

Hifood Group Holdings Co., Limited 海福德集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 442



2019 Annual Report 年度報告



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CORPORATE INFORMATION 公司資料

(as at 31 March 2019)
(於 2019 年 3 月 31 日)

Executive Directors

Mr. Nang Qi (*Chairman and Executive Director*)
Mr. Chen Peiliang (*Chief Executive Officer and Executive Director*)
Mr. Xue Qiang (*Executive Director*)

Independent non-executive Directors

Mr. Ting Tit Cheung
Mr. Chan Chi Kuen
Mr. Lo Chun Pong

Company secretary

Mr. Chau Chi Lai (FCPA, CFA, CA, CPA Auditor (Canada), CPA (US))

Authorised representatives

Mr. Chen Peiliang
Mr. Chau Chi Lai

Audit committee

Mr. Chan Chi Kuen (*Chairman*)
Mr. Ting Tit Cheung
Mr. Lo Chun Pong

Remuneration committee

Mr. Ting Tit Cheung (*Chairman*)
Mr. Nang Qi
Mr. Chen Peiliang
Mr. Chan Chi Kuen
Mr. Lo Chun Pong

Nomination committee

Mr. Nang Qi (*Chairman*)
Mr. Chen Peiliang
Mr. Ting Tit Cheung
Mr. Chan Chi Kuen
Mr. Lo Chun Pong

Auditors

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

Principal bankers

Hang Seng Bank Limited
83 Des Voeux Road Central
Central
Hong Kong

執行董事

曩麒先生 (主席兼執行董事)
陳佩良先生 (行政總裁兼執行董事)
薛強先生 (執行董事)

獨立非執行董事

丁鐵翔先生
陳志權先生
盧振邦先生

公司秘書

周智禮先生 (FCPA, CFA, CA, CPA Auditor (Canada), CPA (US))

授權代表

陳佩良先生
周智禮先生

審核委員會

陳志權先生 (主席)
丁鐵翔先生
盧振邦先生

薪酬委員會

丁鐵翔先生 (主席)
曩麒先生
陳佩良先生
陳志權先生
盧振邦先生

提名委員會

曩麒先生 (主席)
陳佩良先生
丁鐵翔先生
陳志權先生
盧振邦先生

核數師

羅兵咸永道會計師事務所
香港中環
太子大廈 22 樓

主要往來銀行

恆生銀行有限公司
香港
中環
德輔道中 83 號

(as at 31 March 2019)
(於2019年3月31日)

Bank of Communications Co., Hong Kong Branch
10/F, Fortis Tower, No. 77 Gloucester Road
Wan Chai
Hong Kong

交通銀行股份有限公司香港分行
香港
灣仔
告士打道77號富通大廈10樓

Principal share registrar

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

主要股份過戶登記處

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

Hong Kong share registrar

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

Registered office

Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

註冊辦事處

Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

Place of business and headquarter in Hong Kong

Unit 3701-09, 37/F
Two International Finance Centre
8 Finance Street
Central
Hong Kong

香港營業地點及總部

香港
中環
金融街8號
國際金融中心二期
37樓3701至09室

Stock code

442

股份代號

442

Company's website

www.ktl.com.hk

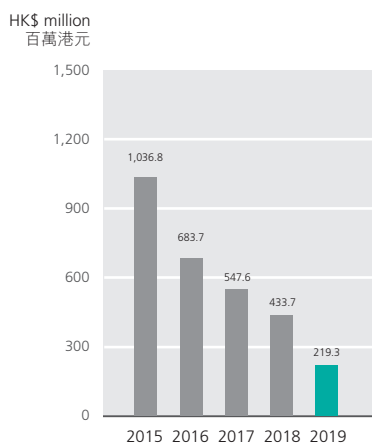
公司網站

www.ktl.com.hk

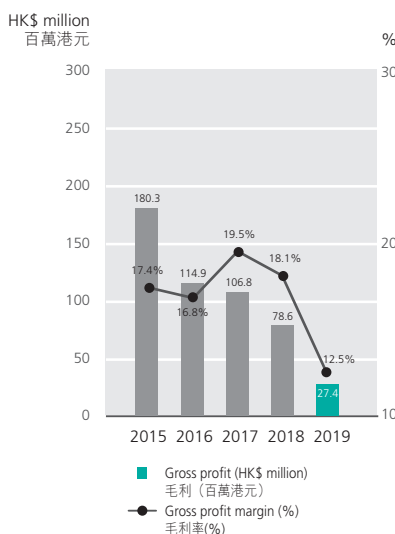
FINANCIAL HIGHLIGHTS 財務摘要

- Revenue was approximately HK\$219.3 million for the year ended 31 March 2019, representing a decrease of approximately 49.4% as compared with the same for the year ended 31 March 2018.
- Gross profit was approximately HK\$27.4 million for the year ended 31 March 2019, representing a decrease of approximately 65.1% as compared with the same for the year ended 31 March 2018.
- Gross profit margin decreased to 12.5% from 18.1% in the last financial year.
- Loss attributable to the equity holders of the Company was approximately HK\$17.1 million for the year ended 31 March 2019, compared to the loss attributable to the equity holders of the Company of approximately HK\$37.3 million for the year ended 31 March 2018.
- Basic loss per share amounted to approximately HK\$0.10 for the year ended 31 March 2019, compared to the basic loss per share of approximately HK\$0.22 for the year ended 31 March 2018.
- The Board does not recommend the payment of final dividend for the year ended 31 March 2019.
- 截至2019年3月31日止年度，收益約為219.3百萬港元，較截至2018年3月31日止年度減少約49.4%。
- 截至2019年3月31日止年度，毛利約為27.4百萬港元，較截至2018年3月31日止年度減少約65.1%。
- 毛利率由上一財政年度的18.1%下降至12.5%。
- 截至2019年3月31日止年度，本公司股權持有人應佔虧損約為17.1百萬港元，而截至2018年3月31日止年度本公司股權持有人應佔虧損約為37.3百萬港元。
- 截至2019年3月31日止年度，每股基本虧損約為0.10港元，而截至2018年3月31日止年度每股基本虧損約為0.22港元。
- 董事會不建議就截至2019年3月31日止年度派付末期股息。

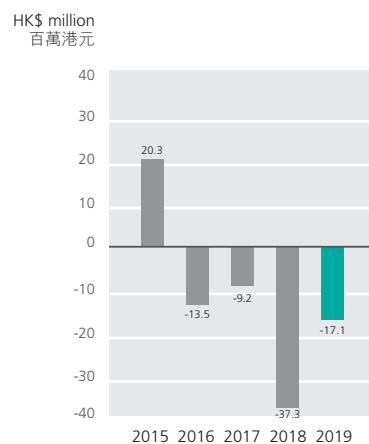
Revenue 收益



Gross Profit and Gross Profit Margin 毛利及毛利率



Profit/(Loss) Attributable to the Owners of the Parent 母公司擁有人應佔溢利/(虧損)



Dear Shareholders,

On behalf of the Board of Directors of the Company, we present to you the Group's annual results for the year ended 31 March 2019.

During the financial year ended 31 March 2019, the Group recorded approximately HK\$219.3 million in revenue. Gross profit was approximately HK\$27.4 million, with gross profit margin standing at 12.5%. Loss attributable to the equity holders of the Company was reported at approximately HK\$17.1 million. The Board does not recommend payment of a final dividend for the year ended 31 March 2019 (2018: nil).

REVIEW

The financial year of 2018/2019 saw the global economy start on an upbeat note, nevertheless individual economies took their own paths on the back of their differences in fundamentals and domestic factors. Business and consumer confidence quietly slipped as clouds over the economic outlook gathered on the horizon as the year progressed. While the world's two biggest economies — the U.S. and the PRC — were in relatively good shape and recorded respectable rates of expansions, Europe's expansionary cycle looked fading. Rising interest rates, escalation in trade conflicts and the proliferation of tariffs and sanctions all combined to add to the confusion and uncertainty during the year.

As the Group's largest business market, the traditional fine jewellery market in the PRC has been undergoing a period of reinvention in the light of digital transformation and consumption upgrading. Consumers are no longer limited their shopping to one single point and are becoming more mature in making product selection and price comparison. More importantly, young people in the PRC are contributing to a shift in the consumer landscape, who show preference of personalised, creative new products to standardised, luxury purchases such as traditional jewellery.

Coupled with the slower growth pace of the Chinese economy as trade tensions intensified between the country and the U.S. during the year under review, the PRC consumers were less confident of their personal finances and income growth, reining in their spending across all categories. As a result, for the year ended 31 March 2019, revenue generated from sales to the PRC market registered a decline of 21.7% to HK\$80.8 million as compared with the same period last year.

各位股東：

我們謹代表本公司董事會向各位提呈本集團截至2019年3月31日止年度的全年業績。

於截至2019年3月31日止財政年度，本集團錄得收益約219.3百萬港元。毛利約為27.4百萬港元，毛利率處於12.5%的水平。本公司股權擁有人應佔虧損錄得約17.1百萬港元。董事會並不建議派付截至2019年3月31日止年度的末期股息（2018年：無）。

回顧

於2018/2019財政年度，全球經濟起始發展態良好，但各別經濟體在不同基本面及本地因素的影響下，表現迥異。在經濟前景漸趨不明朗的情況下，商業及消費者信心悄然下滑。雖然美國及中國兩大世界經濟體的情況相對良好，經濟增長持續，但歐洲的擴張周期似乎正步向尾聲。利率上調、貿易糾紛升級，以至關稅及制裁的實施，均加劇年內的混亂及不確定性。

作為本集團最大的業務市場，中國的傳統優質珠寶市場面對數碼轉型及消費升級，正處於重塑階段。消費者不再侷限於定點購物，並於產品選擇及價格比拼方面更趨謹慎。更重要的是，中國新生代正推動消費格局的轉變，與其購買珠寶等傳統、款式劃一的奢侈品，他們更偏向選擇能突顯個性的創新產品。

加上於回顧年度，中美貿易局勢愈趨緊張，導致中國經濟增長步伐放緩，令中國消費者對個人財務及收入前景缺乏信心，從而減少各類消費。因此，截至2019年3月31日止年度，本集團來自中國市場銷售所產生的收益較去年同期下跌21.7%至80.8百萬港元。

In Russia, the country's economic growth has been below the global average in the past few years, hammered by a volatile currency, a drop in oil prices and an array of economic sanctions introduced by the E.U. and the U.S. In addressing these, Russian households were adapting to a new reality, despite the economy continued to stabilise during the reporting year. Careful spending was not only a characteristic of the general public, but also the more affluent citizens. With real disposable incomes on a decrease due to stagnant wages and higher inflation, Russian consumers were more reserved in their general spending, becoming more conscious of prices and more focused on essential products. At the same time, traditional fine jewellery players sought to rebalance their geographical markets in response to the U.S.-China trade war, leading to an even stiffer competition in the country. Against this backdrop, revenue generated from sales to the Russian market was down by 43.0% to HK\$60.0 million from a year ago given a shortage of bulk orders secured.

Across the Pacific Ocean, the American consumers also felt the effects of the trade war with the PRC. Revenue generated from the sales to the Americas market fell by 91.3% to HK\$13.8 million from the same prior year period. In the U.S., the economy grew at a better-than-expected pace buoyed by stronger state and local government spending and lower imports over the past twelve months. However, consumer and business confidence was not exactly on a strong upward trend, flagging market concerns that the pace of economic growth will begin moderating in the months to come. While fundamentals remained positive, the diminished optimism of the American consumers and their restrained spending on luxury and leisure goods could be an early indicator that the job market is weakening.

OUTLOOK

Looking ahead, in tune with the broader economic concerns, the trade war between the U.S. and the PRC and resultant retaliatory tariff measures, higher interest rates as well as uncertainty over Britain's departure from the E.U. are all negatively affecting the global economy, threatening higher risks of a recession and would weigh on businesses' long-term commitments and capital investment.

Likewise, to prepare themselves if and when the economy turns, it is also expected that average consumers are going to be very cautious and careful about spending in 2019. These rising headwinds, together with an intense online competition pushing jewellers to make investments in new technologies to augment both their physical and digital channels, suggest a perfect storm could be brewing for the traditional fine jewellery market which would see further consolidation.

In view of these, we will continue to enhance our management resources and cost efficiency to optimise our production capacity. We will leverage our established corporate brand name and proven design capabilities to enrich our range of jewellery products. We are constantly committed to strengthening our partnerships with our customers and adjusting our production resources, capacity and cycle to better cater to varied product lead time, consumer preferences and festive shopping practices in different markets.

另一邊廂，俄羅斯受到貨幣顯著波動、油價下跌、以及歐盟及美國引入一系列經濟制裁帶來的影響，過去數年的經濟增長一直低於全球平均水平。儘管其經濟於報告年度期間漸趨穩定，但俄羅斯家庭歷經此等形勢，已展示出新的常態，不僅普羅大眾於消費時變得更謹慎務實，較富裕的市民亦出現相類情況。由於工資增長停滯不前及通脹攀升，導致俄羅斯消費者的實際可支配收入遞減，使其於日常消費更為審慎，變得更關注產品價格，集中購買日常必需品。與此同時，傳統優質珠寶商正尋求重新平衡地域市場分佈，以應對中美貿易戰衍生的影響，驅使國內競爭更形白熱化。在此情形下，由於批量訂單短缺，本集團於俄羅斯市場的銷售收益較上個財政年度下降43.0%至60.0百萬港元。

在太平洋彼岸，美國消費者亦感受到中美貿易戰影響。來自美洲市場產生的銷售收益較去年同期下跌91.3%至13.8百萬港元。於過去12個月期，由於國家及地方政府開支增加，加上進口下降，美國經濟增長速度勝預期。然而，消費者及企業營商信心仍未呈現強勁的上升趨勢，反映市場憂慮經濟增速於未來數月將逐漸放緩。儘管經濟基調依然正面，但美國消費者的樂觀情緒減弱，開始約束奢侈品及休閒商品開支，可能已是就業市場日漸疲弱的先兆。

前景

展望未來，經濟不景氣持續，中美貿易戰及相關報復性關稅舉措、利率上揚，以及英國脫歐進程不明朗等事件，將加劇全球經濟負面情緒，增加經濟衰退風險，並為企業長期承擔及資本投資增添壓力。

同樣，為了未雨綢繆靜待經濟好轉，預計一般消費者於2019年將對消費採取尤為審慎的態度。隨著不利因素與日俱增，加上網上競爭激烈，促使珠寶商投資引入新科技，以加強實體及數碼渠道，傳統優質珠寶市場或將迎來翻天覆地的改變，並出現進一步的行業整合。

有見及此，我們將持續提升資源管理及成本效益以優化產能，亦會借助公司的知名企業品牌效應及卓越設計能力的優勢，以提供更豐富多元的珠寶產品組合。我們不斷致力鞏固與客戶的合作夥伴關係，持續調整生產資源、產能及周期，以更好地迎合不同市場的產品交付期、消費者喜好及節日購物慣例。

Concurrently, we will continue to be on the lookout for new opportunities in the food and beverage industry both locally and abroad, which is expected to complement with our current jewellery business while providing an additional boost to our future growth.

APPRECIATION

Taking this opportunity, we would like to convey our heartfelt gratitude to our customers, suppliers, business partners and all stakeholders for their continuous support. Our sincere thanks also go to the management team and all of our colleagues for their hard work and contributions.

Nang Qi

Chairman and Executive Director

Hong Kong, 11 June 2019

與此同時，我們將繼續放眼本地及海外餐飲行業所可能出現的新機遇，相信將能與我們目前的珠寶業務起到相輔相成的作用，為日後的增長提供更多動力。

致謝

我們謹藉此機會，對客戶、供應商、業務合作夥伴及所有持份者的不懈支持，致以萬二分謝意。我們亦衷心感謝管理團隊及全體同仁的辛勤工作和貢獻。

龔麟

主席兼執行董事

香港，2019年6月11日

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

During the year ended 31 March 2019 and up to the date of this report, the Board consists of six Directors, comprising three executive Directors and three independent non-executive Directors.

EXECUTIVE DIRECTORS

Mr. Nang Qi (“Mr. Nang”), aged 35, was Chairman and Executive Director. Mr. Nang is the Chairman and chief executive officer of HNA Catering Holdings Co., Ltd (海航食品控股有限公司). Mr. Nang is also the director of Gategroup Holding AG and the director of Virgin Australia Holdings Limited. Mr. Nang obtained a bachelor’s degree in Electrical Engineering and Automation Engineering in 2006 from the Civil Aviation University of China (中國民航大學) in the PRC. Mr. Nang has held various other positions previously within the HNA Group’s companies including General Manager of the procurement management department and Deputy General Manager of the finance planning department of HNA Group Co., Ltd. (海航集團有限公司), the executive director and President of Hainan HNA Aviation Imp.& Exp.Co.,Ltd (海南海航航空進出口有限公司), Chairman and President of HNA Innovation Ventures Co., Limited (海南海航航空創新投資有限公司), the chief innovation officer at HNA Aviation Group Co., Ltd. (海航航空集團有限公司), and the executive director of Micro-Bonus Points Internet Technology Company Limited* (微積分互聯科技有限責任公司).

Mr. Chen Peiliang (“Mr. Chen”), aged 37, was Executive Director and Chief Executive Officer. Mr. Chen is vice President of HiApp Network Technology (Beijing) Co., Ltd. (海愛普網絡科技(北京)有限公司) and the director of HNA Catering Holdings Co., Ltd (海航食品控股有限公司). Mr. Chen obtained a master’s degree in business administration in 2007 from the De La Salle University in the Philippines. Mr. Chen was previously an assistant to the president of West Air Co., Ltd. (西部航空有限責任公司) and President in venture capital investment of HNA Catering Holdings Co., Ltd (海航食品控股有限公司).

Mr. Xue Qiang (“Mr. Xue”), aged 41, was Executive Director. Mr. Xue obtained a bachelor’s degree in Certified Public Accountants Specialized* (註冊會計師專門化) in 2002 from the Jiangxi University of Finance and Economics (江西財經大學) in the PRC. Mr. Xue had held various other positions previously within the HNA Group’s companies including the director of HNA Catering Holdings Co., Ltd (海航食品控股有限公司), the director of E-Food Co., Ltd.* (易食控股有限公司), assistant to the president of HNA Yisheng Holdings Limited (海航易生控股有限公司), chief financial officer of HNA-Caissa Travel Group Co., Ltd (海航凱撒旅遊集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000796), vice president and chief financial officer of E-Food Co., Ltd.* (易食控股有限公司) and chief financial officer of HNA Catering Holdings Co., Ltd (海航食品控股有限公司).

截至2019年3月31日止年度及直至本報告日期，董事會由六名董事組成，包括三名執行董事及三名獨立非執行董事。

執行董事

曩麟先生(「曩先生」)，35歲，主席及執行董事。曩先生為海航食品控股有限公司董事長兼首席執行官。曩先生亦為Gategroup Holding AG董事及Virgin Australia Holdings Limited董事。曩先生於2006年在中國取得中國民航大學電氣工程及其自動化工程學學士學位。曩先生過往於海航集團各公司擔任多個其他職位，包括海航集團有限公司採購管理部總經理及計劃財務部副總經理、海南海航航空進出口有限公司執行董事兼總裁、海南海航航空創新投資有限公司董事長兼總裁、海航航空集團有限公司首席創新官以及微積分互聯科技有限責任公司執行董事。

陳佩良先生(「陳先生」)，37歲，執行董事及行政總裁。陳先生為海愛普網絡科技(北京)有限公司副總裁、海航食品控股有限公司董事。陳先生於2007年在菲律賓取得德拉薩大學(De La Salle University)工商管理碩士學位。陳先生過往擔任西部航空有限責任公司總裁助理、海航食品控股有限公司創投總裁。

薛強先生(「薛先生」)，41歲，執行董事。薛先生於2002年在中國取得江西財經大學註冊會計師專門化學士學位。薛先生過往於海航集團各公司擔任多個其他職位，包括海航食品控股有限公司董事、易食控股有限公司董事、海航易生控股有限公司總裁助理、海航凱撒旅遊集團股份有限公司(於深圳證券交易所上市的公司，股份代號：000796)財務總監、易食控股有限公司副總裁兼財務總監、海航食品控股有限公司財務總監。

* for identification purpose only

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ting Tit Cheung (“Mr. Ting”), aged 63, an the independent non-executive Director. Mr. Ting is the head of China desk of First Myanmar Investment Co., Ltd. since 1 September 2017. Mr. Ting was the senior representative officer in Hong Kong of Banque Cantonale de Geneve and acted as an independent non-executive director of National Agricultural Holdings Limited (Stock code: 1236), a company listed on the Stock Exchange, from 2013 to 2016. Mr. Ting graduated from the Technicum Neuchatelois in Switzerland in 1978 before he obtained his Master degree in Business Administration in University of East Asia (Macau) in 1991. Mr. Ting currently serves as a member of the Chinese People’s Political Consultative Conference Committee of Putuo District in Shanghai.

Mr. Chan Chi Kuen (“Mr. Chan”), aged 58, an independent non-executive Director. Mr. Chan is a Certified Public Accountant (Practising) in Hong Kong. Mr. Chan obtained a diploma from the Department of Accounting of the Hong Kong Shue Yan College in 1991. He further obtained a Master degree in Accounting from the Jinan University in 2006. Mr. Chan has over 28 years of experience in the accounting and taxation consultancy disciplines and has worked in a number of accounting firms in Hong Kong, including K.K. Young & Co., Leung Po Yee & Co., Shom & Yu CPA Limited, and Y.K. Yu & Co. He is currently practising in his own name. Mr. Chan was admitted as a fellow of the Association of Chartered Certified Accountants in 2004, an associate of the Taxation Institute of Hong Kong in 2010 and a fellow of the Hong Kong Institute of Certified Public Accountants. He is also a Certified Tax Adviser registered at the Taxation Institute of Hong Kong.

Mr. Lo Chun Pong (“Mr. Lo”), aged 47, an independent non-executive Director. Mr. Lo is a practicing solicitor in Hong Kong and a member of The Law Society of Hong Kong. Mr. Lo is a partner of Raymond C.P. Lo & Co., Solicitors and was previously the sole proprietor of same firm. Mr. Lo has been an accredited mediator of the Hong Kong Mediation Centre since April 2010 and a civil celebrant of marriages since 2006. Mr. Lo graduated from the University of Hull with a degree of Bachelor of Laws in 1994. Mr. Lo was admitted as a solicitor of the High Court of Hong Kong in 1998.

獨立非執行董事

丁鐵翔先生(「丁先生」)，63歲，獨立非執行董事。丁先生由2017年9月1日起擔任First Myanmar Investment Co., Ltd.大中華地區總監。丁先生曾任瑞士日內瓦銀行(Banque Cantonale de Geneve)香港區高級代表，且彼自2013年至2016年止為一家於聯交所上市的公司國農控股有限公司(股份代號：1236)的獨立非執行董事。丁先生於1978年畢業於瑞士Technicum Neuchatelois，後於1991年獲澳門東亞大學頒授工商管理碩士學位。丁先生現任中國人民政治協商會議上海市普陀區委員會委員。

陳志權先生(「陳先生」)，58歲，獨立非執行董事。陳先生為香港執業會計師。陳先生於1991年在香港樹仁學院會計系取得文憑，隨後於2006年在暨南大學取得會計學碩士學位。陳先生擁有逾28年的會計及稅務顧問經驗，並曾於多家香港會計師事務所任職，其中包括楊建基會計師行、梁寶儀會計師事務所、沈余會計師事務所有限公司及余韜剛會計師事務所。彼現時以個人名義執業。陳先生於2004年成為特許公認會計師公會資深會員，於2010年成為香港稅務學會會員，並為香港會計師公會資深會員。彼亦為香港稅務學會註冊稅務師。

盧振邦先生(「盧先生」)，47歲，獨立非執行董事。盧先生為香港執業律師及香港律師會會員。盧先生為盧振邦律師行的合夥人，並為同一家律師行的前唯一所有人。盧先生自2010年4月起擔任香港和解中心的認可和解員並自2006年起擔任婚禮監禮人。盧先生於1994年畢業於赫爾大學，持有法律學士學位。盧先生於1998年獲認許為香港高等法院律師。

SENIOR MANAGEMENT

Mr. Kei York Pang Victor (“Mr. Kei”), aged 58, is director of the subsidiaries of the Group. Mr. Kei co-founded K.T.L. Jewellery Manufacturer Limited (“K.T.L. Jewellery”), a wholly-owned subsidiary of the Company, with Mr. Li Man Chun in 1990. Mr. Kei is responsible for the overall strategic planning and business development of the Group. Mr. Kei has over 29 years of experience in the jewellery industry with extensive business and client network. Mr. Kei has invaluable experience in sales and marketing, customer serving, product innovation and management, significantly contributed to long-term client relationship maintenance and business expansion. Mr. Kei serves as the Standing General Committee Member and Executive Committee Member of the Hong Kong Jewellery Manufacturers’ Association for the years 2013 to 2015.

Mr. Li Man Chun (“Mr. Li”), aged 58, is director of the subsidiaries of the Group. Mr. Li was one of the co-founders of K.T.L. Jewellery in 1990. Mr. Li is responsible for the overall strategic planning and general operations. Mr. Li has over 29 years of experience in the jewellery industry with in-depth technical knowledge in the manufacturing of fine jewellery and practical operations experience. Mr. Li has been serving as Vice President of the Hong Kong Gold & Silver Ornament Workers & Merchants General Union from 2007. Since 2010, Mr. Li has served as Honorary Life President and General Member of the Guangzhou Panyu Jewellery Manufacturers Association.

Mr. Kei Yeuk Lun Calan, aged 53, is senior sales consultant of the Group, responsible for assisting Mr. Kei York Pang Victor, in the overall management of sales and marketing, administration and operations of the Jewellery business, primarily in business development, international sales, China sales, marketing product design and development, and procurement.

Mr. Kei Yeuk Lun Calan has accumulated over 27 years of experience in jewellery industry. In 1992, Mr. Kei Yeuk Lun Calan co-founded and served as director of Alan’s Jewellery Company Limited, a wholly-owned subsidiary of the Company, engaging in trading of jewellery. In 2003, Mr. Kei Yeuk Lun Calan was assigned to lead a team to market the Group’s jewellery products, coordination of trade shows and product development in the United States. From 2006 to 2009, Mr. Kei Yeuk Lun Calan was also dedicated to liaise with the local business partners on brand-building and product image in Italy, promoting brand awareness and reputation. Since 2009, Mr. Kei Yeuk Lun Calan has taken charge of product development with focus on China wholesales market.

高級管理層

紀若鵬先生(「紀先生」)，58歲，本集團附屬公司董事。紀先生與李文俊先生於1990年共同創辦三和珠寶有限公司(「三和珠寶」，為本公司的全資附屬公司)。紀先生負責本集團的整體策略規劃及業務發展。紀先生擁有逾29年珠寶業的經驗及廣闊的業務及客戶網絡。紀先生於銷售及市場推廣、客戶服務、產品創新及管理方面擁有寶貴經驗，在維持長遠客戶關係及業務擴展方面貢獻良多。紀先生於2013年至2015年期間擔任香港珠寶製造業廠商會常務理事會及執行委員會會員。

李文俊先生(「李先生」)，58歲，本集團附屬公司董事。李先生為於1990年創立的三和珠寶的創辦人之一。李先生負責整體策略規劃及一般營運。李先生擁有逾29年珠寶業的經驗，並於生產優質珠寶方面具備精深的專業知識和實際營運經驗。李先生自2007年起擔任香港金銀首飾工商總會的副會長。自2010年起，李先生一直擔任廣州番禺區珠寶廠商會的永遠榮譽會長及常務理事。

紀若麟先生，53歲，本集團高級銷售顧問，負責協助紀若鵬先生全面管理珠寶業務之銷售及營銷、行政及營運，主要工作包括業務發展、國際銷售、中國銷售、推廣產品設計及開發，以及採購。

紀若麟先生於珠寶業累積逾27年經驗。於1992年，紀若麟先生聯合創立本公司的全資附屬公司雅倫珠寶有限公司，並擔任董事。該公司從事珠寶交易業務。於2003年，紀若麟先生獲委派帶領團隊於美國為本集團的珠寶產品進行營銷、統籌展銷會及產品開發。於2006年至2009年，紀若麟先生亦致力就於意大利建立品牌及產品形象聯絡當地業務夥伴，藉以提升品牌的知名度及信譽。自2009年起，紀若麟先生一直負責產品開發，側重於中國批發市場。

Mr. Chau Chi Lai (“Mr. Chau”), aged 45, is the chief financial officer and company secretary of the Group, responsible for overseeing the Group’s finance, as well as company secretarial, internal control, investor relation and corporate governance functions of the Group. Mr. Chau joined the Group in August 2012. Prior to joining the Group, Mr. Chau worked in an international accounting firm in Hong Kong between January 2003 and April 2012 and left as a senior manager. Between November 1998 and December 2002, Mr. Chau worked for other international accounting firms in Canada in accounting and audit.

Mr. Chau graduated from McGill University with a degree of bachelor of science in June 1997 and further obtained degree of bachelor of commerce from the same university in June 1999. Mr. Chau was also awarded the graduate diploma in accountancy from Concordia University, Montreal Canada in October 2000. Mr. Chau has been a Chartered Accountant of Canada since March 2002 and a Chartered Financial Analyst charterholder since July 2002. Mr. Chau has also been a fellow member of the Hong Kong Institute of Certified Public Accountant since October 2012, a member of American Institute of Certified Public Accountant since April 2003. Mr. Chau has been licensed by the State of New Hampshire Board of Accountancy as a certified public accountant since November 2002 and State of Oregon Board of accountancy since December 2007, and a chartered professional accountant of Quebec, Canada since May 2012.

周智禮先生(「周先生」)，45歲，本集團首席財務總監兼公司秘書，負責監管本集團財務，以及本集團公司秘書、內部控制、投資者關係及企業管治功能。周先生於2012年8月加入本集團。於加入本集團之前，周先生於2003年1月至2012年4月任職於香港一家國際會計師事務所，離職時擔任高級經理。於1998年11月至2002年12月，周先生於加拿大的其他國際會計師事務所工作，負責會計及審核。

周先生於1997年6月畢業於麥吉爾大學，獲得理學學士學位，並於1999年6月自該大學獲得商學學士學位。周先生亦於2000年10月獲加拿大蒙特利爾康考迪亞大學頒發會計學深造文憑。周先生於2002年3月成為加拿大特許會計師並於2002年7月成為特許財務分析師。周先生亦於2012年10月成為香港會計師公會資深會員，並於2003年4月成為美國註冊會計師協會會員。周先生分別於2002年11月及2007年12月獲新罕布什爾州會計委員會及俄勒岡州會計委員會授予註冊會計師牌照，並於2012年5月成為加拿大魁北克的特許專業會計師。

BUSINESS OVERVIEW

Being an integrated fine jewellery provider and an original design manufacturer with a well-established operating history in Hong Kong, the Group is primarily engaged in designing, manufacturing and exporting fine jewellery to jewellery wholesalers and retailers mainly in the Americas, the People's Republic of China ("PRC"), Russia, other European countries and the Middle East. The Group has been offering a wide range of fine jewellery products in karat gold encompassing rings, earrings, pendants, necklaces, bracelets, bangles, cufflinks, brooches and anklets that are generally targeted at the mass to middle segment, the lowest among the three tiers of the fine jewellery market segments in terms of retail prices. The Group's customers are mainly wholesalers and retailers of jewellery products.

During the year ended 31 March 2019 under review, global economic growth appeared to be coming back on track. However, with the baseline outlook strengthening, a full recovery was still a work in process. Market volatility brought about by the escalated trade conflicts between the PRC and the U.S., Britain's planned exit for the E.U. as well as rising political and social tensions in different geographies all weighted on the risk sentiment and marked the arrival of an unstable era for the world order. Against this backdrop, practitioners in the jewellery trade continued to experience a challenging operating environment. Time was not easy for consumers as well, as reflected in the depressing effect of eroding confidence and purchasing power in the light of overall slow wage growth.

As the world's second largest economy and the Group's largest market, the PRC maintained a stable yet slower economic growth even though the trade war between the country and the U.S. was dampening the business sentiment. More measures were expected to be introduced to rein in property and debt risks. These inevitably sapped consumer confidence and spending to a considerable extent. For the year ended 31 March 2019, revenue generated from sales to the PRC market stood at approximately HK\$80.8 million, down 21.7% from the same last year. Coupled with the negative performance was the significant changes in consumer expectations that prevailed in the market. The strong aspiration for exclusivity and individuality among new, more modern Chinese consumers continued to put traditional fine jewellery under much pressure.

In Russia, the jewellery industry confronted the challenges of a weak economy, with overall retail sales figures trending downward. Notwithstanding the Russian economy was on a path of modest growth during the year ended 31 March 2019 buoyed by stronger oil and commodity prices, the present trend troubling the traditional fine jewellery industry is not likely to get fully reversed unless confidence among Russia's companies improves dramatically as a whole and middle class incomes rise. Revenue generated from sales to the Russian market recorded a decline of 43.0% to approximately HK\$60.0 million.

業務概覽

作為一家於香港營運歷史悠久的優質珠寶綜合供應商及原設計製造商，本集團主要從事優質珠寶設計及製造，並主要出口予美洲、中華人民共和國（「中國」）、俄羅斯、其他歐洲國家及中東的珠寶批發商及零售商。本集團供應多款K金優質珠寶產品，包括戒指、耳環、吊墜、項鍊、手鐲、臂鐲、袖扣、胸針及踝飾，有關產品一般鎖定優質珠寶市場分部按零售價劃分的三個級別中最低的大眾至中端分部。本集團客戶主要為珠寶產品批發商及零售商。

於截至2019年3月31日止回顧年度，全球經濟增長似乎返回正軌。然而，縱使基礎前景轉強，全面復甦仍未可期。中美貿易糾紛升級、英國計劃脫歐以及各地日益嚴峻的政治及社會緊張局勢帶來的市場不穩定性，均使得風險氛圍加重，就世界秩序而言，標誌著不穩定時代的到來。在此背景下，珠寶行業從業者繼續受嚴峻經營環境的考驗；而對消費者來說，鑑於整體工資增長緩慢，抑制消費信心，購買力遭受擠壓，優渥生活也不復前。

儘管中美貿易戰令業務氣氛低迷，與作為全球第二大經濟體及本集團最大市場，中國維持穩定而緩慢的經濟增長。預期中國將引入更多措施嚴控房地產及債務風險。此舉難免大幅削弱消費者的信心及消費。截至2019年3月31日止年度，來自中國市場銷售所產生的收益錄得約80.8百萬港元，較去年減少21.7%。除了業績未如理想外，現時市場上消費者的期望亦出現重大變化。時尚中國新生代客戶追求更多個性化偏好，追求獨一無二的產品，繼續為往後傳統優質珠寶帶來更多壓力。

在俄羅斯，經濟低迷為珠寶行業帶來巨大挑戰，整體零售數據持續下滑。儘管俄羅斯的經濟於截至2019年3月31日止年度穩步增長，除非俄羅斯公司整體信心大幅改善及中產階級收入上升，否則受到石油及商品價格上漲所影響，現時傳統優質珠寶行業困境重重的態勢料難以完全逆轉。於俄羅斯市場銷售所產生的收益減少43.0%至約60.0百萬港元。

In the U.S., consumers were also concerned about the ongoing trade battle with the PRC in the context of a slowing global economy. Prices at retail rose as fueled by increasing tariffs on Chinese imports, hitting consumers in their pocketbooks. Conscious spending overshadowed the pick-up in economic activity and put a chill on businesses' confidence. Additionally, a fundamental shift in purchase habits among the Americans could be seen when it comes to luxury, with fine jewellers losing their share of spending. In this connection, revenue arising from sales to the Americas market lowered to approximately HK\$13.8 million for the year ended 31 March 2019, representing a drop of approximately 91.3%.

In the face of the ever-changing market landscape, the Group spared no effort to apply stringent controls over capital expenditures. During the year ended 31 March 2019, the Group's administrative expenses were successfully reduced by 19.1% to approximately HK\$49.8 million compared to the prior financial year, while selling expenses also decreased by 32.9% to approximately HK\$21.4 million from a year ago.

Building presence in ancillary business line

Since 2018, the Group has set its foot into sales of precious metal and other raw jewellery materials to better cater for needs of different customers. These ancillary products come with lower average gross profit margin. Sales generated from such products amounted to approximately 15.8% of the Group's total sales for the year ended 31 March 2019.

Prospects

Looking ahead, the global economy is expected to hit by higher uncertainty with continued political, economic and trade tensions presenting on a number of fronts. The Group reckons that the global economy will continue to experience stages of adjustments and is cautiously prudent about the outlook for the second half of 2019.

In Russia, even though the country's economic prospects have improved, retail consumption is still adjusting to lower disposable real incomes. Russians are spending less. The Russian jewellery market would revive slowly in the months to come only if the economic situation of the country as a whole normalises.

The U.S. economy has expanded at a moderate pace amid mounting uncertainty around President Trump's trade policies, while challenges stemmed from trade-related setbacks and the unfinished deleveraging campaign to curb excess credit might cast a shadow over the PRC's economic growth.

Additionally, shifts in the demographics and mindset of millennials' attitude and purchase motivations have brought forth profound changes to the jewellery market. Their shifting preferences, loose brand loyalties and urge for self-expression have made the industry more competitive than ever before.

在美國，消費者亦擔心於全球經濟放緩的情況下，持續與中國進行貿易戰。由於中國進口關稅提高，零售價格上漲，消費者錢包受創。審慎消費令經濟活動回升蒙上陰影，並使營商信心低迷。此外，美洲顧客就奢侈品的消費習慣已發生重大改變，人們對優質珠寶的開支比重趨降。據此，截至2019年3月31日止年度，美洲市場銷售所產生的收益下降至約13.8百萬港元，跌幅約91.3%。

面對瞬息萬變的市場形勢，本集團不遺餘力嚴格控制資本開支。於截至2019年3月31日止年度，本集團成功地將行政開支較上個財政年度減少19.1%至約49.8百萬港元，而銷售開支亦較去年減少32.9%至約21.4百萬港元。

開展新業務線

本集團自2018年起開始銷售貴金屬及其他珠寶原材料，以更好地滿足不同客戶的需求。該等輔助產品的平均毛利率較低。截至2019年3月31日止年度，該等產品所產生的銷售額約佔本集團銷售總額的約15.8%。

前景

展望未來，由於政治、經濟及貿易於多個方面呈現緊張局勢，不確定性增強，全球經濟預計將持續遭受打擊。本集團認為全球經濟將持續進行階段性調整，並對2019年下半年的前景持審慎態度。

在俄羅斯，儘管其經濟前景有所改善，零售消費尚在調整中，以適應較低的實際可支配收入。俄羅斯市民正縮減開支。惟有在該國經濟狀況整體正常化後，俄羅斯珠寶市場方會於未來數月徐徐復甦。

由於特朗普總統貿易政策的不確定性增加，美國的經濟溫和增長，與此同時，貿易相關阻礙所帶來的挑戰及抑製過度信貸的去槓桿化運動尚未結束，可能會令中國的經濟增長蒙上陰影。

此外，人口結構、千禧新生代思維態度，以及消費行為的轉變，令珠寶市場出現巨變。彼等快速變換的喜好、薄弱的品牌忠誠度，加上急於自我表現，令行業今非昔比，競爭愈加激烈。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The management of the Group will improve operating efficiency by streamlining business operations and optimising internal resources in order to meet the challenge of market adversity should they arise when advancing ahead.

