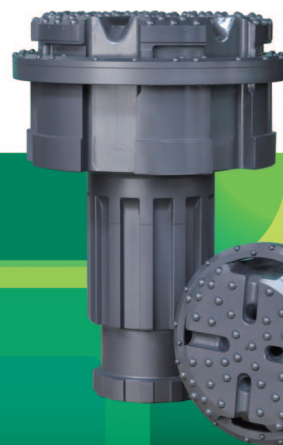


Yuk Wing Group Holdings Limited 煜榮集團控股有限公司

(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：1536



2016/17
ANNUAL REPORT 年報

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CORPORATE INFORMATION

公司資料

COMPANY NAME

Yuk Wing Group Holdings Limited

公司名稱

煜榮集團控股有限公司

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

註冊辦事處

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Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Chai Wan
Hong Kong

香港主要營業地點

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柴灣
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17樓B室

COMPANY WEBSITE

www.yukwing.com

公司網址

www.yukwing.com

AUTHORISED REPRESENTATIVES

Mr. Tat Choi Chan
Mr. Jonathan Edward Chun-chung Chow

授權代表

陳達材先生
周鎮忠先生

COMPANY SECRETARY

Mr. Jonathan Edward Chun-chung Chow

公司秘書

周鎮忠先生

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

核數師

德勤•關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一期35樓

LEGAL ADVISERS

As to Hong Kong law:

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place
Central
Hong Kong

法律顧問

香港法律：

瑞生國際律師事務所
香港
中環
康樂廣場8號
交易廣場一期18樓

CORPORATE INFORMATION

公司資料

As to Cayman Islands law:

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

COMPLIANCE ADVISER

Octal Capital Limited
802-805, 8th Floor, Nan Fung Tower
88 Connaught Road Central
Hong Kong

CAYMAN SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

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

COMPANY DIRECTORS

Executive Directors

Mr. Leung Choi Chan (*Chairman and Chief Executive Officer*)
Mr. Kin Choi Chan
Mr. Tat Choi Chan
Ms. Ning Liang

Independent Non-executive Directors

Mr. Lewis Chan
Mr. Chun Fung Lam
Mr. Lok Man Richard Sung

AUDIT AND COMPLIANCE COMMITTEE

Mr. Lok Man Richard Sung (*Chairman*)
Mr. Chun Fung Lam
Mr. Lewis Chan

開曼群島法律：

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

合規顧問

八方金融有限公司
香港
干諾道中88號
南豐大廈8樓802-805室

開曼群島股份過戶登記處

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
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Cayman Islands

香港證券登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

公司董事

執行董事

陳樑材先生 (*主席兼行政總裁*)
陳健材先生
陳達材先生
梁寧女士

獨立非執行董事

陳令紘先生
藍俊峰先生
宋樂文先生

審核及合規委員會

宋樂文先生 (*主席*)
藍俊峰先生
陳令紘先生

CORPORATE INFORMATION

公司資料

REMUNERATION COMMITTEE

Mr. Lewis Chan (*Chairman*)
Mr. Leung Choi Chan
Mr. Lok Man Richard Sung

NOMINATION COMMITTEE

Mr. Leung Choi Chan (*Chairman*)
Mr. Lewis Chan
Mr. Chun Fung Lam

PRINCIPAL BANKERS:

Bank of China (Hong Kong) Limited
1 Garden Road, Central
Hong Kong

DBS Bank (Hong Kong) Limited
16th Floor, The Center
99 Queen's Road Central
Hong Kong

薪酬委員會

陳令紘先生 (*主席*)
陳樑材先生
宋樂文先生

提名委員會

陳樑材先生 (*主席*)
陳令紘先生
藍俊峰先生

主要往來銀行：

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香港
中環花園道1號

星展銀行(香港)有限公司
香港
中環皇后大道中99號
中環中心16樓

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Yuk Wing Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”), I would like to present the first annual report of the Group since the listing (the “**Listing**”) of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on January 11, 2017 (the “**Listing Date**”).

REVIEW

For the year ended March 31, 2017 (the “**Year**”), the Group’s revenue was approximately HK\$126.7 million (2016: HK\$141.7 million). Such decrease was mainly attributable to the delays in funding approvals for construction jobs in Hong Kong by the Legislative Council of Hong Kong (“**Legislative Council**”), resulting in a lower than expected demand of our products.

The Group’s profit attributable to owners of the Company decreased from approximately HK\$27.0 million for the year ended March 31, 2016 to a loss of approximately HK\$2.3 million for the Year. The loss attributable to owners of the Company was mainly due to the decrease in revenue for the Group, together with the one-off listing expenses of approximately HK\$25.2 million (2016: HK\$1.0 million) incurred during the Year. Excluding this non-recurring expenses, the Group’s profits attributable to owners of the Company would have been approximately HK\$22.9 million (2016: approximately HK\$28.0 million).

PROSPECTS

Looking ahead, the Group remains positive about the prospects of the market and will continue to focus on our core business of manufacturing and trading of down-the-hole (“**DTH**”) rockdrilling tools in Hong Kong and Macau, and our efforts to strengthen and extend our presence in the overseas markets. In order to maximise the long term returns to our shareholders, the Group will devote more resources towards the development of our manufacturing and trading of DTH rockdrilling tools business.

致各位股東：

本人謹代表煜榮集團控股有限公司（「**本公司**」）及其附屬公司（統稱「**本集團**」）董事（「**董事**」）會（「**董事會**」）提呈本集團自本公司股份於二零一七年一月十一日（「**上市日期**」）在香港聯合交易所有限公司（「**聯交所**」）主板上市（「**上市**」）起之首份年度報告。

回顧

截至二零一七年三月三十一日止年度（「**本年度**」），本集團的收益約為126.7百萬港元（二零一六年：141.7百萬港元）。收益減少乃主要由於香港立法會（「**立法會**」）在審批香港建築工程的資金方面出現延誤，導致對我們產品的需求低於預期。

本集團的本公司擁有人應佔溢利由截至二零一六年三月三十一日止年度約27.0百萬港元減少至本年度之虧損約2.3百萬港元。本公司擁有人應佔虧損乃主要由於本集團收益減少，連同本年度產生的一次性上市開支約25.2百萬港元（二零一六年：1.0百萬港元）所致。撇除此項非經常性開支，本集團的本公司擁有人應佔溢利原本應約為22.9百萬港元（二零一六年：約28.0百萬港元）。

前景

展望未來，本集團對市場前景保持樂觀態度，並將繼續專注發展我們於香港及澳門製造及買賣潛孔（「**潛孔**」）鑿岩工具的核心業務，致力鞏固及拓展在海外市場的份額。為求向股東帶來最大的長期回報，本集團將在發展製造及買賣潛孔鑿岩工具業務方面投放更多資源。

CHAIRMAN'S STATEMENT

主席報告書

APPRECIATION

The Company was successfully listed on the Main Board of the Stock Exchange on January 11, 2017. On behalf of the Board, I would like to express our appreciation to the parties who have assisted us during the preparation process of the Listing.

Last but not least, I would like to express our sincere gratitude to our shareholders, customers and business partners for their continuous support, and to our management and staff members for their diligence, dedication and contribution to the growth of the Group.

By order of the Board

Yuk Wing Group Holdings Limited

Leung Choi Chan

Chairman and Executive Director

Hong Kong, June 28, 2017

感謝

本公司於二零一七年一月十一日成功在聯交所主板上市。本人謹代表董事會向曾在上市籌備過程中協助我們的各方致以謝意。

最後，本人謹此衷心感謝股東、客戶及業務夥伴一直以來的支持，同時亦就管理層及全體員工為本集團發展所作出的默默耕耘、竭誠奉獻及寶貴貢獻向彼等致以謝意。

承董事會命

煜榮集團控股有限公司

陳樑材

主席兼執行董事

香港，二零一七年六月二十八日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

1. BUSINESS REVIEW

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools, trading of piling and drilling machineries and rockdrilling equipment.

Hong Kong and Macau remain to be the Group's major markets, where the revenue generated from Hong Kong contributed to approximately HK\$110.8 million for the Year (2016: HK\$125.6 million), or 87.5% of the total revenue during the Year (2016: 88.6%). The business in Macau has seen signs of improvement during the Year, where the revenue generated from Macau contributed to approximately HK\$9.9 million for the Year (2016: HK\$5.0 million), or 7.8% of the total revenue during the Year (2016: 3.5%).

Manufacturing and Trading of DTH Rockdrilling Tools

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools. Our self-designed and manufactured DTH rockdrilling tools can be categorised into the following main categories, namely DTH hammers, casing systems (comprising driver bits and casing bits), and other miscellaneous products including button bits and bit openers, as well as our newly developed products, drill pipes, cluster drills and casing tubes. Revenue from the manufacturing and trading of DTH rockdrilling tools contributed to approximately 68.5% of the total revenue during the Year (2016: approximately 79.2%).

Trading of Piling and Drilling Machineries and Rockdrilling Equipment

The Group is also engaged in the trading of piling and drilling machineries and rockdrilling equipment to our customers as part of our technical rockdrilling solutions. Revenue from the trading of piling and drilling machineries, and rockdrilling equipment, contributed to approximately 20.0% of the total revenue during the Year (2016: approximately 10.8%) and approximately 11.5% of the total revenue during the Year (2016: approximately 10.0%), respectively.

1. 業務回顧

本集團主要從事製造及買賣潛孔鑿岩工具、買賣打樁機及鑽機和鑿岩設備。

香港及澳門仍然為本集團的主要市場，其中本年度在香港產生的收益約為110.8百萬港元（二零一六年：125.6百萬港元），或佔本年度總收益的87.5%（二零一六年：88.6%）。澳門業務於本年度有改善跡象，於本年度在澳門產生的收益約為9.9百萬港元（二零一六年：5.0百萬港元），或佔本年度總收益的7.8%（二零一六年：3.5%）。

製造及買賣潛孔鑿岩工具

本集團主要從事製造及買賣潛孔鑿岩工具。我們自主設計及製造的潛孔鑿岩工具主要分為以下類別：潛孔錘、套管系統（包括驅導鑽頭及套管鑽頭）及其他雜項產品（包括球齒鑽頭及擴孔器）以及新開發產品、鑽杆、叢式鑽具及套管。製造及買賣潛孔鑿岩工具的收益佔本年度總收益約68.5%（二零一六年：約79.2%）。

買賣打樁機及鑽機和鑿岩設備

本集團亦從事根據鑿岩技術解決方案向客戶買賣打樁機及鑽機和鑿岩設備。買賣打樁機及鑽機和鑿岩設備的收益分別佔本年度總收益約20.0%（二零一六年：約10.8%）和約11.5%（二零一六年：約10.0%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

2. FINANCIAL REVIEW

2.1 Consolidated Results of Operations

The Group's revenue decreased by approximately HK\$15.0 million, or 10.6%, to approximately HK\$126.7 million for the Year, from approximately HK\$141.7 million for the year ended March 31, 2016. Our gross profit for the years ended March 31, 2016 and 2017 were approximately HK\$63.2 million and approximately HK\$57.9 million, respectively. For the years ended March 31, 2016 and 2017, the revenue from the manufacturing and trading of DTH rockdrilling tools accounted for 79.2% and 68.5% of the total revenue, respectively. The revenue from trading of piling and drilling machineries, and trading of rockdrilling equipment accounted for the rest of our revenue. We sell our products to customers in Hong Kong, Macau, and through distributors in Finland and Japan to end users in Scandinavia and Japan. We generated most of our revenue from sales in Hong Kong, which accounted for approximately 88.6% and 87.5% of our total revenue in the two years ended March 31, 2016 and 2017, respectively.

The following discussion addresses the principal trends that have affected our results of operations during the Year. The following table sets out our consolidated results of operations for the years indicated:

2. 財務回顧

2.1 綜合經營業績

本集團收益由截至二零一六年三月三十一日止年度約141.7百萬港元減少約15.0百萬港元或10.6%至本年度約126.7百萬港元。我們於截至二零一六年及二零一七年三月三十一日止年度的毛利分別約為63.2百萬港元及約57.9百萬港元。於截至二零一六年及二零一七年三月三十一日止年度，製造及買賣潛孔鑿岩工具的收益分別佔總收益的79.2%及68.5%。我們餘下收益為買賣打樁機及鑽機及買賣鑿岩設備的收益。我們向港澳客戶以及透過芬蘭及日本的分銷商向斯堪的納維亞及日本的終端用戶銷售產品。截至二零一六年及二零一七年三月三十一日止兩個年度，我們大部分收益來自於香港的銷售，分別佔總收益約88.6%及87.5%。

下文論述於本年度影響我們的經營業績的主要趨勢。下表載列我們於所示年度的綜合經營業績：

		For the year ended March 31, 截至三月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	126,675	141,744
Cost of sales	銷售成本	(68,730)	(78,523)
Gross profit	毛利	57,945	63,221
Other income	其他收入	1,539	4,357
Other gains and losses	其他收益及虧損	2,616	1,577
Selling and distribution expenses	銷售及分銷開支	(4,808)	(4,031)
Administrative expenses	行政開支	(23,518)	(20,786)
Listing expenses	上市開支	(25,159)	(1,013)
Finance costs	融資成本	(718)	(419)
Profit before tax	除稅前溢利	7,897	42,906
Income tax expense	所得稅開支	(5,146)	(7,654)
Profit for the year	年內溢利	2,751	35,252
Total comprehensive income for the year	年內全面總收益	1,101	33,694

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

2. FINANCIAL REVIEW (Continued)

2.1 Consolidated Results of Operations (Continued)

(a) Revenue

The Group's revenue decreased by approximately HK\$15.0 million, or 10.6%, to approximately HK\$126.7 million for the Year, from approximately HK\$141.7 million for the year ended March 31, 2016, primarily due to the delays in funding approvals for construction jobs in Hong Kong by the Legislative Council, resulting in a lower than expected demand of our products.

(b) Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$5.3 million, or 8.4%, to approximately HK\$57.9 million for the Year, from approximately HK\$63.2 million for the year ended March 31, 2016, primarily due to the decrease in revenue as mentioned above. Gross profit margin increased to approximately 45.7% for the Year, from approximately 44.6% for the year ended March 31, 2016, mainly attributable to the depreciation of the Renminbi currency against the Hong Kong Dollar, as a majority of the Group's cost of sales are denominated in Renminbi.

(c) Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$0.8 million, or 20.0%, to approximately HK\$4.8 million for the Year, from approximately HK\$4.0 million for the year ended March 31, 2016, mainly due to the increase in sales staff costs during the Year.

2. 財務回顧(續)

2.1 綜合經營業績(續)

(a) 收益

本集團的收益由截至二零一六年三月三十一日止年度約141.7百萬港元減少約15.0百萬港元或10.6%至本年度約126.7百萬港元，主要是由於立法會在審批香港建築工程的資金方面出現延誤，導致對我們產品的需求低於預期。

(b) 毛利及毛利率

本集團的毛利由截至二零一六年三月三十一日止年度約63.2百萬港元減少約5.3百萬港元或8.4%至本年度約57.9百萬港元，主要是由於收益如上文所述減少所致。毛利率由截至二零一六年三月三十一日止年度約44.6%上升至本年度約45.7%，主要是由於人民幣兌港元貶值，而本集團大部分銷售成本均以人民幣計值。

(c) 銷售及分銷開支

本集團的銷售及分銷開支由截至二零一六年三月三十一日止年度約4.0百萬港元增加約0.8百萬港元或20.0%至本年度約4.8百萬港元，主要是由於本年度銷售人員成本增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

2. FINANCIAL REVIEW (Continued)

2.1 Consolidated Results of Operations (Continued)

(d) Administrative Expenses

The Group's administrative expenses increased by approximately HK\$2.7 million, or 13.0%, to approximately HK\$23.5 million for the Year, from approximately HK\$20.8 million for the year ended March 31, 2016, primarily due to an increase in audit fees, staff costs and directors' remuneration during the Year.

(e) Listing Expenses

The Group's listing expenses increased by approximately HK\$24.2 million to approximately HK\$25.2 million for the Year, from approximately HK\$1.0 million for the year ended March 31, 2016, primarily attributable to the recognition of listing expenses due to the successful listing of the Group on the Stock Exchange on the Listing Date.

(f) Finance Costs

The Group's finance costs increased by approximately HK\$0.3 million, or 75.0%, to approximately HK\$0.7 million for the Year, from approximately HK\$0.4 million for the year ended March 31, 2016, primarily due to the increase in bank borrowings during the Year.

(g) Net Profit

The Group recorded a net profit of approximately HK\$2.8 million for the Year as compared to the net profit of approximately HK\$35.3 million for the year ended March 31, 2016. The decrease was mainly attributable to the decrease in revenue, together with the listing expenses incurred during the Year.

3. STRATEGY AND PROSPECTS

The Group is a leading manufacturer and supplier of DTH rockdrilling tools in Hong Kong. We also supply piling and drilling machineries and rockdrilling equipment sourced from external suppliers, and provide technical rockdrilling solutions to our customers with a variety of rockdrilling needs.

2. 財務回顧(續)

2.1 綜合經營業績(續)

(d) 行政開支

本集團的行政開支由截至二零一六年三月三十一日止年度約20.8百萬港元增加約2.7百萬港元或13.0%至本年度約23.5百萬港元，主要是由於本年度審核費用、員工成本及董事薪酬增加所致。

(e) 上市開支

本集團的上市開支由截至二零一六年三月三十一日止年度約1.0百萬港元增加約24.2百萬港元至本年度約25.2百萬港元，主要是由於本集團於上市日期在聯交所成功上市，導致確認上市開支。

(f) 融資成本

本集團的融資成本由截至二零一六年三月三十一日止年度約0.4百萬港元增加約0.3百萬港元或75.0%至本年度約0.7百萬港元，主要是由於銀行借貸於本年度增加所致。

(g) 純利

本集團於本年度錄得純利約2.8百萬港元，而截至二零一六年三月三十一日止年度則錄得純利約35.3百萬港元。純利減少主要是由於收益減少以及於本年度產生上市開支所致。

3. 策略及前景

本集團是香港領先的潛孔鑿岩工具製造商及供應商。我們亦供應自外界供應商採購的打樁機及鑽機和鑿岩設備，並為有各類鑿岩需求的客戶提供鑿岩技術解決方案。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

3. STRATEGY AND PROSPECTS (Continued)

The year 2017 is the first year that the shares of the Company are listed on the Stock Exchange. The successful listing has not only strengthened the shareholders base of the Group, but also further enhanced the Group's financing capability and increased its brand awareness and reputation.

During the Year, the Group continued to steadily develop its various business segments. However, for Hong Kong, the Group's major market, the market environment has been challenging in recent months due to the delay in the funding approval process, as well as the increased uncertainties in obtaining approvals for public works by the Legislative Council. From the information published by the government, in the 2016-17 legislative session, it is estimated that the government needed to seek funding approval of more than HK\$90 billion from the Finance Committee of Legislative Council for the new works projects. However, as the Legislative Council has been very slow in its progress of approving funding proposals for works projects, so far there is only one new works project that has obtained funding approval totaling about HK\$1.1 billion up to March 2017. This has impacted the Group's revenue and profitability for the Year. Although the planned public works from the relevant government departments continue to be delayed pending approval from the Legislative Council, the recent approvals for some of the public works projects showed signs of improvement. Moreover, as stated in the 2017 Policy Address, the government has been increasing land supply and addressing the supply and demand imbalance by implementing short, medium and long-term measures. It is anticipated that more construction projects will be approved and commenced by the government and the private sector in the coming years.

The Macau market has seen signs of improvement during the Year. The Group will continue to capture the business opportunities as and when they arise.

The Group has been continuing its efforts to strengthen and extend its presence in several key international markets, including Scandinavia, Japan and India.

Overall, the Group remains positive towards the future of the construction market and the business of the Group in Hong Kong and Macau, and will continue its efforts to strengthen and extend its presence in the overseas markets.

3. 策略及前景(續)

二零一七年為本公司股份於聯交所上市的首年。成功上市不僅加強本集團的股東基礎，亦進一步加強了本集團的融資能力並提高了其品牌知名度及信譽。

本集團於本年度繼續穩步發展其各個業務分部。然而，由於資金審批過程延遲，加上就公務工程取得立法會批准的不確定因素增加，香港(本集團的主要市場)的市場環境近月來充滿挑戰。根據政府頒佈的資料，估計政府於二零一六年至一七年的立法會期內須就新工程項目向立法會財務委員會申請批准的撥款超過900億港元。然而，由於立法會審批工程項目撥款動議的進度非常緩慢，截至二零一七年三月為止僅有一個新工程項目獲批准合共約11億港元的撥款，對本集團於本年度的收益及盈利能力造成影響。儘管相關政府部門繼續延遲已規劃的公務工程，以待立法會審批，近期批准的若干公務工程項目已呈現改善跡象。此外，誠如二零一七年施政報告所述，政府一直透過實行短期、中期及長期措施增加土地供應，解決供求不平衡的問題。於未來數年，預計政府及私營機構將會批准及展開更多建築工程。

澳門市場於本年度有改善跡象。本集團將於商機來臨時繼續加以把握。

本集團繼續致力鞏固及拓展在斯堪的納維亞、日本及印度等若干關鍵國際市場的份額。

總括而言，本集團對建築市場以及本集團的香港及澳門業務之前景維持樂觀，並將繼續致力鞏固及拓展在海外市場的份額。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

4. LIQUIDITY AND FINANCIAL RESOURCES

As at March 31, 2017, the Group had total cash and cash equivalents of approximately HK\$100,856,000 (2016: approximately HK\$27,628,000). The increase was mainly resulted from the funds raised from the public offer in January 2017.

The gearing ratio of the Group as at March 31, 2017 (defined as the Group's total interest bearing liabilities divided by the Group's total equity) was approximately 13.2% (2016: approximately 6.7%). The increase in gearing ratio of the Group as at March 31, 2017 is mainly due to the increase in bank borrowings.

5. CAPITAL STRUCTURE

The Group's shares were successfully listed on the Main Board of the Stock Exchange on January 11, 2017. As at March 31, 2017, the Company's issued share capital was HK\$38,000,000 and the number of its issued ordinary shares was 380,000,000 of HK\$0.1 each. There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report.

6. EMPLOYEES AND REMUNERATION POLICIES

As at March 31, 2017, the Group had approximately 127 employees (March 31, 2016: approximately 132 employees) in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on discretionary basis, mandatory provident fund scheme for Hong Kong employees, state-sponsored retirement plans for PRC employees.

7. FOREIGN EXCHANGE RISK

Our Group's operations are mainly in Hong Kong and the PRC, and most of the operating transactions, revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars and Renminbi. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if it arises. The Group has not engaged in any derivative to hedge its exposure to foreign exchange risk.

4. 流動資金及財務資源

於二零一七年三月三十一日，本集團的現金及現金等價物約為100,856,000港元(二零一六年：約27,628,000港元)。現金及現金等價物增加主要是由於在二零一七年一月公開發售籌集的資金所致。

於二零一七年三月三十一日，本集團的資產與負債比率(定義為本集團的總計息負債除以本集團的總權益)約為13.2%(二零一六年：約6.7%)。本集團於二零一七年三月三十一日的資產與負債比率上升主要是由於銀行借貸增加所致。

5. 資本架構

本集團股份成功於二零一七年一月十一日在聯交所主板上市。於二零一七年三月三十一日，本公司已發行股本為38,000,000港元，而已發行普通股數目為380,000,000股，每股面值0.1港元。自上市日期起至本報告日期止，本集團資本架構概無任何變動。

6. 僱員及薪酬政策

於二零一七年三月三十一日，本集團於香港及中國擁有約127名僱員(二零一六年三月三十一日：約132名僱員)。本集團定期檢討薪酬政策並參考市場條款、公司表現及個人資歷及表現後釐定。其他員工福利包括按酌情基準發放的花紅、為香港僱員而設的強制性公積金計劃及為中國僱員而設的國家資助退休計劃。

7. 外匯風險

本集團主要於香港及中國營運，而大部分營運交易、收益、開支、貨幣資產及負債均以港元及人民幣計值。因此，董事認為，本集團的外匯風險並不重大，且我們應具有足夠資源即時應付外匯需要(如有)。本集團並無使用任何衍生工具對沖其外匯風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

8. MAJOR CUSTOMERS AND MAJOR SUPPLIERS

During the Year, the revenue attributable to our top five customers was approximately HK\$63.3 million (2016: approximately HK\$80.9 million), accounting for approximately 50.0% (2016: approximately 57.1%) of the total revenue of the Group. During the Year, our purchases from our top five suppliers were approximately HK\$32.6 million (2016: approximately HK\$33.6 million), accounting for approximately 61.6% (2016: approximately 64.3%) of our total purchases. The Group's top five customers and suppliers during the Year were independent third parties, and none of our Directors, their associates or any shareholder (who, to the knowledge of our Directors, owned more than 5% of our Company's share capital as at the date of this announcement) had any interest in any of our top five customers or suppliers during the Year.

9. CHARGE ON GROUP ASSETS

As at March 31, 2016, bank borrowings amounting to HK\$3,709,000 was personally guaranteed by Mr. Leung Choi Chan and Mr. Kin Choi Chan. Deposits held by Mr. Leung Choi Chan amounting to HK\$500,000 and properties held by a related company, Top Champion Industries Limited, were pledged to secure general banking facilities granted to the Group. Upon listing of Company's shares on the Stock Exchange on January 11, 2017, the deposits, pledges and personal guarantees were released and replaced by a corporate guarantee provided by the Company.

As at March 31, 2017, bank borrowings amounting to HK\$19,876,000 are guaranteed by the Company. As at March 31, 2017, deposits placed at an insurance company amounting to HK\$4,340,000 were pledged to secure general banking facilities granted to the Group.

10. CONTINGENT LIABILITIES

Save as disclosed in note 33 to the consolidated financial statements, the Group has not had any material contingent liability as at March 31, 2017.

11. CAPITAL COMMITMENTS

As at March 31, 2017, the Group had no capital commitments (2016: approximately HK\$38,000).

12. FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

As at March 31, 2017, the Group did not have plan for material investment and capital assets.

13. MATERIAL ACQUISITIONS AND DISPOSALS

There has been no significant investment, material acquisition or disposal of subsidiaries and associated companies by the Company during the Year.

8. 主要客戶及主要供應商

於本年度，五大客戶應佔收益約為63.3百萬港元(二零一六年：約80.9百萬港元)，佔本集團總收益約50.0%(二零一六年：約57.1%)。於本年度，對五大供應商的採購額約為32.6百萬港元(二零一六年：約33.6百萬港元)，佔我們的總採購約61.6%(二零一六年：約64.3%)。於本年度，本集團的五大客戶及供應商均為獨立第三方，且概無董事、其聯繫人或任何據董事所知於本報告日期持有本公司股本5%以上之股東於本年度持有我們五大客戶或供應商的任何權益。

9. 集團資產押記

於二零一六年三月三十一日之銀行借貸3,709,000港元由陳樑材先生及陳健材先生個人擔保。陳樑材先生抵押所持存款500,000港元而關聯公司泰昌抵押所持物業以擔保本集團獲授的一般銀行融資。存款、抵押及個人擔保已於本公司股份於二零一七年一月十一日在聯交所上市後解除，並以於本公司提供的公司擔保代替。

於二零一七年三月三十一日，銀行借貸19,876,000港元由本公司擔保。於二零一七年三月三十一日，存放於保險公司之存款4,340,000港元已作抵押，以擔保本集團獲授的一般銀行融資。

10. 或然負債

除綜合財務報表附註33所披露者外，本集團於二零一七年三月三十一日並無任何重大或然負債。

11. 資本承擔

於二零一七年三月三十一日，本集團並無任何資本承擔(二零一六年：約38,000港元)。

12. 重大投資及資本資產的未來計劃

於二零一七年三月三十一日，本集團並無任何重大投資及資本資產的計劃。

13. 重大收購及出售

於本年度，本公司概無任何重大投資、重大收購或出售附屬公司及聯營公司的事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

14. USE OF PROCEEDS FROM THE PUBLIC OFFER

The Shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited on January 11, 2017. The net proceeds from the public offer received by the Company, after deduction of the underwriting commissions and other related listing expenses payable by the Company in the public offer, were approximately HK\$88.3 million. In accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus, the net proceeds received were applied by the Group from the Listing Date up to March 31, 2017 as follows:

Use of net proceeds	Estimated Net Proceeds as per the Prospectus 根據招股章程的 估計所得款項 淨額 HK\$' million 百萬港元	Actual Net Proceeds 實際所得款項 淨額 HK\$' million 百萬港元	Used	Unused	
			amounts as at March 31, 2017 於二零一七年 三月三十一日 的已動用金額 HK\$' million 百萬港元	amounts as at March 31, 2017 於二零一七年 三月三十一日 的未動用金額 HK\$' million 百萬港元	
Investing in new manufacturing facility	投資新生產設施	48.0	50.4	–	50.4
Research and development	研發	3.9	4.4	–	4.4
Participation in overseas exhibition and promotions	參加海外展會及推廣活動	9.6	9.7	–	9.7
Purchase of brand new drilling machineries	購買全新鑽孔器械	8.2	8.8	–	8.8
Increasing manpower in Hong Kong	增加位於香港的人手	3.8	4.4	–	4.4
Renting of new office for Hong Kong headquarters	租賃香港總部新辦公室	3.2	3.5	–	3.5
Working capital and other general corporate purposes	營運資金及其他一般企業用途	6.9	7.1	0.4	6.7
Total	總計	83.6	88.3	0.4	87.9

The unutilised amounts of the net proceeds will be applied in the manner consistent with that mentioned in the Prospectus.

As at the date of this report, the Directors do not anticipate any change to the plan of the use of proceeds as disclosed above. The unused net proceeds have been deposited with banks in Hong Kong.

For further information regarding the use of the Company's proceeds from the public offer, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

14. 公開發售所得款項用途

本公司股份於二零一七年一月十一日在香港聯合交易所有限公司主板上市。經扣除本公司於公開發售中應付的包銷佣金及其他相關上市開支後，本公司從公開發售收到的所得款項淨額約為88.3百萬港元。根據招股章程「未來計劃及所得款項用途」一節所載的建議用途，本集團自上市日期起至二零一七年三月三十一日將已收到的所得款項淨額用作下列用途：

未動用的所得款項淨額將根據招股章程所述方式應用。

於本報告日期，董事預計上文所披露的所得款項用途計劃將不會出現任何變動。未動用所得款項淨額已存放於香港的銀行。

有關本公司公開發售所得款項用途的進一步資料，請參閱招股章程「未來計劃及所得款項用途」一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board of Directors of the Company has hereby submitted its Corporate Governance Report for the Year to the shareholders.

本公司董事會謹此向股東提呈本年度的企業管治報告。

1. COMPLIANCE OF THE CODE

The Company focuses on maintaining a high standard of corporate governance for purposes of enhancing the value for shareholders and protecting their interests. The Company has adopted such provisions of the Code as stated in the Corporate Governance Code (the “Code”) and Corporate Governance Report provided in Appendix 14 to the Listing Rules. Since the Company was listed during the Year, the Code does not apply to the Company during the Year before it was listed. However, the Company has established the corporate governance structure in accordance with the Listing Rules and the Code and has set up a series of corporate governance measures. The Directors believe that commencing from the Listing Date, the Company has been observing all mandatory provisions of the code as stipulated in the Corporate Governance Code except the provisions of A.2.1, details of which are set out in 3.3 below.

The Board of Directors will examine and review, from time to time, the Company’s corporate governance practices and operation in order to meet the relevant provisions under the Listing Rules and to protect the shareholders’ interests.

2. SECURITIES TRANSACTIONS CONDUCTED BY DIRECTORS AND THE RELEVANT EMPLOYEES

The Company has adopted the model code against which the Directors of listed issuers conduct securities transactions as provided in Appendix 10 to the Listing Rules (the “Model Code”), taking such Code against which the Directors of the Company may conduct securities transactions.

