

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



casimira

年報

2017

Annual Report

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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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」)創業板(「創業板」)的特色

創業板乃為較其他於聯交所上市的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。創業板的較高風險及其他特色意味著創業板較適合專業及其他經驗豐富的投資者。

由於創業板上市公司的新興性質所然，於創業板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，同時無法保證於創業板買賣的證券會有高流通量的市場。

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本報告乃遵照聯交所創業板證券上市規則(「創業板上市規則」)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。

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CORPORATE INFORMATION

公司資料

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

開曼群島註冊辦事處

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat 1, Block C, 11/F
Hong Kong Spinner Industrial Building, Phase 5
762 Cheung Sha Wan Road, Kowloon
Hong Kong

香港總部及主要經營地點

香港
九龍長沙灣道762號
香港紗廠工業大廈第五期
11樓C座1室

EXECUTIVE DIRECTOR

Mr. Ng Ka Ho (*Chairman*)
(re-designated as the Chairman of the Board on 22 April 2016)
Mr. Yang Si Hang (retired as an executive director on
28 October 2016 and resigned as chief executive officer
on 3 March 2017)
Mr. Yang Si Kit Kenny (resigned on 22 April 2016)

執行董事

吳家豪先生(主席)
(於二零一六年四月二十二日調任董事會主席)
楊詩恒先生(於二零一六年十月二十八日退任執
行董事並於二零一七年三月三日
辭任首席執行官)
楊詩傑先生(於二零一六年四月二十二日辭任)

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. Li Kin Ping (appointed on 20 April 2017)
Mr. Ng Kai Shing (appointed on 20 March 2017)
Mr. Ma Chi Ming (appointed on 29 April 2016)
Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)
Mr. Chan Ming Sun Jonathan (resigned on 3 March 2017)
Ms. Cheung Marn Kay (resigned on 29 April 2016)

獨立非執行董事

李健平先生(於二零一七年四月二十日獲委任)
吳啟誠先生(於二零一七年三月二十日獲委任)
馬志明先生(於二零一六年四月二十九日獲委任)
鄭麟基先生(於二零一七年四月二十日辭任)
陳銘樂先生(於二零一七年三月三日辭任)
章曼琪女士(於二零一六年四月二十九日辭任)

AUDIT COMMITTEE

Mr. Ng Kai Shing (*Chairman*)
(appointed on 20 March 2017)
Mr. Li Kin Ping (appointed on 20 April 2017)
Mr. Ma Chi Ming (appointed on 29 April 2016)
Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)
Mr. Chan Ming Sun Jonathan (resigned on 3 March 2017)
Ms. Cheung Marn Kay (resigned on 29 April 2016)

審核委員會

吳啟誠先生(主席)
(於二零一七年三月二十日獲委任)
李健平先生(於二零一七年四月二十日獲委任)
馬志明先生(於二零一六年四月二十九日獲委任)
鄭麟基先生(於二零一七年四月二十日辭任)
陳銘樂先生(於二零一七年三月三日辭任)
章曼琪女士(於二零一六年四月二十九日辭任)

CORPORATE INFORMATION

公司資料

REMUNERATION COMMITTEE

Mr. Li Kin Ping (*Chairman*)
(appointed on 20 April 2017)
Mr. Ng Ka Ho (appointed on 22 April 2016)
Mr. Ng Kai Shing (appointed on 20 March 2017)
Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)
Mr. Chan Ming Sun Jonathan (resigned on 3 March 2017)
Ms. Cheung Marn Kay (resigned on 29 April 2016)
Mr. Yang Si Kit Kenny (resigned on 22 April 2016)

NOMINATION COMMITTEE

Mr. Li Kin Ping (*Chairman*)
(appointed on 20 April 2017)
Mr. Ng Ka Ho (appointed on 29 April 2016)
Mr. Ng Kai Shing (appointed on 20 March 2017)
Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)
Mr. Chan Ming Sun Jonathan (resigned on 3 March 2017)
Ms. Cheung Marn Kay (resigned on 29 April 2016)
Mr. Yang Si Hang (resigned on 29 April 2016)

AUTHORISED REPRESENTATIVES

Mr. Ng Ka Ho (appointed as an Authorised Representative on 22 April 2016)
Mr. Leung Tze Wai (appointed as Authorised Representative on 16 December 2016)
Mr. Yang Si Hang (resigned on 16 December 2016)
Mr. Yang Si Kit Kenny (resigned on 22 April 2016)

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
31/F, 148 Electric Road
North Point
Hong Kong

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 (於二零一六年四月二十二日獲委任)
吳啟誠先生 (於二零一七年三月二十日獲委任)
鄭麟基先生 (於二零一七年四月二十日辭任)
陳銘樂先生 (於二零一七年三月三日辭任)
章曼琪女士 (於二零一六年四月二十九日辭任)
楊詩傑先生 (於二零一六年四月二十二日辭任)

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 (於二零一六年四月二十九日獲委任)
吳啟誠先生 (於二零一七年三月二十日獲委任)
鄭麟基先生 (於二零一七年四月二十日辭任)
陳銘樂先生 (於二零一七年三月三日辭任)
章曼琪女士 (於二零一六年四月二十九日辭任)
楊詩恒先生 (於二零一六年四月二十九日辭任)

授權代表

吳家豪先生 (於二零一六年四月二十二日獲委任為授權代表)
梁子煒先生 (於二零一六年十二月十六日獲委任為授權代表)
楊詩恒先生 (於二零一六年十二月十六日辭任)
楊詩傑先生 (於二零一六年四月二十二日辭任)

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 31 樓

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

主要往來銀行

香港上海滙豐銀行有限公司

COMPLIANCE ADVISER

TC Capital International Limited

合規顧問

天財資本國際有限公司

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

LEGAL ADVISORS

Kwok Yih & Chan

法律顧問

郭葉陳律師事務所

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		
		2017	2016	Percentage
		二零一七年	二零一六年	百分比
		HK\$'000	HK\$'000	%
		千港元	千港元	
Revenue	收益	60,830	210,354	(71.1)
Gross (loss) profit	(毛損) 毛利	(6,436)	20,376	(131.6)
Operating loss	經營虧損	(58,810)	(26,107)	125.3
Loss for the year	年內虧損	(297,016)	(29,302)	913.6
Loss per share	每股虧損			
— basic and diluted shares	— 基本及攤薄股份			
(HK cents)	(港仙)	(1.24)	(0.15)	(92.0)
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 2017.

BUSINESS REVIEW

The Group had experienced a tough year for the financial year ended 31 March 2017, the revenue of the Group decreased by approximately 71.1% compared to the financial year ended 31 March 2016. The revenue of the OEM Business segment and the Retail Business segment decreased by approximately 75.0% and approximately 68.2%, 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.

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.

For Money Lending Business, as disclosed in the Monthly Statistical Bulletin published by the Hong Kong Monetary Authority in 10 May 2017, the total loans and advances of all authorised money lending institutions in Hong Kong increased from approximately HK\$2,586 billion in April 2007 to approximately HK\$8,395 billion in March 2017, 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\$6.4 million to the Group.

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」）截至二零一七年三月三十一日止財政年度的全年業績。

業務回顧

截至二零一七年三月三十一日止財政年度對本集團而言乃艱難的一年。本集團收益較截至二零一六年三月三十一日止財政年度減少約71.1%。原設備製造業務分部及零售業務分部的收益分別減少約75.0%及約68.2%。

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。

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暫時消費市場整體氣氛疲弱，直接對我們的零售銷售。

放債業務方面，誠如香港金融管理局於二零一七年五月十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二零零七年四月約25,860億港元增至二零一七年三月約83,950億港元，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，有關業務已為本集團帶來利息收入約6.4百萬港元。

CHAIRMAN'S STATEMENT

主席報告書

Prospects

The business environment is unfavorable for the Group to expand its existing businesses. The Board will continue to explore and evaluate new businesses and investment opportunities which could be of good potential and/or long term benefit to the Group and the Shareholders.

The Group will take a cautious and conservative approach in the evaluation and timing of potential projects or investments, including constantly keep reviewing the Group's strategies and operations with a view to improve its business performance and enhance value to 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

前景

業務環境不利於本集團擴大其現有業務。董事會將繼續探索及評估可能具良好潛力及／或為本集團及股東帶來長遠利益的新業務及投資機會。

本集團將就潛在項目或投資的評估及時機掌握方面採取審慎保守態度，包括及持續檢討本集團策略及營運，以改善其業務表現及提升股東價值。

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 manufacturing and selling pure cashmere apparel and other apparel products under its two business arms: (i) OEM Business segment, which entails product design and development, raw material sourcing and procurement, manufacturing and product quality control management (the "OEM Business") and (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").

For the OEM Business, over the year ended 31 March 2017, the Company continued to suffer from a tough retail environment globally and it has dampened consumer sentiment. Shopping trends in the United States of America ("US") have begun to shift from major branded apparels to large affordable fashion retailers, and spending patterns have begun to shift towards a higher willingness to spend on electronics products instead. As a result, major apparel brands in the US are experiencing this pressure, resulting in a wave of cost cutting, store closures and clearance sales of their products this year. This trend is particularly evident for mid-market brands which find it difficult to charge excessive premium for their products or lower their costs sufficiently to compete with the larger fashion retailers. Unfortunately, our products rely on the performance of these mid-market retailers in the US and their poor performance has negatively impacted us throughout the year. It is expected that there would be reduced sales from them, as well as higher demand from them for cost control and lower priced products. The slow down of economic growth in China will also hinder global economic recovery and adverse market environment shall persist. While we have stepped up the efforts in controlling our expenses, such as redundant of excessive headcount, we are also looking for innovative ways to weather the downturn and at the same time look for opportunities in any niche segments on which we could utilise our know-how in cashmere garment manufacturing.

For the Retail Business, the decline of revenue is mainly attributable to the weak consumer market prolonged by the sluggish economy, low level of consumer sentiment and the rather unpleasant shopping atmosphere in Hong Kong. These factors have caused the number of Chinese tourists in Hong Kong to decline. The Group has commenced the Money Lending Business in Hong Kong during the year. The Group targets customers who look for substantial loan amounts and can offer security for the relevant loans.

During the year, except for the commencement of Money Lending Business, the Group had no material changes in its business nature and principal activities.

業務回顧

本集團的收入主要源自於其兩個業務部門下製造及銷售純羊絨服裝及其他服裝產品：(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」）；及(ii)服裝零售業務分部，透過於香港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」）。

原設備製造業務方面，於截至二零一七年三月三十一日止年度，本公司繼續受全球嚴峻零售環境拖累消費意欲影響。美利堅合眾國（「美國」）的購物趨勢已開始由各大品牌服裝轉移至價格實惠的大型時裝零售商，而消費模式亦開始轉移至傾向電子產品消費。因此，美國各大服裝品牌正面對此壓力，導致於本年度紛紛削減成本、關閉店舖及清貨促銷產品。此趨勢在「中檔」市場品牌尤其顯著，原因為該等品牌難以就其產品收取過高溢價或大幅降低其成本以與更大型時裝零售商競爭。然而，我們的產品依賴該等美國「中檔」市場品牌零售商的表現，而零售商表現欠佳已於整個年度對我們構成負面影響。預期有關零售商之銷售將減少，且對成本控制及低價產品的需求會更高。中國經濟增長放緩亦將拖累全球經濟復甦，不利市場環境將持續。本公司已加大力度控制開支，例如裁減過多之員工，亦尋求創新途徑安渡市場低潮，同時於任何能將本公司於羊絨成衣製造方面的知識派上用場之特定市場分部尋找機會。

零售業務方面，收益下跌主要由於香港經濟低迷、導致消費市場長時間疲弱，加上消費者消費意欲積弱及購物氣氛欠佳，繼而令訪港中國旅客數目下降。年內，本集團於香港展開放債業務。本集團針對尋求大額貸款並可為相關貸款提供抵押的客戶。

於本年度，除展開放債業務外，本集團的業務性質及主要活動並無重大變動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group's revenue declined from approximately HK\$210.4 million for the year ended 31 March 2016 to approximately HK\$60.8 million for the year ended 31 March 2017, representing a decrease of approximately 71.1%. The revenue of OEM Business decreased by approximately 75.0% to approximately HK\$46.1 million for the year ended 31 March 2017 as compared to the year ended 31 March 2016. On the other hand, the revenue from the Retail Business decreased by approximately 68.2% to approximately HK\$8.3 million for the year ended 31 March 2017 as compared to the year ended 31 March 2016.

For the OEM Business, sales orders for pure cashmere products dropped by approximately 64.3% from 255,000 units to 91,000 units for each of the year ended 31 March 2016 and 2017 respectively. The decrease in revenue was mainly due to a tough retail environment in US, which is the Group's key market, sales orders dropped significantly when compared with last year. As a result, total sales to the Group's top 5 customers dropped by approximately HK\$138.6 million as compared to the year ended 31 March 2016. For the Retail Business, the Group sold approximately 136,000 units and 42,000 units from its Retail Business for each of the year ended 31 March 2016 and 2017 respectively. The decrease in revenue was mainly due to weak consumer market prolonged by the sluggish economy which caused the number of Chinese tourists in Hong Kong to decline, and warmer weather in winter as compared with last year.

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\$6.4 million to the Group.

財務回顧

收益

本集團的收益由截至二零一六年三月三十一日止年度約210.4百萬港元，減少約71.1%至截至二零一七年三月三十一日止年度約60.8百萬港元。截至二零一七年三月三十一日止年度，原設備製造業務的收益較截至二零一六年三月三十一日止年度減少約75.0%至約46.1百萬港元。另一方面，截至二零一七年三月三十一日止年度，零售業務的收益較截至二零一六年三月三十一日止年度減少約68.2%至約8.3百萬港元。

原設備製造業務方面，截至二零一六年及二零一七年三月三十一日止年度各年，純羊絨產品的銷售訂單由255,000件下跌約64.3%至91,000件。收益下跌主要由於本集團主要市場美國零售環境嚴峻，銷售訂單較去年大幅下跌。因此，本集團向五大客戶的總銷售額較截至二零一六年三月三十一日止年度下跌約138.6百萬港元。零售業務方面，截至二零一六年及二零一七年三月三十一日止年度各年，本集團零售業務分別出售約136,000件及42,000件產品。收益下跌主要由於經濟低迷導致消費市場長時間疲弱，繼而令訪港內地旅客數目下降，以及冬季較去年溫暖。

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，有關業務已為本集團帶來利息收入約6.4百萬港元。

		Year ended 31 March			
		截至三月三十一日止年度			
		2017		2016	
		二零一七年		二零一六年	
		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	46,126	75.8	184,161	87.5
Retail Business	零售業務	8,318	13.7	26,193	12.5
Money Lending Business	放債業務	6,386	10.5	—	0.0
		60,830	100.0	210,354	100.0

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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 64.6% to approximately HK\$67.3 million for the year ended 31 March 2017 as compared to the year ended 31 March 2016. The gross profit margin decreased from approximately 9.7% for the year ended 31 March 2016 to approximately -10.6% for the year ended 31 March 2017. The gross profit decreased by approximately 131.6% to approximately HK\$6.4 million loss for the year ended 31 March 2017 as compared to the year ended 31 March 2016.

Such decrease in gross profit was mainly attributable to, among other things, rising in labour cost, reduce in selling price and quantity and the continuing tough retail environment in the United States of America, which resulted in significant drop of sales order and increase in overhead cost.

Expenses

Selling and administrative expenses for the year ended 31 March 2017 were approximately HK\$100.5 million (year ended 31 March 2016: approximately HK\$56.4 million), representing an increase of approximately HK\$44.1 million.

The increase 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, which were subsequently withdrawn and lapsed respectively.

