

ANNUAL REPORT  
2017/2018 年報



歐化國際有限公司  
Ulferts International Limited

Incorporated in Hong Kong with limited liability (Stock Code: 1711)  
於香港註冊成立之有限公司（股份代號：1711）

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# CORPORATE INFORMATION AND KEY DATES

## 公司資料及重要日期

### Directors

Wong Chi Fai (*Chairman*)  
Ng Koon Keung, Ricky  
Mok Fung Lin, Ivy  
Fan Man Seung, Vanessa  
Chan Yee Man\*\*  
Chiu Kin Fai\*\*  
Ng Hoi Yue\*\*

\*\* Independent Non-executive Directors

### Company Secretary

Mok Fung Lin, Ivy

### Audit Committee

Chan Yee Man (*Chairperson*)  
Chiu Kin Fai  
Ng Hoi Yue

### Remuneration Committee

Ng Hoi Yue (*Chairman*)  
Wong Chi Fai  
Chan Yee Man

### Nomination Committee

Chiu Kin Fai (*Chairman*)  
Fan Man Seung, Vanessa  
Chan Yee Man

### Corporate Governance Committee

Fan Man Seung, Vanessa (*Chairperson*)  
Chiu Kin Fai  
Ng Hoi Yue  
A representative of company secretarial function  
A representative of finance and accounts function

### Executive Committee

Wong Chi Fai (*Chairman*)  
Ng Koon Keung, Ricky  
Mok Fung Lin, Ivy  
Fan Man Seung, Vanessa

### 董事

黃志輝 (*主席*)  
吳冠強  
莫鳳蓮  
范敏嫦  
陳綺雯\*\*  
招健暉\*\*  
伍海于\*\*

\*\* 獨立非執行董事

### 公司秘書

莫鳳蓮

### 審核委員會

陳綺雯 (*主席*)  
招健暉  
伍海于

### 薪酬委員會

伍海于 (*主席*)  
黃志輝  
陳綺雯

### 提名委員會

招健暉 (*主席*)  
范敏嫦  
陳綺雯

### 企業管治委員會

范敏嫦 (*主席*)  
招健暉  
伍海于  
一名公司秘書職能代表  
一名財務及會計職能代表

### 執行委員會

黃志輝 (*主席*)  
吳冠強  
莫鳳蓮  
范敏嫦

# CORPORATE INFORMATION AND KEY DATES

## 公司資料及重要日期

### Auditors

Ernst & Young

### 核數師

安永會計師事務所

### Compliance Advisor

Octal Capital Limited

### 合規顧問

八方金融有限公司

### Investor Relations Contact

Luk Man Ching, Anna

Email: ir1711@emperorgroup.com

### 投資者關係聯繫資訊

陸文靜

電郵: ir1711@emperorgroup.com

### Principal Bankers

The Bank of East Asia, Limited

Chong Hing Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

### 主要往來銀行

東亞銀行有限公司

創興銀行有限公司

香港上海滙豐銀行有限公司

### Registered Office and Principal Place of Business

Units 1905-07, 19th Floor

Emperor Group Centre

288 Hennessy Road

Wanchai, Hong Kong

### 註冊辦事處及主要營業地點

香港灣仔

軒尼詩道 288 號

英皇集團中心

19 樓 1905-07 室

### Share Registrar

Tricor Secretaries Limited

Level 22, Hopewell Centre

183 Queen's Road East, Hong Kong

### 股份過戶登記處

卓佳秘書商務有限公司

香港皇后大道東 183 號

合和中心 22 樓

### Website

<http://www.ulferts.com.hk>

### 網站

<http://www.ulferts.com.hk>

### Stock Code

Hong Kong Stock Exchange: 1711

### 股份代號

香港聯合交易所: 1711

### Key Dates

Annual Results Announcement

27 June 2018

2018 Annual General Meeting

16 August 2018

### 重要日期

全年業績公佈

2018 年 6 月 27 日

2018 股東週年大會

2018 年 8 月 16 日

## RESULTS SUMMARY

### 業績概覽



For the year ended 31 March  
截至 3 月 31 日止年度

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Revenue 收入	<b>258,553</b>	224,331
Gross profit 毛利	<b>163,922</b>	145,304
Net profit 純利	<b>8,477</b>	30,145





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

Ulferts International Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is a leading retailer of high quality home furniture mainly imported from Europe, and the shares of the Company were newly listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in January 2018.

Established for over 40 years, the Group operated 16 points-of-sale (“POS”) in Hong Kong, under three retail lines – “**Ulferts**”, “**Dormire**” and “**Eurodecor**”, as well as online shopping platforms as at 31 March 2018. Dedicated to supplying high quality, stylish and affordable furniture for transforming into ideal homes, “**Ulferts**” and “**Eurodecor**” offered a wide variety of contemporary style furniture products targeting middle to high income groups. “**Dormire**” on the other hand offered mattresses, pillows, sofas and other ancillary items under the Group’s self-owned brand “**Ulfenbo**” targeting at the mass market. Such products were distributed through other retail networks such as department store counters and roadshows and also through wholesaling to about 260 dealers.

歐化國際有限公司(「本公司」)及其附屬公司(統稱「本集團」)乃一家主要由歐洲進口優質傢俬的領導零售商，而本公司之股份於2018年1月在香港聯合交易所有限公司(「聯交所」)主板掛牌上市。

本集團已成立超過40年，於2018年3月31日以三條零售線—「**歐化傢俬**」、「**多眠樂**」及「**雅豪**」在香港經營16個銷售點(「銷售點」)，並設有網上購物平台。「**歐化傢俬**」及「**雅豪**」致力提供優質、時尚及價格合理的傢俬，為顧客打造理想的家居，並提供多款具現代風格的傢俬產品，目標客戶為中高端收入客戶群。另一方面，「**多眠樂**」提供本集團自家品牌「**歐化寶**」之床褥、枕頭、梳化以及其他配套產品，主要針對大眾市場。該等產品於其他零售網絡如百貨公司專櫃及路演分銷，以及批發予約260家經銷商。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### MARKET REVIEW

With strong sales performances in the primary home market and a record breaking run of surging secondary home prices, the volume of residential property transactions remained active during the year ended 31 March 2018 (the “Year”). Supported by an organic expansion of local household formation and continuous arrivals of family-base immigrants, the Hong Kong property market continued to grow.

Thanks to a lower unemployment rate, growing middle class, and a stronger sense of optimism regarding the local economy, local consumer confidence started to surge. Additionally, the positive wealth effect resulting from the stock market boom and an ongoing rise in property prices, in turn encouraged local residents to increase investments in new apartments or renovate their existing flats. With a gradual increase in household income and enhancement of living standards, residents have greater awareness of product quality, hence demand for high quality imported home furniture has continued to rise.

### FINANCIAL REVIEW

#### Overall Review

In line with the store network expansion and increasing market demand for quality home furniture, the Group's total revenue registered growth of 15.3% to HK\$258.6 million (2017: HK\$224.3 million) during the Year. Revenue of the retail segment increased by 15.1% to HK\$239.3 million (2017: HK\$207.9 million) and remained a key revenue contributor, accounting for 92.6% (2017: 92.6%) of the Group's total revenue. Gross profit grew by 12.8% to HK\$163.9 million (2017: HK\$145.3 million). Due to an increase of purchase price of the furniture products amid the appreciation of Euro, the gross profit margin slightly decreased to 63.4% (2017: 64.8%).

The Group's net profit for the year was HK\$8.5 million (2017: HK\$30.1 million). Such decline was primarily due to the recognition of the one-off listing expenses, as well as the increase in rental expense and overhead arising from new POS and the softened performance of gross profit margin. The listing expenses mainly comprised of legal and other professional fees in connection with the Company's initial public offering. The board of directors (the “Board” or “Directors”) of the Company did not recommend the payment of a final dividend for the Year.

### 市場回顧

於截至2018年3月31日止年度（「本年度」），隨著一手市場銷情強悍及二手住宅成交價屢創新高，住宅物業成交持續活躍。受惠於本地家庭戶成立之自然增長及移民家庭數目不斷上升等因素支持，香港物業市場持續增長。

由於失業率下跌、中產階級人口增加及市場對本地經濟增長趨向樂觀，本地消費者信心亦開始上升。此外，股市強悍及物業價格持續向上所造成的正面財富效應，亦鼓勵本地居民投資新住宅單位或裝修彼等現時持有之單位。隨著家庭收入逐漸增加及生活水平提升，住戶更加注意產品質素，因此，市場對優質進口傢俬之需求持續上升。

### 財務回顧

#### 整體回顧

因應店舖網絡擴張及優質傢俬之市場需求日增，於本年度本集團之總收入錄得增長15.3%至258,600,000港元（2017年：224,300,000港元）。零售分部仍然為主要收入來源，其收入增加15.1%至239,300,000港元（2017年：207,900,000港元），佔本集團總收入92.6%（2017年：92.6%）。毛利上升12.8%至163,900,000港元（2017年：145,300,000港元）。由於傢俬產品之進貨價因歐元升值而有所增加，毛利率輕微下跌至63.4%（2017年：64.8%）。

本集團錄得本年度純利為8,500,000港元（2017年：30,100,000港元）。純利下跌主要是由於錄得一次性上市開支，加上新銷售點所產生之租金開支及經常性費用增加以及毛利率表現放緩所致。上市開支主要包括與本公司首次公開發售有關之法律及其他專業費用。本公司之董事會（「董事會」或「董事」）不建議就本年度派付末期股息。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Capital Structure, Liquidity and Financial Resources

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 29 January 2018 and there has been no change in share capital structure of the Company since then. As at 31 March 2018, the Company had 800 million shares in issue.

Cash and cash equivalents of the Group as at 31 March 2018 amounted to HK\$83.4 million (2017: HK\$39.8 million), which were mainly denominated in Hong Kong dollars. As at 31 March 2018, the bank borrowings of the Group was HK\$19.8 million (2017: Nil), and hence its gearing ratio (calculated on the basis of the total borrowings over total equity) was 17.1% (2017: Nil). The Group also had available unutilised banking facilities of approximately HK\$34.2 million as at 31 March 2018. The adequate liquidity and unutilised banking facilities enable the Group to retain high flexibility for future development.

As at 31 March 2018, the Group's current assets and current liabilities were approximately HK\$146.0 million (2017: HK\$90.8 million) and HK\$56.7 million (2017: HK\$34.9 million), respectively. As at 31 March 2018, current ratio and quick ratio of the Group were 2.6 (2017: 2.6) and 1.8 (2017: 1.7), respectively.

In view of the Group's financial position as at 31 March 2018, the Board considered that the Group had sufficient working capital for its operations and future development plans.

### 資本架構、流動資金及財務資源

本公司之股份於2018年1月29日在聯交所主板成功上市，自此本公司之資本架構並無任何變動。於2018年3月31日，本公司之已發行股份數目為800,000,000股。

本集團於2018年3月31日之現金及現金等價物為83,400,000港元（2017年：39,800,000港元），主要以港元計值。於2018年3月31日，本集團之銀行借款為19,800,000港元（2017年：無），因此權益負債比率（以借款總額除以權益總額計算）為17.1%（2017年：無）。於2018年3月31日，本集團亦擁有未動用銀行融資約34,200,000港元。適當的流動資金，加上未動用之銀行融資，為本集團之未來發展需要保持高度靈活性。

於2018年3月31日，本集團之流動資產及流動負債分別約為146,000,000港元（2017年：90,800,000港元）及56,700,000港元（2017年：34,900,000港元）。於2018年3月31日，本集團流動比率及速動比率分別為2.6（2017年：2.6）及1.8（2017年：1.7）。

經考慮本集團於2018年3月31日之財務狀況，董事會認為，本集團擁有充足營運資金，以應付其營運及未來發展計劃需要。





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Use of Proceeds

The final offer price for the listing was HK\$0.56 per share, and the actual net proceeds from the listing were approximately HK\$92.6 million. This amount was higher than the estimated net proceeds of approximately HK\$81.3 million, which was based on a mid-point offer price of HK\$0.50 per share, as disclosed in the prospectus dated 16 January 2018. In light of the difference between the actual and estimated amount of the net proceeds, the Group has adjusted the use of proceeds as shown in the prospectus:

### 所得款項用途

上市之最終發售價為每股0.56港元，而上市之實際所得款項淨額約為92,600,000港元。此金額高於根據日期為2018年1月16日之招股章程所披露之發售價中位數每股0.50港元計算之估計所得款項淨額約81,300,000港元。鑒於所得款項淨額之實際與估計金額存在差異，本集團已調整招股章程所示之所得款項用途：

		*Adjusted use of net proceeds HK\$ million 百萬港元	Actual use of net proceeds up to 31 March 2018 截至2018年3月31日之實際所得款項淨額用途 HK\$ million 百萬港元
Capital expenditure, rental deposits and overhead expenses for opening of "at•home" retail stores	開設「at•home」零售店之資本支出、租賃按金及經常性費用	34.2	—
Strengthening the Group's product portfolio	強化本集團之產品組合	24.2	0.8
Enhance "Ulfenbo" sales channels and brand awareness	增強「歐化寶」產品銷售渠道及品牌知名度	10.3	—
Capital expenditure, rental deposits and overhead expenses for opening of an "Ulferts" retail store	開設「歐化傢俬」零售店之資本支出、租賃按金及經常性費用	9.1	—
Upgrade information technology	升級資訊科技系統	5.7	—
General working capital	一般營運資金	9.1	9.1
<b>Total 合計</b>		<b>92.6</b>	<b>9.9</b>

\* The breakdown of the planned use of net proceeds has been adjusted based on the actual total net proceeds of HK\$92.6 million and in the same proportion allocated to each of its usage as disclosed in the prospectus.

\* 所得款項淨額之計劃用途細項已按實際所得款項淨額合共92,600,000港元及招股章程所披露分配至各項用途之相同比例而作出調整。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### BUSINESS REVIEW

#### Retail Business

##### Effective Market Segmentation

A clearly identifiable market segmentation analysis is essential for enabling the Group to successfully identify targeted groups of consumers in order to define product range and effectively implement branding and marketing strategies.

“**Ulferts**”, as the Group’s core retail label, is dedicated to providing high quality and stylish furniture for its customers to transform into ideal homes. To offer a wide variety of contemporary style furniture products targeting middle to high income groups, the Group operates “**Ulferts**” showrooms across Hong Kong, together with a “**Eurodecor**” store in Happy Valley.

“**Ulfenbo**” products focus on the mass market need for furniture enabling good quality sleep, at affordable prices. To facilitate the retailing of “**Ulfenbo**” products, the Group operates “**Dormire**” specialty stores which are typically small in scale, and are designed with a casual and relaxing environment, to highlight smart living style.

##### Diverse Product Portfolio

The Group offers a wide variety of furniture products – ranging from leather sofas, cabinets, dining tables and chairs, through wardrobes, coffee tables and sideboards, to beds; these are imported from European and Asian countries. The Group currently carries around 50 furniture brands in “**Ulferts**” showrooms and “**Eurodecor**” stores, including international brands such as Himolla, Gamma, Nicolettihome, Kristalia and Domicil, with which the Group has built long-standing relationship. In addition, the Group has been continuously expanding its product portfolio to include accessories such as paintings, carpets and other decorative items in “**Ulferts**” showrooms.

The Group also offers mattresses, pillows, sofas, sofa beds, adjustable beds, as well as other ancillary items such as mattress protectors and mattress toppers under its self-owned label “**Ulfenbo**”. The Group provides different models of mattresses, in various sizes with varying supports, to meet diverse customer needs.

### 業務回顧

#### 零售業務

##### 高效的市場細化

為使本集團能成功辨識目標顧客群組，從而設定產品範圍及有效推行品牌及市場推廣策略，分析明確的市場細化非常重要。

「**歐化傢俬**」是本集團的核心零售品牌。其致力提供優質及時尚的傢俬，為顧客打造理想的家居。本集團於香港各區設有「**歐化傢俬**」陳列室，連同於跑馬地之「**雅豪**」店，為中高端收入目標客戶群提供廣泛種類、具現代風格的傢俬產品。

「**歐化寶**」產品主力迎合大眾化市場需要，以合理價錢為大眾提供優質睡眠質素。為方便零售「**歐化寶**」產品，本集團經營多間「**多眠樂**」專營店。該等專營店一般規模較小，其設計以營造休閒放鬆的環境為主，突顯智慧生活模式。

##### 多元化的產品組合

本集團提供各種不同款式的傢俬產品，從真皮梳化、儲物櫃、餐桌、餐椅，以至衣櫃、茶几、角几及睡床；均為歐洲及亞洲各國之進口產品。本集團目前於「**歐化傢俬**」陳列室及「**雅豪**」店銷售約50個傢俬品牌，當中與本集團建立了長遠合作關係之國際品牌包括 Himolla、Gamma、Nicolettihome、Kristalia 及 Domicil 等。此外，本集團於「**歐化傢俬**」陳列室內一直不斷擴大其產品組合，引入了掛畫、地毯及其他裝飾品等家居配件。

本集團亦透過其自家品牌「**歐化寶**」提供床褥、枕頭、梳化、梳化床、電動床，以及其他配套產品如床褥保護套及床墊。本集團提供不同型號、不同尺寸及不同承托之床褥，以滿足不同顧客之需要。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Comprehensive Retail Sales Channels

As at 31 March 2018, the Group had 16 POS (2017: 12) in Hong Kong. The number of outlets in each retail line are as follows:

### 全方位零售銷售渠道

於2018年3月31日，本集團於香港設有16個銷售點（2017年：12個）。各零售線之零售店數目如下：

Retail Line 零售線	Number of POS 銷售點數目
“Ulferts”「歐化傢俬」	6
“Dormire” and department store counters「多眠樂」及百貨公司專櫃	9
“Eurodecor”「雅豪」	1
<b>Total 合計</b>	<b>16</b>

“Ulferts” showrooms are strategically located in either upscale residential areas or major shopping areas, targeting middle to high income groups. Meanwhile, the “Eurodecor” store is located in Happy Valley, a traditional luxury residential area clustering with high-end furniture shops. With its solid presence in these mature locations with resilient foot traffic, the Group enjoys more visitations and a high brand reputation.

「歐化傢俬」陳列室均策略性地設於高尚住宅區或大型購物中心，以中高端收入客戶群為目標。同時，「雅豪」店位於傳統豪宅區跑馬地，附近一帶滙聚不少高檔傢俬店。該等位置配套成熟，人流暢旺，駐足其中使本集團能吸引更多人流及享有高品牌知名度。

The Group continues to strengthen its market presence through expanding its retail network. In July 2017, an “Ulferts” showroom was opened in Telford Plaza II in Kowloon East, which is an emerging shopping area and surrounded by large-scale residential developments in the vicinity. This allows the Group to reach quality end-users of furniture in Kowloon. In addition, three “Dormire” specialty stores (one in Tsuen Wan and two in Tseung Kwan O) and one department store counter in Sham Shui Po were opened during the Year. The new POS have yielded a positive impact on the Group's sales performance.

本集團透過拓展其零售網絡，持續鞏固其市場地位。於2017年7月在九龍東德福廣場2期開設了「歐化傢俬」陳列室。九龍東乃新興購物區，被鄰近的大型住宅項目包圍。此外，於本年度亦開設了3間「多眠樂」專營店（1間位於荃灣，2間位於將軍澳）及1個位於深水埗的百貨公司專櫃。新開設的銷售點為本集團銷售表現帶來了正面影響。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### *Excellent Customers Shopping Experience*

“Ulferts” showrooms are spacious, with a stylish and cozy environment, enabling the Group to display a wide spectrum of products and allow customers to touch and feel the actual furniture, its colour tones and the texture, to maximise the customers’ shopping experience. The ambience, setting and placement of furniture within the distinctive display zones have all been tailor-designed by a dedicated visual merchandising team to impart harmonious, home-like comfort. The salesforce is well-trained and offers customers advice on their purchasing needs. In recognition of its service excellence, the Group was awarded the “Service Retailer of the Year 2017” in Furniture & Home Accessories Category, in the Mystery Shoppers Programme organised by the Hong Kong Retail Management Association (“HKRMA”). In addition, the Group earned several accolades in the “2017 Service & Courtesy Award” of the HKRMA, namely the “Best Team Performance Award – Silver Award” (in retail industry), the “Winner of Supervisory Level” (in Furniture & Home Accessories Category) and the “Winner of Junior Frontline Level” (in Furniture & Home Accessories Category).

### *Diversified Marketing Strategies*

The Group believes that brand recognition is crucial for driving long-term growth and success. To enhance brand awareness, the Group conducted a range of marketing and promotional campaigns spanning TV commercials, print advertisements, outdoor advertising, social media engagements on regular basis. It also launched promotional campaigns such as seasonal sale, annual sale and stock clearance sale, as well as joint promotions with banks and reward programme such as Asia Miles.

### *優質顧客購物體驗*

「歐化傢俬」陳列室面積寬敞、環境時尚及舒適，一方面讓本集團能陳列出其種類繁多之產品，另一方面亦讓顧客能觸摸及感受傢俬實物、色調及質感，提升顧客的購物體驗。各特定陳列區內之氛圍、佈置及傢俬的擺放，全部均由商品展示團隊度身設計，以營造和諧及有如置身家居般之舒適感覺。銷售團隊經完善培訓，可因應顧客之購物需要提供意見。本集團於香港零售管理協會舉辦的「神秘顧客計劃」中榮獲「2017年最佳服務零售商（傢俱及居室用品組別）」。此外，本集團於香港零售管理協會舉辦的「2017年傑出服務獎」中勇奪多項殊榮，分別為「最佳團隊表現獎銀獎」（零售行業）、「主管級別獲勝者」（傢俱及居室用品組別）及「基層級別獲勝者」（傢俱及居室用品組別）。

### *多元化市場推廣策略*

本集團相信，品牌知名度對推動長遠增長及成功相當重要。為提高品牌認知度，本集團定期進行一系列推廣及宣傳活動，包括電視廣告、印刷廣告、戶外廣告、社交媒體互動。其亦舉行各種宣傳活動，如季節優惠、週年優惠及清貨減價活動，並與銀行合作進行推廣活動及推行如「亞洲萬里通」之獎賞計劃。





## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

In April 2017, the Group supported The Chinese Sports & Recreations Association, a non-profit-making organisation in Hong Kong that advocates sports programs for children, by sponsoring its annual event, "Super Kids Championship and Streetathons" under the "**Ulfenbo**" brand. The sponsorship gave the Group an opportunity to establish closer community ties, and enhanced the "**Ulfenbo**" brand's association with a healthy lifestyle.

To commemorate the opening of Telford showroom, Mr. Hacken Lee, a famous singer in Greater China, was invited to officiate the grand opening together with the Group's management and other honourable guests. The event has been widely reported in the media, which helps to further enhance **Ulferts'** brand awareness as well as propagate the opening of this new showroom.



於2017年4月，本集團旗下「**歐化寶**」品牌贊助華人運動員協會（一間香港非牟利機構）舉辦之年度活動「全港兒童細運會」，以支持兒童體育計劃。透過此贊助計劃，本集團獲得了建立更緊密社區聯繫的機會，提升了「**歐化寶**」與健康生活息息相關的品牌形象。



為隆重慶祝德福廣場陳列室開幕，本集團邀請大中華區著名歌手李克勤先生連同本集團管理層及其他嘉賓主持剪綵儀式。該活動獲傳媒廣泛報導，進一步提升「**歐化傢俬**」品牌知名度，並廣傳新陳列室開幕的訊息。

#### Wholesale Business

The Group also operates wholesale business of mattresses, sofabeds and sofas under its self-owned label "**Ulfenbo**" through about 260 dealers in Hong Kong and Macau. Based on its long establishment and quality products, the "**Ulfenbo**" brand has been recognised by the "Hong Kong Top Brand Mark" for four consecutive years since 2014, under the Hong Kong Top Brand Scheme organised by the Chinese Manufacturers Association of Hong Kong and Hong Kong Brand Development Council.

During the Year, the Group appointed Ms. Kelly Cheung, a famous artiste and an internet sensation, as the brand ambassador for "**Ulfenbo**" products. Marketing materials featuring her were produced since September 2017, presenting a fresh image for the "**Ulfenbo**" brand.

#### 批發業務

本集團亦經營批發業務，其透過於香港及澳門約260家經銷商，批發其自家品牌「**歐化寶**」之床褥、梳化床及梳化。憑藉其長遠歷史及優質產品，「**歐化寶**」自2014年起連續4年獲得由香港中華廠商聯合會及香港品牌發展局舉辦之「香港名牌標識計劃」授予「香港名牌標識」。

於本年度，本集團委任知名藝人兼網絡紅人張曦雯女士為「**歐化寶**」之產品品牌大使。自2017年9月起，本集團製作由張女士代言之宣傳材料，為「**歐化寶**」呈現全新形象。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Special Projects

Complementing its retail and wholesale business, the Group has a special projects division, which undertakes furniture-related projects primarily for corporate customers. The division provides service ranging from planning and design, through procuring custom-made furniture to final installation for corporate customers, as well as consultation and liaison services with furniture manufacturers. During the Year, the Group undertook a variety of furniture-related projects, mainly for offices, cinemas, hotels and tertiary institutions.

### PROSPECTS

With solid economic fundamentals and a positive wealth effect, it is expected that demand in the local residential property market, especially from investors and young couples looking for small flats, will continue to grow. Coupled with the positive consumption sentiment and diversified market demand for quality furniture products, the outlook for the home furniture retail business is promising.

The year ahead will continue to be a year of expansion and foundation building of the Group. The Group will further expand its POS network to capture the expected rising demand for furniture in the coming years.

### 工程項目

為配合零售及批發業務，本集團設有工程項目分部，負責企業顧客為主之傢俬相關項目。該分部為企業顧客提供之服務涵蓋規劃與設計、採購訂製傢俬至最終安裝，並提供代為諮詢及聯絡傢俬製造商之服務。於本年度，本集團執行了多項傢俬相關項目，主要服務對象為辦公室、電影院、酒店及大專院校。

### 展望

在穩健的經濟基調及正面財富效應支持下，預期本地住宅物業市場之需求，尤其是來自投資者及尋找小型單位之年輕夫婦之需求將繼續增加。加上消費意欲上升及優質傢俬產品市場需求趨向多元化等因素，家居傢俬零售業務之前景一片光明。

未來一年將繼續是本集團擴充及鞏固根基的一年。本集團將一步擴展銷售點網絡，以於未來幾年迎接預期增長的傢俬需求。





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

The trend towards smaller home sizes will boost the demand for small and compact furniture for new families in Hong Kong. In order to capture the market opportunity, the Group intends to diversify into furniture products that better cater for small residential units or with special features and functions to serve the more diverse needs of modern families in small apartments. The Group plans to launch a new retail line of stores under “**at • home**” gearing towards mid-range segment, and targeting particularly young couples. At least one “**at • home**” store is scheduled to open in the second half of 2018. Meanwhile, the Group continues to expand its retail footprint by opening one “**Ulferts Signature**” showroom, a premium line of “**Ulferts**”, and at least one “**Dormire**” specialty store, in the second half of 2018.

Following the successful fund raising through the Company's initial public offering during the Year, the Group will pursue a proactive expansion strategy, by increasing its POS and exploring value-enhancing opportunities while optimising the overall capital structure, in order to seize opportunities and enhance its competitiveness in the marketplace.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2018, the Group's number of employees was 133 (2017: 120). Total staff costs including Directors' remuneration and the staff costs for the Year were HK\$44.3 million (2017: HK\$36.9 million). Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Staff benefits include medical and life insurance, provident funds and other competitive fringe benefits.

