

BCI GROUP HOLDINGS LIMITED
高門集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8412

2018
Annual Report
年報

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Corporate Information

公司資料

DIRECTORS

Executive Directors:

Mr. Ng Shing Joe Kester
Ms. Lau Sze Yuen

Non-Executive Director:

Mr. Kan Sze Man

Independent Non-executive Directors:

Mr. Wong Sui Chi
Mr. Li Lap Sun
Mr. Ng Kwok Kei Sammy

AUDIT COMMITTEE

Mr. Wong Sui Chi (Chairman)
Mr. Li Lap Sun
Mr. Ng Kwok Kei Sammy

REMUNERATION COMMITTEE

Mr. Ng Kwok Kei Sammy (Chairman)
Mr. Wong Sui Chi
Mr. Li Lap Sun

NOMINATION COMMITTEE

Mr. Li Lap Sun (Chairman)
Mr. Ng Kwok Kei Sammy
Mr. Wong Sui Chi

COMPANY SECRETARY

Mr. Wong Chi Wai

COMPLIANCE OFFICER

Ms. Lau Sze Yuen

AUTHORISED REPRESENTATIVES

Mr. Ng Shing Joe Kester
Mr. Wong Chi Wai

REGISTERED OFFICE

PO Box 1350, Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

董事

執行董事：

吳繩祖先生
劉思婉女士

非執行董事：

簡士民先生

獨立非執行董事：

黃瑞熾先生
李立新先生
伍國基先生

審核委員會

黃瑞熾先生（主席）
李立新先生
伍國基先生

薪酬委員會

伍國基先生（主席）
黃瑞熾先生
李立新先生

提名委員會

李立新先生（主席）
伍國基先生
黃瑞熾先生

公司秘書

黃志威先生

合規主任

劉思婉女士

授權代表

吳繩祖先生
黃志威先生

註冊辦事處

PO Box 1350, Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Corporate Information

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Basement, Ho Lee Commercial Building
No. 38-44 D'Aguilar Street
Central
Hong Kong

香港總部及主要營業地點

香港
中環
德己立街38-44號
好利商業大廈地庫

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

開曼群島股份過戶登記總處

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road, North Point
Hong Kong

香港股份過戶登記分處

寶德隆證券登記有限公司
香港
北角電氣道148號
21樓2103B室

PRINCIPAL BANKER

The Hong Kong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

COMPLIANCE ADVISER

Lego Corporate Finance Limited
Room 1601, 16/F China Building
29 Queen's Road Central
Hong Kong

合規顧問

力高企業融資有限公司
香港
皇后大道中29號
華人行16樓1601室

LEGAL ADVISER TO THE COMPANY

Locke Lord
21/F Bank of China Tower
1 Garden Road
Central
Hong Kong

公司法律顧問

洛克律師事務所
香港
中環
花園道1號
中銀大廈21樓

Corporate Information

公司資料

AUDITORS

BDO Limited
Certified Public Accountants
25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

STOCK CODE

8412

COMPANY'S WEBSITE

www.bcigroup.com.hk

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港
干諾道中111號
永安中心25樓

股份代號

8412

公司網站

www.bcigroup.com.hk

Chairman's Statement

主席報告書

TO OUR SHAREHOLDERS

On behalf of the board (the "Board") of Directors of the Company, I am pleased to present the annual report of BCI Group Holdings Limited (the "Company") for the year ended 31 May 2018. At present, our Group is operating (i) two night clubs, namely Volar and Fly (under renovation); (ii) a sports-themed bar, namely Paper Street; (iii) an entertainment studio, namely Maximus Studio; and (iv) three restaurants focusing on Japanese-style dishes under the proprietary "Tiger" brand, namely Tiger Curry Jr., Tiger San and Tiger Room.

FINANCIAL RESULTS

During the year ended 31 May 2018 (the "Year" or "2018"), the Group recorded a decrease in revenue of approximately 11.3% from approximately HK\$96.2 million for the year ended 31 May 2017 (the "Previous Year" or "2017") to approximately HK\$85.3 million for the year ended 31 May 2018 and recorded an increase in loss for the year of approximately 163.6% from approximately HK\$ 9.8 million for the year ended 31 May 2017 to approximately HK\$ 25.8 million for the year ended 31 May 2018. The loss was mainly attributable to (i) the decrease in revenue generated from the Group's clubs and entertainment operation, (ii) an increase in advertising and marketing expenses on the featured events, (iii) an increase in employee benefits expenses, and (iv) an increase in other expenses in line with our business expansion for the year ended 31 May 2018.

CLUBS AND ENTERTAINMENT OPERATION AND RESTAURANTS OPERATIONS

Over the course of the year, we continued to strengthen our market share in clubbing and entertainment operation by opening an entertainment studio, namely Maximus Studio, in the heart of Sheung Wan on 21 January 2018 and to strengthen our market share in restaurants operation by opening a restaurant under our "Tiger" brand, namely Tiger San on 16 December 2017 at Maritime Square II Tsing Yi.

敬愛的股東

本人謹代表高門集團有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司截至2018年5月31日止年度的年度報告。現時，本集團經營(i)兩間晚上會所Volar及Fly(正進行整修工程)；(ii)一間運動主題酒吧Paper Street；(iii)一間娛樂中心Maximus Studio；及(iv)以自有品牌「Tiger」主推日式菜餚的三間餐廳Tiger Curry Jr.、Tiger San及Tiger Room。

財務業績

於截至2018年5月31日止年度(「本年度」或「2018年」)，本集團收益由截至2017年5月31日止年度(「上年度」或「2017年」)約96.2百萬港元減少約11.3%至截至2018年5月31日止年度約85.3百萬港元，而本集團虧損由截至2017年5月31日止年度約9.8百萬港元增加約163.6%至截至2018年5月31日止年度約25.8百萬港元。有關虧損主要由於(i)本集團的會所及娛樂營運所得收益減少；(ii)特色活動的廣告及市場推廣開支增加；(iii)僱員福利開支增加；及(iv)截至2018年5月31日止年度的其他開支隨著我們擴展業務而增加所致。

會所及娛樂營運以及餐廳營運

於過去一年，我們透過於2018年1月21日在上環中心地帶開設娛樂中心Maximus Studio，繼續加強我們於會所及娛樂營運的市場份額，並於2017年12月16日在青衣區內的青衣城二期開設一間「Tiger」品牌餐廳Tiger San，以加強我們於餐飲營運的市場份額。

Chairman's Statement

主席報告書

PROSPECTS

To maintain our leading market players in the clubbing and entertainment market and further strengthen our business in restaurants operation in Hong Kong, we will continue to expand and diversify our outlet network by establishing a sports-themed bar and expanding our restaurant network under our "Tiger" brand, and upgrade our club facilities. We opened a sport-themed bar, namely Paper Street on 20 July 2018 and a restaurant, namely Tiger Room on 15 June 2018 in the heart of Sheung Wan.

For upgrading our club facilities, the Group shall undertake minor renovations for our clubs on an as-needed basis depending on the condition of our equipment and facilities. Currently, we are in the process of upgrading and renovating Fly and the renovation will be completed by the end of September 2018. In addition, the upgrade and renovation of Volar will commence in or around the third quarter of 2018 to ensure that each remains attractive to our customers.

APPRECIATION

On behalf of the Board and the management of the Group, I would like to express my sincere gratitude to all our staff for their unremitting efforts during the year ended 31 May 2018 and to all shareholders for their full support. I would also like to express my heartfelt thanks to all shareholders, investors, customers, suppliers and business partners for their valuable support.

Ng Shing Joe Kester

Chairman

Hong Kong, 27 August 2018

前景

我們將通過開設運動主題酒吧及擴展「Tiger」品牌餐廳網絡，繼續擴大及多樣化門店網絡，並會升級會所設施，藉此維持我們於會所及娛樂行業的市場領導地位及進一步加強我們於香港的餐廳經營業務。我們分別於2018年7月20日及2018年6月15日在上環中心地帶開設運動主題酒吧Paper Street及餐廳Tiger Room。

就提升會所設施而言，本集團視乎我們設備及設施的狀況按需要為會所進行小型整修工程。目前，我們正提升及整修Fly，整修工程將於2018年9月底前完成。此外，我們將於2018年第三季度或前後開始提升及整修Volar，以確保各自保持對客戶的吸引力。

鳴謝

本人謹此代表董事會及本集團管理人員對全體員工於截至2018年5月31日止年度的不懈努力及所有股東的鼎力支持致以誠摯謝意。本人亦衷心感謝各位股東、投資者、客戶、供應商及業務合作夥伴給予的寶貴支持。

主席

吳繩祖

香港，2018年8月27日

Financial Highlight

財務摘要

For the year ended 31 May 2018, the Group's revenue was approximately HK\$85.3 million, representing a decrease of approximately 11.3% when compared with that for the year ended 31 May 2017.

The Group recorded a loss and total comprehensive expense for the year ended 31 May 2018 of approximately HK\$25.8 million, while there was a loss and total comprehensive loss of approximately HK\$9.8 million for the year ended 31 May 2017. Excluding the non-recurring Listing expenses of approximately HK\$15.5 million for the year ended 31 May 2017, the profit and total comprehensive income would be approximately HK\$5.7 million for the year ended 31 May 2017.

The Board did not recommend payment of any dividend for the year ended 31 May 2018.

截至2018年5月31日止年度，本集團的收益為約85.3百萬港元，較截至2017年5月31日止年度的收益減少約11.3%。

本集團截至2018年5月31日止年度錄得虧損及全面開支總額約25.8百萬港元，而截至2017年5月31日止年度錄得虧損及全面虧損總額約9.8百萬港元。撇除截至2017年5月31日止年度的非經常性上市開支約15.5百萬港元，截至2017年5月31日止年度的溢利及全面收入總額將為約5.7百萬港元。

董事會並無建議派付截至2018年5月31日止年度的任何股息。

Management Discussion and Analysis

管理層討論及分析

At present, the Group is operating (i) two night clubs, namely Volar and Fly (under renovation); (ii) a sports-themed bar, namely Paper Street; (iii) an entertainment studio, namely Maximus Studio; and (iv) three restaurants focusing on Japanese-style dishes under the proprietary “Tiger” brand, namely Tiger Curry Jr., Tiger San and Tiger Room.

BUSINESS REVIEW AND OUTLOOK

For the year ended 31 May 2018 and up to the date of this report, the Group had been principally engaged in the operation of clubbing and entertainment and restaurant business in Hong Kong.

Operation of clubbing and entertainment business

For the year ended 31 May 2018, the Group strategically positions two clubs and an entertainment studio, namely Volar, Fly and Maximus Studio, to cover different segments of the night lifestyle, club and entertainment market. Volar targets customers with strong spending power and aims to provide a premium clubbing experience, Fly aims to appeal to the younger white collar professionals and university students and graduates and provide a high-end clubbing lifestyle experience, while Maximus Studio is working to achieve a lifestyle designed by the customer and is a place to build a greatest self. The revenue generated from operation of clubbing and entertainment business decreased by approximately HK\$11.8 million, or approximately 15.0%, from approximately HK\$78.5 million for the year ended 31 May 2017 to approximately HK\$66.7 million for the year ended 31 May 2018. Such decrease was mainly due to the result of rising competition in clubbing business and the decrease in sale of prepaid beverage packages to our customers.

Operation of restaurant business

For the year ended 31 May 2018, the Company owned four “Tiger” branded restaurants which aimed to provide a contemporary Japanese dining experience in a relaxing atmosphere for their customers. Tiger Curry, Tiger Curry & Cafe and Tiger San are casual dining restaurants while Tiger Curry Jr. is a quick service restaurant.

Tiger Curry was closed on 10 April 2018 due to a notice in writing has been given by the lawyer of the landlord in which the landlord decided to terminate the existing tenancy agreement.

現時，本集團經營(i)兩間晚上會所Volar及Fly（正進行整修工程）；(ii)運動主題酒吧Paper Street；(iii)一間娛樂中心Maximus Studio；以及(iv)以自有品牌「Tiger」主推日式菜餚的三間餐廳Tiger Curry Jr.、Tiger San及Tiger Room。

業務回顧及前景

截至2018年5月31日止年度及截至本報告日期，本集團主要於香港經營會所及娛樂以及餐廳業務。

經營會所及娛樂業務

截至2018年5月31日止年度，本集團將兩間會所Volar及Fly以及一間娛樂中心Maximus Studio策略定位以覆蓋晚上時尚生活、會所及娛樂市場的不同領域。Volar旨在為具備強勁消費能力的客戶提供優質會所體驗，Fly旨在吸引年輕白領專業人士及大學生與畢業生，提供高級會所時尚生活體驗，而Maximus Studio則致力於達致由客戶自訂的生活方式，並為實現最理想自我的地方。經營會所及娛樂業務所得收益由截至2017年5月31日止年度約78.5百萬港元減少約11.8百萬港元或約15.0%至截至2018年5月31日止年度約66.7百萬港元。有關減少主要是由於會所業務競爭日趨激烈及我們向客戶銷售預付飲品套餐的銷售額下跌所致。

經營餐廳業務

截至2018年5月31日止年度，本公司擁有的四間「Tiger」品牌餐廳力求為客戶打造輕鬆愜意的環境，並提供現代日式餐飲體驗。Tiger Curry、Tiger Curry & Cafe及Tiger San均為休閒餐廳，而Tiger Curry Jr.則為速食餐廳。

由於業主律師已發出書面通知，內容為業主決定終止現有租賃協議，故Tiger Curry已於2018年4月10日結業。

Management Discussion and Analysis

管理層討論及分析

The Group seeks to distinguish itself from other local casual dining and quick service restaurant concepts by creating food menus centered on Japanese-style dishes yet at the same time offering a variety of other Japanese dishes with broad appeal. The revenue generated from operation of restaurant business increased by approximately HK\$0.9 million, or approximately 5.4%, from approximately HK\$17.7 million for the year ended 31 May 2017 to approximately HK\$18.6 million for the year ended 31 May 2018. The increase in revenue was primarily attributable to the result of the increase by revenue contributed from Tiger San which was opened on 16 December 2017 but partially offset by rising competition and general downturns in the food and beverage industry.

OUTLOOK

The food and beverage, lifestyle and entertainment industry is always challenging, dynamic with keen competitions. The demand for our clubbing business is highly susceptible to the changing lifestyle trends and tastes. Operating in a competitive business, the Group recognises a renovation would provide an opportunity for us to update our venues, refresh our brand image and attract customers.

Currently, we have engaged an internationally acclaimed interior designer to design the venue of Fly and the renovation and refurbishment of Fly was started in July 2018 and we expect that it will be completed by September 2018. After the renovation and refurbishment, we will be able to refresh the image and brand of the Group, broaden the customer base and Fly will be a more sophisticated, high-end and contemporary bar with no dance floor, offering a variety of entertainment such as live band show and international DJ's performance. In addition, the renovation and refurbishment of Volar will commence in or around the third quarter of 2018 to ensure that each remains attractive to our customers.

To expand our market share in food and beverage, lifestyle and entertainment industry in Hong Kong, we opened a sport-themed bar, namely Paper Street, on 20 July 2018, which aims at providing a casual and comfort environment for its patronage, and a restaurant, namely Tiger Room, on 15 June 2018, in the heart of Sheung Wan. While a restaurant, namely Tiger Curry & Cafe, was closed on 7 August 2018 due to the non-renewal of the lease.

本集團圍繞日式菜餚設計食品菜單，同時亦供應多款其他廣受青睞的日式菜餚，力求從其他本地休閒及速食餐廳概念中脫穎而出。經營餐廳業務所得收益由截至2017年5月31日止年度約17.7百萬港元增加約0.9百萬港元或約5.4%至截至2018年5月31日止年度約18.6百萬港元。收益增加主要是由於2017年12月16日開設的Tiger San貢獻的收益增加所致，部分被餐飲行業競爭日趨激烈及行業整體疲弱所抵銷。

前景

餐飲、時尚生活及娛樂行業向來充滿挑戰，且瞬息萬變，競爭激烈。我們會所業務的需求甚受不斷轉變的生活方式趨勢與品味所影響。鑑於經營所在行業競爭激烈，本集團了解到整修工程可為我們提供契機提升會所環境、重塑品牌形象及吸引客戶。

現時，我們聘請一位國際知名的室內設計師設計Fly的場地，而Fly的整修及翻新工程已於2018年7月開始，工程預期將於2018年9月前完成。經過整修及翻新後，我們將能重塑本集團的形象及品牌，並擴闊客戶基礎，而Fly將成為更具高尚格調、饒富當代特色的高級酒吧，酒吧將不設舞池，惟將提供各式各樣的娛樂節目（如現場樂隊表演及國際唱片騎師表演）。此外，Volar的整修及翻新工程將於2018年第三季度或前後開始，以確保各自保持對客戶的吸引力。

為提高我們於香港餐飲、時尚生活及娛樂行業的市場份額，我們分別於2018年7月20日及2018年6月15日在上環中心地帶開設運動主題酒吧Paper Street（旨在為顧客提供休閒舒適的環境）及餐廳Tiger Room。與此同時，餐廳Tiger Curry & Cafe因不續租約而已於2018年8月7日結業。

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The Group's strategy remains unchanged and diversifies our outlet network by adopting the following key business strategies:

Upgrade our club facilities

The Group undertakes minor renovations for our clubs on an as-needed basis depending on the condition of our equipment and facilities.

Expand our market share in food and beverage, lifestyle and entertainment industry

Despite the keen competition and challenging operating environment in the food and beverage, lifestyle and entertainment industry in Hong Kong, the Group is still looking for business opportunities to enhance the market share in both clubbing and entertainment and restaurant business, in the meantime, the Group will continue to refine the business strategy to cope with the continuing challenges.

FINANCIAL REVIEW

Revenue

For the year ended 31 May 2018, the Group's revenue was generated from the operation of clubbing and entertainment and restaurant business in Hong Kong. For the year ended 31 May 2018, the Group was operating two clubs, one entertainment studio and four restaurants located in Hong Kong. Tiger Curry was closed on 10 April 2018 due to a notice in writing has been given by the lawyer of the landlord in which the landlord decided to terminate the existing tenancy agreement.

The Group recognised revenue from (a) the clubbing and entertainment operations when (i) sales of beverages were delivered; (ii) services were provided or other products were delivered (including tips, cloakroom fees, photobooth, event rental income and service income from an entertainment studio) to its customers; (b) the restaurant operations when food and beverage and other related services have been rendered; and (c) entertainment income when services have been rendered.

本集團繼續奉行相同策略，透過採取以下主要業務策略多元化開拓門店網絡：

提升會所設施

本集團視乎我們設備及設施的狀況於有需要時為會所進行小型整修工程。

提高我們於餐飲、時尚生活及娛樂行業的市場份額

儘管香港餐飲、時尚生活及娛樂行業競爭激烈，經營環境充滿挑戰，本集團仍不懈物色商機，力求提高本集團於會所及娛樂以及餐廳業務的市場份額，同時本集團將繼續優化業務策略以應對接踵而來的挑戰。

財務回顧

收益

截至2018年5月31日止年度，本集團的收益來自於香港經營會所及娛樂以及餐廳業務。截至2018年5月31日止年度，本集團經營位於香港的兩間會所、一間娛樂中心及四間餐廳。由於業主律師已發出書面通知，內容為業主決定終止現有租賃協議，故Tiger Curry已於2018年4月10日結業。

本集團(a)於(i)送達所售飲品；(ii)提供服務或交付其他產品予其客戶時確認會所及娛樂營運收益（包括小費、衣帽間費用、快照收入、活動租金收入及娛樂中心服務收入）；(b)於提供餐飲及其他相關服務時確認餐廳營運收益；及(c)於提供服務時確認娛樂收入。

Management Discussion and Analysis

管理層討論及分析

The table below sets forth the breakdown of the revenue by clubbing and entertainment and restaurant operations for the years ended 31 May 2018 and 2017:

下表載列於截至2018年及2017年5月31日止年度按會所及娛樂以及餐廳營運劃分的收益明細：

		For the year ended 31 May 截至5月31日止年度			
		2018 2018年		2017 2017年	
		HK\$'000 千港元	% of total 佔總收益百分比	HK\$'000 千港元	% of total 佔總收益百分比
Clubbing and entertainment operations	會所及娛樂營運	66,707	78.2	78,477	81.6
Restaurant operations	餐廳營運	18,636	21.8	17,687	18.4
Total	總計	85,343	100.0	96,164	100.0

The revenue generated from operation of clubbing and entertainment business decreased by approximately HK\$11.8 million, or approximately 15.0%, from approximately HK\$78.5 million for the year ended 31 May 2017 to approximately HK\$66.7 million for the year ended 31 May 2018. Such decrease was mainly due to the result of rising competition in clubbing business and the decrease in sale of prepaid beverage packages to our customers.

經營會所及娛樂業務所得收益由截至2017年5月31日止年度約78.5百萬港元減少約11.8百萬港元或約15.0%至截至2018年5月31日止年度約66.7百萬港元。有關減少主要是由於會所業務競爭日趨激烈及我們向客戶銷售預付飲品套餐的銷售額下跌所致。

The revenue generated from operation of restaurant business increased by approximately HK\$ 0.9 million, or approximately 5.4 %, from approximately HK\$17.7 million for the year ended 31 May 2017 to approximately HK\$18.6 million for the year ended 31 May 2018. The increase in revenue was primarily attributable to the result of the increase by revenue contributed from Tiger San which was opened on 16 December 2017 but partially offset by rising competition and general downturns in the food and beverage industry and close down of Tiger Curry on 10 April 2018.

經營餐廳業務所得收益由截至2017年5月31日止年度約17.7百萬港元增加約0.9百萬港元或約5.4%至截至2018年5月31日止年度約18.6百萬港元。收益增加主要是由於2017年12月16日開設的Tiger San貢獻的收益增加所致，部分被餐飲行業競爭日趨激烈及行業整體疲弱以及Tiger Curry於2018年4月10日結業所抵銷。

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管理層討論及分析

Cost of inventories sold

The cost of inventories sold mainly represented the cost of beverage and food ingredients used in the Group's clubbing and entertainment and restaurant operations. The major beverage and food ingredients purchased by the Group includes, but is not limited to, champagne, frozen food, dried food, etc.. The cost of inventories sold was one of the components of the operating expenses which decreased by approximately HK\$1.5 million, or approximately 7.9%, from approximately HK\$19.1 million for the year ended 31 May 2017 to approximately HK\$17.6 million for the year ended 31 May 2018. The decrease was mainly due to the decreased revenue of clubbing operations.

Other income and gains

Other income and gains mainly represents the reversal of provision of reinstatement cost, management fee income and bank interest income.

The table below sets forth the breakdown of the other income and gains for the years ended 31 May 2017 and 2018.

Reversal of provision of reinstatement cost	撥回修復成本撥備	200	–
Interest income	利息收入	177	1
Management fee income	管理費收入	–	72
Total	總計	377	73

The other income and gains increased by approximately HK\$0.3 million, or approximately 416.4%, from approximately HK\$0.1 million for the year ended 31 May 2017 to approximately HK\$0.4 million for the year ended 31 May 2018. The increase was mainly due to (i) the increase in reversal of provision of reinstatement cost on Tiger Curry which was closed on 10 April 2018; and (ii) the increase in interest income which is mainly generated from net proceeds placed in the bank accounts of the Group.

已售存貨成本

已售存貨成本主要指本集團的會所及娛樂以及餐廳營運所用飲品及食材的成本。本集團採購的主要飲品及食材包括（但不限於）香檳、急凍食品及乾製食品。已售存貨成本為經營開支的其中一個組成部分，由截至2017年5月31日止年度約19.1百萬港元減少約1.5百萬港元或約7.9%至截至2018年5月31日止年度約17.6百萬港元。該減少主要是由於會所營運的收益減少所致。

其他收入及收益

其他收入及收益主要指撥回修復成本撥備、管理費收入及銀行利息收入。

下表載列於截至2017年及2018年5月31日止年度的其他收入及收益明細。

For the year ended 31 May

截至5月31日止年度

2018	2017
2018年	2017年
HKD	HKD
港元	港元

Reversal of provision of reinstatement cost	撥回修復成本撥備	200	–
Interest income	利息收入	177	1
Management fee income	管理費收入	–	72
Total	總計	377	73

其他收入及收益由截至2017年5月31日止年度約0.1百萬港元增加約0.3百萬港元或約416.4%至截至2018年5月31日止年度約0.4百萬港元。該增加主要是由於(i) Tiger Curry（已於2018年4月10日結業）的撥回修復成本撥備增加；及(ii)主要由存放於本集團銀行賬戶的所得款項淨額所產生的利息收入增加所致。

Management Discussion and Analysis

管理層討論及分析

Property rentals and related expenses

Property rentals and related expenses primarily represented the rental payments under operating leases and property management fee paid for the club and entertainment premises, restaurants premises and office premises. The property rentals and related expenses were one of the components of the operating expenses which increased by approximately HK\$2.2 million, or approximately 9.6%, from approximately HK\$23.0 million for the year ended 31 May 2017 to approximately HK\$25.2 million for the year ended 31 May 2018. The increase was mainly due to property rentals and related expenses incurred by our Tiger San and Maximus Studio which were opened on 16 December 2017 and 21 January 2018, respectively.

Advertising and marketing expenses

Advertising and marketing expenses primarily consisted of advertising and promotional expenses such as the cost of engaging resident and guest DJs and the expenses incurred for engaging a public relations company for the provision of marketing and promotion services to the Group's clubbing, entertainment and restaurant operations. The advertising and marketing expenses increased by approximately HK\$2.2 million, or approximately 18.3%, from approximately HK\$11.9 million for the year ended 31 May 2017 to approximately HK\$14.1 million for the year ended 31 May 2018. The increase was mainly due to the increase in advertising and marketing expenses on the featured events which included night entertainment events (i) lead by an internationally renowned guest DJ; or (ii) based on festival and holiday themes, for the year ended 31 May 2018.

Employee benefits expenses

Employee benefits expenses primarily consisted of all salaries and benefits payable to all employees and staff, including the executive Directors, headquarters staff and operational staff in each outlet. The employee benefits expenses increased by approximately HK\$8.9 million, or approximately 48.8 %, from approximately HK\$18.3 million for the year ended 31 May 2017 to approximately HK\$27.2 million for the year ended 31 May 2018. The increase was primarily due to the (i) increase in staff cost as a result of additional staff in our head office after Listing, (ii) the discretionary bonus of approximately HK\$5.4 million for the year ended 31 May 2018 paid to directors, senior management and employees of the Company with reference to the Group's and individual's performance and (iii) the increase in staff costs as a result the expansion of our clubbing, entertainment and restaurant operations.

物業租金及相關開支

物業租金及相關開支主要指就會所及娛樂物業、餐廳物業以及辦公室物業已付的營運租賃項下租金付款及物業管理費。物業租金及相關開支為經營開支的組成部分之一，由截至2017年5月31日止年度約23.0百萬港元增加約2.2百萬港元或約9.6%至截至2018年5月31日止年度約25.2百萬港元。該增加主要是由於我們分別於2017年12月16日及2018年1月21日開設的Tiger San及Maximus Studio所產生的物業租金及相關開支所致。

廣告及市場推廣開支

廣告及市場推廣開支主要包括廣告及宣傳開支（如聘請駐場及客席DJ的成本）與聘請公關公司為本集團的會所、娛樂及餐廳營運提供市場推廣及宣傳服務所產生的開支。廣告及市場推廣開支由截至2017年5月31日止年度約11.9百萬港元增加約2.2百萬港元或約18.3%至截至2018年5月31日止年度約14.1百萬港元。該增加主要是由於截至2018年5月31日止年度的特色活動（包括(i)由國際知名客席DJ演出；或(ii)以節假日為主題的晚上娛樂活動）的廣告及市場推廣開支增加所致。

僱員福利開支

僱員福利開支主要包括應付所有僱員及員工（包括執行董事、總部員工及各門店的運作員工）的所有薪金及福利。僱員福利開支由截至2017年5月31日止年度約18.3百萬港元增加約8.9百萬港元或約48.8%至截至2018年5月31日止年度約27.2百萬港元。該增加主要是由於(i)上市後新增總部員工導致員工成本增加、(ii)經參考本集團及個別員工表現已付本公司董事、高級管理層及僱員截至2018年5月31日止年度的酌情花紅約5.4百萬港元及(iii)我們因擴展會所、娛樂及餐廳營運而導致員工成本增加所致。

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Depreciation

Depreciation represented the depreciation charge for property, plant and equipment, including, among others, leasehold improvements, furniture, fixtures and equipment and motor vehicles. Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The depreciation recorded at approximately HK\$4.3 million and HK\$4.7 million for the years ended 31 May 2017 and 2018, respectively.

Listing expenses

Listing expenses of approximately HK\$15.5 million were recognised for the year ended 31 May 2017. No such expenses were incurred for the year ended 31 May 2018.

Other expenses

Other expenses mainly represented security expenses for the clubs, credit card commissions, repairs and maintenance costs, promotional expenses, cleaning expenses, professional fee and impairment loss on property, plant and equipment. The other expenses increased by approximately HK\$7.5 million, or approximately 58.0%, from approximately HK\$13.1 million for the year ended 31 May 2017 to approximately HK\$20.6 million for the year ended 31 May 2018. Such increase was mainly due to the (i) additional professional fee paid after Listing, (ii) the increase in other expenses in line with our business expansion, (iii) written off of property, plant and equipment due to close of outlets and (iv) the increase in promotional expenses.

Loss before income tax expense

As a result of the cumulative factors discussed above, the loss before income tax expense increased from approximately HK\$8.9 million for the year ended 31 May 2017 to approximately HK\$23.9 million for the year ended 31 May 2018.

Loss and total comprehensive expenses for the year

As a result of the cumulative factors discussed above, the loss and total comprehensive expenses increased from approximately HK\$9.8 million for the year ended 31 May 2017 to approximately HK\$25.8 million for the year ended 31 May 2018.

折舊

折舊指物業、廠房及設備（包括（其中包括）租賃物業裝修、傢具、裝置及設備以及汽車）的折舊費用。物業、廠房及設備的折舊乃於估計可使用年期內按直線法撇銷成本（已扣除預期剩餘價值）。截至2017年及2018年5月31日止年度，折舊分別錄得約4.3百萬港元及4.7百萬港元。

上市開支

截至2017年5月31日止年度確認上市開支約15.5百萬港元，而截至2018年5月31日止年度並無產生有關開支。

其他開支

其他開支主要指會所保安開支、信用卡手續費、維修及保養成本、宣傳開支、清潔費、專業費用以及物業、廠房及設備減值虧損。其他開支由截至2017年5月31日止年度約13.1百萬港元增加約7.5百萬港元或約58.0%至截至2018年5月31日止年度約20.6百萬港元。有關增加主要是由於(i)上市後已付的額外專業費用、(ii)其他開支隨著我們擴展業務而增加、(iii)因門店結業以致撇銷物業、廠房及設備及(iv)宣傳開支增加所致。

除所得稅開支前虧損

受上述因素共同影響，除所得稅開支前虧損由截至2017年5月31日止年度約8.9百萬港元增加至截至2018年5月31日止年度約23.9百萬港元。

年內虧損及全面開支總額

受上述因素共同影響，虧損及全面開支總額由截至2017年5月31日止年度約9.8百萬港元增加至截至2018年5月31日止年度約25.8百萬港元。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The Group recorded net cash used in operating activities of approximately HK\$9.9 million for the year ended 31 May 2017 to net cash used in operating activities of approximately HK\$49.2 million for the year ended 31 May 2018, primarily due to (i) increase in financial assets at fair value through profit and loss; (ii) the decrease of revenue receipts and (iii) the payment of advertising and marketing expenses, employee benefits expenses and other expenses.

As at 31 May 2018, the Group's total cash and bank balances (including cash and cash equivalents and restricted bank deposits) were approximately HK\$35.7 million (2017: approximately HK\$60.7 million). The current ratio (calculated by current assets divided by current liabilities) of the Group decreased from approximately 4.1 times as at 31 May 2017 to approximately 1.6 times as at 31 May 2018. The gearing ratio (calculated by net debt divided by total capital) of the Group were net cash position as at 31 May 2017 and 2018.

As at 31 May 2018, the Group obtained total unutilised banking facility of HK\$57.8 million granted from commercial banks for the working capital.

The shares of the Company were successfully listed on GEM of the Stock Exchange on 7 April 2017, since then, there was no change in the capital structure of the Group. The capital structure of the Group comprises of issued share capital and reserves. As at 31 May 2018, the equity attributable to owners of the Company amounted to approximately HK\$42.6 million (2017: approximately HK\$67.7 million).

