



羅兵咸永道

TO THE SHAREHOLDERS OF STELUX HOLDINGS INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

致寶光實業(國際)有限公司股東

(於百慕達註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Stelux Holdings International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 42 to 163, which comprise:

寶光實業(國際)有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第42至163頁的綜合財務報表,包括:

- the consolidated balance sheet as at 31 March 2018;
 - the consolidated income statement for the year then ended;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated cash flow statement for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2018年3月31日的綜合資產負債表;
 - 截至該日止年度的綜合損益表;
 - 截至該日止年度的綜合全面收益表;
 - 截至該日止年度的綜合權益變動表;
 - 截至該日止年度的綜合現金流量表;及
 - 綜合財務報表附註,包括主要會計政策概要。

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Our opinion

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters identified in our audit are related to the provision for stocks and impairment assessment of technical know-how.

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2018年3月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。我們在審計中識別的關鍵審計事項為存貨撥備及專業技術的減值評估。

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獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p><i>Provision for stocks</i></p> <p>Refer to Note 4 and Note 19 to the consolidated financial statements.</p> <p>As at 31 March 2018, the Group held stocks of HK\$879,000,000 and has a stock provision of HK\$208,137,000. Stocks are carried at the lower of cost and net realisable value in the consolidated financial statements.</p> <p>When assessing the carrying value of stocks at each period end, the Group applies a provisioning methodology for slow moving stocks based on stock ageing and makes specific provision for obsolete stocks.</p> <p>We focused on this area because the estimation of provision percentages applied to different aged stock categories and the estimation of specific provision for obsolete stocks involved a significant level of judgement based on historical experience of selling products of similar nature through various sales channels as well as expectation of future sales under current market conditions. These estimations are also subject to uncertainty as a result of change of market trends, customer preferences and competitor actions.</p>	<p>Our procedures in relation to management's estimation and judgement applied in calculating the amount of the stock provisions included:</p> <ul style="list-style-type: none">– Understanding the key stock controls operating across the Group, including the procedures on the periodic review of stock provisions.– Testing, on a sample basis, the accuracy of the stock ageing report.– Evaluating the assumptions and estimates applied by management to determine the provisioning percentages applicable to individual ageing categories of stock by testing the accuracy of historical information involved, comparing with current year and historical sales trends of similar products and performing sensitivity analysis on changes of major assumptions of future sales, such as sales margin.– Performing analysis on stock balance and movement data by comparing, on a sample basis, the carrying amount of stock items against its selling price during the year and subsequent to the year end to identify slow-moving stock and stock with net realisable value lower than its cost.– Evaluating the future sales plans with reference to historical sales performance of similar products through different sales channels and the Group's business strategies, identified through meetings with the relevant management personnel. <p>Based upon the above procedures, we found management's estimation and judgement applied in respect of the provision for stocks to be supportable by available evidence.</p>	<p><i>存貨撥備</i></p> <p>請參閱綜合財務報表附註4及附註19。</p> <p>於2018年3月31日，貴集團已持有存貨879,000,000港元及已為存貨作撥備208,137,000港元。存貨按成本值或可變現淨值兩者之較低者列賬。</p> <p>於評估各期末的存貨賬面值時，貴集團按存貨賬齡對滯銷存貨作出撥備，並對陳舊存貨作出特定撥備。</p> <p>我們關注該範疇，是因為根據過往透過不同銷售渠道出售類似性質產品的經驗及在當前市況下對未來銷售的預期而應用於不同賬齡存貨種類的撥備百分比估計及陳舊存貨的特定撥備估計涉及重大的判斷。市場趨勢、客戶品味及競爭者所採取的行動變動亦會導致該等估計有不確定因素。</p>	<p>對於管理層在計算存貨撥備金額中所運用的估計及判斷，我們的程序包括：</p> <ul style="list-style-type: none">– 了解貴集團應用之關鍵存貨控制，包括存貨撥備之定期審閱程序。– 以抽樣方式測試存貨貨齡報告之準確性。– 亦通過測試所用之歷史數據的準確性、比較本年度及過往類似產品的銷售趨勢及對未來銷售（例如銷售毛利）的主要假設變動進行敏感度分析，以評估管理層釐定存貨的個別賬齡分類之撥備比率所應用的假設及估計。– 對存貨結餘和變動數據進行分析，並以抽樣方式比較存貨項目的賬面價值與其在年內及年末之後的銷售價格，以識別滯銷存貨及可變現淨值低於其成本之存貨。– 參考相似產品在不同銷售渠道的過往銷售業績、外部市場數據，以及通過與有關管理層人員會面所得悉的貴集團業務策略，評估未來的銷售計劃。 <p>基於以上所述，我們認為現有證據足以支持管理層就存貨撥備所運用的估計和判斷。</p>