FINANCIAL REVIEW

Revenue (HK\$'000)	收益 (千港元)
Gross profit (HK\$'000)	毛利 (千港元)
Gross profit margin (%)	毛利率 (%)
Loss attributable to the equity holders of the Company (HK\$'000)	本公司股權持有人應佔虧損 (千港元)

Revenue

The Group's revenue for the year ended 31 March 2019 was approximately HK\$219.3 million, representing a decrease of approximately HK\$214.4 million or 49.4% compared with the year ended 31 March 2018. The decrease in the Group's revenue was primarily due to (i) a significant decrease in sales in Americas of approximately HK\$145.7 million primarily due to a weaker-than-expected market condition under a turnaround in consumer interest in fine jewellery; (ii) decrease in sales in Europe and Russia of approximately HK\$18.0 million and approximately HK\$45.2 million, respectively, mainly attributable to the sluggish European economy during the year under review; (iii) a decrease in sales in the PRC of approximately HK\$22.3 million; and (iv) an increase in sales in other regions of approximately HK\$17.0 million.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2019 was approximately HK\$27.4 million, representing a decrease of approximately HK\$51.2 million or 65.1% compared with the year ended 31 March 2018. Gross profit margin decreased to approximately 12.5% from approximately 18.1%, which was mainly due to a larger proportion of sales of simple design with lower pricing to the Russian market.

Selling expenses

The Group's selling expenses decreased by approximately HK\$10.5 million or 32.9%, to approximately HK\$21.4 million for the year ended 31 March 2019 from approximately HK\$31.8 million for the year ended 31 March 2018. The decrease was primarily attributable to a decrease in staff costs of approximately HK\$10.3 million due to the result of the business operation and resources allocation process.

為迎接未來可能出現的不利市場狀況，本集團管理層將積極改善經營效率、精簡經營以及優化內部資源。

財務回顧

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

2019 2019年	2018 2018年
219,286	433,666
27,447	78,625
12.5	18.1
(17,136)	(37,297)

收益

本集團截至2019年3月31日止年度的收益約為219.3百萬港元，較截至2018年3月31日止年度減少約214.4百萬港元或49.4%。本集團的收益減少主要由於：(i) 美洲的銷售額大幅減少約145.7百萬港元，主要由於消費者對優質珠寶的興趣改變，令市道較預期疲弱；(ii) 歐洲及俄羅斯的銷售額分別減少約18.0百萬港元及約45.2百萬港元，主要因回顧年內歐洲經濟低迷；(iii) 中國銷售額減少約22.3百萬港元；(iv) 其他地區的銷售額增加約17.0百萬港元。

毛利及毛利率

本集團於截至2019年3月31日止年度的毛利約為27.4百萬港元，較截至2018年3月31日止年度減少約51.2百萬港元或65.1%。毛利率則由約18.1%下降至約12.5%，主要由於設計簡單及定價較低的俄羅斯銷售比例增加。

銷售開支

本集團的銷售開支由截至2018年3月31日止年度的約31.8百萬港元下降約10.5百萬港元或32.9%至截至2019年3月31日止年度的約21.4百萬港元。銷售開支下降主要歸因於員工成本下降約10.3百萬港元，此乃由於業務經營及資源配置過程的結果。

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$11.8 million or 19.1%, to approximately HK\$49.8 million for the year ended 31 March 2019 from approximately HK\$61.6 million for the year ended 31 March 2018. The decrease was primarily due to the combined effects of (i) the decrease in staff costs by approximately HK\$5.6 million as a result of the Group's continuous implementation of rigorous cost control by further streamlining operations and rationalising overheads; (ii) decrease in depreciation and amortisation by approximately HK\$2.4 million mainly attributable to the stringent controls over capital expenditures during the year ended 31 March 2019; (iii) the decline in professional service fee by approximately HK\$1.7 million; and (iv) the decline in office, utility and sundry expenses by approximately HK\$1.5 million which were mainly attributable to strengthening cost controls in business operation.

Finance costs

The Group's finance costs decreased by approximately HK\$7.7 million or 88.1%, to approximately HK\$1.0 million for the year ended 31 March 2019 from approximately HK\$8.7 million for the year ended 31 March 2018. The decrease was primarily a result of the decrease in average borrowing balance for the year ended 31 March 2019 compared with the year ended 31 March 2018.

Loss attributable to the equity holders of the Company

The Group recorded a loss attributable to the equity holders of the Company of approximately HK\$17.1 million for the year ended 31 March 2019, compared to a loss of approximately HK\$37.3 million for the year ended 31 March 2018. The loss was mainly attributable to a decline in the Group's revenue by approximately 49.4% and gross profit by approximately 65.1% for the year ended 31 March 2019 as compared to the year ended 31 March 2018. The decline in revenue was primarily attributable to a significant slowdown of sales in the Americas, Russia and the PRC markets, the decrease of which were approximately HK\$145.7 million, HK\$45.2 million and HK\$22.3 million, respectively, for the year ended 31 March 2019 as compared to the year ended 31 March 2018, primarily attributable to global economic uncertainty and weaker-than-expected demand in the Americas markets.

Property, plant and equipment

The net carrying amount as at 31 March 2019 was approximately HK\$4.4 million, representing a decrease of approximately HK\$23.1 million from that of 2018. This was mainly due to: (i) the Group's disposal of property in the Hong Kong amounted to approximately HK\$14.2 million; (ii) normal depreciation amounted to approximately HK\$5.8 million; and (iii) impairment amounted to approximately HK\$2.7 million.

Trade receivables

There was a decrease in trade receivables as at 31 March 2019 of approximately HK\$16.4 million as compared with 31 March 2018, which was mainly due to the decrease of revenue.

行政開支

本集團的行政開支由截至2018年3月31日止年度約61.6百萬港元減少約11.8百萬港元或19.1%，至截至2019年3月31日止年度的約49.8百萬港元。行政開支減少主要由於以下各項之結合影響：(i) 因本集團進一步精簡經營及理順日常開支，以持續實施嚴格成本控制，員工成本減少約5.6百萬港元；(ii) 主要因我們於截至2019年3月31日止年度嚴格控制資本開支而導致折舊及攤銷減少約2.4百萬港元；(iii) 專業服務費用減少約1.7百萬港元；及(iv) 辦公室、公用設施及雜項開支減少約1.5百萬港元，主要由於在業務營運中加強了成本控制。

財務成本

本集團的財務成本由截至2018年3月31日止年度約8.7百萬港元減少約7.7百萬港元或88.1%，至截至2019年3月31日止年度的約1.0百萬港元。財務成本減少主要由於截至2019年3月31日止年度的平均貸款結餘較截至2018年3月31日止年度減少。

本公司股權持有人應佔虧損

截至2019年3月31日止年度，本集團錄得本公司股權持有人應佔虧損約17.1百萬港元，而截至2018年3月31日止年度則錄得虧損約37.3百萬港元。虧損主要由於截至2019年3月31日止年度本集團的收益及毛利較截至2018年3月31日止年度分別下跌約49.4%及約65.1%。收益下跌主要由於美洲、俄羅斯及中國市場的銷售於截至2019年3月31日止年度大幅減緩，有關銷售較截至2018年3月31日止年度分別減少約145.7百萬港元、45.2百萬港元及22.3百萬港元，主要由於全球經濟不明朗並且美洲市場的需求遜於預期所致。

物業、廠房及設備

於2019年3月31日的賬面淨值約為4.4百萬港元，較2018年減少約23.1百萬港元。賬面淨值減少主要是由於：(i) 本集團的香港物業出售約為14.2百萬港元；(ii) 正常折舊達約5.8百萬港元；及(iii) 減值達約2.7百萬港元。

貿易應收款項

於2019年3月31日的貿易應收款項較於2018年3月31日的貿易應收款項減少約16.4百萬港元，乃主要由於收益減少。

Liquidity and financial resources

As at 31 March 2019, the Group had current assets of approximately HK\$357.2 million (2018: approximately HK\$357.0 million) which comprised cash and bank balances of approximately HK\$270.8 million (2018: approximately HK\$230.5 million). As at 31 March 2019, the Group had no non-current liabilities (2018: approximately HK\$3.3 million), the current liabilities amounted to approximately HK\$30.4 million (2018: approximately HK\$28.6 million), consisting mainly of payables arising in the normal course of operation. Accordingly, the current ratio, being the ratio of current assets to current liabilities, was approximately 11.8 at 31 March 2019 (2018: approximately 12.5).

Gearing ratio

The gearing ratio of the Group as at 31 March 2019 was not applicable as the Group has no borrowing and has a net cash position.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by buying credit insurance on certain customers' receivables, performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

BUSINESS STRATEGIES OF THE GROUP

With continued political, economic and market uncertainties, the existing business of the Group in manufacturing and sale of jewellery products has seen a decrease in both revenue and gross profit. In the light of the operations and financial position of the Group, the Group intends to explore other possible business opportunities both locally and abroad while staying on with its jewellery business.

The Group reckons that the food and beverage industry has proved more resistant to impacts of changes in the macroeconomic environment and offered good growth potential. Furthermore, the "One Belt, One Road" initiative as proposed by the Chinese government is expected to boost demand for an array of sectors in the region, which will also benefit the development of the food and beverage businesses at large. The Group therefore considers that possible business expansions to food and beverage industry can enable it to better utilise its resources, mitigate the risks involved in its existing business of manufacturing and sale of jewellery products, and maximise investment returns for its shareholders.

Moreover, the management team members of the Group have seasoned experience and involvement in the food and beverage industry with all of them holding senior positions in HNA Catering Holdings Co., Ltd. As such, the Group considers that it possesses essential know-how and expertise to enable its expansion into the food and beverage industry, which is expected to help drive revenue for the Group.

流動資金及財務資源

於2019年3月31日，本集團的流動資產約為357.2百萬港元(2018年：約357.0百萬港元)，包括現金及銀行結餘約270.8百萬港元(2018年：約230.5百萬港元)。於2019年3月31日，本集團並無非流動負債(2018年：約3.3百萬港元)，流動負債約為30.4百萬港元(2018年：約28.6百萬港元)，主要包括日常營運過程中產生的應付款項。因此，於2019年3月31日，流動比率(即流動資產與流動負債的比率)約為11.8(2018年：約12.5)。

資本負債比率

本集團於2019年3月31日的資本負債比率並不適用，原因是本集團並無借貸，並擁有淨現金狀況。

庫務政策

本集團在執行庫務政策上採取審慎的財務管理策略，因而於回顧期間內維持健全的流動資金狀況。本集團透過就若干客戶的應收款項購買信用保險，不斷評估其客戶的信貸狀況及財務狀況，務求降低信貸風險。為控制流動資金風險，董事會密切監察本集團的流動資金狀況，確保本集團資產、負債及其他承擔的流動資金架構可不時滿足其資金需要。

本集團的業務策略

因著政治、經濟及市場持續不明朗，本集團現有的製造及銷售珠寶產品業務出現收益及毛利下降。鑒於本集團的營運及財務狀況，本集團有意於繼續從事其珠寶業務的同時，探索開拓本地及海外的其他可能業務機會。

本集團認為餐飲業能夠更好地抵禦宏觀經濟環境變化的影響，並且發展前景良好。此外，中國中央政府提出的「一帶一路」倡議預期將刺激區內眾多行業的需求，同時將在很大程度上有利於餐飲業務的發展。因此本集團認為若把握潛在機會將業務擴展至餐飲業能令本集團更好地利用其資源、緩解其現有製造及銷售珠寶產品業務所涉及的風險，並為股東帶來最大回報。

此外，本集團的管理層團隊成員於餐飲行業擁有豐富經驗並投身其中，且全部於海航食品控股有限公司擔任高管職務。因此，本集團認為其擁有必要的專業知識及技能，能夠令本集團擴展至餐飲行業，從而有助於推動本集團的收益。

Concurrently, the Group remains committed to maintaining its status as a top fine jewellery manufacturer and exporter in Hong Kong by strengthening its sales and marketing force, solidifying its presence in existing markets and reinforcing market recognition of its brand name globally.

In the U.S., the Group continues to explore opportunities where the Group believes would benefit from the integrated services it offers, providing a wider range of styles and designs tailored for the market and adjusting its production resources and capacity to better cater for the product lead time, consumer preferences and festive shopping practices. In the PRC, the Group will draw strength on its established corporate brand name and proven design capabilities to increase resources in a bid to attract jewellery wholesalers or chain stores which focus on the said market. The Group will focus its sales and marketing resources on promoting its brand and products, participating in selected trade exhibitions in the PRC, and allocating sufficient design and product development resources to offer a wider range of designs that are favourable to the Chinese consumers.

The Group believes its abilities to create new product designs and develop innovative production techniques in response to market trends and customers' preferences contribute to the success of its products. The Group has been offering customers with a diverse range of products with appealing designs at affordable prices, made with assorted kinds of precious metals, diamonds and gem stones with various specifications in a bid to cater for a broad bandwidth of market demand. The Group is also positive with the food and beverage industry vibe. Backed by the "One Belt, One Road" initiative, the Group is devoted to expanding into the new market that will provide the Group with strong momentum for future growth.

Foreign exchange exposure

For the year ended 31 March 2019, the Group had monetary assets and monetary liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective group entities, which are mainly trade receivables, other receivables, available-for-sale investment, cash and bank balances and trade and other payables and interest-bearing bank and other borrowings. Consequently the Group had foreign exchange risk exposure from translation of amount denominated in foreign currencies as at 31 March 2019. Since HK\$ is pegged to US\$, the Group does not expect any significant movements in HK\$/US\$ exchange rate. The Group is exposed to foreign exchange risk primarily with respect to RMB. If HK\$ as at 31 March 2019 had strengthened/weakened by 5% against RMB with all other variables held constant, the loss for the year attributable to the equity holders of the Company would have been decreased/increased by approximately HK\$16,000 for the year ended 31 March 2019 (2018: loss for the year attributable to the equity holders of the Company would have decreased/increased by approximately HK\$32,000).

The Group does not engage in any derivatives activities and does not commit to any financial instruments to hedge its exposure to foreign currency risk.

與此同時，本集團將繼續透過加強銷售及市務推廣力度，鞏固於現有珠寶市場的佔有率及強化旗下品牌在全球的知名度，務求保持其作為香港優質珠寶製造商及出口商翹楚的地位。

本集團繼續於美國發掘其認為會受惠於其所提供的綜合服務的商機，通過提供各種專為該市場度身訂造的造型及設計，以及調整其生產資源及產能，從而更好地迎合產品交付期、消費者喜好及節日購物慣例。在中國，本集團將借助公司的企業品牌效應及卓越設計能力的優勢，投入更多資源，以吸引專注此市場的珠寶批發商或連鎖店。本集團將投入更多銷售及市場推廣資源以在中國推廣其品牌及產品，選擇性地參加貿易展覽，並投放充足設計及產品開發資源，以提供各種最符合中國消費者的設計。

本集團認為，其產品的成功歸因於本集團能夠應對市場趨勢及客戶喜好，提供新穎的產品設計及開發創新生產技術。本集團一直向客戶提供多款設計優美、價格實惠且由各種貴金屬及各種規格的鑽石及寶石製成的產品，以迎合更廣泛的市場需求。本集團亦對餐飲行業氛圍感到樂觀。依賴於「一帶一路」倡議，本集團致力於拓擴至可為我們往後提供強勁增長勢頭的新市場。

外匯風險

於截至2019年3月31日止年度，本集團有以外幣（即相關集團實體功能貨幣以外的貨幣）計值的貨幣資產及貨幣負債，主要為貿易應收款項、其他應收款項、可供出售投資、現金及銀行結餘、貿易及其他應付款項以及計息銀行及其他借貸，因此，本集團於2019年3月31日面臨來自換算以外幣計值的款項的外匯風險。由於港元與美元掛鈎，本集團預期港元兌美元的匯率不會發生任何重大變動。本集團承受的外匯風險主要與人民幣有關。倘港元於2019年3月31日兌人民幣升值/貶值5%，而其他所有變量保持不變，於截至2019年3月31日止年度本公司股權持有人應佔年內虧損應會減少/增加約16,000港元（2018年：本公司股權持有人應佔年內虧損應會減少/增加約32,000港元）。

本集團並無從事任何衍生工具活動，亦無利用任何財務工具對沖其外幣風險。

Capital structure

There has been no change in the capital structure of the Company during the year ended 31 March 2019. As at 31 March 2019, the capital of the Company comprises ordinary shares and capital reserves.

Capital commitments

As at 31 March 2019 and 31 March 2018, the Group has no capital commitments.

Dividend

The Board does not recommend the payment of final dividend for the year ended 31 March 2019.

No dividend has been paid or declared by the Company during the year ended 31 March 2019.

Information on employees

As at 31 March 2019, the Group had 40 employees (2018: 81), including the executive Directors. Total staff costs (including the Directors' emoluments) were approximately HK\$27.8 million, as compared with approximately HK\$91.3 million for the year ended 31 March 2018. Remuneration is determined with reference to market conditions and individual employees' performance, qualification and experience.

Apart from the provident fund scheme (operation in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or social insurance fund (including retirement pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance for the PRC employees), discretionary bonuses and employee share options are also awarded to employees according to the Group's performance as well as assessment of individual performance. Since the adoption of the share option scheme on 10 February 2015 and up to 31 March 2019, no options have been granted by the Company.

The Directors believe that the salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

Share option scheme

The Company has adopted the share option scheme on 10 February 2015 (the "Scheme") under which certain selected classes of participants (including, among others, Directors and full-time employees) may be granted options to subscribe for the shares. Unless otherwise cancelled or amended, the Scheme will remain in force for 10 years from that date. No share option had ever been granted under the Scheme since its adoption, up to 31 March 2019.

資本架構

於截至2019年3月31日止年度，本公司資本架構概無變動。於2019年3月31日，本公司資本包括普通股及資本儲備。

資本承擔

於2019年3月31日及2018年3月31日，本集團概無資本承擔。

股息

董事會不建議就截至2019年3月31日止年度派付末期股息。

本公司於截至2019年3月31日止年度並無派付或宣派任何股息。

僱員資料

於2019年3月31日，本集團有40名僱員（2018年：81名），包括執行董事。員工成本總額（包括董事酬金）約為27.8百萬港元，而截至2018年3月31日止年度則約為91.3百萬港元。薪酬乃參考市況及個別僱員之表現、資格及經驗而釐訂。

除公積金計劃（根據強制性公積金計劃條例的條文為香港僱員設立）或社會保險基金（包括為中國僱員設立的退休養老保險、醫療保險、失業保險、工傷保險及生育保險）外，本公司會參考本集團表現及個別員工表現評估發放酌情花紅及僱員購股權。自於2015年2月10日採納購股權計劃起至2019年3月31日，本公司概無授出購股權。

董事認為，本集團僱員之薪金及福利維持在具競爭力的水平，在本集團薪金及花紅制度（每年進行檢討）的總體框架下，僱員按表現獲得獎勵。

購股權計劃

本公司已於2015年2月10日採納購股權計劃（「計劃」），據此，若干選定類別的參與者（包括（其中包括）董事及全職僱員）可能獲授購股權以認購股份。除非以其他方式註銷或修訂，計劃於該日起計10年內仍有效。自其採納以來直至2019年3月31日，並無根據計劃授出任何購股權。

Significant investments held

The Group did not hold any significant investment in equity interest in any other company.

Future plans for material investments and capital assets

The Group did not have other plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

During the year ended 31 March 2019, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Charges of assets

As at 31 March 2019, the Group had no borrowing.

Contingent liabilities

The Group had no material contingent liabilities as at 31 March 2019 (2018: nil).

持有之重大投資

本集團並無於任何其他公司持有任何重大股權投資。

重大投資及資本資產之未來計劃

本集團並無其他重大投資及資本資產計劃。

重大收購及出售附屬公司及聯屬公司

截至2019年3月31日止年度，本集團並無任何重大收購及出售附屬公司及聯屬公司事項。

資產抵押

於2019年3月31日，本集團並無借款。

或然負債

於2019年3月31日，本集團並無任何重大或然負債（2018年：無）。

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

The Board has adopted the code provisions of the Corporate Governance Code (the “Code Provisions”) set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). During the year ended 31 March 2019, the Company had complied with all provisions of the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transaction by Director of the Company. Having made specific enquiries to all the Directors, the Directors confirmed that they had complied with the required standard as set out in the Model Code during the year ended 31 March 2019.

THE BOARD OF DIRECTORS

Composition

During the year ended 31 March 2019 and up to the date of this report, the Board comprises six Directors, of which three are executive Directors, and three are independent non-executive Directors. In addition, a list containing the names of the Directors and their roles and functions is available on the websites of the Group and the Stock Exchange. The composition of the Board is as follows:

Executive Directors:

Mr. Nang Qi (*Chairman*)
Mr. Chen Peiliang (*Chief Executive Officer*)
Mr. Xue Qiang

Independent non-executive Directors:

Mr. Ting Tit Cheung
Mr. Chan Chi Kuen
Mr. Lo Chun Pong

Up to the date of this annual report, there was no change in the composition of the Board. The biographical details of each Director are set out in the section “Directors and Senior Management” on pages 8 to 11.

企業管治守則

配合及遵守企業管治原則及常規之公認標準一直為本公司最優先原則之一。董事會相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員之間利益關係之因素之一，董事會致力於持續改善該等原則及常規之效率及有效性。

董事會已採納聯交所證券上市規則（「上市規則」）附錄十四中的企業管治守則所載之守則條文（「守則條文」）。截至2019年3月31日止年度，本公司一直遵守守則條文內所有條文。

董事進行證券交易的標準守則

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」），作為本公司董事進行證券交易之行為守則。經向全體董事作出具體查詢後，董事確認於截至2019年3月31日止年度已遵守標準守則所載規定標準。

董事會 成員

截至2019年3月31日止年度及直至本報告日期，董事會目前由六名董事組成，其中包括三名執行董事及三名獨立非執行董事。此外，董事名單與彼等角色和職能已載於本集團及聯交所之網站。董事會成員如下：

執行董事：

龔麒麟先生（主席）
陳佩良先生（行政總裁）
薛強先生

獨立非執行董事：

丁鐵翔先生
陳志權先生
盧振邦先生

至本年報日期止，董事會成員並無變動。各董事之簡歷詳情載於第8至11頁「董事及高級管理層」一節。

RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board is primarily responsible for overseeing and managing the Company's affairs, including the responsibilities for the adoption of long-term strategies and appointing and supervising senior management to ensure that the operation of the Group is conducted in accordance with the objective of the Group.

The Board is also responsible for determining the Company's corporate governance policies which include:

- (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 Directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) to review the Company's disclosure in the Corporate Governance Report.

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these Board committees are governed by the Company's articles of association as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the articles of association). With the new composition of members of the nomination committee, the remuneration committee and the audit committee, the independent non-executive Directors will be able to effectively devote their time to perform the duties required by the respective Board committees.

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with shareholders, Board membership, delegation of authority and corporate governance.

董事會及管理層之責任

董事會主要負責監督及管理本公司事務，包括負責採納長遠策略以及委任與監督高級管理層，以確保本集團的運作按本集團的目標進行。

董事會亦須負責釐定本公司的企業管治政策，包括：

- (i) 制訂及審議本公司的企業管治政策及常規；
- (ii) 審議及監察董事及高級管理層的培訓及持續專業發展；
- (iii) 審議及監察本公司在遵守法律及監管規定方面的政策及常規；
- (iv) 審議及監察適用於僱員及董事的操守守則及合規手冊（如有）；及
- (v) 審閱本公司於企業管治報告中作出的披露。

儘管在任何時間下，董事會在履行其職責時均對引領及監督本公司負上全部責任，惟董事會已設立多個董事會委員會處理本公司各方面的事務，並已將若干責任指派予有關委員會。除非經董事會批准的相關書面職權範圍另有訂明，該等董事會委員會受本公司組織章程細則以及董事會的政策及常規（以不與組織章程細則所載條文有所抵觸為限）規管。提名委員會、薪酬委員會及審核委員會的新成員組合，將可讓獨立非執行董事更有效地投放時間履行各董事會委員會規定的職務。

董事會亦已將執行其策略及日常營運的責任指派予本公司管理層，在執行董事領導下進行。本公司已對須由董事會決定的事宜作出清晰指引，有關事宜包括（其中包括）資本、融資及財務匯報、內部監控、與股東溝通、董事會成員、授權及企業管治事宜。

The Chief Financial Officer and/or Company Secretary or secretary of the board committee attended all regular Board Meetings and Board Committee Meetings to advise on accounting and financial, corporate governance and statutory compliance matters. Senior management has formal or informal contact with the Board Members as and when necessary.

Board papers and minutes are made available for inspection by the Directors and Board Committee Members upon reasonable request. The Company responded as promptly as possible to any queries raised by the Directors.

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of financial position and financial performance of the Group. The financial statements set out on pages 73 to 155 were prepared on the basis set out in note 2 to the financial statements. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements. The declaration of reporting responsibility issued by the external auditors of the Company on the financial statements is set out in the Independent Auditors' Report on pages 66 and 72.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board and at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence. The Company has also received a written confirmation from each of the independent non-executive Directors in respect of their independence. The Company considers all independent non-executive Directors to be independent in accordance with the independence requirements set out in Rule 3.13 of the Listing Rules.

The independent non-executive Directors take an active role in Board meetings, contribute to the development of strategies and policies and make sound judgment in various aspects. They will take lead when potential conflicts of interest arise. They are also members of various Board committees and devote sufficient amount of time and attention to the affairs of the Company.

本公司首席財務總監及／或公司秘書或委員會秘書出席所有董事會及董事委員會之定期會議，就會計及財務、企業管治及遵守法定規例事宜提供意見。有需要時，高級管理人員與董事會保持正式及非正式接觸。

在任何董事發出合理要求下，董事會文件及會議紀錄可供董事及董事委員會委員查閱。董事提出任何問題，本公司盡快作出回應。

董事會知悉其有責任編製真實及公平反映本集團財務狀況及財務表現的財務報表。第73至155頁所載的財務報表乃按財務報表附註2所載基準編製。本集團財務業績會根據法定及／或監管規定適時公佈。本公司外聘核數師就財務報表出具的報告職責聲明載於第66至72頁的獨立核數師報告。

獨立非執行董事

年內，董事會於任何時間均符合上市規則有關董事會須委任最少三名獨立非執行董事，佔董事會人數至少三分之一以及其中最少一名獨立非執行董事具備合適之專業資格或會計或有關財務管理專業知識之規定。

於彼等各自獲委任之前，各獨立非執行董事已向聯交所提交確認彼等獨立性之書面聲明，並已承諾在出現任何可能影響彼等獨立性之後續變動時在可行情況下盡快通知聯交所。本公司亦已收到各獨立非執行董事就彼等獨立性之書面確認。本公司認為，根據上市規則第3.13條所載獨立性規定，所有獨立非執行董事均符合獨立規定。

獨立非執行董事在董事會會議上擔當積極的角色，可為制訂策略及政策作出貢獻，並就各個方面之事項作出可靠判斷。彼等會於潛在利益衝突出現時發揮牽頭引導作用。彼等亦出任多個董事委員會之成員，並在本公司事務上投入足夠時間及精力。

BOARD MEETINGS

The Board is scheduled to meet regularly at least four times a year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. Notices of not less than fourteen days will be given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular board meetings.

Apart from formal meetings, matters requiring Board approval were arranged by means of circulation of written resolutions.

The attendance of individual Directors at Board Meetings (BM), Audit Committee Meetings (ACM), Nomination Committee Meetings (NCM), Remuneration Committee Meetings (RCM) and Annual General Meeting (AGM) during the financial year is set out below:

Directors 董事	BM 董事會 會議	Meetings attended/Eligible to attend 出席會議／合資格出席會議				AGM 股東週年 大會
		ACM 審核委員會 會議	NCM 提名委員會 會議	RCM 薪酬委員會 會議		
Executive Directors 執行董事						
NANG Qi 曩麒	5/6	–	1/1	1/1	–	
CHEN Peiliang 陳佩良	6/6	–	1/1	1/1	1/1	
XUE Qiang 薛強	3/6	–	–	–	1/1	
Independent Non-executive Directors 獨立非執行董事						
TING Tit Cheung 丁鐵翔	6/6	2/2	1/1	1/1	1/1	
CHAN Chi Kuen 陳志權	6/6	2/2	1/1	1/1	1/1	
LO Chun Pong 盧振邦	6/6	2/2	1/1	1/1	1/1	

GENERAL MEETINGS

Pursuant to code Provision A.6.7 of the Code, independent non-executive Directors should attend the annual general meeting of the Company to develop a balanced understanding of the views of the shareholders. All independent non-executive Directors attended the annual general meeting of the Company held on 31 July 2018.

董事會會議

董事會定期舉行會議(至少四次,約每季一次),並於會上討論本公司之整體策略及經營和財務方面之表現。其他董事會會議於需要時才舉行。該等董事會會議須由大部分董事親身或透過其他電子通訊方式積極參與。所有董事會例行會議通知會於會議舉行前至少十四日送呈全體董事,以使彼等能有機會出席例行董事會會議並於會議議程內加載有關事宜。

除正式會議外,須董事會批准的事宜則以傳閱書面決議案方式處理。

於本財政年度內,個別董事於董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議及股東週年大會的出席率如下:

股東大會

根據該守則第A.6.7條守則條文,獨立非執行董事應出席本公司股東週年大會以對股東的意見有公正的了解。所有獨立非執行董事均已出席本公司於2018年7月31日舉行之股東週年大會。

CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors attended training sessions which place emphasis on the roles, functions and duties of a listed company director.

All Directors have provided record of training attendance and the Company will continue to arrange and/or fund the training in accordance with the Code Provisions.

According to the records of training maintained by the Company Secretary, during the financial year under review, all the current Directors pursued continuous professional development and relevant details are set out below:

Directors
董事

Executive Directors
執行董事

NANG Qi 曩麒
 CHEN Peiliang 陳佩良
 XUE Qiang 薛強

Independent Non-executive Directors
獨立非執行董事

TING Tit Cheung 丁鐵翔
 CHAN Chi Kuen 陳志權
 LO Chun Pong 盧振邦

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision A.2.1 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Since 17 February 2017, Mr. Nang Qi was appointed as the chairman to provide leadership to the Board and Mr. Chen Peiliang was appointed as the chief executive officer.

持續專業發展

董事參與培訓課程，相關培訓課程着重上市公司董事的角色、職能及責任。

所有董事已提供參加培訓的記錄，公司也將繼續依據守則條文安排及／或者提供相應培訓。

根據公司秘書所保存的培訓記錄，於本財政年度內所有現任董事皆有參與持續專業發展，茲將相關資料列述如下：

Type of Trainings 培訓類別	
attending seminars and/or conferences and/or forums 出席研討會及／ 或議會及／ 或論壇	reading journals, updates, articles and/or materials, etc 閱讀期刊、最新 資訊、文章及／ 或資料等等
	✓
	✓
	✓
	✓
	✓
	✓
	✓

主席及行政總裁

根據上市規則附錄十四所載的企業管治守則及企業管治報告的守則條文第A.2.1條，主席與行政總裁的職責應有區分，並不應由一人兼任。自2017年2月17日，曩麒先生獲委任為主席領導董事會，而陳佩良先生則獲委任為行政總裁。

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Article of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive Directors. The appointments letters of independent non-executive Directors have been renewed on 10 February 2019.

Each of the executive Directors has entered into a service contract with the Company and each of the independent non-executive Directors has signed a letter of appointment with the Company. Such term is for an initial term of three years for the executive Directors and one year for the independent non-executive Directors commencing from the Listing Date, subject to re-election.

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

At each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors.

BOARD COMMITTEES

The Board has established three committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All of these three committees of the Board are established with defined written terms of reference. The majority of the members of the Nomination Committee, Remuneration Committee and all members of the Audit Committee are independent non-executive Directors. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

董事之委任、重選及罷免

董事委任、重選及罷免程序及過程載於本公司組織章程。提名委員會負責檢討董事會架構，發展及制定提名及委任董事的相關程序，監察董事委任及繼任安排以及評估獨立非執行董事的獨立性。獨立非執行董事之委任函件已於2019年2月10日重新續任。

所有執行董事均與本公司訂立服務合約，以及所有獨立非執行董事均與本公司簽訂委任函件。自上市日期起，對執行董事及獨立非執行董事而言，相關條款的初始年期分別為三年及一年，惟需接受重選。

董事會有權隨時或不時委任任何人士為董事，以填補董事會臨時空缺或出任現行董事會的增任董事，惟不能超過股東於股東大會決定的董事最高人數限制(如有)。董事會委任的任何以填補臨時空缺的董事任期於其獲委任後僅至本公司首次股東大會為止，且於相關會議上膺選連任。董事會委任的任何出任現行董事會的增任董事的任期僅至本公司下屆股東週年大會為止，且彼等屆時合資格膺選連任。

在每屆股東週年大會上，當時三分之一董事將輪值告退。然而，倘董事人數並非三的倍數，則須為最接近但不少於三分之一的人數。

董事會委員會

董事會已成立三個委員會，分別是提名委員會、薪酬委員會及審核委員會，以監管本公司特定範疇的事宜。董事會所有該等三個委員會乃根據已界定書面職權範圍成立。提名委員會及薪酬委員會的大部分成員均為獨立非執行董事，而審核委員會全體成員均為獨立非執行董事。董事會委員會均獲提供足夠資源，以履行其職務，倘提出合理要求後，可於適當情況下尋求獨立專業意見，費用由本公司承擔。

NOMINATION COMMITTEE

The Company established a nomination committee pursuant to a resolution of the Directors on 10 February 2015 with written terms of reference in compliance with paragraph A.5.1 of Appendix 14 of the Listing Rules. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The primary duties of the nomination committee include, but not limited to (i) to review the structure, size and composition of the Board on regular at least annually; (ii) identify individuals suitably qualified to become Board members; (iii) assess the independence of independent non-executive Directors; and (iv) make recommendations to the Board on relevant matters relating to the appointment or reappointment of Directors.

The nomination committee comprises three independent non-executive Directors, namely Mr. Ting Tit Cheung, Mr. Chan Chi Kuen, and Mr. Lo Chun Pong, and two executive Directors, namely, Mr. Nang Qi and Mr. Chen Peiliang. The chairman of the Nomination Committee is Mr. Nang Qi.

The Nomination Committee will conduct meeting at least once a year.

When identifying suitable candidates for directorship, the nomination committee will carry out the selection process by making reference to the skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company's needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rule 3.08 and Rule 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

BOARD DIVERSITY

Under the Board Diversity Policy adopted by the Board, the Company recognises and embraces the benefits of having a diverse Board towards enhancement of overall performance. With a vision to achieving a sustainable and balanced development, the Company regards increasing diversity at the Board level as an essential element in achieving a diversity of perspectives and supporting the attainment of its strategic goals. Appointments of directors are made on merits while having due regard for the benefits of diversity of the Board.

At present, half of the directors on the Board are independent non-executive Directors. They represent diverse career experience in various enterprises. They bring with them diverse professional backgrounds. The board composition reflects various cultural and educational backgrounds, professional development, length of service, knowledge of the Company and a broad range of individual attributes, interests and values. The Board considers the current line-up has provided the Company with a good balance and diversity of skills and experience for the requirements of its business. The Board will continue to review its composition from time to time taking into consideration board diversity for the requirements and benefits of the Company's business.

提名委員會

本公司根據2015年2月10日之董事決議成立了提名委員會，並根據上市規則附錄十四第A.5.1段以書面釐定其職權範圍。其職權範圍可於本公司及聯交所網站取得。

提名委員會的主要職責包括但不限於：(i) 至少每年定期檢討董事會的架構、大小和組成；(ii) 物色具備合適資格成為董事會成員的人選；(iii) 評核獨立非執行董事的獨立性；以及(iv) 就有關董事委任或者連任的事宜向董事會提供建議。

提名委員會由三名獨立非執行董事(即丁鐵翔先生、陳志權先生及盧振邦先生)及兩名為執行董事(即曩麒先生及陳佩良先生)組成。提名委員會主席為曩麒先生。

提名委員會將至少每年舉行一次會議。

在物色合適的董事候選人時，提名委員會將會根據候選人的技能、經驗、教育背景、專業知識、個人誠信和承諾時間，以及根據本公司需求和該職位所須遵循的其他相關法律法規的要求來執行選拔程式。所有候選人必須能夠滿足上市規則第3.08及3.09條所規定之標準。將被委任為獨立非執行董事的候選人亦須滿足上市規則第3.13條規定的獨立性標準。合資格的候選人將推薦董事會批准。

董事會多元化

根據董事會採納的《董事會成員多元化政策》，本公司明白並深信一個成員多元化的董事會對提升整體表現裨益良多。為達致可持續的均衡發展，本公司董事會層面日益多元化是達致多元化觀點及支援本公司達到策略目標的關鍵元素。董事的委任均以用人唯才為原則，充分顧及董事會成員多元化所帶來的裨益。

目前，董事會內有半數董事為獨立非執行董事。彼等具有不同企業發展事業的多方面經驗，把不同領域的專業背景帶入董事會。董事會成員組合反映不同的文化及教育背景、專業發展、服務任期、對本公司的認識，以及廣泛的個人特質、興趣和價值觀。董事會認為目前的成員組合為本公司提供了切合本公司業務的均衡及多元化技能和經驗。董事會會繼續不時檢討其成員組合，按本公司的業務需要及裨益考慮董事會多元化。

REMUNERATION COMMITTEE

The Company established a remuneration committee pursuant to a resolution of the Directors passed on 10 February 2015 with written terms of reference in compliance with Rule 3.25 and Rule 3.26 of the Listing Rules. The written terms of reference of the remuneration committee was adopted in compliance with the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The primary duties of the remuneration committee include, but are not limited to: (i) making recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group and (ii) ensuring none of the Directors determine their own remuneration. The emoluments of executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company's performance and prevailing market conditions.

The remuneration policy of independent non-executive Directors is to ensure that the independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of independent non-executive Directors are determined with reference to their skills, experience, knowledge, duties and market trends. As at the date of this annual report, the remuneration committee consists of three independent non-executive Directors namely Mr. Ting Tit Cheung, Mr. Chan Chi Kuen, Mr. Lo Chun Pong and two executive Directors, namely Mr. Nang Qi and Mr. Chen Peiliang. The Chairman of the Remuneration Committee is Mr. Ting Tit Cheung. Details of remuneration of Directors are set out in note 9 to the financial statements.

Up to 31 March 2019, there was no change in the policy and structure of the remuneration of the Directors and senior management. The Remuneration Committee will meet at least once a year for reviewing the remuneration policy and structure and making recommendations to the Board on determining the annual remuneration packages of the executive Directors and the senior management and other related matters.

AUDIT COMMITTEE

The Company established an Audit committee pursuant to a resolution of the Director passed on 10 February 2015 with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules. A revised set of terms of reference of the Audit Committee (the "Revised Audit Committee Terms of Reference") has been adopted by the Company during the year to get in line with the recent amendments to the Code Provisions. The Revised Audit Committee and the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants. The Terms of Reference are available on the websites of the Company and the Stock Exchange.

