

Interim Report 2016/2017 中期報告

周大福

CHOW TAI FOOK

CORPORATE PROFILE 企業簡介

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

The iconic brand “Chow Tai Fook” of the Group has been widely recognised for its trustworthiness and authenticity, and renowned for product design, quality and value. The acquisition of Hearts On Fire, an internationally acclaimed U.S. premium diamond brand, in August 2014 has further underpinned the Group’s stature as a diamond expert in the industry.

The Group boasts an extensive retail network comprising over 2,300 Chow Tai Fook and Hearts On Fire stores spanning more than 500 cities in Greater China, Singapore, Malaysia, Korea and the United States, as well as a strong and fast growing e-tail network through operating its Chow Tai Fook e-Shops and various e-tail accounts on other online shopping platforms.

The Group’s sophisticated vertically integrated business model provides it with an effective and tight control over the entire operation chain from raw material procurement, design, production, to marketing and sales through its extensive POS and e-tail channels.

周大福珠寶集團有限公司(股份代號：1929)於2011年12月在香港聯合交易所主板上市。

集團標誌性品牌「周大福」廣獲認同為信譽及正貨的象徵，並以產品設計、品質及價值聞名。於2014年8月收購國際知名的美國高級鑽石品牌Hearts On Fire，更進一步鞏固集團為鑽石專家的行業地位。

集團擁有龐大的零售網絡，包括逾2,300個遍佈大中華區、新加坡、馬來西亞、韓國與美國的周大福及Hearts On Fire店舖，覆蓋500多個城市，以及透過自營周大福電子商務旗艦店及於多個網購平台開設周大福網店而迅速強勢發展的電子零售網絡。

集團發展成熟的垂直整合業務模式，能有效和謹慎監控集團的整體業務運作，包括原材料採購、設計、生產、以及在龐大的零售點與電子零售渠道進行之市場推廣與銷售活動。

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INTERIM RESULTS IN FIVE MINUTES 中期業績摘要

Chow Tai Fook T MARK 周大福 T MARK

Revolutionised the current diamond industry practice by launching "Chow Tai Fook T MARK" diamond brand in Mainland China, Hong Kong and Macau in August this year

於今年8月在中國內地及港澳市場推出「周大福T MARK」鑽石品牌，徹底改變現時鑽石行業的慣例



CHOW TAI FOOK T MARK



Hearts On Fire

Presence of Hearts On Fire in Mainland China, Hong Kong and Macau

於中國內地、香港及澳門之 Hearts On Fire

POS 零售點 Shop-in-shop and counter-in-shop 店中店及店內專櫃

7 167



Product Portfolio 產品組合

Enriched product portfolio via collaborations with business partners and international brands

透過與業務夥伴和國際品牌合作，豐富產品組合





Revenue 營業額

HK\$21,526
million 百萬港元

YoY change 同比變化
▼ 23.5%

Mainland China – Jewellery business 中國內地 — 珠寶業務

POS 零售點

2,070

SSSG 同店銷售增長

▼ 20.9%

Hong Kong and Macau 香港及澳門

POS 零售點

103

SSSG 同店銷售增長

▼ 25.7%

Earnings per share 每股盈利

HK12.2
cents 港仙

1HFY2016 2016 財政年度上半年

HK15.6 cents 港仙

Interim and special dividends per share
每股中期及特別股息

HK21.0
cents 港仙

Interim dividend payout ratio

中期派息率

49.2%

Net assets per share 每股資產淨額

HK\$3.3
港元

As at 31 March 2016

於 2016 年 3 月 31 日

HK\$3.6 港元

Operating cash flows before movements in working capital
營運資金變動前之經營現金流量

HK\$2,525
million 百萬港元

YoY change 同比變化

▼ 6.3%



CHAIRMAN'S STATEMENT 主席報告書

With our solid fundamentals, vast industry knowledge and renowned brand name, we are fully equipped to capitalise on business opportunities and emerge stronger out of the current market conditions.

憑藉穩健基礎、豐富的行業知識及品牌知名度，我們定能把握商機，在當前市況中脫穎而出。

Dear Shareholders,

Over our 87-year history in the jewellery business, we have witnessed and experienced many economic cycles, both up and down. Not only have we become seasoned in riding the wave of economic growth, we have also weathered through various economic downturns and thrived on them. During the 90's, undaunted by the Asian Financial Crisis, we ventured into the Mainland China market. Thanks to this pioneering spirit, we have gained wide brand recognition there. Against the backdrop of the SARS outbreak in 2003 and the Global Financial Crisis in 2008, we capitalised on the market opportunities brought by the downturns and continued to expand our retail network. This proved to be a rewarding move that enabled us to take full advantage of the influx of Mainland visitors brought by the Individual Visitor Scheme, thereby achieving remarkable sales growth.

The experience we amassed in the past decades tells us that change is the norm. While we have become adept and flexible in managing changes, we have always been adhering to our core value of "Sincerity • Eternity". This core value has guided us in doing business and building a trusted and iconic brand throughout our long history. Our well-known, revolutionary "Fixed Price Policy" was born out of this core value and has demonstrated our utmost commitment to customers.

各位股東：

我們經營珠寶業務已有87年，經歷多個經濟週期的起伏，既能順應經濟增長快速發展，亦能在多次經濟下行挑戰中轉危為安。於九十年代，我們無懼亞洲金融危機，進入中國內地市場開拓珠寶業務，並憑藉這股開拓精神在中國內地市場贏得廣泛的品牌認可。面對2003年非典型肺炎和2008年全球金融危機，我們把握經濟低迷的市場機遇繼續拓展零售網絡。受惠於自由行計劃所帶來的大批訪港內地遊客，我們的銷售亦因而顯著增長。

從我們以往幾十年的經驗說明，變化是常態。面對變化，我們始終秉承「真誠•永恒」的核心價值，靈活應對，並在此核心價值的指引下經營業務，打造值得信賴的品牌典範。我們眾所周知的革命性「一口價」政策正源於此核心價值，彰顯我們對顧客最大的承諾。

Performance Review

The operational environment remained tough during 1HFY2017. The Group's revenue recorded a decrease of 23.5% year-on-year to HK\$21,526 million. Profit attributable to shareholders of the Company declined 21.5% to HK\$1,222 million, while earnings per share decreased to HK12.2 cents. The Board declares an interim dividend of HK6.0 cents per share and a special dividend of HK15.0 cents per share.

Achieving Sustainable Growth

As our markets are undergoing rapid changes in channels and customers preferences, in order to cope with these changing dynamics, our "Smart+" initiatives in market development, product management, customer services and marketing as well as production and operations, are in place to extract more O2O synergies and uplift customer experience with an ultimate goal of achieving sustainable business development.

In an effort to provide reliable, innovative and differentiated product offerings, we revolutionise the current diamond industry practice and launched the "Chow Tai Fook T MARK" diamond brand in Mainland China, Hong Kong and Macau this year. It is a breakthrough in industry practice as it enables customers to track the history and life journey of a diamond from its source. This cannot be achieved without the strong backbone of our long-established vertically integrated business model.

To further enhance our store productivity and efficiency, we are in the process of consolidating POS in Hong Kong and Macau. We shall also be selective in expanding POS network in Mainland China in light of the changing market dynamics, while prudently exploring business opportunities in the global jewellery market. At the same time, our efforts on e-commerce and O2O interactions shall continue to enhance the overall connectivity.

Corporate Social Responsibility

Our CSR initiatives are guided by a framework of environmental, social and governance. To lead an effective execution, we have introduced the "Do Good" programme with a mission of committing ourselves to facilitating sustainable development in the community and creating a better world.

表現回顧

2017財政年度上半年，經營環境依然挑戰重重。本集團的營業額同比下降23.5%至21,526百萬港元。本公司股東應佔溢利下降21.5%至1,222百萬港元，每股盈利降至12.2港仙。董事會宣派中期股息每股6.0港仙及特別股息每股15.0港仙。

實現可持續增長

隨著市場渠道及客戶喜好快速變化，我們在市場發展、產品管理、客戶服務及市場推廣、生產及營運方面推行「Smart+」計劃，增加線上線下協同效益及提升顧客體驗，以實現可持續的業務發展為最終目標。

為提供可靠、創新及與眾不同的產品選擇，我們徹底改變目前的鑽石行業慣例，並於今年在中國內地、香港及澳門推出「周大福T MARK」鑽石品牌。此舉突破了行業慣例，可讓客戶從源頭追溯鑽石的來歷及生命旅程。此次成功全賴我們悠久的垂直整合業務模式的強勁支撐。

為提高店舖產能及營運效率，我們正整合於香港及澳門的零售點網絡。鑑於市場波動，我們亦會選擇性地擴張中國內地的零售點網絡，並謹慎發掘環球珠寶市場的商機。同時，我們對電子商務及線上線下互動的投入將持續增強整體業務的互聯互通。

企業社會責任

我們的企業社會責任措施受環境、社會及管治的框架指引。為有效落實該等措施，我們推行「Do Good」計劃，旨在促進社區的可持續發展及創造更美好的世界。

Chairman's Statement 主席報告書

Outlook

Today, Mainland China is at the crossroad of transformation from an investment-led to a consumption-led economy, inevitably inducing volatility to its economic growth. While this situation is going to slow down the growth and affect consumer sentiment in the near term, we remain optimistic about Mainland China's long-term prospects. Ongoing urbanisation, together with a burgeoning middle-income class, offer significant growth potentials and business opportunities. As for Hong Kong and Macau, the retail industry is undergoing a structural change largely due to the diversion of Mainland tourists to other overseas destinations and a decline in their respective spending. Nevertheless, this downturn is likely to run its course, as Hong Kong and Macau's close proximity to Mainland China and their tax-free shopping environment have a niche in attracting Mainland visitors especially those first-time visitors.

While we hold a cautiously optimistic stance in the near term, we remain confident in the long-term prospects of the Greater China market. We will continue to exert full effort in the jewellery business and maintain our competitive strengths. We will also strive to optimise capital structure and capital efficiency to create long-term value and return to our shareholders by setting our payout policy, investment strategies and financing plans prudently. With our solid fundamentals, vast industry knowledge and renowned brand name, we are fully equipped to capitalise on business opportunities and emerge stronger out of the current market conditions.

I would like to express my sincere gratitude to my fellow Board members for their strategic guidance and the management and staff for their contribution and hard work. No matter how our economy and markets fare, we will continue to create value for our shareholders, business partners and customers.

Dr. Cheng Kar-Shun, Henry

Chairman

Hong Kong, 22 November 2016

展望

現時，中國內地正處於由投資主導型經濟轉為消費主導型經濟的過渡時期，經濟增長波動在所難免。儘管短期內會使增長放緩及影響消費意慾，我們對中國內地的長遠發展前景仍保持樂觀。城市化進程持續推進，加上中產階級蓬勃發展，將帶來顯著的增長潛力及商機。港澳方面，內地遊客轉往其他海外旅遊熱點，在港澳消費減少，零售業正經歷結構性改變。然而，由於港澳鄰近中國內地及享有免稅購物環境，蘊含吸引內地遊客（特別是首次到訪的遊客）的特質，因此相信市場不景氣會逐漸消退。

儘管我們短期內持謹慎樂觀態度，我們對大中華市場的長遠發展前景仍充滿信心。我們會繼續全力拓展珠寶業務，保持競爭優勢，亦會謹慎制訂派息政策、投資策略和融資計劃以優化資本結構及效率，為股東創造長遠價值及回報。憑藉穩健基礎、豐富的行業知識及品牌知名度，我們定能把握商機，在當前市況中脫穎而出。

本人謹此對董事會同仁的策略性指導、管理層及員工的忠誠貢獻與辛勤工作致以衷心的謝意。不論經濟和市場進展如何，我們會一如既往為股東、業務夥伴及客戶創造佳績。

主席

鄭家純博士

香港，2016年11月22日

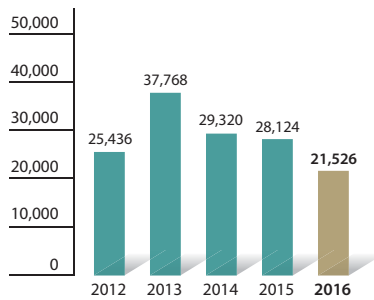
Financial and Operational Highlights 財務及營運摘要

Six months ended 30 September 截至9月30日止六個月

Revenue

營業額

(HK\$ million 百萬港元)

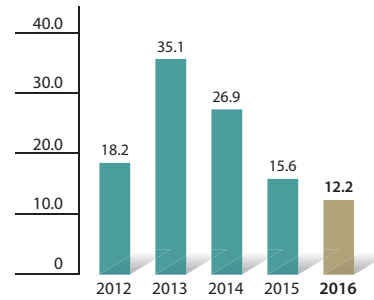


HK\$21,526
million 百萬港元
▼23.5%

Earnings per share

每股盈利

(HK cent 港仙)

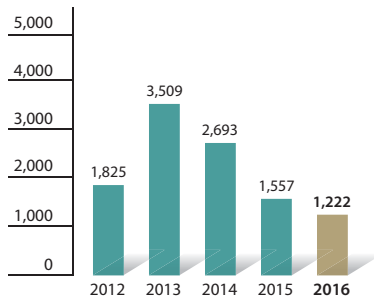


HK12.2
cents 港仙
▼21.5%

Profit attributable to shareholders of the Company

本公司股東應佔溢利

(HK\$ million 百萬港元)

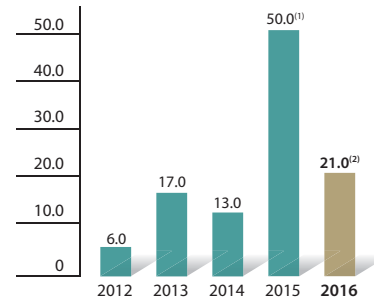


HK\$1,222
million 百萬港元
▼21.5%

Interim and special dividends per share

每股中期及特別股息

(HK cent 港仙)

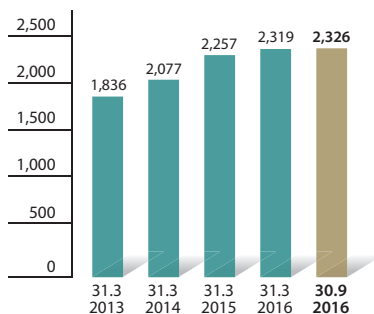


HK21.0⁽²⁾
cents 港仙
▼58.0%

As at 於

POS

零售點

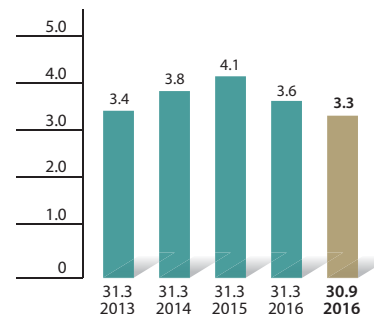


2,326
POS 零售點
▲0.3%

Net assets per share

每股資產淨額

(HK\$ 港元)



HK\$3.3
港元
▼8.3%

(1) Being a total of interim dividend of HK8.0 cents and special dividend of HK42.0 cents
(2) Being a total of interim dividend of HK6.0 cents and special dividend of HK15.0 cents

(1) 即中期股息8.0港仙及特別股息42.0港仙的總計
(2) 即中期股息6.0港仙及特別股息15.0港仙的總計

Financial and Operational Highlights 財務及營運摘要

Six months ended 30 September	截至9月30日止六個月	2012 HK\$ million 百萬港元	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Revenue	營業額	25,436	37,768	29,320	28,124	21,526
Gross profit	毛利	6,706	9,978	9,328	7,857	6,828
Core operating profit ⁽¹⁾	主要經營溢利 ⁽¹⁾	3,338	4,610	3,156	2,422	1,708
Profit for the period	期內溢利	1,893	3,603	2,736	1,561	1,268
Profit attributable to shareholders of the Company	本公司股東應佔溢利	1,825	3,509	2,693	1,557	1,222
Earnings per share (HK cent)	每股盈利(港仙)	18.2	35.1	26.9	15.6	12.2
Dividend per share (HK cent)	每股股息(港仙)	6.0	17.0	13.0	50.0	21.0
Interim dividend (HK cent)	中期股息(港仙)	6.0	17.0	13.0	8.0	6.0
Special dividend (HK cent)	特別股息(港仙)	-	-	-	42.0	15.0
Gross profit margin	毛利率	26.4%	26.4%	31.8%	27.9%	31.7%
Adjusted gross profit margin ⁽²⁾	經調整後的毛利率 ⁽²⁾	29.1%	26.8%	30.1%	28.5%	30.1%
Core operating profit margin ⁽¹⁾	主要經營溢利率 ⁽¹⁾	13.1%	12.2%	10.8%	8.6%	7.9%
Net profit margin	淨溢利率	7.4%	9.5%	9.3%	5.6%	5.9%
Interim dividend payout ratio	中期派息率	32.9%	48.4%	48.3%	51.3%	49.2%

(1) Core operating profit and the corresponding margin, a non-IFRS measure, being the aggregate of adjusted gross profit and other income, less selling and distribution costs and general and administrative expenses, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its core businesses

(2) Adjusted gross profit margin, a non-IFRS measure, eliminates the effect of unrealised hedging loss/(gain) on gold loans and bullion forward contracts, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its businesses

(1) 主要經營溢利及主要經營溢利率並非按國際財務報告準則計算，指經調整後的毛利及其他收益的合計，減銷售及分銷成本以及一般及行政開支，本公司相信此等數據有助更透徹了解其經營表現及核心業務的實際趨勢

(2) 經調整後的毛利率並非按國際財務報告準則計算，扣除了黃金借貸及黃金遠期合約的未變現對沖虧損/(收益)的影響，本公司相信此數據有助更透徹了解其經營表現及業務的實際趨勢

Six months ended 30 September	截至9月30日止六個月	2012 HK\$ million 百萬港元	2013 HK\$ million 百萬港元	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	3,592	4,390	3,553	2,696	2,525
Net cash from/(used in) operating activities	經營活動所得/(所用)現金淨額	1,165	(2,614)	6,130	4,299	(282)
Net cash from/(used in) investing activities	投資活動所得/(所用)現金淨額	(449)	(793)	(2,061)	(494)	(443)
Net cash from/(used in) financing activities	融資活動所得/(所用)現金淨額	(5,307)	4,865	(4,859)	(1,669)	(3,637)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	(4,591)	1,458	(790)	2,136	(4,362)
Capital expenditure	資本開支	525	835	1,697	489	398
Pro forma free cash flows ⁽³⁾	備考自由現金流 ⁽³⁾	2,733	828	850	3,760	798

(3) Net cash from/(used in) operating activities less capital expenditure and net movements for gold loans

(3) 經營活動所得/(所用)現金淨額減資本開支及黃金借貸淨變動

		31.3.2013 HK\$ million 百萬港元	31.3.2014 HK\$ million 百萬港元	31.3.2015 HK\$ million 百萬港元	31.3.2016 HK\$ million 百萬港元	30.9.2016 HK\$ million 百萬港元
Non-current assets	非流動資產	3,442	4,263	7,038	6,670	6,362
Current assets	流動資產	39,777	57,554	54,083	49,005	46,862
Current liabilities	流動負債	8,413	22,507	19,880	18,764	18,889
Net current assets	流動資產淨額	31,364	35,047	34,203	30,241	27,973
Net assets	資產淨額	33,861	38,452	40,541	35,750	33,243
Total assets	資產總額	43,219	61,817	61,121	55,675	53,224
Inventories	存貨	27,315	42,544	39,798	31,377	32,820
Bank deposits and cash equivalents ⁽⁴⁾	銀行存款及現金等價物 ⁽⁴⁾	8,331	9,972	8,478	13,001	8,364
Bank borrowings	銀行貸款	1,000	6,300	6,751	7,920	6,000
Gold loans	黃金借貸	4,836	10,787	8,338	6,513	7,904
Net debt/(cash) ⁽⁵⁾	債項/(現金)淨額 ⁽⁵⁾	(2,495)	7,115	6,611	1,432	5,540
Net assets per share (HK\$)	每股資產淨額(港元)	3.4	3.8	4.1	3.6	3.3
Net gearing ratio ⁽⁶⁾	淨資本負債比率 ⁽⁶⁾	N/A 不適用 ⁽⁷⁾	18.5%	16.3%	4.0%	16.7%
Inventory turnover period (days) ⁽⁸⁾	存貨周轉期(天) ⁽⁸⁾	242	276	320	279	407

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

(4) 包括銀行結餘及現金、已抵押銀行存款及短期銀行存款

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

(5) 銀行貸款及黃金借貸之總額(扣除銀行存款及現金等價物)

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

(6) 銀行貸款及黃金借貸之總額(扣除銀行存款及現金等價物)除以權益總額

(7) The Group had a net cash position as at 31 March 2013, and therefore the net gearing ratio was not applicable

(7) 本集團於2013年3月31日處於淨現金狀況，故淨資本負債比率並不適用

(8) Being inventory balances, excluding packing materials, at the end of the reporting period divided by cost of goods sold for the period, multiplied by 365 or 366 (for FY)/183 (for 1HFY)

(8) 即報告期末存貨結餘(不包括包裝物料)除以期內銷售成本，再乘以365或366(財政年度)/183(財政年度上半年)

Six months ended 30 September	截至9月30日止六個月	2012	2013	2014	2015	2016
Mainland China	中國內地 — 珠寶業務					
— Jewellery business						
SSSG	同店銷售增長	3.6%	23.1%	(21.3)%	0.1%	(20.9)%
SSS volume growth	同店銷量增長	0.1%	33.9%	(18.8)%	1.8%	(27.1)%
Hong Kong and Macau	香港及澳門					
SSSG	同店銷售增長	(6.3)%	47.0%	(41.0)%	(18.2)%	(25.7)%
SSS volume growth	同店銷量增長	1.1%	65.0%	(34.4)%	(23.3)%	(32.7)%
Retail sales volume (unit)	銷量(件)					
Mainland China	中國內地	4,435,000	6,592,000	5,883,000	6,387,000	5,023,000
Hong Kong, Macau and other markets	香港、澳門及其他市場	1,682,000	3,125,000	2,331,000	1,948,000	1,301,000

		31.3.2013	31.3.2014	31.3.2015	31.3.2016	30.9.2016
POS network	零售點網絡					
Mainland China — Jewellery POS ⁽⁹⁾	中國內地 — 珠寶零售點 ⁽⁹⁾	1,640	1,828	1,992	2,057	2,070
Mainland China — Watch POS	中國內地 — 鐘錶零售點	91	137	132	122	120
Hong Kong and Macau	香港及澳門	95	102	112	109	103
Other markets	其他市場	10	10	11	17	19
Hearts On Fire ⁽¹⁰⁾	Hearts On Fire ⁽¹⁰⁾	—	—	10	14	14
Total ⁽¹¹⁾	總計 ⁽¹¹⁾	1,836	2,077	2,257	2,319	2,326

(9) Included Hearts On Fire POS in Mainland China

(9) 包括於中國內地的 Hearts On Fire 零售點

(10) Included Hearts On Fire POS in the United States and Taiwan

(10) 包括於美國及台灣的 Hearts On Fire 零售點

(11) Excluded Hearts On Fire shop-in-shop and counter-in-shop

(11) 不包括 Hearts On Fire 店中店及店內專櫃

OUR SUSTAINABILITY JOURNEY 我們的可持續發展里程

To strive for a more effective execution of our corporate social responsibilities, we introduced the “Do Good” programme with a mission of committing ourselves to facilitating sustainable development in the community. “Do Good” is a positive and caring attitude that showcases our corporate culture in creating a better world.

We are committed to giving our best to our customers, employees, partners, shareholders and the society. We ensure proper and efficient use of economic and social resources in support of our business and return to the society by creating shared value for sustainable development and establishing a constructive rapport with the community.



為更有效執行企業社會責任，我們推出了「Do Good」計劃，承諾致力促進社區的可持續發展。「Do Good」以積極關愛的態度，發揮周大福企業精神以創造更美好的世界。

我們致力把最好的給予顧客、員工、合作夥伴、股東以及社會大眾。我們確保適當和有效地運用經濟及社會資源以支持業務發展，為可持續發展創造共同價值和與社區建立融洽的關係，以回饋社會。

1 Stakeholder's engagement and communications through interviews, on-site visits, surveys and focus groups

透過會面、實地考察、問卷調查和專題小組與持份者保持聯繫和溝通

2 Materiality assessment to identify and prioritise aspects that are material to our business and our stakeholders

進行重要性評估，以確定和優先考慮對於我們的業務和持份者重要的事項

4 Performance improvement to achieve sustainable development

改善表現以達至可持續發展

3 Formulation of sustainability strategies

制定可持續發展之策略

Materiality assessment

重要性評估

The diagram on the right was formulated based on the significance level of different sustainability categories to our business and stakeholders.

右圖為不同的可持續發展範疇對我們的業務和持份者的重要性。



The most material aspects of each category

各範疇中重要性最高的事項

Our Practices 我們的營商操守	Respect for laws and regulations 守法合規
Our Customers 我們的顧客	Protection of customer privacy 保障顧客的私隱
Our People 我們的人才	Respect for labour rights under laws and regulations 遵守勞工法例，保障勞工權益 Safe working environment with protection from occupational hazards 提供安全的工作環境，並保障員工的職業安全與健康
Our Community 我們的社區	Consideration of community development in business decision making 制定業務策略時會對社區發展作出考慮
Our Environment 我們的環境	Treatment and measures to mitigate industrial emissions 減低工業廢氣排放的處理及措施

Corporate Strategies Overview 企業策略概覽

An Iconic and TRUSTED BRAND

標誌性及備受信賴之品牌

Being an iconic and trusted brand for over 87 years, Chow Tai Fook upholds the principles of "Traceable • Transparent • Truthful • Thoughtful" to attain sustainable business development.