USE OF PROCEEDS

Based on the offer price of HK\$0.34 per offer share, the net proceeds from the Listing, after deducting the underwriting commission and other estimated expenses, amounted to approximately HK\$43.9 million.

財務狀況、流動資金及財務資源

本集團由截至2017年5月31日止年度錄得經營活動所用現金淨額約9.9百萬港元轉為截至2018年5月31日止年度的經營活動所用現金淨額約49.2百萬港元，主要是由於(i)按公平值計入損益的金融資產增加；(ii)所得收益減少及(iii)支付廣告及市場推廣開支、僱員福利開支及其他開支所致。

於2018年5月31日，本集團的總現金及銀行結餘（包括現金及現金等價物以及受限制銀行存款）為約35.7百萬港元（2017年：約60.7百萬港元）。本集團的流動比率（按流動資產除以流動負債計算）由2017年5月31日約4.1倍減少至2018年5月31日約1.6倍。本集團的資產負債比率（按債務淨額除以總資本計算）於2017年及2018年5月31日均為淨現金水平。

於2018年5月31日，本集團獲得商業銀行授出的未動用銀行融資總額57.8百萬港元，用作營運資金。

本公司股份於2017年4月7日在聯交所創業板成功上市，自此，本集團的資本架構並無變動。本集團的資本架構包括已發行股本及儲備。於2018年5月31日，本公司擁有人應佔權益為約42.6百萬港元（2017年：約67.7百萬港元）。

所得款項用途

按發售價每股發售股份0.34港元計算，上市的所得款項淨額（經扣除包銷佣金及其他估計開支）為約43.9百萬港元。

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管理層討論及分析

On 11 May 2018, the Board resolved to change the use of the net proceeds as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. Details of the original allocation of the net proceeds, the revised allocation of the net proceeds, the utilisation of the net proceeds as at 11 May 2018 and the remaining balance after the revised allocation of the net proceeds are set out as follows:

於2018年5月11日，董事會議決變更招股章程「未來計劃及所得款項用途」一節所載的所得款項淨額用途。有關所得款項淨額的原定分配、所得款項淨額的經修訂分配、於2018年5月11日所得款項淨額的動用情況及所得款項淨額經修訂分配後的餘額的詳情載列如下：

Uses of the Net Proceeds	Original allocation	Revised allocation	Utilised net proceeds (as at 11 May 2018)	Remaining balance after revised allocation
所得款項淨額用途	原定分配 HK\$ million 百萬港元	經修訂分配 HK\$ million 百萬港元	已動用所得款項淨額（於2018年5月11日） HK\$ million 百萬港元	經修訂分配後的餘額 HK\$ million 百萬港元
Continuing to expand and diversify the outlet network of the Group	繼續擴大及多元化開拓本集團的門店網絡			
– Establishing two sports-themed bars	– 開設兩間運動主題酒吧	19.5	12.0	10.1
– Establishing two standalone restaurants and two food court restaurants	– 開設兩間獨立餐廳及兩間美食廣場餐廳	6.8	6.8	3.3
		26.3	18.8	13.4
Upgrading the club facilities of the Group	提升本集團的會所設施			
– Renovating and refurbishing Volar	– 整修及翻新Volar	11.6	6.7	6.5
– Renovating and refurbishing Fly	– 整修及翻新Fly	4.5	9.4	7.9
		16.1	16.1	14.4
Increasing marketing effort of the Group	加大本集團的營銷力度	–	3.7	3.7
Enhancing corporate image of the Group	提升本集團的企業形象	–	1.0	1.0
General working capital of the Group	本集團一般營運資金	1.5	4.3	2.8
		43.9	43.9	35.3

The details of the re-allocation of the use of proceeds was set out in the announcement of the Company dated 11 May 2018.

有關重新分配所得款項用途的詳情載於本公司日期為2018年5月11日的公告。

Management Discussion and Analysis

管理層討論及分析

Accordingly, up to 31 May 2018, following the above-mentioned adjustment and change in use of the net proceeds (collectively the “**Adjustments**”), the plans for application of the net proceeds were adjusted as follows (the “**Adjusted Plan**”):

因此，截至2018年5月31日，經上述調整及變更所得款項淨額用途（統稱「**調整**」）後，應用所得款項淨額的計劃調整如下（「**經調整計劃**」）：

Uses of the net proceeds	Adjusted allocation of net proceeds in accordance with the Adjusted Plan up to 31 May 2018	Amount utilised as at 31 May 2018	Amount unutilised in accordance with the Adjusted Plan as at 31 May 2018
所得款項淨額用途	截至2018年5月31日根據經調整計劃的經調整分配所得款項淨額	於2018年5月31日的已動用金額	於2018年5月31日根據經調整計劃的未動用金額
	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
Continuing to expand and diversify the outlet network of the Group	繼續擴大及多元化開拓本集團的門店網絡	18.8	5.4
Upgrading the club facilities of the Group	提升本集團的會所設施	16.1	1.7
Increasing marketing effort of the Group	加大本集團的營銷力度	3.7	0.6
Enhancing corporate image of the Group	提升本集團的企業形象	1.0	–
General working capital of the Group	本集團一般營運資金	4.3	2.8
		43.9	10.5
			33.4

The unutilised net proceeds from the Listing in accordance with the Adjusted Plan are placed in the bank accounts of the Group.

根據經調整計劃的未動用上市所得款項淨額均存放於本集團的銀行賬戶。

Management Discussion and Analysis

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The future plan and the planned amount of usage of net proceeds as stated in the Adjusted Plan were based on the best estimation and assumption of future market conditions at the time of preparing the announcement of the Company dated 11 May 2018 while the proceeds were applied based on the actual development of the Group's business and the industry. An analysis comparing the business objective stated in the prospectus with the Group's actual business progress is set out below:

經調整計劃所載未來計劃及所得款項淨額的擬定用途金額乃基於編製本公司日期為2018年5月11日的公告時對未來市況的最佳估計及假設作出，而所得款項乃按照本集團業務及行業的實際發展予以動用。招股章程所載業務目標與本集團實際業務進展的比較分析載列如下：

Business objective and strategy

業務目標及策略

(1) Upgrade our club facilities

(1) 提升會所設施

Business plan and activity

業務計劃及活動

Renovate and refurbish Fly

- Execute planned renovation at Fly

Renovate and refurbish Volar

- Set up project team
- Engage contractors for the renovation and refurbishment
- Engage designers for the concept of renovation and refurbishment
- Carry out renovation and refurbishment

整修及翻新Fly

- 執行計劃整修Fly

整修及翻新Volar

- 成立項目團隊
- 委聘承包商進行整修及翻新工程
- 委聘設計師制定整修及翻新工程的概念
- 進行整修及翻新工程

Actual business progress up to

31 May 2018

截至2018年5月31日的實際業務進展

- Renovation and refurbishment of Fly have not been carried out as at 31 May 2018.
- We have set up a project team and obtained quotation from various contractors and designer.
- No renovation and refurbishment of Volar have been carried out as at 31 May 2018 as the Company is still under negotiation with the contractor and designer.
- 於2018年5月31日，本公司尚未進行Fly的整修及翻新工程。
- 我們已成立項目團隊，並自多家承包商及設計師取得報價。
- 由於本公司現正與承包商及設計師磋商，故於2018年5月31日仍未進行Volar的整修及翻新工程。

Management Discussion and Analysis

管理層討論及分析

Business objective and strategy
業務目標及策略

Business plan and activity
業務計劃及活動

Actual business progress up to 31 May 2018
截至2018年5月31日的實際業務進展

(2) Continue to expand and diversify our outlet network for clubbing operation

Establish sports-themed bars

- Execute planned establishment of first sports-themed bar
- Explore opportunities with cooperation partners and conduct feasibility studies for our second sports-themed bar

- A sports-themed bar is opened on 20 July 2018.
- We have set up a project team and conducted study of potential locations regarding the accessibility, visibility, size, structure, the demographics and rental trends.

(2) 繼續擴大及多元化開拓會所營運的門店網絡

開設運動主題酒吧

- 執行計劃開設首間運動主題酒吧
- 尋求與合作夥伴的合作機會及對我們第二間運動主題酒吧進行可行性研究

- 我們於2018年7月20日開設一間運動主題酒吧。
- 我們已成立項目團隊，並就潛在位置的交通是否便利、容易察覺程度、大小、結構、人口特徵及租金趨勢展開研究。

(3) Continue to expand and diversify our outlet network for restaurant operation

Set up a standalone restaurant in Tsing Yi

- Execute planned establishment of standalone restaurant in Tsing Yi

- A standalone restaurant in Tsing Yi is opened on 16 December 2017.

Set up a standalone restaurant in Sheung Wan

- Execute planned establishment of standalone restaurant in Sheung Wan

- A standalone restaurant in Sheung Wan has not been opened as at 31 May 2018.

Set up food court restaurants

- Set up a project team and conduct a study

- We have set up a project team and conducted a study of potential location regarding pedestrian traffic, convenience, demographics, size, structure and completion.

(3) 繼續擴大及多元化開拓餐廳營運的門店網絡

在青衣開設一間獨立餐廳

- 執行計劃在青衣開設獨立餐廳

- 我們於2017年12月16日在青衣開設一間獨立餐廳。

在上環開設一間獨立餐廳

- 執行計劃在上環開設獨立餐廳

- 於2018年5月31日，位於上環的獨立餐廳尚未開業。

開設美食廣場餐廳

- 成立項目團隊，並進行研究

- 我們已成立項目團隊，並就潛在位置的人流量、便利度、人口特徵、大小、結構及競爭進行研究。

Management Discussion and Analysis

管理層討論及分析

PRINCIPAL RISKS AND UNCERTAINTIES

There are certain risks involved in the operations of the Group's business. Set forth below are some of the major risks that could materially and adversely affect the Group.

- 1) In order to expand and diversify our outlet network, we expect to establish sports-themed bars and set up more restaurants in Hong Kong. The food and beverage, lifestyle and entertainment industry in Hong Kong is highly competitive. Our ability to successfully open new outlets is subject to a number of risks and uncertainties, including identifying suitable locations and/or securing leases on reasonable terms, timely securing necessary governmental approvals and licences, ability to hire quality personnel, timely delivery in decoration and renovation works, securing sufficient customer demand, securing adequate suppliers and inventory that meet our quality standards on timely basis, reducing potential cannibalisation effects between the locations of our outlets and the general economic conditions. The costs incurred in opening of new outlets and the expansion plans may place substantial strain on our managerial, operational and financial resources. As such, we cannot assure that we can always operate the expanded network on a profitable basis or that any new outlet will reach the planned operating levels. If any new outlet experiences prolonged delays in breaking even or achieving our desired level of profitability or operate at a loss, our operational and financial resources could be strained and our overall profitability could be affected.

主要風險及不確定因素

本集團的業務營運涉及若干風險。可能對本集團造成重大不利影響的若干主要風險載列如下。

- 1) 我們預期在香港開設運動主題酒吧及更多餐廳，以擴大及多元化開拓門店網絡。香港餐飲、時尚生活及娛樂行業的競爭相當激烈。我們能否成功開設新門店受多項風險及不確定因素所限制，包括物色合適位置及／或以合理條款訂立租約、及時取得必要的政府批文和牌照、能否招募高質素人員、及時完成裝潢和整修工程、尋找充足的客戶需求、及時覓得足夠的供應商及符合我們質量標準的存貨、降低我們鄰近門店間的潛在競爭影響及整體經濟狀況。開設新門店及擴張計劃所產生的成本可能對我們的管理、營運及財務資源構成沉重壓力。因此，我們無法保證所經營的已擴展網絡能一直賺取盈利或任何新門店將達致計劃營運水平。倘任何新門店遲遲未能實現收支平衡或達致我們理想的盈利水平甚或錄得經營虧損，則可能會導致我們的營運及財務資源緊張，並影響我們的整體盈利能力。

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管理層討論及分析

- 2) For the years ended 31 May 2017 and 2018, revenue generated from Volar accounted for approximately 65.5 % and 64.9 % of our total revenue, respectively. Our success therefore depends significantly on our ability to attract beverage sales, entrance income and market our other offerings under our “Volar” brand, which in turn depends on, among other things, the market perception and acceptance of the brand. Negative publicity about our “Volar” brand, the premises on which Volar operates or its offerings, us or our management could materially and adversely affect public perception of this brand. Any significant operational or other difficulties in the business at or from Volar may reduce, disrupt or halt our operation and business at the premises, which would materially and adversely affect our business, prospects, reputation, financial condition and results of operation. Experiencing problems in operation which result in the need to close the club temporarily or permanently will materially and adversely affect our results of operations and financial condition.
- 2) 截至2017年及2018年5月31日止年度，Volar所得收益分別佔我們的總收益約65.5%及64.9%。因此，我們的成功很大程度上取決於能否提高飲品銷售、入場費收入及推銷「Volar」品牌的其他種類服務，而該能力則取決於（其中包括）品牌的市場觀感及認可度。有關「Volar」品牌、Volar營運場所或其服務種類、我們或管理層的負面報導，或會嚴重損害公眾對此品牌的觀感。Volar業務遭遇或引致的任何重大營運或其他困難或會削減、中斷或阻礙我們在該場所的營運及業務，而此將對我們的業務、前景、聲譽、財務狀況及經營業績造成重大不利影響。倘我們遭遇營運困難而需要暫時或永久關閉會所，則我們的經營業績及財務狀況將受到重大不利影響。
- 3) As we lease or license all of the properties on which our outlets operate, we are exposed to the fluctuations in the commercial real estate market. There is no objective way for us to accurately predict the rental rates in the commercial real estate market in Hong Kong, and our substantial operating lease obligations expose us to potentially significant risks, including increasing our vulnerability to adverse economic conditions, limiting our ability to obtain additional financing and reducing our cash available for other purposes. Any non-renewal (whether a result of the landlord’s or licensor’s or our decision) or termination of any of our leases or licence or substantial increased rentals or licence fees could cause us to close the relevant outlet or relocate to another site, depending on our business needs or performance from time to time. In such events, we could face a drop in sales, write off leasehold improvements, and could incur relocation costs for renovation, removal and resources allocation, which could in turn result in financial strain in our operations and diversion of management resources.
- 3) 由於我們門店經營所在的全部物業均為租賃或特許物業，故我們面對商業房地產市場波動的风险。我們並無準確預測香港商業房地產市場租金水平的客觀方法，故我們營運租賃的重大承擔可能使我們面臨重大風險，包括使我們更易受不利經濟狀況影響、限制我們取得額外融資的能力及減少我們可用於其他用途的現金。任何不續約或不續許可（不論是業主或許可人抑或我們自行決定），或終止我們的任何租約或許可，或租金或許可費用大幅上漲均可能導致我們關閉相關門店或將其遷至別處，視乎我們不時的業務需求或表現而定。在該等情況下，我們可能面臨銷售額下跌、撇銷租賃物業裝修以及可能因整修、拆除及資源配置產生搬遷成本，進而導致我們的營運資金緊張及管理資源分散。

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4) For the years ended 31 May 2017 and 2018, purchases from our largest supplier accounted for approximately 54.8 % and 53.4 % of our total purchases, respectively. We make purchases from the supplier under individual purchase order, and have not entered into any long term contracts. If the supplier for any reason reduces the volume supplied to us or cease to supply to us, we will need to find alternative suppliers on similar sale terms and conditions acceptable to us. If we fail to do so in a timely manner, the operations of our clubs will be interrupted, our costs may increase and our business, financial condition, results of operations and growth prospects may therefore be materially and adversely affected.

To address the above risks and uncertainties, the Directors will closely monitor the progress of the expansion plan, to operate the expanded network on a profitable basis timely. The Directors will also continue to explore opportunities to diversify our operation so that we could reduce our reliance on Volar and the largest supplier. The Directors will continue to review and evaluate the business objective and strategy and make timely execution taking into account the business risks and market uncertainties.

CAPITAL STRUCTURE

The Company's shares were successfully listed on GEM of the Stock Exchange on 7 April 2017. There has been no change in the Company's capital structure since 7 April 2017. The capital structure of the Group comprises of issued share capital and reserves. The Directors review and manage the Group's capital structure regularly.

SIGNIFICANT INVESTMENTS HELD

For the year ended 31 May 2018, Bannock Holdings Limited, a wholly-owned subsidiary of the Company, subscribed for the US\$-denominated short dated corporate bonds with an aggregate principal amount of US\$2,550,000 (equivalent to approximately HK\$19.9 million). Details of the above were disclosed in the announcement of the Company dated 2 October 2017.

Save as disclosed above, except for investment in its subsidiaries, the Group did not hold any significant investment for the year ended 31 May 2018.

4) 截至2017年及2018年5月31日止年度，來自最大供應商的採購量分別佔我們總採購量約54.8%及53.4%。我們根據個別採購訂單向供應商作出採購，且並無訂立任何長期合約。倘供應商因任何理由削減對我們的供應量或停止向我們供應，則我們將需按我們可接受的相似銷售條款及條件物色替代供應商。倘我們未能及時物色替代供應商，則我們的會所將會中斷營運，成本或會上升，而我們的業務、財務狀況、經營業績及發展前景可能因而受到重大不利影響。

為應對上述風險及不確定因素，董事將密切監察擴張計劃的進度，以按盈利基準及時經營已擴展網絡。董事亦將持續探索機遇以多元化發展我們的業務，從而減少我們對Volar及最大供應商的依賴。董事將繼續檢討及評估業務目標與策略，並於考慮業務風險及市場不確定因素後及時執行有關目標與策略。

資本架構

本公司股份於2017年4月7日在聯交所創業板成功上市。自2017年4月7日以來，本公司的資本架構並無出現變動。本集團的資本架構包括已發行股本及儲備。董事會定期檢討及管理本集團的資本架構。

所持重大投資

截至2018年5月31日止年度，Bannock Holdings Limited（本公司的全資附屬公司）認購本金額為2,550,000美元（相等於約19.9百萬港元）以美元計值的短期公司債券。有關上述投資的詳情已披露於本公司日期為2017年10月2日的公告。

除上文所披露者外，截至2018年5月31日止年度，除於附屬公司的投資外，本集團並無持有任何重大投資。

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MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

The Group did not carry out any material acquisition nor disposal of any subsidiaries for the year ended 31 May 2018.

DIVIDENDS

No dividend has been paid or declared by the Company, or by any of the companies now comprising the Group for the years ended 31 May 2017 and 2018.

FOREIGN EXCHANGE EXPOSURE

Since most of transactions are denominated in Hong Kong dollars, the Group is not exposed to significant foreign exchange exposure.

CAPITAL COMMITMENTS

As at 31 May 2018, the Group had capital commitments amounted to approximately HK\$2.4 million (2017: HK\$0.1 million).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 May 2017 and 2018.

PLEDGE OF ASSETS

As at 31 May 2018, all of financial assets at fair value through profit or loss with aggregate value of approximately HK\$20.0 million (31 May 2017: Nil) and restricted bank deposit of approximately HK\$2.1 million (31 May 2017: Nil) were pledged to secured bank loan.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 May 2018, the Group employed 125 employees (2017: 104 employees). Employee costs (including Directors' remuneration, wages, salaries, performance related bonuses, other benefits and contribution to defined contribution pension plans) amounted to approximately HK\$27.2 million for the year ended 31 May 2018 (2017: approximately HK\$18.3 million). The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' overall remuneration is determined based on the Group's and their performance.

重大收購及出售附屬公司

截至2018年5月31日止年度，本集團並無進行任何重大收購或出售任何附屬公司。

股息

截至2017年及2018年5月31日止年度，本公司或本集團現時旗下任何公司概無派付或宣派股息。

外匯風險

由於大部分交易以港元計值，故本集團並無面臨重大外匯風險。

資本承擔

於2018年5月31日，本集團的資本承擔為約2.4百萬港元（2017年：0.1百萬港元）。

或然負債

於2017年及2018年5月31日，本集團並無任何重大或然負債。

資產抵押

於2018年5月31日，總值約20.0百萬港元（2017年5月31日：零）的所有按公平值計入損益的金融資產及金額約2.1百萬港元（2017年5月31日：零）的受限制銀行存款已予抵押，以獲取銀行貸款。

僱員及薪酬政策

於2018年5月31日，本集團聘用125名僱員（2017年：104名僱員）。截至2018年5月31日止年度，僱員成本（包括董事薪酬、工資、薪金、表現掛鈎花紅、其他福利及界定供款退休計劃供款）為約27.2百萬港元（2017年：約18.3百萬港元）。本集團將致力確保僱員的薪金水平與行業慣例及現行市況一致，且僱員整體薪酬根據本集團及彼等表現釐定。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

EXECUTIVE DIRECTORS

Mr. Ng Shing Joe Kester (吳繩祖), aged 51, is one of the founders of the Group, a controlling shareholder, the chairman and executive Director. He joined the Group in July 2013. Mr. Ng is mainly responsible for the overall strategic development and planning of the Group. Mr. Ng started investing in food and beverage and entertainment business since 2005 and is familiar with industry trends, market behaviour, customer and supplier impact and dealing with competitions and other operational challenges. He has assumed a leading role in the management and is responsible for formulating direction. He has actively involved in the handling of finance and investment related issues of the Group since establishment. He has over 21 years of experience in the investment and financing industry. Mr. Ng worked at Merrill Lynch (Asia Pacific) Limited (principally engaged in the provision of capital market, advisory and wealth management services before it was acquired by Bank of America Corporation in January 2009) and left in the position of managing director and head of China and Hong Kong equity capital markets and financing (being mainly responsible for business management and development) from February 1995 to August 2006. He then worked at J.P. Morgan Securities (Asia Pacific) Limited (principally engaged in the provision of investment banking and financial services) with his last position being managing director in equities capital markets of global investment banking department and chairman of Asia Pacific equity capital and derivatives markets (being mainly responsible for business management and development) from August 2006 to April 2013. Mr. Ng has been chief executive officer (being mainly responsible for the overall strategic directions of the company) of GRE Investment Advisors Limited (a company licensed under the SFC (Type 4 (advising on securities) and Type 9 (asset management) licences) and principally engaged in the provision of investment advisory and asset management services) since August 2014. Mr. Ng obtained a bachelor's degree in medical sciences from the University of Nottingham in the United Kingdom in July 1990.

Ms. Lau Sze Yuen (劉思婉), aged 42, is the executive director. She joined the Group in June 2016. She is mainly responsible for the overall day-to-day administration and management of the Group. Ms. Lau has over 16 years of experience in the food and beverage and entertainment industry. She worked as an assistant manager (being mainly responsible for daily operation of the restaurant) at Tony Roma's Famous For Ribs Hong Kong (principally engaged in restaurant business) from July 2000 to

執行董事

吳繩祖先生，51歲，為本集團創辦人之一、控股股東、主席兼執行董事。吳先生於2013年7月加入本集團，主要負責本集團的整體策略發展與規劃。吳先生自2005年起開始投資餐飲娛樂業，熟知行業趨勢、市場走勢、客戶及供應商影響，能處理競爭及其他營運挑戰。自本集團成立以來，彼主導管理並負責制定方向，積極參與處理本集團的融資及投資相關事宜，有逾21年投資及融資行業經驗。吳先生於1995年2月至2006年8月任職美林(亞太)有限公司(於2009年1月被美國商業銀行收購前主要提供資本市場、顧問及理財服務)，離職前為董事總經理兼中國及香港股票資本市場及融資的主管，主要負責業務管理與發展，其後於2006年8月至2013年4月任職摩根大通證券(亞太)有限公司(主要提供投資銀行及金融服務)，最後出任的職位為環球投資銀行部股票資本市場董事總經理及亞太區股本及衍生產品市場的主席，主要負責業務管理及發展。吳先生自2014年8月起擔任GRE Investment Advisors Limited(獲證監會發牌(第4類(就證券提供意見)及第9類(提供資產管理))的公司，主要提供投資顧問及資產管理服務)之首席執行官，主要負責公司整體戰略方針。吳先生於1990年7月取得英國諾定咸大學醫學科學學士學位。

劉思婉女士，42歲，為執行董事。彼於2016年6月加入本集團，主要負責本集團整體日常行政及管理。劉女士有逾16年餐飲及娛樂行業經驗。彼於2000年7月至2001年6月擔任Tony Roma's Famous For Ribs Hong Kong(主要經營餐廳業務)之助理經理，主要負責餐廳日常營運。劉女士於2001年8月至2003年10月擔任三藩市牛扒屋(主要經營餐廳業務)之市場

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

June 2001. Ms. Lau was an assistant manager in marketing (being mainly responsible for business development) at San Francisco Steak House (principally engaged in restaurant business) from August 2001 to October 2003. She then served as the general manager (being mainly responsible for business development) of Hong Kong Ganpachi Limited (currently known as Hong Kong Hachiban Limited) (principally engaged in the business of food manufacturing and restaurant) from October 2003 to February 2010. Ms. Lau was the administrative and office manager (being mainly responsible for overseeing the daily operations) of Buzz Concepts Group Limited (principally engaged in the provision of management services in food and beverage and entertainment industry) from July 2010 to June 2016. Ms. Lau obtained a higher diploma in hotel and catering management from the Hong Kong Polytechnic University in Hong Kong in August 1999.

NON-EXECUTIVE DIRECTOR

Mr. Kan Sze Man (簡士民), aged 46, was appointed as the non-executive Director on 14 March 2017. Mr. Kan is mainly responsible for the development and planning of the Group. Mr. Kan has over 15 years of experience in the property investment field. Mr. Kan was a trainee solicitor and subsequently an assistant solicitor of Johnson Stokes & Master (currently known as Mayer Brown JSM) (principally engaged in the provision of legal services) from October 1995 to October 1997 and from October 1997 to December 1999, respectively. He worked at Freshfields (currently known as Freshfields Bruckhaus Deringer) (principally engaged in the provision of legal services) as a solicitor from January 2000 to May 2000. He then served as a senior vice president and legal counsel (being mainly responsible for leading the legal department) of Hikari Tsushin International Limited (currently known as China Oil And Gas Group Limited) (a company listed on the Stock Exchange (stock code: 603) and formerly principally engaged in investment in internet and telecommunication related business and manufacture of electronic products) from May 2000 to March 2001. Mr. Kan is currently an executive director, chief operating officer and group general counsel (being mainly responsible for leading the legal department and strategic business planning) of CSI Properties Limited (a company listed on the Stock Exchange (stock code: 497) and principally engaged in property repositioning and investment with its subsidiaries principally engaged in property value enhancement and development, property investment and securities investment in Hong Kong and PRC). He joined CSI Properties Limited as an executive director and group general

推廣部助理經理，主要負責業務發展。彼其後於2003年10月至2010年2月擔任香港元八有限公司（現稱香港八番有限公司，主要經營食品生產及餐廳業務）之總經理，主要負責業務發展。劉女士於2010年7月至2016年6月擔任 Buzz Concepts Group Limited（主要提供餐飲娛樂業管理服務）之行政及辦公室經理，主要負責監督日常營運。劉女士於1999年8月在香港取得香港理工大學酒店及餐飲管理高級文憑。

非執行董事

簡士民先生，46歲，於2017年3月14日獲委任為非執行董事。簡先生主要負責本集團發展及規劃。簡先生擁有逾15年物業投資方面經驗。簡先生先後於1995年10月至1997年10月及1997年10月至1999年12月任職Johnson Stokes & Master（現稱孖士打律師行，主要提供法律服務）的見習律師及助理律師。簡先生於2000年1月至2000年5月間於Freshfields（現稱為富而德律師事務所，主要提供法律服務）任職律師。其後，彼於2000年5月至2001年3月擔任光通信國際有限公司（現稱中油燃氣集團有限公司，於聯交所上市的公司（股份代號：603），曾主要從事互聯網及電訊相關業務投資及製造電子產品）之高級副總裁兼法律顧問，主要負責領導法律部。簡先生目前出任資本策略地產有限公司（於聯交所上市的公司（股份代號：497），主要從事物業定位及投資，其附屬公司主要於香港及中國從事物業升值及發展、物業投資及證券投資）之執行董事、首席營運官兼集團總法律顧問，主要負責領導法律部及業務策略規劃。彼於2001年3月加入資本策略地產有限公司，擔任執行董事及集團總法律顧問。簡先生於1993年7月取得英

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

counsel in March 2001. Mr. Kan obtained a bachelor of arts degree in philosophy, politics and economics from Wadham College, University of Oxford in the United Kingdom in July 1993. He then obtained his diploma in law and a postgraduate diploma in legal practice from The College of Law, London in the United Kingdom in 1994 and 1995, respectively. He has been admitted as a solicitor of Hong Kong since November 2007.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Sui Chi (黃瑞熾), aged 50, was appointed as an independent non-executive Director on 14 March 2017. He is also the chairman of the audit committee and a member of each of the nomination committee and remuneration committee. Mr. Wong has over 21 years of finance and accounting experience including but not limited to, financial management, corporate management and auditing, serving in international accounting firms, manufacturing and retailing companies, listed property development company, securities and futures brokerage company and shipping company. He was an independent non-executive director of Legend Strategy International Holdings Group Company Limited (a company listed on the Stock Exchange (stock code: 1355) and principally engaged in the budget hotel operations and provision of hotel consultancy and management services in the PRC) from December 2012 to July 2015. Mr. Wong was an independent non-executive director of U Banquet Group Holding Limited (a company listed on the Stock Exchange (stock code: 1483) and principally engaged in the operation of full-service Chinese restaurant chain in Hong Kong) from November 2013 to October 2016. He is currently an independent non-executive director of Wan Cheng Metal Packaging Company Limited (a company listed on the Stock Exchange (stock code: 8291) since February 2017. He has been the financial controller (being mainly responsible for planning and directing the finance and accounting functions and providing financial analysis to the management) of Shine Vision Investments Limited (principally engaged in the retailing of eyewear products) since March 2012. Mr. Wong obtained a bachelor of arts degree in accountancy from the City Polytechnic of Hong Kong (currently known as City University of Hong Kong) in Hong Kong in November 1991, a master of science degree in financial management from the University of London in the United Kingdom in December 2003. He obtained a certificate in taxation and accounting in PRC organized by the Hong Kong Polytechnic University in Hong Kong in August 2004. Mr. Wong has been a member of the Institute of Certified Public Accountants and an associate of the Institute of Chartered Accountants in England and Wales since April 2008 and July 2008, respectively.

國牛津大學瓦德漢學院哲學、政治及經濟學文學士學位，再先後於1994年及1995年取得英國倫敦法律大學法律文憑及法律實務研究生文憑。彼自2007年11月起獲認可為香港律師。

獨立非執行董事

黃瑞熾先生，50歲，於2017年3月14日獲委任為獨立非執行董事，亦為審核委員會主席和提名委員會及薪酬委員會成員。黃先生擁有逾21年金融會計經驗，包括但不限於國際會計師事務所、製造及零售公司、上市物業開發公司、證券及期貨經紀公司以及船務公司從事財務管理、企業管理及審計工作。彼於2012年12月至2015年7月擔任裕濠國際集團控股有限公司（於聯交所上市的公司（股份代號：1355）），主要於中國從事經濟型酒店業務以及提供酒店顧問及管理服務）之獨立非執行董事。自2013年11月至2016年10月，黃先生擔任譽宴集團控股有限公司（於聯交所上市的公司（股份代號：1483）），主要於香港經營全套服務中式酒樓連鎖）之獨立非執行董事。自2017年2月至今，彼為萬成金屬包裝有限公司（於聯交所上市的公司（股份代號：8291））之獨立非執行董事。彼自2012年3月起為耀保投資有限公司（主要經營眼鏡產品零售）財務總監，主要負責規劃及指導財務及會計部門並向管理層提供財務分析。黃先生於1991年11月在香港取得香港城市理工學院（現稱香港城市大學）會計文學士學位，於2003年12月取得英國倫敦大學財務管理理學碩士學位。彼於2004年8月取得香港的香港理工大學舉辦的中國稅務會計課程證書。黃先生自2008年4月起成為香港會計師公會會員及自2008年7月起成為英格蘭及威爾斯特許會計師公會會員。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. Li Lap Sun (李立新), aged 51, was appointed as an independent non-executive Director on 14 March 2017. He is also the chairman of the nomination committee and a member of each of the audit committee and remuneration committee. Mr. Li worked at Merrill Lynch (Asia Pacific) Limited (principally engaged in the provision of capital market, advisory and wealth management services before it was acquired by Bank of America Corporation in January 2009) from March 1994 to October 2004 and left in the position of director (being mainly responsible for heading the equity sales team in Hong Kong). He then worked at Goldman Sachs (Asia) L.L.C. (principally engaged in investment banking, securities and investment management businesses) with his last position being executive director in the equity division (being mainly responsible for providing investment advice to fund managers and leading marketing projects for equity sales) from October 2004 to March 2007. Subsequently, he has been the director and fund manager (being mainly responsible for investment portfolio management and compliance matters) of Spitzer Asset Management Limited (a company licensed under the SFC (Type 9 (asset management) licence) and principally engaged in the provision of asset management services) since August 2007. Mr. Li obtained a bachelor of arts degree in economics from the University of California, Los Angeles in the United States of America in June 1989 and a master of business administration degree from The University of Southern California in the United States of America in May 1992.

