

L & A INTERNATIONAL HOLDINGS LIMITED

樂亞國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8195



2018

年報 Annual Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of L & A International Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」) GEM 的特色

GEM 乃為較其他於聯交所上市的中小型公司帶有較高投資風險的公司提供一個上市市場。有意投資者應了解投資於該等公司的潛在風險，並應經過審慎周詳考慮後方作出投資決定。

由於 GEM 上市公司一般為中小型公司，於 GEM 買賣的證券可能會較於聯交所主板買賣的證券承受較大的市場波動風險，同時無法保證於 GEM 買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不會就因本報告全部或任何部分內容所產生或因依賴該等內容而引致的任何損失承擔任何責任。

本報告乃遵照聯交所 GEM 證券上市規則(「GEM 上市規則」)之規定提供有關樂亞國際控股有限公司(「本公司」)的資料。本公司各董事(「董事」)共同及個別對本報告承擔全部責任。董事於作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均屬準確及完整，且並無誤導或欺詐成分，亦無遺漏任何其他事項，致使本報告內任何聲明或本報告有所誤導。

Contents 目錄

Corporate Information	公司資料	3-5
Financial Summary	財務概要	6
Chairman's Statement	主席報告書	7-8
Management Discussion and Analysis	管理層討論及分析	9-35
Biographies of Directors	董事履歷	36-37
Directors' Report	董事會報告	38-50
Corporate Governance Report	企業管治報告	51-62
Independent Auditors' Report	獨立核數師報告	63-71
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	72
Consolidated Statement of Financial Position	綜合財務狀況表	73-74
Consolidated Statement of Changes in Equity	綜合權益變動表	75
Consolidated Statement of Cash Flows	綜合現金流量表	76-78
Notes to the Consolidated Financial Statements	綜合財務報表附註	79-182
Five Years Financial Summary	五年財務概要	183
Particulars of Investment Properties	投資物業的詳情	184

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Maples Corporate Services Limited
P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

開曼群島註冊辦事處

Maples Corporate Services Limited
P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit No. D, 5th Floor, Wing Hong Centre,
No. 18 Wing Hong Street, Kowloon, Hong Kong

香港總部及主要經營地點

香港
九龍永康街18號
永康中心
5樓D室

EXECUTIVE DIRECTOR

Mr. Ng Ka Ho (*Chairman*)
Mr. Lau Chun Kavan (appointed on 16 May 2018)

執行董事

吳家豪先生(主席)
劉俊先生(於二零一八年五月十六日獲委任)

NON-EXECUTIVE DIRECTOR

Mr. Wong Chiu Po (resigned on 26 April 2017)

非執行董事

黃昭堡先生(於二零一七年四月二十六日辭任)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ma Chi Ming
Mr. Li Kin Ping (appointed on 20 April 2017)
Ms. Guo Yan Xia (appointed on 26 September 2017)
Mr. Ng Kai Shing (resigned on 26 September 2017)
Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)

獨立非執行董事

馬志明先生
李健平先生(於二零一七年四月二十日獲委任)
郭艷霞女士(於二零一七年九月二十六日獲委任)
吳啟誠先生(於二零一七年九月二十六日辭任)
鄭麟基先生(於二零一七年四月二十日辭任)

AUDIT COMMITTEE

Mr. Li Kin Ping (*Chairman*)
(appointed on 20 April 2017 and re-designated to be the chairman
of the Audit Committee on 26 September 2017)

審核委員會

李健平先生(主席)
(於二零一七年四月二十日獲委任並於
二零一七年九月二十六日獲調任為
審核委員會主席)
馬志明先生
郭艷霞女士(於二零一七年九月二十六日獲委任)
吳啟誠先生(於二零一七年九月二十六日辭任)
鄭麟基先生(於二零一七年四月二十日辭任)

Mr. Ma Chi Ming
Ms. Guo Yan Xia (appointed on 26 September 2017)
Mr. Ng Kai Shing (resigned on 26 September 2017)
Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)

CORPORATE INFORMATION

公司資料

REMUNERATION COMMITTEE

Mr. Li Kin Ping (*Chairman*)

(appointed on 20 April 2017)

Mr. Ng Ka Ho

Ms. Guo Yan Xia (appointed on 26 September 2017)

Mr. Ng Kai Shing (resigned on 26 September 2017)

Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)

NOMINATION COMMITTEE

Mr. Li Kin Ping (*Chairman*)

(appointed on 20 April 2017)

Mr. Ng Ka Ho

Ms. Guo Yan Xia (appointed on 26 September 2017)

Mr. Ng Kai Shing (resigned on 26 September 2017)

Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)

AUTHORISED REPRESENTATIVES

Mr. Ng Ka Ho

Ms. Lai Wai Ha of Akron Advisory Limited, external service provider

(appointed on 29 September 2017)

Mr. Leung Tze Wai (ceased to act on 29 September 2017)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square

Grand Cayman, KY1-1104

Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F, 148 Electric Road

North Point

Hong Kong

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

薪酬委員會

李健平先生 (主席)

(於二零一七年四月二十日獲委任)

吳家豪先生

郭艷霞女士 (於二零一七年九月二十六日獲委任)

吳啟誠先生 (於二零一七年九月二十六日辭任)

鄭麟基先生 (於二零一七年四月二十日辭任)

提名委員會

李健平先生 (主席)

(於二零一七年四月二十日獲委任)

吳家豪先生

郭艷霞女士 (於二零一七年九月二十六日獲委任)

吳啟誠先生 (於二零一七年九月二十六日辭任)

鄭麟基先生 (於二零一七年四月二十日辭任)

授權代表

吳家豪先生

亞貝隆顧問有限公司 (外部服務提供商)

黎惠霞女士 (於二零一七年九月二十九日

獲委任)

梁子煒先生 (於二零一七年九月二十九日

不再擔任)

開曼群島主要股份過戶登記處

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square

Grand Cayman, KY1-1104

Cayman Islands

香港股份過戶登記分處

寶德隆證券登記有限公司

香港

北角

電氣道 148 號 21 樓 2103B 室

主要往來銀行

星展銀行 (香港) 有限公司

CORPORATE INFORMATION

公司資料

COMPANY SECRETARY

Ms. Lai Wai Ha of Akron Advisory Limited, external service provider
(appointed on 29 September 2017)

公司秘書

亞貝隆顧問有限公司(外部服務提供商)
黎惠霞女士(於二零一七年九月二十九日
獲委任)

AUDITORS

Elite Partners CPA Limited
Certified Public Accountants

核數師

開元信德會計師事務所有限公司
執業會計師

COMPANY'S WEBSITE

www.lna.com.hk

公司網站

www.lna.com.hk

STOCK CODE

8195

股份代號

8195

FINANCIAL SUMMARY

財務概要

		Year ended 31 March		
		截至三月三十一日止年度		
		2018	2017	Percentage
		二零一八年	二零一七年	百分比
		HK\$'000	HK\$'000	%
		千港元	千港元	
Revenue	收益	57,881	60,830	(4.9%)
Gross profit (loss)	毛利(毛損)	13,963	(6,436)	317.0%
Loss for the year	年內虧損	(271,246)	(297,016)	(8.7%)
Loss per share	每股虧損			
— basic and diluted	— 基本及攤薄			
(HK\$)	(港元)	(0.21)	(0.24)	(12.5%)
Proposed dividend per share	擬派每股股息	—	—	—

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

I am pleased to present to you the annual results of L & A International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2018.

BUSINESS REVIEW

The Group had experienced a tough year for the financial year ended 31 March 2018, the revenue of the Group decreased by approximately 4.9% compared to the financial year ended 31 March 2017. The revenue of the OEM Business segment and the Retail Business segment decreased by approximately 4.8% and approximately 37.2%, respectively.

For the OEM Business, as our major customers are located in United States of America and we noticed that its garment sector of the consumer market is still tough, especially in high-valued clothing. It was impacted our sales of pure cashmere products and directly affected our revenue from the OEM Business segment. We had stepped up the efforts in controlling our expenses and looking for ways to improve the business, we discovered that the major reason for the loss of order from the existing clients is that the cost of cashmere products manufactured by Huijia Knitting, being the holding company of a factory in Huizhou, the PRC, which carries out the entire production process of the Group's cashmere products, is much higher than its competing manufacturers and the cost of maintaining Huijia Knitting is very high in PRC, which includes labour and employment related costs, compliance with the environmental laws, maintenance of equipment and other fixed costs, etc. Thus, the Group was unable to lower the price of the cashmere products to maintain its competitiveness. Based on the above findings, we intended to change its operation model by placing orders with other OEM manufacturer, while maintaining the procurement and quality control teams, instead of maintaining Huijia Knitting. It would substantially reduce the costs of operation and improve the profit margins of the OEM business. Therefore, Huijia Knitting was disposed during the year.

For the Retail Business, due to the retail industry relies on tourism, the continuous slowdown of inbound tourism has led to a weak general atmosphere of the consumer market in Hong Kong. It has directly impacted our retail sales.

各位股東：

本人欣然提呈樂亞國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一八年三月三十一日止財政年度的全年業績。

業務回顧

截至二零一八年三月三十一日止財政年度對本集團而言乃艱難的一年。本集團收益較截至二零一七年三月三十一日止財政年度減少約4.9%。原設備製造業務分部及零售業務分部的收益分別減少約4.8%及約37.2%。

原設備製造業務方面，由於我們的主要客戶位於美國，我們注意到美國消費市場的成衣業（尤其為高價服裝）仍然嚴峻，影響我們純羊絨產品的銷情，並直接影響原設備製造業務分部收益。我們已加強控制開支，並尋求改善業務的途徑。我們發現失去現有客戶訂單的主要原因乃為惠嘉織造（中國惠州一間工廠的控股公司，為本集團包辦整個羊絨產品生產過程）製造羊絨產品的成本較其製造商競爭對手的成本為高，且於中國保留惠嘉織造的成本極高，其中包括勞工及僱傭相關成本、環境法律合規、維修設備及其他固定成本等。因此，本集團未能降低羊絨產品的價格以維持競爭優勢。基於上述調查結果，我們擬透過向其他原設備製造商下達訂單，同時保留採購及質量監控團隊而非保留惠嘉織造，藉以改變經營模式。此舉將大幅降低原設備製造業務的營運成本並提升溢利率。因此，惠嘉織造已於年內出售。

零售業務方面，由於零售業依賴旅遊業，入境旅遊持續放緩導致香港消費市場整體氣氛疲弱，直接對我們的零售銷售產生影響。

CHAIRMAN'S STATEMENT

主席報告書

For Money Lending Business, as disclosed in the Monthly Statistical Bulletin published by the Hong Kong Monetary Authority in 23 July 2018, the total loans and advances of all authorised money lending institutions in Hong Kong increased from approximately HK\$3,279 billion in May 2008 to approximately HK\$9,723 billion in May 2018, the increase represents there is a strong and growing demand in money lending industry in Hong Kong. In the view of extending the scope of the Group's existing business, diversifying its business scope and broaden the Group's revenue basis to enhance its profitability and achieve better return of shareholders. The Group obtained the money lender license and commenced business in June 2016, it has generated interest income of approximately HK\$8.8 million to the Group for the year ended 31 March 2018.

Prospects

For the OEM Business, the management is committed to strengthen the customer base. The Group will continue to find new orders and customers. Also, with the implementation of the new operation model, management expects there will be a better control of costing and enhance the profit margin. For the Retail Business, the management of the Company will closely monitor the consumers' behaviour and will continue the promotion campaigns. The management of the Company is also monitoring the movement of the rental of retail outlets and will adjust the expansion plan for Retail Business if necessary. Despite the uncertainties, the management of the Company still remains positive towards the Retail Business in long run. For Money Lending Business, the Group will continue to expand it in a prudent and balanced risk management approach and it is expected that the loan demand in Hong Kong will remain robust. Also, the Money Lending Business is expected to have a significant contribution to overall growth of the Group as it expands. Looking forwards, the Group will continue to strive for the diversifications of the Group's existing business and broaden its income stream, in order to align the business strategies with its corporate mission and goals with the aim to deliver long term benefits to the shareholders.

APPRECIATION

I would like to extend, on L & A International Holdings Limited's behalf, my heartfelt gratitude to the shareholders of the Company, members of the Board of Directors, management and staff of the Group for their continuing support to our Company.

Ng Ka Ho
Chairman

放債業務方面，誠如香港金融管理局於二零一八年七月二十三日所刊發金融數據月報所披露，香港所有認可放債機構的貸款及墊款總額由二零零八年五月約32,790億港元增至二零一八年五月約97,230億港元，有關增加顯示香港放債業需求強勁及日益增長。就擴大本集團現有業務範疇而言，多元化發展本集團業務範疇及擴闊本集團收益基礎可提升其盈利能力及為股東爭取更佳回報。本集團於二零一六年六月取得放債人牌照並展開業務，截至二零一八年三月三十一日止年度有關業務已為本集團帶來利息收入約8.8百萬港元。

前景

在原設備製造業務方面，管理層致力擴大客源。本集團將繼續尋求新訂單及客戶。此外，透過實施新營運模式，管理層預期將能更有效地監控成本並提升溢利率。零售業務方面，本公司管理層將密切監察消費者的消費行為，並繼續進行推廣活動。本公司管理層亦將監控零售店舖的租金走勢，並在有需要時調整零售業務的擴充計劃。儘管存在不明朗因素，惟本公司管理層長遠而言對零售業務仍然保持樂觀態度。在放債業務方面，本集團將繼續以審慎態度及平衡風險管理的方式開拓業務，預期香港的貸款需求仍然強勁。此外，放債業務預期將在擴充時為本集團的整體增長帶來重大貢獻。展望未來，本集團將繼續致力令本集團現有業務更多元化以及擴大收入來源，務求令其業務策略配合企業使命及目標，為股東帶來長遠利益。

致謝

最後，本人謹代表樂亞國際控股有限公司就本公司股東、董事會成員、本集團管理層及員工一直以來對本公司的鼎力支持深表謝意。

主席
吳家豪

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group principally derives its revenue from three business arms: (i) OEM business segment, which entails product design and development, raw materials sourcing and procurement, manufacturing and product quality control management (the “OEM business”), (ii) apparel retail business segment, which entails designing, procuring, manufacturing, marketing and retailing of Pure Cashmere Apparel and Other Apparel products as well as accessories through an established retail network in Hong Kong under the Group’s proprietary trademarks, “Casimira” and “Les Ailes” (the “Retail Business”) and (iii) Money Lending Business segment, which provides financing to customers for interest income.

OEM Business

Further to our disclosures earlier in the year, the garment sector of the consumer market in the United States has been suffering, which lead to a significant decrease in the order and the revenue to the Group. We had stepped up the efforts in controlling our expenses and looking for ways to improve the business, we discovered that the major reason for the loss of order from the existing clients is that the cost of cashmere products manufactured by Huijia Knitting, being the holding company of a factory in Huizhou, the PRC, which carries out the entire production process of the Group’s cashmere products, is much higher than its competing manufacturers and the cost of maintaining Huijia Knitting is very high in PRC, which includes labour and employment related costs, compliance with the environmental laws, maintenance of equipment and other fixed costs, etc. Thus, the Group was unable to lower the price of the cashmere products to maintain its competitiveness. Based on the above findings, we intended to change its operation model by placing orders with other OEM manufacturer, while maintaining the procurement and quality control teams, instead of maintaining Huijia Knitting. It would substantially reduce the costs of operation and improve the profit margins of the OEM business. Therefore, Huijia Knitting was disposed during the year.

Retail Business

The decline in revenue is mainly attributable to the prolongation of the sluggish economy, low level of consumer sentiment and the rather unpleasant shopping atmosphere in Hong Kong. In addition, the economic slowdown in PRC eroded consumer confidence which worsened by the depreciation of Renminbi; the shifting of pattern to online shopping further negatively impacted the retail business.

Under such an unfavourable ambience, the Group has adopted a prudent approach in restructuring its sales network aiming at minimising the operating costs amid catering for the consumers’ preference of shopping online.

業務回顧

本集團的收入主要源自於其三個業務部門：(i) 原設備製造業務分部，承擔產品設計及開發、原材料採購、製造及產品質量控制管理（「原設備製造業務」）；(ii) 服裝零售業務分部，透過於香港成熟的零售網絡以本集團的專屬商標「Casimira」及「Les Ailes」承擔設計、採購、製造、市場推廣及零售純羊絨服裝以及其他服裝產品及配飾（「零售業務」）及(iii) 放債業務分部，向顧客提供融資以賺取利息收入。

原設備製造業務

繼我們於本年度較早時間的披露，美國成衣業的消費市場持續疲弱，導致本集團的訂單及收益顯著減少。我們已加強控制開支，並尋求改善業務的途徑。我們發現失去現有客戶訂單的主要原因是惠嘉織造（中國惠州一間工廠的控股公司，為本集團包辦整個羊絨產品生產過程）製造羊絨產品的成本較其製造商競爭對手的成本為高，且於中國保留惠嘉織造的成本極高，其中包括勞工及僱傭相關成本、環境法律合規、維修設備及其他固定成本等。因此，本集團未能降低羊絨產品的價格以維持競爭優勢。基於上述調查結果，我們擬透過向其他原設備製造商下達訂單，同時保留採購及質量監控團隊而非保留惠嘉織造，藉以改變經營模式。此舉將大幅降低原設備製造業務的營運成本並提升溢利率。因此，惠嘉織造已於年內出售。

零售業務

收益減少乃主要由於香港經濟持續低迷、消費意欲積弱以及購物氣氛欠佳所致。此外，中國經濟放緩削弱消費者信心，且消費者信心亦因人民幣貶值而惡化；消費習慣轉移至網上購物進一步對零售業務構成負面影響。

在有關不利氛圍之下，本集團已就重組銷售網絡採取審慎態度，銳意在應付消費者偏好網上購物習慣，同時盡量降低經營成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Money Lending Business

Since the Group obtained the money lender licence and commenced money lending business from June 2016, the Group's money lending business is expanding quickly and there is high demand for loan. The Group targets customers who look for substantial loan amounts with collaterals. During the year, the Money Lending Business recorded a rapid growth and it had generated interest income of approximately HK\$8,765,000, representing an increase of approximately 37.3% as compared to the year ended 31 March 2017.

During the year under review, the Group had no material changes in its business nature and principal activities.

FINANCIAL REVIEW

Revenue

The Group's revenue declined from approximately HK\$60.8 million for the year ended 31 March 2017 to approximately HK\$57.9 million for the year ended 31 March 2018, representing a decrease of approximately 4.9%. The revenue of OEM Business decreased by approximately 4.8% to approximately HK\$43.9 million for the year ended 31 March 2018 as compared to the year ended 31 March 2017. On the other hand, the revenue from the Retail Business decreased by approximately 37.2% to approximately HK\$5.2 million for the year ended 31 March 2018 as compared to the year ended 31 March 2017.

For the Money Lending Business, the Group obtained the money lender license and commenced business in June 2016, it has generated interest income of approximately HK\$8.8 million for the year ended 31 March 2018, representing an increase of approximately 37.3% as compared to the year ended 31 March 2017.

放債業務

自本集團已於二零一六年六月取得放債人牌照並開展放債業務以來，本集團的放債業務迅速擴展，且貸款需求強勁。本集團的目標客戶為有意透過提供抵押品取得大額貸款的客戶。年內，放債業務錄得急劇增長，帶來利息收入約8,765,000港元，較截至二零一七年三月三十一日止年度增加約37.3%。

於回顧年度內，本集團的業務性質及主要活動並無重大變動。

財務回顧

收益

本集團的收益由截至二零一七年三月三十一日止年度約60.8百萬港元，減少約4.9%至截至二零一八年三月三十一日止年度約57.9百萬港元。截至二零一八年三月三十一日止年度，原設備製造業務的收益較截至二零一七年三月三十一日止年度減少約4.8%至約43.9百萬港元。另一方面，截至二零一八年三月三十一日止年度，零售業務的收益較截至二零一七年三月三十一日止年度減少約37.2%至約5.2百萬港元。

放債業務方面，本集團於二零一六年六月取得放債人牌照並展開業務，有關業務於截至二零一八年三月三十一日止年度已為本集團帶來利息收入約8.8百萬港元，較截至二零一七年三月三十一日止年度增加約37.3%。

		Year ended 31 March			
		截至三月三十一日止年度			
		2018		2017	
		二零一八年		二零一七年	
		HK\$'000	%	HK\$'000	%
		千港元	百分比	千港元	百分比
OEM Business	原設備製造業務	43,894	75.8	46,126	75.8
Retail Business	零售業務	5,222	9.0	8,318	13.7
Money Lending Business	放債業務	8,765	15.2	6,386	10.5
		57,881	100.0	60,830	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cost of Sales and Gross Profit

The majority of the Group's cost of sales was raw material costs. The Group's cost of sales dropped by 34.7% to approximately HK\$43.9 million for the year ended 31 March 2018 as compared to the year ended 31 March 2017. The gross profit margin increased from approximately -10.6% for the year ended 31 March 2017 to approximately 24.1% for the year ended 31 March 2018. The gross profit increased by approximately 317.0% to approximately HK\$14.0 million gross profit for the year ended 31 March 2018 as compared to the year ended 31 March 2017.

Such increase in gross profit was mainly attributable to, among other things, change of operation model of OEM Business segment by placing orders with other OEM manufacturer, which resulted in significant drop of the cost of operation.

Expenses

Selling and administrative expenses for the year ended 31 March 2018 were approximately HK\$24.9 million (year ended 31 March 2017: approximately HK\$100.5 million), representing an decrease of approximately HK\$75.6 million.

The decrease is due to approximately HK\$37.0 million share option expenses and approximately HK\$12.1 million professional expenses incurred in relation to legal proceedings and two voluntary conditional offer by Favourite Number Limited and QPL International Holdings Limited for the year ended 31 March 2017.

Loss for the year

The loss for the year ended 31 March 2018 was approximately HK\$271.2 million. The loss for the year ended 31 March 2017 was approximately HK\$297.0 million.

銷售成本及毛利

本集團的銷售成本大部分為原材料成本。截至二零一八年三月三十一日止年度，本集團的銷售成本較截至二零一七年三月三十一日止年度下跌34.7%至約43.9百萬港元。毛利率由截至二零一七年三月三十一日止年度約-10.6%增至截至二零一八年三月三十一日止年度約24.1%。截至二零一八年三月三十一日止年度，毛利較截至二零一七年三月三十一日止年度增加約317.0%至毛利約14.0百萬港元。

毛利增加主要由於(其中包括)原設備製造業務分部轉變營運模式，向其他原設備製造商下訂單，導致營運成本大幅下降。

開支

截至二零一八年三月三十一日止年度，銷售及行政開支約為24.9百萬港元(截至二零一七年三月三十一日止年度：約100.5百萬港元)，減幅約為75.6百萬港元。

開支減少主要由於截至二零一七年三月三十一日止年度產生購股權開支約37.0百萬港元以及就法律訴訟及就Favourite Number Limited及QPL International Holdings Limited提出兩項自願有條件要約產生專業費用約12.1百萬港元。

年內虧損

截至二零一八年三月三十一日止年度錄得虧損約271.2百萬港元。截至二零一七年三月三十一日止年度則錄得虧損約297.0百萬港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PRINCIPAL RISK AND UNCERTAINTIES

Operational Risk

The Group is exposed to the operational risk in relation to each business division of the Group. To manage the operational risk, the management of each business division is responsible for monitoring the operation and assessing the operational risk of their respective business divisions. They are responsible for implementing the Group's risk management policies and procedures and shall report any irregularities in connection with the operation of the projects to the Directors and seek directions. The Group emphasizes on ethical value and prevention of fraud and bribery and has established a whistleblower program, including communication with other departments and business divisions and units, to report any irregularities. In this regard, the Directors consider that the Group's operational risk is effectively mitigated.

Financial Risks

The Group is exposed to the credit risk and liquidity risk. They are shown in note 37 to the consolidated financial statements.

SHARE CONSOLIDATION, CHANGE IN BOARD LOT SIZE AND INCREASE IN AUTHORISED SHARE CAPITAL

On 6 September 2017, the Board proposed to (i), consolidate every twenty (20) issued and unissued share of HK\$0.002 each into one (1) consolidated share of HK\$0.04 each; (ii), to change the board lot size for trading on the Stock Exchange from 8,000 shares to 24,000 consolidated shares conditional upon the share consolidation becoming effective and (iii), increase the authorised share capital of the Company from HK\$100,000,000 divided into 2,500,000,000 consolidated shares to HK\$500,000,000 divided into 12,500,000,000 consolidated shares by the creation of additional 10,000,000,000 consolidated shares, which shall rank pari passu in all aspects with the consolidated shares in issue. The above share consolidation and increase in authorised share capital were approved by the Company's shareholders at the extraordinary general meeting on 6 October 2017 and became effective on 9 October 2017.

主要風險及不確定因素

經營風險

本集團承擔有關本集團各業務分部之經營風險。為管理經營風險，各業務分部管理層負責監控各自之業務分部之營運及評估有關經營風險。彼等負責執行本集團之風險管理政策及程序以及向董事匯報任何項目營運相關之違規情況並尋求指示。本集團重視道德價值及防止欺詐及賄賂，已制訂一項舉報程序，包括與其他部門及業務分部及單位溝通以匯報任何違規情況。就此，董事認為本集團之經營風險已有效減低。

財務風險

本集團承擔信貸風險及流動資金風險。有關風險於綜合財務報表附註37列示。

股份合併、更改每手買賣單位及增加法定股本

於二零一七年九月六日，董事會建議(i)將每二十(20)股每股面值0.002港元的已發行及未發行股份合併為一(1)股每股面值0.04港元的合併股份；(ii)於股份合併生效時將在聯交所買賣所用的每手買賣單位由8,000股股份改為24,000股合併股份；及(iii)將本公司的法定股本由100,000,000港元(分為2,500,000,000股合併股份)增至500,000,000港元(分為12,500,000,000股合併股份)，方法為增設額外10,000,000,000股合併股份，全部均在各方面與已發行的合併股份享有同等地位。上述股份合併及增加法定股本已於二零一七年十月六日舉行的股東特別大會上獲本公司股東批准，並於二零一七年十月九日生效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2018, the share capital and equity attributable to owners of the Company amounted to approximately HK\$51,200,000 and HK\$137,822,000 respectively (31 March 2017: HK\$51,200,000 and HK\$407,359,000 respectively).

As at 31 March 2018, the Group had approximately HK\$16.1 million in bank balances and cash (31 March 2017: HK\$3.7 million).

As at 31 March 2018, the Group's total borrowings were nil (31 March 2017: HK\$5.8 million). The gearing ratio was approximately 0.0% at 31 March 2018 (31 March 2017: approximately 1.4%).

Note: Gearing ratio is calculated as the total debt (borrowings) divided by total equity.

CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 31 March 2018 and 2017.

CHARGE OVER ASSETS OF THE GROUP

Details are set out in note 26 to the consolidated financial statements in this annual report.

流動資金、財務資源及資本結構

於二零一八年三月三十一日，本公司擁有人應佔股本及權益分別約為51,200,000港元及137,822,000港元(二零一七年三月三十一日：51,200,000港元及407,359,000港元)。

於二零一八年三月三十一日，本集團有銀行結餘及現金約16.1百萬港元(二零一七年三月三十一日：3.7百萬港元)。

於二零一八年三月三十一日，本集團的借貸總額為零(二零一七年三月三十一日：5.8百萬港元)。二零一八年三月三十一日的資產負債比率約為0.0%(二零一七年三月三十一日：約1.4%)。

附註：資產負債比率乃按債務(借貸)總額除權益總額計算。

資本承擔

於二零一八年及二零一七年三月三十一日，本集團並無任何重大資本承擔。

本集團的資產抵押

詳情載於本年報綜合財務報表附註26。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS, AND PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

On 27 July 2017, Able Rich Management Limited, an indirect wholly-owned subsidiary of the Company (as purchaser) entered into the sale and purchase agreement (the "Acquisition") with Mr. Lam Chi Man (as vendor) in relation to the acquisition of the entire issued share capital and all obligations, liabilities and debts owing or incurred by Profit Spread Investment Limited (as target company) at a consideration of HK\$30,300,000. The Acquisition was completed on 22 December 2017.

On 8 August 2017, Winsky Management Limited (the "Vendor"), an indirect wholly-owned subsidiary of the Company entered into a Disposal Agreement (the "Disposal") with Mr. Li Qiang, Mr. Li Ping, Ms. Lijuan and Mr. Shi Xiuping (collectively as the "Purchasers"), pursuant to which the Vendor had conditionally agreed to sell and the Purchasers had conditionally agreed to purchase, the entire equity interest and the sale loan in Huizhou Huijia Knitting Company Limited ("Huijia Knitting"), a wholly owned subsidiary of the Vendor, at a consideration of RMB41,000,000. The Disposal was completed on 16 August 2017 and Huijia Knitting ceased to be a subsidiary of the Company on that date.

On 23 March 2018, Able Rich Management Limited (the "Vendor"), an indirect wholly-owned subsidiary of the Company entered into a Provisional Agreement (the "Disposal") with an independent third party, pursuant to which the Vendor had conditionally agreed to sell and the Purchaser had conditionally agreed to purchase, the entire issued capital of Well Sun Development Company Limited ("Well Sun"), a wholly owned subsidiary of the Vendor, at a consideration of HK\$36,500,000. Subject to the fulfillment of all Conditions, Completion will take place on 16 August 2018. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated with the results of the Group.

Save as disclosed elsewhere in this annual report and for above, there were no significant investments held as at 31 March 2018, nor other material acquisitions and disposals of subsidiaries and associated companies during the year ended 31 March 2018. There is no future plan for material investments or capital assets as at 31 March 2018.

重大投資、收購事項及出售事項以及重大投資或資本資產的計劃

於二零一七年七月二十七日，本公司的間接全資附屬公司Able Rich Management Limited（作為買方）與Lam Chi Man先生（作為賣方）訂立買賣協議（「收購事項」），內容有關收購顯潤投資有限公司（作為目標公司）的全部已發行股本及所結欠或產生的一切義務、責任及債務，代價為30,300,000港元。收購事項於二零一七年十二月二十二日完成。

於二零一七年八月八日，本公司間接全資附屬公司Winsky Management Limited（「賣方」）與李強先生、李平先生、李麗娟女士及施修平先生（統稱「買方」）訂立出售協議（「出售事項」），據此，賣方已有條件同意出售而買方已有條件同意購買惠州市惠嘉織造有限公司（「惠嘉織造」，賣方的全資附屬公司）的全部股權以及銷售貸款，代價為人民幣41,000,000元。出售事項已於二零一七年八月十六日完成，而惠嘉織造於該日起不再為本公司附屬公司。

於二零一八年三月二十三日，本公司的間接全資附屬公司Able Rich Management Limited（「賣方」）與獨立第三方訂立臨時協議（「出售事項」），據此，賣方有條件同意出售而買方有條件同意購買賣方的全資附屬公司Well Sun Development Company Limited（「Well Sun」）的全部已發行股本，代價為36,500,000港元。待達成所有條件後，完成將於二零一八年八月十六日落實。於完成後，目標公司將不再為本公司的附屬公司及目標公司的財務業績將不再併作本集團的業績。

除本年報其他部份所披露者及上述者外，於二零一八年三月三十一日概無持有任何重大投資，亦無於截至二零一八年三月三十一日止年度進行任何其他重大收購及出售附屬公司及聯營公司。於二零一八年三月三十一日，概無重大投資或資本資產的未來計劃。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTINGENT LIABILITIES

As at 31 March 2018, the Group had no material contingent liabilities (2017: nil).

FOREIGN EXCHANGE RISK

The Group settles the cost of production in Renminbi (“RMB”) and Hong Kong dollars (“HK\$”) and most of the sales of the Group are settled in HK\$. Therefore, the Group is exposed to foreign exchange risk of RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group employed approximately of 30 employees. The Group’s staff cost for the year ended 31 March 2018 amounted to approximately HK\$5.1 million. The Group’s remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries and allowance.

In Hong Kong, the Group’s employees have participated in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). In the PRC, the Group’s employees have participated in various security insurance including social insurance prescribed by the Social Insurance Law of PRC (《中華人民共和國社會保險法》), and housing provident fund prescribed by the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》).

RETIREMENT BENEFITS PLANS

In Hong Kong, the Group participates in the mandatory provident fund prescribed by the Mandatory Provident Fund Scheme Ordinance (Chapter 485 of the Laws of Hong Kong).

Pursuant to the applicable PRC laws and regulations, the Group participates in contributing to various security insurance including social insurance and housing provident fund.

No forfeited contributions are available to reduce the contribution payable by the Group in future years.

或然負債

於二零一八年三月三十一日，本集團並無任何重大或然負債(二零一七年：無)。

外匯風險

本集團以人民幣(「人民幣」)及港元(「港元」)結算生產成本，而本集團大部分銷售乃以港元結算。因此，本集團面對人民幣的外匯風險。本集團現時並無有關外幣交易、資產及負債的外幣對沖政策。

僱員及薪酬政策

於二零一八年三月三十一日，本集團聘用約30名僱員。截至二零一八年三月三十一日止年度，本集團的員工成本約為5.1百萬港元。本集團的薪酬政策與現行市場慣例一致，乃按個別僱員的表現、資歷及經驗釐定。本集團深明與僱員保持良好關係的重要性。應付僱員薪酬包括工資及津貼。

本集團的香港僱員已參加香港法例第485章強制性公積金計劃條例規定的強制性公積金。本集團的中國僱員已參加多種保障保險，包括《中華人民共和國社會保險法》及《住房公積金管理條例》規定的社會保險及住房公積金。

退休福利計劃

本集團於香港參與香港法例第485章強制性公積金計劃條例規定的強制性公積金。

根據適用中國法例及法規，本集團參加多種保障保險的供款，包括社會保險及住房公積金。

並無已沒收供款可用作減少本集團於未來數年應付的供款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LEGAL PROCEEDING

Registration of Shares of the Company (the “Registration”)

Reference is made to the Company’s announcements dated 9 August 2016 and 28 October 2016 respectively in relation to the originating summons dated 27 July 2016 (the “Originating Summons of the Registration”) filed by (i) Sun Jiyou; (ii) Chen Haiyan; (iii) Liu Jing; (iv) Ling Chuanshun; (v) Zhang Bing; and (vi) Xiao Laiwen as the plaintiffs (collectively, the “Plaintiffs of the Registration”) against the Company and Yang’s Holdings Capital Limited (“Yang’s Holdings”) as the defendants in the High Court of Hong Kong (the “Court”) (the “Legal Proceedings of the Registration”) and a summons dated 28 July 2016 (the “Summons of the Registration”) filed by the Plaintiffs of the Registration for the Legal Proceedings of the Registration.

In the Originating Summons of the Registration, the Plaintiffs of the Registration sought, inter alia, (i) orders from the Court that the Company shall register in aggregate of 1,545,000,000 shares of the Company (the “Relevant Shares”) which were allegedly transferred from Yang’s Holdings to the Plaintiffs of the Registration; (ii) declaration from the Court that the Plaintiffs of the Registration are the beneficial owners of the Relevant Shares in their respective proportion; and (iii) an injunction, inter alia, that pending registration of the Plaintiffs of the Registration as the registered shareholders of the Company, Yang’s Holdings shall exercise all rights attached to the Relevant Shares (including but not limited to voting rights at general meetings of the Company) according to the instructions of the Plaintiffs of the Registration and, that the Company shall exercise and/or count the votes of the Plaintiffs of the Registration in the general meetings.

In the Summons of the Registration, the Plaintiffs of the Registration applied for, inter alia, (i) an order that Yang’s Holdings be compelled to exercise its voting rights in any general meetings of the Company in accordance with the instructions of the Plaintiffs of the Registration; (ii) an order that the Company shall register the transfer of the Relevant Shares (the “Registration Order Sought”); and (iii) an injunction against the Company that the Company be restrained from holding any general meeting of the shareholders (including but not limited to the annual general meeting) until such date after the completion of the registration of the Relevant Shares (the “Injunction Sought”).

法律訴訟

本公司股份登記(「登記」)

茲提述本公司日期分別為二零一六年八月九日及二零一六年十月二十八日之公佈，內容有關由一份日期為二零一六年七月二十七日的原訴傳票(「登記原訴傳票」，由(i)Sun Jiyou；(ii)Chen Haiyan；(iii)Liu Jing；(iv)Ling Chuanshun；(v)Zhang Bing；及(vi)Xiao Laiwen作為原告(統稱「登記原告」)入稟香港高等法院(「法院」)對本公司及Yang’s Holdings Capital Limited(「Yang’s Holdings」)作為被告提出法律訴訟(「登記法律程序」)及登記原告就登記法律程序發出日期為二零一六年七月二十八日的傳票(「登記傳票」)。

根據登記原訴傳票，登記原告尋求(其中包括)(i)法庭頒令本公司須登記聲稱由Yang’s Holdings轉讓予登記原告的合共1,545,000,000股本公司股份(「有關股份」)；(ii)法庭宣佈登記原告按各自所佔比例為有關股份的實益擁有人；及(iii)頒發禁制令促使(其中包括)Yang’s Holdings在登記原告登記為本公司登記股東之前須按登記原告的指示行使有關股份附帶的全部權利(包括(但不限於)在本公司股東大會的表決權)，而本公司須承認及/或計算登記原告在股東大會上行使的表決權。

根據登記傳票，登記原告申請(其中包括)(i)頒令強制Yang’s Holdings於本公司任何股東大會上按登記原告指示行使其表決權；(ii)頒令本公司須辦理有關股份的轉讓登記(「尋求登記令」)；及(iii)向本公司頒發禁制令不得舉行任何股東大會(包括(但不限於)股東週年大會)，直至辦妥有關股份登記手續翌日(「尋求禁制令」)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Summons of the Registration was heard on 5 August 2016, the Court ordered, inter alia, that (i) Yang's Holdings shall exercise its voting rights in respect of the Relevant Shares in any general meetings of the Company in accordance with the instructions of the Plaintiffs of the Registration (the "Voting Order") and the other orders sought by the Plaintiffs of the Registration in the Summons of the Registration be adjourned for argument.

On 23 August 2016, Flying Mortgage Limited (the "Flying Mortgage"), who claims to have interests in the Relevant Shares, issued a summons ("Flying Mortgage Summons"), inter alia, for leave to (i) intervene in the Legal Proceedings of the Registration; (ii) be joined as the third defendant in the Legal Proceedings of the Registration; and (iii) vary the Voting Order to the effect that Yang's Holdings shall not exercise its voting rights in respect of the Relevant Shares in any general meeting of the Company.

The Court gave a written decision on 26 October 2016 and ruled upon the Company's undertaking not to register the transfer of the Relevant Shares in it until further order of the Court, inter alia, that (i) the application by the Plaintiffs of the Registration for the Registration Order Sought and the Injunction Sought in the Summons of the Registration be dismissed; (ii) the Voting Order be varied to the effect that Yang's Holdings shall not exercise its voting rights in respect of the Relevant Shares in any general meeting of the Company until further order; (iii) Flying Mortgage was allowed to intervene and be joined as the third defendant in the Legal Proceedings of the Registration; and (iv) the Company shall not register the Relevant Shares until further order of the Court.

The Directors of the Company will follow the Court Order in relation to the Registration of the Shares. As a result, no contingent liability is expected up to the issue of the quarterly report.

Share Options of the Company (the "Share Options")

Reference is made to the Company's announcement dated 2 September 2016 in relation to, inter alia, (i) a draft originating summons to be filed by Ge Qingfu, Li Quan and Liu Longcheng as the plaintiffs (collectively, the "Plaintiffs of the Share Options") against the Company and all the directors of the Company (the "Directors") and Mr. Yang Si Hang ("Mr. Yang") as the defendants in the Court; and (ii) a draft injunction order received by the Company's legal adviser on 26 August 2016.

登記傳票已於二零一六年八月五日進行聆訊，法院頒令(其中包括)(i)Yang's Holdings須於本公司任何股東大會上按登記原告指示行使有關股份的表決權(「表決令」)及押後爭論登記原告於登記傳票中尋求的其他命令。

於二零一六年八月二十三日，聲稱於有關股份擁有權益的飛亞物業按揭有限公司(「飛亞物業按揭」)發出一份傳票(「飛亞物業按揭傳票」)，要求許可(其中包括)(i)介入登記法律程序；(ii)加入為登記法律程序第三被告；及(iii)修改表決令，以使Yang's Holdings不得於本公司任何股東大會上行使有關股份的表決權。

法院於二零一六年十月二十六日作出書面判決，裁定在本公司承諾不會登記有關股份的轉讓直至法院作進一步命令為止後，(其中包括)(i)撤銷登記原告在登記傳票中提出尋求登記令及尋求禁制令的申請；(ii)修改表決令，以使Yang's Holdings不得於本公司任何股東大會上行使有關股份的表決權，直至有進一步頒令；(iii)飛亞物業按揭獲准介入登記法律程序及加入為第三被告；及(iv)本公司不得登記有關股份直至法院作進一步命令。

本公司董事將遵從有關股份登記的法院命令。因此，預期直至刊發季度報告為止不會有或然負債。

本公司購股權(「購股權」)

茲提述本公司日期為二零一六年九月二日之公佈，內容有關(其中包括)(i)Ge Qingfu、Li Quan及Liu Longcheng(作為原告)(統稱「購股權原告」)入稟法院向本公司、本公司全體董事(「董事」)及楊詩恒先生(「楊先生」，作為被告)發出之原訴傳票草擬本；及(ii)本公司法律顧問於二零一六年八月二十六日接獲之強制令草擬本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Company's legal adviser received on 30 August 2016 a hearing bundle containing, inter alia, an originating summons (the "Originating Summons of the Share Options") issued by the Plaintiffs of the Share Options on 26 August 2016 and claimed against the Company, the Directors, Mr. Yang, eight grantees of share options referred to in the Company's announcement dated 22 August 2016 (the "Share Option Announcement"), and two broker firms as the defendants in the Court under action number HCMP 2222 of 2016 (the "Legal Proceedings of the Share Options") and a draft injunction order for the Legal Proceedings of the Share Options.