To provide incentives or rewards to the staff, the Company has adopted a share option scheme, particulars of which are set out in the section headed “Share Options” of this annual report.

由於住宅空間縮小，香港新家庭對小型及緊湊型傢私的需求將日益增加。為捕捉市場機遇，本集團擬銷售更多較適合小型住宅單位之傢私產品，並擬銷售更多具特色及特別功能之傢私產品，以切合現代家庭於小型單位之更多不同需要。本集團計劃開設以「**at • home**」命名的新零售線，以針對中端顧客，特別為年輕夫婦。至少1間「**at • home**」新店已計劃於2018年下半年開幕。同時，本集團亦計劃於2018年下半年開設1間「**歐化傢俬尊尚**」（為「**歐化傢俬**」高級副線）陳列室以及至少1間「**多眠樂**」專營店，進一步擴充零售據點。

隨著本公司於本年度成功透過首次公開發售集資，本集團將透過增加其銷售點及探索具增值效益之機遇，採取積極擴充策略，並同時優化其整體資本架構，以把握市場機遇及提升其於市場之競爭力。

### 僱員及薪酬政策

於2018年3月31日，本集團之僱員數目為133人（2017年：120人）。本年度之總員工成本（包括董事酬金及其他員工成本）為44,300,000港元（2017年：36,900,000港元）。僱員之薪酬乃根據個別僱員之責任、才幹及技能、經驗及表現以及市場薪酬水平釐定。員工福利包括醫療及人壽保險、公積金及其他具競爭力的額外福利。

為鼓勵或嘉獎員工，本公司已採納一項購股權計劃，其詳情載於本年報「購股權」一節內。



# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層之履歷

### Executive Director (Chairman)

**WONG CHI FAI**, aged 62, an Executive Director of the Company and Chairman of the Board. Mr. Wong has been involved in the management of the Group since 1992. He is responsible for overseeing the financial management and advising on the business strategic planning and development of our Group. He is the Chairman of the Executive Committee and a member of the Remuneration Committee of the Company as well as a director of certain subsidiaries of the Company. He is also a director of four listed companies in Hong Kong, namely Emperor International Holdings Limited (Stock Code: 163) ("Emperor International"), Emperor Entertainment Hotel Limited (Stock Code: 296) ("Emperor E Hotel"), Emperor Watch & Jewellery Limited (Stock Code: 887) ("Emperor W&J") and Emperor Culture Group Limited (Stock Code: 491) ("Emperor Culture Group"), all being associated companies of the Company. Having over 30 years of experience in finance and management experience, Mr. Wong has diversified experiences in different businesses ranging from wholesaling and retailing of furniture to manufacturing, property investment and development, hotel and hospitality, retailing of watch and jewellery, financial and securities services, artiste management, entertainment production and investment, media and publication as well as cinema development and operation. Mr. Wong is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

### Executive Director and Chief Executive Officer

**NG KOON KEUNG, RICKY**, aged 49, an Executive Director of the Company and the Chief Executive Officer of the Group. Mr. Ng joined the Group in January 2014 and is responsible for the overall management of the Group and planning the Group's business and strategies. He is a member of the Executive Committee as well as a director of certain subsidiaries of the Company. Mr. Ng has over 20 years' experience in retail, product planning, operations, marketing and business development and was employed by well-known retail brands in telecommunication and consumables goods and luxury accessories in Hong Kong. He joined TSL Jewellery (H.K.) Co. Ltd. in August 2009 as general manager (Hong Kong, Macau and Malaysia) and was Director of Sales and Business Development (HK and Overseas) when he left in January 2014. He was Assistant Vice President, Channel Marketing at PCCW Limited from October 2006 to March 2009. Mr. Ng holds a Bachelor of Business Administration awarded by Hong Kong Baptist College (now Hong Kong Baptist University). He also holds a Degree of Master of Management in Marketing Management and a Degree of Master of Business Administration awarded by Macquarie University, Sydney Australia.

### 執行董事(主席)

**黃志輝**，現年62歲，為本公司執行董事兼董事會主席。黃先生自1992年起參與管理本集團。彼負責監管財務管理並就本集團的業務策略計劃及發展提供意見。彼為本公司執行委員會主席及薪酬委員會成員及本公司若干附屬公司之董事。彼亦為四間香港上市公司之董事，其為英皇集團(國際)有限公司(股份代號：163)(「英皇國際」)、英皇娛樂酒店有限公司(股份代號：296)(「英皇娛樂酒店」)、英皇鐘錶珠寶有限公司(股份代號：887)(「英皇鐘錶珠寶」)及英皇文化產業集團有限公司(股份代號：491)(「英皇文化產業集團」)，該等公司均為本公司之相聯法團。黃先生擁有逾30年之財務及管理經驗，於多項業務包括傢俬批發及零售以至製造業、物業投資及發展、酒店經營、鐘錶及珠寶零售、金融證券服務、藝人管理、娛樂製作及投資、傳媒與出版以及影院發展及營運等範疇具有廣泛經驗。黃先生為香港會計師公會執業會計師及英國特許公認會計師公會資深會員。

### 執行董事兼行政總裁

**吳冠強**，現年49歲，為本公司執行董事兼本集團行政總裁。吳先生於2014年1月加入本集團，負責本集團之整體管理及規劃本集團之業務及策略。彼為本公司執行委員會成員及本公司若干附屬公司之董事。吳先生具有逾20年的零售、產品策劃、營運、市場推廣及業務發展經驗，在香港曾受僱於電訊及消費品以及奢侈品配飾行業的知名零售品牌公司。彼於2009年8月加入謝瑞麟珠寶(香港)有限公司，任職總經理(香港、澳門及馬來西亞)，並於2014年1月離職時為銷售及業務開發董事(香港及海外)。彼於2006年10月至2009年3月擔任電訊盈科有限公司的助理副總裁(渠道營銷)。吳先生持有香港浸會學院(現稱香港浸會大學)的工商管理學士學位。彼亦持有澳洲悉尼麥覺理大學頒授的營銷管理管理碩士學位及工商管理碩士學位。



# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層之履歷

### Executive Director and Chief Operating Officer

**MOK FUNG LIN, IVY**, aged 53, an Executive Director of the Company and the Chief Operating Officer of the Group. Ms. Mok joined the Group in July 2011 and is responsible for the business operational management and policy implementation in the Group. She is the Company Secretary of the Company and a member of the Executive Committee as well as a director of certain subsidiaries of the Company. Before joining our Group, Ms. Mok was a director of Emperor International and Emperor E Hotel from February 2000 to July 2011 and has accrued over 15 years' experience in corporate management and possesses experience in businesses including property investment and development, retailing, wholesaling, marketing and trading in Hong Kong. Ms. Mok was admitted as a solicitor in Hong Kong and the United Kingdom, and holds a Bachelor of Laws Degree awarded by The University of Hong Kong. She also holds a Degree of Master of Business Administration awarded by The Hong Kong University of Science and Technology.

### Executive Director

**FAN MAN SEUNG, VANESSA**, aged 55, an Executive Director of the Company. Ms. Fan has been involved in the management of the Group since July 1992. She is responsible for overseeing the overall corporate and advising on the business strategy of the Group. She is the Chairperson of the Corporate Governance Committee, a member of the Nomination Committee and the Executive Committee of the Company as well as a director of certain subsidiaries of the Company. Ms. Fan is also a director of Emperor International, Emperor E Hotel, Emperor W&J and Emperor Culture Group. Having over 29 years of corporate management experience, Ms. Fan possesses diversified experience in different businesses ranging from wholesaling and retailing of furniture to property investment and development, hotel and hospitality, retailing of watch and jewellery, financial and securities services, artiste management, entertainment production and investment, media and publication as well as cinema development and operation. Ms. Fan is a lawyer by profession in Hong Kong and a qualified accountant, and holds a Master's Degree in Business Administration.

### 執行董事兼營運總監

莫鳳蓮女士，現年53歲，為本公司執行董事兼本集團營運總監。莫女士於2011年7月加入本集團，負責本集團業務經營管理及政策實施。彼為本公司的公司秘書、執行委員會成員及本公司若干附屬公司之董事。於加入本集團前，莫女士自2000年2月至2011年7月為英皇國際及英皇娛樂酒店的董事及擁有逾15年企業管理營商經驗，行業包括香港物業投資及發展、零售、批發、營銷及貿易。莫女士具備香港律師及英國律師資格，並持有香港大學頒授的法學學士學位，並獲香港科技大學頒授工商管理碩士學位。

### 執行董事

范敏嫦，現年55歲，為本公司執行董事。范女士自1992年7月起參與管理本集團。彼負責監管本集團整體企業業務及就業務策略提出意見。彼為本公司企業管治委員會主席、提名委員會及執行委員會成員以及本公司若干附屬公司之董事。范女士亦為英皇國際、英皇娛樂酒店、英皇鐘錶珠寶及英皇文化產業集團的董事。范女士擁有逾29年之企業管理經驗，於多項業務包括傢俬批發及零售以至物業投資及發展、酒店經營、鐘錶及珠寶零售、金融證券服務、藝人管理、娛樂製作及投資、傳媒與出版以及影院發展及營運等範疇具有廣泛經驗。范女士具備香港專業律師資格及為合資格會計師，並持有工商管理碩士學位。

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層之履歷

#### Independent Non-executive Director

**CHAN YEE MAN**, aged 44, was appointed as Independent Non-executive Director of the Company in January 2018. She is the Chairperson of the Audit Committee as well as a member of the Remuneration Committee and Nomination Committee of the Company. Ms. Chan has been practising as a Certified Public Accountant in Hong Kong and has over 25 years of experience in the accounting profession. She holds a Bachelor of Accounting Degree awarded by The University of Hong Kong and a Master of Corporate Finance Degree awarded by The Hong Kong Polytechnic University. Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and an associate member of The Taxation Institute of Hong Kong.

#### Independent Non-executive Director

**CHIU KIN FAI**, aged 44, was appointed as Independent Non-executive Director of the Company in January 2018. He is the Chairman of the Nomination Committee as well as a member of the Audit Committee and Corporate Governance Committee of the Company. Mr. Chiu is a partner of a solicitors firm, T.H. Koo & Associates. He was admitted as a solicitor in Hong Kong and holds a Bachelor of Laws Degree awarded by The University of Hong Kong.

#### Independent Non-executive Director

**NG HOI YUE**, aged 54, was appointed as Independent Non-executive Director of the Company in January 2018. He is the Chairman of the Remuneration Committee as well as a member of the Audit Committee and Corporate Governance Committee of the Company. Mr. Ng is currently an executive director and Deputy Chief Executive Officer of Asian Citrus Holdings Limited (Stock Code: 73) and an independent non-executive director of Emperor Culture Group and Imperial Pacific International Holdings Limited (Stock Code: 1076), all are listed companies in Hong Kong. He has been practising as a Certified Public Accountant in Hong Kong since 1989. Mr. Ng is a fellow member of The Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in England.

#### 獨立非執行董事

**陳綺雯**，現年44歲，於2018年1月獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席及薪酬委員會和提名委員會成員。陳女士在香港從事執業會計師工作並擁有逾25年會計專業經驗。陳女士持有香港大學頒授的會計學學士學位及香港理工大學頒授的企業金融學碩士學位。彼為香港會計師公會會員、英國特許公認會計師公會資深會員及香港稅務學會會員。

#### 獨立非執行董事

**招健暉**，現年44歲，於2018年1月獲委任為本公司獨立非執行董事。彼為本公司提名委員會主席及審核委員會和企業管治委員會成員。招先生為顧增海律師行的合夥人。招先生已取得香港律師資格，並持有香港大學頒授的法學士學位。

#### 獨立非執行董事

**伍海于**，現年54歲，於2018年1月獲委任為本公司獨立非執行董事。彼為本公司薪酬委員會主席及審核委員會和企業管治委員會成員。伍先生現為亞洲果業控股有限公司（股份代號：73）的執行董事兼副行政總裁、英皇文化產業集團及博華太平洋國際控股有限公司（股份代號：1076）的獨立非執行董事，該等公司均為香港上市公司。彼自1989年起在香港從事執業會計師工作。伍先生為英格蘭及威爾斯特許會計師公會、香港會計師公會及英國特許公認會計師公會資深會員。



# DIRECTORS' REPORT

## 董事會報告

The Directors are pleased to present this annual report and the audited consolidated financial statements of the Group for the Year.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 1 to the financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 55 of this annual report.

An interim dividend of HK12 cents per share for the Year (2017: Nil) amounting to HK\$72.0 million (2017: nil) was paid to Ulferts International Group Holdings Limited, the sole shareholder of the Company, prior to the listing of the shares of the Company during the year.

The Directors did not recommend the payment of a final dividend for the Year.

### BUSINESS REVIEW AND PERFORMANCE

A fair review of the Group's business, a discussion and analysis of the Group's performance during the Year and an analysis of the likely future development of the Group's business are set out in the Management Discussion and Analysis from pages 5 to 14. Description of the principal risks and uncertainties facing the Group are set out in the Corporate Governance Report from pages 29 to 48 of this annual report and note 30 to the financial statements.

There is no important event affecting the Group that had occurred since the end of the Year up to the date of this report.

In addition, discussion on the key relationships with the Company's key stakeholders, the Group's environmental policies and performance as well as compliance with relevant laws and regulations which have a significant impact on the Group are set out in the Environmental, Social and Governance Report.

### PROPERTY, PLANT AND EQUIPMENT

Details of changes in the property, plant and equipment of the Group are set out in note 13 to the financial statements.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 22 to the financial statements.

董事欣然提呈本集團於本年度之年報及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司，其附屬公司之主要業務載於財務報表附註1。

### 業績及股息

本集團於本年度之業績載於本年報第55頁之綜合損益及其他全面收益表。

於年內，本公司在股份上市前曾向本公司之唯一股東歐化國際集團控股有限公司派付本年度每股12港仙之中期股息（2017年：無），股息額為72,000,000港元（2017年：無）。

董事不建議派付本年度之末期股息。

### 業務回顧及表現

於本年度內本集團業務之公平審核、本集團表現之討論與分析及本集團業務之可能未來發展分析乃載於管理層討論與分析第5至14頁。本集團面臨之主要風險及不確定因素詳情乃列載於本年報企業管治報告第29至48頁及財務報表附註30。

自本年度末直至本報告日期，概無發生影響本集團之重大事件。

此外，有關與本公司主要持份者之重要關係、本集團環保政策及表現，以及遵守對本集團有重大影響的相關法律及法規之討論載於環境、社會及管治報告內。

### 物業、廠房及設備

本集團之物業、廠房及設備變動詳情載於財務報表附註13。

### 股本

本公司於本年度內之股本變動詳情載於財務報表附註22。

# DIRECTORS' REPORT

## 董事會報告

### RETAINED PROFITS

Details of movements in the retained profits of the Group during the Year are set out on page 57 of this annual report.

### DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2018, the Company had no reserve available for distribution to the shareholders of the Company ("Shareholders") (2017: HK\$65,000).

### FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last four financial years is set out on page 116 of this annual report.

### EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed in note 23 to the financial statements, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

### DIRECTORS

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

#### Executive Directors:

Mr. Wong Chi Fai (*Chairman*)  
Mr. Ng Koon Keung, Ricky  
Ms. Mok Fung Lin, Ivy  
Ms. Fan Man Seung, Vanessa

#### Independent Non-executive Directors:

Ms. Chan Yee Man (*appointed on 8 January 2018*)  
Mr. Chiu Kin Fai (*appointed on 8 January 2018*)  
Mr. Ng Hoi Yue (*appointed on 8 January 2018*)

Biographical details of the Directors and senior management as at the date of this report are set out from pages 15 to 17 of this annual report. Details of Directors' remuneration are set out in note 8 to the financial statements.

### 保留溢利

本集團於本年度內之保留溢利變動詳情載於本年報第57頁。

### 本公司可供分派儲備

於2018年3月31日，本公司並無可供分派予本公司股東（「股東」）之儲備（2017年：65,000港元）。

### 財務概要

本集團過去四個財政年度之已刊發業績及資產與負債之概要載於本年報第116頁。

### 股票掛鉤協議

除於財務報表附註23披露的購股權計劃外，並無任何股票掛鉤協議由本公司於本年度訂立或於本年度末存續。

### 購買、出售或贖回本公司上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

### 董事

本年度內及直至本年報日期止，董事如下：

#### 執行董事：

黃志輝先生（主席）  
吳冠強先生  
莫鳳蓮女士  
范敏嫦女士

#### 獨立非執行董事：

陳綺雯女士（於2018年1月8日獲委任）  
招健暉先生（於2018年1月8日獲委任）  
伍海于先生（於2018年1月8日獲委任）

於本報告日期董事及高級管理層之履歷詳情乃載於本年報第15至17頁。董事之酬金詳情乃載於財務報表附註8。



## DIRECTORS' REPORT

### 董事會報告

In accordance with the Company's Articles of Association, all Directors will retire by rotation at the 2018 Annual General Meeting ("AGM") and, being eligible, will offer themselves for re-election thereat.

None of the Directors offering themselves for re-election at the 2018 AGM has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

### DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Company during the Year and up to the date of this annual report are set out below and they are also Directors of the Company:

Mr. Wong Chi Fai  
Mr. Ng Koon Keung, Ricky  
Ms. Mok Fung Lin, Ivy  
Ms. Fan Man Seung, Vanessa

### MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group's business were entered into or existed during the Year.

### PERMITTED INDEMNITY PROVISIONS

During the Year and up to the date of this report, the Company has in force permitted indemnity provisions which are provided for in the Company's Articles of Association and in the directors and officers liability insurance maintained for the Group in respect of potential liability and costs associated with legal proceedings that may be brought against the Directors and the directors of the Group respectively.

按照本公司組織章程細則之規定，所有董事將於2018股東週年大會（「股東週年大會」）上輪值退任。彼等均符合資格並願意於會上膺選連任。

概無擬在2018股東週年大會上膺選連任之董事與本公司或其任何附屬公司訂有本集團不可於一年內免付賠償（法定賠償除外）而終止之未屆滿服務合約。

### 附屬公司之董事

於本年度及直至本年報日期止於本公司附屬公司董事會任職且同時為本公司董事之所有董事姓名乃載列如下：

黃志輝先生  
吳冠強先生  
莫鳳蓮女士  
范敏嫦女士

### 管理合約

於本年度內，除僱傭合約外，概無訂立或存續有關管理及經營本集團全部或任何重大部分之業務之合約。

### 獲准許的彌償條文

於本年度及直至本報告日期止就董事及本集團董事可能分別面臨的法律訴訟而產生的潛在責任及費用，本公司備有彌償條文，該等條文均載於本公司之組織章程細則及於投購之董事及高級管理人員責任險內。

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company were as follows:

#### (A) Long position interests in the Company

##### Ordinary shares of the Company (the "Shares")

None of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company.

#### (B) Long position interests in ordinary shares of associated corporation

### 董事及主要行政人員於股份、相關股份及債權證中之權益及淡倉

於2018年3月31日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有記入本公司根據證券及期貨條例第352條須予備存之登記冊或根據本公司採納之《上市發行人董事進行證券交易的標準守則》須另行知會本公司及聯交所之權益及淡倉如下：

#### (A) 於本公司權益之好倉

##### 本公司之普通股（「股份」）

概無董事或本公司主要行政人員於本公司股份、相關股份或債權證中擁有任何權益或淡倉。

#### (B) 於相聯法團普通股權益之好倉

Name of Director 董事姓名	Number of associated corporation 相聯法團名稱	Capacity/Nature of interests 身份／權益性質	Number of issued ordinary shares held 所持已發行普通股數目	Approximate % holding 概約持股%
Ms. Fan Man Seung, Vanessa 范敏嫦女士	Emperor International 英皇國際	Beneficial owner 實益擁有人	10,500,000	0.29%

Save as disclosed above, as at 31 March 2018, none of the Directors nor chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

除上文披露者外，於2018年3月31日，概無董事或本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份及債權證中擁有任何權益或淡倉。



# DIRECTORS' REPORT

## 董事會報告

### SHARE OPTIONS

The Company has adopted a share option scheme ("Share Option Scheme") on 8 January 2018 to provide incentive or rewards to participants including the Directors and eligible employees of the Group. Particulars of the Share Option Scheme are set out in note 23 to the financial statements. No share options were granted under the Share Option Scheme since its adoption.

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share options as stated above, at the end of the Year and at no time during the Year was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company or their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2018, none of the Directors nor their respective close associates was interested in any business which was considered to compete or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

### OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2018, so far as is known to any Director or chief executives of the Company, the persons or corporations (other than a Director or a chief executive of the Company) who had, or were deemed or taken to have an interest and short position in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO ("DI Register") or as otherwise notified to the Company were as follows:

### 購股權

本公司已於2018年1月8日採納一項購股權計劃（「購股權計劃」），旨在鼓勵或嘉獎參與者（包括董事及本集團合資格僱員）。購股權計劃之詳情載於財務報表附註23。自採納購股權計劃起，並無根據購股權計劃授出任何購股權。

### 購買股份或債權證之安排

除上文所述購股權外，於本年度末及本年度內任何時間，本公司、其任何控股公司、附屬公司或同系附屬公司概無訂立任何安排，致使董事或本公司主要行政人員或彼等之配偶或18歲以下子女可藉購入本公司或任何其他法人團體之股份或債權證而獲取利益。

### 董事於競爭業務之權益

於2018年3月31日，概無董事或彼等各自之緊密聯繫人士於被視為於可能與本集團業務直接或間接構成競爭，且根據香港聯合交易所有限公司證券上市規則（「上市規則」）須予披露之任何業務中擁有權益。

### 其他人士於股份及相關股份之權益及淡倉

於2018年3月31日，就任何董事或本公司主要行政人員所知，除董事或本公司主要行政人員外，以下人士或法團於股份或相關股份中擁有或被視為或當作擁有須根據證券及期貨條例第336條須予備存於登記冊（「權益登記冊」）或須另行知會本公司之權益及淡倉：

# DIRECTORS' REPORT

## 董事會報告

### Long position in the Shares 於股份之好倉

Name 姓名／名稱	Capacity/Nature of interests 身份／權益性質	Number of issued shares held 所持已發行 股份數目	Approximate % holding 概約持股%
Albert Yeung Holdings Limited ("AY Holdings") 楊受成產業控股有限公司 (「楊受成產業控股」)	Interest in a controlled corporation 於受控公司之權益	600,000,000	75%
STC International Limited ("STC International")	Trustee of The Albert Yeung Discretionary Trust ("AY Trust") AY Trust之受託人	600,000,000	75%
Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung") 楊受成博士(「楊博士」)	Founder of the AY Trust AY Trust之創立人	600,000,000	75%
Ms. Luk Siu Man, Semon ("Ms. Semon Luk") 陸小曼女士(「陸女士」)	Interest of spouse 配偶權益	600,000,000	75%

#### Note:

These shares were held by Ulferts International Group Holdings Limited, a wholly-owned subsidiary of AY Holdings. AY Holdings was held by STC International in trust for the AY Trust, a discretionary trust set up by Dr. Albert Yeung. By virtue of being the spouse of Dr. Albert Yeung as founder of the AY Trust, Ms. Semon Luk had deemed interests in the same Shares.

All interests stated above represent long position. As at 31 March 2018, no short position was recorded in the DI Register.

Save as disclosed above, as at 31 March 2018, the Directors or chief executives of the Company were not aware of any person or corporation (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the DI Register or as otherwise notified to the Company.

#### 附註：

該等股份乃由楊受成產業控股之全資附屬公司歐化國際集團控股有限公司持有。楊受成產業控股由AY Trust之受託人STC International持有。鑒於陸女士為楊博士(為AY Trust之創立人)之配偶，彼被視為擁有該等股份的權益。

上述所有權益均屬好倉。於2018年3月31日，根據權益登記冊所載者，並無淡倉記錄。

除上文披露者外，於2018年3月31日，董事或本公司主要行政人員並不知悉任何人士或法團(除董事及本公司主要行政人員外)於任何股份或相關股份中擁有或被視為或當作擁有記載於權益登記冊或須另行知會本公司之任何權益或淡倉。



# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONNECTED TRANSACTIONS

During the Year, the Group had the following transactions with connected persons (as defined in the Listing Rules) of the Company:

### 董事於交易、安排或合約之權益及 關連交易

於本年度內，本集團曾與關連人士（定義見上市規則）進行下列交易：

#### A. Tenancy Agreements 租賃協議

Name of counterparty 對方名稱	Location 地點	(i) Date of agreement 協議日期 (ii) Term 協議年期 (D/M/Y) (日/月/年)	Amount for the Year 本年度之金額 (HK\$'000) (千港元)
Golden Pegasus Investment Limited (Note 1) 金飛馬置業有限公司(附註1)	Shops 7-11 on G/F, 1/F and 2/F (including the entrance hall on G/F to 1/F and 2/F), Wei King Building, 275 Chatham Road North, Hung Hom, Kowloon (as retail shop) 九龍紅磡漆咸道北275號蔚景樓地下層7-11號舖、一樓及二樓(包括地下層至一樓及二樓的入口大堂)(作零售店用途)	(i) 31/03/2015 (ii) 01/04/2015 – 07/06/2018 (early terminated on 01/08/2017 於2017年8月1日提前終止)	1,176
	M/F, 1-9/F and parking spaces (excluding Nos. 9 and 10) on G/F, The Ulferts Centre, 4 Kin Fat Lane, Tuen Mun, New Territories, Hong Kong (as warehouse) 香港新界屯門建發里4號歐化傢俬貨倉中心閣樓全層、1-9樓及地下泊車位(不包括第9號及10號泊車位)(作倉庫用途)	(i) 31/03/2015 (ii) 01/04/2015 – 31/03/2018	9,685*
Headwise Investment Limited (Note 1) 智揚投資有限公司(附註1)	Units 1206-07, 12th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong (for office use) 香港灣仔軒尼詩道288號英皇集團中心12樓1206-07室(作辦公室用途)	(i) 31/03/2016 (ii) 01/04/2016 – 31/03/2018	1,165*
National Goal Limited (Note 1) 族標有限公司(附註1)	Shop No. U31, Upper Ground Floor and lightbox, Fitfort, No. 560 King's Road, North Point, Hong Kong (as retail shop) 香港北角英皇道560號健威坊高層地下U31號舖(作零售店用途)	(i) 11/11/2016 (ii) 01/10/2016 – 30/09/2019	456*

\* Discloseable continuing connected transactions 須予披露之持續關連交易

# DIRECTORS' REPORT

## 董事會報告

### B. Provision of Products and Services 銷售產品及服務

Name of counterparty 對方名稱	Scope of Products and Services provided 所提供之產品及服務範圍	(i) Date of agreement 協議日期 (ii) Term 協議年期 (D/M/Y) (日/月/年)	Amount for the Year 本年度之金額 (HK\$'000) (千港元)
AY Holdings (Note 2) and its subsidiaries 楊受成產業控股(附註2) 及其附屬公司	A master agreement including: 主體協議包括： (i) Selling products and providing consultancy services to members of AY Holdings and its subsidiaries 向楊受成產業控股及其附屬公司銷售產品 及提供諮詢服務  (ii) Sell furniture coupons 發售傢俬購物禮券  (iii) Providing other type of ancillary services and any transaction of revenue nature 提供其他類型之配套服務及任何收益性 質交易	(i) 15/01/2018 (ii) 29/01/2018 – 31/03/2020	7,741*

\* Discloseable continuing connected transactions 須予披露之持續關連交易

### C. Expenses and service fee paid 已付開支及服務費

Name of counterparty 對方名稱	Scope of Expense and Services fee paid 已付開支及服務費範圍	Amount for the Year 本年度之金額 (HK\$'000) (千港元)
Emperor Capital Group Limited ("Emperor Capital Group") and its subsidiaries (Note 3) 英皇證券集團有限公司 ([英皇證券集團]) 及其附屬公司 (附註3)	(i) Sponsor and financial advisory fees 保薦及財務顧問費  (ii) Underwriting commission 包銷佣金	1,257  3,360

#### Notes:

- The counterparties of the agreements are indirect wholly-owned subsidiaries of Emperor International. Both the Company and Emperor International are indirectly controlled by the AY Trust.
- The counterparty of the agreement is indirectly controlled by the AY Trust.
- Both the Company and Emperor Capital Group are indirectly controlled by the AY Trust.