Mr. Ng Kwok Kei Sammy (伍國基), aged 53, was appointed as an independent non-executive Director on 14 March 2017. He is also the chairman of the remuneration committee and a member of each of the audit committee and nomination committee. Mr. Ng has over 21 years of experience in the fields of accounting and auditing as well as business and financial advisory. He worked as an auditor in Ernest & Young (principally engaged in the provision of assurance, tax, advisory and transaction advisory services) between July 1989 and August 1992. He was an assistant director (being mainly responsible for overseeing the finance, accounting and investment businesses) in the accounting department of Capital Asia Limited (currently known as Goldin Properties Holdings Limited, a company listed on the Stock Exchange (stock code: 283) and principally engaged in property development) from June 1993 to August 1996. He worked as group financial controller (being

李立新先生，51歲，於2017年3月14日獲委任為獨立非執行董事，亦為提名委員會主席和審核委員會及薪酬委員會成員。李先生於1994年3月至2004年10月任職美林（亞太）有限公司（於2009年1月被美國商業銀行收購前主要提供資本市場、顧問及理財服務），離職前任董事，主要負責領導香港的股票銷售團隊，其後於2004年10月至2007年3月任職高盛（亞洲）有限責任公司（主要從事投資銀行、證券及投資管理業務），最後出任的職位為股權部執行董事，主要負責向基金經理提供投資建議並領導進行股票銷售的市場推廣項目。其後，彼自2007年8月起任Spitzer Asset Management Limited（獲證監會發牌（第9類（提供資產管理））的公司，主要提供資產管理服務）之董事兼基金經理，主要負責投資組合管理及合規事宜。李先生於1989年6月取得美國洛杉磯加州大學經濟學文學士學位，並於1992年5月取得美國南加州大學工商管理碩士學位。

伍國基先生，53歲，於2017年3月14日獲委任為獨立非執行董事，亦為薪酬委員會主席和審核委員會及提名委員會成員。伍先生有逾21年會計與審計以及業務及財務顧問方面的經驗。彼於1989年7月至1992年8月間擔任安永會計師事務所（主要提供審計、稅務、諮詢和交易顧問服務）之核數師。彼於1993年6月至1996年8月為中太集團有限公司（現稱為高銀地產控股有限公司，於聯交所上市的公司（股份代號：283），主要從事物業發展）會計部之助理董事，主要負責監督財務、會計及投資業務。彼於2001年6月至2008年3月為富地石油亞洲控股有限公司（主要在中國從事石油和天然氣供應及基建項目的投資與營運）之集團財務總監，主要負責監督財務、會計及投資業務。彼於2010年5月至2013年3月任蒙古投資集團

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

mainly responsible for overseeing the finance, accounting and investment businesses) in Fortune Oil Holdings Plc. (principally engaged in investments and operations in oil and gas supply and infrastructure projects in China) from June 2001 to March 2008. He was the chief financial officer of the mining division of Mongolia Investment Group Limited (a company listed on the Stock Exchange (stock code: 0402) and principally engaged in the mining and construction businesses) from May 2010 to March 2013, and following its name changed to Peace Map Holding Limited and its business changed to the provision of aerial sensing data services in China, he was re-designated as senior consultant (being mainly responsible for overseeing the finance, accounting and investment businesses) until he left in December 2013. Mr. Ng has been an executive director (being mainly responsible for the business development and transactions execution) of Kolux Development Limited (principally engaged in corporate consulting business) since its incorporation on 25 August 1992. He was an independent non-executive director of Huiyin Holdings Group Limited (a company listed on the Stock Exchange (stock code:1178) from June 2017 to December 2017. He is currently non-executive director of China Billion Resources Limited (a company listed on the Stock Exchange (stock code: 274) since March 2018. Mr. Ng obtained an honours diploma in accountancy from Lingnam College (currently known as Lingnam University) in Hong Kong in November 1988, a bachelor of commerce accounting degree from Curtin University of Technology in Australia in February 1996 and a master of business administration degree from The University of Hong Kong in Hong Kong in November 2007. He has been a fellow of Hong Kong Institute of Certified Public Accountants since May 2000, a fellow of Association of Chartered Certified Accountants since October 1996 and an associate of The Institute of Chartered Accountants in England and Wales since January 2005.

有限公司（於聯交所上市的公司（股份代號：0402），主要從事採礦和建築業務）採礦部之首席財務官。該公司隨後改名為天下圖控股有限公司，業務改為於中國提供航空遙感數據服務，彼亦調任為高級顧問，主要負責監察財務、會計及投資業務，直至2013年12月辭任。伍先生自高祿發展有限公司（主要從事公司諮詢業務）於1992年8月25日註冊成立起任該公司之執行董事，主要負責業務發展及交易執行。彼於2017年6月至2017年12月曾為匯銀控股集團有限公司（於聯交所上市的公司（股份代號：1178））之獨立非執行董事。自2018年3月至今，彼為中富資源有限公司（於聯交所上市的公司（股份代號：274））之非執行董事。伍先生於1988年11月取得香港嶺南書院（現稱嶺南大學）會計榮譽文憑，於1996年2月取得澳洲Curtin University of Technology商業會計學士學位，並於2007年11月在香港取得香港大學工商管理碩士學位。彼自2000年5月起成為香港會計師公會資深會員，自1996年10月起成為特許公認會計師公會資深會員，並自2005年1月起成為英格蘭及威爾斯特許會計師公會會員。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

SENIOR MANAGEMENT

Mr. Gurung Bhojendra, aged 41, is the general manager of Volar, and is responsible for the day-to-day operation and management of Volar. Mr. Gurung joined Volar in December 2004 as a general manager, and has over 13 years of experience in the management of night entertainment clubs.

Mr. Kharga Vishal, aged 35, is the general manager of Fly, and is responsible for the day-to-day operation and management of Fly. He joined our Group in July 2014 as general manager of Fly. He has over 8 years of experience in the management of food and beverage and entertainment establishments. Mr. Kharga worked at Hero Corporation Limited (currently known as Buzz Concepts Management Limited) (formerly principally engaged in the operation of a bar) with his last position being the general manager (being mainly responsible for daily operations) from December 2006 to December 2011, a bar manager (being mainly responsible for overseeing operations of the bar in the restaurant) of Lucky Trend International Limited (principally engaged in the management and operation of a restaurant) from December 2011 to July 2012, and the general manager (being mainly responsible for daily operations) of Billion Best Investment Limited (principally engaged in the management and operations of a restaurant and bar) from August 2012 to June 2014.

Mr. Wong Chi Wai (黃志威), aged 33, is our company secretary. He joined the Group in August 2016. Mr. Wong is mainly responsible for the overall management of the company secretarial affairs and financial matters of the Group. He was a manager (being mainly responsible for supervising and conducting client engagements) at Samuel H. Wong & Co. (principally engaged in the provision of audit, secretarial, tax and other services for Hong Kong and overseas client) from December 2008 to March 2014. He was the company secretary of Tic Tac International Holdings Company Limited (a company listed on the Stock Exchange (stock code: 1470) and principally engaged in watch retailing business) from February 2015 to November 2015. Mr. Wong obtained a bachelor's degree in business administration with a major in accountancy and a minor in financial services from The Hong Kong Polytechnic University in Hong Kong in October 2008. He has been a member of the Hong Kong Institute of Certified Public Accountants since May 2012.

高級管理層

Gurung Bhojendra先生，41歲，為Volar總經理，負責Volar日常營運與管理。Gurung先生於2004年12月加入Volar，擔任總經理，並有逾13年晚上娛樂會所管理經驗。

Kharga Vishal先生，35歲，為Fly總經理，負責Fly日常營運與管理。彼於2014年7月加入本集團，擔任Fly總經理，有逾8年餐飲及娛樂機構管理經驗。Kharga先生於2006年12月至2011年12月任職於英達興業有限公司（現稱為Buzz Concepts Management Limited，過往主要從事酒吧經營），最後出任總經理，主要負責日常營運，後於2011年12月至2012年7月任毅福國際有限公司（主要從事餐廳管理與營運）酒吧經理，主要負責監督餐廳中的酒吧營運，並於2012年8月至2014年6月任兆好投資有限公司（主要從事餐廳及酒吧管理與營運）總經理，主要負責日常營運。

黃志威先生，33歲，為公司秘書。黃先生於2016年8月加入本集團。黃先生主要負責本集團公司秘書事務及財務事宜的整體管理。彼於2008年12月至2014年3月出任黃士恒會計師事務所（主要向香港及海外客戶提供審核、秘書、稅務及其他服務）之經理，主要負責監察及進行客戶接觸工作。彼於2015年2月至2015年11月出任滴達國際控股有限公司（於聯交所上市之公司（股份代號：1470），主要從事鐘錶零售業務）之公司秘書。2008年10月，黃先生於香港取得香港理工大學工商管理學士學位，主修會計，副修金融服務。彼自2012年5月起成為香港會計師公會會員。

Corporate Governance Report

企業管治報告

The Board is committed to achieving high standards of corporate governance by emphasizing transparency, independence, accountability, responsibilities and fairness. The Board strives to ensure that effective self-regulatory practices exist to protect the interests of the shareholders of the Company and to enhance long-term shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules throughout the year. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the year ended 31 May 2018, except for certain deviations as specified with considered reasons for such deviations as explained below. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

CORPORATE GOVERNANCE STRUCTURE

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are three board committees, namely the audit committee, remuneration committee and nomination committee. All these committees perform their distinct roles in accordance with their respective terms of reference (available on the Company's website) and assist the Board in supervising certain functions of the senior management.

Pursuant to Rule 5.66 of the GEM Listing Rule, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company not to deal in securities of the Company when he/she would be prohibited from dealing by the code of conduct as if he/she was a Director.

DIRECTORS' SECURITIES TRANSACTIONS

The Group adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings.

董事會致力透過加強透明度、獨立性、問責性、責任及公平以達致高標準的企業管治。董事會盡力確保自身監管常規行之有效，以保障本公司股東的利益及提升長遠股東價值。

企業管治常規

本公司於整個年度一直遵守創業板上市規則附錄十五所載企業管治守則（「企業管治守則」）。截至2018年5月31日止年度，本公司一直應用企業管治守則中的原則並遵循當中的適用守則條文，惟若干註明所考慮偏離原因的偏離情況除外（於下文闡述）。董事會將持續檢討並不時更新該等常規，以確保符合法律及商業準則。

企業管治架構

董事會主要負責本集團策略制定、表現監控及風險管理。同時，其亦有職責提升本集團企業管治常規的效率。董事會下設三個董事委員會，即審核委員會、薪酬委員會及提名委員會。所有上述委員會均根據其各自的職權範圍（可於本公司網站查閱）履行其不同職責，並協助董事會監督高級管理層的若干職能。

根據創業板上市規則第5.66條，董事亦要求由於其在本公司或附屬公司的職位或職務可能擁有有關本公司證券內部消息的本公司任何僱員或本公司附屬公司的董事或僱員，在操守守則禁止其買賣本公司證券時停止買賣，猶如其為董事。

董事進行證券交易

本集團已採納創業板上市規則第5.48至5.67條作為其本身有關董事進行證券交易的操守守則，其條款不比交易必守標準寬鬆。

Corporate Governance Report

企業管治報告

Having made specific enquiries to all the Directors and all the Directors confirmed they have complied with the required standard of dealings and the code of conduct for directors' securities transactions during the year ended 31 May 2018.

BOARD OF DIRECTORS

At present, the Board of the Company comprises six Directors as follows:

Executive Directors:

Mr. Ng Shing Joe Kester (*Chairman and Executive Director*)
Ms. Lau Sze Yuen

Non-Executive Director:

Mr. Kan Sze Man

Independent Non-executive Directors:

Mr. Wong Sui Chi
Mr. Li Lap Sun
Mr. Ng Kwok Kei Sammy

Biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 25 to 30.

The Board has the responsibility for leadership and control of the Company. They are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board is accountable to the shareholders for the strategic development of the Group with the goal of maximizing long-term shareholder value, while balancing broader stakeholder interests.

經向全體董事作出具體查詢後，全體董事確認，彼等於截至2018年5月31日止年度一直遵守交易必守標準及有關董事進行證券交易的操守守則。

董事會

現時，本公司董事會由下列六名董事組成：

執行董事：

吳繩祖先生（*主席兼執行董事*）
劉思婉女士

非執行董事：

簡士民先生

獨立非執行董事：

黃瑞熾先生
李立新先生
伍國基先生

董事履歷詳情載於第25至30頁「董事及高級管理層履歷詳情」一節。

董事會負責領導及管控本公司。彼等透過引導及監督本集團事務共同負責推動本集團邁向成功。董事會就本集團戰略發展向股東負責，目標是為股東創造最大的長遠價值，同時平衡更廣泛利益相關者的利益。

Corporate Governance Report

企業管治報告

The attendance record of each Director at Board meetings, audit committee meetings, remuneration committee meeting, nomination committee meeting and general meeting for the year ended 31 May 2018 is set out in the following table:

截至2018年5月31日止年度，各董事出席董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會的記錄表載列如下：

Name of Directors	Board Meetings (attendance/ total no. of meeting held)	Audit Committee Meetings (attendance/ total no. of meeting held)	Remuneration Committee Meeting (attendance/ total no. of meeting held)	Nomination Committee Meeting (attendance/ total no. of meeting held)	General Meeting (attendance/ total no. of meeting held)
董事姓名	董事會會議 (出席會議 次數/舉行 會議總數)	審核委員會 會議(出席會議 次數/舉行 會議總數)	薪酬委員會 會議(出席會議 次數/舉行 會議總數)	提名委員會 會議(出席會議 次數/舉行 會議總數)	股東大會 (出席會議 次數/舉行 會議總數)
<i>Executive Directors</i>					
Mr. Ng Shing Joe Kester	4/4	4/4	1/1	1/1	N/A 不適用
Ms. Lau Sze Yuen	4/4	4/4	1/1	1/1	N/A 不適用
<i>Non-executive Director</i>					
Mr. Kan Sze Man	4/4	4/4	1/1	1/1	N/A 不適用
<i>Independent Non-executive Directors</i>					
Mr. Wong Sui Chi	4/4	4/4	1/1	1/1	N/A 不適用
Mr. Li Lap Sun	4/4	4/4	1/1	1/1	N/A 不適用
Mr. Ng Kwok Kei Sammy	4/4	4/4	1/1	1/1	N/A 不適用

All Directors are provided with details of agenda items for decisions making with reasonable notice. Directors have access to the advice and services of the company secretary who is responsible for ensuring that the Board procedures are complied with and advising the Board on compliance matters. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

全體董事均獲合理通知以獲得對各項議程作出決策的詳細資料。董事可獲得公司秘書提供的意見及服務，公司秘書負責確保董事會程序獲遵循及就合規事宜向董事會提供意見。必要時，董事亦可尋求獨立專業意見以履行彼等作為董事的職責，費用由本公司承擔。被視為於擬進行交易或將討論事宜中存有利益衝突或擁有重大權益的董事，將不會計入有關會議的法定人數並須就相關決議案放棄投票。

Corporate Governance Report

企業管治報告

All Directors assume the responsibilities owed to the shareholders of the Company for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates shareholders on the operations and financial position of the Group through quarterly, half yearly and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

The Company has three independent non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the GEM Listing Rules. Each of the independent non-executive Director has made an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

According to the Company's articles of association, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision A.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

During the year ended 31 May 2018, the Company has not separated the roles of chairman and chief executive officer of the Company. Mr. Ng Shing Joe Kester was the chairman of the Company and responsible for overseeing the operations of the Group. There is no chief executive officer of the Company. The Board considers that such arrangement has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group.

全體董事就本公司穩健發展及成功向本公司股東負責。彼等知悉其職責，並以符合本公司最佳利益的方式忠實行事。

董事會負責妥善保存會計記錄以使董事可監控本公司整體財務狀況。董事會透過相關規則及規例規定的季度、中期及年度業績公告以及適時刊發有關其他事宜的公告，向股東提供有關本集團營運及財務狀況的最新資料。

本公司有三名獨立非執行董事，根據創業板上市規則，其中至少一名具有適當的財務管理專長。各獨立非執行董事已根據創業板上市規則第5.09條就其獨立性作出年度確認。本公司認為，全體獨立非執行董事均符合創業板上市規則第5.09條所載的獨立性指引，且根據有關指引的條款均屬獨立人士。

根據本公司組織章程細則，任何由董事會委任以填補臨時空缺的董事任期將僅至其獲委任後的本公司首屆股東大會為止，屆時須於有關大會上重選連任。任何由董事會委任加入現有董事會的董事任期將僅至本公司下屆股東週年大會為止，屆時將符合資格重選連任。

主席及行政總裁

根據企業管治守則守則條文A.2.1條，主席及行政總裁的角色應予區分及不應由同一人士兼任。

截至2018年5月31日止年度，本公司並無區分本公司主席與行政總裁的角色。吳繩祖先生為本公司主席，負責監管本集團營運。本公司並無行政總裁。董事會認為，該安排有利於確保本集團內的貫徹領導及可令本集團的整體策略規劃更具效益及效率。

Corporate Governance Report

企業管治報告

Nevertheless, the Company will continue to look for suitable candidates and will make necessary arrangement pursuant to the requirement under A.2.1 of CG Code as and when necessary.

APPOINTMENT, RE-ELECTION AND REMOVAL

Under Code Provision A.4.1 of the CG Code, all the non-executive Directors should be appointed for a specific term, subject to re-election. Each of the independent non-executive Directors has entered into a letter of appointment with the Company for three years but subject to termination in certain circumstance as stipulated in the relevant service contracts. At each annual general meeting, one third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one third, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be eligible for re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted written terms of reference on its corporate governance functions.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

然而，本公司仍會繼續尋求合適人選，並將於必要時根據企業管治守則第A.2.1條的規定作出必要安排。

委任、重選及免職

根據企業管治守則守則條文A.4.1條，所有非執行董事的委任應有指定任期，並須接受重選。各獨立非執行董事已與本公司訂立為期三年的委聘書，惟可於相關服務合約中規定的若干情況下予以終止。在每屆股東週年大會上，當時三分之一（或倘董事人數並非為三的倍數，則為最接近但不少於三分之一的人數）的董事須輪值退任，惟各董事最少須每三年於股東週年大會上退任一次。任何獲委任以填補臨時空缺的董事任期將僅至其獲委任後的首屆股東大會為止，屆時將符合資格於有關會上重選連任，而任何獲委任加入現有董事會的董事任期將僅至本公司下屆股東週年大會為止，屆時將符合資格重選連任。

企業管治職能

董事會負責履行企業管治職責，並已就其企業管治職能採納書面職權範圍。

董事會於企業管治職能方面的職責包括：

- (i) 制定及檢討本公司的企業管治政策及常規；
- (ii) 檢討及監督董事及高級管理層的培訓及持續專業發展；
- (iii) 檢討及監督本公司於遵守法律及監管規定方面的政策及常規；
- (iv) 制定、檢討及監督僱員及董事適用的操守守則及合規手冊（如有）；及
- (v) 審閱本公司遵守企業管治守則的情況及企業管治報告中的披露事項。

Corporate Governance Report

企業管治報告

Up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

BOARD DIVERSITY POLICY

During the year ended 31 May 2018, the Board adopted a board diversity policy (the "Policy") setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

On recommendation from the nomination committee, the Board will set measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The nomination committee will review the Policy, as appropriate, to ensure its continued effectiveness from time to time.

REMUNERATION COMMITTEE

A remuneration committee (the "Remuneration Committee") was set up on 14 March 2017 to oversee the remuneration policy and structure for all Directors and senior management.

Within terms of reference in compliance with code provision B1.2 of the CG code, the primary objectives of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and the senior management and determining the remuneration packages of all executive Directors and senior management. The Remuneration Committee is also responsible to ensure that no Director or any of his associates will participate in deciding his/her own remuneration, which will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

截至本報告日期，董事會已根據其職權範圍履行企業管治職責。

董事會成員多元化政策

截至2018年5月31日止年度，董事會已採納董事會成員多元化政策（「該政策」），當中載有實現董事會成員多元化的方針。本公司認為可透過多方面考慮實現董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任將以用人唯才為原則，並將在充分顧及董事會成員多元化的裨益情況下以客觀標準考慮人選。

甄選人選將以一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終決定將按經選人選的長處及將為董事會帶來的貢獻作出。

根據提名委員會的推薦意見，董事會將制定可計量目標以實施該政策，並不時檢討該等目標以確保其合適性及確定達致該等目標的進度。提名委員會將不時於適當時候檢討該政策，以確保其持續有效。

薪酬委員會

本公司於2017年3月14日設立薪酬委員會（「薪酬委員會」），以監察全體董事及高級管理層的薪酬政策及架構。

在符合企業管治守則守則條文B1.2條的職權範圍內，薪酬委員會的主要目標包括就董事及高級管理層的薪酬政策及架構向董事會提供推薦意見，以及釐定所有執行董事及高級管理層的薪酬待遇。薪酬委員會亦負責確保董事或其任何聯繫人不會參與釐定其自身薪酬，有關薪酬將參考個人及本公司的表現以及市場常規及情況而釐定。

Corporate Governance Report

企業管治報告

During the year ended 31 May 2018, the Remuneration Committee held one meeting.

截至2018年5月31日止年度，薪酬委員會曾舉行一次會議。

The Remuneration Committee comprises three members namely:-

薪酬委員會包括三名成員，即：—

Mr. Ng Kwok Kei Sammy (*Chairman*)
Mr. Wong Sui Chi
Mr. Li Lap Sun

伍國基先生（主席）
黃瑞熾先生
李立新先生

All the members are independent non-executive Directors.

所有成員均為獨立非執行董事。

Pursuant to Code Provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management by band for the year ended 31 March 2018 is set out below:

根據企業管治守則守則條文B.1.5條，截至2018年3月31日止年度高級管理層成員的年度薪酬按組別載列如下：

HK\$ Nil to HK\$1,000,000

零港元至1,000,000港元

2018
2018年

3

NOMINATION COMMITTEE

The Company has established a nomination committee ("Nomination Committee") on 14 March 2017 for making recommendations to the Board on appointment of Directors and succession planning for the directors.

提名委員會

本公司於2017年3月14日設立提名委員會（「提名委員會」），以就委任董事及董事繼任計劃向董事會提供推薦意見。

Within terms of reference in compliance with code provision A5.2 of the CG Code, the principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors, assessing the independence of the independent non-executive Directors and viewing the board diversity policy.

在符合企業管治守則守則條文A5.2條的職權範圍內，提名委員會的主要職責包括檢討董事會的組成、就委任董事及董事繼任計劃向董事會提供推薦意見、評估獨立非執行董事的獨立性及檢討董事會成員多元化政策。

In accordance with the Company's articles of association, Mr. Kan Sze Man and Mr. Wong Sui Chi, shall retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

根據本公司組織章程細則，簡士民先生及黃瑞熾先生須於應屆股東週年大會上退任，且符合資格並願意重選連任。

During the year ended 31 May 2018, the Nomination Committee held one meeting.

截至2018年5月31日止年度，提名委員會曾舉行一次會議。

The Nomination Committee recommended the re-appointment of the Directors standing for re-election at the forthcoming annual general meeting of the Company.

提名委員會已就於本公司應屆股東週年大會重新委任待重選的董事作出推薦意見。

Corporate Governance Report

企業管治報告

The Nomination Committee comprises three members namely:-

Mr. Li Lap Sun (*Chairman*)
Mr. Ng Kwok Kei Sammy
Mr. Wong Sui Chi

All the members are independent non-executive Directors.

AUDIT COMMITTEE

The Company has established an audit committee ("Audit Committee") on 14 March 2017 with written terms of reference in compliance with code provision C3.3 of the CG Code that set out the authorities and duties of the Audit Committee. The Audit Committee performs, amongst others, the following functions:

- Review financial information of the Group
- Review relationship with and terms of appointment of the external auditors
- Review the Company's financial reporting system, internal control system and risk management system.

During the year ended 31 May 2018, the Audit Committee held four meetings. The Audit Committee oversees the internal control system of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

The Audit Committee comprises three members namely:-

Mr. Wong Sui Chi (*Chairman*)
Mr. Li Lap Sun
Mr. Ng Kwok Kei Sammy

All the members are independent non-executive Directors (including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

提名委員會包括三名成員，即：—

李立新先生 (*主席*)
伍國基先生
黃瑞熾先生

所有成員均為獨立非執行董事。

審核委員會

本公司於2017年3月14日設立審核委員會（「審核委員會」），其書面職權範圍符合企業管治守則守則條文C3.3條，當中列明審核委員會的權限及職責。審核委員會履行（其中包括）以下職能：

- 審閱本集團的財務資料
- 檢討與外聘核數師的關係及委任條款
- 檢討本公司財務申報系統、內部控制系統及風險管理系統。

截至2018年5月31日止年度，審核委員會曾舉行四次會議。審核委員會監管本集團內部控制系統、向董事會報告任何重大事項及向董事會提供推薦意見。

審核委員會包括三名成員，即：—

黃瑞熾先生 (*主席*)
李立新先生
伍國基先生

所有成員均為獨立非執行董事（包括一名具備適當專業資格或會計或財務管理相關專長的獨立非執行董事）。概無審核委員會成員為本公司現任外聘核數師的前合作夥伴。

Corporate Governance Report

企業管治報告

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and shareholders' interests, and review and monitor the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate. The Company also has a process for identifying, evaluating, and managing the significant risks to the achievement of its operational objective. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objective, and can only provide reasonable but not absolute assurance against material misstatement or loss. This process is subject to continuous improvement up to the date of this report. The day-to-day operation is entrusted to each individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective not to appoint external independent professionals to perform internal audit function for the Group.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company on their reporting responsibilities and opinion on the Group's financial statements for the year ended 31 May 2018 is set out in the section headed "Independent Auditor's Report" in this annual report.

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

內部控制及風險管理

董事會負責維持健全有效的內部控制系統，以保障本集團資產及股東利益，並定期檢討及監督本公司內部控制及風險管理系統之有效性，以確保現行內部控制及風險管理系統屬充足。本公司亦有識別、評估及管理重大風險的程序以達成其營運目標。該風險管理及內部控制系統旨在管理而非消除未能達致業務目標的風險，並僅可就避免重大錯誤陳述或損失提供合理但並非絕對之保證。截至本報告日期，該程序持續改善。日常營運則委託予各個別部門，有關部門對其本身的行為及表現負責，並須嚴格遵守董事會制定的政策。本公司不時對內部控制系統的效率進行檢討，確保其能夠符合及應對靈活多變的經營環境。

董事已檢討內部審核職能的需要，並認為鑑於本集團業務的規模、性質及複雜程度，不聘請外部獨立專業人士為本集團執行內部審核職能將較合乎成本效益。

外聘核數師及核數師薪酬

本公司外聘核數師就其申報責任的聲明及對本集團截至2018年5月31日止年度財務報表作出的意見，載於本年報「獨立核數師報告」一節。

本公司審核委員會負責考慮外聘核數師的委任及審閱外聘核數師進行的任何非審核職能，包括該等非審核職能會否對本公司產生任何潛在重大不利影響。

Corporate Governance Report

企業管治報告

The fees paid/payable to BDO Limited for the year ended 31 May 2018 are set out as follows:

截至2018年5月31日止年度已付／應付予香港立信德豪會計師事務所有限公司的費用載列如下：

		Fee paid/payable 已付／應付費用 HK\$'000 千港元
Audit services	審核服務	700
Total	總計	700

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial year which gives a true and fair view. In preparing the financial statements, appropriate accounting policies and standard are selected and applied consistently.

COMPANY SECRETARY

The company secretary is responsible for ensuring that Board procedures are followed and facilitating communications among Directors as well as with shareholders and management.

Mr. Wong Chi Wai was appointed as the company secretary of the Company on 24 March 2017 and reported to the Chairman of the Company.

Mr. Wong declared that he undertook not less than 15 hours of relevant professional training to update his skill and knowledge immediate prior to the financial year date.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public.

董事就財務報表的責任

董事負責就各財政年度編製作真實公平反映的財務報表。於編製財務報表時，選取並貫徹應用適當的會計政策及準則。

公司秘書

公司秘書負責確保董事會程序得以遵循，為董事間以及與股東及管理層的溝通提供便利。

黃志威先生於2017年3月24日獲委任為本公司公司秘書，並向本公司主席報告。

黃先生聲明，緊接財政年度年結日前，彼已接受不少於15小時的相關專業培訓以更新其技能及知識。

投資者關係

本公司認為，保持高水平透明度是加強投資者關係的關鍵，並秉持向其股東及投資公眾公開及及時披露企業資料的政策。

Corporate Governance Report

企業管治報告

The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (www.bci-group.com.hk) has provided an effective communication platform to the public and the shareholders.

本公司透過其年度、中期及季度報告向其股東更新最新業務發展及財務表現。本公司企業網站(www.bci-group.com.hk)為公眾及股東提供有效的交流平台。

INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Pursuant to the Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development (“CPD”) to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Reading materials on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses. During the year ended 31 May 2018, all the Directors are encouraged to attend relevant training courses.

入職及持續專業發展

根據企業管治守則守則條文A.6.5條，全體董事須參與持續專業發展（「持續專業發展」）以發展及更新彼等之知識及技能。此舉乃為確保其繼續在具備全面資訊及切合所需之情況下向董事會作出貢獻。本公司於適當情況下向董事發出相關主題的閱讀資料。本公司亦鼓勵全體董事出席相關培訓課程。截至2018年5月31日止年度，本公司鼓勵全體董事出席相關培訓課程。

During the year ended 31 May 2018, all the Directors have participated in continuous professional development and the relevant details are set out below:

截至2018年5月31日止年度，全體董事均已參與持續專業發展，有關詳情載列如下：

Name of Directors 董事姓名		CPD Participation 參與持續專業發展
		Yes/No 是/否
<i>Executive Directors</i>	<i>執行董事</i>	
Mr. Ng Shing Joe Kester	吳繩祖先生	Yes 是
Ms. Lau Sze Yuen	劉思婉女士	Yes 是
<i>Non-executive Director</i>	<i>非執行董事</i>	
Mr. Kan Sze Man	簡士民先生	Yes 是
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>	
Mr. Wong Sui Chi	黃瑞熾先生	Yes 是
Mr. Li Lap Sun	李立新先生	Yes 是
Mr. Ng Kwok Kei Sammy	伍國基先生	Yes 是

Participation in CPD includes attending seminars, reading relevant materials in relation to the business of the Group, directors' duties, latest development of the GEM Listing Rules and other applicable regulatory requirements.

持續專業發展的參與包括參加研討會、閱讀與本集團業務、董事職責、創業板上市規則最新發展及其他適用監管規定有關的相關材料。

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

與股東溝通

與股東溝通旨在向股東提供本公司的詳細資料，以使其在知情情況下行使作為股東的權利。

Corporate Governance Report

企業管治報告

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars. The annual general meeting and other general meetings of the Company are primary forums for communication between the Company and its shareholders. The Company provides shareholders with relevant information on the resolution(s) proposed at general meetings in a timely manner in accordance with the GEM Listing Rules. The information provided is reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s).

