

## REPORT OF THE DIRECTORS

### 董事會報告書

The directors of the Company (the “Board”) submit their report together with the audited financial statements for the year ended 31 March 2019.

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 36 on pages 193 to 197 to the financial statements.

#### BUSINESS REVIEW

A fair review of the Group’s businesses for the year ended 31 March 2019 and an indication of likely future development in the Group’s businesses are set out under Management Discussion and Analysis on page 31.

There were no important events affecting the Group, that have occurred subsequent to the year ended 31 March 2019.

Stelux is a company that cares about the way it does business, the way we engage with our customers, our employees, our suppliers, and others in general. Certain core principles underpin the way we achieve our business objectives. We engage our business partners and treat our employees in a fair, honest and responsible manner to deliver sustainable results to our shareholders.

Our vision to “Beautify and enrich lives through our products and services” underscores the way we engage with our customers. From our lifestyle products, ranging from trendy watches and smart wearables available at our brick and mortar stores or online shopping platforms, we strive to deliver a personal shopping experience to our customers engaging them through traditional and social media.

Customers looking for a wide brand selection will enjoy shopping at multi-brand retailer “CITY CHAIN”, appealing to customers who enjoy fashionable watches.

本公司董事會（「董事會」）提呈董事會報告書連同截至2019年3月31日止年度的經審核財務報表。

#### 主要業務

本公司的主要業務為投資控股。其主要附屬公司的業務載於財務報表第193頁至第197頁附註36。

#### 業務回顧

有關截至2019年3月31日止年度本集團業務的公平檢討及本集團業務未來可能發展的評論載於第31頁的管理層討論及分析。

於截至2019年3月31日止年度後，並無發生對本集團造成影響的重要事項。

寶光一直重視其經營業務的手法以及與顧客、員工、供應商及其他人士的互動形式。我們依照若干核心原則經營業務，務求實現業務目標。我們以公平、誠實及負責的態度與業務夥伴合作及對待員工，從而為股東帶來持續回報。

「通過我們提供的產品和服務，豐富和美化您的生活」的願景強調了我們服務客戶的方式。由我們的實體店舖或網上購物平台所提供的潮流手錶及智能穿戴式裝置等生活產品，本集團致力為顧客帶來傳統及社交媒體層面的個人購物體驗。

作為多樣化品牌零售商，「時間廊」讓客戶享有廣泛的鐘錶品牌選擇，吸引追求時尚鐘錶的客戶。

As for the Group's watch wholesale business, (in addition to selling to City Chain), our customers comprise of a large network of independent dealer stores spanning, Hong Kong, Singapore and Malaysia. Many of these dealers have been doing business with the Group for an average period of around 25 years. On average around 13% of our watch dealers operate at least 2 points of sales.

The Group is aware of the challenges brought on by underlying structural changes in labour markets and employee expectations towards work life balance and work fluidity. Hence our mission to grow, respect and reward our employees as they develop together with the Group becomes ever more important in employee performance, satisfaction and retention. More details on the Group's employment policies can be found on pages 205 to 208 of the Environmental, Social and Governance Report.

The Group's suppliers are an important component of our businesses, ranging from upstream component vendors, assemblers and manufacturers to more downstream third party brand principals and distributors, where third party brands are sourced. Some brand principals have been partnering the Group for over 20 years. Credit terms granted by the Group's suppliers range from 30 to 90 days. More details on our suppliers are set out on pages 208 to 209 of the Environmental, Social and Governance Report.

Businesses require stable relationships with their lenders. Without exception, the Group maintains strong and cordial relationships with its lenders who provide important trade and other short and long term credit facilities. These lenders range from local banks with strong local connections to regional and global banks with solid reputations.

The Group recognises certain principal risks and uncertainties described below (in no order of preference):

Risks of fluctuations in the global and local economic environments, political instability and government activities impact our business performance and appropriate strategies and measures are adopted to mitigate these risks. For more details, refer to page 31 under "GROUP OUTLOOK" of the Management, Discussion and Analysis.

Changing technology continues to significantly reshape the way we live, including the way we consume and experience. The Group has allocated more resources to develop appropriate infrastructure. For more details, refer to page 32 under "BUSINESS MODEL AND STRATEGY" of the Management, Discussion and Analysis.

關於本集團的鐘錶批發業務(銷售予時間廊除外),本集團的客戶包括龐大的獨立代理店舖網絡,橫跨香港、新加坡及馬來西亞。大部分代理商與本集團於業務上已合作多年,平均年期約為25年。鐘錶代理商中平均約有13%於最少2個銷售點經營。

本集團關注到勞工市場的潛在結構變化及員工對工作生活平衡及工作流動性的期望帶來挑戰。我們亦明白使命感對員工表現、滿意程度及留任率極為重要,因此,我們讓與本集團一同發展的員工得到成長、受到尊重、獲得應得獎勵。有關本集團僱員政策的詳情載於環境、社會及管治報告內第205頁至第208頁。

本集團的供應商為業務的重要部分,包括從事上游業務的零件供應商、裝配商和製造商以及從事下游業務的第三方品牌代理及分銷商。一些品牌代理與本集團合作已超過20年。本集團供應商授出的信貸期介乎30至90日。有關供應商的詳情載於環境、社會及管治報告內第208頁至第209頁。

企業須與借貸人保持穩定的關係。本集團與其借貸人維持良好密切的關係,以獲取重要貿易融資(包括短期及長期貿易融資)。我們的借貸人包括擁有強大網絡的本地銀行以及具備良好聲譽的地區及國際銀行。

本集團所面對的主要風險及不確定性如下(排名不分先後):

全球及本地經濟狀況的波動風險、政治不穩及政府政策對本集團業務表現造成影響,本集團已採取適當的策略及措施緩和前述風險。有關更多詳情,請參閱第31頁的管理層討論及分析「集團前景」。

技術不斷變化將繼續顯著改變我們的生活方式,包括我們的消費及體驗模式。本集團已撥出更多資源以發展適當的基礎設施。有關更多詳情,請參閱第32頁的管理層討論及分析「業務模式及策略」。

As inventory levels impact sales, profitability and cash flows and with watch production lead times averaging 12 months, effective inventory management is important. Systems are in place to ensure key functions including merchandising, store operations and finance closely monitor metrics like, inventory levels, aging and turnover ratios. The Group has adopted a conservative approach to ordering and purchasing stock. There are also measures to fasten stock turn and to facilitate disciplined capital management including flexible cross regional clearance initiatives.

The ability to attract and retain suitable talent affects the stability and healthy development of the Group's businesses. Operating within a tight labour market, strategies and benefits are periodically reviewed and where appropriate aligned to particular market and industry norms and practices. Strategies are adopted to attract and retain talents to satisfy the Group's needs for development. We seek to provide different job related opportunities to talented staff to enhance their job satisfaction which in turn helps staff retention.

The ability to secure the right store location is another principal driver of performance and affects Group turnover and profitability. Leasing, store operations, finance and senior management review and assess location suitability using a checklist of pre-agreed criteria. A dedicated leasing team focusses on leasing strategies and activities in our major markets.

Product sourcing impacts on Group turnover, gross margins and inventory levels. In line with our business strategy to move the watch retail business to more lifestyle based, it is important that the right products are sourced to align with our refreshed store image. CITY CHAIN being a multi-branded retailer, a proportion of products are sourced from third party brand principals or distributors and there is no assurance that supply will continue on terms acceptable to the Group. The Group has a dedicated merchandising function to focus on sourcing of non-house branded products and maintaining good relationships, particularly with principal suppliers. We look to form medium to long term strategic brand partnerships with our suppliers, working closely with them to facilitate the sharing of fashion trends and market information. To stay attuned to customer tastes and preferences, market research on social media trends, competitors' offerings and market visits are carried out regularly, and customer feedback is closely monitored.

