本）。貸款其後以攤銷成本列賬。所得款項（扣除交易成本）與贖回價值間之差額，乃實際利率法於借款年度在綜合收益表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(o) Borrowings and borrowing costs** *(Continued)*

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facilities to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(p) Compound financial instruments

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus directly attributable transaction costs.

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

2 主要會計政策概要 (續)**(o) 貸款及貸款費用 (續)**

在貸款很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

貸款歸類為流動負債，除非本集團有權無條件將債項延長至結算日後最少12個月後清償則作別論。

直接歸因於收購、建設或生產合資格資產(有關資產須較長時間準備以作其擬定用途或出售)的一般及特定貸款成本計入該等資產的成本，直至有關資產大致上準備作其擬定用途或出售之時為止。

所有其他借貸成本於其發生期間的收益表內確認。

(p) 複式金融工具

本集團之財務負債於初步確認時釐定其分類。所有財務負債於初步確認時均以公平值計量，另加直接應佔交易成本。

本集團發行的複式金融工具，包含持有人可選擇轉換為股本的可換股債券，而發行的股份數目不會因公平值變動而改變。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Compound financial instruments (Continued)

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is carried at fair value. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

2 主要會計政策概要 (續)

(p) 複式金融工具 (續)

複式金融工具的負債部分乃初步按不含權益轉換權的類似負債的公平值確認。權益部分乃初步按複式金融工具整體公平值及負債部分公平值(包括在其他儲備中的股東權益內)的差額確認。任何直接應佔交易成本，乃按其初步賬面值比例分配至負債及權益部分。

於初步確認後，複式金融工具的負債部分乃以公平值計量。複式金融工具的權益部分於初步確認後不重新計量(轉換或到期時除外)。

可換股工具的負債部分乃分類為流動負債，除非本集團擁有於報告期間後延遲償還負債最少12個月的無條件權利。

倘某項財務負債下之負債責任獲解除或註銷或屆滿時，則會終止確認該財務負債。

倘某項現有財務負債由同一借方以重大不同條款之另一項財務負債替代，或現有負債之條款被大幅修訂，則此替換或修訂乃視作終止確認原有負債並確認一項新負債，而有關賬面值間之差額於收益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(q) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(r) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries and its associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策概要 (續)**(q) 抵銷財務工具**

財務資產及負債於有法定強制權以抵銷已確認金額及於擬按淨值基準結算或同時將資產變現及償付負債時予以抵銷，而有關淨額於資產負債表內呈報。法定強制權並不得取決於未來事項，且須可於日常業務過程中在公司或交易對手違約、陷入財政困難或破產的情況下強制執行。

(r) 本期及遞延所得稅

期內所得稅費用包括本期所得稅及遞延所得稅。除與於其他全面收益表內確認或直接於權益確認的項目相關（在該情況下亦分別於其他全面收益表內確認或直接於權益確認）外，所得稅於收益表確認。

(i) 本期所得稅

本期所得稅支出根據本公司、其附屬公司及其聯營公司營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and deferred income tax (Continued)

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries and associate, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 主要會計政策概要 (續)

(r) 本期及遞延所得稅 (續)

(ii) 遞延所得稅

內部基礎差異

對於資產及負債的稅基與在綜合財務報表的賬面值之間的暫時性差額，使用負債法確認遞延所得稅。然而，若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記帳。遞延所得稅乃以於結算日已頒佈或實質頒佈的稅率（及稅法）釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時應用。

倘若很可能出現未來應課稅溢利，使暫時性差額得以使用，則確認遞延所得稅資產。

外部基礎差異

遞延所得稅負債按於附屬公司及聯營公司之投資產生之應課稅暫時性差額計提撥備，惟本集團可控制撥回暫時性差額的時間，而暫時性差額不甚可能在可見將來撥回之遞延所得稅負債除外。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(r) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Outside basis differences (Continued)

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associate only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(s) Employee benefits

(i) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. The Group mainly has defined contribution plans.

2 主要會計政策概要 (續)

(r) 本期及遞延所得稅 (續)

(ii) 遞延所得稅 (續)

外部基礎差異 (續)

就附屬公司及聯營公司的投資產生的可扣減暫時性差額確認遞延所得稅資產，但只限於暫時性差額很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差額。

抵銷

當有法定可執行權力將本期稅項資產與本期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

(s) 僱員福利

(i) 退休計劃責任

集團公司營辦不同的退休金計劃。該等計劃一般是通過向保險公司或由信託管理的退休金作出供款而撥付。本集團主要設有定額供款計劃。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)(s) Employee benefits *(Continued)*(i) Pension obligations *(Continued)*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策概要 (續)

(s) 僱員福利 (續)

(i) 退休計劃責任 (續)

界定供款計劃為本集團須向獨立實體支付固定供款之退休金計劃。倘基金之資產於本期間或過往期間並不足以向全體僱員支付所有與僱員服務有關之福利，則本集團概無任何法律或推定責任支付額外供款。

本集團按強制、合約或自願基準向公眾或私人管理之退休金計劃供款。本集團於支付供款後，再無其他付款責任。供款於到期時確認為僱員福利開支。預付供款確認為資產，惟以退回現金或可扣減日後付款金額為限。

(ii) 利潤分享及花紅計劃

本集團根據一項公式(已計及於作出若干調整後本公司權益持有人之應佔溢利)就花紅及利潤分享確認負債及支出。當負有合約上之責任或當以往慣例造成推定性責任時，本集團須確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)(s) Employee benefits *(Continued)**(iii) Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 主要會計政策概要 (續)

(s) 僱員福利 (續)

(iii) 終止福利

終止福利於僱員在正常退休日前被本集團終止聘用或僱員接受自願離職以換取這些福利時支付。本集團按以下日期(以較早者為準)確認離職福利：(a) 於本集團不能取消提供該等福利時；及(b)實體確認任何屬香港會計準則第37號範疇內及涉及終止服務權益付款之有關重組成本當日。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。在報告期末後超過十二個月到期支付的福利應貼現為現值。

(iv) 僱員應有假期

僱員在年假及長期服務休假的權利在僱員應享有時確認。本集團為截至結算日止僱員已提供服務而產生的休假及長期服務假的估計負債作出撥備。

僱員的病假及產假於僱員正式休假前不作確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Share-based payment transactions

(i) *Issue of convertible bonds as share-based payment transactions*

If the identifiable consideration received by the Company appears to be less than the fair value of the convertible bonds issued, the Company measures the unidentifiable services received (to be received) as the difference between the fair value of the convertible bonds issued and that of the identifiable consideration received, and the difference is recognised in the profit or loss immediately unless qualified for capitalisation.

The liability component (i.e. the bondholder's right to demand payment in cash) of the convertible bonds will be accounted for as a cash-settled share-based payment transaction while the equity component (i.e. the bondholder's right to demand settlement in the Company's shares) of the convertible bonds will be accounted for as an equity-settled share-based payment transaction. The entity first measures the fair value of the liability component, and then measure the fair value of the equity component by taking into account that the bondholder must forfeit the right to receive cash in order to receive the equity instrument. Subsequent to initial recognition, the liability component of the convertible bonds is stated at fair value, with changes recorded in the income statement under finance cost. The equity component is not re-measured subsequent to initial recognition.

2 主要會計政策概要 (續)

(t) 以股份為基礎之付款交易

(i) 發行可換股債券作為以股份為基礎之付款交易

若本公司收取可辨識的代價看似低於所發行可換股債券的公平值，本公司應以所發行可換股債券的公平值與已收取可辨識代價公平值之間的差額，計量已收取（將會收取）未能辨識的服務，而有關差額應即時在損益內確認，除非其符合資格可撥充資本。

可換股債券之負債成份（即債券持有人要求以現金付款之權利），將作為現金結算以股份為基礎之付款交易入賬，而可換股債券之權益成份（即債券持有人要求以本公司股份償付之權利），將作為以股本結算以股份為基礎之付款交易。實體首先計量負債成份之公平值，其後計量權益成份之公平值，其中已考慮債券持有人必須放棄收取現金之權利，方可收取權益工具。初始確認後，可換股債券之負債成份按公平值列賬，而變動則記入收益表列於財務成本下。權益成份於初始確認後不作重新計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(u) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amounts has been reliably estimated. Provisions are not recognised for future operating losses. Provision for an onerous contract is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(v) Recognition of revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

2 主要會計政策概要 (續)**(u) 撥備**

當集團因已發生的事件須承擔現有的法律性或推定性的責任，而解除責任時有可能消耗資源，且責任金額能夠可靠地作出估算，則需確認撥備。未來經營虧損不會被確認為撥備。有法律義務的租賃合同撥備於履行合同義務的不可避免成本超過根據該合同預計將獲取的經濟利益時確認。

如有多項類似義務，則履行時要求資源流出的可能性應通過總體考慮該類義務來確定。即使就該類義務中某個項目而言，資源流出的可能性很低，仍須確認撥備。

撥備乃按預期需用作清償責任開支以稅前比率計算之現值計量，其反映當時市場對貨幣之時間值及該責任之特定風險之評估。因時間之流逝而增加之撥備確認為利息開支。

(v) 確認收入

收入包括在本集團日常業務中就售出貨品及服務已收或應收之代價之公平值，所呈示之收入已減去折扣、退貨及增值稅，當收益的數額能夠可靠計量、未來經濟利益有可能流入有關實體，而本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收益確認。除非與銷售有關之所有或然事項均已解決，否則收益的數額不被視為能夠可靠計量。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(v) Recognition of revenue (Continued)

(i) Sales of goods – retail

Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

(ii) Sales of goods – wholesale and trading

Sales of goods are recognised when the Group has delivered products to the customer, the customer has accepted the product and collectability of the related receivables is reasonably assured.

(iii) Building management fee income and eye care service income

Building management fee income and eye care service income are recognised when the services are rendered.

(iv) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

2 主要會計政策概要 (續)

(v) 確認收入 (續)

(i) 貨品銷售 – 零售

貨品銷售在集團實體已將貨品售予顧客後確認。零售通常以現金或信用卡付款。

(ii) 貨品銷售 – 批發及貿易

貨品銷售在本集團已將貨品交付予顧客，顧客接收產品後，以及有關應收款的收回可合理確保時確認。

(iii) 物業管理費收入及眼部護理服務收入

物業管理費收入及眼部護理服務收入於有關服務提供後確認。

(iv) 利息收入

利息收入依據實際利息法按時間比例確認。

(v) 股息收入

股息收入在確定有權獲發有關款項時確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(w) Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(x) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2 主要會計政策概要 (續)**(w) 租賃資產**

營業租賃是指資產擁有權的絕大部分風險及得益實質地由出租公司承擔的租賃。根據營業租賃支付的款項(扣除從出租公司收取的優惠)乃以直線法於租賃期內在綜合收益表中扣除。

本集團持有若干租賃物業、機器及設備。倘本集團持有租賃物業、機器及設備擁有權的大部分風險及回報，則分類為融資租賃。融資租賃在租賃開始時按租賃物業之公平值及最低租賃付款現值兩者之較低者入賬。

每筆租金均分攤為負債及財務開支。相應租賃責任在扣除財務開支後計入貸款內。融資成本的利息部份於租約期內在收益表支銷，致使融資成本與各期間的負債餘額之比為常數定期利率。根據融資租賃取得的物業、機器及設備按資產之可用年期或租期兩者的較低者折舊。

(x) 股息分派

向本公司股東分派之股息在本公司股東或董事批准派息年度，於本集團及本公司財務報表內確認為負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(y) Financial guarantee**

A financial guarantee (a kind of insurance contract) is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument. The Group does not recognise liabilities for financial guarantees at inception, but perform a liability adequacy test at each reporting date by comparing the carrying amount of the net liability regarding the financial guarantee with its present legal or constructive obligation amount. If the carrying amount of the net liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the income statement immediately.

3 FINANCIAL RISK MANAGEMENT**(a) Financial risk factors**

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk.

(i) Foreign exchange risk

The Group mainly operates in Hong Kong, China and a number of countries in South East Asia. Retail sales transactions are mostly denominated in the functional currencies of respective group entities. The Group's exposure to foreign exchange risk mainly arises from commercial transactions, recognised assets and liabilities denominated in currencies other than the functional currency of the group entities to which they relate. The Group considers its foreign currency exposure as mainly arising from the exposure of the Singapore dollar, Malaysian ringgit, Thai baht and Renminbi against the Hong Kong dollar. The Group regularly monitors its exposures to foreign currency transactions.

2 主要會計政策概要 (續)**(y) 財務擔保**

財務擔保合約(一種保險合約)是指合約持有人可因某特定債務人未能根據債務工具條款在到期日作出支付產生損失而可向合約發行人要求作出補償之合約。本集團於訂立財務擔保時不會確認負債,但會於各結算日測試負債的充足程度,方法為比較財務擔保之負債淨額之賬面值與財務擔保之法律或推定責任金額。倘負債淨額少於其現有法律或推定責任金額,則差額將即時全數於收益表確認。

3 財務風險管理**(a) 財務風險因素**

本集團經營活動面對各種財務風險:外匯風險、利率風險、信貸風險及流動資金風險。

(i) 外匯風險

本集團主要於香港、中國及若干東南亞國家經營業務。而零售交易大部分乃以集團實體的功能貨幣計值。本集團主要承受來自以集團實體的功能貨幣以外貨幣計值的商業交易,已確認資產及負債的外匯風險。本集團認為其外幣風險主要來自新加坡元、馬來西亞令吉、泰銖及人民幣兌港幣的風險。本集團定期監控其外幣交易風險。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

The details of the currencies in which the Group's bank loans are denominated are set out in Note 25 to the consolidated financial statements. The Group's bank loans are principally denominated in the functional currency of the relevant group entity. Management does not anticipate any significant foreign exchange risk associated with the Group's borrowings.

The approximate impact to the Group's (loss)/profit before tax that might be resulted from the reasonable possible changes in the foreign exchange rates against the Hong Kong dollar to which the Group has significant exposure at 31 March 2016 is summarised below. The analysis includes balances between group companies where the balances are denominated in a currency other than the functional currencies of the lending or the borrowing entities.

| | | 2016 | | 2015 | |
|-------------------|--------|---|---|---|---|
| | | Increase in foreign exchange rate 外匯匯率 的增加 | Decrease in loss before income tax 除稅前虧 損的減少 HK\$'000 港幣仟元 | Increase in foreign exchange rate 外匯匯率 的增加 | Increase in profit before income tax 除稅前溢 利的增加 HK\$'000 港幣仟元 |
| Singapore dollar | 新加坡元 | 5% | 3,876 | 5% | 3,297 |
| Malaysian ringgit | 馬來西亞令吉 | 5% | 4,666 | 5% | 4,121 |
| Thai baht | 泰銖 | 5% | 390 | 5% | 293 |
| Renminbi | 人民幣 | 5% | 8,064 | 5% | 3,042 |

Decrease in the above foreign exchange rates by 5% (2015: 5%) would affect the (loss)/profit before income tax by the same amount but in the opposite direction.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(i) 外匯風險 (續)

本集團的銀行貸款的計值貨幣詳情載於賬目附註25。本集團的銀行貸款主要以本集團相關實體的功能貨幣計值。管理層並不預期有關本集團貸款的任何重大外匯風險。

於2016年3月31日，因本集團主要面臨的港幣外匯匯率的合理可能變動而導致的對本集團的稅前(虧損)/溢利概約影響概要如下。該分析包括集團公司之間的結餘，而該結餘乃以除借貸實體的功能貨幣外的貨幣計值。

上述外匯匯率減少5% (2015年：5%) 將對除稅前(虧損)/溢利產生相同金額但相反方向的影响。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets other than bank balances, details of which have been disclosed in Note 20. The Group's exposure to changes in interest rates is mainly attributable to its bank loans. Bank loans at variable rates expose the Group to cash flow interest-rate risk. Details of the Group's bank borrowings are disclosed in Note 25(a) to the consolidated financial statements. The Group is exposed to fair value interest rate risk arising from the convertible bonds bearing interest at fixed rate.

The Group has not used any interest rate swaps to hedge its exposure to cash flow interest rate risk.

At 31 March 2016, if interest rates of bank loans at variable rates had been 50 basis points (2015: 50) higher/lower with all other variables held constant, loss for the year would have been HK\$3,265,000 (2015: profit for the year would have been HK\$2,915,000 lower/higher) higher/lower, mainly as a result of higher/lower interest expense.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(ii) 利率風險

由於本集團並無重大計息資產除銀行結餘外，有關詳情已披露於附註20，故本集團之收入及營運現金流量大致上不受市場利率變動影響。本集團面對的利率變動風險主要來自其銀行貸款。按浮動利率授出的銀行貸款使本集團承受現金流量利率風險。有關本集團銀行借貸的詳情披露於綜合財務報表附註25(a)。本集團承受按固定利率計息的可換股債券產生的公平值利率風險。

本集團並無使用任何利率掉期對沖現金流量利率風險。

於2016年3月31日，倘貸款利率上升／降低50個(2015年：50個)基點而其他因素保持不變，除所得稅前虧損將上升／降低港幣3,265,000元(2015年除所得稅前溢利，降低／上升：港幣2,915,000元)，主要是由於浮動利率借貸利息開支上升／降低所致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Credit risk

The Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to perform an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets (mainly include deposits with banks and debtors) as stated in the consolidated balance sheet.

Bank balances are deposited in banks with sound credit ratings to mitigate the risk arising from banks. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. The Group also has policies in place to assess the credit worthiness of customers to ensure that sales of products are made to wholesale customers with an appropriate credit history. Besides, management of the Group monitors its credit risk on an ongoing basis by reviewing the debtors' aging to minimise its exposure to credit risk.

Sales to retail customers are made in cash or via major credit cards.

