

CHINA HEALTHWISE HOLDINGS LIMITED

中國智能健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 00348



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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Lei Hong Wai (*Chairman*)
Mr. Leung Alex (*Vice chairman*)
Mr. Tse Chi Keung
Mr. Lee Chan Wah
Ms. Lo Ming Wan

NON-EXECUTIVE DIRECTOR

Mr. Diao Yunfeng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Tak Chuen
Mr. Lai Hok Lim
Mr. Lien Wai Hung

AUDIT COMMITTEE

Mr. Wong Tak Chuen (*Chairman*)
Mr. Lai Hok Lim
Mr. Lien Wai Hung

NOMINATION COMMITTEE

Mr. Lei Hong Wai (*Chairman*)
Mr. Lai Hok Lim
Mr. Wong Tak Chuen
Mr. Lien Wai Hung

REMUNERATION COMMITTEE

Mr. Lai Hok Lim (*Chairman*)
Mr. Lei Hong Wai
Mr. Wong Tak Chuen
Mr. Lien Wai Hung

COMPANY SECRETARY

Ms. Lo Ming Wan

AUDITOR

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LEGAL ADVISERS ON CAYMAN ISLANDS LAW

Maples and Calder Asia
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執行董事

李雄偉先生 (*主席*)
梁奕曦先生 (*副主席*)
謝自強先生
李燦華先生
勞明韻女士

非執行董事

刁雲峰先生

獨立非執行董事

黃德銓先生
黎學廉先生
連偉雄先生

審核委員會

黃德銓先生 (*主席*)
黎學廉先生
連偉雄先生

提名委員會

李雄偉先生 (*主席*)
黎學廉先生
黃德銓先生
連偉雄先生

薪酬委員會

黎學廉先生 (*主席*)
李雄偉先生
黃德銓先生
連偉雄先生

公司秘書

勞明韻女士

核數師

香港立信德豪會計師事務所有限公司
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Maples and Calder Asia
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Stock Code: 00348
Website: www.healthwisehk.com

有關香港法律之法律顧問

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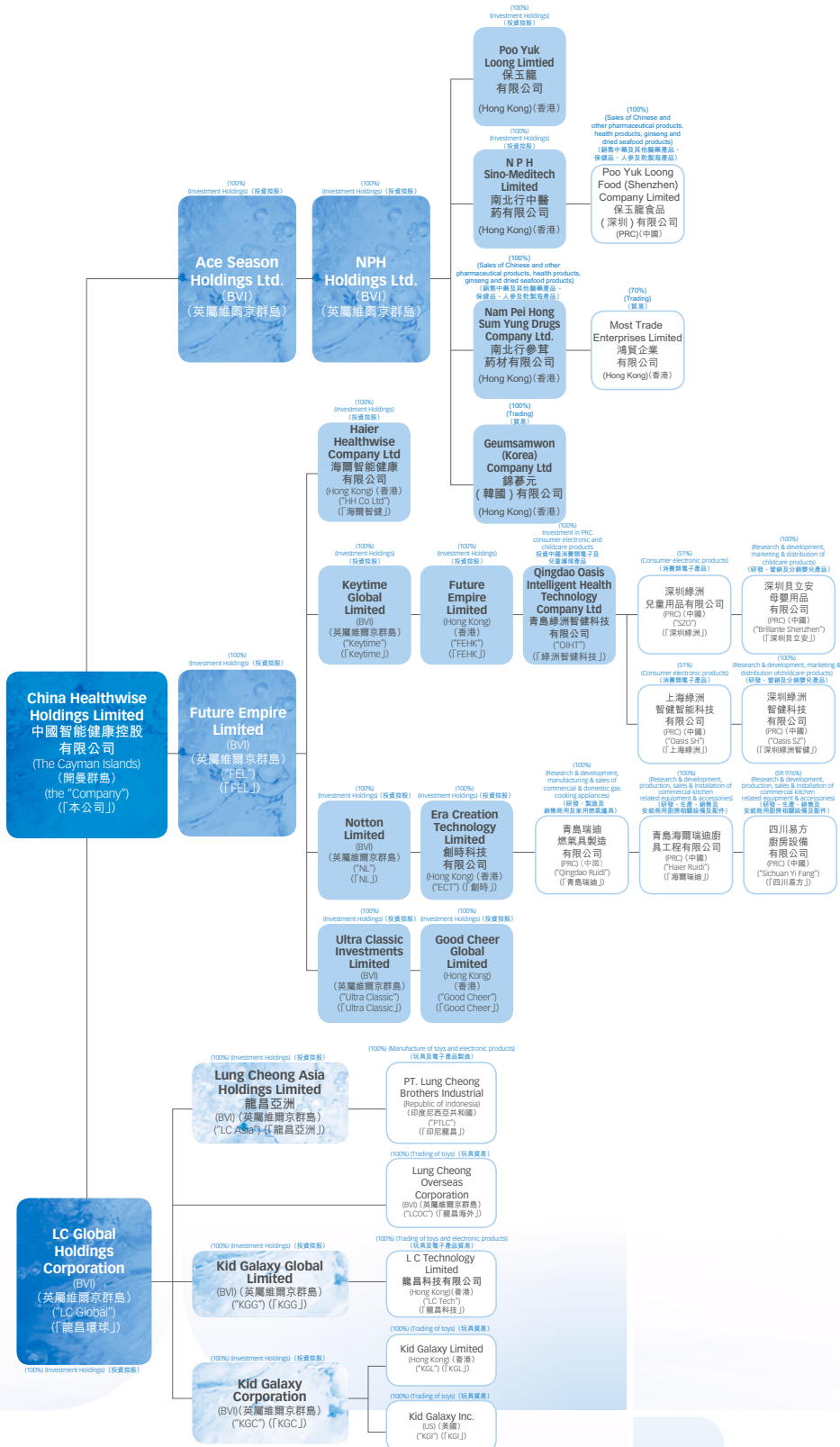
上市資料

香港聯合交易所有限公司
股份代號: 00348
網址: www.healthwisehk.com

Corporate Structure

集團架構

(as at 31 March 2018) (截至二零一八年三月三十一日)



On behalf of the board of directors (the "Board" or "Directors") of China Healthwise Holdings Limited (the "Company") and its subsidiaries (together the "Group"), I present to you the annual results of the Company and the Group for the year ended 31 March 2018.

CORPORATE INFORMATION

On 23 April 2018, the principal place of business of the Company in Hong Kong has changed to Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong and the telephone and facsimile numbers of the Company have changed to (852) 2268 8248 and (852) 2548 5575.

RESULTS

For the year ended 31 March 2018 (the "Year" or "Period" or "FY17/18"), the Group's turnover increased by approximately ("approx.") 114% to approx. HK\$683 million, compared with approx. HK\$319 million for the year ended 31 March 2017 (the "FY16/17" or "Corresponding Period").

Gross profit margin for the Year was approx. 24% compared to approx. 7% in the Corresponding Period. Overall, loss attributable to owners of the Company was approx. HK\$186 million compared with HK\$242 million in the Corresponding Period. The Directors do not recommend the payment of any dividend for the year ended 31 March 2018 (FY16/17: Nil).

BUSINESS REVIEW

During the Year, sales increased due to (1) the sales increase in both OBM toys and consumer electronic products segments; and (2) the newly acquired Chinese health products segment has also contributed revenue of approx. HK\$134 million.

The Group recorded a decrease in loss for the year ended 31 March 2018 as compared to the year ended 31 March 2017. The decrease in loss was primarily attributable to the net effect of (1) the abovementioned increase in sales and gross profit margin as a result of the newly acquired Chinese health products segment; (2) the one-off impairment loss on goodwill and intangible assets in FY16/17; and (3) the increase in impairment loss on property, plant and equipment during the Year.

本人謹代表中國智能健康控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）董事會（「董事會」或「董事」），向各位提呈本公司及本集團截至二零一八年三月三十一日止年度之全年業績。

公司資料

於二零一八年四月二十三日，本公司之香港主要營業地點已更改為香港干諾道中一六八至二零零號信德中心西座一二零九室，且本公司之電話及傳真號碼已分別更改為(852) 2268 8248及(852) 2548 5575。

業績

截至二零一八年三月三十一日止年度（「本年度」或「本期間」或「一七／一八財政年度」），本集團營業額較截至二零一七年三月三十一日止年度（「一六／一七財政年度」或「相應期間」）之約三億一千九百萬港元增加約百分之一百一十四至約六億八千三百萬港元。

本年度之毛利率約為百分之二十四，相應期間約為百分之七。整體而言，本公司擁有人應佔虧損約為一億八千六百萬港元，相應期間則為二億四千二百萬港元。董事不建議派付截至二零一八年三月三十一日止年度的任何股息（一六／一七財政年度：無）。

業務回顧

於本年度，由於(1)自有品牌製造玩具及消費類電子產品分部銷售額增加；及(2)新收購的中藥保健品分部亦貢獻收入約一億三千四百萬港元，銷售額錄得增加。

截至二零一八年三月三十一日止年度，本集團錄得之虧損較截至二零一七年三月三十一日止年度減少。虧損減少乃主要由於下列各項之淨影響：(1)上述新收購的中藥保健品分部帶來之銷售額及毛利率增加；(2)一六／一七財政年度的一次性商譽及無形資產減值虧損；及(3)本年度物業、廠房及設備減值虧損增加。

Chairman's Statement

主席報告

Consumer Electronic Products

Childcare Products

The market for childcare related products and services is huge and fast growing in China. The National Bureau of Statistics of China indicates that the number of newborn babies will increase by 2.5 million per year because of the effect of the two-child policy. During the Year, the main products of the Group were Haier and Brillante branded small baby appliances (electric sterilizer, baby bottle & food warmer, baby food processor, baby hair cutter, baby air purifier, etc.). The sales of Haier branded baby air purifier was particularly good during the Year.

During the Year, the Management continues to deploy the multi-brand and multi-product strategy to meet customers' comprehensive needs. So far, we have entered into partnerships with a few world-leading childcare brands, including Bébé Confort and Safety 1st, sub-brands of Dorel Group, a global childcare corporation specialising in strollers, car seats, baby travel gears, etc. to serve as their distributor for childcare products in the PRC.

On the other hand, we further streamlined the distribution networks during the Year. We expect to focus more on large distributors with extensive networks in the future. The streamline of the distribution networks facilitates network management and reduces cost in the long run.

In addition, we have further enhanced Online to Offline ("O2O") strategy during the Year. Our products are currently available in various e-commerce channels and lots of mother & baby stores in most of the major cities in the PRC.

Chinese Health Products

On 29 March 2017, the Company entered into a sale and purchase agreement with an independent third party in relation to the acquisition of the entire issued share capital of Ace Season Holdings Limited ("Ace Season") and the sale loan owed by Ace Season to the vendor on completion at consideration of HK\$85 million (the "Acquisition"). The Acquisition was completed on 30 June 2017. Ace Season and its subsidiaries are principally engaged in the sales of Chinese and other pharmaceutical products, health products, ginseng and dried seafood products to wholesaler and retailer. One of the subsidiaries of Ace Season, Nam Pei Hong Sum Yung Drugs Company Limited engages in the business of trading and retail of "Sum Yung" (參茸) and dried seafood products since 1977 and the brand name of "Nam Pei Hong" (南北行) is highly recognised in Hong Kong and Southern Mainland China.

消費類電子產品

嬰童產品

中國的嬰童相關產品及服務市場規模龐大，增長迅速。中國國家統計局指出，受到二孩政策影響，新生兒的數量將逐年增加二百五十萬名。於本年度，本集團之主要產品為海爾及貝立安品牌小型嬰童產品（電動消毒器、奶瓶及食物加熱器、嬰童食物調理機、嬰童理髮器、嬰童空氣淨化器等）。於本年度，海爾品牌嬰童空氣淨化器之銷量尤為強勁。

於本年度，管理層繼續推行多品牌及多產品策略以滿足客戶的全面需求。迄今為止，我們已與若干世界領先嬰童品牌（包括Dorel集團（一間全球性的嬰童產品公司，專攻嬰兒車、汽車安全座椅及嬰童出行用品等）旗下品牌Bébé Confort及Safety 1st）建立合作夥伴關係，擔任彼等於中國嬰童產品的主要分銷商。

另一方面，於本年度，我們進一步精簡分銷網絡。日後，我們預期將更專注發展擁有廣泛網絡的大型分銷商。長期而言，精簡分銷網絡將有助於網絡管理及削減成本。

此外，我們已於本年度進一步推進線上到線下（「O2O」）策略。我們的產品目前在眾多的電子商務渠道及中國大部分主要城市的許多母嬰店均有銷售。

中藥保健品

於二零一七年三月二十九日，本公司與一名獨立第三方訂立買賣協議，內容有關收購Ace Season Holdings Limited（「Ace Season」）全部已發行股本及完成時Ace Season結欠賣方的出售貸款，代價為八千五百萬港元（「收購事項」）。收購事項已於二零一七年六月三十日完成。Ace Season及其附屬公司主要從事向批發商及零售商銷售中藥及其他藥品、保健品、人參及乾製海產品。Ace Season旗下一間附屬公司南北行參茸藥材有限公司自一九七七年開始即從事參茸及乾製海產品之貿易及零售業務，且「南北行」品牌名稱在香港及中國內地南方已廣受認可。

During the period from 1 July 2017 to 31 March 2018, this segment had contributed revenue of approx. HK\$134 million and segment profit of approx. HK\$6 million. As at 31 March 2018, there were 11 retail shops of Nam Pei Hong.

OBM Toys

The strengthened and continued recovery of the North American market has positively impacted the sales of our Own Brand Manufacturing ("OBM") business. Kid Galaxy has recorded a sharp increase in sales by approx. 71% overall due to the much improved market condition in the United States and the favorable market respond to our new line Radio Control vehicles ("RCV"). Sales for the year increased approx. 71% from approx. HK\$73 million for the year ended 31 March 2017 to approx. HK\$125 million for the year ended 31 March 2018.

The sales increase was mainly due to enlarged deliveries to North America's largest membership only retail warehouse club, largest discount retail chain stores as well as the largest online retailer, accounting for approx. 22% of the Segment turnover (FY2016/17: 27%). However, Kid Galaxy was unable to translate the sales momentum in other markets such as Europe and Asia.

In view of the increased OBM toy sales mainly in the States, Account receivables increased from approx. HK\$9 million as at 31 March 2017 to approx. HK\$15 million as at 31 March 2018.

OEM Toys

The Indonesian factory made minor contribution to the Group's overall sales. However, it exposed the competitiveness of the Original Equipment Manufacturing ("OEM") business segment of the Group as this segment only manage to record a slight increase in sales by approximately 2%, from approx. HK\$119 million for the year ended 31 March 2017 to approx. HK\$121 million for the year ended 31 March 2018.

於二零一七年七月一日起至二零一八年三月三十一日止期間，該分部已貢獻收入約一億三千四百萬港元及分部溢利約六百萬港元。於二零一八年三月三十一日，共有11間南北行零售店。

自有品牌製造玩具

北美市場的走強和持續復甦對我們自有品牌製造（「自有品牌製造」）業務的銷售產生積極影響。由於美國市況大幅改善及我們新系列無線電遙控車（「無線電遙控車」）的良好市場反饋，Kid Galaxy的整體銷售錄得大幅增加約百分之七十一。本年度的銷售由截至二零一七年三月三十一日止年度之約七千三百萬港元增加約百分之七十一至截至二零一八年三月三十一日止年度之約一億二千五百萬港元。

銷售增加乃主要由於對北美最大的會員制零售倉庫俱樂部、最大的折扣零售連鎖店以及最大的線上零售商之交付量增加，佔分部營業額之約百分之二十二（一六/一七財政年度：百分之二十七）。然而，Kid Galaxy未能將此銷售勢頭延續至歐洲及亞洲等其他市場。

鑒於自有品牌製造玩具銷量錄得增長（主要在美國），應收賬款自二零一七年三月三十一日之約九百萬港元增加至二零一八年三月三十一日之約一千五百萬港元。

原設備製造玩具

印尼廠房為本集團整體銷售作出小幅貢獻。然而，由於該分部僅錄得銷售輕微增加，由截至二零一七年三月三十一日止年度之約一億一千九百萬港元增加約百分之二至截至二零一八年三月三十一日止年度之約一億二千一百萬港元，顯示本集團原設備製造（「原設備製造」）業務分部競爭方面面臨挑戰。

Chairman's Statement

主席報告

Again burdened by annual increase in labor and staff costs plus depreciation of fixed assets investments made in recent years led to an overall lower gross margin in the OEM toy manufacturing segment. During the year under review, due to certain production issues, the Group continued incurring additional reworking, excessive retesting and major quality improvements at the Indonesian factory which further impacted this segment's overall contribution. The increase in sales were not able to prevent the OEM segment from continued losses from previous years.

Overall North America remained the Group's major OEM toy export market accounting for approx. 22% of our sales for year ended 31 March 2018 compared to approx. 27% for the comparative period ended 31 March 2017. European deliveries were lesser, amounted to approx. 4% of sales compared to approx. 10% during the previous year ended 31 March 2017. Toys destined for the Japan market for the year ended 31 March 2018 was lowered to approx. 4% compared to approx. 8% in the previous year under review.

Money Lending

Good Cheer Global Limited ("Good Cheer", an indirect wholly-owned subsidiary of the Company) has obtained a money lenders licence under the Money Lenders Ordinance since September 2017 which enables Good Cheer to conduct money lending business in Hong Kong through the provision of secured and unsecured loans to customers. During the Year, this segment had contributed revenue of approx. HK\$1 million and segment profit of approx. HK\$1 million.

Investment in Financial Instruments

The Group has developed its investment portfolio to 8 Hong Kong listed equities (31 March 2017: 2) during the Year. This segment did not perform well mainly as a result of the poor market sentiment in small and mid-cap equities in Hong Kong during the year.

Commercial Kitchen Products

青島瑞迪燃氣具製造有限公司 ("Qingdao Ruidi") and its subsidiaries are the major commercial cooking appliances manufacturers in the PRC. Besides cooking appliances manufacturing and sale, Qingdao Ruidi implemented commercial kitchen Equipment Procurement Construction ("EPC") projects with hotels, restaurants, schools, government agencies, etc. during the Year. Due to the PRC economic slowdown, the number of new EPC projects was decreased. In addition, given the macro-economic situation, the Management believes a healthy cash flow is essentially important for the Group's long term stability and growth. Therefore, we have been more prudent and cautious for partner choosing and project selection.

與之前一樣，勞工及員工成本逐年上漲加之近年來固定資產投資的折舊帶來的雙重壓力，導致原設備製造玩具製造分部整體毛利下降。於回顧年度，由於若干生產問題，本集團的印尼廠房繼續產生額外返工、大量複檢及重大質量改進工作，進一步影響了該分部的整體貢獻。銷售增加未能使原設備製造分部扭轉過去幾年持續虧損之趨勢。

北美市場整體仍然是本集團主要的原設備製造玩具出口市場，於截至二零一八年三月三十一日止年度佔我們銷售額的約百分之二十二，而於截至二零一七年三月三十一日止同期則為約百分之二十七。歐洲的交付量較少，佔銷售額的約百分之四，而於截至二零一七年三月三十一日止上個年度則為約百分之十。銷往日本市場的玩具銷量則由上個回顧年度的約百分之八降至截至二零一八年三月三十一日止年度的約百分之四。

放債

Good Cheer Global Limited (「Good Cheer」，本公司之間接全資附屬公司)已於二零一七年九月根據放債人條例取得放債人牌照，令Good Cheer可在香港透過向客戶提供有抵押及無抵押貸款經營放債業務。於本年度，該分部已貢獻收入約一百萬港元及分部溢利約一百萬港元。

投資金融工具

於本年度，本集團已將其投資組合發展至八項香港上市股本(二零一七年三月三十一日：兩項)。於本年度，該分部並無表現出色乃由於香港中小型股本市場景氣不佳。

商用廚房產品

青島瑞迪燃氣具製造有限公司(「青島瑞迪」)及其附屬公司為中國主要的商用燃氣灶生產商。除生產及銷售燃氣灶外，於本年度，青島瑞迪亦與酒店、餐廳、學校、政府機構等開展商用廚房的設備、採購及建設(「EPC」)項目。由於中國經濟放緩，若干新EPC項目數量有所減少。此外，鑒於宏觀經濟形勢，管理層認為，穩健的現金流對本集團的長期穩定及發展至關重要。因此，我們在選定業務夥伴及挑選項目時更為審慎。

PLANS AND PROSPECTS

Consumer Electronic Products

Childcare Products

In late October 2015, the Chinese government decided to implement the "two-child policy" nationally. The Management expects this policy will enable the childcare product and service market to grow continuously in the next decade.

Regarding Brillante branded childcare products, the Management continues to spend great efforts on new product R&D to enrich the overall product portfolio. During the Year, several new small baby appliances models, including electric sterilizer, baby bottle & food warmer, baby food processor, baby hair cutter, and baby air purifier have been launched. In addition, the Management expects that new products covering different categories, such as feeding and nursery, health and safety, etc. will also be released gradually to enrich our product portfolio.

The Group has shifted from a single brand baby appliance producer into a multi-brand and multi-product childcare product and service provider. However, the Group has not managed to renew the contract with Haier, our largest childcare product brand during the Year, on 31 December 2017 which would have a significant negative impact on the revenue on this segment in the coming year. The Group will continue our multi-brand and multi-product strategy and to strictly control cost to cope with this challenge. The Management expects that we would form similar partnerships with more international childcare brands in the near future. This kind of partnership would not only expand our whole product portfolio but also further strengthen our distribution channels in the long run.

Chinese Health Products

In view of the increasing awareness in health and the aging of population in Hong Kong, demand for health care products, especially Chinese medicine, "Sum Yung" (參茸) and dried seafood in Hong Kong has grown steadily in recent years. In addition, Mainland Chinese tourists are the fuel of Hong Kong's retail market. Hong Kong retail sales have increased significantly since July 2003 due to the enormous surge in demand by Chinese tourists towards luxury goods and health care products, for instances, Chinese medicine, "Sum Yung" (參茸) and dried seafood, which are heavily taxed and/or counterfeits are wide spreading in the PRC.

規劃及前景

消費類電子產品

嬰童產品

於二零一五年十月下旬，中國政府決定於全國實施「二孩政策」。管理層預期此政策將促使嬰童產品及服務市場於未來十年持續增長。

就貝立安品牌嬰童產品而言，管理層繼續致力於新產品的研發，以豐富整體產品組合。於本年度，若干新的小型嬰童電器產品，包括電動消毒器、奶瓶及食物加熱器、嬰童食物調理機、嬰童理髮器及嬰童空氣淨化器已陸續推出。此外，管理層預期，涵蓋餵養及護理、保健以及安全等不同類別的新產品亦將逐步推出，以豐富我們的產品組合。

本集團已從單一品牌嬰童電器產品生產商轉型為多品牌及多產品的嬰童產品及服務供應商。然而，於二零一七年十二月三十一日，本集團並未能與海爾（為我們年內最大的嬰童產品品牌）重續合約，此對該分部來年的收入將產生重大的負面影響。本集團將繼續執行我們的多品牌及多產品策略及嚴格控制成本以應對該挑戰。管理層預期於不久將來將與更多國際嬰童品牌建立類似合作關係。此類合作關係不僅能擴充我們的整體產品組合，從長遠角度來看更能進一步加強我們的分銷渠道。

中藥保健品

由於保健意識逐步普及及香港人口老齡化，香港對保健品尤其是中藥、參茸及乾製海產品之需求近年來穩步增長。此外，中國內地遊客亦帶動香港零售市場。由於中國遊客對於在中國稅負較高及／或假貨氾濫之奢侈品及保健品（例如中藥、參茸及乾製海產品等）之需求劇增，香港零售銷售額自二零零三年七月以來大幅增長。

Chairman's Statement

主席報告

It is considered that the newly acquired Chinese health products segment represents a great opportunity to the Group to invest in the health care business and to diversify its business into the retail business of "Sum Yung" (參茸) and dried seafood products in Hong Kong with an aim to broaden its revenue base, which is expected to have a positive future impact on the Group's performance given the positive outlook of the health care business.

OBM Toys

Kid Galaxy will ride on their recent successes in the RCV thus showcased new RCV concepts and other innovative product lines at the New York and Hong Kong toy fairs in the early part of 2018. Early indication from recent product previews with major customers received encouraging and positive responses. However further capital investments will be required in continuous product development, engineering, new product moulds plus additional marketing and promotion costs for the new products. These expenses will continue to affect the contribution to this OBM segment's profitability.

The recent liquidation of a major toy retail chain stores in the States and worldwide would have minor impact on Kid Galaxy's sales as management have diverted our markets in North America towards clubs, supermarkets and internet sales over the last couple of years. With the right products at competitive prices, management expect these retail channels to continue contributing to our OBM sales segment in the coming years.

OEM Toys

The demand for OEM toy products are expected to improve slightly with the Group acquiring new production techniques resulting in obtaining orders to produce a range of girls' toy items for the year ending 31 March 2019. However, our major OEM customer's sales may be affected by the inevitable liquidation of a major toy retail chain stores in North America and few other countries.

The Indonesia factory will have to face annual increase in minimum salaries. The Group's factory location close to Jakarta, the capital city continued to disadvantaged our competitiveness when compared to competitors with factory in the inland province or with factories in India and Vietnam. The weaknesses faced by the Serang factory will be further burdened by uncertainties created by recent bombings in the country as well as the next Presidential election, expected to be held in the first half of 2019.

對本集團而言，新收購的中藥保健品分部是投資於保健行業並將業務多元化拓展至在香港之參茸及乾製海產品零售業務以便擴大收入基礎之良機，鑒於保健業務之利好前景，預計其將對本集團未來表現帶來正面影響。

自有品牌製造玩具

Kid Galaxy將利用無線電遙控車系列產品近期取得的成就，於二零一八年初舉辦的紐約及香港玩具博覽會上展示新的無線電遙控車新產品及其他創新產品。本集團已於近期面向主要客戶舉行的產品預展上取得積極正面的反饋。然而，持續產品開發、工程設計、新產品模具仍需進一步資本投入，新產品亦需投入額外市場營銷及推廣成本。該等開支將繼續影響其對自有品牌製造分部的盈利貢獻。

近期一家美國及全球大型玩具零售連鎖店清盤對Kid Galaxy銷售產生的影響較小，因為管理層已於過去幾年將我們於北美的市場轉向俱樂部、超市及網上銷售。憑藉價優質高的產品，管理層預計該等零售渠道將於未來幾年持續為我們的自有品牌製造銷售分部作出貢獻。

原設備製造玩具

預計截至二零一九年三月三十一日止年度，因本集團收購新的生產技術而取得生產一系列女童玩具產品的訂單，原設備製造玩具產品的需求將會有小幅增加。然而，我們主要的原設備製造客戶銷售或會受到一家大型玩具零售連鎖店在北美及其他少數國家被迫清盤的影響。

印尼廠房將面臨最低薪金逐年調漲的挑戰。與內陸省份廠房或印度及越南廠房的競爭對手相比，本集團鄰近首都雅加達的廠房在競爭力上將繼續處於弱勢。另外，西冷市廠房進一步受到近期國內多起爆炸事件及預期將於二零一九年上半年舉行的下屆總統選舉帶來的不確定性影響。

Management will continue to monitor and review the viability of the Indonesia OEM factory as previous years' results have shown that it has not contributed to the Group's profitability and has been unable to recover investments made over recent years. In view of the competitive environment of the OEM toy manufacturing business, management has restructured the Indonesian plant management and upgrade the facilities in order to comply with customers' continuous quality requirements and revised standards as well as localization of senior management in order to stay competitive. Additional costs are necessary to upkeep and maintain the factory condition as well as continuous training for the local staff and workers in order to improve our productivity and quality.

Money Lending

It is expected that the newly established money lending business can diversify the income streams of the Group and will generate additional financial returns from the available funds of the Group from time to time. As money lending business generates a relatively higher gross profit margin, we will put more effort to develop while remain cautious in assessing customers' ability to repay and approving loans to our customers in order to reduce our credit risk.

Investment in financial instruments

The Group will closely monitor various factors such as global economy, investment sentiment and fundamentals of investors and their future prospects and protectively adjust our portfolio in order to improve our performance. The Group will change our equity portfolio mix from time to time and realise the equities held by the Group into cash as and when appropriate.

Commercial Kitchen Products

The commercial kitchen products market is very fragmented in the PRC with no major players in the market. Market growth is driven by increasing demand for dining out as the living standard rises, higher environmental standard and motivation to save fuel costs. However, due to the PRC economic slowdown, the investment in fixed assets decreased during the Year, which caused negative effects on the commercial kitchen products market. The commercial kitchen products business has been loss making since 2016. The Management will control the financial risks with caution and consider various strategies to reduce loss in the business.

管理層將繼續監察及檢討印尼原設備製造廠房的可行性，因為過往年度業績顯示其並無對本集團盈利作出貢獻且未能收回近年作出的投資。鑒於原設備製造玩具製造業務環境競爭激烈，管理層已重組印尼廠房的管理層並升級設施，以滿足客戶持續的質量需求及經修訂標準並實現高級管理層本地化，從而保持競爭力。本集團需要投入額外成本，維護及維持工廠環境以及為當地員工及工人提供持續培訓，以提升我們的產能及質量。

放債

預期新成立的放債業務可多元化本集團收入來源，並將為本集團不時的可用資金帶來額外財務回報。由於放債業務錄得相對較高的毛利率，我們將加大力度發展該業務，同時在評估客戶償還能力及審批客戶貸款方面保持審慎，以降低我們的信貸風險。

投資金融工具

本集團將密切監察全球經濟、投資機遇、投資者基礎及其對未來之展望等多項因素，並積極調整投資組合以改善我們的表現。本集團將不時調整其股本投資組合及於適當時候將本集團持有之權益變現。

商用廚房產品

中國的商用廚房產品市場高度分散，並無主要的市場參與者。隨著生活水平提高令外出用餐需求持續上升、環保標準提高及為節省燃料成本的需要，均推動該市場增長。然而，由於中國經濟放緩，本年度於固定資產的投資減少，對商用廚房產品市場造成負面影響。自二零一六年起，商用廚房產品業務一直錄得虧損。管理層將審慎控制財務風險並考慮多種策略以減少該業務的虧損。

Chairman's Statement

主席報告

GROUP RESOURCES AND LIQUIDITY

As at 31 March 2018, the Group's cash and bank balances were approx. HK\$58 million (FY16/17: HK\$38 million). The Group's total bank borrowings were approx. HK\$100 million (FY16/17: HK\$64 million). Gearing ratio, calculated as the total bank borrowings divided by shareholders' equity was approx. 37% as at 31 March 2018 (FY16/17: 22%). As at 31 March 2018, the Group recorded total current assets of approx. HK\$358 million (FY16/17: HK\$215 million) and total current liabilities of approx. HK\$325 million (FY16/17: HK\$224 million). The current ratio of the Group, calculated by dividing the total current assets by the current liabilities, was approx. 110% (FY16/17: 96%). The Group recorded a decrease in shareholders' fund from approx. HK\$291 million as at 31 March 2017 to a net asset position of approx. HK\$274 million as at 31 March 2018. The decrease was mainly due to the Group suffering from loss on its operations and the impairment loss on property, plant and equipment, available-for-sale investments, trade and other receivables and inventories.

APPRECIATION

In conclusion, I would like to sincerely thank my fellow Board members and senior management, and all the employees for their contribution and dedications to the Group, which enabled us to overcome the challenges encountered during the year of corporate realignment and reorganisation. My appreciations go to our investors, customers, financiers and suppliers for their support to the Group during the past year.

Lei Hong Wai
Chairman and Executive Director
28 June 2018

集團資源及流動資金

於二零一八年三月三十一日，本集團之現金及銀行結存約為五千八百萬港元（一六／一七財政年度：三千八百萬港元）。本集團之總銀行借貸約為一億港元（一六／一七財政年度：六千四百萬港元）。於二零一八年三月三十一日，資產負債比率（以總銀行借貸除以股東權益計算）約為百分之三十七（一六／一七財政年度：百分之二十二）。於二零一八年三月三十一日，本集團錄得流動資產總值約三億五千八百萬港元（一六／一七財政年度：二億一千五百萬港元）及流動負債總額約三億二千五百萬港元（一六／一七財政年度：二億二千四百萬港元）。本集團之流動比率（以流動資產總值除流動負債計算）約為百分之一百一十（一六／一七財政年度：百分之九十六）。本集團錄得股東資金由二零一七年三月三十一日約二億九千一百萬港元減少至二零一八年三月三十一日資產淨值狀況約二億七千四百萬港元。該減少乃主要由於本集團遭受經營虧損及物業、廠房及設備、可供出售投資、應收貿易賬款及其他應收款項以及存貨減值虧損所致。

致謝

最後，本人謹此就各董事同僚、高級管理層及全體員工對本集團的貢獻及投入，幫助我們克服年內企業改制及重組面臨的重重挑戰，致以衷心謝意。本人亦藉此機會向投資者、客戶、融資方及供應商致意，感謝彼等於過去年度對本集團的支持。

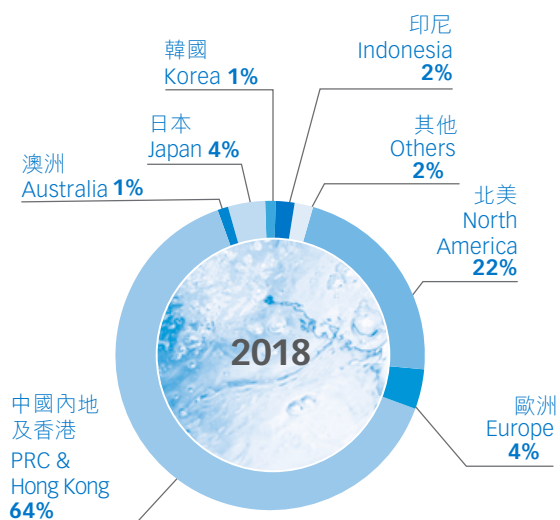
李雄偉
主席兼執行董事
二零一八年六月二十八日

MARKET REVIEW

For the year ended 31 March 2018, North America remained one of our major export destination for the Group's toy products, with shipments amounting to approx. HK\$147 million compared to approx. HK\$85 million in FY16/17, accounted for approx. 22% (FY16/17: 27%) of the Group's total revenue. The increase in dollar term sales in North America and Canada were mainly attributable to the higher OBM orders. Mainland China and Hong Kong account for approx. HK\$442 million compared to approx. HK\$130 million in FY16/17, accounted for approx. 64% (FY16/17: 41%) of the Group's revenue. The increase in sales in Mainland China and Hong Kong was mainly due to (1) revenue generated from the newly acquired Chinese health products segment; and (2) the increase in sales of consumer electronic products segments. Revenue to Europe were approx. HK\$26 million as compared with approx. HK\$33 million in FY16/17, accounted for approx. 4% (FY16/17: 10%) of the Group's revenue. Exports to Japan was more than that in the previous year at approx. HK\$30 million (FY16/17: HK\$24 million), accounted for approx. 4% of the Group's total revenue compared to approx. 8% in FY16/17 due to the higher demand for the pre-school block playsets produced by the Group in the market. The TV licensed items produced by the Group's Indonesian factory were not selling as well as previous financial year, thus shipment to Korea decreased to approx. 1% of sales (FY16/17: 6%) during the Year.

Revenue by Geographical Segment

For the year ended 31 March

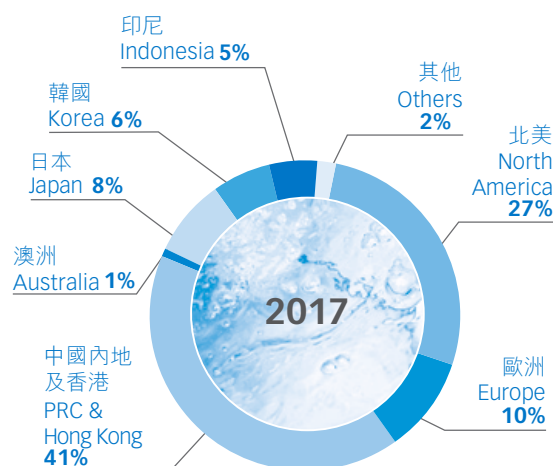


市場回顧

截至二零一八年三月三十一日止年度，北美仍然是本集團玩具產品之主要出口地之一，出口額達約一億四千七百萬港元，而一六/一七財政年度為約八千五百萬港元，佔本集團總收入約百分之二十二（一六/一七財政年度：百分之二十七）。北美及加拿大以美元計的銷售額增加主要歸因於自有品牌製造訂單增加。中國內地及香港之銷售額為約四億四千二百萬港元，而一六/一七財政年度為約一億三千萬港元，佔本集團收入約百分之六十四（一六/一七財政年度：百分之四十一）。中國內地及香港銷售額增加乃主要由於(1)新收購的中藥保健品分部產生的收入；及(2)消費類電子產品分部銷售額增加。歐洲之收入為約二千六百萬港元，而一六/一七財政年度為約三千三百萬港元，佔本集團收入約百分之四（一六/一七財政年度：百分之十）。對日本之出口額較去年增加至約三千萬港元（一六/一七財政年度：二千四百萬港元），佔本集團總收入約百分之四，而一六/一七財政年度則佔約百分之八，此乃由於市場對本集團生產的學前積木玩具組合的需求增加。於本年度，本集團印尼工廠生產之電視節目授權產品的銷售不如上一財政年度，故對韓國之出口額減少約百分之一（一六/一七財政年度：百分之六）。

按地區分部劃分之收入

截至三月三十一日止年度



Review of Operations

業務回顧

PRODUCT REVIEW

Consumer Electronic Products

The consumer electronic products segment generated approx. HK\$292 million in revenue and a loss before income tax of approx. HK\$27 million in FY17/18 compared with HK\$125 million and HK\$40 million respectively in FY16/17. The loss of this segment is mainly due to the substantial advertising and marketing expenses was used in order to expand the market shares and strengthen our customers' base.

Chinese Health Products

During the period from 1 July 2017 to 31 March 2018, the newly acquired Chinese health products segment generated approx. HK\$134 million in revenue and segment profit of approx. HK\$6 million. As at 31 March 2018, there were 11 retail shops of Nam Pei Hong.

OBM Toys

The OBM toys segment recorded an increase in revenue from approx. HK\$73 million in FY16/17 to approx. HK\$125 million in FY17/18, accounting for approx. 18% of the Group's revenue. The increase in revenue from the OBM Toys segment was attributable to enlarged deliveries to America's membership only retail warehouse club and largest discount retail chain stores as well as North America's largest online retailer.

OEM Toys

The OEM toys segment recorded a slight increase in revenue from approx. HK\$119 million in FY16/17 to approx. HK\$121 million in FY17/18, accounting for approx. 18% of the Group's revenue. The segment loss before income tax increase from approx. HK\$60 million in FY16/17 to approx. HK\$81 million in FY17/18. The increase in segment loss was mainly attributable to (1) impairment loss on property, plant and equipment; (2) additional reworking, excessive retesting and continuous facilities improvement expenses, and (3) double digit annual minimum wages increase in Indonesia since January 2018.

產品回顧

消費類電子產品

於一七/一八財政年度，消費類電子產品分部產生收入約二億九千二百萬港元，並錄得除所得稅前虧損約二千七百萬港元（一六/一七財政年度分別為一億二千五百萬港元及四千萬港元）。該分部之虧損主要由於大量廣告及營銷開支用於擴大市場份額及鞏固我們的客戶基礎。

中藥保健品

自二零一七年七月一日至二零一八年三月三十一日止期間，新收購的中藥保健品分部錄得收入約一億三千四百萬港元及分部溢利約六百萬港元。於二零一八年三月三十一日，共有11間南北行零售店。

自有品牌製造玩具

自有品牌製造玩具錄得之收入由一六/一七財政年度之約七千三百萬港元增加至一七/一八財政年度之約一億二千五百萬港元，佔本集團收入約百分之十八。自有品牌製造玩具分部收入增加乃由於對美國最大的會員制零售倉庫俱樂部、最大的折扣零售連鎖店以及北美最大的線上零售商之交付量增加。

原設備製造玩具

原設備製造玩具分部收入輕微增加，由一六/一七財政年度之約一億一千九百萬港元增加至一七/一八財政年度之約一億二千一百萬港元，佔本集團收入約百分之十八。除所得稅前分部虧損由一六/一七財政年度之約六千萬港元增加至一七/一八財政年度之約八千一百萬港元。分部虧損增加乃主要由於(1)物業、廠房及設備之減值虧損；(2)額外返工、大量複檢及設備不斷改進開支；及(3)印尼從二零一八年一月起最低工資漲幅達到雙位數。

INVESTMENT IN FINANCIAL INSTRUMENTS

During the Year, the Group's investment in financial instruments business reported a segment loss of approximately HK\$67 million including (i) a loss of approximately HK\$11 million arising on change in fair value of financial assets at fair value through profit or loss and (ii) impairment loss of approximately HK\$56 million (including HK\$8 million recognised as investment revaluation reserve in the year ended 31 March 2017) arising on change in fair value of available for sale investment. The segment loss was because of the poor market sentiment on small-caps stocks during the Year.

During the Year, the Group developed its portfolio to 8 Hong Kong listed equities with an aggregate acquisition cost of approximately HK\$117 million.

Movements in the Hong Kong listed equities held by the Group during the years ended 31 March 2018 are as follows:

投資金融工具

於本年度，本集團投資金融工具錄得分部虧損約六千七百萬港元，包括(i)按公平值計入損益之金融資產之公平值變動產生之虧損約一千一百萬港元及(ii)可供出售投資之公平值變動產生之減值虧損約五千六百萬港元（包括截至二零一七年三月三十一日止年度已確認為投資重估儲備八百萬港元）。分部虧損乃因本年度小型股本市場景氣不佳所致。

於本年度，本集團發展其投資組合至八項香港上市股本，收購成本合共約一億一千七百萬港元。

截至二零一八年三月三十一日止年度，本集團持有的香港上市股本變動如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Carrying amount at 1 April	於四月一日之賬面值	174,380	199,017
Acquisitions	收購	117,281	298,511
Fair value loss and impairment loss recognised	已確認之公平值虧損及減值虧損	(58,939)	(17,269)
Disposals	出售	-	(269,510)
Redemption	贖回	-	(39,250)
Exchange differences	匯兌差額	-	2,881
Carrying amount at 31 March	於三月三十一日之賬面值	232,722	174,380

Review of Operations

業務回顧

Details of the Hong Kong listed equities held by the Group at 31 March 2018 are as follows: 於二零一八年三月三十一日，本集團持有的香港上市股本詳情如下：

Name of Hong Kong listed equities	香港上市股本名稱	Number of shares held at 31 March 2018 於二零一八年三月三十一日持有的股份數目	Fair value at 31 March 2018 於二零一八年三月三十一日的公平值 HK\$'000 千港元	Fair value as compared to the consolidated total assets of the Group at 31 March 2018 於二零一八年三月三十一日公平值與本集團綜合資產總值之比較	Fair value loss and impairment loss recognised during the year ended 31 March 2018 於截至二零一八年三月三十一日止年度已確認之公平值虧損及減值虧損 HK\$'000 千港元
<i>Available-for-sale investments</i> 可供出售投資					
Global Mastermind Holdings Limited (stock code: 8063)	環球大通集團有限公司* (Global Mastermind Holdings Limited) (股份代號: 8063)	1,020,000,000	110,160	18%	(34,540)
Global Mastermind Capital Limited (stock code: 905)	環球大通投資有限公司* (Global Mastermind Capital Limited) (股份代號: 905)	195,500,000	56,695	9%	(13,685)
<i>Financial assets at fair value through profit or loss</i> 按公平值計入損益之金融資產					
PacRay International Holdings Limited (stock code: 1010)	太睿國際控股有限公司 (股份代號: 1010)	5,000,000	10,000	2%	1,000
KuangChi Science Limited (stock code: 439)	光啟科學有限公司 (股份代號: 439)	10,000,000	18,100	3%	(9,900)
Yunfeng Financial Group Limited (stock code: 376)	雲鋒金融集團有限公司 (股份代號: 376)	4,126,000	17,330	3%	(2,352)
Frontier Services Group Limited (stock code: 500)	先豐服務集團有限公司* (Frontier Services Group Limited) (股份代號: 500)	4,000,000	6,680	1%	1,520
Lajin Entertainment Network Group Limited (stock code: 8172)	拉近網娛集團有限公司* (Lajin Entertainment Network Group Limited) (股份代號: 8172)	23,580,000	8,253	1%	(1,651)
CBK Holdings Limited (stock code: 8428)	國茂控股有限公司 (股份代號: 8428)	25,248,000	5,504	1%	669
			232,722		(58,939)

* 僅供識別

Details of the Hong Kong listed equities held by the Group at 31 March 2017 are as follows:

於二零一七年三月三十一日，本集團持有的香港上市股本詳情如下：

Name of Hong Kong listed equities	香港上市股本名稱	Number of shares held at 31 March 2017	Fair value at 31 March 2017	Fair value as compared to the consolidated total assets of the Group at 31 March 2017	Impairment loss arising on change in fair value recognised in the year ended 31 March 2017	Loss on other comprehensive income arising on change in fair value recognised in the year ended 31 March 2017
		於二零一七年三月三十一日持有的股份數目	於二零一七年三月三十一日的公平值 HK\$'000 千港元	於二零一七年三月三十一日公平值與本集團綜合資產總值之比較	截至二零一七年三月三十一日止年度已確認公平值變動產生之減值虧損 HK\$'000 千港元	截至二零一七年三月三十一日止年度已確認公平值變動產生之其他全面收益之虧損 HK\$'000 千港元
Global Mastermind Holdings Limited (stock code: 8063)	環球大通集團有限公司* (Global Mastermind Holdings Limited) (股份代號: 8063)	800,000,000	104,000	20%	-	(8,000)
Global Mastermind Capital Limited (stock code: 905)	環球大通投資有限公司* (Global Mastermind Capital Limited) (股份代號: 905)	195,500,000	70,380	13%	(17,595)	-
			174,380		(17,595)	(8,000)

Commercial Kitchen Products

The commercial kitchen products segment contributed revenue of approx. HK\$9 million and a loss before income tax of approx. HK\$7 million in FY17/18 compared with approx. HK\$3 million in revenue and loss before income tax HK\$114 million in FY16/17. The loss of this segment mainly due to the slowdown of economic growth in the PRC lead to the decrease of the new EPC projects which affect our turnover. Significant loss before income tax in FY16/17 was mainly due to the impairment loss of goodwill approx. HK\$56 million, the impairment loss of trade and other receivables, deposits and prepayment of approx. HK\$23 million and the impairment loss of inventories approx. HK\$14 million.

