

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

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1536



2018/19  
ANNUAL REPORT 年報

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# CORPORATE INFORMATION

## 公司資料

### COMPANY DIRECTORS

#### Executive Directors

Mr. He Xiaoming (Chairman and Chief Executive Officer)  
(appointed on 13 April 2018)  
Mr. Huang Shixin (appointed on 1 April 2019)  
Mr. Wong Ka Shing (appointed on 9 January 2019)  
Mr. Chan Kin Choi (resigned on 13 April 2018)  
Mr. Chan Leung Choi (resigned on 13 April 2018)  
Ms. Liang Ning (resigned on 13 April 2018)  
Mr. Chan Tat Choi (resigned on 8 November 2018)

#### Independent Non-executive Directors

Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018)  
Mr. Lau Leong Yuen (appointed on 20 April 2018)  
Mr. Liu Tin Lap (appointed on 20 April 2018)  
Mr. Chan Lewis (resigned on 20 April 2018)  
Mr. Lam Chun Fung (resigned on 20 April 2018)  
Mr. Sung Lok Man Richard (resigned on 20 April 2018)

### AUDIT AND COMPLIANCE COMMITTEE (THE "AUDIT AND COMPLIANCE COMMITTEE")

Mr. Liu Tin Lap (Chairman)  
(appointed on 20 April 2018)  
Mr. Lau Leong Yuen (appointed on 20 April 2018)  
Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018)  
Mr. Sung Lok Man Richard (resigned on 20 April 2018)  
Mr. Lam Chun Fung (resigned on 20 April 2018)  
Mr. Chan Lewis (resigned on 20 April 2018)

### REMUNERATION COMMITTEE (THE "REMUNERATION COMMITTEE")

Ms. Lam Hoi Yu Nicki (Chairman)  
(appointed on 20 April 2018)  
Mr. He Xiaoming (appointed on 13 April 2018)  
Mr. Liu Tin Lap (appointed on 20 April 2018)  
Mr. Lau Leong Yuen (appointed on 20 April 2018)  
Mr. Chan Lewis (resigned on 20 April 2018)  
Mr. Chan Leung Choi (resigned on 13 April 2018)  
Mr. Sung Lok Man Richard (resigned on 20 April 2018)  
Mr. Lam Chun Fung (appointed on 13 April 2018 and  
resigned on 20 April 2018)

### NOMINATION COMMITTEE (THE "NOMINATION COMMITTEE")

Mr. Lau Leong Yuen (Chairman)  
(appointed on 20 April 2018)  
Mr. He Xiaoming (appointed on 13 April 2018)  
Mr. Liu Tin Lap (appointed on 20 April 2018)  
Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018)  
Mr. Chan Leung Choi (resigned on 13 April 2018)  
Mr. Chan Lewis (resigned on 20 April 2018)  
Mr. Lam Chun Fung (resigned on 20 April 2018)  
Mr. Sung Lok Man Richard (appointed on 13 April 2018 and  
resigned on 20 April 2018)

### 公司董事

#### 執行董事

何笑明先生(主席兼行政總裁)  
(於二零一八年四月十三日獲委任)  
黃世鑫先生(於二零一九年四月一日獲委任)  
黃嘉盛先生(於二零一九年一月九日獲委任)  
陳健材先生(於二零一八年四月十三日辭任)  
陳樑材先生(於二零一八年四月十三日辭任)  
梁寧女士(於二零一八年四月十三日辭任)  
陳達材先生(於二零一八年十一月八日辭任)

#### 獨立非執行董事

林凱如女士(於二零一八年四月二十日獲委任)  
劉量源先生(於二零一八年四月二十日獲委任)  
廖天立先生(於二零一八年四月二十日獲委任)  
陳令紘先生(於二零一八年四月二十日辭任)  
藍俊峰先生(於二零一八年四月二十日辭任)  
宋樂文先生(於二零一八年四月二十日辭任)

### 審核及合規委員會 (「審核及合規委員會」)

廖天立先生(主席)  
(於二零一八年四月二十日獲委任)  
劉量源先生(於二零一八年四月二十日獲委任)  
林凱如女士(於二零一八年四月二十日獲委任)  
宋樂文先生(於二零一八年四月二十日辭任)  
藍俊峰先生(於二零一八年四月二十日辭任)  
陳令紘先生(於二零一八年四月二十日辭任)

### 薪酬委員會(「薪酬委員會」)

林凱如女士(主席)  
(於二零一八年四月二十日獲委任)  
何笑明先生(於二零一八年四月十三日獲委任)  
廖天立先生(於二零一八年四月二十日獲委任)  
劉量源先生(於二零一八年四月二十日獲委任)  
陳令紘先生(於二零一八年四月二十日辭任)  
陳樑材先生(於二零一八年四月十三日辭任)  
宋樂文先生(於二零一八年四月二十日辭任)  
藍俊峰先生(於二零一八年四月十三日  
獲委任及於二零一八年四月二十日辭任)

### 提名委員會(「提名委員會」)

劉量源先生(主席)  
(於二零一八年四月二十日獲委任)  
何笑明先生(於二零一八年四月十三日獲委任)  
廖天立先生(於二零一八年四月二十日獲委任)  
林凱如女士(於二零一八年四月二十日獲委任)  
陳樑材先生(於二零一八年四月十三日辭任)  
陳令紘先生(於二零一八年四月二十日辭任)  
藍俊峰先生(於二零一八年四月二十日辭任)  
宋樂文先生(於二零一八年四月十三日  
獲委任及於二零一八年四月二十日辭任)

# CORPORATE INFORMATION

## 公司資料

### COMPANY SECRETARY

Ms. Choi Yee Man (*appointed on 20 April 2018*)

Mr. Chow Jonathan Edward Chun-chung (*resigned on 20 April 2018*)

### AUDITOR

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

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 13/F.,  
Eton Building,  
288 Des Voeux Road Central  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### STOCK CODE

01536

### COMPANY WEBSITE

[www.yukwing.com](http://www.yukwing.com)

### 公司秘書

蔡綺雯女士 (於二零一八年四月二十日獲委任)

周鎮忠先生 (於二零一八年四月二十日辭任)

### 核數師

德勤•關黃陳方會計師行  
執業會計師  
香港  
金鐘道88號  
太古廣場一期35樓

### 主要往來銀行

中國銀行(香港)有限公司  
星展銀行(香港)有限公司

### 註冊辦事處

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

### 香港主要營業地點

香港  
德輔道中288號  
易通商業大廈  
13樓B室

### 開曼群島主要股份過戶登記處

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

### 香港股份過戶登記分處

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

### 股份代號

01536

### 公司網址

[www.yukwing.com](http://www.yukwing.com)



# CHAIRMAN'S STATEMENT

## 主席報告書

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of Yuk Wing Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), I would like to present the 2018/19 annual report of the Group for the year ended 31 March 2019.

### REVIEW

For the year ended 31 March 2019 (the “**Year**”), the Group’s revenue was approximately HK\$163.4 million (2018: approximately HK\$99.7 million). Such increase was mainly attributable to the improvement of the business environment in Hong Kong during the Year, leading to a relatively higher level of construction activities and available projects when compared with the year ended 31 March 2018, resulting in a higher than expected demand for our products.

The Group’s net profit increased from approximately HK\$0.5 million for the year ended 31 March 2018 to approximately HK\$19.8 million for the Year. The increase in net profit was mainly due to the increase in revenue and gross profit, net off with the increase in selling and distribution expenses and administrative expenses.

### PROSPECTS

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

### APPRECIATION

Lastly, I would like to express our sincere gratitude to our shareholders, customers and business partners for their continuous support, and to our management and staff members for their diligence, dedication and contribution to the growth of the Group.

By order of the Board  
**Yuk Wing Group Holdings Limited**  
**He Xiaoming**  
*Chairman*  
Hong Kong, 27 June 2019

致各位股東：

本人謹代表煜榮集團控股有限公司（「**本公司**」）及其附屬公司（統稱「**本集團**」）董事（「**董事**」）會（「**董事會**」）呈報本集團截至二零一九年三月三十一日止年度的二零一八／一九年度報告。

### 回顧

截至二零一九年三月三十一日止年度（「**本年度**」），本集團的收益約為163.4百萬港元（二零一八年：約99.7百萬港元）。收益增加乃主要由於本年度香港商業環境改善，與截至二零一八年三月三十一日止年度相比，建築活動及可施工項目數量處於相對較高水平，導致對我們產品的需求高於預期。

本集團的純利由截至二零一八年三月三十一日止年度的約0.5百萬港元增加至本年度的約19.8百萬港元。純利增加主要是由於收益及毛利增加，扣除銷售及分銷開支及行政開支增加所致。

### 前景

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

### 感謝

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

承董事會命  
**煜榮集團控股有限公司**  
主席  
**何笑明**  
香港，二零一九年六月二十七日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 1. BUSINESS REVIEW

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

Hong Kong and Macau remain to be the Group's major markets, where the revenue generated from Hong Kong contributed to approximately HK\$130.0 million for the Year (2018: approximately HK\$88.5 million), or approximately 79.6% of the total revenue during the Year (2018: approximately 88.8%). The business in Macau has been steadily progressing during the Year, where the revenue generated from Macau contributed to approximately HK\$22.4 million for the Year (2018: approximately HK\$6.0 million), or approximately 13.7% of the total revenue during the Year (2018: approximately 6.0%). Revenue from Peru has shown significant increase during the Year, which contributed to approximately HK\$5.7 million (2018: nil), or approximately 3.5% of the total revenue during the Year (2018: nil).

#### Manufacturing and Trading of DTH Rockdrilling Tools

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools. Our self-designed and manufactured DTH rockdrilling tools can be categorised into the following main categories, namely DTH hammers, casing systems (comprising driver bits and casing bits), and other miscellaneous products including button bits and bit openers, as well as our newly developed products, drill pipes, cluster drills and casing tubes. Revenue from the manufacturing and trading of DTH rockdrilling tools contributed to approximately 66.3% of the total revenue during the Year (2018: approximately 62.8%).

#### Trading of Piling and Drilling Machineries and Rockdrilling Equipment

The Group is also engaged in the trading of piling and drilling machineries and rockdrilling equipment to our customers as part of our technical rockdrilling solutions. Revenue from the trading of piling and drilling machineries, and rockdrilling equipment, contributed to approximately 23.7% of the total revenue during the Year (2018: approximately 27.6%) and approximately 10.1% of the total revenue during the Year (2018: approximately 9.6%), respectively.

### 1. 業務回顧

本集團主要從事製造及買賣潛孔鑿岩工具、買賣打樁機及鑽機和鑿岩設備。

香港及澳門仍然為本集團的主要市場，其中於本年度在香港產生的收益約為130.0百萬港元(二零一八年：約88.5百萬港元)，或約佔本年度總收益的79.6%(二零一八年：約88.8%)。於本年度在澳門的業務逐步穩定，於本年度在澳門產生的收益約為22.4百萬港元(二零一八年：約6.0百萬港元)，或約佔本年度總收益的13.7%(二零一八年：約6.0%)。於本年度秘魯的收益顯著增加，約5.7百萬港元(二零一八年：無)，或約佔本年度總收益3.5%(二零一八年：無)。

#### 製造及買賣潛孔鑿岩工具

本集團主要從事製造及買賣潛孔鑿岩工具。我們自主設計及製造的潛孔鑿岩工具主要分為以下類別：潛孔錘、套管系統(包括驅導鑽頭及套管鑽頭)及其他雜項產品(包括球齒鑽頭及擴孔器)以及新開發產品、鑽桿、叢式鑽具及套管。製造及買賣潛孔鑿岩工具的收益佔本年度總收益約66.3%(二零一八年：約62.8%)。

#### 買賣打樁機及鑽機和鑿岩設備

本集團亦從事根據鑿岩技術解決方案向客戶買賣打樁機及鑽機和鑿岩設備。買賣打樁機及鑽機和鑿岩設備的收益分別佔本年度總收益約23.7%(二零一八年：約27.6%)和約10.1%(二零一八年：約9.6%)。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. FINANCIAL REVIEW

#### 2.1 Consolidated Results of Operations

The Group's revenue increased by approximately HK\$63.7 million, or 63.9%, to approximately HK\$163.4 million for the Year, from approximately HK\$99.7 million for the year ended 31 March 2018. Our gross profit for the years ended 31 March 2018 and 2019 were approximately HK\$37.5 million and approximately HK\$66.4 million, respectively. For the years ended 31 March 2018 and 2019, the revenue from the manufacturing and trading of DTH rockdrilling tools accounted for approximately 62.8% and approximately 66.3% of the total revenue, respectively. The revenue from trading of piling and drilling machineries, and trading of rockdrilling equipment accounted for the rest of our revenue. We sell our products to customers in Hong Kong, Macau, and through distributors in Finland and Japan to end users in Scandinavia and Japan respectively. We generated most of our revenue from sales in Hong Kong, which accounted for approximately 88.8% and approximately 79.6% of our total revenue in the years ended 31 March 2018 and 2019, respectively.

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

### 2. 財務回顧

#### 2.1 綜合經營業績

本集團收益由截至二零一八年三月三十一日止年度約99.7百萬港元增加約63.7百萬港元或63.9%至本年度約163.4百萬港元。我們於截至二零一八年及二零一九年三月三十一日止年度的毛利分別約為37.5百萬港元及約66.4百萬港元。於截至二零一八年及二零一九年三月三十一日止年度，製造及買賣潛孔鑿岩工具的收益分別佔總收益的約62.8%及約66.3%。我們餘下收益為買賣打樁機及鑽機和買賣鑿岩設備的收益。我們向港澳客戶以及透過芬蘭及日本的分銷商分別向斯堪的納維亞及日本的終端用戶銷售產品。截至二零一八年及二零一九年三月三十一日止年度，我們大部分收益來自於香港的銷售，分別佔總收益約88.8%及約79.6%。

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

		For the year ended 31 March	
		截至三月三十一日止年度	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收益	163,441	99,703
Cost of sales	銷售成本	(97,084)	(62,234)
Gross profit	毛利	66,357	37,469
Other income and expenses	其他收入及開支	2,108	202
Impairment losses, net of reversal	減值虧損，扣除撥回	(2,952)	(1,179)
Other gains and losses	其他收益及虧損	1,404	(872)
Selling and distribution expenses	銷售及分銷開支	(6,305)	(4,806)
Administrative expenses	行政開支	(33,773)	(27,419)
Finance costs	融資成本	(1,041)	(473)
Profit before tax	除稅前溢利	25,798	2,922
Income tax expense	所得稅開支	(6,033)	(2,431)
Profit for the year	年內溢利	19,765	491
<b>Total comprehensive income for the year</b>	<b>年內全面總收益</b>	<b>17,017</b>	3,756

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. FINANCIAL REVIEW (Continued)

#### 2.1 Consolidated Results of Operations (Continued)

##### (a) Revenue

The Group's revenue increased by approximately HK\$63.7 million, or 63.9%, to approximately HK\$163.4 million for the Year, from approximately HK\$99.7 million for the year ended 31 March 2018, primarily due to the improvement of the business environment in Hong Kong during the Year, leading to a relatively higher level of construction activities and available projects when compared with the year ended 31 March 2018, resulting in a higher than expected demand for our products.