#### 附註：

- 協議對方為英皇國際之間接全資附屬公司。本公司及英皇國際均由AY Trust間接控制。
- 協議對方由AY Trust間接控制。
- 本公司及英皇證券集團均由AY Trust間接控制。



# DIRECTORS' REPORT

## 董事會報告

### Compliance with Disclosure Requirements

Included in the "Related Party Transactions" as set out in note 26(a) to the financial statements, the "project sales" in the amount of HK\$4,169,000 and the "rentals" in the amount of HK\$11,306,000 as incorporated respectively in item B and item A of the above transactions are discloseable continuing connected transactions of the Group. The Company had applied for and the Stock Exchange had granted a waiver from the strict compliance with the announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules for such non-exempt continuing connected transactions.

### Auditors' Letter on Continuing Connected Transactions

Ernst & Young, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Review of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants ("Auditor's Letter").

Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group ("Disclosed CCTs") on pages 24 and 25 of this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the Auditor's Letter has been provided by the Company to the Stock Exchange.

### Confirmation of Independent Non-Executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the Company's independent non-executive Directors ("INEDs") have reviewed the Disclosed CCTs and the Auditor's Letter and have confirmed that these transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better (as the case may be); and
- (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole.

Save as disclosed above, there was no transaction, arrangement or contract which is significant in relation to the business of the Company to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

### 遵守披露規定

納入財務報表附註26(a)「關聯方交易」中為數4,169,000港元之「項目銷售」及為數11,306,000港元之「租金」分別包含於上述第B項及第A項內之交易。該等交易為本集團須予披露之持續關連交易。本公司已向聯交所申請且聯交所已批准豁免就該等非豁免持續關連交易嚴格遵守上市規則第14A章有關公告及股東批准之規定。

### 有關持續關連交易之核數師函件

本公司核數師安永會計師事務所已獲委聘按照香港會計師公會頒佈之《香港審驗應聘服務準則3000(經修訂)》的「歷史財務資料審計或審閱以外的審驗應聘」，並參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，匯報本集團之持續關連交易(「核數師函件」)。

安永會計師事務所已按照上市規則第14A.56條發出無保留意見函件，內含其於本年報第24至25頁所披露之本集團持續關連交易(「經披露持續關連交易」)之發現及結論。本公司已向聯交所提供核數師函件之副本。

### 獨立非執行董事之確認

根據上市規則第14A.55條，本公司之獨立非執行董事(「獨立非執行董事」)已審閱經披露持續關連交易及核數師函件，並確認該等交易：

- (i) 於本集團之日常及一般業務過程中訂立；
- (ii) 按一般或更佳(視情況而定)商業條款進行；及
- (iii) 根據規管該等交易之相關協議進行，其中條款公平合理，並符合股東整體利益。

除上文所披露者外，於本年度完結時或本年度任何時間並無存在對本公司業務而言屬重大且本公司或其任何控股公司、附屬公司或同系附屬公司參與訂立而董事或其關連實體於當中擁有重大權益(無論直接或間接)之交易、安排或合約。

# DIRECTORS' REPORT

## 董事會報告

### CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the INEDs, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

### EMOLUMENT POLICY

A written remuneration policy (which ensures a clear link to business strategy and a close alignment with the Shareholders' interest and current market best practice) is in place and the emoluments of Executive Directors will take into account the Group's operating results, individual performance and comparable market statistics. The INEDs are paid fees in line with market practice. No individual should determine his or her own remuneration.

Employee's remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Remuneration package includes, as the case may be, basic salary, Directors' fee, contribution to pension schemes, discretionary bonus relating to financial performance of the Group and individual performance, and other competitive fringe benefits such as medical and life insurances. Details of the emoluments of the Directors and the five highest paid employees of the Group are set out in note 8 and note 9 to the financial statements respectively.

### MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate revenue from sales of goods or rendering of services attributable to the Group's five largest customers accounted for less than 30% of the Group's total revenue for the Year.

During the Year, the aggregate purchases attributable to the Group's five largest suppliers and the Group's largest supplier accounted for approximately 36.5% and 12.7%, respectively, of the Group total purchases for the Year.

None of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any beneficial interest in the above major suppliers of the Group.

### CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report from pages 29 to 48 of this annual report.

### 獨立非執行董事之獨立確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書。本公司認為，全體獨立非執行董事均為獨立人士。

### 薪酬政策

一套書面薪酬政策（以確保與業務策略清晰聯繫，並緊密符合股東之利益及現行市場最佳常規）已予制定，而在釐定執行董事之酬金時將考慮本集團之營運業績、個別人士表現及可比較市場統計數字。獨立非執行董事之酬金以符合市場慣例之基準支付。並無個別人士可自行釐定其酬金。

僱員薪酬乃根據個人責任、能力及技術、經驗及表現以及市場薪酬水平釐定。薪酬待遇包括（視情況而定）基本薪金、董事袍金、退休金計劃供款、與本集團財務表現及個人表現掛鈎之酌情花紅及其他具有競爭力之額外福利（如醫療及人壽保險）。董事及本集團五位最高薪僱員之薪酬詳情分別載於財務報表附註8及附註9。

### 主要客戶及供應商

年內，本集團五大客戶所帶來之銷售商品或提供服務總收入佔本集團本年度之收入總額少於30%。

年內，本集團五大供應商及本集團最大供應商所帶來之總採購額佔本集團本年度之採購總額分別約36.5%及12.7%。

董事、彼等之緊密聯繫人士或據董事所知擁有本公司已發行股份數目5%以上之任何股東，概無於上述本集團主要供應商中擁有任何實際權益。

### 企業管治

本公司採納之主要企業管治常規載於本年報第29至48頁之企業管治報告。



## DIRECTORS' REPORT

### 董事會報告

#### SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, there was sufficient public float of at least 25% of the Company's issued Shares as required under the Listing Rules.

#### CHARITABLE DONATIONS

During the Year, the Group made charitable donation amounting to HK\$1,000,000.

#### AUDITORS

Ernst & Young will retire at the forthcoming AGM and a resolution for their reappointment as auditors of the Company will be proposed thereat.

On behalf of the Board

**Wong Chi Fai**  
*Chairman*

Hong Kong  
27 June 2018

#### 足夠之公眾持股量

根據本公司可得之公開資料及據董事所知，於刊發本年報前之最後實際可行日期，本公司已發行股份維持上市規則所規定至少25%之足夠公眾持股量。

#### 慈善捐款

於本年度內，本集團作出慈善捐款1,000,000港元。

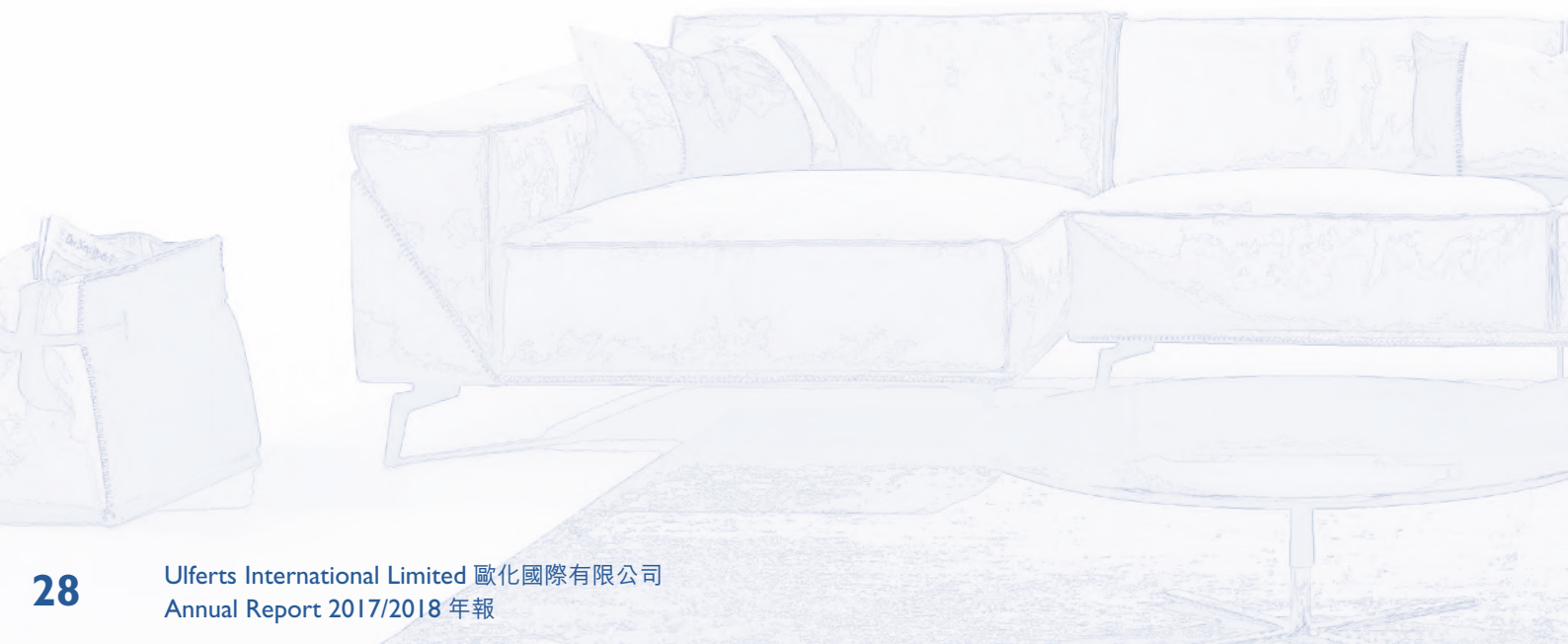
#### 核數師

安永會計師事務所將於即將舉行之股東週年大會上退任，而續聘其為本公司核數師之決議案將於會上提呈。

代表董事會

**黃志輝**  
*主席*

香港  
2018年6月27日



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Corporate Governance Report is presented for the period from 29 January 2018 (the “Listing Date”), being the date the shares of the Company commenced trading on the Stock Exchange to 31 March 2018 (the “Relevant Period”). The Board is committed to maintaining a high standard of corporate governance for the Company within a sensible framework. The Company has fully complied with all the provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules during the Relevant Period.

### THE BOARD

#### Board Composition

As at 31 March 2018, the Board comprised seven Directors, with four Executive Directors and three INEDs who possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The biographies of the Directors are set out on pages 15 to 17 of this annual report under the “Biographies of Directors and Senior Management” section.

#### Chairman and Chief Executive Officer

Code provision A.2.1 requires that the roles of the chairman and chief executive officer should be separate and not be performed by the same individual. Mr. Wong Chi Fai has been appointed as the Chairman of the Board who provides the Board with strong and consistent leadership. With the support of the company secretary of the Company (“Company Secretary”), he ensures that all Directors receive, in a timely manner, adequate information and are properly briefed on issues arising at the board meetings. He is responsible for ensuring that the Board works effectively.

Mr. Ng Koon Keung, Ricky is the Chief Executive Officer of the Group who is responsible for the Group's strategic planning, business growth and development as well as overseeing different functions. The day-to-day operation and management of the Group's businesses are delegated to Ms. Mok Fung Lin, Ivy (Executive Director and Chief Operating Officer). The Board considers that the current segregation of duties make the Board and the operation of the Group function effectively.

#### Independent Non-executive Directors

The INEDs are all professionals with valuable experience and expertise in legal, accounting or auditing in business areas who contribute impartial view and make independent judgment on issues to be discussed at Board meetings. Each of them has been appointed for an initial term of three years commencing from 8 January 2018. The terms of the INEDs are also subject to retirement by rotation and re-election provision under the Articles of Association of the Company.

謹此呈報自2018年1月29日（「上市日期」），即本公司股份開始於聯交所買賣當日起至2018年3月31日止期間（「有關期間」）之企業管治報告。董事會致力於在合情理之框架內維持本公司之高水平企業管治。本公司一直全面遵守上市規則附錄十四所載之《企業管治守則》（「企業管治守則」）之所有條文。

### 董事會

#### 董事會組成

於2018年3月31日，董事會由七名董事組成，包括四名執行董事及三名獨立非執行董事，彼等擁有於相同行業或與本集團業務管理相關之技能、經驗及專業知識。董事履歷載於本年報第15至17頁「董事及高級管理層之履歷」一節。

#### 主席及行政總裁

守則條文第A.2.1條規定主席及行政總裁之角色須分開且不應由同一人士擔任。黃志輝先生獲委任為董事會主席，為董事會提供強而穩健之領導。在本公司之公司秘書（「公司秘書」）之協助下，彼確保全體董事可及時收取充分資訊，及獲清楚告知於董事會會議上討論之事項。彼負責確保董事會有效地運作。

吳冠強先生為本集團之行政總裁，負責本集團之策略規劃、業務增長及發展，並負責監管不同職能。執行董事兼營運總監莫鳳蓮女士獲授權負責本集團業務之日常營運及管理。董事會認為，董事會現時之分工可使本集團職能有效運作。

#### 獨立非執行董事

獨立非執行董事均為於業務範疇內之法律、會計、審計等方面擁有寶貴經驗及知識之專業人士，就將於董事會會議上討論之事宜提供公正觀點及作出獨立判斷。彼等各自之初步任期自2018年1月8日起為期三年。獨立非執行董事的任期亦受本公司組織章程細則項下之輪值退任及重選連任條文所規限。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company had received confirmation of independence from each of the INEDs. The Board considered each of them to be independent by reference to the factors as set out in Rule 3.13 of the Listing Rules. The INEDs had been expressly identified as such in all corporate communications of the Company that disclose the names of Directors.

### Roles and Responsibilities of the Board

The Company is headed by the Board which is responsible for the leadership, control and promotion of the success of the Group in the interests of the Shareholders by directing and supervising its affairs and by formulating strategic directions and monitoring the financial and management performance of the Group.

### Delegation to the Management

The management is led by the Executive Committee of the Company (which comprises all the Executive Directors of the Board) and has delegated powers and authorities to carry out the day-to-day management and operation of the Group, formulate business policies and make decision on key business issues. The Executive Committee shall have all powers and authorities of the Board except the following matters as set out in a formal schedule of matters specifically reserved by the Board:

- Publication of final and interim results of the Company
- Dividend distribution or other distributions
- Major issues of treasury policy, accounting policy and remuneration policy
- Changes to group corporate structure or Board composition requiring notification by announcements
- Publication of the announcement for notifiable transactions and non-exempted connected transaction/continuing connected transactions
- Non-exempted connected transactions/continuing connected transactions
- Notifiable transactions requiring Shareholders' approval
- Capital restructuring and issue of new securities of the Company
- Financial assistance to Directors

本公司已接獲各獨立非執行董事之獨立性確認書。董事會參照上市規則第3.13條所載因素認為各獨立非執行董事屬獨立人士。本公司在所有需要披露董事姓名的公司通訊中，均已明確列明獨立非執行董事之身份。

### 董事會之角色及職責

本公司由董事會領導，董事會負責以符合股東利益為出發點指導及監督其事務，並透過制定策略方向及監察本集團之財務及管理表現，從而領導、監控及促進本集團之成功。

### 授權予管理層

管理層乃由本公司執行委員會（此由董事會之所有執行董事所組成）領導，並獲授予權力及權限，以進行本集團之日常管理及營運、制定業務政策，並就主要業務事項作出決定。除以下正式表列事項為特別保留予董事會作決定之事項外，執行委員會將擁有董事會之一切權力及權限：

- 刊發本公司之末期及中期業績
- 股息分派或其他分派
- 有關財務政策、會計政策及薪酬政策之主要事宜
- 須以公告形式發出通知之集團公司架構或董事會組成變動
- 就須予公佈交易及非豁免關連交易／持續關連交易刊發公告
- 非豁免關連交易／持續關連交易
- 需要股東批准之須予公佈交易
- 本公司之資本重組及新證券發行
- 對董事之財務資助

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Induction, Support and Professional Development of Directors

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have been updated on the latest developments of the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. There is a procedure agreed by the Board to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses in order to assist them to perform their duties to the Company.

The Directors confirmed that they had complied with the Code Provision A.6.5 of the CG Code on Directors' training. During the Relevant Period, each Director had participated in continuous professional development by attending seminars/workshops/reading materials on the following topics to develop and refresh their knowledge and skills and has provided a record of training to the Company.

### 董事之啟導、支援及專業發展

所有董事均已獲提供有關擔任董事之職責及責任、適用於董事之相關法例及規例、權益披露之責任及本集團業務之相關指引資料，而於新任董事獲委任後，亦會於短期內向其提供該等就任董事須知資料。全體董事亦已就上市規則及其他適用監管要求之發展獲得最新資料，從而確保遵例，同時加強彼等對良好企業管治常規之意識。董事會已議定程序，使董事可在適當情況下經合理要求後尋求獨立專業意見以協助彼等為本公司執行職責，費用由本公司承擔。

董事確認，彼等已遵守企業管治守則內有關董事培訓之守則條文第A.6.5條。於有關期間，各董事均已參與持續專業發展，透過出席有關以下主題之座談會／工作坊／閱讀材料，以發展及重溫彼等之知識及技能，並已向本公司提供培訓記錄。

Name of Directors	董事姓名	Topics of training covered 培訓所涵蓋課題
Mr. Wong Chi Fai	黃志輝先生	corporate governance 企業管治/finance 財務/ industry specific 行業相關/regulatory 監管
Mr. Ng Koon Keung, Ricky	吳冠強先生	
Ms. Mok Fung Lin, Ivy	莫鳳蓮女士	
Ms. Fan Man Seung, Vanessa	范敏嫦女士	
Ms. Chan Yee Man	陳綺雯女士	
Mr. Chiu Kin Fai	招健輝先生	
Mr. Ng Hoi Yue	伍海于先生	

### Relationship between the Board Members

None of the members of the Board has any relationship (including financial, business, family or other material/relevant relations) among each other.

### 董事會成員間之關係

董事會成員之間概無任何關係（包括財務、業務、家屬或其他重大／相關關係）。

### Directors' insurance

The Company has arranged appropriate insurance cover in respect of any legal action against the Directors.

### 董事之保險

本公司已就董事可能會面對之任何法律訴訟作出適當之投保安排。



# CORPORATE GOVERNANCE REPORT

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### Directors' Attendance

The attendance of Directors at the meetings during the Relevant Period:

### 董事出席會議情況

各董事於有關期間出席會議之情況如下：

Name of Directors 董事姓名	No. of meeting attended/held 出席會議／會議舉行次數	
	Board 董事會	Audit Committee 審核委員會
<b>Executive Directors 執行董事</b>		
Wong Chi Fai 黃志輝	1/1	N/A 不適用
Ng Koon Keung, Ricky 吳冠強	1/1	N/A 不適用
Mok Fung Lin, Ivy 莫鳳蓮	1/1	1/1*
Fan Man Seung, Vanessa 范敏嫦	1/1	N/A 不適用
<b>Independent Non-executive Directors 獨立非執行董事</b>		
Chan Yee Man 陳綺雯	1/1	1/1
Chiu Kin Fai 招健暉	1/1	1/1
Ng Hoi Yue 伍海于	1/1	1/1
<b>Total number of meetings held: 會議舉行總數：</b>	<b>1</b>	<b>1</b>

\* Ms. Mok Fung Lin, Ivy was invited to sit-in the Audit Committee Meeting as non-member.

\* 莫鳳蓮女士被獲邀以非委員身份出席審核委員會會議。

Upon reviewing (a) the confirmation of the time commitment given by each Director; (b) the directorships and major commitments of each Director; and (c) the attendance rate of each Director on the meeting(s), the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during the Relevant Period.

經檢討(a)各董事就其所付出時間發出之年度確認；(b)各董事所擔任之董事職務及主要任命；及(c)各董事於會議之出席率後，董事會信納，於有關期間內，全體董事均已付出足夠時間履行彼等之職責。

### Board Meetings and Proceedings

Regular Board meetings will be held at approximately quarterly intervals. The Directors have access to the advice and services of the Company Secretary and key officers of the company secretarial team for ensuring that the Board procedures as well as all applicable rules and regulations are followed.

### 董事會會議及程序

董事會定期會議約每季舉行。董事會可獲取公司秘書及公司秘書團隊主要職員之意見及服務，確保遵循董事會程序以及所有適用之規則及規例。

With the assistance of the Company Secretary, the meeting agenda is set by the Chairman of the Board in consultation with other Board members. Board meeting notice was sent to the Directors at least 14 days prior to each regular Board meeting. Relevant meeting materials together with all appropriate, complete and reliable information are generally sent to all Directors and relevant committee members at least 3 days before each meeting to enable them to make informed decisions.

在公司秘書之協助下，會議議程乃由董事會主席在諮詢其他董事會成員後設定。董事會會議之通告至少於各董事會定期會議舉行前14日發送予董事。各會議舉行前最少3日，一般會向全體董事及相關委員會成員寄發相關會議材料連同所有適用、完備及可靠資料，以使彼等能作出知情決策。

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Minutes of Board meetings and Board committee meetings are drafted by the secretary of the meetings and recorded in sufficient details the matters considered and decisions reached, with draft and final versions being circulated to the Directors for their comment and records respectively. Originals of such minutes, being kept by the Company Secretary, are open for inspection at any reasonable time with reasonable notice by any Director.

If a Director has conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution. That Director will abstain from voting on the relevant Board resolution in which he/she or any of his/her associates has a material interest and he/she shall not be counted in the quorum present at the Board meeting. INEDs who, and whose close associates, have no material interest in the transaction are present at that Board meeting.

### Board Committees

To assist the Board in execution of its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to the Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee and Executive Committee.

The majority of the members of the Audit Committee, Remuneration Committee and Nomination Committee are INEDs. Clear written terms of reference of all the Board Committees are given to the respective members of these Committees. Details of the Board Committees are set out below:

#### 1. **Audit Committee** (set up on 8 January 2018)

The Audit Committee consists of three INEDs, namely Ms. Chan Yee Man (*Chairperson of the Committee*), Mr. Chiu Kin Fai and Mr. Ng Hoi Yue.

The specific written terms of reference of the Audit Committee is available on the websites of the Stock Exchange and the Company. The Audit Committee is primarily responsible for (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (b) reviewing and monitoring the external auditor's independence and objectivity and effectiveness of the audit process; (c) approving the remuneration and terms of engagement of external auditor; and (d) reviewing financial information and overseeing the financial reporting system, risk management and internal control procedures. The Audit Committee held one meeting during the Relevant Period.

經由會議秘書起草以及就所考慮事宜及所達致決定作出足夠詳細記錄之董事會會議記錄及董事委員會會議記錄之初稿及最終定稿均會分發予董事，分別供彼等表達意見及備案之用。有關會議記錄之正本由公司秘書保存，可供任何董事於發出合理通知後在任何合理時間查閱。

若任何董事在董事會將予考慮之事項中存有董事會認為屬重大之利益衝突，則該事項將以召開董事會會議而非以書面決議案方式處理，而該董事將就自身或其任何聯繫人士於當中擁有重大利益之相關董事會決議案放棄投票，且不會計入出席該董事會會議之法定人數內。於有關交易中並無重大利益之獨立非執行董事及其緊密聯繫人士均可出席該董事會會議。

### 董事委員會

為協助董事會履行其職責及促進有效管理，董事會若干職能已由董事會委派予審核委員會、薪酬委員會、提名委員會、企業管治委員會及執行委員會。

審核委員會、薪酬委員會及提名委員會大多數成員為獨立非執行董事。所有董事委員會均以書面清晰訂明該等委員會內各成員之職權範圍。董事委員會詳情載列如下：

#### 1. **審核委員會** (於2018年1月8日成立)

審核委員會由三名獨立非執行董事組成，其分別為陳綺雯女士(委員會主席)、招健暉先生及伍海于先生。

審核委員會之具體書面職權範圍可於聯交所及本公司網站查閱。審核委員會之主要職責為(a)就委任、重新委任及罷免外聘核數師提供意見；(b)檢討及監察外聘核數師之獨立性以及審核程序之客觀性及有效性；(c)批准外聘核數師之酬金及委聘條款；及(d)審閱財務資料及監察財務報告制度、風險管理及內部監控程序。審核委員會於有關期間舉行了一次會議。



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### 2. Remuneration Committee (set up on 8 January 2018)

The Remuneration Committee consists of three members, namely Mr. Ng Hoi Yue (*Chairman of the Committee*) and Ms. Chan Yee Man, both being INEDs, and Mr. Wong Chi Fai, an Executive Director.

The specific written terms of reference of the Remuneration Committee is available on the websites of the Stock Exchange and the Company. The Remuneration Committee is primarily responsible for making recommendation to the Board on (a) the Company's policy and structure of the remuneration of Directors and senior management; (b) the remuneration of INEDs; and (c) the specific remuneration packages of individual Executive Directors and senior management. Details of the remuneration of each of the Directors for the Year are set out in note 8 to the financial statements. No Remuneration Committee meeting was held during the Relevant Period as the Company was newly listed on the Stock Exchange on 29 January 2018.

### 3. Nomination Committee (set up on 8 January 2018)

The Nomination Committee consists of three members, namely Mr. Chiu Kin Fai (*Chairman of the Committee*) and Ms. Chan Yee Man, both being INEDs and Ms. Fan Man Seung, Vanessa, an Executive Director.

The specific written terms of reference of the Nomination Committee is available on the websites of the Stock Exchange and the Company. The Nomination Committee is primarily responsible for (a) reviewing the structure, size and diversity of the Board; (b) reviewing the Board Diversity Policy; (c) determining the policy for the nomination of Directors and identifying potential candidates for directorship; (d) making recommendations to the Board on the appointment, re-appointment, re-election or re-designation of Directors and succession planning for Directors; (e) assessing the independence of INEDs; and (f) reviewing the time commitment of each Director. No Nomination Committee meeting was held during the Relevant Period as the Company was newly listed on the Stock Exchange on 29 January 2018.