Since the Company was listed on the Hong Kong Stock Exchange during the Year, the Model Code does not apply to the Company before the Listing Date.

Upon specific enquiry conducted by the Company, all the Directors have confirmed that commencing from the Listing Date, they have been fully observing the Model Code.

1. 遵守守則

本公司專注於維持高水平的企業管治，旨在為股東提升價值及保障彼等的權益。本公司已採納載於上市規則附錄14企業管治守則（「守則」）及企業管治報告的守則條文。由於本公司於本年度上市，於本公司上市前的本年度守則並不適用於本公司。然而，本公司已根據上市規則及守則成立企業管治結構，及設立一系列企業管治措施。董事相信，自上市日期起，本公司已遵守企業管治守則規定的所有強制性條文，惟守則條文第A.2.1條除外，其詳情載於下文3.3。

董事將不時研究及檢討本公司的企業管治常規與運作模式，以符合上市規則的有關條文及保障股東權益。

2. 董事及有關僱員進行的證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），並將此守則作為本公司董事可能進行證券交易的守則。

由於本公司於本年度在香港聯交所上市，故標準守則於上市日期前並不適用於本公司。

經本公司作出特定查詢後，全體董事確認，彼等自上市日期起一直全面遵守標準守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

3. BOARD OF DIRECTORS

3.1 Board of Directors

(a) Composition of Board of Directors

The Board comprises seven Directors, including four Executive Directors and three Independent Non-executive Directors.

The Company has at least three Independent Non-executive Directors (representing at least one-third of the Board), in compliance with the provisions of the Listing Rules and among whom, at least one Independent Non-executive Director must possess professional qualifications or accounting knowledge or professional knowledge related to finance management. After taking into consideration of the factors regarding the evaluation of the independence of the Independent Non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and the written confirmation of all Independent Non-executive Directors, the Board of Directors believe that all independent non-executive Directors shall be independent individuals.

3. 董事會

3.1 董事會

(a) 董事會的成員組合

董事會由七位董事組成，包括四位執行董事及三位獨立非執行董事。

本公司擁有最少三名獨立非執行董事(佔董事會人數最少三分之一)以符合上市規則條文，其中最少一名獨立非執行董事必須具有專業資格或會計知識或有關財務管理的專業知識。根據上市規則第3.13條，經考慮有關獨立非執行董事的獨立性評估因素，及所有獨立非執行董事的書面確認後，董事會相信所有獨立非執行董事為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

3. BOARD OF DIRECTORS (Continued)

3.1 Board of Directors (Continued)

(a) Composition of Board of Directors (Continued)

The Board of Directors of the Company comprises the following:

Name 姓名	Age 年齡	Sex 性別	Position 職位	Appointment Date 委任日期	Term 任期
Mr. Leung Choi Chan 陳樑材先生	51	M 男	Executive Director, Chairman of the Board and Chief Executive Officer 執行董事、董事會主席兼行政總裁	Appointed as Executive Director and Chairman of the Board on March 17, 2016 and as Chief Executive Officer on July 18, 2016 於二零一六年三月十七日獲委任為執行董事及董事會主席並於二零一六年七月十八日獲委任為行政總裁	3 years 三年
Mr. Kin Choi Chan 陳健材先生	44	M 男	Executive Director 執行董事	March 17, 2016 二零一六年三月十七日	3 years 三年
Mr. Tat Choi Chan 陳達材先生	41	M 男	Executive Director 執行董事	March 17, 2016 二零一六年三月十七日	3 years 三年
Ms. Ning Liang 梁寧女士	37	F 女	Executive Director 執行董事	March 17, 2016 二零一六年三月十七日	3 years 三年
Mr. Lewis Chan 陳令紘先生	46	M 男	Independent Non-executive Director 獨立非執行董事	December 15, 2016 二零一六年十二月十五日	3 years 三年
Mr. Chun Fung Lam 藍俊峰先生	43	M 男	Independent Non-executive Director 獨立非執行董事	December 15, 2016 二零一六年十二月十五日	3 years 三年
Mr. Lok Man Richard Sung 宋樂文先生	34	M 男	Independent Non-executive Director 獨立非執行董事	December 15, 2016 二零一六年十二月十五日	3 years 三年

3. 董事會 (續)

3.1 董事會 (續)

(a) 董事會的成員組合 (續)

本公司董事會包括以下成員：

CORPORATE GOVERNANCE REPORT

企業管治報告

3. BOARD OF DIRECTORS (Continued)

3.1 Board of Directors (Continued)

(a) Composition of Board of Directors (Continued)

The Directors may, at the Company's expense, seek independent professional advice in appropriate circumstances. The Company will provide separate independent professional advice to Directors upon request to assist the Directors to discharge their duties to the Company.

Before each Board meeting, the senior management will provide relevant information pertaining to matters to be brought before the Board for decision as well as reports relating to the operational and financial performance of the Group. Where any Director requires more information than is supplied by the senior management, each Director has the right to separately and independently access the Company's senior management to make further enquiries.

(b) Job Duties and Authority of the Board of Directors

The Board of Directors shall be accountable to the general meeting and have the duty to report to the general meeting. The Board of Directors is responsible for convening the general meeting, implementing the resolutions of the general meeting, determining the operational plan and investment proposals of the Company, setting up the annual financial budget proposal, final accounts, profit distribution proposal, proposal for increase or decrease of capital and others, deciding on the establishment of the Company's management authority, determining the appointment or dismissal of chief executive officer, chief financial officer and other senior management officers, formulating the basic management system of the Company and determining the establishment of the special committees of the Board of Directors.

(c) Job Duties and Authority of the Senior Management

The senior management is responsible for the specific implementation of the resolutions of the Board of Directors and of the daily business management of the Company, which includes formulating (i) the Company's operating plan and investment proposal, (ii) the plan of establishing the internal management authority, (iii) the basic management system of the Company and (iv) the Company's specific regulations.

3. 董事會(續)

3.1 董事會(續)

(a) 董事會的成員組合(續)

董事可於適當情況下尋求獨立專業意見，費用由本公司承擔。本公司將按要向董事提供各項獨立專業意見，以協助董事履行本公司職責。

於每次董事會會議前，高級管理層將提供與提呈董事會決定的事宜有關的資料及有關本集團營運及財務表現的報告。倘任何董事要求的資料較高級管理層所提供者為多，則各董事均有權自行獨立接觸本公司高級管理層以進一步查詢。

(b) 董事會工作職責及權限

董事會須向股東大會負責及有職責向股東大會報告。董事會負責召開股東大會，執行股東大會的決議案，決定本公司營運計劃及投資方案，制定年度財政預算方案、年終賬目、溢利分派方案、資本增加或減少方案及其他資料，並決定本公司管理部門成立、決定行政總裁、財務總監及其他高級管理層人員的委任或免職事宜，制定本公司基本管理制度及決定董事會專門委員會的成立事宜。

(c) 高級管理層工作職責及權限

高級管理層負責具體執行董事會決議案及本公司的日常業務管理，包括制定(i)本公司的營運計劃及投資方案，(ii)內部管理部門成立計劃(iii)本公司基本管理制度及(iv)本公司的具體規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

3. BOARD OF DIRECTORS (Continued)

3.2 Meetings of Board of Directors

During the Year and up to the date of this annual report, the Board of Directors convened a total of 3 meetings. The attendance record of the meetings by the Directors was as follows:

Name	Position	Number of meetings of Board of Directors attended/ should attend 已出席／應出席 董事會會議數目	Attendance rate 出席率
姓名	職位		
Mr. Leung Choi Chan 陳樑材先生	Executive Director, Chairman of the Board and Chief Executive Officer 執行董事、董事會主席兼行政總裁	3/3	100%
Mr. Kin Choi Chan 陳健材先生	Executive Director 執行董事	3/3	100%
Mr. Tat Choi Chan 陳達材先生	Executive Director 執行董事	3/3	100%
Ms. Ning Liang 梁寧女士	Executive Director 執行董事	3/3	100%
Mr. Lewis Chan 陳令紘先生	Independent Non-executive Director 獨立非執行董事	2/2	100%
Mr. Chun Fung Lam 藍俊峰先生	Independent Non-executive Director 獨立非執行董事	2/2	100%
Mr. Lok Man Richard Sung 宋樂文先生	Independent Non-executive Director 獨立非執行董事	2/2	100%

3. 董事會 (續)

3.2 董事會會議

於本年度及直至本年報日期止，董事會合共召開三次會議。董事出席會議之記錄載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

3. BOARD OF DIRECTORS (Continued)

3.3 Chairman and Chief Executive Officer

Mr. Leung Choi Chan has been appointed as the Chairman and Chief Executive Officer of the Company. In accordance with Rule A.2.1 of the Corporate Governance Code as provided in Appendix 14 to the Listing Rules, the roles of the chairman and chief executive officer should be separated and should not be held by the same person. The Board of Directors has noted that there has been certain deviation from Rule A.2.1 of the provisions of the Corporate Governance Code. However, given the development of the Group and the rich and extensive experience that Mr. Leung Choi Chan has in the industry and his long history with the Group, the Board of Directors believes that Mr. Leung Choi Chan concurrently acting as the Chairman and Chief Executive Officer will help implement the Group's business strategies and enhance the operating efficiency. In addition, the Board of Directors comprises three Independent Non-executive Directors, enabling the Company's shareholders to be represented sufficiently and fairly under the monitoring of the Board of Directors.

3.4 Appointment of Directors

In accordance with the provisions of the Articles of Association of the Company, the Directors have been appointed at the general meeting for a term of three years, after which they may be re-elected. The Company has formulated the procedures of such appointment. The Nomination Committee shall be responsible for nominating new Directors and then submitting such nomination to the Board of Directors for review and consideration. All newly nominated Directors must be elected and approved at the general meeting.

3.5 Training and continuing development of Directors

During the Year, the Directors of the Company actively participated in seminars on the obligations and responsibilities required to be fulfilled for being the directors of a listed company in Hong Kong, as well as the obligations for the listing compliance of a listed company. During the Year, all of the Directors of the Company (including Mr. Leung Choi Chan, Mr. Kin Choi Chan, Mr. Tat Choi Chan, Ms. Ning Liang, Mr. Lewis Chan, Mr. Chun Fung Lam and Mr. Lok Man Richard Sung) attended the training of Directors for purposes of learning the relevant regulatory provisions in relation to the listing in Hong Kong, assiduously reviewing various listing documents during the course of the Company's preparation for the Listing, and gradually familiarising themselves with the requirements regarding the compliance requirements of a listed company in Hong Kong.

3. 董事會(續)

3.3 主席及行政總裁

陳樑材先生獲委任為本公司主席兼行政總裁。根據上市規則附錄14企業管治守則第A.2.1條，主席及行政總裁的職務應分開，且不應由同一個人擔任。董事會已注意到有若干偏離企業管治守則條文第A.2.1條的情況。然而，鑑於本集團的發展情況以及陳樑材先生於行內屬資深且豐富經驗，對本集團業務深入瞭解，且彼與本集團淵源甚深，董事會相信，陳樑材先生同時擔任主席及行政總裁，將有助於本集團落實業務策略及提升營運效率。此外，董事會成員包括三位獨立非執行董事，於董事會監察下讓本公司股東利益能獲得充分維護並得到公平對待。

3.4 董事委任

根據本公司組織章程細則條文，董事於股東大會上已獲委任，任期三年，其後可能獲重選。本公司已制定有關委任程序。提名委員會負責提名新董事，其後向董事會提呈提名名單以供審閱及考慮。所有新提名董事必須於股東大會上被推選及批准。

3.5 董事的培訓及持續發展

於本年度，本公司董事積極參與有關香港上市公司董事須履行的義務及職責以及上市公司須遵守上市規則責任的研討會。於本年度，本公司所有董事(包括陳樑材先生、陳健材先生、陳達材先生、梁寧女士、陳令紘先生、藍俊峰先生及宋樂文先生)均已出席董事培訓，以學習有關香港上市規定條文，於本公司準備上市的課程中勤勉地複習各類上市文件，逐漸熟悉有關香港上市公司的合規要求。

CORPORATE GOVERNANCE REPORT

企業管治報告

3. BOARD OF DIRECTORS *(Continued)*

3.6 Company Secretary and his training

Mr. Jonathan Edward Chun-chung Chow acts as the Company Secretary and is responsible for overseeing our Group's financial and accounting operations and internal controls, and provides financial and business advice to the Board and senior management of our Group. Mr. Jonathan Edward Chun-chung Chow shall report significant events to the Chairman. The profile of the Company Secretary is stated in the section of "Biographies of Directors and Senior Management" of this annual report. During the Year, the Company Secretary undertook more than 15 hours of professional training to update his skills and knowledge.

3.7 Meetings of the Board of Directors

Pursuant to the code provision A.1.1 of the Corporate Governance Code, the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. Agenda of board meetings are presented to the Directors for comments and approval. The Board of Directors is provided with adequate, timely and reliable information about the Group's business and developments before each board meeting at which the Directors actively participate and hold informed discussions. A notice of regular board meeting shall be given to all directors at least 14 days before the meeting is convened pursuant to the requirements of the Code, and such notice shall state the date, time and venue of the meeting to be convened and the format to be adopted of such meeting. Other interim board meetings have reasonable notices be delivered to all Directors.

In accordance with the provisions of the Listing Rules, in the event that the Company decides to announce to distribute, propose or pay dividends, or it shall pass at the meeting of the Board of Directors such resolutions in respect of profits or losses for any year, half-year or other periods, the Company must give a notice to the Hong Kong Stock Exchange at least seven working days before the convening of such meeting and must issue an announcement thereof.

3. 董事會 (續)

3.6 公司秘書及培訓

周鎮忠先生擔任公司秘書，負責監督本集團的財務及會計運作情況以及內部監控，並向本集團董事會及高級管理層提供財務及業務建議。周鎮忠先生須向主席報告重大事件。公司秘書簡介載於本年報「董事及高級管理層履歷」部分。於本年度，公司秘書已進行超過15小時的專業培訓，以獲得有關技能及知識的最新資料。

3.7 董事會會議

根據企業管治守則條文第A.1.1條，董事會須定期舉行會議及董事會會議須每年最少舉行四次，即約每季一次。董事會會議議程須呈交董事提供意見及批准。有關本集團業務及發展的足夠、及時及可靠資料需於每次董事會會議前提供予董事會，令董事可積極參與及在知情情況下討論。根據守則的規定，董事會定期會議通告會於會議召開當日起計最少14天前向董事提供，該通告會載列會議召開日期、時間及地點及該會議將採用的形式。董事會其他臨時會議通告在合理情況下向所有董事發出。

根據上市規則條文，如本公司決定宣佈派發、建議或支付股息，或將於董事會議會上通過任何年度、半年度或其他期間有關盈利或虧損的決議案，本公司必須在召開該會議前最少七個工作天通知香港聯交所，且必須就此刊發公告。

CORPORATE GOVERNANCE REPORT

企業管治報告

3. BOARD OF DIRECTORS (Continued)

3.7 Meetings of the Board of Directors (Continued)

The quorum for a board meeting shall be the presence of two Directors. Directors may participate in any meeting of the Board by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person. The secretary of the Company's Board of Directors is responsible for preparing and safekeeping the minutes of the board meetings and ensuring that the Directors can enquire about such minutes.

After its listing, the Company shall strictly comply with the provisions in relation to the meetings of the Board of Directors.

4. BOARD OF DIRECTORS COMMITTEES

Our Board of Directors delegates certain responsibilities to various committees. In accordance with relevant laws, regulations, the Articles of Association of the Company and the certain rules and regulations, we have formed three board committees, namely the Audit and Compliance Committee (“**Audit and Compliance Committee**”), the Remuneration Committee (“**Remuneration Committee**”) and the Nomination Committee (“**Nomination Committee**”).

4.1 Audit and Compliance Committee

The Company has established the Audit and Compliance Committee in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules and has expressly stated the scope of job duties of such committee in writing. The Audit and Compliance Committee consists of three members, namely Mr. Lewis Chan, Mr. Chun Fung Lam and Mr. Lok Man Richard Sung. All members of the Audit and Compliance Committee are Independent Non-executive Directors. Mr. Lok Man Richard Sung is the chairman of the Audit and Compliance Committee.

The principal responsibilities of the Audit and Compliance Committee are to review and supervise the Company's financial reporting process, financial and internal control systems, to supervise the Company's internal audit system, to oversee the audit process and to recommend the engagement or replacement of external auditors. The Audit and Compliance Committee is also responsible for the communications between the internal and the external auditors and performing other duties and responsibilities as assigned by the Board.

3. 董事會(續)

3.7 董事會會議(續)

出席董事會會議的法定最低人數為兩位董事。董事可透過電話會議或其他通訊設備參與任何董事會會議，據此所有參與會議的人士可以同步即時互相溝通，就計算法定人數而言，有關參與人數也計算在會議出席率，猶如親身出席會議。本公司董事會秘書負責準備及保管董事會會議記錄以及確保董事可查詢有關會議紀錄。

本公司上市後，會嚴格遵守有關董事會會議的條文。

4. 董事會委員會

董事會各個委員會獲委派履行若干職責。根據有關法律、規例、本公司組織章程細則及若干規則及規例，我們成立三個董事會委員會，分別為審核及合規委員會(「**審核及合規委員會**」)、薪酬委員會(「**薪酬委員會**」)及提名委員會(「**提名委員會**」)。

4.1 審核及合規委員會

本公司已根據上市規則第3.21條及載於上市規則附錄14企業管治守則成立審核及合規委員會，並書面訂明其職權範圍。審核及合規委員會包括三位成員，分別為陳令紘先生、藍俊峰先生及宋樂文先生。所有審核及合規委員會成員均為獨立非執行董事。宋樂文先生為審核及合規委員會主席。

審核及合規委員會主要職責為審閱及監督本公司的財務報告流程、財務及內部監控制度，以監督本公司的內部審核制度、監察審核過程及建議聘任或更換外聘核數師。審核及合規委員會亦負責內部及外聘核數師間的溝通，並履行董事會委派的其他職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

4. BOARD OF DIRECTORS COMMITTEES (Continued)

4.1 Audit and Compliance Committee (Continued)

From the Listing Date up to the date of this annual report, two meetings were held by the Audit and Compliance Committee. The attendance record of each member of the Audit and Compliance Committee is set out below:

Name of committee members	Number of meetings attended/ should attend 已出席/應出席 會議數目	Attendance rate 出席率
委員會成員姓名		
Mr. Lok Man Richard Sung (Chairman) 宋樂文先生(主席)	2/2	100%
Mr. Lewis Chan 陳令紘先生	2/2	100%
Mr. Chun Fung Lam 藍俊峰先生	2/2	100%

During the Year and up to the date of this annual report, the Audit and Compliance Committee has reviewed the effectiveness of the internal control policies, the risk management and internal control systems of the Company. During the Year and up to the date of this annual report, the Audit and Compliance Committee considered that the internal controls and risk management functions of the Company were reasonable, effective and sufficient.

Since the Listing Date, the Audit and Compliance Committee has performed its duties strictly in accordance with the relevant regulatory requirements, corporate governance rules and the rules of procedure of the Audit and Compliance Committee of the listing place of the Company.

4.2 Remuneration Committee

The Company has established the Remuneration Committee in accordance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, and has expressly stated the scope of job duties of such committee in writing. The Remuneration Committee consists of three members, namely Mr. Leung Choi Chan, Mr. Lewis Chan and Mr. Lok Man Richard Sung. Except for Mr. Leung Choi Chan who is an Executive Director, all other members are Independent Non-executive Directors. Mr. Lewis Chan is the chairman of the Remuneration Committee.

4. 董事會委員會(續)

4.1 審核及合規委員會(續)

自上市日期起至本年報日期止，審核及合規委員會已舉行兩次會議。審核及合規委員會每名成員之出席記錄載列如下：

Number of meetings attended/ should attend 已出席/應出席 會議數目	Attendance rate 出席率
---	------------------------

2/2	100%
2/2	100%
2/2	100%

於本年度及直至本年報日期止，審核及合規委員會已審閱本公司內部監控政策、風險管理及內部監控制度的成效。於本年度及直至本年報日期止，審核及合規委員會認為本公司內部監控及風險管理職能屬合理、有效且足夠。

自上市日期起，審核及合規委員會已嚴格履行有關監管要求、企業管治規則及本公司上市地審核及合規委員會議事規則。

4.2 薪酬委員會

本公司已根據上市規則第3.25條及載於上市規則附錄14企業管治守則成立薪酬委員會，並書面訂明其職權範圍。薪酬委員會包括三位成員，分別為陳樑材先生、陳令紘先生及宋樂文先生。除陳樑材先生為執行董事外，所有其他成員均為獨立非執行董事。陳令紘先生為薪酬委員會主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

4. BOARD OF DIRECTORS COMMITTEES (Continued)

4.2 Remuneration Committee (Continued)

The principal responsibilities of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management, to establish the performance evaluation standard, procedures and system, to annually evaluate the performance of the Directors and senior management, to make corresponding recommendations to the Board, and to perform other duties and responsibilities as assigned by the Board.

The emoluments of the Executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration the Company's performance and prevailing market conditions. The remuneration policy of the Independent Non-executive Directors is to ensure that they are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of independent non-executive Directors are determined with reference to their skills, experience, knowledge, duties and market trends.

From the Listing Date up to the date of this annual report, one meeting was held by the Remuneration Committee. The attendance record of each member of the Remuneration Committee is set out below:

Name of committee members	Number of meetings attended/should attend	Attendance rate
委員會成員姓名	已出席/應出席會議數目	出席率
Mr. Lewis Chan (Chairman) 陳令紘先生(主席)	1/1	100%
Mr. Leung Choi Chan 陳樑材先生	1/1	100%
Mr. Lok Man Richard Sung 宋樂文先生	1/1	100%

Since the Listing Date, the Remuneration Committee has performed its duties strictly in accordance with the relevant regulatory requirements, corporate governance rules and the rules of procedure of the Remuneration Committee of the listing place of the Company.

4. 董事會委員會(續)

4.2 薪酬委員會(續)

薪酬委員會的主要職責為成立及審閱董事及高級管理層的薪酬政策及結構，成立表現評估標準、程序及制度，每年評估董事及高級管理層的表現，向董事會提供有關推薦建議，以及履行董事會委派的其他職責。

執行董事之薪酬乃按照董事之技能、知識、個人表現及貢獻以及其於本公司之職責及問責範圍，經考慮本公司之表現及現行市場環境後而釐定。獨立非執行董事之薪酬政策乃為確保獨立非執行董事就本公司事務(包括參與各個董事委員會)所貢獻之努力及時間而獲得足夠報酬。獨立非執行董事之薪酬乃按其技術、經驗、知識、責任及市場趨勢而釐定。

自上市日期起至本年報日期止，薪酬委員會已舉行一次會議。薪酬委員會每名成員之出席記錄載列如下：

Number of meetings attended/should attend	Attendance rate
已出席/應出席會議數目	出席率
1/1	100%
1/1	100%
1/1	100%

自上市日期起，薪酬委員會已嚴格履行根據有關監管要求、企業管治規則及本公司上市地薪酬委員會議事規則。

CORPORATE GOVERNANCE REPORT

企業管治報告

4. BOARD OF DIRECTORS COMMITTEES (Continued)

4.3 Nomination Committee

The Company has established the Nomination Committee in accordance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, and has expressly stated the scope of job duties of such committee in writing. The Nomination Committee consists of three members, namely Mr. Leung Choi Chan, Mr. Lewis Chan and Mr. Chun Fung Lam. Except for Mr. Leung Choi Chan who is an Executive Director, all other members are Independent Non-executive Directors. Mr. Leung Choi Chan is the chairman of the Nomination Committee.

The principal responsibilities of the Nomination Committee are to make recommendations to our Board on the scale, structure, and composition of the Board and on the nomination of Directors, to review the director and senior management candidates, to review the independence of the Independent Non-executive Directors, and to perform other duties and responsibilities as assigned by the Board.

From the Listing Date up to the date of this annual report, one meeting was held by the Nomination Committee. The attendance record of each member of the Nomination Committee is set out below:

Name of committee members	Number of meetings attended/ should attend 已出席/應出席 會議數目	Attendance rate 出席率
Mr. Leung Choi Chan (Chairman) 陳樑材先生(主席)	1/1	100%
Mr. Lewis Chan 陳令紘先生	1/1	100%
Mr. Chun Fung Lam 藍俊峰先生	1/1	100%

Since the Listing Date, the Nomination Committee has performed its duties strictly in accordance with the relevant regulatory requirements, corporate governance rules and the rules of procedure of the Nomination Committee of the listing place of the Company.

4. 董事會委員會(續)

4.3 提名委員會

本公司已根據載於上市規則附錄14企業管治守則成立提名委員會，並書面訂明其職權範圍。提名委員會包括三名成員，分別為陳樑材先生、陳令紘先生及藍俊峰先生。除陳樑材先生為執行董事外，所有其他成員均為獨立非執行董事。陳樑材先生為提名委員會主席。

提名委員會的主要職責為向董事會建議董事會的規模、結構及成員組合以及提名董事，審閱董事及高級管理層候選人，審閱獨立非執行董事的獨立性及履行董事會委派的其他職責。

自上市日期起至本年報日期止，提名委員會已舉行一次會議。提名委員會每名成員之出席記錄載列如下：

Number of meetings attended/ should attend 已出席/應出席 會議數目	Attendance rate 出席率
1/1	100%
1/1	100%
1/1	100%

自上市日期起，提名委員會已嚴格履行根據有關監管要求、企業管治規則及本公司上市地提名委員會議事規則。

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5. DIVERSIFICATION POLICY OF MEMBERS OF THE BOARD OF DIRECTORS

The Company adopted a board diversity policy (the “**Board Diversity Policy**”) since the Listing Date. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. 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, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will monitor the Board Diversity Policy and review its Board Diversity Policy, as appropriate, to ensure its effectiveness. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

During the Year and up to the date of this annual report, the Nomination Committee reviewed the composition of the Board of Directors and concluded that the Company had met the diversification requirements with regard to age, cultural and educational background, professional experience, skills and knowledge. When making the appointment and re-appointment of Directors in the future, the Nomination Committee will nominate new Directors pursuant to the requirements of the Board Diversity Policy to achieve the objective of diversity in Board members.

5. 董事會成員多元化政策

自上市日期起，本公司已採納董事會成員多元化政策（「**董事會成員多元化政策**」）為實現可持續平衡發展，本公司認為董事會更多元化是支持其達致策略目標及其可持續發展的重要元素。於設計董事會的成員組合時，董事會多元化事宜經由多方面考慮，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務時間長短。所有董事均按彼等個人才能獲委任，我們亦以客觀條件考慮候選人，並適當考慮董事會多元化的好處。

挑選候選人時將基於一系列的多元化觀點，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務時間長短。最終決定以經挑選候選人將為董事會帶來的優勢及貢獻為基準。

提名委員會將監察董事會多元化政策，並審閱董事會多元化政策（如適用），以確保其效能。提名委員會將討論任何可能需要的修改情況，並向董事會建議任何有關修改情況以供考慮及批准。

於本年度及直至本年報日期止，提名委員會已檢討董事會的成員組合，結論為本公司符合有關年齡、文化及教育背景、專業經驗、技能及知識的多元化要求。未來委任及重新委任董事時，提名委員會將根據董事會多元化政策規定提名新董事，以達致董事會成員多元化的目的。

CORPORATE GOVERNANCE REPORT

企業管治報告

6. RISK MANAGEMENT AND INTERNAL CONTROLS

Our Board of Directors and the senior management are accountable for the overall responsibility in respect of monitoring the implementation of internal control and risk management procedures and other measures in the Group. The Company's risk management and internal control system aims at managing but not eliminating the risk of not being able to achieve the business objectives. Moreover, only reasonable but not absolute warranties can be given for statements which are not materially untrue or will not result in material losses.

The Board of Directors has conducted an annual review of the effectiveness of the Company's risk management and internal control systems. The Board believed that the Company's risk management and internal control system is effective and sufficient, and is satisfied that the Group has fully complied with the Code in respect of internal controls during the Year.

We have appointed external professional advisors (including the auditor, legal or other advisors) for provision of professional advice in respect of how we observe applicable laws and regulations.

The Board of Directors has 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 to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs.

During the Year, the Group appointed Baker Tilly Hong Kong Risk Assurance Limited ("**Baker Tilly**") to:

- assist in identifying and assessing the risks of the Group through a series of workshops and interviews; and
- independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems.

The results of the independent review and assessment were reported to the Audit and Compliance Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by Baker Tilly to enhance the risk management and internal control systems, and risk mitigating measures of the Group were adopted by the Board. Based on the findings and recommendations of Baker Tilly, as well as the comments from the Audit and Compliance Committee, the Board considered the internal control and risk management systems effective and adequate.

6. 風險管理及內部監控

董事會與高級管理層就監督及落實本集團的內部監控與風險管理程序以及其他措施承擔整體責任。本公司的風險管理及內部監控制度旨在管理而非消除未能達成業務目標的風險。此外，只能就不會有重大的失實陳述或將不會導致重大損失的陳述作出合理而非絕對的保證。

董事會已就本公司的風險管理及內部監控制度的成效進行年度審閱。董事會認為本公司的風險管理及內部監控制度有效且足夠，並信納本集團已於本年度全面遵守有關內部監控之守則。

我們已委任外部專業顧問（包括核數師、法律或其他顧問），就我們如何遵守所有適用法律及法規提供專業意見。

董事會已檢討內部審計職能之需要，且認為基於本集團業務之規模、性質及複雜程度，為符合其需要，委任外部獨立專業人士執行內部審計職能對本集團而言更具成本效益。

於本年度，本集團委任天職香港內控及風險管理有限公司（「**天職**」），以：

- 透過一系列工作坊及面談，協助識別及評估本集團之風險；及
- 獨立進行內部審計之審閱及評估本集團之風險管理及內部監控制度的成效。

獨立審閱及評估之結果已報告予審核及合規委員會及董事會。此外，董事會已採納天職對內部監控及風險管理措施之改善建議，以加強風險管理及內部監控制度，並已採納減輕本集團風險之措施。基於天職之發現及建議和審核及合規委員會之意見，董事會認為內部監控及風險管理制度有效且足夠。

CORPORATE GOVERNANCE REPORT

企業管治報告

6. RISK MANAGEMENT AND INTERNAL CONTROLS

(Continued)

Enterprise Risk Management Framework

The Group established its enterprise risk management framework during the Year. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing internal control systems to manage all kinds of risks faced by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritised and allocated treatments. The Group's risk management framework follows the COSO Enterprise Risk Management — Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit and Compliance Committee that oversees risk management and internal audit functions.

Principal Risks

The following principal risks of the Group were identified and classified into strategic risks, operational risks, financial risks and compliance risks during the Year.

Risk Areas

風險領域

Strategic Risks
策略風險

Operational Risks
營運風險

Financial Risks
財務風險

Compliance Risks
合規風險

Principal Risks

主要風險

No significant risk identified
並無識別重大風險

Increasing costs of raw materials
原材料成本上升
Increase in labour costs and labour shortages
勞工成本上升及勞工短缺

No significant risk identified
並無識別重大風險

No significant risk identified
並無識別重大風險

6. 風險管理及內部監控(續)

企業風險管理框架

本集團已於本年度建立其企業風險管理框架。董事會就確保維持良好及有效的內部監控承擔整體責任，而管理層則負責設計及實行內部監控制度，以管理本集團面對之各種風險。

透過風險識別及評估程序，風險獲識別、評估、確定優先次序及進行分配處理。本集團之風險管理框架遵循COSO企業風險管理 — 綜合框架，讓董事會及管理層有效管理本集團之風險。董事會定期透過審核及合規委員會接獲報告，而審核及合規委員會負責監督風險管理及內部審計職能。

主要風險

於本年度，本集團已識別以下主要風險，並將以上風險分類為策略風險、營運風險、財務風險及合規風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

6. RISK MANAGEMENT AND INTERNAL CONTROLS

(Continued)

Risk Control Mechanism

The Group adopts a “three-layer” corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance team and independent internal audit function outsourced to and conducted by Baker Tilly. The Group has adopted risk management policy and procedures (the “**Risk Management Policy**”) and maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit and Compliance Committee, and management with a profile of its major risks and records management’s action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk owners have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient and timely manner.