##### (b) Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately HK\$28.9 million, or 77.1%, to approximately HK\$66.4 million for the Year, from approximately HK\$37.5 million for the year ended 31 March 2018, primarily due to the increase in revenue as mentioned above. Gross profit margin increased to approximately 40.6% for the Year, from approximately 37.6% for the year ended 31 March 2018, mainly attributable to the increase in gross profit margins from the trading of piling and drilling machineries and trading of rockdrilling equipment segments.

##### (c) Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$1.5 million, or 31.3%, to approximately HK\$6.3 million for the Year, from approximately HK\$4.8 million for the year ended 31 March 2018, primarily due to the increase in sales staff costs and sales commission during the Year.

##### (d) Administrative Expenses

The Group's administrative expenses increased by approximately HK\$6.4 million, or 23.4%, to approximately HK\$33.8 million for the Year, from approximately HK\$27.4 million for the year ended 31 March 2018, primarily due to the increase in staff costs, rental expenses and donations during the Year.

### 2. 財務回顧(續)

#### 2.1 綜合經營業績(續)

##### (a) 收益

本集團的收益由截至二零一八年三月三十一日止年度約99.7百萬港元增加約63.7百萬港元或63.9%至本年度約163.4百萬港元，主要是由於本年度香港的業務環境改善，與截至二零一八年三月三十一日止年度相比，建築活動及可施工項目數量處於相對較高水平，導致對我們產品的需求高於預期。

##### (b) 毛利及毛利率

本集團的毛利由截至二零一八年三月三十一日止年度約37.5百萬港元增加約28.9百萬港元或77.1%至本年度約66.4百萬港元，主要是由於收益如上文所述增加所致。毛利率由截至二零一八年三月三十一日止年度約37.6%增加至本年度約40.6%，主要是由於買賣打樁機及鑽機及買賣巖岩設備的毛利率增加所致。

##### (c) 銷售及分銷開支

本集團的銷售及分銷開支由截至二零一八年三月三十一日止年度約4.8百萬港元增加約1.5百萬港元或31.3%至本年度約6.3百萬港元，主要是由於本年度銷售人員成本及銷售佣金增加所致。

##### (d) 行政開支

本集團的行政開支由截至二零一八年三月三十一日止年度約27.4百萬港元增加約6.4百萬港元或23.4%至本年度約33.8百萬港元，主要是由於本年度員工成本、租金開支及捐款增加所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. FINANCIAL REVIEW (Continued)

#### 2.1 Consolidated Results of Operations (Continued)

##### (e) Finance Costs

The Group's finance costs increased by approximately HK\$0.5 million, or 100.0%, to approximately HK\$1.0 million for the Year, from approximately HK\$0.5 million for the year ended 31 March 2018, primarily due to the increase in borrowings during the Year.

##### (f) Net Profit

The Group recorded a net profit of approximately HK\$19.8 million for the Year as compared to the net profit of approximately HK\$0.5 million for the year ended 31 March 2018. The increase was mainly attributable to the increase in revenue and gross profit, net off with the increase in selling and distribution expenses and administrative expenses as explained above.

### 3. STRATEGY AND PROSPECTS

During the Year, the Group continued to develop its various business and geographical segments. The market environment in the Group's major market, Hong Kong, has improved during the Year. As more construction projects were available in the market, our customers have increased their purchases of our products, which in turn had a positive contribution to the Group's revenue and profit during the Year. As motions have passed at the Finance Committee of the Legislative Council in March 2018 to streamline the procedures on the deliberation of agenda items and committee members speaking on proposals, this has a positive impact as to the timeliness of the approval process, and it is anticipated that more construction projects will commence in the coming years.

The Macau market continued to progress steadily during the Year. The Group will continue to capture the business opportunities as and when they arise.

The Group has been continuing its efforts to extend its presence in several key international markets, including Scandinavia, Peru, Germany, Brazil, Japan and India. Progress has been made in the exploring the South America region, where the Group has commenced businesses with customers in Peru and Brazil for construction projects during the Year. Peru, in particular, has shown significant progress, where the revenue contributed to approximately 3.5% of the total revenue during the Year.

### 2. 財務回顧(續)

#### 2.1 綜合經營業績(續)

##### (e) 融資成本

本集團的融資成本由截至二零一八年三月三十一日止年度約0.5百萬港元增加約0.5百萬港元或100.0%至本年度約1.0百萬港元，主要是由於本年度借款增加所致。

##### (f) 純利

本集團於本年度錄得純利約19.8百萬港元，而截至二零一八年三月三十一日止年度則錄得純利約0.5百萬港元。該增加主要由於收益及毛利增加，扣除上文所述的銷售及分銷開支以及行政開支增加所致。

### 3. 策略及前景

本集團於本年度繼續發展其多個業務及區域分部。香港是本集團的主要市場，其市場環境於本年度已有所改善。由於市場上有更多可供施工的建築項目，我們的客戶已增加採購我們的產品，因而為本集團於本年度的收益及利潤帶來正面貢獻。由於立法會財務委員會已於二零一八年三月通過議案，以簡化審議議程項目及委員會成員就議案發言的程序，這對批准過程的及時性產生正面影響，並且預期來年將展開更多建築項目。

澳門市場於本年度繼續穩步發展。本集團將於商機來臨時繼續加以把握。

本集團繼續致力拓展在斯堪的納維亞、秘魯、德國、巴西、日本及印度等若干主要國際市場的份額。於本年度，本集團已在開拓南美地區市場取得進展，並開始與秘魯及巴西的客戶就建築項目進行業務。尤其是，秘魯已取得重大進展，收益佔本年度總收益約3.5%。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 3. STRATEGY AND PROSPECTS (Continued)

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

### 4. LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2019, the Group's total cash and cash equivalents amounted to approximately HK\$74.0 million of which approximately 94.1%, 2.6%, 3.2% and 0.1% of the cash and cash equivalents were denominated in Hong Kong dollar, Renminbi, U.S. dollar and Euro, respectively (2018: approximately HK\$72.0 million of which approximately 96.3%, 2.2%, 1.2% and 0.3% of the cash and cash equivalents were denominated in Hong Kong dollar, Renminbi, U.S. dollar and Euro, respectively). The increase was mainly resulted from the increase in revenue during the Year.

As at 31 March 2019, the Group's bank borrowings of approximately HK\$5.3 million (2018: approximately HK\$1.7 million) had variable interest rates and was repayable within one year, which are guaranteed by the Company, and the Group's other borrowings of approximately HK\$20.0 million (2018: nil) had fixed interest rate of 5.0% per annum and was repayable in the second year, which was unsecured. As at 31 March 2018 and 2019, all of the bank and other borrowings were denominated in Hong Kong dollar.

The gearing ratio of the Group as at 31 March 2019 (defined as the Group's total interest-bearing liabilities divided by the Group's total equity) was approximately 14.9% (2018: approximately 1.1%). The increase in the gearing ratio of the Group as at 31 March 2019 is mainly due to the increase in borrowings.

### 5. CAPITAL STRUCTURE

The Company's shares were successfully listed on the Main Board of the Stock Exchange on 11 January 2017 (the "Listing Date").

As at 31 March 2019, the Company's issued share capital was HK\$38,000,000 and the number of its issued ordinary shares was 380,000,000 of HK\$0.1 each.

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

### 3. 策略及前景 (續)

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

### 4. 流動資金及財務資源

於二零一九年三月三十一日，本集團的現金及現金等價物總額約為74.0百萬港元，其中現金及現金等價物約94.1%、2.6%、3.2%及0.1%乃分別按港元、人民幣、美元及歐元計值（二零一八年：約72.0百萬港元，其中現金及現金等價物約96.3%、2.2%、1.2%及0.3%乃分別按港元、人民幣、美元及歐元計值）。增加主要乃因年內收益增加所致。

於二零一九年三月三十一日，本集團的銀行借貸約為5.3百萬港元（二零一八年：約1.7百萬港元）乃按浮息利率計算且一年內償還，並經本公司擔保，及本集團的其他借款約20.0百萬港元（二零一八年：無）的固定年利率為5.0%，須於第二年償還，無抵押。於二零一八年及二零一九年三月三十一日，全部銀行及其他借貸乃以港元計值。

於二零一九年三月三十一日，本集團的資產與負債比率（定義為本集團的總計息負債除以本集團的總權益）約為14.9%（二零一八年：約1.1%）。本集團於二零一九年三月三十一日的資產與負債比率增加主要是由於借貸增加所致。

### 5. 資本架構

本公司股份成功於二零一七年一月十一日（「上市日期」）在聯交所主板上市。

於二零一九年三月三十一日，本公司已發行股本為38,000,000港元，而已發行普通股數目為380,000,000股，每股面值0.1港元。

自上市日期起至本報告日期止，本公司資本架構概無任何變動。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 6. FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

As at 31 March 2019, the Group did not have plan for material investment and capital assets.

### 7. SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, there has been no significant investment, material acquisition or disposal of subsidiaries and associated companies by the Group during the Year.

### 8. CHANGE IN CONTROL AND MANDATORY CASH OFFER

The deed of sale and purchase was entered into between Colour Shine Investments Limited (“**Colour Shine**”) and Hang Yip Company Limited (“**Hang Yip**”), a former Controlling Shareholder who was interested in 195,000,000 shares of the Company, representing 51.32% of the issued share capital of the Company (the “**Sale Share(s)**”), on 2 February 2018, pursuant to which, among others, Colour Shine agreed to purchase and Hang Yip agreed to sell the Sale Shares for a total cash consideration of HK\$349.05 million (equivalent to HK\$1.79 per Sale Share). The completion of the sale and purchase of the Sale Shares took place on 5 February 2018.

Upon the completion of the sale and purchase of the Sale Shares, Colour Shine and parties acting in concert with it were interested in 195,000,000 shares of the Company, representing 51.32% of the issued share capital of the Company on 5 February 2018, Colour Shine therefore was required to make a mandatory unconditional cash offer for all the issued shares of the Company not already owned or agreed to be acquired by it and parties acting in concert with it under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the “**Offer**”). The Offer was closed on 13 April 2018.

Details of the Offer have been disclosed in the Company’s announcements dated 7 February 2018, 13 February 2018, 28 February 2018, 23 March 2018, 29 March 2018 and 13 April 2018 respectively and the Company’s circular dated 23 March 2018.

### 6. 重大投資及資本資產的未來計劃

於二零一九年三月三十一日，本集團並無任何重大投資及資本資產的計劃。

### 7. 重大投資、重大收購及出售

除本報告披露者外，於本年度，本集團概無任何重大投資、重大收購或出售附屬公司及聯營公司的事項。

### 8. 控制權變更及強制性現金要約

彩輝投資有限公司(「**彩輝**」)與前控股股東鏗業有限公司(「**鏗業**」)(其於本公司195,000,000股股份(「**待售股份**」)(佔本公司於二零一八年二月二日已發行股本的51.32%)中擁有權益)訂立買賣契據，據此(其中包括)彩輝同意購買及鏗業同意出售待售股份，總代價為349.05百萬港元(相當於每股待售股份1.79港元)。待售股份的買賣已於二零一八年二月五日完成。

於買賣待售股份完成後，彩輝及其一致行動人士於195,000,000股本公司股份(相當於本公司於二零一八年二月五日已發行股本的51.32%)中擁有權益。因此，根據香港公司收購及合併守則第26.1條，彩輝須就本公司全部已發行股份(彩輝及其一致行動人士已擁有或將予收購者除外)作出強制性無條件現金要約(「**要約**」)。要約已於二零一八年四月十三日截止。

要約的詳情已分別於本公司日期為二零一八年二月七日、二零一八年二月十三日、二零一八年二月二十八日、二零一八年三月二十三日、二零一八年三月二十九日及二零一八年四月十三日的公告以及本公司日期為二零一八年三月二十三日的通函中披露。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 9. CONTINGENT LIABILITIES

The Group has not had any material contingent liability as at 31 March 2019 and 31 March 2018.

### 10. CAPITAL COMMITMENTS

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

### 11. CHARGE ON GROUP ASSETS

As at 31 March 2019, bank borrowings amounting to approximately HK\$5.3 million (2018: approximately HK\$1.7 million) are guaranteed by the Company. As at 31 March 2019, deposits placed at an insurance company amounting to approximately HK\$4.5 million (2018: approximately HK\$4.4 million) were pledged to secure general banking facilities granted to the Group.

### 12. CASH FLOW MANAGEMENT AND LIQUIDITY RISK

The Group's objective regarding cash flow management is to maintain a balance between continuity of funding and flexibility through a combination of internal resources, bank borrowings, and other debt or equity securities, as appropriate. The Group is comfortable with the present financial and liquidity position, and will continue to maintain a reasonable liquidity buffer to ensure sufficient funds are available to meet liquidity requirements at all times.