Loss for the year

The loss for the year ended 31 March 2017 was approximately HK\$297.0 million. The loss for the year ended 31 March 2016 was approximately HK\$29.3 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。截至二零一七年三月三十一日止年度，本集團的銷售成本較截至二零一六年三月三十一日止年度下跌64.6%至約67.3百萬港元。毛利率由截至二零一六年三月三十一日止年度約9.7%跌至截至二零一七年三月三十一日止年度約-10.6%。截至二零一七年三月三十一日止年度，毛利較截至二零一六年三月三十一日止年度減少約131.6%至毛損約6.4百萬港元。

毛利減少主要由於(其中包括)勞工成本上升、售價及銷量下跌以及美利堅合眾國零售環境持續嚴峻，導致銷售訂單大幅減少及間接成本增加。

開支

截至二零一七年三月三十一日止年度，銷售及行政開支約為100.5百萬港元(截至二零一六年三月三十一日止年度：約56.4百萬港元)，增幅約為44.1百萬港元。

開支增加主要由於購股權開支約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(其後已分別撤銷及失效)產生專業費用約12.1百萬港元。

年內虧損

截至二零一七年三月三十一日止年度錄得虧損約297.0百萬港元。截至二零一六年三月三十一日止年度則錄得虧損約29.3百萬港元。

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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 36 to the consolidated financial statements.

SHARE SUBDIVISION

On 6 June 2016, the Board proposed to subdivide every one (1) issued and unissued ordinary share of HK\$0.01 each in the share capital of the Company into five (5) subdivided shares of HK\$0.002 each, such that the authorised share capital of the Company us HK\$100,000,000 divided into 50,000,000,000 shares with a par value of HK\$0.002 each. The above share subdivision was approved by the Company's shareholders for the share subdivision at the extraordinary general meeting on 22 June 2016 and became effective on 23 June 2016.

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36列示。

股份分拆

於二零一六年六月六日，董事會建議將本公司股本中每股面值0.01港元的每一(1)股已發行及未發行普通股分拆為五(5)股每股面值0.002港元的分拆股份，致使本公司法定股本為100,000,000港元（分為50,000,000,000股每股面值0.002港元的股份）。上述股份分拆於二零一六年六月二十二日就股份分拆舉行的股東特別大會上獲本公司股東批准，並於二零一六年六月二十三日生效。

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LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2017, the share capital and equity attributable to owners of the Company amounted to approximately HK\$51,200,000 and HK\$356,159,000 respectively (31 March 2016: HK\$40,000,000 and HK\$53,762,000 respectively). Details of the capital risk management are set out in the Note 33 to the consolidated financial statements.

As at 31 March 2017, the Group had approximately HK\$3.7 million in bank balances and cash (31 March 2016: HK\$16.9 million).

As at 31 March 2017, the Group's total borrowings were HK\$5.8 million (31 March 2016: HK\$29.0 million). The current ratio was 6.40 at 31 March 2017 (31 March 2016: 2.24) and the gearing ratio was approximately 1.4% at 31 March 2017 (31 March 2016: approximately 30.9%).

Note: Current ratio is calculated as the current assets divided by current liabilities.

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 2017 and 2016.

流動資金、財務資源及資本結構

於二零一七年三月三十一日，本公司擁有人應佔股本及權益分別約為51,200,000港元及356,159,000港元(二零一六年三月三十一日：40,000,000港元及53,762,000港元)。資本風險管理詳情載於綜合財務報表附註。

於二零一七年三月三十一日，本集團有銀行結餘及現金約3.7百萬港元(二零一六年三月三十一日：16.9百萬港元)。

於二零一七年三月三十一日，本集團的借貸總額為5.8百萬港元(二零一六年三月三十一日：29.0百萬港元)。二零一七年三月三十一日的流動比率為6.40(二零一六年三月三十一日：2.24)及二零一七年三月三十一日的資產負債比率約為1.4%(二零一六年三月三十一日：約30.9%)。

附註： 流動比率乃按流動資產除流動負債計算。

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

於二零一七年及二零一六年三月三十一日，本集團並無任何重大資本承擔。

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CHARGE OVER ASSETS OF THE GROUP

As at 31 March 2017, the Group had pledged bank deposits was nil (31 March 2016: pledged bank deposits of approximately HK\$14.4 million). These deposits were pledged to banks to secure bank facilities granted to the Group. All the bank borrowings were fully repaid during the year.

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

On 28 April 2016, the Group entered into a sales and purchase agreement with New Star International Development Limited, SOPD, Inc Insight Limited, Zhu Jun, Lai Kwok Ho, Li Jia, Chi Weina and Ji Wei ("Vendors") and The9 Limited ("Guarantor") pursuant to which the Group conditionally agreed to purchase 47.63% of equity interests in Red 5 Studios, Inc. ("Target Company"), a limited liability company incorporated in Delaware, the United States of America for a total consideration of US\$76,500,000 (equivalent to approximately HK\$596,700,000). The Target Company 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 transaction was completed on 20 June 2016. 226,022,723 shares at issue price of HK\$2.64 per share were allotted and issued to Vendors in proportion to numbers of shares sold by the Vendors. Details are set out in the announcements of the Company dated on 28 April 2016 and 20 June 2016.

Save for above, there were no significant investments held as at 31 March 2017, nor other material acquisitions and disposals of subsidiaries and associated companies during the year ended 31 March 2017. There is no future plan for material investments or capital assets as at 31 March 2017.

CONTINGENT LIABILITIES

As at 31 March 2017, the Group had no material contingent liabilities (2016: nil).

本集團的資產抵押

於二零一七年三月三十一日，本集團並無任何已抵押銀行存款(二零一六年三月三十一日：已抵押銀行存款約14.4百萬港元)。此等存款已就本集團獲授銀行融資向銀行抵押。所有銀行借貸已於年內悉數償還。

重大投資、收購事項及出售事項以及重大投資或資本資產計劃

於二零一六年四月二十八日，本集團與New Star International Development Limited、東方明珠、Inc Insight Limited、朱駿、Lai Kwok Ho、Li Jia、Chi Weina及Ji Wei(「賣方」)及第九城市(「擔保人」)訂立買賣協議，據此，本集團有條件同意購買Red 5 Studios, Inc.(「目標公司」，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，總代價為76,500,000美元(相當於約596,700,000港元)。目標公司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。

該交易於二零一六年六月二十日完成。226,022,723股股份獲按賣方所售出股數比例以發行價每股2.64港元配發及發行予賣方。有關詳情載於本公司日期為二零一六年四月二十八日及二零一六年六月二十日的公佈。

除上述者外，概無於二零一七年三月三十一日持有任何重大投資，或於截至二零一七年三月三十一日止年度進行其他重大收購及出售附屬公司及關連公司。於二零一七年三月三十一日，並無任何有關重大投資或資本資產的未來計劃。

或然負債

於二零一七年三月三十一日，本集團並無任何重大或然負債(二零一六年：無)。

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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 United States dollars (“US\$”) and others are denominated in HK\$. Therefore, the Group is exposed to foreign exchange risks of both US\$ and 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 2017, the Group employed approximately of 23 employees. The Group’s staff cost for the year ended 31 March 2017 amounted to approximately HK\$30.9 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

Particulars of retirement benefits plans of the Group as at 31 March 2017 are set out in note 31 to the consolidated financial statements.

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.

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美元(「美元」)結算，其餘則以港元計值。因此，本集團面對美元及人民幣的外匯風險。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

於二零一七年三月三十一日，本集團聘用約23名僱員。截至二零一七年三月三十一日止年度，本集團的員工成本約為30.9百萬港元。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計劃。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

本集團於二零一七年三月三十一日的退休福利計劃詳情載於綜合財務報表附註31。

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計劃。

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。

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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 Holding Capital Limited ("Yang's Holding") 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」)。

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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 Holding 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 annual 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(ii)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。

本公司將遵從有關股份登記的法院命令。因此，預期直至刊發年報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(作為購股權被告)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。

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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 (ie 12 to 21 July 2017).

Kim Sungho's First Legal Proceeding

Reference is made to the Company's announcement dated on 28 November 2016. 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.

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。

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。

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 announcement dated on 28 November 2016. 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.

Joung Jong Hyun's First Legal Proceeding

Reference is made to the Company's announcement dated on 28 November 2016, 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.

Kim Sungho's Second Legal Proceedings

Reference is made to the Company's announcement dated on 6 December 2016. 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").

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。

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。

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」)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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 the Kim's Second Legal Proceeding to execute any orders by the Court.

Kim Sungho's Third Legal Proceeding

Reference is made to the Company's announcement dated on 6 December 2016. 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.

Joung Jong Hyun's Second Legal Proceeding

Reference is made to the Company's announcement dated on 6 December 2016. 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.

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。

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。

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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Lee Moonkyu's First Legal Proceeding

Reference is made to the Company's announcement dated on 12 December 2016. The Company has on 8 December 2016 received a writ of summons (the "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").

Pursuant to claims generally indorsed on the 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.

Lim Hang Young's Second Legal Proceeding

Reference is made to the Company's announcement dated on 12 December 2016. 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.

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」）。

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。

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十二日的公佈。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 條項下罪行及違反披露權益規定；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。

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 announcement dated on 23 December 2016. 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.

Kim Sungho's Fourth Legal Proceeding

Reference is made to the Company's announcement dated on 28 December 2016. 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 Forth Legal Proceeding").

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.

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。

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」)。

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；(ii)頒令嘉林資本立即辭任本公司獨立財務顧問。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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 and filed on 3 January 2017 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 Investment Management Limited ("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; (iii) an Order against all defendants for costs and reliefs for damages.

Joung Jon Hyun's Third Legal Proceeding

Reference is made to the Company's announcement dated on 3 February 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.

The Company will contest Mr. Kim's First Legal Proceeding, Mr. Lim's First Legal Proceeding, Mr. Joung First Legal Proceeding, Mr. Kim's Second Legal Proceeding, Mr. Kim's Third Legal Proceedings, Mr. Joung's Second Legal Proceeding, Mr. Lee's First Legal Proceeding, Mr. Lim's Second Legal Proceeding, Mr. Lim's Third Legal Proceeding, Mr. Kim's Fourth Legal Proceeding, Mr. Kim's Fifth Legal Proceeding and Mr. Joung's Third Legal Proceeding, and is seeking legal advice in respect of the said legal proceedings.

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)禹銘投資管理有限公司(「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；(iii)頒令要求被告作出成本及損害補償。

Joung Jon 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」)的原告入稟法院針對董事、本公司及希仕廷律師行(「希仕廷」)(作為該等被告)所發出日期為二零一七年二月一日之傳訊令狀(「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。

本公司將對Kim先生首項法律程序、Lim先生首項法律程序、Joung先生首項法律程序、Kim先生第二項法律程序、Kim先生第三項法律程序、Joung先生第二項法律程序、Lee先生首項法律程序、Lim先生第二項法律程序、Lim先生第三項法律程序、Kim先生第四項法律程序、Kim先生第五項法律程序及Joung先生第三項法律程序提出抗辯，現正就上述法律程序諮詢法律意見。

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 announcement dated on 6 January 2017. The Company has 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, the then director of the Company 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.

VOLUNTARY CONDITIONAL SHARE OFFER Voluntary Conditional Share Exchange Offer (the "Offers")

On 7 October 2016, QPL International Holdings Limited ("QPL" or the "Offeror") proposed to the Board that it would make the Offers to (i) acquire all of the issued shares in the share capital of the Company (other than those already owned by the Offeror and parties acting in concert with it) (the "Share Offer"); and (ii) cancel all of the outstanding Options (the "Option Offer", together with the Share Offer, the "Offers").

Chi Dong Eun 之清盤呈請書

茲提述本公司日期為二零一七年一月六日之公佈。本公司於二零一七年一月六日收到Chi Dong Eun (「呈請人」)對(i)本公司、(ii)董事及(iii)本公司當時的董事楊先生作為答辯人(統稱「該等答辯人」)所提出日期為二零一七年一月三日之呈請書(「呈請書」)。

呈請人指稱(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已進行大量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本公司若干股東特別大會的表決；及(v)該等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頒令駁回呈請書並須支付費用。

自願有條件股份要約 自願有條件股份交換要約(「要約」)

於二零一六年十月七日，QPL International Holdings Limited (「QPL」或「要約方」)向董事會建議，其將提出要約，以(i)收購本公司股本中之全部已發行股份(要約方及其一致行動人士已擁有者除外)(「股份要約」)；及(ii)註銷全部尚未行使之購股權(「購股權要約」，連同股份要約統稱「該等要約」)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Details of the Offers have been disclosed in (i) the announcement of the Offeror dated 14 October 2016 in relation to, inter alia, the Offers; (ii) the announcement of the Offeror dated 4 November 2016 in relation to, among other things, the delay in dispatch of the offer document in respect of the Offers; (iii) the offer document issued by the Company date 16 December 2016 in relation to, inter alia, the Offers (the "Offer Document"); (iv) the announcement of the Company dated 16 December 2016 in relation to the despatch of the Offer Document; (v) the response documented dated 30 December 2016 in respect of the Offers issued by the Company; (vi) the announcement of the Company dated 11 January 2017; (vii) the announcements of the Company dated 13 January 2017, 3 February 2017, 14 February 2017 and 17 February 2017 in relation to, among other things, the extension of the Closing Date and the Offer Period (the "Extension Announcements").

On 2 March 2017, being the third extended closing date of the Offers, QPL had (i) received valid acceptances in respect of a total of 4,614,524,079 Shares (taking into account the acceptance in respect of the Shares on the first closing date, the extended closing date and the further extended closing date) (the "Acceptances Shares") under the Share Offer, which represented approximately 18.025% of the total issued share capital and voting rights of the Company as at the date of the announcement of the Offeror dated 2 March 2017; and (ii) not received any acceptance in respect of the Option Offer.

Taking into account the Acceptance Shares and the 13,800,000 Shares already owned by QPL and parties acting in concert with it, QPL and parties acting in concert with it are interested in an aggregate of 4,628,324,879 Shares, representing approximately 18.079% of the total issued share capital and voting rights of the Company as at 2 March 2017.

As set out in the Offer Document, the Share Offer is conditional upon, among other things, valid acceptances of the Share Offer having been received at or before 4:00 p.m. on the Closing Date in respect of the Shares which will result in QPL and parties acting in concert with it holding more than 50% of the Shares. The Option Offer is conditional only upon the Share Offer becoming unconditional in all respects. In light of the level of acceptance of the Offers are set out above, such Condition to the Share Offer has not been satisfied and therefore the Offers have not become unconditional and lapsed on 2 March 2017.

該等要約詳情已於(i)要約方日期為二零一六年十月十四日有關(其中包括)該等要約之公佈;(ii)要約方日期為二零一六年十一月四日有關(其中包括)延遲寄發有關該等要約之要約文件之公佈;(iii)本公司所刊發日期為二零一六年十二月十六日有關(其中包括)該等要約之要約文件(「要約文件」);(iv)本公司日期為二零一六年十二月十六日有關寄發要約文件之公佈;(v)本公司就該等要約所刊發日期為二零一六年十二月三十日之回應文件;(vi)本公司日期為二零一七年一月十一日之公佈;(vii)本公司日期為二零一七年一月十三日、二零一七年二月三日、二零一七年二月十四日及二零一七年二月十七日有關(其中包括)延長截止日期及要約期之公佈(「延長公佈」)。

於二零一七年三月二日(即該等要約第三次延長後之截止日期),QPL(i)已接獲股份要約項下合共4,614,524,879股股份(已計及於首個截止日期、延長後之截止日期及進一步延長後之截止日期有關股份之接納)(「接納股份」)之有效接納,相當於本公司於要約方日期為二零一七年三月二日之公佈日期之全部已發行股本及表決權約18.025%;及(ii)並無接獲有關購股權要約之任何接納。

計及接納股份及QPL及其一致行動人士已擁有之13,800,000股股份,QPL及其一致行動人士於合共4,628,324,879股股份中擁有權益,相當於二零一七年三月二日本公司全部已發行股本及表決權約18.079%。

誠如要約文件所載,股份要約須待(其中包括)股份要約之有效接納已於截止日期下午四時正或之前收到,而其將導致QPL及其一致行動人士持有超過50%股份後,方告作實。購股權要約僅須待股份要約在各方面成為無條件後作實。基於上文所載該等要約之接納水平,股份要約之條件尚未達成,因此,該等要約並無成為無條件及已於二零一七年三月二日失效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress for the year ended 31 March 2017.

業務目標與實際業務進展的比較

以下為招股章程所載本集團的業務計劃與截至二零一七年三月三十一日止年度的實際業務進展的比較。

Business plan as set out in the Prospectus

招股章程所載的業務計劃

Progress up to 31 March 2017

截至二零一七年三月三十一日的進展

Expansion of the Group's OEM Business

擴展本集團的原設備製造業務

Purchase of cashmere yarns

購買羊絨紗線

The fund has been used to purchase cashmere yarns for production. 資金已用於購買用於生產的羊絨紗線。

Marketing and promotion activities

市場推廣及促銷活動

The Group met OEM customers regularly for exchange of new ideas in respect of fashion market trend and introducing the Group's craftsmanship in knitting.