The Group's financial risks and relevant management policies can be found in the "Finance" section under Management, Discussion and Analysis on pages 32 to 34 and Note 3 to the Financial Statements.

由於存貨水平影響銷售、盈利能力、現金流量及平均為12個月的鐘錶製造週期，故有效的存貨管理甚為重要。集團已建立系統以確保透過主要職能，包括商品、店舖營運及財務，密切監察指標、存貨水平、賬齡及週轉率。本集團已採取保守方式訂購及購買存貨。亦有措施加快存貨週轉期，並加強資本管理紀律，包括採取彈性跨區域減存貨的措施。

招募及留任合適人才會影響本集團業務穩定性及穩健發展。在人力資源緊張的市場當中經營業務須定期檢討策略及效益，並在適當情況下符合特定市場及行業慣例。集團已採取吸引及挽留人才的政策，以配合企業發展需要，包括向具潛能的員工提供不同種類的工作機會，加強其滿足感，並促進員工的留任。

能確保於合適地點開設店舖是另一個對業績表現的主要推動力，並影響集團營業額及盈利水平。不同的部門，包括租賃、店舖營運、財務及高級管理層利用預先協定的準則審核及評估位置合適度。本集團設有租賃團隊專注於主要市場的租賃策略及活動。

產品採購影響集團營業額、毛利率及存貨水平。為配合鐘錶零售業務轉為以生活時尚為主及全新的店舖形象，採購合適產品相當重要。「時間廊」作為多品牌零售商，不少產品均採購自第三方品牌代理或分銷商，因此難確保供應符合集團可接受的條款。本集團設有採購部，專注於採購非自家品牌產品尤其與主供應商維持良好關係。本集團採取與供應商建立中長期戰略品牌合作夥伴關係的策略與其密切合作，促進交流時尚趨勢及市場資料。為適時了解客戶喜好，本集團定期進行社交媒體市場研究、競爭對手的產品及考察，並對客戶反饋進行密切監控。

有關本集團財務風險及有關管理政策的詳情載於管理層討論及分析內的「財務」部分第32頁至第34頁及財務報表附註3。

Laws and regulations governing consumer protection, employment and personal data have a significant impact on the Group's retail businesses. The Group has an in-house legal function and where necessary seeks external legal advice and training to keep abreast of latest developments in different areas of law. There was no material non-compliance with the above laws and regulations for the year ended 31 March 2019.

Climate change and other social issues may at times impact our business decisions and actions. Our environmental policy is based on 3R's – to reduce, reuse or recycle whenever feasible or practical so as to reduce our environmental impact. Changing the way we consume the earth's resources requires the collective efforts of individuals and businesses together with supportive and progressive environmental policies enacted by governments. The different regions where we operate in have varying degrees of commitment to environmental friendly legislation, regulations and practices, and in places with less awareness, there are more constraints on our performance.

Further reporting on environmental issues can be found on pages 201 to 205 under Environmental, Social and Governance Report.

## RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2019 are set out in the consolidated income statement on page 43.

No interim dividend was paid during the year (2018: nil).

The directors did not recommend the payment of a final dividend in respect of the year ended 31 March 2019 (2018: nil).

A conditional special distribution in cash of HK\$0.19 dollar per share was proposed by the Board on 23 January 2018 relating to the disposal of the Disposal group and was approved by the shareholders in the special general meeting on 19 April 2018. The special distribution, amounting to HK\$198,830,000, had been paid on 14 June 2018.

監管消費者保障、僱傭及個人資料的法律及法規對本集團的零售業務造成重大影響。本集團設有內部法律部門，並於需要時尋求外部法律意見及培訓，以了解不同範疇相關法律的最新發展情況。於截至2019年3月31日止年度，本集團並無嚴重違反以上法律及法規。

氣候變化及其他社會問題於任何時候或對我們的業務決策及措施造成一定影響。我們的環境政策根據減量、再利用及循環使用的環保3R原則而定，以減少環境影響。改變消耗地球資源的模式須集合個人及商界的共同努力，並配合政府推行的鼓勵及推動環保政策。本集團不同的營運所在地區都推行不同程度的環保法例、法規及慣例，但低環保意識的地區則對本集團的表現造成較多限制。

環保事項的進一步匯報詳情載於第201頁至第205頁的環境、社會及管治報告。

## 業績及股息

本集團截至2019年3月31日止年度的業績載於第43頁的綜合收益表內。

年內，本公司並沒有派發中期股息(2018年：無)。

董事會不建議派發截至2019年3月31日止年度的末期股息(2018年：無)。

董事會於2018年1月23日就出售出售集團建議作出有條件特別分派每股股份現金19港仙，並已於2018年4月19日的股東特別大會上獲股東批准。建議特別分派總額為港幣198,830,000元，在2018年6月14日已派付。

## DONATIONS

During the year, the Group made charitable and other donations of HK\$661,000.

## SHARES ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 March 2019 are set out in Note 22 to the financial statements.

## FIVE-YEAR FINANCIAL SUMMARY

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

## DISTRIBUTABLE RESERVES

As at 31 March 2019, the distributable reserves of the Company available for distribution as dividends to shareholders amounted to HK\$32,737,000 (2018: HK\$231,657,000).

## PRE-EMPTIVE RIGHTS

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

## DIRECTORS AND INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

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

Joseph C. C. <b>Wong</b>	(Chairman and Chief Executive Officer)
Wallace <b>Kwan</b> Chi Kin	(executive director and CFO)
<b>Wu</b> Chun Sang	(independent non-executive)
Lawrence <b>Wu</b> Chi Man	(independent non-executive)
Agnes <b>Kwong</b> Yi Hang	(independent non-executive)

In accordance with Bye-law 110(A), Professor Lawrence Wu Chi Man and Mr. Wallace Kwan Chi Kin will retire by rotation at the forthcoming Annual General Meeting ("AGM") and, being eligible, offer themselves for re-election.

## 捐款

年內，本集團作出慈善及其他捐款港幣661,000元。

## 年內已發行股份

截至2019年3月31日止年度已發行的股份的詳情載於財務報表附註22。

## 五年財務摘要

本集團於過去五個財政年度之業績以及資產及負債摘要載於年報第1頁。

## 可分派儲備

於2019年3月31日，本公司可作為股息向股東分派的可分派儲備為港幣32,737,000元(2018年：港幣231,657,000元)。

## 優先認股權

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

## 董事及交易、協議及合約權益

年內及直至本報告日期的在任董事如下：

黃創增	(主席及行政總裁)
關志堅	(行政董事及首席財務總裁)
胡春生	(獨立非行政董事)
胡志文	(獨立非行政董事)
鄺易行	(獨立非行政董事)

按照公司細則第110(A)條，胡志文教授及關志堅先生將於應屆股東週年大會(「股東週年大會」)輪席告退，惟彼等合資格並願膺選連任。

**DIRECTORS AND INTERESTS IN TRANSACTIONS,  
ARRANGEMENTS AND CONTRACTS (continued)**

During the year and up to the date of this report, Mr. Joseph C. C. Wong and Mr. Wallace Kwan Chi Kin are also directors in certain subsidiaries of the Company. Other directors of the Company's subsidiaries in Hong Kong during the year and up to the date of this report are: Ms. Caroline Chong Sue Peng, Mr. William Hui Kin Wai, Ms. Stella Chow Yin Oi and Mr. Johnny Chan Koon Kiu.

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

The Company's directors have formal letters of appointment setting out the key terms and conditions of their appointment. During the year, Mr. Joseph C. C. Wong and Mr. Wallace Kwan Chi Kin were each eligible to an annual bonus determinable under the terms of a KPI based executive bonus scheme with respect to their management of the Group. Provision for the bonuses in respect of the directors eligible under the executive bonus scheme for the year ended 31 March 2019 amounted to HK\$820,000 (2018: HK\$6,750,000). Mr. Joseph C. C. Wong waived his annual bonus of HK\$1,450,000 for the year ended 31 March 2019.