作為擁有超過87年具標誌性及備受信賴之品牌，周大福堅持「可尋•可知•可信•可頌」的原則，致力實現可持續的業務發展。



TO TELL THE TRUTH
唯真可鑒

TRACEABLE 可尋

Traceable origin of "Chow Tai Fook T MARK" diamond
「周大福T MARK」鑽石可追溯的來歷

COLOUR
顏色

CLARITY
淨度

TRANSPARENT 可知

Unconcealed history from sourcing to retail sales
由採購至銷售，資料透明公開

TRUTHFUL 可信

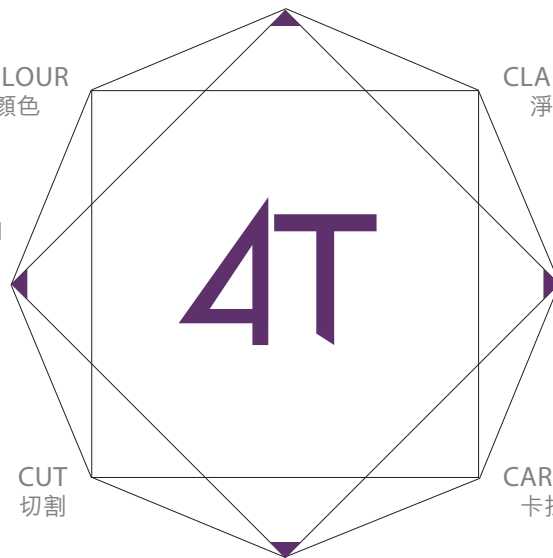
Credible source behind each "Chow Tai Fook T MARK" diamond
每顆「周大福T MARK」鑽石背後可信賴的來源

CUT
切割

CARAT
卡拉

THOUGHTFUL 可頌

New and pleasant customer experience and services
嶄新及愉快的客戶體驗和服務





1 Market Development 市場發展

Focus on optimising our retail network in Greater China

專注優化我們於大中華的零售網絡

Explore business opportunities in global jewellery market by unleashing the potentials of our vertically integrated business model

發揮我們垂直整合業務模式的潛力，發掘環球珠寶市場的商機



2 Product Management 產品管理

Provide credible, innovative and distinctive product offerings via the launch of "Chow Tai Fook T MARK" diamond brand

透過推出「周大福 T MARK」鑽石品牌，提供可靠、創新及與眾不同的產品選擇

Enrich our gem-set jewellery portfolio by introducing Hearts On Fire products

引入 Hearts On Fire 產品，豐富珠寶鑲嵌首飾的產品組合

周大福

CHOW TAI FOOK

3 Customer Services and Marketing 客戶服務及市場推廣

Uplift brand image and customer experience via POS differentiation and new store image

通過店舖差異化及嶄新形象提升品牌形象和客戶體驗

Expand customer base and extract O2O synergies through our "Smart+" initiatives

藉着「Smart+」計劃，以拓展客戶群及增加線上線下的協同效益

4 Production and Operations 生產及營運

Stay responsive to market changes through adopting the inventory unification mechanism

採用統一存貨管理機制，以便及時回應市場變化

Optimise our operations and management hierarchy with more autonomy delegated to regional management

優化我們的營運及管理結構，授予區域管理層更多自主權



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Market Development 市場發展

In response to the rapid market changes and volatile macro-economic environment across Greater China during 1HFY2017, we focused on optimising our existing retail network to enhance store productivity and efficiency.

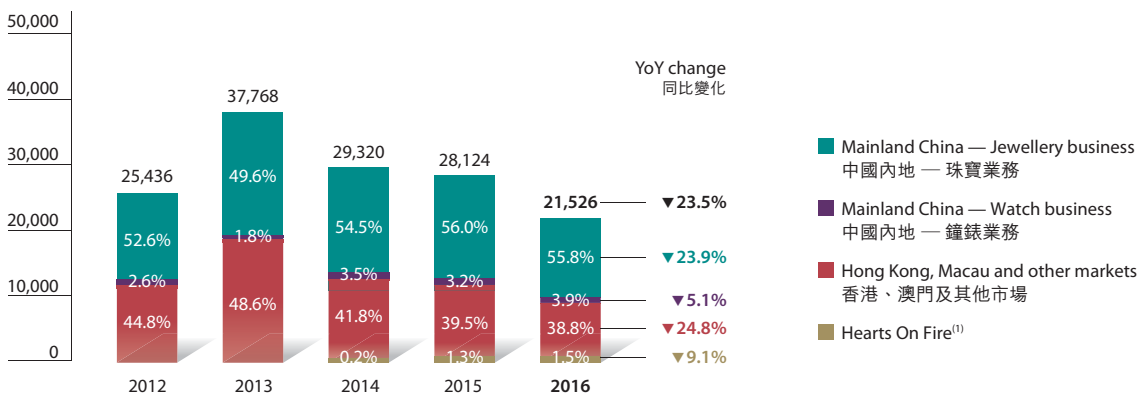
2017財政年度上半年，我們專注於優化現有零售網絡，提高店舖產能及營運效率，以應對市場的迅速變化及大中華宏觀經濟環境的波動。

Group

Revenue and SSSG

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

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



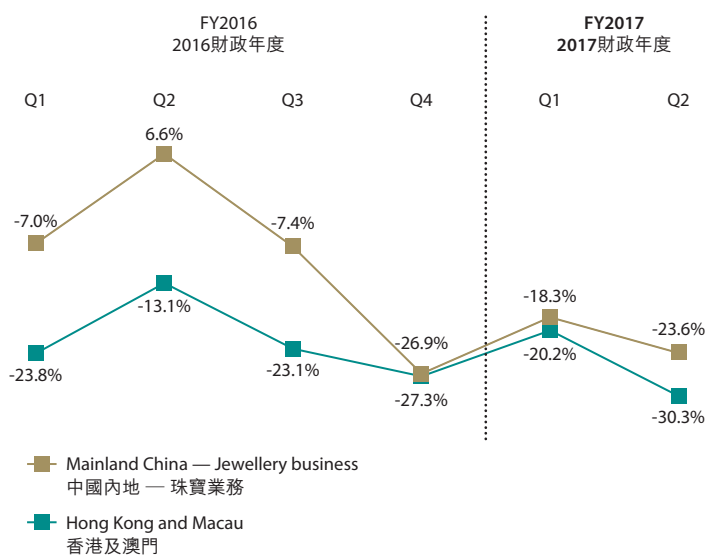
(1) Hearts On Fire was acquired on 31 August 2014

集團

營業額及同店銷售增長

(1) 於2014年8月31日購入Hearts On Fire

SSSG by major reportable segment 主要可呈報分部的同店銷售增長



SSSG in 1HFY2017

2017財政年度上半年的同店銷售增長

▼20.9% Mainland China — Jewellery business
中國內地 — 珠寶業務

▼25.7% Hong Kong and Macau
香港及澳門

- Revenue contribution from Mainland China market has been increasing since 1HFY2014, and contributed 59.7% to the Group's revenue in 1HFY2017.
- The decline in SSS in 2QFY2017 was mainly due to the high base arising from the mini gold rush triggered by a drop in gold price in July and August last year.
- 自2014財政年度上半年開始，中國內地市場佔本集團的營業額持續增加，於2017財政年度上半年達59.7%。
- 同店銷售於2017財政年度第二季度有所下跌，主要是由於去年7月至8月金價下跌引發的小金潮導致較高的基數。

POS network

零售點網絡

As at	於	31.3.2015 Total 總計	31.3.2016 Total 總計	During 1HFY2017 2017財政年度上半年			30.9.2016 Total 總計
				Addition 增加	Reduction 減少	Net 淨增減	
Mainland China — Jewellery POS ⁽¹⁾	中國內地 — 珠寶零售點 ⁽¹⁾	1,992	2,057	107	(94)	13	2,070
Mainland China — Watch POS	中國內地 — 鐘錶零售點	132	122	5	(7)	(2)	120
Hong Kong and Macau	香港及澳門	112	109	–	(6)	(6)	103
Other markets	其他市場	11	17	2	–	2	19
Hearts On Fire ⁽²⁾	Hearts On Fire ⁽²⁾	10	14	–	–	–	14
Total⁽³⁾	總計⁽³⁾	2,257	2,319	114	(107)	7	2,326

(1) Included Hearts On Fire POS in Mainland China

(2) Included Hearts On Fire POS in the United States and Taiwan

(3) Excluded Hearts On Fire shop-in-shop and counter-in-shop

(1) 包括於中國內地的 Hearts On Fire 零售點

(2) 包括於美國及台灣的 Hearts On Fire 零售點

(3) 不包括 Hearts On Fire 店中店及店內專櫃

Management Discussion and Analysis 管理層討論與分析

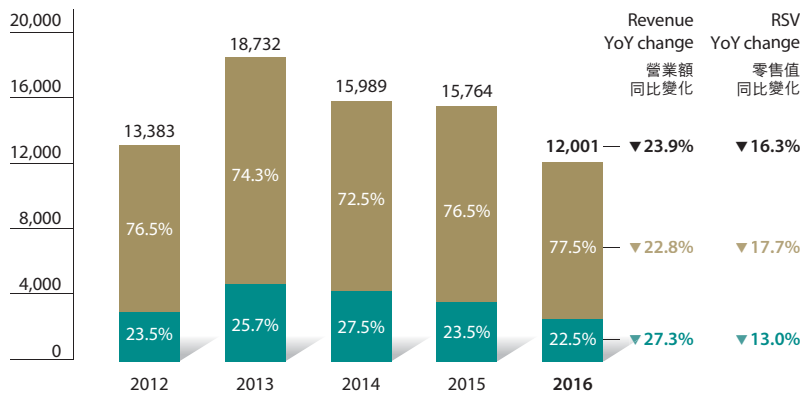
- A relatively higher number of Jewellery POS closures in Mainland China was recorded during 1HFY2017 as a result of the consolidation and restructuring of traditional distribution channels such as department stores.
- A net of 2 Watch POS in Mainland China were closed in 1HFY2017 to enhance POS efficiency and productivity.
- 6 POS were closed in Hong Kong and Macau during 1HFY2017.
- A total of 2 POS in Malaysia and Korea were opened to tap business opportunities from Mainland tourists.
- 2017財政年度上半年於中國內地關閉的珠寶零售點相對較多，主要受傳統分銷渠道(例如百貨公司)整合及重組影響所致。
- 2017財政年度上半年於中國內地淨關閉2個鐘錶零售點，以提升零售點營運效率及產能。
- 2017財政年度上半年於香港及澳門共關閉6個零售點。
- 於馬來西亞及韓國共開設2個零售點，以發掘內地遊客帶來的商機。

Mainland China — Jewellery business

Revenue

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

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



中國內地 — 珠寶業務

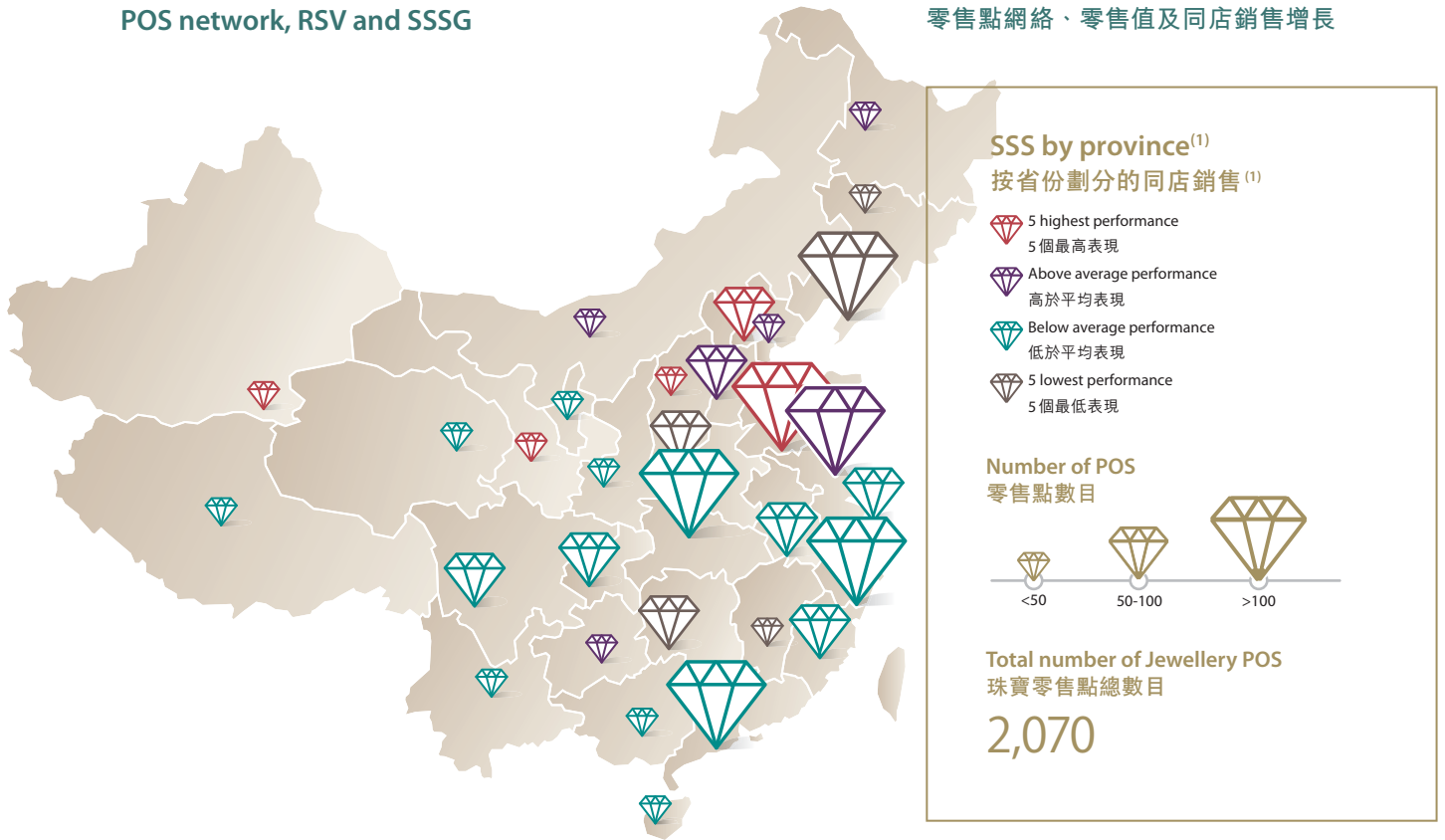
營業額



- Our retail revenue represents sales from self-operated POS, e-commerce and other direct channels, while wholesale revenue represents sales and provision of services to franchisees.
- A decline in revenue and RSV in 1HFY2017 was attributable to market softness and the high base from mini gold rush last year.
- As our franchisees are gradually adopting the inventory ownership unification program, the trend of wholesale revenue and RSV could be different in the interim. However, upon the complete adoption of the program, such difference is expected to narrow considerably.
- 我們的零售營業額指來自直營零售點、電子商務及其他直接渠道的銷售額，而批發營業額則指向加盟商銷售貨品及提供服務的收入。
- 2017財政年度上半年的營業額及零售值有所減少，主要由於市場疲弱及去年小金潮導致較高的基數。
- 由於我們的加盟商正逐步採用統一存貨擁有權計劃，批發營業額與零售值於期間或會出現不同的趨勢。不過，當計劃完全被採用後，其變化差異預期將會明顯收窄。

POS network, RSV and SSSG

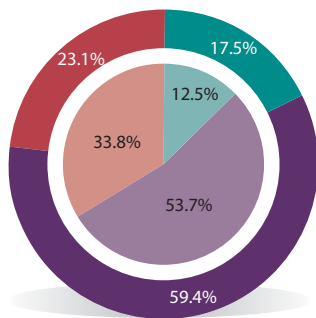
零售點網絡、零售值及同店銷售增長



(1) To give a better understanding of the relationship between our sales performance and POS network, the above illustration included the performance of our franchised POS

(1) 為進一步了解我們的銷售表現與零售點網絡之間的關係，以上的概述包括我們的加盟零售點的銷售表現

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



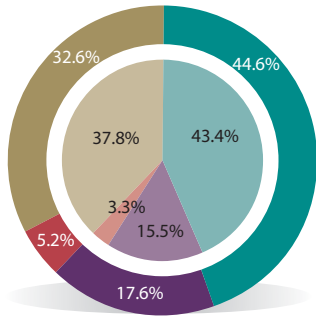
	% of RSV 零售值佔比	% of POS 零售點佔比	RSV YoY 零售值同比	Number of net openings 淨開店數目
Tier I 一線	17.5%	12.5%	▼ 14.8%	▲ 6
Tier II 二線	59.4%	53.7%	▼ 17.6%	-
Tier III and others 三線及其他	23.1%	33.8%	▼ 18.0%	▲ 7

- RSV performance in Tier I cities was more resilient as supported by more stable fundamentals and consumer sentiment.

- 一線城市的基本因素及消費意欲較為穩定，因此其零售值的防守性較強。

Management Discussion and Analysis 管理層討論與分析

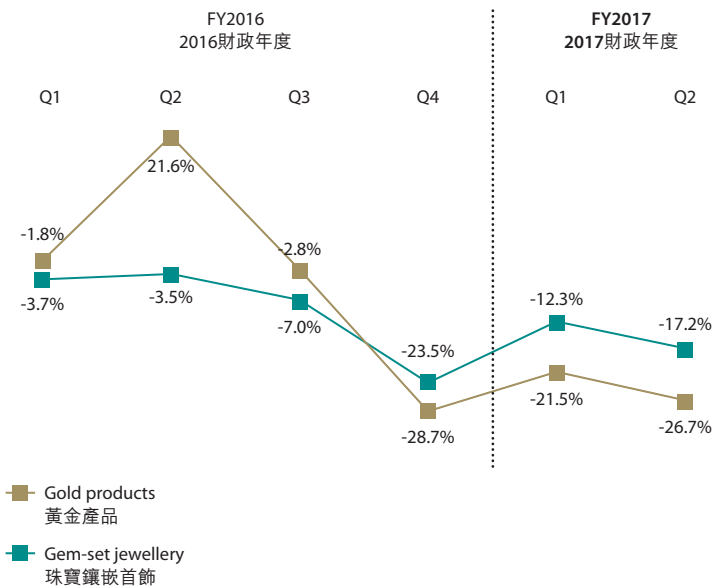
RSV and POS by operation model 按營運模式劃分的零售值及零售點



	% of RSV 零售值佔比	% of POS 零售點佔比	RSV YoY 零售值同比	Number of net openings 淨開店數目
Self-operated (Department store) 直營(百貨公司)	43.4%	44.6%	▼ 22.4%	▼ 19
Self-operated (Shopping mall) 直營(購物中心)	3.3%	17.6%	▼ 5.4%	▲ 26
Self-operated (Standalone store) 直營(專賣店)	5.2%	3.3%	▼ 28.8%	▼ 6
Franchised 加盟	37.8%	32.6%	▼ 13.0%	▲ 12

- A net of 26 POS were opened in shopping malls while a net of 19 POS were closed in department stores during 1HFY2017 in response to the changing retail landscape in Mainland China.
- RSV performance of self-operated standalone stores was relatively weaker as a result of fewer promotional activities and reduced customer traffic compared to shopping malls and department stores.
- 2017財政年度上半年因應中國內地零售市場環境的轉變，我們於購物中心淨開設26個零售點，而於百貨公司則淨關閉19個零售點。
- 與購物中心及百貨公司相比，直營專賣店的推廣活動較少且客流量下跌，因而導致零售值表現相對欠佳。

SSSG 同店銷售增長



SSSG in 1HFY2017
2017財政年度上半年的同店銷售增長

▼14.7% Gem-set jewellery SSSG
珠寶鑲嵌首飾同店銷售增長
ASP 平均售價
HK\$6,200 港元
(1HFY2016 2016財政年度上半年: HK\$5,800 港元)

▼24.2% Gold products SSSG
黃金產品同店銷售增長
ASP 平均售價
HK\$3,300 港元
(1HFY2016 2016財政年度上半年: HK\$3,000 港元)

- SSS decline of gold products in 2QFY2017 was mainly due to the high base resulted from a mini gold rush last year.
- SSS decline of gem-set jewellery was mainly driven by a drop in volume. Yet, ASP increased by 8.1% during the period.
- 黃金產品的同店銷售於2017財政年度第二季度有所下跌，主要是由於去年的小金潮導致較高的基數。
- 珠寶鑲嵌首飾的同店銷售減少主要是由於銷量下降，而期內的平均售價則增加8.1%。

Hearts On Fire in Mainland China

- We promoted the exclusive and internationally acclaimed premium diamond brand, Hearts On Fire, in Mainland China to cater to the design-oriented and more sophisticated customer segment.
- During 1HFY2017, we had a net opening of 2 POS and 30 shop-in-shop/counter-in-shop in Mainland China, bringing a total of 7 POS and 148 shop-in-shop/counter-in-shop as at 30 September 2016.

E-commerce



Unique daily visitors⁽¹⁾
平均每日瀏覽量 — 不重複訪客⁽¹⁾

250,000

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

Number of followers⁽²⁾
關注人數⁽²⁾

2,650,000

(2) Source from official Sina Weibo, Tencent Weibo and WeChat accounts

- We integrated our online and offline resources to direct traffic to our distribution channels empowered by digital marketing.
- We continue to develop our e-commerce business by strengthening the collaborations with existing online platforms and exploring new sales channels.
- Through our investment in operating CTF HOKO shopping complex in Qianhai, Shenzhen, which combines cross-border e-commerce and physical stores, we expect to obtain a better understanding of the evolving consumer purchase behaviour and to enrich our customer base.
- Phase I, occupying a gross floor area of 7,000 square metres, was opened in December 2015. Grand opening of phase II with a gross floor area of 12,000 square metres is expected to be in December 2016.

於中國內地的 Hearts On Fire

- 我們將獨一無二、蜚聲國際的高級鑽石品牌 Hearts On Fire 推廣至中國內地，以迎合追求設計及高品味的顧客。
- 2017 財政年度上半年，我們於中國內地淨開設 2 個零售點和 30 間店中店／店內專櫃。於 2016 年 9 月 30 日共有 7 個零售點和 148 間店中店／店內專櫃。

電子商務

RSV in 1HFY2017 2017 財政年度上半年的零售值

▲22.5% YoY Change
同比變化

2.8% As a % of respective RSV
佔相關零售值百分比
(1HFY2016 2016 財政年度上半年: 1.9%)

7.4% As a % of respective retail sales volume
佔相關銷量百分比
(1HFY2016 2016 財政年度上半年: 5.9%)

ASP 平均售價

HK\$1,300 港元

(1HFY2016 2016 財政年度上半年: HK\$1,000 港元)

(1) 數據源自周大福網絡旗艦店、天貓及京東

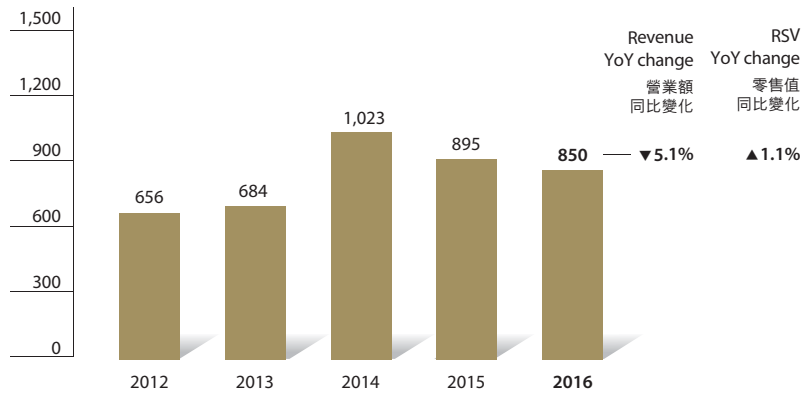
(2) 數據源自新浪微博、騰訊微博及微信官方帳戶

- 我們整合線上線下資源，透過數碼市場推廣，利用分銷渠道進行引流。
- 我們透過加強與現有的網上平台的合作與開拓其他創新銷售渠道以持續發展電子商務業務。
- 通過投資營運位於深圳前海的購物中心CTF HOKO (結合跨境電子商務及實體商店)，我們預期會更了解消費者不斷變化的購買行為，並擴展顧客群。
- 第一期(建築面積為7,000平方米)已於2015年12月開業。第二期(建築面積為12,000平方米)預期於2016年12月盛大開業。

Management Discussion and Analysis 管理層討論與分析

Mainland China — Watch business

Revenue

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)

- Revenue declined while RSV performance increased slightly due to exchange rate effect.
- SSSG was 5.6% with SSS volume dropped slightly by 1.2%.