In the Originating Summons of the Share Options, the Plaintiffs of the Share Options sought reliefs, inter alia, (i) a declaration that the granting of the 2,000,000,000 share options referred to in the Share Option Announcement ("Purported Options") is void and of no legal effect or, alternatively, voidable; (ii) a declaration that any allotment of shares made pursuant to the exercise of any of the Purported Options is void and of no legal effect or, alternatively, voidable; (iii) the Company, the Directors and Mr. Yang (whether acting by themselves, their officers, servants, agents or otherwise howsoever) be restrained from: (1) recognising or giving effect or otherwise taking any step to implement the purported exercise of any of the Purported Options; (2) recognising or giving effect or otherwise taking any step to implement the exercise of any disposition, rights (including voting rights) or power attached to the 1,800,000,000 shares of the Company derived from the exercise of the Purported Options; (3) taking, or procuring the taking, of any steps to alter the issued share capital of the Company save and except for those which are for proper purposes and in the best interests of the Company; (4) taking, or procuring the taking, of any step to frustrate or defeat the requisition contained in the notice of requisition dated 23 August 2016 issued by the Plaintiffs (the "Plaintiffs Requisition") for the purpose of convening an extraordinary general meeting of the Company to be held; or alternatively, an order requiring the Company to convene the extraordinary general meeting set out in the Plaintiffs Requisition within 21 days from the date of deposit of the requisition in accordance with Article 12.3 of the Articles of Association of the Company.

本公司法律顧問於二零一六年八月三十日另收到一疊聆訊文件，當中包括(其中包括)購股權原告於二零一六年八月二十六日發出的原訴傳票(「購股權原訴傳票」)，根據案件編號二零一六年HCMP 2222於法院向本公司、董事、楊先生、本公司日期為二零一六年八月二十二日的公佈(「購股權公佈」)所述八名購股權承授人及兩家經紀公司(作為被告)作出索償(「購股權法律程序」)，以及購股權法律程序之強制令草擬本。

於購股權原訴傳票內，購股權原告尋求(其中包括)(i)聲明購股權公佈所述授出2,000,000,000份購股權(「指稱購股權」)屬無效及不具法律效力或可被撤銷；(ii)聲明因任何指稱購股權獲行使而配發任何股份屬無效及不具法律效力或可被撤銷；(iii)限制本公司、董事及楊先生(不論自行及由其主管、僱員、代理或其他人士行事)：(1)確認或落實或以其他方式採取任何步驟以執行任何指稱購股權之意圖行使；(2)確認或落實或以其他方式採取任何步驟以執行指稱購股權獲行使所涉及1,800,000,000股本公司股份附帶之任何安排、權利(包括投票權)或權力；(3)採取或促使採取任何步驟以改變本公司之已發行股本，惟出於適當目的及符合本公司最佳利益者除外；(4)採取或促使採取任何步驟以阻撓或拒絕原告就召開本公司股東特別大會所發出日期為二零一六年八月二十三日之要求通知(「原告要求」)所載要求；或頒令本公司須於根據本公司組織章程細則第12.3條送達要求當日起計21日內召開原告要求所載之股東特別大會。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In the draft injunction order, the Plaintiffs sought the following reliefs against the Company, the Directors and Mr. Yang (the “Ex Parte Injunction Application”) that until determination of the Legal Proceedings or further order of the Court, the Company, the Directors and Mr. Yang (whether acting by themselves, their officers, servants, agents or otherwise howsoever) be restrained from: (i) recognising or giving effect or to otherwise taking any step to implement the purported exercise of any of Purported Options; (ii) recognising or giving effect or otherwise taking any step to implement the exercise of any disposition, rights (including voting rights) or power attached to the 1,800,000,000 shares of the Company derived from the exercise of the Purported Options; (iii) taking or procuring the taking, of any steps to alter the issued share capital of the Company save for those which are for proper purposes and in the best interests of the Company; (iv) taking or procuring the taking, of any steps to frustrate or defeat the Plaintiffs’ Requisition for the purpose of convening an Extraordinary General Meeting of the Company to be held and alternately an Order requiring the Company to convene the Extraordinary General Meeting set out in the Plaintiffs’ Requisition within 21 days from the date of deposit of the requisition in accordance with Article 12.3 of the Articles of Association of the Company.

The hearing of the Ex Parte Injunction Application was heard on 31 August 2016. In the said hearing, the Company and the Directors undertook to the Court, inter alia, not to give effect to the exercise of any of the outstanding 200,000,000 share options and not to alter the issued share capital of the Company without the leave of the Court. Upon the said undertakings, the Court ordered, inter alia, that the Plaintiffs shall issue an inter parte summons by 2 September 2016 identifying the injunctive reliefs sought against the Company and the Directors and that the hearing of the Summons will be fixed with 2 days reserved. No injunction order or disclosure order was made against the Company and Directors.

於強制令草擬本內，原告針對本公司、董事及楊先生尋求下列事項(「單方面強制令申請」)，要求於法律程序作出判決或法院進一步頒令前，限制本公司、董事及楊先生(不論自行及由其主管、僱員、代理或其他人士行事)：(i) 確認或落實或以其他方式採取任何步驟以執行任何指稱購股權之意圖行使；(ii) 確認或落實或以其他方式採取任何步驟以執行指稱購股權獲行使所涉及1,800,000,000股本公司股份附帶之任何安排、權利(包括投票權)或權力；(iii) 採取或促使採取任何步驟以改變本公司之已發行股本，惟出於適當目的及符合本公司最佳利益者除外；(iv) 採取或促使採取任何步驟以阻撓或拒絕原告就召開本公司股東特別大會所發出原告要求；或頒令本公司須於根據本公司組織章程細則第12.3條送達要求當日起計21日內召開原告要求所載之股東特別大會。

單方面強制令申請已於二零一六年八月三十一日舉行聆訊。於上述聆訊中，本公司及董事向法院承諾(其中包括)未經法院許可，彼等不會落實行使該200,000,000份尚未行使購股權，及不會改變本公司之已發行股本。於作出上述承諾後，法院頒令(其中包括)原告須於二零一六年九月二日前發出一份傳召訴訟各方之傳票，確認針對本公司及董事之禁制令，而傳票之聆訊將延遲兩日排期。並無向本公司及董事發出強制令或披露命令。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 2 September 2016, the Plaintiffs filed an Inter Parte Summons (“the Inter Parte Summons”) seeking the following reliefs against, inter alia, the Company, the Directors and Mr. Yang that until further order of the Court, the Company, the Directors and Mr. Yang (whether acting by themselves, their officers, servants, agents or otherwise howsoever) be restrained from: (i) recognising or giving effect or to otherwise taking any step to implement the Purported Options in relation to the exercise of any of the 200,000,000 share options out of the Purported Options, which was described by the Company as having been accepted by the grantee(s) and for which no share has been issued and the exercise of any of the 200,000,000 share options out of the Purported Options which the Company described as not having been accepted by the grantee(s) and have lapsed; (ii) recognising or giving effect or otherwise taking into account the 1,600,000,000 shares in the Company (“the Impugned Shares”) issued to and registered in the names of the grantees on 23 August 2016 pursuant to the Purported Options for the following purposes: (a) determining the Plaintiffs’ shareholding in the Company as at 23 August 2016, the date of the Plaintiffs’ Requisition; (b) challenging or otherwise disputing the Plaintiffs’ right to convene an extraordinary general meeting of the Company for the purpose of considering the proposed resolutions contained in the Plaintiffs’ Requisition in the event that the Board does not within 21 days of the deposit of the Plaintiff’s Requisition proceed to convene an extraordinary general meeting; (c) challenging or otherwise disputing the validity of the “pre-conditional voluntary conditional securities exchange and cash offer” contained in the Joint Announcement made by Favourite Number Limited and WLS Holdings Limited on 18 August 2016; (iii) taking or procuring the taking, of any steps to alter the issued share capital of the Company except with the approval of the Court; (iv) taking or procuring the taking, of any steps to frustrate or defeat the Plaintiffs’ Requisition and, alternatively, the Company, the Directors and Mr. Yang do convene an Extraordinary General Meeting of the Company to be held for the purpose of considering, inter alia, the proposed resolutions contained in the Plaintiffs’ Requisition within the next 3 days of the order to be made by the Court, or alternatively, the Directors and Mr. Yang do within the next 14 days acquire 1,600,000,000 shares in the Company and return them to the Company for cancellation, whereupon the Company shall within the next 7 days cancel those shares and pay the amount received by the Company from the issue of 1,600,000,000 shares in the Company pursuant to the Purported Options to the Directors and Mr. Yang.

於二零一六年九月二日，原告發出一份傳召訴訟各方之傳票（「訴訟各方傳票」），針對（其中包括）本公司、董事及楊先生尋求下列事項，要求於法院進一步頒令前，限制本公司、董事及楊先生（不論自行及由其主管、僱員、代理或其他人士行事）：(i) 確認或落實或以其他方式採取任何步驟以執行指稱購股權（涉及行使指稱購股權中任何本公司聲稱已獲承授人接納而並未獲發行股份的200,000,000份購股權及涉及行使指稱購股權中任何本公司聲稱未獲承授人接納及已失效的200,000,000份購股權）；(ii) 為以下目的確認或落實或以其他方式計入於二零一六年八月二十三日根據指稱購股權發行予承授人並以其名義登記的1,600,000,000股本公司股份（「爭議股份」）：(a) 確定原告於二零一六年八月二十三日（即原告要求的日期）所佔本公司股權；(b) 反對或以其他方式否定原告在董事會並未於遞交原告要求後21日內著手召開股東特別大會的情況下就考慮原告要求所載建議決議案而召開本公司股東特別大會的權利；(c) 反對或以其他方式否定 Favourite Number Limited 與 WLS Holdings Limited 於二零一六年八月十八日發出的聯合公佈所載「附帶先決條件自願有條件證券交換要約及現金要約」的效力；(iii) 採取或促使採取任何步驟以改變本公司的已發行股本（獲法院批准除外）；(iv) 採取或促使採取任何步驟以阻撓或拒絕原告要求，而另一方面，本公司、董事及楊先生須於法院頒令後3日內就考慮（其中包括）原告要求所載建議決議案召開本公司股東特別大會，或董事及楊先生須於14日內購入1,600,000,000股本公司股份並退還本公司以供註銷，屆時本公司須於其後7日內註銷該等股份，並將本公司就根據指稱購股權發行1,600,000,000股本公司股份所收款項支付予董事及楊先生。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Inter Parte Summons was heard on 1 and 2 November 2016. Upon the Company and the Directors' undertaking to (i) restrain from recognising, giving effect or otherwise taking any step to implement the Purported Options in relation to the exercise of any of the 200,000,000 share options out of Purported Options, which was described by the Company as having been accepted by the grantee(s) and for which no share has been issued and the exercise of any of the 200,000,000 share options out of the Purported Options, which the Company described as not having been accepted by the grantee(s) and have lapsed; and (ii) restrain from taking or procuring the taking, of any steps to alter the issued share capital of the Company unless and until the Company has given the Plaintiffs 5 working days prior written notice of their intention to do so, the Court has, inter alia, ordered on 2 November 2016 that there be a speedy trial of this proceedings on dates to be fixed.

No other injunction order was made against the Company, the directors of the Company and Mr. Yang. The Company is seeking legal advice in respect of the Legal Proceedings of the Share Options.

The Legal Proceedings of the Share Options was fixed to be tried on 12 July 2017 at 10 a.m. with 8 days reserved (i.e. 12 to 21 July 2017). The Company will make further announcement(s) to keep its shareholder and investors informed of any result as and when appropriate.

Kim Sungho's First Legal Proceeding

Reference is made to the Company's announcements dated on 28 November 2016 and 21 December 2017. The Company has on 26 November 2016 received a writ of summons ("Mr. Kim's First Writ") filed by Mr. Kim Sungho ("Mr. Kim") as the plaintiff against the Company and the Directors as the defendants under a legal proceeding in the Court ("Mr. Kim's First Legal Proceeding").

Pursuant to claims generally indorsed on Mr. Kim's First Writ, Mr. Kim claimed, inter alia, for a declaration that the Directors and the Company have committed offences under section 351 of Part XV of Securities and Futures Ordinance ("SFO") which requires directors, chief executives and substantial shareholders to disclose their interest in the shares and debentures of the Company.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

訴訟各方傳票已於二零一六年十一月一日及二日舉行聆訊。於本公司及董事承諾(i)接受限制不確認、落實或以其他方式採取任何步驟以執行指稱購股權(涉及行使指稱購股權中任何本公司聲稱已獲承授人接納而並未獲發行股份的200,000,000份購股權及涉及行使指稱購股權中任何本公司聲稱未獲承授人接納及已失效的200,000,000份購股權);及(ii)接受限制不採取或促使採取任何步驟以改變本公司的已發行股本(除非及直至本公司已事先給予原告5個工作天書面通知表示有此意向)後,法院於二零一六年十一月二日頒令(其中包括)盡快擇日審理此宗訴訟程序。

並無向本公司、本公司董事及楊先生發出其他強制令。本公司正就購股權法律程序徵詢法律意見。

購股權法律程序編訂於二零一七年七月十二日上午十時正,預留8日(即二零一七年七月十二日至二十一日)進行審理。本公司將適時作出進一步公佈以保持其股東與投資者知悉任何結果。

Kim Sungho 首項法律程序

茲提述本公司日期為二零一六年十一月二十八日及二零一七年十二月二十一日的公佈。於二零一六年十一月二十六日,本公司接獲由Kim Sungho先生(「Kim先生」)作為一項法律程序(「Kim先生首項法律程序」)的原告入稟法院對本公司及董事作為被告發出的傳訊令狀(「Kim先生首份傳訊令狀」)。

據Kim先生首份傳訊令狀大致上聲稱, Kim先生提出(其中包括)宣判董事及本公司已觸犯證券及期貨條例(「證券及期貨條例」)第XV部第351條項下規定董事、高級行政人員及主要股東披露彼等於本公司股份及債權證的權益的罪行。

於二零一七年十一月二十九日,訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Lim Hang Young's first legal proceeding

Reference is made to the Company's announcements dated on 28 November 2016 and 21 December 2017. The Company has on 26 November 2016 received a writ of summons ("Mr. Lim's First Writ") filed by Mr. Lim Hang Young ("Mr. Lim") as the plaintiff against the Directors and the Company as the defendants under a legal proceeding in the Court ("Mr. Lim's First Legal Proceeding").

Pursuant to claims generally indorsed on Mr. Lim's First writ, Mr. Lim claimed, among other things, for (i) a declaration that the Directors and the Company have committed offences under section 351 of Part XV of SFO and for violation of disclosure of interests rules; and (ii) an order for the Company to exert its power under section 329 of SFO to investigate the holders of interests in its shares and debentures.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

Joung Jong Hyun's first legal proceeding

Reference is made to the Company's announcement¹ dated on 28 November 2016 and 21 December 2017. The Company has on 26 November 2016 received a writ of summons ("Mr. Joung's First Writ") filed by Joung Jong Hyun ("Mr. Joung") as the plaintiff against the Directors and the Company as the defendants under a legal proceeding in the Court ("Mr. Joung's First Legal Proceeding").

Based on the claims generally indorsed on Mr. Joung's First Writ, Mr. Joung requested, among other things, for a declaration that the Directors and the Company have committed offences under section 25(1) of the Organized and Serious Crime Ordinance.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

Lim Hang Young 首項法律程序

茲提述本公司日期為二零一六年十一月二十八日及二零一七年十二月二十一日的公佈。於二零一六年十一月二十六日，本公司接獲由Lim Hang Young先生（「Lim先生」）作為一項法律程序（「Lim先生首項法律程序」）的原告入稟法院對董事及本公司作為被告發出的傳訊令狀（「Lim先生首份傳訊令狀」）。

據Lim先生首份傳訊令狀大致上聲稱，Lim先生提出（其中包括）(i) 宣判董事及本公司已觸犯證券及期貨條例第XV部第351條項下罪行及違反披露權益規定；及(ii) 頒令本公司行使證券及期貨條例第329條項下權力以調查持有人於其股份及債權證的權益。

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

Joung Jong Hyun 首項法律程序

茲提述本公司日期為二零一六年十一月二十八日及二零一七年十二月二十一日的公佈。於二零一六年十一月二十六日，本公司接獲由Joung Jong Hyun（「Joung先生」）作為一項法律程序（「Joung先生首項法律程序」）的原告入稟法院對董事及本公司作為被告發出的傳訊令狀（「Joung先生首份傳訊令狀」）。

據Joung先生首份傳訊令狀大致上聲稱，Joung先生要求（其中包括）宣判董事及本公司已觸犯有組織及嚴重罪行條例第25(1)條項下罪行。

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Kim Sungho's Second Legal Proceedings

Reference is made to the Company's announcements dated on 6 December 2016 and 21 December 2017. The Company has on 5 December 2016 received a writ of summons ("Mr. Kim's Second Writ") filed on 1 December 2016 by Mr. Kim as the plaintiff against the Directors, the Company and Deloitte Touche Tohmatsu, an auditor of the Company ("Deloitte") as the defendants under a legal proceeding in the Court ("Mr. Kim's Second Legal Proceeding").

Pursuant to claims generally indorsed on Mr. Kim's Second Writ, Mr. Kim claimed against the Directors for (i) a declaration that the Directors conspired and directed various accounting irregularities practices by the Company and its subsidiaries; (ii) an order to pay compensation to the Company for damages. Mr. Kim further claimed against Deloitte for (i) a declaration that Mr. Kwong conducted the negligent accounting review for the Company; and (ii) an order to pay compensation to the Company for damages. The Company is enjoined in Mr. Kim's Second Legal Proceeding to execute any orders by the Court.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

Kim Sungho's third legal proceeding

Reference is made to the Company's announcements dated on 6 December 2016 and 18 April 2018. The Company has on 5 December 2016 received another writ of summons ("Mr. Kim's Third Writ") filed on 2 December 2016 by Mr. Kim as the plaintiff against (i) Yang's Holdings Capital Limited, a substantial shareholder of the Company ("Yang's Holdings"); and (ii) the Company as the defendants under another legal proceeding in the Court ("Mr. Kim's Third Legal Proceeding").

Pursuant to claims generally indorsed on Mr. Kim's Third Writ, Mr. Kim claimed for (i) a declaration that Yang's Holdings beneficially holds and/or controls more than 30% of the outstanding shares in the Company and is subject to the mandatory general offer obligation; and (ii) an order that Yang's Holdings launches obligatory mandatory general offer.

Kim Sungho 第二項法律程序

茲提述本公司日期為二零一六年十二月六日及二零一七年十二月二十一日的公佈。於二零一六年十二月五日，本公司接獲由Kim先生作為一項法律程序（「Kim先生第二項法律程序」）的原告於二零一六年十二月一日入稟法院對董事、本公司及本公司核數師德勤•關黃陳方會計師行（「德勤」）作為被告發出的傳訊令狀（「Kim先生第二份傳訊令狀」）。

據Kim先生第二份傳訊令狀大致上聲稱，Kim先生針對董事提出(i)宣判董事串謀及引導本公司及其附屬公司作出若干會計違規行為；(ii)頒令賠償本公司的損失。Kim先生進一步針對德勤提出(i)宣判鄭先生為本公司所進行會計審閱出現疏忽；及(ii)頒令賠償本公司的損失。於Kim先生第二項法律程序中，本公司遭勒令執行法院任何命令。

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

Kim Sungho 第三項法律程序

茲提述本公司日期為二零一六年十二月六日及二零一八年四月十八日的公佈。於二零一六年十二月五日，本公司接獲由Kim先生作為另一項法律程序（「Kim先生第三項法律程序」）的原告於二零一六年十二月二日入稟法院對案中被告(i)本公司主要股東Yang's Holdings Capital Limited（「Yang's Holdings」）；及(ii)本公司發出的另一份傳訊令狀（「Kim先生第三份傳訊令狀」）。

據Kim先生第三份傳訊令狀大致上聲稱，Kim先生提出(i)宣判Yang's Holdings實益持有及／或控制本公司發行在外股份逾30%，須承擔提出強制性全面收購建議的責任；及(ii)頒令Yang's Holdings展開強制性全面收購建議。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 11 April 2018, the action was dismissed by the Court on the ground that the respective Statement of Claim in each case disclosed no reasonable cause of action, were scandalous, frivolous or vexatious, may prejudice, embarrass or delay the fair trial of the proceedings, and/or they were otherwise an abuse of the process of the Court. The Plaintiffs in the respective cases were ordered to pay costs to the Company.

Joung Jong Hyun's Second Legal Proceeding

Reference is made to the Company's announcements dated on 6 December 2016 and 18 April 2018, the Company has on 5 December 2016 further received a writ of summons ("Mr. Joung's Second Writ") filed on 3 December 2016 by Mr. Joung as the plaintiff against the Directors, the Company; and Yang's Holdings as the defendants under a legal proceeding in the Court ("Mr. Joung's Second Legal Proceeding").

Based on claims generally indorsed on Mr. Joung's Second Writ, Mr. Joung claimed, among other things, for (i) a declaration that the Directors, the Company and Yang's Holdings have conspired for stock price manipulation, using the multi-layer marketing methods, and caused enormous loss to independent shareholders of the Company; and (ii) an order that the Directors, the Company and Yang's Holdings to pay HK\$500,000,000 to the independent shareholders of the Company.

On 11 April 2018, the action was dismissed by the Court on the ground that the respective Statement of Claim in each case disclosed no reasonable cause of action, were scandalous, frivolous or vexatious, may prejudice, embarrass or delay the fair trial of the proceedings, and/or they were otherwise an abuse of the process of the Court. The Plaintiffs in the respective cases were ordered to pay costs to the Company.

Lee Moonkyu's first legal proceeding

Reference is made to the Company's announcements dated on 12 December 2016 and 18 April 2018. The Company has on 8 December 2016 received a writ of summons ("Mr. Lee's Writ") dated 5 December 2016 filed by Mr. Lee Moonkyu as the plaintiff against the Directors, the Company and Mr. Yang Sit Hang as the defendants under a legal proceeding in the Court ("Mr. Lee's First Legal Proceeding").

於二零一八年四月十一日，訴訟因各案件之申索陳述書並無披露合理的訴訟因由，屬惡意中傷、瑣屑無聊或無理纏擾，可能會對有關訴訟的公平審訊造成損害、妨礙或延遲，及／或在其他方面而言，屬濫用法院的法律程序而遭法院駁回。該等原告被勒令向本公司支付訟費。

Joung Jong Hyun 第二項法律程序

茲提述本公司日期為二零一六年十二月六日及二零一八年四月十八日的公佈。於二零一六年十二月五日，本公司進一步接獲由 Joung 先生作為一項法律程序（「Joung 先生第二項法律程序」）的原告於二零一六年十二月三日入稟法院對董事、本公司及 Yang's Holdings 作為被告發出的傳訊令狀（「Joung 先生第二份傳訊令狀」）。

據 Joung 先生第二份傳訊令狀大致上聲稱，Joung 先生提出（其中包括）(i) 宣判董事、本公司及 Yang's Holdings 串謀使用多層營銷方法操縱股價，以及令本公司獨立股東蒙受巨大損失；及 (ii) 頒令董事、本公司及 Yang's Holdings 向本公司獨立股東支付 500,000,000 港元。

於二零一八年四月十一日，訴訟因各案件之申索陳述書並無披露合理的訴訟因由，屬惡意中傷、瑣屑無聊或無理纏擾，可能會對有關訴訟的公平審訊造成損害、妨礙或延遲，及／或在其他方面而言，屬濫用法院的法律程序而遭法院駁回。該等原告被勒令向本公司支付訟費。

Lee Moonkyu 首項法律程序

茲提述本公司日期為二零一六年十二月十二日及二零一八年四月十八日的公佈。於二零一六年十二月八日，本公司接獲由 Lee Moonkyu 先生作為一項法律程序（「Lee 先生首項法律程序」）的原告入稟法院對董事、本公司及 Yang Sit Hang 先生作為被告所發出日期為二零一六年十二月五日的傳訊令狀（「Lee 先生傳訊令狀」）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pursuant to claims generally indorsed on Mr. Lee's Writ, Mr. Lee claimed, inter alia, for (i) a declaration that the Directors, the Company and Mr. Yang Sit Hang have committed offences under Section 25(1) of the Organized and Serious Crime Ordinance; and (ii) a declaration that the Directors, the Company and Mr. Yang Sit Hang have conspired for stock price manipulation, using the multi-layer marketing methods, and caused enormous loss to independent shareholders of the Company.

On 11 April 2018, the action was dismissed by the Court on the ground that the respective Statement of Claim in each case disclosed no reasonable cause of action, were scandalous, frivolous or vexatious, may prejudice, embarrass or delay the fair trial of the proceedings, and/or they were otherwise an abuse of the process of the Court. The Plaintiffs in the respective cases were ordered to pay costs to the Company.

Lim Hang Young's second legal proceeding

Reference is made to the Company's announcements dated on 13 December 2016 and 18 April 2018. The Company has on 12 December 2016 received a writ of summons (the "Lim's Second Writ") dated 6 December 2016 filed by Mr. Lim as the plaintiff against the Directors, the Company, Mr. Yang Wan Ho (a substantial shareholder of the Company) and Mr. Ge Qingfu (a substantial shareholder of the Company) as the defendants under a legal proceeding in the Court ("Mr. Lim's Second Legal Proceeding").

Pursuant to claims generally indorsed on the Lim's Second Writ, Mr. Lim claimed, inter alia, for (i) a declaration that the Directors, the Company, Mr. Yang Wan Ho and Mr. Ge Qingfu have committed offences under Part XV of Securities and Future Ordinance (Section 351) and for false disclosure of interest; and (ii) a declaration that the Directors, the Company, Mr. Yang Wan Ho and Mr. Ge Qingfu have engaged in the multi-layer marketing scheme to improperly boost the stock price of the Company to 85 times the current level (in the past 52 weeks), to market capitalization of over \$20 billion, only drop back to the current level.

On 11 April 2018, the action was dismissed by the Court on the ground that the respective Statement of Claim in each case disclosed no reasonable cause of action, were scandalous, frivolous or vexatious, may prejudice, embarrass or delay the fair trial of the proceedings, and/or they were otherwise an abuse of the process of the Court. The Plaintiffs in the respective cases were ordered to pay costs to the Company.

據Lee先生傳訊令狀大致上聲稱，Lee先生提出(其中包括)(i)宣判董事、本公司及Yang Sit Hang先生已觸犯有組織及嚴重罪行條例第25(1)條項下罪行；及(ii)宣判董事、本公司及Yang Sit Hang先生串謀使用多層營銷方法操縱股價，以及令本公司獨立股東蒙受巨大損失。

於二零一八年四月十一日，訴訟因各案件之申索陳述書並無披露合理的訴訟因由，屬惡意中傷、瑣屑無聊或無理纏擾，可能會對有關訴訟的公平審訊造成損害、妨礙或延遲，及/或在其他方面而言，屬濫用法院的法律程序而遭法院駁回。該等原告被勒令向本公司支付訟費。

Lim Hang Young 第二項法律程序

茲提述本公司日期為二零一六年十二月十三日及二零一八年四月十八日的公佈。於二零一六年十二月十二日，本公司接獲由Lim先生作為一項法律程序(「Lim先生第二項法律程序」)的原告入稟法院對董事、本公司、本公司主要股東楊文豪先生及本公司主要股東葛慶福先生作為被告所發出日期為二零一六年十二月六日的傳訊令狀(「Lim先生第二份傳訊令狀」)。

據Lim先生第二份傳訊令狀大致上聲稱，Lim先生提出(其中包括)(i)宣判董事、本公司、楊文豪先生及葛慶福先生已觸犯證券及期貨條例第XV部第351條項下罪行及虛假披露權益；及(ii)宣判董事、本公司、楊文豪先生及葛慶福先生參與多層營銷計劃，以不當手法將本公司股價推高至過去52週現水平的85倍，市值超過200億元，惜股價其後回落至現水平。

於二零一八年四月十一日，訴訟因各案件之申索陳述書並無披露合理的訴訟因由，屬惡意中傷、瑣屑無聊或無理纏擾，可能會對有關訴訟的公平審訊造成損害、妨礙或延遲，及/或在其他方面而言，屬濫用法院的法律程序而遭法院駁回。該等原告被勒令向本公司支付訟費。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Lim Hang Young's third legal proceeding

Reference is made to the Company's announcements dated on 23 December 2016 and 21 December 2017. The Company has on 23 December 2016 received a writ of summons (the "Lim's Third Writ") dated 16 December 2016 filed by Mr. Lim as the plaintiff against (i) the Stock Exchange of Hong Kong Limited (the "Stock Exchange"); (ii) Yu Ming Investment Management Limited ("Yu Ming"); and (iii) the Company as the defendants under a legal proceeding in the Court ("Mr. Lim's Third Legal Proceeding").

Pursuant to the claims generally indorsed on the Lim's Third Writ, Mr. Lim sought, inter alia, for (i) a declaration against Stock Exchange that the Stock Exchange has acted in bad faith in the vetting of the share subscription during the general offer period; (ii) an order against the Stock Exchange to rescind all listing approvals; (iii) a declaration against Yu Ming that Yu Ming purposefully ill advised the Company to break various Listing Rules, including assisting the Company in its multi-layer marketing scheme; and (iv) an order against the Company to apply for self-delisting.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

Kim Sungho's fourth legal proceeding

Reference is made to the Company's announcements dated on 28 December 2016 and 21 December 2017. The Company has on 28 December 2016 received a writ of summons (the "Kim's Fourth Writ") dated 20 December 2016 filed by Mr. Kim as the plaintiff against (i) Gram Capital Limited, an independent financial adviser to the independent board committee of the Company ("Gram Capital"); (ii) Mr. Wong Chiu Po, a non-executive director of the Company; (iii) Mr. Mai Chi Ming; (iv) Mr. Chan Ming Sun Jonathan, an independent non-executive director of the Company; and (v) the Company as the defendants (collectively, the "Defendants") under a legal proceeding in the Court ("Mr. Kim's Fourth Legal Proceeding").

Lim Hang Young 第三項法律程序

茲提述本公司日期為二零一六年十二月二十三日及二零一七年十二月二十一日的公佈。於二零一六年十二月二十三日，本公司接獲由Lim先生作為一項法律程序(「Lim先生第三項法律程序」)的原告入稟法院對案中被告(i)香港聯合交易所有限公司(「聯交所」)；(ii)禹銘投資管理有限公司(「禹銘」)；及(iii)本公司所發出日期為二零一六年十二月十六日的傳訊令狀(「Lim先生第三份傳訊令狀」)。

據Lim先生第三份傳訊令狀大致上聲稱，Lim先生尋求(其中包括)(i)宣判聯交所於全面要約期間在審批股份認購事項上辦事不力；(ii)頒令聯交所撤銷所有上市批准；(iii)宣判禹銘蓄意誤導本公司違反多項上市規則，包括協助本公司的多層營銷計劃；及(iv)頒令本公司申請自行除牌。

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

Kim Sungho 第四項法律程序

茲提述本公司日期為二零一六年十二月二十八日及二零一七年十二月二十一日的公佈。於二零一六年十二月二十八日，本公司接獲由Kim先生作為一項法律程序(「Kim先生第四項法律程序」)的原告入稟法院對案中被告(i)本公司獨立董事委員會之獨立財務顧問嘉林資本有限公司(「嘉林資本」)；(ii)本公司非執行董事黃昭堡先生；(iii)馬志明先生；(iv)本公司獨立非執行董事陳銘樂先生；及(v)本公司(統稱「該等被告」)所發出日期為二零一六年十二月二十日的傳訊令狀(「Kim先生第四份傳訊令狀」)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pursuant to the claims generally indorsed on the Kim's Fourth Writ, Mr. Kim sought inter alia, for (i) a declaration against the Defendants that the Defendants have conspired to assist the owners of the Company to commit offences under Section 25(1) of the Organized and Serious Crime Ordinance, i.e. they knew, or had reasonable grounds to believe, that on multifarious and respective occasions, and through complex "layering" vehicles mostly related to the Company, were dealing with the proceeds of an indictable offence; and (ii) an order against Gram Capital that Gram Capital to immediately resign as independent financial adviser to the Company.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

Kim Sungho's fifth legal proceeding

Reference is made to the Company's announcement dated on 6 January 2017. The Company has on 6 January 2017 received a writ of summons (the "Kim's Fifth Writ") dated 3 January 2017 filed by Mr. Kim as the plaintiff against (i) Strong Light Investments Limited, a substantial shareholder of the Company ("Strong Light"); (ii) FP Sino-Rich Securities & Futures Limited ("FP"); (iii) Yu Ming; and (iv) the Company as the defendants under a legal proceeding in the Court ("Mr. Kim's Fifth Legal Proceeding").

Pursuant to the claim generally indorsed on the Kim's Fifth Writ, the Plaintiff sought, inter alia, for (i) a declaration against Strong Light that Strong Light and its parties acting in concert has accumulated over 30% of the outstanding shares in the Company, thus triggering the mandatory general offer; and (ii) a declaration against FP and Yu Ming that FP purposefully ill advised the Company to break various Listing Rules, including assisting the Company in its multi-layer marketing scheme.

On 15 November 2017, the action was dismissed by the Court on the ground that the respective Statement of Claim in each case disclosed no reasonable cause of action, were scandalous, frivolous or vexatious, may prejudice, embarrass or delay the fair trial of the proceedings, and/or they were otherwise an abuse of the process of the Court. The Plaintiffs in the respective cases were ordered to pay costs to the Company.

據Kim先生第四份傳訊令狀大致上聲稱，Kim先生尋求(其中包括)(i)宣判該等被告合謀協助本公司擁有人觸犯有組織及嚴重罪行條例第25(1)條項下罪行，即彼等知道或有合理理由相信，在各種重複的情況，以及透過多數與本公司相關的複雜「分層」工具，處理可公訴罪行的得益；及(ii)頒令嘉林資本立即辭任本公司獨立財務顧問。

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

Kim Sungho 第五項法律程序

茲提述本公司日期為二零一七年一月六日的公佈。於二零一七年一月六日，本公司接獲由Kim先生作為一項法律程序(「Kim先生第五項法律程序」)的原告入稟法院對案中被告(i)本公司主要股東昌亮投資有限公司(「昌亮」)；(ii)富泰中順證券期貨有限公司(「富泰」)；(iii)禹銘；及(iv)本公司所發出日期為二零一七年一月三日的傳訊令狀(「Kim先生第五份傳訊令狀」)。

據Kim先生第五份傳訊令狀大致上聲稱，原告尋求(其中包括)(i)針對昌亮的宣判，內容有關昌亮及其一致行動人士因累計擁有本公司發行在外股份逾30%而觸發強制性全面收購建議；及(ii)針對富泰及禹銘的宣判，內容有關富泰蓄意誤導本公司違反多項上市規則，包括協助本公司的多層營銷計劃。

於二零一七年十一月十五日，訴訟因各案件之申索陳述書並無披露合理的訴訟因由，屬惡意中傷、瑣屑無聊或無理纏擾，可能會對有關訴訟的公平審訊造成損害、妨礙或延遲，及/或在其他方面而言，屬濫用法院的法律程序而遭法院駁回。該等原告被勒令向本公司支付訟費。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Joung Jong Hyun's Third Legal Proceeding

Reference is made to the Company's announcements dated on 3 February 2017 and 21 December 2017. The Company has on 3 February 2017 received a writ of summons (the "Joung's Third Writ") dated 1 February 2017 filed by Mr. Joung as the plaintiff against the Directors, the Company and Hastings & Co. ("Hastings") as the defendants under a legal proceeding in the Court ("Mr. Joung's Third Legal Proceeding").

Pursuant to the claims generally indorsed on Mr. Joung's Third Writ, Mr. Joung sought, inter alia, for (i) a declaration that the Defendants have engaged in and solicited for illicit "kick-back" arrangement on solicitor fees; and (ii) an order that the Company and Hastings engage in thorough investigations of related personnel on alleged corruptive behaviour.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

Joung Jong Hyun's Forth Legal Proceeding

Reference is made to the Company's announcements dated on 10 February 2017 and 21 December 2017. The Company has on 9 February 2017 received a writ of summons (the "Joung's Forth Writ") dated 6 February 2017 filed by Mr. Joung as the plaintiff against the Company and Lam & Co. ("Lam & Co.") as the defendants under a legal proceeding in the Court ("Mr. Joung's Forth Legal Proceeding").

Pursuant to the claims generally indorsed on Mr. Joung's Forth Writ, Mr. Joung sought, inter alia, for (i) a declaration that the Defendants have engaged in and solicited for illicit "kick-back" arrangement on solicitor fees; and (ii) an order that the Company and Lam & Co. engage in thorough investigations of related personnel on alleged corruptive behaviour.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

Joung Jong Hyun 第三項法律程序

茲提述本公司日期為二零一七年二月三日及二零一七年十二月二十一日的公佈。於二零一七年二月三日，本公司接獲由Joung先生作為一項法律程序（「Joung先生第三項法律程序」）的原告入稟法院對董事、本公司及希仕廷律師行（「希仕廷」）作為被告所發出日期為二零一七年二月一日的傳訊令狀（「Joung先生第三份傳訊令狀」）。

據Joung先生第三份傳訊令狀大致上聲稱，Joung先生尋求（其中包括）(i) 宣判該等被告就律師費從事及索求違法的「回佣」安排；及(ii) 頒令本公司及希仕廷就涉嫌貪污行為的相關人士進行徹底調查。

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

Joung Jong Hyun 第四項法律程序

茲提述本公司日期為二零一七年二月十日及二零一七年十二月二十一日的公佈。於二零一七年二月九日，本公司接獲由Joung先生作為一項法律程序（「Joung先生第四項法律程序」）的原告入稟法院對本公司及林炳昌律師事務所（「林炳昌律師事務所」）作為被告所發出日期為二零一七年二月六日的傳訊令狀（「Joung先生第四份傳訊令狀」）。

據Joung先生第四份傳訊令狀大致上聲稱，Joung先生尋求（其中包括）(i) 宣判該等被告就律師費從事及索求違法的「回佣」安排；及(ii) 頒令本公司及林炳昌律師事務所就涉嫌貪污行為的相關人士進行徹底調查。

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Chi Dong Eun's Winding Up Petition

Reference is made to the Company's announcements dated on 6 January 2017 and 23 May 2017. The Company has also on 6 January 2017 received a petition (the "Petition") dated 3 January 2017 filed by Chi Dong Eun (the "Petitioner") against (i) the Company, (ii) the Directors and (iii) Mr. Yang as the respondents (collectively, the "Respondents").

The Petitioner alleged, inter alia, that (i) the Respondents have deliberately evaded the mandatory general offer obligation of the Codes on Takeovers and Mergers and Share Buy-Back; (ii) Mr. Yang has engaged in massive illegal share pledge borrowing activities, without making proper and required disclosures; (iii) from the initial public offering of the Company, the accounting results of the Company have been falsified, unfairly prejudicial to independent shareholders to be misled; (iv) the Company has physically prevented several independent shareholders from participating in the voting in some extraordinary general meetings of the Company; and (v) the Directors and Mr. Yang have committed offences under section 25(1) of the Organized and Serious Crime Ordinance, which in the circumstances renders it just, equitable and desirable to wind up the Company. The hearing of Petition was scheduled to be heard on 5 April 2017.

The Court on 23 May 2017 ordered that the Petition be dismissed with costs.

Lim Hang Young's Winding Up Petition

Reference is made to the Company's announcements dated on 13 June 2017, 16 June 2017 and 20 November 2017. The Company has on 9 June 2017 received a petition (the "Petition") dated on 6 June 2017 filed by Mr. Lim Hang Young (the "Petitioner") against (i) the Company and (ii) Yang's Holdings Capital Limited (the "2nd Respondent") as respondents (collectively, the "Respondents").

The Petitioner alleged, inter alia, that (i) the 2nd Respondent had lend out its business to the Company and was warehousing the shares for the real owner of the shell; (ii) the 2nd Respondent has engaged in many share pledge borrowing activities; and (iii) the acquisitions of Red 5 Studios, Inc. was a deceit; and (iv) the affairs of the Company have been mismanaged, which in the circumstances render it just and equitable and desirable in the interest of the Company's shareholders and/or general investing public to wind up the Company.