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENT

The Company has not made any change to its constitutional documents during the year ended 31 May 2018. A consolidated version of the Company's constitutional documents is available on the Company's website and the website of the Stock Exchange.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders are requested to follow article 64 of the Articles of Association of the Company which provides that extraordinary general meetings should be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If the Board fails to proceed to convene an extraordinary general meeting within 21 days of the deposit of the requisition, the requisitionist(s) may convene an extraordinary general meeting himself/themselves, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

本公司採用一系列溝通渠道以確保其股東知悉關鍵業務決策。有關溝通渠道包括股東週年大會、年報、各類通告、公告及通函。本公司股東週年大會及其他股東大會為本公司與其股東溝通的主要平台。本公司根據創業板上市規則，及時為股東提供擬於股東大會上提呈的決議案的相關資料。所提供的資料屬合理必要，以便股東能對提呈的決議案作出知情決定。

章程文件的重大變動

截至2018年5月31日止年度，本公司並無對其章程文件作出任何更改。本公司章程文件的綜合版本可於本公司網站及聯交所網站查閱。

股東召開股東特別大會的程序

開曼群島公司法（2012年修訂本）並無允許股東於股東大會提呈新決議案的條文。然而，股東須遵循本公司組織章程細則第64條，其指出股東特別大會可由一名或以上股東要求召開，惟該等股東於提出要求當日須持有不少於本公司附有權利可於股東大會投票的繳足股本十分之一。有關要求須以書面形式向董事會或公司秘書提出，以就處理有關要求所指明的任何事項要求董事會召開股東特別大會。有關會議須於提交有關要求後兩個月內舉行。倘董事會於提交有關要求後21日內並未召開股東特別大會，呈請人可自行召開股東特別大會，所有因董事會未能召開股東特別大會而使呈請人產生的合理開支應由本公司向呈請人償付。

Corporate Governance Report

企業管治報告

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

The provisions for a shareholder to propose a person for election as a Director of the Company are laid down in Article 113 of the Company's Articles of Association. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Hong Kong Branch Share Registrar. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Shareholders may send written enquiries to the Company, for the attention of company secretary, by email: jerry.wong@bcigroup.com, or mail to Basement, Ho Lee Commercial Building, No. 38-44 D' Aguilar Street, Central, Hong Kong.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the GEM Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders, investors as well as the public to make rational and informed decisions.

CONCLUSION

The Company believes that good corporate governance could ensure an effective distribution of the resources and shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

有關股東提名人士參選董事的程序

有關股東提名人士參選本公司董事的規定載於本公司組織章程細則第113條。除非一份有意提名選舉該名人士為董事的書面通知以及一份該名獲推選人士簽發表明其願意參選的書面通知已呈交至總辦事處或香港股份過戶登記分處，否則概無人士（退任董事除外）合資格在任何股東大會上選舉出任董事職位（除非由董事會推選）。本條細則規定，提交有關通知的期間須由不早於指定進行該推選的股東大會通告寄發翌日起計，及不遲於該股東大會舉行日期前7日結束，而可能向本公司發出有關通知的最短期間將須最少為7日。

向董事會發出查詢的程序

股東可向本公司發出書面查詢，可通過以下方式聯絡公司秘書，包括電郵至 jerry.wong@bcigroup.com 或郵遞至香港中環德己立街38-44號好利商業大廈地庫。

資料披露

本公司根據創業板上市規則披露資料，並根據相關法例及規例定期向公眾刊發報告及公告。本公司注重確保資料披露及時、公平、準確、真實及完整，以便股東、投資者以及公眾作出合理知情決定。

結論

本公司認為，良好的企業管治可確保資源有效分配以及股東的利益。高級管理層將繼續致力保持、加強及提升本集團的企業管治水平及質量。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

The Group regards corporate social responsibilities as one of the core values of its business operations for sustainable development. The Group persistently strives to operate its business in an economic, environmentally, and socially sustainable manner. The Group is keenly aware of the importance of balancing its business needs with the stewardship of the natural environment, the need to meet market demand for resources, and the need to achieve a harmonious development of society.

The Company presents this Environmental, Social and Governance (“ESG”) Report (the “Report”) for the year ended 31 May 2018 (“Reporting Period”), in accordance the Environmental, Social and Governance Reporting Guide as set out in Appendix 20 to GEM Listing Rules and based on the material aspects of the Group and stakeholders.

The Report has complied with the “comply or explain” provisions set out in the “Environmental, Social and Governance Reporting Guide” under Appendix 20 to the Listing Rules. We value your feedback regarding the review and our overall sustainability practices. Please provide your comments by email to info@bci-group.com.

This Report serves to provide details of the Company’s ESG policies and initiatives of its major operating segment in Hong Kong, which is principally engaged in the operation of clubbing, entertainment and restaurant business.

The Board has the overall responsibility for the Company’s ESG strategy and reporting, monitoring and managing the ESG-related risks. The management is responsible for evaluating effectiveness of the ESG risk management and internal control systems and the management confirms that these systems are effective to mitigate our ESG related risks. Assessment of ESG status and progress are conducted on an ongoing basis. To understand the concerns of various stakeholders, the Company has engaged and discussed with various business functions and management personnel, and identified the following material aspects and has managed them strictly in accordance with the Group’s policies and guidelines and in compliance with the relevant legal and regulatory standards.

關於本報告

本集團視企業社會責任為其可持續發展業務經營的核心價值之一。本集團一直致力於以經濟、環境及社會可持續的方式經營業務。本集團深知平衡業務需求與管理自然環境、需要滿足市場的資源需求以及需要實現社會和諧發展的重要性。

本公司根據創業板上市規則附錄二十所載的環境、社會及管治報告指引並基於本集團及持份者的重大方面提呈截至2018年5月31日止年度（「報告期間」）的環境、社會及管治（「環境、社會及管治」）報告（「本報告」）。

本報告已遵守根據上市規則附錄二十所載的《環境、社會及管治報告指引》的「不遵守就解釋」條文。歡迎閣下對回顧檢討及我們在可持續發展方面的工作提出寶貴意見。有關意見請電郵至info@bci-group.com。

本報告旨在提供本公司的環境、社會及管治政策及香港主要營運分部（主要從事經營會所、娛樂及餐廳業務）的舉措詳情。

董事會對本公司的環境、社會及管治策略及報告、監控及管理環境、社會及管治相關風險負有總體責任。管理層負責評估環境、社會及管治風險管理及內部控制系統的效能，且管理層確認該等系統能有效降低我們的環境、社會及管治相關風險。我們會持續對環境、社會及管治狀況以及進展進行評估。為瞭解各持份者的關注重點，本公司向各業務部門及管理人員進行瞭解及與彼等進行討論，並識別下列重大方面，並根據本集團的政策及指引以及遵守相關法律及監管標準嚴格管理。

Environmental, Social and Governance Report

環境、社會及管治報告

During the Reporting Period, to the best of the knowledge information and belief of the Directors having made all reasonable enquiries, no member of the Group had been involved in any material breach, or non-compliance, with any applicable environmental law or regulation, or law or regulation relating to employment, employee health and safety, labour standards, product and service responsibility or corruption that had a significant impact on the Company or the Group.

During the Reporting Period, the Group measured and managed its environmental performance in several aspects throughout its operations.

A) ENVIRONMENTAL

Emissions

The Group is a food and beverage, lifestyle and entertainment industry which is principally engaged in the operation of clubbing, entertainment and restaurants in Hong Kong. Throughout the operating process the relevant emission includes noise emission, light emission and air emission.

a) Noise emission

The operation of our clubs, namely Volar and Fly, naturally generates music noise emission in the evenings. To minimize noise emission, the Group installs noise pollution materials and structure. The locations of our clubs are not in residential crowded areas. Volar is situated basement location in Lan Kwai Fong, a night entertainment district in Hong Kong and Fly is located on Ice House Street which is in Central.

The Group is not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group relating to noise emission.

b) Light Emission

The light emissions should not and do not cause any disturbance to the public since all the featured events are conducted inside our club. To minimize light emission, the Group has complied with all the relevant laws, ordinances, rules and regulations in Hong Kong in our structural construction and operation to ensure all the lighting systems are properly installed.

於報告期間，就董事作出一切合理查詢後所深知、盡悉及確信，本集團並無任何成員參與任何重大違規或不遵守任何適用環境法律或法規，或與僱傭、僱員健康及安全、勞工準則、產品及服務責任或貪污有關的法律或法規而對本公司或本集團構成重大影響。

於報告期間，本集團在營運過程中從多個方面計量及管理環境表現。

A) 環境

排放

本集團是餐飲、時尚生活及娛樂行業集團，主要於香港經營會所、娛樂及餐廳業務。於經營過程中，相關排放包括噪音排放、光排放及氣體排放。

a) 噪音排放

我們經營的會所Volar及Fly在晚上自然產生音樂噪音排放。為減少噪音，本集團安裝噪音污染材料及設施。我們的會所並非位於住宅區。Volar位於香港夜間娛樂區蘭桂坊的地庫，而Fly位於中環雪廠街。

本集團並不知悉在噪音排放方面任何不遵守法律及法規並對本集團構成重大影響的情況。

b) 光排放

由於所有特色活動於我們的會所內進行，因此光排放不應亦不會對公眾造成任何干擾。為減少光排放，本集團在興建設施及營運中已遵守香港的所有相關法律、條例、法規及規例，以確保所有照明系統均已妥善安裝。

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The Group is not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group relating to light emission.

c) Gas Emission

As cooking process involves fuel use, restaurant operation inevitably generates exhaust gases. To protect the vicinity environment, all of the Group's restaurants have strictly complied with the oil fume and cooking odor requirements as stipulated by Air Pollution Control Ordinance (Chapter 311 of the laws of Hong Kong). The Company is committed to executing effective gas emissions control through the installation and the use of appropriate and efficient filtering equipment as well as organizing the regular inspection, maintenance and repair of the ventilation system.

The sources of the greenhouse gases and the relative emissions for the Company during the Reporting Period are cited as below:

Fuel and Energy

燃料及能源

Electricity

電力

Group's intensity of greenhouse gases emission per year
本集團溫室氣體年排放密度

Total amount for greenhouse gases emission

溫室氣體總排放量

Greenhouse gases emissions intensity

溫室氣體排放密度

本集團並不知悉在光排放方面任何不遵守法律及法規對本集團構成重大影響的情況。

c) 氣體排放

由於烹飪過程涉及使用燃料，餐廳營運不能避免產生廢氣。為保護附近環境，本集團所有餐廳均嚴格遵守空氣污染管制條例（香港法例第311章）所規定的油煙及烹飪氣味規定。本公司致力於透過安裝及使用適當有效的過濾設備以執行有效的氣體排放控制，並定期對通風系統進行檢查、保養及維修。

於報告期間，本公司的溫室氣體來源及相關排放情況如下：

Group's annual consumption of fuel and energy Unit 本集團燃料及能源年消耗量單位	Total consumption 總消耗量
Electricity Kwh 千瓦時	495,783

Carbon dioxide in tonnes 二氧化碳（以噸計算）	252.9
tCO ₂ e/HK\$m revenue 每噸二氧化碳當量／百萬港元收益	3.0

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Notes:

The above calculation is based on the reference and tools provided by Environmental Protection Department. <https://www.carbon-footprint.hk/node/52>.

Greenhouse gases emissions intensity is calculated by dividing the total greenhouse gases emissions by the total revenue of clubbing, entertainment and restaurant business. The Group's total revenue of clubbing, entertainment and restaurant business for the year ended 31 May 2018 was approximately HK\$85.3 million.

The Group's greenhouse gases emissions are mainly produced from indirect emissions due to electricity purchased from The Hong Kong Electric Company Limited.

d) Sewage Discharges

During the Reporting Period, our entire Group's clubbing and restaurants have been granted with the water pollution control licenses by the Environmental Protection Department of the Hong Kong Special Administrative Region ("HKSAR"). To minimize the environmental impact from the sewage discharge, the Group has also installed adequate, efficient and appropriate equipment to ensure the sewage has been properly processed before discharge.

Water consumption statistic of the year ended 31 March 2018:

Water consumptions

耗水量

Water consumption 耗水量
Water Consumption Intensity 耗水量密度

Note:

Water consumption intensity is calculated by dividing the total water consumption by the total revenue of clubbing, entertainment and restaurant business. The Group's total revenue of clubbing, entertainment and restaurant business for the year ended 31 May 2018 was approximately HK\$85.3 million.

附註:

以上數據乃基於環境保護署提供的參考資料及工具計算。網站為<https://www.carbon-footprint.hk/node/52>。

溫室氣體排放密度是按溫室氣體總排放量除以會所、娛樂及餐廳業務的總收益計算。截至2018年5月31日止年度，本集團會所、娛樂及餐廳業務的總收益為約85.3百萬港元。

本集團的溫室氣體排放主要來自向香港電燈有限公司購買的電力產生的間接排放。

d) 污水排放

於報告期間，本集團所有會所及餐廳已獲香港特別行政區（「香港特區」）環境保護署頒發水污染管制牌照。為減少污水排放對環境的影響，本集團亦已安裝足夠、有效及適當的設備，以確保污水在排放前已妥善處理。

截至2018年3月31日止年度的耗水量統計：

Group's annual consumption of fuel and energy Unit 本集團燃料及能源年消耗量單位	Total consumption 總消耗量
cubic meter 立方米	6,326
cubic meter/ HK\$'m revenue 立方米/百萬港元收益	74.2

附註:

耗水密度是按總耗水量除以會所、娛樂及餐廳業務的總收益計算。截至2018年5月31日止年度，本集團會所、娛樂及餐廳業務的總收益為約85.3百萬港元。

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Use of Resources

The resources used by the Group are principally attributed to electricity, water and paper consumed at the back office and outlets.

Electricity is consumed during the daily business operations from using electrical equipment. To promote an environmental friendly office, the Group promotes and advises several measures such as: i) employees are encouraged to switch the electric equipment to energy-saving mode such as the automatically power down of printers and computers after a period of inactivity and turn off lighting before leaving the office and outlets; and ii) temperature switches are adopted to maintain the workplaces at a reasonable temperature.

Although non-significant amounts of water is consumed through the business activities, the Group also encourages water saving by driving water-saving habits and posting green messages in the workplace to remind the employees to use water effectively.

The Group implements measures for reducing the paper consumption such as: i) double-sided printing and reuse of single side printed paper are encouraged; and ii) encourage to use more e-channels to disseminate corporate information.

B) SOCIAL Employment

Employee is the foundation of success of the Group. The Group is an equal opportunity employer and no discrimination is tolerated on the basis of age, gender, race, colour, sexual orientation, disability or marital status.

The Company also prohibits any kinds of discrimination at the workplace, which generally refer to the gender, pregnancy, marital status, disability, family status, and race in the practices for human resources. Other than the policies for anti-discrimination, the Company provides fair opportunities for all staff members.

資源使用

本集團所使用的資源主要為後台辦公室及門店所耗用的水電及紙張。

在日常業務營運中，電力設備的使用均會消耗電力。為促進環保辦公室，本集團提倡及建議若干措施：i) 鼓勵僱員將電力設備切換至節能模式，如設置打印機及電腦在一段靜止時間後自動關閉電源，並在離開辦公室及門店前關閉照明設備；及ii) 採用恆溫器以維持工作場所合理溫度水平。

雖然我們的業務活動用水不多，但本集團仍鼓勵養成節水習慣以達致節約用水，並在工作場所張貼環保訊息，提醒員工有效用水。

本集團實施措施減少用紙，包括：i) 鼓勵雙面打印及重複使用單面打印紙張；及ii) 鼓勵更多地通過電子渠道傳發企業資訊。

B) 社會 僱傭

僱員是本集團成功的基石。本集團為公平機會僱主，且禁止基於年齡、性別、種族、膚色、性向、殘障或婚姻狀況的任何歧視。

本公司亦禁止在工作場所任何形式的歧視，通常涉及人力資源的性別、懷孕、婚姻狀況、殘疾、家庭狀況及種族。除反歧視政策外，本公司為所有僱員提供平等機會。

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The total number of employees and the distribution on demographics as of 31 May 2018 have been depicted as below:

於2018年5月31日，僱員總數及僱員統計分佈情況如下：

Gender 性別		Total number of employees and distribution 僱員總數及分佈	
		No. of employee 僱員人數	Occupied percentage (%) 所佔百分比(%)
Male	男	71	56.8
Female	女	54	43.2
Job type 工作類型		No. of employee 僱員人數	Occupied percentage (%) 所佔百分比(%)
Full Time	全職	67	53.6
Part Time	兼職	58	46.4
Age range 年齡範圍		No. of employee 僱員人數	Occupied percentage (%) 所佔百分比(%)
17 – 30	17至30歲	66	52.8
31 – 40	31至40歲	30	24.0
41 – 50	41至50歲	21	16.8
51 – 64	51至64歲	8	6.4
Total number of employee		125	100.0
僱員總數			

The Group aims to provide a harmonious and respectful working environment for the employees through competitive remuneration packages including basic salary, commissions, holidays, group insurance and mandatory provident fund that are comparable to the market standard and structured to commensurate with individual responsibilities, qualifications, experiences and performance. Periodical review is conducted and the appraisal result provides basis for annual salary review and promotion appraisal.

透過提供與市場標準相若、具有競爭力且與個人職責、資歷、經驗及表現掛鈎的薪酬待遇（包括基本薪金、佣金、假期、集體保險及強積金），本集團致力為僱員創造和諧尊重的工作環境。我們會定期進行檢討，評估結果會為年度薪酬檢討及晉升評估提供依據。

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The employment contract specified the terms including scope of work, wages/allowances, working hours, rest days, dismissal and other benefits and welfare to the staff. To stay competitive, the Group's base salaries are within industry norms.

Health and Safety

The Group realises that ensuring the health and safety of employees are very important to the business activities and therefore makes every effort to build and maintain a working environment which is free of workplace health and safety incidents.

The Group follows safety manuals issued by the Occupational Safety and Health Council which set out work safety measures to prevent common accidents which could happen in the outlets. Managers are responsible to ensure compliance of safety, hygiene and fire requirements by conducting checks and inspections of the premises regularly such as fire exit passageway shall be kept clear from obstruction. Fire extinguishers and other equipment shall be kept at the correct location and that they are accessible and remain free from obstruction.

The Group has engaged a third-party security company for the clubs which will provide a team of 24 security staff, working under the supervision of the club managers. The roles of the security team cover performing patrolling, attending the scene and liaising with customers to stop any potential fights in case of arguments or any fights or other suspicious circumstances, and reporting fights, drug use, theft and harassments to the police when necessary. The Group has established safety and anti-crime manual, which is implemented strictly by the security team. The club managers are responsible for coordinating with the security team.

The Group implements headcounts and identity checking procedures at the entrance of the premises of the clubs to monitor the number of guests inside the premises and whether the customers are above 18 years old when entering into the clubs. In order to spot potential illegal activities such as fights, drug abuse or theft at an early stage, over 20 CCTVs are installed inside the club premises. The security team will attend the scene investigate immediately if any suspicious circumstance arises or stop any potential fight inside the premises once identified.

僱傭合約列明相關條款，包括工作範圍、工資／津貼、工作時數、假期、解僱及其他員工福利。為具備競爭力，本集團的基本薪金水平符合行業慣例。

健康及安全

本集團深明，保障僱員的健康及安全對業務活動至關重要，因此不遺餘力地創造及維持無工作場所健康及安全事故的工作環境。

本集團遵循職業安全健康局頒佈的安全手冊，當中列載生產安全措施，以防止門店常見事故。經理會定期檢查及檢驗有關場所，確保遵守安全、衛生及消防規定，例如消防逃生通道須保持通暢。滅火器及其他設備須存放於正確位置，且便於取用及並無阻塞。

本集團委聘一間第三方保安公司為我們的會所提供一支具24名保安人員的團隊，彼等工作受會所經理監督。保安團隊的職責包括巡邏、進入現場與顧客保持聯絡以阻止任何爭論、鬥毆或其他可疑情況可能導致的鬥毆，以及於必要時向警方報告鬥毆、濫藥、盜竊及騷擾事件。本集團已編製安全及預防犯罪手冊，由保安團隊嚴格實施。會所經理負責協調保安團隊。

本集團在會所入口實行人數統計及身份檢查程序以監控會所內顧客人數及監察進入會所的顧客是否已滿18歲。為及早發現鬥毆、濫藥或盜竊等潛在非法活動，會所所在場所內安裝逾20台閉路電視。我們的保安團隊發現可疑情況會立即介入調查，於會所內可能發生鬥毆時亦會出面阻止。

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Development and Training

As part of the Group's initiatives for improving business performance and encouraging personal development of the staff, the Group strives to provide comprehensive development to the employees.

The Group has provided training across different operational functions, including induction training for new employees, technical training, and training to enhance the employees' knowledge, skill level and quality when performing their duties. For the bartenders and cooks, the Group encourages them to take courses to further enhance their technical skills. The senior management also gives regular training to the staff in relation to customer service skills.

Supply Chain Management

Suppliers have a direct impact on the Group's sustainability performance. The Group's suppliers mainly include beverage and food suppliers.

The Group selects the major suppliers based on a set of criteria which includes product and service quality, cost, reputation, service, agility, delivery efficiency, past performance and relationship with the Group. Such supplier selection criteria ensures that the Group can secure continual supply of ingredients of consistent quality, identify the source of supply promptly, and maintain flexibility in stock levels. Generally, the Group would not procure from the suppliers unless they pass the selection criteria.

The operating managers are primarily responsible for monitoring the level of food and beverage and making orders. Each of the outlets place purchase orders with the procurement staff which then place orders with the relevant suppliers. Upon delivery of the items to the outlets, the staff checks the time of delivery, the brand and type, quantity and quality of deliveries against the delivery notes or invoices and the orders before acceptance. The Group also inspects the best-by date and condition of the food ingredients, and if they fall below our quality control standards, the Group would return them to the suppliers.

發展及培訓

作為本集團提升業務表現及鼓勵員工個人發展舉措的一部分，本集團致力為僱員提供全面發展。

本集團為各經營部門提供培訓，包括新員工入職培訓、技術培訓及為提升僱員履行職責知識、技能及素質而進行的培訓。本集團鼓勵調酒師及廚師參加提升專業技能的課程。高級管理人員亦向員工提供有關客戶服務技巧的定期培訓。

供應鏈管理

供應商對本集團的可持續發展表現有直接影響。本集團的供應商主要包括飲料及食品供應商。

本集團根據一套標準（包括產品及服務質量、成本、聲譽、服務、靈活性、交付效率、過往表現及與本集團的關係等）選擇主要供應商。該等供應商選擇標準確保本集團能持續獲得供應質量穩定的原料，迅速識別供貨源，維持靈活庫存水平。一般而言，除非供應商通過我們的選擇標準，否則本集團不會向其採購。

營運經理主要負責監督食品與飲料庫存量及下單。每間門店向採購人員下單，隨後由採購人員向相關供應商下單。食材送達門店後，員工會於收貨前檢查送貨時間，並根據送貨備註或收據及訂單核實食材品牌及類型、數量及質素。本集團亦會檢查食材的最佳日期及狀況，並將不符合我們質量控制標準的食材退回予供應商。

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During the Reporting Period, the Group had not experienced any significant problems with the quality of beverage and food products provided by the suppliers, any material limitations in the supply nor any shortage of beverage and food products. The Group believes that the supply chain management and procedures can ensure the safety of the supply chain.

Product Responsibility

Considering the importance of continuous customers' satisfaction and support, the Group is committed to providing customers with high quality services and products. The Group provides training and guidelines to its staff on service related areas such as beverage and food handling and personal hygiene to enhance the quality of services provided to the customers. All frontline service staff are trained to be courteous, competent and responsive and to provide cordial hospitality to customers. The outlets staff are required to be professionally uniformed during all working hours. The operating managers hold daily briefing sessions with all front-line service staffs on the daily operations of outlets. In these briefing sessions, the managers would review staff performance and reflect the customers' feedbacks. Such daily performance reviews assist the front-line service staff in maintaining and improving service levels. The Group strives to promote customer satisfaction through responding to their comments and feedbacks. The front-line service staff are required to treat customer requests, enquiries or complaints promptly and seriously. In case of any customer complaint in relation to beverage or food or quality of services, the relevant operating managers would take initiatives to investigate and resolve the matter and attend to the customers promptly.

If any staff receives a complaint from a customer, he shall report to his supervisor, usually the operating manager, who would review and understand the matter with the relevant customer and offer remedial proposals to the customer. If the complaint cannot be resolved on site or if a complaint has been received through emails, the operating managers will investigate the incident and file a report to the management with solutions to improve or avoid similar incidents in the future. An explanation will be sent to the relevant customer to ensure the matter would be resolved and to maintain a good customer relationship. The Group management will review the complaints and arrange necessary training to the staff to consistently improve the operation of outlets.

於報告期間，本集團並無就供應商所提供飲料及食品遭遇任何重大質量問題、任何重大供應限制或飲料及食品短缺。本集團相信，供應鏈管理及程序能夠確保供應鏈安全。

產品責任

考慮到客戶一貫的滿意及支持的重要性，本集團致力為客戶提供優質服務及產品。本集團為員工提供餐飲處理及個人衛生等服務相關培訓及指引，以提升顧客服務質量。所有前線服務人員均訓練有素、禮貌待客、業務嫻熟及應變靈活，為顧客提供熱情服務。門店員工須於整個工作時段統一穿著制服。營運經理每天就門店當天營運情況與全體前線服務員工舉行簡會。經理於該等簡會上檢討員工表現及反饋顧客意見。檢討日常表現有助前線服務員工保持及提升服務水平。本集團致力透過回應顧客的評價及反饋提升顧客滿意度。前線服務員工須即時認真處理顧客的要求、詢問或投訴。若顧客投訴涉及餐飲或服務質素，相關營運經理會主動予以調查處理，並即時聽取顧客意見。

倘員工收到顧客投訴，須向其主管（通常為營運經理）匯報，主管會與相關顧客核實及瞭解事件並提出補救建議。倘投訴未能當場解決或透過電郵提出，則營運經理會調查事件，向管理層提交含有解決方案的報告，以便日後作出改善或避免類似事件。我們會向相關顧客發出解釋函，確保事件獲得解決，並維持良好顧客關係。本集團管理層會審閱投訴，安排員工參加必要培訓，持續提升門店的營運表現。

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Data Privacy

The Group has implemented certain internal control measures in ensuring the confidentiality of the operation data so as to protect the suppliers, business partners, customers and itself. The Group's employment contract, staff handbook and internal control manual clearly define the requirements in relation to protecting the Group's data. For example, i) staffs are only allowed to access, retrieve, store and/or copy computer data that are necessary and directly related to their work; ii) any unauthorized access, retrieval, storage or copy of computer data, as well as unauthorized transfer and disclosure of data to third parties, are strictly prohibited and may lead to summary dismissal; and iii) administrative department is tasked with the implementation of a practical and reliable mechanism to ensure security of all data contained in computers and to protect data against unauthorized access or retrieval.

Anti-corruption

Corruption, deception, bribery, forgery, extortion, money-laundering and any other kinds of business fraud are strictly prohibited and fully investigated by the Audit Committee. In every business operation, employees and the management must demonstrate integrity. No tolerance is given to fraud. According to the staff handbook and internal control manual established by the Group, policy is established to govern investigation and follow-up procedures of reported fraud incidents. To enhance the governance of the Group, periodic and systematic fraud risk assessments are conducted. Any abnormality should be reported to the Audit Committee for investigation. Whistle-blowing channel is also established for the reporting of violations of professional conducts.

Community Investment

The Group cares about its community, and is willing to give the helping hands to the needy in order to promote the harmony and stability of the society. The management continues to focus on the needs of the society, and endeavour to enhance the sustainability of the community.

資料私隱

本集團已實施若干內部監控措施，確保運營資料的保密性，以保護供應商、業務合作夥伴、客戶及本集團自身。本集團的僱傭合約、員工手冊及內部控制手冊明確界定保護本集團資料的規定。例如，i) 員工僅可取用、調取、存儲及／或複印必要且與其工作直接相關的電腦資料；ii) 嚴禁擅自取用、調取、存儲或複印電腦資料以及擅自向第三方轉移及披露資料，有關行為可能導致即決撤職；及iii) 行政部門負責實施務實可靠的機制，確保電腦所有資料安全及防止擅自取用或調取資料。

反貪污

本集團嚴禁貪污、欺騙、賄賂、偽造、敲詐、洗黑錢及任何其他形式的商業欺詐，並由審核委員會展開全面調查。僱員及管理層須誠信地進行各項業務經營。本集團絕不容忍欺詐存在。根據本集團所制定的員工手冊及內部控制手冊，本集團制定政策以監管對接報欺詐事件的調查及跟進程序。為加強本集團的企業管治，本集團定期及系統化進行欺詐風險評估。發現任何異常情況時，應向審核委員會報告，以作出調查。本集團亦已建立舉報渠道，以供就違反職業操守進行舉報。

社區投資

本集團關懷其社區，並願意幫助有需要的人，以促進社會的和諧與穩定。管理層持續關注社會的需求，並盡其所能提高社區的可持續性。

Report of the Directors

董事會報告

The Board presents its annual report and the audited consolidated financial statements of the Group for the year ended 31 May 2018.

BUSINESS REVIEW

Details of business review are set out in the section headed "Management Discussion and Analysis" on pages 9 to 24.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is a food and beverage and entertainment group which principally engaged in the operation of clubbing and entertainment and restaurants business in Hong Kong.

SEGMENT INFORMATION

An analysis of the Group's performance by the principal activities and geographical locations of operations for the year ended 31 May 2018 is set out in Note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 May 2018 are set out in the consolidated financial statements on pages 69 to 146 of this annual report.

The Directors did not recommend payment of any dividend in respect of the year ended 31 May 2018.

INTEREST CAPITALISED

No interest was capitalised by the Group during the year ended 31 May 2018.

DISTRIBUTABLE RESERVES

As at 31 May 2018, the Company's reserves available for distribution to shareholders comprising share premium, capital reserve and accumulated losses, amounted to approximately HK\$38,479,000.

PRE-EMPTIVE RIGHTS

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

董事會謹此提呈其年報，連同本集團截至2018年5月31日止年度經審核綜合財務報表。

業務回顧

業務回顧詳情載於第9至24頁「管理層討論及分析」一節。

主要業務

本公司為投資控股公司。本集團為餐飲娛樂集團，主要於香港經營會所及娛樂以及餐廳業務。

分部資料

本集團截至2018年5月31日止年度按主要業務及營運地理位置劃分的業績分析載於綜合財務報表附註6。

業績及分派

本集團截至2018年5月31日止年度業績載於本年報第69至146頁的綜合財務報表內。

董事不建議派付截至2018年5月31日止年度的任何股息。

資本化利息

本集團截至2018年5月31日止年度概無資本化利息。

可供分派儲備

於2018年5月31日，本公司可向股東分派的儲備包括股份溢價、資本儲備及累計虧損，為約38,479,000港元。

優先購股權

本公司組織章程細則或開曼群島法例並無有關優先購股權的規定，要求本公司須按比例向現有股東提呈發售新股。

Report of the Directors

董事會報告

DIRECTORS

The Directors during the year ended 31 May 2018 and up to the date of this report were:

Executive Directors:

Mr. Ng Shing Joe Kester (*Chairman*)
Mr. Lau Sze Yuen

Non-executive Director:

Mr. Kan Sze Man

Independent Non-executive Directors:

Mr. Wong Sui Chi
Mr. Li Lap Sun
Mr. Ng Kwok Kei Sammy

The terms of office of each Director are subject to retirement by rotation in accordance with articles of association of the Company.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 25 to 30 in the section headed "Biographical Details of Directors and Senior Management".

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Ng Shing Joe Kester and Ms. Lau Sze Yuen, being the executive Directors, Mr. Kan Sze Man, being the non-executive Director, and Mr. Wong Sui Chi, Mr. Li Lap Sun and Mr. Ng Kwok Kei Sammy, being the independent non-executive Directors, has entered into a service contract or a letter of appointment with the Company for a term of three years commencing from 7 April 2017 (the "Listing Date") and shall continue thereafter unless terminated by either party giving to the other not less than three months' notice in writing.

TERMS OF OFFICE FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors were appointed for a specific terms subject to the relevant provisions of the articles of association or any other applicable laws whereby the Directors shall vacate or retire from their office.