薪酬委員會

本公司根據於2015年2月10日通過的董事決議成立了薪酬委員會，並根據上市規則第3.25及3.26條以書面釐定其職權範圍。薪酬委員會書面職權範圍已參照守則條文獲採納。其職權範圍可於本公司及聯交所網站取得。

薪酬委員會的主要職責包括但不限於：(i) 就本集團全體董事及高級管理層的整體薪酬政策及架構向董事會作出推薦意見，以及(ii) 確保董事並無自行釐定薪酬。執行董事的薪酬乃基於其技能、知識、個人表現及貢獻、該董事責任及職責的範圍，並考慮到本公司的業績表現及市場行情釐定。

獨立非執行董事的薪酬政策是要確保獨立非執行董事對參與公司事務包括其參加各董事委員會所作出的努力以及付出的時間得到充分的補償。獨立非執行董事的薪酬乃根據其技能、經驗、知識、責任及市場趨勢釐定。於本年報日期，薪酬委員會包括三名獨立非執行董事（即丁鐵翔先生、陳志權先生及盧振邦先生）及兩名為執行董事（即曩麒先生及陳佩良先生）。薪酬委員會主席為丁鐵翔先生。董事薪酬詳情載列於財務報表附註9。

至2019年3月31日，董事及高級管理層的薪酬政策及架構並無變化。薪酬委員會每年舉行至少一次會議，以檢討薪酬政策及架構，同時向董事會提出釐定執行董事及高級管理層的年度薪酬待遇以及其他相關事宜的建議。

審核委員會

本公司根據於2015年2月10日通過的董事決議成立了審核委員會，並根據上市規則第3.21及3.22條以書面釐定其職權範圍。本集團於年內採納了一套經修訂的審核委員會職權範圍（「經修訂審核委員會職權範圍」），以符合《企業管治守則》的近期修訂。《經修訂審核委員會職權範圍》與香港會計師公會頒佈的《審核委員會有效運作指引》內載的建議相符。其職權範圍可於本公司及聯交所網站取得。

The primary duties of the audit committee include but are not limited to (i) making recommendations to the Board on the appointment, re-appointment and removal of external auditor, (ii) reviewing the financial statements and material advice in respect of financial reporting and (iii) overseeing the Company's financial reporting, risk management and internal control systems.

In relation to (iii), the audit committee is:

- to review the Company's financial controls, and to review the Company's risk management and internal control systems;
- to discuss the risk management and internal control systems with management and to ensure that management has performed its duty to have effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial functions;
- to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- where an internal audit function exists, to review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- to review the Group's financial and accounting policies and practices;
- to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- to report to the Board on the matters set out in the Corporate Governance Code and Corporate Governance Report (the "Code") in Appendix 14 of the Listing Rules;
- to consider other matters, as required by the Board, to be performed by the Audit Committee.

As at the date of this annual report, the Audit committee consists of three independent non-executive Directors, namely Mr. Chan Chi Kuen, Mr. Ting Tit Cheung and Mr. Lo Chun Pong. The Chairman of the Audit Committee is Mr. Chan Chi Kuen, who holds the appropriate professional qualifications as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules.

審核委員會的主要職責包括但不限於(i)就委任、重新委任及罷免外聘部核數師向董事會提供建議，(ii)審閱財務報表及對本公司財務報告的重大意見及(iii)監察本公司財務報告、風險管理及內部監控系統。

關於第(iii)項，審核委員會負責：

- 檢討本公司之財務監控制度及檢討本公司之風險管理及內部監控制度；
- 與管理層討論風險管理及內部監控制度，確保管理層已履行職責建立有效之制度，包括考慮本公司在會計及財務職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算又是否充足；
- 應董事會之委派或主動就有關風險管理及內部監控事宜之重要調查結果及管理層之回應進行研究；
- 如本公司設有內部核數功能，須檢討內部核數程序，確保內部和外聘核數師之工作得到協調；也須確保內部核數功能在本公司內部有足夠資源運作，並且有適當之地位；以及檢討及監察內部核數功能是否有效；
- 檢討本集團之財務及會計政策及常規；
- 審閱外聘核數師給予管理層之《審核情況說明函件》、核數師就會計記錄、財務賬目或監控制度向管理層提出之任何重大疑問及管理層作出之回應；
- 確保董事會及時回應於外聘核數師給予管理層之《審核情況說明函件》中提出之事宜；
- 就上市規則附錄十四企業管治守則及企業管治報告(「守則」)所載之事宜向董事會匯報；
- 考慮董事會要求審核委員會履行之其他事宜。

於本年報日期，審核委員會包括三名獨立非執行董事(即陳志權先生、丁鐵翔先生及盧振邦先生)。審核委員會主席為陳志權先生，彼擁有上市規則第3.10(2)及3.21條規定的適當專業資格。

As at the date of this annual report, the Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the financial results for the year ended 31 March 2019 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The Audit Committee has held a meeting with the external auditors on 11 June 2019 to (i) review the financial statements for the year ended 31 March 2019; (ii) discuss the internal control and financial reporting matters of the Group; (iii) review the financial statements and the auditor's report and recommend to the board for approval. All members of the committee attended that meeting. The Audit Committee will meet at least twice a year to review the financial results and reports, financial reporting and compliance procedures, the report of the internal auditor on the Company's internal control and risk management review and processes, and the re-appointment of the external auditor. Pursuant to the terms of reference of the Audit Committee of the Company, the minutes of meetings were circulated to all Committee Members. The minutes were kept by the Company Secretary.

Up to the date of this annual report, the Board has not taken a different view from the Audit Committee on the selection, appointment, resignation or dismissal of external auditors.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibilities for keeping proper accounting records and preparing the financial statements of each financial period, which shall give a true and fair view of the financial position of the Group and of the financial performance and cash flows for that period. In preparing the financial statements for the year ended 31 March 2019, the Directors have made judgements and estimates that are prudent and reasonable, and prepared the financial statements on a going concern basis.

The relevant responsibility statement from the external auditors is set out in the Independent Auditors' Report on pages 66 to 72.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules and other regulatory requirements.

The senior management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Group put to the Board for approval.

截至本年報日期，審核委員會已考慮及審閱本集團所採納之會計原則及慣例，並已與管理層討論內部控制及財務申報相關事宜。審核委員會認為，截至2019年3月31日止年度的財務業績符合有關會計準則、規則及規定，並已正式作出適當披露。

審核委員會已於2019年6月11日與外聘核數師舉行會議以(i)審閱截至2019年3月31日止年度之財務報表；及(ii)討論本集團的內部控制及財務報告事宜；(iii)檢討財務報表及核數師報告並推薦董事會批准。委員會全體成員均出席是次會議。審核委員會將每年舉行至少兩次會議，以審閱財務業績及報告、財務申報及合規程序、內部核數師對本公司內部控制及風險管理檢討及過程之報告以及外聘核數師之重新委任。根據本公司之審核委員會之職權範圍，會議紀錄傳閱予全體委員會成員。會議紀錄由公司秘書保存。

至本年報日期止期間，董事會與審核委員會於選擇、委任、辭退或罷免外聘核數師方面並無意見分歧。

董事對財務報告之責任

董事確認其保存適當會計賬簿及編製各財務期間財務報表的責任，財務報表須真實而公平地反映本集團的財務狀況及該期間的財務表現及現金流量。於編製截至2019年3月31日止年度的財務報表時，董事已作出審慎及合理的判斷和估計，並按持續經營基準編製財務報表。

外聘核數師的有關責任聲明載於第66至72頁的獨立核數師報告。

董事會負責根據上市規則及其他法定規定，對年報及中期報告、內幕消息公告及其他財務披露事宜呈列公正清晰及可理解的評估。

高級管理層已向董事會提供必要的說明及資料，以便董事會就本集團財務資料及狀況作出知情評估，以供董事會審批。

The basis on which the Company generates or preserves value over the longer term and the strategy for delivering its objectives are explained in the “Management Discussion and Analysis” set out in pages 12 to 19 in this report.

The section of “Management Discussion and Analysis” has explained the factors affecting business performance and outlook of the Group. Financial statements have been presented in accordance with the disclosure requirements of Listing Rules, Hong Kong Financial Reporting Standards and the Hong Kong Companies Ordinance.

AUDITOR'S REMUNERATION

For the year ended 31 March 2019, the total remuneration paid or payable to the Company's auditors, PricewaterhouseCoopers, for annual audit services totaling approximately HK\$1.7 million.

Analysis of remuneration paid or payable to PricewaterhouseCoopers is set out below:

Items of auditor's services	核數師服務項目
Audit Services	審核服務
Annual audit service	年度審核服務
Total	總計

COMPANY SECRETARY

Mr. Chau Chi Lai was appointed on 18 May 2015 to be our company secretary.

Mr. Chau is also our company's chief financial officer, Mr. Chau has day-to-day knowledge of the Company's affairs. His appointment and removal is subject to Board's approval. All Directors have access to the advice and services of the company secretary to ensure the Board procedures, and all applicable law, rules and regulations, are followed. For the financial year ended 31 March 2019, the company secretary has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

本公司據以長遠產生及保障價值的基準及為實現其目標的策略於本報告第12至19頁的「管理層討論及分析」中解釋。

「管理層討論及分析」一節已解釋影響本集團之業務表現及之因素及展望。財務報表已根據上市規則、香港財務報告準則及香港公司條例規定作出披露。

核數師酬金

截至2019年3月31日止年度，本公司就年度審核服務已付或應付本公司核數師羅兵咸永道會計師事務所的酬金總額約為1.7百萬港元。

有關已付或應付羅兵咸永道會計師事務所有限公司的酬金分析載列如下：

31 March 2019 2019年3月31日	31 March 2018 2018年3月31日
HK\$'000 千港元	HK\$'000 千港元
1,743	1,719
1,743	1,719

公司秘書

周智禮先生於2015年5月18日獲委任為我們的公司秘書。

周先生亦為本公司首席財務總監，熟悉本公司日常事務。其委任及解僱須經由董事會批准。全體董事均取得公司秘書的意見及服務，以確保已依循董事會程序及所有適用法律、規則及法規。截至2019年3月31日止財政年度，公司秘書已遵循上市規則第3.29條，接受不少於15個小時的相關職業培訓。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for the Group's risk management and internal control systems to safeguard the interests of the Company and its shareholders as a whole. To this end, the Board oversees and approves the Group's risk management and internal control strategies and policies, which are aimed at evaluating and determining the nature and extent of the risks that are compatible with the Group's strategic objectives and risk appetite, with the main purpose for provision of reasonable assurance against material misstatement or loss rather than absolute elimination of the risk of failure to achieve business objectives.

Reporting to the Board, the Audit Committee is delegated with the authority and responsibility for ongoing monitoring and evaluation of the effectiveness of the relevant systems. In December 2015, the terms of reference of the Audit Committee were updated to formally incorporate the risk management into its scope of duties.

Areas of responsibility of each business units are clearly defined with specific limits of authority in place to ensure effective segregation of duties. Procedures have been designed for safeguarding assets against unauthorised use or disposition, maintenance of proper accounting records, assurance of the reliability of financial information for internal use or publication and compliance with relevant legislation and regulations. Risk management system, internal control measures and procedures are continuously under review and being improved where necessary in response to changes in business, operating and regulatory environments. Furthermore, a Whistleblowing Policy has been adopted by the Group, with the authority and responsibility being delegated to the Audit Committee. Such Whistleblowing Policy is for employees and those who are in business with the Group such as customers and suppliers to raise concerns, in confidence, with our Internal Audit and any and all relevant complaints received may then be referred to the Audit Committee and/or Co-chairman of the Company about possible improprieties in any matter related to the Group.

During the financial year ended 31 March 2019, the Audit Committee has conducted a review of the effectiveness of the Group's risk management and internal control systems and procedures covering all controls, including financial, operational and compliance and risk management, and the adequacy of resources, qualifications, experience and training of staff of the Company's financial reporting and treasury function. Confirmations from management in the form of certification that risk management and internal control procedures are functioning effectively to meet the respective financial reporting, operational and compliance needs, are submitted by business unit heads and reporting to the Audit Committee.

Based on the result of the review as reported by the Audit Committee, in respect of the financial year ended 31 March 2019, the Directors considered that the risk management and internal control systems and procedures of the Group were effective and adequate.

風險管理及內部監控

董事會對本集團的風險管理及內部監控系統承擔全部責任，以保障本公司及其股東的整體利益。為此，董事會監督及審批本集團的風險管理及內部監控策略與政策，相關策略與政策旨在評估及釐定風險性質及程度符合本集團的策略目標及風險承受能力，主要目的是合理地保證不會出現重大誤述或損失，而非絕對地消除未能達成業務目標的風險。

向董事會匯報的審核委員會獲授權責持續監察及評估相關系統是否有效。審核委員會的職權範圍在2015年12月予以更新，正式將風險管理納入職責範圍。

每個業務單位的責任範圍及權力限制有明確界定以確保有效地分配工作。本集團已設計了若干程序，以保障資產不會在未經授權下被挪用或出售、妥善保存會計記錄、確保供內部使用或向外公佈的財務資料均屬可靠，以及符合有關法例及規例。風險管理系統、內部監控措施及程序會持續予以檢討，於有需要時作出改善，以應對業務、經營及監管環境的更變。此外，本集團已採納《舉報政策》，並將權責轉授審核委員會。《舉報政策》讓僱員及其它與本集團有往來者（如客戶及供應商）當遇到集團內任何懷疑不當行為時，可在保密情況下，向審核委員會提出彼等關注的事宜，而接獲的任何及所有相關投訴會被轉介本公司審核委員會及／或聯席主席。

在截至2019年3月31日止財政年度內，審核委員會在風險管理及內部監控委員會和部門風險管理及內部監控委員會的協助下，已對本集團的風險管理及內部監控系統及程序是否有效作出檢討，檢討範圍涵蓋所有方面的監控，包括財務監控、運作監控、合規及風險管理監控，以及本公司在會計及財務匯報職能方面的（其中包括）資源、員工資歷及經驗是否足夠及員工所接受的培訓是否充足。業務單位主管已呈交管理層以核證方式確認風險管理及內部監控程序行之有效，符合財務匯報、營運及合規需要，向審核委員會匯報。

根據審核委員會的檢討結果，董事認為本集團截至2019年3月31日止財政年度的風險管理及內部監控系統及程序為有效及足夠。

INTERNAL AUDIT DEPARTMENT

The Internal Audit Department reviews the effectiveness of the internal control system. The Internal Audit Department carries out an annual risk assessment on each identified audit area and devises an annual audit plan according to the nature of business and risk exposures, and the scope of work includes financial and operational reviews. The audit plan is reviewed and agreed by the Audit Committee. In addition to the agreed schedule of work, the Internal Audit Department conducts other review and investigative work as may be required. The Audit Committee receives summary reports from the Internal Audit Department periodically while the results of internal audit reviews and responses to the recommended corrective actions are also reported to the executive Directors. The Internal Audit Department is also responsible for following up the corrective actions to ensure that satisfactory controls are maintained.

CONFLICTS OF INTEREST DECLARATION

The Group adopted conflict of interest declaration policy as one of the important internal control procedures. Employees are required to provide annual declaration of conflict of interest, and strictly comply with the policy to ensure that the Group and its customers, business partners, shareholders, employees and business community of the transactions and dealings are in line with the highest standards of business conduct and ethics.

WHISTLEBLOWING POLICY

The Group established a whistleblowing policy for employees under confidentiality to file complaint and report any suspected misconduct, fraud and irregularities, in an orderly manner. The Internal Audit Department is responsible for receiving, reviewing complaint and report, to investigate, to draw conclusion and to make appropriate recommendations for improvement, and inform the relevant departments senior management to implement corrective action. Internal Audit Department reports twice a year their findings on complaints to the Audit Committee.

SHAREHOLDERS' RIGHTS

Pursuant to the Company's Articles of Association, shareholder(s) holding not less than one-tenth of the Company's paid-up capital at the end of deposit of requisition and having the right to vote at general meetings can submit a requisition to convene an Extraordinary General Meeting ("EGM").

Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

內部審核部

內部審核部檢討內部監控環境之效能。內部審核部對各認定之審核單位作出年度風險評估，並按照其業務性質及潛在風險，以及工作範圍（包括財務及營運檢討）訂立年度審核計劃。該審核計劃需經審核委員會審批及同意。此外，內部審核部除執行既定之工作外，亦需執行其他檢討或調查性質之工作。審核委員會定期收納內部審核部之摘要報告，而內部審核的結果及相應的糾正行動建議亦需向執行董事匯報。內部審核部亦負責跟進有關糾正行動的執行情況，確保監控工作令人滿意。

利益衝突申報

本集團設立利益衝突申報政策，為集團內部監控程序的重要部份。僱員需每年書面確認利益衝突申報書，並嚴格遵守利益衝突政策以確保本集團與顧客、商業夥伴、股東、僱員及商業社群之交易與往還均符合最高的商業行為及道德標準。

舉報政策

本集團設立舉報政策讓員工在保密情況下依據程序提出申訴及舉報任何懷疑不當行為、舞弊及違規情況。內部審核部負責接收，審核申訴和舉報，調查及結案提出相應的改善建議，並通知有關部門的高級管理人員實行糾正行動。內部審核部每年兩次向審核委員會匯報所接獲申訴的調查結果。

股東權利

根據本公司之章程細則，於提交要求結束時持有本公司繳足股本不少於十分之一且有權於股東大會上投票之股東可提交一項呈請，要求召開股東特別大會（「股東特別大會」）。

有關要求須以書面向董事會或公司秘書提出，述明要求董事會召開股東特別大會以處理要求內訂明的任何業務交易。該大會須於該項要求遞呈後兩個月內舉行。倘於有關遞呈後21日內，董事會未有召開該大會，則遞呈要求人士可以相同方式召開大會，遞呈要求人因董事不能召開會議而就此產生的所有合理開支將由本公司償還予遞呈要求人。

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, namely, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or the principal place of business of the Company in Hong Kong at Unit 3701-09, 37/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. Shareholders who wish to put enquiries to the Board can send their enquiries to the Company Secretary who will ensure these enquiries to be properly directed to the Board. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Corporate communication of the Company will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).

All resolutions put forward at an EGM will be taken by poll pursuant to the Listing Rules. Shareholders who are unable to attend the EGM can appoint proxies to attend and vote at the general meeting. The Chairman of the EGM will provide explanation of the detailed procedures for conducting a poll and then answer questions (if any) from the shareholders regarding voting by way of poll. In addition, the poll results will be posted on the websites of the Company and of the Stock Exchange after the EGM.

INVESTOR RELATIONS AND COMMUNICATION

The Board recognises the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and investing public.

The Company updates its shareholders on its latest business developments and financial performance through its corporate publications including annual reports and public announcements. Extensive information about the Company's activities for the year ended 31 March 2019 has been provided in this annual report. While the Annual General Meeting provides a valuable forum for direct communication between the Board and its shareholders, the Company also maintains its website (www.ktl.com.hk) to provide an alternative communication channel for the public and its shareholders. All corporate communication and Company's latest updates are available on the Company's website for public's information.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2019 and up to the date of this annual report, there has been no significant change in the Company's constitutional documents.

Hong Kong, 11 June 2019

股東應就其股權作出之查詢送交本公司於香港之股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)或本公司之香港主要營業地點(地址為香港中環金融街8號國際金融中心二期37樓3701至09室)。股東如欲向董事會提交查詢,可將有關查詢送交公司秘書,其將確保將有關查詢妥善送達董事會。股東可隨時要求提供本公司可供公眾查閱之資料。本公司將向股東提供以平實語言編製之中、英文版公司通訊,以便於股東理解。股東有權選擇接收公司通訊之語言(英文或中文)或方式(印刷文本或電子文件)。

根據上市規則,於股東特別大會上提呈之所有決議將以投票方式進行表決。無法出席股東特別大會之股東可委任代理人出席並於會上投票。股東特別大會主席將說明投票表決之詳細程序,然後回答股東關於投票表決之問題(如有)。此外,投票表決結果將於股東特別大會結束後刊載於本公司及聯交所網站。

投資者關係及通訊

董事會深知與全體股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。本公司承諾向其股東及公眾投資者公開且及時地披露公司資料。

本公司透過公司刊物(包括年報及公告)為股東提供最新的業務發展及財務表現。本年報提供大量本公司截至2019年3月31日止年度的業務資料。股東週年大會為董事會及其股東提供寶貴的直接溝通機會,而本公司亦透過其網站(www.ktl.com.hk)向公眾及其股東提供另一種溝通渠道。所有公司通訊及本公司的最新資訊均可於本公司的網站供公眾人士查閱。

組織章程文件

於截至2019年3月31日止年度及直至本年報日期止,本公司組織章程文件並未重大變化。

香港, 2019年6月11日

REPORT OF THE DIRECTORS

董事會報告

The Directors present their annual report together with the audited financial statements of the Group for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 1 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The financial performance of the Group for the year ended 31 March 2019 and the financial position of the Group as at 31 March 2019 are set out in the consolidated financial statements on pages 73 to 155.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2019.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 156. This summary does not form part of the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 24 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

No equity-linked agreement which may result in the Company issuing shares was entered into or existed during the financial year.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 76 of this annual report and note 25 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

The Company was incorporated in the Cayman Islands on 6 June 2014. As at 31 March 2019, the Company's distributable reserves, calculated under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$322.0 million.

DONATIONS

During the year, the Group made charitable and other donations amounted to approximately HK\$30,800 (2018: approximately HK\$118,000).

董事呈報年度報告連同本集團截至2019年3月31日止年度的經審核財務報表。

主要業務

本公司的主要業務為投資控股，而本公司旗下附屬公司的主要業務載列於綜合財務報表附註1內。

業績及分配

本集團截至2019年3月31日止年度的財務表現及本集團於2019年3月31日的財務狀況載列於第73至155頁的綜合財務報表。

末期股息

董事會不建議派付截至2019年3月31日止年度之末期股息。

五年財務概要

本集團過往5個財政年度的業績及資產負債概要載列於第156頁。該概要不構成綜合財務報表的一部分。

股本

本公司年內股本變動的詳情載列於綜合財務報表附註24內。

股票掛鈎協議

於本財政年度內概無訂立或存在可能導致本公司發行股份的股票掛鈎協議。

儲備

本集團及本公司於年內的儲備變動詳情分別載於本年報第76頁的綜合權益變動表及綜合財務報表附註25。

可供分派儲備

本公司於2014年6月6日在開曼群島註冊成立。於2019年3月31日，根據開曼群島法例第22章公司法(1961年第三號法例，經綜合及修訂)計算，本公司可供分派儲備約為322.0百萬港元。

捐款

年內，本集團作出慈善及其他捐款約30,800港元(2018年：約118,000港元)。

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

	Percentage of the Group's total	
	Sales	Purchases
The largest customer	25.5%	
Five largest customers in aggregate	87.7%	
The largest supplier		31.9%
Five largest suppliers in aggregate		82.1%

At no time during the Year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

SUBSIDIARIES

The details of the major subsidiaries of the Company are set out in note 1 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 14 to the consolidated financial statements.

BORROWINGS

As at the balance sheet date, the Group has no borrowing.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company who hold office during the year and up to the date of this report are:

Executive Directors

Mr. NANG Qi (*Chairman*)
Mr. CHEN Peiliang (*Chief Executive Officer*)
Mr. XUE Qiang

Independent non-executive Directors

Mr. TING Tit Cheung
Mr. CHAN Chi Kuen
Mr. LO Chun Pong

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 27 January 2017, which may be terminated by, not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of our Directors as set forth in the Articles of Association.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of one year commencing from 10 February 2017, subject to retirement by rotation and re-election at annual general meeting and until terminated by not less than three months' notice in writing served by either party on the other. The appointments letters of independent non-executive Directors have been renewed on 10 February 2019.

主要客戶及供應商

有關本集團主要客戶及供應商於本財務年度分別應佔之銷售額及採購額之資料如下：

	佔本集團下列總額之百分比	
	銷售額	採購額
最大客戶	25.5%	
五大客戶(合共)	87.7%	
最大供應商		31.9%
五大供應商(合共)		82.1%

本公司董事、彼等之聯繫人或就董事所知擁有本公司股本超過5%之任何股東概無於本年度期間任何時間於該等主要客戶及供應商擁有任何權益。

附屬公司

有關本公司主要附屬公司的詳情載於財務報表附註1。

物業、廠房及設備

有關年內物業、廠房及設備變動的詳情載於綜合財務報表附註14。

借貸

於結算日，本集團沒有任何借款。

董事及董事服務合約

年內及截至本報告日期本公司之在職董事如下：

執行董事

龔麒麟先生(主席)
陳佩良先生(行政總裁)
薛強先生

獨立非執行董事

丁鐵翔先生
陳志權先生
盧振邦先生

各執行董事已與本公司訂立服務合約，自2017年1月27日起計為期三年，可由任一方方向另一方發出不少於三個月的書面通知予以終止，惟須遵守當中所載終止條文及組織章程細則所載有關董事輪席退任的條文。

各獨立非執行董事已與本公司簽署委任函，初步任期自2017年2月10日起計為一年，並須於股東週年大會上輪席退任及膺選連任，直至其中一方方向另一方發出不少於三個月的書面通知予以終止。獨立非執行董事之委任函件已於2019年2月10日重新續任。

No Director has a service contract which is not determinable by the Company or any of its subsidiaries within 1 year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and all of them are considered to be independent.

In accordance with the Company's articles of association, one-third of the existing Directors shall retire from office, at the forthcoming annual general meeting.

DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a Director of the Company had a material interest subsisted at the end of the year or at any time during the year.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Group are disclosed in the section headed "Directors and Senior Management" on pages 8 to 11 of this annual report.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which any controlling shareholders (as defined in the Listing Rules) had a material interest subsisted at the end of the year or at any time during the year.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Each of the controlling shareholders has made an annual declaration in respect of their compliance with the terms of non-competition undertaking.

Details of the non-competition undertaking are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

The non-competition undertakings in respect of the controlling shareholders have become effective from the Listing Date.

NON-COMPETITION UNDERTAKING BY EXECUTIVE DIRECTORS

Each of the executive Directors of the Company has made an annual declaration in respect of their compliance with the terms of non-competition undertaking. The non-competition undertakings in respect of the executive Directors have become effective from the Listing Date.

The independent non-executive Directors had reviewed and confirmed that the executive Directors of the Company have complied with the non-competition undertaking and the non-competition undertaking has been enforced by the Company in accordance with its terms.

董事並無與本公司或其任何附屬公司訂立不可於一年內不支付補償(法定補償除外)而終止之服務合約。

根據上市規則第3.13條，本公司已獲各獨立非執行董事發出年度獨立確認書，而彼等全體均屬獨立。

根據本公司組織章程細則，三分之一之現任董事須於應屆股東週年大會退任。

董事之合約權益

在本年度末或年內任何時間，本公司或其控股公司或其任何附屬公司並無訂立本公司董事擁有重大權益之重要合約。

董事及高級管理層之履歷

本集團董事及高級管理層之履歷詳情於本年報第8至11頁「董事及高級管理層」一節披露。

控股股東之合約權益

於年末及年內任何時間，本公司或其控股公司或其任何附屬公司並無訂立任何控股股東(定義見上市規則)於其中擁有重大權益之重要合約。

控股股東之不競爭承諾

各控股股東已就其遵守不競爭承諾條款作出年度聲明。

不競爭承諾詳情載於招股章程「與控股股東的關係」一節。

有關控股股東之不競爭承諾已於上市日期起生效。

執行董事之不競爭承諾

本公司各執行董事已就其遵守不競爭承諾條款作出年度聲明。有關執行董事之不競爭承諾已於上市日期起生效。

獨立非執行董事已審閱及確認本公司執行董事已遵守不競爭承諾及本公司已根據其條款執行不競爭承諾。

NEW BUSINESS OPPORTUNITY

There was no new business opportunity (as defined in the Prospectus headed “Relationship with Controlling Shareholders — Deed of Non-competition”) referred by the controlling shareholders to the Company as provided under the non-competition undertaking.

SHARE OPTION SCHEME

The Company’s existing Share Option Scheme was approved for adoption pursuant to a written resolution of all of our Shareholders passed on 10 February 2015 for the purpose to provide our Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and or providing benefits to eligible participants and for such other purposes as the Board approve from time to time.

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

Purpose

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the Eligible Participants (as defined in paragraph “who may join” below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

Who may join

Our Board may, at its discretion, offer to grant an option to subscribe for such number of new shares as the Board may determine at an exercise price determined in accordance with paragraph “Price of shares” below to the following (the “Eligible Participants”):

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any directors (including executive, non-executive Directors and independent non-executive Directors) of our Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers, agents and related entities to our Company or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to our Company by way of consideration for the grant. Any offer to grant an option to subscribe for shares may be accepted in respect of less than the number of shares for which it is offered provided that it is accepted in respect of a board lot of dealing in shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting the acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

新業務機會

控股股東並無根據不競爭承諾規定向本公司轉介新業務機會(定義見招股章程「與控股股東的關係 — 不競爭契據」一段)。

購股權計劃

根據全體股東於2015年2月10日通過的書面決議案，本公司的現有購股權計劃獲批准採納，令本公司得以靈活的方式給予合資格參與者激勵、獎勵、酬金、報酬及/或福利，以及達致董事會可能不時批准的其他目的。

購股權計劃的主要條款摘要如下：

目的

購股權計劃為股份獎勵計劃，及旨在確認及認可合資格參與者(定義見下文「合資格參與人士」)對本集團作出或可能已向本集團作出的貢獻。購股權計劃將為合資格參與者提供機會於本公司擁有個人利益以達致以下目標：

- (i) 鼓勵合資格參與者為本集團的利益而優化其表現效率；及
- (ii) 吸引及挽留合資格參與者或與彼等保持持續的業務關係，而該等合資格參與者的貢獻乃對或將對本集團的長遠發展有利。

合資格參與人士

董事會可酌情向下列人士(「合資格參與者」)授出購股權，以按下文「股價」段釐定的行使價認購董事會可能釐定之相關數目新股份：

- (i) 本公司或其任何附屬公司之任何全職或兼職僱員、行政人員或高級職員；
- (ii) 本公司或其任何附屬公司之任何董事(包括執行董事、非執行董事及獨立非執行董事)；及
- (iii) 本公司或其任何附屬公司之任何顧問、諮詢人、供應商、客戶、代理及相關實體。

於接納有關購股權時，承授人須向本公司支付1.00港元作為獲授購股權的對價。授出購股權以認購股份的要約所獲接納的認購股份數目可少於要約授出購股權所涉及的股份數目，惟接納的股份數目須為股份在聯交所買賣的一手單位或其完整倍數，且有關數目在一式兩份購股權接納要約文件中清楚列明。倘授出購股權的要約未於任何指定接納日期獲接納，則視為已被不可撤銷地拒絕。

Maximum number of Shares

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering, being 17,260,000 shares, excluding for this purpose shares which would have been issuable pursuant to the Adjustment Option and options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, our Board may:

- (i) renew this limit at any time to 10% of the shares in issue as of the date of the approval by our Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by our Board. The circular issued by our Company to our Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of the shares in issue from time to time. No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph “Other Information — Share Option Scheme — Effect of alterations to capital” in Appendix V to the Prospectus whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

股份數目上限

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份數目上限合共不得超過緊隨全球發售完成後已發行股份總數的10%，即17,260,000股股份，就此而言不包括根據調整權及根據購股權計劃（或本公司任何其他購股權計劃）的條款已失效的購股權原本可發行的股份。待本公司刊發通函並經股東在股東大會上批准及／或符合上市規則不時規定的其他要求後，董事會可：

- (i) 隨時更新該上限至股東在股東大會批准當日已發行股份的10%；及／或
- (ii) 向董事會特別指定的合資格參與者授出超過10%上限的購股權。本公司向股東寄發的通函須包括可獲授該等購股權的指定合資格參與者的一般資料、將予授出購股權的數目及條款以及向指定合資格參與者授出購股權的目的，並解釋該等購股權如何達致該目的，連同上市規則第17.02(2)(d)條規定的資料及第17.02(4)條規定的免責聲明。

儘管有上述規定，因根據購股權計劃及本公司任何其他購股權計劃授出及有待行使的所有尚未行使購股權獲行使而可予發行的股份，在任何時間均不得超過不時已發行股份的30%。倘根據本公司的任何計劃（包括購股權計劃）授出的購股權會導致超出30%上限，則不得授出該等購股權。倘本公司的股本架構出現列載於招股章程附錄五「其他資料 — 購股權計劃 — 股本變動的影響」一段中所述的任何變動（不論通過合併、資本化發行、供股、拆細或削減本公司股本方式），則可能授出的購股權所涉及的股份數目上限須按本公司核數師或認可獨立財務顧問確認為合適、公平及合理的方式作出調整，惟在任何情況下不得超過本段規定的限額。

Maximum number of options to any one individual

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) and the information as required under Rules 17.03(4) and 17.06 of the Listing Rules and/or such other requirements as prescribed under the Listing Rules from time to time; and
- (ii) the approval of our shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his close associates (or his associates if such Eligible Participant is a connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our shareholders' approval and the date of our Board meeting at which our Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. Our Board shall forward to such Eligible Participant an offer document in such form as our Board may from time to time determine.

Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as our Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

- (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

向任何個別人士授出購股權之數目上限

於直至授出日期止任何十二個月期間內，根據購股權計劃及本公司任何其他購股權計劃向每名合資格參與者授出之購股權（包括已行使及尚未行使之購股權）獲行使時已發行及可予發行之股份總數，不得超過於授出日期已發行股份之1%。倘進一步授出超過上述1%限額的購股權，本公司須：

- (i) 發出通函，當中載列合資格參與者的身份、將予授出購股權（及過往授予該參與者的購股權）的數目及條款以及根據上市規則第17.03(4)及17.06條及／或上市規則不時規定的該等其他規定要求的資料；及
- (ii) 經股東在股東大會上批准及／或符合上市規則不時規定的其他要求，而有關合資格參與者及其緊密聯繫人（或倘合資格參與者為關連人士，則其聯繫人）須放棄投票。將授予該參與者的購股權數目及條款（包括行使價）須於股東批准前釐定，而董事會提呈向該合資格參與者授出購股權的董事會會議日期就計算股份認購價而言，須視為購股權授出日期。董事會須向該合資格參與者發出按其可能不時釐定格式編製的要約文件。

股價

根據購股權計劃授出的任何特定購股權所涉股份之認購價由董事會全權酌情決定，惟該價格不得低於下列各項當中最者：

- (i) 股份於授出日期（須為聯交所開市買賣證券的日子）於聯交所每日報價表所報的正式收市價；
- (ii) 緊接授出日期前五個營業日股份於聯交所每日報價表所報的正式收市價平均數；及
- (iii) 股份面值。

Restrictions on the times of grant of Options

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of our Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's annual, half-year, quarterly or other interim period results (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of its annual or half-year, or quarterly or other interim period results (whether or not required under the Listing Rules), and ending on the date of actual publication of the results announcement.

Rights are personal to grantee

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do.

Time of exercise of Option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the Option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by our Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our Company in general meeting or by our Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption. There is no minimum period for which an option must be held before it can be exercised.

Performance target

A grantee may be required to achieve any performance targets as our Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

From the date of adoption of the Share Option Scheme to 31 March 2019, no options were granted under the Share Option Scheme.

授出購股權之時間限制

在發生股價敏感事件後或作出影響股價事件的決定後，本公司不可授出購股權，除非已根據上市規則規定公佈股價敏感資料。尤其於緊接以下日期（以較早者為準）前一個月起至實際刊發業績公佈日期止期間，本公司不可授出購股權：

- (i) 批准本公司年度、半年度、季度或其他中期業績（不論上市規則規定與否）的董事會會議日期（該日期須根據上市規則事先知會聯交所）；及
- (ii) 本公司刊發其年度、半年度、季度或其他中期業績（不論上市規則規定與否）的最後期限。

權利屬承授人個人所有

購股權屬承授人個人所有，可予全部或部分可行使或被視作行使（視乎情況而定）。承授人不可亦不得試圖以任何方式出售、轉讓、押記、抵押任何購股權，或就任何購股權設置產權負擔或以任何第三方為受益人設立任何權益（法定或實益）。

購股權的行使期限及購股權計劃的有效期

購股權可於購股權被視為已授出並獲接納日期起至該日起十年屆滿前期間隨時根據購股權計劃的條款予以行使。購股權的行使期由董事會全權酌情釐定，惟不得超過授出購股權後十年。於購股權計劃獲批准當日起十年後不得授出購股權。除非本公司經由股東大會或經由董事會提前終止，否則購股權計劃自其採納日期起十年內生效及有效。並無規定購股權於行使前須持有的最短期間。

表現目標

根據購股權計劃授出的任何購股權獲行使之前，承授人可能須達到董事會於授出購股權時列明的任何表現目標。

自購股權計劃採納日期起至2019年3月31日，概無根據購股權計劃授出購股權。

Apart from the aforesaid share option schemes, at no time during the year ended 31 March 2019 was any of the Company and its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such right.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES AND INTEREST IN ASSOCIATED CORPORATION

As at 31 March 2019, none of the Directors and chief executives of the Company had any other interests and short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/ OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2019, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Capacity/nature of interest	Number of shares	Approximately percentage of shareholding in our Company
股東名稱	身份／權益性質	股份數目	佔本公司股權的概約百分比
HNA Aviation Investment Holding Company Ltd. (Note 1) (附註1)	Beneficial owner 實益擁有人	129,372,494 (long position) 129,372,494股 (好倉)	74.96%
HNA Aviation (Hong Kong) Holdings Co., Limited 海航航空(香港)控股有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494股 (好倉)	74.96%

除前述購股權計劃外，於截至2019年3月31日止年度，本公司及其控股公司、附屬公司及同系附屬公司並無訂立任何安排，致使董事可透過收購本公司或任何其他團體公司之股份或債券獲取利益，且亦無董事，或彼等之配偶或18歲以下的子女擁有任何權利可認購本公司之股份或債券，或已行使有關權利。

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉及於相聯法團之權益

於2019年3月31日，本公司並無董事及主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債券中擁有任何其他根據證券及期貨條例第XV部第7及8分部須通知本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文被當作或被視作擁有之權益及淡倉)，或根據證券及期貨條例第352條須記入該條所指之股東名冊之權益及淡倉，或根據上市規則所載之標準守則須通知本公司及聯交所之權益及淡倉。

主要股東及其他人士於本公司股份及相關股份中之權益及／或淡倉

於2019年3月31日，就董事所知，以下人士／實體(董事或本公司主要行政人員除外)於本公司股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益及淡倉，或已錄入根據證券及期貨條例第336條本公司須存置的股東名冊內的權益及淡倉如下：

REPORT OF THE DIRECTORS
董事會報告

Name of Shareholder	Capacity/nature of interest	Number of shares	Approximately percentage of shareholding in our Company 佔本公司股權的概約百分比
股東名稱	身份／權益性質	股份數目	
HNA Tourism (International) Investment Group Co., Ltd. 海航旅業(國際)投資集團有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
HNA Tourism International (Hong Kong) Co., Limited 海航旅業國際(香港)有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
HNA Tourism Group Limited 海航旅遊集團有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
HNA Group Co., Ltd. 海航集團有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
Hainan Traffic Administration Holding Co. Ltd. 海南交管控股有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
Tang Dynasty Development (Yangpu) Company Limited 盛唐發展(洋浦)有限公司	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
Hainan Province Cihang Foundation 海南省慈航公益基金會	Interest of a controlled corporation 受控制法團權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%
China Huarong Asset Management Co., Ltd. (Note 2) 中國華融資產管理股份有限公司(附註2)	Security interest 抵押權益	129,372,494 (long position) 129,372,494 股 (好倉)	74.96%

Note:

1. HNA Aviation Investment Holding Company Ltd. is a wholly owned subsidiary of HNA Aviation (Hong Kong) Holdings Co., Limited which is owned as to 51.28% by HNA Tourism (International) Investment Group Co., Limited. HNA Tourism (International) Investment Group Co., Limited is a wholly owned subsidiary of HNA Tourism International (Hong Kong) Co., Limited. HNA Tourism International (Hong Kong) Co., Limited is a wholly owned subsidiary of HNA Tourism Group Limited (“海航旅游集團有限公司”). HNA Group Co., Ltd. owns 69.96% of HNA Tourism Group Limited (“海航旅游集團有限公司”). HNA Group Co., Ltd. is owned as to 70% by Hainan Traffic Administration Holding Co. Ltd.. Hainan Traffic Administration Holding Co. Ltd. is owned as to 50% by Tang Dynasty Development (Yangpu) Company Limited. Tang Dynasty Development (Yangpu) Company Limited is owned as to 65% by Hainan Province Cihang Foundation.

