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Chinese Energy Holdings Limited **華夏能源控股有限公司**

(於香港註冊成立之有限公司)

(股份代號：8009)

全年業績公佈 **截至二零一八年三月三十一日止年度**

華夏能源控股有限公司(「本公司」)董事(「董事」)會(「董事會」)謹此宣佈本公司及其附屬公司截至二零一八年三月三十一日止年度之經審核業績。本公佈列載本公司二零一八年度報告全文，並符合香港聯合交易所有限公司《GEM證券上市規則》(「《GEM上市規則》」)中有關年度業績初步公佈附載資料之相關要求。本公司二零一八年度報告的印刷版本將於二零一八年六月二十二日寄發予本公司股東，並可於其時在GEM網站www.hkgem.com及本公司網站www.chinese-energy.com閱覽。

暫停辦理股東登記手續

本公司將由二零一八年八月八日(星期三)至二零一八年八月十三日(星期一)(包括首尾兩天)暫停辦理股東登記手續，以確定符合資格參與將於二零一八年八月十三日(星期一)舉行之應屆股東週年大會(「股東週年大會」)並於會上投票之人士。為符合資格出席應屆股東週年大會並於會上投票，本公司股份之未經登記持有人必須確保將所有股份過戶文件連同有關股票，於二零一八年八月七日(星期二)下午四時三十分前，送達本公司股份過戶登記處卓佳登捷時有限公司，地址為香港皇后大道東183號合和中心22樓，以辦理登記手續。

CHARACTERISTICS OF 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.

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

This report, for which the directors (“**Directors**” and each a “**Director**”) of Chinese Energy 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 (the “**GEM Listing Rules**”) of the Stock Exchange 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; (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinion expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）GEM之特色

GEM之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。GEM具有較高風險及其他特色，故較適合專業及其他資深投資者。

由於GEM上市公司新興之性質使然，在GEM買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在GEM買賣之證券會有高流通量之市場。

香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所《GEM證券上市規則》（「《GEM上市規則》」）提供有關華夏能源控股有限公司（「**本公司**」）之資料，本公司董事（「**董事**」）及各董事（「**各董事**」）願對此共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等深知及確信：(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導或欺詐成分；(2)並無遺漏任何其他事實致使本報告所載任何陳述產生誤導；及(3)本報告內表達之一切意見均經審慎周詳考慮後方始作出，並以公平合理的基礎及假設為依據。

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Haining (*Chairman and Chief Executive Officer*)

Ms. Wu Hongying

Independent Non-executive Directors

Mr. Luk Chi Shing

Mr. Leung Fu Hang

Mr. Chen Liang

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Mr. Choi Wai Yip

COMPLIANCE OFFICER

Mr. Chen Haining

AUTHORISED REPRESENTATIVES

Mr. Chen Haining

Mr. Choi Wai Yip

AUDIT COMMITTEE

Mr. Luk Chi Shing (*Chairman*)

Mr. Leung Fu Hang

Mr. Chen Liang

NOMINATION COMMITTEE

Mr. Chen Liang (*Chairman*)

Mr. Leung Fu Hang

Mr. Chen Haining

REMUNERATION COMMITTEE

Mr. Leung Fu Hang (*Chairman*)

Mr. Chen Liang

Mr. Luk Chi Shing

REGISTERED OFFICE, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3517, Floor 35, West Tower

Shun Tak Centre

No. 168-200 Connaught Road Central

Hong Kong

公司資料

董事會

執行董事

陳海寧先生 (*主席兼行政總裁*)

吳紅英女士

獨立非執行董事

陸志成先生

梁富衡先生

陳亮先生

合資格會計師兼公司秘書

蔡偉業先生

監察人員

陳海寧先生

法定代表

陳海寧先生

蔡偉業先生

審核委員會

陸志成先生 (*主席*)

梁富衡先生

陳亮先生

提名委員會

陳亮先生 (*主席*)

梁富衡先生

陳海寧先生

薪酬委員會

梁富衡先生 (*主席*)

陳亮先生

陸志成先生

香港註冊辦事處、總辦事處及主要業務地址

香港

干諾道中168-200號

信德中心

西座35樓3517室

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

HLM CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of China (Hong Kong) Limited

STOCK CODE

08009

WEBSITE

<http://www.chinese-energy.com>

公司資料 (續)

主要股份登記及過戶處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

核數師

恒健會計師行有限公司
執業會計師

主要往來銀行

恒生銀行有限公司
中國銀行(香港)有限公司

股份代號

08009

網站

<http://www.chinese-energy.com>

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of Directors, I am pleased to present the audited annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2018.

The global landscape for the offshore industry has changed dramatically in the past year. Levels of uncertainty are at an all-time high and the world has undergone significant geopolitical and economic shifts. This included uncertainty about the global economy, immigration, terrorism, Russia's reported interference in the United States election, the Chinese economy, and the stability of the European Union. This volatility is challenging the momentum of globalization, and is also impacting the public appetite or cross border asset flows. In order to respond the rapid changes, we will diversify our investments into different projects.

The demand for elderly care services in Nanchong of the People's Republic of China (“**PRC**”) is increasing, which is primarily driven by factors such as an increase in average life expectancy, a decrease in birth rate, and an increase in incidence of chronic diseases and psychological deterioration among the elders. The demand for quality elderly care service has remained strong and robust year-over-year. Looking forward, we expect the Group to benefit from the market demand for the elderly care services.

I would like to take this opportunity to express my sincere gratitude and thanks to shareholders of the Company (“**Shareholders**”) and each a “**Shareholder**”), business partners, Board members, management and staff teams for their continual support.

Mr. Chen Haining

Chairman and Chief Executive Officer

22 June 2018

主席報告

致各位股東：

本人謹代表董事會（「**董事會**」）欣然提呈本公司及其附屬公司（統稱「**本集團**」）截至二零一八年三月三十一日止年度之經審核全年業績。

去年，全球離岸產業格局發生巨大改變。不確定程度為歷年新高且全球已出現重大地緣及經濟變革。這包括有關全球經濟之不確定性、移民、恐怖主義、俄羅斯對美國選舉之報道干擾、中國經濟及歐盟之穩定性。這些波動使全球化趨勢面臨挑戰，亦對公眾情緒或跨境資產流動造成影響。為應對劇烈轉變，我們將投資分散於不同項目中。

中華人民共和國（「**中國**」）南充市對安老服務的需求日益增加，主要受平均預期壽命增加、出生率下降、長者患有慢性病及精神退化的情況增加等因素所帶動。對優質安老服務的需求持續強勁，按年保持穩健。展望未來，我們預期本集團將從市場對安老服務的需求中獲益。

本人藉此機會就本公司股東（「**股東**」）及各股東（「**各股東**」）、業務夥伴、董事會成員、管理層及員工團隊一直以來之支持致以衷心感謝。

陳海寧先生

主席兼行政總裁

二零一八年六月二十二日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

General trading

The general trading segment of the Group was the major revenue of the Group, which generated approximately HK\$328,009,000 (2017: HK\$266,068,000). The result for this segment was approximately HK\$6,428,000 (2017: HK\$5,213,000).

Trading of liquefied natural gas (“LNG”) products

The revenue of the LNG trading was approximately HK\$162,209,000 (2017: HK\$270,659,000). The result for this segment was approximately HK\$3,792,000 (2017: HK\$3,417,000).

Investment in financial assets

The loss arising on revaluation of available-for-sale (“AFS”) financial assets was approximately HK\$4,787,000 (2017: HK\$4,000,000) for the year. In this year, there was no net realised loss on disposal of financial assets at fair value through profit or loss (“FVTPL”) (2017: HK\$1,194,000).

Money lending

The revenue of the money lending was approximately HK\$828,000 (2017: HK\$2,843,000). The result for this segment was approximately HK\$828,000 (2017: HK\$4,373,000).

Provision of factoring services

Neither revenue nor result was received from factoring services (2017: HK\$704,000 and HK\$704,000 respectively).

業務回顧

一般貿易

本集團之一般貿易分類為本集團之主要收益來源，其收益約328,009,000港元（二零一七年：266,068,000港元）。該分類之業績約6,428,000港元（二零一七年：5,213,000港元）。

液化天然氣（「液化天然氣」）產品貿易

液化天然氣貿易收益約162,209,000港元（二零一七年：270,659,000港元）。該分類之業績約3,792,000港元（二零一七年：3,417,000港元）。

投資於金融資產

本年度之重估可供出售（「可供出售」）金融資產產生之虧損約4,787,000港元（二零一七年：4,000,000港元）。於本年度，並無出售透過損益按公允值計量（「透過損益按公允值計量」）之金融資產之已變現虧損淨額（二零一七年：1,194,000港元）。

放貸

放貸收益約828,000港元（二零一七年：2,843,000港元）。該分類之業績約828,000港元（二零一七年：4,373,000港元）。

提供保理服務

保理服務並無產生收益及業績（二零一七年：分別為704,000港元及704,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW AND MAJOR EVENTS DURING THE YEAR

The Company acquired an aggregate of 21,000 shares of Kweichow Moutai Company Limited in a series of transactions at the open market on 10 January 2018 for an aggregate purchase amount of approximately HK\$19,781,000. Further details of the acquisition have been disclosed in the announcement of the Company dated 17 January 2018.

The Company repurchased 24,000,000 of its shares (“Shares”) at the open market and cancelled them on 11 January 2018 and 31 January 2018 respectively.

On 13 February 2018, a joint venture (“JV”) agreement was entered into by an indirect wholly-owned subsidiary of the Company and 南充金德源汽車銷售服務有限公司 (Nanchong Jin De Yuan Automobile Sales & Services Company Limited*), an independent third party, in relation to the capital injection to and the operation of a JV company in the PRC. The business activity of the JV company is to provide elderly care services in Nanchong of the PRC. Further details of the JV have been disclosed in the announcement of the Company dated 31 January 2018 and 13 February 2018.

EVENT AFTER REPORTING PERIOD

On 7 June 2018, the Company and a placing agent entered into a placing agreement pursuant to which the placing agent agreed to place to not less than six places up to 220,000,000 new shares at the placing price of HK\$0.038 per placing share. On 20 June 2018, the Company and the placing agent entered into a supplemental agreement to extend the long stop date from 21 June 2018 to 29 June 2018. Further details of the placing have been disclosed in the announcement of the Company dated 7 June 2018 and 20 June 2018 respectively.

BUSINESS OUTLOOK

The Board is of the opinion that the business of providing elderly care services in Nanchong of the PRC is a valuable opportunity to the Group to expand its footprint, the business portfolio and income stream, thus potentially generate greater returns for Shareholders arising from the new income stream.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not make any material acquisition and disposal of subsidiaries and affiliated companies for the year ended 31 March 2018.

* the English translation of the Chinese name is for identification purpose and should not be regarded as the official English translation of such Chinese name.

管理層討論及分析 (續)

本年度內的業務回顧及重大事項

本公司於二零一八年一月十日在公開市場上之一連串交易中購入合共21,000股貴州茅台酒股份有限公司股份，總購買金額約19,781,000港元。有關收購事項之進一步詳情已披露於本公司日期為二零一八年一月十七日之公佈。

本公司於公開市場上購回24,000,000股股份(「股份」)及註銷該等股份，分別於二零一八年一月十一日及二零一八年一月三十一日進行。

於二零一八年二月十三日，本公司之一間間接全資附屬公司與一間獨立第三方南充金德源汽車銷售服務有限公司就注資及營運中國之合資公司訂立合資(「合資」)協議。合資公司之業務活動為於中國南充市提供安老服務。有關合資之進一步詳情已披露於本公司日期為二零一八年一月三十一日及二零一八年二月十三日之公佈。

報告期後事項

於二零一八年六月七日，本公司與一名配售代理訂立一份配售協議，據此，該配售代理同意按每股配售股份0.038港元之配售價，配售最多220,000,000股新股份予不少於六名承配人。於二零一八年六月二十日，本公司與該配售代理訂立一份補充協議，以將最後完成日期由二零一八年六月二十一日延長至二零一八年六月二十九日。有關配售之進一步詳情已分別披露於本公司日期為二零一八年六月七日及二零一八年六月二十日之公佈。

業務前景

董事會認為，於中國南充市提供安老服務業務乃本集團拓展足跡、業務組合及收入來源之寶貴機會，故股東可從新收入來源中獲取潛在更大的回報。

重大收購及出售附屬公司及聯屬公司

截至二零一八年三月三十一日止年度，本集團並無任何重大收購及出售附屬公司及聯屬公司。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析 (續)

FINANCIAL REVIEW

Revenue, gross profit and administrative expenses

For the year ended 31 March 2018, the revenue of the Group was approximately HK\$491,046,000 which was comprised of revenue from general trading (including market sourcing of technical and electronic products), trading of LNG products, investment in financial assets, provision of money lending and factoring services as compared to approximately HK\$540,274,000 for the year ended 31 March 2017. Cost of sales incurred by the Group for the year ended 31 March 2018 amounted to approximately HK\$479,998,000 (2017: HK\$528,097,000). The gross profit for the Group was approximately HK\$11,048,000 (2017: HK\$12,177,000). Administrative expenses for the year ended 31 March 2018 was approximately HK\$12,336,000 (2017: HK\$15,024,000). This mainly included staff cost of approximately HK\$4,073,000 (2017: HK\$4,752,000), operating lease charges of approximately HK\$1,209,000 (2017: HK\$2,354,000) and legal and professional fees of approximately HK\$1,592,000 (2017: HK\$2,753,000). The Group generated a net loss attributable to owners of the Company of approximately HK\$4,387,000 for the year ended 31 March 2018 (2017: HK\$12,302,000).

Liquidity and financial resources

The Group had cash and cash equivalents of approximately HK\$132,142,000 as at 31 March 2018 (2017: HK\$221,605,000). We maintain a sturdy financial situation with current assets totalling approximately HK\$375,127,000 for the year ended 31 March 2018 (2017: HK\$454,388,000). The Group had no bank borrowings in both years.

GEARING RATIO AND CURRENT RATIO

The gearing ratio was calculated on the basis of borrowings (including convertible note ("CN")) to total equity was approximately 6.33% (2017: 14.52%). The Group has current ratio of approximately 9.81 times (2017: 13.39 times).

CAPITAL STRUCTURE

During the year under review, the capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising only ordinary shares.

CONTINGENT LIABILITIES AND CHARGE ON ASSETS

The Group did not have any significant contingent liabilities as at 31 March 2018 (2017: Nil). As at 31 March 2018, the Group did not pledge any asset to financial institution in respect of the due and punctual payment of its obligations (2017: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Up to the current moment, the Group does not have any other plan for material investments or capital assets.

財務回顧

收益、毛利及行政開支

截至二零一八年三月三十一日止年度，本集團之收益包括一般貿易（包括市場採購技術及電子產品）、液化天然氣產品貿易、投資於金融資產、提供放貸以及保理服務之收益約491,046,000港元，而截至二零一七年三月三十一日止年度則約540,274,000港元。本集團於截至二零一八年三月三十一日止年度所產生之銷售成本約479,998,000港元（二零一七年：528,097,000港元）。本集團之毛利約11,048,000港元（二零一七年：12,177,000港元）。截至二零一八年三月三十一日止年度，行政開支約12,336,000港元（二零一七年：15,024,000港元），主要包括員工成本約4,073,000港元（二零一七年：4,752,000港元）、經營租約費用約1,209,000港元（二零一七年：2,354,000港元）及法律及專業費用約1,592,000港元（二零一七年：2,753,000港元）。本集團截至二零一八年三月三十一日止年度之本公司擁有人應佔虧損淨額約4,387,000港元（二零一七年：12,302,000港元）。

流動資金及財務資源

本集團於二零一八年三月三十一日之現金及現金等價物約132,142,000港元（二零一七年：221,605,000港元）。我們保持穩健之財政狀況，截至二零一八年三月三十一日止年度，流動資產合共約375,127,000港元（二零一七年：454,388,000港元）。本集團於兩個年度並無銀行借貸。

資產負債比率及流動比率

資本負債比率按借貸（包括可換股票據（「可換股票據」））對總權益之基準計算約6.33%（二零一七年：14.52%）。本集團之流動比率約9.81倍（二零一七年：13.39倍）。

資本結構

於回顧年度，本集團之資本結構包括現金及現金等價物以及本公司擁有人應佔權益，僅由普通股組成。

或然負債及資產抵押

於二零一八年三月三十一日，本集團並無任何重大或然負債（二零一七年：無）。於二零一八年三月三十一日，本集團並無任何資產抵押予金融機構，作為妥善及準時支付其債務之保證（二零一七年：無）。

重大投資或資本資產之未來計劃

截至目前為止，本集團並無任何其他重大投資或資本資產之計劃。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

USE OF PROCEEDS

The unutilized amount of net proceeds of approximately HK\$114.9 million raised from the open offer on 6 August 2015 has been earmarked for future investment in LNG business.

CREDIT RISK

The Group has concentration of credit risk as approximately 43.45% (2017: 28.21%) and approximately 100% (2017: 97.75%) of the total trade receivables due from the Group's largest customer and the five largest customers respectively, and by geographical locations in the PRC, which accounted for approximately 100% (2017: 100%) at the trade receivables as at 31 March 2018.

FINANCIAL RISK

The Group reviews the cash flow and financial position periodically and does not presently engage into any financial instruments or derivatives to hedge the exchange and the interest rate risks.

EXPOSURE TO FOREIGN EXCHANGE RISK AND INTEREST RATE RISK

The Group's business transactions are mainly denominated in Hong Kong dollars and Renminbi. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group had an aggregate of 20 (2017: 18) full-time employees. The total staff cost including Directors' emoluments, employees' salaries and retirement benefits scheme for the year ended 31 March 2018 was approximately HK\$4,073,000 (2017: HK\$4,752,000). Remuneration for the employees of the Group is typically reviewed once a year by remuneration committee ("Remuneration Committee") or as the management deems appropriate. The employee's remuneration package includes salary, bonus and share options (if any). The emolument policy of the employees of the Group is set out by the Remuneration Committee. Pursuant to the Group's remuneration policy, employees are rewarded on the basis of merit, qualifications, competence and market conditions and in accordance with the statutory requirements of the respective jurisdiction where the employees are located. The Group has not granted any share option to the employees under its existing share option schemes during the year ended 31 March 2018 (2017: Nil).

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

CAPITAL COMMITMENTS

The Group has no capital commitments as at 31 March 2018 (2017: Nil).

管理層討論及分析 (續)

所得款項用途

於二零一五年八月六日公開發售所得款項淨額之尚未動用金額約114,900,000港元已指定用作液化天然氣業務之未來投資。

信貸風險

本集團之應收本集團最大客戶及前五大客戶之貿易應收款項總額信貸風險集中分別約43.45% (二零一七年: 28.21%) 及約100% (二零一七年: 97.75%)，而按中國地區分類則於二零一八年三月三十一日佔貿易應收款項約100% (二零一七年: 100%)。

財務風險

本集團定期檢討現金流量及財務狀況，目前並無使用任何金融工具或衍生工具對沖外匯及利率風險。

匯率風險及利率風險

本集團之業務交易主要以港元及人民幣計值。管理層監管匯率風險，並會於需要時考慮對沖重大外幣風險。

僱員及薪酬政策

於二零一八年三月三十一日，本集團共有20名 (二零一七年: 18名) 全職僱員。截至二零一八年三月三十一日止年度之員工成本總額 (包括董事酬金、僱員薪金及退休福利計劃) 約4,073,000港元 (二零一七年: 4,752,000港元)。本集團僱員的薪酬通常由薪酬委員會 (「薪酬委員會」) 每年檢討一次，或於管理層認為適當時檢討僱員薪酬。僱員之薪酬包括薪金、紅利及購股權 (如有)。本集團僱員之薪酬政策由薪酬委員會釐定。根據本集團之薪酬政策，僱員乃基於個人表現、資歷、能力及市況以及根據僱員所在各司法權區之法定規定取得報酬。截至二零一八年三月三十一日止年度，本集團並無根據其現有購股權計劃向僱員授出任何購股權 (二零一七年: 無)。

股息

董事不建議派發截至二零一八年三月三十一日止年度之末期股息 (二零一七年: 無)。

資本承擔

於二零一八年三月三十一日，本集團並無資本承擔 (二零一七年: 無)。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

EXECUTIVE DIRECTORS

Mr. Chen Haining (“**Mr. HN Chen**”), aged 54, graduated from the department of electrical engineering of Chongqing Jianzhu Gongcheng Institute* (重慶建築工程學院) (now known as Chongqing University) with a bachelor’s degree in engineering. Mr. HN Chen is the sole shareholder and director of Wise Triumph Limited (“**WTL**”) which is a substantial Shareholder. Mr. HN Chen is the general manager and executive director of ShenZhen Dingyi Investment Company Limited* (深圳市鼎一投資有限公司). Mr. HN Chen had been appointed as the chairman of the board of directors of Ningbo Luyuan Natural Gas & Power Company Limited*, formerly known as Greenwell Natural Gas & Power Company Limited* (寧波綠源天然氣電力有限公司, formerly known as 綠源天然氣電力有限公司) from March 2005 to December 2017. He acted as an executive director of CircuTech International Holdings Limited (formerly known as TeleEye Holdings Limited, a company listed on GEM with stock code: 8051) for the period from April 2015 to May 2017. Mr. HN Chen has substantial experience in investing in projects such as natural gas and heat generation engineering in the PRC.

Ms. Wu Hongying (“**Ms. Wu**”), aged 51, obtained a degree in Economic Management from Sichuan Cadre Correspondence School* (四川幹部函授學院), the qualification of CFO International Certification in the School of Continuing Education at Tsinghua University, AACTP Certificate, and Advanced Financial Management Professional Certificate from University of Cambridge. She has taken positions in a number of sizable corporates such as Rainbow Department Store Co., Ltd. (a listed company in the PRC with stock code: 2419), GOME Retail Holdings Limited (formerly known as GOME Electrical Appliances Holding Limited, a company listed on the Main Board of the Stock Exchange with stock code: 493). Ms. Wu acted as an executive director of CircuTech International Holdings Limited (formerly known as TeleEye Holdings Limited, a company listed on GEM with stock code: 8051) for the period from April 2015 to August 2015.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Fu Hang (“**Mr. Leung**”), aged 43, graduated from University of Waterloo in Canada in May 1997 with a Bachelor degree in Mechanical Engineering. He obtained a postgraduate diploma in Facilities Management from School of Professional and Continuing Education, the University of Hong Kong in January 2004, a postgraduate diploma in English and Hong Kong Law from Manchester Metropolitan University in July 2007 and Postgraduate Certificate in Laws from the University of Hong Kong in June 2009. Mr. Leung was admitted as solicitor in Hong Kong (“**HK**”) in January 2014. He has been in private practice since January 2014. Prior to that, Mr. Leung worked at JP Morgan Chase, an international investment bank, from January 2007 to October 2011.

執行董事

陳海寧先生 (「**陳海寧先生**」), 54歲, 畢業於重慶建築工程學院 (現稱重慶大學) 機電工程系, 獲工程學士學位。陳海寧先生為智勝有限公司 (「**智勝有限公司**」) (一名主要股東) 之唯一股東及董事。陳海寧先生為深圳市鼎一投資有限公司之總經理及執行董事。陳海寧先生於二零零五年三月至二零一七年十二月獲委任為寧波綠源天然氣電力有限公司 (前稱綠源天然氣電力有限公司) 之董事會主席。彼於二零一五年四月至二零一七年五月期間擔任訊智海國際控股有限公司 (前稱千里眼控股有限公司, 一間於GEM上市公司, 股份代號: 8051) 之執行董事。陳海寧先生於中國天然氣及發電供熱工程等項目投資擁有豐富經驗。

吳紅英女士 (「**吳女士**」), 51歲, 獲四川幹部函授學院的經濟管理學位, 清華大學持續教育學院CFO國際認證、AACTP證書、英國劍橋大學財務管理高級專業職業資格證書。彼曾就職於多家大型企業, 如天虹商場股份有限公司 (一間於中國上市公司, 股份代號: 2419)、國美零售控股有限公司 (前稱國美電器控股有限公司, 一間於聯交所主板上市公司, 股份代號: 493)。於二零一五年四月至二零一五年八月期間, 吳女士擔任訊智海國際控股有限公司 (前稱千里眼控股有限公司, 一間於GEM上市公司, 股份代號: 8051) 之執行董事。

獨立非執行董事

梁富衡先生 (「**梁先生**」), 43歲, 於一九九七年五月畢業於加拿大滑鐵盧大學, 獲得機械工程學士學位。彼於二零零四年一月獲得香港大學專業進修學院設施管理深造文憑, 於二零零七年七月獲得曼徹斯特都會大學英國與香港法律深造文憑, 並於二零零九年六月獲得香港大學法學專業證書。梁先生於二零一四年一月在香港 (「**香港**」) 獲律師資格。自二零一四年一月起私人執業。此前, 梁先生自二零零七年一月至二零一一年十月任職於摩根大通 (一間國際投資銀行)。

* the English translation of the Chinese names are for identification purpose and should not be regarded as the official English translation of such Chinese names.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

Mr. Luk Chi Shing (“**Mr. Luk**”), aged 48, graduated from City University of Hong Kong in 1993, with a Bachelor of Arts in Accountancy. Mr. Luk is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Luk has been appointed as an independent non-executive director of China Saite Group Company Limited (a company listed on the Main Board of the Stock Exchange with stock code: 153) since January 2017. Mr. Luk had been (i) an executive director of Trillion Grand Corporate Company Limited (formerly known as Tai Shing International (Holdings) Limited with stock code: 8103) from April 2014 to March 2016; (ii) an independent non-executive director of Interactive Entertainment China Cultural Technology Investments Limited (formerly known as China Mobile Games and Cultural Investment Limited with stock code: 8081) from December 2011 to August 2015; (iii) an independent non-executive director of Dafeng Port Heshun Technology Company Limited (formerly known as Gamma Logistics Corporation with stock code: 8310) from February 2014 to March 2016; (iv) an independent non-executive director of CircuTech International Holdings Limited (formerly known as TeleEye Holdings Limited with stock code: 8051) from April 2015 to June 2016; and (v) the company secretary and financial controller of Silk Road Energy Services Group Limited (“**Silk Road Energy**”, formerly known as China Natural Investment Company Limited with stock code: 8250) from January 2012 to November 2015, all these companies are listed on GEM.

Mr. Chen Liang (“**Mr. L Chen**”), aged 49, holds a Doctoral Degree in Coal, Oil and Gas Geology and Exploration from China University of Petroleum (Beijing). He worked for various oil companies and research institutes in China and abroad. In December 2011, Mr. L Chen was appointed as the chief executive officer and an executive director of Silk Road Energy (formerly known as China Natural Investment Company Limited, a company listed on GEM with stock code: 8250). In August 2013 and March 2016, Mr. L Chen resigned as the chief executive officer and an executive director of Silk Road Energy, respectively. Mr. L Chen had been appointed as an executive director of China Ocean Fishing Holdings Limited (a company listed on GEM with stock code: 8047) from February 2017 to May 2018. Mr. L Chen has been appointed as an executive director of Ding He Mining Holdings Limited (a company listed on the Main Board of the Stock Exchange with stock code: 705) since July 2017. From May 2013 to March 2015, Mr. L Chen was an executive director of Birmingham Sports Holdings Limited (formerly known as Birmingham International Holdings Limited, a company listed on the Main Board of the Stock Exchange with stock code: 2309). Mr. L Chen has accumulated over twenty years of working experience in oil and gas industry.

董事及高級管理人員之履歷詳情 (續)

獨立非執行董事 (續)

陸志成先生 (「**陸先生**」), 48歲, 於一九九三年畢業於香港城市大學, 獲頒會計學學士學位。陸先生為香港會計師公會會員及英國特許公認會計師公會資深會員。陸先生自二零一七年一月起獲委任為中國賽特集團有限公司 (一間於聯交所主板上市公司, 股份代號: 153) 之獨立非執行董事。陸先生(i)自二零一四年四月至二零一六年三月出任萬泰企業股份有限公司 (前稱泰盛國際 (控股) 有限公司, 股份代號: 8103) 執行董事; (ii)自二零一一年十二月至二零一五年八月出任互娛中國文化科技投資有限公司 (前稱中國手遊文化投資有限公司, 股份代號: 8081) 獨立非執行董事; (iii)自二零一四年二月至二零一六年三月出任大豐港和順科技股份有限公司 (前稱伽瑪物流集團, 股份代號: 8310) 獨立非執行董事; (iv)自二零一五年四月至二零一六年六月出任訊智海國際控股有限公司 (前稱千里眼控股有限公司, 股份代號: 8051) 獨立非執行董事; 及(v)自二零一二年一月至二零一五年十一月出任絲路能源服務集團有限公司 (「**絲路能源**」, 前稱中國天然投資有限公司, 股份代號: 8250) 公司秘書兼財務總監, 所有該等公司均於GEM上市。

陳亮先生 (「**陳亮先生**」), 49歲, 持有中國石油大學 (北京) 所頒發之煤田、油氣地質與勘探博士學位。彼曾在中國及國外多家石油公司及研究機構任職。陳亮先生於二零一一年十二月獲委任為絲路能源 (前稱中國天然投資有限公司, 一間於GEM上市公司, 股份代號: 8250) 之行政總裁兼執行董事。於二零一三年八月及二零一六年三月, 陳亮先生分別辭任絲路能源之行政總裁及執行董事。陳亮先生於二零一七年二月至二零一八年五月獲委任為中國海洋捕撈控股有限公司 (一間於GEM上市公司, 股份代號: 8047) 之執行董事。陳亮先生自二零一七年七月起獲委任為鼎和礦業控股有限公司 (一間於聯交所主板上市公司, 股份代號: 705) 之執行董事。由二零一三年五月至二零一五年三月, 陳亮先生曾擔任伯明翰體育控股有限公司 (前稱伯明翰環球控股有限公司, 一間於聯交所主板上市公司, 股份代號: 2309) 之執行董事。陳亮先生在油氣行業累積超過二十年的工作經驗。

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules for the year ended 31 March 2018 except for the following deviation:

1. Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

At present, Mr. HN Chen currently performs these two roles. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership with the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decision promptly and efficiently. The Group considers that, at its present size, there is no imminent need to segregate the roles of Chairman and Chief Executive Officer.

2. Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election while all Directors should be subject to retirement by rotation at least once every three years. All independent (“**Independent**”) non-executive (“**Non-Executive**”) Directors were not appointed for a specific term but they are subject to retirement by rotation and re-election at annual general meetings (“**AGM**”) of the Company in line with the Articles of Association of the Company (“**Articles**”). As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.
3. Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagements, one executive (“**Executive**”) Director and two Independent Non-Executive Directors, at the material time of their capacities, could not attend the annual general meeting of the Company in person held on 14 August 2017. However, at the said general meeting of the Company, the remaining Directors were present to enable the Board to develop a balanced understanding of the views of the Shareholders.

企業管治常規

截至二零一八年三月三十一日止年度，本公司已遵守《GEM上市規則》附錄十五之企業管治守則（「**企業管治守則**」）所載之守則條文，惟以下情況除外：

1. 守則條文第A.2.1條規定主席及行政總裁之角色須分開，而不應由同一人擔任。主席及行政總裁之職責須明確區分，並以書面形式訂明。

現時，陳海寧先生兼任該兩項職位。董事會相信，由同一人出任主席及行政總裁職務，可讓本集團得到一貫之領導，及能夠更有效及有效率地為本集團整體策略規劃。董事會認為，此並不會減弱現時安排權力及授權之平衡及此結構可使本公司即時及有效地作出及執行決定。本集團認為，按其現時之規模，並無迫切需要分開主席及行政總裁之角色。

2. 守則條文第A.4.1條規定，非執行董事之委任應有指定任期，並須接受重選，所有董事均須至少每三年輪值退任一次。所有獨立（「**獨立**」）非執行（「**非執行**」）董事並未獲指定任期，但彼等須輪值退任，且將於本公司股東週年大會（「**股東週年大會**」）上根據本公司組織章程細則（「**組織章程細則**」）膺選連任。因此，本公司認為，已採取足夠措施確保本公司的企業管治常規不遜於企業管治守則所載列者。

3. 守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會，並對股東之意見有公正之了解。由於其他事務，一名執行（「**執行**」）董事及兩名獨立非執行董事在其身份的關鍵時候未能親身出席本公司於二零一七年八月十四日舉行之股東週年大會。然而，於本公司上述股東大會上，其餘董事均有出席，令董事會可對股東之意見有公正之了解。

CORPORATE GOVERNANCE PRACTICES (CONTINUED)

4. Non-compliance of rules 5.05, 5.06, 5.28 and 5.33 of the GEM Listing Rules in relation to appointment of a sufficient number of Independent Non-Executive Directors and appointment of an Independent Non-Executive Director who has appropriate professional qualifications, or accounting or related financial management expertise from 19 January 2018 to 31 January 2018.

The Board is committed to maintain high standards of corporate governance and integrity, and to ensure transparent and adequate levels of disclosure. The Board will continue to review and recommend such step as appropriate in a timely manner in order to comply with the requirement of the CG Code.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year under review, the Group has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors.

BOARD OF DIRECTORS

Composition of the Board

The Board currently comprises five Directors in total, with two Executive Directors and three Independent Non-Executive Directors. The Directors during the year under review and up to the date of this report were as follows:

Executive Directors

Mr. Chen Haining (*Chairman and Chief Executive Officer*)

Ms. Wu Hongying

Independent Non-Executive Directors

Mr. Ko Ming Tung Edward (Resigned on 14 August 2017)

Mr. Leung Fu Hang (Appointed on 14 August 2017)

Mr. Yau Chi Ming (Resigned on 19 January 2018)

Mr. Luk Chi Shing (Appointed on 1 February 2018)

Mr. Chen Liang

Regular Board meetings should be held at least four times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

企業管治常規(續)

4. 自二零一八年一月十九日至二零一八年一月三十一日，未遵守有關委任足夠人數的獨立非執行董事及委任一名具備適當專業資格或會計或相關財務管理專長的獨立非執行董事之《GEM上市規則》第5.05、5.06、5.28及5.33條。

董事會致力維持高水平之企業管治及誠實公正，並確保高透明度及有充足的披露。董事會將繼續及時檢討及建議合適之步驟，以符合企業管治守則之規定。

董事進行證券交易之操守守則

於回顧年度，本集團已採納一套有關董事進行證券交易之操守守則，其條款不遜於《GEM上市規則》第5.48至5.67條所載之規定交易標準。本公司亦已向全體董事作出特定查詢，本公司並不知悉任何不遵守交易必守標準及有關董事進行證券交易之操守守則之情況。

董事會

董事會組成

董事會目前合共由五位董事組成，包括兩位執行董事及三位獨立非執行董事。於回顧年度及截至本報告日期止之董事名單載列如下：

執行董事

陳海寧先生 (主席兼行政總裁)

吳紅英女士

獨立非執行董事

高明東先生 (於二零一七年八月十四日辭任)

梁富衡先生 (於二零一七年八月十四日獲委任)

丘志明先生 (於二零一八年一月十九日辭任)

陸志成先生 (於二零一八年二月一日獲委任)

陳亮先生

董事會每年至少須舉行四次常規董事會會議，大約每季舉行一次，以檢討及批准財務及經營表現，並考慮及批准本公司之整體策略及政策。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

During the year ended 31 March 2018, one AGM and nine Board meetings had been held. The attendance record of each Director at the 2017 annual general meeting and Board meetings of the Company held during the year ended 31 March 2018 is set out below:

| The Board | 董事會 | 2017 Annual General Meeting 二零一七年 股東週年大會 Attendance/ Number of Meetings 出席／會議次數 | Board Meetings 董事會會議 Attendance/ Number of Meetings 出席／會議次數 |
|--|----------------|---|---|
| <i>Executive Directors</i> | <i>執行董事</i> | | |
| Mr. Chen Haining | 陳海寧先生 | 1/1 | 9/9 |
| Ms. Wu Hongying | 吳紅英女士 | 0/1 | 8/9 |
| <i>Independent Non-Executive Directors</i> | <i>獨立非執行董事</i> | | |
| Mr. Luk Chi Shing | 陸志成先生 | 0/1 | 2/9 |
| Mr. Yau Chi Ming | 丘志明先生 | 1/1 | 3/9 |
| Mr. Leung Fu Hang | 梁富衡先生 | 1/1 | 8/9 |
| Mr. Ko Ming Tung Edward | 高明東先生 | 0/1 | 0/9 |
| Mr. Chen Liang | 陳亮先生 | 0/1 | 9/9 |

Roles and responsibilities

The Board is responsible for overseeing the overall business strategy, management planning and control of the Company. The management is responsible for day-to-day management of the Group. All Directors have accumulated sufficient and valuable experience to carry out their duties in an efficient and effective manner. Details of the backgrounds and qualifications of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 10 to 11 of this annual report.

All Directors have acted in good faith for the best interests of the Company and the stakeholders of the Company. Other than the statutory duties imposed on each of them, all of the Directors have exercised due care in monitoring the corporate matters of the Company and have closed concern, sufficient time and attention to the significant issues and affairs of the Group.

董事會(續)

於截至二零一八年三月三十一日止年度，本公司舉行一次股東週年大會及九次董事會會議。各董事於截至二零一八年三月三十一日止年度出席本公司二零一七年股東週年大會及董事會會議之記錄載列如下：

| 2017 Annual General Meeting 二零一七年 股東週年大會 Attendance/ Number of Meetings 出席／會議次數 | Board Meetings 董事會會議 Attendance/ Number of Meetings 出席／會議次數 |
|---|---|
|---|---|

職責及責任

董事會負責監督本公司整體業務策略、管理規劃及監控。管理層負責本集團的日常管理。所有董事均經驗豐富及稱職，足以有效履行本身職責。有關董事背景及資歷的詳情載於本年報第10至11頁之「董事及高級管理人員之履歷詳情」一節。

全體董事均真誠行事，為本公司及本公司持份者謀求最佳利益。除須承擔之法定義務外，全體董事均審慎監督本公司之公司事務，並付出充足的時間及精力，密切關注本集團重大事項及事務。

BOARD OF DIRECTORS (CONTINUED)

Board diversity

The Board has established a set of Board Diversity Policy setting out the approach to achieve diversity on the Board with the aims of enhancing Board effectiveness and corporate governance as well as achieving our business objectives and sustainable development. Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, required expertise, skills, knowledge and length of service. The current Board consists of a diverse mix of Board members appropriate to the requirement of the business of the Company. In recommending candidates for appointment to the Board and conducting of annual review, the nomination committee (“**Nomination Committee**”) will consider the benefits of all aspects of diversity, including without limitation, those described above, in order to maintain on appropriate range and balance of talents, skills, experience and background on the Board.

The Executive Directors and senior management meet every week to review Company business matters and escalate the matters to the Board meeting for further discussion whenever necessary. Save for the regular Board meetings held during the financial year, meeting of the Directors were held to discuss and transact other special businesses. The Board members are provided with appropriate and sufficient information in a timely manner to keep abreast of the Group’s latest developments. All businesses transacted at the Board meeting are properly documented and recorded.

The Board and each Director also have separate and independent access to the senior management whenever necessary. Moreover, they have access to the company secretary (“**Company Secretary**”) of the Company who is responsible for ensuring that Board procedures are complied with and who advises the Board on corporate governance and compliance matters.

Under Code Provision A.1.8, the Company has arranged for appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed regularly.