董事

截至2018年5月31日止年度及截至本報告日期的董事如下：

執行董事：

吳繩祖先生（主席）
劉思婉女士

非執行董事：

簡士民先生

獨立非執行董事：

黃瑞熾先生
李立新先生
伍國基先生

各董事的任期受限於本公司組織章程細則，並須輪值退任。

董事及高級管理層履歷

董事及本集團高級管理層的履歷詳情載於第25至30頁「董事及高級管理層履歷詳情」一節。

董事服務合約

吳繩祖先生及劉思婉女士（作為執行董事）、簡士民先生（作為非執行董事）及黃瑞熾先生、李立新先生及伍國基先生（作為獨立非執行董事）已各自與本公司訂立服務合約或委任函，由2017年4月7日（「上市日期」）起計為期三年且其後可予續期，除非任何一方發出不少於三個月的書面通知予以終止。

獨立非執行董事的任期

所有獨立非執行董事的委任已設特定任期，惟董事的離任或退任須受組織章程細則或任何其他適用法例的有關條文所規限。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS

As at 31 May 2018, Mr. Ng Shing Joe Kester, an executive Director had the following interests in the shares and underlying shares of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register required to be kept under section 352 of SFO:

Long positions in shares of the Company

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質
Mr. Ng Shing Joe Kester 吳繩祖先生	Interest in controlled corporation 受控法團權益

During the year ended 31 May 2018, there were no debt securities issued by the Group at any time. Save as disclosed herein, as at 31 May 2018, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

To the best of Director's knowledge, at 31 May 2018, the following shareholders had interests in the shares or underlying

董事權益

於2018年5月31日，執行董事吳繩祖先生於本公司及其相聯法團（定義見證券及期貨條例「證券及期貨條例」第XV部）的股份及相關股份中擁有記錄於根據證券及期貨條例第352條須存置的登記冊內的權益如下：

於本公司股份中的好倉

Number of shares and underlying shares 股份及相關股份數目	Percentage of shareholding 股權百分比
371,520,000	46.44%

截至2018年5月31日止年度，本集團概無於任何時間發行債務證券。除本年報所披露者外，於2018年5月31日，董事或本公司主要行政人員或彼等的聯繫人概無於本公司或任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益及淡倉（包括根據證券及期貨條例的有關條文彼等各自被當作或視為擁有的權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條所指登記冊內的任何權益及淡倉；或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的任何權益及淡倉。

主要股東及其他人士於本公司股份、相關股份及債權證中的權益及淡倉

就董事所深知，於2018年5月31日，以下股東於本公司股份或相關股份中擁有記錄於須根據

Report of the Directors

董事會報告

shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

證券及期貨條例第336條存置的登記冊內的權益：

Long positions in shares of the Company

於本公司股份中的好倉

Name 姓名／名稱	Capacity/Nature of Interest 身份／權益性質	Number of shares 股份數目	Percentage of shareholding 股權百分比
Aplus Concepts Limited <i>(Note 1) (附註1)</i>	Beneficial owner 實益擁有人	371,520,000	46.44%
Ng Shing Joe Kester <i>(Note 2)</i> 吳繩祖 <i>(附註2)</i>	Interest in controlled corporation 受控法團權益	371,520,000	46.44%
Louey Andrea Alice <i>(Note 3)</i> 雷兆森 <i>(附註3)</i>	Interest of spouse 配偶權益	371,520,000	46.44%
Chung Cho Yee, Mico <i>(Note 4)</i> 鍾楚義 <i>(附註4)</i>	Interest in controlled corporation 受控法團權益	159,180,000	19.90%
Digisino Assets Limited <i>(Note 4) (附註4)</i>	Interest in controlled corporation 受控法團權益	159,180,000	19.90%
Earnest Equity Limited <i>(Note 4) (附註4)</i>	Interest in controlled corporation 受控法團權益	159,180,000	19.90%
CSI Properties Limited <i>(Note 5)</i> 資本策略地產有限公司 <i>(附註5)</i>	Interest in controlled corporation 受控法團權益	159,180,000	19.90%
Phoenix Year Limited <i>(Note 6) (附註6)</i>	Beneficial owner 實益擁有人	159,180,000	19.90%

Notes:

附註：

- The entire issued share capital of Aplus Concepts Limited is wholly-owned by Mr. Ng Shing Joe Kester.
 - Mr. Ng Shing Joe Kester is deemed to be interested in the same number of shares held by Aplus Concepts Limited under the SFO.
 - Ms. Louey Andrea Alice is the spouse of Mr. Ng Shing Joe Kester. By virtue of the SFO, Ms. Louey Andrea Alice is deemed to be interested in the same number of shares in which Mr. Ng Shing Joe Kester is deemed to be interested under the SFO.
 - Mr. Chung Cho Yee, Mico ("Mr. Chung") owns the entire interest of Digisino Assets Limited ("Digisino") which in turn owns the entire interest in Earnest Equity Limited ("Earnest Equity"). Earnest Equity and Mr. Chung own approximately 49.87% and 0.03% of the entire issued shares capital of CSI Properties Limited respectively. Therefore, Mr. Chung, Digisino and Earnest Equity are deemed to be interested in the same number of shares held by CSI Properties Limited under SFO.
 - CSI Properties Limited is deemed to be interested in the same number of shares held by Phoenix Year Limited under the SFO.
 - The entire issued share capital of Phoenix Year Limited is wholly-owned by CSI Properties Limited.
- Aplus Concepts Limited的全部已發行股本由吳繩祖先生全資擁有。
 - 根據證券及期貨條例，吳繩祖先生被視為擁有與Aplus Concepts Limited所持相同數目股份的權益。
 - 雷兆森女士為吳繩祖先生的配偶。根據證券及期貨條例，雷兆森女士被視為擁有與吳繩祖先生根據證券及期貨條例被視為擁有的相同數目股份的權益。
 - 鍾楚義先生（「鍾先生」）擁有Digisino Assets Limited（「Digisino」）的全部權益，而Digisino則擁有Earnest Equity Limited（「Earnest Equity」）的全部權益。Earnest Equity及鍾先生分別擁有資本策略地產有限公司全部已發行股本約49.87%及0.03%。因此，根據證券及期貨條例，鍾先生、Digisino及Earnest Equity被視為擁有與資本策略地產有限公司所持相同數目股份的權益。
 - 根據證券及期貨條例，資本策略地產有限公司被視為擁有與Phoenix Year Limited所持相同數目股份的權益。
 - Phoenix Year Limited的全部已發行股本由資本策略地產有限公司全資擁有。

Report of the Directors

董事會報告

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN A COMPETING BUSINESS

During the year ended 31 May 2018 and up to the date of this report, save as the directorship of Mr. Kan Sze Man, a non-executive Director, in Surplus King Hotel Enterprises Limited (a company incorporated in Hong Kong) which is principally engaged in the operation of a hotel including an all-day dining restaurant and a bar, the Directors, including the Independent Non-executive Directors, are not aware of any business or interest of the directors, the management of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person had or might have with the Group.

On 14 March 2017, Aplus Concept Limited and Mr. Ng Shing Joe Kester (collectively the “**Controlling Shareholders**”) have entered into with and in favour of the Company (for itself and as trustee for its subsidiaries) the deed of non-competition (the “**Deed of Non-competition**”). The Company has received an annual declaration from the Controlling Shareholders in respect of their full compliance with the terms of the Deed of Non-competition. The independent non-executive Directors have also reviewed on behalf of the Company the compliance with the Deed of Non-competition and are satisfied that the Controlling Shareholders have fully complied with the terms of the Deed of Non-competition.

DIRECTORS' INTERESTS IN CONTRACTS

Save as those interests disclosed under the paragraph entitled “Connected Transactions”, there is no contract of significance to which the Company or any of its subsidiaries and the controlling shareholders of the Company or any of its subsidiaries was a party and in which the Directors had a material interest, whether directly or indirectly, subsisted during or at the end of the year or at any time during the year ended 31 May 2018.

CONNECTED TRANSACTIONS

Our Directors confirm that the following transaction will continually constitute continuing connected transactions for our Company under Chapter 20 of the GEM Listing Rules.

Provision of marketing and promotion services to the Group

Model Genesis International Management Limited (“Model Genesis”) has been providing marketing and promotion services to the Group. On 14 March 2017, Model Genesis has entered

董事及控股股東於競爭業務的權益

截至2018年5月31日止年度及截至本報告日期，除非執行董事簡士民先生擔任盈君旅業有限公司（一間於香港註冊成立的公司，主要從事經營一間酒店，包括一間全天營業餐廳及一間酒吧）的董事外，董事（包括獨立非執行董事）並無獲悉本公司董事、管理層及彼等各自的緊密聯繫人（定義見創業板上市規則）的任何業務或權益會或可能會與本集團業務競爭，及任何該等人士與本集團產生或可能產生任何其他利益衝突。

於2017年3月14日，Aplus Concept Limited及吳繩祖先生（統稱為「**控股股東**」）已與本公司（為本身及作為附屬公司之受托人）訂立不競爭契約（「**不競爭契約**」）。本公司已收到控股股東就全面遵守不競爭契約之條款發表之年度聲明。獨立非執行董事亦代表本公司審閱不競爭契約的遵守情況，並信納控股股東已全面遵守不競爭契約條文。

董事於合約的權益

除「**關連交易**」一段所披露權益外，於截至2018年5月31日止年度期間或年終或任何時間，本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東概無訂立任何重大且董事於其中直接或間接擁有重大權益的合約。

關連交易

董事確認以下交易將繼續構成創業板上市規則第20章項下本公司的持續關連交易。

向本集團提供營銷及推廣服務

模特兒新天地國際管理有限公司（「**模特兒新天地**」）一直向本集團提供營銷及推廣服務。於2017年3月14日，模特兒新天地與本公司訂立

Report of the Directors

董事會報告

in to a master agreement (the “Master Agreement”) with our Company, pursuant to which Model Genesis agreed to provide the marketing and promotion services including organization of featured events, engagements of DJs and preparation of publication materials (the “Marketing and Promotion Services”) to our Group from the Listing Date to 31 May 2019.

As Model Genesis is owned as to 30% by Phoenix Year Limited and 70% by Aplus Concepts Limited, being our substantial shareholder and controlling shareholder, respectively, it is an associate of each of Aplus Concepts Limited, Mr. Ng Shing Joe Kester, Phoenix Year Limited and CSI Properties Limited and a connected person of our Company. The provision of the Marketing and Promotion Services will constitute continuing connected transactions of the Company pursuant to Rule 20.14 of the GEM Listing Rule.

Under the premise of compliance with the Master Agreement, our Group and Model Genesis shall further enter into separate individual contracts or purchase orders in respect of specific marketing and promotion services and determine the specific terms and conditions of the marketing and promotion services, such as services fee to be charged by Model Genesis (the “Services Fees”).

The Services Fees would be payable a monthly basis pursuant to the Master Agreement. The terms and conditions of the transactions contemplated under the Master Agreement shall be on normal commercial terms, negotiated on arm’s length basis, fair and reasonable and no less favorable to our Group than those offered to other independent third parties for similar services.

The maximum aggregated annual caps for the transactions are HK\$0.6 million HK\$3.4 million and HK\$3.4 million for the three years ending 31 May 2019, respectively.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 May 2018 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

EMPLOYEES AND REMUNERATION POLICIES

Details of the emoluments of the Directors of the Company and the five highest paid individuals of the Group are set out in Note 11 to the consolidated financial statements.

總協議（「總協議」），據此模特兒新天地同意自上市日期起至2019年5月31日期間，向本集團提供組織特色活動、委聘DJ及準備發表材料等營銷及推廣服務（「營銷及推廣服務」）。

由於我們主要股東Phoenix Year Limited及控股股東Aplus Concepts Limited分別持有模特兒新天地30%及70%的股權，故模特兒新天地為Aplus Concepts Limited、吳繩祖先生、Phoenix Year Limited及資本策略地產有限公司的聯繫人以及本公司的關連人士。根據創業板上市規則第20.14條，提供營銷及推廣服務將構成本公司的持續關連交易。

本集團及模特兒新天地須就個別的營銷及推廣服務訂立獨立合約或採購訂單，並須釐定個別的營銷及推廣服務條款及條件，例如模特兒新天地收取的服務費（「服務費」），惟須遵守總協議的規定。

根據總協議，服務費須按月支付。總協議所涉交易的條款及條件乃按一般商業條款經公平磋商釐定，屬公平合理，且向本集團提供的條款不遜於向其他獨立第三方提供同類服務的條款。

截至2019年5月31日止三個年度，交易的年度上限總額分別為0.6百萬港元、3.4百萬港元及3.4百萬港元。

購買股份或債權證的安排

本公司或其任何附屬公司於截至2018年5月31日止年度任何時間概無訂立任何安排，致使董事可透過收購本公司或任何其他法團的股份或債權證而獲益。

僱員及薪酬政策

有關本公司董事及本集團五名最高薪人士的新酬詳情載於綜合財務報表附註11。

Report of the Directors

董事會報告

As at 31 May 2018, the Group had 125 employees. The Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses with reference to salaries paid by comparable companies, time commitment and the performance of the Group. The Company also reimburses them for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Company regularly reviews and determines the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 May 2018.

MAJOR CUSTOMERS AND SUPPLIERS

Due to the nature of the Group's business, the majority of customers consist of retail customers from the general public. As such, the Directors consider that it is not practicable to identify the five largest customers of the Group for the year ended 31 May 2018.

The information in respect of the Group's purchases attributable to the major suppliers during the year ended 31 May 2018 as follows:

The largest supplier	最大供應商	53.4%
Five largest suppliers in aggregate	五大供應商總計	69.6%

None of the Directors, their associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest supplier and customers.

於2018年5月31日，本集團有125名僱員。董事及高級管理層收取酬金的形式包括薪金、實物利益及酌情花紅，同時參照可比較公司所支付的薪酬、時間投入及本集團的業績而釐定。本公司亦向彼等付還為本集團提供服務或就本集團業務營運履行其職能時所產生的必要及合理開支。本公司參照（其中包括）可比較公司支付薪酬的市場水平、董事的相關責任及本集團的業績後，定期檢討及釐定董事及高級管理層的薪酬及補償待遇。

管理合約

截至2018年5月31日止年度並無訂立或存在任何涉及本公司全部或大部分業務的管理及行政合約。

主要客戶及供應商

由於本集團業務的性質，我們的客戶大多數為大眾零售客戶。因此，董事認為，識別本集團截至2018年5月31日止年度的五大客戶並不可行。

有關主要供應商於截至2018年5月31日止年度所佔本集團採購量的資料如下：

Percentage of the Group's
total purchases
佔本集團總採購量百分比

就董事所知，概無擁有本公司已發行股本超過5%的董事、彼等的聯繫人或任何股東於任何本集團五大供應商及客戶中擁有實益權益。

Report of the Directors

董事會報告

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 May 2018.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this report, the Company has maintained the sufficient public float under the GEM Listing Rules.

SHARE OPTION SCHEME

The share option scheme of the Company ("Scheme") was adopted pursuant to a resolutions passed by the Company's shareholders on 14 March 2017 ("Adoption Date") for the primary purpose of granting options to eligible participants as incentives or rewards for their contribution to the Group. Eligible participants of the Scheme include any employees, any executives, non-executive Directors (including independent non-executives Directors), supplier, customer, advisers and consultants of the Company or any of its subsidiaries.

The maximum number of shares which may be issued under the Scheme and any other schemes of the Company (excluding options lapsed pursuant to the Scheme and any other schemes of the Company) must not exceed 80,000,000 shares, representing 10% of the issued shares of the Company at the date of the annual report.

The total number of shares issued and to be issued to each eligible participant under the Scheme in any 12-month period must not exceed 1% of the issued shares of the Company unless approved in advance by the shareholders of the Company in general meeting.

Any option to be granted under the Scheme to a Director, chief executive or substantial shareholder of the Company or to any of their respective associates must be approved by all independent non-executive Directors of the Company (excluding independent non-executive Director who is the grantee). In addition, any option to be granted to a substantial shareholder or an independent non-executive Director of the Company or to any of their respective associates which will result in the shares issued and to be issued in excess of 0.1% of the issued shares or with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK\$5,000,000 within any 12-month period is subject to approval by the shareholders of the Company in general meeting.

購買、出售或贖回股份

截至2018年5月31日止年度，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

公眾持股量的充足性

基於本公司可公開獲得的資料及就董事所知，於刊發本報告前的最後可行日期，本公司已根據創業板上市規則維持充足的公眾持股量。

購股權計劃

本公司的購股權計劃（「該計劃」）乃根據本公司股東於2017年3月14日（「採納日期」）通過的決議案獲採納，其主要目的旨在向合資格參與者授予購股權，作為彼等對本集團所作貢獻的激勵或獎賞。該計劃的合資格參與者包括本公司或任何其附屬公司的任何僱員、任何執行、非執行董事（包括獨立非執行董事）、供應商、客戶、顧問及諮詢人。

根據該計劃及本公司任何其他計劃（不包括根據該計劃及本公司任何其他計劃已失效的購股權）可予發行的股份數目上限，不得超過80,000,000股股份，佔本公司於年報日期已發行股份的10%。

除非獲本公司股東事先於股東大會上批准，於任何12個月期間，根據該計劃向每位合資格參與者發行及將予發行的股份總數，不得超過本公司已發行股份的1%。

根據該計劃向本公司董事、最高行政人員或主要股東或任何彼等各自聯繫人授出的任何購股權，必須獲本公司全體獨立非執行董事（不包括作為承授人的獨立非執行董事）批准。此外，倘向本公司主要股東或獨立非執行董事或任何彼等各自的聯繫人授出購股權，而導致已發行或將予發行的股份於任何12個月期間內超過已發行股份的0.1%或總值（按股份於授出日期的收市價計算）超過5,000,000港元，則須由本公司股東於股東大會作出批准。

Report of the Directors

董事會報告

The offer of a grant of options under the Scheme may be accepted within 21 days from the date of the offer and by payment of HK\$1.00 as consideration for the grant of an option. An option may be exercised in accordance with the terms of the Scheme at any time during a period as to be determined and notified by the Directors to each grantee, but shall end in any event not later than 10 years from the date of the grant of option.

The Scheme will be valid and effective for a period of ten years commencing on the listing date of the Company.

The exercise price is determined by the Directors and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant of an option, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant of an option; and (iii) the nominal value of the Company's shares.

No options have been granted under the Scheme since its adoption.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Lego Corporate Finance Limited ("Lego") to be the compliance adviser. Lego, being the sponsor to the listing, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Save as provided for under the underwriting agreements relating to the share offer, neither Lego nor any of its associates and none of the directors or employees of Lego who have been involved in providing advice to the Company as the sponsor, has or may, as a result of the share offer, have any interest in any securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities).

The compliance adviser's appointment is for a period commencing on the listing date and ending on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of the despatch of its annual report of the financial results for the second full financial year commencing after the listing date, i.e. for the year ending 31 May 2019, or until the compliance adviser agreement is terminated, whichever is earlier.

根據該計劃授出購股權的要約，可於要約日期起計21日內獲接納，並須支付1.00港元作為獲授購股權的代價。購股權可按該計劃條款及於董事釐定並通知每位承授人之期間內隨時行使，惟在任何情況下須於授出購股權日期起計10年內屆滿。

該計劃將於本公司上市日期起計十年內有效及生效。

行使價乃由董事釐定，惟不得低於下列各項的最高者：(i)於授出購股權的要約日期（須為交易日）在聯交所每日報價表所列的本公司股份收市價；(ii)於緊接授出購股權的要約日期前五個交易日在聯交所每日報價表所列的本公司股份平均收市價；及(iii)本公司股份的面值。

自採納該計劃以來，並無根據該計劃授出任何購股權。

合規顧問的權益

根據創業板上市規則第6A.19條，本公司已委任力高企業融資有限公司（「力高」）為合規顧問。力高（作為上市保薦人）已根據創業板上市規則第6A.07條就其獨立性作出聲明。除有關股份發售的包銷協議項下所規定者外，力高及其任何聯繫人以及曾涉及向本公司提供意見的力高董事或僱員概無作為保薦人曾經或可能因股份發售而於本公司或本集團任何其他公司的任何證券（包括可認購該等證券的購股權或權利）中擁有任何權益。

合規顧問的任期自上市日期起至本公司遵守創業板上市規則第18.03條寄發其自上市日期起計第二個完整財政年度（即截至2019年5月31日止年度）財務業績的年報當日，或直至合規顧問協議終止（以較早者為準）為止。

Report of the Directors

董事會報告

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this Report of the Directors, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

AUDITOR

The financial statements for the year ended 31 May 2018 have been audited by BDO Limited and a resolution for the re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

PUBLICATION OF INFORMATION ON WEBSITES

This annual report is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.bcggroup.com.hk.

By order of the Board

Ng Shing Joe Kester
Chairman

27 August 2018

獲准許彌償條文

於財政年度及截至本董事會報告日期止的任何時間，均未曾經有或現有生效的任何獲准許彌償條文惠及本公司董事（不論是否由本公司或其他方訂立）或聯營公司的任何董事（倘由本公司訂立）。

核數師

截至2018年5月31日止年度的財務報表已由香港立信德豪會計師事務所有限公司審核，本公司將於應屆股東週年大會上提呈一項續聘其為本公司核數師的決議案。

於網站刊發資料

本年報可於聯交所網站www.hkex.com.hk及本公司網站www.bcggroup.com.hk查閱。

承董事會命

吳繩祖
主席

2018年8月27日

Independent Auditor's Report

獨立核數師報告



香港立信德豪會計師事務所

TO THE SHAREHOLDERS OF BCI GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of BCI Group Holdings Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group") set out on pages 69 to 146, which comprise the consolidated statement of financial position as at 31 May 2018, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

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

致高門集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

意見

吾等已審計第69至146頁所載高門集團有限公司(「貴公司」)及其附屬公司(以下稱為「貴集團」)的綜合財務報表,包括於2018年5月31日的綜合財務狀況表、截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為,此等綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)足以真實及公允地反映 貴集團於2018年5月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已按照香港公司條例的披露規定妥善編製。

意見基礎

吾等已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。吾等在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」),吾等獨立於 貴集團,並已履行守則中的其他專業道德責任。吾等相信,吾等所獲得的審計憑證能充足和適當地為吾等的意見提供基礎。

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷,認為對本期綜合財務報表的審計最為重要的事項。該等事項是在吾等審計整體綜合財務報表及達致

Independent Auditor's Report

獨立核數師報告

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.

IMPAIRMENT OF GOODWILL

As at 31 May 2018, as a result of the acquisition of Legend Vision Limited and its subsidiary in 2015, the Group had goodwill of HK\$2,209,000, relating to a cash-generating unit engaged in the operation of clubbing business in Hong Kong ("Legend Vision CGU").

Management concluded that there is no impairment on goodwill. This impairment assessment was based on a value in use calculation that required significant estimations with respect to the underlying cash flows and discount rate, in particular the future revenue growth. An independent external valuation was obtained in respect of the impairment assessment on goodwill in order to support management's estimates.

We identified the impairment of goodwill as a key audit matter because of the significant estimation uncertainty involved in the determination of the recoverable amount of the Legend Vision CGU and the significance of the carrying amount of the Legend Vision CGU (including the allocated goodwill) to the consolidated financial statements.

Refer to Note 20 to the consolidated financial statements and accounting policy in Note 4(k).

How our audit addressed the key audit matter:

Our procedures in relation to management's impairment assessment of goodwill included:

- Evaluating the independent external valuer's competence, capabilities and objectivity;
- Assessing the valuation methodology for its appropriateness;
- Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and
- Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets.

相關意見時進行處理的。吾等不會對該等事項提供單獨的意見。

商譽減值

由於2015年收購新順成有限公司及其附屬公司，貴集團於2018年5月31日的商譽為2,209,000港元，與於香港經營會所業務的現金產生單位（「新順成現金產生單位」）有關。

管理層認為有關商譽並無出現減值。該減值評估乃基於使用價值而得出，有關使用價值的計算涉及對相關現金流及貼現率（尤其是未來收益增長）的重大估計。為支持管理層的估計，還就商譽減值評估取得獨立外部估值。

吾等將商譽減值確認為關鍵審計事項，蓋因釐定新順成現金產生單位的可收回金額涉及重大估計的不確定性因素，且新順成現金產生單位（包括獲分配商譽）的賬面值對於綜合財務報表而言金額龐大。

請參閱綜合財務報表附註20及附註4(k)所載會計政策。

吾等的審計如何處理關鍵審計事項：

吾等就管理層對商譽的減值評估所進行的程序包括：

- 評估獨立外聘估值師的資質、能力及客觀性；
- 評估估值方法的適當性；
- 根據吾等對相關業務及行業的了解，質疑關鍵假設的合理性；及
- 按支持憑證（例如獲批准的預算）核對輸入的數據及考慮該等預算的合理性。

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獨立核數師報告

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's 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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This

年報的其他資料

董事負責其他資料。其他資料包括 貴公司年報所載資料，但不包括綜合財務報表及相關核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的鑒證結論。

審核綜合財務報表時，吾等的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或吾等於審計過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。於此方面，吾等沒有任何報告。

董事對綜合財務報表的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製作真實公允反映的綜合財務報表，亦負責進行董事視為必要的內部控制，避免綜合財務報表之編製因欺詐或錯誤導致重大錯誤陳述。

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

董事亦負責監督 貴集團財務報告過程。審核委員會協助董事履行監督該項職責。

核數師就審計綜合財務報表的責任

吾等的目標為合理確定整體綜合財務報表是否存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有吾等意見的核數師報告。吾等僅向 閣下（作為整體）按照委任條款報

Independent Auditor's Report

獨立核數師報告

report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

告，除此之外本報告別無其他目的。吾等不會就本報告內容向任何其他人士負責或承擔任何責任。

合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，吾等運用專業判斷，於整個審核過程中抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險為高。
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對 貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定因素，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則吾等應當發表非無保留意見。吾等的結論以截至核數師報告日期所獲得的

Independent Auditor's Report

獨立核數師報告

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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.

審核憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。

- 評估綜合財務報表（包括披露資料）的整體列報方式、架構及內容，以及綜合財務報表是否已公允反映相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足適當的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等與審核委員會就（其中包括）審核工作的計劃範圍及時間安排及重大審核發現，包括吾等於審核期間識別出內部監控的任何重大缺陷溝通。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施（如適用）與審核委員會溝通。

吾等從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

BDO Limited
Certified Public Accountants
Chan Wing Fai
Practising Certificate Number P05443

Hong Kong, 27 August 2018

香港立信德豪會計師事務所有限公司
執業會計師
陳永輝
執業證書編號：P05443

香港，2018年8月27日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the Year Ended 31 May 2018 截至2018年5月31日止年度

		Notes 附註	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Revenue	收益	7	85,343	96,164
Finance income	融資收入	8	505	–
Cost of inventories sold	已售存貨成本		(17,610)	(19,117)
Other income and gains	其他收入及收益	9	377	73
Property rentals and related expenses	物業租金及相關開支		(25,180)	(22,975)
Advertising and marketing expenses	廣告及市場推廣開支		(14,094)	(11,915)
Employee benefits expenses	僱員福利開支	10	(27,244)	(18,311)
Depreciation	折舊	10	(4,672)	(4,253)
Listing expenses	上市開支	10	–	(15,532)
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的 金融資產公平值變動	10	(446)	–
Other expenses	其他開支	12	(20,639)	(13,064)
Finance cost	融資成本	13	(285)	–
Loss before income tax expense	除所得稅開支前虧損	10	(23,945)	(8,930)
Income tax expense	所得稅開支	14	(1,828)	(847)
Loss and total comprehensive income for the year	年內虧損及全面收入 總額		(25,773)	(9,777)
Loss and total comprehensive income for the year attributable to:	以下人士應佔年內 虧損及全面收入 總額：			
– Owners of the Company	– 本公司擁有人		(25,135)	(9,513)
– Non-controlling interests	– 非控股權益		(638)	(264)
			(25,773)	(9,777)
Loss per share attributable to owners of the Company	本公司擁有人應佔每股 虧損			
– Basic and diluted (HK cents)	– 基本及攤薄 (港仙)	16	(3.14)	(1.51)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 May 2018 於2018年5月31日

		Notes 附註	2018 2018年 HK\$'000 千港元	2017 2017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	17	7,019	7,405
Prepayment for acquisition of property, plant and equipment	收購物業、廠房及設備預付款項	18	1,810	–
Other receivables	其他應收款項	18	3,252	4,902
Deferred tax assets	遞延稅項資產	19	–	1,818
Goodwill	商譽	20	2,209	2,209
			14,290	16,334
Current assets	流動資產			
Inventories	存貨	21	775	522
Trade and other receivables	貿易及其他應收款項	18	15,938	7,680
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	22	19,990	–
Amount due from a related company	應收關聯公司款項	23	82	176
Cash and cash equivalents	現金及現金等價物	24	33,508	60,672
Restricted bank deposits	受限制銀行存款	25	2,146	–
Tax recoverable	可收回稅項		678	–
			73,117	69,050
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	26	13,989	15,127
Bank borrowings	銀行借款	27	30,667	–
Current tax liabilities	即期稅項負債		–	1,620
			44,656	16,747
Net current assets	流動資產淨額		28,461	52,303
Total assets less current liabilities	總資產減流動負債		42,751	68,637
Non-current liabilities	非流動負債			
Other payables	其他應付款項	26	1,177	1,290
Net assets	淨資產		41,574	67,347

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 May 2018 於2018年5月31日

		Notes	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
		附註		
Equity	權益			
Share capital	股本	28	8,000	8,000
Reserves	儲備	29	34,596	59,731
Equity attributable to owners of the Company	本公司擁有人應佔權益		42,596	67,731
Non-controlling interests	非控股權益	30	(1,022)	(384)
Total equity	總權益		41,574	67,347

On behalf of the board of directors

代表董事會

Mr. Ng Shing Joe Kester

吳繩祖先生

Director

董事

Ms. Lau Sze Yuen

劉思婉女士

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 May 2018 截至2018年5月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium [#]	Retained earnings/ (accumulated loss) [#]	Total	Non-controlling interests	Total
		股本	股份溢價 [#]	保留盈利/ (累計虧損) [#]	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
		(Note 28)	(Note 29(a))	(Note 29(c))		(Note 30)	
		(附註28)	(附註29(a))	(附註29(c))		(附註30)	
At 1 June 2016	於2016年6月1日	-	-	11,974	11,974	-	11,974
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	(9,513)	(9,513)	(264)	(9,777)
Transactions with owners:	與擁有人的交易:						
Shares issued pursuant to the reorganisation (Note 28(i))	根據重組發行股份 (附註28(i))	-*	5,100	-	5,100	-	5,100
Capitalisation issue of shares (Note 28(iii))	股份資本化發行 (附註28(iii))	6,000	(6,000)	-	-	-	-
Shares issued pursuant to the share offer (Note 28(iii))	根據股份發售發行股份 (附註28(iii))	2,000	66,000	-	68,000	-	68,000
Transaction costs attributable to the share offer (Note 28(iii))	股份發售應佔交易成本 (附註28(iii))	-	(8,575)	-	(8,575)	-	(8,575)
Disposal of equity interest to a non-controlling interest (Note 30)	向非控股權益出售股權 (附註30)	-	-	745	745	(120)	625
		8,000	56,525	745	65,270	(120)	65,150
At 31 May 2017 and 1 June 2017	於2017年5月31日及2017年6月1日	8,000	56,525	3,206	67,731	(384)	67,347
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	(25,135)	(25,135)	(638)	(25,773)
At 31 May 2018	於2018年5月31日	8,000	56,525	(21,929)	42,596	(1,022)	41,574

* The balance represents an amount less than HK\$1,000.

* 該結餘為數少於1,000港元。

The total of these balances represents "reserves" in the consolidated statement of financial position.

該等結餘的總額指綜合財務狀況表中的「儲備」。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 May 2018 截至2018年5月31日止年度

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Cash flows from operating activities	經營活動所得現金流量		
Loss before income tax expense	除所得稅開支前虧損	(23,945)	(8,930)
Adjustments for:	經調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,672	4,253
Bank interest income	銀行利息收入	(177)	-
Finance cost	融資成本	285	-
Written off of property, plant and equipment	撇銷物業、廠房及設備	912	-
Provision of impairment on trade and other receivables	貿易及其他應收款項減值撥備	45	-
Fair value change on financial assets at fair value through profit and loss	按公平值計入損益的金融資產公平值變動	446	-
Reversal of provision of reinstatement cost	撥回修復成本撥備	(200)	-
Operating loss before working capital changes	營運資金變動前經營虧損	(17,962)	(4,677)
Increase in inventories	存貨增加	(253)	(168)
Increase in trade and other receivables	貿易及其他應收款項增加	(6,653)	(3,904)
Increase in financial assets at fair value through profit or loss	按公平值計入損益的金融資產增加	(20,436)	-
Decrease/(increase) in related parties receivables	關聯方應收款項減少／(增加)	94	(176)
(Decrease)/increase in trade and other payables	貿易及其他應付款項(減少)／增加	(1,701)	902
Cash used in operations	經營所用現金	(46,911)	(8,023)
Income tax expense paid	已付所得稅開支	(2,308)	(1,858)
Net cash used in operating activities	經營活動所用現金淨額	(49,219)	(9,881)
Cash flows from investing activities	投資活動所得現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備	(4,548)	(1,507)
Prepayment for acquisition of property, plant and equipment	收購物業、廠房及設備預付款項	(1,810)	-
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付按金	-	(173)
Bank interest received	已收銀行利息	177	-
Net cash used in investing activities	投資活動所用現金淨額	(6,181)	(1,680)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 May 2018 截至2018年5月31日止年度

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Cash flows from financing activities	融資活動所得現金流量		
Repayments to related parties	還款予關聯方	–	(9,313)
Proceeds from bank borrowings	銀行借款所得款項	30,667	–
Increase in restricted bank deposits	受限制銀行存款增加	(2,146)	–
Issuance of new shares pursuant to the reorganisation (Note 28(ii))	根據重組發行新股 (附註28(ii))	–	5,100
Net proceeds from issue of shares upon share offer (Note 28(iii))	於股份發售時發行股份所得款項淨額 (附註28(iii))	–	59,425
Interest paid	已付利息	(285)	–
Net cash generated from financing activities	融資活動所得現金淨額	28,236	55,212
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(27,164)	43,651
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	60,672	17,021
Cash and cash equivalents at end of the year	年末現金及現金等價物	33,508	60,672

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

1. GENERAL

BCI Group Holdings Limited (the "Company") was incorporated in the Cayman Islands, as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and its principal place of business in Hong Kong is located at Basement, Ho Lee Commercial Building, No. 38-44 D'Aguilar Street, Central, Hong Kong. The Company is an investment holding company and the Group is principally engaged in the operation of clubbing, entertainment and catering business in Hong Kong. The Company and its subsidiaries are collectively referred to as the "Group".