To the best of the Directors’ knowledge, information and belief, Cihang Sino-Western Cultural and Educational Exchange Foundation Limited after 31 August 2018 directly held 100% shareholdings of Pan-American Aviation Holding Company which in turn directly held 98% shareholdings of Tang Dynasty Development Company Limited which in turn directly held 35% shareholdings of Tang Dynasty Development (Yangpu) Company Limited* (盛唐發展(洋浦)有限公司).

2. According to the disclosure of interest notice filed by China Huarong Asset Management Co., Ltd. on 12 September 2017 (“CHAM Notice”), Option Best Holdings Limited (“Option Best”) held direct interest in 129,372,494 underlying Shares and is a wholly-owned subsidiary of Linwear Assets Limited (“Linwear Assets”). Linwear Assets Limited is a wholly-owned subsidiary of Huarong International Financial Holdings Limited (“HIFH”). HIFH is owned as to 51% by Camellia Pacific Investment Holding Limited (“CPIH”). CPIH is a wholly-owned subsidiary of China Huarong International Holdings Limited (“CHIH”). CHIH is held as to 11.90% by Huarong Zhiyuan Investment & Management Co., Ltd. (“HZIM”) and as to 88.10% by Huarong Real Estate Co., Ltd. (“HRE”). Each of HZIM and HRE is a wholly-owned subsidiary of China Huarong Asset Management Co., Ltd.. Accordingly, Linwear Assets, HIFH, CPIH, CHIH, HZIM, HRE and China Huarong Asset Management Co., Ltd. are deemed to be interested in the underlying Shares held by Option Best by virtue of the provisions of the SFO.

Save as disclosed above, as at 31 March 2019, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests and short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

附註：

1. HNA Aviation Investment Holding Company Ltd. 為海航航空(香港)控股有限公司一家全資附屬公司，後者由海航旅業(國際)投資集團有限公司持有 51.28% 權益。海航旅業(國際)投資集團有限公司為海航旅業國際(香港)有限公司的全資附屬公司。海航旅業國際(香港)有限公司為海航旅游集團有限公司的全資附屬公司。海航集團有限公司持有海航旅游集團有限公司 69.96% 權益。海航集團有限公司由海南交管控股有限公司持有 70% 權益，後者由盛唐發展(洋浦)有限公司持有 50% 權益，而盛唐發展(洋浦)有限公司由海南省慈航公益基金會持有 65% 權益。

就董事所知、所悉及所信，慈航東西方文教交流基金會有限公司於 2018 年 8 月 31 日後直接持有 Pan-American Aviation Holding Company 之 100% 股權，而 Pan-American Aviation Holding Company 直接持有盛唐發展有限公司之 98% 股權，而盛唐發展有限公司則直接持有盛唐發展(洋浦)有限公司之 35% 股權。

2. 根據中國華融資產管理股份有限公司於 2017 年 9 月 12 日存檔之權益披露通知(「中國華融通知」)，Option Best Holdings Limited(「Option Best」)持有 129,372,494 股相關股份之直接權益，並為 Linwear Assets Limited(「Linwear Assets」)之全資附屬公司。Linwear Assets 為 Huarong International Financial Holdings Limited(「HIFH」)之全資附屬公司，而 HIFH 由 Camellia Pacific Investment Holding Limited(「CPIH」)擁有 51% 權益。CPIH 為 China Huarong International Holdings Limited(「CHIH」)之全資附屬公司。CHIH 由 Huarong Zhiyuan Investment & Management Co., Ltd.(「HZIM」)及華融置業有限責任公司(「華融置業」)分別持有 11.90% 及 88.10% 權益。HZIM 及華融置業各自為中國華融資產管理股份有限公司之全資附屬公司。因此，根據證券及期貨條例之條文，Linwear Assets、HIFH、CPIH、CHIH、HZIM、華融置業及中國華融資產管理股份有限公司被視為於 Option Best 持有之相關股份中擁有權益。

除上文所披露者外，於 2019 年 3 月 31 日，董事並不知悉有任何其他人士/實體(本公司董事及主要行政人員除外)於本公司股份或相關股份擁有根據證券及期貨條例第 XV 部第 2 及 3 分部須向本公司披露之權益及淡倉，或根據證券及期貨條例第 336 條記入本公司規定存置的股東名冊之權益及淡倉。

COMPETITION AND CONFLICT OF INTERESTS

During the year, none of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, every Director is entitled to be indemnified out of the assets of the Company against all costs, expenses, losses or liabilities, which he may sustain or incur in or about the execution and discharge of the duties of his office, to the extent as permitted by laws.

The Company has maintained directors' liability insurance which has been in force throughout the financial year and up to date of this report to provide appropriate insurance cover for Directors' of the Company.

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

During the year ended 31 March 2019, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding the Company's securities.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 20 to 33 in this annual report.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 11 July 2019, the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited (the "Branch Share Registrar"), will change its address from Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to

**Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong**

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

競爭及利益衝突

年內，並無董事或本公司主要股東或任何彼等各自的聯繫人士從事與本集團業務構成或可能構成競爭的任何業務或與本集團有任何其他利益衝突。

獲准許的彌償條文

根據本公司的組織章程細則，在法律容許的範圍內，各董事有權按其執行及履行職務時可能蒙受或產生的所有成本、開支、虧損及負債獲得從本公司資產中撥付彌償。

本公司為董事續投責任保險，相關保險在本財政年度全年直至本報告日期仍然生效，為本公司董事，提供適當保障。

購買、出售或贖回本公司的上市證券

截至2019年3月31日止年度，本公司及其附屬公司均沒有購買、出售或贖回任何本公司的上市證券。

稅務減免及豁免

董事並不知悉任何因股東持有本公司證券而享有的稅務減免及豁免。

優先購股權

本公司組織章程細則或開曼群島法例並無有關優先購股權的條文致使本公司有責任按比例向現有股東發售新股份。

企業管治報告

有關本集團企業管治常規的詳情，請參閱本年報第20至33頁所載企業管治報告。

更改香港股份過戶登記分處地址

自2019年7月11日起，本公司的香港股份過戶登記分處卓佳證券登記有限公司（「股份過戶登記分處」）的地址將由香港皇后大道東183號合和中心22樓更改為：

**香港
皇后大道東183號
合和中心54樓**

股份過戶登記分處所有電話及傳真號碼將維持不變。

CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the annual general meeting to be held on 31 July 2019, the register of members will be closed from 26 July 2019 to 31 July 2019, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 pm on 25 July 2019.

ANNUAL GENERAL MEETING

The annual general meeting will be held on 31 July 2019. Shareholders should refer to details regarding the annual general meeting in the circular of the Company and the notice of meeting and form of proxy accompanying thereto.

AUDITORS

PricewaterhouseCoopers ("PwC Hong Kong") was appointed as the auditor of the Company at the 2018 AGM and to hold office from the conclusion of the 2019 AGM until the conclusion of the forthcoming AGM of the Company.

The Board confirmed that there was no disagreement between PwC Hong Kong and the Company.

The consolidated financial statements for the year ended 31 March 2019 of the Group have been audited by PwC Hong Kong, who will retire at the forthcoming annual general meeting on 31 July 2019, being eligible, offer themselves for appointment.

By order of the Board

NANG Qi
Chairman

Hong Kong, 11 June 2019

暫停辦理股東登記手續

為確定本公司股東出席將於2019年7月31日舉行的股東週年大會的資格，本公司將於2019年7月26日至2019年7月31日止期間(包括首尾兩日)暫停辦理股東登記手續，期間將不會辦理任何股份過戶登記。為符合資格出席股東週年大會並於會上表決，所有過戶表格連同相關股票，最遲須於2019年7月25日下午四時三十分前送交本公司於香港的股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理登記。

股東週年大會

本公司將於2019年7月31日舉行股東週年大會。有關股東週年大會的詳情，謹請股東參閱本公司的通函及大會通告連同所附代表委任表格。

核數師

羅兵咸永道會計師事務所(「羅兵咸永道」)於2018年股東週年大會上獲委任為本公司核數師，任期自2019年股東週年大會結束起直至本公司應屆股東週年大會結束為止。

董事會確認，羅兵咸永道與本公司之間概無意見分歧。

羅兵咸永道已審核本集團截至2019年3月31日止年度的綜合財務報表，並將於2019年7月31日舉行的股東週年大會上退任，符合資格且願意應聘連任。

承董事會命

龔麟
主席

香港，2019年6月11日

ABOUT THE REPORT

This is the third Environmental, Social and Governance Report (“ESG” Report) of Hifood Group Holdings Co., Limited (“Hifood” or the “Group”), formerly known as KTL International Holdings Group Limited, covering the management approach and performance on environmental and social aspects.

The Board of Directors (the “Board”) acknowledges its responsibility for ensuring the integrity of this report and, to the best of its knowledge, this report addresses all relevant material issues and fairly presents the ESG performance of the Group.

Reporting Guideline

This report has been prepared in compliance with Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It also available in Chinese. In case of any discrepancy between the meanings conveyed by the two versions, the English version shall prevail.

Reporting Period and Scope

The Group principally engages in manufacturing and sale of jewellery products businesses. The data and narrative information included in this report represents the Group’s performance from 1 April 2018 to 31 March 2019. Quantitative environmental data in this report indicates our office-based operations in Hong Kong, while the social and environmental narrative includes operations in both Hong Kong and China.

Feedback

The Group has taken into consideration the interests of its stakeholders to the greatest extent possible in compilation of this report. Your thoughts and feedback regarding what you would like to be incorporated in future reports are welcome. Please contact us at:

Address: Unit 3701–09, 37/F, Two International Finance Centre,
8 Finance Street, Central, Hong Kong
Tel: +852 2627 7088
Fax: +852 2363 8787
Email: enquiry@ktl.com.hk

關於本報告

此乃海福德集團控股有限公司（「海福德」或「本集團」），前稱KTL International Holdings Group Limited之第三份環境、社會及管治報告，涵蓋於環境及社會方面的管理方針及表現。

董事會確認其有責任確保ESG報告的完整性，且就其所深知，本報告闡述了所有相關重大問題，並公平呈列本集團的ESG表現。

報告指引

本報告已遵照香港聯合交易所有限公司證券上市規則附錄27所載的環境、社會及管治報告指引編製。本報告另有中文版。倘兩種版本所傳達的含義之間存在任何差異，概以英文版為準。

報告期間及範圍

本集團主要從事製造及銷售珠寶產品業務。本報告所載的數據及論述資料指本集團於2018年4月1日至2019年3月31日的表現。本報告中的量化環境數據顯示我們在香港辦事處的經營，而社會及環境論述則包括香港及中國的經營。

反饋

本集團在編制本報告時已盡可能考慮其持份者的利益。就希望在未來報告加入的內容，歡迎閣下提出想法及反饋。請透過下列方式與我們聯絡：

地址： 香港中環金融街8號國際金融中心二期37樓3701至09室
電話： +852 2627 7088
傳真： +852 2363 8787
電郵： enquiry@ktd.com.hk

ESG MANAGEMENT APPROACH

As a leading fine jewellery provider, Hifood is committed to delivering the best products and services to its customers. Adhering to its core values, the Group approaches sustainability with systematically formulated policies and practices. While the ultimate responsibility for the sustainability rests with the Board, different business units of Hifood in Hong Kong and China contribute together to management of sustainability, which is coordinated by the Human Resources and Administration (“HR”) Department.



Innovative
創新求進



Team
團結合作



Care & Respect
關懷尊重



Integrity
正直公平



Customer-oriented
客戶至上



Pursuit of Excellence
追求卓越

環境、社會及管治管理方針

作為領先的優質珠寶供應商，海福德致力於向客戶提供最優質的產品及服務。堅持其核心價值，本集團以系統化制定的政策及常規實踐可持續發展。可持續發展的最終責任固然歸於董事會，海福德位於香港及中國的不同業務單位亦為共同管理可持續發展作出貢獻，並由人力資源及行政（「人力資源」）部門從中協調。

Hifood has been striving to minimise the ecological footprint brought by its daily operations. Apart from enforced mitigation measures, we proactively conserve resources by recycling them in our production plants. Evaluation of air pollutants emissions was conducted during the year, and they were found to have met the standards stipulated by the laws. Also, the green-office initiatives implemented in the Hong Kong operations promote the culture of resources saving and enhance awareness of the employees.

We strive to provide high quality jewellery products and services to meet customers' expectations. All raw materials are graded and classified according to the national standard. Being certified with ISO 9001:2015, we have established a series of stringent supplier selection principles and quality assurance procedures. Together with our strong professional services, we aim to maintain our competitiveness in the market.

We cannot be successful without the contribution of our employees. The manufacturing process involves health and safety risks and, therefore, regular safety inspections are conducted to ensure employees are working in a safe environment. To promote diversity in our workforce, we continue to hire individuals with disabilities. The rights of employees are safeguarded with establishment of the labour union and Equality Working Group. By striving to provide a respectful and safe workplace, we make sure our employees are able to align their personal development with our sustainable business goals.

海福德一直努力盡量減少其日常經營產生的生態足跡。除已實行的紓緩措施外，我們通過回收利用生產廠房積極節約資源。年內已進行空氣污染物排放評估，結果顯示符合法律所載標準。此外，我們在香港的經營活動推行的綠色辦公措施，推廣資源節約文化並提升僱員在該方面的意識。

我們努力提供高品質的珠寶產品及服務，以滿足客戶期望。所有原材料均按國家標準評級分類。我們已獲ISO 9001：2015認證，並已建立一系列嚴格的供應商甄選原則及質量保證流程。連同我們強大的專業服務，我們旨在在於保持我們在市場上的競爭力。

沒有僱員的付出，我們不可能取得成功。生產流程會涉及到健康及安全風險，因此，我們定期進行安全檢查，以確保僱員可以在安全的環境中工作。為增加僱員的多樣性，我們繼續聘請傷殘人士。我們已成立工會以及平等工作小組，以保障僱員的權利。通過努力提供相互尊重且安全的工作環境，我們確保僱員的個人發展能與我們的可持續發展業務目標保持一致。

Stakeholder Engagement

Hifood engages with internal and external stakeholders including customers, the government, community, investors and shareholders through various approaches in order to keep abreast of their concerns. The table below indicates the engagement channels with different stakeholders and the issues they concern.

Employees 僱員	Customers 客戶	The Government 政府 Concerned Topics 關注主題	Community 社區	Investors and Shareholders 投資者及股東
<ul style="list-style-type: none"> • Training and development • Occupational health and safety • Remuneration • Workplace discrimination • 培訓及發展 • 職業健康與安全 • 薪酬 • 職場歧視 	<ul style="list-style-type: none"> • Product quality • 產品質量 	<ul style="list-style-type: none"> • Employee protection • Business ethics • 僱員保護 • 商業道德 	<ul style="list-style-type: none"> • Helping people in need • 幫助有需要的人 	<ul style="list-style-type: none"> • Corporate governance • Operational risk • Business operations • Disclosure • 企業管治 • 經營風險 • 業務經營 • 披露
Engagement Channels 參與渠道				
<ul style="list-style-type: none"> • Labour union and Equality Working Group • Intranet and monthly newsletter • Mailbox • Year-end appraisal • 工會以及平等工作小組 • 內聯網及每月通訊 • 郵箱 • 年末考核 	<ul style="list-style-type: none"> • Product advertisements and exhibitions • Feedback from front-line employees • Company website • 產品廣告及展覽 • 前線僱員的反饋 • 公司網站 	<ul style="list-style-type: none"> • Compliance with laws and regulations • 遵守法律法規 	<ul style="list-style-type: none"> • Support charity organisations • 支持慈善組織 	<ul style="list-style-type: none"> • Annual General Meeting • Annual Report and public announcement • ESG report • Company website • 股東週年大會 • 年度報告及公開公告 • 環境、社會及管治報告 • 公司網站

OUR ENVIRONMENT

Hifood, being one of the fine jewellery providers in Hong Kong, is committed to promoting environmental stewardship and sustainability. We embrace principles and practices that help mitigate our environmental footprint.

Environmental Compliance

Hifood takes cognizance of environmental impacts of its production operations in China and office-based operations in Hong Kong. We continuously monitor the processes to ensure compliance of the relevant laws and regulations in the People's Republic of China ("PRC"), including but not limited to the Law of Environmental Protection of the PRC, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, and the Law of the PRC on the Prevention and Control of Water Pollution.

During the year, the Group was not aware of any non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

持份者參與

海福德透過多個不同的方法與包括客戶、政府、社區、投資者及股東在內的內部及外部持份者溝通，以了解他們的關注。下表列出與不同持份者的溝通渠道及其關注的議題。

我們的環境

海福德，作為香港優質珠寶供應商之一，承諾提升環境管理及可持續性發展。我們信奉能在最大限度降低我們環境足跡的準則及常規。

環境合規

海福德認識到其在中國的生產經營及在香港的辦公室經營對環境的影響。我們持續監督流程以確保遵守中華人民共和國（「中國」）的相關法律法規，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國固體廢物污染環境防治法》以及《中華人民共和國水污染防治法》。

年內，本集團並不知悉在廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物方面違反任何相關法律法規並對本集團造成重大影響的事件。

Resources Consumption

At our office in Hong Kong, we consume resources including energy, water and packaging materials during the course of our daily operations. During the year, the Group's total direct and indirect energy consumption was approximately 24,114 litres of petrol and 87,100 kWh of purchased electricity respectively. The total energy consumption was about 1,082 gigajoules, diesel being the major component, contributing almost 71% or 769 gigajoules. The total energy intensity was approximately 30.06 gigajoules/person during the year.

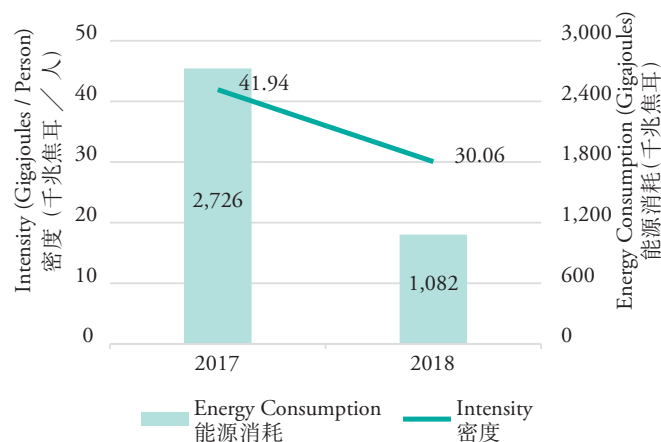
Our operation generates carbon emissions either directly from petrol consumed by vehicles (Scope 1) or indirectly from purchased electricity (Scope 2). During the year, carbon emissions from Scope 1 and Scope 2 were 64.1 tonnes of carbon dioxide equivalent (tCO₂e) (59%) and 44.4 tCO₂e (41%) respectively. The total carbon emissions being about 108.5 tCO₂e and the intensity was approximately 3.02 tCO₂e/person.

資源消耗

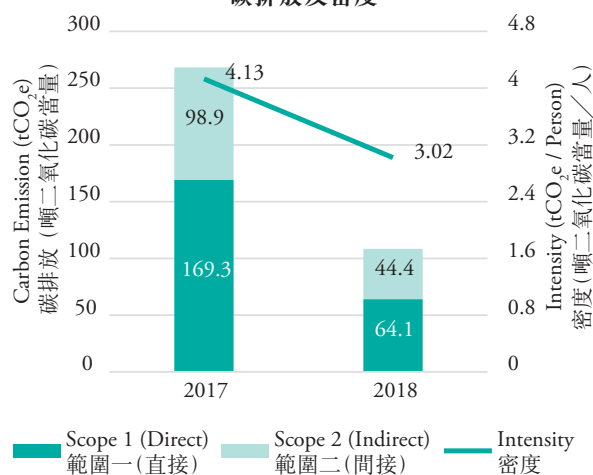
在我們的香港辦公室，我們在日常運營過程中消耗的資源包括能源、水及包裝材料。年內，本集團的直接及間接總能源消耗分別約為24,114升汽油及87,100千瓦時外購電力。總能源消耗約為1,082千兆焦耳，其中柴油是最大的組成部分，約佔71%或769千兆焦耳。年內的總能源密度約為30.06千兆焦耳/人。

我們的營運或因汽車消耗汽油而直接(範圍一)或因外購電力而間接(範圍二)產生碳排放。年內，範圍一及範圍二的碳排放分別為64.1噸二氧化碳當量(59%)及44.4噸二氧化碳當量(41%)。碳排放總量約為108.5噸二氧化碳當量，而密度約為3.02噸二氧化碳當量/人。

Total Energy Consumption and Intensity
總能源消耗及密度

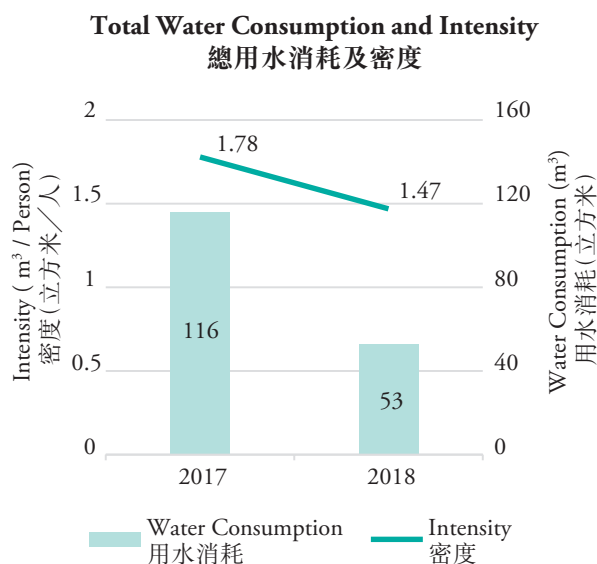


Carbon Emission and Intensity
碳排放及密度



The Group consumed approximately 53 m³ of municipal water for domestic use during the year. The total water intensity was approximately 1.47 m³/person. There were no issues on sourcing of water reported.

本集團年內消耗約53立方米的市政用水作生活用途。總用水密度約為1.47立方米／人，並無收到關於水源問題的報告。



Paper and plastic packaging materials are required for our finished products. In 2019, a total of 1,228 kg of paper and 10 kg of plastic packaging materials were used (2018: 1,400 kg of paper and 20 kg of plastics), the plastics included protective bubble sheets and labels.

我們的製成品需要使用紙及塑料包裝材料。於2019年，我們使用了合共1,228公斤的紙及10公斤的塑料包裝材料(2018年：1,400公斤的紙及20公斤的塑料)，其中塑料包括保護氣泡紙及標籤。

Air Emissions

Consumption of petrol in private cars in Hong Kong operations leads to emission of air pollutants including SO_x, NO_x and particulate matter, amounting to 0.35 kg, 9.55 kg and 0.70 kg respectively.

大氣排放物

香港經營中的私人汽車消耗汽油，導致大氣污染物排放，包括硫氧化物、氮氧化物及懸浮顆粒，分別為0.35公斤、9.55公斤及0.70公斤。

Air Pollutants (kg) 大氣污染物 (公斤)	2018* 2018年*	2019 2019年	Changes 變動
Sulfur oxides (SO _x) 硫氧化物 (SO _x)	0.94	0.35	-62.8%
Nitrogen oxides (NO _x) 氮氧化物 (NO _x)	15.69	9.55	-39.1%
Particulate matter (PM) 懸浮顆粒 (PM)	1.16	0.70	-39.7%

* 2018 data is restated
* 2018的數據為重述

Our plants in China generate exhaust fumes during the process of polishing of jewellery and canteen operations. The fumes pass through a baghouse and a desulphurisation device to remove particles and neutralise acidic sulphuric gases before discharge. We appointed a qualified testing third party for testing and investigating emissions of air pollutants during the year, and they complied with the Level 2 standard of Integrated Emission Standard of Air Pollutants of the PRC.

我們位於中國的廠房於珠寶拋光過程中以及食堂經營會產生廢煙霧。煙霧通過袋濾室及脫硫設備以去除顆粒，並於排放之前中和硫酸性氣體。年內，我們委任合格的測試第三方測試並調查大氣污染物的排放，大氣污染物排放符合《中國大氣污染物綜合排放標準》二級標準。

Green Office Initiatives — Let's GO

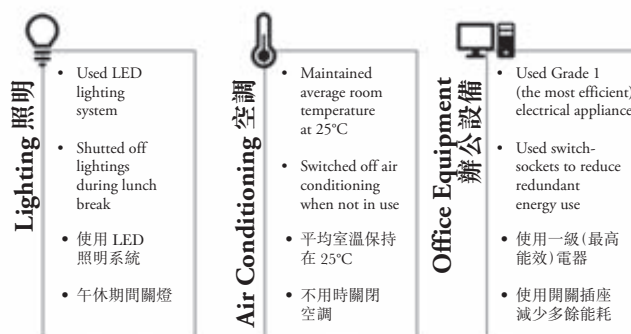
The Group promotes the concept of energy- and resources-saving by participating in “Let's Go”, a green office scheme designed by a consulting firm, for its office-based operations in Hong Kong. This certification scheme aims at embedding environmental sustainability into our daily operations.

Our environmental performance in the office was evaluated under the scheme; results are summarised in the graphs below. After the on-site assessment, stickers and posters were provided, and they were posted at prominent positions to educate our employees to develop greener habits.

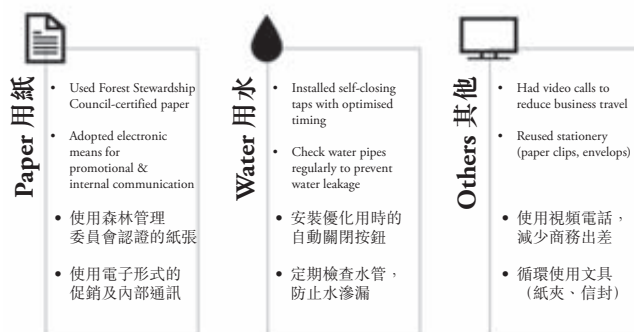
綠色辦公措施 — 綠識空間

本集團為其於香港的辦公室經營業務加入「綠識空間」（一家諮詢公司設計的綠色辦公計劃），推廣能源和資源節約的概念。此認證計劃旨在將環境可持續性發展嵌入到我們的日常經營中。

我們的辦公室環保表現乃根據此計劃評估，其結果概述見下圖。經現場評核後，我們獲提供貼紙及海報並張貼在顯眼的位置，以教育僱員養成更環保的習慣。



Energy conservation initiatives
節能措施



Resources conservation initiatives
資源保護措施

Resources Conservation

Hifood is committed to continuously work to mitigate environmental impacts by reducing its carbon footprint in ways both large and small. We have gradually incorporated sustainability into our daily business operations in both Hong Kong and China, setting out strategies to minimise the usage of resources, as well as to ensure that environmental issues are monitored and well-managed.

Effluent and Waste

Water usage in our China operations involve domestic and production consumption. While we have obtained the water discharge permit from the Guangzhou government, ongoing assessment is conducted on a half-yearly basis.

To reduce water consumption in production processes, we recycle the water used for washing gypsum molds. A small amount of effluents containing metal particles and colorants is generated. A specialised service provider collects the effluent for recycling.

For domestic water, the Group has established facilities to remove more than 80% of pollutants from sewage, such as oil, scrap and organic compounds by the three-level treatment, so that the emission standards for discharge in public utilities are met. Also, we reuse wastewater in water dispensers for cooling purposes in the central air-conditioning system. The Group carefully monitors its discharge to conserve this precious resource and ensures no hazardous effluents are discharged into the neighbourhood.

The production processes in China generate hazardous waste such as organic solvents, acidic and alkaline waste. Hifood has appointed a licensed solid waste collector to handle the waste. Hazardous waste is separately stored and carefully transported to prevent any leakage and nuisance. The performance of the contractor is reviewed on an annual basis, to guarantee the validity of license and consistency of the service throughout the contract period.

The disposal volume was reduced by half during the year. Our office in Hong Kong generated approximately 800 kg non-hazardous waste (2018: 1,600 kg), and there was no hazardous waste involved. The Group has implemented a series of measures for reducing waste generation, for example, recycling old furniture, adopting social media for promotion instead of paper-printing and having four kinds of recycling bins (metals, paper, plastics and glass) in the office.

資源保護

海福德致力在大小方面減少其碳足跡，不懈地努力降低環境影響。我們已逐漸將可持續發展加入到我們在香港及中國的日常業務營運，制定策略以減少資源耗用，及確保環境議題受監控及妥善管理。

污水及廢棄物

我們中國營運業務的用水包含生活用水與生產用水。儘管我們已收到廣州政府頒發的排水許可證，但仍會持續每半年進行評估。

為減少生產過程的用水，我們循環使用清洗石膏模具所用的水。產生少量含有金屬屑以及著色劑的污水，由專門的服務提供商收集污水重新利用。

對於生活用水，本集團建有設施經過三層處理，從污水中去除超過80%的污染物，例如油、廢金屬及有機化學物，以符合公共事業的排放標準。此外，我們重新利用飲水機的廢水，作中央空調系統中的冷卻用途。本集團謹慎監控排放情況，以節約此珍貴資源，並確保不會向附近區域排出任何有毒污水。

於中國的生產流程會產生有機溶劑、酸性及鹼性廢物等有害廢棄物。海福德已委任一間持牌固體廢棄物收集公司處理廢物。有害廢棄物獨立存放並小心運輸，防止任何洩漏及溢濺。我們每年審閱承包商的表現，以確保牌照有效性以及整個合約期內服務的一致性。

年內，棄置量減少一半。我們香港的辦公室產生約800公斤無害廢棄物(2018年：1,600公斤)，並不涉及任何有害廢棄物。本集團實行一系列減少廢棄物產生的措施，例如回收舊傢俱、使用社交媒體代替紙張打印進行宣傳以及在辦公室內設有四類回收箱(金屬、紙製、塑料及玻璃)。

Environmental Impacts Minimisation

The Group acknowledges that noise pollution is another major emission generated from our production plants and therefore, shock absorbers and sound insulation systems are installed to minimise the impacts. The local noise monitoring unit conducts audit also on ad hoc basis to ensure the noise level remains within limits.

We also focus on the ecological environment within and outside the production base and have appointed professional personnel for taking care of the plants and foliage. These helps provide clean air to the production sites and the community nearby.

OPERATIONAL EXCELLENCE

Hifood pledges to offer the finest quality of jewellery products to customers through establishing a series of comprehensive quality management procedures and maintaining a good relationship with its suppliers.

Product Quality

Hifood is committed to providing high quality jewellery products and services to meet the customers' expectations, which is one of the Group's core values. Our production site is certified with ISO 9001:2015 Quality Management System, and we strictly adhere to the principles of "adjusting strategies, modifying techniques, consolidating and improving quality".

To fulfill the requirements listed in the international standard, we have established a quality organisation for monitoring the daily jewellery production processes. The Chief Executive Officer has set a quality target of 97% product passing rate, while the management has representatives suggest improvement on quality management system for achieving the target. Annual evaluation and assessment are conducted to ensure compliance of relevant laws and regulations.

減少環境影響

本集團承認噪音污染為我們生產廠房產生的另一主要排放物，因此，我們安裝了減震器及隔音系統，以盡量降低影響。當地噪聲監測單位亦按特別情況進行音頻監測，以確保噪聲水平維持在限額之內。

我們亦關注生產基地內外的生態環境，並委任專業人員照料植物綠化，為生產工地及附近社區提供新鮮空氣。

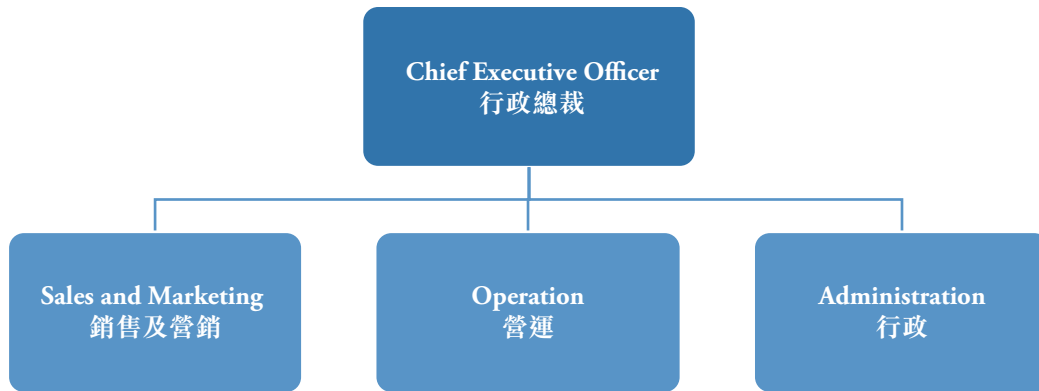
卓越營運

海福德透過建立一系列的全面質量管理程序並與供應商維持良好的關係，從而保證向客戶提供最優質的珠寶產品。

產品質量

海福德致力提供高質量珠寶產品及服務以符合客戶的期望，同時亦是本集團的核心價值之一。我們的生產工地獲ISO 9001：2015質量管理體系認證，且我們堅守「調整策略、修改技術、整合及改善質量」的原則。

為符合國際準則所列規定，我們已建立一個質量組織以監督日常珠寶生產流程。行政總裁已制定產品合格率为97%的質量目標，而管理層代表則建議於實現目標的過程中改進質量管理體系。我們會進行年度考核評估，以確保遵守相關法律法規。



Quality Organisational Structure
 質量組織結構

All raw materials such as precious metals, diamonds and gems are classified and graded according to the Chinese national standards issued by the Standardisation Administration of China. While these materials are tested before being used in production, employees must obtain related certifications before reporting for duty due to the stringent technical proficiency requirements.

所有原材料，如貴金屬、鑽石及寶石，乃根據中國國家標準化管理委員會頒佈的中國國家標準分類及評級。雖然該等材料在用於生產之前已經過檢測，而由於嚴格的技術熟練要求，僱員於履職前必須取得相關證書。

We adhere to a set of comprehensive quality assurance procedures for all raw materials, semi-finished and finished products. Semi-finished products are checked by both quality assurance and quality control personnel, while finished products are examined by the responsible workers and supervisors. The products are sold to the customers only after they have passed all quality assurance procedures. Any unqualified products are separated and returned to the production unit for correction before being tested again. All records of quality assurance are kept and approved by the responsible departments.

我們對全部原材料、半成品及成品遵循一套全面質量保證程序。半成品經質量保證及質量控制人員檢查，而成品則由負責的工人及主管檢測。產品需通過所有的質量保證程序後方會向客戶出售。再次檢測前，任何不合格產品將劃分開並送回生產單位修正。所有質量保證記錄均有保存並由負責部門批准。



The quality assurance procedures
 質量保證程序

Customer Satisfaction

Hifood takes feedback from customers seriously. We strive to provide high quality products and services to meet their expectations by maintaining effective communication with them. All complaints from customers are recorded and referred to the responsible departments and personnel for handling. Corresponding corrections are done immediately after identifying the problems and Sales Department replies to the customers promptly. We believe regular communication with customers is essential for maintaining a high level of customer satisfaction.

During the year, the Group was not aware of any non-compliance of laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

Supply Chain Management

By having a stringent supply chain management system, we ensure product quality and maintain our competitiveness in the market. The Group conducts a market research every quarter before the procurement process to sort out jewellery products with stable and fair prices. We purchase select polished diamonds and other raw materials from legitimate suppliers who comply with our Supplier Selection Standards based on fair and just principles. Suppliers are evaluated based on three aspects which are the delivery performance, quality consistency and competitiveness and examined by the Vendor Semi-annual Appraisal Form. Those with unacceptable performance are removed from our list.

Data and Intellectual Property Rights Protection

The Group values intellectual property rights and data security. We exercise stern control for protecting intellectual properties and confidential information of our own and those of other parties. Employees are not allowed to disclose or publishing any confidential documents of the Group and the confidentiality obligation remains valid after termination of services also. They are prohibited from infringing others' intellectual property rights, and violators have to bear legal responsibility.

客戶滿意度

海福德認真對待客戶的反饋。透過與客戶維持有效的溝通，我們致力於提供高品質的產品及服務，以符合客戶的期望。客戶的所有投訴均會記錄在案並轉至負責部門及人員處理。發現問題後，我們會立即作出相應的糾正，而銷售部會迅速回覆客戶。我們相信與客戶的定期溝通對維持高水平的客戶滿意度至關重要。

年內，本集團並不知悉任何因不遵守有關所提供產品及服務的健康及安全、廣告、標籤及私隱事宜以及補救方法的法律及法規，而對本集團造成重大影響的事件。

供應鏈管理

我們通過擁有嚴格的供應鏈管理系統，確保產品質量以及維持我們的市場競爭力。採購流程前，本集團每個季度進行市場調查，以篩選穩定且公平價格的珠寶產品。我們按公平公正的原則向符合我們供應商挑選準則的合法供應商購買挑選已打磨的鑽石及其他原材料。我們根據三個方面考核供應商：交付表現、質量一致性及競爭力，並根據《供應商半年度評核表》予以審查。表現不佳者會被移出我們的名單。

數據及知識產權保護

本集團重視知識產權及數據安全。我們嚴格控制保護自身及其他方的知識產權及機密信息。僱員不得披露或發布本集團的任何機密文件，並且保密義務於終止服務後亦仍然有效。他們禁止侵犯他人的知識產權，違法者必須承擔法律責任。

Business Ethics

Hifood has high expectations of its employees in terms of integrity and honesty. In compliance with the Prevention of Bribery Ordinance in Hong Kong and the Anti-unfair Competition Law of the PRC, any forms of corruption such as bribery, extortion, fraud and money laundering are strictly prohibited.

Anti-corruption standards have been incorporated in the Group's policies and these are communicated to employees. There are stringent restrictions on employees receiving festive gifts. In case of any monetary or non-monetary gifts received in consideration of the relationship with external parties that cannot be rejected, responsible persons must report the case to their supervisors.

The internal Conflicts of Interest Declaration Policy is established for regulating cases of conflicts of interests. If there is any potential conflict of interests with the Group, suppliers and customers, employees are required to make annual declaration to notify the Group. The head of HR Department and internal audit committee are responsible for assuring all reports are acted upon and for taking appropriate decisions for suspected cases.

A whistleblowing policy is in place to encourage stakeholders to report any suspicious unethical cases to the HR Department or internal audit committee. They can report to the Group orally or through various channels such as email, mailbox and 24-hour hotline in a confidential manner. Reported cases are subject to independent investigation by the internal audit committee and may be transferred to the local governmental departments for further handling. The identities of the complainants are protected. Fraud accusation, on confirmation of the same, or retaliation to the complaints, leads to disciplinary punishment.