Apart from the foregoing and continuing connected transactions of the Group, no other transactions, arrangements and contracts of significance in relation to the Group's businesses to which the Company's subsidiaries or its holding company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR  
EXECUTIVES**

**Chairman and Chief Executive Officer**

Chumphol KANJANAPAS (aka Joseph C. C. WONG), aged 59, was appointed executive director of the Company in 1986. Mr. Wong undertook his tertiary studies in the United Kingdom. He graduated from the University of Bradford with a B.Sc. in Industrial Engineering (First Class Honours). Mr. Wong also holds a M.Sc. (with Distinction) in Operational Research from the University of Southampton. Mr. Wong is the Founding Honorary Patron of the HKU Foundation for Education Development and Research and has been serving the Board of Directors of the Foundation for over 15 years. He is also a member of the Court of the University of Hong Kong. He was awarded an Honorary Fellowship by the University of Hong Kong in 2012.

**董事及交易、協議及合約權益(續)**

年內及直至本報告日期，黃創增先生及關志堅先生同為本公司若干附屬公司董事。年內及直至本報告日期，其他香港本公司附屬公司董事：張素萍大律師、許健偉先生，周燕愛女士及陳冠橋先生。

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

本公司董事均有正式委任信，載列其委任的主要條款及條件。年內，黃創增先生及關志堅先生就管理本集團作出貢獻而合資格根據「關鍵績效指標」之行政人員花紅計劃條款獲得待定金額之年度花紅。截至2019年3月31日止年度，就行政人員花紅計劃合資格董事而作出之行政人員花紅撥備為港幣820,000元(2018年：港幣6,750,000元)。黃創增先生放棄其截至2019年3月31日止年度花紅港幣1,450,000元。

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

**董事及高級管理人員的履歷詳情**

**主席及行政總裁**

黃創增先生，59歲，於1986年獲委任為本公司行政董事。黃先生於英國接受高等教育，畢業於布拉德福德大學並擁有工業工程專業理學士學位(一級榮譽)。黃先生亦持有英國南開普敦大學運籌學理碩士學位(最優等)。黃先生為香港大學教育發展研究基金會名譽贊助人並已於該基金的董事會任職逾十五年。彼亦為香港大學校董會的成員並於2012年獲得香港大學名譽院士銜頭。

## REPORT OF THE DIRECTORS

### 董事會報告書

#### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR EXECUTIVES (continued)

##### Directors

Wallace KWAN Chi Kin, aged 49, joined the Group in November 2011 as Group Finance Director and was appointed an executive director and Chief Financial Officer of the Company in July 2013. Mr. Kwan holds a Bachelor of Social Science Degree from The Chinese University of Hong Kong. He also holds a Master of Business Administration Degree from the University of Manchester and a Master of Laws in Corporate & Financial Law from The University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and also a fellow of the Association of Chartered Certified Accountants. Mr. Kwan has around 27 years of experience in financial management having worked at an international audit firm and several listed companies.

WU Chun Sang, aged 62, was appointed an independent non-executive director of the Company in 2004. He is a Macau Registered Auditor. He is also a fellow member of the Association of Chartered Certified Accountants, UK and an associate member of the Hong Kong Institute of Certified Public Accountants.

Lawrence WU Chi Man, aged 60, was appointed an independent non-executive director of the Company in 2005. He graduated from Bristol University, United Kingdom with a BSc(Eng) and PhD in Aeronautical Engineering. He is a Professor at the Department of Materials Science and Engineering at the City University of Hong Kong. He is a fellow of the Hong Kong Institution of Engineers (HKIE). He is also a Council Member of the HKIE. He received the Taishan (泰山學者) Scholar award from the Shandong Provincial Government in 2012.

Agnes KWONG Yi Hang, aged 59, holds a PhD in Molecular Immunology from the University of Hong Kong and an MBA from Troy State University in the USA. She was appointed an independent non-executive director of the Company in 2006. She manages her own consultancy with a major focus on healthy and environmentally friendly style living.

##### Chief Counsel and Company Secretary

Caroline CHONG, aged 57, joined the Group in 1997. She graduated from the University of Kent, United Kingdom with a Bachelor of Arts (Law) (Hons) degree. She is admitted as a Barrister in England and Wales, and, Hong Kong. She heads Group Legal and Corporate Secretariat, and Group Human Resources.

#### 董事及高級管理人員的履歷詳情(續)

##### 董事

關志堅先生，49歲，自2011年11月加入本集團出任集團首席財務總監及於2013年7月獲委任為本公司行政董事及首席財務總裁。彼擁有香港中文大學社會科學學士。彼亦擁有曼徹斯特大學工商管理碩士及香港大學公司及金融法法學碩士。彼為香港會計師公會會員及特許公認會計師公會資深會員。關先生曾在國際審計師事務所及數間上市公司任職，擁有大約27年的財務管理經驗。

胡春生先生，62歲，於2004年獲委任為本公司獨立非行政董事。彼為澳門註冊核數師。彼亦為英國特許公認會計師公會資深會員及香港會計師公會會員。

胡志文教授，60歲，於2005年獲委任為本公司獨立非行政董事。彼畢業於英國布里斯托大學，獲得航空工程學士及博士銜頭。彼為香港城市大學材料科學及工程系教授及香港工程師學會資深會員，亦為香港工程師學會理事。於2012年，彼獲得山東省政府頒發的泰山學者獎。

鄺易行博士，59歲，擁有香港大學頒授之分子免疫學博士銜頭及美國Troy State University頒授之工商管理碩士銜頭。彼於2006年獲委任為本公司獨立非行政董事。彼管理其顧問公司，主要專注健康及環保生活方式。

##### 首席法律顧問及公司秘書

張素萍大律師，57歲，於1997年加入本集團。彼畢業於英國肯特大學，榮獲法律(榮譽)學士學位。彼在英格蘭及威爾斯以及香港獲認可為大律師。彼領導集團法律及公司秘書事務及集團人力資源。

**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR EXECUTIVES (continued)**

**SHARE OPTIONS**

The Company and its subsidiaries did not set up or operate any share option scheme for the year ended 31 March 2019 and up to the date of publication of this Annual Report.

**DIRECTORS' INTERESTS**

As at 31 March 2019, the interests and short positions of the directors, and the Company's chief executive in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

- (a) The Company – Ordinary shares

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

**董事及高級管理人員履歷(續)**

**購股權**

本公司及其附屬公司於截至2019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。

**董事之權益**

於2019年3月31日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條而置存之登記冊所記錄，董事及本公司之最高行政人員於本公司或其任何相聯法團(按證券及期貨條例第XV部之定義)之股份、相關股份及債券中擁有之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則而須知會本公司及聯交所之權益及淡倉如下：

- (a) 本公司－普通股

*於本公司之股份及相關股份之好倉*

Name of Director	Number of shares				Total	Approximate percentage of the total shares in issue as at 31 March 2019 於2019年3月31日全部佔已發行股本之概約百分比
	Personal interest	Family interest	Corporate/ trust interest	Other interest		
董事姓名	個人權益	家屬權益	法團/ 信託權益	其他權益	總數	
Mr. Joseph C. C. Wong 黃創增先生	548,474,814	11,000	855,200 (Note 1) (附註1)	–	549,341,014	52.49

Notes:

- (1) As at 31 March 2019, Yee Hing Company Limited held 855,200 shares of the Company through its subsidiary Active Lights Company Limited, 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 is a beneficiary of the Trust and was therefore deemed to be interested in 855,200 shares of the Company through the Trust's interest in Yee Hing Company Limited.