董事會(續)

董事會成員多元化

董事會已建立董事會成員多元化政策，令董事會達致多元化之方針，目的是為提升董事會效率及企業管治水平，實現我們的業務目標及可持續發展。董事會成員多元化是從多個層面加以考慮，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、所需專才、技術、知識及服務年期。目前董事會由多元化董事會成員組成，切合本公司的業務要求。為向董事會推薦合適人選及進行年度回顧，提名委員會（「**提名委員會**」）將考慮各方面多元化之利益（包括但不限於以上所述），以維持董事會在專才、技術、經驗及背景之範疇達至平衡。

執行董事及高級管理層於每週會面檢討本公司業務事宜及在有需要時將有關事宜提呈至董事會會議作進一步討論。除於財政年度舉行之董事會常規會議外，董事亦舉行會議討論及處理其他特別事項。董事會成員會及時取得適當且充足之資料，使彼等瞭解本集團之最新發展情況。所有於董事會會議審議的事項均已妥善存檔及記錄。

董事會及個別董事在需要時亦可藉個別及獨立途徑接觸高級管理層。此外，彼等可接觸本公司之公司秘書（「**公司秘書**」），公司秘書負責確保符合董事會程序及就企業管治及合規事宜向董事會提供意見。

根據守則條文第A.1.8條，本公司已就彌償其董事因企業業務所產生之責任，安排適當之責任保險。本公司會定期檢討保險之保障範圍。

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD OF DIRECTORS (CONTINUED)

Corporate governance functions

The Board is responsible for performing the corporate governance duties set out in the code provision D.3.1 of the CG Code. The duties of the Board include:

- (i) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;
- (ii) to review and monitor the training and continuous professional development of Directors and senior management;
- (iii) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- (v) to review the Group's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year under review, the Board performed the above duties set out in the code provision D.3.1 of the CG Code.

Independence

A candidate who is to be appointed as an Independent Non-Executive Director should also meet the independent criteria set out in Rule 5.09 of the GEM Listing Rules. Upon recommendation of the members of Nomination Committee, the proposed appointment will be reviewed and, if thought fit, approved by the Board. Each Independent Non-Executive Director has given the Company an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the Independent Non-Executive Directors are independent and meet the independent guidelines set out in Rule 5.09 of the GEM Listing Rules. There is no financial, business, family or other material/relevant relationship among the members of the Board, in particular, between the Chairman of the Board and the chief executive of the Company. Each Independent Non-Executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence. The Company had expressed the view in its circular that Independent Non-Executive Director who was eligible for re-election had met the independence guidelines of the GEM Listing Rules. In respect of an Independent Non-Executive Director who served more than nine years, the Company had expressed its view in circular as regards such Director's independence.

企業管治報告(續)

董事會(續)

企業管治職能

董事會負責履行企業管治守則守則條文第D.3.1條載述之企業管治職責。董事會職責包括：

- (i) 制定及檢討本集團之企業管治政策及常規，並向董事會提出建議；
- (ii) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (iii) 檢討及監察本集團有關遵守法律及監管規定之政策及常規；
- (iv) 制定、檢討及監察僱員及董事的操守準則及合規手冊；及
- (v) 檢討本集團遵守企業管治守則之情況及在企業管治報告內所作之披露。

於回顧年度，董事會已履行企業管治守則守則條文第D.3.1條載述之上述職責。

獨立性

將獲委任為獨立非執行董事之候選人亦須符合《GEM上市規則》第5.09條所載之獨立標準。經提名委員會成員推薦後，建議委任將由董事會審議及酌情批准。各獨立非執行董事已根據《GEM上市規則》第5.09條向本公司發出具獨立性之年度確認函。本公司認為全體獨立非執行董事均為獨立人士，並符合《GEM上市規則》第5.09條所載之獨立指引。董事會成員彼此之間，尤其是董事會主席與本公司主要行政人員之間，概無財務、業務、家族或其他重大／相關關係。如出現任何可能影響其獨立性之變動，每名獨立非執行董事須在切實可行情況下盡快通知本公司。本公司已於其通函表示，其認為重選連任之獨立非執行董事乃符合《GEM上市規則》之獨立性指引。就任職逾九年之獨立非執行董事而言，本公司已於通函內就有關董事的獨立性發表意見。

BOARD OF DIRECTORS (CONTINUED)

Independence (Continued)

In accordance with the Articles, one-third of the Directors are subject to retirement by rotation 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 the office and being eligible offer themselves for re-election provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The Directors to be retired by rotation shall be those who have been longest in office since their last appointment or re-appointment or those who were appointed by the Board during the year to fill any casual vacancy.

Independent Non-Executive Directors

The Independent Non-Executive Directors were appointed by reference to their respective qualification and experience to ensure that they are competent to perform their duties and to protect the interests of the stakeholders. They were not appointed for a specific term but they are subject to retirement by rotation and re-election at AGM in line with the Articles. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less than exacting than those in the CG Code.

TRAINING FOR DIRECTORS

All the newly appointed Directors receive comprehensive and formal induction to ensure that they have appropriate understanding of (i) the business and operations of the Group; (ii) their responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements; (iii) the CG Code of the Company and (iv) the Model Code for the Securities Transactions by Directors of Listed Issuers.

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors are arranged at the expenses of the Company whenever necessary. The Directors are committed to complying with Code Provision A.6.5 of the new CG Code on Directors' training effective from 1 April 2012. All Directors have participated in continuous professional development, among others, reading regulatory updates or materials, and attending briefings, conference, forum, courses, seminars or workshops, to develop and refresh their knowledge and skills and provided their training records for the financial year to the Company.

董事會 (續)

獨立性 (續)

根據組織章程細則規定，三分之一之董事（或倘董事人數並非三或三之倍數，則為最接近但不少於三分之一之董事人數）須輪值告退，並合資格及願意膺選連任，惟各董事（包括有指定任期之董事）須至少每三年輪值告退一次。輪值告退之董事須為自上次委任或重新委任以來任職時間最長或年內由董事會委任以填補任何臨時空缺之董事。

獨立非執行董事

獨立非執行董事均參照其各自之資格及經驗而獲委任，以確保彼等有能力履行職務，同時保障持份者利益。彼等之委任並無固定年期，惟須根據組織章程細則輪值告退及於股東週年大會上膺選連任。故此，本公司認為，已採取充分措施確保本公司之企業管治常規不遜於企業管治守則之條文規定。

董事之培訓

所有新委任董事接受全面及正式之指引，以確保彼等對(i)本集團業務及運作；(ii)《GEM上市規則》及相關監管規定下自身之職責及義務；(iii)本公司之企業管治守則及(iv)上市發行人董事進行證券交易之標準守則有合適理解。

董事持續獲提供有關法律及監管制度發展以及業務環境改變之最新資料，以協助彼等履行職責。本公司於有需要時會安排向董事持續提供資訊及專業發展，費用由本公司承擔。董事承諾遵守自二零一二年四月一日起生效之新企業管治守則有關董事培訓之守則條文第A.6.5條。全體董事均參與發展及更新彼等知識及技能之持續專業發展（其中包括）閱讀法規更新或材料，及出席通報會、會議、論壇、課程、研討會或工作坊，並已向本公司提供彼等於財政年度之培訓記錄。

BOARD COMMITTEES

The Board has established three board committees, namely audit committee (“**Audit Committee**”), Remuneration Committee and Nomination Committee. All of these committees have their respective terms of reference which accord with the principles set out in the CG Code contained in Appendix 15 to the GEM Listing Rules.

Audit Committee

The Audit Committee has three members comprising all the Independent Non-Executive Directors, namely, Mr. Luk (appointed on 1 February 2018) (Chairman of the Audit Committee), Mr. Yau Chi Ming (“**Mr. Yau**”) (resigned on 19 January 2018), Mr. Leung (appointed on 14 August 2017), Mr. Ko Ming Tung Edward (“**Mr. Ko**”) (resigned on 14 August 2017) and Mr. L Chen. All committee members possess appropriate industry and professional experience to advise on the Group’s strategy and other matters. The composition of the Audit Committee meets the requirements of Rules 5.28 and 5.33 of the GEM Listing Rules.

The Company established an Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

The primary duties of the Audit Committee are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems, risk management, and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements.

During the year under review, four meetings were held by the Audit Committee to approve the nature and scope of the statutory audits, and review the quarterly, interim and annual financial statements of the Group, and was content that the accounting policies and standards of the Group are in accordance with the current best practices in HK. Such meetings involve the active participation, either in person or through other electronic means of communications of majority of Directors. The Audit Committee must meet, at least twice a year, with the Company’s external auditors without the presence of the management.

董事委員會

董事會已設立三個董事委員會，即審核委員會（「**審核委員會**」）、薪酬委員會及提名委員會。所有該等委員會均已按照《GEM上市規則》附錄十五所載企業管治守則載列之原則制定各自的職權範圍。

審核委員會

審核委員會之三名成員均為獨立非執行董事，即陸先生（於二零一八年二月一日獲委任）（審核委員會主席）、丘志明先生（「**丘先生**」）（於二零一八年一月十九日辭任）、梁先生（於二零一七年八月十四日獲委任）、高明東先生（「**高先生**」）（於二零一七年八月十四日辭任）及陳亮先生。全部委員會成員均擁有合適之行業及專業經驗，就本集團之策略及其他事宜表達意見。審核委員會之成員組合符合《GEM上市規則》第5.28及5.33條之規定。

本公司已設立審核委員會，並按照《GEM上市規則》第5.28條及5.29條制定其書面職權範圍。

審核委員會之主要職責為確保本集團之會計及財務監控充分及有效、監控內部監控系統、風險管理及財務申報過程之表現、監察財務報表是否完整及符合法定及上市規定。

於回顧年度，審核委員會共召開四次會議，以批准法定審核之性質及範圍，並審閱本集團之季度、中期及年度財務報表，且信納本集團之會計政策及準則乃符合香港現時之最佳常規。有關會議涉及絕大多數董事的主動參與，不論親身出席或透過其他電子通訊方式。審核委員會在沒有管理層在場下與本公司外聘核數師每年至少會面兩次。

BOARD COMMITTEES (CONTINUED)

Audit Committee (Continued)

The attendance record of each Director at the Audit Committee meetings held during the year ended 31 March 2018 is set out below:

| Name of Director | 董事姓名 | Attendance/ Number of Meetings 出席／會議次數 |
|---------------------------------------|------------|--|
| Mr. Luk Chi Shing (<i>Chairman</i>) | 陸志成先生 (主席) | 1/4 |
| Mr. Yau Chi Ming | 丘志明先生 | 3/4 |
| Mr. Leung Fu Hang | 梁富衡先生 | 3/4 |
| Mr. Ko Ming Tung Edward | 高明東先生 | 1/4 |
| Mr. Chen Liang | 陳亮先生 | 4/4 |

董事委員會 (續)

審核委員會 (續)

下文載列各董事於截至二零一八年三月三十一日止年度內舉行的審核委員會會議的出席情況：

Remuneration Committee

The Remuneration Committee has three members comprising all the Independent Non-Executive Directors, namely, Mr. Leung (appointed on 14 August 2017) (Chairman of the Remuneration Committee), Mr. Ko (resigned on 14 August 2017), Mr. Luk (appointed on 1 February 2018), Mr. Yau (resigned on 19 January 2018) and Mr. L Chen. Two meetings were held during the year.

The Company formulated written terms of reference for the Remuneration Committee and the adopted terms of reference are in compliance with the Code Provision in the CG Code.

The primary duties of the Remuneration Committee, among others, are (i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iii) to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management. During the year, the Remuneration Committee had meet regularly and reviewed the remuneration package for the Directors, senior management and general staff of the Group.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management by band for the year ended 31 March 2018 and the remuneration of the Directors and the five highest paid employees are set out in note 14 and note 15 to the consolidated financial statements respectively on pages 130 to 133.

薪酬委員會

薪酬委員會之三名成員均為獨立非執行董事，即梁先生（於二零一七年八月十四日獲委任）（薪酬委員會主席）、高先生（於二零一七年八月十四日辭任）、陸先生（於二零一八年二月一日獲委任）、丘先生（於二零一八年一月十九日辭任）及陳亮先生。年內已舉行兩次會議。

本公司制定薪酬委員會之書面職權範圍，而所採納之職權範圍符合企業管治守則之守則條文。

薪酬委員會之主要職責為（其中包括）(i)就本公司有關全體董事及高級管理層之薪酬政策及結構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；(ii)參考董事會之企業目標及宗旨審閱及批准建議之管理層薪酬；及(iii)就各執行董事及高級管理層之薪酬組合，向董事會提出建議。於本年度，薪酬委員會已定期舉行會議並審閱本集團董事、高級管理層及一般員工之薪酬組合。

根據企業管治守則守則條文第B.1.5條，截至二零一八年三月三十一日止年度高級管理層按薪酬範圍劃分之薪酬以及董事及五位最高薪酬僱員之薪酬分別載列於第130至133頁綜合財務報表附註14及附註15內。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

The attendance record of each Director at the Remuneration Committee meetings held during the year ended 31 March 2018 is set out below:

| Name of Director | 董事姓名 | Attendance/ Number of Meetings 出席／會議次數 |
|---------------------------------------|------------|--|
| Mr. Leung Fu Hang (<i>Chairman</i>) | 梁富衡先生 (主席) | 1/2 |
| Mr. Ko Ming Tung Edward | 高明東先生 | 0/2 |
| Mr. Luk Chi Shing | 陸志成先生 | 0/2 |
| Mr. Yau Chi Ming | 丘志明先生 | 1/2 |
| Mr. Chen Liang | 陳亮先生 | 2/2 |

董事委員會(續)

薪酬委員會(續)

下文載列各董事於截至二零一八年三月三十一日止年度內舉行的薪酬委員會會議的出席情況：

Nomination Committee

The Nomination Committee has three members comprising two Independent Non-Executive Directors, namely, Mr. L Chen (Chairman of the Nomination Committee), Mr. Leung (appointed on 14 August 2017) and Mr. Ko (resigned on 14 August 2017), and one Executive Director, namely Mr. HN Chen. Two meetings were held during the year.

The Company formulated written terms of reference for the Nomination Committee and the adopted terms of reference are in compliance with the Code Provision in the CG Code.

The principal duties of the Nomination Committee include, among other things:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of Independent Non-Executive Directors; and
- to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the Chairman and/or chief executive of the Company.

提名委員會

提名委員會由三名成員組成，包括兩名獨立非執行董事（即陳亮先生（提名委員會主席）、梁先生（於二零一七年八月十四日獲委任）及高先生（於二零一七年八月十四日辭任））及一名執行董事陳海寧先生。年內已舉行兩次會議。

本公司制定提名委員會之書面職權範圍，而所採納之職權範圍符合企業管治守則之守則條文。

提名委員會之主要職責（其中包括）如下：

- 至少每年檢討一次董事會之架構、規模及組成（包括技能、知識及經驗）並就任何建議變動向董事會提出推薦意見以補充本公司之企業策略；
- 物色合資格成為董事會成員之合適人士並進行篩選或提出推薦意見供董事會選擇獲提名為董事的人士；
- 評估獨立非執行董事的獨立性；及
- 就董事委任或續聘以及董事尤其是本公司主席及／或主要行政人員之繼任計劃向董事會提出推薦意見。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告 (續)

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The attendance record of each Director at the Nomination Committee meetings held during the year ended 31 March 2018 is set out below:

| Name of Director | 董事姓名 | Attendance/ Number of Meetings 出席／會議次數 |
|------------------------------------|-----------|--|
| Mr. Chen Liang (<i>Chairman</i>) | 陳亮先生 (主席) | 2/2 |
| Mr. Leung Fu Hang | 梁富衡先生 | 1/2 |
| Mr. Ko Ming Tung Edward | 高明東先生 | 0/2 |
| Mr. Chen Haining | 陳海寧先生 | 2/2 |

Auditor's Remuneration

The Audit Committee is responsible for considering and making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and the terms of engagement of the external auditor; and any questions of resignation or dismissal.

The remuneration of the external auditor, HLM CPA Limited (“**External Auditors**”), of the Company in respect of audit services for the year ended 31 March 2018 amounted to HK\$490,000. The remuneration for non-audit services was amounted to HK\$75,000.

COMPANY SECRETARY

The Company Secretary reports to the Chairman and Chief Executive Officer, plays an essential role in the relationship between the Company and its Shareholders, and assists the Board in discharging its obligations to Shareholders pursuant to the GEM Listing Rules. The Company Secretary has participated in no less than fifteen hours of relevant professional training to develop and refresh their knowledge and skills during the financial year pursuant to Rule 5.15 of the GEM Listing Rules.

董事委員會 (續)

提名委員會 (續)

下文載列各董事於截至二零一八年三月三十一日止年度內舉行的提名委員會會議的出席情況：

核數師薪酬

審核委員會負責考慮委任、續聘及罷免外聘核數師，並就此向董事會作出建議以及批准外聘核數師的薪酬及聘用條款；及處理任何有關辭任或罷免的問題。

截至二零一八年三月三十一日止年度，本公司外聘核數師恒健會計師行有限公司（「**外聘核數師**」）就審核服務之薪酬為490,000港元，非審核服務之薪酬為75,000港元。

公司秘書

公司秘書向主席及行政總裁報告，在維繫本公司與股東之間的關係方面亦肩負重任，包括協助董事會按照上市規則履行對股東的責任。根據《GEM上市規則》第5.15條，於財政年度內，公司秘書已參加不少於十五個小時之相關專業培訓，以發展及更新其知識及技能。

SHAREHOLDERS' RIGHTS

Shareholders holding at the date of deposit of the requisition not less than 5% of the total voting rights of all the members having a right to vote at general meetings of the Company and shall at all times have the right, by written requisition to the Board, to require an extraordinary general meeting (“EGM”) of the Company to be convened by the Board. Such requisition, signed by the Shareholders concerned, must state the general nature of the business to be dealt with at the meeting and may include a text of resolution that is intended to be moved at the meeting. If within twenty one days from the date of such deposit, the Board fails to proceed to such meeting the Shareholders concerned may themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three months after the date on which the Directors become subject to the requirement to call a meeting.

If a Shareholder (other than the candidate) wishes to propose any candidate as director of the Company, the following documents should be duly lodged at the registered and head office of the Company at Unit 3517, Floor 35, West Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, HK for the attention of the Company Secretary, not earlier than the day after the dispatch of the notice of the general meeting (or such other period as may be determined and announced by the Directors from time to time) and not later than seven days prior to the date fixed for the meeting:

- (a) a written notice by the Shareholder of his or her intention to propose a resolution for the appointment or reappointment of that candidate, duly signed by the Shareholder with his or her name and address stated clearly in an eligible manner, the validity of which is subject to verification and confirmation by the Company's share registrar according to its records;
- (b) a written notice duly executed by the candidate of his or her willingness to be appointed or re-appointed;
- (c) written consent of the publication of the candidate's information together with the candidate's biographical information as required by Rule 17.50(2) of the GEM Listing Rules; and
- (d) the candidate's written consent to the publication of his or her personal data.

股東權利

於提交要求日期持有不少於有權在本公司股東大會上表決的全體成員的總表決權的5%的股東，於任何時間均有權透過向董事會提交書面要求要求董事會召開本公司股東特別大會（「股東特別大會」）。有關要求須經有關股東簽署，並須述明有待在有關大會上處理的事務的一般性質及可包含擬在該大會上動議的決議案的文本。倘董事會自收到該要求的日期起計二十一日內沒有召開有關大會，則有關股東可自行召開股東特別大會，惟在有關董事受到召開大會的規定所規限的日期後的三個月期限屆滿後，通過此種方式召開的任何股東特別大會不得舉行。

若股東（候選人除外）擬提名任何候選人擔任本公司董事，須於寄發股東大會通告（或董事可能不時釐定及宣佈之有關其他期間）後至大會指定舉行日期前不少於七日將以下文件遞交至本公司註冊辦事處及總辦事處（地址為香港干諾道中168-200號信德中心西座35樓3517室），收件人為公司秘書：

- (a) 該名股東有意提呈一項決議案以委任或重新委任該候選人之書面通知，該通知須由該股東以適當之方式正式簽署（須列明其姓名及地址），而其有效性則須由本公司的股份過戶登記處根據其記錄進行核實及確認；
- (b) 由該候選人正式簽署之有關其膺選或重選意願之書面通知；
- (c) 公開候選人資料及《GEM上市規則》第17.50(2)條所規定之候選人履歷資料之書面同意；及
- (d) 該候選人就公開其個人資料之書面同意。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

COMMUNICATION WITH SHAREHOLDERS

The Company recognizes the importance of maintaining an on-going communication with Shareholders to ensure that Shareholders are kept well informed of the business activities and direction of the Group.

The Company uses a range of communication tools including various notices, announcements, circulars, annual report and AGM to disclose relevant information to Shareholders. Separate resolutions are proposed at general meeting on each substantially separate issue, including the re-election of Directors. The Chairman of the Board and the Chairman of all board committees, together with the External Auditor, shall attend the AGM to answer the enquiries of Shareholders. In compliance with the Code Provision E.1.3, the notice of AGM will be sent to Shareholders at least twenty clear business days before the meeting.

To further promote the effective communication with Shareholders and the public, the Company's website (<http://www.chinese-energy.com>) is maintained to disseminate the information of the Group electronically on a timely basis.

VOTING BY POLL

All resolutions put to the general meeting will be voted by poll at the meeting in accordance with the requirements of the GEM Listing Rules.

To ensure that Shareholders are familiar with the detailed procedures for conducting a poll, the chairman of the meeting will explain the detailed procedures for conducting a poll at the commencement of the meeting and then answer any questions from Shareholders regarding voting by way of a poll.

At the conclusion of the general meeting, the poll results will be published on the GEM website (<http://www.hkgem.com>) and the Company's website (<http://www.chinese-energy.com>).

ENQUIRIES TO THE BOARD

Enquiries from Shareholders to the Board can be sent in writing to the Company at the registered and head office in HK or by email to info@chinese-energy.com as stated on the Company's website (<http://www.chinese-energy.com>).

CONSTITUTIONAL DOCUMENTS

There was no change to the Company's constitutional documents during the year ended 31 March 2018. A copy of the latest consolidated version of the Articles is available for view on the HKEXnews website (<http://www.hkexnews.hk>) and the Company's website (<http://www.chinese-energy.com>).

與股東溝通

本公司深知與股東維持持續溝通的重要性，確保股東知悉本集團之業務活動及方向。

本公司採用多種通訊工具（包括各類通知、公佈、通函、年報及股東週年大會）向股東披露有關資料。就每個個別重要事項，包括重選董事，均於股東大會上以獨立決議案方式提出。董事會主席及所有董事委員會主席以及外聘核數師將出席股東週年大會回答股東提出之查詢。根據守則條文第E.1.3條，股東週年大會通告將於大會舉行前至少足二十個營業日向股東發送。

為了進一步促進與股東及公眾之有效溝通，本集團將以電子方式及時在本公司網站(<http://www.chinese-energy.com>)發佈本集團之資料。

以投票方式表決

於股東大會上提呈之所有決議案將根據《GEM上市規則》之規定於大會上進行投票表決。

為了確保股東熟悉以投票方式進行表決的詳細程序，大會主席將於大會開始時解釋以投票方式進行表決的詳細程序，並回答股東有關以投票方式表決的任何問題。

於股東大會結束後，投票結果將在GEM網站(<http://www.hkgem.com>)及本公司網站(<http://www.chinese-energy.com>)上公佈。

向董事會提出之查詢

股東可將彼等向董事會提出之查詢以書面形式郵寄至本公司的香港註冊辦事處及總辦事處，或以電郵形式發送至本公司網站(<http://www.chinese-energy.com>)所列之電子郵箱info@chinese-energy.com。

章程文件

於截至二零一八年三月三十一日止年度，本公司的章程文件概無變動。組織章程細則的最新綜合版本可於香港交易所披露易網站(<http://www.hkexnews.hk>)及本公司網站(<http://www.chinese-energy.com>)瀏覽。

INVESTOR RELATIONS

The Company has established different communication channels with Shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual, interim and quarterly reports, notices of meetings, circulars and proxy forms) required under the GEM Listing Rules, and Shareholders can choose (or are deemed to have consented) to receive such documents using electronic means through the Company's website; (ii) the AGM provides a forum for Shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company's website (<http://www.chinese-energy.com>) offers a communication channel between the Company and its Shareholders and stakeholders; (v) the Company's share registrar deals with Shareholders for share registration and related matters; and (vi) the Company Secretary handles enquiries from Shareholders and investors generally. In compliance with the CG Code under Appendix 15 of the GEM Listing Rules, the Company has established Shareholder's communication policy in April 2012 which is subject to review on a regular basis to ensure its effectiveness. This policy is available on the Company's website (<http://www.chinese-energy.com>). Individual resolution has been proposed by the Chairman in the general meetings for each substantial issue. At the AGM and/or the EGM (if any) held in the financial year, the Chairman of the Company and/or the members of the Board (including Independent Non-Executive Directors) were available to answer questions raised by Shareholders.

INTERNAL CONTROL

Internal audit and risk management

The Board is responsible for ensuring sound and effective internal control systems and risk management to safeguard the Shareholders' interests and the Company's assets. Such internal control and risk management systems are designed for managing risks rather than eliminating risks that affect the Group's business, and can only provide reasonable and not absolute assurance against material misstatement or loss. The objective is to cover all important controls which include financial, operational, compliance, and risk management to ensure they are in place and functioning effectively for the Group.

投資者關係

本公司設有多個與股東及投資者溝通的渠道，包括(i)《GEM上市規則》項下規定之公司通訊(包括但不限於年度、中期及季度報告、大會通告、通函及代表委任表格)印刷本，且股東可選擇(或視為已同意選擇)通過本公司網站以電子方式收取有關文件；(ii)股東週年大會提供平台供股東向董事會提出意見及交流觀點；(iii)本公司網站載有本集團最新及重要資料；(iv)本公司網站(<http://www.chinese-energy.com>)為本公司與股東及持份者提供溝通渠道；(v)本公司的股份過戶登記處處理股東之股份登記及相關事宜；及(vi)公司秘書一般處理股東及投資者之查詢。為遵守《GEM上市規則》附錄十五項下之企業管治守則，本公司已於二零一二年四月設立股東溝通政策，須定期進行檢討以確保其有效性。該政策載於本公司網站(<http://www.chinese-energy.com>)。主席就各主要事宜於股東大會上提呈個別決議案。於財政年度內舉行之股東週年大會及／或股東特別大會(如有)上，本公司主席及／或董事會成員(包括獨立非執行董事)可回答股東提問。

內部監控

內部審計及風險管理

董事會負責確保穩健及有效之內部監控系統及風險管理，以保障股東利益及本公司資產。有關內部監控及風險管理系統旨在管理風險而非消除影響本集團業務之風險，同時只能對重大錯誤陳述或損失提供合理而非絕對之保證。目標為涵蓋所有重要控制，包括財務、營運、合規及風險管理，藉以確保其能到位及有效地為本集團運作。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告 (續)

INTERNAL CONTROL (CONTINUED)

Internal audit and risk management (Continued)

Internal audit

The Group has outsourced the internal control systems auditing function. The outsourced internal auditor (the “IA”) reports directly to the Group’s Audit Committee and is responsible for conducting audits on the major activities of the Group. The Audit Committee has received a report from the IA summarizing audits concluded in the year. The Audit Committee has reviewed the findings and recommendations made by the IA and have ensured that any issues arising from the audit are appropriately resolved by management in an efficient and timely manner.

Risk management

The successful management of risk is essential for the long-term growth and sustainability of the Group’s business. These can only be achievable if risks that affect the Group are managed effectively.

Policy

The Group’s risk management policy includes the following elements:

- Identification significant risks in the Group’s operation and business environment and evaluate the impacts of those;
- Develop necessary measure to manage those risks;
- Monitor and review the effectiveness of such measures.

Responsibility

The Board has overall accountability for determining the type and level of risk it is prepared to take and deploys appropriate actions to control or mitigate the risks. The likelihood of risk occurrence, their impacts, and their mitigation are all documented in the Group’s risk register. The Board regularly reviews the risk register and monitors the implementation of risk mitigation procedures by management.

Further, the risks will be periodically reviewed so that the Group could ensure new and emerging risks relevant to the Group’s business are promptly identified and action upon. These are on-going processes and the Board reviews regularly the effectiveness of the Group’s risk management systems.

The Board has identified and is taking steps to correct a weakness in its internal control system relating to repurchase of the Shares but considers the Group’s internal control system and risk management are in general adequate and effective and the Group has complied with the provisions on internal controls and risk management as set out in the CG Code.

內部監控 (續)

內部審計及風險管理 (續)

內部審計

本集團已將內部監控系統審計職能外包。外包內部審計師(「內部審計師」)直接向本集團之審核委員會報告,負責對本集團之主要活動進行審計。審核委員會已接獲內部審計師發出之報告,當中概述年內進行之審計工作。審核委員會已審閱內部審計師之發現及建議,並確保審計中產生之任何問題均由管理層有效及時地妥善解決。

風險管理

成功之風險管理對本集團業務之長期增長和可持續性非常重要,只有當影響本集團之風險得到有效管理之情況下,方可實現。

政策

本集團風險管理政策包括以下要素:

- 識別本集團經營及業務環境中之重大風險,並評估其影響;
- 開展管理風險之必要措施;
- 監測及檢討該等措施之成效。

責任

董事會須全面負責釐定其預備承受之風險類型及水平,並採取適當行動控制或緩解風險。發生風險之可能性、其影響及緩解均於本集團之風險登記冊內明確規定。董事會定期檢討風險登記冊及監測管理層執行風險緩解程序之情況。

此外,風險將會定期檢討,以令本集團能確保與本集團業務相關之新產生風險得以即時識別並採取相應行動。此舉屬持續流程,而董事會定期檢討本集團風險管理系統之成效。

董事會已識別並已採取步驟修正內部監控系統有關購回股份之弱項,但仍認為本集團之內部監控系統及風險管理整體上屬充裕及有效,且本集團已遵守企業管治守則所載之內部監控及風險管理條文。

CORPORATE GOVERNANCE REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a clear and understandable assessment of annual, interim, and quarterly reports, announcements in relation to inside information and other disclosures required under the GEM Listing Rules and other regulatory requirements.

The Directors acknowledge their responsibility for preparing the consolidated financial statements which give a true and fair view of the state of the Group's affairs and of its accounts of the Company for the year ended 31 March 2018. The statement of the External Auditor about the reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditor's Report" in this annual report.

The External Auditor performs independent statutory audit on the Group's financial statements. As part of the audit engagement, the External Auditor also reports to the Audit Committee any significant deficiencies (if any) in the Group's internal control system which might come to their attention during the course of audit.

A policy on handling and dissemination of inside information was established, setting out the guiding principles, procedures and internal controls for the handling and dissemination of inside information in a timely manner in such a way that it did not place any person in a privileged dealing position and allow time for the market to price the Shares to reflect the latest available information.

GROWTH AND DEVELOPMENT

The Company develops and maintains competence levels and ethical behaviour of staff members. These include clear competence criteria for staff members and strong commitment to staff training and development. To equip staff members to meet future challenges and professional requirements, a wide range of training and development programmes are offered at the expenses of the Company whenever necessary.

LOOKING FORWARD

The Board believes that good corporate governance can safeguard the effective allocation of resources and safeguard Shareholders' interests. The Company will keep on reviewing its corporate governance standards on a timely basis and the Board endeavours to take the necessary actions to ensure compliance with the required practices and standards including the provisions of the CG Code introduced by the Stock Exchange.

企業管治報告(續)

董事於綜合財務報表之責任

董事會負責對年度、中期及季度報告、內幕消息公佈及其他根據《GEM上市規則》及其他監管規定作出之披露呈列清晰及容易理解之評估。

董事確認其編製真實公平地反映本集團事務狀況及其賬目之本公司截至二零一八年三月三十一日止年度綜合財務報表之責任。外聘核數師對綜合財務報表之申報責任之聲明載於本年報「獨立核數師報告」內。

外聘核數師對本集團之財務報表進行獨立法定審核。作為審核工作之一部分，外聘核數師亦會向審核委員會匯報在審核過程中可能獲悉本集團之任何重大內部監控系統缺陷(如有)。

已訂立的一套處理及發佈內幕消息之政策，列出指導性原則、程序及內部監控，使內幕消息得以適時處理及發佈，而不會導致任何人士在證券買賣上處於有利地位；讓市場有時間消化最新資料，使市場能反映股份價格之實況。

成長及發展

本公司發展及維持員工兼具能力及道德行為之文化。此包括制訂明確之員工能力標準及加強員工培訓及發展。為裝備員工接受未來挑戰及專業需求，本公司於有需要時提供一系列培訓及發展計劃，費用由本公司承擔。

展望

董事會相信，良好企業管治可保障有效分配資源及保障股東權益。本公司將繼續在適當時候檢討其企業管治標準，而董事會努力採取所需行動，以確保符合有關規定慣例及標準，包括聯交所頒佈之企業管治守則條文。

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is principally engaged in general trading (including market sourcing of technical and electronic products), trading of LNG products, investment in financial assets, provision of money lending and factoring services.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2018 are set out in note 35 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 60 to 61 of the annual report.

The Directors do not recommend the payment of any dividend in respect of the year (2017: Nil).

BUSINESS REVIEW

A fair review of the businesses of the Group, discussion and analysis of the Group's performance during the year, the material factors underlying its financial performance and financial position as well as the principal risks and uncertainties facing the Group, as required by Schedule 5 to the Companies Ordinance (the "CO") (Chapter 622, Law of HK), is set out in the section of "Management Discussion and Analysis" on pages 6 to 9 of this annual report and in note 4 and note 6b to the consolidated financial statements. These discussions form part of this report of the Directors.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2018, the aggregate amount of revenue attribute to the Group's five largest customers was about 99.76% (2017: 90.84%) of the total value of the Group's revenue. The largest customer of the Group accounted for approximately 38.47% (2017: 34.16%) of the Group's revenue. The aggregate amount of purchases attribute to the Group's five largest suppliers was about 95.46% (2017: 85.79%) of the Group's total cost of goods sold. The largest supplier of the Group accounted for approximately 38.58% (2017: 38.14%) of the Group's total cost of goods sold.

At no time during the year have the Directors, their associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interests in major customers or suppliers.

董事會報告

董事謹提呈截至二零一八年三月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為一家投資控股公司，本集團主要業務為一般貿易（包括市場採購技術及電子產品）、液化天然氣產品貿易、投資於金融資產、提供放貸及保理服務。

主要附屬公司

於二零一八年三月三十一日，本公司之主要附屬公司詳情載於綜合財務報表附註35。

業績及分派

本集團截至二零一八年三月三十一日止年度之業績載於本年報第60至61頁綜合損益及其他全面收益表。

董事不建議派付本年度之任何股息（二零一七年：無）。

業務回顧

根據《公司條例》（「《公司條例》」）（香港法例第622章）附表5所規定，本集團之業務持平回顧、本集團於本年度之表現之討論及分析、其財務表現及財務狀況以及本集團面對的主要風險及不明朗因素之重大因素，已載於本年報第6至9頁「管理層討論及分析」以及綜合財務報表附註4及附註6b中。該等討論構成本董事會報告一部分。

主要客戶及供應商

截至二零一八年三月三十一日止年度，本集團來自五大客戶的收益合共佔本集團之總收益約99.76%（二零一七年：90.84%）。本集團最大客戶佔本集團之收益約38.47%（二零一七年：34.16%）。本集團對其五大供應商作出的採購額合共佔本集團之已售貨品成本總額約95.46%（二零一七年：85.79%）。本集團最大供應商佔本集團之已售貨品成本總額約38.58%（二零一七年：38.14%）。

於本年度內任何時間，概無董事、其聯繫人士或任何股東（據董事所知擁有本公司股本5%以上）於主要客戶或供應商擁有任何權益。

REPORT OF THE DIRECTORS (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment (“PPE”) of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity in the consolidated financial statements, the movements in the reserves of the Company during the year are set out in note 29 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company repurchased 24,000,000 of its Shares at the open market and cancelled them on 11 January 2018 and 31 January 2018 respectively.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years is set out on page 160 of the annual report.

DIRECTORS AND DIRECTORS’ SERVICE CONTRACT

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

Executive Directors:

Mr. Chen Haining
Ms. Wu Hongying

Independent Non-Executive Directors:

Mr. Luk Chi Shing (Appointed on 1 February 2018)
Mr. Leung Fu Hang (Appointed on 14 August 2017)
Mr. Yau Chi Ming (Resigned on 19 January 2018)
Mr. Ko Ming Tung Edward (Resigned on 14 August 2017)
Mr. Chen Liang

董事會報告(續)

物業、廠房及設備

本集團之物業、廠房及設備(「物業、廠房及設備」)於年內之變動詳情載於綜合財務報表附註18。

股本

本公司於年內之股本變動詳情載於綜合財務報表附註28。

儲備

本集團於年內之儲備變動詳情載於綜合財務報表綜合權益變動表內，而本公司於本年度之儲備變動詳情載於綜合財務報表附註29。

購買、出售或贖回本公司上市證券

本公司於公開市場上購回24,000,000股股份及註銷該等股份，分別於二零一八年一月十一日及二零一八年一月三十一日進行。

財務概要

本集團於過去五個財政年度之業績概要載於本年報第160頁。

董事及董事服務合約

於年內及截至本報告日期之董事為：

執行董事：

陳海寧先生
吳紅英女士

獨立非執行董事：

陸志成先生(於二零一八年二月一日獲委任)
梁富衡先生(於二零一七年八月十四日獲委任)
丘志明先生(於二零一八年一月十九日辭任)
高明東先生(於二零一七年八月十四日辭任)
陳亮先生

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS AND DIRECTORS' SERVICE CONTRACT (CONTINUED)

Pursuant to Article 114 of the Articles, Mr. HN Chen and Mr. L Chen shall retire from office by rotation at the forthcoming AGM; whereas pursuant to Article 95 of the Articles, Mr. Luk Chi Shing (who was appointed by Directors as an Independent Non-Executive Director with effect from 1 February 2018) shall hold office only until the forthcoming AGM. Accordingly, all of the above three Directors are eligible to be re-elected at the forthcoming AGM.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory obligations.

During the year and up to the date of this report, Mr. HN Chen and Ms. Wu Hongying are also directors of certain subsidiaries of the Company. Other directors of the Company's subsidiaries are shown as below:

Companies incorporated in HK:

- (1) All Profit Limited
Chen Haining
Choi Wai Yip
- (2) Care Asia Resource International Limited
Chen Haining
Wu Hongying
Choi Wai Yip
- (3) First Top Finance Limited
Chen Haining
Choi Wai Yip
Wong Ka Chun Carson (Resigned on 14 August 2017)
- (4) Green Gas Energy (HK) Limited
Chen Haining
Wu Hongying
Choi Wai Yip
- (5) Harvest Taken (HK) Limited
Chen Haining
Wu Hongying
Choi Wai Yip

董事會報告(續)

董事及董事服務合約(續)

根據組織章程細則第114條，陳海寧先生及陳亮先生將於應屆股東週年大會上輪值告退，而根據組織章程細則第95條，陸志成先生（獲董事委任為獨立非執行董事，自二零一八年二月一日起生效）將僅任職至應屆股東週年大會。因此，所有上述三位董事均符合資格於應屆股東週年大會上膺選連任。

概無董事與本公司或其任何附屬公司訂立一年內不可由本集團終止而毋須賠償（法定賠償除外）之服務合約。

年內及直至本報告日期為止，陳海寧先生及吳紅英女士亦為本公司若干附屬公司之董事。本公司附屬公司之其他董事載列如下：

公司成立於香港：

- (1) 億潤有限公司
陳海寧
蔡偉業
- (2) 華亞資源國際有限公司
陳海寧
吳紅英
蔡偉業
- (3) 永高財務有限公司
陳海寧
蔡偉業
黃家駿（於二零一七年八月十四日辭任）
- (4) Green Gas Energy (HK) Limited
陳海寧
吳紅英
蔡偉業
- (5) 天華（香港）有限公司
陳海寧
吳紅英
蔡偉業

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

DIRECTORS AND DIRECTORS' SERVICE CONTRACT (CONTINUED)

董事及董事服務合約(續)

Companies incorporated in British Virgin Islands ("BVI"):

公司成立於英屬處女群島(「英屬處女群島」):

(1) Green Gas Energy Limited
Chen Haining
Wu Hongying

(1) Green Gas Energy Limited
陳海寧
吳紅英

(2) Growwise Holdings Limited
Chen Haining
Wu Hongying

(2) 智生控股有限公司
陳海寧
吳紅英

(3) iMerchants Asia Limited
Chen Haining
Wu Hongying

(3) iMerchants Asia Limited
陳海寧
吳紅英

(4) Redbliss Ventures Limited
Chen Haining

(4) 紅福創投有限公司
陳海寧

(5) Top Connect Holdings Limited
Chen Haining
Wu Hongying

(5) 匯領控股有限公司
陳海寧
吳紅英

(6) True Vitality Limited
Chen Haining
Wu Hongying

(6) True Vitality Limited
陳海寧
吳紅英

Companies incorporated in PRC:

公司成立於中國:

(1) Ninghai Luyuan Liquefied Natural Gas Co., Limited*
Zhou Liang
Qiu Ai Jiao

(1) 寧海綠源液化天然氣有限公司
周亮
裘愛嬌

(2) Shenzhen Hua Ya Energy Company Limited*
Wu Hongying
Zhang Bi Wei
Zhao Jing
Yuan Xing Xiong

(2) 深圳華亞能源有限公司
吳紅英
張必偉
趙靜
袁興嚮

(3) Shenzhen Hua Ya Finance Service Company Limited*
Wu Hongying
Zhang Bi Wei

(3) 深圳市華亞金融服務有限公司
吳紅英
張必偉

(4) Sichuan Hua Ya New Energy Science and Technology Company Limited*
Qu Bin
Chen Cai Si

(4) 四川華亞新能科技有限公司
瞿彬
陳才思

* the English translation of the Chinese names are for identification purpose and should not be regarded as the official English translation of such Chinese names.