Rental deposits are mainly placed with various landlords in countries where the Group operates and are due to refund upon the expiry of the tenancy agreements and handover of the leased premises. During the year, the Group did not experience any defaults by the landlords.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(iii) 信貸風險

本集團因交易對手方未能履行責任引致財務虧損所承擔之最大信貸風險來自綜合資產負債表所載各已確認財務資產之賬面值，主要包括銀行存款以及應收賬款。

銀行結餘存放於信貸評級良好的銀行以減低銀行產生的風險。本集團並無與任何單一交易對手方或一組交易對手方有關的任何重大信貸集中風險。本集團亦已訂有政策評估客戶之信貸記錄，以確保產品乃向信貸紀錄良好之批發客戶銷售。此外，本集團管理層通過檢討應收賬款的賬齡以持續監察及減低其信貸風險。

對零售顧客之銷售以現金支付或透過主要信用卡進行。

租金按金主要給予本集團有經營業務的國家的多名業主，並於租賃協議屆滿及交還租賃物業時可予退還。年內，本集團並無遭遇重大業主違約事件。

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of banking facilities. Due to the dynamic nature of the underlying businesses, management aims to maintain flexibility in funding by keeping credit lines available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(iv) 流動資金風險

審慎之流動資金風險管理代表維持足夠之現金及透過獲取足夠之已承諾信貸額度獲得足夠之資金。由於相關業務活躍多變，故管理層旨在維持充裕信貸融資，以保持資金之靈活彈性。

下表顯示本集團及本公司之財務負債，按照相關到期組別，根據由結算日至合約到期日的剩餘時間進行分析。於表內披露的金額為未折現的現金流量。

| | | Repayable on demand/ within 1 year 應要求償還/ 1年以下 HK\$' 000 港幣仟元 | Between 1 and 2 years 1至2年內 HK\$' 000 港幣仟元 | Between 2 and 3 years 2至3年內 HK\$' 000 港幣仟元 | Over 3 years 3年以上 HK\$' 000 港幣仟元 |
|----------------------------|-------------|---|---|---|--|
| At 31 March 2016 | 於2016年3月31日 | | | | |
| Bank borrowings (note b) | 銀行貸款(附註b) | 668,886 | 1,666 | 1,700 | 15,888 |
| Finance lease | 融資租賃 | 31 | 62 | 62 | 88 |
| Convertible bonds (note a) | 可換股債券(附註a) | 12,986 | 380,308 | - | - |
| Creditors and accruals | 應付賬款及應計費用 | 556,018 | - | - | - |
| At 31 March 2015 | 於2015年3月31日 | | | | |
| Bank borrowings (note b) | 銀行貸款(附註b) | 589,777 | 13,552 | 10,901 | 29,983 |
| Finance lease | 融資租賃 | 60 | 60 | 60 | 119 |
| Convertible bonds (note a) | 可換股債券(附註a) | 12,986 | 12,986 | 380,308 | - |
| Creditors and accruals | 應付賬款及應計費用 | 598,715 | - | - | - |

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

Note:

- (a) The analysis on the convertible bonds above assumes the bond holder's option has not been exercised and has not been converted to shares at the time of maturity (Note 26).

Should the bond holder exercises the option at the earliest possible time, the maturity groupings of the convertible bonds from the balance sheet date would be as follows:

| | | Within 1 year 1年以下 HK\$' 000 港幣仟元 | Between 1 and 2 years 1至2年內 HK\$' 000 港幣仟元 | Between 2 and 3 years 2至3年內 HK\$' 000 港幣仟元 | Over 3 years 3年以上 HK\$' 000 港幣仟元 |
|------------------|-------------|---|---|---|--|
| At 31 March 2016 | 於2016年3月31日 | 124,293 | 380,308 | - | - |
| At 31 March 2015 | 於2015年3月31日 | 12,986 | 124,293 | 380,308 | - |

- (b) Certain borrowings contain a repayment on demand clause which can be exercised at the bank's sole discretion. The analysis below shows the cash outflows based on the scheduled repayment. The amount includes interest payments computed using contractual rates. The directors believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

| | | Within 1 year 1年以下 HK\$' 000 港幣仟元 | Between 1 and 2 years 1至2年內 HK\$' 000 港幣仟元 | Between 2 and 3 years 2至3年內 HK\$' 000 港幣仟元 | Over 3 years 3年以上 HK\$' 000 港幣仟元 |
|------------------|-------------|---|---|---|--|
| At 31 March 2016 | 於2016年3月31日 | 323,486 | 43,019 | 42,047 | 309,955 |
| At 31 March 2015 | 於2015年3月31日 | 589,777 | 13,552 | 10,901 | 29,983 |

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(iv) 流動資金風險 (續)

附註：

- (a) 上述可換股債券的分析乃假設於到期時債券持有人之期權並無行使且並無轉換成股份(附註26)。

倘債券持有人於最早可行時間行使期權，自資產負債表日期起可換股債券到期日分組將為如下：

- (b) 若干貸款載有應要求償還的條文，可按銀行全權酌情行使。以下分析顯示根據計劃還款的現金流出。有關金額包括使用合約利率計算的利息付款。董事認為，有關貸款將據貸款協議所載的計劃還款日期償還。

3 FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings and convertible bonds as shown in the consolidated balance sheet) less bank balances and cash. Total capital is calculated as 'shareholders' funds' as shown in the consolidated balance sheet.

The gearing ratios at 31 March 2016 and 2015 were as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---|-----------------|--------------------------|--------------------------|
| Total borrowings (Note 25) | 貸款總額(附註25) | 674,487 | 631,793 |
| Convertible bonds (Note 26) | 可換股債券(附註26) | 446,424 | 380,753 |
| Less: Bank balances and cash (Note 20) | 減：銀行結餘及現金(附註20) | (599,225) | (460,143) |
| Net debt | 淨債務 | 521,686 | 552,403 |
| Shareholders' funds | 股東資金 | 1,229,803 | 1,446,480 |
| Gearing ratio | 借貸比率 | 42% | 38% |

3 財務風險管理(續)

(b) 資本風險管理

本集團的資本管理目標是保障本集團能繼續營運以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本之能力。

為了維持或調整資本結構，本集團可能會調整支付股東的股息數額、向股東返還資本、發行新股或出售資產以減低債務。

與業內其他公司作法一致，本集團以借貸比率作為監控資本的基準。借貸比率按淨債務除以資本總額計算。淨債務按貸款總額(包括綜合資產負債表所示之流動及非流動貸款以及可換股債券)減銀行結餘及現金計算。資本總額計算為綜合資產負債表所示的「股東資金」。

於2015年及2016年3月31日之借貸比率載列如下：

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's available-for-sale financial assets and liability components of convertible bonds are measured at fair value by discounting the estimated future cash flows. Their fair value measurement is classified as level 3. Changes in level 3 instruments for the year ended 31 March 2016 are set out in Note 17 and Note 26 respectively.

There was no transfer of financial instruments into or out of level 3 during the year.

The carrying amounts of the Group's financial assets including cash and cash equivalents, deposits, debtors and other receivables, and financial liabilities including creditors, other payables and current borrowings, approximate their fair values due to their short maturities.

3 財務風險管理(續)

(c) 公平值評估

本集團按公平值計量財務工具，其規定以下列公平值計量架構披露公平值計量層次：

- 相同資產或負債在活躍市場上的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，資產或負債的可直接(即價格)或間接(即從價格得出)觀察所得輸入值(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

本集團的可供出售財務資產及可換債券負債部分乃按公平值由折現估計未來現金流量計量。公平值測量按第三級分類。截至2016年3月31日止第三級工具的變動分別載於附註17及附註26。

年內並無轉入或轉出第三級分類之金融工具。

由於到期日短，本集團之財務資產(包括現金及現金等價物、存款、應收賬款)及財務負債(包括應付賬款及短期貸款)之賬面值與公平值相若。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Net realisable value of stocks

Net realisable value of stocks is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycles. Management will reassess the estimations at the balance sheet date.

(ii) Impairment of trade debtors

The Group's management determines the provision for impairment of debtors receivable. This estimate is based on the credit history of its customers and the current market condition. Management reassesses the provision at each balance sheet date.

4 關鍵會計估計及判斷

估計及判斷不斷按過往經驗及其他因素評核並以此為基準，包括預期相信於有關情況屬合理的日後事項。

本集團就日後作出估計及假設，因此而作出之估計顧名思義大多有別於相關實際結果。有重大風險或會導致下一個財政年度內資產及負債賬面值作出重大調整之有關估計及假設之論述如下。

(i) 存貨的可變現淨值

存貨的可變現淨值乃日常業務中的估計售價減去完成時的估計成本及銷售開支。該等估計乃基於當時市況，以及生產和銷售同類產品的過往經驗，並可能因客戶喜好及競爭對手的行動有所改變而有大幅變動。管理層將於結算日重新評估該等估計。

(ii) 應收賬款減值

本集團管理層釐定應收賬款減值之撥備。此項估計乃基於本集團客戶的信貸記錄以及當時市況而作出。管理層於各結算日重新評估撥備。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(iii) Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment exhibit any indications of impairment. The recoverable amounts are determined based on value-in-use calculation. The value-in-use calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and applying the appropriate discount rate to those future cash flows. The estimation of future cash flows and selection of discount rate require the use of judgements and estimates. Management believes that any reasonably foreseeable change in any of the above key elements in the value-in-use calculation would not result in material additional impairment charges.

(iv) Impairment of intangible assets and goodwill

The Group tests annually whether goodwill and trademarks have suffered any impairment. Technical know-how is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates (Note 15).

(v) Deferred income tax

The Group's management determines the amount of deferred tax asset to be recognised by estimating the amount of future profit available to utilise the tax losses or certain temporary differences in the relevant tax jurisdiction and entity. The estimate is based on the projected profit in respective jurisdiction and entity and the Group uses its judgement to make assumptions that are mainly based on market conditions existing on balance sheet date. It could change as a result of the uncertainties in the market conditions.

4 關鍵會計估計及判斷 (續)

(iii) 物業、機器及設備之減值

本集團會至少每年評估物業、機器及設備是否存在任何減值跡象。可收回金額按照使用價值計算而釐定。使用價值計算包括對持續使用該資產於未來所得之現金流入及流出，以及按適當貼現率折現現金流量。對將產生之現金流量、及選擇適用市場該等計算需要應用判斷及估計。管理層認為，上述任何主要假設的任何合理可預見變動，將不會導致重大額外的減值。

(iv) 無形資產的減值

本集團每年測試商譽及商標是否出現減值。當事件出現或狀況變動顯示帳面值可能無法收回時會對專業技術是否需要減值進行檢討。可收回金額按照使用價值計算或按公平值減去銷售成本而釐定。此等計算需要利用估算(附註15)。

(v) 遞延所得稅

本集團管理層決定將遞延稅項資產數額，按估計日後可動用有關稅務司法權區及公司稅務虧損的溢利確認。該估計乃根據各司法權區及實體的預測溢利作出，而本集團則以該判斷及主要根據結算日當時市況作出假設。該估計或會因市況不明朗而更改。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(vi) Fair value of convertible bonds

The fair value of convertible bonds are determined using valuation techniques including reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

(vii) The right to acquire 12% equity interest in CATENA SA

On 16 April 2015, the Group entered into a shareholders' agreement with the 12% equity interest holder of CATENA SA for a right to purchase the 12% equity interest. Management has assessed the risks and rewards of the 12% equity interest by considering the purchase price of the right and the Group's intention to exercise the right. Since the exercise price is the net asset value in the book of CATENA SA which is substantially lower than the fair value of CATENA SA and it is highly likely that the Group will exercise the right, management considered that the risks and rewards of the 12% equity interest have been transferred to the Group upon the completion of the transaction. Accordingly, the financial statements of CATENA SA have been consolidated as if it is a 100% owned subsidiary since 16 April 2015.

5 SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors. The executive directors review the Group's financial information mainly from product and geographical perspectives. From a geographical perspective, management mainly assesses the performance of watch and optical operations in Hong Kong, Macau and Mainland China and rest of Asia.

Revenue represents sales of goods. Sales between operating segments are carried out on terms equivalent to those prevailing in arm's length transactions. The executive directors assess the performance of the operating segments based on a measure of adjusted earnings before interest and tax (EBIT). This measurement basis excludes unallocated income and net corporate expenses.

4 關鍵會計估計及判斷 (續)

(vi) 可換股債券公平值

可換股債券之公平值採用估值技術釐定，包括參考其他幾近相同之工具、貼現現金流量分析及購股權定價模式。在可行情況下，該等模式之數據從可觀察市場中取得，倘不可行，則需要使用某種程度之判斷，以確立公平值。

(vii) 收購CATENA SA的12%股權的權利

於2015年4月16日，本集團與CATENA SA的12%股權持有人就收購CATENA SA的12%股權的權利訂立股東協議。管理層考慮到收購CATENA SA的12%股權的權利的購買價及本集團有意行使有關認購權以評估12%股權的風險及回報。由於該權利的行使價為CATENA SA的賬面淨值，這比CATENA SA的公平值低很多，本集團極有可能行使認購權，管理層認為，12%股權的風險及回報已於交易完成後轉嫁本集團。因此，CATENA的財務報表已合併，並當作從2015年4月16日成為集團全資子公司。

5 分部資料

本集團之首席經營決策者為行政董事。行政董事主要從產品及地區角度審閱本集團之財務資料。管理主要從地區角度評核香港、澳門及中國大陸和亞洲其餘地區之鐘錶及眼鏡業績。

收入為貨品銷售。營運分部間之銷售按相等於現行按公平原則進行的交易之條款進行。行政董事按除利息及稅項前經調整盈利(EBIT)評核營運分部之業績，計算該盈利時不包括未分配收入及集團行政淨支出。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

5 SEGMENT INFORMATION (Continued)

Unallocated income represents dividend income from investment. Net corporate expenses mainly represent staff costs and provision for senior management bonus. Unallocated assets represent equipment and debtors at corporate level, investment in an associate, available-for-sale financial assets, deferred tax assets and bank balances and cash. Unallocated liabilities represent creditors and accruals at corporate level, borrowings, convertible bonds, deferred tax liabilities and income tax payable.

5 分部資料(續)

未分配收入為投資的股息收入。集團行政淨支出主要為員工成本及高級管理層花紅撥備。未分配資產為集團層面的設備及應收賬款、於聯營公司投資、可供出售財務資產、遞延稅項資產以及銀行結餘及現金。未分配負債為集團層面的應付賬款及應計費用、借貸、可換股債券、遞延稅項負債及應付所得稅。

| | | For the year ended 31 March 2016 截至2016年3月31日止年度 | | | | | |
|------------------------|---------|--|-------------------------------|--|-------------------------------|----------------------------------|----------------------------|
| | | Watch retail 鐘錶零售 | | Optical retail 眼鏡零售 | | Wholesale trading 批發 業務 | Group Total 集團 總計 |
| | | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 | Rest of Asia 亞洲 其餘地區 | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 | Rest of Asia 亞洲 其餘地區 | | |
| | | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 |
| Revenues | 收入 | | | | | | |
| Gross segment | 分部總額 | 1,387,825 | 415,946 | 1,025,062 | 228,746 | 613,815 | 3,671,394 |
| Inter-segment | 分部間 | - | - | - | - | (269,678) | (269,678) |
| | | 1,387,825 | 415,946 | 1,025,062 | 228,746 | 344,137 | 3,401,716 |
| Segment results | 分部業績 | (30,770) | (199) | 22,950 | (10,590) | 10,159 | (8,450) |
| Unallocated income | 未分配收入 | | | | | | 3,506 |
| Net corporate expenses | 集團行政淨支出 | | | | | | (89,991) |
| Operating loss | 營業虧損 | | | | | | (94,935) |
| Finance costs | 財務成本 | | | | | | (90,778) |
| Loss before income tax | 除所得稅前虧損 | | | | | | (185,713) |
| Income tax expense | 所得稅支出 | | | | | | (4,066) |
| Loss for the year | 年度虧損 | | | | | | (189,779) |

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

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

| | | Watch retail 鐘錶零售 | | Optical retail 眼鏡零售 | | Wholesale trading 批發 業務 | Unallocated 未分配 | Group Total 集團 總計 |
|---|----------------|--|---|--|---|----------------------------------|--------------------|----------------------------|
| | | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元 | Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元 | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元 | Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元 | | | |
| Capital expenditures | 資本性開支 | (28,827) | (11,096) | (39,957) | (18,174) | (76,947) | (9,042) | (184,043) |
| Depreciation | 折舊 | (27,590) | (17,136) | (36,957) | (10,674) | (3,157) | (12,760) | (108,274) |
| Amortisation of prepayment of lease premium | 攤銷預付租賃地價 | - | (3,126) | - | (2,774) | - | - | (5,900) |
| Amortisation of intangible assets | 攤銷無形資產 | - | - | - | - | (2,346) | - | (2,346) |
| (Provision)/write back of provision for stocks | 存貨(撥備)/撥回 | (4,947) | 6,545 | (5,678) | (673) | (29,477) | - | (34,230) |
| Impairment of property, plant and equipment | 物業、機器及 設備減值 | (3,438) | (568) | (2,620) | (395) | - | - | (7,021) |
| Impairment of intangible assets | 無形資產減值 | - | - | - | - | (26,431) | - | (26,431) |
| Provision for onerous contracts | 有法律義務合約 的撥備 | (15,424) | - | (2,136) | - | - | - | (17,560) |

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

| | | For the year ended 31 March 2015 截至2015年3月31日止年度 | | | | | |
|-------------------------------|----------|--|-------------------------------|--|-------------------------------|----------------------------------|----------------------------|
| | | Watch retail 鐘錶零售 | | Optical retail 眼鏡零售 | | Wholesale trading 批發 業務 | Group Total 集團 總計 |
| | | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 | Rest of Asia 亞洲 其餘地區 | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 | Rest of Asia 亞洲 其餘地區 | | |
| | | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 |
| Revenues | 收入 | | | | | | |
| Gross segment | 分部總額 | 1,698,368 | 514,088 | 1,054,789 | 276,716 | 964,153 | 4,508,114 |
| Inter-segment | 分部間 | - | - | - | - | (567,265) | (567,265) |
| | | <u>1,698,368</u> | <u>514,088</u> | <u>1,054,789</u> | <u>276,716</u> | <u>396,888</u> | <u>3,940,849</u> |
| Segment results | 分部業績 | <u>189,173</u> | <u>269</u> | <u>51,866</u> | <u>(6,715)</u> | <u>85,103</u> | <u>319,696</u> |
| Unallocated income | 未分配收入 | | | | | | 2,052 |
| Net corporate expenses | 集團行政淨支出 | | | | | | (103,797) |
| Operating profit | 營業溢利 | | | | | | 217,951 |
| Finance costs | 財務成本 | | | | | | (72,141) |
| Share of loss of an associate | 應佔聯營公司虧損 | | | | | | (5,302) |
| Profit before income tax | 除所得稅前溢利 | | | | | | 140,508 |
| Income tax expense | 所得稅支出 | | | | | | (48,449) |
| Profit for the year | 年度溢利 | | | | | | <u>92,059</u> |