商用廚房產品

於一七/一八財政年度，商用廚房產品分部貢獻收入約九百萬港元，並錄得除所得稅前虧損約七百萬港元，而一六/一七財政年度則為收入約三百萬港元及除所得稅前虧損一億一千四百萬港元。該分部錄得虧損主要由於中國經濟增長放緩導致若干新EPC項目減少，而此對我們的營業額有所影響。於一六/一七財政年度，除所得稅前重大虧損乃主要由於商譽減值虧損約五千六百萬港元、應收貿易賬款及其他應收款項、按金及預付款項減值虧損約二千三百萬港元及存貨減值虧損約一千四百萬港元。

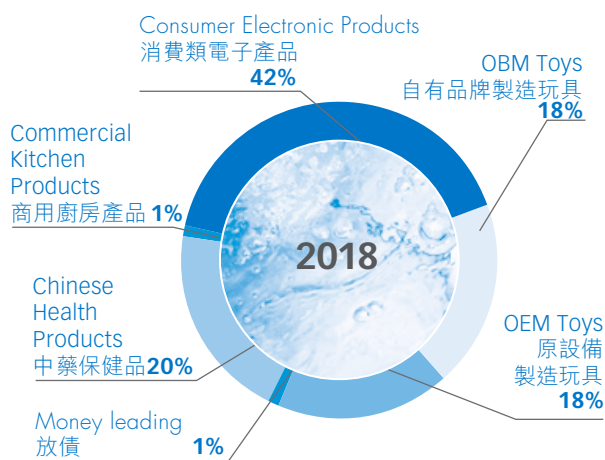
* 僅供識別

Review of Operations

業務回顧

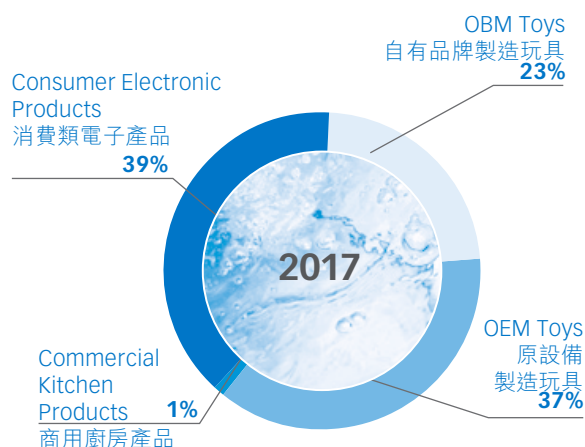
Revenue by Product Type/Business

For the year ended 31 March



按產品類型／業務劃分之收入

截至三月三十一日止年度



EMPLOYEES

As at 31 March 2018, the Group had approx. 1,300 employees and contract workers based in Hong Kong headquarters, Macau office, PRC offices, the Indonesian factory and the U.S. sales office. The number of employees of the Group varies from time to time depending on production needs and they are remunerated based on industry practices.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all our long-term business partners for their continuous support over the past year. I would also like to extend my appreciation to our group management and staff for their effort and dedication, despite another challenging year we were facing.

Lei Hong Wai

Chairman and Executive Director

28 June 2018

僱員

於二零一八年三月三十一日，本集團聘用約一千三百名僱員及合約工人，受聘於香港總部、澳門辦事處、中國辦事處、印尼廠房及美國銷售辦事處。本集團之僱員數目會因應生產需要而不時作出變動，並會根據行業慣例獲支付薪酬。

致謝

本人謹代表董事會，藉此機會向本集團之全體長期業務夥伴過去一年之一貫支持致以衷心謝意。本人亦感謝我們集團之管理人員及各員工在這又一具挑戰性之年度內所作出之努力和貢獻。

李雄偉

主席兼執行董事

二零一八年六月二十八日

FINANCIAL REVIEW

During the Year, the Group recorded an increase in revenue for approx. 114% from approx. HK\$319 million for the year ended 31 March 2017 to approx. HK\$683 million for the year ended 31 March 2018. The increase is resulting from the substantial increase in sales of the consumer electronic products segment, the OBM toy segment as well as the revenue generated from the newly acquired Chinese health products segment.

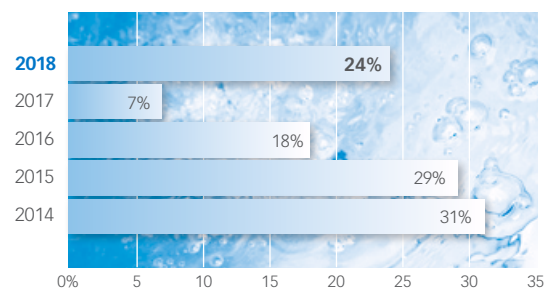
Cost of goods sold ("COGS"), increased by approx. 75% compared to FY16/17. The increase was attributable to the corresponding increase in revenue as mentioned above during the Year. The COGS were approx. HK\$520 million in FY17/18 compared with approx. HK\$297 million in FY16/17.

The gross profit increased to approx. HK\$163 million for the Year versus approx. HK\$22 million in FY16/17. Gross profit margin increased significantly to approx. 24% (FY16/17: 7%) because of the improved performance of the OBM Toy segment and consumer electronic products segment as well as the higher gross profit margin contributed from the Chinese health products segment and the money lending segment.

Selling and distribution expenses for the year ended 31 March 2018 increased to approx. HK\$122 million, representing an increase of approx. 122% against approx. HK\$55 million in the Corresponding Period. The increase in selling expenses mainly attributed to (1) the selling and distribution expenses incurred for the newly acquired Chinese health products of approx. HK\$33 million; and (2) increase in advertising and marketing expenses in the consumer electronic products segment.

Gross Profit Ratio 毛利率

For the year ended 31 March
截至三月三十一日止年度



財務回顧

於本年度，本集團收入錄得增加，由截至二零一七年三月三十一日止年度之約三億一千九百萬港元增加約百分之一百一十四至截至二零一八年三月三十一日止年度之約六億八千三百萬港元。該增加乃由於消費類電子產品分部及自有品牌製造玩具分部銷量大幅增加以及新收購的中藥保健品分部產生之收入。

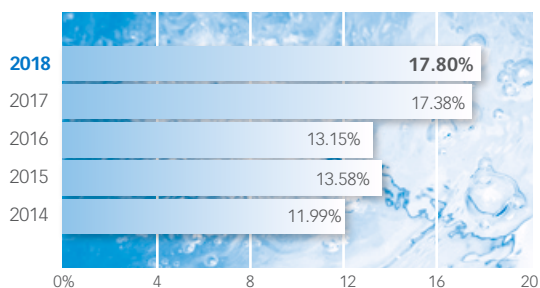
銷貨成本（「銷貨成本」）較一六／一七財政年度增加約百分之七十五。該增加乃由於本年度如上所述的收入同比增加。一七／一八財政年度的銷貨成本約為五億二千萬港元，而一六／一七財政年度則約為二億九千七百萬港元。

毛利於本年度上升至約一億六千三百萬港元，而一六／一七財政年度則約為二千二百萬港元。毛利率大幅增加至約百分之二十四（一六／一七財政年度：百分之七），因為自有品牌製造玩具分部及消費類電子產品分部之表現得到改善，以及中藥保健品分部及放債分部貢獻較高之毛利率。

截至二零一八年三月三十一日止年度之銷售及分銷開支增加至約一億二千二百萬港元，較相應期間約五千五百萬港元增加約百分之一百二十二。銷售開支增加乃主要由於(1)新收購的中藥保健品錄得之銷售及分銷開支約三千三百萬港元；及(2)消費類電子產品分部的廣告及營銷開支增加。

Selling Expense/Revenue 銷售開支／收入

For the year ended 31 March
截至三月三十一日止年度



Management Discussion and Analysis

管理層討論及分析

General and Administrative ("G&A") expenses for the year ended 31 March 2018 amounted to approx. HK\$129 million, resulting in an increase of approx. 22% as compared with the previous year (FY16/17: HK\$106 million).

The goodwill of the Group was approx. HK\$3 million as at 31 March 2018 compared with approx. HK\$3 million in the Corresponding Year. Management will constantly review the carrying amount of the goodwill.

Finance costs incurred mainly for trade facilities for the toy segment during the Year was approx. HK\$3 million as compared with approx. HK\$3 million in FY16/17.

All in all, the Group recorded a loss attributable to shareholders of approx. HK\$186 million in FY17/18 compared with approx. HK\$242 million in FY16/17.

截至二零一八年三月三十一日止年度，一般及行政（「一般及行政」）費用約為一億二千九百萬港元，較去年上升約百分之二十二（一六/一七財政年度：一億零六百萬港元）。

本集團於二零一八年三月三十一日之商譽為約三百萬港元，而相應年度則為約三百萬港元。管理層將持續審閱商譽之賬面值。

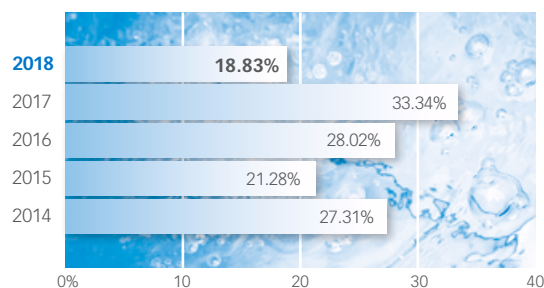
本年度主要自玩具分部貿易融資產生之融資成本約為三百萬港元，而一六/一七財政年度約為三百萬港元。

總括而言，本集團於一七/一八財政年度錄得股東應佔虧損約一億八千六百萬港元，而於一六/一七財政年度則為約二億四千二百萬港元。

G&A/Revenue

一般及行政／收入

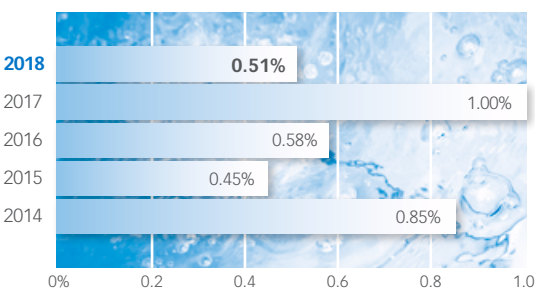
For the year ended 31 March
截至三月三十一日止年度



Finance Costs/Revenue

融資成本／收入

For the year ended 31 March
截至三月三十一日止年度



GROUP RESOURCES AND LIQUIDITY

As at 31 March 2018, the non-current assets decreased approx. 17% to approx. HK\$262 million compare with approx. HK\$317 million in the previous year. The decrease in non-current assets was mainly due to (1) the impairment loss on property, plant and equipment of approx. HK\$26 million; and (2) the disposal of interest in an associate during the Year.

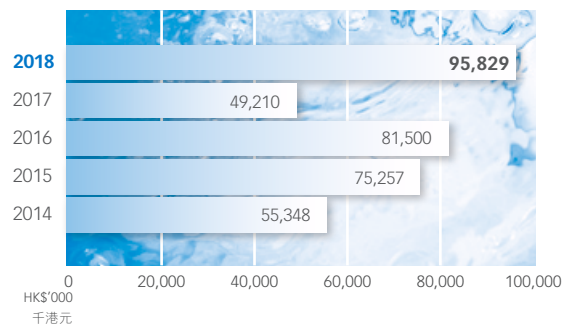
Management placed much emphasis on inventory control and will only authorise purchases in line with sales orders. The increase in inventories of approx. 96% compared to the Corresponding Period, value of inventories increase from approx. HK\$49 million as at 31 March 2017 to approx. HK\$96 million as at 31 March 2018 as a result of the newly acquired Chinese health products business. Inventories turnover days were improved to 51 days compared with 81 days in the Corresponding Period.

Inventories

存貨

As at 31 March

於三月三十一日



集團資源及流動資金

於二零一八年三月三十一日，非流動資產減少約百分之十七至約二億六千二百萬港元，而去年為約三億一千七百萬港元。非流動資產減少乃主要由於本年度內(1)物業、廠房及設備之減值虧損約二千六百萬港元；及(2)出售於一間聯營公司之權益。

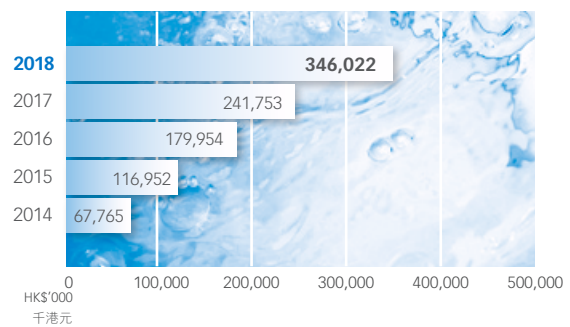
管理層注重控制存貨，並僅會根據銷售訂單批准採購。存貨較相應期間增加約百分之九十六，存貨價值由二零一七年三月三十一日之約四千九百萬港元增加至於二零一八年三月三十一日之約九千六百萬港元，乃由於新收購的中藥保健品業務。存貨週轉期由相應期間之八十一天縮短至五十一天。

Total Liabilities

負債總額

As at 31 March

於三月三十一日



Management Discussion and Analysis

管理層討論及分析

The trade receivables increase of approx. 204% as at 31 March 2018 to approx. HK\$70 million, compared with approx. HK\$23 million as at 31 March 2017 which was in line with the increase in revenue during the Year. During the year, an impairment loss of approx. HK\$2 million (FY16/17: HK\$9 million) was recognised because the receivables mainly from the commercial kitchen segment were long overdue and the recoverability is consider remote. Debtor turnover days were lower at 25 days in FY17/18 compared with 40 days in FY16/17. The Management regularly evaluates the Group's customers, assesses their known financial position and the credit risks.

Cash and bank balance as at 31 March 2018 were approx. HK\$58 million, compared with approx. HK\$38 million as at 31 March 2017. The increase in cash and bank balances were mainly due to the net proceeds from borrowings of approx. HK\$37 million. The Group dealt with different revenue and expenditure currencies during the FY17/18 such as HK\$, US\$, RMB as well as Indonesian Rupiah.

Trade payables, other payable and accrued charges recorded an increase against the Corresponding Period. Trade payables, other payables and accrued charges were approx. HK\$133 million as at 31 March 2018 compared with approx. HK\$90 million as at 31 March 2017. The trade payables mainly consisted of payables relating to material purchases and the trading products. During the Year, creditor turnover days decreased to 40 days from 70 days at the end of the previous year.

於二零一八年三月三十一日之應收貿易賬款為約七千萬港元，較於二零一七年三月三十一日之約二千三百萬港元增加約百分之二百零四，與本年度收入增加一致。於本年度，確認減值虧損約二百萬港元（一六／一七財政年度：九百萬港元）乃由於應收款項（主要為商用廚房產品分部的應收款項）已長期逾期，且被視為收回的可能性極低。應收賬款週轉期由一六／一七財政年度的四十天縮短至一七／一八財政年度的二十五天。管理層定期評估本集團客戶，分析其已知財政狀況及信貸風險。

於二零一八年三月三十一日之現金及銀行結餘約為五千八百萬港元，而於二零一七年三月三十一日則約為三千八百萬港元。現金及銀行結餘增加乃主要由於借貸所得款項淨額約三千七百萬港元。本集團於一七／一八財政年度內以不同收入及支出貨幣進行交易，例如港元、美元、人民幣及印尼盾。

應付貿易賬款、其他應付款項及應計費用較相應期間有所增加。二零一八年三月三十一日之應付貿易賬款、其他應付款項及應計費用約為一億三千三百萬港元，而二零一七年三月三十一日則約為九千萬港元。應付貿易賬款主要包括物資採購及買賣產品有關之應付款項。於本年度，應付賬款週轉期由去年年結日之七十天縮短至四十天。

Borrowings under current liabilities increased to approx. HK\$100 million as at 31 March 2018 from approx. HK\$64 million as at 31 March 2017, mainly attributable to a banking loan and trade facility offered by an Asian financial institution to our Indonesian, Hong Kong and Macau subsidiaries. The trade facility is secured by the Group's corporate guarantee as well as Indonesian property, plant and equipment.

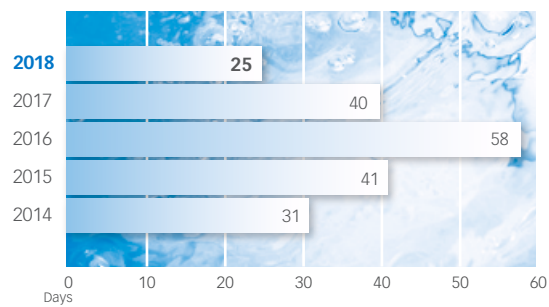
流動負債下之借貸由二零一七年三月三十一日之約六千四百萬港元增加至二零一八年三月三十一日之約一億港元，主要是由於一間亞洲的金融機構向我們的印尼、香港及澳門附屬公司提供銀行貸款及貿易融資所致。貿易融資以本集團之企業擔保以及印尼之物業、廠房及設備作為抵押。

Debtor Turnover Days

應收賬款週轉期

As at 31 March

於三月三十一日

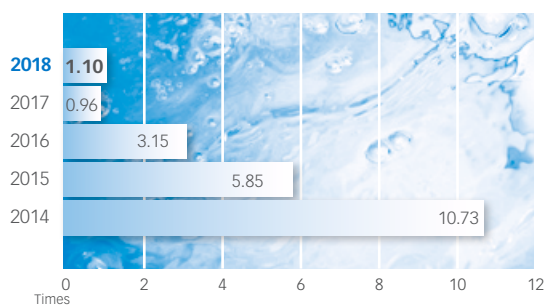


Current Ratio

流動比率

As at 31 March

於三月三十一日



As at 31 March 2018, the Group had total assets of HK\$620 million which was financed by shareholders' fund, payables and financial institutions credit facilities. The Group mainly generated revenue and incurred costs in HK\$, US\$, Indonesian Rupiah and RMB and did not have any related hedges for the year ended 31 March 2018. No financial instrument was used for hedging purpose. The Group adopted a prudent funding and treasury policy and managed the fluctuation exposures of exchange rate and interest rate on specific transactions.

於二零一八年三月三十一日，本集團之資產總值為六億二千萬港元，資金來源為股東資金、應付款項及金融機構信貸融資。本集團產生之收入及成本主要以港元、美元、印度盧比及人民幣列值，且於截至二零一八年三月三十一日止年度並無訂立任何相關對沖，亦無使用金融工具以作對沖。本集團採用審慎的融資及財務政策，管理特定交易的匯率及利率波動風險。

Management Discussion and Analysis

管理層討論及分析

As at 31 March 2018, the Group's total borrowings amounted to approx. HK\$100 million which was repayable on demand or within one year. All borrowings were denominated in either HK\$, Rupiah or US\$ and bore interest at floating rates. As at 31 March 2018, the Group recorded total current assets of approx. HK\$358 million and total current liabilities of approx. HK\$325 million. The current ratio of the Group, calculated by dividing the total current assets by total current liabilities, was approx. 110%. The Group recorded a decrease in shareholders' funds from approx. HK\$291 million as at 31 March 2017 to approx. HK\$274 million as at 31 March 2018. The decrease was mainly due to the Group suffering losses from its operations and the impairment loss on property, plant and equipment, available-for-sale investments, trade and other receivables and inventories during the Year.

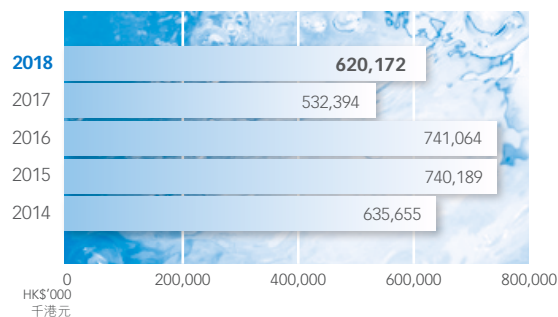
於二零一八年三月三十一日，本集團之借貸總額約為一億港元，須於要求時或於一年內償還。所有借貸均以港元、盧比或美元列值及按浮動利率計息。於二零一八年三月三十一日，本集團錄得流動資產總值約三億五千八百萬港元及流動負債總額約三億二千五百萬港元。本集團之流動比率（以流動資產總值除流動負債總額計算）約為百分之一百一十。本集團錄得股東資金減少，由二零一七年三月三十一日之約二億九千一百萬港元減少至二零一八年三月三十一日之約二億七千四百萬港元。該減少乃主要由於本集團於本年度錄得經營虧損以及物業、廠房及設備、可供出售投資、應收貿易賬款及其他應收款項以及存貨減值虧損。

Total Assets

資產總值

As at 31 March

於三月三十一日

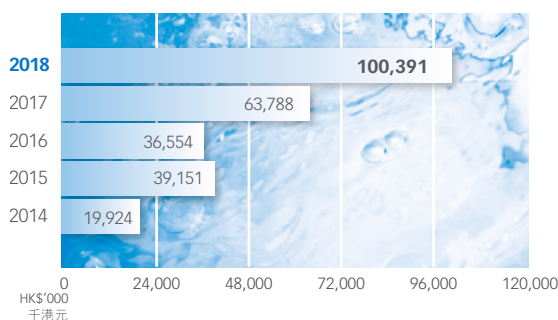


Bank Borrowings

銀行借貸

As at 31 March

於三月三十一日



Save as aforesaid or as otherwise disclosed herein, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any term loans (secured, unsecured, guaranteed or not), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, any mortgages or charges, or other material contingent liabilities or guarantee at the close of business on 31 March 2018. Foreign currency amounts have been translated at the approx. exchange rates prevailing at the close of business on 31 March 2018.

除上述者或本年報其他章節披露者外，於二零一八年三月三十一日營業時間結束時，本集團並無任何已發行及未贖回，或已授權或已設立但未發行的債務證券、任何定期貸款（有抵押、無抵押、有擔保或無擔保）、任何其他借貸或屬借貸性質之債項，包括銀行透支及承兌負債（一般商業票據除外）或承兌信貸、任何按揭或押記，或其他重大或然負債或者擔保。外幣金額乃按於二零一八年三月三十一日營業時間結束時之概約通行匯率換算。

The Group's operation relied upon the support from suppliers and financial institutions. Facilities and credit terms are provided on the basis of which certain financial and operational undertakings are complied with. On behalf of the Board, the Directors are of the opinion that, after taking into accounts the Group's internal resources and cash flow from operations, the Group will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this report in the absence of unforeseen circumstances.

DISPOSAL OF AN ASSOCIATE

To strengthen our financial position and reallocate our resources on our new and profit making business segments, the Group disposed of all of the 49% equity interest in its associate, 青島日日順樂家水設備有限公司, at a consideration of approximately HK\$8 million resulting in a loss on disposal of HK\$1 million. The disposal was completed on 4 December 2017.

PRINCIPAL RISKS AND UNCERTAINTIES

A summary of the principal risks and uncertainties which may impact the Group's financial conditions, results of operations or future performance and how the Group to mitigate these risks is set out below.

This summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties faced by the Group, but rather those risks which the Group currently believes may have a significant impact on the Group's performance and future prospects.

Principal risks 主要風險

Strategic risk
策略性風險

Description 內容

Strategic risk is the risk that medium and long-term profitability and/or reputation of the Group could be adversely impacted by the failure either to identify or implement the correct strategy, or to react appropriately to changes in the business environment.

策略性風險為因未能識別或實施正確策略或對營業環境變化作出適當反應而對本集團中期及長期盈利能力及／或聲譽造成不利影響之風險。

本集團之營運有賴供應商及金融機構之支持。信貸額度及信貸期乃按遵守若干金融及營運承諾而獲提供。董事（代表董事會）認為，經計及本集團之內部資源及營運產生的現金流量，在並無不可預見之情況下，本集團由本報告日期起計未來十二個月內具備充裕之營運資金以應付其目前的需要。

出售一間聯營公司

為增強本集團之財務狀況及重新分配我們在新又錄得溢利之業務分部之資源，本集團出售其於聯營公司青島日日順樂家水設備有限公司全部百分之四十九之權益，代價為約八百萬港元，錄得出售虧損一百萬港元。出售事項於二零一七年十二月四日完成。

主要風險及不明朗因素

可能影響本集團之財務狀況、營運業績或未來表現之主要風險及不明朗因素概要及本集團如何緩解該等風險載於下文。

此概要不應被視作對本集團面臨之所有潛在風險及不明朗因素之完整詳盡陳述，惟本集團現時相信該等風險可能對本集團之表現及未來前景構成重大影響。

Mitigating actions 舒緩措施

- Extensive investment management experience of the Board.
董事會於投資管理之豐富經驗。
- Regularly review on strategy and performance of each business unit.
定期檢討各業務單位之策略及表現。
- Perform comprehensive due diligence on all potential acquisitions.
就所有潛在收購事項進行全面盡職審查。

Management Discussion and Analysis

管理層討論及分析

Principal risks 主要風險	Description 內容	Mitigating actions 舒緩措施
Economic risk 經濟風險	<p>Economic risk is the risk of any downturn in economic conditions could impact the Group's performance through higher bad debts as a result of customers' inability to repay loans and lower asset values.</p> <p>經濟風險為任何經濟環境之下行風險，或會因客戶無力償還貸款而導致壞賬增加及資產價值降低而影響本集團表現。</p>	<ul style="list-style-type: none">• Regularly review forward looking indicators to identify economic conditions. 定期檢討前瞻性指標以識別經濟環境。
Credit risk 信貸風險	<p>Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.</p> <p>信貸風險為倘金融工具之客戶或交易對手未能履行其合約責任，本集團承受財務虧損之風險。</p>	<ul style="list-style-type: none">• Fully understand customers and carry out credit quality assessment on customers before granting loans. 於授出貸款前全面了解客戶並對客戶進行信貸質素評估。• Regularly monitor loans receivables and assess for their recoverability. 定期監察應收貸款及評核其可回收程度。
Market risk 市場風險	<p>Market risk is the risk of failure to maintain the contracts with various global brands such that the Group may not be able to sell and increase product offerings based on these brands.</p> <p>市場風險為未能繼續與各種全球品牌訂立合約之風險，即本集團無法銷售及增加該等品牌之產品訂單。</p>	<ul style="list-style-type: none">• Maintain strategic partnerships with existing brands and develop relationship with new brands. 維持與現有品牌之戰略合作夥伴關係並與新品牌建立合作夥伴關係。

Principal risks 主要風險	Description 內容	Mitigating actions 舒緩措施
Liquidity risk 流動資金風險	<p>Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.</p> <p>流動資金風險為本集團未能履行其到期之財務責任之風險。</p>	<ul style="list-style-type: none"> • Regularly monitor liquidity and statement of financial position. 定期監察流動資金及財務狀況表。 • Maintain appropriate liquidity to cover commitments. 保留適當流動資金兌現承諾。 • Limit liquidity risk exposure by investing only in securities listed on stock exchanges. 透過僅投資於交易所上市證券限制流動資金風險。 • Ensure acceptable and appropriate finance in place, or believed to be available before committing investment projects. 承擔投資項目前確保已有或將有可接受及適當資金。
Price risk 價格風險	<p>Price risk is the risk that changes in equity prices will affect the Group's income and the value of its holdings of equities.</p> <p>價格風險為將影響本集團收入及其所持股票價值之股價變動之風險。</p>	<ul style="list-style-type: none"> • Regularly monitor equity portfolio to address any portfolio issues promptly. 定期監察股票投資組合以即時處理任何投資組合問題。 • Spread price risk exposure by investing a number of equities. 投資多個股票以分散價格風險。
Exchange risk 匯兌風險	<p>Exchange risk is the risk that changes in foreign exchange rates will affect the Group's income and the value of its holdings of assets.</p> <p>匯兌風險為將影響本集團收入及其所持資產價值之外匯匯率變動之風險。</p>	<ul style="list-style-type: none"> • Closely monitor statement of financial position and cashflow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk. 密切監察財務狀況表及現金流匯兌風險，並在其認為適用的情況下使用金融工具（如遠期外匯合約、外匯期權及遠期利率協議）對沖該匯兌風險。

Management Discussion and Analysis

管理層討論及分析

Principal risks 主要風險

People risk 人事風險

Description 內容

People risk is the risk of loss the services of any directors, senior management and other key personnel which could have a material adverse effect on the Group's businesses.

人事風險為任何董事、高級管理人員及其他主要人員終止服務可能對本集團業務造成重大不利影響之風險。

Mitigating actions 舒緩措施

- Provide competitive reward and benefit packages that ensure our ability to attract and retain the employees we need.
提供有競爭力之獎勵及福利待遇以確保本集團有能力吸引及挽留所需之人才。
- Ensure that the staff of the Group has the right working environment to enable them to do the best job possible and maximise their satisfaction at work.
確保本集團之員工有合適之工作環境以令員工盡最大可能做好工作及最大限度地提高員工的工作滿意度。

Legal and regulatory risk 法律及監管風險

Legal and regulatory risk is the risk that a breach of laws and regulations could lead to litigation, investigations or disputes, resulting in additional costs being incurred, civil and/or criminal proceedings and reputational damage.

法律及監管風險為違反法律及法規可能引致訴訟、調查或糾紛、產生額外成本、民事及／或刑事程序及名聲損害之風險。

- Monitor changes and developments in the regulatory environment and ensure that sufficient resources being made available to implement any required changes.
監察規管環境之變動及發展並確保可用之資源足以實施任何規定之變動。
- Seek legal or other specialist advice as appropriate.
適當時尋求法律或其他專業人士意見。

Capital and Financial Risk

Our capital and financial risk management are set out in the Note 41 and Note 42 to the financial statements.

資本及財務風險

我們的資本及財務風險管理載於財務報表附註41及附註42。

CAPITAL STRUCTURE AND USE OF PROCEEDS FROM FUND RAISING ACTIVITIES

- (a) On 2 May 2017, a total of 363,636,363 new shares of the Company were allotted and issued at the subscription price of HK\$0.165 per share. The net proceeds from the subscription of approx. HK\$60 million which were intended to be used for (i) the acquisition of the entire issued share capital of Ace Season Holdings Limited (the newly acquired Chinese health products business) and its shareholder's loan and/or (ii) general working capital. As at 31 March 2018, all net proceeds were used up as intended. Details of the subscription were set out in the Company's announcements dated 30 March 2017 and 2 May 2017.
- (b) On 12 June 2017, a total of 819,914,000 new shares of the Company were allotted and issued at the placing price of HK\$0.14 per share. The net proceeds from the placing of approximately HK\$110 million which were intended to be used for (i) approx. HK\$95 million was intended to be used on future investment opportunities; and (ii) approx. HK\$15 million was intended to be used as general working capital required for the development of the trading and retail business of 參茸(Sum Yung) and dried seafood products in Hong Kong (the "Nam Pei Hong Business") following the acquisition of Nam Pei Hong. As at 31 March 2018, approx. HK\$95 million were used up as intended. And on 9 May 2018, the Company announced that HK\$15 million originally allocated for the Nam Pei Hong Business was reallocated to money lending business as a result of the strong demand on money lending business. Details of the placing and change in use of proceeds were set out in the Company's announcements dated 11 May 2017, 24 May 2017, 12 June 2017 and 9 May 2018.

股本架構及集資活動之所得款項用途

- (a) 於二零一七年五月二日，合共三億六千三百六十三萬六千三百六十三股本公司新股份按每股零點一六五港元之認購價獲配發及發行。認購事項所得款項淨額約六千萬港元擬用作(i)收購Ace Season Holdings Limited全部已發行股本(新收購的中藥保健品業務)及其股東貸款及/或(ii)一般營運資金。於二零一八年三月三十一日，全部所得款項淨額已按擬定用途悉數動用。有關認購事項之詳情載於本公司日期為二零一七年三月三十日及二零一七年五月二日之公告。
- (b) 於二零一七年六月十二日，合共八億一千九百九十一萬四千股本公司新股份按每股零點一四港元之配售價獲配發及發行。配售事項所得款項淨額約一億一千萬港元擬用作以下用途：(i)約九千五百萬港元擬用於日後投資機遇；及(ii)約一千五百萬港元擬用於收購南北行後於香港發展參茸及乾製海產品貿易及零售業務(「南北行業務」)所需之一般營運資金。於二零一八年三月三十一日，約九千五百萬港元已按擬定用途悉數動用。於二零一八年五月九日，因應放債業務的強勁需求，本公司宣佈將原定分配用於南北行業務之一千五百萬港元重新分配至放債業務。有關配售事項及更改所得款項用途之詳情載於本公司日期為二零一七年五月十一日、二零一七年五月二十四、二零一七年六月十二日及二零一八年五月九日之公告。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE CODE

China Healthwise Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) recognise the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the board of directors (the “Board”) is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders’ interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Save as disclosed elsewhere in this report, in the opinion of the directors of the Company (the “Director(s)”), the Company has complied with all code provisions as set out in the CG Code throughout the year ended 31 March 2018.

CODE PROVISION A.6.7

Under code provision of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. One non-executive director was absent from the Company’s annual general meeting held on 8 September 2017 and extraordinary meetings held on 26 May 2017 and 28 June 2017 due to other business commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 March 2018. To ensure Directors’ dealings in the securities of the Company (the “Securities”) are conducted in accordance with the Model Code and securities code of the Company, a Director is required to notify the Chairman in writing and obtain a written acknowledgement from the Chairman prior to any dealings in the Securities.

企業管治守則

中國智能健康控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）深明達致配合其業務所需且符合其所有權利相關人士最佳利益之最高標準企業管治之重要性，而董事會（「董事會」）一直致力進行有關工作。董事會相信，高水準企業管治能為本集團奠定良好架構，紮穩根基，不單有助管理業務風險及提高透明度，亦能維持高水準問責性及保障權利相關人士之利益。

本集團已參照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企業管治守則」）採納企業管治政策，為本集團應用企業管治原則提供指引。

除在本報告其他地方披露者外，本公司董事（「董事」）認為，截至二零一八年三月三十一日止年度內，本公司一直遵守載於企業管治守則之所有守則條文。

守則條文A.6.7

根據企業管治守則的守則條文，獨立非執行董事及其他非執行董事須出席股東大會以對股東的觀點取得持平瞭解。一名非執行董事由於須處理其他事務而缺席本公司於二零一七年九月八日舉行之股東週年大會及於二零一七年五月二十六日及二零一七年六月二十八日舉行之股東特別大會。

董事進行證券交易之標準守則

本公司採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事買賣本公司證券之操守守則。經本公司作出具體查詢後，全體董事確認彼等於截至二零一八年三月三十一日止年度均有遵守標準守則所載之規定標準。為確保董事於買賣本公司證券（「證券」）時遵守標準守則及本公司證券守則，董事於買賣任何證券前，須書面通知主席，並須取得主席之書面確認。

THE BOARD

The Board is responsible for providing leadership and control of the Company and monitoring the performance of the management, approving the financial statements and annual budgets. It focuses on the formulation of business strategy, policy and control. Day-to-day operations of the Company are delegated to the Executive Directors and senior management of the Group. The Board reviews and approves key matters affecting the Company's strategic policies, finances and shareholders, such as financial statements, dividend policy and major corporate activities. Decisions of the Board are communicated to the Management through Executive Directors who have attended Board meetings.

The Board currently comprises five Executive Directors, one Non-executive Director and three Independent Non-executive Directors. There is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board. Their names and brief biographies are set out on pages 53 to 55 of this Annual Report.

The Independent Non-executive Directors are high calibre executives with diversified industry expertise and bring a wide range of skills and experience to the Company. One of the Independent Non-executive Directors possesses recognized professional qualifications in accounting. All Independent Non-executive Directors bring independent judgement on issues of strategy, performance, risk and people through their contribution at Board meetings.

The Board has received from each Independent Non-executive Director a written annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that the three Independent Non-executive Directors, representing one-third of the Board, are independent in character and they also meet the independence guidelines as set out in Rule 3.13 of the Listing Rules.

Board meetings are scheduled at approx. quarterly intervals, and additional meetings will be held when required. The Directors have access to all relevant information as well as the advice and services of the Company Secretary of the Company. Independent professional advice may be taken by the Directors as required. There were sixteen Board meetings held during the year ended 31 March 2018.

Independent Non-executive Directors are appointed for a specific term of three years. All Directors are subject to retirement by rotation once every three years and are subject to re-election in accordance with the articles of association of the Company.

董事會

董事會負責領導及控制本公司，並監察管理層之表現、批准財務報表及年度預算。董事會制定業務策略、政策及執行控制。本公司之日常營運乃委派本集團之執行董事及高級管理層進行。董事會審閱並批准通過影響本公司策略政策、融資及股東之重要事宜，例如財務報表、股息政策及主要企業活動。董事會之決定乃透過出席董事會會議之執行董事知會管理層。

董事會目前包括五名執行董事、一名非執行董事及三名獨立非執行董事。董事會成員之間並無任何關係（包括財務、業務、家屬或其他重要／相關關係）。彼等之姓名及履歷載於本年報第53至55頁。

獨立非執行董事均為高水平之行政人員，具備多元化之業務專長，並為本公司貢獻多方面的技術及經驗。其中一名獨立非執行董事具備獲認可之專業會計資格。所有獨立非執行董事於董事會會議上就策略、業績、風險及人事等事宜提供獨立判斷。

董事會已根據上市規則第3.13條之規定收到各獨立非執行董事就其獨立性發出之年度確認書。董事會認為三名獨立非執行董事（佔董事會人數三分之一）具獨立性，並符合上市規則第3.13條所載之獨立性指引。

董事會大致上每季定期會面一次，並因應情況召開額外會議。董事均可獲本公司之公司秘書提供所有相關資料、建議及服務。董事可按情況諮詢獨立專業意見。於截至二零一八年三月三十一日止年度曾舉行十六次董事會會議。

獨立非執行董事之指定任期為三年。全體董事均須根據本公司組織章程細則每三年輪席退任一次及須膺選連任。

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer of the Group are clearly defined and segregated to ensure independence and proper checks and balances. The Chairman focuses on the business strategy and direction of the Company and has executive responsibilities, provides leadership for the Board and ensures proper and effective functioning of the Board in discharging of its responsibilities. The Chief Executive Officer is accountable to the Board for the overall implementation of the Company's strategies and the co-ordination of overall business operations.

There is currently no officer carrying the title of Chief Executive Officer up to the date of this annual report. In the absence of the Chief Executive Officer, the duties of the Chief Executive Officer have been/will continue to be undertaken by other executive members of the Board, namely Mr. Leung Alex, Mr. Tse Chi Keung, Mr. Lee Chan Wah and Ms. Lo Ming Wan, therefore, in the opinion of the Directors, the roles of the Chairman and the Chief Executive Officer have been/will continue to be properly segregated in the absence of an officer carrying the title of Chief Executive Officer.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, Remuneration Committee and Nomination Committee, to oversee particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees have been posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

主席及行政總裁

本集團主席及行政總裁之角色已清晰界定及區分，以確保其獨立性且能互相制衡。主席負責制定本公司之業務策略及方針，並具有執行責任，領導董事會，確保董事會在履行其職責時能正確及有效地運作。行政總裁須向董事會負責，全面執行本公司策略及協調整體業務營運。

截至本年報日期止，並無任何人士出任行政總裁一職。於行政總裁一職懸空時，行政總裁之職務已／將繼續由董事會其他執行成員，即梁奕曦先生、謝自強先生、李燦華先生及勞明韻女士分擔，因此，董事認為，於並無任何人士出任行政總裁一職時，主席及行政總裁之角色已／將繼續適當區分。

董事委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監察本公司有關方面之事務。本公司所有董事委員會均按書面界定的職權範圍履行工作。董事委員會的職權範圍已刊登在本公司網頁及聯交所網頁，並於股東要求時可供查閱。

NUMBER OF MEETINGS ATTENDED/HELD

The attendance records of each Director at the meetings of the shareholders, the Board, Audit Committee, Remuneration Committee and Nomination Committee during the Year are set out below:

出席／舉行會議次數

各董事於本年度出席股東會、董事會、審核委員會、薪酬委員會及提名委員會會議的記錄載列如下：

		Board	Remuneration Committee	Nomination Committee	Audit Committee	2017 Annual General Meeting ("AGM") 二零一七年度股東週年大會 (「股東週年大會」)	EGM 股東特別大會
		董事會	薪酬委員會	提名委員會	審核委員會		
Executive Directors	執行董事						
Mr. Lei Hong Wai (Chairman)	李雄偉先生 (主席)	16/16	1/1	1/1	-	1/1	2/2
Mr. Leung Alex (Vice Chairman)	梁奕曦先生 (副主席)	16/16	-	-	-	1/1	2/2
Mr. Tse Chi Keung	謝自強先生	16/16	-	-	-	1/1	2/2
Mr. Lee Chan Wah	李燦華先生	15/16	-	-	-	1/1	0/2
Ms. Lo Ming Wan	勞明韻女士	16/16	-	-	-	1/1	2/2
Non-Executive Director	非執行董事						
Mr. Diao Yunfeng	刁雲峰先生	2/16	-	-	-	0/1	0/2
Independent Non-executive Directors	獨立非執行董事						
Mr. Wong Tak Chuen	黃德銓先生	10/16	1/1	1/1	2/2	1/1	2/2
Mr. Lai Hok Lim	黎學廉先生	10/16	1/1	1/1	2/2	1/1	2/2
Mr. Lien Wai Hung	連偉雄先生	10/16	1/1	1/1	2/2	1/1	2/2

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 March 2018, the Directors have participated in continuous professional development programmes, such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. A record of the training received by the respective Directors are kept and updated by the Company.

董事之持續專業發展

為協助董事之持續專業發展，本公司建議董事出席相關座談會以發展及更新彼等之知識及技能，以確保彼等繼續在具備全面資訊及於切合所需的情況下對董事會作出貢獻。截至二零一八年三月三十一日止年度，董事有參與持續專業發展計劃，如由合資格專業人士所舉辦之外部座談會，發展及更新彼等之知識及技能以對董事會作出貢獻。各董事所接受之培訓記錄由本公司保管及更新。

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The Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

董事亦了解到持續專業發展之重要性並承諾參與任何合適之培訓，以發展及更新彼等之知識及技能。

According to the records provided by the Directors to the Company pursuant to the CG Code, all Directors have participated in appropriate continuous professional development activities during the Year under review. The individual training record of each Director for the year ended 31 March 2018 is summarised below:

按照董事根據企業管治守則向本公司提供之記錄，全體董事已於回顧年內參與適當之持續專業發展活動。截至二零一八年三月三十一日止年度，各董事所接受之個別培訓紀錄概述如下：

		Directors' duties and responsibilities/ Corporate Governance/ Updates on Laws, Rules and Regulations 董事之職務及職責／企業管治／ 法例、規則及規例之更新		Business related/Accounting/ Financial/Management or other professional skills 業務相關／會計／財務／ 管理或其他專業技能	
		Reading materials 閱讀材料	Attending seminars/ conferences 出席研討會 ／會議	Reading materials 閱讀材料	Attending seminars/ conferences 出席研討會 ／會議
Executive Directors	執行董事				
Mr. Lei Hong Wai (Chairman)	李雄偉先生 (主席)	✓	✓	✓	✓
Mr. Leung Alex (Vice Chairman)	梁奕曦先生 (副主席)	✓	✓	✓	✓
Mr. Tse Chi Keung	謝自強先生	✓	✓	✓	✓
Mr. Lee Chan Wah	李燦華先生	✓	✓	✓	✓
Ms. Lo Ming Wan	勞明韻女士	✓	✓	✓	✓
Non-Executive Director	非執行董事				
Mr. Diao Yunfeng	刁雲峰先生	✓	✓	✓	✓
Independent Non-executive Directors	獨立非執行董事				
Mr. Wong Tak Chuen	黃德銓先生	✓	✓	✓	✓
Mr. Lai Hok Lim	黎學廉先生	✓	✓	✓	✓
Mr. Lien Wai Hung	連偉雄先生	✓	✓	✓	✓

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Company. Details of the remuneration of each of the Directors for the year ended 31 March 2018 are set out in Note 14 to the consolidated financial statements.