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

As at 31 March 2018, the interests of the Directors, chief executives of the Company and their associates in the ordinary Shares or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (Chapter 571, Laws of HK), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Shares:

| Name of a Director | Capacity | Number of issued Shares held 所持已發行 股份數目 | Percentage of issued share capital of the Company 佔本公司 已發行股本之百分比 |
|----------------------|--|---|---|
| 一名董事名稱 | 身份 | | |
| Mr. HN Chen 陳海寧先生 | Held by controlled corporation (Note) 由受控制法團持有 (附註) | 249,000,000 | 11.66% |

Note:

These Shares are registered in the name of WTL, which is wholly-owned by Mr. HN Chen who is deemed to be interested in all the shares in which WTL is interested by virtue of the SFO.

Save as disclosed above, at 31 March 2018, none of the Directors, chief executive of the Company nor their associates had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations.

董事會報告 (續)

董事於本公司或其任何相聯法團之股份、相關股份及債券之權益及淡倉

於二零一八年三月三十一日，董事、本公司主要行政人員及彼等之聯繫人於普通股或其任何相聯法團（定義見《證券及期貨條例》（「《證券及期貨條例》」）（香港法例第571章）第XV部）擁有(a)根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所（包括彼等根據《證券及期貨條例》之有關條文被當作或視為擁有之權益或淡倉），或(b)根據《證券及期貨條例》第352條須登記於該條文所指股東登記冊，或(c)根據《GEM上市規則》第5.46至5.67條所載之董事交易必守標準須知會本公司及聯交所之權益如下：

於股份之好倉：

| | Number of issued Shares held 所持已發行 股份數目 | Percentage of issued share capital of the Company 佔本公司 已發行股本之百分比 |
|----------------------|---|---|
| Mr. HN Chen 陳海寧先生 | 249,000,000 | 11.66% |

附註：

此等股份以智勝有限公司之名義登記，陳海寧先生全資擁有該公司，故根據《證券及期貨條例》，陳海寧先生被視為於智勝有限公司擁有權益之所有股份中擁有權益。

除上文所披露者外，於二零一八年三月三十一日，董事、本公司主要行政人員及彼等之聯繫人並無於本公司或其任何相聯法團之股份、相關股份或債券中擁有或被視作擁有任何權益或淡倉。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

At 31 March 2018, the following persons or companies (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

主要股東於股份及相關股份之權益及淡倉

於二零一八年三月三十一日，下列人士或公司（董事或本公司主要行政人員除外）於股份或本公司相關股份中擁有須根據《證券及期貨條例》第XV部第2及第3分部之規定向本公司披露，或根據《證券及期貨條例》第336條記錄於本公司存置之股東登記冊內的權益或淡倉。

Long positions in the underlying shares and Shares

於相關股份及股份之好倉

| Name of substantial shareholders | Capacity/nature of interests | Number of underlying shares/ Shares in the capital in Company held | Percentage of issued share capital of the Company (Note 3) |
|---|--|--|--|
| 主要股東名稱 | 身份／權益性質 | 所持本公司 股本中之相關股份 ／股份數目 | 佔本公司 已發行股本之百分比 (附註3) |
| Underlying shares: | | | |
| 相關股份： | | | |
| Keen Insight Limited (Note 1) (附註1) | Beneficial owner 實益擁有人 | 330,000,000 | 15.45% |
| Hony Capital Group L.P. (Note 1) (附註1) | Interests in controlled corporation 於受控制法團之權益 | 330,000,000 | 15.45% |
| Hony Group Management Limited (Note 1) (附註1) | Interests in controlled corporation 於受控制法團之權益 | 330,000,000 | 15.45% |
| Hony Managing Partners Limited (Note 1) (附註1) | Interests in controlled corporation 於受控制法團之權益 | 330,000,000 | 15.45% |
| Exponential Fortune Group Limited (Note 1) (附註1) | Interests in controlled corporation 於受控制法團之權益 | 330,000,000 | 15.45% |
| Zhao John Huan (Note 1) 趙令歡 (附註1) | Interests in controlled corporation 於受控制法團之權益 | 330,000,000 | 15.45% |
| Arrowfield Investments Limited | Beneficial owner 實益擁有人 | 424,666,667 | 19.88% |
| Easyknit International Holdings Limited 永義國際集團有限公司 | Interests in controlled corporation 於受控制法團之權益 | 424,666,667 | 19.88% |

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES (CONTINUED)

主要股東於股份及相關股份之權益及淡倉(續)

Long positions in the underlying shares and Shares (Continued)

於相關股份及股份之好倉(續)

| Name of substantial shareholders | Capacity/nature of interests | Number of underlying shares/ Shares in the capital in Company held | Percentage of issued share capital of the Company (Note 3) |
|-------------------------------------|--|---|---|
| 主要股東名稱 | 身份／權益性質 | 所持本公司 股本中之相關股份 ／股份數目 | 佔本公司 已發行股本之百分比 (附註3) |
| Shares: | | | |
| 股份： | | | |
| WTL (Note 2) 智勝有限公司 (附註2) | Beneficial owner 實益擁有人 | 249,000,000 | 11.66% |
| Mr. HN Chen (Note 2) 陳海寧先生 (附註2) | Interests in controlled corporation 於受控制法團之權益 | 249,000,000 | 11.66% |

Notes:

附註：

- Keen Insight Limited is a wholly-owned subsidiary of Hony Capital Group L.P. Hony Capital Group L.P. is a wholly-owned subsidiary of Hony Group Management Limited. Hony Group Management Limited is owned as to 80% by Hony Managing Partners Limited, a wholly-owned subsidiary of Exponential Fortune Group Limited. Exponential Fortune Group Limited is held as to 49% by Mr. Zhao John Huan, and the remaining 51% is held by two individuals equally.
- WTL is wholly controlled by Mr. HN Chen.
- The percentage is based on 2,136,021,500 issued Shares as at 31 March 2018.

- Keen Insight Limited為Hony Capital Group L.P.之一間全資附屬公司。Hony Capital Group L.P.為Hony Group Management Limited之一間全資附屬公司。Hony Group Management Limited由Hony Managing Partners Limited持有80%權益，而後者為Exponential Fortune Group Limited之一間全資附屬公司。Exponential Fortune Group Limited由趙令歡先生持有49%權益，而餘下51%權益則由兩名個人平均持有。
- 智勝有限公司由陳海寧先生全權控制。
- 百分比基於二零一八年三月三十一日之2,136,021,500股已發行股份計算。

Save as disclosed above, there were no long positions of other persons and substantial shareholders in the underlying shares and Shares recorded in the register.

除上文所披露者外，根據股東登記冊內之記錄，概無其他人士及主要股東持有相關股份及股份之好倉。

REPORT OF THE DIRECTORS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES (CONTINUED)

Short positions in underlying shares and Shares

No short positions of other persons and substantial shareholders in the underlying shares of equity derivatives of the Company and Shares were recorded in the register.

Save as disclosed above, at 31 March 2018, the Directors and chief executive of the Company were not aware of any persons or companies (other than the Directors and 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 were interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or any persons (not being a Director) have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As disclosed in the share option scheme below, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

CONVERTIBLE NOTE

Detailed disclosures relating to the Company's CN is set out in note 27 to the consolidated financial statements.

SHARE OPTION SCHEMES

Detailed disclosures relating to the Company's share option schemes are set out in note 30 to the consolidated financial statements.

董事會報告(續)

主要股東於股份及相關股份之權益及淡倉(續)

於相關股份及股份之淡倉

根據股東登記冊內之記錄，概無其他人士及主要股東持有本公司股本衍生工具相關股份及股份之淡倉。

除上文所披露者外，於二零一八年三月三十一日，董事及本公司主要行政人員概無知悉有持有或被視為持有附有權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之5%或以上已發行股本權益之任何人士或公司（董事及本公司主要行政人員除外）於股份或本公司相關股份中持有權益或淡倉，或有任何人士（董事除外）於股份或本公司相關股份中持有須根據《證券及期貨條例》第XV部第2及第3分部的規定向本公司及聯交所披露，或根據《證券及期貨條例》第336條記錄於本公司存置之股東登記冊內的權益或淡倉。

董事購買股份或債券之權利

除下文購股權計劃所披露者外，年內任何時間並無向任何董事、彼等各自之配偶或18歲以下子女授出可透過購入本公司股份或債券而取得利益之權利，彼等亦無行使任何該等權利；而本公司或其任何附屬公司亦無訂立任何安排，以致董事或彼等各自之配偶或未成年子女可購入任何其他法人團體之該等權利。

可換股票據

有關本公司可換股票據之詳細披露載於綜合財務報表附註27。

購股權計劃

有關本公司購股權計劃之詳細披露載於綜合財務報表附註30。

REPORT OF THE DIRECTORS (CONTINUED)

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision that meets the requirements specified in section 469(2) of the CO for the benefits of the Directors is currently in force and was in force throughout the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There is no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiary companies was a party and in which a Director had material interests, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPETITION AND CONFLICT OF INTERESTS

During the year under review, none of the Directors, the management Shareholders or substantial Shareholders or any of their respective associates (as defined in the GEM Listing Rules) had interests, in a business which causes or may cause any significant competition and conflict of interests with the business of the Group.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the year under review, the Group has not entered into any connected transaction that are not exempt under Rule 20.31 of the GEM Listing Rules nor any continuing connected transaction that are not exempt under Rule 20.33 of the GEM Listing Rules.

董事會報告(續)

管理合約

於本年度，本公司並無訂立或訂有任何有關本公司全部或任何絕大部分業務之管理及行政合約。

獲准許彌償條文

符合《公司條例》第469(2)條所列明之規定且惠及全體董事之獲准許彌償條文目前已生效及於本年度全年一直有效。

董事於交易、安排或合約中之權益

於本年度年結日或本年度任何時間，本公司或其任何附屬公司概無訂立任何涉及本集團業務而董事於其中直接或間接持有重大權益之重要交易、安排或合約。

競爭及權益衝突

於回顧年度，董事、管理層股東或主要股東或彼等各自之任何聯繫人（定義見《GEM上市規則》）概無在與本集團業務構成或可能構成重大競爭及權益衝突之業務中擁有權益。

關連交易及持續關連交易

於回顧年度，本集團並未訂立任何不獲《GEM上市規則》第20.31條豁免之關連交易，以及任何不獲《GEM上市規則》第20.33條豁免之持續關連交易。

REPORT OF THE DIRECTORS (CONTINUED)

AUDIT COMMITTEE

The Audit Committee comprises three members, Mr. Luk (Chairman of the Audit Committee), Mr. Leung and Mr. L Chen, all are Independent Non-Executive Directors.

The Company established an Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

The primary duties of the Audit Committee are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems, risk management, and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements.

The Audit Committee held four meetings during the year. The Group's annual consolidated results for the year ended 31 March 2018 have been reviewed by the members of the Audit Committee, who are of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Remuneration Committee has three members comprising all the Independent Non-Executive Directors, namely, Mr. Leung (Chairman of the Remuneration Committee), Mr. Luk and Mr. L Chen.

The Company formulated written terms of reference for the Remuneration Committee and the adopted terms of reference are in compliance with the Code Provision in the CG Code.

The primary duties of the Remuneration Committee, among others, are (i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iii) to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

Two meetings were held during the year, the members of the Remuneration Committee had reviewed the remuneration package for Directors, senior management and general staff of the Group.

董事會報告(續)

審核委員會

審核委員會包括三名成員，即陸先生（審核委員會主席）、梁先生及陳亮先生（均為獨立非執行董事）。

本公司已設立審核委員會，並按照《GEM上市規則》第5.28條及5.29條制定其書面職權範圍。

審核委員會之主要職責為確保本集團之會計及財務監控充分及有效、監控內部監控系統、風險管理及財務申報過程之表現、監察財務報表是否完整及符合法定及上市規定。

年內，審核委員會舉行四次會議。本集團截至二零一八年三月三十一日止年度之年度綜合業績已由審核委員會成員審閱，彼等認為有關業績乃遵照適用之會計準則、《GEM上市規則》及法律規定而編製，並已作出充足披露。

薪酬委員會

薪酬委員會之三名成員均為獨立非執行董事，即梁先生（薪酬委員會主席）、陸先生及陳亮先生。

本公司制定薪酬委員會之書面職權範圍，而所採納之職權範圍符合企業管治守則之守則條文。

薪酬委員會之主要職責為（其中包括）(i)就本公司有關全體董事及高級管理層之薪酬政策及結構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；(ii)參考董事會之企業目標及宗旨審閱及批准建議之管理層薪酬；及(iii)就各執行董事及高級管理層之薪酬組合，向董事會提出建議。

年內已舉行兩次會議，薪酬委員會成員已審閱本集團董事、高級管理層及一般員工之薪酬組合。

REPORT OF THE DIRECTORS (CONTINUED)

NOMINATION COMMITTEE

The Nomination Committee has three members comprising two Independent Non-Executive Directors, namely, Mr. L Chen (Chairman of the Nomination Committee) and Mr. Leung and one Executive Director, namely, Mr. HN Chen.

The Company formulated written terms of reference for the Nomination Committee and the adopted terms of reference are in compliance with the Code Provision in the CG Code.

The primary duties of the Nomination Committee include, among other things:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of Independent Non-Executive Directors; and
- (d) to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the Chairman and/or chief executive of the Company.

Two meetings were held during the year, the members of the Nomination Committee had discussed the above issues.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND THEIR CONFIRMATIONS OF INDEPENDENCE

The Company has received, from each of the Independent Non-Executive Director, not only an appointment confirmation but also an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

董事會報告 (續)

提名委員會

提名委員會由三名成員組成，包括兩名獨立非執行董事陳亮先生（提名委員會主席）及梁先生及一名執行董事陳海寧先生。

本公司制定提名委員會之書面職權範圍，而所採納之職權範圍符合企業管治守則之守則條文。

提名委員會之主要職責（其中包括）如下：

- (a) 至少每年檢討一次董事會之架構、規模及組成（包括技能、知識及經驗）並就任何建議變動向董事會提出推薦意見以補充本公司之企業策略；
- (b) 物色合資格成為董事會成員之合適人士並進行篩選或提出推薦意見供董事會選擇獲提名為董事的人士；
- (c) 評估獨立非執行董事的獨立性；及
- (d) 就董事委任或續聘以及董事尤其是本公司主席及／或主要行政人員之繼任計劃向董事會提出推薦意見。

年內已舉行兩次會議，提名委員會成員已討論上述事宜。

委任獨立非執行董事及其獨立性確認函

本公司已接獲各獨立非執行董事之委任確認函及根據《GEM上市規則》第5.09條有關其獨立性之年度確認函。本公司認為全體獨立非執行董事均為獨立人士。

REPORT OF THE DIRECTORS (CONTINUED)

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set out by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in note 30 to the consolidated financial statements.

Details of the remuneration of the Directors and senior management and the five highest paid individuals in the Group are set out in note 14 and note 15 to the consolidated financial statements respectively.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTION

No contract of significance to which the Company, any of its holding companies, fellow subsidiaries or subsidiaries was a party and in which a Director had material interests, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review. There are no other transactions to be disclosed on connected transactions in accordance with the requirements of the GEM Listing Rules and accounting principles generally accepted in HK.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company as at the date of the annual report, the Company has maintained the prescribed public float under the GEM Listing Rules.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 12 to 26 of the annual report.

董事會報告(續)

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會按彼等之表現、資歷及能力制訂。

董事之薪酬乃由薪酬委員會考慮本公司之經營業績、個別表現及可資比較之市場數據後釐定。

本公司已採納一項購股權計劃作為董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註30。

董事及高級管理層及本集團五位最高薪酬人士之酬金詳情分別載於綜合財務報表附註14及附註15。

董事於合約及關連交易中之權益

本公司、其任何控股公司、同系附屬公司或附屬公司概無訂立於年終時或回顧年度內任何時間仍然生效，而董事直接或間接擁有重大權益之重大合約。概無其他交易根據《GEM上市規則》規定及香港公認會計原則須披露為關連交易。

充足公眾持股量

根據本公司於本年報日期可取得之公開資料，本公司已維持《GEM上市規則》規定之公眾持股量。

企業管治

本公司致力維持高水平企業管治常規。本公司採納之企業管治常規資料載於本年報第12至26頁之企業管治報告內。

REPORT OF THE DIRECTORS (CONTINUED)

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

The Company has adopted share option schemes as an incentive to Directors and eligible employees, details of the schemes are set out in note 30 to the consolidated financial statements.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 March 2017 and 31 March 2018 have been audited by Messrs. HLM CPA Limited. A resolution for their reappointment as auditor of the Company will be proposed at the forthcoming AGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 8 August 2018 to Monday, 13 August 2018 (both days inclusive) for the purpose of determining the right to attend and vote at the forthcoming AGM. In order to be entitled to attend and vote at the forthcoming AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's share registrar (i.e. Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, HK) for registration no later than 4:30 p.m. on Tuesday, 7 August 2018.

By Order of the Board

Mr. Chen Haining

Chairman and Chief Executive Officer

Hong Kong

22 June 2018

董事會報告 (續)

優先購買權

組織章程細則概無有關優先購買權之規定，以致本公司須按比例向現有股東提呈發售新股份。

本公司已採納購股權計劃以鼓勵董事及合資格員工，計劃詳情載於綜合財務報表附註30。

核數師

本集團截至二零一七年三月三十一日及二零一八年三月三十一日止年度之綜合財務報表已由恒健會計師行有限公司審核。續聘彼等擔任本公司核數師之決議案將於應屆股東週年大會上提呈。

暫停辦理股東登記手續

本公司將由二零一八年八月八日(星期三)至二零一八年八月十三日(星期一)(包括首尾兩天)暫停辦理股東登記手續，以確定符合資格出席應屆股東週年大會並於會上投票之人士。為符合資格出席應屆股東週年大會並於會上投票，股份之未經登記持有人必須將所有股份過戶文件連同有關股票於二零一八年八月七日(星期二)下午四時三十分前，送達本公司股份過戶登記處卓佳登捷時有限公司，地址為香港皇后大道東183號合和中心22樓，以辦理登記手續。

承董事會命

主席兼行政總裁

陳海寧先生

香港

二零一八年六月二十二日

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Pursuant to Appendix 20 Environmental, Social and Governance Reporting Guide (the “ESG Guide”) of the GEM Listing Rules, the Group reviewed, identified and discloses herein the material environmental and social issues and aspects, which are considered to have significant impacts and are relevant to the Group’s business and stakeholders for the year ended 31 March 2018. Key performance indicators (“KPIs”) on environmental and social issues and aspects have been set up to allow the management to monitor and to assess their development and results in line with the corporate strategies and policies.

The Company is an investment holding company and the Group is principally engaged in general trading (including market sourcing of technical and electronic products), trading of LNG products, investment in financial assets, and provision of money lending and factoring services.

The Group targets to be trading companies and successful investment financial services that bring returns to our investors and supporters, giving a happy and safe working environment to employees, and helping to preserve sustainable development of the communities.

Material environmental and social areas, aspects of the Group are summarised below:

(A) ENVIRONMENTAL

In order to develop a sustainable business, the Group takes the initiative to engage in conservation and to promote environmental responsibility. We take an active role to ensure our operation is sustainable and environmentally friendly. We actively assume social responsibility to reduce pollution.

(i) Emissions

Greenhouse gases (“GHG”) include carbon dioxide (“CO₂”), methane (“CH₄”), Nitrous oxide (“N₂O”), and fluorinated gases. According to the latest study, 75% of the global GHG emissions was CO₂, others such as CH₄, N₂O and other fluorinated gases make up the rest of 25%.

The principal sources of CO₂ emissions are the burning of fossil fuels (coal, natural gas and oil), solid wastes, trees and wood products, and also as a result of certain chemical reactions in manufacturing activities. The principal sources of CH₄ and N₂O emissions are agricultural activities, waste management, and biomass burning.

環境、社會及管治報告

本集團根據《GEM上市規則》附錄二十之環境、社會及管治報告指引（「環境、社會及管治指引」）審閱、識別及披露重大的環境及社會議題與範疇。該等議題與範疇於截至二零一八年三月三十一日止年度被視為與本集團業務及持份者相關且對其產生重大影響。本集團已建立與環境及社會議題及範疇相關的關鍵績效指標（「關鍵績效指標」），以讓管理層監測及評估其發展與結果符合公司策略及政策。

本公司為一家投資控股公司，及本集團主要業務為一般貿易（包括市場採購技術及電子產品）、液化天然氣產品貿易、投資於金融資產、提供放貸及保理服務。

本集團旨在成為貿易公司及成功的投資金融服務，為我們的投資者及支持者帶來回報，為員工提供愉快及安全的工作環境，並協助保護社區的可持續發展。

本集團重大的環境及社會範疇、層面概述如下：

(A) 環境

為發展可持續發展業務，本集團採取積極行動參與環境保護，促進環境責任意識。我們發揮積極作用，確保可持續及環保運營。我們主動承擔減少污染的社會責任。

(i) 排放物

溫室氣體（「GHG」）包括二氧化碳（「CO₂」）、甲烷（「CH₄」）、氧化亞氮（「N₂O」）及氟化氣體。根據最新研究，全球75%的GHG排放為CO₂，剩餘25%為CH₄、N₂O及其他氟化氣體等。

CO₂的排放主要來自於石化燃料（如煤炭、天然氣及石油）、固體廢棄物、植物及木製品的燃燒，亦產生於製造活動中的某些化學反應。CH₄及N₂O的排放主要來自於農業活動、廢物管理及生物質焚燒。

(A) ENVIRONMENTAL (CONTINUED)

(i) Emissions (Continued)

The Group being primarily office-based trading and financial service companies, we require limited natural resources to operate and therefore have a relatively low environmental impact. The Group's operations do not involve activities that directly emit GHG or other air pollutants. The Group indirectly emits GHG or other air pollutants principally through its electricity and transportation activities during its business processes to provide services to customers and in its general administration.

The Directors believe that the Group's activities do not materially contribute to pollution or cause material damage to the environment. However, the Group takes all practicable steps to meet statutory requirements and minimise its effects on the environment and encourages its employees to conserve energy, minimise waste, and recycle work materials.

The emission of GHG is as a result of office-based business activities and from business travel. For the year ended 31 March 2018, there was no violation of relevant laws, rules and regulations by the Group in this area.

(ii) Use of Resource

In respect of effective use of resources (including energy, water and other raw materials), the Group is committed to improve energy efficiency, conserve resource for its operation and raise environmental awareness of our employees.

General policies to improve the environment within the Group are the following:

- Staff are encouraged to travel on public transport facilities;
- Use of video and telephone conferencing as much as possible to reduce traveling;
- Increasing electronic storage of documents rather than retention of paper versions;
- Reduction in paper usage through the introduction of duplex printing;

(A) 環境 (續)

(i) 排放物 (續)

本集團是以辦公室為主要營運場所的貿易及金融服務公司，營運所耗天然資源有限，因而對環境影響相對較低。本集團的營運不涉及直接排放GHG或其他空氣污染的活動。本集團間接排放的GHG或其他空氣污染物主要透過其業務過程中為客戶提供服務所需耗電及運輸的活動以及於其一般行政過程產生。

董事認為，本集團的活動未造成重大環境污染，亦未對環境造成重大損害。然而，本集團採取一切可行的措施以符合法例規定，減低環境影響，並鼓勵員工節約能源、減少浪費及循環利用工作材料。

GHG排放乃由於以辦公室為經營活動場所及商業差旅所致。截至二零一八年三月三十一日止年度，本集團於該範疇內不存在違反相關法例、規則及規例的情形。

(ii) 資源使用

就資源（包括能源、水及其他原料）的有效使用而言，本集團致力於提高能源效率、節約運營資源以及提升僱員的環境意識。

本集團內部有關改善環境的總體政策如下：

- 鼓勵員工使用公共交通設施；
- 更多使用視頻及電話會議，盡可能減少差旅；
- 增加電子化文件儲存，減少保留紙質文件；
- 使用雙面列印以減少用紙；

(A) ENVIRONMENTAL (CONTINUED)

(ii) Use of Resource (Continued)

- Electronic distribution of reports, contract notes, etc., to reduce paper consumption;
- Recycling of waste wherever possible; and
- Use more energy saving light-emitting diode lights.

(iii) The Environment and Natural Resources

The Group will continue to increase its capacity in recycling to reduce the material influence from the Group's operation on the environment and natural resources. The Group will continue to look for skills and techniques, and through consistent policies to achieve effective saving of resources and follow the laws and regulations for healthy business development.

Awareness for environmental protection of all employees is enhanced through different environmental protection activities, training programs and promotions. The concept of "Reduce", "Reuse", "Recycle" are strongly promoted. By promoting them, the Group is striving to protect the environment as well as contributing back to the society.

(B) SOCIAL

(i) Employment

Policies and regulations are principally adopted by the Group in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare have clearly been stated in staff handbook, they are summarised as follows:

Compensation

Remuneration and benefits are benchmarked against prevailing local industry norms and commensurate with experiences and qualifications.

Dismissal

This is based on the relevant employment law of HK and labour law of the PRC.

(A) 環境 (續)

(ii) 資源使用 (續)

- 電子化傳送報告、合約票據等，以減少耗紙量；
- 盡可能循環利用廢物；及
- 更多使用節能的發光二極體照明。

(iii) 環境及天然資源

本集團將繼續增強循環利用能力，以減低本集團營運對於環境及天然資源的重大影響。本集團將繼續尋求技能及技術，並透過連續性政策有效節省資源並遵循法例及規例以實現業務的健康發展。

為提升全體僱員的環保意識，本集團舉辦各類環保活動、培訓項目及推廣，並重點提倡「減少浪費」、「重複使用」、「循環利用」等觀念。本集團透過提倡該等觀念致力於保護環境及回報社會。

(B) 社會

(i) 僱傭

員工手冊已清楚列明本集團採納的有關報酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的主要政策及規例，撮要如下：

報酬

薪酬及福利以現行當地行業常規為基準，並與經驗及資歷相稱。

解僱

基於相關香港僱傭法例及中國勞動法。

(B) SOCIAL (CONTINUED)

(i) Employment (Continued)

Recruitment and promotion

It is the policy of the Group to undertake recruitment in fair and equitable way which gives equal opportunity to all applicants whilst ensuring the most suitable candidates for a role is chosen. The Group aims to offer all suitable employees opportunity for development and career advancement through promotion and transfer within the Company.

All employees hired by the Group have been located in HK and the PRC. The Group strictly complies with the requirements of the employment law of HK and labour law of the PRC without violating the relevant rules and regulations:

- Workers' wages, overtime payments and related benefits are made in accordance with the local minimum wage (or above);
- Holidays and statutory paid leaves are in compliance with the requirements of HK and the PRC;
- The Group treats all the employees equally. Their employment, remuneration and promotion will not be affected by their social identities such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status;
- No underage person was/is/will be hired;
- The Group is committed to giving full consideration to applications for employment from disabled persons, as well as providing continuing employment to existing employees who become disabled during their employment. In the event that an employee becomes disabled, the Group's policy is to make reasonable adjustments, including arranging for training, to enable the employees to continue working for the Group; and
- The Group provides a number of different benefits to employees including mandatory provident fund, social insurance fund and private medical care. Eligible employees are rewarded through the Group's share option scheme (if any and applicable).

(B) 社會 (續)

(i) 僱傭 (續)

招聘及晉升

本集團採用公平及公正的招聘政策，給予每位申請人平等機會，確保挑選出最合適的候選人。本集團透過晉升及公司內部調動，為每位合適的僱員提供發展及事業提升的機會。

本集團聘用的僱員全部位於香港及中國。本集團嚴格遵守香港僱傭法例及中國勞動法的要求，並無違反相關規則及規例：

- 工人的工資、加班費及相關福利乃參照當地最低工資（或以上）；
- 假期及法定有薪假期符合香港及中國的要求；
- 本集團對全體僱員一視同仁。彼等的就業、薪酬及晉升不會受其民族、種族、國籍、性別、宗教、年齡、性取向、政治派別及婚姻狀況等社會身份影響；
- 未曾／不會／將不會僱用未成年人士；
- 本集團承諾會充分考慮由傷殘人士提出的入職申請，並繼續聘用在受聘期間不幸成為傷殘人士的現有僱員。若僱員不幸成為傷殘人士，本集團將進行合理調整（包括提供培訓），使僱員能夠繼續為本集團工作；及
- 本集團為僱員提供多項福利，包括強制性公積金、社會保險基金及私人醫療護理。合資格僱員透過本集團購股權計劃獲得獎勵（如有及適用）。

(B) SOCIAL (CONTINUED)

(ii) Health and Safety

Working Environment

The Group is committed to providing a working environment in which bright, dynamic and committed individuals to perform. We believe that investing in our staff and developing their potential are important to the success of the business. The Group strives to be a caring employer, encourages work-life balance, and communicates with the staff to enhance their sense of belonging and morale.

The health and safety of the Group's employees and visitors are of primary importance. The Group is committed to creating and maintaining a safe and healthy working environment. Health and safety assessments are carried out regularly in the work areas.

The Group undertakes to safeguard the health and safety of its employees, and requires all employees to strictly observe its health and safety policies. The staff handbook sets out detailed occupational safety policies and procedures.

Further, we have implemented the following in our office environment:

- Office employees are assigned individual work stations. Offices are properly lit and ventilated, kept clean and tidy with ample space between work stations;
- Offices are smoke-free;
- Office furniture and fittings are well maintained and replaced where necessary;
- Security measures are in place at our offices to restrict entry and exit only to staff and permitted visitors; and
- We follow the government's work guidelines on typhoon and rainstorm warnings.

For the year ended 31 March 2018, the Group reported no fatal causality accident and an "accidents record" has been set up to continue alerting the management on health and safety issues.

(B) 社會 (續)

(ii) 健康及安全

工作環境

本集團致力於為朝氣勃勃、精力充沛以及專注事業的人士提供理想的工作環境。我們相信投資我們的員工並發揮其潛力是業務成功的重要因素。本集團透過關愛僱員、鼓勵工作與生活平衡以及與員工溝通，以提升員工歸屬感及士氣。

本集團將僱員與訪客的健康及安全置於首位。本集團致力於創造及維持一個安全健康的工作環境。定期對工作區域開展健康及安全評估。

本集團致力保障僱員的健康與安全，及要求所有員工嚴格遵守健康和安全管理政策。員工手冊中詳細列出了職業安全政策和程序。

另外，我們已於辦公環境執行以下政策：

- 辦公室僱員擁有獨立工作台。辦公室足夠敞亮和通風，保持潔淨整齊以及工作台之間保持充足空間；
- 辦公室禁煙；
- 辦公室家具及裝修維護良好，並於有需要時更換；
- 辦公室保安措施已到位，僅員工以及經許可的訪客方可進出；及
- 我們遵循政府有關颱風及暴雨警告的工作指引。

截至二零一八年三月三十一日止年度，本集團並無發生致命傷亡意外，並已訂立「意外記錄」制度以不斷提示管理層有關健康及安全事宜。

(B) SOCIAL (CONTINUED)

(iii) Development and Training

Employees are encouraged to formulate their own career paths and to equip themselves with the necessary skills and knowledge through continuing learning and training.

To encourage employees to engage in self-development by enrolling for external training programs and seminars, the Group provides training sponsorship to cover the cost of taking job-relevant external training programs and seminars for all full-time employees who have completed one year of service.

(iv) Labour Standards

The Group has strictly complied with the employment law and labour law of HK and the PRC respectively, and provided the required labour protection, safety and health conditions to ensure employees' safety during their services. The Group also paid wages and salaries, benefits and compensations, and insurances on schedule.

The Group has honored all of its obligations towards employees and no labour disputes or litigations have been reported for the year ended 31 March 2018.

(v) Supply Chain Management

The Group is primarily office-based trading and financial service companies. To prevent negative environmental and social impacts arising from the Group's supply chain, it is the Group's policy that a supplier is to comply with the laws, regulations and standards in connection with environmental and social matters. It is one of the Group's key considerations for deciding whether to engage a new supplier or to continue business relationship with an existing supplier (as the case maybe).

(vi) Product Responsibility

The Group endeavors to provide customers with satisfying services and monitors customers' complaints, so that they can be given the attention required to resolve the problems and put processes in place to prevent reoccurrence.

(B) 社會 (續)

(iii) 發展及培訓

我們鼓勵僱員規劃自身職業發展路徑並透過持續學習與培訓獲得所需技能及知識。

為鼓勵僱員參加自我提升的外部培訓項目和研討會，本集團向所有入職滿一年的全職僱員提供培訓贊助，以負擔該等僱員參與職業相關外部培訓項目及研討會的費用。

(iv) 勞工準則

本集團嚴格遵守各香港及中國的僱傭法例和勞動法，並提供所規定的勞工保障、安全及健康條件，以確保僱員於彼等服務期間的安全。本集團亦按時支付工資及薪金、福利及補償以及保險。

本集團一貫履行對僱員的所有職責。截至二零一八年三月三十一日止年度，本集團並無勞動糾紛或訴訟事項。

(v) 供應鏈管理

本集團是以辦公室為主要營運場所的貿易及金融服務公司。為防止本集團供應鏈對環境及社會構成不利影響，本集團已制訂政策要求供應商遵守環境及社會事宜相關的法例、規例及標準。此乃本集團甄選新供應商或與現有供應商繼續維持業務關係（視情況而定）的重要考慮因素之一。

(vi) 產品責任

本集團積極為客戶提供滿意的服務並監測客戶投訴，確保相關問題得到充分重視及妥善解決，防止問題重演。

(B) SOCIAL (CONTINUED)

(vi) Product Responsibility (Continued)

For the customer privacy protection, all the customers' personal documents are being kept by the operation departments. It is the Group policy requires employees to keep confidential of all the customer information. Those information is only available for the enquiries by the employees responsible for the Group's operation so as to ensure customer information security.

The Group takes great care to the avoidance of risks of infringement of intellectual property rights. All products used by the Group are purchased through legitimate sources. Currently there is no infringement of intellectual property case by the Group.

(vii) Anti-Corruption

The Group is well aware of the importance of honesty, integrity and fairness, and has included anti-corruption policy in staff handbook. To prevent negative social impacts linked to corruption, it is the Group's policy that all forms of fraud and corruption, such as bribery, extortion, illegal inducement, offering or accepting disallowed gifts, kickbacks or other disallowed advantages are strictly prohibited, and all employees of the Group must comply with all the applicable anti-corruption laws and regulations. Related information on anti-money laundering is provided to employees regularly in order to raise their awareness in this regard.

For the year ended 31 March 2018, the Group reported no bribery nor corruption charges.

(viii) Community Involvement

This year the Group's staff had completed home visit to elders and were involved in the Territory-wide Flag Day in HK. The Group will continue to seek opportunities to make contribution to the society and encourage its employees to participate in charity and other activities that promote the welfare of the local communities in which the Group operates. In order to increase the participation rate of the Group's employees, costs associated with charity and volunteer activities are borne by the Group.

(B) 社會 (續)

(vi) 產品責任 (續)

就保護客戶私隱而言，所有客戶的個人文件均由營運部門保管。本集團政策要求僱員對所有客戶資料保密。為保護客戶資料安全，僅負責本集團營運的僱員可查詢相關資料。

本集團審慎地避免侵犯知識產權的風險。本集團使用的所有產品均採購自合法來源。目前，本集團並無侵犯知識產權的個案。

(vii) 反貪污

本集團深知誠信、正直及公平的重要性，並於員工手冊內列明我們的反貪污政策。為避免產生與貪污有關的不利社會影響，本集團已制訂政策，嚴禁任何形式的欺詐及貪污行為，例如賄賂、勒索、非法誘騙、違禁饋贈或接受禮品、回扣或其他非法利益等，而本集團全體僱員均須遵守所有適用的反貪污法例及規例。本集團定期向僱員提供有關反洗錢資料，提升僱員的反洗錢意識。

截至二零一八年三月三十一日止年度，本集團並無面臨賄賂或貪污指控。

(viii) 社區參與

年內，本集團員工完成長者家訪及參與香港全港賣旗日活動。本集團將繼續尋求為社會作出貢獻的機會，並鼓勵僱員於本集團營運所在當地社區參與慈善及其他提升社區福祉的活動。為提升本集團僱員的參與度，相關慈善及志願者活動的費用由本集團承擔。

(C) CARBON FOOTPRINT TRACKING

The Group identified emission of GHG from its operations may have an adverse impact on the environment. Due to our business nature of the Group, no hazardous waste was produced during the year and emissions of nitrogen oxide, sulphur oxides and particulate matter from its vehicles were not material.

The emissions associated with fuel used for traveling by vehicles and electricity consumed in our offices remain the biggest contributors to our GHG emissions. Other contributors are paper waste disposal and air travel by employees.

The Group's overall CO₂ emission has decreased of 16.17% from 24.67 tonne in 2017 to 20.68 tonne in 2018. The Group's CO₂ emission due to electricity consumption has increased by 31.09% from 3.12 tonnes of CO₂ in 2017 to 4.09 tonnes of CO₂ in 2018. The reasons for the increases or decreases are as follows:

1. Electricity consumption

The Group's CO₂ emission due to electricity consumption increased by 31.09% in 2018 compare to 2017. The reasons were due to increase in business activities such as overtime and relocation to a new office in HK. The new office layout is less electricity efficient in compare to the previous office.

2. Fuel consumption on the Group's private vehicles

The Group's CO₂ emission due to fuel consumption on the Group's private vehicles has achieved a 16.41% reduction in 2018 compare to 2017. The reasons were due to staff used more public transit for their local traveling and carpooling to meetings.

3. Employee air travel

The Group's CO₂ emission due to employee air travelling decreased by 75.80% in 2018 compare with 2017. The main reason was that last year the Group was involved in an acquisition exercise and required frequent travelling by staff and management to meetings.