The Group’s risk management activities are performed by management on an ongoing process. The effectiveness of the Group’s risk management framework is evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensure that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

The Company will continue to engage external independent professionals to review the Group’s system of internal controls and risk management annually to further enhance the Group’s internal control and risk management systems as appropriate.

6. 風險管理及內部監控(續)

風險監控機制

本集團採納「三層」企業管治架構，由營運管理層進行營運管理及監控，並由財務團隊進行風險管理監控，而獨立內部審計職能則外判予天職並由其負責進行。本集團採納風險管理政策及程序（「**風險管理政策**」），並存置風險登記冊以記錄本集團所有已識別主要風險。風險登記冊為董事會、審核及合規委員會及管理層提供其主要風險情況，並記錄管理層為降低相關風險所採取的行動。每種風險乃根據其發生的可能性及對本集團的潛在影響至少每年進行評估。風險登記冊由管理層作為風險擁有人於進行年度風險評估後通過加入新風險及／或移除現有風險（如適用）至少每年更新一次。此檢討程序可確保本集團積極管理其所面臨的風險，以致所有風險擁有人可查閱風險登記冊並知悉及察覺於彼等負責的範圍內的該等風險，以使彼等可有效及適時採取跟進行動。

本集團之風險管理活動由管理層按持續基準進行。本集團風險管理框架的成效會至少每年予以評估，且我們會定期舉行管理層會議以更新風險監控工作進度。管理層致力確保風險管理日常業務營運程序的一部分，以有效地使風險管理符合企業目標。

本公司會繼續每年委聘外部獨立專業人士對本集團內部監控及風險管理制度進行審閱，並於適當時進一步加強本集團的內部監控及風險管理制度。

CORPORATE GOVERNANCE REPORT

企業管治報告

6. RISK MANAGEMENT AND INTERNAL CONTROLS

(Continued)

Handling and Dissemination of Inside Information

The Company places a great emphasis on inside information management. For purposes of strengthening the confidentiality of inside information, maintaining the fairness of information disclosure and protecting the legal interests and rights of the vast number of investors, the Company's information disclosure system and mechanism is established in accordance with the Listing Rules and domestic or foreign laws, regulations and other regulatory requirements. Since the Listing Date, the Company has strictly developed information disclosure pursuant to the regulatory requirements and expressly stipulated that the Board of Directors shall manage in uniform manner and be responsible for the Company's information disclosure. The Chairman is the first officer in charge of the Company's information disclosure and the company secretary is the main person in charge of the Company's information disclosure. Moreover, detailed provisions in respect of the managerial responsibility of the Directors, senior management and officers in charge of branches or subsidiaries shall be made.

7. THE DIRECTORS' LIABILITY TO THE FINANCIAL STATEMENTS

The Company has not encountered with any significant and uncertain events and circumstances that might produce significant doubts on the Company's capability of its continuous operation of business. The Board of Directors has confirmed that it is responsible for the preparation of the Group's consolidated financial statements as at March 31, 2017.

8. REMUNERATION OF AUDITOR

For the Year, the Company has appointed Deloitte Touche Tohmatsu, Certified Public Accountants, an international accounting firm, to provide the Company with auditing service and the remuneration amounted to approximately HK\$1.8 million. Moreover, the Company has separately appointed Deloitte Touche Tohmatsu, Certified Public Accountants to be the reporting accountant for the Company's listing in Hong Kong, the remuneration amounted to approximately HK\$4.4 million. The responsibilities of Deloitte Touche Tohmatsu as to the consolidated financial statements are set out on pages 57 to 58 of this annual report.

Non-audit services provided to the Group during the Year of approximately HK\$0.1 million mainly represented tax compliance services.

6. 風險管理及內部監控(續)

處理及發佈內幕消息

本公司高度重視內幕消息管理工作。為加強內幕消息保密工作，維持資料公平披露，保護廣大投資者的合法利益及權利，本公司根據上市規則以及境內外法律、法規及其他監管要求建立資料披露制度及機制。自上市日期起，本公司已根據監管要求嚴格展開資料披露工作，且明確規定本公司的資料披露工作須由董事會統一管理並負責。主席為本公司資料披露工作的第一負責人，公司秘書為本公司資料披露的主要負責人。此外，我們會詳細規定對董事、高級管理層及分支機構或附屬公司負責人的管理責任。

7. 董事對財務報表承擔的責任

本公司並無面臨可能對本公司持續經營業務能力產生重大疑慮的重大不確定事件及情況。董事會確認其承擔編製本集團於二零一七年三月三十一日的綜合財務報表的責任。

8. 核數師酬金

於本年度，本公司委任國際會計師行德勤•關黃陳方會計師行為本公司提供審計服務，酬金約為1.8百萬港元。此外，本公司另行委任執業會計師德勤•關黃陳方會計師行為本公司香港上市申報會計師，酬金約為4.4百萬港元。德勤•關黃陳方會計師行的職責載於本年報第57至58頁的綜合財務報表。

於本年度，為本集團提供的非審計服務約為0.1百萬港元，主要指稅務合規服務。

CORPORATE GOVERNANCE REPORT

企業管治報告

9. SHAREHOLDERS' RIGHTS

9.1 Shareholders have the right to initiate and convene the general meeting

In accordance with the provisions of the Articles of Association of the Company, the shareholders shall be entitled to the following right: Any one or more shareholder holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require 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 two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, 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.

There is no provision in the Articles of Association setting out procedures for shareholders to put forward a resolution at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards proposing a person for election as a Director by shareholders, please refer to the procedures available on the website of the Company.

9.2 Procedures for putting forward proposals at general meetings

Shareholders are welcome to suggest proposals relating to the operations, strategy and/or management of the Group at a general meeting. Proposals shall be sent to the Board or the company secretary by written requisition to the Company Secretary at the Company's principal place of business in Hong Kong at Unit B, 17/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong.

9. 股東權利

9.1 股東有權提請並召開股東大會

根據本公司組織章程細則的條文，股東應享有以下權利：任何一名或多名股東於提交要求當日持有本公司繳足股本（附有於本公司股東大會上表決的權利）不少於十分之一，於任何時間均有權向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，處理有關要求中指明的任何事項。該大會須於有關要求提交後兩(2)個月內舉行。倘董事會未能於提交要求後二十一(21)日內召開有關大會，而提出要求的人士可按相同方式自行召開大會，而提出要求的人士因董事會未能召開大會而產生的一切合理開支將由本公司向彼等償付。

組織章程細則並無載有就股東於股東大會上提呈決議案程序涉及的條文。有意動議決議案的股東可依循上一段所載程序要求本公司召開股東大會。

關於股東提名人選參選董事事宜，請參閱本公司網頁登載的程序。

9.2 於股東大會上提呈建議的程序

我們歡迎股東於股東大會上提出有關本集團業務、策略及／或管理方面的建議。有關建議須以書面要求方式向董事會或公司秘書提出，並以公司秘書為收件人郵寄至本公司香港主要營業地點，地址為香港柴灣利眾街24號東貿廣場17樓B室。

CORPORATE GOVERNANCE REPORT

企業管治報告

9. SHAREHOLDERS' RIGHTS (Continued)

9.3 Shareholders are entitled to the inquiry right

Shareholders are entitled to make enquiries of which the Board should pay attention, directly to the Company at its principal place of business in Hong Kong at Unit B, 17/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner.

10. COMMUNICATIONS WITH SHAREHOLDERS

The Company believes that effective communications with shareholders is essential to enhancement of the relationship with investors and enhancement of investors' understanding of the Company's business and strategies. The Company highly values shareholders' opinions and suggestions, and actively organises and conducts various activities related to the relationship with investors in order to keep the communications with shareholders, and to timely satisfy the reasonable demands of all shareholders.

To enhance effective communication, the Company maintains its website at www.yukwing.com where latest information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The 2017 annual general meeting (the "AGM") of the Company will be held on August 29, 2017. The notice of the AGM will be sent to shareholders at least 20 clear business days before the AGM.

9. 股東權利(續)

9.3 股東享有查詢權利

股東可將董事會須關注的查詢直接致函至本公司香港主要營業地點，地址為香港柴灣利眾街24號東貿廣場17樓B室。本公司將會及時以適當方式處理所有查詢。

10. 與股東溝通

本公司認為，有效與股東溝通對提升投資者關係及投資者瞭解本公司的業務及策略非常重要。本公司重視股東的意見及建議，積極組織及舉辦各類投資者關係活動與股東保持溝通，及時滿足各股東的合理需求。

為提升有效溝通，本公司設有網站 www.yukwing.com，當中載有關本公司的業務營運及發展、財務資料、企業管治常規及其他資料的最新資料，可供公眾人士閱覽。

本公司將於二零一七年八月二十九日舉行二零一七年股東週年大會(「股東週年大會」)。股東週年大會通告將於股東週年大會舉行當日起計最少20個完整營業日前寄交股東。

CORPORATE GOVERNANCE REPORT

企業管治報告

11. RELATIONSHIP WITH INVESTORS

The shares of the Company were listed on the Main Board of the Stock Exchange on January 11, 2017 and 100,000,000 shares (comprising 80,000,000 new shares and 20,000,000 sales shares) of par value of HK\$0.1 per share at the offer price of HK\$1.15 per share were offered.

The Company believes that good relationship with investors may help build more stable and consolidated shareholder base. As a result, since the Listing Date, the Company has been and will be dedicated to maintaining a higher degree of transparency, observing the Listing Rules and timely providing investors with comprehensive and accurate information, and sustainably performing the obligation of disclosing the information of a listed company. The Company will strengthen its communications with investors and let investors understand corporate strategies and business operation by organising road shows, participating in investors summit, voluntary information disclosure and others.

The Company will continue to maintain open-up and effective investors communication policies for purposes of timely providing investors with the latest information on the Company's business when the Company is in compliance with the relevant regulatory provisions.

12. ARTICLES OF ASSOCIATION

The Company has amended the Articles of Association in accordance with the requirements of the Listing Rules. The amended Articles of Association have been effective since the Listing Date. The Articles of Association have been published on the website of the Stock Exchange and the website of the Company. There have been no amendment made thereto the Articles of Association since the Listing Date.

13. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Year, the Company has complied with the provisions of "Comply or Explain" stated in the Environmental, Social and Governance ("ESG") Reporting Guide. The Company will separately issue the Environmental, Social and Governance Report.

11. 與投資者關係

本公司股份於二零一七年一月十一日在香港聯交所主板上市，並以每股股份1.15港元的發售價發售100,000,000股每股面值0.1港元的股份(包括80,000,000股新股及20,000,000股銷售股份)。

本公司認為，良好投資者關係有助於建立更穩固的股東基礎，因此，自上市日期起，本公司一直並將致力維持較高透明度，遵守上市規則並將及時向投資者提供全面、準確的資料，持續履行上市公司資料披露的責任。本公司將透過舉辦路演、參加投資者峰會、自願披露資料等方式加強與投資者之間的溝通，讓投資者瞭解我們的企業策略及業務營運狀況。

本公司將繼續維持開放、有效的投資者溝通政策，在本公司符合相關監管規定的情況下，及時向投資者提供有關本公司業務的最新資料。

12. 組織章程細則

本公司已根據上市規則規定修訂組織章程細則。經修訂的組織章程細則自上市日期起生效。組織章程細則已於聯交所網站及本公司網站上刊載。自上市日期以來，概無修訂組織章程細則。

13. 環境、社會及管治報告

於本年度，本公司已遵守《環境、社會及管治(「ESG」)報告指引》載列「不遵守就解釋」的條文。本公司將另行刊發《環境、社會及管治報告》。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

1. EXECUTIVE DIRECTORS

Mr. Leung Choi Chan, aged 51, is our Chairman and was appointed as our Executive Director and our Chief Executive Officer on March 17, 2016 and July 18, 2016, respectively. Mr. Leung Choi Chan co-founded our Group in July 1997 and is responsible for overseeing the daily operational management and the financial and business performance of our Group, as well as for the overall strategy planning and management of the Company's business. Mr. Leung Choi Chan is involved in all matters of our Group including operational matters, our manufacturing processes, contributing to engineering and technical matters as well as being a key person of our sales and marketing efforts locally and overseas. He is the chairman of our Nomination Committee and a member of our Remuneration Committee. Mr. Leung Choi Chan is a director of our subsidiaries Hang Wing, Top Mark, Maxa RockDrills, Top Glory, Tristate International and Tristate Hong Kong, and he is also the managing director of Top Mark and the general manager of Norry Tech.

Mr. Leung Choi Chan has nearly 27 years of experience in the engineering and DTH rockdrilling tool industry. Prior to founding our Group, Mr. Leung Choi Chan joined The Hongkong Electric Co., Ltd. in September 1989 as graduate trainee in the training department and worked as an assistant environmental engineer in the environment section of power plant services department from September 1991 to May 1992. From 1992 to 1993, Mr. Leung Choi Chan was an employee of a trading company engaged in sales of building materials. He co-founded a construction equipment trading company based in Hong Kong in June 1994 with an independent third party, which he has ceased to be a shareholder and director of this company since November 1997 and June 1997, respectively.

Mr. Leung Choi Chan graduated from The Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in Hong Kong with a bachelor's degree of engineering in mechanical engineering in November 1989, and obtained his master's degree in business administration from The University of Warwick in the United Kingdom through distance learning in July 1997. He was an associate member of the Institution of Mechanical Engineers in the United Kingdom in April 1991 and was a member of the Institute of Acoustics in the United Kingdom in June 1992.

Mr. Leung Choi Chan is the husband of Ms. Ning Liang, our Executive Director, and the brother of Mr. Kin Choi Chan and Mr. Tat Choi Chan, our Executive Directors and Ms. Yuen Ming Chan, our senior management.

1. 執行董事

陳樑材先生，51歲，為我們的主席，並分別於二零一六年三月十七日及二零一六年七月十八日獲委任為執行董事及行政總裁。陳樑材先生於一九九七年七月以共同創辦人身份成立本集團，負責監管本集團的日常營運管理及財務和業務表現，亦負責本公司業務的整體策略規劃及管理。陳樑材先生負責本集團全部事務，包括營運事務、製造工序、工程及技術事務，並於本地及海外銷售與市場推廣方面擔當關鍵角色。彼為提名委員會主席兼薪酬委員會成員。陳樑材先生為我們的附屬公司鏗榮、震東機械、Maxa RockDrills、震東建築、聯亞國際及Tristate Hong Kong的董事，亦為震東機械的董事總經理及萊利達總經理。

陳樑材先生有近27年工程及潛孔鑿岩工具行業經驗。成立本集團前，陳樑材先生於一九八九年九月曾在香港電燈有限公司的見習部門擔任見習生，於一九九一年九月至一九九二年五月期間在發電廠服務部的環境分部擔任助理環境工程師。陳樑材先生於一九九二年至一九九三年任職於從事建築材料銷售的貿易公司，於一九九四年六月在香港與獨立第三方共同成立建築設備貿易公司，自一九九七年十一月及六月起分別不再擔任該公司股東及董事。

陳樑材先生於一九八九年十一月畢業於香港理工學院(現稱香港理工大學)，獲得機械工程學工學士學位，並於一九九七年七月透過遙距課程獲得英國華威大學的工商管理碩士學位。彼於一九九一年四月為英國機械工程師學會會員，並於一九九二年六月成為英國聲學學會會員。

陳樑材先生為執行董事梁寧女士的丈夫以及執行董事陳健材先生和陳達材先生及高級管理人員陳宛明女士的胞兄。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

1. EXECUTIVE DIRECTORS (Continued)

Mr. Kin Choi Chan, aged 44, was appointed as our Executive Director on March 17, 2016. Mr. Kin Choi Chan co-founded our Group in July 1997, and is responsible for overall management of business operations, and is also in charge of our engineering and technical processes. He also participates actively in our sales and marketing efforts. Mr. Kin Choi Chan is a director of our subsidiaries Hang Wing, Top Mark, Maxa RockDrills, Tristate International and Tristate Hong Kong, and he is also the product director of Top Mark and the vice general manager and a supervisor of Norry Tech. Mr. Kin Choi Chan has nearly 19 years of experience in the DTH rockdrilling tool industry since co-founding our Group in July 1997. Mr. Kin Choi Chan was awarded a higher diploma in electronic engineering by The Hong Kong Polytechnic University in Hong Kong in November 1994. From 1994 to 1997, Mr. Kin Choi Chan worked for a construction equipment trading company based in Hong Kong.

Mr. Kin Choi Chan is the brother of Mr. Leung Choi Chan and Mr. Tat Choi Chan, our Executive Directors, the brother of Ms. Yuen Ming Chan, our senior management, and the brother-in-law of Ms. Ning Liang, our Executive Director.

Mr. Tat Choi Chan, aged 41, was appointed as our Executive Director on March 17, 2016. He joined our Group as our sales and marketing manager in August 1999, and is currently responsible for the management of our sales and marketing operations both locally and overseas. Mr. Tat Choi Chan graduated from The Hong Kong Polytechnic University in Hong Kong with a bachelor's degree of science in applied mathematics in December 1999. Since then, he has nearly 17 years of experience in the engineering and DTH rockdrilling tool industry.

Mr. Tat Choi Chan is the brother of Mr. Leung Choi Chan and Mr. Kin Choi Chan, our Executive Directors, and the brother of Ms. Yuen Ming Chan, our senior management, and the brother-in-law of Ms. Ning Liang, our Executive Director.

1. 執行董事(續)

陳健材先生，44歲，於二零一六年三月十七日獲委任為執行董事。陳健材先生於一九九七年七月以共同創辦人身份成立本集團，負責業務營運整體管理與工程及技術流程。彼亦積極參加銷售及市場推廣活動。陳健材先生為我們的附屬公司鏗榮、震東機械、Maxa RockDrills、聯亞國際及Tristate Hong Kong的董事，亦為震東機械的產品總監及萊利達的副總經理兼監事。自一九九七年七月以共同創辦人身份成立本集團以來，陳健材先生有近19年潛孔鑿岩工具行業經驗。陳健材先生於一九九四年十一月畢業於香港理工大學，獲得電子工程學高級文憑。陳健材先生於一九九四年至一九九七年任職以香港為基地的建築設備貿易公司。

陳健材先生為執行董事陳樑材先生和陳達材先生及高級管理人員陳宛明女士的兄弟以及執行董事梁寧女士的小叔。

陳達材先生，41歲，於二零一六年三月十七日獲委任為執行董事。彼於一九九九年八月加入本集團擔任銷售及營銷經理，現時負責管理本地及海外業務銷售及市場推廣。陳達材先生於一九九九年十二月畢業於香港理工大學，獲得應用數學理學士學位，自此有近17年工程及潛孔鑿岩工具行業經驗。

陳達材先生為執行董事陳樑材先生和陳健材先生及高級管理人員陳宛明女士的胞弟以及執行董事梁寧女士的小叔。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

1. EXECUTIVE DIRECTORS (Continued)

Ms. Ning Liang, aged 37, was appointed as our Executive Director on March 17, 2016. She joined our Group as a director of Norry Tech, our subsidiary, in September 2007, and is responsible for management of the operations of our factory located in the Shunde District, Guangdong Province, PRC (“**Shunde Factory**”), including overseeing the day-to-day operations of our manufacturing operations, maintenance of our machines at our Shunde Factory, as well as being responsible for the overall administrative, legal and compliance work of our Shunde Factory and human resources management of our production team at our Shunde Factory. Ms. Liang has nearly nine years of experience in the DTH rockdrilling tool industry. Ms. Liang is the executive director and a legal representative of Norry Tech.

Prior to 2007, Ms. Liang was not in active employment and dedicated her time to personal and family matters. Ms. Liang completed her education specialising in law from The Open University of China in the PRC in January 2014.

Ms. Liang is the wife of Mr. Leung Choi Chan, our Executive Director and the sister-in-law of Mr. Kin Choi Chan and Mr. Tat Choi Chan, our Executive Directors, and Ms. Yuen Ming Chan, our senior management.

2. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lewis Chan (formerly known as Yeung Chan), aged 46, was appointed as our Independent Non-executive Director on December 15, 2016. He is the chairman of our Remuneration Committee, and a member of our Audit and Compliance Committee and our Nomination Committee.

Mr. Chan has over 12 years of experience in asset management and investment. He has been the managing partner at MaunaKai Capital Partners (Hong Kong) Limited since July 2004. He has been an executive director of DT Capital Limited (HK stock code: 00356) since July 7, 2014 and a non-executive director of D&G Technology Holding Company Limited (HK stock code: 01301) since December 15, 2014, both listed on the Stock Exchange.

Mr. Chan is a committee member of the Admissions, Budgets and Allocations Committee of the Community Chest. Mr. Chan received his Doctor of Philosophy in Economics from Harvard University in the United States in June 2000, a master's degree of arts from Harvard University in the United States in March 1999, a master's degree in economics from Columbia University in the United States in May 1996 and a bachelor's degree of arts from The University of Chicago in the United States in June 1994.

1. 執行董事(續)

梁寧女士，37歲，於二零一六年三月十七日獲委任為執行董事。彼於二零零七年九月加入本集團擔任我們附屬公司萊利達的董事，負責位於中國廣東省順德區工廠(「**順德工廠**」)的營運管理，包括監督製造業務的日常營運、維護順德工廠機器、全面負責順德工廠的行政、法務及合規事宜以及順德工廠生產團隊的人力資源管理。梁女士有近九年潛孔鑿岩工具行業經驗。梁女士為萊利達的執行董事兼法律代表。

二零零七年前，梁女士並無積極就業，而是專注於個人及家庭事宜。梁女士於二零一四年一月在國家開放大學完成法學專科教育。

梁女士是執行董事陳樑材先生之妻子，亦是執行董事陳健材先生和陳達材先生及高級管理人員陳宛明女士之大嫂。

2. 獨立非執行董事

陳令紘先生(前稱陳氫)，46歲，於二零一六年十二月十五日獲委任為獨立非執行董事。彼為薪酬委員會主席，亦是審核及合規委員會和提名委員會成員。

陳先生有逾12年資產管理及投資經驗，自二零零四年七月起擔任鼎勝資產管理有限公司的執行合夥人。陳先生自二零一四年七月七日及二零一四年十二月十五日起分別擔任鼎立資本有限公司(香港股份代號：00356)的執行董事及德基科技控股有限公司(香港股份代號：01301)的非執行董事。該兩家公司均於聯交所上市。

陳先生為香港公益金入會、預算及分配委員會委員。陳先生於二零零零年六月、一九九九年三月、一九九六年五月及一九九四年六月分別在美國獲得哈佛大學經濟學博士學位及文學碩士學位、哥倫比亞大學經濟學碩士學位及芝加哥大學文學士學位。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

2. INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

Mr. Chun Fung Lam, aged 43, was appointed as our Independent Non-executive Director on December 15, 2016. He is a member of our Audit and Compliance Committee and our Nomination Committee.

Mr. Lam has nearly 17 years of experience in business and market development. He served at Chevron Phillips Chemical International Inc. (currently known as Phillips Petroleum International Inc.) as an area sales representative from July 1999 to June 2001 and was transferred to the position of technical service engineer, based in Singapore, for the period from June 2001 to June 2003. He was then relocated back to Hong Kong and promoted to polyethylene market development and technical service engineer in July 2003 and he left the company in July 2004. Mr. Lam has been working at BASF East Asia Regional Headquarters Limited as a senior manager since July 2004.

Mr. Lam graduated from The Chinese University of Hong Kong in Hong Kong with a bachelor's degree of science in December 1999 and his major subject was chemistry. He was awarded as a Certified Professional Mediator by The Institute of Crisis and Risk Management in November 2013. He was also awarded a Certificate of Accredited Professional Mediator, issued jointly by the Vision Education Group and The Institute of Crisis and Risk Management, in November 2013.

Mr. Lok Man Richard Sung, aged 34, was appointed as our Independent Non-executive Director on December 15, 2016. He is the chairman of our Audit and Compliance Committee and a member of our Remuneration Committee.

Mr. Sung has nearly 12 years of experience in accounting, auditing and corporate finance. From September 2004 to June 2009, he served in the assurance department of PricewaterhouseCoopers, an audit firm providing audit for potential initial public offerings, multinational corporations and listed companies, where his last position was senior associate. Mr. Sung worked at Shanghai Jianxin Equity Investment Management Limited in 2011. Mr. Sung was a manager in the financial advisory services department at Deloitte & Touche Financial Advisory Services Limited from January 2012 to October 2013, and has been a director of strategy and business development at ESG Hong Kong Limited since November 2013.

2. 獨立非執行董事(續)

藍俊峰先生，43歲，於二零一六年十二月十五日獲委任為獨立非執行董事，為審核及合規委員會和提名委員會成員。

藍先生有近17年業務及市場發展經驗。彼自一九九九年七月至二零零一年六月任職Chevron Phillips Chemical International Inc. (現稱Phillips Petroleum International Inc.) 地區銷售代表，後自二零零一年六月至二零零三年六月轉至新加坡擔任技術服務工程師，之後於二零零三年七月調回香港並晉升為聚乙烯市場開發及技術服務工程師，於二零零四年七月離開該公司。藍先生自二零零四年七月起任職巴斯夫東亞地區總部有限公司高級經理。

藍先生於一九九九年十二月在香港畢業於香港中文大學，主修化學，獲得理學學士學位。彼於二零一三年十一月獲商業風險評估專業協會認可為認可專業調解員。彼亦於二零一三年十一月獲博智教育集團及商業風險評估專業協會共同頒發認可專業調解員證書。

宋樂文先生，34歲，於二零一六年十二月十五日獲委任為獨立非執行董事，為審核及合規委員會主席兼薪酬委員會成員。

宋先生有近12年會計、審計和企業融資經驗。彼於二零零四年九月至二零零九年六月期間任職羅兵咸永道會計師事務所(向有意首次公開發行、跨國企業及上市公司提供審計服務的審計公司)審計部，離職前擔任高級顧問。宋先生於二零一一年任職於上海建信股權投資管理有限公司。宋先生於二零一二年一月至二零一三年十月期間擔任德勤財務諮詢服務有限公司財務諮詢服務部經理，自二零一三年十一月起擔任香港ESG環保集團的策略與業務發展主管。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

2. INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

Mr. Sung graduated from The Hong Kong University of Science and Technology in Hong Kong with a bachelor's degree in business administration in November 2004, and from the China Europe International Business School in the PRC with a master's degree in business administration in March 2011. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2008 and a Chartered Financial Analyst® Charterholder of the CFA Institute since April 2013.

3. SENIOR MANAGEMENT

Dr. Alberto Barbera, aged 68, joined our Group in November 2015 and is responsible for exports, overseas sales and marketing and managing our relationships with our overseas distributors. Dr. Barbera has also been appointed as the head of our research and development team in January 2016.

Dr. Barbera was an engineer registered with Ordine degli Ingegneri della Provincia Di Vercelli (Order of Engineers of Province of Vercelli (note)) in Italy in June 1975 and has more than 40 years of experience in the engineering and DTH rockdrilling tool industries. Prior to joining our Group, Dr. Barbera served as a civil engineer and Hong Kong agent for C.C.C. Fondisa S.p.A., a company engaged in work relating to foundation diaphragm walls, site investigation micropiles, piling, chemical grouting and soil anchors, from 1975 to 1979. He worked at Rodio S.p.A. from 1979 to 1986 and served as a technical manager at Brasfond Group from 1986 to 1992, both companies specialised in the field of geotechnical engineering. Dr. Barbera also served as a technical manager at ItalSonda S.p.A., an Italian company engaged in drilling works, which he began working at from December 1992 and left the company in February 1997. He then served as a manager and work task of executive assistant at MAIT S.p.A, an Italian company engaged in offering foundation equipment, from January 1997 to October 2015. Dr. Barbera was also invited by Studio Geotecnico Italiano S.r.l., a private engineering consultant located in Italy, to provide advice on the European standard on jet grouting during the period from November 1994 to May 1998.

2. 獨立非執行董事(續)

宋先生於二零零四年十一月畢業於香港科技大學，取得工商管理學士學位，並於二零一一年三月畢業於中國的中歐國際工商學院，取得工商管理碩士學位。彼自二零零八年一月起為香港會計師公會會員，並自二零一三年四月起為特許金融分析師協會特許財經分析師(Chartered Financial Analyst®)資格持有人。

3. 高級管理層

Alberto Barbera 博士，68歲，於二零一五年十一月加入本集團，負責出口、海外銷售及市場推廣以及管理與海外分銷商的關係。Barbera 博士亦於二零一六年一月獲委任為研發團隊負責人。

Barbera 博士於一九七五年六月在意大利 Ordine degli Ingegneri della Provincia Di Vercelli (Order of Engineers of Province of Vercelli (附註)) 註冊為工程師，有逾40年工程及潛孔鑿岩工具行業經驗。加入本集團前，Barbera 博士自一九七五年至一九七九年為 C.C.C. Fondisa S.p.A. (從事凝滲隔牆、地盤研究微樁、樁基、化學灌漿及土錨相關工程的公司) 的土木工程師及香港代理。彼自一九七九年至一九八六年任職於 Rodio S.p.A.，並於一九八六年至一九九二年擔任 Brasfond Group 技術經理，兩間公司均專攻岩土工程領域。Barbera 博士亦自一九九二年十二月起擔任 ItalSonda S.p.A. (從事鑽孔工作的意大利公司) 的技術經理，於一九九七年二月離任。其後，彼於一九九七年一月至二零一五年十月期間曾在 MAIT S.p.A. (從事提供地基器材的意大利公司) 擔任經理及行政助理。Barbera 博士亦於一九九四年十一月至一九九八年五月期間獲 Studio Geotecnico Italiano S.r.l. (位於意大利的私人工程顧問公司) 邀請就旋噴灌漿的歐洲標準提供建議。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

3. SENIOR MANAGEMENT (Continued)

Dr. Barbera graduated from Politecnico di Torino (Polytechnic University of Turin (note)) in Italy with a degree of doctor in civil engineering in July 1974. Dr. Barbera was also a member of the Deep Foundations Institute established in the United States from 2007 to 2013.

Note: English translation for reference only.

Ms. Yuen Ming Chan, aged 46, is our factory control manager. She joined our Group in January 2010 and is responsible for the administration and coordination of the manufacturing process of our Group. She is in charge of managing orders from customers, monitoring our work orders and coordinating the production schedules at our Shunde Factory, procurement of raw materials required by our manufacturing processes, inventory management, and managing the shipping and export of the products from our Shunde Factory in the PRC to Hong Kong and overseas including the delivery of the final manufactured products to our customers and attending to all administrative and compliance issues including handling of warranty claims.

Ms. Yuen Ming Chan has nearly 7 years of experience in the DTH rockdrilling tool industry and more than 15 years' experience in sales and merchandising. Prior to joining our Group, Ms. Yuen Ming Chan worked as an assistant merchandiser at Famous Horse Garment Factory Ltd. from July 1994 to June 1995 and at Caitac (Hong Kong) Limited from September 1995 to August 1996. She worked as a junior merchandiser at Mutual Bond International Ltd. in November 1996 and then was promoted to merchandiser in March 1997 and left the company in July 1997. She subsequently served as a senior merchandiser from August 1997 to June 2002 at Lever Shirt Limited. Ms. Yuen Ming Chan also worked at LF Centennial Services (Hong Kong) Limited as a senior merchandiser in the women woven team from June 2002 to May 2007, and served as a senior merchandiser at Quicksilver Asia Sourcing Limited from May 2007 to June 2009.

Ms. Yuen Ming Chan graduated from The Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in Hong Kong with a bachelor's degree of science in textiles in November 1994.

