



耀萊集團有限公司*
SPARKLE ROLL GROUP LIMITED

(Incorporated in Bermuda with limited liability
於百慕達註冊成立之有限公司)
(Stock Code 股份代號: 970)

Annual Report
2018年報



* for identification purpose only 僅供識別

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公司資料

Corporate Information

BOARD OF DIRECTORS

Zheng Hao Jiang
(Chairman and Chief Executive Officer)

Zhu Lei

Cheung Man Kit
(appointed with effect
from 15 December 2017)

Tong Kai Lap
(resigned with effect
from 1 January 2018)

Gao Yu*

Qi Jian Wei*

Tang Sung Wai*
(appointed with effect from
1 January 2018)

Zhang Si Jian*
(resigned with effect from
15 December 2017)

Choy Sze Chung, Jojo**

Lam Kwok Cheong**

Lee Thomas Kang Bor**

* Non-Executive Director

** Independent Non-Executive Director

董事會

鄭浩江
(主席兼行政總裁)

朱雷

張文杰
(於二零一七年十二月
十五日獲委任)

唐啟立
(於二零一八年
一月一日辭任)

高煜*

綦建偉*

鄧崇偉*
(於二零一八年
一月一日獲委任)

張思堅*
(於二零一七年十二月
十五日辭任)

蔡思聰**

林國昌**

李鏡波**

* 非執行董事

** 獨立非執行董事

AUDIT COMMITTEE

Choy Sze Chung, Jojo (Chairman)

Lam Kwok Cheong

Lee Thomas Kang Bor

審核委員會

蔡思聰(主席)

林國昌

李鏡波

REMUNERATION COMMITTEE

Lam Kwok Cheong (Chairman)

Choy Sze Chung, Jojo

Lee Thomas Kang Bor

Zheng Hao Jiang

Zhu Lei
(appointed with effect
from 1 January 2018)

Tong Kai Lap
(resigned with effect from
1 January 2018)

薪酬委員會

林國昌(主席)

蔡思聰

李鏡波

鄭浩江

朱雷
(於二零一八年一月一日
獲委任)

唐啟立
(於二零一八年一月一日
辭任)

NOMINATION COMMITTEE

Lee Thomas Kang Bor (Chairman)

Lam Kwok Cheong

Choy Sze Chung, Jojo

提名委員會

李鏡波(主席)

林國昌

蔡思聰

公司資料

Corporate Information

LEGAL ADVISERS	Chiu & Partners F. Zimmern & Co. King & Wood Mallesons	法律顧問	趙不渝馬國強律師事務所 施文律師行 金杜律師事務所
FINANCIAL CONTROLLER & COMPANY SECRETARY	Li Yat Ming, <i>FCPA, MHKSI</i>	財務總監兼 公司秘書	李一鳴 · <i>FCPA, MHKSI</i>
PRINCIPAL BANKERS	Bank of Beijing Co., Ltd. China CITIC Bank Corporation Limited OCBC Wing Hang Bank Limited Ping An Bank Co., Ltd Standard Chartered Bank (Hong Kong) Limited	主要往來銀行	北京銀行股份有限公司 中信銀行股份有限公司 華僑永亨銀行有限公司 平安銀行股份有限公司 渣打銀行(香港)有限公司
AUDITOR	Crowe (HK) CPA Limited	核數師	國富浩華(香港)會計師 事務所有限公司
REGISTERED OFFICE	Clarendon House 2 Church Street Hamilton HM11 Bermuda	註冊辦事處	Clarendon House 2 Church Street Hamilton HM11 Bermuda
PRINCIPAL OFFICE	Rooms 2028-36, 20/F Sun Hung Kai Centre 30 Harbour Road Wanchai Hong Kong	主要辦事處	香港灣仔 港灣道30號 新鴻基中心20樓 2028-36室
REGISTRAR (in Hong Kong)	Tricor Secretaries Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong	過戶登記處 (香港)	卓佳秘書商務有限公司 香港 皇后大道東183號 合和中心22樓

公司資料

Corporate Information

REGISTRAR
(in Bermuda)

MUFG Fund Services
(Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

過戶登記處
(百慕達)

MUFG Fund Services
(Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

STOCK CODE

970

股份代號

970

WEBSITE

www.hk970.com

網址

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財務摘要

Financial Highlights

Revenue for the financial year ended 31 March 2018 increased by 4.0% from HK\$2,781,222,000 to HK\$2,893,052,000 as compared with the last financial year.

截至二零一八年三月三十一日止財政年度之收益與上一財政年度比較，由2,781,222,000港元增加4.0%至2,893,052,000港元。

Gross profit for this financial year increased by 20.6% from HK\$330,884,000 to HK\$399,025,000.

本財政年度之毛利由330,884,000港元增加20.6%至399,025,000港元。

Other income for this financial year increased by 20.3% from HK\$69,500,000 to HK\$83,576,000.

本財政年度之其他收入由69,500,000港元增加20.3%至83,576,000港元。

Selling and administration expenses for this financial year increased by 21.1% as compared with the same in the last financial year.

本財政年度之銷售及行政費用與上一財政年度比較增加21.1%。

Provision for litigation losses recognised in automobiles business amounted to HK\$12,976,000 (2017: nil).

於汽車業務確認的訴訟虧損撥備為12,976,000港元(二零一七年：無)。

Profit attributable to owners of the Company for the financial year ended 31 March 2018 was HK\$664,565,000 (2017: HK\$87,845,000).

截至二零一八年三月三十一日止財政年度之本公司擁有人應佔溢利為664,565,000港元(二零一七年：87,845,000港元)。

Earnings per share attributable to owners of the Company were HK14.9 cents for this financial year as compared with HK2.6 cents earnings per share in the last financial year.

本財政年度之本公司擁有人應佔每股盈利為14.9港仙，而上一財政年度則為每股盈利2.6港仙。

No dividend was declared for this financial year (2017: nil).

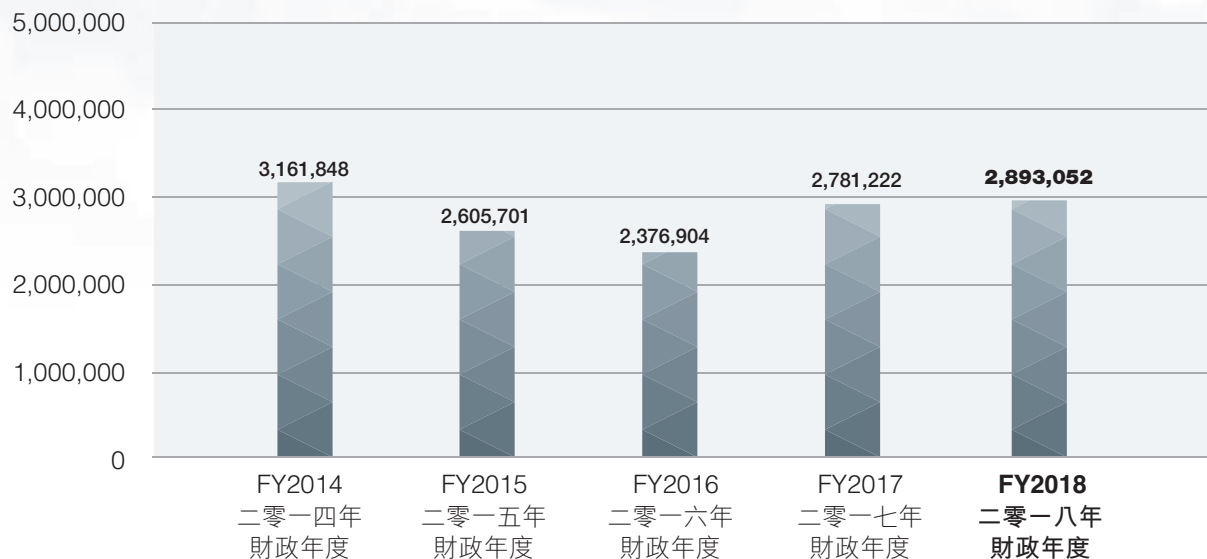
並無就本財政年度宣派任何股息(二零一七年：無)。

財務摘要

Financial Highlights

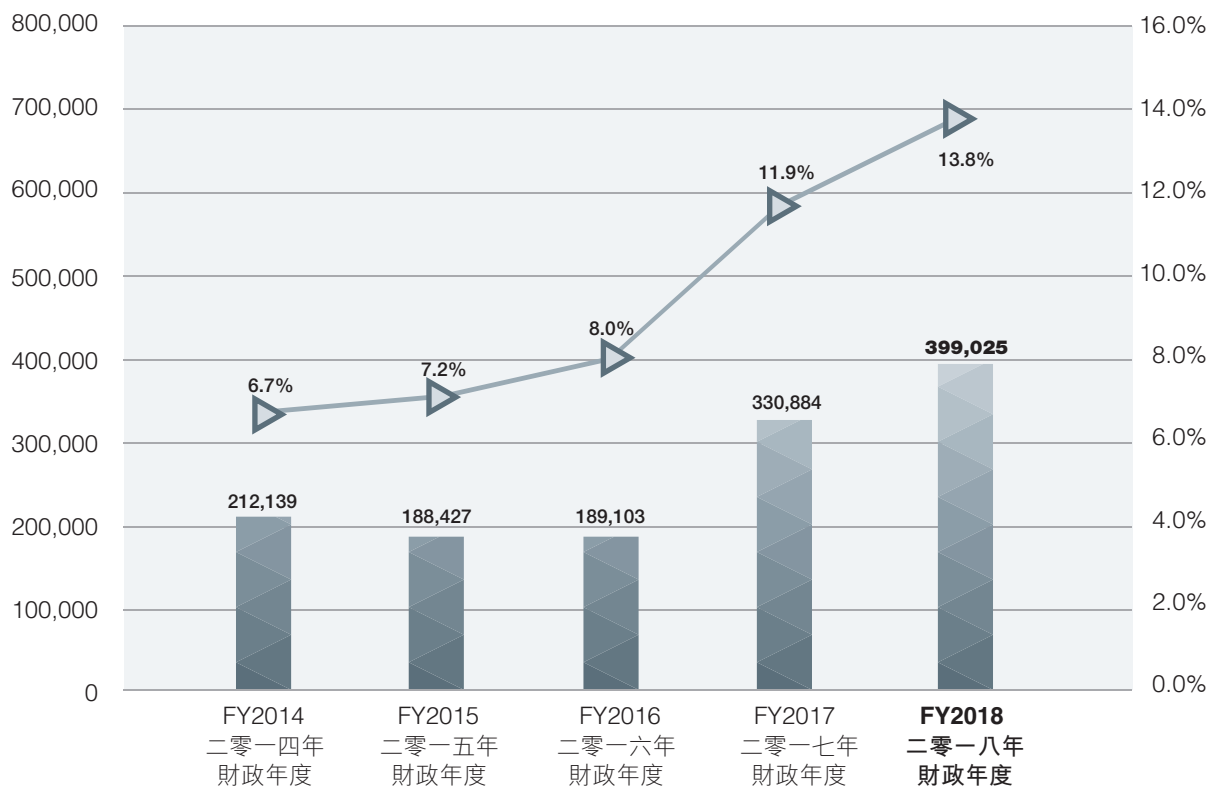
Revenue 收益

(HK\$'000) (千港元)



Gross Profit and Gross Profit Margin 毛利及毛利率

(HK\$'000) (千港元)



財務摘要

Financial Highlights

Financial position:

財務狀況：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total assets	資產總值	3,907,033	2,366,334
Total liabilities	負債總額	883,853	578,507
Net assets	資產淨值	3,023,180	1,787,827
Net tangible worth	有形資產淨值	2,816,616	1,581,184

Financial Ratios:

財務比率：

		2018 二零一八年	2017 二零一七年
Gross profit margin	毛利率	13.8%	11.9%
Return on equity	權益回報率	22.2%	5.0%
Current ratio	流動比率	2.45	2.40
Gearing ratio	資本負債比率	18.8%	22.2%

主席報告

Chairman's Statement

China reported a growth of approximately 6.9 percent in 2017, while the global economy is foreseen to maintain relatively stable in 2018. However, the Brexit negotiations monetary policies of global fund flows and Sino-US trade frictions will be the threats to the steady global economy. According to the National Bureau of Statistics of China, for 2018, the Chinese government targets growth at around 6.5 percent amid efforts to deleverage, contain debt and financial risks. China's quarterly GDP growth experienced the weakest growth since the first quarter of 2016 – the Chinese economy grew by 1.4 percent quarter-on-quarter in the three months to March of 2018, compared with an advance of 1.6 percent in the previous period and slightly below market expectations of 1.5 percent.

During the financial year under review, the Group's revenue increased from HK\$2.781 billion to HK\$2.893 billion. Gross profit for the financial year increased from HK\$330.9 million to HK\$399.0 million. The auto business was still a major income driver, accounting for approximately 88.8% of our business. Net profit attributable to owners of HK\$664.6 million was recorded in this financial year compared with a net profit of HK\$87.8 million in the last financial year.

Due to the change in accounting treatment on the Group's investment in B&O as a result of loss of significant influence over B&O, it led to an increase of approximately HK\$585.6 million (which is non-cash in nature) in the consolidated net profit of the Group for the year ended 31 March 2018. The Board had issued a positive profit alert announcement on 15 January 2018 in respect of this one-off gain.

中國公佈二零一七年增長率約為6.9%，而全球經濟預計於二零一八年維持相對穩定。然而，英國退歐協商、全球資金流動貨幣政策及中美貿易摩擦將對穩定的全球經濟帶來威脅。根據中國國家統計局，二零一八年中國政府的增長目標約6.5%，並同時設法減債、遏制債務及財務風險。中國季度GDP自二零一六年第一季度以來經歷最疲軟增長—於二零一八年一月至三月中國經濟同比增長1.4%，而上個期間則上漲1.6%，略低於市場預期1.5%。

於回顧財政年度，本集團之收益由2,781,000,000港元增加至2,893,000,000港元。本財政年度之毛利由330,900,000港元增加至399,000,000港元。汽車業務仍為主要收入來源，佔本集團業務約88.8%。本財政年度錄得本公司擁有人應佔年內純利664,600,000港元，而上一財政年度則錄得純利87,800,000港元。

由於失去對B&O的重大影響力而變更本集團於B&O投資的會計處理方式，導致本集團於截至二零一八年三月三十一日止年度的綜合純利增加約585,600,000港元（非現金性質）。董事會已於二零一八年一月十五日就該一次性收益發佈正面盈利預警公佈。

主席報告

Chairman's Statement

CHINA'S LUXURY GOODS AND AUTOMOBILES MARKETS

There are quite a few ongoing updates and research reports from reputable authorities, investment banks and global research houses mentioning the comeback of China's luxury goods market. According to the "Bain & Company's 2017 China Luxury Report" issued by Bain & Company on 17 January 2018, after three years of de-celeration, China's spending on personal luxury goods started to bounce back in Q3 2016 and showed strong growth in 2017, with the domestic market out-numbering overseas purchases and reaching 20% growth. Category rebalancing continues with female categories, such as cosmetics, women's wear and jewelry, surpassing other categories growth. The report found that new consumers – particularly millennials (aged at 20-34) – were major contributors to the luxury market growth last year. "Chinese millennials helped to accelerate luxury spending here, particularly in the last year," said Bruno Lannes, partner in Bain's Greater China office and author of the report. "Many luxury brands recognize that more and more Chinese consumers are setting the trends in luxury. To start with, they represent 32% of the global luxury consumption. In addition, we also see an emerging qualitative editorial authority in China on luxury, through key opinion leaders and media. And China is ahead of all other markets when it comes to digital marketing and digital consumer engagement" added Lannes.

中國奢侈品及汽車市場

知名機構、投資銀行及環球研究中心持續發表不少最新資訊及研究報告，指出中國奢侈品市場增長回暖。根據貝恩公司於二零一八年一月十七日發佈的「2017年中國奢侈品報告」，於中國奢侈品市場三年增速放緩後，中國個人奢侈品消費於二零一六年第三季度反彈，於二零一七年展現強力的增長，且國內市場購買超過海外，增長達20%。分類再平衡持續以女性類別為基準，例如化妝品、女裝及珠寶，超過其他類別的增長。報告顯示，20至34歲的新消費者（尤其是千禧一代）成為去年奢侈品市場增長的主要貢獻者。貝恩公司大中華辦事處合夥人及報告作者Bruno Lannes表示，「中國千禧一代加速了奢侈品的消費，尤其是去年。」許多奢侈品牌認識到，越來越多中國消費者在奢侈品行業引領潮流」。首先，中國千禧一代佔全球奢侈品消費32%；此外，我們亦透過關鍵意見領袖及媒體目睹了中國奢侈品行業的新興質化編輯權限。Lannes補充道，中國在數位市場推廣及數位消費者參閱領域領先所有其他市場。

主席報告

Chairman's Statement

According to the fifth edition of an annual study titled “True-Luxury Global Consumer Insight” published by The Boston Consulting Group (BCG), a global management consulting firm and the world's leading advisor on business strategy, and Altagamma, which gathers high-end Italian cultural and creative companies. On 20 February 2018, it released their latest survey on luxury goods, which covered more than 12,000 millennials and Chinese consumers of luxury goods across ten countries. The report found out that millennials are the generation that will contribute the most to the market growth of some 130% and will account for 50% of the market share in 2024. Chinese consumers represent the nationality driving the most growth: about 70% and will account for approximately 40% of the market share in 2024. The overall luxury goods industry, including products and services, is worth approximately €915 billion today and will reach about €1,260 billion in 2024. Additionally, social media, online and mobile are gaining prominence that 55% of luxury consumers buying online use their mobile phones versus personal computers. Social media and influences are gaining power. For the first time, social media is the first source of information and the channel of primary impact used by true-luxury consumers, followed by magazines and brand websites.

For the global luxury car market, China is still the most important market. According to an article titled “Chinese buyers spur rise in global luxury car sales” issued by Kosei Fukao, Nikkei Asian Review staff writer on 18 February 2018, it mentioned that China accounted for almost 90% of the sales growth at leading luxury automakers in 2017. China made up 27% of overall sales, three percentage points more than that in 2016. The number of luxury automakers sold in the country rose 17%, compared with a paltry 1% growth in the rest of the world. In other words, China accounted for 360,000 of the 420,000 additional automakers the nine makers sold last year. Other high-end automakers are taking note of this trend. Companies such as Maserati, a unit of Fiat Chrysler Automobiles, and Britain's Aston Martin are expanding their dealer networks in China, suggesting competition for wealthy Chinese motorists' attention will only intensify.

根據全球管理諮詢公司波士頓諮詢集團(BCG)與全球業務策略領先顧問Altagamma(匯集了意大利高端文化及創意公司)於二零一八年二月二十日刊發的第五版年度研究「真實奢侈品全球消費者觀察報告(True-Luxury Global Consumer Insight)」，奢侈品的最新調查涵蓋了10個國家，12,000名千禧一代及中國奢侈品消費者。報告顯示，千禧一代將成為市場增長的主要消費動力：約130%，並將於二零二四年佔市場的份額約50%。中國消費者為最主要的增長動力：約70%，並將於二零二四年佔市場份額約40%。整體奢侈品行業(包括產品及服務)目前價值約915,000,000,000歐元，並於二零二四年將達約1,260,000,000,000歐元。此外，社交媒體、線上及移動設備表現突出，55%的奢侈品消費者通過移動電話及個人電腦進行購買。社交媒體影響力正逐步加強。社交媒體首次成為真實奢侈品消費者首要的資料來源及有主要影響力的渠道，其次為雜誌及品牌網站。

就全球豪華汽車市場而言，中國仍為最重要的市場。根據Nikkei Asian Review作者Kosei Fukao於二零一八年二月十八日發佈的文章「中國消費者推動全球豪華汽車銷售增長(Chinese buyers spur rise in global luxury car sales)」，當中提到中國於二零一七年龍頭豪華汽車製造商中佔約90%的銷售增長。中國整體銷售佔27%，較二零一六年高三個百分點。中國豪華汽車銷售量增長17%，而世界其他國家則的增幅只有1%。簡言之，中國去年所售汽車佔九家製造商所售420,000輛額外汽車的360,000輛。其他高端汽車製造商亦趨之若鶩。瑪莎拉蒂(Fiat Chrysler的一個汽車部門)及英國阿斯頓•馬丁等公司正擴大其於中國的零售網絡，意味著吸引中國富裕車主關注的競爭將加劇。

主席報告

Chairman's Statement

Luxury car market continues to rise based on an article titled “Consumer upgrades drive China’s luxury car market” issued on 13 February 2018 by Asia Times, a Hong Kong-based English news website covering politics, economics, business and culture from an Asian perspective. The luxury car market is expected to continue its more than 10% annual growth of sales in the following years, according to a report released by Essence International. In 2017, sales of luxury cars increased 18% from a year earlier, compared with only 1.4% growth of overall car sales based on the China Passenger Car Association. The sales data released by automobile makers shows that the first tier of luxury cars, including Audi, BMW and Mercedes, have witnessed a year-on-year rise of approximately 1.1%, 1.5% and 25.9% respectively over last year.

根據亞洲時報(香港英文新聞網站, 涵蓋亞洲政治、經濟、商業及文化等領域)於二零一八年二月十三日發佈的文章「消費者升級, 推動中國豪華汽車市場(Consumer upgrades drive China’s luxury car market)」, 豪華汽車市場持續升溫。根據安信國際(Essence International)發表的報告, 豪華汽車市場預計於未來數年持續按超過10%的年度銷售增長率增長。於二零一七年, 根據中國客車協會, 豪華汽車銷售較去年同期增加18%, 而整體汽車銷售增長僅為1.4%。汽車製造商的銷售數據顯示, 包括奧迪、寶馬及梅賽德斯在內的第一檔次豪華汽車較去年同期增長分別約1.1%、1.5%及25.9%。

管理層討論及分析

Management Discussion and Analysis

BUSINESS REVIEW

Auto Dealerships

During the year under review, revenue of the ultra-luxury automobile distributorships of Bentley, Lamborghini and Rolls-Royce recorded an approximately 3.1% increase to approximately HK\$2.470 billion, as compared with that of approximately HK\$2.396 billion in the previous financial year. Among our 3 brands, Rolls-Royce recorded sales growth while Bentley and Lamborghini recorded sales drop. Rolls-Royce had performed the best among the Group's other brands with total sales of approximately HK\$1.046 billion, representing a 25.4% increase in sales as compared with that of HK\$833.1 million during the previous financial year. A total of 169 units of Rolls-Royce were sold, representing an increase of approximately 13.4% as compared with 149 units sold in the previous financial year. Among all models of Rolls-Royce sold during this financial year, Ghost performed the best in terms of revenue and gross profit contribution.

According to the article titled "Rolls-Royce motor cars deliver outstanding result in 2017" under Rolls-Royce official website issued on 12 January 2018, the brand announced a highly successful 2017, with a total of 3,362 cars commissioned by customers in almost 50 countries around the world. Such result was achieved despite the absence of Phantom from the market and unsettled market conditions in the important Middle East market. New Phantom was unveiled in July to unprecedented worldwide acclaimed by media and prospective customers alike and has a strong order booking. China returns to form with sales increased by 40% as compared with those recorded in 2016.

Bentley recorded an approximately 7.6% decrease in sales to approximately HK\$1.294 billion during this financial year, as compared with that of approximately HK\$1.4 billion in the previous financial year. At the same time, a total of 314 units of Bentley were sold, representing a decrease of 18.4% as compared with 385 units sold in the previous financial year. Among all models on sale of Bentley during this financial year, Flying Spur recorded the most in units sold, while the new SUV model, Bentayga performed the best in terms of revenue and gross profit contribution.

業務回顧

汽車分銷

於回顧年內，賓利、蘭博基尼及勞斯萊斯等超豪汽車分銷之收益錄得約2,470,000,000港元，而上一財政年度約為2,396,000,000港元，增幅約3.1%。旗下三個品牌之中，勞斯萊斯之銷售額有所增長，而賓利及蘭博基尼之銷售額則有所下降。在本集團旗下其他眾多品牌中，勞斯萊斯的表現最為優秀，錄得總銷售額約1,046,000,000港元，而上一財政年度的銷售則為833,100,000港元，增幅為25.4%。勞斯萊斯售出之汽車總數為169輛，較上一財政年度售出149輛增加約13.4%。在於本財政年度所售出勞斯萊斯的所有型號當中，古思特的收益及及毛利貢獻表現最佳。

根據勞斯萊斯官方網站於二零一八年一月十二日發佈的文章「勞斯萊斯汽車於二零一七年取得出色成績」，該汽車品牌宣佈二零一七年非常成功，合共3,362輛獲來自全球約50個國家的客戶委託生產的轎車。該業績在市場缺乏幻影及中東重要市場的動盪市況的情況下取得。新幻影於七月面世，受到全球媒體及潛在客戶前所未有的稱讚，訂單量大增。中國銷售收入較二零一六年所錄得者增長40%。

賓利於本財政年度之銷售額為1,294,000,000港元，而上一財政年度約為1,400,000,000港元，減幅約7.6%。與此同時，售出之賓利汽車總數為314輛，較上一財政年度售出的385輛減少18.4%。在於本財政年度所售出的賓利所有型號當中，Flying Spur售出的車輛最多，而新運動車型中，添越在收益及毛利貢獻方面表現最佳。

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Lamborghini recorded a decline in sales during this financial year with a total of approximately HK\$129.6 million, representing an approximately 20.3% drop as compared with that of approximately HK\$162.6 million recorded in the previous financial year. A total of 29 units of Lamborghini were sold, representing a decrease of approximately 31% as compared with 42 units sold in the previous financial year. Among all models on sale of Lamborghini during this financial year, Huracan performed the best in terms of revenue and gross profit contribution.

Gross profit margins of sale of Bentley, Lamborghini and Rolls-Royce improved significantly, while the Group continued enjoying bonus from the brands.

Revenue of after-sales services recorded a decline of approximately 19.0% during this financial year as compared with that of the previous financial year. Accordingly, the gross profit margin decreased from approximately 52.2% in the previous financial year to approximately 45.4% in this financial year.

Non-auto Dealerships

During the year under review, the sales of our non-auto division recorded an increase in revenue of approximately 23.5% to approximately HK\$323.5 million as compared with that of approximately HK\$262 million in the previous financial year. The growth was mainly driven by sales of audio equipment and menswear apparel and accessories, which however were partly offset by the decrease in sales of watch and jewelry.

Gross profit margin of our non-auto division increased during this financial year from approximately 26.5% in the previous financial year to approximately 35% in this financial year. Such increase was mainly due to the improvement in sale of audio equipment.

Among all non-auto division during this financial year, B&O PLAY performed the best in terms of revenue contribution.

The revenue and gross profit of fine wines audio equipment, menswear apparel and accessories and tobacco products increased by approximately 85.2% and approximately 121.3% respectively.

蘭博基尼於本財政年度錄得銷售額下跌，總額約為129,600,000港元，較上一財政年度錄得的銷售總額約162,600,000港元下跌約20.3%。售出之蘭博基尼汽車總數為29輛，較於上一財政年度售出的42輛減少約31%。在於本財政年度所售出蘭博基尼的所有車型當中，就收益及毛利貢獻而言以Huracan表現最佳。

賓利、蘭博基尼及勞斯萊斯的銷售毛利率重大改善，而本集團繼續得享品牌給予之補貼。

於本財政年度，售後服務之收益較上一財政年度下跌約19.0%。因此，上一財政年度之毛利率由約52.2%降至本財政年度約45.4%。

非汽車分銷

於回顧年內，非汽車分部銷售額錄得收益增長約23.5%至約323,500,000港元，而上一財政年度約262,000,000港元。該增長乃主要受銷售音響設備以及男裝及配飾推動，然而部分被鐘錶珠寶銷售減少所抵銷。

於本財政年度，非汽車分部的毛利率由上一財政年度的約26.5%升至本財政年度的約35%。該增加乃主要由於音響設備銷售改善所致。

於本財政年度所有非汽車分部中，就收益貢獻而言以B&O PLAY表現最佳。

名酒、音響設備、男裝及配飾以及煙草產品的收益及毛利分別增長約85.2%及約121.3%。

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Investment, Debt Securities and Loan Receivables

In order to make use of the idle cash of the Group and enhance the capital return, the Group had allocated certain resources on various types of investments, debt securities and loan receivables in the past two financial years. Although the income generated from the investments was relatively insignificant as compared with the gross profit generated from the operating divisions, the total amount employed represented approximately 47.6% of the total assets of the Group as at 31 March 2018. During this financial year, these contributed approximately HK\$13.8 million of gross income to the Group.

The status of the Group's portfolios was set out as below:

投資、債務證券及應收貸款

為利用本集團閒置現金及提高資本回報，本集團於過往兩個財政年度已分配若干資源用於多種投資、債務證券及應收貸款。儘管投資所產生收益較經營分部所產生毛利相對甚微，總運用金額於二零一八年三月三十一日佔本集團總資產約47.6%。於本財政年度，該等投資為本集團貢獻總收益約13,800,000港元。

本集團組合狀況載列如下：

		Balance at book value 按賬面值計算之餘額	
		As at 31 March 2018 於二零一八年 三月三十一日 Approximately (HK\$) 約(港元)	As at 31 May 2018 於二零一八年 五月三十一日 Approximately (HK\$) 約(港元)
Bang & Olufsen A/S ("B&O") shares	Bang & Olufsen A/S (「B&O」) 股份	1,291 million 百萬	1,090 million 百萬
P2P financing portfolios	P2P 融資組合	86 million 百萬	-
Senior note	優先票據	440 million 百萬	330 million 百萬
Other loan receivables	其他應收貸款	41 million 百萬	41 million 百萬
Total	總計	1,858 million 百萬	1,461 million 百萬

On 15 January 2018, the Company announced that the Group's investment in B&O had been reclassified from investment in an associate to available-for-sale investment with effect from 1 January 2018. During this financial year, the Group recorded a share of loss of B&O of approximately HK\$12.8 million. Since the date of reclassification up to the year ended 31 March 2018, the share price of B&O was traded in a range of DKK147.4 to DKK191.4 per share. At the end of this financial year, the share price of B&O closed at DKK152.6 per share.

於二零一八年一月十五日，本公司宣佈，本集團於B&O之投資已由於聯營公司之投資重新分類為可供出售投資，自二零一八年一月一日起生效。於本財政年度，本集團錄得分佔B&O虧損約12,800,000港元。於重新分類日期起直至截至二零一八年三月三十一日止年度，B&O的股價介乎每股147.4丹麥克朗至每股191.4丹麥克朗。於本財政年度末，B&O以每股152.6丹麥克朗之股價收市。

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Due to the change in accounting treatment, the Group was required to recognize in its profit and loss any difference between the fair value and the carrying amount of Group's interest in B&O at the date when the equity method was discontinued. The change led to an increase of approximately HK\$585,000,000 (which is non-cash in nature) in the consolidated net profit of the Group for the year ending 31 March 2018.

As at 31 March 2018, the Group owned approximately 15.09% of the total shareholding in B&O. The Group sold 64,454 shares in B&O and hence realized approximately HK\$12.4 million in May 2018. As at 31 May 2018, the Group held approximately 14.94% of the shareholding in B&O.

All the products in the P2P financing portfolios of the Group at the financial year ended 31 March 2018 had been matured in May 2018. The relevant principals and interests had been received. As at 31 May 2018, no new P2P financing portfolio was subscribed by the Group.

On 31 May 2018, the Group had agreed to dispose to a third party of the 6% senior note in the principal amount of HK\$330,000,000 due on 3 June 2018 issued by Shanghai Huaxin Group (Hong Kong) Limited to the Group, at a consideration of HK\$334,840,000 in accordance with the terms and conditions of the note. Completion of the disposal will take place on the date of the receipt of the full principal amount of the note. Further details were set out in the Company's announcements dated 4 December 2017, 2 March 2018 and 31 May 2018 respectively.

由於會計處理方法之變動，本集團須於權益法終止當日將其於B&O之權益之公允值與賬面值之間的任何差額於其損益確認。該變動導致本集團於截至二零一八年三月三十一日止年度的綜合純利增加約585,000,000港元(為非現金性質)。

於二零一八年三月三十一日，本集團擁有約15.09%之B&O總股權。本集團已出售64,454股B&O股份，因此於二零一八年五月變現約12,400,000港元。於二零一八年五月三十一日，本集團持有約14.94%之B&O股權。

本集團於截至二零一八年三月三十一日止財政年度的所有P2P融資組合產品已於二零一八年五月到期，且已收到相關本金及利息。於二零一八年五月三十一日，本集團並無認購任何新P2P融資組合產品。

於二零一八年五月三十一日，本集團同意根據票據之條款及條件按代價334,840,000港元向第三方出售由上海華信集團(香港)有限公司發行予本集團之本金額為330,000,000港元且到期日為二零一八年六月三日之6%票據。出售事項將於收到票據之本金全額之日完成。進一步詳情載於本公司日期分別為二零一七年十二月四日、二零一八年三月二日及二零一八年五月三十一日之公告。

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FINANCIAL REVIEW

Revenue

The revenue of the Group for the year ended 31 March 2018 was approximately HK\$2,893.1 million, representing an increase of approximately 4.0% as compared with approximately HK\$2,781.2 million recorded in the previous year. Such increase was mainly due to the increase in sales of Rolls-Royce, audio products and menswear apparel products. The table below sets out the Group's revenue for the year indicated:

Revenue Source	收益來源	FY2018 二零一八年財政年度		FY2017 二零一七年財政年度		Changes 變動	
		Contribution HK\$'000 千港元	(%) 貢獻(%)	Contribution HK\$'000 千港元	(%) 貢獻(%)	HK\$'000 千港元	(%) %
Sales of automobiles	汽車銷售	2,469,539	85.3%	2,395,631	86.1%	73,908	3.1%
Income from provision of after-sales services	提供售後服務之收入	100,036	3.5%	123,550	4.5%	(23,514)	(19.0%)
Sub-total	小計	2,569,575	88.8%	2,519,181	90.6%	50,394	2.0%
Non-auto Dealerships	非汽車分銷	323,477	11.2%	262,041	9.4%	61,436	23.4%
TOTAL	總計	2,893,052	100%	2,781,222	100%	111,830	4.0%

Gross Profit and Gross Profit Margin

Gross profit of the Group for the year ended 31 March 2018 increased by approximately 20.6% to approximately HK\$399.0 million (31 March 2017: approximately HK\$330.9 million). The increase was mainly due to the increase in gross profit from sales of automobiles resulted from the substantial increase in the sales of Rolls-Royce, audio equipment and menswear apparel products in this financial year. The gross profit of the automobiles segment increased from approximately HK\$196.9 million in the last financial year to approximately HK\$240.4 million for the year ended 31 March 2018. However, the gross profit of the provision of after-sales services for the year ended 31 March 2018 decreased by approximately 29.6% to approximately HK\$45.4 million (31 March 2017: approximately HK\$64.5 million), mainly due to reduction in the after-sales services income due to keen competition.

財務回顧

收益

截至二零一八年三月三十一日止年度，本集團之收益約為2,893,100,000港元，較去年錄得之約2,781,200,000港元增加約4.0%。該增加乃主要由於勞斯萊斯、音響產品及男裝產品銷售增加。下表載列本集團於所示年度之收益：

毛利及毛利率

本集團截至二零一八年三月三十一日止年度之毛利增加約20.6%至約399,000,000港元(二零一七年三月三十一日：約330,900,000港元)。毛利增加乃主要是由於本財政年度勞斯萊斯銷售大幅增加導致汽車銷售毛利增加以及音響設備及男裝產品銷售毛利增加。汽車分部之毛利由上個財政年度之約196,900,000港元增加至截至二零一八年三月三十一日止年度之約240,400,000港元。然而，截至二零一八年三月三十一日止年度提供售後服務之毛利減少約29.6%至約45,400,000港元(二零一七年三月三十一日：約64,500,000港元)，減少主要是由於競爭激烈導致售後服務費收入減少所致。

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Other Income

Other income was approximately HK\$83.6 million for the year ended 31 March 2018, representing approximately 20.3% increase from approximately HK\$69.5 million in the last financial year. The increase was mainly due to income from investments subscribed during the year.

Selling and Administrative Expenses

The selling and distribution costs increased by approximately 26.3% and the administrative expenses slightly increased by approximately 0.7% respectively. The changes were mainly due to the increase in marketing expenses and the surcharges arising from additional levy of consumption tax.

Other Expenses

The Group recorded other expenses of approximately HK\$13.0 million represented the provision made for the possible liquidated damages for the litigations for this financial year (31 March 2017: nil).

Finance Costs

Finance costs increased slightly by approximately 3.2% from approximately HK\$15.7 million in the previous financial year to approximately HK\$16.2 million in this financial year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total assets as at 31 March 2018 were approximately HK\$3,907.0 million (31 March 2017: approximately HK\$2,366.3 million) which were mainly financed by the total equity and the total liabilities of approximately HK\$3,023.2 million (31 March 2017: approximately HK\$1,787.8 million) and HK\$883.9 million (31 March 2017: approximately HK\$578.5 million) respectively.

其他收入

截至二零一八年三月三十一日止年度之其他收入約為83,600,000港元，較上個財政年度約69,500,000港元增加約20.3%。該增加乃主要由於年內認購的投資產生收入所致。

銷售及行政費用

銷售及代理成本增加約26.3%，而行政費用則輕微增加約0.7%。該變動乃主要由於營銷開支及額外徵收消費稅產生之附加費增加所致。

其他費用

本集團錄得其他費用約13,000,000港元，指本財政年度就訴訟潛在賠償所作出的撥備(二零一七年三月三十一日：無)。

融資成本

融資成本由上個財政年度之約15,700,000港元輕微增加約3.2%至本財政年度之約16,200,000港元。

流動資金及財務資源

於二零一八年三月三十一日，本集團之總資產約為3,907,000,000港元(二零一七年三月三十一日：約2,366,300,000港元)，主要以約3,023,200,000港元(二零一七年三月三十一日：約1,787,800,000港元)之權益總額及約883,900,000港元(二零一七年三月三十一日：約578,500,000港元)之總負債融資。

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Cash Flow

The Group's cash at banks and in hand as of 31 March 2018 were approximately HK\$155.7 million (31 March 2017: approximately HK\$192.1 million) which were mainly denominated in HK\$ and Renminbi ("RMB"). Such decrease was mainly attributable to subscription of the financial assets during this financial year.

The Group's primary uses of cash are to repay the Group's borrowings, to pay for purchases of inventories and to fund the Group's working capital and normal operating costs.

The Directors consider that the Group will have sufficient working capital for its existing operations and financial resources for financing future business expansion and capital expenditures.

Borrowings

The Group's borrowings as at 31 March 2018 were approximately HK\$567.7 million, representing an increase of approximately 43.2% from approximately HK\$396.4 million as at 31 March 2017. The increase was mainly due to purchase of automobiles inventories at the end of this financial year.

Gearing Ratio

The Group's gearing ratio computed as total borrowings over total equity decreased to approximately 18.8% as at 31 March 2018 (31 March 2017: approximately 22.2%).

Inventories

As at 31 March 2018, the Group's inventories increased by approximately 14.9% from approximately HK\$923.6 million as at 31 March 2017 to approximately HK\$1,061.4 million, primarily due to the increase in automobile inventories which comprised approximately 59.8% of the inventories of the Group.

The Group's average inventory turnover days slightly increased from 143 days in the year ended 31 March 2017 to 145 days in the year ended 31 March 2018.

現金流量

於二零一八年三月三十一日，本集團之銀行及手頭現金約為155,700,000港元(二零一七年三月三十一日：約192,100,000港元)，均主要以港元及人民幣(「人民幣」)計值。銀行及手頭現金減少主要是由於於本財政年度認購金融資產所致。

本集團主要利用現金償還本集團借貸、支付購買存貨之款項，以及為本集團之營運資金及正常經營成本撥資。

董事認為，本集團具備充裕營運資金，足以應付其現時業務所需，且具備充裕財務資源，可為日後業務拓展及資本開支提供所需資金。

借貸

本集團於二零一八年三月三十一日之借貸約為567,700,000港元，較二零一七年三月三十一日約396,400,000港元增加約43.2%。增加乃主要由於在本財政年度末購買汽車存貨所致。

資本負債比率

於二零一八年三月三十一日，本集團之資本負債比率(按總借貸除以權益總額計算)下跌至約18.8%(二零一七年三月三十一日：約22.2%)。

存貨

於二零一八年三月三十一日，本集團之存貨由二零一七年三月三十一日約923,600,000港元增加約14.9%至約1,061,400,000港元，主要是由於汽車存貨增加，佔本集團存貨約59.8%所致。

本集團平均存貨週轉天數由截至二零一七年三月三十一日止年度之143天輕微增加至截至二零一八年三月三十一日止年度之145天。

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The average inventory turnover days mentioned above was defined as average inventory over cost of sales multiplied by 365 days, and the average inventory was the median value of the inventories as at the year end of this and the previous financial years.

Exposure to Foreign Exchange Risk

The revenue and expenses of the Group are mainly denominated in RMB and HK\$ while the production cost and purchases are denominated in RMB, HK\$, Euro (“EUR”), US\$ and Swiss Franc (“CHF”).

The Group did not enter into any foreign currency forward contract for this financial year. As at 31 March 2018 and 2017, the Group did not have any foreign currency forward contracts.

Contingent Liabilities and Capital Commitment

The Board of Directors of the Company considered that other than the possible obligations arising from the litigations as mentioned in the section headed “Litigations Updates” below, the Group had no material contingent liabilities as at 31 March 2018 (31 March 2017: nil). The Board of Directors of the Company considered that other than the commitment arising from the transaction as mentioned in the section headed “Major and connected transaction – acquisition of a property holding company” below, the Group had no material capital commitment as at 31 March 2018 (31 March 2017: nil).

Charges on Assets

As at 31 March 2018, deposits and inventories of the Group with aggregate carrying amounts of approximately HK\$91.4 million (31 March 2017: HK\$72.2 million) and approximately HK\$484.1 million (31 March 2017: approximately HK\$335.6 million) respectively were pledged to secure general banking facilities and other facilities granted to the Group.

Human Resources

As at 31 March 2018, the Group had 474 (31 March 2017: 493) employees. Staff costs (including directors’ emoluments) charged to profit or loss amounted to approximately HK\$44.4 million for this financial year (31 March 2017: approximately HK\$45.6 million).

上述平均存貨週轉天數乃按平均存貨除以銷售成本再乘以365天計算，而平均存貨為存貨於本財政年度年終及上一財政年度年終之中位數價值。

外匯風險

本集團之收益及開支主要以人民幣及港元計值，而生產成本及採購則以人民幣、港元、歐元（「歐元」）及瑞士法郎（「瑞士法郎」）計值。

於本財政年度內，本集團並無訂立任何外匯遠期合約。於二零一八年及二零一七年三月三十一日，本集團並無任何外匯遠期合約。

或然負債及資本承擔

本公司董事會認為，除下文「訴訟更新」一節所述之訴訟可能引起的責任外，本集團於二零一八年三月三十一日並無重大或然負債（二零一七年三月三十一日：無）。本公司董事會認為，除下文「主要及關連交易—收購一間物業控股公司」一節所述之承諾外，本集團於二零一八年三月三十一日並無重大資本承擔（二零一七年三月三十一日：無）。

資產抵押

於二零一八年三月三十一日，本集團已抵押賬面總額分別約91,400,000港元（二零一七年三月三十一日：約72,200,000港元）及約484,100,000港元（二零一七年三月三十一日：約335,600,000港元）之存款及存貨，以取得本集團獲授之一般銀行融資及其他融資。

人力資源

於二零一八年三月三十一日，本集團共有474名（二零一七年三月三十一日：493名）僱員。本財政年度於損益表扣除之員工成本（包括董事酬金）約為44,400,000港元（二零一七年三月三十一日：約45,600,000港元）。

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The Group provided benefits, which included basic salary, commission, discretionary bonus, medical insurance and retirement funds, for employees to sustain competitiveness of the Group. The package was reviewed on an annual basis based on the Group's performance and employees' performance appraisal. The Group also provided training to the employees for their future advancement.

Litigations Updates

References were made to the Company's announcements dated 3 October 2017, 17 November 2017, 19 December 2017 and 3 April 2018 in relation to the first litigation against Tianjin Xin Chang Tai Fu Trading Development Limited* (天津信昌泰富貿易發展有限公司) ("TJXC") (the "First Litigation") and 12 October 2017, 17 November 2017 and 29 December 2017 in relation to the second and third litigations against TJXC (the "Second and Third Litigations").

In respect of the First Litigation, after the retrial of the First Litigation, the Jinghai District People's Court of Tianjin City* (天津市靜海區人民法院) handed down a judgment on 19 March 2018 (the "Appeal Judgment"), which reinstated the judgment of the First Litigation. On 30 March 2018, TJXC filed an appeal application to the First Intermediate People's Court of Tianjin City* (天津市第一中級人民法院) against the Appeal Judgment. As at 31 May 2018, the relevant appeal application was still in progress.

In respect of the Second Litigation, TJXC and the plaintiff had participated a mediation under the supervision of the Second Intermediate People's Court of Tianjin City* (天津市第二中級人民法院) in December 2017.

In respect of the Third Litigation, TJXC had received a judgment handed down by the Jinnan District People's Court of Tianjin City* (天津市津南區人民法院) dated 28 September 2017. On 12 October 2017, TJXC filed an appeal application to the Second Intermediate People's Court of Tianjin City* (天津市第二中級人民法院) against the judgment of the Third Litigation. As at 31 May 2018, the relevant appeal application was still in progress.

本集團為僱員提供基本薪金、佣金、酌情花紅、醫療保險及退休基金等福利，以維持本集團之競爭力。本集團每年按其表現及僱員之表現評估檢討有關待遇。本集團亦會向僱員提供培訓，協助彼等持續發展。

訴訟更新

茲提述本公司日期為二零一七年十月三日、二零一七年十一月十七日、二零一七年十二月十九日及二零一八年四月三日有關針對天津信昌泰富貿易發展有限公司(「天津信昌」)的第一項訴訟(「第一項訴訟」)以及日期為二零一七年十月十二日、二零一七年十一月十七日及二零一七年十二月二十九日有關針對天津信昌的第二項及第三項訴訟(「第二項及第三項訴訟」)的公佈。

就第一項訴訟而言，於重新審理第一項訴訟之後，天津市靜海區人民法院於二零一八年三月十九日頒佈判決(「上訴判決」)，維持第一項訴訟的判決。於二零一八年三月三十日，天津信昌就上訴判決向天津市第一中級人民法院呈交上訴申請。於二零一八年五月三十一日，相關上訴申請仍處於處理階段。

就第二項訴訟而言，於二零一七年十二月在天津市第二中級人民法院的主持下，天津信昌與原告已達成調解。

就第三項訴訟而言，天津信昌收到天津市津南區人民法院頒佈日期為二零一七年九月二十八日的判決。於二零一七年十月十二日，天津信昌就第三項訴訟的判決各自向天津市第二中級人民法院呈交上訴申請。於二零一八年五月三十一日，有關上訴申請仍處於處理階段。

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Management Discussion and Analysis

Based on the legal opinion obtained from the Group's PRC legal adviser, the Group had made a provision of approximately HK\$13 million in aggregate for the possible liquidated damages for the First and Third Litigations. The Group recorded such provision in other expenses for the year ended 31 March 2018.

The Group will make further announcement(s) to inform its Shareholders and potential investors of development of these two cases as and when appropriate.

Placing of shares under general mandate completed in November 2017 and use of proceeds from the placing

On 24 October 2017, the Company entered into a placing agreement with KGI Asia Limited (the "Placing Agent") under which the Placing Agent agreed to place up to a total of 800,000,000 new ordinary shares of HK\$0.002 each (with a total nominal value of HK\$1,600,000) in the Company (the "Placing Shares") to independent third parties on a best effort basis at a price of HK\$0.5681 per Placing Share. The closing price as quoted on the Stock Exchange on 24 October 2017, being the date of the placing agreement was HK\$0.69 per share. The placing of all 800,000,000 Placing Shares to not less than six independent placees was completed on 13 November 2017 and raised net proceeds, after deducting related placing commission, professional fees and all related expenses, of approximately HK\$441 million (with a net price of approximately HK\$0.55 per Placing Share) which were intended to be used for repayment of borrowings, expansion of the audio business of the Group and as the Group's general working capital. As at 31 May 2018, approximately HK\$108 million has been utilised for repayment of borrowings and approximately HK\$41 million has been utilised for expansion of audio business. The remaining balance of approximately HK\$38 million was kept in bank accounts of the Group and approximately HK\$254 million was used for short term investment.

Further details of the above placing were set out in the announcements of the Company dated 24 October 2017 and 13 November 2017 respectively.

根據從本集團的中國法律顧問獲得的法律意見，建議本集團就第一項及第三項訴訟的潛在賠償作出合共約13,000,000港元的撥備。本集團於截至二零一八年三月三十一日止年度將該撥備記錄於其他費用。

本公司將於適當時候另行刊發公佈，以告知股東及潛在投資者有關該兩宗案件的進展。

已於二零一七年十一月完成根據一般授權配售股份及配售所得款項用途

於二零一七年十月二十四日，本公司與凱基證券亞洲有限公司（「配售代理」）訂立一項配售協議，據此，配售代理按竭力基準以每股配售股份價格0.5681港元向獨立第三方配售合共最多800,000,000股本公司每股面值0.002港元（總面值為1,600,000港元）的新股份或普通股（「配售股份」）。於二零一七年十月二十四日（即配售協議日期）聯交所所報收市價為每股0.69港元。向不少於六名獨立承配人配售之全部800,000,000股配售股份已於二零一七年十一月十三日完成及於扣除相關配售佣金、專業費用及所有相關開支後，籌集所得款項淨額約441,000,000港元（每股配售股份淨價約0.55港元）。該款項擬用於償還借貸、擴大本集團的音響業務及用作一般營運資金。截至二零一八年五月三十一日，約108,000,000港元已用於償還借貸及約41,000,000港元已用於擴大本集團音響業務。餘額約38,000,000港元已存放於本集團銀行賬戶及約254,000,000港元已用於短期投資。

有關上述配售之進一步詳情已載於本公司日期分別為二零一七年十月二十四日及二零一七年十一月十三日之公告。

管理層討論及分析

Management Discussion and Analysis

QUALIFIED OPINION

As mentioned in the Independent Auditor's Report of this Annual Report, our independent auditor has expressed a qualified opinion on the Group's consolidated financial statements for the year ended 31 March 2018. Such qualified opinion is related to the Group's investment in B&O before 1 January 2018 when the Group applied the equity method to account for such investment. For more details of such qualified opinion, please refer to the section headed "Qualified Opinion" of the Independent Auditor's Report of this Annual Report.

Since 1 January 2018, as a result of the loss of significant influence over B&O, the Group's investment in B&O was recognized as an investment available for sale and a fair value of such investment can be obtainable through public channels since the share price of B&O is a quoted price in an active market. As the qualified opinion is related to the opening balance and corresponding figures which is a consequential effect resulting from the qualified opinion on the Group's consolidated financial statements for the year ended 31 March 2017, the Directors understand, after discussion with the Group's auditors, that according to paragraph 11(b) and Illustration 2 of Appendix I of Hong Kong Standard on Auditing 710 "Comparative Information – Corresponding Figures and Comparative Financial Statements", there would still be a modified opinion on the corresponding figures (i.e. figures for the year ended 31 March 2018) of the Group's consolidated financial statements for the year ending 31 March 2019. However, such modified opinion will not be focusing on the financial information for the year ending 31 March 2019, but will be focusing on the comparative figures for the year ended 31 March 2018. In light of the above and that the Company has adopted a market approach in relation to the investment in B&O since 1 January 2018, the Directors expect that similar qualified opinion will not be issued in the Group's financial statements for the year ending 31 March 2020.