### 13. FOREIGN EXCHANGE RISK

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

### 9. 或然負債

本集團於二零一九年三月三十一日及二零一八年三月三十一日並無任何重大或然負債。

### 10. 資本承擔

於二零一九年三月三十一日及二零一八年三月三十一日，本集團並無任何資本承擔。

### 11. 抵押集團資產

於二零一九年三月三十一日，本公司擔保的銀行借款達約5.3百萬港元(二零一八年：約1.7百萬港元)。於二零一九年三月三十一日，於保險公司存款約為4.5百萬港元(二零一八年：約4.4百萬港元)乃為本集團獲授一般銀行融資提供抵押。

### 12. 現金流量管理及流動資金風險

本集團現金流量管理之目標為透過結合內部資源、銀行借貸及其他債務或股本證券(如適用)，在資金持續性與靈活性之間達致平衡。本集團滿意其現有財務及流動資金狀況，並將繼續維持合理充裕之流動資金作緩衝，以確保具備充足資金隨時滿足周轉需要。

### 13. 外匯風險

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 14. USE OF PROCEEDS FROM THE PUBLIC OFFER

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 January 2017. The net proceeds from the public offer received by the Company, after deduction of the underwriting commissions and other related listing expenses payable by the Company in the public offer, were approximately HK\$88.3 million. In accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” of the prospectus dated 30 December 2016 (the “Prospectus”), the net proceeds received were applied by the Group from the Listing Date up to 31 March 2019 as follows:

### 14. 公開發售所得款項用途

本公司股份於二零一七年一月十一日在聯交所主板上市。經扣除本公司於公開發售中應付的包銷佣金及其他相關上市開支後，本公司從公開發售收到的所得款項淨額約為88.3百萬港元。根據日期為二零一六年十二月三十日的招股章程（「招股章程」）「未來計劃及所得款項用途」一節所載的建議用途，本集團自上市日期起至二零一九年三月三十一日將已收到的所得款項淨額用作下列用途：

Use of net proceeds	所得款項淨額用途	Estimated Net Proceeds as per the Prospectus 根據招股章程的估計所得款項淨額 HK\$' million 百萬港元	Actual Net Proceeds 實際所得款項淨額 HK\$' million 百萬港元	Used amounts as at 31 March 2019	Unused amounts as at 31 March 2019	Expected timeline for use of proceeds
				於二零一九年三月三十一日的已動用金額 HK\$' million 百萬港元	於二零一九年三月三十一日的未動用金額 HK\$' million 百萬港元	
Investing in new manufacturing facility	投資新生產設施	48.0	50.4	9.9	40.5	By 31 March 2021 二零二一年三月三十一日前
Research and development	研發	3.9	4.4	1.3	3.1	By 31 March 2021 二零二一年三月三十一日前
Participation in overseas exhibition and promotions	參加海外展會及推廣活動	9.6	9.7	4.5	5.2	By 31 March 2021 二零二一年三月三十一日前
Purchase of brand new drilling machineries	購買全新鑽孔器械	8.2	8.8	8.8	-	Fully utilised as at 31 March 2019 於二零一九年三月三十一日已全數使用
Increasing manpower in Hong Kong	增加位於香港的人手	3.8	4.4	0.8	3.6	By 31 March 2021 二零二一年三月三十一日前
Renting of new office for Hong Kong headquarters	租賃香港總部新辦公室	3.2	3.5	0.6	2.9	By 31 March 2021 二零二一年三月三十一日前
Working capital and other general corporate purposes	營運資金及其他一般企業用途	6.9	7.1	6.0	1.1	By 31 March 2020 二零二零年三月三十一日前
<b>Total</b>	<b>總計</b>	<b>83.6</b>	<b>88.3</b>	<b>31.9</b>	<b>56.4</b>	

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 14. USE OF PROCEEDS FROM THE PUBLIC OFFER

*(Continued)*

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

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

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

### 15. EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group had approximately 129 employees (2018: approximately 96 employees) in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on discretionary basis, mandatory provident fund scheme for Hong Kong employees, and state-sponsored retirement plans for PRC employees. The Group also offers a variety of training schemes to its employees.

### 14. 公開發售所得款項用途 (續)

未動用的所得款項淨額將根據招股章程所述方式應用。

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

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

### 15. 僱員及薪酬政策

於二零一九年三月三十一日，本集團於香港及中國擁有約129名僱員(二零一八年：約96名僱員)。本集團定期檢討薪酬政策並參考市場條款、公司表現及個人資歷及表現後釐定。其他員工福利包括按酌情基準發放的花紅、為香港僱員而設的強制性公積金計劃及為中國僱員而設的國家資助退休計劃。本集團亦向其僱員提供各種不同的培訓計劃。



### 1. COMPLIANCE OF THE CODE

The Company focuses on maintaining a high standard of corporate governance for purposes of enhancing the value for its shareholders and protecting their interests. The Company has established the corporate governance structure in accordance with the Listing Rules and the Corporate Governance Code (the “Code”) provided in Appendix 14 to the Listing Rules and has set up a series of corporate governance measures. The Company has adopted and complied with such provisions of the Code (the “Code Provision(s)”) as stated in the Code during the Year except for the Code Provision of A.2.1.

In accordance with Code Provision A.2.1, the roles of the chairman and chief executive officer should be separated and should not be held by the same person. On 13 April 2018, Mr. Chan Leung Choi resigned and Mr. He Xiaoming was appointed to act as the chairman and the chief executive officer of the Company. However, given the development of the Group and the rich and extensive experience that Mr. Chan Leung Choi has in the industry and the Group with a long history, the Board believes that both Mr. Chan Leung Choi and Mr. He Xiaoming concurrently acting as the chairman and chief executive officer helped implement the Group’s business strategies and enhanced the operating efficiency. In addition, the Board comprises three Independent Non-executive Directors, enabling the Company’s shareholders to be represented sufficiently and fairly under the monitoring of the Board.

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

### 2. SECURITIES TRANSACTIONS CONDUCTED BY DIRECTORS AND THE RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its model code for securities transactions by the Directors. Following a specific enquiry to all Directors by the Company, all Directors have confirmed that they have complied with the Model Code standard set out in the Model Code throughout the Year.

### 1. 遵守守則

本公司專注於維持高水平的企業管治，旨在為股東提升價值及保障彼等的權益。本公司已根據上市規則及載於上市規則附錄14所載的企業管治守則（「守則」）建立企業管治結構及設立一系列企業管治措施。於本年度，本公司已採納及遵守守則中訂明的有關守則條文（「守則條文」），惟守則條文第A.2.1條除外。

根據守則條文第A.2.1條，主席及行政總裁的職務應分開，且不應由同一個人擔任。於二零一八年四月十三日，陳樑材先生辭任及何笑明先生獲委任擔任本公司主席兼行政總裁。然而，鑑於本集團的發展情況以及陳樑材先生於行內屬資深且豐富經驗，對本集團業務深入瞭解，且與本集團淵源甚深，董事會相信，陳樑材先生及何笑明先生同時擔任主席及行政總裁將有助於本集團落實業務策略及提升營運效率。此外，董事會成員包括三名獨立非執行董事，於董事會監察下讓本公司股東利益能獲得充分維護並得到公平對待。

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

### 2. 董事及相關僱員進行的證券交易

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」），以此作為董事進行證券交易的標準守則。經本公司作出特定查詢後，全體董事已確認，彼等於本年度一直遵守標準守則所載的標準守則準則。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 3. BOARD OF DIRECTORS

#### 3.1 Board of Directors

##### (a) *Composition of Board of Directors*

As at the date of this report, the Board comprises (i) Executive Directors, Mr. He Xiaoming (Chairman), Mr. Huang Shixin and Mr. Wong Ka Shing; and (ii) Independent Non-executive Directors, Ms. Lam Hoi Yu Nicki, Mr. Lau Leong Yuen and Mr. Liu Tin Lap.

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

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

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

### 3. 董事會

#### 3.1 董事會

##### (a) *董事會的成員組合*

於本報告日期，董事會由(i)執行董事何笑明先生(主席)、黃世鑫先生及黃嘉盛先生；及(ii)獨立非執行董事林凱如女士、劉量源先生及廖天立先生組成。

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

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

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

### 3. BOARD OF DIRECTORS *(Continued)*

#### 3.1 Board of Directors *(Continued)*

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

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

##### *(c) Job Duties and Authority of the Senior Management*

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

### 3. 董事會 *(續)*

#### 3.1 董事會 *(續)*

##### *(b) 董事會工作職責及權限*

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

##### *(c) 高級管理層工作職責及權限*

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

### 3. BOARD OF DIRECTORS *(Continued)*

#### 3.2 Meetings of the Board of Directors

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

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

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

### 3. 董事會 *(續)*

#### 3.2 董事會會議

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

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

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 3. BOARD OF DIRECTORS (Continued)

#### 3.2 Meetings of the Board of Directors (Continued)

During the Year, the Board convened a total of 6 meetings. The attendance record of the meetings by the Directors was as follows:

Name	Position	Number of meetings of Board of Directors attended/should attend 已出席/應出席 董事會會議數目	Attendance rate 出席率
姓名	職位		
Mr. He Xiaoming (appointed on 13 April 2018) 何笑明先生(於二零一八年四月十三日獲委任)	Executive Director, Chairman of the Board and Chief Executive Officer 執行董事、董事會主席兼行政總裁	6/6	100%
Mr. Wong Ka Shing (appointed on 9 January 2019) 黃嘉盛先生(於二零一九年一月九日獲委任)	Executive Director, Chairman of the Board and Chief Executive Officer 執行董事、董事會主席兼行政總裁	1/1	100%
Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018) 林凱如女士(於二零一八年四月二十日獲委任)	Independent Non-executive Director 獨立非執行董事	6/6	100%
Mr. Lau Leong Yuen (appointed on 20 April 2018) 劉量源先生(於二零一八年四月二十日獲委任)	Independent Non-executive Director 獨立非執行董事	6/6	100%
Mr. Liu Tin Lap (appointed on 20 April 2018) 廖天立先生(於二零一八年四月二十日獲委任)	Independent Non-executive Director 獨立非執行董事	6/6	100%
Mr. Chan Tat Choi (resigned on 8 November 2018) 陳達材先生(於二零一八年十一月八日辭任)	Executive Director 執行董事	3/3	100%
Mr. Chan Leung Choi (resigned on 13 April 2018) 陳樑材先生(於二零一八年四月十三日辭任)	Executive Director, Chairman of the Board and Chief Executive Officer 執行董事、董事會主席兼行政總裁	N/A 不適用	N/A 不適用

### 3. 董事會(續)

#### 3.2 董事會會議(續)

於本年度，董事會合共召開六次會議。董事出席會議之記錄載列如下：



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 3. BOARD OF DIRECTORS (Continued)

#### 3.2 Meetings of the Board of Directors (Continued)

Name	Position	Number of meetings of Board of Directors attended/should attend 已出席/應出席 董事會會議數目	Attendance rate 出席率
姓名	職位		
Mr. Chan Kin Choi (resigned on 13 April 2018) 陳健材先生(於二零一八年四月十三日辭任)	Executive Director 執行董事	N/A 不適用	N/A 不適用
Ms. Liang Ning (resigned on 13 April 2018) 梁寧女士(於二零一八年四月十三日辭任)	Executive Director 執行董事	N/A 不適用	N/A 不適用
Mr. Chan Lewis (resigned on 20 April 2018) 陳令紘先生(於二零一八年四月二十日辭任)	Independent Non-executive Director 獨立非執行董事	N/A 不適用	N/A 不適用
Mr. Lam Chun Fung (resigned on 20 April 2018) 藍俊峰先生(於二零一八年四月二十日辭任)	Independent Non-executive Director 獨立非執行董事	N/A 不適用	N/A 不適用
Mr. Sung Lok Man Richard (resigned on 20 April 2018) 宋樂文先生(於二零一八年四月二十日辭任)	Independent Non-executive Director 獨立非執行董事	N/A 不適用	N/A 不適用

### 3. 董事會(續)

#### 3.2 董事會會議(續)

### 3. BOARD OF DIRECTORS *(Continued)*

#### 3.3 Appointment of Directors

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

#### 3.4 Training and continuing development of Directors

Each newly appointed Director is provided with comprehensive induction to ensure that he/she has a proper understanding of the operations and businesses of the Group as well as the director's duties, responsibilities, and obligations under the Listing Rules and relevant regulatory requirements.

During the year, the Directors were provided with regular updates on the Group's business and operation and the information which covered topics, including but not limited to, CG Code, disclosure and compliance of inside information, updates and changes in relation to legislative and regulatory requirements in which the Group conducts its business, and reading materials which are relevant to their duties and responsibilities for their study and reference. During the Year, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills pursuant to the Code Provision A.6.5 of the Code.

#### 3.5 Company Secretary and her training

On 20 April 2018, Mr. Chow Jonathan Edward Chun-chung resigned as the Company Secretary of the Company, and Ms. Choi Yee Man was appointed as the Company Secretary of the Company. The profile of the Company Secretary is stated in the section of "Biographies of Directors and Senior Management" of this annual report. Whilst the Company Secretary reports to the chairman of the Board on the Group's company secretarial and corporate governance matters, all members of the Board have access to the advice and services of the Company Secretary. During the Year, Ms. Choi Yee Man undertook no less than 15 hours of professional training to update her skills and knowledge.

### 3. 董事會(續)

#### 3.3 董事委任

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

#### 3.4 董事的培訓及持續發展

本公司向每名新任董事提供全面迎新資料，以確保其對本集團之營運及業務以及董事職務、職責和於上市規則及相關監管規定下之責任有適當理解。

於本年度，董事獲定期提供有關本集團業務及營運之最新資料，並獲提供涵蓋主題包括但不限於有關企業管治守則、披露及遵守內幕消息、與本集團營運業務之立法及監管規定更新及變動，以及有關其職務及職責之閱讀資料以供彼等研究及參考。於本年度，所有董事均已參與持續職業發展，以根據守則的守則條文第A.6.5條發展及更新彼等的知識及技能。

#### 3.5 公司秘書及培訓

於二零一八年四月二十日，周鎮忠先生辭任本公司之公司秘書職務，而蔡綺雯女士獲委任為本公司之公司秘書。公司秘書簡介載於本年報「董事及高級管理層履歷」部分。公司秘書向董事會主席匯報有關本集團公司秘書及企業管治事務，同時董事會全體成員均可獲取公司秘書之意見及服務。於本年度，蔡綺雯女士已進行不少於15小時的專業培訓以更新其技能及知識。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 4. BOARD OF DIRECTORS COMMITTEES

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

#### 4.1 Audit and Compliance Committee

The Company has established the Audit and Compliance Committee in accordance with Rule 3.21 of the Listing Rules and the Code, and has expressly stated the scope of job duties of such committee in writing. The Audit and Compliance Committee consists of three members, namely Mr. Liu Tin Lap, Mr. Lau Leong Yuen and Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018 respectively). Mr. Sung Lok Man Richard, Mr. Chan Lewis and Mr. Lam Chun Fung ceased to be the members of the Audit and Compliance Committee since their resignation as Independent Non-executive Directors on 20 April 2018, respectively. All members of the Audit and Compliance Committee are Independent Non-executive Directors. Mr. Liu Tin Lap is the chairman of the Audit and Compliance Committee.