本集團定期拜訪原設備製造客戶，就時裝市場潮流交換新意念並介紹本集團的織造工藝。

Purchase of new production machineries

購買新的生產機器

The funds have been used to maintain the productivity of the existing machineries.

資金已用於維持現有機器的生產力。

Improving water quality systems

改善水質系統

Some funds have been used to improve the water quality systems.

若干資金已用於改善水質系統。

Expansion of the Retail Business

擴展零售業務

Establish new Concession Stores or

Free-Standing Stores

開設新的專櫃店或專賣店

The Group has set up 1 Concession Stores during the year. The Group is reviewing the needs and timeframe for establishing new retail outlets.

本集團於年內開設一間專賣店。本集團正檢討開設新零售店舖的需要及時間表。

Brand promotional and marketing activities

品牌宣傳及市場推廣活動

The Group has placed various advertisements on magazines during the period. The Group is planning to escalate its marketing efforts by continuing existing advertising activities on a more extensive scale.

本集團於期內在雜誌刊登多個廣告。本集團計劃增加其市場推廣力度，擴大現有廣告宣傳活動的規模。

Upgrading ERP system

升級企業資源規劃系統

Due to the change in use of proceeds as disclosed in the announcements of the Company dated 25 June 2015 and 16 July 2015, there is no further progress in respect of upgrading ERP system.

由於所得款項用途變更（誠如本公司日期為二零一五年六月二十五日及二零一五年七月十六日的公佈所披露），有關升級企業資源規劃系統概無任何進展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Reference is also made to the announcements of the Company dated 25 June 2015 and 16 July 2015 relating to the change in use of proceeds. The plan to purchase of new production machineries and upgrade its ERP System as scheduled and disclosed in the Prospectus was changed (see the information under the heading of **“USE OF PROCEEDS FROM THE PLACING OF SHARES”** of this report).

USE OF PROCEEDS FROM THE PLACING OF SHARES

The net proceeds from the listing of the shares of the Company by way of placing on the GEM of the Stock Exchange (“Placing”) were approximately HK\$41.5 million, which was based on the final placing price of HK\$0.6 per share after deducting the underwriting commission and actual expenses related to the Placing. Accordingly, the Group adjusted the use of proceeds in the same manner and proportion as shown in the Prospectus.

As disclosed in the Company’s announcements dated 24 June 2015 and 16 July 2015, the Board has utilised approximately HK\$15.0 million of the net proceeds from the Placing as deposit to trade facilities account in order to lower the interest expense of the Group.

茲提述本公司日期為二零一五年六月二十五日及二零一五年七月十六日內容有關變更所得款項用途的公佈。本公司已變更按招股章程所擬定及披露採購新生產機器及提升其企業資源規劃系統的計劃(請參閱本報告「**配售股份所得款項的用途**」的資料)。

配售股份所得款項的用途

本公司股份以配售方式在聯交所創業板上市(「配售」)的所得款項淨額約為41.5百萬港元，乃按最終配售價每股0.6港元經扣除包銷佣金及配售相關實際開支後計算得出。因此，本集團按招股章程所述相同方式及比例調整所得款項用途。

誠如本公司日期為二零一五年六月二十四日及二零一五年七月十六日的公佈所披露，董事會將配售所得款項淨額其中約15.0百萬港元存入貿易融資賬戶以減低本集團的利息開支。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the year, the Group has applied the net proceeds as follows:

於本年度，本集團已按如下方式應用所得款項淨額：

	Adjusted use of proceeds in the same manners and proportion as stated in prospectus and announcements dated 24 June 2015 and 16 July 2015	Actual utilised amount up to 31 March 2017	
	按招股章程以及日期為二零一五年六月二十四日及二零一五年七月十六日的公佈所述相同方式及比例調整所得款項用途	截至二零一七年三月三十一日已動用實際金額	
	HK\$'000 千港元	HK\$'000 千港元	
Expansion of the OEM Business	擴展原設備製造業務	15,640	14,203
Expansion of the Retail Business	擴展零售業務	6,694	5,151
Deposit to trade facilities account	貿易融資賬戶存款	15,000	15,000
General working capital	一般營運資金	4,118	4,118
Total	總計	41,452	38,472

EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to 31 March 2017:

Lim Hang Young's Winding Up Petition

Reference is made to the Company's announcement dated on 13 June 2017 and 16 June 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").

報告期後事項

下列事項於二零一七年三月三十一日後發生：

Lim Hang Young 的清盤呈請書

茲提述本公司日期為二零一七年六月十三日及二零一七年六月十六日之公佈。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」）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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.

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 will apply for a validation order and also make an application to dismiss/strikeout in due course.

The Company is seeking advice in respect of the Petition and will make further announcement(s) to keep its shareholder and investors informed of any significant development of the Petition as and when appropriate.

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;(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。

呈請書已入稟香港特別行政區高等法院原訟法庭針對答辯人提出。呈請書之指示聆訊訂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正確,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。

本公司現正就呈請書諮詢法律意見,並將於適當時候刊發進一步公佈以向其股東及投資者知會呈請書之任何重大進展。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTOR

Mr. Ng Ka Ho (吳家豪), aged 33, 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. Ng was appointed as the chairman of the Board, a member of the Remuneration Committee, the Compliance Officer and authorised representative of the Company on 22 April 2016.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ma Chi Ming (馬志明), aged 38, 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.

Mr. Li Kin Ping (李健平), aged 33, 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.

Subsequent to the reporting period, Mr. Li has 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.

執行董事

吳家豪先生，33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。彼為一間私人公司的董事，負責策略業務規劃及探索業務發展機會。吳先生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。

於二零一六年四月二十二日，吳先生獲委任為本公司董事會主席、薪酬委員會成員、合規主任及授權代表。

獨立非執行董事

馬志明先生，38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。

李健平先生，33歲，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。彼目前為一家私人公司之會計經理。

於報告期後，李先生於二零一七年四月二十日獲委任為獨立非執行董事、本公司薪酬及提名委員會主席以及本公司審核委員會成員。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Ng Kai Shing (吳啟誠), aged 71, has over 30 years of experience in accounting and financial management. He received a General Certificate of Education from University of London in 1964 and Higher Commercial Education Certificate Accounting from The London Chamber of Commerce (Incorporated) in 1967. He obtained Hong Kong Securities and Investment Institute Practising Certificate (Corporate Finance) and Hong Kong Securities and Investment Institute Specialist Certificate (Corporate Finance) in 2010.

Mr. Ng was an executive director of New City Development Group Limited (stock code: 456) from 1996 to 1999, an executive director of Jun Yang Financial Holdings Limited (stock code: 397) from 1999 to 2002, a non-executive director of Neptune Group Limited (stock code: 70), an independent non-executive director of Seamless Green China (Holdings) Limited (stock code: 8150) from 2011 to 2013, and an executive director of Panamax Aktiengesellschaft (which is a company listed on Frankfurt Stock Exchange) from 2013 to 2015. He was a financial controller of Junefield Department Store Group Limited (stock code: 758) from 2006 to 2009.

He has appointed as an independent non-executive Director, chairman of the audit committee, a member of each of the remuneration and the nomination committee of the Company on 20 March 2017.

SENIOR MANAGEMENT

Mr. Leung Tze Wai (梁子煒), aged 34, joined the Group on 2 March 2015, and was appointed as the chief financial officer and company secretary on 16 May 2016. Mr. Leung has over 10 years of professional experience in the area of accounting. He is currently responsible for reviewing Group's financial performance, preparing cost and budgeting. He received his Bachelor of Commerce (Accounting) from the University of Adelaide. Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

Ms. Cheung Hong Yuet Jenny (張滙悅), aged 48, is the head of production of the Group and general manager of the Group. Ms. Cheung joined the Group in January 2010 and has been in charge of managing and supervising overall production operations from raw material handling to packaging and delivery in the Group. Ms. Cheung has accumulated more than 20 years in the production management experience in the PRC garment industry.

吳啟誠先生，71歲，在會計及財務管理方面積逾30年經驗。彼於一九六四年取得倫敦大學之普通教育文憑及於一九六七年獲得倫敦商會(London Chamber of Commerce (Incorporated))之高等商業教育會計文憑(Higher Commercial Education Certificate Accounting)。彼於二零一零年取得香港證券及投資學會從業員資格證書(機構融資)及香港證券及投資學會高級從業員資格證書(機構融資)。

吳先生於一九九六年至一九九九年擔任新城市建設發展集團有限公司(股份代號：456)之執行董事；於一九九九年至二零零二年擔任君陽金融控股有限公司(股份代號：397)之執行董事；於二零一一年至二零一三年擔任海王國際集團有限公司(股份代號：70)之非執行董事及無縫綠色中國(集團)有限公司(股份代號：8150)之獨立非執行董事；及於二零一三年至二零一五年擔任法蘭克福證券交易所上市公司Panamax Aktiengesellschaft之執行董事。於二零零六年至二零零九年，彼為莊勝百貨集團有限公司(股份代號：758)之財務總監。

彼於於二零一七年三月二十日獲委任為獨立非執行董事、本公司審核委員會主席以及本公司薪酬及提名委員會成員。

高級管理層

梁子煒先生，34歲，於二零一五年三月二日加入本集團，並於二零一六年五月十六日獲委任為財務總監兼公司秘書。梁先生具備逾10年會計專業經驗。目前，彼負責審閱本集團的財務表現、編製成本及預算。彼獲阿德萊德大學(University of Adelaide)頒授商學士(會計學)學位。梁先生為香港會計師公會會員及澳洲會計師公會會員。

張滙悅女士，48歲，為本集團生產主管及本集團的總經理。張女士於二零一零年一月加入本集團，負責管理及監督本集團從原材料處理到包裝及交付的整體生產營運。張女士已於中國服裝行業積累超過20年的生產管理經驗。

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 2017 (the "Year").

PRINCIPAL ACTIVITIES

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

Except for the commencement of money lender business, there were no significant changes in the nature of the Group's activities during the Year.

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 32 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.

Save for the Lim Hang Young's winding up petition set out in the section headed "Management Discussion and Analysis" on pages 31 to 32 of this annual report, no important event affecting the Group has occurred since the end of the Year.

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 69 of this annual report.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2016: 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二零一七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。

除開展放債業務外，於本年度，本集團的業務性質並無重大變動。

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32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。

除本年報第31至32頁的「管理層討論及分析」一節所載Lim Hang Young的清盤呈請書外，自本年度結算日以來，概無發生任何影響本集團的重大事件。

業績

本集團的本年度業績載於本年報第69頁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(二零一六年：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 25 January 2018 (Thursday). 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 January 2018 (Wednesday) to 25 January 2018 (Thursday), both day inclusive, during which period no transfer of Shares will be registered. The record date will be 25 January 2018 (Thursday). 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 31/F, 148 Electric Road, North Point, Hong Kong before 4:30 p.m. on 23 January 2018 (Tuesday).

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 in this annual report and the Prospectus is set out on page 176. 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」)將於二零一八年一月二十五日(星期四)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一月二十四日(星期三)至二零一八年一月二十五日(星期四)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一月二十五日(星期四)。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一月二十三日(星期二)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31樓，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176頁，該等資料乃摘錄自本年報經審核綜合財務報表及招股章程。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 2017.

TRANSFER TO RESERVES

Loss attributable to equity shareholders, before dividends, of approximately HK\$294,298 million has been transferred to reserves. Other movements in reserves are set out in the consolidated statement of changes in equity on page 72 of 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 84.5% of the total sales for the year ended 31 March 2017 and sales to the largest customer included therein accounted for approximately 69.0% of the total sales for the year ended 31 March 2017. Purchase from the Group's five largest suppliers accounted for approximately 96.1% of the total purchase for the year ended 31 March 2017 and purchase from the Group largest supplier included therein accounted for approximately 53.1% of the total purchase for the year ended 31 March 2017.

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

截至二零一七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294,298百萬港元已轉撥作為儲備。儲備的其他變動載於本年報第72頁的綜合權益變動表。

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二零一七年三月三十一日止年度總銷售額約84.5%，其中對最大客戶的銷售額佔截至二零一七年三月三十一日止年度的總銷售額約69.0%。本集團向五大供應商的採購額佔截至二零一七年三月三十一日止年度的總採購額約96.1%，其中向最大供應商的採購額佔截至二零一七年三月三十一日止年度總採購額約53.1%。

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 Directors:

Mr. Ng Ka Ho (*Chairman*)
(re-designated as the Chairman of the Board on 22 April 2016)
Mr. Yang Si Hang (retired as an executive director on
28 October 2016 and resigned as chief executive officer
on 3 March 2017)
Mr. Yang Si Kit Kenny
(resigned on 22 April 2016)

Non-executive Director:

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

Independent non-executive Directors:

Mr. Chan Ming Sun Jonathan (resigned on 3 March 2017)
Mr. Kwong Lun Kei Victor
(resigned on 20 April 2017)
Mr. Ma Chi Ming (appointed on 29 April 2016)
Ms. Cheung Marn Kay (resigned on 29 April 2016)
Mr. Ng Kai Shing (appointed on 20 March 2017)
Mr. Li Kin Ping (appointed on 20 April 2017)

By virtue of Article 16.18 of the articles of association of the Company, Mr. Ng Ka Ho, Mr. Ma Chi Ming, Mr. Li Kin Ping and Mr. Ng Kai Shing 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, except for Mr. Chan Ming Sum Jonathan whose initial term with the Company is 3 years, which may only be terminated in accordance with the provision of the service contract or appointment letter (as the case may be) or by (i) the Company giving to any Director not less than three months' prior notice in writing or (ii) any Director giving to the Company not less than one month's prior notice in writing.

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)
(於二零一六年四月二十二日調任董事會主席)
楊詩恒先生(於二零一六年十月二十八日
退任執行董事並於二零一七年三月三日
辭任首席執行官)
楊詩傑先生
(於二零一六年四月二十二日辭任)

非執行董事：

黃昭堡先生(於二零一七年四月二十六日辭任)

獨立非執行董事：

陳銘樂先生(於二零一七年三月三日辭任)
鄭麟基先生(於二零一七年四月二十日辭任)
馬志明先生(於二零一六年四月二十九日獲委任)
章曼琪女士(於二零一六年四月二十九日辭任)
吳啟誠先生(於二零一七年三月二十日獲委任)
李健平先生(於二零一七年四月二十日獲委任)

根據本公司組織章程細則第16.18條，吳家豪先生、馬志明先生、李健平先生及吳啟誠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(除陳銘樂先生與本公司訂立初步任期為三年外)，僅可根據服務合約或委任書(視情況而定)的條文或(i)由本公司向任何董事發出不少於三個月事先書面通知或(ii)由任何董事向本公司發出不少於一個月事先書面通知而終止。

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 AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are disclosed in the section headed "Biographies of Directors and Senior Management" on pages 33 to 34 of 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' INTERESTS 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 2017, 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.

董事及高級管理層履歷

董事及高級管理層履歷詳情載於本年報第33頁至第34頁的「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

截至二零一七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

DEED OF NON-COMPETITION

Details of the deed of non-competition entered in to by YWH Investment Holding Limited, Yang's Holdings Capital Limited and Mr. Yang Wan Ho as settlor of the Yang's Family Trust are set out in section headed "Relationship with the Controlling Shareholder" in the prospectus of the Company dated 30 September 2014. According to the deed of non-competition, if the controlling shareholder and their associates no longer hold 30% of the shares of the Company, the deed of non-competition will lapse automatically. The original controlling shareholders have disposed all their shares during the year. The deed of non-competition has automatically lapsed.

DISTRIBUTION RESERVES

As at 31 March 2017, the Company's reserves available for distribution represent the share premium, and retained profit and the aggregate amount of reserves available for distribution to equity shareholders of the Company amounted to approximately HK\$21.1 million.

Details of movements in the reserves of the Company and the Group during the Year are set out in note 38 to the consolidated financial statements and in the consolidated statement changes in equity respectively.

INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Group's compliance adviser, TC Capital International Limited (the "compliance adviser"), save as the compliance adviser also acted as the sponsor and one of the joint bookrunners and one of the joint lead managers in relation to the listing of shares and compliance adviser agreement entered into between the Company and the compliance adviser dated 17 July 2014, none of the compliance adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

不競爭契據

YWH Investment Holding Limited、Yang's Holdings Capital Limited及楊文豪先生(作為楊氏家族信託委託人)所訂立不競爭契據之詳情載於本公司日期為二零一四年九月三十日之招股章程「與控股股東的關係」一節。根據不競爭契據，倘控股股東及其聯繫人不再持有本公司30%股份，不競爭契據將自動失效。原控股股東已於年內出售其全部股份。不競爭契據已自動失效。

分派儲備

於二零一七年三月三十一日，本公司的可供分派儲備指股份溢價及保留溢利，而可供分派予本公司權益股東的儲備總額約為21.1百萬港元。

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38及綜合權益變動表。

合規顧問的權益

誠如本集團合規顧問天財資本國際有限公司(「合規顧問」)確認，除合規顧問亦就股份上市擔任保薦人及其中一名聯席賬簿管理人以及其中一名聯席牽頭經辦人及本公司與合規顧問所訂立日期為二零一四年七月十七日的合規顧問協議外，合規顧問或其董事、僱員或緊密聯繫人(定義見創業板上市規則)概無擁有本集團的任何權益或根據創業板上市規則第6A.32條於本集團任何成員公司的股本中擁有權益而須知會本公司。

DIRECTORS' REPORT

董事會報告

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

As at 31 March 2017, 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 2017, 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:

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

於二零一七年三月三十一日，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)根據創業板上市規則第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

於二零一七年三月三十一日，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 Underlying Shares ⁽¹⁾	Percentage of the Company's issue share capital as at 31 March 2016 於二零一六年三月三十一日 佔本公司已發行股本百分比
股東姓名／名稱	身分／權益性質	相關股份數目 ⁽¹⁾	
Lau Lan Ying 劉蘭英	Interest in a controlled corporation 於受控法團的權益	6,446,296,000	25.18%
Wong Kwan Mo 黃君武	Interest in a controlled corporation 於受控法團的權益	6,446,296,000	25.18%
Strong Light Investments Ltd 昌亮投資有限公司	Beneficial owner 實益擁有人	5,993,880,000	23.41%
Ge Qingfu 葛慶福	Beneficial owner 實益擁有人	2,565,324,000	10.02%

Notes:

(1) All interests stated are long positions.

Save as disclosed above, as at 31 March 2017, 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，於二零一七年三月三十一日，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 2017, 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

截至二零一七年三月三十一日止年度，根據創業板上市規則第20章，本公司並無進行任何關連交易或持續關連交易，而須遵守創業板上市規則的申報、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創業板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、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 400,000,000 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400,000,000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 35 to the consolidated financial statement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2017, the Group employed approximately 23 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" on pages 48 to 59 of 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35。

僱員及薪酬政策

於二零一七年三月三十一日，本集團聘用約23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第48頁至第59頁的「企業管治報告」一節。

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\$23,000 (2016: approximately HK\$388,000).

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分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23,000港元(二零一六年：約388,000港元)。

獨立性確認書

本公司已收到獨立非執行董事根據創業板上市規則第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創業板上市規則維持足夠公眾持股量。

DIRECTORS' REPORT

董事會報告

AUDITORS

Messrs. Deloitte Touche Tohmatsu was the auditor of the Company for the year ended 31 March 2016 and resigned as the auditor of the Company on 28 March 2017. Subsequent to the year ended 31 March 2017, Elite Partners CPA Limited ("Elite Partners") was appointed as auditor of the Company on 24 April 2017 and the consolidated financial statements for the year ended 31 March 2017 was audited by Elite Partners.

A resolution for the re-appointment of Elite Partners as the auditor of the Company will be proposed at the forthcoming AGM.

By Order of the Board

Ng Ka Ho

Chairman

Hong Kong, 28 June 2017

核數師

德勤•關黃陳方會計師行擔任本公司截至二零一六年三月三十一日止年度的核數師並於二零一七年三月二十八日辭任本公司核數師。於截至二零一七年三月三十一日止年度後，開元信德會計師事務所有限公司(「開元信德」)已於二零一七年四月二十四日獲委任為本公司核數師，而截至二零一七年三月三十一日止年度的綜合財務報表乃由開元信德審核。

續聘開元信德為本公司核數師的決議案將於應屆股東週年大會提呈。

承董事會命

吳家豪

主席

香港，二零一七年六月二十八日

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 2017 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. During the Year, Mr. Yang Si Kit Kenny had resigned and 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創業板上規則附錄15所載企業管治常規守則(「守則」)的準則及守則條文。

截至二零一七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創業板上規則附錄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。於本年度，於二零一六年四月二十二日，楊詩傑先生已辭任而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 2017.

BOARD OF DIRECTORS

The Board comprised one executive Director 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*)

Independent non-executive Directors:

Mr. Ng Kai Shing

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 and Senior Management" on pages 33 to 34 of 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

本集團已採納創業板上市規則第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二零一七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，董事會由一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）

獨立非執行董事：

吳啟誠先生

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第33頁至第34頁「董事及高級管理層履歷」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。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。

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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. Yang Si Hang	楊詩恒先生	5/28	N/A	1/1	1/1	N/A	0/2
Mr. Yang Si Kit Kenny	楊詩傑先生	0/0	N/A	0/0	0/0	0/0	0/0
Mr. Ng Ka Ho	吳家豪先生	40/40	N/A	1/1	1/1	N/A	3/3
Non-executive Director		非執行董事					
Mr. Wong Chiu Po	黃昭堡先生	39/40	N/A	N/A	N/A	N/A	3/3
Independent non-executive Directors		獨立非執行董事					
Ms. Cheung Marn Kay	章曼琪女士	3/3	N/A	0/0	0/0	0/0	0/0
Mr. Chan Ming Sun Jonathan	陳銘樂先生	31/37	4/4	N/A	N/A	1/1	3/3
Mr. Kwong Lun Kei Victor	鄺麟基先生	39/40	4/4	2/2	2/2	1/1	3/3
Mr. Ma Chi Ming	馬志明先生	23/40	3/4	N/A	N/A	1/1	1/3

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。

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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 2017, 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 2017. The Group's results for the year ended 31 March 2017 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 2017. Details of the attendance of the Audit Committee member at the Audit Committee meetings are set out above.

Subsequent to the reporting period, on 20 April 2017, Mr. Kwong Lun Kei Victor ceased to be a member of Audit Committee. As at the date of this report, the Audit Committee consists of three independent non-executive Directors, namely Mr. Ng Kai Shing (Chairman), Mr. Li Kin Ping 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 2017, 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。

截至二零一七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二零一七年三月三十一日止年度的風險管理及內部監控制度。本集團於截至二零一七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。

截至二零一七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。

於報告期後，於二零一七年四月二十日，鄺麟基先生不再為審核委員會成員。於本報告日期，審核委員會包括三名獨立非執行董事，即吳啟誠先生(主席)、李健平先生及馬志明先生。

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。

截至二零一七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。

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Subsequent to the reporting period, 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.

於報告期後，於二零一七年四月二十日，鄺麟基先生不再為薪酬委員會成員，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。

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.

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。

During the year ended 31 March 2017, 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.

截至二零一七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身分；就重選董事進行檢討及向董事會提供推薦建議。

The Nomination Committee held 2 meetings during the year ended 31 March 2017. Details of the attendance of the Nomination Committee members at Nomination Committee meetings are set out above.

截至二零一七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。

Subsequent to the reporting period, 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.

於報告期後，於二零一七年四月二十日，鄺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。

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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.

Subsequent to the reporting period, 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。

於報告期後，於二零一七年四月二十日，鄺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。

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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. Li Kin Ping, Mr. Ng Kai Shing 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

The Board had appointed Mr. Leung Tze Wai as Company Secretary and an authorised representative of the Company on 16 May 2016 and 16 December 2016 respectively. Mr. Leung is also the Chief Financial Officer of the Group and a member of the Legal Compliance Committee of the Company.

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、李健平先生、吳啟誠先生及馬志明先生）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創業板上市規則、適用法例及監管規定與本公司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

董事會分別於二零一六年五月十六日及二零一六年十二月十六日委任梁子煒先生為公司秘書及本公司授權代表。梁先生亦為本集團財務總監及本公司法律合規委員會成員。

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All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that board procedures are followed and facilitating communications among Directors as well as with Shareholders and management.

全體董事均可得到公司秘書的意見及服務。公司秘書向主席匯報企業管治事務，並負責確保董事會已遵循程序，以及促進董事之間以及彼等與股東及管理層之間的溝通。

The Company Secretary's biographies are set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

公司秘書履歷載於本年報「董事及高級管理層履歷」一節。

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。

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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\$900,000. 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.

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 safeguard 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 two extraordinary general meeting on 22 June 2016 and 15 November 2016, and an annual general meeting on 28 October 2016.

Save as disclosed above, no general meeting had been held and the Company's forthcoming annual general meeting will be held on 25 January 2018.

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行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行向本集團提供的法定核數服務所支付的費用為900,000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。

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，本公司於二零一六年六月二十二日及二零一六年十一月十五日舉行兩次股東特別大會，並於二零一六年十月二十八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一月二十五日舉行。

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: Flat 1, Block C, 11/F, Hong Kong Spinner Industrial Building, Phase 5, 762 Cheung Sha Wan Road, 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：香港九龍長沙灣道762號香港紗廠工業大廈第五期11樓C座1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



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

TO THE MEMBERS OF L & A INTERNATIONAL HOLDINGS LIMITED
(incorporated in 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 69 to 175, which comprise the consolidated statement of financial position as at 31 March 2017, 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 2017 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69頁至第175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，其中包括於二零一七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二零一七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 2017. 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. Business combination and impairment assessment of goodwill and intangible assets

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對截至二零一七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. 業務合併以及商譽及無形資產的減值評估

Key audit matters

關鍵審計事項

During the year ended 31 March 2017, the Group acquired 55.56% equity interests in Aji On Worldwide Holdings Limited ("AJI ON") at cash consideration of HK\$13 million (see Note 34 to the consolidated financial statements). Goodwill of approximately HK\$7.9 million and intangible assets relating to "Trademark" and "Management Service Contract" of approximately HK\$9.5 million and HK\$2.9 million respectively were recognised under business combination in accordance with HKFRS 3.

截至二零一七年三月三十一日止年度，貴集團以現金代價13,000,000港元收購Aji On Worldwide Holdings Limited（「AJI ON」）55.56%股權（見綜合財務報表附註34）。商譽約7,900,000港元及與「商標」及「管理服務合約」有關的無形資產分別約9,500,000港元及2,900,000港元已根據香港財務報告準則第3號於業務合併項下確認。

Goodwill and the intangible assets were allocated to the cash generating unit for retail business segment ("Retail CGU"). During the year ended 31 March 2017, the Group had recognised impairment loss of intangible assets service contract amounting to HK\$1.9 million arising from the acquisition of AJI ON.

商譽及無形資產分配至零售業務分部的現金產生單位（「零售現金產生單位」）。截至二零一七年三月三十一日止年度，貴集團確認收購AJI ON產生的無形資產及服務合約減值虧損1,900,000港元。

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 these matters included the following:

處理此事項之重大審計程序包括下列各項：

- We tested the purchase price allocations in which we focused on the valuation of the intangible assets (i.e. Trademark and Management Service Contract) of AJI ON and the related fair value adjustments;
- 我們已測試購買價分配情況，其中我們專注於AJI ON無形資產（即商標及管理服務合約）的估值及相關公平值調整；
- We discussed with management as to whether there was any indicator of impairment;
- 我們與管理層討論是否有任何減值跡象；
- We obtained cash flow forecasts for the Retail CGU relating to the impairment assessment prepared by management and approved by the directors of the Company;
- 我們取得管理層所編製及貴公司董事所批准減值評估相關的零售現金產生單位現金流量預測；

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

1. Business combination and impairment assessment of goodwill and intangible assets

(Continued)

關鍵審計事項(續)

1. 業務合併以及商譽及無形資產的減值評估(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>For the purpose of the initial recognition and impairment assessment of goodwill and intangible assets, the Group appointed an independent external valuer to assess the fair value of the intangible assets of AJI ON at initial recognition and the recoverable amount of the Retail CGU at the end of the reporting period.</p> <p>貴集團就商譽及無形資產的初步確認及減值評估委任一名獨立外聘估值師，以評估初步確認時AJI ON無形資產的公平值及於報告期末零售現金產生單位的可收回金額。</p> <p>We had identified business combination and impairment assessment of goodwill and intangible assets as key audit matters because significant management judgement was required to determine the key assumptions including estimated future income, operating margins and discount rate, etc. and the amounts involved were significant.</p> <p>我們已將業務合併以及商譽及無形資產的減值評估識別為關鍵審計事項，原因為釐定重大假設(包括估計未來收入、經營利潤及貼現率等)及所涉及重大金額時需要管理層作出重大判斷。</p>	<ul style="list-style-type: none">— We discussed with management and independent external valuer engaged by the Company and assessed the methodology and assumptions used in arriving at the forecasts (e.g. estimated sales growth rate and discount rate etc.) to see whether the methodology and assumptions applied in valuing the intangible assets and impairment assessments were reasonable;— 我們與管理層及 貴公司所委聘獨立外聘估值師討論及評估達致預測所用方法及假設(即估計銷售增長率及貼現率等)，以檢視無形資產進行估值所用方法及假設及減值評估是否合理；— We checked, on a sample basis, the accuracy and reliance of the input data used;— 我們抽樣檢查所用輸入數據的準確性及可靠程度；及— We evaluated the competency and capabilities of the independent external valuer taking into account of their experience and qualifications.— 我們計及獨立外聘估值師的經驗及資格以評估其才能及能力。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

2. Impairment assessment of loan receivables

關鍵審計事項(續)

2. 應收貸款的減值評估

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>As at 31 March 2017, the Group has loan receivables of approximately HK\$88.6 million relating to the money lending segment for providing property mortgage loans and personal loans in Hong Kong (see note 21 to the consolidated financial statements).</p> <p>於二零一七年三月三十一日，貴集團有應收貸款約88,600,000港元，與於香港提供物業按揭貸款及個人貸款的放債分部有關(見綜合財務報表附註21)。</p> <p>All the loan receivables were secured by collaterals, bearing interests and repayable within fixed terms agreed with the borrowers.</p> <p>所有應收貸款以抵押品作抵押、計息及須按與借款方協定的固定年期償還。</p> <p>We had identified the impairment assessment of loan receivables as a key audit matter because the impairment assessment was subjective and significant management judgment was required taking into account customer credit risk and the fair value of collaterals, if any.</p> <p>我們已將應收貸款的減值評估識別為關鍵審計事項，原因為減值評估屬主觀性及考慮客戶信貸風險及抵押品公平值(如有)時需要管理層作出重大判斷。</p>	<p>Our major audit procedures in relation to this matter included the following:</p> <p>處理此事項之重大審計程序包括下列各項：</p> <ul style="list-style-type: none">— We obtained the list of loans and interest receivables outstanding as at 31 March 2017 and read the terms of the related loan agreements;— 我們取得於二零一七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 confirmations to the borrowers to confirm the balances as at 31 March 2017;— 我們已向借款方發出確認書以確認於二零一七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— 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)

3. Impairment assessment of an associate

關鍵審計事項(續)

3. 聯營公司的減值評估

Key audit matters

關鍵審計事項

As at 31 March 2017, the Group has interest in an associate of approximately HK\$284 million representing 47.63% equity interests in Red 5 Studios Inc. (see note 20 of the consolidated financial statements). During the year ended 31 March 2017, the Group recognised an impairment loss of approximately HK\$156.4 million for the interest in an associate.

於二零一七年三月三十一日，貴集團於一間聯營公司的權益約為284,000,000港元，相當於Red 5 Studios, Inc.的47.63%股權(見綜合財務報表附註20)。於截至二零一七年三月三十一日止年度，貴集團就於一間聯營公司的權益確認減值虧損約156,400,000港元。

For the purpose of assessing impairment of interest in an associate, the Group appointed an independent external valuer to assess the recoverable amount based on value-in-use calculations.