(C) 碳足跡追蹤

本集團認為其營運所產生的GHG排放可能會對環境產生不利影響。由於本集團的業務性質使然，年內並無產生有害廢物，而汽車產生的氮氧化物、硫氧化物及顆粒物的排放並不重大。

汽車出行所使用燃料及辦公室所用電力有關的排放仍為GHG排放的最大來源。其他來源為廢紙處置及僱員搭乘飛機出行。

本集團的整體CO₂排放由二零一七年的24.67噸減少16.17%至二零一八年的20.68噸。本集團電力消耗產生的CO₂排放由二零一七年的3.12噸CO₂增加31.09%至二零一八年的4.09噸CO₂。增減原因如下：

1. 電力消耗

本集團二零一八年電力消耗產生的CO₂排放較二零一七年增加31.09%。原因為業務活動（如加班及香港辦公室之搬遷）有所增加。新辦公室佈局的用電效率低於先前辦公室。

2. 本集團私家車的燃油消耗

二零一八年，本集團因其私家車燃油消耗產生的CO₂排放較二零一七年減少16.41%。原因為員工在當地出行參加會議時更多使用公共交通及拼車。

3. 僱員搭乘飛機出行

二零一八年，本集團因僱員搭乘飛機出行產生的CO₂排放較二零一七年減少75.80%。主要原因為本集團於去年進行收購活動，員工及管理層需頻繁出行參加會議。

(C) CARBON FOOTPRINT TRACKING (CONTINUED)

4. Paper waste disposal

The Group's CO₂ emission due to paper waste disposal has achieved a 31.33% reduction in 2018 compare to 2017. The reasons were staff used more electronic documents rather the paper copies and for all non-customers printing, recycle papers were used.

For the year ended 31 March 2018, the Group has complied with all relevant laws and regulations relating to air and GHG emissions and non-hazardous waste during the year.

The following table summarizes the Group's KPI:

(C) 碳足跡追蹤 (續)

4. 廢紙處置

二零一八年，本集團因廢紙處置產生的CO₂排放較二零一七年減少31.33%。原因為員工更多使用電子文件而非紙質文件，並使用回收紙張打印所有非客戶資料。

截至二零一八年三月三十一日止年度，本集團於年內已遵守與廢氣及GHG排放以及無害廢物有關的所有相關法律及法規。

下表概述本集團的關鍵績效指標：

| | | For the year ended 31 March 截至三月三十一日止年度 | | Year- on-year variance 按年變幅 (in %) (%) |
|--|-----------------------|--|---------------|---|
| | | 2018 二零一八年 | 2017 二零一七年 | |
| Scope 1 – Direct emissions | | 範圍1 – 直接排放 | | |
| Fuel consumed (Note 3) | 耗用燃油 (附註3) | | | |
| (in litres) | (公升) | 9,278.25 | 10,243.54 | -9.42% |
| (in tCO ₂ e) | (噸CO ₂ 當量) | 15.49 | 18.53 | -16.41% |
| Intensity per full-time employee | | 每名全職僱員強度 | | |
| (in litres) | (公升) | 463.91 | 569.09 | -18.48% |
| (tCO ₂ e) | (噸CO ₂ 當量) | 0.77 | 1.03 | -25.24% |
| Scope 2 – Indirect emissions and removals | | 範圍2 – 間接排放及減除 | | |
| Electricity consumed (Note 5) | 電力消耗 (附註5) | | | |
| (in kWh) | (千瓦時) | 5,480.76 | 4,113.38 | +33.24% |
| (in tCO ₂ e) | (噸CO ₂ 當量) | 4.09 | 3.12 | +31.09% |
| Intensity per full-time employee | | 每名全職僱員強度 | | |
| (in kWh) | (千瓦時) | 274.04 | 228.52 | +19.92% |
| (in tCO ₂ e) | (噸CO ₂ 當量) | 0.20 | 0.17 | +17.65% |

(C) CARBON FOOTPRINT TRACKING (CONTINUED)

(C) 碳足跡追蹤 (續)

| | | For the year ended 31 March 截至三月三十一日止年度 | | Year- on-year variance 按年變幅 (in %) (%) |
|---|---|--|---------------|---|
| | | 2018 二零一八年 | 2017 二零一七年 | |
| Scope 3 – Other indirect emissions | 範圍3 – 其他間接排放 | | | |
| Air travel by staff (Note 6) | 員工搭乘飛機出行 (附註6) | | | |
| (in km) | (公里) | 6,474.00 | 25,940.00 | -75.04% |
| (in tCO ₂ e) | (噸CO ₂ 當量) | 0.53 | 2.19 | -75.80% |
| Intensity per full-time employee | 每名全職僱員強度 | | | |
| (in km) | (公里) | 323.70 | 1,441.11 | -77.54% |
| (in tCO ₂ e) | (噸CO ₂ 當量) | 0.03 | 0.12 | -75.00% |
| Paper waste disposal (Note 7) | 廢紙處置 (附註7) | | | |
| (in tonnes) | (噸) | 0.12 | 0.17 | -29.41% |
| (in tCO ₂ e) | (噸CO ₂ 當量) | 0.57 | 0.83 | -31.33% |
| Intensity per full-time employee | 每名全職僱員強度 | | | |
| (in tonnes) | (噸) | 0.01 | 0.01 | - |
| (in tCO ₂ e) | (噸CO ₂ 當量) | 0.03 | 0.05 | -40.00% |
| Total emissions (direct and indirect) and removals | 總排放 (直接及間接) 及減除 | | | |
| Total GHG emissions (in tCO₂e) | 總GHG排放 (噸CO₂當量) | 20.68 | 24.67 | -16.17% |
| Intensity per full-time employee (in tCO₂e) | 每名全職僱員強度 (噸CO₂當量) | 1.03 | 1.37 | -24.82% |

(C) CARBON FOOTPRINT TRACKING (CONTINUED)

Notes:

1. GHG emissions were generated from the Group's offices in HK and PRC.
2. The number of full-time employees was used as the denominator to calculate GHG emissions intensity. The Group's full-time employee for 2017 and 2018 was 18 employees and 20 employees respectively.
3. Fuel consumption includes fuel used by Group's private vehicles. Emissions relating to vehicles are based on EMFAC-HK calculation model issued by The Hong Kong Environmental Protection Department.
4. Air emissions of NOx, SOx and PM from the Group's vehicles are not material.
5. Emissions relating to electricity consumption are based on the latest emission factors provided by Hong Kong Electric Company Limited. For the Group's office in PRC, the emission factor is based on the "2016 China regional power grid baseline emission factor 中國區域電網基準線排放因子" published by National Development and Reform Commission, Ministry of Climate Change.
6. Emissions relating to air travel by staff are based on "International Civil Aviation Organization Carbon Emissions Calculator", provided on the website of International Civil Aviation Organization.
7. Emissions relating to paper waste disposal is equal to emissions from paper copying and printing.
8. Emissions relating to water consumption in our offices are not considered as material issues in the Group's operations.

(C) 碳足跡追蹤 (續)

附註:

1. GHG排放乃由本集團香港及中國辦公室產生。
2. 全職僱員人數於計算GHG排放強度時用作分母。於二零一七年及二零一八年，本集團分別擁有18名及20名全職僱員。
3. 燃油消耗包括本集團私家車使用的燃油。與汽車相關的排放乃根據香港環境保護署公佈的EMFAC-HK汽車排放計算模型得出。
4. 本集團汽車廢氣排放的氮氧化物、硫氧化物及顆粒物並不重大。
5. 與用電相關的排放是根據香港電燈有限公司提供的最新排放因子計算。本集團位於中國的辦事處，其排放因子是根據中華人民共和國國家發展和改革委員會應對氣候變化司刊發的「二零一六年中國區域電網基準線排放因子」計算。
6. 與員工乘搭飛機出行相關的排放是根據國際民用航空組織網站提供的「國際民航組織碳排放計算器」計算。
7. 與廢紙處置相關的排放相等於紙張影印及打印產生的排放。
8. 與辦事處用水相關的排放並未視作本集團營運中的重大事項。

ESG REPORTING GUIDE CONTENT INDEX

環境、社會及管治報告指引內容索引

| Aspect | KPI 關鍵 績效 指標 | Description | Page number/Remarks |
|------------------------|-----------------------|--|---|
| 方面 | | 描述 | 頁碼／備註 |
| A. Environmental 環境 | | | |
| A1 Emissions 排放 | A1 | General disclosure 一般披露 | |
| | A1.1 | Types of air emissions and respective emission data 廢氣排放類型及相關排放數據 | Not applicable, Air emissions of NO _x , SO _x and PM from the Group's vehicles are not material. 不適用，本集團汽車廢氣排放的氮氧化物、硫氧化物及顆粒物並不重大。 |
| | A1.2 | GHG emissions in total and intensity GHG排放總量及強度 | Page 49 第49頁 |
| | A1.3 | Total hazardous waste produced 所產生有害廢棄物總量 | Not applicable, as business nature of the Group does not produce hazardous waste. 不適用，本集團業務性質並不會產生有害廢棄物。 |
| | A1.4 | Total non-hazardous waste produced 所產生無害廢棄物總量 | Page 48 第48頁 |
| | A1.5 | Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果 | Page 47 & 48 第47及48頁 |
| | A1.6 | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果 | Page 47 & 48 第47及48頁 |

ESG REPORTING GUIDE CONTENT INDEX (CONTINUED)

環境、社會及管治報告指引內容索引 (續)

| Aspect | KPI 關鍵 績效 指標 | Description | Page number/Remarks |
|---|-----------------------|---|---|
| 方面 | | 描述 | 頁碼／備註 |
| A2 Use of resources 資源使用 | A2 | General disclosure 一般披露 | |
| | A2.1 | Direct and/or indirect energy consumption by type in total and intensity 按類型劃分的直接及／或間接能源總耗量及強度 | Page 48 第48頁 |
| | A2.2 | Water consumption in total and intensity 總耗水量及強度 | Immaterial usage of water by the Group 本集團用水量並不重大 |
| | A2.3 | Description of energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果 | Page 47 第47頁 |
| | A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果 | These are not considered to be material issues in the Group's operations. 非本集團營運上重大事項。 |
| A3 The environment and natural resources 環境及天然資源 | A2.5 | Total packaging material used for finished products 製成品所用包裝材料的總量 | There are no packaging materials used in the Group's operations. 本集團營運並無使用包裝材料。 |
| | A3 | General disclosure 一般披露 | |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them 描述業務對環境及天然資源的重大影響及已採取管理有關影響的行動 | Page 47 第47頁 |

恒健會計師行有限公司

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TO THE MEMBERS OF CHINESE ENERGY HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)

致華夏能源控股有限公司股東
(於香港註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Chinese Energy Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 60 to 159, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

意見

本核數師已審核華夏能源控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）列載於第60至159頁的綜合財務報表，此綜合財務報表包括於二零一八年三月三十一日之綜合財務狀況表，與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註（包括主要會計政策概要）。

本核數師認為，綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）真實而公平地反映 貴集團於二零一八年三月三十一日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例妥為編製。

意見基礎

本核數師已根據香港會計師公會頒佈之香港審計準則（「香港審計準則」）進行審核。本核數師根據該等準則之責任在本核數師報告內核數師就審核綜合財務報表承擔之責任一節進一步闡述。根據香港會計師公會頒佈之職業會計師道德守則（「該守則」），本核數師獨立於 貴集團，並已遵循該守則履行其他道德責任。本核數師相信，本核數師所獲得之審核憑證充份和適當地為本核數師之意見提供基礎。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of convertible note redemption rights

As at 31 March 2018, the convertible note issued in 2015 amounted to HK\$60,480,000, which included redemption rights. The redemption rights were accounted for as derivative financial assets and liabilities which were measured at fair value with changes in fair value recognised in profit or loss. We identified the valuation of redemption rights as a key audit matter due to the complexity of the valuation model and because the valuation model parameters are inherently subject to judgment and estimates applied by management and the external valuation expert. During the year ended 31 March 2018, the Group recorded a gain on fair value changes in the redemption rights amounting to approximately HK\$814,000.

The Group is required to reassess the fair value of the redemption rights at each reporting date. The valuation of the redemption rights is based on a valuation model with inputs including credit spread and expected share price volatility. We focused on this area because of the significant judgment involved in determining these inputs of the fair value of the redemption rights. Management engaged an external valuation expert to perform valuation of the redemption rights.

The disclosures about the convertible note are included in note 27 to the consolidated financial statements.

獨立核數師報告(續)

關鍵審核事項

關鍵審核事項是根據本核數師之專業判斷，認為對本核數師審核本期綜合財務報表最為重要之事項。該等事項乃於本核數師審核整體綜合財務報表及達成本核數師對其之意見時進行處理，而本核數師不會對該等事項提供單獨意見。

可換股票據贖回權之估值

於二零一八年三月三十一日，於二零一五年發行之可換股票據為60,480,000港元，當中包括贖回權。贖回權乃入賬列作衍生金融資產及負債，其按公允值計量且按公允值變動於損益確認。本核數師將贖回權之估值列為關鍵審核事項，因為估值模型的複雜性及因為估值模型參數從本質上涉及管理層及外部估值專家作出之判斷和估計。截至二零一八年三月三十一日止年度，貴集團錄得贖回權之公允值變動收益約814,000港元。

貴集團須於各報告日期重新評估贖回權之公允值。贖回權之估值乃基於輸入數據包括信貸息差及預期股價波幅之估值模型得出。本核數師關注此方面乃由於釐定贖回權公允值之該等輸入數據涉及重大判斷。管理層委聘外部估值專家，以對贖回權進行估值。

有關可換股票據之披露資料載於綜合財務報表附註27。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

How our audit addressed the Key Audit Matter

Our audit procedures in relation to accounting for convertible note redemption rights included:

- assessing the objectivity, independence and competence of the external valuation expert;
- evaluating the Group's estimates of unobservable inputs through understanding how they had been derived and checking against the Group's source data;
- assessing whether the valuation methodology used by management and the external valuation expert to estimate the fair value of redemption rights are appropriate;
- checking the consistency of application of the valuation methodologies and related inputs; and
- assessing the related disclosures of convertible note redemption rights in the consolidated financial statements.

We found the valuation made in assessing the fair value of the redemption rights to be reasonable based on the evidence obtained and procedures performed. The significant inputs have been disclosed in note 27 to the consolidated financial statements.

Impairment assessment of trade receivables

We identified the impairment assessment of trade receivables as a key audit matter due to the significance of these receivables to the consolidated statement of financial position and management's estimates and judgments involved in assessing the recoverability of the trade receivables.

In determining the impairment of trade receivables, the management considers the background of the debtors, credit history including default or delay in payments, settlement records, subsequent settlement and aging analysis of the trade receivables.

As disclosed in note 23 to the consolidated financial statements, the Group has trade receivables amounting to approximately HK\$240,259,000 as at 31 March 2018. No impairment was recognised during the year ended 31 March 2018.

獨立核數師報告 (續)

關鍵審核事項 (續)

本核數師之審核如何處理關鍵審核事項

本核數師就可換股票據贖回權之會計處理進行之審核程序包括：

- 評估外部估值專家之客觀性、獨立性及能力；
- 通過了解不可觀察輸入數據之獲得方法及核查 貴集團之源數據，評估 貴集團對該等不可觀察輸入數據之估計；
- 評估管理層及外部估值專家用作估計贖回權公允值之估值方法是否合適；
- 核查估值方法及相關輸入數據應用之一致性；及
- 評估綜合財務報表內可換股票據贖回權之相關披露資料。

根據所獲得之憑證及所進行之程序，本核數師認為評估贖回權之公允值時作出之估值屬合理。重大輸入數據已於綜合財務報表附註27披露。

貿易應收款項之減值評估

本核數師將貿易應收款項之減值評估識別為關鍵審核事項，乃由於該等應收款項對綜合財務狀況表之重要性以及貿易應收款項之可收回性評估所涉及之管理層之估計及判斷。

於釐定貿易應收款項之減值時，管理層考慮債務人背景、信貸記錄（包括拖欠或延遲付款）、結算記錄、其後結算及貿易應收款項之賬齡分析。

誠如綜合財務報表附註23所披露，於二零一八年三月三十一日， 貴集團之貿易應收款項約240,259,000港元。截至二零一八年三月三十一日止年度，概無確認減值。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

How our audit addressed the Key Audit Matter

Our procedures in relation to the impairment assessment of trade receivables included:

- assessing and testing on the process used by management to develop the estimate for the impairment of trade receivables;
- testing the aging analysis of the trade receivables against the source documents, including the dates stated on invoices;
- sending confirmation requests to customers to confirm the outstanding balances;
- checking settlements during the year and subsequent settlements of trade receivables against source documents, including bank-in slips; and
- assessing the reasonableness of recoverability of trade receivables with reference to the background of the debtors, their credit history including default or delay in payments, settlement records, subsequent settlement and aging analysis of each individual debtor.

We found the judgments and assumptions made by management in assessing the impairment of trade receivables to be reasonable based on evidence obtained and procedures performed.

OTHER INFORMATION

The directors of the Company (“**Directors**” and each a “**Director**”) 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.

獨立核數師報告 (續)

關鍵審核事項 (續)

本核數師之審核如何處理關鍵審核事項

本核數師就貿易應收款項之減值評估進行之程序包括：

- 評估及測試管理層為得出貿易應收款項減值之估計而使用的步驟；
- 測試源文件之貿易應收款項之賬齡分析，包括發票列明之日期；
- 向客戶發出確認函，以確定未償還結餘；
- 核查源文件之貿易應收款項之年內結算及其後結算，包括銀行單據；及
- 參考債務人背景、彼等信貸記錄（包括拖欠或延遲付款）、結算記錄、其後結算及個別債務人之賬齡分析，評估貿易應收款項之可收回性之合理性。

根據所獲得之憑證及所進行之程序，本核數師認為評估貿易應收款項之減值時管理層作出之判斷及假設屬合理。

其他資料

貴公司董事（「**董事**」）及各董事（「**各董事**」）需對其他資料負責。其他資料包括年報所載之資料，但不包括綜合財務報表及所載之本核數師之核數師報告。

本核數師對綜合財務報表之意見並不涵蓋其他資料，本核數師亦不對該等其他資料發表任何形式之鑒證結論。

就本核數師對綜合財務報表之審核而言，本核數師之責任是閱讀其他資料，在此過程中，考慮其他資料與綜合財務報表或本核數師在審核過程中所知悉之情況是否存在重大抵觸或者似乎存在重大錯誤陳述。基於本核數師已執行之工作，倘本核數師認為其他資料存在重大錯誤陳述，本核數師需要報告該事實。就此而言，本核數師並無任何報告。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and 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.

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 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 liabilities 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 HKSAs 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.

獨立核數師報告(續)

董事及治理層就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例編製真實而公平之綜合財務報表，及落實董事認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在因欺詐或錯誤而導致之重大錯誤陳述。

於編製綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及採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，或除此之外別無其他實際之替代方案。

治理層須負責監督 貴集團之財務報告過程。

核數師就審核綜合財務報表承擔之責任

本核數師之目標，是對綜合財務報表整體是否不存在因欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並按照協定之委聘條款僅向全體股東出具包括本核數師意見之核數師報告。除此以外，本核數師之報告不可用作其他用途。本核數師概不就本報告之內容對任何其他人士負責或承擔法律責任。合理保證是高水準之保證，惟根據香港審計準則進行之審核概不保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤而產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定時，則被視作重大。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, 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.
- 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.

獨立核數師報告 (續)

核數師就審核綜合財務報表承擔之責任 (續)

根據香港審計準則進行審核時，本核數師運用專業判斷，並於整個審核過程中保持專業懷疑態度。本核數師亦：

- 識別及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，設計及執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證，作為本核數師意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部控制之情況，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。
- 了解與審核有關之內部控制，以設計適當之審核程序，但並非為對 貴集團內部控制之效能發表意見。
- 評估董事所採用會計政策之合適性及作出會計估計及相關披露之合理性。
- 對董事採用持續經營為會計基礎之恰當性作出結論，並根據所獲得之審核憑證，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。倘本核數師認為存在重大不確定性，本核數師須於核數師報告中提請注意綜合財務報表中之相關披露，或倘有關披露不足，則修訂本核數師之意見。本核數師之結論乃基於截至核數師報告日期所獲得之審核憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表之整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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.

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

HLM CPA Limited

Certified Public Accountants

HO PAK TAT

Practising Certificate Number: P05215

Hong Kong

22 June 2018

獨立核數師報告 (續)

核數師就審核綜合財務報表承擔之責任 (續)

- 就 貴集團內實體或業務活動之財務資料獲取充足適當之審核憑證，以就綜合財務報表發表意見。本核數師負責集團審核之方向、監督及執行。本核數師為本核數師之審核意見承擔全部責任。

本核數師與治理層就 (其中包括) 審核之計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括本核數師在審核過程中識別之內部控制之任何重大缺失。

本核數師亦向治理層作出聲明，說明本核數師已符合有關獨立性之相關道德要求，並與彼等溝通可能被合理地認為會影響本核數師獨立性之所有關係及其他事宜，以及相關防範措施 (如適用)。

從與治理層溝通之事項中，本核數師釐定哪些事項對本期綜合財務報表之審核最為重要，因而構成關鍵審核事項。本核數師在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期在報告中提述某事項造成之負面後果超出所產生之公眾利益，則本核數師決定不應在報告中提述有關事項。

恒健會計師行有限公司

執業會計師

何伯達

執業證書編號：P05215

香港

二零一八年六月二十二日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

綜合損益及其他全面收益表

截至二零一八年三月三十一日止年度

| | | Notes 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|-----------------------------|-------------|----------------------------------|----------------------------------|
| Revenue | 收益 | 7 | 491,046 | 540,274 |
| Cost of sale | 銷售成本 | | (479,998) | (528,097) |
| Gross profit | 毛利 | | 11,048 | 12,177 |
| Other income | 其他收入 | 9 | 3,621 | 1,554 |
| Net realised loss on disposal of financial assets at FVTPL | 出售透過損益按公允值計量之金融資產之已變現虧損淨額 | | - | (1,194) |
| Other gains and losses | 其他收益及虧損 | 10 | 3,916 | (1,950) |
| Administrative expenses | 行政開支 | | (12,336) | (15,024) |
| Finance costs | 融資成本 | 11 | (5,522) | (8,447) |
| Share of loss in an associate | 應佔一間聯營公司之虧損 | | (809) | - |
| Share of profit in a joint venture | 應佔一間合營企業之溢利 | | 6 | - |
| Loss before tax | 除稅前虧損 | | (76) | (12,884) |
| Income tax (expense) credit | 所得稅(開支)抵免 | 12 | (4,312) | 581 |
| Loss for the year | 本年度虧損 | 13 | (4,388) | (12,303) |
| Loss for the year attributable to: | 由下列人士應佔本年度虧損: | | | |
| - Owners of the Company | - 本公司擁有人 | | (4,387) | (12,302) |
| - Non-controlling interests | - 非控股權益 | | (1) | (1) |
| | | | (4,388) | (12,303) |
| Other comprehensive income (expense), net of income tax | 其他全面收入(開支), 已扣除所得稅項 | | | |
| <i>Items that have been reclassified or may be reclassified subsequently to profit or loss:</i> | <i>已重新分類或隨後可重新分類至損益之項目:</i> | | | |
| Exchange differences arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 | | 25,323 | (12,602) |
| Release of translation reserve upon deregistration of a subsidiary | 解除取消註冊一間附屬公司而進行之匯兌儲備 | | 1,419 | - |
| Net loss arising on revaluation of available-for-sale financial assets | 重估可供出售金融資產產生之虧損淨額 | | (4,111) | (4,000) |
| Share of exchange differences of an associate | 應佔一間聯營公司之匯兌差額 | | 47 | - |
| Share of exchange differences of a joint venture | 應佔一間合營企業之匯兌差額 | | 178 | - |
| Other comprehensive income (expense) for the year | 本年度其他全面收入(開支) | | 22,856 | (16,602) |
| Total comprehensive income (expense) for the year | 本年度全面收入(開支)總額 | | 18,468 | (28,905) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 March 2018

綜合損益及其他全面收益表 (續)

截至二零一八年三月三十一日止年度

| | | | 2018 二零一八年 | 2017 二零一七年 |
|--|----------------------------|-------------------|------------------------|------------------------|
| | | <i>Note</i> 附註 | <i>HK\$'000</i> 千港元 | <i>HK\$'000</i> 千港元 |
| Total comprehensive income (expense) attributable to: | 由下列人士應佔全面收入 (開支)總額： | | | |
| – Owners of the Company | – 本公司擁有人 | | 18,469 | (28,904) |
| – Non-controlling interests | – 非控股權益 | | (1) | (1) |
| | | | 18,468 | (28,905) |
| Loss per share (HK cents) | 每股虧損 (港仙) | 17 | | |
| Basic | 基本 | | (0.20) | (0.57) |
| Diluted | 攤薄 | | (0.20) | (0.57) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

綜合財務狀況表

於二零一八年三月三十一日

| | | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-------------|-----------------|----------------------------------|----------------------------------|
| | Notes 附註 | | | |
| Non-current assets | | 非流動資產 | | |
| Property, plant and equipment | 18 | 物業、廠房及設備 | 380 | 492 |
| Available-for-sale financial assets | 20 | 可供出售金融資產 | 29,447 | 11,095 |
| Interests in an associate | 21 | 於一間聯營公司之權益 | 410 | – |
| Interests in a joint venture | 22 | 於一間合營企業之權益 | 18,744 | – |
| | | | 48,981 | 11,587 |
| Current assets | | 流動資產 | | |
| Trade and other receivables | 23 | 貿易及其他應收款項 | 241,341 | 219,084 |
| Loan receivables | 24 | 應收貸款 | – | 10,512 |
| Derivative financial instruments | 27 | 衍生金融工具 | 869 | 3,187 |
| Bill receivables | | 應收票據 | 775 | – |
| Cash and cash equivalents | 25 | 現金及現金等價物 | 132,142 | 221,605 |
| | | | 375,127 | 454,388 |
| Current liabilities | | 流動負債 | | |
| Trade and other payables | 26 | 貿易及其他應付款項 | 8,752 | 28,117 |
| Convertible note | 27 | 可換股票據 | 24,417 | – |
| Derivative financial instruments | 27 | 衍生金融工具 | 153 | 3,285 |
| Tax liabilities | | 稅項負債 | 4,904 | 2,542 |
| | | | 38,226 | 33,944 |
| Net current assets | | 流動資產淨值 | 336,901 | 420,444 |
| Total assets less current liabilities | | 總資產減流動負債 | 385,882 | 432,031 |
| Non-current liability | | 非流動負債 | | |
| Convertible note | 27 | 可換股票據 | – | 54,777 |
| Net assets | | 資產淨值 | 385,882 | 377,254 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2018

綜合財務狀況表 (續)

於二零一八年三月三十一日

| | | | 2018 二零一八年 | 2017 二零一七年 |
|---|-------------------|-------------------|------------------------|------------------------|
| | | <i>Note</i> 附註 | <i>HK\$'000</i> 千港元 | <i>HK\$'000</i> 千港元 |
| Capital and reserves | 股本及儲備 | | | |
| Share capital | 股本 | 28 | 839,799 | 840,999 |
| Reserves | 儲備 | | (453,917) | (463,744) |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 385,882 | 377,255 |
| Non-controlling interests | 非控股權益 | | - | (1) |
| Total equity | 權益總額 | | 385,882 | 377,254 |

The consolidated financial statements on pages 60 to 159 were approved and authorised for issue by the Board of Directors on 22 June 2018 and are signed on its behalf by:

董事會於二零一八年六月二十二日批准及授權刊印第60至159頁的綜合財務報表並由下列董事代表簽署：

Mr. Chen Haining
陳海寧先生
Director
董事

Ms. Wu Hongying
吳紅英女士
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

綜合權益變動表

截至二零一八年三月三十一日止年度

| | | Share capital | Exchange reserve | Convertible note equity reserve | Merger reserve | Translation reserve | Investment revaluation reserve | Accumulated losses | Sub-total | Non-controlling interests | Total |
|--|------------------------|---------------|------------------|---------------------------------|----------------|---------------------|--------------------------------|--------------------|-----------|---------------------------|----------|
| | | 股本 | 外匯儲備 | 可換股票據權益儲備 | 合併儲備 | 匯兌儲備 | 投資重估儲備 | 累計虧損 | 小計 | 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 |
| At 1 April 2016 | 於二零一六年四月一日 | 840,999 | (1,241) | 42,609 | 45,918 | 55,224 | - | (577,350) | 406,159 | - | 406,159 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (12,302) | (12,302) | (1) | (12,303) |
| Other comprehensive expense | 其他全面開支 | | | | | | | | | | |
| - Exchange differences arising on translation | - 換算產生之匯兌差額 | - | - | - | - | (12,602) | - | - | (12,602) | - | (12,602) |
| - Net loss arising on revaluation of available-for-sale financial assets | - 重估可供出售金融資產產生之虧損淨額 | - | - | - | - | - | (4,000) | - | (4,000) | - | (4,000) |
| Total comprehensive expense for the year | 本年度全面開支總額 | - | - | - | - | (12,602) | (4,000) | (12,302) | (28,904) | (1) | (28,905) |
| At 31 March 2017 | 於二零一七年三月三十一日 | 840,999 | (1,241) | 42,609 | 45,918 | 42,622 | (4,000) | (589,652) | 377,255 | (1) | 377,254 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (4,387) | (4,387) | (1) | (4,388) |
| Other comprehensive income (expense) | 其他全面收入(開支) | | | | | | | | | | |
| - Exchange differences arising on translation | - 換算產生之匯兌差額 | - | - | - | - | 25,323 | - | - | 25,323 | - | 25,323 |
| - Net loss arising on revaluation of available-for-sale financial assets | - 重估可供出售金融資產產生之虧損淨額 | - | 676 | - | - | - | (4,787) | - | (4,111) | - | (4,111) |
| - Release of translation reserve upon deregistration of a subsidiary | - 解除取消註冊一間附屬公司而進行之匯兌儲備 | - | 1,241 | - | - | 178 | - | - | 1,419 | - | 1,419 |
| - Share of exchange differences of an associate | - 應佔一間聯營公司之匯兌差額 | - | - | - | - | 47 | - | - | 47 | - | 47 |
| - Share of exchange differences of a joint venture | - 應佔一間合營企業之匯兌差額 | - | - | - | - | 178 | - | - | 178 | - | 178 |
| Total comprehensive income (expense) for the year | 本年度全面收入(開支)總額 | - | 1,917 | - | - | 25,726 | (4,787) | (4,387) | 18,469 | (1) | 18,468 |
| Repurchase of ordinary shares | 購回普通股 | (1,200) | - | - | - | - | - | - | (1,200) | - | (1,200) |
| Recognition of convertible note amendment | 確認可換股票據修訂 | - | - | 16,016 | - | - | - | - | 16,016 | - | 16,016 |
| Redemption of convertible note | 贖回可換股票據 | - | - | (24,658) | - | - | - | - | (24,658) | - | (24,658) |
| Disposal of subsidiaries | 出售附屬公司 | - | - | - | - | - | - | - | - | 2 | 2 |
| At 31 March 2018 | 於二零一八年三月三十一日 | 839,799 | 676 | 33,967 | 45,918 | 68,348 | (8,787) | (594,039) | 385,882 | - | 385,882 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 March 2018

Notes:

As at 31 March 2018, the exchange reserve represents the exchange difference arising from the available-for-sale financial assets. The exchange difference is recognised directly in other comprehensive income and accumulated in the exchange reserve. The exchange reserve will be reclassified to profit or loss upon the disposal of the AFS financial assets.

The convertible note equity reserve represents the equity component of convertible note issued by the Company. Items included in convertible note equity reserve will not be reclassified subsequently to profit or loss.

Translation reserve relating to the translation of the net assets of the Group's foreign subsidiaries from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the translation reserve. The translation reserve will be reclassified to profit or loss upon disposal of the foreign subsidiaries.

綜合權益變動表(續)

截至二零一八年三月三十一日止年度

附註：

於二零一八年三月三十一日，外匯儲備指可供出售金融資產所產生之匯兌差額。匯兌差額直接於其他全面收入中確認並於外匯儲備中累計。外匯儲備將於出售可供出售金融資產時重新分類至損益。

可換股票據權益儲備指本公司發行之可換股票據之股權部分。可換股票據權益儲備包含之項目隨後將不會重新分類至損益。

有關將本集團境外附屬公司之資產淨值由其功能貨幣換算為本集團呈列貨幣之匯兌儲備直接於其他全面收入中確認並於換算儲備中累計。換算儲備將於出售境外附屬公司時重新分類至損益。

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

綜合現金流量表

截至二零一八年三月三十一日止年度

| | Notes 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|---------------------------|----------------------------------|----------------------------------|
| Operating activities | 經營業務 | | |
| Loss for the year | 本年度虧損 | (4,388) | (12,303) |
| Adjustments for: | 已就下列項目調整： | | |
| Income tax expense (credit) | 所得稅開支(抵免) | 12 4,312 | (581) |
| Finance costs | 融資成本 | 11 5,522 | 8,447 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 18 148 | 177 |
| Write-off of property, plant and equipment | 物業、廠房及設備之撇銷 | 10 2 | 23 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | 31 (7) | - |
| Loss on deregistration of a subsidiary | 取消註冊一間附屬公司之虧損 | 31 2,396 | - |
| Gain on redemption of convertible note | 贖回可換股票據之收益 | 10 (21,527) | - |
| Impairment loss on available-for-sale financial assets | 可供出售金融資產之減值虧損 | 10 18 | - |
| Impairment loss on other receivables | 其他應收款項之減值虧損 | 10 - | 163 |
| Interest income from banks and financial institution | 來自銀行及金融機構之利息收入 | 9 (83) | (684) |
| Loss on recognition of convertible note amendment | 確認可換股票據修訂之虧損 | 10 16,016 | - |
| Net realised loss on disposal of financial assets at FVTPL | 出售透過損益按公允值計量之金融資產之已變現虧損淨額 | - | 1,194 |
| Fair value (gain) loss on derivative component of convertible note | 可換股票據衍生部分之公允值(收益)虧損 | 10 (814) | 3,294 |
| Share of loss in an associate | 應佔一間聯營公司之虧損 | 809 | - |
| Share of profit in a joint venture | 應佔一間合營企業之溢利 | (6) | - |
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | 2,398 | (270) |
| (Increase) decrease in bill receivables | 應收票據(增加)減少 | (735) | 1,185 |
| Decrease (increase) in trade and other receivables | 貿易及其他應收款項減少(增加) | 1,284 | (4,861) |
| Decrease in loan receivables | 應收貸款減少 | 10,512 | 125,667 |
| (Decrease) increase in trade and other payables | 貿易及其他應付款項(減少)增加 | (21,001) | 22,140 |
| Purchase of financial assets at FVTPL | 購買透過損益按公允值計量之金融資產 | - | (27,136) |
| Proceeds on disposal of financial assets at FVTPL | 出售透過損益按公允值計量之金融資產之所得款項 | - | 35,188 |
| Decrease in bill payables | 應付票據減少 | - | (36,813) |
| Cash (used in) generated from operating activities | 經營業務所(動用)獲得現金 | (7,542) | 115,100 |
| Income tax paid | 已付所得稅 | (2,332) | (3,313) |
| Net cash (used in) generated from operating activities | 經營業務所(動用)獲得現金淨額 | (9,874) | 111,787 |

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2018

綜合現金流量表 (續)

截至二零一八年三月三十一日止年度

| | | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|---------------------------|----|----------------------------------|----------------------------------|
| Investing activities | 投資業務 | | | |
| Withdrawal of pledged bank deposits | 提取已抵押銀行存款 | | - | 36,813 |
| Interest received from banks and financial institution | 已收取來自銀行及金融機構之利息 | | 83 | 684 |
| Purchases of property, plant and equipment | 購買物業、廠房及設備 | 18 | - | (178) |
| Purchases of available-for-sale financial assets | 購買可供出售金融資產 | 20 | (22,481) | (15,095) |
| Acquisition of interests in an associate | 收購於一間聯營公司之權益 | 21 | (1,172) | - |
| Acquisition of interests in a joint venture | 收購於一間合營企業之權益 | 22 | (18,560) | - |
| Net cash (used in) generated from investing activities | 投資業務所 (動用) 獲得現金淨額 | | (42,130) | 22,224 |
| Financing activities | 融資業務 | | | |
| Interest paid | 已支付利息 | | (3,619) | (4,851) |
| Payment on repurchase of ordinary shares | 購回普通股之付款 | 28 | (1,200) | - |
| Payment on redemption of convertible note | 贖回可換股票據之付款 | | (35,000) | - |
| Net cash used in financing activities | 融資業務所動用現金淨額 | | (39,819) | (4,851) |
| Net (decrease) increase in cash and cash equivalents | 現金及現金等價物 (減少) 增加淨額 | | (91,823) | 129,160 |
| Cash and cash equivalents at 1 April | 於四月一日之現金及現金等價物 | | 221,605 | 93,666 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | | 2,360 | (1,221) |
| Cash and cash equivalents at 31 March | 於三月三十一日之現金及現金等價物 | | 132,142 | 221,605 |
| Analysis of the balances of cash and cash equivalents: | 現金及現金等價物結餘分析: | | | |
| Represented by deposit in financial institution, bank balances and cash | 指於金融機構之存款、銀行結餘及現金 | 25 | 132,142 | 221,605 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares (“Shares”) are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The directors of the Company (“Directors” and each a “Director”) consider that Mr. Zhao John Huan is the ultimate controlling party. The addresses of the registered office and principal place of business of the Company is Unit 3517, 35/F, West Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

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

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year

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

| | |
|-----------------------|--|
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2014 – 2016 Cycle |
| Amendments to HKAS 7 | Disclosure Initiative |
| Amendments to HKAS 12 | Recognition of Deferred Tax Assets for Unrealised Losses |

Except as described below, the application of the above 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.

綜合財務報表附註

截至二零一八年三月三十一日止年度

1. 一般資料

本公司是一間在香港註冊成立之公眾有限公司，其股份（「股份」）在香港聯合交易所有限公司（「聯交所」）GEM上市。本公司董事（「董事」）及各董事（「各董事」）視趙令歡先生為最終控制人。本公司註冊辦事處及主要營業地點之地址為香港干諾道中168-200號信德中心西座35樓3517室。

本公司為一間投資控股公司。其附屬公司之主要業務載於綜合財務報表附註35。

綜合財務報表以港元（「港元」）呈列，港元亦為本公司之功能貨幣。此外，若干於香港以外地區經營的集團實體之功能貨幣乃以集團實體經營所在主要經濟地區之貨幣列值。

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂

2.1 於本年度強制生效之新訂香港財務報告準則及香港財務報告準則之修訂

本集團已於本年度首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之新訂香港財務報告準則及香港財務報告準則之修訂：

| | |
|---------------|----------------------------|
| 香港財務報告準則之修訂 | 二零一四年至二零一六年週期香港財務報告準則之年度改進 |
| 香港會計準則第7號之修訂 | 披露計劃 |
| 香港會計準則第12號之修訂 | 就未變現虧損確認遞延稅項資產 |

除下文所述者外，於本年度應用上述香港財務報告準則之修訂對本集團於本年度及過往年度之財務表現及狀況及／或載於該等綜合財務報表之披露事項概無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 34 to the consolidated financial statements. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 34 to the consolidated financial statements, the application of these amendments has had no impact on the Group's consolidated financial statements.