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 June 2017

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

Except as explained below, the adoption of these new/revised HKFRSs has no material impact on the Group's financial statements.

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the note to the consolidated statement of cash flows, Note 36(b). Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year.

1. 一般資料

高門集團有限公司(「本公司」)根據開曼群島公司法(經修訂)在開曼群島註冊成立為獲豁免有限公司。其股份於香港聯合交易所有限公司(「聯交所」)創業板上市。本公司的註冊辦事處地址為PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands, 而其香港主要營業地點則位於香港中環德己立街38-44號好利商業大廈地庫。本公司為一間投資控股公司及本集團主要於香港經營會所、娛樂及餐飲業務。本公司及其附屬公司統稱為「本集團」。

2. 採納香港財務報告準則(「香港財務報告準則」)

(a) 採納新訂／經修訂香港財務報告準則－於2017年6月1日生效

香港會計準則第7號 (修訂本)	披露計劃
香港會計準則第12號 (修訂本)	就未變現虧損確認遞延稅項資產
香港財務報告準則 2014年至2016年 週期的年度改進	香港財務報告準則 第12號披露於其他 實體的權益 (修訂本)

除以下所闡述者外,採納此等新訂／經修訂香港財務報告準則不會對本集團的財務報表構成重大影響。

香港會計準則第7號(修訂本)－披露計劃

有關修訂本引入額外披露規定,將使財務報表使用者能夠評估融資活動產生的負債變動。

採納修訂本導致於綜合現金流量表附註的附註36(b)中呈列額外披露。與修訂本的過渡性條文一致,本集團並無披露過往年度的可資比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

HKFRS 9
香港財務報告準則第9號
Amendments to HKFRS 9
香港財務報告準則第9號(修訂本)
HKFRS 15
香港財務報告準則第15號
Amendments to HKFRS 15

香港財務報告準則第15號(修訂本)
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2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則

下列可能與本集團的綜合財務報表有關的新訂／經修訂香港財務報告準則經已頒佈，但尚未生效，且未獲本集團提早採納。本集團目前擬於其生效日期應用有關變動。

Except as described below, the directors do not anticipate that the application of the new and revised HKFRSs will have material impact on the Group’s financial performance and position and/or on the disclosures to the Group’s consolidated financial statements.

除以下所述者外，董事預計應用新訂及經修訂香港財務報告準則將不會對本集團財務業績及財務狀況，及／或本集團綜合財務報表所載的披露構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT’D)

(b) New/revised HKFRSs that have been issued but are not yet effective (CONT’D)

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

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號引進金融資產分類及計量的新規定。於持有資產以收取合約現金流量的業務模式持有（業務模式測試）的債務工具以及具產生僅為支付本金及尚未償還本金金額利息現金流量的合約條款（合約現金流量特徵測試）的債務工具，一般按攤銷成本計量。倘實體業務模式的目的是為持有及收取合約現金流量以及出售金融資產，則符合合約現金流量特徵測試的債務工具按公平值計入其他全面收入（「按公平值計入其他全面收入」）。實體可於初步確認時作出不可撤銷的選擇，將並非持作買賣的股權工具按公平值計入其他全面收入。所有其他債務及股權工具按公平值計入損益（「按公平值計入損益」）。

香港財務報告準則第9號就所有並非按公平值計入損益的金融資產納入新的預期虧損減值模式（其取代香港會計準則第39號的已產生虧損模式）及新的一般對沖會計規定，以讓實體於財務報表內以更好的方式反映其風險管理活動。

香港財務報告準則第9號貫徹香港會計準則第39號所作出的金融負債確認、分類及計量規定，惟指定為按公平值計入損益的金融負債除外，而該負債的信貸風險變動應佔的公平值變動金額於其他全面收入確認，除非有關處理方式會導致或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認金融資產及金融負債的規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

(b) New/revised HKFRSs that have been issued but are not yet effective (CONT'D)

HKFRS 9 – Financial Instruments (CONT'D)

Based on the Group’s financial instruments and risk management policies as at 31 May 2018, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement:

- Trade receivable carried at amortised cost as disclosed in Note 18, are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.
- The Group’s listed debt securities currently classified to be measured and accounted for at FVTPL, which satisfy the conditions for classification as financial assets at FVTPL, will not be significantly affected in respect of the accounting treatment upon the adoption of HKFRS 9. Changes in fair value for these financial assets will be recognised in profit or loss.
- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第9號 – 金融工具（續）

基於本集團於2018年5月31日的金融工具及風險管理政策，本公司董事預計，初步應用香港財務報告準則第9號將產生以下潛在影響：

分類及計量：

- 誠如附註18所披露，按攤銷成本列賬的貿易應收款項於目的為收取僅為支付本金及尚未償還本金利息的合約現金流量的業務模式持有。因此，該等金融資產將於應用香港財務報告準則第9號後繼續其後按攤銷成本計量。
- 於採納香港財務報告準則第9號後，本集團的上市債務證券（目前分類為按公平值計入損益計量及列賬，符合分類為按公平值計入損益的金融資產的條件）將不會對會計處理產生重大影響。該等金融資產的公平值變動將於損益確認。
- 所有其他金融資產及金融負債將繼續按與目前根據香港會計準則第39號計量的相同基準計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

(b) New/revised HKFRSs that have been issued but are not yet effective (CONT'D)

HKFRS 9 – Financial Instruments (CONT'D)

Impairment:

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost and other items that are subject to the impairment provisions upon application of HKFRS 9 by the Group. However, management expects the effect would not be significant.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

The directors of the Company anticipate that the application of the amendments will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and related interpretations.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第9號－金融工具（續）

減值：

整體而言，本公司董事預計，於本集團應用香港財務報告準則第9號後，應用香港財務報告準則第9號的預期信貸虧損模式，將導致提早就與本集團按攤銷成本計量的金融資產及須作出減值撥備的其他項目有關的尚未產生信貸虧損計提撥備。然而，管理層預期影響並不重大。

香港財務報告準則第9號（修訂本）－具有負補償的提前還款特性

修訂本澄清，倘符合指定條件，具有負補償的可預付金融資產可按攤銷成本計量或按公平值計入其他全面收入－而非按公平值計入損益。

本公司董事預計，於可見未來，應用修訂本不會對綜合財務報表產生重大影響。

香港財務報告準則第15號－客戶合約收益

新準則訂立單一的收入確認框架。框架的核心原則為實體應確認收益，說明實體按反映交換商品及服務預期所得代價的金額向客戶轉讓所承諾有關商品或服務。香港財務報告準則第15號取代現有的收益確認指引，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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

(b) New/revised HKFRSs that have been issued but are not yet effective (CONT'D)

HKFRS 15 – Revenue from Contracts with Customers (CONT'D)

HKFRS 15 requires the application of 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 each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第15號－客戶合約收益（續）

香港財務報告準則第15號規定確認收益所應用的5步法：

- 第1步：識別與客戶訂立的合約
- 第2步：識別合約的履約責任
- 第3步：釐定交易價格
- 第4步：分配交易價格至各履約責任
- 第5步：於履行各履約責任時確認收益

香港財務報告準則第15號包括對可能改變目前根據香港財務報告準則所採取方式的專項收益相關事宜的特定指引。該準則亦顯著加強與收益有關的定性及定量披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

(b) New/revised HKFRSs that have been issued but are not yet effective (CONT'D)

HKFRS 15 – Revenue from Contracts with Customers (CONT'D)

The directors intend to use the cumulative effect method of transition to HKFRS 15. Under the cumulative effect method, the Group can apply the standard only from the date of initial application (i.e. 1 June 2018). The Group is not required to adjust prior year comparatives and do not need to consider contracts that have completed prior to the date of initial application. Broadly, the figures reported from the date of initial application will be the same as if the standard had always been applied, but figures for comparative periods will remain on the previous basis. The Group has assessed the impact of HKFRS 15 and expects that application of the standard will have no significant impact, when applied, on the Group's consolidated financial statements. However, the application of HKFRS 15 may result in more disclosures in the consolidated financial statements.

Amendments HKFRS 15 – Revenue from Contracts with Customers (Clarification to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The directors anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported on revenue as the timing of revenue recognition may be affected by the new standard, and more disclosures relating to revenue is required. Currently, the directors are in the midst of assessing the financial impact of the application of HKFRS 15 and a reasonable estimate of the effect will be available once the detailed review is completed.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第15號 – 客戶合約收益（續）

董事擬以累計影響法過渡至香港財務報告準則第15號。根據累計影響法，本集團僅可自初步應用日期（即2018年6月1日）起應用該準則。本集團毋須調整過往年度的比較數字，且毋須考慮於初步應用日期前已完成的合約。廣泛而言，自初步應用日期起呈報的數字將並無差異，猶如該準則一直獲應用，惟比較期間的數字將按過往基準保持不變。本集團已評估香港財務報告準則第15號的影響，並預期應用該準則（於應用時）不會對本集團綜合財務報表產生重大影響。然而，應用香港財務報告準則第15號可能導致綜合財務報表須作出更多披露。

香港財務報告準則第15號（修訂本） – 客戶合約收益（澄清香港財務報告準則第15號）

香港財務報告準則第15號（修訂本）包括澄清對履約責任的識別方式；應用委託人或代理人；知識產權許可；及過渡規定。

董事預計日後應用香港財務報告準則第15號或會影響收益的呈報金額，原因為收益確認的時間可能受新準則的影響，並須就收益作出更多披露。目前，董事正在評估應用香港財務報告準則第15號的財務影響，一旦完成詳盡審核，將可就有關影響作出合理的估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

(b) New/revised HKFRSs that have been issued but are not yet effective (CONT'D)

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第16號－租賃

香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月的所有租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（即其使用相關租賃資產的權利）及租賃負債（即其支付租賃款項的責任）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，以於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法與承租人會計法顯著不同，後者適用於根據舊有準則香港會計準則第17號分類為經營租賃的租賃。

就出租人會計處理而言，香港財務報告準則第16號大致繼承香港會計準則第17號的出租人會計法規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同的會計處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

(b) New/revised HKFRSs that have been issued but are not yet effective (CONT'D)

HKFRS 16 – Leases (CONT'D)

Total operating lease commitments of the Group in respect of office premises, clubs and restaurants as at 31 May 2018 amounted to approximately HK\$33,241,000. The directors anticipate the adoption of HKFRS 16 as compared with the current accounting policy may affect the Group's results. The directors anticipate a significant portion of the lease commitments in the above amount of HK\$33,241,000 will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

The standard will become mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Hong Kong Stock Exchange (the “GEM Listing Rules”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial assets, which are measured at fair values as explained in the accounting policies set out below.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第16號 – 租賃（續）

本集團就辦公室、會所及餐廳的經營租賃承擔總額於2018年5月31日約33,241,000港元。董事預計，與現行會計政策相比，採納香港財務報告準則第16號可能會對本集團業績有所影響。董事預計上述33,241,000港元的租賃承擔的大部分將須於綜合財務狀況表中確認為使用權資產及租賃負債。

該準則將於2019年1月1日或之後開始的財政年度強制生效。於此階段，本集團不擬於生效日期前採納該準則。

3. 編製基準

(a) 合規聲明

綜合財務報表乃按照所有適用香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（下文統稱為「香港財務報告準則」）以及香港公司條例的披露規定編製。此外，綜合財務報表包括香港聯交所創業板證券上市規則（「創業板上市規則」）規定的適用披露。

(b) 計量基準

綜合財務報表乃按歷史成本基準編製，惟若干金融資產則按公平值計量（於下文載列的會計政策闡述）。

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3. BASIS OF PREPARATION (CONT'D)

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands, except when otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

3. 編製基準 (續)

(c) 功能及呈列貨幣

綜合財務報表以本公司及其附屬公司的功能貨幣港元(「港元」)呈列，除另有指明外，所有數值均約整至最近千位數。

4. 主要會計政策

(a) 業務合併及綜合基準

綜合財務報表包括本集團的財務報表。集團內公司間交易及結餘連同未變現溢利於編製綜合財務報表時全數對銷。未變現虧損亦會對銷，除非有關交易顯示已轉讓資產出現減值，在此情況下，虧損於損益確認。

於年內收購或出售的附屬公司的業績，乃由收購生效日期起或截至出售生效日期止(視乎適用情況而定)計入綜合全面收益表。如有必要，則調整附屬公司的財務報表以使其會計政策與本集團其他成員公司的會計政策一致。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Business combination and basis of consolidation (CONT'D)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree, if any, is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

4. 主要會計政策 (續)

(a) 業務合併及綜合基準 (續)

收購附屬公司或業務採用收購法列賬。收購成本按所轉讓資產、所產生負債及本集團（作為收購方）發行的股權於收購當日的公平值總額計量。所收購可識別資產及所承擔負債主要按收購當日的公平值計量。本集團先前所持被收購方的權益（如有）以收購當日公平值重新計量，而所產生的收益或虧損則於損益內確認。本集團可按逐筆交易基準選擇以被收購方的可識別資產淨值的公平值或應佔比例計算於附屬公司現有所有權權益的非控股權益。除非香港財務報告準則規定另一套計量基準，否則所有其他非控股權益按公平值計量。所產生的收購相關成本列作開支，惟發行股權工具所產生的成本於權益中扣除。

收購方將予轉讓的任何或然代價按收購日期的公平值確認。其後對代價的調整僅於調整源自於計量期（最長為收購日期起計12個月）內所取得有關於收購日期的公平值的新資料時，方於商譽確認。所有其他分類為資產或負債的或然代價的其後調整均於損益確認。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Business combination and basis of consolidation (CONT'D)

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4. 主要會計政策 (續)

(a) 業務合併及綜合基準 (續)

倘本集團失去附屬公司的控制權，出售的損益乃按下列兩者的差額計算：(i)已收代價公平值與任何保留權益的公平值的總額，與(ii)該附屬公司的資產（包括商譽）及負債與任何非控股權益的過往賬面值。先前就該附屬公司於其他全面收入確認的款額按出售相關資產或負債時所規定的相同方式列賬。

收購後，於附屬公司現有所有權益的非控股權益的賬面值為該等權益於初步確認時的款額加上該非控股權益應佔權益後續變動的部分。即使會導致該等非控股權益出現虧絀，全面收入總額仍歸屬於該等非控股權益。

(b) 附屬公司

附屬公司為本公司可行使控制權的投資對象。下列三個元素全部滿足時，本公司控制投資對象：有權控制投資對象；承受或擁有投資對象可變回報的風險或權利；及能夠利用其權力影響該等可變回報。當有事實及情況顯示任何該等控制元素可能有變，則須重新評估控制權。

於本公司財務狀況表內，於附屬公司的投資按成本減去減值虧損（如有）列賬。附屬公司的業績由本公司按已收及應收股息基準入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of identifiable assets and liabilities acquired.

Where the fair value of identifiable assets and liabilities exceeds the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see Note 4(k)), and whenever there is an indication that the cash-generating unit may be impaired.

4. 主要會計政策 (續)

(c) 商譽

商譽初步按成本確認，成本即所轉讓代價、就於被收購方任何非控股權益確認的金額與收購方原先所持被收購方股本權益的收購日公平值的總額超出所收購可識別資產及負債的公平值的部分。

倘可識別資產及負債的公平值高於所付代價的公平值、於被收購方非控股權益的金額與收購方先前所持被收購方股本權益的收購日公平值的總額，則超出部分於重估後於收購日期於損益確認。

商譽按成本減去減值虧損計量。就減值測試而言，收購所產生的商譽分配予預期會受惠於收購協同效益的各相關現金產生單位。現金產生單位為產生現金流入且該現金流入基本上獨立於其他資產或資產組別現金流入的最小可識別資產組合。獲分配商譽的現金產生單位每年透過將賬面值與可收回金額（見附註4(k)）作比較而進行減值測試，亦於有跡象顯示該現金產生單位可能減值時進行減值測試。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Goodwill (CONT'D)

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

4. 主要會計政策 (續)

(c) 商譽 (續)

就財務年度內進行收購所產生的商譽而言，獲分配商譽的現金產生單位於該財務年度結束前進行減值測試。當現金產生單位的可收回金額少於該單位賬面值時，減值虧損會首先分配至撇減該單位獲分配的任何商譽的賬面值，然後基於該單位內各資產的賬面值按比例分配至該單位的其他資產。然而，分配至各項資產的虧損將不會令個別資產的賬面值減少至低於其公平值減出售成本（如可計量）或其使用價值（如可釐定）（以較高者為準）。商譽的任何減值虧損於損益確認，不會於後續期間撥回。

(d) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。物業、廠房及設備成本包括購買價及收購項目的直接應佔成本。

後續成本計入資產賬面值或僅於該項目所附帶的未來經濟利益可能流入本集團且該項目成本能可靠計量時確認為獨立資產（如適用）。被替換部分的賬面值會終止確認。所有其他維修及保養均於產生的財務期間於損益確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (CONT'D)

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual rates are as follows:

Leasehold improvements	20% and the lease term, whichever is the shorter
Furniture, fixtures and equipment	20%

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount if any indication of impairment is identified.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net disposal proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(e) Financial Instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. The Group's financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

4. 主要會計政策 (續)

(d) 物業、廠房及設備 (續)

物業、廠房及設備折舊於估計可使用年期內按直線法撇銷成本(已扣除預期剩餘價值)。可使用年期、剩餘價值及折舊法乃於各報告期末檢討及調整(如適用)。主要年度比率如下:

租賃物業裝修 家具、裝置 及設備	20%及租期(以較短者為準) 20%
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倘資產的賬面值高於估計可收回金額或倘識別任何減值跡象,則即時撇減至其可收回金額。

出售物業、廠房及設備的盈虧乃出售所得款項淨額與賬面值的差額,於出售時於損益確認。

(e) 金融工具

(i) 金融資產

本集團的金融資產於初步確認時按收購資產的用途分類。本集團金融資產初步按公平值加收購該金融資產的直接應佔交易成本計量。以常規方式購買或出售金融資產按交易日期確認及終止確認。以常規方式購買或出售是指按合約買賣金融資產,其條款規定按相關市場規則或慣例普遍設定的時限交付資產。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (CONT'D)

(i) **Financial assets** (CONT'D)

Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets.

4. 主要會計政策 (續)

(e) 金融工具 (續)

(i) **金融資產** (續)

按公平值計入損益的金融資產

此等資產包括持作買賣的金融資產。倘購買金融資產旨在於近期內出售，則該等資產分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟被指定為有效對沖工具或財務擔保合約者則除外。

於初步確認後，按公平值計入損益的金融資產乃按公平值計量，而公平值變動則於其產生期間於損益確認。

貸款及應收款項

此等資產為具有固定或可釐定付款但於活躍市場無報價的非衍生金融資產。該等資產主要透過向客戶（貿易債務人）提供貨品及服務而產生，亦包括其他種類的合約貨幣資產。於初步確認後，該等資產使用實際利率法按攤銷成本減任何已識別減值虧損計量。該等款項包括在流動資產內，但到期日或預計到期日由報告期末起計超過12個月者，則分類為非流動資產。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (CONT'D)

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate, where the effect of discounting is material. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

4. 主要會計政策 (續)

(e) 金融工具 (續)

(ii) 金融資產減值虧損

本集團於各報告期末評估有否客觀證據顯示金融資產出現減值。倘有客觀證據顯示初步確認資產後發生一項或多項事件導致出現減值，且該事件對金融資產估計未來現金流量的影響能可靠估計時，則金融資產出現減值。減值證據可包括：

- 債務人有重大財務困難；
- 違反合約，如拖欠利息或本金付款；
- 因債務人有財務困難而向債務人授予寬限；
- 債務人可能破產或進行其他財務重組。

貸款及應收款項

倘有客觀證據顯示資產已減值，減值虧損於損益確認，倘貼現造成重大影響，則按資產賬面值與按原實際利率貼現的估計未來現金流量的現值間的差額計量。金融資產的賬面值透過使用撥備賬扣減。倘任何部分的金融資產被釐定為無法收回，則就相關金融資產於撥備賬內撇銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (CONT'D)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, accruals and other payables and amounts due to related parties are recognised initially at their fair value, net of directly attributable transaction costs incurred are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity investment

Equity investments issued by the Company are recorded of proceeds received, net of direct issue costs.

4. 主要會計政策 (續)

(e) 金融工具 (續)

(iii) 金融負債

本集團的金融負債按負債產生的目的分類。按攤銷成本計量的金融負債初步按公平值扣除直接應佔所產生的成本計量。

按攤銷成本列賬的金融負債

按攤銷成本列賬的金融負債包括貿易應付款項、應計費用及其他應付款項和應付關聯方款項，最初按公平值扣減直接應佔所產生的交易成本確認，其後使用實際利率法按攤銷成本計量。相關利息開支於損益確認。終止確認負債時，收益或虧損於損益透過攤銷程序確認。

終止確認負債時，收益或虧損於損益透過攤銷程序確認。

(iv) 實際利率法

實際利率法為計算金融資產或金融負債的攤銷成本及於有關期間內分配利息收入或利息開支的方法。實際利率為準確貼現金融資產或負債的預計年期或（如適用）較短期間內估計未來現金收入或付款的比率。

(v) 權益投資

本公司發行的權益投資按已收取所得款項扣減直接發行成本入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (CONT'D)

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(vii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(f) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4. 主要會計政策 (續)

(e) 金融工具 (續)

(vi) 終止確認

當與金融資產相關的未來現金流量的合約權利屆滿，或當金融資產已轉讓且有關轉讓根據香港會計準則第39號符合終止確認的標準時，本集團終止確認有關金融資產。

當相關合約所訂明的責任獲解除、取消或屆滿時，則終止確認金融負債。

(vii) 金融工具抵銷

倘現時有可執行法定權利抵銷已確認金額，並擬以淨額結算或同時變現該金融資產及清償該金融負債，有關資產與負債方可相互抵銷，並以相互抵銷後的淨額在綜合財務狀況表內列示。

(f) 存貨

存貨初步按成本確認，其後按成本與可變現淨值的較低者入賬。成本包括所有購買成本、轉換成本及使存貨達致目前位置及狀況所產生的其他成本。成本使用加權平均法計算。可變現淨值指一般業務過程中的估計售價減完成的估計成本及作出銷售所需的估計成本。

(g) 現金及現金等價物

現金及現金等價物包括銀行現金及手頭現金，和原定到期日為三個月或以下可隨時轉換為已知數額現金且價值變動風險極低的短期高流動性投資。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leasing

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

The Group as the lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

4. 主要會計政策 (續)

(h) 租賃

凡在租賃條款中將所有權的絕大部分風險及回報轉移予承租人的租賃均分類為融資租賃。所有其他租賃一概分類為營運租賃。

本集團作為承租人

根據融資租賃持有的資產初步按公平值或(倘金額較低)最低租賃付款現值確認為資產。相應租賃承擔列作負債。租賃付款按資本及利息分析。利息部分於租期在損益扣除，並計算以得出租賃負債的一個固定比例。資本部分則扣除結欠出租人的結餘。

根據營運租賃應付租金總額於租期按直線法於損益確認。已收取的租金優惠於租期確認為租賃開支總額的一部分。

物業租賃的土地及樓宇部分就租賃分類而言被視為分開處理。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of any qualifying asset which require a substantial period of time to be ready for their intended use or sales, are capitalised as part of the cost of those assets.

Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing cost capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 主要會計政策 (續)

(i) 借款成本

收購、建築或生產任何合資格資產 (須較長時間方可達致其擬定用途或銷售) 直接應佔的借款成本資本化為該等資產的成本的一部分。

將有待用於該等資產的特定借款作短期投資所賺取的收入，會於資本化借款成本中扣除。所有其他借款成本於其產生期間於損益確認。

(j) 撥備及或然負債

當本集團因過往事件須承擔法定或推定責任，而履行該責任很可能導致經濟利益流出且其金額能可靠估計時，則就未確定時間或金額的負債確認撥備。

倘經濟利益流出的可能性不大，或其金額不能可靠估計，則該責任會披露為或然負債，惟經濟利益流出的可能性極低者除外。潛在責任須視乎一件或多件未來事件是否發生方能確定是否存在，亦會披露為或然負債，惟經濟利益流出的可能性極低者除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- Investment in subsidiaries

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under the HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (see Note 4(c)), 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 cash generating unit.

4. 主要會計政策 (續)

(k) 資產減值 (金融資產除外)

於各報告期末，本集團會審閱以下資產的賬面值，以釐定是否有跡象顯示該等資產已出現減值虧損，或先前確認的減值虧損不再存在或可能已減少：

- 物業、廠房及設備；及
- 於附屬公司的投資

倘資產的可收回金額（即公平值減出售成本與使用價值的較高者）估計少於其賬面值，則該資產的賬面值將降低至其可收回金額。減值虧損即時確認為開支，除非相關資產根據另一項香港財務報告準則按重估金額列賬，其時減值虧損將根據該項香港財務報告準則被視作重估減值處理。

倘減值虧損其後撥回，則資產賬面值將提高至修訂後的估計可收回金額，惟經提高的賬面值不得超過過往年度該資產並無確認減值虧損的情況下原應釐定的賬面值。撥回的減值虧損即時確認為收入，除非相關資產根據另一項香港財務報告準則按重估金額列賬，其時減值虧損的撥回將根據該項香港財務報告準則被視作重估增值處理。

使用價值乃根據預期來自資產或現金產生單位（見附註4(c)）的估計未來現金流量釐定，使用可反映貨幣時間價值的現行市場評估及資產或現金產生單位特定風險的稅前貼現率貼現至現值。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(I) Employee benefits

(i) **Short term employee benefits**

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) **Defined contribution retirement plan**

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) **Termination benefits**

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

4. 主要會計政策 (續)

(I) 僱員福利

(i) **短期僱員福利**

短期僱員福利為預期於僱員提供相關服務的年度報告期末後十二個月內悉數結算的僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務的年度內確認。

(ii) **界定供款退休計劃**

向界定供款退休計劃作出的供款於僱員提供服務時於損益賬確認為開支。

(iii) **離職福利**

離職福利於本集團不能取消提供該等福利時或本集團確認涉及支付離職福利的重組成本時(以較早者為準)確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

4. 主要會計政策 (續)

(m) 所得稅

年內所得稅包括即期稅項及遞延稅項。

即期稅項乃根據日常業務的溢利或虧損，就對所得稅而言毋須課稅或不可扣稅的項目作出調整，按報告期末已頒佈或實質上已頒佈的稅率計算。

遞延稅項會就用作財務報告用途的資產及負債賬面值與用作稅項用途的相應金額的暫時性差額確認。除商譽及不影響會計或應課稅溢利的已確認資產及負債外，遞延稅項負債就所有暫時性差額進行確認。倘有可用以抵銷可扣減暫時性差額的應課稅溢利，則會確認遞延稅項資產。遞延稅項按預期將於按報告期末已頒佈或實質上已頒佈的稅率清償負債或變現資產的期間所採用的稅率計量。

就釐定計量遞延稅項金額時所用適當稅率的一般規定而言，有一個例外情況，即投資物業乃根據香港會計準則第40號「投資物業」按公平值列賬。除非該假定被推翻，否則此等投資物業的遞延稅項金額將以出售此等投資物業時所適用的稅率按其於報告日期的賬面值計量。當投資物業為可計提折舊並根據一個目的為隨著時間推移消耗該物業所體現的絕大部分經濟利益（而非透過出售）的業務模式持有時，該假定即被推翻。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Income taxes (CONT'D)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and jointly controlled entities, 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.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(n) Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4. 主要會計政策 (續)

(m) 所得稅 (續)

遞延稅項負債就於附屬公司及共同控制實體的投資產生的應課稅暫時性差額確認，惟本集團可控制暫時性差額的撥回及暫時性差額不大可能於可見將來撥回者除外。

所得稅於損益中確認，惟倘所得稅與於其他全面收益內確認的項目相關除外，在此情況下，該等稅項亦會於其他全面收入中確認；或倘該等稅項與直接於權益中確認的項目相關，在此情況下，該等稅項亦會直接於權益中確認。

(n) 外幣

本集團各實體財務報表所包括的項目乃採用該實體經營所在主要經濟環境的貨幣（「功能貨幣」）計量。

於綜合實體的獨立財務報表中，外幣交易乃按交易日期的當前匯率換算為個別實體的功能貨幣。於報告日期，以外幣計值的貨幣資產及負債乃按該日期的適用匯率換算。因結算該等交易及於報告日期重新換算的貨幣資產及負債所產生的外匯收益及虧損均於損益中確認。

以外幣計值且按公平值列賬的非貨幣項目乃按公平值釐定日期的當前匯率重新換算，並呈報為公平值收益及虧損的一部分。按歷史成本以外幣計值的非貨幣項目不作重新換算。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Foreign currency (CONT'D)

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange reserve.

4. 主要會計政策 (續)

(n) 外幣 (續)

於綜合財務報表中，原以本集團呈報貨幣以外的貨幣呈列的海外業務的所有獨立財務報表均已換算為港元。資產及負債已按報告日期的收市匯率換算為港元。收入及開支按交易日期的適用匯率或按報告期間的平均匯率換算為港元（假設匯率並無重大波動）。任何因此程序產生的差額已於其他全面收入中確認並於權益內的匯兌儲備單獨累計。

於2005年1月1日或之後因收購海外業務而產生的已收購可識別資產的商譽及公平值調整將被視為該海外業務的資產及負債，並按報告期末的當前匯率進行換算。所產生的匯兌差額於匯兌儲備中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Provided that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(a) Sales of food and beverages

Revenue from sales of food and beverages is recognised at the point of sale to customers.

Prepayments from customers in respect of the membership schemes operated by the Group which are considered to be unearned at the reporting are shown as receipts in advance in the consolidated statement of financial position. Revenue is recognised in the consolidated statement of comprehensive income based on effective selling price when the relevant beverages are sold to customers.

(b) Revenue from services

Revenue from services (including tips, entrance fees, cloakroom fees, photobooth and event rental income) is recognised when the services have been provided to the customers.

(c) Sponsorship income

Sponsorship income is recognised when:

- the promotion events have been held;
- the services have been rendered, and it is probable that the sponsorship income will be granted and the amount can be measured reliably.

4. 主要會計政策 (續)

(o) 收益確認

收益按已收或應收代價的公平值計算。當經濟利益可能流入本集團，而收益及成本（倘適用）能可靠計算時，收益會根據下列方法於損益確認：

(a) 銷售食品及飲品

銷售食品及飲品的收益於售予客戶時確認。

客戶就本集團運營的會籍計劃所預付款項於報告日期被視為尚未賺取金額，於綜合財務狀況表內呈列為預收款項。收益於相關飲品售予客戶時按實際售價於綜合全面收益表中確認。

(b) 服務收益

服務收益（包括小費、入場費、衣帽間收入、快照收入及活動租金收入）於向客戶提供服務後確認。

(c) 贊助收入

贊助收入於以下情況下確認：

- 舉辦推廣活動後；
- 已提供服務而很可能獲授贊助收入且有關金額能可靠計量時。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Revenue recognition (CONT'D)

(d) Management fee income

Management fee income is recognised when services are rendered.

(e) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(f) Entertainment income

Entertainment income is recognised when services are rendered.

(p) 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 over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

4. 主要會計政策 (續)

(o) 收益確認 (續)

(d) 管理費收入

管理費收入於提供服務時確認。

(e) 利息收入

利息收入按時間比例採用實際利率法確認。

(f) 娛樂收入

娛樂收入於提供服務時確認。

(p) 關聯方

(a) 倘一名人士符合以下條件，則該人士或其近親與本集團有關連：

- (i) 對本集團有控制權或共同控制權；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團及本公司母公司的主要管理層成員。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Related parties (CONT'D)

- (b) An entity is related to the Group if any of the following conditions apply:
- (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 the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity 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 key management personnel of the entity (or of a parent of the entity).
 - (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.