中國內地 — 鐘錶業務

營業額

1HFY2017 2017財政年度上半年

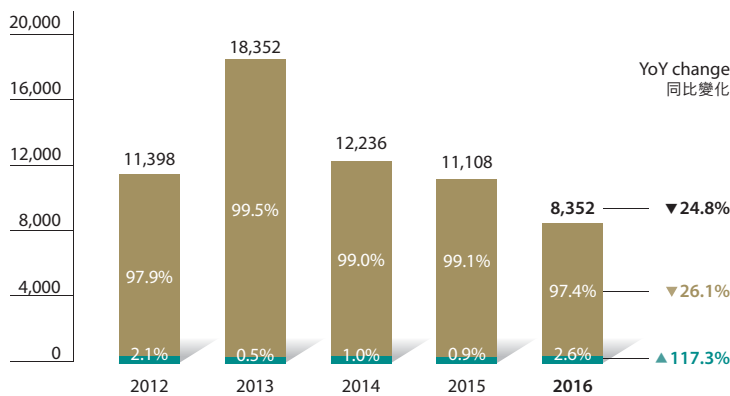
▲5.6% SSSG
同店銷售增長▼1.2% SSS volume growth
同店銷量增長

- 受匯率影響，營業額下滑，而零售值則略增。
- 同店銷售增長為5.6%，而同店銷量則略減1.2%。

Hong Kong, Macau and other markets

Revenue

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

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)

- Weak consumer sentiment and a change in purchase behaviour of Mainland tourists continued to affect the sales performance in the region during 1HFY2017.

香港、澳門及其他市場

營業額

1HFY2017 2017財政年度上半年

▼25.7% SSSG
同店銷售增長▼32.7% SSS volume growth
同店銷量增長

■ Retail
零售

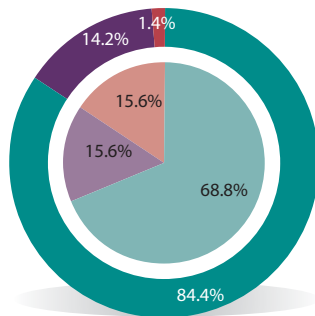
■ Wholesale
批發

- 2017財政年度上半年，相關地區的銷售表現持續受消費意慾疲弱及內地遊客購買行為改變所影響。

POS network, RSV and SSSG

零售點網絡、零售值及同店銷售增長

RSV and POS by geography 按地區劃分的零售值及零售點



	% of RSV 零售值佔比	% of POS 零售點佔比		RSV YoY 零售值同比	Number of net openings 淨開店數目
■	■	Hong Kong 香港		▼ 26.8%	▼ 5
■	■	Macau 澳門		▼ 28.7%	▼ 1
■	■	Other markets 其他市場		▲ 66.0%	▲ 2

Hong Kong and Macau industry performance⁽¹⁾
in 1HFY2017港澳市場於2017財政年度上半年的行業表現⁽¹⁾▼10.7% YoY change of retail sales of jewellery industry in Hong Kong
香港珠寶業銷貨價值同比變化Number of Mainland visitors⁽²⁾內地訪客人數⁽²⁾▼5.2% YoY change in
Hong Kong
於香港同比變化▼3.6% YoY change in
Macau
於澳門同比變化Our Hong Kong and Macau performance
in 1HFY2017

我們港澳市場於2017財政年度上半年的表現

▼28.8% YoY change in customer traffic at POS
零售點客流量同比變化

RSV settled by China UnionPay/RMB

以中國銀聯/人民幣結算之零售值

44.9% Hong Kong and Macau
香港及澳門
(1HFY2016 2016財政年度上半年: 55.4%)

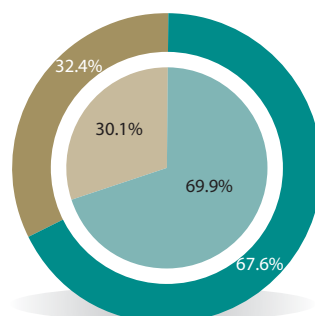
(1) Being the value of retail sales of jewellery, watches and clocks, and valuable gifts in Hong Kong, and was sourced from Census and Statistics Department of Hong Kong

(2) Source from Commerce and Economic Development Bureau of Hong Kong, and the Macau Statistics and Census Service

(1) 指有關珠寶首飾、鐘錶及名貴禮品於香港的零售業銷貨價值。數據源自香港政府統計處

(2) 數據源自香港商務及經濟發展局與澳門統計暨普查局

RSV and POS by touristic area in Hong Kong and Macau 香港及澳門按旅遊區劃分的零售值及零售點



	% of RSV 零售值佔比	% of POS 零售點佔比		RSV YoY 零售值同比	Number of net openings 淨開店數目
■	■	Touristic area ⁽³⁾ 旅遊區 ⁽³⁾		▼ 33.2%	▼ 6
■	■	Other area 其他地區		▼ 9.8%	-

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

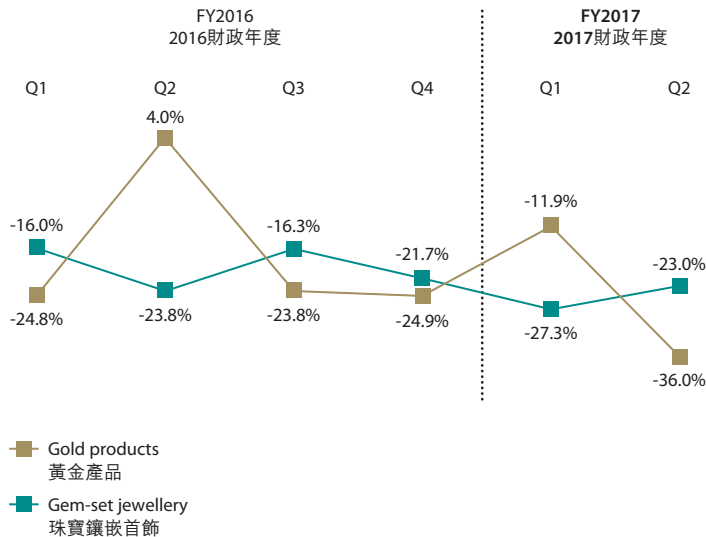
(3) 旅遊區包括銅鑼灣、尖沙咀、旺角、油麻地、沙田、上水、香港國際機場及澳門

- RSV performance in non-touristic area was more resilient as supported by a relatively stable demand from local customers.

- 非旅遊區受惠於較穩定的本地顧客需求，因此其零售值的防守性較強。

Management Discussion and Analysis 管理層討論與分析

SSSG in Hong Kong and Macau 港澳同店銷售增長



- SSS of gold products declined in 2QFY2017, yet ASP exhibited a strong increase of 21.2%.
- SSS decline of gem-set jewellery was mainly driven by the drop in SSS volume amid weak consumer sentiment, notwithstanding a growth in ASP.

Hearts On Fire in Hong Kong and Macau

- During 1HFY2017, we introduced a net of 1 shop-in-shop/counter-in-shop in our existing retail network.
- As at 30 September 2016, we had a total of 19 shop-in-shop/counter-in-shop in Hong Kong and Macau.

SSSG in 1HFY2017

2017財政年度上半年的同店銷售增長

▼25.3% Gem-set jewellery SSSG
珠寶鑲嵌首飾同店銷售增長

ASP 平均售價

HK\$12,400 港元

(1HFY2016 2016財政年度上半年: HK\$11,600港元)

▼26.0% Gold products SSSG
黃金產品同店銷售增長

ASP 平均售價

HK\$6,700 港元

(1HFY2016 2016財政年度上半年: HK\$5,600港元)

- 黃金產品的同店銷售於2017財政年度第二季度有所下跌，而平均售價則上升21.2%。
- 珠寶鑲嵌首飾的同店銷售減少主要是由於消費意慾疲弱導致同店銷量下跌，然而平均售價卻有所增加。

在香港及澳門的Hearts On Fire

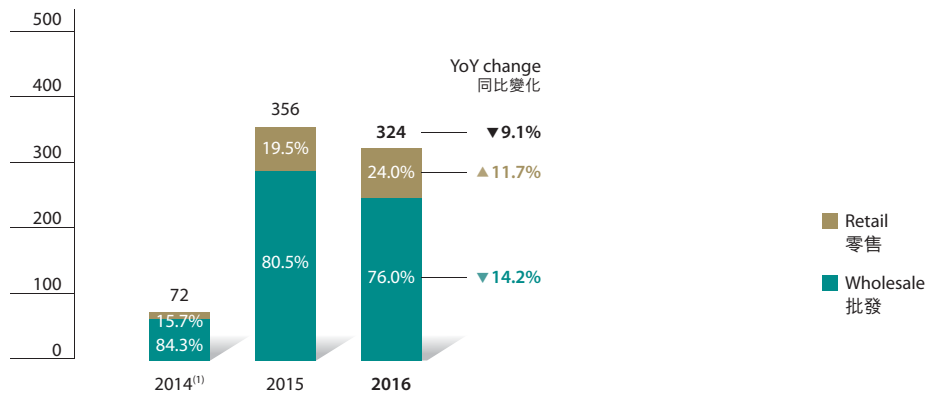
- 2017財政年度上半年，我們於現有零售網絡淨開設1間店中店/店內專櫃。
- 於2016年9月30日，我們於港澳共有19間店中店/店內專櫃。

Hearts On Fire

Revenue

Revenue by operation model 按經營模式劃分的營業額

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



(1) Hearts On Fire was acquired on 31 August 2014

營業額

(1) 於2014年8月31日購入Hearts On Fire

POS network

零售點網絡

As at	於	30.9.2016 Total 總計
The United States	美國	2
Taiwan	台灣	12
Total	總計	14
Retailer locations	分銷店	541

- Around 70% of the retailer locations are in North America and the rest are mainly located in the United Kingdom, Ireland, Caribbean and Asia Pacific region.

- 約70%的分銷店位於北美，餘下則主要位於英國、愛爾蘭、加勒比地區及亞太地區。

Product Management 產品管理

As a jewellery specialist, we capitalised on our vertically integrated business model and unique technology to introduce “Chow Tai Fook T MARK” diamond brand in 1HFY2017, which revolutionised the current diamond industry practice and marked an important milestone in our heritage.

作為珠寶專家，我們抓緊垂直整合業務模式的優勢，配合獨有技術，於2017財政年度上半年推出「周大福 T MARK」鑽石品牌，徹底改變現時鑽石行業慣例，為我們的歷史立下重要的里程碑。

Product offerings

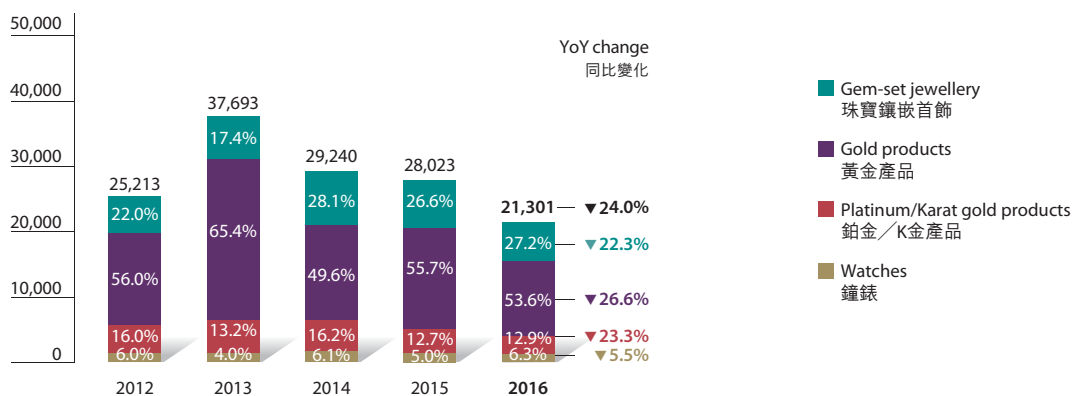
Our diversified jewellery product portfolio covers high-end luxury jewellery, mass luxury jewellery and youth line products.

產品組合

我們提供多元化的珠寶首飾產品，包括名貴珠寶、主流珠寶與年青產品。

Revenue by product⁽¹⁾ 按產品劃分的營業額⁽¹⁾

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



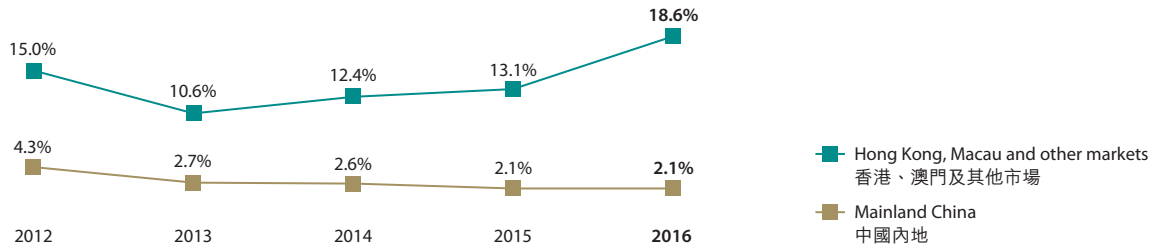
(1) Excluded revenue from jewellery trading and service income from franchisees

(1) 不包括來自珠寶貿易的營業額及加盟商的服務收入

Product price range

Contribution of high-end luxury jewellery⁽¹⁾ to respective RSV 名貴珠寶⁽¹⁾之零售值佔比

Six months ended 30 September 截至9月30日止六個月



(1) ASP > HK\$100,000

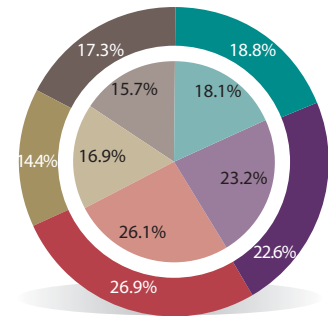
產品價格分佈

Hong Kong, Macau and other markets

RSV by price range – Gem-set jewellery

香港、澳門及其他市場

按價格範圍劃分的零售值 — 珠寶鑲嵌首飾

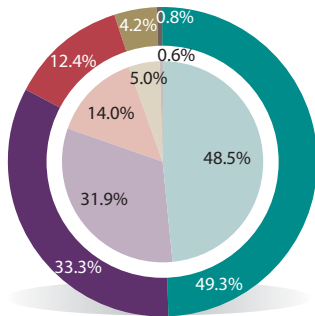


Mainland China

RSV by price range – Gem-set jewellery

中國內地

按價格範圍劃分的零售值 — 珠寶鑲嵌首飾

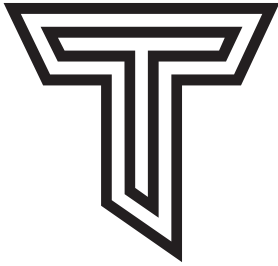


Six months ended 30 September

截至9月30日止六個月

2016 2015 HK\$ 港元

Price Range (HK\$)	2016	2015
≤10,000	18.1%	18.8%
10,001-30,000	23.2%	22.6%
30,001-100,000	26.9%	26.1%
100,001-500,000	16.9%	15.7%
≥500,001	14.4%	17.3%



CHOW TAI FOOK T MARK

Chow Tai Fook T MARK 周大福 T MARK

In an effort to differentiate our product offerings, we brought in a disruptive innovation “Chow Tai Fook T MARK” diamond brand in Mainland China, Hong Kong and Macau in August this year. It was a breakthrough in the current industry practice by introducing the “4Ts” concept.

為使我們的產品組合更顯與眾不同，我們於今年8月在中國內地、香港及澳門推出創新的「周大福 T MARK」鑽石品牌，提出「4Ts」概念，突破了目前的行業慣例。



“Chow Tai Fook T MARK” counter-in-shop in Hong Kong
香港「周大福 T MARK」店內專櫃



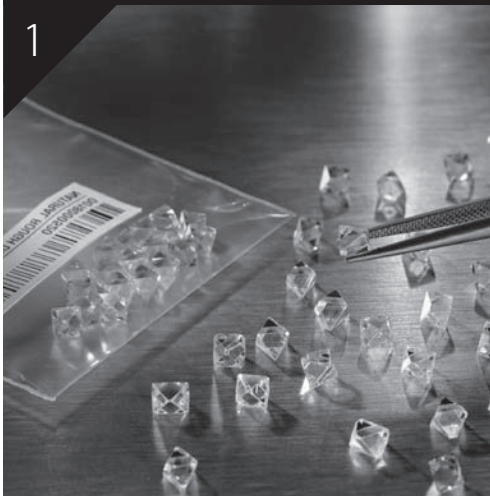
“Chow Tai Fook T MARK” experiential zone in Hong Kong
香港「周大福 T MARK」體驗區



“Chow Tai Fook T MARK” app
「周大福 T MARK」應用程式

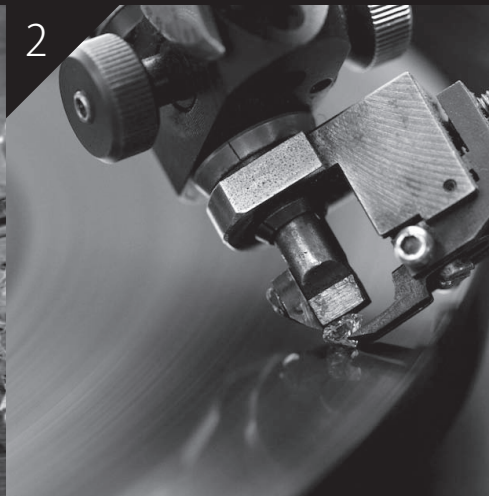
- Each “Chow Tai Fook T MARK” diamond is inscribed with a “T MARK” marking by our patented nano-inscription technology.
- The marking, essentially a set of unique serial numbers, serves as a resume of the diamond with records of procurement, cutting and polishing, marking, authentication, design and manufacturing along our vertically integrated business model.

1



Procurement 採購

2

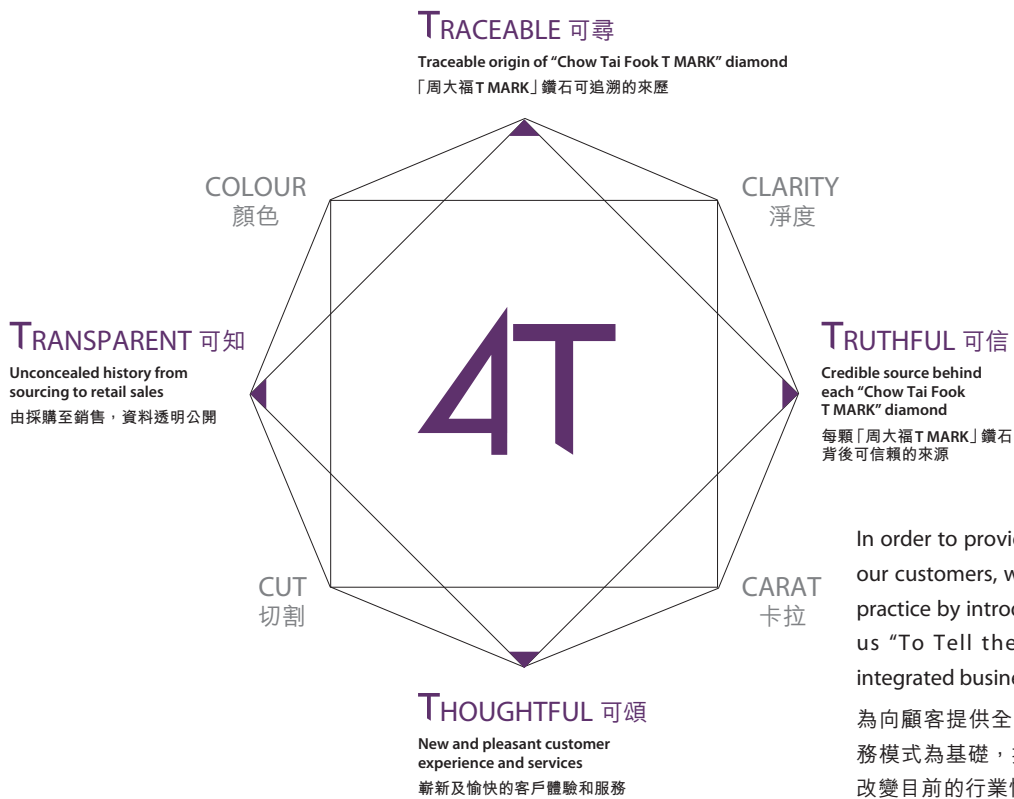


Cutting and polishing 切割及打磨

3



Marking 印記



In order to provide a new and exclusive experience to our customers, we revolutionised the current industry practice by introducing the "4Ts" concept that enables us "To Tell the Truth" backed by our vertically integrated business model.

為向顧客提供全新及獨特的體驗，我們以垂直整合業務模式為基礎，推出「唯真可鑒」的「4Ts」概念，徹底改變目前的行業慣例。

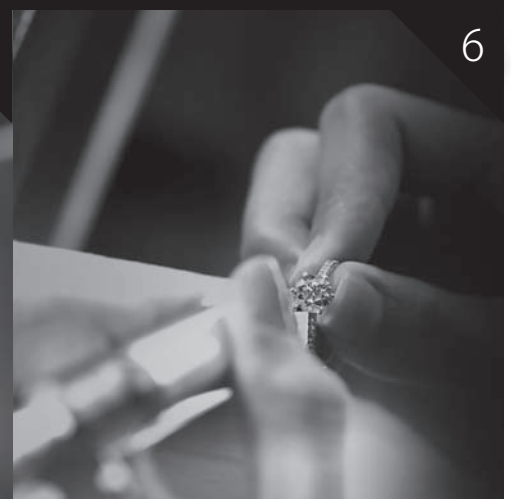
- 每顆「周大福T MARK」鑽石均採用納米刻字專利技術刻有「T MARK」印記。
- 印記為一組獨特的編號，簡要記錄鑽石在我們垂直整合業務模式中由採購、切割及打磨、印記、鑒證、設計至製造的過程。



Authentication 鑒證



Design 設計



Manufacturing 製造

Hearts On Fire

- During 1HFY2017, we collaborated with acclaimed London-based jewellery designer Stephen Webster and launched “Hearts On Fire by Stephen Webster — White Kites” Collection.
- This collection, marrying the iconic and innovative look of Webster’s designs with Hearts On Fire’s perfectly cut diamonds, further elevates our design offerings with greater variety in both high-end fashion and bridal jewellery.
- 於2017財政年度上半年，我們與著名倫敦珠寶設計師Stephen Webster攜手合作，推出「Hearts On Fire by Stephen Webster – White Kites」系列。
- 該系列將Webster獨特新穎的設計與Hearts On Fire切割完美的鑽石融合，提升產品設計，令我們名貴時尚及婚嫁珠寶的款式更為豐富。



“Hearts On Fire by Stephen Webster — White Kites” Collection
「Hearts On Fire by Stephen Webster — White Kites」系列



Disney “Tsum Tsum” Collection 迪士尼「Tsum Tsum」系列

- Our lively Disney “Tsum Tsum” Collection, which brought together the popular characters of Disney Tsum Tsum and trend-setting jewellery design, was launched in August 2016.
- 於2016年8月面市的迪士尼「Tsum Tsum」系列，將迪士尼Tsum Tsum受歡迎卡通角色融入珠寶之創新設計。



Customer Services and Marketing 客戶服務及市場推廣

Effective brand management and strong customer loyalty lead to the successful long-term development of the Group. As such, we are dedicated to uplifting the brand image through store differentiation and leveraging on digital marketing to offer personalised and unique shopping experiences to cater to our customers' expectations.

有效的品牌管理和極高的客戶忠誠度讓本集團得以成功實現長遠發展。為此，我們致力透過店舖差異化提高品牌形象及採用數碼市場推廣打造個性化和與眾不同的購物體驗以迎合客戶需求。

Marketing campaigns 市場推廣活動

“Le Labyrinthe Artistique” high jewellery auction

「凝光臻藝」高端珠寶拍賣

- In November this year, we held an auction dinner for our annual high jewellery collection “Le Labyrinthe Artistique” after a series of exclusive previews throughout the period.
- The collection was inspired by the great abstract artists with each unique piece being a celebration of iconic geometric oeuvres of the Modern Period.
- Around 440 selected high-tier members and guests were invited to join this annual highlight where 13 sets of jewellery masterpieces were auctioned.
- 繼期內一系列獨家預覽會後，我們於今年11月舉行年度高端珠寶系列「凝光臻藝」拍賣晚宴。
- 該系列的創作靈感源自顯赫抽象派藝術巨匠的傑作，彰顯現代具代表性的幾何藝術。
- 約440名精選高級會員及貴賓獲邀赴會，共拍賣了13套珠寶傑作。



L'acoustique du Coeur, high jewellery series
高端珠寶系列 一心弦盈韻



High jewellery collection auction dinner
高端珠寶系列拍賣晚宴



La Danse de Temps, high jewellery series
高端珠寶系列 一流光旋舞

Management Discussion and Analysis 管理層討論與分析

Co-operation with celebrities and key opinion leaders (“KOL”)
與名人及網絡紅人合作

- Aiming to maximise our brand exposure and recognition, not only do we focus on traditional marketing such as print media and broadcast media, but we also move forward to digital marketing.
- Leveraging their influential power on the social media and vast follower base, we cooperated with a number of celebrities and KOL during the period to enhance targeted communications.
- 為提高品牌曝光率及知名度，除採用印刷及廣播傳媒等傳統市場推廣外，我們亦採用數碼推廣。
- 我們於期內與一眾名人及網絡紅人合作，利用其在社交媒體的影響力及龐大的粉絲群加強定向推廣。

Sponsored the live show of fans meeting of Amiu, a famous KOL in Mainland China with over 2.8 million followers on Weibo to promote the “Lingering” Collection

贊助微博粉絲超過280萬人的中國內地知名網絡紅人滕雨佳舉辦網絡平台粉絲見面會，推廣「怦然」系列



Invited celebrity Helen To Yu Fung for the promotion of “Star Wars” Collection in which the videos were posted on online platforms
邀請名人杜如風為「星球大戰」系列拍攝宣傳短片，並在網上平台發佈

O2O synergies

Online order distribution

- Leveraging our extensive retail network, we collaborated with Tmall to promptly address customers’ needs by routing our online orders to POS.
- Riding on the advantage of our inventory pooling, this does not only shorten the delivery time but also help us in establishing relationship between POS and online customers .