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

| | | For the year ended 31 March 2015 截至2015年3月31日止年度 | | | | | | |
|---|----------------|--|---|--|---|--|--|--|
| | | Watch retail 鐘錶零售 | | Optical retail 眼鏡零售 | | Wholesale trading | Unallocated | Group Total |
| | | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元 | Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元 | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元 | Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元 | Wholesale trading 批發 業務 HK\$'000 港幣仟元 | Unallocated 未分配 HK\$'000 港幣仟元 | Group Total 集團 總計 HK\$'000 港幣仟元 |
| Capital expenditures | 資本性開支 | (30,200) | (14,628) | (34,613) | (5,532) | (1,289) | (9,580) | (95,842) |
| Investment in an associate | 於聯營公司投資 | - | - | - | - | - | (17,448) | (17,448) |
| Depreciation | 折舊 | (29,106) | (21,701) | (35,475) | (12,992) | (1,914) | (12,440) | (113,628) |
| Amortisation of prepayment of lease premium | 攤銷預付租賃地價 | - | (3,639) | - | (3,212) | - | - | (6,851) |
| Amortisation of intangible assets | 攤銷無形資產 | - | - | - | - | - | - | - |
| (Provision)/write back of provision for stocks | 存貨(撥備)/撥回 | (4,270) | 2,808 | (1,364) | (3,420) | (13,294) | - | (19,540) |
| Impairment of property, plant and equipment | 物業、機器及設備 減值 | (2,210) | (1,126) | (1,197) | (1,033) | - | - | (5,566) |
| Provision for onerous contracts | 有法律義務合約 的撥備 | (48) | - | (130) | - | - | - | (178) |
| | | As at 31 March 2016 於2016年3月31日 | | | | | | |
| | | Watch retail 鐘錶零售 | | Optical retail 眼鏡零售 | | Wholesale trading | Unallocated | Group Total |
| | | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元 | Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元 | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 HK\$'000 港幣仟元 | Rest of Asia 亞洲 其餘地區 HK\$'000 港幣仟元 | Wholesale trading 批發 業務 HK\$'000 港幣仟元 | Unallocated 未分配 HK\$'000 港幣仟元 | Group Total 集團 總計 HK\$'000 港幣仟元 |
| Segment assets | 分部資產 | 787,577 | 200,472 | 365,570 | 136,079 | 536,047 | | 2,025,745 |
| Unallocated assets | 未分配資產 | | | | | | | 932,643 |
| Total assets | 總資產 | | | | | | | <u>2,958,388</u> |
| Segment liabilities | 分部負債 | 256,077 | 40,140 | 155,551 | 28,333 | 85,909 | | 566,010 |
| Unallocated liabilities | 未分配負債 | | | | | | | 1,155,560 |
| Total liabilities | 總負債 | | | | | | | <u>1,721,570</u> |

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料(續)

| | | As at 31 March 2015 於2015年3月31日 | | | | | |
|-------------------------|-------|--|-------------------------------|--|-------------------------------|----------------------------------|----------------------------|
| | | Watch retail 鐘錶零售 | | Optical retail 眼鏡零售 | | Wholesale trading 批發 業務 | Group Total 集團 總計 |
| | | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 | Rest of Asia 亞洲 其餘地區 | Hong Kong, Macau and Mainland China 香港、 澳門及 中國大陸 | Rest of Asia 亞洲 其餘地區 | | |
| Segment assets | 分部資產 | 984,203 | 281,030 | 364,807 | 143,711 | 460,885 | 2,234,636 |
| Unallocated assets | 未分配資產 | | | | | | 856,776 |
| Total assets | 總資產 | | | | | | <u>3,091,412</u> |
| Segment liabilities | 分部負債 | 272,781 | 47,184 | 157,045 | 25,777 | 67,842 | 570,629 |
| Unallocated liabilities | 未分配負債 | | | | | | 1,066,953 |
| Total liabilities | 總負債 | | | | | | <u>1,637,582</u> |

An analysis of the Group's revenue by geographical area is as follows:

按地區分析集團收入如下：

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|----------------|--------|--------------------------|--------------------------|
| Hong Kong | 香港 | 1,963,623 | 2,273,122 |
| Macau | 澳門 | 222,964 | 270,335 |
| Mainland China | 中國大陸 | 391,093 | 397,102 |
| Rest of Asia | 亞洲其餘地區 | 823,003 | 999,914 |
| Europe | 歐洲 | 1,033 | 376 |
| | | <u>3,401,716</u> | <u>3,940,849</u> |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (Continued)

An analysis of the Group's segments results by geographical area is as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|----------------|--------|--------------------------|--------------------------|
| Hong Kong | 香港 | 91,211 | 326,480 |
| Macau | 澳門 | 39,907 | 78,759 |
| Mainland China | 中國大陸 | (110,357) | (98,107) |
| Rest of Asia | 亞洲其餘地區 | 4,450 | 15,511 |
| Europe | 歐洲 | (33,661) | (2,947) |
| | | (8,450) | 319,696 |

An analysis of the Group's non-current assets (other than financial instruments and deferred tax assets) by geographical area is as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|----------------|--------|--------------------------|--------------------------|
| Hong Kong | 香港 | 251,039 | 272,587 |
| Macau | 澳門 | 169,204 | 168,863 |
| Mainland China | 中國大陸 | 61,592 | 59,530 |
| Rest of Asia | 亞洲其餘地區 | 176,459 | 192,306 |
| Europe | 歐洲 | 80,721 | 96,164 |
| | | 739,015 | 789,450 |

6 OTHER GAINS/(LOSSES), NET

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|------------------------------|--------------------------|--------------------------|
| Gain on bargain purchase of a subsidiary (Note 31) | 議價購買子公司收益(附註31) | 9,863 | - |
| Gain on remeasuring to fair value of the existing interest in an associate upon acquisition of control (Note 31) | 於收購現有聯營公司控制權之重新測量公平值收益(附註31) | 4,222 | - |
| Gain/(loss) on disposal of property, plant and equipment, net | 出售物業、機器及設備的收益/(虧損), 淨額 | 265 | (688) |
| Exchange losses, net | 滙兌虧損, 淨額 | (2,170) | (15,869) |
| | | 12,180 | (16,557) |

5 分部資料(續)

按地區分析集團分部業績如下:

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|----------------|--------------------------|--------------------------|
| Hong Kong | 91,211 | 326,480 |
| Macau | 39,907 | 78,759 |
| Mainland China | (110,357) | (98,107) |
| Rest of Asia | 4,450 | 15,511 |
| Europe | (33,661) | (2,947) |
| | (8,450) | 319,696 |

按地區分析集團非流動資產(金融工具及遞延稅項資產除外)如下:

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|----------------|--------------------------|--------------------------|
| Hong Kong | 251,039 | 272,587 |
| Macau | 169,204 | 168,863 |
| Mainland China | 61,592 | 59,530 |
| Rest of Asia | 176,459 | 192,306 |
| Europe | 80,721 | 96,164 |
| | 739,015 | 789,450 |

6 其他收益/(虧損), 淨額

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|--------------------------|--------------------------|
| Gain on bargain purchase of a subsidiary (Note 31) | 9,863 | - |
| Gain on remeasuring to fair value of the existing interest in an associate upon acquisition of control (Note 31) | 4,222 | - |
| Gain/(loss) on disposal of property, plant and equipment, net | 265 | (688) |
| Exchange losses, net | (2,170) | (15,869) |
| | 12,180 | (16,557) |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7 OTHER INCOME

7 其他收入

| | | 2016 | 2015 |
|----------------------------------|---------|---------------|---------------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣仟元 | 港幣仟元 |
| Building management fee income | 樓宇管理費收入 | 2,340 | 2,340 |
| Dividend income from investments | 投資股息收入 | 3,506 | 2,052 |
| Interest income | 利息收入 | 1,946 | 1,342 |
| Sundries | 雜項 | 14,578 | 19,584 |
| | | 22,370 | 25,318 |

8 EXPENSES BY NATURE

8 按性質列示的費用

| | | 2016 | 2015 |
|---|----------------------------|------------------|------------------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣仟元 | 港幣仟元 |
| Cost of stocks sold and raw materials consumed | 出售存貨成本及原材料消耗 | 1,370,752 | 1,524,407 |
| Amortisation of intangible assets | 攤銷無形資產 | 2,346 | - |
| Amortisation of prepayment of lease premium | 攤銷預付租賃地價 | 5,900 | 6,851 |
| Depreciation of property, plant and equipment | 物業、機器及設備的折舊 | | |
| – Owned | – 自置 | 108,220 | 113,623 |
| – Leased | – 租賃 | 54 | 5 |
| Impairment of property, plant and equipment | 物業、機器及設備減值 | 7,021 | 5,566 |
| Impairment of intangible assets | 無形資產減值 | 26,431 | - |
| Provision for onerous contracts | 有法律義務合約的撥備 | 17,560 | 178 |
| Auditor's remuneration | 核數師酬金 | | |
| – Audit services | – 核數服務 | 5,350 | 5,539 |
| – Non-audit services | – 非核數服務 | 1,777 | 3,300 |
| Operating leases on buildings | 樓宇營業租賃 | 715,354 | 698,840 |
| Provision for stocks | 存貨準備 | 34,230 | 19,540 |
| Impairment of debtors | 應收款項減值 | 80 | 116 |
| Write back of bad debt provision | 撥回壞賬準備 | (55) | (40) |
| Donations | 捐款 | 293 | 5,316 |
| Employee benefit expenses (Note 9) | 僱員福利支出(附註9) | 683,546 | 717,586 |
| Others | 其他 | 552,342 | 630,832 |
| Total cost of sales, selling expenses, general and administrative expenses and other operating expenses | 銷售成本、銷售支出、一般及行政支出及其他營運支出總額 | 3,531,201 | 3,731,659 |

9 EMPLOYEE BENEFIT EXPENSES

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|-----------------------------|--------------------------|--------------------------|
| Salaries and allowances | 薪金及津貼 | 621,199 | 646,450 |
| Pension contributions less forfeiture utilised (Note a) | 退休金供款(扣除已被動用的 沒收供款)(附註a) | 33,853 | 33,155 |
| Termination benefits | 終止福利 | 2,124 | 1,669 |
| Unutilised annual leave | 未被動用的年假 | (576) | 4 |
| Social security costs | 社會保障支出 | 23,143 | 31,990 |
| Other allowances | 其他津貼 | 3,803 | 4,318 |
| | | 683,546 | 717,586 |

(a) Pensions – defined contribution plans

The Group operated a retirement scheme under Occupation Retirement Scheme Ordinance (“ORSO scheme”) up to 30 November 2000 for employees in Hong Kong. With effect from 1 December 2000, a mandatory provident fund (“MPF”) scheme is set up which is available to eligible employees of the Group, including executive directors. No further employees and contributions have been added to the ORSO scheme after the set up of MPF. Contributions to the MPF scheme by the Group and employees are calculated at rates specified in the rules of the MPF scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund.

For subsidiaries outside Hong Kong, contributions to the local pension schemes are made by the Group and employee, which are calculated at rates specified in the rules of the local pension schemes. The assets of the pension scheme are held separately from those of the Group in an independently administered fund.

Forfeited contributions totalling HK\$4,049,000 for the year ended 31 March 2016 (2015: HK\$1,178,000) arising from employees leaving the ORSO scheme, were utilised to offset contributions during the year.

9 僱員福利支出

(a) 退休金－定額供款計劃

直至2000年11月30日為止，本集團根據職業退休計劃條例為香港區僱員提供退休計劃。自2000年12月1日起，本集團設立強制性公積金計劃（「強積金計劃」），本集團的合資格僱員（包括行政董事）均有權參與。本集團及僱員向強積金計劃作出的供款乃依據強積金計劃規則所規定的水平計算。強積金計劃的資產與本集團的資產分開持有，並由獨立管理基金負責管理。

就香港以外的附屬公司而言，本集團及僱員對當地退休金計劃作出的供款，乃按當地退休金計劃規則所規定的水平計算。退休金計劃之資產與本集團之資產分開持有，並由獨立管理基金負責管理。

截至2016年3月31日止年度內，僱員離職時被沒收之職業退休計劃供款總額港幣4,049,000元（2015年：港幣1,178,000元），已被動用以抵銷年內供款。

9 EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2015: three) directors whose emoluments are reflected in the analysis shown in Note 34.

The emoluments payable to the remaining two (2015: two) individuals during the year are as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|--------------|--------------------------|--------------------------|
| Basic salaries, allowance and benefits in kind | 基本薪金，津貼及實物利益 | 2,451 | 2,615 |
| Performance bonus | 表現花紅 | 3,201 | 2,827 |
| Contributions to pension plans | 退休金計劃的供款 | 115 | 153 |
| | | 5,767 | 5,595 |

The emoluments fell within the following bands:

| | | Number of individuals 人數 | |
|--------------------------------|-------------------------------|-----------------------------|----------|
| | | 2016 | 2015 |
| Emolument bands (in HK dollar) | 薪酬組別 (港幣) | | |
| HK\$2,000,001 to HK\$2,500,000 | 港幣 2,000,001 元至港幣 2,500,000 元 | 1 | 1 |
| HK\$3,000,001 to HK\$3,500,000 | 港幣 3,000,001 元至港幣 3,500,000 元 | 1 | 1 |
| | | 2 | 2 |

(c) Senior management emoluments

The emoluments fell within the following bands:

| | | Number of individuals 人數 | |
|--------------------------------|-------------------------------|-----------------------------|----------|
| | | 2016 | 2015 |
| Emolument bands (in HK dollar) | 薪酬組別 (港幣) | | |
| HK\$2,000,001 to HK\$2,500,000 | 港幣 2,000,001 元至港幣 2,500,000 元 | 1 | 1 |
| | | 1 | 1 |

9 僱員福利支出 (續)

(b) 五位最高薪酬人士

本年度本集團五名最高薪酬人士包括三名(2015年：三名)董事，其薪酬詳情已於附註34分析中反映。

於年內應付予其餘二名(2015年：二名)人士之酬金如下：

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|--------------|--------------------------|--------------------------|
| Basic salaries, allowance and benefits in kind | 基本薪金，津貼及實物利益 | 2,451 | 2,615 |
| Performance bonus | 表現花紅 | 3,201 | 2,827 |
| Contributions to pension plans | 退休金計劃的供款 | 115 | 153 |
| | | 5,767 | 5,595 |

介於下列酬金組別人士如下：

| | | Number of individuals 人數 | |
|--------------------------------|-------------------------------|-----------------------------|----------|
| | | 2016 | 2015 |
| Emolument bands (in HK dollar) | 薪酬組別 (港幣) | | |
| HK\$2,000,001 to HK\$2,500,000 | 港幣 2,000,001 元至港幣 2,500,000 元 | 1 | 1 |
| HK\$3,000,001 to HK\$3,500,000 | 港幣 3,000,001 元至港幣 3,500,000 元 | 1 | 1 |
| | | 2 | 2 |

(c) 高級管理人員酬金

介於下列酬金組別人士如下：

| | | Number of individuals 人數 | |
|--------------------------------|-------------------------------|-----------------------------|----------|
| | | 2016 | 2015 |
| Emolument bands (in HK dollar) | 薪酬組別 (港幣) | | |
| HK\$2,000,001 to HK\$2,500,000 | 港幣 2,000,001 元至港幣 2,500,000 元 | 1 | 1 |
| | | 1 | 1 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10 FINANCE COSTS

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---|-----------|--------------------------|--------------------------|
| Interest on bank loans and overdrafts | 銀行貸款及透支利息 | 12,089 | 9,212 |
| Borrowing cost on convertible bonds | 可換股債券借貸費用 | 78,657 | 62,830 |
| Interest on other financial liabilities | 其他財務負債利息 | 25 | 82 |
| Interest on finance leases | 融資租賃利息 | 7 | 17 |
| | | 90,778 | 72,141 |

11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year ended 31 March 2016 (2015: 16.5%) less relief for available tax losses. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the territories in which the Group operates.