附註：

- (1) 於2019年3月31日，義興有限公司通過其附屬公司Active Lights Company Limited持有本公司855,200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855,200股股份權益。



DIRECTORS' INTERESTS (continued)

董事之權益(續)

(b) Subsidiaries

(b) 附屬公司

	Number of shares 股份數目				Total 總數	Approximate percentage of the total preference shares in issue as at 31 March 2019 於2019年3月 31日佔全部已 發行優先股 概約百分比
	Personal interests 個人權益	Family interest 家屬權益	Corporate/ trust interest 法團/ 信託權益	Other Interest 其他權益		
(i) City Chain (Thailand) Company Limited – Preference shares <sup>1</sup> City Chain (Thailand) Company Limited – 優先股 <sup>1</sup>						
Mr. Joseph C. C. Wong 黃創增先生	200	–	208,800	–	209,000	99.52
(ii) Stelux Watch (Thailand) Company Limited – Preference shares <sup>2</sup> Stelux Watch (Thailand) Company Limited – 優先股 <sup>2</sup>						
Mr. Joseph C. C. Wong 黃創增先生	600	–	–	–	600	16.67
(iii) Stelux (Thailand) Limited – Preference shares <sup>3</sup> Stelux (Thailand) Limited – 優先股 <sup>3</sup>						
Mr. Joseph C. C. Wong 黃創增先生	5,100	–	–	–	5,100	100

#### DIRECTORS' INTERESTS (continued)

##### (b) Subsidiaries (continued)

Notes:

- (1) City Chain (Thailand) Company Limited is a subsidiary of the Company. Each preference share carries a right to vote and a right to an annual fixed dividend but not to any other profit sharing.
- (2) Stelux Watch (Thailand) Company Limited is a subsidiary of the Company. Each preference share carries a right to vote and a right to an annual fixed dividend but not to any other profit sharing.
- (3) Stelux (Thailand) Limited is a subsidiary of the Company. Mr. Joseph C. C. Wong is entitled to approximately 8.6% of the voting power of such subsidiary and an annual fixed dividend by virtue of the 5,100 preference shares held by him but not to any other profit sharing.

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

#### INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT TO THE SFO

As at 31 March 2019, the following persons had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

#### 董事之權益(續)

##### (b) 附屬公司(續)

附註：

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

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

#### 根據證券及期貨條例須予以披露之股東權益

根據證券及期貨條例第 336 條而置存之登記冊所記錄，以下人士於 2019 年 3 月 31 日於本公司之股份或相關股份中擁有權益：

INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT  
TO THE SFO (continued)

根據證券及期貨條例須予以披露之股東權益(續)

Long position in shares and underlying shares of the Company

於本公司之股份及相關股份之好倉

Name of Shareholder	Number of shares				Total	Approximate percentage of the total shares in issue as at 31 March 2019 於2019年3月31日全部佔已發行股本之概約百分比
	Personal interest	Family interest	Corporate/ trust interest	Other interest		
股東姓名	個人權益	家屬權益	法團/ 信託權益	其他權益	總數	
Mr. Joseph C. C. Wong 黃創增先生	548,474,814	11,000	855,200 (Note 1) (附註1)	–	549,341,014	52.49

Notes:

附註：

(1) As at 31 March 2019, Yee Hing Company Limited held 855,200 shares of the Company through its subsidiary Active Lights Company Limited, 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 855,200 shares of the Company through the Trust's interest in Yee Hing Company Limited.

(1) 於2019年3月31日，義興有限公司通過其附屬公司Active Lights Company Limited持有本公司855,200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855,200股股份。

### INTERESTS OF SHAREHOLDERS DISCLOSEABLE PURSUANT TO THE SFO (continued)

Save as disclosed above, the directors are not aware of any person (other than a director or chief executive of the Company or his/her respective associate(s)), who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as at 31 March 2019.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

### MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases	
– the largest supplier	47%
– five largest suppliers combined	70%
Sales	
– the largest customer	1%
– five largest customers combined	4%

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

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

### 根據證券及期貨條例須予以披露之股東權益(續)

除上文所披露者外，於2019年3月31日，按本公司根據證券及期貨條例第336條而置存之登記冊所記錄，董事概無知悉有任何人士(董事或本公司之最高行政人員或其各自之聯繫人除外)於本公司之股份或相關股份中擁有權益或淡倉。

### 上市證券的購買、出售或贖回

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

### 主要客戶及供應商

本集團主要供應商及客戶應佔本年度採購額及銷售額百分比如下：

採購額	
– 最大供應商	47%
– 五大供應商合計	70%
銷售額	
– 最大客戶	1%
– 五大客戶合計	4%

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

### 管理合約

年內，本公司並無簽訂或存有任何有關於整體或部分主要業務的管理及行政合約。

### SUFFICIENCY OF PUBLIC FLOAT

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

### CONTINUING CONNECTED TRANSACTIONS

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

The Group's internal audit function conducted a review and audit to verify the following continuing connected transactions. A summary of the audit findings and the Group's internal control procedures to ensure Listing Rules compliance with respect to connected transactions were presented to the independent non-executive directors (who also comprise of the Audit Committee) as part of their annual review of the continuing connected transactions.

#### Continuing connected transactions of the Group for the financial year ended 31 March 2019

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive directors of the Company have reviewed the following continuing connected transactions and confirmed that all these transactions have been entered into by the Group:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

### 足夠公眾持股量

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

### 持續關聯交易

以下持續關聯交易乃基於訂約各方經公平磋商後協定的一般商業條款，並於本集團一般及日常業務過程中進行。持續關聯交易須遵守香港聯合交易所有限公司證券上市規則（「上市規則」）第十四A章有關年度審閱、申報及公告的規定，並獲豁免獨立股東的批准。

本集團的內部審計部進行了審閱及審核，以核實以下持續關聯交易。審核結果及確保遵守關聯交易上市規則的本集團內部監控程序概要已呈報給獨立非行政董事（亦為審計委員會成員）作為年度審核持續關聯交易的一部分。

#### 本集團截至2019年3月31日止財政年度之持續關聯交易

根據上市規則第14A.55條，本公司的獨立非行政董事已審閱以下各項持續關聯交易，並已確認本集團的所有該等交易：

- (a) 於本集團一般及日常業務過程中訂立；
- (b) 按一般商業條款或更好條款訂立；及
- (c) 根據規管該等交易的相關協議按公平合理並符合本公司股東整體利益的條款訂立。

CONTINUING CONNECTED TRANSACTIONS (continued)

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor has issued an unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group below in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange of Hong Kong Limited.

Summary of the continuing connected transactions:

1. Renewal of leases or licensing of office premises, carparking spaces and warehouse spaces

持續關聯交易(續)

根據香港會計師公會頒佈的香港鑒證業務準則第3000號(修訂)「歷史財務資料審核或審閱以外之鑒證工作」並參考實務說明第740號「香港上市規則規定的持續關聯交易的核數師函件」，本公司核數師已受聘對本集團持續關聯交易作出報告。根據上市規則第14A.56條，本公司核數師已就本集團以下披露的持續關聯交易發出無保留意見函件，其中載有其調查結果及結論。本公司已向香港聯合交易所有限公司提供核數師函件副本。

持續關聯交易概要：

1. 更新租賃或獲許可用辦公室場所、停車位及倉庫

Connected persons 關聯人士	Nature of transactions 交易性質	Income/ (expenses) 收入/(支出) HK\$'000 港幣仟元	Annual Caps 年度上限 HK\$'000 港幣仟元	Notes 附註
Mengiwa Property Investment Limited ("MPIL") as Landlord 明華物業投資有限公司(「明華」)， 作為業主	Leasing of properties 租賃物業	(11,259)	(17,966)	(i), (iv) & (vii)
Active Lights Company Limited ("ALCL") as Landlord Active Lights Company Limited (「ALCL」) 作為業主	Leasing of properties 租賃物業	(1,162)	(2,697)	(ii), (iv) & (vi)
MPIL and ALCL, each of them as Licensor 明華及ALCL，彼等各自作為許可人	Licensing of carparking spaces 停車位許可	(75)	(264)	(iii), (iv), (vi) & (vii)
MPIL as Principal 明華，作為委託人	Provision of management and property agency liaison services 提供管理及物業代理 聯絡服務	2,340	2,831	(v) & (vii)

## CONTINUING CONNECTED TRANSACTIONS (continued)

### Notes:

All definitions in the notes below have the same meaning as referred to in the Company's announcement dated 6 April 2016 and 26 January 2018 unless otherwise indicated.