線上線下協同效益

線上訂單分配

- 憑借龐大的零售網絡，我們與天貓合作將線上訂單發送至零售點以及時滿足客戶的需求。
- 有賴我們的庫存共享，此舉不僅縮短了送貨時間，更有助我們建立零售點與線上客戶之間的關係。



Customer experience

Refreshed store image

- To provide a more personalised shopping experience, we introduced brand new in-store display.
- The new display, apart from looking more refreshing, segments the merchandise display area by different themes of customer needs such as wedding, fashion, classic, etc.
- As at 30 September 2016, there were over 950 POS with refreshed store image in Mainland China.



Refreshed store image
嶄新店舖形象

客戶體驗

嶄新店舖形象

- 為提供更加個性化的購物體驗，我們推出了全新店舖陳列。
- 煥然一新的陳列按顧客的不同需求將商品陳列區劃分為婚嫁、時尚及經典等區域。
- 於2016年9月30日，中國內地有超過950個創新形象零售點。



Jewellery displayed by theme
按主題陳列珠寶

Management Discussion and Analysis 管理層討論與分析

POS differentiation

- In response to the evolving retail landscape, we have upgraded our POS to “high-end luxury” and “elegance” styles to meet the escalating customer expectations.
- The segmented POS, coupled with more personalised product offerings and services, shall bring about a privileged experience to customers who strive for exceptional excellence.

零售點差異化

- 面對不斷變化的零售環境，我們將零售點升級為「華貴」及「豪雅」形象，以迎合顧客更高的期望。
- 差異化的店舖加上更為個性化的產品組合及服務，將為追求極致的顧客提供優越的購物體驗。



High-end luxury style
華貴形象店



Elegance style
豪雅形象店

Opening of our POS at Shanghai Disneyland Resort

- During the period, we further strengthened our partnership with Disney by opening our POS at Shanghai Disneyland Resort.
- A golden maiden tree inspired by the notion of passing on blessings to guests was featured inside the store.
- Special edition of Disney products were available in-store to celebrate its opening.

開設上海迪士尼度假區零售點

- 期內，我們與迪士尼進一步合作，在上海迪士尼度假區開設零售點。
- 店內設有黃金樹，寓意向顧客傳遞祝福。
- 為慶祝開業，店內設有迪士尼限定產品。



Special edition of Disney products at our store in Shanghai Disneyland Resort
上海迪士尼度假區店內迪士尼限定產品

The tree of blessings with a height of approximately 210 cm
祝福樹高約210厘米

Customer relationship management

- Our membership programme plays an important role in supporting our business growth. To stay connected with our members, we provide them with an exclusive experience that matches with their privileged status.

顧客關係管理

- 會員計劃對我們的業務增長尤其重要。為與會員保持緊密聯繫，我們提供與其尊貴地位相匹配的尊屬服務。

Mainland China	中國內地	
Number of members:	會員數目：	984,000
Members' repeat purchase as a % of RSV:	會員再消費佔零售值之百分比：	27.6 % (1HFY2016 2016財政年度上半年: 29.0%)
Number of Fans members:	粉絲會員數目：	9,044,000
Hong Kong and Macau	香港及澳門	
Number of members:	會員數目：	463,000
Members' repeat purchase as a % of RSV:	會員再消費佔零售值之百分比：	34.6% (1HFY2016 2016財政年度上半年: 18.8%)



Lamborghini private preview
林寶堅尼私人預覽會



Lantern-making workshop
燈籠製作工作坊

Production and Operations 生產及營運

Our vertically integrated business model gives us centralised and tight control over the processes from raw material procurement, design, production and marketing to retail sales through our extensive retail network. It allows us to monitor and control the quality of our products and to respond quickly to customers' needs and preferences.

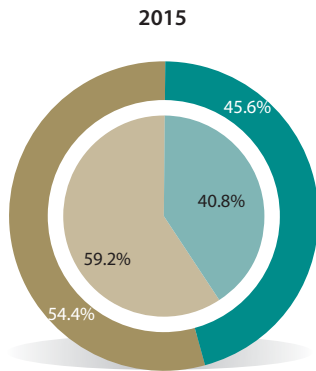
我們的垂直整合業務模式，能集中和謹慎監控從原材料採購、設計、生產、市場推廣至透過龐大的零售網絡進行零售的整個過程，令我們能監控產品的質量，並迅速回應客戶的需求及喜好。

Production and procurement

- Steady supply of raw materials and first-class production capabilities are very important to us in maintaining our competitive edge.
- Our excellent capabilities and reputation in processing and trading of raw materials, together with our long-term relationship with suppliers, safeguard our stable supply of raw materials.
- We continue to develop, upgrade and improve our production facilities and retain skilled craftsmen and technicians to maintain our position in the industry.

In-house/outsourced production mix of products sold — Jewellery products

Six months ended 30 September



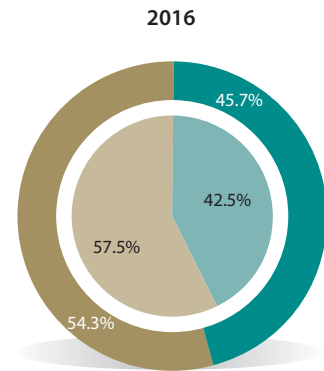
	RSV 零售值	Retail sales volume 銷量
In-house production 內部生產	■	■
Outsourced production 外判生產	■	■

生產及採購

- 穩定的原材料供應及卓越的生產能力對於我們維持競爭優勢極為重要。
- 我們在原材料加工及交易方面均擁有卓越能力和聲譽，加上與供應商的長期合作關係，能確保原材料的穩定供應。
- 我們持續發展、提升及改善生產設施和保留熟練的工匠及技師以維持行業地位。

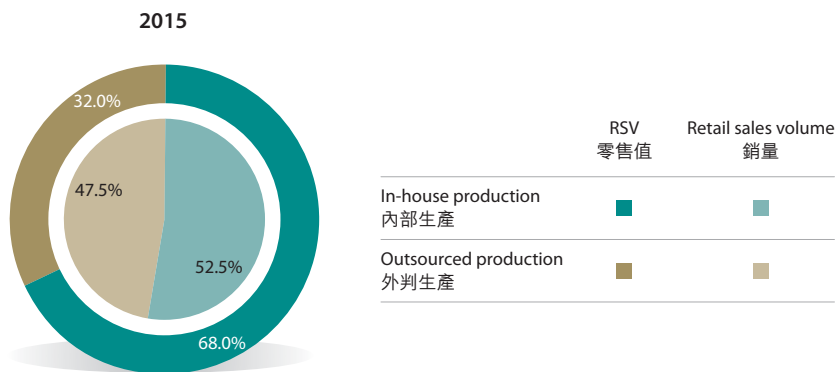
內部生產／外判生產產品佔已售產品比例 — 珠寶產品

截至9月30日止六個月



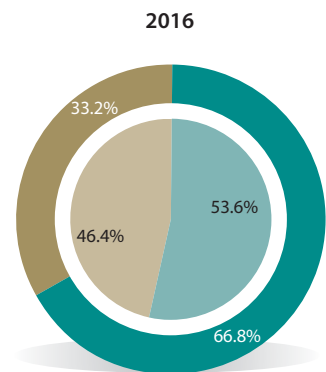
In-house/outsourced production mix of products sold — Gem-set jewellery

Six months ended 30 September



內部生產／外判生產產品佔已售產品比例 — 珠寶鑲嵌首飾

截至9月30日止六個月



Inventory ownership unification

- In order to promptly address our customers' needs and strengthen the stability of our retail network, we are optimising our inventory management mechanism.
- Inventories are dispatched to franchised POS upon the receipt of deposits at value equivalent to the prescribed inventory level.
- We retain inventory ownership until sales transactions are completed with retail customers, upon which wholesale revenue is recognised at the prevailing price.
- Inventories at self-operated and franchised POS shall be unified in an inventory pool and the related price risk on gold inventories is mitigated by our gold hedging mechanism.
- As at 30 September 2016, 399 franchised POS (approximately 50% of our franchised POS) were under the mechanism, holding inventories valued at approximately HK\$1,600 million, representing 4.9% of total inventories of the Group as at 30 September 2016.

統一存貨擁有權

- 為了更及時滿足客戶需求及加強零售網絡穩定性，我們正優化存貨管理機制。
- 於收取與指定存貨量對等的按金後向加盟零售點發送存貨。
- 我們保留存貨擁有權，直至與零售客戶完成銷售交易為止，然後按當時價格確認批發營業額。
- 直營零售點與加盟零售點之存貨將聯合起來，達致庫存共享，同時相關之黃金價格風險也被我們之黃金對沖機制所減緩。
- 於2016年9月30日，採用此機制的399個加盟零售點（約佔加盟零售點50%）所持本集團存貨約為1,600百萬港元，相當於本集團於2016年9月30日存貨總額的4.9%。

Development projects

- To meet the need of our future business growth, we have embarked on the development of Chow Tai Fook Jewellery Park in Wuhan and the Logistics and Distribution Centre in Shunde.

發展項目

- 為配合集團未來業務增長，我們已開展武漢市的周大福珠寶文化產業園與順德的物流及配貨中心發展項目。

Management Discussion and Analysis 管理層討論與分析

Chow Tai Fook Jewellery Park

- Taking into account of the second land parcel acquired in FY2015, the development has a gross floor area of approximately 750,000 square metres on a land parcel of approximately 386,000 square metres.
- Eight buildings of a total gross floor area of approximately 180,000 square metres were completed in FY2015. In addition, the construction of another five buildings with a total gross floor area of approximately 80,000 square metres started in FY2016 and is expected to be completed in FY2018.
- Production operation had commenced progressively since FY2015. The annual jewellery production capacity is expected to reach 2.4 million pieces by the end of FY2017.

周大福珠寶文化產業園

- 連同2015財政年度購入的第二塊土地，整個發展項目佔地面積約386,000平方米，總建築面積約750,000平方米。
- 總建築面積約180,000平方米的八棟建築物於2015財政年度內竣工。另外總建築面積約80,000平方米的另外五棟建築物已於2016財政年度開始動工，預計於2018財政年度竣工。
- 自2015財政年度起已逐步投產，預計於2017財政年度完結時，年產能將達2.4百萬件首飾。



Chow Tai Fook Jewellery Park, Wuhan, Mainland China — October 2016
中國內地武漢周大福珠寶文化產業園 — 2016年10月

Logistics and Distribution Centre

- We strive to enhance the operating capabilities of our supply chain. The Logistics and Distribution Centre, situated in our Shunde production site, will process our products manufactured in the South China region on a consolidated basis.
- With our automation facilities and inventory movement analysis mechanism, the accuracy and efficiency of our product distribution would be further enhanced, which enables in-time inventory replenishment to our retail network.
- Operation of the Logistics and Distribution Centre was started in 1HFY2017.

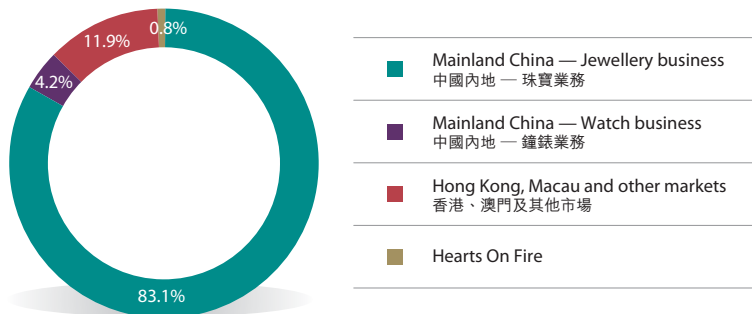
物流及配貨中心

- 我們致力提升供應鏈的營運能力。位於順德的物流及配貨中心，將打造成為集團綜合處理華南地區製成品之基地。
- 結合自動化設備與我們之存貨流向分析機制，進一步提升我們配貨之準確度與效率，確保貨品能適時配送到我們的零售網絡。
- 物流及配貨中心已於2017財政年度上半年開始營運。



Logistics and Distribution Centre, Shunde, Mainland China
中國內地順德物流及配貨中心

Human resources management



- The decrease in the number of employees was mainly due to our effort in staff force optimisation.

Training and development

Training program for senior management

We offer tailor-made training to equip our senior management with techniques necessary to thrive in today's ever-changing business environment.

Strategic Acumen and Ambidextrous Leadership Program

- A 3-day training conducted by Ivey Business School of the University of Western Ontario in August 2016.
- Introduced concepts and practical tools relating to strategic management through sharing of inspirational success stories, group discussions and presentations.

人力資源管理

Total number of employees

員工總數

30,000

▼10.6% YoY change
同比變化

- 員工數目減少主要是由於我們致力優化整合人力資源。

培訓及發展

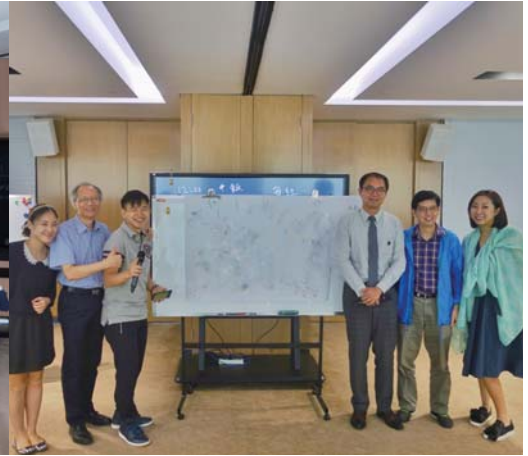
高級管理層培訓課程

我們向高級管理層提供量身訂製的培訓，教授適用於應對現今瞬息萬變的商業環境中所需的技能。

戰略觸覺及靈巧領導力培訓

- 2016年8月西安大略大學 Ivey Business School 提供為期3天的培訓。
- 通過分享成功故事、小組討論及演說，介紹戰略管理的相關理念及實踐工具。

Management Discussion and Analysis 管理層討論與分析



Strategic Acumen and Ambidextrous Leadership Program
戰略觸覺及靈巧領導力培訓

Training program for general staff

We value our staff and believe their professional and personal development is a major pillar of our sustainable growth. Our talent development is supported by our all-rounded training opportunities which aim at encouraging our employees to unleash their potentials and sharpen their skills.

Chow Tai Fook Academy

- Established with a mission to provide our employees with a wide variety of training programs.
- Provided over 2,700 courses with an aggregate of over 586,000 training hours during 1HFY2017.

Accredited courses

- Offered gemstone courses recognised by the Qualification Framework of the Hong Kong Government and Gemological Institute of America.

iLearning

- Encouraged online training at all times and in all places.

Project management training program

- Senior management shared knowledge of jewellery products, customer services, sales technique and management skills with our staff.

一般員工培訓課程

我們重視員工，相信他們的專業及個人發展是我們持續增長的重大基石。我們提供全面的培訓機會以作人才發展，旨在鼓勵員工發揮潛能及提高技能。

周大福培訓學院

- 成立的宗旨是為員工提供廣泛的培訓課程。
- 2017財政年度上半年提供逾2,700個課程，培訓時間合共逾586,000小時。

認證課程

- 提供香港政府資歷架構及美國寶石學院認證的寶石課程。

網上學習

- 鼓勵員工隨時隨地參加網上培訓。

項目管理人才培育課程

- 高層管理人員與員工分享關於珠寶產品、顧客服務、銷售技能及管理技能的知識。

Financials 財務

In 1HFY2017, our revenue declined amid market slowdown. Group's adjusted gross profit margin, however, exhibited improvement mainly due to an enhanced product mix and an uplift in gross profit margin of gem-set jewellery and gold products. Such improvement mitigated most of the impact from operating deleverage. As such, our profitability remained relatively stable. While our short-term profitability might continue to be subject to market volatility, we strive to maintain an optimal capital structure and capital efficiency in creating long-term value and return to our shareholders.

於2017財政年度上半年，營業額因當前市場低迷而有所下降。但是，主要由於產品組合優化及珠寶鑲嵌首飾與黃金產品的毛利率提高，令集團經調整後的毛利率有所上升。此改善減輕了大部分負面經營槓桿的影響。因此，我們的盈利能力亦相對穩定。盈利能力或於短期內會繼續受市場波動影響，但我們將致力維持合適的資本架構及效率，為股東創造長遠價值及回報。

Gross profit margin

Unrealised hedging loss/(gain)

毛利率

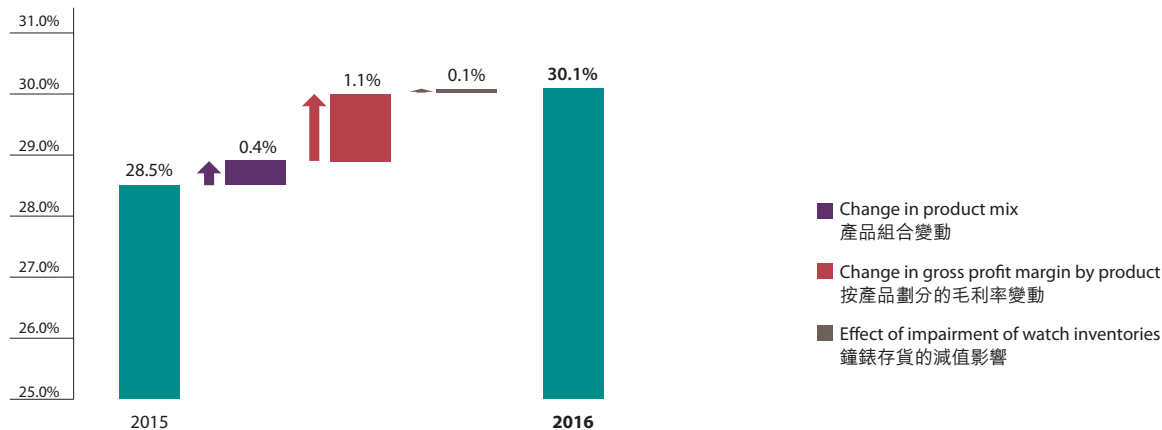
未變現對沖虧損／(收益)

Six months ended 30 September	截至9月30日止六個月	2014	2015	2016
Gross profit margin	毛利率	31.8%	27.9%	31.7%
Unrealised hedging loss/(gain) on gold loans	黃金借貸未變現對沖虧損／(收益)	(1.7)%	0.6%	(1.6)%
Adjusted gross profit margin	經調整後的毛利率	30.1%	28.5%	30.1%

- Unrealised hedging loss/(gain) for the period represents the net effect of (i) the reversal of the loss/(gain) recorded due to the timing difference in recognising the effect of long and short position in gold when we take a snapshot position at the end of the previous financial year; and (ii) the loss/(gain) arising from such timing difference at the end of the current financial period.
- We use gold loans (short position in gold) to hedge against the gold price fluctuations in our gold inventories (long position). While the long-term effect of long and short positions in gold is expected to net out each other through the sales of gold products, a loss/(gain) may arise due to a short-term timing difference between the time when a loss/(gain) on gold loans recorded in the cost of goods sold and the time when sales of hedged gold inventories are recognised, when we take a snapshot position at the end of the reporting period.
- 期內未變現對沖虧損／(收益)指(i)撥回於上一個財政年度完結時因確認黃金好倉與淡倉影響之時差所產生的虧損／(收益)與(ii)於當前財務期間結算時，因相關的時間差而產生的虧損／(收益)的淨影響。
- 我們利用黃金借貸(黃金淡倉)對沖黃金存貨(黃金好倉)的價格波動。雖然黃金好淡倉的長線影響預期將會在出售黃金產品時互相抵銷，惟對報告期末的持倉狀況而言，計入銷售成本的黃金借貸虧損／(收益)與已對沖黃金存貨的銷售之間或會有短暫的時差，從而可能產生虧損／(收益)。

Changes in adjusted gross profit margin

Six months ended 30 September 截至9月30日止六個月

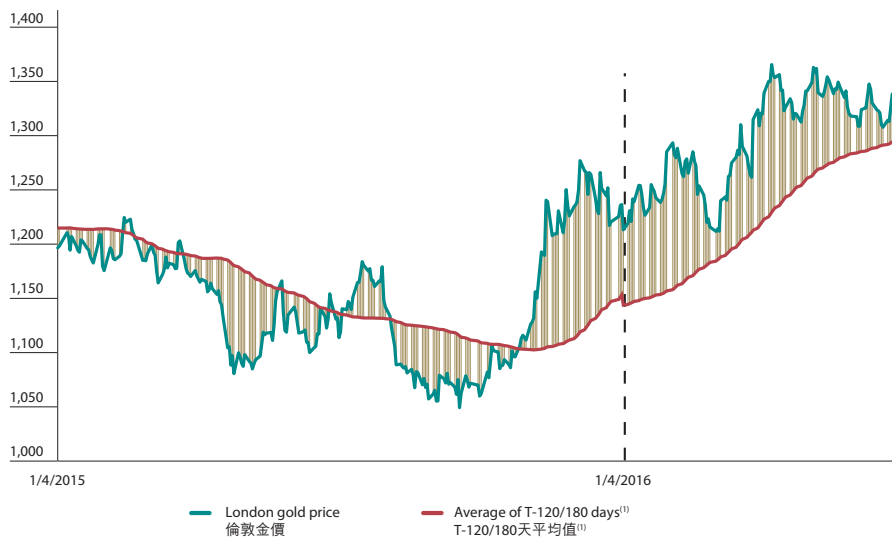


經調整後的毛利率變動

- Adjusted gross profit margin improved by 160 basis points to 30.1% during 1HFY2017. This is mainly due to an enhanced product mix, in which the gold products' sales mix reduced compared to 1HFY2016, as well as an improvement in gross profit margin by product, particularly in Mainland China.
- In 1HFY2016, after considering the conditions and latest market value of our watch inventories, we made an inventory provision for the first time of HK\$63.4 million (1HFY2017: HK\$23.2 million), thus uplifting the gross profit margin by 10 basis points in 1HFY2017.