The details of the five individual with highest emoluments are set out in Note 14(b) to the consolidated financial statements.

The remuneration of the members of senior management by band are set out in Note 14(c) to the consolidated financial statements.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee in 2005. The Remuneration Committee currently consists of three Independent Non-executive Directors, namely Mr. Lai Hok Lim, Mr. Wong Tak Chuen and Mr. Lien Wai Hung and the Chairman, Mr. Lei Hong Wai. Mr. Lai Hok Lim is the Chairman of the Remuneration Committee. The function of the Remuneration Committee is to review and make recommendations to the Board on the Company's remuneration policy for all remuneration of Directors and senior management. The fees of the Non-executive Directors (including the Independent Non-executive Directors) are determined by the Board.

All members of the Remuneration Committee met one time during the year ended 31 March 2018 for a proposal on remuneration packages and employment contracts for submission to the Board for approval.

The Company adopts a competitive remuneration package for its employees. Promotion and salary increments are assessed based on a performance related basis in order to attract, retain and motivate talented executives/employees to strive for future developments and expansion of the Company. To provide the Company with a flexible means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to the executives/employees, a share option scheme was adopted by the Company in 2012. Details of the 2012 share option scheme are set out on pages 48 to 51 of this Annual Report.

董事及高級管理層的薪酬

本公司已制訂正式且具透明度的程序，以就本公司董事及高級管理層制訂薪酬政策。各董事於截至二零一八年三月三十一日止年度的薪酬詳情載於綜合財務報表附註14。

五名最高薪酬人士薪酬詳情載列於綜合財務報表附註14(b)。

按薪酬範圍劃分的高級管理層成員的薪酬載列於綜合財務報表附註14(c)。

薪酬委員會

本公司已於二零零五年成立薪酬委員會。薪酬委員會現時包括三名獨立非執行董事，分別為黎學廉先生、黃德銓先生及連偉雄先生及主席李雄偉先生。黎學廉先生為薪酬委員會之主席。薪酬委員會職能為就本公司董事及高級管理層之所有薪酬政策進行審閱並向董事會提供建議。非執行董事（包括獨立非執行董事）之袍金由董事會釐定。

於截至二零一八年三月三十一日止年度，全體薪酬委員會成員曾舉行一次會議，就有關向董事會提交之薪酬組合及僱用合約提出建議供其審批。

本公司對僱員實行具競爭力之酬金制度。晉升及加薪皆按其表現評估，以吸引、挽留及激勵有才能之行政人員／僱員竭誠投入工作，為本公司日後之發展及擴展作出貢獻。為向本公司提供靈活之獎勵方式，以給予該等行政人員／僱員回報、酬勞、補償及／或福利，本公司已於二零一二年採納一項購股權計劃。二零一二年購股權計劃之詳情載於本年報第48至51頁。

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NOMINATION COMMITTEE

The Company has established a Nomination Committee in 2006. The Nomination Committee currently consists of three Independent Non-executive Directors, namely Mr. Lai Hok Lim, Mr. Wong Tak Chuen and Mr. Lien Wai Hung and the Chairman, Mr. Lei Hong Wai. Mr. Lei Hong Wai is the Chairman of the Nomination Committee. The function of the Nomination Committee is to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes to complement the Group's corporate strategy.

The Company adopted a policy on board diversity on 25 June 2013. The review of effectiveness of the Board Diversity Policy was conducted by the Board and all findings are satisfactory.

In assessing the Board composition, the Nomination Committee will consider various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional qualifications, skills, knowledge, industry and regional experience and length of service.

On selection of candidates for directorship of the Company, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity. All appointment will be based on merit and contribution that the selected candidates would bring to the Board.

During the year ended 31 March 2018, the Nomination Committee conducted an annual review of the structure, size and composition of the Board and the independence pursuant to code provision A.5.2 of the CG Code.

提名委員會

本公司已於二零零六年成立提名委員會。提名委員會目前包括三名獨立非執行董事，分別為黎學廉先生、黃德銓先生及連偉雄先生及主席李雄偉先生。李雄偉先生為提名委員會之主席。提名委員會之職能為定期檢討董事會之架構、規模及組成（包括技能、知識及經驗），並就任何建議變動向董事會提出建議以完善本集團的企業策略。

本公司於二零一三年六月二十五日採納董事會多元化政策。董事會已檢討董事會多元化政策之效能，而所有結果均令人滿意。

於評估董事會之組成時，提名委員會將考慮董事會多元化政策所載的各個方面，包括但不限於性別、年齡、文化及教育背景、種族、專業資歷、技能、知識、行業及地區經驗以及服務年期。

於甄選本公司之董事候選人方面，提名委員會將考慮候選人的品格、資歷、經驗、獨立性以及就落實企業策略及實現董事會多元化所必要的其他相關條件。所有委任均以用人唯才及可為董事會提供貢獻為原則。

於截至二零一八年三月三十一日止年度，提名委員會根據企業管治守則之守則條文第A.5.2條對董事會的架構、規模及組成以及獨立性進行年度檢討。

AUDIT COMMITTEE

Pursuant to the Listing Rules, an Audit Committee was established on 14 March 2000. The Audit Committee currently consists of three Independent Non-executive Directors, namely Mr. Wong Tak Chuen, Mr. Lai Hok Lim and Mr. Lien Wai Hung. Mr. Wong Tak Chuen is the Chairman of the Audit Committee. The Chairman of the Audit Committee has appropriate professional qualifications and experience in financial matters.

By reference to "A Guide for the Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants, written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted by the Board since the date of establishment. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process (including the preparation of the interim and annual results, internal controls and corporate governance).

During the year ended 31 March 2018, the Audit Committee held two meetings including the review of the annual results for the year ended 31 March 2017 and the interim results for the six months ended 30 September 2017 before their submission to the Board and monitored the integrity of such consolidated financial statements. In addition, the Audit Committee also had a private meeting with the independent auditor without the presence of management to discuss any area of concern. The attendance of each member of the Audit Committee is set out in the section headed "Number of Meetings Attended/Held" of this Report.

The Audit Committee has also discussed and reviewed the key audit matters determined by the external auditor under Hong Kong Standards on Auditing for the year ended 31 March 2018.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in code provision D.3.1 of the CG Code.

The Board has reviewed and is satisfied with the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

審核委員會

審核委員會已於二零零零年三月十四日根據上市規則成立。審核委員會目前包括三名獨立非執行董事，分別為黃德銓先生、黎學廉先生及連偉雄先生。黃德銓先生為審核委員會主席。審核委員會主席於財務事宜方面擁有適當的專業資格及經驗。

經參照香港會計師公會頒佈之「成立審核委員會指引」，載有審核委員會之職權及職責之書面職權範圍已自成立日期編製及獲董事會採納。審核委員會之主要職務包括審閱及監督本集團之財務申報程序（包括編製中期及全年業績、內部監控及企業管治事宜）。

截至二零一八年三月三十一日止年度，審核委員會舉行兩次會議，包括向董事會提交截至二零一七年三月三十一日止年度之全年業績及截至二零一七年九月三十日止六個月之中期業績前審閱該等業績，並監察該等綜合財務報表之完整性。此外，審核委員會亦曾在管理層避席之情況下與獨立核數師舉行一次私人會議，以討論任何須關注之事宜。審核委員會各委員之出席情況載列於本報告「出席／舉行會議次數」一節。

審核委員會亦已討論及審閱截至二零一八年三月三十一日止年度由外聘核數師根據香港審計準則決定之關鍵審核事項。

企業管治職能

董事會負責履行企業管治守則的守則條文第D.3.1條所載的職能。

董事會已審閱並信納本公司的企業管治政策及常規、董事及高級管理層之培訓及持續專業發展、本公司在遵守法律及監管規定、遵守標準守則及本公司遵守企業管治守則方面之政策及常規，並於本企業管治報告中披露。

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AUDITOR'S REMUNERATION

During the year ended 31 March 2018, the remuneration paid or payable to the independent auditor for the audit services amounted to approx. HK\$1,700,000 and non-audit services amounted to approx. HK\$90,000.

FINANCIAL REPORTING

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The Directors acknowledge their responsibility for preparing the financial statements as set out on pages 71 to 188. The statement of the external auditor about its reporting responsibilities on the financial statements is set out on pages 65 to 70.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges that it has overall responsibility for the design and implementation of internal controls and risk management which covers financial reporting, operations, compliance and risk management of the Company, as well as continuous monitoring the effectiveness of such internal controls and risk management. The Board has delegated such responsibility to the management of the Company. The management, under the supervision of the Board, has established an on-going process for identifying, evaluating and managing significant risks faced by the Group.

核數師酬金

於截至二零一八年三月三十一日止年度，本公司已付或應付獨立核數師有關審核服務的酬金為約一百七十萬港元及有關非審核服務的酬金為約九萬港元。

財務匯報

董事會須負責就年度及中期報告、股價敏感公告及根據上市規則及其他監管規定而須發表之其他披露呈列出公正、清晰及可理解之評估。

董事確認彼等須負責編製第71至188頁所載之財務報表。外聘核數師就其有關財務報表申報責任之聲明載於第65至70頁。

董事確認，據其作出一切合理垂詢後所知、所悉及所信，彼等並不知悉有關可能對本公司繼續持續經營的能力造成重大疑問的事件或情況之任何重大不明朗因素。

內部監控及風險管理

董事會確認其對設計及執行內部監控及風險管理之全面責任，包括本公司財務匯報、營運、合規及風險管理方面，並持續監察該等內部監控及風險管理之成效。董事會已向本公司管理層委派該等職責。在董事會監督下，管理層已確立既定程序，以識別、評估及管理本集團所面對之重大風險。

The Audit Committee reviews the internal controls and risk management that are significant to the Group on an on-going basis. The Audit Committee also considers the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, as well as their training programmes and budgets.

審核委員會按持續經營基準審閱對本集團而言屬重大之內部監控及風險管理。審核委員會亦考慮本集團在會計及財務匯報職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足。

(a) the process used to identify, evaluate and manage significant risks

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Risk Identification

- Identifies risks that may potentially affect the Group's business and operations.

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

(a) 用於識別、評估及管理重大風險之程序

本集團識別、評估及管理重大風險所採用程序概述如下：

風險識別

- 識別可能對本集團業務及營運構成潛在影響之風險。

風險評估

- 利用管理層制定之評估標準評估所識別風險；及
- 考慮對業務之影響及後果以及出現有關影響及後果之可能性。

風險回應

- 透過比較風險評估結果為風險排列優先次序；及
- 釐定風險管理策略及內部監控程序，以預防、避免或減輕該等風險。

風險監控及報告

- 持續及定期監控風險，並確保已設有合適內部監控程序；
- 一旦情況出現任何重大變化，則修訂風險管理策略及內部監控程序；及
- 定期向管理層及董事會報告監控風險結果。

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(b) the main features of the risk management and internal control systems

Control procedures have been designed to safeguard assets against misappropriation and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and to provide reasonable assurance against material misstatement, loss or fraud.

(c) an acknowledgement by the board that it is responsible for the risk management and internal control systems and reviewing their effectiveness. It should also explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss

The Board is responsible for the risk management and internal control systems of the Company and reviewing their effectiveness. The Board oversees the overall risk management of the Group and endeavours to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

(d) the process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness.

(b) 風險管理及內部監控系統之主要特點

監控程序乃為保障資產免遭挪用及處置；確保遵守相關法例、規則及規例；確保有關為業務用途或刊發而提供可靠財務資料之會計記錄得到妥善保管；及針對重大失實陳述、損失或欺詐提供合理保證而設。

(c) 董事會承認其須對風險管理及內部監控系統負責，並有責任檢討該等系統之有效性。董事會亦應闡釋該等系統旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對之保證

董事會須對本公司風險管理及內部監控系統負責，並有責任檢討該等系統之有效性。董事會監督本集團整體風險管理，並致力識別及控制所識別風險之影響及促使實行協調之紓緩措施。本公司風險管理及內部監控系統旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對之保證。

(d) 用以檢討風險管理及內部監控系統有效性之程序及解決嚴重之內部監控不足之程序

本公司並無內部審核功能及認為根據目前本集團業務之規模、性質及複雜性，毋須即時於本集團內設立內部審核功能。本公司決定董事會將直接負責本集團之內部監控及檢討其有效性。

The Board has engaged APAC Compliance Consultancy and Internal Control Services Limited as its risk management and internal control review adviser (the “Adviser”) to conduct the annual review of the risk management and internal control systems for the years ended 31 March 2018 and 31 March 2017. Such review is conducted annually and cycles reviewed are under rotation basis. The scope of review was previously determined and approved by the Board. The Adviser has reported findings and areas for improvement to the Audit Committee and management. The Board/Audit Committee are of the view that there are no material internal control defeats noted. All recommendations from the Adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

(e) the procedures and internal controls for the handling and dissemination of inside information

An information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosure are made in accordance with the Listing Rules. The policy regulates the handling and dissemination of inside information, which includes:

- Designated reporting channels from different operations informing any potential inside information to designated departments;
- Designated persons and departments to determine further escalation and disclosure as required; and
- Designated persons authorised to act as spokespersons and respond to external enquiries.

The Board is satisfied that the internal control system in place covering all material controls including financial, operational and compliance controls and risk management functions for the year under review and up to the date of issuance of the annual report is reasonably effective and adequate.

董事會已委聘亞太合規顧問及內控服務有限公司作為其風險管理及內部監控審閱顧問（「顧問」），以就截至二零一八年三月三十一日及二零一七年三月三十一日止年度之風險管理及內部監控系統進行年度檢討。該檢討每年進行，並輪流檢討各個週期。檢討範圍已事先獲董事會釐定及審批。顧問已向審核委員會及管理層匯報結果及有待改善之地方。董事會／審核委員會認為並無發現重大內部監控不足之處。顧問提供之所有建議均獲本集團適當跟進，以確保該等建議可於合理時間內執行。因此，董事會認為風險管理及內部監控系統充分有效。

(e) 處理及發佈內幕消息之程序和內部監控措施

本公司已制定信息披露政策，以確保能掌握潛在內幕消息並加以保密，直至按上市規則作出一致及適時披露為止。該政策規管處理及發佈內幕消息之方式，其中包括以下各項：

- 特設匯報渠道，由不同營運單位通知指定部門任何潛在內幕消息；
- 指定人員和部門按需要確定進一步上報和披露；及
- 指定人員獲授權擔任發言人，並回應外部查詢。

董事會信納，於回顧年度內及截至本年報刊發日期，內部監控系統涵蓋所有重大監控，包括財務、經營及合規監控以及風險管理職能，並屬合理地有效及足夠。

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COMPANY SECRETARY

Ms. Lo Ming Wan, is the Company Secretary of the Group and has day-to-day knowledge of the Company's affairs. She reports to the Chairman. Ms. Lo has confirmed that she has undertaken no less than 15 hours of relevant professional training during the Year.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

The procedures for shareholders of the Company to propose a person for election as a Director of the Company are available on the Company's website (www.healthwisehk.com).

Procedures for shareholders to convene extraordinary general meeting and putting forward proposal at general meeting

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2018 Revision as amended) (the "Law"). However, shareholders are requested to follow Article 72 of the Articles of Association (the "Articles") of the Company. Pursuant to Article 72 of the Articles of the Company, general meetings shall be convened on the written requisition of any two or more members of the Company, or on the written requisition of any one member which is a recognised clearing house, deposited at the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. Such meeting shall be held within two months after the deposit of such requisition. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to them by the Company.

公司秘書

勞明韻女士為本集團之公司秘書，並熟悉本公司之日常事務。彼向主席匯報。勞女士確認彼於本年度內已接受不少於十五小時之相關專業培訓。

股東權利

為保障股東利益及權利，將於股東大會上就各個別重大事項（包括選舉個別董事）提呈獨立決議案。根據上市規則，所有於股東大會上提呈的決議案將需要以按股數投票方式表決。以按股數投票方式表決的結果將於各股東大會後刊登於本公司及聯交所的網頁。

本公司股東提名人士參選本公司董事的程序登載於本公司網頁(www.healthwisehk.com)。

股東召開股東特別大會及於股東大會上提呈建議的程序

開曼群島公司法（二零一八年經修訂之修訂本）（「該法例」）並無條文允許股東於股東大會上提呈新決議案。然而，股東須遵守本公司組織章程細則（「細則」）第72條規定。根據本公司細則第72條，股東大會可由本公司任何兩名或以上股東書面提請或由任何一名認可結算所股東書面提請後召開，有關提請須遞交註冊辦事處，列明大會事項並由提請人簽署，惟該等提請人於遞交提請當日須持有不少於本公司十分之一附有權利於本公司股東大會投票的繳足股本。有關會議須於遞交該項提請後的兩個月內舉行。倘遞交提請當日後二十一日內董事會未有正式召開大會，則提請人自身或代表彼等持有全部投票權一半以上的任何提請人可按盡量接近董事會召開大會的相同方式召開股東大會，惟按上述方式召開的任何大會不得於遞交提請當日起計三個月屆滿後舉行，而本公司須向提請人補償因董事會未召開大會而令彼等產生的所有合理開支。

PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact details

Shareholders may send their enquiries or requests as mentioned above to the Company:

Address: Unit 1209, Shun Tak Centre, West Tower,
168-200 Connaught Road Central, Hong Kong
(For the attention of the Company Secretary)

Fax: (852) 2548 5575

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

INVESTOR RELATIONS

The Company highly values its relationship with its shareholders and other stakeholders. It has put in place an effective corporate communication system which provides transparent, regular and timely public disclosures to its shareholders and other stakeholders. The main features of the system are as follows:

- The Company maintains a corporate website (www.healthwisehk.com) on which comprehensive information about the Group, including core business, financial reports, public announcements, circulars and news of the Group, is disclosed. Shareholders can obtain corporate communication electronically via the Company's website.
- The Company establishes and maintains different communication channels with its shareholders and other stakeholders through annual reports, interim reports and other publication.

向董事會作出查詢

股東可以書面形式向本公司董事會作出任何查詢。本公司一般不會處理口頭或匿名查詢。

聯絡資料

股東可如上文所述向本公司寄發彼等的查詢或要求：

地址：香港干諾道中一六八至二零零號
信德中心西座一二零九室（致公司秘書）

傳真：(852) 2548 5575

為免生疑，股東須按上述地址遞交及發出正式簽署之書面要求、通知或聲明或查詢（視情況而定）之正本，並提供其全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

投資者關係

本公司高度重視與其股東及其他利益相關人士之關係。本公司設立有效之公司通訊系統，為其股東及其他利益相關人士提供具透明度、定期及適時之公開披露資料。該系統之主要特點如下：

- 本公司設有公司網站(www.healthwisehk.com)，披露有關本集團之詳細資料，包括本集團之核心業務、財務報告、公告、通函及新聞。股東可透過本公司網站以電子方式取得公司通訊。
- 本公司設有並維持不同渠道以與其股東及其他利益相關人士通訊，方式包括年報、中期報告及其他發佈。

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- AGM provides a useful forum for shareholders to exchange views with the Board. The respective chairmen of the Board and Audit, Remuneration and Nomination Committees (or in the absence of the chairmen of such Committees, another member of each Committee or failing this his duly appointed delegate) will endeavor to be available to answer questions raised by shareholders.
- Separate resolutions are proposed at general meetings for each substantially separate issue, including the election of individual Directors.
- Details of the proposed resolutions to be put forward at a general meeting are, where necessary or appropriate, included in a circular to the shareholders dispatched prior to the date of the relevant general meeting.
- All resolutions put to the vote of a general meeting are taken by poll. The poll results are published on the Stock Exchange's website at www.hkexnews.hk and on the Company's website in accordance with Rule 13.39(5) of the Listing Rules.
- 股東週年大會為股東與董事會交流意見的有用平台。董事會、審核委員會、薪酬委員會及提名委員會各自之主席（如有關委員會主席未能出席大會，則由各委員會的另一委員或主席正式委任之代表）將盡可能出席大會以回答股東之提問。
- 本公司將就各項重大之個別事宜於股東大會上提呈獨立決議案，包括選舉個別董事。
- 將於股東大會上提呈之建議決議案詳情（如必要或適用）載於相關股東大會日期前向股東寄發之通函內。
- 於股東大會上提呈供投票的所有決議案將以投票方式表決。表決結果將根據上市規則第13.39(5)條刊載於聯交所網站 (www.hkexnews.hk)及本公司網站。

In addition, the Company has established the Investor Relations Department with designated senior management for maintaining regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from shareholders and other stakeholders are dealt with in an informative and timely manner.

Shareholders and other stakeholders may write directly to the Company at its principal place of business in Hong Kong for any enquiries.

此外，本公司已成立投資者關係部門，並由專責的高級管理層與機構投資者及分析員保持定期交流，使彼等保持對本公司發展之了解。股東及其他利益相關人士之諮詢可得到詳盡而及時之處理。

如有任何查詢，股東及其他利益相關人士可以直接致函本公司之香港主要營業地點。

The Directors submit their report together with the audited financial statements for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are investment holding and investment in financial instruments. The principal activities of its subsidiaries are development, engineering, manufacturing and sale of toys, commercial kitchen and consumer electronic products, sales of Chinese health products, money lending and investment in financial instruments.

An analysis of the Group's turnover and segment information is set out in Note 6 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 71 to 72.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2018 is set out in Review of Operations and Management Discussion and Analysis on pages 13 to 29.

The Company has complied with all the relevant laws and regulations that have a significant impact on the Company. The Company will seek professional legal advice from legal advisers, where necessary, to ensure transactions and business to be performed by the Company are in compliance with the applicable laws and regulations.

DIVIDENDS

The Directors do not recommend any dividend in respect of the year ended 31 March 2018 (2017: Nil).

RESERVES

Movements in the reserves of the Group and of the Company during the Year are set out in page 75 and Note 35 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 March 2018 are set out in Note 31 to the financial statements.

董事謹提呈截至二零一八年三月三十一日止年度之董事會報告連同經審核財務報表。

主要業務及業務之地區分析

本公司之主要業務為投資控股及投資金融工具。其附屬公司之主要業務為開發、工程設計、製造及銷售玩具、商用廚房及消費類電子產品、銷售中藥保健品、放債及投資金融工具。

本集團之營業額及分部資料之分析載於財務報表附註6。

業績及分派

本集團之本年度業績載於第71至72頁之綜合損益及其他全面收益表內。

業務回顧

本集團截至二零一八年三月三十一日止年度之業務回顧載於第13至29頁之業務回顧及管理層討論及分析。

本公司已遵守所有對本公司有重大影響之相關法律及法規。本公司將在必要時尋求法律顧問的專業法律意見，以確保本公司所進行的交易及業務均符合適用法律及法規。

股息

董事不建議派付截至二零一八年三月三十一日止年度之任何股息（二零一七年：無）。

儲備

本集團及本公司在本年度之儲備變動載於第75頁及財務報表附註35。

股本

本公司於截至二零一八年三月三十一日止年度的股本變動詳情載於財務報表附註31。

Report of the Directors

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in Property, plant and equipment are set out in Note 15 to the financial statements.

EMOLUMENT POLICY

The Group's emolument policies are based on the salaries paid by comparable companies, employment conditions and responsibilities, and individual performance of the Directors, senior management and general staff and are reviewed by the Remuneration Committee periodically.

The emoluments of the Directors are recommended by the Remuneration Committee and are decided by the Board, having regard to the salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group.

The Company has adopted a share option scheme to provide a flexible and effective means of incentivising, rewarding, remunerating, compensating to eligible participants who contribute the success of the Group. Details of the schemes are set out in the paragraph headed "Share Option Scheme" below and Note 32 to the financial statements.

None of the directors waived any emoluments during the year ended 31 March 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 30 August 2018 to Tuesday, 4 September 2018 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the 2018 AGM of the Company to be held on Tuesday, 4 September 2018, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 29 August 2018.

INFORMATION ON SUBSIDIARIES

Particulars of the subsidiaries are set out in Note 18 to the financial statements.

物業、廠房及設備

物業、廠房及設備之變動詳情載於財務報表附註15。

薪酬政策

本集團的薪酬政策乃以比較公司支付的薪酬、僱用條件及職責及董事、高級管理層及普通員工的個人表現為基礎，並由薪酬委員會定期審閱。

董事薪酬乃經參考比較公司支付的薪酬、須付出的時間及職責以及本集團其他職位的僱用條件後由薪酬委員會建議，並由董事會釐定。

本公司已採納一項購股權計劃，以靈活及有效方式向為本集團成功作出貢獻的合資格參與者提供鼓勵、獎勵、報酬及補償。該等計劃的詳情載於下文「購股權計劃」一段及財務報表附註32。

於截至二零一八年三月三十一日止年度，概無董事放棄任何薪酬。

暫停辦理股份過戶登記

本公司將由二零一八年八月三十日（星期四）至二零一八年九月四日（星期二）止（首尾兩天包括在內）暫停辦理股份過戶登記，於此期間將不會進行股份過戶登記。為確定股東出席本公司將於二零一八年九月四日（星期二）舉行之二零一八年度股東週年大會及於會上投票之資格，所有股份過戶文件連同有關股票最遲須於二零一八年八月二十九日（星期三）下午四時三十分，交回本公司在香港之股份過戶登記分處卓佳雅柏勤有限公司，地址為香港皇后大道東一百八十三號合和中心二十二樓。

附屬公司之資料

附屬公司之資料載於財務報表附註18。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

The following is a summary of the consolidated results, assets and liabilities of the Group for each of the last five years ended 31 March 2018.

下表概述本集團於截至二零一八年三月三十一日止過往五年內各年之綜合業績、資產及負債。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	收入	682,548	319,221	352,799	389,427	193,664
(Loss)/profit before income tax	除所得稅前(虧損)/ 溢利	(194,704)	(263,838)	(94,044)	16,957	2,608
Income tax (expense)/credit	所得稅(開支)/抵免	(3,233)	1,220	106	(10,423)	687
(Loss)/profit for the year	年度(虧損)/溢利	(197,937)	(262,618)	(93,938)	6,534	3,295
Attributable to:	以下人士應佔:					
Owners of the Company	本公司之擁有人	(186,103)	(241,937)	(81,324)	17,037	5,287
Non-controlling interests	非控股權益	(11,834)	(20,681)	(12,614)	(10,503)	(1,992)
		(197,937)	(262,618)	(93,938)	6,534	3,295
Total assets	總資產	620,172	532,394	741,064	740,189	635,655
Total liabilities	負債總額	346,022	241,753	179,954	116,952	67,765
Total equity	權益總額	274,150	290,641	561,110	623,237	567,890

Report of the Directors

董事會報告

DISTRIBUTABLE RESERVES

As at 31 March 2017 and 2018, in the opinion of the directors, the Company has no distributable reserves.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

SHARE OPTION SCHEME

On 14 September 2012, the shareholders of the Company approved the adoption of a share option scheme ("the Scheme").

Details of the Scheme are as follows:

(1) Purpose

To provide a flexible and effective means of incentivising, rewarding, remunerating, compensating, to eligible participants who contribute the success of the Group.

(2) Eligible persons

Any person who is an employee (whether full time or part time) holding salaried office or employment under a contract of employment or service contract or terms of employment ("Contract") with the Group or is a Director (including executive and non-executive directors) of the Group or any adviser, consultant, agent, contractor, customer and supplier of any member of the Group or any subsidiaries of the Company.

可供分派儲備

於二零一七年及二零一八年三月三十一日，董事認為本公司並無可供分派儲備。

購買、出售或贖回上市證券

本公司及其任何附屬公司於回顧年度內概無購買、贖回或出售本公司任何上市證券。

購股權計劃

本公司股東於二零一二年九月十四日批准採納購股權計劃（「計劃」）。

計劃之詳情如下：

(1) 目的

旨在以靈活及有效方式向為本集團之成功作出貢獻之合資格參與者提供鼓勵、獎勵、報酬及補償。

(2) 合資格人士

目前為本集團受薪僱員（不論全職或兼職）或根據與本集團訂立之僱傭合約或服務合約或僱傭條款（「合約」）獲聘用或為本集團之董事（包括執行及非執行董事）之人士，或本集團任何成員公司或本公司任何附屬公司之任何諮詢人、顧問、代理、承包商、客戶及供應商。

(3) Maximum number of shares

The scheme mandate limit of the Scheme was approved by a shareholders' resolution passed in the EGM of the Company held on 14 September 2012, details of which have been set out in the circular dated 29 August 2012. Accordingly, the maximum number of shares available for issue under the Scheme is 345,775,799, representing 10% of the issued ordinary share capital of the Company as at the date of the EGM.

The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and all outstanding options granted and yet to be exercised under any other Scheme shall not exceed 30% of the shares in issue from time to time. No options may be granted under the Scheme and no options may be granted under any other Schemes if this will result in the limit being exceeded. Subject to specific approval of the shareholders of the Company, the 10% limit may be refreshed with reference to the date of such specific approval of the shareholders of the Company.

(4) Maximum entitlement of each eligible person

Unless approved by shareholders, the total number of shares issued and to be issued upon exercise of the share options granted to each eligible person in any 12-month period must not exceed 1% of the shares of the Company in issue.

(5) Time of exercise of option

An option may be exercised during the periods to be determined and notified by the Directors to the grantees at the time of making offers to grant share options to them provided that such periods shall not exceed the period of ten years from the date of offer.

(6) Acceptance of offers

Offers for the grant of share options must be accepted within 21 days after the offer date. Offers for grant of share options have to be accepted together with remittance in favour of the Company of HK\$1.00.

(3) 股份上限數目

計劃之計劃授權限制已由本公司在二零一二年九月十四日舉行之股東特別大會通過之股東決議案予以批准，有關詳情載於二零一二年八月二十九日刊發之通函。因此，根據計劃可供發行的股份最多為三億四千五百七十七萬五千七百九十九股，佔本公司於股東特別大會召開之日已發行普通股股本百分之十。

根據計劃授出但尚未行使之所有尚未行使購股權及根據任何其他計劃授出但尚未行使之所有尚未行使購股權獲行使時可予發行之股份總數，不得超過不時已發行股份之百分之三十。若會導致超出該限額，則不得根據計劃或根據任何其他計劃授出購股權。待本公司股東授出特定批准後，百分之十限額可按本公司股東授出該特定批准當日而更新。

(4) 每位合資格人士可獲授權益上限

除非經股東批准，於任何十二個月期間內，每位合資格人士於行使所獲授之購股權後，已發行及將予發行之股份總數，不得超過本公司已發行股份之百分之一。

(5) 購股權行使期

購股權可於由董事釐定並在向承授人提呈授出購股權之時知會承授人之期間內行使，惟該期間不得超過提呈購股權日期起計十年。

(6) 接受提呈之購股權

提呈授予購股權必須於提呈日期後二十一天內接受。於接受提呈授予之購股權時，須向本公司繳付一港元。

Report of the Directors

董事會報告

(7) Basis of determining the option exercise price

The subscription price for the Shares under the Scheme shall be a price determined by the Directors at its discretion, provided that it shall not be less than the whichever is the highest of (i) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of offer; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of the shares. Details of the scheme are set out in the circular of the Company dated 29 August 2012.

(8) The remaining life of the Scheme

The Scheme will remain in force until 14 September 2022, being the date which falls ten years after the date of adoption of the Scheme.

Details of the share options movement and outstanding as at 31 March 2018 have been disclosed in Note 32 to the financial statements.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for 10 years from 14 September 2012 to 14 September 2022 and for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Further details of the Scheme are set out in the circular of the Company date 29 August 2012.

On 13 May 2014, share options of 100,000,000 were granted by the Company to the senior management and employees of the subsidiaries and associate, and consultants at exercise price HK\$0.87 per share.

(7) 釐定購股權行使價之基準

計劃下股份之認購價須由董事酌情釐定，惟價格不得低於(i)提呈日期於聯交所每日報價表所示之股份收市價；(ii)緊接提呈日期前五個營業日於聯交所每日報價表所示之股份平均收市價；及(iii)股份面值（以最高者為準）。計劃詳情載於本公司日期為二零一二年八月二十九日之通函。

(8) 計劃尚餘之有效期

計劃於二零二二年九月十四日前將一直有效，該日為採納計劃日期後十年之日。

有關購股權變動及於二零一八年三月三十一日尚未行使購股權之詳情披露於財務報表附註32。

購股權計劃

本公司實行一項購股權計劃（「該計劃」），由二零一二年九月十四日起至二零二二年九月十四日為期十年，旨在為就本集團業務成就有貢獻之合資格參與者提供獎勵及獎賞。有關該計劃之進一步詳情載於本公司日期為二零一二年八月二十九日之通函內。

於二零一四年五月十三日，本公司向附屬公司及聯營公司之高級管理層及僱員以及顧問授出一億份購股權，行使價為每股股份零點八七港元。

The following table lists the details of movement in the options granted and outstanding under the Scheme during the Year:

下表列示本年度內於該計劃下已授出及尚未行使購股權之變動詳情：

Number of share options

購股權數目

Category of participants	Outstanding as at 1 April 2017 於二零一七年四月一日尚未行使	Granted during the Period 本期間授出	Exercised during the Period 本期間行使	Forfeited during the Period 本期間沒收	Outstanding as at 31 March 2018 於二零一八年三月三十一日尚未行使	Exercise price 行使價 HK\$ 港元	Closing price immediately before the date of grant 緊接授出日期前之收市價 HK\$ 港元	Weighted average closing price immediately before exercise 緊接行使前之加權平均收市價 HK\$ 港元	Date of grant 授出日期	Exercise period 行使期
Senior management of the subsidiaries and associate (Note 1) 附屬公司及聯營公司之高級管理層 (附註1)	4,157,600	-	-	(4,157,600)	-	0.87	0.86	-	13 May 2014 二零一四年五月十三日	13 May 2015 – 12 May 2017 二零一五年五月十三日至二零一七年五月十二日
Employees of the subsidiaries and associate (Note 1) 附屬公司及聯營公司之僱員 (附註1)	3,488,000	-	-	(3,488,000)	-	0.87	0.86	-	13 May 2014 二零一四年五月十三日	13 May 2015 – 12 May 2017 二零一五年五月十三日至二零一七年五月十二日
Consultants (Note 1) 顧問 (附註1)	3,620,000	-	-	(3,620,000)	-	0.87	0.86	-	13 May 2014 二零一四年五月十三日	13 May 2015 – 12 May 2017 二零一五年五月十三日至二零一七年五月十二日
Total 總計	11,265,600	-	-	(11,265,600)	-					

Note:

附註：

1. The options are vested in two tranches in the proportion of 40% and 60% on 13 May 2015 and 13 May 2016 respectively.

1. 該等購股權分別於二零一五年五月十三日及二零一六年五月十三日按百分之四十及百分之六十之比例分兩批歸屬。

Report of the Directors

董事會報告

DIRECTORS

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

Executive Directors:

Mr. Lei Hong Wai (*Chairman*)
Mr. Leung Alex (*Vice Chairman*)
Mr. Tse Chi Keung
Mr. Lee Chan Wah
Ms. Lo Ming Wan

Non-executive Director:

Mr. Diao Yunfeng

Independent Non-executive Directors:

Mr. Wong Tak Chuen
Mr. Lai Hok Lim
Mr. Lien Wai Hung

In accordance with Article 116 of the Company's Articles, the Directors retiring by rotation at the 2018 AGM are Mr. Leung Alex, Mr. Lai Hok Lim and Mr. Lien Wai Hung. They will retire and, being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

董事

於截至二零一八年三月三十一日止年度及截至本報告日期，董事如下：

執行董事：

李雄偉先生 (*主席*)
梁奕曦先生 (*副主席*)
謝自強先生
李燦華先生
勞明韻女士

非執行董事：

刁雲峰先生

獨立非執行董事：

黃德銓先生
黎學廉先生
連偉雄先生

根據本公司細則第116條，須於二零一八年度股東週年大會上輪值告退之董事為梁奕曦先生、黎學廉先生及連偉雄先生。彼等將於股東週年大會上退任董事，且符合資格並願意膺選連任。

Biographical details of Directors and senior management are set out as follows:

Executive Directors

Mr. Lei Hong Wai, aged 50, has over 15 years of extensive experience in corporate management, investment and business development. Mr. Lei is currently the chairman of the board of directors and an executive director of Eternity Investment Limited ("Eternity"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") under stock code: 764. During the period from 10 April 2014 to 2 September 2015, Mr. Lei was the chairman of the board of directors and an executive director of Huanxi Media Group Limited ("Huanxi Media"), a company listed on the Main Board of the Stock Exchange under stock code: 1003. On 3 April 2018, Mr. Lei is resigned as the chairman of the board of directors and an executive director of Man Sang International Limited ("Man Sang"), a company listed on the Main Board of the Stock Exchange under stock code: 938. In 2002, Mr. Lei was a director of The Chamber of Hong Kong Listed Companies Limited, which promotes interaction amongst its members which are listed companies in Hong Kong and the People's Republic of China.

Mr. Leung Alex, aged 39, obtained his Bachelor of Commerce degree from the University of Auckland, New Zealand in May 2000. Mr. Leung had worked in two international accounting firms from December 2000 to February 2012. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the CPA Australia. He has more than 18 years of experience in auditing, accounting and corporate management as well as in the field of corporate finance, mergers and acquisition matters, financial and accounting management, corporate governance and compliance affairs. Mr. Leung is currently the chief financial officer, the company secretary and an executive director of Man Sang and an executive director of Affluent Partners Holdings Limited (a company listed on the Main Board of the Stock Exchange under stock code: 1466 and formerly known as Man Sang Jewellery Holdings Limited).

Mr. Tse Chi Keung, aged 37, obtained his Bachelor Degree of Accounting from The Hong Kong Polytechnic University in 2005. He is a member of the Hong Kong Institute of Certified Public Accountants. He has more than 12 years of experience in auditing, accounting and financial management gained from certain senior positions in an international accounting firm in Hong Kong and a company listed on the Main Board of the Stock Exchange in Hong Kong.

* 僅供識別

董事及高級管理人員之簡歷詳情如下：

執行董事

李雄偉先生，五十歲，擁有逾十五年企業管理、投資及業務發展之廣泛經驗。李先生現為Eternity Investment Limited (永恒策略投資有限公司*) (「永恒策略」) (一間於香港聯合交易所有限公司 (「聯交所」) 主板上市之公司，股份代號：764) 之董事會主席兼執行董事。於二零一四年四月十日至二零一五年九月二日期間，李先生為歡喜傳媒集團有限公司 (「歡喜傳媒」) (一間於聯交所主板上市之公司，股份代號：1003) 之董事會主席兼執行董事。於二零一八年四月三日，李先生辭任民生國際有限公司 (「民生」) (一間於聯交所主板上市之公司，股份代號：938) 之董事會主席兼執行董事。於二零零二年，李先生為香港上市公司商會之董事，該商會之工作為促進其成員公司 (乃香港及中華人民共和國之上市公司) 間之互動合作。

梁奕曦先生，三十九歲，於二零零零年五月在紐西蘭奧克蘭大學取得商科學士學位。梁先生於二零零零年十二月至二零一二年二月在兩間國際會計師事務所任職。彼為香港會計師公會及澳洲會計師公會資深會員。彼在審計、會計及企業管理以及企業融資、併購事務、財務及會計管理、企業管治以及合規事宜方面擁有逾十八年經驗。梁先生現為民生之首席財務總監、公司秘書及執行董事及錢唐控股有限公司 (一間於聯交所主板上市之公司，股份代號：1466及前稱為民生珠寶控股有限公司) 之執行董事。

謝自強先生，三十七歲，於二零零五年在香港理工大學取得會計學士學位。彼為香港會計師公會會員。憑藉彼於香港之一間國際會計師事務所及於一間在聯交所主板上市之香港公司擔任若干高級職位，彼於審計、會計及財務管理方面擁有超過十二年經驗。

Report of the Directors

董事會報告

Mr. Lee Chan Wah, aged 49, obtained his Bachelor of Business Administration degree from the Hong Kong Baptist University. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. He has over 20 years of experience in the field of auditing, accounting and finance. On 31 October 2017, Mr. Lee resigned an executive director of SuperRobotics Limited (a company listed on the GEM of the Stock Exchange under stock code: 8176 and formerly known as SkyNet Group Limited).

Ms. Lo Ming Wan, aged 32, obtained her Bachelor of Business Administration in Accounting and Economics degree from The Hong Kong University of Science and Technology in 2007. She is a member of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. She has over 10 years of experience in auditing, accounting, company secretarial matters and financial management.

Non-executive Director

Mr. Diao Yunfeng, aged 45, obtained his EMBA degree from the China Europe International Business School in the People's Republic of China ("PRC") and a bachelor degree from the Southeast University of the PRC.

He was awarded as the "Outstanding Entrepreneur" of Shandong Province. Mr. Diao joined Haier Group in 1995 and is currently the vice president of Haier Group, responsible for the development and management of various emerging segments of Haier Group, including the global home electric appliances, childcare related products and intelligent healthcare products, etc.

Mr. Diao has held a number of senior positions including the director of overseas marketing management of the Haier Group and the general manager of Haier International Business Corporation Limited, and under his leadership, the overseas business of Haier achieved one milestone after another. Mr. Diao has been responsible for the development and planning of the home electric appliances business for Haier since 2011, during which he has established an innovative platform for Haier childcare related products and intelligent healthcare products.

李燦華先生，四十九歲，在香港浸會大學取得工商管理學士學位。彼為香港會計師公會會員及英國特許會計師公會會員。彼於審計、會計及金融方面擁有逾二十年經驗。於二零一七年十月三十一日，李先生辭任超人智能有限公司（前稱為航空互聯集團有限公司，一間於聯交所GEM上市之公司，股份代號：8176）之執行董事。

勞明韻女士，三十二歲，於二零零七年在香港科技大學取得工商管理學士（會計學及經濟學）學位。彼為香港會計師公會、英國特許秘書及行政人員公會及香港特許秘書公會之會員。彼於審計、會計、公司秘書事宜及財務管理方面累積超過十年經驗。

非執行董事

刁雲峰先生，四十五歲，於中華人民共和國（「中國」）中歐國際商學院獲得高級管理人員碩士（EMBA）學位及於中國東南大學獲得學士學位。

彼獲授予山東省「優秀企業家」稱號。刁先生於一九九五年加入海爾集團，現任海爾集團副總裁，負責海爾集團全球生活家電產業、嬰童產品、智能健康產品等多個新興產業的發展與管理。

刁先生先後擔任海爾集團海外行銷管理總監及海爾國際商社有限公司總經理等多項要職，在其領導下，海爾海外業務連創新高。二零一一年始刁先生開始負責海爾生活家電產業的發展與規劃，搭建海爾嬰童產品和智慧健康產品創新平台。

Independent Non-executive Directors

Mr. Wong Tak Chuen, aged 53, is a fellow member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants in the United Kingdom, as well as a member of the Institute of Chartered Accountants in England and Wales. He has over 20 years of experience in auditing, financial management, mergers and acquisitions gained from certain senior finance related positions in an international accounting firm in Hong Kong, companies listed in Hong Kong and a company listed in the United States of America. He is currently the chief financial officer of a public company in Hong Kong and a company listed on the GEM of the Stock Exchange. Mr. Wong is also an independent non-executive director of Huanxi Media, Eternity and Man Sang.

Mr. Lai Hok Lim, aged 59, has been a practising solicitor in Hong Kong since 1989. He graduated from the University of Hong Kong with a Bachelor of Arts Degree and holds a Bachelor of Arts (Law) Degree from the University of Sussex in the United Kingdom and a Bachelor of Law Degree from Beijing University in the PRC. Mr. Lai is currently an independent non-executive director of Man Sang.