3. 高級管理層(續)

Barbera 博士於一九七四年七月於意大利 Politecnico di Torino (Polytechnic University of Turin (附註)) 畢業並獲得土木工程博士學位。Barbera 博士於二零零七年至二零一三年亦為於美國成立的 Deep Foundations Institute 會員。

附註：英文譯名僅供參考。

陳宛明女士，46歲，為我們的工廠管控制經理。彼於二零一零年一月加入本集團，負責管理及協調本集團製造流程。彼負責管理客戶訂單、監查順德工廠的工作秩序及生產調度、採購製造流程所需原料、存貨管理、管理中國順德工廠產品輸送及出口至香港及海外的事宜(包括交付成品予客戶)及處理所有行政及合規事宜(包括處理保修索賠)。

陳宛明女士已累積近七年潛孔鑿岩工具行業經驗和逾15年銷售及推銷經驗。加入本集團前，陳宛明女士分別於一九九四年七月至一九九五年六月及一九九五年九月至一九九六年八月擔任名駒製衣廠有限公司及Caitac (Hong Kong) Limited的助理採購員。彼於一九九六年十一月擔任眾成國際有限公司的初級採購員，後於一九九七年三月晉升為採購員，於一九九七年七月離開該公司。彼其後於一九九七年八月至二零零二年六月擔任利華成衣有限公司高級採購員。陳宛明女士亦於二零零二年六月至二零零七年五月擔任利盛服務(香港)有限公司女性織物組高級採購員，於二零零七年五月至二零零九年六月擔任Quicksilver Asia Sourcing Limited高級採購員。

陳宛明女士於一九九四年十一月在香港畢業於香港理工學院(現稱香港理工大學)並獲得紡織學理學士學位。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

3. SENIOR MANAGEMENT (Continued)

Ms. Yuen Ming Chan is the sister of Mr. Leung Choi Chan, Mr. Kin Choi Chan and Mr. Tai Choi Chan, our Executive Directors, and the sister-in-law of Ms. Ning Liang, our Executive Director.

Mr. Jonathan Edward Chun-chung Chow, aged 33, is the chief financial officer and company secretary of our Company. He joined our Group in April 2016 as financial controller and was appointed as chief financial officer and company secretary of our Company on July 18, 2016. Mr. Chow is responsible for overseeing our Group's financial and accounting operations and internal controls, and provides financial and business advice to the Board and senior management of our Group.

He has nearly 12 years of experience in auditing, accounting and management. Mr. Chow started his career with PricewaterhouseCoopers in August 2004 as an associate in the assurance practice and his last position was a manager when he left the firm in March 2014. Before joining our Group, Mr. Chow was the chief financial officer of Clot Co. Limited and its associated companies from March 2014 to April 2016, companies engaged in the businesses of distribution and retailing of branded consumer goods.

Mr. Chow graduated from the School of Oriental and African Studies, University of London in the United Kingdom with a bachelor's degree of science in economics in July 2004. Mr. Chow has been a member of the Hong Kong Institute of Certified Public Accountants since January 2010 and an associate of the Institute of Chartered Accountants in England and Wales since February 2010.

4. COMPANY SECRETARY

Mr. Jonathan Edward Chun-chung Chow is the company secretary of our Company. For details of his biography, please refer to the above paragraph headed "Senior Management" in this section.

3. 高級管理層(續)

陳宛明女士為執行董事陳樑材先生的胞妹、執行董事陳健材先生及陳達材先生的胞姊及執行董事梁寧女士的小姑。

周鎮忠先生，33歲，為本公司財務總監兼公司秘書。彼於二零一六年四月加入本集團擔任財務主任，並於二零一六年七月十八日獲委任為本公司財務總監兼公司秘書。周先生負責監管本集團的財務及會計營運和內控，並向本集團董事會及高級管理層提供財務及業務建議。

彼擁有近12年的審計、會計及管理經驗。周先生於二零零四年八月在羅兵咸永道開始從事審計工作，擔任審計員，於二零一四年三月離職前擔任經理。加入本集團前，周先生於二零一四年三月至二零一六年四月擔任凝結集團有限公司及其聯營公司(均為從事品牌消費商品分銷及零售業務的公司)之財務總監。

周先生於二零零四年七月畢業於英國倫敦大學亞非學院並獲得經濟學理學士學位。周先生自二零一零年一月起為香港會計師公會會員，自二零一零年二月起為英格蘭及威爾斯特許會計師公會會員。

4. 公司秘書

周鎮忠先生為本公司的公司秘書。有關其履歷詳情，請參閱本節上述「高級管理層」一段。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

The Board of Directors of the Company hereby presents to the Shareholders the annual report and the audited consolidated financial statements for the year ended March 31, 2017.

1. PRINCIPAL PLACE OF BUSINESS

The registered office address of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The principal place of business of the Company is located at Unit B, 17/F., E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong.

2. GROUP REORGANISATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on March 17, 2016.

In preparation for the listing of the Company's shares on the Stock Exchange, the entities now comprising the Group underwent a group reorganisation ("**Group Reorganisation**") to enable the Company to become the holding company of the Group which involves the steps of the Group Reorganisation, details of which are set out in note 2 to the consolidated financial statements.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited since January 11, 2017.

3. PRINCIPAL ACTIVITIES

The Company is an investment holding company and details of the principal activities of its subsidiaries are set out in note 34 to the consolidated financial statements. There was no significant change in the Group's principal activities during the Year.

4. BUSINESS REVIEW

The business review of the Group for the Year is included in the Management Discussion and Analysis in this annual report on pages 7 to 14. This discussion forms part of this report of the Board of Directors.

5. SEGMENT INFORMATION

An analysis of the Group's performance for the Year by operating segment is set out in note 6 to the consolidated financial statements.

本公司董事會謹此向股東提呈截至二零一七年三月三十一日止年度的年報及經審核綜合財務報表。

1. 主要營業地點

本公司的註冊辦事處地址位於 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands，而本公司的主要營業地點位於香港柴灣利眾街24號東貿廣場17樓B室。

2. 集團重組

本公司於二零一六年三月十七日根據開曼群島一九六一年第3號法例第22章公司法(以經綜合及修訂者為準)於開曼群島註冊成立為獲豁免有限公司。

為籌備本公司股份在聯交所上市，本集團目前旗下公司已進行集團重組(「**集團重組**」)，讓本公司成為本集團的控股公司，當中涉及集團重組的步驟，詳情載於綜合財務報表附註2。

本公司股份自二零一七年一月十一日起於香港聯合交易所有限公司上市。

3. 主要業務

本公司為投資控股公司，其附屬公司之主要業務詳情載於綜合財務報表附註34。本集團之主要業務於本年度概無重大變動。

4. 業務回顧

本集團本年度之業務回顧載於本年報第7至14頁管理層討論及分析。有關討論構成本董事會報告之一部分。

5. 分部資料

本集團於本年度按經營分部劃分之表現分析載於綜合財務報表附註6。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

6. RESULTS AND APPROPRIATIONS

The results of the Company and its subsidiaries for the year ended March 31, 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 59 of this annual report.

On July 15, 2016, the board of directors of the Company have resolved to declare interim dividends of HK\$0.077 per share, amounting to approximately HK\$23,120,000, to the owners of the Company in respect of retained earnings for the year ended March 31, 2016.

During the year ended March 31, 2016, an interim dividend of HK\$7,852,000 was declared and paid by Top Mark Mechanical Equipment Limited to its then shareholders. The rate of dividend is not presented as such information is not meaningful.

The board of directors of the Company does not recommend the distribution of a final dividend for the year ended March 31, 2017.

7. SHARE CAPITAL

The Company's shares were successfully listed on the Main Board of the Stock Exchange on January 11, 2017.

As at March 31, 2017, the Company's issued share capital was HK\$38,000,000 and the number of its issued ordinary shares was 380,000,000 of HK\$0.1 each.

There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report.

8. PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

6. 業績及分配

本公司及其附屬公司截至二零一七年三月三十一日止年度的業績載於本年報第59頁綜合損益及其他全面收益表。

於二零一六年七月十五日，本公司董事會議決就截至二零一六年三月三十一日止年度的保留盈利向本公司擁有人宣派中期股息每股0.077港元，即合共約23,120,000港元。

截至二零一六年三月三十一日止年度，震東機械設備有限公司向當時股東宣派及派付中期股息7,852,000港元。並無呈報股息率，乃因該等資料意義不大。

本公司董事會不建議就截至二零一七年三月三十一日止年度派發末期股息。

7. 股本

本公司股份成功於二零一七年一月十一日在聯交所主板上市。

於二零一七年三月三十一日，本公司已發行股本為38,000,000港元，而已發行普通股數目為380,000,000股，每股面值0.1港元。

自上市日期起至本報告日期止，本集團資本架構概無任何變動。

8. 購買、出售及贖回本公司已上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司已上市證券。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

9. PRE-EMPTIVE RIGHT TO ACQUIRE

There are no provisions for pre-emptive rights under the Articles of Association or applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

10. RESERVES

The details in relation to the changes in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on pages 62 to 63 of this annual report. The details in relation to the reserves available for distributing to owners of the Company are set out in the consolidated statement of changes in equity on pages 62 to 63 of this annual report.

11. FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out on page 123 of this annual report.

12. PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the Year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements of this annual report.

13. CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from August 23, 2017 to August 29, 2017, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend the Annual General Meeting (“AGM”) on August 29, 2017, during which period no share transfers will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22 Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on August 22, 2017.

9. 優先購買權

本公司組織章程細則或本公司註冊成立所在的開曼群島適用法例概無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

10. 儲備

本集團儲備於本年度的變動詳情載於本年報第62至63頁綜合權益變動表。可供分派予本公司擁有人的儲備詳情載於本年報第62至63頁綜合權益變動表。

11. 財務概要

本集團業績以及資產及負債之概要載於本年報第123頁。

12. 物業、廠房及設備

本集團物業、廠房及設備於本年度之變動詳情載於本年報綜合財務報表附註15。

13. 暫停辦理股份過戶登記

為釐定有權出席於二零一七年八月二十九日舉行之股東週年大會（「股東週年大會」）的股東身份，本公司將於二零一七年八月二十三日至二零一七年八月二十九日（包括首尾兩天）暫停辦理股份過戶登記手續，在此期間將不會辦理股份過戶登記手續。為確保符合資格出席股東週年大會並於會上投票，所有填妥的股份過戶表格連同有關股票，必須在不遲於二零一七年八月二十二日下午四時三十分，送達本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，以辦理登記手續。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

14. DIRECTORS

The Board of Directors currently consists of seven Directors, among whom, four are executive Director and three are independent non-executive Directors.

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

Executive Directors

Mr. Leung Choi Chan

Mr. Kin Choi Chan

Mr. Tat Choi Chan

Ms. Ning Liang

Independent Non-executive Directors

Mr. Lewis Chan (appointed on December 15, 2016)

Mr. Chun Fung Lam (appointed on December 15, 2016)

Mr. Lok Man Richard Sung (appointed on December 15, 2016)

Information regarding Directors' emoluments is set out in note 12 to the consolidated financial statements.

The Company has received the confirmation of the Independence issued by the Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules and is of the opinion that all Independent Non-executive Directors are independent of the Company.

15. BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Details of the biographies of the Directors of the Company and the senior management of the Group are set out on pages 34 to 40 of this annual report.

14. 董事

董事會目前由七名董事組成，其中四名為執行董事及三名為獨立非執行董事。

於本年度及直至本年報日期止之董事為：

執行董事

陳樑材先生

陳健材先生

陳達材先生

梁寧女士

獨立非執行董事

陳令紘先生

(於二零一六年十二月十五日獲委任)

藍俊峰先生

(於二零一六年十二月十五日獲委任)

宋樂文先生

(於二零一六年十二月十五日獲委任)

有關董事酬金之資料載於綜合財務報表附註12。

本公司已接獲獨立非執行董事根據上市規則第3.13條發出的獨立性確認書，並認為所有獨立非執行董事均獨立於本公司。

15. 董事及高級管理層履歷

本公司董事及本集團高級管理層之履歷詳情載於本年報第34至40頁。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

16. SERVICE CONTRACTS OF DIRECTORS

Each of the Executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date and renewable within three months prior to the expiration of the initial term until terminated by the Director or the Company in accordance with the terms of the agreement. Each Independent Non-executive Director was appointed under a letter of appointment for a term of three years commencing from the Listing Date unless terminated by the Director or the Company in accordance with the terms of the agreement.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

17. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

The details of the remuneration of the Company's Directors and the five highest paid individuals of the Group are set out in note 12 to the consolidated financial statements.

18. INTERESTS OF DIRECTORS (AND THEIR CONNECTED ENTITIES) IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors (and their connected entities) is or was materially interested, directly or indirectly, in any transaction, arrangement or contract of significance entered into by the Company or its controlling shareholders or any of their respective subsidiaries at any time during the Reporting Period or subsisted at the end of the Year.

19. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

During the Year, none of the Directors nor their associates (as defined in the Listing Rules) had any competing interests in such business that is in direct or indirect competition with any of the Group's business.

16. 董事服務合約

各執行董事均已與本公司訂立服務協議，初步年期由上市日期起計為期三年，有關服務協議可於初步年期屆滿前三個月內重續，直至董事根據協議條款終止為止。各獨立非執行董事已根據委任書獲委任，年期為由上市日期起計為期三年，除非董事或本公司根據協議條款予以終止。

除上文所披露者外，概無擬於應屆股東週年大會上重選連任之董事與本公司訂立本公司於一年內不可在不予賠償（法定賠償除外）的情況下終止之服務合約。

17. 董事及五名最高薪酬人士的薪酬

本公司董事及本集團五名最高薪酬人士的薪酬詳情載於綜合財務報表附註12。

18. 董事（及其關連實體）於重大交易、安排或合約中的權益

概無董事（及其關連實體）現時或曾經於任何本公司或其控股股東或彼等各自的任何附屬公司在報告期內任何時間訂立或在本年度末存續的任何重大交易、安排或合約中直接或間接擁有重大權益。

19. 董事於競爭業務的權益

於本年度，概無董事或其聯繫人（定義見上市規則）在與本集團業務直接或間接構成競爭的該等業務中擁有競爭權益。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

20. THE INTEREST AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at March 31, 2017, the interests and short positions of each of our Directors and chief executive of our Company in the Shares, underlying shares and debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which have been taken or deemed to have been under such provisions of the SFO), or are required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or are required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, are as follows:

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of Shares (share) ⁽¹⁾	Approximate percentage of the total issued share capital of the Company (%) 佔本公司已發行股本總額的概約百分比 (%)
董事姓名	相聯法團名稱	身份／權益性質	股份數目(股) ⁽¹⁾	
Mr. Leung Choi Chan ⁽²⁾ 陳樑材先生 ⁽²⁾	Hang Yip 鏗業	Interest in a controlled corporation 受控法團權益	224,000,000 (L) 224,000,000 (L)	59.0% 59.0%
Mr. Kin Choi Chan ⁽²⁾ 陳健材先生 ⁽²⁾	Hang Yip 鏗業	Interest in a controlled corporation 受控法團權益	56,000,000 (L) 56,000,000 (L)	14.7% 14.7%

Table Note:

- (1) The Letter "L" denotes a person's long position (as defined under part XV of the SFO) in such Shares.
- (2) Our Company is held as to approximately 73.7% by Hang Yip. Hang Yip is held as to 80% by Mr. Leung Choi Chan and 20% by Mr. Kin Choi Chan.

20. 董事及主要行政人員於股份、相關股份及債券的權益及淡倉

於二零一七年三月三十一日，本公司各董事及主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視作擁有的權益及淡倉），或根據證券及期貨條例第352條須記入該條所指的登記冊，或根據上市規則上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

表格附註：

- (1) 「L」表示該人士在有關股份中所持的好倉（定義見證券及期貨條例第XV部）。
- (2) 本公司由鏗業持有約73.7%權益。鏗業由陳樑材先生及陳健材先生分別持有80%及20%權益。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

21. INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES

As at March 31, 2017 and as far as the Directors knew, the following persons have or be deemed or taken to have an interest in shares or underlying shares of our Company which are required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO, or to be recorded in the register placed in the Company pursuant to Section 336 of the SFO, or are, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of our subsidiaries:

(i) Long Positions of Substantial Shareholders in Shares

Name of Shareholder	Nature of interest	Number of Shares (share) ⁽¹⁾	Approximate percentage of the total issued share capital of the Company (%)
			佔本公司已發行股本總額的概約百分比 (%)
股東姓名／名稱	權益性質	股份數目(股) ⁽¹⁾	百分比 (%)
Hang Yip 鏗業	Beneficial owner 實益擁有人	280,000,000 280,000,000	73.7% 73.7%
Mr. Leung Choi Chan 陳樑材先生	Interest of a controlled corporation 受控法團權益	224,000,000 224,000,000	59.0% 59.0%
Ms. Ning Liang ⁽²⁾ 梁寧女士 ⁽²⁾	Interest of spouse 配偶權益	224,000,000 224,000,000	59.0% 59.0%
Mr. Kin Choi Chan 陳健材先生	Interest of a controlled corporation 受控法團權益	56,000,000 56,000,000	14.7% 14.7%
Ms. Jing Liu ⁽³⁾ Jing Liu 女士 ⁽³⁾	Interest of spouse 配偶權益	56,000,000 56,000,000	14.7% 14.7%

Table Note:

- (1) All interests stated are long positions.
- (2) Ms. Ning Liang, the spouse of Mr. Leung Choi Chan, is deemed to be interested in all the Shares in which Mr. Leung Choi Chan is interested by virtue of the SFO.
- (3) Ms. Jing Liu, the spouse of Mr. Kin Choi Chan, is deemed to be interested in all the Shares in which Mr. Kin Choi Chan is interested by virtue of the SFO.

21. 主要股東所持股份權益

於二零一七年三月三十一日及據董事所知，以下人士於本公司股份或相關股份中擁有或視為或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露的權益，或記入本公司根據證券及期貨條例第336條存置的登記冊的權益，或直接或間接擁有附帶權利可在任何情況下於本公司或本公司任何附屬公司股東大會上表決之任何類別股本面值5%或以上權益：

(i) 主要股東所持股份好倉

表格附註：

- (1) 所有權益均為好倉。
- (2) 梁寧女士為陳樑材先生的配偶，根據證券及期貨條例視為擁有陳樑材先生所持全部股份權益。
- (3) Jing Liu女士為陳健材先生的配偶，根據證券及期貨條例視為擁有陳健材先生所持全部股份權益。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

21. INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES (Continued)

(ii) Substantial Shareholders of Other Members of the Group

Name of subsidiary of the Company	Name of Shareholder	Approximate percentage of the total issued share capital in our subsidiary (%) 佔附屬公司已發行股本總額的概約百分比
本公司附屬公司名稱	股東姓名	(%)
Tristate International	Mr. Lap Wai Gary Chan ⁽⁴⁾	49%
聯亞國際	陳立緯先生 ⁽⁴⁾	49%
Norry Tech	Mr. Lap Wai Gary Chan	49%
萊利達	陳立緯先生	49%

Table Note:

(4) Ms. Siu Ling Linda Vane holds the 49% holdings in Tristate International on trust for Mr. Lap Wai Gary Chan.

Save as disclosed above, our Directors are not aware of any person who has an interest or a short position in the Shares or underlying Shares which is required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or to be recorded in the register placed in the Company pursuant to Section 336 of the SFO, or is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of our subsidiaries.

22. MANAGEMENT CONTRACTS

During the Year, the Group did not enter into any contracts in respect of the management and administration of all or any significant portion of the business (except for such service contracts entered into with the Group's Directors and all employees) and there existed no such contracts in respect of the management and administration of all or any significant portion of the business (except for such service contracts entered into with the Group's Directors and all employees).

21. 主要股東所持股份權益(續)

(ii) 本集團其他成員公司的主要股東

Name of Shareholder	Approximate percentage of the total issued share capital in our subsidiary (%) 佔附屬公司已發行股本總額的概約百分比
股東姓名	(%)
Mr. Lap Wai Gary Chan ⁽⁴⁾	49%
陳立緯先生 ⁽⁴⁾	49%
Mr. Lap Wai Gary Chan	49%
陳立緯先生	49%

表格附註：

(4) 范小玲女士以信託方式代表陳立緯先生持有聯亞國際49%股權。

除上文所披露者外，據董事所知，概無任何人士於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露的權益或淡倉，或記入本公司根據證券及期貨條例第336條存置的登記冊的權益或淡倉，或直接或間接擁有可在任何情況下於本公司或本公司任何附屬公司股東大會上表決之任何類別股本面值5%或以上權益。

22. 管理合約

於本年度，本集團並無就全部或任何重大部分業務的管理及行政工作訂立或存在任何合約，惟與本集團董事及全體僱員訂立的服務合約除外。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

23. CONNECTED TRANSACTIONS

We have entered into some transactions with connected persons of the Company. In accordance with Chapter 14A of the Listing Rules, such transactions have constituted the connected transactions or continuing connected transactions of the Company.

23.1 Continuing Connected Transaction – Lease Agreement

On December 1, 2015, Top Champion Industries Limited entered into a lease agreement with Top Mark (the “**Lease Agreement**”), pursuant to which Top Champion Industries Limited as lessor agreed to lease to Top Mark as lessee the premises situated at Unit 9, 15/F, Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong (the “**Chai Wan Premises**”) for use as our industrial warehouse in Hong Kong for a term commencing from December 1, 2015 to November 30, 2017 at an agreed monthly rental of HK\$21,900 (excluding government rates, utilities, management fees and other outgoings).

Top Champion Industries Limited is a company incorporated in Hong Kong with limited liability on July 16, 1999. It is owned as to 95% by Mr. Leung Choi Chan and 5% by Mr. Kin Choi Chan and therefore is an associate of a connected person of our Company by virtue of Rule 14A.12(1)(c) of the Listing Rules.

Our rental expenses (excluding government rates, utilities, management fees and other outgoings) in relation to the leasing of the Chai Wan Premises for the Year is approximately HK\$263,000.

The rental amount payable by Top Mark under the Lease Agreement was determined with reference to the prevailing market rent at that time for similar premises. Our Directors (including our Independent Non-executive Directors) consider that it is in the interests of our Company and Shareholders as a whole to enter into the Lease Agreement.

Since each of the applicable percentage ratios (other than the profit ratio) for the Lease Agreement is less than 5% on an annual basis, the total consideration is less than HK\$3,000,000, and the transaction is on normal commercial terms, the transaction is fully exempt from the reporting, annual review, announcement, circular, and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

23. 關連交易

我們已與本公司關連人士訂立若干交易。根據上市規則第14A條，該等交易已構成本公司的關連交易或持續關連交易。

23.1 持續關連交易 — 租賃協議

於二零一五年十二月一日，泰昌實業有限公司與震東機械訂立租賃協議（「租賃協議」），據此，泰昌實業有限公司（作為出租人）同意向震東機械（作為承租人）出租香港柴灣新業街6號安力工業中心15樓9室（「柴灣營業場所」）作為我們於香港的工業倉庫，年期由二零一五年十二月一日直至二零一七年十一月三十日，協定月租為21,900港元（不包括政府地租、水電開支、管理費及其他開支）。

泰昌實業有限公司為於一九九九年七月十六日在香港註冊成立的有限公司，由陳樑材先生及陳健材先生分別擁有95%及5%的權益，根據上市規則第14A.12(1)(c)條為本公司關連人士的聯繫人。

於本年度，我們與出租柴灣營業場所所有關的租金開支（不包括政府地租、水電開支、管理費及其他開支）約為263,000港元。

震東機械根據租賃協議應付的租金乃經參考類似場所當時市場租金後釐定。董事（包括獨立非執行董事）認為訂立租賃協議乃符合本公司及股東的整體利益。

由於租賃協議各項適用百分比率（溢利比率除外）按年度基準計低於5%，總代價少於3,000,000港元，且交易乃按正常商業條款訂立，故根據上市規則第14A章，交易獲全面豁免遵守申報、年度審閱、公告、通函及獨立股東批准規定。

23. CONNECTED TRANSACTIONS (Continued)

23.2 Connected Transactions – Sales of DTH rockdrilling tools to Simon & Sons

During the Year, we sold DTH rockdrilling tools to Simon & Sons Engineering Limited (“**Simon & Sons**”) and the sales of our DTH rockdrilling tools amounted to approximately HK\$137,000. Simon & Sons is a company incorporated in Hong Kong with limited liability on October 31, 1986. Mr. Lap Wai Gary Chan is deemed to be interested in approximately 72.3% interest in Simon & Sons, a substantial shareholder of our subsidiary Norry Tech and a connected person pursuant to Rule 14A.07(1) of the Listing Rules, and therefore Simon & Sons is an associate of a connected person by virtue of Rule 14A.12(1)(c) of the Listing Rules.

Our Directors confirm that the transactions were on normal commercial terms and negotiated on an arm’s length basis, and are of the view that it is in the interests of our Company and its shareholders as a whole to continue such transactions with Simon & Sons.

Since each of the applicable percentage ratios for the transaction is less than 5% and the total consideration is less than HK\$3,000,000, and the transaction is on normal commercial terms, the transaction is fully exempt from the reporting, annual review, announcement, circular, and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

24. COMPLIANCE WITH DEED OF NON-COMPETITION

On December 20, 2016, the Controlling Shareholders have entered into a deed of non-competition in favour of the Company and its subsidiaries, pursuant to which the Controlling Shareholders will not compete against the Group in respect of the relevant business and will urge its associated enterprises not to compete against the Group in respect of the relevant business. The Controlling Shareholders also undertake to the Company that it will and will procure its associated enterprises to refer new business opportunity to the Company. For more specific details, please refer to the section with the heading of “Relationship with Our Controlling Shareholder” in the Prospectus of the Company.

23. 關連交易 (續)

23.2 關連交易 — 向 Simon & Sons 出售潛孔鑿岩工具

於本年度，我們向 Simon & Sons Engineering Limited (「**Simon & Sons**」) 出售潛孔鑿岩工具，而潛孔鑿岩工具的銷售額約為 137,000 港元。Simon & Sons 為於一九八六年十月三十一日在香港註冊成立的有限公司。我們附屬公司萊利達的主要股東兼上市規則第 14A.07(1) 條所界定的關連人士陳立緯先生視為於 Simon & Sons 擁有約 72.3% 權益，因此，根據上市規則第 14A.12(1)(c) 條，Simon & Sons 為關連人士的聯繫人。

董事確認，交易乃按正常商業條款訂立且經公平磋商，並認為繼續與 Simon & Sons 進行該等交易符合本公司及股東的整體利益。

由於有關交易的各項適用百分比率低於 5%，總代價少於 3,000,000 港元，且交易乃按正常商業條款訂立，故根據上市規則第 14A 章，交易獲全面豁免遵守申報、年度審閱、公告、通函及獨立股東批准規定。

本公司確認已根據上市規則第 14A 章遵守有關披露規定。

24. 遵守不競爭契約

於二零一六年十二月二十日，控股股東已訂立以本公司及其附屬公司為受益人的不競爭契約，據此，控股股東本身將不會，並將促使其關聯企業不會就相關業務與本集團競爭。控股股東亦向本公司承諾，其本身將會，並將促使其關聯企業將新業務機會轉介予本公司。具體詳情請參閱本公司招股章程「與控股股東的關係」一節。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

24. COMPLIANCE WITH DEED OF NON-COMPETITION

(Continued)

The Independent Non-executive Directors of the Company are responsible for examining, reviewing, considering and determining whether to adopt and accept the new business opportunities referred to the Company by the Controlling Shareholders or its subsidiaries.

The Controlling Shareholders have committed that during the Year, they have complied with the deed of non-competition. The Independent Non-executive Directors of the Company have examined and reviewed the implementation of the deed of non-competition during the Year and have confirmed that the Controlling Shareholders have fully complied with the deed and there had no violation of the deed.

25. RETIREMENT AND EMPLOYEE BENEFIT PLANS

Details of the retirement and employee benefits plans of the Group are set out in note 32 to the consolidated financial statements.

26. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Being a company listed on the Hong Kong Stock Exchange, the Company is always dedicated to maintaining the corporate governance practices at a high level. During the Year, the Company had established various director committees and formulated the relevant corporate governance system in accordance with the provisions stated therein the Code of Corporate Governance.

27. PUBLIC FLOAT

Based on publicly available information and to the knowledge of the Directors, there is sufficient public float of at least 25% of the Company's issued shares as at the date of this annual report, in compliance with the requirements of the Listing Rules.

28. MAJOR CUSTOMERS AND SUPPLIERS

Details of the Group's major customers and suppliers are set out in the Management Discussion and Analysis in this annual report on pages 7 to 14. This discussion forms part of this report of the Board of Directors.

24. 遵守不競爭契約(續)

本公司獨立非執行董事負責審查、檢討、考慮及決定是否採納及接受控股股東或其附屬公司轉介予本公司的新業務機會。

控股股東已承諾，於本年度，彼等已遵守不競爭契約。本公司獨立非執行董事已審查及檢討不競爭契約於本年度的執行情況，並已確認控股股東已全面遵守契約，且概無違反契約的情況。

25. 退休及僱員福利計劃

本集團的退休及僱員福利計劃詳情載於綜合財務報表附註32。

26. 遵守企業管治守則

作為香港聯交所上市公司，本公司始終致力維持高水平的企業管治常規。於本年度，本公司已根據企業管治守則所載的條文成立各董事委員會，並制定相關企業管治制度。

27. 公眾持股量

根據公開可得資料及據董事所知，本公司於本年報日期擁有佔本公司已發行股份至少25%的充足公眾持股量，符合上市規則的規定。

28. 主要客戶及供應商

本集團主要客戶及供應商之詳情載於本年報第7至14頁管理層討論及分析。有關討論構成本董事會報告之一部分。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

29. PERMITTED INDEMNITY PROVISIONS

During the Year and up to the date of this annual report, the Company (including but not limited to) had purchased and maintained a group liability insurance for the Directors of the Company and its “Associated Companies” (as defined for such term under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)).

30. AUDITOR

The consolidated financial statements for the year ended March 31, 2017 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for reappointment, at the forthcoming AGM.

29. 獲准許的彌償條文

於本年度及直至本年報日期止，本公司（包括但不限於）已為本公司董事及其「有聯繫公司」（如香港法例第622章公司條例下賦予該詞的定義）的董事投購及維持集體責任保險。

30. 核數師

截至二零一七年三月三十一日止年度之綜合財務報表已由德勤•關黃陳方會計師行審核，而德勤•關黃陳方會計師行將於應屆股東周年大會上退任，並符合資格獲重新委任。

By report of
the Board of Directors
Leung Choi Chan
Chairman

承董事會報告
陳樑材
主席

Hong Kong, June 28, 2017

香港，二零一七年六月二十八日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

To the Shareholders of Yuk Wing Group Holdings Limited
(incorporated in the Cayman Islands with limited liability)

致煜榮集團控股有限公司各股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Yuk Wing Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 59 to 122, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "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 ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本行已審核第59至122頁所載煜榮集團控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，當中包括於二零一七年三月三十一日的綜合財務狀況表，以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平反映貴集團於二零一七年三月三十一日的綜合財務狀況及貴集團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為編製。

意見基準

本行已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核。本行於該等準則項下的責任已於本報告中核數師就審核綜合財務報表須承擔的責任一節中進一步詳述。本行根據香港會計師公會頒佈之專業會計師道德守則(「守則」)獨立於貴集團，本行亦已根據守則履行其他道德責任。本行相信，本行所獲得的審核憑證充足及適當地為本行的意見提供基準。

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KEY AUDIT MATTERS

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

關鍵審核事項

關鍵審核事項為根據本行的專業判斷而言，認為對本期間綜合財務報表的審計最為重要的事項。該等事項於本行審計整體綜合財務報表及提出意見時已處理，而本行不會對該等事項另行發表意見。

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

本行進行審核時如何提及關鍵審核事項

Estimated write down of inventories

估計存貨撇減

We identified estimated write down of inventories as a key audit matter due to the management's use of estimation, with reference to their industry knowledge and experience, in assessing whether the carrying amounts of inventory are recoverable.