- 2017 財政年度上半年經調整後的毛利率上升 160 個基點至 30.1%，主要是由於產品組合的改善（黃金產品銷售佔比較 2016 財政年度上半年有所下跌）以及按產品劃分的毛利率（尤其是中國內地）有所提升。
- 於 2016 財政年度上半年，考慮過鐘錶存貨的狀況及最新市值後，我們首次計提存貨撥備 63.4 百萬港元（2017 財政年度上半年：23.2 百萬港元），因而於 2017 財政年度上半年間毛利率提升了 10 個基點。

London gold price 倫敦金價
(US\$ per ounce 美元每盎司)



(1) Average of T-120/T-180 days refers to the average gold price of previous 120 or 180 days on rolling basis, being a proxy of the average price of our hedged gold inventories. As gold inventories turnover lengthened in 1HFY2017, average of T-120 days and T-180 days was used for FY2016 and 1HFY2017, respectively

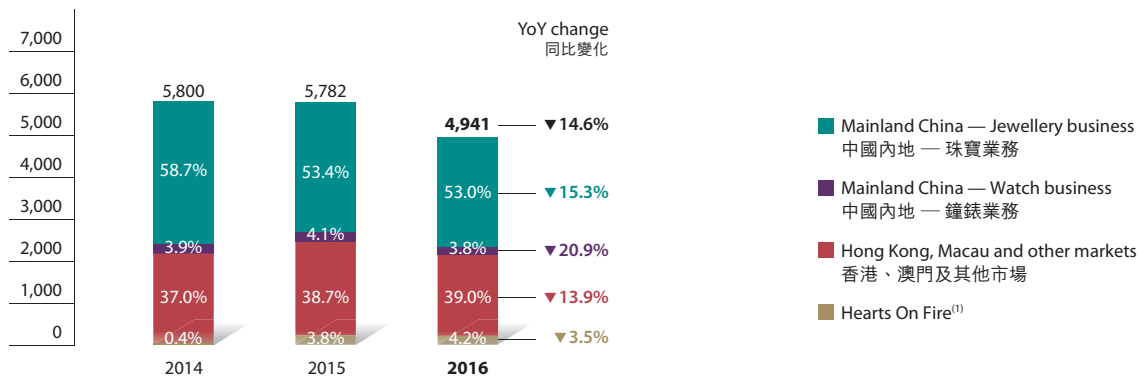
(1) T-120/T-180天平均值指過往連續 120 天或 180 天的黃金均價，用作代表我們已對沖黃金存貨的平均價格。由於 2017 財政年度上半年的黃金存貨周轉延長，2016 財政年度及 2017 財政年度上半年分別使用 T-120 天及 T-180 天平均值

Selling and distribution costs and general and administrative expenses (“SG&A”)

銷售及分銷成本以及一般及行政開支 (「銷售及行政開支」)

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

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)

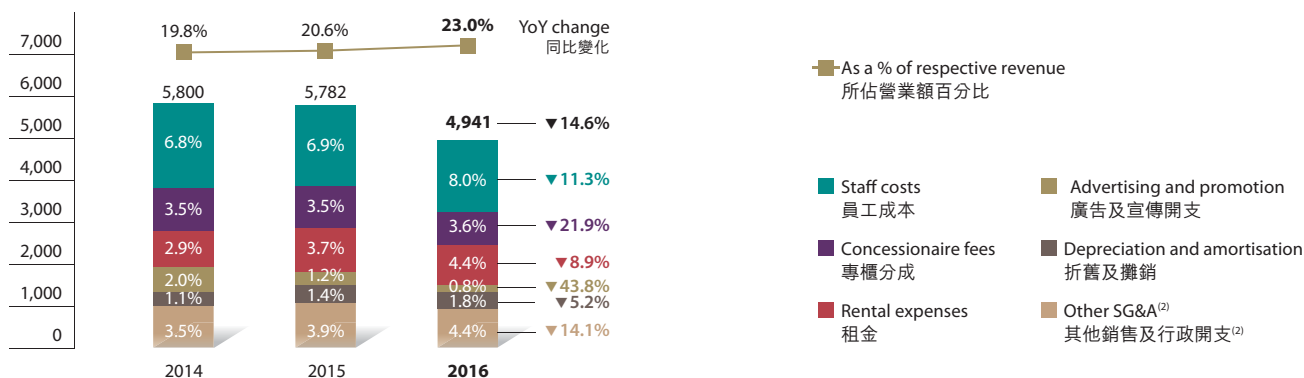


(1) Hearts On Fire was acquired on 31 August 2014

(1) 於2014年8月31日購入Hearts On Fire

SG&A to revenue ratio 銷售及行政開支佔營業額比率

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



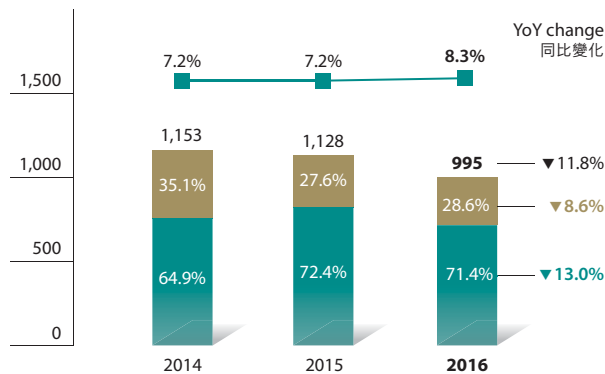
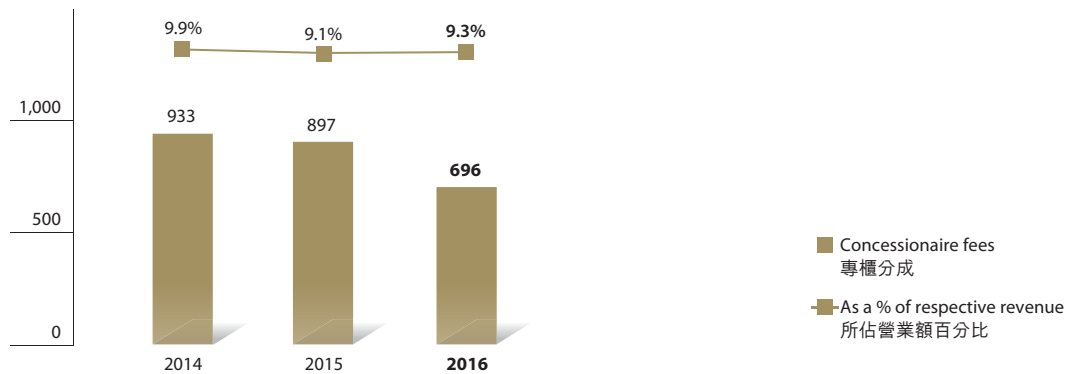
(2) Other SG&A mainly represented bank charges incurred for sales transaction settlement, royalty fees for the sales of licensed products, certificate expenses, packing materials, utilities and staff welfare

(2) 其他銷售及行政開支主要包括銷售交易結算產生的銀行手續費、銷售授權產品的專利費用、證書費、包裝物料、水電費及員工福利

- Our Mainland China — Jewellery business contributed over 50% of SG&A over the past three financial periods.
- All our reportable segments recorded a decline in SG&A. Group SG&A dropped by 14.6% in 1HFY2017, particularly in the variable components such as concessionaire fees and advertising and promotion expenses.
- Yet, SG&A ratio was up by 240 basis points to 23.0% due to operating deleverage arising from the fixed portion of our operating expenses.
- 中國內地 — 珠寶業務於過往三個財政期間均佔銷售及行政開支逾50%。
- 所有可呈報分部的銷售及行政開支均有所下降。於2017財政年度上半年，集團的銷售及行政開支下降14.6%，尤其是專櫃分成和廣告及宣傳開支等浮動部分。
- 然而，由於經營開支固定部分產生的負面經營槓桿，銷售及行政開支比率上升240個基點至23.0%。

Management Discussion and Analysis 管理層討論與分析

Mainland China — Jewellery business

Staff costs⁽¹⁾ 員工成本⁽¹⁾Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)Concessionaire fees⁽¹⁾ 專櫃分成⁽¹⁾Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)

- We strive for staff costs optimisation by enhancing productivity of our employees. The average number of frontline staff per self-operated POS decreased by approximately 10.0% as compared to the same period last year.
- Concessionaire fees ratio increased mainly due to the shift of sales mix towards gem-set jewellery products which are generally subject to higher rates.

中國內地 — 珠寶業務

1HFY2017 2017財政年度上半年

25,740 Average number of employees
平均員工數目

▼11.0% YoY change
同比變化

- Variable proportion
浮動部分
- Fixed proportion
固定部分
- As a % of respective revenue
所佔營業額百分比

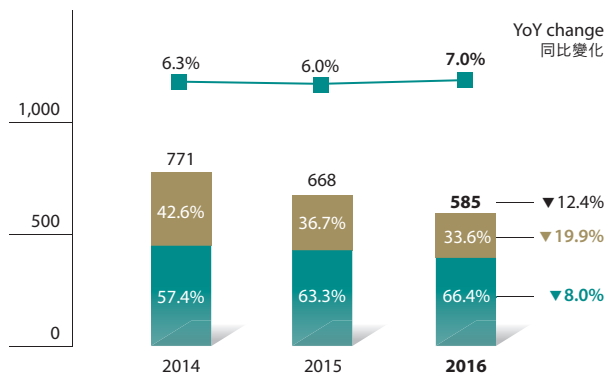
- Concessionaire fees
專櫃分成
- As a % of respective revenue
所佔營業額百分比

- 我們致力透過提升員工生產力以優化員工成本。直營零售點的店均前線員工數目較去年同期減少約10.0%。
- 專櫃分成比率上升主要是由於銷售組合轉向分成比率普遍較高的珠寶鑲嵌首飾所致。

Hong Kong, Macau and other markets

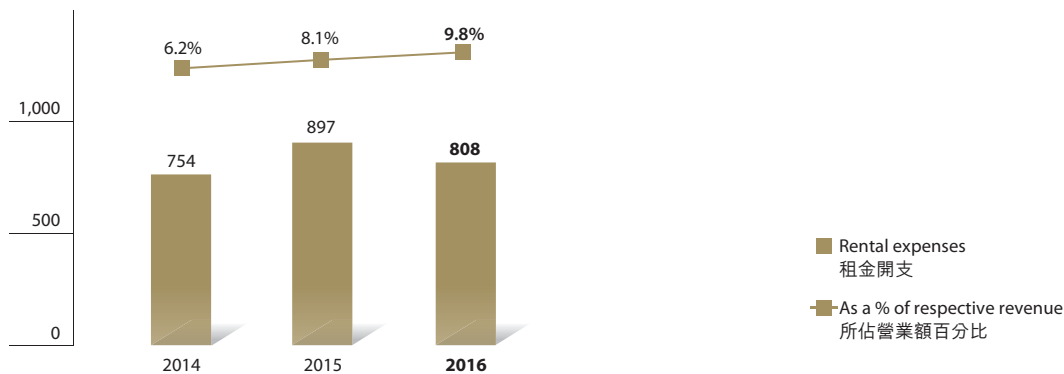
Staff costs⁽¹⁾ 員工成本⁽¹⁾

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



Rental expenses⁽¹⁾ 租金開支⁽¹⁾

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



(1) Analysis on staff costs, concessionaire fees and rental expenses did not include those incurred in Mainland China — Watch business and Hearts On Fire

香港、澳門及其他市場

1HFY2017 2017財政年度上半年

3,770 Average number of employees
平均員工數目
▼16.8% YoY change
同比變化

Variable proportion
浮動部分
Fixed proportion
固定部分
As a % of respective revenue
所佔營業額百分比

Rental expenses
租金開支
As a % of respective revenue
所佔營業額百分比

(1) 員工成本、專權分成及租金開支的分析並不包括於中國內地 — 鐘錶業務及 Hearts On Fire 產生的費用

- Staff costs decreased mainly due to the drop in the average number of employees, primarily through attrition, as well as decrease in variable component of staff costs along with the decline in sales. The average number of frontline staff per self-operated POS decreased by approximately 16.0%.
- Rental expenses dropped by 9.9% in 1HFY2017. POS consolidation and negotiation with landlords for rental reduction have been effective during the period.

- 員工成本下跌主要是透過自然流失令平均員工數目減少，以及銷售下跌令員工成本的浮動部分減少所致。直營零售點的店均前線員工數目減少約 16.0%。
- 2017 財政年度上半年租金開支減少 9.9%。零售點的整合及與業主就減租方面的洽談在期內已見成效。

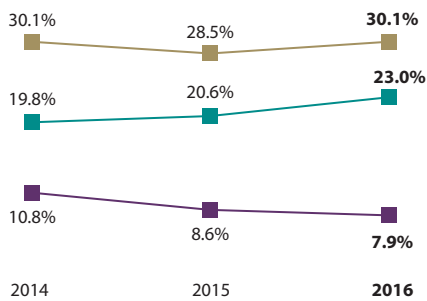
Management Discussion and Analysis 管理層討論與分析

Profitability, basic earnings per share and dividend per share

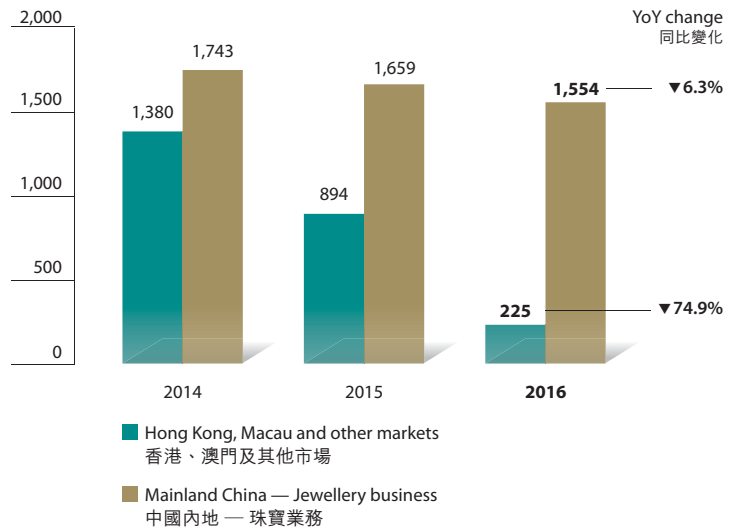
盈利能力、每股基本盈利及每股股息

Overall 整體

Six months ended 30 September 截至9月30日止六個月



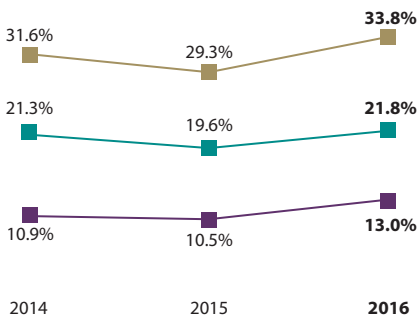
- Adjusted gross profit margin⁽¹⁾
經調整後的毛利率
- % of SG&A to revenue
銷售及行政開支所佔營業額百分比
- Core operating profit margin⁽²⁾
主要經營溢利率

Core operating profit⁽²⁾ of major reportable segments
主要可呈報分部的主要經營溢利⁽²⁾Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)

- Hong Kong, Macau and other markets
香港、澳門及其他市場
- Mainland China — Jewellery business
中國內地 — 珠寶業務

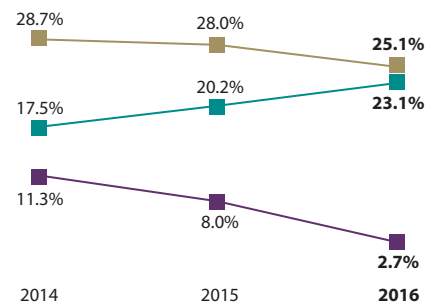
Mainland China — Jewellery business 中國內地 — 珠寶業務

Six months ended 30 September 截至9月30日止六個月



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

Six months ended 30 September 截至9月30日止六個月



- (1) Adjusted gross profit margin, a non-IFRS measure, eliminates the effect of unrealised hedging loss/(gain) on gold loans, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its businesses
- (2) Core operating profit and the corresponding margin, a non-IFRS measure, being the aggregate of adjusted gross profit and other income, less SG&A, which the Company believes is useful in gaining a more complete understanding of its operational performance and the underlying trend of its core businesses

- (1) 經調整後的毛利率並非按國際財務報告準則計算，扣除了黃金借貸的未變現對沖虧損/(收益)的影響，本公司相信此數據有助更透徹了解其經營表現及業務的實際趨勢
- (2) 主要經營溢利及主要經營溢利率並非按國際財務報告準則計算，指經調整後的毛利及其他收益的合計，減銷售及行政開支，本公司相信此等數據有助更透徹了解其經營表現及核心業務的實際趨勢

Six months ended 30 September	截至9月30日止六個月	2014 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2016 vs 2015 YoY change 同比變化
Core operating profit ⁽²⁾	主要經營溢利 ⁽²⁾	3,156	2,422	1,708	-29.5%
Net profit	淨溢利	2,736	1,561	1,268	-18.8%
Profit attributable to shareholders of the Company	本公司股東應佔溢利	2,693	1,557	1,222	-21.5%
Basic earnings per share (HK cent)	每股基本盈利(港仙)	26.9	15.6	12.2	-21.5%
Dividend per share (HK cent)	每股股息(港仙)	13.0	50.0	21.0	-58.0%
Interim (HK cent)	中期(港仙)	13.0	8.0	6.0	-25.0%
Special (HK cent)	特別(港仙)	-	42.0	15.0	-64.3%

- Our adjusted gross profit margin showed an improvement compared to 1HFY2016, yet our core operating profit margin was dragged by 70 basis points in 1HFY2017 due to operating deleverage.
- The adjusted gross profit margin of the jewellery business in Mainland China rebounded from 29.3% in 1HFY2016 to 33.8% in 1HFY2017 as the gross profit margin of gem-set jewellery and gold products improved during the period. Core operating profit margin increased to 13.0% accordingly. Profit contribution of this reportable segment also increased over the past three financial periods.
- In Hong Kong, Macau and other markets, wholesale revenue, mainly from jewellery trading, increased in 1HFY2017, resulting in a reduction of adjusted gross profit margin by 290 basis points to 25.1%. Coupled with a relatively higher fixed cost structure, core operating profit margin dropped to 2.7% in 1HFY2017.
- Profitability of watch business in Mainland China improved compared to 1HFY2016, with core operating loss narrowed to HK\$5 million in 1HFY2017. A core operating loss of HK\$77 million was recorded in 1HFY2016 as a result of the watch impairment provision made.
- For Hearts On Fire, although the segment achieved a decline in SG&A of 3.5%, revenue shrank 9.1% as a result of a challenging retail market condition and the competitive landscape in the US market, thus core operating loss expanded to HK\$66 million (1HFY2016: HK\$55 million).
- 2017財政年度上半年經調整後的毛利率較2016財政年度上半年有所改善，惟主要經營溢利率因受負面經營槓桿影響而下降70個基點。
- 由於期內珠寶鑲嵌首飾及黃金產品毛利率有所提升，故中國內地珠寶業務經調整後的毛利率由2016年財政年度上半年的29.3%反彈至2017財政年度上半年的33.8%。主要經營溢利率因而增加至13.0%。此可呈報分部的溢利貢獻於過去三年財政期間亦有所增加。
- 香港、澳門及其他市場的批發營業額（主要來自珠寶交易）於2017財政年度上半年增加，以致經調整後的毛利率下降290個基點至25.1%。加上較高的固定成本結構，2017財政年度上半年主要經營溢利率下降至2.7%。
- 中國內地鐘錶業務的盈利能力較2016財政年度上半年有所改善，於2017財政年度上半年主要經營虧損收窄至5百萬港元。由於計提鐘錶減值撥備，2016財政年度上半年錄得主要經營虧損77百萬港元。
- Hearts On Fire方面，雖然該分部的銷售及行政開支下降3.5%，但由於美國零售市場環境充滿挑戰和競爭，導致營業額縮減9.1%，因此主要經營虧損擴大至66百萬港元（2016財政年度上半年：55百萬港元）。

Management Discussion and Analysis 管理層討論與分析

Other income, other gains and losses and other expenses

其他收入、其他收益及虧損以及其他開支

		2014	2015	2016	2016 vs 2015
		HK\$ million	HK\$ million	HK\$ million	YoY change
Six months ended 30 September	截至9月30日止六個月	百萬港元	百萬港元	百萬港元	同比變化
Other income	其他收入	125	166	178	7.0%
Other gains and losses	其他收益及虧損	(17)	(161)	(147)	-8.5%
Other expenses	其他開支	(91)	(25)	(25)	-0.8%

- Other income mainly arose from the government grants received by the subsidiaries in Mainland China.
- Other gains and losses mainly represented a net foreign exchange loss of HK\$150 million (1HFY2016: HK\$155 million) due to the devaluation of RMB.
- Other expenses mainly represented the amortisation of other intangible assets arising from the acquisition of Hearts On Fire.
- 其他收入主要來自中國內地附屬公司獲得的政府補貼。
- 其他收益及虧損主要包括由於人民幣貶值而產生的外匯淨虧損150百萬港元(2016財政年度上半年:155百萬港元)。
- 其他開支主要指收購Hearts On Fire產生的其他無形資產攤銷。

Interest income, finance costs and taxation

利息收入、融資成本及稅項

		2014	2015	2016	2016 vs 2015
		HK\$ million	HK\$ million	HK\$ million	YoY change
Six months ended 30 September	截至9月30日止六個月	百萬港元	百萬港元	百萬港元	同比變化
Interest income from banks	銀行利息收入	70	54	81	49.8%
Other interest income	其他利息收入	13	27	8	-68.6%
Finance costs on bank borrowings	銀行貸款融資成本	(65)	(21)	(36)	70.4%
Finance costs on gold loans	黃金借貸融資成本	(119)	(91)	(73)	-19.8%
Taxation	稅項	(704)	(463)	(601)	29.8%

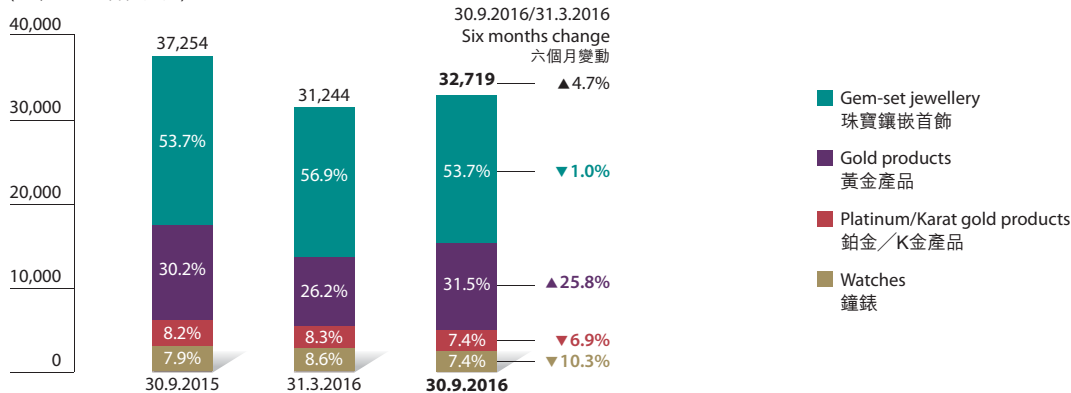
- Effective tax rate increased from 22.9% in 1HFY2016 to 32.2% in 1HFY2017 as the contribution of jewellery business in Mainland China to the Group increased, where higher tax rate applied, and more tax expenses recorded for the dividends to be distributed from the subsidiaries in Mainland China in order to support the special dividend paid by the Group during the period.
- 實際稅率由2016財政年度上半年的22.9%升至2017財政年度上半年的32.2%，這是由於稅率較高的中國內地珠寶業務對集團的溢利貢獻增加，以及為配合集團於期內支付特別股息，中國內地附屬公司因撥備較多可分派的股息而產生額外的稅費。

Inventory balances and turnover period

存貨結餘及周轉期

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

(HK\$ million 百萬港元)

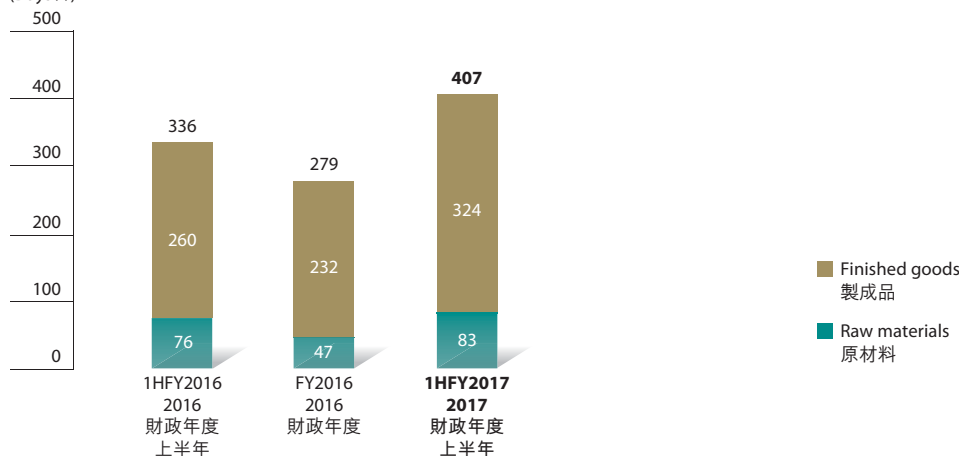


(1) Excluded packing materials

(1) 不包括包裝物料

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

(Days 日)



(2) Being inventory balances, excluding packing materials, at the end of the reporting period divided by cost of goods sold for the period, multiplied by 366 (for FY)/183 (for 1HFY)

(2) 即報告期末存貨結餘(不包括包裝物料)除以期內銷售成本,再乘以366(財政年度)/183(財政年度上半年)

- Inventory balances, excluding packing materials, increased by 4.7% to HK\$32,719 million compared to 31 March 2016, yet reduced by 12.2% when compared to 30 September 2015.
- Inventory turnover period lengthened by 71 days compared to that of 1HFY2016 as sales declined during 1HFY2017.