Mr. Lien Wai Hung, aged 54, has been a practising solicitor in Hong Kong since 1997. Mr. Lien is currently the chairman of the board of directors and an executive director of Zhi Cheng Holdings Limited, a company listed on the GEM of the Stock Exchange under stock code: 8130.

獨立非執行董事

黃德銓先生，五十三歲，為香港會計師公會及英國特許公認會計師公會之資深會員，同時亦為英格蘭和威爾士特許會計師協會會員。黃先生過去曾於香港一間國際會計事務所、香港數間上市公司及美國一間上市公司擔任與財務有關之高級職位，期間於核數、財務管理、合併及收購方面累積超過二十年經驗。彼現為一間香港公眾公司及於聯交所GEM上市之公司之首席財務官。黃先生同時擔任歡喜傳媒、永恒策略及民生之獨立非執行董事。

黎學廉先生，五十九歲，自一九八九年起為香港執業律師。彼畢業於香港大學，考獲文學學士學位，並持有英國薩塞克斯大學之法律文學士學位以及中國北京大學法律學士學位。黎先生現為民生之獨立非執行董事。

連偉雄先生，五十四歲，自一九九七年起為香港執業律師。連先生現為Zhi Cheng Holdings Limited（智城控股有限公司*）（一間於聯交所GEM上市之公司，股份代號：8130）之董事會主席兼執行董事。

* 僅供識別

Report of the Directors

董事會報告

Company Secretary

Ms. Lo Ming Wan, aged 32, obtained her Bachelor of Business Administration in Accounting and Economics degree from The Hong Kong University of Science and Technology in 2007. She is a member of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. She has over 10 years of experience in auditing, accounting, company secretarial matters and financial management.

Senior Management

Mr. Wong, Andy Tze On, aged 51, is responsible for the overall management of the toy businesses. He is also responsible for compliance, financier relationship and risk management of the toy segment. Mr. Wong holds a business degree in accounting from the Curtin University of Technology, Western Australia. He joined the Group in June 1993. He is a member of the Australian Society of Certified Practising Accountants. Mr. Wong was an executive Director of the Company for the period from August 1997 to September 2014. Mr. Wong currently serves as a committee member of the Hong Kong Trade Development Council ("HKTDC") Electronics/Electrical Appliances Advisory Committee and previously served as a committee member of the HKTDC Toys Advisory Committee from July 2013 to March 2017.

公司秘書

勞明韻女士，三十二歲，於二零零七年在香港科技大學取得工商管理學士（會計學及經濟學）學位。彼為香港會計師公會、英國特許秘書及行政人員公會及香港特許秘書公會之會員。彼於審計、會計、公司秘書事宜及財務管理方面累積超過十年經驗。

高級管理層

王子安先生，五十一歲，負責玩具類業務的整體管理。彼亦負責玩具分部合規事宜、財務關係及風險管理。王先生持有西澳州Curtin University of Technology會計系商業學士學位。彼於一九九三年六月加入本集團。彼為澳洲執業會計師公會會員。王先生於一九九七年八月至二零一四年九月期間擔任本公司執行董事。王先生現擔任香港貿易發展局（「香港貿易發展局」）電器諮詢委員會委員並曾於二零一三年七月至二零一七年三月擔任香港貿易發展局玩具業諮詢委員會委員。

DIRECTORS' SERVICE CONTRACTS

All Executive Directors have entered into a service agreement with the Company for an initial term of three year commencing from the date of their first appointment and also subject to the general requirement of retirement by rotation and re-election at each annual general meeting of the Company under the Articles of Association. The service agreement shall continue unless terminated by either party by giving not less than two-month written notice or payment in lieu of notice to determine the same. Under the agreement, the Executive Directors will receive a Director's fee of HK\$120,000 per annum.

The Non-executive Director has entered into a service agreement with the Company for a term of three year commencing from 27 October 2016 and shall continue unless terminated by either party by giving a written notice. Under the agreement, the non-executive Director will receive an annual fee.

None of the Independent Non-executive Directors has entered into written service contract with the Company for a term of three years which will be automatically renewed for another term of three years until it is terminated. According to the verbal arrangements, it may be terminated at any time by the Independent Non-executive Director giving not less than three months' prior written notice.

Apart from the above, none of the Directors has a service contract with the Company which is not terminable within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all actions, costs, charges, damages, expenses, losses and liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors of the Group.

董事服務合約

所有執行董事已與本公司訂立服務協議，首次任期由彼等首次獲委任日期起計為期三年，且彼等亦須遵守組織章程細則有關於本公司各屆股東週年大會上輪值告退及膺選連任之一般規定。服務協議將持續有效，除非由任何一方發出不少於兩個月之書面通知或以代通知金來決定終止該服務協議，則作別論。根據該協議，執行董事將收取每年十二萬港元之董事袍金。

非執行董事已與本公司訂立自二零一六年十月二十七日起為期三年之服務協議，並將繼續留任，除非由任何一方發出書面通知予以終止。根據該協議，非執行董事將收取年度袍金。

概無獨立非執行董事與本公司訂立為期三年並將於合約終止前自動續約另外三年的書面服務合約。根據口頭安排，相關合約可由獨立非執行董事隨時透過發出不少於三個月的提前書面通知而終止。

除上述者外，概無董事與本公司訂有不可於一年內終止而毋須作出賠償（法定賠償除外）之服務合約。

獲准許的彌償

根據細則的規定，每名董事應有權獲得從本公司於其資產中補償所有因執行職務或與此有關的其他方面可能蒙受或招致之所有法律行動、費用、支出、損害、開支、損失或責任。

本公司已就本集團之董事可能面對任何訴訟時產生的責任和相關的費用購買保險。

Report of the Directors

董事會報告

DIRECTOR'S MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries or fellow subsidiaries was a party and in which Director of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Lei Hong Wai (Chairman and executive director of the Company) has interest in approximately 5.48% of the issued share capital of Eternity Investment Limited (stock code: 764), a company listed on the Main Board of the Stock Exchange engaging in the distribution of films, sublicensing of film rights, sale of financial assets, property investment, money lending, design and sale of jewelry products, and sale of precious stones., through themselves and their beneficial interests in Twin Success International Limited. In addition, Mr. Lei Hong Wai is the chairman of the board of directors and an executive director of Eternity Investment Limited. Therefore, Eternity Investment Limited competes with the Group's money lending business and investment in financial instruments business.

As at 31 March 2018, save as mentioned above, the Directors were not aware of any business or interest of each Director, management shareholder and their respective associate, that competes or may compete with the business of the Group and any other conflict of interest which any such person have or may have with the Group.

DIRECTORS' INTERESTS IN EQUITY SECURITIES

As at 31 March 2018, none of the Directors or chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

Apart from the Scheme, at no time during the Period was the Company, its holding companies or its subsidiaries a party to any arrangements to enable the Directors, chief executives of the Company and their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporations (within the meaning of Part XV of the SFO).

董事於對本公司業務攸關重要的交易、安排及合約之重大權益

概無有關本集團業務而本公司附屬公司或同系附屬公司為其中訂約方，且本公司董事及董事之關連方直接或間接擁有重大權益之重大交易、安排及合約，於年結日或年內任何時間仍然存續。

董事於競爭業務中之權益

李雄偉先生（本公司主席兼執行董事）透過彼個人及於Twin Success International Limited之實益權益擁有永恒策略投資有限公司（一間於聯交所主板上市之公司，股份代號：764）之已發行股本中約5.48%權益，該公司從事發行電影、轉授電影發行權、銷售金融資產、物業投資、借貸、設計及銷售珠寶產品以及銷售寶石之業務。此外，李雄偉先生為永恒策略投資有限公司之董事會主席兼執行董事。因此，永恒策略投資有限公司為本集團放債業務及投資金融工具業務之競爭對手。

於二零一八年三月三十一日，除上述者外，董事並無得悉各董事、管理層股東及彼等各自之聯繫人士擁有任何與本集團業務構成或可能構成競爭之業務或權益，亦不知悉任何該等人士與本集團存在或可能存在之任何其他利益衝突。

董事之股本證券權益

於二零一八年三月三十一日，本公司董事或最高行政人員概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有或被視作擁有本公司根據證券及期貨條例第三百五十二條存置的登記冊所記錄的任何權益或淡倉，或根據標準守則已知會本公司及聯交所的權益或淡倉。

除該計劃外，本公司、其控股公司或其附屬公司於本期間內任何時間概無作為訂約方訂立任何安排致使本公司董事、最高行政人員及彼等之聯繫人士可藉收購本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份或債券而從中獲利。

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2018, the following persons, other than a Director or chief executive of the Company, had an interest in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO:

主要股東

於二零一八年三月三十一日，下列人士（本公司董事或最高行政人員除外）擁有根據證券及期貨條例第XV部第三百三十六條須存置之登記冊所記錄之本公司股份及相關股份權益：

Name of substantial shareholder 主要股東姓名／名稱	Number of ordinary shares of HK\$0.10 each 每股面值零點一零港元之普通股數目 (Note 1) (附註1)	Capacity 身份	Approximate percentage on the issued share capital of the same class of securities 佔同一類別證券中已發行股本之概約百分比
Lung Cheong Investment Limited	775,332,240 (I)	Beneficial owner 實益擁有人	10.92%
Rare Diamond Limited	775,332,240 (I) (Note 2) (附註2)	Interest of controlled corporation 受控法團權益	10.92%
Mr. Leung Lun, M.H. 梁麟先生·M.H.	775,332,240 (I) (Note 2) (附註2)	Interest of controlled corporation 受控法團權益	10.92%
Mr. Leung Chung Ming 梁鍾銘先生	775,332,240 (I) (Note 2) (附註2)	Interest of controlled corporation 受控法團權益	10.92%
Eternity Finance Group Limited 永恒財務集團有限公司	708,396,000 (I)	Beneficial owner 實益擁有人	9.98%
Riche (BVI) Limited	708,396,000 (I) (Note 3) (附註3)	Interest in a controlled corporation 受控法團權益	9.98%
Eternity Investment Limited 永恒策略投資有限公司	708,396,000 (I) (Note 3) (附註3)	Interest of controlled corporation 受控法團權益	9.98%

Report of the Directors

董事會報告

Notes:

1. The letter "L" represents the entity's interests in the shares and underlying shares of the Company.
2. These shares were registered in the name of Lung Cheong Investment Limited, the entire issued share capital of which is wholly-owned by Rare Diamond Limited. Rare Diamond Limited is beneficially owned as to 70% by Mr. Leung Lun, M.H., and 30% by Mr. Leung Chung Ming, who is the brother of Mr. Leung Lun, M.H.
3. These Shares were registered in the name of Eternity Finance Group Limited, a wholly-owned subsidiary of Riche (BVI) Limited, which in turn is wholly-owned by Eternity Investments Limited, the shares of which are listed on the Main Board of the Stock Exchange under stock code: 764.

Save as disclosed above, as at 31 March 2018, the Directors are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company or its associated corporation(s) which would require to be recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

PRE-EMPTIVE RIGHTS

In the event that the Company issues, otherwise than pursuant to the Old Scheme and the Scheme, for cash consideration of any new shares or securities (including options and warrants) in the Company convertible into ordinary shares (the "New Issue Securities"), the holders of the Company's preference shares (the "Preference Shares") are entitled to subscribe, or procure subscribers to subscribe, for all or part of the New Issue Securities. Any New Issue Securities not subscribed for by the holders of Preference Shares may be subscribed for by the holders of ordinary shares in the Company upon terms and conditions no more favourable than those offered to the holder of Preference Shares.

MANAGEMENT CONTRACTS

Other than the contracts of service with the Directors or any persons engaged in the full-time employment of the Group, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Year.

附註:

1. 「L」指於本公司股份及相關股份之實體權益。
2. 該等股份以Lung Cheong Investment Limited之名義登記，其全部已發行股本由Rare Diamond Limited全資擁有。Rare Diamond Limited之百分之七十權益由梁麟先生·M.H.實益擁有，而百分之三十權益則由梁鍾銘先生（梁麟先生·M.H.之胞弟）實益擁有。
3. 該等股份以永恒財務集團有限公司之名義登記，其為Riche (BVI) Limited之全資附屬公司，而Riche (BVI) Limited則由永恒策略投資有限公司全資擁有，永恒策略投資有限公司之股份於聯交所主板上市（股份代號：764）。

除上文所披露者外，於二零一八年三月三十一日，董事概不知悉任何其他人士或公司於本公司或其相聯法團的股份及相關股份中擁有須記入本公司根據證券及期貨條例第XV部第三百三十六條須予存置的登記冊的權益或淡倉。

優先購股權

倘本公司並非根據舊計劃及該計劃而發行任何本公司之新股或可兌換為普通股之證券（包括購股權及認股權證）以收取現金代價（「新發行證券」），則本公司之優先股（「優先股」）持有人有權認購或促使認購人認購全部或部分之新發行證券。任何並未由優先股持有人認購之新發行證券可供本公司普通股持有人認購，惟其認購條款及條件不得較優先股持有人之認購條款及條件更加優惠。

管理合約

在本年度內，本公司除與董事或於本集團擔任全職工作之任何人士所簽訂之服務合約外，概無就本集團之整體或任何重要業務之管理及行政訂立或現存有任何合約。

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases attributable to the Group's largest customers and suppliers are as follows:

– the largest customer	– 最大客戶	7	10
– five largest customers combined	– 五大客戶合計	22	37
– the largest supplier	– 最大供應商	8	18
– five largest suppliers combined	– 五大供應商合計	30	53

No Directors or their associates (as defined in the Listing Rules) and no shareholders (which to the knowledge of the directors own more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

AUDIT COMMITTEE

The Audit Committee had reviewed (together with the management and external auditor) the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 March 2018.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-executive Directors are independent.

主要客戶及供應商

本集團最大客戶及供應商所佔之銷售及採購百分比如下：

	2018 二零一八年 %	2017 二零一七年 %
– 最大客戶	7	10
– 五大客戶合計	22	37
– 最大供應商	8	18
– 五大供應商合計	30	53

各董事或彼等之聯繫人士（定義見上市規則）及各股東（指就董事所知，擁有本公司股本百分之五以上之股東）概無擁有上述主要供應商或客戶之權益。

審核委員會

審核委員會已與管理層及外聘核數師審閱本集團採納的會計原則及政策以及截至二零一八年三月三十一日止年度的經審核綜合財務報表。

獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書。本公司認為全體獨立非執行董事均屬獨立。

Report of the Directors

董事會報告

BOARD OF DIRECTORS

There was no change in the composition of the Board as well as the Board Committees of the Company during the Year and up to the date of this report.

CONTINUING CONNECTED TRANSACTIONS

At an EGM held on 26 May 2017, an ordinary resolution was passed by the independent shareholders which approved the master purchase agreement dated 3 April 2017 entered into between LC Global Holdings Corporation ("LC Global"), a subsidiary of the Company, and Lung Cheong (BVI) Holdings Limited which is owned as to 30% by Mr. Leung Chung Ming and 70% by Mr. Leung, Kenneth Yuk Wai who is a son of one of the Company's substantial shareholder, Mr. Leung Lun, M.H., (the "Master Purchase Agreement") in relation to, among other matters, the supply of consumer electronic products, radio control/wireless products, electronic and plastic toys for a term up to 31 March 2020. The proposed annual caps in relation to the transactions under the Master Purchase Agreement for the period commencing from 1 April 2017 to 31 March 2020 and each of the years ending 31 March 2018, 31 March 2019 and 31 March 2020 would not exceed HK\$66 million, HK\$72 million and HK\$80 million respectively.

For FY17/18, purchases under the Master Purchase Agreement amounted to approx. HK\$64 million.

In accordance with Rule 14A.37 of the Listing Rules, the Independent Non-executive Directors of the Company reviewed the continuing connected transactions in the paragraph above and confirmed that the transactions were entered into:

- (i) In the ordinary and usual course of business of the Company;
- (ii) Either on normal commercial terms or on terms no less favorable to the Company than terms available to or from (as appropriate) independent third parties; and
- (iii) In accordance with the relevant agreement governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

董事會

本公司董事會及董事委員會之組成於本年度及截至本報告日期並無變動。

持續關連交易

於二零一七年五月二十六日舉行之股東特別大會上，獨立股東通過一項普通決議案批准本公司之附屬公司LC Global Holdings Corporation（「龍昌環球」）與Lung Cheong (BVI) Holdings Limited（由梁鍾銘先生持有百分之三十權益及本公司主要股東梁麟先生·M.H.之兒子梁毓偉先生持有百分之七十權益）於二零一七年四月三日訂立的有關（其中包括）於截至二零二零年三月三十一日期間供應消費電子產品、無線電遙控產品、電子及塑膠玩具的總採購協議（「總採購協議」）。於二零一七年四月一日至二零二零年三月三十一日期間及截至二零一八年三月三十一日、二零一九年三月三十一日及二零二零年三月三十一日止年度各年總採購協議項下之交易相關之擬定年度上限將分別不超過六千六百萬港元、七千二百萬港元及八千萬港元。

於一七/一八財政年度，源自總採購協議之採購額約為六千四百萬港元。

根據上市規則第14A.37條，本公司獨立非執行董事已審閱上段所述之持續關連交易並確認該等交易的訂立乃：

- (i) 屬本公司的一般及日常業務；
- (ii) 按照正常商業條款進行或對本公司而言，該等交易的條款不遜於向獨立第三方可取得或提供（倘適合）的條款；及
- (iii) 根據有關交易的協議條款進行，而交易條款屬公平合理，並且符合本公司股東的整體利益。

Pursuant to Rule 14A.38 of the Listing Rules, the Company's auditor, BDO Limited, was engaged to report on the Company's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews 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.

The auditor has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in the paragraph above in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Company is committed to maintaining, and has maintained good relationships with, its employees, customers and suppliers with a view to fostering better mutual understanding and/or a sense of belonging towards the Company. This is conducive to implementing the Group's strategies and business objectives, as well as the Group's business development and sustainability in the long term.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As a responsible corporation, the Company is committed to protecting the environment in the areas where we operate. To ensure our business development and sustainability, the Company endeavors to comply with the laws and regulations regarding environmental protection and to adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this report, the public float of the shares of the Company is sufficient to meet the minimum level as prescribed in the Listing Rules.

根據上市規則第14A.38條，本公司已聘用其核數師香港立信德豪會計師事務所有限公司，遵照香港會計師公會發佈的香港鑒證業務準則第3000號下之「非審核或審閱過往財務資料之鑒證工作」規定，並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」就本公司之持續關連交易作出報告。

核數師已根據上市規則第14A.38條發出無保留意見函件，當中闡述其就上段本集團所披露之持續關連交易之調查發現及結論。本公司已將有關該核數師函件副本送呈聯交所。

與僱員、客戶及供應商之關係

為增進相互了解及／或增強對本公司的歸屬感，本公司致力於與其僱員、客戶及供應商保持（並已保持）良好關係。此舉有助於執行本集團的策略及業務目標，且長遠而言亦有利於本集團的業務發展及可持續性。

環保政策及表現

作為一間負責任的企業，本公司致力保護我們營運所在的地區環境。為確保業務發展及可持續性，本公司致力遵守與環保有關的法律及法規，並採取有效措施達致資源有效利用、能源節約及廢料減少。

足夠公眾持股量

根據本公司所得公開資料及就其董事所知，於本報告刊發日期前之最後實際可行日期，本公司股份之公眾持股量符合上市規則所規定之最低水平。

Report of the Directors

董事會報告

AUDITOR

The financial statements have been audited by BDO Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution for the appointment of BDO Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practice are set out in the Corporate Governance Report on pages 30 to 44 of this Annual Report.

On behalf of the Board
China Healthwise Holdings Limited

Lei Hong Wai
Chairman and executive Director
28 June 2018

核數師

財務報表已由香港立信德豪會計師事務所有限公司審核，該核數師將退任，惟符合資格並願續聘連任。本公司將於應屆股東週年大會上提呈委任香港立信德豪會計師事務所有限公司為本公司核數師之決議案。

企業管治

本公司的企業管治原則及常規載於本年報第30至44頁的企業管治報告。

代表董事會
中國智能健康控股有限公司

李雄偉
主席兼執行董事
二零一八年六月二十八日



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TO THE SHAREHOLDERS OF CHINA HEALTHWISE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

致中國智能健康控股有限公司股東

(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Healthwise Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 71 to 188, 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 issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

吾等已審核第71至188頁所載列的中國智能健康控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表,包括於二零一八年三月三十一日的綜合財務狀況表,截至該日止年度的綜合損益及其他綜合收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註,包括主要會計政策概要。

吾等認為,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真實而公平地反映了貴集團於二零一八年三月三十一日的綜合財務狀況及其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編製。

意見的基礎

吾等已根據香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核。吾等就該等準則承擔的責任在本報告「核數師就審核綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會頒佈的「專業會計師道德守則」(「守則」),吾等獨立於貴集團,並已履行守則中的其他道德責任。吾等相信,吾等所獲得的審核憑證能充足及適當地為吾等的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements 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.

Impairment assessment of property, plant and equipment

(Refer to Note 15(g) to the consolidated financial statements and the Group's critical accounting estimates and judgements in relation to impairment of property, plant and equipment set out in Note 5(a)(iii))

In view of the recurring losses for certain segments in the Group, there was indication for impairment for the property, plant and equipment. As at 31 March 2018, the carrying amount of property, plant and equipment, before impairment, of these segments was HK\$101,637,000.

Management has performed an impairment assessment in accordance with its accounting policies which complies with Hong Kong Accounting Standard 36 "Impairment of Assets". Recoverable amounts of cash-generating units are determined based on higher of its fair value less costs of disposal and its value-in-use (the "Assessments"). Based on the Assessments, an impairment loss of approximately HK\$26,324,000 was recognised to write down the carrying amount of those assets to its recoverable amount of HK\$75,313,000. The Assessments involved exercise of significant judgements and key assumptions made by management concerning the estimated future cash flows. We have identified the impairment assessment of property, plant and equipment as a key audit matter because of its significance to the consolidated financial statements and the Assessments involved significant management judgements and estimation with respect to the discount rate and the underlying cash flows.

Our response:

Our procedures in relation to management's impairment assessment included, but not limited to, the following procedures:

- Discussed with senior management about the cash flow projection used in the Assessments and market conditions and difficulties to be encountered in the forecast period and the related adjustments reflected in the forecast;

關鍵審核事項

關鍵審核事項是根據吾等的職業判斷，對本期綜合財務報表的審核最為重要的事項。此等事項是在吾等整體審核綜合財務報表及出具意見時進行處理的。吾等不會對這些事項提供單獨的意見。

物業、廠房及設備減值評估

(參閱綜合財務報表附註15(g)及附註5(a)(iii)所載本集團有關物業、廠房及設備減值的重大會計估計及判斷)

鑒於 貴集團若干分部錄得經常性虧損，即物業、廠房及設備出現減值跡象。於二零一八年三月三十一日，該等分部之物業、廠房及設備（減值之前）之賬面值為一億零一百六十三萬七千港元。

管理層已根據其符合香港會計準則第36號「資產減值」之會計政策進行減值評估。現金產生單位的可收回金額乃按其公平值減出售成本與其使用價值（以較高者為準）而釐定（「評估」）。根據評估，已確認約二千六百三十二萬四千港元之減值虧損以將該等資產之賬面值撇減至其可收回金額七千五百三十一萬三千港元。評估涉及管理層就估計未來現金流量作出之重大判斷及關鍵假設。吾等將物業、廠房及設備減值評估識別為關鍵審核事項，原因為其對於綜合財務報表的重要性及評估涉及管理層作出之重大程度判斷及估計，尤其是對折現率及相關現金流量的估計。

吾等之回應：

吾等有關管理層之減值評估之程序包括但不限於以下步驟：

- 與高級管理討論評估所用之現金流量預測及市場狀況，以及在預測期間將遇到的困難及於預測中所作的相關調整；

- Evaluating the reasonableness of the key assumptions used in the Assessments;
 - Assessing the appropriateness of the Assessments, and compared the methodologies used to our interpretation of the requirements of the relevant accounting standards; and
 - Performing sensitivity analysis including assessing the effect of a reasonably possible change in discount rate and cash flows.
- 對評估中所用關鍵假設的合理性進行評估；
 - 對評估的適用性進行評估，並比較所用方法與吾等對相關會計準則要求的詮釋；及
 - 進行敏感度分析，包括評估合理可能的折現率及現金流量變動的影響。

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards 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.

年報的其他資料

董事需對其他資料負責。其他資料包括 貴公司年報內所載資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

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

在吾等審核綜合財務報表時，吾等的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他資料有重大錯誤陳述，吾等需要報告該事實。在這方面，吾等沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製真實而公平的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

Independent Auditor's Report

獨立核數師報告

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagements, 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 skepticism throughout the audit. We also:

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

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

董事亦負責監察 貴集團之財務呈報流程。審核委員會協助董事履行此方面之職責。

核數師就審核綜合財務報表須承擔的責任

吾等的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並出具載有吾等意見的核數師報告。吾等僅根據吾等協定的委聘條款向全體股東報告，不作其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔任何責任。

合理鑒證屬高層次的鑒證，惟根據香港審核準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據此等綜合財務報表作出的經濟決定，則被視為重大錯誤陳述。

在根據香港審核準則進行審核的過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審核程序，惟並非旨在對 貴集團內部監控的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估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。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘吾等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。倘有關披露不足，則修訂吾等意見。吾等結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。吾等負責集團審核的方向、監督和執行。吾等僅對吾等的審核意見承擔責任。

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.

吾等與審核委員會就（其中包括）審核的計劃範圍、時間安排及重大審核發現溝通，該等發現包括吾等在審核過程中識別的內部監控的任何重大缺失。

吾等亦向審核委員會作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及相關防範措施（如適用）。

Independent Auditor's Report

獨立核數師報告

From the matters communicated with the directors, 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.

BDO Limited

Certified Public Accountants

Chan Tsz Hung

Practising Certificate No. P06693

Hong Kong, 28 June 2018

從與董事溝通的事項中，吾等釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的不利後果超出產生的公眾利益，則吾等決定不應在報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

陳子鴻

執業證書編號：P06693

香港，二零一八年六月二十八日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收入	6	682,548	319,221
Cost of sales	銷售成本		(519,596)	(297,054)
Gross profit	毛利		162,952	22,167
Other revenue, gains and losses, net	其他收入、收益及虧損、淨額	7	(77,730)	(41,158)
Selling and distribution expenses	銷售及分銷支出		(121,506)	(55,492)
General and administrative expenses	一般及行政費用		(128,531)	(106,434)
Share of result of an associate	分佔一間聯營公司業績	19	(114)	(12,326)
Finance costs	融資成本	9	(3,451)	(3,206)
Impairment loss on goodwill	商譽減值虧損	16	–	(55,729)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	15	(26,324)	(8,248)
Impairment loss on intangible assets	無形資產減值虧損	17	–	(3,412)
Loss before income tax	除所得稅前虧損	8	(194,704)	(263,838)
Income tax (expense)/credit	所得稅(開支)/抵免	10	(3,233)	1,220
Loss for the year	年內虧損		(197,937)	(262,618)
Other comprehensive income, net of tax	扣除稅項後其他全面收益			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益的項目：</i>			
Surplus on revaluation of land and buildings	土地及樓宇之重估盈餘	30	3,168	–
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能會重新分類至損益的項目：</i>			
Exchange differences arising from translation of foreign operations	換算海外業務產生之匯兌差額		(1,650)	(7,794)
Revaluation of available-for-sale investments	可供出售投資之重估		(48,225)	(25,595)
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值後重新分類調整		56,225	17,595
Reclassification to profit or loss upon disposal of available-for-sale investments	於出售可供出售投資後重新分類至損益		–	6,271
Exchange differences reclassified to profit or loss upon disposal of an associate	於出售一間聯營公司重新分類至損益之匯兌差額		1,581	–
Other comprehensive income for the year, net of tax	年內扣除稅項後其他全面收益		11,099	(9,523)
Total comprehensive income for the year	年內全面收益總額		(186,838)	(272,141)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year attributable to:	以下人士應佔年內虧損：			
Owners of the Company	本公司擁有人		(186,103)	(241,937)
Non-controlling interests	非控股權益		(11,834)	(20,681)
			(197,937)	(262,618)
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收益總額：			
Owners of the Company	本公司擁有人		(170,592)	(253,884)
Non-controlling interests	非控股權益		(16,246)	(18,257)
			(186,838)	(272,141)
Loss per share attributable to owners of the Company	本公司擁有人應佔每股虧損			
– Basic	– 基本	12	(2.69) cents 港仙	(4.09) cents 港仙
– Diluted	– 攤薄	12	N/A 不適用	N/A 不適用

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2018 於二零一八年三月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	86,094	124,676
Goodwill	商譽	16	3,114	2,500
Intangible assets	無形資產	17	5,094	3,784
Interest in an associate	於一間聯營公司之權益	19	–	8,102
Available-for-sale investments	可供出售投資	20	166,855	174,380
Deferred tax assets	遞延稅項資產	30	550	3,780
			261,707	317,222
Current assets	流動資產			
Inventories	存貨	21	95,829	49,210
Trade and other receivables, deposits and prepayments	應收貿易賬款及其他應收 款項、按金及預付款項	22	103,260	112,448
Loan receivable	應收貸款	23	35,000	–
Financial assets at fair value through profit or loss	按公平值計入損益之金融 資產	24	65,867	–
Amounts due from related companies	應收有關連公司款項	25	–	14,796
Tax recoverable	可收回稅項		158	252
Pledged bank deposit	已抵押銀行存款	26	494	361
Cash and cash equivalents	現金及現金等價物	26	57,857	38,105
			358,465	215,172
Current liabilities	流動負債			
Trade and other payables and accrued charges	應付貿易賬款及其他 應付款項及應計費用	27	133,213	90,306
Borrowings	借貸	28	100,391	63,788
Amounts due to related companies	應付有關連公司款項	25	88,290	66,770
Tax payable	應繳稅項		3,276	2,967
			325,170	223,831
Net current assets/(liabilities)	流動資產淨值/(負債淨額)		33,295	(8,659)
Total assets less current liabilities	總資產減流動負債		295,002	308,563

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2018 於二零一八年三月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Provision for long service payment	長期服務金撥備	29	5,576	4,559
Deferred tax liabilities	遞延稅項負債	30	15,276	13,363
			20,852	17,922
Net assets	資產淨值		274,150	290,641
EQUITY	權益			
Share capital	股本	31	710,131	591,776
Reserves	儲備		(382,544)	(264,367)
Equity attributable to owners of the Company	本公司擁有人應佔權益		327,587	327,409
Non-controlling interests	非控股權益	33	(53,437)	(36,768)
Total equity	總權益		274,150	290,641

On behalf of the directors

代表董事

Lei Hong Wai
李雄偉
Director
董事

Tse Chi Keung
謝自強
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

		Share capital	Share premium	Share option reserve	Warrant reserve	Exchange fluctuation reserve	Investment revaluation reserve	Land and buildings revaluation reserve	Other reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
		股本	股份溢價	購股權儲備	認股權證儲備	匯兌波動儲備	投資重估儲備	土地及樓宇重估儲備	其他儲備	累計虧損	擁有人應佔	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 31)		(Note 32)				(Note 30)					
		(附註31)		(附註32)				(附註30)					
At 1 April 2016	於二零一六年四月一日	591,776	276,018	3,237	383	(44,663)	(6,271)	49,993	(261)	(288,919)	581,293	(20,183)	561,110
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(10,218)	-	-	-	-	(10,218)	2,424	(7,794)
Revaluation of available-for-sale investments	重估可供出售投資	-	-	-	-	-	(25,595)	-	-	-	(25,595)	-	(25,595)
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值後重新分類調整	-	-	-	-	-	17,595	-	-	-	17,595	-	17,595
Reclassification to profit or loss upon disposal of available-for-sale investments	於出售可供出售投資後重新分類至損益	-	-	-	-	-	6,271	-	-	-	6,271	-	6,271
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(241,937)	(241,937)	(20,681)	(262,618)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(10,218)	(1,729)	-	-	(241,937)	(253,884)	(18,257)	(272,141)
Capital injection from non-controlling shareholders	非控股股東注資	-	-	-	-	-	-	-	-	-	-	1,672	1,672
Lapse of warrants	認股權證失效	-	-	-	(383)	-	-	-	-	383	-	-	-
At 31 March 2017	於二零一七年三月三十一日	591,776	276,018	3,237	-	(54,881)	(8,000)	49,993	(261)	(530,473)	327,409	(36,768)	290,641
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	2,762	-	-	-	-	2,762	(4,412)	(1,650)
Exchange differences reclassified to profit or loss upon disposal of an associate	於出售一間聯營公司後重新分類至損益之匯兌差額	-	-	-	-	1,581	-	-	-	-	1,581	-	1,581
Revaluation of available-for-sale investments	重估可供出售投資	-	-	-	-	-	(48,225)	-	-	-	(48,225)	-	(48,225)
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值後重新分類調整	-	-	-	-	-	56,225	-	-	-	56,225	-	56,225
Surplus on revaluation of land and buildings	土地及樓宇重估增值	-	-	-	-	-	-	3,168	-	-	3,168	-	3,168
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(186,103)	(186,103)	(11,834)	(197,937)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	4,343	8,000	3,168	-	(186,103)	(170,592)	(16,246)	(186,838)
Issuance of new shares, net of transaction cost	發行新股份，扣除交易成本	118,355	52,415	-	-	-	-	-	-	-	170,770	-	170,770
Lapse of share option	購股權失效	-	-	(3,237)	-	-	-	-	-	3,237	-	-	-
Acquisition of subsidiaries [Note 34]	收購附屬公司 (附註34)	-	-	-	-	-	-	-	-	-	-	(423)	(423)
At 31 March 2018	於二零一八年三月三十一日	710,131	328,433	-	-	(50,538)	-	53,161	(261)	(713,339)	327,587	(53,437)	274,150

Nature and purpose of reserves are disclosed in Note 35.

儲備之性質及目的於附註35披露。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating activities	經營業務		
Loss before income tax	除所得稅前虧損	(194,704)	(263,838)
Adjustments for:	就以下項目調整:		
Interest income	利息收入	(20)	(10,246)
Interest expenses	利息開支	3,451	3,206
Share of result of an associate	分佔一間聯營公司業績	114	12,326
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,934	16,320
Amortisation of intangible assets	無形資產攤銷	1,125	1,600
Impairment loss on inventories	存貨減值虧損	1,857	18,521
Impairment loss on trade and other receivables, deposits and prepayments	應收貿易賬款及其他應收款項、按金及預付款項之減值虧損	9,015	23,629
Impairment loss on available-for-sale investments	可供出售投資減值虧損	56,225	17,595
Write off of property, plant and equipment	撇銷物業、廠房及設備	2,381	-
Write off of intangible assets	撇銷無形資產	3,055	3,412
Impairment loss on goodwill	商譽減值虧損	-	55,729
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	26,324	8,248
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	5	8
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	-	(3,345)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	(474)	-
Loss on disposal of an associate	出售一間聯營公司之虧損	1,298	-
Addition to provision for long service payment	長期服務金撥備增加	1,131	821
Fair value loss on financial assets at fair value through profit or loss, net	按公平值計入損益之金融資產之公平值虧損淨額	10,714	-
Operating cash flows before working capital changes	營運資本變動前之經營現金流量	(59,569)	(116,014)
Decrease in inventories	存貨減少	3,709	13,769
Increase in trade and other receivables, deposits and prepayments	應收貿易賬款及其他應收款項、按金及預付款項增加	(63,402)	(51,743)
Increase in loan receivable	應收貸款增加	(35,000)	-
Decrease/(increase) in amounts due from related companies	應收有關連公司款項減少/(增加)	14,796	(1,673)
Decrease in amount due from an associate	應收一間聯營公司款項減少	-	9,136
Increase in trade and other payables and accrued charges	應付貿易賬款及其他應付款項及應計費用增加	38,269	11,409
Increase in amounts due to related companies	應付有關連公司款項增加	21,520	22,541
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(76,581)	-
Cash used in operations	經營業務所用之現金	(156,258)	(112,575)
Interest received	已收利息	20	10,246
Income tax paid	已付所得稅	-	(22)
Net cash used in operating activities	經營活動所用之現金淨額	(156,238)	(102,351)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Investing activities	投資活動			
Purchase of property, plant and equipment	購買物業、廠房及設備	15	(6,310)	(16,525)
Purchase of intangible assets	購買無形資產	17	(198)	(528)
Purchase of available-for-sale investments	購買可供出售投資		(40,700)	(298,511)
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項		–	312,731
Increase in pledged bank deposit	抵押銀行存款增加		(133)	(361)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		–	192
Cash inflows from acquisition of a subsidiary, net	收購一間附屬公司之現金流入淨額	34	9,502	–
Proceeds from disposal of an associate	出售一間聯營公司之所得款項		6,690	–
Net cash used in investing activities	投資活動所用之現金淨額		(31,149)	(3,002)
Financing activities	融資活動			
Proceeds from issue of ordinary shares, net of transaction costs in connection with issuances of shares	發行普通股所得款項（經扣除有關發行股份之交易成本）	31	170,770	–
Interest paid	已付利息	40	(3,451)	(3,206)
Proceeds from borrowings	借貸所得款項	40	52,248	58,039
Repayment of borrowings	償還借貸	40	(15,419)	(36,548)
Capital injection from non-controlling shareholders	非控股股東注資		–	1,672
Net cash generated from financing activities	融資活動產生之現金淨額		204,148	19,957
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／（減少）淨額		16,761	(85,396)
Effect of foreign exchange rate changes	匯率變動之影響		2,991	(7,832)
Cash and cash equivalents at beginning of year	年初之現金及現金等價物		32,356	125,584
Cash and cash equivalents at end of year	年終之現金及現金等價物		52,108	32,356
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析			
Cash and cash equivalents	現金及現金等價物	26	57,857	38,105
Bank overdrafts	銀行透支	28	(5,749)	(5,749)
			52,108	32,356

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

1. ORGANISATION AND OPERATIONS

China Healthwise Holdings Limited 中國智能健康控股有限公司 (the "Company") is a limited liability company incorporated in the Cayman Islands. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and the principal place of business of the Company is at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

The Company is an investment holding company and principally engaged in investment in financial instruments. Its subsidiaries (together with the Company referred to as the "Group") are principally engaged in development, engineering, manufacture and sale of toys, consumer electronic products, commercial kitchen products, Chinese health products, money lending business and investment in financial instruments.

The principal activities of its subsidiaries are set out in Note 18 to the financial statements.

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

(a) Adoption of amendments to HKFRSs – Effective on 1 April 2017

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

Except for as explained below, the adoption of these amendments has no material impact on the Group's consolidated financial statements.

Amendments to HKAS 7 – Disclosure Initiative

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

The adoption of the amendments has led to the additional disclosure presented in the note to the cash flow statement, Note 40. In addition, the transitional provision set out in the amendments has been applied and hence no comparative information is required.

1. 組織及業務

中國智能健康控股有限公司(「本公司」)為一間於開曼群島註冊成立之有限公司。其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司註冊辦事處地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, 及本公司主要營業地點為香港干諾道中168-200號信德中心西座1209室。

本公司為一間投資控股公司及主要從事投資金融工具。其附屬公司(連同本公司統稱為「本集團」)主要從事玩具、消費類電子產品、商用廚房產品及中藥保健品之開發、工程設計、製造及銷售以及放債業務及投資金融工具。

其附屬公司之主要業務載於財務報表附註18。

2. 採納香港財務報告準則(「香港財務報告準則」)

(a) 採納香港財務報告準則之修訂本—於二零一七年四月一日生效

香港會計準則第7號之修訂本	主動披露
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產
香港財務報告準則二零一四年至二零一六年週期之年度改進	香港財務報告準則第12號之修訂本·披露於其他實體之權益

除下文所闡述者外,採納該等修訂本對本集團之綜合財務報表並無重大影響。

香港會計準則第7號之修訂本—主動披露

該等修訂本引入額外披露,將使財務報表使用者能夠評估融資活動產生之負債變動。

採納該等修訂本要求之額外披露,已呈列於現金流量表附註,附註40。此外,由於已應用該等修訂本所載之過渡條文,故無需提供比較資料。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ²
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions ¹
HKFRS 9	Financial Instruments ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
HKFRS 16	Leases ²
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

2. 採納香港財務報告準則（「香港財務報告準則」） – 續

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

以下可能與本集團綜合財務報表有關的新訂／經修訂香港財務報告準則乃已頒佈但尚未生效，且本集團並無提早採納。本集團目前擬於其生效日期應用有關變動。

香港財務報告準則之修訂本	香港財務報告準則二零一五年至二零一七年年度的改進 ²
香港財務報告準則第2號之修訂本	股份為基礎之付款之分類及計量 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第9號之修訂本	具有負補償的提早還款特性 ²
香港財務報告準則第15號	客戶合約收入 ¹
香港財務報告準則第15號之修訂本	客戶合約收入（香港財務報告準則第15號之澄清） ¹
香港財務報告準則第16號	租賃 ²
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及預付代價 ¹
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不確定性 ²

¹ 於二零一八年一月一日或之後開始的年度期間生效

² 於二零一九年一月一日或之後開始的年度期間生效

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

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

HKFRS 9 – Financial Instruments

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

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. The Group expects that the application of the expected credit loss model will result in earlier recognition of credit losses.

2. 採納香港財務報告準則（「香港財務報告準則」） – 續

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續

香港財務報告準則第9號 – 金融工具

香港財務報告準則第9號引進金融資產分類及計量的新規定。以收取合約現金流量為目的而持有資產的業務模式下持有（業務模式測試）及具有僅為支付本金及未償還本額利息而產生現金流量的合約條款（合約現金流量特徵測試）的債務工具，一般按攤銷成本計量。倘該實體業務模式的目的為持有及收取合約現金流量以及出售金融資產，則符合合約現金流量特徵測試的債務工具以按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量。實體可於初步確認時作出不可撤銷的選擇，以按公平值計入其他全面收益計量並非持作買賣的股本工具。所有其他債務及股本工具以按公平值計入損益（「按公平值計入損益」）計量。本集團評估其目前按公平值計入其他全面收益及按公平值計入損益計量之金融資產將於採納香港財務報告準則第9號後繼續沿用其各自之分類及計量。

香港財務報告準則第9號的新減值模式以「預期信貸虧損」模式取代香港會計準則第39號的「已產生虧損」模式。根據預期信貸虧損模式，其將無須於確認減值虧損前發生虧損事件。相反，一間實體須視乎資產、事實及情況將預期信貸虧損確認並計量為十二個月的預期信貸虧損或可使用年期內的預期信貸虧損。本集團預計應用預期信貸虧損模式將導致提早確認信貸虧損。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

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

HKFRS 9 – Financial Instruments – *Continued*

In addition, HKFRS 9 introduces new general hedge accounting requirements to allow entities to better reflect their risk management activities in consolidated financial statements. However, the Group currently does not have any hedge relationship and therefore it will not have any impact on the Group’s consolidated financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities. There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL, where the amount of change in fair value attributable to change in credit risk and the Group does not have any such liabilities.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

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

2. 採納香港財務報告準則（「香港財務報告準則」） – 續

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續

香港財務報告準則第9號—金融工具—續

此外，香港財務報告準則第9號引進新的一般對沖會計規定，以讓實體更能於綜合財務報表內反映其風險管理活動。然而，本集團目前並無任何對沖關係，因此對本集團綜合財務報表並無任何影響。

香港財務報告準則第9號遵照香港會計準則第39號有關金融負債的確認、分類及計量的規定，惟指定按公平值計入損益的金融負債除外，除非會產生或擴大會計錯配，該負債信貸風險變動引致的公平值變動金額於其他全面收益確認。此外，香港財務報告準則第9號保留香港會計準則第39號終止確認金融資產及金融負債的規定。本集團就金融負債之會計處理將不會受到影響，原因為新規定僅會影響指定按公平值計入損益的金融負債之會計處理，而有關公平值變動金額乃歸屬於信貸風險變動及本集團並無任何該等負債。

香港財務報告準則第9號之修訂本—具有負補償的提早還款特性

有關修訂本澄清，倘符合指定條件，具有負補償的提早還款金融資產可按攤銷成本或按公平值計入其他全面收益之方式計量—而非按公平值計入損益之方式計量。

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

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

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

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

The Group is currently assessing the impacts of adopting HKFRS 15 on its consolidated financial statements and expects that the standard will not have significant impact, when applied, on the consolidated financial statements of the Group.