4. 主要會計政策 (續)

(p) 關聯方 (續)

- (b) 倘實體符合以下任何條件，則與本集團有關連：
- (i) 該實體與本集團屬同一集團的成員公司（即各母公司、附屬公司及同系附屬公司彼此有關連）。
 - (ii) 一實體為另一實體的聯營公司或合資企業（或另一實體為成員公司的集團旗下成員公司的聯營公司或合資企業）。
 - (iii) 兩實體均為同一第三方的合資企業。
 - (iv) 一實體為第三方實體的合資企業，而另一實體為該第三方實體的聯營公司。
 - (v) 該實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。
 - (vi) 該實體受(a)所識別人士控制或共同控制。
 - (vii) (a)(i)所識別人士對該實體有重大影響或為該實體（或該實體母公司）的主要管理層成員。
 - (viii) 該實體或該實體所屬集團的任何成員公司為本集團或本集團母公司提供主要管理人員服務。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Related parties (CONT'D)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

(q) Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decision about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The measurement policies the Group use for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except interest income, unallocated finance costs, and unallocated corporate expenses, which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

4. 主要會計政策 (續)

(p) 關聯方 (續)

一名人士的近親指有關人士與實體交易時預期可影響或受該人士影響的家庭成員，包括：

- (i) 該人士的子女及配偶或同居伴侶；
- (ii) 該人士配偶或同居伴侶的子女；及
- (iii) 該人士或該人士配偶或同居伴侶的受養人。

(q) 分部報告

本集團定期向執行董事報告內部財務資料，以供彼等就本集團業務組成部分的資源分配作決定，以及供彼等審閱該等組成部分的表現，而本集團則根據該等資料確定營運分部及編製分部資料。向執行董事報告的內部財務資料的業務組成部分乃依照本集團的主要產品及服務類別而釐定。

本集團根據香港財務報告準則第8號就報告分部業績所採用的計量政策與其根據香港財務報告準則編製財務報表所採用者相同，惟並非任何營運分部業務活動直接應佔的利息收入、未分配融資成本及未分配企業開支除外，該等項目於計算營運分部的經營業績時並不包括在內。

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

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.

Useful lives and residual values of property, plant and equipment

In determining the useful life and residual value of an item of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvement in production, or from a change in market demand for the products or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in similar way. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Impairment loss for trade and other receivables

The Group estimates impairment losses of trade and other receivables resulting from the inability of the customers and other debtors to make the required payments in accordance with accounting policy stated in Note 4(e)(ii). The Group bases the estimates on the ageing of the receivable balances, debtors' creditworthiness and historical write-off experience. If the financial condition of the customers and debtors were to deteriorate, actual write-offs would be higher than estimated.

5. 重大會計判斷及估計不確定因素的主要來源

應用本集團的會計政策時，董事須就不能自其他來源輕易獲得的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及被視為相關的其他因素作出。實際結果可能與此等估計不同。

本集團會持續審閱該等估計及相關假設。會計估計的修訂於修訂估計期間（倘修訂僅影響該期間）或於修訂及未來期間（倘修訂影響即期及未來期間）確認。

物業、廠房及設備的可使用年期及剩餘價值

於釐定物業、廠房及設備的可使用年期及剩餘價值時，本集團須考慮多項因素，如生產變化或改良或資產產出的產品或服務的市場需求改變引致技術及商業過時、資產的預期用途、預期實物損耗及損毀、資產的維修保養及資產受法律或類似限制使用。資產可使用年期的估算基於本集團對類似用途的類似資產的經驗得出。倘可使用年期與以往估算有差異，本集團將修改折舊開支，或撇銷或撇減已放棄或出售的陳舊設備或非策略資產。

貿易及其他應收款項減值虧損

本集團根據附註4(e)(ii)所載會計政策估計客戶及其他債務人未能按規定付款而產生的貿易及其他應收款項減值虧損。本集團根據應收款項結餘的賬齡分析、債務人的信譽及過往撇銷經驗作出有關估計。倘客戶及債務人的財務狀況變差，實際撇銷將高於估計。

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Impairment loss for non-financial assets

The Group assesses at the end of the reporting period whether non-financial assets suffered any impairment in accordance with accounting policy stated in Note 4(k). The non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The determination of recoverable amount requires an estimation of future cash flows and the selection of appropriate discount rates. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods, where applicable.

Impairment loss for goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Provision for reinstatement costs

Provision for reinstatement cost is estimated at the inception of leasing property with reinstatement clause and reassessed at the end of each reporting period with reference to the latest available quotation from independent contractors. Estimation based on current market information may vary over time and could differ from the actual reinstatement cost upon closures or relocation of existing premises occupied by the Group.

5. 重大會計判斷及估計不確定因素的主要來源 (續)

非金融資產減值虧損

本集團於報告期末根據附註4(k)所載會計政策評估非金融資產是否出現任何減值。當有事件或情況變動顯示資產的賬面值超出其可收回金額時，本集團會審閱非金融資產是否出現減值。釐定可收回金額須估計未來現金流量及選擇適當的貼現率。此等估計的變動或會對資產賬面值造成重大影響，可能致使未來期間須作出額外減值費用或撥回減值（如適用）。

商譽減值虧損

釐定商譽是否出現減值須估計獲分配商譽的現金產生單位的使用價值。計算使用價值時，董事須估計預期現金產生單位產生的未來現金流量及合適的貼現率以計算現值。

修復成本撥備

修復成本撥備於附有修復條款的租賃物業開始時估計，並於各報告期末參考獨立承包商提供的最新報價重新評估。基於現有市場資料作出的估計或會隨時間變動，且於本集團現佔用的物業關閉或搬遷時可能與實際修復成本不同。

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Fair value measurement

The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy").

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures financial assets at fair value through profit or loss (Note 22) at fair value. For more detailed information in relation to the fair value measurement, please refer to the applicable notes.

5. 重大會計判斷及估計不確定因素的主要來源 (續)

公平值計量

本集團盡可能利用市場可觀察輸入值及數據計量金融資產的公平值。釐定公平值計量所用輸入值根據所用估值技術使用的輸入值可觀察程度分為以下不同級別(「公平值等級」)。

- 第1級：相同項目於活躍市場的報價(未經調整)；
- 第2級：第1級輸入值以外的直接或間接可觀察輸入值；
- 第3級：不可觀察輸入值(即並非來自市場數據)。

本集團根據所使用對項目公平值計量具有重大影響的最低級別輸入值將項目分類至以上級別。各級別之間的项目轉移於轉移期間確認。

本集團按公平值計量按公平值計入損益的金融資產(附註22)。有關公平值計量的更多詳細資料，請參閱適用附註。

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6. SEGMENT INFORMATION

The chief operating decision maker is defined as executive directors of the Company. The Group has identified its operating segment based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation and review of performance.

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- The operation of clubbing, entertainment and catering business
- Securities investment

6. 分部資料

主要營運決策者已確定為本公司的執行董事。本集團根據向本公司執行董事定期呈報用於資源分配決策及檢討表現的內部財務資料確定營運分部。

本集團擁有兩個可呈報分部。由於各業務所提供的產品及服務以及所需的業務策略不一，故該等分部乃分開管理。本集團各可呈報分部的營運概述如下：

- 經營會所、娛樂及餐飲業務
- 證券投資

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6. SEGMENT INFORMATION (CONT'D)

(a) Segment information about reportable segments

6. 分部資料 (續)

(a) 有關可呈報分部的分部資料

		Operation of clubbing, entertainment and catering business 經營會所、娛樂及 餐飲業務 HK\$'000 千港元	Securities Investment 證券投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 May 2018	截至2018年5月31日止年度			
Reportable segment revenue	可呈報分部收益	85,343	-	85,343
Reportable segment loss	可呈報分部虧損	(19,279)	(221)	(19,500)
Finance income	融資收入	-	505	505
Other income	其他收入	-	131	131
Income tax expense	所得稅開支	(1,828)	-	(1,828)
Finance cost	融資成本	-	(204)	(204)
Depreciation	折舊	(4,672)	-	(4,672)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值虧損	-	(446)	(446)
Reversal of provision of reinstatement cost	撥回修復成本撥備	200	-	200
Written off of property, plant and equipment	撇銷物業、廠房及設備	(912)	-	(912)
Provision for impairment of trade and other receivables	貿易及其他應收款項減值撥備	(45)	-	(45)
Additions of non-current assets	添置非流動資產	5,020	-	5,020
As at 31 May 2018	於2018年5月31日			
Reportable segment assets	可呈報分部資產	29,942	38,399	68,341
Reportable segment liabilities	可呈報分部負債	(14,390)	(20,691)	(35,081)
For the year ended 31 May 2017	截至2017年5月31日止年度			
Reportable segment revenue	可呈報分部收益	96,164	-	96,164
Reportable segment loss	可呈報分部虧損	(8,780)	-	(8,780)
Other income	其他收入	72	-	72
Depreciation	折舊	(4,253)	-	(4,253)
Income tax expense	所得稅開支	(847)	-	(847)
Additions to non-current assets	添置非流動資產	753	-	753
As at 31 May 2017	於2017年5月31日			
Reportable segment assets	可呈報分部資產	25,396	-	25,396
Reportable segment liabilities	可呈報分部負債	(13,043)	-	(13,043)

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6. SEGMENT INFORMATION (CONT'D)

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

Loss before income tax expense 除所得稅開支前虧損

Reportable segment loss	可呈報分部虧損		
Other income	其他收入		
Unallocated corporate expenses	未分配企業開支		
Finance costs	融資成本		

Consolidated loss before income tax expense from continuing operation	來自持續經營業務的除所得稅開支前綜合虧損		
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6. 分部資料(續)

(b) 可呈報分部的損益、資產及負債對賬

2018	2017
2018年	2017年
HK\$'000	HK\$'000
千港元	千港元

(19,500)	(8,780)
46	1
(4,410)	(151)
(81)	–

(23,945)	(8,930)
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6. SEGMENT INFORMATION (CONT'D)

(b) Reconciliation of reportable segment profit or loss, assets and liabilities (CONT'D)

Assets

Reportable segment assets	可呈報分部資產	68,341	25,396
Deferred tax assets	遞延稅項資產	–	1,818
Tax recoverable	可收回稅項	678	–
Unallocated corporate assets	未分配企業資產	18,388	58,170

Consolidated total assets

綜合總資產

87,407

85,384

Liabilities

Reportable segment liabilities	可呈報分部負債	(35,081)	(13,043)
Current tax liabilities	即期稅項負債	–	(1,620)
Unallocated corporate liabilities	未分配企業負債	(10,752)	(3,374)

Consolidated total liabilities

綜合總負債

(45,833)

(18,037)

Management determines the Group is domiciled in Hong Kong, which is the location where the Group principally operates. All revenue of the Group for the reporting period was derived in Hong Kong. All its non-current assets are located in Hong Kong.

In addition, the customers of the Group, based on the locations at which the services were provided, are all located in Hong Kong. No revenue from transactions with a single customer amounts to 10% or more of the Group's revenue.

6. 分部資料 (續)

(b) 可呈報分部的損益、資產及負債對賬 (續)

2018	2017
2018年	2017年
HK\$'000	HK\$'000
千港元	千港元

68,341

25,396

–

1,818

678

–

18,388

58,170

87,407

85,384

(35,081)

(13,043)

–

(1,620)

(10,752)

(3,374)

(45,833)

(18,037)

管理層確定本集團的所在地為香港，亦即本集團的主要經營地點。本集團於報告期間的所有收益均來自香港，而其所有非流動資產亦位於香港。

此外，按提供服務所在地劃分，本集團的所有客戶均位於香港。概無與單一客戶進行交易的收益佔本集團的收益10%或以上。

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7. REVENUE

The Group's principal activities are the operation of clubs, entertainment and restaurants.

Revenue represents the amount received or receivable from the sales of food and beverages, entrance fees, sponsorship income, entertainment income and others (including tips, cloakroom fees, photobooth and event rental income).

Revenue from the Group's principal activities during the reporting period is as follows:

7. 收益

本集團的主要業務為經營會所、娛樂及餐廳。

收益指銷售食品及飲品已收或應收款項、入場費、贊助收入、娛樂收入及其他（包括小費、衣帽間費用、快照收入及活動租金收入）。

本集團於報告期內的主要業務收益如下：

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Revenue from:	以下項目的收益：		
Clubs and entertainment operation	會所及娛樂營運		
Sales of beverage	飲品銷售	70,107	83,553
Less: Sales discounts	減：銷售折扣	(13,487)	(13,305)
		56,620	70,248
Entrance fee	入場費	4,002	3,463
Entertainment income	娛樂收入	1,259	-
Sponsorship income	贊助收入	2,887	3,311
Others	其他	1,939	1,455
		66,707	78,477
Restaurants operation	餐廳營運		
Sales of food and beverage	食品及飲品銷售	18,903	17,615
Less: Sales discounts	減：銷售折扣	(281)	(36)
		18,622	17,579
Others	其他	14	108
		18,636	17,687
Total revenue	總收益	85,343	96,164

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8. FINANCE INCOME

8. 融資收入

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Interest received from financial assets at fair value through profit or loss	505	-

9. OTHER INCOME AND GAINS

9. 其他收入及收益

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Reversal of provision of reinstatement cost	200	-
Interest income	177	1
Management fee income	-	72
	377	73

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10. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

10. 除所得稅開支前虧損

除所得稅開支前虧損乃經扣除以下項目後得出：

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Cost of inventories recognised as expense	確認為開支的存貨成本		
– Clubs and entertainment operation	– 會所及娛樂營運	12,914	14,571
– Restaurants operation	– 餐廳營運	4,696	4,546
		17,610	19,117
<hr/>			
Auditors' remuneration	核數師酬金	771	608
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,672	4,253
Written off of property, plant and equipment	撇銷物業、廠房及設備	912	–
Provision of impairment of trade and other receivables	貿易及其他應收款項減值撥備	45	–
Listing expenses	上市開支	–	15,532
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值變動	446	–
Staff costs (including directors' remuneration) (Note 11)	員工成本(包括董事薪酬)(附註11)		
– Wages, salaries and other benefits	– 工資、薪金及其他福利	26,366	17,547
– Contribution to defined contribution pension plans	– 界定供款退休計劃供款	878	764
		27,244	18,311
<hr/>			
Minimum lease payments under operating leases	營運租賃項下最低租賃付款	21,184	20,718

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11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

The remunerations of the directors of the Company are set out below:

		Fees	Salaries and other benefits	Contribution to defined pension plans	Total
		袍金	薪金及其他福利	界定供款退休計劃供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended 31 May 2018	截至2018年5月31日止年度				
<i>Executive directors</i>	<i>執行董事</i>				
Mr. Ng Shing Joe Kester ("Kester Ng") (Note (i))	吳繩祖先生(「吳繩祖」) (附註(i))	624	3,800	18	4,442
Ms. Lau Sze Yuen Renee (Note (iii))	劉思婉女士(附註(iii))	555	115	18	688
<i>Non-executive director</i>	<i>非執行董事</i>				
Mr. Kan Sze Man (Note (iii))	簡士民先生(附註(iii))	120	-	-	120
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Mr. Wong Sui Chi (Note (iii))	黃瑞熾先生(附註(iii))	120	-	-	120
Mr. Li Lap Sun (Note (iii))	李立新先生(附註(iii))	120	-	-	120
Mr. Ng Kwok Kei Sammy (Note (iii))	伍國基先生(附註(iii))	120	-	-	120
		1,659	3,915	36	5,610

Year ended 31 May 2017	截至2017年5月31日止年度				
<i>Executive directors</i>	<i>執行董事</i>				
Mr. Ng Shing Joe Kester ("Kester Ng") (Note (i))	吳繩祖先生(「吳繩祖」) (附註(i))	200	96	3	299
Ms. Lau Sze Yuen Renee (Note (iii))	劉思婉女士(附註(iii))	-	499	17	516
<i>Non-executive director</i>	<i>非執行董事</i>				
Mr. Kan Sze Man (Note (iii))	簡士民先生(附註(iii))	40	-	-	40
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Mr. Wong Sui Chi (Note (iii))	黃瑞熾先生(附註(iii))	20	-	-	20
Mr. Li Lap Sun (Note (iii))	李立新先生(附註(iii))	20	-	-	20
Mr. Ng Kwok Kei Sammy (Note (iii))	伍國基先生(附註(iii))	20	-	-	20
		300	595	20	915

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11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (CONT'D)

(a) Directors' remuneration (CONT'D)

Notes:

- (i) Mr. Kester Ng was appointed executive director of the Company upon incorporation.
- (ii) On 1 June 2016 and 22 August 2016, Ms. Lau Sze Yuen Renee and Mr. Kan Sze Man were appointed executive director and non-executive director of the Company respectively. During the year ended 31 May 2016, no remuneration was paid or payable to Ms. Lau Sze Yuen Renee and Mr. Kan Sze Man.
- (iii) On 14 March 2017, Mr. Wong Sui Chi, Mr. Li Lap Sun and Mr. Ng Kwok Kei Sammy were appointed independent non-executive directors of the Company.

(b) Five highest paid individuals

The five highest paid individuals of the Group during the years ended 31 May 2018 and 2017 did not include any director of the Company.

The emoluments paid to the remaining individuals during the year ended 31 May 2018 are set out below:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	3,786	2,617
Contribution to defined contribution pension plans	界定供款退休計劃供款	90	87
		3,876	2,704

11. 董事薪酬及五名最高薪酬人士 (續)

(a) 董事薪酬 (續)

附註：

- (i) 吳繩祖先生於註冊成立時獲委任為本公司執行董事。
- (ii) 於2016年6月1日及2016年8月22日，劉思婉女士及簡士民先生分別獲委任為本公司執行董事及非執行董事。截至2016年5月31日止年度，概無已付或應付劉思婉女士及簡士民先生任何薪酬。
- (iii) 於2017年3月14日，黃瑞熾先生、李立新先生及伍國基先生分別獲委任為本公司獨立非執行董事。

(b) 五名最高薪酬人士

本集團截至2018年及2017年5月31日止年度的五名最高薪酬人士不包括任何本公司董事。

截至2018年5月31日止年度，向餘下人士支付的酬金載列如下：

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11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (CONT'D)

(b) Five highest paid individuals (CONT'D)

The remuneration fell within the following band:

Nil to HK\$1,000,000	零至1,000,000港元
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During the years ended 31 May 2018 and 2017, no directors or any of the highest paid individuals waived or agreed to waive any emoluments. No emoluments were paid by the Group to the directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

(c) The emoluments paid or payable to members of senior management during the years ended 31 May 2018 and 2017 were within the following band:

Nil to HK\$1,000,000	零至1,000,000港元
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11. 董事薪酬及五名最高薪酬人士 (續)

(b) 五名最高薪酬人士 (續)

有關人士的薪酬介乎以下範圍：

2018	2017
2018年	2017年

5	5
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截至2018年及2017年5月31日止年度，董事或任何該等最高薪酬人士概無放棄或同意放棄任何酬金。本集團概無向本集團董事或任何該等最高薪酬人士支付酬金，作為吸引彼等加入本集團或於加入本集團時的獎勵或離職補償。

(c) 截至2018年及2017年5月31日止年度，已付或應付高級管理層成員的酬金介乎以下範圍：

2018	2017
2018年	2017年
HK\$'000	HK\$'000
千港元	千港元

3	3
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12. OTHER EXPENSES

12. 其他開支

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Professional fee	專業費用	3,701	515
Security expenses	保安開支	3,115	3,308
Cleaning expenses	清潔費	2,094	1,910
Promotional expenses	宣傳開支	1,902	543
Repair & maintenance	維修及保養	1,638	1,130
Bank charges	銀行費用	1,417	1,368
Written off of property, plant and equipment	撇銷物業、廠房及設備	912	-
Provision of impairment on trade and other receivables	貿易及其他應收款項減值撥備	45	-
Auditor's remuneration	核數師薪酬	771	608
Others	其他	5,044	3,682
		20,639	13,064

13. FINANCE COST

13. 融資成本

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank borrowings	銀行借款利息	285	-

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14. INCOME TAX EXPENSE

The Group is subject to income tax on profits arising in or derived from Hong Kong, being its principal place of business. The income tax expense in the consolidated statement of comprehensive income represents:

Current income tax – Hong Kong Profits Tax	即期所得稅－香港利得稅	10	1,225
Deferred tax (Note 19)	遞延稅項 (附註19)	1,818	(378)
Income tax expense	所得稅開支	1,828	847

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

A reconciliation of the income tax expense applicable to loss before income tax expense at the statutory tax rate to the income tax expense at the effective tax rate is as follows:

Loss before income tax expense	除所得稅開支前虧損	(23,945)	(8,930)
Tax at the statutory rate of 16.5% (2017: 16.5%)	按法定稅率16.5% (2017年: 16.5%) 計算的稅項	(3,951)	(1,473)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	1,501	2,586
Tax effect of temporary differences not recognised	未確認暫時性差額的稅務影響	1,614	(311)
Tax effect of revenue not taxable for tax purpose	毋須課稅收益的稅務影響	105	–
Tax effect of tax loss not recognised	未確認稅項虧損的稅務影響	2,558	–
Others	其他	1	45
Income tax expense	所得稅開支	1,828	847

14. 所得稅開支

本集團須就於其主要營業地點香港產生或源自香港的溢利繳納所得稅。綜合全面收益表內的所得稅開支指：

2018	2017
2018年	2017年
HK\$'000	HK\$'000
千港元	千港元

根據開曼群島的法規及規例，本集團毋須於開曼群島司法權區繳納任何稅項。香港利得稅乃就估計應課稅溢利按16.5%的稅率計算。

按法定稅率計算適用於除所得稅開支前虧損的所得稅開支與按實際稅率計算的所得稅開支的對賬如下：

2018	2017
2018年	2017年
HK\$'000	HK\$'000
千港元	千港元

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15. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 May 2018, nor has any dividend been proposed since the end of the reporting period (2017: nil).

16. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss attributable to owners of the Company (HK\$'000)	本公司擁有人應佔虧損 (千港元)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (in thousands)	用以計算每股基本虧損的普通股加權平均數 (千股)

The number of ordinary shares for the purpose of calculating basic loss per share has been determined on the assumption that the reorganisation and the capitalisation issue as described in Note 28 has been effective on 1 June 2015.

The Company did not have any potential dilutive shares for the years ended 31 May 2018 and 2017. Accordingly, the diluted loss per share are the same as the basic loss per share for the years ended 31 May 2018 and 2017 respectively.

15. 股息

本公司於截至2018年5月31日止年度概無向其普通股股東派付或建議派付股息，而自報告期末以來亦無建議派付任何股息（2017年：無）。

16. 本公司擁有人應佔每股虧損

2018 2018年	2017 2017年
(25,135)	(9,513)
800,000	630,137

用以計算每股基本虧損的普通股數目乃假設附註28所述的重組及資本化發行已於2015年6月1日生效而釐定。

截至2018年及2017年5月31日止年度，本公司並無任何具有攤薄潛力的股份。因此，分別截至2018年及2017年5月31日止年度的每股攤薄虧損與每股基本虧損相同。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Leasehold improvement 租賃物業 裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、裝置及 設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本：			
At 1 June 2016	於2016年6月1日	13,728	7,179	20,907
Additions	添置	950	557	1,507
At 31 May 2017 and 1 June 2017	於2017年5月31日及 2017年6月1日	14,678	7,736	22,414
Additions	添置	3,898	1,300	5,198
Written-off	撇銷	(3,125)	(229)	(3,354)
At 31 May 2018	於2018年5月31日	15,451	8,807	24,258
Accumulated depreciation:	累計折舊：			
At 1 June 2016	於2016年6月1日	7,164	3,592	10,756
Charge for the year	年內支出	2,840	1,413	4,253
At 31 May 2017 and 1 June 2017	於2017年5月31日及 2017年6月1日	10,004	5,005	15,009
Charge for the year	年內支出	3,138	1,534	4,672
Written-off	撇銷	(2,308)	(134)	(2,442)
At 31 May 2018	於2018年5月31日	10,834	6,405	17,239
Carrying amount:	賬面值：			
At 31 May 2018	於2018年5月31日	4,617	2,402	7,019
At 31 May 2017	於2017年5月31日	4,674	2,731	7,405

Leasehold improvement as at 31 May 2018 included reinstatement provision with carrying amount of HK\$568,000 (2017: HK\$175,000).

於2018年5月31日的租賃物業裝修包括賬面值為568,000港元(2017年：175,000港元)的修復撥備。

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18. TRADE AND OTHER RECEIVABLES

Trade receivables	貿易應收款項	(a)	3,385	2,995
Other receivables	其他應收款項	(b)	5,195	547
Prepayments	預付款項		4,506	2,188
Deposits	按金		7,914	6,852
Total	總計		21,000	12,582
Less: Prepayments for acquisition of property, plant and equipment	減：收購物業、廠房及設備預付款項		(1,810)	–
Other receivables (non-current portion)	其他應收款項（非即期部分）		(3,252)	(4,902)
Trade and other receivables	貿易及其他應收款項		15,938	7,680

Notes:

- (a) Trade receivables
Majority of the Group's revenue is attributable to sales of food and beverages via cash and credit card. There was no credit term granted to the customers.

An ageing analysis of the Group's trade receivables at the end of the reporting period, net of impairment, based on invoice date is as follows:

0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
91-180 days	91至180日
181-365 days	181至365日

At the end of the reporting period, the Group reviews receivables for evidence of impairment on both an individual and collective basis. Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

18. 貿易及其他應收款項

	Notes 附註	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Trade receivables	(a)	3,385	2,995
Other receivables	(b)	5,195	547
Prepayments		4,506	2,188
Deposits		7,914	6,852
Total		21,000	12,582
Less: Prepayments for acquisition of property, plant and equipment		(1,810)	–
Other receivables (non-current portion)		(3,252)	(4,902)
Trade and other receivables		15,938	7,680

附註：

- (a) 貿易應收款項
本集團大部分收益乃來自以現金及信用卡支付之食品及飲品銷售。本集團並無向客戶授出信貸期。

本集團於報告期末的貿易應收款項（扣除減值）基於發票日期的賬齡分析如下：

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
0-30 days	659	909
31-60 days	52	625
61-90 days	73	717
91-180 days	1,363	744
181-365 days	1,238	–
	3,385	2,995

於報告期末，本集團個別及整體檢討應收款項，以確定有否出現減值跡象。貿易應收款項的減值虧損以撥備賬列賬，惟倘本集團信納該款項不大可能收回，則減值虧損直接於貿易應收款項撇銷。

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18. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade receivables (CONT'D)
The ageing of trade receivables at the end of the reporting period, net of impairment, which are past due but not impaired is as follows:

Neither past due nor impaired	未逾期亦未減值
Past due but not impaired	已逾期但未減值
1-30 days past due	逾期1至30日
31-90 days past due	逾期31至90日
91-180 days past due	逾期91至180日
181-365 days past due	逾期181至365日

Receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

- (b) Other receivables
Included in the amount, balance of approximately HK\$3,896,000 was loans receivable which was secured by the assets of the borrower, interest-free within the first three years from the drawn down date and had no fixed terms of repayment.

18. 貿易及其他應收款項 (續)

- (a) 貿易應收款項 (續)
於報告期末已逾期但未減值的貿易應收款項 (扣除減值) 的賬齡如下:

2018	2017
2018年	2017年
HK\$'000	HK\$'000
千港元	千港元
-	-
659	909
125	1,342
1,363	744
1,238	-
3,385	2,995

已逾期但未減值的應收款項與多名於本集團擁有良好還款記錄的客戶有關。根據過往經驗，本公司董事認為，由於信貸質素並無重大變動，而該等結餘仍被視為可悉數收回，故毋須就該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品或採取其他信貸增強措施。

- (b) 其他應收款項
計入該款項中結餘約3,896,000港元的應收貸款以借款人的資產作抵押，自提取日期起計首三年免息，且無固定還款期。

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19. DEFERRED TAX ASSETS

19. 遞延稅項資產

		Decelerated tax depreciation 減速稅項 折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 June 2016	於2016年6月1日	369	1,071	1,440
Credited/(charge) to profit or loss (Note 14)	計入損益/(自損益中 扣除) (附註14)	1,174	(796)	378
At 31 May 2017 and 1 June 2017	於2017年5月31日及 2017年6月1日	1,543	275	1,818
Charge to profit or loss (Note 14)	自損益中扣除 (附註14)	(1,543)	(275)	(1,818)
At 31 May 2018	於2018年5月31日	-	-	-

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to income tax levied by same taxation authority on the same taxable entity.

No deferred tax asset has been recognised in respect of certain unused tax losses due to the unpredicted ability of future profit streams. No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

當有合法可強制執行權利將即期稅項資產與即期稅項負債對銷，而遞延所得稅涉及同一稅務機關自同一應課稅實體徵收的所得稅，則遞延稅項資產與負債互相抵銷。

由於本集團無法預測未來溢利來源的產生能力，故並無就若干未動用稅項虧損確認遞延稅項資產。由於本集團不大可能獲得應課稅溢利以抵銷可扣稅暫時性差額，故並無就該可扣稅暫時性差額確認遞延稅項資產。

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20. GOODWILL

20. 商譽

HK\$'000
千港元

At 1 June 2016, 31 May 2017, 1 June 2017 and 31 May 2018	於2016年6月1日、2017年5月31日、 2017年6月1日及2018年5月31日	2,209
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On 1 November 2015, the Group acquired 100% of the equity interests of Legend Vision Limited and its subsidiary (hereinafter collectively referred as "Legend Vision Group"). The principal activity of Legend Vision Group is the operation of clubbing business in Hong Kong. The acquisition was made with the objective to achieve economies of scale and strategically expand the clubbing business of the Group. The acquisition resulted in the goodwill and it is solely allocated to the cash generating unit ('CGU') namely the Legend Vision Group.

於2015年11月1日，本集團收購新順成有限公司及其附屬公司（以下統稱「新順成集團」）全部股權。新順成集團主要於香港經營會所業務。收購旨在實現規模經濟並有策略地擴充本集團的會所業務。收購產生商譽，其僅分配至現金產生單位（「現金產生單位」，即新順成集團）。

The recoverable amount of the goodwill has been determined from value in use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flows beyond five-year period are extrapolated using a growth rate of 3% (2017: 2%).

商譽的可收回金額根據五年期間正式獲批准預算的現金流量預測計算的使用價值釐定。超過五年期間的現金流量按增長率3%（2017年：2%）推算。

		2018 2018年	2017 2017年
Discount rate	貼現率	15.3%	18.1%
Operating margin *	經營利潤率*	0.0%-7.4%	0.0%-12.7%
Growth rate within the five-year period	五年期間增長率	5.0%-14.0%	0.0%-2.0%

* defined as profit before income tax expense divided by revenue

* 界定為除所得稅開支前溢利除以收益

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within five-year period have been based on management expectation and the result of the market research and prediction.

所用貼現率為稅前貼現率，反映與相關現金產生單位有關的特定風險。經營利潤率及五年期間增長率按管理層預期以及市場研究及預測結果釐定。

The directors of the Company have considered the impact of the possible changes in the key assumptions (discount rate, operating margin and growth rate) used, and conducted sensitivity analysis on the CGU's carrying value for impairment testing during the reporting period. In the opinion of the directors of the Company, any reasonably possible changes in the key assumptions on which the recoverable amount is based would not cause the CGU's carrying amount to exceed its recoverable amount.

本公司董事已考慮所用主要假設（貼現率、經營利潤率及增長率）可能變動的影響，並於報告期內對現金產生單位賬面值進行敏感度分析以測試減值。本公司董事認為，可收回金額所依據主要假設的任何合理可能變動不會導致現金產生單位的賬面值超出其可收回金額。

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21. INVENTORIES

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Beverage	飲品	775	522

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Debt securities held for trading	持作買賣的債務證券		
– Listed debt securities	– 上市債務證券	19,990	–

The above debt investments at 31 May 2018 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

As at 31 May 2018, all of these, financial assets at fair value through profit or loss were pledged to secure the Group's short term bank borrowing (Note 27).