Chi Dong Eun 的清盤呈請書

茲提述本公司日期為二零一七年一月六日及二零一七年五月二十三日的公佈。於二零一七年一月六日，本公司亦接獲Chi Dong Eun(「呈請人」)針對(i)本公司；(ii)董事；及(iii)楊先生作為答辯人(統稱「該等答辯人」)所發出日期為二零一七年一月三日的呈請書(「呈請書」)。

呈請人聲稱(其中包括)(i)該等答辯人故意逃避《公司收購、合併及股份回購守則》項下的強制性全面收購建議的責任；(ii)楊先生在未作出適當及必要披露的情況下大肆進行非法股份質押借貸活動；(iii)自本公司首次公開發售起，本公司的會計業績已經被篡改，不當地損害獨立股東的權益並對其產生誤導；(iv)本公司已阻礙多名獨立股東參與與本公司若干股東特別大會的表決；及(v)董事及楊先生已觸犯有組織及嚴重罪行條例第25(1)條項下罪行，在此情況下將本公司清盤屬公平、衡平及合宜做法。呈請書排期於二零一七年四月五日聆訊。

法院於二零一七年五月二十三日下令駁回呈請書，並須支付費用。

Lim Hang Young 之清盤呈請書

茲提述本公司日期為二零一七年六月十三日、二零一七年六月十六日及二零一七年十一月二十日的公佈。於二零一七年六月九日，本公司接獲Lim Hang Young先生(「呈請人」)於二零一七年六月六日針對答辯人(i)本公司及(ii)Yang's Holdings Capital Limited(「第二答辯人」)(統稱「答辯人」)提出之呈請書(「呈請書」)。

呈請人指稱(其中包括)(i)第二答辯人曾向本公司借出其業務，並為空殼公司實際擁有人代持股份；(ii)第二答辯人曾參與多項股份質押借貸活動；及(iii)收購Red 5 Studios, Inc.為欺詐行為；及(iv)本公司事務管理不善，在此情況下將本公司清盤屬公平、衡平及合宜做法，亦符合本公司股東及／或普羅投資大眾之利益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Petition was taken out in the Court of First Instance, High Court, Hong Kong Special Administrative Region against the Respondents. The call over of the Petition has been fixed to be heard on 6th September 2017 at 9:30 a.m. According to Section 182 of the Companies Ordinance (Cap. 622, Laws of Hong Kong), the effect of the Petition, unless and until it is dismissed or a validation order is sought, is that any disposition of the property of the Company, including things in action, and any transfer of shares, or alteration in the status of the members of the Company, made after the commencement of the winding up, shall unless the court otherwise orders, be void.

The position of the Company towards the Petition is that the facts stated in the Petition are not true and that the Petition will be strenuously opposed, including making an application to dismiss/strike out the Petition.

The Company applied for a validation order and also make an application to dismiss/strikeout in due course. At the Hearing held on 13 July 2017, a Validation Order was granted by the Court in the terms as follows: (i) unless otherwise ordered by the court, any payment or other disposition of property made on or after 6 June 2017 in the ordinary course of the business of the Company shall not be void; (ii) the payments made into or out of the two bank accounts of the Company in respect of expenses occurred in the ordinary course of business shall be sanctioned; (iii) the payment of reasonable legal expenses incurred by the Company in various legal proceedings shall not be void; (iv) any transfer of the Company's shares on or after 6 June 2017 shall not be void.

On 20 November 2017, the Court ordered that the petition made by Mr. Lim to wind up the Company be struck out with costs payable by the Petitioner to the Company on an indemnity basis.

呈請書透過入稟香港特別行政區高等法院原訟法庭針對答辯人提出。呈請書之指示聆訊定於二零一七年九月六日上午九時三十分舉行。根據香港法例第622章《公司條例》第182條，除非及直至被駁回或獲頒認可令，否則呈請書將導致清盤開始後就本公司財產(包括據法權產)作出之任何產權處置以及任何股份轉讓或本公司成員地位之任何變更均屬無效，惟法院另有命令則作別論。

針對呈請書，本公司之立場是呈請書所述事實並不真確，並將就呈請書提出強烈反對，包括申請駁回／撤銷呈請書。

本公司將申請認可令，並於適當時候就駁回／撤銷呈請書提出申請。於二零一七年七月十三日進行之聆訊上，法院已頒授認可令，有關條款如下：(i)除非法院另行頒令，否則不得取消於二零一七年六月六日或之後於本公司日常業務過程中作出之任何付款或其他產權處置；(ii)於日常業務過程中所產生開支轉入本公司兩個銀行賬戶或自該等賬戶轉出付款將受制裁；(iii)不得取消本公司就多項法律程序所產生合理法律費用付款；(iv)不得取消於二零一七年六月六日或之後辦理之任何本公司股份轉讓。

於二零一七年十一月二十日，法院頒令撤銷Lim先生提出將本公司清盤之呈請書，並頒令呈請人須按彌償基準向本公司支付訟費。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial assets at fair value through profit or loss

按公平值計入損益的金融資產

Name of investments	% of interest to the total assets of the Group as at 31 March 2017	% of interest of the respective investments as at 31 March 2017	Movement during the year ended 31 March 2018 截至二零一八年三月三十一日止年度的變動				Fair value as at 31 March 2018	% of interest to the total assets as at 31 March 2018	% of interest of the respective investments as at 31 March 2018	Gain/(loss) on disposal/redemption for the year ended 31 March 2018	
			Fair value as at 31 March 2017	Addition/(disposal/redemption), net	Change on fair value, net	Fair value as at 31 March 2018					
投資名稱	於二零一七年三月三十一日佔本集團資產總值的百分比	於二零一七年三月三十一日佔相關投資權益的百分比	於二零一七年三月三十一日的公平值	添置/(出售/贖回)淨額	公平值變動淨額	於二零一八年三月三十一日的公平值	於二零一八年三月三十一日佔本集團資產總值的百分比	於二零一八年三月三十一日佔相關投資權益的百分比	二零一八年三月三十一日止年度出售/贖回收益/(虧損)		
	Notes		HKS'000	HKS'000	HKS'000	HKS'000					
	附註		千港元	千港元	千港元	千港元					
Equity securities listed in Hong Kong	香港上市股本證券										
Food Idea Holdings Limited (8179) ("Food Idea")	新煮意控股有限公司 (8179) ("新煮意")	(a)	N/A 不適用	N/A 不適用	-	9,817	(2,547)	7,270	4.82%	2.02%	-
China Child Care Corporation Limited (1259) ("China Child")	中國兒童護理有限公司 (1259) ("中國兒童")	(b)	N/A 不適用	N/A 不適用	-	-	-	-	N/A 不適用	N/A 不適用	3,768
Season Pacific Holdings Limited (1709) ("Season Pacific")	雲裳衣控股有限公司 (1709) ("雲裳衣")	(c)	N/A 不適用	N/A 不適用	-	1,580	(180)	1,400	0.93%	0.40%	-
In Technical Productions Holdings Limited (8446) ("In Technical")	In Technical Productions Holdings Limited (8446) ("In Technical")	(d)	N/A 不適用	N/A 不適用	-	3,257	(1,229)	2,028	1.34%	0.08%	-
Total	總計				-	14,654	(3,956)	10,698			3,768

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Available for sale investments

可供出售投資

Name of investments	Notes	% of interest to the total assets of the Group as at		Movement during the six months ended 31 March 2018 截至二零一八年三月三十一日止六個月的變動		Change on fair value, net	% of interest to the total assets of the Group as at		Gain/(loss) on disposal/redemption for the year ended
		31 March 2017	31 March 2017	Fair value as at 31 March 2017	Addition/(disposal/redemption), net		Fair value as at 31 March 2018	31 March 2018	
Unlisted investments in Hong Kong	香港非上市投資								
Wealth Power Group Limited ("Wealth Power")	Wealth Power Group Limited ("Wealth Power") (e)	N/A 不適用	N/A 不適用	-	21,924	-	21,924	14.52%	35.00%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Notes:

(a) This investment represented 43,020,000 shares, which was approximately 2.02% of the total issued shares of Food Idea as at 31 March 2018. The business of Food Idea together with its subsidiaries ("Food Idea Group") can be broadly categorised into four main sectors: (i) catering services, (ii) production, sales and distribution of food products to supermarket chains in Hong Kong, (iii) investments in securities and (iv) money lending business. For the year ended 31 March 2018, the Group recorded an unrealised fair value loss of approximately HK\$2.55 million in the investment of the shares of Food Idea. According to the annual report of Food Idea, Food Idea Group recorded revenue and net loss of approximately HK\$111.15 million and HK\$79.60 million respectively for the year ended 31 December 2017. Based on the latest quarterly report of Food Idea for the three months ended 31 March 2018, Food Idea Group recorded revenue and net loss of approximately HK\$31.92 million and HK\$28.67 million respectively. As disclosed in its quarterly report for the three months ended 31 March 2018, Food Idea Group is still optimistic about the future prospect of the business and confident that its long term growth can be achieved. Food Idea Group strives to diversify its existing business and broaden its source of income. For the food products operation, the management of Food Idea Group is committed to bolster the customer base. Food Idea Group continues to search for suitable sites with high traffic flow for expansion and will continue to review the performance of its concessionaire stores and close the underperforming locations. To broaden the customer base, Food Idea Group has started the Taiwanese cuisine takeaway store since December 2017. With the benefits from the economies of scales and larger market share, Food Idea Group believes the food products operation could achieve better performance. Food Idea Group is also proactively monitoring the rising food costs, labour costs and commission expenses to supermarket chains in order to raise the operational efficiencies of the food products operation. Food Idea Group will actively seek for opportunities to expand its money lending business. The management of Food Idea Group will monitor the risk exposure regularly and adjust the investments portfolio when necessary, while selectively choose those with the most balanced risk and return potential. Food Idea Group has expanded its business to wine trading recently. The Board believes tapping into the wine trading business represents a good opportunity for the Group to further develop its distribution and catering business and will help diversify the Group's business, in terms of product and market base. The Board of Food Idea Group believes the new expansion of business will broaden the income stream of Food Idea Group.

附註：

(a) 此項投資指43,020,000股股份，約佔新煮意於二零一八年三月三十一日的已發行股份總數約2.02%。新煮意連同其附屬公司（「新煮意集團」）的業務大致上可分為四大分部：(i)餐飲服務；(ii)於香港生產、銷售及分銷食品至連鎖超級市場；(iii)投資證券；及(iv)放款業務。截至二零一八年三月三十一日止年度，本集團在新煮意股份投資中錄得未變現公平值虧損約2.55百萬港元。根據新煮意年報，截至二零一七年十二月三十一日止年度，新煮意集團錄得收益及虧損淨額分別約為111.15百萬港元及79.60百萬港元。根據新煮意截至二零一八年三月三十一日止三個月的最新季度報告，新煮意集團錄得收益及虧損淨額分別約為31.92百萬港元及28.67百萬港元。誠如新煮意集團於截至二零一八年三月三十一日止三個月的季度報告所披露，其對業務的未來前景仍保持樂觀，並深信可實現長期增長。新煮意集團致力於多元化其現有業務並擴大其收入來源。就食品業務而言，新煮意集團的管理層致力壯大客戶基礎。新煮意集團繼續搜尋人流暢旺的適當地點擴展業務及將繼續審閱其專賣店的表現並關閉表現欠佳的店舖。為擴闊客戶基礎，新煮意集團於二零一七年十二月開設台灣料理外賣店。受惠於經濟規模效益及市場份額增加，新煮意集團相信食品業務可達致更佳表現。為提升食品業務的營運效率，新煮意集團積極監察食品成本、勞工成本及連鎖超級市場佣金的上漲情況。新煮意集團將積極尋求商機，以拓展其放款業務。新煮意集團管理層將定期監察風險及在有需要時調整投資組合，與此同時揀選風險最為均衡且具備回報潛力的組合。新煮意集團已於近期拓展業務至酒品貿易。董事會相信，進軍酒品貿易業務乃本集團進一步發展分銷及餐飲業務之良機，且將有助本集團之業務於產品及市場基礎方面更多元化。新煮意集團董事會相信，新業務擴充將擴闊新煮意集團之收入來源。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- (b) China Child and its subsidiaries are principally engaged in the manufacture and the sale of personal care products, trading of commodities, money lending, operation of an online platform and investment holding. During the year, the Group acquired and disposed of 27,500,000 shares of China Child and recorded a realised gain of approximately HK\$3.77 million from the disposal.
- (b) 中國兒童及其附屬公司主要從事製造及銷售個人護理產品、買賣商品、放貸、經營網上平台及投資控股。於本年度，本集團收購及出售中國兒童27,500,000股股份，並自出售錄得約3.77百萬港元的已變現收益。
- (c) This investment represented 4,000,000 shares, which was approximately 0.40% of the total issued shares of Season Pacific as at 31 March 2018. Season Pacific together with its subsidiaries ("Season Pacific Group") engages in sales of apparel products with the provision of supply chain management total solutions to customers. For the year ended 31 March 2018, the Group recorded an unrealised fair value loss of approximately HK\$0.18 million in the investment of the shares of Season Pacific. According to the annual report of Season Pacific, Season Pacific Group recorded revenue and net profit of approximately HK\$279.38 million and HK\$15.69 million respectively for the year ended 31 March 2018. Given the challenging economic outlook, Season Pacific Group actively targeted and won increased business from markets which were stronger such as Asia and Europe. However with the continuing rise in costs and geo-political pressures arising from the potential trade wars and tariffs from America, maintaining Season Pacific Group's rate of growth will be challenging. Season Pacific Group believes that by offering competitive pricing, together with strong relationship management and a comprehensive range of supply chain management total solutions, it can continue to capture market share by providing value added service to customers in whatever region they are based. Overall, Season Pacific Group expects the global business environment to remain challenging in the coming year due to economic and political uncertainty which will create certain pressure to the Group's sales and gross profit margins. Nevertheless, Season Pacific Group has the financial and operational capability to handle these challenges and to grow organically to become a leading total supply chain management company in Hong Kong with full vertical value propositions to its customers from the factory to the consumer whilst maximising return for the shareholders of the Season Pacific Group.
- (c) 此項投資指4,000,000股股份，佔雲裳衣於二零一八年三月三十一日的已發行股份總數約0.40%。雲裳衣及其附屬公司（「雲裳衣集團」）從事服裝產品銷售及向客戶提供供應鏈管理總體解決方案。截至二零一八年三月三十一日止年度，本集團投資雲裳衣股份錄得未變現公平值虧損約0.18百萬港元。根據雲裳衣的年報，雲裳衣集團於截至二零一八年三月三十一日止年度的收益及純利分別約為279.38百萬港元及15.69百萬港元。鑒於經濟展望充滿挑戰，雲裳衣集團積極針對表現較強勁的亞洲及歐洲市場及增加承接來自當地市場的業務。然而，成本持續上漲加上美國可能爆發貿易戰及開徵關稅所產生的地緣政治壓力，雲裳衣集團維持其增長率將面對重重困難。雲裳衣集團相信，藉著提供具競爭力的定價，配合強大的關係管理及全方位供應鏈管理總體解決方案，定能透過向以任何地區為基地的客戶提供增值服務而繼續搶佔市場份額。整體而言，雲裳衣集團預期來年度全球營商環境仍然受經濟及政治上的不明朗因素影響而維持困難，對本集團的銷售額及毛利率構成一定壓力。然而，雲裳衣集團具備所需財務及營運能力應付種種挑戰，茁壯成為香港領先的總體供應鏈管理公司，為客戶提供由工廠以至消費者一應俱全的縱向結合解決方案，同時為雲裳衣集團股東爭取最大回報。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- (d) This investment represented 650,000 shares, which was approximately 0.08% of the total issued shares of In Technical as at 31 March 2018. In Technical together with its subsidiaries (“In Technical Group”) principally engaged in the provision of visual display solution services. For the year ended 31 March 2018, the Group recorded an unrealised fair value loss of approximately HK\$1.23 million in the investment of the shares of In Technical. According to the annual report of In Technical, In technical Group recorded revenue and net loss of approximately HK\$66.82 million and HK\$0.66 million respectively for the year ended 31 May 2017. Based on the latest quarterly report of In Technical for the nine months ended 28 February 2018, In Technical Group recorded revenue and net profit of approximately HK\$59.69 million and HK\$13.17 million respectively. During the nine months ended 28 February 2018, In Technical Group was engaged in 283 pop concert shows and 233 other live events. In Technical Group will make steady progress in accordance with the plans formulated before the Listing and its actual operational conditions, so as to facilitate effective implementation of the business objectives and bring benefits from it. In Technical Group will proactively seek potential business opportunities and explore the possibility to expand the application of In Technical Group’s visual display solutions to industries other than live events industry that will broaden the sources of income of In Technical Group and enhance value to its shareholders. In the future, In Technical Group believes that it will achieve another breakthrough in terms of its business performance by leveraging on its advantages, in particular with its wide variety of visual display equipment and innovative professional management with strong knowhow.
- (e) This investment represented 35 shares, which was approximately 35% of the total issued shares of Wealth Power as at 31 March 2018. The business of Wealth Power together with its subsidiaries (“Wealth Power Group”) can be broadly categorised into two main sectors: (i) provision of catering management and (ii) operation of restaurants. One of the PRC subsidiaries of Wealth Power (“PRC subsidiary A”) entered into the trademark licensing agreement (“trademark licensing agreement”) as at 29 September 2014 and the PRC Subsidiary A granted an exclusive right to use and to grant license to third parties to use the trademarks “發記甜品” and conduct dessert businesses in the PRC for fifteen years.
- (d) 此項投資指650,000股股份，佔In Technical於二零一八年三月三十一日的已發行股份總數約0.08%。In Technical連同其附屬公司(「In Technical集團」)主要從事提供視像顯示解決方案服務。截至二零一八年三月三十一日止年度，本集團投資In Technical股份錄得未變現公平值虧損約1.23百萬港元。根據In Technical的年報，In Technical集團於截至二零一七年五月三十一日止年度的收益及淨虧損分別約為66.82百萬港元及0.66百萬港元。根據In Technical截至二零一八年二月二十八日止九個月的最新季度報告，In Technical集團錄得收益及純利分別約為59.69百萬港元及13.17百萬港元。於截至二零一八年二月二十八日止九個月，In Technical集團舉行了283場流行音樂會及233場其他現場活動。In Technical集團將按照上市前制定的規劃，並結合實際運營情況穩步推進業務發展，以有效落實各項業務目標並從中獲利。In Technical集團將積極尋求潛在商機並探索將In Technical集團的視像顯示解決方案擴展應用於現場活動行業以外行業，以擴大In Technical集團的收入來源及為其股東增值。在未來，In Technical集團相信，透過善用其優勢(尤其是其視像顯示裝置種類眾多，且創新專業的管理層擁有深厚的專業知識)，In Technical集團的業務表現將再創突破。
- (e) 此項投資指35股股份，佔Wealth Power於二零一八年三月三十一日已發行股份總數約35%。Wealth Power連同其附屬公司(「Wealth Power集團」)的業務大致上可分為兩大分部：(i)提供餐飲管理及(ii)經營餐廳。Wealth Power其中一間中國附屬公司(「中國附屬公司A」)於二零一四年九月二十九日訂立商標特許協議(「商標特許協議」)，且中國附屬公司A授出獨家使用權利以及特許第三方使用「發記甜品」商標及於中國從事甜品業務，為期15年。

EVENTS AFTER THE REPORTING PERIOD

Details are set out in note 40 to the consolidated financial statements in this annual report.

報告期後事項

詳情載於本年報綜合財務報表附註40。

BIOGRAPHIES OF DIRECTORS

董事履歷

EXECUTIVE DIRECTOR

Mr. Ng Ka Ho (吳家豪), aged 34, was appointed as an executive Director on 13 July 2015. Mr. Ng obtained his bachelor of Arts Degree in Chinese Literature from Chu Hai College of Higher Education. Mr. Ng possesses extensive experience in business development. He has been the director of a private company and he is responsible for strategic business planning as well as exploring any business development opportunity. Mr. Ng is responsible for searching and exploring business development opportunity and managing the business plan of the Company.

Mr. Lau Chun Kavan (劉俊), aged 38, appointed as an executive Director on 16 May 2018. He obtained a bachelor degree in fashion design from Central Saint Martins College of Art & Design in 2001 and a master degree in fashion design from Royal College of Art, London in 2003. Mr. Lau is a UK trained designer with extensive international experiences of the US, European and Asian fashion industries. He has experience in various design positions both internationally and in Hong Kong, and is also involved in a creative academic institution. His notable posts include Chief Designer of China Ting Group from March 2011 to February 2012 and head of design in the Asia Pacific region for Lacoste from February 2012 to October 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ma Chi Ming (馬志明), aged 39, was appointed as an independent non-executive Director on 29 April 2016. Mr. Ma obtained Certificate III in information technology and Certificate in English for technical and further education on from Sydney Institute of Technology in Australia in 1998 and 1997 respectively. He has over 12 years of experience in sales and business development, formulating marketing strategy as well as monitoring corporate strategy and administration. Prior to joining our Group, he was a director of Royal Mortgage Limited and Flying Mortgage Limited from August 2014 and May 2013 respectively, responsible for overseeing the operation of and developing money lending business, and ensuring the companies comply with regulatory requirements.

執行董事

吳家豪先生，34歲，於二零一五年七月十三日獲委任為執行董事。吳先生持有珠海學院中國文學文學士學位。吳先生具備豐富業務拓展經驗。彼為一間私人公司之董事，負責策略業務規劃及探索業務發展機會。吳先生將負責物色及探索業務發展機會並管理本公司業務發展計劃。

劉俊先生，38歲，於二零一八年五月十六日獲委任為執行董事。彼於二零零一年獲中央聖馬丁藝術與設計學院(Central Saint Martins College of Art & Design)頒發時尚設計學士學位，並於二零零三年獲倫敦皇家藝術學院(Royal College of Art)頒發時尚設計碩士學位。劉先生為在英國接受培訓的設計師，在美國、歐洲及亞洲時尚業界擁有豐富國際經驗。彼曾在國外及香港擔任眾多設計職位，並曾任職於創意學術機構。彼曾擔任之重要職位包括於二零一一年三月至二零一二年二月期間擔任華鼎集團之首席設計師及於二零一二年二月至二零一二年十月期間任職Lacoste之亞太區設計部主管。

獨立非執行董事

馬志明先生，39歲，於二零一六年四月二十九日獲委任為獨立非執行董事。馬先生先後於一九九八年及一九九七年在澳洲Sydney Institute of Technology進進修並獲頒資訊科技三級證書(Certificate III in information technology)及技術人員英語證書(Certificate in English for technical)。彼於銷售及業務發展、制定市場推廣策略及監督企業策略與行政方面積逾12年經驗。加入本集團前，彼分別自二零一四年八月及二零一三年五月起出任匯豪按揭有限公司及飛亞物業按揭有限公司的董事，負責監督放債業務運作及發展，以及確保公司符合監管規定。

BIOGRAPHIES OF DIRECTORS

董事履歷

Mr. Li Kin Ping (李健平), aged 34, was appointed as an independent non-executive Director, chairman of each of the remuneration and nomination committee and a member of the audit committee of the Company on 20 April 2017. Mr. Li re-designated to be the chairman of the Audit Committee on 26 September 2017. Mr. Li obtained a bachelor's degree of Business Administration (Honours) Accounting from Hong Kong Baptist University in 2006. He is a member of the Hong Kong Institute of Certified Public Accountants and has over 10 years of experience in accounting and auditing for Hong Kong listed companies and private companies. He is currently an accounting manager of a private company.

Ms. Guo Yan Xia (郭艷霞), aged 25, was appointed as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company on 26 September 2017. Ms. Guo holds a higher education certificate in Business English from South China University of Technology. Between June 2010 and August 2015, she worked as a tour guide in Guangdong SZL International Travel Service Ltd. Since 2015, she has joined the insurance and financial advisory industry and is currently working for a financial planning company.

李健平先生，34歲，於二零一七年四月二十日獲委任為獨立非執行董事，並為本公司薪酬委員會及提名委員會之主席以及審核委員會之成員。李先生於二零一七年九月二十六日獲調任為審核委員會之主席。李先生於二零零六年獲香港浸會大學頒發工商管理學士(榮譽)學位，主修會計學。彼為香港會計師公會會員，擁有逾10年於香港上市公司及私人公司負責會計及審核工作之經驗。彼目前為一間私人公司之會計經理。

郭艷霞女士，25歲，於二零一七年九月二十六日獲委任為獨立非執行董事，並為本公司審核委員會、薪酬委員會及提名委員會之成員。郭女士持有華南理工大學商務英語高等教育證書。於二零一零年六月至二零一五年八月期間，彼於廣東順之旅國際旅行社有限公司任職導遊。彼自二零一五年起加入保險及財務顧問行業，現時任職於一間財務策劃公司。

DIRECTORS' REPORT

董事會報告

The Directors present to the shareholders this annual report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2018 (the "Year").

PRINCIPAL ACTIVITIES

The principal business activity of the Company is investment holding. The principal activities and other particulars of the Company's subsidiaries are set out in notes 1 and 38 to the consolidated financial statement in this annual report.

BUSINESS REVIEW AND OUTLOOK

Details of business review of the Group for the Year is set out in the section headed "Chairman's Statement" on pages 7 to 8 and the business review and outlook of the Group including the principal risks and uncertainties for the Year are set out in the section headed "Management Discussion and Analysis" on pages 9 to 35 of this annual report. Details of key performance indicators are shown in the sections headed "Financial Summary" and "Management Discussion and Analysis" of this annual report. These discussions form part of this Report of the Directors.

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income in this annual report.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2017: nil).

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

董事謹此向股東提呈截至二零一八年三月三十一日止年度(「本年度」)的本年報以及本公司及其附屬公司的經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本公司附屬公司的主要業務及其他詳情載於本年報綜合財務報表附註1及38。

業務回顧及前景

本集團於本年度的業務回顧詳情載於本年報第7頁至第8頁的「主席報告書」一節以及本集團於本年度的業務回顧及前景(包括主要風險及不確定因素)載於第9頁至第35頁的「管理層討論及分析」一節。重大表現指標的詳情載於本年報「財務概要」及「管理層討論及分析」各節。該等討論構成董事會報告的一部分。

業績

本集團的本年度業績載於本年報的綜合損益及其他全面收益表。

末期股息

董事會不建議就本年度派付末期股息(二零一七年:無)。

概無任何本公司股東豁免或同意豁免任何股息的安排。

DIRECTORS' REPORT

董事會報告

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting ("AGM") of the Company will be held on 28 September 2018 (Friday). A circular containing the details of the forthcoming AGM and the notice of the forthcoming AGM and form of proxy accompanying thereto will soon be despatched to shareholders. For the determining entitlement to attend the forthcoming AGM, the register of members of the Company will be closed from 24 September 2018 (Monday) to 28 September 2018 (Friday), both day inclusive, during which period no transfer of Shares will be registered. The record date will be 28 September 2018 (Friday). In order to qualify for attending the forthcoming AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong before 4:30 p.m. on 21 September 2018 (Friday).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements in this annual report.

FINANCIAL SUMMARY

A summary of the results and assets, liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on page 183. This summary does not form part of the audited consolidated financial statements in this annual report.

SHARE CAPITAL

Details of the Company's paid up capital for the Year are set out in note 28 to the consolidated financial statements in this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

股東週年大會及暫停辦理股份過戶登記手續

本公司應屆股東週年大會(「股東週年大會」)將於二零一八年九月二十八日(星期五)舉行。載有應屆股東週年大會詳情及應屆股東週年大會通告的通函以及隨通函附奉的代表委任表格將盡快寄發予股東。為釐定出席應屆股東週年大會的資格，本公司將於二零一八年九月二十四日(星期一)至二零一八年九月二十八日(星期五)止期間(包括首尾兩日)暫停辦理股份過戶登記手續，期間不會登記任何股份轉讓。記錄日期將為二零一八年九月二十八日(星期五)。為符合出席應屆股東週年大會的資格，所有股份過戶文件連同相關股票及轉讓表格須於二零一八年九月二十一日(星期五)下午四時三十分前送達本公司的香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號21樓2103B室，以辦理登記手續。

物業、廠房及設備

本集團的物業、廠房及設備於本年度的變動詳情載於本年報綜合財務報表附註14。

財務概要

本集團過去五個財政年度的業績與資產及負債概要載於第183頁，該等資料乃摘錄自經審核綜合財務報表。此概要並不構成本年報經審核綜合財務報表的一部分。

股本

本公司於本年度的繳足股本詳情載於本年報綜合財務報表附註28。

優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權的規定，致使本公司須按比例向現有股東發售新股。

DIRECTORS' REPORT

董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 March 2018.

TRANSFER TO RESERVES

Loss attributable to equity shareholders, before dividends, of approximately HK\$269.17 million has been transferred to reserves. Other movements in reserves are set out in the consolidated statement of changes in equity in this annual report.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year under review, there were no material and significant dispute between the Group and its employees, customers and suppliers.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 71% of the total sales for the year ended 31 March 2018 and sales to the largest customer included therein accounted for approximately 41% of the total sales for the year ended 31 March 2018. Purchase from the Group's five largest suppliers accounted for approximately 100% of the total purchase for the year ended 31 March 2018 and purchase from the Group largest supplier included therein accounted for approximately 45% of the total purchase for the year ended 31 March 2018.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

購買、出售或贖回上市證券

截至二零一八年三月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

轉撥儲備

派付股息前權益股東應佔虧損約269.17百萬港元已轉撥作為儲備。儲備的其他變動載於本年報的綜合權益變動表。

與僱員、客戶及供應商的關係

本集團深明與其僱員、客戶及供應商保持良好關係對達致其短期及長期目標的重要性。於回顧年度內，本集團與其僱員、客戶及供應商之間概無嚴重及重大糾紛。

主要客戶及供應商

本集團對五大客戶的銷售額佔截至二零一八年三月三十一日止年度總銷售額約71%，其中對最大客戶的銷售額佔截至二零一八年三月三十一日止年度的總銷售額約41%。本集團向五大供應商的採購額佔截至二零一八年三月三十一日止年度的總採購額約100%，其中向最大供應商的採購額佔截至二零一八年三月三十一日止年度總採購額約45%。

董事或彼等任何緊密聯繫人或任何股東（據董事所深知擁有本公司已發行股本超過5%）概無於本集團五大客戶及供應商中擁有任何實益權益。

DIRECTORS' REPORT

董事會報告

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Director

Mr. Ng Ka Ho (Chairman)

Mr. Lau Chun Kavan (appointed on 16 May 2018)

Non-Executive Director

Mr. Wong Chiu Po (resigned on 26 April 2017)

Independent Non-Executive Directors

Mr. Ma Chi Ming

Mr. Li Kin Ping (appointed on 20 April 2017)

Ms. Guo Yan Xia (appointed on 26 September 2017)

Mr. Ng Kai Shing (resigned on 26 September 2017)

Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)

By virtue of Article 16.18 of the articles of association of the Company, Mr. Ng Ka Ho and Mr. Ma Chi Ming shall retire at the forthcoming AGM and, being eligible, shall offer themselves for re-election at the said meeting.

DIRECTORS' SERVICE CONTRACT

Each of the non-executive Directors (including the independent non-executive directors) has entered into a service contract or an appointment letter (as the case may be) with the Company for an initial term of one year.

No Director proposed for re-election at the forthcoming AGM has a service contract or any appointment letter (as the case may be) with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事

於本年度直至本報告日期，董事為：

執行董事

吳家豪先生(主席)

劉俊先生(於二零一八年五月十六日獲委任)

非執行董事

黃昭堡先生(於二零一七年四月二十六日辭任)

獨立非執行董

馬志明先生

李健平先生(於二零一七年四月二十日獲委任)

郭艷霞女士(於二零一七年九月二十六日獲委任)

吳啟誠先生(於二零一七年九月二十六日辭任)

鄭麟基先生(於二零一七年四月二十日辭任)

根據本公司組織章程細則第16.18條，吳家豪先生及馬志明先生將於應屆股東週年大會退任，而彼等符合資格及願意於該大會上重選連任。

董事的服務合約

各非執行董事(包括獨立非執行董事)已與本公司訂立服務合約或委任書(視情況而定)，初步任期為一年。

於應屆股東週年大會上獲提名重選連任的董事，並無與本公司訂立本公司不可於一年內不作補償(法定補償除外)而終止的服務合約或任何委任書(視情況而定)。

DIRECTORS' REPORT

董事會報告

BIOGRAPHIES OF DIRECTORS

The biographical details of Directors and senior management are disclosed in the section headed "Biographies of Directors and Senior Management" in this annual report.

DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID INDIVIDUALS' REMUNERATION

Details of the Directors Emoluments and the five individuals with the highest emoluments are set out in note 11 to the consolidated financial statements in this annual report.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

INTERESTS OF CONTROLLING SHAREHOLDERS IN CONTRACTS

No contract of significance has been entered into during the Year between the Company or any of its subsidiaries and the controlling shareholders or any its subsidiaries.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

MANAGEMENT CONTRACTS

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 March 2018, none of the Directors nor the controlling shareholders or any their respective close associates has any interest in a business which competes or likely to compete, either directly or indirectly, with the business of the Group.

董事履歷

董事及高級管理層履歷詳情載於本年報的「董事及高級管理層履歷」一節。

董事、主要行政人員及五名最高薪酬人士的酬金

董事及五名最高薪酬人士的酬金詳情載於本年報綜合財務報表附註11。

董事於交易、安排及合約的權益

本公司或其任何附屬公司概無訂定任何董事於其中擁有直接或間接重大權益，並且於本年度終結時或於本年度內任何時間仍然生效的重大交易、安排或合約。

控股股東於合約的權益

本公司或其附屬公司與控股股東或其任何附屬公司於本年度概無訂立任何重大合約。

概無就本公司或其任何附屬公司控股股東向本公司或其任何附屬公司提供服務訂立任何重大合約。

管理合約

於本年度，本公司並無訂立或存續任何涉及本公司全部或任何大部分業務的管理及行政合約。

董事於競爭業務的權益

截至二零一八年三月三十一日止年度，董事、控股股東或任何彼等各自的緊密聯繫人概無於與本集團業務造成或可能造成直接或間接競爭的業務中擁有任何權益。

DIRECTORS' REPORT

董事會報告

DISTRIBUTION RESERVES

As at 31 March 2018, the Company's reserves available for distribution represent the share premium, special reserve and accumulated losses and the aggregate amount of reserves available for distribution to equity shareholders of the Company amounted to approximately HK\$63.1 million.

Details of movements in the reserves of the Company and the Group during the Year are set out in note 39 to the consolidated financial statements and in the consolidated statement changes in equity respectively.

DIRECTORS' AND CHIEF EXECUTIVES INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

As at 31 March 2018, none of the Directors and chief executive of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2018, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept under 336 of the SFO:

分派儲備

於二零一八年三月三十一日，本公司的可供分派儲備指股份溢價、特別儲備及累計虧損，而可供分派予本公司權益股東的儲備總額約為63.1百萬港元。

本公司及本集團於本年度的儲備變動詳情分別載於綜合財務報表附註39及綜合權益變動表。

董事及主要行政人員於本公司及相聯法團股份、相關股份及債權證的權益及淡倉

於二零一八年三月三十一日，概無董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)任何股份、相關股份或債權證中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括根據證券及期貨條例有關條文被當作或視為擁有的權益及/或淡倉)，或(ii)根據證券及期貨條例第352條須記入本公司所存置登記冊的任何權益或淡倉，或(iii)根據GEM上市規則第5.46條有關上市發行人董事進行交易規定標準而向本公司及聯交所作出另行通知的任何權益或淡倉。

主要股東及其他人士於本公司股份及相關股份中的權益及淡倉

於二零一八年三月三十一日，以下人士(董事或本公司主要行政人員除外)於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文予以披露的權益或淡倉，或擁有根據證券及期貨條例第336條須存置登記冊所記錄的權益或淡倉如下：

DIRECTORS' REPORT

董事會報告

Ordinary Shares of the Company

本公司普通股

Name of Shareholder	Capacity/Nature of Interests	Number of Shares ⁽¹⁾	Percentage of the Company's issued share capital as at 31 March 2018 於二零一八年三月三十一日 佔本公司已發行股本百分比
股東姓名／名稱	身份／權益性質	股份數目 ⁽¹⁾	股本百分比
Lau Lan Ying 劉蘭英	Interest in a controlled corporation 於受控法團的權益	322,314,800	25.18%
Wong Kwan Mo 黃君武	Interest in a controlled corporation 於受控法團的權益	322,314,800	25.18%
Strong Light Investments Ltd 昌亮投資有限公司	Beneficial owner 實益擁有人	299,694,000	23.41%
Ge Qingfu 葛慶福	Beneficial owner 實益擁有人	128,226,200	10.02%

Notes:

(1) All interests stated are long positions.

Save as disclosed above, as at 31 March 2018, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

附註：

(1) 所示全部權益均為好倉。

除上文所披露者外，於二零一八年三月三十一日，本公司並無得悉任何人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中擁有或視為擁有根據證券及期貨條例第XV部第2及3分部條文予以披露的權益或淡倉，或根據證券及期貨條例第336條須存置登記冊所記錄的權益或淡倉。

DIRECTORS' REPORT

董事會報告

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraph headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations" above, and "Share Option Scheme" below, at no time during the Year was the Company, its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their associates to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

CONNECTED TRANSACTIONS

During the year ended 31 March 2018, there were no connected transactions or continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules. Details of significant related party transactions undertaken in the usual course of business are set out in note 32 to the consolidated financial statements. None of these related party transactions constitute a discloseable connected transaction as defined under the GEM Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") on 25 September 2014. The following is a summary of the principal terms and conditions of the Share Option Scheme.

1. Purpose

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Company.

2. Participants

The Directors may, at their absolute discretion, invite any person who contributes to the development and growth of the Group, grant any employee or proposed employee (full-time or part-time), Director, consultant or adviser of or to the Group, or any supplier, customer, or any person or entity that provides research, development or other technological support or any shareholder of the Company or any shareholder of any of the Company's subsidiaries.

董事收購股份或債權證的權利

除上文「董事及主要行政人員於本公司或任何相聯法團股份、相關股份及債權證的權益及淡倉」一段及下文「購股權計劃」一段所披露者外，於本年度任何時間，本公司、其控股公司、附屬公司或同系附屬公司並無訂立任何安排，使董事或本公司主要行政人員或其聯繫人可透過收購本公司或任何其他法人團體的股份或債權證而獲益。

關連交易

截至二零一八年三月三十一日止年度，根據GEM上市規則第20章，本公司並無進行任何關連交易或持續關連交易，而須遵守GEM上市規則的申報、公佈或獨立股東批准規定。於日常業務過程中進行的重大關連方交易詳情載於綜合財務報表附註32。概無該等關連方交易構成GEM上市規則項下的須予披露關連交易。

購股權計劃

本公司於二零一四年九月二十五日採納購股權計劃（「購股權計劃」）。以下為購股權計劃的主要條款及條件概要。

1. 目的

購股權計劃旨在使本公司可向經挑選的參與者授出購股權，以獎勵或回報彼等對本公司的貢獻。

2. 參與者

董事可全權酌情決定向對本集團的發展及增長所作貢獻的任何人士、任何僱員或擬聘用僱員（不論屬全職或兼職）、董事、本集團諮詢顧問或顧問、或任何供應商、客戶或提供研究、開發或其他技術支援的人士或實體或本公司任何股東或本公司任何附屬公司的任何股東授出購股權。

DIRECTORS' REPORT

董事會報告

3. Maximum Number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of all the Shares in issue as at the Date of Listing (i.e. a total of 128,000,000 Shares representing 10% of the issued share capital of the Company as at the date of this report).

4. Maximum Entitlement of Each Participant and Connected Persons

The total number of Shares issued and to be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option scheme of the Company (including both exercised and outstanding options) to each participant in any 12-month period must not exceed 1% of the Shares in issue.

5. Minimum Period of Holding an Option and Performance Target

The Director may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

6. Subscription Price for Shares

The subscription price of a Share in respect of any option granted under the Share Option Scheme, subject to any adjustments made in accordance with the Share Option Scheme, shall be such price as the Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the option (which must be a business day); and (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day). A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

7. Rights are Personal to Grantee

An option granted under the Share Option Scheme shall not be transferable or assignable and is personal to grantee.

3. 股份最高數目

購股權計劃可予授出的購股權所涉及的最高股份數目合共不得超過上市日期已發行股份總數的10% (即合共128,000,000股股份，相當於本公司於本報告日期已發行股本10%)。

4. 每名參與者及關連人士的最高配額

於任何12個月期間，根據購股權計劃及本公司任何其他購股權計劃向每名參與者授出未行使的全部購股權 (包括已行使及尚未行使的購股權) 獲行使而已經及將予發行的股份總數，不得超過已發行股份的1%。

5. 持有購股權的最短期限及表現目標

於向參與者授出購股權時，董事可全權酌情釐定於行使購股權前須持有該購股權的任何最短期限、須達致的任何表現目標及須達成的任何其他條件。

6. 股份認購價

根據購股權計劃授出的任何購股權所涉及股份的認購價 (受根據購股權計劃作出的任何調整規限)，由董事會全權酌情釐定，惟認購價不得低於下列中的最高者：(i) 股份於緊接授出購股權日期 (必須為營業日) 前五個營業日聯交所每日報價表所列平均收市價；及(ii) 股份於授出購股權日期 (必須為營業日) 聯交所每日報價表所列收市價。接納授出購股權要約時須繳付1.00港元的代價。

7. 權利屬承授人個人所有

根據購股權計劃授出的購股權不得轉讓或指讓，且屬承授人個人所有。

DIRECTORS' REPORT

董事會報告

8. Time of Exercise of Option

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option.

9. Period of the Share Option Scheme

Unless terminated by the Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

Details of the share option scheme of the Group are set out in Note 36 to the consolidated financial statement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2018, the Group employed approximately 30 full-time staff. The Directors and senior management receive compensation in the form of fees, salaries, allowances, benefits in kind and/or discretionary bonuses relating to our performance. When reviewing and determining the specific remuneration package for the executive Directors and senior management, the Company takes into consideration factors such as among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

The Group's remuneration to employees includes salaries, contribution to pension schemes and discretionary performance bonuses.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" in this annual report.