The amount of income tax charged to the consolidated income statement represents:

10 財務成本

11 所得稅支出

截至2016年3月31日止年度香港利得稅乃根據已沖銷可動用稅項損失的估計應課稅溢利按稅率16.5%(2015年: 16.5%)計算。海外利得稅乃根據年內估計應課稅溢利按本集團經營地區的適用稅率計算。

已計入綜合收益表的所得稅包括：

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|-----------------|--------------------------|--------------------------|
| Current income tax | 本期所得稅 | | |
| – Hong Kong profits tax | – 香港利得稅 | 11,188 | 34,668 |
| – Overseas profits tax | – 海外利得稅 | 6,145 | 20,796 |
| – (Over)/under provision in respect of prior years | – 過往年度撥備(過多)/過少 | (1,048) | 48 |
| | | 16,285 | 55,512 |
| Deferred income tax (Note 27) | 遞延所得稅(附註27) | (12,219) | (7,063) |
| Income tax expense | 所得稅支出 | 4,066 | 48,449 |

The taxation on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the applicable tax rate, being the weighted average of tax rates prevailing in the territories in which the Group operates, as follows:

本集團按其除所得稅前(虧損)/溢利而計算的稅項，與按其於各營運地區的適用稅率(加權平均率)而計算的理論稅項有差別，詳情如下：

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

11 INCOME TAX EXPENSE (Continued)

11 所得稅支出 (續)

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|--|--------------------------|--------------------------|
| (Loss)/profit before income tax | 除所得稅前 (虧損) / 溢利 | (185,713) | 140,508 |
| Add: share of loss of an associate | 加: 應佔聯營公司虧損 | - | 5,302 |
| | | (185,713) | 145,810 |
| Theoretical tax at weighted average rate of 20.75% (2015: 7.56%) | 按加權平均率 20.75% (2015 年: 7.56%) 而計算的理論稅項 | (38,538) | 11,028 |
| Income not subject to tax | 無需課稅的收入 | (8,037) | (13,203) |
| Expenses not deductible for tax purpose | 不可扣稅的開支 | 13,679 | 22,368 |
| Recognition of temporary differences not previously recognised | 確認往年未被確認的暫時性差額 | 423 | (4,179) |
| Utilisation of previously unrecognised tax losses | 使用往年未確認的稅項虧損 | (6,221) | (5,466) |
| Tax losses not recognised | 未確認的稅項虧損 | 41,975 | 36,431 |
| Effect of change in tax rates | 稅率變動的影響 | - | 227 |
| (Over)/under provision in respect of prior years | 過往年度撥備 (過多) / 過少 | (1,048) | 48 |
| Others | 其他 | 1,833 | 1,195 |
| Income tax expense | 所得稅支出 | 4,066 | 48,449 |

The weighted average applicable tax rate was 20.75% (2015: 7.56%). The increase is caused by a change in the distribution of profitability of the Group's subsidiaries in the respective countries.

加權平均適用稅率為 20.75% (2015 年: 7.56%)。增加乃由於本集團於各個國家的附屬公司的溢利分配變動所致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12 (LOSS)/EARNINGS PER SHARE

Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

| | | 2016 | 2015 |
|--|-----------------------------|------------------|-----------|
| Weighted average number of ordinary shares in issue (thousands) | 已發行普通股加權平均數 (以仟股計) | 1,046,474 | 1,046,474 |
| (Loss)/profit attributable to equity holders of the Company (HK\$'000) | 本公司權益持有人應佔(虧損)/溢利 (港幣仟元) | (190,009) | 91,756 |
| Basic (loss)/earnings per share (HK cents) | 每股基本(虧損)/盈利(港仙) | (18.16) | 8.77 |

Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares in existence represent convertible bonds. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the expense relating to the convertible bonds less the tax effect.

Diluted (loss)/earnings per share for the year ended 31 March 2016 equals basic (loss)/earnings per share as the conversion of convertible bonds would be anti-dilutive (2015: same).

12 每股(虧損)/盈利

基本

每股基本(虧損)/盈利以年內本公司權益持有人應佔(虧損)/溢利除以已發行普通股加權平均數而計算。

攤薄

每股攤薄(虧損)/盈利在假設全部具潛在攤薄影響的普通股均獲轉換的情況下，按調整發行在外普通股的加權平均數計算。本集團現有之潛在攤薄普通股為可換股債券。假設可換股債券已轉換為普通股及已調整純利以抵銷有關可換股債券費用減稅務影響。

截至2016年3月31日，每股攤薄(虧損)/盈利等於每股基本(虧損)/盈利，因為兌換可換股債券造成反攤薄所致(2015：相同)。

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13 PROPERTY, PLANT AND EQUIPMENT

13 物業、機器及設備

| | | Land and buildings | Equipment, leasehold improvements and others 設備、 租賃權益 改良及其他 | Total |
|--|------------------------|-----------------------|---|------------------|
| | | 土地及樓宇 | 改良及其他 | 總額 |
| | | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 |
| Year ended 31 March 2015 | 截至2015年3月31日止年度 | | | |
| Opening net book amount | 年初賬面淨額 | 319,237 | 174,236 | 493,473 |
| Additions | 添置 | – | 95,842 | 95,842 |
| Disposals/write off | 出售/撇賬 | – | (1,717) | (1,717) |
| Depreciation | 折舊 | (8,291) | (105,337) | (113,628) |
| Impairment (note d) | 減值(附註d) | – | (5,566) | (5,566) |
| Exchange differences | 匯兌差額 | (3,789) | (4,152) | (7,941) |
| Closing net book amount | 年終賬面淨額 | 307,157 | 153,306 | 460,463 |
| At 31 March 2015 | 於2015年3月31日 | | | |
| Cost | 成本 | 452,799 | 737,846 | 1,190,645 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (145,642) | (584,540) | (730,182) |
| Net book amount | 賬面淨額 | 307,157 | 153,306 | 460,463 |

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

13 物業、機器及設備 (續)

| | | Land and buildings 土地及樓宇 HK\$'000 港幣仟元 | Equipment, leasehold improvements and others 設備、 租賃權益 改良及其他 HK\$'000 港幣仟元 | Total 總額 HK\$'000 港幣仟元 |
|--|------------------------------|--|---|---------------------------------|
| Year ended 31 March 2016 | 截至 2016 年 3 月 31 日止年度 | | | |
| Opening net book amount | 年初賬面淨額 | 307,157 | 153,306 | 460,463 |
| Additions | 添置 | – | 109,695 | 109,695 |
| Disposals/write off | 出售／撇賬 | – | (939) | (939) |
| Depreciation | 折舊 | (7,995) | (100,279) | (108,274) |
| Impairment (note d) | 減值 (附註 d) | – | (7,021) | (7,021) |
| Acquisition of a subsidiary (Note 31) | 收購子公司 (附註 31) | – | 3,532 | 3,532 |
| Exchange differences | 匯兌差額 | (2,476) | (3,788) | (6,264) |
| Closing net book amount | 年終賬面淨額 | 296,686 | 154,506 | 451,192 |
| At 31 March 2016 | 於 2016 年 3 月 31 日 | | | |
| Cost | 成本 | 448,881 | 766,034 | 1,214,915 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (152,195) | (611,528) | (763,723) |
| Net book amount | 賬面淨額 | 296,686 | 154,506 | 451,192 |

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) Certain property, plant and equipment of the Group have been pledged for bank borrowings. The carrying value of these property, plant and equipment as at 31 March 2016 were approximately HK\$283,382,000 (2015: HK\$293,842,000).
- (b) At 31 March 2016, the net book value of motor vehicles held under finance leases amounted to HK\$215,000 (2015: HK\$265,000).
- (c) Depreciation expense of HK\$89,595,000 (2015: HK\$96,583,000) has been charged in selling expenses and HK\$18,679,000 (2015: HK\$17,045,000) has been charged in general and administrative expenses.
- (d) The Group regards its individual retail stores as separately identifiable CGUs. It assessed the recoverable amounts of the CGUs with reference to their value-in-use. An impairment provision of HK\$7,021,000 (2015: HK\$5,566,000) was made as their carrying values are not expected to be fully recoverable. Impairment loss was included in other operating expenses in the consolidated income statement.

14 PREPAYMENT OF LEASE PREMIUM

| | |
|----------------------|--------|
| At 1 April | 於4月1日 |
| Amortisation | 攤銷 |
| Exchange differences | 匯兌差額 |
| Disposal | 出售 |
| At 31 March | 於3月31日 |

Amortisation of prepayment of lease premium for premises was included in selling expenses in the consolidated income statement.

13 物業、機器及設備(續)

附註：

- (a) 本集團若干物業、機器及設備已就銀行貸款作抵押。於2016年3月31日，該等物業、機器及設備的賬面值約為港幣283,382,000元(2015年：港幣293,842,000元)。
- (b) 於2016年3月31日，在融資租賃下所持汽車之賬面淨額為港幣215,000元(2015年：港幣265,000元)。
- (c) 折舊費用港幣89,595,000元(2015年：港幣96,583,000元)已計入銷售支出及港幣18,679,000元(2015年：港幣17,045,000元)已計入一般及行政支出。
- (d) 本集團視其個別零售店舖為獨立可識別現金產生單位。而評估可收回之現金產生單位是經參考若干物業及設備的使用價值，因預期無法悉數收回其賬面值，故就其作出減值撥備港幣7,021,000元(2015年：港幣5,566,000元)。減值虧損計入綜合收益表的其他營運支出。

14 預付租賃地價

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|----------------------|--------|--------------------------|--------------------------|
| At 1 April | 於4月1日 | 40,242 | 47,256 |
| Amortisation | 攤銷 | (5,900) | (6,851) |
| Exchange differences | 匯兌差額 | (3,038) | (163) |
| Disposal | 出售 | (1,527) | - |
| At 31 March | 於3月31日 | 29,777 | 40,242 |

物業預付租賃地價的攤銷於綜合收益表內計入銷售支出中。

15 INTANGIBLE ASSETS

15 無形資產

| | | Goodwill 商譽 HK\$'000 港幣仟元 | Trademarks 商標 HK\$'000 港幣仟元 | Technical know-how 專業技術 HK\$'000 港幣仟元 | Total 總額 HK\$'000 港幣仟元 |
|--|------------------------|------------------------------------|--------------------------------------|---|---------------------------------|
| Year ended 31 March 2015 | 截至2015年3月31日止年度 | | | | |
| Opening net book amount | 年初賬面淨值 | 10,266 | 52,931 | – | 63,197 |
| Exchange differences | 匯兌差額 | (1,260) | (1,273) | – | (2,533) |
| Closing net book amount | 年終賬面淨額 | 9,006 | 51,658 | – | 60,664 |
| At 31 March 2015 | 於2015年3月31日 | | | | |
| Cost | 成本 | 9,006 | 81,291 | – | 90,297 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | – | (29,633) | – | (29,633) |
| Net book amount | 賬面淨額 | 9,006 | 51,658 | – | 60,664 |
| Year ended 31 March 2016 | 截至2016年3月31日止年度 | | | | |
| Opening net book amount | 年初賬面淨值 | 9,006 | 51,658 | – | 60,664 |
| Acquisition of a subsidiary (Note 31) | 收購子公司(附註31) | – | – | 70,816 | 70,816 |
| Amortisation | 攤銷 | – | – | (2,346) | (2,346) |
| Impairment | 減值 | – | – | (26,431) | (26,431) |
| Exchange differences | 匯兌差額 | 876 | 86 | 535 | 1,497 |
| Closing net book amount | 年終賬面淨額 | 9,882 | 51,744 | 42,574 | 104,200 |
| At 31 March 2016 | 於2016年3月31日 | | | | |
| Cost | 成本 | 9,882 | 81,512 | 70,941 | 162,335 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | – | (29,768) | (28,367) | (58,135) |
| Net book amount | 賬面淨額 | 9,882 | 51,744 | 42,574 | 104,200 |

Impairment test for goodwill

Goodwill is allocated to the Group's CGUs identified according to business segment. The goodwill is attributable to the watch wholesale trading operations.

商譽減值測試

商譽根據業務分部分配至本集團可識別的現金產生單位。商譽來自鐘錶批發貿易業務。

15 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill (Continued)

The recoverable amount of a CGU is determined based on value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets performed by management covering a five-year period. Management determined the financial budgets based on past performance and its expectations for the market development. Cash flows beyond the five year period are extrapolated using the estimated growth rate stated below.

The key assumptions used for value-in-use calculation are as follows:

1. Growth rate used to extrapolate cash flows beyond the budget period of 0% (2015: 0%) which does not exceed historical growth rate.
2. Pre-tax discount rate applied to cash flow projections of 8% (2015: 8%). The discount rate used reflects specific risks related to the Group.

Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount significantly.

During the year ended 31 March 2016, there was no impairment on the CGUs containing goodwill with indefinite useful lives (2015: nil).

15 無形資產 (續)

商譽減值測試 (續)

現金產生單位的可收回金額根據使用價值計算。計算方式利用稅前現金流量預測，依據管理層批核的五年期財政預算。管理層依據過往表現及其對市場發展的預期制定財政預算。超越該五年期的現金流量採用以下所述的估計增長率作出推算。

計算使用價值的主要假設如下：

1. 用以推算超過預算期的現金流量所使用的增長率為0% (2015年：0%)，並不超出過往的增長率。
2. 用於現金流量預測的稅前貼現率為8% (2015年：8%)。該貼現率為稅前，並反映與本集團有關的特定風險。

管理層認為，上述任何主要假設的任何合理可預見變動，將不會導致商譽之賬面值大幅超過可收回金額。

截至2016年3月31日止年度內，現金產生單位所含具無限壽命的商譽並無減值(2015年：無)。

15 INTANGIBLE ASSETS (Continued)

Impairment test for trademarks

Management tests annually whether the trademarks here suffered any impairment by considering the economic benefit generated from the trademarks. The recoverable amount is determined based on value-in-use calculation. This calculation use pre-tax cash flow projections based on financial budgets performed by management covering a four-year period. Management determined the financial budgets based on past performance and its expectations for the market development. The key assumption used for the value-in-use calculation includes a pre-tax discount rate of 8%.

No impairment provision on trademarks was made during the year ended 31 March 2016 (2015: nil).

Impairment test for technical know-how

In order to secure the supply of mechanical movements in the future, the Group acquired CATENA SA, a swiss watch manufacturer, on 16 April 2015 and recognised an identified technical know-how of HK\$70,816,000. In view of the unexpected downturn of the market condition and the decrease in demand for mechanical watches subsequent to the acquisition, management has performed an impairment assessment for the technical know-how as at 31 March 2016, taking into account the current market condition and production plan of CATENA SA.

The recoverable amount of the technical know-how is determined based on value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets performed by management covering a five-year period. Management determined the financial budgets based on past performance and its expectations for the market development. Cash flows beyond the five year period are extrapolated using the estimated growth rate stated below.

15 無形資產 (續)

商標減值測試

管理層考慮到商標產生的經濟利益，每年測試商標是否受到任何減值。可回收金額根據使用價值之計算而釐定。該等計算採用根據管理層就涵蓋四年期間之財政預算作出之稅前現金流量預測。本集團管理層根據過往表現及其對市場發展之預期而釐定財政預算。用於使用價值之計算的主要假設包括除稅前折現率8%。

截至2016年3月31日止年度，並無就商標作出減值撥備(2015年：無)。

專業技術的減值測試

為確保日後的鐘錶零件供應，本集團於2015年4月16日收購瑞士鐘錶生產商CATENA SA，並確認可識別專業技術為港幣70,816,000元。鑑於市況非預期低迷及收購後對電子機械鐘錶的需求下跌，管理層已於2016年3月31日就專業技術進行減值評估，並已計及現行市況及CATENA SA的生產計劃。

專業技術的可收回金額乃根據使用價值計算釐定。此計算方式根據管理層進行的五年財務預算使用除稅前現金流預測。管理層根據過往表現及預期市場發展釐定財務預算。超過五年期的現金流使用下述的估計增長率推斷。

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財務報表附註

15 INTANGIBLE ASSETS (Continued)

Impairment test for technical know-how (Continued)

The key assumptions used for value-in-use calculation are as follows:

1. The useful life of the technical know-how of 30 years.
2. Growth rate used to extrapolate cash flows beyond the five-year budget period of 2%.
3. Pre-tax discount rate applied to cash flow projections of 12%. The discount rate used reflects specific risk related to the Group's watch movement manufacturing business.

Based on the result of the impairment test, the Group has made an impairment charge of HK\$26,431,000 for the year ended 31 March 2016.

Should the growth rate used to extrapolate cash flows beyond the five-year budget period applied in the value-in-use calculation for the technical know-how had been 1% lower, additional impairment of HK\$3,949,000 would have been recognized.

16 INVESTMENT IN AN ASSOCIATE

| | | | |
|---|-------------------|----------|---------|
| At 1 April | 於4月1日 | | |
| Acquisition of additional interest in an associate | 收購聯營公司額外權益 | 61,329 | 54,989 |
| Deemed disposal upon obtaining control over the associate (Note 31) | 視為出售在得到控制權後(附註31) | - | 17,448 |
| Share of loss | 應佔虧損 | (61,329) | - |
| Exchange differences | 匯兌差額 | - | (5,302) |
| At 31 March | 於3月31日 | - | (5,806) |

On 13 May 2014, the Group acquired an additional 10% equity interest in CATENA SA for a consideration of CHF2,000,000.

15 無形資產(續)

專業技術的減值測試(續)

使用價值計算所用的主要假設如下：

1. 專業技術的使用期限為30年。
2. 用作推斷超過五年預算期的現金流增長率為2%。
3. 應用於現金流預測的除稅前折讓率為12%。所用折讓率反映有關本集團鐘錶零件生產業務的特定風險。

根據減值測試的結果，本集團截至2016年3月31日止年度的減值費用為港幣26,431,000元。

倘用作推斷超過五年預期的現金流增長率於計算使用價值時下調1%，則需確認額外減值港幣3,949,000。

16 於聯營公司投資

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---|--------------------------|--------------------------|
| At 1 April | 61,329 | 54,989 |
| Acquisition of additional interest in an associate | - | 17,448 |
| Deemed disposal upon obtaining control over the associate (Note 31) | (61,329) | - |
| Share of loss | - | (5,302) |
| Exchange differences | - | (5,806) |
| At 31 March | - | 61,329 |

於2014年5月13日，本集團收購CATENA SA另外10%的權益，代價為2,000,000瑞士法朗。

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財務報表附註

16 INVESTMENT IN AN ASSOCIATE (Continued)

On 16 April 2015, the Group acquired additional 48% equity interest in CATENA SA and also entered into a shareholders' agreement with the 12% equity interest holder of CATENA SA for a right to purchase the remaining 12% equity interest (Note 31).

Details of the associate as at 31 March 2015 were as follows:

| Name of entity 實體名稱 | Place of business/country of incorporation 營運地點／註冊成立國家 | % of ownership interest 所持權益百分比 | Principal activities 主要業務 |
|------------------------|---|---------------------------------------|---|
| CATENA SA | Switzerland 瑞士 | 40% | Manufacture of watch movements 手錶機芯製造 |

Summarised financial information in respect of the Group's associate was set out below:

| | | 2015 HK\$'000 港幣仟元 |
|----------------|-------|--------------------------|
| Assets | 資產 | 69,966 |
| Liabilities | 負債 | (10,957) |
| Income | 收入 | 36,421 |
| Loss after tax | 除稅後虧損 | (9,158) |

The associate had a December year-end and the above unaudited financial information had been adjusted to conform to the Group's financial year-end.