保留意見

誠如本年報獨立核數師報告所述，獨立核數師已就本集團截至二零一八年三月三十一日止年度的綜合財務報表發表保留意見。該保留意見與於二零一八年一月一日前本集團採納權益法入賬其於B&O之投資有關。有關該保留意見之詳情，請參閱本年報獨立核數師報告「保留意見」一節。

自二零一八年一月一日起，由於本集團失去對B&O之重大影響力，本集團於B&O之投資被確認為可供出售投資及該投資之公允值可自B&O股價成為活躍市場報價起透過公開渠道獲得。由於保留意見與年初結餘及相關數據相關及為本集團截至二零一七年三月三十一日止年度綜合財務報表有關之保留意見產生之後續影響，董事於與本集團核數師討論後知悉，根據根據香港會計準則第710號「比較資料－相應數據及比較財務報表」附錄一第11(b)段及說明2，本集團截至二零一九年三月三十一日止年度綜合財務報表之相關數據（即截至二零一八年三月三十一日止年度之數據）仍將作出修改意見。然而，該修改意見將不會專注於截至二零一九年三月三十一日止年度之財務報表，但將專注於截至二零一八年三月三十一日止年度的比較數據。鑒於上述及本公司已就於B&O之投資自二零一八年一月一日起採納市場法，董事預期，就本集團截至二零二零年三月三十一日止年度之財務報表將不會發出類似保留意見。

管理層討論及分析

Management Discussion and Analysis

The Directors are of the view that B&O is a well-established company listed in Denmark and the published financial information are governed by the disclosure requirements set out in the rules for issuers of shares published by Nasdaq Copenhagen. As such, the Directors have no reasonable ground to doubt the accuracy and completeness of B&O's financial statements set out therein and are therefore of the view that the carrying amount of the Group's investment in B&O as at 31 March 2017, the Group's share of B&O's results for the period from 1 April 2017 to 1 January 2018, being the date of deemed disposal of B&O, and the gain on deemed disposal of B&O are fairly stated. The Audit Committee of the Company has critically reviewed the management's position on the major judgmental areas and concluded that there is no disagreement with the management's position on the qualified opinion issued by the auditors and then recommended the same to the Directors for approval.

RECENT DEVELOPMENT AND PROSPECT

China is on track to be the largest luxury cars market in a few years. Super brands including Porsche, Mercedes Benz and Audi had recorded brilliant sales in China during 2017 based on an article titled "2017 (Full Year) China and Worldwide German Luxury Car Sales" reported by Best-selling Cars.com dated 16 January 2018. China was again the largest single-country market for Porsche and with a 10% increases in sales and also the fastest growing major market. In 2017, China was again the largest and fastest growth region for Mercedes Benz with sales increased to 587,868 cars – the second consecutive year – that Mercedes Benz sales in China had grown by over a quarter. A strong recovery during the second half of 2017 allowed Audi to stay just ahead of BMW and Mercedes Benz in China with sales increased by approximately 1.1% to 597,866 cars.

董事認為，B&O為於丹麥上市之信譽良好公司及公開財務資料受納斯達克哥本哈根所刊發股份發行人規定所載披露規定規管。因此，董事並無合理理由懷疑本年報所載B&O財務報表之準確性及完整性，故認為本集團於二零一七年三月三十一日於B&O投資之賬面值、本集團分佔B&O於二零一七年四月一日至二零一八年一月一日（即視作出售B&O當日）期間之業績及視作出售B&O之收益屬公平呈列。本公司審核委員會已嚴格審閱管理層就主要判斷領域之態度，並得出結論，與管理就核數師出具的保留意見之態度並無分歧及隨後已向董事作出相同推薦意見以供批准。

近期發展及前景

於未來數年，中國有望成為最大的豪華汽車市場。據Best-selling Cars.com於二零一八年一月十六日的報導「二零一七年(全年)中國及世界各地德國豪華汽車銷售(2017 (Full Year) China and Worldwide German Luxury Car Sales)」，各大超級品牌(包括保時捷、梅賽德斯奔馳及奧迪)於二零一七年在中國均錄得輝煌業績。中國再次成為保時捷最大單一國家市場，銷售增長為10%，並為增長最快的主要市場。於二零一七年，中國再次成為梅賽德斯奔馳增長最大及最快的區域，梅賽德斯奔馳於中國的銷量達587,868輛一連續兩年於中國增長超過四分之一。中國市場於二零一七年下半年強勁復甦，使得奧迪領先寶馬及梅賽德斯奔馳。奧迪於中國的銷售增長約1.1%至597,866輛。

管理層討論及分析

Management Discussion and Analysis

Lamborghini, one of our automobile brands, will be delivering its newly released SUV, Urus, to our customers in the upcoming financial year. The Group is confident that such new model of ultra-luxury automobiles will be able to stimulate sales of our automobile division. Hence, the Group relocated the brand's after-sales services centre in Beijing to a more spacious and cozy location during this financial year. On the other hand, we also plan to relocate an existing after-sales services centre for Bentley in Beijing in the upcoming financial year, hoping to cope with the demands of the brand.

In view of the significant investment in B&O and the satisfactory performance of the B&O PLAY dealership business in the PRC, audio equipment business is still one of the focuses of the Group in the upcoming financial years. As the investment in B&O represented approximately 33% of the Group's total assets as at 31 March 2018, the Group will continue monitoring such significant investment.

The Group continues destocking the other non-auto inventories especially watches and jewellery.

In addition, the Group's results are strongly correlated to the ups and downs of the China's economy and its luxury automobile market. In order to minimize the effects to the Group from these two core factors, we are taking steps to diversify the business risk and stabilize the healthy cash flow of the Group. An announcement will be made if any such opportunities has been finalised.

蘭博基尼(我們旗下汽車品牌之一)將於下個財政年度向我們的客戶推出新發佈的運動型車輛 Urus。本集團有信心，新型號超豪華汽車將能刺激汽車部門的銷售。因此，本集團於本財政年度將北京售後服務中心搬遷至更為寬敞及舒適的場地。另一方面，我們亦計劃於下個財政年度搬遷位於北京的現有賓利售後服務中心，以滿足品牌需求。

鑒於對B&O所作重大投資及B&O PLAY在中國的分銷業務表現令人滿意，音響設備業務於未來財政年度將仍為本集團的業務重點之一。由於於B&O之投資佔本集團於二零一八年三月三十一日總資產約33%，本集團將持續監察該重大投資。

本集團將繼續縮減其他非汽車業務存貨，特別是鐘錶及珠寶分部。

此外，本集團的業績與中國的經濟及豪華汽車市場起伏息息相關。為將該兩個核心因素對本集團的影響降至最低，我們正採取步驟分散業務風險及穩定本集團的健康現金流。本集團將於任何該等機會落實後作出公佈。

董事會報告

Report of the Directors

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in distributorships of luxury goods. The operations are mainly based in Hong Kong, the People's Republic of China (the "PRC") and Malaysia. Details of the principal activities of the principal subsidiaries are set out in note 37 to the financial statements.

BUSINESS REVIEW

A fair review of the Group's business, including the Group's segmental analysis, the important events affecting the Group that have occurred since the end of 31 March 2018 and the likely future developments, is set out in the sections headed "the Chairman's Statement" and "Management Discussion and Analysis" of this Annual Report.

Details about the principal risks and uncertainties that the Group is facing, are set out in the section headed "Risk Management and Internal Controls" of the Corporate Governance Report contained in this Annual Report.

Details about the Group's financial risk management are set out in note 39 to the financial statements.

DIVIDEND

The directors of the Company (the "Directors") do not recommend the payment of a final dividend for the year ended 31 March 2018 (31 March 2017: nil) while no interim dividend (2017: nil) had been distributed during the year as the Group would like to reserve more capital to capture opportunities as mentioned in "Recent Development and Prospect".

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to an ordinary resolution passed at a special general meeting of the Company held on 7 October 2002 for the primary purpose of providing incentives to the Directors and eligible employees. The Scheme expired on 6 October 2012.

主要業務

本公司為一間投資控股公司。其附屬公司主要於香港、中華人民共和國（「中國」）及馬來西亞從事奢侈品代理業務。主要附屬公司之主要業務詳情載於財務報表附註37。

業務審視

對本集團業務之中肯審視載於本年報中之「主席報告」以及「管理層討論及分析」兩節，當中包括本集團的分部分析、在二零一八年三月三十一日終結後發生的、對本集團有影響的重大事件以及相當可能有的未來發展的揭示。

有關本集團面對之主要風險及不明朗因素之詳情載於本年報中之企業管治報告內的「風險管理及內部監控」一節。

有關本集團財務風險管理之詳情載於財務報表附註39。

股息

如「近期發展及前景」所述，由於本集團希望儲備更多資金以把握未來商機，本公司董事（「董事」）並不建議派發截至二零一八年三月三十一日止年度的末期股息（二零一七年三月三十一日：無），亦無於年內分派中期股息（二零一七年：無）。

購股權計劃

本公司之購股權計劃（「該計劃」）乃根據本公司於二零零二年十月七日舉行之股東特別大會上通過之普通決議案採納，其主要目的為給予董事及合資格僱員獎勵。該計劃已於二零一二年十月六日屆滿。

董事會報告

Report of the Directors

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 20 August 2012, the Company's new share option scheme (the "New Scheme") was adopted. The New Scheme is valid and effective for a term of ten years commencing from 20 August 2012. There are approximately 4 years remaining life of the New Scheme.

The total number of shares in respect of which options may be granted under the New Scheme as at 31 March 2018 was 297,982,885 shares (including options for nil share that have been granted but not yet lapsed or exercised), representing 10% of the issued share capital of the Company as at the date of approval of the adoption of the New Scheme initially.

The Company operates the New Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's business. Eligible participants of the New Scheme include any Director (including Executive, Non-executive and Independent Non-executive Directors), any employee, or any consultant, advisor, customer and business associates.

There was no outstanding share to be issued under the New Scheme as at 31 March 2018 (as at 31 March 2017: nil).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2018, the largest and the top five suppliers of the Group accounted for 43.6% and 98.5% of the Group's total purchases respectively. The largest and the top five customers of the Group accounted for less than 10% of the Group's total revenue.

At no time during the year under review did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had a beneficial interest in any of the Group's five largest suppliers or customers for this financial year.

根據本公司於二零一二年八月二十日舉行之股東週年大會上通過之普通決議案，本公司已採納新購股權計劃（「新計劃」）。新計劃由二零一二年八月二十日起有效及生效，為期十年。新計劃尚餘年期約為四年。

於二零一八年三月三十一日，可根據新計劃授出之購股權所涉及之股份總數為297,982,885股（包括已授出但尚未失效或行使之購股權涉及之零股股份），即本公司於初步批准採納新計劃當日已發行股本之10%。

本公司設立新計劃，以向對本集團業務之成功作出貢獻之合資格參與者提供獎勵及回報。新計劃之合資格參與者包括任何董事（包括執行、非執行及獨立非執行董事）、任何僱員，或任何諮詢人、顧問、客戶及業務聯繫人。

於二零一八年三月三十一日，概無根據新計劃須予發行而未發行之股份（於二零一七年三月三十一日：無）。

主要客戶及供應商

截至二零一八年三月三十一日止年度，本集團最大及五大供應商分別佔本集團總採購額之43.6%及98.5%。本集團最大及五大客戶佔本集團之總收益均少於10%。

本公司各董事、董事之聯繫人或股東（據董事所知擁有本公司股本5%以上）於回顧年度內任何時間概無擁有本集團於本財政年度內五大供應商或客戶之任何實益權益。

董事會報告

Report of the Directors

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statement of comprehensive income on pages 98 and 99 of this Annual Report.

The Directors do not recommend the payment of any dividend in respect of this financial year.

RESERVES

Details of the movements in the reserves of the Group and the Company during this financial year are set out in the consolidated statement of changes in equity on page 104 and note 43(b) to the financial statements respectively.

DISTRIBUTABLE RESERVES

In addition to retained profits, under the Bermuda Companies Act, the contributed surplus account of the Company is also available for distribution to its shareholders. However, the Company cannot declare or pay a dividend, or make a distribution, out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the Directors, the distributable reserve accounts comprise the reserves of the Company of approximately HK\$475,891,000 in surplus (2017: HK\$8,688,000 in deficit).

SHARE CAPITAL

Details of the movements during this financial year in the share capital of the Company are set out in note 31 to the financial statements.

業績及分派

本集團截至二零一八年三月三十一日止年度之業績載於本年報第98及99頁之綜合全面收入報表內。

董事不建議就本財政年度派發任何股息。

儲備

本集團及本公司儲備於本財政年度內之變動詳情分別載於第104頁之綜合股本權益變動表及財務報表附註43(b)。

可供分派儲備

根據百慕達公司法，除保留溢利外，本公司之繳入盈餘賬亦可供分派予其股東。然而，倘發生以下情況，則本公司不得從繳入盈餘中宣派或支付股息或作出分派：

- (a) 本公司無法或在付款後未能償還到期債務；或
- (b) 本公司資產之可變現價值將會因此而低於其負債、已發行股本及股份溢價賬之總和。

董事認為，可供分派儲備賬包括本公司儲備盈餘約475,891,000港元（二零一七年：虧絀8,688,000港元）。

股本

本公司股本於本財政年度內之變動詳情載於財務報表附註31。

董事會報告

Report of the Directors

BORROWINGS

Particulars of borrowings of the Group as at 31 March 2018 are set out in note 29 to the financial statements.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the past five financial years is set out on page 216 of this Annual Report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during this financial year in the property, plant and equipment of the Group are set out in note 16 to the financial statements.

DIRECTORS AND SERVICE CONTRACTS

The Directors of the Company during this financial year and up to the date of this Annual Report were as follow:

Executive Directors:

Mr. Zheng Hao Jiang
Mr. Zhu Lei
Mr. Cheung Man Kit (appointed with effect from 15 December 2017)
Mr. Tong Kai Lap (resigned with effect from 1 January 2018)

Non-executive Directors:

Mr. Gao Yu
Mr. Qi Jian Wei
Mr. Tang Sung Wai (appointed with effect from 1 January 2018)
Mr. Zhang Si Jian (resigned with effect from 15 December 2017)

Independent Non-executive Directors:

Mr. Choy Sze Chung, Jojo
Mr. Lam Kwok Cheong
Mr. Lee Thomas Kang Bor

借貸

本集團於二零一八年三月三十一日之借貸詳情載於財務報表附註29。

財務概要

本集團之已公佈業績、資產與負債及非控股權益於過去五個財政年度之概要載於本年報第216頁。

物業、機器及設備

本集團之物業、機器及設備於本財政年度內之變動詳情載於財務報表附註16。

董事及服務合約

本財政年度內及截至本年報刊發日期止，本公司之董事如下：

執行董事：

鄭浩江先生
朱雷先生
張文杰先生(於二零一七年十二月十五日獲委任)
唐啟立先生(於二零一八年一月一日辭任)

非執行董事：

高煜先生
綦建偉先生
鄧崇偉先生(於二零一八年一月一日獲委任)
張思堅先生(於二零一七年十二月十五日辭任)

獨立非執行董事：

蔡思聰先生
林國昌先生
李鏡波先生

董事會報告

Report of the Directors

In accordance with bye-law no. 86(2) of the Company's Bye-laws, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of Company after his appointment and be subject to re-election at such meeting.

In accordance with bye-law no. 87(1) of the Company's Bye-laws, every director should be subject to retirement by rotation at the annual general meeting at least once every three years and are eligible for re-election.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The term of office of each Independent Non-executive Director is for the period of two years and renewable for one year up to his retirement by rotation in accordance with the Company's Bye-laws.

In accordance with bye-law no.86(2) of the Company's Bye-laws, Mr. Cheung Man Kit and Tang Sung Wai were appointed as the Executive Director and the Non-executive Director respectively during this financial year and will hold office until the forthcoming annual general meeting of the Company. Mr. Cheung Man Kit and Mr. Tang Sung Wai will offer themselves for re-election at the forthcoming annual general meeting.

In accordance with code provision A.4.3 of Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), serving more than 9 years could be relevant to the determination of a Non-executive Director's independence. If an Independent Non-executive Director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be re-elected.

In accordance with bye-law no. 87(1) of the Company's Bye-laws, Mr. Zheng Hao Jiang, Mr. Zhu Lei and Mr. Lee Thomas Kang Bor will retire by rotation and, being eligible, offer themselves for re-election. In addition, as Mr. Lee Thomas Kang Bor has served the Company for more than nine years, his appointment will be subject to a separate resolution to be approved by the shareholders at the forthcoming annual general meeting of the Company.

根據本公司之公司細則第86(2)條之規定，任何獲董事會委任以增加現時董事會成員人數之董事，其任期將僅至其獲委任後之本公司下屆股東週年大會為止並有資格在該大會上膺選連任。

根據本公司之公司細則第87(1)條之規定，每位董事須最少三年一次於股東週年大會上輪值告退，並符合資格可膺選連任。

擬於應屆股東週年大會上膺選連任之董事概無與本公司或其附屬公司訂立本集團不可於一年內免付補償(法定補償除外)而終止之服務合約。

各獨立非執行董事之任期為兩年，另可延續一年，直至彼根據本公司之公司細則輪值告退為止。

根據本公司之公司細則第86(2)條之規定，張文杰先生及鄧崇偉先生於本財政年度內已分別獲委任執行董事及非執行董事，任期直至本公司迎接股東週年大會為止。張文杰先生及鄧崇偉先生將於迎接股東週年大會上膺選連任。

根據聯交所證券上市規則(「上市規則」)附錄十四守則條文第A.4.3條，任職9年以上可能與決定非執行董事是否為獨立人士存在相關性。若獨立非執行董事任職超過9年，其進一步委任事項須以股東批准獨立決議案方式通過。隨附該項決議案的致股東文件內應載有董事會相信其仍保持獨立及應膺選連任的理由。

根據本公司之公司細則第87(1)條，鄭浩江先生、朱雷先生及李鏡波先生將輪值告退及符合資格膺選連任。此外，由於李鏡波先生已於本公司任職九年以上，彼等之委任將以獨立決議案形式於本公司迎接股東週年大會上由股東審議通過。

董事會報告

Report of the Directors

Details of the Directors' emoluments are set out in note 12 to the financial statements.

The biographical details of the Directors and senior management are set out on pages 66 to 74 of this Annual Report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Except as disclosed in note 36 to and elsewhere in the financial statements, there are no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of this financial year or at any time during this financial year.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, the Company disclosed that no Directors of the Company is considered to have interests in any business which is likely to compete directly or indirectly with the business of the Group.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during this financial year.

PERMITTED INDEMNITY

Pursuant to the bye-law no. 168(1) of the Company's Bye-Laws, the Directors, secretary or other officers of the Company shall be entitled to be indemnified out of the assets and profits of the Company from and against all losses or damages which he may sustain or incur in or about the execution of the duties of his office, or otherwise in relation thereto.

董事酬金詳情載於財務報表附註12。

董事及高級管理人員之履歷詳情載於本年報第66至74頁。

獨立非執行董事之獨立性確認書

本公司已收到各獨立非執行董事遵照上市規則第3.13條就其獨立性所呈交之年度確認書。本公司認為全體獨立非執行董事均屬獨立人士。

董事於重要交易、安排或合約之權益

除財務報表附註36及其其他部分所披露者外，於本財政年終或本財政年內任何時間，概無存在由本公司或其任何附屬公司所進行或訂立且本公司董事於其中直接或間接擁有重大利益之重要交易、安排或合約。

董事於競爭業務之權益

根據上市規則第8.10條，本公司披露概無本公司董事被視為於可能與本集團業務存在直接或間接競爭之任何業務中擁有權益。

管理合約

本財政年內，本公司並無訂立或保留任何有關本公司整體或其中任何重大部分業務之管理及行政合約。

獲准許之彌償

根據本公司之公司細則第168(1)條，本公司各董事、秘書或其他高級職員獲得彌償保證，因執行職務或與此相關之其他原因而蒙受或招致之一切損失或損害賠償，將從本公司資產及溢利獲得彌償。

董事會報告

Report of the Directors

The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

本公司已就董事及本集團高級職員安排合適之董事及高級職員責任保險。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

董事於本公司及其相聯法團股份、相關股份及債券之權益

As at 31 March 2018, the interests and short positions of the Directors and/or the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or (ii) as recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, were as follows:

於二零一八年三月三十一日，本公司各董事及／或最高行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例有關條文彼被當作或視作擁有之權益及淡倉）；或(ii)本公司根據證券及期貨條例第352條須予存置之登記冊所記錄之權益及淡倉；或(iii)根據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須另行知會本公司及聯交所之權益及淡倉如下：

Long position in the shares, underlying shares and debentures of the Company

於本公司股份、相關股份及債券之好倉

Name of director 董事姓名	Capacity 身份	Number of shares held 持有股份數目	Approximate percentage of interest 權益概約百分比
Mr. Zheng Hao Jiang 鄭浩江先生	Beneficial owner 實益擁有人	10,640,000	0.21%
Mr. Choy Sze Chung, Jojo 蔡思聰先生	Beneficial owner 實益擁有人	1,000,000	0.02%
Mr. Lee Thomas Kang Bor 李鏡波先生	Beneficial owner 實益擁有人	1,256,000	0.03%

董事會報告

Report of the Directors

Note:

- (1) The denominator used is 4,941,237,447 shares, being the total number of shares of the Company in issue as at 31 March 2018.

SHARE OPTIONS

The New Scheme was adopted pursuant to an ordinary resolution passed at the general meeting of the Company held on 20 August 2012.

附註：

- (1) 所用分母為4,941,237,447股股份，即於二零一八年三月三十一日本公司之已發行股份總數。

購股權

新計劃乃根據本公司於二零一二年八月二十日舉行之股東大會上通過之普通決議案採納。

董事會報告

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2018, the register maintained by the Company pursuant to Section 336 of the SFO shows that, other than a Director or chief executive of the Company, the following shareholders had notified the Company of relevant interests and short positions in the shares and underlying shares of the Company:

Long position or short position in the shares

主要股東於本公司股份及相關股份之權益

於二零一八年三月三十一日，按本公司根據證券及期貨條例第336條之規定存置之登記冊所示，除本公司董事或最高行政人員外，下列股東已知會本公司彼等於本公司股份及相關股份之相關權益及淡倉：

於本公司股份之好倉或淡倉

Name of shareholder 股東姓名／名稱	Capacity 身份	Number of shares 股份數目 (Note 1) (附註1)	Approximate percentage of Interest 權益概約百分比 (Note 2) (附註2)
Sparkle Roll Holdings Limited 耀萊控股有限公司	Beneficial owner 實益擁有人	2,321,012,630 (L)	46.97%
Mr. Qi Jian Hong alias Mr. Kei Kin Hung ("Mr. Qi") (Notes 3 & 4) 慕建虹先生(「慕先生」)(附註3及4)	Beneficial owner 實益擁有人	307,224,000 (L)	6.22%
Mr. Qi Ms. Zhu Shuang (Note 3) 朱爽女士(附註3)	Interested of controlled corporation 控制法團權益	2,628,236,630 (L)	53.19%
Able Honour Holdings Limited Able Honour Holdings Limited	Interest of spouse 配偶權益(附註1)	2,628,236,630 (L)	53.19%
Ms. Xu Jiaying 徐佳瑩女士	Having a security interest in shares (Note 3) 擁有股份保證權益(附註3)	1,200,000,000 (S)	24.29%
UBS Securities LLC	Beneficial owner 實益擁有人	4,208,000 (L)	0.08%
UBS Group AG	Interested of controlled corporation (Note 4) 控制法團權益(附註4)	1,200,000,000 (S)	24.29%
	Having a security interest in shares 擁有股份保證權益	300,288,000 (S)	6.08%
	Interest of controlled corporation (Note 5) 控制法團權益(附註5)	420,000 (S)	0.01%
	Interest of controlled corporation (Note 5) 控制法團權益(附註5)	420,000 (S)	0.01%

董事會報告

Report of the Directors

Notes:

- (1) The letter “L” denotes a person’s “long position” in such Shares and the letter “S” denotes a person’s “short position” in such Shares.
- (2) The percentage of shareholding is calculated on the basis of 4,941,237,447 Shares in issue as at 31 March 2018.
- (3) These 2,321,012,630 Shares were held by Sparkle Roll Holdings Limited. Sparkle Roll Holdings Limited is a company wholly owned by Mr. Qi. Accordingly, Mr. Qi was deemed to be interested in the Shares held by Sparkle Roll Holdings Limited. Ms. Zhu Shuang is the wife of Mr. Qi. Accordingly, Ms. Zhu Shuang was deemed to be interested in the Shares held by Sparkle Roll Holdings Limited and Mr. Qi.
- (4) Among these 2,321,012,630 Shares, 1,200,000,000 Shares have been charged to Able Honour Holdings Limited as security interest. Able Honour Holdings Limited is 100% controlled by Ms. Xu Jiaying. Accordingly, Ms. Xu Jiaying is deemed to be interested in all the Shares in which Able Honour Holdings Limited.
- (5) These 420,000 Shares and 420,000 short positions were held by UBS Securities LLC which is a company 100% controlled by UBS Group AG. Accordingly, UBS Group AG was deemed to be interested in the Shares and short positions held by UBS Securities LLC.

附註：

- (1) 字母「L」指相關人士於該等股份的「長倉」及字母「S」指相關人士於該等股份的「淡倉」。
- (2) 股權百分比按於二零一八年三月三十一日已發行4,941,237,447股股份為基準計算。
- (3) 該等2,321,012,630股股份由耀萊控股有限公司持有。耀萊控股有限公司由蔡先生全資擁有。因此，蔡先生被視為於耀萊控股有限公司所持有的股份中擁有權益。朱爽女士為蔡先生的配偶。因此，朱爽女士被視為於萊控股有限公司及蔡先生所持有的股份中擁有權益。
- (4) 該等2,321,012,630股股份中，1,200,000,000股股份已抵押予Able Honour Holdings Limited作為保證權益。Able Honour Holdings Limited由徐佳瑩女士擁有100%控制權。因此，徐佳瑩女士被視作於Able Honour Holdings Limited擁有權益的所有股份中擁有權益。
- (5) 該等420,000股股份及420,000股淡倉由UBS Securities LLC持有，UBS Securities LLC為由UBS Group AG擁有100%控制權的公司。因此，UBS Group AG被視作於UBS Securities LLC持有的股份及淡倉中擁有權益。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed in the section headed “Share Options” above, at no time during this financial year was the Company, fellow subsidiaries or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during this financial year.

購買股份或債券之安排

除上文「購股權」一節所披露者外，於本財政年內任何時間，本公司、同系附屬公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉收購本公司或任何其他法人團體之股份或債券而獲益。

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於本財政年內概無購買、出售或贖回本公司任何上市證券。

董事會報告

Report of the Directors

PRE-EMPTIVE RIGHTS

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

EMOLUMENT POLICY

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

The Board has the general power of determining the Directors' remuneration, subject to authorization of the shareholders of the Company at the annual general meeting each year. The emoluments of the executive Directors are subject to review by the Remuneration Committee of the Company, and their remuneration is determined with reference to the Directors' qualifications, experience, duties, responsibilities, performance, results of the Group and comparable market information.

The Company has adopted the New Scheme as an incentive to Directors and eligible participants.

CONTINUING CONNECTED TRANSACTIONS

The directors of the Company are responsible for the completeness and accuracy of disclosures of continuing connected transactions ("CCT") and the Company's compliance with the Listing Rules in respect of such transactions.

The Independent Non-executive Directors of the Company had reviewed all CCT as shown on pages 35 to 42 and confirmed in this Annual Report and accounts that the transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

優先購買權

本公司之公司細則或百慕達法律並無有關優先購買權之規定，規定本公司須按現有股東之持股比例向彼等發售新股份。

酬金政策

本集團僱員之酬金政策乃由本公司薪酬委員會基於僱員之表現、資歷及能力制訂。

董事會擁有釐定董事薪酬之一般權力，而該權力須每年於股東週年大會上獲本公司股東授權。執行董事之酬金須由本公司薪酬委員會檢討，而薪酬金額乃經考慮董事之資歷、經驗、職務、職責、表現、本集團業績及可比較市場資料後釐定。

本公司已採納新計劃以獎勵董事及合資格參與者。

持續關連交易

本公司董事就持續關連交易（「持續關連交易」）披露事項之完整性及準確性以及本公司就該等交易遵守上市規則負責。

本公司之獨立非執行董事已審閱第35至42頁所示之所有持續關連交易，並於本年報及賬目確認，該等交易乃：

- (1) 於本集團日常及一般業務過程中訂立；
- (2) 按正常商業條款訂立；及
- (3) 按照規管該等交易且條款屬公平合理並符合本公司股東整體利益之相關協議訂立。

董事會報告

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Crowe (HK) CPA Limited, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or 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. Crowe (HK) CPA Limited has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules and confirmed that:

- (a) nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions have not been approved by the board of the Company;
- (b) for transactions involving the provision of services by the Group, nothing has come to its attention that causes it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to its attention that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions have exceeded the relevant annual caps as set by the Company.

A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

持續關連交易 (續)

本公司核數師國富浩華(香港)會計師事務所有限公司已獲委聘，遵照香港會計師公會頒佈之香港核證聘用準則3000(修訂)「歷史財務資料審計或審閱以外的核證聘用」並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團之持續關連交易作出匯報。國富浩華(香港)會計師事務所有限公司已根據上市規則第14A.56條發出載有持續關連交易之核證結果及結論之無保留意見函件，並確認：

- (a) 彼等並不知悉有任何事宜，導致彼等相信本公司之董事會未有批准已披露之持續關連交易；
- (b) 彼等並不知悉有任何事宜，導致彼等相信該等交易在各主要方面並非按照本集團之定價政策進行(倘該等交易涉及由本集團提供服務)；
- (c) 彼等並不知悉有任何事宜，導致彼等相信該等交易在各主要方面並非按照規管該等交易之相關協議進行；及
- (d) 彼等並不知悉有任何事宜，導致彼等相信已披露之持續關連交易已超出本公司設定之相關年度上限。

本公司已將核數師函件副本呈交香港聯合交易所有限公司。

董事會報告

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Showroom Rental Agreement

On 31 December 2010, Tianjin Xin Chang Tai Fu Trading Development Limited (“TJXC”), an indirect wholly-owned subsidiary of the Company, entered into a showroom rental agreement (the “Showroom Rental Agreement”) with Mr. Qi, a substantial shareholder of the Company, for a term commencing from 1 January 2011 to 31 December 2013, in respect of the office rental, management fees and office expenses in relation to a showroom and office of a gross floor area of approximately 365 square metres at Zeng No. 4, No. 162 Zhang Zi Zhong Road, Heping District, Tianjin, the PRC and subject to an annual cap of RMB2,640,000.

A supplemental agreement (the “Supplemental Agreement”) was entered into between TJXC and Mr. Qi dated 30 June 2011 for extension of the duration of the Showroom Rental Agreement from its original term of 3 years from 1 January 2011 inclusive to 10 years from 1 January 2011 inclusive.

For the year ended 31 March 2018, the total rental paid by TJXC to Mr. Qi amounted to RMB2,640,000 or approximately HK\$3,134,000.

Beijing Leasing Agreement I

On 30 June 2011, Beijing Sparkle Roll Xin Tian Di Commerce Development Limited (“SRXTD”), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “Beijing Leasing Agreement I”) with Mr. Qi, a substantial shareholder of the Company, for a 10-year term from 1 July 2011 to 30 June 2021, for leasing a portion of warehouse for exhibition purpose, of a portion of warehouse having a gross floor area of approximately 2,150 square metres at portions of Basement Level 1 of Towers A and B, International Wonderland No. 40 Xing Fu Er Chun, San Li Tun, Chaoyang District, Beijing, the PRC.

持續關連交易 (續)

展廳租賃協議

於二零一零年十二月三十一日，本公司間接全資附屬公司天津信昌泰富貿易發展有限公司（「天津信昌」）與本公司主要股東綦先生訂立展廳租賃協議（「展廳租賃協議」），協議期自二零一一年一月一日起至二零一三年十二月三十一日止，涉及與位於中國天津市和平區張自忠路162號增4號之展廳及辦公室（總樓面面積約365平方米）有關之辦公室租賃、管理費用及辦公室開支，年度上限為人民幣2,640,000元。

於二零一一年六月三十日，天津信昌與綦先生訂立補充協議（「補充協議」），以將展廳租賃協議之期限由原先自二零一一年一月一日起為期三年（包括首尾兩天）延長至自二零一一年一月一日起為期十年（包括首尾兩天）。

於截至二零一八年三月三十一日止年度，天津信昌已付綦先生之租金總額為人民幣2,640,000元或約3,134,000港元。

北京租賃協議 I

於二零一一年六月三十日，本公司間接全資附屬公司北京耀萊新天地商業發展有限公司（「SRXTD」）與本公司主要股東綦先生訂立租賃協議（「北京租賃協議 I」），自二零一一年七月一日起至二零二一年六月三十日止為期十年，以租用中國北京市朝陽區三里屯幸福二村40號樓首開幸福廣場A座及B座地下1層之倉庫部分面積（總樓面面積約2,150平方米）作展覽用途。

董事會報告

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Beijing Leasing Agreement I (Continued)

For the year ended 31 March 2018, the total rental paid by SRXTD to Mr. Qi amounted to RMB2,400,000 or approximately HK\$2,849,000.

An agreement was entered into between SRXTD and Sparkle Roll Retail Net Development Limited (“SRRND”), an indirect wholly-owned subsidiary of the Company, dated 6 July 2011 pursuant to which the tenant of the Beijing Leasing Agreement I was transferred from SRXTD to SRRND, with the same agreement terms.

An amended Beijing Leasing Agreement I was entered into among SRXTD, SRRND and Mr. Qi under which portions of Basement Level 1 of Tower B, International Wonderland No. 40 Xing Fu Eu Chun, San Li Tun, Chaoyang District, Beijing, the PRC were surrendered to Mr. Qi (with no liability on the part of SRRND and SRXTD) with effect from 1 July 2013. The lease in respect of the retained portion would continue under the same terms save for rental reduction on account of the partial surrender.

Beijing Leasing Agreement II

On 30 June 2011, Beijing Mei He Zhen Yong Motors Trading Limited (“BJMH”), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “Beijing Leasing Agreement II”) with Mr. Qi, a substantial shareholder of the Company, for a 10-year term from 1 July 2011 to 30 June 2021, for leasing a showroom for luxury automobiles dealership business, of a portion of showroom having a gross floor area of approximately 1,135 square metres at portions of Level 1 of Tower A, International Wonderland No. 40 Xing Fu Er Chun, San Li Tun, Chaoyang District, Beijing, the PRC.

For the year ended 31 March 2018, the total rental paid by BJMH to Mr. Qi amounted to RMB11,040,000 or approximately HK\$13,105,000.

An agreement was entered into between BJMH and SRRND, an indirect wholly-owned subsidiary of the Company, dated 6 July 2011 pursuant to which the tenant of the Beijing Leasing Agreement II was transferred from BJMH to SRRND, with the same agreement terms.

持續關連交易 (續)

北京租賃協議 I (續)

於截至二零一八年三月三十一日止年度，SRXTD已付慕先生之租金總額為人民幣2,400,000元或約2,849,000港元。

SRXTD與本公司之間接全資附屬公司耀萊零售網絡發展有限公司(「SRRND」)於二零一一年七月六日訂立協議，據此，北京租賃協議I之租戶由SRXTD改為SRRND，協議條款相同。

SRXTD、SRRND與慕先生訂立經修訂北京租賃協議I，據此，中國北京市朝陽區三里屯幸福二村40號樓首開幸福廣場B座地下1層之部分已交回慕先生(SRRND及SRXTD概無任何責任)，由二零一三年七月一日起生效。保留部分之租賃將根據相同條款繼續有效，惟計及已交回部分而扣減租金除外。

北京租賃協議 II

於二零一一年六月三十日，本公司間接全資附屬公司北京美合振永汽車貿易有限公司(「北京美合」)與本公司主要股東慕先生訂立租賃協議(「北京租賃協議II」)，自二零一一年七月一日起至二零二一年六月三十日止為期十年，以租用中國北京市朝陽區三里屯幸福二村40號樓首開幸福廣場A座第1層之展廳部分面積(總樓面面積約1,135平方米)作為豪華轎車分銷業務展廳。

於截至二零一八年三月三十一日止年度，北京美合已付慕先生之租金總額為人民幣11,040,000元或約13,105,000港元。

北京美合與本公司之間接全資附屬公司SRRND於二零一一年七月六日訂立協議，據此，北京租賃協議II之租戶由北京美合改為SRRND，協議條款相同。

董事會報告

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Beijing Leasing Agreement III

On 30 June 2011, Sparkle Roll Oriental (Beijing) Trading Development Limited (“SROBJ”), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “Beijing Leasing Agreement III”) with Mr. Qi, a substantial shareholder of the Company, for a 10-year term from 1 July 2011 to 30 June 2021, for leasing a showroom for distribution of fine wines, watches and jewellery, of a portion of showroom having a gross floor area of approximately 2,148 square metres at portions of Levels 1 and 2 of Tower A, International Wonderland No. 40 Xing Fu Er Chun, San Li Tun, Chaoyang District, Beijing, the PRC.

For the year ended 31 March 2018, the total rental paid by SROBJ to Mr. Qi amounted to RMB13,560,000 or approximately HK\$16,096,000.

An agreement was entered into between SROBJ and SRRND, a wholly owned subsidiary of the Company, dated 6 July 2011 pursuant to which the tenant of the Beijing Leasing Agreement III was transferred from SROBJ to SRRND, with the same agreement terms.

Beijing Leasing Agreement IV

On 30 June 2011, Beijing De Te Motors Trading Limited (“BJDT”), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “Beijing Leasing Agreement IV”) with Mr. Qi, a substantial shareholder of the Company, for a 10-year term from 1 July 2011 to 30 June 2021, for leasing an office, of a portion of office having a gross floor area of approximately 1,280 square metres at Level 3 of Tower A and portion of Level 7 of Tower B, International Wonderland No.40 Xing Fu Er Chun, San Li Tun, Chaoyang District, Beijing, the PRC.

For the year ended 31 March 2018, the total rental paid by BJDT to Mr. Qi amounted to RMB4,560,000 or approximately HK\$5,413,000.

An agreement was entered into between BJDT and SRRND, a wholly owned subsidiary of the Company, dated 6 July 2011 pursuant to which the tenant of the Beijing Leasing Agreement IV was transferred from BJDT to SRRND, with the same agreement terms.

持續關連交易 (續)

北京租賃協議 III

於二零一一年六月三十日，本公司間接全資附屬公司耀萊東方(北京)貿易發展有限公司(「耀萊東方北京」)與本公司主要股東綦先生訂立租賃協議(「北京租賃協議III」)，自二零一一年七月一日起至二零二一年六月三十日止為期十年，以租用中國北京市朝陽區三里屯幸福二村40號樓首開幸福廣場A座第1及2層之展廳部分面積(總樓面面積約2,148平方米)作為名酒、腕錶及珠寶代理展廳。

於截至二零一八年三月三十一日止年度，耀萊東方北京已付綦先生之租金總額為人民幣13,560,000元或約16,096,000港元。

耀萊東方北京與本公司之全資附屬公司SRRND於二零一一年七月六日訂立協議，據此，北京租賃協議III之租戶由耀萊東方北京改為SRRND，協議條款相同。

北京租賃協議 IV

於二零一一年六月三十日，本公司間接全資附屬公司北京德特汽車貿易有限公司(「北京德特」)與本公司主要股東綦先生訂立租賃協議(「北京租賃協議IV」)，自二零一一年七月一日起至二零二一年六月三十日止為期十年，以租用中國北京市朝陽區三里屯幸福二村40號樓首開幸福廣場A座第3層及B座第7層之辦公室部分面積(總樓面面積約1,280平方米)作為辦公室。

於截至二零一八年三月三十一日止年度，北京德特已付綦先生之租金總額為人民幣4,560,000元或約5,413,000港元。

北京德特與本公司之全資附屬公司SRRND於二零一一年七月六日訂立協議，據此，北京租賃協議IV之租戶由北京德特改為SRRND，協議條款相同。

董事會報告

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Beijing Leasing Agreement V

On 26 June 2013, SRRND, an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “Beijing Leasing Agreement V”) with Mr. Qi, a substantial shareholder of the Company, for a 10-year term from 1 July 2013 to 30 June 2023, for leasing a showroom for luxury automobiles dealership, of a portion of showroom having a gross floor area of approximately 1,429.2 square metres at portions of Levels 1 and 2 of Tower B, International Wonderland, 40 Xing Fu Er Chun, San Li Tun, Chaoyang District, Beijing, the PRC.

For the year ended 31 March 2018, the total rental paid by SRRND to Mr. Qi amounted to RMB13,200,000 or approximately HK\$15,668,000.

Beijing Leasing Agreement VI

On 26 June 2013, SRRND, an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “Beijing Leasing Agreement VI”) with Mr. Qi, a substantial shareholder of the Company, for a 10-year term from 1 July 2013 to 30 June 2023, for leasing an office, of a portion of office having a gross floor area of approximately 840 square metres at portions of Level 3 of Tower B, International Wonderland, 40 Xing Fu Er Chun, San Li Tun, Chaoyang District, Beijing, the PRC.

For the year ended 31 March 2018, the total rental paid by SRRND to Mr. Qi amounted to RMB3,360,000 or approximately HK\$3,988,000.

持續關連交易 (續)

北京租賃協議 V

於二零一三年六月二十六日，本公司間接全資附屬公司SRRND與本公司主要股東綦先生訂立租賃協議（「北京租賃協議V」），自二零一三年七月一日起至二零二三年六月三十日止為期十年，以租用中國北京市朝陽區三里屯幸福二村40號樓首開幸福廣場B座第1層及第2層之展廳部分面積（總樓面面積約1,429.2平方米）作為豪華轎車分銷展廳。

於截至二零一八年三月三十一日止年度，SRRND已付綦先生之租金總額為人民幣13,200,000元或約15,668,000港元。

北京租賃協議 VI

於二零一三年六月二十六日，本公司間接全資附屬公司SRRND與本公司主要股東綦先生訂立租賃協議（「北京租賃協議VI」），自二零一三年七月一日起至二零二三年六月三十日止為期十年，以租用中國北京市朝陽區三里屯幸福二村40號樓首開幸福廣場B座第3層之辦公室部分面積（總樓面面積約840平方米）作為辦公室。

於截至二零一八年三月三十一日止年度，SRRND已付綦先生之租金總額為人民幣3,360,000元或約3,988,000港元。

董事會報告

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Beijing Leasing Agreement VI (Continued)

On 6 March 2018, the Group entered into an acquisition agreement with Mr. Qi and an entity wholly-owned Mr. Qi, namely Beijing Wenfu Hengye Technology Development Co., Ltd* (“Wenfu”), pursuant to which the Group had conditionally agreed to purchase the entire equity interest in the Wenfu (“Sale Interest”). Under the Acquisition Agreement, all rentals payable by the Group to the Mr. Qi or the Target Company under the above continuing connected transactions in relation to Tower A, International Wonderland No. 40 Xing Fu Eu Chun, San Li Tun, Chaoyang District, Beijing, the PRC (the “Tower A”) between 1 April 2018 and the Completion Date should be waived. Upon Completion, as the Group would become owner of the Tower A, all such continuing connected transactions would cease. For the details of the transactions please refer to announcement dated 6 March 2018 and the circular dated 24 April 2018. Save for the lease in respect of the Tower A, the retained lease agreements would continue under the same terms.

Tianjin Leasing Agreement I

On 30 June 2011, Tianjin Heng Ying Tai Fu Trading Development Limited (“TJHY”), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “Tianjin Leasing Agreement I”) with Mr. Qi, a substantial shareholder of the Company, for a 10-year term from 1 July 2011 to 30 June 2021, for leasing a showroom for luxury automobiles dealership, having a gross floor area of approximately 366.13 square metres at Zeng No. 2 and Zeng No. 3, No. 162 Zhang Zi Zhong Road, Heping District, Tianjin, the PRC.

持續關連交易 (續)

北京租賃協議VI (續)

於二零一八年三月六日，本集團與綦先生及由綦全資擁有的一間實體（即北京文福恒業科技發展有限公司（「文福」））訂立收購協議，據此，本集團有條件同意收購文福全部股權（「待售權益」）。根據收購協議，本集團於上述持續關連交易下就中國北京市朝陽區沙里屯幸福二村40號幸福廣場A座（「A座房產」）於二零一八年四月一日至完成日期期間之所有應付綦先生或目標公司之租金應予豁免。完成後，由於本集團將為A座房產擁有人，所有該等持續關連交易將告停止。有關交易詳情，請參閱日期為二零一八年三月六日的公告及日期為二零一八年四月二十四的通函。除有關A座房產之租賃外，所保留之租賃協議將根據相同條款繼續有效。

天津租賃協議I

於二零一一年六月三十日，本公司間接全資附屬公司天津恒盈泰富貿易發展有限公司（「天津恒盈」）與本公司主要股東綦先生訂立租賃協議（「天津租賃協議I」），自二零一一年七月一日起至二零二一年六月三十日止為期十年，以租用中國天津市和平區張自忠路162號增2號及增3號（總樓面面積約366.13平方米）作為豪華轎車分銷展廳。

* For identification purpose only

* 僅供識別

董事會報告

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Tianjin Leasing Agreement I (Continued)

For the year ended 31 March 2018, the total rental paid by TJHY to Mr. Qi amounted to RMB3,000,000 or approximately HK\$3,561,000.

An agreement was entered into between TJHY and SRRND, a wholly owned subsidiary of the Company, dated 6 July 2011 pursuant to which the tenant of the Tianjin Leasing Agreement I was transferred from TJHY to SRRND, with the same agreement terms.

MAJOR AND CONNECTED TRANSACTION – ACQUISITION OF A PROPERTY HOLDING COMPANY

On 6 March 2018, the Group entered into an acquisition agreement with Mr. Qi and Wenfu, pursuant to which the Group had conditionally agreed to purchase the entire equity interest of Wenfu (the “Sale Interests”). The consideration for the Sale Interest was RMB652 million which was settled by way of cash. For the details of the transactions please refer to announcement dated 6 March 2018 and the circular dated 24 April 2018.

持續關連交易 (續)

天津租賃協議I (續)

於截至二零一八年三月三十一日止年度，天津恒盈已付綦先生之租金總額為人民幣3,000,000元或約3,561,000港元。

天津恒盈與本公司之全資附屬公司SRRND於二零一一年七月六日訂立協議，據此，天津租賃協議I之租戶由天津恒盈改為SRRND，協議條款相同。

主要及關連交易 – 收購一間物業控股公司

於二零一八年三月六日，本集團與綦先生及文福訂立收購協議，據此，本集團有條件同意收購文福全部股權（「待售權益」）。待售權益之代價人民幣652,000,000元以現金結算。有關該等交易的詳情，請參閱日期為二零一八年三月六日之公告及二零一八年四月二十四日之通函。

董事會報告

Report of the Directors

RELATED PARTY TRANSACTIONS

During this financial year, the Group entered into certain transactions with parties regarded as related parties under the applicable accounting standards. A summary of the related party transactions entered into by the Group during the year ended 31 March 2018 is contained in Note 36 to the financial statements of this Annual Report including connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements, to the extent they are not exempted or waived by the Stock Exchange, in accordance with Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year ended 31 March 2018.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2018.

AUDITOR

BDO Limited (“BDO”) resigned as auditor of the Company with effect from 28 December 2017. Crowe Horwath (HK) CPA Limited was appointed as auditor of the Company with effect from 28 December 2017 to fill the casual vacancy occasioned by the resignation of BDO. Crowe Horwath (HK) CPA Limited has changed its English name to Crowe (HK) CPA Limited (“Crowe”). Accordingly, the independent auditor’s report is now signed under the new name. Crowe shall hold office until the conclusion of the forthcoming annual general meeting of the Company. The financial statements for the year ended 31 March 2018 was audited by Crowe. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Crowe as auditor of the Company.

關聯方之交易

根據適用會計準則，本集團與被視為關聯方之各方於本財政年內訂立若干交易。本集團於截至二零一八年三月三十一日止年度訂立之關聯方交易概要載於本年報財務報表附註36，包括上市規則第14A章界定之關連交易或持續關連交易。

本公司已根據上市規則第14A章就本集團於截至二零一八年三月三十一日止年度內訂立之關連交易及持續關連交易遵守披露規定（以未被聯交所免除或豁免者為限）。

足夠公眾持股量

本公司於截至二零一八年三月三十一日止年度內一直維持足夠之公眾持股量。

核數師

香港立信德豪會計師事務所有限公司已辭任為本公司核數師，自二零一七年十二月二十八日起生效。國富浩華（香港）會計師事務所有限公司（「國富浩華」）已獲委任為本公司核數師，自二零一七年十二月二十八日生效，以填補香港立信德豪會計師事務所辭任的空缺。國富浩華的任期直至本公司迎接股東週年大會結束止。截至二零一八年三月三十一日止年度的財務報表已由國富浩華審核。本公司將於迎接股東週年大會上提呈一項決議案，續聘國富浩華為本公司的核數師。

董事會報告

Report of the Directors

ENVIRONMENTAL POLICIES AND DEVELOPMENT

The Group recognises the importance of environmental protection and has adopted relevant measures for environmental protection in order to ensure the compliance by the Group of the prevailing environmental protection laws and regulations. Details of the environmental policies and performance of the Group are set out in the section headed “Environmental, Social and Governance Report” on pages 75 to 89 in this Annual Report.

COMPLIANCE WITH LAWS AND REGULATIONS

The shares of the Company are listed on the Main Board of the Stock Exchange and the operations of the Group are mainly carried out by its subsidiaries in Hong Kong, the PRC and Malaysia. The operations of the Group should comply with relevant laws and regulations in Hong Kong, China and Malaysia. During the year ended 31 March 2018 and up to the date of this Annual Report, the Group has complied with all the relevant laws and regulations in Hong Kong, China and Malaysia.

CORPORATE GOVERNANCE

The Board is of the opinion that the Company had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Listing Rules throughout the year ended 31 March 2018 except for the deviation from provision A.2.1 of the Code since 1 January 2018.

Details of the corporate governance of the Group are set out in the section headed “Corporate Governance Report” on pages 46 to 65 in this Annual Report.

環境政策及發展

本集團明白環境保護之重要性，並已採納相關環保措施以確保本集團遵守當前環保法律及法規。有關本集團環境政策及表現之詳情載於本年報第75至89頁之「環境、社會及管治報告」一節。

遵守法律及法規

本公司股份於聯交所主板上市，而本集團之業務主要由其於香港、中國及馬來西亞之附屬公司經營。本集團之業務須遵守香港、中國及馬來西亞之相關法律及法規。於截至二零一八年三月三十一日止年度及截至本年報日，本集團已遵守香港、中國及馬來西亞之所有相關法律及法規。

企業管治

董事會認為，本公司於截至二零一八年三月三十一日止年度期間已採納、應用及遵守上市規則附錄十四企業管治守則（「守則」）所載守則條文，惟自二零一八年一月一日起偏離守則第A.2.1條除外。

本集團之企業管治詳情載於本年報第46至65頁「企業管治報告」一節內。

董事會報告

Report of the Directors

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held at 4:30 p.m. on 31 August 2018 at Regus, Conference Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and a notice of annual general meeting will be published and despatched in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 28 August 2018 (Tuesday) to 31 August 2018 (Friday) (both days inclusive) during which period, no transfer of the shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 27 August 2018 (Monday).