8. 行使購股權期限

參與者可自授出購股權要約日期起計28日內接納購股權。

9. 購股權計劃期限

除非本公司在股東大會通過決議案終止，否則購股權計劃將自其成為無條件之日起10年間生效及有效。

本集團購股權計劃的詳情載於綜合財務報表附註36。

僱員及薪酬政策

於二零一八年三月三十一日，本集團聘用約30名全職員工。董事及高級管理層以袍金、薪金、津貼、實物福利及／或與本集團表現有關的酌情花紅形式收取報酬。於檢討及釐定執行董事及高級管理層的具體薪酬組合時，本公司會考慮多種因素，如(其中包括)可比較公司所支付的薪金市場水平、董事各自的職責及本集團表現。

本集團給予僱員的薪酬待遇包括薪金、退休金計劃供款及酌情表現花紅。

企業管治

有關本公司所採納的企業管治常規資料載於本年報的「企業管治報告」一節。

DIRECTORS' REPORT

董事會報告

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors and chief executives for the year and up to the date of the annual report is set out below:

- (i) Mr. Lau Chun Kavan has been appointed as an executive Director on 16 May 2018;
- (ii) Mr. Wong Chiu Po has resigned from his office as a non-executive Director on 26 April 2017;
- (iii) Mr. Li Kin Ping has been appointed as an independent non-executive Director, the chairman of each of the Remuneration Committee and Nomination Committee and a member of the Audit Committee on 20 April 2017. He was re-designated to be the chairman of the Audit Committee on 26 September 2017;
- (iv) Ms. Guo Yan Xia has been appointed as an independent non-executive Director, a member of each of the Audit Committee and the Remuneration Committee and the Nomination Committee on 26 September 2017;
- (v) Mr. Ng Kai Shing has resigned from his office as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee on 26 September 2017;
- (vi) Mr. Kwong Lun Kei Victor has resigned as an independent non-executive Director, a member of the Audit Committee, the chairman of each of the Remuneration Committee and the Nomination Committee on 20 April 2017;
- (vii) Mr. Leung Tsz Wai has resigned as the chief financial officer and company secretary of the Company and ceased to act as an authorized representative of the Company on 29 September 2017; and
- (viii) Ms. Lai Wai Ha has been appointed as the company secretary and authorized representative of the Company on 29 September 2017.

Save as disclosed above and elsewhere in this report, there is no other information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules for the year and up to the date of the annual report.

董事資料更新

根據GEM上市規則第17.50A(1)條於年內及截至年報日期的董事及高級行政人員資料變動載列如下：

- (i) 劉俊先生已於二零一八年五月十六日獲委任為執行董事；
- (ii) 黃昭堡先生已於二零一七年四月二十六日辭任其非執行董事職務；
- (iii) 李健平先生已於二零一七年四月二十日獲委任為獨立非執行董事，並為各薪酬委員會及提名委員會之主席以及審核委員會之成員。彼於二零一七年九月二十六日獲調任為審核委員會主席；
- (iv) 郭艷霞女士於二零一七年九月二十六日獲委任為獨立非執行董事，並為各審核委員會、薪酬委員會及提名委員會之成員；
- (v) 吳啟誠先生於二零一七年九月二十六日辭任其獨立非執行董事職務，審核委員會主席以及各薪酬委員會及提名委員會之成員；
- (vi) 鄺麟基先生已於二零一七年四月二十日辭任獨立非執行董事，審核委員會成員，各薪酬委員會及提名委員會之主席；
- (vii) 梁子煒先生已於二零一七年九月二十九日辭任本公司財務總監及公司秘書職務且不再擔任本公司之授權代表；及
- (viii) 黎惠霞女士已於二零一七年九月二十九日獲委任為本公司的公司秘書及授權代表。

除上文及本報告其他部分所披露者外，概無其他資料須根據GEM上市規則第17.50A(1)條於年內及截至年報日期予以披露。

DIRECTORS' REPORT

董事會報告

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's articles of association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, in which judgment is given in his favour, or in which he is acquitted.

EQUITY-LINKED AGREEMENTS

Saved for the Share Option Scheme as set out above, the Company has not entered into any equity-linked agreements during the Year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company recognized its responsibility to protect the environment from its business activities. The Company is committed to the sustainable development of the environment and our society. The Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental practices to ensure our business meet the required standards and ethics in respect of environmental protection.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, during the Year, the Group has complied with all the relevant laws and regulations that have a significant impact on the operations of the Group.

CHARITABLE DONATIONS

During the Year, the Group had made charitable and other donation for approximately HK\$nil (2017: approximately HK\$23,000).

CONFIRMATION OF INDEPENDENCE

The Company has received from the independent non-executive Directors an annual confirmation pursuant to Rule 5.09 of the GEM Listing Rules and considers that all the independent non-executive Directors are independent to the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained sufficient public float during the Year and up to the date of this annual report as required under the GEM Listing Rules.

獲准許彌償條文

根據本公司組織章程細則，每名董事均有權就以董事身份對任何訴訟進行抗辯而得直或獲釋所引致或蒙受的一切損失或債務，從本公司資產當中獲得彌償保證。

股票掛鈎協議

除上文所載購股權計劃外，本公司於本年度並無訂立任何股票掛鈎協議。

環保政策及履行情況

本公司深知其於業務活動中負有保護環境之責任。本公司力求實現環境及社會的可持續發展。本集團致力遵守有關環保的法律及法規，並採用有效的環保政策，確保其業務符合環保方面的所需標準及操守。

遵守相關法例及規例

據董事所深知、全悉及確信，於本年度，本集團已遵守對本集團營運有重大影響的所有相關法例及規例。

慈善捐贈

於本年度，本集團作出慈善及其他捐贈約零港元（二零一七年：約23,000港元）。

獨立性確認書

本公司已收到獨立非執行董事根據GEM上市規則第5.09條發出有關其獨立性的年度確認書，並認為全體獨立非執行董事均為獨立於本公司的人士。

公眾持股量

根據本公司所得公眾資料及就董事所知，本公司於本年度直至本年報日期已遵照GEM上市規則維持足夠公眾持股量。

DIRECTORS' REPORT

董事會報告

AUDITORS

The financial statements for the Year have been audited by Elite Partners CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Elite Partners CPA Limited as auditor of the Company will be proposed at the forthcoming AGM. Messrs. Deloitte Touche Tohmatsu was the auditor of the Company for the year ended 31 March 2016.

By Order of the Board

Ng Ka Ho

Chairman

Hong Kong, 13 July 2018

核數師

本年度財務報表由開元信德會計師事務所有限公司審核，其將退任，惟符合資格並願意膺選連任。有關續聘開元信德會計師事務所有限公司為本公司核數師的決議案將於應屆股東週年大會提呈。德勤•關黃陳方會計師行為本公司截至二零一六年三月三十一日止年度的核數師。

承董事會命

吳家豪

主席

香港，二零一八年七月十三日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 15 to the GEM Listing Rules.

For the year ended 31 March 2018 up to the date of this report, save for the deviation from code provision A.2.1 of the Code which explained below, the Company has applied the principles and complied with all the applicable code provisions of the Code contained in Appendix 15 to the GEM Listing Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1 of the Code, the roles of the Chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Ng Ka Ho had appointed as the Chairman on 22 April 2016 who provides leadership to the Board. Mr. Yang Si Hang was the chief executive officer of the Company and he resigned on 3 March 2017. The Company has not appointed CEO since then, and the roles and functions of the CEO have been performed by the Chairman. The Board believes that vesting the roles of both Chairman and CEO in the same individual can provide the Company with strong and consistent leadership and allows for effective planning and implementation of business decisions and strategies.

APPOINTMENT, RE-ELECTION AND RETIREMENT OF THE DIRECTORS

Pursuant to Article 16.18 of the articles of association of the Company, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

企業管治常規

本集團的企業管治常規建基於GEM上市規則附錄15所載企業管治常規守則(「守則」)的準則及守則條文。

截至二零一八年三月三十一日止年度及截至本報告日期，除偏離守則的守則條文第A.2.1條(於下文解釋)外，本公司已應用有關準則及遵守GEM上市規則附錄15所載守則的所有適用守則條文。

主席及首席執行官

根據守則守則條文第A.2.1條，主席及首席執行官的角色應予區分，並不應由同一人兼任。於二零一六年四月二十二日，吳家豪先生已獲委任為主席，負責帶領董事會。楊詩恒先生為本公司首席執行官，彼於二零一七年三月三日辭任。此後，本公司尚未委任首席執行官，而首席執行官的角色及職能已由主席履行。董事會相信，主席及首席執行官角色由同一人兼任可為本公司提供穩定連貫的領導，使業務決定及策略可有效規劃及執行。

董事委任、重選及退任

根據本公司組織章程細則第16.18條，於每屆本公司股東週年大會上，當時三分之一(或倘人數並非三或三的倍數，則為最接近但不少於三分之一)董事將輪席退任，惟每名董事(包括按特定任期獲委任的董事)須最少每三年輪席退任一次。行將退任董事的任期須於大會結束時屆滿，並應合資格於會上重選連任。本公司於任何董事退任的股東週年大會上，均可選舉相同數目的人士為董事以填補空缺。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM has a service contract or any appointment letter (as the case may be) with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the share of the Company. Upon specific enquiry, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct of securities transactions by Directors during the year ended 31 March 2018.

BOARD OF DIRECTORS

The Board comprised two executive Directors and three independent non-executive Directors as at the date of this report, details of which are set out below:

Executive Director:

Mr. Ng Ka Ho (*Chairman*)
Mr. Lau Chun Kavan

Independent non-executive Directors:

Ms. Guo Yan Xia
Mr. Li Kin Ping
Mr. Ma Chi Ming

The brief biographic details of the Directors and their relationship with each other are set out in the section headed "Biographies of Directors" in this annual report.

董事服務合約

於應屆股東週年大會上獲提名重選連任的董事，並無與本公司訂立本公司不可於一年內不作補償（法定補償除外）而終止的服務合約或任何委任書（視情況而定）。

董事進行證券交易

本集團已採納GEM上市規則第5.48至第5.67條所載交易規定標準，作為有關董事就本公司股份進行證券交易的行為守則。經作出特定查詢後，全體董事確認其於截至二零一八年三月三十一日止年度已遵守交易規定標準及有關董事進行證券交易的操守守則。

董事會

於本報告日期，董事會由兩名執行董事及三名獨立非執行董事組成，詳情載列如下：

執行董事：

吳家豪先生（主席）
劉俊先生

獨立非執行董事：

郭艷霞女士
李健平先生
馬志明先生

董事簡歷詳情及彼此間的關係載於本年報「董事履歷」一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

FUNCTIONS OF THE BOARD

The board supervises the management of the business and affairs of the Company. The Board's primary duty is to ensure the viability of the Company and to ensure that it is managed in the best interests of the shareholders while taking into account the interests of other stakeholders. The Group has adopted internal guidelines in setting forth matters that require the Board's approval. Apart from its statutory responsibilities, the Board approves the Group's strategic plan, key operational initiatives, major investments and funding decisions. It also reviews the Group's financial performance, identifies principal risks of the Group's business and ensures implementation of appropriate systems to manage these risks. Daily business operations and administrative functions of the Group are delegated to the management.

The Board is also delegated with corporate governance functions under code provision D.3.1 of the Code. The Board has reviewed and discussed the corporate governance policy of the Group and is satisfied with the effectiveness of the corporate governance policy.

BOARD MEETING AND PROCEDURES

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly. In compliance with code provision A.1.3 of the Code, at least 14 days' notice has been given for a regular Board meeting to give all Directors an opportunity to attend. Notice, agenda and board papers of regular Board meetings are sent to all Directors with reasonable time and at least 3 days prior to the meetings. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. Full minutes are prepared after the meetings and the draft minutes are sent to all Directors for their comments on the final version of which are endorsed in the subsequent Board meeting.

董事會的功能

董事會監督本公司業務及事務的管理。董事會的主要職務是確保本公司的持續運作，並確保其管理方式既符合股東最佳利益，又顧及其他持份者的利益。本集團已採納內部指引，訂定須經董事會批准的事宜。除法定責任外，董事會審批本集團的策略計劃、主要營運項目、大型投資及撥資決定。董事會亦檢視本集團的財務表現、識別本集團業務的主要風險，並確保推行合適的機制管理風險。管理層獲授權處理本集團日常業務運作及行政職能。

董事會亦根據守則內的守則條文第D.3.1條獲授企業管治的職能。董事會已審閱及討論本集團的企業管治政策，並對企業管治政策的有效性感到滿意。

董事會會議及程序

董事會成員獲提供完整、充足及適時的資料，讓彼等能妥善履行其職務。根據守則內的守則條文第A.1.3條，定期董事會會議須給予全體董事最少14日通知，讓彼等有機會出席會議。定期董事會會議通告、議程及開會文件須於合理時間內及會議前最少三日給予全體董事。董事可於會議上自由發表及分享其意見，而重大決定僅於董事會會議上審議後方可作出。於建議交易或討論事宜中存在利益衝突或重大利益的董事不得計入會議法定人數內，並須於相關決議案投票權票。會議後須撰寫完整會議紀錄，初稿須交全體董事給予意見，定稿須於下一次董事會會議通過。

CORPORATE GOVERNANCE REPORT

企業管治報告

Details of the attendance of the Board meetings, audit committee (the "Audit Committee") meeting, remuneration committee (the "Remuneration Committee") meeting, nomination committee (the "Nomination Committee") meeting, legal compliance committee (the "Legal Compliance Committee") meeting and general meeting of the Company held during the Year are summarized as follows:

於本年度舉行的本公司董事會會議、審核委員會（「審核委員會」）會議、薪酬委員會（「薪酬委員會」）會議、提名委員會（「提名委員會」）會議、法律合規委員會（「法律合規委員會」）會議及股東大會出席詳情概列如下：

		Number of Meetings Attended/Eligible to Attend for the Year 於本年度已出席/符合資格出席會議的次數					
		Board meeting 董事會會議	Audit Committee meeting 審核委員會會議	Remuneration Committee meeting 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	Legal Compliance Committee meeting 法律合規委員會會議	General meeting 股東大會
Executive Directors	執行董事						
Mr. Ng Ka Ho	吳家豪先生	24/24	N/A	2/2	2/2	N/A	2/2
Non-executive Director	非執行董事						
Mr. Wong Chiu Po	黃昭堡先生	2/24	N/A	N/A	N/A	N/A	0/2
Independent non-executive Directors	獨立非執行董事						
Mr. Kwong Lun Kei Victor	鄭麟基先生	1/24	4/4	2/2	2/2	1/1	0/2
Mr. Ma Chi Ming	馬志明先生	18/24	3/4	N/A	N/A	1/1	1/3
Mr. Li Kin Ping	李健平先生	20/24	4/4	2/2	2/2	1/1	2/2
Ms. Gvo Yan Xia	郭艷霞女士	12/24	2/4	1/2	1/2	1/1	2/2
Mr. Ng Kai Shing	吳啟誠先生	8/24	2/4	1/2	1/2	0/1	0/2

N/A: Not applicable 不適用

BOARD COMMITTEES

The Board has established specific committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Legal Compliance Committee, with written terms of reference which are available for viewing on the website of the Company to assist them in efficient implementation of their functions. Specific responsibilities have been delegated to the above committees.

董事委員會

董事會已成立特定委員會，分別為審核委員會、薪酬委員會、提名委員會及法律合規委員會，有關委員會的書面職權範圍於本公司網站可供閱覽，以助有效推行其工作。上述委員會獲授權負上特定責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

The Company established the Audit Committee on 25 September 2014 with written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of external auditor; review financial statements of the Company and judgments in respect of financial reporting; and oversee internal control procedures of the Company.

During the year ended 31 March 2018, the Audit Committee had reviewed quarterly, interim and annual results of the Group. The Audit Committee had reviewed the Group's risk management and internal control system for the year ended 31 March 2018. The Group's results for the year ended 31 March 2018 had been reviewed by the Audit Committee before submission to the Board for approval.

The Audit Committee held 4 meetings during the year ended 31 March 2018. Details of the attendance of the Audit Committee member at the Audit Committee meetings are set out above.

As at the date of this report, the Audit Committee consists of three independent non-executive Directors, namely Mr. Li Kin Ping (Chairman), Ms. Guo Yan Xia and Mr. Ma Chi Ming.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 25 September 2014 with written terms of reference which are in compliance with the code provision of the Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group and ensure that none of the Directors determine their own remuneration.

During the year ended 31 March 2018, the Remuneration Committee had evaluated and reviewed the performance of the executive Director and senior management of the Company; and reviewed and made recommendations to the Board on the remuneration packages of Directors and senior management.

The Remuneration Committee held 2 meetings during the Year. Details of the attendance of the Remuneration Committee members at Remuneration Committee meetings are set out above.

審核委員會

本公司於二零一四年九月二十五日成立審核委員會，並已根據守則訂定其書面職權範圍。審核委員會的主要職責為就委任、續聘及辭退外聘核數師向董事會作出推薦意見；審閱本公司的財務報表及就財務報告作出判斷；以及監管本公司的內部監控程序。

截至二零一八年三月三十一日止年度，審核委員會已審閱本集團的季度、中期及年度業績。審核委員會已檢討本集團截至二零一八年三月三十一日止年度的風險管理及內部監控制度。本集團於截至二零一八年三月三十一日止年度的業績於呈交董事會審批前已經由審核委員會審閱。

截至二零一八年三月三十一日止年度，審核委員會舉行了4次會議。審核委員會成員於審核委員會會議的出席詳情已於上文載列。

於本報告日期，審核委員會包括三名獨立非執行董事，即李健平先生(主席)、郭艷霞女士及馬志明先生。

薪酬委員會

本公司於二零一四年九月二十五日成立薪酬委員會，並已根據守則的守則條文書面訂定其職權範圍。薪酬委員會的主要職責為就有關本集團所有董事及高級管理層的整體薪酬政策及結構向董事會作出推薦意見，並確保概無董事釐定彼等自身的薪酬。

截至二零一八年三月三十一日止年度，薪酬委員會已評估及審閱本公司執行董事及高級管理層的表現，並就董事及高級管理層的薪酬組合進行檢討並向董事會提供推薦建議。

於本年度，薪酬委員會舉行了2次會議。薪酬委員會成員於薪酬委員會會議的出席詳情已於上文載列。

CORPORATE GOVERNANCE REPORT

企業管治報告

On 20 April 2017, Mr. Kwong Lun Kei Victor ceased to be the chairman of Remuneration Committee and Mr. Li Kin Ping was appointed as the Chairman of Remuneration Committee. As at the date of this report, the Remuneration Committee consists of three members, namely Mr. Li Kin Ping (Chairman), Mr. Ng Ka Ho and Mr. Ng Kai Shing.

NOMINATION COMMITTEE

The Company established the Nomination Committee on 25 September 2014 with written terms of reference which are in compliance with the code provision of the Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually; identify individuals suitably qualified to become Board members; assess the independence of the independent non-executive Directors; and make recommendations to the Board on relevant matters relating to appointment or re-appointment of Directors and succession planning for the Directors.

During the year ended 31 March 2018, the Nomination Committee had reviewed the structure, size, composition and diversity of the Board; assessed the independence of the independent non-executive Directors; reviewed and made recommendations to the Board on the re-election of Directors.

The Nomination Committee held 2 meetings during the year ended 31 March 2018. Details of the attendance of the Nomination Committee members at Nomination Committee meetings are set out above.

On 20 April 2017, Mr. Kwong Lun Kei Victor ceased to be the Chairman of Nomination Committee, and Mr. Li Kin Ping was appointed as the Chairman of Nomination Committee. As at the date of this report, the Nomination Committee consists of three members, namely Mr. Li Kin Ping (Chairman), Mr. Ng Ka Ho and Mr. Ng Kai Shing.

於二零一七年四月二十日，鄭麟基先生不再為薪酬委員會主席，而李健平先生獲委任為薪酬委員會主席。於本報告日期，薪酬委員會包括三名成員，即李健平先生(主席)、吳家豪先生及吳啟誠先生。

提名委員會

本公司於二零一四年九月二十五日成立提名委員會，並已根據守則的守則條文書面訂定其職權範圍。提名委員會的主要職責為每年檢討董事會的結構、規模及組成；物色具資格成為董事會成員的合適人選；評估獨立非執行董事的獨立性；以及就有關董事委任或續任的相關事宜以及董事的繼任計劃向董事會作出推薦意見。

截至二零一八年三月三十一日止年度，提名委員會已審閱董事會的架構、規模、組成及多元性；評估獨立非執行董事的獨立性；就重選董事進行檢討及向董事會提供推薦建議。

截至二零一八年三月三十一日止年度，提名委員會舉行了2次會議。提名委員會成員於提名委員會會議的出席詳情已於上文載列。

於二零一七年四月二十日，鄭麟基先生不再為提名委員會主席，而李健平先生獲委任為提名委員會主席。於本報告日期，提名委員會包括三名成員，即李健平先生(主席)、吳家豪先生及吳啟誠先生。

CORPORATE GOVERNANCE REPORT

企業管治報告

LEGAL COMPLIANCE COMMITTEE

The Company established the Legal Compliance Committee in September 2014 with the terms of reference. The primary duties of the Legal Compliance Committee are to review the effectiveness of the Group's regulatory compliance procedures and system; advise the Audit Committee in overseeing the Group's corporate governance functions; promptly report to the Audit Committee for any actual or suspected non-compliance issues; and review the effectiveness of the internal control measures adopted by the Audit Committee and provides updates on the applicable laws related to the business of the Group from time to time.

The Legal Compliance Committee held 1 meeting during the Year. Details of the attendance of the Legal Compliance Committee members at the Legal Compliance Committee meeting are set out above.

On 20 April 2017, Mr. Kwong Lun Kei Victor ceased to be the member of Legal Compliance Committee and Mr. Li Kin Ping was appointed as the member of Legal Compliance Committee. As at the date of this report, the Legal Compliance Committee consists of three members, namely Mr. Ng Ka Ho (Chairman), Mr. Li Kin Ping and Mr. Leung Tze Wai, the Company Secretary and Chief Financial Officer of the Company.

法律合規委員會

本公司於二零一四年九月成立法律合規委員會，並訂定其職權範圍。法律合規委員會的主要職責為審閱本集團監管合規程序及制度的有效性；就監察本集團的企業管治職能向審核委員會提供意見；立即向審核委員會報告任何實際或疑似不合規問題；及審閱獲審核委員會採納的內部監控措施的有效性並不時提供有關本集團業務的適用法律的最新資料。

於本年度，法律合規委員會舉行了1次會議。法律合規委員會於法律合規委員會會議的出席詳情已於上文載列。

於二零一七年四月二十日，鄭麟基先生不再為法律合規委員會成員，而李健平先生獲委任為法律合規委員會成員。於本報告日期，法律合規委員會包括三名成員，即吳家豪先生(主席)、李健平先生及本公司公司秘書兼財務總監梁子煒先生。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVERSITY OF THE BOARD

The Group has adopted policy in relation to the diversity of the members of the Board and the summary of the policy is as follows:

- (1) selection of Board members will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and education background, professional experience, skills, knowledge and length of service; and
- (2) the Nomination Committee will monitor the implementation of the diversity policy from time to time to ensure the effectiveness of the diversity policy.

PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

In compliance with the code provision A.6.5 of the Code, all Directors, namely Mr. Ng Ka Ho, Mr. Lau Chun Kavan, Mr. Li Kin Ping, Ms. Gvo Yan Xia and Mr. Ma Chi Ming had participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Directors had provided the relevant record to the Company for the Year.

The Company is committed in arranging and funding suitable training to all Directors for their continuous professional development. Each Director is briefed and updated from time to time to ensure that he/she is fully aware of his/her responsibilities under the GEM Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. All the Directors also understand the importance of continuous professional development and are committed to participate in any suitable training to develop and refresh their knowledge and skills.

COMPANY SECRETARY

Ms. Lai Wai Ha, assistant director of Akron Advisory Limited, external service provider, was appointed as the Company Secretary in replacement of Mr. Leung Tze Wai on 29 September 2017. Her primary contact person at the Company is Mr. Ng Ka Ho, chairman and executive director of the Company. Ms. Lai has complied with Rule 5.15 of the GEM Listing Rules of taking no less than 15 hours of relevant professional training.

董事會多元化

本集團已採納有關董事會成員多元化的政策，該政策概要如下：

- (1) 董事會成員選舉將基於一系列多元化標準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識以及服務年期；及
- (2) 提名委員會將不時監察多元化政策的實施情況，以確保多元化政策發揮效用。

董事的專業發展

為符合守則內的守則條文第A.6.5條，全體董事（即吳家豪先生、劉俊先生、李健平先生、郭艷霞女士及馬志明先生）均已參加持續專業培訓增進及重溫彼等的知識及技能，以確保彼等繼續在全面知情及切合所需的情況下對董事會作出貢獻。各董事已向本公司提供本年度相關記錄。

本公司致力就全體董事的持續專業發展安排合適的培訓並提供有關經費。各董事不時獲簡要提示及最新資料，確保其完全知悉其根據GEM上市規則、適用法例及監管規定與本集團管治政策須承擔的各項責任。全體董事亦知悉持續專業發展的重要性，並致力參與任何適合的培訓以增進及重溫彼等的知識及技能。

公司秘書

亞貝隆顧問有限公司（外部服務提供商）的助理董事黎惠霞女士已於二零一七年九月二十九日獲委任為公司秘書以取代梁子煒先生。彼於本公司的主要聯絡人為本公司主席兼執行董事吳家豪先生。黎女士已遵守GEM上市規則第5.15條接受不少於15小時的相關專業培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

SENIOR MANAGEMENT REMUNERATION

The Senior Management's remuneration payment of the Group in the Year falls within the following band:

高級管理層薪酬

本集團於本年度的高級管理層薪酬金額介乎以下範圍：

		Number of Individuals 人數
HK\$1,000,000 or below	1,000,000 港元或以下	7
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	0
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	0

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements of the Group for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period in accordance with accounting principles generally accepted in Hong Kong. The statement by auditors of the Company about their responsibilities for the financial statements is set out in the independent auditors' report contained in this annual report. The Directors have adopted the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

董事對財務報表的責任

董事有責任根據香港公認會計原則編製本集團各財政期間的綜合財務報表，提供對本集團於該期間的事務狀況、業績及現金流量的真正及公平意見。本公司核數師對財務報表的責任陳述載於本年報獨立核數師報告。董事於編製綜合財務報表時採納持續經營會計方式，且並不知悉任何有關可能導致本公司持續經營能力受重大質疑的事件或情況的重大不明朗因素。

EXTERNAL AUDITORS' REMUNERATION

The Company engaged Elite Partners CPA Limited as its external auditors for the Year. There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors. During the Year, the fee paid of payable to Elite Partners CPA Limited in respect of its statutory audit services provided to the Group was HK\$1,050,000. Fees for non-audit services for the same period were HK\$50,000, consisting of services provided in connection with the interim review and others.

外聘核數師薪酬

本公司委聘開元信德會計師事務所有限公司為本年度的外聘核數師。董事會及審核委員會在挑選、委聘、辭退或罷免外聘核數師並無異議。於本年度，就開元信德會計師事務所有限公司向本集團提供的法定核數服務所支付的費用為1,050,000港元。而於同期的非核數服務費用則為50,000港元，包括就中期審閱及其他所提供的服務。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for ensuring the effectiveness of the Group's risk management and internal control systems. The risk management and internal control systems are designed to meet the Group's particular needs and the risks to which they are exposed. The Group reviews the effectiveness of the risk management and internal control systems on an annual basis to mitigate risk and safe guard the interests of shareholders and the Group's assets.

The Board has developed system of internal control and risk management for reviewing and maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company. The Company has not established a separate internal audit department; instead, an external consultant was engaged to review the Group's internal control and risk management system and support the Board in assessing the effectiveness of such system annually. The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group with the support of external consultant, and is satisfied that the Group has fully complied with the Code in respect of risk management and internal control during the Year.

GENERAL MEETING WITH SHAREHOLDERS

During the Year, the Company held one extraordinary general meeting on 6 October 2017, and an annual general meeting on 25 January 2018.

Save as disclosed above, no general meeting had been held and the Company's forthcoming annual general meeting will be held on 28 September 2018.

風險管理及內部監控

董事會負責確保本集團風險管理及內部監控制度行之有效。風險管理及內部監控制度為滿足本集團的特定需求及所承擔風險而設。本集團每年檢討風險管理及內部監控制度的成效，以減低風險並保障股東權益及本集團資產。

董事會已開發內部監控及風險管理制度，以檢討及維持充足內部監控制度，從而保障股東權益及本公司資產。本公司並無設立獨立內部審計部門，惟已委聘外界顧問每年檢討本集團的內部監控及風險管理制度，並就評估有關制度的成效支援董事。董事會已在外聘顧問支援下檢討本集團風險管理及內部監控制度的成效，並信納本集團於年內已就風險管理及內部監控方面全面遵守守則。

與股東舉行股東大會

於本年度，本公司於二零一七年十月六日舉行一次股東特別大會，並於二零一八年一月二十五日舉行股東週年大會。

除上文所披露者外，並無舉行任何股東大會，而本公司應屆股東週年大會將於二零一八年九月二十八日舉行。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE SHAREHOLDERS' RIGHTS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 12.3 of the articles of association of the Company, extraordinary general meetings shall be convened on the written requisition of any two or more shareholders' holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 3 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

In order to keep shareholders well informed of the business activities and direction of the Group, information about the Group has been provided to the shareholders through financial reports and announcements. The Company has established its own corporate website (www.lna.com.hk) as a channel to facilitate effective communication with its shareholders and the public. The Company will continue to enhance communications and relationships with its shareholders and investors. A shareholders communication policy was adopted on 10 October 2014 to comply with code provision E.1.4 of the Code.

Shareholders, investors and interested parties can make enquiries directly to the Company through the following e-mail: info@lna.com.hk

股東召開股東特別大會的權力

根據本公司組織章程細則第12.3條，股東特別大會須於任何兩名或以上於存放請求書當日持有不少於本公司有權於股東大會上投票的繳足股本十分之一的股東要求時召開。該請求須以書面向董事會或本公司公司秘書提呈，以供董事會就該請求下任何指定業務交易要求召開股東特別大會。該大會須於該請求書存放後三個月內舉行。倘董事會於存放該請求書後21日內未能召開該大會，提出請求者本人(彼等)可以相同方式召開大會。

與股東及投資者的溝通

為了讓股東妥善地獲悉本集團的業務活動及方向，有關本集團的資訊一直透過財務報告及公佈提供予股東。本公司已設立本身的企業網站(www.lna.com.hk)，作為促進與股東和公眾人士有效溝通的渠道。本公司將繼續加強與股東及投資者的溝通，建立緊密的關係。股東溝通政策於二零一四年十月十日獲採納以遵行守則內的守則條文第E.1.4條。

股東、投資者及有興趣人士可透過電郵：info@lna.com.hk直接向本公司提出查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing. Contact details are as follows:

L & A International Holdings Limited
Address: Unit No. D, 5th Floor, Wing Hong Centre, No. 18 Wing Hong Street, Kowloon, Hong Kong
Tel: 3793 9000
Fax: 3793 9002
E-mail: info@lna.com.hk

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the shareholders' questions.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS BY SHAREHOLDERS

Pursuant to Article 16.4 of the articles of association of the Company, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company Secretary no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The procedures for Shareholders to propose a person for election as a Director is posted on the website of the Company.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

There had been no significant changes in the constitutional documents of the Company during the Year.

向董事會轉達股東查詢的程序

股東可於任何時間以書面方式，向董事會提出查詢及表達意見。聯絡詳情如下：

樂亞國際控股有限公司
地址：香港九龍永康街18號永康中心5樓D室
電話：3793 9000
傳真：3793 9002
電郵：info@lna.com.hk

在適當的情況下，股東的查詢及意見將轉交本公司董事會及／或相關董事委員會，以解答股東的提問。

股東於股東大會上提出動議的程序

根據本公司組織章程細則第16.4條，任何人士(除退任董事外)概無資格於任何股東大會上膺選董事職位，除非股東發出一份書面通知表明有意提名該人士膺選董事職位，而該名人士亦發出一份書面通知表明願意參選，該等通知須不早於指定舉行選舉的股東大會的通告寄發後翌日起至不遲於該股東大會舉行日期前七日止期間遞交至公司秘書，而向公本司寄發該等通知的最短期限為最少七日。股東提名人士參選董事的程序載於本公司網站。

組織章程文件的重大變動

於本年度，本公司的組織章程文件並無出現任何重大變動。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



TO THE MEMBERS OF L & A INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of L & A International Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") set out on pages 72 to 182, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致樂亞國際控股有限公司股東
(於開曼群島註冊成立之有限公司)

意見

我們已審核第72頁至第182頁所載樂亞國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其中包括於二零一八年三月三十一日的綜合財務狀況表以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯反映貴集團於二零一八年三月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在我們的報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment assessment of loan receivables

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對截至二零一八年三月三十一日止年度的綜合財務報表的審計最為重要的事項。這些事項在我們對綜合財務報表整體進行審計並形成意見的情況下進行處理，我們不對這些事項提供單獨意見。

1. 應收貸款的減值評估

Key audit matters

關鍵審計事項

As at 31 March 2018, the Group's loan receivables was approximately HK\$41,899,000 which was belong to the Group's money lending segment for providing property mortgage loans and personal loans in Hong Kong.

於二零一八年三月三十一日，貴集團的應收貸款約41,899,000港元，屬於貴集團於香港提供物業按揭貸款及個人貸款的放債分部。

All the loan receivables were bearing interests, ranging from 12% to 18% and repayable within fixed terms agreed with the borrowers. Details of loan receivables is disclosed in note 21 to the consolidated financial statements.

所有應收貸款須按介乎12%至18%利率計息並須於與借款方協定的固定年期內償還。有關應收貸款詳情於綜合財務報表附註21披露。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our major audit procedures in relation to this matter included the following:

處理此事項之重大審計程序包括下列各項：

- We obtained the list of loans and interest receivables outstanding as at 31 March 2018 and read the terms of the related loan agreements;
- 我們取得於二零一八年三月三十一日尚未償還的應收貸款及利息清單並閱讀相關貸款協議的條款；
- We had sent confirmation to the borrowers to confirm the balances as at 31 March 2018;
- 我們已向借款方發出確認書以確認於二零一八年三月三十一日的結餘；
- We discussed with management about the procedures for approval and monitoring of loan receivables. We performed tests of controls by reviewing of credit files of borrowers on a sample basis; and
- 我們與管理層討論批核及監控應收款項的程序。我們透過抽樣審閱借款方的信貸檔案進行控制測試；及

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

1. Impairment assessment of loan receivables (Continued)

關鍵審計事項(續)

1. 應收貸款的減值評估(續)

Key audit matters 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>Management's assessment of impairment of loan receivables is highly judgmental and is dependent on certain significant inputs including the background and repayment capacity of debtors, likelihood of default and existence of collateral, all of which vary based on management's assessment.</p> <p>管理層對應收貸款減值之評估涉及重大判斷，而該評估取決於若干重大輸入數據，包括債務人的背景及還款能力、違約可能性及是否存在抵押品，所有該等數據根據管理層的評估而有所不同。</p> <p>We identified the recoverability of loan receivables as a key audit matter due to the significant degree of judgements made by the management in assessing the impairment of loan receivables and determining the allowance on loan receivables, combined with the significance of the balance to the consolidated financial statements as a whole.</p> <p>我們已將應收貸款的可收回性識別為關鍵審計事項，原因為管理層於評估應收貸款減值及釐定應收貸款撥備時涉及重大判斷、以及結餘對綜合財務報表之整體至關重要。</p>	<ul style="list-style-type: none">— We discussed with the management on the impairment policy of loan receivable (i.e. when and how impairment was determined) and assessed whether sufficient impairment losses were being provided. Particularly, we focused on outstanding balances that were past due, related subsequent settlement and assessed whether the collaterals were sufficient to cover the outstanding balances.— 我們與管理層討論應收貸款的減值政策(即何時及如何確定減值)及評估是否已計提充足減值虧損。具體而言，我們專注於已逾期的未償還結餘、相關其後結算及評估抵押品是否足以支付未償還結餘。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

2. Impairment assessment of investment property

關鍵審計事項(續)

2. 投資物業的減值評估

Key audit matters

關鍵審計事項

As at 31 March 2018, the Group's investment property was approximately HK\$30,300,000, which was a commercial unit located in Hong Kong. The Group's investment property was stated at cost less accumulated depreciation and impairment losses, if any.

於二零一八年三月三十一日，貴集團投資物業約為30,300,000港元，為位於香港的商業單位。貴集團投資物業按成本減累計折舊及減值虧損(如有)列賬。

Details of the movement of investment property is disclosed in note 15 to the consolidated financial statements.

有關投資物業變動的詳情於綜合財務報表附註15披露。

Management's assessment of impairment of investment property is highly judgmental and is dependent on certain significant inputs including the outlook of local property market, trend of market rents, and global economic outlook, all of which vary based on management's assessment.

管理層對投資物業減值之評估涉及重大判斷，而該評估取決於若干重大輸入數據，包括本地物業市場前景、市場租金趨勢、及全球經濟前景，所有該等數據根據管理層的評估而有所不同。

We identified the impairment assessment of the Group's investment property as a key audit matter due to the significant judgments involved in the determination of the recoverable amount by management of the Group and the significance balance to the consolidated financial statements.

我們已將貴集團的投資物業的減值評估識別為關鍵審計事項，原因為貴集團管理層於釐定可收回金額時涉及重大判斷及結餘對綜合財務報表至關重要。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our major audit procedures to address this matter included the following:

處理此事項之重大審計程序包括下列各項：

- We understood the Group's impairment assessment process of investment property, including the impairment model and basis of key management assumptions adopted through enquiries with the management;
- 我們了解貴集團對投資物業的減值評估過程，包括透過向管理層查詢所採用的減值模型及管理層主要假設基準；
- We evaluated the independence, competence and relevant experience of the external valuers engaged by the Company; and
- 我們評估貴公司所聘用的外部估值師的獨立性、能力及相關經驗；及
- We evaluated the source data used in the valuations by benchmarking them to relevant market information.
- 我們評估估計所用的來源數據，方法為將該等資料與相關市場資料進行基準測試。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

3. Impairment assessment of available for sales investments

關鍵審計事項(續)

3. 可供出售投資的減值評估

Key audit matters

關鍵審計事項

As at 31 March 2018, the Group's available for sales investments was approximately HK\$21,924,000, which included unlisted equity issued by private entities with operations in Mainland China. The Group's available for sales investments was stated at cost less accumulated impairment losses, if any.

於二零一八年三月三十一日，貴集團可供出售投資約為21,924,000港元，其中包括於中國內地經營業務的私人實體所發行的非上市股本。貴集團可供出售投資按成本減累計減值虧損(如有)列賬。

Details of available for sales investments is disclosed in note 24 to the consolidated financial statements.

有關可供出售投資的詳情於綜合財務報表附註24披露。

Management's assessment of impairment of available investments applied significant judgement and is dependent on certain significant inputs including investee's financial performance, relevant industry environment, and general market conditions, all of which vary based on management's assessment.

管理層對可供投資減值之評估涉及重大判斷，而該評估取決於若干重大輸入數據，包括被投資方的財務表現、相關行業環境及一般市況，所有該等數據根據管理層的評估而有所不同。

We identified the impairment assessment of the Group's available for sales investments as a key audit matter due to the significant judgments involved in the determination of the recoverable amount by management of the Group and the significance of the carrying amount to the consolidated financial statements.

我們已將貴集團的可供出售投資的減值評估識別為關鍵審計事項，原因為貴集團管理層於釐定可收回金額時涉及重大判斷及賬面值對綜合財務報表至關重要。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our major audit procedures to address this matter included the following:

處理此事項之重大審計程序包括下列各項：

- We understood the Group's impairment assessment process of available for sale investments, where management taking consideration of the background, business plan and other information about the available for sale investments.
- 我們了解貴集團可供出售投資的減值評估過程，管理層則會考慮可供出售投資的背景、業務計劃及其他資料。
- We evaluated the independence, competence and relevant experience of the external valuers engaged by the Company; and
- 我們評估貴公司聘用的外部估值師的獨立性、能力及相關經驗；及
- We evaluating management's impairments assessment, taking into consideration the latest financial performance and financial position of the available for sales investments.
- 我們評估管理層減值估計，並考慮可供出售投資的最近財務表現及財務狀況。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

綜合財務報表及核數師報告以外之資料

董事須對其他資料負責。其他資料包括刊載於年報的資料，但不包括綜合財務報表及我們的核數師報告。我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會對其他資料發表任何形式的核證結論。

就我們對綜合財務報表的審計而言，我們的責任為閱讀其他資料，並就此考慮其他資料是否與綜合財務報表或審計所獲資料出現重大不一致情況，或出現重大錯誤陳述。倘基於我們已執行之工作，所得結論為其他資料出現重大錯誤陳述，我們需要報告該事實。在此方面，我們並無任何報告。

董事及負責管治人員就綜合財務報表須承擔的責任

董事須負責遵照香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製反映真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

負責管治人員負責監督 貴集團的財務申報過程。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們的意見的核數師報告。本報告乃根據委聘協定條款，僅向閣下（作為整體）編製，除此以外別無其他目的。我們概不就本報告內容向任何其他人士承擔或負上責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或合計可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關錯誤陳述被視作重大。

在根據香港審計準則進行審計之過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審計程序以應對此等風險，以及獲取充足和適當之審計憑證，作為我們的意見基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部控制，以設計適當之審計程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

(Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

核數師就審計綜合財務報表承擔的責任 (續)

- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露。假若有關披露不足，則我們應當發表非無保留意見。我們的結論是基於我們直至核數師報告日期止所取得審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表之整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動之財務資料獲取充足及適當審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計之方向、監督及執行。我們為我們的審計意見承擔全部責任。

除其他事項外，我們與負責管治人員溝通計劃之審計範圍、時間安排及重大審計發現等，包括我們在審計中識別出內部控制之任何重大缺陷。

我們亦向負責管治人員提交聲明，說明我們已符合有關獨立性之相關專業道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性之所有關係和其他事項，以及在適用之情況下，相關之防範措施。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

(Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Siu Jimmy with Practising Certificate number P05898.