During the year, the Group was not involved in any corruption cases, and was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

商業道德

海福德對僱員的廉正與誠信抱有很高的期望。遵守香港《防止賄賂條例》與《中華人民共和國反不正當競爭法》，嚴禁賄賂、勒索、欺詐及洗錢等任何形式的腐敗。

反腐敗準則已納入本集團的政策，並將該等準則傳達給僱員。我們對於僱員收取節日禮品有清晰且嚴謹的限制。倘考慮到與外部人士的關係，收到的任何貨幣或非貨幣禮品不能被拒絕，責任人必須向其主管報告此案例。

內部利益衝突申報政策為規範利益衝突案例而制定。倘與本集團、供應商及客戶存在任何潛在利益衝突，則僱員須作出年度申報以知會本集團。人力資源部主管及內部審核委員會確保對所有申報已採取行動及對可疑案例作出適宜決策。

我們設有舉報政策鼓勵持份者向人力資源部或內部審核委員會舉報任何可疑的不道德案例。他們可口頭或通過各種渠道（例如電郵、郵箱及24小時熱線）以保密方式向本集團舉報。所舉報的案例由內部審計委員會進行獨立調查，並可能會被移交當地政府部門作進一步處理。舉報人的身份受到保護。欺詐指控、確認類似的行為或報復舉報人均會導致紀律處分。

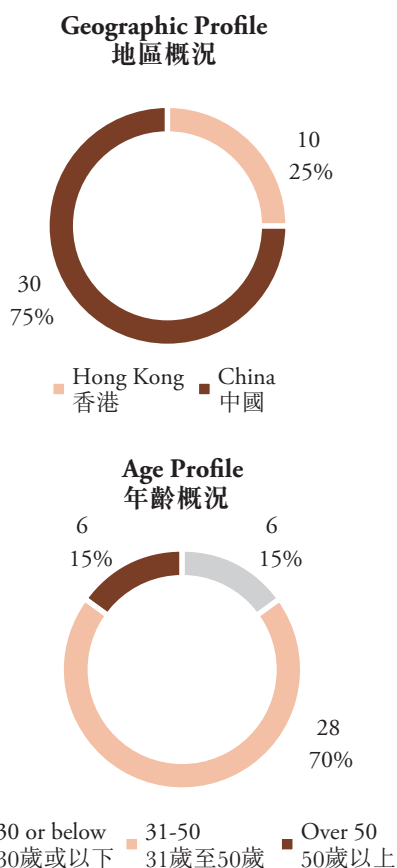
年內，本集團並無涉及任何腐敗案例，本集團並不知悉在賄賂、勒索、欺詐及洗黑錢方面違反任何法律法規並對本集團造成重大影響的事件。

OUR PEOPLE

We respect and care for our employees by creating a delightful and safe workplace, as well as providing training and development opportunities.

Employee Profile

As at 31 March 2019, Hifood Group had 40 full-time employees, with 75% were located in mainland China. The proportion of male to female was 53:47. In terms of age group, approximately 70% were aged 31-50. Approximately 13% were at managerial level and the rest were general staff.

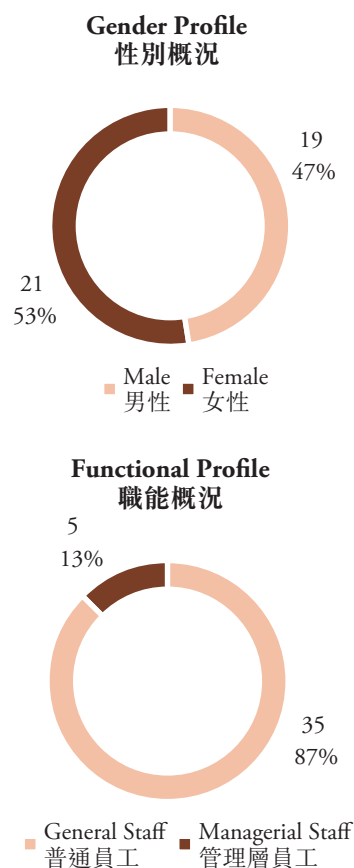


我們的員工

我們尊重及關懷僱員，為其透過創造愉悅安全的工作環境以及提供培訓與發展機會。

僱員概況

於2019年3月31日，海福德集團有40名全職僱員，當中75%員工位於中國大陸。男女比例為53：47。於年齡分佈方面，約70%年齡介乎31歲至50歲。約13%為管理層，其餘為普通員工。



Labour Practices

All labour related issues such as working hours, holidays, employment and dismissal procedures are in compliance with the Employment Ordinance in Hong Kong, the Labour Law of the PRC and other relevant local laws and regulations in places we have operations.

勞工常規

所有有關勞工的事項，例如工時、假期、僱傭及解僱程序，均遵照香港的《僱傭條例》、《中華人民共和國勞動法》以及我們經營所在地的其他相關地方法律法規。

Hifood is committed to creating a working atmosphere free of discrimination and harassment. Discriminatory acts or motives in all stages of employment on the grounds of nationality, physical ability, gender, age and any other legally protected status are strictly prohibited in the Group. We believe diversity in the workplace leads to greater business success, and recruit individuals who bring diverse talents and perspectives to their respective roles. Sticking to the Law of the PRC on the Protection of Persons with Disabilities, the Group employs 4 individuals with disabilities and assists them in integrating into our workforce.

Employees can report to their supervisors or the HR if they are subjected to unlawful discrimination or any form of harassment. We investigate every case expeditiously and take appropriate corrective actions once we have confirmed the allegations. In China, we have further set up an Equality Working Group to monitor the implementation of anti-discrimination policies and handle the related complaints. We are aiming at ensuring all our employees have a workplace where they are respected, satisfied and appreciated.

Labour rights are protected in accordance with the local laws and regulations. Hiring child labour and forced labour is strictly prohibited in the Group. Identification documents of newcomers are checked, and labour contracts are based on mutual agreement from both the Group and employees. These measures prevent any form of illegal employment. Labour union and women workers' committee are set up to facilitate mediation in case of labour disputes and to safeguard the lawful rights and interests of workers, especially female employees. There was no reported case regarding child or forced labour during the year.

During the year, the Group not aware of any non-compliance of relevant laws and regulations that have 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.

Employee Rights and Benefits

Remuneration is determined with reference to market conditions and individual employee performance, qualifications and experience. Hifood has created a culture of excellence across its operations by recognising and rewarding performing staff within the general framework of the Group's salary and bonus system, which is reviewed annually.

In addition to performance bonus and statutory benefits, our employees enjoy a competitive remuneration package including healthcare benefits, maternity and paternity leave, marriage leave, gifts on festive occasions and birthdays, etc. Employees who have served the Group for more than five years receive long service awards and bonuses as appreciation of their continuous contributions. All employees in China are entitled to annual health checks. With comprehensive benefit plans, we hope to demonstrate respect to each of our employees, who make a great contribution to the Group's growth.

海福德致力創造沒有歧視及騷擾的工作環境。本集團內嚴禁於所有僱傭階段中因國籍、身體機能、性別、年齡以及任何其他受法律保護地位的理由作出的歧視行為或動機。我們相信工作環境的多樣性有助我們於業務取得更大成功，故招募可以為有關職位帶來多樣才能及見解的人員。根據《中華人民共和國殘疾人保障法》，本集團僱用4名殘障人士並幫助他們融入我們的工作團隊。

僱員倘遭受非法歧視或任何形式的騷擾，可向其主管或人力資源部報告。我們會迅速調查每個案例，且一旦我們確認指控，則會採取適當的糾正行動。我們已於中國設立平等工作小組，監督反歧視政策的實行情況以及處理相關投訴。我們旨在確保我們的所有僱員能在受尊重、有滿足感以及被欣賞的環境中工作。

勞工權利受到地方法律法規保護。本集團嚴禁聘用童工及強迫勞工。我們會檢查新來者的身份文件，且勞動合同基於本集團與僱員的雙方協定。該等措施防止任何形式的非法僱傭。我們成立工會及女工委員會，以調解勞工糾紛及保障工人(尤其是女性僱員)的合法權利及利益。年內，並無關於童工或強迫勞工的報告案例。

年內，本集團並不知悉在薪酬及解僱、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方面違反任何法律法規並對本集團造成重大影響的事件。

僱員權益

薪酬乃參考市況以及僱員個人的表現、資格及經驗予以釐定。海福德通過每年檢討本集團薪金及花紅體系的整體框架內認可及獎勵表現出色的員工，已於其經營中形成卓越的文化。

除表現花紅以及法定福利外，我們的僱員享有具競爭力的薪酬待遇，包括醫療福利、產假、陪產假、婚假、節日及生日禮品等。服務本集團超過五年的僱員會收到長期服務獎及花紅，以資感謝他們持續的貢獻。所有中國的僱員有權享有年度健康體檢。藉此全面福利計劃，我們希望向為本集團成長作出了巨大貢獻的每一位僱員致以敬意。

Employee Communication

Hifood regularly shares information through a variety of electronic communication channels such as intranet and monthly newsletter to help employees understand the most updated policies and development of the Group. We have an open-door policy, encouraging every employee to come up with new ideas on product designs and policy improvements by having a mailbox. HR replies promptly once it receives suggestions from the staff. We believe this mutual communication benefits the growth of the Group in an efficient way.

Training and Development

People are regarded as the most important asset and of overriding priority, and we aim at providing suitable and valuable opportunities to our talents. The Group assesses each employee annually, on working performance, attitudes and other key performance indicators. These appraisals are used as one of the considerations in deciding promotion, position and salary adjustment. Through this reviewing process, they can make corresponding improvements and discuss their training needs with direct supervisors so that they can reach their potentials to the fullest.

For new joiners, the Group provides internal and external training to let their full potential come to the fore, helping them contribute to long-term development of the Group. All newcomers have to participate in training courses within the first month for understanding working responsibilities and procedures. Based on the developmental needs of the Group and feedback from employees during year-end assessments, HR organises internal training including technical knowledge, stone jewellery classification, management skills, etc. Managerial employees serve as internal trainers and share their experiences with participants.

Hifood is committed to providing training opportunities for young talents in jewellery making industry. Therefore, we collaborate with Panyu Vocational Training Center through providing technical support and assigning trainers to conduct courses on fine jewellery design and professional skills such as Jewel CAD system.¹

Occupational Health and Safety

The Group proactively works to reduce injury risks and occupational diseases by establishing related management systems and organising safety training for its workforce. We have formulated the Production Safety Management Policy (安全生產管理制度) for monitoring daily production processes to ensure there are no violations of relevant laws and regulations, including but not limited to the Law of the PRC on the Prevention and Control of Occupational Diseases and the Law of the PRC on Work Safety.

1 Jewel CAD system enhances the processing speed and accuracy of the jewellery mould with help of advanced technology.

僱員溝通

海福德利用內聯網及每月通訊等多種電子通訊渠道定期分享資訊，以幫助僱員了解本集團的最新政策及發展。我們的開放政策鼓勵每名僱員透過郵箱提出產品設計及政策改善的新觀點。人力資源部一旦收到員工的建議，會迅速回覆。我們相信此互相溝通方式有效地利於本集團成長。

培訓及發展

員工被認為是最重要的資產且重於一切，我們旨在為我們的人才提供合適且寶貴的機會。本集團每年評估每名僱員的工作表現、態度以及其他關鍵表現指標。該等評估被用作決定晉升、職位及工資調整的考慮因素之一。通過此檢討流程，他們能夠作出相應的改進並與直屬主管討論其培訓需要，從而其潛能可得以充分發揮。

對於新加入者，本集團提供內部及外部的培訓，使他們能夠充分發揮潛力，幫助他們為本集團的長期發展做出貢獻。所有新來者首個月必須參加培訓課程，以了解工作職責及程序。根據本集團的發展需要以及僱員在年末評估中的反饋，人力資源部會組織內部培訓，包括技術知識、寶石分類、管理技能等。管理層僱員擔任內部培訓師，並與參加者分享經驗。

海福德致力為珠寶製造行業的青年人才提供培訓機會。因此，我們與番禺就業訓練中心合作，提供技術支持以及指派培訓師教授優質珠寶設計及專業技能的課程，如Jewel CAD系統¹。

職業健康與安全

通過建立相關管理系統並為員工組織安全培訓，本集團積極致力於降低受傷風險及職業疾病。我們制定安全生產管理制度監督日常的生產流程，以確保不會違反相關法律法規，包括但不限於《中華人民共和國職業病防治法》及《中華人民共和國安全生產法》。

1 利用先進技術，Jewel CAD系統可提升寶珠模具的加工速度及準確度。

Under this policy, an occupational hygiene management organisation (職業衛生管理機構) has been set up. The HR department is responsible for leading the annual safety evaluation and monitoring the usage of personal protective equipment, while the person-in-charge of each production unit has to implement the safety practices and deliver relevant education to employees. The head of HR is also the leader of the emergency handling group, responsible for managing both natural and man-made accidents such as fire, flooding and chemical leakage.

The Group is committed to protect its employees from potential occupational hazards during fine jewellery production, such as the processes of casting, polishing and gold-filling. We ensure a safe environment and manage the risk at the production facilities by implementing safety measures.

根據此制度，我們成立職業衛生管理機構。人力資源部負責統領年度安全考核及監督個人防護裝備的使用情況，而各生產單位的負責人則必須實施安全常規以及向僱員灌輸相關教育。人力資源部主管亦是緊急處理小組的帶頭人，負責管理火警、洪災及化學洩漏等自然性及人為的事故。

本集團致力於保護僱員免受優質珠寶生產過程(例如鑄造、拋光及鑲金過程)潛在的職業危害。我們通過落實安全措施確保安全的環境並管理生產設施的風險。



Safety Measures 安全措施

Third-party safety evaluation is conducted regularly on exposure to poisonous materials, high temperature, emissions of dust and noise. During the year, we passed the safety assessment. Once any potential or existing harms are discovered, they are recorded, and corrective measures are taken within an assigned period. We award and punish the responsible personnel economically based on their performance on safety issues.

定期對有毒物料、高溫、灰塵與噪音排放的風險進行第三方安全評估。年內，我們通過了安全評估。一旦發現任何潛在或現有的危害，將會記錄在案，並於指定時間內採取修正措施。我們會根據負責人員在安全事項中的表現對其給予經濟上的獎罰。

Safety Training

Hifood is committed to promoting the culture of production safety and therefore, we have allocated adequate resources for safety training. There are three major categories of programmes: safety education programmes for new-comers, transferees and temporary workers. Since the manufacturing procedure is highly technical, employees are required to complete professional safety training and obtain the relevant certificate for safe operation of specific machineries. Also, they need to have a thorough understanding of local occupational laws and regulations. The Group invites related government officials to deliver safety education for enhancing employees' awareness.

安全培訓

海福德致力推廣安全生產文化，因此，我們已分配足夠資源開展安全培訓。我們有三大類項目：分別針對新來者、調崗者及臨時工人的安全教育項目。鑒於製造過程涉及高度技術，僱員須完成專業安全培訓且獲得安全操作特定器械的相關證書。此外，他們需要對當地職業法律法規有透徹的理解。本集團邀請相關政府官員提供安全教育，以提高僱員的意識。

COMMUNITY INVOLVEMENT

Hifood strives to embed social responsibility in its corporate culture. We are holding high the value of “taking from society and giving back to society”. During the year, we made donations and participated in the charitable activities related to poverty alleviation and elderly care. The Group will continue to discharge its corporate social responsibility for building a cohesive society.

社區參與

海福德致力於將社會責任植入到其企業文化。我們高舉「取之於社會，回饋予社會」的價值觀。年內，我們捐款並參與有關扶貧及長者關懷的慈善活動。本集團將繼續履行建設團結社會的企業社會責任。

HKEX ESG CONTENT INDEX

香港交易所環境、社會及管治內容索引

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 香港交易所環境、社會及管治報告指引規定	Section/Remarks 節/備註
A. Environmental 環境		
Aspect A1: Emissions 層面 A1 排放物	General Disclosure 一般披露 Information on: 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等的： a) the policies; and 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, and generation of hazardous and non-hazardous waste. 遵守對發行人有重大影響的相關法律及規例的資料。	Environmental Compliance 環境合規
KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及各自排放數據。	Air Emissions 大氣排放物
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity. 溫室氣體總排放量(以噸計算)及(如適用)密度。	Resources Consumption 資源消耗
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生有害廢棄物總量(以噸計算)及(如適用)密度。	Resources Conservation 資源保護
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生無害廢棄物總量(以噸計算)及(如適用)密度。	
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述如何處理有害及無害廢棄物、減低產生量的措施及所得成果。	

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 香港交易所環境、社會及管治報告指引規定	Section/Remarks 節／備註	
Aspect A2: Use of Resources 層面A2資源使用	General Disclosure 一般披露	Resources Conservation 資源保護	
		Policies on the 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)的政策。	
	KPI A2.1 關鍵績效指標A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity. 按類型劃分的直接及／或間接能源總耗量(以千個千瓦時計算)及密度。	Resources Consumption 資源消耗
	KPI A2.2 關鍵績效指標A2.2	Water consumption in total and intensity. 總耗水量及密度。	
	KPI A2.3 關鍵績效指標A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益措施及所得成果。	Resources Conservation, Green-Office Initiatives — Let's GO 資源保護、綠色辦公措施 — 綠識空間
KPI A2.4 關鍵績效指標A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, water efficiency initiatives and results achieved. 描述求取適用水源上是否有任何問題，以及提升用水效益措施及所得成果。	Resources Conservation 資源保護	
KPI A2.5 關鍵績效指標A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	Resources Consumption 資源消耗	
Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源	General Disclosure 一般披露	Environmental Compliance 環境合規	
		Policies on minimising the issuers' significant impact on the environment and natural resources. 降低發行人對環境及天然資源造成重大影響的政策。	
KPI A3.1 關鍵績效指標A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Environmental Impacts Minimisation, Green-Office Initiatives — Let's GO 減少環境影響、綠色辦公措施 — 綠識空間	

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 香港交易所環境、社會及管治報告指引規定	Section/Remarks 節／備註
B. Social 社會		
Aspect B1: Employment 層面 B1：僱傭	<p>General Disclosure 一般披露</p> <p>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措施的：</p> <p>a) the policies; and 政策；及</p> <p>b) compliance with relevant laws and regulations that have a significant impact on the issuer related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>KPI B1.1 關鍵績效指標 B1.1</p>	<p>Labour Practices 勞工常規</p> <p>Employee Profile 僱員概況</p>
Aspect B2: Health and Safety 層面 B2：健康與安全	<p>General Disclosure 一般披露</p> <p>Information on: 有關提供安全工作環境及保障僱員避免職業性危害的：</p> <p>a) the policies; and 政策；及</p> <p>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. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>KPI B2.3 關鍵績效指標 B2.3</p>	<p>Occupational Health and Safety 職業健康與安全</p>
Aspect B3: Development and Training 層面 B3：發展及培訓	<p>General Disclosure 一般披露</p> <p>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的知識及技能的政策。描述培訓活動。</p>	<p>Training and Development 培訓及發展</p>

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 香港交易所環境、社會及管治報告指引規定	Section/Remarks 節／備註
Aspect B4: Labour Standards 層面 B4：勞工準則	<p>General Disclosure 一般披露</p> <p>Information on: 有關防止童工或強制勞工的：</p> <p>a) the policies; and 政策；及</p> <p>b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>KPI B4.1 關鍵績效指標 B4.1</p> <p>Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。</p>	Labour Practices 勞工常規
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理	<p>General Disclosure 一般披露</p> <p>Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。</p> <p>KPI B5.2 關鍵績效指標 B5.2</p> <p>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及如何執行及監察有關慣例。</p>	Supply Chain Management 供應鏈管理 Supply Chain Management 供應鏈管理
Aspect B6: Product Responsibility 層面 B6：產品責任	<p>General Disclosure 一般披露</p> <p>Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>a) the policies; and 政策；及</p> <p>b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>KPI B6.3 關鍵績效指標 B6.3</p> <p>Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。</p> <p>KPI B6.4 關鍵績效指標 B6.4</p> <p>Description of quality assurance process and recall procedures. 描述質量保證流程及召回程序。</p> <p>KPI B6.5 關鍵績效指標 B6.5</p> <p>Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及如何執行及監察。</p>	Product Quality 產品質量 Data and Intellectual Property Protection 數據及知識產權保護 Product Responsibility, Customer Satisfaction 產品責任，客戶滿意度 Product Quality 產品質量

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 香港交易所環境、社會及管治報告指引規定	Section/Remarks 節／備註
Aspect B7: Anti-corruption 層面 B7：反貪污	General Disclosure 一般披露 Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： a) the policies; and 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. 遵守對發行人有重大影響的相關法律及規例的資料。 KPI B7.2 關鍵績效指標 B7.2	Business Ethics 商業道德
Aspect B8: Community Investment 層面 B8：社區投資	General Disclosure 一般披露 Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策。 KPI B8.1 關鍵績效指標 B8.1	Community Involvement 社區參與



羅兵咸永道

To the Shareholders of Hifood Group Holdings Co., Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Hifood Group Holdings Co., Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 73 to 155, which comprise:

- the consolidated statement of financial position as at 31 March 2019;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致海福德集團控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

海福德集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第73至155頁的綜合財務報表，包括：

- 於2019年3月31日的綜合財務狀況表；
- 截至該日止年度的綜合損益及其他全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於2019年3月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規則妥為擬備。



羅兵咸永道

BASIS FOR OPINION

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》（「香港審計準則」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（「守則」），我們獨立於貴集團，並已履行守則中的其他道德責任。



羅兵咸永道

KEY AUDIT MATTERS

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

Revenue recognition is identified as a key audit matter in our audit and is summarised as follows:

Key Audit Matter 關鍵審計事項

Revenue Recognition: Sales of goods 收益確認：貨品銷售

Refer to Note 2.21 Revenue Recognition and Note 5 to the consolidated financial statements.
請參考綜合財務報表附註2.21 收益確認及附註5。

During the year ended 31 March 2019, the Group has recognised revenue from sales of goods of approximately HK\$219 million.
截至2019年3月31日止年度，貴集團已確認貨品銷售收益約219百萬港元。

Revenue is recognised when the Group satisfies a performance obligation by transferring the control of promised goods to a customer, which is usually at the date when the Group has delivered the goods to the customer and the customer has accepted the goods.
收益確認的時點為貴集團滿足履行義務時，即將對貨品的控制轉移給客戶時，該時點通常為貴集團已將貨品發出且客戶收到貨品時。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

收益確認在我們的審計過程中被確認為關鍵審計事項，闡述如下：

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We understood, evaluated and tested management's key controls in respect of the Group's sales transactions from the approval of sales contract or sales order, sales recording, through to reconciliations with cash receipts, goods delivery notes, customers' receipt notes and records of each sales details and approval over sales return.
我們從合約或銷售訂單的審批、銷售記錄、銷售核對至現金收據、貨品交付票據、客戶收據及每筆銷售記錄詳情以及銷售退回的審批等各方面瞭解、評估和測試管理層對貴集團銷售交易的關鍵控制。

We understood and evaluated the revenue recognition policy of the Group by reviewing the sales contracts entered into with the customers and discussing with management.
我們通過覆核貴集團與客戶簽訂的合同及與管理層進行討論，了解以及評估貴集團的收益確認政策。

We conducted testing of revenue transactions covering different locations and customers, on a sample basis, by examining the relevant supporting documents, including sales orders, sales invoices, goods delivery notes, customers' receipt notes and bank statements for cash receipts. In addition, we confirmed selected trade receivables balances with the customers as at the balance sheet date. The items tested were selected on a sample basis by considering the amount, nature and characteristics of the customers.
我們透過抽樣檢查相關支持文件(包括銷售訂單、銷售發票、貨品交付票據、客戶收據及現金收據的銀行結單)對涵蓋不同地區及客戶錄得的收益交易進行測試。此外，我們於結算日與客戶確認選定的貿易應收款項。測試項目乃透過考慮客戶的數量、性質及特徵抽樣挑選。



羅兵咸永道

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter (continued) 關鍵審計事項 (續)

We focused on this area due to the large volume of sales transactions generated from different customers in different locations during the year, and thus significant time and resources were devoted in this area.

我們關注該領域是由於於本年度不同地區的不同客戶產生大量銷售交易，因此在該領域投放了大量時間及資源。

關鍵審計事項 (續)

How our audit addressed the Key Audit Matter (continued) 我們的審計如何處理關鍵審計事項 (續)

We also tested sales transactions that took place shortly before and after the balance sheet date. We examined the corresponding goods delivery notes, customers' receipt notes and shipping documents, to assess whether revenue was recognised in the correct reporting periods.

我們同時測試於資產負債表日前後發生的銷售交易。我們審查了相應的貨品交付票據、客戶收據和貨運單據，以評估是否在正確的報告期內確認了收益。

We inspected the sales ledger after the balance sheet date to identify significant sales return.

我們在結算日後檢查了銷售分類賬，以確定重大銷售退回。

Based on our audit procedures, we found the Group's revenue from sales of goods was recognised in a manner consistent with the Group's revenue recognition accounting policy and was supported by the evidence that we gathered.

基於我們的審計程序，我們認為貴集團的貨品銷售的收益確認與貴集團的收益確認會計政策一致，並且獲我們取得的證據支持。



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

羅兵咸永道

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審計委員會就綜合財務報表須承擔的責任

貴公司董事須對根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規則擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審計委員會須負責監督貴集團的財務報告過程。



羅兵咸永道

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

核數師就審計綜合財務報表承擔的責任

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. We report our opinion solely to you, as a body, 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.

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包含我們意見的核數師報告。我們僅向閣下（作為整體）報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，總能在某一重大錯誤陳述存在時發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總時可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。



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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Li, Jack.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 11 June 2019

羅兵咸永道

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內各實體或業務活動的財務信息獲得充足而恰當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是黎英杰。

羅兵咸永道會計師事務所
執業會計師

香港，2019年6月11日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表

Year ended 31 March 2019
截至2019年3月31日止年度

		Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
REVENUE	收益	4&5	219,286	433,666
Cost of sales	銷售成本	8	(191,839)	(355,041)
Gross profit	毛利		27,447	78,625
Other income	其他收入	5	599	2,660
Selling expenses	銷售開支	8	(21,362)	(31,826)
Administrative expenses	行政開支	8	(49,818)	(61,610)
Other gains/(losses), net	其他收益/(虧損)淨額	6	28,752	(12,578)
Operating loss	經營虧損		(14,382)	(24,729)
Finance costs	財務成本	7	(1,034)	(8,714)
Share of loss of a joint venture	應佔合營公司虧損	15	(27)	(140)
LOSS BEFORE TAX	除稅前虧損		(15,443)	(33,583)
Income tax expense	所得稅開支	11	(1,693)	(3,714)
LOSS FOR THE YEAR ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY	本公司股權持有人應佔年內虧損		(17,136)	(37,297)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:	本公司普通股權益持有人應佔虧損之每股虧損：			
— Basic and diluted	— 基本及攤薄	13	HK\$(0.10) (0.10) 港元	HK\$(0.22) (0.22) 港元
OTHER COMPREHENSIVE (LOSS)/INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS, NET OF TAX	日後期間將予重新分類至損益賬的其他全面(虧損)/收益，扣除稅項			
Change in fair value of an available-for-sale investment	可供出售投資之公允值變動		—	491
Exchange differences on translation of foreign operations	換算國外業務產生的匯兌差額		(4,129)	18,352
Realisation of exchange fluctuation reserve upon disposal of a subsidiary	出售一間附屬公司時變現匯兌波動儲備		—	1,020
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	年內其他全面(虧損)/收益，扣除稅項		(4,129)	19,863
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY	本公司股權持有人應佔年內全面虧損總額		(21,265)	(17,434)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

以上綜合損益及其他全面收益表應連同附註一起參閱。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2019
於2019年3月31日

		Notes	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	4,372	27,460
Investment in a joint venture	於合營公司之投資	15	113	140
Other non-current assets	其他非流動資產	15	–	454
Available-for-sale investment	可供出售投資	16	–	15,674
Financial asset at fair value through profit or loss	按公允值計入損益之金融資產	16	16,189	–
Total non-current assets	非流動資產總值		20,674	43,728
CURRENT ASSETS	流動資產			
Inventories	存貨	17	31,088	49,659
Trade receivables	貿易應收款項	18	51,569	67,934
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	3,730	7,741
Tax recoverable	可收回稅項		–	1,158
Cash and bank balances	現金及銀行結餘	20	270,808	230,489
Total current assets	流動資產總值		357,195	356,981
Total assets	資產總值		377,869	400,709
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	21	28,515	28,034
Contract liabilities	合約負債	5	1,598	–
Obligations under finance leases	融資租賃承擔	22	–	560
Tax payable	應付稅項		245	–
Total current liabilities	流動負債總額		30,358	28,594

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 March 2019
於2019年3月31日

		Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Obligations under finance leases	融資租賃承擔	22	–	1,417
Deferred tax liabilities	遞延稅項負債	23	–	1,922
Total non-current liabilities	非流動負債總額		–	3,339
Total liabilities	負債總額		30,358	31,933
EQUITY	權益			
Equity attributable to the equity holders of the Company	本公司股權持有人應佔權益			
Share capital	股本	24	863	863
Reserves	儲備	25	346,648	367,913
Total equity	權益總額		347,511	368,776
Total equity and liabilities	權益及負債總額		377,869	400,709

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

以上綜合財務狀況表應連同附註一起參閱。

The consolidated financial statements on pages 73 to 155 were approved by the Board of Directors on 11 June 2019 and were signed on its behalf.

隨附73至155頁綜合財務報表已於2019年6月11日由董事會批准及代表簽署。

NANG Qi
曩麒
Director
董事

CHEN Peiliang
陳佩良
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

Year ended 31 March 2019
截至2019年3月31日止年度

		Attributable to the owners of the parent 母公司擁有人應佔									
		Share capital	Share premium	Statutory surplus reserve	Merger reserve	Capital surplus	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Warrant reserve	Retained profits	Total equity
		股本	股份溢價	法定盈餘儲備	合併儲備	資本盈餘	重估可供出售投資儲備	外匯波動儲備	認股權證儲備	保留溢利	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 24)	(note 24)	(note 25)	(note 25)	(note 25)	(note 16)		(note 24)		
		(附註24)	(附註24)	(附註25)	(附註25)	(附註25)	(附註16)		(附註24)		
At 1 April 2017	於2017年4月1日	800	60,374	7,540	1,940	105,366	(3,030)	(18,610)	-	166,884	321,264
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(37,297)	(37,297)
Transfer from retained profits	轉撥自保留溢利	-	-	145	-	-	-	-	-	(145)	-
Other comprehensive loss for the year:	年內其他全面虧損：										
Changes in fair value of an available-for-sale investment	可供出售投資之公允價值變動	-	-	-	-	-	491	-	-	-	491
Exchange differences on translation of foreign operations	換算國外業務產生的匯兌差額	-	-	-	-	-	-	18,352	-	-	18,352
Disposal of exchange fluctuation reserve upon deregistration of a subsidiary	出售一間附屬公司時變現匯兌波動儲備	-	-	-	-	-	-	1,020	-	-	1,020
Total comprehensive loss for the year	年內全面虧損總額	-	-	145	-	-	491	19,372	-	(37,442)	(17,434)
Transaction with owners	與擁有人交易										
Issue of unlisted warrants net off expense	發行未上市認股權證，扣除開支	-	-	-	-	-	-	-	2,470	-	2,470
The places shares net of expenses	配售股份，扣除開支	63	62,413	-	-	-	-	-	-	-	62,476
		63	62,413	-	-	-	-	-	2,470	-	64,946
At 31 March 2018	於2018年3月31日	863	122,787	7,685	1,940	105,366	(2,539)	762	2,470	129,442	368,776
Change in accounting policy (Note 2.2)	會計政策變動 (附註2.2)	-	-	-	-	-	2,539	-	-	(2,539)	-
At 1 April 2018	於2018年4月1日	863	122,787	7,685	1,940	105,366	-	762	2,470	126,903	368,776
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(17,136)	(17,136)
Transfer from retained profits	轉撥自保留溢利	-	-	157	-	-	-	-	-	(157)	-
Other comprehensive loss for the year:	年內其他全面虧損：										
Exchange differences on translation of foreign operations	換算國外業務產生的匯兌差額	-	-	-	-	-	-	(4,129)	-	-	(4,129)
Total comprehensive loss for the year	年內全面虧損總額	-	-	157	-	-	-	(4,129)	-	(17,293)	(21,265)
At 31 March 2019	於2019年3月31日	863	122,787	7,842	1,940	105,366	-	(3,367)	2,470	109,610	347,511

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上綜合權益變動表應連同附註一起參閱。

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

Year ended 31 March 2019
截至2019年3月31日止年度

	Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Loss before tax	除稅前虧損	(15,443)	(33,583)
Adjustments for:	調整：		
Finance costs	財務成本	7	8,714
Share of loss of a joint venture	應佔合營公司虧損	15	27
Interest income	利息收入	5	(96)
(Gains)/losses on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	6	(29,725)
Depreciation	折舊	8	5,791
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷		-
Write-back of inventories to net realisable value	撇減存貨至可變現淨值	17	(3,198)
Allowance for doubtful, debts net	呆賬撥備淨額	18	-
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	8	2,716
Fair value gains on financial assets at fair value through profit or loss	按公允值計入損益的金融資產的公允值收益	16	(515)
Net realised gain on bank and other borrowings	銀行及其他借貸淨變現收益		-
Realisation of exchange fluctuation reserve upon disposal of a subsidiary	出售一間附屬公司時變現匯兌波動儲備		-
Gain on disposal of a subsidiary	出售一間附屬公司的收益	(259)	1,090
		(39,668)	(26,758)
Decrease in inventories	存貨減少	21,189	61,711
Decrease in trade receivables	貿易應收款項減少	14,397	110,455
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	4,164	15,590
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加/(減少)	913	(128,967)
Increase in contract liabilities	合約負債增加	1,598	-
Increase in other non-current assets	其他非流動資產增加	-	(367)
Cash generated from operations	經營所得現金	2,593	31,664
Interest paid	已付利息	(1,045)	(8,553)
Interest element on finance lease rental payments	融資租賃租金付款的利息部分	(213)	(257)
Income tax paid	已付所得稅	(2,285)	(1,243)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額	(950)	21,611

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 March 2019
截至2019年3月31日止年度

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
	Notes 附註		
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金流量淨額	(950)	21,611
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Interest received	已收利息	96	1,236
Purchases of property, plant and equipment	購置物業、廠房及設備	(3,916)	(8,530)
Proceeds from disposal of property, plant and equipment, net	出售物業、廠房及設備所得款項淨額	47,909	140,381
Decrease in amounts due from a joint venture	應收合營企業款項減少	454	-
Net proceeds from disposal of a subsidiary	出售一間附屬公司所得款項淨額	(53)	33,839
Decrease in pledged bank deposits	已質押銀行存款減少	-	58,421
Net cash generated from investing activities	投資活動所得現金淨額	44,490	225,347
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Proceeds from bank and other borrowings	銀行及其他借貸所得款項	24,313	219,570
Repayment of bank and other borrowings	償還銀行及其他借貸	(24,313)	(453,098)
Capital element of finance lease rental payments	融資租賃租金付款的資本部分	(1,977)	(3,824)
Proceeds from the placement of shares	配售股份所得款項	-	62,476
Proceeds from issue of unlisted warrants	發行未上市認股權證所得款項	-	2,470
Net cash used in financing activities	融資活動所用現金淨額	(1,977)	(172,406)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	41,563	74,552
Cash and cash equivalents at beginning of year	年初現金及現金等價物	230,489	152,090
Effect of foreign exchange rate changes	外匯匯率變動的影響額	(1,244)	3,847
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	270,808	230,489
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances as stated in the consolidated statement of financial position	綜合財務狀況表所列的現金及銀行結餘	20	270,808

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

以上綜合現金流量表應連同附註一起參閱。

1. CORPORATE AND GROUP INFORMATION

Hifood Group Holdings Co., Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 6 June 2014. The registered office of the Company is located at Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The Company was formerly known as KTL International Holdings Group Limited and the name of the Company was changed to its current name on 24 October 2017.

During the year ended 31 March 2019, the Company and its subsidiaries (collectively the “Group”) were principally involved in the manufacture and sale of jewellery and related products.

In the opinion of the directors, the immediate holding company of the Company is HNA Aviation Investment Holding Company Ltd., which was incorporated in the Cayman Islands. The ultimate controlling company is HNA Group Co., Ltd., which was incorporated in Hainan Province, the People’s Republic of China (“PRC”).

The Shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 March 2015 (the “Listing”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊 及經營地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
KTL Brilliant Limited 三和展利有限公司	Hong Kong 香港	HK\$100,000 100,000 港元	–	100	Provision of car rental service to inter-group companies 向集團內公司 提供汽車租賃服務
KTL Management Limited 三和管理有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	–	100	Provision of management services to inter-group companies 向集團內公司 提供管理服務
K.T.L. Development Co., Limited 三和展貿有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	–	100	Investment holding and provision of car rental service to inter-group companies 投資控股及向集團內公司 提供汽車租賃服務

1. 公司及集團資料

海福德集團控股有限公司(「本公司」)於2014年6月6日在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處設於Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。本公司前稱為KTL International Holdings Group Limited, 本公司的名稱於2017年10月24日變更為目前名稱。

於截至2019年3月31日止年度, 本公司及其附屬公司(統稱「本集團」)主要從事珠寶及相關產品的製造及銷售。

董事認為, 本公司的直屬控股公司為於開曼群島註冊成立的HNA Aviation Investment Holding Company Ltd., 而其最終控股公司為於中華人民共和國(「中國」)海南省註冊成立的海航集團有限公司。

本公司股份於2015年3月11日在香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

綜合財務報表以港元(「港元」)呈列, 除另有指明外, 所有數值均四捨五入至最接近千位數。

關於附屬公司的資料

本公司主要附屬公司的詳情如下:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 March 2019
截至2019年3月31日止年度

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

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

Name	Place of incorporation/ registration and business 註冊成立/註冊 及經營地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
KTL (Guangzhou) Jewellery Limited 雅和(廣州)首飾有限公司	Mainland China 中國大陸	HK\$40,000,000 40,000,000 港元	-	100	Manufacture of jewellery 珠寶製造
K.T.L Jewellery Manufacturer Limited 三和珠寶有限公司	Hong Kong 香港	HK\$500,000 500,000 港元	-	100	Trading of jewellery 珠寶貿易
Alan's Jewellery Company Limited 雅倫珠寶有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	-	100	Trading of jewellery 珠寶貿易
Guangzhou KTL Jewellery Limited 廣州市卡締爾首飾有限公司	Mainland China 中國大陸	HK\$10,000,000 10,000,000 港元	-	100	Manufacture and trading of jewellery 珠寶製造及貿易
KTL Jewellery Trading Limited ("KTL Trading") 三和珠寶貿易有限公司 (「三和珠寶貿易」)	Hong Kong 香港	HK\$10,000 10,000 港元	-	100	Manufacture and trading of jewellery and investment holding 珠寶製造及貿易 以及投資控股
KTL Jewellery Manufacturer (Europe) Limited	Hong Kong 香港	HK\$1 1 港元	-	100	Trading of jewellery 珠寶貿易

The above table lists the subsidiaries of the Company, which in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. As at 31 March 2019, the consolidated net assets value of all subsidiaries other than the Company was approximately HK\$130.0 million (2018: approximately HK\$193.4 million). To give details of other subsidiaries would, in the opinion of the directors, result in excessive length of particulars.

* For the year ended 31 March 2019, the subsidiaries declared and paid dividends to the Company in the amount of HK\$50.0 million (HK\$120.0 million for the year ended 31 March 2017, and nil for the year ended 31 March 2018).