### 2. 薪酬委員會(於2018年1月8日成立)

薪酬委員會由三名成員組成，其分別為獨立非執行董事伍海于先生(委員會主席)及陳綺雯女士，以及執行董事黃志輝先生。

薪酬委員會之具體書面職權範圍可於聯交所及本公司網站查閱。薪酬委員會之主要職責為就(a)本公司之董事及高級管理層之薪酬政策及架構；(b)獨立非執行董事之薪酬；及(c)個別執行董事及高級管理層之特定薪酬待遇向董事會提供意見。本年度各董事之薪酬詳情載於財務報表附註8。薪酬委員會於有關期間並無舉行會議，原因是本公司於2018年1月29日才在聯交所掛牌上市。

### 3. 提名委員會(於2018年1月8日成立)

提名委員會由三名成員組成，其分別為獨立非執行董事招健暉先生(委員會主席)及陳綺雯女士，以及執行董事范敏嫦女士。

提名委員會之具體書面職權範圍可於聯交所及本公司網站查閱。提名委員會之主要職責為(a)檢討董事會的架構、人數及成員多元性；(b)檢討董事會多元化政策；(c)釐定董事提名之政策及物色潛在董事候選人；(d)就董事會委任、重新委任、重選或調任董事及董事連任計劃向董事會提出建議；(e)評核獨立非執行董事的獨立性；及(f)檢討各董事所付出的時間。提名委員會於有關期間並無舉行會議，原因是本公司於2018年1月29日才在聯交所掛牌上市。

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As adopted by the Board, the Board Diversity Policy aims to achieve diversity on the Board in the broadest sense in order to have a balance of skills, experience and diversity of perspectives to the business nature of the Company. Selection of candidates on the Board is based on a range of diversity perspectives, including gender, age, cultural and educational background, ethnicity, professional qualification and experience, skill, knowledge and length of service. The Nomination Committee will also assess the merits and contribution of any Director proposed for re-election or any candidate nominated to be appointed as Director against the objective criteria, with due regard for the benefits of diversity on the Board that would complement the Company's corporate strategy.

#### 4. Corporate Governance Committee (set up on 8 January 2018)

The Corporate Governance Committee consists of five members, namely Ms. Fan Man Seung, Vanessa (Chairperson of the Committee), an Executive Director, Mr. Chiu Kin Fai and Mr. Ng Hoi Yue, both being INEDs, a representative from company secretarial function and a representative from finance and accounts function.

The specific written terms of reference of the Corporate Governance Committee is available on the Company's website. The Corporate Governance Committee is primarily responsible for (a) reviewing the policies and practices on corporate governance of the Company and making recommendations to the Board; (b) reviewing and monitoring the policies and practices of the Company on compliance with legal and regulatory requirements of the Company; (c) developing, reviewing and monitoring the code of conduct applicable to Directors and relevant employees of the Group on dealings with the Company's securities; (d) reviewing and monitoring the training and continuous professional development of Directors and senior management; and (e) reviewing the Company's compliance with the CG Code and disclosure in this report. No Corporate Governance Committee meeting was held during the Relevant Period as the Company was newly listed on the Stock Exchange on 29 January 2018.

誠如董事會所採納，董事會多元化政策旨在從最廣義角度實現董事會多元化，以達致適合本公司業務性質之均衡的技巧、經驗及多元觀點。甄選董事會候任董事乃基於多方面考慮，包括性別、年齡、文化及教育背景、種族、專業資格及經驗、技能、知識以及服務期。提名委員會亦評估任何建議重選的董事或獲提名委任為董事之候選人之優點及貢獻，並以客觀準則評選，充分考慮董事會多元化的裨益，從而對本公司企業策略提供互補作用。

#### 4. 企業管治委員會(於2018年1月8日成立)

企業管治委員會由五名成員組成，其分別為執行董事范敏嫦女士(委員會主席)、獨立非執行董事招健暉先生及伍海于先生、一名公司秘書職能代表及一名財務及會計職能代表。

企業管治委員會之具體書面職權範圍可於本公司網站查閱。企業管治委員會之主要職責為(a)檢討本公司企業管治之政策及常規並向董事會提出建議；(b)檢討及監察本公司在遵守法律及監管規定方面之政策及常規；(c)制定、檢討及監察董事及本集團有關員工買賣本公司證券之適用行為守則；(d)檢討及監察董事及高級管理層之培訓及持續專業發展；及(e)檢討本公司遵守企業管治守則之情況及在本報告內之披露。企業管治委員會於有關期間並無舉行會議，原因是本公司於2018年1月29日才在聯交所掛牌上市。



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### 5. Executive Committee (set up on 8 January 2018)

The Executive Committee consists of all the Executive Directors, namely Mr. Wong Chi Fai (*Chairman of the Committee*), Mr. Ng Koon Keung, Ricky, Ms. Mok Fung Lin, Ivy and Ms. Fan Man Seung, Vanessa. The primary duties of the Executive Committee are (a) formulating business policies and making decision on matters relating to the management and operations of the Group; and (b) having all power and authorities of the Board except those matters specifically reserved for the full Board as set out in the “Formal Schedule on matters reserved for and delegated by the Board” adopted by the Board from time to time.

### COMPANY SECRETARY

The Company Secretary whose appointment was approved by the Board, reports to the Chairman on governance matters and has day-to-day knowledge of the Group's affairs. The Company Secretary confirmed that she has complied with all the required qualifications, experience and training requirements under the Listing Rules.

### SECURITIES TRANSACTION OF DIRECTORS

The Company has adopted Ulferts Securities Code on terms no less exacting than the required standards set out in the Model Code for securities Transactions of Directors of Listed Issuers (the “Model Code”) in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, all of them confirmed that they have complied with the required standard of dealings in the Model Code and Ulferts Securities Code during the Relevant Period.

### ACCOUNTABILITY AND AUDIT

The Directors acknowledged their responsibilities to prepare the consolidated financial statements of the Group and other financial disclosures required under the Listing Rules and the management has provided such explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions. The Directors believe that they have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable and ensured the consolidated financial statements are prepared on a “going concern” basis. The auditor of the Company has made a statement about their reporting responsibilities in the Independent Auditor's Report.

The management has provided all members of the Board with monthly updates on internal financial statements so as to give the Directors a balanced and understandable assessment of the Group's performance, position and prospects.

### 5. 執行委員會(於2018年1月8日成立)

執行委員會由全體執行董事組成，其分別為黃志輝先生(委員會主席)、吳冠強先生、莫鳳蓮女士及范敏嫦女士。執行委員會之主要職責為(a)制定業務政策並就有關本集團管理及營運之事宜作出決定；及(b)除董事會不時採納之「特別保留予董事會及由董事會授權作決定之正式表列事項」所載特別保留予全體董事會作決定之事項外，擁有董事會之所有權力及權限。

### 公司秘書

經董事會批准委任之公司秘書就管治事宜向主席匯報並熟悉本集團之日常事務。公司秘書確認彼已遵守上市規則項下所有規定資格、經驗及培訓要求。

### 董事之證券交易

本公司已採納歐化證券守則，其條款不遜於上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)的規定標準。經向所有董事作出特定查詢後，彼等全體確認，彼等於有關期間內一直遵守標準守則及歐化證券守則所載之交易必守準則。

### 問責及核數

董事知悉彼等負責編製本集團之綜合財務報表及上市規則所規定之其他財務披露事項，而管理層已向董事會提供解釋及資料以使其就財務及其他董事會決定作出知情評估。董事相信，彼等已選擇合適之會計政策，並貫徹應用該等政策、作出審慎及合理之判斷及估計，並確保綜合財務報表按「持續經營」基準編製。本公司之核數師已就彼等之匯報責任於獨立核數師報告內作出聲明。

管理層已每月向董事會全體成員提供最新之內部財務報表，以讓董事可公正及易於理解地評估本集團之表現、狀況及前景。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROL

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists a company in achieving its business objectives. Internal control policies and procedures within the Group are with the primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control systems.

A review has been conducted on (i) the internal control measures and procedures covering all material controls, including financial, operational and compliance controls; and (ii) risk management functions in its principal subsidiaries for the Year as follows:-

#### A. Goals and objectives

The Board acknowledged that it is its responsibility to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems ("Control Systems"). The Control Systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The key objectives of the Control Systems include:

- Safeguarding assets
- Ensuring completeness, accuracy and validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

### 風險管理及內部監控

內部監控對成功經營及日常業務營運至關重要，並能協助公司達成其業務目標。本集團之內部監控政策及程序的主要目標為就風險管理及內部監控系統之基本框架提供一般指引及意見。

本年度已就以下方面進行檢討：(i)內部監控措施及程序，涵蓋所有重大監控，包括財務、營運及合規監控；及(ii)其主要附屬公司內風險管理職能：-

#### A. 宗旨及目標

董事會知悉董事會之職責乃確保本公司設立及維持合適及有效之風險管理及內部監控系統（「監控系統」）。監控系統旨在管理而非消除未能達成業務目標之風險，並僅可就重大錯誤陳述或損失提供合理而非絕對保證。

監控系統的主要目標包括：

- 保障資產
- 確保財務記錄及報告之完整性、準確性及有效性
- 促進政策、程序、法規及法例之依循
- 促進營運之有效性及效率



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### B. Governance Control

The control structure of the Control Systems is set out as follows:

#### *The Board*

- responsible for the Control Systems and reviewing their effectiveness
- oversee the Control Systems on an ongoing basis with the assistance of Audit Committee
- ensure the maintenance of appropriate and effective Control Systems
- define management structure with clear lines of responsibility and limit of authority
- determine the nature and extent of significant risk that the Company is willing to take in achieving the strategic objectives and formulate the Group's risk management strategies

#### *Audit Committee*

- review and discuss the Control Systems with the management annually to ensure that the management has performed its duty to have effective Control Systems. This discussion includes the adequacy of resources, staff qualification and experience, training programmes and budget of the company's accounting and financial reporting function
- consider major findings on internal control matters raised by internal or external auditors and make recommendations to the Board

The management (includes heads of business units, departments and divisions)

- design, implement and monitor the Control Systems properly and ensure the Control Systems are executed effectively
- monitoring risks and take measures to mitigate risks in their day-to-day operations

### B. 管治監控

監控系統的監控架構載列如下：

#### *董事會*

- 負責監控系統並審閱其有效性
- 在審核委員會協助下持續監督監控系統
- 確保監控系統維持合適及有效性
- 制定有明確責任及權限的管理架構
- 釐定本公司就達致戰略目標所願承擔之重大風險之性質及程度，並制定本集團之風險管理策略

#### *審核委員會*

- 每年檢討並與管理層討論監控系統，以確保管理層履行其職責以維持監控系統之有效性。該討論包括本公司會計及財務申報職能之資源、員工資格及經驗以及彼等之培訓計劃及預算之充足性
- 考慮內部或外聘核數師提出有關內部監控事宜的重要發現並向董事會提出建議

管理層（包括業務單位、部門及分部主管）

- 妥善設計、實施及監督監控系統，並確保監控系統得到有效執行
- 監察風險並採取措施降低日常營運風險

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- give prompt response to, and follow up the findings on internal control matters raised by internal or external auditors
- provide confirmation to the Board on the effectiveness of the Control Systems

### Internal Audit Department

- carries out the analysis and independent appraisal of the adequacy and effectiveness of the Control Systems in respect of all material controls, including financial, operational and compliance aspects and alerted the management on the audit review findings or irregularities and advise them on the implementation of necessary steps and actions to enhance the internal controls of the Group. The result of internal audit reviews and agreed action plans are reported to the Audit Committee and the Board.

## C. Risk Management

### (1) Risk Management Process

The risk management process includes risk identification, risk evaluation, risk management measures and risk control and review.

The management is entrusted with duties to identify, analyse, evaluate, respond, monitor and communicate risks associated with any activity, function or process within its scope of responsibility and authority. Risks are evaluated by the Board and management based on (i) the severity of the impact of the risks on the Company's financial results; (ii) the probability that the risks will occur; and (iii) the velocity or speed at which risks could occur.

Based on the risk evaluation, the Company will manage the risk as follows:

- **Risk elimination** – management may identify and implement certain changes or controls that in effect eliminate the risk entirely.
- **Risk mitigation** – management may implement risk mitigation plan designed to reduce the likelihood, velocity or severity of the risk to an acceptable level or contingency plan for possible loss scenarios.

- 對內部或外聘核數師提出有關內部監控事宜之發現作出及時的回應及跟進
- 就監控系統之有效性向董事會作出確認

### 內部審核部門

- 對監控系統所有重要監控(包括財務、營運及合規方面)之充足性及有效性進行分析及獨立評價,並向管理層報告審核檢討發現或不規範行為及就採取必要步驟及行動以提高本集團內部監控向彼等提供意見。內部審核檢討之結果及經協定之執行計劃乃向審核委員會及董事會匯報。

## C. 風險管理

### (1) 風險管理程序

風險管理程序包括風險識別、風險評估、風險管理措施及風險監控及檢討。

管理層獲委派於其責任及權力範圍內識別、分析、評估、應對、監察及傳達與任何活動、職務或程序有關風險。董事會及管理層根據(i)風險對於本公司財務業績影響的嚴重程度; (ii)發生風險的可能性; 及(iii)風險發生的速度進行風險評估。

根據風險評估,本公司將按以下方式管理風險:

- **風險消除** – 管理層可確定及實施若干變動或監控,完全排除風險。
- **減低風險水平** – 管理層可實施風險緩解計劃,旨在使風險之可能性、速度或嚴重性降低至可接受水平或就潛在虧損情況預備應急方案。



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- **Risk control and monitoring** – It involves making decisions regarding which risks are acceptable and how to address those that are not, accidents and other situations involving loss or near-loss will be investigated and properly documented as part of the effort to manage risks.
- **Risk retention** – management may decide that the risk rating is low enough that the risk is acceptable level and no action is required. The risk will continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.

### (2) Significant Risks and Strategies

Certain significant risks have been identified through the process of risk identification and assessment. Such significant risks of the Group and their respective key strategies/control measures are set out below:

#### Significant Risks

- Key Strategies/Control Measures
  - (a) Rely on Hong Kong market
    - Explore online option which will have no territorial limitation
  - (b) Unknown online competitors
    - Further develop and leverage on online and offline market

#### D. Internal Controls

The Board acknowledged that the management had progressively implementing an adequate internal control system to ensure the effective functioning of the Group's operational, financial and compliance areas as follows:

##### (1) Operational

- i. **Information flow:** The transparent information flow alerts us promptly of any deviations. Benchmarking with historical database and comparisons with the same also acts as a detecting device for spotting unusual activities.

- **風險監控及監察** – 涉及作出有關各風險是否可接受之決定，而作為管理風險之一部份，將對涉及損失或接近損失事故及其他情況進行調查並妥為存檔，就如何應對並非有關事故及其他情況之情況作出決定。
- **維持風險水平** – 管理層可確定基於風險評級屬於低而風險屬可接受水平，毋須採取任何措施。作為風險管理計劃的一部分，將繼續監察風險以確保風險不會上升至不可接受水平。

### (2) 重大風險及策略

本集團已透過風險識別及評估程序識別若干重大風險。本集團所面臨的該等重大風險以及其各自之主要策略／控制措施載列如下：

#### 重大風險

- 主要策略／控制措施
  - (a) 依賴香港市場
    - 探討利用不受邊界限制之線上方式
  - (b) 未知的線上競爭對手
    - 進一步開發及利用線上及線下市場

#### D. 內部監控

董事會知悉，管理層已逐步實施充分內部監控系統以確保本集團之營運、財務及合規範疇之有效運作如下：

##### (1) 營運方面

- i. **信息流：**透明的信息流及時提醒我們任何偏差。以過往數據庫為基準及與之比較亦為發現不尋常活動之檢測工具。

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- ii. **Approach taken:** The management conducted interviews with relevant staff members, reviewing relevant documentation of the risk management and internal control systems and evaluating findings of any deficiencies in the design of the Group's risk management and internal control system, providing recommendations for improvement and assessing the effectiveness of implementation of such recommendations, where appropriate. The scope and findings of review on the risk management and internal control will be reported to and reviewed by the Audit Committee annually.
- iii. **Procedure manuals and operational guidelines:** They are in place to safeguard the assets against unauthorized use or disposition, ensuring maintenance of proper accounting records in compliance with the applicable laws, rules and regulations for the provision of reliable financial information for internal use and/or external publication.
- iv. **Management information system and technology:** Such use to control over the business activities allows close tracking of various inputs and outputs of the Company's business such as raw materials, human resources, products and customer relationship. It also tracks audit trails in the authorization system, under which permissions and responsibility of authorization are clearly identified and adequate records can be maintained in the system.
- v. **Reports and variance analysis:** Such reports and analysis of each segment in the upstream, midstream and downstream are conducted on regular basis such that the performance of each point of sales and each product category can be easily accessible.
- vi. **Safeguarding of assets:** A number of general insurance policies maintained include general accident insurance on the assets in our office, warehouse, retail stores against robbery, burglary, fire and flooding. Insurance for unexpected operation risks and marine insurance for cargo shipment from suppliers or manufacturers which are not on CIF terms are also maintained.
- ii. **所採取方法：**管理層與相關員工進行面談，並審閱風險管理及內部監控系統相關文件及評估本集團風險管理及內部監控系統設計中所發現之任何不足，就改善措施提出建議及評估實施有關建議之有效性（倘適用）。對風險管理及內部監控審閱的範圍及發現會每年呈報審核委員會並經其審核。
- iii. **程序手冊及運作指引：**已制定該等手冊及指引以保障資產，以免未經授權使用或處置，確保遵守適用法律、規則及法規維持適當會計記錄，以提供可靠財務資料供內部使用及／或對外刊發。
- iv. **管理資訊系統及技術：**此用於控制業務活動，允許密切追蹤本集團業務之各項輸入及輸出，如原材料、人力資源、產品及客戶關係。其亦於授權系統追蹤審核程序，據此，授權許可及責任獲明確識別及該等系統可存置足夠記錄。
- v. **報告及差異分析：**定期對上游、中游及下游各階段進行有關報告及分析，故可易於了解各銷售點及各產品類別之表現。
- vi. **保障資產：**採購多項一般保險，包括為辦公室、倉庫及零售店資產採購之一般意外險，以防盜竊、搶劫、火災及水災。此外亦為無法預料的營運風險採購保險及就由供應商或生產商運送之貨物付運（並非按到岸條款）採購水險。



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vii. **Quality control:** starting from procurement stage in selection of furniture suppliers and product offering

- For “**Ulfenbo**” products and products for special projects, suppliers and manufacturers are required to produce evidence of compliance such as test reports, raw material suppliers’ certificates and documents on electrical parts.
- Before placing purchase orders with any new furniture suppliers, the procurement team will assess their workmanship and product quality as well as their reputation in the industry.
- For products of new design which are usually first released in the international furniture exhibitions and fairs, the procurement team will inspect the products for workmanship and safety or quality issue. Regular meetings are held between the procurement team and the inspection and repair team to exchange, discuss and resolve any quality issue with the products. We also engage independent third parties from time to time to inspect products manufactured in the PRC.
- For custom-made furniture, the project team conducts pre-shipment inspection at the factory of our outsourced manufacturers by checking of random samples of the finished products on workmanship and other specifications such as size, labelling and packaging to verify that the finished lots conform to such specifications before delivery.
- When the cargo of our products are shipped to Hong Kong, the logistics team will check the quantity, shipping mark and package condition of the products upon their delivery to our warehouse. The whole process of devanning the cargo will be recorded by video. If the Company discovers there is any damage, our logistics team will, sometimes under the supervision of surveyors, unpack the relevant product and examine it for defect. For products of new model or from new supplier, our sales team will perform checking when the goods arrive at the store for display.

vii. **品質監控：**從挑選傢俬供應商及產品供應的採購階段開始：

- 就「**歐化寶**」產品及工程項目產品而言，供應商及生產商須提供合規證明，例如測試報告、原材料證書及針對電子零件之文件。
- 向任何新傢俬供應商下達採購訂單之前，採購團隊會評估有關供應商之工藝、產品質量及其於行內的聲譽。
- 對於通常首次於國際傢俬展銷會展覽的新設計產品，採購團隊會檢測產品工藝及安全或質量問題。採購團隊定期與檢查維修團隊舉行會議，就產品的任何質量問題交換意見、討論及解決問題。我們亦不時聘用獨立第三方對於中國製造的產品進行檢測。
- 訂製傢俬方面，工程團隊在外判生產商工廠內進行裝運前檢測，透過隨機抽樣檢查成品之工藝及其他規格（如尺寸、標籤及包裝），以核實製成品批次在付運前符合有關規格。
- 當產品運送至香港時，物流團隊會於產品付運至倉庫後檢查產品的數量、運輸標誌及包裝狀況。貨物的整個拆箱過程將會錄影。倘若本公司發現有任何損壞，物流團隊會（有時在公證人的監察下）拆開相關產品之包裝並檢查產品是否有瑕疵。新型號產品或來自新供應商之產品在運抵店舖上架之前，銷售團隊會對有關產品作出檢查。

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- If any complaint is received in respect of any product which is attributable to manufacturing defect, the procurement team in conjunction with the inspection and repair team would make a decision as to whether or not to inspect other pieces of the same product model from the same shipment to see if similar manufacturing defect occurs in the same batch of shipment.
- Our management will be informed if defects are found and our sales director will decide whether to proceed with insurance claim and/or liaise with the relevant supplier for negotiation of appropriate remedy.

### (2) Financial

- i. Proper controls are in place for the recording of complete, accurate and timely accounting and management information;
- ii. Regular reports on revenue, marker receivables' ageing and debtors' ageing and internal financial reports are prepared to the management which give a balanced and understandable assessment of the Group's financial performance;
- iii. Monthly updates on internal financial statements are provided to all Directors which give a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail; and
- iv. Annual audit by external auditor is carried out to ensure that the consolidated financial statement are prepared in accordance with generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

- 倘若任何產品因生產瑕疵而接到投訴，採購團隊會連同檢查維修團隊一同決定是否要檢查同一批貨物同一產品型號的其餘貨品，查明同一批貨物是否有類似的生產瑕疵。

- 瑕疵一經發現便會向管理層報告，而銷售總監將決定是否提出保險索賠及／或聯絡相關供應商商討適當補救措施。

### (2) 財務方面

- i. 已建立適當的監控程序，確保全面、準確及準時記錄會計及管理資料；
- ii. 定期為管理層編製收入、借據簽單應收款賬齡及應收款賬齡的報告和內部財務報告，以提供本集團財務表現的持平及易於理解的評估；
- iii. 每月向全體董事提供內部財務報表的更新，其中載有本集團表現、財務狀況及前景的持平及易於理解的評估，並具有充足詳情；及
- iv. 外聘核數師進行年度審核以確保綜合財務報表乃根據公認會計原則、本集團之會計政策及適用的法律及法規編製。



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### (3) Compliance

The following policies and procedures are in place to safeguard the compliance control:

- i. **Systems and Procedures on Disclosure of Inside Information** to ensure, with the assistance of an internal work team (if required), that any material information which comes to the knowledge of any one or more officers should be promptly identified, assessed and escalated, where appropriate, for the attention of the Board;
- ii. **Policies and practices on compliance with legal and regulatory requirements** which shall be reviewed and monitored regularly by the Corporate Governance Committee as delegated by the Board;
- iii. **CCT Compliance Committee** is established to monitor, control and regularly review continuing connected transactions of the Company and ensure proper compliance with all relevant laws and regulations, the Listing Rules and disclosure requirements; and
- iv. **Whistle-blowing policy** for the employees of the Group to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

### E. Management Confirmation

The Board acknowledged that it had received a confirmation from the management on the effectiveness of the Control Systems of the Group. Based on such confirmation and discussion with the management, the Audit Committee and the Board had reviewed the Control Systems and were not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the Group's operational, financial and compliance areas of the Control Systems.

### (3) 合規方面

設有以下政策及程序以保障合規監控：

- i. 設有**內幕資料披露機制及程序**，以在內部工作小組（如需要）協助下確保任何一名或多名主要人員得悉的任何重大資料須予及時識別、評估及提交（倘適用）董事會；
- ii. 有關**遵守法律及監管規定之政策與常規**會由董事會委派之企業管治委員會定期檢討及監察；
- iii. 設有**持續關連交易合規委員會**以監察、監控及定期檢討本公司之持續關連交易，並確保妥為符合一切相關法律及法規、上市規則及披露規定；及
- iv. 設有**檢舉政策**，可讓本集團僱員在保密的情況下就財務匯報、內部監控或其他事宜中的可能不當行為進行舉報。該等安排將由審核委員會檢討，確保有恰當安排就有關事項進行公平及獨立之調查。

### E. 管理層確認

董事會確認其已接獲管理層就本集團監控系統的有效性的確認。根據相關確認及與管理層之討論，審核委員會及董事會已審閱監控系統且並不知悉任何將對本集團監控系統於營運、財務及合規方面之有效運作及充足性所產生不利影響的重大事宜。

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### COMMUNICATION WITH SHAREHOLDERS

The Company had established a shareholders' communication policy and the Board reviews it on a regular basis to ensure its effectiveness. The Company communicates with the Shareholders mainly in the following ways: (i) the holding of AGM and extraordinary general meetings, if any, which may be convened for specific purposes which provide opportunities for the Shareholders to communicate directly to the Board; (ii) the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules and press releases providing updated information of the Group; (iii) the availability of latest information of the Group in the Company's website at <http://www.ulfertsintl.com>; (iv) the holding of press conference(s) from time to time; and (v) meeting with investors and analysts on a regular basis and participate investor road show and sector conference.

There is regular dialogue with institutional Shareholders and general presentations are made when financial results are announced. Shareholders and investors are welcome to visit the Company's website to raise enquiries through our Investor Relations Department whose contact details are available on the Company's website and the "Corporate Information and Key Dates" of this annual report.

Separate resolutions will be proposed at the general meetings for substantial separate issues, including re-election of retiring Directors. The Company's notice to the Shareholders for the AGM will be sent to Shareholders at least 20 clear business days before the meeting and notices of all other general meetings will be sent to the Shareholders at least 10 clear business days before the meetings.

The forthcoming AGM will be held on 16 August 2018 which will be conducted by way of poll. The Chairman of the AGM and the chairman/members of the Board Committees will be available at the AGM to answer questions from the Shareholders. With the assistance of the Company Secretary, the Chairman of the meeting will explain the procedures for conducting a poll during the meeting.

### 與股東之溝通

本公司已經制定股東溝通政策，且董事會定期檢討以確保其成效。本公司主要以下列方式與股東溝通：(i)舉行股東週年大會及就特定目的召開之股東特別大會（如有），藉以提供機會讓股東直接與董事會溝通；(ii)根據上市規則之規定刊發公告、年報、中期報告及／或通函及提供本集團最新資料之新聞稿；(iii)發放本集團之最新資料於本公司網站<http://www.ulfertsintl.com>；(iv)不時舉行記者招待會；及(v)定期與投資者及分析員會面，及參加投資者路演及業界大會。

本公司與機構股東定期對話，發佈財務業績時亦會舉行全面發佈會。歡迎股東及投資者瀏覽本公司網站及透過本公司投資者關係部門查詢，該部門之聯絡詳情可於本公司網站及本年報「公司資料及重要日期」一節查閱。

獨立事宜（包括重選退任董事）均會於股東大會上提呈個別決議案。本公司就股東週年大會致股東之通告會於大會舉行前至少足20個營業日向股東發送，而就所有其他股東大會而言，則會在有關大會舉行前至少足10個營業日向股東發送通知。

應屆股東週年大會將於2018年8月16日舉行，並將以投票方式舉行表決。股東週年大會主席及董事委員會主席／成員均會出席股東週年大會，以解答股東提問。在公司秘書之協助下，大會主席將於大會上解釋以投票方式進行表決之程序。



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### SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Shareholders as required to be disclosed pursuant to the CG Code.

#### Convening a General Meeting/Right to call General Meeting

Shareholder(s) representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings may send a request to the Company pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("CO"). The request must state the general nature of the business to be dealt with at the meeting, and may include the text of resolution that may properly be moved and is intended to be moved at the meeting. Requests may consist of several documents in like form. A request may be sent to the Company for the attention of the Company Secretary in hard copy form or in electronic form and must be authenticated by the relevant Shareholder(s). Such request will be verified with the Company's share registrar and the Company Secretary will request the Board to convene a general meeting within 21 days upon its confirmation that the request is in order. Such meeting must be held on a date not more than 28 days after the date of the notice convening the meeting and such notice must include notice of the resolution.