貴集團已就評估於一間聯營公司的權益的減值委任一名獨立外聘估值師，按使用價值計算評估可收回金額。

We had identified the impairment assessment of interest in an associate as a key audit matter because significant management judgement was required to determine whether there was an impairment indicator and to estimate the value in use of the interest in an associate.

我們已將於一間聯營公司的權益的減值評估識別為關鍵審計事項，原因為釐定是否存在減值跡象及評估於聯營公司的權益的使用價值時需要管理層作出重大判斷。

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 obtained financial information of the associate and assessed whether the accounting policy of the associate was consistent with the Group, if different, adjustments were provided to uniform with the Group's accounting policy;
- 我們已取得聯營公司的財務資料及評估聯營公司的會計政策是否與貴集團貫徹一致，如有差異，則作出調整以致有關會計政策與貴集團會計政策貫徹一致；
- We discussed with management whether any impairment indicator exists and basis for the impairment recognised;
- 我們已與管理層討論是否存在任何減值跡象及所確認減值基礎；
- We obtained and assessed the value in use calculations methodology provided by the management including but not limited to the reasonableness of key assumptions applied (e.g. operating margins, terminal growth rates and discount rates), the accuracy and reliance of the input data used; and
- 我們已取得及評估管理層所提供使用價值計算法，包括但不限於所應用重大假設(例如經營利潤、終端增長率及貼現率)以及所用輸入數據之準確性及可靠程度；及
- We evaluated the competency of the independent external valuer taking account its experience and qualifications.
- 我們計及獨立外聘估值師的經驗及資格以評估其能力。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2016 were audited by another auditor who expressed an unmodified opinion on those statement on 23 June 2016.

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.

其他事項

貴集團截至二零一六年三月三十一日止年度的綜合財務報表由另一位核數師審核，該核數師於二零一六年六月二十三日就該等報表發表無保留意見。

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

28 June 2017

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

二零一七年六月二十八日

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 2017
截至二零一七年三月三十一日止年度

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	5	60,830	210,354
Cost of sales	銷售成本		(67,266)	(189,978)
Gross (loss)/profit	(毛損)/毛利		(6,436)	20,376
Other income	其他收入	6	434	6,142
Other gains and losses	其他收益及虧損	7	(158,729)	6,197
Selling and distribution expenses	銷售及分銷開支		(5,345)	(11,498)
Administrative expenses	行政開支		(95,196)	(44,899)
Finance costs	財務成本	8	(879)	(2,425)
Share result of associate	分佔聯營公司業績	20	(32,051)	–
Loss before taxation	除稅前虧損		(298,202)	(26,107)
Income tax credit (expenses)	所得稅抵免(開支)	9	1,186	(3,195)
Loss for the year	年內虧損	10	(297,016)	(29,302)
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		(1,843)	(2,305)
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		–	(3,248)
Other comprehensive expense for the year	年內其他全面開支		(1,843)	(5,553)
Total comprehensive expense for the year	年內全面開支總額		(298,859)	(34,855)
Profit/(Loss) for the year attributable to:	下列人士應佔年內溢利/(虧損)：			
Owners of the Company	本公司擁有人		(294,298)	(29,302)
Non-controlling interests	非控股權益		(2,718)	–
			(297,016)	(29,302)
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		(296,145)	(34,855)
Non-controlling interests	非控股權益		(2,714)	–
			(298,859)	(34,855)
Loss per share	每股虧損			
Basic and diluted (HK cents)	基本及攤薄(港仙)	13	(1.24)	(0.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 March 2017
於二零一七年三月三十一日

			2017 二零一七年	2016 二零一六年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	14,154	17,367
Investment property	投資物業	15	2,780	3,033
Prepaid lease payments	預付租賃款項	16	3,249	3,549
Goodwill	商譽	18	7,919	–
Intangible assets	無形資產	17	7,630	–
Interest in an associate	於一間聯營公司的權益	20	283,946	–
Rental Deposits	租賃按金		296	200
Deferred tax assets	遞延稅項資產	27	12	17
			319,986	24,166
CURRENT ASSETS				
	流動資產			
Inventories	存貨	22	9,485	51,948
Trade and other receivables	貿易及其他應收款項	23	5,570	42,566
Loan receivables	應收貸款	21	88,586	–
Prepaid lease payments	預付租賃款項	16	90	96
Pledged bank deposits	已抵押銀行存款	24	–	14,418
Bank balances and cash	銀行結餘及現金	24	3,703	16,938
			107,434	125,966
CURRENT LIABILITIES				
	流動負債			
Trade payables	貿易應付款項	25	322	14,105
Other payables and accrued expenses	其他應付款項及應計開支	25	8,527	10,113
Tax payables	應付稅項		2,134	3,092
Bank and other borrowings	銀行及其他借貸	26	5,806	29,037
			16,789	56,347
NET CURRENT ASSETS			90,645	69,619
TOTAL ASSETS LESS CURRENT LIABILITIES			410,631	93,785
	資產總值減流動負債			

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 March 2017
於二零一七年三月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
NON-CURRENT LIABILITIES				
	非流動負債			
Deferred tax liabilities	遞延稅項負債	27	1,922	23
			1,922	23
NET ASSETS			408,709	93,762
	資產淨值			
CAPITAL AND RESERVES				
	資本及儲備			
Share capital	股本	28	51,200	40,000
Reserves	儲備		356,159	53,762
Equity attributable to owners of the Company	本公司擁有人應佔權益		407,359	93,762
Non-controlling interest	非控股權益		1,350	-
Total equity	權益總額		408,709	93,762

The consolidated financial statements on pages 69 to 175 were approved and authorised for issue by the Board of Director on 28 June 2017 and are signed on its behalf by:

第69頁至第175頁的綜合財務報表於二零一七年六月二十八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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2017
截至二零一七年三月三十一日止年度

		Share capital	Share premium	Share option reserve	Translation reserve	Special reserve	Other reserve	Retained profits/ (accumulated losses)	Total	Non-controlling interest	Total
		股本	股份溢價	購股權儲備	匯兌儲備	特別儲備	其他儲備	(累計虧損)	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元	千港元	千港元
						(Note (i)) (附註(i))	(Note (ii)) (附註(ii))				
At 1 April 2015	於二零一五年四月一日	40,000	23,823	-	8,927	28,431	4,327	23,109	128,617	-	128,617
Loss for the year	年內虧損	-	-	-	-	-	-	(29,302)	(29,302)	-	(29,302)
Exchange differences arising on the translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	(2,305)	-	-	-	(2,305)	-	(2,305)
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	-	-	-	(3,248)	-	-	-	(3,248)	-	(3,248)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(5,553)	-	-	(29,302)	(34,855)	-	(34,855)
At 31 March 2016	於二零一六年三月三十一日	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

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. 的股本及股份溢價價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 2017
截至二零一七年三月三十一日止年度

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(298,202)	(26,107)
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	1,909	5,208
Depreciation of investment property	投資物業折舊	75	79
Amortisation of prepaid lease payments	預付租賃款項攤銷	92	109
Amortisation of intangible asset	無形資產攤銷	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	-
Finance cost	財務成本	879	2,425
Bank interest income	銀行利息收入	(18)	(6)
Gain on disposal of a subsidiary	出售一間附屬公司的收益	-	(3,304)
Loss/(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備的虧損/(收益)	474	(2,925)
Loss/(gain) on fair value changes in pledged structured bank deposit	已抵押結構性銀行存款的公平值變動虧損/(收益)	-	23
Share option expenses	購股權開支	37,006	-
(Reversal)/Allowance for inventories	存貨(撥回)/撥備	(3,793)	14,946
Allowance for doubtful debts	呆賬撥備	-	257
Share of result of associate	分佔聯營公司業績	32,051	-
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	(68,395)	(9,295)
Decrease/(increase) in inventories	存貨減少/(增加)	46,256	17,588
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)/減少	36,995	(8,330)
Increase/(decrease) in loan receivables	應收貸款增加/(減少)	(88,586)	-
(Decrease)/increase in trade payable	貿易應付款項(減少)/增加	(11,107)	7,642
Decrease in other payables and accrued expenses	其他應付款項及應計開支減少	(5,192)	(4,636)
Decrease in rental deposits	租賃按金減少	(96)	620

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2017
截至二零一七年三月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Note 附註		
Cash (used in)/generated from operations	經營(所用)／所得現金	90,125	3,589
Income tax paid	已付所得稅	(879)	(935)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	經營活動(所用)／所得現金淨額	(91,004)	2,654
INVESTING ACTIVITIES	投資活動		
Net cash outflow from acquisition of subsidiary (Note 34)	收購附屬公司的現金流出淨額(附註34)	(12,373)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	290	11,840
Interest received	已收利息	18	6
Disposal of a subsidiary	出售一間附屬公司	-	(150)
Purchase of property, plant and equipment	購買物業、廠房及設備	(330)	(215)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	投資活動(所用)／所得現金淨額	(12,395)	11,481
FINANCING ACTIVITIES	融資活動		
Repayment of bank and other borrowings	償還銀行及其他借貸	(16,619)	(149,711)
Interest paid	已付利息	(711)	(2,425)
Repayment of obligations under finance lease	償還融資租賃債務	-	(208)
New bank and other borrowings raised	新造銀行及其他借貸	7,700	140,113
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	(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	13,400	-
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	融資活動所得／(所用)現金淨額	90,811	(12,231)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2017
截至二零一七年三月三十一日止年度

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 (減少)/增加淨額	(12,588)	1,904
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	16,938	15,808
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	(647)	(774)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, Bank balances and cash	年末現金及現金等價物， 呈列為銀行結餘及現金	3,703	16,938

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2017)
(截至二零一七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”). Pursuant to the enforcement of the Share Charge on 11 May 2016 which reduced the shareholding interests of Yang’s Holdings Capital Limited, a private limited company incorporated in the British Virgin Islands, from 51.02% to 30.02%, Yang’s Holdings Capital Limited ceased to be the immediate holding company. Accordingly, the holding company of Yang’s Holding Capital Limited, YWH Investment Holding Limited, a private limited company incorporated in the British Virgin Islands and Mr. Yang Wan Ho who controls YWH Investment Holding Limited, also ceased to be the ultimate holding company and ultimate controlling shareholder on 11 May 2016, respectively.

The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Ugland House, Grand Cayman, KY-1104 Cayman Islands and Flat 1, Block C, 11/F, Hong Kong Spinner Industrial Building, Phase 5, 762 Cheung Sha Wan Road, 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 different from the functional currency of the Company, United States dollars (“US\$”). The directors consider that presenting the consolidated financial statements in HK\$ is preferable when controlling and monitoring the performance and financial position of the Group.

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」)創業板上市。根據於二零一六年五月十一日實行的股份押記，在英屬處女群島註冊成立的私人有限公司Yang’s Holdings Capital Limited的股權由51.02%減至30.02%，故Yang’s Holdings Capital Limited不再為直接控股公司。因此，Yang’s Holdings Capital Limited的控股公司、在英屬處女群島註冊成立的私人有限公司YWH Investment Holding Limited及控制YWH Investment Holding Limited的楊文豪先生於二零一六年五月十一日分別不再為最終控股公司及最終控股股東。

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, KY-1104 Cayman Islands及香港九龍長沙灣道762號香港紗廠工業大廈第五期11樓C座1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。

綜合財務報表乃以港元(「港元」)呈列，有別於本公司功能貨幣美元(「美元」)。董事認為，就控制及監控本集團的表現及財務狀況而言，以港元呈列綜合財務報表較佳。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2017)
(截至二零一七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:

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
HKFRS 14	Regulatory Deferral Accounts
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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：

香港財務報告準則第11號(修訂本)	收購合營業務權益的會計處理
香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷的可接納方法
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：產花果植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合入賬的例外情況
香港財務報告準則第14號	監管遞延賬目
香港會計準則第27號(修訂本)	獨立財務報表的權益法
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的年度改進

除下文說明者外，於本年度應用香港財務報告準則修訂本並無對本集團於現行及過往年度的財務表現及狀況及／或該等綜合財務報表所載披露資料構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2017)
(截至二零一七年三月三十一日止年度)

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

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

(Continued)

Amendments to HKAS 1 Disclosure Initiative

The Group has applied the amendments to HKAS 1 Disclosure Initiative for the first time in the current year. The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by an HKFRS if the information resulting from the disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendment reiterate that an entity should consider providing addition disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance. Furthermore, the amendments require that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As required by the amendments, the share of other comprehensive income of associates had been separately presented and had been separated into (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met. Other than such a change in presentation, the application of the amendments to HKAS 1 has not resulted in any impact on the financial performance or financial position of the Group in these consolidated financial statements.

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)

(a) 於本年度強制生效的香港財務報告準則修訂本：(續)

香港會計準則第1號(修訂本)「披露計劃」

本集團於本年度首次應用香港會計準則第1號「披露計劃」(修訂本)。香港會計準則第1號(修訂本)釐清，倘披露資料並不重大，實體毋須按照香港財務報告準則的規定作出特別披露，並就合併及分列資料的披露基準提供指引。然而，該等修訂重申，倘依據香港財務報告準則特定要求作出的披露不足以讓財務報表使用者理解特定交易、事件及條件對實體財務狀況及財務表現的影響，則實體應考慮披露補充資料。此外，該等修訂本規定採用權益法入賬的實體分佔聯營公司及合營企業的其他全面收益須與集團產生的其他全面收益分開呈列，並根據其他香港財務報告準則獨立呈列分佔為：(i)其後不會重新分類至損益的項目；及(ii)當符合特定條件時其後將重新分類至損益的項目。

按該等修訂本所規定，分佔聯營公司的其他全面收益已獨立呈列，分別呈列為(i)其後不會重新分類至損益的項目；及(ii)當符合特定條件時其後將重新分類至損益的項目。除有關呈列變動外，應用香港會計準則第1號(修訂本)不會對該等綜合財務報表中本集團的財務表現或財務狀況構成任何影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2017)
(截至二零一七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 ²
HKFRS 15 and clarifications to HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Lease ³
HK (IFRIC)-Int 22	Foreign Currency Transactions and Advanced Consideration ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to HKAS 40	Transfer of Investment Properties ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle ⁵

¹ Effective for accounting periods beginning on or after 1 January 2017, with earlier application permitted.

² Effective for accounting periods beginning on or after 1 January 2018, with earlier application permitted.

³ Effective for accounting periods beginning on or after 1 January 2019, with earlier application permitted.

⁴ Effective for accounting periods beginning on or after a date to be determined.

⁵ 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 ²
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 ²
香港財務報告準則第16號	租賃 ³
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 ²
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 ²
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」 ²
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 ⁴
香港會計準則第7號(修訂本)	披露計劃 ¹
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 ¹
香港會計準則第40號(修訂本)	轉移投資物業 ²
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 ⁵

¹ 於二零一七年一月一日或之後開始的會計期間生效，可提早應用。

² 於二零一八年一月一日或之後開始的會計期間生效，可提早應用。

³ 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。

⁴ 於有待釐定的日期或之後開始的會計期間生效。

⁵ 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 2017)
(截至二零一七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 2017)
(截至二零一七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。

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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號制定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。

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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

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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。

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綜合財務報表附註

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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。

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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。

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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創業板證券上市規則（「創業板上市規則」）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。

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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。

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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.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the earliest date presented.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

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表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。

共同控制實體業務合併的合併會計法

綜合財務報表包括共同控制合併的合併實體或業務的財務報表，猶如自最早呈列日期起已經合併。

合併實體或業務的資產淨值乃按控制方的現有賬面值進行合併。在持續擁有控制方權益的情況下，共同控制合併時並無就商譽或收購公司於收購對象的可識別資產、負債及或然負債的公平淨值的權益高出成本的部分確認任何金額。

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綜合財務報表附註

(For the year ended 31 March 2017)
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Merger accounting for business combination involving entities under common control

(Continued)

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period.

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;

3. 主要會計政策(續) 共同控制實體業務合併的合併會計 法(續)

綜合損益及其他全面收益表包括自最早呈列日期起(不論共同控制合併的日期)各合併實體或業務的業績。

綜合財務報表的比較金額乃按猶如該等實體或業務於先前報告期末已合併的方式呈列。

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；

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Business combination (Continued)

- 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.

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".