本行已將估計存貨撇減識別為關鍵審核事項，原因為管理層依據其行業知識及經驗進行估算，評估存貨賬面值是否為可予收回。

Allowance for inventories was based on the management's assessment in estimating the net realisable values of the inventory, after considering the current market conditions, material price fluctuation and subsequent usage or sales. As at March 31, 2017, the Group's inventories with carrying amounts of HK\$32,834,000 without any allowance for inventories recognised.

存貨乃根據管理層經考慮當前市況、重大價格波動及其後用途或銷售後就估計存貨可變現淨值作出的評估而計提撥備。於二零一七年三月三十一日，貴集團存貨賬面值為32,834,000港元，並無確認任何存貨撥備。

Details relating to the Group's inventories are set out in notes 5 and 17 to the consolidated financial statements.

有關 貴集團存貨的詳情載於綜合財務報表附註5及17。

Our procedures in relation to estimated write down of inventories included:

本行就估計存貨撇減而採納的程序包括：

- Obtaining an understanding on the management's assessment in estimating the net realisable values of the inventory;
- 了解管理層就估計存貨可變現淨值作出的評估；
- Understanding the key controls of the Group relating to the valuation of inventories;
- 了解 貴集團對存貨估值進行的主要監控措施；
- Discussing with the management and evaluating the basis of net realisable values of inventories determined by the management, based on the management's consideration for the current market conditions, material price fluctuation and subsequent usage or sales;
- 與管理層討論並評估管理層依據彼等考慮之當前市況、重大價格波動及其後用途或銷售釐定的存貨可變現淨值基準；
- Testing the net realisable values of inventory, on a sample basis, by tracing to the latest material price or latest sales invoices; and
- 透過追查最新物料價格或最新銷售發票，按抽樣基準對存貨可變現淨值進行測試；及
- Evaluating the reasonableness of the historical management's assessment in assessing the recoverability of the carrying amounts of the inventories.
- 評估管理層過往對存貨賬面值可收回程度的評估之合理性。

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Key audit matter

關鍵審核事項

Estimated impairment of trade receivables

估計貿易應收款項減值

We identified estimated impairment of trade receivables as a key audit matter due to the management's use of judgment and estimates in assessing the recoverability of trade receivables.

本行已將估計貿易應收款項減值識別為關鍵審核事項，原因為管理層於評估貿易應收款項的可收回能力時運用判斷及估算。

In determining whether an allowance for doubtful debts is required, the management considers the credit history of the customers including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

於釐定呆賬撥備是否為必要時，管理層會考慮客戶信貸記錄，包括拖欠或延期付款、結算記錄、其後結算及貿易應收款項賬齡分析。

At March 31, 2017, the carrying amount of trade receivables is approximately HK\$26,432,000 without any impairment loss recognised on trade receivables.

於二零一七年三月三十一日，貿易應收款項賬面值約為26,432,000港元，並無就貿易應收款項確認任何減值虧損。

Details of the trade receivables are set out in notes 5 and 18 to the consolidated financial statements.

貿易應收款項詳情載於綜合財務報表附註5及18。

How our audit addressed the key audit matter

本行進行審核時如何提及關鍵審核事項

Our procedures in relation to estimated impairment of trade receivables included:

本行就估計貿易應收款項減值而採納的程序包括：

- Obtaining an understanding the management's assessment in assessing the recoverability of trade receivables;
- 了解管理層如何就評估貿易應收款項的可收回程度作出評估；
- Understanding the key controls of the Group relating to the valuation of trade receivables;
- 了解貴集團對貿易應收款項的估值進行的主要監控措施；
- Assessing the reasonableness of recoverability of trade receivables with reference to the credit history of the customers including default or delay in payments, settlement records, subsequent settlements and aging analysis of trade receivable from each individual customer;
- 經參考客戶信貸記錄(包括拖欠或延期付款、結算記錄、其後結算及每名個別客戶的貿易應收款項賬齡分析)後，評估貿易應收款項的可收回程度是否合理；
- Testing the accuracy of the aging analysis of trade receivables, on a sample basis, to the goods delivery documents;
- 按抽樣基準測試貨品交付文件的貿易應收款項賬齡分析是否準確；
- Tracing subsequent settlements of trade receivables, on a sample basis, to the bank statement and monthly statement with debtors; and
- 按抽樣基準追查銀行結單及與債務人的月結單的貿易應收款項其後結算情況；及
- Evaluating the reasonableness of the historical management's assessment in assessing the recoverability of trade receivables .
- 評估管理層過往對貿易應收款項可收回程度的評估之合理性。

INDEPENDENT AUDITOR'S REPORT

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OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報中所載資料，惟不包括綜合財務報表及本行就此發出的核數師報告。

本行對綜合財務報表提供的意見並未涵蓋其他資料，且本行不會就此發表任何形式的核證結論。

就審核綜合財務報表而言，本行的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本行在審核過程中獲悉的資料存在重大抵觸情況，或似乎存在重大錯誤陳述。倘若本行基於已進行的工作認為其他資料出現重大錯誤陳述，本行須報告該事實。本行就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司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真實公平反映意見的綜合財務報表，並負責董事認為確保編製綜合財務報表時不存在由於欺詐或錯誤而導致重大錯誤陳述所需內部監控。

在編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營會計基準，惟董事有意將貴集團清盤或停止經營，或並無其他實際的替代方案則除外。

治理層須負責監督貴集團的財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. 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 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.

核數師就審核綜合財務報表須承擔的責任

本行的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，並按照本行議定的委聘條款僅向閣下全體報告，除此之外本報告不作其他用途。儘管合理保證屬高層次核證，但不能保證按照香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘錯誤陳述個別或整體而言於合理預期情況下在使用者根據綜合財務報表作出的經濟決定時可影響有關決定，則視為重大錯誤陳述。

作為根據香港審計準則進行審核工作的其中一環，本行運用專業判斷，於整個審核過程中保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為本行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕內部監控，因此未能發現因欺詐而導致重大錯誤陳述的風險高於未能發現因錯誤而導致重大錯誤陳述的風險。
- 了解與審核工作相關的內部監控，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部監控的效能發表意見。
- 評估董事所採用會計政策是否適當以及作出會計估計及相關披露是否合理。
- 總結董事採用持續經營為基礎的會計法是否適當，並根據所獲取的審核憑證，總結是否存在對貴集團持續經營能力產生重大疑慮的事件或情況的重大不明朗因素。倘本行總結認為存在重大不明朗因素，則有必要在核數師報告中提請股東注意綜合財務報表中的相關披露，假若有關披露不足，則修訂本行的意見。本行的結論乃基於直至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能再持續經營業務。

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- 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.
- 評估綜合財務報表(包括披露事項)的整體呈報方式、結構及內容以及綜合財務報表是否公平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取充足適當的審核憑證，以便對綜合財務報表發表意見。本行須負責指導、監督及執行 貴集團的審核工作。本行為審核意見承擔全部責任。

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Faith Corazon Del Rosario.

本行與治理層溝通(其中包括)審核的計劃範圍及時間以及重大審核發現，當中包括本行於審核期間識別出有關內部監控的任何重大不足之處。

本行亦向治理層提交聲明，表明本行已符合有關獨立性的相關專業道德要求，並就可能合理被認為會影響本行獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施與彼等溝通。

本行從與治理層溝通的事項中，確定該等對本期間綜合財務報表的審核最為重要的事項，該等事項因而構成關鍵審核事項。本行在核數師報告中闡述該等事項，惟法律或規例不允許公開披露該等事項，或在極端罕見的情況下，本行認為因為於報告中註明該事項可合理預期的不利後果為讓公眾人士知悉該等事項相當於偏袒公眾人士利益而決定不應於報告中披露則除外。

出具獨立核數師報告的審核項目合夥人為羅雅媛。

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

June 28, 2017

德勤•關黃陳方會計師行

執業會計師

香港

二零一七年六月二十八日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	6	126,675	141,744
Cost of sales	銷售成本		(68,730)	(78,523)
Gross profit	毛利		57,945	63,221
Other income	其他收入	7	1,539	4,357
Other gains and losses	其他收益及虧損	8	2,616	1,577
Selling and distribution expenses	銷售及分銷開支		(4,808)	(4,031)
Administrative expenses	行政開支		(23,518)	(20,786)
Listing expenses	上市開支		(25,159)	(1,013)
Finance costs	融資成本	9	(718)	(419)
Profit before tax	除稅前溢利	10	7,897	42,906
Income tax expense	所得稅開支	11	(5,146)	(7,654)
Profit for the year	年內溢利		2,751	35,252
Other comprehensive expense for the year	年內其他全面開支			
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：			
Exchange differences arising on translation of foreign operations	換算海外業務所產生的匯兌差額		(1,650)	(1,558)
Total comprehensive income for the year	年內全面總收益		1,101	33,694
(Loss) profit for the year attributable to:	以下人士應佔年內(虧損)溢利：			
Owners of the Company	本公司擁有人		(2,311)	26,974
Non-controlling interests	非控制權益		5,062	8,278
			2,751	35,252
Total comprehensive (expense) income for the year attributable to:	以下人士應佔年內全面總(開支)收益：			
Owners of the Company	本公司擁有人		(3,083)	26,158
Non-controlling interests	非控制權益		4,184	7,536
			1,101	33,694
(Loss) earnings per share, basic (HK cents)	每股基本(虧損)盈利(港仙)	14	(0.73)	8.99

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At March 31, 2017 於二零一七年三月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	11,288	13,249
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備所付按金		–	114
Deposits placed at an insurance company	置於保險公司之存款	16	4,340	–
Deferred tax assets	遞延稅項資產	23	37	–
			15,665	13,363
Current assets	流動資產			
Inventories	存貨	17	32,834	29,723
Trade and other receivables	貿易及其他應收款項	18	30,839	52,106
Amounts due from related parties	應收關聯方款項	19	–	6,341
Tax recoverable	可收回稅項		830	–
Bank balances and cash	銀行結餘及現金	20	100,856	27,628
			165,359	115,798
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	21	6,084	12,980
Amounts due to shareholders	應付股東款項	19	–	5,839
Amounts due to directors	應付董事款項	19	–	1,212
Amounts due to related parties	應付關聯方款項	19	–	4
Tax payable	應繳稅項		4,422	6,455
Bank borrowings	銀行借貸	22	19,876	6,423
			30,382	32,913
Net current assets	流動資產淨值		134,977	82,885
Total assets less current liabilities	總資產減流動負債		150,642	96,248
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	23	–	172
			150,642	96,076

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At March 31, 2017 於二零一七年三月三十一日

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	24	38,000	11,500
Reserves	儲備		90,072	59,794
Equity attributable to owners of the Company	本公司擁有人應佔權益		128,072	71,294
Non-controlling interests	非控制權益		22,570	24,782
			150,642	96,076

The consolidated financial statements on pages 59 to 122 were approved and authorised for issue by the Board of Directors on June 28, 2017 and are signed on its behalf by:

第59至122頁的綜合財務報表已由董事會於二零一七年六月二十八日批准及授權刊發，並由下列董事代表簽署：

Chan Leung Choi

陳樑材
DIRECTOR
董事

Chan Kin Choi

陳健材
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Share premium	Merger reserve	Statutory reserve	Exchange reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total
		股本	股份溢價	併購儲備	法定儲備	匯兌儲備	其他儲備	保留溢利	總計	非控制權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note i)	(note ii)						
				(附註 i)	(附註 ii)						
At April 1, 2015	於二零一五年四月一日	12,515	-	-	246	862	-	39,365	52,988	17,246	70,234
Profit for the year	年內溢利	-	-	-	-	-	-	26,974	26,974	8,278	35,252
Exchange differences arising on translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	-	-	(816)	-	-	(816)	(742)	(1,558)
Total comprehensive (expense) income for the year	年內全面總(開支)收益	-	-	-	-	(816)	-	26,974	26,158	7,536	33,694
Dividends paid (Note 13)	已付股息(附註13)	-	-	-	-	-	-	(7,852)	(7,852)	-	(7,852)
Effect of reorganisation	重組的影響	(1,015)	-	1,015	-	-	-	-	-	-	-
Transfer	轉撥	-	-	-	387	-	-	(387)	-	-	-
At March 31, 2016	於二零一六年三月三十一日	11,500	-	1,015	633	46	-	58,100	71,294	24,782	96,076
(Loss) profit for the year	年內(虧損)溢利	-	-	-	-	-	-	(2,311)	(2,311)	5,062	2,751
Exchange differences arising on translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	-	-	(772)	-	-	(772)	(878)	(1,650)
Total comprehensive (expense) income for the year	年內全面總(開支)收益	-	-	-	-	(772)	-	(2,311)	(3,083)	4,184	1,101
Issue under reorganisation (Note 24)	根據重組發行(附註24)	30,000	-	-	-	-	-	-	30,000	-	30,000
Issue of new shares upon listing (Note 24)	上市後發行新股份(附註24)	8,000	84,000	-	-	-	-	-	92,000	-	92,000
Cost of issuance of shares	股份發行成本	-	(9,058)	-	-	-	-	-	(9,058)	-	(9,058)
Dividends paid (Note 13)	已付股息(附註13)	-	-	-	-	-	-	(23,120)	(23,120)	(5,880)	(29,000)
Effect of reorganisation	重組的影響	(11,500)	-	(18,500)	-	-	-	-	(30,000)	-	(30,000)
Acquisition of additional interest in subsidiaries (Note 27)	增購附屬公司權益(附註27)	-	-	-	-	20	19	-	39	(516)	(477)
Transfer	轉撥	-	-	-	19	-	-	(19)	-	-	-
At March 31, 2017	於二零一七年三月三十一日	38,000	74,942	(17,485)	652	(706)	19	32,650	128,072	22,570	150,642

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Note i: Amount represents difference between the nominal value of the share capital issued by Hang Wing Holdings Limited for the acquisition of the entire equity interests and the amount of share capital in Top Mark Mechanical Equipment Limited, Tristate International Industrial Limited, Top Glory Construction Equipment Limited and Maxa RockDrills Limited. Details of these acquisitions and the Group reorganisation are set out in note 2.

Note ii: Amount represents statutory reserve of 佛山市順德區萊利達工程設備有限公司 (Norry Tech Engineering Equipment Limited) ("Norry Tech"), a subsidiary of the Company. According to the relevant laws in the People's Republic of China (the "PRC"), Norry Tech is required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

附註 i: 該款項指鏗榮控股有限公司為收購震東機械設備有限公司、聯亞國際實業有限公司、震東建築設備有限公司及 Maxa RockDrills Limited 全部股權而發行的股本面值與震東機械設備有限公司、聯亞國際實業有限公司、震東建築設備有限公司及 Maxa RockDrills Limited 的股本面值之差額。該等收購事項及集團重組之詳情載列於附註2。

附註 ii: 該款項指本公司附屬公司佛山市順德區萊利達工程設備有限公司(「萊利達」)的法定儲備。根據中華人民共和國(「中國」)相關法律，萊利達須將根據中國會計法規計算的除稅後純利最少10%轉撥至不可分派儲備基金，直至該儲備結餘達致註冊資本的50%，且須在向擁有人分派股息前轉撥。有關儲備基金可用於抵銷過往年度虧損(如有)，除清盤外，不可分派。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Operating activities	經營活動		
Profit before tax	除稅前溢利	7,897	42,906
Adjustments for:	就以下各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,288	1,642
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(1,127)	-
Interest expense	利息開支	718	419
Interest income	利息收入	(92)	(4)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	8,684	44,963
(Increase) decrease in inventories	存貨(增加)減少	(2,733)	6,191
Decrease (increase) in trade and other receivables	貿易及其他應收款項減少(增加)	20,981	(15,944)
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(6,646)	2,024
Cash generated from operations	經營所產生的現金	20,286	37,234
PRC Enterprise Income Tax paid	已付中國企業所得稅	(1,575)	(584)
Hong Kong Profits Tax paid	已付香港利得稅	(6,654)	(8,264)
Net cash from operating activities	經營活動所得現金淨額	12,057	28,386
Investing activities	投資活動		
Interest received	已收利息	8	4
Purchase of property, plant and equipment	購買物業、廠房及設備	(3,243)	(4,352)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	2,501	-
Placement of deposits placed at an insurance company	置於保險公司之存款	(4,256)	-
Repayment from related parties	關聯方還款	6,344	950
Repayment from shareholders	股東還款	-	4,158
Advance to related parties	向關聯方墊款	-	(2,852)
Withdrawal of pledged bank deposit	提取已抵押銀行存款	-	3,908
Withdrawal of fixed bank deposit	提取銀行定期存款	-	1,011
Net cash from investing activities	投資活動所得現金淨額	1,354	2,827

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financing activities	融資活動		
Repayment of bank borrowings	償還銀行借貸	(24,613)	(19,374)
New borrowings raised	新增借貸	38,066	8,969
Dividends paid to shareholders of the subsidiaries	已付附屬公司股東股息	(23,120)	-
Dividends paid to non-controlling shareholders of a subsidiary	已付附屬公司非控股股東股息	(5,880)	-
Interest paid	已付利息	(718)	(419)
Proceeds from issue of shares	發行股份所得款項	92,000	-
Acquisition of additional interest in subsidiaries	增購附屬公司權益	(477)	-
Listing expenses paid	已付上市開支	(8,891)	(167)
Repayment to shareholders	向股東還款	(5,839)	(2,013)
Repayment to directors	向董事還款	(1,195)	-
Advance from a non-controlling shareholder of Tristate International	聯亞國際非控股股東墊款	-	2,500
Advance from related parties	關連方墊款	-	4
Repayment to related parties	向關聯方還款	(4)	(6,903)
Advance from directors	董事墊款	-	1,202
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額	59,329	(16,201)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	72,740	15,012
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	27,628	12,818
Effect of foreign exchange rate changes	匯率變動的影響	488	(202)
Cash and cash equivalents at end of the year, represented by bank balances and cash	年末現金及現金等價物，指銀行結餘及現金	100,856	27,628

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. GENERAL

Yuk Wing Group Holdings Limited (“the Company”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on March 17, 2016. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since January 11, 2017.

The registered office address of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The principal place of business of the Company is located at Unit B, 17/F., E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacturing and trading of rockdrilling tools and equipment and trading of piling and drilling equipment and machineries.

Its ultimate holding company is Hang Yip Company Limited (“Hang Yip”), a private limited company incorporated in the British Virgin Islands (“BVI”).

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

2. REORGANISATION AND BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Historically, all the entities comprising the Group were controlled by Mr. Chan Leung Choi and Mr. Chan Kin Choi, who are brothers (“Controlling Shareholders”) and held by them directly or indirectly. In preparation for the listing of the Company’s shares on the Stock Exchange, the entities now comprising the Group underwent a group reorganisation (“Group Reorganisation”) to enable the Company to become the holding company of the Group which involves the steps of the Group Reorganisation as follows:

- (a) On March 16, 2016, Hang Wing Holdings Limited (“Hang Wing”) was incorporated in the BVI with limited liability. At the time of its incorporation, Hang Wing had an authorised share capital of HK\$5,000 divided into 50,000 ordinary shares, of which ten shares was allotted and issued for cash to the Controlling Shareholders.

1. 一般資料

煜榮集團控股有限公司(「本公司」)於二零一六年三月十七日根據開曼群島一九六一年第3號法例第22章公司法(以經綜合及修訂者為準)於開曼群島註冊成為獲豁免有限公司。本公司股份自二零一七年一月十一日起於香港聯合交易所有限公司(「聯交所」)上市。

本公司的註冊辦事處地址位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, 而本公司的主要營業地點位於香港柴灣利眾街24號東貿廣場17樓B室。本公司為投資控股公司。本公司及其附屬公司(統稱「本集團」)主要從事製造及買賣鑿岩工具及設備以及買賣打樁機及鑽孔設備及器械。

本公司的最終控股公司為鏗業有限公司(「鏗業」, 於英屬處女群島(「英屬處女群島」)註冊成立的私人有限公司)。

綜合財務報表以本公司功能貨幣港元(「港元」)呈列。

2. 重組及綜合財務報表呈列基準

一直以來, 本集團旗下所有公司均由陳樑材先生及陳健材先生兩兄弟(「控股股東」)控制及直接或間接持有。為籌備本公司股份在聯交所上市, 本集團現時旗下公司已進行集團重組(「集團重組」), 讓本公司成為本集團的控股公司, 當中涉及集團重組的步驟如下:

- (a) 於二零一六年三月十六日, 鏗業控股有限公司(「鏗業」)在英屬處女群島註冊成立為有限公司。註冊成立時, 鏗業的法定股本為5,000港元, 分為50,000股普通股, 其中十股股份已以現金向控股股東配發及發行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. REORGANISATION AND BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- (b) On March 17, 2016, the Company was incorporated and at the time of its incorporation, the Company had an authorised share capital of HK\$380,000 divided into 3,800,000 ordinary shares of HK\$0.1 each, of which one initial subscriber share was transferred and nine shares were allotted and issued for cash to Hang Yip.
- (c) On March 31, 2016, the Controlling Shareholders transferred all of their shareholdings in each of Top Mark Mechanical Equipment Limited (“Top Mark”), Top Glory Construction Equipment Limited (“Top Glory”), Maxa RockDrills Limited (“Maxa RockDrills”), and Ms. Law Kar Yee, the mother of the Controlling Shareholders who holds the shares in Tristate International Industrial Limited (“Tristate International”) on behalf of the Controlling Shareholders, transferred all the shares in Tristate International, for nominal considerations of HK\$2 for each transfer, respectively to Hang Wing.
- (d) On April 13, 2016, Tristate (HK) Holding Company Limited (“Tristate Hong Kong”) was incorporated with limited liability. At the time of its incorporation, Tristate Hong Kong has issued one fully paid ordinary share to Hang Wing.
- (e) On May 30, 2016, Tristate Hong Kong entered into a sale and purchase agreement with Ms. Liang Ning, the spouse of Mr. Chan Leung Choi, who holds the share capital on behalf of the Controlling Shareholders in Norry Tech Engineering Equipment Limited (“Norry Tech”), pursuant to which Ms. Liang Ning transferred 50% equity interest in Norry Tech for RMB11,961,842 to Tristate Hong Kong. Upon completion, Norry Tech became a non-wholly owned subsidiary of Hang Wing which holds 50% equity interest in Norry Tech. On the same date, such consideration payable was waived by the Controlling Shareholders.
- (f) On May 30, 2016, the Company has increased its authorised share capital to HK\$50,000,000 divided into 500,000,000 ordinary shares with a par value of HK\$0.1 each and 299,999,990 ordinary shares were allotted and issued to Hang Yip in consideration of the Controlling Shareholders transferring their entire shareholdings in Hang Wing to the Company.

2. 重組及綜合財務報表呈列基準 (續)

- (b) 於二零一六年三月十七日，本公司註冊成立，註冊成立時，本公司的法定股本為380,000港元，分為3,800,000股每股面值0.1港元的普通股，其中一股初步認購者股份及九股股份已分別以現金代價轉讓和配發及發行予鏗業。
- (c) 於二零一六年三月三十一日，控股股東將所持震東機械設備有限公司（「震東機械」）、震東建築設備有限公司（「震東建築」）、Maxa RockDrills Limited（「Maxa RockDrills」）全部股份且控股股東的母親羅家儀女士（代表控股股東持有聯亞國際實業有限公司（「聯亞國際」）股份）亦將所持聯亞國際全部股份轉讓予鏗業，每項轉讓的象徵式代價均為2港元。
- (d) 於二零一六年四月十三日，Tristate (HK) Holding Company Limited（「Tristate Hong Kong」）註冊成立為有限公司。註冊成立時，Tristate Hong Kong向鏗業發行一股已繳足的普通股。
- (e) 於二零一六年五月三十日，Tristate Hong Kong與陳樑材先生之配偶梁寧女士（代表控股股東持有佛山市順德區萊利達工程設備有限公司（「萊利達」）股本）簽訂買賣協議，據此，梁寧女士以代價人民幣11,961,842元向Tristate Hong Kong轉讓萊利達50%權益。完成後，萊利達成為鏗業（持有萊利達50%股權）的非全資附屬公司。同日，該應付代價獲控股股東豁免。
- (f) 於二零一六年五月三十日，本公司將其法定股本增至50,000,000港元，分為500,000,000股每股面值0.1港元的普通股，並向鏗業配發及發行299,999,990股普通股，代價為控股股東將其所持鏗業的所有股份轉讓予本公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. REORGANISATION AND BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Pursuant to the Group Reorganisation detailed above, the Company became the holding company of the companies now comprising the Group on May 30, 2016. Its immediate and ultimate holding company is Hang Yip, a company incorporated in BVI which Mr. Chan Leung Choi and Mr. Chan Kin Choi are the ultimate controlling parties. As the Company and its subsidiaries have been under the common control of Mr. Chan Leung Choi and Mr. Chan Kin Choi throughout the year ended March 31, 2016, or since their respective dates of incorporation, where there is a shorter period and before and after the Group Reorganisation, the Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared under the principles of merger accounting in accordance with Accounting Guideline “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) on the basis as if the Company had always been the holding company of the Group.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows which include the results, changes in equity and cash flows of the companies now comprising the Group for the year ended March 31, 2016 and 2017 have been prepared as if the Company had always been the holding company of the Group and the current group structure had been in existence throughout the year ended March 31, 2016 and 2017, or since the respective dates of incorporation of the relevant entity, where this is a shorter period.

The consolidated statement of financial position as at March 31, 2016 have been prepared to present the assets and liabilities of the companies now comprising Group as if the current group structure had been in existence at those dates, taking into account the respective date of incorporation of the relevant entity, where applicable.

2. 重組及綜合財務報表呈列基準(續)

根據上述集團重組，本公司於二零一六年五月三十日成為本集團現時旗下公司的控股公司，直接及最終控股公司為鏗業（於英屬處女群島註冊成立的公司，其最終控股股東為陳樑材先生及陳健材先生）。由於本公司及其附屬公司於截至二零一六年三月三十一日止整個年度或自各自的註冊成立日期起（以較短期間為準）及集團重組前後均由陳樑材先生及陳健材先生共同控制，故因集團重組而形成的本集團被視為一個持續經營實體。因此，綜合財務報表根據香港會計師公會（「香港會計師公會」）頒佈的會計指引「共同控制合併的合併會計處理」之合併會計原則編製時，已假設本公司一直為本集團的控股公司。

綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表已編製，包括本集團現時旗下公司於截至二零一六年及二零一七年三月三十一日止年度的業績、權益變動及現金流量，猶如本公司一直為本集團的控股公司且現時集團架構於截至二零一六年及二零一七年三月三十一日止整個年度或自該等公司各自的註冊成立日期起（以較短期間為準）一直存在。

於二零一六年三月三十一日的綜合財務狀況表已編製以反映本集團現時旗下公司的資產及負債，並假設現時的集團架構於該等日期（已計及相關公司的有關註冊成立日期）已存在（倘適用）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

The Group has consistently adopted all HKFRSs issued by the HKICPA which are effective for accounting periods beginning on April 1, 2016 for both current and prior years.

The Group has not early applied the following new and amendments to HKFRSs and an interpretation (the “new and amendments to HKFRSs”) that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle ⁵

- ¹ Effective for annual periods beginning on or after January 1, 2018
- ² Effective for annual periods beginning on or after January 1, 2019
- ³ Effective for annual periods beginning on or after a date to be determined
- ⁴ Effective for annual periods beginning on or after January 1, 2017
- ⁵ Effective for annual periods beginning on or after January 1, 2017 or January 1, 2018, as appropriate

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本集團已於目前及過往年度貫徹採納香港會計師公會頒佈的所有香港財務報告準則，該等準則自二零一六年四月一日開始的會計期間生效。

本集團並無提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則及詮釋(「新訂及經修訂香港財務報告準則」)：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價 ¹
香港財務報告準則第2號(修訂本)	以股份為基礎的支付交易的分類和計量 ¹
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間之資產出售或注資 ³
香港會計準則第7號(修訂本)	披露計劃 ⁴
香港會計準則第12號(修訂本)	就遞延稅項資產確認未變現虧損 ⁴
香港會計準則第40號(修訂本)	轉移投資物業 ¹
香港財務報告準則(修訂本)	二零一四年至二零一六年週期香港財務報告準則之年度改進 ⁵

- ¹ 於二零一八年一月一日或之後開始的年度期間生效
- ² 於二零一九年一月一日或之後開始的年度期間生效
- ³ 於待確定日期或之後開始的年度期間生效
- ⁴ 於二零一七年一月一日或之後開始的年度期間生效
- ⁵ 於二零一七年一月一日或二零一八年一月一日(如適用)或之後開始的年度期間生效

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

(“HKFRSs”) (Continued)

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 Leases, 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 consolidated 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 not 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.