Elite Partners CPA Limited

Certified Public Accountants

10/F, 8 Observatory Road,
Tsim Sha Tsui, Kowloon,
Hong Kong

13 July 2018

核數師就審計綜合財務報表承擔的責任 (續)

從與負責管治人員溝通之事項中，我們確定哪些事項對本期綜合財務報表之審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述此等事項，除非法律或法規不允許公開披露此等事項，或在極端罕見之情況下，如果合理預期在我們的報告中溝通某事項造成之負面後果超過產生之公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告之審計合夥人為蕭俊武(執業證書編號 P05898)。

開元信德會計師事務所有限公司

執業會計師

香港
九龍尖沙咀
天文臺道8號10樓

二零一八年七月十三日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 March 2018
截至二零一八年三月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	5	57,881	60,830
Cost of sales	銷售成本		(43,918)	(67,266)
Gross profit/(loss)	毛利/(毛損)		13,963	(6,436)
Other income	其他收入	6	949	434
Other gains and losses	其他收益及虧損	7	(248,519)	(158,729)
Selling and distribution expenses	銷售及分銷開支		(1,849)	(5,345)
Administrative expenses	行政開支		(23,069)	(95,196)
Finance costs	財務成本	8	(805)	(879)
Share result of associate	分佔聯營公司業績		(12,786)	(32,051)
Loss before taxation	除稅前虧損		(272,116)	(298,202)
Income tax credit	所得稅抵免	9	870	1,186
Loss for the year	年內虧損	10	(271,246)	(297,016)
Other comprehensive expense	其他全面開支			
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：			
Exchange difference arising on translation of foreign operations	換算海外業務產生的匯兌差額		3,672	(1,843)
Release of translation reserve arising on disposal of a subsidiary	出售一間附屬公司產生的匯兌儲備撥回		(4,117)	-
Other comprehensive expense for the year	年內其他全面開支		(445)	(1,843)
Total comprehensive expense for the year	年內全面開支總額		(271,691)	(298,859)
Loss for the year attributable to:	下列人士應佔年內虧損：			
Owners of the Company	本公司擁有人		(269,171)	(294,298)
Non-controlling interests	非控股權益		(2,075)	(2,718)
			(271,246)	(297,016)
Total comprehensive expense attributable to:	下列人士應佔全面開支總額：			
Owners of the Company	本公司擁有人		(269,537)	(296,145)
Non-controlling interests	非控股權益		(2,154)	(2,714)
			(271,691)	(298,859)
Loss per share	每股虧損			(Restated) (重列)
Basic and diluted (HK\$)	基本及攤薄(港元)	13	(0.21)	(0.24)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 March 2018
於二零一八年三月三十一日

			2018	2017
			二零一八年	二零一七年
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	164	14,154
Investment property	投資物業	15	30,300	2,780
Prepaid lease payments	預付租賃款項	16	–	3,249
Goodwill	商譽	18	219	7,919
Intangible assets	無形資產	17	4,578	7,630
Interest in an associate	於一間聯營公司的權益	20	–	283,946
Available for sale investment	可供出售投資	24	21,924	–
Rental deposits	租賃按金		–	296
Deferred tax assets	遞延稅項資產	27	7	12
			57,192	319,986
CURRENT ASSETS	流動資產			
Inventories	存貨	22	4,570	9,485
Trade and other receivables	貿易及其他應收款項	23	20,493	5,570
Loan receivables	應收貸款	21	41,899	88,586
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	24	10,698	–
Prepaid lease payments	預付租賃款項	16	–	90
Bank balances and cash	銀行結餘及現金		16,097	3,703
			93,757	107,434
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	25	2,266	322
Other payables and accrued expenses	其他應付款項及應計開支	25	9,530	8,527
Tax payables	應付稅項		836	2,134
Borrowings	借貸	26	–	5,806
			12,632	16,789
NET CURRENT ASSETS	流動資產淨值		81,125	90,645
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		138,317	410,631

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 March 2018

於二零一八年三月三十一日

			2018 二零一八年	2017 二零一七年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT LIABILITY	非流動負債			
Deferred tax liabilities	遞延稅項負債	27	1,125	1,922
			1,125	1,922
NET ASSETS	資產淨值		137,192	408,709
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	28	51,200	51,200
Reserves	儲備		86,622	356,159
Equity attributable to owners of the Company	本公司擁有人應佔權益		137,822	407,359
Non-controlling interest	非控股權益		(630)	1,350
Total equity	權益總額		137,192	408,709

The consolidated financial statements on pages 72 to 182 were approved and authorised for issue by the Board of Director on 13 July 2018 and are signed on its behalf by:

第72頁至第182頁的綜合財務報表於二零一八年七月十三日獲董事會批准及授權刊發，並由以下董事代表簽署：

Ng Ka Ho

吳家豪

Director

董事

Lau Chun Kavan

劉俊

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2018
截至二零一八年三月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (Note (ii)) (附註(ii))	Other reserve 其他儲備 HK\$'000 千港元 (Note (iii)) (附註(iii))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Non-controlling interest 非控股權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於二零一六年 四月一日	40,000	23,823	-	3,374	28,431	4,327	(6,193)	93,762	-	93,762
Loss for the year	年內虧損	-	-	-	-	-	-	(294,298)	(294,298)	(2,718)	(297,016)
Exchange differences arising on the translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	(1,847)	-	-	-	(1,847)	4	(1,843)
Total comprehensive expenses for the year	年內全面開支總額	-	-	-	(1,847)	-	-	(294,298)	(296,145)	(2,714)	(298,859)
Acquisition of associate through issuance of share	透過發行股份收購聯營公司	2,260	470,127	-	-	-	-	-	472,387	-	472,387
Acquisition of a business	收購業務	-	-	-	8	-	-	-	8	4,064	4,072
Placing of shares	配售股份	5,740	54,241	-	-	-	-	-	59,981	-	59,981
Transaction costs attributable to issue of shares	發行股份應佔交易成本	-	(600)	-	-	-	-	-	(600)	-	(600)
Recognition of equity-settled share-based payments	確認以股權結算以股份為基礎的付款	-	-	37,006	-	-	-	-	37,006	-	37,006
Exercise of share options	行使購股權	3,200	70,542	(32,782)	-	-	-	-	40,960	-	40,960
At 31 March 2017	於二零一七年 三月三十一日	51,200	618,133	4,224	1,535	28,431	4,327	(300,491)	407,359	1,350	408,709
Loss for the year	年內虧損	-	-	-	-	-	-	(269,171)	(269,171)	(2,075)	(271,246)
Exchange differences arising on the translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	3,751	-	-	-	3,751	(79)	3,672
Released of translation reserve on disposal of a subsidiary	出售附屬公司時解除匯兌儲備	-	-	-	(4,117)	-	-	-	(4,117)	-	(4,117)
Total comprehensive expenses for the year	年內全面開支總額	-	-	-	(366)	-	-	(269,171)	(269,537)	(2,154)	(271,691)
Acquisition of a business	收購業務	-	-	-	-	-	-	-	-	174	174
Cancellation of share-based payment	註銷股份為基礎的付款	-	-	(4,224)	-	-	-	4,224	-	-	-
At 31 March 2018	於二零一八年 三月三十一日	51,200	618,133	-	1,169	28,431	4,327	(565,438)	137,822	(630)	137,192

Notes:

- (i) Special reserve represented the difference between the nominal amount of the share capital and share premium of L & A Interholdings Inc. and the nominal amount of the share capital issued by the Company pursuant to a group reorganisation.
- (ii) Other reserve arose from the waiver of loan from a controlling shareholder of the Company in previous years.

附註：

- (i) 特別儲備指 L & A Interholdings Inc. 的股本及股份溢價面值與本公司根據集團重組所發行股本面值之間的差額。
- (ii) 其他儲備來自本公司一名控股股東於過往年度豁免貸款。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2018
截至二零一八年三月三十一日止年度

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註			
OPERATING ACTIVITIES		經營活動		
Loss before tax		除稅前虧損	(272,116)	(298,202)
Adjustments for:		就下列項目進行調整：		
Depreciation of property, plant and equipment		物業、廠房及設備折舊	647	1,909
Depreciation of investment property		投資物業折舊	25	75
Amortisation of prepaid lease payments		預付租賃款項攤銷	31	92
Amortisation of intangible asset		無形資產攤銷	3,492	2,877
Impairment of intangible assets		無形資產減值	-	1,864
Impairment of interest in an associate		於一間聯營公司的權益減值	-	156,391
Impairment of goodwill	18	商譽減值	7,919	-
Written-off of interest in an associate		撇銷於一間聯營公司的權益	20	-
Finance cost		財務成本	805	879
Bank interest income		銀行利息收入	-	(18)
Gain on disposal of a subsidiary		出售一間附屬公司的收益	(29,365)	-
(Gain)/loss on disposal of property, plant and equipment		出售物業、廠房及設備的(收益)/虧損	(1,383)	474
Share option expenses		購股權開支	-	37,006
Reversal for inventories		存貨撥回	-	(3,793)
Fair value change on financial assets through profit or loss		計入損益的金融資產的公平值變動	3,956	-
Gain on disposal of financial assets at fair value through profit or loss		出售按公平值計入損益的金融資產的收益	(3,768)	-
Share of result of associate		分佔聯營公司業績	12,786	32,051
Operating cash flows before movements in working capital		營運資金變動前的經營現金流量	(5,811)	(68,395)
Decrease in inventories		存貨減少	4,915	46,256
(Increase)/decrease in trade and other receivables		貿易及其他應收款項(增加)/減少	(10,788)	36,995
Decrease/(increase) in loan receivables		應收貸款減少/(增加)	15,367	(88,586)
Purchase of financial assets at fair value through profit or loss		購買按公平值計入損益的金融資產	(23,799)	-
Proceeds from financial assets at fair value through profit or loss		出售按公平值計入損益的金融資產所得款項	12,913	-
Increase/(decrease) in trade payable		貿易應付款項增加/(減少)	1,944	(11,107)
Increase/(decrease) in other payables and accrued expenses		其他應付款項及應計開支增加/(減少)	1,034	(5,192)
Decrease/(increase) in rental deposits		租賃按金減少/(增加)	296	(96)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2018
截至二零一八年三月三十一日止年度

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Cash used in from operations	經營所用現金		(3,929)	(90,125)
Income tax paid	已付所得稅		(1,298)	(879)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額		(5,227)	(91,004)
INVESTING ACTIVITIES	投資活動			
Net cash outflow for acquisition of subsidiary	收購附屬公司的現金流出淨額	34	(330)	(12,373)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項		1,989	290
Interest received	已收利息		-	18
Net cash proceeds from disposal of a subsidiary	出售一間附屬公司所得款項現金淨額	29	40,371	-
Net cash outflow for acquisition investment property	收購投資物業現金流出淨額	35	(30,300)	-
Proceed from disposal of available for sales investments	出售可供出售投資所得款項		9,396	-
Purchase of property, plant and equipment	購買物業、廠房及設備		(22)	(330)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	投資活動所得/(所用)現金淨額		21,104	(12,395)
FINANCING ACTIVITIES	融資活動			
Repayment of bank and other borrowings	償還銀行及其他借貸		(44,606)	(16,619)
Interest paid	已付利息		(673)	(711)
New bank and other borrowings raised	新造銀行及其他借貸		38,800	7,700
Net proceed from exercise of share option	行使購股權的所得款項淨額		-	40,960
Repayment to directors	向董事還款		(17,119)	(13,300)
Net proceeds from placing of share	配售股份的所得款項淨額		-	59,381
Advance from directors	來自董事的墊款		17,000	13,400
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)/所得現金淨額		(6,598)	90,811

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2018
截至二零一八年三月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加/(減少)淨額	9,279	(12,588)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	3,703	16,938
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	3,115	(647)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, Bank balances and cash	年末現金及現金等價物， 銀行結餘及現金	16,097	3,703

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

1. GENERAL INFORMATION

L & A International Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands and Unit No. D, 5th Floor, Wing Hong Centre, No. 18 Wing Hong Street, Kowloon, Hong Kong, respectively.

The Company is an investment holding company. The Group is principally engaged in the manufacturing, sales and retailing of garment products and provision of loan and other financial services.

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company. HK\$ is currency of the primary economic in which the principal subsidiary of the Company operates (the functional currency of the principal subsidiary).

1. 一般資料

樂亞國際控股有限公司(「本公司」)在開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」) GEM上市。

本公司的註冊辦事處及主要營業地點分別為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands及香港九龍永康街18號永康中心5樓D室。

本公司為投資控股公司。本集團主要從事製造、銷售及零售服裝產品，以及提供貸款服務及其他金融服務。

綜合財務報表以港元(「港元」)呈列，港元亦為本公司之功能貨幣。港元為本公司主要附屬公司經營所在之主要經濟體之貨幣(主要附屬公司之功能貨幣)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

HKAS 7 (Amendment)	Disclosure Initiative
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2012–2014 Cycle

The amendments to HKAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities. Reconciliations of various types of the Group’s financing liabilities are disclosed in Notes 26 to the consolidated financial statements. Other than such additional disclosures, the application of the amendments has not had any material effect on the consolidated financial statements.

The amendments to HKAS 12 clarify when unrealised losses on a debt instrument measured at fair value would give rise to a deductible temporary difference and how to evaluate whether sufficient future taxable profits are available to utilise a deductible temporary difference.

Annual improvements to HKFRSs (2014–2016 cycle) include an amendment to HKFRS 12 that clarifies that, when an entity’s interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with HKFRS 5 Non-current Assets held for Sale and Discontinued operations, it is not required to disclose summarised financial information for that subsidiary, joint venture or associate, as required by HKFRS 12 Disclosure of Interests in Other Entities.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

(a) 於本年度強制生效的香港財務報告準則修訂本

於本年度，本集團已首次應用下列由香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則修訂本：

香港會計準則第7號 (修訂本)	披露計劃
香港會計準則第12號 (修訂本)	就未變現虧損確認遞延稅項資產
香港財務報告準則 (修訂本)	香港財務報告準則二零一二年至二零一四年週期之年度改進

香港會計準則第7號之修訂規定實體須作出披露，讓財務報表之使用者評估自融資活動產生之負債變動。本集團不同類別財務負債之對賬資料於綜合財務報表附註26內披露。除作出該等額外披露外，採用此修訂並無對綜合財務報表造成任何重大影響。

香港會計準則第12號之修訂釐清按公平值計量之債務工具的未變現虧損將何時產生可扣減暫時差額，以及如何評估是否有足夠之未來應課稅溢利可用作抵扣可扣減暫時差額。

香港財務報告準則二零一四年至二零一六年週期之年度改進為香港財務報告準則第12號納入一項修訂，釐清實體於一間附屬公司、合營企業或聯營公司之權益（或其於一間合營企業或聯營公司之部分權益）根據香港財務報告準則第5號「持作出售之非流動資產及已終止業務」被分類為持作出售（或歸入分類為持有作出售之出售組別）時，其毋須按香港財務報告準則第12號「於其他實體之權益披露」之規定披露該附屬公司、合營企業或聯營公司之財務資料概要。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 9	Financial Instruments ¹
HKFRS 15 and clarifications to HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Lease ²
HK (IFRIC)-Int 22	Foreign Currency Transactions and Advanced Consideration ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HK(IFRIC) – Int 23	Uncertainty Over Income Tax Treatment ²
Amendments to HKAS 40	Transfer of Investment Properties ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle ⁴

¹ Effective for accounting periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for accounting periods beginning on or after 1 January 2019, with earlier application permitted.

³ Effective for accounting periods beginning on or after a date to be determined.

⁴ Effective for accounting periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋

本集團並無提早應用下列已頒佈但未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號及香港財務報告準則第15號之澄清	客戶合約收益 ¹
香港財務報告準則第16號	租賃 ²
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價 ¹
香港財務報告準則第2號(修訂本)	以股份為基礎付款交易之分類及計量 ¹
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第4號「保險合約」時一併應用香港財務報告準則第9號「金融工具」 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司間資產出售或注入 ³
香港(國際財務報告詮釋委員會)–詮釋第23號	所得稅處理之不確定性 ²
香港會計準則第40號(修訂本)	轉移投資物業 ¹
香港財務報告準則(修訂本)	香港財務報告準則二零一四年至二零一六年週期之年度改進 ⁴

¹ 於二零一八年一月一日或之後開始的會計期間生效，可提早應用。

² 於二零一九年一月一日或之後開始的會計期間生效，可提早應用。

³ 於有待釐定的日期或之後開始的會計期間生效。

⁴ 於二零一七年一月一日或二零一八年一月一日(如適用)或之後開始的會計期間生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

The directors anticipate that the application of the above new and revised HKFRSs will have no material impact on the consolidated financial statements.

HKFRS 9 “Financial Instruments”

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋（續）

董事預期應用上述新訂及經修訂香港財務報告準則將不會對綜合財務報表構成重大影響。

香港財務報告準則第9號「金融工具」

於二零零九年頒佈的香港財務報告準則第9號引入金融資產分類及計量的新規定。其後於二零一零年修訂的香港財務報告準則第9號載有金融負債分類及計量以及終止確認的規定，以及於二零一三年加入一般對沖會計的新規定。於二零一四年頒佈的香港財務報告準則第9號的另一個經修訂版本主要加入(a)金融資產的減值規定；及(b)藉為若干簡單債務工具引入「按公平值計入其他全面收益」計量類別，對分類及計量規定作出有限修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued) HKFRS 9 “Financial Instruments” (Continued)

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋（續）

香港財務報告準則第9號「金融工具」（續）

香港財務報告準則第9號的主要規定詳述如下：

- 於香港會計準則第39號「金融工具：確認及計量」範圍內所有已確認金融資產，其後須按攤銷成本或公平值計量。特別是，以收取合約現金流量為目的之業務模式持有的債務投資，及具備純粹為支付本金及未償還本金利息的合約現金流量的債務投資，一般於其後會計期末按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產的業務模式中持有的債務工具，以及金融資產合約條款令於特定日期產生純粹為支付本金及未償還本金利息的現金流量的債務工具，乃按公平值計入其他全面收益計量。所有其他債務投資及股權投資均於其後會計期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，於其他全面收益呈報並非持作買賣的股權投資公平值的其後變動，一般僅於損益確認股息收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

HKFRS 9 “Financial Instruments” (Continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors are currently assessing the impact which the application of HKFRS 9 in the future may have on the amounts reported in respect of the Group’s financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

- 就金融資產的減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及變動入賬，以反映信貸風險自初步確認以來的變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

董事目前正評估日後應用香港財務報告準則第9號對本集團金融資產及金融負債的呈報金額可能構成的影響。然而，本集團於完成詳細審閱前無法合理估算香港財務報告準則第9號的影響。

香港財務報告準則第15號「客戶合約收益」

香港財務報告準則第15號制訂一項單一全面模式供實體用以將客戶合約所產生收益入賬。香港財務報告準則第15號於生效後將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋的收益確認指引。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋（續）

香港財務報告準則第15號「客戶合約收益」（續）

香港財務報告準則第15號的核心原則為實體於確認描述向客戶轉讓承諾貨品或服務的收益時，金額應能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約的履約責任
- 第五步：於實體完成履約責任時（或就此）確認收益

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarification to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations as well as licensing application guidance.

The directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋(續)

香港財務報告準則第15號「客戶合約收益」(續)

根據香港財務報告準則第15號，實體於完成履約責任時(即於特定履約責任相關貨品或服務的「控制權」移交客戶時)(或就此)確認收益。香港財務報告準則第15號已就特殊情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求作出更詳盡的披露。

於二零一六年，香港會計師公會頒佈香港財務報告準則第15號的澄清，涉及識別履約責任、主事人相對代理人的考慮及授權申請指引。

董事預期，日後應用香港財務報告準則第15號可能會對本集團綜合財務報表的呈報金額及所作披露構成重大影響。然而，本集團於完成詳細審閱前無法合理估算香港財務報告準則第15號的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入綜合模式。一經生效，香港財務報告準則第16號將取代現行租賃指引，包括香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號以客戶能否控制所識別資產區分租賃及服務合約。除短期租賃及低價值資產租賃外，經營租約(不會於資產負債表列賬)及融資租約(於資產負債表列賬)的差異自承租人會計處理中移除，並以承租人須就所有租賃將予確認使用權資產及相應負債的模式取代(即全部於資產負債表列賬)。

使用權資產初步按成本計量，其後按成本(除若干例外情況外)減累計折舊及減值虧損計量，並就任何租賃負債重新計量作出調整。租賃負債初步按當日尚未支付租賃款項之現值計量。其後，租賃負債就利息及租賃款項以及(其中包括)租賃修訂之影響作出調整。此外，現金流量分類亦將受影響，其中，香港會計準則第17號項下經營租賃付款將呈列為經營現金流量；而根據香港財務報告準則第16號的模式，租賃付款將分為本金及利息部分，分別呈列為融資及經營現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

HKFRS 16 “Leases” (Continued)

Under HKAS 17, the Group has already recognized an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognize a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. The new requirement to recognize a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognized in the Group’s consolidated financial statements and the directors of the Company are currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the directors complete the review.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋（續）

香港財務報告準則第16號「租賃」（續）

根據香港會計準則第17號，本集團已就本集團作為承租人的融資租賃安排及租賃土地的預付租賃付款確認一項資產及相關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產分類出現潛在變動，視乎本集團獨立或於同一項目下（倘擁有相應相關資產時所呈列項目）呈列使用權資產。

與承租人會計處理相比，香港財務報告準則第16號大致轉承香港會計準則第17號的出租人會計處理規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求作出詳盡披露。

初步評估顯示此等安排將符合香港財務報告準則第16號項下租賃的定義，故本集團將確認使用權資產及有關所有該等租賃的相應負債，除非其於應用香港財務報告準則第16號時符合低價值或短期租賃的資格則另作別論。預期確認使用權資產及相關租賃負債的新規定將對本集團綜合財務報表中確認的金額構成重大影響，本公司董事目前正評估其潛在影響。於董事完成詳細審閱前，對財務影響作出合理估計屬不切實際。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

Amendments to HKFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the following:

- In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
- Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee’s tax obligation to meet the employee’s tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a ‘net settlement feature’, such an arrangement should be classified as equity settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
- A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows: the original liability is derecognised. The equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date. Any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋(續)

香港財務報告準則第2號(修訂本)以股份為基礎付款交易之分類及計量

該修訂釐清以下各項：

- 於估計現金結算以股份為基礎付款的公平值時，歸屬及非歸屬條件影響的會計處理應遵循與股權結算以股份為基礎付款相同的方法。
- 倘稅法或法規規定實體須預扣相當於僱員稅務責任貨幣價值的特定數目股權工具，以履行其後將匯款予稅務機構的僱員稅務責任，即倘以股份為基礎付款安排具有「淨額結算特徵」，該安排將整體分類為股權結算，倘以股份為基礎付款並無淨額結算特徵，則將分類為股權結算。
- 導致交易由現金結算變為股權結算的以股份為基礎付款修訂應按以下方式入賬：終止確認初始負債。股權結算以股份為基礎付款按所授予權益工具的修訂日期公平值確認，並以直至修訂日期已提供的服務為限。修訂日期負債的賬面值與權益中確認的金額之間如有任何差額，應立即在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

Amendments to HKFRS 4 Insurance Contracts

Amendments to HKFRS 4 are not applicable to the Group as the Company or its subsidiaries are not engaged in insurance business.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Amendments to HKAS 40 Transfers of Investment Property

The amendments clarify that an entity should transfer a property to, or from, investment property when, and only when, there is a change in use. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. The amendments emphasize that a change in management's intentions for the use of a property, in isolation, does not provide evidence of a change in use. Further, the amendments clarify that the list of circumstances set out in paragraph 57 of HKAS 40 are examples only.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋(續)

香港財務報告準則第4號(修訂本) 保險合約

由於本公司或其附屬公司並無從事保險業務，故香港財務報告準則第4號(修訂本)並不適用於本集團。

香港財務報告準則第10號及香港會計準則第28號(修訂本) 投資者與其聯營公司或合營企業之間的資產出售或注資

香港財務報告準則第10號及香港會計準則第28號的修訂本處理投資者與其聯營公司或合營企業之間出現資產出售或注資的情況。具體而言，該等修訂訂明，因在與聯營公司或合營企業(以權益法列賬)的交易中失去對附屬公司(並無包含業務)的控制權而產生的盈虧，應於母公司損益中確認，並僅以非相關投資者於該聯營公司或合營企業的權益為限。同樣地，按任何前附屬公司(已成為聯營公司或合營企業(以權益法列賬))所保留的投資重新計量所產生的盈虧，應於前母公司損益中確認，並僅以非相關投資者於新聯營公司或合營企業的權益為限。

香港會計準則第40號(修訂本) 轉讓投資物業

該修訂釐清，實體應(且僅應)在用途出現變動時將物業轉入或轉出投資物業。該修訂訂明，當物業符合或不再符合投資物業的定義，且有用途變動的證據時，即已發生用途變動。該修訂強調，管理層有關物業用途的意向變化(獨立而言)並不構成用途變動的證據。此外，該修訂澄清，香港會計準則第40號第57段的情況列表僅為示例。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and revised standards and interpretations issued but not yet effective (Continued)

Amendments to HKAS 40 Transfers of Investment Property (Continued)

The amendments require an entity to apply the amendments to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments (i.e. the date of initial application). At the date of initial application, an entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date.

HK(IFRIC)–Int 22 Foreign Currency Transactions and Advance Consideration

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. The Interpretation concludes that the date of the transaction for the abovementioned purpose is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

HK(IFRIC)–Int 23 Uncertainty over Income Tax Treatments

This Interpretation clarifies how to apply the recognition and measurement requirements in HKAS 12 when there is uncertainty over income tax treatments.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但未生效的新訂及經修訂準則及詮釋（續）

香港會計準則第40號（修訂本）轉讓投資物業（續）

該修訂要求實體將修訂應用於實體首次應用修訂的年度報告期初（即首次應用當日）或之後發生的用途變動。首次應用當日，實體應重新評估於該日持有的物業分類，並（如適用）將物業重新分類，以反映該日存在的狀況。

香港（國際財務報告詮釋委員會）詮釋第22號外幣交易及預付代價

該詮釋闡述如何釐定交易日期，以釐定在終止確認因預先支付或收取外幣代價所產生的非貨幣資產或非貨幣負債時，初步確認相關資產、開支或收入（或其中一部分）將使用的匯率。該詮釋的結論為，就上述目的而言的交易日期，為實體初步確認因預先支付或收取代價所產生的非貨幣資產或非貨幣負債當日。

香港（國際財務報告詮釋委員會）詮釋第23號所得稅處理的不確定性

此詮釋釐清在所得稅處理方法不確定的情況下如何應用香港會計準則第12號的確認及計量要求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES Statement of Compliance and Basis of Preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristic of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

3. 主要會計政策 合規聲明及編製基準

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司GEM證券上市規則（「GEM上市規則」）及香港公司條例（「公司條例」）規定的適用披露資料。

於各報告期末，綜合財務報表乃根據歷史成本基準編製，詳情載於下文會計政策。

歷史成本一般基於用作交換貨品及服務的代價的公平值計算。

公平值是於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付的價格，而不論該價格為可直接觀察取得或可使用其他估值技術估計。於估計資產或負債的公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮資產或負債的特點。於綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬於香港財務報告準則第2號「以股份為基礎的付款」範疇的以股份為基礎的付款交易及香港會計準則第17號「租賃」範疇的租賃交易除外，其計量與公平值的計量存在一些相似之處但並非公平值，例如香港會計準則第2號「存貨」的可變現淨值或香港會計準則第36號「資產減值」的使用價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Statement of Compliance and Basis of Preparation (Continued)

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. 主要會計政策(續) 合規聲明及編製基準(續)

此外，就財務報告目的而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一、二或三級，詳情如下：

- 第一級輸入數據為該實體於計量日期可獲得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據為除第一級計入的報價外，根據資產或負債可直接或間接觀察的輸入數據；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

所採納的主要會計政策如下：

綜合基準

綜合財務報表包括本公司以及本公司及其附屬公司控制實體的財務報表。本公司在以下情況取得控制權：

- 可對投資對象行使權力；
- 就來自參與投資對象的可變回報中承受風險或享有權利；及
- 可行使權力以影響其回報。

倘事實及情況顯示上述控制權三個因素中的一個或以上發生變化，本集團會重新評估其是否取得投資對象的控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 主要會計政策(續)

綜合基準(續)

當本集團取得附屬公司控制權時，開始對附屬公司綜合入賬，並於本集團失去對該附屬公司的控制權時終止綜合入賬。尤其是，於年內所收購或出售附屬公司的收入及開支由本集團取得控制權當日直至終止對該附屬公司擁有控制權之日計入綜合損益及其他全面收益表。溢利或虧損及其他全面收益各項目歸屬本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬本公司擁有人及非控股權益，即使此舉可能導致非控股權益出現虧絀結餘。

如必要，附屬公司的財務報表會作出調整，以令其會計政策與本集團的會計政策一致。

本集團成員公司之間交易所產生的所有集團內部資產及負債、權益、收入、開支及現金流量均在綜合賬目時全數對銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

3. 主要會計政策 (續)

業務合併

業務收購乃採用收購法入賬。於業務合併轉撥的代價按公平值計量，即按本集團所轉撥資產、本集團對收購對象原擁有人承擔的負債及本集團為交換收購對象的控制權發行的股權於收購日期的公平值總和計算釐定。與收購有關的成本一般於產生時在損益中確認。

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的負債或資產分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與收購對象以股份為基礎的付款交易或本集團以股份為基礎的付款交易替換收購對象以股份為基礎的付款交易有關的負債或股本工具，於收購日期根據香港財務報告準則第2號「以股份為基礎的付款」計量；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止業務」劃分為持作出售的資產（或出售組合）根據該項準則計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirers previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

Non-controlling interest that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period".

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

3. 主要會計政策(續)

業務合併(續)

商譽乃以所轉讓代價、收購對象中任何非控股權益金額及收購方以往持有的收購對象股權公平值(如有)的總和超出所收購可識別資產及所承擔負債於收購日期之淨值計量。

屬現時擁有權權益且賦予其持有人權利於清盤時按比例分佔有關附屬公司資產淨值的非控股權益，可初步按公平值或非控股權益應佔收購對象可識別資產淨值的已確認金額比例計量。計量基準選擇視乎每項交易而定。

倘本集團於業務合併中轉讓的代價包括或然代價安排產生的資產或負債，或然代價乃按其收購日期公平值計量，並被視為於業務合併中所轉讓代價的一部分。或然代價公平值變動如符合資格作出計量期間調整，則會追溯調整，並根據商譽作出相應調整。計量期間調整為「計量期間」內就獲得其他資料而作出之調整。

不符合資格作出計量期間調整的或然代價的其後會計處理取決於或然代價的分類方式。分類為權益的或然代價不會於其後報告日期重新計量，而其後結算則於權益內入賬。分類為資產或負債的或然代價於其後報告日期重新計量公平值，相應收益或虧損則於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash generated unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策(續)

商譽

收購業務所產生商譽按收購業務日期確立的成本(見上文會計政策)減累計減值虧損(如有)列賬。

進行減值測試時，商譽會分配至預期可受惠於合併的協同效益的本集團各現金產生單位或現金產生單位組別，有關現金產生單位或現金產生單位組別乃就內部管理目的而言監控商譽之最低水平，有關單位不大於經營分部。

獲分配商譽的現金產生單位或現金產生單位組別每年或於有跡象顯示單位可能出現減值時更頻繁地進行減值測試。就於報告期內的收購所產生商譽而言，獲分配商譽的現金產生單位或現金產生單位組別於報告期末前進行減值測試。倘現金產生單位的可收回金額少於其賬面值，則首先分配減值虧損以減低任何商譽之賬面值，其後按該單位或現金產生單位組別內各資產賬面值之比例分配至該單位或現金產生單位組別的其他資產。

出售相關現金產生單位時，釐定出售損益金額時會計入商譽應佔金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續) 於聯營公司的投資

聯營公司為本集團有重大影響力的實體。重大影響力指有權參與投資對象的財務及經營政策決定但非控制或共同控制該等政策。

聯營公司的業績與資產及負債，乃採用權益會計法列入綜合財務報表。根據權益法，於一間聯營公司的投資初步於綜合財務狀況報表按成本確認，並於其後就確認本集團應佔該聯營公司的損益及其他全面收益而作出調整。當本集團應佔一間聯營公司的虧損超出本集團於該聯營公司的權益時（包括實質上構成本集團於聯營公司的投資淨值一部分的任何長期權益），本集團會終止確認其應佔的進一步虧損。額外虧損僅於本集團已產生法定或推定責任或代表該聯營公司付款時方予確認。

聯營公司的投資自投資對象成為聯營公司當日起採用權益法入賬。於收購於聯營公司的投資時，投資成本超過本集團分佔該投資對象可識別資產及負債公平淨值的任何部分乃確認為商譽，並計入投資的賬面值。倘本集團所佔可識別資產及負債於重新評估後的公平淨值高於投資成本，則會於收購投資的期間即時在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

3. 主要會計政策(續) 於聯營公司的投資(續)

香港會計準則第39號的規定獲應用以釐定是否需要確認有關本集團投資於聯營公司的任何減值虧損。於有需要時，投資的全部賬面值(包括商譽)將會根據香港會計準則第36號「資產減值」作為單一資產進行減值測試，方法為比較其可收回金額(使用價值及公平值減出售成本的較高者)與其賬面值。已確認的任何減值虧損均構成投資賬面值的一部分。該減值虧損的任何撥回根據香港會計準則第36號確認，惟受可收回投資金額隨後增加規限。

倘一集團實體與其聯營公司進行交易，與聯營公司進行交易所產生溢利及虧損僅於有關聯營公司的權益與本集團無關的情況下，方會於本集團的綜合財務報表確認。

收益確認

收益按已收取或應收取代價的公平值計量，即於日常業務過程中已售貨品的應收款項減折扣及與銷售有關的稅項。

銷售貨品的收益於貨品付運及所有權轉移時予以確認，且在達成以下全部條件時，方可作實：

- 本集團已將貨品擁有權的重大風險及回報轉移予買方；
- 本集團沒有保留任何一般視為與擁有權相關的持續管理權或已售貨品的有效控制權；
- 收益金額能可靠計量；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as obligations under finance leases. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3. 主要會計政策(續)

收益確認(續)

- 與交易有關的經濟利益可能將流入本集團；及
- 交易已經或將予產生的成本能可靠計量。

在經濟利益可能流入本集團及收入金額能夠可靠地計量的情況下，會確認金融資產的利息收入。利息收入乃參照未償還本金額及適用實際利率按時間基準累算，適用實際利率乃準確貼現按金融資產預計年期的估計未來現金收入至其初步確認時的賬面淨值的利率。

租賃

當租賃的條款將絕大部分擁有權的風險及回報轉嫁予承租人，則租約歸類為融資租賃。所有其他租約則歸類為經營租賃。

本集團作為出租人

經營租賃的租金收入於有關租約的年期內以直線法於損益確認。

本集團作為承租人

按融資租賃持有的資產按租約開始時的公平值或(倘為較低者)按最低租約付款的現值確認為本集團資產。出租人的相應負債於綜合財務狀況表列作融資租賃債務。租賃款項按比例分攤為財務開支及減少租賃債務，從而達到負債餘額的常數定期利率。財務開支立即於損益確認，除非是直接歸屬於合資格資產，在該情況下其按照本集團就借貸成本採取的一般政策資本化(請參閱下述會計政策)。經營租賃款項按有關租期以直線法確認為開支，除非另有系統基準更能代表租賃資產使用經濟利益的時間模式。經營租賃所產生或然租金於產生期間確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid lease payments

Interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group’s entire interest in a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

On disposal of a group entity that is not a foreign operation, the exchange differences accumulated in equity relating to translation of assets and liabilities of that group entity into presentation currency of the Group are transferred to retained profits.