### Leasing of office premises and carparking spaces

- (i) On 5 April 2016, Stelux Holdings Limited ("SHL") and Thong Sia Watch Company Limited ("TSWCL"), the wholly owned subsidiaries of the Company, each individually as tenant/licensee, entered into the Stelux House Renewal Tenancy Agreements 2016 and Carparking Space Licenses with MPIL in respect of the following properties:

Premises A:	whole of 27th floor and portion of 28th floor (including 12 carparking spaces) of Stelux House
Premises B:	whole of 26th floor with 4 storerooms numbers 1A, 1B, 6A and 6B on 26th floor of Stelux House
Premises C*:	whole of 21st floor of Stelux House
Premises D*:	office unit numbers 1901, 1902 and 1903 with two storerooms numbers 1A and 1B on the 19th floor of Stelux House
Premises E*:	office unit numbers 1905 and 1906 with two storerooms numbers 6A and 6B on 19th floor of Stelux House
Premises F:	office unit numbers 2201, 2202, 2203 and 2205 with two storerooms numbers 1A and 1B on the 22nd floor of Stelux House
Premises G:	office unit number 2206A with two storerooms numbers 6A and 6B on the 22nd Floor of Stelux House

For Premises A, B, and G, the lease term was from 1 April 2016 up to and including 31 March 2019 with a rent-free period commencing from 1 April 2016 to 20 November 2016 (i.e. seven months and twenty days).

For Premises F, the lease term was from 1 April 2016 up to and including 31 May 2016.

The total monthly rental for Premises A, B, C, D, E and G; and the premises under the TSWCL Tenancy Agreement amounted to HK\$1,497,133 (exclusive of rates, government rent and management charges). All rents are payable monthly in advance in cash by the tenants on the first day of each and every calendar month.

\* Owing to the Disposal, the Optical Premises under the Stelux House Tenancy Agreement was terminated on Completion and TSWCL entered into a new tenancy agreement with MPIL for a portion of 21st floor at Stelux House ("TSWCL Tenancy Agreement").

## 持續關聯交易(續)

### 附註：

除另有註明者外，本附註所有刊發定義與本公司於2016年4月6日及2018年1月26日所刊發之公告所載者具相同涵義。

### 租賃辦公場所及停車位

- (i) 於2016年4月5日，寶光實業(集團)有限公司(「SHL」)及本公司全資附屬公司通城鐘錶有限公司(「通城鐘錶」)(各自個別作為租戶/獲許可人)與明華訂立2016年寶光商業中心租賃更新協議及停車位許可使用協議，內容有關以下物業：

物業A：	寶光商業中心27樓全層及28樓的一部份(包括12個停車位)
物業B：	寶光商業中心26樓全層及連同1A、1B、6A及6B四個儲存室
物業C*：	寶光商業中心21樓
物業D*：	寶光商業中心19樓1901室、1902室及1903室之辦公室單位(連同1A及1B兩個儲存室)
物業E*：	寶光商業中心19樓1905室及1906室之辦公室單位(連同6A及6B兩個儲存室)
物業F：	寶光商業中心22樓2201室、2202室、2203室及2205室之辦公室單位(連同1A及1B兩個儲存室)
物業G：	寶光商業中心22樓2206A室之辦公室單位(連同6A及6B兩個儲存室)

物業A、物業B及物業G的租期自2016年4月1日起計至2019年3月31日(包括該日)為止，免租期自2016年4月1日起計至2016年11月20日，為期七個月二十天。

物業F的租期自2016年4月1日起計至2016年5月31日(包括該日)。

物業A、物業B、物業C、物業D、物業E及物業G，以及通城鐘錶租賃協議項下的物業的每月租金總額為港幣1,497,133元(不包括差餉、政府地租及管理費)。所有租金由租戶於每個曆月首日以現金預付。

\* 由於業務出售，寶光商業中心租賃協議下的眼鏡物業於相關業務出售後終止。另外，通城鐘錶與明華就寶光商業中心21樓的一部份訂立新租賃協議(「通城鐘錶租賃協議」)。

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

(i) (continued)

The monthly rents of all the above-mentioned premises were determined on an arm's length basis taking into account two rental valuations conducted by two independent property valuers dated 14 March 2016 and 17 March 2016, respectively (one representing the tenants and the other representing the landlord) and as such reflected the prevailing market rental values of the subject premises. Accordingly, the directors considered the Stelux House Renewal Tenancy Agreements 2016; and the TSWCL Tenancy Agreement were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, SHL (as tenant of Premises A) has been granted the naming right of Stelux House and each of SHL and TSWCL has been granted an option for the Premises A, G; and the TSWCL Tenancy Agreement but not an obligation, to renew the relevant tenancy agreements with the landlord every three years for three more years for a maximum of 12 years commencing from 1 April 2019 at the then prevailing open market rent.

On 30 March 2017, SHL (as tenant) surrendered the Premises G to MPIL (as landlord) and entered into a tenancy agreement for office unit number 2206A on the 22nd Floor of Stelux House with monthly rent of HK\$11,147.50 (exclusive of management charges and Government rate and rent) for two years expiring on 31 March 2019.

During the year ended 31 March 2018, SHL (as tenant/licensee) has entered into tenancy/licence agreements with MPIL in respect of the following properties:

- (a) Storeroom 6A on 18th Floor of Stelux House with monthly licence fee of HK\$6,300.00 (inclusive of management charges and Government rate and rent) for a 6-month term of licence expiring on 31 May 2018;<sup>1</sup> and
- (b) Storeroom 1B on 17th Floor of Stelux House with monthly licence fee of HK\$6,300.00 (inclusive of management charges and Government rate and rent) for a 14-month term of licence expiring on 31 March 2019.

持續關聯交易(續)

附註：(續)

(i) (續)

上述所有物業的每月租金乃根據公平原則釐定，並計及兩位獨立物業估值師分別於2016年3月14日及2016年3月17日進行的兩項租金估值(其中一項代表租戶估值，另一項代表業主估值)反映之物業現行市場租金。因此，董事認為，2016年寶光商業中心租賃更新協議及通城鐘錶租賃協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

另外，SHL(作為物業A之租戶)獲授寶光商業中心之命名權，以及SHL及通城鐘錶各自就物業A及物業G及通城鐘錶租賃協議獲授選擇續約權(但無責任)可每三年與業主按當時現行公開市場租金將有關租賃協議續期，每次續期三年，由2019年4月1日起計最多續期十二年。

於2017年3月30日，SHL(作為租戶)終止向明華(作為業主)租賃物業G，並就寶光商業中心22樓2206A之辦公室單位，每月租金為港幣11,147.50元(不包括管理費、政府地租及差餉)，租期兩年至2019年3月31日為止訂立租賃協議。

於截至二零一八年三月三十一日止年度，SHL(作為租戶/獲許可人)與MPIL就以下物業訂立租賃/許可使用協議：

- (a) 寶光商業中心18樓6A儲存室，每月許可使用費為HK\$6,300.00(包括管理費、政府地租及差餉)，租期六個月至2018年5月31日為止；及
- (b) 寶光商業中心17樓1B儲存室，每月許可使用費為HK\$6,300.00(包括管理費、政府地租及差餉)，租期十四個月至2019年3月31日為止。



## CONTINUING CONNECTED TRANSACTIONS (continued)

### Notes: (continued)

#### Leasing of warehouses

- (ii) On 5 April 2016, Thong Sia Company Limited (“TSCL”) and ALCL (each individually as landlord/licensor) and certain wholly-owned subsidiaries of the Company (each individually as tenant/licensee), entered into the Warehouse Leasing and Licence Agreements 2016 with respect to the following warehouse spaces in Hong Kong:
- (a) three warehouse spaces at an industrial building in Yau Tong, Kowloon, Hong Kong (“Warehouse Spaces A, B and C”); and
  - (b) three warehouse spaces at an industrial building in Kowloon Bay, Kowloon, Hong Kong (“Warehouse Spaces D, E and F”).