綜合財務報表附註（續）

截至二零一八年三月三十一日止年度

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂（續）

2.1 於本年度強制生效之新訂香港財務報告準則及香港財務報告準則之修訂（續）

香港會計準則第7號之修訂披露計劃

本集團已於本年度首次應用該等修訂。該等修訂要求實體提供披露以便財務報表使用者能評估融資業務所產生之負債變動，包括現金及非現金變動。此外，該等修訂亦要求在金融資產所獲得現金流量已或未來現金流量將計入融資業務所獲得現金流量之情況下披露該等金融資產之變動。

具體而言，該等修訂要求披露下列各項：
(i) 融資現金流量之變動；(ii) 取得或失去附屬公司或其他業務控制權產生之變動；
(iii) 匯率變動之影響；(iv) 公允值變動；及
(v) 其他變動。

該等項目之期初及期末結餘之間之對賬載於綜合財務報表附註34。根據該等修訂之過渡條文，本集團並未披露過往年度之比較資料。除綜合財務報表附註34之額外披露外，應用該等修訂對本集團之綜合財務報表並無造成影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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

2.2 New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

| | |
|------------------------|--|
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2015-2017 Cycle ² |
| Amendments to HKFRS 2 | Classification and Measurement of Share-based Payment Transactions ¹ |
| Amendments to HKFRS 4 | Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹ |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation ² |
| Amendments to HKFRS 10 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |
| Amendments to HKAS 19 | Employee Benefits ² |
| Amendments to HKAS 28 | As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle ¹ |
| Amendments to HKAS 28 | Long-term Interests in Associates and Joint Ventures ² |
| Amendments to HKAS 40 | Transfers of Investment Property ¹ |
| HKFRS 9 | Financial Instruments ¹ |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則之修訂(續)

2.2 已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂

本集團並無提早採納下列已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂：

| | |
|-----------------|--|
| 香港財務報告準則之修訂 | 二零一五年至二零一七年週期香港財務報告準則之年度改進 ² |
| 香港財務報告準則第2號之修訂 | 以股份為基礎之付款交易之分類及計量 ¹ |
| 香港財務報告準則第4號之修訂 | 與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具 ¹ |
| 香港財務報告準則第9號之修訂 | 具有負補償之預付款項特性 ² |
| 香港財務報告準則第10號之修訂 | 投資者及其聯營公司或合營企業之間之資產出售或注資 ⁴ |
| 香港會計準則第19號之修訂 | 僱員福利 ² |
| 香港會計準則第28號之修訂 | 作為二零一四年至二零一六年週期香港財務報告準則之年度改進之一部份 ¹ |
| 香港會計準則第28號之修訂 | 於聯營公司及合營企業之長期權益 ² |
| 香港會計準則第40號之修訂 | 投資物業的轉讓 ¹ |
| 香港財務報告準則第9號 | 金融工具 ¹ |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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

2.2 New and amendments to HKFRSs issued but not yet effective (Continued)

| | |
|---------------------|---|
| HKFRS 15 | Revenue from Contracts with Customers and the Related Amendments ¹ |
| HKFRS 16 | Leases ² |
| HKFRS 17 | Insurance Contracts ³ |
| HK (IFRIC) – Int 22 | Foreign Currency Transactions and Advance Consideration ¹ |
| HK (IFRIC) – Int 23 | Uncertainty over Income Tax Treatments ² |

¹ Effective for annual periods beginning on or after 1 January 2018, earlier application is permitted.

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

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective date to be determined.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

2. 應用新訂香港財務報告準則 (「香港財務報告準則」) 及香港財務報告準則之修訂 (續)

2.2 已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂 (續)

| | |
|---------------------------|----------------------------|
| 香港財務報告準則第15號 | 來自客戶合約收益及相關修訂 ¹ |
| 香港財務報告準則第16號 | 租賃 ² |
| 香港財務報告準則第17號 | 保險合約 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 ¹ |
| 香港 (國際財務報告詮釋委員會) – 詮釋第23號 | 所得稅處理之不確定性 ² |

¹ 於二零一八年一月一日或之後開始之年度期間生效，可提早應用。

² 於二零一九年一月一日或之後開始之年度期間生效，可提早應用。

³ 於二零二一年一月一日或之後開始之年度期間生效。

⁴ 生效日期待定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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

2.2 New and amendments to HKFRSs issued but not yet effective (Continued)

Except as described below, the Directors do not anticipate that the application of these new and amendments to HKFRSs will have a material impact on the amounts recognised in the Group’s consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則之修訂(續)

2.2 已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂(續)

除下文所述者外，董事預計，應用該等新訂香港財務報告準則及香港財務報告準則之修訂將不會對本集團之綜合財務報表已確認金額產生重大影響。

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入金融資產、金融負債分類及計量以及金融資產減值要求的新規定。

香港財務報告準則第9號與本集團有關之主要規定為：

- 在香港財務報告準則第9號範圍內確認之所有金融資產其後須按攤銷成本或公允值計量。特別針對根據業務模式以收取合約現金流量為目的所持有之債務投資及純粹為支付本金及未償還本金利息而擁有合約現金流量之債務投資，一般於其後會計期末按攤銷成本計量。以達到收回合約現金流量及出售金融資產為目的之業務模式下持有之債務工具及純粹為支付本金及尚未償還本金之利息之現金流量(由金融資產之合約條款於特定日期產生)之債務工具，一般按公允值計入其他全面收益(「按公允值計入其他全面收益」)計量。所有其他債務投資及股本投資於其後會計期末均按其公允值計量。此外，根據香港財務報告準則第9號，實體可以不可撤回之方式選擇於其他全面收益內呈列股本投資(非持作買賣用途)公允值之其後變動，通常只有股息收入於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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

2.2 New and amendments to HKFRSs issued but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- for non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows and discounted at the financial liabilities’ original effective interest rate. Transaction cost or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification. Currently, the Group revised the effective interest rates for non-substantial modification of financial liabilities with no gain/loss being recognised in profit or loss.
- 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 do not anticipate that the application of HKFRS 9 may have a material impact of the Group’s financial statements. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則之修訂(續)

2.2 已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂(續)

香港財務報告準則第9號金融工具(續)

- 就指定為透過損益按公允值計量之金融負債而言，香港財務報告準則第9號規定，因金融負債之信貸風險變動引致該負債之公允值變動數額，除非於其他全面收益確認該負債之信貸風險變動影響會造成或擴大損益之會計錯配，否則須於其他全面收益呈列。因金融負債之信貸風險引致之公允值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為透過損益按公允值計量之金融負債之公允值變動全部數額均於損益呈列。
- 對於不導致終止確認的金融負債的非重大變更，相關金融負債的賬面值將按照變更後的合約現金流量的現值計算，並按照金融負債的初始實際利率貼現。產生的交易成本或費用調整為變更後的金融負債的賬面值，並在餘下年期內攤銷。對金融負債賬面值的任何調整均於更改日期在損益中確認。目前，本集團就金融負債的非重大變更修改實際利率而並無收益／虧損在損益確認。
- 就金融資產之減值而言，與香港會計準則第39號規定按已產生信貸虧損模式計算有所不同，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該等預期信貸虧損之變動入賬，以反映信貸風險自初步確認以來之變動。換言之，毋須待發生信貸事件後方確認信貸虧損。

董事預計，應用香港財務報告準則第9號可能不會對本集團之財務報表造成重大影響。然而，於完成詳細檢討前，呈報該影響之合理估計並不切合實際。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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

2.2 New and amendments to HKFRSs issued but not yet effective (Continued)

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.

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

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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

2. 應用新訂香港財務報告準則 (「香港財務報告準則」) 及香港財務報告準則之修訂 (續)

2.2 已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂 (續)

香港財務報告準則第15號來自客戶合約收益

香港財務報告準則第15號頒佈，其制定一項單一全面模式供實體用作將自客戶合約所產生之收益入賬。香港財務報告準則第15號生效後，將取代現時收益確認指引，包括香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收益之五個步驟：

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

根據香港財務報告準則第15號，實體於完成履約責任時 (或就此) 確認收益，即於特定履約責任相關之貨品或服務之「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確之指引。此外，香港財務報告準則第15號要求更詳盡之披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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

2.2 New and amendments to HKFRSs issued but not yet effective (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

In 2016, the HKICPA issued Clarifications 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 result in more disclosures. However, the Directors do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

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 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 and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

2. 應用新訂香港財務報告準則 (「香港財務報告準則」) 及香港財務報告準則之修訂 (續)

2.2 已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂 (續)

香港財務報告準則第15號來自客戶合約收益 (續)

於二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、主體對代理代價及發牌之應用指引。

董事預期日後應用香港財務報告準則第15號或會導致更多披露。然而，董事預期，應用香港財務報告準則第15號不會對於各個報告期間確認之收益之時間及金額產生重大影響。

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之租賃安排及會計處理方法引入綜合模式。於香港財務報告準則第16號生效時將取代香港會計準則第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，經營租賃與融資租賃之差異自承租人會計處理中移除，並以承租人須就所有租賃確認使用權資產及相應負債之模式取代。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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

2.2 New and amendments to HKFRSs issued but not yet effective (Continued)

HKFRS 16 Leases (Continued)

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. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for 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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則之修訂(續)

2.2 已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂(續)

香港財務報告準則第16號租賃(續)

使用權資產初步按成本計量，其後按成本(若干例外情況除外)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)租賃修改之影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項作為自用租賃土地及分類為投資物業之相關投資現金流量予以呈列，而其他經營租賃款項則呈列為經營現金流量。於應用香港財務報告準則第16號後，本集團會將有關租賃負債之租賃款項分配至呈列為融資現金流量之本金及利息部分。

根據香港會計準則第17號，本集團已就融資租賃安排確認一項資產及一項相關融資租賃負債，並就本集團為承租人之租賃土地確認預付租賃款項。應用香港財務報告準則第16號或會導致該等資產之分類出現潛在變化，視乎本集團是否將使用權資產獨立呈列或於相應相關資產倘屬自有而會呈列之相同項目內呈列。

與承租人會計處理相反，香港財務報告準則第16號基本上保留了香港會計準則第17號中針對出租人之會計處理要求，並繼續要求出租人將租賃歸類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求作出廣泛之披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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 GEM (“GEM Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values 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 characteristics 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 these 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.

綜合財務報表附註（續）

截至二零一八年三月三十一日止年度

3. 主要會計政策

合規聲明

綜合財務報表根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表亦載入GEM證券上市規則（「《GEM上市規則》」）及香港公司條例（「公司條例」）所規定的適用披露資料。

編製基準

誠如下文載列之會計政策所解釋，除若干金融工具乃按每個報告期間末之公允值計量外，綜合財務報表乃按歷史成本基準編製。

歷史成本一般以就交換商品及服務所提供代價之公允值為基準。

公允值乃指市場參與者之間在計量日期進行之有序交易中出售一項資產所收取價格或轉移一項負債所支付價格，無論該價格乃直接觀察到之結果，或是採用其他估值技術作出之估計。在對資產或負債之公允值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮之該等特徵。於該等綜合財務報表中計量及／或披露之公允值均按此基準釐定，惟香港財務報告準則第2號以股份為基礎之付款範圍內以股份為基礎之付款交易、香港會計準則第17號租賃範圍內之租賃交易及與公允值類似但並非公允值之計量（例如香港會計準則第2號存貨中之可變現淨值或香港會計準則第36號資產減值中之使用價值）除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

In addition, for financial reporting purposes, 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 are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured 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 reassesses 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.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

編製基準(續)

此外，就財務報告而言，根據公允值計量之輸入數據可觀察程度及公允值計量之輸入數據對其整體之重要性，公允值計量可分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據為就資產或負債直接或間接可觀察之輸入數據（第一級內包含之報價除外）；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制實體（包括結構實體）之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 參與投資對象之業務而獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變動，本集團會重新評估其是否控制投資對象。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

綜合基準(續)

倘本集團擁有於投資對象之投票權少於半數，而投票權足夠賦予其實際能力以單方面引導投資對象相關活動時，本集團對投資對象擁有權力。本集團於評估本集團於投資對象之投票權是否足夠賦予其權力時，已考慮所有相關事實及情況，包括：

- 本集團所持投票權數目相對於其他投票權持有人之投票權數目及股權分散程度；
- 本集團、其他投票權持有人或其他各方所持潛在投票權；
- 其他合約安排產生之權利；及
- 需要作出決定時，顯示本集團目前能夠或無法指示相關活動之任何額外事實及情況（包括於過往股東大會之投票模式）。

於本集團取得對附屬公司之控制權時開始，綜合附屬公司並於失去對附屬公司控制權時予以終止。具體而言，於年內被收購或出售之附屬公司收益及開支乃自本集團獲取控制日期起至本集團失去對附屬公司控制日期止期間計入綜合損益及其他全面收益表。

損益及其他全面收入之各項目歸屬於本公司擁有人及非控股權益，即使附屬公司的全面收入總額歸屬於非控股權益會產生虧絀結餘，但附屬公司的全面收入總額仍須歸屬於本公司擁有人及非控股權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interests and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (that is, reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

綜合基準(續)

於必要時，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團一致。

有關本集團成員公司之間交易之所有集團內公司間資產及負債、權益、收益、開支及現金流量於綜合賬目時悉數對銷。

本集團於現有附屬公司之擁有權之權益變動

倘本集團於現有附屬公司之擁有權之權益變動並未導致本集團失去對附屬公司之控制權，則該變動按權益交易列賬。本集團相關權益及非控股權益組成部分之賬面值乃經調整以反映彼等於附屬公司之相應權益變動，包括按照本集團與非控股權益之權益比例，將本集團與非控股權益之間之相關儲備重新歸類。非控股權益經調整之金額與已付或已收代價之公允值之間的任何差額，直接於權益中確認並歸屬於本公司擁有人。

倘本集團失去對附屬公司控制權，該附屬公司之資產及負債以及非控股權益(如有)予以終止確認。收益或虧損於損益內確認並按(i)所收代價之公允值與任何保留權益之公允值總額與(ii)本公司擁有人應佔該附屬公司之資產(包括商譽)及負債賬面值兩者之間的差額計算。先前於其他全面收益就該附屬公司確認之所有金額均予以入賬，如本集團已直接出售該附屬公司之相關資產或負債(即按適用香港財務報告準則所訂明/允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日於前附屬公司保留之任何投資的公允值，會被視為根據香港會計準則第39號於其後入賬首次確認時的公允值(如適用)，首次確認聯營公司或合營企業之投資成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

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, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); 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 acquirer's previously held equity interests in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

業務合併

收購業務採用收購法入賬。業務合併所轉撥之代價按公允值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原股東產生之負債及本集團於交換被收購方之控制權發行之權益於收購日之公允值之總額。有關收購之成本通常於產生時確認於損益中。

於收購日期，所收購之可識別資產及所承擔之負債按其公允值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的負債或資產分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方以股份支付安排或本集團訂立以股份支付安排取代被收購方以股份支付安排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號以股份支付款項計量（見下文會計政策）；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經營業務分類為持作出售的資產（或出售組合）根據該項準則計量。

商譽是以所轉撥之代價、非控股權益於被收購方中所佔金額、及收購方以往持有被收購方權益之公允值（如有）之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經過重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公允值（如有）之總和，則差額即時於損益內確認為議價收購收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

Non-controlling interests 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 are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

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 against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that does not qualify as measurement period adjustment 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.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

業務合併(續)

屬現時擁有之權益且於清盤時讓持有人有權按比例分佔相關附屬公司淨資產之非控股權益，可初步按非控股權益應佔被收購方可識別資產淨值的已確認金額比例或按公允值計量。計量基準視乎每項交易而作出選擇。其他類型的非控股權益乃按其公允值計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其於收購日期之公允值計量，並計入於業務合併所轉讓之代價之一部分。符合資格為計量期間調整之或然代價公允值變動將予追溯調整，相應調整於商譽調整。計量期間調整為於「計量期間」（不可超過自收購日期起計一年）取得有關於收購日期已存在之事實及情況之額外資料產生之調整。

不合資格為計量期間調整之或然代價之後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。分類為資產或負債之或然代價將於後續報告日期重新計量公允值，相應之盈虧於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

When a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to fair value at acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any identified impairment loss on the statement of financial position of the Company.

Investments in associate and joint venture

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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

業務合併 (續)

倘業務合併分階段達成，本集團以往所持的被收購方股本權益於收購日期（即本集團取得控制權當日）按公允值重新計量，所產生的盈虧（如有）在損益內確認。倘出售於被收購方權益，則以過往在其他全面收益中確認的從該等權益於收購日期前產生的金額重新分類至損益（若此處理方法合適）。

倘業務合併的初步會計處理於合併產生的報告期末仍未完成，則本集團會就仍未完成會計處理的項目呈報暫定金額。該等暫定金額於計量期間內作出調整（見上文），以及確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況的新資料，而倘知悉該等資料，將會影響於當日確認的金額。

於附屬公司之投資

於附屬公司之投資乃按成本減任何已識別減值虧損後計入本公司之財務狀況表。

於聯營公司及合營企業之投資

聯營公司為本集團對其擁有重大影響力之實體。重大影響力指有權力參與投資對象之財務和經營決策，但並非對該等政策擁有控制或共同控制權。

合營企業乃一項共同安排，據此，對安排擁有共同控制權之訂約方於共同安排之資產淨值擁有權利。共同控制是指按照合約協定對某項安排擁有共同控制權，共同控制權僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時方為有效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associate and joint venture (Continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture 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 associate or joint venture. Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues to recognise 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 or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, 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.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

於聯營公司及合營企業之投資(續)

聯營公司及合營企業之業績以及資產及負債乃採用權益會計法於該等綜合財務報表入賬。作會計權益法用途之聯營公司及合營企業之財務報表乃按與本集團就同類交易及同類情況下事項之統一會計政策編製。根據權益法，於聯營公司或合營企業之投資乃按成本於綜合財務狀況表內進行初始確認，並於其後作出調整以確認本集團應佔聯營公司或合營企業之損益及其他全面收益。聯營公司或合營企業之資產淨值(損益及其他全面收益除外)變動不予入賬，除非該等變動導致本集團持有之擁有權權益出現變動。當本集團應佔聯營公司或合營企業之虧損超過本集團於該聯營公司或合營企業之權益(包括實質上作為本集團於聯營公司或合營企業之投資淨值一部分之任何長期權益)，本集團會終止確認其應佔之進一步虧損。僅於本集團已產生法定或推定責任，或已代表聯營公司或合營企業支付款項的情況下，方會確認額外虧損。

於聯營公司或合營企業之投資乃自投資對象成為聯營公司或合營企業當日起採用權益法入賬。收購於聯營公司或合營企業之投資時，超過本集團應佔投資對象可識別資產及負債之公允淨值的投資成本的任何部分會被確認為商譽，並計入投資賬面值。超過本集團應佔可識別資產及負債之公允淨值的投資成本的任何部分，經重新評估後，會即時於收購投資期間的損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associate and joint venture (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 or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 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 the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal or partial disposal of the relevant associate or joint venture.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

於聯營公司及合營企業之投資 (續)

本集團於聯營公司或合營企業之投資乃按香港會計準則第39號之規定來決定是否需要確認任何減值虧損。倘有需要，該項投資之全部賬面值（包括商譽）將視作單一資產並按香港會計準則第36號透過將其可收回金額（使用價值與公允值減出售成本之較高者）與其賬面值比較以進行減值測試。任何已確認減值虧損構成投資賬面值之一部分。根據香港會計準則第36號，該減值虧損之任何撥回會於該項投資可收回金額於其後增加時確認。

倘本集團不再對聯營公司擁有重大影響力或不再對合營企業擁有共同控制權，其將入賬列作出售投資對象之全部權益，其引致之收益或虧損於損益內確認。倘本集團保留於前聯營公司或合營企業之權益且該保留權益屬香港會計準則第39號範圍內之金融資產，則本集團會於該日按公允值計量保留權益，而該公允值會被視為於初步確認時之公允值。聯營公司或合營企業之賬面值與任何保留權益及出售聯營公司或合營企業有關權益之任何所得款項公允值之間之差額，會於釐定出售該聯營公司或合營企業之收益或虧損時入賬。此外，本集團會將先前在其他全面收益就該聯營公司或合營企業確認之所有金額入賬，基準與該聯營公司或合營企業直接出售相關資產或負債所須基準相同。因此，倘該聯營公司或合營企業先前已於其他全面收益確認之收益或虧損會於出售相關資產或負債時重新分類至損益，本集團會於出售或部分出售有關聯營公司或合營企業時將收益或虧損由權益重新分類至損益（作為重新分類調整）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associate and joint venture (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, described below.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

於聯營公司及合營企業之投資(續)

當於聯營公司之投資變為於合營企業之投資或於合營企業之投資變為於聯營公司之投資時，本集團將繼續使用權益法。於此類所有權權益出現變動時，公允值將不予重新計量。

當本集團削減其於聯營公司或合營企業之所有權權益而本集團繼續採用權益法時，倘有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收益確認與削減所有權權益有關之收益或虧損部分重新分類至損益。

當一個集團實體與本集團之聯營公司或合營企業進行交易時，僅在聯營公司或合營企業之權益與本集團無關之情況下，方會於本集團綜合財務報表中確認該等與聯營公司或合營企業之交易所產生之收益及虧損。

收益確認

收益按已收或應收代價之公允值計量。收益就估計客戶退貨、回扣及其他類似撥備作出扣減。

收益乃於收益金額能可靠計量；未來經濟利益可能流向本集團且本集團各業務達到特定標準時確認，概述如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

(a) General trading

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.

(b) Realised gains or loss from financial assets

Realised gains or losses from financial assets at fair value through profit or loss are recognised on the transaction dates when they are executed whilst the unrealised gains or losses are recognised from valuation at the end of the reporting period in accordance with the accounting policies for financial instruments.

(c) Provision of factoring services

Handling fee/interest income is recognised on a time proportion basis, by reference to the principal outstanding and at the handling fee rate/interest rate applicable.

(d) Money lending

Interest income from money lending business is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

(e) Trading of liquefied natural gas (“LNG”) products

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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

收益確認 (續)

(a) 一般貿易

本集團已將產品擁有權之重大風險及回報轉讓予買方。本集團並無保留一般與擁有權有關之持續管理參與，亦無保留對已出售貨物之實際控制權。

(b) 金融資產之變現收益或虧損

透過損益按公允值計量之金融資產之變現收益或虧損乃於其交易日確認，未變現之收益或虧損則根據金融工具會計政策於報告期末以估值數額確認。

(c) 提供保理服務

手續費／利息收入乃按時間比例基準確認，並參考餘下本金及按適用之手續費利率／實際利率計算。

(d) 放貸

放貸業務之利息收入於經濟利益可能流入本集團，且收入金額能可靠計量時確認。

(e) 液化天然氣 (「液化天然氣」) 產品貿易

本集團已將貨品擁有權之主要風險及回報轉讓予買方。本集團並無保留一般與擁有權有關之持續管理參與，亦無保留對已出售貨物之實際控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual value 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.

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 assets and is recognised in profit or loss.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill 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 accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

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.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備乃按成本減日後累計折舊及日後累計減值虧損(如有)於綜合財務狀況表入賬。

折舊乃利用直線法確認,以撇銷物業、廠房及設備項目成本,減去資產於其估計可使用年期之剩餘價值。估計可使用年期、剩餘價值及折舊方法乃於各報告期末檢討,任何估計變動之影響按預先計提之基準入賬。

物業、廠房及設備項目於出售時或當預期不會自持續使用該資產而產生未來經濟利益時取消確認。出售或棄置物業、廠房及設備項目所產生之任何收益或虧損按出售所得款項與資產賬面值兩者間之差額計算,並於損益內確認。

無形資產

於業務合併中所收購之無形資產

於業務合併所收購之無形資產乃於商譽以外另行確認,並於收購日期初步按公允值(被視為成本)確認。

於初步確認後,於業務合併所收購之具有有限年期之無形資產按成本減累計攤銷及累計減值虧損呈報,採取與獨立收購無形資產之相同基準。

取消確認無形資產

無形資產於出售或當預期使用或出售不會帶來未來經濟利益時取消確認。取消確認無形資產產生之收益及虧損按出售所得款項淨額與資產賬面值之差額計算,並於取消確認資產時於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 lessee

Operating lease payments, including the cost of acquiring land held under operating leases, 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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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 and 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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

租賃

當租賃條款將所涉及擁有權之絕大部分風險及回報轉讓予承租人時，租約分類為融資租約。所有其他租賃均列作經營租約。

本集團作為承租人

經營租賃款項 (包括以經營租賃持有土地之收購成本) 於租期內按直線法確認為開支，惟另有系統基準更能代表使用租賃資產所產生經濟利益被消耗的時間模式則除外。經營租賃所產生之或然租金於其產生當期作為開支確認。

倘於訂立經營租賃時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法沖減租金開支確認，惟另有系統基準更能代表使用租賃資產所產生經濟利益被消耗的時間模式則除外。

金融工具

當一間集團實體成為金融工具合約其中一方時確認金融資產及金融負債。

金融資產及金融負債初步以公允值計量。直接歸於收購或發行金融資產及金融負債 (透過損益按公允值計量之金融資產及金融負債除外) 之交易成本，於初步確認時計入金融資產或金融負債 (如適用) 之公允值或從中扣減。收購透過損益按公允值計量之金融資產或金融負債直接產生之交易成本立即於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Financial assets are classified into “financial assets at fair value through profit or loss (“FVTPL”)”, “available-for-sale (“AFS”) financial assets” 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 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on effective interest basis for debt instruments.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

金融工具 (續)

金融資產

金融資產乃分類為「透過損益按公允值計量 (「透過損益按公允值計量」) 之金融資產」、「可供出售 (「可供出售」) 金融資產」及「貸款及應收款項」。分類取決於金融資產之性質及持有之目的，並於初步確認時釐定。金融資產之所有正常買賣均按交易日基準確認及取消確認。正常買賣乃指須按規定或市場慣例規定之時間內交收資產之金融資產買賣。

實際利率法

實際利率法為計算有關期間之債務工具攤銷成本及利息收入分配之方法。實際利率為透過債務工具之預期年期或 (如適用) 較短期間實際貼現估計未來現金收款 (當中包括所有構成實際利率部分之已付或已收費用及點數、交易成本及其他溢價或折讓) 至初步確認之賬面淨值之比率。

債務工具利息收入按實際利率基準確認。

透過損益按公允值計量之金融資產

當金融資產乃持作買賣或指定為透過損益按公允值計量則分類為透過損益按公允值計量。

若符合下述情況，則金融資產分類為持作買賣用途：

- 購入主要為於不久將來沽售；或
- 於初步確認時構成本集團一併管理之已識別金融工具之組合一部分及最近具有實際短期獲利模式；或
- 為未被指定及有效作為對沖工具之衍生工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "net realised loss on disposal of financial assets at FVTPL" and "other income" line item. Fair value is determined in the manner described in note 6c to the consolidated financial statements.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other categories. They are included in non-current assets unless that investment matures or management intends to dispose of it within 12 months after the end of the reporting period.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

透過損益按公允值計量之金融資產 (續)

倘出現下列情況，則金融資產（持作買賣之金融資產除外）可於初步確認時被劃分為透過損益按公允值計量之金融資產：

- 有關劃分撤銷或大幅減低計量或確認可能出現不一致之情況；或
- 金融資產組成金融資產或金融負債各部分或兩者，並根據本集團既定風險管理或投資策略，按公允值基準管理及評估其表現，而分類資料則按該基準由內部提供；或
- 金融資產組成包含一種或以上嵌入式衍生工具之合約其中部分，而香港會計準則第39號金融工具：確認及計量允許整份合併合約將劃分為透過損益按公允值計量之金融資產。

透過損益按公允值計量之金融資產以公允值計量，因重新計量產生之任何收益或虧損於損益內確認。於損益內確認之收益或虧損淨額包括金融資產所賺取之任何股息或利息，並計入「出售透過損益按公允值計量之金融資產之已變現虧損淨額」及「其他收入」項目內。公允值按綜合財務報表附註6c所述之方式釐定。

可供出售金融資產

可供出售金融資產為被指定作可供出售金融資產類別或並無分類為任何其他類別之非衍生工具。除非投資到期或管理層有意在報告期末後12個月內處置該投資，否則此等資產列於非流動資產內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

AFS financial assets (Continued)

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bill receivables, loan receivables, amounts due from a related party, bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產(續)

本集團所持有分類為可供出售金融資產之股本及債務證券於各報告期末按公允值計量，惟未報價股本投資之公允值不能可靠計量。與採用實際利率法計算之利息收入有關之可供出售債務工具賬面值變動於損益內確認。可供出售股本工具之股息於本集團收取股息之權利確立時在損益確認。可供出售金融資產賬面值之其他變動於其他全面收益確認，並於投資重估儲備項下累計。當該投資被出售或釐定為減值時，先前於投資重估儲備累計之累積收益或虧損會重新分類至損益中。

並無活躍市場之市場報價及其公允值不能可靠計量之可供出售股本投資於各報告期末按成本減任何已識別減值虧損計量。

貸款及應收款項

貸款及應收款項乃固定或可釐定付款，並未於活躍市場掛牌之非衍生金融資產。貸款及應收款項(包括貿易及其他應收款項、應收票據、應收貸款、應收一名關連人士款項、銀行存款及銀行結餘及現金)按實際利率法計算之攤銷成本減任何之減值計量。

利息收入以實際利率確認，惟所確認利息可能極少之短期應收款項除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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 when 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.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its costs is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

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 average credit period of 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

金融資產(除透過損益按公允值計量之金融資產外)於各報告期末進行減值跡象評估。倘有客觀證據證明金融資產於初步確認後出現一項或多項影響其估計未來現金流量之事宜,則投資將被視為出現減值。

對可供出售股本投資,如該證券之公允值顯著或持續下降至低於其成本,可被視為需要減值之客觀證據。

所有其他金融資產之減值客觀證據可包括:

- 發行人或交易方出現重大財政困難;或
- 出現欠付或惡意拖欠利息或本金款項等違約情況;或
- 借款人可能面臨破產或進行財務重組;或
- 金融資產因金融困境而喪失活躍市場。

有關應收款項組合減值之客觀證據可包括本集團過往收取款項之經驗、組合內超過平均180日信貸期之延誤付款數目增加,以及與拖欠應收款項相關之國家或本地經濟狀況顯著變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

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. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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 losses 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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

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)

就以攤銷成本入賬之金融資產而言，減值虧損數額乃根據資產賬面值與按金融資產之原有實際利率貼現之估計未來現金流量現值之間之差額計算得出。

就按成本計量之金融資產而言，減值虧損之金額乃按資產賬面值及同類金融資產在現時市場回報率之貼現估計未來現金流量現值之差額計量。該等減值虧損於其後期間將不予撥回（見下文會計政策）。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟貿易應收款項除外，其賬面值乃透過使用撥備賬而減少。倘貿易應收款項被視為無法收回，則於撥備賬中撇銷。其後收回過往撇銷之款項乃從撥備賬中扣除。撥備賬之賬面值變動乃於損益中確認。

當可供出售金融資產須作減值時，先前於其他全面收益中確認之累計收益或虧損，將於該期間重新分類至損益中。

就以攤銷成本計量之金融資產而言，倘減值虧損款額於其後期間減少，而有關減少與確認減值虧損後發生之事項客觀相關，則過往確認之減值虧損將透過損益撥回，惟投資於減值撥回當日之賬面值不得超出並無確認減值所應有之攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either 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 Group are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

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)

就可供出售股本投資而言，先前於損益確認之減值虧損並無透過損益撥回。減值虧損後公允值之增加會於其他全面收益確認，並於投資重估儲備項下累計。就可供出售債務投資而言，倘投資之公允值增加客觀地與確認減值虧損後發生之事件有關，則減值虧損會於其後透過損益撥回。

金融負債及股本工具

分類為債務或權益

由一間集團實體發行之債務及股本工具，乃依據合約安排之實質，及對金融負債及股本工具之界定被歸類為金融負債或權益。

股本工具

股本工具乃任何證明一間實體經扣減所有負債後之資產剩餘權益之合約。本集團所發行之股本工具乃按已收所得款項減去直接發行費用確認。

本公司自有股本工具之購回已直接於權益確認及自權益扣除。並無就購買、銷售、發行或註銷本公司自有股本工具而於損益確認任何收益或虧損。

實際利息法

實際利息法乃計算有關期間之金融負債攤銷成本及利息開支分配之方法。實際利率為透過金融負債之預期年期或（如適用）較短期間將估計未來現金付款（包括構成實際利率不可分割部分之所有已付或已收費用及點數、交易成本及其他溢價或折讓）準確折現至初步確認時之賬面淨值之利率。利息開支按實際利率基準確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

透過損益按公允值計量之金融負債

當金融負債為(i)持作買賣;或(ii)其獲指定為透過損益按公允值計量時,金融負債分類為透過損益按公允值計量。

倘出現下列情況,金融負債被歸類為持作買賣:

- 主要為於短期之內購回而產生;或
- 於初步確認時,構成本集團合併管理之已識別金融工具組合之一部分,且近期出現實際短期獲利模式;或
- 屬於未被指定之衍生工具,並可有效作為對沖工具。

金融負債(持作買賣之金融負債或可能被收購人以業務合併之一部分支付之或然代價除外)可於下列情況下於初步確認時指定為透過損益按公允值計量:

- 該指定消除或大幅減少可能會出現的計量或確認方面之不一致性;或
- 該金融負債構成一組金融資產或金融負債或金融資產及金融負債組合之一部分,而根據本集團制定的風險管理或投資策略,該項資產乃以公允值為基礎進行管理及評估績效,且有關分組之資料乃按此基準向內部提供;或
- 其構成包含一項或多項嵌入式衍生工具的合約之一部分,而香港會計準則第39號允許將整個組合合約(資產或負債)指定為透過損益按公允值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 6c to the consolidated financial statements.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

透過損益按公允值計量之金融負債 (續)

透過損益按公允值計量之金融負債按公允值計量，而重新計量產生之任何收益或虧損將在損益內確認。於損益確認之收益或虧損淨額不包括金融負債所支付的任何利息，並計入其他收益及虧損項目內。公允值之釐定方式載於綜合財務報表附註6c。

按攤銷成本計量之金融負債

金融負債（包括貿易及其他應付款項）其後採用實際利息法按攤銷成本計量。

取消確認

當從資產收取現金流量之合約權利屆滿時，或轉讓金融資產並已轉移資產擁有權之絕大部分風險及回報予另一實體時，本集團方會取消確認該項金融資產。倘本集團並無轉移或保留擁有權之絕大部分風險及回報並繼續控制已轉讓資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報，則本集團繼續確認金融資產，亦會就已收取之所得款項確認有抵押借貸。

於取消確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收入確認並於權益累計之累計損益之總和之差額，將於損益中確認。

當且僅當本集團之責任被解除、註銷或到期時，本集團才會終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價之間之差額於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, deposit in financial institution, demand deposits with banks and short term highly liquid investments with original maturities of three months or less when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Convertible notes

The component parts of the convertible note issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivative features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

現金及現金等價物

現金及現金等價物包括銀行及手頭現金、於金融機構之存款、銀行通知存款，以及於購入當時起計三個月內到期之短期高流動投資，扣除須按要求償還且構成本集團現金管理組成部分之銀行透支。

可換股票據

本公司所發行可換股票據之組成部分乃根據合約安排之內容以及金融負債及股本工具之定義，分別分類為金融負債及權益。將採用以定額現金或另一項金融資產交換固定數目之本公司自有股本工具之方式結算之換股期權為股本工具。

於發行日期，負債部分之公允值（包括任何嵌入式非股本衍生工具）乃透過計量不包含相關權益部分之類似負債之公允值估算。

分類為權益之換股權乃透過從整體複合工具之公允值中扣減負債部分金額而釐定。其將在權益中確認及計入權益，扣除所得稅影響，且隨後不可重新計量。此外，分類為權益之換股權將一直保留於權益內，直至換股權獲行使，在該情況下，在權益中確認之結餘將轉撥至股本。倘換股權於可換股票據到期日仍未獲行使，在權益中確認之結餘將轉撥至保留溢利。在換股權獲兌換或到期時，不會在損益中確認任何收益或虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Convertible notes (Continued)

Transaction costs that relate to the issue of the convertible note are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible note using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Generally, multiple embedded derivatives in a single instrument are treated as a single compound embedded derivative unless those derivatives relate to a different risk exposures and are readily separable and independent of each other.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

3. 主要會計政策(續)

可換股票據(續)

與發行可換股票據相關之交易成本乃按所得款項總額之分配比例分配至負債及權益部分。與權益部分相關之交易成本直接於權益中入賬。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股票據之期限採用實際利息法予以攤銷。

衍生金融工具

衍生工具於訂立衍生合約日期按公允值作初步確認，其後於報告期間結算日按公允值重新計量，計算所得之盈虧即時計入損益表，但如有關衍生工具被指定為有效的對沖工具則除外，在此情況下，其在損益表確認之時間將取決於對沖關係之性質。

嵌入式衍生工具

非衍生主合約嵌入式衍生工具，如符合衍生工具之定義、其風險及特質與該等主合約並非緊密相關，且該等主合約亦非透過損益按公允值計量，則當作獨立衍生工具。一般而言，單一工具中的多個嵌入式衍生工具被視為單一複合嵌入式衍生工具，除非該等衍生工具面臨不同風險及未能隨時分開，且彼等各自獨立。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets 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.

Recoverable amount is the higher of fair value less costs of disposal 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

有形及無形資產 (商譽除外) 減值

本集團會於報告期末檢討有形及無形資產之賬面值，以確定該等資產有否任何跡象出現減值虧損。倘有任何有關跡象，則預計該資產之可收回數額，以釐定減值虧損之程度（如有）。倘不可能估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。當可識別合理及持續之分配基準時，企業資產亦會分配至個別現金產生單位或另行分配至可識別合理及持續分配基準之最小現金產生單位組別。

可收回金額為公允值減去銷售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至其現值，該貼現率反映市場現時所評估之貨幣時間值及資產（或現金產生單位）特定風險，而估計未來現金流量並未被調整。

倘資產（或現金產生單位）之可收回金額估計少於其賬面值，則資產（或現金產生單位）之賬面值將降至其可收回金額。於分配減值虧損時，首先分配減值虧損以調低任何商譽之賬面值（如適用），其後根據單位內各資產之賬面值按比例分配至其他資產。一項資產之賬面值不會調低至低於其公允值減出售成本（倘可計量）、使用價值（倘可確定）及零（以最高者為準）。分配至資產之減值虧損數額則按單位之其他資產比例分配。減值虧損乃即時於損益確認。

倘減值虧損其後撥回，則有關資產（或現金產生單位）之賬面值將回升至重新估計之可收回金額，而所增加之賬面值不得超過假設該資產（或現金產生單位）於過往年度並無確認減值虧損而釐定之賬面值。減值虧損之撥回將即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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 tax” 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 base 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 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 difference associated with investments in subsidiaries and associates, and interests in joint ventures, 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 and interests 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.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

稅項

所得稅開支是指當期應付稅項及遞延稅項之總額。

即期應付稅項是根據本年度之應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表上呈報之除稅前溢利存在差異，乃由於其他年度之應課稅收入或可扣稅開支及不需課稅或不可扣稅之項目。本集團之即期稅項負債，乃根據報告期末已生效或實際生效之稅率計算。

遞延稅項是指根據綜合財務報表資產及負債之賬面值及計算應課稅溢利所採用之相應納稅基礎間之暫時差額確認。一般情況之下，所有因應課稅暫時差額而產生之遞延稅項負債均予確認，而遞延稅項資產則一般就所有可扣稅暫時差額按將來應課稅溢利可用作抵銷可扣稅之有關暫時差額之限額計算。如暫時差額是由因某交易初次確認（業務合併除外）資產及負債而產生，又不影響應課稅溢利及會計溢利，則不予以確認此等遞延稅項資產及負債。此外，倘於初步確認商譽時產生暫時差額，遞延稅項負債不予以確認。

遞延稅項負債乃就於附屬公司及聯營公司之投資及於合營企業之權益所產生應課稅暫時差額而加以確認，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來中撥回。與該等投資及權益相關之可扣除暫時差額所產生之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之益處且預計於可見將來可撥回時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

The carrying amount of deferred tax assets are 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 assets 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 liability is settled or the asset realised, 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 liabilities and assets 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.