1. 公司及集團資料(續)

關於附屬公司的資料(續)

本公司主要附屬公司的詳情如下：(續)

上表列示本公司之附屬公司，而董事認為，該等附屬公司對年度業績產生重大影響或構成本集團資產淨值之主要部份。於2019年3月31日，除本公司以外的所有附屬公司的綜合資產淨值約為130.0百萬港元(2018年：約193.4百萬港元)。董事認為，詳列其他附屬公司之詳情將會引致內容過於冗長。

* 截至2019年3月31日止年度，該等附屬公司宣派並支付股利50.0百萬港元予本公司(截至2017年3月31日止年度為120.0百萬港元，而截至2018年3月31日上年度為零港元)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared under the historical cost basis, except for financial asset at fair value through profit or loss and available-for-sale investment measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2 主要會計政策概要

本附註提供編製該等綜合財務報表時所採納的主要會計政策清單。除另有說明外，該等政策於所有呈報年度貫徹一致應用。

2.1 編製基準

本公司的綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的所有適用香港財務報告準則（「香港財務報告準則」）及香港公司條例第622章的披露規定編製。

綜合財務報表乃按歷史成本法編製，惟按公允值計入損益的金融資產及可供出售投資按公允值計量除外。

編製符合香港財務報告準則的綜合財務報表需要採用若干關鍵會計估計。管理層亦須在應用本集團會計政策的過程中作出判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註3中披露。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 March 2019
截至2019年3月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

(1) New standards and interpretations already adopted

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

		Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效
HKFRS 2 (Amendments)	Classification and measurement of share-based payment transactions	1 January 2018
香港財務報告準則第2號(修訂本)	以股份為基準的付款交易之分類及計量	2018年1月1日
HKFRS 4 (Amendments)	Insurance contracts	1 January 2018
香港財務報告準則第4號(修訂本)	保險合約	2018年1月1日
HKFRS 9	Financial Instruments	1 January 2018
香港財務報告準則第9號	金融工具	2018年1月1日
HKFRS 15	Revenue from contracts with customers	1 January 2018
香港財務報告準則第15號	客戶合約收益	2018年1月1日
HK (IFRIC) 22	Foreign currency transactions and advance consideration	1 January 2018
香港(國際財務報告詮釋委員會) 詮釋第22號	外幣交易及預付對價	2018年1月1日
HKAS 40 (Amendments)	Transfers of investment property	1 January 2018
香港會計準則第40號(修訂本)	投資物業轉撥	2018年1月1日
Annual Improvements 2014–2016 Cycle		1 January 2018
2014年至2016年週期的年度改進		2018年1月1日

Except for the HKFRS 9 and HKFRS 15, the impacts of which are described below, the other newly adopted standards or amendments listed above did not have significant impact on the Group's consolidated financial statements.

2 主要會計政策概要(續)

2.2 會計政策變動及披露

(1) 已採納的新訂準則及詮釋

本集團已於2018年1月1日開始的年度報告期間首次應用下列準則及修訂本：

	Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效
Classification and measurement of share-based payment transactions	1 January 2018
以股份為基準的付款交易之分類及計量	2018年1月1日
Insurance contracts	1 January 2018
保險合約	2018年1月1日
Financial Instruments	1 January 2018
金融工具	2018年1月1日
Revenue from contracts with customers	1 January 2018
客戶合約收益	2018年1月1日
Foreign currency transactions and advance consideration	1 January 2018
外幣交易及預付對價	2018年1月1日
Transfers of investment property	1 January 2018
投資物業轉撥	2018年1月1日
	1 January 2018
	2018年1月1日

除香港財務報告準則第9號及香港財務報告準則第15號外，其影響闡述如下，其他上列新採納的準則或修訂本並未對本集團綜合財務報表造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

(1) New standards and interpretations already adopted (continued)

Certain of the Group's accounting policies have been changed to comply with the adoption of HKFRS 9 and HKFRS 15 with a date of transition of 1 April 2018. HKFRS 9 replaces the provisions of HKAS 39 Financial Instruments ("HKAS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. HKFRS 9 also significantly amends other standards dealing with financial instruments such as HKFRS 7 "Financial Instruments — Disclosures". HKFRS 15 replaces the provisions of HKAS 18 "Revenue" ("HKAS 18") and HKAS 11 "Construction Contracts" ("HKAS 11") that relate to the recognition, classification and measurement of revenue and costs.

(a) HKFRS 9 Financial Instruments — Impact of adoption

The Group's financial assets include cash and cash equivalents, restricted cash, trade and other receivables and available-for-sale investment as at 31 March 2018. The Group used modified retrospective approach while adopting HKFRS 9 without restating any comparative information. The reclassification and adjustments arising from the new standard are therefore not reflected in the statement of financial position as at 31 March 2018, but are recognised in the statement of financial position on 1 April 2018. Available-for-sale investment of approximately HK\$15,674,000 was reclassified to financial assets at fair value through profit or loss ("FVPL") as at 1 April 2018 (Note 16). They do not meet the criteria to be classified as amortised cost in accordance with HKFRS 9, because their cash flows do not represent solely payment principal and interest. Accumulated fair value loss of approximately HK\$2,539,000 was transferred from available-for-sale investment reserve to retained earnings on 1 April 2018.

The Group's financial assets are subject to HKFRS 9's new expected credit loss model.

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

(1) 已採納的新訂準則及詮釋(續)

本集團若干會計政策已予變更，以符合採納香港財務報告準則第9號及香港財務報告準則第15號，過渡日期為2018年4月1日的規定。香港財務報告準則第9號取代香港會計準則第39號「金融工具」(「香港會計準則第39號」)有關確認、分類及計量金融資產及金融負債、終止確認金融工具、金融資產減值及對沖會計處理的條文。香港財務報告準則第9號亦大幅修訂其他處理金融工具的準則，例如香港財務報告準則第7號「金融工具 — 披露」。香港財務報告準則第15號取代香港會計準則第18號「收益」(「香港會計準則第18號」)及香港會計準則第11號「建築合約」(「香港會計準則第11號」)有關確認、分類及計量收益及成本的條文。

(a) 香港財務報告準則第9號「金融工具」— 採納的影響

於2018年3月31日，本集團的金融資產包括現金及現金等價物、受限制現金、貿易及其他應付款項及可供出售投資。本集團使用經修改追溯法，同時採納香港財務報告準則第9號而毋須重列任何比較資料。因此，從新的準則引起的重新分類及調整不會反映於2018年3月31日的財務狀況表，惟於2018年4月1日的財務狀況表中確認。於2018年4月1日，可供出售投資約15,674,000港元重新分類為按公允值計入損益的金融資產(「按公允值計入損益」)(附註16)。根據香港財務報告準則第9號，其並不符合按攤銷成本分類的標準，原因是其現金流量並不單獨代表支付本金及利息。於2018年4月1日，累計公允值虧損約2,539,000港元由可供出售投資儲備轉移至保留盈利。

本集團的金融資產受限於香港財務報告準則第9號的新預期信貸虧損模式。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

Year ended 31 March 2019
截至2019年3月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

(1) New standards and interpretations already adopted (continued)

(a) HKFRS 9 Financial Instruments — Impact of adoption (continued)

Impairment on trade receivables for sales of products is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. The Group has revised its impairment methodology under HKFRS 9.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group referred to the experience of historical credit losses, integrated with the current situation and the forecast of the future economic situation, and prepared the model which refers to the days past due and the expected credit loss rate during lifetime, in order to assess the expected credit loss. Based on management assessment, the impact of the change in impairment methodology for the current and prior year is insignificant.

While cash and cash equivalents and other receivables at amortised cost are also subject to the impairment requirements of HKFRS 9, no significant impairment loss was identified.

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

(1) 已採納的新訂準則及詮釋(續)

(a) 香港財務報告準則第9號「金融工具」— 採納的影響(續)

銷售產品之貿易應收款項減值按12個月預期信貸虧損或全期預期信貸虧損計量，視乎信貸風險自初始確認以來有否顯著增加而定。倘應收款項自初始確認以來信貸風險顯著增加，則其減值按全期預期信貸虧損計量。根據香港財務報告準則第9號，本集團已修訂其減值方法。

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，就所有貿易應收款項使用全期預期虧損撥備。為計量預期信貸虧損，貿易應收款項已按照共有信貸風險特點及逾期天數分類。

本集團參考歷史信貸虧損經驗、結合當前情況及對未來經濟狀況的預測及編製參考逾期天數及全期預期信貸虧損率的模型，以評估預期信貸虧損。基於管理層評估，本年度及上一年度減值方法變動的影響甚微。

儘管現金及現金等價物及按攤銷成本列賬的其他應收款項亦須遵守香港財務報告準則第9號的減值規定，惟並未發現重大減值虧損。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

(1) New standards and interpretations already adopted (continued)

(b) HKFRS 15 Revenue from Contracts with Customers — Impact of adoption

The Group used modified retrospective approach while adopting HKFRS 15 without restating any comparative information. The reclassification and adjustments arising from the new standard are therefore not reflected in the statement of financial position as at 31 March 2018, but are recognised in the statement of financial position on 1 April 2018. The prepayments received from customers of approximately HK\$5,472,000 as at 31 March 2018 was reclassified from other payable to contract liabilities as at 1 April 2018.

HKFRS 15 requires that revenue from contracts with customers be recognised upon the transfer of control over goods to the customer. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group's revenue is mainly from sales of goods. The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods underlying the particular performance obligation is transferred to customers at a point in time.

The impact of the initial adoption of HKFRS 15 on the Group's revenue recognition for the current and prior year is insignificant, except for the reclassification of prepayments received from customers to contract liabilities.

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

(1) 已採納的新訂準則及詮釋(續)

(b) 香港財務報告準則第15號「客戶合約收入」— 採納的影響

本集團於採納香港財務報告準則第15號時採用經修訂的追溯法，且並無重列比較資料。因此，新準則引起的重新分類及調整不會反映於2018年3月31日的財務狀況表，惟於2018年4月1日的財務狀況表中確認。於2018年3月31日自客戶收取約5,472,000港元的預付款項已於2018年4月1日由其他應付款項重新分類為合約負債。

香港財務報告準則第15號規定客戶合約收入須於貨品的控制權轉移至客戶時確認。具體而言，本集團採用五個步驟確認收益：

- 第一步：識別與客戶訂立的合約；
- 第二步：識別合約中的履約責任；
- 第三步：釐定交易價；
- 第四步：將交易價分配至合約中的履約責任；
- 第五步：於實體完成履約責任時(或就此)確認收益。

本集團收益主要來自銷售商品。本集團於達成履約責任時(或就此)確認收益，即當與特定履約責任相關的商品的「控制權」在一個時間點轉移予客戶時。

首次採納香港財務報告準則第15號對本集團本年度及上一年度收益確認的影響甚微，惟自客戶收取的預付款項重新分類為合約負債則例外。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 March 2019
截至2019年3月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

(2) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2019 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

HKFRS 16
香港財務報告準則第16號
HKFRS 17
香港財務報告準則第17號
HK (IFRIC) 23
香港(國際財務報告詮釋委員會)
詮釋第23號
HKFRS 9 (Amendments)
香港財務報告準則第9號(修訂本)
HKAS 28 (Amendments)
香港會計準則第28號(修訂本)
Annual Improvements 2015–2017 Cycle
2015年至2017年週期之年度改進
HKAS 19 (Amendments)
香港會計準則第19號(修訂本)
HKFRS 10 and HKAS 28 (Amendments)
香港財務報告準則第10號及
香港會計準則第28號(修訂本)

Leases
租賃
Insurance contracts
保險合約
Uncertainty over income tax treatments
所得稅處理之不確定性
Prepayment features with negative compensation
反向補償提前還款特徵
Long-term interests in associates and joint venture
於聯營公司及合營企業的長期權益
Plan amendment, curtailment or settlement
計劃修訂、縮減或清償
Sale or contribution of assets between an investor
and its associate or joint venture
投資者與其聯營公司或合營企業之間的
資產出售或出資

Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效

1 January 2019
2019年1月1日
1 January 2021
2021年1月1日
1 January 2019
2019年1月1日
1 January 2019
2019年1月1日
1 January 2019
2019年1月1日
1 January 2019
2019年1月1日
1 January 2019
2019年1月1日
To be determined
待定

The Group has already commenced an assessment of the impact of these new or revised standards which are relevant to the Group's operation. Based on management's preliminary assessment, management does not expect the adoption should have material impact to the Group.

本集團已開始對與本集團業務有關的該等新訂或經修訂準則之影響進行評估。基於管理層的初步評估，管理層預期有關採納應不會對本集團有重大影響。

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

(2) 尚未採納的新訂準則及詮釋

本集團尚未提早採納若干已頒佈但於2019年3月31日報告期尚未強制採納的新會計準則及詮釋。本集團對該等新訂準則及詮釋之影響的評估載列如下。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

- (2) New standards and interpretations not yet adopted (continued)

HKFRS 16, Leases

Nature of change

HKFRS 16 was issued in January 2016 and will be mandatory for financial year commencing on or after 1 January 2019. It will result in almost all leases being recognised on the lessee's balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

Impact

The Group has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in HKFRS 16.

As at 31 March 2019, The Group's future aggregate minimum lease payments under non-cancellable operating leases is approximately HK\$241,000, which is less than one year. Management does not expect the initial adoption of HKFRS 16 should have material impact to the Group.

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

- (2) 尚未採納的新訂準則及詮釋(續)

香港財務報告準則第16號「租賃」變動性質

香港財務報告準則第16號於2016年1月頒佈，並將於2019年1月1日或之後開始的財政年度強制生效。由於對經營租賃和融資租賃的計量劃分已經刪除，這將會導致幾乎所有租賃須在承租人的資產負債表內確認。根據新準則，資產(租賃資產的使用權)和支付租金的金融負債須確認入賬。豁免僅適用於短期和低價值租賃。出租人的會計處理將不會有重大變動。

影響

鑒於香港財務報告準則第16號的新租賃會計規則，本集團已審閱過去一年的所有集團租賃安排。

於2019年3月31日，本集團於不可撤銷經營租賃項下未來最低租賃付款總額為約241,000港元，期限不足一年。管理層預期首次採納香港財務報告準則第16號應不會對本集團有重大影響。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Principles of consolidation and equity accounting

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (3) below), after initially being recognised at cost in the consolidated balance sheet.

2 主要會計政策概要(續)

2.3 合併與權益會計原則

(1) 附屬公司

附屬公司是指本集團有控制權的全部實體(包括結構化實體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權利，並有能力透過其對該主體的權力影響該等回報時，本集團即控制該主體。附屬公司於控制權轉移至本集團之日合併入賬，自控制權終止之日不再合併入賬。

本集團內公司之間的交易、結餘及交易的未變現收益予以抵銷。未變現損失亦予以抵銷，除非本交易提供所轉撥資產的減值證據。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

(2) 合營安排

根據香港財務報告準則第11號合營安排，合營安排下的投資分類為合營業務或合營企業。分類取決於各投資方的合約權利及義務，而非按合營安排的法定結構。本集團擁有合營企業。

合營企業

於合營企業的權益在綜合資產負債表中初步按成本確認後以權益法入賬，請參閱以下第(3)項。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Principles of consolidation and equity accounting (continued)

(3) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.8.

2 主要會計政策概要(續)

2.3 合併與權益會計原則(續)

(3) 權益法

根據權益會計法，投資初步按成本入賬，隨後予以調整以確認本集團在損益中應佔被投資單位的溢利或虧損，以及本集團在其他全面收入報表中應佔被投資單位的其他全面收入變動。聯營企業或合營企業已收或應收股息確認為投資賬面值之減少。

當本集團應佔按權益入賬之投資的虧損相當於或超過其於實體的權益時(包括任何其他無抵押的長期應收款項)，本集團不會確認日後虧損，除非其已代表其他實體產生責任或作出付款。

本集團與其聯營公司及合營公司之間交易所產生未變現收益的對銷，只限於本集團於該等實體的權益。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。按權益入賬之被投資單位的會計政策在必要時會作調整，以確保與本集團所採納之政策保持一致。

按權益入賬之投資的賬面值依照附註2.8所述政策進行減值測試。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of the Company has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

2 主要會計政策概要(續)

2.4 獨立財務報表

於附屬公司的投資按成本減減值列賬。成本包括投資直接應佔成本。附屬公司的業績由本公司按已收及應收股息基準列賬。

於附屬公司的投資須於自該等投資獲發股息而股息超過宣派股息年度的附屬公司全面收益總額時，或獨立財務報表內投資賬面值超過綜合財務報表內被投資方資產淨值(包括商譽)的賬面值時進行減值測試。

2.5 分部呈報

經營分部按向主要營運決策者提供的內部呈報一致的方式呈列。

本公司董事會已任命戰略決策委員會負責評估本集團財務業績及狀況並作出戰略性決策。決策委員會已被確定為主要經營決策者，由行政總裁、財務總監及企業規劃經理組成。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Hong Kong dollar (HK\$), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.6 外幣換算

(1) 功能及呈列貨幣

本集團各實體的財務報表所列項目乃按該實體主要經營所在經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表乃以港元(即本公司的功能及呈列貨幣)呈列。

(2) 交易及結餘

外幣交易均按交易當日的匯率換算為功能貨幣。因結算該等交易及因按年結日匯率換算以外幣計值的貨幣資產及負債而產生的匯兌收益及虧損，通常於損益內確認。倘彼等與合資格現金流量對沖及合資格投資淨額對沖有關或歸因於海外業務投資淨額的一部分，則彼等於權益中遞延。

與借貸有關之外匯收益及虧損於收益表之融資成本內呈列。所有其他匯兌收益及虧損以淨額基準於損益表之其他收益或其他開支呈列。

按公允值計量並以外幣計值之非貨幣項目使用釐定公允值當日之匯率換算。按公允值列賬之資產及負債的匯兌差額呈報為公允值損益之一部分。例如，按公允值計入損益之權益等非貨幣資產及負債之匯兌差額於損益內確認為公允值損益其中部分，分類為可供出售金融資產之權益等非貨幣資產之匯兌差額於其他全面收益中確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency translation (continued)

(3) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2 主要會計政策概要(續)

2.6 外幣換算(續)

(3) 集團成員公司

功能貨幣與呈列貨幣不同的海外業務(當中概無惡性通貨膨脹經濟的貨幣)的業績及財務狀況均換算為呈列貨幣,詳情如下:

- 每項資產負債表之資產及負債均按照該資產負債表結算日之匯率折算為呈列貨幣;
- 各項損益表的收入和支出均按照平均匯率折算為呈列貨幣,但若此平均匯率未能合理地反映各交易日之匯率所帶來的累積影響,則按照交易日之匯率折算此等收入和支出;及
- 所有產生的外幣換算差額均於其他全面收益內確認。

於編製綜合賬目時,換算海外實體任何投資淨額以及換算被指定為此等投資的對沖項目的借款及其他金融工具均於其他全面收益確認。當出售海外業務或償還構成該投資淨額部分的任何借款,相關的匯兌差額於損益賬重新歸類為出售的部分收益或虧損。

因收購境外業務而產生的商譽及公允值調整,被視作境外業務的資產及負債並按收市匯率折算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency translation (continued)

(4) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2 主要會計政策概要(續)

2.6 外幣換算(續)

(4) 境外業務的出售及部分出售

於出售境外業務(即出售本集團於境外業務的全部權益,或涉及喪失對一間擁有境外業務的附屬公司的控制權的出售,涉及喪失對擁有境外業務的合營企業的共同控制權的出售,或涉及喪失對一間擁有境外業務的聯營企業的重大影響力的出售)時,就本公司擁有人應佔該業務而於權益內累計的所有貨幣換算差額會重新歸類至損益。

倘有關部分出售並未導致本集團喪失擁有境外業務的附屬公司的控制權,則累計貨幣換算差額的按比例分佔再次計入非控股權益,而不在損益中確認。就所有其他部分出售(即減少本集團於聯營企業或合營企業的所有權權益但不會導致本集團喪失重大影響力或共同控制權)而言,按比例分佔的累計貨幣換算差額將予重新歸類至損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment and depreciation

All property, plant and equipment, other than construction in progress (“CIP”), are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Leasehold land
- 租賃土地
- Buildings
- 樓宇
- Leasehold improvement
- 租賃物業裝修工程
- Furniture and fixtures
- 傢俬及裝置
- Office equipment and computers
- 辦公設備及電腦
- Plant and machinery
- 廠房及機器
- Motor vehicles
- 汽車

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

2 主要會計政策概要(續)

2.7 物業、廠房及設備以及折舊

除在建工程(「在建工程」)外,所有物業、廠房及設備均按歷史成本減折舊列賬。歷史成本包括購買該等項目直接應佔的支出。成本亦可能包括從權益中轉撥有關利用合資格現金流量對沖外幣購置物業、廠房及設備所產生的任何收益或虧損。

其後成本僅在與項目相關的未來經濟利益可能流入本集團及該項目成本能可靠計量的情況下,方會計入資產賬面值或確認為獨立資產(如適用)。任何入賬列作獨立資產的零件之賬面值將於更換時終止確認。所有其他維修及保養於其產生的報告期間自損益扣除。

折舊於其估計可使用年期(或倘為租賃物業裝修及若干租賃廠房及設備,則於以下較短年期)按直線法分攤其成本或重估金額(扣除剩餘價值)計算:

	Over the lease terms
	租期
	2% to 2.5%
	2%至2.5%
	Over the shorter of the lease terms and 20%
	租期或20%(以較短者為準)
	20%
	20%
	20% to 33%
	20%至33%
	20%
	20%
	20%
	20%

資產的剩餘價值及可使用年期於各報告期末審閱,並作出適當調整。

倘資產賬面值高於其估計可收回金額,則即時將資產賬面值撇減至其可收回金額。

出售產生的收益及虧損通過比較所得金額與賬面值釐定。該等金額計入損益中。當重估資產獲出售時,我們的政策是將有關該等資產的其他儲備中的任何金額轉移至保留盈利。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment and depreciation (continued)

CIP represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. CIP is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 主要會計政策概要(續)

2.7 物業、廠房及設備以及折舊(續)

在建工程指在建中建築物，按成本扣除任何減值虧損列賬，且不計算折舊。成本包括直接建築成本及建築期內相關借貸產生的資本化借貸成本。在建工程於落成及可供使用時重新分類至物業、廠房及設備的適當類別。

2.8 非金融資產減值

沒有確定使用年期的資產無需攤銷，惟須每年就減值進行測試，或倘出現可能減值的事宜或情況出現變動，則會作更頻密測試。其他資產如因事故或情況改變而顯示賬面值未能收回，亦須進行減值測試。減值虧損按資產賬面值超出其可收回金額的金額確認。可收回金額指資產公允值減出售成本及使用價值的較高者。就評估減值而言，資產按獨立可識別現金流入(即獨立於其他資產或一組資產的現金流入)(現金產生單位)的最低水平歸類。已減值的非財務資產(商譽除外)於各報告期末檢討是否可能撥回減值。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets

(1) Accounting policies applied from 1 April 2018

(a) Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and,
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 主要會計政策概要(續)

2.9 投資及其他金融資產

(1) 自2018年4月1日起應用的會計政策

(a) 分類

自2018年4月1日起，本集團按以下計量類別分類其金融資產：

- 其後按公允值計量(計入其他全面收益或計入損益)的金融資產，及
- 按攤銷成本計量的金融資產。

有關分類取決於實體管理金融資產的業務模式以及現金流量的合約條款。

對於按公允值計量的資產而言，其收益及虧損將計入損益或其他全面收益。對於非持作買賣的權益工具投資而言，其將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其入賬為按公允值計入其他全面收益的權益工具。

當及僅當管理該等資產的業務模式發生變化時，本集團方會將債務投資重新分類。

(b) 確認及終止確認

以一般方式買賣的金融資產均於交易日(即本集團承諾收購或出售資產當日)確認。當本集團從該等金融資產收取現金流量的權利已到期或已被轉讓，且本集團已大致上將擁有權的所有風險和回報轉移，則終止確認該等金融資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (continued)

(1) Accounting policies applied from 1 April 2018 (continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2 主要會計政策概要(續)

2.9 投資及其他金融資產(續)

(1) 自2018年4月1日起應用的會計政策(續)

(c) 計量

於初始確認時，本集團按公允價值計量金融資產，倘金融資產並非按公允價值計入損益，則加上收購該金融資產直接應佔的交易成本。按公允價值計入損益的金融資產交易成本於損益中支銷。

在釐定具有嵌入衍生工具金融資產的現金流量是否純粹為本金及利息付款時，須從金融資產的整體作考慮。

債務工具

債務工具的隨後計量視乎本集團管理資產的業務模型及資產的現金流量特性而定。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘持有資產旨在收取合約性現金流量，而該等資產的現金流量純粹為本金及利息付款，則該等資產按攤銷成本計量。該等金融資產的利息收入以實際利率法計入財務收入。終止確認產生任何收益或虧損直接於損益中確認，並連同匯兌收益及虧損於其他收益／(虧損)中呈列。減值虧損於損益表中呈列為獨立項目。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (continued)

(1) Accounting policies applied from 1 April 2018 (continued)

(c) **Measurement (continued)**

Debt instruments (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 主要會計政策概要(續)

2.9 投資及其他金融資產(續)

(1) 自2018年4月1日起應用的會計政策(續)

(c) **計量(續)**

債務工具(續)

- 按公允值計入其他全面收益：倘持有資產目的為收取合約性現金流量及銷售金融資產，且資產的現金流量純粹為本金及利息付款，則按公允值計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值損益、利息收益及匯兌損益於損益中確認。於終止確認金融資產時，過往於其他全面收益確認的累計收益或虧損由權益重新分類至損益並於其他收益／(虧損)中確認。該等金融資產的利息收入乃使用實際利率法計入財務收入。匯兌收益及虧損於其他收益／(虧損)中呈列，而減值開支在損益表中呈列為獨立項目。
- 按公允值計入損益：不符合攤銷成本或按公允值計入其他全面收益標準的資產乃以按公允值計入損益計量。隨後按公允值計入損益的債務投資的損益於其產生期間在損益中確認並在其他收益／(虧損)中呈列為淨值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (continued)

(1) Accounting policies applied from 1 April 2018 (continued)

(c) **Measurement (continued)**

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) **Impairment**

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 主要會計政策概要(續)

2.9 投資及其他金融資產(續)

(1) 自2018年4月1日起應用的會計政策(續)

(c) **計量(續)**

權益工具

本集團隨後就所有股本投資按公允值計量。當本集團管理層已選擇於其他全面收益呈列股本投資的公允值收益及虧損，公允值收益及虧損於終止確認投資後不會重新分類至損益。有關投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。

按公允值計入損益的金融資產公允值變動於損益表中確認為其他收益/(虧損)(倘適用)。按公允值計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會因公允值其他變動而分開列報。

(d) **減值**

自2018年4月1日起，本集團對有關其按攤銷成本列賬及按公允值計入其他全面收益的債務工具的預期信貸虧損進行前瞻性評估。所應用的減值方法取決於信貸風險是否大幅增加。

就貿易應收款項而言，本集團應用香港財務報告準則第9號允許的簡化方法，其中要求全期預期虧損須自首次確認應收款項時確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (continued)

(2) Accounting policies applied until 31 March 2018

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information presented in the current year continues to be accounted for in accordance with the Group's previous accounting policy. The impact on the amounts of financial assets impairment is insignificant after the Group adopted HKFRS 9 in the current year.

(a) Classification

Until 31 March 2018 the Group classifies its financial assets in the following categories:

- loans and receivables
- available-for-sale financial assets

The classification was determined on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

loans and receivables

Loans and receivables were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market. If collection of the amounts is expected in one year or less they were classified as current assets. If not, they were presented as non-current assets.

Available-for-sale financial assets

Investments were designated as available-for-sale financial assets if they did not have fixed maturities and fixed or determinable payments, and management intended to hold them for the medium to long-term. Financial assets that were not classified into any of the other categories (at FVPL, loans and receivables or held-to-maturity investments) were also included in the available-for-sale category.

The financial assets were presented as non-current assets unless they mature, or management intended to dispose of them within 12 months of the end of the reporting period.

2 主要會計政策概要(續)

2.9 投資及其他金融資產(續)

(2) 直至2018年3月31日應用的會計政策

本集團已追溯應用香港財務報告準則第9號，但已選擇不重述比較資料。因此，本年度所呈列的比較資料繼續根據本集團過往的會計政策入賬。本集團於本年度採納香港財務報告準則第9號後，對金融資產減值金額的影響並不重大。

(a) 分類

直至2018年3月31日，本集團將其金融資產分類為以下類別：

- 貸款及應收款項
- 可供出售金融資產

分類按收購投資的目的而釐定。管理層於初始確認時釐定其投資的類別，倘資產分類為持有至到期，則會於各報告期末重新評估這一分類。

貸款及應收款項

貸款及應收款項為並非於活躍市場報價具有固定或可釐定付款的非衍生金融資產。倘預期於一年或以下收回款項，則分類為流動資產；否則呈列為非流動資產。

可供出售金融資產

倘投資並無固定到期日及固定或可釐定的付款，及管理層擬按中至長期持有該等投資，則指定為可供出售金融資產。並無分類為任何其他類別(按公允值計入損益、貸款及應收款項或持至到期投資)的金融資產亦計入可供出售類別。

除非到期或管理層擬於報告期末後12個月內出售金融資產，否則將其呈列為非流動資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (continued)

(2) Accounting policies applied until 31 March 2018 (continued)

(b) *Reclassification*

The Group could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Group chose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

2 主要會計政策概要(續)

2.9 投資及其他金融資產(續)

(2) 直至2018年3月31日應用的會計政策(續)

(b) *重新分類*

倘金融資產不再以近期出售為目的而持有，則本集團可選擇將其從持有待售的金融資產中重新分類為非衍生交易性金融資產。只有在基於近期特殊、罕見情況可能重複出現的偶然事件發生的情境下，除貸款及應收款項外的金融資產可以從持有待售金融資產中重新分類。此外，倘本集團有意圖及能力將該等金融資產持有至可預見的未來或在重分類日持有至到期，本集團可以選擇將符合貸款及應收款項定義的金融資產從持有待售或可供出售的類別中重新分類。

重新分類以重新分類當日的公允值計量。公允值作為新成本或攤銷成本(如適用)，且其後不會撥回於重新分類日期前入賬的公允值收益或虧損。重新分類至貸款及應收款項及持至到期類別的金融資產的實際利率於重新分類日期釐定。現金流量估計之進一步增加會前瞻地調整實際利率。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (continued)

(2) Accounting policies applied until 31 March 2018 (continued)

(c) *Subsequent measurement*

The measurement at initial recognition did not change an adoption of HKFRS 9, see description above.

Subsequent to the initial, recognition loans and receivables were subsequently carried at amortised cost using the effective interest method.

For available-for-sale financial investments, the Group assessed at the end of each reporting period whether there was objective evidence that an investment or a group of investments is impaired.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- for 'financial assets at FVPL' — in profit or loss within other gains/(loss);
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency — translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income;
- for other monetary and non-monetary securities classified as available-for-sale — in other comprehensive income.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and other losses from investment securities.

2 主要會計政策概要(續)

2.9 投資及其他金融資產(續)

(2) 直至2018年3月31日應用的會計政策(續)

(c) *後續計量*

初始確認的計量方法於採納香港財務報告準則第9號後不會變動，詳見上文。

初始確認後，貸款及應收款項期後使用實際利率法按攤銷成本入賬。

對於可供出售金融投資，本集團在每個報告期末評估是否有客觀證據證明一項投資或一組投資減值。

可供出售金融資產及按公允價值計入損益的金融資產其後按公允價值計量。公允價值變動產生的損益確認如下：

- 對於「按公允價值計入損益的金融資產」— 計入損益的其他收益／(虧損)；
- 對於屬於以外幣計值的貨幣性證券的可供出售金融資產 — 與該證券的攤銷成本變動有關的換算差額在損益確認，而其他賬面值的變動則於其他全面收益中確認；
- 分類為可供出售的其他貨幣性及非貨幣性證券 — 其他全面收益。

倘分類為可供出售的證券被出售，於其他全面收益確認的累計公允價值調整重新分類至損益，並呈列為投資證券的收益及其他虧損。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (continued)

(2) Accounting policies applied until 31 March 2018 (continued)

(d) Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group measured impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

2 主要會計政策概要(續)

2.9 投資及其他金融資產(續)

(2) 直至2018年3月31日應用的會計政策(續)

(d) 減值

本集團會於各報告期末評估一項或一組金融資產是否存在客觀減值證據。當有客觀證據證明於初步確認資產後發生一宗或多宗事件導致減值出現(「虧損事件」)，而該宗(或該等)虧損事件對該項或該組金融資產的估計未來現金流量構成可合理估計的影響，則有關金融資產或該組金融資產才算出現減值及產生減值虧損。若被劃分為可供出售的股本投資，證券公允值大幅或長期低於其成本被視為該資產減值的跡象。

(i) 按攤銷成本入賬的資產

就貸款及應收款項而言，虧損金額以資產賬面值與按金融資產原來實際利率貼現估計的未來現金流量(不包括未產生的日後信貸虧損)所得現值兩者間的差額計量。資產的賬面值被銷減，而虧損金額則於損益內確認。倘貸款或持至到期投資按浮動利率計算，用於計量任何減值虧損的貼現率則為合約下釐定的即期實際利率。作為可行權宜之計，本集團可按工具可觀察得到的市價為公允值的基礎計量其減值。

倘在其後期間，減值虧損的金額減少，而該減少可客觀地與確認減值後發生的事件相關(如債務人的信貸評級改善)，則之前確認的減值虧損撥回會於損益內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (continued)

(2) Accounting policies applied until 31 March 2018 (continued)

(d) Impairment (continued)

(ii) Assets classified as available-for-sale

If there was objective evidence of impairment for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — was removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

2.10 Offsetting of financial instruments

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

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2 主要會計政策概要(續)

2.9 投資及其他金融資產(續)

(2) 直至2018年3月31日應用的會計政策(續)

(d) 減值(續)

(ii) 分類為可供出售的資產

倘有客觀證據顯示可供出售金融資產出現減值，則自權益扣除累計虧損(以收購成本與現時公允值之間的差額減該金融資產先前於損益確認的任何減值虧損計算)並於損益確認。

於損益確認的權益工具的減值虧損於其後期間不會於損益撥回。

倘分類為可供出售債務工具的公允值於其後期間增加，而該增加可客觀地與於損益確認後出現的事件有關，則減值虧損透過損益撥回。

2.10 抵銷金融工具

倘現時存在一項可強制執行的法定權利以抵銷已確認金額，且有意以淨額結算或同時變現資產及清償負債的情況下，金融資產與金融負債可相互抵銷，並以抵銷後淨額於綜合財務狀況表內呈報。

2.11 存貨

存貨乃按成本與可變現淨值兩者中之較低者列賬。成本乃按先進先出基準釐定及(倘為在製品及製成品)包括直接材料、直接勞工及適當比例之日常開支。可變現淨乃是根據估計售價扣除直至完成及出售所需之任何估計成本計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 120 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 18 for further information about the Group's accounting for trade receivables and Note 2.2 for a description of the Group's impairment policy.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.14 Share capital

Ordinary shares and non-redeemable participating preference shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要(續)

2.12 貿易應收款項

貿易應收款項為在日常業務過程中就已售貨品及履行的服務而應收客戶的款項。貿易應收款項一般於結算後120日內到期，因此全數分類為流動款項。

貿易應收款項初步按已成為無條件的代價金額確認，除非含有重大融資成份，在有關情況下，則按公允價確認。本集團持有目的為收取合約現金流量的貿易應收款項，因此其後使用實際利率法按攤銷成本對其進行計量。有關集團貿易應收款項的會計方法的進一步資料及本集團的減值政策概述請分別參閱附註18及附註2.2。

2.13 現金及現金等價物

就呈列現金流量表而言，現金及現金等價物包括手頭現金、金融機構活期存款、其他短期、高流動性投資(初始期限為三個月或以內，該類投資可隨時轉換為可知數額的現金且無重大的價值變動風險)以及銀行透支。銀行透支於資產負債表內流動負債中列為貸款。

2.14 股本

普通股及不可贖回分成優先股分類為權益。

發行新股或購股權直接相關的新增成本於權益中列作所得款項的扣減(扣除稅項)。

2.15 貿易及其他應付款項

該等金額指財政年度結束前就已提供予本集團的貨品及服務的未償付負債。該等金額為無抵押及通常於確認後180日內償付。貿易及其他應付款項呈列為流動負債，除非付款並非於報告期後12個月內到期。其最初按其公允值確認，且其後使用實際利率法按攤銷成本計量。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

2 主要會計政策概要(續)

2.16 貸款

貸款扣除所產生的交易成本後初步按公允價值確認。貸款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額之間的差額於貸款期間以實際利率法於損益確認。為建立貸款額度所支付的費用在部分或全部融資額度將會很可能被提取的情況下確認為貸款的交易成本。在此情況下，費用遞延至貸款提取為止。倘沒有證據證明部分或全部融資額度將會很可能被提取，則該費用會被資本化為流動資金服務的預付款，並按有關的融資額度期間攤銷。

當合約列明的債務被解除、取消或到期時，貸款自資產負債表中刪除。已消除或轉撥至另一方的金融負債的賬面值與已付代價的差額，包括任何已轉撥的非現金資產或已承擔負債，在損益中確認為財務成本。

倘重新商討金融負債的條款，而實體向債權人發行權益工具，以消除全部或部分負債(權益與債務掉期)，該項金融負債賬面值與所發行權益工具公允值的差額在損益中確認為收益或虧損。

除非本集團有權無條件將債務結算日期遞延至報告期後至少12個月，否則貸款將分類為流動負債。

2.17 貸款成本

可直接歸屬於收購、建築或生產合資格資產的一般及特定貸款成本，在完成及籌備資產作其預定用途或出售所需的期間內資本化。合格資產是須花費相當長時間方可用作擬定用途或銷售的資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2 主要會計政策概要(續)

2.18 流動及遞延所得稅

期內所得稅開支或抵免為本期間根據各司法權區適用所得稅稅率計算的應課稅收入的應付稅項，並經歸屬於暫時性差額及未用稅項虧損的遞延稅項資產及負債的變動調整。

即期所得稅

即期所得稅開支根據本公司的附屬公司及聯營公司營運所在及產生應課稅收入的國家於報告期末已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法規詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延所得稅

對於資產及負債的稅基與其在綜合財務報表的賬面值之間的暫時性差額，使用負債法計提全額遞延所得稅撥備。然而，若遞延稅項負債來自初步確認商譽時，則不予確認。若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計方法或應課稅損益，即遞延所得稅不作記賬。遞延所得稅乃以於報告期末已頒佈或實質頒佈的稅率(及稅法)釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時應用。

僅於可能有未來應課稅金額以動用該等臨時差異及虧損時，方會確認遞延稅項資產。

倘本公司能控制撥回臨時差異的時間及差異很可能不會於可見未來撥回，則遞延稅項負債及資產不會就海外業務投資的賬面值及稅基的臨時差異予以確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Current and deferred Income tax (continued)

Deferred income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Employee benefits

(1) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(2) Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

2 主要會計政策概要(續)

2.18 流動及遞延所得稅(續)

遞延所得稅(續)

當有合法可執行權利抵銷流動稅項資產及負債及當遞延稅項結餘與同一稅務機關有關，則遞延稅項資產及負債可予抵銷。倘實體擁有合法可執行權利抵銷及擬按淨額基準結付或同時變現資產及結付負債，則流動稅項資產及稅項負債可予抵銷。

除與於其他全面收益或直接於權益確認的項目相關外，即期及遞延稅項於損益內確認。於此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

2.19 僱員福利

(1) 短期責任

工資和薪金的負債，包括非現金福利及累計的病假，預計在僱員提供相關服務後的12個月內結算，並就僱員直至報告期末的服務確認，且按負債結算時預期支付的金額計量。該負債列示於資產負債表的流動員工福利責任。

(2) 退休金計劃

本集團根據強制性公積金計劃條例為其香港僱員經營一項界定供款強制性公積金退休福利計劃(「強積金計劃」)。根據強積金計劃的規則，供款額乃根據僱員基本薪酬百分比計算，並於應付時從損益內扣除。強積金計劃之資產與本集團資產分開並存放於獨立管理基金。本集團向強積金計劃作出僱主供款，款額即時全數歸僱員所有。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits (continued)

(2) Pension schemes (continued)

The Group entities in mainland China participate in defined contribution retirement benefit plans organised by relevant government authorities for its employees in mainland China and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. The contributions to these plans are recognised as employee benefit expenses when incurred.