Section 568 of the CO provides that if the Directors do not within 21 days as stated above to call a general meeting, the Shareholders representing more than one half of the total voting rights of all of them, may themselves call a general meeting, but the meeting so convened must be called for a date not more than 3 months after the Directors become subject to the requirement to call a meeting. The meeting must be called in the same matter, as nearly as possible, as that in which that meeting is required to be called by the Directors. The business that may be dealt with at the meeting includes a resolution to be dealt with at the meeting. All reasonable expenses incurred by the Shareholders of this purpose must be reimbursed by the Company.

### 股東之權利

根據企業管治守則須予披露之若干股東權利之摘要如下：

#### 召開股東大會／召開股東大會之權利

根據公司條例（香港法例第622章）（「公司條例」）第566條，倘股東擁有佔全體有權於股東大會上投票之股東之總投票權最少5%，則可向本公司發出要求。要求須列明大會上將處理事項之一般性質，並可包含在該大會可能恰當地動議並擬於該大會動議之決議案文本。要求可包含多份格式相似之文件。要求可以列印本或電子版本送達本公司予公司秘書且必須經相關股東確認。該要求將由本公司股份過戶登記處核實且公司秘書將要求董事會於其確認相關要求符合程序後21日內召開股東大會。相關大會須於不超過召開大會通告日期後28日之日期舉行且相關通告必須包含決議案之通告。

公司條例第568條規定倘董事未按以上所述於21日內召開股東大會，則佔全體股東總投票權一半以上之股東，可自行召開股東大會，但如此召開之大會須在董事收到召開大會要求後不超過三個月舉行。該大會須以盡可能接近董事召開大會之相同方式召開。可能於大會上處理之事宜包括將於會上處理之決議案。股東就此產生的所有合理開支須由本公司償還。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Putting forward Proposals at General Meetings/Right to Circulate Resolution at AGM

Section 615 of the CO provides that (i) shareholder(s) representing at least 2.5% of the total voting rights of all Shareholders; or (ii) at least 50 Shareholders having a right to vote on the resolution at the AGM may request the Company to circulate a notice of a resolution may properly moved or is intended to be moved at that meeting. Such request must identify the resolution to be moved at the AGM, must be authenticated by the relevant Shareholder(s) and sent to the registered office of the Company for the attention of the Company Secretary in hard copy form or in electronic form not later than 6 weeks before the relevant AGM or if later, the time when the notice of AGM is despatched.

### Proposing a Person for Election as a Director

The procedures for Shareholders to propose a person for election as a Director are available for viewing on the Company's website.

### Enquires from Shareholders

Shareholders should direct their enquiries about their shareholdings to the Company's share registrar, Tricor Secretaries Limited. Other Shareholders' enquiries can be directed to the Investor Relations Department of the Company whose contact details are shown on "Corporate Information and Key Dates" section of this Annual Report.

## CONSTITUTIONAL DOCUMENTS

There is no significant change in the Company's constitutional documents during the Relevant Period.

## CORPORATE GOVERNANCE IN RESPECT OF NON-COMPETITION DEED

Pursuant to a deed of non-competition undertaking dated 15 January 2018 ("Deed") provided by Ulferts International Group Holdings Limited, Albert Yeung Holdings Limited and Dr. Albert Yeung (collectively the "Covenantors") in favour of the Company, the Covenantors had given undertakings to the Company not to carry on, or be interested or involved or engaged in or acquire or hold any rights or interest, whether directly or indirectly, in any of the Restricted Business of the Group (as defined in the Deed).

### 於股東大會上提出建議／於股東週年大會上傳閱決議案之權利

公司條例第615條規定：(i)佔全體有投票權的股東最少2.5%之股東；或(ii)最少50名擁有權利於股東週年大會上就決議案投票之股東可要求本公司發出關於可在該會議上恰當地動議並擬在該會議上動議決議案的通告。該要求須指出有待於股東週年大會上動議之決議案，須經相關股東認證並不遲於相關股東週年大會或(如較後)寄發股東週年大會通告時間前6個星期以列印本或電子版送至本公司註冊辦事處予公司秘書。

### 提名他人參選董事

股東提名他人參選董事之程序可於本公司網站查閱。

### 股東查詢

股東可向本公司之股份過戶登記處卓佳秘書商務有限公司查詢彼等之持股情況。股東之其他查詢可向本公司投資者關係部門作出，其聯絡資料已列載於本年報「公司資料及重要日期」一節。

### 組織章程文件

於有關期間，本公司之組織章程文件並無任何重大變動。

### 針對不競爭契約之企業管治

根據歐化國際集團控股有限公司、楊受成產業控股有限公司及楊受成博士(統稱「契諾人」)以本公司為受益人所作出日期為2018年1月15日之不競爭承諾契約(「契約」)，契諾人已向本公司承諾不會經營任何本集團受限制業務(定義見契約)，或於當中擁有權益或涉及或從事或獲得或持有任何權利或權益(不論直接或間接)。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

1. Covenantors had confirmed that they had fully complied with the undertakings in the Deed and that the Company had not received nor was aware of any New Business Opportunities (as defined in the Deed) that required the Covenantors to offer to the Company by the Deed; and
  2. the INEDs had made an annual review on the compliance of the terms of the Deed by the Covenantors and the enforcement of the non-competition undertakings in the Deed and formed the view that the Covenantors had fully complied with the undertakings in the Deed.
1. 契諾人已確認，彼等已全面遵守契約之承諾，且本公司並無收到或知悉任何根據契約契諾人須向本公司提呈之新商機（定義見契約）；及
  2. 獨立非執行董事已就契諾人遵守契約條款之情況以及不競爭承諾於契約內之執行情況進行了年度審閱，並認為契諾人已全面遵守契約所載之承諾。

### AUDITOR'S INDEPENDENCE AND REMUNERATION

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and the effectiveness of the audit process of the financial statements in accordance with applicable standard. Members of the Audit Committee was of the view that the Company's auditor, Messrs. Ernst & Young ("EY") is independent and had recommended the Board to re-appoint it as the Company's auditor at the 2018 AGM. During the Year, EY has rendered audit services and certain non-audit services to the Group and the remuneration paid/payable to it by the Group is set out as follows:

### 核數師之獨立性及酬金

審核委員會獲授權根據適用之準則審閱及監督核數師之獨立性，以確保財務報表審計過程之客觀性及有效性。審核委員會成員認為，本公司之核數師安永會計師事務所（「安永」）屬獨立人士並建議董事會於2018股東週年大會重新委任其為本公司之核數師。於本年度內，安永曾向本集團提供核數服務及若干非核數服務，而本集團已付／應付予彼之酬金載列如下：

Service rendered 所提供服務	Fees paid/ payable 已付／應付費用 HK\$'000 千港元
Audit services 核數服務	850
Non-audit services 非核數服務	80

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

**To the members of Ulferts International Limited**  
(Incorporated in Hong Kong with limited liability)

### Opinion

We have audited the consolidated financial statements of Ulferts International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 55 to 115, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

**致歐化國際有限公司股東**  
(於香港註冊成立之有限公司)

### 意見

我們已審計列載於第55頁至第115頁的歐化國際有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於2018年3月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等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」)真實而公允地反映了貴集團於2018年3月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

### 意見的基礎

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

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Key audit matters (continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### Key audit matters

#### 關鍵審計事項

#### **Write-down of inventories to net realisable value**

#### 撇減存貨至可變現淨值

The Group had inventories with a carrying amount of approximately HK\$44,226,000 at 31 March 2018. The Group periodically reviews the net realisable value of inventories to determine whether any write-down of inventories to net reliable value is required. In estimating the net realisable value of inventories, the Group considers, inter alia, the nature, ageing and condition of inventories, pricing policy and strategies and other relevant factors.

貴集團於2018年3月31日有賬面值約44,226,000港元之存貨。貴集團對存貨之可變現淨值進行定期審查，以釐定是否需要將存貨撇減至可變現淨值。在估計存貨之可變現淨值時，貴集團考慮（其中包括）存貨之性質、庫齡及狀態，定價政策及策略，以及其他相關因素。

The determination of net realisable value requires management to make significant assumptions and estimates that affect the reported amount of inventories and related disclosures.

釐定可變現淨值需要管理層作出重大假設及估計，其可影響存貨之申報金額及相關披露。

We focus on this matter due to the magnitude of the balance involved and the significant accounting judgements and estimates required in estimating net realisable value of inventories.

由於有關結餘之金額龐大，且估計存貨之可變現淨值需要運用重大會計判斷及估計，故我們把注意力放在這事項。

The related disclosures are included in notes 3 and 14 to the consolidated financial statement.

相關披露資料載於綜合財務報表附註3及14。

### 關鍵審計事項 (續)

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

### How our audit addressed the key audit matters

#### 我們的審計如何處理關鍵審計事項

We evaluated management's assessment of whether the Group's inventories are stated at the lower of cost and net realisable value. Our procedures included, inter alia, evaluating the methodologies, inputs and assumptions used by the Group in determining the net realisable values of inventories and the write-down of inventories required, with reference to, inter alia, the nature, ageing and condition of inventories, pricing policy and strategies, historical and subsequent sales information, and current market condition.

我們已評核管理層就貴集團之存貨是否按成本與可變現淨值之間的較低值呈列所作之評估。我們的評核程序，包括評核貴集團在釐定存貨之可變現淨值及所需之存貨撇減時所運用之方法、輸入數據及假設，當中參考（其中包括）存貨之性質、庫齡及狀態，定價政策及策略，過往及往後銷售資料，以及現行市況。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 the directors 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 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### 刊載於年度報告內其他信息

貴公司董事須對其他信息負責。其他信息包括刊載於年度報告內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯報的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯報，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事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》擬備真實而公允的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯報所需的內部控制負責。

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

審核委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們根據香港《公司條例》第405條僅對全體股東作出報告，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤報存在時總能發現。錯誤可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤的風險高於未能發現因錯誤而導致的重大錯誤的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

### 核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持有經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表包括披露的整體列報方式、結構和內容，以及綜合財務報表是否公允反映交易及事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們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。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Yat Fai, Peter.

### 核數師就審計綜合財務報表承擔的責任(續)

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳日輝。

Ernst & Young  
Certified Public Accountants  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong  
27 June 2018

安永會計師事務所  
執業會計師  
香港中環  
添美道1號  
中信大廈22樓  
2018年6月27日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

Year ended 31 March 2018 截至2018年3月31日止年度

		Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
REVENUE	收入	5	<b>258,553</b>	224,331
Cost of sales	銷售成本		<b>(94,631)</b>	(79,027)
Gross profit	毛利		<b>163,922</b>	145,304
Other income and gains	其他收入及收益	5	<b>1,435</b>	4,626
Selling and distribution expenses	銷售及分銷開支		<b>(116,942)</b>	(95,955)
General and administrative expenses	一般及行政開支		<b>(35,586)</b>	(18,402)
Finance cost	財務成本	6	<b>(283)</b>	(1)
PROFIT BEFORE TAX	除稅前溢利	7	<b>12,546</b>	35,572
Income tax expense	所得稅開支	10	<b>(4,069)</b>	(5,427)
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內溢利及年內全面收益總額		<b>8,477</b>	30,145
Attributable to: Owners of the parent	應佔： 母公司擁有人		<b>8,477</b>	30,145
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益擁有人應佔每股盈利	12		
Basic and diluted (expressed in HK cents per share)	基本及攤薄（每股以港仙為單位）		<b>1.34</b>	5.02

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

31 March 2018 於2018年3月31日

		Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	17,379	12,647
Prepayments and deposits	預付款項及按金	16	11,361	6,762
Deferred tax assets	遞延稅項資產	21	1,681	1,214
Total non-current assets	非流動資產總值		30,421	20,623
CURRENT ASSETS	流動資產			
Inventories	存貨	14	44,226	32,944
Trade receivables	貿易應收款項	15	6,263	4,473
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	16	11,577	13,520
Tax recoverable	可退回稅項		570	–
Cash and cash equivalents	現金及現金等價物		83,385	39,818
Total current assets	流動資產總值		146,021	90,755
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付款項及應付票據	17	7,076	5,246
Other payables and accruals	其他應付款項及應計費用	18	28,619	25,636
Interest-bearing bank borrowings	計息銀行借款	19	19,798	–
Provisions	撥備	20	1,241	2,445
Tax payable	應付稅項		–	1,622
Total current liabilities	流動負債總額		56,734	34,949
NET CURRENT ASSETS	流動資產淨值		89,287	55,806
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		119,708	76,429
NON-CURRENT LIABILITIES	非流動負債			
Provisions	撥備	20	4,060	1,530
Net assets	資產淨值		115,648	74,899
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	22	110,337	6,065
Retained profits	保留溢利		5,311	68,834
Total equity	權益總額		115,648	74,899

Wong Chi Fai

黃志輝

Director

董事

Ng Koon Keung, Ricky

吳冠強

Director

董事



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year ended 31 March 2018 截至2018年3月31日止年度

		Notes 附註	Share capital 股本 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 1 April 2016	於2016年4月1日		6,065	38,689	44,754
Profit and total comprehensive income for the year	年內溢利及全面 收益總額		–	30,145	30,145
At 31 March 2017 and at 1 April 2017	於2017年3月31日及 2017年4月1日		6,065	68,834	74,899
Profit and total comprehensive income for the year	年內溢利及全面 收益總額		–	8,477	8,477
Issue of shares	發行股份	22	112,000	–	112,000
Share issue expenses	股份發行開支	22	(7,728)	–	(7,728)
Interim 2018 dividend	2018年中期股息	11	–	(72,000)	(72,000)
At 31 March 2018	於2018年3月31日		110,337	5,311	115,648

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 March 2018 截至2018年3月31日止年度

	Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動現金流量</b>		
Profit before tax	除稅前溢利	<b>12,546</b>	35,572
Adjustments for:	就以下各項所作調整：		
Finance cost	財務成本	<b>283</b>	1
Interest income	利息收入	<b>(240)</b>	–
Depreciation	折舊	<b>8,501</b>	9,456
Loss/(gain) on disposal/ write-off of items of property, plant and equipment	出售／撇銷物業、 廠房及設備項目 之虧損／(收益)	<b>419</b>	(75)
Net write-down/(reversal of write-down) of inventories to net realisable value	淨撇減存貨／(撇減存貨之 撥回)至可變現淨值	<b>(75)</b>	123
Provision for reinstatement costs - reversal of unutilised provisions/decrease in estimated provisions	修復成本撥備－未動用撥備 撥回／估計撥備減少	–	(3,574)
		<b>21,434</b>	41,503
Increase in inventories	存貨增加	<b>(11,207)</b>	(2,072)
Increase in trade receivables	貿易應收款項增加	<b>(1,790)</b>	(908)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他 應收款項增加	<b>(2,656)</b>	(6,283)
Increase in trade and bills payables	貿易應付款項及應付 票據增加	<b>1,830</b>	1,676
Increase/(decrease) in other payables and accruals	其他應付款項及應計 費用增加／(減少)	<b>2,983</b>	(102)
Decrease in provisions	撥備減少	<b>(2,000)</b>	(47)
Cash generated from operations	經營活動所得現金	<b>8,594</b>	33,767
Interest received	已收利息	<b>240</b>	–
Hong Kong profits tax paid	已付香港利得稅	<b>(6,728)</b>	(4,866)
<b>Net cash flows from operating activities</b>	<b>經營活動所得現金流量淨額</b>	<b>2,106</b>	28,901
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動現金流量</b>		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	<b>(10,450)</b>	(2,635)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目 所得款項	<b>124</b>	118
<b>Net cash flows used in investing activities</b>	<b>投資活動所用現金流量淨額</b>	<b>(10,326)</b>	(2,517)

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 March 2018 截至2018年3月31日止年度

		Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動現金流量</b>			
Proceeds from issue of shares	發行股份所得款項	22	<b>112,000</b>	—
Share issue expenses	股份發行開支	22	<b>(7,728)</b>	—
Net increase in trust receipt loans	信託收據貸款增加淨額		<b>13,798</b>	—
New bank borrowings	新借銀行借款		<b>6,000</b>	—
Dividend paid	已付股息		<b>(72,000)</b>	—
Interest paid	已付利息		<b>(283)</b>	(1)
<b>Net cash flows from/(used in) financing activities</b>	<b>融資活動所得／(所用) 現金流量淨額</b>		<b>51,787</b>	(1)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物增加淨額</b>		<b>43,567</b>	26,383
Cash and cash equivalents at beginning of year	年初現金及現金等價物		<b>39,818</b>	13,435
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末現金及現金等價物</b>		<b>83,385</b>	39,818
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘分析</b>			
Cash and bank balances	現金及銀行結餘		<b>83,385</b>	39,818



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### I. CORPORATE AND GROUP INFORMATION

Ulferts International Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at Units 1905-07, 19th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 29 January 2018.

The Company is an investment holding company. During the year, the Company's subsidiaries were involved in the following principal activities:

- retail of imported furniture
- wholesale of imported furniture
- project sales and consultancy services arrangements (“special projects”)

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company are Ulferts International Group Holdings Limited and Albert Yeung Holdings Limited (“AY Holdings”), respectively, both are incorporated in the British Virgin Islands, and AY Holdings is legally wholly-owned by STC International Limited acting as the trustee of The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert, a deemed substantial shareholder of the Company (the “Deemed Substantial Shareholder”).

### I. 公司及集團資料

歐化國際有限公司(「本公司」)於香港註冊成立為有限責任公司。本公司註冊辦事處地址位於香港灣仔軒尼詩道288號英皇集團中心19樓1905-07室。

本公司股份自2018年1月29日起在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為投資控股公司。年內，本集團附屬公司從事以下主要業務：

- 進口傢俬零售
- 進口傢俬批發
- 項目銷售及諮詢服務安排(「工程項目」)

董事認為，本公司之直接控股公司及最終控股公司分別為歐化國際集團控股有限公司及楊受成產業控股有限公司(「楊受成產業控股」)(均於英屬處女群島註冊成立)，而楊受成產業控股由STC International Limited 作為The Albert Yeung Discretionary Trust(由本公司視為主要股東之楊受成博士(「認定主要股東」)設立之全權信託)之受託人依法全資擁有。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### I. CORPORATE AND GROUP INFORMATION (Continued)

#### Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

### I. 公司及集團資料(續)

#### 有關附屬公司之資料

本公司附屬公司之詳情如下：

Name 名稱	Place of incorporation and business 註冊成立及經營地點	Issued ordinary share capital 已發行普通股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ulferts International Investment Limited ("Ulferts Investment") 歐化國際投資有限公司 ("歐化投資")	British Virgin Islands 英屬處女群島	US\$1 1美元	100	–	Investment holding 投資控股
True Fair Inc.	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	–	100	Investment holding 投資控股
Ulferts of Sweden (Macau) Limited 瑞典歐化(澳門)有限公司	Macau 澳門	MOP25,000 25,000澳門元	–	100	Liaising with project customers in Macau 聯絡澳門項目客戶
Ulferts of Sweden (Far East) Limited 瑞典歐化(遠東)有限公司	Hong Kong 香港	HK\$350,000 350,000港元	–	100	Retail and wholesale of imported furniture, and special projects 進口傢俬零售與批發及工程項目
Eurodecor Furniture (Holdings) Limited 雅豪傢俬(集團)有限公司	Hong Kong 香港	HK\$8,800,000 8,800,000港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務
Eurodecor Furniture Limited 雅豪傢俬有限公司	Hong Kong 香港	HK\$500,000 500,000港元	–	100	Retail of imported furniture and investment holding 進口傢俬零售及投資控股
Linkpac Development Limited 太聯發展有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### I. CORPORATE AND GROUP INFORMATION (Continued)

#### Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

### I. 公司及集團資料 (續)

#### 有關附屬公司之資料 (續)

本公司附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation and business 註冊成立及經營地點	Issued ordinary share capital 已發行普通股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Link Profit Investment Limited 誼益投資有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務
Marvel Win Limited 結盈有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務
Mighty Wish Limited 權望有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務
Wealthy House Limited 寶屋有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務
Rich Ascent Limited 陞富有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務
Glory Wish Limited 頌益有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務
Wider Wealth Limited 財揚有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Provision of group tenancy agent services 提供集團租賃代理人服務



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

### 2.1 編製基準

此財務報表已根據香港會計師公會（「香港會計師公會」）所頒佈之香港財務報告準則（「香港財務報告準則」）（包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則以及香港公司條例予以編製。財務報表乃按歷史成本法編製。此財務報表均以港元（「港元」）呈列，而除另有說明者外，全部價值均調整至最接近千元。

#### 合併基準

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）於截至2018年3月31日止年度之財務報表。附屬公司為本公司直接或間接控制之一個實體（包括結構性實體）。倘本集團透過參與被投資方業務而享有或有權取得被投資方之可變回報，且有能力行使在被投資方權利影響有關回報，則本集團擁有該實體之控制權（即現時賦予本集團指令被投資方相關活動之權利）。

倘本公司直接或間接擁有之被投資方投票權或類似權利低於過半數，則評估本公司對被投資方是否有權力時，本集團會考慮所有相關事宜及情況，包括：

- (a) 與該等被投資方其他投票持有人之合約安排；
- (b) 從其他合約安排中產生之權利；及
- (c) 本集團投票權及潛在投票權。

附屬公司之財務報表乃按本公司相同報告期及一致之會計政策編製。附屬公司之業績乃自本集團取得控制權之日起予以合併，並繼續納入合併範圍，直至不再被控制為止。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.1 BASIS OF PREPARATION (Continued)

#### Basis of consolidation (continued)

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

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (a) the fair value of the consideration received, (b) the fair value of any investment retained and (c) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 24(b) to the financial statements upon the adoption of amendments to HKAS 7, which 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.

### 2.1 編製基準 (續)

#### 合併基準 (續)

損益及其他全面收益之各組成部分由本集團之母公司擁有人及非控股股東權益應佔，即使由此引致非控股股東權益結餘為負數。有關本集團成員公司之間交易之集團內部資產、負債、權益、收入、開支及現金流量均在綜合賬目時全數對銷。

倘事實及情況顯示上文所述之三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資公司。未失去控制權之附屬公司所有權權益變動入賬為權益交易。

倘本集團失去一間附屬公司之控制權，則其撤銷確認(i)該附屬公司之資產(包括商譽)及負債、(ii)任何非控股股東權益之賬面值及(iii)於權益內記錄之累積匯兌差額；及確認(a)所收代價之公平值、(b)所保留任何投資之公平值及(c)損益中任何因此產生之盈餘或虧損。先前於其他全面收益內確認之本集團應佔部分應重新分類為損益或保留溢利(如適用)，按猶如本集團已直接出售相關資產及負債時之基準予以確認。

### 2.2 會計政策變動及披露

本集團已於本年度財務報表首次採納以下經修訂香港財務報告準則。

香港會計準則第7號之修訂本	<i>披露計劃</i>
香港會計準則第12號之修訂本	<i>就未實現虧損確認遞延稅項資產</i>
計入香港財務報告準則2014年至2016年週期之年度改進的香港財務報告準則第12號之修訂本	<i>披露於其他實體之權益：澄清香港財務報告準則第12號之範圍</i>

上述香港財務報告準則之修訂本概無對財務報表產生重大財務影響。香港會計準則第7號之修訂本要求實體提供相關資訊，以使財務報表使用者能夠評估因融資活動引起之各項現金及非現金負債變動。上述要求之相關披露已於採納香港會計準則第7號之修訂本後在財務報表附註24(b)作出。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 2  
Amendments to HKFRS 4

*Classification and Measurement of Share-based Payment Transactions<sup>1</sup>*  
*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts<sup>1</sup>*

HKFRS 9

*Financial Instruments<sup>1</sup>*

Amendments to HKFRS 9  
Amendments to HKFRS 10 and HKAS 28 (2011)

*Prepayment Features with Negative Compensation<sup>2</sup>*  
*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup>*

HKFRS 15

*Revenue from Contracts with Customers<sup>1</sup>*

Amendments to HKFRS 15

*Clarifications to HKFRS 15 Revenue from Contracts with Customers<sup>1</sup>*

HKFRS 16

*Leases<sup>2</sup>*

HKFRS 17

*Insurance Contracts<sup>3</sup>*

Amendments to HKAS 19  
Amendments to HKAS 28  
Amendments to HKAS 40

*Plan Amendment, Curtailment or Settlement<sup>2</sup>*  
*Long-term Interests in Associates and Joint Ventures<sup>2</sup>*  
*Transfers of Investment Property<sup>1</sup>*

HK(IFRIC)-Int 22

*Foreign Currency Transactions and Advance Consideration<sup>1</sup>*

HK(IFRIC)-Int 23

*Uncertainty over Income Tax Treatments<sup>2</sup>*

Annual Improvements 2014-2016 Cycle

Amendments to HKFRS 1 and HKAS 28<sup>1</sup>

Annual Improvements 2015-2017 Cycle

Amendments to a number of HKFRSs<sup>2</sup>

### 2.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第2號之修訂本  
香港財務報告準則第4號之修訂本

分類及計量以股份為基準之付款交易<sup>1</sup>  
採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號<sup>1</sup>

香港財務報告準則第9號

金融工具<sup>1</sup>

香港財務報告準則第9號之修訂本  
香港財務報告準則第10號及香港會計準則第28號

提早還款特性及負補償<sup>2</sup>  
投資者與其聯營公司或合營企業之間之資產出售或注資<sup>4</sup>

(2011年)之修訂本  
香港財務報告準則第15號

客戶合約之收入<sup>1</sup>

香港財務報告準則第15號之修訂本

釐清香港財務報告準則第15號客戶合約之收入<sup>1</sup>

香港財務報告準則第16號

租賃<sup>2</sup>

香港財務報告準則第17號

保險合約<sup>3</sup>

香港會計準則第19號之修訂本

計劃修訂、縮減或結清<sup>2</sup>

香港會計準則第28號之修訂本

於聯營公司或合營企業之長期權益<sup>2</sup>

香港會計準則第40號之修訂本

轉撥投資物業<sup>1</sup>

香港(國際財務報告詮釋委員會)一詮釋第22號

外幣交易及預付代價<sup>1</sup>

香港(國際財務報告詮釋委員會)一詮釋第23號

所得稅處理之不確定性<sup>2</sup>

2014年至2016年週期之年度改進

香港財務報告準則第1號及香港會計準則第28號之修訂本<sup>1</sup>

2015年至2017年週期之年度改進

多項香港財務報告準則之修訂本<sup>2</sup>



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2018
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>4</sup> No mandatory effective date yet determined but available for adoption

Further information about certain of these new and revised HKFRSs that are expected to be applicable to the Group is described below. Of those standards, HKFRS 9 and HKFRS 15 will be applicable for the Group's financial year ending 31 March 2019 and are expected to have certain impact upon adoption. Whilst management has performed a high-level assessment of the estimated impacts of these standards, that assessment is based on the information currently available to the Group, including expectations of the application of transitional provision options and policy choices. The actual impacts upon adoption could be different to those below, depending on additional reasonable and supportable information being made available to the Group at the time of applying the standards and the transitional provisions and policy options finally adopted.

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 April 2018. The Group plans not to restate comparative information and plans to recognise any transition adjustments against the opening balance of equity at 1 April 2018. During the year, the Group has performed a high-level assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

#### (a) Classification and measurement

Upon adoption of HKFRS 9, the classification and measurement of financial assets depend on two assessments: the financial asset's contractual cash flow characteristics and the entity's business model for managing the financial assets. The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets.