- 存貨結餘(不包括包裝物料)較2016年3月31日略增4.7%至32,719百萬港元,但較2015年9月30日減少12.2%。
- 2017財政年度上半年存貨周轉期因銷售下降而較2016財政年度上半年延長71日。

Management Discussion and Analysis 管理層討論與分析

Capital structure

資本架構

As at	於	31.3.2016 HK\$ million 百萬港元	% to total equity 佔權益總額 百分比	30.9.2016 HK\$ million 百萬港元	% to total equity 佔權益總額 百分比	Increase/ (decrease) HK\$ million 增加/ (減少) 百萬港元	Denominated currency ⁽¹⁾ 計值貨幣 ⁽¹⁾	Interest rate structure ⁽¹⁾ 利率架構 ⁽¹⁾
Non-current assets	非流動資產	6,670	18.7%	6,362	19.1%	(308)	N/A 不適用	N/A 不適用
Inventories	存貨	31,377	87.8%	32,820	98.7%	1,443	N/A 不適用	N/A 不適用
Bank deposits and cash equivalents ⁽²⁾	銀行存款及現金等價物 ⁽²⁾	13,001	36.4%	8,364	25.2%	(4,637)	Mainly HKD, RMB and USD 主要為 港元、 人民幣及 美元	Mainly variable interest rate 主要為 浮動利率
Total borrowings ⁽³⁾	總貸款 ⁽³⁾	14,433	40.4%	13,904	41.8%	(529)		
Bank borrowings	銀行貸款	7,920	22.2%	6,000	18.0%	(1,920)	HKD 港元	Variable interest rate 浮動利率
Gold loans	黃金借貸	6,513	18.2%	7,904	23.8%	1,391	RMB and USD 人民幣及美元	Fixed interest rate 固定利率
Net debt ⁽⁴⁾	債項淨額 ⁽⁴⁾	1,432	4.0%	5,540	16.7%	4,108	N/A 不適用	N/A 不適用
Working capital ⁽⁵⁾	營運資金 ⁽⁵⁾	30,241	84.6%	27,973	84.1%	(2,268)	N/A 不適用	N/A 不適用
Total equity	權益總額	35,750	100.0%	33,243	100.0%	(2,507)	N/A 不適用	N/A 不適用

(1) Information about denominated currency and interest rate structure related to the condition as at 30 September 2016

(2) Include bank balances and cash

(3) As at 30 September 2016, bank borrowings amounted to HK\$5,400 million and all the gold loans would be matured within 12 months while bank borrowings amounted to HK\$600 million would be matured in more than 1 year but not exceeding 2 years

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

(5) Being net current assets

(1) 有關計值貨幣及利率結構為2016年9月30日的情況

(2) 包括銀行結餘及現金

(3) 於2016年9月30日，5,400百萬港元的銀行貸款及所有黃金借貸將於12個月內到期，而600百萬港元的銀行貸款於1年以上及2年以下到期

(4) 銀行貸款、黃金借貸之總額(已扣除銀行存款及現金等價物)

(5) 即淨流動資產

- We principally meet our working capital and other liquidity requirements through a combination of capital contributions, including cash flows from operations, bank borrowings and gold loans. Gold loans are also used to hedge against the financial impact of the price fluctuations in the Group's gold inventories.
 - The Group's daily operation was mainly financed by operating cash flows, and mainly relied on short-term borrowings to satisfy inventory financing needs during peak seasons, working capital for future expansion plans and unexpected needs. The Group has not experienced any difficulties in repaying its borrowings.
 - The Group's income and expenditure were mostly denominated in HKD and RMB, while its assets and liabilities were mostly denominated in HKD, RMB and USD.
- 我們主要透過來自經營現金流量、銀行貸款及黃金借貸的資本來源應付營運資金及其他流動資金需求。黃金借貸亦用作對沖本集團黃金存貨價格波動的財務影響。
 - 本集團日常業務所需資金主要來自經營現金流量，亦會主要以短期借貸滿足旺季時的存貨資金需求、未來擴展計劃所需營運資金及預計之外的需求。本集團於償還貸款方面並無任何困難。
 - 本集團之收入及開支主要以港元及人民幣計值，而資產及負債則主要以港元、人民幣及美元計值。

Effect of RMB fluctuations

- RMB continued to devalue during 1HFY2017. As of 30 September 2016, RMB further went down by around 3.0% as compared to 31 March 2016. As part of our business is operated in Mainland China, the devaluation of RMB affects the performance and balances of assets and liabilities of our Mainland China operation, as well as the balances of inter-group advances denominated in RMB, which posed some impact to our net profit for the period.
- The table below illustrates the impact to our financial performance due to RMB fluctuations:

人民幣波動的影響

- 人民幣於2017財政年度上半年持續貶值。相較2016年3月31日，2016年9月30日的人民幣進一步下降約3.0%。由於我們有部分業務在中國內地經營，人民幣貶值會影響中國內地營運的表現及資產和負債的結餘以及以人民幣計值的集團間墊款的餘額（對期間淨溢利有所影響）。
- 下表列示人民幣波動對我們財務表現的影響：

		2015		2016	
		As reported	Constant exchange rate basis	As reported	Constant exchange rate basis
		所呈報	按相同匯率計算	所呈報	按相同匯率計算
Six months ended 30 September	截至9月30日止六個月				
Revenue YoY change	營業額同比變化	(4.1)%	(3.8)%	(23.5)%	(20.6)%
Net profit YoY change	淨溢利同比變化	(42.9)%	(37.1)%	(18.8)%	(12.9)%
Changes in inventory balances (30 September vs 31 March)	存貨結餘變動 (9月30日對比3月31日)	(6.0)%	(4.4)%	4.6%	6.2%

Management Discussion and Analysis 管理層討論與分析

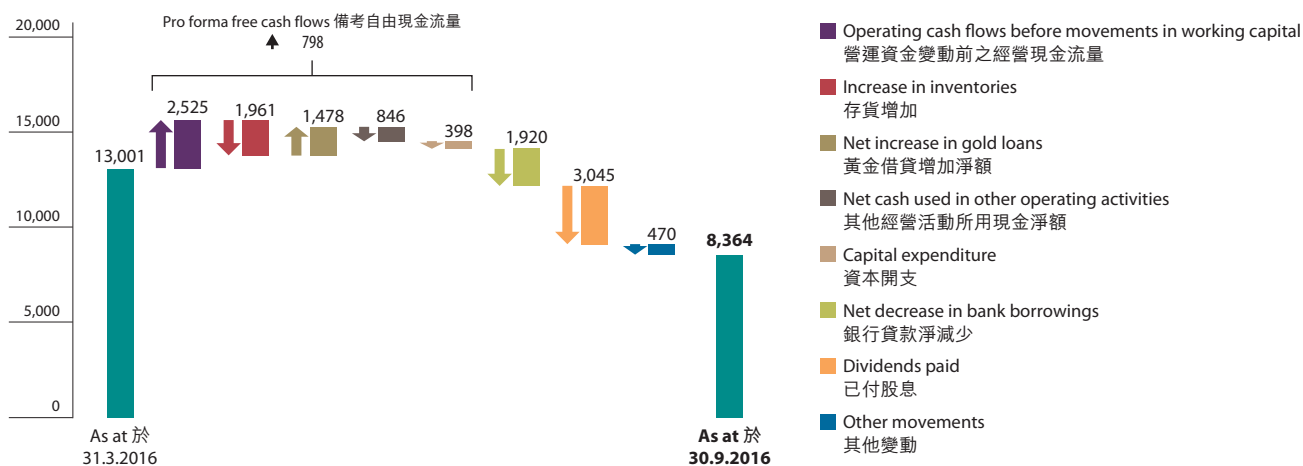
Cash flows

現金流量

		2014	2015	2016
		HK\$ million	HK\$ million	HK\$ million
Six months ended 30 September	截至9月30日止六個月	百萬港元	百萬港元	百萬港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	3,553	2,696	2,525
Decrease/(increase) in inventories	存貨減少/(增加)	3,847	1,694	(1,961)
Net change in gold loans	黃金借貸淨變動	(3,583)	(50)	1,478
Net cash used in other operating activities	其他經營活動所用現金淨額	(1,270)	(91)	(846)
Capital expenditure	資本開支	(1,697) ⁽¹⁾	(489)	(398)
Pro forma free cash flows	備考自由現金流量	850	3,760	798
Net change in bank borrowings	銀行貸款淨變動	1,044	137	(1,920)
Dividends paid	已付股息	(2,090)	(1,565)	(3,045)
Net cash outflow used in acquisition of subsidiaries	收購附屬公司所用現金流出淨額	(1,106) ⁽¹⁾	-	-
Other movements	其他變動	519	(389)	(470)
Net increase/(decrease) in bank balances and cash	銀行結餘及現金增加/(減少)淨額	(783)	1,943	(4,637)

(1) Cash paid for the respective fixed assets upon acquisition of the subsidiaries were included in "capital expenditure"

(1) 於收購附屬公司時用於購入相關固定資產的現金包含在「資本開支」

Major cash flows items for 1HFY2017 2017財政年度上半年主要現金流量項目
(HK\$ million 百萬港元)

Capital expenditure

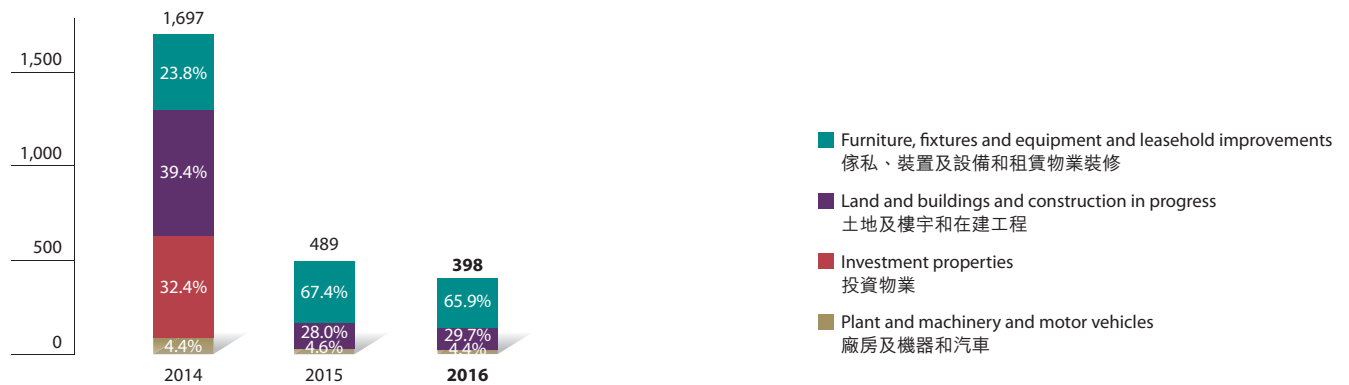
The Group's capital expenditure incurred during 1HFY2017 amounted to HK\$398 million (1HFY2016: HK\$489 million).

資本開支

本集團於2017財政年度上半年產生的資本開支為398百萬港元(2016財政年度上半年：489百萬港元)。

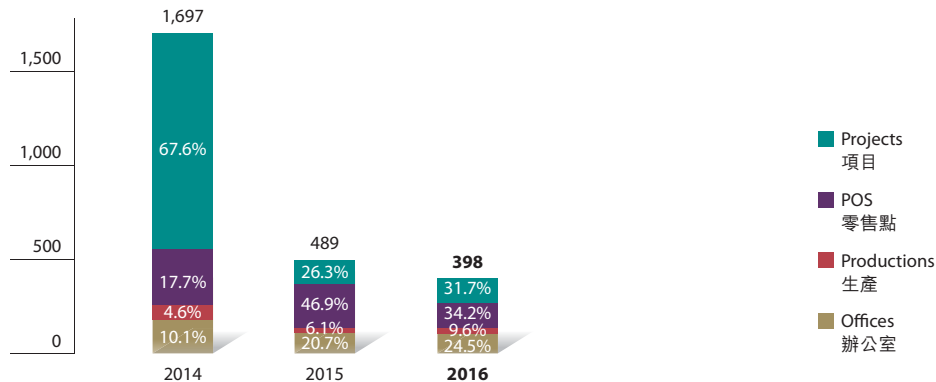
Capital expenditure by nature 按性質劃分的資本開支

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



Capital expenditure by function 按功能劃分的資本開支

Six months ended 30 September 截至9月30日止六個月
(HK\$ million 百萬港元)



Contingent liabilities

The Group did not have any material contingent liabilities as at 30 September and 31 March 2016.

或然負債

本集團於2016年9月30日及3月31日並無任何重大或然負債。

Capital commitments

Details of the Group's capital commitments as at 30 September and 31 March 2016 are set out in note 20 to the condensed consolidated financial statements.

資本承擔

本集團於2016年9月30日及3月31日的資本承擔詳情載於簡明綜合財務報表附註20。

Report on Review of Condensed Consolidated Financial Statements 簡明綜合財務報表審閱報告

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF
CHOW TAI FOOK JEWELLERY GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

致：周大福珠寶集團有限公司董事會
(於開曼群島註冊成立之有限公司)

Introduction

We have reviewed the condensed consolidated financial statements of Chow Tai Fook Jewellery Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 54 to 77, which comprise the condensed consolidated statement of financial position as of 30 September 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

引言

本核數師(以下簡稱「我們」)已審閱載於第54至77頁周大福珠寶集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之簡明綜合財務報表。此簡明綜合財務報表包括截至2016年9月30日之簡明綜合財務狀況表與截至該日止六個月之相關簡明綜合損益及其他全面收益表、權益變動表和現金流量表以及若干說明附註。香港聯合交易所有限公司證券上市規則規定，必須遵照其有關條文以及國際會計準則理事會頒佈的國際會計準則第34號「中期財務報告」(「國際會計準則第34號」)編製中期財務資料報告。貴公司董事須負責根據國際會計準則第34號編製及呈列該等簡明綜合財務報表。我們的責任是根據審閱，對該等簡明綜合財務報表作出結論，並按照協定的委聘條款僅向整體股東報告，且並無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據國際審計與鑒證準則理事會頒佈的國際審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱該等簡明綜合財務報表包括主要向負責財務和會計事務之人員查詢，並應用分析和其他審閱程序。審閱範圍遠小於根據國際審計準則進行審核之範圍，故我們無法保證我們將知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

22 November 2016

結論

按照我們的審閱結果，我們並無發現任何事項，令我們相信簡明綜合財務報表在各重大方面未有根據國際會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師
香港

2016年11月22日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive income

簡明綜合損益及其他全面收益表

For the six months ended 30 September 2016 截至2016年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2016 HK\$ million (unaudited) 百萬港元 (未經審核)	2015 HK\$ million (unaudited) 百萬港元 (未經審核)
	NOTES 附註		
Revenue	營業額	21,526.1	28,123.6
Cost of goods sold	銷售成本	(14,698.1)	(20,266.8)
Gross profit	毛利	6,828.0	7,856.8
Other income	其他收入	177.5	165.9
Selling and distribution costs	銷售及分銷成本	(3,823.0)	(4,594.5)
General and administrative expenses	一般及行政開支	(1,117.8)	(1,187.6)
Other gains and losses	其他收益及虧損	(146.9)	(160.5)
Other expenses	其他開支	(24.5)	(24.7)
Share of results of an associate	分佔一家聯營公司之業績	(4.5)	-
Interest income	利息收入	89.1	80.9
Finance costs	融資成本	(109.0)	(111.9)
Profit before taxation	除稅前溢利	1,868.9	2,024.4
Taxation	稅項	(601.2)	(463.2)
Profit for the period	期內溢利	1,267.7	1,561.2
Other comprehensive expense:	其他全面開支：		
Items that may be reclassified subsequently to profit or loss:	隨後可能會重新分類至損益的項目：		
Exchange differences arising on translation	換算產生的匯兌差額	(594.7)	(731.3)
Share of translation reserve of an associate	分佔一家聯營公司之換算儲備	(2.1)	-
Other comprehensive expense for the period	期內其他全面開支	(596.8)	(731.3)
Total comprehensive income for the period	期內全面收益總額	670.9	829.9
Profit for the period attributable to:	以下各方應佔期內溢利：		
Shareholders of the Company	本公司股東	1,221.8	1,557.4
Non-controlling interests	非控股權益	45.9	3.8
		1,267.7	1,561.2
Total comprehensive income (expense) for the period attributable to:	以下各方應佔期內全面收益(開支)總額：		
Shareholders of the Company	本公司股東	651.4	862.3
Non-controlling interests	非控股權益	19.5	(32.4)
		670.9	829.9
Earnings per share — Basic	每股盈利 — 基本	HK12.2 cents 港仙	HK15.6 cents 港仙

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2016 於2016年9月30日

			At 30 September 2016 HK\$ million (unaudited) 於2016年9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年3月31日 百萬港元 (經審核)
		NOTES 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	4,709.7	4,749.7
Land use rights	土地使用權		197.8	211.6
Investment properties	投資物業	10	257.1	272.9
Goodwill	商譽		257.8	257.8
Other intangible assets	其他無形資產		382.3	407.5
Deposits paid for acquisition of property, plant and equipment	購買物業、廠房及設備 已付按金		67.0	132.6
Interests in associates	於聯營公司之權益		36.4	39.7
Amount due from an associate	應收一家聯營公司款項		80.1	82.8
Interest in a joint venture	於一家合資企業之權益		-	-
Loan receivables	應收貸款		34.5	37.6
Deferred tax assets	遞延稅項資產	11	338.9	478.2
			6,361.6	6,670.4
Current assets	流動資產			
Inventories	存貨	12	32,820.0	31,376.5
Trade and other receivables	貿易及其他應收款項	13	5,656.0	4,605.2
Loan receivables	應收貸款		4.4	4.1
Convertible bonds	可兌換債券		17.8	17.8
Bank balances and cash	銀行結餘及現金	14	8,364.1	13,001.4
			46,862.3	49,005.0
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	15	5,058.1	4,336.1
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東 款項		118.9	161.2
Taxation payable	應付稅項		408.0	433.4
Bank borrowings	銀行貸款	16	5,400.0	7,320.0
Gold loans	黃金借貸	17	7,904.1	6,513.3
			18,889.1	18,764.0
Net current assets	流動資產淨額		27,973.2	30,241.0
Total assets less current liabilities	總資產減流動負債		34,334.8	36,911.4

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2016 於2016年9月30日

			At 30 September 2016 HK\$ million (unaudited) 於2016年9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年3月31日 百萬港元 (經審核)
		NOTES 附註		
Non-current liabilities	非流動負債			
Bank borrowings	銀行貸款	16	600.0	600.0
Retirement benefit obligations	退休福利承擔		238.9	243.4
Deferred tax liabilities	遞延稅項負債	11	253.1	318.1
			1,092.0	1,161.5
Net assets	資產淨額		33,242.8	35,749.9
Share capital	股本	18	10,000.0	10,000.0
Reserves	儲備		22,535.9	24,904.3
Equity attributable to shareholders of the Company	本公司股東應佔權益		32,535.9	34,904.3
Non-controlling interests	非控股權益		706.9	845.6
			33,242.8	35,749.9

The condensed consolidated financial statements on pages 54 to 77 were approved and authorised for issue by the Board of Directors on 22 November 2016 and signed on its behalf by:

董事會於2016年11月22日批准並授權刊發載於第54至77頁之簡明綜合財務報表，並由以下代表簽署：

Dr. Cheng Kar-Shun, Henry
鄭家純博士
DIRECTOR
董事

Mr. Wong Siu-Kee, Kent
黃紹基先生
DIRECTOR
董事

Mr. Cheng Ping-Hei, Hamilton
鄭炳熙先生
DIRECTOR
董事

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 September 2016 截至2016年9月30日止六個月

		Share capital HK\$ million (note 18) 股本 百萬港元 (附註18)	Share premium HK\$ million 股份溢價 百萬港元	Special reserve HK\$ million (note a) 特別儲備 百萬港元 (附註a)	Statutory surplus reserve HK\$ million (note b) 法定盈餘儲備金 百萬港元 (附註b)	Translation reserve HK\$ million 換算儲備 百萬港元	Retained profits HK\$ million 保留溢利 百萬港元	Attributable to shareholders of the Company HK\$ million 本公司股東應佔 百萬港元	Non-controlling interests HK\$ million 非控股權益 百萬港元	Total HK\$ million 總計 百萬港元
At 1 April 2016 (audited)	2016年4月1日(經審核)	10,000.0	5,498.7	2,499.5	791.9	495.0	15,619.2	34,904.3	845.6	35,749.9
Other comprehensive expense for the period	期內其他全面開支	-	-	-	-	(570.4)	-	(570.4)	(26.4)	(596.8)
Profit for the period	期內溢利	-	-	-	-	-	1,221.8	1,221.8	45.9	1,267.7
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	-	-	-	-	(570.4)	1,221.8	651.4	19.5	670.9
Acquisition of additional interest from a non-controlling shareholder of a subsidiary	收購附屬公司非控股股東額外權益	-	-	-	-	-	(19.8)	(19.8)	19.8	-
Deregistration of subsidiaries	註銷附屬公司	-	-	-	(21.8)	-	21.8	-	(130.0)	(130.0)
Transfer from (to) reserve	轉出(入)儲備	-	-	-	2.2	-	(2.2)	-	-	-
Dividends	股息	-	-	-	-	-	(3,000.0)	(3,000.0)	(48.0)	(3,048.0)
At 30 September 2016 (unaudited)	2016年9月30日(未經審核)	10,000.0	5,498.7	2,499.5	772.3	(75.4)	13,840.8	32,535.9	706.9	33,242.8
At 1 April 2015 (audited)	2015年4月1日(經審核)	10,000.0	5,498.7	2,499.5	659.5	1,455.0	19,316.8	39,429.5	1,111.3	40,540.8
Other comprehensive expense for the period	期內其他全面開支	-	-	-	-	(695.1)	-	(695.1)	(36.2)	(731.3)
Profit for the period	期內溢利	-	-	-	-	-	1,557.4	1,557.4	3.8	1,561.2
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	-	-	-	-	(695.1)	1,557.4	862.3	(32.4)	829.9
Acquisition of additional interest from a non-controlling shareholder of a subsidiary	收購附屬公司非控股股東額外權益	-	-	-	-	-	-	-	(12.7)	(12.7)
Partial disposal of interests to a non-controlling shareholder of a subsidiary	出售部分權益予附屬公司非控股股東	-	-	-	-	-	0.3	0.3	0.6	0.9
Deregistration of subsidiaries	註銷附屬公司	-	-	-	-	-	-	-	(69.6)	(69.6)
Transfer from (to) reserve	轉出(入)儲備	-	-	-	1.2	-	(1.2)	-	-	-
Dividends	股息	-	-	-	-	-	(1,500.0)	(1,500.0)	(112.3)	(1,612.3)
At 30 September 2015 (unaudited)	2015年9月30日(未經審核)	10,000.0	5,498.7	2,499.5	660.7	759.9	19,373.3	38,792.1	884.9	39,677.0

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

For the six months ended 30 September 2016 截至2016年9月30日止六個月

Notes:

- (a) Special reserve represents (i) the accumulated contribution from the Macau jewellery business and (ii) the difference between the nominal value of the shares of various subsidiaries under common control, and cash consideration payable arising from acquisition of these subsidiaries under common control pursuant to the group reorganisation as more fully explained in the section headed "History and Corporate Structure" of the prospectus of the Company dated 5 December 2011 in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.
- (b) As stipulated by the relevant laws and regulations for foreign investment enterprises in Mainland China, the Company's subsidiaries in Mainland China are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the subsidiaries in Mainland China in accordance with the relevant laws and regulations applicable to enterprises in Mainland China. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

附註：

- (a) 特別儲備指(i)澳門珠寶業務之累計貢獻及(ii)分佔共同控制下各附屬公司的股份面值與根據集團重組時收購共同控制下附屬公司應支付之現金代價之差額。詳情於有關本公司之股份於香港聯合交易所有限公司主板首次上市，日期為2011年12月5日之招股章程「歷史及公司架構」一節闡述。
- (b) 按有關中國內地外資企業的相關法律及法規，本公司的中國內地附屬公司須存置法定盈餘儲備基金。有關儲備之撥款乃來自中國內地附屬公司的法定財務報表(根據中國內地企業適用的相關法律及法規編製)所載的除稅後溢利淨額。法定盈餘儲備基金可用於彌補過往年度的虧損(如有)，並可以資本化發行之方式轉換為資本。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 September 2016 截至2016年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2016 HK\$ million (unaudited) 百萬港元 (未經審核)	2015 HK\$ million (unaudited) 百萬港元 (未經審核)
Net cash (used in) from operating activities	經營活動(所用)所得現金淨額	(282.4)	4,298.7
Investing activities	投資活動		
Interest received	已收利息	80.8	54.0
Withdrawal of pledged bank deposits	提取已抵押銀行存款	–	0.4
Purchase of property, plant and equipment	購買物業、廠房及設備	(386.9)	(437.7)
Deposit paid for acquisition of property, plant and equipment	購買物業、廠房及設備 已付按金	(11.4)	(51.4)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	2.7	25.6
Loan advanced by the Group	本集團已墊付貸款	(1.1)	(5.6)
Repayment of loan to the Group	已償還予本集團之貸款	3.2	3.4
Capital contribution to an associate	向一家聯營公司註資	–	(13.2)
Deregistration of subsidiaries	註銷附屬公司	(130.0)	(69.6)
Net cash used in investing activities	投資活動所用現金淨額	(442.7)	(494.1)
Financing activities	融資活動		
Interest paid	已付利息	(109.0)	(130.6)
Bank borrowings raised	已籌集銀行貸款	400.0	1,400.0
Repayment of bank borrowings	已償還銀行貸款	(2,320.0)	(1,263.5)
Dividends paid	已付股息	(3,045.4)	(1,564.6)
Gold loans raised	已籌集黃金借貸	9,600.0	9,544.3
Repayment of gold loans	已償還黃金借貸	(8,122.5)	(9,593.7)
Advance from non-controlling shareholders of subsidiaries	來自附屬公司非控股 股東的墊款	–	50.2
Repayment to non-controlling shareholders of subsidiaries	償還予附屬公司 非控股股東	(39.5)	(110.3)
Net cash used in financing activities	融資活動所用現金淨額	(3,636.4)	(1,668.2)
Net (decrease) increase in cash and cash equivalents	現金及現金等價物 (減少)增加淨額	(4,361.5)	2,136.4
Cash and cash equivalents at the beginning of the period	期初的現金及 現金等價物	13,001.4	8,477.1
Effect of foreign exchange rate changes	匯率變動的影響	(275.8)	(193.6)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	期末的現金及現金等價物， 即銀行結餘及現金	8,364.1	10,419.9

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至2016年9月30日止六個月

1. General

Chow Tai Fook Jewellery Group Limited (the “Company”) was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands on 20 July 2011. Its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 December 2011. Its immediate holding company is Chow Tai Fook (Holding) Limited (“CTF Holding”), and its ultimate holding company is Chow Tai Fook Capital Limited, both are incorporated in the British Virgin Islands.

The Company acts as an investment holding company. The address of registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of principal place of business is 33/F, New World Tower, 16–18 Queen’s Road Central, Hong Kong.

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company and has been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with International Accounting Standards (“IAS”) 34 “Interim financial reporting”.

2. Significant Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except that certain financial instruments, which are measured at fair values, and in accordance with the International Financial Reporting Standards (“IFRSs”).

Except as described below, the principal accounting policies adopted in the condensed consolidated financial statements are consistent with those followed in the preparation of the Company’s annual consolidated financial statements for the year ended 31 March 2016.

1. 一般資料

周大福珠寶集團有限公司(「本公司」)於2011年7月20日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。其股份自2011年12月15日開始於香港聯合交易所有限公司(「聯交所」)主板上市。其直接控股公司為Chow Tai Fook (Holding) Limited (「CTF Holding」)，其最終控股公司為Chow Tai Fook Capital Limited，兩家公司均於英屬維爾京群島註冊成立。

本公司為投資控股公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。主要營業地址為香港皇后大道中16-18號新世界大廈33樓。

簡明綜合財務報表以港元(即本公司的功能貨幣)呈列，並已根據聯交所證券上市規則(「上市規則」)附錄16的相關披露規定以及國際會計準則第34號「中期財務報告」編製。

2. 重大會計政策

除若干金融工具按公平值計量外，簡明綜合財務報表按歷史成本基準並根據國際財務報告準則編製。

除下文所述外，簡明綜合財務報表所採納之主要會計政策與本公司截至2016年3月31日止年度之年度綜合財務報表的編製基準一致。

2. Significant Accounting Policies (Continued)

In the current interim period, the Group has applied, for the first time, the following amendments to IFRSs that are mandatorily effective for the current interim period.