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

### 4. 董事會委員會

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

#### 4.1 審核及合規委員會

本公司已根據上市規則第3.21條及守則成立審核及合規委員會，並書面訂明其職權範圍。審核及合規委員會包括三位成員，分別為廖天立先生、劉量源先生及林凱如女士（分別於二零一八年四月二十日獲委任）。宋樂文先生、陳令紘先生及藍俊峰先生分別自彼等於二零一八年四月二十日辭任獨立非執行董事後已不再擔任審核及合規委員會成員。所有審核及合規委員會成員均為獨立非執行董事。廖天立先生為審核及合規委員會主席。

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 4. BOARD OF DIRECTORS COMMITTEES (Continued)

#### 4.1 Audit and Compliance Committee (Continued)

During the Year, 2 meetings were held by the Audit and Compliance Committee. The attendance record of each member of the Audit and Compliance Committee is set out below:

Name of committee members	委員會成員姓名	Number of meetings attended/ should attend 已出席/ 應出席會議數目	Attendance rate 出席率
Mr. Liu Tin Lap (Chairman) (appointed on 20 April 2018)	廖天立先生(主席) (於二零一八年四月二十日 獲委任)	2/2	100%
Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018)	林凱如女士(於二零一八年 四月二十日獲委任)	2/2	100%
Mr. Lau Leong Yuen (appointed on 20 April 2018)	劉量源先生(於二零一八年 四月二十日獲委任)	2/2	100%
Mr. Sung Lok Man Richard (Chairman) (resigned on 20 April 2018)	宋樂文先生(主席) (於二零一八年四月二十日 辭任)	N/A 不適用	N/A 不適用
Mr. Lam Chun Fung (resigned on 20 April 2018)	藍俊峰先生(於二零一八年 四月二十日辭任)	N/A 不適用	N/A 不適用
Mr. Chan Lewis (resigned on 20 April 2018)	陳令紘先生(於二零一八年 四月二十日辭任)	N/A 不適用	N/A 不適用

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

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

### 4. 董事會委員會(續)

#### 4.1 審核及合規委員會(續)

於本年度，審核及合規委員會已舉行兩次會議。審核及合規委員會每名成員之出席記錄載列如下：

Number of meetings attended/ should attend 已出席/ 應出席會議數目	Attendance rate 出席率
2/2	100%
2/2	100%
2/2	100%
N/A 不適用	N/A 不適用
N/A 不適用	N/A 不適用
N/A 不適用	N/A 不適用

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

於本年度，審核及合規委員會已嚴格根據有關監管要求、企業管治規則及本公司上市地審核及合規委員會議事規則履行其職責。

### 4. BOARD OF DIRECTORS COMMITTEES (Continued)

#### 4.2 Remuneration Committee

The Company has established the Remuneration Committee in accordance with Rule 3.25 of the Listing Rules and the Code, and has expressly stated the scope of job duties of such committee in writing. The Remuneration Committee consists of four members, namely Ms. Lam Hoi Yu Nicki, Mr. Liu Tin Lap and Mr. Lau Leong Yuen (appointed on 20 April 2018 respectively) and Mr. He Xiaoming (appointed on 13 April 2018). Mr. Chan Leung Choi, Mr. Chan Lewis and Mr. Sung Lok Man Richard ceased to be the members of the Remuneration Committee since their resignation as Executive Director on 13 April 2018 and Independent Non-executive Directors on 20 April 2018, respectively. Mr. Lam Chun Fung was appointed as a member of the Remuneration Committee on 13 April 2018 and ceased to be the member of the Remuneration Committee since his resignation as Independent Non-executive Director on 20 April 2018. Except for Mr. Chan Leung Choi who was an Executive Director and Mr. He Xiaoming who is an Executive Director, all other members are Independent Non-executive Directors. Ms. Lam Hoi Yu Nicki is the chairman of the Remuneration Committee.

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

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

### 4. 董事會委員會 (續)

#### 4.2 薪酬委員會

本公司已根據上市規則第3.25條及守則成立薪酬委員會，並書面訂明其職權範圍。薪酬委員會包括四位成員，分別為林凱如女士、廖天立先生及劉量源先生（分別於二零一八年四月二十日獲委任）以及何笑明先生（於二零一八年四月十三日獲委任）。陳樑材先生、陳令紘先生及宋樂文先生已分別自彼等分別於二零一八年四月十三日辭任執行董事及於二零一八年四月二十日辭任獨立非執行董事起不再擔任薪酬委員會成員。藍俊峰先生於二零一八年四月十三日獲委任為薪酬委員會成員，並自彼於二零一八年四月二十日辭任獨立非執行董事起不再為薪酬委員會成員。除陳樑材先生及何笑明先生為執行董事外，所有其他成員均為獨立非執行董事。林凱如女士為薪酬委員會主席。

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

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



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 4. BOARD OF DIRECTORS COMMITTEES (Continued)

#### 4.2 Remuneration Committee (Continued)

During the Year, 1 meeting was held by the Remuneration Committee. The attendance record of each member of the Remuneration Committee is set out below:

Name of committee members	委員會成員姓名	Number of meetings attended/ should attend 已出席/ 應出席會議數目	Attendance rate 出席率
Ms. Lam Hoi Yu Nicki (Chairman) (appointed on 20 April 2018)	林凱如女士(主席) (於二零一八年四月二十日 獲委任)	1/1	100%
Mr. He Xiaoming (appointed on 13 April 2018)	何笑明先生(於二零一八年 四月十三日獲委任)	1/1	100%
Mr. Lau Leong Yuen (appointed on 20 April 2018)	劉量源先生(於二零一八年 四月二十日獲委任)	1/1	100%
Mr. Liu Tin Lap (appointed on 20 April 2018)	廖天立先生 (於二零一八年四月二十日 獲委任)	1/1	100%
Mr. Chan Lewis (Chairman) (resigned on 20 April 2018)	陳令紘先生(主席) (於二零一八年四月二十日 辭任)	N/A 不適用	N/A 不適用
Mr. Chan Leung Choi (resigned on 20 April 2018)	陳樑材先生(於二零一八年 四月二十日辭任)	N/A 不適用	N/A 不適用
Mr. Sung Lok Man Richard (resigned on 20 April 2018)	宋樂文先生(於二零一八年 四月二十日辭任)	N/A 不適用	N/A 不適用

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

### 4. 董事會委員會(續)

#### 4.2 薪酬委員會(續)

於本年度，薪酬委員會已舉行一次會議。薪酬委員會每名成員之出席記錄載列如下：

於本年度，薪酬委員會已嚴格根據有關監管要求、企業管治規則及本公司上市地薪酬委員會議事規則履行其職責。

### 4. BOARD OF DIRECTORS COMMITTEES *(Continued)*

#### 4.3 Nomination Committee

The Company has established the Nomination Committee in accordance with the Code, and has expressly stated the scope of job duties of such committee in writing. The Nomination Committee consists of four members, namely Mr. Lau Leong Yuen, Mr. Liu Tin Lap and Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018 respectively) and Mr. He Xiaoming (appointed on 13 April 2018). Mr. Chan Leung Choi, Mr. Chan Lewis and Mr. Lam Chun Fung ceased to be the members of the Remuneration Committee since their resignation as Executive Director on 13 April 2018 and Independent Non-executive Directors on 20 April 2018, respectively. Mr. Sung Lok Man Richard was appointed as the chairman of the Nomination Committee on 13 April 2018 and ceased to be the member of the Nomination Committee since his resignation as the Independent Non-executive Director on 20 April 2018. Except for Mr. Chan Leung Choi who was an Executive Director and Mr. He Xiaoming who is an Executive Director, all other members are Independent Non-executive Directors. Mr. Lau Leong Yuen is the chairman of the Nomination Committee.

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

### 4. 董事會委員會 (續)

#### 4.3 提名委員會

本公司已根據守則成立提名委員會，並書面訂明其職權範圍。提名委員會包括四名成員，分別為劉量源先生、廖天立先生及林凱如女士（分別於二零一八年四月二十日獲委任）以及何笑明先生（於二零一八年四月十三日獲委任）。陳樑材先生、陳令紘先生及藍俊峰先生已分別自彼等分別於二零一八年四月十三日辭任執行董事及於二零一八年四月二十日辭任獨立非執行董事起不再擔任提名委員會主席。宋樂文先生於二零一八年四月十三日獲委任為提名委員會成員，並自彼於二零一八年四月二十日辭任獨立非執行董事起不再為提名委員會成員。除陳樑材先生為執行董事以及何笑明先生為執行董事外，所有其他成員均為獨立非執行董事。劉量源先生為提名委員會主席。

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 4. BOARD OF DIRECTORS COMMITTEES (Continued)

#### 4.3 Nomination Committee (Continued)

During the Year, 2 meetings were held by the Nomination Committee. The attendance record of each member of the Nomination Committee is set out below:

Name of committee members	委員會成員姓名	Number of meetings attended/ should attend 已出席/ 應出席會議數目	Attendance rate 出席率
Mr. Lau Leong Yuen (Chairman) (appointed on 20 April 2018)	劉量源先生(主席) (於二零一八年四月二十日 獲委任)	2/2	100%
Mr. He Xiaoming (appointed on 13 April 2018)	何笑明先生(於二零一八年 四月十三日獲委任)	2/2	100%
Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018)	林凱如女士 (於二零一八年四月二十日 獲委任)	2/2	100%
Mr. Liu Tin Lap (appointed on 20 April 2018)	廖天立先生 (於二零一八年四月二十日 獲委任)	2/2	100%
Mr. Chan Leung Choi (Chairman) (resigned on 13 April 2018)	陳樑材先生(主席) (於二零一八年四月十三日 辭任)	N/A 不適用	N/A 不適用
Mr. Chan Lewis (resigned on 20 April 2018)	陳令紘先生(於二零一八年 四月二十日辭任)	N/A 不適用	N/A 不適用
Mr. Lam Chun Fung (resigned on 20 April 2018)	藍俊峰先生(於二零一八年 四月二十日辭任)	N/A 不適用	N/A 不適用

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

### 4. 董事會委員會(續)

#### 4.3 提名委員會(續)

於本年度，提名委員會已舉行兩次會議。提名委員會每名成員之出席記錄載列如下：

於本年度，提名委員會已嚴格根據有關監管要求、企業管治規則及本公司上市地提名委員會議事規則履行其職責。

### 5. BOARD DIVERSIFICATION POLICY

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

Selection of candidates will be based on a range of diversity perspectives including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

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

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

### 6. NOMINATION POLICY

According to the nomination policy adopted by the Company (the “**Nomination Policy**”), the Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to the Shareholders for election as Directors at general meetings or appointment as Directors to fill casual vacancies with reference to various factors to assess the suitability of a proposed candidate. The Nomination Committee shall ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business.

### 5. 董事會多元化政策

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

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

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

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

### 6. 提名政策

根據本公司採納之提名政策（「**提名政策**」），提名委員會經參考多項因素評估候選人是否合適後，須向董事會提名合適人選，以供其考慮並於股東大會向股東建議選任董事或委任董事以填補臨時空缺。提名委員會須確保董事會在技能、經驗及適合本公司業務要求之多元化方面保持平衡。

### 7. RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

The Board has reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs.

During the Year, the Group appointed Corporate Governance Professionals Limited (formerly known as Baker Tilly Hong Kong Risk Assurance Limited) ("CGPL") to:

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

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

### 7. 風險管理及內部監控

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

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

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

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

於本年度，本集團委任企業管治專才有限公司(前稱天職香港內控及風險管理有限公司)(「企管專才」)，以：

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

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



## 7. RISK MANAGEMENT AND INTERNAL CONTROLS

*(Continued)***Enterprise Risk Management Framework**

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

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

**Principal Risks**

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

**Risk Areas**

風險領域

**Principal Risks**

主要風險

Compliance Risks  
合規風險No significant risk identified  
並無識別重大風險Financial Risks  
財務風險No significant risk identified  
並無識別重大風險Operational Risks  
營運風險Risk of over-concentration of customers and suppliers  
客戶及供應商過度集中的風險  
Increase in labour costs and labour shortages  
勞工成本上升及勞工短缺Strategic Risks  
策略風險No significant risk identified  
並無識別重大風險**Compliance Risk**

This is the risk of exposure to legal penalties and/or financial loss due to the fact that the Group fails to comply with the relevant laws and regulations as well as internal policies. This also includes reputation risk.

## 7. 風險管理及內部監控 (續)

**企業風險管理框架**

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

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

**主要風險**

於本年度，本集團已識別以下主要風險，並將該等風險分類為合規風險、財務風險、營運風險及策略風險。

**合規風險**

這是面對法律處罰及/或財務虧損的風險，該風險乃因本集團未能遵守相關法律及法規以及內部政策而面對的風險，其亦包括聲譽風險。

### 7. RISK MANAGEMENT AND INTERNAL CONTROLS

(Continued)

#### Financial Risk

The financial risk is associated with the financial impacts of the transactions, which covers credit risk, liquidity risk, exchange rate risk and interest rate risk, etc.

#### Operational Risk

The operational risk results from inadequate or failed internal processes, people and system. This includes fraud risk, vendor outage and/or processing errors, etc.

#### Strategic Risk

The current and prospective adverse impact on earnings and/or capital arises from adverse business development decisions, improper strategic decision-making process, and/or lack of responsiveness to industry changes, etc..

#### Risk Control Mechanism

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

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

### 7. 風險管理及內部監控 (續)

#### 財務風險

財務風險與交易的財務影響有關，其涵蓋信貸風險、流動性風險、匯兌風險及利率風險等。

#### 營運風險

營運風險由內部程序、人員及制度不足或缺失導致，包括欺詐風險、供應商營運中斷及／或處理錯誤等。

#### 策略性風險

因不利的業務發展決策、不適當的策略決定程序及／或對行業變動反應遲緩等而對盈利及／或資金構成的現有及潛在不利影響。

#### 風險監控機制

本集團採納「三道防線模式」企業管治架構，由營運管理層進行營運管理及監控，並由財務團隊進行風險管理監控，而獨立內部審計職能則外判予企管專才並由其負責進行。本集團採納風險管理政策及程序（「**風險管理政策**」），並存置風險登記冊以記錄本集團所有已識別主要風險。風險登記冊為董事會、審核及合規委員會及管理層提供其主要風險情況，並記錄管理層為降低相關風險所採取的行動。每種風險乃根據其發生的可能性及對本集團的潛在影響至少每年進行評估。風險登記冊由管理層作為風險擁有人於進行年度風險評估後通過加入新風險及／或移除現有風險（如適用）至少每年更新一次。此檢討程序可確保本集團積極管理其所面臨的風險，以致所有風險擁有人可查閱風險登記冊並知悉及察覺於彼等負責的範圍內的該等風險，以使彼等可有效及適時採取跟進行動。

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

### 7. RISK MANAGEMENT AND INTERNAL CONTROLS

(Continued)

#### Risk Control Mechanism (Continued)

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

#### Handling and Dissemination of Inside Information

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

### 8. THE DIRECTORS' LIABILITY TO THE FINANCIAL STATEMENTS

The Company has not encountered with any significant and uncertain events and circumstances that might produce significant doubts on the Company's capability of its continuous operation of business. The Board has confirmed that it is responsible for the preparation of the Group's consolidated financial statements as at 31 March 2019.

### 9. REMUNERATION OF AUDITOR

For the Year, the Company has appointed Deloitte Touche Tohmatsu, Certified Public Accountants, an international accounting firm, to provide the Company with auditing service and the remuneration amounted to approximately HK\$2.0 million. The responsibilities of Deloitte Touche Tohmatsu as to the consolidated financial statements are set out on pages 61 to 63 of this annual report.

Non-audit services provided to the Group during the Year of approximately HK\$0.5 million for review of interim results and approximately HK\$0.1 million for other non-audit services.