### 2.3 已頒佈但尚未生效之香港財務 報告準則(續)

- <sup>1</sup> 於2018年1月1日或之後開始之年度期間生效
- <sup>2</sup> 於2019年1月1日或之後開始之年度期間生效
- <sup>3</sup> 於2021年1月1日或之後開始之年度期間生效
- <sup>4</sup> 尚未釐定強制生效日期，惟可予採納

預期將適用於本集團之若干新訂及經修訂香港財務報告準則之額外資料闡述如下。於該等準則中，香港財務報告準則第9號及香港財務報告準則第15號將於本集團截至2019年3月31日止財政年度應用，預期採用後將會產生一定影響。管理層已對該等準則之估計影響進行高層次評估，有關評估以本集團目前可得資料為根據，包括預期應用之過渡性條文選項及政策選擇。採用時之實際影響可能有別於以下所述，視乎本集團應用準則時所掌握的更多合理有據之資料以及最終採納之過渡性條文選項及政策選擇而定。

於2014年9月，香港會計師公會頒佈香港財務報告準則第9號之最終版本，將金融工具項目之所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號之全部先前版本。該準則引入分類及計量、減值及對沖會計處理之新規定。本集團將自2018年4月1日起採納香港財務報告準則第9號。本集團不計劃重述比較資料，並計劃於2018年4月1日期初權益結餘中確認任何過渡性調整。年內，本集團已就採納香港財務報告準則第9號之影響進行高層次評估。對分類及計量以及減值規定之預期影響概述如下：

#### (a) 分類及計量

於採納香港財務報告準則第9號後，金融資產之分類及計量取決於兩項評估：金融資產之合約現金流量特性以及實體管理金融資產之業務模式。本集團預期採納香港財務報告準則第9號將不會對其金融資產之分類及計量造成重大影響。

# NOTES TO FINANCIAL STATEMENTS

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

#### (b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group plans to apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group plans to apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Group currently does not expect the provision for impairment will be significantly increased upon the initial adoption of the standard.

### 2.3 已頒佈但尚未生效之香港財務 報告準則 (續)

#### (b) 減值

香港財務報告準則第9號規定，按攤銷成本或按公平值計入其他全面收益入賬之債務工具、租賃應收款項、貸款承諾及並無根據香港財務報告準則第9號按公平值計入損益入賬之財務擔保合約須作減值，並將根據預期信貸虧損模式按十二個月基準或可使用基準入賬。本集團計劃採納簡化方式，並將根據於所有其貿易應收款項餘下年期內之所有現金差額現值估計之可使用預期虧損入賬。此外，本集團計劃採納一般方式，並將根據於未來十二個月本集團其他應收款項可能遭遇之違約事件估計之十二個月預期信貸虧損入賬。本集團現預期於初步採納該準則後減值撥備將不會顯著增加。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 15, issued in July 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in HKFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 April 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 April 2018. During the year, the Group has performed a high-level assessment on the impact of the adoption of HKFRS 15. The Group currently expects that the transitional adjustment to be made on 1 April 2018 upon initial adoption of HKFRS 15 will not be material.

The presentation and disclosure requirements in HKFRS 15 are more detailed than those under the current HKAS 18. The presentation requirements represent a significant change from current practice and may significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in HKFRS 15 are new and the Group has assessed that some of these disclosure requirements may have an impact on the Group's financial statements. In particular, the Group may have to disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

### 2.3 已頒佈但尚未生效之香港財務 報告準則(續)

於2014年7月頒佈之香港財務報告準則第15號建立一個新的五步模式，將應用於自客戶合約產生之收入。根據香港財務報告準則第15號，收入按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得之代價金額確認。香港財務報告準則第15號之原則為計量及確認收入提供更加結構化之方法。該準則亦引入廣泛之定性及定量披露規定，包括分拆收入總額，有關履行責任、不同期間之間的合約資產及負債賬目結餘之變動以及主要判斷及估計之資料。該準則將取代香港財務報告準則下所有現時收入確認之規定。在初步採納該準則時需要作出全面的追溯應用或修訂過之追溯應用。於2016年6月，香港會計師公會頒佈香港財務報告準則第15號之修訂，以處理有關識別履約責任、主事人與代理人及知識產權許可以及過渡之實施問題。該等修訂亦擬協助確保實體於採納香港財務報告準則第15號時能更加一致及降低應用有關準則之成本及複雜性。本集團計劃採納香港財務報告準則第15號之過渡性規定，將採納初期之累積影響確認為於2018年4月1日保留溢利之期初結餘之調整項目。此外，本集團計劃僅就2018年4月1日前未完成之合約應用新規定。年內，本集團已對採納香港財務報告準則第15號之影響進行高層次評估。本集團現預期即將於2018年4月1日初步採納香港財務報告準則第15號後作出之過渡性調整將並不重大。

香港財務報告準則第15號所規定之呈列及披露規定較現行之香港會計準則第18號所規定者更詳細。呈列規定與目前做法相比有顯著變化，並可能會顯著增加於本集團財務報表所須作出之披露量。香港財務報告準則第15號中之多項披露規定為新訂，而本集團已評估部分該等披露規定可能會對本集團財務報表造成影響。特別是，本集團可能須分拆自客戶合約確認之收入為多個類別，以說明收入及現金流之性質、金額、時間及不確定性如何受經濟因素影響。



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## 財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 16, issued in May 2016, replaces HKAS 17 Leases, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases - Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees - leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 from 1 April 2019.

### 2.3 已頒佈但尚未生效之香港財務 報告準則 (續)

於2016年5月頒佈之香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會)－詮釋第15號經營租賃－優惠及香港(準則詮釋委員會)－詮釋第27號評估租賃法律形式交易之內容。該準則載列確認、計量、呈列及披露租賃之原則及要求承租人就大多數租賃確認資產及負債。該準則包括兩項可讓承租人選擇之確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將於租賃期確認作出租賃付款為負債(即租賃負債)及代表可使用相關資產之權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號中投資物業之定義，或與採納重估模式之物業、廠房及設備類別有關，否則，有使用權資產其後按成本減累積折舊及任何減值虧損計量。租賃負債其後就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債之利息開支及有使用權資產之折舊開支。承租人亦須於若干事件發生後重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款之一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債之金額確認為有使用權資產之調整。香港財務報告準則第16號大致沿用香港會計準則第17號內有關出租人之會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將租賃分為經營租賃及融資租賃。與香港會計準則第17號相比，香港財務報告準則第16號要求承租人及出租人作出更加廣泛之披露。出租人可選擇以全面的追溯應用或修訂過之追溯應用方式應用該準則。本集團預期自2019年4月1日起採納香港財務報告準則第16號。

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## 財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The Group is currently assessing the impact of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 25 to the financial statements, at 31 March 2018, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK\$77,651,000. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises.

### 2.3 已頒佈但尚未生效之香港財務報告準則(續)

本集團現正評估採納香港財務報告準則第16號後之影響，且正考慮會否選擇利用現有可行權宜方式，以及考慮採用何種過渡方式及補救措施。誠如財務報表附註25所披露，於2018年3月31日，本集團根據不可撤銷經營租賃應付之未來最低租賃付款總額約為77,651,000港元。於採納香港財務報告準則第16號後，計入該總額中之若干金額或須確認為新有使用權資產及租賃負債。然而，將需要作進一步分析，以確定將予確認之新有使用權資產及租賃負債，包括但不限於涉及低價值資產租賃及短期租賃之金額、所選其他可行權宜方式及補救措施以及於採納日期前訂立之新租賃。

### 2.4 重大會計政策概要

#### 非金融資產減值

倘出現任何減值跡象，或當有需要為一項資產(存貨、遞延稅項資產及金融資產除外)進行年度減值測試，則須估計資產之可收回金額。除非資產並不產生明顯獨立於其他資產或資產組別之現金流入(在此情況下，可回收金額則按資產所屬之現金產生單位釐定)，否則資產之可收回金額按資產或現金產生單位之使用價值與其公平值減出售成本之較高者計算，並按個別資產釐定。

僅當資產之賬面值超過其可收回金額時，減值虧損方予確認。評估使用價值時估計未來現金流量乃使用可反映當時市場對金錢價值之評估及該項資產特有風險之除稅前折現率折現至其現值。減值虧損於所產生期間在損益內扣除。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

#### Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;

### 2.4 重大會計政策概要(續)

#### 非金融資產減值(續)

於各報告期末會評定是否有現象顯示之前已確認之減值虧損不再存在或減少。倘出現該等跡象，則可收回金額會予以估計。僅當用以釐定資產之可收回金額之估計出現變動時，先前確認之資產減值虧損(商譽除外)方會撥回，惟不得超過倘過往年度並無就資產確認減損而釐定之賬面值(經扣除任何折舊)。撥回之減值虧損於所產生期間計入損益表。

#### 關聯方

以下人士於下列情況將被視為與本集團有關連：

(a) 倘為以下人士或其親屬而該人士：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司之主要管理層成員；

或

(b) 該人士為符合下列任何條件之實體：

- (i) 該實體與本集團為屬同一集團之成員公司；
- (ii) 該實體為另一實體(或另一實體之母公司、附屬公司或同系附屬公司)之聯營公司或合營企業；
- (iii) 該實體與本集團為同一第三方之合營企業；



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties (continued)

(b) (continued)

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

#### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease terms
Furniture, fixtures and equipment	20% – 33 $\frac{1}{3}$ %
Motor vehicles	20%

### 2.4 重大會計政策概要 (續)

#### 關聯方 (續)

(b) (續)

- (iv) 該實體為一名第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
- (v) 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職後福利計劃；
- (vi) 該實體受由(a)項所列人士控制或共同控制；及
- (vii) 於(a)(i)項所列人士對該實體具有重大影響力或為該實體（或該實體之母公司）之主要管理層成員；及
- (viii) 該實體或同集團之任何成員公司向本集團或本集團母公司提供主要管理人員服務。

#### 物業、廠房及設備與折舊

物業、廠房及設備乃按成本減累積折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及令該項資產達至其運作狀況及運送至其預期使用位置之任何直接應佔成本。

物業、廠房及設備項目投入運作後產生之支出，如修理與維護費用等，一般均會於該等支出產生期間在損益內扣除。於滿足確認標準情況下，重大檢修支出將撥充資本，計入資產賬面值作為重置處理。物業、廠房及設備之重要部分須按階段重置，本集團將有關部分確認為分別擁有特定可使用年期之個別資產，並相應作出折舊。

折舊乃按各物業、廠房及設備項目之估計可使用年期以直線法撇銷其成本至剩餘價值。就此所使用之主要年率如下：

租賃物業裝修	租賃期內
傢俬、裝置及設備	20% – 33 $\frac{1}{3}$ %
汽車	20%

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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

#### Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

#### Financial assets

##### Initial recognition and measurement

Financial assets of the Group are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

### 2.4 重大會計政策概要(續)

#### 物業、廠房及設備與折舊(續)

倘物業、廠房及設備項目各部分之可使用年期並不相同，該項目各部分之成本將按合理基礎在各部分之間分配，而每部分將作個別折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度年結日予以檢討，在適當情況下加以調整。

物業、廠房及設備項目，包括首次確認之任何重要部分於已出售或預期其使用或出售不再產生未來經濟利益時終止確認。於終止確認資產年度在損益中確認之任何出售或報廢盈虧，乃有關資產之出售所得款項淨額與賬面值之差額。

#### 經營租賃

資產擁有權絕大部分回報及風險由出租人擁有之租賃列為經營租賃。倘本集團為承租人，根據經營租賃應付之租金(扣除出租人給予之任何優惠)於租賃期內按直線法於損益中扣除。

#### 金融資產

##### 首次確認及計量

本集團之金融資產於首次確認時分類為貸款及應收款項。金融資產於首次確認時按公平值加上收購金融資產應佔交易成本計量。

金融資產之所有一般買賣於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial assets (continued)

##### Subsequent measurement of loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in profit or loss.

##### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### 2.4 重大會計政策概要 (續)

#### 金融資產 (續)

##### 其後計量貸款及應收款項

貸款及應收款項指並非於活躍市場報價而具備固定或可釐定付款之非衍生金融資產。於初步計量後，該等資產其後以實際利率法按攤銷成本減任何減值撥備計量。攤銷成本於計及收購事項任何折讓或溢價後計算，且包括屬實際利率組成部分之費用或成本。實際利率攤銷計入損益中。減值產生之虧損於損益確認。

##### 終止確認金融資產

金融資產（或一項金融資產之一部分或一組類似金融資產之一部分（如適用））在下列情況將終止確認（即自本集團綜合財務狀況表中剔除）：

- 收取該項資產所得現金流量之權利經已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量之權利，或已承擔一項責任，在未有嚴重拖延之情況下，根據一項「轉付」安排向第三方全數支付已收取之現金流量；及(a)本集團已轉讓該項資產之絕大部分風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產之控制權。

倘本集團已轉讓其收取資產所得現金流量之權利，或已訂立轉付安排，則會評估其是否保留該項資產擁有權之風險及回報以及保留之程度。倘本集團並無轉讓亦無保留該項資產之絕大部分風險及回報，亦無轉讓該項資產之控制權，其只要有持續參與便會繼續確認被轉讓資產。在此情況下，本集團亦確認相關負債。被轉讓資產及相關負債按反映本集團所保留權利及責任之基準計量。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Derecognition of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

### 2.4 重大會計政策概要(續)

#### 終止確認金融資產(續)

就透過向被轉讓資產提供擔保之方式持續參與而言，有關被轉讓資產按資產原賬面值與本集團可能須支付之最高代價金額之較低者計量。

#### 金融資產減值

本集團於報告期末評估是否有客觀跡象表明一項金融資產或一組金融資產出現減值。倘資產首次確認後發生一項或多項事件而對能可靠估計之金融資產或一組金融資產之估計未來現金流量構成影響，則發生減值。減值憑證可以包括債務人或一組債務人面臨重大財政困難、欠付或拖欠利息或本金、有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量之下跌，例如與拖欠有關之欠款或經濟狀況變動。

#### 按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先按個別基準評估個別重大或按集體基準評估個別並非重大之金融資產是否存在減值。倘本集團釐定個別已評估金融資產(不論是否屬重大者)並不存在減值之客觀憑證，則其會將有關資產納入一組具類似信貸風險特質之金融資產內，並集體進行減值評估。個別已進行減值評估並確認或持續確認減值虧損之資產，不會納入集體評估減值之列。

已識別之任何減值虧損金額以資產之賬面值與估計未來現金流量現值(不包括尚未發生之未來信貸虧損)之差額計量。估計未來現金流量之現值按金融資產之原實際利率(即於首次確認時計算之實際利率)折現。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (continued)

##### Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities of the Group are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

##### Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

### 2.4 重大會計政策概要 (續)

#### 金融資產減值 (續)

##### 按攤銷成本列賬之金融資產 (續)

資產賬面值透過使用撥備賬進行扣減，而虧損於損益確認。利息收入繼續就已扣減賬面值累計，利率為計量減值虧損時折現未來現金流量所用之利率。貸款及應收款項連同任何相關撥備於日後並無實際收款可能而全部抵押品已變現或已轉移予本集團時撇銷。

倘估計減值虧損金額於往後期間因確認減值後發生之事件而增加或減少，之前已確認之減值虧損會透過調整撥備賬進行增減。倘其後收回撇銷款項，則收回之金額會計入損益內。

#### 金融負債

##### 首次確認及計量

本集團之金融負債於首次確認時分類為貸款及借款。

所有金融負債於首次確認時按公平值計量，如屬貸款及借款，則扣除直接應佔交易成本。

##### 其後計量貸款及借款

於首次確認後，計息貸款及借款其後以實際利率法按攤銷成本計量，除非折現之影響甚微，在此情況下，則按成本列賬。有關收益及虧損於負債終止確認時透過實際利率攤銷過程在損益確認。

攤銷成本經計及收購之任何折讓或溢價以及屬於實際利率組成部分之費用或成本後計算。實際利率攤銷已計入損益。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

#### Offsetting of financial instruments

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

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred in the process of disposal.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

### 2.4 重大會計政策概要(續)

#### 終止確認金融負債

金融負債於該負債項下之責任解除或撤銷或屆滿時終止確認。

倘現有金融負債被另一項來自同一貸款人以條款截然不同之金融負債所取代，或現有負債之條款被大幅修訂，該等交換或修訂以終止確認原負債及確認新負債處理，相關賬面值之間之差額於損益內確認。

#### 抵銷金融工具

倘現時有可執行之合法權利抵銷已確認金額，並且擬以淨額基準進行結算或同時將資產變現及清償負債，方可將金融資產及金融負債抵銷，而淨額於財務狀況表呈報。

#### 存貨

存貨以成本與可變現淨值兩者之較低者入賬。成本乃按加權平均基準釐定。可變現淨值乃根據估計售價減去任何將在出售過程產生之估計成本計算。

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可即時兌換為已知金額現金、所涉價值變動風險不高而一般自取得起計三個月內到期之短期高流動性投資，減須按要求償還之銀行透支，並構成本集團現金管理組成部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭及銀行現金，包括定期存款及用途不受限制且性質與現金相似之資產。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

A provision for reinstatement costs is recognised when a contractual obligation under the terms of an operating lease has arisen to reinstate a leased property at the end of the lease. Reinstatement costs are provided at the value of the expected costs to settle the obligation at the end of the reporting period using estimated cash flows and an equivalent asset is recognised and depreciated over the term of the operating lease. The estimated future costs of reinstatement are reviewed, and adjusted if appropriate, at least at each financial year end.

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

### 2.4 重大會計政策概要 (續)

#### 撥備

倘因過往事件須承擔現時責任(法定或推定責任)而履行責任很可能導致未來資源外流,則撥備予以確認,惟責任數額必須能可靠估計。

倘折現影響重大,則確認撥備之數額為預期履行責任所需之未來開支於報告期末之現值。隨時間流逝使折現現值增加之款項計入損益。

按經營租賃條款因須在租賃期期末修復租賃之物業而產生合約責任時,予以確認修復成本撥備。於報告期末使用估計現金流量以預期清償責任之成本價值作出修復成本撥備,而等值資產會予以確認並按經營租賃期折舊。估計未來修復成本至少於每個財政年度末檢討及調整(如適用)。

#### 所得稅

所得稅包括即期及遞延稅項。與損益以外確認之項目相關之所得稅於損益以外,在其他全面收益或直接於權益確認。

即期稅項資產及負債乃按預期自稅務機構退回或付予稅務機構之金額根據截至報告期末已實施或實質上已實施之稅率(及稅法)計算,並考慮本集團經營所在國家之現行詮釋及慣例。

遞延稅項使用負債法按報告期末之資產及負債稅基與其作財務申報之賬面值之間之所有暫時性差額作出撥備。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

### 2.4 重大會計政策概要(續)

#### 所得稅(續)

所有應課稅暫時性差額，均被確認為遞延稅項負債，惟下述情況除外：

- 因初次確認商譽或一項交易(非業務合併)中之資產或負債所產生之遞延稅項負債，並於交易時不會影響會計溢利或應課稅溢利或虧損；及
- 就於附屬公司之投資所產生之應課稅暫時性差額而言，暫時性差額撥回時間可受控制，而暫時性差額於可見將來可能不會撥回。

所有可扣減暫時性差額及未動用稅項抵免與任何未動用稅務虧損之結轉，均被確認為遞延稅項資產。倘應課稅溢利可用於抵銷可扣減暫時性差額，以及未動用稅項抵免及未動稅務虧損之結轉可予動用，則遞延稅項資產會予以確認，惟下述情況除外：

- 因有關可扣減暫時性差額之遞延稅項資產源自初次確認一項交易(非業務合併)中之資產或負債，並於交易時不會影響會計溢利或應課稅溢利或虧損；及
- 就於附屬公司之投資所產生之可扣減暫時性差額而言，遞延稅項資產僅於暫時性差額於可見將來可能撥回且應課稅溢利將用以抵銷暫時性差額時，方會予以確認。

遞延稅項資產之賬面值於報告期末檢討，並扣減至不再可能有足夠應課稅溢利用於扣減所有或部分將予動用之遞延稅項資產為止。未確認遞延稅項資產於報告期末重估，並確認至可能有足夠應課稅溢利將用於扣減所有或部分將予收回之遞延稅項資產。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (continued)

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, when the relevant services have been rendered; and
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

### 2.4 重大會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產及負債以預期適用於資產變現或負債清還期間之稅率計量，並基於報告期末已頒佈或實質上頒佈之稅率（及稅法）計算。

倘（及僅於）本集團具有可依法強制執行的權利，可使用即期稅項資產抵銷即期稅項負債，且遞延稅項資產與遞延稅項負債是關於同一稅務機關就同一應課稅實體所徵收的所得稅或就計劃於各段未來期間（而預期在有關期間內將結清或收回大額的遞延稅項負債或資產）以淨額基準結算即期稅項負債與資產或同時變現資產及結清負債之不同應課稅實體所徵收的所得稅時，則遞延所得稅資產及遞延所得稅負債可相互抵銷。

#### 收入確認

倘經濟利益有可能流入本集團及能可靠計算收入，則按下列基準確認收入：

- (a) 來自出售貨品，於擁有權之重大風險及回報轉移至買方時確認，惟本集團既無保留與擁有權相關之管理權，亦無對已售貨品有實際控制能力；
- (b) 來自提供服務，於提供相關服務時確認；及
- (c) 利息收入，按應計基準採用實際利息法以估計未來現金收入之確實折讓率就金融工具之預計年期或（倘適用）較短期間對金融資產之賬面淨額計算。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Employee benefits

##### Retirement benefit schemes

The Group operates an occupational retirement scheme registered under the Hong Kong Occupational Retirement Schemes Ordinance for those employees who are eligible to participate in the scheme. This scheme has been granted exemption under the Hong Kong Mandatory Provident Fund Schemes Ordinance. When an employee leaves the scheme before his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group are reduced by the relevant amount of the forfeited employer's contributions.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Contributions to these schemes are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the schemes. The assets of these schemes are held separately from those of the Group in independently administered funds.

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### 2.4 重大會計政策概要(續)

#### 僱員福利

##### 退休福利計劃

本集團根據香港職業退休計劃條例，為所有合資格參與該計劃之僱員設有職業退休計劃。根據香港強制性公積金計劃條例，該退休計劃已獲豁免。當僱員於可全數享有本集團所作之僱主供款之前退出該計劃，本集團應付之持續供款於沒收僱主供款之相關金額中扣除。

本集團亦根據香港強制性公積金計劃條例設有一項定額供款強制性公積金退休福利計劃（「強積金計劃」），以供該等合資格參加強積金計劃之僱員參與。本集團所作之僱主供款於向強積金計劃作出供款時全數歸僱員所有。

該等計劃所作出之供款乃按僱員基本薪金之百分比計算，並於依照強積金計劃之規則繳納供款時在損益中扣除。該等計劃之資產乃與本集團之資產分開，由獨立管理基金持有。

#### 股息

末期股息於股東在股東大會上批准時確認為負債。

因本公司之組織章程大綱及細則授權董事宣派中期股息，故中期股息於獲建議之同時宣派。因此，中期股息於建議及宣派時即時確認為負債。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Estimation uncertainty

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

### 2.4 重大會計政策概要 (續)

#### 外幣

財務報表以港元呈列，港元即本公司之功能貨幣。本集團內之各實體決定其功能貨幣且各實體之財務報表項目均使用功能貨幣計量。本集團各實體所記錄之外幣交易初步使用交易日期之現行功能貨幣之匯率換算入賬。以外幣計值之貨幣資產及負債，按有關功能貨幣於報告期末之匯率換算。因結算或換算貨幣項目而導致之匯兌差額於損益確認。

按歷史成本以外幣計量之非貨幣項目，採用初步交易日期之匯率換算。

### 3. 重大會計判斷及估計

編製本集團財務報表時，管理層需要作出會影響收入、開支、資產及負債呈報金額及其相關披露以及或然負債披露之判斷、估計及假設。該等假設及估計之不確定性可能導致日後須就受影響之資產或負債賬面值作出重大調整。

#### 估計不確定性

下文所討論有關於報告期末就估計不確定性之未來及其他主要來源之主要假設存在可導致資產與負債賬面值於下一財務年度需要作出重大調整之重大風險，茲描述如下。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty (continued)

##### Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the reporting period. Non-financial assets with finite useful lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

##### Provisions for reinstatement costs

The Group makes provisions for reinstatement costs associated with certain leased properties under operating leases attributable to the Group based on the estimates of the expected costs to be incurred to settle the relevant contractual obligations under the terms of the leases at the end of the reporting period, which are subject to uncertainties and might differ from the actual costs to be incurred. Significant judgements and estimates are required, including, inter alia, making various assumptions with reference to past experience and available information to determine the expected costs to be incurred. Further details are included in note 20 to the financial statements.

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

##### 非金融資產減值

本集團於報告期末就所有非金融資產評估是否有任何減值跡象。有限定使用年期之非金融資產於有跡象顯示賬面值不可收回之情況下作減值測試。倘資產之賬面值或現金產生單位超過其可收回金額(即公平值減出售成本或使用價值之較高者)，則該資產出現減值。公平值減出售成本乃根據同類資產公平交易中自具約束力之出售交易所得數據或可觀察市價減出售資產之增加成本計算。倘採用使用價值計算方式，則管理層必須估計來自資產或現金產生單位之預期未來現金流量及選取適當之折現率以計算該等現金流量之現值。

##### 修復成本撥備

本集團於報告期末按清償租賃條款下之相關合約責任所產生之預期成本之估計對經營租賃下之若干租賃物業有關之本集團應佔復原成本作出撥備，當中存在不確定因素並可能與予產生之實際成本有差異。於釐定將產生之預期成本時須作出重大判斷及估計，當中包括參考過往經驗及可用資料作出多種假設。其進一步詳情載於財務報表附註20。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty (continued)

##### Impairment of receivables

The Group assesses at the end of the reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers various factors including, inter alia, the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

##### Net realisable value of inventories

The Group performs periodical assessment of the carrying amounts of inventories with reference to, inter alia, the nature, ageing and condition of inventories, relevant historical data, pricing policy and strategies, subsequent sales information and current market condition. Based on such assessment, write-down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable values. Due to changes in market and economic environment and customers' preference, actual saleability of inventories and actual selling prices that could be realised might be different from the original estimation and profit or loss could be affected by differences in these estimations.

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

##### 應收款項之減值

本集團於報告期末評估是否有客觀跡象顯示應收款項發生減值。為釐定是否有減值客觀跡象，本集團考慮多種因素，當中包括債務人破產或有重大財務困難及拖欠或重大拖延付款之可能性。

##### 存貨之可變現淨值

本集團參考 (其中包括) 存貨之性質、庫齡及狀態，相關過往銷售數據，定價政策及策略，往後銷售資料以及現行市況，定期評估存貨之賬面值。根據有關評估，倘存貨賬面值跌至低於其估計可變現淨值，則存貨將予以撇減。由於市場及經濟環境及顧客偏好不斷變化，貨品實際適銷性及可變現實際售價或會與初始估計有所不同，而此估計之差額可能對損益造成影響。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 4. OPERATING SEGMENT INFORMATION

The Group principally focuses on the retail and wholesale of imported furniture, and special projects. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

#### Geographical information

##### (a) Revenue from external customers

Substantially all of the Group's revenues from external customers during the years ended 31 March 2018 and 2017 were attributed to Hong Kong based on the location of the customers or the location of certain key processes/resources from which the Group derived the revenues.

##### (b) Non-current assets

All of the Group's non-current assets as at the end of the reporting period were located in Hong Kong based on the location of the assets.

#### Information about major customers

No revenues from transactions with a single external customer for the years ended 31 March 2018 and 2017 amounted to 10% or more of the total revenues of the Group.