On behalf of the Board

Zheng Hao Jiang

Chairman

Hong Kong, 22 June 2018

股東週年大會

本公司應屆股東週年大會謹訂於二零一八年三月三十一日下午四時三十分假座香港灣仔港灣道18號中環廣場35樓雷格斯商務中心舉行，股東週年大會通告將於適當時候刊載及寄發。

暫停辦理股東登記

本公司將於二零一八年八月二十八日(星期二)至二零一八年八月三十一日(星期五)(包括首尾兩日)暫停辦理股東登記，期間不會登記本公司股份過戶。為符合資格出席應屆股東週年大會並於會上投票，所有本公司股份過戶文件連同有關股票，須不遲於二零一八年八月二十七日(星期一)下午四時三十分送達本公司香港股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心22樓。

代表董事會

主席

鄭浩江

香港，二零一八年六月二十二日

企業管治報告

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Sparkle Roll Group Limited (the “Company”) and its subsidiaries (together the “Group”) is committed to maintaining a high standard of corporate governance. The board of Directors of the Company (the “Board”) agrees that corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure that all practices can be met with legal and statutory requirements. Throughout the financial year ended 31 March 2018, the Group has adopted the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the “Code”) contained in Appendix 14 to the Listing Rules. The Company has been in compliance with the Code throughout the financial year ended 31 March 2018 except for the deviation from provision A.2.1 of the Code since 1 January 2018.

According to provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zheng Hao Jiang is the Chairman and the Chief Executive Officer of the Company with effect from 1 January 2018, responsible for overall strategic development, project management and client management of the Group. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leading within the Group and will enable the Company to make and implement decisions promptly and effectively; and considers that such arrangement will not impair the balance of power and authority between the Board and the management and that the Company has sufficient internal controls to provide checks and balances on the functions of the chairman and the chief executive officer. Nevertheless, the Board will review such arrangement from time to time in light of the prevailing circumstances.

In addition, the Audit Committee of the Company, comprised exclusively Independent Non-executive Directors, is freely and directly to communicate with the Company’s external auditors and independent professional advisers when it considers necessary.

企業管治常規

耀萊集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)致力維持高水平之企業管治。本公司董事會(「董事會」)一致認為，企業管治常規對於維持並提高投資者之信心越來越重要。企業管治之要求不斷轉變，因此，董事會不時檢討其企業管治常規，以確保所有常規均達到法例及法定規定。於截至二零一八年三月三十一日止整個財政年度內，本集團已採納上市規則附錄十四所載之企業管治守則及企業管治報告(「守則」)之原則及守則條文。本公司於截至二零一八年三月三十一日止整個財政年度內均一直遵守守則之規定，惟自二零一八年一月一日起偏離守則第A.2.1條除外。

根據守則第A.2.1條，主席及行政總裁之角色應區分開且不應由同一人士擔任。鄭浩江先生自二零一八年一月一日起為本公司主席兼行政總裁，負責本集團的整體策略發展、項目管理及客戶管理。董事會認為，由同一人士同時擔任主席及行政總裁之職務將有益於確保本集團內部的貫徹一致領導及將使本公司可及時及有效作出及實施決定，並認為有關安排將不會妨礙董事會及管理層之間權力及權威的平衡且本公司有充足的內部控制以提供主席及行政總裁職能的核查及平衡。儘管如此，董事會仍將鑒於現行狀況不時審閱有關安排。

此外，僅由獨立非執行董事組成的本公司審核委員會可於其認為必要時自由與本公司外部核數師及獨立專業顧問直接聯絡。

企業管治報告

Corporate Governance Report

MODEL CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules to govern securities transactions by the Directors. After having made specific enquiry of all Directors, all Directors confirmed that they have complied with the Model Code during the year and up to the date of this Annual Report.

The Company also adopted the Model Code as guidelines for its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in securities of the Company. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

BOARD OF DIRECTORS

The Board currently comprises three Executive, three Non-executive and three Independent Non-executive Directors.

Executive Directors

Mr. Zheng Hao Jiang (*Chairman and Chief Executive Officer*)
Mr. Zhu Lei
Mr. Cheung Man Kit

Non-executive Directors

Mr. Gao Yu
Mr. Qi Jian Wei
Mr. Tang Sung Wai

Independent Non-executive Directors

Mr. Choy Sze Chung, Jojo
Mr. Lam Kwok Cheong
Mr. Lee Thomas Kang Bor

The biographical details are set out in the section headed “Biographies of Directors and Senior Management” of this Annual Report.

證券交易之標準行為守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)，以規管董事進行證券交易。經向全體董事作出具體查詢後，全體董事均確認彼等已於年內及截至本年報日遵守標準守則。

本公司亦已採納標準守則作為可能擁有本公司非公開內幕資料之相關僱員買賣本公司證券之指引。據本公司所知，概無相關僱員不遵守標準守則之情況。

董事會

董事會現時由三名執行董事、三名非執行董事及三名獨立非執行董事組成。

執行董事

鄭浩江先生(*主席兼行政總裁*)
朱雷先生
張文杰先生

非執行董事

高煜先生
綦建偉先生
鄧崇偉先生

獨立非執行董事

蔡思聰先生
林國昌先生
李鏡波先生

履歷詳情載於本年報「董事及高級管理人員之履歷」一節。

企業管治報告

Corporate Governance Report

The Company has three Independent Non-executive Directors, representing one-third of the Board. At least one of the Independent Non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. All the Independent Non-executive Directors have signed the annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules to confirm their independence.

Under the Company's Bye-laws, every Director is subject to retirement by rotation at least once every three years.

The Board's primary responsibilities are to determine the overall strategies, monitor and control operating and financial performance and set appropriate policies to manage risks in pursuit of the Groups' strategic objectives. Matters reserved for the Board are those affecting the Group's overall strategic policies, dividend policy, significant changes in accounting policies, material contracts and major investments. Day-to-day management of the Group's business is delegated to the Executive Director or officer in charge of each department. The functions and power that are so delegated are reviewed periodically to ensure that they remain appropriate. Directors are provided with monthly updates on the Group's performance, status and updates on the latest developments in order to enable the Directors to discharge their duties. All Directors have recourse to external legal counsel and other professionals for independent advice at the Group's expense upon their request.

During the year under review, Mr. Choy Sze Chung, Jojo, Mr. Gao Yu and Mr. Qi Jian Wei, retired and were re-elected as the Directors at the annual general meeting held on 6 September 2017.

本公司有三名獨立非執行董事，佔董事會人數三分之一。根據上市規則第3.10條，獨立非執行董事當中最少有一人須具備合適專業資格或會計或相關財務管理專業知識。全體獨立非執行董事均已根據上市規則第3.13條簽署年度獨立身份確認書，以確認彼等之獨立身份。

根據本公司之公司細則，每名董事須最少每三年輪值告退一次。

董事會之主要責任為釐定整體策略、監察及控制業務及財務表現，以及制訂合適之風險管理政策，以達致本集團之策略目標。該等可影響本集團整體策略政策及股息政策，以及有關重大會計政策變動、重大合約及重大投資之事宜，均會留待董事會處理。本集團之日常業務管理則會交由執行董事或各部門主管負責。所指派之職權均會定期檢閱，以確保其仍然合適。董事亦獲提供本集團表現、狀況之每月更新資料以及最新發展之資料，以便董事履行其職務。所有董事均可尋求外部法律意見及其他專業人士之獨立意見，本集團將會應彼等之要求支付有關開支。

於回顧年內，蔡思聰先生、高煜先生及綦建偉先生任滿告退，並於二零一七年九月六日舉行之股東週年大會上膺選連任董事。

企業管治報告

Corporate Governance Report

NON-EXECUTIVE AND INDEPENDENT NON-EXECUTIVE DIRECTORS

There are currently six Non-executive Directors of whom three are independent. Each of the Non-executive Directors and the Independent Non-executive Directors has entered into a letter of appointment for a term of two years and then renewable for one year. Under the Bye-laws of the Company, every Director, including the Non-executive and the Independent Non-executive Directors, shall be subject to retirement by rotation at least every three years.

The Company has received, from each of the Independent Non-executive Directors, 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.

Pursuant to the code provision A.4.3 of the Code, serving more than 9 years could be relevant to the determination of a Non-executive Directors' independence. If an Independent Non-executive Director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. The circular to shareholders accompanying that resolution will include the reasons why the Board believes he is still independent and should be re-elected.

During the year under review, Mr. Choy Sze Chung, Jojo and Mr. Lam Kwok Cheung were re-elected in a separate resolution at the annual general meeting held on 6 September 2017.

非執行及獨立非執行董事

本公司現時有六名非執行董事，其中三名為獨立非執行董事。每名非執行董事及獨立非執行董事已訂立一份為期兩年並可續期一年之委任函。根據本公司之公司細則，每名董事（包括非執行董事及獨立非執行董事）須最少每三年輪值告退一次。

本公司已收到各獨立非執行董事遵照上市規則第3.13條就其獨立性所呈交之年度確認書。本公司認為全體獨立非執行董事均屬獨立人士。

根據守則之守則條文第A.4.3條，在釐定非執行董事之獨立性時，「擔任董事超過9年」足以作為一個考慮界線。若獨立非執行董事在任已過9年，其獲續任與否應以獨立決議案形式由股東審議通過。隨附該決議案一同發給股東之通函中，應載有董事會為何認為該名人士仍屬獨立人士及應獲重選之原因。

於回顧年度內，蔡思聰及林國昌於二零一七年九月六日舉行的股東週年大會上透過獨立決議案獲重選。

企業管治報告

Corporate Governance Report

MEETINGS AND ATTENDANCE

The Board meets regularly to review the financial and operating performance of the Group and approve business plan. 9 Board meetings were held in 2017/2018. Individual attendance of each Director at the Board meetings, the Audit Committee meetings, Remuneration Committee meetings and the Nomination Committee meeting during 2017/2018 and the annual general meeting of the Company held on 6 September 2017 ("2017 AGM") is set out below:

會議及出席情況

董事會定期舉行會議檢討本集團之財務及經營表現，以及批准業務計劃。於二零一七年／二零一八年共舉行9次董事會會議。於二零一七年／二零一八年，每名董事出席董事會會議、審核委員會會議、薪酬委員會會議及提名委員會會議及本公司於二零一七年九月六日舉行之股東週年大會（「二零一七年度股東週年大會」）之情況載列如下：

		Attendance/Number of Meetings					2017 AGM 二零一七 股東週年大會
		Board	Audit Committee	Remuneration Committee	Nomination Committee		
Director	董事	董事會	審核委員會	薪酬委員會	提名委員會		
<i>Executive Directors</i>		<i>執行董事</i>					
Mr. Zheng Hao Jiang	鄭浩江先生	9/9	N/A 不適用	2/2	N/A 不適用	1/1	
Mr. Zhu Lei	朱雷先生	9/9	N/A 不適用	0/0	N/A 不適用	1/1	
Mr. Cheung Man Kit (appointed with effect from 15 December 2017)	張文杰先生 (於二零一七年十二月十五日獲委任)	5/5	N/A 不適用	N/A 不適用	N/A 不適用	0/0	
Mr. Tong Kai Lap (resigned with effect from 1 January 2018)	唐啟立(於二零一八年一月一日辭任)	5/5	N/A 不適用	2/2	N/A 不適用	1/1	
<i>Non-executive Directors</i>		<i>非執行董事</i>					
Mr. Gao Yu	高煜先生	7/9	N/A 不適用	N/A 不適用	N/A 不適用	1/1	
Mr. Qi Jian Wei	綦建偉先生	9/9	N/A 不適用	N/A 不適用	N/A 不適用	0/1	
Mr. Tang Sung Wai (appointed with effect from 1 January 2018)	鄧崇偉先生 (於二零一八年一月一日獲委任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	0/0	
Mr. Zhang Si Jian (resigned with effect from 15 December 2017)	張思堅先生 (於二零一七年十二月十五日辭任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1	

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Director	董事	Attendance/Number of Meetings					2017 AGM 二零一七年 股東週年大會
		Board	Audit Committee	Remuneration Committee	Nomination Committee		
		董事會	審核委員會	薪酬委員會	提名委員會		
<i>Independent Non-executive Directors</i> 獨立非執行董事							
Mr. Choy Sze Chung, Jojo	蔡思聰先生 (Chairman of the Audit Committee) (審核委員會主席)	9/9	5/5	2/2	2/2		1/1
Mr. Lam Kwok Cheong	林國昌先生 (Chairman of the Remuneration Committee) (薪酬委員會主席)	9/9	5/5	2/2	2/2		1/1
Mr. Lee Thomas Kang Bor	李鏡波先生 (Chairman of the Nomination Committee) (提名委員會主席)	9/9	5/5	2/2	2/2		1/1

Board and committee minutes are recorded in appropriate detail. Draft minutes are circulated to Directors for comments within reasonable time after each meeting and the final version is open for Directors' inspection.

董事會及委員會會議內容均予妥善詳盡記錄。會議記錄草稿於每次會議後之合理時間內呈交各董事批閱，而最終定稿可供董事查閱。

INDUCTION, DEVELOPMENT AND TRAINING OF DIRECTORS

Every Board member has received a guidance book on Directors duties and liabilities upon joining the Group, which also lays down the guidelines on conduct for the Board and Board committee members and other key governance issues, including but not limited to Board procedures and all applicable laws, rules and regulations that they are required to observe during their service in the Board. The updated guidelines will be provided from time to time as and when appropriate.

A formal and tailored induction programme will be arranged for each new Director, which includes a briefing on the Group's structure, businesses and governance practices by the senior management. To seek continuous improvement, the Directors are encouraged to attend relevant training sessions, particularly on corporate ethics and integrity matters, risk management, and relevant new laws and regulations, from time to time.

董事履新、發展及培訓

每名董事會成員於加盟本集團時均會收到一份董事職務及責任指引手冊，同時載有董事會及董事委員會成員之操守指引以及其他主要管治事項，包括但不限於董事會程序及董事須於服務董事會之任期內遵守之一切適用法律、規則及規例。經更新之指引將於適當時候不時提供。

每名新任董事將獲安排特設之正式履新程序，包括獲高級管理人員簡介本集團架構、業務及管治常規。為求精益求精，本集團鼓勵董事出席不時舉辦之相關培訓課程，尤其是有關企業道德及誠信事宜、風險管理及相關新法律及規例之內容。

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To ensure that the Directors' contribution to the Board remains informed and relevant and in compliance with code provision A.6.5 of the Code, the Company shall arrange and fund suitable training for the Directors to develop and refresh their knowledge and skills. During the year under review, the Directors participated in the kinds of training as follows:

為確保董事繼續向董事會作出知情及相關貢獻，並遵守守則之守則條文第A.6.5條，本公司將安排及撥款予董事進行合適培訓，以發展及更新其知識及技能。於回顧年內，董事已參與之培訓類型如下：

Director 董事		Kind of Training 培訓類型
<i>Executive Directors</i> 執行董事		
Mr. Zheng Hao Jiang (Chairman and Chief Executive Officer)	鄭浩江先生 (主席兼行政總裁)	A, B
Mr. Zhu Lei	朱雷先生	A, B
Mr. Cheung Man Kit	張文杰先生	A, B
<i>Non-executive Directors</i> 非執行董事		
Mr. Gao Yu	高煜先生	A, B
Mr. Qi Jian Wei	綦建偉先生	A, B
Mr. Tang Sung Wai	鄧崇偉先生	A, B
<i>Independent Non-executive Directors</i> 獨立非執行董事		
Mr. Choy Sze Chung, Jojo	蔡思聰先生	A, B
Mr. Lam Kwok Cheong	林國昌先生	A, B
Mr. Lee Thomas Kang Bor	李鏡波先生	A, B
A:	Reading materials on legal and regulatory updates.	A: 有關法律及監管最新資料之讀物。
B:	Attending training seminar organised by The Hong Kong Institute of Directors relating to analysis of SFC's enforcement cases under its new approach and implications of recent Stock Exchange's consultation papers to Directors.	B: 出席由香港董事學會舉辦之培訓講座，主題為證監會執法案件分析及最近聯交所諮詢文件對董事的影響。

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BOARD DIVERSITY POLICY

Based on the business needs of the Group, the Nomination Committee has recommended and the Board has adopted the following measurable objectives:

- (i) a prescribed proportion of Board members shall be Non-executive Directors or Independent Non-executive Directors;
- (ii) a prescribed proportion of Board members shall have attained bachelor's degree or above;
- (iii) a prescribed proportion of Board members shall have obtained accounting or other professional qualifications;
- (iv) a prescribed proportion of Board members shall have China related work experience.

The Nomination Committee shall monitor the implementation of the board diversity policy and review the progress of its measurable objectives from time to time. Based on its review, the Nomination Committee considers that the current Board is well-balanced and of a diverse mix appropriate for the business development of the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties and has adopted a written guideline on corporate governance functions in compliance with the Code.

The duties of the Board in respect of corporate governance functions are summarised as follows:

- (i) to develop and review the Company's policies and practices on corporate governance;
- (ii) to review and monitor the training and continuous professional development of the Directors and senior management;

董事會多元化政策

根據本集團之業務需要，提名委員會已推薦而董事會已採納以下重要目標：

- (i) 非執行董事或獨立非執行董事之董事會成員規定人數比例；
- (ii) 持有學士學位或以上學歷之董事會成員規定人數比例；
- (iii) 取得會計或其他專業資格之董事會成員規定人數比例；
- (iv) 擁有中國相關工作經驗之董事會成員規定人數比例。

提名委員會將監察董事會多元化政策之施行情況，並不時審閱其重要目標之進展。提名委員會會按照其審閱結果考慮現時董事會是否取得適當平衡，以及其多元化組合是否切合本公司之業務發展。

企業管治職能

董事會負責履行企業管治職責，並已遵照守則採納企業管治職能之書面指引。

董事會涉及企業管治職能之職責概述如下：

- (i) 制訂及審閱本公司之企業管治政策及常規；
- (ii) 審閱及監察董事及高級管理人員之培訓及持續專業發展；

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- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to review the Company's compliance with the code provisions as set out in the Code and its disclosure requirements in the Corporate Governance Report.

During the year, the Board reviewed and monitored the training of the Directors, and the Company's policies and practices on compliance with legal and regulatory requirements.

REMUNERATION COMMITTEE

According to the Code, the Company established the Remuneration Committee in March 2005. The principal role of the Remuneration Committee is to exercise the power of the Board to determine and review the remuneration package of individual directors and key executives, including salaries, bonuses and benefits in kind, considering factors such as time commitment and responsibilities of the Directors and key executive, employments conditions elsewhere in the Group and desirability of performance based remuneration so as to align management incentives with shareholders interests. The Remuneration Committee is also considering all relevant remuneration data and market conditions in addition to considering the performance and responsibility of individual directors and officers by linking their compensation with performance and will measure it against corporate goals. During the year, the Remuneration Committee reviewed and approved the remuneration package of the Executive Directors and senior management.

The Remuneration Committee shall consult the Chairman and/or the Chief Executive Officer of the Company about its proposals relating to remuneration of the Executive Directors and have access to professional advice if it considers necessary. After reviewing all relevant information, the Remuneration Committee shall make recommendations to the Board for the remuneration of the Directors and senior management.

- (iii) 審閱及監察本公司遵守法律及監管規定之政策及常規；
- (iv) 審閱本公司遵守守則所載之守則條文以及其於企業管治報告之披露規定之合規情況。

於年內，董事會已審閱及監察董事之培訓以及本公司遵守法律及監管規定之政策及常規。

薪酬委員會

根據守則之規定，本公司於二零零五年三月成立薪酬委員會。薪酬委員會之主要職責為行使董事會權力，釐定及審閱個別董事及主要行政人員薪酬組合（包括薪金、花紅及實物利益），並會考慮董事及主要行政人員所耗用之時間及職責、本集團其他職務之僱用條件，以及與表現掛鈎之薪酬是否令人滿意，以於管理層之獎勵與股東之利益間作出配合。除將個別董事及高級職員之表現與補償掛鈎考慮彼等之表現及職責外，薪酬委員會亦會考慮所有相關薪酬數據及市場狀況，並會以企業目標作為計量標準。年內，薪酬委員會已審閱並批准執行董事及高級管理人員之薪酬組合。

薪酬委員會會就其對執行董事之薪酬提出之建議諮詢本公司主席及／或行政總裁之意見，並可於有需要時徵詢專業意見。於審閱所有相關資料後，薪酬委員會將就董事及高級管理人員之薪酬向董事會提供推薦意見。

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The Remuneration Committee comprises three independent non-executive Directors and two executive Directors. Its present members are:

Independent Non-executive Directors

Mr. Lam Kwok Cheong – *Chairman*
Mr. Choy Sze Chung, Jojo
Mr. Lee Thomas Kang Bor

Executive Directors

Mr. Zheng Hao Jiang
Mr. Zhu Lei

The Remuneration Committee held 2 meetings in 2017/2018 to review and approve directors, and senior management's remuneration. The directors fee paid to the Non-executive and Independent Non-executive Directors are subject to annual review and approval by the Remuneration Committee. The emoluments of each of the Directors of the Company for 2017/2018 are set out in note 12 to the financial statements.

Below is a summary of principal work performed by the Remuneration Committee during 2017/2018:

- Review of the remuneration of the Executive Directors and senior management and approval of the same.
- Review of the remuneration of the Non-executive Directors (including the Independent Non-executive Directors), with recommendations to the Board for approval.
- Review the existing share option scheme with recommendations to the Board for approval.

薪酬委員會由三名獨立非執行董事及兩名執行董事組成，其現時成員為：

獨立非執行董事

林國昌先生 – 主席
蔡思聰先生
李鏡波先生

執行董事

鄭浩江先生
朱雷先生

於二零一七年／二零一八年，薪酬委員會共舉行2次會議，以審閱及批准董事及高級管理人員之薪酬。薪酬委員會每年審閱及批准支付予非執行董事及獨立非執行董事之董事袍金。本公司各董事於二零一七年／二零一八年之酬金載列於財務報表附註12。

以下為薪酬委員會於二零一七年／二零一八年進行之主要工作概要：

- 檢討及批准執行董事及高級管理人員之薪酬。
- 檢討非執行董事(包括獨立非執行董事)之薪酬，並向董事會提供推薦意見，供其審批。
- 檢討現行購股權計劃，並向董事會提供推薦意見，供其審批。

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The annual remuneration of the members of the current senior managements of the Group by band is set out below:

Emoluments Band

酬金組別

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

零港元至 1,000,000 港元

HK\$1,000,000 to HK\$1,500,000

1,000,000 港元至 1,500,000 港元

本集團現任高級管理人員之年薪介乎下列組別：

Number of individuals

人數

6

1

NOMINATION COMMITTEE

The Nomination Committee was established on 6 October 2008 and currently comprises three Independent Non-executive Directors (“INED”), namely, Mr. Lee Thomas Kang Bor (chairman of the Nomination Committee), Mr. Choy Sze Chung, Jojo, and Mr. Lam Kwok Cheong.

The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes, identifying individuals suitably qualified to become Board member, assessing the independence of INED; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer.

The Nomination Committee has adopted written nomination procedures specifying the process and criteria for selection of candidates for directorship of the Company. The Nomination Committee shall, based on criteria such as skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the Company’s needs and other relevant statutory requirements and regulations, identify and recommend the proposed candidate to the Board for approval of appointment.

All Non-executive Directors and INED are appointed for a specific term of two years and renewable for additional one year, and are required to retire and eligible for re-election at the Annual General Meeting of the Company in every three years in accordance with the Company’s Bye-laws.

提名委員會

提名委員會於二零零八年十月六日成立，目前由三名獨立非執行董事李鏡波先生（提名委員會主席）、蔡思聰先生及林國昌先生組成。

提名委員會之主要職責包括定期檢討董事會之架構、規模及組成（包括技能、知識及經驗）、就任何建議之變動向董事會提供推薦意見、物色具備合適資格出任董事會成員之個別人士、評估獨立非執行董事之獨立身份、就委任或重新委任董事及董事（尤其是主席及行政總裁）繼任計劃等相關事宜向董事會提供推薦意見。

提名委員會已採納書面提名程序，列明甄選本公司董事候選人之程序及條件。提名委員會將根據個人技能、經驗、專業知識、個人誠信及投放之時間、本公司需要及其他相關法定規定及規例等條件，識別及推薦候選人予董事會以批准任命。

所有非執行董事及獨立非執行董事之特定任期均為兩年，並可續約一年，惟須根據本公司之公司細則每三年於本公司股東週年大會上告退一次，並符合資格膺選連任。

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The Nomination Committee held 2 meetings in 2017/2018. Below is a summary of principal work performed by the Nomination Committee during 2017/2018:

- Recommendation to the Board on the appointment or reappointment of directors.
- Review of the structure, size and composition of the Board and the Board committees.
- Assessment and confirmation of the independence of the INED according to the criteria set out in Rule 3.13 of the Listing Rules.

AUDIT COMMITTEE

The Company established an Audit Committee in compliance with the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls and discussing with the external auditor for the nature and scope of audit. Written terms of reference of the Audit Committee were formulated and adopted in March 2005.

The Audit Committee comprises three Independent Non-executive Directors. The chairman of the Audit Committee is an Independent Non-executive Director. Its present members are:

Independent Non-executive Directors

Mr. Choy Sze Chung, Jojo – *Chairman*
Mr. Lam Kwok Cheong
Mr. Lee Thomas Kang Bor

The Chairman of the Audit Committee, Mr. Choy Sze Chung, Jojo, has appropriate professional qualification in accounting and extensive experience in accounting and auditing matters. Senior management and external auditor shall normally attend the meetings. The Audit Committee held 5 meetings in 2017/2018 in which three of the meetings with representatives from the external auditor of the Company, for the purpose of discharging the aforesaid duties.

提名委員會於二零一七年／二零一八年曾舉行2次會議。以下為提名委員會於二零一七年／二零一八年進行之主要工作概要：

- 就委任或重新委任董事向董事會提供推薦意見。
- 檢討董事會及各董事委員會之架構、規模及組成。
- 根據上市規則第3.13條所載之準則評核並確認獨立非執行董事之獨立性。

審核委員會

本公司已根據上市規則之規定成立審核委員會，以審閱及監察本集團之財務申報程序及內部監控，並與外部核數師討論審核性質及範圍。審核委員會之職權範圍書已於二零零五年三月制訂及採納。

審核委員會由三名獨立非執行董事組成。審核委員會主席為獨立非執行董事。其現時成員為：

獨立非執行董事

蔡思聰先生 – 主席
林國昌先生
李鏡波先生

審核委員會之主席為蔡思聰先生，彼於會計方面具備合適之專業資格，並具備豐富之會計及審計經驗。高級管理人員及外部核數師一般均會出席會議。於二零一七年／二零一八年，審核委員會舉行5次會議以履行其前述職務，本公司外部核數師之代表亦有出席其中三次會議。

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Below is a summary of principal work performed by the Audit Committee during 2017/2018:

- Review of the annual financial statements of the Group for the year ended 31 March 2017 and the interim financial statements of the Group for the six months ended 30 September 2017, with recommendations to the Board for approval.
- Review reports from the auditors to the Audit Committee.
- Review of the internal controls and the risk management systems of the Group.
- Review of the connected transactions (including continuing connected transactions) carried out during the year.
- Review of the financial budget of the Group.
- Review and make recommendation to the Board on the appointment and the resignation of the auditors.
- Review and approve the remuneration, other terms of engagement, the nature and scope of the audit and the reporting obligations of the auditor.
- Review of the investment in B&O that could be re-classified as available-for-sale investment with recommendations to the Board for approval.

There was no disagreement between the Board and the Audit Committee on the selection, appointment and resignation of the external auditors.

The Company's annual results for the year ended 31 March 2018 have been reviewed by the Audit Committee.

以下為審核委員會於二零一七年／二零一八年進行之主要工作概要：

- 審閱本集團截至二零一七年三月三十一日止年度之全年財務報表及本集團截至二零一七年九月三十日止六個月之中期財務報表，並向董事會提供推薦意見，供其審批。
- 審閱核數師致審核委員會之報告。
- 檢討本集團之內部監控及風險管理制度。
- 審閱於本年度進行之關連交易（包括持續關連交易）。
- 審閱本集團財務預算。
- 審閱及就核數師為人及辭任向董事會提供推薦意見。
- 審閱及批准薪酬、其他委聘條款、審核性質及範圍以及彼等對核數師的申報責任。
- 審閱於B&O的投資可重新分類為可供出售投資，並向董事會作出推薦意見以供批准。

董事會與審核委員會之間在外部核數師之挑選、委任及辭任方面並無意見分歧。

本公司截至二零一八年三月三十一日止年度之年度業績已由審核委員會審閱。

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AUDITORS' REMUNERATION

Each year, the auditor is appointed by resolution at the annual general meeting of the Company and the Directors are authorised to fix the remunerations for the auditing services.

During the year, BDO Limited (BDO) resigned as the auditor of the Company with effect from 28 December 2017. Crowe (HK) CPA Limited (Crowe) was appointed as the auditor of the Company with effect from 28 December 2017 to fill the casual vacancy occasioned by the resignation of BDO. Crowe shall hold office until the conclusion of the forthcoming annual general meeting of the Company.

The fee paid or payable to Crowe for annual audit for the year ended 31 March 2018 amounted to approximately HK\$1.30 million (2017: HK\$1.37 million paid to BDO). Crowe has performed other non-auditing services during the year with aggregate service fee of approximately HK\$0.51 million (2017: HK\$1.23 million paid to BDO). Non-auditing services include mainly provision of professional services in connection with the circular published on 24 April 2018 and review of the continuing connected transactions and the annual results announcement of the Group. The Audit Committee has considered, based on the policy developed by them in this regard, and made recommendations to the Board for these non-auditing services conducted by our auditor.

核數師酬金

核數師會於本公司每年之股東週年大會上以決議案方式委任，而董事獲授權釐訂審計服務之酬金。

年內，香港立信德豪會計師事務所有限公司（「香港立信德豪會計師事務所」）已辭任為本公司核數師，自二零一七年十二月二十八日起生效。國富浩華（香港）會計師事務所有限公司（「國富浩華」）已獲委任為本公司核數師，自二零一七年十二月二十八日生效，以填補香港立信德豪會計師事務所辭任的空缺。國富浩華的任期直至本公司應屆股東週年大會結束止。

截至二零一八年三月三十一日止年度就年度審核已付／應付國富浩華之費用約1,300,000港元（二零一七年：向香港立信德豪會計師事務所支付1,370,000港元）。國富浩華於年內曾進行其他非審計服務，服務費用合共約為510,000港元（二零一七年：已付香港立信德豪會計師事務所1,230,000港元。非審計服務主要包括就於二零一八年四月二十四日刊發一份通函及審閱本集團的持續關連交易及年度業績公告提供的專業服務。審核委員會根據彼等就此制訂之政策考慮有關事宜，並就本公司核數師進行之非審計服務向董事會提供推薦意見。

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Corporate Governance Report

COMPANY SECRETARY

The Company Secretary supports the Board and the Board committees by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary also plays an essential role in the relationship between the Company and its shareholders, and facilitates induction and professional development of directors.

The company secretary is responsible for ensuring that the Board is fully briefed on all legislative, regulatory and corporate governance developments and that it has regard to them when making decisions. The Company Secretary also advises the Directors on their obligations for disclosure of interests in securities, connected transactions and inside information and ensures that the standards and disclosures required by the Listing Rules are observed and, where required, reflected in the annual reports of the Company.

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary is appointed by the Board and reports to the chairman and the chief executive officer of the Company.

Mr. Li Yat Ming, the Financial Controller of the Group, has been appointed by the Company as the company secretary. He is also the primary contact person of the Company. For the year under review, Mr. Li has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge. The biographical details of Mr. Li are set out in the section headed "Biographies of Directors and Senior Management" of this Annual Report.

公司秘書

公司秘書為董事會及董事委員會提供支援，確保董事會內部有良好信息流通，董事會政策及程序得到遵循。公司秘書亦在本公司與其股東關係中擔當重要角色，安排董事就職及專業發展。

公司秘書負責確保董事會全面知悉所有法例、監管及企業管治發展，且董事會於作出決定時已考慮該等發展因素。公司秘書亦會就董事披露彼等於證券、關連交易及內幕消息之權益之責任向彼等提供意見，以及確保上市規則項下之準則及披露規定獲得遵從，及於有需要時於本公司年報內反映。

公司秘書為本公司全職僱員，對本公司事務有日常認知。公司秘書由董事會委任，並向本公司主席及行政總裁匯報。

本集團之財務總監李一鳴先生已獲本公司委任為公司秘書。彼亦為本公司首席聯絡人。於回顧年度，李先生已進行不少於15個小時之相關專業培訓，更新其技能及知識。李先生之履歷詳情載於本年報「董事及高級管理人員之履歷」一節內。

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INVESTOR RELATIONS AND SHAREHOLDERS RIGHTS – CONVENING OF GENERAL MEETING

To promote investor relations and communications, meetings with fund managers and potential investors are held frequently. Shareholders are encouraged to attend the annual general meetings for which at least 21 days, notice is given. The Chairman and Directors are available to answer questions on the Group's businesses at the meetings. An annual general meeting of the Company shall be held every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting.

Shareholders shall have the right to request the Board to convene a general meeting of the Company and put forward agenda items for consideration by shareholders. Each general meeting, other than an annual general meeting, shall be called a special general meeting. Shareholders holding an aggregate of not less than one-tenth (10%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit, the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74 of the Companies Act 1981 of Bermuda. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the resolutions put to vote at the annual general meetings will be taken by way of poll. The chairman of the annual general meetings will explain the detailed procedures for conducting a poll at the commencement of the annual general meetings.

After the conclusion of the annual general meetings, the poll results will be published on the respective websites of the Stock Exchange and the Company.

投資者關係及股東權利－召開股東大會

為加強與投資者間之關係及聯繫，本公司經常與基金經理及潛在投資者會晤。本公司鼓勵股東出席股東週年大會，大會舉行前最少21天會發出通知。主席及董事於會上解答有關本集團業務之提問。本公司每年於不超過由舉行上一屆股東週年大會起計十五(15)個月期間內舉行股東週年大會。

股東有權要求董事會召開本公司之股東大會，並提呈議程項目供股東考慮。各股東大會(股東週年大會除外)應稱為股東特別大會。持有附帶本公司股東大會投票權之本公司繳足股本合共不少於十分之一(10%)之股東，在任何時候均有權透過向董事會或本公司秘書發出書面要求，要求由董事會召開股東特別大會，以處理於該要求中指明之任何事務；而該大會應於提交該要求起計兩(2)個月內舉行。倘董事會未能於由提交要求起計二十一(21)日內處理召開大會事宜，則提出要求之人士可自行按照百慕達一九八一年公司法第74條條文召開大會。根據上市規則第13.39(4)條，股東於股東大會上必須以投票表決方式進行投票。因此，所有提呈股東週年大會表決之決議案必須以投票表決方式進行投票。股東週年大會主席將於股東週年大會開始時詳細解釋進行投票表決之程序。

於股東週年大會結束後，投票表決結果將分別登載於聯交所及本公司之網站。

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Corporate Governance Report

The Board is committed to providing clear and full performance information of the Group to shareholders through the publication of interim and annual reports. In addition to dispatching circulars, notices, financial reports to shareholders, additional information is also available to shareholders from the Group's website.

A resolution in respect of certain proposed changes to the Bye-laws of the Company was passed in the 2012 AGM held on 20 August 2012. An updated constitutional document of the Company was published on 22 August 2012.

SHAREHOLDERS RIGHTS ENQUIRIES TO THE BOARD

Shareholders may make enquiries with the Board at the general meetings of the Company or at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company whose contact details are as follows:

Sparkle Roll Group Limited
Rooms 2028-36, 20th Floor, Sun Hung Kai Centre,
30 Harbour Road, Wanchai, Hong Kong
Telephone: (852) 2299 9902
Fax: (852) 2802 8577

董事會致力透過刊發中期及年度報告清晰全面地向股東提供有關本集團表現之資料。除獲寄發通函、通告及財務報告外，股東亦可於本集團網站上瀏覽其他資料。

有關本公司若干公司細則之建議變動之決議案已於本公司在二零一二年八月二十日舉行之二零一二年股東週年大會上通過。本公司已於二零一二年八月二十二日刊載經更新之章程文件。

股東權利－向董事會查詢

股東可於本公司股東大會上向董事會作出查詢，或隨時經公司秘書以書面形式向董事會提出查詢及關注事項。本公司之公司秘書之聯絡資料如下：

耀萊集團有限公司
香港灣仔港灣道30號
新鴻基中心20樓2028-36室
電話：(852) 2299 9902
傳真：(852) 2802 8577

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Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has an on ongoing responsibility for maintaining the Group's system of internal control and for the assessment and management of risk and reviewing their effectiveness to safeguard shareholders, investment and the Company's assets. In meeting its responsibility, the Board has entrusted the Audit Committee and appointed professional internal control consultant with the responsibility to assess risk of the Group and review the internal control systems of the Group, which include financial, operational and compliance controls functions. The risk assessment report will document the major business risks while the internal review report will provide the factual findings of whether the internal control procedures, systems and controls of the Group are suitably designed to achieve specified control objectives; have been placed in operation; and are operating effectively, in which the specific control objectives are achieved during a specified period from the testing and review.

During the year, the Board has conducted review on the effectiveness of the internal control system of the Group through discussions with the Audit Committee on audit findings and control issues. The internal control review report for the year listed out the findings of the weaknesses in respect of the relevant cycles and procedures with recommendations proposed for the Company to further improve its internal control system. The results of the review and the risk assessment report have been reported to the Board and areas of improvement have been identified and appropriate measures have been put in place to manage the risks. The Board based on the review of the Audit Committee, considered that the Group's internal control system is effective and the resources, staff qualifications and experience, training programmes and budget of the accounting and financial reporting functions, were adequate for the year under review.

風險管理及內部監控

董事會一直負責維持本集團之內部監控制度，並須評估及管理風險，檢討制度成效，以保障股東投資及本公司資產。為履行其職責，董事會已委派審核委員會及委任專業內部監控顧問，負責評估本集團風險及檢討內部監控制度，範疇包括財務、營運及合規監控職能。風險評估報告載有重大業務風險，而內部檢討報告則提供實質發現，諸如本集團之內部監控程序、制度及監控是否已適當地設計，可達到特定監控目標，有否在營運中切實執行，是否有效運作，由測試至檢討之特定期間內有否達成特定監控目標。

於年內，董事會已與審核委員會討論審核發現及監控事宜，檢討本集團內部監控制度之成效。本年度之內部監控檢討報告載列有關相關週期及程序不足之處之發現，以及建議本公司進一步改善其內部監控制度之推薦意見。檢討結果及風險評估報告已匯報董事會，並已識別改善地方，並落實適當措施以管理風險。董事會根據審核委員會之檢討，認為於回顧期間，本集團之內部監控制度行之有效，而會計及財務申報部門之資源、員工資格及經驗、培訓課程及預算均屬充份。

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Corporate Governance Report

The Company has reviewed the inside information policy from time to time and kept its content up-to-date. The updated inside information policy for the handling and dissemination of inside information has been circulated to the Directors, the senior management and the relevant employees when they are employed.

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company and that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. It is also the responsibility of the Directors to ensure the timely publication of the financial statements of the Company. During the year, the management has provided sufficient explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before it for approval including the updates on the Company's performance, position and prospects.

A discussion and analysis of the Group's performance, an explanation of the basis on which the Company generates or preserves value over the longer term and the strategy for delivering the Company's objectives have been prepared and included in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this Annual Report.

The Directors confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

本公司不時檢討其內幕消息政策，令內容緊貼最新發展。董事、高級管理人員及相關僱員於受僱時已獲發處理及發佈內幕消息之最新內幕消息政策。

董事對財務報表之責任

董事知悉須負責編製本公司財務報表，以及確保財務報表按法定要求及適用會計準則編製。董事亦有責任確保及時刊發本公司財務報表。年內，管理層已向董事會作出充分說明並提供資料，使董事會在知情情況下評估呈交其審批之財務及其他資料，包括有關本公司表現、狀況及前景之最新資料。

本集團表現之討論及分析、本公司產生或保留長遠價值所依賴基礎之說明以及達致本公司目標之策略已經編備，並載於本年報「主席報告」及「管理層討論及分析」等節。

董事確認彼等並不知悉有任何重大不明朗因素，涉及可能對本集團持續經營能力構成重大疑問之事件或狀況。

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FINANCIAL REPORTING

The Board recognises its responsibility to prepare consolidated financial statements which give a true and fair view and are in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereafter collectively referred to as HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies are selected and applied consistently. Judgements and estimates made are prudent and reasonable. The Group has changed some of its accounting policies following the adoption of the new or amended HKFRSs which are relevant to and effective for the Group's financial statements for the year. The accounting policies adopted by the Group are set out in the Summary of Significant Accounting Policies of the note 3 to the financial statements. The Directors use their best endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

The responsibilities of the auditor with respect to financial reporting are set out on pages 90 to 97 in the Independent Auditor's Report.

For and on behalf of the Board of Directors
Sparkle Roll Group Limited

Zheng Hao Jiang
Chairman & Chief Executive Officer

財務申報

董事會明白其須負責根據香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋（以下統稱「香港財務報告準則」）編製真實公平之綜合財務報表，並選擇及貫徹使用合適之會計政策。所作出之判斷及估算須為審慎及合理。於採納與本集團之本年度財務報表有關並適用於有關財務報表之新訂或經修訂香港財務報告準則後，本集團已改變若干會計政策。本集團所採納之會計政策載於財務報表附註3內「主要會計政策概要」中。董事將盡力確保於財務申報中持平、清晰及合理地評估本集團之表現、狀況及前景。董事經作出適當查詢後認為，本集團具備充足資源繼續於可見將來經營其現有業務，因此，採納持續經營基準編製綜合財務報表實屬恰當。

核數師對財務申報之責任載於第90至97頁之獨立核數師報告內。

代表董事會
耀萊集團有限公司

主席兼行政總裁
鄭浩江

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

ZHENG HAO JIANG *(Chairman and Chief Executive Officer)*

Aged 51, Mr. Zheng graduated in the Law Department (Economic Law Speciality) of Peking University in 1990 with a Bachelor degree in Law. Mr. Zheng has over 20 years' experience in Beijing in the areas of equity portfolio management, capital market analysis management and financial advisory. He is a founding member of Hong Kong Professionals and Senior Executives Association and a fellow member of the Hong Kong Institute of Directors. Mr. Zheng joined the Group in October 2006.

Mr. Zheng has an interest in such number of shares under Part XV of the SFO as disclosed in the section headed "Report of the Directors – Directors' interests in shares, underlying shares and debentures of the Company and its associated corporations" of this annual report.

ZHU LEI

Aged 43, Mr. Zhu obtained a Bachelor of Arts degree in Russian from the Department of Foreign Languages and Literatures of Beijing Normal University in 1998. He has over 18 years of experience in management and sales of watches and jewelry and management and operation of golf clubs. Mr. Zhu joined the Group in May 2011 and has since held several positions in the Group, including but not limited to the executive director of the marketing department of our Beijing headquarter, the operating director of Beijing Sparkle Roll Xin Tian Di Commerce Development Limited, the director of the fine wine business of the Group and the general manager of Sparkle Roll Online (Beijing) Business Service Limited.

Mr. Zhu is the brother-in-law of Mr. Qi Jian Hong who is the controlling shareholder of the Company. Mr. Qi Jian Hong is also the younger brother of Mr. Qi Jian Wei, a Non-executive Director of the Company.

執行董事

鄭浩江 *(主席兼行政總裁)*

現年51歲，鄭先生於一九九零年畢業於北京大學法律系經濟法專業，持有法學士學位。鄭先生於北京從事資本組合管理、資本市場分析管理及財務顧問等工作超過20年。鄭先生為香港專業及資深行政人員協會創會會員，並為香港董事學會資深會員。鄭先生於二零零六年十月加入本集團。

鄭先生擁有本年報「董事會報告－董事於本公司及其相聯法團股份、相關股份及債券之權益」一節所披露根據證券及期貨條例第XV部之有關數目股份之權益。

朱雷

現年43歲，朱先生於一九九八年畢業於北京師範大學外國語言文學系俄語專業，持有文學士學位。彼擁有18年以上管理及銷售珠寶鐘錶和管理運營高爾夫球俱樂部之經驗。朱先生於二零一一年五月加入本集團，歷任本集團北京總部所屬市場部行政總監、北京耀萊新天地商業發展有限公司營運總監、本集團紅酒部總監，以及耀萊在線(北京)商業服務有限公司總經理等職。

朱先生為本公司之控股股東基建虹先生之妻兄，而基建虹先生則為本公司非執行董事基建偉先生之弟弟。

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

CHEUNG MAN KIT

Aged 53, Mr. Cheung has completed a two-year course in business studies and obtained a certificate from the Caritas Centre for Further and Adult Education in 1988. Mr. Cheung has over 20 years of experience working in listed companies. He is currently working as a finance manager of a company whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited. Mr. Cheung has extensive experience in finance, financing, project development and business development. Mr. Cheung joined the Group in December 2017.

NON-EXECUTIVE DIRECTORS

GAO YU

Aged 44, Mr. Gao is currently a Managing Director of the Private Equity Division of Morgan Stanley Asia Limited, primarily focusing on private equity investment activities in China. He had also been a non-executive director of China Dongxiang (Group) Co., Ltd. (HK stock code: 3818) (“China Dongxiang”) from July 2007 to May 2013 and then has been re-designated as an independent non-executive director of China Dongxiang from 24 May 2013 to present. Mr. Gao is a director of Shandong Buchang Pharmaceuticals Co., Ltd. (Shanghai Stock Exchange stock code: 603858) which was listed on 18 November 2016.

Mr. Gao was also a director of Tongkun Group Co., Ltd. (Shanghai Stock Exchange stock code: 601233) until his resignation on 30 March 2015. He had also been a non-executive director of Belle International Holdings Ltd (HK stock code: 1880) from August 2006 to August 2014 and then has been re-designated as an independent non-executive director of Belle International Holdings Limited from 5 August 2014 to 27 July 2017.

Prior to joining Morgan Stanley Asia Limited, Mr. Gao worked in Citigroup’s Investment Banking Division in Asia for about five years. He also worked in Donaldson, Lufkin & Jenrette’s Debt Capital Markets Group in New York. Mr. Gao graduated from Stanford University with a Master’s degree in engineering-economic systems and operations research as well as from Tsinghua University in Beijing with dual Bachelor’s degrees in engineering and economics. Mr. Gao joined the Group in September 2010.

張文杰

53歲，張先生已完成為期兩年的商業課程，並於一九八八年取得明愛專業及成人教育中心頒發的商業證書。張文杰先生擁有超過20年在上市公司工作的經驗。彼現於一間股份於香港聯合交易所有限公司主板上市的公司擔任財務經理。張文杰先生在財務、融資、項目開發和業務發展有豐富的經驗。張先生於二零一七年十二月加入本集團。

非執行董事

高煜

現年44歲，高先生現時為摩根士丹利亞洲有限公司直接投資部董事總經理，主要專責於中國之直接股權投資。彼亦曾於二零零七年七月至二零一三年五月擔任中國動向(集團)有限公司(香港股份代號：3818)（「中國動向」）之非執行董事，其後由二零一三年五月二十四日調任為中國動向之獨立非執行董事，並任職至今。高先生為山東步長製藥股份有限公司(上海證券交易所股份代碼：603858，於二零一六年十一月十八日上市)之董事。

高先生亦曾擔任桐昆集團股份有限公司(上海證券交易所股份代碼：601233)之董事，直至彼於二零一五年三月三十日辭任為止。彼亦於二零零六年八月至二零一四年八月擔任百麗國際控股有限公司(香港股份代號：1880)的非執行董事，隨後於二零一四八月五日至二零一七年七月二十七日調任為百麗國際控股有限公司的訂立非執行董事。

於加入摩根士丹利亞洲有限公司前，高先生曾任職花旗集團於亞洲之投資銀行部約5年。彼亦曾於Donaldson, Lufkin & Jenrette位於紐約之債務資本市場部工作。高先生畢業於美國史丹福大學，獲工程經濟系統及運籌學碩士學位，以及畢業於北京清華大學，獲工程及經濟雙學士學位。高先生於二零一零年九月加入本集團。

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

QI JIAN WEI

Aged 63, Mr. Qi has over 15-year experience in the jewellery business in China including trading management, development of distribution channels and production operations. He graduated from machineries profession of Beijing Open University in 1982. He is the elder brother of Mr. Qi Jian Hong, the sole beneficial owner of Sparkle Roll Holdings Limited. Mr. Qi joined the Group in September 2010.

TANG SUNG WAI

Aged 38, Mr. Tang obtained a Bachelor of Arts degree from Macquarie University in Australia in 2006. Mr. Tang has over 9 years of experience in the life insurance industry. Mr. Tang joined the Group in January 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHOY SZE CHUNG, JOJO

Aged 59, Mr. Choy is the Vice Chairman of National Resources Securities Limited. He has extensive experience in the securities industry and business management. Mr. Choy obtained Master of Business Administration Degree from University of Wales, Newport and Master of Business Law Degree from Monash University. Mr. Choy is also an independent non-executive director of Luye Pharma Group Limited (HK stock code: 2186), Zhaojin Mining Industry Company Limited (HK stock code: 1818) and First Credit Finance Group Limited (HK stock code: 8215).

Mr. Choy had also been an independent non-executive director of Orient Securities International Holdings Limited (HK stock code: 8001) from March 2010 to May 2016. He was also an independent non-executive director of Chengdu Putian Telecommunications Cable Company Limited (HK stock code: 1202) ("Chengdu Putian") from 16 February 2006 to 31 January 2018. On 5 July 2018, the Listing Committee of the Stock Exchange censured, among other persons, Mr. Choy, being one of the independent non-executive directors of Chengdu Putian, for breach of his director's undertaking to the Stock Exchange to use his best endeavours to procure Chengdu Putian to comply with the Listing Rules relating to the disclosure requirements for continuing connected transactions.

基建偉

現年63歲，綦先生在中國之珠寶業務(包括貿易管理、開拓分銷渠道及產品經營)方面擁有逾15年經驗。彼於一九八二年畢業於北京廣播電視大學之機械專業。彼為耀萊控股有限公司之唯一實益擁有人綦建虹先生之兄長。綦先生於二零一零年九月加入本集團。

鄧崇偉

38歲，鄧先生於二零零六年獲得澳大利亞麥考瑞大學文學士學位。鄧先生於人壽保險行業擁有逾9年的經驗。鄧先生於二零一八年一月加入本集團。

獨立非執行董事

蔡思聰

現年59歲，蔡先生為中潤證券有限公司副主席。彼於證券業及商業管理方面擁有豐富經驗。蔡先生持有紐波特威爾斯大學之工商管理碩士學位及蒙納士大學之商業法律碩士學位。蔡先生亦為綠葉製藥集團有限公司(香港股份代號：2186)、招金礦業股份有限公司(香港股份代號：1818)及第一信用金融集團有限公司(香港股份代號：8215)之獨立非執行董事。

蔡先生亦於二零一零年三月至二零一六年五月擔任東方滙財證券國際控股有限公司(香港股份代號：8001)之獨立非執行董事。彼亦於二零零六年二月十六日至二零一八年一月三十一日擔任成都普天電纜股份有限公司(香港股份代號：1202) (「成都普天」)的獨立非執行董事。於二零一八年七月五日，聯交所上市委員會譴責(其中包括)蔡先生，作為成都普天其中一位獨立非執行董事，違反其作為董事應竭盡全力促使成都普天就持續關連交易之披露規定遵守上市規則而向聯交所作出的承諾。

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

Mr. Choy is also the Vice Chairman of the Institute of Securities Dealers Limited, a fellow member of Hong Kong Institute of Directors, a fellow member of Institute of Financial Accountants, a fellow member of the Institute of Compliance Officers, a fellow member of the Institute of Public Accountants, a member of Society of Registered Financial Planner Limited, a member of the fourth session and the fifth session of the Chief Executive Election Committee of Hong Kong Special Administrative Region (Financial Services Subsector), a member of the Election Committee of the 12th and 13th National People's Congress of Hong Kong Special Administrative Region, a member of Shantou Chinese People's Political Consultative Committee, an honorary president of Shantou Overseas Friendship Association, an honorary president of Shantou Overseas Exchange Association, an honorary principal of Chen Po Sum School, a committee member of Rotary Club Kowloon West and a director of Federation of Hong Kong Chiu Chow Community Organizations. Mr. Choy joined the Group in October 2007.