16 於聯營公司投資 (續)

於2015年4月16日，本集團收購了CATENA SA額外48%的權益，在此同時與CATENA SA的12%權益持有人達成股東協議，以購買12%的股權認購權（附註31）。

該聯營公司於2015年3月31日的詳情如下：

本集團聯營公司的財務資料概要載列如下：

聯營公司的年結日為12月31日，上述未經審核財務資料已調整至符合本集團之年結日。

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17 AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---|---------------------|--------------------------|--------------------------|
| At 1 April | 於4月1日 | 12,652 | 15,331 |
| Revaluation deficit transfer to equity (Note 22) | 轉往權益的重估虧損 (附註22) | (523) | (2,679) |
| At 31 March | 於3月31日 | 12,129 | 12,652 |

Available-for-sale financial assets as at 31 March 2016 represent unlisted equity investment in an entity incorporated in Liechtenstein and are denominated in Swiss Francs.

The valuation of available-for-sale financial assets was determined using dividend growth model and are within level 3 of fair value hierarchy. The most significant unobservable input is the rate of return on the investment of 24% (2015: 25%). The lower the rate of return, the higher the fair value of the available-for-sale financial assets.

18 STOCKS

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|------------------|-----|--------------------------|--------------------------|
| Raw materials | 原材料 | 125,153 | 111,432 |
| Work-in-progress | 在製品 | 15,127 | 13,087 |
| Finished goods | 製成品 | 958,327 | 1,203,213 |
| | | 1,098,607 | 1,327,732 |

The cost of stocks sold recognised as expense and included in cost of sales amounted to HK\$1,370,752,000 (2015: HK\$1,524,407,000).

17 可供出售的財務資產

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---|---------------------|--------------------------|--------------------------|
| At 1 April | 於4月1日 | 12,652 | 15,331 |
| Revaluation deficit transfer to equity (Note 22) | 轉往權益的重估虧損 (附註22) | (523) | (2,679) |
| At 31 March | 於3月31日 | 12,129 | 12,652 |

於2016年3月31日，可供出售的財務資產乃指以瑞士法郎計值的於一間在列支敦士登註冊成立的公司的非上市股本投資。

可供出售的財務資產估值通過使用貼現現金流量預測釐定，並屬於第三級公平值等級範圍內。較重大不可觀察輸入值即為投資的回報率為24% (2015年：25%)。回報率越低，可供出售財務資產的公平值越高。

18 存貨

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|------------------|-----|--------------------------|--------------------------|
| Raw materials | 原材料 | 125,153 | 111,432 |
| Work-in-progress | 在製品 | 15,127 | 13,087 |
| Finished goods | 製成品 | 958,327 | 1,203,213 |
| | | 1,098,607 | 1,327,732 |

已確認為開支並計入銷售成本內的存貨成本為港幣1,370,752,000元(2015年：港幣1,524,407,000元)。

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財務報表附註

19 DEBTORS, DEPOSITS AND PREPAYMENTS

19 應收賬款、按金及預付款項

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---|---------------------------|--------------------------|--------------------------|
| Trade debtors, gross | 應收貿易賬款，總額 | 249,337 | 253,892 |
| Less: provision for impairment of trade debtors (note b) | 減：應收貿易賬款 減值撥備(附註b) | (549) | (472) |
| Trade debtors, net (note a) | 應收貿易賬款，淨額(附註a) | 248,788 | 253,420 |
| Deposits, prepayments and other debtors (notes c and d) | 按金、預付款項及 其他應收款項(附註c及d) | 338,308 | 344,075 |
| | | 587,096 | 597,495 |
| Less: non-current portion | 減：非流動部分 | (153,846) | (166,752) |
| Current portion | 流動部分 | 433,250 | 430,743 |
| Trade debtors analysed by invoice date: | 按發票日分析的 應收貿易賬款： | | |
| Below 60 days | 60日以下 | 54,902 | 82,561 |
| Over 60 days | 60日以上 | 194,435 | 171,331 |
| | | 249,337 | 253,892 |

Notes:

- (a) The Group engages designated import and export agents for the importation of products from the subsidiaries in Hong Kong to the subsidiaries in the Mainland China. The balances due from and due to the import and export agents are settled on a back-to-back basis, and hence, there are no fixed terms of settlement for such balances. The Group's trade debtors and trade creditors include balances due from and due to the import and export agents of HK\$159,755,000 (2015: HK\$144,128,000).

Other than the balances due from the import and export agents, the Group allows an average credit period of 60 days from the invoice date to its trade debtors.

Balances that are neither past due nor impaired relate to a number of independent customers whom there was no relevant history of default.

Included in the Group's trade debtors were debtors with a carrying amount of HK\$31,098,000 (2015: HK\$25,678,000) which were past due but not impaired. The ageing analysis of these trade debtors based on due dates is as follows:

附註：

- (a) 本集團透過指定的進出口代理，將香港附屬公司的產品運往內地的附屬公司。應收及應付進出口代理的結餘乃按同等的對應金額結算，因此，該等結餘之結算並無固定年期。本集團應收賬款及應付賬款包括應收及應付進出口代理的結餘為港幣159,755,000元(2015年：港幣144,128,000元)。

除應收及應付進出口代理的結餘外，本集團給予其應收貿易賬款由發票日起計平均60天的信貸期。

並無逾期或減值的結餘乃關於多名並無相關違約記錄之獨立客戶。

本集團的應收貿易賬款包括賬面值為港幣31,098,000元(2015年：港幣25,678,000元)的應收款項，有關款項已逾期但尚未減值。該等應收貿易賬款按到期日之賬齡分析如下：

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財務報表附註

19 DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(a) (Continued)

| | |
|---------------|------|
| Overdue: | 逾期： |
| Within 1 year | 1年內 |
| 1-2 years | 1-2年 |
| 2-3 years | 2-3年 |
| Over 3 years | 超過3年 |

Receivables that were past due but not impaired relate to a number of independent customers for whom there is no recent history of default. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully receivable. The Group does not hold any collateral over these balances.

(b) Movements on the provision for impairment of trade debtors are as follows:

| | |
|--------------------------|--------|
| At 1 April | 於4月1日 |
| Provision for impairment | 減值撥備 |
| Provision written back | 減值撥備撥回 |
| Exchange differences | 匯兌差額 |
| At 31 March | 於3月31日 |

The creation and release of provision for impaired receivables have been included in other operating expenses in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(c) The balance included amounts due from related companies of HK\$4,897,000 (2015: HK\$5,150,000).

The balances due from related companies (note 30 (iii)) are unsecured, interest-free and repayable on demand.

19 應收賬款、按金及預付款項 (續)

附註：(續)

(a) (續)

| 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--------------------------|--------------------------|
| 29,747 | 25,456 |
| 1,048 | 182 |
| 66 | 9 |
| 237 | 31 |
| 31,098 | 25,678 |

逾期但未減值的應收貿易賬款與多名獨立客戶有關，彼等近期並無拖欠還款記錄。根據過往經驗，鑒於有關應收賬項的信貸質素並沒有重大改變，欠款仍視為可以全數收回，因此管理層相信無需作出減值撥備。本集團並無就該等欠款持有任何抵押。

(b) 應收貿易賬款的減值撥備的變動如下：

| 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--------------------------|--------------------------|
| 472 | 445 |
| 80 | 116 |
| (55) | (40) |
| 52 | (49) |
| 549 | 472 |

新增及撥回之應收款項的減值撥備已計入綜合收益表的「其他營運支出」內。計入撥備賬的金額一般於預期不可再收回額外現金時撇銷。

(c) 此筆款項包括應收關連公司的款項港幣4,897,000元(2015年：港幣5,150,000元)。

應收有關連公司的結餘均為無抵押、免息及應要求償還附註(30 (iii))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19 DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

- (d) As at 31 March 2016, the balance included prepayment for services arising from the issue of convertible bonds of HK\$9,302,000 (2015: HK\$14,906,000) (Note 26).
- (e) An analysis of debtors, deposits and prepayments by currency is as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|-------------------|--------|--------------------------|--------------------------|
| Hong Kong dollars | 港幣 | 353,052 | 369,872 |
| Renminbi | 人民幣 | 83,782 | 91,188 |
| Singapore dollars | 新加坡元 | 35,081 | 37,826 |
| Malaysian ringgit | 馬來西亞令吉 | 55,296 | 54,625 |
| Thai bahts | 泰銖 | 17,068 | 23,051 |
| Swiss Francs | 瑞士法郎 | 6,682 | 683 |
| Others | 其他 | 36,135 | 20,250 |
| | | 587,096 | 597,495 |

20 BANK BALANCES AND CASH

An analysis of bank balances and cash by currency is as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|-------------------|--------|--------------------------|--------------------------|
| Hong Kong dollars | 港幣 | 179,750 | 109,870 |
| Renminbi | 人民幣 | 104,295 | 107,193 |
| Singapore dollars | 新加坡元 | 50,956 | 41,772 |
| Malaysian ringgit | 馬來西亞令吉 | 127,877 | 92,424 |
| Thai bahts | 泰銖 | 106,762 | 83,622 |
| Swiss Francs | 瑞士法郎 | 2,555 | 4,719 |
| Others | 其他 | 27,030 | 20,543 |
| | | 599,225 | 460,143 |

The conversion of Renminbi into foreign currencies and remittance of Renminbi out of the PRC is subject to the rules and regulations of exchange controls promulgated by the PRC government.

19 應收賬款、按金及預付款項 (續)

附註 (續) :

- (d) 於2016年3月31日，此筆款項包括發行換股債券產生的服務預付款項港幣9,302,000元(2015年：港幣14,906,000元)(附註26)。
- (e) 應收賬款、按金及預付款項按貨幣分析如下：

20 銀行結餘及現金

銀行結餘及現金按貨幣分析如下：

將人民幣兌換為外幣及將人民幣匯出中國須受中國政府頒佈的外匯管控規則及條例規限。

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財務報表附註

21 SHARE CAPITAL

21 股本

| | | Number of shares of HK\$0.1 each 每股面值港幣 0.1 元的股份數目 | HK\$'000 港幣千元 |
|---------------------------|---------------------------|---|------------------|
| Authorised: | 法定股本： | | |
| At 31 March 2015 and 2016 | 於 2015 年及 2016 年 3 月 31 日 | 1,600,000,000 | 160,000 |
| Issued and fully paid: | 已發行及繳足股本： | | |
| At 31 March 2015 and 2016 | 於 2015 年及 2016 年 3 月 31 日 | 1,046,474,025 | 104,647 |

The Company and its subsidiaries did not set up or operate any share option scheme for the year ended 31 March 2016 and up to the date of publication of this Annual Report.

本公司及其附屬公司於截至 2016 年 3 月 31 日止年度及直至本年報刊發日期並無設立或進行任何購股權計劃。

22 RESERVES

22 儲備

| | | Share premium | Revaluation reserve | Exchange reserve | Convertible bonds reserve (Note 26) 可換股 債券儲備 | Retained earnings | Total |
|---|------------------------|--------------------------|--------------------------|--------------------------|--|--------------------------|------------------------|
| | | 股份溢價 HK\$'000 港幣千元 | 重估儲備 HK\$'000 港幣千元 | 匯兌儲備 HK\$'000 港幣千元 | 債券儲備 HK\$'000 港幣千元 | 保留盈利 HK\$'000 港幣千元 | 總額 HK\$'000 港幣千元 |
| At 1 April 2014 | 於 2014 年 4 月 1 日 | 1,977 | 13,080 | 15,240 | 77,090 | 1,246,304 | 1,353,691 |
| Exchange differences | 匯兌差額 | - | - | (41,286) | - | - | (41,286) |
| Revaluation of available-for-sale financial assets (Note 17) | 可供出售的財務資產 重估(附註 17) | - | (2,679) | - | - | - | (2,679) |
| Profit for the year | 年內溢利 | - | - | - | - | 91,756 | 91,756 |
| Dividends paid (Note 23) | 已付股息(附註 23) | - | - | - | - | (59,649) | (59,649) |
| At 31 March 2015 | 於 2015 年 3 月 31 日 | 1,977 | 10,401 | (26,046) | 77,090 | 1,278,411 | 1,341,833 |
| At 1 April 2015 | 於 2015 年 4 月 1 日 | 1,977 | 10,401 | (26,046) | 77,090 | 1,278,411 | 1,341,833 |
| Exchange differences | 匯兌差額 | - | - | (15,680) | - | - | (15,680) |
| Revaluation of available-for-sale financial assets (Note 17) | 可供出售的財務資產 重估(附註 17) | - | (523) | - | - | - | (523) |
| Loss for the year | 年內虧損 | - | - | - | - | (190,009) | (190,009) |
| Dividends paid (Note 23) | 已付股息(附註 23) | - | - | - | - | (10,465) | (10,465) |
| At 31 March 2016 | 於 2016 年 3 月 31 日 | 1,977 | 9,878 | (41,726) | 77,090 | 1,077,937 | 1,125,156 |

23 DIVIDENDS

23 股息

| | | 2016 HK\$'000 港幣千元 | 2015 HK\$'000 港幣千元 |
|---|--|--------------------------|--------------------------|
| No interim dividend for 2016 (2015: HK\$0.02 per ordinary share) | 2016 年不派發中期股息 (2015：每股普通股 HK\$0.02) | - | 20,929 |
| No final dividend for 2016 (2015: HK\$0.01 per ordinary share) | 2016 年不派發末期股息 (2015：每股普通股 HK\$0.01) | - | 10,465 |
| | | - | 31,394 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

23 DIVIDENDS (Continued)

The dividends paid in 2015 and 2016 were HK\$59,649,000 (HK\$0.057 per share) and HK\$10,465,000 (HK\$0.01 per share) respectively. The directors did not recommend a final dividend in respect of the year ended 31 March 2016.

24 CREDITORS AND ACCRUALS

| | |
|--|----------------------|
| Trade creditors analysed by invoice date: | 按發票日分析的 應付貿易賬款： |
| Below 60 days | 60日以下 |
| Over 60 days | 60日以上 |
| Other creditors and accruals (note a) | 其他應付賬款及 應計費用(附註a) |

Notes:

- (a) Included in other creditors and accruals are amounts due to related companies of HK\$1,367,000 (2015: HK\$1,413,000) (note 30(iii)), which are unsecured, interest-free and repayable on demand.
- (b) An analysis of creditors and accruals by currency is as follows:

23 股息(續)

於2015年及2016年派發的股息分別為港幣59,649,000元(每股港幣0.057元)及港幣10,465,000元(每股港幣0.01元)。董事會不建議派發截至2016年3月31日止年度之末期股息。

24 應付賬款及應計費用

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|--------------------------|--------------------------|
| | 317,014 | 298,550 |
| | 4,247 | 22,981 |
| | 321,261 | 321,531 |
| | 267,974 | 279,957 |
| | 589,235 | 601,488 |

附註：

- (a) 計入其他應付賬款及應計費用的款項包括應付關連公司的款項港幣1,367,000元(2015年：港幣1,413,000元)(附註30(iii))，款項為無抵押、免息及應要求償還。
- (b) 應付賬款及應計費用按貨幣分析如下：

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|-------------------|--------|--------------------------|--------------------------|
| Hong Kong dollars | 港幣 | 372,253 | 415,595 |
| Renminbi | 人民幣 | 63,140 | 55,402 |
| Singapore dollars | 新加坡元 | 27,325 | 21,745 |
| Malaysian ringgit | 馬來西亞令吉 | 27,484 | 25,883 |
| Thai bahts | 泰銖 | 23,579 | 26,821 |
| Swiss Francs | 瑞士法郎 | 24,922 | 13,443 |
| US dollars | 美元 | 34,476 | 30,722 |
| Others | 其他 | 16,056 | 11,877 |
| | | 589,235 | 601,488 |

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

25 BORROWINGS

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---|-------------------------|--------------------------|--------------------------|
| Bank borrowings (note a) | 銀行貸款(附註a) | 674,272 | 631,528 |
| Obligations under finance leases (note b) | 融資租賃承擔(附註b) | 215 | 265 |
| | | 674,487 | 631,793 |
| Balances repayable on demand or within one year included in current liabilities | 應要求償還或於一年內 償還的流動負債款項 | (656,439) | (579,725) |
| | | 18,048 | 52,068 |

(a) Bank borrowings

The Group's bank borrowings are repayable as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---------------------------------------|------------|--------------------------|--------------------------|
| Repayable on demand/ within 1 year | 應要求償還／一年之內 | 656,412 | 579,671 |
| Between 1 and 2 years | 1至2年 | 1,336 | 12,722 |
| Between 2 and 5 years | 2至5年 | 4,369 | 20,762 |
| Over 5 years | 5年以上 | 12,155 | 18,373 |
| | | 674,272 | 631,528 |

Included in bank borrowings as at 31 March 2016 are secured borrowings amounted to HK\$661,237,000 (2015: HK\$546,186,000), which are secured by property, plant and equipment of the Group (Note 13).

25 貸款

(a) 銀行貸款

本集團銀行貸款的須償還情況如下：

於2016年3月31日之銀行貸款內有抵押之貸款港幣661,237,000元(2015年：港幣546,186,000元)，以本集團的土地及樓宇抵押(附註13)。

25 BORROWINGS (Continued)

(a) Bank borrowings (Continued)

An analysis of the carrying amount of the Group's bank borrowings by currency is as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|-------------------|--------|--------------------------|--------------------------|
| Hong Kong dollars | 港幣 | 655,132 | 610,154 |
| Malaysia ringgit | 馬來西亞令吉 | 19,140 | 21,374 |
| | | 674,272 | 631,528 |

The weighted average effective interest rate per annum for bank borrowings was 1.85% (2015: 1.60%).

As at 31 March 2016, the carrying amounts of current bank borrowings approximate their fair values.

As at 31 March 2016, the Company had given guarantees to various banks to secure general banking facilities granted to certain subsidiaries amounting to HK\$1,661,773,000 (2015: HK\$1,561,087,000). As at 31 March 2016, the utilised amount of such facilities covered by the Company's guarantees was HK\$674,272,000 (2015: HK\$631,526,000).