### 7. 風險管理及內部監控 (續)

#### 風險監控機制 (續)

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

#### 處理及發佈內幕消息

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

### 8. 董事對財務報表承擔的責任

本公司並無面臨可能對本公司持續經營業務能力產生重大疑慮的重大不確定事件及情況。董事會確認其承擔編製本集團於二零一九年三月三十一日的綜合財務報表的責任。

### 9. 核數師酬金

於本年度，本公司委任國際會計師行德勤•關黃陳方會計師行為本公司提供審計服務，酬金約為2.0百萬港元。德勤•關黃陳方會計師行的職責載於本年報第61至63頁的綜合財務報表。

於本年度，為本集團提供的非審計服務當中約0.5百萬港元與審閱中期業績有關以及0.1百萬港元與其他非審計服務有關。

### 10. SHAREHOLDERS' RIGHTS

#### 10.1 Shareholders have the right to initiate and convene the general meeting

In accordance with the provisions of the Articles of Association of the Company, the Shareholders shall be entitled to the following right: Any one or more Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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

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

#### 10.2 Procedures for putting forward proposals at general meetings

Shareholders are welcome to suggest proposals relating to the operations, strategy and/or management of the Group at a general meeting. Proposals shall be sent to the Board or the company secretary of the Company by written requisition to the company secretary at the Company's principal place of business in Hong Kong at Unit B, 13/F., Eton Building, 288 Des Voeux Road Central, Hong Kong.

### 10. 股東權利

#### 10.1 股東有權提請並召開股東大會

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

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

關於股東提名人選參選董事事宜，請參閱本公司網頁登載的程序。

#### 10.2 於股東大會上提呈建議的程序

我們歡迎股東於股東大會上提出有關本集團業務、策略及／或管理方面的建議。有關建議須以書面要求方式向董事會或公司秘書提出，並以本公司之公司秘書為收件人郵寄至本公司香港主要營業地點，地址為香港德輔道中288號易通商業大廈13樓B室。

### 10. SHAREHOLDERS' RIGHTS *(Continued)*

#### 10.3 Shareholders are entitled to the inquiry right

Shareholders are entitled to make enquiries of which the Board should pay attention, directly to the Company at its principal place of business in Hong Kong at Unit B, 13/F., Eton Building, 288 Des Voeux Road Central, Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner.

### 11. COMMUNICATIONS WITH SHAREHOLDERS

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

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

### 12. GENERAL MEETINGS WITH SHAREHOLDERS

The Company's annual general meeting provides a useful platform for direct communication between the Board and Shareholders. Separate resolutions are proposed on each substantially separate issue at the general meetings.

### 10. 股東權利 *(續)*

#### 10.3 股東享有查詢權利

股東可將董事會須關注的查詢直接致函至本公司香港主要營業地點，地址為香港德輔道中288號易通商業大廈13樓B室。本公司將會及時以適當方式處理所有查詢。

### 11. 與股東溝通

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

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

### 12. 股東大會

本公司之股東週年大會為董事會與股東之間的直接溝通提供了有用的平台。於股東大會上會就各項大致上獨立之事項提呈獨立決議案。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 12. GENERAL MEETINGS WITH SHAREHOLDERS

(Continued)

During the year ended 31 March 2019, the Company held 1 general meeting, which was the annual general meeting held on 22 August 2018. The attendance record of the general meetings by the Directors was as follows:

### 12. 股東大會 (續)

截至二零一九年三月三十一日止年度，本公司舉行了一次股東大會，即二零一八年八月二十二日舉行的股東週年大會。董事於股東大會上的出席記錄如下：

Name	Position	Number of general meetings attended/ should attend 已出席／應出席的股東大會的次數	Attendance 出席率
姓名	職位		
Mr. He Xiaoming (appointed on 13 April 2018) 何笑明先生(於二零一八年四月十三日獲委任)	Executive Director, Chairman of the Board and Chief Executive Officer 執行董事、董事會主席兼行政總裁	1/1	100%
Mr. Wong Ka Shing (appointed on 9 January 2019) 黃嘉盛先生(於二零一九年一月九日獲委任)	Executive Director 執行董事	N/A 不適用	N/A 不適用
Ms. Lam Hoi Yu Nicki (appointed on 20 April 2018) 林凱如女士(於二零一八年四月二十日獲委任)	Independent Non-executive Director 獨立非執行董事	1/1	100%
Mr. Lau Leong Yuen (appointed on 20 April 2018) 劉量源先生(於二零一八年四月二十日獲委任)	Independent Non-executive Director 獨立非執行董事	1/1	100%
Mr. Liu Tin Lap (appointed on 20 April 2018) 廖天立先生(於二零一八年四月二十日獲委任)	Independent Non-executive Director 獨立非執行董事	1/1	100%
Mr. Chan Tat Choi (resigned on 8 November 2018) 陳達材先生(於二零一八年十一月八日辭任)	Executive Director 執行董事	1/1	100%

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 12. GENERAL MEETINGS WITH SHAREHOLDERS

(Continued)

### 12. 股東大會 (續)

Name	Position	Number of general meetings attended/ should attend 已出席/ 應出席的 股東大會的次數	Attendance 出席率
姓名	職位		
Mr. Chan Leung Choi (resigned on 13 April 2018) 陳樑材先生(於二零一八年 四月十三日辭任)	Executive Director, Chairman of the Board and Chief Executive Officer 執行董事、董事會主席兼行 政總裁	N/A 不適用	N/A 不適用
Mr. Chan Kin Choi (resigned on 13 April 2018) 陳健材先生(於二零一八年 四月十三日辭任)	Executive Director 執行董事	N/A 不適用	N/A 不適用
Ms. Liang Ning (resigned on 13 April 2018) 梁寧女士(於二零一八年 四月十三日辭任)	Executive Director 執行董事	N/A 不適用	N/A 不適用
Mr. Chan Lewis (resigned on 20 April 2018) 陳令紘先生(於二零一八年 四月二十日辭任)	Independent Non-executive Director 獨立非執行董事	N/A 不適用	N/A 不適用
Mr. Lam Chun Fung (resigned on 20 April 2018) 藍俊峰先生(於二零一八年 四月二十日辭任)	Independent Non-executive Director 獨立非執行董事	N/A 不適用	N/A 不適用
Mr. Sung Lok Man Richard (resigned on 20 April 2018) 宋樂文先生(於二零一八年 四月二十日辭任)	Independent Non-executive Director 獨立非執行董事	N/A 不適用	N/A 不適用

### 13. RELATIONSHIP WITH INVESTORS

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

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

### 14. ARTICLES OF ASSOCIATION

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

### 13. 與投資者關係

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

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

### 14. 組織章程細則

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

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### 1. EXECUTIVE DIRECTORS

**Mr. He Xiaoming (“Mr. He”)**, aged 45, is our chairman and was appointed as our Executive Director and our chief executive officer on 13 April 2018. He is a member of our Remuneration Committee and our Nomination Committee.

Mr. He is an entrepreneur in various industries, including real estate, manufacturing and distribution, etc. He also possesses extensive business management, corporate planning and property investment experience. Mr. He was the vice chairman and an executive director of Teamway International Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1239) from 5 March 2015 to 2 April 2019.

**Mr. Huang Shixin (“Mr. Huang”)**, aged 44, was appointed as our Executive Director on 1 April 2019. Mr. Huang holds a Bachelor of Economics degree in Finance from Renmin University of China, and a Master of Science in Management from the Stevens Institute of Technology. He has extensive experience in business management, accounting, auditing and financial management. Mr. Huang is currently the president of Beijing Farlandciti Investment Co., LTD (北京楓藍信達投資有限公司), which is principally engaged in development and management of real estates and hotels.

**Mr. Wong Ka Shing (“Mr. Wong”)**, aged 40, was appointed as our Executive Director on 9 January 2019. He also holds directorship in a subsidiary of the Company. Mr. Wong holds a Bachelor of Arts (Hon) degree in Accounting and Finance from The Leeds Metropolitan University. Mr. Wong is a member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. He has extensive experience in accounting, auditing and financial management. Mr. Wong is the company secretary and chief financial officer of China Financial Leasing Group Limited, a company listed on the main board of the Stock Exchange (stock code: 2312) and an independent non-executive director of Jete Power Holdings Limited, a company listed on the GEM of the Stock Exchange since April 2015 (stock code: 8133). Mr. Wong was an independent non-executive director of Long Success International (Holdings) Limited, a company previously listed on the GEM of the Stock Exchange from October 2013 to October 2016 (previous stock code: 8017).

### 1. 執行董事

何笑明先生(「何先生」)，45歲，為我們的主席，並於二零一八年四月十三日獲委任為執行董事及行政總裁。彼為薪酬委員會及提名委員會的成員。

何先生為多個行業的企業家，包括房地產、製造及分銷。何先生亦擁有豐富的業務管理、企業策劃及物業投資經驗。何先生於二零一五年三月五日至二零一九年四月二日曾為Teamway International Group Holdings Limited (一間聯交所主板上市公司，股份代號：1239)之副主席兼執行董事。

黃世鑫先生(「黃先生」)，44歲，於二零一九年四月一日獲委任為執行董事。黃先生持有中國人民大學金融經濟學學士學位及Stevens Institute of Technology管理學碩士學位。彼於商業管理、會計、審計及財務管理方面擁有豐富經驗。黃先生現時為北京楓藍信達投資有限公司的董事長。該公司主要從事開發及管理房地產及酒店。

黃嘉盛先生(「黃先生」)，40歲，於二零一九年一月九日獲委任為執行董事。彼亦擔任本公司一間附屬公司之董事職位。黃先生持有The Leeds Metropolitan University會計及財務學榮譽文學學士學位。黃先生為英國特許公認會計師公會會員及香港會計師公會會員。黃先生於會計、審計及財務管理方面擁有豐富經驗。黃先生為中國金融租賃集團有限公司(一間聯交所主板上市公司，股份代號：2312)的公司秘書和首席財務官及鑄能控股有限公司(自二零一五年四月起為一間聯交所GEM上市公司，股份代號：8133)的獨立非執行董事。黃先生自二零一三年十月至二零一六年十月擔任百齡國際(控股)有限公司(一間曾於聯交所GEM上市的公司，過往股份代號：8017)的獨立非執行董事。

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### 2. INDEPENDENT NON-EXECUTIVE DIRECTORS

**Ms. Lam Hoi Yu Nicki (“Ms. Lam”)**, aged 32, was appointed as our Independent Non-executive Director on 20 April 2018. She is the chairman of our Remuneration Committee and a member of our Audit and Compliance Committee and our Nomination Committee.

Ms. Lam obtained a bachelor’s degree of science in Actuarial Science from London School of Economics and Political Science, University of London. Ms. Lam has experiences in business management, financial and corporate secretarial services. Ms. Lam was an executive director of Cornerstone Financial Holdings Limited (formerly known as Focus Media Network Limited) (stock code: 8112), a company listed on the GEM of the Stock Exchange, from 28 June 2016 to 12 January 2018.

**Mr. Lau Leong Yuen (“Mr. Lau”)**, aged 34, was appointed as our Independent Non-executive Director on 20 April 2018. He is the chairman of our Nomination Committee, and a member of our Audit and Compliance Committee and our Remuneration Committee.

Mr. Lau obtained a bachelor’s degree of engineering in electronic and communication from the City University of Hong Kong in 2008 and a master degree of science in E-Commerce from the Hong Kong Polytechnic University in 2011. Mr. Lau is currently a senior information technology analyst in a leading air cargo terminal operator in Hong Kong. Mr. Lau has over 9 years of experience in software engineering and information technology system development. Mr. Lau currently serves as an independent non-executive director of China Environmental Energy Investment Limited, a company listed on the Main Board of the Stock Exchange (stock code: 986).

**Mr. Liu Tin Lap (“Mr. Liu”)**, aged 36, was appointed as our Independent Non-executive Director on 20 April 2018. He is the chairman of our Audit and Compliance Committee, and a member of our Remuneration Committee and our Nomination Committee. Mr. Liu has over 10 years of experience in the fields of accounting and auditing of listed companies in Hong Kong. He obtained a bachelor’s degree of arts in accountancy from the Hong Kong Polytechnic University in 2006. Mr. Liu has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since July 2010. Mr. Liu currently serves as the chairman and an executive director of Combest Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 8190).

### 2. 獨立非執行董事

**林凱如女士 (「林女士」)**，32歲，於二零一八年四月二十日獲委任為獨立非執行董事。彼為薪酬委員會主席，亦是審核及合規委員會和提名委員會成員。

林女士獲倫敦大學倫敦政治經濟學院之精算學理學士學位。林女士於工商管理、財務及企業秘書服務方面擁有經驗。於二零一六年六月二十八日至二零一八年一月十二日，林女士為基石金融控股有限公司(前稱Focus Media Network Limited，股份代號：8112)的執行董事，該公司在聯交所GEM上市。

**劉量源先生 (「劉先生」)**，34歲，於二零一八年四月二十日獲委任為獨立非執行董事。彼為提名委員會主席，亦是審核及合規委員會和薪酬委員會成員。

劉先生於二零零八年獲得香港城市大學之電子與通信工程學士學位及於二零一一年獲得香港理工大學之電子商務理學碩士學位。劉先生現為一家香港領先空運貨站營辦商之高級資訊科技分析員。劉先生於軟件工程及資訊科技系統開發方面擁有逾9年經驗。劉先生現時擔任中國環保能源投資有限公司(一間於聯交所主板上市之公司，股份代號：986)之獨立非執行董事。

**廖天立先生 (「廖先生」)**，36歲，於二零一八年四月二十日獲委任為獨立非執行董事。彼為審核及合規委員會主席，亦是薪酬委員會和提名委員會成員。廖先生具有超過10年在香港上市公司從事會計及審計的經驗。彼於二零零六年自香港理工大學取得會計學文學士學位。廖先生於二零一零年七月成為香港會計師公會之執業會計師。廖先生現時擔任康佰控股有限公司(一間於聯交所主板上市之公司，股份代號：8190)之主席兼執行董事。



# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### 3. SENIOR MANAGEMENT

**Mr. Chan Leung Choi**, aged 53, joined our Group in 1997 and is responsible for overseeing the daily operational management and the financial and business performance of our Group, as well as for the overall strategy planning and management of the Company's business. Mr. Chan Leung Choi has nearly 29 years of experience in the engineering and DTH rockdrilling tool industry, and is involved in the operational matters, our manufacturing processes, contributing to engineering and technical matters as well as being a key person of our sales and marketing efforts locally and overseas. Mr. Chan Leung Choi holds directorships in certain subsidiaries of the Group, and is the general manager of Norry Tech, a subsidiary of our Group. Mr. Chan Leung Choi was our Chairman and Executive Director from 17 March 2016, and Chief Executive Officer from 18 July 2016, and resigned from those positions on 13 April 2018.

Prior to joining our Group, Mr. Chan Leung Choi joined The Hongkong Electric Co., Ltd. in 1989 as graduate trainee in the training department and worked as an assistant environmental engineer in the environment section of power plant services department from 1991 to 1992. From 1992 to 1993, Mr. Chan Leung Choi was an employee of a trading company engaged in sales of building materials. He co-founded a construction equipment trading company based in Hong Kong in 1994, and was a shareholder and director of this company from 1994 to 1997.