Mr. Choy has an interest in such number of shares under Part XV of the SFO as disclosed in the section headed "Report of the Directors – Directors' interests in shares, underlying shares and debentures of the Company and its associated corporations" of this annual report.

LAM KWOK CHEONG

Aged 64, Mr. Lam holds Bachelor of Laws degree from the University of Hong Kong. He is an independent non-executive director of Wah Sun Handbags International Holdings Limited (HK stock code: 2683).

Mr. Lam was an independent non-executive director of Southwest Securities International Securities Limited (HK stock code: 812) and China Brilliant Global Limited (formerly known as Prosten Health Holdings Limited) (HK stock code: 8026) until his resignation on 19 September 2016 and 12 February 2018, respectively. He was also an independent non-executive director of Kaisa Health Group Holdings Limited (formerly known as Mega Medical Technology Limited) (HK stock code: 876) from September 2004 to June 2014 and then re-designated as a non-executive director from 20 June 2014 to 30 June 2016. He was also a non-executive director of China Ocean Fishing Holdings Limited (formerly known as Sky Forever Supply Chain Management Group Limited) (HK stock code: 8047) from 17 June 2015 to 27 July 2015.

蔡先生亦為證券商協會有限公司副主席、香港董事學會資深會員、英國註冊財務會計師公會資深會員、合規管理人協會資深會員、澳洲公共會計師協會資深會員、註冊財務策劃師協會有限公司會員、香港特別行政區第四屆及第五屆行政長官選舉委員會委員(金融服務界)、香港特別行政區第十二屆及第十三屆全國人大代表選舉委員會成員、汕頭市政協委員、汕頭市海外聯誼會名譽會長、汕頭海外交流協會名譽會長、陳葆心學校名譽校長、九龍西區扶輪社理事會理事及香港潮屬社團總會之會董。蔡先生於二零零七年十月加入本集團。

蔡先生擁有本年報「董事會報告—董事於本公司及其相聯法團股份、相關股份及債券之權益」一節所披露根據證券及期貨條例第XV部之有關數目股份之權益。

林國昌

現年64歲，林先生持有香港大學法學學士學位。彼為華新手機國際控股有限公司(香港股份代號：2683)之獨立非執行董事。

林先生為西證國際證券股份有限公司(香港股份代號：812)及朗華國際集團有限公司(前稱長達健康控股有限公司)(香港股份代號：8026)之獨立非執行董事，直至彼分別於二零一六年九月十九日及二零一八年二月十二日辭任止。彼亦於二零零四年九月至二零一四年六月及於二零一四年六月二十日至二零一六年六月三十日分別出任及調任為佳兆業健康集團控股有限公司(前稱美加醫學科技有限公司)(香港股份代號：876)之獨立非執行董事及非執行董事。彼亦於二零一五年六月十七日至二零一五年七月二十七日擔任中國海洋捕撈控股有限公司(前稱宇恒供應鏈集團有限公司)(香港股份代號：8047)之非執行董事。

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

Mr. Lam is a Justice of the Peace with Bronze Bauhinia Star (BBS) and a solicitor of the High Court of the Hong Kong Special Administrative Region. Mr. Lam is currently a China-appointed Attesting Officer, a fellow member of the Hong Kong Institute of Directors, Ex-Officio Member of Heung Yee Kuk New Territories, member of Panel of Adjudicators, Obscene Articles Tribunal, a member of Buildings Ordinance Appeal Tribunal Panel and a Civil Celebrant of Marriages. Mr. Lam joined the Group in October 2007.

LEE THOMAS KANG BOR

Aged 64, Mr. Lee is an independent non-executive director and the chairman of the audit committee and the remuneration committee and a member of the nomination committee of CIG Yangtze Ports PLC (HK stock code: 1719).

He was also appointed as an independent non-executive director and the chairman of the audit committee of Camsing International Holding Limited (formerly known as Fitec International Group Limited) (HK stock code: 2662) on 21 January 2016 and 4 February 2016 respectively, and resigned with effect from 31 May 2016.

Mr. Lee is a member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators, a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. Mr. Lee graduated from the University of London with a bachelor's and master's degrees in laws and was called to the Bar of the Lincoln's Inn of United Kingdom. He served as president of the Taxation Institute of Hong Kong from 1999 to 2002, president of the Asia-Oceania Tax Consultants' Association from 2012 to 2014 and is now its honorary advisor, and he is also the president of Hong Kong Professionals and Senior Executives Association. Mr. Lee is the chairman of Thomas Lee & Partners Limited, Certified Tax Advisers. Mr. Lee joined the Group in August 2008.

林先生為太平紳士，並獲授銅紫荊星章，且為香港特別行政區高等法院律師。林先生現為中國委託公證人；香港董事學會資深會員；新界區鄉議局當然議員；淫褻物品審裁委員小組成員；建築物條例上訴審裁團成員及婚姻監禮人。林先生於二零零七年十月加入本集團。

李鏡波

現年64歲，李先生為中國基建港口有限公司（香港股份代號：1719）之獨立非執行董事兼審核委員會及薪酬委員會主席，亦是提名委員會成員。

彼亦於二零一六年一月二十一日及二零一六年二月四日分別獲委任承興國際控股有限公司（前稱為奕達國際集團有限公司）（香港股份代號：2662）之獨立非執行董事及審核委員會主席，並於二零一六年五月三十一日辭任。

李先生為香港特許秘書公會及英國特許秘書及行政人員公會會員，並為香港會計師公會、英國特許公認會計師公會及香港稅務學會之資深會員。李先生持有倫敦大學法學學士及法學碩士學位，亦是英國林肯法學院之大律師。彼於一九九九年至二零零二年間擔任香港稅務學會會長，於二零一二年至二零一四年擔任亞洲大洋洲稅務師協會會長，現時擔任該會之名譽顧問，而彼亦為香港專業及資深行政人員協會常務會長。李先生為瑞信國際有限公司（註冊稅務師）之主席。李先生於二零零八年八月加入本集團。

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

Mr. Lee has an interest in such number of shares under Part XV of the SFO as disclosed in the section headed “Report of the Directors – Directors’ interests in shares, underlying shares and debentures of the Company and its associated corporations” of this annual report.

李先生擁有本年報「董事會報告－董事於本公司及其相聯法團股份、相關股份及債券之權益」一節所披露根據證券及期貨條例第XV部之有關數目股份之權益。

HONORARY CHAIRMAN

QI JIAN HONG

Aged 51, Mr. Qi has over 20 years’ experience in the areas of wholesale and retail management of luxury goods in China. Mr. Qi is also the sole beneficial owner of Sparkle Roll Holdings Limited, a controlling shareholder of the Company. He is the younger brother of Mr. Qi Jian Wei, a non-executive Director.

Mr. Qi was the Honorary Advisor from 1 December 2015 to 31 March 2017 and then serves as the Honorary Chairman of the Company from 1 April 2017 to present.

Mr. Qi was the President of the automobile dealership division and watch distributorship division and was regarded as a senior management of the Group from June 2008 to November 2015.

Mr. Qi is currently a director of Cultural Investment Holdings Co., Ltd (Shanghai Stock Exchange stock code: 600715).

Mr. Qi has an interest in such number of shares under Part XV of the SFO as disclosed in the section headed “Report of the Directors – Substantial shareholders’ interests in shares and underlying shares of the Company” of this annual report.

榮譽主席

綦建虹

現年51歲，綦先生於中國擁有20年以上管理高檔消費品批發及零售之經驗。綦先生亦為本公司控股股東耀萊控股有限公司之唯一實益擁有人。彼為非執行董事綦建偉先生之胞弟。

綦先生自二零一五年十二月一日起至二零一七年三月三十一日為榮譽顧問，之後自二零一七年四月一日起至今擔任本公司榮譽主席。

綦先生於二零零八年六月至二零一五年十一月出任本集團汽車分銷部門及鐘錶代理部門之總裁，被視為高級管理人員。

綦先生現為文投控股股份有限公司(上海證券交易所股份代碼：600715)之董事。

綦先生擁有本年報「董事會報告－主要股東於本公司股份及相關股份之權益」一節所披露根據證券及期貨條例第XV部之有關數目股份之權益。

SENIOR MANAGEMENT

ZHAO XIAO DONG (Chief Operating Officer)

Aged 50, Mr. Zhao is currently a Member of Supervisory Board of Cultural Investment Holdings Co., Ltd (Shanghai Stock Exchange stock code: 600715).

高級管理人員

趙小東(運營總裁)

50歲，現為文投控股股份有限公司(上海證券交易所股份代碼：600715)之監事會成員。

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

Mr. Zhao was the executive director, the Deputy Chairman and the Chief Operating Officer of the Company from September 2008 to December 2015. He had also been a Consultant from January 2016 to 15 April 2018 in respect of the watch and jewellery business of the Group.

Mr. Zhao was re-designated as a Chief Operating Officer of the Group with effect from 16 April 2018 to present. He has over 15 years' experience in the areas of wholesale and retail management of luxury goods in Beijing.

LI YAT MING

Aged 38, Mr. Li is the Financial Controller, Company Secretary and Authorised Representative of the Company and he joined the Group in July 2009. He has over 10 years of experience in accounting, auditing, financial management, taxation and company secretarial fields. Prior to joining the Group, he had served in an international accounting firm. Mr. Li holds a Bachelor of Arts (Honours) in Accountancy from The Hong Kong Polytechnic University and a Postgraduate Certificate in Corporate Compliance from The University of Hong Kong School of Professional and Continuing Education. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, and also is a member of Hong Kong Securities and Investment Institute and Hong Kong Investor Relations Association.

JIA HAI TAO

Aged 50, Mr. Jia graduated from the master's programme in business economics (商業經濟學專業) of the Graduate School of Chinese Academy of Social Sciences in 1998 and is the General Manager of Rolls-Royce Beijing of the Group. Mr. Jia has held various senior management positions since 1998 in the fields of sales and marketing, and in these positions, he was responsible for the marketing of computer equipment at KeHai Group* (科海集團), consultancy and marketing of life insurance at Sino-US MetLife Insurance Co., Ltd.* (中美大都會人壽保險公司) and film studio marketing at Beijing Sparkle Roll International Film Studio Management Limited* (北京耀萊國際影城管理有限公司). Mr. Jia joined the Group in September 2012 and has served in various capacities, including deputy general manager of the automobile dealership division, deputy general manager of Rolls-Royce Beijing, deputy general manager and general manager of Bentley Beijing of the Group.

趙先生於二零零八年九月至二零一五年十二月出任本公司之執行董事、副主席兼運營總裁。彼亦於二零一六年一月至二零一八年四月十五日為本集團鐘錶及珠寶業務之顧問。

趙先生於二零一八年四月十六日調任為本集團運營總監任職至今。彼於北京擁有15年以上管理高檔消費品批發及零售之經驗。

李一鳴

現年38歲，李先生為本公司財務總監、公司秘書兼授權代表，彼於二零零九年七月加入本集團。彼於會計、審核、財務管理、稅務及公司秘書方面擁有逾10年經驗。於加入本集團前，彼曾任職於國際會計師行。李先生持有香港理工大學頒授之文學士(榮譽)會計學學位及持有香港大學專業進修學院頒授之企業合規深造證書。彼為香港會計師公會資深會員，亦為香港證券及投資學會以及香港投資者關係協會會員。

賈海濤

現年50歲，賈先生於一九九八年碩士研究生畢業於中國社會科學院研究生院商業經濟學專業；為本集團所屬勞斯萊斯北京總經理。賈先生於一九九八年始，先後在科海集團、中美大都會人壽保險公司和北京耀萊國際影城管理有限公司從事計算機設備營銷、壽險顧問行銷和影城市場營銷等高級管理工作，具備豐富的銷售和市場工作經驗。賈先生於二零一二年九月加入本集團，曾歷任本集團汽車分銷部門副總經理，以及勞斯萊斯北京副總經理、賓利北京副總經理和總經理。

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

LIU JING JING

Aged 44, Ms. Liu graduated from the Beijing University of Technology in 1997 with a Bachelor of Engineering in air-conditioning and cooling (空調與製冷專業) and is the Head of automobile dealership division and deputy general manager and sales manager of Lamborghini Beijing of the Group. Since 1997, Ms. Liu had been working in the area of public relations with Beijing Dongan Group* (北京東安集團), Shidu Mall* (世都百貨) and Zhongshang Department Store* (中商百貨). She joined the Bentley Beijing Group in 2001 as assistant to president and was responsible for handling commercial vehicle orders, vehicle purchase and liaison with foreign vehicle manufacturers for nearly 6 years. Ms. Liu joined the Group in July 2008 and has served as assistant to president and purchasing manager of the automobile dealership division of the Group.

CHEN LING

Aged 39, Mr. Chen graduated from the Beijing Institute of Technology in 2001 with a Bachelor of Engineering in computer science and from the University of Wollongong in Australia in 2009 with a Master in Information Technology Management. He is the General Manager of B&O PLAY at Balanorm Beo (Beijing) Trading Development Limited, a subsidiary of the Group, and Head of the e-commerce division of the Group. Mr. Chen has been engaging, and has accumulated rich experience, in corporate management and information technology management since 2010. Mr. Chen joined the Group in July 2013 and was assistant to president of the automobile dealership division of the Group and training manager of B&O PLAY at Balanorm Beo (Beijing) Trading Development Limited.

QU JING

Aged 37, Ms. Qu graduated from the undergraduate programme in fashion design and performance of the Beijing Institute of Fashion Technology in 2001 and is the General Manager of the Group's Sparkle Roll Honor Club. Ms. Qu has been engaging in the sale of Bentley vehicles for various years after graduation and later joined the Group in June 2010. Prior positions at the Group include Head of the sales department of the wine division, Beijing Sparkle Roll Luxury World (Hua Mao) and Rolls-Royce Beijing of the Group. She has extensive experience in cross-selling of various product lines of the Group and handling VIP relations.

劉晶晶

現年44歲，劉女士於一九九七年畢業於北京工業大學空調與製冷專業，持有工學士學位，為本集團汽車分銷部門採購總監，以及本集團所屬蘭博基尼北京副總經理兼銷售經理；劉女士於一九九七年始，先後在北京東安集團、世都百貨和中商百貨從事宣傳公關工作；二零零一年始進入北京賓利集團任總裁助理，負責商品車輛訂單、採購及與國外汽車廠商之溝通協調工作近6年；劉女士二零零八年七月加入本集團，曾歷任集團汽車分銷部門總裁助理、採購經理。

陳凌

現年39歲，陳先生於二零零一年畢業於北京理工大學計算機科學專業，持有工學士學位，二零零九年畢業於澳洲臥龍崗大學(University of Wollongong)，持有信息技術管理碩士學位，為本集團附屬公司衡准寶聲(北京)貿易發展有限公司B&O PLAY總經理，並兼任本集團網絡電商部總監。陳先生於二零一零年始，從事企業管理工作和資訊科技管理工作，具備良好的工作經驗。陳先生於二零一三年七月加入本集團，曾歷任集團汽車分銷部門總裁助理、衡准寶聲(北京)貿易發展有限公司B&O PLAY培訓經理。

曲晶

現年37歲，曲女士於二零零一年大學本科畢業於北京服裝學院「服裝設計與表演專業」，為本集團所屬耀萊尊榮會總經理。曲女士自畢業後從事賓利品牌汽車銷售工作多年，於二零一零年六月加入本集團，曾歷任本集團紅酒部銷售總監、耀萊新天地(華貿店)銷售總監、勞斯萊斯(北京)銷售總監，在本集團各品類產品交叉銷售和VIP客戶關係維護方面擁有豐富的經驗。

董事及高級管理人員之履歷

Biographies of Directors and Senior Management

CHENG BIN

Aged 47, Ms. Cheng graduated from the Kwantlen Polytechnic University in Canada in 2008 with a Bachelor of Business Administration in Accounting. She also is the Chartered Professional Accountant, Certified General Accountant (CPA,CGA). Ms. Cheng currently is the assistant operating director of the Group. She had served as auditor and financial controller at BDO Canada and Canada JinBi International Limited* since 2008. She joined the Group in March 2013 and held the position as the Head of the watch and jewelry division and the Head of the marketing and media division of the Group.

WEN QI

Aged 42, Mr. Wen graduated from Training School of Beijing Communist Party Committee with a college degree in 2005. He is currently the General Manager of Bentley Tianjin, a subsidiary of the Group. Mr. Wen joined Sparkle Roll Group in May 2011 and has since held several positions in the Group, including the executive assistant of Beijing headquarter of the Group, deputy manager and workshop director of branded automobile after-sales service division of the Group, the deputy general manager and sales manager of Bentley Tianjin, a subsidiary of the Group. During the seven years since joining the Group, Mr. Wen has served in various capacities and possesses professional background and after-sales maintenance service management experience for luxury automobiles and sales management experience for Bentley automobiles.

* *for identification purpose only*

程彬

現年47歲，程女士於二零零八年畢業於加拿大昆特蘭理工大學(Kwantlen Polytechnic University)會計學專業，持有工商管理學士學位。她亦是特許專業會計師，註冊會計師(CPA, CGA)，程女士現為本集團助理運營總監。她於二零零八年始，先後在加拿大BDO會計師事務所、加拿大金碧國際有限公司從事審計師和財務總監工作。她於二零一三年三月加入本集團任職鐘錶珠寶部總監和市場傳媒部總監。

溫琦

42歲，二零零五年大專畢業於北京市委黨校經濟管理專業，現任集團所屬賓利天津總經理；溫琦先生於二零一一年五月加入耀萊集團，歷任集團北京總部行政助理、集團所屬品牌汽車售後維修服務中心副經理兼車間主任、集團所屬賓利北京副總經理兼銷售經理；溫琦先生加入集團7年來，經過多個崗位歷練，具備較好的職業背景和豪華汽車售後維修服務管理經驗及賓利汽車的銷售管理經驗。

* *僅供識別*

環境、社會及管治報告

Environmental, Social and Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

With a mission to build a kingdom of luxury goods dealerships and act as the leader to develop the PRC luxury goods market at its full speed, Sparkle Roll Group Limited (hereafter “We”, “Sparkle Roll”, or “the Company”, together with its subsidiaries, collectively “the Group”) recognises its responsibility of not limiting to providing quality products and services to customers, but also contributing to the sustainable development of the society.

We are therefore very pleased to publish our second environmental, social and governance (“ESG”) report (“Report”) with details of our efforts in sustainable development. The Report provides information on environmental and social issues that are relevant to the Group and our stakeholders. The scope of this ESG Report focuses on our major business operation — automobile trading and retails with after-sale services provision in Beijing and Tianjin. The ESG Report was prepared in accordance with Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Stock Exchange”), meeting all “comply or explain” provisions of the Appendix 27. The Report has been reviewed and approved by the board of directors of the Company, and covers the financial year from 1 April 2017 to 31 March 2018 (“the Reporting Period”).

For any feedback on our ESG Report, please contact us via email at info@hk970.com.

環境、社會及管治報告

我們的業務初始宗旨為建立奢侈品分銷王國，致力於擔任開發中國奢侈品市場發展龍頭企業。耀萊集團有限公司(以下為「我們」、「耀萊」或「本公司」，與其附屬公司稱為「本集團」)認識到其責任不僅限於向客戶提供優質產品及服務，亦需為社會持續發展作出貢獻。

為此，我們欣然刊登第二份環境、社會及管治(「環境、社會及管治」)報告(「報告」)，詳述我們對可持續發展作出的努力。本報告提供與本集團及持份者有關之環境及社會問題資料。環境、社會及管治報告專注於北京及天津之主要業務營運—汽車之貿易及提供售後服務之零售。環境、社會及管治報告乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄二十七而編製，以滿足附錄二十七的所有「不遵守就解釋」條文。本報告已由本公司董事會審閱及批准，並已涵蓋二零一七年四月一日至二零一八年三月三十一日止財政年度(「報告期間」)。

如對環境、社會及管治報告有任何反饋，請歡迎通過電郵地址(info@hk970.com)與我們聯繫。

環境、社會及管治報告

Environmental, Social and Governance Report

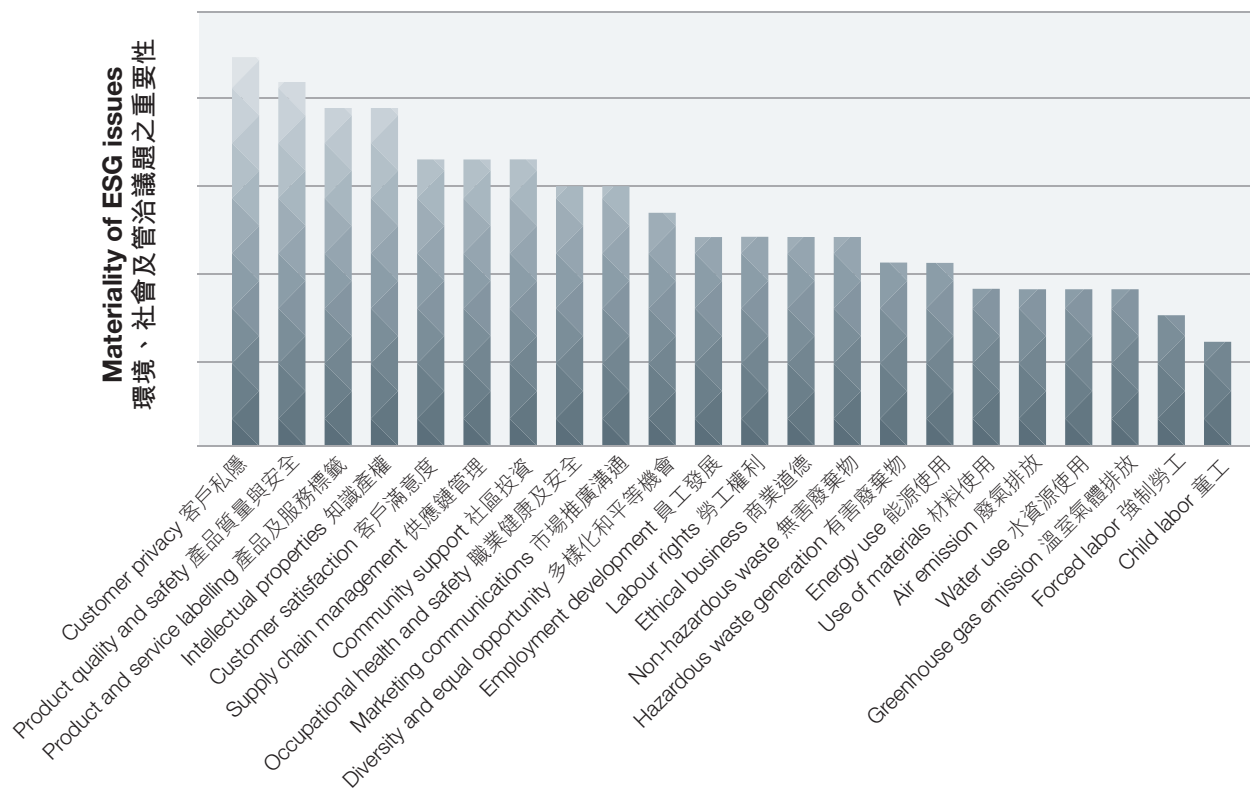
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

To formulate the direction of our ESG Report, we need to understand and identify the material ESG issues for the Group. Various stakeholders, including the board of directors, employees and shareholders, were engaged to fill in an online questionnaire and rate the importance of 22 ESG topics. The results were used to conduct a materiality assessment, as presented below:

持份者參與及重要性評估

為制定我們環境、社會及管治報告之方向，我們須了解及確認本集團環境、社會及管治之重大問題。各持份者(包括董事會、僱員及股東)獲邀請填寫在線問卷調查及評估二十二個環境、社會及管治議題之重要性等級。有關結果用於作出重要性評估，呈列如下：

Materiality Assessment 重要性評估



From the materiality assessment, it was identified that our focus should be placed on the products and services responsibility in meeting customers' need and the integrity within our operations. Details of our efforts are presented in the later sections.

從重要性評估結果中，確認我們營運中應著重產品及服務責任，以符合客戶需求及商業誠信。我們的工作詳情於稍後章節呈列。

環境、社會及管治報告

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QUALITY SERVICES AND PRODUCTS

In the automobile business, our major suppliers are the branded automobiles, namely Bentley, Lamborghini and Rolls-Royce. Being the top luxury car brands in the world, the product quality is of strict quality assurance process to ensure customers' comfort and safety, and hence the products meet all laws and regulations related to product responsibility, including the Regulation concerning Management of Compulsory Product Certification (《強制性產品認證管理規定》). The brands also have commitments to environmental protection and social responsibility and therefore, have their own requirements and expectations on their dealers, such as how to maintain customers' satisfaction and the accessories and materials used in our after-sales services.

We strive to cooperate with the suppliers to create mutual benefits. Our employees constantly participate in the training organised by our brand suppliers, to improve on areas such as brand knowledge and product information, sales techniques and customer services. When handling customer complaints, we adhere to the guidance provided by the brand suppliers and strictly manage our staff to ensure that they act appropriately to meet the brands' expectations. The brand suppliers also perform customer satisfaction survey on sales and after-sales services to check if our services exceed or fall short of customers' expectations.

We also take customer privacy seriously. Member profile is one of the most important business information and resources of the Group and therefore, employees are required to keep the information confidential. Employees are restricted to transfer, sell, disclose or keep privately. Penalty for non-compliance with this rule can be termination of employment contract.

During the Reporting Period, there was a civil legal case identified in Tianjin subsidiary regarding the quality of provided product. This case was concluded in July 2018 and the relevant sales and purchase contract was rescinded and the compensation amounting to RMB8,520,000 was paid to the plaintiff in accordance with the final judgement of the court. We have reviewed its impact on the financial position, daily operation and quality assurance on delivered products and services of the Group and we confirm that there was no material and significant impacts on the Group relating to product health and safety, advertising, and privacy matters relating to products and services provided and methods of redress.

優質服務及產品

於汽車業務方面，我們的主要供應商為具知名品牌的供應商，如賓利、蘭博基尼及勞斯萊斯。作為世界頂級汽車品牌，產品質量有嚴格質量保證流程，以確保客戶舒適及安全，因而產品符合有關產品責任之所有法律及法規，包括《強制性產品認證管理規定》。品牌亦承諾環保及社會責任，因而擁有其自身要求及對其經銷商之預期，如如何維持客戶滿意及售後服務所用配件及材料。

我們致力於與供應商合作，實現共同利益。僱員經常參與品牌供應商提供之培訓，以改善有關領域，如品牌知識及產品資料、銷售技巧及客戶服務。當處理客戶投訴時，我們遵守品牌供應商提供之指引及嚴格管理員工，確保彼等妥善行事，以符合品牌預期。該等品牌供應商亦進行有關銷售及售後服務之客戶滿意度調查，檢驗我們的服務是否超出或未能達到客戶預期。

我們亦非常重視客戶私隱。會員資料為本集團最重要的業務資料及資源之一。因此，要求僱員要為資料保密。僱員不得私下轉讓、銷售、披露及保留。違反該規定可能遭解除僱傭合約。

於報告期間，天津附屬公司確定一宗有關就所提供產品質量問題的民事訴訟案件。該案件已於二零一八年七月終結及相關買賣合約已予撤銷，而根據法院最終判決向原告支付人民幣8,520,000元的賠償金。我們已審閱該案件對本集團財務狀況、日常營運及所交付產品之質量保證及服務之影響，並確認對本集團所提供產品及服務之健康與安全、廣告及私隱事宜以及補救方法並無造成重大影響。

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In order to prevent the similar case occurrence in the future, we have implemented remedial plans promptly. For instance, every customer in Tianjin need to sign a “Pre-delivery inspection acknowledgement” before the completion of sales transaction to ensure that the pre-delivery inspection procedure for product quality checking is well-communicated with the customers and properly executed.

EMPLOYEE MOTIVATION

As of 31 March 2018, our Group had a total of 474 employees, of whom 220 are males and 254 are females. The Group’s employment policy ensures that the employees are treated fairly, equally and free of discrimination. We strive to create a workplace that is free of discrimination with respect to human rights. One key way of differentiating us from other luxury goods dealers is customer service. Delivering superior customer service leads to the growth in sales and in return, increase our ability to invest in employees. Thus, we strive to create an environment that motivates our employees so that they understand their jobs and feel a higher degree of satisfaction to provide excellent services. Our staff handbook sets out the employment terms and conditions which are in compliance with national laws and regulations.

Employment Practices

The Group has a system in formulating employees’ remuneration package, which includes basic salary, holidays, rest periods, commission, discretionary bonus, medical insurance and retirement funds, and conducts analysis to ensure our employees are rewarded competitively with a balance of market competitiveness, organisational business conditions and individual performance.

We also set standard working hours for employees and minimise overtime work for our staff. In any event, overtime works are on a voluntary basis with staff compensated in accordance with the relevant labour laws and regulations. All staff are entitled to marriage leaves, maternity leaves, paternity leaves and compassionate leaves, apart from paid annual leaves. We also respect breastfeeding staff by providing reasonable break time for working mothers in the workplace.

為防止日後發生類似案件，我們已立即實施補救計劃。例如，於完成銷售交易前於天津之每名客戶須簽署「交付前檢查確認書」，以確保與客戶良好溝通產品質量檢查之交付前檢查程序及妥善執行該程序。

僱員激勵

截至二零一八年三月三十一日，本集團僱員合共為474名，其中220名為男性及254名為女性。本集團僱傭政策確保僱員獲公平、平等對待且無任何歧視。我們致力於建立並無任何歧視且遵守人權之工作場所。客戶服務為我們自其他奢侈品分銷商脫穎而出的重要方式之一。提供卓越客戶服務令銷售增長，從而使我們投資僱員之能力增強。因此，我們致力於創建激勵僱員之環境，以使彼等了解其工作且感到非常滿意，從而提供卓越的服務。我們的員工手冊載有遵守國家法律及法規之僱傭條款及條件。

僱傭慣例

本集團有系統制定僱員薪酬待遇，包括基本薪金、假期、休息日、佣金、酌情花紅、醫療保險及退休金，以及進行分析以確保我們的僱員在平衡市場競爭力、業務條件及個人表現下獲得具競爭性獎勵。

我們亦定有僱員標準工作時及盡量減少員工加班時間。在任何情況下，加班應為自願，而僱員則按照相關勞動法律及法規獲得補償。除帶薪年假外，全體員工均享有婚假、產假、待產假及喪假。我們亦尊重進行母乳餵養的員工，在工作場合為在職母親提供合理休息時間。

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We uphold the principle of fairness and openness during the recruitment and promotion process and any gender discrimination is strictly prohibited. The candidates' performance, experience and potentials are the only factors considered for decisions on staff employment and promotion.

The Group enacts zero tolerance to the use of child labour and forced labour in our workplace. Identity checks are carried out to verify the age of all the applicants before they are considered for employment. All employees signed the employment contract consensually and voluntarily with the Group.

During the Reporting Period, we confirm that there were no breaches with relevant national labour laws and regulations that had a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare or preventing child and forced labour.

Act with Integrity

Integrity is one of the fundamental values to maintain at our workplace. We expect our employees to uphold this core value to create an ethical workplace and provide customers with excellent service. As stipulated in the staff handbook, our employees are required to adhere to the code of conduct and demonstrate sound moral and ethical principles at work, as well as complying with relevant national laws and regulations. In any event of unlawful acts such as corruption, fraud, bribery, malpractice, extortion, fraud, money laundering performed by our employees, the Group will immediately terminate their employment contract.

Employees also have the responsibility to safeguard both tangible and intangible assets of the Group, as well as our customers' and suppliers'. Employees are required to maintain the equipment and facilities in good conditions, and prevent loss and damage of the merchandised goods. Personal and confidential information, including but not limited to salaries, business data, and customers' information, shall be protected and shall not be shared with third parties or disclosed such information outside the Group.

During the Reporting Period, we confirm that there was no non-compliance case that had a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

於招聘及晉升過程中，我們維持公平及公開原則，嚴格禁止任何性別歧視。我們於作出聘用員工及員工晉升決定時，僅考慮候選人的表現、經驗及潛質。

本集團對工作場所使用童工及強迫勞工採取零容忍態度。我們於聘用僱員前會進行身份核查以證實所有申請人的年齡。所有僱員已自願與本集團簽署僱傭合約。

於報告期間，就有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利或避免使用童工及強迫勞工而言，我們確定並無違反對本集團造成重大影響的相關國家勞動法律及法規。

誠信行事

誠信是工作場合需維持的基本價值之一。我們預期僱員維持這核心價值，創建和諧工作環境及為客戶提供卓越服務。如員工手冊規定，僱員須遵守行為準則及於工作中展示健全道義及道德原則，以及遵守相關國家法律及法規。倘發生任何違法行為，如僱員貪污、欺詐、賄賂、怠忽職守、敲詐、欺騙、洗錢，本集團將即時終止僱傭合約。

僱員亦有責任保障本集團以及客戶及供應商之有形及無形資產。僱員須維護設備及設施處於良好狀態，避免商品遺失及損害。個人及機密資料，包括但不限於薪資、業務數據及客戶資料，應受保護且不得與第三方分享或於本集團之外披露有關資料。

於報告期間，就賄賂、勒索、欺詐及洗黑錢，我們確定並無任何對本集團造成重大影響的違規行為。

環境、社會及管治報告

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Career Advancement

We strive to offer employees with prospective career development opportunities for achieving personal goals, as well as maintaining a sustainable development of the Group through retaining skilled and experienced talents. We prioritise internal promotion opportunities for our staff when job vacancies occur and provide training to enhance their skills to fill in competency gaps. All new employees have to attend an induction training in order to understand basic information such as the Group's background and business goals, rules and regulations, employee rights and benefits, code of conduct as well as relevant professional knowledge. For existing employees, we offer both internal and external training to them regularly depending on their roles and position. An annual training plan is developed to ensure our employees receive proper training to acquire new knowledge and skills for enhancing job satisfactions and capability. Our board of directors and senior management also joined an in-house training held by The Hong Kong Institute of Directors regarding the latest cases on law enforcement by the Securities and Futures Commission ("SFC") and the core issues on HKEx's recent consultation papers, in order to strengthen and update the directors with the latest knowledge.

Workplace Health and Safety

A safe workplace creates a productive work environment. Safety precaution notices with emergency handling and protective measures are displayed in the working area of our after-sales service centres to remind our employees to pay full attention on the identified potential hazardous exposures of the operational activities such as welding and noise. To mitigate the occupational safety hazards posed to our staff, suitable personal protective equipment is provided to our workers. For workers engaged in hazardous operations, such as paint spraying and panel beating in our after-sales service centres, occupational health check-up is conducted at least once a year to ensure they remain healthy. We also provide additional subsidies to workers whose work is at higher risk.

職業發展

我們致力為僱員提供有前景的職業發展機會以實現個人目標，以及透過挽留技術熟練及經驗豐富的人才維持本集團之可持續發展。當出現職位空缺時，我們優先向我們的員工提供內部晉升機會及提供培訓以增強其技能，從而填補能力缺口。所有新僱員須參加就職培訓，了解基本資料，如本集團背景及業務目標、法律及法規、僱員權利及利益、行為守則，以及相關專業知識。就現有僱員而言，我們依據僱員之角色及職務向彼等定期提供內部及外界培訓。每年均會制定培訓計劃，確保僱員獲得妥善培訓，掌握提高工作滿意度及工作能力的新知識及技能。董事及高級管理層亦參加由香港董事學會舉辦有關證券及期貨事務委員會（「證監會」）實施法律的最新案件及香港聯交所近期諮詢文件的核心事宜之內部培訓，以鞏固及更新董事之最新知識。

職業健康及安全

安全的工作場所創建高效率之工作環境。我們於售後服務中心工作區域展示帶有應急處理及保護措施的安全措施通知，以提醒僱員充分注意業務活動中已識別的有害風險，如焊接及噪音。為減輕對員工造成的職業安全危害，我們向工人提供合適的個人保護裝備。就從事危險作業之工人而言，如於售後服務中心噴漆、板金加工，每年進行至少一次職業健康檢查以確保工人之健康狀態。我們亦向從事高危風險工作之工人提供額外補貼。

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Emergency plans are developed with clearly defined responsibility of different departments and personnel, as well as guidance on preventing and handling emergencies for hazardous chemical leakage, fire and occupational health and safety hazards.

During the Reporting Period, we confirm that there was no non-compliance with laws and regulations that had a significant impact on the Group relating to occupational health and safety.

ENVIRONMENTAL PROTECTION

We strive to minimise adverse environmental impacts from our operations, including both the after-sales service centres and offices. During the Reporting Period, we confirm that there was no non-compliance with the relevant laws and regulations that had significant impact on the Group relating to the air and greenhouse gas emission, discharges into water and land, and generation of hazardous waste and non-hazardous waste.

Automotive after-sales service centres

Apart from selling cars in our automobile dealership, we also provide vehicle repair, maintenance, and other after-sales services for our customers. Through the implementation of proper mitigation measures, we ensure that the operations of the after-sales service centres comply with applicable environmental laws and regulations with proper measures implemented to reduce adverse impacts on the environment. An environmental impact assessment has been conducted in each facility and all our facilities have gone through the final inspections. Within our operation, air emissions, wastewater and solid waste generations are our focused areas and appropriate actions have been taken to manage them as described below.

有關緊急應變計劃已制定，訂明不同部門及人員之責任以及在避免及處理危險化學品洩露、火災及職業健康及安全危害之緊急情況提出指引。

於報告期間，就有關提供安全工作環境及保障僱員避免職業性害，我們確認並無任何對本集團造成重大影響的違規行為。

環境保護

我們竭力將我們的營運（包括售後服務中心及辦事處）對環境造成之影響降至最低。於報告期間，就有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生我們確認並無任何對本集團造成重大影響的違規行為。

汽車售後服務中心

除於汽車分銷處銷售汽車外，我們亦提供汽車維修、保養，以及為客戶提供其他售後服務。透過實施適當的緩解措施，我們確保售後服務中心之營運遵守適用環境法律及法規，實行適當措施降低對環境之不利影響。各設施已進行環境評估且已通過最終檢驗。我們重點關注營運過程中氣體排放、污水及固體廢棄物的產生，並按下文所述採取適當措施進行管理。

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Volatile organic compounds (“VOCs”) and the exhausted gas containing dust are the main sources of the air emission generated in our operation. The VOCs are generated during the paint spraying process, whereas the dusty exhausted gas is produced from the grinding and polishing of the vehicle body. The paint spraying is only carried out in a designated compartment with suitable air pollution control facilities, such as with activated carbon absorbers. All the treated exhaust gas then passed through a chimney at a suitable height before emitting to the atmosphere. Similarly, our grinding equipment is fitted with vacuum cleaner for dust suppression during the process of grinding and polishing in our after-sales services centres.

Wastewater from car washing is either treated properly before discharging or recycled by a third party.

Solid wastes generated from vehicle repair and maintenance, in particular those hazardous waste such as waste lubricant oil, organic solvents, paints and activated carbon are properly sorted, labelled and stored in a designated area without mixing with other solid wastes. To manage hazardous waste properly, we have signed an agreement with licensed third parties for collection, transportation and treatment of the hazardous waste.

Offices

We have set up an Office Environmental Policy for guiding employees to use resources wisely on a daily operation basis. Notices are posted in our offices reminding employees to save the use of paper, water and energy. For example, lights and air-conditioners should be switched off before leaving the offices or when they are not in use; doors and windows should be closed while air-conditioning is on. Furthermore, recycling bins are placed in our offices to segregate different types of recyclable materials such as plastic, glass and aluminium cans for material recycling. We also opt for purchasing the products with green label, greater durability that emit fewer irritating or toxic substances during use and avoid using single-use disposable items in our offices.

易揮發性有機化合物(「VOCs」)及含塵廢氣為我們營運過程中氣體排放的主要來源。VOCs於噴漆過程中產生，而含塵廢氣於車身研磨及拋光時產生。噴漆僅於設有適當空氣污染控制設施(如活性炭吸附)的指定隔間內進行。所有經處理廢氣隨後通過合適高度的煙囪排放至大氣中。同樣，研磨設備配備吸塵器，以於售後服務中心的研磨及拋光過程中抑塵。

洗車廢水亦於排放或第三方回收前進行妥善處理。

車輛維修及保養所產生的固體廢棄物(尤其是如廢潤滑油、有機溶劑、油漆及活性炭等有害廢棄物)將進行妥善分類、標識及儲存於指定區域，不與其他固體廢棄物混合。為妥善管理有害廢棄物，我們已與持牌第三方簽訂協議，以收集、運輸及處理有害廢棄物。

辦公室

我們已制定辦公室環保政策，指引僱員在日常業務運作時明智地使用資源。於我們的辦公室張貼通知，提醒僱員節約使用紙、水及能源。例如，照明設備及空調須在離開辦公室前或不使用時關掉；打開空調時，須關上門窗。此外，辦公室擺放多個回收箱，將不同回收材料(例如塑膠、玻璃及鋁罐)分類，以供物料回收。我們亦選擇購買貼有綠色標籤、更耐用及於適用過程中釋放較少刺激性或有毒物質的產品，並避免在辦公室使用一次性用品。

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Paper

- Recycle and reuse envelopes for internal couriers
- Adopt double-sided printing and photocopying
- Think twice before printing. When printing is necessary, preview carefully before printing to reduce paper wastage
- Reuse single-sided papers

Water

- Encourage staff to report leakage of taps, water pipes and toilets immediately to the relevant department
- Switch off the water tap during and after washing hands

Energy

- Turn off computers, monitors and printers when leaving the workplace
- Use desk lamps to directly illuminate the work areas
- Switch off the lights and air-conditioning in meeting rooms when not in use
- Use of natural light whenever possible
- Set the air-conditioning and maintain the room temperature to balance between electricity use and comfortableness
- Clean the light fittings and dust filters of air-conditioners to maintain the optimal good conditions

Other Material use

- Use cleansing agents manufactured with no phosphate or phosphonates
- Use reusable products (e.g. stationery with refills) instead of using single-use disposable items

紙

- 回收及重複使用信封作內部文件傳送
- 使用雙面打印及影印
- 於打印前再三思考。在需要打印時，請在打印前仔細預覽以減少紙張浪費
- 重複使用單面紙

水

- 鼓勵員工即時向相關部門報告有關水龍頭、水管及廁所漏水
- 洗手後關掉水龍頭

能源

- 在離開辦公場所時關掉電腦、屏幕及打印機
- 直接使用檯燈照亮工作區域
- 在不使用會議室時關掉燈及空調
- 盡可能使用自然光
- 將空調設置在可維持平衡用電及舒適度之室溫
- 清潔照明系統及空調之隔塵網，維持最佳狀況

其他使用材料

- 使用不含磷酸鹽或磷酸鹽的清潔劑
- 使用可重複使用產品（如帶有筆芯的文具），而非使用一次性用品

環境、社會及管治報告

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Environmental Performance

環境表現

Our Environmental Performance related to our operation during the Reporting Period is shown in the table below: 於報告期與營運相關的環境表現載列於下表：

Sparkle Roll Group Limited 耀萊集團有限公司		
	FY2017/18 二零一七／一八財政年度	Unit 單位
Types of resources use (Note 1) 所使用資源種類 (附註1)		
Electricity 電	1,755,828.53	kWh 千瓦小時
Water 水	1,999.50	m ³ 立方米
Vehicle fuels 車用燃料		Litre 公升
– Gasoline – 汽油	63,327.74	Litre 公升
Type of waste generation (Note 2) 所產生廢棄物種類 (附註2)		
– Hazardous waste – 有害廢棄物	13.25	Tonne 噸
Type of Emission 排放種類		
Greenhouse gas emissions 溫室氣體排放		
– Direct Emission (Scope 1) – 直接排放 (範圍1)	147.55	tCO ₂ e 噸二氧化碳當量
– Indirect Emission (Scope 2) – 間接排放 (範圍2)	1,828.87	tCO ₂ e 噸二氧化碳當量
Total 總計	1,976.42	tCO ₂ e 噸二氧化碳當量

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Sparkle Roll Group Limited

耀萊集團有限公司

FY2017/18

二零一七／一八財政年度

Unit

單位

Intensity

密度

Energy intensity

能源密度

- Direct energy	0.000028	Litre per RMB ('000) revenue
- 直接能源		公升／每千元人民幣收益
- Indirect energy	0.00077	kWh per RMB ('000) revenue
- 間接能源		千瓦小時／每千元人民幣收益

Water intensity

用水密度

0.00000087

m³ per RMB ('000) revenue
立方米／每千元人民幣收益

Waste intensity

廢棄物密度

- Hazardous waste	0.0000000058	Tonne per RMB ('000) revenue
- 有害廢棄物		噸／每千元人民幣收益

Carbon intensity

碳密度

- Direct Emission (Scope 1)	0.000000065	tCO ₂ e per RMB ('000) revenue
- 直接排放(範圍1)		噸二氧化碳當量／每千元人民幣收益
- Indirect Emission (Scope 2)	0.000000080	tCO ₂ e per RMB ('000) revenue
- 間接排放(範圍2)		噸二氧化碳當量／每千元人民幣收益

Note 1: The Group provides automobile trading service and after sales services to our customers and thus "packaging material" is not applicable.

附註1：本集團向客戶提供汽車貿易服務及售後服務，故「包裝材料」不適用。

Note 2: The non-hazardous waste generated from our offices, automotive after-sales service centres and warehouses is consigned to waste recycling companies for recycling or handled by the property management company. Data for the current year is not available.

附註2：於辦公室、汽車售後服務中心及倉庫產生的非有害廢棄物運送至廢棄物回收公司回收或物業管理公司處理。本年度沒有相關數據。

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CONTRIBUTION TO THE COMMUNITY

We are at the stage of setting up community investment policy that suits the condition of our Group, not only to enhance the corporate image but also to contribute back to the society. To support Jackie Chan Charitable Foundation's daily operation and charitable activities, our Group has donated the use right of a vehicle to the foundation during the Reporting Period. We also encourage our employees to actively take part in various voluntary and charitable activities to care about the needy in the community, and promote "Love & Care" culture along the Group. More details will be shared in the future ESG reporting.

社區貢獻

我們正處於訂定適合本集團之社區投資政策的階段，不僅提高公司形象，亦對社會作出貢獻。為支持成龍慈善基金的日常營運及慈善活動，本集團已於報告期內向基金會捐贈一輛汽車的使用權。我們亦鼓勵僱員計及參與各類義工及慈善活動，關愛社區需求，促進本集團內「關愛&關懷」文化。有關詳情載於日後環境、社會及管治報告內。

HKEX ESG REPORTING GUIDE INDEX

香港交易所環境、社會及管治報告 指引索引

HKEx ESG Reporting Guide General Disclosures

香港交易所環境、社會及管治報告指引一般披露

Policy/Procedure

政策/程序

Reference section

參考章節

A. Environment

A. 環境

A1 Emission

A1 排放物

Information on:

有關廢氣及溫室氣體排放、向水及土地之排污、有害及無害廢棄物產生等之：

- (a) the policies; and
- (a) 政策；及
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste.
- (b) 遵守對發行人有重大影響之相關法律及規例之資料。

We follow the practices as per the Environmental Impact Assessments, where applicable
我們遵守環境影響評估慣例（倘適用）

Environmental Protection
環境保護

A2 Use of Resource

A2 資源使用

Policies on efficient use of resources including energy, water and other raw materials.
有效使用資源（包括能源、水及其他原材料）之政策。

Office Environmental Policy
辦公室環境政策

Environmental Protection
環境保護

A3 The Environment and Natural Resources

A3 環境及天然資源

Policies on minimising the issuer's significant impact on the environment and natural resources.
減低發行人對環境及天然資源造成重大影響之政策。

The Group's operations do not have significant impact on the environment and natural resources.
本集團之營運並無對環境及天然資源造成重大影響。

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B. Social			
B. 社會			
B1 Employment B1 僱傭	Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利之： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. (b) 遵守對發行人有重大影響之相關法律及規例之資料。	Employee Handbook 僱員手冊	Employee Motivation – Employment Practices 僱員激勵－僱傭慣例
B2 Health and Safety B2 健康與安全	Information on: 有關提供安全工作環境及保障僱員避免職業性危害之： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Occupational Health Check-up Policy 職業體檢政策 Emergency Plans 緊急計劃	Employee Motivation – Health and Safe Workplace 僱員激勵－職業健康及安全
B3 Development and Training B3 發展及培訓	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責之知識及技能之政策。描述培訓活動。	Employee Handbook 僱員手冊	Employee Motivation – Career Advancement 僱員激勵－職業發展

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B4 Labour Standard B4 勞工準則	Information on: 有關防止童工或強制勞工之： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to standards, rules and regulations on preventing child or forced labour. (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Recruitment and Hiring Procedures 招聘及僱用程序	Employee Motivation – Employment Practices 僱員激勵－僱傭慣例
B5 Supply Chain Management B5 供應鏈管理	Policies on managing environmental and social risks of supply chain. 管理供應鏈之環境及社會風險政策。	Our major suppliers are well known brands who have strict quality assurance process, as well as commitment to environmental protection and social responsibility. 我們的供應商為知名品牌，彼等擁有嚴格質量保證流程以及承諾環保及社會責任。	Quality Services and Products 優質服務及產品
B6 Product Responsibility B6 產品責任	Information on: 有關所提供產品和服務之健康與安全、廣告、標籤及私隱事宜以及補救方法之： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress. (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Customer Complaint Handling 客戶投訴處理 Customer Satisfaction Survey 客戶滿意度調查	Quality Services and Products 優質服務及產品

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B7 Anti-corruption B7 反貪污	Information on: 有關防止賄賂、勒索、欺詐及洗黑錢之： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Employee Handbook 僱員手冊	Employee Motivation – Act with Integrity 僱員激勵－誠信行事
B8 Community Investment B8 社區投資	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益之政策。	We are at the stage of setting up community investment policy that suits the condition of our Group. 我們正在制定適合本集團狀況之社區投資政策。	Contribution to the Community 社區貢獻

獨立核數師報告

Independent Auditor's Report



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF SPARKLE ROLL GROUP LIMITED
(incorporated in Bermuda with limited liability)

致耀萊集團有限公司全體股東
(於百慕達註冊成立之有限公司)

QUALIFIED OPINION

保留意見

We have audited the consolidated financial statements of Sparkle Roll Group Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 98 to 215, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師(以下簡稱「吾等」)已審核第98至215頁所載有關耀萊集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一八年三月三十一日之綜合財務狀況報表，與截至該日止年度之綜合全面收入報表、綜合現金流量表及綜合股本權益變動表，以及綜合財務報表附註，其包括主要會計政策概要。

In our opinion, except for the possible effects of the matter described in the “Basis for Qualified Opinion” section of our report, 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.