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Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p><i>Impairment assessment on technical know-how</i></p> <p>Refer to Note 4 and Note 16 of the consolidated financial statements.</p> <p>For the year ended 31 March 2018, the Group made an additional impairment provision of HK\$30,273,000 for technical know-how which arose from the acquisition of CATENA S.A. ("CATENA"), a Swiss watch manufacturer in 2015.</p> <p>In view of the unfavorable market condition and the Group's revised business plan, management considered that the technical know-how may be impaired and hence an impairment assessment was carried out.</p> <p>Management engaged an independent external valuer in determining the recoverable amount of the technical know-how using the value-in-use calculations supported by cash flow projections performed by management. The key assumptions used include:</p> <ul style="list-style-type: none">– revenue growth rate;– terminal growth rate; and– pre-tax discount rate;	<p>Our procedures in relation to management's impairment assessment on technical know-how included:</p> <ul style="list-style-type: none">– Inquiry of management on the business plan of CATENA, with reference to industry research reports and comparing actual results for the year with cash flow projections prepared in prior year, in considering whether impairment indicators exist.– Considering the competency, capability and objectivity of the independent external valuer by considering its qualification, relevant experience and relationship with the Group.– Involving our internal valuation specialist in our discussion with the external valuer and management to understand the rationale, and assess the appropriateness and consistency, of the methodology used and the reasonableness of the key assumptions applied in the valuation.– Assessing the reasonableness of the key assumptions such as pre-tax discount rate with reference to the weighted average cost of capital and risk premium of CATENA; and the revenue growth rate and terminal growth rate used in the cash flow projections based on market research, industry performance, historical performance, future business plan of CATENA and long term economic growth rate of Switzerland; and	<p><i>專業技術的減值評估</i></p> <p>請參閱綜合財務報表附註4及附註16。</p> <p>截至2018年3月31日止年度，貴集團就於2015年收購瑞士鐘錶生產商CATENA S.A. (「CATENA」)所產生的專業技術作出30,273,000港元之額外減值撥備。</p> <p>鑑於不利的市況及貴集團經修訂的業務計劃，管理層認為專業技術可能會減值，並因而進行減值評估。</p> <p>管理層委聘一名獨立外部估值師透過使用由管理層作出的現金流量預測所支持的使用價值計算以釐定專業技術的可收回金額。使用的主要假設包括：</p> <ul style="list-style-type: none">– 收入增長率；– 最終增長率；及– 稅前貼現率。	<p>有關管理層就專業技術作出的減值評估，我們的程序包括：</p> <ul style="list-style-type: none">– 在考慮是否存在減值跡象時，向管理層查詢CATENA的業務計劃，參考行業研究報告，並將本年度的實際結果與上一年度編製的現金流量預測進行比較。– 透過考慮獨立外部估值師的資歷、相關經驗及與貴集團的關係，考慮其資格、能力及客觀性。– 讓我們的內部評估專家參與我們與外部估值師及管理層的討論，以了解基本原理，並評估所用方法的適當性及一致性以及估值中應用的主要假設的合理性。– 根據CATENA的加權平均資本成本及風險溢價，評估稅前貼現率；以及根據市場研究、行業表現、過往業績、CATENA的未來業務計劃及瑞士長期經濟增長率計算的現金流量預測中使用的收入增長率和最終增長率等主要假設的合理性；及

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<p><i>Impairment assessment on technical know-how (Continued)</i></p> <p>Based on the results of the impairment assessment, an impairment charge of HK\$30,273,000 has been made by management on the Group's technical know-how for the year ended 31 March 2018.</p> <p>We focused on this area because of the significant judgements and estimates involved in the impairment assessment by management.</p>	<p>– Evaluating the management sensitivity analysis around the key assumptions within the cash flow forecasts to ascertain the extent of change in those assumptions that either individually or collectively would be required for the technical know-how to be further impaired and also considered the likelihood of such a change in those key assumptions arising.</p> <p>Based upon the above procedures performed, we found the methodology used and key assumptions applied in the impairment assessment on technical know-how to be supportable by available evidence.</p>	<p><i>專業技術的減值評估</i></p> <p>根據減值評估的結果，管理層已就貴集團截至2018年3月31日止年度的專業技術作出減值開支30,273,000港元。</p> <p>我們關注該範疇，是因管理層在減值評估中所涉及的重大判斷及估計。</p>	<p>– 評估現金流量預測中圍繞主要假設的管理層敏感度分析，以確定專業技術進一步減值所需的個別或集體假設的變化程度，並考慮主要假設產生變化的可能性。</p> <p>基於上述程序，我們發現在專業技術的減值評估中所使用的方法及應用的主要假設得到現有證據所支持。</p>

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in Management Discussion and Analysis (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Report of the Directors and Environmental, Social and Governance Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

其他信息

貴公司董事須對其他信息負責。其他信息包括我們在本核數師報告日期前取得的管理層討論及分析內的信息(但不包括綜合財務報表及我們的核數師報告)，以及預期會在本核數師報告日期後取得的環境、社會及管治報告內的信息。

我們對綜合財務報表的意見並不涵蓋其他信息，我們既不也將不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀上述的其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

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If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read Report of the Directors and Environmental, Social and Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit committee is responsible for overseeing the Group's financial reporting process.

基於我們就我們於本核數師報告日期前取得的其他信息所執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

當我們閱讀環境、社會及管治報告後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與審核委員會溝通，並考慮我們的法律權利和義務後採取適當行動。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督 貴集團的財務報告過程。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Chiu Kong, Edmond.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 June 2018

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳朝光先生。

羅兵咸永道會計師事務所
執業會計師

香港，2018年6月21日