Prior to the date of this report, the Group has obtained a one-off waiver from a bank from strict compliance with certain covenant requirement of a bank borrowing amounted to HK\$222,364,000.

25 貸款 (續)

(a) 銀行貸款 (續)

本集團銀行貸款賬面值按貨幣分析如下：

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|-------------------|--------|--------------------------|--------------------------|
| Hong Kong dollars | 港幣 | 655,132 | 610,154 |
| Malaysia ringgit | 馬來西亞令吉 | 19,140 | 21,374 |
| | | 674,272 | 631,528 |

銀行貸款的加權平均實際年利率為1.85厘(2015年：1.60厘)。

於2016年3月31日，銀行貸款的賬面值與公平值相若。

於2016年3月31日，本公司就授予若干附屬公司的一般銀行融資向不同銀行作出擔保共港幣1,661,773,000元(2015年：港幣1,561,087,000元)。於2016年3月31日，該等由本公司擔保的融資已動用之金額為港幣674,272,000元(2015年：港幣631,526,000元)。

在此報告前，本集團已從一間銀行獲得有關借貸金額港幣222,364,000元的合約要求的相關豁免。

25 BORROWINGS (Continued)

(b) Obligations under finance leases

The obligations under finance leases are payable as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|-------------|--------------------------|--------------------------|
| Within 1 year | 1年之內 | 31 | 60 |
| Between 1 and 2 years | 1至2年 | 62 | 60 |
| Between 2 and 5 years | 2至5年 | 150 | 179 |
| | | 243 | 299 |
| Future finance charges on finance leases | 融資租賃的未來財務支出 | (28) | (34) |
| Present value of finance lease liabilities | 融資租賃負債的現值 | 215 | 265 |

The present value of finance lease liabilities is analysed as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|-----------------------|------|--------------------------|--------------------------|
| Within 1 year | 1年之內 | 27 | 53 |
| Between 1 and 2 years | 1至2年 | 55 | 53 |
| Between 2 and 5 years | 2至5年 | 133 | 159 |
| | | 215 | 265 |

The carrying amount of obligations under finance leases is denominated in Singapore dollars.

25 貸款 (續)

(b) 融資租賃承擔

融資租賃承擔的須償還情況如下：

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|--------------------------|--------------------------|
| Within 1 year | 31 | 60 |
| Between 1 and 2 years | 62 | 60 |
| Between 2 and 5 years | 150 | 179 |
| | 243 | 299 |
| Future finance charges on finance leases | (28) | (34) |
| Present value of finance lease liabilities | 215 | 265 |

融資租賃負債的現值分析如下：

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|-----------------------|--------------------------|--------------------------|
| Within 1 year | 27 | 53 |
| Between 1 and 2 years | 55 | 53 |
| Between 2 and 5 years | 133 | 159 |
| | 215 | 265 |

融資租賃承擔的賬面淨值以新加坡元計價。

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26 CONVERTIBLE BONDS

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

The terms of the convertible bonds are summarised below:

- the bonds bear interest at 3.5% per annum if the bonds are held by Sapphire or its affiliates, or 2.75% per annum if otherwise, on the principal amounts of the convertible bonds outstanding from time to time, payable semi-annually in arrears;
- 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 at a conversion price of HK\$1.95 per share, subject to certain adjustments pursuant to the terms of the agreement entered with the bondholders;
- 190,268,000 conversion shares will be issued upon full conversion of the bonds based on the initial conversion price of HK\$1.95 per share;
- Sapphire has the option to require the Company to early redeem 30% of the outstanding principal (the "Option") if i) the consolidated net income of the Company (without taking into account any expenses arising from accounting treatment of the bonds) is less than HK\$400 million in more than one out of the three financial years ended/ending 31 March 2015 to 2017; or ii) the aggregate consolidated net income of the Company (without taking into account any expenses arising from accounting treatment of the bonds) is less than HK\$1 billion for three financial years ended/ending 31 March 2015 to 2017. The remainder of the bonds shall remain to be convertible, and such the bonds which have not been previously converted, redeemed, or purchased and cancelled and remain outstanding on the maturity shall be redeemed. The Company shall also pay an amount in cash to Sapphire equal to 3/7th of the outstanding principal amount of such remaining bonds held by Sapphire upon maturity; and

26 可換股債券

於2012年11月29日，本公司向一名獨立第三方Sapphire Illuminatus Holdings Limited (「Sapphire」)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。

可換股債券的條款概述如下：

- 根據不時尚未行使的可換股債券本金金額，倘債券由Sapphire或其聯屬人士持有，按年利率3.5%計息，或倘由其他人士持有，則按年利率2.75%計息，每半年支付一次；
- 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按兌換價每股港幣1.95元兌換為已繳足股款的普通股，惟兌換價或須根據與債券持有人訂立協議的條款進行若干調整；
- 190,268,000股兌換股份將於債券根據初步兌換價每股港幣1.95元悉數兌換後發行；
- Sapphire於以下情況可要求本公司提早贖回30%未償還本金(「期權」)，倘i)本公司的綜合淨收入(未計及債券會計處理產生的任何開支)於截至2015年至2017年3月31日止三個財政年度中一個或多個財政年度低於港幣400,000,000元；或ii)截至2015年至2017年3月31日止三個財政年度本公司的綜合淨收入總額(未計及債券會計處理產生的任何開支)低於港幣1,000,000,000元。餘下債券應為可兌換，而未曾贖回、兌換或購買及註銷且於到期時尚未償還的債券可予以贖回。本公司亦應向Sapphire支付相當於其於到期時持有的尚未償還的餘下債券本金額七份之三的現金；及

26 CONVERTIBLE BONDS (Continued)

- Sapphire would be compensated by the difference between the accrued interest and cash dividend (calculated on as-converted basis) (the "Additional Interest"), if the former is less than the latter.

The convertible bonds consist of a liability component, comprising the 5-year 3.5% straight debt, other redemption features and additional interest liabilities, and an equity component, representing the convertible option of HK\$1.95 per share. At the date of the issuance of the bonds, the liability component and the equity component were recognised at fair value, determined based on the valuations performed by an independent professional valuer using the binominal model with the major following assumptions:

- Risk-free interest rate of 0.261%;
- Volatility of 25.07%;
- Borrowing rate of 8.29%;
- Dividend yield of 6.0%

The liability component and equity component of the convertible bonds recognised at initial recognition as at 29 November 2012 are as follows:

| | | HK\$'000 港幣仟元 |
|--|--------------|------------------|
| Fair value of convertible bonds issued | 已發行可換股債券的公平值 | 396,772 |
| Less: Liability component | 減：負債部分 | (319,682) |
| Equity component | 權益部分 | <u>77,090</u> |

The convertible bonds were issued with fair value higher than the principal amount and were accounted for as share-based payment transactions. The excess of the fair value of the convertible bonds over the consideration received of HK\$28,018,000 were recorded as a prepayment for services and are amortised on a straight line basis over the term of contract. Amortisation expense of HK\$5,604,000 has been recognised in the consolidated income statement for the year ended 31 March 2016 (2015: HK\$5,604,000) (Note 19).

26 可換股債券 (續)

- 倘應計利息少於現金股息(按已兌換的基準計算)，Sapphire將獲補償應計利息與現金股息之間的差額(「額外利率」)。

可換股債券包括負債部分(為按5年3.5%計息的普通債券及其他贖回機制以及額外利率負債)及權益部分(每股港幣1.95元兌換權)。於發行債券時，負債部分及權益部分按公平值確認，根據獨立專業估值師的估值採用下列主要假設的二項式模式：

- 無風險利率0.261%；
- 波幅25.07%；
- 貸款利率8.29%；
- 股息率6.0%

可換股債券的負債部分及權益部分於2012年11月29日初步確認時確認如下：

可換股債券乃按高於本金金額的公平值發行，並按以股份為基礎的付款交易入賬。可換股債券的公平值超出所收取的代價港幣28,018,000元乃記錄為服務的預付款項，並按直線基準於合約期間內攤銷(附註19)。攤銷開支港幣5,604,000元已於截至2016年3月31日止年度的綜合收益表中的其他營運支出內確認(2015年：港幣5,604,000元)。

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26 CONVERTIBLE BONDS (Continued)

The liability component of the bonds is stated at fair value. The equity component is presented in equity as “convertible bonds reserve”.

The movement of the liability component of the convertible bonds for the year is set out below:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|-------------------|--------------------------|--------------------------|
| Liability component at 1 April | 於4月1日的負債部分 | 380,753 | 331,456 |
| Changes in fair value included in finance costs | 計入融資成本的公平值變動 | 78,657 | 62,830 |
| Interest paid | 已付利息 | (12,986) | (13,533) |
| Liability component at 31 March | 於3月31日的負債部分 | 446,424 | 380,753 |
| Less: balances redeemable/payable within one year | 減：於1年內贖回/ 償還餘額 | (109,949) | - |
| | | 336,475 | 380,753 |

The liability component of the convertible bonds is valued by independent qualified valuers, AVISTA Valuation Advisory Limited, who hold a recognised relevant professional qualification and have recent experience in valuation of convertible bonds.

The valuation of the liability component of the convertible bonds was determined using the binomial option pricing model. In valuing the Option, the external valuer has assigned a probability for each scenario under the Option and calculated the probability weighted fair value of the liability component of the convertible bonds. In valuing the Additional Interest portion, the amount is based on the present value of the differences between the estimated dividend received on an as-if converted basis and the annual coupon interest of the convertible bonds over the remaining outstanding period.

26 可換股債券 (續)

債券的負債部分按公平值呈列。權益部分於股權內呈列為「可換股債券儲備」。

年內，可換股債券負債部分的變動載列如下：

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|-------------------|--------------------------|--------------------------|
| 負債部分於4月1日 | 380,753 | 331,456 |
| 計入融資成本的公平值變動 | 78,657 | 62,830 |
| 已付利息 | (12,986) | (13,533) |
| 負債部分於3月31日 | 446,424 | 380,753 |
| 減：於1年內贖回/ 償還餘額 | (109,949) | - |
| | 336,475 | 380,753 |

可換股債券負債部分經獨立合資格估值師艾華迪評估諮詢有限公司估值，其持有獲認可的相關專業資格及具備近期就可換股債券進行估值的相關經驗。

可換股債券負債部分的估值乃採用據二項式期權定價模式釐定。於期權估值時，外部估值師就期權各情境分配概率，並計算可股負債部分的概率加權公平值。於額外利息部分的估值時，該金額乃根據估計已收股息（按假設已兌換基準）及可換股債券於餘下未行使期的年度票面利率的差額的現值而定。

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財務報表附註

26 CONVERTIBLE BONDS (Continued)

The more significant input used in the valuation of the liability component of the convertible bonds are as follows:

| | | 2016 | 2015 |
|---|----------|--------|--------|
| Risk-free interest rate | 無風險利率 | 0.45% | 0.56% |
| Volatility | 波幅 | 47.79% | 41.23% |
| Borrowing rate | 貸款利率 | 9.37% | 8.18% |
| Dividend yield | 股息率 | 0% | 3.5% |
| Probability of the Option being exercised | 行使期權的可能性 | 100% | 70% |

There were no changes to the valuation techniques during the year.

During the year ended 31 March 2016, none of the bonds were redeemed, converted or purchased and cancelled (2015: nil).

On 23 June 2016, the Company announced that the Company entered into an amendment deed with the holder of convertible bonds of HK\$371,022,600 issued on 18 December 2012, (the "Convertible Bonds"), to early redeem the outstanding Convertible Bonds at 100% of their principal amount, to pay the accrued coupon interest of HK\$6,493,000 up to 18 December 2016 and a sum equivalent to a payment for the put option of the Convertible Bonds of HK\$111,306,780 (if the put option in the original Convertible Bond Instrument has not been exercised on or prior to the early redemption date) on or before 30 September 2016.

27 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities (to be recovered/settled after more than one year) is as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--------------------------|--------|--------------------------|--------------------------|
| Deferred tax assets | 遞延稅項資產 | 76,162 | 70,692 |
| Deferred tax liabilities | 遞延稅項負債 | (7,342) | (2,299) |
| | | 68,820 | 68,393 |

26 可換股債券 (續)

對可換股債券負債部分進行估值所用的最重大的輸入值如下：

| | 2016 | 2015 |
|---|--------|--------|
| Risk-free interest rate | 0.45% | 0.56% |
| Volatility | 47.79% | 41.23% |
| Borrowing rate | 9.37% | 8.18% |
| Dividend yield | 0% | 3.5% |
| Probability of the Option being exercised | 100% | 70% |

本年度估值技術並無改動。

於截至2016年3月31日止年度，概無贖回、兌換或購買及註銷債券(2015年：無)。

於2016年6月23日，本公司宣佈，本公司與於2012年12月18日發行的HK\$371,022,600可換股債券(「可換股債券」)持有人訂立修訂契據，於2016年9月30日或之前，提早贖回可換股債券百分百本金、支付截至2016年12月18日的已產生票面利息HK\$6,493,000，及支付相等於HK\$111,306,780可換股債券的認沽期權款項(如果該可換股債券認沽期權在提早贖回日或之前尚未被行使)。

27 遞延所得稅

遞延稅項資產及遞延稅項負債(在一年後回收/結算)分析如下：

| | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--------|--------------------------|--------------------------|
| 遞延稅項資產 | 76,162 | 70,692 |
| 遞延稅項負債 | (7,342) | (2,299) |
| | 68,820 | 68,393 |

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財務報表附註

27 DEFERRED INCOME TAX (Continued)

The movement on the net deferred tax accounts is as follows:

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---------------------------------------|-------------|--------------------------|--------------------------|
| As at 1 April | 於4月1日 | 68,393 | 61,649 |
| Acquisition of a subsidiary (Note 31) | 收購子公司(附註31) | (9,844) | - |
| Credited to income statement | 計入收益表 | 12,219 | 7,063 |
| Exchange differences | 匯兌差額 | (1,948) | (319) |
| As at 31 March | 於3月31日 | 68,820 | 68,393 |

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets

| | | Depreciation allowances | Provision for unrealised profit in stock | Tax losses | Other provisions | Other temporary differences | Total |
|---|-------------|----------------------------|---|------------------|---------------------|-----------------------------------|------------------|
| | | 折舊 準備 | 未變現溢利 的準備 | 稅項虧損 | 其他撥備 | 其他 暫時性差額 | 總額 |
| | | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 | HK\$'000 港幣仟元 |
| At 1 April 2014 | 於2014年4月1日 | 9,927 | 25,258 | 10,377 | 16,391 | 6,534 | 68,487 |
| (Charged)/credited to income statement | (扣除自)/計入收益表 | (433) | (287) | 579 | 4,256 | 4,569 | 8,684 |
| Exchange differences | 匯兌差額 | (3) | (237) | - | (113) | (158) | (511) |
| At 31 March 2015 | 於2015年3月31日 | 9,491 | 24,734 | 10,956 | 20,534 | 10,945 | 76,660 |
| At 1 April 2015 | 於2015年4月1日 | 9,491 | 24,734 | 10,956 | 20,534 | 10,945 | 76,660 |
| Credited/(charged) to income statement | 計入/(扣除自)收益表 | 159 | (6,443) | 15,122 | (685) | (111) | 8,042 |
| Exchange differences | 匯兌差額 | (59) | (654) | - | (501) | (781) | (1,995) |
| At 31 March 2016 | 於2016年3月31日 | 9,591 | 17,637 | 26,078 | 19,348 | 10,053 | 82,707 |

27 遞延所得稅(續)

遞延稅項賬目的變動如下：

年內遞延稅項資產及負債的變動(不考慮於相同稅務司法權區內餘額抵銷)如下：

遞延稅項資產

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27 DEFERRED INCOME TAX (Continued)

Deferred tax liabilities

| | | Depreciation allowances | Identified intangible assets | Other temporary differences | Total |
|--|-------------|-------------------------|------------------------------|-----------------------------|----------|
| | | 折舊準備 | 已識別無形資產 | 其他暫時性差額 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣仟元 | 港幣仟元 | 港幣仟元 | 港幣仟元 |
| At 1 April 2014 | 於2014年4月1日 | 6,573 | – | 265 | 6,838 |
| Charged to income statement | 扣除自收益表 | 890 | – | 731 | 1,621 |
| Exchange differences | 匯兌差額 | (138) | – | (54) | (192) |
| At 31 March 2015 | 於2015年3月31日 | 7,325 | – | 942 | 8,267 |
| At 1 April 2015 | 於2015年4月1日 | 7,325 | – | 942 | 8,267 |
| Acquisition of a subsidiary (Note 31) | 收購子公司(附註31) | – | 9,844 | – | 9,844 |
| Charged/(credited) to income statement | 扣除/(計入)自收益表 | 581 | (4,758) | – | (4,177) |
| Exchange differences | 匯兌差額 | (47) | – | – | (47) |
| At 31 March 2016 | 於2016年3月31日 | 7,859 | 5,086 | 942 | 13,887 |

Out of the total unrecognised tax losses of HK\$629,457,000 (2015: HK\$668,980,000) carried forward, an amount of HK\$256,131,000 (2015: HK\$154,483,000) can be carried forward indefinitely. The remaining HK\$373,326,000 (2015: HK\$514,497,000) will expire in the following years:

所結轉以抵銷未來應課稅之未確認稅項虧損總額為港幣629,457,000元(2015年:港幣668,980,000元),其中港幣256,131,000元(2015年:港幣154,483,000元)可無限期結轉,其餘港幣373,326,000元(2015年:港幣514,497,000元)將在下列期限屆滿:

| | | 2016 | 2015 |
|---------------------------------------|------------------|----------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣仟元 | 港幣仟元 |
| In the first year | 第1年 | 18,063 | 66,826 |
| In the second year | 第2年 | 62,555 | 76,279 |
| In the third year | 第3年 | 81,349 | 66,892 |
| In the fourth year | 第4年 | 71,240 | 95,672 |
| In the fifth to tenth years inclusive | 第5年至第10年(包括首尾兩年) | 140,119 | 208,828 |
| | | 373,326 | 514,497 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