3. 主要會計政策(續) 業務合併(續)

- 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。

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。計量期間調整為於「計量期間」內就獲得其他資料而作出之調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Business combination (Continued)

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.

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) 業務合併(續)

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。

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)減任何累計減值虧損(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。

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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。

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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；

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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.

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

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.

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.

3. 主要會計政策(續)

租賃(續)

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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) 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) 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。

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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。

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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。

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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。

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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（及稅法）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。

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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。

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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。

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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。

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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。

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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。

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(截至二零一七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, pledged bank deposits and bank balances and cash) 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

金融資產主要分為按公平值計入損益(「按公平值計入損益」)的金融資產、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期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、已抵押銀行存款以及銀行結餘及現金)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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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.

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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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.

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.

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)

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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial instruments (Continued)

Financial liabilities and equity instruments

(Continued)

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.

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.

3. 主要會計政策(續) 金融工具(續)

金融負債及股本工具(續)

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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial instruments (Continued)

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.

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.

3. 主要會計政策(續) 金融工具(續)

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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial instruments (Continued)

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
- (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;

3. 主要會計政策(續) 金融工具(續)

關連方

就該等綜合財務報表而言，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
- (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；

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial instruments (Continued)

Related parties (Continued)

(b) (Continued)

- (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.

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.

3. 主要會計政策(續) 金融工具(續)

關連方(續)

(b) (續)

- (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。

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。

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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.

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.

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。

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。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimated future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

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.

4. 重大會計判斷及估計不確定性的主要來源(續)

貿易應收款項的估計減值

倘有客觀證據顯示出現減值虧損，本集團會考慮估計未來現金流量。減值虧損的數額乃根據資產賬面值與估計未來現金流量（不包括尚未產生的未來信貸虧損）按金融資產的原實際利率（即於初步確認時用於計算的實際利率）貼現的現值之間的差額計算。倘未來實際現金流量低於預期，則可能產生重大減值虧損。

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。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

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.

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.

4. 重大會計判斷及估計不確定性的主要來源(續)

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。

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。

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(For the year ended 31 March 2017)
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5. REVENUE AND SEGMENT INFORMATION

(Continued)

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 2017

5. 收益及分部資料(續)

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	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益						
External sales	對外銷售	46,126	8,318	6,386	60,830	–	60,830
Inter-segment sales*	分部間銷售*	3,159	–	–	3,159	(3,159)	–
Total segment revenue	總分部收益	49,285	8,318	6,386	63,989	(3,159)	60,830
Results	業績						
Segment results	分部業績	(41,985)	(10,537)	5,417	(47,105)	–	(47,105)
Share result of associate	分佔聯營公司業績						(32,051)
Impairment of investment in an associate	於一間聯營公司的權益減值						(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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(For the year ended 31 March 2017)
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5. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment revenue and results (Continued)

For the year ended 31 March 2016

5. 收益及分部資料(續)

分部收益及業績(續)

截至二零一六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	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益					
External sales	對外銷售	184,161	26,193	210,354	-	210,354
Inter-segment sales*	分部間銷售*	11,608	-	11,608	(11,608)	-
Total segment revenue	總分部收益	195,769	26,193	221,962	(11,608)	210,354
Results	業績					
Segment results	分部業績	(16,241)	(8,700)	(24,941)	-	(24,941)
Corporate expenses	企業開支					(11,080)
Finance costs	財務成本					(2,425)
Fair value change in pledged structured bank deposit	已抵押結構性銀行存款 的公平值變動					(23)
Other income, and other gains and losses	其他收入以及其他 收益及虧損					9,058
Gain on disposal of a subsidiary	出售一間附屬公司 的收益					3,304
Loss before tax	除稅前虧損					(26,107)

* Inter-segment revenue is charged at prevailing market rates.

* 分部間收益按現行市場價格入賬。

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, fair value change in pledged structured bank deposit, listing expenses 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.

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、已抵押結構性銀行存款的公平值變動、上市開支以及財務成本。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。

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5. REVENUE AND SEGMENT INFORMATION

(Continued)

Other segment information

Year ended 31 March 2017

5. 收益及分部資料(續)

其他分部資料

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

Year ended 31 March 2016

截至二零一六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	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	4,609	599	5,208
Depreciation of an investment property	一項投資物業折舊	79	-	79
Release of prepaid lease payments	解除預付租賃款項	109	-	109
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	2,925	-	2,925
Allowance for inventories	存貨撥備	14,176	770	14,946
Additions to non-current assets	添置非流動資產	17	198	215

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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:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
USA	美國	45,009	183,311
Hong Kong	香港	13,738	26,382
PRC	中國	1,137	–
Europe	歐洲	946	477
Others	其他	–	184
		60,830	210,354

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:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
USA	美國	283,946	–
PRC	中國	34,603	22,073
Hong Kong	香港	1,424	2,076
		319,973	24,149

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：

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綜合財務報表附註

(For the year ended 31 March 2017)
(截至二零一七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:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A*	客戶 A*	41,967	160,656

* Revenue from OEM business

* 來自原設備製造業務的收益

6. OTHER INCOME

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	5,541
Rental income	租金收入	7	80
Bank interest income	銀行利息收入	18	6
Others	其他	381	515
		434	6,142

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：

6. 其他收入

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7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備的(虧損)/收益	(474)	2,925
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)	-
Fair value change in pledged structured bank deposit	已抵押結構性銀行存款的公平值變動	-	(23)
Gain on disposal of subsidiary	出售一間附屬公司的收益	-	3,304
Others	其他	-	(9)
		(158,729)	6,197

8. FINANCE COSTS

8. 財務成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on:	下列各項的利息：		
Bank borrowings	銀行借貸	676	2,418
Obligations under finance leases	融資租賃債務	-	7
Other borrowings	其他借貸	203	-
		879	2,425

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9. INCOME TAX EXPENSE/(CREDIT)

9. 所得稅開支／(抵免)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong Profits Tax	香港利得稅		
— current year	— 本年度	24	2,167
— overprovision in prior years	— 過往年度超額撥備	(20)	(40)
PRC Enterprise Income Tax (“EIT”)	中國企業所得稅 (「企業所得稅」)		
— current year	— 本年度	—	543
Deferred tax	遞延稅項	(1,190)	525
Income tax expenses (credit)	所得稅開支(抵免)	(1,186)	3,195

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

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。

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.

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。

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9. INCOME TAX EXPENSE (CREDIT) (Continued)

The income tax expense 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. 所得稅開支／(抵免)(續)

於本年度，所得稅開支與綜合損益及其他全面收益表的除稅前虧損對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(298,202)	(26,107)
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)	(49,203)	(4,308)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	38,926	3,653
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(747)	(964)
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	(811)	(205)
Tax effect of temporary differences not recognized	未確認暫時差額的稅務影響	4,907	2,339
Tax effect of tax losses not recognised	未確認的稅項虧損的稅務影響	5,762	2,720
Overprovision in respect of prior years	過往年度超額撥備	(20)	(40)
Income tax expense for the year	年度所得稅開支	(1,186)	3,195

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。

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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：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Director's remuneration	董事薪酬	2,969	7,517
Other Staff salaries and allowances	其他員工工資及津貼	27,332	44,358
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款 (董事除外)	728	1,031
Total employee benefits expenses	僱員福利開支總額	31,029	52,906
Auditor's remuneration (including non-audit services)	核數師薪酬 (包括非核數服務)	900	1,671
Cost of inventories recognized as an expense (Note)	已確認為開支的存貨成本 (附註)	42,353	164,493
Depreciation of an investment property	一項投資物業折舊	75	79
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,909	5,208
Amortisation of prepaid lease payments	預付租賃款項攤銷	92	109
(Reversal)/Allowance for inventories	存貨(撥回)/撥備	(3,793)	14,946
Allowance for doubtful debts	呆賬撥備	-	257
Net exchange loss	匯兌虧損淨額	864	646
Rental income from an investment property	來自一項投資物業的租金 收入	(7)	(80)
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。

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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 2017

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 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 ¹	吳家豪先生 ¹	<i>i</i>	–	720	18	738
Mr. Yang Wan Ho ²	楊文豪先生 ²	<i>ii</i>	–	–	–	–
Mr. Yang Si Hang ³	楊詩恒先生 ³	<i>iii</i>	–	1,149	11	1,160
Mr. Yang Si Kit Kenny ⁴	楊詩傑先生 ⁴	<i>iv</i>	–	122	2	124
Non-executive directors						
非執行董事						
Ms. Rubby Chau ⁵	周露薇女士 ⁵	<i>v</i>	–	–	–	–
Mr. Wong Chiu Po ⁶	黃昭堡先生 ⁶	<i>vi</i>	240	–	–	240
Independent non-executive directors						
獨立非執行董事						
Mr. Chan Chi Keung Alan ⁷	陳志強先生 ⁷	<i>vii</i>	–	–	–	–
Mr. Kwong Lun Kei Victor ⁸	鄺麟基先生 ⁸	<i>viii</i>	240	–	–	240
Ms. Cheung Marn Kay ⁹	章曼琪女士 ⁹	<i>ix</i>	19	–	–	19
Mr. Ma Chi Ming ¹⁰	馬志明先生 ¹⁰	<i>x</i>	221	–	–	221
Mr. Chan Ming Sun Jonathan ¹¹	陳銘燊先生 ¹¹	<i>xi</i>	220	–	–	220
Mr. Ng Kai Shing ¹²	吳啟誠先生 ¹²	<i>xii</i>	7	–	–	7
Mr. Li Kin Ping ¹³	李健平先生 ¹³	<i>xiii</i>	–	–	–	–
			947	1,991	31	2,969

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

11a. Directors' and the chief executive's emoluments (Continued)

For year ended 31 March 2016

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)

截至二零一六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	<i>i</i>	528	90	17	635
Mr. Yang Wan Ho	楊文豪先生	<i>ii</i>	878	–	–	878
Mr. Yang Si Hang	楊詩恒先生	<i>iii</i>	2,000	480	18	2,498
Mr. Yang Si Kit Kenny	楊詩傑先生	<i>iv</i>	2,000	528	18	2,546
Non-executive directors 非執行董事						
Ms. Rubby Chau	周露薇女士	<i>v</i>	127	–	–	127
Mr. Wong Chiu Po	黃昭堡先生	<i>vi</i>	113	–	–	113
Independent non-executive directors 獨立非執行董事						
Mr. Chan Chi Keung Alan	陳志強先生	<i>vii</i>	132	–	–	132
Ms. Cheung Marn Kay	章曼琪女士	<i>ix</i>	240	–	–	240
Mr. Chan Ming Sun Jonathan	陳銘樂先生	<i>xi</i>	240	–	–	240
Mr. Kwong Lun Kei Victor	鄺麟基先生	<i>viii</i>	108	–	–	108
Mr. Ma Chi Ming	馬志明先生	<i>x</i>	–	–	–	–
			6,366	1,098	53	7,517

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

11a. Directors' and the chief executive's emoluments (Continued)

Notes:

- (i) Mr. Ng Ka Ho was appointed as an executive director on 13 July 2015.
- (ii) Mr. Yang Wan Ho resigned as an executive director on 9 September 2015.
- (iii) Mr. Yang Si Hang resigned as a chief executive officer on 3 March 2017.
- (iv) Mr. Yang Si Kit Kenny resigned as an executive director on 22 April 2016.
- (v) Ms. Rubby Chau resigned as a non-executive director on 12 October 2015.
- (vi) Mr. Wong Chiu Po was appointed as a non-executive director on 12 October 2015 and resigned as an independent non-executive director on 26 April 2017.
- (vii) Mr. Chan Chi Keung Alan resigned as an independent non-executive director on 19 October 2015.
- (viii) Mr. Kwong Lun Kei Victor was appointed as an independent non-executive director on 19 October 2015 and resigned as an independent non-executive director on 3 March 2017.
- (ix) Ms. Cheung Marn Kay resigned as an independent non-executive director on 29 April 2016.
- (x) Mr. Ma Chi Ming was appointed as an independent non-executive director on 29 April 2016.
- (xi) Mr. Chan Ming Sun Jonathan resigned as an independent non-executive director on 3 March 2017.
- (xii) Mr. Ng Kai Shing was appointed as an independent non-executive director on 20 March 2017.
- (xiii) Mr. Li Kin Ping was appointed as an independent non-executive director on 20 April 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) 吳家豪先生於二零一五年七月十三日獲委任為執行董事。
- (ii) 楊文豪先生於二零一五年九月九日辭任執行董事。
- (iii) 楊詩恒先生於二零一七年三月四日辭任首席執行官。
- (iv) 楊詩傑先生於二零一六年四月二十二日辭任執行董事。
- (v) 周露薇女士於二零一五年十月十二日辭任非執行董事。
- (vi) 黃昭堡先生於二零一五年十月十二日獲委任為非執行董事，後於二零一七年四月二十六日辭任獨立非執行董事。
- (vii) 陳志強先生於二零一五年十月十九日辭任獨立非執行董事。
- (viii) 鄺麟基先生於二零一五年十月十九日獲委任為獨立非執行董事，後於二零一七年三月三日辭任獨立非執行董事。
- (ix) 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。
- (x) 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。
- (xi) 陳銘樂先生於二零一七年三月三日辭任獨立非執行董事。
- (xii) 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。
- (xiii) 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。

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

11a. Directors' and the chief executive's emoluments (Continued)

Mr. Yang Si Hang is also 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 2 directors (2016: 4) of the Company for the years ended 31 March 2017. The emoluments of the remaining 3 individual (2016: 1 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)

楊詩恒先生亦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

截至二零一七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兩名董事(二零一六年：四名)。餘下三名人士(二零一六年：一名)的酬金載列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other allowances	工資及其他津貼	3,337	728
Retirement benefit scheme contributions	退休福利計劃供款	56	18
		3,393	746

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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	
		2017 二零一七年	2016 二零一六年
Up to HK\$1,000,000	零至 1,000,000 港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	–	–
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	–	–
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 2017 and 2016.

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。截至二零一七年及二零一六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 (2016: nil).

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(二零一六年：無)。

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13. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	(294,298)	(29,302)
		'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	23,687,578	20,000,000

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 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.

For the year ended 31 March 2016, no diluted loss per share has been presented as the Company has no potential dilutive ordinary shares outstanding during both reporting periods.