Amendments to IAS 1	Disclosure initiative
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants
Amendments to IAS 27	Equity method in separate financial statements
Amendments to IFRSs	Annual improvements to IFRSs 2012–2014 cycle
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. Revenue and Segment Information

Revenue represents the net amounts received and receivable for goods sold and services performed less returns and net of trade discounts.

For the purposes of resource allocation and performance assessment, information reported to the chief operating decision maker (the “CODM”), which comprises executive directors of the Company, mainly focuses on the location of management. Revenue derived from each location of management is further analysed into those from retail and wholesale markets when reviewed by CODM. The Group’s reportable and operating segments for the six months ended 30 September 2015 included three segments, namely (i) jewellery business in the Mainland China, (ii) watch business in the Mainland China and (iii) business in Hong Kong, Macau and other markets. During the year ended 31 March 2016, for the purposes of better assessment of performance from each location and operation, the Group has further separated the business of Hearts On Fire Company, LLC (“Hearts On Fire”), where the operational decisions are made by the local management in the United States (the “US”), from business in Hong Kong, Macau and other markets. Comparative figures have been restated to conform with the current period’s presentation. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

2. 重大會計政策(續)

本集團於本中中期期間首次應用以下於本中中期期間強制生效的國際財務報告準則之修訂。

國際會計準則第1號 (修訂本)	主動披露
國際會計準則第16號及 第38號(修訂本)	澄清折舊及攤銷的可接受 方法
國際會計準則第16號及 第41號(修訂本)	農業：生產性植物
國際會計準則第27號 (修訂本)	獨立財務報表之權益法
國際財務報告準則 (修訂本)	2012年至2014年週期之國際 財務報告準則年度改進
國際財務報告準則 第10號、第12號及 國際會計準則第28號 (修訂本)	投資主體：豁免應用合併
國際財務報告準則 第11號(修訂本)	收購共同經營權益的會計法

本中中期期間應用上述國際財務報告準則之修訂對該等簡明綜合財務報表所報告的金額及／或簡明綜合財務報表所載的披露資料並無重大影響。

3. 營業額及分部資料

營業額指已收及應收售出商品及服務款項減退貨及交易折扣的淨額。

就資源分配及表現評估而向主要營運決策者(即本公司執行董事)報告的資料主要按管理所在地劃分。主要營運決策者在審閱時會進一步將各管理所在地所得營業額按零售及批發市場劃分進行分析。截至2015年9月30日止六個月,本集團的可呈報營運分部包括三個分部,即(i)位於中國內地的珠寶業務;(ii)位於中國內地的鐘錶業務;及(iii)位於香港、澳門及其他市場的業務。截至2016年3月31日止年度,為有效評估各所在地及營運的表現,本集團進一步將位於美國的Hearts On Fire Company, LLC(「Hearts On Fire」)業務(由當地管理層作出營運決策)與位於香港、澳門及其他市場的業務進行區分。本集團已重列比較數字以與本期間之呈報方式保持一致。釐定本集團可呈報分部時,概無將主要營運決策者所辨識的營運分部合併計算。

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For the six months ended 30 September 2016 截至2016年9月30日止六個月

3. Revenue and Segment Information (Continued)

(a) Analysis of the Group's revenue and results by reportable segment

For the six months ended 30 September (unaudited)

3. 營業額及分部資料(續)

(a) 按可呈報分部劃分的本集團營業額及業績分析

截至9月30日止六個月(未經審核)

		Mainland China 中國內地				Hong Kong, Macau and other markets 香港、澳門及其他市場		Hearts On Fire (note i) Hearts On Fire (附註i)		Total 總計	
		Jewellery business 珠寶業務		Watch business 鐘錶業務		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元
		2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元	2016 HK\$ million 百萬港元	2015 HK\$ million 百萬港元						
Revenue	營業額										
External sales	外界銷售										
— Retail	— 零售	9,304.8	12,055.3	849.6	895.0	8,138.5	11,010.0	77.5	69.4	18,370.4	24,029.7
— Wholesale (note ii)	— 批發(附註ii)	2,696.3	3,709.1	—	—	213.4	98.2	246.0	286.6	3,155.7	4,093.9
Segment/group revenue	分部/集團營業額	12,001.1	15,764.4	849.6	895.0	8,351.9	11,108.2	323.5	356.0	21,526.1	28,123.6
Inter-segment sales (note iii)	分部間銷售(附註iii)	165.8	215.4	—	—	1,289.1	1,130.3	1.0	1.6	1,455.9	1,347.3
		12,166.9	15,979.8	849.6	895.0	9,641.0	12,238.5	324.5	357.6	22,982.0	29,470.9
Adjusted gross profit	經調整毛利	4,023.1	4,639.1	167.5	152.0	2,136.5	3,132.7	143.3	162.5	6,470.4	8,086.3
Inter-segment eliminations	分部間撇銷	38.7	(23.8)	—	—	(38.2)	(24.7)	—	—	0.5	(48.5)
		4,061.8	4,615.3	167.5	152.0	2,098.3	3,108.0	143.3	162.5	6,470.9	8,037.8
Other income	其他收入	109.5	134.0	13.2	6.9	54.8	25.0	—	—	177.5	165.9
Selling and distribution costs and general and administrative expenses	銷售及分銷成本與一般及行政開支	(2,617.0)	(3,090.8)	(186.1)	(235.4)	(1,928.3)	(2,238.9)	(209.4)	(217.0)	(4,940.8)	(5,782.1)
Core operating profit (loss)	主要經營溢利(虧損)	1,554.3	1,658.5	(5.4)	(76.5)	224.8	894.1	(66.1)	(54.5)	1,707.6	2,421.6
Unrealised hedging gain (loss) on gold	黃金未變現對沖收益(虧損)									357.1	(181.0)
Others (note iv)	其他(附註iv)									(175.9)	(185.2)
Interest income	利息收入									89.1	80.9
Finance costs	融資成本									(109.0)	(111.9)
Profit before taxation	除稅前溢利									1,868.9	2,024.4
Other segment information included in measurement of segment profit or loss or segment assets:	計入分部損益或分部資產計量的其他分部資料:										
Concessionaire fees	專櫃分成	696.3	897.2	64.9	78.3	9.5	10.8	—	—	770.7	986.3
Operating lease payments in respect of rented premises	承租物業經營租賃款項	107.9	108.3	15.0	20.9	808.4	896.9	20.4	18.5	951.7	1,044.6
Staff costs	員工成本	994.7	1,127.5	59.1	68.5	585.4	668.1	92.0	87.0	1,731.2	1,951.1

Notes:

- (i) Being operations managed by the management in the US.
(ii) Wholesale revenue represents revenue from jewellery trading, sales to franchisees and retailers and provision of services to franchisees.
(iii) Inter-segment sales are charged at a price mutually agreed by both parties.
(iv) Amount represents other gains and losses, other expenses and share of results of an associate.

附註:

- (i) 指由美國當地管理層管理的業務。
(ii) 批發營業額指珠寶貿易、銷售予加盟商及分銷商的營業額及提供服務予加盟商的收入。
(iii) 分部間銷售按雙方協定之價格支銷。
(iv) 該金額指其他收益及虧損、其他開支與分佔一家聯營公司之業績。

3. Revenue and Segment Information (Continued)

(a) Analysis of the Group's revenue and results by reportable segment (Continued)

Core operating profit represents the profit generated from each segment without allocation of unrealised hedging gain (loss) on gold, other gains and losses, other expenses, share of results of an associate, interest income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Analysis of the Group's property, plant and equipment, investment properties and inventories by reportable segment:

		Mainland China 中國內地		Hong Kong, Macau and other markets 香港、澳門及其他市場		Hearts On Fire (note i) Hearts On Fire (附註i)		Total 總計			
		Jewellery business 珠寶業務	Watch business 鐘錶業務								
		30.9.2016 HK\$ million (unaudited) 百萬港元 (未經審核)	31.3.2016 HK\$ million (audited) 百萬港元 (經審核)	30.9.2016 HK\$ million (unaudited) 百萬港元 (未經審核)	31.3.2016 HK\$ million (audited) 百萬港元 (經審核)	30.9.2016 HK\$ million (unaudited) 百萬港元 (未經審核)	31.3.2016 HK\$ million (audited) 百萬港元 (經審核)	30.9.2016 HK\$ million (unaudited) 百萬港元 (未經審核)	31.3.2016 HK\$ million (audited) 百萬港元 (經審核)		
Property, plant and equipment	物業、廠房及設備	3,541.8	3,541.5	52.1	68.5	1,018.3	1,038.6	97.5	101.1	4,709.7	4,749.7
Investment properties	投資物業	-	-	-	-	257.1	272.9	-	-	257.1	272.9
Inventories	存貨	14,387.7	12,196.0	1,532.8	1,783.6	16,230.0	16,803.5	669.5	593.4	32,820.0	31,376.5

(c) An analysis of the Group's revenue is as follows:

(c) 本集團營業額分析如下：

		Six months ended 30 September 截至9月30日止六個月	
		2016 HK\$ million (unaudited) 百萬港元 (未經審核)	2015 HK\$ million (unaudited) 百萬港元 (未經審核)
Sales of	銷售		
— Gem-set jewellery	— 珠寶鑲嵌首飾	5,789.9	7,447.8
— Gold products	— 黃金產品	11,437.4	15,591.4
— Platinum/Karat gold products	— 鉑金/K金產品	2,739.0	3,571.0
— Watches	— 鐘錶	1,335.0	1,412.9
		21,301.3	28,023.1
Jewellery trading	珠寶貿易	196.0	100.5
Service income from franchisees	來自加盟商的服務收入	28.8	-
		21,526.1	28,123.6

3. 營業額及分部資料(續)

(a) 按可呈報分部劃分的本集團營業額及業績分析(續)

主要經營溢利指在未分配黃金未變現對沖收益(虧損)、其他收益及虧損、其他開支、分佔一家聯營公司之業績、利息收入及融資成本前各分部所產生的溢利。此為向主要營運決策者匯報以作資源分配及表現評估的計量基準。

(b) 按可呈報分部劃分的本集團物業、廠房及設備、投資物業及存貨分析：

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For the six months ended 30 September 2016 截至2016年9月30日止六個月

4. Other Income

4. 其他收入

		Six months ended 30 September 截至9月30日止六個月	
		2016 HK\$ million (unaudited) 百萬港元 (未經審核)	2015 HK\$ million (unaudited) 百萬港元 (未經審核)
Franchise income	加盟費收入	36.7	74.7
Government grants	政府補貼	64.6	46.9
Gain on scrap sales	廢料銷售收益	6.3	5.2
Rental income	租金收入	6.3	10.1
Others	其他	63.6	29.0
		177.5	165.9

5. Profit before Taxation

5. 除稅前溢利

		Six months ended 30 September 截至9月30日止六個月	
		2016 HK\$ million (unaudited) 百萬港元 (未經審核)	2015 HK\$ million (unaudited) 百萬港元 (未經審核)
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入):		
Staff costs	員工成本	1,731.2	1,951.1
Concessionaire fees	專權分成	770.7	986.3
Operating lease rentals in respect of rented premises	承租物業經營租賃租金	951.7	1,044.6
Depreciation of property, plant and equipment	物業、廠房及設備折舊	382.5	422.3
Depreciation of investment properties	投資物業折舊	7.3	10.9
Amortisation of land use rights	土地使用權攤銷	7.1	7.6
Amortisation of other intangible assets	其他無形資產攤銷	25.2	19.6
Impairment of inventories (included in cost of goods sold)	存貨減值(計入銷售成本內)	23.2	63.4
Allowance for doubtful debts	壞賬準備	3.1	9.9
Fair value loss (gain) on gold loans (included in cost of goods sold)	黃金借貸的公平值虧損(收益) (計入銷售成本內)	39.0	(11.9)

6. Taxation

6. 稅項

		Six months ended 30 September 截至9月30日止六個月	
		2016 HK\$ million (unaudited) 百萬港元 (未經審核)	2015 HK\$ million (unaudited) 百萬港元 (未經審核)
The taxation charge comprises:	稅項開支包括：		
Current tax:	即期稅項：		
Enterprise Income Tax ("EIT") in Mainland China	中國內地企業所得稅	309.7	81.8
Hong Kong Profits Tax	香港利得稅	49.3	111.2
Macau complementary tax	澳門所得補充稅	16.8	27.1
Taxation in other jurisdictions	其他司法地區之稅項	0.2	-
		376.0	220.1
Under(over) provision in prior years:	過往年度撥備不足(超額撥備)：		
EIT in Mainland China	中國內地企業所得稅	-	1.0
Hong Kong Profits Tax	香港利得稅	-	(0.2)
		-	0.8
Deferred tax charge (note 11)	遞延稅項扣除(附註11)	213.3	227.4
Withholding tax*	預扣稅*	11.9	14.9
		601.2	463.2

* Withholding tax mainly represents withholding tax on intra-group licence income and interest income from Mainland China.

* 預扣稅主要指集團內公司間中國內地授權收入及利息收入的預扣稅。

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

香港利得稅乃按兩個期間的估計應課稅溢利按16.5%稅率計算。

Under the Enterprise Income Tax Law (the "EIT Law") of the People's Republic of China ("PRC") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in Mainland China is 25.0% for both periods.

根據中華人民共和國企業所得稅法及其實施細則，中國內地附屬公司於兩個期間的稅率均為25.0%。

For certain subsidiaries of the Company in Mainland China, they are entitled to the tax incentives in connection with the development of the western part of Mainland China. The applicable tax rate is 15.0% for both periods.

本公司若干在中國內地的附屬公司享有中國內地西部大開發的相關稅項優惠。兩個期間的適用稅率均為15.0%。

Macau complementary tax is calculated at the maximum progressive rate of 12.0% on the estimated assessable profit for both periods.

澳門所得補充稅乃按兩個期間的估計應課稅溢利按最高累進稅率12.0%計算。

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For the six months ended 30 September 2016 截至2016年9月30日止六個月

7. Earnings per Share

The calculation of the basic earnings per share for the period is based on the consolidated profits attributable to shareholders of the Company for the period and on the number of 10,000,000,000 (six months ended 30 September 2015: 10,000,000,000) shares in issue during the period.

No diluted earnings per share is presented as there were no potential ordinary shares during both periods.

8. Dividends

		Six months ended 30 September 截至9月30日止六個月	
		2016 HK\$ million (unaudited) 百萬港元 (未經審核)	2015 HK\$ million (unaudited) 百萬港元 (未經審核)
2016 Final — HK8.0 cents (2015: 2015 Final — HK15.0 cents) per share	2016年末期 — 每股8.0港仙(2015年：2015年末期 — 每股15.0港仙)	800.0	1,500.0
2016 Special — HK22.0 cents (2015: nil) per share	2016年特別 — 每股22.0港仙(2015年：零)	2,200.0	—
		3,000.0	1,500.0

On 22 November 2016, the directors of the Company have determined to declare an interim dividend of HK6.0 cents per share and a special dividend of HK15.0 cents per share, totalling HK\$2,100.0 million for the six months ended 30 September 2016.

9. Movements in Property, Plant and Equipment

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$4.9 million (six months ended 30 September 2015: HK\$33.6 million) for cash proceeds of HK\$2.7 million (six months ended 30 September 2015: HK\$25.6 million) resulting in a loss on disposal of HK\$2.2 million (six months ended 30 September 2015: loss of HK\$8.0 million).

In addition, during the current interim period, the Group acquired HK\$460.8 million (six months ended 30 September 2015: HK\$460.2 million) of property, plant and equipment.

10. Investment Properties

During the current interim period, certain investment properties with an aggregate carrying amount of HK\$8.5 million (six months ended 30 September 2015: HK\$66.3 million) were transferred to property, plant and equipment because their usage has been changed, evidenced by the start of owner occupation.

7. 每股盈利

期間每股基本盈利是基於本公司股東應佔期內綜合溢利，以及期內已發行股份數10,000,000,000股(截至2015年9月30日止六個月：10,000,000,000股)計算。

由於兩個期間並無潛在普通股，故並無呈列每股攤薄盈利。

8. 股息

於2016年11月22日，本公司董事決定宣派截至2016年9月30日止六個月中期股息每股6.0港仙及特別股息每股15.0港仙，合共2,100.0百萬港元。

9. 物業、廠房及設備變動

於本中期期間，本集團出售賬面總值4.9百萬港元(截至2015年9月30日止六個月：33.6百萬港元)的若干物業、廠房及設備，現金所得款項2.7百萬港元(截至2015年9月30日止六個月：25.6百萬港元)，產生出售虧損2.2百萬港元(截至2015年9月30日止六個月：虧損8.0百萬港元)。

此外，於本中期期間，本集團購入價值460.8百萬港元(截至2015年9月30日止六個月：460.2百萬港元)的物業、廠房及設備。

10. 投資物業

於本中期期間，由於若干投資物業(賬面總值為8.5百萬港元(截至2015年9月30日止六個月：66.3百萬港元))有更改用途，開始轉為自用，因此該等物業被轉撥至物業、廠房及設備。

10. Investment Properties (Continued)

The fair value of the Group's investment properties at 30 September 2016 was HK\$319.2 million (31 March 2016: HK\$328.3 million). The fair value has been arrived at based on a valuation carried out by the Knight Frank Petty Limited ("Knight Frank"), an independent property valuer not connected with the Group (whose address is 4/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong), in accordance with the HKIS Valuation Standards (2012 Edition) issued by Hong Kong Institute of Surveyors. Knight Frank is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

The fair value was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The capitalisation rate is determined by reference to the yields derived from analysing the sales transactions of similar properties in Hong Kong and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties.

11. Deferred Taxation

The followings are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current period:

		Unrealised fair value changes of gold loans in Mainland China HK\$ million 中國內地黃金借貸之未變現公平值變動 百萬港元	Withholding tax on undistributed profits of subsidiaries in Mainland China HK\$ million 中國內地附屬公司未分派溢利之預扣稅 百萬港元	Unrealised profit on inventories HK\$ million 存貨之未變現溢利 百萬港元	Depreciation and amortisation HK\$ million 折舊及攤銷 百萬港元	Tax losses HK\$ million 稅項虧損 百萬港元	Others HK\$ million 其他 百萬港元	Total HK\$ million 總計 百萬港元
At 1 April 2016 (audited)	於 2016 年 4 月 1 日 (經審核)	(43.6)	308.6	(386.2)	(29.8)	(18.6)	9.5	(160.1)
Charge (credit) to profit or loss (note 6)	扣除(計入)損益 (附註6)	43.0	79.5	86.5	(1.4)	2.7	3.0	213.3
Utilised during the period	期內已動用	-	(138.6)	-	-	-	-	(138.6)
Currency realignment	貨幣調整	0.8	(9.1)	7.9	-	-	-	(0.4)
At 30 September 2016 (unaudited)	於 2016 年 9 月 30 日 (未經審核)	0.2	240.4	(291.8)	(31.2)	(15.9)	12.5	(85.8)

10. 投資物業(續)

本集團的投資物業於2016年9月30日的公平值為319.2百萬港元(2016年3月31日:328.3百萬港元),由與本集團無關連的獨立物業估值師萊坊測計師行有限公司(「萊坊」)(地址為香港灣仔港灣道6-8號瑞安中心4樓)根據香港測量師學會頒佈之香港測量師學會估值準則(2012年版)編製之估值而釐定。萊坊為香港測量師學會成員之一,並具備合適資格及近期有對相關物業估值的經驗。

該公平值乃根據收入法估值。該等物業之所有可出租單位之市場租金按投資者就此類物業預期之市場收益率進行評估及貼現。市場租金參考該等物業可出租單位之租金以及鄰近類似物業的其他出租情況作出評估。貼現率乃參考香港類似物業銷售交易所得之收益率,並就物業投資者之市場預期作出調整以反映本集團投資物業特有之因素。

11. 遞延稅項

以下為本集團於本期間確認的主要遞延稅項負債(資產)及有關變動:

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11. Deferred Taxation (Continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

11. 遞延稅項 (續)

以下為就財務報告用途所作出遞延稅項結餘分析：

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
Deferred tax assets	遞延稅項資產	(338.9)	(478.2)
Deferred tax liabilities	遞延稅項負債	253.1	318.1
		(85.8)	(160.1)

12. Inventories

12. 存貨

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
Raw materials for:	生產以下產品的原材料：		
Gem-set jewellery	珠寶鑲嵌首飾	5,366.5	4,757.6
Gold products	黃金產品	1,199.9	415.7
Platinum/Karat gold products	鉑金/K金產品	94.2	111.0
		6,660.6	5,284.3
Finished goods:	製成品：		
Gem-set jewellery	珠寶鑲嵌首飾	12,208.9	13,000.2
Gold products	黃金產品	9,103.6	7,773.8
Platinum/Karat gold products	鉑金/K金產品	2,332.9	2,496.4
Watches (Note)	鐘錶 (附註)	2,413.0	2,689.7
		26,058.4	25,960.1
Packing materials	包裝物料	101.0	132.1
		32,820.0	31,376.5

Note: The inventory balances of watches as at 30 September 2016 included an impairment of HK\$71.4 million (31 March 2016: HK\$49.1 million).

附註：於2016年9月30日，鐘錶存貨結餘包括減值款項71.4百萬港元(2016年3月31日：49.1百萬港元)。

13. Trade and Other Receivables

13. 貿易及其他應收款項

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
Trade receivables	貿易應收款項	2,616.1	2,287.6
Less: Allowance for doubtful debts	減：壞賬準備	(21.9)	(19.5)
		2,594.2	2,268.1
Prepayments to suppliers	向供應商的預付款項	807.0	600.2
Deposits	按金	476.4	546.9
Land use rights charged within one year	一年內支銷的土地使用權	14.1	14.5
Other tax recoverables	其他可回收稅項	1,467.0	998.0
Others	其他	297.3	177.5
		5,656.0	4,605.2

The Group's sales to retail customers are mainly on cash basis. Sales to certain customers are on credit with credit period up to 6 months. For sales through concessionaire counters, the Group usually allows 30 days credit period to these receivables.

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximates to the respective revenue recognition dates:

本集團對零售客戶的銷售以現金為主，而向若干客戶的銷售則以賒銷形式，信貸期最多為6個月。就專櫃的銷售而言，本集團一般允許該等應收款項有30日的信貸期。

以下為根據發票日期(與其營業額確認日期相若)於報告期末的貿易應收款項的賬齡分析：

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
0 to 30 days	0至30日	2,232.5	1,738.2
31 to 90 days	31至90日	151.2	375.5
91 to 180 days	91至180日	134.1	118.6
Over 180 days	180日以上	76.4	35.8
		2,594.2	2,268.1

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13. Trade and Other Receivables (Continued)

As at 30 September 2016, included in the trade receivable balances were receivables of HK\$208.4 million (31 March 2016: HK\$241.0 million) carrying a fixed interest rate of 4.4% to 7.4% (31 March 2016: 6.4% to 7.4%) per annum. As at 31 March 2016, included in the trade receivable balances were receivables of HK\$87.7 million (30 September 2016: nil) carrying at variable interest rates ranging from 6.4% to 7.4% per annum.

Also, as at 30 September 2016, included in the trade receivable balances were trade receivables with aggregate carrying amount of HK\$210.5 million (31 March 2016: HK\$154.4 million) which were past due at the reporting date for which the Group has not provided for impairment loss as there was no significant change in the credit quality and amounts were still considered recoverable based on historical experience. The Group did not hold any collateral over these balances.

During the six months ended 30 September 2016, an allowance for doubtful debts of HK\$3.1 million (six months ended 30 September 2015: HK\$9.9 million) was recognised based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Ageing of trade receivables, based on the invoice date, which were past due but not impaired

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
91 to 180 days	91至180日	134.1	118.6
Over 180 days	180日以上	76.4	35.8
		210.5	154.4

13. 貿易及其他應收款項 (續)

於2016年9月30日，計入貿易應收款項結餘中的計息應收款項為208.4百萬港元(2016年3月31日：241.0百萬港元)，按介乎4.4%至7.4%(2016年3月31日：6.4%至7.4%)的固定年利率計算。於2016年3月31日，計入貿易應收款項結餘中的計息應收款項為87.7百萬港元(2016年9月30日：零)，按介乎6.4%至7.4%的浮動年利率計算。

此外，於2016年9月30日，計入貿易應收款項結餘於報告日期已逾期的貿易應收款項總賬面值為210.5百萬港元(2016年3月31日：154.4百萬港元)。由於信貸質素並無出現重大變動且根據過往經驗認為該等款項可收回，故本集團並無計提減值虧損撥備。本集團並未就該等結餘持有任何抵押品。

截至2016年9月30日止六個月，3.1百萬港元(截至2015年9月30日止六個月：9.9百萬港元)的壞賬準備乃基於參考對方過往違約經驗及對對方當前財務狀況的分析而估計的不可收回金額所確認。

根據發票日期已逾期但未減值的貿易應收款項的賬齡

14. Bank Balances and Cash

During the six months ended 30 September 2016, the bank deposits carried interest at the prevailing market rate of about 0.01% to 8.2% (31 March 2016: 0.01% to 7.1%) per annum.

As at 30 September 2016, the Group's cash and cash equivalents denominated in Renminbi ("RMB") were HK\$5,625.8 million (31 March 2016: HK\$7,891.3 million). The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations in Mainland China and the Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct business in foreign currency.