2. 採納香港財務報告準則（「香港財務報告準則」） – 續

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續

香港財務報告準則第15號 – 客戶合約收入

本項新準則設立單一的收入確認框架。該框架的核心原則為實體應確認收入以金額描述轉讓承諾商品或服務予客戶，該金額反映預期該實體有權就交換該等商品及服務所收取的代價。香港財務報告準則第15號將取代現行收入確認指引（包括香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋）。

香港財務報告準則第15號要求透過五個步驟確認收入：

- 第一步：識別與客戶的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至各履約責任
- 第五步：於各履約責任完成時確認收入

香港財務報告準則第15號包含與特定收入相關的特定指引，該等指引或會更改香港財務報告準則現時應用之方法。該準則亦對收入相關的披露作出大幅質化與量化改進。

本集團現正評估採納香港財務報告準則第15號對其綜合財務報表之影響，並預期於應用該準則時將不會對本集團之綜合財務報表產生重大影響。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

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

Amendments HKFRS 15 – Revenue from Contracts with customers (Clarifications to HKFRS 15)

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

HKFRS 16 – Leases

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

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

2. 採納香港財務報告準則（「香港財務報告準則」） – 續

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續

香港財務報告準則第15號之修訂本－客戶合約收入（香港財務報告準則第15號之澄清）

香港財務報告準則第15號之修訂本包括澄清對履行責任之識別方式；應用委託人或代理人；知識產權許可；及過渡規定。

香港財務報告準則第16號－租賃

香港財務報告準則第16號（將於生效日期起取代香港會計準則第17號「租賃」及相關詮釋）引入單一承租人會計處理模式，並規定承租人就為期超過十二個月的所有租賃確認資產及負債，除非相關資產為低價值資產。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，在現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括在承租人合理肯定會行使選擇權延續租賃，或行使選擇權中止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法明顯有別於承租人就租賃採用的會計處理方法，承租人所採用的會計處理方法適用於根據原準則香港會計準則第17號分類為經營租賃的租賃。

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

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

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

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

HKFRS 16 – Leases – *Continued*

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for offices and retail shops which are currently classified as operating leases. The application of the new accounting model is expected to lead an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss and other comprehensive income over the period of the lease. As at 31 March 2018, the Group's total future minimum lease payments under non-cancellable operating lease commitment of HK\$9,376,000 as set out in Note 38(b). The interest expense on the lease liability and the depreciation expense on the right-of-use asset under HKFRS 16 will replace the rental charge under HKAS 17. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding lease liability in respect of all the leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirement may result changes in measurement, presentation and disclosure as indicated above.

HK(IFRIC)-Int 22, Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

2. 採納香港財務報告準則（「香港財務報告準則」） – 續

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續

香港財務報告準則第16號 – 租賃 – 續

香港財務報告準則第16號將主要影響本集團作為租賃辦公室及零售店之承租人（目前分類為經營租賃）的會計處理方法。預期應用新會計模式將導致資產及負債增加，及影響租賃期間於損益及其他全面收益表確認開支的時間。於二零一八年三月三十一日，本集團不可撤銷經營租賃承擔項下之未來最低租金總額約為九百三十七萬六千港元（載於附註38(b)）。香港財務報告準則第16號項下的租賃負債利息開支及使用權資產折舊開支將取代香港會計準則第17號項下的租金支出。初步評估顯示該等安排將符合香港財務報告準則第16號下的租賃定義，因此，本集團將就所有租賃確認使用權資產及相應租賃負債，除非在應用香港財務報告準則第16號後其符合低價值或短期租賃，則作別論。此外，應用新的規定或會導致上文所示的計量、呈列及披露之變動。

香港（國際財務報告詮釋委員會） – 詮釋第22號 – 外幣交易及預付代價

該詮釋就以下事項提供指引，即如何為釐定用於涉及以外幣支付或收取預付代價的交易的匯率而釐定交易日期，以及如何確認非貨幣資產或非貨幣負債。該等詮釋指出，釐定首次確認相關資產、開支或收入（或當中部分）所使用之匯率之交易日期為實體首次確認支付或收取預付代價產生的非貨幣資產或非貨幣負債之日。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

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

HK(IFRIC)-Int 23, Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

3. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for land and buildings, available-for-sale investments and financial assets at fair value through profit or loss, which are measured at fair values as explained in the accounting policies set out below.

2. 採納香港財務報告準則（「香港財務報告準則」） – 續

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續

香港（國際財務報告詮釋委員會） – 詮釋第23號 – 所得稅處理之不確定性

該詮釋透過就如何反映所得稅會計處理涉及的不確定性的影響提供指引，為香港會計準則第12號所得稅的規定提供支持。根據該詮釋，實體須確定是單獨考慮每項稅務處理的不確定性，還是結合多項稅務處理的不確定性一併考慮，這取決於哪種方法能夠更好地預測不確定性的解決方案。實體亦須假設稅務機關將會查驗其有權檢討的金額，並在作出該等查驗時全面知悉所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。倘實體釐定稅務機關不可能會接受一項不確定稅項處理，則採用「最可能金額」或「預期值」兩個方法中能更佳預測不確定性因素解決方式的方法來反映釐定稅項涉及的不確定性因素。

3. 編製基準

(a) 遵例聲明

綜合財務報表乃根據所有適用之香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（以下統稱「香港財務報告準則」）以及香港公司條例之披露規定而編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則規定之適用披露規定。

(b) 計量基準

綜合財務報表乃根據歷史成本基準編製，惟土地及樓宇、可供出售投資及按公平值計入損益之金融資產按公平值計量除外（如下文所載會計政策所闡述）。

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3. BASIS OF PREPARATION – *Continued*

(c) Functional and presentation currency

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

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

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

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

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

3. 編製基準—續

(c) 功能和呈列貨幣

綜合財務報表以港元（「港元」）呈列，而港元亦為本公司的功能貨幣。

4. 主要會計政策

(a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。公司間之交易及集團公司間結餘連同未變現溢利於編製綜合財務報表時全數對銷。未變現虧損亦予對銷，惟有關交易出現所轉讓資產減值的證據除外，在此情況下有關虧損在損益中確認。

年內購入或售出之附屬公司，其業績由收購日期起或直至出售日期止（如適用）計入綜合全面收益表。如有需要，則對附屬公司之財務報表作出調整，使其採用的會計政策與本集團其他成員公司之會計政策一致。

收購附屬公司或業務採用收購法列賬。收購之成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行之股本權益於收購當日之公平值總額計量。所收購的可識別資產及所承擔負債則主要按收購當日的公平值計量。本集團先前所持被收購方之股本權益以收購當日的公平值重新計量，而所產生之收益或虧損則於損益中確認。本集團可按逐筆交易基準選擇以公平值或應佔被收購方之可識別淨資產之比例計量代表於附屬公司當前擁有權益的非控股權益。所產生之收購相關成本列作開支。所有其他非控股權益乃以公平值計量，惟香港財務報告準則規定的其他計量基準則除外。所產生之收購相關成本列作開支，惟發行股本工具所產生的成本從權益扣除。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(a) Business combination and basis of consolidation – *Continued*

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

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

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

4. 主要會計政策 – 續

(a) 業務合併及綜合基準 – 續

收購方將予轉讓之任何或然代價均按收購當日的公平值確認。其後對代價作出之調整僅於調整乃由於計量期間（最長為收購當日起計12個月）內所取得有關於收購當日之公平值之新資料而作出時，方通過商譽確認。分類為資產或負債之或然代價之所有其他往後調整均於損益中確認。

倘本集團失去附屬公司之控制權，出售收益或虧損乃按下列兩者之差額計算：(i)所收取代價之公平值與任何保留權益之公平值之總額及(ii)該附屬公司之資產（包括商譽），及負債與任何非控股權益過往之賬面值。先前就該附屬公司於其他全面收益中確認之金額按出售相關資產或負債時所規定之相同方式列賬。

收購之後，非控股權益（即附屬公司當前擁有權益）之賬面值為初步確認時該等權益的金額加隨後權益變動之相關非控股權益所佔份額。全面收益總額乃歸屬於相關非控股權益，即使此舉會導致有關非控股權益產生虧絀結餘。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(b) Subsidiaries

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

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

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associate's net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

4. 主要會計政策 – 續

(b) 附屬公司

附屬公司指本公司能對其行使控制權之被投資方。倘本公司具有下列全部三項因素：對被投資方擁有權力，面臨被投資方帶來的可變動回報的風險或權利，及具有使用其權力影響該等可變動回報之能力，則本公司控制被投資方。當有事實及情況顯示以上任何一項控制權之因素可能發生變化時，則須重新評估控制權。

在本公司之財務狀況表內，於附屬公司之權益按成本扣除減值虧損（如有）列賬。附屬公司之業績由本公司按已收及應收股息入賬。

(c) 聯營公司

聯營公司指本集團對其有重大影響力但並非附屬公司或合營安排之實體。重大影響力指有權參與被投資方之財務及經營決策而非控制或共同控制該等政策的權力。

聯營公司乃採用權益法入賬，據此，其按成本初步確認，此後其賬面值就本集團分佔該聯營公司之資產淨值之收購後變動作出調整，惟超過本集團於該聯營公司的權益的虧損不會確認，除非有責任彌補該等虧損。

本集團與其聯營公司之間的交易產生的溢利及虧損僅限於無相關投資者於聯營公司擁有權益時確認。該等交易產生之投資者所佔聯營公司之溢利及虧損與該聯營公司之賬面值對銷。如有未變現虧損證明已轉讓資產出現減值，則會即時在損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(c) Associates – *Continued*

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

In the Company's statement of financial position, interest in an associate is carried at cost less impairment losses, if any. The result of the associate is accounted for by the Company on the basis of dividends received and receivable during the year.

(d) Goodwill

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

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

4. 主要會計政策—續

(c) 聯營公司—續

就聯營公司支付的任何超出本集團應佔所收購可識別資產、負債及或然負債公平值的溢價，乃予以資本化，並計入聯營公司的賬面值。如有客觀證據顯示於聯營公司之投資已減值，則該投資之賬面值須按其他非金融資產所用的相同方式進行減值測試。

於本公司財務狀況表，於聯營公司權益乃按成本減減值虧損（如有）列賬。聯營公司業績由本公司按年內已收及應收股息基準入賬。

(d) 商譽

倘可識別資產及負債之公平值超出已付代價之公平值、於被收購方任何非控股權益及收購方先前所持被收購方之股本權益於收購當日的公平值數額總和，則超出部分於收購日期經重估後於損益內確認。

商譽按成本減減值虧損計量。就減值測試而言，因收購而產生之商譽被分配至預期將從收購之協同效益受惠之各有關現金產生單位。現金產生單位為可產生現金流入之最小可識別資產組合，有關現金流入大致獨立於其他資產或資產組合之現金流入。已獲分配商譽之現金產生單位每年及每當有跡象顯示該單位可能出現減值時透過比較其賬面值與其可收回金額（見附註4(p)）進行減值測試。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(d) Goodwill – *Continued*

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

(e) Property, plant and equipment

Owner-occupied leasehold land and buildings are stated at valuation less accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. Increases in value arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of properties revaluation reserve. Decreases in value arising on revaluation are first offset against increases on earlier valuations in respect of the same property and thereafter recognised in profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged and thereafter to the properties revaluation reserve.

Upon disposal, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the properties revaluation reserve to retained earnings.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

4. 主要會計政策 – 續

(d) 商譽 – 續

就於某財政年度進行收購所產生之商譽而言，已獲分配商譽之現金產生單位會於該財政年度完結之前進行減值測試。倘現金產生單位之可收回金額低於該單位之賬面值，則首先分配減值虧損以減少分配予該單位的任何商譽之賬面值，其後以該單位內每項資產之賬面值為基準按比例分配至該單位內其他資產。然而，分配至各資產的虧損不會減少個別資產的賬面值至低於其公平值減出售成本（倘可計量）或其使用價值（倘可釐定）（以較高者為準）。商譽之任何減值虧損於損益確認，且不會於往後期間撥回。

(e) 物業、廠房及設備

業主自用租賃土地及樓宇按估值減累計折舊列賬。重估會充足地定期進行，以確保賬面值不會與於報告期末使用公平值釐定者存在重大差異。重估增值於其他全面收益確認並於權益的物業重估儲備項下累計。重估減值首先對銷同一物業先前的估值增值，其後於損益中確認。其後任何增值以先前已扣除的金額為限計入損益之內，其後計入物業重估儲備。

於出售時，就之前估值已變現的重估儲備相關部分獲解除，由物業重估儲備轉撥至保留盈利。

其他物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*(e) Property, plant and equipment – *Continued*

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

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

Buildings	20 years
Leasehold improvements	Over the shorter of the lease terms and 5-20 years
Plant and machinery	5-10 years
Furniture, fixtures and equipment	2-5 years
Motor vehicles	5 years
Moulds	2-5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

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

4. 主要會計政策—續

(e) 物業、廠房及設備—續

物業、廠房及設備的成本包括其購買價及收購該等項目直接應佔的成本。

其後之成本計入資產之賬面值，或僅在與該項目有關之未來經濟利益可能將流入本集團及該項目之成本能可靠地計量時（如適用）確認為個別資產。替換部分之賬面值取消確認。所有其他維修及保養乃在其產生之財政期間於損益中確認為開支。

物業、廠房及設備按於其估計可使用年期使用直線法折舊，以將其成本或估值（扣除預計剩餘價值）撇銷。於各報告期末，可使用年期、剩餘價值及折舊法會予以審閱及調整（如適合）。可使用年期計算如下：

樓宇	二十年
租賃物業裝修	租期或五年至二十年（以較短者為準）
廠房及機器	五至十年
傢俬、裝置及設備	二至五年
汽車	五年
模具	二至五年

倘資產之賬面值高於資產之估計可收回金額，該資產隨即撇減至其可收回金額。

出售物業、廠房及設備項目之損益乃出售所得款項淨額與其賬面值的差額，並於出售時於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(f) Leasing

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

The Group as lessee

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

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

(g) Intangible assets (other than goodwill)

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line method over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The amortisation expense is recognised in profit or loss and included in administrative expenses.

The following useful lives are used in the calculation of amortisation:

Trademarks	Indefinite
Patents	5-10 years

4. 主要會計政策—續

(f) 租賃

凡租賃條款規定將擁有權之絕大部分風險及回報轉讓予承租人，則該租賃被分類為融資租賃。所有其他租賃均列為經營租賃。

本集團作為承租人

根據融資租賃持有的資產按公平值或（如屬較低者）最低租賃付款的現值初步確認為資產。相應租賃承擔列作負債。租賃付款分析為資本及利息。利息部分於租期內在損益扣除及計算並呈列為租賃負債的一個固定比例部分。資本部分會削減應付予出租人的結餘。

根據經營租賃應付的租金總額於租賃期內以直線法於損益內確認。所收取的租賃優惠會作為總租金開支的不可分割的一部分在租賃期內確認。

(g) 無形資產（商譽除外）

獨立收購之無形資產初步按成本確認。於首次確認後，具有有限可使用年期的無形資產按成本減累計攤銷及任何減值虧損列賬。具有有限可使用年期的無形資產攤銷乃按其估計可使用年期以直線基準計提撥備。無形資產自可供使用時開始攤銷。攤銷開支乃於損益內確認及納入行政費用。

用於計算攤銷之可使用年期如下：

商標	無限期
專利	五至十年

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*(g) Intangible assets (other than goodwill) – *Continued*

Intangible assets with indefinite useful lives are carried at cost less any subsequent impairment accumulated losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(i) Internally generated intangible assets (research and development costs)

An intangible asset arising from development expenditure on an individual project is recognised provided they meet the following recognition requirements:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product; and
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss and included in cost of sales.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

4. 主要會計政策 – 續

(g) 無形資產 (商譽除外) – 續

具有無限可使用年期的無形資產乃按成本減其後任何累計減值虧損列賬。

無形資產於出售時或預期不能再透過使用或出售取得未來經濟利益時終止確認。終止確認無形資產所產生之收益或虧損按出售所得款項淨額與資產賬面值之差額計量，並於終止確認該項資產時於損益中確認。

(i) 內部產生之無形資產 (研發成本)

個別項目開發開支產生的無形資產於其符合以下確認規定時確認：

- 為銷售而開發該產品於技術上可行；
- 有充足資源完成開發；
- 有意完成及銷售該產品；
- 本集團有能力銷售該產品；及
- 銷售該產品將產生未來經濟效益；及能可靠計量該項目之開支。

資本化之開發成本於本集團預期能以銷售所開發之產品取得利益期間內攤銷。攤銷開支於損益內確認並計入銷售成本內。

不符合以上條件之開發開支及內部項目在研發階段的開支於產生時於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(g) Intangible assets (other than goodwill) – *Continued*

(ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4(p)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

(h) Financial Instruments

(i) Financial assets

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

4. 主要會計政策 – 續

(g) 無形資產（商譽除外） – 續

(ii) 減值

倘有跡象顯示資產可能出現減值，則對具有有限年期之無形資產進行減值測試。對具有無限可使用年期之無形資產及尚不可使用之無形資產進行年度減值測試，無論是否有任何跡象顯示其可能出現減值。減值測試透過將無形資產之賬面值與其可收回金額作比較進行（見附註4(p)）。

倘資產之可收回金額估計低於其賬面值，則資產賬面值會降至其可收回金額。

減值虧損即時確認為開支，除非相關資產按重估金額列賬，在此情況下，減值虧損會視作重估調減處理，以其重估盈餘為限。

(h) 金融工具

(i) 金融資產

本集團於初步確認時將其金融資產分類，視乎收購資產的目的而定。按公平值計入損益之金融資產初步按公平值計量，其他所有金融資產初步按公平值加收購該等金融資產直接應佔的交易成本計量。以常規形式買賣金融資產會按交易日期基準確認及終止確認。常規形式買賣為根據其條款規定於法規或有關市場慣例一般訂立的時限內交付資產的合約買賣金融資產。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(h) Financial Instruments – *Continued*

(i) Financial assets – *Continued*

Financial assets at fair value through profit or loss

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

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

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

4. 主要會計政策—續

(h) 金融工具—續

(i) 金融資產—續

按公平值計入損益之金融資產

該等資產包括持作買賣的金融資產。倘收購的目的為於短期內放售，則金融資產歸類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟其獲指定為實際對沖工具或財務擔保合約則除外。

初步確認後，按公平值計入損益之金融資產按公平值計量，而公平值的變動則於出現變動期間於損益中確認。

貸款及應收款項

貸款及應收款項指具有固定或可釐定金額且不在活躍市場中報價的非衍生金融資產。該等資產乃主要透過向客戶（銷貨客戶）提供商品及服務產生，且亦包括其他類別之合約貨幣資產。於首次確認後，貸款及應收款項均以實際利率法按攤銷成本扣除任何已識別之減值虧損後計量。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(h) Financial Instruments – *Continued*

(i) Financial assets – *Continued*

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

(ii) Impairment loss on financial assets

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

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

4. 主要會計政策 – 續

(h) 金融工具 – 續

(i) 金融資產 – 續

可供出售金融資產

可供出售金融資產為指定為可供出售或並無計入金融資產其他類別之非衍生金融資產。於首次確認後，該等資產乃按公平值列賬，其公平值變動乃於其他全面收益確認，惟減值虧損及貨幣工具之匯兌收益及虧損於損益內確認除外。

就於活躍市場並無報價且其公平值無法可靠計量之可供出售股權投資及與該等無報價股本工具掛鈎及必須透過交付該等工具進行結算之衍生工具而言，該等資產按成本扣除任何已識別之減值虧損計量。

(ii) 金融資產之減值虧損

本集團於各報告期末評估是否有任何客觀證據顯示金融資產出現減值。倘於金融資產首次確認後發生一項或多項事件而導致有客觀證據證明可靠估計的金融資產之估計未來現金流量受到影響，則金融資產出現減值。減值之證據可包括：

- 債務人遇到嚴重財務困難；
- 違反合約，如未能或拖欠支付利息或本金；
- 因債務人遇到財務困難而向其作出讓步；
- 債務人有可能破產或進行其他財務重組。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(h) Financial Instruments – *Continued*

(ii) Impairment loss on financial assets – *Continued*

For loans and receivables

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

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

4. 主要會計政策 – 續

(h) 金融工具 – 續

(ii) 金融資產之減值虧損 – 續

就貸款及應收款項而言

當有客觀證據顯示資產已減值，則減值虧損於損益中確認，並以資產之賬面值與估計未來現金流量按金融資產之原實際利率折現之現值兩者之差額計算。金融資產之賬面值透過使用撥備賬減少。當金融資產的任何部分釐定為不可收回時，與有關金融資產之撥備賬沖銷。

就可供出售金融資產而言

如公平值下跌構成減值之客觀證據，則虧損之金額從權益中剔除並於損益確認。

就可供出售債務投資而言，倘該投資之公平值之增加可客觀上與確認減值虧損後發生之事件相關聯，則任何減值虧損將隨後獲撥回至損益。

就可供出售股權投資而言，確認減值虧損後，公平值的任何增加均於其他全面收益確認。

就按成本列賬之可供出售股權投資而言，減值虧損之金額按資產賬面值與估計未來現金流量按類似金融資產之當前市場回報率折現之現值兩者之差額計量。該減值虧損不作撥回。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(h) Financial Instruments – *Continued*

(iii) Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

4. 主要會計政策 – 續

(h) 金融工具 – 續

(iii) 金融負債

視乎負債產生之目的，本集團對其金融負債進行分類。按公平值計入損益的金融負債初步按公平值計量，而按攤銷成本入賬的金融負債初步按公平值並扣除所產生之直接應佔成本計量。

按公平值計入損益的金融負債

按公平值計入損益的金融負債包括持作買賣金融負債及初步確認時指定為按公平值計入損益之金融負債。

金融負債如以短期出售為目的而購買，則分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟其獲指定為實際對沖工具則除外。持作買賣負債的盈虧在損益中確認。

當一份合約包括一項或者多項嵌入式衍生工具，整份組合合約可作為指定為按公平值計入損益的金融負債，除非該嵌入式工具不會嚴重影響現金流或者嵌入式工具的單獨計量非常明確地不被允許。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(h) Financial Instruments – *Continued*

(iii) Financial liabilities – *Continued*

Financial liabilities at fair value through profit or loss – Continued

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

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

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

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

4. 主要會計政策—續

(h) 金融工具—續

(iii) 金融負債—續

按公平值計入損益的金融負債—續

倘金融負債符合以下條件，則可於初步確認時指定為按公平值計入損益：(i)該指定消除或大幅減少按不同基準計量負債或確認盈虧所導致的不一致入賬方法；(ii)該負債為根據明文規定的風險管理策略按公平值基準管理及評估表現的一組金融負債的一部分；或(iii)金融負債包括須獨立列賬的嵌入式衍生工具。

於初步確認後，按公平值計入損益的金融負債按公平值計量，而公平值變動則於其產生期間於損益中確認。

按攤銷成本入賬的金融負債

按攤銷成本入賬的金融負債（包括應付貿易賬款及其他應付款項、借貸、本集團發行之若干優先股及可轉換貸款票據債務部分）隨後以實際利率法按攤銷成本計量。相關利息開支於損益確認。

有關收益或虧損於負債取消確認時以及透過攤銷過程於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(h) Financial Instruments – *Continued*

(iv) Effective interest method

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

(v) Equity instruments

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

(vi) Derecognition

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

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

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4. 主要會計政策 – 續

(h) 金融工具 – 續

(iv) 實際利率法

實際利率法為計算金融資產或金融負債攤銷成本及於有關期間內分配利息收入或利息支出的方法。實際利率為金融資產或負債於預計年期或於較短時間（如適用）內準確貼現估計未來現金收入或付款的利率。

(v) 股本工具

本公司所發行之股本工具乃按已收所得款項扣除直接發行成本入賬。

(vi) 取消確認

當收取有關金融資產之未來現金流量的合約權利屆滿時，或當金融資產已轉讓且該轉讓行為根據香港會計準則第39號符合取消確認標準時，本集團會取消確認金融資產。

當有關合約規定之責任獲履行、註銷或已屆滿時，則取消確認金融負債。

倘本集團因重新磋商負債條款而向債權人發行其本身的股本工具以償付全部或部分金融負債，所發行的股本工具即已付代價，乃初步按有關金融負債（或當中部分）註銷當日的公平值確認及計量。倘已發行股本工具的公平值無法可靠計量，則股本工具按反映已註銷金融負債的公平值計量。已註銷金融負債（或當中部分）的賬面值與已付代價間的差額乃於年內在損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(i) Inventories

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

(j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities, net of value-added tax rebates and discounts and after elimination of sales with the Group.

Revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(k) Income taxes

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

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

4. 主要會計政策—續

(i) 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者中的較低者確認。成本包括所有採購成本、兌換成本及將存貨送至其現有地點及達致現有狀況所需的其他成本。成本按先進先出法計算。可變現淨值指日常業務過程中的估計售價減估計完成成本及進行銷售必要的估計成本。

(j) 收入確認

收入包括於本集團日常業務過程中銷售貨品及服務之已收或應收代價的公平值，扣除增值稅、回扣及折扣，以及抵銷本集團內部銷售。

銷售貨品產生的收入於擁有權的風險及回報轉讓時（即交付且擁有權轉交予客戶時）確認。

利息收入按時間基準，就未償還本金按適用利率累計。

(k) 所得稅

年內所得稅包括即期稅項及遞延稅項。

即期稅項乃根據日常業務之溢利或虧損，就對所得稅而言毋須課稅或不可扣減之項目作出調整，並按報告期末已頒佈或實質上已頒佈之稅率計算。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(k) Income taxes – *Continued*

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

4. 主要會計政策—續

(k) 所得稅—續

遞延稅項乃因就財務報告而言資產與負債之賬面值與就稅務而言所用之相關數值之臨時差額而確認。除不影響會計或應課稅溢利之商譽及已確認資產及負債外，就所有應課稅臨時差額確認遞延稅項負債。倘應課稅溢利有機會可供扣減臨時差額，則確認遞延稅項資產。遞延稅項乃按適用於資產或負債之賬面值變現或結算之預期方式及於報告期末已頒佈或實質上已頒佈之稅率計量。

遞延稅項負債乃就於附屬公司、聯營公司及共同控制實體之投資所產生的應課稅臨時差額進行確認，惟本集團能控制臨時差額撥回及於可預見未來可能不會撥回臨時差額者除外。

所得稅乃於損益確認，除非該等稅項與於其他全面收益確認的項目有關，在此情況下該等稅項亦於其他全面收益內確認；或倘其與直接於權益確認的項目有關，則該等稅項亦直接於權益確認。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(l) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

4. 主要會計政策—續

(l) 外幣

集團實體以其營業所在主要經濟環境之流通貨幣以外之貨幣（「功能貨幣」）進行之交易乃按交易當日之匯率入賬。以外幣為單位之貨幣資產及負債按報告期末之匯率換算。以外幣計量按公平值列賬之非貨幣項目乃按釐定公平值當日之匯率重新換算。以外幣按歷史成本計量之非貨幣項目不會重新換算。

因結算貨幣項目及換算貨幣項目而產生之匯兌差額於產生期間在損益中確認。因重新換算以公平值列賬之非貨幣項目而產生之匯兌差額計入當期損益內，惟有關盈虧於其他全面收益內確認之非貨幣項目重新換算而產生之差額除外。於該情況下，匯兌差額亦於其他全面收益內確認。

綜合賬目時，海外業務之收支項目以年內平均匯率換算為本集團之呈列貨幣（即港元），除非期內匯率大幅波動，於該情況下，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期末之適用匯率換算。所產生之匯兌差額（如有）於其他全面收益確認，並於權益內累計入賬為匯兌儲備（少數股東權益應佔匯兌儲備（如適用））。於換算構成本集團於所涉海外業務之部分投資淨額之長期貨幣項目時，在集團實體獨立財務報表之損益內確認之匯兌差額則重新分類至其他全面收益，並於權益內累計入賬為匯兌儲備。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(l) Foreign currency – *Continued*

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

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

(m) Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution retirement plan

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

(iii) Termination benefits

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

4. 主要會計政策 – 續

(l) 外幣 – 續

於出售海外業務時，就該業務截至出售日期而於外匯儲備內確認之累計匯兌差額，乃重新分類至損益中作為出售損益之部分。

於二零零五年一月一日或之後收購海外業務產生之已收購可識別資產商譽及公平值調整，被視為該海外業務之資產及負債，並按報告期末適用之匯率換算。由此產生之匯兌差額於匯兌儲備確認。

(m) 僱員福利

(i) 短期僱員福利

短期僱員福利是指預計在僱員提供了相關服務的年度報告期末後十二個月以前將全數結付的僱員福利（離職福利除外）。短期僱員福利於僱員提供相關服務的年度內確認。

(ii) 定額供款退休金計劃

定額供款退休金計劃之供款於僱員提供服務時在損益中確認為開支。

(iii) 離職福利

離職福利僅會於本集團不再能取消提供該等福利時及本集團確認涉及支付離職福利的重組成本時（以較早者為準）時確認。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(n) Pension obligations

The Group participates in several defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays contributions, on a mandatory, contractual or voluntary basis, into a separate entity. The schemes are generally funded through payments to insurance companies or state/trustee-administered funds. The Group has no further payment obligations once the contributions have been paid. It has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employment costs when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

(o) Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the options at the date of grant. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all non-market vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

4. 主要會計政策—續

(n) 退休金承擔

本集團參與若干定額供款退休福利計劃。定額供款計劃為一項退休福利計劃，據此，本集團按強制、合約或自願基準向獨立實體作出供款。該等計劃一般透過向保險公司或國家／受託人管理基金付款而撥付。本集團一旦支付供款，則概無其他付款責任。倘基金並無足夠資產向所有僱員支付涉及僱員於本期間及過往期間提供服務之福利，本集團亦無法律或推定責任進一步支付供款。

供款於應付時確認為員工成本，並扣除供款悉數歸屬前離開該計劃的該等僱員被沒收的供款。

(o) 以股份為基礎付款

凡向僱員及提供類似服務之其他人士授出購股權，所接獲服務之公平值乃參考購股權於授出當日之公平值計量。該等公平值於歸屬期間在損益內確認，並於權益內之購股權儲備中作相應增加。非關乎市場之歸屬條件會一併考慮，方法為調整於各報告期末預期歸屬之股本工具數目，使於歸屬期間確認之累積數額，最終根據最後歸屬之購股權數目確認。市場歸屬條件為授出購股權之公平值計算因素之一。只要所有非市場歸屬條件符合，不論市場歸屬條件是否符合，均會作出扣除。累計開支不會因市場歸屬條件未能達成而調整。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(o) Share-based payments – *Continued*

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

The Group also operates a phantom share option scheme which is determined to be a cash-settled share-based payment transaction with employees. An option pricing model is used to measure the Group's liability at grant date and subsequently at the end of each reporting period, taking into account the terms and conditions on which the bonus is awarded and the extent to which employees have rendered service. Movements in the liability (other than cash payments) are recognised in profit or loss.

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

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

- property, plant and equipment;
- intangible assets with definite useful lives; and
- interests in subsidiaries.

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

4. 主要會計政策 – 續

(o) 以股份為基礎付款 – 續

凡購股權之條款及條件在歸屬前修訂，在修訂前及修訂後立即計量之購股權公平值之增加，亦於餘下歸屬期間內於損益內確認。

本集團亦設有虛擬購股權計劃，其釐定為與僱員進行的現金結算以股份為基礎之付款交易。購股權定價模式乃用於計量本集團於授出日期及其後各報告期末之負債，並計入批授紅利之條款及條件，以及僱員提供服務程度。負債之變動（不包括現金付款）於損益內確認。

(p) 資產減值（金融資產除外）

本集團於各報告期末審閱下列資產的賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損或過往已確認的減值虧損是否已不存在或減少：

- 物業、廠房及設備；
- 有限可使用年期的無形資產；及
- 於附屬公司的權益。

倘估計資產之可收回金額（即公平值減出售成本與使用價值兩者中之較高者）低於其賬面值，則資產之賬面值減至其可收回金額。減值虧損即時確認為開支。除非相關資產根據另一香港財務報告準則按重估金額列賬，在此情況下，減值虧損於該香港財務報告準則下被視為重估減少。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(p) Impairment of assets (other than financial assets) – *Continued*

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the assets or cash generating unit (see Note 4(d)), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

(q) Provisions and contingent liabilities

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

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

4. 主要會計政策 – 續

(p) 資產減值（金融資產除外） – 續

於其後撥回減值虧損時，資產的賬面值調高至其經修訂估計可收回金額，惟所調高的賬面值不得高於有關資產在過往年度倘並無確認減值虧損應有的賬面值。減值虧損撥回即時確認為收益。除非相關資產根據另一香港財務報告準則按重估金額列賬，在此情況下，減值虧損撥回於該香港財務報告準則下被視為重估增加。

使用價值乃根據預期將自資產或現金產生單位（見附註4(d)）產生的估計未來現金流量，使用可反映金錢時間值的現行市場評估以及對資產或現金產生單位屬特定風險的稅前貼現率貼現至其現值。

(q) 撥備及或然負債

當本集團因過往事件而須負上法律或推定責任，且可能導致經濟利益流出並能夠就此作出可靠估計時，方會為發生時間或金額不可確定之負債確認撥備。

倘可能毋須流出經濟利益或未能可靠估計款額，則該責任將披露作或然負債，除非出現經濟利益流出的可能性極微。除非出現經濟利益流出的可能性極微，否則可能出現的責任（僅由發生或不發生一項或多項未來事件而確定）亦披露為或然負債。

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4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(r) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

4. 主要會計政策—續

(r) 有關連人士

- (a) 倘該名人士出現下列情況，則該名人士或其近親被視為本集團有關連人士：
- (i) 對本集團有控制或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司主要管理層職員之成員。
- (b) 倘出現下列任何情況，則該實體被視為本集團有關連人士：
- (i) 該實體及本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司為互相關連）；
 - (ii) 一個實體是另一實體的聯營公司或合營企業（或集團成員公司之聯營公司或合營企業，而另一實體為該集團之成員公司）；
 - (iii) 兩個實體皆為相同第三方之合營企業；
 - (iv) 一個實體為第三實體之合營企業及另一實體為該第三實體之聯營公司；
 - (v) 該實體屬為本集團或與本集團有關連實體的僱員福利而設的離職後福利計劃；
 - (vi) 該實體受(a)所識別之人士控制或共同控制；
 - (vii) 於(a)(i)所識別之人士對實體有重大影響，或是實體（或實體之母公司）主要管理層職員之成員。

4. SIGNIFICANT ACCOUNTING POLICIES – *Continued*(r) Related parties – *Continued*

(b) An entity is related to the Group if any of the following conditions apply: (Continued)

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results differ from these estimates.

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

4. 主要會計政策—續

(r) 有關連人士—續

(b) 倘出現下列任何情況，則該實體被視為本集團有關連人士：(續)

(viii) 該實體，或其所屬集團之任何成員，向本集團或本集團之母公司提供主要管理層職員服務。

該名人士之近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響之該等家族成員並包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士之配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

5. 重大會計估計及判斷以及估計不確定性之主要來源

於應用本集團之會計政策時，董事需要對目前無法直接通過其他來源獲得的資產和負債之賬面值作出判斷、估計及假設。估計及判斷會持續評估，並根據以往經驗及其他因素為基準，包括對若干情況下可能合理出現之未來事件的預測。實際結果與該等估計不同。

估計及相關假設會持續檢討。對會計估計的修訂於修訂估計期間確認（倘修訂僅影響該期間）或於修訂期間及未來期間確認（倘修訂同時影響本期間及未來期間）。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – *Continued*

(a) Critical judgements in applying accounting policies

- (i) Useful lives, residual values and depreciation of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

- (ii) Useful lives of intangible assets

Management estimates the trademarks have indefinite useful lives as they believe that there is no foreseeable limit on the period of time over which these intangibles are expected to provide cash flows and these intellectual property rights can be renewable in a period of time at minimal cost and the products are continuing in the market.

The estimated useful lives of the patents were made by the management with reference to the legal limits on the use of the assets and the estimated periods that the Group intends to derive future economic benefits from the use of intangible assets. It could change significantly as a result of technical innovations, changed customer behavior and competitor actions in response to industry cycles.

Management will increase the amortisation charge where useful lives are less than previously estimated useful lives, or will recognise impairment loss when future cash flows are less than expectation and fall below the carrying amount of the intangible assets.

5. 重大會計估計及判斷以及估計不確定性之主要來源 – 續

(a) 應用會計政策的重大判斷

- (i) 物業、廠房及設備之可使用年期、殘值及折舊

本集團管理層釐定其物業、廠房及設備之估計可使用年期、殘值及相關折舊支出。此項估計乃根據類似性質及功能之物業、廠房及設備的過往實際可使用年期而作出。倘可使用年期少於以往估計之年期，則管理層將增加折舊支出，並撇銷或撇減已棄置或已出售之技術上已過時或非策略性的資產。實際經濟年期可能有別於估計可使用年期；實際殘值可能有別於估計殘值。定期檢討可能導致折舊年期及殘值之變動，因而影響未來期間之折舊支出。

- (ii) 無形資產之可使用年期

管理層估計商標具有無限可使用年期，原因為彼等相信該等無形資產預計可以提供現金流量的期間並無可預見的期限，而該等知識產權可在某段期間內以極低成本續期，且產品可在市場上存續。

管理層為專利釐定估計可使用年期，該等估計乃參照資產的法定使用期限及本集團有意透過使用無形資產獲取未來經濟利益的估計期限。有關估計可因科技創新、客戶行為變化及競爭對手因應行業週期所採取的行動而顯著改變。

倘若可使用年期短於先前估計之可使用年期，則管理層將會增加攤銷費用，或當未來現金流量預期及下跌至低於無形資產之賬面值時確認減值虧損。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – *Continued*

(a) Critical judgements in applying accounting policies – *Continued*

(iii) Impairment of tangible assets

The impairment loss for tangible assets are recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount of the assets, or, where appropriate, the cash generating unit to which they belong, is the higher of its fair value less costs to sell and value in use, are determined with reference to the best information available at the end of the reporting period. Changing the assumptions selected by the Group's management in assessing impairment, including the discount rates or the operating and growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and financial performance.

(iv) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and variable selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses the estimations at the end of each reporting period.

5. 重大會計估計及判斷以及估計不確定性之主要來源 – 續

(a) 應用會計政策的重大判斷 – 續

(iii) 無形資產之減值

當無形資產之賬面值超過其可收回金額時，對無形資產確認減值虧損。資產或（倘合適）彼等所屬之現金產生單位之可收回金額為其公平值減出售成本與使用價值兩者之較高者，並參考於各報告期末可取得的最佳資料釐定。更改本集團管理層就用以評估減值而選取之假設（包括現金流量預測之貼現率或經營及增長率假設）或會對減值測試所用之淨現值有重大影響，並因此影響本集團的財務狀況及財務表現。

(iv) 存貨之可變現淨值

存貨之可變現淨值為日常業務過程中之估計售價，減估計完工成本及不同銷售支出的數額。此等估計乃根據製造及銷售類似性質產品之現行市況及歷史經驗而釐定。客戶品味之轉變及競爭對手應對嚴峻行業週期採取之行動，均可能使此等估計發生重大變動。管理層於各報告期末重新評估有關估計。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – *Continued*

(a) Critical judgements in applying accounting policies – *Continued*

(v) Impairment of receivables

The Group's management determines the provision for impairment of trade receivables, loan receivable and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition. Management reassesses the provision at the end of each reporting period.

(vi) Impairment of available-for-sale investments

The directors review available-for-sale investments at the end of each reporting period to assess whether they are impaired. The Group records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the directors evaluate, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(vii) Power to exercise significant influence

Where the Group holds over 20% of voting rights (but not over 50%) and the Group does not exercise significant influence, the investment is treated as an available-for-sale investment. Details are given in Note 20.

5. 重大會計估計及判斷以及估計不確定性之主要來源 – 續

(a) 應用會計政策的重大判斷 – 續

(v) 其他應收款項減值

本集團管理層根據應收款項可收回性之評估，釐定應收貿易賬款、應收貸款及其他應收款項之減值撥備。此項評估乃根據客戶及其他債務人之信貸記錄，以及現行市況釐定。管理層於各報告期末重新評估有關撥備。

(vi) 可供出售投資減值

董事於各報告期末檢討可供出售投資，以評估其是否減值。公平值大幅或長期下跌至低於其成本時，本集團則會錄得可供出售股本投資之減值費用。界定大幅或長期則需要作出判斷。在對其作判斷時，董事評估（其中包括）歷史股價之波動及週期，以及投資公平值低於其成本的程度。

(vii) 行使重大影響之權力

本集團持有逾百分之二十之表決權（但不超過百分之五十）且本集團概無行使重大影響，該投資可視為可供出售投資。詳情見附註20。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – Continued

(b) Key sources of estimation uncertainty

In addition to information disclosed elsewhere in these financial statement, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) Impairment of goodwill

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

(ii) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

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

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

5. 重大會計估計及判斷以及估計不確定性之主要來源 – 續

(b) 估計不確定性之主要來源

除此等財務報表其他部分所披露之資料外，具有導致於下一財政年度之資產及負債賬面值產生重大調整之重大風險的其他估計不確定性之主要來源如下：

(i) 商譽減值

釐定商譽及無形資產有否減值時須估計已獲分配商譽之現金產生單位之使用價值。計算使用價值時董事須估計預期於現金產生單位及適用折讓率產生之未來現金流量，以計算現值。

(ii) 公平值計量

於本集團財務報表所列示之若干資產及負債按公平值計算及／或披露。

本集團金融及非金融資產及負債之公平值計量盡可能利用市場可觀察數據及數值。用於釐定公平值計量之數據乃根據按估值技術產生之數據之可觀察水平分為不同級別（「公平值層級」）：

- 第一層：同一項目於活躍市場之報價（未經調整）；
- 第二層：可觀察之直接或間接數據，而非第一層數據；
- 第三層：非可觀察數據（即非市場數據）。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – *Continued*

(b) Key sources of estimation uncertainty – *Continued*

(ii) Fair value measurement – *Continued*

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

The Group measures a number of items at fair value:

- Revalued land and buildings – Property, plant and equipment (Note 15);
- Available-for-sale investments (Note 20); and
- Financial assets at fair value through profit or loss (Note 24)

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

6. REVENUE AND SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker (the “CODM”) that are used to make strategic decisions.

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

- OBM toys: sale of own-brand toys
- OEM toys: manufacturing and sale of original equipment manufacturing toys

5. 重大會計估計及判斷以及估計不確定性之主要來源 – 續

(b) 估計不確定性之主要來源 – 續

(ii) 公平值計量 – 續

上述項目之層級分類乃基於該項目之公平值計量中具重大影響之最低層級數據。項目於層級中的轉換於發生期間確認。

本集團按公平值計量若干項目：

- 重估土地及建築－物業、廠房及設備（附註15）；
- 可供出售投資（附註20）；及
- 透過損益按公平值入賬之金融資產（附註24）

有關上述項目公平值計量之更多詳情請參閱適用附註。

6. 收入及分部報告

本集團根據由首席運營決策者（「首席運營決策者」）所審閱用以作出策略決定之報告釐定其運營分部。

本集團有七個可報告分部。各分部獨立管理，提供不同產品，同時需要不同業務戰略。以下概述介紹了本集團每個可報告分部之業務經營：

- 自有品牌製造玩具：自有品牌玩具銷售
- 原設備製造玩具：原設備製造玩具製造及銷售

6. REVENUE AND SEGMENT REPORTING – *Continued*

- Consumer electronic products: sale of consumer electronic products
- Commercial kitchen products: manufacturing and sale of commercial kitchen products
- Chinese health products: sale of Chinese health products
- Money lending business: granting loans
- Investment in financial instruments: investing in financial instruments

Segment revenue represents revenue generated from external customers. There were no inter-segment sales in current year and prior year. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the CODM for assessment of segment performance.

To strengthen the investment strategy and portfolio management, management of the Group changed the internal reporting structure on toys segment by separating OBM toys and OEM toys to match its business strategy and focus changes. Moreover, with the continuous expansion of the investment in financial instruments segment, the CODM considered the necessity of separate reporting of this division, which was grouped under "Unallocated" in previous years.

With the changes in the structure and composition of the reportable segments, certain comparative figures in the segment information for the year ended 31 March 2017 has been reclassified and revised to present segment results on a consistent basis.