### 5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of project services rendered during the year.

An analysis of revenue, other income and gains is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Revenue</b>	<b>收入</b>		
Retail of furniture	傢俬零售	<b>239,298</b>	207,859
Wholesale of furniture	傢俬批發	<b>12,212</b>	13,138
Special projects – project sales and consultancy services arrangements	工程項目－項目銷售及諮詢服務安排	<b>7,043</b>	3,334
		<b>258,553</b>	224,331

### 4. 經營分部資料

本集團主要經營進口傢俬零售與批發及工程項目。就資源分配及表現評估而言，向本集團主要經營決策者匯報之資料，側重於本集團之整體經營業績，因為本集團之資源已整合且並無分散經營分部資料可提供。因此，並無呈列經營分部資料。

#### 地區資料

##### (a) 來自外部客戶之收入

於截至2018年及2017年3月31日止年度，本集團來自外部客戶之收入按客戶所處位置或按本集團由此獲得收入之若干重要業務流程／資源之位置絕大部分來自香港。

##### (b) 非流動資產

本集團於報告期末之非流動資產按資產所處位置全部均位於香港。

#### 有關主要客戶之資料

截至2018年及2017年3月31日止年度，概無來自單一外部客戶交易之收入佔本集團總收入10%或以上。

### 5. 收入、其他收入及收益

收入指年內經扣除退貨及貿易折扣之已售商品發票淨值，以及所提供項目服務之價值。

收入、其他收入及收益之分析如下：

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 5. REVENUE, OTHER INCOME AND GAINS (Continued)

The Group generated revenues from certain projects for the supply of custom-made furniture and other related products and services ("project sales") and arrangements involving the supply of custom-made furniture and related products and services by external furniture suppliers to certain fellow subsidiaries ("consultancy services arrangements"). During the year, the Group's total revenue from consultancy services arrangements amounted to approximately HK\$2,227,000 (2017: HK\$1,374,000).

The Group entered into several contractual agreements with certain third parties for the supply of custom-made furniture and related services, pursuant to which, the Group directly/indirectly delivered such goods and services to certain fellow subsidiaries and, in the opinion of the directors of the Company, these are special project arrangements involving the fellow subsidiaries. During the year, the Group recognised project sales revenues of approximately HK\$1,346,000 (2017: HK\$109,000) under such arrangements.

### 5. 收入、其他收入及收益 (續)

本集團自供應訂製傢俬及其他相關產品及服務(「項目銷售」)以及涉及外部傢俬供應商向若干同系附屬公司供應訂製傢俬及有關產品及服務之安排(「諮詢服務安排」)之若干項目中賺取收入。年內，本集團來自於諮詢服務安排之收入總額分別約為2,227,000港元(2017年：1,374,000港元)。

本集團與若干第三方就供應客戶訂製傢俬及相關服務訂立多份合約安排，據此，本集團直接／間接交付該等商品及服務予若干同系附屬公司，而本公司董事認為，該等安排乃涉及同系附屬公司之工程項目安排。年內，本集團根據該等安排確認項目銷售收入約1,346,000港元(2017年：109,000港元)。

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Other income and gains</b>	<b>其他收入及收益</b>		
Other service income	其他服務收入	<b>707</b>	701
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益	—	75
Provision for reinstatement costs – reversal of unutilised provisions/ decrease in estimated provisions	修復成本撥備—未動用撥備撥回／估計撥備減少	—	3,574
Bank interest income	銀行利息收入	<b>240</b>	—
Others	其他	<b>488</b>	276
		<b>1,435</b>	4,626

### 6. FINANCE COST

### 6. 財務成本

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interest on bank borrowings	銀行借款之利息	<b>283</b>	1



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

### 7. 除稅前溢利

本集團除稅前溢利已扣除／(計入)下列各項：

	Note 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cost of inventories sold and services provided	已出售存貨成本及已提供服務成本	<b>94,706</b>	78,904
Net write-down/(reversal of write-down) of inventories to net realisable value	淨撇減存貨／(撇減存貨之撥回)至可變現淨值	<b>(75)</b>	123
Total amount recognised as cost of sales	已確認為銷售成本之總額	<b>94,631</b>	79,027
Auditor's remuneration	核數師酬金	<b>930</b>	400
Depreciation	折舊	<b>8,501</b>	9,456
Loss/(gain) on disposal/write-off of items of property, plant and equipment*	出售／撇銷物業、廠房及設備項目之虧損／(收益)*	<b>419</b>	(75)
Reversal of impairment of an other receivable*	其他應收款項減值之撥回*	<b>(63)</b>	—
Minimum lease payments under operating leases	經營租賃項下最低租賃付款	<b>49,829</b>	40,942
Contingent rents under operating leases	經營租賃項下或然租金	<b>1,322</b>	618
		<b>51,151</b>	41,560
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):	僱員福利開支(不包括董事薪酬(附註8)):		
Wages, salaries, bonuses and allowances	工資、薪金、花紅及津貼	<b>37,813</b>	31,530
Pension scheme contributions (defined contribution schemes)	退休金計劃供款(定額供款計劃)	<b>1,628</b>	1,379
		<b>39,441</b>	32,909
Foreign exchange differences, net	匯兌差異，淨額	<b>177</b>	(594)

\* The loss on disposal/write-off of items of property, plant and equipment and reversal of impairment of other receivables are included in "General and administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

\* 出售／撇銷物業、廠房及設備項目之虧損以及其他應收款項減值之撥回乃計入綜合損益及其他全面收益表內之「一般及行政開支」。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration of the Group for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Hong Kong Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Fees	袍金	223	—
Other emoluments: Salaries, allowances and discretionary bonuses	其他酬金： 薪金、津貼及酌情花紅	4,597	3,992
Pension scheme contributions (defined contribution scheme)	退休金計劃供款 (定額供款計劃)	36	36
		4,633	4,028
		4,856	4,028

#### (a) Independent non-executive directors

During the year, Mr. Ng Hoi Yue, Mr. Chiu Kin Fai and Ms. Chan Yee Man were appointed as independent non-executive directors of the Company on 8 January 2018.

The fees paid to independent non-executive directors during the year were as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Mr. Ng Hoi Yue	伍海于先生	41	—
Mr. Chiu Kin Fai	招健暉先生	41	—
Ms. Chan Yee Man	陳綺雯女士	41	—
		123	—

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

### 8. 董事及主要行政人員酬金

根據聯交所證券上市規則(「上市規則」)、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及香港公司(披露董事利益資料)規例第2部所披露於年內本集團董事及主要行政人員酬金如下：

#### (a) 獨立非執行董事

年內，伍海于先生、招健暉先生及陳綺雯女士於2018年1月8日獲委任為本公司之獨立非執行董事。

年內，已付獨立非執行董事之袍金如下：

年內並無應付獨立非執行董事之其他薪酬(2017年：無)。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (b) Executive directors and the chief executive

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and discretionary bonuses 薪金、津貼及酌情花紅 HK\$'000 千港元	Pension scheme contributions 退休金計劃供款 HK\$'000 千港元	Total remuneration 酬金總額 HK\$'000 千港元
2018	2018年				
Executive director and chief executive: Ng Koon Keung, Ricky	執行董事及主要行政人員： 吳冠強	25	2,780	18	2,823
Executive directors: Mok Fung Lin, Ivy	執行董事： 莫鳳蓮	25	1,817	18	1,860
Wong Chi Fai	黃志輝	25	—	—	25
Fan Man Seung, Vanessa	范敏嫦	25	—	—	25
		100	4,597	36	4,733

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and discretionary bonuses 薪金、津貼及酌情花紅 HK\$'000 千港元	Pension scheme contributions 退休金計劃供款 HK\$'000 千港元	Total remuneration 酬金總額 HK\$'000 千港元
2017	2017年				
Executive director and chief executive: Ng Koon Keung, Ricky	執行董事及主要行政人員： 吳冠強		2,484	18	2,502
Executive directors: Mok Fung Lin, Ivy	執行董事： 莫鳳蓮		1,508	18	1,526
Wong Chi Fai	黃志輝		—	—	—
Fan Man Seung, Vanessa	范敏嫦		—	—	—
			3,992	36	4,028

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內，概無董事或主要行政人員根據任何安排放棄或同意放棄任何酬金。



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### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two directors (2017: two directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2017: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Salaries, allowances and discretionary bonuses	薪金、津貼及酌情花紅	3,169	2,790
Pension schemes contributions	退休金計劃供款	147	142
		<b>3,316</b>	2,932

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2018	2017
Nil to HK\$1,000,000	零至1,000,000港元	2	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
		<b>3</b>	3

During the year, no emolument was paid or payable by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for the loss of office (2017: Nil).

### 9. 五名最高薪僱員

年內，本集團五名最高薪僱員包括兩名董事（2017年：兩名董事），其酬金詳情載於上文附註8。其餘三名（2017年：三名）並非本公司董事又非主要行政人員之最高薪僱員於年內之酬金詳情如下：

酬金在下列範圍內之非董事及非主要行政人員之最高薪僱員人數如下：

年內，本集團並無向非董事及非主要行政人員之最高薪酬僱員支付或應付任何酬金，作為吸引加入本集團或於加入本集團後之獎勵或離職賠償（2017年：無）。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

### 10. 所得稅

香港利得稅乃就於年內在香港產生之估計應課稅溢利按稅率16.5% (2017年：16.5%) 作出撥備。

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Current – Hong Kong	即期－香港		
Charge for the year	年內支出	<b>4,661</b>	6,128
Overprovision in prior years	過往年度超額撥備	<b>(125)</b>	–
Deferred (note 21)	遞延(附註21)	<b>(467)</b>	(701)
Total tax charge for the year	年內稅項支出總額	<b>4,069</b>	5,427

A reconciliation of the tax expense applicable to profit before tax at the Hong Kong statutory tax rate (statutory tax rate for the jurisdiction in which the Company and the majority of the Group's operating subsidiaries are domiciled) to the tax charge at the Group's effective tax rate is as follows:

按香港法定稅率(本公司及本集團大部分經營附屬公司所在司法權區之法定稅率)計算適用於除稅前溢利之稅項開支與按本集團實際稅率計算之稅項支出對賬如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before tax	除稅前溢利	<b>12,546</b>	35,572
Tax expense at the Hong Kong statutory tax rate of 16.5%	按香港法定稅率16.5%計算之稅項開支	<b>2,070</b>	5,869
Adjustment in respect of current tax of previous periods	過往期間即期稅項調整	<b>(125)</b>	–
Income not subject to tax	無需繳稅之收入	<b>(50)</b>	(589)
Expenses not deductible for tax	不可扣稅開支	<b>2,221</b>	187
Others	其他	<b>(47)</b>	(40)
Tax charge at the Group's effective tax rate	按本集團實際稅率計算之稅項支出	<b>4,069</b>	5,427

### 11. DIVIDEND

### 11. 股息

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interim – HK\$0.12 (2017: Nil) per ordinary share	中期股息－每股普通股0.12港元(2017年：無)	<b>72,000</b>	–

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## 財務報表附註

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### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent of HK\$8,477,000 (2017: HK\$30,145,000) and the weighted average number of ordinary shares of 633,972,603 (2017: 600,000,000) in issue during the year, as adjusted retrospectively to reflect a share subdivision of the Company during the year (note 22).

In determining the weighted average number of ordinary shares in issue, the share subdivision of the Company during the year was deemed to have been completed on 1 April 2016.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2018 and 2017.

The calculations of basic and diluted earnings per share are based on:

### 12. 母公司普通股權益擁有人應佔每股盈利

每股基本盈利金額乃根據年內母公司普通股權益擁有人應佔溢利8,477,000港元(2017年: 30,145,000港元)及年內已發行普通股加權平均數633,972,603股(2017年: 600,000,000股)計算, 當中經追溯調整以反映本公司於年內進行之股份拆細(附註22)。

於釐定已發行普通股加權平均數時, 本公司於年內進行之股份拆細被視為於2016年4月1日已經完成。

本集團於截至2018年及2017年3月31日止年度並無具潛在攤薄作用之已發行普通股。

下列為用作計算每股基本及攤薄盈利之數據:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculations	計算每股基本及攤薄盈利所用母公司普通股權益擁有人應佔溢利	<b>8,477</b>	30,145
		Number of shares 股份數目	
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations, as adjusted retrospectively to reflect the share subdivision of the Company during the year	計算每股基本及攤薄盈利(經追溯調整以反映本公司於年內進行之股份拆細)所用之年內已發行普通股加權平均數	<b>633,972,603</b>	600,000,000



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>31 March 2018</b>	<b>2018年3月31日</b>				
At 31 March 2017 and at 1 April 2017:	於2017年3月31日及 2017年4月1日：				
Cost	成本	44,684	12,223	2,077	58,984
Accumulated depreciation	累計折舊	(32,489)	(11,813)	(2,035)	(46,337)
Net carrying amount	賬面淨值	12,195	410	42	12,647
At 1 April 2017, net of accumulated depreciation	於2017年4月1日， 扣除累計折舊	12,195	410	42	12,647
Additions	添置	12,754	611	411	13,776
Disposal/write-off	出售／撇銷	(536)	(7)	–	(543)
Depreciation provided during the year	年內折舊撥備	(8,209)	(209)	(83)	(8,501)
At 31 March 2018, net of accumulated depreciation	於2018年3月31日， 扣除累計折舊	16,204	805	370	17,379
At 31 March 2018:	於2018年3月31日：				
Cost	成本	51,087	12,536	2,198	65,821
Accumulated depreciation	累計折舊	(34,883)	(11,731)	(1,828)	(48,442)
Net carrying amount	賬面淨值	16,204	805	370	17,379

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 13. PROPERTY, PLANT AND EQUIPMENT (Continued)

### 13. 物業、廠房及設備 (續)

		Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>31 March 2017</b>	<b>2017年3月31日</b>				
At 1 April 2016:	於2016年4月1日：				
Cost	成本	46,807	12,113	2,217	61,137
Accumulated depreciation	累計折舊	(27,407)	(11,588)	(2,011)	(41,006)
Net carrying amount	賬面淨值	19,400	525	206	20,131
At 1 April 2016, net of accumulated depreciation	於2016年4月1日， 扣除累計折舊	19,400	525	206	20,131
Additions	添置	2,825	110	–	2,935
Disposal/write-off	出售/ 撤銷	(920)	–	(43)	(963)
Depreciation provided during the year	年內折舊撥備	(9,110)	(225)	(121)	(9,456)
At 31 March 2017, net of accumulated depreciation	於2017年3月31日， 扣除累計折舊	12,195	410	42	12,647
At 31 March 2017:	於2017年3月31日：				
Cost	成本	44,684	12,223	2,077	58,984
Accumulated depreciation	累計折舊	(32,489)	(11,813)	(2,035)	(46,337)
Net carrying amount	賬面淨值	12,195	410	42	12,647

### 14. INVENTORIES

### 14. 存貨

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Goods held for sale	持作出售貨品	<b>44,226</b>	32,944

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 15. TRADE RECEIVABLES

### 15. 貿易應收款項

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade receivables	貿易應收款項	<b>6,263</b>	4,473

The Group's retail sales are usually paid in cash or by major credit/debit cards. The Group's trading terms with its wholesale, project and consultancy services customers are mainly on credit, except for new customers, where payment in advance/upon delivery is normally required. The credit period for these customers is generally one to two months, or extending up to six months for major project and consultancy service customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團之零售銷貨通常以現金支付或以主要信用卡／扣賬卡形式支付。本集團與其批發客戶、項目客戶及諮詢服務客戶之貿易條款主要為以信貸方式結賬，惟新客戶一般情況下須按預付／交貨付款方式結算。該等客戶之信貸期一般為一至兩個月，或如為主要的項目客戶及諮詢服務客戶，則最多延長至六個月。本集團力求嚴格控制其未清償之應收款項，並由高級管理層審閱逾期結欠。本集團並無就其貿易應收款項結餘持有任何抵押品或其他信用提升措施。貿易應收款項為不計息。

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date, is as follows:

於報告期末，本集團貿易應收款項按發票日期之賬齡分析如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within 1 month	一個月內	<b>3,713</b>	2,045
1 to 3 months	一至三個月	<b>2,409</b>	1,918
Over 3 months	三個月以上	<b>141</b>	510
		<b>6,263</b>	4,473

Included in the Group's trade receivables at 31 March 2017 were amounts due from fellow subsidiaries of approximately HK\$221,000, which were unsecured, non-interest-bearing and repayable within one month.

應收同系附屬公司款項約221,000港元計入本集團於2017年3月31日之貿易應收款項。該款項為無抵押、不計息及須於一個月內償還。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 15. TRADE RECEIVABLES (Continued)

The ageing analysis of the trade receivables that are not considered to be impaired is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Neither past due nor impaired	既非逾期亦無減值	5,674	2,820
Less than 1 month past due	逾期少於一個月	137	1,094
1 to 3 months past due	逾期一至三個月	263	105
Over 3 months past due	逾期超過三個月	189	454
		6,263	4,473

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

### 15. 貿易應收款項 (續)

未被視為已減值之貿易應收款項賬齡分析如下：

既非逾期亦無減值之應收款項與多名最近無拖欠記錄之客戶有關。

已逾期但無減值之應收款項乃與多名於本集團有良好記錄之客戶有關。由於信貸質素並無重大變動及結餘仍被視為可全數收回，根據過往經驗，本公司董事認為並無必要就該等結餘作出減值撥備。

### 16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Prepayments	預付款項	2,683	2,889
Deposits and other receivables	按金及其他應收款項	20,370	17,571
		23,053	20,460
Impairment	減值	(115)	(178)
		22,938	20,282
Less: Non-current portion	減：非流動部分	(11,361)	(6,762)
Current portion	流動部分	11,577	13,520

None of the financial assets included in the above balances is either past due or impaired, except for an other receivable which was fully impaired, with a carrying amount before provision of approximately HK\$115,000 as at 31 March 2018 (2017: HK\$178,000). The financial assets included in the above balances relate to deposits and other receivables for which there was no recent history of default.

The individually impaired other receivable relates to a debtor that was in default in payments and the balance is not expected to be recovered.

### 16. 預付款項、按金及其他應收款項

於2018年3月31日計入上述結餘內之金融資產概無逾期亦無減值，惟已悉數減值之一項其他應收款項除外，其賬面值於撥備前約為115,000港元（2017年：178,000港元）。計入上述結餘內之金融資產與最近無拖欠記錄之按金及其它應收款項有關。

個別已減值其他應收款項與一名拖欠支付之債務人有關，預期該等結餘不可收回。

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## 財務報表附註

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### 16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Included in the Group's other receivables at 31 March 2017 was an amount due from a fellow subsidiary of approximately HK\$50,000, which was unsecured, non-interest-bearing and had no fixed terms of repayment.

Included in the Group's other receivables is an amount due from the immediate holding company of approximately HK\$3,000 as at 31 March 2018 (2017: HK\$1,000), which is unsecured, non-interest-bearing and has no fixed terms of repayment.

### 17. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within 1 month	一個月內	6,891	4,907
1 to 3 months	一至三個月	70	3
Over 3 months	三個月以上	115	336
		7,076	5,246

The trade and bills payables are non-interest-bearing and are normally settled on 60-day to 120-day terms.

The Group's trade and bills payables include amounts denominated in the following foreign currencies:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
United States dollar ("US\$")	美元(「美元」)	450	380
Euro ("EUR")	歐元(「歐元」)	6,344	4,343
		6,794	4,723

### 16. 預付款項、按金及其他應收款項 (續)

應收同系附屬公司款項約50,000港元計入本集團於2017年3月31日之其他應收款項。該款項為無抵押、免息及無固定償還期限。

於2018年3月31日應收直接控股公司款項約3,000港元(2017年: 1,000港元)計入本集團之其他應收款項。該款項為無抵押、免息及無固定償還期限。

### 17. 貿易應付款項及應付票據

於報告期末, 貿易應付款項及應付票據按發票日期之賬齡分析如下:

貿易應付款項及應付票據為不計息且一般須於60日至120日內結清。

本集團貿易應付款項及應付票據包括以下列外幣計值之款項:

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### 18. OTHER PAYABLES AND ACCRUALS

### 18. 其他應付款項及應計費用

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Other payables and accruals	其他應付款項及應計費用	12,049	7,182
Deferred revenue	遞延收入	277	1,033
Customer deposits	客戶按金	16,293	17,421
		28,619	25,636

Included in the Group's other payables and accruals is an amount due to a fellow subsidiary of approximately HK\$1,626,000 as at 31 March 2018 (2017: HK\$1,073,000), which is unsecured, non-interest-bearing and has no fixed terms of repayment. Except for the above, other payables are non-interest-bearing and have an average term of one month.

於2018年3月31日應付同系附屬公司款項約1,626,000港元(2017年: 1,073,000港元)計入本集團其他應付款項及應計費用。該款項為無抵押、免息及無固定償還期限。除上述者外，其他應付款項為免息，平均期限為一個月。

Deferred revenue represents cash received in advance from the sale of gift vouchers. Revenue is recognised and deferred revenue is released to profit or loss when the gift vouchers are used by end-customers.

遞延收入指自銷售禮券預收之現金。收入於終端客戶使用禮券時確認，而遞延收入亦於此時撥回至損益。

### 19. INTEREST-BEARING BANK BORROWINGS

### 19. 計息銀行借款

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Current</b>	<b>即期</b>		
Bank borrowings repayable within one year or on demand – unsecured	於一年內或按要求償還之銀行借款 – 無抵押	19,798	–

The Group's bank borrowings are denominated in the following currencies:

本集團之銀行借款以下列貨幣計值：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
US\$	美元	487	–
EUR	歐元	13,311	–
HK\$	港元	6,000	–
		19,798	–



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 19. INTEREST-BEARING BANK BORROWINGS (Continued)

As at 31 March 2018, the bank borrowings bore interest at United States dollar/Euro prime lending rates as quoted by the relevant banks or the higher of the following:

- United States dollar/Euro prime lending rates as quoted by the relevant banks
- London Interbank Offered Rate plus 1.95% – 2.5%
- Hong Kong Interbank Offered Rate plus 2.75%

As at 31 March 2018, the bank borrowings of the Group with a total carrying amount of approximately HK\$19,798,000 (2017: Nil) containing a repayment on demand clause have been classified in total as current liabilities. For the purpose of the above analysis, the bank borrowings are analysed into bank borrowings repayable within one year or on demand.

As at 31 March 2018, the Group had aggregate banking facilities amounting to approximately HK\$67,000,000 (2017: HK\$32,000,000), of which an aggregate amount of HK\$32,811,000 (2017: HK\$8,334,000) was utilised as at 31 March 2018.

Dr. Albert Yeung, the Deemed Substantial Shareholder, had provided personal guarantees (the “Personal Guarantees”) for the Group’s banking facilities in the prior year and up to 29 January 2018.

As agreed by the relevant banks, the Personal Guarantees provided by Dr. Albert Yeung have been replaced by guarantees from the Company upon the listing of the shares of the Company on the Main Board of the Stock Exchange (the “Listing”).

### 19. 計息銀行借款(續)

於2018年3月31日，銀行借款按有關銀行所報美元／歐元最優惠貸款利率或以下較高者計息：

- 相關銀行所報美元／歐元最優惠貸款利率
- 倫敦銀行同業拆息率加1.95%至2.5%
- 香港銀行同業拆息加2.75%

於2018年3月31日，賬面總額約為19,798,000港元（2017年：無）且包含按要求償還條款之本集團銀行借款已作為流動負債歸入總額。就上述分析而言，銀行借款分為於一年內償還或按要求償還。

於2018年3月31日，本集團之銀行融資總額約為67,000,000港元（2017年：32,000,000港元），其中於2018年3月31日已動用總額約32,811,000港元（2017年：8,334,000港元）。

於過往年度及截至2018年1月29日止，認定主要股東楊受成博士為本集團之銀行融資提供個人擔保（「個人擔保」）。

本公司股份於聯交所主板上市（「上市」）後，經有關銀行同意，由楊受成博士提供之個人擔保已以本公司提供之擔保取代。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 20. PROVISIONS

Pursuant to the terms of relevant tenancy agreements, the Group, as the lessee of certain properties under operating leases, has the obligations to reinstate its leased properties to their original state or to a condition as specified in the respective tenancy agreements at the cost of the Group at the end/upon the termination of the relevant lease terms.

### 20. 撥備

根據有關租賃協議條款，本集團作為經營租賃項下若干物業之承租人於有關租賃期結束／終止時，有責任修復其租用物業至原狀或至各自租賃協議所規定之狀況，費用由本集團承擔。

		Provisions for reinstatement costs 修復成本撥備	
		2018	2017
At beginning of year	於年初	<b>3,975</b>	8,216
Additional provisions	額外撥備	<b>3,326</b>	300
Amounts utilised during the year	年內已動用金額	<b>(2,000)</b>	(47)
Reversal of unutilised amounts/ decrease in estimated provisions	未動用金額撥回／估計 撥備減少	—	(4,494)*
At 31 March	於3月31日	<b>5,301</b>	3,975
Less: Non-current portion	減：非流動部分	<b>(4,060)</b>	(1,530)
Current portion	流動部分	<b>1,241</b>	2,445

\* For the decrease in estimated provisions, except for the decrease that exceeded the carrying amount of the related assets, which is recognised immediately in profit or loss, the remaining amount of approximately HK\$920,000 was deducted (written off) from the cost of the related assets during the year ended 31 March 2017 (note 13).

\* 就估計撥備減少而言，除超過相關資產面值之減少（即時於損益賬中確認）外，餘額約920,000港元於截至2017年3月31日止年度自相關資產成本中扣除（撇銷）（附註13）。

The provisions for reinstatement costs were determined based on certain assumptions and estimates made by the directors of the Company with reference to past experience and available information. The assumptions and estimates are reviewed, and revised where appropriate, at least at each financial year end.

修復成本撥備乃根據本公司董事參考過往經驗及可用資料作出之假設及估計而釐定。該等假設及估計至少於每個財政年度末檢討及修改（如適用）。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 21. DEFERRED TAX ASSETS

The movements in deferred tax assets during the year are as follows:

### 21. 遞延稅項資產

遞延稅項資產於年內之變動如下：

		Note 附註	Depreciation in excess of related depreciation allowance 超出相關折舊 撥備之折舊 HK\$'000 千港元
At 1 April 2016	於2016年4月1日		513
Deferred tax credited to profit or loss during the year	計入年內損益之遞延稅項	10	701
At 31 March 2017 and 1 April 2017	於2017年3月31日及2017年4月1日		1,214
Deferred tax credited to profit or loss during the year	計入年內損益之遞延稅項	10	467
At 31 March 2018	於2018年3月31日		1,681

### 22. SHARE CAPITAL

#### Shares

### 22. 股本

#### 股份

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Issued and fully paid: 800,000,000 (2017: 100) ordinary shares	已發行及悉數繳足股份： 800,000,000股 (2017年：100股) 普通股	<b>110,337</b>	6,065

		Notes 附註	Number of shares in issue 已發行股份數目	Share capital 股本 HK\$'000 千港元
At 1 April 2016, 31 March 2017 and 1 April 2017	於2016年4月1日、 2017年3月31日及 2017年4月1日		<b>100</b>	6,065
Additional shares from share subdivision	股份拆細所得額外股份	(a)	<b>599,999,900</b>	—
Issues of new shares	發行新股份	(b)	<b>200,000,000</b>	112,000
			<b>800,000,000</b>	118,065
Share issue expenses	股份發行開支		—	(7,728)
At 31 March 2018	於2018年3月31日		<b>800,000,000</b>	110,337

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 22. SHARE CAPITAL (Continued)

Notes:

- (a) Pursuant to a written resolution of the sole shareholder of the Company passed on 3 July 2017, every existing ordinary share in the capital of the Company was subdivided into 6,000,000 shares, resulting in the subdivision of 100 ordinary shares of the Company then in issue into 600,000,000 ordinary shares of the Company
- (b) In January 2018, 200,000,000 new ordinary shares of the Company (the "Offer Shares") were issued at a price of HK\$0.56 per share under a share offer in connection with the Listing for a total cash consideration, before expenses, of HK\$112,000,000.