15. Trade and Other Payables

14. 銀行結餘及現金

截至2016年9月30日止六個月，銀行存款按當時市場年利率介乎約0.01%至8.2%（2016年3月31日：介乎0.01%至7.1%）計息。

於2016年9月30日，本集團按人民幣列值的現金及現金等價物為5,625.8百萬港元（2016年3月31日：7,891.3百萬港元）。人民幣不可自由兌換為其他貨幣；然而，根據於中國內地的中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過特許銀行進行外幣業務，將人民幣兌換為外幣。

15. 貿易及其他應付款項

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
Trade payables	貿易應付款項	390.0	399.7
Deposits received from customers	向客戶收取的按金	1,197.4	1,018.5
Deposits received from franchisees (Note)	向加盟商收取的按金(附註)	2,065.8	1,485.2
Other tax payables	其他應付稅項	288.3	268.5
Accruals	應計費用	306.9	373.6
Accrued staff costs	應計員工成本	470.7	360.1
Interest payables	應付利息	30.6	31.6
Others	其他	308.4	398.9
		5,058.1	4,336.1

Note: Deposits received from franchisees mainly represent deposits made by franchisees in Mainland China for the consigned products. The amounts are unsecured and interest-free.

附註：向加盟商收取的按金主要指中國內地加盟商接收寄售產品時所支付的按金。金額為無抵押且免息。

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15. Trade and Other Payables (Continued)

The Group normally receives credit terms of 7 to 180 days from its suppliers. The following is an aged analysis of trade payables presented based on invoice date at the end of each reporting period.

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
0 to 30 days	0至30日	256.8	305.8
31 to 90 days	31至90日	37.4	12.0
91 to 180 days	91至180日	21.2	4.5
Over 180 days	180日以上	74.6	77.4
		390.0	399.7

15. 貿易及其他應付款項 (續)

本集團一般自供應商取得的信貸期為介乎7日至180日不等。以下為根據發票日期於各報告期末的貿易應付款項的賬齡分析。

16. Bank Borrowings

16. 銀行貸款

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
Unsecured bank loans	無抵押銀行貸款	6,000.0	7,920.0
The carrying amounts of the above borrowings are repayable:*	以上借貸之賬面值按下列期限償還*：		
Within one year	一年內	5,400.0	7,320.0
More than one year, but not exceeding two years	一年以上，但不超過兩年	600.0	-
More than two years, but not exceeding five years	兩年以上，但不超過五年	-	600.0
		6,000.0	7,920.0
Less: Amounts due within one year shown under current liabilities	減：流動負債項下所示一年內到期的款項	(5,400.0)	(7,320.0)
Amount shown under non-current liabilities	非流動負債項下所示款項	600.0	600.0

* The amounts due are based on schedule repayment dates set out in the loan agreements.

* 到期款項乃以貸款協議所載計劃還款日期為依據。

16. Bank Borrowings (Continued)

As at 30 September 2016, the bank borrowings carried variable interest rate of 0.7% over the Hong Kong Interbank Offered Rate ("HIBOR") per annum (31 March 2016: ranged from 0.7% to 0.8% over HIBOR per annum).

As at 30 September 2016, the interest rate on the bank borrowings was 1.0% (31 March 2016: ranged from 0.9% to 1.0%) per annum.

17. Gold Loans

The amounts represent borrowings from banks and the amounts payable are pegged with gold prices.

As at 30 September 2016, the gold loans carried fixed interest rates of 1.0% to 2.7% (31 March 2016: 1.2% to 2.7%) per annum, with original maturity of 1 to 5 months (31 March 2016: 1 to 4 months) from date of inception.

Gold loans were borrowed to reduce the impact of fluctuations in gold prices on gold inventories. Gold loans were designated as financial liabilities at fair value through profit or loss.

18. Share Capital

16. 銀行貸款(續)

於2016年9月30日，銀行貸款按浮動年利率計息，年利率為香港銀行同業拆息加0.7% (2016年3月31日：年利率為香港銀行同業拆息加介乎0.7%至0.8%)。

於2016年9月30日，有關銀行貸款的年利率為1.0% (2016年3月31日：0.9%至1.0%)。

17. 黃金借貸

該款項乃指銀行貸款，而應付款項與黃金價格掛鉤。

於2016年9月30日，黃金借貸按固定年利率1.0%至2.7% (2016年3月31日：1.2%至2.7%)計息，原到期日為授出日起1至5個月 (2016年3月31日：1至4個月)。

借取黃金借貸目的在於減低黃金存貨受黃金價格波動的影響。黃金借貸指定為按公平值計入損益的金融負債。

18. 股本

		Nominal value per share HK\$ 每股面值 港元	Number of shares 股份數目	Amount HK\$ million 金額 百萬港元
Authorised:	法定：			
At 1 April 2015, 31 March 2016 and 30 September 2016	於2015年4月1日、2016年3月31日及2016年9月30日	1.0	50,000,000,000	50,000.0
Issued and fully paid:	已發行及繳足：			
At 1 April 2015, 31 March 2016 and 30 September 2016	於2015年4月1日、2016年3月31日及2016年9月30日	1.0	10,000,000,000	10,000.0

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19. Operating Lease Commitments

The Group as lessee:

At the end of the reporting period, the Group was committed to making the following future minimum lease payments which represent lease payments of its rented premises, under non-cancellable operating leases which fall due as follows:

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
Within one year	一年內	1,285.5	1,466.4
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	1,039.4	1,435.5
Over five years	五年以後	402.3	472.6
		2,727.2	3,374.5

Majority of leases were negotiated and rentals are fixed for lease term ranging from 1 year to 3 years.

There were certain lease arrangements for rented premises, according to which the Group is committed to paying either minimum guaranteed amounts or additional monthly payments determined based on monthly sales levels.

The Group as lessor:

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
Within one year	一年內	9.6	8.6
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	4.8	12.9
		14.4	21.5

19. 經營租賃承擔

本集團作為承租人：

於報告期末，本集團承諾會根據不可撤銷的經營租賃於下列到期時間支付未來最低租金(指其承租物業的租金)如下：

大部分租約乃經磋商後釐定，租期一年至三年內租金不變。

根據若干承租物業的租賃安排，本集團承諾支付最低擔保金額或根據每月銷售水平釐定的每月額外付款。

本集團作為出租人：

於報告期末，本集團與租戶所訂租約的未來最低租金如下：

20. Capital Commitments

20. 資本承擔

		At 30 September 2016 HK\$ million (unaudited) 於2016年 9月30日 百萬港元 (未經審核)	At 31 March 2016 HK\$ million (audited) 於2016年 3月31日 百萬港元 (經審核)
Capital expenditure contracted but not provided for in respect of the acquisition of property, plant and equipment	就收購物業、廠房及設備已訂約但未撥備的資本開支	453.8	412.7

21. Fair Value Measurements of Financial Instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

21. 金融工具公平值計量

按經常性基準以公平值計量的本集團金融資產及金融負債之公平值

本集團若干金融資產及金融負債於各報告期末按公平值計量。下表載列有關如何釐定該等金融資產及金融負債公平值的資料(尤其是所用估值技巧及輸入參數)，以及按公平值計量輸入參數的可觀察程度，將公平值計量分為不同的公平值等級(1至3級)。

- 第1級公平值計量為根據同類資產或負債於活躍市場之報價(未經調整)得出的結果；
- 第2級公平值計量為根據第1級內所報價格以外，就資產或負債觀察得出之輸入數據，不論為直接(即價格)或間接(即自價格衍生)觀察得出的結果；及
- 第3級公平值計量為使用估值技術得出的結果，估值技術包括並非根據可觀察市場數據(不可觀察輸入參數)得出之資產或負債輸入數據。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 September 2016 截至2016年9月30日止六個月

21. Fair Value Measurements of Financial Instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

The following table provides an analysis of financial assets (liabilities) that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

		Level 1 HK\$ million 第1級 百萬港元	Level 2 HK\$ million 第2級 百萬港元	Level 3 HK\$ million 第3級 百萬港元	Total HK\$ million 總計 百萬港元
At 30 September 2016 (unaudited)	於2016年9月30日(未經審核)				
Convertible bonds	可兌換債券	-	-	17.8	17.8
Gold loans	黃金借貸	-	(7,904.1)	-	(7,904.1)
At 31 March 2016 (audited)	於2016年3月31日(經審核)				
Convertible bonds	可兌換債券	-	-	17.8	17.8
Gold loans	黃金借貸	-	(6,513.3)	-	(6,513.3)

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

21. 金融工具公平值計量(續)

按經常性基準以公平值計量的本集團金融資產及金融負債之公平值(續)

下表載列初始確認之後按公平值計量金融資產(負債)的分析,分析按可觀察公平值程度分為1至3級。

本公司董事認為,於簡明綜合財務報表按攤銷成本入賬的金融資產及金融負債之賬面值與其公平值相若。

Reconciliation of Level 3 fair value measurements of convertible bonds

可兌換債券第3級公平值計量之對賬

		HK\$ million 百萬港元
At 1 April 2015 (audited)	於2015年4月1日(經審核)	17.9
Currency realignment	貨幣調整	(0.1)
At 31 March 2016 (audited)	於2016年3月31日(經審核)	17.8
Currency realignment	貨幣調整	-
At 30 September 2016 (unaudited)	於2016年9月30日(未經審核)	17.8

Fair value measurements and valuation processes

In estimating the fair value of convertible bonds, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group performs the valuation using discounted cash flow model with reference to comparable market data.

公平值計量及估值過程

在估計可兌換債券公平值時,本集團會利用其可得的市場可觀察數據。倘沒有第1級輸入數據,本集團會參考可比較市場數據利用貼現現金流量模型進行估值。

22. Related Party Transactions

Other than the transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had entered into the following related party transactions during the period:

22. 關聯方交易

除簡明綜合財務報表內其他地方披露的交易及結餘外，本集團已於期內訂立下列關聯方交易：

Relationship 關係	Nature of transactions 交易性質	Six months ended 30 September 截至9月30日止六個月		
		2016 HK\$ million (unaudited) 百萬港元 (未經審核)	2015 HK\$ million (unaudited) 百萬港元 (未經審核)	
Entities in which certain directors* of the Company have beneficial interests 本公司若干董事*擁有受益權的實體	Advertising expenses 廣告開支	3.8	3.6	
	Concessionaire fees in department stores 百貨公司專櫃分成	29.8	35.9	
	Rental expenses 租金開支	102.4	95.2	
	Purchase of goods and coupons and commission expenses 購買貨品及禮券以及佣金開支	0.3	1.2	
	Sales of goods and coupons 銷售貨品及禮券	3.3	23.2	
	Rental income 租金收入	5.2	5.7	
	Licence fee 授權費用	3.4	0.4	
	Non-controlling shareholders of subsidiaries 附屬公司非控股股東	Concessionaire fees in department stores 百貨公司專櫃分成	3.7	2.3
		Franchise sales 加盟銷售	5.0	123.6
Entities in which a close family member of certain directors* of the Company has control 本公司若干董事*的近親家屬成員擁有 控制權的實體		Engineering services fee 工程服務費	6.3	17.5
	Rental expenses 租金開支	11.3	10.8	

* The directors also have beneficial interests in the Company.

* 相關董事亦擁有本公司的受益權。

Additional Information

其他資料

Interim Dividend and Special Dividend

The Board has resolved to declare an interim dividend of HK6.0 cents per share and a special dividend of HK15.0 cents per share, totalling HK21.0 cents per share (2015: HK50.0 cents per share) to shareholders whose names appear on the register of members of the Company on 7 December 2016. The interim and special dividends are expected to be paid on or around 16 December 2016.

Review of Interim Results

The Audit Committee has reviewed the unaudited condensed consolidated financial statements and the interim report for the six months ended 30 September 2016 and discussed the financial related matters with the management. The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2016 have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Corporate Governance Practices

Since 1 April 2016, the Company has adopted the revised Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules effective for the accounting periods beginning on or after 1 January 2016. During the six months ended 30 September 2016, the Company was in full compliance with all applicable principles and code provisions of the revised CG Code.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct during the six months ended 30 September 2016.

Employees and Remuneration Policy

As at 30 September 2016, the Group had a total of approximately 30,000 employees (excluding staff of franchisees) (31 March 2016: approximately 32,170) in Mainland China, Hong Kong, Macau, Taiwan, South Africa, Botswana and the United States.

Remuneration policy of the Group is reviewed regularly, making reference to legal framework, market condition and the performance of the Group and individual staff (including Directors). The remuneration policy and remuneration packages of the executive Directors and members of the senior management of the Group are reviewed by the Remuneration Committee.

中期股息及特別股息

董事會議決向於2016年12月7日名列本公司股東名冊的股東宣派每股6.0港仙的中期股息和每股15.0港仙的特別股息，合共每股21.0港仙(2015年：每股50.0港仙)。預計在2016年12月16日或前後派付中期股息和特別股息。

審閱中期業績

審核委員會已審閱截至2016年9月30日止六個月未經審核簡明綜合財務報表和中期報告，並已與管理層共同商討財務相關事宜。本集團截至2016年9月30日止六個月未經審核簡明綜合財務報表已經本公司核數師德勤·關黃陳方會計師行按照國際審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。

企業管治常規

自2016年4月1日起，本公司已採納上市規則附錄14所載於2016年1月1日或之後開始的會計期間生效的經修訂企業管治守則(「企業管治守則」)。截至2016年9月30日止六個月期間，本公司一直全面遵守經修訂企業管治守則的所有適用原則和守則條文。

董事進行的證券交易

本公司已就董事進行證券交易採納條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)的操守守則。本公司向全體董事作出具體查詢後，董事確認截至2016年9月30日止六個月期間已遵守標準守則和本公司操守守則所載的規定標準。

僱員和薪酬政策

於2016年9月30日，本集團在中國內地、香港、澳門、台灣、南非、博茲瓦納和美國合共約有30,000名僱員(不包括加盟商的員工)(2016年3月31日：約32,170名)。

本集團的薪酬政策是參考法律框架、市況和本集團與個別員工(包括董事)表現而定期檢討。本集團執行董事和高級管理人員的薪酬政策和薪酬組合由薪酬委員會檢討。

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2016.

Share Option Scheme

A share option scheme (the "Scheme") was adopted pursuant to a shareholders' written resolution of the Company passed on 17 November 2011. No options have been granted, exercised or cancelled under the Scheme since its adoption up to the date of this interim report.

Directors' Interests in the Shares, Underlying Shares and Debentures

As at 30 September 2016, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register as required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

Long position in shares

		Number of shares 股份數目			Approximate % of shareholding 持股概約 百分比	
		Personal interests 個人權益	Spouse interests 配偶權益	Corporate interests 法團權益		Total 合計
The Company (ordinary shares of HK\$1.00 each)	本公司(每股面值 1.00 港元的普通股)					
Mr. Wong Siu-Kee, Kent	黃紹基先生	12,000			12,000	0.0%
Mr. Cheng Chi-Kong, Adrian	鄭志剛先生			20,000 ⁽¹⁾	20,000	0.0%
Mr. Chan Sai-Cheong	陳世昌先生	12,000			12,000	0.0%
Mr. Suen Chi-Keung, Peter	孫志強先生	3,600			3,600	0.0%
Mr. Chan Hiu-Sang, Albert	陳曉生先生	12,000			12,000	0.0%
Mr. Cheng Ping-Hei, Hamilton	鄭炳熙先生	4,800			4,800	0.0%
Mr. Liu Chun-Wai, Bobby	廖振為先生		12,000		12,000	0.0%
International Entertainment Corporation (ordinary shares of HK\$1.00 each)	國際娛樂有限公司 (每股面值 1.00 港元 的普通股)					
Mr. Suen Chi-Keung, Peter	孫志強先生	4,000	4,000		8,000	0.0%

(1) These shares are beneficially-owned by a company which is wholly-owned by Mr. Cheng Chi-Kong, Adrian

購買、出售或贖回上市證券

本公司和其任何附屬公司於截至2016年9月30日止六個月期間均無購買、出售或贖回本公司的任何上市證券。

購股權計劃

根據2011年11月17日本公司股東通過的一份書面決議，公司採納了一項購股權計劃(「該計劃」)。該計劃自採納起至本中期報告日期，概無授出、行使或註銷購股權。

董事於本公司的股份、相關股份和債權證的權益

於2016年9月30日，本公司董事和最高行政人員於本公司與其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份和債權證中，擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司和聯交所的權益和淡倉，或根據證券及期貨條例第352條規定記錄於須予存置的登記冊內的權益和淡倉，或根據上市規則附錄10的標準守則須知會本公司和聯交所的權益和淡倉如下：

於股份之好倉

(1) 該等股份由鄭志剛先生全資擁有的一家子公司實益擁有

Additional Information 其他資料

Substantial Shareholders' Interests in Securities

As at 30 September 2016, the following persons (not being Directors or chief executives of the Company) had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long position in shares

Name 名稱	Number of shares 股份數目		Total 合計	Approximate % of shareholding 持股概約百分比
	Beneficial interests 實益權益	Corporate interests 法團權益		
Cheng Yu Tung Family (Holdings) Limited	8,933,937,400	8,933,937,400		89.3%
Cheng Yu Tung Family (Holdings II) Limited	8,933,937,400	8,933,937,400		89.3%
Chow Tai Fook Capital Limited	8,933,937,400	8,933,937,400		89.3%
Chow Tai Fook (Holding) Limited 周大福(控股)有限公司	8,933,937,400		8,933,937,400	89.3%

Note: As at 30 September 2016, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 49.0% and 46.7% interest in Chow Tai Fook Capital Limited respectively, which in turn held an approximately 78.6% interest in Chow Tai Fook (Holding) Limited and accordingly each of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited is deemed to have an interest in the shares of the Company held by Chow Tai Fook (Holding) Limited. Chow Tai Fook (Holding) Limited held 8,933,937,400 shares of the Company directly.

主要股東於證券的權益

於2016年9月30日，根據證券及期貨條例第336條須存置的登記冊所記錄的以下人士（並非本公司董事或最高行政人員）所持有本公司股份及相關股份的權益或淡倉如下：

於股份之好倉

附註：於2016年9月30日，Cheng Yu Tung Family (Holdings) Limited及Cheng Yu Tung Family (Holdings II) Limited各自於Chow Tai Fook Capital Limited分別持有約49.0%和46.7%權益，而Chow Tai Fook Capital Limited則於周大福(控股)有限公司持有約78.6%權益，因此Cheng Yu Tung Family (Holdings) Limited、Cheng Yu Tung Family (Holdings II) Limited及Chow Tai Fook Capital Limited被視為於周大福(控股)有限公司所持本公司股份中擁有權益，而周大福(控股)有限公司則直接持有本公司8,933,937,400股股份。

Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the date of the Company's Annual Report 2016 are set out below:

Dr. Cheng Kar-Shun, Henry has been the chairman and managing director of New World China Land Limited, which was a listed public company in Hong Kong until its delisting on 4 August 2016.

Mr. Cheng Chi-Kong, Adrian has been an executive director of New World China Land Limited, which was a listed public company in Hong Kong until its delisting on 4 August 2016.

Mr. Lam Kin-Fung, Jeffrey had been an independent non-executive director of Bracell Limited, which was a listed public company in Hong Kong until its delisting on 24 October 2016. Mr. Lam has tendered his resignation as an independent non-executive director of Bracell Limited with effect from 1 November 2016.

董事資料更新

根據上市規則第13.51B(1)條，董事資料自本公司2016年年報日期起的變動載列如下：

鄭家純博士為新世界中國地產有限公司主席兼董事總經理，該公司曾為香港上市公眾公司，直至2016年8月4日除牌。

鄭志剛先生為新世界中國地產有限公司執行董事，該公司曾為香港上市公眾公司，直至2016年8月4日除牌。

林健鋒先生曾為Bracell Limited獨立非執行董事，該公司曾為香港上市公眾公司，直至2016年10月24日除牌。林先生已提出辭任Bracell Limited獨立非執行董事，由2016年11月1日起生效。

Information for Investors

投資者資訊

Investor Calendar

FY2017 interim results announcement

22 November 2016

Closure of register of members

7 December 2016

Payment of interim dividend and special dividend

on or about 16 December 2016

投資者日誌

2017 財政年度中期業績公告

2016年11月22日

暫停辦理股份過戶登記手續

2016年12月7日

派發中期股息和特別股息

2016年12月16日或前後

Share Information

Company name

Chow Tai Fook Jewellery Group Limited

Listing

Hong Kong Stock Exchange

Stock code

1929

Listing date

15 December 2011

Board lot size

200 shares

Issued share capital as at 30 September 2016

10,000,000,000 shares

Index constituent

Hang Seng Global Composite Index
 Hang Seng Composite Index
 Hang Seng Mainland 100 Index
 FTSE Asian Retail Index
 Hang Seng Corporate Sustainability Benchmark Index

股份資料

公司名稱

周大福珠寶集團有限公司

上市

香港聯交所

股份代號

1929

上市日期

2011年12月15日

每手買賣單位

200股

於2016年9月30日已發行股本

10,000,000,000股

成份股

恒生環球綜合指數
 恒生綜合指數
 恒生中國內地100指數
 富時亞洲零售業指數
 恒生可持續發展企業基準指數

Information for Investors 投資者資訊

Shareholder Services

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

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185
e-mail: is-enquiries@hk.tricorglobal.com

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

股東服務

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

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

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

Investor Relations

For more information about the Group,

please visit corporate.chowtaifook.com

or contact our Investor Relations and Corporate Communications Department at
38/F, New World Tower

16-18 Queen's Road Central, Hong Kong

Tel: (852) 2524-3166

Fax: (852) 2526-9178

e-mail: ir@chowtaifook.com

投資者關係

有關本集團詳情，

請瀏覽 corporate.chowtaifook.com

或與我們的投資者關係及企業傳訊部門聯絡：

香港皇后大道中16-18號

新世界大廈38樓

電話：(852) 2524-3166

傳真：(852) 2526-9178

電郵： ir@chowtaifook.com

General Information

Headquarters and principal place of business in Hong Kong

33/F, New World Tower

16-18 Queen's Road Central, Hong Kong

Registered office

Codan Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

一般資料

總部及香港主要營業地點

香港皇后大道中16-18號

新世界大廈33樓

註冊辦事處

Codan Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Glossary

詞彙

1HFY 財政年度上半年	the first half of the financial year, six months ending 30 September 財政年度上半年，截至9月30日止六個月
2HFY 財政年度下半年	the second half of the financial year, six months ending 31 March 財政年度下半年，截至3月31日止六個月
ASP 平均售價	average selling price 平均銷售價格
Board 董事會	the board of Directors of the Company 本公司董事會
China UnionPay 中國銀聯	a bankcard organisation based in Mainland China 中國內地的一家銀行卡組織
Company/Chow Tai Fook 本公司/周大福	Chow Tai Fook Jewellery Group Limited (stock code: 1929) 周大福珠寶集團有限公司(股份代號：1929)
Concessionaire counter 專櫃	self-operated POS with concessionaire agreement 簽訂專櫃協議的直營零售點
Directors 董事	directors of the Company 本公司董事
FY 財政年度	financial year, 1 April of a year to 31 March of the following year 財政年度，當年4月1日至翌年3月31日
Gem-set jewellery 珠寶鑲嵌首飾	jewellery products made with diamonds and gemstones 鑲有鑽石及寶石的首飾產品
Gemstones 寶石	colour stones, jadeite and pearls 彩色寶石、翡翠及珍珠
Group 集團/本集團	the Company and its subsidiaries 本公司及其附屬公司
Hearts On Fire	Hearts On Fire Company, LLC.
High-end luxury jewellery 名貴珠寶	jewellery products with a retail price of above HK\$100,000 per piece 每件零售價10萬港元以上的珠寶產品
Karat gold K金	jewellery products made from gold alloy 以合金製成的首飾產品
Listing Rules 上市規則	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司證券上市規則

Glossary

詞彙

Mainland China 中國內地	the mainland of the People's Republic of China 中華人民共和國內地
Mass luxury jewellery 主流珠寶	jewellery products with a retail price ranging from HK\$2,000 to HK\$100,000 per piece 每件零售價介乎2千港元至10萬港元的珠寶產品
O2O 線上線下	online-to-offline 線上到線下
POS 零售點	points of sale 產品零售點
Retail Sales Value/RSV 零售值	the sales at the ending price (VAT inclusive, if any), in respective functional currencies, of products sold to customers in the POS network and other channels 於零售點網絡和其他渠道向客戶銷售產品以相應的功能貨幣計值的最終零售價(包括增值稅, 如有)計算
Same Store 同店	self-operated POS existing as at the end of the relevant financial period and which have been operating since the beginning of the prior financial year 自前一個財政年度初已經營並於有關財政期間末仍然續存的直營零售點
Same Store Sales/SSS 同店銷售	for 1HFY2017, the revenue from self-operated POS existing as at 30 September 2016 and which have been opened prior to 1 April 2015, measured at constant exchange rates. Revenue from wholesale and other channels are excluded 就2017財政年度上半年而言, 於2015年4月1日前開業並於2016年9月30日仍然續存的直營零售點的營業額(按相同匯率計量), 惟不包括批發及其他渠道的營業額
Same Store Sales Growth/SSSG 同店銷售增長	a comparison between Same Store Sales of a particular period and sales from comparable POS in the previous period, measured at constant exchange rates 以相同匯率比較特定期間的同店銷售與前一期間的可比零售點銷售
SFO 證券及期貨條例	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
Stock Exchange 聯交所	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Tier I, II, III and other cities 一線、二線、三線及其他城市	for the list of cities, please refer to the glossary of our FY2014/15 interim report 有關城市詳情請參閱2014/2015財政年度的中期報告

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