3. 主要會計政策(續)

預付租賃款項

入賬為經營租賃的租賃土地權益於綜合財務狀況表中列作「預付租賃款項」，並以直線法在租期攤銷。

外幣

編製各個別集團實體的財務報表時，以該實體功能貨幣以外貨幣(外幣)進行的交易乃按交易日期當時的匯率確認。於報告期末，以外幣列值的貨幣項目以交易當日的匯率重新換算。以外幣歷史成本計算的非貨幣項目不予重新換算。

貨幣項目所產生匯兌差額於產生期間於損益確認。

就呈列綜合財務報表而言，本集團實體的資產及負債均按各報告期末的適用匯率換算為本集團的呈列貨幣(即港元)。收益及開支按期內平均匯率換算。所產生匯兌差額(如有)均於其他全面收益確認，並於匯兌儲備項下的權益中累計。

出售海外業務(即出售本集團全部海外業務權益)時，所有於權益內有關本公司擁有人應佔海外業務的權益中累計匯兌差額重新分類至損益。

於出售非海外業務的集團實體時，於權益累計與將該集團實體的資產及負債換算為本集團的呈列貨幣有關的匯兌差額乃轉撥至保留溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and PRC state-managed retirement benefits schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 主要會計政策(續)

借貸成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售的合資格資產所產生的直接借貸成本，計入該等資產的成本中，直至該等資產已大致上可供其擬定用途或銷售。在特定借貸撥作合資格資產的支出前暫時用作投資所賺取的投資收入，須自可予資本化的借貸成本中扣除。

所有其他借貸成本一律於其產生期間在損益確認。

退休福利成本

強制性公積金計劃及中國國家管理的退休福利計劃的供款乃於僱員提供服務而符合領取供款資格時作為開支扣除。

短期僱員福利

短期僱員福利於僱員提供服務時按預期將支付福利的未貼現金額確認。所有短期僱員福利確認為開支，除非另有香港財務報告準則作出規定或准許將福利計入資產成本。

僱員累計福利(例如工資及薪金、年假及病假)於扣除任何已支付金額後確認為負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

3. 主要會計政策(續)

權益結算以股份為基礎的付款交易

授予僱員的購股權

向僱員及其他提供類似服務人士作出的權益結算以股份為基礎付款乃按權益工具於授出日期的公平值計量。於授出日期釐定權益結算以股份為基礎付款的公平值根據本集團對權益工具最終歸屬的估計，於歸屬期間以直線法支銷，另相應增加權益。

本集團於各報告期末修訂其對預期最終歸屬權益工具數目的估計。修訂原先估計的影響(如有)於損益確認，以致累計開支反映經修訂估計，並對購股權儲備作相應調整。

就於授出日期即時歸屬的購股權而言，購股權的公平值即時於損益支銷。

行使購股權時，過往於購股權儲備確認的款額將轉撥至股份溢價。倘購股權於歸屬日期後沒收或於屆滿日期仍未獲行使，則過往於購股權儲備確認的款額將轉撥至保留盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策(續)

稅項

所得稅開支乃現行應付稅項及遞延稅項的總額。

現行應付稅項乃按年內應課稅溢利計算。由於其他年度有應課稅或可扣稅收入或開支，以及毋須課稅及不可扣稅的項目，應課稅溢利因此與綜合損益及其他全面收益表中所呈報的「除稅前溢利」不同。本集團的即期稅項負債按於報告期末已頒佈或實質頒佈的稅率計算。

遞延稅項乃就綜合財務報表內資產及負債賬面值與用於計算應課稅溢利的相應稅基兩者間的暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認。一般情況下，遞延稅項資產於所有可扣減暫時差額可用以對銷應課稅溢利時予以確認。倘於一項交易中，因業務合併以外原因初步確認其他資產及負債引致的暫時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等遞延稅項資產及負債。此外，倘暫時差額來自初步確認商譽，則不會確認遞延稅項負債。

遞延稅項負債乃按與投資於附屬公司有關的應課稅暫時差額確認，惟倘本集團可控制暫時差額的撥回及暫時差額不大可能於可見將來撥回的情況則除外。與該等投資相關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額的利益且預計於可見將來可以撥回時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods, or for administrative purposes (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產的賬面值於各報告期末檢討，並於可能不再有足夠應課稅溢利以收回全部或部分該項資產的情況下調低。

遞延稅項資產及負債乃按變現資產或償還負債的期內所預期適用的稅率，根據報告期末已實施或大致上實施的稅率（及税法）計算。

遞延稅項資產及負債的計量反映按照本集團預期於報告期末可收回或結算其資產及負債的賬面值方式計算而得出的稅務結果。

即期及遞延稅項乃於損益確認，惟與其他全面收益或直接於權益確認的項目有關者除外，在此情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益確認。倘對業務合併進行初步會計處理而產生即期稅項或遞延稅項，稅務影響計入業務合併之會計處理中。

物業、廠房及設備

物業、廠房及設備包括就生產用途或供應貨品或行政目的持有的樓宇（下述在建工程除外），乃按成本減其後累計折舊及其後累計減值虧損（如有）於綜合財務狀況表入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Property, plant and equipment (Continued)

Construction in progress including property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策(續)

物業、廠房及設備(續)

在建工程包括作生產、供應或行政用途的興建中物業、廠房及設備，乃按成本減任何已確認減值虧損列賬。成本包括專業費及根據本集團會計政策資本化的借貸成本(就合資格資產而言)。該等物業於竣工及可作擬定用途時被歸類至物業、廠房及設備的適當類別。當該等資產可作擬定用途時，開始進行折舊，其基準與其他物業資產相同。

物業、廠房及設備(在建物業除外)的折舊乃以直線法確認，以撇銷其估計可使用年期內的項目成本減剩餘價值。估計可使用年期、剩餘價值及折舊法於各報告期末檢討，而任何估計變動的影響按預期基準入賬。

融資租賃項下所持資產按與自置資產相同基準於預計可使用年期折舊。然而，當擁有權未能在租期末合理地確定，則資產須以其租期及可使用年期(以較短者為準)折舊。

物業、廠房及設備項目於出售或當預期並無未來經濟利益自繼續使用資產中產生時終止確認。出售或停止使用物業、廠房及設備項目所產生的任何收益或虧損釐定為出售所得款項與資產賬面金額間的差額，並於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 主要會計政策(續)

投資物業

投資物業指持作賺取租金及／或資本升值的物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業乃按成本減其後累計折舊及任何累計減值虧損列賬。折舊獲確認以按投資物業的估計可使用年期並計及其估計剩餘價值後以直線法撇銷其成本。

投資物業於出售或永久放棄使用投資物業且預期出售不會產生未來經濟利益時終止確認。終止確認物業產生的盈虧計入終止確認物業期間的損益，按出售所得款項淨額與資產賬面值間的差額計算。

無形資產

於業務合併中所收購的無形資產與商譽分開確認並初步按收購日期的公平值(視為其成本)確認。

於初步確認後，於業務合併中所收購的具有限可使用年限的無形資產乃按成本減累計攤銷及任何累計減值虧損入賬，其基準與分開收購的無形資產相同。

無形資產於出售或預期使用或出售不會產生未來經濟利益時終止確認。終止確認無形資產產生的盈虧乃按出售所得款項淨額與資產賬面值間的差額計算，並於資產終止確認時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Impairment of tangible assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續)

有形資產及無形資產(商譽除外)減值(見上文有關商譽的會計政策)

本集團於報告期末審閱有形資產及具無限可使用年限的無形資產的賬面值，藉以決定是否有跡象顯示該等資產出現減值虧損。倘出現減值虧損跡象，則會估計該資產的可收回金額，以釐定減值虧損(如有)的程度。倘不可估計個別資產的可收回金額，則本集團估計該資產所屬現金產生單位的可收回金額。倘可確定進行合理持續分配基準，公司資產亦須分配予個別現金產生單位，或分配予可確定進行合理持續分配基準的現金產生單位最小組別。

具無限可使用年限的無形資產及尚未可供使用的無形資產最少每年一次及於有跡象顯示其可能已減值時進行減值測試。

可收回金額乃公平值減去出售成本及使用價值的較高者。評估使用價值時，會採用反映現時市場對貨幣時間價值及針對該資產的風險(並未調整對未來現金流量的估計)評值的稅前貼現率，將估計未來現金流量貼現至其現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Impairment of tangible assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

3. 主要會計政策(續)

有形資產及無形資產(商譽除外)減值(見上文有關商譽的會計政策)(續)

倘一項資產(或現金產生單位)的可收回金額預計低於其賬面值,則該資產(或現金產生單位)的賬面值削減至其可收回金額。分配減值虧損時,減值虧損首先分配,以削減任何商譽的賬面值(倘適用),再根據單位內各資產的賬面值按比例分配至其他資產。資產的賬面值不會削減至低於下列最高者:公平值減出售成本(如可計量)、其使用價值(如可釐定)及零。已另行分配至資產的減值虧損數額按比例分配至該單位其他資產。減值虧損乃即時於損益確認。

倘某項減值虧損其後撥回,則該資產(或現金產生單位)的賬面值須增加至重新估計的可收回金額,惟增加後的賬面值不得超過倘該資產(或現金產生單位)於過往年度並無確認減值虧損而釐定的賬面值。減值虧損撥回即時於損益確認。

存貨

存貨按成本及可變現淨值兩者中的較低者列賬。存貨成本乃採用加權平均成本法計算。可變現淨值指存貨估計售價減完成的全部估計成本及銷售所需成本。

現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、原到期日為三個月或以下的其他短期高流動性投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策(續) 撥備

當本集團因過往事件而須承擔現時責任(法定或推定)，而可能須結算責任，且能可靠地估計有關責任金額時，則會確認撥備。

確認為撥備的金額乃對於報告期末清償現時責任所需代價的最佳估計，計及與責任有關的風險及不確定因素。以清償現時責任的估計現金流量計量撥備時，其賬面值為有關現金流量的現值(倘金錢的時間價值影響屬重大)。

倘償還撥備所需的部分或全部經濟利益預期將自第三方收回，則當實質上確定將收到償付款且應收款項的數額能可靠計量時，確認應收款項為資產。

金融工具

當集團實體成為工具合約條款的一方時，會確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益的金融資產或金融負債除外)的直接應佔交易成本，於初步確認時加入金融資產或金融負債的公平值或從中扣減(如適用)。收購按公平值計入損益的金融資產或金融負債直接應佔交易成本即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Financial assets are mainly classified into and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, loan receivables, and bank balances and cash) and promissory note receivables are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產主要分為貸款及應收款項。分類視乎金融資產的性質及用途而定，並於初步確認時釐定。所有定期購買或出售金融資產均在交易日確認及終止確認。定期購買或出售為購買或出售並要求在市場規則或慣例所設定的時間框架內交付的金融資產。

實際利息法

實際利息法為計算債務工具的攤銷成本及於相關期間分配利息收入的方法。實際利率乃準確貼現按金融資產預計年期或(如適用)較短期間的估計未來現金收入(包括構成實際利率不可或缺部分的一切已付或已收費用、交易成本及其他溢價或折讓)至其初步確認時的賬面淨值的利率。

除分類為按公平值計入損益的金融資產外，債務工具的利息收入按實際利息基準確認。

貸款及應收款項

貸款及應收款項乃指可按指定或待定數額付款而並無活躍市場報價的非衍生金融資產。於初步確認後，貸款及應收款項(包括貿易及其他應收款項、應收貸款以及銀行結餘及現金)及應收承兌票據均按實際利息法以攤銷成本扣減任何已識別減值虧損列賬(請參閱下文有關金融資產減值虧損的會計政策)。

利息收入乃使用實際利率確認，惟確認利息影響不大的短期應收款項除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair through profit or loss

Financial assets at fair value through profit or loss are financial assets classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these financial assets are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income and accumulated in the investment revaluation reserve, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益的金融資產

按公平值計入損益的金融資產為分類為持作買賣之金融資產或於初步確認時指定為按公平值計入損益計量。該等金融資產其後按公平值計算。因該等金融資產之公平值變動所產生之收益或虧損於損益確認。

可供出售之金融資產

可供出售之金融資產指並未分類為貸款及應收款項、持有至到期之投資或按公平值計入損益的金融資產之非衍生金融資產。可供出售金融資產其後按公平值列賬。因公平值變動所產生之收益或虧損於其他全面收入中確認及於投資重估儲備中累計，直至有關投資被出售或有客觀證據顯示該等投資出現減值時，則以往於其他全面收入內確認之累計收益或虧損由權益重新分類至損益內。採納實際利率法計算之利息，及可供出售股本投資之股息均於損益內確認。

金融資產減值

於各個報告期末金融資產(按公平值計入損益的金融資產除外)均進行減值跡象評估。當有客觀證據顯示初步確認金融資產後發生的一項或多項事件導致金融資產的估計未來現金流量受到影響，則金融資產被視為已減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Objective evidence of impairment of financial assets could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the respective credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

金融資產減值的客觀證據包括：

- 發行人或交易方出現重大財務困難；或
- 違約，例如拖欠或延付利息或本金款項；或
- 借方很可能破產或進行財務重組。

若干金融資產類別如貿易應收款項，倘按個別基準評估為毋須減值，則須額外按整體基準作減值評估。應收款項組合減值的客觀證據包括本集團過往收款的經驗、組合中於各自信貸期後延遲付款數量增加及出現與拖欠應收款項有關的全國或地方經濟狀況顯著變動。

按攤銷成本入賬的金融資產，所確認減值虧損為該資產的賬面值與該金融資產以原有實際利率貼現的估計未來現金流量的現值間的差額。

當賬面值透過使用撥備賬進行削減時，金融資產的賬面值以全部金融資產(貿易應收款項除外)的直接減值虧損削減。撥備賬內的賬面值變動於損益確認。當貿易應收款項被視為無法收回時，會於撥備賬撇銷。其後撥回的先前撇銷款額計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including trade and other payables, and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Interest expense is recognised on an effective interest basis.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

按攤銷成本計量的金融資產，倘於隨後期間減值虧損款額減少，而有關減額客觀上與確認減值虧損後發生的事件有關，則先前確認的減值虧損於損益撥回，惟該投資於減值撥回當日的賬面值不得超過倘無確認減值的攤銷成本。

金融負債及股本工具

集團實體發行的債務及股本工具乃根據合約的實質安排及金融負債與股本工具的定義分類為金融負債或股本。

股本工具

股本工具乃證明實體資產扣除其所有負債的剩餘權益的任何合約。本公司發行的股本工具乃按已收取所得款項扣除直接發行成本確認。

實際利息法

實際利息法為計算金融負債的攤銷成本及於相關期間分配利息開支的方法。實際利率乃準確貼現按金融負債預計年期或(如適用)較短期間的估計未來現金付款(包括構成實際利率不可或缺部分的一切已付或已收費用、交易成本及其他溢價或折讓)至其初步確認時的賬面淨值的利率。利息開支按實際利息基準確認。

金融負債

金融負債(包括貿易及其他應付款項以及銀行及其他借貸)於其後採用實際利息法按攤銷成本計量。

利息開支按實際利息法確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial instruments (Continued)

Derecognition

The Group derecognised a financial asset only when the contractual rights to the cash flows from the assets expire or, when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognised financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3. 主要會計政策(續) 金融工具(續)

終止確認

本集團只有在資產現金流量的合約權利屆滿時或者將金融資產以及資產擁有權的絕大部分風險及回報轉移予其他實體時終止確認一項金融資產。

於終止確認金融資產時，資產賬面值與已收及應收代價的總額之間的差額於損益確認。

本集團在且僅在其責任獲解除、取消或到期時終止確認金融負債。已終止確認金融負債的賬面值與已付及應付代價之間的差額於損益確認。

或然資產及負債

或然負債指由於過往事件而可能產生的責任，有關負債是否確定存在乃取決於一項或多項日後或會(或不會)發生且並非本集團可完全控制的不確定事件，方能確定。或然負債亦可能是過往事件產生的現有責任，但由於可能不需要流出經濟資源，或責任金額未能可靠計量而未有確認。

或然負債並無確認，惟於綜合財務報表附註中披露。倘流出資源的可能性有變而導致可能出現資源流出時，或然負債將確認為撥備。

或然資產指由於過往事件而可能產生的資產，有關資產是否確定存在乃取決於一項或多項日後或會(或不會)發生且並非本集團可完全控制的不確定事件，方能確定。或然資產並無確認，惟於可能有經濟利益流入時在綜合財務報表附註中披露。倘確定出現有關流入，則會確認資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Segment information

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services and the methods used to distribute the products or provide the services. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Related parties

For the purposes of these financial statements, related parties include a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group; or

3. 主要會計政策(續)

金融工具(續)

分部資料

經營分部及財務報表所呈報的各分部項目金額取自向本集團最高行政管理人員定期提供以便其向本集團各業務及區域分配資源以及評估該等業務及區域表現的財務資料。

個別重大經營分部不會為財務報告目的而合併，除非相關分部具有類似的經濟特徵，且產品及服務性質以及分銷產品或提供服務所用方法相似。符合上述多數標準的非個別重大經營分部可合併。

關連方

就該等財務報表而言，關連方包括下文所界定人士或實體：

- (a) 下列人士或該人士的近親與本集團有關聯：
 - (i) 擁有本集團控制權或共同控制權；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 屬本集團或本集團母公司的主要管理人員；或

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Related parties (Continued)

(b) An entity is related to the Group (reporting entity) if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third entity;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant voting power in the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. 主要會計政策(續)

金融工具(續)

關連方(續)

(b) 倘符合下列任何條件，即該實體與本集團(報告實體)有關聯：

- (i) 該實體與本集團為同一集團的成員公司(即母公司、附屬公司與同系附屬公司彼此之間互有關聯)；
- (ii) 一間實體為另一實體(或另一實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營公司；
- (iii) 實體與本集團為同一第三方實體的合營公司；
- (iv) 實體為第三方實體的合營公司，而另一實體為第三方實體的聯營公司；
- (v) 實體為就本集團或與本集團有關的實體的僱員福利所設立離職後福利計劃。倘報告實體自身屬該等計劃，則提供資助之僱主亦與計劃有關聯；
- (vi) 實體受(a)所界定人士控制或聯合控制；
- (vii) (a)(i)所界定人士於實體擁有重大表決權或為實體或該實體母公司的主要管理人員；及
- (viii) 實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

倘關連方之間轉撥資源或責任，則交易被視為關連方交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Related parties (Continued)

(b) (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. 主要會計政策(續)

金融工具(續)

關連方(續)

(b) (續)

任何人士的近親為可能預期於與該實體的交易中影響該名人士或受該名人士影響的家族成員，包括：

- (i) 該名人士的子女及配偶或同居伴侶；
- (ii) 該名人士的配偶或同居伴侶之子女；及
- (iii) 該名人士或其配偶或同居伴侶的受養人。

4. 重大會計判斷及估計不確定性的主要來源

在應用附註3所述的本集團會計政策過程中，董事須對未能從其他途徑即時知悉的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及被認為相關的其他因素作出。實際結果或會與該等估計有所不同。

該等估計及相關假設會持續檢討。該等會計估計的修訂將在估計修訂期間(若修訂僅影響該期間)或在修訂期間及未來期間(若修訂影響現時及未來期間)予以確認。

以下為有關未來的主要假設及於報告期末估計不確定性的其他主要來源，導致下個財政年度內資產及負債賬面值須作出重大調整的重大風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Estimated allowance for inventories

Management of the Group reviews its inventories at the end of the reporting period and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. Management estimates the net realisable value for such items primarily based on the latest invoice prices and current market conditions. The Group carries out an inventory review by making use of the aging analysis at the end of the reporting period and make allowance for obsolete items.

Estimated impairment of financial assets

At the end of each reporting period, the Group assesses whether its financial assets (other than those at fair value through profit or loss) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the financial assets have been affected.

For available-for-sale investment, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

For trade receivables, the Group's management determines the provision for impairment loss of account receivables based on an assessment of the recoverability of the receivables and prepayments. This assessment is based on the credit history of its customers and subsequent sales conditions and the current market condition. Management reassesses the provision at the end of each reporting period.

4. 重大會計判斷及估計不確定性的主要來源(續)

存貨估計撥備

本集團的管理層於報告期末檢討存貨，並就已識別為不再適合作生產用途的陳舊及滯銷存貨項目計提撥備。管理層主要根據最新發票價格及現時市況，估計該等項目的可變現淨值。本集團於報告期末利用賬齡分析對存貨進行檢討，並就陳舊項目計提撥備。

估計金融資產減值

本集團會於各報告期末根據客觀證據，即由於初步確認後發生之一宗或多宗事件，金融資產之估計未來現金流量受到影響，評估其金融資產(按公平值計入損益的金融資產除外)有否減值。

就可供出售投資而言，有關投資公平值大幅或長期跌至低於其成本亦被視為客觀之減值證據。

就貿易應收款項而言，本集團管理層根據應收款項及預付款項之可收回程度之評估釐定應收賬款之減值虧損撥備。此評估根據其客戶之信貸記錄及其後銷售情況以及當前市況而作出。管理層於各報告期末重估撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Impairment for goodwill and intangible assets

Determining whether goodwill and intangible assets is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Impairment of interest in an associate

Management determines whether interest in an associate have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, according to their recoverable amount determined by the cash-generating unit based on value in use calculation. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The value in use calculation also involves the inputs of subjective assumptions and estimates. Any changes in these assumptions and estimates can significantly affect the estimate of the fair value of the interest in an associate and the impairment loss thereon.

Valuation of intangible assets and useful lives

The Group has made estimations and assumptions in relation to the potential future cash flows of identifiable intangible assets acquired as part of business combinations. This assessment involves estimations and assumptions relating to potential future revenues, appropriate discount rates and the useful lives of such assets. These estimations and assumptions impact the profit or loss over the useful life of the intangible asset.

4. 重大會計判斷及估計不確定性的主要來源(續)

商譽及無形資產減值

釐定商譽及無形資產有否減值需要估計獲分配商譽的現金產生單位的使用價值。計算使用價值需要本集團估計預期從現金產生單位產生之未來現金流量及合適之折現率以計算現值。

於一間聯營公司的權益減值

管理層於發生事件或情況變動顯示於聯營公司的權益的賬面值可能無法收回時，根據以使用價值計算按現金產生單位所釐定有關可收回金額釐定於聯營公司的權益是否有任何減值。計算使用價值需要本集團估計預期將產生自現金產生單位的未來現金流量及合適貼現率以計算現值。計算使用價值亦涉及主觀假設及估計。該等假設及估計的任何變動會對於聯營公司的權益的估計公平值及有關減值虧損構成重大影響。

無形資產估值及可使用年期

本集團已就作為業務合併一部分所收購的可識別無形資產的潛在未來現金流量作出估計及假設。有關評估涉及有關資產潛在未來收益、合適貼現率及可使用年期相關的估計及假設。該等估計及假設對無形資產可使用年期內的損益構成影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

5. REVENUE AND SEGMENT INFORMATION

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the executive directors of the Company who are also directors of certain major operating subsidiaries), for the purpose of resource allocation and performance assessment. These executive directors regularly review revenue and results analysis by (i) OEM Business, (ii) Retail Business and (iii) money lending. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to these executive directors.

- (i) OEM Business: manufacturing and sales of OEM garment products.
- (ii) Retail Business: retailing of garment products under the Group's own brand.
- (iii) Money Lending: provision of loan services and other financial services.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments.

For the year ended 31 March 2018

		OEM Business 原設備 製造業務 HK\$'000 千港元	Retail Business 零售業務 HK\$'000 千港元	Money Lending 放債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益				
External sales	對外銷售	43,894	5,222	8,765	57,881
Results	業績				
Segment results	分部業績	(823)	(5,027)	8,152	2,302
Share result of associate	分佔聯營公司業績				(12,786)
Interest in an associate written off	撤銷於一間聯營公司的權益				(271,160)
Fair value change on financial asset through profit or loss	按公平值計入損益的金融資產公平值變動				(3,956)
Gain on disposal of subsidiary	出售附屬公司收益				29,365
Corporate expenses	企業開支				(13,257)
Finance costs	財務成本				(805)
Other income, and other gains and losses	其他收入以及其他收益及虧損				6,100
Impairment of goodwill	商譽減值				(7,919)
Loss before taxation	除稅前虧損				(272,116)

5. 收益及分部資料

本集團的營運分部乃根據向本集團主要經營決策者(本公司執行董事,彼等亦為若干主要營運附屬公司的董事)就資源分配及表現評估而呈報的資料釐定。該等執行董事按(i)原設備製造業務;(ii)零售業務及(iii)放債定期審閱收益及業績分析。由於該等執行董事未獲定期提供分部資產或分部負債的資料,故並無呈列有關分析。

- (i) 原設備製造業務:製造及銷售原設備製造服裝產品。
- (ii) 零售業務:在本集團自有品牌下零售服裝產品。
- (iii) 放債:提供貸款服務及其他金融服務。

分部收益及業績

下列為本集團按營運分部劃分的收益及業績分析。

截至二零一八年三月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

5. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment revenue and results (Continued)

For the year ended 31 March 2017

5. 收益及分部資料(續)

分部收益及業績(續)

截至二零一七年三月三十一日止年度

		OEM Business 原設備 製造業務 HK\$'000 千港元	Retail Business 零售業務 HK\$'000 千港元	Money Lending 放債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益	46,126	8,318	6,386	60,830
Results	業績				
Segment results	分部業績	(41,985)	(10,537)	5,417	(47,105)
Share result of associate	分佔聯營公司業績				(32,051)
Impairment of investment in an associate	於一間聯營公司的 投資減值				(156,391)
Corporate expenses	企業開支				(61,736)
Finance costs	財務成本				(879)
Other income, and other gains and losses	其他收入以及其他 收益及虧損				(40)
Loss before taxation	除稅前虧損				(298,202)

* Inter-segment revenue is charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represents profit/loss incurred from each segment without allocation of other income, other gains and losses, certain corporate expenses, gain on disposal of a subsidiary, share result of associate, certain impairment and finance costs. This is the measure reported to the chief operating decision maker of the Group for the purpose of resource allocation and performance assessment.

* 分部間收益按現行市場價格入賬。

營運分部的會計政策與附註3所述的本集團會計政策相同。分部業績指各分部所產生溢利／虧損，且並未分配其他收入、其他收益及虧損、若干企業開支、出售一間附屬公司的收益、分佔聯營公司業績、若干減值以及財務成本。此乃向本集團主要經營決策者呈報以分配資源及評估表現的計量方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

5. REVENUE AND SEGMENT INFORMATION

(Continued)

Other segment information

Year ended 31 March 2018

5. 收益及分部資料(續)

其他分部資料

截至二零一八年三月三十一日止年度

		OEM Business 原設備 製造業務 HK\$'000 千港元	Retail Business 零售業務 HK\$'000 千港元	Money Lending 放債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment results:	計量分部業績時計入的金額：				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	355	292	-	647
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	1,383	-	-	1,383
Additions to non-current assets	添置非流動資產	116	22	-	138

Year ended 31 March 2017

截至二零一七年三月三十一日止年度

		OEM Business 原設備 製造業務 HK\$'000 千港元	Retail Business 零售業務 HK\$'000 千港元	Money Lending 放債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment results:	計量分部業績時計入的金額：				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,880	29	-	1,909
Depreciation of an investment property	一項投資物業折舊	75	-	-	75
Release of prepaid lease payments	解除預付租賃款項	92	-	-	92
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(474)	-	-	(474)
(Reversal)/Allowance for inventories	存貨(撥回)/撥備	(4,069)	276	-	(3,793)
Additions to non-current assets	添置非流動資產	-	330	-	330

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

5. REVENUE AND SEGMENT INFORMATION

(Continued)

Geographical information

The Group's operations are located in Hong Kong, the United States of America ("USA"), Europe and the PRC.

Information about the Group's revenue from external customers is presented based on the geographical location of the customers, irrespective of the origin of the goods, is detailed below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USA	美國	1,263	45,009
PRC	中國	1,487	1,137
Hong Kong	香港	54,819	13,738
Europe	歐洲	312	946
		57,881	60,830

Information about the Group's non-current assets (excluding deferred tax assets) is presented based on the geographical location of the assets is detailed below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USA	美國	–	283,947
PRC	中國	26,098	34,603
Hong Kong	香港	31,087	1,424
		57,185	319,974

5. 收益及分部資料(續)

地區資料

本集團的業務營運位於香港、美利堅合眾國(「美國」)、歐洲及中國。

有關本集團來自外部客戶的收益資料根據客戶所在地(不考慮貨品來源地)詳列如下：

有關本集團非流動資產(不包括遞延稅項資產)的資料根據資產所在地詳列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

5. REVENUE AND SEGMENT INFORMATION

(Continued)

Information about major customers

Revenue from customers of corresponding years contributing over 10% of the Group's revenue are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶 A	23,548	41,967
Customer B	客戶 B	10,080	N/A 不適用 *
Customer C	客戶 C	7,850	N/A 不適用 *

* The corresponding revenue does not contribute over 10% of the total revenue of the Group in the respective year.

All revenue from above customers related to OEM business of the Group.

6. OTHER INCOME

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Claim received from customers for cancelled order	就客戶取消訂單收取的索償	—	28
Rental income	租金收入	660	7
Bank interest income	銀行利息收入	—	18
Interest income on promissory notes receivables	應收承兌票據利息收入	289	—
Others	其他	—	381
		949	434

5. 收益及分部資料(續)

主要客戶資料

相應年度來自客戶佔本集團收益超過10%的收益如下：

* 相應收益並未佔本集團於各年度總收益的10%以上。

上述客戶的所有收益與本集團的原設備製造業務有關。

6. 其他收入

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備的收益／(虧損)	1,383	(474)
Interest in an associate written off	撇銷於一間聯營公司權益	(271,160)	–
Gain on disposal of subsidiaries	出售附屬公司收益	29,365	–
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值變動	(3,956)	–
Impairment of interest in an associate	於一間聯營公司的權益減值	–	(156,391)
Impairment of intangible assets	無形資產減值	–	(1,864)
Impairment of goodwill	商譽減值	(7,919)	–
Gain on disposal of financial asset at fair value through profit or loss	出售按公平值計入損益的金融資產的收益	3,768	–
		(248,519)	(158,729)

8. FINANCE COSTS

8. 財務成本

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on:	下列各項的利息：		
Bank borrowings	銀行借貸	–	676
Other borrowings	其他借貸	805	203
		805	879

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

9. INCOME TAX CREDIT

9. 所得稅抵免

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong Profits Tax	香港利得稅		
— current year	— 本年度	—	24
— overprovision in prior years	— 過往年度超額撥備	—	(20)
Deferred tax	遞延稅項	(870)	(1,190)
Income tax credit	所得稅抵免	(870)	(1,186)

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

PRC EIT is calculated based on the statutory rate of 25% of the assessable profit for those subsidiaries established in the PRC, as determined in accordance with the relevant income tax rules and regulations in the PRC.

香港利得稅乃按過往兩個年度的估計應課稅溢利的16.5%計算。

中國企業所得稅乃按該等於中國成立的附屬公司應課稅溢利25%的法定稅率計算，有關稅率乃根據中國相關所得稅規例及條例釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

9. INCOME TAX CREDIT (Continued)

The income tax credit for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅抵免(續)

於本年度，所得稅抵免與綜合損益及其他全面收益表的除稅前虧損對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(272,116)	(298,202)
Tax at Hong Kong Profits tax rate of 16.5% (Note)	按香港利得稅稅率 16.5% 計算的稅項(附註)	(44,899)	(49,203)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	51,546	38,926
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(6,016)	(747)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營的附屬 公司不同稅率的影響	2,071	(811)
Tax effect of temporary differences not recognized	未確認暫時差額的稅務影響	75	4,907
Tax effect of tax losses not recognised	未確認的稅項虧損的稅務影響	(3,647)	5,762
Overprovision in respect of prior years	過往年度超額撥備	-	(20)
Income tax credit for the year	年度所得稅抵免	(870)	(1,186)

Note: The income tax rate in the jurisdiction where the operations of the Group substantially based is use.

附註：使用本集團大多數業務所在司法權區的所得稅稅率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

10. 年度虧損

年度虧損於扣除／(計入)以下各項後計算得出：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Director's remuneration	董事薪酬	1,186	2,969
Other Staff salaries and allowances	其他員工工資及津貼	3,771	27,332
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款 (董事除外)	154	728
Total employee benefits expenses	僱員福利開支總額	5,111	31,029
Auditor's remuneration	核數師薪酬	1,050	900
Cost of inventories recognised as an expense (Note)	已確認為開支的存貨成本 (附註)	32,494	42,353
Depreciation of an investment property	一項投資物業折舊	25	75
Depreciation of property, plant and equipment	物業、廠房及設備折舊	647	1,909
Amortisation of prepaid lease payments	預付租賃款項攤銷	31	92
Amortisation of intangible assets	無形資產攤銷	3,492	2,877
Reversal for inventories	存貨撥回	-	(3,793)
Net exchange loss	匯兌虧損淨額	322	864
Rental income from an investment property	來自一項投資物業的 租金收入	(660)	(7)
Share-based payment expenses	以股份為基礎的付款	-	37,006

Note: Cost of sales included cost of inventories, allowance for inventories and other direct operating cost of retail business such as rental of retail shops.

附註：銷售成本包括存貨成本、存貨撥備及零售業務的其他直接經營成本，如零售店舖租金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

11a. Directors' and the chief executive's emoluments

Details of the emoluments paid or payable to the directors and the chief executive of the Company are as follows:

For year ended 31 March 2018

11. 董事、主要行政人員及僱員酬金

11a. 董事及主要行政人員酬金

已付或應付本公司董事及主要行政人員的酬金詳情如下：

截至二零一八年三月三十一日止年度

Name of director	董事姓名	Notes	Fee	Salaries and other allowances	Retirement benefit scheme contributions	Total
		附註	袍金	工資及其他津貼	退休福利計劃供款	總計
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
Executive directors	執行董事					
Mr. Ng Ka Ho	吳家豪先生		–	522	18	540
Non-executive directors	非執行董事					
Mr. Wong Chiu Po	黃昭堡先生	(iii)	17	–	–	17
Independent non-executive directors	獨立非執行董事					
Mr. Kwong Lun Kei Victor	鄺麟基先生	(iv)	13	–	–	13
Mr. Ma Chi Ming	馬志明先生	(vi)	240	–	–	240
Mr. Ng Kai Shing	吳啟誠先生	(vii)	118	–	–	118
Mr. Li Kin Ping	李健平先生	(ix)	227	–	–	227
Ms. Guo Yan Xia	郭艷霞女士	(x)	31	–	–	31
			646	522	18	1,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

11a. Directors' and the chief executive's emoluments (Continued)

For year ended 31 March 2017

11. 董事、主要行政人員及僱員酬金 (續)

11a. 董事及主要行政人員酬金 (續)

截至二零一七年三月三十一日止年度

Name of director	董事姓名	Notes	Fee	Salaries and other allowances	Retirement benefit scheme contributions	Total
		附註	袍金	工資及其他津貼	退休福利計劃供款	總計
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
Executive directors						
執行董事						
Mr. Ng Ka Ho	吳家豪先生		-	720	18	738
Mr. Yang Si Hang	楊詩恒先生	(i)	-	1,149	11	1,160
Mr. Yang Si Kit Kenny	楊詩傑先生	(ii)	-	122	2	124
Non-executive directors						
非執行董事						
Mr. Wong Chiu Po	黃昭堡先生	(iii)	240	-	-	240
Independent non-executive directors						
獨立非執行董事						
Mr. Kwong Lun Kei Victor	鄺麟基先生	(iv)	240	-	-	240
Ms. Cheung Marn Kay	章曼琪女士	(v)	19	-	-	19
Mr. Ma Chi Ming	馬志明先生	(vi)	221	-	-	221
Mr. Chan Ming Sun Jonathan	陳銘樂先生	(vii)	220	-	-	220
Mr. Ng Kai Shing	吳啟誠先生	(viii)	7	-	-	7
Mr. Li Kin Ping	李健平先生	(ix)	-	-	-	-
			947	1,991	31	2,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

11a. Directors' and the chief executive's emoluments (Continued)

Notes:

- (i) Mr. Yang Si Hang resigned as a chief executive officer on 3 March 2017.
- (ii) Mr. Yang Si Kit Kenny resigned as an executive director on 22 April 2016.
- (iii) Mr. Wong Chiu Po was resigned as an independent non-executive director on 26 April 2017.
- (iv) Mr. Kwong Lun Kei Victor was resigned as an independent non-executive director on 20 April 2017.
- (v) Ms. Cheung Marn Kay resigned as an independent nonexecutive director on 29 April 2016.
- (vi) Mr. Ma Chi Ming was appointed as an independent nonexecutive director on 29 April 2016.
- (vii) Mr. Chan Ming Sun Jonathan resigned as an independent non-executive director on 3 March 2017.
- (viii) Mr. Ng Kai Shing was appointed as an independent non-executive director on 20 March 2017 and was resigned on 26 September 2017.
- (ix) Mr. Li Kin Ping was appointed as an independent non-executive director on 20 April 2017.
- (x) Ms. Guo Yan Xia was appointed as an independent non-executive director on 26 September 2017.

11. 董事、主要行政人員及僱員酬金 (續)

11a. 董事及主要行政人員酬金 (續)

附註：

- (i) 楊詩恒先生於二零一七年三月三日辭任首席執行官。
- (ii) 楊詩傑先生於二零一六年四月二十二日辭任執行董事。
- (iii) 黃昭堡先生於二零一七年四月二十六日辭任獨立非執行董事。
- (iv) 鄺麟基先生於二零一七年四月二十日辭任獨立非執行董事。
- (v) 章曼琪女士於二零一六年四月二十九日辭任獨立非執行董事。
- (vi) 馬志明先生於二零一六年四月二十九日獲委任為獨立非執行董事。
- (vii) 陳銘樂先生於二零一七年三月三日辭任獨立非執行董事。
- (viii) 吳啟誠先生於二零一七年三月二十日獲委任為獨立非執行董事並已於二零一七年九月二十六日辭任。
- (ix) 李健平先生於二零一七年四月二十日獲委任為獨立非執行董事。
- (x) 郭艷霞女士於二零一七年九月二十六日獲委任為獨立非執行董事。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

11a. Directors' and the chief executive's emoluments (Continued)

For the year ended 31 March 2018, Mr. Ng Ka Ho is the chief executive of the Group and his emoluments disclosed above include those for services rendered by him as the chief executive. The executive directors' fees and other emoluments (including salaries and other allowance, and retirement benefit scheme contributions) shown above were mainly for their services as directors of the Company and services in connection with the management of the affairs of the Company and the Group, respectively. The non-executive directors' emoluments shown above were mainly for their services as directors of the Company. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

11b. Employees' emoluments

The five highest paid individuals of the Group include 1 director (2017: 2 directors) of the Company for the years ended 31 March 2018. The emoluments of the remaining 4 individuals (2017: 3 individuals) are as follows:

11. 董事、主要行政人員及僱員酬金 (續)

11a. 董事及主要行政人員酬金 (續)

截止二零一八年三月三十一止年度，吳家豪先生為本集團的主要行政人員，上文所披露酬金包括其作為主要行政人員提供服務的酬金。上文所示執行董事袍金及其他酬金（包括工資及其他津貼以及退休福利計劃供款）主要為就本公司及本集團事務分別擔任本公司董事及提供管理服務。上文所示非執行董事酬金主要為作為本公司董事提供服務。上文所示獨立非執行董事酬金主要為作為本公司董事提供服務。

11b. 僱員酬金

截至二零一八年三月三十一日止年度，本集團五名最高薪酬人士包括本公司一名董事（二零一七年：兩名董事）。餘下四名人士（二零一七年：三名人士）的酬金載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other allowances	工資及其他津貼	1,766	3,337
Retirement benefit scheme contributions	退休福利計劃供款	74	56
		1,840	3,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

11b. Employees' emoluments (Continued)

The emoluments of the employees were within the following bands:

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
Up to HK\$1,000,000	零至 1,000,000 港元	4	2
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	—	1

No emoluments were paid by the Group to any of the directors of the Company or the chief executive of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company or the chief executive of the Group waived any emoluments during the years ended 31 March 2018 and 2017.

本集團概無向本公司任何董事或本集團主要行政人員或五名最高薪酬人士支付任何酬金，以吸引其加入本集團或作為加入本集團時的獎賞或作為離職補償。截至二零一八年及二零一七年三月三十一日止年度，本公司董事或本集團主要行政人員概無放棄收取任何酬金。

12. DIVIDEND

No dividend has been proposed for the current reporting period or since the end of the reporting period (2017: nil).

11. 董事、主要行政人員及僱員酬金 (續)

11b. 僱員酬金 (續)

僱員的酬金介乎以下範圍：

12. 股息

於現行報告期或自報告期末起，概無建議宣派任何股息(二零一七年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

13. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	計算每股基本虧損所用的本公司擁有人應佔年內虧損	(269,171)	(294,298)
		'000 千股	'000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損所用的普通股加權平均數	1,280,000	1,184,378

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the subdivision of shares as detailed in note 28.

For the year ended 31 March 2018 and 2017, no dilute loss per share has been presented as the assumed exercise of share option would result in a decrease in loss per share which is anti-dilutive.

13. 每股虧損

本公司擁有人應佔每股基本虧損乃按以下數據計算：

計算每股基本虧損所用的普通股加權平均數已就附註28所詳述股份拆細作出調整。

截至二零一八年及二零一七年三月三十一日止年度，假定行使購股權（彼等具反攤薄效果）會導致每股虧損減少，故並無呈列每股攤薄虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Office equipment 辦公設備 HK\$'000 千港元	Leasehold improvement 租賃物業裝修 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本							
At 1 April 2016	於二零一六年四月一日	17,229	23,171	1,525	5,692	4,839	986	53,442
Additions	添置	-	-	-	52	278	-	330
Disposals	出售	(805)	(1,491)	-	-	-	(325)	(2,621)
Exchange realignment	匯兌調整	(989)	(353)	(50)	(111)	(105)	(11)	(1,619)
At 31 March 2017	於二零一七年三月三十一日	15,435	21,327	1,475	5,633	5,012	650	49,532
Additions	添置	-	-	-	-	22	-	22
Additions from acquisition of a subsidiary	收購一間附屬公司而添置	-	-	116	-	-	-	116
Disposals/Written off	出售/撇銷	-	(14,777)	(584)	(1,430)	(2,468)	-	(19,259)
Disposal of a subsidiary	出售一間附屬公司	(16,170)	(6,723)	(920)	(2,686)	(2,660)	-	(29,159)
Exchange realignment	匯兌調整	735	173	32	96	94	-	1,130
At 31 March 2018	於二零一八年三月三十一日	-	-	119	1,613	-	650	2,382
At 1 April 2016	於二零一六年四月一日	3,698	20,068	1,424	5,363	4,536	986	36,075
Provided for the year	年度撥備	326	1,129	30	162	262	-	1,909
Disposals	出售	(172)	(1,360)	-	-	-	(325)	(1,857)
Exchange realignment	匯兌調整	(216)	(266)	(51)	(100)	(105)	(11)	(749)
At 31 March 2017	於二零一七年三月三十一日	3,636	19,571	1,403	5,425	4,693	650	35,378
Provide for the year	年度撥備	78	210	14	73	272	-	647
Disposals/Written off	出售/撇銷	-	(14,250)	(511)	(1,430)	(2,399)	-	(18,590)
Eliminated on disposal of a subsidiary	出售一間附屬公司而抵銷	(3,850)	(5,661)	(920)	(2,608)	(2,660)	-	(15,699)
Exchange realignment	匯兌調整	136	130	29	93	94	-	482
At 31 March 2018	於二零一八年三月三十一日	-	-	15	1,553	-	650	2,218
CARRYING VALUES	賬面值							
At 31 March 2018	於二零一八年三月三十一日	-	-	104	60	-	-	164
At 31 March 2017	於二零一七年三月三十一日	11,799	1,756	72	208	319	-	14,154

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment other than construction in progress are depreciated on a straight-line basis as follows:

Buildings	Over the period of the relevant lease
Plant and machinery	10% per annum
Furniture and equipment	20% per annum
Office equipment	20%–25% per annum
Leasehold improvement	Over the period of the relevant lease or 5 years, whichever is shorter
Motor vehicles	30% per annum

14. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)以直線法按下列年率折舊：

樓宇	按相關租約期限
廠房及機器	每年 10%
傢俬及設備	每年 20%
辦公設備	每年 20%–25%
租賃物業裝修	按相關租約期限或 5 年， 以較短者為準
汽車	每年 30%

15. INVESTMENT PROPERTY

15. 投資物業

		HK\$'000 千港元
COST		
At 1 April 2016	成本 於二零一六年四月一日	3,888
Exchange adjustments	匯兌調整	(230)
<hr/>		
At 31 March 2017	於二零一七年三月三十一日	3,658
Additions from acquisition of a subsidiary	收購一間附屬公司而添置	30,300
Disposal of a subsidiary	出售附屬公司	(3,794)
Exchange adjustments	匯兌調整	136
<hr/>		
At 31 March 2018	於二零一八年三月三十一日	30,300
<hr/>		
DEPRECIATION AND IMPAIRMENT		
At 1 April 2016	折舊及減值 於二零一六年四月一日	855
Exchange adjustments	匯兌調整	(52)
Provided for the year	年度撥備	75
<hr/>		
At 31 March 2017	於二零一七年三月三十一日	878
Exchange adjustment	匯兌調整	8
Provided for the year	年度撥備	25
Eliminated on disposal of a subsidiary	出售一間附屬公司而抵銷	(911)
<hr/>		
At 31 March 2018	於二零一八年三月三十一日	–
<hr/>		
CARRYING VALUES		
At 31 March 2018	賬面值 於二零一八年三月三十一日	30,300
<hr/>		
At 31 March 2017	於二零一七年三月三十一日	2,780

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

15. INVESTMENT PROPERTY (Continued)

The investment property situates at Shop I on G/F, Glamour Garden, NOS. 1-5 Chik Fai Street, Nos. 22-26 Mei Tin Road, Shatin, New Territories, Hong Kong, and is under medium term lease.

As at 31 March 2018 and 2017, all investment properties of the Group are located in HK and PRC. At the end of reporting period, the investment property in Hong Kong was revalued by C S Surveyors Limited, independent professional qualified surveyor. The fair value of investment properties as at 31 March 2018 is approximately HK\$31,500,000 (2017: HK\$7,281,000). The fair value of investment properties disclosed at the end of the reporting period is measured on recurring basis and categorised as level 2 fair value measurement. The fair value of investment properties is determined by the Directors at the end of each reporting period using market approach by reference to recent sales price of comparable properties on a price per square feet using market data which is publicly available.

By taking into reference of certain significant inputs including the outlook of local property market, trend of market rents, global economic outlook and opinion from an independent valuer, directors are of the opinion that the recoverable amount of the investment property would higher than the cost.

The investment property was leased to a third party under operating leases, further summary details of which are included in note 30(a) to the financial statements.