21. 存貨

22. 按公平值計入損益的金融資產

上述債務投資於2018年5月31日分類為持作買賣，並於初步確認時被本集團指定為按公平值計入損益的金融資產。

於2018年5月31日，所有此等按公平值計入損益的金融資產已予抵押，以獲取本集團短期銀行借款（附註27）。

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23. AMOUNT DUE FROM A RELATED PARTY

23. 應收關聯方款項

	Notes 附註	Maximum outstanding balance during the year ended 31 May 截至5月31日止年度 最高結欠餘額		As at 31 May 於5月31日	
		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Model Genesis International Management Limited ("Model Genesis")					
模特兒新天地國際管理有限公司 ("模特兒新天地")	(i), (ii) & (iii)	388	275	82	176

Notes:

- (i) The amount due was non-trade in nature, unsecured, interest-free and has no fixed terms of repayment.
- (ii) CSI Properties Limited, being one of the ultimate shareholders of the Company, held beneficial interests in the related company.
- (iii) CSI Properties Limited has disposed its interest in the Company on 31 March 2018. Transactions with the Company are classified as related party transactions up to 31 March 2018.

附註:

- (i) 該欠款為非貿易性質、無抵押、免息及無固定還款期。
- (ii) 本公司最終股東之一資本策略地產有限公司於關聯公司持有實益權益。
- (iii) 資本策略地產有限公司已於2018年3月31日出售其於本公司的權益。截至2018年3月31日，與本公司進行的交易均被分類為關聯方交易。

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24. CASH AND CASH EQUIVALENTS

Cash and cash balances	現金及現金結餘
Time deposits	定期存款
Cash and cash equivalents	現金及現金等價物

24. 現金及現金等價物

2018	2017
2018年	2017年
HK\$'000	HK\$'000
千港元	千港元

17,383	60,672
16,125	–

33,508	60,672
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Cash and cash equivalents represented cash at banks and in hand. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with credit worthy banks with no recent history of default.

Bank balances, included in cash and cash equivalents of the Group, are denominated in the following foreign currencies.

現金及現金等價物指銀行及手頭現金。銀行現金按每日銀行存款利率計算的浮動利率賺取利息。短期定期存款由一日至三個月期限不等，視乎本集團的即時現金需求而定，並按各自的短期定期存款利率賺取利息。銀行結餘及已抵押存款存放於信譽良好且近期並無違約記錄的銀行。

銀行結餘（已計入本集團現金及現金等價物）按以下外幣計值。

– EUR	– 歐元
– USD	– 美元

2018	2017
2018年	2017年
HK\$'000	HK\$'000
千港元	千港元

1	1
26,162	1

26,163	2
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綜合財務報表附註

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25. RESTRICTED BANK DEPOSITS

Restricted bank deposits represented cash at bank held by a subsidiary secured for bank borrowing (Note 27).

25. 受限制銀行存款

受限制銀行存款指附屬公司作為銀行借款的擔保所持有的銀行現金（附註27）。

26. TRADE AND OTHER PAYABLES

26. 貿易及其他應付款項

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Trade payables	貿易應付款項	3,254	2,885
Accruals and other payables	應計費用及其他應付款項	8,680	10,954
Receipts in advance	預收款項	3,232	2,578
Total	總計	15,166	16,417
Less: Current portion	減：即期部分	(13,989)	(15,127)
Non-current portion	非即期部分	1,177	1,290

An ageing analysis of the Group's trade payables at the end of the reporting period based on invoice date is as follows:

本集團於報告期末的貿易應付款項基於發票日期的賬齡分析如下：

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
0-30 days	0至30日	1,639	1,604
31-60 days	31至60日	1,499	1,281
Over 60 days	超過60日	116	-
		3,254	2,885

Accruals and other payables included provision of reinstatement and deferred rental expense.

應計費用及其他應付款項包括修復撥備及遞延租金開支。

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27. BANK BORROWINGS

27. 銀行借款

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Current		
Bank loan due for repayment within one year (Note(a), (b) & (c))	30,667	–

(a) The bank borrowing of HK\$18,520,000 was secured by debt securities measured at fair value through profit or loss placed by the Company and a subsidiary in the bank. Interest is charged at Hong Kong Inter-bank Offered Rate ("HIBOR") + 2.5% per annum.

(b) The bank borrowing of HK\$10,000,000, bore interest at the rate of HIBOR +2.25% per annum for the year ended 31 May 2018.

(c) As at 31 May 2018, the restricted bank deposits of HK\$2,146,000 was security of bank borrowing, placed by a subsidiary in the bank.

The above banking facilities of the loans are subject to the fulfilment of covenants relating to minimum requirement of pledged debt securities and restricted bank deposits and compliance of the bank's administrative requirements, as are commonly found in lending arrangements with financial institutions in Hong Kong. If the Company and a subsidiary were to breach the covenants, the drawn down facility would become repayable on demand.

At 31 May 2018, the bank borrowings were scheduled to repay within one year or on demand.

The Group regularly monitors the compliance with these covenants and the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the subsidiary continues to meet these requirements. Further details of the Group's management of liquidity risk are set out in Note 38(c). As at 31 May 2018, none of the covenants relating to drawn down facilities had been breached.

2018
2018年
HK\$'000
千港元

(a) 銀行借款18,520,000港元乃以本公司及附屬公司存放於銀行按公平值計入損益的債務證券作抵押。利息以香港銀行同業拆息（「香港銀行同業拆息」）加年息2.5厘計算。

(b) 截至2018年5月31日止年度，銀行借款10,000,000港元按香港銀行同業拆息加年息2.25厘計息。

(c) 於2018年5月31日，受限制銀行存款2,146,000港元乃以附屬公司存放於銀行的銀行借款作抵押。

上述貸款的銀行融資須待有關已抵押債務證券及受限制銀行存款的最低要求及遵守銀行行政規定的契諾達成後方可作實，該等契諾常見於與香港金融機構訂立的借貸安排。倘本公司及附屬公司違反契諾，則已提取融資將須按要求償還。

於2018年5月31日，銀行借款預定於一年內或按要求償還。

本集團定期監察其遵守該等契諾及按期償還貸款的情況，並認為只要附屬公司繼續遵守該等規定，銀行不大可能會行使其酌情權要求還款。有關本集團流動資金風險管理的進一步詳情載於附註38(c)。於2018年5月31日，本集團概無違反有關已提取融資的契諾。

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28. SHARE CAPITAL

The following changes in the Company's authorised and issued share capital took place during the period from 1 June 2016 to 31 May 2018.

28. 股本

本公司於2016年6月1日至2018年5月31日期間的法定及已發行股本變動如下。

		Number of shares 股份數目	HK\$'000 千港元
Authorised, ordinary shares of HK\$0.01 each:	每股面值0.01港元的法定 普通股：		
At 1 June 2016, 31 May 2017, 1 June 2017 and 31 May 2018	於2016年6月1日、 2017年5月31日、 2017年6月1日及 2018年5月31日	10,000,000,000	100,000
Issued and fully paid, ordinary shares of HK\$0.01 each:	每股面值0.01港元的 已發行及繳足普通股：		
At 1 June 2016	於2016年6月1日	1	—*
Shares issued pursuant to the reorganisation (<i>Note (i)</i>)	根據重組發行股份 (<i>附註(i)</i>)	9,999	—*
Capitalisation issue credited as fully paid on the share premium account of the Company (<i>Note (iii)</i>)	於本公司股份溢價賬入賬 列作繳足的資本化發行 (<i>附註(iii)</i>)	599,990,000	6,000
Shares issued pursuant to the share offer (<i>Note (iii)</i>)	根據股份發售發行股份 (<i>附註(iii)</i>)	200,000,000	2,000
At 31 May 2017, 1 June 2017 and 31 May 2018	於2017年5月31日、 2017年6月1日及 2018年5月31日	800,000,000	8,000

* The balance represents an amount less than HK\$1,000

* 該結餘為數少於1,000港元

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28. SHARE CAPITAL (CONT'D)

Notes:

- (i) In July 2016, pursuant to the reorganisation in preparation for the listing of shares of the Company on GEM of the Stock Exchange and for the purpose of rationalising the Group's structure, 6,191, 2,653, 133, 172, 600 and 250 ordinary shares were issued to Aplus Concept Limited, Phoenix Year Limited, Ethers Entertainment Limited, Jet Top Investment Limited, Jubilee Success Investments Limited and Perfect King Investments Limited respectively.
- (ii) On 7 April 2017, the Company capitalised an amount of HK\$6,000,000 standing to the credit of share premium account of the Company and the said sum was applied in paying up full the 599,990,000 shares issued to the shareholders immediately prior to the listing according to their respective shareholding.
- (iii) On 7 April 2017, the Company listed its shares on GEM operated by the Stock Exchange with public offer shares of 200,000,000 at an issue price of HK\$0.34 per share. The transaction costs attributable to issue of shares amounted to HK\$8,575,000.

28. 股本 (續)

附註:

- (i) 於2016年7月，根據為籌備本公司股份在聯交所創業板上市及精簡本集團架構而進行的重組，本集團分別向Aplus Concept Limited、Phoenix Year Limited、Ethers Entertainment Limited、卓德投資有限公司、Jubilee Success Investments Limited及佳皇投資有限公司發行6,191股、2,653股、133股、172股、600股及250股普通股。
- (ii) 於2017年4月7日，本公司將本公司股份溢價賬6,000,000港元的進賬額撥充資本，而上述金額已用作繳足於緊接上市前根據股東各自的持股量向彼等發行的599,990,000股股份。
- (iii) 於2017年4月7日，本公司股份在聯交所營運的創業板上市，按發行價每股0.34港元公開發售200,000,000股股份。股份發行應佔交易成本為8,575,000港元。

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29. RESERVES

Details of the movements on the Group's reserves are set out in the consolidated statement of changes in equity.

Movements on the Company's reserves are as follows:

29. 儲備

本集團的儲備變動詳情載於綜合權益變動表。

本公司的儲備變動如下：

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 股本儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 June 2017	於2017年6月1日	56,525	34	(15,153)	41,406
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	(2,927)	(2,927)
At 31 May 2018	於2018年5月31日	56,525	34	(18,080)	38,479
At 1 June 2016	於2016年6月1日	-	-	-	-
Arising on reorganisation	重組時產生	-	34	-	34
Shares issued pursuant to the reorganisation (Note 28(ii))	根據重組發行股份 (附註28(ii))	5,100	-	-	5,100
Capitalisation issue of shares (Note 28(iii))	股份資本化發行 (附註28(iii))	(6,000)	-	-	(6,000)
Shares issued pursuant to the share offer (Note 28(iii))	根據股份發售發行股份 (附註28(iii))	66,000	-	-	66,000
Transaction costs attributable to the Share Offer (Note 28(iii))	股份發售應佔交易成本 (附註28(iii))	(8,575)	-	-	(8,575)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	(15,153)	(15,153)
At 31 May 2017	於2017年5月31日	56,525	34	(15,153)	41,406

(a) Share premium

Share premium represented the amount subscribed for share capital in excess of nominal value.

(b) Capital reserve

Capital reserve represents the difference between the fair value of consideration paid and the carrying value of the subsidiaries acquired.

(c) Retained earnings/accumulated losses

Retained earnings/accumulated losses represented the cumulative net gains and losses recognised in profit or loss.

(a) 股份溢價

股份溢價指認購股本金額超出面值的金額。

(b) 股本儲備

股本儲備指已付代價公平值與所收購附屬公司賬面值之間的差額。

(c) 保留盈利／累計虧損

保留盈利／累計虧損指於損益中確認的累計收益及虧損淨額。

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30. NON-CONTROLLING INTERESTS

On 31 August 2016, 2 shares, representing 40% equity interests of City Silver Limited ("City Silver"), were issued to an independent third party at a consideration of HK\$625,000, which was settled by offsetting the same amount due to the independent third party.

31. COMMITMENTS

(a) Operating commitments

The Group leased its office premise, clubs, restaurants and machineries for entertainment studio under operating lease arrangements with third party landlords. Leases for these properties are negotiated for terms ranging from one to three years:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Not later than one year	不超過一年	24,955	19,707
Later than one year but not later than five years	一年以上但不超過五年	8,286	14,292
		33,241	33,999

In addition, the operating leases for two restaurants and machineries of the Group are based on the restaurants' respective revenue and net profit pursuant to the terms and conditions as set out in the respective agreements. As future revenue and net profit of restaurants and entertainment studio could not be reliably determined, the relevant contingent payments have not been included in above table and only the minimum lease commitments have been included.

30. 非控股權益

於2016年8月31日，本集團向獨立第三方發行2股股份（相當於City Silver Limited（「City Silver」）40%股權），代價為625,000港元，乃透過抵銷應付獨立第三方的等額款項結付。

31. 承擔

(a) 營運承擔

本集團根據營運租賃安排向第三方業主租賃辦公室、會所、餐廳及娛樂中心的機器。此等物業經磋商的租賃期介乎一至三年：

此外，根據相關協議所載條款及條件，本集團兩間餐廳及機器的營運租賃按各自收益及純利計算。由於餐廳及娛樂中心的未來收益及純利無法可靠釐定，故上表並無包括相關或然款項，而僅包括最低租賃承擔。

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31. COMMITMENTS (CONT'D)

(b) CAPITAL COMMITMENTS

At the reporting date, the Group had the following capital commitments:

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Commitments for the acquisition of:		
Property, plant and equipment	2,357	115

31. 承擔 (續)

(b) 資本承擔

於報告日期，本集團的資本承擔如下：

32. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

32. 控股公司財務狀況表

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Non-current assets		
Investment in a subsidiary	34	34
Other receivables	269	-
	303	34
Current assets		
Other receivables	4,831	947
Amounts due from subsidiaries	40,182	1,469
Cash and cash equivalents	11,932	57,084
	56,945	59,500
Current liabilities		
Other payables	695	3,333
Bank borrowing	10,000	-
Amounts due to subsidiaries	-	6,721
Current tax liabilities	74	74
	10,769	10,128
Net current assets	46,176	49,372
Net assets	46,479	49,406

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32. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION (CONT'D) 32. 控股公司財務狀況表(續)

			2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Equity	權益			
Share capital	股本	28	8,000	8,000
Reserves	儲備	29	38,479	41,406
Total equity	總權益		46,479	49,406

On behalf of the board of directors

代表董事會

Mr. Ng Shing Joe Kester

吳繩祖先生

Director

董事

Ms. Lau Sze Yuen

劉思婉女士

Director

董事

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33. PARTICULARS OF SUBSIDIARIES

The following are the details of the Group's subsidiaries at 31 May 2018:

33. 附屬公司詳情

本集團附屬公司於2018年5月31日的詳情如下：

Name 名稱	Country and date of incorporation/establishment and form of business structure 註冊成立／成立國家及 日期與業務結構形式	Issued and paid up share capital 已發行及繳足 股本	Attributable equity interest 應佔股權		Principal activities and place of operations 主要業務及營業地點
			Direct 直接	Indirect 間接	
BCI Group Holdings (BVI) Limited	The British Virgin Islands (the "BVI"), 6 February 2013, limited liability company 英屬處女群島（「英屬處女群島」）， 2013年2月6日，有限公司	US\$10 10美元	100%	–	Investment holding, Hong Kong 投資控股，香港
BCI Group Enterprises Limited	Hong Kong, 28 November 2012, limited liability company 香港，2012年11月28日，有限公司	HK\$1 1港元	–	100%	Investment holding, Hong Kong 投資控股，香港
Group Best Investment Holdings Limited	The BVI, 26 April 2013, limited liability company 英屬處女群島，2013年4月26日， 有限公司	US\$10,000 10,000美元	–	100%	Investment holding, Hong Kong 投資控股，香港
Legend Vision Limited 新順成有限公司	Hong Kong, 8 April 2015, limited liability company 香港，2015年4月8日，有限公司	HK\$1 1港元	–	100%	Investment holding, Hong Kong 投資控股，香港
Bannock Holdings Limited	The BVI, 4 February 2014, limited liability company 英屬處女群島，2014年2月4日， 有限公司	US\$1 1美元	–	100%	Security investment, Hong Kong 證券投資，香港
Buzz Concepts Management (H.K.) Limited	Hong Kong, 17 February 2014, limited liability company 香港，2014年2月17日，有限公司	HK\$1 1港元	–	100%	Provision of public relations services, Hong Kong 提供公關服務，香港
Lively World Limited	The BVI, 2 January 2015, limited liability company 英屬處女群島，2015年1月2日， 有限公司	US\$1 1美元	–	100%	Investment holding, Hong Kong 投資控股，香港

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33. PARTICULARS OF SUBSIDIARIES (CONT'D)

33. 附屬公司詳情 (續)

Name 名稱	Country and date of incorporation/establishment and form of business structure 註冊成立／成立國家及 日期與業務結構形式	Issued and paid up share capital 已發行及繳足 股本	Attributable equity interest 應佔股權		Principal activities and place of operations 主要業務及營業地點
			Direct 直接	Indirect 間接	
Group Best Investment Limited 聯倡投資有限公司	Hong Kong, 9 July 2004, limited liability company 香港, 2004年7月9日, 有限公司	HK\$100,000 100,000港元	-	100%	Operation of club, Hong Kong 經營會所, 香港
Grand Diamond Limited 浩鑽有限公司	Hong Kong, 13 February 2008, limited liability company 香港, 2008年2月13日, 有限公司	HK\$2,030,750 2,030,750港元	-	100%	Operation of club, Hong Kong 經營會所, 香港
Litton Global Limited	The BVI, 4 February 2014, limited liability company 英屬處女群島, 2014年2月4日, 有限公司	US\$1 1美元	-	100%	Trademark holding, Hong Kong 商標控股, 香港
Joint Ace Limited	Hong Kong, 18 March 2015, limited liability company 香港, 2015年3月18日, 有限公司	HK\$1 1港元	-	100%	Operation of restaurant, Hong Kong 經營餐廳, 香港
Crown Grand Limited	Hong Kong, 20 November 2014, limited liability company 香港, 2014年11月20日, 有限公司	HK\$1 1港元	-	100%	Operation of restaurant, Hong Kong 經營餐廳, 香港
City Silver Limited	Hong Kong, 12 October 2013, limited liability company 香港, 2013年10月12日, 有限公司	HK\$625,003 625,003港元	-	60%	Operation of restaurant, Hong Kong 經營餐廳, 香港
Ace Gain Limited	Hong Kong, 5 May 2016, limited liability company 香港, 2016年5月5日, 有限公司	HK\$1 1港元	-	100%	Operation of restaurant, Hong Kong 經營餐廳, 香港
Maximus (HK) Limited (formerly known as "Ease Ocean Limited") Maximus (HK) Limited (前稱「Ease Ocean Limited」)	Hong Kong, 7 July 2017, limited liability company 香港, 2017年7月7日, 有限公司	HK\$100 100港元	-	100%	Operation of entertainment studio, Hong Kong 經營娛樂業務, 香港
Castle Team Limited	Hong Kong, 25 January 2018, limited liability company 香港, 2018年1月25日, 有限公司	HK\$1 1港元	-	100%	Not yet commenced business 尚未開展業務

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34. RELATED PARTY TRANSACTIONS

(a) Related party transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

Related party identity 關聯方身份	Type of transactions 交易類型	Notes 附註	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Digital Option Limited and High Supreme Limited Digital Option Limited及 High Supreme Limited	Rental expenses 租金開支	(i), (ii) & (iii)	–	1,273
Capital Delight Limited 繞明有限公司	Rental expenses 租金開支	(i) & (ii)	–	19
Model Genesis 模特兒新天地	Marketing and promotion fee 市場推廣及宣傳費用	(i), (ii) & (iv)	2,354	2,372
Model Genesis 模特兒新天地	Management income 管理收入	(i)	–	72

Notes:

- (i) The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The directors of the Company are of the opinion that those related party transactions were conducted in the normal ordinary course of business of the Group.
- (ii) CSI Properties Limited, being one of the ultimate shareholders of the Company, held beneficial interests in the related company.
- (iii) CSI Properties Limited has disposed its interest in the related companies on 31 March 2017. Transactions with the related companies are classified as related party transactions up to 31 March 2017.
- (iv) Mr. Kester Ng, being an executive director of the Company, held beneficial interests in the related company.

34. 關聯方交易

(a) 關聯方交易

除綜合財務報表其他章節所披露者外，本集團於年內與關聯方進行以下重大交易：

2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
–	1,273
–	19
2,354	2,372
–	72

附註：

- (i) 交易乃按相關各方相互協定的條款及條件進行。本公司董事認為該等關聯方交易乃於本集團日常業務過程中進行。
- (ii) 本公司最終股東之一資本策略地產有限公司於關聯公司持有實益權益。
- (iii) 資本策略地產有限公司已於2017年3月31日出售其於關聯公司的權益。截至2017年3月31日，與關聯公司進行的交易均被分類為關聯方交易。
- (iv) 本公司執行董事吳繩祖先生於關聯公司持有實益權益。

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34. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel

Remuneration for key management personnel of the Group, excluding amounts paid to the directors of the Company as disclosed in Note 11(a), is as follows:

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Salaries, allowances and benefits in kind	2,363	1,455

34. 關聯方交易 (續)

(b) 主要管理人員的薪酬

本集團的主要管理人員薪酬(不包括附註11(a)所披露的已付本公司董事款項)如下:

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Salaries, allowances and benefits in kind	2,363	1,455

35. MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except as disclosed in Note 33 to the consolidated financial statements, no contracts of significance to which the Company's subsidiaries was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

35. 董事於交易、安排或合約的重大權益

除綜合財務報表附註33所披露者外，概無本公司附屬公司所訂立且本公司董事或董事的關連實體於其中直接或間接擁有重大權益的重大合約於財政年度期間或結束時仍然有效。

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36. NOTE SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 May 2018 and 2017, the Group recognised additional provision of reinstatement to the clubs and restaurants of HK\$650,000 and nil respectively.

(b) Reconciliation of liabilities arising from financial activities

The table below detail changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities, for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

36. 綜合現金流量表附註

(a) 主要非現金交易

於截至2018年及2017年5月31日止年度，本集團就會所及餐廳的額外修復撥備分別確認650,000港元及零。

(b) 融資活動所產生的負債對賬

下表詳述本集團融資活動所產生的負債變動（包括現金及非現金變動）。融資活動所產生的負債為現金流量已經或未來現金流量將會於本集團的綜合現金流量表分類為融資活動所得現金流量的負債。

		Bank Borrowings (Note 27) 銀行借款 (附註27) HK\$'000 千港元	Total liabilities from financing activities 融資活動所產生 的總負債 HK\$'000 千港元
At 1 June 2017	於2017年6月1日	-	-
Changes from cash flows:	現金流量變動：		
Proceeds from new bank loans	新銀行貸款所得款項	30,550	30,550
Interest paid	已付利息	(285)	(285)
		30,265	30,265
Changes on fair value:	公平值變動：		
Other changes:	其他變動：		
Interest expense	利息開支	285	285
Total other changes	其他變動總額	285	285
As at 31 May 2018	於2018年5月31日	30,550	30,550

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37. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts presented in the consolidated statements of financial position relate to the following categories of financial assets and financial liabilities.

37. 按類別劃分的金融資產及金融負債概要

綜合財務狀況表呈列的賬面值與以下金融資產及金融負債類別有關。

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables:	貸款及應收款項：		
Trade receivables, deposits and other receivables	貿易應收款項、按金及其他應收款項	14,684	10,221
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	19,990	-
Amount due from a related company	應收關聯公司款項	82	176
Cash and cash equivalents	現金及現金等價物	33,508	60,672
Restricted bank deposits	受限制銀行存款	2,146	-
		70,410	71,069
Financial liabilities	金融負債		
Measured at amortised cost:	按攤銷成本計量：		
Trade and other payables	貿易及其他應付款項	11,934	13,839
Bank Borrowings	銀行借款	30,667	-
		42,601	13,839

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38. FINANCIAL RISK MANAGEMENT

The Group's financial assets that derive directly from its operations are trade receivables, deposits and other receivables, amount due from a related company and cash and cash equivalents. Principal financial liabilities of the Group include trade and other payables, and amounts due to related parties. The main purpose of these financial liabilities is to finance the Group's operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The Group does not enter into or trade financial instruments for speculative purposes.

(a) Currency risk

The Group mainly operated in Hong Kong with most of the transactions settled in Hong Kong dollars and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

The Group is exposed to currency risk primarily through financial assets at fair value through profit or loss that are denominated in a currency other than functional currency of the operations to which they relate. The currencies giving rise to the risk are primarily United States dollars.

At 31 May 2018, one of the Group's borrowings are denominated in the functional currency of the entity taking out the loan or, in the case of group entities whose functional currency is Hong Kong dollars, in either Hong Kong dollars or United States dollars. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders.

38. 財務風險管理

本集團直接源自營運的金融資產為貿易應收款項、按金及其他應收款項、應收關聯公司款項以及現金及現金等價物。本集團的主要金融負債包括貿易及其他應付款項以及應付關聯方款項。此等金融負債主要為本集團提供營運資金。

本集團金融工具所產生的主要風險為信貸風險、流動資金風險及利率風險。本集團並無訂立或買賣金融工具以作投機用途。

(a) 貨幣風險

本集團主要於香港經營業務，而大部分交易均以港元結算，故並無面臨因外幣匯率變動而導致的重大風險。

本集團所面臨的貨幣風險主要來自以與業務營運有關的功能貨幣以外貨幣列值的按公平值計入損益的金融資產。美元為主要導致此風險的貨幣。

於2018年5月31日，本集團其中一項借款以貸款實體的功能貨幣計值，或倘集團實體的功能貨幣為港元，則以港元或美元計值。有鑑於此，管理層並不預期將存在任何與本集團的借款相關的重大貨幣風險。

本集團的財務風險管理政策旨在確保有充足資源可用於管理上述風險，並為股東創造價值。

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38. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

(c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables, accruals and other payables, and amounts due to related parties, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets to meet its liquidity requirements in the short and longer term.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major banks and financial institutions to meet its liquidity requirements in the short and longer terms.

The liquidity policies have been followed by the Group during the years ended 31 May 2018 and 2017 and are considered to have been effective in managing liquidity risks.

The following table details the Group's remaining contractual maturity for its 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 maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the end of the reporting period.

38. 財務風險管理 (續)

(b) 信貸風險

信貸風險指金融工具對手方未能按金融工具的條款履行其責任而導致本集團蒙受財務虧損的風險。

(c) 流動資金風險

流動資金風險涉及本集團未能履行其金融負債相關責任的風險。本集團面對有關結算貿易應付款項、應計費用及其他應付款項、應付關聯方款項以及現金流量管理的流動資金風險。本集團旨在維持適當流動資產水平，以滿足短期及長期的流動資金需求。

本集團的政策為定期監察當前及預期流動資金需求，確保維持充裕現金儲備及獲主要銀行及金融機構提供充足的承諾融資額度，以滿足短期及長期的流動資金需求。

本集團於截至2018年及2017年5月31日止年度一直遵循流動資金政策，並認為有關政策於流動資金風險管理方面行之有效。

下表詳述本集團金融負債的剩餘合約期限。下表根據金融負債的未貼現現金流量（基於本集團須付款的最早日期）編製。其他非衍生金融負債的到期日乃基於協定還款日期。下表載有利息及本金現金流量。倘利息流量屬浮動利率，則未貼現金額按報告期末的利率計算。

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38. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (CONT'D)

Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	More than one year but less than two years		
				HK\$'000	HK\$'000
賬面值 HK\$'000 千港元	合約未貼現現金 流量總額 HK\$'000 千港元	一年內或 按要求 HK\$'000 千港元	超過一年 但少於兩年 HK\$'000 千港元		
At 31 May 2018	於2018年5月31日				
Trade and other payables	貿易及其他應付款項	11,934	11,934	10,757	1,177
Bank Borrowings	銀行借款	30,667	30,667	30,667	-
		42,601	42,601	41,424	1,177
At 31 May 2017	於2017年5月31日				
Trade and other payables	貿易及其他應付款項	13,839	13,839	12,539	1,290

(d) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's bank deposits bear floating interest rates. The Group has no cash flow or fair value interest rate risk as there are no borrowings which bear fixed or floating interest rates.

(d) 利率風險

利率風險涉及金融工具公平值或現金流量因市場利率變動而波動的風險。本集團的銀行存款按浮動利率計息。由於本集團並無按固定或浮動利率計息的借款，故本集團並無現金流量或公平值利率風險。

39. FAIR VALUE MEASUREMENTS

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy (Note 5):

	Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 May 2018	於2018年5月31日			
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產			
- Listed debts securities	- 上市債務證券	19,990	-	19,990

39. 公平值計量

下表載列根據公平值等級（附註5）劃分按公平值列賬的金融工具分析：

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 May 2018 2018年5月31日

39. FAIR VALUE MEASUREMENTS (CONT'D)

There have been no significant transfers between levels 1 and 2 in the reporting period. There were no financial instruments carried at fair value as at 31 May 2017.

40. CAPITAL RISK MANAGEMENT

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern and maximising the return to stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group actively and regularly reviews the capital structure and makes adjustments to the capital structure in light of changes in economic conditions. The Group monitors its capital structure on the basis of debt to equity ratio.

The debt to equity ratio at reporting date was as follows:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Bank Borrowings	銀行借款	30,667	—
Total equity	總權益	41,574	67,347
Debt-to-equity ratio	債務權益比率	1:1.4	N/A 不適用

41. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 27 August 2018.

39. 公平值計量 (續)

於報告期間，第1及2級之間概無進行任何重大轉移。於2017年5月31日，概無按公平值列賬的金融工具。

40. 資本風險管理

本集團管理資本的主要目的是保障本集團的持續經營能力並盡量提高股東的回報。

為維持或調整資本架構，本集團或會調整向股東派付的股息金額、向股東返還資本、發行新股或出售資產以減少債務。

本集團積極定期審閱資本架構，並因應經濟狀況的變動調整資本架構。本集團根據債務權益比率監察其資本架構。

於報告日期的債務權益比率如下：

41. 核准財務報表

董事會於2018年8月27日核准並授權刊發綜合財務報表。

Financial Summary

財務概要

A summary of the results and of the liabilities of the Group for the last four year financial years, as extracted from the audited consolidated financial statements in this annual report and the prospectus, is set out below:

以下為本集團於最近四個財政年度的業績及負債概要，乃摘錄自本年報內的經審核綜合財務報表及招股章程：

RESULT

業績

		Year ended 31 May 截至5月31日止年度			
		2018 HK\$'000 2018年 千港元	2017 HK\$'000 2017年 千港元	2016 HK\$'000 2016年 千港元	2015 HK\$'000 2015年 千港元
Revenue	收益	85,343	96,164	88,870	67,387
Finance income	融資收入	505	-	-	-
Cost of inventories sold	已售存貨成本	(17,610)	(19,117)	(18,172)	(13,300)
Other income and gains	其他收入及收益	377	73	557	432
Property rentals and related expenses	物業租金及相關開支	(25,180)	(22,975)	(20,919)	(16,066)
Advertising and marketing expenses	廣告及市場推廣開支	(14,094)	(11,915)	(11,709)	(11,278)
Employee benefits expenses	僱員福利開支	(27,244)	(18,311)	(13,068)	(7,656)
Depreciation	折舊	(4,672)	(4,253)	(4,199)	(3,472)
Listing expenses	上市開支	-	(15,532)	-	-
Fair value change on financial assets at fair value through profit or Loss	按公平值計入損益的金融資產公平值變動	(446)	-	-	-
Other expenses	其他開支	(20,639)	(13,064)	(10,953)	(7,478)
Finance cost	融資成本	(285)	-	-	-
(Loss)/profit before income tax expense	除所得稅開支前(虧損)/溢利	(23,945)	(8,930)	10,407	8,569
Income tax expense	所得稅開支	(1,828)	(847)	(2,023)	(1,470)
(Loss)/profit and total comprehensive income for the year	年內(虧損)/溢利及全面收入總額	(25,773)	(9,777)	8,384	7,099
(Loss)/profit and total comprehensive income for the year attributable to:	以下人士應佔年內(虧損)/溢利及全面收入總額：				
- Owners of the Company	- 本公司擁有人	(25,135)	(9,513)	8,384	7,099
- Non-controlling interests	- 非控股權益	(638)	(264)	-	-
		(25,773)	(9,777)	8,384	7,099

Financial Summary

財務概要

ASSETS AND LIABILITIES

資產與負債

		Year ended 31 May 截至5月31日止年度			
		2018	2017	2016	2015
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		2018年	2017年	2016年	2015年
		千港元	千港元	千港元	千港元
Total assets	總資產	87,407	85,384	39,680	30,014
Total liabilities	總負債	(45,833)	(18,037)	(27,706)	(26,424)
Total equity	總權益	41,574	67,347	11,974	3,590

BCI GROUP HOLDINGS LIMITED
高門集團有限公司