(3) Employee leave entitlements

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 balance sheet date.

Employee entitlements to other leaves are not recognised until the time of leave.

(4) Termination benefits

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

2 主要會計政策概要(續)

2.19 僱員福利(續)

(2) 退休金計劃(續)

根據相關政府機構的規定，本集團於中國內地的實體須為其中國內地僱員參與相關政府機構組織的界定供款退休福利計劃，並基於僱員的工資按若干比例(最高為固定貨幣金額)向該等計劃每月供款。政府機構承諾根據該等計劃承擔所有現有及未來退休僱員的退休福利責任。本集團並無進一步責任支付供款範圍外的退休福利。本集團對該等計劃的供款在產生時確認為僱員福利開支。

(3) 員工休假

員工可享有年假。規定在資產負債日確認該部分年假的負債。

其他性質的假期不被確認直到該日。

(4) 離職福利

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

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.21 Revenue recognition

(1) Accounting policies applied from 1 April 2018

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods underlying the particular performance obligation is transferred to customers. Control of the goods is transferred at a point in time.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes.

2 主要會計政策概要(續)

2.20 撥備

當本集團須就過去事件承擔現有法律或推定責任，履行該責任可能導致資源流出，而有關金額能可靠估計，會就法律申索、服務保證及補償確認撥備。進一步經營虧損不作撥備確認。

倘出現多項類似責任時，因履行責任而導致資源流出的可能性通過整體考慮責任類別而釐定。即使同一類別責任中任何一項導致資源流出的可能性很小，仍須確認撥備。

撥備乃按管理層於報告期末結算對履行現時責任所需支出作最佳估計的現值計量。用於釐定現值的貼現率是稅前利率，反映當期市場對金錢時間值及該負債的特定風險的評估。隨時間流逝而增加的撥備確認為利息支出。

2.21 收益確認

(1) 自2018年4月1日起適用的會計政策

於(或隨著)本集團完成履約責任，即與特定履約責任相關的貨品的「控制權」轉移予顧客時確認收益。貨品控制權於某一時刻轉移。

收益按已收或應收代價的公允值計量，指就所供應的貨品而應收的金額，經扣除折扣、退貨及增值稅後列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue recognition (continued)

- (1) Accounting policies applied from 1 April 2018 (continued)

Sales of goods

The Group's revenue is mainly sales of goods. Revenue for sales of goods is recognised when the Group transfers all the control of goods to the customer and no longer reserved any right to continue to manage and implement effective control which often associated with the ownership of the goods, and costs incurred or to be incurred can be measured reliably. The revenue for the sales of good is recognised on prices received or receivable from the customer according to the contract or agreement. As receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

Revenue from the render of processing services is recognised in the accounting period in which the services are rendered.

- (2) Accounting policies applied until 31 March 2018

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

- (a) from the sale of goods, revenue is recognised when the Group upon delivery of the products to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, the risks and rewards have been transferred to the buyer; and
- (b) from the render of processing services revenue is recognized when the relevant service has been rendered.

2 主要會計政策概要(續)

2.21 收益確認

- (1) 自2018年4月1日起適用的會計政策(續)

貨品銷售

本集團的收益主要為貨品銷售。貨品銷售收益於本集團將所有貨品控制權轉移予客戶，並不再保留通常與貨品所有權相關的繼續管理及實施有效控制的任何權利，且已產生或將產生的成本能夠可靠地計量時確認。貨品銷售收益按照客戶根據合約或協議已收或應收的價格確認。應收款項於貨品交付時確認，因付款到期前僅須待時間過去，於該時間點代價為無條件。

服務

提供服務的收益於提供服務的會計期間確認。

- (2) 適用至2018年3月31日的會計政策
收益於經濟利益極可能會流入本集團及當收益能夠按下列基準可靠地計量時確認：

- (a) 銷售貨品，收益於本集團交付產品予買方，有關風險及回報已轉移至買方，而本集團不再參與與擁有權有關之管理事務時確認；及
- (b) 提供服務，收益於提供有關服務時確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.23 Dividends income

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

2.24 Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

2 主要會計政策概要(續)

2.22 利息收入

利息收入採用實際利率法確認。當應收款項減值時，本集團將其賬面值減至其可收回金額(即按該工具的原實際利率貼現的估計未來現金流量)，並持續解除貼現作為利息收入。減值貸款的利息收入使用原實際利率進行確認。

2.23 股息收入

股息收益於收取款項的權利確定時確認。適用於通過併購前利潤支付的股息。然而，該項投資可能因此須進行減值測試。

2.24 租賃

本集團(作為承租人)持有所有權絕大部分風險及回報的物業、廠房及設備租賃分類為融資租賃。融資租賃於租期初始按租賃物業公允值或最低租賃付款現值(以較低者為準)資本化。相關的租金責任扣除財務費用計入其他短期及長期應付款項內。每項租賃付款乃於負債及融資成本之間分配。融資成本按租期於損益扣除，以就各期間負債餘額提供一致的期間利率。根據融資租約收購的物業、廠房及設備乃於資產可使用年期或於資產可使用年期及租期的較短者折舊(倘無法合理確定本集團於租期結束時將能夠取得所有權)。

所有權重大部分的風險及回報未轉移至本集團(作為承租人)的租賃分類為經營租賃。根據經營租賃作出的付款(扣除向出租人收取的任何獎勵金)按直線法於租期內在損益扣除。

本集團作為出租人的經營租賃所得租賃收入按直線法於租期內在收入內確認。相關租賃資產基於其性質計入資產負債表內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2.27 Fair value measurement

The Group measures its FVPL and available-for-sale investment at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2 主要會計政策概要(續)

2.25 股息分派

就於報告期末或之前已宣派但於報告期末並未分派之任何股息金額(已經適當授權及再不由實體酌情決定)作出撥備。

2.26 政府補助

如可合理保證將可接獲政府補助,以及本集團將遵守一切附帶條件則按其公允值確認有關補助。

2.27 公允值計量

本集團於各報告期末按公允值計量其按公允值計入損益之金融資產及可供出售投資。公允值為市場參與者於計量日期進行的有序交易中出售資產所收取或轉讓負債所支付之價格。公允值計量假設出售資產或轉讓負債的交易於資產或負債的主要市場或於資產或負債的最有利市場(並無主要市場)進行。本集團必須可於該主要市場或最有利市場進行交易。資產或負債的公允值乃採用假設市場參與者按其最佳經濟利益行事時,市場參與者為資產或負債定價時所用的假設計量。

本集團採用在各情況下適當的估值技術,而其有足夠資料以計量公允值,以盡量使用相關可觀察輸入數據及盡量避免使用不可觀察輸入數據。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2 主要會計政策概要(續)

2.27 公允值計量(續)

於綜合財務報表中計量或披露公允值的所有資產及負債，均根據對公允值計量整體而言屬重大的最低層輸入數據按下述公允值層級進行分類：

第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)；

第二級 — 基於估值技術，而該技術採用對公允值計量而言屬重大的最低層輸入數據可直接或間接觀察得到；

第三級 — 基於估值技術，而該技術採用對公允值計量而言屬重大的最低層輸入數據不可觀察得到。

就按經常基準於綜合財務報表確認的資產及負債而言，本集團於各報告期末按對公允值計量整體而言屬重大的最低層輸入數據重新評估分類，以釐定各層級之間有否出現轉移。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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 addressed below.

(1) Net realisable value of inventories

Net realisable value of inventories is based on estimated selling price less any estimated costs to be incurred to completion and disposal with reference to prevailing market information. These estimates are based on the current market condition and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market conditions. The Group reassesses the end of each reporting period. Further details are contained in Note 17 to the financial statements.

(2) Impairment of trade receivables

The Group has adopted the simplified expected credit loss model for its trade receivables, as allowed by HKFRS 9. The Group referred to the experience of historical credit losses, integrated with the current situation and the forecast of the future economic situation, and prepared the model which refers to the days past due and the expected credit loss rate during lifetime, in order to assess the expected credit loss. Management will reassess the provision by each balance sheet date. Further details are contained in Note 18 to the consolidated financial statements.

(3) Income tax and deferred tax assets

Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

3. 關鍵會計估計及判斷

估計及判斷會持續予以評估，並且乃根據過往經驗及其他因素而作出，包括對相信有關情況下屬合理之未來事件之預期。

本集團就未來作出有關估計及假設。顧名思義，該等會計估計甚少與有關實際結果相同。有重大風險可能導致下個財政年度須對資產及負債之賬面值作出重大調整之估計及假設討論如下。

(1) 存貨可變現淨值

存貨的可變現淨值乃基於估計售價減直至完工及出售前估計將產生之任何成本得出，並會參考現行市場信息。此等估計乃基於當前市況及銷售類似性質貨品的過往經驗而作出，且可能隨著市況變化而出現大幅變動。本集團於各報告期末對有關估計進行重新評估。進一步詳情載於財務報表附註17。

(2) 貿易應收款項減值

本集團已按照香港財務報告準則第9號，對其貿易應收款項採用簡化的預期信貸虧損模式。本集團參考歷史信貸虧損經驗、結合當前情況及對未來經濟狀況的預測及編製參考逾期天數及全期預期信貸虧損率的模型，以評估預期信貸虧損。管理層將於每個資產負債表日前重新評估撥備。進一步詳情載於綜合財務報表附註18。

(3) 所得稅和遞延稅項資產

釐定所得稅撥備時需要對若干交易之未來稅務處理作出重大判斷。本集團詳細評估該等交易所帶來之稅務影響及已記錄相應之所得稅撥備。該等交易之稅務處理將定期檢討，以計入所有稅務條例之變動。

在釐定可確認之遞延稅項資產的金額時，須根據可能的時間、未來應課稅溢利水平連同未來稅項計劃策略作出重大管理層判斷。

倘可能有應課稅溢利可用以對銷可動用的稅務虧損，則遞延稅項資產就可對銷部分未動用虧損予以確認。

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4. SEGMENT INFORMATION

(1) Operating segment

The Group is primarily engaged in the manufacture and sale of jewellery products. Management has determined the operating segments based on the reports reviewed by the chief operating decision makers, who have been identified as the executive directors of the Company. Information reported to the Group's chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one reportable operating segment, i.e. manufacture and sale of jewellery products, and no further analysis thereof is presented.

(2) Geographical segment

Information about the Group's revenue by geographical locations is presented based on the area or country in which the external customer is operated.

(a) Revenue from external customers

Mainland China	中國大陸
Russia	俄羅斯
Asia (other than Mainland China)	亞洲(中國大陸除外)
Europe (other than Russia)	歐洲(俄羅斯除外)
Americas	美洲
Other countries	其他國家

Information about the Group's non-current assets, excluding FVPL and available-for-sale investment, is presented based on the locations of the assets.

4. 分部資料

(1) 經營分部

本集團主要從事珠寶產品的製造及銷售業務。管理層已根據首席營運決策者(已獲確定為本公司的執行董事)審閱的報告釐定經營分部。就資源分配及業績評估向本集團首席營運決策者報告的資料著重本集團的整體經營業績，原因在於本集團的資源已整合。因此，本集團已確定一個可報告經營分部，即珠寶產品的製造及銷售，且並無呈列有關進一步分析。

(2) 地域分部

有關根據外部客戶經營業務所在地區或國家按所在地域呈列的本集團收益的資料。

(a) 來自外部客戶的收益

2019	2018
2019年	2018年
HK\$'000	HK\$'000
千港元	千港元
80,777	103,113
60,003	105,250
46,998	26,836
17,662	35,679
13,824	159,540
22	3,248
219,286	433,666

本集團非流動資產(不包括按公允值計入損益及可供出售投資)的資料乃根據資產所在地區呈列。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

(2) Geographical segment (continued)

- (b) Non-current assets excluding FVPL and available-for-sale investment

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Hong Kong	香港	3,239	23,030
Mainland China	中國大陸	1,246	5,024
		4,485	28,054

The Company is domiciled in the Cayman Islands while the Group operates its business in Hong Kong and Mainland China. During the year ended 31 March 2019, no revenue was generated from any customer in the Cayman Islands and no assets were located in the Cayman Islands.

(3) Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year, including sales to a group of entities which are known to be under common control with that customer, is as set out below:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Customer A	客戶A	55,914	81,412
Customer B	客戶B	51,933	72,461
Customer C	客戶C	36,833	*
Customer D	客戶D	33,986	*
Customer E	客戶E	*	79,471
		178,666	233,344
Total	總計		

* Less than 10% of revenue

4. 經營分部資料(續)

(2) 地域分部(續)

- (b) 非流動資產(不包括按公允值計入損益及可供出售投資)

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Hong Kong	香港	3,239	23,030
Mainland China	中國大陸	1,246	5,024
		4,485	28,054

本公司的原駐地為開曼群島，而本集團於香港及中國大陸經營其業務。於截至2019年3月31日止年度，開曼群島的任何客戶並無產生任何收益，且並無任何資產位於開曼群島。

(3) 有關主要客戶的資料

年內各主要客戶所得收益(佔本集團收益10%或以上)(包括向與有關客戶受共同控制的一組實體作出的銷售)載列如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Customer A	客戶A	55,914	81,412
Customer B	客戶B	51,933	72,461
Customer C	客戶C	36,833	*
Customer D	客戶D	33,986	*
Customer E	客戶E	*	79,471
		178,666	233,344
Total	總計		

* 少於收益的10%

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5. REVENUE AND OTHER INCOME

Revenue represents the net amounts received and receivable arising from sales of jewellery products, sales of precious metals and other raw jewellery materials and provision of service during the year.

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue recognised at a point in time	於時間點確認的收益		
— Sales of jewellery products*	— 銷售珠寶產品*	184,232	424,452
— Sales of precious metals and other raw jewellery materials	— 銷售貴金屬及其他珠寶原材料	34,665	—
Revenue recognised over time	於時間段內確認的收益		
— Service revenue	— 服務收益	389	9,214
		219,286	433,666

* Among the sales of jewellery products, approximately HK\$522,000 (2018: HK\$615,000) are sold to a related party.

The Group has recognised the following liabilities related to contracts with customers:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Contract liabilities	合約負債	1,598	—*

* The prepayments received from customers of approximately HK\$5,472,000 as at 31 March 2018 was reclassified from other payable to contract liabilities as at 1 April 2018.

(1) Significant changes in contract liabilities

Contract liabilities for sales of jewellery products have decreased by HK\$3,974,000, mainly due to the downsize of operation.

5. 收益及其他收入

收益指年內銷售珠寶產品、銷售貴金屬及其他珠寶原材料及提供服務所產生的已收及應收款項淨額。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue recognised at a point in time	於時間點確認的收益		
— Sales of jewellery products*	— 銷售珠寶產品*	184,232	424,452
— Sales of precious metals and other raw jewellery materials	— 銷售貴金屬及其他珠寶原材料	34,665	—
Revenue recognised over time	於時間段內確認的收益		
— Service revenue	— 服務收益	389	9,214
		219,286	433,666

* 在銷售珠寶產品中，約522,000港元(2018年：615,000港元)為售予一名關聯方。

本集團確認與客戶合約相關的以下負債：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Contract liabilities	合約負債	1,598	—*

* 於2018年3月31日自客戶收取約5,472,000港元的預付款項已於2018年4月1日由其他應付款項重新分類為合約負債。

(1) 合約負債的重大變動

銷售珠寶產品的合約負債減少3,974,000港元，此乃主要由於經營規模縮小。

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5. REVENUE AND OTHER INCOME (CONTINUED)

(2) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

			2019
			2019年
			HK\$'000
			千港元
Revenue recognised that was included in the contract liabilities at the beginning of the year:	確認年初於合約負債內列賬的收益：		
Sales of jewellery products during the year:	年內銷售珠寶產品		3,974

An analysis of other income is as follows:

其他收入的分析如下：

			2019		2018
			2019年		2018年
			HK\$'000		HK\$'000
			千港元		千港元
Government grants*	政府補助*		166		534
Interest income from bank deposits	銀行存款利息收入		96		1,236
Others	其他		337		890
			599		2,660

* Government grants were received by certain subsidiaries of the Company in Mainland China as compensation for expenses already incurred. There are no unfulfilled conditions or contingencies in relation to the grants.

* 本公司若干中國內地附屬公司已收取政府補助以補貼所產生的開支。概無有關補助的未達成條件或或然事項。

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6. OTHER GAINS/(LOSSES), NET

An analysis of other gains/(losses), net is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Gains on disposal of properties in Hong Kong, net*	出售香港物業的收益淨額*	33,120	-
Losses on disposal of other property, plant and equipment, net	處置其他物業、廠房及設備的虧損淨額	(3,395)	(1,063)
Foreign exchange differences, net	外匯差額淨額	989	(2,492)
Fair value gains on financial assets at fair value through profit or loss	按公允值計入損益的金融資產的公允值收益	515	-
Gains on disposal of a subsidiary	出售附屬公司收益	259	12,992
Realisation of exchange fluctuation reserve upon disposal of a subsidiary	出售一間附屬公司時變現之匯兌波動儲備	-	(1,020)
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	(2,716)	-
Employment termination expense	裁員費用	(473)	(19,508)
Losses on disposal of raw materials, net	處置原材料的虧損淨額	-	(1,487)
Others	其他	453	-
		28,752	(12,578)

* In November 2018, the Group entered into a sale and purchase agreement with an independent third party to dispose properties in the Hong Kong. The property comprised of industrial buildings, leasehold lands and ancillary facilities. The consideration in relation to the disposal was approximately HK\$48,000,000, and the Group recognised disposal gains of approximately HK\$33,120,000 included in "Gains/(losses) on disposal of property, plant and equipment, net", as described below:

6. 其他收益／(虧損)淨額

其他收益／(虧損)淨額分析如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		33,120	-
		(3,395)	(1,063)
		989	(2,492)
		515	-
		259	12,992
		-	(1,020)
		(2,716)	-
		(473)	(19,508)
		-	(1,487)
		453	-
		28,752	(12,578)

* 於2018年11月，本集團與獨立第三方簽訂了出售香港物業的買賣協議。該物業包括工業建築、租賃土地及配套設施。有關出售的代價約為48,000,000港元，而本集團確認出售收益約為33,120,000港元，計入「出售物業、廠房及設備收益／(虧損)淨額」中，如下所述：

		Notes 附註	2019 2019年 HK\$'000 千港元
Consideration	代價		48,000
Buildings and leasehold lands	建築及租賃土地	14	(11,508)
Leasehold improvement	租賃物業裝修工程	14	(2,660)
Related expenses	相關開支		(712)
Gains on disposal of properties in Hong Kong, net	出售香港物業收益淨額		33,120

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7. FINANCE COSTS

7. 財務成本

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Interest on factoring of trade receivables	貿易應收款項保理利息	821	1,051
Interest on finance leases	融資租賃利息	213	257
Interest on other borrowings	其他借貸利息	-	7,045
Interest on bank borrowings	銀行借貸利息	-	361
		1,034	8,714

8. TOTAL COST OF SALES, SELLING EXPENSES AND ADMINISTRATION EXPENSES BY NATURE

8. 按性質分類的銷售成本、銷售開支及行政開支之總額

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Employee benefits (including directors' remuneration)	僱員福利(包括董事薪酬)	27,330	71,824
Salaries and other benefits	薪金及其他利益	25,575	64,170
Pension scheme contributions	退休金計劃供款	1,755	7,654
Cost of inventories sold	已售存貨成本	174,735	299,750
Subcontracting charges	分包費用	10,065	11,249
Professional service fees	專業服務費	9,241	10,909
Commission fees	佣金費用	7,656	6,851
Depreciation	折舊	5,791	8,191
Advertising and promotion fees	廣告及推廣費用	3,084	2,407
Minimum lease payments under operating leases	經營租賃最低租賃款項	3,052	2,051
Auditors' remuneration	核數師酬金	1,943	2,189
Auditors of the Company	本公司核數師	1,743	1,719
Other Auditors	其他核數師	200	470
Allowance for doubtful debts, net	呆賬撥備淨額	-	782
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	-	221
Write-back of inventories to net realisable value	撇減存貨至可變現淨值	(3,198)	(168)
Other operating expenses	其他營運費用	23,320	32,221
Total cost of sales, selling expenses and administration expenses	銷售成本、銷售開支及行政開支之總額	263,019	448,477

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9. BENEFITS AND INTERESTS OF DIRECTORS

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

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Fees	袍金	600	600
		600	600

During the year ended 31 March 2019, no directors were granted share options (2018: Nil).

(1) Independent non-executive directors

The fees paid to independent non-executive directors during the year ended 31 March 2019 and 2018 were as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Lo Chun Pong	盧振邦	200	200
Chan Chi Kuen	陳志權	200	200
Ting Tit Cheung	丁鐵翔	200	200
		600	600

There were no other emoluments payable to the independent non-executive directors during the year ended 31 March 2019 (2018: Nil).

9. 董事福利及權益

年內根據香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例第383(1)(a)、(b)、(c)及(f)條以及《公司（披露董事利益資料）規例》第二部披露的董事酬金如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Fees	袍金	600	600
		600	600

截至2019年3月31日止年度，概無董事獲授購股權（2018年：無）。

(1) 獨立非執行董事

截至2019年及2018年3月31日止年度支付予獨立非執行董事的袍金如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Lo Chun Pong	盧振邦	200	200
Chan Chi Kuen	陳志權	200	200
Ting Tit Cheung	丁鐵翔	200	200
		600	600

截至2019年3月31日止年度，並無其他應付獨立非執行董事的薪酬（2018年：無）。

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9. BENEFITS AND INTERESTS OF DIRECTORS
(CONTINUED)

(2) Executive directors

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
		袍金	薪金、津貼 及實物利益	退休金 計劃供款	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2019 and 2018	2019年和2018年				
Nang Qi	曩麒	-	-	-	-
Chen Peiliang	陳佩良	-	-	-	-
Xue Qiang	薛強	-	-	-	-
		-	-	-	-

* Appointed on 27 January 2017

During the year ended 31 March 2019, no emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2018: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2018: Nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2018: Nil).

The directors are not paid directly by the Company but receive remuneration from other companies in HNA Group Co. Ltd., in respect of their services to the larger group which includes the Company and its subsidiaries.

9. 董事福利及權益(續)

(2) 執行董事

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
		袍金	薪金、津貼 及實物利益	退休金 計劃供款	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2019 and 2018	2019年和2018年				
Nang Qi	曩麒	-	-	-	-
Chen Peiliang	陳佩良	-	-	-	-
Xue Qiang	薛強	-	-	-	-
		-	-	-	-

* 於2017年1月27日獲委任

在截至2019年3月31日止年度內，本公司未直接或間接向董事支付或作出薪酬、退休福利或與董事終止服務相關的費用或福利，也不存在任何應付款項(2018：無)。概無就提供董事服務向第三方提供對價或由第三方收取對價(2018年：無)。概無貸款、准貸款或其他有利於董事及其所控制實體公司及關聯實體的交易(2018年：無)。

對於董事為本公司及附屬公司等較大集團提供的服務，董事未於本公司直接獲得薪酬，而是從HNA Group Co. Ltd.中其他公司收取。

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10. FIVE HIGHEST PAID EMPLOYEES

No director was included in the five highest paid employees for the year ended 31 March 2019 (2018: Nil). The five highest paid employees excluding directors are as follow:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	12,211	11,896
Pension scheme contributions	退休金計劃供款	41	54
		12,252	11,950

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

10. 五名最高薪酬僱員

截至2019年3月31日止年度的五名最高薪酬僱員並不包括董事(2018年：無)。董事以外的五名最高薪酬僱員如下：

		2019 2019年	2018 2018年
		1	1
		-	1
		-	-
		1	-
		1	1
		2	-
		-	2
		5	5

酬金屬以下範圍的非董事最高薪酬僱員人數如下：

		Number of employees 僱員數目	
		2019 2019年	2018 2018年
Nil to HK\$1,000,000	零港元至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	-
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	2	-
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	-	2
		5	5

11. INCOME TAX EXPENSE

The profit tax of the Group has been provided at the applicable tax rates on estimated assessable profits arising in Hong Kong and Mainland China during the year.

11. 所得稅開支

年內，本集團的利得稅乃就於香港和中國大陸產生的估計應課稅溢利按適用稅率計提撥備。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Current — Hong Kong	即期 — 香港		
Charge for the year	年內支出	—	491
Under/(over) provision in prior year	過往年度撥備不足/(超額撥備)	7	(35)
Current — Mainland China	即期 — 中國大陸		
Charge for the year	年內支出	1,736	1,135
Withholding	代扣繳	1,872	437
Deferred	遞延	(1,922)	1,686
Total tax charge for the year	年內稅項支出總額	1,693	3,714

(1) Cayman Island and British Virgin Islands corporate income tax

The Company is not subject to any taxation in the Cayman Islands.

The Company's subsidiaries incorporated in British Virgin Islands ("BVI") are not subject to any taxation in the BVI.

(2) Hong Kong profits tax

The Company's subsidiaries established in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% (2018: 16.5%). The operation in Hong Kong has incurred net accumulated operating losses for income tax purposes and no income tax provisions are recorded for the year ended 31 March 2019.

(3) PRC corporate income tax ("CIT")

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% for the years ended 31 March 2019 and 2018.

(1) 開曼群島及英屬維爾京群島的企業所得稅

本公司毋須繳納開曼群島的任何稅項。

本公司於英屬維爾京群島(「英屬維爾京群島」)註冊成立的附屬公司毋須繳納英屬維爾京群島的任何稅項。

(2) 香港利得稅

本公司於香港成立的附屬公司須按16.5%的稅率(2018年:16.5%)繳納香港利得稅。就所得稅而言，於香港的業務已產生累計經營虧損淨額，截至2019年3月31日止年度並無錄得所得稅撥備。

(3) 中國企業所得稅(「企業所得稅」)

企業所得稅撥備已根據本集團於中國註冊成立的實體的估計應課稅盈利作出並按照中國相關規例計算，並已計及可以獲得的退稅及減免等稅收優惠。截至2019年及2018年3月31日止年度，一般中國企業所得稅稅率為25%。

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11. INCOME TAX EXPENSE (CONTINUED)

(4) PRC withholding income tax

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. Deferred tax liability recognised for withholding taxes on the unremitted earnings of the Group's subsidiaries established in Mainland China amounted to approximately HK\$1,872,000 as at 31 March 2018 has been paid during the year ended 31 March 2019. As at 31 March 2019, the aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised amounted to approximately HK\$4,391,000 (2018: HK\$2,149,000).

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the statutory tax rate to the effective tax rate, are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Loss before tax	除稅前虧損	(15,443)	(33,583)
Tax at the statutory tax rate of 16.5%	按法定稅率16.5%計算的稅項	(2,548)	(5,541)
Different tax rates for specific provinces or enacted by local authority	特定省份的不同稅率或由地方機關頒佈的不同稅率	2,680	587
Effect of tax impact of apportionment under a 50:50 basis*	稅務影響(按50:50基準攤分)*	3,573	1,290
Income not subject to tax	毋須繳稅收入	(5,804)	(2,911)
Expenses not deductible for tax	不可扣稅開支	613	178
Utilisation of temporary differences previously not recognised	動用過往未確認的暫時差額	-	(397)
Utilisation of tax losses previously not recognised	動用過往未確認的稅項虧損	(2,251)	-
Tax effect of temporary differences not recognised	未確認暫時差額的稅務影響	919	88
Tax losses not recognised for the current year	本年度未確認稅項虧損	4,504	7,784
PRC withholding tax for dividend	中國代扣代繳股息稅費	-	2,309
Tax effect of income for a subsidiary disposed	出售一間附屬公司的收入的稅務影響	-	492
Others	其他	7	(165)
		1,693	3,714

* In relation to the Departmental Interpretation and Practice Notes No. 21 (Revised) (apportionment under a 50:50 basis) of the Inland Revenue Department Hong Kong, a portion of KTL Trading's loss is not considered neither arisen in, nor derived from Hong Kong. Accordingly, that portion of KTL Trading's loss is not subject to Hong Kong profit tax.

11. 所得稅開支(續)

(4) 中國代扣代繳所得稅

根據中國企業所得稅法，於中國大陸成立的外商投資企業須就向外國投資者宣派的股息提撥10%預扣稅。該規定由2008年1月1日起生效，並適用於2007年12月31日後產生的盈利。若中國大陸與外國投資者所屬司法權區有稅務協議，外國投資者可申請較低的預扣稅率。於2018年3月31日，就本集團於中國大陸成立的附屬公司的未匯出盈利所應付的預扣稅確認遞延稅項負債約1,872,000港元，該金額已於截至2019年3月31日止年度支付。於2019年3月31日，與於中國大陸的附屬公司的投資有關的暫時性差額總額約4,391,000港元(2018年：2,149,000港元)尚未確認作遞延稅項負債。

採用本公司及大部分附屬公司所在司法權區的法定稅率計算得出適用於除稅前虧損的稅項開支與按實際稅率得出的稅項開支的對賬，以及法定稅率與實際稅率的對賬如下：

* 就香港稅務局《稅務條例釋義及執行指引第21號》(經修訂)(按50:50基準攤分)而言，三和珠寶貿易的部分虧損被視為既不產生於亦非得自香港。因此，三和珠寶貿易的該部分虧損毋須繳納香港利得稅。

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12. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: Nil).

12. 股息

董事會不建議就截至2019年3月31日止年度派付末期股息(2018年：無)。

13. LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company of approximately HK\$17,136,000 (2018: HK\$37,297,000), and the weighted average number of ordinary shares of 172,600,000 (2018: 171,016,393) in issue during the year. The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2019 and 2018.

13. 本公司普通股權益持有人應佔虧損之每股虧損

每股基本虧損金額乃根據本公司普通股權益持有人應佔年內虧損約17,136,000港元(2018年：37,297,000港元)及年內已發行普通股的加權平均數172,600,000股(2018年：171,016,393股)計算。截至2019年及2018年3月31日止年度，本集團並無已發行的具有潛在攤薄效應的普通股。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Loss	虧損		
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation (HK\$'000)	計算每股基本虧損時使用的本公司普通股權益持有人應佔虧損(千港元)	17,136	37,297
Number of Shares	股份數目		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	計算每股基本虧損時使用的年內已發行普通股加權平均數	172,600,000	171,016,393
Loss per share	每股虧損	HK\$0.10 0.10 港元	HK\$0.22 0.22 港元

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold land	Buildings	Leasehold improvement	Furniture and fixtures	Office equipment and computers	Plant and machinery	Motor vehicles	Construction in progress	Total
		租賃土地	樓宇	租賃裝修	傢俬及 裝置	辦公設備 及電腦	廠房及 機器	汽車	在建工程	總計
		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
At 31 March 2018 and at 1 April 2018:	於2018年3月31日 及2018年4月1日：									
Cost	成本	14,959	3,828	10,640	5,023	37,953	22,573	21,240	-	116,216
Accumulated depreciation	累計折舊	(5,400)	(1,575)	(8,914)	(4,623)	(36,086)	(21,963)	(10,186)	-	(88,756)
Net carrying amount	賬面淨值	9,559	2,253	1,726	391	1,867	610	11,054	-	27,460
At 31 March 2019 and at 1 April 2019, net of accumulated depreciation and impairment	於2019年3月31日及 2019年4月1日， 經扣除累計折舊及 減值	9,559	2,253	1,726	391	1,867	610	11,054	-	27,460
Additions	添置	-	-	2,068	330	1,518	-	-	-	3,916
Depreciation provided during the year	年內折舊	(245)	(59)	(623)	(155)	(1,442)	(204)	(3,063)	-	(5,791)
Disposals	出售	(9,314)	(2,194)	(3,128)	(562)	(1,697)	(264)	(1,025)	-	(18,184)
Impairment	減值	-	-	-	-	-	-	(2,716)	-	(2,716)
Exchange realignment	匯兌重新調整	-	-	(43)	(4)	(53)	(31)	(182)	-	(313)
At 31 March 2019, net of accumulated depreciation and impairment	於2019年3月31日， 經扣除累計折舊及 減值	-	-	-	-	193	111	4,068	-	4,372
At 31 March 2019:	於2019年3月31日：									
Cost	成本	-	-	-	-	1,074	347	14,322	-	15,743
Accumulated depreciation	累計折舊	-	-	-	-	(881)	(236)	(7,538)	-	(8,655)
Impairment	減值	-	-	-	-	-	-	(2,716)	-	(2,716)
Net carrying amount	賬面淨值	-	-	-	-	193	111	4,068	-	4,372

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**14. PROPERTY, PLANT AND EQUIPMENT
(CONTINUED)**

14. 物業、廠房及設備(續)

		Leasehold land	Buildings	Leasehold improvement	Furniture and fixtures	Office equipment and computers	Plant and machinery	Motor vehicles	Construction in progress	Total
		租賃土地	樓宇	租賃裝修	傢俬及 裝置	辦公設備 及電腦	廠房及 機器	汽車	在建工程	總計
		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
At 31 March 2017 and at 1 April 2017:	於2017年3月31日 及2017年4月1日:									
Cost	成本	14,959	26,386	45,065	4,441	37,411	22,116	17,813	119,436	287,627
Accumulated depreciation	累計折舊	(5,073)	(9,036)	(31,980)	(4,245)	(35,068)	(21,004)	(9,350)	-	(115,756)
Net carrying amount	賬面淨值	9,886	17,350	13,085	196	2,343	1,112	8,463	119,436	171,871
At 31 March 2018 and at 1 April 2018, net of accumulated depreciation and impairment	於2018年3月31日及 2018年4月1日， 經扣除累計折舊及 減值	9,886	17,350	13,085	196	2,343	1,112	8,463	119,436	171,871
Additions	添置	-	-	934	389	544	82	5,132	-	7,081
Depreciation provided during the year	年內折舊	(327)	(265)	(2,889)	(205)	(1,065)	(653)	(2,787)	-	(8,191)
Disposals	出售	-	-	(5,643)	-	(51)	-	(27)	(124,671)	(130,392)
Disposal of a subsidiary	處置一間附屬公司	-	(15,428)	(4,299)	-	-	-	-	-	(19,677)
Exchange realignment	匯兌重新調整	-	596	488	11	96	69	273	5,235	6,768
At 31 March 2018, net of accumulated depreciation and impairment	於2018年3月31日， 經扣除累計折舊及 減值	9,559	2,253	1,726	391	1,867	610	11,054	-	27,460
At 31 March 2018:	於2018年3月31日:									
Cost	成本	14,959	3,828	10,640	5,023	37,953	22,573	21,240	-	116,216
Accumulated depreciation	累計折舊	(5,400)	(1,575)	(8,914)	(4,632)	(36,086)	(21,963)	(10,186)	-	(88,756)
Net carrying amount	賬面淨值	9,559	2,253	1,726	391	1,867	610	11,054	-	27,460

As at 31 March 2019, all obligations under finance leases was repaid.

於2019年3月31日，融資租賃承擔已償付。

The net carrying amounts of the Group's leasehold land and buildings were pledged to secure the banking facilities and the bank borrowings of the Group as at 31 March 2018 and the pledges were released in May 2018.

於2018年3月31日，本集團租賃土地及樓宇的賬面淨值已抵押以取得本集團的銀行融資及銀行借貸，而該等抵押已於2018年5月解除。

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15. INVESTMENT IN A JOINT VENTURE

Particulars of the Group's joint venture are as follows:

Name 名稱	Amount of issued capital 已發行股本額	Place of registration and business 註冊與業務地點	Percentage of 百分比			Principal activities 主要活動
			Ownership interest 所有權利益	Voting power 投票權	Profit sharing 利潤分配	
Dynamic Tactics (Hong Kong) Limited	HK\$780,000 780,000 港元	Hong Kong 香港	50	50	50	Trading of jewellery 珠寶貿易

The above investment is held by Dynamic Tactics Limited, a subsidiary of the Group.

The table below provides summarised financial information for the joint ventures. The information disclosed reflects the amounts presented in the financial statements of the joint ventures and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Summarised balance sheet	匯總資產負債表		
Total current assets	流動資產合計	474	899
Total current liabilities	流動負債合計	249	620
Net assets	淨資產	225	279
Group's share in %	集團持股份額 (%)	50%	50%
Group's share in HK\$	集團持股份額 (港元)	113	140
Carrying amount	賬面價值	113	140

The Group's trade receivable balance due from the joint venture is disclosed in Note 18 to the consolidated financial statements. The amount due from the joint venture was unsecured, interest-free and had no fixed terms of repayment. As at 31 March 2019, the Group's other receivable balance due from the joint venture amounted to nil (2018: HK\$454,000), disclosed as other non-current assets.

There are no contingent liabilities relating to the Company's interest in the joint venture, and no contingent liabilities of the joint venture itself.

15. 於合營公司之投資

本集團合營公司的詳情如下：

Name 名稱	Amount of issued capital 已發行股本額	Place of registration and business 註冊與業務地點	Percentage of 百分比			Principal activities 主要活動
			Ownership interest 所有權利益	Voting power 投票權	Profit sharing 利潤分配	
Dynamic Tactics (Hong Kong) Limited	HK\$780,000 780,000 港元	Hong Kong 香港	50	50	50	Trading of jewellery 珠寶貿易

以上投資是由本集團附屬公司 Dynamic Tactics Limited 持有。

下表匯總了合營公司的財務資訊。這些披露的資訊反映了合營公司財務報表呈列的金額，而非本集團於該等金額所佔股權份額。該等金額已作修訂，以反映實體使用權益法時作出的調整，包括公允值調整及會計政策差異的修改。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Summarised balance sheet	匯總資產負債表		
Total current assets	流動資產合計	474	899
Total current liabilities	流動負債合計	249	620
Net assets	淨資產	225	279
Group's share in %	集團持股份額 (%)	50%	50%
Group's share in HK\$	集團持股份額 (港元)	113	140
Carrying amount	賬面價值	113	140

本集團應收合營公司的貿易應收款項結餘於綜合財務報表附註18披露。應收合營公司金額為無抵押、免息及無固定還款條件。於2019年3月31日，本集團應收合營公司的其他應收款項結餘為零(2018年：454,000港元)，並披露為其他非流動資產。

該合營公司不存在與本公司利息相關的或有負債，也不存在與合營公司本身相關的或有負債。

16. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

16. 按公允值計入損益之金融資產

		2019 2019年 HK\$'000 千港元
Life insurance policy, at fair value	人壽保險保單，按公允值	16,189
Movement of FVPL are analysed as following:	按公允值計入損益之金融資產的變動分析如下：	
At the beginning of the year	於年初	-
Adjustment on adoption of HKFRS 9	採納香港財務報告準則第9號之調整	15,674
Change in fair value	公允值變動	515
At the end of the year	於年末	16,189

Under the life insurance policy (the “Policy”), the beneficiary and policy holder is the KTL Trading and the total insured sum is approximately US\$6,500,000 (approximately HK\$50,375,000). The Group paid an upfront premium for the Policy of approximately US\$2,325,000 (approximately HK\$18,020,000) and may surrender any time by filing a written request and receive cash based on the surrender value of the Policy at the date of withdrawal, which is calculated by the insurer. In the opinion of the directors, the surrender value of the Policy provided by the insurance company is the best approximation of its fair value, which is categorised within Level 3 of the fair value hierarchy.