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所述股份拆細作出調整。

截至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。

截至二零一六年三月三十一日止年度，由於本公司於兩個報告期間並無發行在外的潛在攤薄普通股，故並無呈列每股攤薄虧損。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Plant and machinery	Furniture and equipment	Office equipment	Leasehold improvement	Motor vehicles	Construction in progress	Total
		樓宇	廠房及機器	傢俬及設備	辦公設備	租賃物業裝修	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元
Cost	成本								
At 1 April 2015	於二零一五年四月一日	35,558	78,854	1,759	6,096	6,061	2,897	47	131,272
Additions	添置	-	-	-	42	173	-	-	215
Transfer	轉撥	-	46	-	-	-	-	(46)	-
Disposals	出售	(1,210)	(53,708)	(160)	(176)	(1,322)	(1,715)	-	(58,291)
Disposal of a subsidiary	出售一間附屬公司	(15,753)	(1,616)	(34)	(180)	-	(175)	-	(17,758)
Exchange realignment	匯兌調整	(1,366)	(405)	(40)	(90)	(73)	(21)	(1)	(1,996)
At 31 March 2016	於二零一六年三月三十一日	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
DEPRECIATION	折舊								
At 31 March 2015	於二零一五年三月三十一日	6,399	64,960	1,609	5,557	5,317	2,198	-	86,040
Provided for the year	年度撥備	686	3,366	42	232	614	268	-	5,208
Disposals	出售	(65)	(46,375)	(154)	(176)	(1,322)	(1,284)	-	(49,376)
Eliminated on disposal of a subsidiary	出售一間附屬公司時對銷	(3,059)	(1,572)	(34)	(171)	-	(175)	-	(5,011)
Exchange realignment	匯兌調整	(263)	(311)	(39)	(79)	(73)	(21)	-	(786)
At 31 March 2016	於二零一六年三月三十一日	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
CARRYING VALUES	賬面值								
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
At 31 March 2016	於二零一六年三月三十一日	13,531	3,103	101	329	303	-	-	17,367

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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 2015	於二零一五年四月一日	4,049
Exchange adjustments	匯兌調整	(161)
At 31 March 2016	於二零一六年三月三十一日	3,888
Exchange adjustments	匯兌調整	(230)
At 31 March 2017	於二零一七年三月三十一日	3,658
DEPRECIATION AND IMPAIRMENT		
At 1 April 2015	於二零一五年四月一日	809
Exchange adjustments	匯兌調整	(33)
Provided for the year	年度撥備	79
At 31 March 2016	於二零一六年三月三十一日	855
Exchange adjustment	匯兌調整	(52)
Provided for the year	年度撥備	75
At 31 March 2017	於二零一七年三月三十一日	878
CARRYING VALUES		
At 31 March 2017	於二零一七年三月三十一日	2,780
At 31 March 2016	於二零一六年三月三十一日	3,033

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16. PREPAID LEASE PAYMENTS

16. 預付租賃款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	3,549
Current assets	流動資產	90	96
		3,339	3,645

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	Total 總計 HK\$'000 千港元
Cost:	成本：			
At 1 April 2015, 31 March 2016 and 1 April 2016	於二零一五年四月一日、 二零一六年三月三十一日 及二零一六年四月一日	-	-	-
Additions through acquisition of a subsidiary	透過收購一間附屬公司 添置	9,503	2,868	12,371
At 31 March 2017	於二零一七年三月三十一日	9,503	2,868	12,371
Accumulated amortisation:	累計攤銷：			
At 1 April 2015, 31 March 2016 and 1 April 2016	於二零一五年四月一日、 二零一六年三月三十一日 及二零一六年四月一日	-	-	-
Provided for the year	年度撥備	2,639	238	2,877
Impairment for the year	年度減值	1,864	-	1,864
At 31 March 2017	於二零一七年三月三十一日	4,503	238	4,741
Net carrying amount:	賬面淨值：			
At 31 March 2017	於二零一七年三月三十一日	5,000	2,630	7,630

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17. INTANGIBLE ASSETS (Continued)

Note:

During the year ended 31 March 2017, certain acquisitions of other intangible assets with aggregate amount of HK\$12,373,000 has been acquired as set out in follow:

Acquired through business combination, represented a trademark of "LABORON" and an employment service contract for a designer. The useful life of the trademark and the employment service contract is 10 years and 3 years respectively.

17. 無形資產(續)

附註：

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12,373,000港元，已就以下方式收購：

透過業務合併收購，指「LABORON」商標及一名設計師的僱用服務合約。商標及僱用服務合約的可使用年期分別為10年及3年。

18. GOODWILL

18. 商譽

		2017 二零一七年 HK\$'000 千港元
At cost and carrying amount:	按成本及賬面值：	
At 1 April 2015, 31 March 2016 and 1 April 2016	於二零一五年四月一日、二零一六年三月三十一日及二零一六年四月一日	-
Acquisition of a subsidiary	收購一間附屬公司	7,919
At 31 March 2017	於二零一七年三月三十一日	7,919

Pursuant to business acquisition of Aji On Worldwide Holdings Limited and its subsidiaries, goodwill has been generated and which represents the, revenue growth and future market development of Aji On Worldwide Holdings Limited and its subsidiaries.

根據Aji On Worldwide Holdings Limited及其附屬公司的業務收購，商譽經已產生，並指Aji On Worldwide Holdings Limited及其附屬公司的收益增長及未來市場發展。

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18. GOODWILL (Continued)

Aji On Worldwide Holdings Limited and its subsidiaries

As at 31 March 2017, the Group determined the recoverable amount of cash generating unit ("CGU") for high-end fashion retail industry to be approximately 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 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 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.

18. 商譽(續)

Aji On Worldwide Holdings Limited 及其附屬公司

於二零一七年三月三十一日，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年期的政務預算為基準的現金流量預測，並納入25%的貼現率，此外，5年期之後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。

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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

After recognition of impairment losses, the carrying amount of goodwill was allocated to cash generating units as follows:

		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

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.

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 2017.

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

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。

董事認為，毋須就截至二零一七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。

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20. INTEREST IN AN ASSOCIATE

20. 於一家聯營公司的權益

		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 of post-acquisition net assets	分佔收購後資產淨值	(32,051)
Sub-total	小計	(440,337)
Less: impairment loss	減：減值虧損	(156,391)
		283,946

Particulars of associate as at 31 March 2017 are as follows:

於二零一七年三月三十一日，聯營公司詳情如下：

Name of company 公司名稱	Place of Incorporation/ Registration and operation 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	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)	47.63%	創新娛樂軟件及 網絡遊戲開發

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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。

		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	797,460
Current assets	流動資產	6,253
Non-current liabilities	非流動負債	56,419
Current liabilities	流動負債	506,871
Revenue	收入	4,163
Loss for the period	期內虧損	(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	240,423
Group's effective interest	本集團實際權益	47.63%
Group's share of net assets of the associate	本集團分佔聯營公司資產淨值	114,513
Goodwill	商譽	325,824
Impairment	減值	(156,391)
Carrying amount in the consolidated financial statements	於綜合財務報表的賬面值	283,946

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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 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\$472,387,000, 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。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出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472,387,000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項資產進行減值測試，方法為將其可收回金額(即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。

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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.

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:

		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	88,586

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「火瀑Firefall」的網絡遊戲而大幅減少。

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：

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21. LOAN RECEIVABLES (Continued)

The ranges of effective interest rates on the Group's loan receivables are as follows:

21. 應收貸款(續)

本集團應收貸款的實際利率範圍介乎：

		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

The collaterals of loan receivables included shares of a private company in Hong Kong and companies listed on the Stock Exchange.

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

22. 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials	原材料	1,694	38,108
Work in progress	在製品	238	5,835
Finished goods	製成品	7,553	8,005
		9,485	51,948

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23. TRADE AND OTHER RECEIVABLES

23. 貿易及其他應收款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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)	2,167	23,556
Prepayments	預付款項	1,480	1,682
Deposits	按金	835	2,536
Other receivable	其他應收款項	540	643
Consideration receivables	應收代價	548	14,149
		5,570	42,566

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.

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.

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。

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。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0至30日	610	21,412
31 – 60 days	31至60日	1	444
61 – 90 days	61至90日	1	202
Over 90 days	90日以上	1,555	1,498
		2,167	23,556

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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\$1,557,000 as at 31 March 2017 (2016: HK\$2,007,000) 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:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
31 to 60 days	31至60日	1	307
61 to 90 days	61至90日	1	202
Over 90 days	90日以上	1,555	1,498
		1,557	2,007

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二零一七年三月三十一日總賬面值為1,557,000港元(二零一六年：2,007,000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：

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23. TRADE AND OTHER RECEIVABLES (Continued)

Trade and other receivables denominated in currencies other than the functional currency of the relevant group entities are set out below.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RMB	人民幣	1,404	14,522
HK\$	港元	2,539	24

Movement in the allowance for doubtful debts

呆賬撥備變動

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
1 April	四月一日	257	–
Impairment loss recognized on receivables	就應收款項確認減值虧損	–	257
31 March	三月三十一日	257	257

24. PLEDGED STRUCTURED BANK DEPOSIT/ PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits

Pledged bank deposits of the Group have been pledged to secure short-term banking facilities granted to the Group.

The pledged bank deposits carry interest at the fixed rates from 0.01% per annum as at 31 March 2016.

24. 已抵押結構性銀行存款／已抵押銀行存款／銀行結餘及現金

已抵押銀行存款

本集團的已抵押銀行存款已抵押作為本集團獲授短期銀行融資的擔保。

於二零一六年三月三十一日，已抵押銀行存款按0.01厘的固定年利率計息。

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24. PLEDGED STRUCTURED BANK DEPOSIT/ PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH (Continued)

Bank balances and cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Bank balances carry interest at variable rates which range from 0.01% to 0.5% per annum as at 31 March 2017 (2016: 0.01% to 0.5% per annum).

Pledged bank deposits and bank balances and cash denominated in currencies other than the functional currency of the relevant group entities are set out below:

24. 已抵押結構性銀行存款／已抵押銀行存款／銀行結餘及現金(續)

銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期日為三個月或不足三個月的短期銀行存款。

於二零一七年三月三十一日，銀行結餘按介乎0.01厘至0.5厘的浮動年利率計息(二零一六年：年利率介乎0.01厘至0.5厘)。

相關集團實體以功能貨幣以外的貨幣計值的已抵押銀行存款以及銀行結餘及現金載列如下：

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	3,274	7,726
Renminbi ("RMB")	人民幣(「人民幣」)	374	8,378

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25. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES 25. 貿易及其他應付款項以及應計開支

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	貿易應付款項	322	14,105
Payable for social insurance	應付社會保險	–	43
Subcontracting fee payable	應付分包費用	–	4,837
Accrued staff salaries	應計員工薪金	401	1,068
Accrued rental expenses	應計租賃開支	311	535
Accrued expenses	應計開支	4,167	1,993
Other payables	其他應付款項	3,648	1,637
		8,527	10,113

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25. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES (Continued)

The ageing analysis of the trade creditors presented based on the invoice date at the end of the reporting period is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 60 days	0至60日	94	13,808
61 – 90 days	61至90日	35	7
Over 90 days	90日以上	193	290
		322	14,105

Trade and other payables denominated in currencies other than the functional currency of the relevant group entities are set out below.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	4,031	1,537
Renminbi ("RMB")	人民幣(「人民幣」)	895	–

25. 貿易及其他應付款項以及應計開支 (續)

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：

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。

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26. BANK AND OTHER BORROWINGS

26. 銀行及其他借貸

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Bank borrowings	銀行借貸		
— Variable rate trust receipt loans	— 浮息信託收據貸款	—	11,816
— Variable rate advance to manufacturer loans	— 向製造商提供的浮息墊款	—	17,221
Other borrowings	其他借貸	5,806	—
		5,806	29,037

The bank borrowings of the Group are secured and repayable within one year from the end of the reporting period based on scheduled repayment dates set out in the loan agreements. All the bank borrowings contain a repayable on demand clause, hence, the amounts are shown under current liabilities.

As at 31 March 2017, the Group borrowed HK\$5,806,000 with interest of 12% per annum and repayable within one year.

As at 31 March 2016, the bank borrowings carry interests at Trade Finance Rate quoted by the lender plus 1.00% to 1.75% per annum. The ranges of effective interest rates on borrowings are 2.01 % to 6.75 % per annum as at 31 March 2017 (2016: 2.01% to 6.75% per annum).

本集團的銀行借貸為有抵押，根據貸款協議所載預訂償還日期，須自報告期末起計一年內償還。所有銀行借貸均包含須按要求償還的條款，因此，該等款項於流動負債列示。

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。

於二零一六年三月三十一日，銀行借貸按借貸人所報貿易融資利率加年利率1.00厘至1.75厘計息。於二零一七年三月三十一日，借貸的實際年利率介乎2.01厘至6.75厘(二零一六年：年利率介乎2.01厘至6.75厘)。

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26. BANK AND OTHER BORROWINGS (Continued)

Bank borrowings denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$	港元	5,806	—

The borrowings as at 31 March 2016 were secured by:

- Undertakings of certain subsidiaries of the Company; and
- Pledged bank deposits of HK\$14,418,000 as at 31 March 2016.

During the year ended 31 March 2016, the Group could not comply with certain bank covenants under the bank facilities, which are primarily related to the consolidated tangible net worth of the Group. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the borrowings with the relevant banker. As at 31 March 2016, the relevant bank borrowings amounted to approximately HK\$29,037,000. In addition, on 11 May 2016, the Group further breached another covenant requirement of the bank borrowings as the Group could not comply with the shareholding requirement upon the enforcement of Share Charge. The relevant bank borrowings were settled during the year ended 31 March 2017.

26. 銀行及其他借貸(續)

相關集團實體以功能貨幣以外的貨幣計值的銀行借貸載列如下：

於二零一六年三月三十一日的借貸乃以下列各項作抵押：

- 本公司若干附屬公司的承諾；及
- 於二零一六年三月三十一日的已抵押銀行存款 14,418,000 港元。

於截至二零一六年三月三十一日止年度，本集團未能遵守銀行融資項下若干銀行契約，有關條款主要與本集團綜合有形淨值有關。於發現違約時，本公司董事知會借貸人並開始與相關銀行重新磋商借貸條款。於二零一六年三月三十一日，相關銀行借貸約為 29,037,000 港元。此外，本集團又再違反另一契約規定，原因為本集團於二零一六年五月十一日未能符合實行股份押記的持股要求。有關銀行借貸已於截至二零一七年三月三十一日止年度清償。

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27. DEFERRED TAX ASSETS/LIABILITIES

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	1,922	23
Deferred tax assets	遞延稅項資產	(12)	(17)
		1,910	6

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：

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

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：

		Intangible asset	Accelerated tax depreciation	Provision for long service payments and social welfare	Total
		無形資產	加速稅項 折舊	長期服務金 及社會福利 撥備	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	-	97	(616)	(519)
(Credit) charge to profit or loss	於損益(計入)扣除	-	(91)	616	525
At 31 March 2016	於二零一六年三月三十一日	-	6	-	6
Acquisition of a subsidiary	收購一家附屬公司	3,094	-	-	3,094
(Credit) charge to profit or loss	於損益(計入)扣除	(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

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27. DEFERRED TAX ASSETS/LIABILITIES (Continued)

Under the EIT Law of PRC, starting from 1 January 2008, 10% withholding income tax is imposed on dividends declared in respect of profits earned by the subsidiaries established in the PRC from the calendar year 2008 onwards to their foreign shareholders. No deferred taxation has been provided in respect of temporary differences attributable to the undistributed profits of HK\$Nil (equivalent to approximately RMBNil) earned by the Group's PRC subsidiaries as at 31 March 2017 (2016: HK\$11,529,600 (equivalent to RMB8,966,000)), because the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

As at 31 March 2017, the Group had unused tax losses of approximately HK\$29,782,000 (2016: HK\$30,099,000). 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.