As set out in note 26, total operating lease commitment of the Group with terms more than 12 months as at March 31, 2017 amounting to HK\$22,703,000 (2016: HK\$26,487,000). The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號(將於生效日期起取代香港會計準則第17號租賃)引入單一承租人會計處理模式，並規定承租人就年期超過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。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(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。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，在綜合現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括在承租人合理確定會行使選擇權延續租賃，或不行使選擇權而中止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法與承租人就租賃採用的會計處理方法存在明顯差異，承租人所採用的會計處理方法適用於根據原準則香港會計準則第17號分類為經營租賃的租賃。

就出租人會計處理方法而言，香港財務報告準則第16號大致轉承至香港會計準則第17號的出租人會計處理方法的規定。因此，出租人繼續將租賃分類為經營租賃或融資租賃，並且以不同方式將兩類租賃入賬。

按附註26所載，本集團於二零一七年三月三十一日期限超過12個月的經營租賃承擔總額為22,703,000港元(二零一六年：26,487,000港元)。本公司董事預期，相對現行會計政策，採用香港財務報告準則第16號不會對本集團業績有重大影響，惟須將一定比例的有關租賃承擔於綜合財務狀況表確認為使用權資產及租賃負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

Amendments to HKAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after January 1, 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group’s financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

Except as described above, the directors of the Company anticipate that the application of other new and amendments to HKFRSs will have no material impact on the Group’s financial position and financial performance.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, and in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

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

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第7號(修訂本)披露計劃

該等修訂要求公司作出披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量引致的變動及非現金流量變動。尤其是，該等修訂規定以下融資活動產生的負債變動須予披露：(i) 融資現金流量所產生變動；(ii) 取得或失去對附屬公司或其他業務的控制權所產生變動；(iii) 外幣匯率變動的影響；(iv) 公平值變動；及(v) 其他變動。

有關修訂預期於二零一七年一月一日或之後開始的年度期間採用，並獲准提早應用。應用有關修訂將導致須額外披露本集團的融資活動，尤其是應用時須於綜合財務狀況表中提供融資活動所產生負債的期初及期末結餘的對賬。

除上述者外，本公司董事預期，應用其他新訂及經修訂香港財務報告準則將不會對本集團的財務狀況及財務表現造成重大影響。

4. 重大會計政策

綜合財務報表按歷史成本基準並按照下香港會計師公會頒佈的香港財務報告準則編製。此外，財務資料包括聯交所主板證券上市規則(「上市規則」)及香港公司條例規定的適用披露。

歷史成本一般以就換取商品及服務所給予的代價的公平值為基準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

4. 重大會計政策(續)

公平值為於計量日期在市場參與者之間按有序交易出售資產將收取的價格或轉讓負債時將支付的價格，而不論該價格是否可直接觀察所得或採用其他估值技術估計得出。於估計資產或負債的公平值時，本集團計及市場參與者於計量日期就資產或負債進行定價時將會考慮的資產或負債特徵。綜合財務報表中用作計量及／或披露用途的公平值按此基準釐定，惟香港財務報告準則第2號以股份為基礎的支付範疇內的以股份為基礎的支付交易、香港會計準則第17號租賃範疇內的租賃交易及與公平值類似但並非公平值的計量(例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值)除外。

此外，就財務申報而言，公平值計量按公平值計量的參數的可觀察程度及對公平值計量參數整體的重要性劃分為第一、二或三級，詳情如下：

- 第一級參數為實體於計量日期可獲得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級參數為可直接或間接觀察的資產或負債參數(計入第一級的報價除外)；及
- 第三級參數為資產或負債的不可觀察參數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the entities now comprising the Group. Control is achieved when the Company:

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

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

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power to direct the relevant activities of the investee unilaterally, including:

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

4. 重大會計政策(續)

主要會計政策載列如下：

綜合基準

綜合財務報表包括本集團現時旗下實體的財務報表。本公司在下列情況下取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象業務而承擔可變回報的風險或享有可變回報的權利；及
- 能夠使用其權力影響其回報。

倘事實及情況顯示上文所列控制權的三項元素的一項或多項有變，則本集團重新評估其是否控制投資對象。

在評估本集團所擁有投資對象之投票權是否足以賦予其控制權使本集團能單方面左右投資對象之相關業務時，本集團考慮所有相關事實及情況，包括：

- 本集團持有投票權之規模相對於其他投票權持有人所持有投票權之規模及分散程度；
- 本集團、其他投票權持有人或其他人士持有的潛在投票權；
- 其他合約安排之權利；及
- 其他可以顯示當需要作出決定時本集團目前是否有能力左右相關活動之事實及情況，包括以往股東大會上之投票模式。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Changes in the Group's ownership interests in existing subsidiaries

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

4. 重大會計政策(續)

綜合基準(續)

附屬公司於本集團取得該附屬公司的控制權時開始綜合入賬，於本集團喪失該附屬公司的控制權時終止綜合入賬。具體而言，於年內收購或出售的附屬公司收支自本集團取得控制權當日起直至本集團不再控制附屬公司當日止計入綜合損益及其他全面收益表。

損益及其他全面收入各組成部分歸於本公司擁有人及非控制權益所有。即使非控制權益的結餘會成為負數，附屬公司的全面總收入亦歸於本公司擁有人及非控制權益所有。

附屬公司的財務報表於必要時會作出調整，以使其會計政策與本集團的會計政策一致。

所有集團內公司間的資產與負債、股本、收入、開支以及本集團成員公司間交易現金流量於合併時悉數對銷。

本集團於現有附屬公司的擁有權權益變動

並無導致本集團失去對附屬公司控制權的本集團於現有附屬公司的擁有權權益變動，按權益交易入賬。本集團相關權益部分(包括儲備及非控制權益)的賬面值經調整以反映彼等於附屬公司相關權益的變動。非控制權益金額於相關權益部分重新歸屬後的調整額與已付或已收代價公平值之間的差額直接於權益確認，並歸本公司擁有人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

Revenue recognition

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

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

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. 重大會計政策(續)

涉及共同控制實體的業務合併的合併會計法

綜合財務報表包括共同控制合併的合併實體或業務的財務報表項目，猶如自該等合併實體或業務首次受控制方控制當日起已經合併。

合併實體或業務的資產淨值採用控制方所認為的現有賬面值進行合併。在共同控制合併時，概不就商譽或議購償買收益確認任何款項。

綜合損益及其他全面收益表包括自最早呈報日期起或自合併實體或業務首次受共同控制當日(以較短期間為準)起各合併實體或業務的業績。

收益確認

收益按已收或應收代價的公平值計量。收益已就估計客戶退貨、回扣及其他類似撥備作出扣減。

當收益金額能可靠計量；未來經濟利益可能流入本集團及本集團各項業務已符合特定條件時，則確認收益。

貨物銷售收益於貨物付運及其所有權轉移時確認。

服務收入於提供服務時確認。

利息收入參考未償還本金額按時間基準以適用實際利率累計，實際利率指將金融資產於整個預期年期的估計未來現金收入準確貼現至該資產初步確認時的賬面淨值的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Leasing

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

The Group as lessor

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備於綜合財務狀況表按成本減其後累計折舊及累計減值虧損(如有)列賬。

折舊採用直線法按資產的估計可使用年期撇銷其成本減剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，估計的任何變動影響按預先計提基準入賬。

物業、廠房及設備項目於出售時或預期繼續使用資產不會獲得未來經濟利益時終止確認。物業、廠房及設備項目出售或報廢時產生的任何收益或虧損按銷售所得款項與資產賬面值的差額釐定，並於損益確認。

租賃

當租賃條款將所有權的絕大部分風險及回報轉移至承租人，則分類為融資租賃。所有其他租賃被分類為經營租賃。

本集團作為出租人

經營租賃租金收入以直線法按相關租期於損益確認。

本集團作為承租人

經營租賃款項以直線法按租期確認為開支，除非另有系統基準更能代表租賃資產使用經濟利益之時間模式則除外。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠整體利益以直線法沖減租金開支方式確認。

存貨

存貨按成本或可變現淨值的較低者列賬。存貨成本根據先進先出法釐定。可變現淨值指存貨的估計售價減全部估計完工成本及所需銷售成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, deposits placed at an insurance company, amounts due from related parties and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss of financial assets below).

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

4. 重大會計政策(續)

金融工具

金融資產及金融負債於集團實體訂立工具契約條文時確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔的交易成本於初步確認時在金融資產或金融負債的公平值計入或扣除(如適用)。

金融資產

金融資產分類為貸款及應收款項。該分類取決於金融資產的性質及用途，並於初步確認時確定。所有以常規方式購入或出售的金融資產於交易日確認及終止確認。以常規方式購入或出售指購入或出售須於市場規則或慣例所設定的時間架構內交收的金融資產。

實際利息法

實際利息法為計算債務工具的攤銷成本及相關期間攤分利息收入的方法。實際利率是將債務工具於整個預計年期或(倘適用)更短期間的估計未來現金收入(包括屬於實際利率組成部分的所有已付或已收費用及息差、交易成本及其他溢價或折讓)準確貼現至初步確認時的賬面淨值的利率。

債務工具的利息收入按實際利息基準確認。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款而並無活躍市場報價的非衍生金融資產。初步確認後，貸款及應收款項(包括貿易及其他應收款項、置於保險公司之款項、應收關聯方款項和銀行結餘及現金)使用實際利息法按攤銷成本減任何減值計量(見下文金融資產減值虧損的會計政策)。

利息收入乃使用實際利息基準確認，惟利息確認並不重大的短期應收款項除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

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

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

各報告期末會評估金融資產是否出現減值跡象。倘有客觀證據表明，初步確認金融資產後發生的一宗或多宗事項導致金融資產的估計未來現金流量受到影響，則該金融資產視為已減值。

減值的客觀證據可能包括：

- 發行人或交易對方出現嚴重財務困難；或
- 違反合約，例如欠付或拖延償還利息或本金；或
- 借款人很有可能破產或進行財務重組。

應收款項組合的客觀減值證據包括本集團過往收款經驗、組合內延遲付款超過平均信貸期的數目增加以及全國或地方經濟狀況出現與拖欠應收款項有關的明顯變動。

減值虧損金額以資產賬面值與該金融資產的估計未來現金流量按原實際利率貼現之現值的差額確認。

所有金融資產減值虧損會直接於金融資產賬面值作出扣減，惟貿易應收款項會透過採用撥備賬扣減賬面值除外。撥備賬的賬面值變動會於損益確認。當貿易應收款項視為不可收回時，於撥備賬撇銷。過往撇銷款項其後撥回將計入撥備賬。

倘於往後期間減值虧損金額減少，而該減少客觀上與確認減值後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該金融資產於撥回減值當日的賬面值不得超過該資產若無確認減值的攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities, including trade and other payables, amounts due to shareholders, amounts due to directors, amounts due to related parties and bank borrowings, are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

4. 重大會計政策(續)

金融工具(續)

金融負債及股本工具

集團實體發行的債務及股本工具按合約安排內容實質及金融負債及股本工具的定义分類為金融負債或股本。

股本工具

股本工具為證明實體資產之剩餘權益(經扣除所有負債後)的任何合約。本集團發行的股本工具按已收所得款項減直接發行成本確認。

實際利息法

實際利息法為計算金融負債的攤銷成本及相關期間攤分利息開支的方法。實際利率為將金融負債於整個預計年期或(倘適用)較短期間的估計未來現金付款(包括屬於實際利率組成部分的所有已付或已收費用及差息、交易成本及其他溢價或折讓)準確貼現至初步確認時賬面淨值的利率。

利息開支按實際利息基準確認。

金融負債

金融負債(包括貿易及其他應付款項、應付股東款項、應付董事款項、應付關聯方款項及銀行借貸)其後以實際利息法按攤銷成本計量。

終止確認

本集團僅於從資產收取現金流量的合約權利屆滿時，或將金融資產及該資產所有權的絕大部分風險及回報轉移至另一實體時，方會終止確認金融資產。

全面終止確認金融資產時，資產賬面值與已收及應收代價總額的差額於損益確認。

當且僅當本集團的責任被解除、註銷或屆滿時，本集團方會終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價的差額於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. 重大會計政策(續)

減值虧損

於各報告期末，本集團會檢討資產的賬面值，以釐定該等資產是否出現任何減值虧損跡象。倘存在任何有關跡象，則會估計資產可收回金額，以釐定減值虧損(如有)程度。倘無法估計個別資產的可收回金額，則本集團會估計該資產所屬現金產生單位的可收回金額。倘可確定合理貫徹的分配基準，公司資產亦分配至個別現金產生單位，否則分配至可確定合理貫徹分配基準的最小現金產生單位組別。

可收回金額為公平值減出售成本及使用價值的較高者。評估使用價值時，估計未來現金流量使用除稅前貼現率貼現至現值，而有關貼現率反映當前市場對貨幣時間值的評估及該資產特有的風險(未就該風險調整估計未來現金流量)。

倘估計資產(或現金產生單位)的可收回金額低於賬面值，則資產(或現金產生單位)的賬面值將減至可收回金額。於分配減值虧損時，減值虧損首先會分配至削減任何商譽之賬面值(如適用)，隨後以該單位各資產賬面值為基準按比例分配至其他資產。有關資產之賬面值不可調減至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零(以最高者為準)。以其他方式分配至該資產之減值虧損金額乃按比例分配至單位內其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回，則資產(或現金產生單位)的賬面值增至經修訂的估計可收回金額，惟所增加的賬面值不得超過該資產(或現金產生單位)於過往年度並無確認減值虧損而釐定的賬面值。減值虧損撥回即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefit costs

Payments to defined contribution retirement benefit plans and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

4. 重大會計政策(續)

借貸成本

直接歸屬於收購、興建或生產合資格資產(為必須經一段長時間處理以作其預定用途或銷售的資產)的借貸成本會加入該等資產的成本中,直至資產大致上備妥供其預定用途或銷售為止。

尚未使用於合資格資產的特定借貸作短期投資賺取的投資收入,於合資格資本化的借貸成本中扣除。

所有借貸成本在產生期間於損益確認。

退休福利成本

向定額供款退休福利計劃及國家管理退休福利計劃作出的付款於僱員提供服務而享有供款時確認為開支。

外幣

編製各個別集團實體的財務報表時,以該實體功能貨幣以外的貨幣(外幣)進行的交易按交易日的普遍匯率確認。於各報告期末,以外幣計值的貨幣項目按該日的普遍匯率重新換算。按歷史成本以外幣計量的非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目的匯兌差額於產生期間在損益確認。

就綜合財務報表呈列而言,本集團業務當中資產及負債乃按於各報告期末之適用匯率換算為本集團呈列貨幣(即港元),收入及開支項目按該期間之平均匯率換算,惟於該期間之匯率大幅波動時,則使用各項交易日期之適用匯率換算。產生之匯兌差異(如有)於其他全面收益確認,並於權益下以非控制權益應佔匯兌儲備(如適用)累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

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

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

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

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

4. 重大會計政策(續)

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項按年度應課稅溢利計算。鑑於其他年度的應課稅或可扣稅收支項目及毋須課稅或不可扣稅項目，故應課稅溢利有別於綜合損益及其他全面收益表所呈報的「除稅前溢利」。本集團的即期稅項按各報告期末前已實施或已實質實施的稅率計算。

遞延稅項按綜合財務報表中資產及負債的賬面值與計算應課稅溢利所用相應稅基之間的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產則一般就所有可扣稅暫時差額確認，直至應課稅溢利可用作抵銷該等可扣稅暫時差額。倘初步確認交易的資產及負債所產生的暫時差額並不影響應課稅溢利或會計溢利，則不確認遞延稅項資產及負債。

除非本集團可控制有關暫時差額的撥回及暫時差額在可預見未來可能不會撥回，否則遞延稅項負債會就於附屬公司投資的相關應課稅暫時差額確認。與該等投資相關的可抵扣暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利用於動用暫時差額利益及預期會於可預見未來撥回時確認。

遞延稅項資產的賬面值於各報告期末審閱，並扣減至不再可能有足夠應課稅溢利可供收回所有或部分資產時為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

Current and deferred tax is recognised in profit or loss.

Government subsidies

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and the future periods if the revision affects both current and future periods.

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

4. 重大會計政策(續)

稅項(續)

遞延稅項資產及負債以預期於負債償還或資產變現期間所適用的稅率計量，根據於各報告期末前已頒佈或實質上已頒佈的稅率(及稅法)計算。

遞延稅項負債及資產的計量反映本集團預期在各報告期末收回或清償資產及負債賬面值的方式所導致的稅務後果。

即期及遞延稅項在損益確認。

政府補助

政府補助於可合理確保本集團符合所附條件而將接獲補助時方可確認。

作為已產生開支或虧損之補償或向本集團提供即時財務資助(並無日後相關成本)而可收取之政府補助於可收取期間於損益確認。

5. 重要會計判斷及估計不明朗因素的主要來源

應用本集團的會計政策(附註4所述)時，本公司董事須對未能從其他來源確定的資產及負債的賬面值作出判斷、估計及假設。有關估計及相關假設以過往經驗及其他視為相關的因素為依據。實際結果可能有別於此等估計。

該等估計及相關假設須持續檢討。倘會計估計的修訂僅影響作出修訂的期間，則有關修訂會在該期間確認，而倘修訂對現時及未來期間均有影響，則須在作出修訂的期間及未來期間確認。

以下為有關日後的重要會計判斷、主要假設及於各報告期末估計不明朗因素的其他主要來源，可能導致下一個財政年度資產的賬面值出現重大調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

Estimated write down of inventories

Management of the Group assesses whether the carrying amounts of the inventories are recoverable and estimate the allowance for inventories based on their industry knowledge and experience at the end of the reporting period. Management estimates the amount of allowance for inventories based on the lower of cost and their estimated net realisable value. In determining the net realisable values of the Group's inventories, the management considers the current market conditions, material price fluctuation and subsequent usage or sales. When the actual net realisable values are lower than expectation, such difference will impact the carrying amounts of inventories. As at March 31, 2017, the carrying amounts of inventories are approximately HK\$32,834,000 (2016: HK\$29,723,000). No allowance for inventories is recognised for the years ended March 31, 2016 and 2017.

Estimated impairment of trade receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are made on trade receivables whenever there is any objective evidence that the balances may not be recoverable. In determining whether an allowance for doubtful debts is required, the management takes into consideration of the credit history of the customers including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables. Where the expectation on the recoverability of the debts is different from the original estimate, such difference will impact the carrying amounts of trade receivables and doubtful debt expenses in the periods in which such estimate has been changed. At March 31, 2017, the carrying amount of trade receivables are approximately HK\$26,432,000 (2016: HK\$47,936,000). No allowance for trade receivables is recognised for the year ended March 31, 2016 and 2017.

5. 重要會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源

估計存貨撇減

本集團管理層根據彼等的行業知識及經驗，於各報告期末評估存貨的賬面值是否為可收回並估計存貨撥備的金額。管理層根據成本與彼等估計之可變現淨值之較低者估計存貨撥備的金額。於釐定本集團存貨之可變現淨值時，管理層考慮當前市況、重大價格波動及其後用途或銷售。當實際可變現淨值低於預期時，有關差額將影響存貨的賬面值。於二零一七年三月三十一日，存貨賬面值約為32,834,000港元(二零一六年：29,723,000港元)。概無就截至二零一六年及二零一七年三月三十一日止年度的存貨確認撥備。

估計貿易應收款項減值

本集團根據貿易應收款項可收回能力之評估計提呆賬撥備。當發現存在結餘不可收回方面有客觀證據證明時，則對貿易應收款項作出撥備。於釐定是否需要就呆賬計提撥備時，管理層考慮客戶信貸記錄，包括拖欠或延期付款、結算記錄、其後結算及貿易應收款項賬齡分析。當預期債務可收回能力與原先估計有所不同時，有關差額將於有關估計出現變動期間影響貿易應收款項及呆賬開支的賬面值。於二零一七年三月三十一日，貿易應收款項的賬面值約為26,432,000港元(二零一六年：47,936,000港元)。概無就截至二零一六年及二零一七年三月三十一日止年度的貿易應收款項確認撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and trading of rockdrilling tools and equipment and trading of piling and drilling equipment and machineries.

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the types of products sold. The Group’s operating segments are classified as (i) manufacturing and trading of down-the-hole (“DTH”) rockdrilling tools; (ii) trading of piling and drilling machineries and (iii) trading of rockdrilling equipment.

The details of the Group’s reportable segments are as follows:

- (i) Manufacturing and trading of DTH rockdrilling tools which include design, manufacturing and trading of DTH rockdrilling tools
- (ii) Trading of piling and drilling machineries
- (iii) Trading of rockdrilling equipment

These operating segments also represent the Group’s reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

6. 收益及分部資料

本集團主要從事製造及買賣鑿岩工具及設備以及買賣打樁機及鑽孔設備及器械。

就資源分配及分部表現評估而向本公司執行董事（即主要經營決策者（「主要經營決策者」））提交的報告資料側重出售產品類型。本集團的經營分部分類為：(i) 製造及買賣潛孔（「潛孔」）鑿岩工具；(ii) 買賣打樁機及鑽機；及 (iii) 買賣鑿岩設備。

本集團可呈報分部的詳情如下：

- (i) 製造及買賣潛孔鑿岩工具，包括設計、製造及買賣潛孔鑿岩工具
- (ii) 買賣打樁機及鑽機
- (iii) 買賣鑿岩設備

該等經營分部亦即本集團的可呈報分部。主要經營決策者在設定本集團的可呈報分部時並無彙合所識別的經營分部。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended March 31, 2017

6. 收益及分部資料(續)

分部收益及業績

以下載列本集團按經營及可呈報分部劃分的收益及業績分析：

截至二零一七年三月三十一日止年度

		Manufacturing and trading of DTH rockdrilling tools 製造及買賣 潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣 打樁機及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣 鑿岩設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment and external sales	分部及外界銷售	86,779	25,282	14,614	126,675
RESULTS	業績				
Segment result	分部業績	45,853	6,730	5,362	57,945
Unallocated expenses	未分配開支				(28,326)
Other income	其他收入				1,539
Other gains and losses	其他收益及虧損				2,616
Listing expenses	上市開支				(25,159)
Finance costs	融資成本				(718)
Profit before tax	除稅前溢利				7,897

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended March 31, 2016

		Manufacturing and trading of DTH rockdrilling tools 製造及買賣 潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣 打樁機及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣 鑿岩設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment and external sales	分部及外界銷售	112,296	15,373	14,075	141,744
RESULTS					
Segment result	業績 分部業績	52,992	5,371	4,858	63,221
Unallocated expenses	未分配開支				(24,817)
Other income	其他收入				4,357
Other gains and losses	其他收益及虧損				1,577
Listing expenses	上市開支				(1,013)
Finance costs	融資成本				(419)
Profit before tax	除稅前溢利				42,906

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment result represents the profit earned by each segment without allocation of unallocated expenses (mainly including general office expenses, selling and distribution expenses and unallocated depreciation), other income, other gains and losses, listing expenses and finance costs. This is the measure reported to the CODM of the Company for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

6. 收益及分部資料(續)

分部收益及業績(續)

截至二零一六年三月三十一日止年度

經營分部的會計政策與附註4所述本集團會計政策相同。分部業績指分配未分配開支(主要包括一般辦公室開支、銷售及分銷開支及未分配折舊)、其他收入、其他收益及虧損、上市開支和融資成本前各分部所賺溢利。該計量方式會呈報本公司主要經營決策者以作資源分配及表現評估。

分部資產及負債

由於並無定期向本集團主要經營決策者提供分部資產或分部負債分析，因此並無呈列該等分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other information

For the year ended March 31, 2017

6. 收益及分部資料(續)

其他資料

截至二零一七年三月三十一日止年度

		Manufacturing and trading of DTH rockdrilling tools 製造及買賣潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣打樁機及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣鑿岩設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts regularly provided to the CODM but not included in the measurement of segment results:	定期向主要經營決策者提供但不用於計量分部業績的款項：				
Depreciation	折舊	967	203	118	1,288

For the year ended March 31, 2016

截至二零一六年三月三十一日止年度

		Manufacturing and trading of DTH rockdrilling tools 製造及買賣潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣打樁機及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣鑿岩設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts regularly provided to the CODM but not included in the measurement of segment results:	定期向主要經營決策者提供但不用於計量分部業績的款項：				
Depreciation	折舊	1,438	161	43	1,642

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by the location of customers and (ii) the Group's property, plant and equipment by location of assets.

		Revenue from external customers For the year ended March 31, 來自外界客戶收益 截至三月三十一日止年度		Property, plant and equipment As at March 31, 物業、廠房及設備 於三月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	110,758	125,567	1,014	2,160
Macau	澳門	9,898	5,009	-	-
Scandinavia	斯堪的納維亞	1,052	4,545	-	-
Japan	日本	3,242	6,611	-	-
People's Republic of China ("PRC")	中華人民共和國 ("中國")	-	-	10,274	11,089
Others	其他	1,725	12	-	-
		126,675	141,744	11,288	13,249

Information about major customers

Revenue from major customer which accounted for 10% or more of the Group's revenue for each of the year is set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Ngai Shun Construction & Drilling Company Limited from all segments	所有分部的毅信鑽探工程有限公司	29,120	57,465

6. 收益及分部資料(續)

地區資料

下表載列(i)本集團按客戶所在地劃分的來自外界客戶收益及(ii)本集團按資產所在地劃分的物業、廠房及設備的資料。

主要客戶資料

於各年度來自佔本集團收益10%或以上之主要客戶的收益載列如下：

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7. OTHER INCOME

7. 其他收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Rental income of piling and drilling machineries and equipment	打樁機及鑽機及設備租金收入	720	750
Scrap sales	廢料銷售	176	144
Compensation income (note (a))	補償收入(附註(a))	-	2,503
Bank interest income	銀行利息收入	8	4
Interest income on insurance scheme	保險計劃利息收入	84	-
Government subsidy (note (b))	政府補助(附註(b))	-	71
Income from repairing services	維修服務收入	406	713
Sundry income	雜項收入	145	172
		1,539	4,357

Notes:

- (a) Compensation income for the year ended March 31, 2016 mainly represents compensation paid by a vendor in relation to the proposed sale of a piece of land situated in the PRC to the Group, which did not eventuate.
- (b) Government subsidy represented ex-gratia payment for retirement of motor vehicles.

附註：

- (a) 截至二零一六年三月三十一日止年度之補償收入主要指賣方就建議向本集團出售一幅位於中國的地塊(尚未完結)所支付的補償。
- (b) 政府補助指汽車報廢特惠津貼。

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net foreign exchange gain	外匯收益淨額	1,489	1,577
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	1,127	-
		2,616	1,577

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9. FINANCE COSTS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	718	419

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Directors' remuneration (Note 12)	董事酬金(附註12)	4,519	3,643
Other staff costs	其他員工成本	13,444	13,777
Contributions to retirement benefits schemes, other than those of directors	退休福利計劃供款 (董事之供款除外)	1,405	1,421
Total staff costs	員工成本總額	19,368	18,841
Auditor's remuneration	核數師酬金	1,829	8
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,288	1,642
Depreciation of property, plant and equipment capitalised in inventories	已資本化為存貨之物業、 廠房及設備折舊	1,971	1,740
Cost of inventories recognised as expense	確認為開支之存貨成本	68,730	78,523
Operating lease rental in respect of Minimum lease payments of rented premises	以下項目的經營租賃租金： 租賃物業的最低租金付款	3,851	3,228

9. 融資成本

10. 除稅前溢利

除稅前溢利已扣除以下項目：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. INCOME TAX EXPENSE

11. 所得稅開支

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong	香港	5,680	6,068
PRC Enterprise Income Tax	中國企業所得稅	307	1,708
		5,987	7,776
(Over) under provision in prior years	過往年度(超額撥備)撥備不足		
Hong Kong	香港	(859)	14
PRC Enterprise Income Tax	中國企業所得稅	227	-
		(632)	14
Deferred tax credit (Note 23)	遞延稅項抵免(附註23)	(209)	(136)
		5,146	7,654

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year ended March 31, 2017 (2016: 16.5%).

香港利得稅按截至二零一七年三月三十一日止年度估計應課稅溢利的16.5%計算(二零一六年：16.5%)。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% (2016: 25%) of the assessable profits for the subsidiary established in the PRC.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，於中國成立的附屬公司須按應課稅溢利的25%(二零一六年：25%)計算中國企業所得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. INCOME TAX EXPENSE (Continued)

The income tax expense for the year ended March 31, 2017 can be reconciled to the profit before tax as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before tax	除稅前溢利	7,897	42,906
Tax at the domestic income tax rate of 16.5%	按本地所得稅率 16.5% 計算之稅項	1,303	7,079
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	4,424	317
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	(208)	(3)
Tax effect of tax losses not recognised (Over) underprovision in prior years	未確認稅項虧損之稅務影響 過往年度(超額撥備)撥備不足	74 (632)	— 14
Tax effect of different tax rate of subsidiary operating in other jurisdiction	於其他司法權區經營之附屬公司 採用不同稅率的影響	79	568
Tax concession (note)	稅務減免(附註)	(80)	(100)
Others	其他	186	(221)
Income tax expense	所得稅開支	5,146	7,654

Note: During the year ended March 31, 2017, each subsidiaries incorporated in Hong Kong entitled tax concession of HK\$20,000 (2016: HK\$20,000).

11. 所得稅開支(續)

截至二零一七年三月三十一日止年度所得稅開支與除稅前溢利對賬如下：

附註：截至二零一七年三月三十一日止年度，於香港註冊成立的各附屬公司分別享有稅務減免20,000港元(二零一六年：20,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES

Mr. Chan Leung Choi, Mr. Chan Kin Choi, Mr. Chan Tat Choi and Ms. Liang Ning have been appointed as the executive directors of the Company on March 17, 2016 and Mr. Chan Leung Choi is also the chief executive of the Company.

Directors and Chief Executive

Directors' and chief executive's remuneration paid or payable (including emoluments for the services as employees of the Group entities prior to becoming directors of the Company) by the entities comprising the Group during the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance is as follows:

For the year ended March 31, 2017

		Fee	Salaries and other benefits	Performance related incentive payment (note)	Contribution to retirement benefit scheme	Total
		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
Executive directors	執行董事					
Mr. Chan Leung Choi	陳樑材先生	-	1,490	328	18	1,836
Mr. Chan Kin Choi	陳健材先生	-	1,188	232	29	1,449
Mr. Chan Tat Choi	陳達材先生	-	492	164	18	674
Ms. Liang Ning	梁寧女士	-	455	-	39	494
		-	3,625	724	104	4,453
Independent non-executive directors	獨立非執行董事					
Mr. Lewis Chan (note 1)	陳令紘先生(附註1)	22	-	-	-	22
Mr. Lam Chun Fung (note 1)	藍俊峰先生(附註1)	22	-	-	-	22
Mr. Sung Lok Man Richard (note 1)	宋樂文先生(附註1)	22	-	-	-	22
		66	-	-	-	66
		66	3,625	724	104	4,519

Note 1: Mr. Lewis Chan, Mr. Lam Chun Fung and Mr. Sung Lok Man Richard were appointed as independent non-executive directors on December 15, 2016.

12. 董事、行政總裁及僱員酬金

陳樑材先生、陳健材先生、陳達材先生及梁寧女士於二零一六年三月十七日獲委任為本公司執行董事，以及陳樑材先生亦為本公司行政總裁。

董事及行政總裁

本年度本集團旗下公司已付或應付董事及行政總裁酬金(包括於成為本公司董事前作為本集團實體僱員提供服務的酬金)，根據適用上市規則及公司條例披露如下：

截至二零一七年三月三十一日止年度

附註1：陳令紘先生、藍俊峰先生及宋樂文先生於二零一六年十二月十五日獲委任為獨立非執行董事。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES (Continued)

Directors and Chief Executive (Continued)

For the year ended March 31, 2016

	Fee	Salaries and other benefits	Performance related incentive payment (note)	Contribution to retirement benefit scheme	Total
	袍金	薪金及其他福利	績效獎金(附註)	退休福利計劃供款	總計
	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
Executive directors					
Mr. Chan Leung Choi					
陳樑材先生	-	1,157	303	18	1,478
Mr. Chan Kin Choi					
陳健材先生	-	869	378	18	1,265
Mr. Chan Tat Choi					
陳達材先生	-	492	191	18	701
Ms. Liang Ning					
梁寧女士	-	173	-	26	199
	-	2,691	872	80	3,643

Employees

The five highest paid individuals for the year ended March 31, 2017 include three (2016: three) directors of the Company, details of whose remunerations are set out above. Details of the remuneration for the year ended March 31, 2017 of the remaining two (2016: two) highest paid employees who are neither director nor chief executive of the Company are as follows:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and allowances	1,417	793
Performance related incentive payment (note)	330	204
Contributions to retirement benefits scheme	15	36
	1,762	1,033

Note: The performance related incentive payments are determined on the performance of the individuals and the profitability of the group entities during the year.

12. 董事、行政總裁及僱員酬金(續)

董事及行政總裁(續)

截至二零一六年三月三十一日止年度

僱員

截至二零一七年三月三十一日止年度，五名最高薪酬人士包括本公司三名(二零一六年：三名)董事，彼等的薪酬詳情載於上文。截至二零一七年三月三十一日止年度，餘下兩名(二零一六年：兩名)最高薪酬僱員並非本公司董事或行政總裁，彼等的薪酬詳情如下：

附註：績效獎金視乎本年度的個人表現及集團實體盈利情況而定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES (Continued)

Employees (Continued)

The number of these highest paid employees, whose emolument fell within the following bands is as follows:

		2017 二零一七年	2016 二零一六年
Nil to HK\$1,000,000	零至 1,000,000 港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	-
		2	2

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended March 31, 2017 and March 31, 2016. None of the directors waived or agreed to waive any emoluments for the year ended March 31, 2017 and March 31, 2016.

13. DIVIDENDS

On July 15, 2016, the board of directors of the Company have resolved to declare interim dividends of HK\$0.077 per share, amounting to approximately HK\$23,120,000, to the owners of the Company in respect of retained earnings for the year ended March 31, 2016.

During the year ended March 31, 2016, an interim dividend of HK\$7,852,000 was declared and paid by Top Mark Mechanical Equipment Limited to its then shareholders. The rate of dividend is not presented as such information is not meaningful.

The board of directors of the Company does not recommend the distribution of a final dividend for the year ended March 31, 2017.