The above-mentioned warehouse spaces are for a term of three years from 1 April 2016 up to and including 31 March 2019.

All rental and licence fees are payable monthly in advance in cash by the tenants on the first day of each and every calendar month.

The monthly license fees were determined on an arm’s length basis taking into account the prevailing market rental rates in the vicinity, which indicate that the renewal rentals/licence fees are favourable to the Group as compared with the prevailing market rental/licence fee values of the subject warehouses. Accordingly, the directors considered the Warehouse Leasing and Licence Agreements 2016 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The licence agreements for Warehouse Spaces A, B and C were terminated as at 8 January 2018 after the 3 months’ written notices given by the licensor.

During the year ended 31 March 2019, as warehouse E and F were rented by Optical 88 Limited disposed as of 1 June 2018, only 2 months’ rent (i.e. April and May 2018) was counted as continuing connected transactions.

## 持續關聯交易(續)

### 附註：(續)

#### 租賃倉庫

- (ii) 於2016年4月5日，Thong Sia Company Limited (「TSCL」)及ALCL(各自個別作為業主／許可人)及本公司若干全資附屬公司(各自個別作為租戶／獲許可人)訂立2016年倉庫租賃及許可使用協議，內容有關以下香港倉庫：
- (a) 位於香港九龍油塘一幢工業大廈之三個倉庫(「倉庫A、倉庫B及倉庫C」)；及
  - (b) 位於香港九龍九龍灣一幢工業大廈之三個倉庫(「倉庫D、倉庫E及倉庫F」)。

上述倉庫的租期自2016年4月1日起計至2019年3月31日(包括該日)為期三年。

所有租金及許可費由租戶於每個曆月首日以現金預付。

每月許可費乃按公平原則釐定，並計及附近位置之現行市場租金，由此顯示的續期租金／許可費經與有關倉庫現行市場租金／許可費相比對本集團有利。因此，董事認為，2016年倉庫租賃及許可協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

按許可人所發出的3個月書面通知倉庫A、倉庫B及倉庫C的許可使用協議已於2018年1月8日終止。

於截至2019年3月31日止年度，由於眼鏡88的業務於2018年6月1日出售，因此，由眼鏡88有限公司租賃的倉庫E及倉庫F，只有兩個月(即2018年4月及5月)租金可計入持續關聯交易。

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

Licensing of carparking spaces

- (iii) On 5 April 2016, certain wholly-owned subsidiaries of the Company (each individually as licensee) entered into the Carparking Space Licenses with MPIL and ALCL (each individually as licensor) with respect to the following carparking spaces:
- (a) four carparking spaces at Stelux House with total monthly license fee of HK\$13,400 (inclusive of rates, government rent and management charges); and
  - (b) two vehicle parking spaces at an industrial building in Kowloon Bay, Kowloon, Hong Kong with total monthly license fee of HK\$8,600 (inclusive of management charges but exclusive of rates and government rent).

All the above-mentioned carparking spaces were for a term of three years from 1 April 2016 up to and including 31 March 2019. The license fees are payable monthly in advance in cash by the licensees on the first day of each and every calendar month.

The monthly license fees were determined on an arm's length basis taking into account the prevailing market rates for parking spaces in the vicinity. Accordingly, the directors considered the terms of the Carparking Space Licenses reflect normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

The continuing connected transactions as set out in (i) to (iii) above, in relation to the leasing of properties and licensing of carparking spaces from connected parties, have been aggregated for the purpose of classification in accordance with Rule 14A.81 of the Listing Rules, and the aggregate annual cap for the financial year ended 31 March 2019 was approximately HK\$20,927,000.

持續關聯交易(續)

附註：(續)

停車位許可

- (iii) 於2016年4月5日，本公司若干全資附屬公司(各自個別作為獲許可人)與明華及ALCL(各自個別作為許可人)訂立停車位許可使用協議，內容有關以下停車位：
- (a) 寶光商業中心四個停車位合共每月租金港幣13,400元(包括差餉、政府地租及管理費)；及
  - (b) 香港九龍九龍灣一幢工業大廈之兩個車輛停放位置合共每月租金港幣8,600元(包括管理費，但不包括差餉及政府地租)。

上述所有停車位許可使用期為自2016年4月1日起計至2019年3月31日(包括該日)為期三年。許可使用費由獲許可人於每個曆月首日以現金預付。

每月許可使用費乃按公平原則釐定，並計及附近車輛停放位置之現行市場租金。因此，董事認為，停車位許可使用協議乃按一般商業條款訂立，屬公平合理，並符合本公司及股東之整體利益。

- (iv) 本集團於過去一直長期使用有關辦公室物業及倉庫，主要用作辦公室、行政及儲物用途。為避免搬遷可能對業務導致的影響，本集團擬於有關租約/許可屆滿後繼續租賃/獲許可使用有關辦公室物業、停車位及倉庫。董事認為，只要有關之租金/許可費及其他條款對本集團有利及使本集團可避免產生搬遷及裝修費用，本集團繼續使用有關物業實符合本公司及股東之整體利益。

根據上市規則14A.81條，以上(i)至(iii)所載與向關連方租賃物業及許可使用停車位有關的交易為須合併計算之持續關聯交易，而截至2019年3月31日止財政年度的年度上限總額約為港幣20,927,000元。

CONTINUING CONNECTED TRANSACTIONS (continued)

Notes: (continued)

Provision of management and property agency liaison services

- (v) On 5 April 2016, Stelux Properties Agency Limited (“SPAL”), a wholly-owned subsidiary of the Company, as agent, renewed the management and property agency liaison services agreement (“Service Agreement 2016”) with MPIL, as principal, for a term of three years from 1 April 2016 up to and including 31 March 2019 for the provision of the following services (“Services”):
- (a) contract administration with respect to contracts entered into between MPIL and third parties from time to time;
  - (b) property agency liaison and tenancy management;
  - (c) management of the property manager of Stelux House; and
  - (d) other miscellaneous administrative services.

SPAL has been providing the Services with respect to Stelux House since 1998 and has accumulated relevant knowledge and experience. MPIL is satisfied so far with the Services provided by the Group, whilst the remuneration received by the Group is enough to cover the relevant costs incurred by the Group in providing the Services. As such, SPAL continued to provide the Services to MPIL following the expiration of the preceding service agreement on 31 March 2016.

Monthly remuneration was set at HK\$195,000 per calendar month (in the first year ended 31 March 2017) payable in advance in cash on the first day of each and every calendar month. Parties to the Service Agreement 2016 shall negotiate and agree in good faith to increase the remuneration on an annual basis for the second year and the third year by not more than 10% over that in the preceding year with reference to the actual increase in costs (including but not limited to the related staff salaries) incurred by the Group with respect to the provision of the Services. In the event that no agreement is reached between the parties in negotiating the remuneration for the next year, the remuneration shall remain unchanged.