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

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

### 3. 高級管理層

**陳樑材先生**，53歲，於一九九七年加盟本集團，負責監管本集團的日常營運管理及財務和業務表現，亦負責本公司業務的整體策略規劃及管理。陳樑材先生有近29年工程及潛孔鑿岩工具行業經驗，並負責本集團的營運事務、製造工序、工程及技術事務，並於本地及海外銷售與市場推廣方面擔當關鍵角色。陳樑材先生於本集團的若干附屬公司擔任董事，亦為本集團附屬公司萊利達的總經理。陳樑材先生於二零一六年三月十七日起擔任我們的主席及執行董事及自二零一六年七月十八日獲擔任行政總裁，並於二零一八年四月十三日辭任該等職務。

加盟本集團前，陳樑材先生於一九八九年曾在香港電燈有限公司的見習部門擔任見習生，於一九九一年至一九九二年期間在發電廠服務部的環境分部擔任助理環境工程師。陳樑材先生於一九九二年至一九九三年任職於從事建築材料銷售的貿易公司，於一九九四年在香港共同成立一間建築設備貿易公司，自一九九四年至一九九七年為該公司的股東及董事。

陳樑材先生於一九八九年畢業於香港理工學院(現稱香港理工大學)，獲得機械工程學工學士學位，並於一九九七年獲得英國華威大學的工商管理碩士學位。彼於一九九一年為英國機械工程師學會會員，並於一九九二年成為英國聲學學會會員。

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

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### 3. SENIOR MANAGEMENT *(Continued)*

**Mr. Chan Kin Choi**, aged 46, joined our Group in 1997 and is the product director of Top Mark, and the vice general manager and a supervisor of Norry Tech, subsidiaries of the Group. Mr. Chan Kin Choi has nearly 21 years of experience in the DTH rockdrilling tool industry. He is responsible for the overall management of business operations, and is also in charge of our engineering and technical processes. He also participates actively in our sales and marketing efforts. Mr. Chan Kin Choi holds directorships in certain subsidiaries of the Group. He was our Executive Director from 17 March 2016 to 13 April 2018.

Prior to joining our Group, Mr. Chan Kin Choi worked for a construction equipment trading company based in Hong Kong. Mr. Chan Kin Choi was awarded a higher diploma in electronic engineering by The Hong Kong Polytechnic University in Hong Kong in 1994.

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

**Mr. Chan Tat Choi**, aged 43, joined our Group in 1999 in the sales and marketing department, and is currently responsible for the management of our sales and marketing operations both locally and overseas. He has nearly 19 years of experience in the engineering and DTH rockdrilling tool industry. He was our Executive Director from 17 March 2016 to 8 November 2018.

Mr. Chan Tat Choi graduated from The Hong Kong Polytechnic University in Hong Kong with a bachelor's degree of science in applied mathematics in 1999.

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

### 3. 高級管理層 *(續)*

**陳健材先生**，46歲，於一九九七年加盟本集團，為本集團附屬公司震東機械的產品總監及萊利達的副總經理兼監事。陳健材先生有近21年潛孔鑿岩工具行業經驗。彼負責業務營運整體管理與工程及技術流程。彼亦積極參加銷售及市場推廣活動。陳健材先生於本集團若干附屬公司擔任董事。彼自二零一六年三月十七日至二零一八年四月十三日出任我們的執行董事。

加盟本集團前，陳健材先生任職於以香港為基地的建築設備貿易公司。陳健材先生於一九九四年十一月在香港畢業於香港理工大學，獲得電子工程學高級文憑。

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

**陳達材先生**，43歲，於一九九九年加入本集團於銷售及營銷部就職，現時負責管理本地及海外業務銷售及市場推廣。彼有近19年工程及潛孔鑿岩工具行業經驗。彼自二零一六年三月十七日至二零一八年十一月八日出任我們的執行董事。

陳達材先生於一九九九年香港畢業於香港理工大學，獲得應用數學理學士學位。

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

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### 3. SENIOR MANAGEMENT (Continued)

**Ms. Liang Ning**, aged 39, joined our Group in 2007 as a director of Norry Tech, our subsidiary, and is responsible for management of the operations of our factory located in the Shunde District, Guangdong Province, PRC (“**Shunde Factory**”), including overseeing the day-to-day operations of our manufacturing operations, maintenance of our machines at our Shunde Factory, as well as being responsible for the overall administrative, legal and compliance work of our Shunde Factory and human resources management of our production team at our Shunde Factory. Ms. Liang has nearly 11 years of experience in the DTH rockdrilling tool industry. Ms. Liang is the executive director and a legal representative of Norry Tech. She was our Executive Director from 17 March 2016 to 13 April 2018.

Ms. Liang completed her education specialising in law from The Open University of China in the PRC in 2014.

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

**Ms. Chan Yuen Ming**, aged 48, is our factory control manager. She joined our Group in January 2010 and is responsible for the administration and coordination of the manufacturing process of our Group. She is in charge of managing orders from customers, monitoring our work orders and coordinating the production schedules at our Shunde Factory, procurement of raw materials required by our manufacturing processes, inventory management, and managing the shipping and export of the products from our Shunde Factory in the PRC to Hong Kong and overseas including the delivery of the final manufactured products to our customers and attending to all administrative and compliance issues including handling of warranty claims.

### 3. 高級管理層 (續)

梁寧女士，39歲，於二零零七年加入本集團擔任我們附屬公司萊利達的董事，負責位於中國廣東省順德區的工廠（「順德工廠」）的營運管理，包括監督製造業務的日常營運、維護順德工廠機器、全面負責順德工廠的行政、法務及合規事宜以及順德工廠生產團隊的人力資源管理。梁女士有近11年潛孔鑿岩工具行業經驗。梁女士為萊利達的執行董事兼法律代表。彼自二零一六年三月十七日至二零一八年十一月八日出任我們的執行董事。

梁女士於二零一四年在國家開放大學完成法學專科教育。

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

陳宛明女士，48歲，為我們的工廠管控制經理。彼於二零一零年一月加入本集團，負責管理及協調本集團製造流程。彼負責管理客戶訂單、監查順德工廠的工作秩序及生產調度、採購製造流程所需原料、存貨管理、管理中國順德工廠產品輸送及出口至香港及海外的事宜（包括交付成品予客戶）及處理所有行政及合規事宜（包括處理保修索賠）。

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### 3. SENIOR MANAGEMENT (Continued)

Ms. Chan Yuen Ming has nearly 8 years of experience in the DTH rockdrilling tool industry and more than 15 years experience in sales and merchandising. Prior to joining our Group, Ms. Chan Yuen Ming worked as an assistant merchandiser at Famous Horse Garment Factory Ltd. from July 1994 to June 1995 and at Caitac (Hong Kong) Limited from September 1995 to August 1996. She worked as a junior merchandiser at Mutual Bond International Ltd. In November 1996 and then was promoted to merchandiser in March 1997 and left the company in July 1997. She subsequently served as a senior merchandiser from August 1997 to June 2002 at Lever Shirt Limited. Ms. Chan Yuen Ming also worked at LF Centennial Services (Hong Kong) Limited as a senior merchandiser in the women woven team from June 2002 to May 2007, and served as a senior merchandiser at Quicksilver Asia Sourcing Limited from May 2007 to June 2009.

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

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

**Mr. Chow Jonathan Edward Chun-chung**, aged 35, is the chief financial officer of our Company. He joined our Group in April 2016 as financial controller and was appointed as chief financial officer and company secretary of our Company in July 2016. Mr. Chow is responsible for overseeing our Group's financial and accounting operations and internal controls, and provides financial and business advices to the Board and senior management of our Group.

Mr. Chow has extensive experience in the areas of accounting, finance, management and auditing. Mr. Chow started his career with PricewaterhouseCoopers, an international accounting firm, in Hong Kong. Before joining our Group, Mr. Chow was the chief financial officer of a company engaged in the businesses of distribution and retailing of branded consumer goods.

### 3. 高級管理層 (續)

陳宛明女士已累積近8年潛孔鑿岩工具行業經驗及逾15年銷售及推銷經驗。加入本集團前，陳宛明女士分別於一九九四年七月至一九九五年六月及一九九五年九月至一九九六年八月擔任名駒製衣廠有限公司及Caitac (Hong Kong) Limited的助理採購員。彼於一九九六年十一月擔任眾成國際有限公司的初級採購員，後於一九九七年三月晉升為採購員，於一九九七年七月離開該公司。彼其後於一九九七年八月至二零零二年六月擔任利華成衣有限公司高級採購員。陳宛明女士亦於二零零二年六月至二零零七年五月擔任利盛服務(香港)有限公司女性織物組高級採購員，於二零零七年五月至二零零九年六月擔任Quicksilver Asia Sourcing Limited高級採購員。

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

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

**周鎮忠先生**，35歲，為本公司財務總監。彼於二零一六年四月加入本集團擔任財務主任，並於二零一六年七月獲委任為本公司財務總監兼公司秘書。周先生負責監管本集團的財務及會計營運和內控，並向本集團董事會及高級管理層提供財務及業務建議。

周先生擁有廣泛的會計、財務、管理及審計經驗。周先生於香港在羅兵咸永道，一家國際會計師事務所開展事業。加入本集團前，周先生曾任一間從事品牌消費商品分銷及零售業務的公司之財務總監。

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### 3. SENIOR MANAGEMENT *(Continued)*

Mr. Chow graduated from the School of Oriental and African Studies, University of London in the United Kingdom with a bachelor's degree of science in economics. Mr. Chow is a fellow member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and a member of the Institute of Chartered Accountants in England and Wales. He is currently a committee member of the Professional Accountants in Business Committee of the HKICPA, and was a committee member of the Young Members Committee of the HKICPA.

Mr. Chow holds positions of company secretary in certain subsidiaries of the Company. He was the company secretary of our Company and resigned from the position on 20 April 2018.

### 4. COMPANY SECRETARY

Ms. Choi Yee Man was appointed as the company secretary of the Company on 20 April 2018. Ms. Choi holds a bachelor's degree in Business Administration from The City University of Hong Kong. Ms. Choi started her career in an international accounting firm and is a fellow member of the HKICPA. Ms. Choi possesses extensive experience in the area of accounting, finance, auditing and corporate secretarial matters. Ms. Choi was also an independent non-executive director of PacRay International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1010). She was the company secretary of Teamway International Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1239) from June 2015 to May 2019.

### 3. 高級管理層 *(續)*

周先生畢業於英國倫敦大學亞非學院並獲得經濟學理學士學位。周先生為香港會計師公會（「香港會計師公會」）資深會員及英格蘭及威爾斯特許會計師公會會員。彼現為香港會計師公會商界會計師委員會成員，並為香港會計師公會青年青會員事務委員會委員。

周先生出任本公司若干附屬公司之公司秘書職位。彼為本公司的公司秘書，於二零一八年四月二十日辭任該職位。

### 4. 公司秘書

蔡綺雯女士已於二零一八年四月二十日獲委任為本公司的公司秘書。蔡女士持有香港城市大學頒授之工商管理學士學位。蔡女士的職業生涯始於一間國際會計師事務所，彼為香港會計師公會資深會員。蔡女士於會計、財務、審計及企業秘書事項領域擁有豐富經驗。蔡女士亦為太睿國際控股有限公司（一間聯交所主板上市公司，股份代號：1010）的獨立非執行董事。彼於二零一五年六月至二零一九年五月曾為Teamway International Group Holdings Limited（一間聯交所主板上市公司，股份代號：1239）的公司秘書。



# DIRECTORS' REPORT

## 董事報告

The Directors hereby presents the annual report and the audited consolidated financial statements for the year ended 31 March 2019.

董事謹此提呈截至二零一九年三月三十一日止年度的年報及經審核綜合財務報表。

### 1. PRINCIPAL ACTIVITIES

The Company is an investment holding company and details of the principal activities of its subsidiaries are set out in Note 32 to the consolidated financial statements. There was no significant change in the Group's principal activities during the Year.

### 1. 主要業務

本公司為投資控股公司，其附屬公司之主要業務詳情載於綜合財務報表附註32。本集團之主要業務於本年度概無重大變動。

### 2. BUSINESS REVIEW

Details of business review and future development of the Group's business are set out respectively in the sections headed "Business review" and "Strategy and Prospects" under "Management Discussion and Analysis" of this annual report, and details of principal risks and uncertainties are set out in the sections under "Risk Management and Internal Controls" of the "Corporate Governance Report".

### 2. 業務回顧

本集團業務的業務回顧及未來發展的詳情分別載於本年報「管理層討論及分析」的「業務回顧」及「策略及前景」兩節，而主要風險及不明朗因素的詳情則載於「企業管治報告」的「風險管理及內部監控」一節。

The Group understands the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. During the Year, there were no material and significant dispute between the Group and its key stakeholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

本集團深明，本集團業務的成功取決於其主要持份者的支持（包括僱員、客戶、供應商、銀行、監管機構及股東）的支持。於本年度，本集團與其持份者之間並無主要及重大爭議。本集團將繼續確保與其持份者進行有效溝通及保持良好關係。

### 3. SEGMENT INFORMATION

An analysis of the Group's performance for the Year by operating segment is set out in Note 5 to the consolidated financial statements.

### 3. 分部資料

本集團於本年度按經營分部劃分之表現分析載於綜合財務報表附註5。

### 4. RESULTS AND APPROPRIATIONS

The results of the Company and its subsidiaries for the year ended 31 March 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 64 of this report.

### 4. 業績及分配

本公司及其附屬公司截至二零一九年三月三十一日止年度的業績載於本報告第64頁綜合損益及其他全面收益表。

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

董事會不建議就截至二零一九年三月三十一日止年度派發末期股息。

# DIRECTORS' REPORT

## 董事報告

### 5. SHARE CAPITAL

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

As at 31 March 2018 and 2019, the Company's issued share capital was HK\$38,000,000 and the number of its issued ordinary shares was 380,000,000 of HK\$0.1 each.

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

### 6. DIVIDEND POLICY

According to the dividend policy adopted by the Company, the Board shall consider, among others, (i) the interest of the shareholders; (ii) statutory and regulatory restrictions; (iii) the actual and expected financial results of the Group; (iv) factors having impacts on the business or financial performance and position of the Group; (v) the Company's business strategy; and (vi) the current and expected operations, liquidity position and capital requirements of the Group; and (vii) the possible effects on the Group's credit-worthiness, the financial covenants to which the Group is subject and any restrictions on the payment of dividends that may be imposed by the Group's lenders. Further, the Company's declaration of dividends is also subject to the compliance with the Company's Memorandum and Articles of Association, the Listing Rules, and applicable laws and regulations.

### 7. ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. As a responsible corporation, the Group has complied with all relevant laws and regulations regarding environmental protection, health and safety, workplace conditions and employment and has endeavored to incorporate sustainability practices into the policies and procedures. By adopting green operational practices, the Group strives to reduce the environmental impacts caused by the operations.