28 綜合現金流量表附註

Reconciliation of (loss)/profit before income tax to cash generated from operations:

除所得稅前(虧損)/溢利與營運活動所得現金兩者的對賬：

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--|------------------------|--------------------------|--------------------------|
| (Loss)/profit before income tax | 除所得稅前(虧損)/溢利 | (185,713) | 140,508 |
| Depreciation | 折舊 | 108,274 | 113,628 |
| Amortisation of intangible assets | 攤銷無形資產 | 2,346 | - |
| Amortisation of prepayment of lease premium | 攤銷預付租賃地價 | 5,900 | 6,851 |
| (Gain)/loss on disposal of property, plant and equipment | 出售物業、機器及設備的(收益)/虧損 | (265) | 688 |
| Provision of stocks | 存貨準備 | 34,230 | 19,540 |
| Impairment of debtors | 應收款項減值 | 80 | 116 |
| Write back of bad debt provision | 撥回壞賬準備 | (55) | (40) |
| Impairment of property, plant and equipment | 物業、機器及設備減值 | 7,021 | 5,566 |
| Impairment of intangible assets | 無形資產減值 | 26,431 | - |
| Provision for onerous contracts | 有法律義務合約的撥備 | 17,560 | 178 |
| Expenses on convertible bonds | 發行可換股債券費用 | 5,604 | 5,604 |
| Interest income | 利息收入 | (1,946) | (1,342) |
| Finance costs | 財務成本 | 90,778 | 72,141 |
| Dividend income | 股息收入 | (3,506) | (2,052) |
| Share of loss of an associate | 應佔聯營公司虧損 | - | 5,302 |
| Gain on remeasuring to fair value of the existing interest in an associate upon acquisition of control | 於收購現有聯營公司控制權之重新測量公平值收益 | (4,222) | - |
| Bargain purchase of a subsidiary | 議價購買子公司收益 | (9,863) | - |
| Operating profit before working capital changes | 除營運資金轉變前的經營溢利 | 92,654 | 366,688 |
| Decrease/(increase) in stocks | 存貨減少/(增加) | 204,838 | (179,512) |
| Decrease/(increase) in debtors, deposits and prepayments | 應收賬款、按金及預付款項減少/(增加) | 14,312 | (38,276) |
| (Decrease)/increase in creditors and accruals | 應付賬款及應計費用(減少)/增加 | (41,873) | 12,471 |
| Cash generated from operations | 營運活動所得現金 | 269,931 | 161,371 |

29 COMMITMENTS

(a) Capital commitments of the Group for property, plant and equipment:

Contracted but not provided for 已簽約但未作出撥備
Authorised but not contracted for 已授權但未訂約

(b) Commitments under operating leases (where the Group is the lessee)

The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

| | |
|---|---------|
| Buildings | 樓宇 |
| Not later than one year | 1年內 |
| Later than one year but not later than five years | 1年後但5年內 |
| Later than five years | 5年以上 |

The leases have varying terms, escalation clauses and renewal rights. The operating lease rentals of certain outlets are based on the higher of a minimum guaranteed rental or a sales level based rental. The minimum guaranteed rental has been used to arrive at the above commitments.

29 承擔

(a) 本集團就物業、機器及設備的資本承擔

| 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--------------------------|--------------------------|
| 6,275 | 8,950 |
| 8,509 | – |
| 14,784 | 8,950 |

(b) 營業租賃下的承擔(本集團作為承租人)

本集團在不可撤銷營業租賃下的未來最低租金付款總額如下：

| 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|--------------------------|--------------------------|
| 581,130 | 633,709 |
| 453,802 | 600,653 |
| 4,935 | 10,790 |
| 1,039,867 | 1,245,152 |

該等租賃有不同租期、調整租金條款及續租權利。若干店舖的營運租賃租金乃按最低保證租金或銷售額租金(以較高者為準)計算。上述承擔乃按最低保證租金計算。

30 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

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 2016. 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.

Save as disclosed in Notes 19 and 24, the following is a summary of the significant related party transactions carried out in the normal course of the Group's business:

(i) Sales of goods and services to related companies

| | |
|--------------------------------|----------|
| Building management fee income | 向一家有關連公司 |
| from a related company | 收取物業管理收入 |

A wholly-owned subsidiary of the Group entered into agreement with Mengiwa Property Investment Limited ("MPIL"), a wholly-owned subsidiary of Yee Hing, for the provision of the following services for the period from 1 April 2013 to 31 March 2016:

- (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
- (d) other miscellaneous administrative services.

The fee for the provision of the above services was agreed at HK\$195,000 per calendar month during the duration of the agreement.

30 有關連人士交易

有關連人士指可直接或間接控制另一方，或在作出財務及營運決策時對另一方行使重大影響力之人士。共同受他人控制或受他人重大影響力之人士亦視為有關連人士。

於2016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。

除附註19及24所披露者外，下列為本集團與有關連人士之間所進行的重大交易概要，該等交易乃於本集團日常業務中進行：

(i) 向有關連公司銷售貨品及服務

| 2016 | 2015 |
|----------|----------|
| HK\$'000 | HK\$'000 |
| 港幣仟元 | 港幣仟元 |

| | |
|--|--------------|
| | <u>2,340</u> |
| | <u>2,340</u> |

本集團全資附屬公司與義興全資附屬公司明華物業投資有限公司(「明華」)就於2013年4月1日至2016年3月31日期間提供以下服務訂立協議：

- (a) 明華與第三方不時訂立的合約下之合約行政；
- (b) 物業代理洽商及租賃管理；
- (c) 管理寶光商業中心物業管理公司；及
- (d) 其他行政服務。

於服務協議年期內，提供上述服務的有關費用為每個曆月港幣195,000元。

30 RELATED PARTY TRANSACTIONS (Continued)

30 有關連人士交易 (續)

(ii) Purchases of goods and services from related companies

(ii) 向有關連公司購買貨品及服務

| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
|---|---------------------|--------------------------|--------------------------|
| Purchase of goods from related companies (note a) | 向有關連公司購買貨品 (附註 a) | 913 | 1,032 |
| Purchase of goods from an associate (note b) | 向聯營公司購買貨品 (附註 b) | - | 45,662 |
| Rental expense to related companies (note c) | 向有關連公司支付租金支出 (附註 c) | 16,725 | 15,400 |
| | | 17,638 | 62,094 |

Notes:

附註：

- (a) During the year, certain subsidiaries of the Group purchased optical products from International Optical Manufacturing Company Limited and its subsidiary ("IOM Group"), indirectly owned subsidiaries of Yee Hing, in accordance with the terms of written agreements for the Group's retail and trading operations.
- (b) Purchases of watch movements from an associate were conducted in the normal course of the Group's business. The terms of transactions were determined and agreed between the Group and the counterparty and all balances due were repayable according to trade terms.
- (c) During the year, certain subsidiaries of the Group have entered into tenancy agreements with the following related parties for office premises, warehouses, showroom and car-parking spaces:

- (a) 於年內，本集團若干附屬公司向義興之間接附屬公司國際眼鏡製造廠有限公司及其附屬公司 (「IOM集團」) 就本集團零售及買賣業務訂立之書面協議之條款購買光學產品。
- (b) 向聯營公司購買鐘錶為本集團日常業務。交易之條款由本集團與交易對手方釐定及協定，而所有餘款按交易條款支付。
- (c) 年內，本集團若干附屬公司與下列有關連人士訂立租賃協議，以租用辦公物業、倉庫、陳列室及停車位：

| | | Rental expense for the year 年度租金支出 | |
|-----------------------|---------|---------------------------------------|--------------------------|
| | | 2016 HK\$'000 港幣仟元 | 2015 HK\$'000 港幣仟元 |
| MPIL | 明華 | 14,750 | 13,430 |
| Other related parties | 其他有關連人士 | 1,975 | 1,970 |
| | | 16,725 | 15,400 |

30 RELATED PARTY TRANSACTIONS (Continued)

(iii) Year-end balances arising from service income, purchases of goods and rental expenses are disclosed in Note 19(c) and Note 24(a).

(iv) Key management compensation

| | | 2016 | 2015 |
|---|-------------|---------------|---------------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣仟元 | 港幣仟元 |
| Salaries and other short-term employee benefits | 薪金及其他短期僱員福利 | 15,862 | 24,695 |
| Other long-term benefits | 其他長期福利 | 147 | 215 |
| | | 16,009 | 24,910 |

31 BUSINESS COMBINATION

On 16 April 2015, the Group acquired an additional 48% equity interest in CATENA SA, a Swiss watch movement manufacturer, for a cash consideration of EUR1,660,000 and entered into a shareholders' agreement with the 12% equity interest holder of CATENA SA for a right to purchase the 12% equity interest. Together with the previously owned 40% equity interest and the Group's underlying right, the Group is considered as controlling all equity interest in CATENA SA.

30 有關連人士交易 (續)

(iii) 服務收入、購買貨品及租金支出產生的年終結餘於附註19(c)及附註24(a)內披露。

(iv) 主要管理層報酬

31 企業合併

於2015年4月16日，本集團收購了一間瑞士手錶機芯製造廠家CATENA SA額外48%的權益，代價為現金1,660,000歐元。在此同時與CATENA SA的12%權益持有人達成股東協議，以購買12%的股權認購權。此與先前擁有的40%權益和本集團的看漲認購權之潛在權益一起，本集團被認為已控制CATENA SA的所有權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 BUSINESS COMBINATION (Continued)

The following table summarises the consideration paid for CATENA SA and the fair value of assets acquired and liabilities assumed at the acquisition date:

31 企業合併 (續)

下表概述於收購日期就CATENA SA 所支付的代價、所收購資產的公平值及負債：

| | | HK\$'000 港幣仟元 |
|---|-------------------------|-------------------|
| Consideration: | 代價： | |
| – Cash | – 現金 | 14,386 |
| – Deferred consideration payable in respect of the purchase right | – 遞延應付認購權代價 | 11,083 |
| Total consideration | 代價總額 | <u>25,469</u> |
| Recognised amounts of identifiable assets and liabilities assumed | 所收購可識別資產及所承擔負債的確認金額 | |
| Property, plant and equipment | 物業、機器及設備 | 3,532 |
| Intangible assets | 無形資產 | 70,816 |
| Stocks | 存貨 | 25,849 |
| Debtors and prepayments | 應收賬款及預付款項 | 2,206 |
| Cash and cash equivalents | 現金及現金等值物 | 22,257 |
| Creditors and accruals | 應付賬款及應計費用 | (10,957) |
| Deferred tax liabilities | 遞延稅項負債 | (9,844) |
| Total identifiable net assets | 可識別淨資產總值 | 103,859 |
| Less: Fair value of equity interest in CATENA SA held before the business combination | 減：與CATENA SA業務合併前之權益公平值 | (68,527) |
| Bargain purchase | 議價購買 | 35,332 (9,863) |
| | | <u>25,469</u> |
| Additional purchase consideration settled in cash | 以現金支付的額外購買代價 | (14,386) |
| Cash and cash equivalents acquired | 所收購現金及現金等值物 | 22,257 |
| Cash inflow on acquisition | 收購時現金流入 | <u>7,871</u> |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 BUSINESS COMBINATION (Continued)

Acquisition-related costs of HK\$770,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 March 2016.

The Group recognised a gain of HK\$4,222,000 as a result of remeasuring its 40% equity interest in CATENA SA held before the business combination at fair value. The gain is included in other gains/(losses), net in the consolidated income statement for the year ended 31 March 2016.

A gain on bargain purchase of HK\$9,863,000 has been recognised to other gains/(losses), net in the consolidated income statement for the year ended 31 March 2016.

The identified intangible assets represent technical know-how for watch movement with useful life of 30 years. The fair value of the intangible assets as at the date of acquisition is determined based on cash flow projections using multi-period excess earning method with a discount rate of 12%.

The right to acquire 12% equity interest in CATENA SA is exercisable at the price equal to the proportional net assets value of CATENA SA set out in the latest audited financial statements available on the date of exercise the purchase right. The purchase right is exercisable until 31 December 2035. The fair value of the deferred consideration payable in respect of the purchase right is determined based on the discounted cash flow method.

CATENA SA contributed a revenue of approximately HK\$606,000 and a loss of approximately HK\$44,812,000 to the Group for the year ended 31 March 2016.

Had CATENA SA been consolidated from 1 April 2015, the consolidated income statement would show revenue of approximately HK\$3,401,716,000 and a loss of approximately HK\$189,779,000.

31 企業合併 (續)

收購相關成本 HK\$770,000 元已於截至 2016 年 3 月 31 日止年度之綜合收益表之行政支出內扣除。

本集團認可一項 HK\$4,222,000 元收益作為重新計量與 CATENA SA 業務合併前之 40% 權益公平值的結果。此收益已包含於截至 2016 年 3 月 31 日止年度內之綜合收益表之其他收益／(虧損)，淨額內。

一項議價購買收益 HK\$9,863,000 元已確認於截至 2016 年 3 月 31 日止年度內之綜合收益表之其他收益／(虧損)，淨額內。

可識別無形資產代表按 30 年使用年期攤銷的機芯專業技術。於購買日的無形資產公平值按 12% 折扣率以多期超額收益方法預測現金流確認。

收購 CATENA SA 的 12% 股權的權利是可行使的，行使價格相等於行使權利時按 CATENA SA 最近期的已審計財務報表的資產淨值計算。直至 2035 年 12 月 31 日，該認購權是可以行使的，遞延應付認購權代價的公平值是按現金流量折現法來計算。

截至 2016 年 3 月 31 日止年度，CATENA SA 為本集團帶來收入約 HK\$606,000 元及虧損約 HK\$44,812,000 元。

倘若 CATENA SA 自 2015 年 4 月 1 日起綜合入賬，綜合收益表顯示收入約 HK\$3,401,716,000 元及虧損約 HK\$189,779,000 元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 POST BALANCE SHEET DATE EVENT

On 23 June 2016, the Company announced that the Company entered into an amendment deed with the holder of convertible bonds of HK\$371,022,600 issued on 18 December 2012, (the “Convertible Bonds”), to early redeem the outstanding Convertible Bonds at 100% of their principal amount, to pay the accrued coupon interest of HK\$6,493,000 up to 18 December 2016, and a sum equivalent to a payment for the put option of the Convertible Bonds of HK\$111,306,780 (if the put option in the original Convertible Bond Instrument has not been exercised on or prior to the early redemption date) on or before 30 September 2016.

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

32 結算日後事項

於2016年6月23日，本公司宣佈，本公司與於2012年12月18日發行的HK\$371,022,600可換股債券（「可換股債券」）持有人訂立修訂契據，於2016年9月30日或之前，提早贖回可換股債券百分百本金、支付截至2016年12月18日的已產生票面利息HK\$6,493,000，及支付相等於HK\$111,306,780可換股債券的認沽期權款項（如果該可換股債券認沽期權在提早贖回日或之前尚未被行使）。

33 公司資產負債及儲備變動表

公司資產負債表

| | | As at 31 March 於3月31日 | | |
|--|-----------------|--------------------------|----------------|---------|
| | | 2016 | 2015 | |
| | | HK\$'000 | HK\$'000 | |
| | | 港幣仟元 | 港幣仟元 | |
| ASSETS | 資產 | Note | | |
| | | 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Investment in a subsidiary | 附屬公司投資 | 35 | - | - |
| Debtors, deposits and prepayments | 應收賬款、按金及預付款項 | | 9,304 | 14,907 |
| | | | 9,304 | 14,907 |
| Current assets | 流動資產 | | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | b | 707,642 | 618,375 |
| Debtors, deposits and prepayments | 應收賬款、按金及預付款項 | | 153 | 188 |
| Bank balances and cash | 銀行結餘及現金 | | 38 | 40 |
| | | | 707,833 | 618,603 |
| Total assets | 資產總額 | | 717,137 | 633,510 |
| EQUITY | 股權 | | | |
| Capital and reserves attributable to the equity holders of the Company | 本公司權益持有人應佔股本及儲備 | | | |
| Share capital | 股本 | | 104,647 | 104,647 |
| Reserves | 儲備 | a | 158,635 | 140,376 |
| Total equity | 權益總額 | | 263,282 | 245,023 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

33 公司資產負債及儲備變動表 (續)

Balance sheet of the Company (Continued)

公司資產負債表 (續)

| | | As at 31 March | |
|------------------------------|-----------|----------------|----------------|
| | | 於3月31日 | |
| | | 2016 | 2015 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣仟元 | 港幣仟元 |
| | | Note | |
| | | 附註 | |
| LIABILITIES | 負債 | | |
| Non-current liabilities | 非流動負債 | | |
| Convertible bonds | 可換股債券 | 26 | 380,753 |
| | | | 336,475 |
| Current liabilities | 流動負債 | | |
| Creditors and accruals | 應付賬款及應計費用 | | 2,234 |
| Amount due to a subsidiary | 應付附屬公司款項 | b | 5,500 |
| Convertible bonds | 可換股債券 | | – |
| | | | 109,949 |
| | | | 117,380 |
| Total liabilities | 負債總額 | | 388,487 |
| Total equity and liabilities | 權益及負債總額 | | 717,137 |

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

Wallace Kwan Chi Kin
關志堅
Executive Director and
Chief Financial Officer
行政董事及
首席財務總裁

The balance sheet of the Company was approved by the Board of Directors on 23 June 2016 and was signed on its behalf.