吾等認為，除吾等作出之報告「保留意見之基礎」一節所述之事宜之可能影響外，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則真實公允地反映了貴集團於二零一八年三月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，且已根據香港公司條例之披露規定妥為編製。

獨立核數師報告(續)

Independent Auditor's Report (Continued)

BASIS FOR QUALIFIED OPINION

As stated in Note 19 to the consolidated financial statements, Bang & Olufsen A/S (“B&O”), a Denmark listed entity, was acquired as an associate in last year and accounted for by the equity method, and during the current year, the Group ceased to have significant influence over B&O as a result of loss of representation by the Group in the board of directors of B&O due to the resignation of Mr. Tong Kai Lap as the chairman and executive director of the Company (who also holds the position of director and audit committee member of B&O). In applying the equity method to prepare the consolidated financial statements, the Group has used the financial information of B&O as contained in B&O's published financial report (“B&O's Financial Information”). In accordance with Hong Kong Standard on Auditing 600 Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors), B&O was identified as a significant component of the Group due to its individual financial significance to the Group. Accordingly, as part of our audit, we shall perform an audit on the financial information of B&O which is included in the consolidated financial statements. During the course of our audit, we were denied access to the systems, books and records, management, and the auditors of B&O because such access is restricted by certain rules and regulations in Denmark relating to disclosure of inside information. As there were no other satisfactory audit procedures that we could adopt, we were unable to obtain sufficient appropriate audit evidence as to whether the carrying amount of the Group's investment in B&O as at 31 March 2017, the Group's share of B&O's results for the period from 1 April 2017 to the date of deemed disposal of B&O and a gain on deemed disposal of B&O as included in the Group's consolidated financial statements were fairly stated. Also, due to this limitation on our scope of work, we have not obtained sufficient audit evidence relating to the disclosures about B&O's financial information. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 qualified opinion.

保留意見之基礎

誠如綜合財務報表附註19所述，貴集團於上個年度收購Bang & Olufsen A/S(「B&O」，丹麥上市實體)為聯營公司及採用權益法入賬，於本年度，由於貴公司主席兼執行董事唐啟立先生(彼亦擔任B&O董事職務及審核委員成員)辭任，貴集團於B&O董事會缺乏代表，導致貴集團不再對B&O擁有重大影響力。於採用權益法編製綜合財務報表時，貴集團已使用B&O已刊發財務報表所載B&O的財務資料(「B&O財務資料」)。根據香港會計準則第600號對集團財務報表審核之特殊考慮(包括組成部分核數師之工作)，由於B&O對貴集團具有重大的財務影響，因而被識別為貴集團之重大組成部分。因此，作為吾等審核之一部分，吾等須對載入綜合財務報表內之B&O財務資料進行審核。於吾等審核過程中，吾等未能接觸B&O之系統、賬目、記錄、管理層及核數師，乃因根據丹麥有關內幕消息披露之若干規定及法規限制該等接觸。由於吾等未能採納其他令人滿意的審核程序，吾等未能就於二零一七年三月三十一日貴集團於B&O之投資賬面值、自二零一七年四月一日起至視作出售B&O日期止期間貴集團應佔B&O之業績及視作出售B&O之收益是否於貴集團綜合財務報表內公允地列報獲得充足適當審核證據。此外，由於吾等工作範圍受到此等限制，吾等並無獲得有關B&O財務資料披露之充足審核證據。因此，吾等無法釐定該等金額是否需要作出任何調整。

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

獨立核數師報告(續)

Independent Auditor's Report (Continued)

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2017 were audited by another auditor who issued a qualified audit opinion dated 28 June 2017.

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. In addition to the matter described in the "Basis for Qualified Opinion" section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Assessing potential impairment of goodwill

Refer to Notes 4.6, 4.17, 5(a) and 17 to the consolidated financial statements

The Key Audit Matter

The carrying value of the Group's goodwill which amounted to HK\$206 million as at 31 March 2018 was allocated to the Group's automobile business.

Goodwill is assessed annually for potential impairment. Management performs impairment assessments of the separately identifiable cash generating unit ("CGU") to which goodwill has been allocated by considering the value-in-use of this CGU.

The value-in-use is determined by preparing discounted cash flow forecast of the relevant CGU. This involves a significant degree of management judgement, particularly in determining the key assumptions adopted, which include the forecasting revenue growth, operating profit and the discount rate applied.

We identified assessing potential impairment of goodwill as a significant audit matter because the impairment assessment involves a significant degree of management judgement in relation to the key assumptions adopted in the impairment assessment model some of which are inherently uncertain and may be subject to management bias.

其他事宜

貴集團於截至二零一七年三月三十一日止年度之綜合財務報表乃由另一核數師(於二零一七年六月二十八日發出保留審核意見)審核。

關鍵審核事項

關鍵審核事項乃根據吾等之職業判斷，對本期間綜合財務報表之審核最為重要之事項。該等事項乃於吾等審核整體綜合財務報表及就此出具意見時進行處理，及吾等不會就該等事項提供單獨意見。除「保留意見之基礎」一節所述之事宜外，吾等釐定下文所述之事宜為將於吾等作出之報告中溝通之關鍵審核事項。

評估潛在商譽減值

參閱綜合財務報表附註4.6、4.17、5(a)及17

關鍵審核事項

貴集團商譽於二零一八年三月三十一日之賬面值206,000,000港元乃分配至 貴集團之汽車業務。

商譽按年評估潛在減值。管理層單獨對可識別現金產生單位(「現金產生單位」)進行減值評估，有關現金產生單位乃通過考慮該等現金產生單位的使用價值獲分配商譽。

使用價值乃通過編製相關現金產生單位的貼現現金流量預測釐定。此涉及重大程度的管理層判斷，尤其是釐定採納的關鍵假設，其包括預測收益增長、經營溢利及所使用的貼現率。

我們已識別評估商譽的潛在減值為重大審核事項，乃由於減值評估涉及管理層對有關減值評估模式所採納的關鍵假設的重大程度的判斷，其中部分判斷具有固有的不確定性及可能受管理層的偏見所限。

獨立核數師報告(續)

Independent Auditor's Report (Continued)

KEY AUDIT MATTERS (Continued)

How the matter was addressed in our audit

Our audit procedures to assess potential impairment of goodwill included the following:

- Evaluating management's identification of CGU and the amount of goodwill and other assets allocated to this CGU;
- Evaluating the methodology used by the management in its preparation of the discounted cash flow forecast with reference to the requirements of the prevailing accounting standards;
- Evaluating the growth rate and discount rate applied in the discounted cash flow forecast by assessing whether it was within the range of those adopted by other companies in the same industry;
- Assessing and challenging the key assumptions adopted by management in the discounted cash flow forecast, which included the estimated revenue and profit (with reference to historical profit margins of the CGU), the financial budgets approved by the directors and our expectations based on our knowledge of the industry in which the Group operates;
- Assessing the reliability of management forecasting process by comparing the data for revenue and operating costs included in prior year's discounted cash flow forecast with the current year's actual results and making enquires of management in respect of any significant variations identified; and
- Obtaining from management sensitivity analysis of the growth rate and the discount rate adopted in the discounted cash flow forecast and assessing the impact of changes in these key assumptions to the conclusion reached in the impairment assessment and whether there were any indicators of management bias.

關鍵審核事項(續)

我們的審核如何處理該事項

我們評估商譽潛在減值的審核程序包括以下各項：

- 評估管理層對現金產生單位及商譽金額的確定以及分配至該現金產生單位的其他資產；
- 根據現行會計準則的規定，評估管理層於編製貼現現金流量預測時所使用的方法；
- 通過評估貼現現金流量預測所用的貼現率是否屬於同行業其他公司所採納的範圍內，對增長率及貼現率進行評估；
- 根據現金產生單位的過往利潤率、董事批准的財務預算及我們基於對貴集團經營所在行業了解的預期，評估及質疑管理層於其貼現現金流量預測中所採納的關鍵假設，其包括估計收益及溢利；
- 透過比較計入上個年度貼現現金流量預測之收益及經營成本與本年度之實際結果評估管理層預測程序的可靠性，如有任何重大變動，應向管理層作出查詢；及
- 就管理層於貼現現金流量預測所採用的增長率及貼現率進行敏感度分析，並評估主要假設的變動對管理層就其減值評估達致的結論所造成的影響及是否構成任何管理層偏見的指標。

獨立核數師報告(續)

Independent Auditor's Report (Continued)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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 disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

綜合財務報表及核數師報告以外的其他資料

董事須對其他資料負責。其他資料包括載於 貴公司年報之資料，惟不包括綜合財務報表及吾等就此發出之核數師報告。

吾等對綜合財務報表之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之鑒證結論。

在吾等審核綜合財務報表時，吾等之責任乃閱讀其他資料，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之情況有重大不一致，或者似乎有重大錯誤陳述。基於吾等已執行之工作，倘吾等認為此其他資料有重大錯誤陳述，吾等須報告該事實。就此而言，吾等並無需報告之事宜。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平之反映，及落實其認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

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

獨立核數師報告(續)

Independent Auditor's Report (Continued)

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

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 Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

董事就綜合財務報表須承擔之責任 (續)

董事亦負責監督 貴集團財務報告過程。審核委員會協助董事履行其餘此方面之職責。

核數師就審核綜合財務報表承擔之責任

吾等之目標乃對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括吾等意見之核數師報告。本報告乃按照百慕達一九八一年公司法第90條之規定，僅向全體股東報告，而不作其他用途。吾等不會就本報告之內容向任何其他人士負責或承擔任何責任。

合理保證乃高水平之保證，但不能保證按香港會計準則進行之審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或匯總起來可能影響該等綜合財務報表之基準使用者所作出之經濟決定，則有關錯誤陳述可被視作重大。

在根據香港會計準則進行審核之過程中，吾等運用了職業判斷，保持了職業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審核程序以應對該等風險，以及取得充足及適當之審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致重大錯誤陳述之風險較因錯誤而導致重大錯誤陳述之風險為高。

獨立核數師報告(續)

Independent Auditor's Report (Continued)

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

核數師就審核綜合財務報表承擔之責任(續)

- 了解與審核相關之內部控制，以設計適當之審核程序，但非旨在對 貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性以及作出會計估計及相關披露資料之合理性。
- 對董事採用持續經營會計基礎之恰當性作出結論。根據所得之審核憑證，決定是否存在與可能對 貴集團持續經營之能力構成重大疑慮之事件或情況有關之重大不確定性。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對綜合財務報表中相關披露資料之關注。假若有關披露資料不足，則須修訂吾等之意見。吾等之結論乃基於截至核數師報告日期止所取得之審核憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事件。
- 就 貴集團中實體或業務活動之財務資料獲取充分、適當之審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等對審核意見承擔全部責任。

獨立核數師報告(續)

Independent Auditor's Report (Continued)

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

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

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

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

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 22 June 2018

Chan Wai Dune, Charles
Practising Certificate Number P00712

核數師就審核綜合財務報表承擔之 責任(續)

吾等就(其中包括)審核之計劃範圍、時間安排及重大審核結果,包括吾等於審核期間所識別內部控制之任何重大缺陷,與審核委員會進行了溝通。

吾等亦向審核委員會提交聲明,說明吾等已符合有關獨立性之相關職業道德要求,並與彼等溝通所有合理認為會影響吾等獨立性之關係及其他事項,以及(如適用)相關防範措施。

從與審核委員會溝通之事項中,吾等決定何種事項對本期間綜合財務報表之審核最為重要,因而構成關鍵審核事項。吾等會在核數師報告中描述該等事項,除非法律或法規不允許對某件事項作出公開披露,或在極端罕見之情況下,若有合理預期在吾等之報告中溝通某事項而造成之負面後果將會超過其產生之公眾利益,吾等將不會於此等情況下於報告中溝通該事項。

國富浩華(香港)會計師事務所有限公司
執業會計師
香港,二零一八年六月二十二日

陳維端
執業證書號碼 P00712

綜合全面收入報表

Consolidated Statement of Comprehensive Income

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

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	7	2,893,052	2,781,222
Cost of sales	銷售成本		(2,494,027)	(2,450,338)
Gross profit	毛利		399,025	330,884
Other income and net gains	其他收入及收益淨額	8	83,576	69,500
Selling and distribution costs	銷售及代理成本		(295,534)	(233,983)
Administrative expenses	行政費用		(60,716)	(60,270)
Other expenses	其他費用	9	(12,976)	–
Operating profit	經營溢利	9	113,375	106,131
Finance costs	融資成本	10	(16,234)	(15,725)
Gain on deemed disposal of investment in an associate	視作出售於一間聯營公司之投資收益	19(a)	585,588	–
Share of (loss)/profit of an associate	應佔一間聯營公司(虧損)/溢利	19(a)	(12,779)	507
Profit before income tax	除所得稅前溢利		669,950	90,913
Income tax expense	所得稅支出	11	(2,834)	(1,162)
Profit for the year	本年度溢利		667,116	89,751
Other comprehensive income, net of tax	除稅後其他全面收入			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益表之項目：</i>			
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表產生之匯兌差額		68,425	(33,647)
Change in fair value of available-for-sale investment recognised during the year	於年內確認之可供出售投資公允值變動		64,243	–
Share of other comprehensive loss of an associate	應佔一間聯營公司之其他全面虧損	19(a)	(5,270)	(85)
Reclassification adjustments for amounts transferred to profit or loss:	轉至損益的重新分類調整金額：			
deemed disposal of investment in an associate	視作出售於一間聯營公司之投資		(521)	–
Other comprehensive income/(loss) for the year, net of tax	本年度其他全面收入/(虧損)，扣除稅項		126,877	(33,732)
Total comprehensive income for the year	本年度全面收入總額		793,993	56,019

綜合全面收入報表(續)

Consolidated Statement Of Comprehensive Income (Continued)

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

		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
Profit for the year	下列人士應佔			
attributable to:	本年度溢利：			
Owners of the Company	本公司擁有人		664,565	87,845
Non-controlling interests	非控股權益		2,551	1,906
			667,116	89,751
Total comprehensive income	下列人士應佔			
attributable to:	全面收入總額：			
Owners of the Company	本公司擁有人		791,326	55,674
Non-controlling interests	非控股權益		2,667	345
			793,993	56,019
Earnings per share	本公司擁有人應佔			
attributable to owners	每股盈利			
of the Company		15	HK14.9	HK2.6
Basic and diluted	基本及攤薄		cents 港仙	cents 港仙

綜合財務狀況報表

Consolidated Statement of Financial Position

於二零一八年三月三十一日 As at 31 March 2018

	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			
Non-current assets			
Property, plant and equipment	16	92,527	91,355
Goodwill	17	206,171	206,171
Other intangible asset	18	393	472
Investment in an associate	19(a)	–	660,075
Available-for-sale investment	19(b)	1,291,321	–
Deposits paid for acquisition of a property holding company	44	135,802	–
Rental deposits paid to a related party	20(b)	15,812	15,101
		1,742,026	973,174
Current assets			
Inventories	21	1,061,407	923,554
Trade receivables	22(a)	5,342	6,654
Deposits, prepayments and other receivables	22(b)	269,995	176,807
Amounts due from related parties	20(c)	8,576	15,622
Investment in debt securities	23	440,000	–
Loan receivables	24	127,376	–
Pledged deposits	25	91,357	72,240
Restricted bank balance	25	5,304	6,180
Cash at banks and in hand	25	155,650	192,103
		2,165,007	1,393,160
Current liabilities			
Trade payables	27	14,501	19,931
Receipts in advance, accrued charges and other payables	28	288,370	154,680
Amounts due to non-controlling interests	20(a)	4,538	1,578
Amounts due to related parties	20(c)	2,424	1,085
Provision for taxation		5,386	3,768
Borrowings	29	567,652	396,377
		882,871	577,419

綜合財務狀況報表(續)

Consolidated Statement of Financial Position (Continued)

於二零一八年三月三十一日 As at 31 March 2018

		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
Net current assets	流動資產淨值		1,282,136	815,741
Total assets less current liabilities	總資產減流動負債		3,024,162	1,788,915
Non-current liabilities	非流動負債			
Other payables	其他應付款項	28	304	258
Deferred tax liabilities	遞延稅項負債	30	678	830
			982	1,088
NET ASSETS	資產淨值		3,023,180	1,787,827
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	31	9,882	8,282
Reserves	儲備	32	2,996,268	1,765,712
			3,006,150	1,773,994
Non-controlling interests	非控股權益	38	17,030	13,833
TOTAL EQUITY	權益總額		3,023,180	1,787,827

The consolidated financial statements on pages 98 to 215 were approved and authorised for issue by the board of directors on 22 June 2018 and signed on its behalf by:

第98頁至第215頁的綜合財務報表於二零一八年六月二十二日獲董事會批准及授權刊發，由下列董事代表簽署：

Zheng Hao Jiang
鄭浩江
Director
董事

Zhu Lei
朱雷
Director
董事

綜合現金流量表

Consolidated Statement of Cash Flows

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

	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
Cash flows from operating activities	經營業務之現金流量		
Profit before income tax	除所得稅前溢利	669,950	90,913
Adjustments for:	就以下各項作出調整：		
Bank interest income	銀行利息收入	(1,216)	(586)
Gain on disposals of property, plant and equipment	出售物業、機器及設備之收益	(2,128)	(1,514)
Amortisation of other intangible asset	其他無形資產攤銷	79	78
Depreciation of property, plant and equipment	物業、機器及設備之折舊	21,995	21,948
Interest expenses	利息開支	16,234	15,725
Write-down of inventories	存貨撇減	6,238	5,784
Reversal of write-down of inventories	撥回存貨撇減	-	(2,627)
Provision for litigation and claims	訴訟及索償撥備	12,976	-
Gain on deemed disposal of investment in an associate	視作出售於一間聯營公司之投資收益	(585,588)	-
Share of loss/(profit) of an associate	分佔一間聯營公司虧損/(溢利)	12,779	(507)
Operating profit before working capital changes	營運資金變動前之經營溢利	151,319	129,214
(Increase)/decrease in inventories	存貨(增加)/減少	(62,732)	26,909
Decrease in trade receivables	應收貿易款項減少	1,601	1,463
Increase in deposits, prepayments and other receivables	按金、預繳款項及其他應收款項增加	(70,473)	(31,034)
(Increase)/decrease in balances with related parties	與關聯方的結餘(增加)/減少	(17,017)	3,287
Decrease/(increase) in restricted bank balance	受限制銀行結餘減少/(增加)	1,416	(6,322)
Decrease in trade payables	應付貿易款項減少	(7,934)	(6,468)
Increase in receipts in advance, accrued charges and other payables	預收款項、應計費用及其他應付款項增加	100,088	29,274
Cash generated from operations	經營業務所得現金	96,268	146,323
Hong Kong Profits Tax paid	已付香港利得稅	-	(79)
Hong Kong Profits Tax refunded	已退香港利得稅	-	526
Other jurisdictions tax paid	已付其他司法權區稅項	(1,692)	(1,314)
Net cash generated from operating activities	經營業務所得現金淨額	94,576	145,456

綜合現金流量表(續)

Consolidated Statement of Cash Flows (Continued)

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

	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
Cash flows from investing activities	投資活動之現金流量		
Increase in pledged bank deposits	已抵押銀行存款增加	(11,418)	(19,801)
Purchases of property, plant and equipment	購買物業、機器及設備	(17,889)	(13,564)
Proceeds from disposals of property, plant and equipment	出售物業、機器及設備所得款項	7,596	6,246
Deposits paid for acquisition of a property holding company	收購一間物業控股公司已付之按金	(111,111)	-
Acquisition of debt securities	收購債務證券	(440,000)	-
Increase in loan receivables	應收貸款增加	(123,309)	-
Investment in an associate	於一間聯營公司的投資	-	(5,067)
Acquisition of a subsidiary	收購一間附屬公司	(1,150)	-
Interest received	已收利息	1,216	586
<i>Net cash used in investing activities</i>	<i>投資活動所用現金淨額</i>	(696,065)	(31,600)
Cash flows from financing activities	融資活動之現金流量		
Capital contribution from a non-controlling interest of a subsidiary	一間附屬公司非控股權益出資	-	11,601
Advances from non-controlling interests of subsidiaries	附屬公司非控股權益墊款	2,960	374
Advances from a related party	來自關聯方的墊款	-	803
New borrowings raised	新增借貸	2,231,457	2,266,768
Repayments of borrowings	償還借貸	(2,105,248)	(2,333,434)
Placing of shares	配售股份	440,845	-
Interest paid	已付利息	(16,234)	(15,725)
<i>Net cash generated from/(used in) financing activities</i>	<i>融資活動所得/(所用)現金淨額</i>	553,780	(69,613)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額	(47,709)	44,243
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目	192,103	157,164
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額	11,256	(9,304)
Cash and cash equivalents at end of the year, comprising cash at banks and in hand	年終之現金及現金等值項目包括銀行及手頭現金	155,650	192,103

綜合股本權益變動表

Consolidated Statement of Changes in Equity

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

		Attributable to owners of the Company 本公司擁有人應佔										Non-controlling interests		Total equity
		Share capital	Share premium*	Capital reserve*	Special reserve*	Contributed surplus*	Exchange reserve*	Other reserve*	Statutory reserve*	Retained profits*	Total	Non-controlling interests	Total equity	
		股本	股份溢價*	資本儲備*	特別儲備*	繳入盈餘*	外匯儲備*	其他儲備*	法定儲備*	保留溢利*	合計	非控股權益	權益總額	
		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	
At 31 March 2016 and 1 April 2016	於二零一六年三月三十一日及二零一六年四月一日	5,959	799,335	3,508	(36,810)	28,844	10,681	30,575	12,510	201,576	1,056,178	27,548	1,083,726	
Changes in equity in 2017:	二零一七年權益變動:													
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	87,845	87,845	1,906	89,751	
Other comprehensive income	其他全面收入													
- Exchange differences on translation financial statements of foreign operations	- 換算海外業務財務報表之匯兌差額	-	-	-	-	-	(32,086)	-	-	-	(32,086)	(1,561)	(33,647)	
- Share of other comprehensive income of an associate	- 分佔一間聯營公司其他全面收入	-	-	-	-	-	-	(85)	-	-	(85)	-	(85)	
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	-	-	-	-	-	(32,086)	(85)	-	87,845	55,674	345	56,019	
Acquisition of an associate (Note 31(ii))	收購一間聯營公司(附註31(ii))	2,196	645,683	-	-	-	-	-	-	-	647,879	-	647,879	
Share of other reserve of an associate	分佔一間聯營公司其他儲備	-	-	-	-	-	-	203	-	-	203	-	203	
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	147	(147)	-	-	-	
Acquisition of non-controlling interests (Note 37(a))	收購非控股權益(附註37(a))	127	37,225	-	-	-	-	(23,292)	-	-	14,060	(14,060)	-	
At 31 March 2017	於二零一七年三月三十一日	8,282	1,482,243	3,508	(36,810)	28,844	(21,405)	7,401	12,657	289,274	1,773,994	13,833	1,787,827	

綜合股本權益變動表(續)

Consolidated Statement of Changes in Equity (Continued)

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

		Attributable to owners of the Company 本公司擁有人應佔										Non-controlling interest		Total equity
		Share capital	Share premium*	Capital reserve*	Special reserve*	Contributed reserve*	Exchange reserve*	Other reserve*	Statutory reserve*	Fair value reserve*	Retained earnings*	Total	Non-controlling interest	Total equity
		股本	股份溢價*	資本儲備*	特別儲備*	撥入盈餘*	外匯儲備*	其他儲備*	法定儲備*	公允價值儲備*	保留溢利*	合計	非控股權益	權益總額
		HK\$'000	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	千港元
At 1 April 2017	於二零一七年四月一日	8,282	1,482,243	3,508	(36,810)	28,844	(21,405)	7,401	12,657	-	289,274	1,773,994	13,833	1,787,827
Changes in equity in 2018:	二零一八年權益變動:													
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	664,565	664,565	2,551	667,116	
Other comprehensive income	其他全面收入													
- Exchange differences on translation financial statements of foreign operations	- 換算海外業務財務報表之匯兌差額	-	-	-	-	-	68,309	-	-	-	68,309	116	68,425	
- Change in fair value change on available-for-sale investment recognised during the year	- 年內已確認可供出售投資之公允價值變動	-	-	-	-	-	-	-	64,243	-	64,243	-	64,243	
- Share of other comprehensive loss of an associate	- 分佔一間聯營公司其他全面虧損	-	-	-	-	-	-	(5,270)	-	-	(5,270)	-	(5,270)	
- Reclassification adjustments upon deemed disposal of investment in an associate	- 於視作出售於一間聯營公司投資後之重新分類調整	-	-	-	-	-	(5,876)	5,355	-	-	(521)	-	(521)	
Total comprehensive income for the year	本年度全面收入總額	-	-	-	-	-	62,433	85	-	64,243	664,565	791,326	2,667	793,993
Placing of shares (Note 31(i))	配售股份(附註31(i))	1,600	439,245	-	-	-	-	-	-	-	-	440,845	-	440,845
Reduction of share premium (Note 32)	削減股份溢價(附註32)	-	(500,000)	-	-	500,000	-	-	-	-	-	-	-	-
Elimination of contributed surplus against accumulated losses of the company (Note 32)	以撥入盈餘抵銷本公司累計虧損(附註32)	-	-	-	-	(88,818)	-	-	-	-	88,818	-	-	-
Share of other reserve of an associate	應佔一間聯營公司其他儲備	-	-	-	-	-	-	(15)	-	-	-	(15)	-	(15)
Derecognition of other reserves upon deemed disposal of an associate	於視作出售一間聯營公司後終止確認其他儲備	-	-	-	-	-	-	(188)	-	-	188	-	-	-
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	265	-	(265)	-	-	-
Non-controlling interest arising from acquisition of a subsidiary (Note 41)	收購一間附屬公司產生之非控股權益(附註41)	-	-	-	-	-	-	-	-	-	-	-	530	530
At 31 March 2018	於二零一八年三月三十一日	9,882	1,421,488	3,508	(36,810)	440,026	41,028	7,283	12,922	64,243	1,042,580	3,006,150	17,030	3,023,180

* These reserve accounts comprise the consolidated reserves of HK\$2,996,268,000 (2017: HK\$1,765,712,000) in the consolidated statement of financial position.

* 此等儲備賬包括於綜合財務狀況報表內之綜合儲備2,996,268,000港元(二零一七年: 1,765,712,000港元)。

財務報表附註

Notes to the Financial Statements

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

1. GENERAL INFORMATION

Sparkle Roll Group Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is in Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (together the “**Group**”) are distributorships of luxury goods. The Group’s operations are mainly based in Hong Kong, Mainland China and Malaysia.

In the opinion of the directors, the immediate holding company and ultimate holding company of the Company is Sparkle Roll Holdings Limited (“**SRHL**”), which is incorporated in the British Virgin Islands.

The directors regard ultimate controlling party of the Company to be Mr. Qi Jian Hong.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements for the year ended 31 March 2018 comprise the Group and the Group’s interest in an associate.

The financial statements have been prepared on the historical cost basis except for certain financial assets, which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

The financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

1. 一般資料

耀萊集團有限公司(「**本公司**」)為一間於百慕達註冊成立之有限公司，其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，而其主要營業地點為香港。本公司股份在香港聯合交易所有限公司(「**聯交所**」)上市。

本公司及其附屬公司(統稱「**本集團**」)之主要業務為主要於香港、中國內地及馬來西亞從事奢侈品代理業務。

董事認為，本公司之直接控股公司及最終控股公司為耀萊控股有限公司(「**耀萊控股**」，於英屬處女群島註冊成立)。

董事視本公司的最終控股方為基建虹先生。

2. 編製基準

財務報表乃根據香港財務報告準則(「**香港財務報告準則**」)(此統稱包括香港會計師公會(「**香港會計師公會**」)頒佈之所有適用個別香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋)以及香港公司條例之披露規定編製。財務報表亦包括聯交所證券上市規則(「**上市規則**」)之適用披露規定。

截至二零一八年三月三十一日止年度之綜合財務報表包括本集團及本集團於一間聯營公司之權益。

財務報表乃按歷史成本基準編製，惟若干以公允值計量之金融資產除外。

謹請注意，在編製財務報表時須作出會計估計及假設。儘管該等估計乃根據管理層對目前事件及行動之最佳了解及判斷作出，惟實際結果最終或會與該等估計有所出入。涉及更高判斷或複雜程度之範圍，或假設及估計對財務報表而言屬重大之範圍於附註5披露。

財務報表以港元(「**港元**」)呈報，而港元亦即本公司之功能貨幣。除非另有指明，否則所有數值均已四捨五入至最接近之千位。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) Adoption of new or revised HKFRSs effective on 1 April 2017

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

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 26 to the financial statements.

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on the financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

3. 採納香港財務報告準則

(a) 採納於二零一七年四月一日生效之新訂或經修訂香港財務報告準則

於本年度，本集團首次應用以下由香港會計師公會頒佈之新訂準則、修訂及詮釋，有關新訂準則、修訂及詮釋與本集團由二零一七年四月一日開始之年度期間之財務報表相關，並適用於該等財務報表：

香港會計準則 第7號之修訂	披露計劃
香港會計準則 第12號之修訂	就未變現虧損 確認遞延 稅項資產

香港會計準則第7號之修訂披露計劃

有關修訂引入一項額外披露，將使財務報表使用者能夠評價融資活動產生的負債變動。

採納該等修訂已導致補充披露呈報於財務報表附註26內的資料。

香港會計準則第12號之修訂就未變現虧損確認遞延稅項資產

該等修訂與確認遞延稅項資產有關，並澄清若干必要考量，包括入賬處理與按公允值計量的債務工具有關的遞延稅項資產的方法。

採納該等修訂對財務報表並無影響，原因是澄清後的處理方法與本集團先前確認遞延稅項資產的方式相符。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

The following new or revised HKFRSs that have been issued and are potentially relevant to the Group's operations but are not yet effective and have not been early adopted by the Group.

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKAS 2	Classification and Measurement of Share-based Payment Transaction ¹
Amendments to HKAS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle 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

3. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則

下列為已發行及可能與本集團營運相關之新訂或經修訂香港財務報告準則，惟尚未生效，亦無獲本集團提早採納。

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約之收益及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 ¹
香港(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
香港會計準則第40號之修訂	轉讓投資物業 ¹
香港會計準則第2號之修訂	以股份為基礎付款之交易的分類及計量 ¹
香港會計準則第9號之修訂	具有負補償的提前還款特點 ²
香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進 ²

¹ 於二零一八年一月一日或其後開始之年度期間生效

² 於二零一九年一月一日或其後開始之年度期間生效

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 September 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

HKFRS 9 Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39 "Financial Instruments: Recognition and Measurement". HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment for financial assets. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 April 2018.

Expected impacts of the new requirements on the Group's financial statements are as follows:

(a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI):

3. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

本集團正評估此等修訂、新準則及詮釋對首次應用期間之影響。至目前為止，本集團已識別新準則之某些方面可能對綜合財務報表構成重大影響。有關預期影響之進一步詳情論述如下。雖然就香港財務報告準則第9號及香港財務報告準則第15號之評估已大致完成，但由於迄今完成之評估基於本集團目前可獲得之資料，因此首次採納準則之實際影響可能會有所不同，而且在該等準則首次應用於本集團截至二零一八年九月三十日止六個月之中期財務報告前可能會發現更多影響。本集團亦可能改變會計政策選擇，包括過渡選項，直到該等準則首次在該財務報告中應用。

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號將取代香港會計準則第39號金融工具：確認及計量有關現時金融工具之會計處理準則。香港財務報告準則第9號引入金融資產分類及計量之新規定，包括金融資產減值的計量及對沖會計。另一方面，與香港會計準則第39號相比，香港財務報告準則第9號並無對金融工具之確認與終止確認及金融負債之分類及計量要求作出實質變更。

香港財務報告準則第9號自二零一八年一月一日或之後開始之年度期間生效，並追溯調整。本集團計劃使用豁免權，豁免重列比較資料，並將任何過渡調整確認至二零一八年四月一日年初之權益結餘。

新規定對本集團財務報表之預期影響如下：

(a) 分類和計量

香港財務報告準則第9號包括三個主要金融資產分類類別，即(1)以攤銷成本；(2)按公允值計入損益及(3)按公允值計入其他全面收入計量：

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

HKFRS 9 – Financial Instruments (Continued)

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then interest revenue, impairment and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

The Group has assessed that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

With respect to the Group's financial assets currently classified as "available-for-sale", these are investments in equity securities which the Group has the option to irrevocably designate as FVTOCI (without recycling) on transition to HKFRS 9. The Group plans to elect this designation option for any of the investments held on 1 April 2018 and will recognise any fair value changes in respect of these investments in other comprehensive income as they arise. This will give rise to a change in accounting policy as currently the Group recognizes the fair value changes of available-for-sale equity investments in other comprehensive income until disposal or impairment, when gains or losses are recycled to profit or loss in accordance with the Group's policies set out in Notes 4.8 and 4.17. This change in policy will have no impact on the Group's net assets and total comprehensive income, but will impact on reported performance amounts such as profit and earnings per share when the investments are disposed of or impaired.

3. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂或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)

- 債務工具的分類乃按實體管理金融資產之業務模式及金融資產之合同現金流量特徵釐定。如果債務工具被分類為按公允值計入其他全面收入，則其利息收入、減值和出售收益／虧損將於損益確認。
- 股本證券將分類為按公允值計入損益，而不論實體所採用之業務模式。唯一的例外情況為股本證券並非持作買賣及該實體不可撤回地選擇將有關證券指定為按公允值計入其他全面收入。如果股本證券被指定為按公允值計入其他全面收入，則僅其產生之股息收入將於損益確認。該證券的收益、虧損及減值將於其他全面收入確認，而不會重新計入損益。

本集團已評估，目前按攤銷成本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。

就本集團現時分類為「可供出售」的金融資產而言，該等資產為本集團有權選擇於轉用香港財務報告準則第9號時不可撤銷地指定為按公允值計入其他全面收入(不可撥回)的股本證券投資。本集團無計劃為任何於二零一八年四月一日持有的投資選擇該指定項目，而將在該等投資的公允值變動時將變動確認於損益。此舉會導致會計政策變更，因為目前本集團於其他全面收入確認可供出售股本投資的公允值變動，直至該等投資被出售或減值，而收益或虧損根據附註4.8及4.17所載的本集團政策於損益撥回。該政策變動不會影響本集團的資產淨值及全面收入總額，惟將影響所呈報表現金額，如於投資出售或減值時的溢利及每股盈利。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

HKFRS 9 – Financial Instruments (Continued)

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement will not have any impact on the Group's financial statements on adoption of HKFRS 9.

(b) Impairment

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 and is in the progress of assessing the transitional impact.

3. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂或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)

除香港財務報告準則第9號要求將指定為按公允值計入損益的金融負債因其信貸風險變動導致其公允值變動於其他全面收入確認(而不會重新分類至損益)外,香港財務報告準則第9號對金融負債之分類和計量要求與香港會計準則第39號大致相同。本集團目前並無指定為按公允值計入損益之任何金融負債。因此,本集團於採納香港財務報告準則第9號後,此新規定並不會對其造成任何影響。

(b) 減值

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號中的「已產生虧損」模式。根據預期信貸虧損模式,實體不得在虧損事件出現後方確認減值虧損。相反,實體必須按相關資產及事實和情況,確認和計量12個月預期信貸虧損或整個存續期預期信貸虧損。本集團預計應用預期信貸虧損模式會導致提早確認信貸虧損,且正在評估過渡影響。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

HKFRS 15 – Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18 “Revenue”, which covers revenue arising from sale of goods and rendering of services, and HKAS 11 “Construction Contracts” which specifies the accounting for revenue from construction contracts.

Based on the assessment completed to date, the Group has identified the following areas which are expected to be affected:

The Group’s revenue recognition policies are disclosed in Note 4.15. Currently, revenue arising from the provision of services is recognised over time, whereas revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity’s performance, as the entity performs;
- (ii) When the entity’s performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

3. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第15號 – 來自客戶合約之收益

香港財務報告準則第15號建立了一個確認來自客戶合約之收益之綜合框架。香港財務報告準則第15號將取代現有收益準則 – 香港會計準則第18號「收益」(涵蓋銷售商品及提供服務產生之收益)及香港會計準則第11號「建築合約」(規定了建築合約收益之會計處理)。

根據至今完成之評估，本集團已識別下列預期將受影響之方面：

本集團收益確認政策於附註4.15披露。目前，提供服務產生之收益於一段時間內確認，而銷售貨物之收益通常於風險及所有權移至客戶時確認。根據香港財務報告準則第15號，收益於客戶獲得合約中承諾商品或服務之控制權時確認。香港財務報告準則第15號確定了對承諾商品或服務之控制權被視為隨時間轉移的3種情況：

- (i) 當客戶同時取得及消耗實體履約所提供之利益時；
- (ii) 實體之履約行為創造或改良了客戶在資產被創造或改良時已控制的資產(如施工中工程)；

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

HKFRS 15 – Revenue from Contracts with Customers (Continued)

- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

Based on the transaction entered by the Group to date, the Group does not expect the application of HKFRS 15 to result in any significant impact on the consolidated financial statements of the Group.

HKFRS 16 – Leases

As disclosed in Note 4.12, currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into leases as the lessor and others as the lessee.

3. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第15號 – 來自客戶合約之收益(續)

- (iii) 實體之履約行為並未創造一項可被實體用於替代用途之資產，且實體具有就迄今為止已完成之履約部份獲得客戶付款之可執行權利。

倘合約條款及實體之活動並不屬於該三種情況中任何一種，則根據香港財務報告準則第15號，實體於某一時間點(即控制權轉移時)就銷售該商品或服務確認收益。所有權風險及回報之轉移僅為於釐定控制權轉移發生時將考慮的其中一項指標。

根據本集團截至當日止訂立之交易，本集團預期採納香港財務報告準則第15號將不會對本集團綜合財務報表造成任何重大影響。

香港財務報告準則第16號 – 租賃

誠如附註4.12所披露，本集團將租賃分類為融資租賃和經營租賃，並根據租賃分類對租賃安排進行不同的會計處理。本集團以出租人身份與其他人士以承租人身份訂立租賃。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

HKFRS 16 – Leases (Continued)

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, that is, at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (that is, where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease terms.

3. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂或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號預計不會對出租人在租賃下的權利和義務的會計處理方式產生顯著影響。然而，一旦採納香港財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，在切合實際的便利安排下，承租人將以類似於當前融資租賃會計的方式對所有租賃進行會計處理，即在租賃開始日期，承租人將以最低未來租賃付款的現值確認和計量租賃負債並將確認相應的「使用權」資產。在首次確認該資產和負債後，承租人將確認租賃負債未償還結餘產生的利息開支，以及使用權資產的承租人折舊，而非如現行政策般確認在租期內有系統地確認經營租賃產生的租賃開支。作為切合實際的便利安排，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下的租賃)和低價值資產的租賃，在有關情況，租賃開支將繼續在租期內有系統地確認。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New or 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 lessee of leases for properties, which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the consolidated statement of comprehensive income over the period of the lease. As disclosed in Note 34(b), at 31 March 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to HK\$327,663,000 for properties, approximately HK\$242,320,000 of which is payable over 1 year after the reporting date. Some of this amount may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019, and the Group does not intend to adopt the standard before this effective date.

3. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂或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以承租人身份訂立而目前分類為經營租賃的物業租賃的會計處理。採納新準則會導致資產和負債上升及影響租賃期間於綜合全面收益表中確認費用的時間。於附註34(b)披露，本集團於二零一八年三月三十一日就物業於不可撤銷經營租賃項下之未來最低租賃付款為327,663,000港元，其中約242,320,000港元於報告期後一年後支付。因此，一旦採納香港財務報告準則第16號，部分金額或會需要確認為租賃負債，附帶相應資產使用權。經考慮實際權宜方法的適用性及調整現時與採納香港財務報告準則第16號之間已訂立或終止的任何租約及折讓影響後，本集團需要進行詳細的評估來確定因採納國際財務報告準則第16號而需要確認來自經營租賃承擔所導致新資產和負債的金額。

香港財務報告準則第16號將於二零一九年一月一日或之後開始的年度期間生效，且於生效日期前，本集團並未打算採納該準則。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 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.

4. 主要會計政策概要

編製本財務報表時所用之主要會計政策概要載於下文。除非另有指明，否則該等政策已於各個呈列年度貫徹應用。

4.1 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。編製綜合財務報表時，集團內公司間交易及結餘連同未變現溢利會悉數抵銷。未變現虧損亦會抵銷，惟有關交易能提供證據證明所轉讓資產減值則除外，屆時有關虧損會於損益表中確認。

自收購日期起或直至出售日期為止(如適用)，年內購入或出售之附屬公司業績會計入綜合全面收入報表。必要時會調整附屬公司財務報表，以使該等公司之會計政策與本集團其他成員公司所用者一致。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Business combination and basis of consolidation (Continued)

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 interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

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

4. 主要會計政策概要(續)

4.1 業務合併及綜合基準(續)

收購附屬公司或業務乃採用收購法入賬。收購成本乃按本集團(作為收購方)所轉讓資產、所產生負債及所發行股本權益於收購日期之公允值總額計量。所收購可識別資產及所承擔負債主要按收購日期公允值計量。本集團先前所持被收購方股本權益按收購日期公允值重新計量，而所產生收益或虧損則於損益表中確認。本集團可按每宗交易選擇按公允值或按應佔被收購方可識別資產淨值比例計量非控股權益(相當於在附屬公司之目前擁有權權益)。除非香港財務報告準則另有計量基準規定，否則所有其他非控股權益乃按公允值計量。所產生收購相關成本予以支銷，惟倘有關成本乃於發行股本工具時產生者，則自權益扣減成本。

收購方將予轉讓之任何或然代價按收購日期公允值確認。其後對代價所作調整僅於調整因於計量期間(最長為自收購日期起計十二個月)內所取得有關收購日期公允值之新資料而產生時，方會就商譽確認。對分類為資產或負債之或然代價所作一切其他其後調整均於損益表確認。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Business combination and basis of consolidation (Continued)

Contingent consideration balances arising from business combinations whose acquisition dates preceded 1 January 2010 (i.e. the date the Group first applied HKFRS 3 (2008)) have been accounted for in accordance with the transition requirements in the standard. Such balances are not adjusted upon first application of the standard. Subsequent revisions to estimates of such consideration are treated as adjustments to the cost of these business combinations and are recognised as part of goodwill.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the 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.

4. 主要會計政策概要(續)

4.1 業務合併及綜合基準(續)

收購日期於本集團首次應用香港財務報告準則第3號(二零零八年)當日二零一零年一月一日之前之業務合併產生之或然代價結餘已按照該準則之過渡性要求入賬。有關結餘於首次應用該準則時未獲調整。其後對有關代價估計作出之修訂視為對有關業務合併成本作出之調整，並確認為商譽部分。

倘本集團於附屬公司之權益變動並未導致失去控制權，則入賬列為權益交易。本集團權益及非控股權益之賬面金額有所調整，以反映其於附屬公司之相關權益變動。非控股權益經調整金額與已付或已收代價公允值間之差額直接於權益確認，並歸本公司擁有人所有。

倘本集團失去對附屬公司之控制權，則出售產生之損益計為(i)已收代價公允值及保留權益公允值之總和；與(ii)附屬公司之資產(包括商譽)及負債以及非控股權益先前之賬面金額間之差額。先前就附屬公司於其他全面收入確認之金額按在相關資產或負債出售時可能規定之同一方式入賬。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Business combination and basis of consolidation (Continued)

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.

4.2 Subsidiaries and non-controlling interests

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.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

4. 主要會計政策概要(續)

4.1 業務合併及綜合基準(續)

收購後，相當於目前在附屬公司擁有權益之非控股權益賬面金額為初步確認時有關權益之金額加有關非控股權益應佔其後權益變動部分。即使全面收入總額撥歸有關非控股權益後，會導致有關非控股權益出現虧絀結餘，有關總額亦會撥歸有關權益。

4.2 附屬公司及非控股權益

附屬公司乃本公司能行使控制權之被投資方。本公司對被投資方有控制權，惟以下三項元素須全部出現：對被投資方之權力、可以或有權獲得被投資方之可變回報，以及運用其權力影響有關可變回報之能力。每當有事實及情況顯示上述任何控制權元素可能有變，本集團會重新評估控制權。

非控股權益即並非由公司直接或間接擁有於附屬公司之權益，就此而言，本集團並未與該等權益持有人協定任何額外條款，以致本集團整體須承擔符合金融負債定義之權益之合約責任。就各業務合併而言，本集團能選擇按公允值或非控股權益應佔附屬公司可識別資產淨值之比例計算任何非控股權益。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Subsidiaries and non-controlling interests (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Note 4.11 depending on the nature of the liability.

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

4. 主要會計政策概要(續)

4.2 附屬公司及非控股權益(續)

非控股權益呈列於綜合財務狀況報表內之權益部分，且獨立於公司股份持有人應佔之權益。於本集團業績內之非控股權益於綜合全面收入報表內以年內分配予非控股權益與公司股份持有人之總溢利或虧損及全面收入總額方式呈列。來自非控股權益持有人之貸款及該等持有人之其他合約責任根據附註4.11，視乎債務性質於綜合財務狀況報表內呈列為金融負債。

在本公司之財務狀況報表中，於附屬公司之投資按成本扣除減值虧損(如有)列賬。本公司按已收及應收股息將附屬公司業績入賬。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Notes 4.6 and 4.17). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

4. 主要會計政策概要(續)

4.3 聯營公司

聯營公司為本集團對其管理(包括參與其財政及營運政策之決定)有重大影響力(惟並非控制或共同控制)之實體。

於一間聯營公司之投資乃按權益法入賬及列入綜合財務報表。投資以權益法先按成本入賬，並就本集團應佔被投資公司於收購日之可識別資產淨值之公允值超出投資成本之金額(如有)作出調整。其後，該項投資再根據本集團於收購後應佔該被投資公司之淨資產及與該項投資有關之任何減值虧損之變動作出調整(見附註4.6及4.17)。年內，任何於收購日超出成本之金額，本集團應佔被投資公司收購後及除稅後之業績及任何減值虧損乃於損益確認，而本集團應佔被投資公司收購後及除稅後之其他全面收入項目乃於其他全面收入確認。

倘本集團應佔之虧損超過其於聯營公司之權益，則本集團之權益會減至零並終止確認進一步虧損，惟本集團已代表被投資公司承擔法律或推定責任或支付款項除外。就此而言，本集團之權益為根據權益法計算投資之賬面值，連同實質構成於該聯營公司之本集團投資淨額之長期權益部分。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Associates (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 4.8).

In the Company's statement of financial position, investments in associates are stated at cost less impairment losses (see Note 4.17).

4. 主要會計政策概要(續)

4.3 聯營公司(續)

本集團與其聯營公司進行交易而產生之未變現溢利及虧損，均以本集團於有關被投資公司之權益為限進行抵銷，惟倘未變現虧損顯示所轉讓資產出現減值之證據，在該情況下，有關虧損則在損益即時確認。

當於一間聯營公司之投資變為於一間合資企業之投資，保留權益並不會重新計量，反之亦然。而該投資將繼續以權益法入賬。

在任何情況下，當本集團在一間聯營公司不再有重大影響力時，將按出售該被投資公司之所有權益入賬，而所產生之盈虧於損益確認。任何在喪失重大影響力日仍保留於該前度被投資公司之權益按公允值確認，而此金額被視為金融資產於初始確認時之公允值(見附註4.8)。

於本公司財務狀況報表中，於聯營公司之投資按成本減減值虧損列賬(見附註4.17)。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Foreign currency

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into HK\$ at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations, are translated into HK\$ at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

4. 主要會計政策概要(續)

4.4 外幣

年內之外幣交易按交易日之匯率換算。以外幣為單位之貨幣資產及負債則按報告期末之匯率換算。匯兌盈虧均已在損益確認。

過往成本以外幣為單位之非貨幣性資產及負債，按交易日之匯率換算。公允值以外幣列賬之非貨幣性資產及負債按計量其公允值當日適用之匯率換算。

海外業務之業績乃按與交易日適用外匯匯率相若之匯率換算為港元。財務狀況報表項目(包括因合併海外企業產生之商譽)乃按報告期末之外匯匯率換算為港元。產生之匯兌差額於其他全面收入確認並分別累計於權益中之匯兌儲備。

於出售海外業務時，有關該香港境外企業之匯兌差額之累計數額乃於確認出售損益時由權益重新分類至損益。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see Note 4.17). The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

The gain or loss arising on retirement or disposal is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in profit or loss on the date of retirement or disposal.

Depreciation on property, plant and equipment is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Furniture and equipment	3 to 10 years
Fixtures	5 to 10 years or over the term of lease, whichever is shorter
Motor vehicles	4 to 5 years

The assets' estimated residual values, depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

4. 主要會計政策概要(續)

4.5 物業、機器及設備

物業、機器及設備按成本減累計折舊及任何減值虧損列賬(見附註4.17)。物業、機器及設備項目之成本包括其購入價以及為使資產達致擬定用途之運作狀況及地點而直接應佔之成本。

報廢或出售時產生之損益按出售所得款項淨額與有關項目之賬面金額之間之差額釐定，並於報廢或出售當日在損益表內確認。

物業、機器及設備折舊乃按以下估計可使用年期及扣除估計剩餘價值(如有)後，以直線法計算，以撇銷物業、廠房及設備成本：

傢俬及設備	3至10年
裝置	5至10年或租賃年期 (以較短者為準)
汽車	4至5年

資產之估計剩餘價值、折舊方法及估計可使用年期於各報告期末作出檢討，並於適當情況下作出調整。

其後成本僅在與該項目相關之未來經濟利益極有可能流入本集團，並能可靠地計算出項目成本之情況下，始納入資產之賬面金額或確認為獨立資產(視何者適用而定)。所有其他成本(如修理及維修開支)於其產生之財政期間在損益表扣除。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit (the "CGU"), or groups of cash generating units (the "CGUs"), that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 4.17).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

4. 主要會計政策概要(續)

4.6 商譽

商譽指

- (i) 已轉讓代價之公允值、於任何收購業務之非控股權益之金額及本集團於收購業務中先前所持股權之公允值總和；超過
- (ii) 於收購日期計量之收購業務可識別資產及負債之公允值淨值。

若(ii)高於(i)，則該超出部分隨即於損益內確認為廉價購買之收益。

商譽是按成本減累計減值虧損列賬。業務合併產生之商譽被分配至預期將會受益於合併帶來之協同效應之各現金產生單位(「現金產生單位」)或現金產生單位組，並須每年作減值測試(見附註4.17)。

年內出售現金產生單位時，任何應佔之已購入商譽之金額將計算在出售損益內。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 4.17).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible asset with finite useful lives is amortised from the date it is available for use and its estimated useful life is as follows:

Trademark	10 years
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Both the period and method of amortisation are reviewed annually.

4.8 Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the financial assets were acquired. 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.

Investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

4. 主要會計政策概要(續)

4.7 無形資產(除商譽以外)

本集團購入之無形資產是按成本減累計攤銷(倘可用年期為有限期)及減值虧損(附註4.17)列賬。

可用年期為有限期之無形資產之攤銷是按直線基準於資產之估計可用年期內從損益扣除。下列可用年期為有限期之無形資產自有關資產可供使用當日起予以攤銷，其估計可用年期如下：

商標	10年
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攤銷期間及方法均會每年進行審閱。

4.8 金融資產

本集團視乎收購資產之目的而定，於初步確認時將其金融資產分類。金融資產則初步按公允值加收購該等金融資產直接應佔之交易成本計量。從一般途徑購買或出售之金融資產按交易日基準確認及終止確認。從一般途徑購買或出售指金融資產按合約購買或出售，其條款規定須按市場規例或慣例普遍訂立之時限內交付資產。

投資負債及股本證券

本集團對債務及股本證券投資(於附屬公司及聯營公司之投資除外)之政策如下：

債務及股本證券投資初步以公允值列賬，而該公允值為彼等之交易價，除非確定初始確認之公允值與成交價有別，且公允值以同一資產或負債於交投活躍之市場上之報價為證，或根據僅使用從可觀察市場得出之數據之估值技術計算得出。成本包括應佔交易成本，惟下文另有所指除外。該等投資按其類別其後列賬如下：

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial assets (Continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

Dated debt securities that the Group has the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see Note 4.17).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale investments. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see Note 4.17). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in Note 4.15. Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired (see Note 4.17), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

Loans and receivables

Loans and receivables 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. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses (see Note 4.17). Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

4. 主要會計政策概要(續)

4.8 金融資產(續)

持作交易之證券投資被分類為流動資產。任何應佔之交易成本於產生時於損益內確認。於每個報告期末，公允值將予以重新計量，任何因此產生之盈虧於損益內確認。

本集團有能力並計劃持有至到期之有期債務證券乃分類為持有至到期證券。持有至到期證券按攤銷成本扣除減值虧損列賬(見附註4.17)。

其他不屬於上述任何類別之證券投資歸類為可供出售投資。於每個報告期末，公允值將予以重新計量，任何因此產生之盈虧於其他全面收入中確認並於權益中的公允值儲備中單獨累計。此之例外情況為，股本證券投資並無同一工具於交投活躍之市場之報價且其公允值無法可靠地計量，乃按成本減減值虧損後於財務狀況報表確認(見附註4.17)。股本證券所得股息收入及採用實際利率法計算之債務證券所得利息收入分別按附註4.15所載之政策於損益內確認。債務證券攤銷成本變動產生之外匯溢虧亦於損益內確認。

倘終止確認該等投資或減值(見附註4.17)，先前於權益中確認之累計盈虧會重新分類至損益。該等投資於本集團承諾購買/出售該等投資日予以確認/終止確認，或於投資到期日終止確認。

貸款及應收款項

貸款及應收款項為具固定或可予釐定付款金額，而在活躍市場中並無報價之非衍生金融資產。該等資產乃主要於向客戶(應收賬款)提供商品及服務過程中產生，且同時亦包括其他類別之合約貨幣資產。貸款及應收款項其後以實際利息法按攤銷成本，減任何減值虧損計量(見附註4.17)。攤銷成本於計算時已計及任何收購時產生之折讓或溢價，並包括構成實際利率及交易成本整體一部分之費用。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of automobiles, watches and jewellery included in the inventories are determined using the first-in, first-out method while the other inventories with different nature are determined using the weighted average basis.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4.11 Financial liabilities

The Group's financial liabilities include trade payables, accrued charges and other payables, amounts due to related parties and non-controlling interests and borrowings.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see Note 4.16).

A financial liability is derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4. 主要會計政策概要(續)

4.9 存貨

存貨按成本及可變現淨值兩者中之較低者列賬。計入存貨之汽車、手錶及珠寶成本按先進先出法釐定，而其他具不同性質之存貨乃以加權平均法釐定。

4.10 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、存於銀行之活期存款，以及原到期日為三個月或以下、可隨時轉換為已知金額之現金且不存在重大價值變動風險之短期高流動性投資。就現金流量呈報而言，現金及現金等值項目包括須按要求償還之銀行透支，為本集團現金管理之組成部分。

4.11 金融負債

本集團之金融負債包括應付貿易款項、應計費用及其他應付款項、應付關聯方及非控股權益款項及借貸。

當本集團成為工具合約條文之一方時，會確認金融負債。所有與利息有關之費用根據本集團有關借貸成本之會計政策確認(見附註4.16)。

當相關合約所指定之義務解除、取消或到期時，則解除確認金融負債。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Financial liabilities (Continued)

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Other financial liabilities

These include trade and other payables, accrued charges and amounts due to subsidiaries, related parties and non-controlling interests and are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

4. 主要會計政策概要(續)

4.11 金融負債(續)

倘一項現有金融負債為另一項來自同一借款人根據重大不同條款訂立之金融負債所取代，或現有負債之條款經重大修改時，有關取代或修改會被視為解除確認原負債及確認一項新負債，且相應賬面金額之差額於損益表中確認。

借貸

借貸初步按公允值(扣除所產生之交易成本)確認。借貸隨後按攤銷成本列賬；所得款項(扣除交易成本)及贖回價值之間之任何差額利用實際利息法於借貸期間於損益表確認。

除非本集團擁有無條件權利，可延遲至報告期末後最少十二個月清償負債，否則借貸分類為流動負債。

其他金融負債

該等金融負債包括應付貿易款項及其他應付款項、應計費用及應付附屬公司、關聯方及非控股權益款項，初步按其公允值確認，隨後利用實際利息法按攤銷成本計量。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(a) Operating lease charges as the lessor

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

Rental income receivable from operating leases is recognised in profit or loss on the straight-line method over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

4. 主要會計政策概要(續)

4.12 租賃

倘本集團釐定一項安排賦予於一段協定期間內使用某一或多項指定資產之權利，並以付款或連串付款作為交換，則該項安排(包括一項交易或連串交易)屬於或包含租賃。本集團乃於評估該項安排之實際內容後作出上述釐定，當中不會考慮該項安排是否具有租賃之法定形式。

對於本集團以租賃持有之資產，倘租賃使所有權之絕大部分風險和回報轉移至本集團，有關資產便會劃歸為以融資租賃持有；倘租賃不會使所有權之絕大部分風險和回報轉移至本集團，則劃歸為經營租賃。

(a) 作為出租人之經營租賃費用

根據經營租賃出租之資產按資產性質計量及呈列。磋商及安排經營租賃時產生之初步直接成本計入租賃資產之賬面金額，並於租賃期內按與租金收入相同之基準確認為開支。

經營租賃之應收租金收入按租賃期涵蓋期間以直線法在損益表確認，但如有其他基準能更清楚地反映使用租賃資產所產生之收益模式則除外。獲授之租賃獎勵在損益表中確認為應收租賃淨付款總額之組成部分。或然租金在其產生之會計期間內確認為收入。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Leases (Continued)

(b) Operating lease charges as the lessee

Where the Group has the right to use the assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

4.13 Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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, whose existence 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. 主要會計政策概要(續)

4.12 租賃(續)

(b) 作為承租人之經營租賃費用

倘本集團有權使用以經營租賃持有之資產，則根據租賃作出之付款會在租賃期內，以直線法在損益表扣除；但如有其他基準能更清楚地反映租賃資產所產生之收益時間模式則除外。已收租賃獎勵在損益表中確認為已付租賃淨付款總額之組成部分。或然租金在其產生之會計期間內在損益表扣除。

4.13 撥備及或然負債

倘本集團須就已發生之事件承擔法定或推定責任，而履行該責任預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會就該時間或數額不定之其他負債計提撥備。倘貨幣時間價值重大，則按預計履行責任所需資源之現值計提撥備。

倘含有經濟效益之資源外流之可能性較低，或是無法對有關數額作出可靠之估計，除非資源外流之可能性極低，否則便會將該義務披露為或然負債。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，除非資源外流之可能性極低，否則亦會披露為或然負債。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.14 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

4.15 Revenue recognition

Revenue comprises the fair value of the consideration received and receivable for the sale of goods, rendering of services and the use by others of the Group's assets yielding interest and dividends, net of returns and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Sale of goods is recognised upon transfer of the significant risks and rewards of ownership to customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Services income is recognised when services are rendered.

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

Rental income receivable from operating leases is recognised in profit or loss on the straight-line method over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

4. 主要會計政策概要(續)

4.14 股本

普通股分類為權益。股本採用已發行股份之面值釐定。

與發行股份相關之任何交易成本自股份溢價(扣減任何相關所得稅利益)中扣除，扣除金額以股權交易直接應佔之額外成本為限。

4.15 收益確認

收益包括銷售貨品、提供服務以及其他人士使用本集團資產獲得利息及股息之已收及應收代價公允值(扣減退貨及折扣)。假設經濟利益極可能流向本集團，且收益及成本(如適用)能可靠地計量，則按下列基準確認收益：

貨品銷售乃於擁有權之主要風險及回報轉移予客戶時確認。此情況一般被視為貨品交付及客戶接納貨品之時。

服務收入乃於提供服務時確認。

利息收入根據實際利息法按時間比例確認。

經營租賃之應收租金收入按租賃期涵蓋期間以直線法在損益表確認，但如有其他基準能更清楚地反映使用租賃資產所產生之利益模式則除外。獲授之租賃獎勵在損益表中確認為應收租賃淨付款總額之組成部分。或然租金在其產生之會計期間內確認為收入。

來自上市投資之股息收入於投資之股價除息時確認。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.16 Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.17 Impairment of assets

(a) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale investments are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

4. 主要會計政策概要(續)

4.16 借貸成本

收購、建設或生產需要長時間籌備作擬定用途或銷售之合資格資產之直接應佔借貸成本，將作為該等資產之一部分成本資本化。有待用於該等資產支出之特定借貸作短期投資所賺取之收入會於資本化借貸成本扣除。所有其他借貸成本於產生期間之損益表確認。

4.17 資產減值

(a) 債務及股本證券投資及其他應收款之減值

債務及股本證券投資及其他流動及非流動應收款若按成本或攤銷成本列賬，或歸類為可供出售投資，會於每個報告期末進行審閱以確定是否有客觀減值證據。客觀減值證據包括本集團注意到一項或多項以下虧損事件之可觀察數據：

- 債務人出現重大財政困難；
- 違反合約，例如拖欠還款或逾期未付利息或本金付款；
- 債務人可能進入破產或其他財務重組程序；
- 科技、市場、經濟或法律環境出現對債務人有不利影響之重大變動；及
- 於權益工具投資之公允價值出現顯著或持續貶值，使其低於成本值。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Impairment of assets (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates accounted for under the equity method in the consolidated financial statements (see Note 4.3), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 4.17(b). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with Note 4.17(b).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

4. 主要會計政策概要(續)

4.17 資產減值(續)

如存在任何上述跡象，則按下列方式釐定及確認減值虧損：

- 就採用權益法於綜合財務報表入賬之聯營公司投資而言(見附註4.3)，減值虧損乃按照附註4.17(b)所列，透過比較投資之整體可收回金額與其賬面值計量。倘用於按照附註4.17(b)釐定可收回金額之估計出現有利變動，則轉回減值虧損。
- 就按成本列賬之無市場報價之股本證券而言，減值虧損乃按金融資產之賬面值與估計未來現金流量(如貼現之影響重大，則按類似金融資產之現行市場回報率貼現)兩者間之差額計量。按成本列賬之股本證券之減值虧損不會被轉回。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Impairment of assets (Continued)

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

4. 主要會計政策概要(續)

4.17 資產減值(續)

- 就按攤銷成本列賬之貿易及其他應收流動款及其他金融資產而言，減值虧損乃按資產賬面值與估計未來現金流量按金融資產原有之實際利率(即在初始確認該等資產時計算之實際利率)貼現之現值兩者間之差額計量(如貼現之影響重大)。當該等金融資產擁有類似之風險特徵(例如類似之逾期狀況)，且未有獨立評估為已減值，則會進行此項集體評估。進行集體減值評估之金融資產之未來現金流量乃根據與該集體組合擁有類似信貸風險特徵之資產之過往虧損經驗。

如於其後期間，減值虧損數額減少，而有關減少客觀上與減值虧損確認後發生之事件有關，則減值虧損會透過損益轉回。減值虧損轉回不得導致資產賬面值超出假設過往年度並無確認減值虧損而可能釐定之金額。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Impairment of assets (Continued)

- For available-for-sale investments, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

4. 主要會計政策概要(續)

4.17 資產減值(續)

- 就可供出售投資而言，已在公允價值儲備中確認之累計虧損會重新分類至損益。於損益確認之累計虧損金額為收購成本(扣除任何本金還款及攤銷)與現行公允價值之差額，扣除先前就該資產於損益中確認之任何減值虧損。

可供出售股本證券之減值虧損如已於損益內確認，則不會透過損益轉回。其後有關資產公允價值之任何增加會於其他全面收入中確認。

倘若其後可供出售債務證券之公允價值增加，而有關增加可以客觀地與確認減值虧損後發生之事件聯繫起來，則會將減值虧損轉回。在該等情況下，減值虧損轉回會於損益確認。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Impairment of assets (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(b) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets;
- goodwill; and
- investments in subsidiaries and associates in the Company's statement of financial position.

4. 主要會計政策概要(續)

4.17 資產減值(續)

減值虧損直接於相應之資產撇銷，惟就應收賬款及其他應收款所確認之減值虧損除外，其金額之可收回性視為存疑但並非不可能。此情況下，呆賬之減值虧損會採用撥備賬來記錄。當本集團認為收回金額可能性甚微，視為不可收回之金額會於應收賬款中直接撇銷，並轉回於撥備賬內關於該債務之任何金額。過去於撥備賬扣除之金額倘在其後收回，會於撥備賬內轉回。撥備賬之其他變動及先前直接撇銷之金額於其後收回，均於損益中確認。

(b) 其他資產減值

本集團於各報告期末審閱內部及外來之訊息，以確定下列資產有否出現減值跡象，或，除商譽外，以往確認之減值虧損不復存在或可能已經減少：

- 物業、廠房及設備；
- 無形資產；
- 商譽；及
- 本公司財務狀況報表所示之於附屬公司及聯營公司之投資。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Impairment of assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit (the "CGU")).

4. 主要會計政策概要(續)

4.17 資產減值(續)

倘發現任何有關跡象，則估計該資產之可收回金額。此外，就商譽而言，無論是否出現減值跡象，均會每年估計其可收回金額。

– 計算可收回金額

資產之可收回金額以其公允值減出售成本及使用價值兩者中之較高金額為準。在評估使用價值時，會使用除稅前貼現率將估計未來現金流量貼現至現值。該貼現率應反映市場當時所評估之貨幣時間價值及該資產之獨有風險。倘資產所產生之現金流基本上不獨立於其他資產所產生之現金流，則以能獨立產生現金流之最小資產組別(即現金產生單位(「現在產生單位」))來釐定可收回金額。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Impairment of assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units (the “CGUs”) are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset’s carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

4. 主要會計政策概要(續)

4.17 資產減值(續)

– 確認減值虧損

當資產或其所屬現金產生單位之賬面值超過其可收回金額，即會於損益中確認減值虧損。就現金產生單位確認之減值虧損，首先會分配以減少攤分至該現金產生單位(或一組單位)之商譽之賬面值，然後再按比例減少該單位(或一組單位)內其他資產之賬面值，但資產之賬面值不得減少至低於其本身之公允值減出售成本(如能計量)或使用價值(如能釐定)。

– 減值虧損轉回

就資產(不包括商譽)而言，倘若用以釐定可收回金額之估計數據發生有利之變化，便會將資產減值虧損轉回。商譽之減值虧損不可轉回。

所轉回之減值虧損以假設過往年度並無確認減值虧損而應釐定之資產賬面值為限。所轉回之減值虧損在確認轉回之年度內計入損益。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Employee benefits

(a) Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group’s obligations under these plans are limited to the fixed percentage contributions payable.

(b) Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

4. 主要會計政策概要(續)

4.18 僱員福利

(a) 退休福利

僱員退休福利透過界定供款計劃提供。

本集團根據強制性公積金計劃條例，為所有合資格參與界定供款強制性公積金退休福利計劃(「強積金計劃」)之僱員提供一項強積金計劃。供款基於僱員基本薪金之百分比作出。

本集團在中國內地營運之附屬公司之僱員須參加當地市政府營辦之中央退休金計劃。此等附屬公司須向中央退休金計劃作出相當於其工資成本一定百分比之供款。

供款於僱員於年內提供服務時在損益表內確認為開支。本集團於該等計劃項下之責任限於應付之固定百分比供款。

(b) 短期僱員福利

僱員有權享有之年假於僱員可享有時確認。本公司就僱員因截至報告期末止所提供服務而可享有年假之估計負債作出撥備。

非累計計薪休假(如病假及分娩假期)於提取假期時方予確認。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Employee benefits (Continued)

(c) Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees. All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the share option reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options have exercised, the amount previously recognised in share option reserve is transferred to share premium. After vesting date, when the vested share options have forfeited or still have not been exercised at the expiry date, the amount previously recognised in share option reserve is transferred to contributed surplus.

4. 主要會計政策概要(續)

4.18 僱員福利(續)

(c) 以股份為基礎之僱員補償

本集團為其僱員之薪酬設立以權益結算以股份為基礎之補償計劃。所有以授予以股份為基礎之補償作為交換之已收僱員服務乃按其公允值計量。此乃經參考所給予之權益工具間接釐定。其價值於授出日期評值，並排除一切非市場歸屬條件(如盈利能力及銷售增長目標)之影響。

倘歸屬條件適用，所有以股份為基礎之補償於歸屬期內在損益表確認為開支，或於授出日期在所授予權益工具歸屬時悉數確認為開支，惟倘補償合資格確認為資產，則於權益內之購股權儲備會相應調高。如歸屬條件適用，則按對預期歸屬之權益工具數目之最佳估計，於歸屬期內確認開支。非市場歸屬條件計入對預期歸屬之權益工具數目之假設內。如有跡象顯示預期歸屬之權益工具數目與原先估計不同，則於其後修訂估計。

行使購股權時，過往於購股權儲備確認之金額會轉撥至股份溢價。於歸屬日期後，倘已歸屬購股權被沒收或於屆滿日期尚未行使，則過往於購股權儲備確認之金額會轉撥至繳入盈餘。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Income taxes

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

4. 主要會計政策概要(續)

4.19 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產和負債之變動均在損益內確認，惟與於其他全面收入或直接於權益內確認之項目有關者則除外，在此情況下，稅項之相關金額乃分別於其他全面收入或直接於權益內確認。

本期稅項是按本年度應課稅收入根據已執行或在報告期末實質上已執行之稅率計算之預期應付稅項，加上以往年度應付稅項之任何調整。

遞延稅項資產和負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產和負債在財務報表上之賬面值與其計稅基礎之差異。遞延稅項資產也可從未用稅項虧損及未用稅項抵免產生。

除了某些例外情況外，所有遞延稅項負債和遞延稅項資產(只限於有可能利用未來應課稅利潤作抵扣之資產)均會被確認。支持確認由可抵扣暫時差異所產生之遞延稅項資產之未來應課稅利潤包括因轉回目前存在之應課稅暫時差異而產生之數額；但這些轉回之差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回之同一期間或遞延稅項資產所產生之稅項虧損可向後期或向前期結轉之期間內轉回。在決定目前存在之應課稅暫時差異是否足以支持確認由未用稅項虧損及未用稅項抵免所產生之遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能使用稅項虧損或稅項抵免之同一期間內轉回。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Income taxes (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

4. 主要會計政策概要(續)

4.19 所得稅(續)

以下情況產生之暫時差異將不被確認為遞延稅項資產和負債：不可在稅務方面獲得扣減之商譽；不影響會計或應課稅利潤之資產或負債之初始確認(前提是不屬業務合併之一部分)；以及投資附屬公司(如屬應課稅差異，只限於本集團可以控制轉回之時間，而且在可預見將來不大可能轉回之暫時差異；或如屬可抵扣差異，則只限於很可能在將來轉回之差異)。

遞延稅項之金額是按照資產和負債賬面值之預期實現或清償方式，根據已執行或在報告期末實質上已執行之稅率計算。遞延稅項資產和負債均不貼現計算。

本集團會在每個報告期末評估遞延稅項資產之賬面值。倘預期不再可能獲得足夠之應課稅溢利以利用相關之稅項利益，則該遞延稅項資產之賬面值會調低。倘日後又可能獲得足夠之應課稅溢利，則有關減額會轉回。

因股息分派而引致之額外所得稅會於有關股息被確認為負債時確認。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Income taxes (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

4. 主要會計政策概要(續)

4.19 所得稅(續)

本期及遞延稅項結餘和其變動會分開列示，並且不予抵銷。本期及遞延稅項資產會在本集團有法定行使權以本期稅項資產抵銷本期稅項負債，並且符合以下附帶條件之情況下，才可以分別抵銷本期及遞延稅項負債：

- 本期稅項資產和負債：本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延稅項資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應課稅實體；或
 - 不同之應課稅實體，而這些實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回之每個未來期間，按淨額基準實現本期稅項資產和清償本期稅項負債，或同時變現該資產和清償該負債。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 Segment reporting

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

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except bank interest income, interest income from investments, debt securities and loan receivables, income tax expense, finance costs, share of (loss)/profit of an associate, gain on deemed disposal of investment in an associate and other corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets exclude available-for-sale investment, investment in debt securities, loan receivables, investment in an associate and other corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude provision for taxation, deferred tax liabilities and borrowings and other corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

No asymmetrical allocations have been applied to reportable segments.

4. 主要會計政策概要(續)

4.20 分部報告

本集團根據向執行董事呈報以供彼等就分配資源至本集團業務部分及檢討該等部分表現作出決定之定期內部財務資料識別營運分部及編製分部資料。向執行董事呈報之內部財務資料內之業務部分乃按本集團主要產品及服務線釐定。

本集團根據香港財務報告準則第8號用作呈報分部業績之計量政策與其根據香港財務報告準則編製之財務報表內採用者相同，惟銀行利息收入、投資之利息收入、債務證券及應收貸款、所得稅支出、融資成本、分佔一間聯營公司(虧損)/溢利、視作出售於一間聯營公司之投資收益以及並非直接歸屬於任何營運分部業務活動之其他公司收支於達致營運分部之經營業績時均不包括在內。

分部資產不包括可供出售投資、於債務證券之投資、應收貸款、於一間聯營公司之投資及並非直接歸屬於任何營運分部業務活動及並無分配予分部之其他公司資產，主要適用於本集團總部。

分部負債不包括稅項撥備、遞延稅項負債及借貸以及並非直接歸屬於任何營運分部業務活動及並無分配予分部之其他公司負債。

並無於可報告分部間採用不平衡分配。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.21 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) A person or a close member of that person's family is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (a) 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).
 - (b) 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).
 - (c) Both entities are joint ventures of the same third party.

4. 主要會計政策概要(續)

4.21 關聯方

就本財務報表而言，倘屬以下人士，該人士即被視為與本集團有關連：

- (i) 倘屬以下人士，即該人士或與該人士關係密切之家庭成員與本集團有關連：
 - (a) 控制或共同控制本集團；
 - (b) 對本集團有重大影響力；或
 - (c) 為本集團或本集團母公司之主要管理人員。
- (ii) 倘符合下列任何條件，即該實體與本集團有關連：
 - (a) 該實體與本集團屬同一集團之成員(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (b) 一實體為另一實體之聯營公司或合營公司(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營公司)。
 - (c) 兩家實體均為同一第三方之合營公司。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.21 Related parties (Continued)

(ii) (Continued)

- (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (e) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (f) The entity is controlled or jointly controlled by a person identified in (i).
- (g) A person identifies in (i)(a) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

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

4. 主要會計政策概要(續)

4.21 關聯方(續)

(ii) (續)

- (d) 一實體為一第三方實體之合營公司，而另一實體為該第三方實體之聯營公司。
- (e) 該實體為本集團或本集團相關實體之僱員離職後福利計劃。
- (f) 該實體受(i)項所述人士控制或共同控制。
- (g) 於(i)(a)項所述人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理人員。
- (h) 該實體(或該實體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人員服務。

與任何人士關係密切之家庭成員乃指預期可能影響該人士與實體之交易或受其影響之親屬，並包括：

- (a) 該人士之子女及配偶或同居伴侶；
- (b) 該人士之配偶或同居伴侶之子女；及
- (c) 該人士或其配偶或同居伴侶之受養人。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 4.17. This requires an estimate of the value-in-use of the CGU to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

5. 關鍵會計估計及判斷

估計及判斷乃根據過往經驗及其他因素(包括就當時情況而言相信屬合理之未來事件預測)進行持續評估。

本集團對未來作出估計及假設，所得出之會計估計如其定義很少與有關實際結果相同。很有可能導致於下個財政年度內對資產及負債之賬面金額作出重大調整之估計及假設闡述如下：

(a) 商譽減值

本集團根據附註4.17所述之會計政策每年測試商譽有否出現任何減值，此舉須估計商譽獲分配之現金產生單位之使用價值。在估計使用價值時，本集團須估計預期現金產生單位未來產生之現金流量，並選擇合適之貼現率以計算該等現金流量之現值。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Impairment of other non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that other non-financial assets with definite lives may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets in accordance with the accounting policy stated in Note 4.17. In assessing whether there is any indication that other non-financial assets may be impaired, the Group considers indications from both internal and external sources of information such as evidence of obsolescence or decline in economic performance of the assets, changes in market conditions, economic environment and customers' tastes. These assessments are subjective and require management's judgements and estimations.

(c) Impairment of receivables

The policy for making allowance for impairment of receivables of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer/debtor. If the financial conditions of the customers/debtors of the Group deteriorate thus resulting in impairment as to their ability to make payments, additional allowance for impairment may be required. If the financial conditions of the customers/debtors of the Group, on whose account allowance for impairment has been made, were improved and no impairment of their ability to make payments were noted, reversal of allowance for impairment may be required.

5. 關鍵會計估計及判斷(續)

(b) 其他非金融資產之減值

本集團於各報告期末評估具有特定年期之其他非金融資產有否出現任何減值跡象。倘存在任何該等跡象，本集團會根據附註4.17所述之會計政策估計資產之可收回金額。評估其他非金融資產有否出現減值跡象時，本集團考慮來自內部及外部資料來源之跡象，例如資產廢棄或經濟效益下滑之證據以及市場情況、經濟環境及客戶喜好之轉變。該等評估屬主觀性質，須管理層作出判斷及估計。

(c) 應收款項減值

本集團之應收款項減值準備政策以應收款項之可收回程度評估及賬齡分析以及管理層之判斷為基礎。評估該等應收款項之最終變現款額須作出大量判斷，包括各客戶／債務人目前之信用情況及過往還款記錄。倘本集團客戶／債務人之財務狀況惡化，導致其還款能力被削弱，則可能須作額外減值準備。若本集團已對客戶／債務人之賬款作出減值準備，而其財務狀況改善，且還款能力未見削弱，則可能須撥回減值準備。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Provision for inventories

The management reviews the inventories at the end of each reporting period, and makes allowance for impairment of obsolete, slow-moving and impaired items. The management estimates the net realisable value for such inventories based primarily on the expected future market conditions and the estimated selling price. The Group makes allowance for impairment if the net realisable value is below the carrying amount.

(e) Income taxes

The Group is subject to income taxes in Hong Kong, Mainland China and other jurisdictions in which the Group operates. Significant management judgement is required in interpreting the relevant tax rules and regulations and determining the amount of the provision for income taxes and the timing of payment of related taxes. There could have transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(f) Provision for litigation and claims

During the current year, the Group had been involved in certain litigations and claims (see Note 42). The management determines the provision for claims based on their best estimates according to their understanding of legal advice. Where the final outcome of the claim and negotiation with the respective customers is different from the estimation made by the management, such difference will impact the provision for claims in the year in which such determination is finalised. A provision for claims of approximately HK\$12,976,000 was made for the year ended 31 March 2018 (2017: Nil).

5. 關鍵會計估計及判斷(續)

(d) 存貨撥備

管理層於各報告期末審閱存貨，並對過時、滯銷及已減值項目進行減值準備。管理層主要根據預期未來市況及估計售價估計此等存貨之可變現淨值。本集團對可變現淨值低於賬面金額之項目作出減值準備。

(e) 所得稅

本集團須繳納香港、中國內地及本集團經營業務之其他司法權區之所得稅。管理層於詮釋相關稅務規則及法規以及釐定所得稅撥備金額及繳付相關稅項之時間時須作出重大判斷。於日常業務過程中，若干交易及計算方法之最終稅項結果並不明確。本集團會依照對額外稅項會否到期之估計就預計稅務事宜確認負債。倘該等事項之最終稅務結果與初步記錄之款額不同，則有關差額將會影響釐定有關數額期間之所得稅及遞延稅項撥備。

(f) 訴訟及索償撥備

於本年度，本集團涉及數宗訴訟及索償(見附註42)。根據管理層對法律意見的理解並基於其最佳估計釐定索償撥備。倘索償及與有關客戶進行協商的最後結果與管理層所作估計不同，則有關差額將於最終確定有關結果的年度內影響索償撥備。截至二零一八年三月三十一日止年度作出約12,976,000港元的索償撥備(二零一七年：無)。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

6. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reporting provided to executive directors of the Company who are responsible for allocating resources and assessing performance of the operating segments.

In prior years, the executive directors have identified the reportable and operating segments by major product and service lines. During the year ended 31 March 2018, the Group reorganised its internal reporting structure by simplifying the segmental classification based on revenue contribution from its product and service lines so as to enhance operational efficiency, and the executive directors of the Company consider that segments having similar economic characteristics are aggregated for financial reporting purposes. Accordingly, the comparative segment information has been re-presented to conform to current year's presentation. The Group's reportable and operating segments for financial reporting purposes have been reorganised as follows:

The executive directors have identified the following reportable operating segments:

- (i) Auto dealership – this segment includes distribution of branded automobiles, namely Bentley, Lamborghini and Rolls-Royce and provision of related after-sales services;
- (ii) Non-auto dealership – this segment includes distribution of branded watches, namely Richard Mille, DeWitt, Parmigiani, DeLaCour and Buben & Zorweg, distribution of branded jewellery, namely Boucheron and Royal Asscher, distribution of certain brands of fine wines, audio equipment, menswear apparels and accessories and cigars and smoker's accessories.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar transaction.

6. 分部資料

營運分部按照與向本公司執行董事(負責分配資源及評估營運分部之表現)提供之內部報告貫徹一致之方式報告。

於過往年度,執行董事已按主要產品及服務線識別出可報告的營運分部。於截至二零一八年三月三十一日止年度,本集團重組其內部報告架構,按其產品及服務線之收益貢獻劃分簡化分部分類,務求提升營運效率,且本公司執行董事認為,具有類似經濟特徵之分部已就財務報告目的合併計算。因此,比較分部資料已作重列,以符合本年度之呈列方式。本集團為財務報告目的而識別之可報告營運分部已重組如下:

執行董事已識別出以下可報告營運分部:

- (i) 汽車分銷—此分部包括代理賓利、蘭博基尼及勞斯萊斯名車及提供相關售後服務。
- (ii) 非汽車分銷—該分部包括代理Richard Mille、DeWitt、Parmigiani、DeLaCour及Buben & Zorweg名牌手錶,代理Boucheron及Royal Asscher名牌珠寶,代理若干品牌之名酒、音響設備、男裝及配飾以及雪茄及煙草配件。

由於各產品及服務線所須之資源及營銷方針有別,故各個營運分部乃分開管理。分部間交易(如有)乃參考就類似交易收取外部人士之價格而定價。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

		2018 二零一八年		
		Auto dealership 汽車分銷 HK\$'000 千港元	Non-auto dealership 非汽車分銷 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	2,569,576	323,476	2,893,052
Other income and net gains	其他收入及收益淨額	58,330	5,762	64,092
Reportable segment revenue	可報告分部收益	2,627,906	329,238	2,957,144
Reportable segment results	可報告分部業績	160,225	(24,415)	135,810
Amortisation of other intangible asset	其他無形資產攤銷	-	(79)	(79)
Depreciation of property, plant and equipment	物業、機器及設備折舊	(18,192)	(2,561)	(20,753)
Write-down of inventories	存貨撇減	-	(6,238)	(6,238)
Operating lease payments in respect of rented premises	租賃樓宇之經營租賃款項	(42,788)	(41,850)	(84,638)
Reportable segment assets	可報告分部資產	1,244,383	589,569	1,833,952
Available-for-sale investment	可供出售投資			1,291,321
Investment in debt securities	於債務證券之投資			440,000
Loan receivables	應收貸款			127,376
Deposits, prepayments and other receivables	按金、預繳款項及其他應收款項			198,011
Cash at banks and in hand	銀行及手頭現金			7,421
Other corporate assets:	其他公司資產：			
- financial assets	- 金融資產			4,172
- non-financial assets	- 非金融資產			4,780
Consolidated total assets	綜合總資產			3,907,033
Additions to non-current segment assets during the year	年內添置非流動分部資產	13,976	2,067	16,043
Reportable segment liabilities	可報告分部負債	263,667	42,587	306,254
Borrowings	借貸			567,652
Other corporate liabilities:	其他公司負債：			
- financial liabilities	- 金融負債			3,812
- non-financial liabilities	- 非金融負債			6,135
Consolidated total liabilities	綜合總負債			883,853

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

		2017 二零一七年		
		Auto dealership	Non-auto dealership (Re-presented) 非汽車分銷 (經重列)	Total
		汽車分銷 HK\$'000 千港元	HK\$'000 千港元	合計 HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	2,519,181	262,041	2,781,222
Other income and net gains	其他收入及收益淨額	60,467	6,278	66,745
Reportable segment revenue	可報告分部收益	2,579,648	268,319	2,847,967
Reportable segment results	可報告分部業績	165,722	(20,488)	145,234
Amortisation of other intangible asset	其他無形資產攤銷	-	(78)	(78)
Depreciation of property, plant and equipment	物業、機器及設備折舊	(18,585)	(2,541)	(21,126)
Write-down of inventories	存貨撇減	(176)	(5,608)	(5,784)
Reversal of write-down of inventories	撥回存貨撇減	2,627	-	2,627
Operating lease payments in respect of rented premises	租賃樓宇之經營租賃款項	(42,947)	(36,190)	(79,137)
Reportable segment assets	可報告分部資產	1,190,756	467,372	1,658,128
Investment in an associate	於一間聯營公司之投資			660,075
Cash at banks and in hand	銀行及手頭現金			36,918
Deposits, prepayments and other receivables	按金、預繳款項及其他應收款項			2,966
Other corporate assets:	其他公司資產：			
- financial assets	- 金融資產			4,450
- non-financial assets	- 非金融資產			3,797
Consolidated total assets	綜合總資產			2,366,334
Additions to non-current segment assets during the year	年內添置非流動分部資產	12,100	3,546	15,646
Reportable segment liabilities	可報告分部負債	125,505	46,891	172,396
Borrowings	借貸			396,377
Other corporate liabilities:	其他公司負債：			
- financial liabilities	- 金融負債			5,136
- non-financial liabilities	- 非金融負債			4,598
Consolidated total liabilities	綜合總負債			578,507

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

6. SEGMENT INFORMATION (Continued)

Unallocated corporate income mainly comprised certain incomes from advertising, exhibitions and other services, administrative fee income and gain on disposals of property, plant and equipment. Unallocated corporate expenses mainly comprised certain employee benefits expense (including directors' emoluments), certain operating lease expenses, auditors' remuneration and other centralised administrative costs of the Group's headquarter which are not directly attributable to the business activities of any operating segment.

A reconciliation between the reportable segment results and the Group's profit before income tax 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
Reportable segment results	可報告分部業績	135,810	145,234
Bank interest income	銀行利息收入	1,216	586
Interest income from investments, debt securities and loan receivables	投資、債務證券及應收貸款之利息收入	13,835	-
Unallocated corporate income	未分配公司收入	4,433	2,169
Unallocated corporate expenses	未分配公司開支	(41,919)	(41,858)
Share of (loss)/profit of an associate	分佔一間聯營公司之(虧損)/溢利	(12,779)	507
Gain on deemed disposal of investment in an associate	視作出售於一間聯營公司之投資收益	585,588	-
Finance costs	融資成本	(16,234)	(15,725)
Profit before income tax	除所得稅前溢利	669,950	90,913

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets other than financial instruments ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered or the services were provided. The geographical location of goodwill, other intangible asset and investment in an associate is based on the entities' area of operation while that of other non-current assets is based on the physical location of the assets. Management determines that the Group is domiciled in Mainland China and Hong Kong, which are the Group's principal operating locations.

6. 分部資料(續)

未分配公司收入主要包括若干廣告、展覽及其他服務收入、行政費收入及出售物業、機器及設備之收益。未分配公司開支主要包括若干僱員福利開支(包括董事酬金)、若干經營租賃開支、核數師酬金以及本集團總部並非直接歸屬於任何營運分部業務活動之其他中央行政費用。

可報告分部業績與本集團之除所得稅前溢利對賬如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Reportable segment results	135,810	145,234
Bank interest income	1,216	586
Interest income from investments, debt securities and loan receivables	13,835	-
Unallocated corporate income	4,433	2,169
Unallocated corporate expenses	(41,919)	(41,858)
Share of (loss)/profit of an associate	(12,779)	507
Gain on deemed disposal of investment in an associate	585,588	-
Finance costs	(16,234)	(15,725)
Profit before income tax	669,950	90,913

下表載列有關(i)本集團來自外部客戶的收益；及(ii)本集團非流動資產(金融工具除外)(「指定非流動資產」)地理位置的資料。客戶的地理位置乃基於貨物交付或提供服務的地點。商譽、其他無形資產及於一間聯營公司之投資的地理位置乃基於實體的經營地區，而其他非流動資產的經營地點乃基於資產的實際地點。管理層釐定之本集團位於中國內地及香港(其均為本集團的主要經營地點)。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

6. SEGMENT INFORMATION (Continued)

The geographical analysis of revenue from external customers and specified non-current assets are as follows:

	Revenue from external customers		Specified non-current assets	
	來自外部客戶的收益		指定非流動資產	
	2018	2017	2018	2017
	二零一八年	二零一七年	二零一八年	二零一七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Mainland China and Hong Kong (domicile)	中國內地及香港(所屬地)	2,658,778	2,823,731	297,526
Malaysia	馬來西亞	122,444	69,321	472
Denmark	丹麥	-	-	660,075
		2,781,222	2,893,052	958,073

6. 分部資料(續)

來自外部客戶的收益及指定非流動資產的地域分析如下：

7. REVENUE

The Group's principal activities are sale of automobiles and other merchandised goods and provision of automobile related after-sales services. Revenue from the Group's principal activities recognised during the year is as follows:

	2018		2017	
	二零一八年		二零一七年	
	HK\$'000		HK\$'000	
	千港元		千港元	
Sales of automobiles	汽車銷售	2,469,539	2,395,631	
Sales of other merchandised goods	其他商品銷售	323,476	262,041	
Income from provision of after-sales services	提供售後服務之收入	100,037	123,550	
		2,893,052	2,781,222	

7. 收益

本集團之主要業務為汽車及其他商品銷售以及提供汽車相關售後服務。年內確認為來自本集團主要業務之收益如下：

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

8. OTHER INCOME AND NET GAINS

8. 其他收入及收益淨額

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank interest income	銀行利息收入	1,216	586
Income from investments, debt securities and loan receivables	投資、債務證券及應收貸款之收入	13,835	-
Bonus from suppliers	供應商給予之補貼	10,045	14,281
Gain on disposals of property, plant and equipment	出售物業、機器及設備之收益	2,128	1,514
Income from advertising, exhibitions and other services	廣告、展覽及其他服務收入	7,820	7,044
Income from insurance brokerage	保險經紀收入	44,893	41,617
Management fee income	管理費收入	1,135	1,160
Administrative fee income	行政費收入	618	357
Others	其他	1,886	2,941
		83,576	69,500

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

9. OPERATING PROFIT

Operating profit is arrived at after charging/(crediting):

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amortisation of other intangible asset (Note 18) [#]	其他無形資產攤銷(附註18) [#]	79	78
Auditors' remuneration	核數師酬金		
– Audit services	– 審計服務	1,300	1,370
– Non-audit services	– 非審計服務	510	1,230
Cost of inventories recognised as expense, including	確認為開支之存貨成本, 包括	2,287,412	2,411,756
– Write-down of inventories	– 存貨撇減	6,238	5,784
– Reversal of write-down of inventories	– 撥回存貨撇減	–	(2,627)
Depreciation of property, plant and equipment (Note 16) ^{##}	物業、機器及設備之折舊(附註16) ^{##}	21,995	21,948
Exchange differences, net	匯兌淨差額	904	2,096
Gain on disposals of property, plant and equipment ^{###}	出售物業、機器及設備之收益 ^{###}	(2,128)	(1,514)
Operating lease payments in respect of rented premises	租賃樓宇之經營租賃款項	98,025	91,813
Employee benefit expense (Note 13)	僱員福利開支(附註13)	44,426	45,603
Provision for litigation and claims (Note 42) [*]	訴訟及索償撥備(附註42) [*]	12,976	–

[#] Amortisation of other intangible asset has been included in administrative expenses.

^{##} Depreciation of approximately HK\$20,526,000 and HK\$1,469,000 (2017: HK\$20,455,000 and HK\$1,493,000) have been included in selling and distribution costs and administrative expenses respectively.

^{###} Gain on disposals of property, plant and equipment has been included in other income and net gains.

^{*} Provision for litigation and claims has been included in other expenses.

9. 經營溢利

經營溢利已扣除/(計入)以下項目：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amortisation of other intangible asset (Note 18) [#]	79	78
Auditors' remuneration		
– Audit services	1,300	1,370
– Non-audit services	510	1,230
Cost of inventories recognised as expense, including	2,287,412	2,411,756
– Write-down of inventories	6,238	5,784
– Reversal of write-down of inventories	–	(2,627)
Depreciation of property, plant and equipment (Note 16) ^{##}	21,995	21,948
Exchange differences, net	904	2,096
Gain on disposals of property, plant and equipment ^{###}	(2,128)	(1,514)
Operating lease payments in respect of rented premises	98,025	91,813
Employee benefit expense (Note 13)	44,426	45,603
Provision for litigation and claims (Note 42) [*]	12,976	–

[#] 其他無形資產攤銷已計入行政費用。

^{##} 約20,526,000港元及1,469,000港元(二零一七年:20,455,000港元及1,493,000港元)折舊已分別計入銷售及代理成本以及行政費用。

^{###} 出售物業、機器及設備之收益已計入其他收入及收益淨額。

^{*} 訴訟及索償撥備計入其他費用。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

10. FINANCE COSTS

Interest on bank loans and overdraft	銀行貸款及透支利息
Interest on other loans	其他貸款利息

10. 融資成本

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
14,187	11,327
2,047	4,398
16,234	15,725

11. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year.

The Group's subsidiaries in Mainland China are subject to income tax at the rate of 25% except that a subsidiary is entitled to tax exemption for the years ended 31 March 2018 and 2017.

Income tax of certain subsidiaries of the Company in Malaysia is charged at 3% on the assessable profit for the year or a fixed amount of Malaysian Ringgit 20,000, whichever is lower.

11. 所得稅支出

香港利得稅乃根據本年度之估計應課稅溢利按稅率16.5%(二零一七年: 16.5%)計提撥備。

本集團之中國內地附屬公司須按稅率25%繳納所得稅，惟一間附屬公司有權獲豁免繳納截至二零一八年及二零一七年三月三十一日止年度之稅項。

本公司若干馬來西亞附屬公司之所得稅按本年度應課稅溢利3%或20,000馬來西亞令吉之固定金額(以較低者為準)繳納。

Current tax	本期間稅項
- Hong Kong Profits Tax	- 香港利得稅
Charge for the year	年內支出
Under-provision in prior years	過往年度撥備
- Income tax of other jurisdictions	- 其他司法權區所得稅
Charge for the year	年內支出
Under-provision in prior years	過往年度撥備

Total current tax	本期間稅項總額
Deferred tax	遞延稅項

Total	總計
-------	----

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
1,146	-
-	322
1,046	148
794	898
2,986	1,368
(152)	(206)
2,834	1,162

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

11. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and accounting profit at applicable tax rates:

11 所得稅支出(續)

按適用稅率計算所得稅支出與會計溢利之對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	669,950	90,913
Tax calculated at domestic tax rates applicable to profit or loss in the respective jurisdictions	於各司法權區之溢利或虧損按適用當地稅率計算之稅項	126,256	32,005
Effect of tax exemption granted to a subsidiary	一間附屬公司獲授稅項豁免之影響	(35,273)	(34,095)
Tax effect of non-taxable revenue	毋須課稅收益之稅務影響	(96,774)	(6)
Tax effect of non-deductible expenses	不可抵扣支出之稅務影響	5,254	1,237
Tax effect of unused tax losses not recognised	未確認之未動用稅項虧損之稅務影響	3,861	5,167
Tax effect of temporary differences not recognised	未確認之暫時差異之稅務影響	213	86
Tax effect of utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損之稅務影響	(900)	(1,646)
Tax effect of utilisation of deductible temporary differences previously not recognised	動用過往未確認之可抵扣暫時差異之稅務影響	(597)	(2,722)
Tax effect of share of profit of an associate	應佔一間聯營公司溢利之稅務影響	-	(84)
Under-provision of income tax in prior years	過往年度所得稅撥備不足	794	1,220
Income tax expense	所得稅支出	2,834	1,162

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

12. DIRECTORS' EMOLUMENTS

Year ended 31 March 2018

12. 董事酬金

截至二零一八年三月三十一日止年度

		Directors' fees	Salaries and allowances	Discretionary bonuses	Retirement benefit scheme contributions	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		董事袍金	薪金及津貼	酌情花紅	退休福利計劃供款	合計
Executive Directors:	執行董事：					
Zheng Hao Jiang (Chairman and Chef Executive Officer)	鄭浩江(主席兼行政總裁)	1,980	15	-	25	2,020
Tong Kai Lap (resigned with effect from 1 January 2018)	唐啟立(於二零一八年一月一日辭任)	135	1,395	510	14	2,054
Cheung Man Kit (appointed with effect from 15 December 2017)	張文杰(於二零一七年十二月十五日獲委任)	248	-	-	6	254
Zhu Lei	朱雷	840	-	-	-	840
Non-executive Directors:	非執行董事：					
Zhang Si Jian (resigned with effect from 15 December 2017)	張思堅(於二零一七年十二月十五日辭任)	169	-	-	-	169
Gao Yu	高煜	240	-	-	-	240
Qi Jian Wei	綦建偉	240	-	-	-	240
Tang Sung Wai (appointed with effect from 1 January 2018)	鄧崇偉(於二零一八年一月一日獲委任)	60	-	-	-	60
Independent Non-executive Directors:	獨立非執行董事：					
Choy Sze Chung, Jojo	蔡思聰	240	-	-	-	240
Lam Kwok Cheong	林國昌	240	-	-	-	240
Lee Thomas Kang Bor	李鏡波	240	-	-	-	240
Total	合計	4,632	1,410	510	45	6,597

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

12. DIRECTORS' EMOLUMENTS (Continued)

Year ended 31 March 2017

	Directors' fees	Salaries and allowances	Retirement benefit scheme contributions	Total	
	董事袍金	薪金及津貼	退休福利計劃供款	合計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Executive Directors:	執行董事：				
Zheng Hao Jiang (Chairman and Chef Executive Officer)	鄭浩江(主席兼行政總裁)	1,980	–	23	2,003
Tong Kai Lap (Chairman)	唐啟立(主席)	180	1,860	18	2,058
Zhu Lei	朱雷	840	–	–	840
Non-executive Directors:	非執行董事：				
Zhang Si Jian	張思堅	180	–	–	180
Gao Yu	高煜	180	–	–	180
Qi Jian Wei	綦建偉	180	–	–	180
Independent Non-executive Directors:	獨立非執行董事：				
Choy Sze Chung, Jojo	蔡思聰	180	–	–	180
Lam Kwok Cheong	林國昌	180	–	–	180
Lee Thomas Kang Bor	李鏡波	180	–	–	180
Total	合計	4,080	1,860	41	5,981

During both years, no emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director has waived or agreed to waive any emoluments.

於兩個年度內，本集團並無向任何董事支付酬金以作為加入本集團或於加入本集團時之獎勵或作為離職之補償。概無董事根據任何安排放棄或同意放棄任何酬金。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

13. EMPLOYEE BENEFIT EXPENSE

Employee costs, including directors' emoluments	僱員成本，包括董事酬金	34,410	36,821
Defined retirement benefit scheme contributions for employees	界定僱員退休福利計劃供款	10,016	8,782
Total employee costs	僱員成本總額	44,426	45,603

(a) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, three (2017: three) were directors of the Company whose emoluments are disclosed in Note 12 above. The emoluments payable to the remaining two (2017: two) individuals during the year were as follows:

Salaries and other benefits	薪金及其他福利	2,076	1,920
Retirement benefit scheme contributions	退休福利計劃供款	72	58
		2,148	1,978

The emoluments payable to the non-director highest paid individuals fell within the following bands:

Nil to HK\$1,000,000	0至1,000,000 港元	-	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2	1
		2	2

13. 僱員福利開支

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Employee costs, including directors' emoluments	34,410	36,821
Defined retirement benefit scheme contributions for employees	10,016	8,782
Total employee costs	44,426	45,603

(a) 五位最高薪人士

在本集團五位最高薪人士中，其中三位(二零一七年：三位)為本公司董事，彼等之酬金已於上文附註12披露。年內應付其餘兩位(二零一七年：兩位)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
Salaries and other benefits	2,076	1,920
Retirement benefit scheme contributions	72	58
	2,148	1,978

應付予非董事最高薪人士之酬金介乎下列組別：

	2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
Nil to HK\$1,000,000	-	1
HK\$1,000,001 to HK\$1,500,000	2	1
	2	2

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

14. DIVIDEND

No dividend was paid, declared or proposed by the Group in respect of the years ended 31 March 2018 and 2017.

15. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of approximately HK\$664,565,000 (2017: approximately HK\$87,845,000) by the weighted average of 4,445,894,981 (2017: 3,317,114,634) ordinary shares in issue during the year ended 31 March 2018.

Diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares in existence during the years.

14. 股息

本集團並無就截至二零一八年及二零一七年三月三十一日止年度派付、宣派或建議任何股息。

15. 每股盈利

每股基本盈利乃透過將截至二零一八年三月三十一日止年度本公司擁有人應佔溢利約664,565,000港元(二零一七年：約87,845,000港元)除以已發行普通股加權平均數4,445,894,981股(二零一七年：3,317,114,634股)計算。

由於該兩個年度並無潛在攤薄普通股，故每股攤薄盈利與每股基本盈利相同。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、機器及設備

		Furniture, fixtures and equipment 傢俬、裝置及 設備	Motor vehicles 汽車	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日			
Cost	成本	255,818	33,800	289,618
Accumulated depreciation and impairment	累計折舊及減值	(164,536)	(18,059)	(182,595)
Net carrying amount	賬面淨額	91,282	15,741	107,023
Year ended 31 March 2017	截至二零一七年 三月三十一日止年度			
Opening net carrying amount	年初賬面淨額	91,282	15,741	107,023
Exchange differences	匯兌差額	(4,713)	(800)	(5,513)
Additions	添置	8,144	8,381	16,525
Disposals	出售	(631)	(4,101)	(4,732)
Depreciation	折舊	(18,171)	(3,777)	(21,948)
Closing net carrying amount	年終賬面淨額	75,911	15,444	91,355
At 31 March 2017 and 1 April 2017	於二零一七年三月三十一日 及二零一七年四月一日			
Cost	成本	249,315	30,527	279,842
Accumulated depreciation and impairment	累計折舊及減值	(173,404)	(15,083)	(188,487)
Net carrying amount	賬面淨額	75,911	15,444	91,355

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

16. 物業、機器及設備(續)

		Furniture, fixtures and equipment 傢俬、裝置及 設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Year ended 31 March 2018	截至二零一八年 三月三十一日止年度			
Opening net carrying amount	年初賬面淨值	75,911	15,444	91,355
Exchange differences	匯兌差額	8,595	1,453	10,048
Additions	添置	11,432	6,457	17,889
Disposals	出售	(1,921)	(2,849)	(4,770)
Depreciation	折舊	(18,349)	(3,646)	(21,995)
Closing net carrying amount	年終賬面淨額	75,668	16,859	92,527
At 31 March 2018	於二零一八年 三月三十一日			
Cost	成本	229,697	31,102	260,799
Accumulated depreciation and impairment	累計折舊及減值	(154,029)	(14,243)	(168,272)
Net carrying amount	賬面淨額	75,668	16,859	92,527

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

17. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

Gross carrying amount	賬面總額
Accumulated impairment	累計減值
Net carrying amount	賬面淨額

The carrying amount of goodwill, net of any allowance for impairment, is allocated to the cash-generating unit (“CGU”) of the auto dealership business (the “Auto CGU”).