In accordance with Rule 13.91 of the Listing Rules, the Company will publish an Environmental, Social and Governance ("ESG") Report on the websites of the Company and the Stock Exchange with the provisions set out in the ESG Reporting Guide in Appendix 27 to the Listing Rules.

### 5. 股本

本公司股份成功於二零一七年一月十一日在聯交所主板上市。

於二零一八年及二零一九年三月三十一日，本公司已發行股本為38,000,000港元，而已發行普通股數目為380,000,000股，每股面值0.1港元。

自上市日期起至本報告日期止，本集團資本架構概無任何變動。

### 6. 股息政策

根據本公司採納之股息政策，董事會須考慮(其中包括)(i)股東的利益;(ii)法定及監管限制;(iii)本集團之實際及預期財務業績;(iv)影響本集團業務或財務表現及狀況之因素;(v)本公司之業務策略;及(vi)本公司現時及預期營運、流動資金狀況及資本需求;及(vii)本集團信譽的可能影響、本集團受限制的財務契諾以及本集團貸款人可能就派付股息施加的任何限制。此外，本公司宣派股息亦須遵守本公司之組織章程大綱及細則、上市規則及適用法律及法規。

### 7. 環境政策及表現

本集團致力於其經營業務所在環境及社區的長期可持續發展。作為負責任的企業，本集團已遵守有關環境保護、健康及安全、工作場所環境及僱傭的所有相關法律及法規，並致力可持續發展的實踐與政策及程序相結合。通過採納綠色運營常規，本集團致力減少運營對環境的影響。

根據上市規則第13.91條，本公司將根據上市規則附錄27的環境、社會及管治報告指引所載條文於本公司及聯交所網站刊載環境、社會及管治(「環境、社會及管治」)報告。

### 8. COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with the applicable rules and regulations. To the best knowledge of the Directors, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the Year. There was no material breach of or non-compliance with the applicable laws and regulations by the Group for the Year.

### 9. PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

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

### 10. PRE-EMPTIVE RIGHT

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

### 11. RESERVES

The details in relation to the changes in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 66 of this annual report. The Company's reserves available for distribution to shareholders as at 31 March 2019 are approximately HK\$81,468,000.

### 12. FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out on page 143 of this annual report.

### 13. PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the Year in the property, plant and equipment of the Group are set out in Note 14 to the consolidated financial statements of this annual report.

### 8. 遵守法律及法規

本集團承認遵守監管規定的重要性以及不遵守適用法律及法規的風險。據董事所深知，於本年度，本集團在各重大方面一直遵守對本集團業務及營運有重大影響的相關法律及法規。於本年度，本集團概無發生嚴重違反或不遵守適用法律及法規的情況。

### 9. 購買、出售及贖回本公司已上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司已上市證券。

### 10. 優先購買權

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

### 11. 儲備

本集團儲備於本年度的變動詳情載於本年報第66頁綜合權益變動表。本公司於二零一九年三月三十一日可供分派股東儲備約81,468,000港元。

### 12. 財務概要

本集團業績以及資產及負債之概要載於本年報第143頁。

### 13. 物業、廠房及設備

本集團物業、廠房及設備於本年度之變動詳情載於本年報綜合財務報表附註14。

# DIRECTORS' REPORT

## 董事報告

### 14. DIRECTORS

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

#### Executive Directors

Mr. He Xiaoming (*Chairman*) (*appointed on 13 April 2018*)

Mr. Huang Shixin (*appointed on 1 April 2019*)

Mr. Wong Ka Shing (*appointed on 9 January 2019*)

Mr. Chan Kin Choi (*resigned on 13 April 2018*)

Mr. Chan Leung Choi (*resigned on 13 April 2018*)

Ms. Liang Ning (*resigned on 13 April 2018*)

Mr. Chan Tat Choi (*resigned on 8 November 2018*)

#### Independent Non-executive Directors

Ms. Lam Hoi Yu Nicki (*appointed on 20 April 2018*)

Mr. Lau Leong Yuen (*appointed on 20 April 2018*)

Mr. Liu Tin Lap (*appointed on 20 April 2018*)

Mr. Chan Lewis (*resigned on 20 April 2018*)

Mr. Lam Chun Fung (*resigned on 20 April 2018*)

Mr. Sung Lok Man Richard (*resigned on 20 April 2018*)

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

In accordance with Article 84(1) of the Articles of Association of the Company, Mr. Lau Leong Yuen and Ms. Lam Hoi Yu Nicki shall retire from office as the Independent Non-executive Director at the AGM and each of them, being eligible, will offer themselves for re-election respectively.

In accordance with the Article 83(3) the Articles of Association of the Company, Mr. Huang Shixin and Mr. Wong Ka Shing as the Executive Directors shall retire from office at the AGM and each of them, being eligible, will offer themselves for re-election respectively.

### 14. 董事

於本年度及直至本年報日期止之董事為：

#### 執行董事

何笑明先生(主席)(於二零一八年四月十三日獲委任)

黃世鑫先生(於二零一九年四月一日獲委任)

黃嘉盛先生(於二零一九年一月九日獲委任)

陳健材先生(於二零一八年四月十三日辭任)

陳樑材先生(於二零一八年四月十三日辭任)

梁寧女士(於二零一八年四月十三日辭任)

陳達材先生(於二零一八年十一月八日辭任)

#### 獨立非執行董事

林凱如女士(於二零一八年四月二十日獲委任)

劉量源先生(於二零一八年四月二十日獲委任)

廖天立先生(於二零一八年四月二十日獲委任)

陳令紘先生(於二零一八年四月二十日辭任)

藍俊峰先生(於二零一八年四月二十日辭任)

宋樂文先生(於二零一八年四月二十日辭任)

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

根據本公司組織章程細則第84(1)條，劉量源先生及林凱如女士將於股東週年大會上退任獨立非執行董事，而彼等各自符合資格且分別願意重選連任。

根據本公司組織章程細則第83(3)條，執行董事黃世鑫先生及黃嘉盛先生將於股東週年大會上退任，而彼等各自符合資格且分別願意重選連任。

# DIRECTORS' REPORT

## 董事報告

### 15. BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Details of the biographies of the Directors and the senior management of the Group are set out on pages 37 to 43 of this annual report.

### 16. SERVICE CONTRACTS OF DIRECTORS

No Director eligible for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### 17. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

The details of the remuneration of the Company's Directors and the five highest paid individuals of the Group are set out in Note 11 to the consolidated financial statements.

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

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

### 19. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

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

### 15. 董事及高級管理層履歷

董事及本集團高級管理層之履歷詳情載於本年報第37至43頁。

### 16. 董事服務合約

概無符合資格於應屆股東週年大會上重選連任之董事與本集團訂立本集團於一年內不可在不予賠償(法定賠償除外)的情況下終止之服務合約。

### 17. 董事及五名最高薪酬人士的薪酬

本公司董事及本集團五名最高薪酬人士的薪酬詳情載於綜合財務報表附註11。

### 18. 董事(及其關連實體)於重大交易、安排或合約中的權益

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

### 19. 董事於競爭業務的權益

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



## DIRECTORS' REPORT

### 董事報告

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

As at 31 March 2019, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV the SFO), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of 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); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Name of associated corporation	Capacity/ Nature of Interest	Number of Shares (share) <sup>(1)</sup>	Approximate percentage of the total issued share capital of the Company (%) 佔本公司 已發行股本 總額的概約 百分比(%)
董事姓名	相聯法團名稱	身份／權益性質	股份數目(股) <sup>(1)</sup>	
Mr. He Xiaoming <sup>(2)</sup> 何笑明先生 <sup>(2)</sup>	Colour Shine 彩輝	Interest in a controlled corporation 受控法團權益	188,192,000 (L) 188,192,000 (S) <sup>(3)</sup>	49.52% 49.52%

Table Notes:

- (1) The Letter "L" denotes a person's long position (as defined under part XV of the SFO) in such Shares. The Letter "S" denotes a person's short position (as defined under part XV of the SFO) in such Shares.
- (2) 188,192,000 Shares are held by Colour Shine whose entire issued share capital is held by Mr. He Xiaoming. Mr. He Xiaoming is also the sole director of Colour Shine as at 31 March 2019.
- (3) Colour Shine has charged 188,192,000 Shares to Kingston Securities Limited as security as at 31 March 2019 pursuant to the share charge entered into between Kingston Securities Limited as chargee and Colour Shine as charger dated 1 February 2018.

#### 20. 董事及主要行政人員於股份、相關股份及債券的權益及淡倉

於二零一九年三月三十一日，本公司各董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有(i)須根據證券及期貨條例第XV部第7及8分部條文知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文被當作或視作擁有的權益及淡倉); (ii)根據證券及期貨條例第XV部第352條須記入該條所指的登記冊的權益及淡倉; 或(iii)根據標準守則須知會本公司及聯交所的權益及淡倉如下:

Name of Director	Name of associated corporation	Capacity/ Nature of Interest	Number of Shares (share) <sup>(1)</sup>	Approximate percentage of the total issued share capital of the Company (%) 佔本公司 已發行股本 總額的概約 百分比(%)
董事姓名	相聯法團名稱	身份／權益性質	股份數目(股) <sup>(1)</sup>	
Mr. He Xiaoming <sup>(2)</sup> 何笑明先生 <sup>(2)</sup>	Colour Shine 彩輝	Interest in a controlled corporation 受控法團權益	188,192,000 (L) 188,192,000 (S) <sup>(3)</sup>	49.52% 49.52%

表格附註:

- (1) 「L」表示該人士在有關股份中所持的好倉(定義見證券及期貨條例第XV部)。「S」表示該人士在有關股份中所持的淡倉(定義見證券及期貨條例第XV部)。
- (2) 188,192,000股股份由彩輝持有，而彩輝之全部已發行股本由何笑明先生持有。於二零一九年三月三十一日，何笑明先生亦為彩輝的唯一董事。
- (3) 於二零一九年三月三十一日，根據日期為二零一八年二月一日，由金利豐證券有限公司(作為承押人)及彩輝(作為抵押人)訂立的股份押記，彩輝已將188,192,000股股份抵押予金利豐證券有限公司。

### 20. THE INTEREST AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Save as disclosed above, as at 31 March 2019, none of the Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 Part XV of the SFO and none of the Directors, the chief executive of the Company nor their associates had any other interests or short positions in the shares of the Company, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be 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 any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code.

### 20. 董事及主要行政人員於股份、相關股份及債券的權益及淡倉 (續)

除上文所披露者外，於二零一九年三月三十一日，概無董事為於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉的本公司董事或僱員，亦概無董事、本公司主要行政人員及其聯繫人於本公司股份、本公司或任何相聯法團（定義見證券及期貨條例第XV部）的相關股份及債券中擁有(a)須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文被當作或視作該董事或本公司主要行政人員擁有的權益或淡倉）；或(b)須記入本公司根據證券及期貨條例第352條所存置登記冊的權益或淡倉；或(c)根據標準守則須知會本公司或聯交所的權益或淡倉。

# DIRECTORS' REPORT

## 董事報告

### 21. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 31 March 2019, the register of substantial shareholders maintained by the Company pursuant to Section 336 of Part XV of the SFO shows the following shareholders had notified the Company of relevant interests and short positions, being 5% or more of the issued share capital of the Company:

#### (i) Substantial Shareholders of the Company

Name of Shareholder	Nature of interest	Number of Shares (share) <sup>(1)</sup>	Approximate percentage of the total issued share capital of the Company (%) 佔本公司已發行股本總額的概約百分比(%)
股東姓名	權益性質	股份數目(股) <sup>(1)</sup>	百分比(%)
Colour Shine	Beneficial owner	188,192,000 (L)	49.52%
彩輝投資	實益擁有人	188,192,000 (S) <sup>(3)</sup>	49.52%
Mr. He Xiaoming <sup>(2)</sup>	Interest of a controlled corporation	188,192,000 (L)	49.52%
何笑明先生 <sup>(2)</sup>	受控法團權益	188,192,000 (S) <sup>(3)</sup>	49.52%
Mr. Chan Leung Choi	Beneficial owner	19,188,000 (L)	5.05%
陳樑材先生	實益擁有人		

#### Table Notes:

- (1) The Letter "L" denotes a person's long position (as defined under part XV of the SFO) in such Shares. The Letter "S" denotes a person's short position (as defined under part XV of the SFO) in such Shares.
- (2) 188,192,000 Shares are held by Colour Shine whose entire issued share capital is held by Mr. He Xiaoming. Mr. He Xiaoming is also the sole director of Colour Shine as at 31 March 2019.
- (3) Colour Shine has charged 188,192,000 Shares to Kingston Securities Limited as security as at 31 March 2019 pursuant to the share charge entered into between Kingston Securities Limited as chargee and Colour Shine as charger dated 1 February 2018.

### 21. 主要股東於本公司股份及相關股份的權益及／或淡倉

於二零一九年三月三十一日，本公司根據證券及期貨條例第XV部第336條存置的登記冊顯示以下股東已就佔本公司已發行股本5%或以上的相關權益及淡倉知會本公司：

#### (i) 本公司主要股東

Number of Shares (share) <sup>(1)</sup>	Approximate percentage of the total issued share capital of the Company (%) 佔本公司已發行股本總額的概約百分比(%)
股份數目(股) <sup>(1)</sup>	百分比(%)

#### 表格附註：

- (1) 「L」表示該人士在有關股份中所持的好倉(定義見證券及期貨條例第XV部)。「S」表示該人士在有關股份中所持的淡倉(定義見證券及期貨條例第XV部)。
- (2) 188,192,000股股份由彩輝持有，而彩輝之全部已發行股本由何笑明先生持有。於二零一九年三月三十一日，何笑明先生亦為彩輝的唯一董事。
- (3) 於二零一九年三月三十一日，根據日期為二零一八年二月一日，由金利豐證券有限公司(作為承押人)及彩輝(作為抵押人)訂立的股份押記，彩輝已將188,192,000股股份抵押予金利豐證券有限公司。

# DIRECTORS' REPORT

## 董事報告

### 21. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

(Continued)

#### (ii) Substantial Shareholders of Other Members of the Group

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

Note: Dawn Success Ltd, a company wholly-owned by Ms. Vane Siu Ling Linda, wife of Mr. Chan Lap Wai Gary, holds the 49% holdings in Tristate International on trust for Mr. Chan Lap Wai Gary.