During the year ended 31 March 2019, the gain arising from the change net in fair value of the Group’s FVPL recognised in other gains/(losses), net amounted to approximately HK\$515,000.

The net carrying amount of the Group’s available-for-sale investment as at 31 March 2018 (which was reclassified as FVPL as at 1 April 2018) was pledged to secure the bank borrowings of the Group and the pledge was released in May 2018.

根據人壽保險保單(「該保單」)，受益人及保單持有人為三和珠寶貿易，且承保總金額約為6,500,000美元(約50,375,000港元)。本集團為該保單預付保費約2,325,000美元(約18,020,000港元)及可能透過提交書面請求隨時退保，及根據該保單於撤回日期的退保價值(由承保人計算)收取現金。董事認為，保險公司規定的該保單退保價值與其公允值相若，歸類為公允值架構的第3級。

截至2019年3月31日止年度，本集團於其他收益／(虧損)淨額中確認的按公允值計入損益之金融資產的公允值變動所產生的收益約為515,000港元。

本集團於2018年3月31日可供出售投資的賬面淨值(於2018年4月1日重新分類為按公允值計入損益之金融資產)已抵押以取得本集團的銀行借貸，而該抵押已於2018年5月解除。

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17. INVENTORIES

Raw materials	原材料
Finished goods	製成品
Work in progress	在製品

17. 存貨

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		27,886	25,323
		3,143	18,029
		59	6,307
		31,088	49,659

The reversal of write-down of inventories to net realisable value of approximately HK\$3,198,000 (2018: HK\$168,000) for the year ended 31 March 2019 is included in “cost of sales” in the consolidated statement of profit or loss and other comprehensive income. The reversal of write-down of inventories to net realisable value made was mainly due to sales and utilisation of obsolete raw materials during the year ended 31 March 2019.

截至2019年3月31日止年度，存貨撇減撥回至可變現淨值約3,198,000港元(2018年：168,000港元)已計入綜合損益及其他全面收益表內「銷售成本」中。將撥回存貨撇減至可變現淨值，主要由於截至2019年3月31日止年度銷售及利用過時的原材料。

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18. TRADE RECEIVABLES

Trade receivables
Less: Allowance for doubtful debts

貿易應收款項
減：呆賬撥備

2019	2018
2019年	2018年
HK\$'000	HK\$'000
千港元	千港元
67,718	84,083
(16,149)	(16,149)
51,569	67,934

The Group's trading terms with its customers are mainly on credit, except for new customers. Before accepting any new customer, the Group will apply an internal credit assessment policy to assess the potential customer's credit quality and define credit limits for each customer. The credit period is generally for a period of 60 to 120 days for major customers. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

Within 1 month
1 to 2 months
2 to 3 months
Over 3 months

一個月內
一至兩個月
兩至三個月
超過三個月

2019	2018
2019年	2018年
HK\$'000	HK\$'000
千港元	千港元
4,592	11,613
7,602	11,435
22,033	27,657
17,342	17,229
51,569	67,934

As at 31 March 2019, individually significant receivables have been separately assessed for impairment. Allowance was set up against impaired receivables arising from credit default of several customers who are in financial difficulties.

18. 貿易應收款項

本集團與其客戶的貿易條款主要為信貸，惟新客戶除外。於接納任何新客戶之前，本集團將採用內部信貸評估政策以評估潛在客戶的信貸質素並確定各客戶的信貸額度。主要客戶的信貸期一般為60至120天。逾期結餘由高級管理層定期檢討。貿易應收款項不計利息。

於報告期末按發票日期呈列及扣除撥備的貿易應收款項的賬齡分析如下：

於2019年3月31日，個別重大應收款項已單獨就減值作出評估。已就若干遭遇財務困難的客戶因信貸違約而產生的已減值應收款項設立撥備。

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18. TRADE RECEIVABLES (CONTINUED)

Beginning from 1 April 2018, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed, see Note 32 credit risk for further information.

The movements in the allowance for doubtful debts are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At beginning of the year	於年初	16,149	15,199
Allowance for doubtful debts	呆賬撥備	–	782
Exchange realignment	匯兌重新調整	–	168
At the end of the year	於年末	16,149	16,149

The ageing analysis of trade receivables at the end of the reporting period that are not individually nor collectively considered to be impaired is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Neither past due nor impaired	並未逾期或減值	45,663	57,399
Past due but not impaired	逾期但未減值		
Less than 61 days past due	逾期少於61天	5,798	10,445
61 days to 120 days past due	逾期61天至120天	25	3
Over 120 days past due	逾期超過120天	83	87
		51,569	67,934

18. 貿易應收款項(續)

自2018年4月1日起，本集團應用香港財務報告準則第9號准許的簡化方法，當中規定自初步確認資產起確認預期存續期虧損。撥備矩陣依據於具類似信貸風險特徵的合約資產及貿易應收款項的預期年期內的歷史觀察違約率釐定，並就前瞻性估計進行調整。歷史觀察違約率於每個報告日期進行更新，並對前瞻性估計的變動進行分析，請參閱附註32信貸風險以獲取更多資料。

就呆賬作出的撥備變動如下：

於報告期末個別或共同未被視為減值的貿易應收款項的賬齡分析如下：

18. TRADE RECEIVABLES (CONTINUED)

Trade receivables that were past due but not impaired relate to a number of independent customers for whom there is no recent history of default.

As at 31 March 2019, included in the Group's trade receivables are an amount due from the Group's joint venture of approximately HK\$224,000 (as at 31 March 2018: HK\$152,000), which is repayable on credit terms similar to those offered to the major customers of the Group.

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

18. 貿易應收款項(續)

已逾期但未減值的貿易應收款項與多名近期並無拖欠記錄的獨立客戶有關。

於2019年3月31日，本集團的貿易應收款項中包括應收本集團合營公司之款項，金額約為224,000港元（於2018年3月31日：152,000港元）。該筆款項須按信貸條款償還，內容與向本集團主要客戶提供的信貸條款相若。

19. 預付款項、按金及其他應收款項

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Prepayments	預付款項	901	3,800
Deposits	按金	138	856
Other receivables	其他應收款項	2,691	3,085
		3,730	7,741

None of the above assets is either past due or impaired.

以上資產均未逾期或減值。

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20. CASH AND BANK BALANCES

Cash and bank balances	現金及銀行結餘		
Denominated in:	按下列貨幣計值：		
HKD	港元	243,963	195,292
RMB	人民幣	19,250	34,266
USD	美元	7,595	930
Euro	歐元	–	1
Cash and bank balances	現金及銀行結餘	270,808	230,489

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are pledged deposits are deposited with creditworthy banks with no recent history of default.

RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

20. 現金及銀行結餘

	2019	2018
	2019年	2018年
	HK\$'000	HK\$'000
	千港元	千港元
Cash and bank balances	270,808	230,489
Denominated in:		
HKD	243,963	195,292
RMB	19,250	34,266
USD	7,595	930
Euro	–	1
Cash and bank balances	270,808	230,489

銀行結餘按每日銀行存款利率的浮動利率計息。短期定期存款的存款期介乎一日至三個月，視本集團的即時現金需求而定，並按各短期定期存款利率計息。銀行結餘與已質押存款乃於近期無拖欠歷史且信譽良好的銀行儲存。

人民幣不能自由兌換成其他貨幣。然而，根據中國大陸《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可通過獲授權經營外匯業務的銀行將人民幣兌換成其他貨幣。

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21. TRADE AND OTHER PAYABLES

21. 貿易及其他應付款項

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	貿易應付款項	9,324	5,236
Other payables:	其他應付款項：		
Salaries and bonus payables	應付薪金及花紅	7,734	3,449
Commission fee payables	應付佣金費用	5,559	4,935
Auditor's remuneration	核數師薪酬	1,929	1,913
Prepayments from customers	自客戶收取的預付款項	-	5,472
Others	其他	3,969	7,029
		28,515	28,034

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

於報告期末按發票日期呈列的貿易應付款項的賬齡分析如下：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Within 1 month	一個月內	2,020	3,624
1 to 2 months	一至兩個月	1,666	112
2 to 3 months	兩至三個月	1,740	53
Over 3 months	超過三個月	3,898	1,447
		9,324	5,236

The trade payables are non-interest-bearing and the credit period of purchases ranges from 30 to 180 days. Other payables are non-interest-bearing and have an average credit term of 1 to 3 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

貿易應付款項乃不計息且採購的信貸期介乎30天至180天。其他應付款項乃不計息且平均信貸期限為1至3個月。本集團已實施財務風險管理政策，以確保全部應付款項於信貸期間償付。

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22. OBLIGATIONS UNDER FINANCE LEASES

The Group leases certain of its motor vehicles for its operations. These leases are classified as finance leases and have remaining lease terms ranging from one to five years as at the end of the reporting period. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

The Group has paid approximately HK\$2.0 million in full for finance lease payments during the year ended 31 March 2019. As at 31 March 2019, there was no future minimum lease payments under finance leases.

23. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities during the years ended 31 March 2019 and 2018 are as follows:

		Plant and equipment depreciation	Withholding Tax	Loss available for offsetting future taxable profits	Total
		廠房及 設備折舊 HK\$'000 千港元	代扣繳 稅項 HK\$'000 千港元	可供抵銷未來 應課稅溢利 之虧損 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	(375)	–	139	(236)
Deferred tax charged to profit or loss (Note 11)	於損益和除的遞延稅項 (附註11)	(356)	(1,872)	542	(1,686)
At 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日	(731)	(1,872)	681	(1,922)
Deferred tax credited to profit or loss (Note 11)	計入損益的遞延稅項 (附註11)	731	1,872	(681)	1,922
At 31 March 2019	於2019年3月31日	–	–	–	–

22. 融資租賃承擔

本集團就其營運租賃其部分汽車。於報告期末，此等租賃乃分類為融資租賃，剩餘租賃期限介乎一至五年。所有租賃均採用定額還款方式，故並無就或然租金付款訂立任何安排。本集團的融資租賃承擔乃以出租人的租賃資產抵押作擔保。

截至2019年3月31日止年度，本集團支付全額融資租賃款項約2.0百萬港元。於2019年3月31日，已無融資租賃項下的最低租賃款項。

23. 遞延稅項負債

截至2019年及2018年3月31日止年度，遞延稅項負債變動如下：

23. DEFERRED TAX LIABILITIES (CONTINUED)

As at 31 March 2019, the Group has deductible temporary differences of approximately HK\$1,393,000 (2018: HK\$7,565,000) contributed by the Hong Kong subsidiaries. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not certain whether taxable profit will be available against which the deductible temporary differences can be utilised.

As at 31 March 2019, the Group has unused tax losses of approximately HK\$75,483,000 (2018: HK\$71,088,000), of which approximately nil (2018: HK\$24,957,000) attributable to the subsidiaries in Mainland China, will expire after five years of accounting year when the losses were incurred. The remaining balance can be carried forward indefinitely. Deferred tax assets have not been recognised in respect of these losses as they have been arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

24. SHARE CAPITAL, SHARE PREMIUM AND WARRANT RESERVE

Authorised:	法定：
2,000,000,000 ordinary shares at par value of HK\$0.005	2,000,000,000 股面值 0.005 港元的普通股
Issued and fully paid:	已發行及繳足：
172,600,000 ordinary shares at par value of HK\$0.005	172,600,000 股面值 0.005 港元的普通股

On 16 May 2017, 12,600,000 ordinary shares at par value of HK\$0.005 were allotted and issued at a price of HK\$5.06 per share under the placing agreement for the net proceeds, after deducting the placing fee, stamp duty and other related expenses payable by the Company, of approximately HK\$62,476,000.

23. 遞延稅項負債(續)

於2019年3月31日，本集團來自香港附屬公司的可扣稅暫時性差額約為1,393,000港元(2018年：7,565,000港元)。由於不大確定是否產生應課稅溢利用以抵銷可扣稅暫時性差額，故並無就該等可扣稅暫時性差額確認遞延稅項資產。

於2019年3月31日，本集團未動用稅項虧損約為75,483,000港元(2018年：71,088,000港元)，當中由中國內地的附屬公司應佔約零港元(2018年：24,957,000港元)並將於出現虧損的會計年度五年後到期。餘下結餘可以無限期結轉。本集團並未就該等虧損確認遞延稅項資產，因產生該等虧損的附屬公司已錄得虧損一段時間，且本集團認為其不大可能會產生應課稅溢利以用於抵銷稅務虧損。

24. 股本、股份溢價及認股權證儲備

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Authorised:	法定：		
2,000,000,000 ordinary shares at par value of HK\$0.005	2,000,000,000 股面值 0.005 港元的普通股	10,000	10,000
Issued and fully paid:	已發行及繳足：		
172,600,000 ordinary shares at par value of HK\$0.005	172,600,000 股面值 0.005 港元的普通股	863	863

於2017年5月16日，12,600,000股面值0.005港元之普通股已根據配售協議按每股5.06港元之價格配發及發行，以獲取所得款項淨額(扣除本公司應付的配售費用、印花稅及其他相關費用後)約62,476,000港元。

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24. SHARE CAPITAL, SHARE PREMIUM AND WARRANT RESERVE (CONTINUED)

A summary of the Company's issued share capital, share premium and warrant reserve is as follows:

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Warrant reserve 認股權證 儲備 HK\$'000 千港元 (Note a) (附註 a)	Total 總額 HK\$'000 千港元
Authorised:	法定：					
As at 31 March 2018 and 31 March 2019	於2018年3月31日及 2019年3月31日	2,000,000,000	10,000	-	-	10,000
Issued and fully paid:	已發行及繳足：					
As at 31 March 2018 and 31 March 2019	於2018年3月31日及 2019年3月31日	172,600,000	863	122,787	2,470	126,120

Notes:

- (a) Pursuant to the Placing Agreement, the Company agreed to issue 12,600,000 unlisted warrants at an issue price of HK\$0.20 per warrant at 14 August 2017. Each warrant entitled the holder to subscribe for one ordinary share of HK\$0.005 each at an initial subscription price of HK\$7.00 per share.

The warrant holder can subscribe for same number of ordinary shares at any time within two years commencing from the date of the issue of warrants. The number of shares and the subscription price of the shares to be issued do not vary with changes in their fair value. The warrants are recognised initially at proceeds as a whole in equity. The transaction cost that is directly attributed to the issue of the warrants is recognised net of proceeds in equity.

As at 31 March 2019, no warrant has been exercised.

24. 股本、股份溢價及認股權證儲備(續)

本公司已發行股本、股份溢價及認股權證儲備的變動概要如下：

附註：

- (a) 根據配售協議，本公司同意於2017年8月14日按每份認股權證0.20港元的發行價發行12,600,000份非上市認股權證。各認股權證持有人有權按每股7.00港元的初步認購價認購一股每股面值0.005港元的普通股。

認股權證持有人可於認股權證發行日期起計兩年內隨時認購相同數目的普通股。股份數目及發行股份的認購價不會隨其公允值的變動而改變。認股權證以初始收到的所得款項確認權益。與發行認股權證直接相關的交易成本扣除所得款項後於權益確認。

於2019年3月31日，並無行使任何認股權證。

25. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

Statutory surplus reserve

In accordance with the relevant law and regulations in the PRC, each of the Company's subsidiaries that was registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), determined in accordance with the PRC General Accepted Accounting Principles, to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of the registered capital.

Merger reserve

The merger reserve of the Group represents the reserves arising from the reorganisation for the purpose of the Group of the Listing.

Capital surplus reserve

On 28 July 2014, a balance due to the immediate holding company of the Company amounting to HK\$105,366,000 was capitalised as equity of the Group.

26. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Net debt/asset reconciliation

This section sets out an analysis of net debt/asset and the movements in net debt/asset for each of the periods presented.

(1) Repayable

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Net asset	資產淨額		
Cash and bank balances	現金及銀行結餘	270,808	230,489
Obligations under finance leases	融資租賃承擔	-	(1,977)
Net asset	資產淨額	270,808	228,512

25. 儲備

本集團於本年及往年的儲備金額及變動於綜合財務報表的綜合權益變動表呈列。

法定盈餘儲備

根據中國相關法律及法規，於中國註冊的本公司各附屬公司須劃撥10%根據中國公認會計原則釐定的年度法定除稅後溢利（經抵銷任何過往年度虧損後）至法定儲備，直至儲備金結餘達到該實體註冊資本的50%為止。該法定儲備可用於抵銷過往年度虧損或用於增資，惟法定儲備的餘下結餘不少於註冊資本的25%。

合併儲備

本集團的合併儲備指因本集團上市重組而產生的儲備。

資本盈餘儲備

於2014年7月28日，應付本公司直屬控股公司之結餘達105,366,000港元已資本化為本集團權益。

26. 綜合現金流量表附註

債務／資產淨額對賬

本節載列對每一個期間的債務／資產淨額及債務／資產淨額的變動的 analysis。

(1) 歸還

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26. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Net debt reconciliation (continued)

(2) Fixed interest rate

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Net asset	資產淨額		
Cash and bank balances	現金及銀行結餘	270,808	230,489
Obligations under finance leases	融資租賃承擔	-	(1,977)
Net asset	資產淨額	270,808	228,512

26. 綜合現金流量表附註(續)

債務淨額對賬(續)

(2) 固定利率

		Liabilities from financing activity 融資活動產生的負債			Total 合計 HK\$'000 千港元
		Cash 現金 HK\$'000 千港元	Borrowings 借貸 HK\$'000 千港元	Finance leases 融資租賃 HK\$'000 千港元	
Net debt as at 1 April 2017	於2017年4月1日的 債務淨額	152,090	(232,438)	(5,700)	(86,048)
Cash flows	現金流量	74,552	233,528	3,824	311,904
Foreign exchange adjustments	外匯調整	3,847	(1,090)	-	2,757
Other non-cash movements	其他非現金變動	-	-	(101)	(101)
Net asset as at 31 March 2018	於2018年3月31日 的資產淨額	230,489	-	(1,977)	228,512
Net asset as at 1 April 2018	於2018年4月1日的 資產淨額	230,489	-	(1,977)	228,512
Cash flows	現金流量	41,563	-	1,977	43,540
Foreign exchange adjustments	外匯調整	(1,244)	-	-	(1,244)
Net asset as at 31 March 2019	於2019年3月31日 的資產淨額	270,808	-	-	270,808

27. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its premises and office equipment under operating lease arrangements. The leases are negotiated for terms ranging from one to five years with fixed monthly rentals.

At 31 March 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within one year	一年內	241	2,277
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	–	5,361
		241	7,638

28. COMMITMENTS

At 31 March 2019, apart from to the operating lease commitments detailed in Note 27, the Group had no capital commitments as at the end of the reporting period.

27. 經營租賃安排

作為承租人

本集團根據經營租賃安排租賃其若干物業及辦公設備。有關租賃乃按固定月租及租期介乎一至五年議定。

於2019年3月31日，本集團根據不可撤銷經營租賃而須於未來支付之最低租金付款總額如下：

28. 承擔

於2019年3月31日，除附註27詳述的經營租賃承擔外，本集團於報告期末並無其他資本承擔。

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29. RELATED PARTY TRANSACTIONS

- (1) In addition to the transactions as disclosed in Notes 15 and 18 to the consolidated financial statements, the Group had the following material transactions with related parties during the year ended 31 March 2019:
- (a) During the year ended 31 March 2019, total service fee of approximately HK\$1,119,000 (2018: HK\$597,000) were paid to Guarantee Travel Limited, an entity controlled by a close family member of a key management of major subsidiaries, for provision of reservation services for tickets and hotel accommodation etc. to a subsidiary of the Group. The service charges were based on the terms and conditions mutually agreed between both parties.
- (b) During the year ended 31 March 2019, the Group's sales to Dynamic Tactics (Hong Kong) Limited, a joint venture of the Group, amounted to approximately HK\$522,000 (2018: HK\$615,000). The sales were based on the terms and conditions mutually agreed between both parties.
- (2) Outstanding balances with related parties:
Details of the Group's amount due from its joint venture and trade balance with its joint venture are disclosed in Notes 15 and 18 to the consolidated financial statement, respectively.
- (3) Compensation of key management personnel of the Group:

Short-term employee benefits	短期僱員福利
Pension scheme contributions	退休金計劃供款

Further details of directors' remuneration are included in Note 9 to the consolidated financial statements.

29. 關聯方交易

- (1) 除綜合財務報表附註15及18披露的交易外，截至2019年3月31日止年度，本集團與關聯方存在以下主要交易：
- (a) 截至2019年3月31日止年度，服務費用總額約1,119,000港元(2018年：597,000港元)已支付予保誠旅遊有限公司，一家由主要附屬公司的主要管理人員的親屬控制的實體，目的為向本集團一家附屬公司提供機票及酒店預訂服務。服務收費乃以經雙方相互協定的條款及條件為基準。
- (b) 截至2019年3月31日止年度，本集團向本集團的合營公司Dynamic Tactics (Hong Kong) Limited作出的銷售約為522,000港元(2018年：615,000港元)。銷售乃以經雙方相互協定的條款及條件為基準。
- (2) 與關聯方的未償還結餘：
本集團的應收合營公司款項和合營公司貿易結餘詳情分別於綜合財務報表附註15和18披露。
- (3) 本集團主要管理層成員的薪酬：

	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
	9,733	11,194
	23	36
	9,756	11,230

有關董事薪酬的進一步詳情載於綜合財務報表附註9。

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30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Financial asset at fair value:	按公允價值列賬的金融資產：		
FVPL	按公允價值計入損益之金融資產	16,189	–
Available-for-sale investment	可供出售投資	–	15,674
Financial asset at amortised cost:	按攤銷成本列賬的金融資產：		
Trade receivables	貿易應收款項	51,569	67,934
Financial assets included in other receivables	包含於其他應收款項中的金融資產	1,002	1,592
Cash and bank balances	現金及銀行結餘	270,808	230,489
		339,568	315,689

Financial liabilities

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Trade payables	貿易應付款項	9,324	5,236
Financial liabilities included in other payables	計入其他應付款項的金融負債	19,191	17,326
Obligations under finance leases	融資租賃承擔	–	1,977
		28,515	24,539

30. 按類別劃分的金融工具

於報告期末各類金融工具的賬面值如下：

金融資產

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Financial asset at fair value:	按公允價值列賬的金融資產：		
FVPL	按公允價值計入損益之金融資產	16,189	–
Available-for-sale investment	可供出售投資	–	15,674
Financial asset at amortised cost:	按攤銷成本列賬的金融資產：		
Trade receivables	貿易應收款項	51,569	67,934
Financial assets included in other receivables	包含於其他應收款項中的金融資產	1,002	1,592
Cash and bank balances	現金及銀行結餘	270,808	230,489
		339,568	315,689

金融負債

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Trade payables	貿易應付款項	9,324	5,236
Financial liabilities included in other payables	計入其他應付款項的金融負債	19,191	17,326
Obligations under finance leases	融資租賃承擔	–	1,977
		28,515	24,539

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31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amount and fair value of the Group's financial instrument, other than those with carrying amounts that reasonably approximate to fair values, is as follows:

Financial asset	金融資產	Carrying amount		Fair value	
		賬面值	賬面值	公允值	公允值
		2019	2018	2019	2018
		2019年	2018年	2019年	2018年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Life insurance policy (Note 16)	人壽保險保單(附註16)	16,189	15,674	16,189	15,674

The fair value of FVPL has been estimated at the surrender value of the Policy as disclosed in Note 16 as at the end of reporting period. As there is no active market to demonstrate the fair value of FVPL, and the potential exit price in a hypothetical transfer of the life insurance policy to another market participant cannot be reliably estimated, the directors believe that the estimated fair value resulting from the surrender value is reasonable and is the most appropriate value at the end of the reporting period. The surrender value of the Policy is recorded in the consolidated statement of financial position, and the related changes in fair value are recorded in other gains/(losses), net (Note 6).

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayment, deposits and other receivables, trade payables, financial liabilities included in other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the non-current portion of obligations under finance leases has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value of the non-current portion of obligations under finance leases at the end of the reporting period approximates to its corresponding carrying amount.

31. 金融工具公允值及公允值層級

本集團金融工具的賬面值及公允值(賬面值與公允值合理地相若的金融工具除外)載列如下：

如附註16所披露，截至報告期末按公允值計入損益之金融資產的公允值已根據該保單的退保價值估算。由於沒有活躍市場展示按公允值計入損益之金融資產的公允值，且無法可靠地估計假設將人壽保險保單轉讓予另一個市場參與者的潛在脫售價格，董事認為根據退保價值所得出的估計公允值屬合理，而且為於報告期末最恰當的價值。該保單的退保價值計入綜合財務狀況表，而公允值的相關變動則計入其他收益/(虧損)淨額(附註6)。

管理層已評估現金及銀行結餘、貿易應收款項、計入預付款項、按金及其他應收款項的金融資產、貿易應付款項、計入其他應付款項的金融負債的公允值與賬面值相若，主要由於該等工具於短期內到期。

融資租賃承擔非流動部分之公允值按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。融資租賃承擔非流動部分於報告期末之公允值與其相應賬面值相若。

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

As at 31 March 2019, the financial asset measured at fair value is as follows:

31. 金融工具公允值及公允值層級(續)

公允值層級

下表說明本集團的金融工具的公允值計量層級：

於2019年3月31日，以公允值計量的金融資產如下：

	Fair value measurement using 採用公允值計量			Total 合計
	Quoted prices in active markets (Level 1) 活躍市場中 報價 (1級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (2級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (3級) HK\$'000 千港元	
Life insurance policy (Note 16) 人壽保險保單(附註16)	—	—	16,189	16,189

The movements in fair value measurement within Level 3 during the year ended 31 March 2019 are as disclosed in Note 16.

The Group did not have any financial liabilities measured at fair value as at 31 March 2019 and 31 March 2018.

During the year ended 31 March 2019 and 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

截至2019年3月31日止年度，公允值計量第3級的變動在附註16中披露。

本集團在2019年3月31日及2018年3月31日並無任何按公允值計值的金融負債。

截至2019年及2018年3月31日止年度，就金融資產及金融負債而言，第1級和第2級的公允值計量之間並無轉移及並無轉入第3級或自第3級轉出。

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, comprise interest-bearing bank and other borrowings, obligations under finance leases, cash and short term bank deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group's exposure to market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Group's financial management policies and practices described below:

Interest rate risk

As at 31 March 2019, the Group does not have any borrowings. Therefore, the management considers the Group is not exposed to any significant interest risk.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group manages its foreign currency risk by closely monitoring the level of foreign currency balances. The Group currently has not entered into any foreign currency forward contracts to hedge against foreign currency risk. Management will consider hedging foreign currency exposure should the need arise.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective group entities, which are mainly trade receivables, other receivables, bank balances, trade and other payables and obligations under finance leases, at the end of the reporting period are approximately as follows:

		Assets 資產		Liabilities 負債	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
US\$	美元	30,313	36,779	10,542	8,127
RMB	人民幣	59	293	445	1,052

Since HK\$ is pegged to US\$, the Group does not expect any significant movements in HK\$/US\$ exchange rate.

32. 財務風險管理目標及政策

本集團的主要金融工具包括計息銀行及其他借貸、融資租賃承擔、現金及短期銀行存款。該等金融工具主要用於為本集團籌集營運資金。本集團有直接來自其營運的各種其他金融資產及負債，例如貿易應收款項及貿易應付款項。

本集團面臨於其一般業務過程中產生的市場風險(包括利率風險及外幣風險)、信貸風險及流動資金風險。由本集團的財務管理政策及慣例管理的該等風險概述如下：

利率風險

於2019年3月31日，本集團並無任何借貸。因此，管理層認為本集團將不面臨任何重大利率風險。

外幣風險

本集團在交易上有貨幣風險。此等風險因營運單位以該單位功能貨幣以外之貨幣進行買賣而產生。本集團通過密切監控外幣結餘水平管理其外幣風險。本集團目前尚未訂立任何外幣遠期合約對沖外幣風險。管理層將於必要時考慮對沖外幣風險。

本集團於報告期末以各集團實體的功能貨幣以外的外幣計值的貨幣資產及貨幣負債(主要為貿易應收款項、其他應收款項、銀行結餘、貿易及其他應付款項以及融資租賃承擔)，其賬面值概約如下：

由於港元與美元掛鉤，本集團預期港元兌美元的匯率將不會出現任何重大變動。

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's loss after tax.

32. 財務風險管理目標及政策(續)

外幣風險(續)

下表呈列本集團除稅後虧損對人民幣匯率之合理可能變動而所有其他可變因素保持不變的敏感度。

		Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下降) %	(Increase)/ decrease in loss after tax 除稅後虧損 減少/(增加) HK\$'000 千港元
2019	2019年		
If the Hong Kong dollar weakens against the RMB	倘港元兌人民幣貶值	5%	(16)
If the Hong Kong dollar strengthens against the RMB	倘港元兌人民幣升值	(5%)	16
		Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下降) %	Decrease/ (increase) in loss after tax 除稅後虧損 減少/(增加) HK\$'000 千港元
2018	2018年		
If the Hong Kong dollar weakens against the RMB	倘港元兌人民幣貶值	5%	(32)
If the Hong Kong dollar strengthens against the RMB	倘港元兌人民幣升值	(5%)	32

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, trade receivables as well as other receivables. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

Risk management

Credit risk is managed on a Group basis. All cash and cash equivalents were placed with state-owned banks and financial institutions in the PRC and reputable international banks and financial institutions in the Hong Kong. The Group has policies in place to ensure that revenues of on credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. In addition, The Group has policies in place to ensure that settlement of trade receivables are followed up on a timely basis. The Group has no significant concentrations of credit risk.

Impairment of financial assets

The Group has three types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables for sales of goods, and
- other financial assets at amortised cost.

While cash and cash equivalents were also subject to the impairment requirements of HKFRS 9, no impairment loss was identified.

Trade receivables

The Group applied the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging periods.

The expected loss rates are based on the aging profiles of trade receivables over a period of 24 month before 31 March 2019 or 1 April 2018 respectively. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

32. 財務風險管理目標及政策(續)

信貸風險

本集團主要面臨與其現金及現金等價物、貿易應收款項及其他應收款項有關的信貸風險。上述各類金融資產的賬面值指本集團所面臨與金融資產有關的最大信貸風險。

風險管理

信貸風險按集團基準管理。所有現金及現金等價物均存置在中國的國有銀行及金融機構以及香港信譽良好的國際銀行及金融機構。本集團已實施政策，確保信貸期的收益是按信貸條款從具有適當信用記錄的交易對手獲得，而管理層持續對交易對手進行信貸評估。此外，本集團已實施政策，確保及時跟進貿易應收款項的結算。本集團並無重大集中信貸風險。

金融資產減值

本集團有三種金融資產須遵守香港財務報告準則第9號的新預期信貸虧損模式：

- 銷售貨品的貿易應收款項；及
- 按攤銷成本計量的其他金融資產。

儘管現金及現金等價物亦須遵守香港財務報告準則第9號的減值規定，但並未識別任何減值虧損。

貿易應收款項

本集團應用香港財務報告準則第9號所訂明的簡化方法計量預期信貸虧損，其就所有貿易應收款項使用全期預期虧損撥備。為計量預期信貸虧損，貿易應收款項已按共通信貸風險特徵及賬齡期分類。

預期虧損率分別按2019年3月31日或2018年4月1日之前24個月期間的貿易應收款賬齡狀況計算。過往虧損率乃經調整以反映影響客戶結清應收款項能力的宏觀經濟因素的現時及前瞻性資料。

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Impairment of financial assets (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 March 2019 and 1 April 2018 (on adoption of HKFRS 9) was determined as follows for trade receivables:

31 March 2019	於2019年3月31日
Expected loss rate	預期虧損率
1 April 2018	於2018年4月1日
Expected loss rate	預期虧損率

The difference of amounts of loss allowance for trade receivables as at 31 March 2019 and 1 April 2018 under HKFRS 9 and HKAS 39 was immaterial.

Other financial assets at amortised cost

There is no loss allowance for other financial assets at amortised cost as at 31 March 2019 and 1 April 2018.

32. 財務風險管理目標及政策(續)

信貸風險(續)

金融資產減值(續)

貿易應收款項(續)

有鑑於此，於2019年3月31日及2018年4月1日(於採納香港財務報告準則第9號時)貿易應收款項的虧損撥備釐定如下：

Current 即期	Overdue within 120 days 逾期120日內	Overdue over 120 days 逾期超過120日
0.03%	0.27%	100%
0.02%	0.04%	100%

於2019年3月31日香港財務報告準則第9號項下的貿易應收款項虧損撥備與2018年4月1日香港會計準則第39號項下的易應收款項虧損撥備差額為不重大。

按攤銷成本計量的其他金融資產

於2019年3月31日及2018年4月1日，按攤銷成本計量的其他金融資產並無虧損撥備。

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group aims to maintain sufficient cash and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations and other borrowings.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted payments including interest payments computed using contractual rates.

31 March 2019

		On demand or less than 1 year 於要求時或 少於一年 HK\$'000 千港元	Over 1 year 超過一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-interest-bearing payables	不計息應付款項	28,515	–	28,515

31 March 2018

		On demand or less than 1 year 於要求時或 少於一年 HK\$'000 千港元	Over 1 year 超過一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-interest-bearing payables	不計息應付款項	22,562	–	22,562
Obligations under finance leases	融資租賃承擔	606	1,464	2,070
		23,168	1,464	24,632

32. 財務風險管理目標及政策(續)

流動資金風險

本集團致力於維持充足的現金及信用額度以滿足其流動資金要求。本集團通過經營所產生的資金及其他借貸方式為其營運資金要求提供融資。

下表概述本集團於報告期末基於合約未貼現付款(包括使用合約利率計算的利息款項)的非衍生金融負債到期情況。

2019年3月31日

		On demand or less than 1 year 於要求時或 少於一年 HK\$'000 千港元	Over 1 year 超過一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-interest-bearing payables	不計息應付款項	28,515	–	28,515

2018年3月31日

		On demand or less than 1 year 於要求時或 少於一年 HK\$'000 千港元	Over 1 year 超過一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-interest-bearing payables	不計息應付款項	22,562	–	22,562
Obligations under finance leases	融資租賃承擔	606	1,464	2,070
		23,168	1,464	24,632

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

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 sell assets to reduce debt. No changes in the objectives, policies or processes for managing capital were made during the years ended 31 March 2019 and 2018.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends as well as issue of new debt or the redemption of the debt.

The Group monitors capital using, inter alia, a gearing ratio which is net debt divided by total equity plus net debt. As at 31 March 2019, the Group has no borrowing and has a net cash position.

32. 財務風險管理目標及政策(續)

資本管理

本集團管理資本的目標乃保障本集團持續經營能力，為股東創造回報以及維持最佳資本架構以降低資本成本。

本集團管理其資本架構並就經濟狀況的變動作出調整。為維持或調整資本架構，本集團可能調整向股東支付的股息、向股東償還的資金或銷售資產以減少債務。於截至2019年及2018年3月31日止年度，有關資本管理的目標、政策或程序並無任何變動。

本集團管理層定期審閱資本架構。作為審閱的一部分，管理層會考慮資本成本及與各類資本相關的風險。根據管理層建議，本集團將通過支付股息及發行新債或償還債務，以平衡整體資本架構。

本集團採用(其中包括)資產負債比率(負債淨額除以權益總額加債務淨額)以監察資本。於2019年3月31日，本集團無借款，並持有現金淨額。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 March 2019
截至2019年3月31日止年度

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting year is as follows:

33. 本公司財務狀況表

本公司於報告年度末財務狀況表的資料如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司投資	105,366	107,316
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	10,466	—
Cash and bank balances	現金及銀行結餘	219,584	188,192
Total current assets	流動資產總值	230,550	188,192
Total assets	資產總額	335,416	295,508
CURRENT LIABILITIES	流動負債		
Due to subsidiaries	應付附屬公司款項	10,830	10,830
Other payable	其他應付款項	1,741	1,948
Total current liabilities	流動負債合計	12,571	12,778
EQUITY	權益		
Share capital	股本	863	863
Reserves (note a)	儲備(附註a)	321,982	281,867
Total equity	權益總額	322,845	282,730
Total equity and liabilities	權益及負債總額	335,416	295,508

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

Year ended 31 March 2019
截至2019年3月31日止年度

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Notes:

- (a) A summary of the reserve movements of the Company is as follows:

		Share premium	Merger reserve	Capital surplus	Warrant reserve 認股權證 儲備	Retained earnings	Total
		股份溢價 HK\$'000 千港元	合併儲備 HK\$'000 千港元	資本盈餘 HK\$'000 千港元	HK\$'000 千港元	保留盈利 HK\$'000 千港元	總計 HK\$'000 千港元
As at 1 April 2017	於2017年4月1日	60,374	1,940	105,366	-	62,080	229,760
Loss for the year	年內虧損	-	-	-	-	(12,776)	(12,776)
The placement of shares net off expenses	配售股份(扣除開支)	62,413	-	-	-	-	62,413
Issue of unlisted warrants net off expenses	發行未上市認股權證 (扣除開支)	-	-	-	2,470	-	2,470
As at 31 March 2018 and 1 April 2018	於2018年3月31日及 2018年4月1日	122,787	1,940	105,366	2,470	49,304	281,867
Profit for the year	年內溢利	-	-	-	-	40,115	40,115
As at 31 March 2019	於2019年3月31日	122,787	1,940	105,366	2,470	89,419	321,982

34. SUBSEQUENT EVENTS

No subsequent event occurred before the report was issued.

35. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 11 June 2019.

33. 本公司財務狀況表(續)

附註：

- (a) 本公司儲備變動概要如下：

34. 期後事項

於報告刊發前，並無發生任何期後事項。

35. 批准綜合財務報表

董事會已於2019年6月11日批准及授權刊發綜合財務報表。

RESULTS

業績

		Year ended 31 March 截至3月31日止年度				
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Revenue	收益	219,286	433,666	547,623	683,687	1,036,824
Cost of sales	銷售成本	(191,839)	(355,041)	(440,824)	(568,772)	(856,541)
Gross profit	毛利	27,447	78,625	106,799	114,915	180,283
Other income	其他收入	599	2,660	2,890	4,243	6,141
Selling expenses	銷售開支	(21,362)	(31,826)	(42,608)	(34,152)	(38,527)
Administrative expenses	行政開支	(49,818)	(61,610)	(70,997)	(82,388)	(99,775)
Other gains/(losses), net	其他收益/(虧損)淨額	28,752	(12,578)	3,926	(5,087)	(10,293)
Operating (loss)/profit	營運(虧損)/溢利	(14,382)	(24,729)	10	(2,469)	37,829
Finance costs	財務成本	(1,034)	(8,714)	(6,153)	(9,172)	(11,232)
Share of loss of a joint venture	應佔合營公司虧損	(27)	(140)	(27)	(49)	-
(Loss)/profit before tax	除稅前(虧損)/溢利	(15,443)	(33,583)	(6,170)	(11,690)	26,597
Income tax expense	所得稅開支	(1,693)	(3,714)	(2,984)	(1,812)	(6,255)
(Loss)/profit for the year attributable to the equity holders of the parent	母公司權益擁有人應佔年內(虧損)/溢利	(17,136)	(37,297)	(9,154)	(13,502)	20,342
Total assets, total liabilities and total equity	資產總值、負債總額及權益總額					
Total assets	資產總值	377,869	400,709	719,942	674,968	802,142
Total liabilities	負債總額	30,358	31,933	398,678	322,355	419,432
Total equity	權益總額	347,511	368,776	321,264	352,613	382,710

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