15. 投資物業(續)

投資物業位於香港新界沙田美田路22-26號積輝街1-5號金輝花園地下I號舖，屬中期租約。

於二零一八年及二零一七年三月三十一日，本集團所有投資物業均位於香港及中國。於報告期末，香港的投資物業由獨立專業合資格測量師忠誠測量行有限公司重估。於二零一八年三月三十一日，投資物業的公平值約為31,500,000港元(二零一七年：7,281,000港元)。於報告期末披露的投資物業的公平值按經常性基準計量，並歸類為第二級公平值計量。投資物業的公平值乃由董事於各報告期末按市場法，參考採用公開市場數據以每平方呎價格為基準之可比較物業近期售價而釐定。

通過參考部分重大輸入數據包括本地物業市場前景、市場租金趨勢、全球經濟前景及獨立估值師的意見，董事認為投資物業的可收回金額高於成本。

該投資物業乃根據經營租賃出租予第三方，其進一步概要詳情載於財務報表附註30(a)。

16. PREPAID LEASE PAYMENTS

16. 預付租賃款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Analysed for reporting purposes as:	為呈報目的所作分析：		
Non-current assets	非流動資產	—	3,249
Current assets	流動資產	—	90
		—	3,339

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

17. INTANGIBLE ASSETS

17. 無形資產

		Service contract 服務合約 HK\$'000 千港元	Trademark 商標 HK\$'000 千港元	Customer list 客戶清單 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本：				
At 1 April 2016	於二零一六年四月一日				
Additions through acquisition of subsidiaries	透過收購一間附屬公司添置	9,503	2,868	-	12,371
At 31 March 2017 and 1 April 2017	於二零一七年三月三十一日及二零一七年四月一日	9,503	2,868	-	12,371
Additions through acquisition of subsidiaries	透過收購附屬公司添置	-	-	440	440
At 31 March 2018	於二零一八年三月三十一日	9,503	2,868	440	12,811
Accumulated amortization:	累計攤銷：				
At 1 April 2016	於二零一六年四月一日				
Provided for the period from acquisition date	自收購日期起的期內撥備	2,639	238	-	2,877
Impairment loss recognized	已確認的減值虧損	1,864	-	-	1,864
At 31 March 2017 and 1 April 2017	於二零一七年三月三十一日及二零一七年四月一日	4,503	238	-	4,741
Provided for the year	年內撥備	3,168	287	37	3,492
At 31 March 2018	於二零一八年三月三十一日	7,671	525	37	8,233
Net carrying value:	賬面淨值：				
At 31 March 2018	於二零一八年三月三十一日	1,832	2,343	403	4,578
At 31 March 2017	於二零一七年三月三十一日	5,000	2,630	-	7,630

Note:

During the year ended 31 March 2018, acquisition of intangible asset with amount of HK\$440,000 has been acquired through business combination, which represented a customer list with useful life of 5 years.

During the year ended 31 March 2017, certain acquisitions of other intangible assets with aggregate amount of HK\$12,371,000 has been acquired through business combination, which represented a trademark of "LABORON" and service contract. The useful life of the trademark and the service contract is 10 years and 3 years respectively.

附註：

截至二零一八年三月三十一日止年度，無形資產的收購事項440,000港元已透過業務合併收購，指客戶清單，可使用年期為5年。

截至二零一七年三月三十一日止年度，若干其他無形資產的收購事項總數為12,371,000港元已透過業務合併收購，指「LABORON」商標及服務合約。商標及服務合約的可使用年期分別為10年及3年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

17. INTANGIBLE ASSETS (Continued)

Note: (Continued)

Intangible assets other than goodwill are measured initially at cost or, if acquired in a business combination, at fair value at the acquisition date.

The Group has provided amortization on the intangible assets using the straight-line method based on their estimated useful life as follows:

- Service contract 3 years
- Trademark 10 years
- Customer list 5 years

Details of the impairment assessment involving the determination of the recoverable amount of the related cash-generating unit (CGU) which is the reportable segment of "high-end fashion retail industry" and "OEM business" are disclose in note 19 to the consolidated financial statements.

No impairment loss of intangibles assets were recognised during the year.

17. 無形資產(續)

附註：(續)

商譽以外的無形資產初始按成本計量，倘若此等資產是在企業合併過程中取得，則按收購當日的公平值計量。

本集團按其估計可使用年期採用直線法對無形資產進行攤銷如下：

- 服務合約 3年
- 商標 10年
- 客戶清單 5年

涉及釐定「高檔時裝零售業」及「原設備製造業務」可報告分部相關現金產生單位的可收回金額的減值評估詳情於綜合財務報表附註19披露。

年內並無確認無形資產減值虧損。

18. GOODWILL

18. 商譽

		2018 二零一八年 HK\$'000 千港元
At cost and carrying amount:	按成本及賬面值：	
At 1 April 2016	於二零一六年四月一日	-
Acquisition of a subsidiary (Note a)	收購一間附屬公司(附註a)	7,919
At 31 March 2017 and 1 April 2017	於二零一七年三月三十一日及 二零一七年四月一日	7,919
Acquisition of a subsidiary (Note b)	收購一間附屬公司(附註b)	219
Impairment loss	減值虧損	(7,919)
At 31 March 2018	於二零一八年三月三十一日	219

Pursuant to business acquisition of Aji On Worldwide Holdings Limited and its subsidiaries and Inten International Co., Limited, goodwill have been generated and which represents the revenue growth and future market development of Aji On Worldwide Holdings Limited and its subsidiaries and Inten International Co., Limited.

根據Aji On Worldwide Holdings Limited及其附屬公司及Inten International Co., Limited的業務收購，商譽已經產生，顯示了Aji On Worldwide Holdings Limited及其附屬公司及Inten International Co., Limited的收益增長及未來市場發展。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

18. GOODWILL (Continued)

Note:

(a) Aji On Worldwide Holdings Limited and its subsidiaries

As at 31 March 2018, the Group determined the recoverable amount of cash generating unit ("CGU") for high-end fashion retail industry to be approximately HK\$8,000,000 (2017: HK\$23,700,000). The directors of the Company has hired independent external valuer in deriving the value in use of the CGU. The valuation had used cash flows projection based on financial budgets approved by management which covered a 5 years period, and incorporated therein, a discount rate of 15% (2017: 25%) in addition, those expected cash flows beyond 5-year period contains a constant growth rate of 3%. This growth rate is based on the specific market.

The key assumptions used in value in use calculations are as follows:

Budgeted market share and sales, average market share and sales in the period immediately before the budget period is expected to be unchanged over the budget period. The values assigned to the assumptions reflect past experience, except for the growth factor, which is consistent with management plans for focusing operations in the industry. Management believes the planned market share growth and budgeted sales over the budget period is reasonably achievable.

Budgeted gross margin is constant over the budgeted period.

By taking into account of declining sales order and increasing market competitors from "high-end fashion retail industry", management determined that there were indicators of impairment on the Group's related goodwill. The recoverable amount of the related cash-generating unit (CGU) which is the reportable segment of "high-end fashion retail industry" (taking into account the higher of value in use and fair value less costs of disposal of the CGU) is its value in use. The value in use calculation is based on financial budgets approved by management covering a five-year period, with the following key assumptions:

- Revenue growth rate for the 5-year period ranged from 8% to 68% (2017: 3% to 212%) per annum.
- Gross margins for the 5-year period of 30% (2017: 88%) per annum.
- The cash flows beyond the 5-year period have been extrapolated using a steady 3% (2017: 3%) per annum growth rate which is the long-term growth rate for this type of industry.
- Discount rate: 15% (2017: 25%) per annum.

During the year, the Group recognised an impairment loss of HK\$7,919,000 and included in other gains and losses line items in profit or loss.

18. 商譽(續)

附註:

(a) Aji On Worldwide Holdings Limited 及其附屬公司

於二零一八年三月三十一日，本集團釐定高檔時裝零售業現金產生單位(「現金產生單位」)的可收回金額約為8,000,000港元(二零一七年：23,700,000港元)。本公司董事已聘請獨立外聘估值師評估現金產生單位的使用價值。該估值採用以管理層所批准涵蓋5年期的財政預算為基準的現金流量預測，並納入15%的貼現率(二零一七年：25%)，此外，超過5年期的預期現金流量包含3%的固定增長率。該增長率乃以具體市場為基準。

計算使用價值時採用的主要假設如下：

預算市場佔有率及銷售額，緊接預算期前的期內平均市場佔有率及銷售額預計於整個預算期不變。套用於該等假設的價值反映過往經驗(惟增長因素除外)，並與管理層計劃專注於該行業經營計劃一致。管理層相信，預算期的計劃市場佔有率增長及預算銷售屬合理可達。

預算毛利率於預算期間保持不變。

經考慮銷售訂單減少及來自「高檔時裝零售業」的市場競爭對手不斷增加，管理層釐定本集團的相關商譽存在減值跡象。屬「高檔時裝零售業」的可報告分部的相關現金產生單位的可收回金額(經計及使用價值與公平值減現金產生單位處置成本的較高者)為其使用價值。使用價值乃根據管理層批准的5年期財務預算及以下主要假設計算：

- 5年期間的收益增長率介乎每年8%至68%(二零一七年：3%至212%)。
- 5年期間的毛利率為每年30%(二零一七年：88%)。
- 超過5年期的現金流量使用穩定的年增長率3%(二零一七年：3%)進行推斷，為該類行業的長期增長率。
- 貼現率：每年15%(二零一七年：25%)。

年內，本集團確認減值虧損7,919,000港元並已計入損益中的其他收益及虧損項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

18. GOODWILL (Continued)

Note: (Continued)

(b) Inten International Co., Limited

As at 31 March 2018, the Group determined the recoverable amount of CGU for OEM garment industry to be approximately HK\$880,000. The directors of the Company has hired independent external valuer in deriving the value in use of the CGU. The valuation had used cash flows projection based on financial budgets approved by management which covered a 5 years period, and incorporated therein, a discount rate of 32% in addition, those expected cash flows beyond 5-year period contains a constant growth rate of 3%. This growth rate is based on the specific market.

The key assumptions used in value in use calculations for advertising are as follows:

Budgeted market share and sales, average market share and sales in the period immediately before the budget period is expected to be unchanged over the budget period. The values assigned to the assumptions reflect past experience, except for the growth factor, which is consistent with management plans for focusing operations in the industry. Management believes the planned market share growth and budgeted sales over the budget period is reasonably achievable.

Budgeted gross margin is constant over the budgeted period.

By taking into account of maintaining stable sales order and increasing market opportunities from "OEM industry", management determined that there were no indicators of impairment on the Group's related goodwill. The recoverable amount of the related cash-generating unit (CGU) which is the reportable segment of "OEM industry" (taking into account the higher of value in use and fair value less costs of disposal of the CGU) is its value in use. The value in use calculation is based on financial budgets approved by management covering a five-year period, with the following key assumptions:

- Revenue growth rate for the 5-year period ranged from 3% to 6% per annum.
- Gross margins for the 5-year period of 30%.
- The cash flows beyond the 5-year period have been extrapolated using a steady 3% per annum growth rate which is the long-term growth rate for this type of industry.
- Discount rate: 32% per annum.

During the year, the Group recognised no impairment loss on the CGU allocated to the Group's goodwill of HK\$219,000.

18. 商譽(續)

附註：(續)

(b) Inten International Co., Limited

於二零一八年三月三十一日，本集團釐定原設備製造服裝業現金產生單位的可收回金額約為880,000港元。本公司董事已聘請獨立外聘估值師評估現金產生單位的使用價值。該估值採用以管理層所批准涵蓋5年期的財政預算為基準的現金流量預測，並納入32%的貼現率，此外，超過5年期的預期現金流量包含3%的固定增長率。該增長率乃以具體市場為基準。

計算廣告使用價值時採用的主要假設如下：

預算市場佔有率及銷售額，緊接預算期前的期內平均市場佔有率及銷售額預計於整個預算期不變。套用於該等假設的價值反映過往經驗（惟增長因素除外），並與管理層計劃專注於該行業經營計劃一致。管理層相信，預算期的計劃市場佔有率增長及預算銷售屬合理可達。

預算毛利率於預算期間保持不變。

經考慮銷售訂單維持穩定及來自「原設備製造行業」的市場機遇日益增加，管理層釐定本集團的相關商譽並無存在減值跡象。屬「原設備製造行業」的可報告分部的相關現金產生單位的可收回金額（經計及使用價值與公平值減現金產生單位處置成本的較高者）為其使用價值。使用價值乃根據管理層批准的5年期財務預算及以下主要假設計算：

- 5年期間的收益增長率介乎每年3%至6%。
- 5年期間的毛利率為30%。
- 超過5年期的現金流量使用穩定的年增長率3%進行推斷，為該類行業的長期增長率。
- 貼現率：每年32%。

年內，本集團並無確認分配至本集團商譽219,000港元的現金產生單位的減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

19. IMPAIRMENT TESTING ON GOODWILL

Goodwill has been allocated for impairment testing purposes to the following groups of cash generating units:

- High-end fashion retail industry
- OEM garment industry

After recognition of impairment losses, the carrying amount of goodwill was allocated to cash generating units as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
High-end fashion retail industry	高檔時裝零售業	—	7,919
OEM garment industry	原設備製造服裝業	219	N/A 不適用

High-end fashion retail industry

The recoverable amounts of this cash-generating units are determined based on a value in use calculation which uses discounted cash flow projections based on financial budgets approved by management covering a five-year period.

As at 31 March 2018, the Group conducted impairment review on goodwill attributable to above CGUs at the end of the reporting period by reference to its estimated recoverable amount and recognised an impairment loss of approximately HK\$7.9 million (2017: Nil).

OEM garment industry

The recoverable amounts of this cash-generating units are determined based on a value in use calculation which uses discounted cash flow projections based on financial budgets approved by management covering a five-year period.

In the opinion of the Directors, no impairment loss of goodwill associated with high-end fashion retail industry was required for the year ended 31 March 2018.

19. 商譽減值測試

為達成減值測試而將商譽分配至下列各組現金產生單位：

- 高檔時裝零售業
- 原設備製造服裝業

經確認減值虧損後，商譽的賬面值乃分配至現金產生單位如下：

高檔時裝零售業

現金產生單位的可收回金額乃根據使用價值計算予以釐定，此計算方法按經管理層批准涵蓋五年期的財政預算的貼現現金流量預測為依據。

於二零一八年三月三十一日，本集團參考其估計可收回金額對上述現金產生單位於報告期末應佔的商譽進行減值檢討，並確認減值虧損約7.9百萬港元(二零一七年：無)。

原設備製造服裝業

現金產生單位的可收回金額乃根據使用價值計算予以釐定，此計算方法按經管理層批准涵蓋五年期的財政預算的貼現現金流量預測為依據。

董事認為，毋須就截至二零一八年三月三十一日止年度與高檔時裝零售業有關的商譽作出減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

20. INTEREST IN AN ASSOCIATE

20. 於一家聯營公司的權益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost of investment in an associate	於一家聯營公司的投資成本	–	472,388
Share result of the associate	分佔聯營公司業績	–	(32,051)
Sub-total	小計	–	440,337
Less: impairment loss	減：減值虧損	–	(156,391)
Written off of interest in an associate	撇銷於一間聯營公司權益	–	–
		–	283,946

Particulars of associate as at 31 March 2018 and 2017 are as follows:

於二零一八年及二零一七年三月三十一日，聯營公司詳情如下：

Name of company	Place of Incorporation/Registration 註冊成立／註冊及經營地點	Full paid-up share/registered capital and number of shares 繳足股本／註冊資本及股份數目	Percentage of equity interests and voting power attributable to the Company 本公司應佔股權及投票權的百分比	Principal activities 主要業務
Red 5 Studios, Inc.	United states	65,567,709 Common stock of \$US 0.01 each and 10,180,553 Preferred Stock (Series B) of \$US 0.01 each	nil (2017: 47.63%)	Development of innovative entertainment software and online games
Red 5 Studios, Inc.	美國	65,567,709 股每股面值 0.01 美元的普通股，及 10,180,553 股每股面值 0.01 美元的優先股 (B 系列)	無 (二零一七年：47.63%)	創新娛樂軟件及網絡遊戲開發

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

20. INTEREST IN AN ASSOCIATE (Continued)

The associate is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements are disclosed below.

20. 於一家聯營公司的權益(續)

聯營公司乃於綜合財務報表採用權益法入賬。

已就會計政策差異作出調整，並與綜合財務報表的賬面值進行對賬的主要聯營公司的財務資料概要披露如下。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Gross amounts of the associate's Non-current assets	聯營公司的毛額 非流動資產	775,572	797,460
Current assets	流動資產	457	6,253
Non-current liabilities	非流動負債	41,231	56,419
Current liabilities	流動負債	521,219	506,871
Revenue	收入	-	4,163
Loss for the year	年內虧損	(26,844)	(67,292)
Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in these consolidated financial statements:	上述財務資料概要與該等綜合財務報表已確認於聯營公司的權益的賬面值的對賬：		
Gross amounts of net assets of the associate	聯營公司資產淨值總額	213,578	240,423
Group's effective interest	本集團實際權益	47.63%	47.63%
Group's share of net assets of the associate	本集團分佔聯營公司資產淨值	101,727	114,513
Goodwill	商譽	325,824	325,824
Impairment	減值	(156,391)	(156,391)
Written off	撤銷	(271,160)	-
Carrying amount in the consolidated financial statements	於綜合財務報表的賬面值	-	283,946

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

20. INTEREST IN AN ASSOCIATE (Continued)

The above summarised financial information of Red 5 Studios, Inc. is based on its unaudited financial information for the year ended 31 March 2017 adjusted by the Group to account for an intangible asset of Red 5 Studios, Inc..

On 28 April 2016, the Group entered into a sales and purchase agreement with independent-third parties pursuant to which the Group conditionally agreed to purchase 47.63% of equity interests in Red 5 Studios, Inc. ("Red 5"), a limited liability company incorporated in Delaware, the United States of America.

Red 5 and its subsidiaries are principally engaged in the development of innovative entertainment software and online games in the United States of America, Europe, the PRC and Southeast Asia. The online game called Firefall ("Firefall") was the main product developed by Red 5. The acquisition was completed on 20 June 2016. 226,022,723 shares of the Company were allotted and issued to Vendors in proportion to numbers of shares sold by each of the Vendor. Cost of investment in Red 5 and its subsidiaries was approximately HK\$472,388,000, which represented the fair value of the ordinary shares of the Company, determined using the published bid price available at 20 June 2016.

As at the date of completion in respect of the acquisition of 47.63% interest by the Group, Red 5 has net assets of approximately HK\$114,513,000 which was not accounted for by the Group as to its proportionate share of net assets. Accordingly, the Group recognised goodwill of approximately HK\$325,824,000 which represents the consideration paid for the acquisition of 47.63% equity interests in Red 5.

In the impairment assessment of the interest in an associate, goodwill that forms part of the carrying amount of the investment in associate is not separately recognised. It is therefore not tested for impairment separately by applying the requirements for impairment testing on goodwill. Instead, the entire carrying amount of the investment is tested for impairment as a single asset, by comparing its recoverable amount, being the higher of value in use and fair value less costs to sell, with its carrying amount.

20. 於一家聯營公司的權益(續)

上述Red 5 Studios, Inc.的財務資料概要乃基於截至二零一七年三月三十一日止年度未經審核財務資料，並由本集團作出調整以入賬為Red 5 Studios, Inc.的無形資產。

於二零一六年四月二十八日，本集團與獨立第三方訂立買賣協議，據此本集團有條件同意購入Red 5 Studios, Inc. (「Red 5」，於美利堅合眾國特拉華州註冊成立的有限公司)的47.63%股權。

Red 5及其附屬公司主要於美利堅合眾國、歐洲、中國及東南亞從事創新娛樂軟件及網絡遊戲開發。網絡遊戲火瀑Firefall (「Firefall」)為Red 5開發的主要產品。收購事項於二零一六年六月二十日完成。226,022,723股本公司股份獲按賣方所售股數比例配發及發行予各賣方。Red 5及附屬公司的投資成本約為472,388,000港元，即按二零一六年六月二十日已公佈購買價所釐定本公司普通股的公平值。

於有關本集團收購47.63%權益的完成日期，Red 5的資產淨值約為114,513,000港元，而本集團並無將其按比例應佔資產淨值入賬。因此，本集團確認商譽約325,824,000港元，代表就收購Red 5的47.63%權益所支付代價。

就於聯營公司的權益進行減值評估時，構成於聯營公司的投資的賬面值一部分的商譽並無單獨確認，故並無應用對商譽進行減值測試的規定而單獨進行減值測試。相反，投資的全部賬面值作為單一資產進行減值測試，方法為將其可收回金額(即使使用價值以及公平值減銷售成本之較高者)及其賬面值進行比較。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

20. INTEREST IN AN ASSOCIATE (Continued)

For the purpose of impairment testing, management determined the budgeted profit based on past performance and its expectation for market development. The discount rates used are pre-tax and reflect specific risks relating to the development of innovative entertainment software and online games.

At 31 March 2017, the recoverable amount of the cash-generating unit ("CGU") of associate is determined taking into account the valuation performed by an independent professional valuer not connected to the Group, based on the cash flow forecasts derived from the most recent financial budgets for the next five years approved by the management using the discount rate of 21% which reflects current market assessments of the time value of money and the risk specific to the CGU. The recoverable amount of the CGU is determined from value in use calculations.

Based on the results from the valuation, the recoverable amount is lower than the carrying amount. Accordingly, an impairment loss of approximately HK\$156,391,000 was recognised for the year ended 31 March 2017.

The major factors leading to a significant impairment loss recognised for the year ended 31 March 2017 is mainly attributed to a significant decrease in the future income streams of the CGU resulting from the time expected to launch the online game called "Firefall" in PRC is delayed.

During the year ended 31 March 2018, the Firefall sever was shut down on July 2017. Red 5 did not generate any income subsequently and Red 5 faced serious financial difficulties and management of Red 5 requested the Company for financial support to fund the mobile version of Firefall.

20. 於一家聯營公司的權益 (續)

就減值測試而言，管理層按過往經驗及預期市場發展釐定預算溢利。所用貼現率為稅前貼現率，反映與創新娛樂軟件及網絡遊戲開發有關的特定風險。

於二零一七年三月三十一日，聯營公司現金產生單位（「現金產生單位」）的可收回金額乃在考慮到與本集團並無關連的獨立專業估值師進行的估值後，基於獲管理層批准的未來五年最近財政預算的現金流量預測，採用能反映現時市場評估資金時間值及現金產生單位特定風險的貼現率21%釐定。現金產生單位的可收回金額按使用價值計算法而釐定。

根據估值結果，可收回金額低於賬面值。因此，截至二零一七年三月三十一日止年度，已確認減值虧損約156,391,000港元。

導致截至二零一七年三月三十一日止年度確認大額減值虧損的主要因素乃主要由於現金產生單位的未來收入流因延後於中國推出名為「Firefall」的網絡遊戲而大幅減少。

於截至二零一八年三月三十一日止年度，Firefall服務器已於二零一七年七月關閉，Red 5隨後未產生任何收入以及Red 5面臨嚴重的財務困境，Red 5的管理層要求本公司提供財務支持以資助移動版Firefall。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

20. INTEREST IN AN ASSOCIATE (Continued)

The Board of the Company decided not to provide further funding to Red 5 after deliberation consideration of the followings:

- (i) The associate is only an investment in the financial position of the Company;
- (ii) There were no other probable and concrete business plan in generation income for Firefall; and
- (iii) For the best interest of the Company and its stakeholder, allocation of resources should be focusing on principal activities of the Company (i.e. OEM, retail and money lending business).

The Board pass a resolution on 13 February 2018 concluded that the Company would not provide further capital injection to Red 5. As such, the Board decided to write off the interest in an associate.

21. LOAN RECEIVABLES

The exposure of the Group's fixed-rate loan receivables to interest rate risks and their contractual maturity dates are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fixed-rate loan receivables:	應收固定利率貸款：		
Within one year	一年內	41,899	88,586

20. 於一家聯營公司的權益(續)

經審慎考慮以下事項後，本公司董事會決定不再向Red 5進一步提供資金：

- (i) 聯營公司僅為本公司財務狀況的投資；
- (ii) 並無其他為Firefall產生收入的可能及具體的業務計劃；及
- (iii) 為了本公司及其利益相關者的最佳利益，資源分配應側重於公司的主要業務(即OEM、零售和放債業務)。

董事會於二零一八年二月十三日通過決議，認定公司不會向Red 5進一步提供注資。因此，董事會決定註銷一名聯營公司的權益。

21. 應收貸款

本集團固定利率應收貸款所涉及的利率風險及其合同到期日如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

21. LOAN RECEIVABLES (Continued)

The ranges of effective interest rates on the Group's loan receivables are as follows:

		2018 二零一八年 %	2017 二零一七年 %
Effective interest rate:	實際利率：		
Fixed-rate loan receivables	應收固定利率貸款	12% to 18% p.a. 年利率 12厘至18厘	12% to 18% p.a. 年利率 12厘至18厘

The collaterals of loan receivables included shares of a private company in Hong Kong and companies listed on the Stock Exchange.

21. 應收貸款(續)

本集團應收貸款的實際利率範圍介乎：

應收貸款的抵押品包括一家香港私人公司及聯交所上市公司的股份。

22. INVENTORIES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Raw materials	原材料	–	1,694
Work in progress	在製品	–	238
Finished goods	製成品	4,570	7,553
		4,570	9,485

22. 存貨

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

23. TRADE AND OTHER RECEIVABLES

23. 貿易及其他應收款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables, net of allowance for doubtful debts	貿易應收款項 (扣除呆賬撥備)	14,984	2,167
Prepayments	預付款項	–	1,480
Deposits	按金	255	835
Other receivable	其他應收款項	571	540
Consideration receivables	應收代價	4,683	548
		20,493	5,570

The Group allows credit period ranging from 30 days to 60 days to customers from OEM Business. For Retail Business, its revenue comprises of cash, credit card sales and concessionaire sales through concession counters in department stores. Trade receivables under credit card sales and concessionaire sales are due within 7 days to 60 days.

本集團授予原設備製造業務客戶的信貸期介乎30日至60日。對於零售業務，其收入包括現金、信用卡銷售及在百貨商店專櫃進行的專賣銷售。信用卡銷售及專賣銷售項下的貿易應收款項信貸期介乎7日至60日。

The following is an ageing analysis of trade receivables, net of allowances for doubtful debts presented based on the invoice date or the monthly statement received from department stores at the end of the reporting period.

以下為於報告期末按發票日期或收到來自百貨商店的每月報表呈列的貿易應收款項(扣除呆賬撥備)的賬齡分析。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0至30日	114	610
31 – 60 days	31至60日	2,016	1
61 – 90 days	61至90日	7,840	1
Over 90 days	90日以上	5,014	1,555
		14,984	2,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

23. TRADE AND OTHER RECEIVABLES (Continued)

Before accepting any new customer from OEM Business, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributed to customers and credit term granted to customers are reviewed regularly. The majority of the trade receivables that are neither past due nor impaired have no history of defaulting on repayments.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$12,854,000, as at 31 March 2018 (2017: HK\$1,557,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss as the Group considered such balances could be recovered based on historical experience. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables which are past due but not impaired at the end of the reporting period:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
31 to 60 days	31至60日	-	1
61 to 90 days	61至90日	7,840	1
Over 90 days	90日以上	5,014	1,555
		12,854	1,557

Trade and other receivables denominated in currencies other than the functional currency of the relevant group entities are set out below.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
RMB	人民幣	4,693	1,404
USD	美元	14,408	2,539

23. 貿易及其他應收款項(續)

於接受任何原設備製造業務的新客戶之前，本集團會評估潛在客戶的信貸質素及釐定客戶的信貸額。客戶可取得的信貸額及授予客戶的信貸期亦定期審閱。大多數既無逾期亦無減值的貿易應收款項並無拖欠還款記錄。

本集團的貿易應收款項結餘包括於二零一八年三月三十一日總賬面值為12,854,000港元(二零一七年：1,557,000港元)的應收賬款，該等款項於報告期末已逾期，惟本集團並無計提減值虧損撥備，乃由於本集團認為基於過往經驗，該等結餘可收回。本集團並無就該等結餘持有任何抵押品。

以下為於報告期末已逾期但無減值的貿易應收款項的賬齡分析：

相關集團實體以功能貨幣以外的貨幣計值的貿易及其他應收款項載列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

23. TRADE AND OTHER RECEIVABLES (Continued)

Movement in the allowance for doubtful debts

23. 貿易及其他應收款項(續)

呆賬撥備變動

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
1 April	四月一日	257	257
Impairment loss recognised on receivables	就應收款項確認減值虧損	-	-
31 March	三月三十一日	257	257

24. OTHER FINANCIAL ASSETS

24. 其他金融資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Available-for-sale investment:	可供出售投資：		
— unlisted (measured at cost less impairment) (note i)	— 非上市(按成本減減值計量) (附註i)	21,924	-
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產		
— listed equity securities (note a)	— 已上市股本證券 (附註a)	10,698	-
Total other financial assets presented as current assets	其他金融資產總額，呈列為 流動資產	32,622	-

Note:

- (i) The unlisted equity investment classified as available-for-sale investments are issued by private entities with operations in Mainland China. The investments are carried at cost less impairment as management believes that the range of fair value estimates is so wide that the fair value cannot be estimated reliably.

附註：

- (i) 分類為可供出售投資的非上市股本投資乃由在中國大陸經營的私營機構發行。由於管理層認為公平值估計的廣泛範圍而無法可靠地估計公平值，故投資按成本減減值列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

24. OTHER FINANCIAL ASSETS (Continued)

a. Fair value information of financial assets

The table below shows carrying amounts and fair values of other financial assets:

		Carrying amounts		Fair value	
		賬面值		公平值	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
Financial assets at fair value through profit or loss — listed equity securities	按公平值計入損益的金融資產 — 已上市股本證券	10,698	—	10,698	—

Fair value measurement of certain financial assets measured at fair value at each reporting date is as follows:

於各報告日期按公平值計量之若干金融資產之公平值計量如下：

		Fair value hierarchy	Valuation methodology and inputs	Significant on unobservable inputs	Sensitivity analysis
		公平值層級	估值技術及輸入數據	重大不可觀察輸入數據	敏感度分析
Financial assets at fair value through profit or loss — listed equity securities	按公平值計入損益的金融資產 — 已上市股本證券	Level 1 第1級	Stock prices quoted on the Hong Kong Stock Exchange 於香港聯交所報股價	N/A 不適用	N/A 不適用

Included in net fair value loss on FVTPL assets is an unrealised loss amounting to HK\$3,956,000 relating to FVTPL assets held at the end of the reporting period.

計入按公平值計入損益的資產的公平值虧損淨額指與報告期末持有的按公平值計入損益的資產有關的未變現虧損為3,956,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

25. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES 25. 貿易及其他應付款項以及應計開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付款項	2,266	322
Accrued staff salaries	應計員工薪金	275	401
Accrued rental expenses	應計租賃開支	569	311
Other payables	其他應付款項	8,686	7,815
		9,530	8,527

The ageing analysis of the trade creditors presented based on the invoice date at the end of the reporting period is as follows:

於各報告期末按發票日期呈列的貿易應付賬款的賬齡分析載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 60 days	0至60日	744	94
61 – 90 days	61至90日	263	35
Over 90 days	90日以上	1,259	193
		2,266	322

Trade and other payables denominated in currencies other than the functional currency of the relevant group entities are set out below.

相關集團實體以功能貨幣以外的貨幣計值的貿易及其他應付款項載列如下。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USD	美元	669	4,031
Renminbi ("RMB")	人民幣(「人民幣」)	916	895

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

26. BORROWINGS

26. 借貸

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Borrowings	借貸	–	5,806
		–	5,806

The reconciliation of liabilities arising from financing activities is as follows:

融資活動產生的負債對賬如下：

		HK\$'000
		千港元
As of 31 March 2017	於二零一七年三月三十一日	5,806
Repayment of borrowings	償還借貸	(44,606)
New borrowings	新借貸	38,800
As of 31 March 2018	於二零一八年三月三十一日	–

As at 31 March 2017, the Group borrowed HK\$5,806,000 with interest of 12% per annum and repayable within one year.

於二零一七年三月三十一日，本集團借入5,806,000港元，按年利率12厘計息，須於一年內償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

27. DEFERRED TAX ASSETS/LIABILITIES

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	1,125	1,922
Deferred tax assets	遞延稅項資產	(7)	(12)
		1,118	1,910

The following are the major deferred tax liabilities/(assets) recognised and movements thereon during the current and prior years:

		Intangible asset 無形資產 HK\$'000 千港元	Accelerated tax depreciation 加速稅項 折舊 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	-	6	6
Acquisition of a subsidiary	收購一家附屬公司	3,094	-	3,094
Credit to profit or loss	於損益計入	(1,186)	(4)	(1,190)
At 31 March 2017	於二零一七年三月三十一日	1,908	2	1,910
Acquisition of a subsidiary	收購一家附屬公司	78	-	78
Credit to profit or loss	計入損益	(870)	-	(870)
At 31 March 2018	於二零一八年三月三十一日	1,116	2	1,118

As at 31 March 2018, the Group had unused tax losses of approximately HK\$26,135,000 (2017: HK\$29,782,000). No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams and the unused tax losses may be carried forward indefinitely.

27. 遞延稅項資產／負債

以下為就財務報告目的進行的遞延稅項結餘分析：

以下為於當前及過往年度確認的主要遞延稅項負債／(資產)及其變動：

於二零一八年三月三十一日，本集團有未動用稅項虧損約26,135,000港元(二零一七年：29,782,000港元)。由於無法預測未來溢利來源及未動用稅項虧損可無限結轉，故並無就未動用稅項虧損確認任何遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

28. SHARE CAPITAL The Company

28. 股本 本公司

			Number of shares 股份數目	Amount 金額 HK\$'000 千港元
	Notes 附註			
Authorised:				
法定：				
— At 1 April, 2016, ordinary shares of HK\$0.01 each		— 於二零一六年四月一日，每股面值0.01港元的普通股	10,000,000,000	100,000
— Effect of share subdivision to HK\$0.002 each	(a)	— 股份分拆為每股面值0.002港元的影響	40,000,000,000	—
— At 31 March 2017, ordinary shares of HK\$0.002 each		— 於二零一七年三月三十一日，每股面值0.002港元的普通股	50,000,000,000	100,000
— Effect of share consolidation to HK\$0.04 each	(b)	— 股份合併為每股面值0.04港元的影響	(47,500,000,000)	—
— Increase in authorised share capital	(c)	— 法定股本增加	10,000,000,000	400,000
— At 31 March 2018, ordinary shares of HK\$0.04 each		— 於二零一八年三月三十一日，每股面值0.04港元的普通股	12,500,000,000	500,000
Issued and fully paid:				
已發行及繳足：				
— At 1 April 2016, ordinary shares of HK\$0.01 each		— 於二零一六年四月一日，每股面值0.01港元的普通股	4,000,000,000	40,000
— Issue of shares upon acquisition of an associate	(d)	— 收購一家聯營公司時發行股份	226,022,723	2,260
— Share subdivision of HK\$0.002 each	(a)	— 股份分拆為每股面值0.002港元	16,904,090,892	—
— Issue of shares upon placing	(e)	— 配售時發行股份	2,869,886,385	5,740
— Exercise of share options	(f)	— 行使購股權	1,600,000,000	3,200
— At 31 March 2017, ordinary shares of HK\$0.002 each		— 於二零一七年三月三十一日，每股面值0.002港元的普通股	25,600,000,000	51,200
— Share consolidation of HK\$0.04 each	(b)	— 股份合併為每股面值0.04港元	(24,320,000,000)	—
— At 31 March 2018, ordinary shares of HK\$0.04 each		— 於二零一八年三月三十一日，每股面值0.04港元的普通股	1,280,000,000	51,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

28. SHARE CAPITAL (Continued)

The Company (Continued)

Notes:

- (a) Pursuant to the resolutions of the shareholders passed at an extraordinary general meeting of the Company on 22 June 2016, every one issued and unissued ordinary share with a par value of HK\$0.01 each in the share capital of the Company was subdivided into 5 ordinary shares with a par value of HK\$0.002 each, such that the authorised share capital of the Company is HK\$100,000,000 divided into 50,000,000,000 shares with a par value of HK\$0.002 each, the subdivided shares shall rank pari passu in all aspects with each other in accordance with the memorandum and articles of association of the Company.
- (b) Pursuant to the resolutions of the shareholders passed at an extraordinary general meeting of the Company on 6 October 2017, every twenty issued and unissued ordinary shares with a par value of HK\$0.002 each in the share capital of the Company be consolidated into one ordinary shares with a par value of HK\$0.04 each, such that the authorised share capital of the Company is HK\$100,000,000 divided into 2,500,000,000 shares with a par value of HK\$0.04 each, the subdivided shares shall rank pari passu in all aspects with each other in accordance with the memorandum and articles of association of the Company.
- (c) On 9 October 2017, immediately after the shares consolidation become effective, the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$500,000,000 by the creation of an additional 10,000,000,000 shares of HK\$0.04 each.
- (d) On 20 June 2016, 226,022,723 ordinary shares of the Company of HK\$0.01 each were issued in relation to the acquisition of an associate as disclosed in note 20.
- (e) On 11 August 2016, 2,869,886,385 new shares of the Company were placed at the placing price of HK\$0.0209 per placing share. For details, details of these are set out in the Company's announcement dated 11 August 2016.
- (f) During the year ended 31 March 2017, 1,600,000,000 ordinary shares of the Company of HK\$0.002 each were issued upon the exercise of 1,600,000,000 share options.

28. 股本(續)

本公司(續)

附註:

- (a) 根據股東於二零一六年六月二十二日舉行的本公司股東特別大會上通過的股東決議案，本公司股本中每一股面值0.01港元的已發行及未發行普通股分拆為五股每股面值0.002港元的普通股，致使本公司的法定股本為100,000,000港元(分為50,000,000,000股每股面值為0.002港元的股份)，根據本公司組織章程大綱及細則，分拆股份彼此於各方面享有同等權益。
- (b) 根據股東於二零一七年十月六日舉行的本公司股東特別大會上通過的股東決議案，本公司股本中每二十股面值0.002港元的已發行及未發行普通股合併為一股每股面值0.04港元的普通股，致使本公司的法定股本為100,000,000港元(分為2,500,000,000股每股面值為0.04港元的股份)，根據本公司組織章程大綱及細則，分拆股份彼此於各方面享有同等權益。
- (c) 於二零一七年十月九日，緊隨股份合併生效後，本公司的法定股本藉增設額外10,000,000,000股每股面值0.04港元股份由100,000,000港元增加至500,000,000港元。
- (d) 於二零一六年六月二十日，本公司已就收購一間聯營公司(如附註20所披露)發行226,022,723股每股面值0.01港元的本公司普通股。
- (e) 於二零一六年八月十一日，2,869,886,385股本公司新股份按配售價每股配售股份0.0209港元配售。有關詳情載於本公司日期為二零一六年八月十一日的公佈。
- (f) 於截至二零一七年三月三十一日止年度，1,600,000,000股每股面值0.002港元的本公司普通股於1,600,000,000份購股權獲行使時發行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

29. DISPOSAL OF A SUBSIDIARY

On 8 August 2017, Winsky Management Limited (the “Vendor”), an indirect wholly-owned subsidiary of the Company entered into a Disposal Agreement (the “Disposal”) with Mr. Li Qiang, Mr. Li Ping, Ms. Li Lijuan and Mr. Shi Xiuping (collectively as the “Purchasers”), pursuant to which the Vendor had conditionally agreed to sell and the Purchasers had conditionally agreed to purchase, the entire equity interest and the sale loan in Huizhou Huijia Knitting Company Limited (“Huijia Knitting”), a wholly owned subsidiary of the Vendor, at a consideration of RMB41,000,000 (equivalent to approximately HK\$47,963,000). The Disposal was completed on 16 August 2017 and the net assets of Huijia Knitting at the date of disposal were as follows:

Consideration received or receivable by the Group

		HK\$'000 千港元
Consideration received or receivable in cash and cash equivalents	以現金及現金等價物收取或應收之代價	47,963
Total consideration received or receivable	已收或應收總代價	47,963

Assets and liabilities derecognised at the date when the Group lost control over Huizhou Huijia

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13,460
Investment property	投資物業	2,883
Prepaid lease payments	預付租賃款項	3,463
Net assets disposed of	所出售資產淨值	19,806

29. 出售一間附屬公司

於二零一七年八月八日，本公司的間接全資附屬公司Winsky Management Limited（「賣方」）與李強先生、李平先生、李麗娟女士及施修平先生（統稱為「買方」）訂立出售協議（「出售事項」），據此，賣方有條件同意出售而買方有條件同意購入賣方的全資附屬公司惠州市惠嘉織造有限公司（「惠嘉織造」）的全部股權及銷售貸款，代價為人民幣41,000,000元（相等於約47,963,000港元）。出售事項已於二零一七年八月十六日完成，惠嘉織造於出售日期的資產淨值如下：

本集團已收或應收代價

於本集團失去對惠州惠嘉控制權當日終止確認的資產及負債

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

29. DISPOSAL OF A SUBSIDIARY (Continued)

Net cash flow arising on disposal of Huizhou Huijia

29. 出售一間附屬公司(續)

出售惠州惠嘉現金流量淨額

		HK\$'000 千港元
Consideration received in cash and cash equivalents	以現金及現金等價物收取之代價	43,280
Less: cash and cash equivalents disposed of	減：所出售資產淨值現金及現金等價物	-
Transaction costs	交易成本	(2,909)
		40,371

Gain/(loss) on disposal of Huizhou Huijia

出售惠州惠嘉的收益／(虧損)

		HK\$'000 千港元
Consideration received or receivable	已收或應收代價	47,963
Net assets disposed of	所出售資產淨值	(19,806)
Cumulative exchange different on translating the financial statements of Huizhou Huijia reclassified from equity to profit or loss upon disposal of Huizhou Huijia	於出售惠州惠嘉時換算惠州惠嘉財務報表由權益重新分類至損益的累計匯兌差額	4,117
		32,274
Less: transaction cost	減：交易成本	(2,909)
Gain on disposal of a subsidiary separately presented in the consolidated statement of profit or loss	出售一間附屬公司的收益，於綜合損益表分開呈列	29,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

30. OPERATING LEASES

(a) The Group as lessor

At the end of the reporting period, the Group had total future minimum lease receivables, in respect of land buildings, under non-cancellable operating leases falling due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	1,320	293
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	159	–
Total	總額	1,479	293

(b) The Group as lessee

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating lease rentals during the year in respect of:	年內就下列各項的經營租賃租金：		
Retail shops	零售店舖	713	2,951
Office premises	辦公室物業	321	944
Total	總計	1,034	3,895

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
With one year	一年內	102	1,104
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	–	1,122
		102	2,226

30. 經營租賃

(a) 本集團作為出租人

在本報告末，本集團對土地建築物的未來最低租賃應收賬款，在不可取消經營租賃到期時，按以下方式計算：

(b) 本集團作為承租人

於各報告期末，本集團根據於下列期間到期的不可撤銷經營租賃就租賃物業擁有日後最低租賃付款承擔：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

30. OPERATING LEASES (Continued)

(b) The Group as lessee (Continued)

Operating lease payments represent rentals payable by the Group for its office and retail shops. Leases are negotiated for an average of two years. For certain of the Group's retail shops, rentals are variable being calculated at the higher of a pre-agreed percentage of sales generated at the rented shops or the minimum lease payments specified in the lease agreement.