6. 收入及分部報告 – 續

- 消費類電子產品：消費類電子產品銷售
- 商用廚房產品：商用廚房產品製造與銷售
- 中藥保健品：中藥保健品銷售
- 放債業務：提供貸款
- 投資金融工具：金融工具投資

分部收入指外部客戶錄得之收入。於本年度及過往年度概無分部間銷售。由於公司收入及開支並未計入首席運營決策者評估分部表現時使用之分部溢利計量內，故並無分配至經營分部。

為加強投資策略及投資組合管理，本集團管理層變更玩具分部之內部報告架構，透過將自有品牌製造玩具及原設備製造玩具分離以與其業務策略及重點變動相匹配。此外，隨著投資金融工具分部之持續擴展，首席運營決策者認為有必要獨立呈報該分部，而其於過往年度歸為「未分配」。

鑒於可報告分部架構及組成之變動，截至二零一七年三月三十一日止年度之分部資料若干比較數據已按一致基準經重新分類及修訂以呈列分部業績。

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財務報表附註

31 March 2018 二零一八年三月三十一日

6. REVENUE AND SEGMENT REPORTING – Continued

6. 收入及分部報告 – 續

(a) Segment revenue and results

(a) 分部收入及業績

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

	OBM toys 自有品牌 製造玩具 HK\$'000 千港元	OEM toys 原設備 製造玩具 HK\$'000 千港元	Consumer electronic products 消費類 電子產品 HK\$'000 千港元	Commercial kitchen products 商用 廚房產品 HK\$'000 千港元	Chinese health products 中藥保健品 HK\$'000 千港元	Money lending business 放債業務 HK\$'000 千港元	Investment in financial instruments 投資 金融工具 HK\$'000 千港元	Reportable segment total 可報告 分部統計 HK\$'000 千港元
Revenue to external customers 外部客戶收入	124,908	121,358	291,683	8,778	134,433	1,388	-	682,548
Segment (loss)/profit before income tax 除所得稅前分部 (虧損)/溢利	(3,754)	(81,289)	(27,038)	(7,292)	6,279	1,300	(67,184)	(178,978)

For the year ended 31 March 2017

截至二零一七年三月三十一日止年度

	OBM toys 自有品牌 製造玩具 HK\$'000 千港元 (Represented) (經重列)	OEM toys 原設備 製造玩具 HK\$'000 千港元 (Represented) (經重列)	Consumer electronic products 消費類 電子產品 HK\$'000 千港元	Commercial kitchen products 商用 廚房產品 HK\$'000 千港元	Investment in financial instruments 投資 金融工具 HK\$'000 千港元 (Represented) (經重列)	Reportable segment total 可報告 分部統計 HK\$'000 千港元
Revenue to external customers 外部客戶收入	72,917	118,504	125,100	2,700	-	319,221
Segment loss before income tax 除所得稅前分部虧損	(11,134)	(59,520)	(40,464)	(113,845)	(12,257)	(237,220)

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

6. REVENUE AND SEGMENT REPORTING – *Continued*

6. 收入及分部報告 – 續

(a) Segment revenue and results – *Continued*

(a) 分部收入及業績 – 續

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Represented) (經重列)
Reportable segment loss	可報告分部虧損	(178,978)	(237,220)
Interest income	利息收入	8	271
Exchange losses, net	匯兌虧損·淨額	(49)	(483)
Share of result of an associate	分佔一間聯營公司業績	(114)	(12,326)
Loss on disposal of an associate	出售一間聯營公司之虧損	(1,298)	–
Unallocated corporate expenses	未分配公司開支		
– Staff costs	– 員工成本	(5,189)	(5,971)
– Legal and professional fee	– 法律及專業費用	(5,210)	(4,210)
– Consultancy service expense	– 顧問服務開支	(3,862)	(3,601)
– Others	– 其他	(12)	(298)
Consolidated loss before income tax	除所得稅前綜合虧損	(194,704)	(263,838)

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

6. REVENUE AND SEGMENT REPORTING – Continued

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

6. 收入及分部報告 – 續

(b) 分部資產與負債

以下為本集團可報告分部資產及負債之分析：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Represented) (經重列)
Segment assets	分部資產		
OBM toys	自有品牌製造玩具	55,772	36,443
OEM toys	原設備製造玩具	106,995	173,311
Consumer electronic products	消費類電子產品	63,359	36,075
Commercial kitchen products	商用廚房產品	533	12,780
Chinese health products	中藥保健品	102,110	–
Money lending business	放債業務	51,187	–
Investment in financial instruments	投資金融工具	232,722	174,380
Segment assets	分部資產	612,678	432,989
Interest in an associate	於一間聯營公司之權益	–	8,102
Unallocated corporate assets	未分配公司資產		
– Cash and cash equivalents	– 現金及現金等價物	7,081	16,293
– Other receivables, deposits and prepayments	– 其他應收款項、按金及預付款項	413	75,000
– Others	– 其他	–	10
Consolidated total assets	綜合資產總值	620,172	532,394

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

6. REVENUE AND SEGMENT REPORTING – *Continued*

(b) Segment assets and liabilities – *Continued*

6. 收入及分部報告 – 續

(b) 分部資產與負債 – 續

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Represented) (經重列)
Segment liabilities	分部負債		
OBM toys	自有品牌製造玩具	55,383	29,623
OEM toys	原設備製造玩具	162,187	148,513
Consumer electronic products	消費類電子產品	95,276	39,531
Commercial kitchen products	商用廚房產品	20,447	23,741
Chinese health products	中藥保健品	11,434	–
Money lending business	放債業務	73	–
Investment in financial instruments	投資金融工具	–	–
Segment liabilities	分部負債	344,800	241,408
Unallocated corporate liabilities	未分配公司負債	1,222	345
Consolidated total liabilities	綜合負債總額	346,022	241,753

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財務報表附註

31 March 2018 二零一八年三月三十一日

6. REVENUE AND SEGMENT REPORTING – Continued

(c) Other segment information included in segment results or segment assets

For the year ended 31 March 2018

6. 收入及分部報告 – 續

(c) 分部業績或分部資產之其他分部資料

截至二零一八年三月三十一日止年度

		OBM toys 自有品牌 製造玩具 HK\$'000 千港元	OEM toys 原設備 製造玩具 HK\$'000 千港元	Consumer electronic products 消費類 電子產品 HK\$'000 千港元	Commercial kitchen products 商用 廚房產品 HK\$'000 千港元	Chinese health products 中藥保健品 HK\$'000 千港元	Money lending business 放債業務 HK\$'000 千港元	Investment in financial instruments 投資金融 工具 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income	利息收入	-	(10)	-	-	(2)	-	(8)	(20)	
Interest expenses	利息開支	317	3,134	-	-	-	-	-	3,451	
Income tax expense	所得稅開支	803	2,246	83	101	-	-	-	3,233	
Share of result of an associate	分佔一間聯營公司業績	-	-	-	-	-	-	114	114	
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,619	14,838	745	-	732	-	-	18,934	
Amortisation of intangible assets	無形資產攤銷	-	-	654	471	-	-	-	1,125	
Impairment loss on property, plant and equipment	物業、廠房及 設備減值虧損	-	25,611	422	291	-	-	-	26,324	
Write off of property, plant and equipment	物業、廠房及設備撇銷	-	-	1,393	988	-	-	-	2,381	
Write off of intangible assets	無形資產撇銷	-	-	2,591	464	-	-	-	3,055	
Impairment loss on available-for-sale investments	可供出售投資減值虧損	-	-	-	-	-	56,225	-	56,225	
Impairment loss on inventories	存貨減值虧損	-	-	1,857	-	-	-	-	1,857	
Impairment loss on trade and other receivables, deposits and prepayments	應收貿易賬款及 其他應收款項、按金及 預付款項之減值虧損	-	615	713	7,284	403	-	-	9,015	
Gain on disposal of a subsidiary	出售一間附屬公司之收益	-	-	(474)	-	-	-	-	(474)	
Loss on disposal of an associate	出售一間聯營公司之虧損	-	-	-	-	-	-	1,298	1,298	
Fair value loss on financial assets at fair value through profit or loss, net	按公平值計入損益之金融 資產之公平值虧損淨額	-	-	-	-	-	-	10,714	10,714	
Additions to property, plant and equipment	添置物業、廠房及設備	3,734	1,529	448	-	2,308	-	-	8,019	
Additions to intangible assets	添置無形資產	-	-	198	-	5,094	-	-	5,292	

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

6. REVENUE AND SEGMENT REPORTING – Continued

(c) Other segment information included in segment results or segment assets – Continued

For the year ended 31 March 2017

		OBM toys 自有品牌 製造玩具 HK\$'000 千港元 (Represented) (經重列)	OEM toys 原設備 製造玩具 HK\$'000 千港元 (Represented) (經重列)	Consumer electronic products 消費類 電子產品 HK\$'000 千港元	Commercial kitchen products 商用 廚房產品 HK\$'000 千港元	Investment in financial instruments 投資金融 工具 HK\$'000 千港元 (Represented) (經重列)	Unallocated 未分配 HK\$'000 千港元 (Represented) (經重列)	Total 總計 HK\$'000 千港元
Interest income	利息收入	-	(14)	-	(3)	(9,958)	(271)	(10,246)
Interest expenses	利息開支	370	2,577	-	259	-	-	3,206
Income tax (credit)/expense	所得稅(抵免)/費用	-	(1,208)	(60)	48	-	-	(1,220)
Share of result of an associate	分佔一間聯營公司業績	-	-	-	-	-	12,326	12,326
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,874	11,650	2,225	571	-	-	16,320
Amortisation of intangible assets	無形資產攤銷	-	-	571	1,029	-	-	1,600
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	-	4,122	4,126	-	-	8,248
Impairment loss on intangible assets	無形資產減值虧損	-	-	-	3,412	-	-	3,412
Impairment loss on available-for-sale investments	可供出售投資減值虧損	-	-	-	-	17,595	-	17,595
Impairment loss on inventories	存貨減值虧損	-	-	4,586	13,935	-	-	18,521
Impairment loss on trade and other receivables, deposits and prepayments	應收貿易賬款及其他應收款項、按金及預付款項之減值虧損	-	246	127	23,256	-	-	23,629
Compensation payable	應付賠償	-	-	-	3,690	-	-	3,690
Impairment loss on goodwill	商譽減值虧損	-	-	-	55,729	-	-	55,729
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	-	-	-	-	(3,345)	-	(3,345)
Additions to property, plant and equipment	添置物業、廠房及設備	5,730	10,483	138	174	-	-	16,525
Additions to intangible assets	添置無形資產	-	-	528	-	-	-	528

6. 收入及分部報告 – 續

(c) 分部業績或分部資產之其他分部資料 – 續

截至二零一七年三月三十一日止年度

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

6. REVENUE AND SEGMENT REPORTING – Continued

(d) Geographical information

Information about the Group's revenue and non-current assets by geographical region, according to the location which the product is shipped and the location of assets, is as follows:

For the year ended 31 March 2018

United States of America and Canada	美國及加拿大
Europe (Note (ii))	歐洲 (附註(ii))
China	中國
Australia	澳洲
Japan	日本
Hong Kong	香港
Korea	韓國
Indonesia	印尼
Others	其他

6. 收入及分部報告 – 續

(d) 地區資料

有關本集團根據產品付運所在地及資產所在地按地區分類之收入及非流動資產資料如下：

截至二零一八年三月三十一日止年度

	Revenue 收入 HK\$'000 千港元	Non-current assets 非流動資產 HK\$'000 千港元 (Note (i)) (附註(i))
United States of America and Canada	147,304	3,074
Europe (Note (ii))	25,687	–
China	305,987	–
Australia	3,487	–
Japan	29,520	–
Hong Kong	136,307	182,770
Korea	4,202	–
Indonesia	13,038	75,313
Others	17,016	–
	682,548	261,157

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財務報表附註

31 March 2018 二零一八年三月三十一日

6. REVENUE AND SEGMENT REPORTING – *Continued*

(d) Geographical information – *Continued*

For the year ended 31 March 2017

		Revenue 收入 HK\$'000 千港元	Non-current assets 非流動資產 HK\$'000 千港元 (Note (i)) (附註(i))
United States of America and Canada	美國及加拿大	85,343	3,404
Europe (Note (ii))	歐洲 (附註(ii))	33,116	–
China	中國	128,822	18,357
Australia	澳洲	1,930	–
Japan	日本	23,994	–
Hong Kong	香港	1,167	178,189
Korea	韓國	18,250	–
Indonesia	印尼	15,482	113,486
Others	其他	11,117	6
		319,221	313,442

Note:

- (i) Excluding deferred tax assets
- (ii) The products are first exported to one of the European countries ("Shipping Port Countries") and then distributed to different European countries by the customers. The information as to where the products are finally shipped is unavailable and the cost of obtaining such information would be excessive. The directors are of the opinion that disclosing the identities of the Shipping Port Countries is undesirable as such disclosure might be misleading.

(e) Information on major customers:

None of the external customers contributed 10% or more of the Group's revenue during the year ended 31 March 2018. For the year ended 31 March 2017, revenue of approximately HK\$32,216,000 was derived from sales of OEM toys segment to an external customer, which contributed over 10% or more of the Group's revenue.

6. 收入及分部報告 – 續

(d) 地區資料 – 續

截至二零一七年三月三十一日止年度

	Revenue 收入 HK\$'000 千港元	Non-current assets 非流動資產 HK\$'000 千港元 (Note (i)) (附註(i))
United States of America and Canada	85,343	3,404
Europe (Note (ii))	33,116	–
China	128,822	18,357
Australia	1,930	–
Japan	23,994	–
Hong Kong	1,167	178,189
Korea	18,250	–
Indonesia	15,482	113,486
Others	11,117	6
	319,221	313,442

附註：

- (i) 不包括遞延稅項資產
- (ii) 產品首先付運至一歐洲國家（「裝運港口國家」），隨後由客戶分銷到不同歐洲國家。產品最終裝船付運至目的地的資料無法獲得且獲得有關資料之成本昂貴。董事認為，披露裝運港口國家資料屬不合宜，原因是有關披露可能會產生誤導。

(e) 主要客戶之資料：

截至二零一八年三月三十一日止年度，概無外部客戶貢獻本集團收入百分之十或以上。截至二零一七年三月三十一日止年度，自原設備製造玩具分部向外部客戶銷售產生的收入約三千二百二十一萬六千港元，佔本集團收入逾百分之十或以上。

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財務報表附註

31 March 2018 二零一八年三月三十一日

7. OTHER REVENUE, GAINS AND LOSSES, NET

7. 其他收入、收益及虧損，淨額

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income	利息收入	20	10,246
Fair value loss on financial assets at fair value through profit or loss, net	按公平值計入損益之金融資產之 公平值虧損，淨額	(10,714)	-
Gain on disposal of a subsidiary (Note)	出售一間附屬公司之收益（附註）	474	-
Loss on disposal of an associate	出售一間聯營公司之虧損	(1,298)	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(5)	(8)
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	-	3,345
Impairment loss on available-for-sale investments	可供出售投資減值虧損	(56,225)	(17,595)
Impairment loss on trade and other receivables, deposits and prepayments	應收貿易賬款及其他應收款項、 按金及預付款項之減值虧損	(9,015)	(23,629)
Compensation payable	應付賠償	-	(3,690)
Exchange losses, net	匯兌虧損，淨額	(2,561)	(8,995)
Others	其他	1,594	(832)
		(77,730)	(41,158)

Note: On 4 January 2018, the Group completed the disposal of 100% equity interest in Oasis CZ (defined in Note 18) and since then Oasis CZ is no longer a subsidiary of the Group.

附註：於二零一八年一月四日，本集團已完成出售綠州創智（定義見附註18）全部股本權益，其後，綠州創智不再為本集團附屬公司。

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財務報表附註

31 March 2018 二零一八年三月三十一日

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Costs of inventories recognised as expenses	確認為開支之存貨成本	517,739	220,966
Impairment loss on inventories	存貨減值虧損	1,857	18,521
Auditor's remuneration	核數師酬金	1,790	2,387
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,934	16,320
Amortisation of intangible assets	無形資產攤銷	1,125	1,600
Write off of property, plant and equipment	物業、廠房及設備撇銷	2,381	–
Write off of intangible assets	無形資產撇銷	3,055	–
Employee costs (excluding directors' emoluments) (Note 13)	僱員開支(不包括董事酬金) (附註13)	126,640	105,987
Directors' emoluments (Note 14)	董事酬金(附註14)	1,080	3,991
Research and development costs (included in general and administrative expenses)	研發成本(計入一般及行政費用)	11,039	13,434
Operating charge in respect of properties	物業經營費用	20,956	4,904

8. 除所得稅前虧損

除所得稅前虧損乃經扣除下列各項後得出：

9. FINANCE COSTS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total interest expenses for financial liabilities that are not at fair value through profit or loss:	並非按公平值計入損益之 金融負債利息開支總額：		
Interests on borrowings	借貸利息	3,451	3,206

9. 融資成本

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10. INCOME TAX EXPENSE/(CREDIT)

No Hong Kong profits tax has been provided for the Company's subsidiaries in Hong Kong as they did not derive any assessable profits for the current and prior years.

Enterprise income tax has been provided at the rate of 25% (2017: 25%) on the estimated assessable profits for the year arising from the People's Republic of China (the "PRC").

The amount of income tax expense/(credit) in the consolidated statement of comprehensive income represents:

10. 所得稅開支／（抵免）

本年度及過往年度概無就本公司之香港附屬公司計提香港利得稅，原因為該等公司並無產生任何應課稅溢利。

企業所得稅乃按從中華人民共和國（「中國」）產生之本年度估計應課稅溢利以百分之二十五（二零一七年：百分之二十五）之稅率計提。

綜合全面收益表內之所得稅開支／（抵免）金額指：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
PRC enterprise income tax	中國企業所得稅		
- under-provision in prior years	- 過往年度撥備不足	-	2
Deferred tax	遞延稅項		
- current year	- 本年度	2,638	(1,222)
- attributable to decrease in tax rate	- 應佔稅率減少	595	-
		3,233	(1,222)
Income tax expense/(credit)	所得稅開支／（抵免）	3,233	(1,220)

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10. INCOME TAX EXPENSE/(CREDIT) – Continued

The income tax expense/(credit) for the year can be reconciled to the loss before income tax in the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支／（抵免）—續

年內所得稅開支／（抵免）與綜合損益及其他全面收益表之除所得稅前虧損對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(194,704)	(263,838)
Tax calculated at the domestic tax rate of 16.5% (2017: 16.5%)	按百分之十六點五（二零一七年：百分之十六點五）的國內稅率計算之稅項	(32,126)	(43,533)
Effect of different tax rates of subsidiaries operating in other jurisdictions	其他司法權區營運之附屬公司不同稅率之影響	(5,734)	(15,428)
Tax effect of revenue not taxable for tax purposes	毋須扣稅收入的稅務影響	(406)	(3,421)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	29,652	25,354
Effect on opening deferred tax balances resulting from a decrease in applicable tax rate	適用稅率減少對期初遞延稅項結餘之影響	595	–
Under-provision in respect of prior years	過往年度撥備不足	–	2
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	12,585	36,128
Utilisation of tax losses previously not recognised	動用過往未確認稅項虧損	(866)	–
Others	其他	(467)	(322)
Income tax expense/(credit)	所得稅開支／（抵免）	3,233	(1,220)

11. DIVIDENDS

The directors do not recommend any dividend in respect of the year ended 31 March 2018 (2017: Nil).

11. 股息

董事不建議派付截至二零一八年三月三十一日止年度之任何股息（二零一七年：無）。

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12. LOSS PER SHARE

12. 每股虧損

		2018 二零一八年 HK cents 港仙	2017 二零一七年 HK cents 港仙
Basic loss per share	每股基本虧損	(2.69)	(4.09)
Diluted loss per share (Note)	每股攤薄虧損(附註)	N/A不適用	N/A不適用

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

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year attributable to owners of the Company, used in the basic loss per share calculation	用以計算每股基本虧損之本公司擁有人應佔年內虧損	(186,103)	(241,937)

		2018 二零一八年	2017 二零一七年
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic loss per share	用以計算每股基本虧損之普通股加權平均數目	6,908,687,715	5,917,757,997

Note: No diluted loss per share is presented for the year ended 31 March 2018 as the Company has no potential ordinary shares at that date. No diluted loss per share is presented for the year ended 31 March 2017 as the effect of all potential ordinary shares is anti-dilutive.

附註：於截至二零一八年三月三十一日止年度，由於本公司於該日並無潛在普通股，故並無呈列每股攤薄虧損。截至二零一七年三月三十一日止年度，由於所有潛在普通股均具有反攤薄影響，故並無呈列每股攤薄虧損。

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13. EMPLOYEE COSTS

Employee costs (excluding directors' emoluments) comprise:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Wages and salaries	工資及薪金	110,865	97,547
Short-term non-monetary benefits	短期非貨幣福利	10,394	4,682
Contributions on defined contribution retirement plans	定額供款退休金計劃之供款	5,381	3,758
		126,640	105,987

13. 僱員成本

僱員開支(不包括董事酬金)包括:

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments paid and payable to the directors of the Company are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Directors' fee	董事袍金	1,080	523
Other emoluments:	其他酬金:		
Basic salaries, bonus, housing and other allowances and benefits in kind	基本薪金、花紅、住房及其他津貼及實物利益	-	3,450
Provident fund scheme contributions	公積金計劃之供款	-	18
		1,080	3,991

No emoluments have been paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year. No directors waived their emoluments in respect of the years ended 31 March 2018 and 2017.

14. 董事及高級管理人員之酬金

(a) 董事酬金

已付及應付本公司董事之酬金總額如下:

年內,本集團並無向董事支付酬金作為加入本集團或加入本集團後之獎金或作為失去職位之賠償。截至二零一八年及二零一七年三月三十一日止年度,並無任何董事放棄彼等之酬金。

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14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS – Continued

(a) Directors' emoluments – Continued

The emolument of each director for the year ended 31 March 2018 is set out below:

Name of director	董事姓名	Fees	Basic salaries and bonus	Housing and other allowances and benefits in kind	Provident fund scheme contributions	Total
		袍金	基本薪金及花紅	津貼及實物利益	公積金計劃之供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Non-executive director	非執行董事					
Mr. Diao Yunfeng	刁雲峰先生	120	–	–	–	120
Executive directors	執行董事					
Mr. Leung Alex	梁奕曦先生	120	–	–	–	120
Ms. Lo Ming Wan	勞明韻女士	120	–	–	–	120
Mr. Lee Chan Wah	李燦華先生	120	–	–	–	120
Mr. Lei Hong Wai	李雄偉先生	120	–	–	–	120
Mr. Tse Chi Keung	謝自強先生	120	–	–	–	120
Independent non-executive directors	獨立非執行董事					
Mr. Lai Hok Lim	黎學廉先生	120	–	–	–	120
Mr. Lien Wai Hung	連偉雄先生	120	–	–	–	120
Mr. Wong Tak Chuen	黃德銓先生	120	–	–	–	120
		1,080	–	–	–	1,080

14. 董事及高級管理人員之酬金—續

(a) 董事酬金—續

截至二零一八年三月三十一日止年度，每位董事之酬金載列如下：

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS – Continued

14. 董事及高級管理人員之酬金—續

(a) Directors' emoluments – Continued

The emolument of each director for the year ended 31 March 2017 is set out below:

(a) 董事酬金—續

截至二零一七年三月三十一日止年度，每位董事之酬金載列如下：

Name of director	董事姓名	Fees	Basic salaries and bonus	Housing and other allowances and benefits in kind	Provident fund scheme contributions	Total
		袍金	基本薪金及花紅	津貼及實物利益	公積金計劃之供款	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-executive director	非執行董事					
Mr. Diao Yunfeng	刁雲峰先生	120	-	-	-	120
Executive directors	執行董事					
Mr. Leung Alex (appointed on 20 March 2017)	梁奕曦先生(於二零一七年三月二十日獲委任)	3	-	-	-	3
Ms. Lo Ming Wan (appointed on 30 March 2017)	勞明韻女士(於二零一七年三月三十日獲委任)	1	-	-	-	1
Mr. Lee Chan Wah (appointed on 30 March 2017)	李燦華先生(於二零一七年三月三十日獲委任)	1	-	-	-	1
Mr. Lei Hong Wai (appointed on 11 October 2016)	李雄偉先生(於二零一六年十月十一日獲委任)	56	-	-	-	56
Mr. Tse Chi Keung (appointed on 16 December 2016)	謝自強先生(於二零一六年十二月十六日獲委任)	35	-	-	-	35
Mr. Hu Yebi (appointed on 5 October 2016 and resigned on 20 March 2017)	胡野碧先生(於二零一六年十月五日獲委任及於二零一七年三月二十日辭任)	27	-	-	-	27
Mr. Cheung Kwok Wai Elton (appointed on 11 October 2016 and resigned on 16 December 2016)	張國偉先生(於二零一六年十月十一日獲委任及於二零一六年十二月十六日辭任)	22	-	-	-	22
Mr. Leung Lun, M.H. (resigned on 30 March 2017)	梁麟先生·M.H. (於二零一七年三月三十日辭任)	-	1,500	780	-	2,280
Ms. Fang Fang (resigned on 30 March 2017)	方芳女士(於二零一七年三月三十日辭任)	-	1,170	-	18	1,188
Independent non-executive directors	獨立非執行董事					
Mr. Lai Hok Lim (appointed on 27 October 2016)	黎學廉先生(於二零一六年十月二十七日獲委任)	51	-	-	-	51
Mr. Lien Wai Hung (appointed on 27 October 2016)	連偉雄先生(於二零一六年十月二十七日獲委任)	51	-	-	-	51
Mr. Wong Tak Chuen (appointed on 11 October 2016)	黃德銓先生(於二零一六年十月十一日獲委任)	56	-	-	-	56
Mr. Ye Tian Liu (resigned on 27 October 2016)	葉添鏐先生(於二零一六年十月二十七日辭任)	34	-	-	-	34
Mr. Lai Yun Hung (resigned on 27 October 2016)	賴恩雄先生(於二零一六年十月二十七日辭任)	32	-	-	-	32
Mr. Ko Peter Ping Wah (resigned on 27 October 2016)	高秉華先生(於二零一六年十月二十七日辭任)	34	-	-	-	34
		523	2,670	780	18	3,991

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14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS – Continued

(b) Five highest paid individuals

None of the directors whose emoluments are disclosed in the analysis presented above were among the five individuals whose emoluments were the highest in the Group during the year ended 31 March 2018.

During the year ended 31 March 2017, two directors whose emoluments are disclosed in the analysis presented above were among the five individuals whose emoluments were the highest in the Group. The emoluments payable to the five highest paid individuals during the year are as follows:

14. 董事及高級管理人員之酬金—續

(b) 五位最高薪酬人士

截至二零一八年三月三十一日止年度，概無董事之酬金於上文呈列本集團五位最高薪酬人士之分析中披露。

截至二零一七年三月三十一日止年度，本集團五位最高薪酬人士中，兩位為董事，其酬金已於上文呈列之分析中披露。年內應付予五位最高薪酬人士之酬金如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Basic salaries, bonus, housing and other allowances and benefits in kind	基本薪金、花紅、住房及其他津貼及實物利益	5,856	2,450
Provident fund scheme contributions	公積金計劃之供款	211	72
		6,067	2,522

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS – Continued

(b) Five highest paid individuals – Continued

The emoluments paid or payable to the above individuals were within the following bands:

		2018 二零一八年 No. of Individuals 人數	2017 二零一七年 No. of Individuals 人數
Nil to HK\$1,000,000	零至一百萬港元	–	2
HK\$1,000,001 to HK\$1,500,000	一百萬零一港元至 一百五十萬港元	5	1

(c) Senior management's emolument

The emoluments paid or payable to the senior managements were within the following band:

		2018 二零一八年 No. of Individuals 人數	2017 二零一七年 No. of Individuals 人數
Nil to HK\$1,000,000	零至一百萬港元	–	2
HK\$1,000,001 to HK\$1,500,000	一百萬零一港元至 一百五十萬港元	1	1

14. 董事及高級管理人員之酬金 – 續

(b) 五位最高薪酬人士 – 續

已付或應付上述人士之薪酬介乎以下範圍內：

(c) 高級管理人員之酬金

已付或應付高級管理人員之酬金介乎以下範圍內：

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Moulds	Total
		土地及樓宇 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	傢俬、裝置及 設備 HK\$'000 千港元	汽車 HK\$'000 千港元	模具 HK\$'000 千港元	總計 HK\$'000 千港元
At 31 March 2016	於二零一六年三月三十一日							
Cost or valuation	成本或估值	76,156	1,330	50,036	23,202	1,171	20,960	172,855
Accumulated depreciation	累計折舊	(2,587)	(733)	(17,946)	(11,468)	(705)	(6,128)	(39,567)
Net book value	賬面淨值	73,569	597	32,090	11,734	466	14,832	133,288
Net book amount at 1 April 2016	於二零一六年四月一日之賬面淨值	73,569	597	32,090	11,734	466	14,832	133,288
Additions	添置	1,358	70	7,658	2,028	202	5,209	16,525
Provision for impairment	減值撥備	-	-	(1,368)	(20)	(62)	(6,798)	(8,248)
Disposals	出售	-	-	(1)	(7)	(192)	-	(200)
Depreciation charge	折舊支出	(671)	(242)	(8,201)	(3,447)	(107)	(3,652)	(16,320)
Exchange difference	匯兌差額	(26)	(32)	77	(33)	154	(509)	(369)
Net book value at 31 March 2017	於二零一七年三月三十一日之 賬面淨值	74,230	393	30,255	10,255	461	9,082	124,676
At 31 March 2017	於二零一七年三月三十一日							
Cost or valuation	成本或估值	77,484	1,341	57,661	24,905	1,153	25,284	187,828
Accumulated impairment	累計減值	-	-	(1,337)	(20)	(61)	(6,646)	(8,064)
Accumulated depreciation	累計折舊	(3,254)	(948)	(26,069)	(14,630)	(631)	(9,556)	(55,088)
Net book value	賬面淨值	74,230	393	30,255	10,255	461	9,082	124,676
Net book amount at 1 April 2017	於二零一七年四月一日之賬面淨值	74,230	393	30,255	10,255	461	9,082	124,676
Acquired through business combination (Note 34)	透過業務合併收購(附註34)	-	604	-	1,105	-	-	1,709
Additions	添置	-	521	894	1,137	110	3,648	6,310
Provision for impairment	減值撥備	-	(183)	(19,324)	(6,419)	(398)	-	(26,324)
Disposals	出售	-	-	-	(5)	-	-	(5)
Depreciation charge	折舊支出	(1,507)	(354)	(10,032)	(4,155)	(163)	(2,723)	(18,934)
Surplus on revaluation	重估盈餘	4,224	-	-	-	-	-	4,224
Write off	撇銷	-	-	(529)	-	-	(1,852)	(2,381)
Exchange difference	匯兌差額	(1,634)	(316)	(1,264)	(404)	(10)	447	(3,181)
Net book value at 31 March 2018	於二零一八年三月三十一日之 賬面淨值	75,313	665	-	1,514	-	8,602	86,094
At 31 March 2018	於二零一八年三月三十一日							
Cost or valuation	成本或估值	80,074	2,241	54,797	23,124	1,273	15,548	177,057
Accumulated impairment	累計減值	-	(183)	(20,190)	(6,705)	(477)	-	(27,555)
Accumulated depreciation	累計折舊	(4,761)	(1,393)	(34,607)	(14,905)	(796)	(6,946)	(63,408)
Net book value	賬面淨值	75,313	665	-	1,514	-	8,602	86,094

15. PROPERTY, PLANT AND EQUIPMENT – *Continued*

Notes:

- (a) As at 31 March 2018 and 2017, the land and buildings represent a freehold land and certain factories situated in Indonesia.
- (b) Borrowings of HK\$13,597,000 (2017: HK\$5,749,000) are secured by the Group's land and buildings.
- (c) As at 31 March 2018, plant and machinery, fixture and equipment with carrying amount of nil (2017: HK\$9,901,000) and HK\$574,000 (2017: HK\$904,000) were pledged to secure designated banking facility and borrowing (Note 28).
- (d) The Group's land and buildings were revalued at 31 March 2018. Valuation was made on the basis of open market value carried out by Andreas Parlindungan Siregar Property Appraisers & Consultants (KJPP), an independent firm of chartered surveyors. The surplus on revaluation, net of applicable deferred income taxes, was credited to land and buildings revaluation reserve.

The fair value of land and buildings is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

15. 物業、廠房及設備—續

附註：

- (a) 於二零一八年及二零一七年三月三十一日，土地及樓宇指位於印尼之永久業權土地及若干廠房。
- (b) 借貸一千三百五十九萬七千港元（二零一七年：五百七十四萬九千港元）乃由本集團之土地及樓宇作抵押。
- (c) 於二零一八年三月三十一日，賬面值為零（二零一七年：九百九十萬零一千港元）及五十七萬四千港元（二零一七年：九十萬零四千港元）之廠房及機器、裝置及設備已抵押，以為指定銀行融資及借貸提供擔保（附註28）。
- (d) 本集團之土地及樓宇於二零一八年三月三十一日重估。估值乃按公開市值基準計算，由一間特許測量獨立公司Andreas Parlindungan Siregar Property Appraisers & Consultants (KJPP)進行。重估盈餘（扣除適用之遞延所得稅）已計入土地及樓宇重估儲備。

土地及樓宇之公平值為第三級經常性公平值計量。期初及期末公平值結餘之對賬載列如下。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Opening balance (level 3 recurring fair value)	期初結餘（第三級經常性公平值）	74,230	73,569
Addition	添置	–	1,358
Depreciation charge for the year	年內折舊支出	(1,507)	(671)
Surplus on revaluation	重估盈餘	4,224	–
Exchange difference	匯兌差額	(1,634)	(26)
Closing balance (level 3 recurring fair value)	期末結餘（第三級經常性公平值）	75,313	74,230

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財務報表附註

31 March 2018 二零一八年三月三十一日

15. PROPERTY, PLANT AND EQUIPMENT – *Continued*

Notes: – *Continued*

(d) – *Continued*

The fair value of land held for own use of HK\$50,750,000 was estimated using market comparison approach. Fair values are based on prices for recent market transactions in similar properties with significant adjustments for differences in the location or condition of the Group's properties. These adjustments are based on unobservable inputs.

Significant unobservable inputs	Range
---------------------------------	-------

(Discount)/premium on quality of properties	(10%) – 15%
---	-------------

Higher premiums or discounts for the quality Range of the Group's properties compared to recent sales will result in correspondingly higher or lower fair values.

The fair value of buildings held for own use of HK\$24,563,000 was estimated using cost approach. Fair values are based on cost of construction for same utilities and capacity, less depreciation.

There were no changes to the valuation techniques during the periods. The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

During the year ended 31 March 2018, there were no transfers into or out of level 3 or any other level. The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

As at 31 March 2017, management reassessed the fair value of the land and buildings by reference to the property market information and was of the opinion that the fair value of the land and buildings does not materially differ from its carrying amount.

(e) The carrying amount of the revalued land and buildings would have been HK\$18,811,000 (2017: HK\$20,709,000), had they been stated at cost less accumulated depreciation and accumulated impairment losses.

15. 物業、廠房及設備—續

附註：—續

(d) —續

持作自用之土地的公平值五千零七十五萬港元乃使用市場比較法估計。公平值乃基於近期類似物業的市場交易價格，並根據本集團物業的位置及狀況差異作出重大調整。該等調整乃基於不可觀察之數據。

重大不可觀察之數據	範圍
-----------	----

就物業質素作(折讓)/溢價	(10%) – 15%
---------------	-------------

就本集團物業質素與近期銷售比較所作出之溢價或折讓增大將導致公平值相應地增加或減少。

持有作自用之樓宇的公平值二千四百五十六萬三千港元乃使用成本法估計。公平值乃基於同等實施及規模之建築成本減折舊作出。

期內之估值技術並無任何變動。公平值計量乃根據上述物業與其實際用途相同之最高及最佳用途釐定。

於截至二零一八年三月三十一日止年度，第三級或任何其他級別並無轉入或轉出。本集團的政策是於報告期末公平值架構各等級間發生轉撥時予以確認。

於二零一七年三月三十一日，管理層經參考物業市場資料重新評估土地及樓宇之公平值，並認為土地及樓宇之公平值與其賬面值並非無重大差異。

(e) 倘按成本減累計折舊及累計減值虧損入賬，重估土地及樓宇之賬面值應為一千八百八十一萬一千港元(二零一七年：二千零七十萬九千港元)。

15. PROPERTY, PLANT AND EQUIPMENT – *Continued*Notes: – *Continued*

- (f) During the year ended 31 March 2018, the Group suspended manufacturing activities in consumer electronic products segment and commercial kitchen products segment, mainly due to the termination of eligibility of the segments to use the patents since April 2018. Write off of HK\$2,381,000 (2017: Nil) was recognised as part of general and administrative expenses included in profit or loss to write down the carrying amount of the plant and equipment to its recoverable amount.
- (g) During the year ended 31 March 2018, as the Group continued to record losses for OEM toys segment, consumer electronic products segment and commercial kitchen products segment, management considered there was indication for impairment for the non-financial assets in these segments, representing property, plant and equipment of HK\$101,637,000.

The recoverable amount of CGUs was based on the value-in-use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and pre-tax discount rate of 18%. The growth rate used to extrapolate the cash flows beyond the five-year period is 0%, which do not exceed the long-term growth rate for the industry in the corresponding country. Other key assumption for the value-in-use calculation relates to the estimation of cash inflows/ outflows which include budgeted sales, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonable and possible change in any of this assumption would not cause the aggregate carrying amount to exceed the aggregate recoverable amount. Accordingly, impairment loss in the aggregate of HK\$26,324,000 was recognised in profit or loss to write down the carrying amount of those assets to recoverable amount of HK\$75,313,000 in above-mentioned segments.

During the year ended 31 March 2017, an impairment loss of HK\$8,248,000 was recognised to write down the carrying amount of those assets to its recoverable amount of HK\$951,000 due to adverse condition of those assets. The recoverable amount was based on the fair value less costs of disposal of the machinery estimated by reference to recent market transactions in similar assets adjusted for differences in condition. The fair value less costs of disposal of the machinery is classified as a level 3 measurement.

Impairment loss recognised in profit or loss by each of the above-mentioned segments in the current and prior years was set out in Note 6(c).

15. 物業、廠房及設備—續

附註：—續

- (f) 於截至二零一八年三月三十一日止年度，本集團終止消費類電子產品分部及商用廚房產品分部之製造業務，主要由於自二零一八年四月起該等分部的專利使用資格終止。撇銷二百三十八萬一千港元（二零一七年：無）確認為一般及行政費用的一部分並計入損益，以將廠房及設備的賬面值撇減至其可收回金額。
- (g) 於截至二零一八年三月三十一日止年度，由於本集團原設備製造玩具分部、消費類電子產品分部及商用廚房產品分部持續錄得虧損，管理層認為該等分部的非金融資產出現減值跡象，即物業、廠房及設備一億零一百六十三萬七千港元。

現金產生單位之可回收金額乃根據使用價值計算方法釐定。計算方法乃使用根據管理層批准的涵蓋五年期間的財務預算編製之現金流量預測及稅前折現率為百分之十八。超出五年期間的現金流量使用估計增長率百分之零推算，該增長率不超過相應國家行業內的長期增長率。使用價值計算之其他主要假設與現金流入／流出之估計有關，包括預算銷售，有關估計乃根據單位之過往表現及管理層對市場發展之預期作出。管理層認為任何引起該假設合理及可能的變動都不會導致總賬面值超過可收回總金額。因此，減值虧損總額二千六百三十二萬四千港元於損益中確認以將該等資產之賬面值撇減至上述分部之可收回金額七千五百三十一萬三千港元。

於截至二零一七年三月三十一日止年度，由於該等資產之不利情況，減值虧損八百二十四萬四千港元已確認以將該等資產賬面值撇減至其可收回金額九十五萬一千港元。可收回款項乃經參考類似資產近期市場交易（就不同情況予以調整）按公平值減估計出售機器之成本釐定。公平值減出售機器之成本分類為第三級。

上述各分部於本年度及過往年度在損益中確認之減值虧損載於附註6(c)。

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財務報表附註

31 March 2018 二零一八年三月三十一日

16. GOODWILL

16. 商譽

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost	成本		
At 1 April	於四月一日	94,636	100,731
Acquired through business acquisition (Note 34)	透過業務收購取得(附註34)	614	-
Exchange difference	匯兌差額	10,043	(6,095)
At 31 March	於三月三十一日	105,293	94,636
Accumulated impairment	累計減值		
At 1 April	於四月一日	92,136	40,137
Impairment loss recognised in the year (Note (c))	年內確認減值虧損(附註(c))	-	55,729
Exchange difference	匯兌差額	10,043	(3,730)
At 31 March	於三月三十一日	102,179	92,136
At 31 March:	於三月三十一日:		
Cost	成本	105,293	94,636
Accumulated impairment	累計減值	(102,179)	(92,136)
Net carrying amount	賬面淨值	3,114	2,500

16. GOODWILL – Continued

Goodwill acquired in business combination is allocated, at acquisition, to the cash-generating units (“CGUs”) that are expected to benefit from that business combination. For the purpose of impairment testing, cost of goodwill is allocated to CGUs identified as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
OBM toys (Note (a))	自有品牌製造玩具 (附註(a))	2,500	2,500
Chinese health products (Note (b))	中藥保健品 (附註(b))	614	–
		3,114	2,500

(a) OBM toys

The recoverable amount of the CGU of OBM toys is determined by the value-in-use calculation. The calculation was carried out by cash flow projection based on financial budget approved by the management of the Company (the “Management”) covering a five-year period. Cash flow beyond the five-year period is extrapolated using an estimated average growth rate of 3% (2017: 3%), which does not exceed the long-term growth rate for the industry in the corresponding country.

The discount rate of 14 % (2017: 21%) adopted in the value-in-use calculation of the CGU of OBM toys is pre-taxed and reflect specific risks relating to the relevant markets.

The Management reassessed the recoverable amount of the CGU of OBM toys as at 31 March 2018 by reference to the discounted cash flow calculations with the above estimations and was of the opinion that no impairment loss should be recognised as the carrying amount of the CGU of OBM toys approximates to its recoverable amount.

(b) Chinese health products

The recoverable amount of the CGU of the Chinese health products is determined by the value-in-use calculation. The calculation was carried out by cash flow projection based on financial budget approved by the Management covering a five-year period. Cash flow beyond the five-year period is extrapolated using an estimated average growth rate of 0%, which does not exceed the long-term growth rate for the industry in the corresponding country.

16. 商譽—續

透過業務合併收購之商譽於收購時分配至預期可從業務合併獲益之現金產生單位（「現金產生單位」）。就減值測試而言，商譽成本分配至已識別之現金產生單位如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
OBM toys (Note (a))	自有品牌製造玩具 (附註(a))	2,500	2,500
Chinese health products (Note (b))	中藥保健品 (附註(b))	614	–
		3,114	2,500

(a) 自有品牌製造玩具

自有品牌製造玩具之現金產生單位之可收回金額乃根據使用價值計算方法釐定。該計算方法使用根據本公司管理層（「管理層」）批准的涵蓋五年期間的財務預算編製之現金流量預測。超出五年期間的現金流量使用估計平均增長率百分之三（二零一七年：百分之三）推算，該增長率不超過相應國家行業內的長期增長率。

自有品牌製造玩具之現金產生單位的使用價值計算所採用的折現率百分之十四（二零一七年：百分之二十一）乃為稅前折現率，並反映與相關市場有關的特定風險。

於二零一八年三月三十一日，管理層參考採用上述估計得出之折現現金流量重估自有品牌製造玩具之現金產生單位之可收回金額，並認為由於自有品牌製造玩具之現金產生單位的賬面值與其可收回金額相若，故毋須確認任何減值虧損。

(b) 中藥保健品

中藥保健品之現金產生單位之可收回金額乃根據使用價值計算方法釐定。該計算方法使用根據管理層批准的涵蓋五年期間的財務預算編製之現金流量預測。超出五年期間的現金流量使用估計平均增長率百分之零推算，該增長率不超過相應國家行業內的長期增長率。

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31 March 2018 二零一八年三月三十一日

16. GOODWILL – *Continued*

(b) Chinese health products – *Continued*

The discount rate of 16 % adopted in the value-in-use calculation of the CGU of Chinese health products is pre-tax and reflect specific risks relating to the relevant markets.

The Management reassessed the recoverable amount of the CGU of Chinese health products as at 31 March 2018 by reference to the discounted cash flow calculations with the above estimations and was of the opinion that no impairment loss should be recognised on its goodwill and trademarks as the carrying amount of the CGU of Chinese health products approximates to its recoverable amount.

(c) Commercial kitchen products

The directors determined the respective recoverable amount of the CGUs of the commercial kitchen products as at 31 March 2017 from their value-in-use based on the valuations performed by an independent firm of professional valuer using the income approach method.

The income approach method is based on the projection of future cash flows of the commercial kitchen products segment derived from the financial budgets approved by the Management covering a five-year period. Cash flow beyond the five-year period are extrapolated as there is 3% growth in the commercial kitchen products segment in the PRC.