12. 董事、行政總裁及僱員酬金(續)

僱員(續)

在下列酬金組別的該等最高薪酬僱員的人數如下：

	2017 二零一七年	2016 二零一六年
	1	2
	1	-
	2	2

截至二零一七年三月三十一日及二零一六年三月三十一日止年度，本集團概無向本公司董事或五名最高薪酬人士(包括董事及僱員)支付酬金，作為加入或加入本集團後的獎勵或作為離職補償。截至二零一七年三月三十一日及二零一六年三月三十一日止年度，概無董事放棄或同意放棄任何酬金。

13. 股息

於二零一六年七月十五日，本公司董事會議決就截至二零一六年三月三十一日止年度的保留盈利向本公司擁有人宣派中期股息每股0.077港元，即合共約23,120,000港元。

截至二零一六年三月三十一日止年度，震東機械設備有限公司向當時股東宣派及派付中期股息7,852,000港元。並無呈報股息率，乃因該等資料意義不大。

本公司董事會不建議就截至二零一七年三月三十一日止年度派發末期股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14. (LOSS) EARNINGS PER SHARE

14. 每股(虧損)盈利

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(Loss) earnings: (Loss) earnings for the purpose of calculating basic (loss) earnings per share: (loss) profit for the year attributable to the owners of the Company	(虧損)盈利： 用以計算每股基本(虧損)盈利的(虧損)盈利： 本公司擁有人應佔 年內(虧損)溢利	(2,311)	26,974
		'000 千股	'000 千股
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	股份數目： 用以計算每股基本(虧損)盈利的普通股加權平均數	317,534	300,000

No diluted (loss) earnings per share for the years ended March 31, 2017 and March 31, 2016 was presented as there were no potential ordinary shares in issue during the years ended March 31, 2017 and March 31, 2016.

由於截至二零一七年三月三十一日及二零一六年三月三十一日止年度並無已發行潛在普通股，故並無呈列截至二零一七年三月三十一日及二零一六年三月三十一日止年度的每股攤薄(虧損)盈利。

The number of ordinary shares for the purpose of calculating basic (loss) earnings per share for the years ended March 31, 2016 and 2017 has been determined on the assumption that the Group Reorganisation had been effective on April 1, 2015 and the 300,000,000 shares in issue upon completion of the Group Reorganisation.

截至二零一六年及二零一七年三月三十一日止年度用以計算每股基本(虧損)盈利的普通股數目已釐定，並已假設集團重組已於二零一五年四月一日生效且集團重組完成後有300,000,000股已發行股份。

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綜合財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Furniture, fixtures and office equipment 傢俬、固定裝置及辦公設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Plant and machineries 廠房及機器 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本					
At April 1, 2015	於二零一五年四月一日	2,175	2,303	20,620	1,455	26,553
Currency realignment	匯兌調整	(110)	(55)	(879)	(53)	(1,097)
Additions	添置	352	312	1,189	13	1,866
At March 31, 2016	於二零一六年三月三十一日	2,417	2,560	20,930	1,415	27,322
Currency realignment	匯兌調整	(206)	(59)	(1,044)	(116)	(1,425)
Additions	添置	1,554	-	104	1,697	3,355
Disposal	出售	(19)	(192)	(2,231)	-	(2,442)
At March 31, 2017	於二零一七年三月三十一日	3,746	2,309	17,759	2,996	26,810
DEPRECIATION	折舊					
At April 1, 2015	於二零一五年四月一日	1,457	1,013	7,698	1,039	11,207
Currency realignment	匯兌調整	(76)	(35)	(357)	(48)	(516)
Provided for the year	年內撥備	229	633	2,355	165	3,382
At March 31, 2016	於二零一六年三月三十一日	1,610	1,611	9,696	1,156	14,073
Currency realignment	匯兌調整	(111)	(44)	(515)	(72)	(742)
Provided for the year	年內撥備	417	491	1,868	483	3,259
Elimination on disposals	出售時撇銷	(12)	(192)	(864)	-	(1,068)
At March 31, 2017	於二零一七年三月三十一日	1,904	1,866	10,185	1,567	15,522
CARRYING VALUES	賬面值					
At March 31, 2017	於二零一七年三月三十一日	1,842	443	7,574	1,429	11,288
At March 31, 2016	於二零一六年三月三十一日	807	949	11,234	259	13,249

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture, fixtures and office equipment	20%
Motor vehicles	25% – 30%
Plant and machineries	10% – 25%
Leasehold improvements	20% – 33%

上述物業、廠房及設備項目按下列年比率以直線基準折舊：

傢俬、固定裝置及辦公設備	20%
汽車	25% – 30%
廠房及機器	10% – 25%
租賃物業裝修	20% – 33%

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綜合財務報表附註

16. DEPOSITS PLACED AT AN INSURANCE COMPANY

16. 置於保險公司之存款

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deposits placed at an insurance company 置於保險公司之存款	4,340	-

During the year, the Group entered into several life insurance contracts (the "Policies") with an insurance company to insure all the executive directors of the Company. Under the Policies, the beneficiary and policy holder are Top Mark Mechanical Equipment Limited, a wholly-owned subsidiary of the Company, and the total insured sum is US\$1,800,000 (equivalent to approximately HK\$14,040,000). The Group needs to pay a premium charge at inception amounting to US\$548,000 (equivalent to approximately HK\$4,256,000). The Group is allowed to terminate the Policies at any time and receive value in cash based on the value of the Policies at the date of withdrawal, which is determined by the upfront payment of US\$548,000 (equivalent to approximately HK\$4,274,000) plus accumulated interest earned and minus premium charge, notional amount charge, cost of insurance charge and premium loan (if any). A specified amount of surrender charge will apply if withdrawal of the Policies is made between the 1st to 14th policy year. An interest income of 3.9% per annum on the outstanding cash value of the Policies is applied.

The effective interest rates on initial recognition were ranged from 1.97%–2.31%, which was determined by discounting the estimated future cash receipts through the expected life of the respective Policies, net of financial effect of surrender charge. The carrying amount of deposits placed for the Policies as at March 31, 2017 represented the cash value of the Policies.

As at March 31, 2017, the expected life of the Policies was remained unchanged from the initial recognition and the directors considered the chance of exercising the option to surrender the Policies is remote. The financial impact of the option to terminate the Policies was insignificant.

本年度，本集團與一家保險公司訂立多份人壽保險合約（「保單」），為本公司之執行董事投保。根據該等保單，本公司之全資附屬公司震東機械設備有限公司為受益人及投保人。總投保額為1,800,000美元（相當於約14,040,000港元）。本集團須於生效日期支付保費548,000美元，相當於約4,256,000港元。本集團可隨時終止保單，並按撤銷日期之保單價值收回現金價值，由預付款項548,000美元（相當於約4,274,000港元）加累計已賺利息減保費、名義金額費用、保險費用及保費貸款（如有）所釐定。如於第1至第14個保單年度期間撤回保單，將收取指定金額之退保費用。利息收入為按保單之未繳現金價值每年收取3.9%。

於初步確認時之實際利率由1.97%至2.31%不等，經貼現個別保單於預計投保期內之估計未來現金收入而釐定，不包括退保費用帶來之財務影響。於二零一七年三月三十一日，置於保單之存款賬面值指保單的現金價值。

於二零一七年三月三十一日，保單預計投保期自初步確認起維持不變，而董事認為行使選擇權放棄保單之機會甚微。選擇終止保單所帶來之財務影響並不重大。

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17. INVENTORIES

17. 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials and consumables	原材料及消耗品	13,377	11,968
Work in progress	在製品	1,456	1,011
Finished goods	製成品	18,001	16,744
		32,834	29,723

18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	貿易應收款項	26,432	47,936
Other receivables	其他應收款項		
— Value-added tax recoverable	— 可收回增值稅	328	2,232
— Prepayments and deferred listing expenses	— 預付款項及遞延上市開支	1,004	1,015
— Deposits	— 按金	3,006	819
— Other receivables	— 其他應收款項	69	104
Total trade and other receivables	貿易及其他應收款項總額	30,839	52,106

The Group grants an average credit period ranged from 30 days to 90 days upon delivery of goods to its customers. The following is an aged analysis of trade receivables based on delivery dates, net of allowance for doubtful debts at the end of each reporting period:

本集團給予客戶的平均信貸期介乎交付貨物後30至90日。以下為於各報告期末基於交付日期的貿易應收款項(已扣除呆賬撥備)賬齡分析：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	5,373	23,241
31 to 60 days	31至60日	4,072	12,281
61 to 90 days	61至90日	774	2,295
91 to 180 days	91至180日	11,925	3,661
181 days to 1 year	181日至1年	3,453	4,646
Over 1 year	1年以上	835	1,812
		26,432	47,936

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綜合財務報表附註

18. TRADE AND OTHER RECEIVABLES (Continued)

Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits granted to customers are reviewed periodically.

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

At March 31, 2017, the carrying amount of trade receivables is HK\$26,432,000 (2016: HK\$47,936,000) with no impairment loss on trade receivables is recognised for the year ended March 31, 2017 and 2016.

Included in the Group's trade receivables balance are debtors with aggregate carrying amounts of approximately HK\$17,060,000 (2016: HK\$9,254,000) which are past due at the end of the reporting period for which the Group has not recognised an allowance for trade receivables because there has not been a significant change in credit history and the amounts are still considered recoverable. Trade receivables that are neither past due nor impaired relates to a wide range of customers for whom there were subsequent settlements or no history of default. The Group does not hold any collateral over these balances.

Aging of trade receivables (based on invoice dates) which are past due but not impaired

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	1,984	2,223
31 to 60 days	31至60日	6,774	2,014
61 to 90 days	61至90日	3,101	463
91 to 180 days	91至180日	3,105	1,374
181 days to 1 year	181日至1年	1,335	1,369
Over 1 year	1年以上	761	1,811
		17,060	9,254

18. 貿易及其他應收款項(續)

接納任何新客戶前，本集團會評估潛在客戶之信用質素，並釐定客戶之信貸限額。我們會定期檢討授予客戶之信貸限額。

於釐定貿易應收款項撥備時，管理層會考慮貿易應收款項的信貸紀錄，包括拖欠或延遲付款、還款紀錄、其後結付及賬齡分析。

於二零一七年三月三十一日，貿易應收款項賬面值為26,432,000港元(二零一六年：47,936,000港元)，截至二零一七年及二零一六年三月三十一日止年度，並無就貿易應收款項確認減值虧損。

賬面總值約為17,060,000港元(二零一六年：9,254,000港元)的應收款項已計入本集團的貿易應收款項結餘，該款項於各報告期末已逾期，惟因信貸紀錄並無重大變動及相關款項仍被視為可收回，故本集團並未就貿易應收款項確認撥備。既無逾期亦無減值的貿易應收款項與眾多其後結算或無欠款紀錄的客戶有關。本集團並無就該等結餘持有任何抵押品。

已逾期但無減值的貿易應收款項賬齡(按發票日期計算)

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19. AMOUNTS DUE FROM (TO) SHAREHOLDERS/ DIRECTORS/RELATED PARTIES

The amounts due from (to) shareholders, directors and related parties are detailed as follows:

19. 應收(付)股東/董事/關聯方款項

應收(付)股東、董事及關聯方款項詳情如下：

		As at March 31,		Maximum balances outstanding during the year ended March 31,	
		於三月三十一日		餘額上限	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Amounts due to shareholders	應付股東款項				
Mr. Chan Leung Choi (note i)	陳樑材先生(附註i)	-	(5,247)	N/A 不適用	2,778
Mr. Chan Kin Choi (note i)	陳健材先生(附註i)	-	(592)	N/A 不適用	1,380
Amounts due to directors	應付董事款項				
Mr. Chan Tat Choi (note i)	陳達材先生(附註i)	-	(10)	N/A 不適用	N/A 不適用
Ms. Liang Ning (note i)	梁寧女士(附註i)	-	(1,202)	N/A 不適用	N/A 不適用
Amounts due from (to) related parties	應收(付)關聯方款項				
Top Champion Industries Limited ("Top Champion") (note ii)	泰昌實業有限公司(「泰昌」)(附註ii)	-	6,231	6,231	7,174
Giga-Tech Rock Drilling Limited ("Giga-Tech") (note iv)	Giga-Tech Rock Drilling Limited (「Giga-Tech」)(附註iv)	-	110	110	110
Ms. Lee Lai Ngor (note iii)	Lee Lai Ngor 女士(附註iii)	-	(4)	N/A 不適用	7

Notes:

- (i) The amounts due to Mr. Chan Leung Choi, Mr. Chan Kin Choi, Mr. Chan Tat Choi and Ms. Liang Ning were non-trade nature, unsecured, interest-free and repayable on demand.
- (ii) Mr. Chan Leung Choi is the controlling shareholder of Top Champion. The amount due from Top Champion was non-trade nature, unsecured, interest-free and repayable on demand.
- (iii) Ms. Lee Lai Ngor is the sister-in-law of Mr. Chan Leung Choi. The amount due to Ms. Lee Lai Ngor were non-trade nature, unsecured, interest-free and repayable on demand.
- (iv) Ms. Liang Ning is the spouse of Mr. Chan Leung Choi and has joint control over Giga-Tech. The amount due from Giga-Tech was non-trade nature, unsecured, interest-free and repayable on demand.

附註：

- (i) 應付陳樑材先生、陳健材先生、陳達材先生及梁寧女士款項為非貿易性質、無抵押、免息及須於要求時償還。
- (ii) 陳樑材先生為泰昌之控股股東。應收泰昌款項為非貿易性質、無抵押、免息及須於要求時償還。
- (iii) Lee Lai Ngor 女士為陳樑材先生之嫂子。應付Lee Lai Ngor 女士款項為非貿易性質、無抵押、免息及須於要求時償還。
- (iv) 梁寧女士為陳樑材先生之配偶，擁有Giga-Tech的共同控制權。應收Giga-Tech款項為非貿易性質、無抵押、免息及須於要求時償還。

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20. BANK BALANCES AND CASH

The Group's bank balances and cash that are denominated in currency other than the functional currencies of the relevant group entities are set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Denominated in US\$	以美元計值	3,056	7,155

Bank balances carry interests at market rates ranging from 0% to 0.35% (2016: 0.01% to 0.385%) per annum.

20. 銀行結餘及現金

本集團以相關集團實體功能貨幣以外的貨幣計值之銀行結餘及現金載列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Denominated in US\$	以美元計值	3,056	7,155

銀行結餘按介乎0%至0.35%(二零一六年：0.01%至0.385%)的市場年利率計息。

21. TRADE AND OTHER PAYABLES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	貿易應付款項	969	6,203
Accrued expenses	應計開支	3,978	2,187
Accrued housing provident fund	應計住房公積金	1,017	1,084
Other payables due to a non-controlling shareholder of Tristate International (note)	其他應付聯亞國際非控股股東款項(附註)	-	2,500
Accrued listing expenses	應計上市開支	-	800
Other payables	其他應付款項	120	206
Total trade and other payables	貿易及其他應付款項總額	6,084	12,980

Note: The amount was unsecured, interest-free and repayable on demand. Amount has been fully settled during the year ended March 31, 2017.

21. 貿易及其他應付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	貿易應付款項	969	6,203
Accrued expenses	應計開支	3,978	2,187
Accrued housing provident fund	應計住房公積金	1,017	1,084
Other payables due to a non-controlling shareholder of Tristate International (note)	其他應付聯亞國際非控股股東款項(附註)	-	2,500
Accrued listing expenses	應計上市開支	-	800
Other payables	其他應付款項	120	206
Total trade and other payables	貿易及其他應付款項總額	6,084	12,980

附註：該款項無抵押、免息及須於要求時償還。該款項已於截至二零一七年三月三十一日止年度悉數支付。

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21. TRADE AND OTHER PAYABLES (Continued)

The average credit period of trade payables granted by suppliers is from 30 to 60 days upon the issue of invoices.

The following is an aged analysis of trade payables based on the invoice dates.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	512	3,364
31 to 60 days	31至60日	37	2,129
61 to 90 days	61至90日	-	105
91 to 180 days	91至180日	420	535
181 days to 1 year	181日至1年	-	5
Over 1 year	1年以上	-	65
		969	6,203

21. 貿易及其他應付款項(續)

供應商授予之貿易應付款項的平均信貸期介乎開具發票起計30至60日。

以下為貿易應付款項基於發票日期的賬齡分析。

22. BANK BORROWINGS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank loan, unsecured and guaranteed	無抵押有擔保的銀行貸款	12,454	3,709
Trust receipt loans, secured and guaranteed	有抵押與擔保的信託收據貸款	6,092	2,714
Trust receipt loans, unsecured and guaranteed	無抵押有擔保信託收據貸款	1,330	-
		19,876	6,423
Carrying amount repayable*:	應償還款項賬面值*:		
Within one year	一年內	18,179	5,304
In the second year	第二年	1,697	1,119
		19,876	6,423
Less: Amount included under current liabilities (including bank loan with a repayable on demand clause)	減: 列示於流動負債的款項 (包括按要求償還的銀行貸款)	(19,876)	(6,423)
Amount included under non-current liabilities	列示於非流動負債的款項	-	-

* The amount due are based on scheduled repayment dates set out in loan agreement.

The bank borrowings as at March 31, 2017 carry interest at prime rate in Hong Kong, prime rate minus certain basis points or Hong Kong's Interbank Offered Rate plus certain basis points (2016: prime rate in Hong Kong or prime rate plus certain basis points).

* 到期款項乃根據貸款協議所載計劃還款日期償還。

截至二零一七年三月三十一日之銀行借貸以香港優惠利率、優惠利率減若干基點或香港銀行同業拆息加若干基點計息 (二零一六年: 以香港優惠利率或優惠利率加若干基點計息)。

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22. BANK BORROWINGS (Continued)

As at March 31, 2016, bank borrowings amounting to HK\$3,709,000 was personally guaranteed by Mr. Chan Leung Choi and Mr. Chan Kin Choi. Deposits held by Mr. Chan Leung Choi amounting to HK\$500,000 and properties held by a related company, Top Champion, were pledged to secure general banking facilities granted to the Group. Upon listing of Company's shares on the Stock Exchange on January 11, 2017, the deposits, pledges and personal guarantees were released and replaced by a corporate guarantee provided by the Company.

As at March 31, 2017, bank borrowings amounting to HK\$19,876,000 are guaranteed by the Company. Deposits placed at an insurance company amounting to HK\$4,340,000 held by Top Mark are pledged to secure general banking facilities granted to the Group.

23. DEFERRED TAX (ASSETS) LIABILITIES

The following is the deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

		Accelerated (accounting) tax depreciation 加速(會計) 稅項折舊 HK\$'000 千港元
At April 1, 2015	於二零一五年四月一日	308
Credit to profit or loss	計入損益	(136)
At March 31, 2016	於二零一六年三月三十一日	172
Credit to profit or loss	計入損益	(209)
At March 31, 2017	於二零一七年三月三十一日	(37)

No deferred tax asset has been recognised in respect of the unutilised tax losses of HK\$451,000 (2016: nil) due to the unpredictability of future profit streams. The tax losses available may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC companies from January 1, 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of deductible temporary differences attributable to accumulated profits of the PRC subsidiary amounting to approximately HK\$5,645,000 (2016: HK\$5,467,000) as the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

22. 銀行借貸(續)

於二零一六年三月三十一日之銀行借貸3,709,000港元由陳樑材先生及陳健材先生個人擔保。陳樑材先生抵押所持存款500,000港元而關聯公司泰昌抵押所持物業以擔保本集團獲授的一般銀行融資。存款、抵押及個人擔保已於本公司股份於二零一七年一月十一日在聯交所上市後解除，並以於本公司提供的公司擔保代替。

於二零一七年三月三十一日，銀行借貸19,876,000港元由本公司擔保。由震東機械持有並存放於保險公司之存款4,340,000港元已作抵押，以擔保本集團獲授的一般銀行融資。

23. 遞延稅項(資產)負債

以下為於目前及過往年度確認的遞延稅項負債及資產以及變動：

由於無法預測未來溢利來源，故並無就尚未動用之稅項虧損451,000港元(二零一六年：無)確認遞延稅項資產。可動用之稅項虧損可能無限期結轉。

根據中國的企業所得稅法，自二零零八年一月一日起，就中國公司賺取的溢利所分派的股息須繳付預扣稅。就應佔中國附屬公司累計溢利的可抵扣暫時差異而未有呈列於綜合財務報表的遞延稅項約為5,645,000港元(二零一六年：5,467,000港元)，原因是本集團有能力控制撥回暫時差異的時間，且該暫時差異在可見的將來很大可能不會撥回。

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24. SHARE CAPITAL

The share capital as at March 31, 2017 represented the share capital of the Company.

The share capital as at March 31, 2016 represented the combined share capital of following companies:

Name of the companies

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
The Company	本公司	38,000	– *
Hang Wing	鏗榮	N/A 不適用	– *
Norry Tech	萊利達	N/A 不適用	11,500
		38,000	11,500

* Less than HK\$1,000

Details of movements of authorised and issued capital of the Company are as follows:

		Number of shares 股份數目	Share capital 股本 HK\$ 港元
Ordinary shares of HK\$0.1 each		每股面值0.1港元之普通股	
Authorised:		法定：	
At incorporation and March 31, 2016	於註冊成立時及二零一六年 三月三十一日	3,800,000	380,000
Increase during the year (note 1)	本年度增加(附註1)	496,200,000	49,620,000
At March 31, 2017	於二零一七年三月三十一日	500,000,000	50,000,000
Issued and fully paid:		已發行及繳足：	
At incorporation and March 31, 2016	於註冊成立時及二零一六年 三月三十一日	10	1
Issue under reorganisation (note 1)	根據重組發行(附註1)	299,999,990	29,999,999
Issue of new shares upon listing (note 2)	上市後發行新股份 (附註2)	80,000,000	8,000,000
At March 31, 2017	於二零一七年三月三十一日	380,000,000	38,000,000

24. 股本

於二零一七年三月三十一日之股本指本公司之股本。

於二零一六年三月三十一日之股本指下列公司之合併股本：

公司名稱

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
The Company	本公司	38,000	– *
Hang Wing	鏗榮	N/A 不適用	– *
Norry Tech	萊利達	N/A 不適用	11,500
		38,000	11,500

* 低於1,000港元

本公司法定及已發行股本之變動詳情如下：

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綜合財務報表附註

24. SHARE CAPITAL (Continued)

Name of the companies (Continued)

Note 1: On May 30, 2016, the Company has increased its authorised share capital to HK\$50,000,000 divided into 500,000,000 ordinary shares with a par value of HK\$0.1 each and 299,999,990 ordinary shares of HK\$0.1 each were allotted and issued to Hang Yip in consideration of the Controlling Shareholders transferring their entire shareholdings in Hang Wing to the Company.

Note 2: On January 11, 2017, upon listing on the Stock Exchange, the Company issued 80,000,000 shares with par value HK\$0.1 each at HK\$1.15 each with gross proceeds of approximately HK\$92,000,000.

All issued shares rank pari passu in all respects with the existing issued shares.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended March 31, 2017.

25. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

24. 股本(續)

公司名稱(續)

附註1: 於二零一六年五月三十日, 本公司將其法定股本增至50,000,000港元, 分為500,000,000股每股面值0.1港元的普通股, 並向經業配發及發行299,999,990股每股面值0.1港元之普通股, 代價為控股股東將其所持經榮的所有股份轉讓予本公司。

附註2: 於二零一七年一月十一日在聯交所上市後, 本公司按每股1.15港元發行80,000,000股每股面值0.1港元之股份, 所得款項總額約為92,000,000港元。

所有已發行股份與現有已發行股份在各方面享有同等權利。

於截至二零一七年三月三十一日止年度, 本公司的附屬公司概無購買、出售或贖回本公司任何上市股份。

25. 本公司財務狀況表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current asset	非流動資產		
Investment in a subsidiary	於附屬公司投資	79,611	-
Current assets	流動資產		
Deferred listing expenses	遞延上市開支	-	337
Amount due from immediate holding company	應收直接控股公司款項	-	*
Trade receivables and other receivables	貿易應收款項及其他應收款項	211	-
Amounts due from subsidiaries	應收附屬公司款項	1,474	-
Bank balances and cash	銀行結餘及現金	58,228	-
		59,913	337
Current liabilities	流動負債		
Other payables	其他應付款項	2,505	800
Amount due to a subsidiary	應付附屬公司款項	1,085	550
		3,590	1,350
Net current assets (liabilities)	流動資產(負債)淨值	56,323	(1,013)
		135,934	(1,013)
Capital and reserves	資本及儲備		
Share capital	股本	38,000	*
Reserves	儲備	97,934	(1,013)
		135,934	(1,013)

* Less than HK\$1,000.

* 少於1,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) Reserves of the Company

		Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at the date of incorporation	於註冊成立日期	-	-	-
Loss and total comprehensive expenses for the period	期內虧損及全面總開支	-	(1,013)	(1,013)
As at March 31, 2016	於二零一六年三月三十一日	-	(1,013)	(1,013)
Loss and total comprehensive expenses for the year	年內虧損及全面總開支	-	(2,486)	(2,486)
Issue of shares	發行股份	84,000	-	84,000
Cost of issue of shares	股份發行成本	(9,058)	-	(9,058)
Dividend paid (Note 13)	派付股息(附註13)	-	(23,120)	(23,120)
Deemed contribution (note)	視作注資(附註)	49,611	-	49,611
As at March 31, 2017	於二零一七年三月三十一日	124,553	(26,619)	97,934

* Less than HK\$1,000

Note: Amount represents difference between the nominal value of the share capital issued by the Company for the acquisition of the entire equity interests and the amount of net asset value in Hang Wing.

26. OPERATING LEASES The Group as lessee

The Group made minimum lease payments in respect of its factory premises and staff quarters amounting to approximately HK\$3,851,000 during the year ended March 31, 2017 (2016: HK\$3,228,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	3,206	3,357
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	8,793	9,216
Over fifth years	超過第五年	13,910	17,271
		25,909	29,844

25. 本公司財務狀況表(續)

本公司儲備

		Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at the date of incorporation	於註冊成立日期	-	-	-
Loss and total comprehensive expenses for the period	期內虧損及全面總開支	-	(1,013)	(1,013)
As at March 31, 2016	於二零一六年三月三十一日	-	(1,013)	(1,013)
Loss and total comprehensive expenses for the year	年內虧損及全面總開支	-	(2,486)	(2,486)
Issue of shares	發行股份	84,000	-	84,000
Cost of issue of shares	股份發行成本	(9,058)	-	(9,058)
Dividend paid (Note 13)	派付股息(附註13)	-	(23,120)	(23,120)
Deemed contribution (note)	視作注資(附註)	49,611	-	49,611
As at March 31, 2017	於二零一七年三月三十一日	124,553	(26,619)	97,934

* 少於1,000港元

附註：該款項為本公司為收購全部股權而發行的股本面值與經營的資產淨值之差額。

26. 經營租賃

本集團為承租人

於截至二零一七年三月三十一日止年度，本集團就租賃廠房及員工宿舍支付的最低租金約為3,851,000港元(二零一六年：3,228,000港元)。

於各報告期末，本集團根據不可撤銷經營租賃須承擔之未來最低租金於下列期間到期：

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綜合財務報表附註

26. OPERATING LEASES (Continued)

The Group as lessee (Continued)

Operating lease payments represent rentals payable by the Group for factory premises and staff quarters. These leases are negotiated for terms ranging from one to twelve years. None of the leases include any contingent rentals.

Included above are the commitments for future minimum lease payments to Top Champion, of which Mr. Chan Leung Choi, one of the controlling shareholders has control. The commitments for future minimum lease payments to Top Champion are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	175	806
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	-	235
		175	1,041

27. PARTICULARS OF NON WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY

The table below shows details of non wholly-owned subsidiaries of the Company that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests as at March 31, 於三月三十一日非控制權益所持擁有權權益及投票權比例		Profits allocated to non-controlling interests for the year ended March 31, 截至三月三十一日止年度分配予非控制權益的溢利		Accumulated non-controlling interests as at March 31, 於三月三十一日累計非控制權益	
		2017 二零一七年	2016 二零一六年	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Norry Tech 萊利達	PRC 中國	49%	50%	84	1,934	13,564	14,656
Tristate International 聯亞國際	Hong Kong 香港	49%	50%	4,978	6,344	9,006	10,126
				5,062	8,278	22,570	24,782

26. 經營租賃(續)

本集團為承租人(續)

經營租金指本集團就廠房及員工宿舍應付的租金。該等租約經磋商租期介乎一至十二年。租約概無包括任何或然租金。

上文載列對其中一名控股股東陳樑材先生所控制泰昌之未來最低租金承擔。對泰昌之未來最低租金承擔如下：

27. 本公司非全資附屬公司詳情

下表列示本公司擁有重大非控制權益之非全資附屬公司的詳情：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27. PARTICULARS OF NON WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY (Continued)

Note: The directors of the Company assessed whether or not the Group has control in Norry Tech and Tristate International based on whether the Group has the practical ability to direct their relevant activities unilaterally.

The memorandum of articles of Tristate International has set out that resolutions of relevant activities requires simple majority vote in the board of directors' meetings. During the year ended March 31, 2016, the Group has appointed one director, namely Ms. Law Kar Yee, the mother of the Controlling Shareholders, out of two directors of Tristate International. Pursuant to the shareholders' agreement and statutory declaration, the Group is entitled an additional casting vote in the board of directors meeting and the Group has the ability to direct the relevant activities of Tristate International.

On the other hand, the sole executive director of Norry Tech is the representative of the Group who has the power to make decisions over relevant activities. Pursuant to the shareholders' agreement, only the Group has the power to appoint the directors of Norry Tech. Accordingly, the Group has the ability to make decisions in respect of the relevant activities of Norry Tech.

The directors of the Company therefore consider that the Group has control over Norry Tech and Tristate International.

Summarised financial information in respect of the above two companies that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Norry Tech

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current assets	流動資產	28,253	28,197
Non-current assets	非流動資產	10,274	11,202
Current liabilities	流動負債	10,846	10,087
Equity attributable to owners of Norry Tech	萊利達擁有人應佔權益	27,681	29,312

27. 本公司非全資附屬公司詳情(續)

附註：本公司董事評估本集團是否擁有萊利達及聯亞國際的控制權乃基於本集團是否有實際能力單方面主導彼等的相關活動。

聯亞國際的組織章程大綱列明，相關活動之決議案須於董事會會議上獲得過半數投票。於截至二零一六年三月三十一日止年度，本集團委任聯亞國際兩名董事之一羅家儀女士(控股股東的母親)作為董事。根據股東協議及法定聲明，本集團有權於董事會會議上投額外一票，且有能力主導聯亞國際的相關活動。

此外，萊利達的唯一執行董事乃本集團的代表，有權決定相關活動。根據股東協議，僅本集團有權委任萊利達董事。因此，本集團有能力決定萊利達的相關活動。

因此，本公司董事認為本集團對萊利達及聯亞國際擁有控制權。

擁有重大非控制權益之上述兩間公司的財務資料概要載列如下。下述財務資料概要指集團間抵銷前的金額。

萊利達

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27. PARTICULARS OF NON WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY (Continued)

27. 本公司非全資附屬公司詳情(續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	46,613	62,760
Expenses	開支	46,416	58,892
Profit for the year attributable to owners of Norry Tech	萊利達擁有人應佔年內溢利	197	3,868
Other comprehensive expense for the year attributable to owners of Norry Tech	萊利達擁有人應佔年內其他全面開支	(1,828)	(1,484)
Total comprehensive (expense) income for the year attributable to owners of Norry Tech	萊利達擁有人應佔年內全面(開支)收入總額	(1,631)	2,384
Net cash inflow (outflow) from operating activities	經營活動所得現金流入(流出)淨額	4,316	(324)
Net cash outflow from investing activities	投資活動所得現金流出淨額	(1,990)	(1,434)
Net cash outflow from financing activities	融資活動所得現金流出淨額	(1,373)	-
Net cash inflow (outflow)	現金流入(流出)淨額	953	(1,758)

Tristate International

聯亞國際

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current assets	流動資產	18,470	27,231
Non-current assets	非流動資產	-	9
Current liabilities	流動負債	91	6,988
Equity attributable to owners of Tristate International	聯亞國際擁有人應佔權益	18,379	20,252

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27. PARTICULARS OF NON WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY (Continued)

Tristate International (Continued)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	60,989	78,646
Expenses	開支	50,862	65,958
Profit and total comprehensive income for the year attributable to owners of Tristate International	聯亞國際擁有人應佔年內溢利及全面收入總額	10,127	12,688
Dividends paid to non-controlling interests of Tristate International	已付聯亞國際非控股權益股息	5,880	-
Net cash inflow (outflow) from operating activities	經營活動所得現金流入(流出)淨額	17,342	(1,194)
Net cash outflow from investing activities	投資活動所得現金流出淨額	(975)	-
Net cash (outflow) inflow from financing activities	融資活動所得現金(流出)流入淨額	(17,071)	3,601
Net cash (outflow) inflow	現金(流出)流入淨額	(704)	2,407

Change on ownership in subsidiaries

During the year ended March 31, 2017, Tristate Hong Kong acquired an additional 1% equity interest in Norry Tech from the non-controlling shareholder, Mr. Chan Lap Wai Gary, at a cash consideration of RMB239,237 (equivalent to approximately HK\$285,000). An amount of HK\$298,000 (being the proportionate share of the carrying amount of net assets of Norry Tech) has been transferred from non-controlling interests. The difference of HK\$13,000 between the decrease in the non-controlling interests and the consideration paid has been credited to exchange reserve of HK\$20,000 and debited to other reserve of HK\$7,000.