Foreign currencies

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

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值乃於各報告期末進行檢討，並在不可能有足夠之應課稅溢利可用作抵免全部或部分將予收回之資產時進行調減。

倘負債可結算或資產可變現，遞延稅項資產及負債按預期於期間內可應用之稅率以於報告期末已生效或實際生效之稅率（及稅法）為基準。

遞延稅項負債及資產之計量反映稅務影響，可由本集團於報告期末預期之方式以收回或結算其資產及負債之賬面值。

即期及遞延稅項於損益表確認，惟倘其與其他全面收入或直接於權益確認之項目有關，於此情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益確認。倘因業務合併之初步會計方法而產生即期或遞延稅項，有關稅務影響會計入業務合併之會計方法內。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）所進行交易乃按交易日期之適用匯率入賬。於各報告期末，以外幣列值之貨幣項目乃按當日之適用匯率重新換算。以公允值列賬並以外幣計值之非貨幣項目乃以公允值釐定當日之適用匯率重新換算。以外幣歷史成本計量之非貨幣項目則不予重新換算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates or joint ventures.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) 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, unless exchange rates fluctuate significantly during the period, in which case the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

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

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

外幣 (續)

因貨幣項目結算及貨幣項目重新換算產生之匯兌差額，於產生期間於損益確認，惟應收或應付海外業務之貨幣項目匯兌差額，既無計劃結算，發生結算之可能性亦不大（因此構成海外業務投資淨額之一部分），並初步於其他全面收益確認，而因本集團於聯營公司或合營企業之權益出售或部分出售時自權益重新分類至損益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃使用各報告期末當時之匯率換算為本集團之呈報貨幣（即港元）。收入及支出項目乃按該期間的平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易日期之現行匯率換算。所產生的匯兌差額（如有）乃於其他全面收益確認及於權益下以匯兌儲備累計（於適當時歸類為非控股權益）。

出售海外業務（即出售本集團於海外業務之全部權益，或出售涉及失去附屬公司（包括海外業務）控制權時，有關本公司擁有人應佔該業務所有於權益中累計之匯兌差額均重新分類至損益。

此外，就出售部分附屬公司並未導致本集團失去對該附屬公司之控制權而言，按此比例將累計匯兌差額重新歸類為非控股權益，而並不於損益內確認。對於所有其他部分出售（即部分出售聯營或合營安排，而並無造成本集團失去重大影響力或共同控制權），按此比例將累計匯兌差額重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

Retirement benefits costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, in accordance with the rules of the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

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 that obligation, and a reliable estimate 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).

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

外幣 (續)

於報告期末收購海外業務而產生之所購入可識別資產之商譽及公允值調整已按作為該海外業務之資產及負債處理，並按報告期末當時之匯率重新換算，所產生之匯兌差額於其他全面收益中確認。

退休福利成本

本集團根據強制性公積金計劃條例為符合資格參與強制性公積金退休福利計劃（「強積金計劃」）之僱員設立定額供款強積金計劃。供款乃根據僱員基本薪金之指定百分比計算，並於根據強積金計劃規則應付時自損益扣除。強積金計劃之資產與本集團之資產分開持有，並由獨立管理之基金管理。本集團之僱主供款將於對強積金計劃作出時根據強積金計劃規則全數撥歸僱員所有。

本集團在中國內地營運之附屬公司之僱員須參加當地政府管理之中央退休金計劃。該等附屬公司須向中央退休金計劃支付薪金成本之若干百分比作為供款。供款於根據中央退休金計劃規則應付時自損益扣除。

撥備

當本集團因過往事件而承擔現有責任（法定或推定），而本集團可能須履行該項責任及可以可靠地估計該項責任之金額時，則會確認撥備。

所確認撥備金額為於報告期末經計及有關責任之風險及不明朗因素後，對償付現有責任之所需代價之最佳估計。倘撥備使用償付現有責任之估計現金流量計量，則其賬面值為該等現金流量之現值（倘有關貨幣時間價值之影響屬重大）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

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 capitalisation.

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

Related parties

- (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 of 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.
- (b) An entity is related to the Group 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 an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity;

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

借貸成本

收購、建設或生產合資格資產 (指需要用上大量時間準備就緒以供擬定用途或銷售之資產) 直接應佔之借貸成本乃計入該等資產之成本, 直至該等資產差不多已準備就緒以供擬定用途或銷售為止。

特定借貸於撥作合資格資產之支出前用作短暫投資所賺取之投資收入, 會從合資格撥作資本之借貸成本中扣除。

所有其他借貸成本於產生期間於損益內確認。

關連人士

- (a) 倘屬以下人士, 即該人士或該人士之直系親屬與本集團有關連:
- (i) 控制或共同控制本集團;
 - (ii) 對本集團有重大影響; 或
 - (iii) 為本集團或本集團母公司的主要管理層成員。
- (b) 倘符合下列任何條件, 即實體與本集團有關連:
- (i) 該實體與本集團屬同一集團之成員公司 (即各母公司、附屬公司及同系附屬公司彼此間有關連);
 - (ii) 一間實體為另一實體之聯營公司或合營企業 (或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業);
 - (iii) 兩間實體均為同一第三方之合營企業;
 - (iv) 一間實體為第三方實體之合營企業, 而另一實體為該第三方實體之聯營公司;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies: (Continued)
- (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 Group is itself such a plan, the sponsoring employers are also related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (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 group's parent.

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:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependents of that person or that person's spouse or domestic partner.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 to the consolidated financial statements, 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 underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

3. 主要會計政策 (續)

關連人士 (續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：(續)
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連；
 - (vi) 實體受(a)所識別人士控制或受共同控制；
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員；或
 - (viii) 為本集團或本集團母公司提供主要管理人員服務的實體或其他集團中的任何成員。

一名人士之近親乃估計可影響該人士與實體進行交易或受其影響之家庭成員，並包括：

- (a) 該名人士之子女及配偶或家庭夥伴；
- (b) 該名人士之配偶或家庭夥伴之子女；及
- (c) 該名人士或該名人士之配偶或家庭夥伴之家屬。

4. 重要會計判斷及估計不明朗因素主要來源

於應用本集團之會計政策（於綜合財務報表附註3論述）時，董事須對資產及負債難於循其他途徑取得之賬面值作出判斷、估計及假設。該等估計及有關假設乃根據過往經驗及被視為相關的其他因素而作出。實際數字或會有別於估計數字。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The estimates and underlying assumptions are reviewed on an ongoing 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.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives and impairment assessment of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses. The estimation of useful lives impacts the level of annual depreciation expenses recorded. Property, plant and equipment are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the consolidated statement of profit or loss and other comprehensive income.

Impairment loss recognised in respect of trade receivables

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customers' current credit-worthiness, as determined by review of their current credit information. The Group continuously monitors collections and payments from its customers and reviews the recoverable amount of receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

As at 31 March 2018, the carrying amount of trade receivables was approximately HK\$240,259,000 (2017: HK\$217,897,000). During the year, there was no impairment loss arising on trade receivables (2017: HK\$Nil).

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

4. 重要會計判斷及估計不明朗因素主要來源 (續)

此等估計及相關假設乃持續作出評估。會計估計之變動如只影響即期，則有關影響於估計變動之即期確認。如該項會計估計之變動影響即期及以後期間，則有關影響於即期及以後期間確認。

估計不明朗因素主要來源

下列為關於未來之主要假設，以及於報告期末不明朗之其他主要估算來源，因而存在於下個財政年度對資產及負債賬面值作出重大調整之主要風險。

物業、廠房及設備的可使用年期及減值評估

物業、廠房及設備乃按成本減累計折舊及已識別減值虧損入賬。估計可用年期會對年度折舊開支水平造成影響。物業、廠房及設備按特定資產基準或類似組別資產（視適用情況而定）評估可能出現之減值。倘此評估過程顯示出現減值，則相關資產之賬面值會撇減至可收回金額，而撇減金額會自綜合損益及其他全面收益表內扣除。

就貿易應收款項確認之減值虧損

本集團對其客戶進行持續信用評估，並根據付款記錄及客戶當前之信貸情況（通過審核其當前信貸資料而釐定）調整信貸額度。本集團持續監察收款及其客戶之付款情況並檢討報告期末的應收款項之可回收金額，以確保就不可回收金額作出充足的減值虧損。

於二零一八年三月三十一日，貿易應收款項之賬面值約240,259,000港元（二零一七年：217,897,000港元）。於年內，貿易應收款項並無產生任何減值虧損（二零一七年：零港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Impairment loss recognised in respect of other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of 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.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, derivative financial instruments) is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5. CAPITAL RISK MANAGEMENT

The Group manages the capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remained unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through new share issues and share repurchases as well as the issue of new debts or the redemption of existing debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as borrowings divided by total equity.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

4. 重要會計判斷及估計不明朗因素主要來源 (續)

估計不明朗因素主要來源 (續)

就其他應收款項確認之減值虧損

當發現減值虧損之客觀證據時，本集團會考慮估計未來現金流量。減值虧損之金額以資產賬面值與以金融資產之原有實際利率（即按初步確認計算之實際利率）折現的估計未來現金流量現值（不包括未產生的未來信貸虧損）之差額計量。倘實際未來現金流量低於預期，則或會出現重大減值虧損。

金融工具之公允值

並非在活躍市場交易的金融工具（即衍生金融工具）之公允值乃使用估值技術計量。本集團主要根據各報告期末之現有市況使用其判斷選擇多種方法並作出假設。

5. 資本風險管理

本集團管理旗下資本以確保本集團之實體能夠持續經營，並透過優化債務及權益結餘為股東帶來最大回報。本集團之整體策略與去年維持不變。

本集團之資本結構包括現金及現金等價物及本公司擁有人應佔權益，當中包括已發行股本及儲備。

董事定期檢討資本結構。作為檢討一環，董事考慮資本成本及各類資本之相關風險。根據董事之推薦意見，本集團將透過發行新股、股份購回以及發行新債券或贖回現有債券等方式平衡整體資本結構。

本集團按照資產負債比率對資本進行監控。資產負債比率乃按借貸除以權益總額計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

5. CAPITAL RISK MANAGEMENT (CONTINUED)

The gearing ratio at 31 March 2018 and 2017 was as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------|--------|----------------------------------|----------------------------------|
| Convertible note | 可換股票據 | 24,417 | 54,777 |
| Total debt | 債務總額 | 24,417 | 54,777 |
| Total equity | 權益總額 | 385,882 | 377,254 |
| Debt to equity ratio | 資產負債比率 | 6.33% | 14.52% |

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

Financial assets

| | |
|--|---------------------|
| AFS financial assets | 可供出售金融資產 |
| Derivative financial instruments | 衍生金融工具 |
| 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) |

Financial liabilities

| | |
|------------------------------------|----------------|
| Convertible note at amortised cost | 可換股票據(按攤銷成本計量) |
| Derivative financial instruments | 衍生金融工具 |
| Other financial liabilities | 其他金融負債 |

金融資產

| | | |
|---------------------|---------|---------|
| 可供出售金融資產 | 29,447 | 11,095 |
| 衍生金融工具 | 869 | 3,187 |
| 貸款及應收款項(包括現金及現金等價物) | 373,826 | 450,478 |
| | 404,142 | 464,760 |

金融負債

| | | |
|----------------|--------|--------|
| 可換股票據(按攤銷成本計量) | 24,417 | 54,777 |
| 衍生金融工具 | 153 | 3,285 |
| 其他金融負債 | 7,424 | 27,154 |
| | 31,994 | 85,216 |

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

5. 資本風險管理(續)

於二零一八年及二零一七年三月三十一日之資產負債比率如下:

6. 金融工具

6a. 金融工具類別

The Group 本集團

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| | 29,447 | 11,095 |
| | 869 | 3,187 |
| | 373,826 | 450,478 |
| | 404,142 | 464,760 |
| | 24,417 | 54,777 |
| | 153 | 3,285 |
| | 7,424 | 27,154 |
| | 31,994 | 85,216 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6b. Financial risk management objectives and policies

The Group's major financial instruments include AFS financial assets, derivative financial instruments, trade and other receivables, loan receivables, pledged bank deposits, cash and cash equivalents, trade and other payables, bill receivables and convertible note. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and 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.

Foreign currency risk

The Group's foreign currency assets, liabilities and transactions are principally denominated in Chinese Renminbi ("RMB"). This currency is not the functional currency of the Group entities to which these balances relate. The Group is exposed to foreign currency risk arising from the movements in the exchange rates of RMB against the functional currencies of the Group entities. The Group manages its foreign currency risks by closely monitoring the movement of the foreign currency rates. Most of the Group's business transactions are denominated in HK\$ and RMB.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

| | Assets 資產 | | Liabilities 負債 | |
|------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| RMB 人民幣 | 269,270 | 220,326 | 1,728 | 21,857 |

The Group currently does not have a foreign currency hedging policy. However, the management will closely monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

6. 金融工具(續)

6b. 財務風險管理目標及政策

本集團之主要金融工具包括可供出售金融資產、衍生金融工具、貿易及其他應收款項、應收貸款、已抵押銀行存款、現金及現金等價物、貿易及其他應付款項、應收票據及可換股票據。該等金融工具詳情於有關附註內披露。有關金融工具之風險及減低該等風險之政策載列如下。管理層負責管理及監察有關風險，以確保推行適時有效之適當措施。

外幣風險

本集團之外幣資產、負債及交易主要以中國人民幣(「人民幣」)計值。該等貨幣並非與本集團實體結餘有關之功能貨幣。本集團面對人民幣兌本集團實體功能貨幣之匯率變動所產生之外幣風險。本集團透過密切監察外幣匯率變動管理其外幣風險。本集團大部分業務交易以港元及人民幣計值。

於報告日期，本集團以外幣計值之貨幣資產及貨幣負債之賬面值如下：

本集團目前並無制訂外幣對沖政策。然而，管理層將密切監察外匯風險，如有必要，亦將考慮對沖重大外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6b. Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

The Group is exposed to fluctuations in exchange rates of RMB. At 31 March 2018, if HK\$ had weakened/strengthened by 5% against RMB with all other variables held constant, other comprehensive expenses for the year would have been approximately HK\$13,377,000 (2017: HK\$9,923,000) lower/higher, profit or loss for the year would have been Nil (2017: Nil) lower/higher.

Interest rate risk

The Group was exposed to fair value interest rate risk in relation to fixed-rate loan receivables and fixed rate bank deposits. Details of the loan receivables and bank deposits are disclosed in notes 24 and 25 to the consolidated financial statements respectively. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

The Group is also exposed to cash flow interest rate risk. Since the Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets and liabilities except for the deposits in banks, details of which have been disclosed in note 25 to the consolidated financial statements, the cash flow interest rate risk is considered to be insignificant.

The Group currently does not have an interest rate hedging policy.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

6. 金融工具(續)

6b. 財務風險管理目標及政策(續)

外幣風險(續)

敏感度分析

本集團面對人民幣之匯率波動。於二零一八年三月三十一日，倘港元兌人民幣貶值／升值5%而所有其他變數維持不變，年內之其他全面開支將減少／增加約13,377,000港元(二零一七年：9,923,000港元)，年內之損益將減少／增加零(二零一七年：零)。

利率風險

本集團面臨有關定息應收貸款及定息銀行存款之公允值利率風險。應收貸款及銀行存款之詳情分別於綜合財務報表附註24及25披露。然而，管理層監管利率風險，並於預期出現重大利率風險時考慮採取其他所需行動。

本集團須承受之金融負債利率風險於本附註流動資金風險管理一節詳述。

本集團亦面臨現金流量利率風險。除銀行存款(其詳情於綜合財務報表附註25披露)外，本集團概無重大計息資產及負債，故本集團之收入及經營現金流幾乎不受市場利率變動之影響，現金流量利率風險微不足道。

本集團現時並無利率對沖政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6b. Financial risk management objectives and policies (Continued)

Credit risk

Credit risk refers to the risk that the counterparties will default on their obligations to repay the amounts owing to the Group, resulting in a loss to the Group. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations at end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

For general trading and trading of LNG products, the Group trades with recognised and creditworthy third parties. It is the Group's policy that all customers could trade on credit. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is contained. The Group reviews the recoverable amount of each individual customer at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Since the Group trades only with recognised and creditworthy third parties, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as approximately 43.45% (2017: 28.21%) and approximately 100% (2017: 97.75%) of the total trade receivables are due from the Group's largest customer and the five largest customers respectively. By geographical locations, concentration of credit risk is in the People's Republic of China ("PRC"), which accounted for 100% (2017: 100%) of the total trade receivables as at 31 March 2018.

Bank balances and deposit in financial institution are placed in various authorised institutions and the Directors consider the credit risk for such institution is minimal.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

6. 金融工具(續)

6b. 財務風險管理目標及政策(續)

信貸風險

信貸風險指對方未能履行彼等之承擔，償還結欠本集團之款項，從而令本集團蒙受虧損之風險。倘交易對手於財政年度完結時未能履行彼等之承擔，則本集團就每類已確認金融資產而須承受之最大信貸風險為已於綜合財務狀況表所載該等資產之賬面值。

就一般貿易及液化天然氣產品貿易而言，本集團與獲公認且信譽優良之第三方進行交易。本集團之政策為所有客戶均能進行信貸交易。此外，本集團按持續經營基準監控應收款項結餘，而本集團所承受之壞賬風險受到控制。本集團於報告期末檢討各個別客戶之可收回金額，以確保對不可收回金額作出適當之減值虧損。由於本集團僅與獲公認且信譽優良之第三方進行交易，董事認為，本集團之信貸風險大幅減低。

本集團的集中信貸風險分別為本集團最大客戶及五大客戶之貿易應收款項總額之約43.45% (二零一七年: 28.21%) 及約100% (二零一七年: 97.75%)。按地區之集中信貸風險來自中華人民共和國(「中國」)，其佔於二零一八年三月三十一日之貿易應收款項總額之100% (二零一七年: 100%)。

銀行結餘及金融機構存款存置於多個獲授權機構，而董事認為該等機構之信貸風險極低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6b. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level 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 following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has 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. The table includes both interest and principal cash flows.

| | | Weighted average effective interest rate | On demand or less than 1 month 按要 求 或 少 於 一 個 月 HK\$'000 千 港 元 | 1-3 months 一至三 個 月 HK\$'000 千 港 元 | 3 months to 1 year 三 個 月 至 一 年 HK\$'000 千 港 元 | More than 1 year 超 過 一 年 HK\$'000 千 港 元 | Total undiscounted cash flows 未 折 現 現 金 流 量 總 額 HK\$'000 千 港 元 | Carrying amount at 31 March 於 三 月 三 十 一 日 之 賬 面 值 HK\$'000 千 港 元 |
|---------------------------------------|-----------|--|--|--|---|---|---|---|
| 2018 | 二零一八年 | | | | | | | |
| Non-derivative financial liabilities: | 非衍生金融負債： | | | | | | | |
| Other financial liabilities | 其他金融負債 | - | 7,424 | - | - | - | 7,424 | 7,424 |
| Convertible note | 可換股票據 | 17.46% | 316 | 1,016 | 26,239 | - | 27,571 | 24,417 |
| Total | 總計 | | 7,740 | 1,016 | 26,239 | - | 34,995 | 31,841 |
| 2017 | 二零一七年 | | | | | | | |
| Non-derivative financial liabilities: | 非衍生金融負債： | | | | | | | |
| Other financial liabilities | 其他金融負債 | - | 27,154 | - | - | - | 27,154 | 27,154 |
| Convertible note | 可換股票據 | 17.46% | 699 | 2,238 | 6,141 | 65,484 | 74,562 | 54,777 |
| Total | 總計 | | 27,853 | 2,238 | 6,141 | 65,484 | 101,716 | 81,931 |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

6. 金融工具 (續)

6b. 財務風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險時，本集團會監督及維持現金及現金等價物處於管理層認為充足之水平，以撥付本集團之營運及減低現金流量波動之影響。

下表詳列本集團非衍生金融負債餘下之合約到期期限。下表乃按照金融負債之未折現現金流量以本集團可能須予償還之最早日期編製。下表包括利息及本金現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6c. Fair value measurement

(i) *Financial instruments carried at fair value*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

6. 金融工具(續)

6c. 公允值計量

(i) *按公允值列賬之金融工具*

下表載列於報告期末，按香港財務報告準則第13號公允值計量所界定分類為三層公允值等級呈列之按經常性基準計量之本集團金融工具之公允值。公允值計量分類之等級參照估值技術所用輸入數據之可觀察及重要程度釐定如下：

- 第一級估值：僅利用第一級輸入數據（即在活躍市場上相同資產或負債於計量日期之未經調整報價）計量之公允值。
- 第二級估值：利用第二級輸入數據（即不能符合第一級之可觀察輸入數據，亦非利用重大不可觀察輸入數據）計量之公允值。不可觀察輸入數據為無法取得市場數據之輸入數據。
- 第三級估值：利用重大不可觀察輸入數據計量之公允值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6c. Fair value measurement (Continued)

(i) Financial instruments carried at fair value (Continued)

Fair value of the Group's financial instruments, including AFS financial assets – listed equity securities, which are categorised into Level 1, are determined with reference to quoted market closing prices in an active market, and derivative financial instruments, which are categorised into Level 3 of the fair value hierarchy, were valued by the Directors with reference to valuation reports issued by Peak Vision Appraisals Limited, an independent professional valuer.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

6. 金融工具(續)

6c. 公允價值計量(續)

(i) 按公允價值列賬之金融工具(續)

本集團金融工具(包括分類為第一級之可供出售金融資產—上市股權證券)之公允價值乃參考活躍市場所報之收市價後釐定,而衍生金融工具(分類為第三級公允價值等級)乃由董事經參考由獨立專業估值師滙鋒評估有限公司發出之估值報告以估值。

| | | Fair value measurement as at 31 March 2018 categorised into 於二零一八年三月三十一日之 公允價值計量之分類 | | | |
|---|----------------------|--|-----------------------------------|-----------------------------------|------------|
| Fair value at 31 March 2018 於二零一八年 三月三十一日 之公允價值 HK\$'000 千港元 | | Level 1 第一級 HK\$'000 千港元 | Level 2 第二級 HK\$'000 千港元 | Level 3 第三級 HK\$'000 千港元 | |
| Financial assets: | 金融資產: | | | | |
| AFS financial assets – listed equity securities | 可供出售金融資產 – 上市股權證券 | 26,765 | 26,765 | – | – |
| Derivative financial instruments | 衍生金融工具 | 869 | – | – | 869 |
| | | 27,634 | 26,765 | – | 869 |
| Financial liability: | 金融負債: | | | | |
| Derivative financial instruments | 衍生金融工具 | 153 | – | – | 153 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6c. Fair value measurement (Continued)

(i) Financial instruments carried at fair value (Continued)

| | | Fair value at 31 March 2017 於二零一七年 三月三十一日 之公允值 HK\$'000 千港元 | Level 1 第一級 HK\$'000 千港元 | Level 2 第二級 HK\$'000 千港元 | Level 3 第三級 HK\$'000 千港元 |
|----------------------------------|--------------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Financial assets: | 金融資產： | | | | |
| AFS financial assets | 可供出售金融資產 | | | | |
| – listed equity securities | – 上市股權證券 | 11,095 | 11,095 | – | – |
| Derivative financial instruments | 衍生金融工具 | 3,187 | – | – | 3,187 |
| | | 14,282 | 11,095 | – | 3,187 |
| Financial liability: | 金融負債： | | | | |
| Derivative financial instruments | 衍生金融工具 | 3,285 | – | – | 3,285 |

During the years ended 31 March 2018 and 2017, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至二零一八年及二零一七年三月三十一日止年度，第一級及第二級之間概無轉移，或概無轉入或轉出第三級。本集團之政策為於公允價值架構級別間之轉移所出現之報告期末確認有關轉移。

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

6. 金融工具 (續)

6c. 公允值計量 (續)

(i) 按公允值列賬之金融工具 (續)

Fair value measurement
as at 31 March 2017 categorised into
於二零一七年三月三十一日之
公允值計量之分類

| | | Fair value at 31 March 2017 於二零一七年 三月三十一日 之公允值 HK\$'000 千港元 | Level 1 第一級 HK\$'000 千港元 | Level 2 第二級 HK\$'000 千港元 | Level 3 第三級 HK\$'000 千港元 |
|----------------------------------|--------------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Financial assets: | 金融資產： | | | | |
| AFS financial assets | 可供出售金融資產 | | | | |
| – listed equity securities | – 上市股權證券 | 11,095 | 11,095 | – | – |
| Derivative financial instruments | 衍生金融工具 | 3,187 | – | – | 3,187 |
| | | 14,282 | 11,095 | – | 3,187 |
| Financial liability: | 金融負債： | | | | |
| Derivative financial instruments | 衍生金融工具 | 3,285 | – | – | 3,285 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6c. Fair value measurement (Continued)

(i) Financial instruments carried at fair value (Continued)

Information about fair value measurements in financial instruments.

| | Fair value hierarchy 公允價值級別 | Valuation techniques 估值技術 | Significant unobservable input 重大不可觀察輸入 |
|---|--------------------------------|--|--|
| Financial assets: 金融資產 | | | |
| Derivative financial instruments 衍生金融工具 | Level 3 第三級 | Partial differential equation method 偏微分方法 | Volatility 波幅 |
| Equity securities listed in Hong Kong 於香港上市之股權證券 | Level 1 第一級 | Quoted market closing prices in active market 於活躍市場所報之收市價 | N/A 不適用 |
| Equity securities listed in Shanghai 於上海上市之股權證券 | Level 1 第一級 | Quoted market closing prices in active market 於活躍市場所報之收市價 | N/A 不適用 |
| Financial liability: 金融負債： | | | |
| Derivative financial instruments 衍生金融工具 | Level 3 第三級 | Partial differential equation method 偏微分方法 | Credit spread 信貸息差 |

The fair value measurement of derivative financial instruments in financial assets is positively correlated to the volatility. It is estimated that with all other variables held constant, an increase/decrease of 10% points in volatility would increase/decrease the carrying amount by approximately HK\$292,000/HK\$263,000 (2017: HK\$1,130,000/HK\$1,125,000).

The fair value measurement of derivative financial instruments in financial liabilities is positively correlated to the credit spread. It is estimated that with all other variables held constant, an increase/decrease of 10% points in credit spread would increase/decrease the carrying amount by approximately HK\$50,000/HK\$46,000 (2017: HK\$118,000/HK\$277,000).

金融資產中衍生金融工具之公允價值計量與波幅有正面相互關係。倘所有其他變數維持不變，預計波幅增加／減少10%將導致賬面值增加／減少約292,000港元／263,000港元（二零一七年：1,130,000港元／1,125,000港元）。

金融負債中衍生金融工具之公允價值計量與信貸息差有正面相互關係。倘所有其他變數維持不變，預計信貸息差增加／減少10%將導致賬面值增加／減少約50,000港元／46,000港元（二零一七年：118,000港元／277,000港元）。

綜合財務報表附註（續）

截至二零一八年三月三十一日止年度

6. 金融工具（續）

6c. 公允價值計量（續）

(i) 按公允價值列賬之金融工具（續）

有關金融工具之公允價值計量之資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6c. Fair value measurement (Continued)

(i) Financial instruments carried at fair value (Continued)

The following table presents the change in Level 3 fair value measurements for the year ended 31 March 2018:

Financial asset

| | |
|---------------------------------------|--------------|
| At 1 April 2017 | 於二零一七年四月一日 |
| Loss arising on changes of fair value | 公允值變動產生之虧損 |
| At 31 March 2018 | 於二零一八年三月三十一日 |

Financial liability

| | |
|---------------------------------------|--------------|
| At 1 April 2017 | 於二零一七年四月一日 |
| Gain arising on changes of fair value | 公允值變動產生之收益 |
| At 31 March 2018 | 於二零一八年三月三十一日 |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

6. 金融工具 (續)

6c. 公允值計量 (續)

(i) 按公允值列賬之金融工具 (續)

下表呈列截至二零一八年三月三十一日止年度第三級公允值計量之變動：

金融資產

| Derivative financial instruments 衍生金融工具 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------------------------|
| 3,187 | 3,187 |
| (2,318) | (2,318) |
| 869 | 869 |

金融負債

| Derivative financial instruments 衍生金融工具 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------------------------|
| 3,285 | 3,285 |
| (3,132) | (3,132) |
| 153 | 153 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6c. Fair value measurement (Continued)

(i) Financial instruments carried at fair value (Continued)

The following table presents the change in Level 3 fair value measurements for the year ended 31 March 2017:

Financial assets

| | | Derivative financial instruments | Financial assets at FVTPL 透過損益 按公允 計量之 金融資產 | Total |
|--|--------------|--|---|-----------------------|
| | | 衍生 金融工具 HK\$'000 千港元 | 金融資產 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 April 2016 | 於二零一六年四月一日 | 8,618 | 9,306 | 17,924 |
| Disposals | 出售 | - | (9,306) | (9,306) |
| Loss arising on changes of fair value | 公允價值變動產生之虧損 | (5,431) | - | (5,431) |
| At 31 March 2017 | 於二零一七年三月三十一日 | 3,187 | - | 3,187 |

Financial liability

| | | Derivative financial instruments | Total |
|--|--------------|--|-----------------------|
| | | 衍生 金融工具 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 April 2016 | 於二零一六年四月一日 | 5,422 | 5,422 |
| Gain arising on changes of fair value | 公允價值變動產生之收益 | (2,137) | (2,137) |
| At 31 March 2017 | 於二零一七年三月三十一日 | 3,285 | 3,285 |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

6. 金融工具 (續)

6c. 公允價值計量 (續)

(i) 按公允價值列賬之金融工具 (續)

下表呈列截至二零一七年三月三十一日止年度第三級公允價值計量之變動：

金融資產

| | Derivative financial instruments | Financial assets at FVTPL 透過損益 按公允 計量之 金融資產 | Total |
|--|--|---|-----------------------|
| | 衍生 金融工具 HK\$'000 千港元 | 金融資產 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 April 2016 | 8,618 | 9,306 | 17,924 |
| Disposals | - | (9,306) | (9,306) |
| Loss arising on changes of fair value | (5,431) | - | (5,431) |
| At 31 March 2017 | 3,187 | - | 3,187 |

金融負債

| | Derivative financial instruments | Total |
|--|--|-----------------------|
| | 衍生 金融工具 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 April 2016 | 5,422 | 5,422 |
| Gain arising on changes of fair value | (2,137) | (2,137) |
| At 31 March 2017 | 3,285 | 3,285 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

6. FINANCIAL INSTRUMENTS (CONTINUED)

6c. Fair value measurement (Continued)

(ii) *Fair values of financial instruments that are not measured at fair value (but fair value disclosures are required)*

In respect of trade and other receivables, loan receivables, bill receivables, cash and cash equivalents and trade and other payables, the carrying amounts approximate their fair value due to the relatively short-term nature of these financial instruments.

7. REVENUE

An analysis of the Group's revenue for the year is as follows:

| | |
|---|------------|
| Sales of goods in general trading | 一般貿易出售之貨物 |
| Handling fee income from factoring services | 保理服務之手續費收入 |
| Trading of LNG products | 液化天然氣產品貿易 |
| Interest income from money lending business | 放貸業務之利息收入 |

8. SEGMENT INFORMATION

The Group's operating segments represent information reported to the Board of Directors ("Board"), being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focus on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

6. 金融工具(續)

6c. 公允值計量(續)

(ii) *並非按公允值列賬之金融工具之公允值(惟公允值須予披露)*

就貿易及其他應收款項、應收貸款、應收票據、現金及現金等價物以及貿易及其他應付款項，由於該等金融工具之相對短期性質使然，賬面值與其公允值相若。

7. 收益

本集團本年度收益分析如下：

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 328,009 | 266,068 |
| – | 704 |
| 162,209 | 270,659 |
| 828 | 2,843 |
| 491,046 | 540,274 |

8. 分類資料

本集團之經營分類乃根據向董事會(「董事會」)(即主要營運決策者)為資源分配及評估分類表現而報告之資料(集中於所交付或提供之貨品或服務種類)而釐定。主要營運決策者於設定本集團之可報告分類時並無彙合所識別之經營分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

8. SEGMENT INFORMATION (CONTINUED)

The Group's operating and reportable segments under HKFRS 8 are as follows:

- (a) General trading (including market sourcing of technical and electronic products)
- (b) Trading of LNG products
- (c) Investment in financial assets
- (d) Money lending
- (e) Provision of factoring services

The segment information reported does not include any amounts for an operating segment regarding the provision of management services which generated less than 10% of the total revenue for both years.

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 March 2018

| | | General trading | Trading of LNG products 液化天然氣產品貿易 | Investment in financial assets 投資於金融資產 | Money lending 放貸 | Provision of factoring services 提供保理服務 | Total 總計 |
|------------------------------------|------------|-----------------|--------------------------------------|---|---------------------|---|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| SEGMENT REVENUE | 分類收益 | 328,009 | 162,209 | - | 828 | - | 491,046 |
| SEGMENT RESULTS | 分類業績 | 6,428 | 3,792 | (18) | 828 | - | 11,030 |
| Unallocated corporate income | 未分配公司收入 | | | | | | 25,968 |
| Unallocated corporate expenses | 未分配公司開支 | | | | | | (36,271) |
| Share of loss in an associate | 應佔一間聯營公司虧損 | | | | | | (809) |
| Share of profit in a joint venture | 應佔一間合營企業溢利 | | | | | | 6 |
| Loss before tax | 除稅前虧損 | | | | | | (76) |
| Income tax expense | 所得稅開支 | | | | | | (4,312) |
| Loss for the year | 本年度虧損 | | | | | | (4,388) |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

8. 分類資料 (續)

根據香港財務報告準則第8號，本集團之經營及可報告分類如下：

- (a) 一般貿易 (包括市場採購技術及電子產品)
- (b) 液化天然氣產品貿易
- (c) 投資於金融資產
- (d) 放貸
- (e) 提供保理服務

所呈報之分類資料並不包括有關於兩個年度產生之收益少於總收益之10%之提供管理服務之經營分部之任何數額。

分類收益及業績

本集團之收益及業績按可報告分類作出之分析如下。

截至二零一八年三月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

8. SEGMENT INFORMATION (CONTINUED)

Segment Revenue and Results (Continued)

For the year ended 31 March 2017

| | | General trading | Trading of LNG products 液化天然氣 一般貿易 | Investment in financial assets 投資於金融資產 | Money lending 放貸 | Provision of factoring services 提供保理服務 | Total |
|--------------------------------|-------------|-----------------|--|---|---------------------|---|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| SEGMENT REVENUE | 分類收益 | 266,068 | 270,659 | - | 2,843 | 704 | 540,274 |
| SEGMENT RESULTS | 分類業績 | 5,213 | 3,417 | (894) | 4,373 | 704 | 12,813 |
| Unallocated corporate income | 未分配公司收入 | | | | | | 1,254 |
| Unallocated corporate expenses | 未分配公司開支 | | | | | | (26,951) |
| Loss before tax | 除稅前虧損 | | | | | | (12,884) |
| Income tax credit | 所得稅抵免 | | | | | | 581 |
| Loss for the year | 本年度虧損 | | | | | | (12,303) |

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2017: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3 to consolidated financial statements. Segment (loss) profit represents the (loss) profit from each segment without allocation of finance costs, part of other income, part of other gains and losses and central administration costs including staff costs, Directors' emoluments and other expenses. This is the measure reported to the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

8. 分類資料(續)

分類收益及業績(續)

截至二零一七年三月三十一日止年度

上文呈報之分類收益指來自外部客戶之收益。本年度並無分類間銷售(二零一七年:無)。

可報告分類之會計政策與綜合財務報表附註3所述本集團之會計政策相同。分類(虧損)溢利指各分類在未分配融資成本、部分其他收入、部分其他收益及虧損以及中央管理費用(包括員工成本、董事薪金及其他開支)前之(虧損)溢利。此乃為資源分配及評估分類表現而報告予主要營運決策者之措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

8. SEGMENT INFORMATION (CONTINUED)

Segment Assets and Liabilities

As at 31 March 2018

ASSETS

Segment assets
Unallocated segment assets

Consolidated assets

LIABILITIES

Segment liabilities
Unallocated segment liabilities

Consolidated liabilities

資產

分類資產
未分配分類資產

綜合資產

負債

分類負債
未分配分類負債

綜合負債

As at 31 March 2017

ASSETS

Segment assets
Unallocated segment assets

Consolidated assets

LIABILITIES

Segment liabilities
Unallocated segment liabilities

Consolidated liabilities

資產

分類資產
未分配分類資產

綜合資產

負債

分類負債
未分配分類負債

綜合負債

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

8. 分類資料 (續)

分類資產及負債

於二零一八年三月三十一日

| General trading | Trading of LNG products | Investment in financial assets | Money lending | Provision of factoring services | Total |
|-----------------|-------------------------|--------------------------------|---------------|---------------------------------|----------|
| 一般貿易 | 液化天然氣產品貿易 | 投資於金融資產 | 放貸 | 提供保理服務 | 總計 |
| 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 |
| 174,736 | 66,298 | 58,402 | - | - | 299,436 |
| | | | | | 124,672 |
| | | | | | 424,108 |
| - | (356) | - | - | - | (356) |
| | | | | | (37,870) |
| | | | | | (38,226) |

於二零一七年三月三十一日

| General trading | Trading of LNG products | Investment in financial assets | Money lending | Provision of factoring services | Total |
|-----------------|-------------------------|--------------------------------|---------------|---------------------------------|----------|
| 一般貿易 | 液化天然氣產品貿易 | 投資於金融資產 | 放貸 | 提供保理服務 | 總計 |
| 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 |
| 151,535 | 66,362 | 50,010 | 10,512 | - | 278,419 |
| | | | | | 187,556 |
| | | | | | 465,975 |
| - | (21,583) | - | - | - | (21,583) |
| | | | | | (67,138) |
| | | | | | (88,721) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

8. SEGMENT INFORMATION (CONTINUED)

Segment Assets and Liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments, other than derivative financial instruments, part of cash and cash equivalents, property, plant and equipment and certain other receivables which cannot be allocated into these reportable segments.
- all liabilities are allocated to reportable segments, other than convertible note, derivative financial instruments, tax liabilities and certain other payables which cannot be allocated into reportable segments.