### 23. SHARE OPTION SCHEME

The Company adopted a share option scheme ("Share Option Scheme") on 8 January 2018.

The principal terms of the Share Option Scheme are summarised as follows:

#### (a) Purpose of the Share Option Scheme

To enable the Group to attract, retain and motivate talented eligible participants to strive for future developments and expansion of the Group.

#### (b) Eligibility

Eligible participants of the Share Option Scheme include any director, including any executive or independent non-executive director, any employee of any member of the Group, any trustee of a trust whose beneficiaries or objects include any employee or business associate of the Group, any adviser or consultant to the Group, any provider of goods and/or services to the Group or any other person who the board of directors of the Company considers, in its sole discretion, has contributed or may contribute to the Group.

#### (c) Maximum number of share available for issue under the Share Option Scheme unless approved by the shareholders

- (i) Total number of shares available for issue under the Share Option Scheme as at 27 June 2018 (i.e., the date of this annual report for the year): 80,000,000 shares.
- (ii) Percentage of the issued shares of the Company that it represents as at 27 June 2018: 10%.

### 22. 股本 (續)

附註：

- (a) 根據本公司唯一股東於2017年7月3日通過之書面決議案，本公司股本中每股現有普通股拆細為6,000,000股股份，令本公司100股當時之已發行普通股拆細為600,000,000股本公司普通股。
- (b) 於2018年1月，200,000,000股本公司新普通股（「發售股份」）根據因上市而進行之股份發售而按每股0.56港元之價格發行，總現金代價（扣除開支前）為112,000,000港元。

### 23. 購股權計劃

本公司於2018年1月8日採納一項購股權計劃（「購股權計劃」）。

購股權計劃之主要條款概述如下：

#### (a) 購股權計劃之目的

讓本集團能吸引、挽留及激勵有才幹之合資格參與者以謀求本集團之未來發展及擴張。

#### (b) 資格

購股權計劃之合資格參與者包括本集團任何成員公司之任何董事（包括任何執行董事或獨立非執行董事）或任何僱員、受益人或受益對象包括本集團任何僱員或有業務聯繫人士之任何信託受託人、本集團任何顧問或諮詢人、本集團任何商品及／或服務之供應商、或本公司董事會全權酌情認為對本集團有貢獻或可能會作出貢獻之任何其他人士。

#### (c) 根據購股權計劃可予發行之股份上限數目（除非獲股東另行批准）

- (i) 根據購股權計劃於2018年6月27日（即本年報日期）可予發行之股份總數目：80,000,000股。
- (ii) 於2018年6月27日其佔本公司已發行股份之百分比：10%。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 23. SHARE OPTION SCHEME (Continued)

**(d) Maximum entitlement of each eligible participant under the Share Option Scheme**

- (i) not to exceed 1% of the shares in issue in any 12-month period unless approved by the shareholders; and
- (ii) options granted to substantial shareholders or independent non-executive directors or their respective associates in any 12-month period exceeding 0.1% of the shares in issue and with a value in excess of HK\$5,000,000 must be approved by the shareholders.

**(e) Period within which the shares must be taken up under an option**

At any time during the option period in accordance with the terms of the Share Option Scheme and such other terms and conditions upon which an option was granted from the date of grant of the option but in any event not exceeding 10 years from the date of grant.

**(f) Minimum period for which an option must be held before it can be exercised**

No minimum period unless otherwise determined by the board of directors.

**(g) (i) Price payable on application or acceptance of the option: HK\$1.00;**

- (ii) The period within which payments or calls must or may be made: Within 28 days from the date of grant; and

- (iii) Period within which loans for such purposes of the payments or calls must be repaid: Not applicable.

**(h) Basis for determining the exercise price**

The exercise price is determined by the board of directors of the Company and will not be less than the higher of (a) the Stock Exchange closing price of the Company's shares on the date of grant; and (b) the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the date of grant.

**(i) The remaining life of the Share Option Scheme**

Approximately 9.5 years (expiring on 7 January 2028)

No share option has been granted under the Share Option Scheme since the adoption date of the Share Option Scheme.

### 23. 購股權計劃 (續)

**(d) 購股權計劃項下每名合資格參與者可獲授權益上限**

- (i) 除非獲股東批准，否則在任何12個月期間內不得超過已發行股份之1%；及
- (ii) 於任何12個月期間內向主要股東或獨立非執行董事或彼等各自之聯繫人授出之購股權，若超過已發行股份之0.1%及價值超過5,000,000港元須經股東批准。

**(e) 行使購股權認購股份之期限**

於授出購股權日期起在根據購股權計劃之條款及購股權授出時之有關其他條款及條件所訂之購股權期限內之任何時間，惟於任何情況下，不得超過授出日期起計10年。

**(f) 購股權行使前必須持有之最短期限**

除非董事會另行釐定，否則並無最短期限。

**(g) (i) 申請或接納購股權時所須繳付的代價：1.00港元；**

- (ii) 必須或可能付款或通知付款之期限：授出日期起計28日內；及

- (iii) 作付款或通知付款用途的貸款償還期限：不適用。

**(h) 釐定行使價之基準**

行使價乃由本公司董事會釐定，惟不得低於下列較高者：(a)於授出日期本公司股份之聯交所收市價；及(b)於緊接授出日期前五個營業日日本公司股份之平均聯交所收市價。

**(i) 購股權計劃之餘下期限**

約9.5年（於2028年1月7日到期）。

自購股權計劃採納日期起，概無購股權根據購股權計劃獲授出。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 24. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

During the year, additional provisions for reinstatement costs in respect of certain leased properties of the Group amounting to approximately HK\$3,326,000 (2017: HK\$300,000) were recognised and these amounts were recognised as part of the cost of related property, plant and equipment of the Group and reflected as additions to leasehold improvements of the Group during the year.

During the year ended 31 March 2017, the cost of certain items of property, plant and equipment relating to certain provisions for reinstatement costs totalling approximately HK\$920,000 was written off as a result of a decrease in the estimated provisions.

#### (b) Changes in liabilities arising from financing activities

### 24. 綜合現金流量表附註

#### (a) 主要非現金交易

年內，就本集團若干租用物業所作出之修復成本已作出額外撥備約3,326,000港元(2017年：300,000港元)，有關款項確認為本集團相關物業、廠房及設備成本之一部分，並於年內呈列為本集團之租賃物業裝修添置。

截至2017年3月31日止年度，由於估計撥備減少，與復原成本若干撥備有關之若干物業、廠房及設備成本合共約920,000港元被撇銷。

#### (b) 融資活動產生之負債之變動

		Bank borrowings 銀行借款 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	—
Changes from financing cash flows	融資現金流量之變動	19,798
At 31 March 2018	於2018年3月31日	19,798

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 25. OPERATING LEASE ARRANGEMENTS

#### As lessee

The Group leases certain of its office properties, retail stores, warehouses and office equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to four years, and those for office equipment are for terms of five years.

At 31 March 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	38,872	38,017
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	38,779	20,720
		77,651	58,737

The operating leases of certain retail stores also called for additional rentals, which would be based on a certain percentage of revenue/turnover of the operations being undertaken therein pursuant to the terms and conditions as stipulated in the respective tenancy agreements. As the future revenue/turnover of these stores could not be reliably determined at the end of each of the financial year, the relevant contingent rental has not been included in the operating lease commitments disclosure above. Certain of the lease arrangements contain renewal options.

On 7 June 2017, the Group entered into a termination agreement (the "Termination Agreement") with a fellow subsidiary to terminate a tenancy agreement (the "Tenancy Agreement") with the fellow subsidiary in respect of a retail store of the Group with an original lease term from 1 April 2015 to 31 March 2018, with effect from 1 August 2017.

### 25. 經營租賃安排

#### 作為承租人

本集團根據經營租賃安排租用其若干辦公場所、零售店、倉庫及辦公設備。物業之商定租期介乎一至四年，而辦公設備之租期為五年。

於2018年3月31日，本集團不可撤銷經營租賃下未來最低租賃付款額之到期情況如下：

若干零售店之經營租賃亦收取額外租金，此乃根據各自租賃協議所訂條款及條件按所從事業務所得收入／營業額之若干百分比收取。由於該等店舖於各財政年末之未來收入／營業額無法可靠釐定，故有關或然租金未計入上述披露之經營租賃承擔內。若干租賃安排包含續約選擇權。

於2017年6月7日，本集團與一家同系附屬公司簽訂終止協議（「終止協議」），終止本集團一家零售店舖初始租賃期為2015年4月1日至2018年3月31日之租賃協議，於2017年8月1日起生效。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 26. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions, arrangements and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

		Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Fellow subsidiaries</b>	<b>同系附屬公司</b>			
Project sales	項目銷售	(i)	3,278	1,108
Rentals	租金	(ii)	12,721	15,423
Reimbursement of administrative expenses	行政開支之償付	(iii)	1,464	577
<b>Other related company*</b>	<b>其他關聯公司*</b>			
Project sales	項目銷售	(i)	891	—
Sponsor and financial advisory fees	保薦及財務顧問費	(iv)	1,257	—
Underwriting fee	包銷費	(v)	3,360	—

\* AY Holdings has beneficial interest in this related company.

Notes:

- (i) The project sales were on terms agreed by the relevant parties as set out in the respective agreements.
- (ii) The rentals charged were based on terms as agreed by the relevant parties as set out in respective tenancy agreements.
- (iii) The reimbursement of administrative expenses charged by a fellow subsidiary was with reference to the costs incurred by the fellow subsidiary.
- (iv) The related company was appointed as one of the joint sponsors for the Listing. The sponsor and financial advisory fees were charged by the related company based on terms as set out in respective agreements.
- (v) A commission equal to 3% of the aggregate offer price paid for the Offer Shares of the Company was charged by the related company pursuant to an underwriting agreement entered into with that related company.

### 26. 關聯方交易

- (a) 除財務報表其他地方所詳述之交易、安排及結餘外，本集團於年內與關聯方有以下交易：

\* 楊受成產業控股於該關聯公司中擁有實益權益。

附註：

- (i) 項目銷售乃基於由相關方按相關協議所載協定之條款進行。
- (ii) 租金乃按相關方協定之載列於各自租賃協議之條款支付。
- (iii) 同系附屬公司收取之行政開支乃參考該同系附屬公司產生之成本償付。
- (iv) 關聯公司獲委任為上市之聯席保薦人。關聯公司所收取之保薦及財務顧問費按載列於各自協議之條款收取。
- (v) 根據與關聯公司訂立之包銷協議，關聯公司所收取之佣金為就本公司之發售股份已付之總發售價之3%。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 26. RELATED PARTY TRANSACTIONS

(Continued)

- (b) The amount due from the immediate holding company included in the Company's current assets is unsecured, interest-free and has no fixed terms of repayment.

#### (c) Operating lease arrangements

At 31 March 2018, the Group had total future minimum lease payments under non-cancellable operating leases of properties entered into with certain fellow subsidiaries of the Group falling due as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	2,341	16,207
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	3,780	714
		6,121	16,921

The above future minimum lease payments and the effect of the Termination Agreement thereon are also included in note 25 to the financial statements.

上述未來最低租賃付款及終止協議之影響亦已載入財務報表附註25。

- (d) Compensation of key management personnel of the Group:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	7,766	6,782
Post-employment benefits	離職福利	183	178
Total compensation paid to key management personnel	付予主要管理人員之薪酬總額	7,949	6,960

Further details of the directors' and chief executive's emoluments are included in note 8 to the financial statements.

董事及主要行政人員酬金之其他詳情載於財務報表附註8。

- (e) Pursuant to certain conditions of the Tenancy Agreement for a retail store of the Group entered into with a fellow subsidiary on 31 March 2015, upon the natural expiry or early termination of the Tenancy Agreement (for the whole or an applicable portion of the leased property) under certain conditions, the Group could hand over the property (or the applicable portion) to the landlord, on "as-is basis" condition as at the date of the handover without reinstatement provided that the Group should pay an aggregate amount in lieu of reinstatement of HK\$2,000,000 upon expiry/termination of the lease term of the Tenancy Agreement.

- (e) 根據於2015年3月31日與一家同系附屬公司簽訂之有關本集團零售店舖之租賃協議之若干條件，租賃協議(租賃物業之全部或適用部份)基於若干條件自然屆滿或提前終止後，本集團可於移交日期按現狀移交物業(或適用部分)至業主，而無需還原裝修，前提是本集團須於租賃協議之租賃期屆滿／終止後支付合共2,000,000港元還原費。

### 26. 關聯方交易 (續)

- (b) 計入本公司流動資產之應收直接控股公司之款項為無抵押、免息及無固定償還期限。

#### (c) 經營租賃安排

於2018年3月31日，本集團於若干同系附屬公司簽訂之不可撤銷經營租賃項下未來最低租賃付款總額之到期情況如下：

- (d) 本集團主要管理人員薪酬：

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 26. RELATED PARTY TRANSACTIONS

(Continued)

(e) (continued)

As further detailed in note 25 to the financial statements, the Group and the landlord agreed to terminate the Tenancy Agreement with effect from 1 August 2017 and the Group settled the aggregate amount in lieu of reinstatement of HK\$2,000,000 with the landlord upon termination of the lease term of the Tenancy Agreement during the year.

(f) During the year, marketing and promotional expenses of HK\$400,000 (2017: Nil) were charged by a fellow subsidiary based on terms as agreed by the relevant parties.

### 26. 關聯方交易 (續)

(e) (續)

誠如財務報表附註25進一步詳述，本集團及業主同意自2017年8月1日起終止租賃協議，本集團於年內已於租賃協議租期終止後向業主支付合共2,000,000港元代替修復成本。

(f) 年內，一間同系附屬公司根據有關方協定之條款收取營銷及推廣費用400,000港元(2017年：無)。

### 27. CONTINGENT LIABILITIES

At 31 March 2018, contingent liabilities not provided for by the Group in the financial statements were as follows:

### 27. 或然負債

於2018年3月31日，本集團並未於財務報表作出撥備之或然負債如下：

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
In connection with a bank guarantee given to a landlord in lieu of rental deposit required under certain tenancy agreement	有關向一名業主作出之銀行擔保，以代替若干租賃協議規定之租金按金	2,535
		—

### 28. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

### 28. 按類別劃分之金融工具

各類別金融工具於報告期末之賬面值如下：

#### Financial assets

#### 金融資產

	Loans and receivables 貸款及應收款項	2018	2017
Trade receivables	貿易應收款項	6,263	4,473
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項內之金融資產	19,840	13,607
Cash and cash equivalents	現金及現金等價物	83,385	39,818
		109,488	57,898

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 28. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

#### Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本計量之金融負債	
		2018	2017
Trade and bills payables	貿易應付款項及應付票據	7,076	5,246
Financial liabilities included in other payables and accruals	計入其他應付款項及應計 費用內之金融負債	8,053	5,690
Interest-bearing bank borrowings	計息銀行借款	19,798	—
		34,927	10,936

#### 金融負債

### 28. 按類別劃分之金融工具 (續)

### 29. FAIR VALUE AND FAIR VALUE HIERARCHY

At the end of the reporting period, the carrying amounts of the Group's financial assets and financial liabilities reasonably approximated to their fair values.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities/no fixed terms of repayment of these instruments or the effect of discounting is not material.

### 29. 公平值及公平值層級

於報告期末，本集團之金融資產及金融負債之賬面值合理地與其公平值相若。

金融資產及負債之公平值按工具於自願雙方之間之現時交易(強迫或因清盤出售除外)中所交換之金額入賬。

管理層已作出評估，並得出現金及現金等價物、貿易應收款項、計入預付款項、按金及其他應收款項內之金融資產、貿易應付款項及應付票據、計入其他應付款項及應計費用內之金融負債以及計息銀行借款之公平值乃與彼等之賬面值相若，主要原因是該等工具均屬短期性質／無固定償還期限或並無重大折讓影響。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables and financial liabilities included in other payables and accruals, which mainly arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates. The Group mitigates the risk by monitoring closely the movements in interest rates regularly.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax for the year ended 31 March 2018 (through the impact on floating rate interest-bearing bank borrowings).

		Increase/ (decrease) in basis points 基準點 增加／(減少)	Increase/ (decrease) in profit before tax 除稅前溢利 增加／(減少) HK\$'000 千港元
Year ended 31 March 2018	截至2018年3月31日止年度		
US\$	美元	50 (50)	(2) 2
EUR	歐元	50 (50)	(67) 67
HK\$	港元	50 (50)	(30) 30

The directors of the Company consider that the Group's exposure to interest rate risk as at 31 March 2017 was not significant.

### 30. 財務風險管理目標及政策

本集團之主要金融工具包括計息銀行借款及現金及現金等價物。此等金融工具之主要目的是為本集團之經營業務籌集資金。本集團擁有多項其他金融資產及負債，如貿易應收款項、計入預付款項、按金及其他應收款項內之金融資產、貿易應付款項及應付票據以及計入其他應付款項及應計費用內之金融負債，均主要直接來自經營業務。

本集團金融工具產生之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及批核管理各種有關風險之政策，有關風險概述如下。

#### 利率風險

本集團面臨主要與本集團按浮動利率計息之計息銀行借款有關之市場利率變動之風險。本集團透過定期緊密監控利率變動降低該風險。

下表顯示在所有其他變量保持不變之情況下，本集團於截至2018年3月31日止年度之除稅前溢利(透過對浮息銀行借款之影響)對利率可能出現之合理波動之敏感度。

本公司董事認為，本集團於2017年3月31日面臨之利率風險不大。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures primarily arise from purchases by the Group's operating units and certain monetary liabilities of the Group denominated in EUR and US\$, being currencies other than the units' functional currencies. For the year ended 31 March 2018, certain interest-bearing bank borrowings and purchases of the Group were denominated in EUR, which is different from the functional currencies of the respective operating units. The directors of the Company do not expect any significant movements in the US\$/HK\$ exchange rate as the HK\$ is pegged to the US\$ within a narrow band.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the EUR exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

		Increase/ (decrease) in EUR exchange rate 歐元匯率 上升／(下降) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加／(減少) HK\$'000 千港元
<b>2018</b>	<b>2018年</b>		
If HK\$ weakens against EUR	倘港元兌歐元貶值	5	(983)
If HK\$ strengthens against EUR	倘港元兌歐元升值	(5)	983
<b>2017</b>	<b>2017年</b>		
If HK\$ weakens against EUR	倘港元兌歐元貶值	5	(217)
If HK\$ strengthens against EUR	倘港元兌歐元升值	(5)	217

#### Credit risk

The Group trades on credit terms primarily with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprises, financial assets included in prepayments, deposits and other receivables, and cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 15 to the financial statements.

### 30. 財務風險管理目標及政策(續)

#### 外匯風險

本集團須承受交易貨幣風險。該等風險主要來自本集團經營單位作出之採購及本集團以歐元及美元計值之若干貨幣負債(即該等單位功能貨幣以外之貨幣)。於截至2018年3月31日止年度,本集團進行之若干計息銀行借款及採購乃以歐元計值,與有關經營單位之功能貨幣有別。本公司董事預期美元兌港元匯率將不會有任何重大波動,因為港元與美元掛鈎,只會於小幅度範圍內上落。

下表顯示於報告期末在所有其他變量保持不變之情況下,本集團除稅前溢利對歐元匯率可能出現之合理波動(因貨幣資產及負債之公平值變動)之敏感度。

#### 信貸風險

本集團僅與獲認可且信譽良好之第三方進行信貸買賣。本集團之政策為,所有有意進行信貸買賣之客戶均須通過信貸核實程序。此外,應收款項結餘乃按持續經營基準進行監控,而本集團面對之壞賬風險不大。

本集團其他金融資產(包括計入預付款項、按金及其他應收款項內之金融資產以及現金及現金等價物)之信貸風險來自對手方違約,最大風險額相當於該等工具之賬面值。

有關本集團因貿易應收款項引致之信貸風險之其他定量數據於財務報表附註15披露。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk

The Group's objective is to maintain adequate funds to meet commitments associated with its financial liabilities. Cash flows of the Group are closely monitored by senior management on an on-going basis, considering the maturity of the Group's financial liabilities and financial assets, and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		As at 31 March 2018 於2018年3月31日		
		No fixed terms of repayment/ on demand 無固定還款期／按 要求償還 HK\$'000 千港元	Less than one year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade and bills payables	貿易應付款項及應付票據	–	7,076	7,076
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用內之金融負債	1,626	6,427	8,053
Interest-bearing bank borrowings	計息銀行借款	19,798	–	19,798
		21,424	13,503	34,927

		As at 31 March 2017 於2017年3月31日		
		No fixed terms of repayment/ on demand 無固定還款期／按 要求償還 HK\$'000 千港元	Less than one year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade and bills payables	貿易應付款項及應付票據	–	5,246	5,246
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用內之金融負債	1,073	4,617	5,690
		1,073	9,863	10,936

As at 31 March 2018, the above interest-bearing bank borrowings with carrying amount of approximately HK\$19,798,000 contain a repayment on demand clause giving the banks the unconditional right to call in the borrowings at any time and, therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand".

### 30. 財務風險管理目標及政策 (續)

#### 流動資金風險

本集團旨在保持充足之資金以滿足與其金融負債有關之承擔。本集團高級管理層考慮本集團金融負債與金融資產之到期情況及經營業務之預測現金流量，按持續經營基準密切監控現金流量。

本集團於報告期末之金融負債基於已訂約未折現付款之到期情況如下：

於2018年3月31日，約為19,768,000港元之上述計息銀行借款含有按要求償還條款，賦予銀行無條件之權利於任何時候催還借款，且因此就上述到期情況而言，總額歸類為「按要求償還」。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk (continued)

Notwithstanding the above clause, the directors of the Company do not believe that the borrowings will be called in their entirety at any time and they consider that the borrowings will be repaid in accordance with the maturity dates as set out in the corresponding banking facilities letter and bank correspondence. This evaluation was made after considering: the financial position of the Group at the date of approval of these financial statements; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time.

In accordance with the terms of the bank borrowings which contain a repayment on demand clause, the maturity profile of the bank borrowings as at 31 March 2018, based on the contractual undiscounted payments and ignoring the effect of any repayment on demand clause, is as follows:

	No fixed terms of repayment/ on demand 無固定還款期限／按 要求償還 HK\$'000 千港元	Less than one year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2018 於2018年3月31日	-	19,868	19,868

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 2017.

### 30. 財務風險管理目標及政策(續)

#### 流動資金風險(續)

儘管有上述條款，本公司董事相信借款不會於任何時候被全數催還，且認為借款將於相應銀行融資函件及與銀行之往來通信所載到期日償還。該評估乃經考慮以下情況而作出：本集團於批准財務報表日期之財務狀況；無違約事件；本集團已按時償還所有先前設定之還款。

根據含有按要求償還條款之銀行借款條款，於2018年3月31日之銀行借款基於已訂約未折現付款及不考慮按要求償還條款之影響之到期情況如下：

#### 資本管理

本集團資本管理之主要目標為確保本集團有能力繼續按持續經營方式營運，並維持穩健之資本比率，以支持其業務及盡量提高股東價值。

本集團根據經濟狀況之變化及相關資產之風險特點管理資本架構並作出調整。為維持或調整資本架構，本集團可能調整派付予股東之股息，退還資本予股東或發行新股份。於截至2018年及2017年3月31日止年度，本集團管理資本之目標、政策或程序並無出現變動。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 31. 本公司之財務狀況表

於報告期末有關本公司財務狀況表之資料如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司之投資	<b>6,065</b>	6,065
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Cash and cash equivalents	現金及現金等價物	<b>4</b>	–
Due from a subsidiary	應收附屬公司款項	<b>101,274</b>	64
Due from the immediate holding company	應收直接控股公司款項	<b>3</b>	1
<b>Total current assets</b>	<b>流動資產總值</b>	<b>101,281</b>	65
<b>CURRENT LIABILITY</b>	<b>流動負債</b>		
Due to a subsidiary	應付附屬公司款項	<b>55</b>	–
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>	<b>101,226</b>	65
<b>Net assets</b>	<b>資產淨值</b>	<b>107,291</b>	6,130
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	<b>110,337</b>	6,065
Retained profits/ (accumulated loss) (note)	保留溢利／(累計虧損) (附註)	<b>(3,046)</b>	65
<b>Total equity</b>	<b>權益總額</b>	<b>107,291</b>	6,130

**Wong Chi Fai**  
黃志輝  
Director  
董事

**Ng Koon Keung, Ricky**  
吳冠強  
Director  
董事



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2018 2018年3月31日

### 31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the movements in the Company's retained profits/(accumulated loss) is as follows:

		Retained profits/ (accumulated loss) 保留溢利/ (累計虧損) HK\$'000 千港元
At 1 April 2016	於2016年4月1日	70
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	(5)
At 31 March 2017 and at 1 April 2017	於2017年3月31日及2017年4月1日	65
Profit and total comprehensive income for the year	年內溢利及全面收益總額	68,889
Interim 2018 dividend	2018年中期股息	(72,000)
At 31 March 2018	於2018年3月31日	(3,046)

### 32. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 June 2018.

### 31. 本公司之財務狀況表(續)

附註：

本公司之保留溢利／(累計虧損)變動概述如下：

### 32. 批准財務報表

財務報表已於2018年6月27日獲董事會批准及授權刊發。

# FINANCIAL SUMMARY

## 財務概要

The following table summarises the results, assets and liabilities of the Group for the years ended 31 March 2015, 2016, 2017 and 2018:

The summary of the results, assets and liabilities of the Group for the years ended 31 March 2015, 2016 and 2017 were extracted from the prospectus of the Company dated 16 January 2018. No financial statements of the Group for the year ended 31 March 2014 have been published.

下表概列本集團於截至2015年、2016年、2017年及2018年3月31日止年度之業績、資產及負債：

本集團截至2015年、2016年及2017年3月31日止年度之業績、資產及負債概要摘錄自本公司日期為2018年1月16日之招股章程。本集團並無刊發截至2014年3月31日止年度之財務報表。

		For the year ended 31 March 截至3月31日止年度			
		2015 HK\$'000 千港元	2016 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元
<b>RESULTS</b>	<b>業績</b>				
REVENUE	收入	181,347	210,070	224,331	<b>258,553</b>
PROFIT BEFORE TAX	除稅前溢利	28,148	27,004	35,572	<b>12,546</b>
INCOME TAX EXPENSE	所得稅開支	(4,860)	(4,651)	(5,427)	<b>(4,069)</b>
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔溢利	23,288	22,353	30,145	<b>8,477</b>
		As at 31 March 於3月31日			
		2015 HK\$'000 千港元	2016 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>				
TOTAL ASSETS	總資產	68,306	82,638	111,378	<b>176,442</b>
TOTAL LIABILITIES	總負債	(41,053)	(37,884)	(36,479)	<b>(60,794)</b>
NET ASSETS	資產淨值	27,253	44,754	74,899	<b>115,648</b>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔權益	27,253	44,754	74,899	<b>115,648</b>



歐化國際有限公司  
Uferts International Limited