The monthly remuneration received by the Group for the year ended 31 March 2019 was the same as that under the preceding service agreement for the three years ended 31 March 2016. The remuneration was arrived at after arm’s length negotiations between the parties and with reference to the estimate of the costs to be incurred by the Company with respect to the provision of the Services in the financial year ended 31 March 2016. Accordingly, the directors considered the terms of the Service Agreement 2016 were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

持續關聯交易(續)

附註：(續)

提供管理及物業代理聯絡服務

- (v) 於2016年4月5日，本公司全資附屬公司寶光地產代理有限公司(「寶光地產」)(作為代理)，與明華(作為委託人)重續管理及物業代理聯絡服務協議(「2016年服務協議」)，由2016年4月1日起至2019年3月31日(包括該日)止為期三年，提供下列服務(「服務」)：
- (a) 管理明華與第三方不時訂立的合約；
  - (b) 物業代理聯絡及租賃管理；
  - (c) 管理寶光商業中心的物業管理公司；及
  - (d) 其他行政服務。

寶光地產自1998年起向寶光商業中心提供服務，並累積相關知識及經驗。明華迄今滿意本集團提供的服務，同時本集團收取的酬金足以抵銷本集團提供服務所產生的有關成本。因此，寶光地產於2016年3月31日先前服務協議屆滿後繼續向明華提供服務。

每月酬金為每個曆月港幣195,000元(於截至2017年3月31日止第一年度)，須於每個曆月首日以現金預付。2016年服務協議之訂約方須參考本集團因提供該等服務而產生之實際增加成本(包括但不限於相關員工薪酬)，並按年度基準真誠磋商及協定於第二年度及第三年度之酬金升幅，惟升幅不得超過上一年度酬金之10%。倘訂約方在磋商下一年度酬金時未能達成協議，則該酬金將維持不變。

本集團截至2019年3月31日止年度所收取的每月酬金與截至2016年3月31日止三個年度先前服務協議項下所收取的酬金相同。酬金按訂約各方公平磋商後達成，並參考本公司於截至2016年3月31日止財政年度提供服務所產生的估計成本。因此，董事認為，2016年服務協議之條款為一般商業條款，屬公平合理，並符合本公司及股東之整體利益。

**CONTINUING CONNECTED TRANSACTIONS (continued)**

**Notes: (continued)**

(v) (continued)

With reference to the monthly remuneration under the Service Agreement 2016, the Annual Cap Amount for this continuing connected transaction was set at HK\$2,831,400 for the financial year ended 31 March 2019.

**Relationships between counterparties**

(vi) ALCL is a wholly owned subsidiary of Yee Hing Company Limited ("Yee Hing"). The Trust, of which Mr. Joseph C.C. Wong, is a beneficiary, holds 55% of the total issued shares of Yee Hing. As Mr. Joseph C.C. Wong is a director of the Company, each of TSCL and ALCL is an associate of Mr. Joseph C.C. Wong and hence is a connected person of the Company. Therefore, transactions (i), (ii), (iii) and (v) above constitute continuing connected transactions for the Company.

(vii) MPIL is a 30% controlled company held indirectly by Mr. Joseph C. C. Wong, who is a director of the Company.

**持續關聯交易 (續)**

**附註：(續)**

(v) (續)

參照根據2016年服務協議下之每月酬金，該持續關聯交易截至2019年3月31日止財政年度之年度上限金額設定為港幣2,831,400元。

**與交易對方之關係**

(vi) ALCL為義興有限公司(「義興」)之全資附屬公司。黃創增先生實益擁有的信託持有義興已發行股份總數之55%。由於黃創增先生為本公司董事，而TSCL及ALCL均為黃創增先生之關聯公司，故此，黃創增先生為本公司之關連人士。因此，上述(i)、(ii)、(iii)及(v)項之交易構成本公司持續關聯交易。

(vii) 本公司董事黃創增先生間接持有明華控股30%股權。

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關聯交易(續)

2. Master Property Agreement

2. 物業總協議

Notes:

附註：

All definitions in the notes below have the same meaning as referred to in the Company's announcement dated 26 January 2018, unless otherwise indicated.

除非文義另有所指，否則下文附註內所用釋義與本公司日期為2018年1月26日之公告所界定者具有相同涵義。

Connected persons 關聯人士	Nature of transactions 交易性質	Income/ (expenses) 收入／(支出) HK\$'000 港幣仟元	Annual Caps 年度上限 HK\$'000 港幣仟元	Notes 附註
All of Chumphol Kanjanapas (also known as Joseph C. C. Wong) and the Joseph Family Members 黃創增先生及其所有家族成員	Leasing, sub-leasing or licensing offices, shops and warehouses by the Retained Group to the Disposed Entities 保留集團向被出售實體租賃、分租或許可使用辦公室、店舖及倉庫	5,633	8,500	(i)
All of Chumphol Kanjanapas (also known as Joseph C. C. Wong) and the Joseph Family Members 黃創增先生及其所有家族成員	Leasing, sub-leasing or licensing offices and shops to the Retained Group by the Disposed Entities 被出售實體向保留集團租賃、分租或許可使用辦公室及店舖	(6,246)	(14,500)	(ii)

\* Disposed Entities includes Optical 88 Group (BVI) Limited, eGG Optical Boutique Group Limited, Thong Sia Optical Group Limited and Optical 88 (Thailand) Ltd disposed on 1 June 2018.

\* 於2018年6月1日，被出售實體包括Optical 88 Group (BVI) Limited、eGG Optical Boutique Group Limited、Thong Sia Optical Group Limited及Optical 88 (Thailand) Ltd

During the year ended 31 March 2019, as a result of the disposal of the Optical Business on 1 June 2018, the Master Property Agreement was entered into between Stelux Holdings Limited ("the Retained Group") and the Disposed Entities, including Optical 88 Group (BVI) Limited, eGG Optical Boutique Group Limited, Thong Sia Optical Group Limited and Optical 88 (Thailand) Ltd., commencing from 1 June 2018 and expiring on 31 March 2021. Under the Master Property Agreement, the Retained Group and the Disposed Group will lease, sub-lease or license certain offices, shops and warehouse to each other. and is renewable upon mutual agreement between the parties provided that the requirements of the Listing Rules related to connected transactions shall be complied with in connection with such renewal.

於截至2019年3月31日止年度，由於眼鏡業務已於2018年6月1日出售，寶光實業(集團)有限公司(「保留集團」)與被出售實體，包括Optical 88 Group (BVI) Limited、eGG Optical Boutique Group Limited、Thong Sia Optical Group Limited及Optical 88 (Thailand) Ltd訂立物業總協議，相關協議由2018年6月1日開始直至2021年3月31日到期。根據物業總協議，保留集團及被出售實體將互相租賃、分租或許可使用辦公室、店舖及倉庫，並可經雙方共同協定後續期，惟該續期須遵守與關聯交易有關的上市規則的規定。

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關聯交易(續)

2. Master Property Agreement (continued)

2. 物業總協議(續)

- (i) The office, shops and warehouse leased, sub-leased or licensed by the Retained Group to the Disposed Entities are as follows:

- (i) 保留集團向被出售實體租賃、分租或許可使用辦公室、店舖及倉庫如下：

Number 編號	Region 地區	Nature 性質	Location 地址	Remarks 備註
2	HK 香港	Shop 店舖	65-68, Upper Ground Floor, Olympian City II, 18 Hoi Ting Road, West Kowloon 西九龍海庭道18號奧海城二期地下高層65-68號	
3	HK 香港	Shop 店舖	Shop 66, G/F., KITEC, 1 Trademart Drive, Kowloon Bay, Kowloon 九龍九龍灣展貿徑一號九龍灣國際展貿中心地下66號舖	
4	HK 香港	Warehouse 倉庫	6/F, Continental Electric Building, No. 17 Wang Chiu Road, Kowloon Bay, Kowloon 九龍九龍灣宏照道17號康大電業大廈6樓	As the Retained Group did not sub-lease the warehouse to the Disposed Entities, there was no continuing connected transaction. 由於保留集團並無向被出售實體分租倉庫，因此並無持續關聯交易
5	Macau 澳門	Shop 店舖	Em Macau, Rua da Palha N20 Beco da Palha N 1A, San Vo Res-do-chao F and G	
7	SEA	Shop 店舖	JEM – shop	
8	SEA	Office 辦公室	138 Joo Seng Road, #06-01 Singapore 368361	As the Singapore office was relocated to the location under item 9 below in June 2018, this continuing connected transaction was terminal as a matter of course. 由於新加坡辦公室已於2018年6月搬遷至本表項目9的地址，因此，此持續關聯交易已終止
9	SEA	Office 辦公室	63 Ubi Avenue 1 #06-04 Singapore 408937	
10	SEA	Warehouse 倉庫	No.32, Jalan BP 6/6, Bandar Bukit Puchong 2, 47120 Puchong, Selangor Darul Ehsan	
11	SEA	Office 辦公室	G8, Jalan Puteri 7/13A Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan, Malaysia	
12	SEA	Shop 店舖	Mall Ngamwongwan – shop	
13	SEA	Shop 店舖	Future Rangsit – shop	

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關聯交易(續)

2. Master Property Agreement (continued)

2. 物業總協議(續)

Number 編號	Region 地區	Nature 性質	Location 地址	Remarks 備註
17	SEA	Shop 店舖	Central Rama III	
18	SEA	Office 辦公室	CP27, Suite 2601-04, 26th Floor, Central Plaza, 34, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	
19	SEA	Office 辦公室	31 Ubi Road 1 #02-06 Singapore 408694	
20	SEA	Shop 店舖	Ayuthaya Park	
21	SEA	Shop 店舖	MBK III	

The total monthly rental for the above properties approximated HK\$ 600,000 (exclusive of rates, government rent and management charges). All rents incurred during FY18/19 were paid during the year. The continuing connected transactions as set out have been aggregated for the purpose of classification in accordance with Rule 14.81A of the Listing Rules, and the aggregate annual cap for the financial year ended 31 March 2019 was approximately HK\$8,500,000.

上述物業的每月租金總額約為港幣600,000元(不包括差餉、政府地租及管理費)。所有於18/19財政年度產生的租金已於年內支付。上述持續關聯交易已根據上市規則第14.81A條合併計算，而截至2019年3月31日止財政年度的年度上限總額約為港幣8,500,000元。

(ii) Alternatively, the office and shops leased, sub-leased or licensed to the Retained Group by the Disposed Entities are as follows:

(ii) 此外，被出售實體向保留集團租賃、分租或許可使用辦公室及店舖如下：

Number 編號	Region 地區	Nature 性質	Location 地址
1	HK 香港	Shop 店舖	Shop 27A, 27B & 27F, Level 3, Shatin Plaza, Shatin 沙田沙田廣場3樓27A、27B及27F號舖
6	SEA	Shop 店舖	Rental for SH140 – Johor City Square (1347 Sqft)
14	SEA	Shop 店舖	Future Rangsit II – shop
15	SEA	Shop 店舖	BluPort HuaHin – shop
16	SEA	Office 辦公室	347, 349 Muang Thong Thani, Bondstreet Road, Bangpood Subdistrict, Pakkred District, Nonthaburi 11120, Thailand

## CONTINUING CONNECTED TRANSACTIONS (continued)

### 2. Master Property Agreement (continued)

The total monthly rent for the above properties approximated HK\$600,000 (exclusive of rates, government rent and management charges). All rents incurred during FY18/19 were paid during the year. The continuing connected transactions as set out have been aggregated for the purpose of classification in accordance with Rule 14.81A of the Listing Rules, and the aggregate annual cap for the financial year ended 31 March 2019 was approximately HK\$14,500,000.

The monthly rents of the above properties in (i) and (ii) were determined on an arms-length basis taking into account publicly available information of similar properties leased, sub-leased or licensed by independent third parties. Accordingly, the directors considered the leases sub-leases or licences under the Master Property Agreement from June 2018 to March 2019 were on normal commercial terms and were fair and reasonable and in the interests of the Company and Shareholders as a whole.

The above continuing connected transactions also constitute related party transactions and are disclosed in note 32 to the financial statements on page 182. For operating lease rental in respect of the office premises, the amounts shown in note 32(a)(ii) to the financial statements on page 185 were calculated at effective rents in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

## PERMITTED INDEMNITY PROVISIONS

To the extent permitted by Bermuda law, and as permitted by the Bye-laws of the Company, a director of the Company may be indemnified out of the Company's assets against any liability incurred by the director save where incurred or sustained through his/her own wilful neglect or default, fraud and dishonesty. Such permitted indemnity provision has been in force throughout the financial year and is currently in force at the time of approval of this report.

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

## 持續關聯交易(續)

### 2. 物業總協議(續)

上述物業的每月租金總額約為港幣600,000元(不包括差餉、政府地租及管理費)。所有於18/19財政年度產生的租金已於年內支付。上述持續關聯交易已根據上市規則第14.81A條合併計算,而截至2019年3月31日止財政年度的年度上限總額約為港幣14,500,000元。

上述(i)及(ii)項的物業的每月租金乃按公平原則,並已考慮獨立第三方租賃、分租或許可使用類似物業的公開資料後釐定。因此,董事認為,根據物業總協議於2018年6月至2019年3月的租賃、分租或許可使用均按一般商業條款訂立,屬公平合理,並符合本公司及股東的整體利益。

上述持續關聯交易亦構成有關連人士交易,並於第182頁財務報表附註32內披露。就辦公室物業的營業租金而言,第185頁財務報表附註32(a)(ii)所列之金額乃根據香港會計師公會頒佈的香港財務報告準則按實際租金計算。

## 獲准許的彌償條文

本公司之細則允許及本公司董事可在百慕達法律允許的範圍內,獲得從本公司於其資產中補償所有責任,惟不包括由其自身故意忽視或違約、欺詐及不誠實所致或持續。此等獲准許的彌償條文於財政年度內及至批准本報告時仍為有效。

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



## REPORT OF THE DIRECTORS

### 董事會報告書

#### PERMITTED INDEMNITY PROVISIONS (continued)

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

#### AUDITORS

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

During the year, PricewaterhouseCoopers resigned as auditors of the Company and Ernst & Young were appointed by the directors to fill the casual vacancy so arising. PricewaterhouseCoopers confirmed that there were no matters in respect of those circumstances that in their opinion needed to be reported to the shareholders of the Company. The Board also confirmed that there was no disagreement between PricewaterhouseCoopers and the Company, and there were no other matters in relation to the resignation of PricewaterhouseCoopers that needed to be brought to the attention of the shareholders of the Company. There have been no other changes of auditors in the past three years. A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

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

On behalf of the Board

**Joseph C. C. Wong**

*Chairman and Chief Executive Officer*

Hong Kong, 20 June 2019

#### 獲准許的彌償條文(續)

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

#### 核數師

本財務報表已經由安永會計師事務所審核，該核數師任滿告退，惟合資格並願膺選連任。

年內，羅兵咸永道已辭任本公司核數師，而安永會計師事務所則由董事委任以填補因此而產生的臨時空缺。羅兵咸永道已確認，並無出現彼等認為需向本公司股東報告的該等情況相關事宜。董事會亦確認羅兵咸永道與本公司並無意見分歧，亦無其他與羅兵咸永道辭職有關的事宜需提請本公司股東垂注。過往三年核數師並無其他變動。本公司將於應屆股東週年大會上提呈續聘安永會計師事務所為本公司核數師的決議案。

最後，本人衷心感謝各位員工於年內持續對本集團的辛勤貢獻及忠誠服務。

代表董事會

**黃創增**

*主席及行政總裁*

香港，2019年6月20日