Other segment information

As at 31 March 2018

| | | | | | | | |
|---|-----------------|---|---|----|---|----------|----------|
| Depreciation and amortisation | 折舊及攤銷 | - | - | - | - | 148 | 148 |
| Fair value gain on derivative component of convertible note | 可換股票據衍生部分之公允值收益 | - | - | - | - | (814) | (814) |
| Finance cost | 融資成本 | - | - | - | - | 5,522 | 5,522 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | - | - | - | - | (7) | (7) |
| Gain on redemption of convertible note | 贖回可換股票據之收益 | - | - | - | - | (21,527) | (21,527) |
| Impairment loss on AFS financial assets | 可供出售金融資產之減值虧損 | - | - | 18 | - | - | 18 |
| Interest income from banks and financial institution | 來自銀行及金融機構之利息收入 | - | - | - | - | (83) | (83) |
| Interests in a joint venture | 於一間合營企業之權益 | - | - | - | - | 18,744 | 18,744 |
| Interests in an associate | 於一間聯營公司之權益 | - | - | - | - | 410 | 410 |
| Loss on deregistration of a subsidiary | 取消註冊一間附屬公司之虧損 | - | - | - | - | 2,396 | 2,396 |
| Loss on recognition of convertible note amendment | 確認可換股票據修訂之虧損 | - | - | - | - | 16,016 | 16,016 |
| Write-off of property, plant and equipment | 物業、廠房及設備撇銷 | - | - | - | - | 2 | 2 |

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

8. 分類資料(續)

分類資產及負債(續)

就監控分類表現及在分類間分配資源而言：

- 除衍生金融工具、部分現金及現金等價物、物業、廠房及設備以及若干其他應收款項不可分配於可報告分類外，所有資產均分配於可報告分類中。
- 除可換股票據、衍生金融工具、稅項負債及若干其他應付款項不可分配於可報告分類中，所有負債均分配於可報告分類中。

其他分類資料

於二零一八年三月三十一日

| General trading | Trading of LNG products | Investment in financial assets | Money lending | Provision of factoring services | Unallocated | Total |
|-----------------|-------------------------|--------------------------------|---------------|---------------------------------|-------------|----------|
| 一般貿易 | 液化天然氣產品貿易 | 投資於金融資產 | 放貸 | 提供保理服務 | 未分配 | 總計 |
| 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 |
| - | - | - | - | - | 148 | 148 |
| - | - | - | - | - | (814) | (814) |
| - | - | - | - | - | 5,522 | 5,522 |
| - | - | - | - | - | (7) | (7) |
| - | - | - | - | - | (21,527) | (21,527) |
| - | - | 18 | - | - | - | 18 |
| - | - | - | - | - | (83) | (83) |
| - | - | - | - | - | 18,744 | 18,744 |
| - | - | - | - | - | 410 | 410 |
| - | - | - | - | - | 2,396 | 2,396 |
| - | - | - | - | - | 16,016 | 16,016 |
| - | - | - | - | - | 2 | 2 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

8. SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

As at 31 March 2017

| | | General trading | Trading of LNG products 液化天然氣產品貿易 | Investment in financial assets 投資於金融資產 | Money lending 放貸 | Provision of factoring services 提供保理服務 | Unallocated 未分配 | Total 總計 |
|---|-------------------------|-----------------|--------------------------------------|---|---------------------|---|--------------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Addition to property, plant and equipment | 添置物業、廠房及設備 | - | - | - | - | - | 178 | 178 |
| Depreciation and amortisation | 折舊及攤銷 | - | - | - | - | - | 177 | 177 |
| Fair value loss on derivative component of convertible note | 可換股票據衍生部分之公允價值虧損 | - | - | - | - | - | 3,294 | 3,294 |
| Finance cost | 融資成本 | - | - | - | - | - | 8,447 | 8,447 |
| Impairment loss on other receivables | 其他應收款項之減值虧損 | - | - | - | - | - | 163 | 163 |
| Interest income from banks and financial institution | 來自銀行及金融機構之利息收入 | - | - | - | - | - | (684) | (684) |
| Net loss on disposal of financial asset at FVTPL | 出售透過損益按公允價值計量之金融資產之虧損淨額 | - | - | 1,194 | - | - | - | 1,194 |
| Reversal of impairment loss on loan receivables | 應收貸款減值虧損撥回 | - | - | - | (1,530) | - | - | (1,530) |
| Write-off of property, plant and equipment | 物業、廠房及設備撇銷 | - | - | - | - | - | 23 | 23 |

Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of the assets are disclosed below:

| | |
|-----------|----|
| The PRC | 中國 |
| Hong Kong | 香港 |

* Non-current assets exclude AFS financial assets

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

8. 分類資料 (續)

其他分類資料 (續)

於二零一七年三月三十一日

地區資料

本集團按業務所在地區劃分之來自外部客戶之收益及按資產所在地區劃分之其非流動資產之資料披露如下：

| Revenue from external customers 來自外部客戶之收益 | | Non-current assets* 非流動資產* | |
|---|---|----------------------------------|----------------------------------|
| Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度 HK\$'000 千港元 | Year ended 31 March 2017 截至 二零一七年 三月三十一日 止年度 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| 490,218 | 537,742 | 19,487 | 423 |
| 828 | 2,532 | 47 | 69 |
| 491,046 | 540,274 | 19,534 | 492 |

* 非流動資產不包括可供出售金融資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

8. SEGMENT INFORMATION (CONTINUED)

Information on major customer

Revenue from customers contributing over 10% of the total revenue of the corresponding years for the Group from continuing business is as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | Percentage of revenue 收益百分比 | 2017 二零一七年 HK\$'000 千港元 | Percentage of revenue 收益百分比 |
|-------------------------|------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Customer A | 客戶甲 | 188,887 | 38.47% | 61,708 | 11.42% |
| Customer B | 客戶乙 | 158,543 | 32.29% | 184,539 | 34.16% |
| Customer C ¹ | 客戶丙 ¹ | 72,415 | 14.75% | 44,202 | 8.18% |
| Customer D ² | 客戶丁 ² | 66,706 | 13.58% | - | - |
| Customer E ³ | 客戶戊 ³ | - | - | 91,207 | 16.88% |
| Customer F ³ | 客戶己 ³ | - | - | 84,382 | 15.62% |
| Customer G ³ | 客戶庚 ³ | - | - | 68,951 | 12.76% |

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group in 2017

² Customer D is a new customer for the year ended 31 March 2018

³ The corresponding revenue did not contribute over 10% of the total revenue of the Group in 2018

9. OTHER INCOME

| | |
|--|----------------|
| Interest income from banks and financial institution | 來自銀行及金融機構之利息收入 |
| Dividend income | 股息收入 |
| Sundries | 雜項 |
| Consultancy fee | 諮詢費 |
| Exchange gain | 匯兌收益 |
| Other refund | 其他退款 |

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 83 | 684 |
| - | 300 |
| 37 | 2 |
| 3,364 | 294 |
| - | 107 |
| 137 | 167 |
| 3,621 | 1,554 |

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

8. 分類資料(續)

有關主要客戶之資料

於相關年度對本集團持續業務之收益總額貢獻超過10%的客戶之收益如下:

¹ 於二零一七年,有關收益佔本集團收益總額不超過10%

² 客戶丁為截至二零一八年三月三十一日止年度之一位新客戶

³ 於二零一八年,有關收益佔本集團收益總額不超過10%

9. 其他收入

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

10. OTHER GAINS AND LOSSES

| | |
|--|----------------------|
| Fair value gain (loss) on derivative component of convertible note | 可換股票據衍生部分之公允值收益(虧損) |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 |
| Gain on redemption of convertible note | 贖回可換股票據之收益 |
| Impairment loss on AFS financial assets at cost less impairment | 按成本減減值之可供出售金融資產之減值虧損 |
| Impairment loss on other receivables | 其他應收款項之減值虧損 |
| Loss on deregistration of a subsidiary | 取消註冊一間附屬公司之虧損 |
| Loss on recognition of convertible note amendment | 確認可換股票據修訂之虧損 |
| Reversal of impairment loss on loan receivables | 應收貸款之減值虧損撥回 |
| Write-off of property, plant and equipment | 物業、廠房及設備撇銷 |

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

10. 其他收益及虧損

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 814 | (3,294) |
| 7 | - |
| 21,527 | - |
| (18) | - |
| - | (163) |
| (2,396) | - |
| (16,016) | - |
| - | 1,530 |
| (2) | (23) |
| 3,916 | (1,950) |

11. FINANCE COSTS

| | |
|--|--------------|
| Effective interest expense on convertible note | 可換股票據之實際利息開支 |
|--|--------------|

11. 融資成本

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 5,522 | 8,447 |

12. INCOME TAX EXPENSE (CREDIT)

| | |
|---|------------------|
| PRC Enterprise Income Tax ("EIT") | 中國企業所得稅(「企業所得稅」) |
| - Current | - 即期 |
| - Under (over) provision in prior years | - 過往年度撥備不足(超額撥備) |

12. 所得稅開支(抵免)

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 1,881 | 2,283 |
| 2,431 | (2,864) |
| 4,312 | (581) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

12. INCOME TAX EXPENSE (CREDIT) (CONTINUED)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax had been made as the Group did not generate any assessable profits in Hong Kong for both years.

Under the Laws of the PRC on Enterprise Income Tax (“EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years.

The income tax expense (credit) for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| Loss before tax | 除稅前虧損 | (76) | (12,884) |
| Taxation at domestic income tax rate of 16.5% (2017: 16.5%) | 按本地所得稅稅率16.5% (二零一七年: 16.5%) 計算之稅項 | (13) | (2,126) |
| Effect of different tax rates of subsidiaries operating in other jurisdiction | 其他司法權區經營之附屬公司之不同稅率之影響 | 311 | 514 |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅開支之稅項影響 | 85,768 | 5,715 |
| Tax effect of income not taxable for tax purpose | 非課稅收入之稅項影響 | (85,374) | (4,634) |
| Tax effect of temporary differences not recognised | 未確認之暫時差額之稅項影響 | 3 | (9) |
| Over (under) provision in respect of prior years | 過往年度超額撥備 (撥備不足) | 2,431 | (2,864) |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅項影響 | 1,186 | 2,823 |
| Income tax expense (credit) for the year | 本年度所得稅開支 (抵免) | 4,312 | (581) |

At 31 March 2018, the Group had estimated tax losses of approximately HK\$151,103,000 (2017: HK\$143,275,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

12. 所得稅開支 (抵免) (續)

兩個年度內的香港利得稅乃就估計應課稅溢利按16.5%計稅。由於兩個年度內並無於香港產生任何應課稅溢利，故本集團並無撥備香港利得稅。

根據中國企業所得稅法 (「企業所得稅法」) 及企業所得稅法實施條例，中國之附屬公司於兩個年度內之稅率均為25%。

本年度之所得稅開支 (抵免) 與綜合損益及其他全面收益表內所列之除稅前虧損對賬如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| Loss before tax | 除稅前虧損 | (76) | (12,884) |
| Taxation at domestic income tax rate of 16.5% (2017: 16.5%) | 按本地所得稅稅率16.5% (二零一七年: 16.5%) 計算之稅項 | (13) | (2,126) |
| Effect of different tax rates of subsidiaries operating in other jurisdiction | 其他司法權區經營之附屬公司之不同稅率之影響 | 311 | 514 |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅開支之稅項影響 | 85,768 | 5,715 |
| Tax effect of income not taxable for tax purpose | 非課稅收入之稅項影響 | (85,374) | (4,634) |
| Tax effect of temporary differences not recognised | 未確認之暫時差額之稅項影響 | 3 | (9) |
| Over (under) provision in respect of prior years | 過往年度超額撥備 (撥備不足) | 2,431 | (2,864) |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅項影響 | 1,186 | 2,823 |
| Income tax expense (credit) for the year | 本年度所得稅開支 (抵免) | 4,312 | (581) |

於二零一八年三月三十一日，本集團可用作抵扣未來溢利之估計稅項虧損約151,103,000港元 (二零一七年: 143,275,000港元)。由於未能估計未來溢利流量，因此並無確認遞延稅項資產。估計稅項虧損或會無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

13. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting) the following items:

| | |
|--|-----------------------|
| Staff costs (including Directors' emoluments) | 員工成本 (包括董事酬金) |
| Salaries and allowance | 薪金及津貼 |
| Retirement benefits scheme contributions | 退休福利計劃之供款 |
| Auditor's remuneration | 核數師酬金 |
| – audit services | – 審計服務 |
| – other services | – 其他服務 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 |
| Net exchange loss | 匯兌淨虧損 |
| Fair value (gain) loss on derivative component of convertible note | 可換股票據衍生部分之公允值 (收益) 虧損 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 |
| Gain on redemption of convertible note | 贖回可換股票據之收益 |
| Impairment loss on AFS financial assets at cost less impairment | 按成本減減值之可供出售金融資產之減值虧損 |
| Legal and professional fees | 法律及專業費用 |
| Loss on deregistration of a subsidiary | 取消註冊一間附屬公司之虧損 |
| Loss on recognition of convertible note amendment | 確認可換股票據修訂之虧損 |
| Operating lease charges in respect of rented premises | 租賃物業之經營租約費用 |
| Write-off of property, plant and equipment | 物業、廠房及設備撇銷 |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

13. 本年度虧損

本年度虧損已扣除 (計入) 以下項目:

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 3,980 | 4,638 |
| 93 | 114 |
| 4,073 | 4,752 |
| 490 | 425 |
| 75 | 700 |
| 148 | 177 |
| 414 | – |
| (814) | 3,294 |
| (7) | – |
| (21,527) | – |
| 18 | – |
| 1,592 | 2,753 |
| 2,396 | – |
| 16,016 | – |
| 1,209 | 2,354 |
| 2 | 23 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENT

(a) Directors' emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable GEM Listing Rules and the CO, is as follows:

For the year ended 31 March 2018

| Executive Directors: | 執行董事: |
|---|--------------------|
| Mr. Chen Haining (Chief Executive Officer) | 陳海寧先生 (行政總裁) |
| Ms. Wu Hongying | 吳紅英女士 |
| Independent non-executive Directors: | 獨立非執行董事: |
| Mr. Ko Ming Tung, Edward ¹ | 高明東先生 ¹ |
| Mr. Leung Fu Hang ² | 梁富衡先生 ² |
| Mr. Yau Chi Ming ³ | 丘志明先生 ³ |
| Mr. Luk Chi Shing ⁴ | 陸志成先生 ⁴ |
| Mr. Chen Liang | 陳亮先生 |

- ¹ Resigned on 14 August 2017
² Appointed on 14 August 2017
³ Resigned on 19 January 2018
⁴ Appointed on 1 February 2018

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

14. 董事及行政總裁的酬金

(a) 董事酬金

根據適用之《GEM上市規則》及公司條例披露之董事及行政總裁年內酬金如下:

截至二零一八年三月三十一日止年度

| Fees | Salaries, housing allowances and other benefits 薪金、房屋津貼及其他福利 | Discretionary bonus 酌情花紅 | Contribution to retirement benefits scheme 退休福利計劃供款 | Total emoluments |
|-----------------------|---|-----------------------------|--|-------------------------|
| 袍金 HK\$'000 千港元 | 薪金、房屋津貼及其他福利 HK\$'000 千港元 | 酌情花紅 HK\$'000 千港元 | 退休福利計劃供款 HK\$'000 千港元 | 酬金總額 HK\$'000 千港元 |
| - | 960 | - | - | 960 |
| - | 285 | - | - | 285 |
| 54 | - | - | - | 54 |
| 91 | - | - | - | 91 |
| 115 | - | - | - | 115 |
| 24 | - | - | - | 24 |
| 144 | - | - | - | 144 |
| 428 | 1,245 | - | - | 1,673 |

- ¹ 於二零一七年八月十四日辭任
² 於二零一七年八月十四日獲委任
³ 於二零一八年一月十九日辭任
⁴ 於二零一八年二月一日獲委任

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENT (CONTINUED)

(a) Directors' emoluments (Continued)

For the year ended 31 March 2017

| | | Fees | Salaries, housing allowances and other benefits 薪金、房屋津貼及其他福利 | Discretionary bonus 酌情花紅 | Contribution to retirement benefits scheme 退休福利計劃供款 | Total emoluments 酬金總額 |
|--|------------------------------|-----------------|---|-----------------------------|--|--------------------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Executive Directors: | 執行董事: | | | | | |
| Mr. Cai Da ¹ | 蔡達先生 ¹ | - | 26 | - | - | 26 |
| Mr. Chen Haining ² (Chief Executive Officer) | 陳海寧先生 ² (行政總裁) | - | 859 | - | - | 859 |
| Ms. Yik Fong Fong ³ | 易芳芳女士 ³ | - | 651 | - | 4 | 655 |
| Ms. Wu Hongying | 吳紅英女士 | - | 502 | - | - | 502 |
| Independent non-executive Directors: | 獨立非執行董事: | | | | | |
| Mr. To Ka Ho ³ | 杜嘉豪先生 ³ | 53 | - | - | - | 53 |
| Mr. Yau Chi Ming ⁴ | 丘志明先生 ⁴ | 92 | - | - | - | 92 |
| Mr. Ko Ming Tung, Edward | 高明東先生 | 144 | - | - | - | 144 |
| Mr. Chen Liang | 陳亮先生 | 144 | - | - | - | 144 |
| | | 433 | 2,038 | - | 4 | 2,475 |

¹ Resigned on 9 May 2016

² Appointed on 9 May 2016

³ Resigned on 12 August 2016

⁴ Appointed on 12 August 2016

¹ 於二零一六年五月九日辭任

² 於二零一六年五月九日獲委任

³ 於二零一六年八月十二日辭任

⁴ 於二零一六年八月十二日獲委任

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

14. 董事及行政總裁的酬金 (續)

(a) 董事酬金 (續)

截至二零一七年三月三十一日止年度

| | | Fees | Salaries, housing allowances and other benefits 薪金、房屋津貼及其他福利 | Discretionary bonus 酌情花紅 | Contribution to retirement benefits scheme 退休福利計劃供款 | Total emoluments 酬金總額 |
|--|------------------------------|-----------------|---|-----------------------------|--|--------------------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Executive Directors: | 執行董事: | | | | | |
| Mr. Cai Da ¹ | 蔡達先生 ¹ | - | 26 | - | - | 26 |
| Mr. Chen Haining ² (Chief Executive Officer) | 陳海寧先生 ² (行政總裁) | - | 859 | - | - | 859 |
| Ms. Yik Fong Fong ³ | 易芳芳女士 ³ | - | 651 | - | 4 | 655 |
| Ms. Wu Hongying | 吳紅英女士 | - | 502 | - | - | 502 |
| Independent non-executive Directors: | 獨立非執行董事: | | | | | |
| Mr. To Ka Ho ³ | 杜嘉豪先生 ³ | 53 | - | - | - | 53 |
| Mr. Yau Chi Ming ⁴ | 丘志明先生 ⁴ | 92 | - | - | - | 92 |
| Mr. Ko Ming Tung, Edward | 高明東先生 | 144 | - | - | - | 144 |
| Mr. Chen Liang | 陳亮先生 | 144 | - | - | - | 144 |
| | | 433 | 2,038 | - | 4 | 2,475 |

¹ Resigned on 9 May 2016

² Appointed on 9 May 2016

³ Resigned on 12 August 2016

⁴ Appointed on 12 August 2016

¹ 於二零一六年五月九日辭任

² 於二零一六年五月九日獲委任

³ 於二零一六年八月十二日辭任

⁴ 於二零一六年八月十二日獲委任

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENT (CONTINUED)

(a) Directors' emoluments (Continued)

No Director waived any emoluments in the years ended 31 March 2018 and 2017. No incentive payment for joining the Group was paid or payable to any Directors during the years ended 31 March 2018 and 2017.

The executive Directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group during the years ended 31 March 2018 and 2017.

The independent non-executive Directors' emoluments shown above were mainly for their services as Directors or directors of its subsidiaries during the years ended 31 March 2018 and 2017.

(b) Directors' termination benefits

None of the Directors received or will receive any termination benefits during the year (2017: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2018, the Company did not pay consideration to any third parties for making available directors' services (2017: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporates and connected entities with such Directors

During the year ended 31 March 2018, there is no loans, quasi-loans and other dealing arrangements in favour of the Directors, or controlled body corporates and connected entities of such Directors (2017: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transaction, arrangement and contract in relation to the Company's business to which the Company was a party and in which a Director had a material interest, directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

14. 董事及行政總裁的酬金(續)

(a) 董事酬金(續)

於截至二零一八年及二零一七年三月三十一日止年度，概無董事放棄任何酬金。於截至二零一八年及二零一七年三月三十一日止年度，概無向任何董事支付或應付任何酬金，作為其加入本集團之獎勵。

以上列示執行董事之薪酬，主要與彼等於截至二零一八年及二零一七年三月三十一日止年度內服務予本公司及本集團之管理業務有關。

以上列示獨立非執行董事之薪酬，主要與彼等於截至二零一八年及二零一七年三月三十一日止年度內作為董事或其附屬公司董事之服務有關。

(b) 董事辭退福利

年度內，沒有董事收到或將收到任何辭退福利(二零一七年：無)。

(c) 就獲提供董事服務而給予第三者代價

截至二零一八年三月三十一日止年度，本公司沒有就獲提供董事服務給予任何第三者代價(二零一七年：無)。

(d) 關於向董事、受控制的法人團體及有關連實體作出的貸款及類似貸款，以及惠及該等人士的其他交易的資料

截至二零一八年三月三十一日止年度，沒有向董事、受控制的法人團體及有關連實體作出的貸款及類似貸款，以及惠及該等人士的其他交易之安排(二零一七年：無)。

(e) 董事在交易、安排或合約中的重大利害關係

於本年年末或任何時間，沒有與本公司業務有關連之重要交易、安排及合約，是以本公司為一方，同時董事直接或間接地存在重大利害關係(二零一七年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENT (CONTINUED)

(f) Directors' interests in shares and debentures

At no time during the year was the Company a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two Directors (2017: three Directors), details of whose remuneration are set out in note 14 to the consolidated financial statements above. Details of the remuneration for the year of the remaining three (2017: two) highest paid employees who are neither a Director nor chief executive of the Company are as follows:

| | |
|--|------------|
| Salaries, allowances and other benefits | 薪金、津貼及其他福利 |
| Discretionary bonus | 酌情花紅 |
| Contributions to retirement benefit scheme | 退休福利計劃供款 |

The number of the highest paid employees who are not the Directors whose remuneration fell within the following band is as follows:

| | |
|---------------------------|-----------------|
| HK\$ Nil to HK\$1,000,000 | 零港元至1,000,000港元 |
|---------------------------|-----------------|

No emoluments have been paid by the Group to the Directors or the five highest paid individuals as inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 March 2018 and 2017.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

14. 董事及行政總裁的酬金(續)

(f) 董事於股份及債務之權益

本公司於年內任何時間並無訂立任何安排，致使董事可透過認購本公司或任何其他法人團體的股份或債券而取得利益。

15. 五名最高薪酬人士

年內本集團五名最高薪酬僱員包括兩名(二零一七年:三名)董事，酬金的詳情載於上文綜合財務報表附註14。餘下三名(二零一七年:兩名)最高薪酬僱員(非本公司董事及行政總裁)的酬金如下:

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 1,397 | 890 |
| - | - |
| 55 | 24 |
| 1,452 | 914 |

非董事之最高薪酬僱員之薪酬範圍如下:

| Number of employees 僱員人數 | |
|-----------------------------|---------------|
| 2018 二零一八年 | 2017 二零一七年 |
| 3 | 2 |

於截至二零一八年及二零一七年三月三十一日止年度內，本集團並無向董事或五位最高薪人士支付任何酬金作為邀請加入或於加入本集團時的獎勵或作為離職補償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

16. DIVIDENDS

No dividend was paid, declared or proposed during the year ended 31 March 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

17. LOSS PER SHARE

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

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|-------------------------------------|----------------------------------|----------------------------------|
| Loss | 虧損 | | |
| Loss for the purpose of basic loss per Share (loss for the year attributable to owners of the Company) | 計算每股基本虧損所使用之虧損(本公司擁有人應佔本年度虧損) | (4,387) | (12,302) |
| Number of Shares | 股份數目 | | |
| Weighted average number of ordinary Shares (2017: Number of Shares) for the purpose of basic and diluted loss per Share | 計算每股基本及攤薄虧損所使用之普通股加權平均數(二零一七年:股份數目) | 2,156,076 | 2,160,022 |

The calculation of basic loss per Share is based on the loss attributable to owners of the Company, and weighted average number of 2,156,076,295 ordinary Shares (2017: number of 2,160,021,500 ordinary Shares) in issue.

For the years ended 31 March 2018 and 2017, the computation of diluted loss per Share has not assumed the conversion of the Company's outstanding convertible note since their exercise would result in a decrease in loss per Share.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

16. 股息

截至二零一八年三月三十一日止年度並無派付、宣派或建議派發任何股息，而自報告期末起亦無建議派發任何股息(二零一七年:無)。

17. 每股虧損

本公司擁有人應佔之每股基本虧損按下列數據計算:

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Loss for the purpose of basic loss per Share (loss for the year attributable to owners of the Company) | (4,387) | (12,302) |
| Weighted average number of ordinary Shares (2017: Number of Shares) for the purpose of basic and diluted loss per Share | 2,156,076 | 2,160,022 |

計算每股基本虧損乃根據本公司擁有人應佔虧損及2,156,076,295股已發行普通股加權平均數(二零一七年:2,160,021,500股普通股數目)計算。

於截至二零一八年及二零一七年三月三十一日止年度，於計算每股攤薄虧損時並無假設本公司尚未行使之可換股票據已獲轉換，此乃由於行使有關轉換將會減少每股虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

18. PROPERTY, PLANT AND EQUIPMENT

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

18. 物業、廠房及設備

| | | Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元 | Leasehold improvements 租賃裝修 HK\$'000 千港元 | Motor vehicle 汽車 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-----------------------------------|----------------------------|---|--|---|--------------------------------|
| COST | 成本 | | | | |
| At 1 April 2016 | 於二零一六年四月一日 | 554 | 42 | 454 | 1,050 |
| Additions | 添置 | 40 | - | 138 | 178 |
| Disposal | 出售 | (184) | - | - | (184) |
| Write-off | 撇銷 | (211) | (42) | - | (253) |
| Exchange adjustments | 匯兌調整 | (5) | - | (30) | (35) |
| | | | | | |
| At 31 March 2017 and 1 April 2017 | 於二零一七年三月三十一日及 二零一七年四月一日 | 194 | - | 562 | 756 |
| Write-off | 撇銷 | (46) | - | - | (46) |
| Exchange adjustments | 匯兌調整 | 7 | - | 60 | 67 |
| | | | | | |
| At 31 March 2018 | 於二零一八年三月三十一日 | 155 | - | 622 | 777 |
| ACCUMULATED DEPRECIATION | 累計折舊 | | | | |
| At 1 April 2016 | 於二零一六年四月一日 | 390 | 42 | 78 | 510 |
| Provided for the year | 本年度撥備 | 74 | - | 103 | 177 |
| Eliminated on disposal | 出售時撇銷 | (184) | - | - | (184) |
| Exchange adjustments | 匯兌調整 | (2) | - | (7) | (9) |
| Write-off | 撇銷 | (188) | (42) | - | (230) |
| | | | | | |
| At 31 March 2017 and 1 April 2017 | 於二零一七年三月三十一日及 二零一七年四月一日 | 90 | - | 174 | 264 |
| Provided for the year | 本年度撥備 | 31 | - | 117 | 148 |
| Exchange adjustments | 匯兌調整 | 2 | - | 27 | 29 |
| Write-off | 撇銷 | (44) | - | - | (44) |
| | | | | | |
| At 31 March 2018 | 於二零一八年三月三十一日 | 79 | - | 318 | 397 |
| CARRYING VALUES | 賬面值 | | | | |
| At 31 March 2018 | 於二零一八年三月三十一日 | 76 | - | 304 | 380 |
| | | | | | |
| At 31 March 2017 | 於二零一七年三月三十一日 | 104 | - | 388 | 492 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

| | |
|--|--|
| Furniture, fixtures and office equipment | 20% - 33.33% |
| Leasehold improvements | Over the shorter of lease term of lease or 5 years |
| Motor vehicle | 20% - 25% |

19. INTANGIBLE ASSET

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

18. 物業、廠房及設備(續)

上述物業、廠房及設備項目按下列年率以直線法折舊：

| | |
|-------------|---------------|
| 傢俬、裝置及辦公室設備 | 20%至33.33% |
| 租賃裝修 | 租賃期或5年，以較短者為準 |
| 汽車 | 20%至25% |

19. 無形資產

| | | Exclusive right 專有權 | |
|--|----------------|----------------------------------|----------------------------------|
| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| COST | 成本 | | |
| At 1 April and 31 March | 於四月一日及三月三十一日 | 975,996 | 975,996 |
| ACCUMULATED AMORTISATION AND IMPAIRMENT | 累計攤銷及減值 | | |
| At 1 April and 31 March | 於四月一日及三月三十一日 | 975,996 | 975,996 |
| CARRYING VALUES | 賬面值 | | |
| At 31 March | 於三月三十一日 | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Details of the Group's AFS financial assets are as follows:

| | | Listed 上市 Equity Securities 股權證券 <i>HK\$'000</i> 千港元 (Note 1) (附註1) | Unlisted 非上市 Private Fund 私募基金 <i>HK\$'000</i> 千港元 (Note 2) (附註2) | Total 總計 <i>HK\$'000</i> 千港元 |
|-----------------------------------|----------------------------|--|--|---|
| At 1 April 2016 | 於二零一六年四月一日 | - | - | - |
| Additions | 添置 | 15,095 | - | 15,095 |
| Loss arising on revaluation | 重估產生之虧損 | (4,000) | - | (4,000) |
| At 31 March 2017 and 1 April 2017 | 於二零一七年三月三十一日 及二零一七年四月一日 | 11,095 | - | 11,095 |
| Additions | 添置 | 19,781 | 2,700 | 22,481 |
| Loss arising on revaluation | 重估產生之虧損 | (4,787) | - | (4,787) |
| Exchange adjustments | 匯兌調整 | 676 | - | 676 |
| Impairment loss | 減值虧損 | - | (18) | (18) |
| At 31 March 2018 | 於二零一八年三月三十一日 | 26,765 | 2,682 | 29,447 |

Notes:

- As at 31 March 2018, the equity securities include both listed Hong Kong and outside Hong Kong. The fair values of the listed securities are based on quoted market closing prices available on the relevant exchanges as at the end of the reporting period.
- The unlisted investment represents the investment in unlisted Trinity WS Global Fund (the "Global Fund"). The Global Fund was established by a limited liability company incorporated in the Cayman Islands and managed by a licensed corporation which is registered with Hong Kong Securities and Futures Commission. The Global Fund invests primary in equities, derivatives, commodities and fixed income securities. The Global Fund is measured at cost less impairment at the end of the reporting period as the fair value of the Global Fund cannot be reliably measured.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

20. 可供出售金融資產

本集團之可供出售金融資產詳情載述如下：

| | Listed 上市 Equity Securities 股權證券 <i>HK\$'000</i> 千港元 (Note 1) (附註1) | Unlisted 非上市 Private Fund 私募基金 <i>HK\$'000</i> 千港元 (Note 2) (附註2) | Total 總計 <i>HK\$'000</i> 千港元 |
|-----------------------------------|--|--|---|
| At 1 April 2016 | - | - | - |
| Additions | 15,095 | - | 15,095 |
| Loss arising on revaluation | (4,000) | - | (4,000) |
| At 31 March 2017 and 1 April 2017 | 11,095 | - | 11,095 |
| Additions | 19,781 | 2,700 | 22,481 |
| Loss arising on revaluation | (4,787) | - | (4,787) |
| Exchange adjustments | 676 | - | 676 |
| Impairment loss | - | (18) | (18) |
| At 31 March 2018 | 26,765 | 2,682 | 29,447 |

附註：

- 於二零一八年三月三十一日，股權證券包括香港及香港境外上市證券。上市證券之公允值乃按於報告期末可得之相關交易所所報收市價計算。
- 非上市投資指投資於非上市的Trinity WS Global Fund (「Global Fund」)。Global Fund乃由一間於開曼群島註冊成立的有限責任公司設立，並由於香港證券及期貨事務監察委員會註冊的持牌法團管理。Global Fund主要投資於股權、衍生工具、商品及固定收益證券。於報告期末，Global Fund乃按成本減值計量，原因為Global Fund之公允值不能可靠計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

21. INTERESTS IN AN ASSOCIATE

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

21. 於一間聯營公司之權益

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Cost of investment in an associate | 投資一間聯營公司之成本 | 1,172 | - |
| Share of post-acquisition loss and other comprehensive income | 應佔收購後虧損及其他全面收入 | (762) | - |
| | | 410 | - |

Details of the Group's associate at the end of the reporting period are as follow:

於報告期末本集團之聯營公司詳情如下：

| Name of entity 實體名稱 | Country of incorporation/ registration 註冊/成立國家 | Principal place of business 主要業務地點 | Registered capital 註冊資本 RMB 人民幣元 | Proportion of ownership interest held by the Group 本集團持有之 所有權益比例 | | Proportion of voting rights held by the Group 本集團持有之 投票權比例 | | Principal activity 主要業務 |
|------------------------|--|---------------------------------------|---|---|---------------|---|---------------|----------------------------|
| | | | | 2018 二零一八年 | 2017 二零一七年 | 2018 二零一八年 | 2017 二零一七年 | |
| | | | | Shenzhen China Century Industrial Company Limited* ("the China Century") 深圳華瑞世紀實業有限公司 ("華瑞世紀") | PRC 中國 | PRC 中國 | 5,000,000 | |

* the English translation of the Chinese name is for identification purpose only

The financial year end date for the China Century is 31 December. For the purpose of applying the equity method of accounting, the consolidated financial statements of the China Century for the year ended 31 March 2018 have been used.

華瑞世紀之財政年結日為十二月三十一日。就應用權益會計法而言，華瑞世紀截至二零一八年三月三十一日止年度之綜合財務報表經已使用。

Summarised financial information of an associate

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with HKFRSs.

一間聯營公司之財務資料概要

有關本集團聯營公司之財務資料概要載列如下。下列財務資料概要乃根據香港財務報告準則編製之該聯營公司綜合財務報表所示金額。

The associate is accounted for using the equity method in these consolidated financial statements.

該聯營公司乃使用權益法入賬該等綜合財務報表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

21. INTERESTS IN AN ASSOCIATE (CONTINUED)

Summarised financial information of an associate (Continued)

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

21. 於一間聯營公司之權益(續)

一間聯營公司之財務資料概要(續)

| | | 2018 二零一八年 HK\$'000 千港元 |
|--|-------|----------------------------------|
| Current assets | 流動資產 | 94,827 |
| Non-current assets | 非流動資產 | 159 |
| Current liabilities | 流動負債 | (86,711) |
| Loss for the period | | (4,044) |
| Other comprehensive income for the period | | 234 |
| Total comprehensive expense for the period | | (3,810) |

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

上述財務資料概要與綜合財務報表內確認於聯營公司之權益賬面值之對賬：

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------|----------------------------------|
| Net assets of the China Century | 華瑞世紀之資產淨值 | 8,275 |
| Non-controlling interests of China Century's subsidiaries | 華瑞世紀附屬公司之非控股權益 | (6,222) |
| | | 2,053 |
| Proportion of the Group's ownership interest in the China Century | 本集團於華瑞世紀之所有權權益比例 | 20% |
| Carrying amount of the Group's interest in the China Century | 本集團於華瑞世紀之權益賬面值 | 410 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

22. INTERESTS IN A JOINT VENTURE

Cost of investment in joint venture
Share of post-acquisition profit and other comprehensive income

投資合營企業之成本
應佔收購後溢利及
其他全面收入

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| | 18,560 | – |
| | 184 | – |
| | 18,744 | – |

Details of the Group's joint venture at the end of the reporting period are as follow:

於報告期末本集團之合營企業詳情如下：

| Name of entity 實體名稱 | Country of incorporation/ registration 註冊/成立國家 | Principal place of business 主要業務地點 | Registered capital 註冊資本 RMB 人民幣元 | Proportion of ownership interest held by the Group 本集團持有之所有權權益比例 | | Proportion of voting rights held by the Group 本集團持有之投票權比例 | | Principal activity 主要業務 |
|------------------------|--|---------------------------------------|---|--|---------------|--|---------------|----------------------------|
| | | | | 2018 二零一八年 | 2017 二零一七年 | 2018 二零一八年 | 2017 二零一七年 | |
| | | | | Nanchong Tianlegu Enterprise Company Limited* ("the Nanchong") 南充天樂谷實業有限公司 〔南充〕 | PRC 中國 | PRC 中國 | 33,333 | |

* the English translation of the Chinese name is for identification purpose only

The financial year end date for the Nanchong is 31 December. For the purpose of applying the equity method of accounting, the audited financial statements of the Nanchong for the year ended 31 March 2018 have been used.

南充之財政年結日為十二月三十一日。就應用權益會計法而言，南充截至二零一八年三月三十一日止年度之經審核財務報表經已使用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

22. INTERESTS IN A JOINT VENTURE (CONTINUED)

Summarised financial information of a joint venture

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

| | |
|---|----------|
| Current assets | 流動資產 |
| Profit for the period | 期內溢利 |
| Other comprehensive income for the period | 期內其他全面收入 |
| Total comprehensive income for the period | 期內全面收入總額 |

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

| | |
|--|----------------|
| Net assets of the Nanchong | 南充之資產淨值 |
| Proportion of the Group's ownership interest in the Nanchong | 本集團於南充之所有權權益比例 |
| Carrying amount of the Group's interest in the Nanchong | 本集團於南充之權益賬面值 |

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

22. 於一間合營企業之權益(續)

一間合營企業之財務資料概要

有關本集團合營企業之財務資料概要載列如下。下列財務資料概要乃根據香港財務報告準則編製之該合營企業財務報表所示金額。

該合營企業乃使用權益法入賬該等綜合財務報表。

2018
二零一八年
HK\$'000
千港元

41,654

2018
二零一八年
HK\$'000
千港元

14

397

411

上述財務資料概要與綜合財務報表內確認於合營企業之權益賬面值之對賬：

2018
二零一八年
HK\$'000
千港元

41,654

45%

18,744

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

23. TRADE AND OTHER RECEIVABLES

| | |
|--------------------------|-------------|
| Trade receivables (Note) | 貿易應收款項 (附註) |
| Other receivables | 其他應收款項 |
| Prepayments and deposits | 預付款項及按金 |
| Total | 總計 |

Note:

The following is an aging analysis of the trade receivables presented based on the invoice date net of impairment loss at the end of the reporting period:

| | |
|----------------|-----------|
| Within 90 days | 90日內 |
| 91 to 180 days | 91至180日 |
| Total | 總計 |

The movements in impairment loss of trade receivables are as follows:

| | |
|-----------------------------------|-------------|
| Balance at beginning of the year | 年初結餘 |
| Amounts written off | 撇銷金額 |
| Balance at end of the year | 年終結餘 |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

23. 貿易及其他應收款項

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 240,259 | 217,897 |
| 207 | 154 |
| 875 | 1,033 |
| 241,341 | 219,084 |

附註：

於報告期末，根據發票日期計算的貿易應收款項 (扣除減值虧損) 的賬齡分析如下：

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 120,569 | 36,350 |
| 119,690 | 181,547 |
| 240,259 | 217,897 |

貿易應收款項之減值虧損變動如下：

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| – | 19,734 |
| – | (19,734) |
| – | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table shows the amounts of receivable which are past due but not impaired as the balances related to debtors with sound repayment history and there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group's credit period granted to each customer was generally for an average period of 180 days.

An aging analysis of trade receivables past due but not impaired is as follows:

| | |
|-------------|--------|
| Overdue by: | 逾期： |
| 31-60 days | 31至60日 |

The Group's trade receivables arose from trading of LNG products and general trading. The Group's credit period granted to each customer was generally for an average period of 180 days. The Group sought to maintain strict control over its outstanding receivables and overdue balances were regularly reviewed by senior management. The carrying amounts of trade receivables approximate their fair value. As at the date of this report, approximately HK\$156,212,000, representing 65.02% of the trade receivables, had been settled.

Trade receivables from other segments are non-interest bearing, and the Group does not hold any collaterals or other credit enhancements over its trade receivables.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

23. 貿易及其他應收款項(續)

下表列示已逾期但未減值之應收款項，有關結餘與具良好還款記錄之債務人相關，其信貸質素並無重大變動，且該等款項仍被視為可予收回。本集團授予各客戶之信貸期一般平均為期180日。

已逾期但未減值之貿易應收款項之賬齡分析如下：

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 29 | — |

本集團之貿易應收款項產生自液化天然氣產品貿易及一般貿易。本集團向各客戶授出之信貸期一般平均為期180日。本集團維持對其尚未償還應收款項作出嚴格控制，並由高級管理層定期審閱逾期餘款。貿易應收款項之賬面值與其公允值相若。於本報告日期，約156,212,000港元（相當於貿易應收款項之65.02%）已清償。

來自其他分部之貿易應收款項乃不計息，而本集團並沒有就其貿易應收款項持有任何抵押或其他加強信貸措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

24. LOAN RECEIVABLES

| | |
|------------------------------------|-----------|
| Fixed-rate loan receivables | 應收固息貸款 |
| Loan interest receivables | 應收貸款利息 |
| Amounts shown under current assets | 流動資產列示之金額 |
| Analysed as: | 分析如下： |
| Secured | 已擔保 |

Included in loan receivables was an amount advanced to a third party, which was bearing interest at 8% per annum (2017: 8% per annum).