During the year ended March 31, 2017, Hang Wing acquired an additional 1% equity interest in Tristate International from the non-controlling shareholder, Ms. Vane Siu Ling Linda (the spouse of Mr. Chan Lap Wai Gary) at a cash consideration of HK\$192,000. An amount of HK\$218,000 (being the proportionate share of the carrying amount of net assets of Tristate International) has been transferred from non-controlling interests. The difference of HK\$26,000 between the decrease in the non-controlling interests and the consideration paid has been credited to other reserve.

27. 本公司非全資附屬公司詳情(續)

聯亞國際(續)

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	60,989	78,646
Expenses	50,862	65,958
Profit and total comprehensive income for the year attributable to owners of Tristate International	10,127	12,688
Dividends paid to non-controlling interests of Tristate International	5,880	-
Net cash inflow (outflow) from operating activities	17,342	(1,194)
Net cash outflow from investing activities	(975)	-
Net cash (outflow) inflow from financing activities	(17,071)	3,601
Net cash (outflow) inflow	(704)	2,407

附屬公司所有權變動

於截至二零一七年三月三十一日止年度，Tristate Hong Kong以現金代價人民幣239,237元(相當於約285,000港元)自非控股股東陳立緯先生收購萊利達1%的額外股權。298,000港元(即萊利達資產淨值賬面值的應佔比例)已自非控制權益轉出。非控制權益減幅與已支付代價之間的差額13,000港元已撥入20,000港元之匯兌儲備及計入7,000港元之其他儲備。

於截至二零一七年三月三十一日止年度，鏗榮以現金代價192,000港元自非控股股東范小玲女士(陳立緯先生之妻子)收購聯亞國際1%的額外股權。218,000港元(即聯亞國際資產淨值賬面值的應佔比例)已自非控制權益轉出。非控制權益減幅與已支付代價之間的差額26,000港元已撥入其他儲備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged for both years.

The capital structure of the Group consists of debt, which include bank borrowings disclosed in note 22 and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	131,697	82,009
Financial liabilities	金融負債		
Amortised cost	攤銷成本	20,965	22,387

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount(s) due from (to) related parties/directors/shareholders, bank balances and cash, deposits placed at an insurance company, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

28. 資本風險管理

本集團管理其資本以確保本集團旗下實體能持續經營，並透過優化債務及權益結餘為股東帶來最大回報。本集團的整體策略於該兩個年度概無變動。

本集團資本架構包括債務(包括附註22披露的銀行借貸)及本公司擁有人應佔權益(包括股本及儲備)。

本公司董事定期檢討資本架構。檢討時，本公司董事考慮各類資本的成本及相關風險。根據本公司董事的推薦意見，本集團將透過派付股息、發行新股、發行新債或贖回現有債務平衡整體資本架構。

29. 金融工具

金融工具類別

金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、應收(付)關聯方/董事/股東款項、銀行結餘及現金、置於保險公司之存款、貿易及其他應付款項和銀行借貸。該等金融工具的詳情披露於相關附註。與該等金融工具有關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。緩減該等風險的政策詳情載於下文。管理層管理並監察該等風險以確保及時有效落實適當措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

(Continued)

Market risks

Currency risk

The Group's exposure to currency risk mainly arises from the fluctuation of United States dollars ("US\$") and Renminbi ("RMB") against the functional currencies of the relevant companies now comprising the Group. The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities other than the functional currencies of the relevant companies now comprising the Group are as follows. The management closely monitors foreign exchange exposure to mitigate the foreign currency risk.

		Liabilities 負債		Assets 資產	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$	美元	-	(841)	7,883	10,365
RMB	人民幣	(420)	-	52	55

Sensitivity analysis

Since HK\$ are pegged to US\$ under the Linked Exchange Rate System, the management does not expect significant foreign currency exposure in relation to the exchange rate fluctuation between HK\$ and US\$. The Group mainly exposes to foreign currency risks other than US\$.

The following table details the Group's sensitivity to a 5% increase in the foreign currencies of the relevant group entities against the functional currency. 5% is the sensitivity rate used in management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in the Group's profit after tax for the year ended March 31, 2017 where the foreign currency of the relevant group entities strengthen against the relevant functional currencies. For a 5% weakening of the functional currency of the relevant group entities, there would be an equal and opposite impact on the Group's profit after tax for the year ended March 31, 2017.

29. 金融工具(續)

金融風險管理目標及政策(續)

市場風險

貨幣風險

本集團面對的貨幣風險主要來自美元(「美元」)及人民幣(「人民幣」)兌本集團現時旗下相關公司功能貨幣的匯率波動。本集團現時旗下相關公司功能貨幣以外的外幣列值貨幣資產及貨幣負債賬面值如下。管理層密切監控外匯風險敞口以緩解外幣風險。

敏感度分析

根據聯繫匯率制度，港元與美元掛鈎，管理層預期並無有關港元兌美元匯率波動的重大外匯風險。本集團主要面對除美元以外的外匯風險。

下表詳述本集團在相關集團實體的功能貨幣兌外幣匯率上升5%情況下的敏感度。5%為管理層評估外幣匯率合理可能變動時所採用的敏感度比率。敏感度分析僅包括以外幣計值的未結算貨幣項目，並因匯率變動5%對其於各報告期末的換算作出調整。下表所載正(負)數字表示相關集團實體功能貨幣兌外幣升值時，本集團截至二零一七年三月三十一日止年度除稅後溢利的增加(減少)。相關集團實體功能貨幣貶值5%則會對本集團截至二零一七年三月三十一日止年度除稅後溢利產生同等相反影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

(Continued)

Market risks (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

29. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

敏感度分析(續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Foreign currency	外幣		
RMB	人民幣	15	(2)

In management's opinion, the sensitivity analysis is unrepresentative of the foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate bank balances and bank borrowings as disclosed in notes 20 and 22 due to the fluctuation of the prevailing market interest rate. The Group currently does not have a policy on hedging interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The sensitivity analysis below have been determined based on the exposure to interest rates for variable-rate bank borrowings. The analysis is prepared assuming the amount of liability outstanding at each reporting period end was outstanding for the whole year. A 100 basis point increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit after tax for the year ended March 31, 2017 would decrease/increase by and HK\$166,000 (2016: HK\$54,000).

Bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

管理層認為，由於年末風險敞口並不能反映年內風險敞口，故敏感度分析並不代表外匯風險。

利率風險

本集團的現金流量利率風險主要指附註20及22所披露浮息銀行結餘及銀行借貸因當前市場利率波動而引致的風險。本集團現時並無利率風險對沖政策。然而，管理層監察利率風險並於必要時考慮對沖重大利率風險。

以下敏感度分析乃基於浮息銀行借貸所面對的利率風險釐定。該分析方法假設各報告期末未償還的負債為全年未償還。該分析方法使用上升或下降100個基點表示管理層對利率合理可能變動的評估。

倘利率上升/下降100個基點而所有其他變量維持不變，則本集團截至二零一七年三月三十一日止年度的除稅後溢利將分別減少/增加166,000港元(二零一六年：54,000港元)。

由於本公司董事認為浮息銀行結餘產生的現金流量利率風險屬微不足道，故銀行結餘不包括敏感度分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

(Continued)

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's credit risk is primarily attributable to trade and other receivables and bank balances and cash.

The credit risk on liquid funds is limited because the Group's bank balances are deposited with banks of high credit ratings.

The Group has concentration of credit risk as 15% of the total gross trade receivables was due from the Group's largest customer as at March 31, 2017 (2016: 48%) and 51% of the total gross trade receivables was due from the five largest customers as at March 31, 2017 (2016: 68%).

The directors of the Company consider that the credit risk on amounts due from related parties was limited because they regularly monitor the financial position of the related party through involvement in their management and operations. In addition, the related party had good financial standing.

29. 金融工具(續)

金融風險管理目標及政策(續)

信貸風險

於各報告期末，本集團因對手方未能履行責任而導致本集團出現財務虧損的最高信貸風險來自綜合財務狀況表所載已確認金融資產的賬面值。

為盡量減低信貸風險，管理層已委任一組人員負責釐定信貸限額、信貸審批及其他監控程序，以確保就收回逾期債務採取跟進行動。此外，本集團於各報告期末審閱各個別債務的可收回金額，以確保就無法收回金額作出足夠減值虧損撥備。就此，本公司董事認為本集團的信貸風險已大大減少。

本集團之信貸風險主要來自貿易及其他應收款項，以及銀行結餘及現金。

由於本集團存放銀行結餘之銀行擁有高信貸評級，故流動資金信貸風險有限。

由於二零一七年三月三十一日的貿易應收款項總額有15%（二零一六年：48%）來自本集團的最大客戶，及二零一七年三月三十一日的貿易應收款項總額有51%（二零一六年：68%）來自本集團的五大客戶，故本集團有信貸集中風險。

本公司董事認為，由於彼等透過參與關聯方的管理及營運定期監控其財務狀況，故應收關聯方款項的信貸風險有限。此外，關聯方的財務狀況良好。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

(Continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for the non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity and interest risk tables

		Weighted average interest rate 加權平均利率 %	On demand or less than 3 months 於要求時或三個月內 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
At March 31, 2017	於二零一七年三月三十一日				
Trade and other payables	貿易及其他應付款項	-	1,089	1,089	1,089
Bank borrowings	銀行借貸	4.5	19,876	19,876	19,876
			20,965	20,965	20,965

29. 金融工具(續)

金融風險管理目標及政策(續)

流動資金風險

本公司董事為流動資金風險管理承擔最終責任，彼等已建立合適的流動資金風險管理架構以管理本集團短、中及長期資金以及滿足流動資金管理需求。本集團通過維持適當儲備及借貸融資、持續監控預測及實際現金流量和配對金融資產及負債的到期信息而管理流動資金風險。

下表為本集團非衍生金融負債餘下合約到期日詳情。該表根據本集團於須償還金融負債最早日期的金融負債未貼現現金流量編製。非衍生金融負債到期日乃根據協定還款日期釐定。

該等表格包括利息及本金現金流量。倘利息流量為浮動利率，則未貼現金額根據各報告期末的利率計算。

流動資金及利息風險表

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

(Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

		Weighted average interest rate 加權 平均利率 %	On demand or less than 3 months 於要求時或 三個月內 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
At March 31, 2016	於二零一六年 三月三十一日				
Trade and other payables	貿易及其他應付款項	–	8,909	8,909	8,909
Amounts due to shareholders	應付股東款項	–	5,839	5,839	5,839
Amounts due to directors	應付董事款項	–	1,212	1,212	1,212
Amounts due to related parties	應付關聯方款項	–	4	4	4
Bank borrowings	銀行借貸	5.4	6,423	6,423	6,423
			22,387	22,387	22,387

Bank borrowings with a repayment on demand clause are included in the “on demand or less than 3 months” time band in the above maturity analysis. As at March 31, 2017, the aggregate undiscounted principal amounts of these bank borrowings amounted to HK\$12,454,000 (2016: HK\$3,709,000). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid after the end of reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$12,805,000 as at March 31, 2017 (2016: HK\$3,851,000).

Fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

29. 金融工具(續)

金融風險管理目標及政策(續)

流動資金風險(續)

流動資金及利息風險表(續)

附帶按要求償還條款的銀行借貸計入上述到期日分析的「於要求時或三個月內」時段內。於二零一七年三月三十一日，該等銀行借貸的未貼現本金總額為12,454,000港元(二零一六年：3,709,000港元)。考慮到本集團的財務狀況，本公司董事認為銀行不太可能行使酌情權要求即時還款。本公司董事相信該等銀行借貸將依照貸款協議所載計劃還款日期於報告期末後償還。屆時，二零一七年三月三十一日的本金及利息現金流出總額為12,805,000港元(二零一六年：3,851,000港元)。

公平值

本公司董事認為按攤銷成本計入綜合財務報表的金融資產及金融負債賬面值與公平值相若。該等公平值根據普遍接納之定價模式按貼現現金流量分析釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30. RELATED PARTY DISCLOSURES

(i) Related party transactions

In addition to the transactions, balances and commitments disclosed elsewhere in the consolidated financial statements, the Group had entered into the following significant transactions during the year ended March 31, 2017 and March 31, 2016:

Name of related company 關聯公司名稱	Relationship 關係	Nature of transaction 交易性質	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Top Champion 泰昌	Entity over which Mr. Chan Leung Choi has control 陳樑材先生擁有控制權之實體	Rental expense of rented premises 租賃物業租金開支	336	716

(ii) Personal guarantee from shareholders

Mr. Chan Leung Choi and Mr. Chan Kin Choi had provided a personal guarantee in respect of the banking facilities granted to the Group to the extent of approximately HK\$3,709,000 as at March 31, 2016. Upon listing of Company's shares on the Stock Exchange on January 11, 2017, the deposits, pledges and personal guarantees were released and replaced by a corporate guarantee provided by the Company.

(iii) Pledge of assets held by a shareholder and a related company

As at March 31, 2016, the general banking facilities granted by banks to the Group were secured by deposits held by Mr. Chan Leung Choi amounting to HK\$500,000 and properties held by a related company, Top Champion. Upon listing of Company's shares on the Stock Exchange on January 11, 2017, the deposits, pledges and personal guarantees were released and replaced by a corporate guarantee provided by the Company.

30. 關聯方披露

(i) 關聯方交易

除綜合財務報表其他部分所披露之交易、結餘及承擔外，本集團已於截至二零一七年三月三十一日及二零一六年三月三十一日止年度訂立下列重大交易：

(ii) 股東個人擔保

於二零一六年三月三十一日，陳樑材先生及陳健材先生就授予本集團的銀行融資提供個人擔保約3,709,000港元。存款、抵押及個人擔保已於本公司股份於二零一七年一月十一日在聯交所上市後解除，並以本公司提供的公司擔保代替。

(iii) 抵押股東及關聯公司所持資產

於二零一六年三月三十一日，銀行授予本集團之一般銀行融資由陳樑材先生所持存款500,000港元及關聯公司泰昌所持物業作抵押。存款、抵押及個人擔保已於本公司股份於二零一七年一月十一日在聯交所上市後解除，並以本公司提供的公司擔保代替。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30. RELATED PARTY DISCLOSURES (Continued)

(iv) Compensation of key management personnel

The remuneration of directors and other members of key management during the year is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fees	費用	66	-
Salaries and allowances	薪金及津貼	5,437	3,087
Performance related incentive payment	績效獎金	1,186	872
Contributions to retirement benefits scheme	退休福利計劃供款	137	95
		6,826	4,054

31. COMMITMENTS

30. 關聯方披露(續)

(iv) 主要管理人員報酬

董事及其他主要管理人員於本年度之薪酬如下：

31. 承擔

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	有關收購物業、廠房及設備已訂約但未於綜合財務報表撥備之資本開支	-	38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32. RETIREMENT BENEFIT PLAN

The Group participates in a defined contribution scheme which is registered under the Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. For members of the MPF Scheme, the Group contributes at the lower of HK\$1,500 per month or 5% of relevant payroll costs each month to the MPF Scheme, which contribution is matched by the employee.

The employees of the Group’s subsidiary in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expenses recognised in profit or loss of HK\$1,509,000, for the year ended March 31, 2017 (2016: HK\$1,501,000) represent contributions paid and payable to these plans by the Group at rates specified in the rules of the plan.

33. CONTINGENT LIABILITIES

Historically and during the year ended March 31, 2016, Norry Tech failed to promptly make registration of the housing provident fund for its employees. The total amount of housing provident fund contributions that Norry Tech failed to make were approximately HK\$287,000 for the year ended March 31, 2016 which has been fully provided.

Starting from April 2016, Norry Tech has made contributions to the housing provident fund for all its employees based on the rate agreed with the housing provident fund authority. Norry Tech may be subject to a fixed fine ranging from RMB10,000 to RMB50,000, in addition to the outstanding housing provident fund contributions underpaid if the employer failed to rectify such non-compliance within a specified period of time. The representative of the Group has visited the housing provident fund authority and reported such non-compliant incidents. The directors of the Company have, taking into account (i) the results of such visits, and (ii) the relevant facts and circumstances, and (iii) advice sought from the Group’s PRC legal advisers, considered that it is not probable for Norry Tech to be requested to pay relevant fine in respect of the underpaid amount, therefore, no provision for fine has been made.

32. 退休福利計劃

本集團參與根據強制性公積金計劃條例設立的強制性公積金計劃（「強積金計劃」）註冊的定額供款計劃。該計劃的資產與本集團資產分開持有，由信託人以基金託管。強積金計劃成員方面，本集團每月按1,500港元或相關薪酬成本的5%（以較低者為準）向強積金計劃供款，而僱員亦作出同等金額的供款。

本集團的中國附屬公司僱員均為中國政府營辦的國家管理退休福利計劃的成員。該附屬公司須按薪酬成本的特定百分比向退休福利計劃供款，以資助有關福利。本集團就該退休福利計劃承擔的責任僅為作出指定供款。

截至二零一七年三月三十一日止年度於損益確認的總開支1,509,000港元（二零一六年：1,501,000港元）指本集團按計劃規定所指定比率已付及應付該等計劃的供款。

33. 或然負債

過往及於截至二零一六年三月三十一日止年度，萊利達未有及時為僱員登記住房公積金。截至二零一六年三月三十一日止年度，萊利達未繳付的住房公積金供款總額約為287,000港元，已計提充足撥備。

自二零一六年四月起，萊利達依照以住房公積金機構協定的比例為全體僱員繳付住房公積金供款。倘萊利達作為僱主未於指定期限內糾正不合規定行為，則除了未繳付的住房公積金供款外，還會遭到介乎人民幣10,000元至人民幣50,000元的定額罰款。本集團代表已訪問住房公積金機構並報告有關不合規事宜。本公司董事經考慮(i)訪問的結果，及(ii)相關事實及情況，及(iii)諮詢本集團的中國法律顧問的意見後，認為萊利達不大可能被要求就未繳付的金額支付相關罰款，因此並無就罰款計提任何撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34. PARTICULARS OF SUBSIDIARIES

Details of the Group's subsidiaries at the end of each reporting period are set out below.

Name of subsidiary	Place of incorporation/ establishment	Place of operations	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Attributable equity interest to the Group		Principal activities
附屬公司名稱	註冊成立/成立地點	營運地點		本集團應佔股權		主要業務
				2017 二零一七年 %	2016 二零一六年 %	
Directly held						
直接擁有						
Hang Wing 鏗榮	British Virgin Islands 英屬處女群島	Hong Kong 香港	Ordinary shares HK\$1 普通股 1 港元	100	-	Investment holding 投資控股
Indirectly held						
間接擁有						
Top Mark	Hong Kong	Hong Kong	Ordinary shares HK\$1,000,000 普通股 1,000,000 港元	100	100	Trading of rockdrilling equipment and machineries 買賣鑿岩設備及器械
震東機械	香港	香港				
Maxa RockDrills Maxa RockDrills	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$100 普通股 100 港元	100	100	Trading of rockdrilling equipment 買賣鑿岩設備
Norry Tech	The PRC	The PRC	Registered capital HK\$23,000,000 註冊資本 23,000,000 港元	51	50	Manufacturing of rockdrilling equipment 製造鑿岩設備
萊利達	中國	中國				
Tristate International	Hong Kong	Hong Kong	Ordinary shares HK\$10,000	51	50	Trading of rockdrilling and piling and drilling equipment and machineries 買賣鑿岩、打樁和鑽孔設備及 器械
聯亞國際	香港	香港	普通股 10,000 港元			
Top Glory	Hong Kong	Hong Kong	Ordinary shares HK\$10,000	100	100	Trading of rockdrilling and piling and drilling equipment and machineries 買賣鑿岩、打樁和鑽孔設備及 器械
震東建築	香港	香港	普通股 10,000 港元			
Tristate Hong Kong Tristate Hong Kong	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$1 普通股 1 港元	100	-	Investment holding 投資控股

Norry Tech is a wholly foreign owned enterprise.

None of the subsidiaries had issued any debt securities at the end of the year and during the year.

34. 附屬公司詳情

本集團附屬公司於各報告期末的詳情載列如下。

萊利達為外商獨資企業。

於年末及於年度期間，並無附屬公司發行任何債務證券。

FINANCIAL SUMMARY

財務摘要

		For the year March 31, 截至三月三十一日止年度			
		2014	2015	2016	2017
		二零一四年	二零一五年	二零一六年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Revenue	收益	150,571	126,620	141,744	126,675
Profit before tax	除稅前溢利	29,864	31,691	42,906	7,897
Income tax expense	所得稅開支	(4,759)	(5,316)	(7,654)	(5,146)
Profit for the year	年內溢利	25,105	26,375	35,252	2,751
Total comprehensive income for the year	年內全面總收益	25,374	26,521	33,694	1,101
Total comprehensive (expense) income attributable to:	以下人士應佔全面總(開支)收益：				
Owners of the Company	本公司擁有人	19,027	21,210	26,158	(3,083)
Non-controlling interests	非控制權益	6,347	5,311	7,536	4,184
Earnings (loss) per share, basic (HK cents)	每股基本盈利(虧損)(港仙)	9.23	7.17	8.99	(0.73)

		As at March 31, 於三月三十一日			
		2014	2015	2016	2017
		二零一四年	二零一五年	二零一六年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Total non-current assets	非流動資產總值	13,477	15,489	13,363	15,665
Total current assets	流動資產總值	104,345	98,274	115,798	165,359
TOTAL ASSETS	總資產	117,822	113,763	129,161	181,024
Total current liabilities	流動負債總值	53,986	43,221	32,913	30,382
Total non-current liabilities	非流動負債總值	133	308	172	-
TOTAL LIABILITIES	總負債	54,119	43,529	33,085	30,382
NET ASSETS	資產淨值	63,703	70,234	96,076	150,642
Equity	權益				
Equity attributable to the owners of the Company	本公司擁有人應佔權益	47,768	52,988	71,294	128,072
Non-controlling interests	非控制權益	15,935	17,246	24,782	22,570
TOTAL EQUITY	總權益	63,703	70,234	96,076	150,642

DEFINITIONS

釋義

“Articles” or “Articles of Association” 「細則」或「組織章程細則」	the articles of association of the Company, as amended from time to time 指本公司的組織章程細則，經不時修訂
“associate(s)” 「聯繫人」	has the meaning ascribed thereto under the Listing Rules 指上市規則所定義者
“Board” or “Board of Directors” 「董事會」	our board of Directors 指我們的董事會
“Business Day” or “business day” 「營業日」	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong 指香港銀行一般對公眾開門辦理正常銀行業務的任何日子(星期六、星期日或香港公眾假期除外)
“BVI” 「英屬處女群島」	the British Virgin Islands 指英屬處女群島
“China” or “PRC” 「中國」	the People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, references in this annual report to “China” and the “PRC” do not include Hong Kong, Macau and Taiwan 指中華人民共和國，僅就本年報及作地區參考而言，除文義另有所指外，本年報對「中國」的提述並不包括香港、澳門及台灣
“Companies Ordinance” 「公司條例」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time 指香港法例第622章公司條例，經不時修訂或補充
“Company”, “our Company”, “the Company”, “we” or “us” 「本公司」或「我們」	Yuk Wing Group Holdings Limited 煜榮集團控股有限公司, a company incorporated in the Cayman Islands with limited liability on March 17, 2016 指煜榮集團控股有限公司，於二零一六年三月十七日在開曼群島註冊成立的有限公司
“connected person” 「關連人士」	has the meaning ascribed thereto in the Listing Rules 指上市規則所定義者
“Controlling Shareholder(s)” 「控股股東」	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, means each of Mr. Leung Choi Chan, Mr. Kin Choi Chan and Hang Yip 指上市規則所定義者，除文義另有所指外，為陳樑材先生、陳健材先生及鏗業

DEFINITIONS

釋義

“Director(s)” 「董事」	the director(s) of our Company 指本公司董事
“Executive Director(s)” 「執行董事」	executive Director(s) 指執行董事
“Group”, “our Group”, “the Group”, “we” or “us” 「本集團」或「我們」	our Company and its subsidiaries or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, the present subsidiaries of our Company, some or any of them and the businesses carried on by such subsidiaries or (as the case may be) their predecessors 指本公司及其附屬公司，倘文義另有所指，對於本公司尚未成為現有附屬公司之控股公司之時期，則指本公司現有附屬公司、部分或任何附屬公司及該等附屬公司或(視情況而定)其前身公司經營的業務
“HK\$” or “Hong Kong dollars” or “HK dollars” or “cents” 「港元」或「港仙」	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong 指香港法定貨幣港元及港仙
“Hang Wing” 「鏗榮」	Hang Wing Holdings Limited 鏗榮控股有限公司, a BVI business company incorporated in the BVI with limited liability on March 16, 2016 and a wholly-owned subsidiary of the Company 指鏗榮控股有限公司，於二零一六年三月十六日在英屬處女群島註冊成立的英屬處女群島商業有限公司，為本公司的全資附屬公司
“Hang Yip” 「鏗業」	Hang Yip Company Limited 鏗業有限公司, a BVI business company incorporated in the BVI with limited liability on March 16, 2016, owned as to 80% by Mr. Leung Choi Chan and 20% by Mr. Kin Choi Chan and is one of our Controlling Shareholders 指鏗業有限公司，於二零一六年三月十六日在英屬處女群島註冊成立的英屬處女群島商業有限公司，由陳樑材先生及陳健材先生分別擁有80%及20%權益，為我們的控股股東之一
“Hong Kong” or “HK” 「香港」	the Hong Kong Special Administrative Region of the PRC 指中國香港特別行政區
“Hong Kong Stock Exchange” or “Stock Exchange” 「香港聯交所」或「聯交所」	The Stock Exchange of Hong Kong Limited 指香港聯合交易所有限公司
“Independent Non-executive Director(s)” 「獨立非執行董事」	independent non-executive Director(s) 指獨立非執行董事

DEFINITIONS

釋義

“independent third party(ies)” 「獨立第三方」	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/ which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons as defined under the Listing Rules 指據我們董事於作出一切合理查詢後所知、所悉及所信，根據上市規則與本公司或我們關連人士並無關連的人士或公司及彼等各自最終實益擁有人
“Listing” 「上市」	listing of the shares on the Hong Kong Stock Exchange 指股份於香港聯交所上市
“Listing Date” 「上市日期」	the date, being, January 11, 2017, on which the shares are listed on the Stock Exchange and from which dealings in the shares are permitted to commence on the Main Board of the Stock Exchange 指股份於聯交所上市及股份獲准開始於聯交所主板買賣的日期，即二零一七年一月十一日
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time) 指香港聯合交易所有限公司證券上市規則，經不時修訂、補充或以其他方式修改
“MPF” 「強積金」	mandatory provident fund 指強制性公積金
“Macau” 「澳門」	the Macau Special Administrative Region of the PRC 指中國澳門特別行政區
“Main Board” 「主板」	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange 指由聯交所營運之股票市場（不包括期權市場），獨立於聯交所創業板並與其並行營運
“Maxa RockDrills” 「Maxa RockDrills」	MAXA RockDrills Limited, a company incorporated in Hong Kong with limited liability on September 15, 2000 and is an indirect wholly-owned subsidiary of our Company MAXA RockDrills Limited，於二零零零年九月十五日在香港註冊成立的有限公司，為本公司間接全資附屬公司

DEFINITIONS

釋義

“Norry Tech”	佛山市順德區萊利達工程設備有限公司(Norry Tech Engineering Equipment Limited), a company established in the PRC with limited liability on October 16, 2007, owned as to 51% by Tristate Hong Kong and 49% by Mr. Lap Wai Gary Chan, an independent third party (other than being a shareholder of Norry Tech and Tristate International), and is an indirect non wholly-owned subsidiary of our Company
「萊利達」	指佛山市順德區萊利達工程設備有限公司，於二零零七年十月十六日在中國成立的有限公司，由 Tristate Hong Kong 及陳立緯先生（為獨立第三方，惟乃萊利達及聯亞國際的股東）分別擁有 51% 及 49% 權益，為本公司間接非全資附屬公司
“Prospectus”	the prospectus of the Company dated December 30, 2016 in relation to the initial public offering and the listing of our shares on the Stock Exchange
「招股章程」	指日期為二零一六年十二月三十日有關首次公開發售及我們的股份於聯交所上市的本公司招股章程
“Reporting Period”	2016/2017 (April 1, 2016 to March 31, 2017)
「報告期」	指二零一六年／二零一七年（二零一六年四月一日至二零一七年三月三十一日）
“RMB” or “Renminbi”	the lawful currency of the PRC
「人民幣」	指中國法定貨幣
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
「證券及期貨條例」	指香港法例第 571 章證券及期貨條例，經不時修訂或補充
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Companies Ordinance
「附屬公司」	指公司條例所定義者
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
「主要股東」	指上市規則所定義者
“Top Glory”	Top Glory Construction Equipment Limited 震東建築設備有限公司, formerly known as Top Mark Construction Equipment Limited 震東建築設備有限公司, a company incorporated in Hong Kong with limited liability on March 20, 2015 and an indirect wholly-owned subsidiary of the Company
「震東建築」	指震東建築設備有限公司，於二零一五年三月二十日在香港註冊成立的有限公司，為本公司間接全資附屬公司

DEFINITIONS

釋義

“Top Mark” 「震東機械」	Top Mark Mechanical Equipment Limited 震東機械設備有限公司, a company incorporated in Hong Kong with limited liability on July 28, 1997 and an indirect wholly-owned subsidiary of the Company 指震東機械設備有限公司，於一九九七年七月二十八日在香港註冊成立的有限公司，為本公司間接全資附屬公司
“Tristate Hong Kong” 「Tristate Hong Kong」	Tristate (HK) Holding Company Limited, a company incorporated in Hong Kong with limited liability on April 13, 2016, and an indirect wholly-owned subsidiary of our Company 指 Tristate (HK) Holding Company Limited，於二零一六年四月十三日在香港註冊成立的有限公司，為本公司間接全資附屬公司
“Tristate International” 「聯亞國際」	Tristate International Industrial Limited 聯亞國際實業有限公司, a company incorporated in Hong Kong with limited liability on July 28, 2008, and held as to 51% by Hang Wing and 49% by Ms. Siu Ling Linda Vane, wife of Mr. Lap Wai Gary Chan, and an indirect non-wholly owned subsidiary of our Company 指聯亞國際實業有限公司，於二零零八年七月二十八日在香港註冊成立的有限公司，由鏗榮及范小玲女士(陳立緯先生之妻子)分別擁有51%及49%權益，為本公司間接非全資附屬公司
“U.S.” or “United States” 「美國」	the United States of America, its territories, its possessions and all areas subject to its jurisdiction 指美利堅合眾國，其領土、屬地及所有受其司法管轄的地區
“US\$”, “USD” or “U.S. dollars” 「美元」	United States dollars, the lawful currency for the time being of the United States 指美國現時法定貨幣美元
“Year” 「本年度」	Year ended March 31, 2017 指截至二零一七年三月三十一日止年度
“%” 「%」	per cent 指百分比

Yuk Wing Group Holdings Limited
煜榮集團控股有限公司