As at 31 March 2017, the Group has deductible temporary differences on allowance for inventories of HK\$11,578,000 (2016: HK\$14,149,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

27. 遞延稅項資產／負債(續)

根據中國企業所得稅法，自二零零八年一月一日起，將對於中國成立的公司就二零零八年曆年起賺取的溢利向其境外股東宣派的股息徵收10%的預扣所得稅。由於本集團能夠控制暫時差額的撥回時間，而暫時差額很可能不會於可見將來撥回，因此並無就本集團中國附屬公司於二零一七年三月三十一日賺取的未分派溢利零港元（相當於約人民幣零元）（二零一六年：11,529,600港元（相當於人民幣8,966,000元））應佔的暫時差額計提遞延稅項撥備。

於二零一七年三月三十一日，本集團有未動用稅項虧損約29,782,000港元（二零一六年：30,099,000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。

於二零一七年三月三十一日，本集團就存貨撥備有可扣減暫時差額11,578,000港元（二零一六年：14,149,000港元）。由於應課稅溢利不大可能用以抵銷可扣減暫時差額，故並無就該等可扣減暫時差額確認遞延稅項資產。

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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 2015, ordinary share of HK\$0.10 each	— 於二零一五年四月一日，每股面值0.10港元的普通股		1,000,000,000	100,000
— Increase in authorized share, ordinary share of HK\$0.01 each	— 增加法定股本，每股面值0.01港元的普通股	(a)	9,000,000,000	—
— At 31 March 2016, ordinary shares of HK\$0.01 each	— 於二零一六年三月三十一日，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	— 股份分拆為每股面值0.002港元的影響	(c)	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
Issued and fully paid:	已發行及繳足：			
— At 1 April 2015, ordinary shares of HK\$0.10 each	— 於二零一五年四月一日，每股面值0.10港元的普通股		400,000,000	40,000
— Share subdivision of HK\$0.01 each	— 股份分拆為每股面值0.01港元	(a)	3,600,000,000	—
— At 31 March 2016, ordinary shares of HK\$0.01 each	— 於二零一六年三月三十一日，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	— 收購一家聯營公司時發行股份	(b)	226,022,723	2,260
— Share subdivision of HK\$0.002 each	— 股份分拆為每股面值0.002港元	(c)	16,904,090,892	—
— Issue of shares upon placing	— 配售時發行股份	(d)	2,869,886,385	5,740
— Exercise of share options	— 行使購股權	(e)	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

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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 20 April 2015, every one issued and unissued ordinary share with a par value of HK\$0.10 each in the share capital of the Company be subdivided into 10 ordinary shares with a par value of HK\$0.01 each, such that the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 shares with a par value of HK\$0.01 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) 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.
- (c) 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.
- (d) 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.
- (e) During the current period, 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) 根據於二零一五年四月二十日舉行的本公司股東特別大會通過的股東決議案，本公司股本中每股面值0.10港元的每一股已發行及未發行普通股分拆為10股每股面值0.01港元的普通股，致使本公司法定股本為100,000,000港元(分為10,000,000,000股每股面值0.01港元的股份)，而根據本公司組織章程大綱及細則，分拆股份在各方面彼此享有同等權益。
- (b) 於二零一六年六月二十日，就附註20所披露收購一家聯營公司發行226,022,723股每股面值0.01港元的本公司普通股。
- (c) 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。
- (d) 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。
- (e) 於本期間，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。

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29. DISPOSAL OF A SUBSIDIARY

On 10 March 2016, the Group completed the disposal of its entire equity interest in a subsidiary, Ganzhou Rise More Knitters Ltd (“Ganzhou Rise More”), at a consideration of RMB11,800,000 (equivalent to HK\$14,149,000). The net assets of Ganzhou Rise More at the date of disposal were as follows:

29. 出售一間附屬公司

於二零一六年三月十日，本集團完成出售其於一間附屬公司贛州溢升織造有限公司（「贛州溢升」）全部股權，代價為人民幣11,800,000元（相當於14,149,000港元）。贛州溢升於出售日期的資產淨值如下：

		2016 二零一六年 HK\$'000 千港元
Consideration received:	已收代價：	
Cash consideration received (Note)	應收現金代價(附註)	14,149
Analysis of assets and liabilities over which control was lost:	失去控制權的資產及負債分析：	
Property, plant and equipment	物業、廠房及設備	12,747
Prepaid lease payments	預付租賃款項	437
Other receivables	其他應收款項	2
Tax recoverable	可收回稅項	806
Bank balances and cash	銀行結餘及現金	25
Other payables and accrued expenses	其他應付款項及應計開支	(49)
Net assets disposed of	所出售資產淨值	13,968
Gain on disposal of a subsidiary:	出售一間附屬公司的收益：	
Consideration	代價	14,149
Net assets disposed of	所出售資產淨值	(13,968)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	失去附屬公司控制權時有關附屬公司資產淨值由權益重新分類至損益的累計匯兌差額	3,248
Less: transaction costs	減：交易成本	3,429 (125)
Gain on disposal of a subsidiary	出售一間附屬公司的收益	3,304
Net cash outflow arising on disposal:	出售所產生現金流出淨額：	
Bank balances and cash disposed of	所出售銀行結餘及現金	(25)
Transaction costs	交易成本	(125)
		(150)

Note: The consideration receivable would be settled in cash by the purchaser within one year from the date of disposal.

附註：應收代價將於出售日期起計一年內由買方以現金結清。

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30. OPERATING LEASES

(a) The Group as lessor

At the end of the reporting period, the Group had contracted with tenants amounted to HK\$293,000 for the future minimum lease payments under non-cancellable operating leases which fall due within one year.

(b) The Group as lessee

30. 經營租賃

(a) 本集團作為出租人

於報告期末，本集團已就於一年內到期的不可撤銷經營租賃下的日後最低租賃付款為數293,000港元與租戶訂約。

(b) 本集團作為承租人

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	2,951	9,879
Office premises	辦公室物業	944	954
Total	總計	3,895	10,833

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:

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：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
With one year	一年內	1,104	1,867
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	1,122	183
		2,226	2,050

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.

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。

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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\$759,000 for the year ended 31 March 2017 (2016: HK\$1,084,000).

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。截至二零一七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759,000港元(二零一六年：1,084,000港元)。

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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 關連方姓名／名稱	Relationship of related party 與關連方的關係	Nature of expenses paid/ payable by the group 本集團已付／應付 的開支性質	2017	2016
			二零一七年 HK\$'000 千港元	二零一六年 HK\$'000 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	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	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	210
Yang's Holdings Capital Limited	Yang's Holdings Capital Limited A company controlled by Mr. Yang Wan Ho and father of Mr. Yang Si Kit Kenny and Mr. Yang Si Hang 楊詩傑先生及楊詩恒先生的父親 楊文豪先生控制的公司	Sales of car park and motor vehicles 銷售停車位及汽車	–	2,980

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32. RELATED PARTY DISCLOSURES (Continued)

(b) Compensation of directors and key management personnel

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other allowances	工資及其他津貼	8,537	9,118
Retirement benefit scheme and contributions	退休福利計劃及供款	112	104
		8,649	9,222

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。

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 bank 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 bank and other borrowings are set out in note 26.

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所披露銀行借貸)，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。重新磋商銀行及其他借貸條款的詳情載於附註26。

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34. ACQUISITION OF A 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 condensed consolidated statement of profit or loss and other comprehensive income.

34. 收購一間附屬公司

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簡明綜合損益及其他全面收益表的行政開支內確認為開支。

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34. ACQUISITION OF A 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	收購事項產生的商譽	7,919
Plus: non-controlling interests (44.44% in Aji On)	加：非控股權益(Aji On的44.44%權益)	(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	所收購現金及現金等價物	(637)
Cash consideration paid	已付現金代價	13,000
Net cash outflow	現金流出淨額	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\$1,363,200, 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)

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：

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1,363,200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。

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35. 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 30 September 2016, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 200,000,000, representing 0.8% (2015: 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.

35. 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。

於二零一六年九月三十日，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，相當於本公司於該日已發行股份的0.8%(二零一五年：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%。

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35. 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 current interim period:

		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 於二零一七年 三月三十一日 尚未行使
Consultants	顧問	–	1,600,000,000	(1,400,000,000)	200,000,000
Employees	僱員	–	200,000,000	(200,000,000)	–
		–	1,800,000,000	(1,600,000,000)	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 港元	HK\$0.0256 港元	HK\$0.0256 港元

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 current interim period, the weighted average share price at the dates of exercise is HK\$0.048.

35. 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本中期期間的變動：

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。

就本中期期間已行使購股權而言，於行使日期的加權平均股價為0.048港元。

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35. 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	9.99 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 Growth Enterprise Market 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 current interim period in relation to share options granted by the Company.

35. 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	9.99 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(即本公司於聯交所創業板上市當日)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。

於本中期期間，本集團就本公司所授出購股權確認開支總額 37,006,000 港元。

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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)	98,017	69,704
Financial liabilities	金融負債		
Amortised cost	攤銷成本	14,470	49,969

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, pledged bank deposits, bank balances and cash, trade and other payables, and bank and other borrowings.

36. 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、已抵押銀行存款、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。

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36. 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:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Assets	資產		
HK\$	港元	94,398	7,750
RMB	人民幣	1,779	22,900
Liabilities	負債		
HK\$	港元	9,999	1,537
RMB	人民幣	895	—

36. 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：

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36. 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 HK\$.

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.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss for the year	年內虧損	476	1,055

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.

36. 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港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。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(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.

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 2017, 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.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to bank interest rates. The analysis is prepared assuming the interest-bearing bank borrowings, outstanding at the end of each reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used and represent management's assessment of the reasonably possible change in interest rates.

For the year ended 31 March 2016, if interest rates on floating-rate interest-bearing bank borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's loss would increase/decrease by HK\$118,000.

For the floating-rate interest-bearing bank balances, based on the sensitivity analysis, the directors of the Company consider that the impact on profit or loss from changes in interest rates is insignificant.

36. 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

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。

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。

於二零一七年三月三十一日，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。

敏感度分析

下列敏感度分析乃按銀行利率風險釐定。該分析乃假設於各報告期末尚未償還的計息銀行借貸於整個年度均未償還。在分析中採用上升或下降50基點，代表管理層對利率合理可能變動的評估。

截至二零一六年三月三十一日止年度，倘按浮息計息的銀行借貸的利率上升／下降50基點，而所有其他變數保持不變，則本集團虧損將增加／減少118,000港元。

對於以浮息計息的銀行結餘，根據敏感度分析，本公司董事認為利率變動對損益的影響並不重大。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

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.

As at 31 March 2017, the Group has concentration of credit risk as 42% (2016: 76%) 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 98% (2016: 92%) of the total trade receivable as at 31 March 2017. 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.

36. 金融工具(續)

(b) 金融風險管理目標及政策(續)

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。

於二零一七年三月三十一日，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42%（二零一六年：76%）。本集團於五大客戶的集中信貸風險佔本集團於二零一七年三月三十一日的貿易應收款項總額的98%（二零一六年：92%）。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。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

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 utilization of bank and other borrowings. The Group successfully renewed bank facilities that fell due during the year ended 31 March 2016. In addition, management maintains continuous communication with the Group's relevant bank on the renewal of existing bank facilities that have bank covenants breached as stated in note 26.

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date, on which the Group can be required to pay. Specifically, bank and other borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates.

Liquidity tables

As at 31 March 2017

		Weighted average effective interest rate	Repayable on demand or less than 1 month	1-3 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1個月以內償還 HK'000 千港元	1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	— 定息	12%	5,806	-	-	5,806	5,806
			14,427	35	193	14,655	14,655

36. 金融工具(續)

(b) 金融風險管理目標及政策(續)

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。

管理層監察銀行及其他借貸動用情況。本集團成功更新於截至二零一六年三月三十一日止年度到期的銀行信貸額。此外，管理層繼續與本集團的相關銀行聯繫以更新附註26所述出現違反銀行契約情況的現有銀行融資。

下表詳述本集團金融負債的剩餘合約到期情況。該表按最早日期(亦為本集團可能須付款的日期)的金融負債的未貼現現金流量編製。具體而言，具有按要求償還條款的銀行及其他借貸計入最早的時間範圍，不論銀行是否可能選擇行使其權利。其他金融負債的到期日乃基於協定的還款日期釐定。

流動資金表

於二零一七年三月三十一日

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

As at 31 March 2016

	Weighted average effective interest rate	Repayable on demand or less than 1 month	1-3 months	4 months to 1 year	Total undiscounted cash flows	Carrying amount at 31 March 2016
	加權平均實際利率 %	須按要求或1個月以內償還 HK'000 千港元	1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	於二零一六年三月三十一日的賬面值 HK'000 千港元
Trade payables		13,680	135	290	14,105	14,105
Other payables		6,827	-	-	6,827	6,827
Bank borrowings						
— variable rate	4.50	29,037	-	-	29,037	29,037
		49,544	135	290	49,969	49,969

Bank 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. As at 31 March 2017, the aggregate amounts of these bank and other borrowings amounted to HK\$5,806,000 (2016: HK\$29,037,000). Taking into account the continuous negotiation with the bank as set out in note 26, the directors do not believe that it is probable that the bank will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank 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 bank facilities. At that time, the aggregate principal and interest cash outflows will amount to HK\$6,647,000 for the balance outstanding at 31 March 2017 (2016: HK\$29,581,000).

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.

36. 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)

於二零一六年三月三十一日

附有須按要求償還條款的銀行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。於二零一七年三月三十一日，該等銀行及其他借貸的總金額為5,806,000港元(二零一六年：29,037,000港元)。考慮到附註26所載與銀行持續磋商後，董事認為，該等銀行不太可能會行使其酌情權，要求立即還款。董事認為，該等銀行借貸將按照銀行融資載列的計劃償還日期，於報告期末後一年內償還。屆時，於二零一七年三月三十一日尚未償還結餘的本金總額及利息現金流出將為6,647,000港元(二零一六年：29,581,000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。

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綜合財務報表附註

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37. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2017 and 2016 are as follows:

37. 主要附屬公司

於二零一七年及二零一六年三月三十一日，
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 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
				2017 二零一七年	2016 二零一六年	
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 (「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

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37. PRINCIPAL SUBSIDIARIES (Continued)

37. 主要附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation 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
				2017 二零一七年	2016 二零一六年	
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
Hui Jia Knitters (Huizhou) Limited ("Hui Jia Knitters")	The PRC as a wholly foreign owned enterprise	The PRC	US\$3,000,000	100%	100%	Manufacturing and marketing of garment products
惠州市惠嘉織造有限公司 (「惠嘉織造」)	中國 (作為外商獨資企業)	中國	3,000,000 美元	100%	100%	製造及銷售服裝產品
L&A Solutions Limited	Hong Kong	Hong Kong	HK\$1	100%	-	Money lending
L&A Solutions Limited	香港	香港	1 港元	100%	-	放債
Multi Vision Limited	BVI	Hong Kong	US\$1	100%	-	Investment holding
Multi Vision Limited	英屬處女群島	香港	1 美元	100%	-	投資控股
Aji On Worldwide Holdings Limited	BVI	Hong Kong	US\$50,000	55.56%	-	Investment holding
Aji On Worldwide Holdings Limited	英屬處女群島	香港	50,000 美元	55.56%	-	投資控股
Aji On International Company Limited	BVI	Hong Kong	HK\$10,000	55.56%	-	Investment holding
Aji On International Company Limited	英屬處女群島	香港	10,000 港元	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%	-	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%	-	推廣服裝產品

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。

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(For the year ended 31 March 2017)
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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

38. 本公司的財務狀況表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Note 附註		
NON-CURRENT ASSET	非流動資產		
Property, plant and equipment	物業、廠房及設備	30	–
Unlisted investments in subsidiaries	於附屬公司的非上市投資	57,945	61,842
		57,975	61,842
CURRENT ASSETS	流動資產		
Prepayments and deposits	預付款項及按金	16	262
Amounts due from subsidiaries	應收附屬公司款項	37,377	37,661
Cash and cash equivalents	現金及現金等價物	191	211
		37,584	38,134
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	3,592	990
Amount due to a subsidiaries	應付附屬公司款項	13,619	–
Other borrowings	其他借貸	5,806	–
Amounts due to directors	應付董事款項	161	–
		23,178	990
NET CURRENT ASSETS	流動資產淨值	14,406	37,144
NET ASSETS	資產淨值	72,381	98,986
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	51,200	40,000
Reserves	儲備	21,181	58,986
	(i)		
TOTAL EQUITY	權益總額	72,381	98,986

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 28 June 2017 and were signed on its behalf.

本公司財務狀況表於二零一七年六月二十八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

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

(i) Reserves

38. 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 2015	於二零一五年四月一日	23,823	-	56,102	(5,816)	74,109
Loss and total comprehensive expenses for the year	年內虧損及全面開支總額	-	-	-	(15,123)	(15,123)
At 31 March 2016	於二零一六年三月三十一日	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 option	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

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。

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綜合財務報表附註

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39. EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to 31 March 2017:

Lim Hang Young's Winding Up Petition

Reference is made to the Company's announcement dated on 13 June 2017 and 16 June 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.

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 will apply for a validation order and also make an application to dismiss/strikeout in due course.

The Company is seeking advice in respect of the Petition and will make further announcement(s) to keep its shareholder and investors informed of any significant development of the Petition as and when appropriate.

39. 報告期後事項

下列事項於二零一七年三月三十一日後發生：

Lim Hang Young 的清盤呈請書

茲提述本公司日期為二零一七年六月十三日及二零一七年六月十六日之公佈。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；(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。

呈請書已入稟香港特別行政區高等法院原訟法庭針對答辯人提出。呈請書之指示聆訊訂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正確，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。

本公司現正就呈請書諮詢法律意見，並將於適當時候刊發進一步公佈以向其股東及投資者知會呈請書之任何重大進展。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		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	60,830	210,345	350,386	380,445	374,087
Gross (loss) profit	毛利(毛損)	6,436	20,376	62,090	70,923	67,818
Operating (loss) profit	經營(虧損)溢利	(298,202)	(26,107)	(16,435)	11,472	22,728
(Loss) profit for the year	年內(虧損)溢利	(297,016)	(29,302)	(18,391)	7,053	14,608
Financial position	財務狀況					
Assets and liabilities	資產及負債					
Total assets	資產總值	427,420	150,132	190,335	227,018	225,871
Total liabilities	負債總額	18,711	56,370	61,718	118,687	125,262
Capital and reserves	資本及儲備					
Total equity	權益總額	408,709	93,762	128,617	108,331	100,609