As at 31 March 2018, all loan and interest receivables had been settled (2017: HK\$10,512,000).

25. CASH AND CASH EQUIVALENTS

| | |
|---------------------------|----------|
| Cash and cash equivalents | 現金及現金等價物 |
|---------------------------|----------|

The bank balances and deposit in financial institution carried interest ranging from 0% to 0.35% (2017: 0% to 0.35%) per annum.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

24. 應收貸款

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| - | 10,500 |
| - | 12 |
| - | 10,512 |
| - | 10,512 |

應收貸款包括墊付予一名第三方金額，按年利率8厘（二零一七年：8厘）計息。

於二零一八年三月三十一日，所有應收貸款及利息經已償付（二零一七年：10,512,000港元）。

25. 現金及現金等價物

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 132,142 | 221,605 |

銀行結餘及於金融機構之存款按年利率0厘至0.35厘（二零一七年：0厘至0.35厘）計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

26. TRADE AND OTHER PAYABLES

| | |
|--------------------------------------|-------------|
| Trade payables | 貿易應付款項 |
| Other payables and accruals | 其他應付款項及應計款項 |
| PRC business tax and levies payables | 中國營業稅及應付徵稅 |

The average credit periods granted by suppliers are generally 90 days.

The following is an aging analysis of the Group's trade payables based on the invoice date at the end of the reporting period:

| | |
|----------------|------|
| Within 90 days | 90日內 |
|----------------|------|

27. CONVERTIBLE NOTE

Convertible note with conversion price of HK\$0.14 was issued by the Company to the subscriber, Arrowfield Investment Limited, on 7 October 2015. The net proceeds from issuing the convertible note of HK\$60,480,000 are to be used for general working capital of the Group. It entitled the holder to convert into ordinary shares of the Company at any time three months after the date of issue and before maturity date, which is on the third anniversary of the date of issue of convertible note. If the convertible note has not been converted, it will be redeemed on maturity date at the entire principal amount with accrued and unpaid interest. The convertible note bears interest at 8% per annum payable on quarterly. At the option of the Company, the convertible note may be redeemed in amounts of HK\$1,000,000 or integral multiples thereof on any business day prior to the maturity date at 100% of the principal amount outstanding under the convertible note together with all interest accrued thereon up to and including the date of redemption. At the option of the subscriber, the convertible note may be redeemed in amounts of HK\$1,000,000 or integral multiples thereof at any time three months after the date of issue of the convertible note at 100% of the principal amount outstanding under the convertible note together with all interest accrued thereon up to and including the date of redemption.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

26. 貿易及其他應付款項

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 356 | 21,583 |
| 7,068 | 5,571 |
| 1,328 | 963 |
| 8,752 | 28,117 |

供應商授出之平均信貸期通常為90日。

於報告期末，根據發票日期計算的本集團貿易應付款項的賬齡分析如下：

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 356 | 21,583 |

27. 可換股票據

本公司於二零一五年十月七日以0.14港元之兌換價向認購人Arrowfield Investment Limited發行可換股票據。發行60,480,000港元可換股票據所得之所得款項淨額將用作本集團之一般流動資金用途。持有人可選擇於發行之日後三個月至到期日(可換股票據發行日期起計第三週年當日)期間任何時間內，將其轉換為本公司普通股。倘若可換股票據未獲轉換，則將於到期日以全部本金額連同應計及未支付利息贖回。可換股票據以年利息8厘計息，按季度支付。本公司可選擇於到期日前任何營業日，按可換股票據項下未轉換本金額之100%，連同截至贖回日期(包括該日)止應計之所有利息，以1,000,000港元或其整數倍之金額贖回可換股票據。認購人可選擇於可換股票據發行日期後三個月任何時間，按可換股票據項下未轉換本金額之100%，連同截至贖回日期(包括該日)止應計之所有利息，以1,000,000港元或其整數倍之金額贖回可換股票據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

27. CONVERTIBLE NOTE (CONTINUED)

The Company redeemed the convertible note with principal amount of HK\$35,000,000 on 1 August 2017. After that, the conversion price changed from HK\$0.14 to HK\$0.06.

The convertible note contains four components: debt component, equity component, embedded derivatives derived from issuer's early redemption right and embedded derivatives derived from subscriber's early redemption right. The equity component represents the value of the conversion option, which is credited directly to equity as convertible note equity reserve of the Company and the Group. The debt component of the convertible note is carried as a current liability on the amortised cost basis until extinguished on conversion or redemption. The effective interest rate of the liability component is 17.46% per annum. The embedded derivatives derived from issuer's early redemption right and subscriber's early redemption right is classified as current asset and current liability respectively and carried at fair value. Any changes in fair value will be recognised in profit or loss.

The fair value of the embedded derivatives portion of the convertible note that are not traded in active markets is determined using valuation techniques. The Group estimates fair value of the embedded derivatives portion based on the independent professional valuations using the partial differential equation method which requires various sources of information and assumptions. The inputs to this model are taken from observable market data, but where this is not feasible, a degree of judgment is required in establishing the fair value.

The following key inputs and data were applied to the partial differential equation method for the derivatives embedded in the convertible note at 31 March 2018 and 31 March 2017.

| | |
|-----------------------|-------|
| Share price | 股價 |
| Conversion price | 兌換價 |
| Risk-free rate | 無風險利率 |
| Credit spread | 信貸息差 |
| Annualised volatility | 年化波幅 |

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

27. 可換股票據(續)

本公司於二零一七年八月一日贖回本金額35,000,000港元之可換股票據。此後，兌換價由0.14港元變更為0.06港元。

可換股票據包括四部分：債務部分、權益部分、發行人提前贖回權所產生之嵌入式衍生工具及認購人提前贖回權所產生之嵌入式衍生工具。權益部分指換股權之價值，直接於權益入賬為本公司及本集團之可換股票據權益儲備。可換股票據之債務部分按攤銷成本基準入賬為流動負債，直至獲轉換或贖回時註銷為止。負債部分的實際年利率為17.46厘。發行人提前贖回權及認購人提前贖回權所產生之嵌入式衍生工具分別分類為流動資產及流動負債，按公允值列示。公允值之任何變動均將於損益內確認。

就並非於活躍市場買賣之可換股票據而言，其嵌入式衍生工具部分之公允值乃使用估值技巧釐定。本集團根據利用偏微分方程法進行之獨立專業估值估計嵌入式衍生工具部分之公允值，有關模型需要輸入不同資料來源及假設。該模型之輸入數據乃來自可觀察市場數據，如不能取得有關數據，則於釐定公允值時需要作出一定程度之判斷。

以下為於二零一八年三月三十一日及二零一七年三月三十一日可換股票據嵌入式衍生工具之偏微分方程法所採用之關鍵輸入及數據。

| | 2018 二零一八年 | 2017 二零一七年 |
|--|---------------|---------------|
| | HK\$0.045港元 | HK\$0.110港元 |
| | HK\$0.06港元 | HK\$0.14港元 |
| | 1.11% | 0.76% |
| | 11.46% | 22.57% |
| | 73.40% | 66.13% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

27. CONVERTIBLE NOTE (CONTINUED)

The carrying amounts of above-mentioned convertible note recognised at the end of the reporting period were calculated as follows:

| | | HK\$'000 千港元 |
|---|-----------------------------|-----------------|
| Equity component | 權益部分 | |
| Fair value of the entire convertible note, at the date of issuance | 全部可換股票據於發行日期之公允值 | 60,480 |
| Fair value of the embedded derivatives, call provision, at the date of issuance | 嵌入式衍生工具、提早贖回期權於發行日期之公允值 | 30,709 |
| Fair value of the liability component, at the date of issuance | 負債部分於發行日期之公允值 | (48,580) |
| Balance at 31 March 2016 and 31 March 2017 | 於二零一六年三月三十一日及二零一七年三月三十一日之結餘 | 42,609 |
| Redemption on 1 August 2017 | 於二零一七年八月一日贖回 | (24,658) |
| Recognition of amendment | 確認修訂 | 16,016 |
| Balance at 31 March 2018 | 於二零一八年三月三十一日之結餘 | 33,967 |
| Debt component | 債務部分 | |
| At 1 April 2016 | 於二零一六年四月一日 | 51,181 |
| Effective interest expenses charged to consolidated statement of profit or loss | 計入綜合損益表之實際利息開支 | 8,447 |
| Interest paid | 已支付利息 | (4,851) |
| Balance at 31 March 2017 | 於二零一七年三月三十一日之結餘 | 54,777 |
| Redemption on 1 August 2017 | 於二零一七年八月一日贖回 | (31,869) |
| Effective interest expenses charged to consolidated statement of profit or loss | 計入綜合損益表之實際利息開支 | 5,522 |
| Interest paid and payable | 已付及應付利息 | (4,013) |
| Balance at 31 March 2018 | 於二零一八年三月三十一日之結餘 | 24,417 |
| Embedded derivative component – Issuer's early redemption right | 嵌入式衍生工具部分 – 發行人提前贖回權 | |
| At 1 April 2016 | 於二零一六年四月一日 | 8,618 |
| Loss arising on changes of fair value | 公允值變動所產生之虧損 | (5,431) |
| Balance at 31 March 2017 | 於二零一七年三月三十一日之結餘 | 3,187 |
| Loss arising on changes of fair value | 公允值變動所產生之虧損 | (2,318) |
| Balance at 31 March 2018 | 於二零一八年三月三十一日之結餘 | 869 |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

27. 可換股票據 (續)

上述可換股票據於報告期末確認之賬面值計算如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

27. CONVERTIBLE NOTE (CONTINUED)

The carrying amounts of above-mentioned convertible note recognised at the end of the reporting period were calculated as follows: (Continued)

| | | HK\$'000 千港元 |
|---------------------------------------|-----------------------------|-----------------|
| Embedded derivative component | 嵌入式衍生工具部分 – 認購人提前贖回權 | |
| – Subscriber's early redemption right | | |
| At 1 April 2016 | 於二零一六年四月一日 | 5,422 |
| Gain arising on changes of fair value | 公允值變動所產生之收益 | (2,137) |
| Balance at 31 March 2017 | 於二零一七年三月三十一日之結餘 | 3,285 |
| Gain arising on changes of fair value | 公允值變動所產生之收益 | (3,132) |
| Balance at 31 March 2018 | 於二零一八年三月三十一日之結餘 | 153 |

28. SHARE CAPITAL

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

27. 可換股票據 (續)

上述可換股票據於報告期末確認之賬面值計算如下：(續)

28. 股本

| | | Number of Shares 股份數目 '000 千股 | Amount 金額 HK\$'000 千港元 |
|---|---|---|---------------------------------|
| Issued and fully paid | 已發行及繳足 | | |
| At 1 April 2016 and 31 March 2017, ordinary Shares with no par value | 於二零一六年四月一日及 二零一七年三月三十一日， 並無面值之普通股 | 2,160,022 | 840,999 |
| Repurchase of Shares (Note) | 購回股份 (附註) | (24,000) | (1,200) |
| At 31 March 2018 ordinary Shares with no par value | 於二零一八年三月三十一日， 並無面值之普通股 | 2,136,022 | 839,799 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

28. SHARE CAPITAL (CONTINUED)

Note:

During the year, the Company repurchased its own ordinary Shares on the market, details of which are as follows:

| Month | 月份 | Number of ordinary Shares repurchased 購回普通股數目 | Highest price paid per Share 已付最高股價 HK\$ 港元 | Lowest price paid per Share 已付最低股價 HK\$ 港元 | Consideration 代價 HK\$'000 千港元 |
|---------|----|--|--|---|--|
| January | 一月 | 24,000,000 | 0.05 | 0.05 | 1,200 |

Except for the above mentioned, none of the Company's subsidiaries purchased, sold or redeemed any of the Company's Share during the year.

In January 2018, the Company repurchased 24,000,000 of its own ordinary Shares on the market (the "Buy-Back") and the Buy-Back Shares were cancelled during the year. At the time of Buy-Back, the Company had no distributable profits and reserves the Company made payments out of capital for the Buy-Back. However, according to the section 257(3) of the CO, a listed company must not make a payment out of capital in respect of a buy-back of its own shares on a recognised stock market or on an approved stock exchange.

The Directors consider that the chance of potential litigation from the Company Registry or other parties is remote and the amount of maximum penalties in accordance with CO has been provided for in the consolidated financial statements. The Directors consider that there is no significant impact on the Group's financial position from the potential litigation.

Based on the legal opinions, Directors are of the view that in order to rectify the non-compliance of the CO, a fresh issue of shares can be made to rectify the Buy-Back after it has occurred and the rectification will be subject to the approval of regulatory department.

On 7 June 2018 and 20 June 2018, the Company and a placing agent entered into a placing agreement and a supplemental agreement pursuant to which the placing agent agreed to place to not less than six places up to 220,000,000 new shares at the placing price of HK\$0.038 per placing share and extended the long stop date from 21 June 2018 to 29 June 2018. Moreover, on 21 June 2018, the Company obtained a conditional listing approval from the Stock Exchange for the placing shares and the placing has not yet been completed up to the date of reporting.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

28. 股本(續)

附註:

年內,本公司於公開市場購回其自身普通股,有關詳情如下:

除上文所述者外,年內,本公司附屬公司概無購買、出售或贖回本公司任何股份。

於二零一八年一月,本公司於市場購回其自身24,000,000股普通股(「購回」)及購回股份已於年內註銷。於購回時,本公司並無可供分派溢利及儲備供本公司以資本為購回付款。然而,根據公司條例第257(3)條,上市公司不得就於獲認可股票市場或經批准證券交易所購回其本身股份以資本付款。

董事認為,公司註冊處或其他人士提起潛在訴訟之可能性甚微及根據公司條例面臨之最高處罰金額已於綜合財務報表計提撥備。董事認為,潛在訴訟並無對本集團之財務狀況構成重大影響。

根據法律意見,董事認為,為糾正未遵守公司條例之情況,可於進行購回後新發行股份以糾正購回且有關糾正須獲監管部門批准。

於二零一八年六月七日及於二零一八年六月二十日,本公司與一名配售代理訂立一份配售協議及一份補充協議,據此,配售代理同意按每股配售股份0.038港元之配售價配售最多220,000,000股新股份予不少於六名承配人及將最後完成日期由二零一八年六月二十一日延長至二零一八年六月二十九日。此外,於二零一八年六月二十一日,本公司就配售股份上市取得聯交所有條件批准及截至報告日期配售尚未完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

29. STATEMENT OF THE FINANCIAL POSITION AND RESERVES OF THE COMPANY

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

29. 本公司財務狀況表及儲備

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 47 | 69 |
| AFS financial assets | 可供出售金融資產 | 20,615 | - |
| Amounts due from subsidiaries | 應收附屬公司之款項 | 65,157 | 257,608 |
| Loan to subsidiaries | 給予附屬公司之貸款 | 71,840 | - |
| | | 157,659 | 257,677 |
| Current assets | 流動資產 | | |
| Derivative financial instruments | 衍生金融工具 | 869 | 3,187 |
| Prepayment | 預付款項 | 113 | 113 |
| Cash and cash equivalents | 現金及現金等價物 | 81,969 | 64,750 |
| | | 82,951 | 68,050 |
| Current liabilities | 流動負債 | | |
| Other payables and accruals | 其他應付款項及應計費用 | 2,338 | 891 |
| Derivative financial instruments | 衍生金融工具 | 153 | 3,285 |
| Convertible note | 可換股票據 | 24,417 | - |
| | | 26,908 | 4,176 |
| Net current assets | 流動資產淨值 | 56,043 | 63,874 |
| Total assets less current liabilities | 總資產減流動負債 | 213,702 | 321,551 |
| Non-current liabilities | 非流動負債 | | |
| Convertible note | 可換股票據 | - | 54,777 |
| Amounts due to subsidiaries | 應付附屬公司之款項 | 122,800 | 190,799 |
| | | 122,800 | 245,576 |
| Net assets | 資產淨值 | 90,902 | 75,975 |
| Capital and reserves | 股本及儲備 | | |
| Share capital | 股本 | 839,799 | 840,999 |
| Reserves | 儲備 | (748,897) | (765,024) |
| Total equity | 權益總額 | 90,902 | 75,975 |

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 22 June 2018 and are signed on its behalf by:

董事會於二零一八年六月二十二日批准及授權刊印本公司財務狀況表並由下列董事代表簽署：

Mr. Chen Haining
陳海寧先生
Director
董事

Ms. Wu Hongying
吳紅英女士
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

29. STATEMENT OF THE FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in the Company's reserves

| | | Contributed Surplus | Convertible Note equity reserve | Exchange reserve | Investment revaluation reserve | Accumulated losses | Total |
|--|---------------|---------------------|---------------------------------|------------------|--------------------------------|--------------------|-----------|
| | | 繳入盈餘 | 可換股票據權益儲備 | 匯兌儲備 | 投資重估儲備 | 累計虧損 | 總計 |
| | | 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 |
| | | (Note i) | (Note ii) | | | | |
| | | (附註i) | (附註ii) | | | | |
| At 1 April 2016 | 於二零一六年四月一日 | 31,104 | 42,609 | - | - | (735,472) | (661,759) |
| Total comprehensive expenses for the year | 本年度全面開支總額 | - | - | - | - | (103,265) | (103,265) |
| At 31 March 2017 | 於二零一七年三月三十一日 | 31,104 | 42,609 | - | - | (838,737) | (765,024) |
| Total comprehensive income (expenses) for the year | 本年度全面收入(開支)總額 | - | - | 676 | (2,523) | 26,616 | 24,769 |
| Recognition of convertible note amendment | 確認可換股票據修訂 | - | 16,016 | - | - | - | 16,016 |
| Redemption of convertible note | 贖回可換股票據 | - | (24,658) | - | - | - | (24,658) |
| At 31 March 2018 | 於二零一八年三月三十一日 | 31,104 | 33,967 | 676 | (2,523) | (812,121) | (748,897) |

Notes:

- (i) Contributed surplus is the difference between the net assets of the subsidiaries acquired by the Company and the nominal value of the Company's Shares issued for the acquisition of subsidiaries in March 2000.
- (ii) The convertible note equity reserve represents the equity component of convertible note issued by the Company. Items included in convertible note equity reserve will not reclassified subsequently to profit or loss.
- (iii) As at 31 March 2018, the aggregate amount of reserves available for distribution to owners of the Company, as calculated under the provisions of Part 6 of the new CO (Chapter 622, Laws of Hong Kong) was Nil (2017: Nil).

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

29. 本公司財務狀況表及儲備(續)

本公司儲備變動

| | | Contributed Surplus | Convertible Note equity reserve | Exchange reserve | Investment revaluation reserve | Accumulated losses | Total |
|--|---------------|---------------------|---------------------------------|------------------|--------------------------------|--------------------|-----------|
| | | 繳入盈餘 | 可換股票據權益儲備 | 匯兌儲備 | 投資重估儲備 | 累計虧損 | 總計 |
| | | 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 |
| | | (Note i) | (Note ii) | | | | |
| | | (附註i) | (附註ii) | | | | |
| At 1 April 2016 | 於二零一六年四月一日 | 31,104 | 42,609 | - | - | (735,472) | (661,759) |
| Total comprehensive expenses for the year | 本年度全面開支總額 | - | - | - | - | (103,265) | (103,265) |
| At 31 March 2017 | 於二零一七年三月三十一日 | 31,104 | 42,609 | - | - | (838,737) | (765,024) |
| Total comprehensive income (expenses) for the year | 本年度全面收入(開支)總額 | - | - | 676 | (2,523) | 26,616 | 24,769 |
| Recognition of convertible note amendment | 確認可換股票據修訂 | - | 16,016 | - | - | - | 16,016 |
| Redemption of convertible note | 贖回可換股票據 | - | (24,658) | - | - | - | (24,658) |
| At 31 March 2018 | 於二零一八年三月三十一日 | 31,104 | 33,967 | 676 | (2,523) | (812,121) | (748,897) |

附註:

- (i) 繳入盈餘為本公司所收購附屬公司資產淨值與本公司就於二零零零年三月收購附屬公司而發行股份之面值之差額。
- (ii) 可換股票據權益儲備指本公司發行之可換股票據之權益部分。可換股票據權益儲備所包括之項目隨後將不會重新分類至損益。
- (iii) 於二零一八年三月三十一日，根據新公司條例(香港法例第622章)第6部之規定計算，並無可供分派予本公司擁有人之儲備總額(二零一七年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

30. SHARE OPTION SCHEMES

2011 Share Option Scheme

Under the 2011 Share Option Scheme, the Board may grant share options at a consideration of HK\$10 for each lot of share option granted to:

- (a) employees of the Group; or
- (b) Directors (including any executive, non-executive and independent non-executive Directors (where applicable)); or
- (c) substantial shareholders of each member of the Company; and
- (d) any advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group (together, the “**Participants**” and each, a “**Participant**”).

The purpose of the 2011 Share Option Scheme is to provide the persons and the parties working for the interests of the Company with an opportunity to obtain an equity interest in the Company, thus linking their interests with the interests of the Company and thereby providing them with an incentive to work better for the interests of the Company.

An option may be exercised in whole or in part in accordance with the terms of the 2011 Share Option Scheme at any time during a period to be notified by the Board to each grantee provided that the period within which the Shares may be taken up under the option must not be more than 10 years from the date of offer of the option. The subscription price will not be less than the highest of the following:

- (a) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of offer of an option which must be a business day;
- (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five consecutive business days immediately preceding the date of offer; and
- (c) the nominal value of the Share.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

30. 購股權計劃

二零一一年購股權計劃

根據二零一一年購股權計劃，董事會可按代價每手購股權10港元向下列人士授出購股權：

- (a) 本集團僱員；或
- (b) 董事（包括任何執行、非執行及獨立非執行董事（倘適用））；或
- (c) 本公司各成員公司之主要股東；及
- (d) 本集團任何成員公司之任何顧問、諮詢人、分銷商、承包商、供應商、代理商、客戶、業務夥伴、合營業務夥伴、推銷商、服務供應商（統稱為「**參與人士**」，各自為「**參與人士**」）。

二零一一年購股權計劃旨在給予為本公司利益而努力之人士及各方獲取本公司股權之機會，從而將彼等之利益與本公司之利益掛鉤，激勵彼等為本公司之利益而奮鬥。

購股權可於董事會知會各承授人之期間內根據二零一一年購股權計劃條款隨時全面或部分行使，惟因行使購股權認購股份之期限自提呈授出購股權當日起計不得超過10年。認購價將不會低於下列各項的最高者：

- (a) 授出購股權當日（必須為營業日）聯交所每日報價表所列之股份收市價；
- (b) 緊接授出日期前五個連續營業日聯交所每日報價表所列之股份平均收市價；及
- (c) 股份面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

30. SHARE OPTION SCHEMES (CONTINUED)

2011 Share Option Scheme (Continued)

The maximum number of Shares which may be issued under the 2011 Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of Shares in issue from time to time. No option may be granted under the 2011 Share Option Scheme or any other share option schemes if this will result in the said limit being exceeded.

At 31 March 2018, the number of Shares in respect of options remained outstanding under the Share Option Scheme was 213,602,150 (31 March 2017: 216,002,150), representing 10% (31 March 2017: 10%) of the Shares of the Company in issue at that date.

The Company may seek approval of its shareholders in general meeting to renew the Scheme Mandate Limit provided that the total number of Shares in respect of which options may be granted under the 2011 Share Option Scheme and any other share option schemes of the Company shall not exceed 10% (the “**Renewal Limit**”) of the issued share capital of the Company at the date of approval to renew such limit. The 2011 Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the 2011 Share Option Scheme or exercised options) shall not be counted for the purpose of calculating the Renewal Limit.

The maximum number of Shares issued and to be issued upon exercise of the options granted and to be granted pursuant to the 2011 Share Option Scheme and any other share option schemes of the Company to each Participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue (the “**Individual Limit**”). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be subject to the approval of the shareholders in general meeting at which such Participant and his associates must abstain from voting.

The 2011 Share Option Scheme will expire on 11 December 2021.

There were no option outstanding under 2011 Share Option Scheme as at 31 March 2018 and 2017.

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

30. 購股權計劃 (續)

二零一一年購股權計劃 (續)

根據二零一一年購股權計劃及本公司任何其他購股權計劃，可發行的股份數目上限不得超過不時已發行股份總數之10%。倘授出購股權會導致股份數目超逾該上限，則不會根據二零一一年購股權計劃或任何其他購股權計劃授出購股權。

於二零一八年三月三十一日，購股權計劃項下未行使之購股權股份數目為213,602,150股（二零一七年三月三十一日：216,002,150股），佔當日本公司已發行股份的10%（二零一七年三月三十一日：10%）。

本公司可於股東大會尋求股東批准更新計劃授權上限，惟有關根據二零一一年購股權計劃及本公司任何其他購股權計劃可能授出之購股權所涉及之股份總數不得超過批准更新有關上限當日本公司已發行股本之10%（「**更新上限**」）。計算更新上限時，不會計及二零一一年購股權計劃（包括該等尚未行使、已註銷、根據二零一一年購股權計劃已失效或已行使之購股權）。

截至及包括授出購股權當日止之任何12個月期間，因行使根據二零一一年購股權計劃及本公司任何其他購股權計劃向各參與人士已授出及將授出之購股權（包括已行使及尚未行使之購股權）而已發行及將發行之股份數目上限，不得超過已發行股份總數之1%（「**個別上限**」）。截至及包括有關進一步授出購股權日期止之任何12個月期間，進一步授出超逾個別上限之購股權須於股東大會獲股東批准，而相關參與人士及其聯繫人士必須放棄投票。

二零一一年購股權計劃將於二零二一年十二月十一日屆滿。

於二零一八年及二零一七年三月三十一日，概無根據二零一一年購股權計劃發行的購股權尚未行使。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

31. DISPOSAL AND DEREGISTRATION OF SUBSIDIARIES

(a) Disposal of subsidiaries

On 12 January 2018, the Company disposed of its directly wholly-owned subsidiary, Smart Fortress Development Limited and its non wholly-owned subsidiary, Qinglian Media Development Limited (collectively referred to as the “**Smart Fortress Group**”) without any consideration. The analysis of net liability disposed of Smart Fortress Group as of that date are shown as follows:

| | | |
|---|------------------|----------|
| Net liability disposed of: | 出售負債淨額： | |
| Amount due to group company | 應付集團公司款項 | 9 |
| Non-controlling interests | 非控股權益 | (2) |
| | | <hr/> |
| Gain on disposal of Smart Fortress Group | 出售俊邦集團之收益 | 7 |

No cash flow impact arose from the disposal of subsidiaries.

(b) Deregistration of a subsidiary

On 22 August 2017, the Company deregistered its wholly-owned subsidiary, Guangdong Luyuan Anyixun Supply Chains Company Limited (the “**Luyuan Anyixun**”). The analysis of net asset of deregistration of Luyuan Anyixun as at date of deregistration are shown as follows:

| | | |
|---|---------------------|----------------|
| Net asset deregistered of: | 取消註冊資產淨值： | |
| Amount due from group company | 應收集團公司款項 | (977) |
| Release of translation reserve | 解除換算儲備 | (178) |
| Release of exchange reserve | 解除匯兌儲備 | (1,241) |
| | | <hr/> |
| Loss on deregistration of the Luyuan Anyixun | 取消註冊綠源安易迅之虧損 | (2,396) |

No cash flow impact arose from the deregistration of a subsidiary.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

31. 出售及取消註冊附屬公司

(a) 出售附屬公司

於二零一八年一月十二日，本公司無償出售其直接全資附屬公司俊邦發展有限公司及其非全資附屬公司清蓮影視發展有限公司(統稱「**俊邦集團**」)。截至該日出售俊邦集團之負債淨額分析載述如下：

HK\$'000
千港元

出售附屬公司並無對現金流量產生影響。

(b) 取消註冊一間附屬公司

於二零一七年八月二十二日，本公司取消註冊其全資附屬公司廣東綠源安易迅供應鏈有限公司(「**綠源安易迅**」)。於取消註冊當日，綠源安易迅之取消註冊資產淨值分析載述如下：

HK\$'000
千港元

取消註冊一間附屬公司並無對現金流量產生影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

32. OPERATING LEASE COMMITMENTS

The Group leases certain of its office premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years. Rental was fixed at the inception of the lease.

At the end of the reporting period, the Group had future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | |
|--|----------------|
| Within one year | 一年內 |
| In the second to fifth years inclusive | 第二至第五年（包括首尾兩年） |

綜合財務報表附註（續）

截至二零一八年三月三十一日止年度

32. 經營租約承擔

本集團根據經營租約安排租賃其若干辦公室物業。有關物業租約之年期經磋商後為介乎一至兩年。租金於租約開始時已確定。

於報告期末，本集團根據於下列期間屆滿的不可撤銷經營租約的日後最低租金付款如下：

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 955 | 901 |
| 441 | – |
| 1,396 | 901 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

33. RETIREMENT BENEFIT SCHEMES

The Group operates a MPF Scheme for all qualified employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at the rate specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. At the end of the reporting period, no forfeited contribution was available to reduce the contribution payable of future years.

The employees of the Company's subsidiary in the PRC are members of the pension scheme operated by the government of the PRC. The Company's subsidiary in the PRC is required to contribute a certain percentage of the relevant portion of these employees' basic salaries to the pension to fund the benefits. The only obligation of the Company's subsidiary in the PRC with respect to the pension scheme is the required contributions under the pension scheme.

The retirement benefits costs charged to the consolidated statement of profit or loss and other comprehensive income amounted to approximately HK\$93,000 (2017: HK\$114,000). The retirement benefits costs charged to the consolidated statements of profit or loss and other comprehensive income represents contributions payable to the schemes by the Group at rates specified in the rules of the schemes.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

33. 退休福利計劃

本集團為香港所有合資格僱員參加強積金計劃。強積金計劃的資產與本集團的資產分開處理，並由信託人控制的基金持有。強積金計劃的規例規定僱主及其僱員須按規例所定百分比向該計劃作出供款。本集團根據強積金計劃唯一須負的責任為對該計劃作出所需供款。於報告期末，並無被沒收的供款可作扣減未來年度應付的供款。

本公司在中國的附屬公司的僱員均為中國政府所設立的退休金計劃的成員。本公司在中國的附屬公司須向退休金作出相當於該等僱員基本薪金相關部分中若干百分比的供款，以撥作該等福利的資金。本公司在中國的附屬公司對退休金計劃所負的唯一責任是根據退休金計劃作出所需供款。

於綜合損益及其他全面收益表內扣除的退休福利成本約93,000港元(二零一七年:114,000港元)。於綜合損益及其他全面收益表內扣除之退休福利成本指本集團根據該計劃的規例所定百分比向該計劃應作出的供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flow as cash flows from financing activities.

| | | Interest payable | Convertible note | Total |
|---|---------------------|-------------------------|-------------------------|-----------------|
| | | 應付利息 | 可換股票據 | 總計 |
| | | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | 千港元 | 千港元 | 千港元 |
| At 1 April 2017 | 於二零一七年四月一日 | – | 54,777 | 54,777 |
| Changes from financing cash flows: | 融資現金流量之變動： | | | |
| Interest paid | 已支付利息 | – | (3,619) | (3,619) |
| Payment on redemption of convertible note | 贖回可換股票據之付款 | – | (10,342) | (10,342) |
| | | – | (13,961) | (13,961) |
| Other changes: | 其他變動： | | | |
| Interest accrued | 應計利息 | 394 | (394) | – |
| Finance costs | 融資成本 | – | 5,522 | 5,522 |
| Gain on redemption of convertible note | 贖回可換股票據之收益 | – | (21,527) | (21,527) |
| | | 394 | (16,399) | (16,005) |
| At 31 March 2018 | 於二零一八年三月三十一日 | 394 | 24,417 | 24,811 |

綜合財務報表附註 (續)

截至二零一八年三月三十一日止年度

34. 融資活動所產生負債之對賬

下表詳述本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債指現金流量已或未來現金流量將於本集團綜合現金流量表內分類為融資活動現金流量之負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 March 2018 and 2017 are as follows:

| Name of subsidiary 附屬公司名稱 | Place/country of incorporation/ operations 註冊成立/ 營業地點/國家 | Paid up issued/registered capital 繳足已發行/註冊股本 | Attributable equity interest/portion of voting power held by the Company 本公司持有之應佔股本權益/投票權比例 | | | | Principal activities 主要業務 |
|---|---|---|--|---------------|------------------|---------------|---|
| | | | Directly 直接 | | Indirectly 間接 | | |
| | | | 2018 二零一八年 | 2017 二零一七年 | 2018 二零一八年 | 2017 二零一七年 | |
| iMerchants Asia Limited | BVI 英屬處女群島 | Ordinary shares US\$50,000 50,000美元之普通股 | 100% | 100% | - | - | Investment holdings 投資控股 |
| Growwise Holdings Limited 智生控股有限公司 | BVI 英屬處女群島 | Ordinary shares US\$1 1美元之普通股 | 100% | 100% | - | - | Investment holdings 投資控股 |
| Top Connect Holdings Limited 匯領控股有限公司 | BVI 英屬處女群島 | Ordinary shares US\$1 1美元之普通股 | 100% | 100% | - | - | Investment holdings 投資控股 |
| Green Gas Energy (HK) Limited | Hong Kong 香港 | Ordinary shares HK\$100 100港元之普通股 | - | - | 100% | 100% | Investment holdings 投資控股 |
| Green Gas Energy Limited | BVI 英屬處女群島 | Ordinary shares US\$1 1美元之普通股 | 100% | 100% | - | - | Investment holdings 投資控股 |
| First Top Finance Limited 永高財務有限公司 | Hong Kong 香港 | Ordinary shares HK\$1 1港元之普通股 | 100% | 100% | - | - | Money lending 放貸 |
| Harvest Taken (HK) Limited 天華(香港)有限公司 | Hong Kong 香港 | Ordinary shares HK\$1 1港元之普通股 | - | - | 100% | 100% | Investment in financial assets 投資於金融資產 |
| Ninghai Luyuan Liquefied Natural Gas Co., Limited** 寧海綠源液化天然氣有限公司* | PRC 中國 | RMB20,000,000 人民幣20,000,000元 | - | - | 100% | 100% | Trading of LNG products 液化天然氣產品貿易 |
| Shenzhen Hua Ya Energy Company Limited** 深圳華亞能源有限公司* | PRC 中國 | RMB40,000,000 人民幣40,000,000元 | - | - | 100% | 100% | General trading 一般貿易 |
| Shenzhen Hua Ya Finance Service Company Limited* 深圳市華亞金融服務有限公司 | PRC 中國 | RMB20,000,000 人民幣20,000,000元 | - | - | 100% | 100% | Provision of factoring services 提供保理服務 |

* the English translation of the Chinese names are for identification purpose only

Wholly foreign owned enterprise established in the PRC.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

35. 本公司主要附屬公司詳情

於二零一八年及二零一七年三月三十一日，本公司主要附屬公司的詳情如下：

於中國成立之外商獨資企業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

The above table lists the subsidiaries of the Group which, in the opinions of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding during the year or at the end of the reporting period.

36. EVENT AFTER REPORTING PERIOD

On 7 June 2018, the Company and the placing agent entered into a placing agreement pursuant to which the placing agent agreed to place to not less than six places up to 220,000,000 new shares at the placing price of HK\$0.038 per placing share.

On 20 June 2018, the Company and the placing agent entered into a supplemental agreement to extend the long stop date from 21 June 2018 to 29 June 2018.

37. COMPARATIVES FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

綜合財務報表附註(續)

截至二零一八年三月三十一日止年度

35. 本公司主要附屬公司詳情(續)

上表載列董事認為對本集團業績或資產有重大影響之本集團附屬公司之資料。董事認為提供其他附屬公司之詳情會使詳情過長。

附屬公司於年內或報告期末概無任何尚未償還之債務證券。

36. 報告期後事項

於二零一八年六月七日，本公司與該配售代理訂立一份配售協議，據此，該配售代理同意按每股配售股份0.038港元之配售價，配售最多220,000,000股新股份予不少於六名承配人。

於二零一八年六月二十日，本公司與該配售代理訂立一份補充協議，以將最後完成日期由二零一八年六月二十一日延長至二零一八年六月二十九日。

37. 比較數字

若干比較數字已重新分類以符合本年度之提呈。

FINANCIAL SUMMARY

For the year ended 31 March 2018

RESULTS

| | | Year ended 31 March 截至三月三十一日止年度 | | | | | 2018 |
|-----------------------------|-----------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | |
| Revenue | 收益 | 6,026 | 417,429 | 422,492 | 540,274 | 491,046 | |
| Loss before tax | 除稅前虧損 | (58,904) | (1,773) | (184,214) | (12,884) | (76) | |
| Income tax (expense) credit | 所得稅(開支)抵免 | (21) | (5,621) | (4,836) | 581 | (4,312) | |
| Loss for the year | 本年度虧損 | (58,925) | (7,394) | (189,050) | (12,303) | (4,388) | |
| Attributed to: | 以下人士應佔: | | | | | | |
| – Owners of the Company | – 本公司擁有人 | (58,925) | (7,394) | (189,050) | (12,302) | (4,387) | |
| – Non-controlling interests | – 非控股權益 | – | – | – | (1) | (1) | |
| Net loss for the year | 本年度虧損淨額 | (58,925) | (7,394) | (189,050) | (12,303) | (4,388) | |

ASSETS AND LIABILITIES

| | | At 31 March 於三月三十一日 | | | | | 2018 |
|--|--------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | |
| Total assets | 資產總值 | 384,577 | 413,408 | 514,717 | 465,975 | 424,108 | |
| Total liabilities | 負債總額 | (102,453) | (6,731) | (108,558) | (88,721) | (38,226) | |
| Net assets | 資產淨值 | 282,124 | 406,677 | 406,159 | 377,254 | 385,882 | |
| Equity attributable to equity holders of the Company | 本公司股本持有人應佔權益 | 282,124 | 406,677 | 406,159 | 377,255 | 385,882 | |
| Non-controlling interests | 非控股權益 | – | – | – | (1) | – | |
| | | 282,124 | 406,677 | 406,159 | 377,254 | 385,882 | |

其他資料

本公司按照《公司條例》第662(3)條及附表6第3部之規定，已向公司註冊處處長遞交截至二零一七年三月三十一日止年度之財務報表，並將適時遞交截至二零一八年三月三十一日止年度之財務報表。

本公司之核數師已就該兩個年度本集團財務報表出具報告。獨立核數師報告為無保留意見；並無載有核數師於其報告出具無保留意見之情況下，提請注意任何引述之強調事項；亦不載有根據公司條例第406(2)、407(2)或(3)條作出之陳述。

發佈業績公佈

本業績公佈的中英文版本可在GEM網站www.hkgem.com及本公司網站www.chinese-energy.com查閱。在對中英文版本理解上發生任何歧義時，以英文版本為準。

承董事會命
華夏能源控股有限公司
主席兼行政總裁
陳海寧先生

香港，二零一八年六月二十二日

於本公佈日期，執行董事為陳海寧先生（主席兼行政總裁）及吳紅英女士；而獨立非執行董事為陸志成先生、梁富衡先生及陳亮先生。

本公佈的資料乃遵照《GEM上市規則》而刊載，旨在提供有關本公司的資料；董事願就本公佈的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本公佈所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何其他事項，足以令致本公佈或其所載任何陳述產生誤導。

自刊發日期起計，本公佈將至少一連七(7)日刊載於GEM網站www.hkgem.com之「最新公司公告」一頁及本公司網站www.chinese-energy.com。