31. RETIREMENT BENEFIT SCHEMES

The Group participates in a defined contribution scheme which is registered under the Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

For members of the MPF Scheme, the Group contributes at the lower of HK\$1,500 per month or 5% of relevant payroll costs each month to the MPF Scheme, which contribution is matched by the employee.

The employees in the Group's subsidiaries in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. Those subsidiaries are required to contribute a specified percentage of their payroll costs to the retirement benefit schemes to fund the benefits.

The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions. During the reporting period, the total amounts contributed by the Group to the schemes and cost charged to the profit or loss represents contributions paid/payable to the schemes by the Group at rates specified in the rules of the schemes. The retirement benefits scheme contributions made by the Group amounted to HK\$172,000 for the year ended 31 March 2018 (2017: HK\$759,000).

30. 經營租賃(續)

(b) 本集團作為承租人(續)

經營租賃付款指本集團就其辦公室及零售店舖應付的租金。租約平均每兩年磋商一次。就本集團若干零售店舖而言，租金浮動，即按租賃店舖所產生銷售以預先協定百分比或租賃協議訂明的最低租賃付款的較高者計算。

31. 退休福利計劃

本集團參與一項界定供款計劃，為根據強制性公積金條例於二零零零年十二月成立的強制性公積金計劃(「強積金計劃」)。該計劃的資產與本集團的資產分開持有，並由受託人控制的基金持有。

就強積金計劃成員而言，本集團按每月1,500港元或每月有關工資成本的5%(兩者中的較低者)向強積金計劃供款，供款額與僱員相同。

本集團在中國附屬公司聘用的僱員為國家管理的退休福利計劃的成員，該計劃由中國政府運作。該等附屬公司須將其工資成本指定百分比撥入退休福利計劃內作為供款，以提供福利所需資金。

本集團就該等退休福利計劃僅有的責任為作出指定供款。於報告期間，本集團向該等計劃作出的供款總額及於損益扣除的成本指本集團按該等計劃規則規定的比率向該等計劃已付/應付的供款。截至二零一八年三月三十一日止年度，本集團作出的退休福利計劃供款為172,000港元(二零一七年：759,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

32. RELATED PARTY DISCLOSURES

(a) Related party transactions

Saved as disclosed elsewhere in these consolidated financial statements, the Group entered into the following transactions with related parties:

32. 關連方披露

(a) 關連方交易

除於該等綜合財務報表其他部分所披露者外，本集團與關連方訂有下列交易：

Name of related party	Relationship of related party	Nature of expenses paid/ payable by the group	2018		2017	
			二零一八年	二零一七年	二零一七年	二零一六年
關連方姓名／名稱	與關連方的關係	本集團已付／應付的開支性質	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
Mr. Yang Wan Ho	楊文豪先生	Shareholder of the Company and father of Mr. Yang Si Kit Kenny and Mr. Yang Si Hang 本公司股東兼楊詩傑先生及楊詩恒先生的父親	Rental	租金	—	247
Kitwise Limited	Kitwise Limited	A company owned by Mr. Yang Si Hang, Ms Yang Sze Man Salina and Mr. Yang Wan Ho 楊詩恒先生、楊詩敏女士及楊文豪先生擁有的公司	Rental	租金	—	487
Parkerson Trading Limited	Parkerson Trading Limited	A company owned by Mr. Yang Si Hang, Ms. Yang Sze Man Salina and Mr. Yang Wan Ho 楊詩恒先生、楊詩敏女士及楊文豪先生擁有的公司	Rental	租金	—	210

(b) Compensation of directors and key management personnel

(b) 董事及主要管理人員薪酬

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other allowances	工資及其他津貼	1,945	8,537
Retirement benefit scheme and contributions	退休福利計劃及供款	43	112
		1,988	8,649

The remuneration of directors of the Company and key management personnel of the Group are determined having regard to the performance of the individuals.

本公司董事及本集團主要管理人員薪酬乃參考個人的表現釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt, which includes borrowings disclosed in note 26, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, share premium, special reserve, other reserve and accumulated losses.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost and the risks associates with each class of the capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through issue of new debt and redemption of existing debts. Except for the compliance of certain bank covenant requirements for maintaining the Group's bank facilities, the Group is not subject to any externally imposed capital requirement. Details of the renegotiation of the terms of borrowings are set out in note 26.

34. ACQUISITION OF A SUBSIDIARY

(a) Acquisition of Inten International Co., Limited

On 3 January 2018, the Group acquired 51% of the issued share capital of Inten International Co., Limited (collectively "Inten") for a cash consideration of HK\$400,000, subject to the revenue guarantee of and adjustments on consideration. The principal activity of Inten is manufacturing and sales of OEM garment products. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK\$218,863. Inten was acquired so as to captivate audiences of high-end fashion retail industry in the PRC.

As at the acquisition date and up to the date of the issuance of this consolidated financial statements, the directors are of the opinion that the revenue guarantee would be met based on the latest forecast of Inten.

33. 資本風險管理

本集團管理其資本，務求透過優化債務與權益間的平衡，確保集團旗下各公司可持續經營，同時提高權益持有人的回報。

本集團的資本結構包括負債淨額(包括附註26所披露借貸)，扣除現金及現金等價物以及本公司擁有人應佔權益(由已發行股本、股份溢價、特別儲備、其他儲備及累計虧損組成)。

本公司董事定期檢討資本結構。作為該檢討其中一環，董事考慮各類資本的成本及所附帶的風險。基於董事的推薦意見，本集團將透過發行新債務及贖回現有債務，從而平衡其整體資本結構。除就維持本集團銀行融資而遵守若干銀行契約規定外，本集團毋須遵守任何外界施加的資本規定。重新磋商借貸條款的詳情載於附註26。

34. 收購一間附屬公司

(a) 收購 Inten International Co., Limited

於二零一八年一月三日，本集團以現金代價400,000港元收購 Inten International Co., Limited (統稱「Inten」)的51%已發行股本(受限於收益保證及代價調整)。Inten的主要業務為生產及銷售OEM成衣產品。此收購事項已按購買法列賬。收購事項所產生的商譽為218,863港元。收購 Inten 旨在吸引中國高檔時裝零售業的顧客。

於收購日期及截至本綜合財務報表刊發日期，董事認為，根據 Inten 的最新預測，收益保證可獲達成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

34. ACQUISITION OF A SUBSIDIARY (Continued)

(a) Acquisition of Inten International Co., Limited (Continued)

The fair values of the identifiable assets acquired and liabilities assumed of the Inten as at the date of acquisition were as follows:

		HK'000 千港元
Intangible assets on acquisition	收購事項產生的無形資產	440
Property plant and equipment	物業廠房及設備	116
Account Receivables	應收賬款	13
Bank balance and cash	銀行結餘及現金	70
Other payables	其他應付款項	(206)
Total identifiable net assets at fair value	按公平值列賬的可識別資產淨值總額	433
Goodwill on acquisition	收購事項產生的商譽	219
Deferred tax liabilities	遞延稅項負債	(78)
Plus: non-controlling interests (49% in Inten)	加：非控股權益 (Inten的49%權益)	(174)
Consideration was satisfied by:	代價由以下方式償付：	
Cash and cash equivalent	現金及現金等價物	400
An analysis of the cash flows in respect of the acquisition is as follows:	收購事項現金流量分析如下：	
Cash and cash equivalent acquired	所收購現金及現金等價物	(70)
Cash consideration paid	已付現金代價	400
Net cash outflow	現金流出淨額	330

Goodwill arose on the acquisition of Inten because of revenue growth and future market development in high-end fashion retail industry. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

If the acquisition had been completed on 1 April 2017, the revenue of the Group would have been approximately HK\$61,224,000, and the loss for the year would have been approximately HK\$268,000. The pro forma financial information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been completed on 3 January 2018 nor is it intended to be a projection of future profits.

34. 收購一間附屬公司(續)

(a) 收購 Inten International Co., Limited (續)

於收購日期所收購 Inten 可識別資產及所承擔負債的公平值如下：

收購 Inten 產生商譽乃由於收益增長及高檔時裝零售業未來市場發展。預計本收購事項產生的商譽概不可作扣稅用途。

倘收購事項於二零一七年四月一日完成，本集團收益將為約 61,224,000 港元，而年內虧損則為約 268,000 港元。備考財務資料僅供說明用途，並不代表假設收購事項於二零一八年一月三日完成，本集團實際將取得的收益及業績，亦不應被視為未來溢利的預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

34. ACQUISITION OF A SUBSIDIARY (Continued)

(b) Acquisition of Aji On Worldwide Holdings Limited and its subsidiary

On 17 May 2016, the Group acquired 55.56% of the issued share capital of Aji On Worldwide Holdings Limited and its subsidiaries (collectively "Aji On") for a cash consideration of HK\$13,000,000, subject to the revenue guarantee of and adjustments on consideration. The principal activity of Aji On is marketing of garment products. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK\$7,918,802. Aji On was acquired so as to captivate audiences of high-end fashion retail industry in the PRC.

As at the acquisition date and up to the date of the issuance of this consolidated financial statements, the directors are of the opinion that the revenue guarantee would be met based on the latest forecast of Aji On. No adjustment to the contingent consideration is considered necessary, however, it may be adjusted upon the completion of initial accounting year which shall not exceed one year from the respective acquisition date when the directors consider probable that the Revenue Guarantee cannot be met.

Acquisition-related costs amounting to HK\$201,000 have been excluded from the consideration transferred and have been recognised as an expense in the current reporting period, within the administrative expenses line item in the consolidated statement of profit or loss and other comprehensive income.

34. 收購一間附屬公司(續)

(b) 收購Aji On Worldwide Holdings Limited及其附屬公司

於二零一六年五月十七日，本集團以現金代價13,000,000港元收購Aji On Worldwide Holdings Limited及其附屬公司(統稱「Aji On」)的55.56%已發行股本(受限於收益保證及代價調整)。Aji On的主要業務為推廣成衣產品。此收購事項已按購買法列賬。收購事項所產生的商譽為7,918,802港元。收購Aji On旨在吸引中國高檔時裝零售業的顧客。

於收購日期及截至本綜合財務報表刊發日期，董事認為，根據Aji On的最新預測，收益保證可獲達成。或然代價毋須作出調整，然而，於初始會計年度(自各收購日期起計不超過一年)完成時，倘董事認為收益保證可能無法達成，或然代價或會調整。

收購相關成本201,000港元已自所轉讓代價中剔除，並已於本報告期間在綜合損益及其他全面收益表的行政開支內確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

34. ACQUISITION OF A SUBSIDIARY (Continued)

(b) Acquisition of Aji On Worldwide Holdings Limited and its subsidiary (Continued)

The fair values of the identifiable assets acquired and liabilities assumed of the Aji On as at the date of acquisition were as follows:

		HK'000 千港元
Intangible assets	無形資產	12,371
Bank balance and cash	銀行結餘及現金	637
Other payables	其他應付款項	(769)
Deferred tax liabilities	遞延稅項負債	(3,094)
Total identifiable net assets at fair value		9,145
Goodwill on acquisition		7,919
Plus: non-controlling interests (44.44% in Aji On)		(4,064)
Consideration was satisfied by:		
Cash and cash equivalent	代價由以下方式償付： 現金及現金等價物	13,000
An analysis of the cash flows in respect of the acquisition is as follows:		
Cash and cash equivalent acquired	收購事項現金及現金等價物	(637)
Cash consideration paid	已付現金代價	13,000
Net cash outflow		12,373

Goodwill arose on the acquisition of Aji On because of revenue growth and future market development in high-end fashion retail industry. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

If the acquisition had been completed on 1 April 2016, the revenue of the Group would have been approximately HK\$1,363,000, and the loss for the year would have been approximately HK\$7,338,000. The pro forma financial information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been completed on 17 May 2016 nor is it intended to be a projection of future profits.

34. 收購一間附屬公司(續)

(b) 收購Aji On Worldwide Holdings Limited及其附屬公司(續)

於收購日期所收購Aji On可識別資產及所承擔負債的公平值如下：

		HK'000 千港元
Intangible assets	無形資產	12,371
Bank balance and cash	銀行結餘及現金	637
Other payables	其他應付款項	(769)
Deferred tax liabilities	遞延稅項負債	(3,094)
Total identifiable net assets at fair value		9,145
Goodwill on acquisition		7,919
Plus: non-controlling interests (44.44% in Aji On)		(4,064)
Consideration was satisfied by:		
Cash and cash equivalent	代價由以下方式償付： 現金及現金等價物	13,000
An analysis of the cash flows in respect of the acquisition is as follows:		
Cash and cash equivalent acquired	收購事項現金及現金等價物	(637)
Cash consideration paid	已付現金代價	13,000
Net cash outflow		12,373

收購Aji On產生商譽乃由於收益增長及高檔時裝零售業未來市場發展。預計本收購事項產生的商譽概不可作扣稅用途。

倘收購事項於二零一六年四月一日完成，本集團收益將為約1,363,000港元，而年內虧損則為約7,338,000港元。備考財務資料僅供說明用途，並不代表假設收購事項於二零一六年五月十七日完成，本集團實際將取得的收益及業績，亦不應被視為未來溢利的預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

35. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

On 22 December 2017, the Group completed the acquisition of 100% equity interest of Well Sun Development Limited ("Well Sun") from an independent third party, which was satisfied by cash consideration of HK\$30,300,000, more details were set out in the Company's circular dated on 27 July 2017. The principal asset held by Well Sun is a commercial unit located in Hong Kong, which was leased out and provide a stable rental income to the Group.

This acquisition of subsidiaries has been accounted for as acquisition of assets and liabilities as Well Sun has no operation upon completion of the acquisition except for holding an investment property.

The fair values of the identifiable assets acquired of the Well Sun as at the date of the acquisition were as follows:

35. 通過收購附屬公司收購資產

於二零一七年十二月二十二日，本集團自獨立第三方完成收購永日發展有限公司（「永日」）之100%股權，以現金代價為30,300,000港元支付，更多詳情載於本公司日期為二零一七年七月二十七日的通函。永日持有之主要資產為位於香港之商業單位，已出租並為本集團提供穩定租金收入。

收購附屬公司已作為收購資產及負債入賬，原因是永日除持有投資物業外，於收購完成後並無經營業務。

於收購日期，永日收購的可識別資產的公平值如下：

		HK\$'000 千港元
Investment property (<i>note 15</i>)	投資物業(附註 15)	30,300
Total identifiable net assets at fair value	按公平值列賬的可識別資產淨值總額	30,300
Consideration was satisfied by:	代價由以下方式償付：	
Cash and cash equivalent	現金及現金等價物	30,300
An analysis of the cash flows in respect of the acquisition is as follows:	收購事項現金流量分析如下：	
Cash consideration paid	已付現金代價	30,300
Net cash outflow	現金流出淨額	30,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

36. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 25 September 2014 for the primary purpose of providing incentives or rewards to eligible participants, and will expire on 10 October 2024. Under the Scheme, the Board of Directors of the Company may grant options to:

- (a) any employee or proposed employee (whether full-time or part-time and including any executive director), consultants or advisers of or to the Company, any of the subsidiaries or any entity (the "Invested Entity") in which the Company holds an equity interest;
- (b) any non-executive Directors (including independent non-executive directors) of the Company, any of the subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to the Company or any of its subsidiaries or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- (f) any shareholders or any shareholder of any of its subsidiaries or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

At 31 March 2017, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 200,000,000 (2018: Nil), representing 0.8% (2018: Nil) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

36. 購股權計劃

本公司根據於二零一四年九月二十五日通過的決議案採納購股權計劃(「該計劃」)，主要旨在鼓勵或獎勵合資格參與者，該計劃將於二零二四年十月十日屆滿。根據該計劃，本公司董事會可授出購股權予：

- (a) 本公司、其任何附屬公司或本公司持有股本權益的任何實體(「投資實體」)的任何僱員或擬聘請僱員(不論全職或兼職，包括任何執行董事)、顧問或諮詢人；
- (b) 本公司、任何附屬公司或任何投資實體的任何非執行董事(包括獨立非執行董事)；
- (c) 本公司或其任何附屬公司或任何投資實體的任何貨品或服務供應商；
- (d) 本集團或任何投資實體的任何客戶；
- (e) 為本集團或任何投資實體提供研究、開發或其他技術支援的任何人士或實體；及
- (f) 任何股東或其任何附屬公司或任何投資實體的任何股東或本集團任何成員公司或任何投資實體所發行任何證券的任何持有人。

於二零一七年三月三十一日，根據該計劃已授出及尚未行使的購股權所涉及的股份數目為200,000,000股(二零一八年：無)，相當於本公司於該日已發行股份的0.8%(二零一八年：無)。未經本公司股東事先批准的情況下，根據該計劃可能授出的購股權涉及的股份總數不得超過本公司任何時候已發行股份的10%。未經本公司股東事先批准的情況下，於任何一年內向任何人士授出及可能授出的購股權所涉及的已發行及將發行的股份數目不得超過本公司任何時候已發行股份的1%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

36. SHARE OPTION SCHEME (Continued)

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from the date of grant of the share option. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the average closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the option (which must be a business day); and (ii) the closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day).

The following table discloses movements of the Company's share options held by employees and consultants during the the year ended 31 March 2018 and 2017:

		Outstanding at 1 April 2016 於二零一六年 四月一日 尚未行使	Granted during period 期內已授出	Exercised during period 期內已行使	Outstanding at 31 March 2017 and 1 April 2017 於二零一七年 三月三十一日及 於二零一七年 四月一日尚未行使	Cancellation during period 期內已註銷	Outstanding at 31 March 2018 於二零一八年 三月三十一日 尚未行使
Consultants	顧問	-	1,600,000,000	(1,400,000,000)	200,000,000	(200,000,000)	-
Employees	僱員	-	200,000,000	(200,000,000)	-	-	-
		-	1,800,000,000	(1,600,000,000)	200,000,000	(200,000,000)	-
Exercisable at the end of the period	於期末可予行使				200,000,000		-
Weighted average exercise price	加權平均行使價	N/A 不適用	HK\$0.0256 0.0256港元	HK\$0.0256 0.0256港元	HK\$0.0256 0.0256港元	HK\$0.0256 0.0256港元	N/A 不適用

The options were granted on 22 July 2016. The estimate fair value of the options granted is HK\$37,006,000.

In respect of the share options exercised during year ended 31 March 2017, the weighted average share price at the dates of exercise is HK\$0.048.

36. 購股權計劃(續)

授出的購股權須在授出日期後28日內支付每份購股權1港元付款方獲接納。購股權自購股權授出日期起可隨時行使。行使價由本公司董事釐定，惟不得低於以下的最高者：(i) 普通股於緊接授出購股權日期(必須為營業日)前五個營業日在聯交所每日報價表所報平均收市價；及(ii) 普通股於授出購股權日期(必須為營業日)在聯交所每日報價表所報收市價。

下表披露僱員及顧問所持本公司購股權於截至二零一八年及二零一七年三月三十一日止年度的變動：

購股權於二零一六年七月二十二日獲授出。已授出購股權的公平值估計為37,006,000港元。

就截至二零一七年三月三十一日止年度已行使購股權而言，於行使日期的加權平均股價為0.048港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

36. SHARE OPTION SCHEME (Continued)

These fair values were calculated by an independent qualified professional valuer not connected with the Group, using the Binomial model. The inputs into the model were as follows:

Weighted average share price	HK\$0.024
Exercise price	HK\$0.0256
Expected volatility	98.02%
Expected life	8.99 years
Risk-free rate	0.98%
Expected dividend yield	nil

Expected volatility was determined by using the historical volatility of the Company's share price since 10 October 2014, the date of the Company has been listed on the GEM of the Stock Exchange. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised the total expense of HK\$37,006,000 during the year end 31 March 2017 in relation to share options granted by the Company.

36. 購股權計劃(續)

此等公平值乃與本集團概無關連的獨立合資格專業估值師以二項式模式計算。模式所用的輸入數據如下：

加權平均股價	0.024 港元
行使價	0.0256 港元
預期波幅	98.02%
預計年期	8.99 年
無風險利率	0.98%
預期股息收益	無

預期波幅乃使用自二零一四年十月十日(即本公司於聯交所GEM上市當日)以來本公司股價的歷史波幅釐定。模式所用的預計年期已根據管理層就非轉讓性、行使限制及行為因素影響的最佳估算進行調整。

截至二零一七年三月三十一日止年度，本集團就本公司所授出購股權確認開支總額37,006,000港元。

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	78,234	98,017
Financial liabilities	金融負債		
Amortised cost	攤銷成本	11,461	14,470

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, bank balances and cash, trade and other payables, and bank and other borrowings.

37. 金融工具

(a) 金融工具類別

(b) 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、應收貸款、銀行結餘及現金、貿易及其他應付款項以及銀行及其他借貸。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Certain bank balances, trade and other receivables and trade and other payables, pledged bank deposits, pledged structured bank deposit, obligations under finance leases and bank borrowings of the Group are denominated in foreign currency of the respective group entities which are exposed to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Assets	資產		
HK\$	港元	67,095	94,398
RMB	人民幣	10,265	1,779
Liabilities	負債		
HK\$	港元	9,456	9,999
RMB	人民幣	1,181	895

37. 金融工具(續)

(b) 金融風險管理目標及政策(續)

該等金融工具詳情於各附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。減低該等風險的政策載列於下文。管理層管理及監控該等風險，以確保及時有效地實施適當措施。

市場風險

(i) 貨幣風險

本集團以各集團實體的外幣計值的若干銀行結餘、貿易及其他應收款項、貿易及其他應付款項、已抵押銀行存款、已抵押結構性銀行存款、融資租賃債務以及其他借貸面臨外幣風險。

本集團目前並無制定外幣對沖政策。然而，管理層監控外匯匯率風險，並將於需要時考慮對沖重大外幣風險。

於報告期末，本集團以外幣計值的貨幣資產及負債的賬面值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The Group is exposed to foreign currency risk on fluctuation of RMB and US\$.

The following table details the Group's sensitivity to a 5% increase and decrease in US\$ against RMB. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis does not include outstanding relevant monetary items denominated in HK\$ as the directors of the Company consider that the Group's exposure to HK\$ is insignificant on the ground that HK\$ is pegged to US\$. The sensitivity analysis adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax loss or a decrease in post-tax profit where US\$ strengthen 5% against RMB. For a 5% weakening of US\$ against RMB, there would be an equal and opposite impact on the loss.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year	年內虧損	454	44

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to certain floating-rate bank balances and bank borrowings at variable interest rates.

37. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析

本集團面臨人民幣及美元匯率波動的外幣風險。

下表詳列本集團對美元兌人民幣上升及下跌5%的敏感度。5%乃管理層評估外匯匯率合理可能變動所採用的敏感度比率。敏感度分析並不包括以港元計值的相關尚未償還貨幣項目，乃由於本公司董事認為基於港元與美元掛鈎，故本集團面臨的港元風險並不重大。敏感度分析於年結日時以外幣匯率變動5%作匯兌調整。下列正數表明美元兌人民幣升值5%情況下的除稅後虧損上升或除稅後溢利減少。倘美元兌人民幣貶值5%，則會對虧損構成等值的相反影響。

管理層認為，由於年結日的風險並不能反映年內風險，故敏感度分析不能反映固有外匯風險。

(ii) 利率風險

本集團承受有關若干浮息銀行結餘及按浮動利率計息的銀行借貸的現金流量利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of Trade Finance Rate, prevailing interest rate of the lender and the Hong Kong Best Lending Rate quoted by the lender.

As at 31 March 2018, other borrowings disclosed in note 26 carrying at fixed interest rates expose the Group to fair value interest rate risk. The Group did not enter into interest rate swap to hedge against its exposures to changes in fair value of the borrowings.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position of the Group.

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on pledged bank deposits and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

37. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

本集團就金融資產及金融負債面臨的利率風險詳載於本附註流動資金風險管理一節。本集團的現金流量利率風險主要集中於貿易融資利率、借貸人的現行利率及借貸人所報香港最優惠借貸利率的波動。

於二零一八年三月三十一日，附註26所披露按固定利率計息的其他借貸使本集團承擔公平值利率風險。本集團並無就對沖其所承擔借貸公平值變動的風險訂立利率掉期。

信貸風險

本集團所面對最高信貸風險將導致本集團因對手方未能履行責任而產生財務虧損，有關虧損乃來自於本集團綜合財務狀況表載列的各項已確認金融資產賬面值。

本集團的信貸風險主要源自貿易應收款項。為盡量降低信貸風險，本集團管理層已委派團隊負責釐定信貸限額、信用審批及其他監控程序，以確保採取跟進行動收回逾期債務。此外，本集團於報告期末檢討每項個別貿易債務的可收回金額，以確保為不可收回金額作出足夠的減值虧損。就此，本公司董事認為本集團的信貸風險已大幅降低。

由於對手方為獲國際信貸評級機構給予較高信貸評級的銀行，故已抵押銀行存款及銀行結餘的信貸風險有限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

As at 31 March 2018, the Group has concentration of credit risk as 52% (2017: 42%) of the total trade receivable was due from the Group's largest customer. The Group's concentration of credit risk on the top five largest customers accounted for 92% (2017: 98%) of the total trade receivable as at 31 March 2018. The management of the Group considered their credit risk of amounts due from these customers is insignificant after considering their historical settlement record, credit quality and financial positions.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants. The Group relies on bank borrowings as a significant source of liquidity.

The management monitors the utilization of bank and other borrowings. The Group successfully renewed bank facilities that fell due during the year ended 31 March 2018. While renegotiation of terms of the borrowings with the relevant banker is still in progress, the directors of the Company have evaluated all the relevant facts available to them and are of the opinion that there are good track records or relationship with the relevant bank which enhance the Group to ultimately reach a successful conclusion in negotiating the terms of the bank borrowings. Up to the date of approval for issuance of these financial statements, the directors of the Company are not aware of any present intention of the Group's principal banks to withdraw their bank facilities granted.

37. 金融工具(續)

(b) 金融風險管理目標及政策(續)

信貸風險(續)

於二零一八年三月三十一日，本集團就應收本集團最大客戶的貿易應收款項總額的集中信貸風險為52%（二零一七年：42%）。本集團於五大客戶的集中信貸風險佔本集團於二零一八年三月三十一日的貿易應收款項總額的92%（二零一七年：98%）。本集團管理層認為，考慮到該等客戶過往結算記錄、信貸質素及財務狀況，應收該等客戶款項的信貸風險並不重大。

流動資金風險

在管理流動資金風險時，本集團會監控及維持現金及現金等價物在一個管理層認為足以撥付本集團營運並減輕現金流量波動所帶來影響的水平。管理層監察銀行借貸的動用情況並確保符合貸款契約。本集團依賴銀行借貸作為重要的流動資金來源。

管理層監察銀行及其他借貸動用情況。本集團成功更新於截至二零一八年三月三十一日止年度到期的銀行信貸額。本公司董事現正與相關銀行重新磋商借貸條款，同時已評估所有有關事實，認為本集團信貸記錄良好或與有關銀行關係良好，有助本集團就磋商銀行借貸條款最終得出圓滿結果。直至本財務報表批准刊發日期，本公司董事並不知悉有任何本集團的主要銀行目前有意提出取消所授出銀行信貸額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables

As at 31 March 2018

37. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金表

於二零一八年三月三十一日

	Weighted average effective interest rate	Repayable on demand or less than 2 month	2-3 months	4 months to 1 year	Total undiscounted cash flows	Carrying amount at 31 March 2018
	加權平均實際利率 %	須按要求或2個月以內償還 HK'000 千港元	2至3個月 HK'000 千港元	4個月至1年 HK'000 千港元	未貼現現金流量總額 HK'000 千港元	於二零一八年三月三十一日的賬面值 HK'000 千港元
Trade payables 貿易應付款項	-	744	263	1,259	2,266	2,266
Other payables 其他應付款項	-	9,530	-	-	9,530	9,530
		10,274	263	1,259	11,796	11,796

As at 31 March 2017

於二零一七年三月三十一日

	Weighted average effective interest rate	Repayable on demand or less than 2 month	2-3 months	4 months to 1 year	Total undiscounted cash flows	Carrying amount at 31 March 2017
	加權平均實際利率 %	須按要求或2個月以內償還 HK'000 千港元	2至3個月 HK'000 千港元	4個月至1年 HK'000 千港元	未貼現現金流量總額 HK'000 千港元	於二零一七年三月三十一日的賬面值 HK'000 千港元
Trade payables 貿易應付款項	-	94	35	193	322	322
Other payables 其他應付款項	-	8,527	-	-	8,527	8,527
Other borrowings 其他借貸						
— Fixed rate 一定息	12%	5,806	-	-	5,806	5,806
		14,427	35	193	14,655	14,655

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

Borrowings with a repayable on demand clause are included in the "repayable on demand or less than 1 month" time band in the above maturity analysis. There was no borrowings balance as at 31 March 2018 (2017: HK\$5,806,000). Taking into account the continuous negotiation with the licensed money lender as set out in note 26, the directors do not believe that it is probable that the licensed money lender will exercise their discretionary rights to demand immediate repayment. The directors believe that such borrowings will be repaid within one year after the end of the reporting period in accordance with the scheduled repayment dates set out in the repayment schedule. At that time, there was no aggregate principal and interest cash outflows as at 31 March 2018 (2017: HK\$6,647,000).

The amounts included above for variable rate instruments for non-derivative financial liabilities are subject to change if changes in variable rates differ to those estimates of interest rates determined at the end of the reporting period.

37. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金表(續)

附有須按要求償還條款的借貸計入上述到期情況分析「須按要求或1個月以內償還」時間範圍。於二零一八年三月三十一日，並無借貸(二零一七年：5,806,000港元)。考慮到附註26所載與持牌放債人持續磋商後，董事認為，持牌放債人不太可能會行使其酌情權，要求立即還款。董事認為，該等借貸將按照償還時間表載列的計劃償還日期，於報告期末後一年內償還。屆時，於二零一八年三月三十一日並無本金總額及利息現金流出(二零一七年：6,647,000港元)。

倘浮動利率的變動與報告期末釐定的利率估計存在差異，上文就非衍生金融負債的浮息工具計入的金額可能出現變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

38. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2018 and 2017 are as follows:

38. 主要附屬公司

於二零一八年及二零一七年三月三十一日，
本公司的主要附屬公司詳情如下：

Name of subsidiaries 附屬公司名稱	Place of of incorporation establishment 註冊成立／成立地點	Place of operation 經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本／註冊資本	Equity interest attributable to the Group 本集團於下列日期 應佔股本權益		Principal activities 主要業務
				2018 二零一八年	2017 二零一七年	
L & A Interholdings Inc.	British Virgin Island ("BVI")	Hong Kong	US\$50,000	100%	100%	Investment holding
L & A Interholdings Inc.	英屬處女群島	香港	50,000美元	100%	100%	投資控股
L & A Group of Companies Limited	Hong Kong	Hong Kong	HK\$38,400,000	100%	100%	Marketing of garment products
樂亞集團有限公司	香港	香港	38,400,000港元	100%	100%	推廣服裝產品
Times Asia Limited	Hong Kong	Hong Kong	HK\$10,000	100%	100%	Marketing of garment products
泰亞有限公司	香港	香港	10,000港元	100%	100%	推廣服裝產品
Sun Dynamic Group Limited	BVI	Hong Kong	US\$3,000	100%	100%	Investment holding
Sun Dynamic Group Limited	英屬處女群島	香港	3,000美元	100%	100%	投資控股
Rise More Corporation Limited	Hong Kong	Hong Kong	HK\$100	100%	100%	Investment holding
溢升有限公司	香港	香港	100港元	100%	100%	投資控股
Winsky Management Limited	Hong Kong	Hong Kong	HK\$100	100%	100%	Investment holding and leasing of motor vehicle
盈天管理有限公司	香港	香港	100港元	100%	100%	投資控股及汽車租賃
Able Rich Management Limited	BVI	Hong Kong	US\$1	100%	100%	Investment holding
Able Rich Management Limited	英屬處女群島	香港	1美元	100%	100%	投資控股
Sino Shine Retailing Limited	Hong Kong	Hong Kong	HK\$1,000,000	100%	100%	Retailing of garment products
升輝零售有限公司	香港	香港	1,000,000港元	100%	100%	服裝產品零售

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

38. PRINCIPAL SUBSIDIARIES (Continued)

38. 主要附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation establishment 註冊成立/成立地點	Place of operation 經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Equity interest attributable to the Group 本集團於下列日期 應佔股本權益		Principal activities 主要業務
				2018 二零一八年	2017 二零一七年	
L&A Solutions Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Money lending
L&A Solutions Limited	香港	香港	1港元	100%	100%	放債
Multi Vision Limited	BVI	Hong Kong	US\$1	100%	100%	Investment holding
Multi Vision Limited	英屬處女群島	香港	1美元	100%	100%	投資控股
Aji On Worldwide Holdings Limited	BVI	Hong Kong	US\$50,000	55.56%	55.56%	Investment holding
Aji On Worldwide Holdings Limited	英屬處女群島	香港	50,000美元	55.56%	55.56%	投資控股
Aji On International Company Limited	BVI	Hong Kong	HK\$10,000	55.56%	55.56%	Investment holding
Aji On International Company Limited	英屬處女群島	香港	10,000港元	55.56%	55.56%	投資控股
艾杰安時裝(深圳)有限公司	The PRC	The PRC	RMB1,000,000	55.56%	55.56%	Marketing of garment products
艾杰安時裝(深圳)有限公司	中國	中國	人民幣1,000,000元	55.56%	55.56%	推廣服裝產品
Inten International Company Limited	Hong Kong	Hong Kong	HK\$10,000	51%	N/A	Manufacturing and trading of jeans products
Inten International Company Limited	香港	香港	10,000港元	51%	不適用	牛仔產品製造及貿易
Well Sun Development Limited	Hong Kong	Hong Kong	HK\$1	100%	N/A	Property investment
永日發展有限公司	香港	香港	1港元	100%	不適用	投資物業

At the end of the reporting period, the Group has no non-wholly subsidiary that has material non-controlling interests. Accordingly, no detail of non-wholly subsidiary that has material non-controlling interests presented.

於報告期末，本集團並無任何擁有重大非控股權益的非全資附屬公司。因此，並無呈列任何擁有重大非控股權益的非全資附屬公司詳情。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 39. 本公司的財務狀況表

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSET 非流動資產			
Property, plant and equipment 物業、廠房及設備		23	30
Unlisted investments in subsidiaries 於附屬公司的非上市投資		58,345	57,945
		58,368	57,975
CURRENT ASSETS 流動資產			
Prepayments and deposits 預付款項及按金		66	16
Amounts due from subsidiaries 應收附屬公司款項		113,668	37,377
Cash and cash equivalents 現金及現金等價物		820	191
		114,554	37,584
CURRENT LIABILITIES 流動負債			
Other payables and accruals 其他應付款項及應計費用		2,829	3,592
Amount due to a subsidiaries 應付附屬公司款項		55,643	13,619
Other borrowings 其他借貸		–	5,806
Amounts due to directors 應付董事款項		133	161
		58,605	23,178
NET CURRENT ASSETS 流動資產淨值		55,949	14,406
NET ASSETS 資產淨值		114,317	72,381
CAPITAL AND RESERVES 資本及儲備			
Share capital 股本		51,200	51,200
Reserves 儲備	(i)	63,117	21,181
TOTAL EQUITY 權益總額		114,317	72,381

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 13 July 2018 and were signed on its behalf.

本公司財務狀況表於二零一八年七月十三日獲董事會批准及授權刊發，並由以下董事代表簽署。

Ng Ka Ho
吳家豪
Director
董事

Lau Chun Kavan
劉俊
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

(i) Reserves

39. 本公司的財務狀況表(續)

附註：

(i) 儲備

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	23,823	-	56,102	(20,939)	58,986
Acquisition of associate through issuance of share	透過發行股份收購聯營公司	470,127	-	-	-	470,127
Placing of shares	配售股份	54,241	-	-	-	54,241
Transaction costs attributable to issuance of share	發行股份應佔交易成本	(600)	-	-	-	(600)
Recognition of equity-settled share-based payment	確認以股權結算以股份為基礎的付款	-	37,006	-	-	37,006
Exercise of share options	行使購股權	70,542	(32,782)	-	-	37,760
Loss and total comprehensive expenses for the year	年內虧損及全面開支總額	-	-	-	(636,339)	(636,339)
At 31 March 2017	於二零一七年三月三十一日	618,133	4,224	56,102	(657,278)	21,181
Cancellation of share options	註銷股權	-	(4,224)	-	4,224	-
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	41,936	41,936
At 31 March 2018	於二零一八年三月三十一日	618,133	-	56,102	(611,118)	63,117

Note: On 18 September 2014, the Company and Yang's Holdings Capital Limited entered into a share swap agreement pursuant to which Yang's Holdings Capital Limited transferred the entire issued capital in L & A Interholdings Inc. to the Company. In consideration of the transfer of the entire issued capital in the L & A Interholdings Inc., the Company allotted and issued 99,999,999 of its own new shares to Yang's Holdings Capital Limited, all credited as fully paid.

附註：於二零一四年九月十八日，本公司與Yang's Holdings Capital Limited訂立換股協議，據此，Yang's Holdings Capital Limited將L & A Interholdings Inc.全部已發行股本轉讓予本公司。作為獲轉讓L & A Interholdings Inc.全部已發行股本的代價，本公司以入賬列作繳足股款形式向Yang's Holdings Capital Limited配發及發行新股份99,999,999股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2018)
(截至二零一八年三月三十一日止年度)

40. EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to 31 March 2018:

On 23 March 2018, the indirect wholly-owned subsidiary of the Company, as vendor, entered into the provisional sale and purchase agreement with an independent third party, as purchaser, pursuant to which the vendor has conditionally agreed to sell the Group's investment property through the disposal of the entire issued share capital of Well Sun Development Limited, an indirect wholly-owned subsidiary of the Company, to the purchaser for a consideration of HK\$36,500,000 in cash (the "Disposal").

The completion of the Disposal is conditional upon satisfaction of the certain conditions precedent, including the passing by the shareholders of the Company at an extraordinary general meeting to be convened. Details of the Disposal are set out in the Company's announcements dated 23 March 2018 and 31 May 2018.

40. 報告期後事項

下列事項於二零一八年三月三十一日後發生：

於二零一八年三月二十三日，本公司的間接全資附屬公司（作為賣方）與獨立第三方（作為買方）訂立臨時買賣協議，據此，賣方有條件同意透過出售本公司間接全資附屬公司永日發展有限公司全部已發行股本作為出售本集團的投資物業予買方，現金代價為36,500,000港元（「出售事項」）。

完成出售事項須待若干先決條件達成後方可作實，包括本公司股東於將予召開之股東特別大會時的通過。有關出售事項的詳情載於本公司日期為二零一八年三月二十三日及二零一八年五月三十一日的公佈。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收益	57,881	60,830	210,345	350,386	380,445
Gross profit	毛利	13,963	(6,436)	20,376	62,090	70,923
Operating (loss)/profit	經營(虧損)/溢利	(272,116)	(298,202)	(26,107)	(16,435)	11,472
(Loss)/profit for the year	年內(虧損)/溢利	(271,246)	(297,016)	(29,302)	(18,391)	7,053
Financial position	財務狀況					
Assets and liabilities	資產及負債					
Total assets	資產總值	150,949	427,420	150,132	190,335	227,018
Total liabilities	負債總額	(13,757)	(18,711)	(56,370)	(61,718)	(118,687)
Capital and reserves	資本及儲備					
Total equity	權益總額	137,192	408,709	93,762	128,617	108,331

PARTICULARS OF INVESTMENT PROPERTIES

投資物業的詳情

Location 地點	Effective % held 實質持有%	Category of lease 租賃類別	Type 類型	Total gross floor area (sq.ft.) 總建築面積 (平方呎)
SHOP I ON G/F, GLAMOUR GARDEN, NOS. 1-5 CHIK FAI STREET, NOS. 22-26 MEI TIN ROAD, SHATIN, NEW TERRITORIES	100%	Long	Commercial	245
新界沙田 美田路 22-26號積輝街 1-5號金輝花園 地下I號舖	100%	長期	商業	245