The discount rates of 23% adopted in the future cash flows projections of the CGUs of the commercial kitchen products are pre-taxed and reflect specific risks relating to the relevant markets.

In prior years, the Management expected the growth of commercial kitchen products segment will become obvious in these years because of the government policy regarding the heat efficiency requirement for commercial kitchen products. However, throughout the prior year, there was no news on the exact timeframe for the implementation of such new policy and the growth in demand of commercial kitchen products is not happened as expected. In addition, due to the recent slowdown in the economic growth in the PRC, leading to the delay of some potential and ongoing commercial kitchen equipment procurement projects, the Management has become more prudent and cautious for partner choosing and project selection. Therefore, during the year ended 31 March 2017, the Management has reassessed and adjusted the revenue growth adopted in the five-year financial budgets. This had an adverse impact on the estimated value-in-use of those CGUs and an impairment loss on goodwill of HK\$55,729,000 and an impairment loss on intangible assets of HK\$3,412,000 was recognised. As the carrying amount of the CGUs has been reduced to their recoverable amount of HK\$750,000, any adverse changes in the key assumptions used to calculate the recoverable amount would result in further impairment losses.

16. 商譽—續

(b) 中藥保健品—續

中藥保健品之現金產生單位的使用價值計算所採用的折現率百分之十六乃為稅前折現率，並反映與相關市場有關的特定風險。

於二零一八年三月三十一日，管理層參考採用上述估計得出之折現現金流量重估中藥保健品之現金產生單位的可收回金額，並認為由於中藥保健品之現金產生單位的賬面值與其可收回金額相若，故毋須就其商譽及商標確認任何減值虧損。

(c) 商用廚房產品

董事根據商用廚房產品之使用價值釐定其於二零一七年三月三十一日之現金產生單位可收回金額，使用價值乃基於獨立專業估值師採用收益法進行的估值得出。

收益法乃以商用廚房產品分部之未來現金流量預測為基礎，而現金流量預測乃根據管理層批准的涵蓋五年期間的財務預算而得出。超出五年期間的現金流量乃按中國商用廚房產品分部增長百分之三的假設推算。

商用廚房產品之現金產生單位的未來現金流量預測採用的折現率百分之二十三為稅前折現率，並反映與相關市場有關的特定風險。

於過往年度，隨著政府對有關商用廚房產品熱效率的規定政策出台，管理層預期商用廚房產品分部於該等年度將有顯著增長。然而，整個過往年度，並無任何有關實施該項新政策之確切時間表的消息及商用廚房產品需求並無如預期般出現增長。此外，由於中國近期經濟增長放緩，導致部分潛在及持續進行的商用廚房設備採購項目延誤，管理層在選擇業務夥伴及挑選項目時更為審慎。因此，於截至二零一七年三月三十一日止年度，管理層已重估及調整五年財務預算所採用的收入增長。此舉對該等現金產生單位的估計使用價值產生不利影響並已確認商譽減值虧損五千五百七十二萬九千港元及無形資產減值虧損三百四十一萬二千港元。由於現金產生單位的賬面值已降低至其可收回金額七十五萬港元，用以計算可收回金額收的主要假設產生任何不利變動將引致進一步減值虧損。

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17. INTANGIBLE ASSETS

17. 無形資產

		Patents 專利 (Note (a)) (附註(a)) HK\$'000 千港元	Trademarks 商標 (Note (b)) (附註(b)) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本:			
At 1 April 2016	於二零一六年四月一日	10,772	-	10,772
Additions	添置	528	-	528
Exchange difference	匯兌差額	(615)	-	(615)
At 31 March 2017	於二零一七年三月三十一日	10,685	-	10,685
Acquired through business acquisition (Note 34)	透過業務收購取得 (附註34)	-	5,094	5,094
Additions	添置	198	-	198
Write off	撇銷	(11,443)	-	(11,443)
Exchange difference	匯兌差額	560	-	560
At 31 March 2018	於二零一八年三月三十一日	-	5,094	5,094
Amortisation and impairment:	攤銷及減值:			
At 1 April 2016	於二零一六年四月一日	2,062	-	2,062
Provision for impairment	減值撥備	3,412	-	3,412
Charge for the year	年內扣除	1,600	-	1,600
Exchange difference	匯兌差額	(173)	-	(173)
At 31 March 2017	於二零一七年三月三十一日	6,901	-	6,901
Write off	撇銷	(8,388)	-	(8,388)
Charge for the year	年內扣除	1,125	-	1,125
Exchange difference	匯兌差額	362	-	362
At 31 March 2018	於二零一八年三月三十一日	-	-	-
Net book value:	賬面淨值:			
At 31 March 2018	於二零一八年三月三十一日	-	5,094	5,094
At 31 March 2017	於二零一七年三月三十一日	3,784	-	3,784

Notes:

- (a) Due to the termination of eligibility of consumer electronic products segment and commercial kitchen products segment to use the patents since April 2018. Write off of HK\$3,055,000 (2017: Nil) was recognised as part of general and administrative expenses included in profit or loss to write down the carrying amount of the intangible assets to its recoverable amount.
- (b) The useful lives of trademarks, which were acquired through the acquisition of the Group's Chinese health products business during the year ended 31 March 2018, are estimated by Management to be indefinite as the trademarks are renewable at insignificant cost at the option of the Group. Details of the impairment assessment are set out in Note 16(b).

附註:

- (a) 由於自二零一八年四月起消費類電子產品分部及商用廚房產品分部的專利使用資格終止。撇銷三百零五萬五千港元(二零一七年:無)確認為一般及行政費用的一部分並計入損益,以將無形資產的賬面值減至其可收回金額。
- (b) 相關商標乃透過於截至二零一八年三月三十一日止年度收購本集團中藥保健品業務而獲得,管理層估計商標使用年期為無限,因為本集團有權重續商標使用年期,而相關費用甚微。減值評估之詳情載於附註16(b)。

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財務報表附註

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18. INTERESTS IN SUBSIDIARIES

Particulars of the subsidiaries of the Company at 31 March 2018 and 2017 are as follows:

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營業地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Effective percentage holding 實際持股百分比		Nature of business 業務性質
			2018 二零一八年	2017 二零一七年	
Shares held directly: 直接持有之股份：					
LC Global Holdings Corporation LC Global Holdings Corporation	British Virgin Islands 英屬維爾京群島	Ordinary US\$50,001 普通股50,001美元	100	100	Investment holding 投資控股
Future Empire Limited ("Future Empire") Future Empire Limited ("Future Empire")	British Virgin Islands 英屬維爾京群島	Ordinary US\$50,000 普通股50,000美元	100	100	Investment holding and investing in financial instruments 投資控股及投資金融工具
Ace Season Holdings Limited Ace Season Holdings Limited	British Virgin Islands 英屬維爾京群島	Ordinary US\$1,000 普通股1,000美元	100	—	Investment holding 投資控股
Shares/investments held indirectly: 間接持有之股份／投資：					
PT. Lung Cheong Brothers Industrial PT. Lung Cheong Brothers Industrial	Republic of Indonesia 印度尼西亞共和國	Rupiah 150,000,000,000 150,000,000,000印尼盾	100	100	Manufacture of toys and electronic products 玩具及電子產品製造
Kid Galaxy Global Limited Kid Galaxy Global Limited	British Virgin Islands 英屬維爾京群島	Ordinary US\$2 普通股2美元	100	100	Investment holding 投資控股
Kid Galaxy Corporation Kid Galaxy Corporation	British Virgin Islands 英屬維爾京群島	Ordinary US\$11 普通股11美元	100	100	Investment holding 投資控股
Lung Cheong Asia Holdings Limited Lung Cheong Asia Holdings Limited	British Virgin Islands 英屬維爾京群島	Ordinary US\$50,001 普通股50,001美元	100	100	Investment holding 投資控股
Lung Cheong Overseas Corporation Lung Cheong Overseas Corporation	British Virgin Islands 英屬維爾京群島	Ordinary US\$50,000 普通股50,000美元	100	100	Trading of toys 玩具貿易
Kid Galaxy Inc. Kid Galaxy Inc.	United States of America ("USA") 美利堅合眾國(「美國」)	Ordinary US\$100,010 普通股100,010美元	100	100	Trading of toys 玩具貿易
LC Technology Limited 龍昌科技有限公司	Hong Kong 香港	Ordinary HK\$30,010,000 普通股30,010,000港元	100	100	Trading of toys and electronic products 玩具及電子產品貿易
Kid Galaxy Limited Kid Galaxy Limited	Hong Kong 香港	Ordinary HK\$10,010,000 普通股10,010,000港元	100	100	Trading of toys 玩具貿易

18. 於附屬公司之權益

於二零一八年及二零一七年三月三十一日，本公司之附屬公司詳情如下：

18. INTERESTS IN SUBSIDIARIES – Continued

18. 於附屬公司之權益—續

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營業地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Effective percentage holding 實際持股百分比		Nature of business 業務性質
			2018 二零一八年	2017 二零一七年	
Shares/investments held indirectly: 間接持有之股份／投資：					
Haier Healthwise Company Limited 海爾智能健康有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100	100	Investment holding 投資控股
Ultra Classic Investments Limited Ultra Classic Investments Limited	British Virgin Island 英屬維爾京群島	Ordinary US\$1 普通股1美元	100	100	Investment holding 投資控股
Good Cheer Global Limited ("Good Cheer") Good Cheer Global Limited ("Good Cheer")	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100	100	Money lending business 放債業務
Keytime Global Limited Keytime Global Limited	British Virgin Islands 英屬維爾京群島	Ordinary US\$1 普通股1美元	100	100	Investment holding 投資控股
Future Empire Limited Future Empire Limited	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100	100	Investment holding 投資控股
Notton Limited Notton Limited	British Virgin Islands 英屬維爾京群島	Ordinary US\$1 普通股1美元	100	100	Investment holding 投資控股
Era Creation Technology Limited 創時科技有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100	100	Investment holding 投資控股
Qingdao Oasis Intelligent Health Technology Company Limited 青島綠洲智健科技有限公司	PRC 中國	Ordinary US\$10,000,000 普通股10,000,000美元	100	100	Trading of consumer electronic and childcare products 消費類電子及嬰童產品
Qingdao Ruidi Gas Appliances Manufacturing Limited ("Qingdao Ruidi") 青島瑞迪燃氣具製造有限公司 ("青島瑞迪")	PRC 中國	Ordinary RMB30,000,000 普通股人民幣 30,000,000元	100	100	Research, development, manufacturing & sales of commercial & domestic gas cooking appliances 研發、製造及銷售商用及家用燃 氣爐具
Qingdao Haier Rudi Kitchen Appliances & Engineering Company Limited ("Haier Ruidi") 青島海爾瑞迪廚具工程有限公 司("海爾瑞迪")	PRC 中國	Ordinary RMB30,000,000 普通股人民幣 30,000,000元	100	100	Research and development, production, sales and installation of commercial kitchen related equipment and accessories 研發、生產、銷售及安裝商用廚 房相關設備及配件

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18. INTERESTS IN SUBSIDIARIES – Continued

18. 於附屬公司之權益—續

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營業地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Effective percentage holding 實際持股百分比		Nature of business 業務性質
			2018 二零一八年	2017 二零一七年	
			間接持有之股份/投資:		
Sichuan Yi Fang Kitchen Equipment Company Limited ("Sichuan Yi Fang") 四川易方廚房設備有限公司 (「四川易方」)	PRC 中國	Ordinary RMB16,000,000 普通股人民幣 16,000,000元	59.976	59.976	Research and development, production, sales and installation of commercial kitchen related equipment and accessories 研發、生產、銷售及安裝商用廚房相關設備及配件
深圳綠州兒童用品有限公司 (「Shenzhen Oasis」) 深圳綠州兒童用品有限公司 (「深圳綠州」)	PRC 中國	Ordinary RMB5,000,000 普通股人民幣 5,000,000元	51	51	Trading of consumer electronic products 消費類電子產品貿易
深圳貝立安母嬰用品有限公司 (「Shenzhen Brillante」)	PRC 中國	Ordinary RMB2,000,000 普通股人民幣2,000,000元	51	51	Research and development, marketing and distribution of childcare products 研發、營銷及分銷幼兒護理產品
青島綠州創智科技信息有限公司 (「Oasis CZ」) 青島綠州創智科技信息有限公司 (「綠州創智」)	PRC 中國	Ordinary RMB10,000,000 普通股人民幣 10,000,000元	–	100	Trading of consumer electronic products 消費類電子產品貿易
上海綠洲智健智能科技有限公司 (「Oasis Shanghai」) 上海綠洲智健智能科技有限公司 (「綠洲上海」)	PRC 中國	Ordinary RMB5,000,000 普通股人民幣 5,000,000元	51	51	Trading of consumer electronic products 消費類電子產品貿易
深圳綠洲智健科技有限公司	PRC 中國	Ordinary RMB5,000,000 普通股人民幣 5,000,000元	51	51	Trading of consumer electronic products 消費類電子產品貿易
NPH Holdings Limited NPH Holdings Limited	BVI 英屬維爾京群島	Ordinary USD50,000 普通股50,000美元	100	–	Investment holding 投資控股
Poo Yuk Loong Limited 保玉龍有限公司	Hong Kong 香港	Ordinary HKD350,000 普通股350,000港元	100	–	Investment holdings 投資控股
N P H Sino-Meditech Limited 南北行中醫藥有限公司	Hong Kong 香港	Ordinary HKD2 普通股2港元	100	–	Investment holdings 投資控股

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18. INTERESTS IN SUBSIDIARIES – Continued

18. 於附屬公司之權益 – 續

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營業地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Effective percentage holding 實際持股百分比		Nature of business 業務性質
			2018 二零一八年	2017 二零一七年	
Nam Pei Hong Sum Yung Drugs Company Limited ("Nam Pei Hong") 南北行參茸葯材有限公司(「南北行」)	Hong Kong 香港	Ordinary HKD1,200,000 普通股1,200,000港元	100	-	Trading of Chinese health products 中藥保健品質貿易
Geumsamwon (Korea) Company Limited 錦蔘元(韓國)有限公司	Hong Kong 香港	Ordinary HKD1 普通股港元1港元	100	-	Trading of Chinese health products 中藥保健品質貿易
Poo Yuk Loong Food (Shenzhen) Company Limited 保玉龍食品(深圳)有限公司	PRC 中國	Ordinary RMB350,000 普通股人民幣350,000元	100	-	Trading of Chinese health products 中藥保健品質貿易
Most Trade Enterprises Limited 鴻貿企業有限公司	Hong Kong 香港	Ordinary HKD20,000 普通股20,000港元	70	-	Trading of Chinese health products 中藥保健品質貿易

19. INTEREST IN AN ASSOCIATE

19. 於一間聯營公司之權益

Share of net assets 分佔資產淨值	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		-

Particulars of the Group's associate are as follows:

本集團之聯營公司詳情如下:

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Place of incorporation 註冊成立地點	Percentage of ownership interest 所有權權益百分比		Place of operation and principle activity 經營地點及主要業務
			2018 二零一八年	2017 二零一七年	
青島日日順樂家水設備有限公司 ("Goodymart Water")	Corporation	PRC	-	49%	Wholesaling and retailing, installation and maintenance of water purification equipment and accessories and provision of relevant aftersales services in PRC
青島日日順樂家水設備有限公司 ("日日順水設備")	公司	中國	-	49%	於中國批發及零售、安裝及維修淨水設備及配件，以及提供相關售後服務

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19. INTEREST IN AN ASSOCIATE – Continued

On 31 August 2017, the Group disposed of all of the 49% equity interest in Goodaymart Water at a cash consideration of approximately HK\$8,271,000, resulting in a net loss on disposal of approximately HK\$1,298,000. The disposal of Goodaymart Water was completed on 4 December 2017. Upon completion of the disposal, Goodaymart ceased to be classified as an associate.

The summarised financial information in respect of the associate held by the Group at the end of reporting period is set out below:

Goodaymart Water	日日順水設備	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產	–	–
Current assets	流動資產	–	12,355
Current liabilities	流動負債	–	(4,445)
Net assets	資產淨值	–	7,910
Group's share of net assets of the associate (Note)	本集團分佔聯營公司資產淨值 (附註)	–	8,102

Note: As at 31 March 2017, since the other shareholder of Goodaymart Water has not yet paid up their respective shares, the amount of the Group's share of net assets of the associate represents the total cash contribution by the Group at the incorporation date plus the subsequent change of net assets in shareholding pro-rata basis.

19. 於一間聯營公司之權益—續

於二零一七年八月三十一日，本集團以現金代價約八百二十七萬一千港元出售日日順水設備全部百分之四十九的權益，錄得出售虧損淨額為約一百二十九萬八千港元。出售日日順水設備於二零一七年十二月四日完成。於出售事項完成後，日日順水設備不再分類為一間聯營公司。

於報告期末，本集團所持聯營公司之財務資料概要如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue for the period/year	期間／年度收入	545	3,889
Loss for the period/year	期間／年度虧損	(232)	(25,155)
Group's share of result of the associate for the period/year	期間／年度本集團 分佔聯營公司業績	(114)	(12,326)

附註：由於日日順水設備之其他股東於二零一七年三月三十一日尚未繳足彼等各自的股份，本集團分佔聯營公司資產淨值指本集團於註冊成立日期的現金注資總額按持股比例計算的其後資產淨值變動。

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20. AVAILABLE-FOR-SALE INVESTMENTS

20. 可供出售投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity securities – at fair value –Listed in Hong Kong	股本證券—按公平值 —於香港上市	166,855	174,380

- (a) Listed equity securities are stated at fair value. Fair value of listed equity securities is determined based on quoted bid prices in the Stock Exchange.
- (b) As at 31 March 2018, the Group's available-for-sale investments represented 28% (2017: 28%) interest in Global Mastermind Capital Limited ("GMC") and 24% (2017: 23%) interest in Global Mastermind Holdings Limited ("GMH"). The Group's interests in these companies are not classified as subsidiaries or associates as the Group does not have the power to control or participate in their operating and financing policies, evidenced by lack of any direct or indirect involvement at board level.
- (c) At 31 March 2018, the Company re-measured its investment in 195,500,000 shares (2017: 195,500,000 shares) in GMC and 1,020,000,000 shares (2017: 800,000,000 shares) in GMH at the closing price of HK\$0.29 (2017: HK\$0.36) per share and HK\$0.108 (2017: HK\$0.13) per share respectively as quoted on the Stock Exchange on year end date.

- (a) 上市股本證券按公平值列賬。上市股本證券之公平值乃根據聯交所所報價釐定。
- (b) 於二零一八年三月三十一日，本集團之可供出售投資為環球大通投資有限公司（「環球大通投資」）百分之二十八股權（二零一七年：百分之二十八）及環球大通集團有限公司（「環球大通集團」）百分之二十四股權（二零一七年：百分之二十三）。由於本集團在董事會層面上並無任何直接或間接參與，因而無權控制或參與該兩間公司的營運及財務政策，故本集團於該兩間公司的權益並不歸類為附屬公司或聯營公司。
- (c) 於二零一八年三月三十一日，本公司分別按聯交所於年結日所報之收市價每股股份零點二九港元（二零一七年：零點三六港元）及每股股份零點一零八港元（二零一七年：零點一三港元）重新計量其於環球大通投資之一億九千五百五十萬股股份（二零一七年：一億九千五百五十萬股股份）之投資及於環球大通集團之十億二千萬股股份（二零一七年：八億股股份）之投資。

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20. AVAILABLE-FOR-SALE INVESTMENTS – *Continued*

(c) – *Continued*

There was a significant decline in the market value of certain listed equity investments during the year. The directors consider that such a decline indicates that the listed equity investments have been impaired and an impairment loss of HK\$56,225,000 (2017: HK\$17,595,000), which included a reclassification from other comprehensive income of HK\$56,225,000 (2017: HK\$17,595,000), has been recognised in profit or loss for the year.

(d) The fair value of the Group's listed equity securities in Hong Kong at the date of approval of the consolidated financial statements was HK\$189,244,000 (2017: HK\$171,450,000).

21. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

During the year ended 31 March 2018, impairment loss of HK\$1,857,000 (2017: HK\$18,521,000) against the carrying value of raw materials and finished goods was made.

Balance of HK\$11,900,000 (2017: HK\$9,980,000) was pledged to secure designated banking facility and borrowing (Note 28) as at 31 March 2018 and 2017.

20. 可供出售投資 – 續

(c) – 續

年內若干上市股本投資的市場價值顯著下跌。董事認為，相關下跌顯示上市股本投資出現減值，減值虧損為五千六百二十二萬五千港元（二零一七年：一千七百五十九萬五千港元）（包括從其他全面收益調撥五千六百二十二萬五千港元（二零一七年：一千七百五十九萬五千港元））已於年內在損益表內確認。

(d) 本集團之香港上市股本證券於綜合財務報表獲批准當日之公平值為一億八千九百二十四萬四千港元（二零一七年：一億七千一百四十五萬港元）。

21. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Raw materials	原材料	10,816	20,414
Work-in-progress	在製品	4,701	3,945
Finished goods	製成品	80,312	24,851
		95,829	49,210

於截至二零一八年三月三十一日止年度，減值虧損一百八十五萬七千港元（二零一七年：一千八百五十二萬一千港元）已與原材料及製成品之賬面值對銷。

於二零一八年及二零一七年三月三十一日，結餘一千一百九十萬港元（二零一七年：九百九十八萬港元）已獲質押以作指定銀行融資及借貸（附註28）之擔保。

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22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The carrying amounts of trade and other receivables, deposits and prepayments are as follows:

22. 應收貿易賬款及其他應收款項、按金及預付款項

應收貿易賬款及其他應收款項、按金及預付款項之賬面值如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	應收貿易賬款	86,962	37,633
Less: allowance for doubtful debts (Note (c))	減：呆賬撥備（附註(c)）	(16,531)	(14,968)
		70,431	22,665
Other receivables, deposits and prepayments (Note (d))	其他應收款項、按金及預付款項（附註(d)）	56,293	29,373
Less: allowance for doubtful debts (Note (c))	減：呆賬撥備（附註(c)）	(23,464)	(14,590)
		32,829	14,783
Refundable deposit paid for acquisition (Note (e))	就收購支付之可退還按金（附註(e)）	-	75,000
		103,260	112,448

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31 March 2018 二零一八年三月三十一日

22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – Continued

- (a) The ageing analysis of the trade receivables, net of allowance for doubtful debts, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0-90 days	零至九十日	61,951	19,345
91-180 days	九十一日至一百八十日	5,882	532
181-365 days	一百八十一日至三百六十五日	1,019	2,770
Over 365 days	逾三百六十五日	1,579	18
		70,431	22,665

The Group's sales are on letter of credit or open account terms. Credit terms are reviewed on a regular basis. The normal trade terms include letter of credit, deposits before shipments and credit period ranging from 30 to 90 days (2017: 30 to 90 days) but business partners with strong financial backgrounds may be offered longer credit terms.

- (b) Below is the ageing analysis of the carrying amounts of trade receivables that are past due at the end of the reporting period but for which the Group has not provided for impairment loss because the Management are of the opinion that the fundamental credit quality of the customers has not deteriorated:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days past due	逾期三十日內	9,622	567
31 to 90 days past due	逾期三十一日至九十日	4,888	378
Over 90 days past due	逾期九十日以上	4,723	2,906
		19,233	3,851

22. 應收貿易賬款及其他應收款項、按金及預付款項 – 續

- (a) 扣除呆賬撥備後應收貿易賬款之賬齡分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0-90 days	61,951	19,345
91-180 days	5,882	532
181-365 days	1,019	2,770
Over 365 days	1,579	18
	70,431	22,665

本集團之銷售均以信用狀或記賬條款進行，信貸條款會定期檢討。一般貿易條款包括信用狀、付運前按金以及介乎三十日至九十日（二零一七年：三十日至九十日）內的除賬期，但對財力雄厚之業務夥伴可給予較長之除賬期。

- (b) 以下為於報告期末已逾期，而本集團並無作出減值虧損撥備（因為管理層認為客戶的基本信貸質素並無轉差）之應收貿易賬款賬面值的賬齡分析：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days past due	9,622	567
31 to 90 days past due	4,888	378
Over 90 days past due	4,723	2,906
	19,233	3,851

22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – Continued

(b) – Continued

Trade receivables that are neither past due nor impaired relate to customers for whom there is no recent history of default.

Trade receivables that are past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Management believes that no provision for impairment is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

At 31 March 2018, trade receivables of HK\$51,198,000 (2017: HK\$18,814,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

(c) The movements in the allowance for doubtful debts during the year, including both specific and collective loss components, are as follows:

Allowance of doubtful debts on trade receivables

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	年初	14,968	7,125
Amounts written off for the year	年內已撇減金額	(286)	(246)
Impairment loss recognised	已確認減值虧損	1,731	8,707
Exchange difference	匯兌差額	118	(618)
At end of year (Note)	年終(附註)	16,531	14,968

22. 應收貿易賬款及其他應收款項、按金及預付款項 – 續

(b) – 續

既未逾期亦未減值之應收貿易賬款乃與近期並無逾期還款記錄之客戶有關。

已逾期但並未減值之應收貿易賬款乃與在本集團有良好往績記錄之多名獨立客戶有關。根據過往經驗，管理層認為毋須就該等結餘作出減值撥備，因為其信貸質素並無重大變動，而該等結餘仍被視為可悉數收回。本集團並無就該等結餘持有任何抵押品。

於二零一八年三月三十一日，應收貿易賬款五千一百一十九萬八千港元（二零一七年：一千八百八十一萬四千港元）並無逾期或減值。該等款項與大量不同背景之客戶有關，而彼等近期並無逾期還款記錄。

(c) 年內呆賬撥備變動（包括個別及共同虧損部分）如下：

應收貿易賬款呆賬撥備

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22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – Continued

(c) – Continued

Note: Included in the above allowance for doubtful debts in respect of trade receivables is a provision for individually impaired trade receivables of HK\$16,531,000 (2017: HK\$14,968,000) with a carrying amount before provision of HK\$16,531,000 (2017: HK\$19,628,000).

Allowance of doubtful debts on other receivables

At beginning of year	年初
Impairment loss recognised	已確認減值虧損
Exchange difference	匯兌差額
At end of year (Note)	年終 (附註)

Note: Included in the above allowance for doubtful debts in respect of other receivables is a provision for individually impaired other receivables of HK\$23,464,000 (2017: HK\$14,590,000) with a carrying amount before provision of HK\$23,464,000 (2017: HK\$14,590,000).

(d) Included in other receivables of HK\$9,520,000 (2017: Nil) is amounts due from non-controlling interests, which are unsecured, interest-free and repayable on demand.

(e) On 29 March 2017, the Group entered into a sale and purchase agreement (the "S&P Agreement") in relation to the acquisition of entire issued share capital of Ace Season Holdings Limited (the "Acquisition"). Pursuant to the S&P Agreement, a refundable deposit of HK\$75,000,000 had been paid by the Group as at 31 March 2017.

The Acquisition was completed on 30 June 2017 at an aggregate consideration of HK\$85,000,000. Details of the business combination are set out in Note 34.

22. 應收貿易賬款及其他應收款項、按金及預付款項 – 續

(c) – 續

附註：上述有關應收貿易賬款之呆賬撥備包括撥備前賬面值為一千六百五十三萬一千港元(二零一七年：一千四百九十六萬八千港元)的個別已減值應收貿易賬款撥備一千六百五十三萬一千港元(二零一七年：一千九百六十二萬八千港元)。

其他應收款項呆賬撥備

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
14,590	–
7,284	14,922
1,590	(332)
23,464	14,590

附註：上述有關其他應收款項之呆賬撥備包括撥備前賬面值為二千三百四十六萬四千港元(二零一七年：一千四百五十九萬港元)的個別已減值其他應收款項撥備二千三百四十六萬四千港元(二零一七年：一千四百五十九萬港元)。

(d) 計入其他應收款項之九百五十二萬港元(二零一七年：無)乃應收非控股權益款項，屬無抵押、不計息及應按要求償還。

(e) 於二零一七年三月二十九日，本集團就收購Ace Season Holdings Limited全部已發行股本(「收購事項」)訂立買賣協議(「買賣協議」)。根據買賣協議，本集團已於二零一七年三月三十一日支付可退還按金七千五百萬港元。

收購事項已於二零一七年六月三十日完成，總代價為八千五百萬港元。業務合併之詳情載於附註34。

22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – Continued

- (f) As at 31 March 2018, trade receivables of HK\$12,493,000 (2017:HK\$7,993,000) were pledged to secure designated banking facility and borrowing (Note 28).

23. LOAN RECEIVABLE

As at 31 March 2018, the loan receivable is unsecured, interest-bearing at fixed rate of 8% per annum and repayable on 7 November 2018 in full together with the interest accrued thereon in one lump sum on the repayment date.

The maturity profile of the loan receivable, net of impairment loss recognised, if any, at the end of the reporting period, analysed by the remaining period to its contracted maturity, is as follows:

Within 1 year	一年內

The loan receivable has been reviewed by the Management to assess impairment which are based on the evaluation of collectability by assessing financial background of the borrower (the "Borrower"), who is an independent third party of the Group and its connected person, including but not limited to the fair value of properties held by the Borrower and the Borrower's wholly-owned company. As at 31 March 2018, the directors considered that no impairment loss on the loan receivable is necessary.

22. 應收貿易賬款及其他應收款項、按金及預付款項 – 續

- (f) 於二零一八年三月三十一日，應收貿易賬款一千二百四十九萬三千港元（二零一七年：七百九十九萬三千港元）已抵押以作指定銀行融資及借貸（附註28）擔保。

23. 應收貸款

於二零一八年三月三十一日，應收貸款為無抵押、按固定年利率百分之八計息及須在二零一八年十一月七日悉數償還，連同應收貸款的應計利息須在償還日期一筆過悉數償還。

應收貸款於報告期末至合約訂明到期日之剩餘期限劃分的到期情況（扣除減值虧損（如有）計算）如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
35,000	–

管理層已審閱應收貸款，以通過評估借款人（「借款人」，為本集團及其關連人士的獨立第三方）的財務背景並基於可收回程度評估減值，包括但不限於借款人所持物業的公平值及借款人全資擁有的公司。於二零一八年三月三十一日，董事認為毋須就應收貸款確認減值虧損。

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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS 24. 按公平值計入損益之金融資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity securities – at fair value –Listed in Hong Kong	股本證券—按公平值 —於香港上市	65,867	-

The above equity securities are classified as financial assets at fair value through profit or loss as they have been acquired principally for the purpose of selling in near term, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Changes in their fair values are recognised in profit or loss (Note 7).

Listed equity securities are stated at fair value. Fair value of listed equity securities is determined based on quoted bid prices in the Stock Exchange.

由於上述股本證券乃主要為短期內出售而購入，或其為共同接受管理的可識別金融工具組合的一部分，且有證據顯示近期以賺取短線利潤的實際模式，故分類為按公平值計入損益之金融資產。該等股本證券的公平值變動於損益內確認（附註7）。

上市股本證券按公平值列賬。上市股本證券之公平值乃根據聯交所所報價格釐定。

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25. AMOUNTS DUE FROM/(TO) RELATED COMPANIES 25. 應收／(應付)有關連公司款項

(a) Amounts due from related companies

(a) 應收有關連公司款項

		As at 31 March 2018 於 二零一八年 三月三十一日 HK\$'000 千港元	As at 31 March 2017 於 二零一七年 三月三十一日 HK\$'000 千港元	Maximum balances outstanding during the year ended 31 March 截至三月三十一日止年度 未償還最高結餘 2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Close family member of a person with significant influence over the Group	一名對本集團有重大 影響力的人士的近親				
Lung Cheong Digitech (HK) Company Limited	龍昌數碼科技(香港) 有限公司	-	10,277	10,277	30,805
Companies related to our substantial shareholders	與我們主要股東 有關的公司	-	4,519		
		-	14,796		

(b) Amounts due from/(to) related companies are unsecured, interest-free and repayable on demand.

(b) 應收／(應付)有關連公司款項為無抵押、免息及須按的要求償還。

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26. PLEDGED BANK DEPOSIT/CASH AND CASH EQUIVALENTS 26. 已抵押銀行存款／現金及現金等價物

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	58,351	38,466
Less: pledged bank deposit	減：已抵押銀行存款	(494)	(361)
Cash and cash equivalents	現金及現金等價物	57,857	38,105

Cash and cash equivalents represent the bank balances and cash which earn interest on floating rates based on daily bank deposit rates. The carrying amounts of the bank balances and cash approximate to their fair value.

Pledged bank deposit represents the Group's bank deposit pledged to secure designated banking facility and borrowing (Note 28) as at 31 March 2018 and 2017.

現金及現金等價物指根據每日銀行存款利率按浮動利率計息之銀行結餘及現金。銀行結餘及現金之賬面值與其公平值相若。

於二零一八年及二零一七年三月三十一日，已抵押銀行存款指本集團抵押以作指定銀行融資及借貸（附註28）擔保之銀行存款。

27. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES 27. 應付貿易賬款及其他應付款項及應計費用

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	應付貿易賬款	69,527	42,723
Other payables and accrued charges	其他應付款項及應計費用	63,686	47,583
		133,213	90,306

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27. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES – *Continued*

Included in trade payables are trade creditors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0-90 days	零至九十日	50,530	24,834
91-180 days	九十一日至一百八十日	3,739	2,214
181-365 days	一百八十一日至三百六十五日	392	1,616
Over 365 days	逾三百六十五日	14,866	14,059
		69,527	42,723

27. 應付貿易賬款及其他應付款項及應計費用—續

截至報告期末，計入應付貿易賬款的應付賬款按發票日期計的賬齡分析如下：

28. BORROWINGS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank loans – secured (Note (b))	銀行貸款—有抵押(附註(b))	15,648	8,190
– unsecured (Note (c))	–無抵押(附註(c))	42,620	30,920
		58,268	39,110
Bank overdraft – secured (Note (b))	銀行透支—有抵押(附註(b))	5,749	5,749
Trust receipt loans – secured (Note (b))	信託收據貸款—有抵押(附註(b))	11,366	18,929
Other loans – unsecured (Note (d))	其他貸款—無抵押(附註(d))	25,008	–
		100,391	63,788

28. 借貸

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28. BORROWINGS – Continued

- (a) As at 31 March 2018, except the borrowings of HK\$13,597,000 (2017: HK\$5,749,000) were interest-bearing at fixed rate of 13% (2017: 13%) per annum, other borrowings were interest-bearing at variable rate ranging from LIBOR plus 2.2% to LIBOR plus 3.25% per annum (2017: LIBOR plus 3% to LIBOR plus 4.23% per annum).
- (b) As at 31 March 2018, certain of the Group's borrowings and banking facilities are secured by the following:
- (i) Legal charge over the Group's land and buildings situated in Republic of Indonesia, with carrying value of HK\$75,313,000 (2017: HK\$74,230,000).
- (ii) Pledge of a subsidiaries' plant and machinery, fixtures and equipment, inventories, trade receivables and bank deposit with carrying values of nil (2017: HK\$9,901,000), HK\$574,000 (2017: HK\$904,000), HK\$11,900,000 (2017: HK\$9,980,000), HK\$12,493,000 (2017: HK\$7,993,000) and HK\$494,000 (2017: HK\$361,000) respectively.
- (c) As at 31 March 2018 and 2017, the unsecured bank borrowing was guaranteed by the Company and subsidiaries.
- (d) As at 31 March 2018, the other loans are unsecured, interest-free and repayable on demand. The other loans were fully settled subsequently before the date of approval of the consolidated financial statements.
- (e) As at 31 March 2018, the Group had a total banking facilities of approximately HK\$93,105,000 (2017: HK\$80,433,000) of which HK\$17,722,000 (2017: HK\$16,645,000) had not been utilised.
- (f) At 31 March 2018, all borrowings of HK\$100,391,000 (2017: HK\$63,788,000) are scheduled to be repaid within one year or on demand and classified as current liabilities.

28. 借貸—續

- (a) 於二零一八年三月三十一日，除一千三百五十九萬七千港元（二零一七年：五百七十四萬九千港元）之借貸按固定年利率百分之十三（二零一七年：百分之十三）計息外，其他借貸均按介乎倫敦銀行同業拆息加年利率百分之二點二至倫敦銀行同業拆息加年利率百分之三點二五之浮動利率計息（二零一七年：倫敦銀行同業拆息加年利率百分之三至倫敦銀行同業拆息加年利率百分之四點二三）。
- (b) 於二零一八年三月三十一日，若干本集團借貸及銀行融資以下列方式作抵押：
- (i) 法定押記本集團賬面值為七千五百三十一萬三千港元（二零一七年：七千四百二十三萬港元）位於印度尼西亞共和國之土地及樓宇。
- (ii) 質押一家附屬公司賬面值分別為零（二零一七年：九百九十萬一千港元）、五十七萬四千港元（二零一七年：九十萬四千港元）、一千一百九十萬港元（二零一七年：九百九十八萬港元）、一千二百四十九萬三千港元（二零一七年：七百九十九萬三千港元）及四十九萬四千港元（二零一七年：三十六萬一千港元）之廠房及機器、裝置及設備、存貨、應收貿易賬款及銀行存款。
- (c) 於二零一八年及二零一七年三月三十一日，無抵押銀行借貸由本公司及附屬公司擔保。
- (d) 於二零一八年三月三十一日，其他貸款為無抵押、免息及須按要求償還。其他貸款後續於批准綜合財務報表當日前悉數結清。
- (e) 於二零一八年三月三十一日，本集團擁有銀行融資總額約九千三百一十萬五千港元（二零一七年：八千零四十三萬三千港元），其中一千七百七十二萬二千港元（二零一七年：一千六百六十四萬五千港元）尚未動用。
- (f) 於二零一八年三月三十一日，所有借貸一億零三十九萬一千港元（二零一七年：六千三百七十八萬八千港元）將於一內年或按要求償還，並分類為流動負債。

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29. PROVISION FOR LONG SERVICE PAYMENT

At beginning of year	年初
Addition	增加
Exchange difference	匯兌差額
At end of year	年終

29. 長期服務金撥備

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	年初	4,559	3,744
Addition	增加	1,131	821
Exchange difference	匯兌差額	(114)	(6)
At end of year	年終	5,576	4,559

The amounts represent the provision for long service payment for the Group's employees in Hong Kong and Indonesia. It is regulated by the Labour Law in Hong Kong and Indonesia respectively.

有關金額指對本集團於香港及印尼員工的長期服務金撥備，其分別受香港及印尼的勞工法規管。

30. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, if any, were as follows:

Deferred tax assets:

30. 遞延稅項

年內遞延稅項資產及負債變動（不計及同一稅務司法權區內結餘抵銷（如有））如下：

遞延稅項資產：

		Available- for-sale investments 可供 出售投資 HK\$'000 千港元	Cumulative tax losses 累計 稅項虧損 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	670	1,477	1,050	3,197
Charge to profit or loss	於損益中扣除	-	(18)	1,240	1,222
Reclassification to profit or loss	重新分類至損益	(670)	-	-	(670)
Charge to other comprehensive income	於其他全面收益中扣除	-	-	45	45
Exchange difference	匯兌差額	-	(63)	49	(14)
At 31 March 2017	於二零一七年三月三十一日	-	1,396	2,384	3,780
Charge to profit or loss	於損益中扣除	-	(251)	(2,387)	(2,638)
Effect of change in tax rate	稅率變動影響	-	(595)	-	(595)
Exchange difference	匯兌差額	-	-	3	3
At 31 March 2018	於二零一八年三月三十一日	-	550	-	550

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31 March 2018 二零一八年三月三十一日

30. DEFERRED TAX – Continued

Deferred tax liabilities:

		Revaluation of land and buildings 土地及 樓宇重估 HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	13,380	–	13,380
Exchange difference	匯兌差額	(17)	–	(17)
At 31 March 2017	於二零一七年三月三十一日	13,363	–	13,363
Acquired through business acquisition (Note 34)	透過業務合併收購 (附註34)	–	840	840
Charge to other comprehensive income	於其他全面收益中扣除	1,056	–	1,056
Exchange difference	匯兌差額	17	–	17
At 31 March 2018	於二零一八年三月三十一日	14,436	840	15,276

Note: Tax effect relating to revaluation of land and buildings

30. 遞延稅項 – 續

遞延稅項負債：

		Revaluation of land and buildings 土地及 樓宇重估 HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	13,380	–	13,380
Exchange difference	匯兌差額	(17)	–	(17)
At 31 March 2017	於二零一七年三月三十一日	13,363	–	13,363
Acquired through business acquisition (Note 34)	透過業務合併收購 (附註34)	–	840	840
Charge to other comprehensive income	於其他全面收益中扣除	1,056	–	1,056
Exchange difference	匯兌差額	17	–	17
At 31 March 2018	於二零一八年三月三十一日	14,436	840	15,276

附註：有關土地及樓宇重估之稅務影響

		2018 二零一八年	2017 二零一七年
		Before-tax amount 除稅前金額 HK\$'000 千港元	Net-of- tax amount 除稅後淨額 HK\$'000 千港元
Item that will not be reclassified to profit or loss:	將不會重新分類至損益的 項目：		
Surplus on revaluation of land and buildings	土地及樓宇之重估盈餘	(4,224)	(3,168)
			2018 二零一八年 Tax expense 稅項開支 HK\$'000 千港元
			1,056

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

以下為就財務報告呈列而言的遞延稅項結餘分析：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	550	3,780
Deferred tax liabilities	遞延稅項負債	(15,276)	(13,363)
		(14,726)	(9,583)

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30. DEFERRED TAX – Continued

A deferred tax asset has not been recognised for the following:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deductible temporary differences	可扣減臨時差額	40,634	11,476
Unused tax losses	未動用稅項虧損	362,683	240,861
		403,317	252,337

Deferred tax assets are recognised for estimated tax losses carry forward to the extent that the realisation of the related tax benefits through future taxable profits are probable. The Group did not recognise deferred tax assets in respect of estimated losses amounting to approximately HK\$362,683,000 (2017: HK\$240,861,000) that can be carried forward against future taxable income. All tax losses may be carried forward indefinitely except for the amounts of approximately HK\$26,525,000 (2017: HK\$24,147,000) which will expire from 2023 to 2037 (2017: 2023 to 2034) and HK\$200,249,000 (2017: HK\$160,260,000) which may be carried forward for a period of five years from their respective year of origination.

30. 遞延稅項 – 續

並無就以下各項確認遞延稅項資產：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
可扣減臨時差額	40,634	11,476
未動用稅項虧損	362,683	240,861
	403,317	252,337

遞延稅項資產乃因應相關稅務利益可透過未來可能產生之應課稅溢利變現而就所結轉之估計稅項虧損作確認。本集團並無就可結轉以抵銷未來應課稅收入之估計虧損約三億六千二百六十八萬三千港元（二零一七年：二億四千零八十六萬一千港元）確認遞延稅項資產。除約二千六百五十二萬五千港元（二零一七年：二千四百一十四萬七千港元）將於二零二三年至二零三七年（二零一七年：二零二三年至二零三四年）屆滿及二億零二十四萬九千港元（二零一七年：一億六千零二十六萬港元）可於其產生年度起計五年期間內結轉外，所有稅務虧損均可無限期結轉。

31. SHARE CAPITAL

31. 股本

	Authorised 法定				
	Convertible cumulative redeemable preference shares of US\$100,000 each 每股面值十萬美元之 可換股可累積可贖回優先股		Ordinary shares of HK\$0.1 each 每股面值零點一港元之普通股		
	Number of Shares 股份數目	US\$'000 千美元	Number of shares 股份數目	HK\$'000 千港元	
At 1 April 2016, 31 March 2017 and 2018	於二零一六年四月一日、 二零一七年及二零一八年 三月三十一日	40	4,000	10,000,000	1,000,000

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財務報表附註

31 March 2018 二零一八年三月三十一日

31. SHARE CAPITAL – Continued

31. 股本—續

		Issued and fully paid 已發行及繳足			
		Convertible cumulative redeemable preference shares of US\$100,000 each 每股面值十萬美元之 可換股可累積可贖回優先股	Ordinary shares of HK\$0.10 each 每股面值零點一零港元之普通股		
		Number of shares 股份數目	Number of shares 股份數目		
		US\$'000 千美元	'000 千股	HK\$'000 千港元	
At 1 April 2016 and 31 March 2017	於二零一六年四月一日及 二零一七年三月三十一日	-	-	5,917,758	591,776
Issue of shares upon subscription (Note (a))	認購時發行股份(附註(a))	-	-	363,636	36,364
Issuance of new shares upon placing (Note (b))	配售時發行新股份 (附註(b))	-	-	819,914	81,991
At 31 March 2018	於二零一八年三月三十一日	-	-	7,101,308	710,131

Note:

- (a) During the year, 363,636,363 new ordinary shares of par value of HK\$0.1 each were issued at subscription price of HK\$0.165 per share to the then independent third party of the Company at a proceed of HK\$60,000,000, net of issuing expense directly attributable to the subscription, of which HK\$36,364,000 was credited to share capital and the remaining balance of HK\$23,636,000 was credited to the share premium account.
- (b) During the year, 819,914,000 new ordinary shares of par value of HK\$0.1 each were issued at placing price of HK\$0.14 per share to the then independent third parties of the Company at a proceed of HK\$110,770,000, net of issuing expense directly attributable to the placing, of which HK\$81,991,000 was credited to share capital and the remaining balance of HK\$28,779,000 was credited to the share premium account.