董事會在2016年6月23日批准並簽署了本公司資產負債表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

33 公司資產負債及儲備變動表 (續)

Note:

附註：

(a) Reserve movement of the Company

(a) 公司儲備變動

| | | Share premium | Convertible bonds reserve | Retained earnings | Total |
|---------------------|-------------|---------------|---------------------------|-------------------|----------|
| | | 股本溢價 | 可換股債券儲備 | 保留盈利 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣仟元 | 港幣仟元 | 港幣仟元 | 港幣仟元 |
| At 1 April 2014 | 於2014年4月1日 | 1,977 | 77,090 | 76,406 | 155,473 |
| Profit for the year | 年內溢利 | - | - | 44,552 | 44,552 |
| Dividends paid | 已付股息 | - | - | (59,649) | (59,649) |
| At 31 March 2015 | 於2015年3月31日 | 1,977 | 77,090 | 61,309 | 140,376 |
| At 1 April 2015 | 於2015年4月1日 | 1,977 | 77,090 | 61,309 | 140,376 |
| Profit for the year | 年內溢利 | - | - | 28,724 | 28,724 |
| Dividends paid | 已付股息 | - | - | (10,465) | (10,465) |
| At 31 March 2016 | 於2016年3月31日 | 1,977 | 77,090 | 79,568 | 158,635 |

(b) Amounts due from/to subsidiaries

(b) 應收及應付附屬公司款項

The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand. The carrying amounts of these balances approximate their fair values.

應收及應付附屬公司的款項為無抵押，免息及應要求償還。其餘額的眼面價值接近其公平值。

34 BENEFITS AND INTERESTS OF DIRECTORS

(A) Directors' emoluments

The remuneration of every director is set out below:

For the year ended 31 March 2016:

34 董事福利及權益

(A) 董事酬金

本公司各董事酬金如下：

截至2016年3月31日：

| Name | Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking: 本公司或其附屬公司已付董事或董事應收薪酬： | | | | Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or its subsidiary undertaking: 本公司或其附屬公司已支付或公司就董事的其他管理服務的酬金 | | Total |
|----------------------------|---|--|---|---------------------------------------|---|-------------------------------------|------------------------|
| | Fees | Basic salaries, allowances, and benefits in kind | Contributions to retirement benefit schemes | Discretionary bonus ⁱ | Remunerations paid or receivable in respect of office as director | Director's remuneration | |
| 姓名 | 袍金 HK\$'000 港幣千元 | 基金薪金、津貼及實物利益 HK\$'000 港幣千元 | 退休金 供款計劃 HK\$'000 港幣千元 | 酌情花紅 ⁱ HK\$'000 港幣千元 | 已支付或就該接受為董事應收酬金 HK\$'000 港幣千元 | 公司就董事的其他管理服務的酬金 HK\$'000 港幣千元 | 總額 HK\$'000 港幣千元 |
| Joseph C. C. Wong (ii) | 黃創增(ii) | 100 | 2,938 | 105 | 7,341 | - | 10,484 |
| Lau Tak Bui, Vincent (iii) | 劉德杯(iii) | 20 | 798 | 24 | 5,192 | - | 6,034 |
| Kwan Chi Kin, Wallace | 關志堅 | 80 | 1,506 | 18 | 1,576 | - | 3,180 |
| Sakorn Kanjanapas | 黃創江 | 80 | - | - | - | - | 80 |
| Mary Ma | 馬雪征 | - | - | - | - | - | - |
| Alex Wong | 黃宇錚 | - | - | - | - | - | - |
| Kwong Yi Hang, Agnes | 龔易行 | 135 | - | - | - | - | 135 |
| Wu Chun Sang, Nelson | 胡春生 | 135 | - | - | - | - | 135 |
| Wu Chi Man, Lawrence | 胡志文 | 135 | - | - | - | - | 135 |
| | | 685 | 5,242 | 147 | 14,109 | - | 20,183 |

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

34 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

34 董事福利及權益 (續)

(A) Directors' emoluments (Continued)

(A) 董事酬金 (續)

For the year ended 31 March 2015:

截至2015年3月31日：

| Name | Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking: 本公司或其附屬公司已付董事或董事應收薪酬： | | | | | Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking: 本公司或其附屬公司就董事的其他管理服務的酬金 | | Total |
|----------------------------|---|--|---|---------------------------------------|---|--|-------------------------------|------------------------|
| | Fees | Basic salaries, allowances, and benefits in kind | Contributions to retirement benefit schemes | Discretionary bonus ¹ | Remunerations paid or receivable in respect of office as director | 已支付或就該接受為董事應收酬金 | 其他管理服務的酬金 | |
| 姓名 | 袍金 HK\$'000 港幣仟元 | 基金薪金、津貼及實物利益 HK\$'000 港幣仟元 | 退休金 供款計劃 HK\$'000 港幣仟元 | 酌情花紅 ¹ HK\$'000 港幣仟元 | 董事應收酬金 HK\$'000 港幣仟元 | 董事應收酬金 HK\$'000 港幣仟元 | 其他管理服務的酬金 HK\$'000 港幣仟元 | 總額 HK\$'000 港幣仟元 |
| Joseph C. C. Wong (ii) | 黃創增 (ii) | 100 | 2,944 | 104 | 6,502 | - | - | 9,650 |
| Lau Tak Bui, Vincent (iii) | 劉德杯 (iii) | 80 | 2,533 | 93 | 5,775 | - | - | 8,481 |
| Kwan Chi Kin, Wallace | 關志堅 | 80 | 1,528 | 18 | 1,412 | - | - | 3,038 |
| Sakorn Kanjanapas | 黃創江 | 80 | - | - | - | - | - | 80 |
| Mary Ma | 馬雪征 | - | - | - | - | - | - | - |
| Alex Wong | 黃宇錚 | - | - | - | - | - | - | - |
| Kwong Yi Hang, Agnes | 鄺易行 | 135 | - | - | - | - | - | 135 |
| Wu Chun Sang, Nelson | 胡春生 | 135 | - | - | - | - | - | 135 |
| Wu Chi Man, Lawrence | 胡志文 | 135 | - | - | - | - | - | 135 |
| | | 745 | 7,005 | 215 | 13,689 | - | - | 21,654 |

34 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(A) Directors' emoluments (Continued)

- i Discretionary bonus represents the amount paid during the year.
- ii Mr. Joseph C. C. Wong is also the chief executive of the Group.
- iii Mr. Vincent Lau Tak Bui resigned on 1 July 2015 as executive director due to retirement.

During the year, none of the directors waived their emoluments, except Ms. Mary Ma and Mr. Alex Wong waived emoluments of HK\$80,000 each.

(B) Directors' material interests in transactions, arrangements or contracts

Except as disclosed in Notes 19, 24 and 30, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

34 董事福利及權益 (續)

(A) 董事酬金 (續)

- i 酌情花紅指年內已付的金額。
- ii 黃創增先生亦是本集團行政總裁。
- iii 劉德杯先生已於2015年7月1日因退休辭任執行董事。

年內，概無任何董事放棄酬金，除馬雪征女士和黃宇錚先生各放棄袍金港幣80,000元外。

(B) 董事在交易，協議或合同的重大利益

除附註19、24及30所披露外，持續至今年年底或年內任何期間，本公司董事在有關重大的交易，協議和合同中，不論是直接或間接，均沒有涉及重大利益。

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財務報表附註

35 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March 2016:

35 主要附屬公司

截至2016年3月31日，主要附屬公司如下：

| | Place of incorporation/ operation 註冊成立/經營地 | Principal activities 主要業務 | Particulars of share capital issued 已發行股本 | | Percentage of equity attributable to the Group 集團所佔權益的百分比 | |
|---|--|--|---|-------------------|---|------------------|
| | | | Number 股數 | Value 每股面值 | 2016 | 2015 |
| Investment 投資 | | | | | | |
| Stelux Holdings International Group (BVI) Limited | British Virgin Islands 英屬處女群島 | Investment holding 投資控股 | 1 | US\$1 1 美元 | 100 ^a | 100 ^a |
| Stelux Holdings Limited 寶光實業(集團)有限公司 | Hong Kong 香港 | Investment holding 投資控股 | 1,000 | HK\$1 港幣1元 | 100 | 100 |
| Stelux Investments and Properties (BVI) Limited | British Virgin Islands 英屬處女群島 | Investment holding 投資控股 | 1 | US\$1 1 美元 | 100 | 100 |
| Thong Sia (BVI) Company Limited | British Virgin Islands 英屬處女群島 | Investment holding 投資控股 | 1 | US\$1 1 美元 | 100 | 100 |
| Property 物業 | | | | | | |
| City Chain Properties Limited 時間廊物業有限公司 | Hong Kong 香港 | Property investment 物業投資 | 2 | HK\$1 港幣1元 | 100 | 100 |
| Fulani Investment Limited | Hong Kong 香港 | Property investment 物業投資 | 2 | HK\$1 港幣1元 | 100 | 100 |
| Optical 88 Properties Limited 眼鏡88物業有限公司 | Hong Kong 香港 | Property investment 物業投資 | 2 | HK\$1 港幣1元 | 100 | 100 |
| Oswald Property Management Company Limited | Hong Kong 香港 | Property investment 物業投資 | 2 | HK\$100 港幣100元 | 100 | 100 |
| Stelux Properties Agency Limited 寶光地產代理有限公司 | Hong Kong 香港 | Property agency and management 物業代理及管理 | 2 | HK\$1 港幣1元 | 100 | 100 |
| Stelux Properties Limited 寶光地產有限公司 | Hong Kong 香港 | Property management 物業管理 | 500 | HK\$100 港幣100元 | 100 | 100 |

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財務報表附註

35 PRINCIPAL SUBSIDIARIES (Continued)

35 主要附屬公司 (續)

| | Place of incorporation/ operation 註冊成立/經營地 | Principal activities 主要業務 | Particulars of share capital issued 已發行股本 | | Percentage of equity attributable to the Group 集團所佔權益的百分比 | |
|---|--|------------------------------|--|--------------------------------------|--|------|
| | | | Number 股數 | Value 每股面值 | 2016 | 2015 |
| Retailing and trading | | | | | | |
| 零售及貿易 | | | | | | |
| City Chain Company Limited 時間廊鐘錶有限公司 | Hong Kong 香港 | Watch retailing 鐘錶零售 | 250,000 | HK\$100 港幣100元 | 100 | 100 |
| City Chain (M) Sdn Bhd | Malaysia 馬來西亞 | Watch retailing 鐘錶零售 | 3,333,333 | RM1 1令吉 | 100 | 100 |
| City Chain (Macau) Company Limited 時間廊鐘錶(澳門)有限公司 | Macau 澳門 | Watch retailing 鐘錶零售 | 2 | MOP5,000 澳門葡幣 5,000元 | 100 | 100 |
| City Chain Stores (S) Pte Limited | Singapore 新加坡 | Watch retailing 鐘錶零售 | 1,800,000 | S\$1 新加坡幣 1元 | 100 | 100 |
| City Chain (Thailand) Company Limited | Thailand 泰國 | Watch retailing 鐘錶零售 | 200,000 210,000 ^b | Baht100 100泰銖 Baht100 100泰銖 | 100 | 100 |
| Optical 88 Limited 眼鏡88有限公司 | Hong Kong 香港 | Optical products 光學產品 | 33,379,940 | HK\$1 港幣1元 | 100 | 100 |
| Optical 88 Eyecare (M) Sdn Bhd | Malaysia 馬來西亞 | Optical products 光學產品 | 1,428,572 | RM1 1令吉 | 100 | 100 |
| Optical 88 (Macau) Limited 眼鏡88(澳門)有限公司 | Macau 澳門 | Optical products 光學產品 | 2 | MOP5,000 澳門葡幣 5,000元 | 100 | 100 |
| Optical 88(S) Pte Limited | Singapore 新加坡 | Optical products 光學產品 | 500,000 | S\$1 新加坡幣1元 | 100 | 100 |
| Optical 88 (Thailand) Company Limited | Thailand 泰國 | Optical products 光學產品 | 245,000 255,000 ^b | Baht10 10泰銖 Baht10 10泰銖 | 100 | 100 |
| Pronto Watch S.A. | Switzerland 瑞士 | Watch distribution 鐘錶分銷 | 100 | SFr1,000 1,000瑞士 法郎 | 100 | 100 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 PRINCIPAL SUBSIDIARIES (Continued)

35 主要附屬公司 (續)

| | Place of incorporation/ operation 註冊成立/經營地 | Principal activities 主要業務 | Particulars of share capital issued 已發行股本 | | Percentage of equity attributable to the Group 集團所佔權益的百分比 | |
|--|--|--|--|----------------------------|--|------|
| | | | Number 股數 | Value 每股面值 | 2016 | 2015 |
| Retailing and trading (Continued) 零售及貿易 (續) | | | | | | |
| Solvil et Titus S.A. | Switzerland 瑞士 | Watch distribution 鐘錶分銷 | 300 | SFr1,000 1,000 瑞士 法郎 | 100 | 100 |
| Stelux International Licensing Limited | Bahamas 巴哈馬 | Trademark holding and licensing 商標持有及特許經營 | 2 | US\$1 1 美元 | 100 | 100 |
| Stelux Watch Limited 寶光鐘錶有限公司 | Hong Kong 香港 | Watch supply chain management 鐘錶供應鏈管理 | 1,000,000 | HK\$1 港幣1元 | 100 | 100 |
| Thong Sia Watch Company Limited 通城鐘錶有限公司 | Hong Kong 香港 | Watch distribution 鐘錶分銷 | 80,000 | HK\$10 港幣10元 | 100 | 100 |
| Thong Tai Watch Company Limited 通泰鐘錶有限公司 | Hong Kong 香港 | Watch distribution 鐘錶分銷 | 2,000 | HK\$1,000 港幣1,000元 | 100 | 100 |
| Thong Sia Company (Singapore) Pte Limited | Singapore 新加坡 | Watch distribution 鐘錶分銷 | 2,000,000 | S\$1 新加坡幣1元 | 100 | 100 |
| Thong Sia Sdn Bhd | Malaysia 馬來西亞 | Watch distribution 鐘錶分銷 | 1,000,000 | RM1 1 令吉 | 97.6 | 97.6 |
| Thong Tai (Taiwan) Company Limited 通泰(台灣)有限公司 | Hong Kong/Taiwan 香港/台灣 | Watch distribution 鐘錶分銷 | 1,000 | HK\$10 港幣10元 | 100 | 100 |
| Thong Sia (Thailand) Limited | Thailand 泰國 | Watch retailing and distribution 鐘錶零售及分銷 | 20,000 | Baht100 100 泰銖 | 100 | 100 |
| Thong Sia Optics (Hong Kong) Company Limited 通城光學(香港)有限公司 | Hong Kong 香港 | Optical distribution 眼鏡分銷 | 5,000 | HK\$1,000 港幣1,000元 | 100 | 100 |
| Universal Geneve S.A. | Switzerland 瑞士 | Watch supply chain management and distribution 鐘錶供應鏈管理及分銷 | 5,000 | SFr1,000 1,000 瑞士 法郎 | 100 | 100 |
| Catena S.A. | Switzerland 瑞士 | Manufacture of watch movements 手表機芯製造商 | 1,016,667 | SFr1 1 瑞士 法郎 | 100 ^c | – |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 PRINCIPAL SUBSIDIARIES (Continued)

35 主要附屬公司 (續)

| | Place of incorporation operation 註冊成立/經營地 | Principal activities 主要業務 | Paid-up capital 繳足資本 | Percentage of equity attributable to the Group 集團所佔權益的百分比 | |
|---|--|---|-----------------------------------|---|------|
| | | | | 2016 | 2015 |
| Retailing and trading (Continued) | | | | | |
| 零售及貿易 (續) | | | | | |
| Stelux Thong Sia (Guangdong) Trading Limited 寶光通城(廣東)商貿有限公司 | People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業) | Watch retailing, trading and related services 鐘錶零售、貿易及 相關服務 | HK\$241,400,000 港幣241,400,000元 | 100 | 100 |
| Stelux Thong Sia (Beijing) Trading Limited 寶光通城(北京)商貿有限公司 | People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業) | Watch retailing, trading and related services 鐘錶零售、貿易及 相關服務 | US\$20,500,000 20,500,000美元 | 100 | 100 |
| Stelux-Thong Sia (Shanghai) Trading Limited 寶光通城(上海)商貿有限公司 | People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業) | Watch retailing, trading and related services 鐘錶零售、貿易及 相關服務 | US\$16,000,000 16,000,000美元 | 100 | 100 |
| Baoqing (Chongqing) Trading Limited 寶慶(重慶)商貿有限公司 | People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業) | Watch retailing, trading and related services 鐘錶零售、貿易及 相關服務 | HK\$32,000,000 港幣32,000,000元 | 100 | 100 |
| Baoshi (Guangdong) Company Limited 寶視(廣東)視光眼鏡有限公司 | People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業) | Retailing, trading and related optical services 眼鏡產品零售、貿易 及相關服務 | HK\$238,890,000 港幣238,890,000元 | 100 | 100 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 PRINCIPAL SUBSIDIARIES (Continued)

35 主要附屬公司 (續)

| | Place of incorporation operation 註冊成立/經營地 | Principal activities 主要業務 | Paid-up capital 繳足資本 | Percentage of equity attributable to the Group 集團所佔權益的百分比 | |
|--|--|---|---------------------------------|---|------|
| | | | | 2016 | 2015 |
| Retailing and trading (Continued) | | | | | |
| 零售及貿易 (續) | | | | | |
| Baoshi (Beijing) Company Limited 寶光寶視(北京)眼鏡有限公司 | People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業) | Retailing, trading and related optical services 眼鏡產品零售、貿易 及相關服務 | HK\$38,000,000 港幣38,000,000元 | 100 | 100 |
| Baoshi (Shanghai) Company Limited 寶視(上海)眼鏡有限公司 | People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業) | Retailing, trading and related optical services 眼鏡產品零售、貿易 及相關服務 | RMB23,364,557 人民幣23,364,557元 | 100 | 100 |
| Shibao (Chongqing) Trading Limited 視寶(重慶)商貿有限公司 | People's Republic of China/ Mainland China (foreign- invested commercial enterprise) 中國/中國大陸(外商投資商 業企業) | Retailing, trading and related optical services 眼鏡產品零售、貿易 及相關服務 | HK\$18,000,000 港幣18,000,000元 | 100 | 100 |
| a | Directly held subsidiary | | a | 直接擁有的附屬公司 | |
| b | Non-redeemable preference shares | | b | 不可贖回優先股 | |
| c | 100% equity interest included 88% of equity interest and a right to purchase 12% of equity interest | | c | 100%權益包括88%股權及以買入認購權購買12%股權 | |