The recoverable amount of the Auto CGU was determined based on the value-in-use calculation using pre-tax cash flow projections from formally approved budgets covering a detailed five-year budget plan, followed by an extrapolation of expected cash flows at zero percent growth (2017: zero), which do not exceed the long-term growth rate for the business in which the Auto CGU operates. The growth rate reflects the long-term estimated average growth rates for the product lines of the CGU.

The key assumptions for the value-in-use calculations are:

Growth rate after five-year period	五年期後之增長率
Discount rate	貼現率

The key assumptions have been determined based on past performance and its expectations for the market's share after taking into consideration published market forecast and research. The discount rates used are pre-tax and reflect specific risks relating to the Auto CGU.

Apart from the considerations described in determining the value-in-use of the Auto CGU above, the Group's management is not currently aware of any other possible changes that would necessitate changes in its key estimates.

17. 商譽

商譽之賬面淨額可分析如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
580,679	580,679
(374,508)	(374,508)
206,171	206,171

商譽之賬面金額於扣除任何減值準備後分配至汽車分銷業務之現金產生單位(「汽車現金產生單位」)。

汽車現金產生單位之可收回金額乃按使用價值計算法，採用獲正式批准預算得出之稅前現金流量預測(涵蓋詳盡之五年預算計劃)，並依循按0%(二零一七年：0%)之增長率(此增長率不超過汽車現金產生單位經營之業務之長遠增長率)推斷之預期現金流量釐定。有關增長率反映該現金產生單位產品線之長遠估計平均增長率。

使用價值計算之主要假設如下：

2018 二零一八年	2017 二零一七年
0%	0%
14.7%	14.2%

主要假設乃根據過往表現，以及經參考已公佈市場預測及研究之市場份額預測後釐定。所採用之貼現率乃屬稅前性質，並反映汽車現金產生單位相關之特定風險。

除釐定上述汽車現金產生單位之使用價值時所述之考慮因素外，本集團管理層現時並不知悉有任何其他可能變動會導致必須對主要估計事項作出變動。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

18. OTHER INTANGIBLE ASSET

18. 其他無形資產

		Trademark 商標 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	
Gross carrying amount	賬面總額	33,163
Accumulated amortisation and impairment	累計攤銷及減值	(32,613)
Net carrying amount	賬面淨額	550
Year ended 31 March 2017	截至二零一七年三月三十一日止年度	
Opening net carrying amount	年初賬面淨額	550
Amortisation charge	攤銷支出	(78)
Closing net carrying amount	年終賬面淨額	472
At 31 March 2017 and 1 April 2017	於二零一七年三月三十一日 及二零一七年四月一日	
Gross carrying amount	賬面總額	33,163
Accumulated amortisation and impairment	累計攤銷及減值	(32,691)
Net carrying amount	賬面淨額	472
Year ended 31 March 2018	截至二零一八年三月三十一日止年度	
Opening net carrying amount	年初賬面淨額	472
Amortisation charge	攤銷支出	(79)
Closing net carrying amount	年終賬面淨額	393
At 31 March 2018	於二零一八年三月三十一日	
Gross carrying amount	賬面總額	33,163
Accumulated amortisation and impairment	累計攤銷及減值	(32,770)
Net carrying amount	賬面淨額	393

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

19. INVESTMENT IN AN ASSOCIATE AND AVAILABLE-FOR-SALE INVESTMENT

(a) Investment in an associate

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed shares	上市股份		
Goodwill on acquisition	收購產生之商譽	-	374,451
Share of the associate's net assets	分佔一間聯營公司之資產淨值	-	285,624
At 31 March	於三月三十一日	-	660,075

Particulars of the associate up to the date of deemed disposal are as follows:

19. 於一間聯營公司之投資及可供出售投資

(a) 於一間聯營公司之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed shares	上市股份		
Goodwill on acquisition	收購產生之商譽	-	374,451
Share of the associate's net assets	分佔一間聯營公司之資產淨值	-	285,624
At 31 March	於三月三十一日	-	660,075

截至視作出售日期聯營公司之詳情如下：

Name	Place/country of incorporation and kind of legal entity	Issued and paid-up capital	Percentage of effective interest held by the Company	Principal activities
名稱	註冊成立地點／國家及法律實體類別	已發行股本及實收資本	本公司所持實際權益百分比	主要業務
Bang & Olufsen A/S ("B&O")	Denmark, limited liability company	Danish Krone 431,974,780	15.09%	Design, manufacture, market and sale of branded audio and visual consumer electronics products
Bang & Olufsen A/S ("B&O")	丹麥·有限責任公司	431,974,780 丹麥克朗	15.09%	設計、製造、推廣及銷售品牌影音消費電子產品

B&O is a listed entity in Denmark and the fair value of the Group's interest in B&O is approximately HK\$704,612,000 as at 31 March 2017.

B&O為丹麥的上市公司，於二零一七年三月三十一日，本集團於B&O權益之公允值約為704,612,000港元。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

19. INVESTMENT IN AN ASSOCIATE AND AVAILABLE-FOR-SALE INVESTMENT

(Continued)

(a) Investment in an associate (Continued)

The Group completed its acquisition of approximately 15.09% shareholding in B&O on 16 December 2016. Last year, with the Group's presence on the board of directors of B&O and participation in the financial and operating policies decisions of B&O, the Directors considered that the Group could exercise significant influence over B&O and accordingly the investment was accounted for as an associate. During current year, the Group ceased to have significant influence over B&O as a result of loss of representation by the Group in the board of directors of B&O due to the resignation of Mr. Tong Kai Lap as the chairman and executive director of the Company (who holds the position of director and audit committee member of B&O) (the "Resignation") which was effective from 1 January 2018. The directors of the Company announced on 15 January 2018 that in accordance with Hong Kong Accounting Standard 28 *Investments in Associates and Joint Ventures* ("HKAS 28"), as a result of the loss of significant influence over B&O due to the change of circumstances including the Resignation, the consequential loss of representation by the Group in the board of directors of B&O and that the Group has no intention to recommend any person to the board of directors and senior management of B&O, B&O ceased to be an associate of the Group and thus the Group discontinued the use of the equity method on its investment in B&O, and accordingly, the investment in B&O at the date when significant influence is lost was recognised at fair value and this amount was regarded as the fair value on initial recognition of available-for-sale investment. (see Note 19(b)).

The Group's 2018 results included B&O's results for the 9 months ended 30 November 2017 (2017: the 3 months ended 28 February 2017) and any significant events or transactions for the period from 1 December 2017 to 31 December 2017 (date immediately before the date of loss of significant influence) (2017: in the 15 days before the date of acquisition and the month of March 2017) with reference to B&O's most recently available and published financial information (which were drawn up to 30 November 2017 (2017: 28 February 2017)). The Group has taken advantage of the provision contained in HKAS 28 whereby it is permitted to include the attributable share of associates' results based on accounts drawn up to a non-coterminous period end where the difference must be no greater than three months. The Group's share of the results of B&O included in the Group's consolidated financial statements for the year ended 31 March 2018 amounted to a loss of approximately HK\$12,779,000 (2017: profit of approximately HK\$507,000).

19. 於一間聯營公司之投資及可供出售投資(續)

(a) 於一間聯營公司之投資(續)

於二零一六年十二月十六日，本集團完成收購B&O約15.09%股權。於上個年度，憑藉本集團於B&O董事會的地位及參與B&O財務及經營政策決定，董事認為，本集團可對B&O行使重大影響力，故投資作為一間聯營公司入賬。於本年度，由於本公司主席兼執行董事唐啟立先生(彼亦擔任B&O董事職務及審核委員成員)於二零一八年一月一日辭任(「辭任」)，本集團於B&O董事會缺乏代表，導致本集團不再對B&O擁有重大影響力。本公司董事於二零一八年一月十五日公佈，由於情況變動(包括辭任)導致失去對B&O的重大影響力，根據香港會計準則第28號於聯營公司及合營公司之投資(「香港財務報告準則第28號」)，本集團間接失去於B&O董事會的代表以及本集團並無意向向B&O董事會及高級管理層推薦任何人士，B&O不再為本集團聯營公司，故本集團終止繼續採用權益法計算於B&O之投資，因此，於B&O之投資於失去重大影響力當日按公允值確認，且該金額被視為初始確認可供出售投資之公允值(見附註19(b))。

經參考B&O計算至二零一七年十一月三十日(二零一七年：二零一七年二月二十八日)的最近期可得及已刊發財務資料，本集團之二零一八年業績包括B&O截至二零一七年十一月三十日止九個月(二零一七年：截至二零一七年二月二十八日止三個月)之業績及於二零一七年十二月一日起至二零一七年十二月三十一日(緊接失去重大影響力日期)止期間(二零一七年：收購日期前15天及二零一七年三月)發生的任何重大事件或交易。本集團已採納香港會計準則第28號所載之條文，據此，其獲准許計入聯營公司不同截算日期(但差距不得超過三個月)之賬目為基準之分佔聯營公司之業績。本集團分佔B&O的業績計入本集團截至二零一八年三月三十一日止年度之綜合財務報表，虧損約12,779,000港元(二零一七年：溢利約507,000港元)。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

19. INVESTMENT IN AN ASSOCIATE AND AVAILABLE-FOR-SALE INVESTMENT

(Continued)

(a) Investment in an associate (Continued)

Immediately after the loss of significant influence over B&O, it was accounted for as a deemed disposal of the entire interest in B&O, with a resulting gain of approximately HK\$585,588,000 on deemed disposal of investment in the associate being recognised in profit or loss during the year ended 31 March 2018.

The following table illustrates the summarised financial information of the associate and reconciled to the carrying amount in the consolidated financial statements:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	-	2,294,096
Non-current assets	非流動資產	-	995,008
Current liabilities	流動負債	-	(977,088)
Non-current liabilities	非流動負債	-	(419,216)
Net assets	資產淨值	-	1,892,800
Reconciliation to the Group's interest in the associate		與本集團於聯營公司之權益之對賬	
Proportion of the Group's ownership	本集團之擁有權比例	-	15.09%
Group's share of net assets of the associate, excluding goodwill recognised by the Group	本集團應佔聯營公司資產淨值(不包括本集團確認之商譽)	-	285,624
Goodwill on acquisition	收購產生之商譽	-	374,451
Carrying amount of the investment	投資賬面值	-	660,075

19. 於一間聯營公司之投資及可供出售投資(續)

(a) 於一間聯營公司之投資(續)

緊隨失去對B&O的重大影響力後，其被入賬列為視作出售於B&O之全部權益，而視作出售一間聯營公司之投資收益約585,588,000港元於截至二零一八年三月三十一日止年度之損益內確認。

下表列示聯營公司之財務資料概要，並與綜合財務報表內的賬面值對賬：

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

19. INVESTMENT IN AN ASSOCIATE AND AVAILABLE-FOR-SALE INVESTMENT

(Continued)

(a) Investment in an associate (Continued)

		From 1 April 2017 to date of deemed disposal 於二零一七年 四月一日至 視作出售日期 HK\$'000 千港元	Year ended 31 March 2017 截至二零一七年 三月三十一日 止年度 HK\$'000 千港元
Other disclosures	其他披露		
Revenue	收益	2,871,301	880,432
(Loss)/profit for the period	期內(虧損)/溢利	(84,683)	3,360
Other comprehensive loss	其他全面虧損	(34,922)	(560)
Total comprehensive (loss)/income	全面(虧損)/收入總額	(119,605)	2,800

(b) Available-for-sale investment

		HK\$'000 千港元	HK\$'000 千港元
Available-for-sale equity securities, at fair value	可供出售股本證券， 按公允值計		
– Listed overseas	– 於海外上市	1,291,321	–

Available-for-sale equity securities represent investment in B&O (see Note 19(a))

19. 於一間聯營公司之投資及可供出售投資(續)

(a) 於一間聯營公司之投資(續)

(b) 可供出售投資

可供出售股本證券指於B&O之投資(見附註19(a))

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

20. BALANCES WITH NON-CONTROLLING INTERESTS/RELATED PARTIES

(a) Balances with non-controlling interests

The amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

(b) Rental deposits paid to a related party

The Group entered into several agreements with Mr. Qi Jian Hong (“**Mr. Qi**”), a substantial shareholder of the Company, for leasing of properties as office premises, warehouse and showrooms in Mainland China to the Group. The rental deposits paid to Mr. Qi of HK\$15,812,000 (2017: HK\$15,101,000) have been recognised as non-current assets as at 31 March 2018.

20. 與非控股權益／關聯方之結餘

(a) 與非控股權益之結餘

應付非控股權益款項為無抵押、免息及須按要求償還。

(b) 已付一名關聯方租金按金

本集團與本公司之主要股東綦建虹先生(「**綦先生**」)就向本集團租賃若干位於中國內地之物業作辦公樓、倉庫及展廳訂立多項協議。已付綦先生之租金按金15,812,000港元(二零一七年: 15,101,000港元)已於二零一八年三月三十一日確認為非流動資產。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

20. BALANCES WITH NON-CONTROLLING INTERESTS/RELATED PARTIES (Continued)

(c) Balances with related parties

(1) Amounts due from related parties are as follows:

			Maximum balance outstanding during the year	Maximum As at 31 March 2017 and 1 April 2017	Maximum balance outstanding during the prior year	Maximum As at 1 April 2016
	As at 31 March 2018	Notes	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
	HK\$'000		HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	附註	千港元	千港元	千港元	千港元
Mr. Qi	6,847	(i)	20,979	15,101	17,561	17,561
北京耀萊金榜酒業 有限公司("BJSRGB")	-	(ii)	521	521	1,116	1,116
北京恒宇大業投資 有限公司("BJHYDY")	1,111	(iii)	1,111	-	-	-
北京鳳博通商經貿 有限公司("BJFBTS")	618	(iii)	618	-	-	-
Total amounts due from related parties	8,576		15,622	15,622	18,677	18,677

Notes:

- (i) The amount due from Mr. Qi, resulting from prepaid rental expenses for leasing of properties as office premises, warehouse and showrooms in Mainland China to the Group, is unsecured, interest-free and will be utilised through setting off future rental expenses payable to Mr. Qi within one year.
- (ii) The amount due from BJSRGB (a company controlled by Mr. Qi), resulting from provision of management services, was unsecured, interest-free and repayable on demand.
- (iii) The amounts due from BJHYDY and BJFBTS (both companies controlled by Mr. Qi), arising from acquisition of a subsidiary (see Note 41), are unsecured, interest-free and repayable on demand.

(2) The amounts due to related parties are unsecured, interest-free and repayable on demand.

20. 與非控股權益／關聯方之結餘 (續)

(c) 與關聯方之結餘

(1) 應收關聯方之款項如下：

	Maximum balance outstanding during the year	Maximum As at 31 March 2017 and 1 April 2017	Maximum balance outstanding during the prior year	Maximum As at 1 April 2016
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Mr. Qi	20,979	15,101	17,561	17,561
北京耀萊金榜酒業 有限公司("BJSRGB")	521	521	1,116	1,116
北京恒宇大業投資 有限公司("BJHYDY")	1,111	-	-	-
北京鳳博通商經貿 有限公司("BJFBTS")	618	-	-	-
Total amounts due from related parties	15,622	15,622	18,677	18,677

附註：

- (i) 就向本集團租賃若干位於中國內地之物業作辦公樓、倉庫及展廳預付之租金開支而應收慕先生之款項為無抵押、免息及將透過抵銷於一年內應付慕先生之未來租金開支方式動用。
- (ii) 因提供管理服務而應收金榜酒業(一家由慕先生控制之公司)之款項為無抵押、免息及須按要求償還。
- (iii) 因收購一間附屬公司而應收北京恒宇大業及北京鳳博通商(該兩間公司均受慕先生控制)之款項為無抵押、免息及須按要求償還。

(2) 應付關聯方之款項為無抵押、免息及須按要求償還。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

21 .INVENTORIES

Raw materials and consumables	原材料及消耗品
Merchandised goods	商品

As at 31 March 2018, merchandised goods of (i) approximately HK\$484,121,000 (2017: HK\$335,635,000) have been pledged to secure the loan facilities (Note 29) and (ii) approximately HK\$16,975,000 (2017: Nil) have been frozen as a reserve under a litigation claim (see Note 42).

22. TRADE RECEIVABLES AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(a) Trade receivables

The Group's trading terms with its retail customers are mainly receipts in advance from customers or cash on delivery, except for certain transactions with creditworthy customers where the credit period is extendable up to 3 months, whereas the trading terms with wholesale customers are generally one to two months. In addition, the Group generally provides a credit term of two to three months to automobile manufacturers for the in-warranty after-sales services. The Group seeks to maintain strict control over its outstanding trade receivables and has a credit control policy to minimise credit risk. Overdue balances are reviewed regularly by the management.

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
36,959	26,347
1,024,448	897,207
1,061,407	923,554

於二零一八年三月三十一日，(i)為數約484,121,000港元(二零一七年：335,635,000港元)之商品已作質押，以取得貸款融資(附註29)及(ii)為數約16,975,000港元(二零一七年：無)之商品已予凍結，作為訴訟索償之儲備(見附註42)。

22. 應收貿易款項以及按金、預繳款項及其他應收款項

(a) 應收貿易款項

本集團與零售客戶之間的交易條款主要為預收貨款或貨銀兩訖，惟若干與信譽良好的客戶之間的交易獲得最長3個月之信貸期，而與批發客戶之間的交易條款則一般為期一至兩個月。此外，本集團一般就保固期內之售後服務向汽車製造商提供兩至三個月之信貸期。本集團尋求對其未收回應收貿易款項實行嚴格監控，以及制定信貸監控政策以將信貸風險減至最低。管理層定期審閱逾期結餘。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

22. TRADE RECEIVABLES AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

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

0 – 30 days	0至30日
31 – 120 days	31至120日
Over 120 days	超過120日

The ageing analysis of the Group's trade receivables that are not individually nor collectively considered to be impaired is as follows:

Neither past due nor impaired 未逾期亦未減值

Trade receivables that were neither past due nor impaired related to certain customers from whom there was no recent history of default.

(b) Deposits, prepayments and other receivables

Deposits	按金
Prepayments	預繳款項
Other receivables	其他應收款項
Value-Added Tax ("VAT") recoverables	可收回增值稅(「增值稅」)

22. 應收貿易款項以及按金、預繳款項及其他應收款項(續)

(a) 應收貿易款項(續)

基於發票日期之應收貿易款項於報告期末之賬齡分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	5,075	1,161
	267	100
	—	5,393
	5,342	6,654

本集團未有被視為個別及集體減值之應收貿易款項之賬齡分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	5,342	6,654

未逾期亦未減值之應收貿易款項乃源自若干近來並無違約記錄之客戶。

(b) 按金、預繳款項及其他應收款項

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	20,418	19,233
	45,025	39,917
	150,841	94,173
	53,711	23,484
	269,995	176,807

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

23. INVESTMENT IN DEBT SECURITIES

The Group's investment in debt securities represents unlisted senior notes (the "Senior Notes") issued by Shanghai Huaxin Group (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability. Details of the Senior Notes are set out in the announcements by the Company on 4 December 2017 and 2 March 2018.

Subsequent to the end of the reporting period, (i) the Group disposed of the Senior Notes in the principal amount of HK\$110,000,000 (the "First Senior Note") to an independent third party (the "Purchaser") at a consideration of HK\$111,320,000, resulting in no gain or loss on disposal; and (ii) the Group has agreed to dispose of the Senior Notes in its remaining principal amounts of HK\$330,000,000 (the "Second Senior Note") to the Purchaser at a consideration of HK\$334,840,000 and this disposal of the Second Senior Note has not yet been completed up to the date of issue of these financial statements. Details of the disposal of the Senior Notes are set out in the announcement by the Company on 31 May 2018.

24. LOAN RECEIVABLES

Loans to independent third parties through internet finance platform	通過互聯網融資平台向第三方提供貸款	(i)
Other loans receivable	其他應收貸款	(ii)

Loan receivables were neither past due nor impaired.

Notes:

- (i) Amounts represented loans to independent third parties which were facilitated through the internet finance platform of independent financial services companies and are unsecured. The principal of these loans (with maturity due within 60 days) and the related interest (bearing 6.00% or 6.80% per annum) are insured by an independent insurance company based in Mainland China.
- (ii) The loans receivable is made to an independent third party and is unsecured, bears interest rate of 7.36% per annum and is repayable on 1 September 2018.

23. 投資債務證券

本集團的債務證券投資指上海華信集團(香港)有限公司(一間於香港註冊成立的有限公司)發行的非上市優先票據(「優先票據」)。有關優先票據的詳情載於本公司於二零一七年十二月四日及二零一八年三月二日刊發的公佈。

於報告期末之後，(i)本集團按代價111,320,000港元向一名獨立第三方(「買方」)出售本金額為110,000,000港元的優先票據(「第一批優先票據」)，未產生任何出售收益或虧損；及(ii)本集團已同意按代價334,840,000港元向買方出售其本金額為330,000,000的優先票據(「第二份優先票據」)且出售第二份優先票據直至該等財務報表刊發日期尚未完成。有關出售優先票據的詳情載於本公司於二零一八年五月三十一日刊發的公佈。

24. 應收貸款

Note	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(i)	86,420	—
(ii)	40,956	—
	127,376	—

應收貸款即未逾期亦減值。

附註：

- (i) 金額為通過獨立金融服務公司之互聯網融資平台向獨立第三方提供的貸款，並為無抵押。該等貸款的本金(到期日為60日內)及有關利息(年利率為6.00%或6.80%)由中國內地的獨立保險公司承保。
- (ii) 應收貸款乃向獨立第三方提供，並為無抵押，年利率7.36%，並須於二零一八年九月一日償還。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

25. PLEDGED DEPOSITS, RESTRICTED BANK BALANCE AND CASH AT BANKS AND IN HAND

Cash at banks earns interest at floating rates based on daily bank deposit rates. As at 31 March 2018, the deposits bore interest rates ranging from 0.01% to 2.00% per annum (2017: ranging from 0.01% to 2.00% per annum) which are close to the market interest rates.

Certain of the Group's deposits have been pledged to secure loan facilities granted to the Group (Note 29). The pledged deposits will be released upon the settlement of the relevant borrowings.

As at 31 March 2018, the Group has a restricted deposit held at a bank in Mainland China as a reserve under a litigation claim of HK\$5,304,000. The litigation relates to a dispute over a sale and purchase agreement on automobile between one of the Group's subsidiaries and a customer in Mainland China (see Note 42).

As at 31 March 2017, the Group has a restricted deposit held at a bank in Mainland China as a reserve under a litigation claim of HK\$6,180,000. The litigation relates to a dispute on the product quality between one of the subsidiaries of the Group and a customer in Mainland China. The litigation claim was fully settled and the restricted deposit of HK\$6,180,000 was released during the year ended 31 March 2018.

As at 31 March 2018, the cash at banks and in hand, restricted bank balance and pledged deposits of the Group which are dominated in RMB and held in Mainland China were HK\$176,855,000 (2017: HK\$193,616,000). RMB is not a freely convertible currency. Under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

25. 已抵押存款、受限制銀行結餘以及銀行及手頭現金

銀行現金之利息乃按每日銀行存款利率以浮息計算。於二零一八年三月三十一日，存款以年利率介乎0.01%至2.00%（二零一七年：年利率介乎0.01%至2.00%）計息，貼近市場利率。

本集團若干按金已予抵押，為本集團獲授的貸款融資作擔保（附註29）。已抵押存款將於償付有關借貸後解除。

於二零一八年三月三十一日，本集團於中國內地銀行持有的受限制存款5,304,000港元作為訴訟申索之儲備金。該訴訟乃有關本集團一間附屬公司與中國內地的一名客戶之間有關汽車買賣協議之爭議（參見附註42）。

於二零一七年三月三十一日，本集團於中國內地銀行持有的受限制存款6,180,000港元作為訴訟申索之儲備金。該訴訟乃有關本集團一間附屬公司與中國內地的一名客戶之間有關產品責任爭議。於截至二零一八年三月三十一日止年度，訴訟索償已悉數結清及受限制存款6,180,000港元已獲解除。

於二零一八年三月三十一日，本集團的銀行及手頭現金、受限制銀行結餘及已抵押存款（均以人民幣計值且於中國內地持有）為176,855,000港元（二零一七年：193,616,000港元）。人民幣不可自由兌換為其他貨幣。根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准於經授權經營外匯業務之銀行將人民幣兌換為外幣。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

26. OTHER CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

26. 其他現金流量資料

融資活動所產生負債對賬

下表為本集團融資活動負債變動(包括現金及非現金變動)之詳情。融資活動負債為現金流量曾就此或日後現金流量將就此於本集團綜合現金流量表分類為融資活動所得現金流量的負債。

		Amounts due to non- controlling interests	Borrowings	Total
		應付非控股 權益款項	借貸	總計
		HK\$'000 千港元 (Note 20(a)) (附註20(a))	HK\$'000 千港元 (Note 29) (附註29)	HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	1,578	396,377	397,955
Changes from financing cash flows:	融資現金流量之變動：			
Advances from non-controlling interests of subsidiaries	附屬公司非控股權益墊款	2,960	-	2,960
Proceeds from new borrowings	新增借貸之所得款項	-	2,231,457	2,231,457
Repayment of borrowings	償還借貸	-	(2,105,248)	(2,105,248)
Interest paid	已付利息	-	(16,234)	(16,234)
Total changes from financing cash flows	融資現金流之變動總額	2,960	109,975	112,935
Exchange adjustments	匯兌調整	-	45,066	45,066
Other change:	其他變動：			
Interest expenses	利息開支	-	16,234	16,234
At 31 March 2018	於二零一八年三月三十一日	4,538	567,652	572,190

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

27. TRADE PAYABLES

The following is an ageing analysis of trade payables which based on the invoice dates as at the end of the 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 – 30 days	0至30日	10,194	13,199
31 – 60 days	31至60日	462	2,739
61 – 90 days	61至90日	2,290	2,477
Over 90 days	超過90日	1,555	1,516
		14,501	19,931

Included in the trade payables is an amount due to an associate of HK\$10,847,000 as at 31 March 2017.

27. 應付貿易款項

基於發票日期之應付貿易款項於報告期末之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0至30日	10,194	13,199
31 – 60 days	31至60日	462	2,739
61 – 90 days	61至90日	2,290	2,477
Over 90 days	超過90日	1,555	1,516
		14,501	19,931

於二零一七年三月三十一日，應付貿易款項包括應付一間聯營公司之款項10,847,000港元。

28. RECEIPTS IN ADVANCE, ACCRUED CHARGES AND OTHER PAYABLES

Current portion:		流動部分：	
Receipts in advance from customers	預收客戶款項	195,479	111,859
Accrued charges*	應計費用*	13,908	3,211
Other payables	其他應付款項	78,983	39,610
		288,370	154,680

Non-current portion:		非流動部分：	
Other payables	其他應付款項	304	258

* As at 31 March 2018, the Group had a provision of HK\$12,976,000 (2017: Nil) for litigation and claims. The provision is included in accrued charges. Details of these litigation and claims are set out in Note 42.

28. 預收款項、應計費用及其他應付款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current portion:			
Receipts in advance from customers	預收客戶款項	195,479	111,859
Accrued charges*	應計費用*	13,908	3,211
Other payables	其他應付款項	78,983	39,610
		288,370	154,680
Non-current portion:			
Other payables	其他應付款項	304	258

* 於二零一八年三月三十一日，本集團就訴訟及索償計提撥備12,976,000港元(二零一七年：無)。該撥備計入應計費用。有關該等訴訟及索償之詳情載於附註42。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

29. BORROWINGS

29. 借貸

		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 and guaranteed	銀行貸款(有抵押及擔保)	215,327	190,263
Bank loans, secured	銀行貸款(有抵押)	137,416	51,506
Bank loans, guaranteed	銀行貸款(有擔保)	9,565	3,798
Other loans, secured and guaranteed	其他貸款(有抵押及擔保)	205,344	150,810
		567,652	396,377
Effective interest rates per annum in the range of:	實際年利率介乎：		
- fixed rate borrowings	- 定息借貸	1% to 8.50%	4.35% to 7.50%
- variable rate borrowings	- 浮息借貸	2.16% to 5.22%	2.27% to 2.32%

At the end of the reporting period, all the borrowings were repayable on demand or scheduled to repay within one year.

As at 31 March 2018 and 2017, certain inventories (Note 21) and bank deposits (Note 25) were pledged to secure the loan facilities granted to the Group.

The borrowings were also subject to corporate guarantees executed by the Company and certain subsidiaries during the years ended 31 March 2018 and 2017.

於報告期末，所有借貸均須按要求償還或預訂於一年內償還。

於二零一八年及二零一七年三月三十一日，若干存貨(附註21)及銀行存款(附註25)已質押，作為本集團獲授之貸款融資之抵押。

於截至二零一八年及二零一七年三月三十一日止年度，借貸亦由本公司及若干附屬公司簽立之企業擔保作抵押。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

29. BORROWINGS (Continued)

The carrying amounts of the borrowings are denominated in the following currencies:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
RMB	人民幣	566,148	391,519
HK\$	港元	1,504	4,858
		567,652	396,377

30. DEFERRED TAX

Deferred taxation is calculated in full on temporary differences under the liability method at rates of taxation applicable when the temporary differences are expected to reverse.

The movement on the deferred tax liabilities during the year 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
At beginning of the year	年初	830	1,036
Deferred tax credited to profit or loss (Note 11)	計入損益表之遞延稅項 (附註11)	(152)	(206)
At end of the year	年終	678	830

29. 借貸(續)

借貸之賬面金額乃以下列貨幣計值：

30. 遞延稅項

遞延稅項乃根據負債法，使用預期撥回暫時差異時之適用稅率，就所有暫時差異計算。

遞延稅項負債於年內之變動如下：

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

30. DEFERRED TAX (Continued)

The movement in deferred tax liabilities recognised in the consolidated statement of financial position during the year is as follows:

		Accelerated tax depreciation	Temporary difference on inventories	Total
		加速稅項折舊	存貨之 暫時差異	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 April 2016	於二零一六年四月一日	206	830	1,036
Credited to profit or loss	計入損益表	(206)	-	(206)
At 31 March 2017 and 1 April 2017	於二零一七年 三月三十一日及 二零一七年四月一日	-	830	830
Credited to profit or loss	計入損益表	-	(152)	(152)
At 31 March 2018	於二零一八年 三月三十一日	-	678	678

As at 31 March 2018, the Group has deductible temporary differences of HK\$19,770,000 (2017: HK\$22,097,000) mainly arising from impairment losses recognised in respect of property, plant and equipment and inventories. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is unpredictable whether taxable profit will be available against which the deductible temporary differences can be utilised.

In accordance with the accounting policy set out in Note 4.19, the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK\$87,963,000 (2017: HK\$70,018,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses arising in Mainland China of approximately HK\$4,998,000 (2017: HK\$7,510,000) will be expired if they are not utilized to set off against the taxable profits within five years from the year in which they arose under the current tax legislation in Mainland China. The tax losses arising in Hong Kong do not expire under current tax legislation.

30. 遞延稅項(續)

年內已於綜合財務狀況報表確認之遞延稅項負債變動如下：

於二零一八年三月三十一日，本集團之可抵扣暫時差異19,770,000港元(二零一七年：22,097,000港元)主要來自就物業、機器及設備以及存貨確認之減值虧損。鑒於無法預料會否有應課稅溢利可以該等可抵扣暫時差異予以抵銷，故本集團並無就可扣減暫時差異確認遞延稅項資產。

根據附註4.19所載會計政策，本集團並未就累計稅項虧損確認遞延稅項資產約87,963,000港元(二零一七年：70,018,000港元)，因有關稅項司法管轄區及實體不大可能產生未來應課稅溢利以抵銷可動用之有關虧損。倘中國內地產生之稅項虧損約4,998,000港元(二零一七年：7,510,000港元)於產生年度起計五年內未根據現行稅法用以抵銷應課稅溢利，則該稅項虧損將屆滿。於香港所產生之稅項虧損不會根據現行稅法屆滿。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

30. DEFERRED TAX (Continued)

Deferred tax liabilities have not been established for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries because the Company controls the dividend policy of these subsidiaries and it is not probable that the temporary differences will reverse in the foreseeable future. Such unremitted earnings associated with investments in subsidiaries totalled approximately HK\$1,055,234,000 (2017: HK\$924,316,000) as at 31 March 2018.

30. 遞延稅項(續)

鑒於本公司控制若干附屬公司之股息政策，而暫時差異不大可能於可見將來撥回，故並無就該等附屬公司未過賬盈利應付之預扣稅確立遞延稅項負債。於二零一八年三月三十一日，與該等附屬公司投資有關之未過賬盈利合共約為1,055,234,000港元(二零一七年：924,316,000港元)。

31. SHARE CAPITAL

31. 股本

		Number of ordinary shares 普通股數目		Amount 數額 HK\$'000 千港元	
Authorised:	法定股本：				
Ordinary shares of HK\$0.002 each	每股面值0.002港元之普通股				
At 1 April 2016, 31 March 2017,	於二零一六年四月一日、				
1 April 2017 and 31 March 2018	二零一七年三月三十一日、 二零一七年四月一日及 二零一八年三月三十一日				
				250,000,000,000	500,000
		2018 二零一八年		2017 二零一七年	
		No. of shares 股份數目	\$'000 千元	No. of shares 股份數目	\$'000 千元
Ordinary shares, issued and fully paid:	已發行及繳足普通股：				
At 1 April	於四月一日	4,141,237,447	8,282	2,979,828,850	5,959
Placing of shares (Note i)	配售股份(附註i)	800,000,000	1,600		
Issue of consideration shares upon acquisition of an associate (Note ii)	於收購一間聯營公司後發行 代價股份(附註ii)	-	-	1,098,101,103	2,196
Issue of consideration shares upon acquisition of non-controlling interest (Note ii)	於收購非控股權益後發行 代價股份(附註ii)	-	-	63,307,494	127
At 31 March	於三月三十一日	4,941,237,447	9,882	4,141,237,447	8,282

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

31. SHARE CAPITAL (Continued)

Notes:

- (i) In October 2017, the Company entered into a placing agreement with a placing agent to place 800,000,000 new ordinary shares at the placing price of HK\$0.5681 under general mandate. The placing of new shares was completed in November 2017. The issued share capital of the Company was increased to 4,941,237,447. The closing price of the Company's shares as at the issue date was HK\$0.69 per share. The proceeds of HK\$440,845,000 were used for repayment of borrowings, expansion of the audio business of the Group and providing general working capital of the Group.

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

- (ii) On 16 December 2016, the Company issued an aggregate of 1,161,408,597 ordinary shares to SRHL, a company controlled by Mr. Qi, for acquisitions of approximately 15.09% shareholding in B&O from SRHL and the remaining 49% equity interest in 衡准寶聲(北京)貿易發展有限公司 from Beijing Sparkle Roll Investment Limited, a company controlled by Mr. Qi. The fair value of the consideration shares is determined based on the closing share price of HK\$0.59 per share as at 16 December 2016. Details of the transactions, which also constitute connected transactions as defined in Chapter 14A of the Listing Rules, are disclosed in the announcements of the Company dated 20 October 2016 and 16 December 2016 and the circular of the Company dated 25 November 2016.

32. RESERVES

Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981.

31. 股本(續)

附註:

- (i) 於二零一七年十月，本公司與一名配售代理訂立配售協議，以根據一般授權按配售價0.5681港元配售800,000,000股新普通股。新股份配售於二零一七年十一月完成。本公司已將已發行股本增至4,941,237,447。本公司於發行日期之收市價為每股0.69港元。440,845,000港元之所得款項將用於償還借款，擴大本集團之音響業務及為本集團提供一般營運資金。

於年內所有已發行新股份在所有方面與現有股份享有同等權利。

- (ii) 於二零一六年十二月十六日，本公司向耀萊控股(蔡先生控制之公司)發行合共1,161,408,597股普通股，以向耀萊控股收購B&O約15.09%股權及向北京耀萊投資有限公司(蔡先生控制之公司)收購衡准寶聲(北京)貿易發展有限公司餘下49%股本權益。代價股份之公允值乃根據於二零一六年十二月十六日之收市價每股0.59港元釐定。有關交易(亦構成上市規則第14A章界定之關連交易)之詳情於本公司日期為二零一六年十月二十日及二零一六年十二月十六日之公佈以及本公司日期為二零一六年十一月二十五日之通函內披露。

32. 儲備

股份溢價

股份溢價指因按超過每股面值之價格發行股份所產生之溢價。股份溢價賬之應用受百慕達一九八一年公司法第40條管轄。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

32. RESERVES (Continued)

Capital reserve

Capital reserve arose from waiver of interest on convertible notes by a shareholder of the Company during the year ended 31 March 2010.

Special reserve

The special reserve of the Group represents the difference between the nominal amount of the shares of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the shares issued for the acquisition under a group reorganisation in 1997.

Contributed surplus

The contributed surplus of the Group consists of:

- (i) Pursuant to a special resolution passed at the annual general meeting of the Company on 10 August 2004, the Company reduced its share premium by an amount of approximately HK\$286,300,000 in accordance with the provisions of Section 46 of the Bermuda Companies Act 1981 and transferred the same amount to the contributed surplus account of the Company. On the same date, the Company applied an amount of approximately HK\$236,906,000 from the contributed surplus account against the accumulated losses;
- (ii) Pursuant to a special resolution passed at the annual general meeting of the Company on 31 July 2009, the Company reduced its share premium by an amount of approximately HK\$260,000,000 and transferred the same amount to the contributed surplus account of the Company. On the same date, the Company applied an amount of approximately HK\$206,327,000 from the contributed surplus account against the accumulated losses;
- (iii) Dividends paid out of contributed surplus in prior years for a total of approximately HK\$76,999,000;

32. 儲備(續)

資本儲備

截至二零一零年三月三十一日止年度，資本儲備乃由本公司一名股東豁免可換股票據之利息產生。

特別儲備

本集團之特別儲備指本公司收購附屬公司股份當日該等股份之面值與於一九九七年進行集團重組時為收購所發行之股份面值兩者之差額。

繳入盈餘

本集團之繳入盈餘包括：

- (i) 根據本公司於二零零四年八月十日舉行之股東週年大會上通過之特別決議案，本公司根據百慕達一九八一年公司法第46條之規定將其股份溢價削減約286,300,000港元，並將該金額轉撥至本公司之繳入盈餘賬內。同日，本公司從繳入盈餘賬中動用約236,906,000港元以抵銷累計虧損；
- (ii) 根據本公司於二零零九年七月三十一日舉行之股東週年大會上通過之特別決議案，本公司將其股份溢價削減約260,000,000港元，並將該金額轉撥至本公司之繳入盈餘賬內。同日，本公司從繳入盈餘賬中動用約206,327,000港元以抵銷累計虧損；
- (iii) 過往年度從繳入盈餘派付之股息合共約76,999,000港元；

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

32. RESERVES (Continued)

Contributed surplus (Continued)

- (iv) Transfers of approximately HK\$1,467,000 and HK\$1,309,000 from share option reserve due to forfeiture/lapse of share options during the years ended 31 March 2014 and 2015 respectively; and
- (v) Pursuant to a special resolution passed at the annual general meeting of the Company on 6 September 2017, the Company reduced its share premium by an amount of HK\$500,000,000 and transferred the same amount to the contributed surplus account of the Company. On the same date, the Company applied an amount of approximately HK\$88,818,000 from the contributed surplus account against its accumulated losses.

Exchange reserve

The exchange reserve comprises all foreign exchange difference arising from the translation of the financial statements of foreign operations, The reserve is dealt with in accordance with the accounting policies set out in Note 4.4.

Other reserve

Other reserve mainly represents:

- (i) the differences between the considerations and (a) the carrying amount of the partial interests in subsidiaries disposed of; and (b) the carrying amount of the non-controlling interests acquired; and
- (ii) share of other comprehensive income and other reserve of an associate.

Statutory reserve

The Group's statutory reserve represents appropriations of profits retained by the Company's PRC subsidiaries. In accordance with the respective articles of association of the Company's PRC subsidiaries, they are required to appropriate amount not less than 10% of their profits after income tax to statutory reserve each year, until the reserve balance reaches 50% of its registered capital. Such a reserve may be used to reduce any losses incurred or for capitalisation as paid-up capital.

32. 儲備(續)

繳入盈餘(續)

- (iv) 於截至二零一四年及二零一五年三月三十一日止年度，就購股權被沒收／失效而從購股權儲備轉撥約1,467,000港元及1,309,000港元；及
- (v) 根據本公司於二零一七年九月六日舉行之股東週年大會上通過之特別決議案，本公司將其股份溢價削減500,000,000港元，並將該金額轉撥至本公司之繳入盈餘賬內。同日，本公司從繳入盈餘賬中動用約88,818,000港元以抵銷累計虧損。

外匯儲備

外匯儲備包括產生自換算海外業務財務報表之所有外匯差額。該儲備乃根據附註4.4所載會計政策處理。

其他儲備

其他儲備主要指：

- (i) 代價與(a)所出售之部分附屬公司權益之賬面金額；及(b)所收購之非控股權益之賬面金額兩者之差額；及
- (ii) 分佔一間聯營公司其他全面收入及其他儲備。

法定儲備

本集團之法定儲備指本公司中國附屬公司保留溢利之分配。根據本公司中國附屬公司各自之組織章程細則，該等公司須每年將其除所得稅後溢利不少於10%分配至法定儲備，直至儲備結餘達其註冊資本之50%為止。該儲備可用作扣減所產生之任何虧損或撥充實收資本。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

33. SHARE-BASED EMPLOYEE COMPENSATION

The Company's share option scheme (the "**Scheme**") was adopted pursuant to an ordinary resolution passed at a special general meeting of the Company held on 7 October 2002 for the primary purpose of providing incentives to directors and eligible employees. The Scheme was expired on 6 October 2012.

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 20 August 2012, the Company's new share option scheme (the "**New Scheme**") was adopted and the Scheme was terminated.

Under the New Scheme, the board of directors of the Company may, at its discretion, grant options to eligible employees, including executive directors, suppliers, customers, advisers or consultants and joint venture partners or business alliances of the Company or any of its subsidiaries to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholder or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

33. 以股份為基礎之僱員補償

本公司之購股權計劃(「**該計劃**」)乃根據本公司於二零零二年十月七日舉行之股東特別大會上通過之普通決議案採納，其主要目的為給予董事及合資格僱員獎勵。該計劃已於二零一二年十月六日屆滿。

根據本公司於二零一二年八月二十日舉行之股東週年大會上通過之普通決議案，本公司已採納新購股權計劃(「**新計劃**」)，而該計劃已告終止。

根據新計劃，本公司董事會可酌情將購股權授予合資格僱員，包括本公司或其任何附屬公司之執行董事、供應商、客戶、顧問或諮詢人及合營夥伴或業務聯盟，以認購本公司股份。

在未獲本公司股東事先批准的情況下，可根據該計劃授出之購股權所涉及之股份總數不得超過本公司於任何時間已發行股份之10%。在未獲本公司股東事先批准的情況下，於任何一年內可授予任何個人之購股權所涉及之股份數目，不得超過本公司於任何時間已發行股份之1%。授予主要股東或獨立非執行董事之購股權倘超過本公司股本之0.1%或其價值超過5,000,000港元，則必須事先獲本公司股東批准。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per each grant of options. Options may be exercised from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the directors of the Company and will not be less than the highest of the closing price of the shares on the Stock Exchange on the date of grant, the average closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options or the nominal value of the shares.

The New Scheme shall remain valid and effective for a period of ten years commencing from 20 August 2012, being the date on which the scheme was deemed to take effect in accordance with the terms.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company's ordinary shares.

There was no share option outstanding under the New Scheme as at 31 March 2018 and 2017.

34. OPERATING LEASE COMMITMENTS

(a) Group as lessor

At the end of the reporting period, the total future minimum lease receivable under non-cancellable operating lease is as follows:

33. 以股份為基礎之僱員補償(續)

授出之購股權必須於授出日期起計21日內接納，並於接納時就每次授出購股權支付1港元。購股權可由購股權授出日期起至授出日期第十週年當日止期間行使。行使價由本公司董事釐定，惟不得低於股份於授出日期在聯交所之收市價、股份於緊接購股權授出日期前五個交易日在聯交所之平均收市價或股份面值(以最高者為準)。

新計劃由二零一二年八月二十日(即此計劃根據其條款被視作生效之日期)起維持有效及生效，為期十年。

所有以股份為基礎之僱員補償將以權益結算。除透過發行本公司普通股外，本集團並無法律或推定責任回購或結算購股權。

於二零一八年及二零一七年三月三十一日，新計劃項下並無尚未行使之購股權。

34. 經營租賃承擔

(a) 本集團作為出租人

於報告期末，根據不可撤銷經營租賃應收之未來最低租金總額如下：

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

34. OPERATING LEASE COMMITMENTS

(Continued)

(a) Group as lessor (Continued)

Within one year	一年內
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)

(a) 本集團作為出租人(續)

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	20	32
	—	20
	20	52

(b) Group as lessee

At the end of the reporting period, the total future minimum lease payments payable by the Group under non-cancellable operating leases, including operating lease commitment to related parties as disclosed in Note 36(b), are as follows:

Within one year	一年內
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)
After five years	五年以上

(b) 本集團作為承租人

於報告期末，本集團根據不可撤銷經營租賃應付之未來最低租賃款項總額(包括附註36(b)所披露向關聯方作出之經營租賃承擔)如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	85,343	78,718
	218,607	216,538
	23,713	18,607
	327,663	313,863

The Group leases a number of office premises, bonded warehouse, showrooms and staff quarters under operating leases. The leases run for an initial period of one to eleven years (2017: one to ten years). The actual payments in respect of certain operating leases are calculated at the higher of the minimum commitments as noted in the table above and the amounts determined based on a percentage of the sales of the related retail shops.

本集團根據經營租賃租用多個辦公樓、保稅倉庫、展廳及員工宿舍。租賃初步為期一至十一年(二零一七年：一至十年)。若干經營租賃之實際付款乃按上表所述最低承擔及根據相關零售店銷售額之百分比釐定之金額(以較高者為準)計算。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

35. CAPITAL COMMITMENTS

Contracted but not provided for in respect of	已訂約但未撥備
- Acquisition of a property holding company (see Note 44)	- 收購一間物業控股公司 (見附註44)
- Purchase of property, plant and equipment	- 購買物業、機器及設備

35. 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
669,136	-
400	-
669,536	-

36. RELATED PARTY DISCLOSURES

During the year, except as disclosed elsewhere in these financial statements, the Group also had the following significant transactions with related parties:

(a) Related party transactions

Rental expense to Mr. Qi*	支付予基先生之租金開支*	63,814	66,131
Consultancy fee paid to Mr. Qi*	支付予基先生之顧問費*	-	120
Management fees income from a related company*	來自一間關連公司之管理費收入*	1,135	1,160
Administrative fees income from a related company*	來自一間關連公司之行政費收入*	613	357
Purchases of goods from a related company*	向一間關連公司採購貨品*	121	181
Purchases of goods from an associate	向一間聯營公司採購貨品	99,906	43,189

* These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

36. 關聯方披露

年內，除於此等財務報表其他部分所披露者外，本集團亦曾與關聯方進行下列重大交易：

(a) 關聯方之交易

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
63,814	66,131
-	120
1,135	1,160
613	357
121	181
99,906	43,189

* 該等關聯方交易構成關連交易或持續關連交易(定義見上市規則第14A章)。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

36. RELATED PARTY DISCLOSURES (Continued)

(a) Related party transactions (Continued)

The above related party transactions are conducted in the ordinary course of business with reference to the terms mutually agreed between the parties.

The Group defines directors of the Company as key management personnel and their remunerations are set out in Note 12.