附註:

- (a) 年內，三億六千三百六十三萬六千三百六十三股每股面值零點一港元之新普通股按每股認購價零點一六五港元發行予本公司當時的獨立第三方，所得款項六千萬港元（扣除認購直接應佔發行開支），其中三千六百三十六萬四千港元已計入股本，而餘下結餘二千三百六十三萬六千港元已計入股份溢價賬。
- (b) 年內，八億一千九百九十一萬四千股每股面值零點一港元之新普通股按每股配售價零點一四港元發行予本公司當時的獨立第三方，所得款項一億一千零七十七萬港元（扣除配售直接應佔發行開支），其中八千一百九十九萬一千港元已計入股本，而餘下結餘二千八百七十七萬九千港元已計入股份溢價賬。

32. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. The Scheme, which was adopted by an ordinary resolution of the shareholders on 14 September 2012, constitutes a share option scheme governed by Chapter 17 of the Listing Rules.

Under the Scheme, share options can be exercised at any time during the periods to be determined and notified by the directors of the Company to the grantees at the time of making offers to grant share options to them, provided that such periods shall not exceed the period of ten years from the date of grant. The scheme mandate limit of the Scheme was refreshed pursuant to a shareholders' resolution passed in the extraordinary general meeting of the Company last held on 14 September 2012 (the "EGM"). The maximum number of shares available for issue under the Scheme is 345,775,799, representing 10% of the issued ordinary share capital of the Company as at the date of the EGM, 14 September 2012 and thereafter. The subscription price for the shares under the Scheme shall be a price determined by the directors at its discretion, provided that it shall not less than the higher of (i) the closing price of the shares stated in the daily quotation sheets of Stock Exchange on the date of grant and (ii) the average closing price of the shares stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of share options. A nominal consideration of HK\$1 is payable for each of the share options granted.

On 13 May 2014, a total of 100,000,000 share options were granted by the Company to the senior management and employees of its subsidiaries and associate and consultants (together as the "Grantees") at the exercise price of HK\$0.87 per share. The share options outstanding are subject to the achievement of individual and company level performance targets with below vesting timetable:

32. 購股權計劃

本公司實行一項購股權計劃(「計劃」)，旨在向對本集團之業務成就有貢獻之合資格參與者提供獎勵及獎賞。計劃於二零一二年九月十四日由股東通過普通決議案採納，構成受上市規則第十七章監管之購股權計劃。

根據計劃，購股權可由本公司董事釐定並在向承授人提呈授出購股權時知會承授人之期間內隨時行使，惟該期間不得超過授出日期起計十年。計劃之計劃授權上限已根據本公司於二零一二年九月十四日舉行之上屆股東特別大會(「股東特別大會」)上通過之一項股東決議案予以更新。計劃下可供發行之股份數目上限為三億四千五百七十七萬五千七百九十九股，相當於股東特別大會日期(即二零一二年九月十四日)及其後本公司已發行普通股本之百分之十。計劃項下之股份認購價將由董事自行酌情釐定，惟不得低於(i)授出日期於聯交所每日報價表所列之股份收市價及(ii)緊接授出購股權日期前五個營業日於聯交所每日報價表所列之股份平均收市價兩者中之較高者。獲授之每份購股權須支付一港元之象徵代價。

於二零一四年五月十三日，本公司向其附屬公司及聯營公司之高級管理層及僱員，以及顧問(統稱「承授人」)授出合共一億份購股權，行使價為每股股份零點八七港元。未行使之購股權須以達致下列歸屬時間表所載之個人及公司層面之績效目標為條件：

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32. SHARE OPTION SCHEME – Continued

1. If both of the individual and company level performance targets are met on or before 13 May 2015, 40% of share options granted to the respective Grantee will be exercisable on 13 May 2015.
2. If both of the individual and company level performance targets are met on or before 13 May 2016, the remaining 60% of share options granted to the respective Grantee will be exercisable on 13 May 2016.

32. 購股權計劃 – 續

1. 倘個人及公司層面之績效目標均於二零一五年五月十三日或之前達成，則已授予相關承授人的購股權之百分之四十將於二零一五年五月十三日可予行使。
2. 倘個人及公司層面之績效目標均於二零一六年五月十三日或之前達成，則已授予相關承授人的購股權之剩餘百分之六十將於二零一六年五月十三日可予行使。

Grantee	Date of grant	Exercisable period	Exercise price per share	Outstanding at 1.4.2016 於二零一六年四月一日 尚未行使	Forfeited during the year	Outstanding at 31.3.2017 於二零一七年三月三十一日 尚未行使	lapsed during the year	Outstanding at 31.3.2018 於二零一八年三月三十一日 尚未行使	
承授人	授出日期	行使期	每股行使價 HK\$ 港元		年內沒收		年內失效		
Category I: 類別 I:									
- Senior management - 高級管理層	13.5.2014 二零一四年五月十三日	13.5.2015 to 12.5.2017 二零一五年五月十三日至 二零一七年五月十二日	0.87	25,000,000	(20,842,400)	4,157,600	(4,157,600)	-	
Category II: 類別 II:									
- Employees - 僱員	13.5.2014 二零一四年五月十三日	13.5.2015 to 12.5.2017 二零一五年五月十三日至 二零一七年五月十二日	0.87	24,000,000	(20,512,000)	3,488,000	(3,488,000)	-	
Category III: 類別 III:									
- Consultants (Note i) - 顧問 (附註 i)	13.5.2014 二零一四年五月十三日	13.5.2015 to 12.5.2017 二零一五年五月十三日至 二零一七年五月十二日	0.87	51,000,000	(47,380,000)	3,620,000	(3,620,000)	-	
Total for all categories 全部類別總額					100,000,000	(88,734,400)	11,265,600	(11,265,600)	-
Exercisable at the end of the year 年末行使					11,265,600		11,265,600		-
Weighted average exercise price 加權平均行使價					HK\$0.87 港元		HK\$0.87 港元		-
Weighted average remaining contractual life at the end of the year 年末加權平均剩餘合約期					1.12 years 年		0.12 year 年		N/A 不適用

Note:

- (i) The Group granted share options to the consultants in return for their provision of management consultancy services to the Group.

附註:

- (i) 本集團向顧問授出購股權，以作為彼等向本集團提供管理諮詢服務之回報。

32. SHARE OPTION SCHEME – Continued

No share-based payment expenses was recognised for the years ended 31 March 2018 and 2017 in relation to share options granted by the Company. During the year ended 31 March 2018, 11,265,600 shares of options were lapsed (2017: Nil) and no option (2017: Nil) was exercised.

33. NON-CONTROLLING INTERESTS

Shenzhen Oasis and its wholly-owned subsidiary, 51% owned by the Group, Oasis Shanghai and its wholly-owned subsidiary, 51% owned by the Group and Sichuan Yi Fang, 59.976% owned by the Group have material non-controlling interests (“NCI”). The NCI of Most Trade, 70% owned by the Group is considered to be immaterial.

Summarised financial information in relation to the NCI of Shenzhen Oasis and its wholly-owned subsidiary, Oasis Shanghai and its wholly-owned subsidiary and Sichuan Yi Fang, before intra-group elimination are presented below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Shenzhen Oasis and its wholly-owned subsidiary	深圳綠洲及其全資附屬公司		
Revenue	收入	765	2,544
Loss for the year	年內虧損	(874)	(10,285)
Total comprehensive income for the year	年內全面收益總額	(6,114)	(8,071)
Loss allocated to NCI	分配予非控股權益之虧損	(431)	(4,910)
Total comprehensive income allocated to NCI	分配予非控股權益之全面收益總額	(2,997)	(3,955)
Cash flow used in operating activities	經營活動所用之現金流量	(35)	(127)
Net cash outflow	現金流出淨額	(35)	(127)

32. 購股權計劃—續

本集團於截至二零一八年及二零一七年三月三十一日止年度並無就本公司授出之購股權確認任何以股份為基礎的付款開支。截至二零一八年三月三十一日止年度，一千一百二十六萬五千六百份購股權已失效（二零一七年：無）及概無購股權（二零一七年：無）獲行使。

33. 非控股權益

本集團擁有百分之五十一權益之深圳綠洲及其全資附屬公司、本集團擁有百分之五十一權益之綠洲上海及其全資附屬公司以及本集團擁有百分之五十九點九七六權益之四川易方擁有重大非控股權益（「非控股權益」）。本集團擁有百分之七十權益之鴻貿企業有限公司非控股權益被認為屬不重大。

有關深圳綠洲及其全資附屬公司、綠洲上海及其全資附屬公司以及四川易方之非控股權益於集團內部對銷前的財務資料概要呈列如下：

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33. NON-CONTROLLING INTERESTS – *Continued*

33. 非控股權益 – 續

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 31 March	於三月三十一日		
Non-current assets	非流動資產	2,500	2,542
Current assets	流動資產	2,203	1,783
Current liabilities	流動負債	(54,233)	(47,895)
Net liabilities	負債淨額	(49,530)	(43,570)
Accumulated non-controlling interests	累計非控股權益	(26,635)	(23,638)
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Oasis Shanghai and its wholly-owned subsidiary	綠洲上海及其全資附屬公司		
Revenue	收入	318,849	124,123
Loss for the year	年內虧損	(19,714)	(22,572)
Total comprehensive income for the year	年內全面收益總額	(23,482)	(19,082)
Loss allocated to NCI	分配予非控股權益之虧損	(9,660)	(10,790)
Total comprehensive income allocated to NCI	分配予非控股權益之全面收益總額	(11,506)	(9,350)
Cash flow used in operating activities	經營活動所用之現金流量	(5,020)	(1,058)
Cash flow used in investing activities	投資活動所用之現金流量	(647)	(627)
Net cash outflow	現金流出淨額	(5,667)	(1,685)

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33. NON-CONTROLLING INTERESTS – Continued

33. 非控股權益—續

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
As at 31 March	於三月三十一日		
Non-current assets	非流動資產	–	812
Current assets	流動資產	83,983	24,401
Current liabilities	流動負債	(126,791)	(47,302)
Net liabilities	負債淨額	(42,808)	(22,089)
Accumulated non-controlling interests	累計非控股權益	(20,976)	(9,470)
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sichuan Yi Fang Revenue	四川易方 收入	–	92
Loss for the year	年內虧損	(4,852)	(8,323)
Total comprehensive income for the year	年內全面收益總額	(4,352)	(12,373)
Loss allocated to NCI	分配予非控股權益之虧損	(1,742)	(4,981)
Total comprehensive income allocated to NCI	分配予非控股權益之全面收益總額	(1,742)	(4,952)
Cash flow used in operating activities	經營活動所用之現金流量	(494)	(279)
Net cash outflow	現金流出淨額	(494)	(279)

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31 March 2018 二零一八年三月三十一日

33. NON-CONTROLLING INTERESTS – *Continued*

As at 31 March	於三月三十一日
Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Net liabilities	負債淨額
Accumulated non-controlling interests	累計非控股權益

33. 非控股權益 – 續

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
321	1,464
3,014	5,682
(16,832)	(15,857)
(13,497)	(8,711)
(5,402)	(3,660)

34. BUSINESS ACQUISITION DURING THE YEAR

On 30 June 2017, the Group completed the acquisition of the entire issued share capital of Ace Season Holdings Limited ("Ace Season"), a company incorporated in the British Virgin Islands and the assignment of shareholder's loan owed by Ace Season to the vendor on completion at consideration of HK\$85,000,000 (the "Acquisition").

Ace Season and its subsidiaries (the "Ace Season Group") are principally engaged in the sales of Chinese and other pharmaceutical products, health products, ginseng and dried seafood products to wholesaler and retailer in Hong Kong. The Acquisition was made with the aims to enhance the Group's exposure in developing Chinese health products business in Hong Kong.

34. 年內業務收購

於二零一七年六月三十日，本公司完成收購Ace Season Holdings Limited（「Ace Season」，一間於英屬維爾京群島註冊成立的公司）的全部已發行股本及轉讓於完成後Ace Season結欠賣方的股東貸款，代價為八千五百萬港元（「收購事項」）。

Ace Season及其附屬公司（統稱「Ace Season集團」）主要於香港從事向批發商及零售商銷售中藥及其他醫藥產品、保健品、人參及乾製海產品。收購事項旨在令本集團於香港發展中藥保健品業務時接觸更多機會。

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34. BUSINESS ACQUISITION DURING THE YEAR – 34. 年內業務收購—續

Continued

The following table summarises the consideration paid for business acquisition completed in the current year, and the fair value of identifiable assets and liabilities of the Ace Season Group as at the date of acquisition:

下表概述本年度就已完成業務收購支付的代價，以及於收購日期Ace Season集團的可識別資產及負債的公平值：

		HK\$'000 千港元
Property, plant and equipment (Note 15)	物業、廠房及設備(附註15)	1,709
Intangible assets (Note 17)	無形資產(附註17)	5,094
Inventories	存貨	52,185
Trade and other receivables	應收貿易賬款及其他應收款項	11,425
Cash and cash equivalents	現金及現金等價物	19,502
Trade and other payables	應付貿易賬款及其他應付款項	(5,112)
Deferred tax liabilities (Note 30)	遞延稅項負債(附註30)	(840)
Amount due to holding company	應付控股公司款項	(92,724)
<hr/>		
Total identifiable net liabilities	可識別總負債淨額	(8,761)
Non-controlling interests	非控股權益	423
Assignment of the shareholder's loan	轉讓股東貸款	92,724
The fair value of consideration transfer – Cash	轉讓代價的公平值 – 現金	85,000
<hr/>		
Goodwill (Note 16)	商譽(附註16)	614

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

有關收購一間附屬公司之現金流量分析如下：

		HK\$'000 千港元
Cash consideration	現金代價	(85,000)
Cash consideration paid as a deposit in prior year (Note 22(e))	過往年度作按金之 已付現金代價(附註22(e))	75,000
Cash and bank balances acquired	已收購現金及銀行結餘	19,502
<hr/>		
Net inflow of cash and cash equivalents included in cash flows from investing activities	現金及現金等價物流入淨額包括 投資活動所得現金流量	9,502

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34. BUSINESS ACQUISITION DURING THE YEAR –

Continued

The fair value of trade and other receivables is approximately HK\$11,425,000. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

The fair value of property, plant and equipment is approximately HK\$1,709,000.

The fair value of intangible assets is approximately HK\$5,094,000.

Acquisition-related costs of approximately HK\$340,000 have been charged to general and administrative expenses in the consolidated statement of profit and loss and other comprehensive income for the year ended 31 March 2018.

The Group has recognised non-controlling interests at its proportionate share of net assets.

The goodwill of HK\$614,000, which is not deductible for tax purposes, comprises the acquired workforce and the value of expected synergies arising from the combination of the acquired business with the existing operation of the Group.

Since the acquisition date, the Ace Season Group has contributed approximately HK\$134,433,000 of revenue and HK\$6,279,000 of profit for the year to the Group's revenue and loss for the year. If the acquisition had occurred on 1 April 2017, the Group's revenue and loss for the year would have been approximately HK\$710,307,000 and HK\$190,942,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2017, nor is it intended to be a projection of future performance.

34. 年內業務收購 – 續

應收貿易賬款及其他應收款項的公平值為約一千一百四十二萬五千港元。該等應收款項並無減值，並預期可全數收回合約金額。

物業、廠房及設備之公平值為約一百七十萬九千港元。

無形資產之公平值為約五百零九萬四千港元。

收購相關成本約三十四萬港元已於截至二零一八年三月三十一日止年度的綜合損益及其他全面收益表內於一般及行政開支內扣除。

本集團已按其資產淨值分佔比例確認非控股權益。

不可扣稅之商譽六十一萬四千港元包括所收購勞動力及所收購業務與本集團現有營運合併後預期產生協同效應之價值。

自收購日期起，Ace Season集團向本集團年內的收入及虧損貢獻收入約一億三千四百四十三萬三千港元及溢利六百二十七萬九千港元。倘收購於二零一七年四月一日發生，本集團的年度收益及虧損將分別約為七億一千零三十萬七千港元及一億九千零九十四萬二千港元。備考資料僅供說明，並非假設於二零一七年四月一日完成收購後本集團實際應取得之收入及經營業績之指標，亦不擬作未來業績之預測。

35. RESERVES

The Group

The natures and purposes of reserves are set out below:

Share premium

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, share premium of the Company is available for paying distributions and dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distributions or dividend payments, the Company is able to pay its debts as they fall due in the ordinary course of business.

Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in Note 4(o) to the consolidated financial statements.

Warrant reserve

Warrant reserve represents the amount of proceeds on issue of warrants.

Exchange fluctuation reserve

Exchange fluctuation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 4(l) to the financial statements.

Investment revaluation reserve

Investment revaluation reserve represents change in fair values of available-for-sale financial assets.

Land and buildings revaluation reserve

Land and buildings revaluation reserve represents the cumulative net change in the fair value of land and buildings held at the end of reporting period and are dealt with in accordance with the accounting policy in Note 4(e) to the financial statements.

Accumulated losses

It represents the cumulative net gains and losses recognised in profit or loss.

35. 儲備

本集團

儲備之性質及目的載列如下：

股份溢價

根據開曼群島公司法（經修訂）第22章，本公司之股份溢價可根據其組織章程大綱及細則之條文，用作向股東支付分派及股息，惟緊隨分派或派付股息後，本公司能夠償還其於日常業務過程中到期之債務。

購股權儲備

如綜合財務報表附註4(o)以股份為基礎付款之交易之會計政策所詳述，購股權儲備包括已授出但未行使的購股權公平值。

認股權證儲備

認股權證儲備指發行認股權證的所得款項金額。

匯兌波動儲備

匯兌波動儲備指換算海外業務財務報表時所產生的外匯差額。該儲備乃根據財務報表附註4(l)所載會計政策進行處理。

投資重估儲備

投資重估儲備指可供出售金融資產的公平值變動。

土地及樓宇重估儲備

土地及樓宇重估儲備指報告期末所持有土地及樓宇公平值的累計變動淨值，而該儲備乃根據財務報表附註4(e)所載會計政策進行處理。

累計虧損

累計虧損指於損益確認之累計收益及虧損淨額。

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35. RESERVES – Continued

35. 儲備—續

The Company

本公司

		Share premium	Share option reserve	Warrant reserve	Investment revaluation reserve	Accumulated losses	Total
		股份溢價	購股權儲備	認股權證 儲備	投資重估 儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2016	於二零一六年四月一日	363,319	3,237	383	–	(347,430)	19,509
Loss for the year	年內虧損	–	–	–	–	(313,245)	(313,245)
Revaluation of available-for-sale investments	可供出售投資之重估	–	–	–	(25,595)	–	(25,595)
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值後 重新分類調整	–	–	–	17,595	–	17,595
Lapse of warrants	認股權證失效	–	–	(383)	–	383	–
At 31 March 2017	於二零一七年 三月三十一日	363,319	3,237	–	(8,000)	(660,292)	(301,736)
Loss for the year	年內虧損	–	–	–	–	(195,030)	(195,030)
Revaluation of available-for-sale investments	可供出售投資之重估	–	–	–	(31,285)	–	(48,880)
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值後 重新分類調整	–	–	–	39,285	–	56,880
Issuance of new shares, net of transaction cost	發行新股份 (扣除交易成本)	52,415	–	–	–	–	52,415
Lapse of share options	購股權失效	–	(3,237)	–	–	3,237	–
At 31 March 2018	於二零一八年 三月三十一日	415,734	–	–	–	(852,085)	(436,351)

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36. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION 36. 控股公司財務狀況表

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司之權益	18	131,809	41,231
Available-for-sale investments	可供出售投資		143,095	174,380
			274,904	215,611
Current assets	流動資產			
Prepayments	預付款項		406	75,000
Tax recoverable	可收回稅項		9	9
Cash and cash equivalents	現金及現金等價物		151	232
			566	75,241
Current liabilities	流動負債			
Other payables and accrued charges	其他應付款項及應計費用		1,690	812
Net current (liabilities)/assets	流動(負債)/資產淨額		(1,124)	74,429
Net assets	資產淨值		273,780	290,040
EQUITY	權益			
Share capital	股本	31	710,131	591,776
Reserves	儲備	35	(436,351)	(301,736)
Total equity	總權益		273,780	290,040

On behalf of the directors

代表董事

Lei Hong Wai
李雄偉
Director
董事

Tse Chi Keung
謝自強
Director
董事

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37. CONTINGENT LIABILITIES

At 31 March 2018 and 2017, the Group had no contingent liabilities.

38. COMMITMENTS

(a) Capital commitment

Commitment for the acquisition of equity interest in a subsidiary	收購一間附屬公司股權之承擔
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(b) Operating lease commitments

At the reporting date, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

The Group as lessee	本集團作為承租人
Not later than one year	不超過一年
Later than one year but not later than five years	超過一年但少於五年

The Group leases a number of shops and office premises under operating lease arrangements. The lease terms are ranging from one to five years (2017: two to five years).

Certain leasing arrangements have been subject to contingent rent by reference to monthly revenue throughout the leasing periods. The minimum guaranteed rental has been used to calculate the above commitments.

37. 或然負債

於二零一八年及二零一七年三月三十一日，本集團並無或然負債。

38. 承擔

(a) 資本承擔

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
-	10,000

(b) 經營租賃承擔

於報告期末，根據不可撤銷經營租約應付之未來最低租賃付款總額如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
6,983	3,616
2,393	1,544
9,376	5,160

本集團根據經營租賃安排租賃多間商舖及辦公物業。有關租期介乎一至五年（二零一七年：二至五年）。

若干租賃安排已參考於租賃期內每月營業額之或有租金。上述承擔已採用最低保證租金計算。

39. RELATED PARTY TRANSACTIONS

During the year, the Group had transactions and balances with related parties, some of which are also deemed to be connected parties pursuant to the Listing Rules. Besides, transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

- (a) During the year, the Group entered into the following material transactions with related parties:

Related party relationship 有關連人士關係	Types of transaction 交易類型	Transaction amount 交易金額	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Companies related to the Group's substantial shareholders 與本集團主要股東有關連之公司	Sales 出售	–	2,498
Companies controlled by a close family member of a person with significant influence over the Group 由一名對本集團有重大影響力之人士之近親控制之多間公司	Purchase (Note) 購買(附註)	64,427	43,436
Companies controlled by a close family member of a person with significant influence over the Group 由一名對本集團有重大影響力之人士之近親控制之多間公司	Sales 出售	–	721
Companies controlled by a close family member of a person with significant influence over the Group 由一名對本集團有重大影響力之人士之近親控制之多間公司	Service expense 服務開支	2,133	–
Companies related to the Group's substantial shareholders 與本集團主要股東有關連之公司	Service expense 服務開支	–	150
Companies controlled by a close family member of a person with significant influence over the Group 由一名對本集團有重大影響力之人士之近親控制之多間公司	Rental expense 租金開支	1,200	1,000
Companies controlled by a close family member of a person with significant influence over the Group 由一名對本集團有重大影響力之人士之近親控制之多間公司	Research and developments costs 研發成本	4,472	2,880

39. 有關連人士交易

年內，本集團曾與有關連人士（部分亦根據上市規則被視為有關連人士）進行交易及有往來結餘。此外，本公司及其附屬公司之間的交易已於綜合入賬時對銷，並無於本附註內披露。

- (a) 年內，本集團與有關連人士訂立以下重大交易：

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39. RELATED PARTY TRANSACTIONS – *Continued*

(a) – *Continued*

Transactions are conducted in the ordinary course of business at prices and terms based on mutual agreement.

Note: The related party transactions constitute connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

(b) Key management personnel compensation

The key management personnel includes the directors, whose emoluments is disclosed in Note 14(a) and key management of the Company during the year. The emoluments of the key management excluding directors were as follows:

39. 有關連人士交易 – 續

(a) – 續

交易在日常業務過程中按雙方協定的價格及條款進行。

附註：該等有關連人士交易構成上市規則第十四A章所界定的關連交易或持續關連交易。

(b) 管理層要員報酬

年內管理層要員包括本公司董事（其薪酬於附註14(a)披露）及管理層要員。管理層要員（除董事外）薪酬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short-term benefits	短期福利	1,080	1,632
Post-employment benefits	離職後福利	36	161
		1,116	1,793

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

40. 來自融資活動之負債對賬

下表詳列本集團因融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債指現金流量或未來現金流量均於本集團綜合現金流量表中分類為融資活動之現金流量之負債。

		Borrowings 借貨 HK\$'000 千港元 (Note 28) (附註28)
At 1 April 2017	於二零一七年四月一日	63,788
Change from cash flows:	現金流量變動：	
Proceeds from borrowings	借貸所得款項	52,248
Repayment of borrowings	償還借貸	(15,419)
Interest paid	已付利息	(3,451)
		97,166
Exchange adjustments	匯兌調整	(226)
Finance cost	融資成本	3,451
At 31 March 2018	於二零一八年三月三十一日	100,391

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41. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of net debts, comprising the borrowings disclosed in Note 28, less of cash and cash equivalents, pledged bank deposit, available-for-sale investments and financial assets at fair value through profit or loss, and equity attributable to owners of the Company, comprising share capital and reserves as disclosed in Notes 31 and 35 respectively.

The Group's management reviews the capital structure periodically. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of management, the Group will balance its overall capital structure through the payment of dividends, issue of new share as well as new debts or redemption of existing debts.

The gearing ratio at the end of reporting period was as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Debts	債務	100,391	63,788
Cash and cash equivalents	現金及現金等價物	(57,857)	(38,105)
Pledged bank deposit	已抵押銀行存款	(494)	(361)
Available-for-sale investments	可供出售投資	(166,855)	(174,380)
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	(65,867)	-
Net debts	債務淨額	(190,682)	(149,058)
Equity	權益	274,150	290,641
Net debts to equity ratio	債務淨額權益比率	N/A 不適用	N/A 不適用

41. 資本風險管理

本集團管理資本的目的是確保本集團能夠持續經營，為股東提供回報及為其他利益關係人士提供收益，並維持最優的資本架構以減少資本成本。

本集團的資本架構包括債務淨額（包括於附註28披露的借貸減現金及現金等價物、已抵押銀行存款及可供出售投資）及按公平值計入損益之金融資產，以及本公司擁有人應佔權益（包括分別於附註31及35披露之股本及儲備）。

本集團的管理層定期檢討資本架構。作為此檢討之一部分，管理層會考慮資本成本及與各類資本有關的風險。根據管理層的建議，本集團將透過派付股息、發行新股以及新債務或贖回現有債務，平衡其整體的資本架構。

於報告期末之資產負債比率如下：

42. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk and foreign exchange risk.

(a) Credit risk

The Group's credit risk is primarily attributable to its cash and cash equivalents, trade and other receivables and available-for-sale investments. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has a certain concentration of credit risk as 12% (2017: 28%) and 42% (2017: 59%) of the total trade receivables was due from the Group's largest debtor and the five largest debtors respectively.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate.

In addition, the Group had concentration of credit risk on its liquid funds as 93% (2017: 85%) of bank balances were placed in five banks. However, the credit risk on liquid funds and available-for-sale investments is limited because the counterparties are banks and listed debt issuers with good reputation.

42. 財務風險管理

財務風險因素

本集團之業務使其面對不同財務風險：信貸風險、流動資金風險、利率風險以及外匯風險。

(a) 信貸風險

本集團的信貸風險主要來自其現金及現金等價物、應收貿易賬款及其他應收款項以及可供出售投資。管理層已實施信貸政策，並持續監察所承受該等信貸風險的程度。

本集團所面臨之信貸風險主要受各客戶之個別特徵所影響。客戶經營所處行業及國家的違約風險對信貸風險亦有所影響，惟影響程度較低。於報告期末，應收貿易賬款總額中有百分之十二（二零一七年：百分之二十八）及百分之四十二（二零一七年：百分之五十九）分別來自本集團的最大債務人及五大債務人，故本集團有一定程度的信貸集中風險。

就應收貿易賬款及其他應收款項而言，本集團對所有要求超過一定金額信貸的客戶均會進行個別信貸評估。該等評估著重於客戶的過往到期還款記錄及現時的支付能力，並考慮客戶及有關客戶經營所在經濟環境之具體資料。

此外，本集團流動資金的信貸風險集中，因為百分之九十三（二零一七年：百分之八十五）之銀行結餘乃存放於五間銀行。然而，由於交易對手為聲譽良好之銀行及上市債務發行人，故流動資金及可供出售投資之信貸風險有限。

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財務報表附註

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42. FINANCIAL RISK MANAGEMENT – Continued

Financial risk factors – Continued

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group maintains availability of funding through an adequate amount of available credit facilities. The management aims to maintain flexibility in funding by keeping credit lines available.

The following table details the remaining contractual maturities at the end of reporting period of the Group's and the Company's derivative and non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates current at the end of reporting period) and the earliest date the Group and the Company can be required to pay.

2018	二零一八年	Carrying amount 賬面值 HK\$'000 千港元	Total contractual undiscounted cash flow 合約未折現金流量總額 HK\$'000 千港元	Within 1 year or on demand 一年內或應要求 HK\$'000 千港元	Over 1 year 超過一年 HK\$'000 千港元
Trade and other payables and accrued charges	應付貿易賬款及其他應付款項及應計費用	129,024	129,024	129,024	-
Borrowings	借貸	100,391	100,391	100,391	-
Amounts due to related companies	應付有關連公司款項	88,290	88,290	88,290	-
		317,705	317,705	317,705	-

42. 財務風險管理 – 續

財務風險因素 – 續

(b) 流動資金風險

本集團內獨立營運實體負責各自的現金管理，包括將現金盈餘作短期投資及籌集貸款以應付預期的現金需求（惟借貸額超過若干預先釐定的授權水平時須獲得本公司董事會批准）。本集團透過充裕之可動用信貸融資確保具有足夠資金。管理層旨在通過保留可動用信貸，維持資金之靈活性。

下表詳列本集團及本公司衍生金融負債及非衍生金融負債於報告期末之剩餘合約期限，乃根據合約未折現金流量（包括按合約利率計算或（倘為浮息）按報告期末現行利率計算所支付利息）以及本集團及本公司可被要求付款之最早日期計算。

42. FINANCIAL RISK MANAGEMENT – *Continued*Financial risk factors – *Continued*(b) Liquidity risk – *Continued*

		Carrying amount	Total contractual undiscounted cash flow		
			Contractual undiscounted cash flow	Within 1 year or on demand	Over 1 year
2017	二零一七年	賬面值 HK\$'000 千港元	現金流量總額 HK\$'000 千港元	應要求 HK\$'000 千港元	超過一年 HK\$'000 千港元
Trade and other payables and accrued charges	應付貿易賬款及其他應付款項及應計費用	90,306	90,306	90,306	-
Borrowings	借貸	63,788	63,788	63,788	-
Amounts due to related companies	應付有關連公司款項	66,770	66,770	66,770	-
		220,864	220,864	220,864	-

The following table summarises the maturity analysis of bank borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained in above table. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

42. 財務風險管理—續

財務風險因素—續

(b) 流動資金風險—續

		Carrying amount	Total contractual undiscounted cash flow		
			Contractual undiscounted cash flow	Within 1 year or on demand	Over 1 year
2017	二零一七年	賬面值 HK\$'000 千港元	現金流量總額 HK\$'000 千港元	應要求 HK\$'000 千港元	超過一年 HK\$'000 千港元
Trade and other payables and accrued charges	應付貿易賬款及其他應付款項及應計費用	90,306	90,306	90,306	-
Borrowings	借貸	63,788	63,788	63,788	-
Amounts due to related companies	應付有關連公司款項	66,770	66,770	66,770	-
		220,864	220,864	220,864	-

下表概列帶有應要求償還條款的銀行借貸根據貸款協議所載之協定還款時間表作出之到期日分析。有關金額包括運用合約利率計算之利息付款。因此，此等金額高於上表所載到期日分析中「應要求」時間一列中披露之金額。計及本集團之財務狀況，董事認為銀行不大可能將行使要求即時還款的酌情權。董事相信，有關銀行借貸將會根據貸款協議所載之協定還款日期而償還。

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42. FINANCIAL RISK MANAGEMENT – *Continued*

Financial risk factors – *Continued*

(b) Liquidity risk – *Continued*

		Carrying amount	Total contractual undiscounted cash flow 合約未折現現金流量總額	Within 1 year 一年內	More than 1 year but less than 2 years 超過一年但少於兩年	More than 2 years but less than 5 years 超過兩年但少於五年
		賬面值 HK\$'000 千港元	現金流量總額 HK\$'000 千港元	一年內 HK\$'000 千港元	但少於兩年 HK\$'000 千港元	但少於五年 HK\$'000 千港元
At 31 March 2018	於二零一八年三月三十一日	100,391	100,624	100,624	-	-
At 31 March 2017	於二零一七年三月三十一日	63,788	64,028	64,028	-	-

(c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The interest rates and terms of repayment of the Group's borrowings are disclosed in Note 28 to the financial statements. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

42. 財務風險管理 – 續

財務風險因素 – 續

(b) 流動資金風險 – 續

		Carrying amount	Total contractual undiscounted cash flow 合約未折現現金流量總額	Within 1 year 一年內	More than 1 year but less than 2 years 超過一年但少於兩年	More than 2 years but less than 5 years 超過兩年但少於五年
		賬面值 HK\$'000 千港元	現金流量總額 HK\$'000 千港元	一年內 HK\$'000 千港元	但少於兩年 HK\$'000 千港元	但少於五年 HK\$'000 千港元
At 31 March 2018	於二零一八年三月三十一日	100,391	100,624	100,624	-	-
At 31 March 2017	於二零一七年三月三十一日	63,788	64,028	64,028	-	-

(c) 利率風險

本集團之利率風險主要來自借貸。按浮動利率及固定利率作出之借貸分別令本集團面臨現金流量利率風險及公平值利率風險。本集團借貸的利率及償還條款於財務報表附註28中披露。本集團目前並無採用任何衍生合約對沖其利率風險。然而，管理層將於需要時考慮對沖重大利率風險。

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財務報表附註

31 March 2018 二零一八年三月三十一日

42. FINANCIAL RISK MANAGEMENT – *Continued*

Financial risk factors – *Continued*

(c) Interest rate risk – *Continued*

The following table details the interest rate profile of the Group's total debts at the end of reporting period.

		2018 二零一八年		2017 二零一七年	
		Effective interest rate %	HK\$'000	Effective interest rate %	HK\$'000
		實際利率 %	千港元	實際利率 %	千港元
At fixed rate		按固定利率			
Bank overdraft	銀行透支	13	5,749	13	5,749
Bank loan	銀行貸款	13	7,848	N/A 不適用	-
		<hr/>		<hr/>	
		13,597		5,749	
At variable rate		按浮動利率			
Bank loans	銀行貸款	6.63	50,420	3.09	39,110
Trust receipt loans	信託收據貸款	3.96	11,366	3.26	18,929
		<hr/>		<hr/>	
		61,786		58,039	
		<hr/>		<hr/>	
		75,383		63,788	
<hr/>		<hr/>		<hr/>	
Net fixed rate borrowing as a percentage of total debts	按固定利率之借貸淨額佔 債務總額之百分比	18%		9%	

At 31 March 2018, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss before income tax by approximately HK\$309,000 (2017: HK\$290,000).

42. 財務風險管理 – 續

財務風險因素 – 續

(c) 利率風險 – 續

下表詳列於報告期末本集團債務總額之利率。

於二零一八年三月三十一日，預計利率一般上升／下降五十個基點，倘若所有其他變數保持不變，則本集團除所得稅前虧損將增加／減少約三十萬九千港元（二零一七年：二十九萬港元）。

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財務報表附註

31 March 2018 二零一八年三月三十一日

42. FINANCIAL RISK MANAGEMENT – Continued

Financial risk factors – Continued

(c) Interest rate risk – Continued

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 50 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next end of reporting period. The analysis is performed on the same basis for 2017.

(d) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group currently does not hedge its foreign exchange exposure.

The following table details the Group's exposure at the end of reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		2018 二零一八年		2017 二零一七年	
		RMB'000 人民幣千元	US\$'000 千美元	RMB'000 人民幣千元	US\$'000 千美元
Trade and other receivables	應收貿易賬款及 其他應收款項	-	1,202	-	1,272
Cash and cash equivalents	現金及現金等價物	716	83	1,958	621
Trade and other payable	應付貿易賬款及 其他應付款項	(2)	-	-	-
Borrowings	借貸	-	(400)	-	(400)
Overall net exposure	整體風險承擔淨額	714	885	1,958	1,493

42. 財務風險管理 – 續

財務風險因素 – 續

(c) 利率風險 – 續

上述敏感度分析乃假設利率變動於報告期末已發生，且已經應用於該日存在之衍生及非衍生金融工具之利率風險而釐定。五十個基點的升跌為管理層對下一個報告期末前之期間內，利率可能發生之合理變動的評估。該分析基準與二零一七年相同。

(d) 外匯風險

本集團面對來自不同貨幣之外匯風險，主要涉及美元（「美元」）及人民幣（「人民幣」）。外匯風險來自海外業務之未來商業交易、已確認資產及負債以及投資淨額。本集團目前並無對沖其外匯風險。

下表詳列本集團於報告期末來自預計交易或以相關實體之功能貨幣以外之貨幣列值之已確認資產或負債之外匯風險。

42. FINANCIAL RISK MANAGEMENT – Continued

Financial risk factors – Continued

(d) Foreign exchange risk – Continued

The following table indicates the approximate change in the Group's loss for the year in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period.

		2018 二零一八年		2017 二零一七年	
		Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/(下跌)	Increase/ (decrease) in loss for the year 本年度虧損 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/(下跌)	Increase/ (decrease) in loss for the year 本年度虧損 增加/(減少) HK\$'000 千港元
RMB	人民幣	5% (5%)	36 (36)	5% (5%)	92 (92)
US\$	美元	5% (5%)	1 (1)	5% (5%)	96 (96)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to each of the group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollars and the United States dollars would be materially unaffected by any changes in movement in value of the United States dollars against Hong Kong dollars. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit or loss for the year and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2017.

42. 財務風險管理—續

財務風險因素—續

(d) 外匯風險—續

下表顯示本集團的本年度虧損因應本集團於報告期末有重大風險之外匯匯率合理可能變動引致之概約變動。

敏感度分析乃以下列假設而釐定：外匯匯率變動已於報告期末發生，並已應用於各集團實體；而當日存在之衍生及非衍生金融工具之外匯風險，及所有其他變數（尤其是利率）均保持不變。

上述變動代表管理層對下一年度報告期末前之期內，外匯匯率可能發生之合理變動的評估。就此而言，已假設港元兌美元之匯率於美元兌港元價值的任何變動中不會受到重大影響。上表所呈列的分析結果代表對各集團實體按各自的功能貨幣計量之年度損益及權益之總影響（並就呈列目的按報告期末適用的匯率換算為港元）。該分析基準與二零一七年相同。

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財務報表附註

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43. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 March 2018 and 2017 may be categorised as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	187,623	159,179
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	65,867	-
Available-for-sale investments	可供出售投資	166,835	174,380
		420,345	333,559
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	以攤銷成本計量之金融負債	317,705	189,088

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

43. 按類別劃分的金融資產及金融負債概要

本集團於二零一八年及二零一七年三月三十一日確認之金融資產及金融負債之賬面值可分類如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets		
貸款及應收款項 (包括現金及現金等價物)	187,623	159,179
按公平值計入損益之金融資產	65,867	-
可供出售投資	166,835	174,380
	420,345	333,559
Financial liabilities		
以攤銷成本計量之金融負債	317,705	189,088

下表載列以公平值計量之金融工具按公平值層級之分析：

第一級：	相同資產或負債於活躍市場中之報價（未經調整）；
第二級：	除第一級所包括報價外就資產或負債可直接（即價格）或間接（即源自價格）觀察所得之數據；及
第三級：	為資產或負債之不可觀察市場數據（不可觀察數據）之數據。

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43. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY – *Continued*

43. 按類別劃分的金融資產及金融負債概要 – 續

		2018 二零一八年		
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	65,867	-	-
Available-for-sale investments	可供出售投資	166,855	-	-
		232,722	-	-
		2017 二零一七年		
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
Available-for-sale investments	可供出售投資	174,380	-	-

There were no transfers between levels during the current and prior years.

於本年度及過往年度，各層級之間概無轉撥。

44. EVENTS AFTER THE REPORTING DATE

44. 報告期後事項

(i) Placing of new shares under general mandate (the "Share Placing")

On 21 March 2018, the Company entered into a share placing agreement (the "Share Placing Agreement") with Kingston Securities Limited ("Kingston Securities"). Pursuant to the Share Placing Agreement, Kingston Securities conditionally agreed to place, on a best effort basis, up to an aggregate of 1,420,000,000 new ordinary shares of the Company to not less than six places at a price of HK\$0.11 per placing share.

(i) 根據一般性授權配售新股份(「股份配售」)

於二零一八年三月二十一日，本公司與金利豐證券有限公司(「金利豐證券」)訂立股份配售協議(「股份配售協議」)。根據股份配售協議，金利豐證券已有條件同意按盡力基準以每股配售股份零點一一港元之價格向不少於六名承配人配售合共十四億二千萬股本公司之新普通股。

Notes to the Financial Statements

財務報表附註

31 March 2018 二零一八年三月三十一日

44. EVENTS AFTER THE REPORTING DATE – *Continued*

(i) Placing of new shares under general mandate (the “Share Placing”) – *Continued*

On 19 April 2018, 1,420,000,000 new ordinary shares were placed at HK\$0.11 per placing share. The net proceeds from the Share Placing were approximately HK\$150 million.

Details of the Share Placing were set out in the Company’s announcements dated 21 March 2018 and 19 April 2018.

(ii) Grant of share options (the “Share Options”)

As disclosed in the Company’s announcement dated 24 April 2018, the Company had resolved to grant a total of 340,000,000 share options with exercise price of HK\$0.121 per share to eligible participant(s) (the “Grantees”) to subscribe for a total of 340,000,000 ordinary shares of HK0.10 each in the share capital of the Company, subject to acceptance of the Grantees, under the share option scheme adopted by the Company on 24 April 2018.

(iii) Disposal of shares in Global Mastermind Holdings Limited (the “Disposal”)

On 14 June 2018, the Group entered into an agreement with an independent purchaser (the “Purchaser”), pursuant to which the Group agreed to sell an aggregate of 1,020,000,000 shares in GMC to the Purchaser at an aggregate consideration of HK\$153 million. The completion shall be completed on or before 30 June 2018 upon the fulfillment and/or waiver of the conditions precedent in the agreement.

Details of which were set out in the Company’s announcement dated 14 June 2018.

45. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 28 June 2018.

44. 報告期後事項 – 續

(i) 根據一般性授權配售新股份（「股份配售」） – 續

於二零一八年四月十九日，已按每股配售股份零點一一港元配售十四億二千萬股新普通股。股份配售之所得款項淨額為約一億五千萬港元。

有關股份配售之詳情載於本公司日期為二零一八年三月二十一日及二零一八年四月十九日之公告內。

(ii) 授出購股權（「購股權」）

誠如本公司日期為二零一八年四月二十四日之公告所披露，本公司已議決根據本公司於二零一八年四月二十四日採納之購股權計劃向合資格參與者（「承授人」）授出合共三億四千萬份行使價為每股股份零點一二一港元之購股權，以認購合共三億四千萬股本公司股本中每股面值零點一零港元之普通股，惟須經承授人接納方可作實。

(iii) 出售環球大通集團有限公司之股份（「出售事項」）

於二零一八年六月十四日，本集團與一名獨立買方（「買方」）訂立協議，據此，本集團同意向買方出售於環球大通投資之合共十億二千萬股股份，總代價為一億五千三百萬港元。完成將於協議之先決條件獲達成／豁免後於二零一八年六月三十日或之前完成。

其詳情載於本公司日期為二零一八年六月十四日之公告內。

45. 財務報表之批准

此等財務報表於二零一八年六月二十八日獲董事會批准及授權刊發。

CHINA HEALTHWISE HOLDINGS LIMITED

中國智能健康控股有限公司

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