(b) Operating lease commitment to related parties

At the end of the reporting period, the total future minimum lease payments payable by the Group to Mr. Qi under non-cancellable operating leases were as follows:

36. 關聯方披露(續)

(a) 關聯方之交易(續)

上述關聯方之交易均於日常業務過程中按照訂約各方相互協定之條款進行。

本集團界定本公司董事為主要管理人員，彼等之薪酬載於附註12。

(b) 向關聯方作出之經營租賃承擔

於報告期末，本集團根據不可撤銷經營租賃應付蔡先生之未來最低租賃款項總額現載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	66,370	60,404
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	188,593	198,337
After five years	五年以上	-	18,607
		254,963	277,348

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2018 are as follows:

37. 主要附屬公司詳情

本公司於二零一八年三月三十一日之主要附屬公司之詳情如下：

Name of subsidiary	Place/country of incorporation/ establishment and kind of legal entity	Class of capital held	Issued/paid-up capital	Percentage of effective interest held by the Company	Principal activities and place of operations
附屬公司名稱	註冊成立/成立地點/ 國家及法律實體類別	所持股本類別	已發行股本/ 實收資本	本公司 所持實際權益 百分比	主要業務及營運地點
Carnaby Group Limited	British Virgin Islands ("BVI"), limited liability company 英屬處女群島, 有限公司	Ordinary share 普通股	United States Dollar ("US\$") 1 1美元	100%*	Investment holding, BVI 投資控股, 英屬處女群島
Sparkle Roll (Denmark) Limited	Hong Kong, limited liability company 香港, 有限公司	Ordinary share 普通股	HK\$10,000 10,000 港元	100%*	Investment holding, Hong Kong 投資控股, 香港
Sparkle Roll (France) Limited 耀萊(法國)有限公司	BVI, limited liability company 英屬處女群島, 有限公司	Ordinary share 普通股	US\$1 1美元	100% 100%	Investment holding, BVI 投資控股, 英屬處女群島
Sparkle Roll Fine Wine Limited 耀萊醇釀酒業有限公司	BVI, limited liability company 英屬處女群島, 有限公司	Ordinary share 普通股	US\$1 1美元	100% 100%	Trading of fine wines, Hong Kong 名酒貿易, 香港
Sparkle Roll Motors Limited 耀萊汽車有限公司	BVI, limited liability company 英屬處女群島, 有限公司	Ordinary share 普通股	US\$1 1美元	100% 100%	Investment holding, BVI 投資控股, 英屬處女群島
Sparkle Roll (Hong Kong) Limited	Hong Kong, limited liability company 香港, 有限公司	Ordinary share 普通股	HK\$1 1港元	100% 100%	Trading of branded jewellery and provision of management service, Hong Kong 名牌珠寶貿易以及提供管理服務, 香港
Sparkle Roll Aerial Advertising Multi-Media Limited	Hong Kong, limited liability company 香港, 有限公司	Ordinary share 普通股	HK\$1 1港元	100% 100%	Publications of magazines and provision of advertising services, Hong Kong 出版雜誌及提供廣告服務, 香港

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

37. 主要附屬公司詳情(續)

Name of subsidiary	Place/country of incorporation/ establishment and kind of legal entity	Class of capital held	Issued/paid-up capital	Percentage of effective interest held by the Company	Principal activities and place of operations
附屬公司名稱	註冊成立/成立地點/ 國家及法律實體類別	所持股本類別	已發行股本/ 實收資本	本公司 所持實際權益 百分比	主要業務及營運地點
Sparkle Roll Global Motors Holding Limited 耀萊環球汽車控股有限公司	Hong Kong, limited liability company 香港, 有限公司	Ordinary share 普通股	HK\$151,050,000 151,050,000港元	100%	Investment holding, Hong Kong 投資控股, 香港
Sparkle Roll Cigars Holding Limited 耀萊雪茄控股有限公司	Hong Kong, limited liability company 香港, 有限公司	Ordinary share 普通股	US\$3,000,000 3,000,000美元	50.1% 50.1%	Trading of cigars and smoker's accessories, Hong Kong 雪茄及煙草配件貿易, 香港
Sparkle Roll International Distributions Limited 耀萊國際代理有限公司	Hong Kong, limited liability company 香港, 有限公司	Ordinary share 普通股	HK\$100 100港元	100%	Trading of branded watches and audio equipment, Hong Kong 名牌手錶及音響產品, 香港
Sparkle Roll Watch & Jewelry Limited 耀萊鐘錶珠寶有限公司	Hong Kong, limited liability company 香港, 有限公司	Ordinary share 普通股	HK\$1 1港元	100%	Trading of branded watches and branded jewellery, Hong Kong 名牌手錶及名牌珠寶貿易, 香港
Sparkle Roll Brands Market Management Limited 耀萊品牌市場經營管理有限公司	Malaysia, limited liability company 馬來西亞, 有限公司	Ordinary share 普通股	US\$100 100美元	100%	Investment holding, Malaysia 投資控股, 馬來西亞
Sparkle Roll Retail Net Development Limited 耀萊零售網絡發展有限公司	Malaysia, limited liability company 馬來西亞, 有限公司	Ordinary share 普通股	US\$1 1美元	100%	Trading of merchandised goods, Malaysia 商品貿易, 馬來西亞
Balanorm Beo (Beijing) Trading Development Limited ("Balanorm Beo") (Note (a)) 衡准寶聲(北京)貿易發展有限公司 (「衡准寶聲」)(附註(a))	Mainland China, limited liability company 中國內地, 有限責任公司	Paid-up capital 實收資本	Renminbi ("RMB") 50,000,000 人民幣 50,000,000元	100%	Sales and distribution of audio and visual consumer electronics products, Mainland China 銷售及代理影音消費電子產品, 中國內地

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

37. 主要附屬公司詳情(續)

Name of subsidiary	Place/country of incorporation/ establishment and kind of legal entity	Class of capital held	Issued/paid-up capital	Percentage of effective interest held by the Company	Principal activities and place of operations
附屬公司名稱	註冊成立/成立地點/ 國家及法律實體類別	所持股本類別	已發行股本/ 實收資本	本公司 所持實際權益 百分比	主要業務及營運地點
Beijing De Te Motors Trading Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB101,400,000	100%	Trading of automobiles and related parts and accessories and provision of after-sales services, Mainland China
北京德特汽車貿易有限公司	中國內地, 有限責任公司	實收資本	人民幣 101,400,000元	100%	汽車及相關零件及配件貿易以及提供售後服務, 中國內地
Beijing Han He Ding Sheng Ji Dian Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB 49,900,000	100%	Sales of merchandised goods, Mainland China
北京漢和鼎盛機電有限公司	中國內地, 有限責任公司	實收資本	人民幣 49,900,000元	100%	銷售商品, 中國內地
Beijing Mei He Zhen Yong Motors Trading Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB194,800,000	100%	Trading of automobiles and related parts and accessories and provision of after-sales services, Mainland China
北京美合振永汽車貿易有限公司	中國內地, 有限責任公司	實收資本	人民幣 194,800,000元	100%	汽車及相關零件及配件貿易以及提供售後服務, 中國內地
Beijing Rui Ying Chuang Yi Trading Development Limited ("Rui Ying Chuang Yi") ^{†#}	Mainland China, limited liability company	Paid-up capital	RMB 44,900,000	100%	Sales of merchandised goods, Mainland China
北京瑞盈創意經營發展有限公司 (「瑞盈創意」) [#]	中國內地, 有限責任公司	實收資本	人民幣 44,900,000元	100%	銷售商品, 中國內地
Beijing Sparkle Roll Aerial Advertising Multi-media Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB49,500,000	100%	Provision of marketing and advertising services, Mainland China
北京耀萊空中廣告傳媒有限公司	中國內地, 有限責任公司	實收資本	人民幣 49,500,000元	100%	提供市場及廣告服務, 中國內地
Beijing Sparkle Roll Fu Sheng Trading Company Limited ("Fu Sheng") [†]	Mainland China, limited liability company	Paid-up capital	RMB5,000,000	51%	Sales and distribution of apparel and accessories, Mainland China
北京耀萊服盛貿易有限公司(「服盛」)	中國內地, 有限責任公司	實收資本	人民幣 5,000,000元	51%	銷售及代理成衣及配飾, 中國內地

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

37. 主要附屬公司詳情(續)

Name of subsidiary	Place/country of incorporation/ establishment and kind of legal entity	Class of capital held	Issued/paid-up capital	Percentage of effective interest held by the Company	Principal activities and place of operations
附屬公司名稱	註冊成立/成立地點/ 國家及法律實體類別	所持股本類別	已發行股本/ 實收資本	本公司 所持實際權益 百分比	主要業務及營運地點
Beijing Sparkle Roll Goldence Saga International Exhibition Limited [†] 北京耀萊盛世傳奇國際會展有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	Paid-up capital 實收資本	RMB64,600,000 人民幣 64,600,000元	100%	Provision of consultancy services, Mainland China 提供諮詢服務, 中國內地
Sparkle Roll Honor Remit (Beijing) Business Club Limited [†] 耀萊尊榮匯(北京)商務會所有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	Paid-up capital 實收資本	RMB17,600,000 人民幣 17,600,000元	100%	Provision of exhibition and advertising services, Mainland China 提供展覽及廣告服務, 中國內地
Beijing Sparkle Roll Men Dao Men Airline Agency Limited [†] (formerly known as Beijing Mu Tai Air Ticketing Agent Company Limited [†]) 北京耀萊門到門航空票務代理有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	Paid-up capital 實收資本	RMB 10,000,000 人民幣 10,000,000元	70%	Sales and distribution of airline, Mainland China 航空機票銷售代理, 中國內地
Beijing Sparkle Roll Motors Insurance Agency Limited [†] 北京耀萊汽車保險代理有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	Paid-up capital 實收資本	RMB10,000,000 人民幣 10,000,000元	100%	Provision of insurance agency services, Mainland China 提供保險代理服務, 中國內地
Beijing Sparkle Roll Xin Gai Nian Business Management Limited [†] 北京耀萊新概念商業管理有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	Paid-up capital 實收資本	RMB49,950,000 人民幣 49,950,000元	100%	Provision of corporate management and consultancy services, Mainland China 提供企業管理及諮詢服務, 中國內地
Beijing Sparkle Roll Xin Jing Jie Public Relation Planning Limited [†] 北京耀萊新境界公關策劃有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	Paid-up capital 實收資本	RMB49,700,000 人民幣 49,700,000元	100%	Provision of public relation and marketing services, Mainland China 提供公關策劃及市場服務, 中國內地

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

37. 主要附屬公司詳情(續)

Name of subsidiary	Place/country of incorporation/ establishment and kind of legal entity	Class of capital held	Issued/paid-up capital	Percentage of effective interest held by the Company	Principal activities and place of operations
附屬公司名稱	註冊成立/成立地點/ 國家及法律實體類別	所持股本類別	已發行股本/ 實收資本	本公司 所持實際權益 百分比	主要業務及營運地點
Richmile (Shanghai) Commerce & Trading Limited†	Mainland China, limited liability company	Paid-up capital	RMB10,000,000	100%	Trading of branded watches and branded jewelleryes and provision of consultancy services, Mainland China
瑞菱(上海)商貿有限公司	中國內地, 有限責任公司	實收資本	人民幣 10,000,000元	100%	名牌手錶及名牌珠寶貿易以及提供諮詢服務, 中國內地
Sparkle Roll Bo Ce Trading Development Limited†	Mainland China, limited liability company	Paid-up capital	RMB51,900,000	100%	Provision of corporate management and consultancy services, Mainland China
耀萊博策貿易發展有限公司	中國內地, 有限責任公司	實收資本	人民幣 51,900,000元	100%	提供企業管理及諮詢服務, 中國內地
Sparkle Roll Ding Sheng (Beijing) Trading Development Limited†	Mainland China, limited liability company	Paid-up capital	RMB10,000,000	100%	Sales and distribution of merchandised goods, Mainland China
耀萊鼎盛(北京)貿易發展有限公司	中國內地, 有限責任公司	實收資本	人民幣 10,000,000元	100%	銷售及代理商品, 中國內地
Sparkle Roll Online (Beijing) Business Service Limited†	Mainland China, limited liability company	Paid-up capital	RMB49,900,000	100%	Provision of e-commerce platform operation, Mainland China
耀萊在綫(北京)商業服務有限公司	中國內地, 有限責任公司	實收資本	人民幣 49,900,000元	100%	提供電商平台營運, 中國內地
Sparkle Roll Oriental (Beijing) Trading Development Limited†	Mainland China, limited liability company (wholly foreign-owned enterprise)	Paid-up capital	HK\$40,000,000	100%	Trading of branded watches, branded jewelleryes and fine wines and provision of consultancy services, Mainland China
耀萊東方(北京)貿易發展有限公司	中國內地, 有限責任公司 (外商獨資企業)	實收資本	40,000,000港元	100%	名牌手錶、名牌珠寶及名酒貿易以及提供諮詢服務, 中國內地

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

37. 主要附屬公司詳情(續)

Name of subsidiary	Place/country of incorporation/ establishment and kind of legal entity	Class of capital held	Issued/paid-up capital	Percentage of effective interest held by the Company	Principal activities and place of operations
附屬公司名稱	註冊成立/成立地點/ 國家及法律實體類別	所持股本類別	已發行股本/ 實收資本	本公司 所持實際權益 百分比	主要業務及營運地點
Beijing Xiang Fang Business Management Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB49,300,000	100%	Trading of artwork and provision of culture and art exchange activities services, Mainland China
北京香仿商業管理有限公司	中國內地，有限責任公司	實收資本	人民幣 49,300,000元	100%	藝術品貿易以及提供文藝交流活動服務，中國內地
Beijing Sparkle Roll Xin Tian Di Commerce Development Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB49,000,000	100%	Provision of consultancy service, Mainland China
北京耀萊新天地商業發展有限公司	中國內地，有限責任公司	實收資本	人民幣 49,000,000元	100%	提供諮詢服務，中國內地
Tianjin Heng Ying Tai Fu Trading Development Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB38,700,000	100%	Trading of automobiles and related parts and accessories and provision of after-sales services, Mainland China
天津恒盈泰富貿易發展有限公司	中國內地，有限責任公司	實收資本	人民幣 38,700,000元	100%	汽車及相關零件及配件貿易以及提供售後服務，中國內地
Tianjin Xin Chang Tai Fu Trading Development Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB45,000,000	100%	Trading of automobiles and related parts and accessories and provision of after-sales services, Mainland China
天津信昌泰富貿易發展有限公司	中國內地，有限責任公司	實收資本	人民幣 45,000,000元	100%	汽車及相關零件及配件貿易以及提供售後服務，中國內地
Boao Economic and Trade Development Limited [†]	Mainland China, limited liability company	Paid-up capital	RMB50,000,000	100%	Provision of exhibition and consultancy services, Mainland China
鉞傲經貿發展有限公司	中國內地，有限責任公司	實收資本	人民幣 50,000,000元	100%	提供展會及諮詢服務，中國內地

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

- † The English names of these subsidiaries established in Mainland China represent management's best effort at translating the Chinese names of these subsidiaries as no official English names have been registered.
- * Directly held by the Company
- # On 31 May 2018, Rui Ying Chuang Yi has changed its name to Lu Yi Ya Shi (Beijing) Trading Development Limited.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

Note:

- (a) On 16 December 2016, the Group acquired an additional 49% equity interest in Balanorm Beo and settled by way of the Company issuing 63,307,494 shares to SRHL. The fair value of such consideration shares is HK\$37,352,000, which is determined based on the closing share price of HK\$0.59 per share as at 16 December 2016. Thereafter, the Group's equity interest in Balanorm Beo increased from 51% to 100%. The acquisition of the additional interest did not result in change of control of Balanorm Beo. The carrying amount of the non-controlling interest in Balanorm Beo on the date of acquisition was HK\$14,060,000. The Group recognised a decrease in non-controlling interest of HK\$14,060,000 and decrease in equity attributable to owners of the Company of HK\$23,292,000. Profit and total comprehensive income allocated to non-controlling interest of Balanorm Beo for the period from 1 April 2016 to 16 December 2016 were HK\$402,000 and HK\$(1,042,000), respectively.

37. 主要附屬公司詳情(續)

- † 由於該等於中國內地成立之附屬公司並無註冊正式英文名稱，因此，該等英文名稱乃由管理層盡最大努力以該等附屬公司之中文名稱翻譯。
- * 由本公司直接持有
- # 於二零一八年五月三十一日，瑞盈創意已將其名稱改為璐藝雅詩(北京)經貿發展有限公司。

上表載列本公司董事認為主要影響本年度業績或構成本集團資產淨值重要部分之本公司附屬公司。本公司董事認為，若提供其他附屬公司之詳情，將令資料過於冗長。

概無附屬公司於年末發行任何債務證券。

附註：

- (a) 於二零一六年十二月十六日，本集團收購衡准寶聲額外49%股本權益，透過本公司向耀萊控股發行63,307,494股股份之方式結算。該等代價股份之公允值為37,352,000港元，乃根據二零一六年十二月十六日之收市價每股0.59港元釐定。之後，本集團於衡准寶聲之股本權益由51%增至100%。收購額外權益並無導致衡准寶聲控制權發生變動。衡准寶聲於收購日期之非控股權益之賬面值為14,060,000港元。本集團確認非控股權益減少14,060,000港元及本公司擁有人應佔權益減少23,292,000港元。自二零一六年四月一日起至二零一六年十二月十六日期間，衡准寶聲之非控股權益獲分配之溢利及全面收入總額分別為402,000港元及(1,042,000)港元。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

38. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests as at 31 March 2018 and their summarised financial information are set out below. The amounts disclosed are before any inter-company eliminations.

38. 擁有重大非控股權益之附屬公司

下文載列本集團於二零一八年三月三十一日擁有重大非控股權益之附屬公司詳情以及其財務資料概要。所披露之金額指於進行任何公司間撇銷前之金額。

		Fu Sheng 服盛		Sparkle Roll Cigars 耀萊雪茄		MDM 門到門	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	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						
Percentage of equity interest held by non-controlling interests	非控股權益所持股權百分比	49%	49%	49.9%	49.9%	30%	-
Current assets	流動資產	40,570	31,084	22,342	22,604	6,642	-
Non-current assets	非流動資產	1,870	1,743	-	-	-	-
Current liabilities	流動負債	(30,616)	(27,437)	(102)	(175)	(6,182)	-
Net assets	資產淨值	11,824	5,390	22,240	22,429	460	-
Carrying amount of non-controlling interests	非控股權益之賬面金額	5,794	2,641	11,098	11,192	138	-
For the year ended 31 March	截至三月三十一日止年度						
Revenue	收益	45,850	23,544	2,117	1,627	-	-
Profit/(loss) for the year	本年度溢利/(虧損)	5,624	2,333	(190)	724	(1,376)	-
Total comprehensive income/(loss)	全面收入/(虧損)總額	6,434	2,095	(190)	724	(1,307)	-
Profit/(loss) allocated to non-controlling interests	分配至非控股權益之溢利/(虧損)	2,756	1,143	(95)	361	(413)	-
Cash flows (used in)/generated from operating activities	經營業務(所用)/所得之現金流量	(4,315)	5,908	(155)	(862)	(5,040)	-
Cash flows (used in)/generated from investing activities	投資活動(所用)/所得之現金流量	(958)	5	(551)	(19,754)	4,444	-
Cash flows generated from financing activities	融資活動所得之現金流量	2,732	345	-	23,250	1,765	-
Net cash (outflows)/inflows	現金(流出)/流入淨額	(2,541)	6,258	(706)	2,634	1,169	-

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks included market risk (including currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

It is not the Group's policy to engage in the trading of financial instruments for speculative purposes.

39.1 Categories of financial instruments

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

39. 金融風險管理及公允值計量

本集團於日常業務過程中使用金融工具，因而承受金融風險。該等金融風險包括市場風險(包括貨幣風險、利率風險及股價風險)、信貸風險及流動性風險。

金融風險管理由本集團總部統籌，並與董事會緊密合作。管理金融風險之整體目標為在減低金融市場風險之情況下，確保本集團中短期之現金流量。

為投機目的買賣金融工具並非本集團之政策。

39.1 金融工具類別

各類金融工具於報告期末之賬面金額如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Available-for-sale investment	可供出售投資	1,291,321	—
Investment in debt securities	投資債務證券	440,000	—
Loans and receivables	貸款及應收款項		
– Deposits paid for acquisition of a property holding company	– 收購一間物業控股公司已付之按金	135,802	—
– Rental deposits paid to a related party	– 已付一名關聯方租金按金	15,812	15,101
– Trade receivables	– 應收貿易款項	5,342	6,654
– Other receivables	– 其他應收款項	150,841	94,173
– Amounts due from related parties	– 應收關聯方款項	1,729	521
– Loan receivables	– 應收貸款	127,376	—
– Pledged deposits	– 已抵押存款	91,357	72,240
– Restricted bank balance	– 受限制銀行結餘	5,304	6,180
– Cash at banks and in hand	– 銀行及手頭現金	155,650	192,103
		2,420,534	386,972

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.1 Categories of financial instruments (Continued)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost:	以攤銷成本計量之金融負債：		
– Trade payables	– 應付貿易款項	14,501	19,931
– Accrued charges and other payables	– 應計費用及其他應付款項	93,195	43,079
– Amounts due to non-controlling interests	– 應付非控股權益款項	4,538	1,578
– Amounts due to related parties	– 應付關連公司款項	2,424	1,085
– Borrowings	– 借貸	567,652	396,377
		682,310	462,050

39.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong, Mainland China and Malaysia with most of the transactions denominated and settled in HK\$, DKK, EUR, CHF, RMB and US\$. The Group's exposure to foreign currency risk primarily arises from certain financial instruments including available-for-sale investment, trade and other receivables, rental deposits paid to a related party, amounts due from related parties, cash at banks and in hand, trade and other payables and borrowings which are denominated in currencies other than the functional currency of the respective group entities, including DKK, EUR, CHF, RMB and US\$. During both years, the Group did not have foreign currency hedging policy but management continuously monitors foreign exchange exposure.

39. 金融風險管理及公允值計量(續)

39.1 金融工具類別(續)

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial liabilities	金融負債	
Financial liabilities measured at amortised cost:	以攤銷成本計量之金融負債：	
– Trade payables	– 應付貿易款項	19,931
– Accrued charges and other payables	– 應計費用及其他應付款項	43,079
– Amounts due to non-controlling interests	– 應付非控股權益款項	1,578
– Amounts due to related parties	– 應付關連公司款項	1,085
– Borrowings	– 借貸	396,377
	682,310	462,050

39.2 外幣風險

外幣風險指金融工具之公允值或未來現金流量因外幣匯率變動而波動之風險。本集團主要在香港、中國內地及馬來西亞營運，大部分交易以港元、丹麥克朗、歐元、瑞士法郎、人民幣及美元列值及結算。本集團之外幣風險主要源自以各集團實體功能貨幣以外貨幣(包括丹麥克朗、歐元、瑞士法郎、人民幣及美元)列值之若干金融工具，包括可供出售投資、應收貿易款項及其他應收款項、已付一名關聯方租金按金、應收關聯方款項、銀行及手頭現金、應付貿易款項及其他應付款項及借貸。於兩個年度內，本集團均無外幣對沖政策，然而，管理層會持續監控外匯風險。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.2 Foreign currency risk (Continued)

Foreign currency denominated financial assets and financial liabilities, translated into HK\$ at the prevailing closing rates at the end of the reporting period, are as follows:

		2018 二零一八年			2017 二零一七年		
		Financial assets	Financial liabilities	Net exposure	Financial assets	Financial liabilities	Net exposure
		金融資產	金融負債	風險淨額	金融資產	金融負債	風險淨額
		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
DKK	丹麥克朗	1,291,321	-	1,291,321	-	-	-
EUR	歐元	24	(3,775)	(3,751)	116	(8,064)	(7,948)
CHF	瑞士法郎	510	-	510	121	-	121
RMB	人民幣	40,970	-	40,970	30,222	-	30,222
US\$	美元	14,842	-	14,842	21,441	(143)	21,298

Sensitivity analysis

As US\$ is pegged to HK\$, the Group does not expect any significant movement in the HK\$/US\$ exchange rate. No sensitivity analysis in respect of the Group's financial assets and financial liabilities denominated in US\$ is disclosed as in the opinion of directors of the Company, such sensitivity analysis does not give additional value in view of insignificant movement in the US\$/HK\$ exchange rates at the end of the reporting period.

The following table illustrates the sensitivity of the Group's results for the years and retained profits in regards to a 5% (2017: 5%) appreciation in HK\$ against DKK, EUR, CHF and RMB respectively. The 5% is the rate used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

39. 金融風險管理及公允值計量 (續)

39.2 外幣風險(續)

以外幣計值之金融資產及金融負債於報告期末按當時收市價換算為港元，現載列如下：

敏感度分析

由於美元與港元掛鈎，因此，本集團預期港元兌美元匯率不會出現任何重大變動。由於本公司董事認為，鑑於美元兌港元匯率於報告期末之變動輕微，本集團以美元列值之金融資產及金融負債之敏感度分析並無提供額外價值，因而並無披露有關敏感度分析。

下表闡述本集團於兩個年度之業績及保留溢利對港元兌丹麥克朗、歐元、瑞士法郎及人民幣分別升值5%(二零一七年：5%)之敏感度。5%乃向主要管理人員作外幣風險內部報告採用之比率，並為管理層對外幣匯率潛在變動之最佳估計。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.2 Foreign currency risk (Continued)

Sensitivity analysis (Continued)

DKK	丹麥克朗
EUR	歐元
CHF	瑞士法郎
RMB	人民幣

The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial years and held constant throughout the year.

A 5% depreciation in HK\$ against DKK, EUR, CHF and RMB would have the same magnitude on the Group's results for the year and retained profits but of opposite effect.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nevertheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

39. 金融風險管理及公允值計量(續)

39.2 外幣風險(續)

敏感度分析(續)

Results for the year and retained profits	
本年度業績及保留溢利	
2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元
(64,566)	-
145	305
(26)	(6)
(2,049)	(1,511)

本集團於報告期末承受之外幣風險敏感度分析以假設外幣匯率百分比變動於財政年度初發生，並於全年維持不變為依據而釐定。

港元兌丹麥克朗、歐元、瑞士法郎及人民幣貶值5%，將對本集團於本年度之業績及保留溢利具有相等但相反之影響。

外幣匯率風險會因應年內之海外交易數目而有所不同。儘管如此，上述分析被視為可代表本集團所承受之外幣風險。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.3 Interest rate risk

The Group's interest rate risk arises primarily from bank deposits (Note 25) and borrowings (Note 29). The Group has not used any derivative contracts in order to hedge its exposure to interest rate risk. The Group does not anticipate significant impact to bank deposits because the interest rates of bank deposits are not expected to change significantly. The Group has not formulated a policy to manage the interest rate risk.

The Group's interest rate profile as monitored by management is set out in below:

	2018 二零一八年		2017 二零一七年	
	Effective interest rate 實際利率	Amount 金額 HK\$'000 千港元	Effective interest rate 實際利率	Amount 金額 HK\$'000 千港元
Fixed rate borrowings: 定息借貸：				
Bank and other borrowings 銀行及其他借貸	1% to 8.50%	439,998	4.35% to 7.50%	280,327
Variable rate borrowings: 浮息借貸：				
Bank borrowings 銀行借貸：	2.16% to 5.22%	127,654	2.27% to 2.32%	116,050

The sensitivity analyses below have been determined based on the exposure to cash flow interest rate risk for variable rate borrowings at the end of the reporting period. The analysis is prepared assuming the stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis points increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit after taxation for the year ended 31 March 2018 would decrease/increase by approximately HK\$479,000 (2017: HK\$437,000).

39.4 Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale investment (see Note 19(b)) as at 31 March 2018.

39. 金融風險管理及公允值計量 (續)

39.3 利率風險

本集團之利率風險主要源自銀行存款(附註25)及借貸(附註29)。本集團並無使用任何衍生工具合約對沖其利率風險。本集團預計銀行存款之利率預期並不會發生重大變動。本集團並無制訂管理利率風險之政策。

本集團之利率概況由管理層監察，並載列如下：

	2018 二零一八年		2017 二零一七年	
	Effective interest rate 實際利率	Amount 金額 HK\$'000 千港元	Effective interest rate 實際利率	Amount 金額 HK\$'000 千港元
Fixed rate borrowings: 定息借貸：				
Bank and other borrowings 銀行及其他借貸	1% to 8.50%	439,998	4.35% to 7.50%	280,327
Variable rate borrowings: 浮息借貸：				
Bank borrowings 銀行借貸：	2.16% to 5.22%	127,654	2.27% to 2.32%	116,050

下列敏感度分析根據報告期末浮息借貸的現金流量利率風險而釐定。分析乃假設規定的變動於財政年度開始發生，並在整個報告期內維持不變。使用50基點上升或下降幅度乃管理層評估的合理利率變動。

倘利率上升/下降50個基點及所有其他變數保持不變，本集團截至二零一八年三月三十一日止年度的除稅後溢利將減少/增加約479,000港元(二零一七年：437,000港元)。

39.4 股價風險

於二零一八年三月三十一日，本集團就分類為可供出售投資之股權投資(見附註19(b))面臨股價變動風險。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.4 Equity price risk (Continued)

The management would manage its exposure arising from the investment by closely monitoring the performance of the respective equity investments and market conditions.

At 31 March 2018, it is estimated that an increase/decrease of 5% in the market price of this listed equity securities, with all other variables held constant, would have increased/decreased the Group's fair value reserve (other components of consolidated equity) by approximately HK\$64,566,000.

The sensitivity analysis indicates the instantaneous change in the Group's fair value reserve that would arise assuming that the changes in the market value of this listed equity securities had occurred at the end of the reporting period and had been applied to re-measure this financial instrument held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that none of the Group's available-for-sale investments would be considered impaired as a result of the decrease in the relevant market value, and that all other variables remain constant.

39.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's credit risks are primarily attributable to debt securities, loan receivables and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

(i) Credit risk arising from trade and other receivables

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Further detailed exposure to credit risk on trade and other receivables of the Group is disclosed in Note 22.

39. 金融風險管理及公允值計量 (續)

39.4 股價風險(續)

管理層將透過密切監督各股權投資的表現及市況管理其投資產生之風險。

於二零一八年三月三十一日，本公司估計，在所有其他變數保持不變的情況下，上市股本證券市價上升/下降5%將導致本集團公允值儲備(綜合權益之其他部分)增加/減少約64,566,000港元。

敏感性分析表明，假設該上市股本證券之市價在報告期末出現變化且已用於重新測量本集團所持上述金融工具(使本集團於報告期末面臨股本價格風險)，則可能出現本集團公允值儲備的即時變化。其亦假設因相關市值減少及所有其他變數保持不變，本集團概無可供出售投資將被視為減值。

39.5 信貸風險

信貸風險指金融工具之對手方未能根據金融工具之條款履行其責任，令本集團蒙受財務損失之風險。本集團信貸風險主要歸因於債務證券、應收貸款及應收貿易款項及其他應收款項。管理層已制定信貸政策並持續監督該等信貸風險。

(i) 應收貿易款項及其他應收款項產生之信貸風險

本集團主要與具知名度且信譽良好的第三方進行買賣。本集團的政策為所有有意按信貸期進行買賣的客戶須經信用審核程序評核。此外，應收結餘會受持續監控，因此本集團面臨的呆賬風險並不重大。有關本集團應收貿易款項及其他應收款項面臨之信貸風險之進一步詳情披露於附註22。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.5 Credit risk (Continued)

(ii) Credit risk arising from debt securities and loan receivables

The Group's policy requires the reviews of individual debt securities and loan receivables that are above materiality thresholds on semi-annual basis. Impairment allowances on individually assessed financial assets are determined by an evaluation of the incurred loss at the end of the reporting period on a case-by-case basis, and are applied to all individually significant financial assets. The assessment normally encompasses the anticipated receipts for that individual financial asset.

Further detailed exposure to credit risk on debt securities and loan receivables is disclosed in Note 23 and Note 24 respectively.

There are no significant concentrations of credit risk within the Group as at 31 March 2018 and 2017. The Group's concentration of credit risk by geographical locations is mainly in Mainland China and Hong Kong as at both year-ends.

39.6 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liability requirements in the short and longer term.

The Group manages the liquidity needs on a consolidated basis by carefully monitoring scheduled debt servicing payments for long term financial liabilities as well as forecast cash inflows and outflows due in day to day business.

Analysed below is the Group's remaining contractual maturities for the non-derivative financial liabilities at the end of the reporting period. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on which the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

39. 金融風險管理及公允值計量 (續)

39.5 信貸風險(續)

(ii) 債務證券及應收貸款產生之信貸風險

本集團政策規定須每半年審閱超出主要限額之個別債務證券及應收貸款。通過評估所有個別重大金融資產於報告期末所產生之虧損，逐筆計提個別已評估金融資產之減值撥備。評估通常考慮個別金融資產之預期可收回款項。

有關債務證券及應收貸款信貸風險的進一步詳情分別於附註23及附註24披露。

於二零一八年及二零一七年三月三十一日，本集團並未面對重大集中信貸風險。於兩個年度之年終，本集團面對地域方面之集中信貸風險主要位於中國內地及香港。

39.6 流動性風險

流動性風險與本集團未能履行其金融負債責任之風險有關。本集團承受有關償付應付貿易款項及其融資責任以及現金流管理之流動性風險。本集團之目標為將流動資產及承諾信貸融資維持於合適水平，以應付其長短期負債需要。

本集團通過審慎監控長期金融負債之預計還款期及日常業務之預期現金流入及流出，以綜合基準管理其流動資金需要。

以下分析為本集團非衍生金融負債於報告期末之剩餘合約到期情況。倘若債權人有權選擇負債還款時間，則有關負債按本集團可能被要求還款之最早日期計算。倘若負債屬分期還款，則每期還款將分配至本集團承諾付款之最早期間內。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.6 Liquidity risk (Continued)

The analysis is based on the undiscounted cash flows of the financial liabilities.

39. 金融風險管理及公允值計量 (續)

39.6 流動性風險(續)

該分析以金融負債之未貼現現金流量為依據。

		Carrying amount	Total contractual undiscounted cash flow	Less than one year or repayable on demand	One year or above
		賬面金額	合約未貼現現金流量總額	少於一年或按 要求償還	一年或以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 31 March 2018	於二零一八年三月三十一日				
Non-derivative financial instruments:	非衍生金融工具：				
- Trade payables	- 應付貿易款項	14,501	14,501	14,501	-
- Accrued charges and other payables	- 應計費用及其他應付款項	93,195	93,195	92,891	304
- Amounts due to non-controlling interests	- 應付非控股權益款項	4,538	4,538	4,538	-
- Amounts due to related parties	- 應付關聯方款項	2,424	2,424	2,424	-
- Borrowings	- 借貸	567,652	572,002	572,002	-
		682,310	686,660	686,356	304
At 31 March 2017	於二零一七年三月三十一日				
Non-derivative financial instruments:	非衍生金融工具：				
- Trade payables	- 應付貿易款項	19,931	19,931	19,931	-
- Accrued charges and other payables	- 應計費用及其他應付款項	43,079	43,079	42,821	258
- Amounts due to non-controlling interests	- 應付非控股權益款項	1,578	1,578	1,578	-
- Amounts due to related parties	- 應付關聯方款項	1,085	1,085	1,085	-
- Borrowings	- 借貸	396,377	403,697	403,697	-
		462,050	469,370	469,112	258

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.7 Fair value measurements

(i) Financial instruments measured at fair value

Fair value hierarchy

HKFRS 13 “Fair Value Measurement” categorises fair value measurements into a three-level hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

At 31 March 2018, the only financial instrument of the Group carried at fair value was listed equity securities of approximately HK\$1,291,321,000 (2017: Nil) listed in Denmark (see Note 19(b)). These instruments are measured at fair value on a recurring basis and their fair value measurements fall into Level 1 of the fair value hierarchy described above.

During the year ended 31 March 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

39. 金融風險管理及公允值計量 (續)

39.7 公允值計量

(i) 按公允值計量之金融工具

公允值等級

香港財務報告準則第13號「公允值計量」界定公允值計量之等級分為三個等級。根據估值方法所使用輸入值是否可觀察及其重要性作出以下分類：

- 第一級估值：以第一級輸入值計量之公允值，即以相同資產或負債於計量日在活躍市場中的未調整報價計量
- 第二級估值：以第二級輸入值計量之公允值，即其輸入值之可觀察性並未如第一級輸入值，但其重要輸入值並不使用不可觀察之數據。不可觀察之輸入值為並無市場數據可作參考之輸入值
- 第三級估值：使用不可觀察數據作重要輸入值以計量之公允值

於二零一八年三月三十一日，本集團唯一以公允值入賬之金融工具為於丹麥上市之上市股本證券(見附註19(b))約1,291,321,000港元(二零一七年：無)。該等金融工具定期以公允值作出計量並按以上架構列作第一級。

截至二零一八年三月三十一日止年度，第一級與第二級之間並無轉換，亦無自第三級轉入或轉出。本集團之政策為於發生轉換之報告期末確認公允值層級間之轉換。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

39.7 Fair value measurements (Continued)

(ii) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 31 March 2018 and 2017.

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital. Total debt is calculated as borrowings, as shown in the consolidated statement of financial position. Total capital is calculated as total equity, as shown in the consolidated statement of financial position. The Group aims to maintain the gearing ratio at a reasonable level.

39. 金融風險管理及公允值計量(續)

39.7 公允值計量(續)

(ii) 並非以公允值計量的金融工具的公允值

本集團於二零一八年及二零一七年三月三十一日按成本或攤銷成本列賬之資產及負債均與其當時之公允值沒有重大差異。

40. 資本管理

本集團資本管理之主要目標是保障其維持強健之信用評級及健康之資本比率，以支持其業務及使股東價值最大化。

本集團根據經濟狀況之變化管理其資本結構並對其作出調整。為維持或調整資本結構，本集團或須調整向股東派付之股息、向股東歸還資本或發行新股份。於本年度，本集團之目標、政策或程序並無變更。

本集團採用資本負債比率(即債務總額除以資本總額)監控資本。債務總額乃按借貸計算，並載於綜合財務狀況報表內。資本總額乃按權益總額計算，並載於綜合財務狀況報表內。本集團之目標是使資本負債比率維持在一個合理水平上。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total debt	債務總額		
Borrowings	借貸	567,652	396,377
Total capital	資本總額	3,023,180	1,787,827
Gearing ratio	資本負債比率	18.8%	22.2%

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

41. ACQUISITION OF A SUBSIDIARY

In April 2017, the Group entered into a sale and purchase agreement for the acquisition of 70% of the equity interest in Beijing Mu Tai Air Ticketing Agent Company Limited (北京沐泰航空服務有限公司) subsequently renamed as Beijing Sparkle Roll Men Dao Men Airline Agency Limited (北京耀萊門到門航空票務代理有限公司), which is principally engaged in acting as a travel agent for sale of air tickets in Mainland China, at a purchase consideration of approximately HK\$1,221,000 by cash.

Acquisition-related costs had been excluded from the consideration transferred. The costs were insignificant and have been expensed and are included in “administrative expenses” in the consolidated statement of comprehensive income.

The fair values of identifiable assets and liabilities of the acquired subsidiary as at the date of acquisition were as follows:

		Fair value at date of acquisition 於收購日期之公允值 HK\$'000 千港元
Prepayment and other receivables*	預繳款項及其他應收款項*	1,689
Cash at banks	銀行現金	71
Accruals and other payables	應計款項及其他應付款項	(9)
Total identifiable net assets at fair value	以公允值計量的可辨認資產淨值總額	1,751
Non-controlling interest	非控股權益	(530)
Satisfied by cash	以現金支付	1,221

* Prepayment and other receivables includes approximately HK\$1,632,000 relating to balances with related parties, which are also disclosed separately above in Note 20(c)(1)(iii).

The fair value of assets acquired and liabilities assumed approximated the gross contractual amounts.

41. 收購一間附屬公司

於二零一七年四月，本集團訂立買賣協議，以收購北京沐泰航空服務有限公司（其後改名為北京耀萊門到門航空票務代理有限公司）70%股本權益，現金購買代價約1,221,000港元，該公司為主要從事銷售中國大陸機票的旅行代理商。

收購相關成本已排除在所轉撥的代價外。成本並不重大，並已支付，計入綜合全面收入報表的「行政費用」內。

所收購附屬公司於收購日期的可辨認資產及負債之公允值如下：

	Fair value at date of acquisition 於收購日期之公允值 HK\$'000 千港元
Prepayment and other receivables*	1,689
Cash at banks	71
Accruals and other payables	(9)
Total identifiable net assets at fair value	1,751
Non-controlling interest	(530)
Satisfied by cash	1,221

* 預繳款項及其他應收款項包括與關聯方結餘有關之約1,632,000港元，亦於上文附註20(c)(1)(iii)單獨披露。

所收購資產及所承擔負債之公允值與合約總額相若。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

41. ACQUISITION OF A SUBSIDIARY (Continued)

No goodwill was recognised in the acquisition as the purchase consideration approximated to fair value of the net assets acquired and liabilities assumed.

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

Cash consideration paid	所支付現金代價	HK\$'000 千港元
Cash at banks and in hand	銀行及手頭現金	1,221 (71)
Net cash outflows	現金流出淨額	1,150

Since the acquisition, the acquired business contributed loss of HK\$366,000 to the Group's consolidated profit for the year ended 31 March 2018.

There would have been no material impact on the Group's revenue and profit for the period if the acquisition had been completed on 1 April 2017 as the acquisition was completed in the same month.

42. LITIGATIONS

During the current period, the Group was involved in three lawsuits and claims, all of which relate to disputes over the sale and purchase agreements on automobiles with its customers. These claims amounted to approximately HK\$58.9 million in aggregate, being (i) refund of purchase price of automobiles amounting to approximately HK\$14.4 million upon rescission of the respective sale and purchase agreements, (ii) compensation for relevant tax and expenses of approximately HK\$1.3 million; and (iii) compensation equaling to three times of the purchase price of automobiles amounting to approximately HK\$43.2 million. References were made to the Company's announcement dated 3 October 2017, 17 November 2017, 19 December 2017 and 3 April 2018 in relation to the first litigation against Tianjin Xin Chang Tai Fu Trading Development Limited* (天津信昌泰富貿易發展有限公司) ("TJXC") (the "First Litigation") and 12 October 2017, 17 November 2017 and 29 December 2017 in relation to the second and third litigations against TJXC (the "Second and Third Litigations").

41. 收購一間附屬公司(續)

收購事項並無確認商譽，因為購買代價與所收購資產淨值及所承擔負債之公允值相若。

有關收購一間附屬公司之現金流量分析如下：

	HK\$'000 千港元
	1,221
	(71)
	1,150

自收購事項後，所收購業務為本集團截至二零一八年三月三十一日止年度的綜合溢利貢獻虧損為366,000港元。

倘收購事項已於二零一七年四月一日完成，本集團於該期間的收益及溢利不會受到重大影響，因為收購事項於同月完成。

42. 訴訟

於本期間，本集團涉及三宗訴訟及索償，全部均涉及與其客戶的汽車買賣協議糾紛。該等索償總額約為58,900,000港元，為(i)於解除各買賣協議後，退還汽車購買價約14,400,000港元，(ii)相關稅項及開支賠償約1,300,000港元；及(iii)相等於汽車購買價三倍的賠償約43,200,000港元。茲提述本公司日期為二零一七年十月三日、二零一七年十一月十七日、二零一七年十二月十九日及二零一八年四月三日有關針對天津信昌泰富貿易發展有限公司(「天津信昌」)的第一項訴訟(「第一項訴訟」)以及日期為二零一七年十月十二日、二零一七年十一月十七日及二零一七年十二月二十九日有關針對天津信昌的第二項及第三項訴訟(「第二項及第三項訴訟」)的公佈。

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

42. LITIGATIONS (Continued)

In respect of the First Litigation, after the retrial of the First Litigation, the Jinghai District People's Court of Tianjin City* (天津市靜海區人民法院) handed down a judgment on 19 March 2018 (the "Appeal Judgment"), which reinstated the judgment of the First Litigation. On 30 March 2018, TJXC filed an appeal application to the First Intermediate People's Court of Tianjin City* (天津市第一中級人民法院) against the Appeal Judgment. As at 31 May 2018, the relevant appeal application was still in progress.

In respect of the Second Litigation, TJXC and the plaintiff had participated a mediation under the supervision of the Second Intermediate People's Court of Tianjin City* (天津市第二中級人民法院) in December 2017. The litigation claim was fully settled in December 2017 and there are no other disputes in relation to the second litigation.

In respect of the Third Litigation, TJXC had received a judgment handed down by the Jinnan District People's Court of Tianjin City* (天津市津南區人民法院) dated 28 September 2017. On 12 October 2017, TJXC filed an appeal application to the Second Intermediate People's Court of Tianjin City* (天津市第二中級人民法院) against the judgment of the Third Litigation. As at 31 May 2018, the relevant appeal application was still in progress.

Based on the legal opinion obtained from the Group's PRC legal adviser, the Group had made a provision of approximately HK\$13 million in aggregate for the probable liquidated damages for the First and Third Litigation. The Group recorded such provision in other expenses in the consolidated statement of comprehensive income for the year ended 31 March 2018.

In addition, pursuant to applications made by a plaintiff in one of the above lawsuits to freeze and preserve certain assets of the Group including inventories of approximately HK\$16,975,000 (Note 21) and bank balances of approximately HK\$5,304,000 (Note 25), several orders were granted by the court in September 2017 to freeze and preserve these assets.

* For identification purposes only

42. 訴訟(續)

就第一項訴訟而言，於重新審理第一項訴訟之後，天津市靜海區人民法院於二零一八年三月十九日頒佈判決(「上訴判決」)，維持第一項訴訟的判決。於二零一八年三月三十日，天津信昌就上訴判決向天津市第一中級人民法院呈交上訴申請。於二零一八年五月三十一日，相關上訴申請仍處於處理階段。

就第二項訴訟而言，於二零一七年十二月在天津市第二中級人民法院的主持下，天津信昌與原告已達成調解。訴訟索償已於二零一七年十二月悉數結清及就第二項訴訟並無任何其他糾紛。

就第三項訴訟而言，天津信昌收到天津市津南區人民法院頒佈日期為二零一七年九月二十八日的判決。於二零一七年十月十二日，天津信昌就第三項訴訟的判決向天津市第二中級人民法院呈交上訴申請。於二零一八年五月三十一日，有關上訴申請仍處於處理階段。

根據從本集團的中國法律顧問獲得的法律意見，建議本集團就第一項及第三項訴訟的潛在賠償作出合共約13,000,000港元的撥備。本集團於截至二零一八年三月三十一日止年度將該撥備記錄於綜合全面收入報表之其他費用。

此外，根據上述其中一項訴訟中一名原告提出的凍結及保存本集團若干資產(包括存貨約16,975,000港元(附註21)及銀行結餘約5,304,000港元(附註25))的申請，法院於二零一七年九月授出多項命令以凍結及保存該等資產。

* 僅供識別

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 43. 本公司之財務狀況報表

	Note	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			
Non-current assets			
Interests in subsidiaries		10	10
Investment in an associate	(c)	-	660,075
		10	660,085
Current assets			
Amounts due from subsidiaries		1,951,207	832,872
Cash at banks		3,302	11,824
		1,954,509	844,696
Current liabilities			
Accrued charges and other payables		1,313	2,313
Amounts due to subsidiaries		42,437	11,131
		43,750	13,444
Net current assets		1,910,759	831,252
Total assets less current liabilities		1,910,769	1,491,337
Net assets		1,910,769	1,491,337
EQUITY			
Share capital	(a)	9,882	8,282
Reserves	(b)	1,900,887	1,483,055
Total equity		1,910,769	1,491,337

Approved and authorised for issue by the board of directors on 22 June 2018 and signed on its behalf by:

於二零一八年六月二十二日經董事會批准及授權刊發，並由以下董事代表簽署：

Zheng Hao Jiang
鄭浩江
Director
董事

Zhu Lei
朱雷
Director
董事

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

- (a) Particulars and movement of the Company's share capital for both years have been set out in Note 31.
- (b) A summary of the Company's reserves is as follows:

43. 本公司之財務狀況報表(續)

附註：

- (a) 本公司股本於兩個年度之詳情及變動已載於附註31。
- (b) 本公司之儲備概要如下：

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Contributed surplus* 繳入盈餘* HK\$'000 千港元	Exchange reserve 外匯儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	799,335	3,508	80,130	-	-	(69,659)	813,314
Changes in equity in 2017:	二零一七年權益變動：							
Loss for the year	本年度虧損	-	-	-	-	-	(19,159)	(19,159)
Other comprehensive income	其他全面收入							
- Exchange differences on translation financial statements of a foreign associate	- 換算海外聯營公司財務報表之匯兌差額	-	-	-	5,874	-	-	5,874
- Share of other comprehensive loss of an associate	- 分佔一間聯營公司其他全面虧損	-	-	-	-	(85)	-	(85)
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	-	-	-	5,874	(85)	(19,159)	(13,370)
Acquisition of an associate	收購一間聯營公司	645,683	-	-	-	-	-	645,683
Acquisition of non-controlling interest	收購非控股權益	37,225	-	-	-	-	-	37,225
Share of other reserve of an associate	分佔一間聯營公司其他儲備	-	-	-	-	203	-	203
At 31 March and 1 April 2017	於二零一七年三月三十一日及四月一日	1,482,243	3,508	80,130	5,874	118	(88,818)	1,483,055
Changes in equity in 2018:	二零一八年權益變動：							
Loss for the year	本年度虧損	-	-	-	-	-	(15,609)	(15,609)
Other comprehensive income	其他全面收入							
- Exchange differences on translation financial statements of a foreign associate	- 換算海外聯營公司財務報表之匯兌差額	-	-	-	-	-	-	-
- Change in fair value change on available-for-sale investment recognised during the year	- 年內已確認可供出售投資之公允價值變動	-	-	-	-	-	-	-
- Share of other comprehensive loss of an associate	- 分佔一間聯營公司其他全面虧損	-	-	-	-	(5,270)	-	(5,270)
- Reclassification adjustments upon disposal of investment in an associate	- 於視作出售一間聯營公司投資後之重新分類調整	-	-	-	(5,874)	5,355	-	(519)
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	-	-	-	(5,874)	85	(15,609)	(21,398)
Transaction with owners in their capacity as owners	作為擁有人與擁有人之交易							
Reduction of share premium	削減股份溢價	(500,000)	-	500,000	-	-	-	-
Elimination of contributed surplus against accumulated losses of the company	以繳入盈餘抵銷本公司累計虧損	-	-	(88,818)	-	-	88,818	-
Share of other reserve of an associate	分佔一間聯營公司其他儲備	-	-	-	-	(15)	-	(15)
Derecognition of other reserves upon disposal of an associate	於視作出售一間聯營公司後終止確認其他儲備	-	-	-	-	(188)	188	-
Placing of shares	配售股份	439,245	-	-	-	-	-	439,245
At 31 March 2018	於二零一八年三月三十一日	1,421,488	3,508	491,312	-	-	(15,421)	1,900,887

財務報表附註(續)

Notes to the Financial Statements (Continued)

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

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

- * The contributed surplus of the Company consists of (i) HK\$51,286,000 being the difference between the underlying consolidated net assets of Global Food Culture Group Limited and its subsidiaries and the nominal value of the Company's shares which were issued under a group reorganisation in 1997; and (ii) those as described in the sub-note headed "Contributed Surplus" under Note 32.
- (c) During the year ended 31 March 2018, the Company transferred its entire holding of shares in B&O to its wholly-owned subsidiary, Sparkle Roll (Denmark) Limited, in an intra-group transfer. After the transfer of shares, the Company indirectly own shares equal to approximately 15.09% of the entire issued share capital of B&O. No gain or loss was recognised in respect of this intra-group transfer.

44. EVENTS AFTER THE REPORTING DATE

Save as disclosed elsewhere in this report, the following significant events took place subsequent to 31 March 2018:

On 6 March 2018, the Group entered into an acquisition agreement with Mr. Qi Jian Hong (the "Vendor") and 北京文福恒業科技發展有限公司 (Beijing Wenfu Hengye Technology Development Co., Ltd.*) ("Wenfu"), pursuant to which the Group had conditionally agreed to purchase the entire equity interest of Wenfu (the "Sale Interest"). The consideration for the Sale Interest was RMB652 million (subject to adjustment), which would be settled by way of cash. As at 31 March 2018, the Group has made the first installment of approximately HK\$135,802,000 to the Vendor. Details of the transaction are set out in the announcement dated 6 March 2018 and the circular dated 24 April 2018.

* For identification purposes only

43. 本公司之財務狀況報表(續)

- * 本公司之繳入盈餘包括(i) Global Food Culture Group Limited及其附屬公司之相關綜合資產淨值與於一九九七年根據集團重組發行之本公司股份面值之差額51,286,000港元；及(ii)於附註32內「繳入盈餘」子註所述者。
- (c) 於截至二零一八年三月三十一日止年度，本公司以集團內部轉讓方式向其全資附屬公司耀萊(丹麥)有限公司轉讓其所持B&O全部股份。於股份轉讓後，本公司間接擁有相當於B&O全部已發行股本約15.09%之股份。就該集團內部轉讓並未確認收益或虧損。

44. 報告期後事項

除本報告其他部分所披露者外，以下事項於二零一八年三月三十一日後發生：

於二零一八年三月六日，本集團與綦建虹先生(「賣方」)及北京文福恒業科技發展有限公司(「文福」)訂立收購協議，據此，本集團有條件同意收購文福全部股權(「待售權益」)。待售權益之代價人民幣652,000,000元(可予調整)以現金結算。於二零一八年三月三十一日，本集團已向賣方支付第一期款項約135,802,000港元。該交易的詳情載於日期為二零一八年三月六日之公佈及二零一八年四月二十四日之通函。

* 僅供識別

財務概要

Financial Summary

RESULTS

業績

		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	<u>3,161,848</u>	<u>2,605,701</u>	<u>2,376,904</u>	<u>2,781,222</u>	<u>2,893,052</u>
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔 本年度溢利/(虧損)	<u>18,951</u>	<u>(455,685)</u>	<u>(32,328)</u>	<u>87,845</u>	<u>664,565</u>

ASSETS AND LIABILITIES

資產及負債

		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total assets	總資產	<u>2,433,612</u>	<u>2,410,514</u>	<u>1,735,506</u>	<u>2,366,334</u>	<u>3,907,033</u>
Total liabilities	總負債	<u>(842,163)</u>	<u>(1,280,169)</u>	<u>(651,780)</u>	<u>(578,507)</u>	<u>883,853</u>
		<u>1,591,449</u>	<u>1,130,345</u>	<u>1,083,726</u>	<u>1,787,827</u>	<u>2,023,180</u>
Equity attributable to owners of the Company	本公司擁有人應佔權益	<u>1,573,571</u>	<u>1,112,564</u>	<u>1,056,178</u>	<u>1,773,994</u>	<u>3,006,150</u>
Non-controlling interests	非控股權益	<u>17,878</u>	<u>17,781</u>	<u>27,548</u>	<u>13,833</u>	<u>17,030</u>
		<u>1,591,449</u>	<u>1,130,345</u>	<u>1,083,726</u>	<u>1,787,827</u>	<u>3,023,180</u>