附註： Dawn Success Ltd，一間由陳立緯先生妻子范小玲女士全資擁有的公司，以信託方式代表陳立緯先生持有聯亞國際49%股權。

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

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

### 22. MANAGEMENT CONTRACTS

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

### 21. 主要股東於本公司股份及相關股份的權益及／或淡倉(續)

#### (ii) 本集團其他成員公司的主要股東

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

附註： Dawn Success Ltd，一間由陳立緯先生妻子范小玲女士全資擁有的公司，以信託方式代表陳立緯先生持有聯亞國際49%股權。

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

### 22. 管理合約

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

# DIRECTORS' REPORT

## 董事報告

### 23. CONNECTED TRANSACTIONS

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

#### 23.1 Continuing Connected Transaction – Lease Agreement

On 1 December 2015, Top Champion Industries Limited entered into a lease agreement with Top Mark Mechanical Equipment Limited (“**Top Mark**”) (the “**Lease Agreement**”), pursuant to which Top Champion Industries Limited as lessor agreed to lease to Top Mark as lessee the premises situated at Unit 9, 15/F, Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong (the “**Chai Wan Premises**”) for use as our industrial warehouse in Hong Kong for a term commencing from 1 December 2015 to 30 November 2017, and renewed for a term commencing from 1 December 2017 to 30 November 2019 at an agreed monthly rental of HK\$21,900 (excluding government rates, utilities, management fees and other outgoings).

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

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

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

### 23. 關連交易

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

#### 23.1 持續關連交易 – 租賃協議

於二零一五年十二月一日，泰昌實業有限公司與震東機械設備有限公司（「震東機械」）訂立租賃協議（「租賃協議」），據此，泰昌實業有限公司（作為出租人）同意向震東機械（作為承租人）出租位於香港柴灣新業街6號安力工業中心15樓9室的營業場所（「柴灣營業場所」）作為我們於香港的工業倉庫，年期由二零一五年十二月一日直至二零一七年十一月三十日，並已按協定月租為21,900港元（不包括政府地租、水電開支、管理費及其他開支）重續，租期自二零一七年十二月一日直至二零一九年十一月三十日。

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

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

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



### 23. CONNECTED TRANSACTIONS *(Continued)*

#### 23.1 Continuing Connected Transaction – Lease Agreement *(Continued)*

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

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

### 24. RETIREMENT AND EMPLOYEE BENEFIT PLANS

Details of the retirement and employee benefits plans of the Group are set out in Note 30 to the consolidated financial statements.

### 25. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Being a company listed on the Stock Exchange, the Company is always dedicated to maintaining the corporate governance practices at a high level. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 14 to 36 of this annual report.

### 26. PUBLIC FLOAT

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

### 27. MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the revenue attributable to our top five customers was approximately HK\$71.8 million (2018: approximately HK\$42.0 million), accounting for approximately 43.9% (2018: approximately 42.1%) of the total revenue of the Group.

During the Year, our purchases from our top five suppliers were approximately HK\$50.7 million (2018: approximately HK\$29.4 million), accounting for approximately 55.2% (2018: approximately 59.0%) of our total purchases.

### 23. 關連交易 *(續)*

#### 23.1 持續關連交易 – 租賃協議 *(續)*

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

本公司確認已根據上市規則第14A章遵守有關披露規定。

### 24. 退休及僱員福利計劃

本集團的退休及僱員福利計劃詳情載於綜合財務報表附註30。

### 25. 遵守企業管治守則

作為聯交所上市公司，本公司始終致力維持高水平的企業管治常規。有關本公司採納的企業管治常規的資料，載於本年報第14至36頁的企業管治報告內。

### 26. 公眾持股量

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

### 27. 主要客戶及主要供應商

於本年度，五大客戶應佔收益約為71.8百萬港元 (二零一八年：約42.0百萬港元)，佔本集團總收益約43.9% (二零一八年：約42.1%)。

於本年度，對五大供應商的採購額約為50.7百萬港元 (二零一八年：約29.4百萬港元)，佔我們的總採購約55.2% (二零一八年：約59.0%)。

# DIRECTORS' REPORT

## 董事報告

### 27. MAJOR CUSTOMERS AND SUPPLIERS (Continued)

The Group's top five customers and suppliers during the reporting period were independent third parties, and none of our Directors, their associates or any shareholder (who, to the knowledge of our Directors, owned more than 5% of our Company's share capital as at the date of this report) had any interest in any of our top five customers or suppliers during the Year.

### 28. EVENTS AFTER REPORTING PERIOD

Save as disclosed in this report, subsequent to the end of the Reporting Period and up to the date of this report, the Group has the following significant event:

- (i) Mr. Huang Shixin has been appointed as the executive Director on 1 April 2019.

### 29. PERMITTED INDEMNITY PROVISIONS

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

### 30. DONATIONS

The Group made charitable or other donations of approximately HK\$3,763,000 during the Year.

### 31. AUDITOR

The consolidated financial statements for the years ended 31 March 2017 to 2019 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for reappointment, at the forthcoming AGM.

### 27. 主要客戶及主要供應商 (續)

於本年度，本集團的五大客戶及供應商均為獨立第三方，且概無董事、其聯繫人或任何據董事所知於本公告日期持有本公司股本5%以上之股東於報告期內持有我們五大客戶或供應商的任何權益。

### 28. 報告期後事項

誠如本報告所披露，於報告期結束後及直至本報告日期止，本集團有以下重大事項：

- (i) 於二零一九年四月一日，黃世鑫先生已獲委任為執行董事。

### 29. 獲准許的彌償條文

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

### 30. 捐款

本集團於本年度已作出慈善或其他捐款約3,763,000港元。

### 31. 核數師

截至二零一七年及二零一九年三月三十一日止年度之綜合財務報表已由德勤•關黃陳方會計師行審核，而德勤•關黃陳方會計師行將於應屆股東周年大會上退任，並符合資格獲重新委任。

On behalf of the Board

**He Xiaoming**

*Chairman and Executive Director*

Hong Kong, 27 June 2019

In the event of any inconsistency, the English text of this annual report shall prevail over the Chinese text.

代表董事會

**何笑明**

*主席兼執行董事*

香港，二零一九年六月二十七日

本年報中英文版本如有歧義，概以英文版本為準。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

# 德勤

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

致煜榮集團控股有限公司各股東  
(於開曼群島註冊成立的有限公司)

### OPINION

We have audited the consolidated financial statements of Yuk Wing Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**”) set out on pages 64 to 142, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 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 (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### 意見

本行已審核第64至142頁所載煜榮集團控股有限公司(「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)的綜合財務報表，當中包括於二零一九年三月三十一日的綜合財務狀況表，以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

本行認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實而公平反映 貴集團於二零一九年三月三十一日的綜合財務狀況及 貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

### 意見基準

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

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS

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

#### Key audit matters

##### 關鍵審核事項

#### *Estimated write down of inventories*

##### 估計存貨撇減

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

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

Allowance for inventories was based on the management's assessment in estimating the net realisable values of the inventories, after considering the current market conditions, material price fluctuation and subsequent usage or sales. As at 31 March 2019, the Group's inventories with carrying amounts of HK\$54,990,000 without any allowance for inventories recognised.

存貨乃根據管理層經考慮當前市況、重大價格波動及其後用途或銷售後就估計存貨可變現淨值作出的評估而計提撥備。於二零一九年三月三十一日，貴集團存貨賬面值為54,990,000港元，並無確認任何存貨撥備。

Details relating to the Group's inventories are set out in notes 4 and 16 to the consolidated financial statements.

有關 貴集團存貨的詳情載於綜合財務報表附註4及16。

### 關鍵審核事項

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

#### How our audit addressed the key audit matters

##### 本行進行審核時如何提及關鍵審核事項

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

本行就估計存貨撇減而採納的程序包括：

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

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Key audit matters

#### 關鍵審核事項

### How our audit addressed the key audit matters

#### 本行進行審核時如何提及關鍵審核事項

#### **Impairment assessment of trade receivables**

##### 貿易應收款項減值評估

We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period.

本行將貿易應收款項的減值評估識別為關鍵審核事項，乃因貿易應收款項對貴集團的綜合財務狀況有重大影響，且於報告期末評估貴集團的貿易應收款項的預期信貸虧損（「預期信貸虧損」）時涉及主觀判斷及管理層估計。

As at 31 March 2019, the Group's net trade receivables amounting to HK\$64,424,000, which represented approximately 29.4% of total assets of the Group. As explained in note 2 to the consolidated financial statements, in the current year, the Group adopted Hong Kong Financial Reporting Standard 9 "Financial Instruments" (HKFRS 9) and recognised an additional impairment of HK\$1,722,000 as at 1 April 2018 in accordance with the transitional provisions of HKFRS 9. 於二零一九年三月三十一日，貴集團的貿易應收款項淨額為64,424,000港元，佔貴集團總資產約29.4%。如綜合財務報表附註2所闡述，貴集團於本年度採納香港財務報告準則第9號「金融工具」（香港財務報告準則第9號），並根據香港財務報告準則第9號的過渡條文，於二零一八年四月一日確認額外減值1,722,000港元。

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

本行有關貿易應收款項的減值評估的程序包括：

- Understanding key controls on how the management estimates the loss allowance for trade receivables;
- 了解管理層就估計應收賬虧損撥備的主要監控；
- Testing the accuracy of the ECL adjustment made by the Group as at 1 April 2018 on initial adoption of HKFRS 9;
- 檢測貴集團於二零一八年四月一日初步採納香港財務報告準則第9號後所作出預期信貸虧損調整的準確性；
- Testing the accuracy of information used by management in determining credit loss allowance including trade receivables ageing analysis as at 1 April 2018 and 31 March 2019, on a sample basis, by comparing individual items in the analysis with the relevant sales agreements, sales invoices and other supporting documents;
- 通過比較貿易應收款項賬齡分析內的個別項目與相關銷售協議、銷售發票及其他證明文件，對管理層於釐定於二零一八年四月一日及二零一九年三月三十一日的信貸虧損撥備（包括該分析）所用資料的準確性進行抽樣測試；



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Key audit matters

#### 關鍵審核事項

### How our audit addressed the key audit matters

#### 本行進行審核時如何提及關鍵審核事項

#### **Impairment assessment of trade receivables**

##### 貿易應收款項減值評估

As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables individually after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information.

如綜合財務報表附註4所披露，貴集團管理層於考慮貿易債務人的內部信貸評級、賬齡、還款記錄及／或相關貿易應收款項逾期狀態後，個別估計貿易應收款項的全期預期信貸虧損的金額。估計虧損率乃根據過往於債務人預計年期內觀察所得的違約率釐定，並按前瞻性資料作出調整。

As disclosed in note 28 to the consolidated financial statements, the Group recognised an additional amount of HK\$2,952,000 of impairment of trade receivables. The Group's lifetime ECL on trade receivables as at 31 March 2019 amounted to HK\$2,603,000.

如綜合財務報表附註28所披露，貴集團於年內就貿易應收款項確認2,952,000港元的額外減值。貴集團的貿易應收款項於二零一九年三月三十一日的全期預期信貸虧損達2,603,000港元。

- Discussing with the management and evaluating the basis in determining credit loss allowance on trade receivables as at 1 April 2018 and 31 March 2019, including the reasonableness of management's basis of estimated loss rates applied (with reference to historical observed default rates and forward-looking information); and
- 與管理層討論並評估釐定貿易應收款項於二零一八年四月一日及二零一九年三月三十一日的信貸虧損撥備的基準，包括管理層所應用估計虧損率基準(已參考歷史觀察違約率及前瞻性資料)的合理性；及
- Evaluating the disclosures regarding the impairment assessment of trade receivables in note 28 to the consolidated financial statements.
- 評估綜合財務報表附註28內有關貿易應收款項的減值評估的披露。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION

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

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

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

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

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

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

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

### 其他資料

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

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

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

### 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實公平反映意見的綜合財務報表，並負責董事認為確保編製綜合財務報表時不存在由於欺詐或錯誤而導致重大錯誤陳述所需的內部監控。

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

治理層須負責監督 貴集團的財務報告過程。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

### 核數師就審核綜合財務報表須承擔的責任

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

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為本行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕內部監控，因此未能發現因欺詐而導致重大錯誤陳述的風險高於未能發現因錯誤而導致重大錯誤陳述的風險。
- 了解與審核工作相關的內部監控，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部監控的效能發表意見。
- 評估董事所採用會計政策是否適當以及作出會計估計及相關披露是否合理。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 總結董事採用持續經營為基礎的會計法是否適當，並根據所獲取的審核憑證，總結是否存在對貴集團持續經營能力產生重大疑慮的事件或情況的重大不明朗因素。倘本行總結認為存在重大不明朗因素，則有必要在核數師報告中提請股東注意綜合財務報表中的相關披露，假若有關披露不足，則修訂本行的意見。本行的結論乃基於直至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能再持續經營業務。
- 評估綜合財務報表(包括披露事項)的整體呈報方式、結構及內容以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。本行須負責指導、監督及執行貴集團的審核工作。本行為審核意見承擔全部責任。

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

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

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

出具獨立核數師報告的審核項目合夥人為羅雅媛。

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

27 June 2019

**德勤•關黃陳方會計師行**  
執業會計師  
香港

二零一九年六月二十七日



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	5	163,441	99,703
Cost of sales	銷售成本		(97,084)	(62,234)
Gross profit	毛利		66,357	37,469
Other income and expenses	其他收入及開支	6	2,108	202
Impairment losses, net of reversal	減值虧損(扣除撥回)	7	(2,952)	(1,179)
Other gains and losses	其他收益及虧損	7	1,404	(872)
Selling and distribution expenses	銷售及分銷開支		(6,305)	(4,806)
Administrative expenses	行政開支		(33,773)	(27,419)
Finance costs	融資成本	8	(1,041)	(473)
Profit before tax	除稅前溢利	9	25,798	2,922
Income tax expense	所得稅開支	10	(6,033)	(2,431)
Profit for the year	年內溢利		19,765	491
<b>Profit (loss) for the year attributable to:</b>	以下人士應佔年內溢利(虧損):			
Owners of the Company	本公司擁有人		13,859	(2,324)
Non-controlling interests	非控制權益		5,906	2,815
			19,765	491
<b>Other comprehensive (expense) income for the year</b>	年內其他全面(開支)收益			
<i>Item that may be reclassified subsequently to profit or loss:</i>	其後可能重新分類至損益的項目:			
Exchange differences arising on translation of foreign operations	換算海外業務所產生的匯兌差額		(2,748)	3,265
Total comprehensive income for the year	年內全面總收益		17,017	3,756
<b>Total comprehensive income (expense) for the year attributable to:</b>	以下人士應佔年內全面總收益(開支):			
Owners of the Company	本公司擁有人		12,140	(551)
Non-controlling interests	非控制權益		4,877	4,307
			17,017	3,756
Earnings (loss) per share, basic (HK cents)	每股基本盈利(虧損)(港仙)	13	3.65	(0.61)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 March 2019 於二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	11,228	10,905
Deposits placed at an insurance company	存於保險公司之存款	15	4,514	4,426
Deferred tax assets	遞延稅項資產	22	720	-
			<b>16,462</b>	15,331
Current assets	流動資產			
Inventories	存貨	16	54,990	39,483
Trade and other receivables	貿易及其他應收款項	17	73,844	49,592
Tax recoverable	可收回稅項		-	1,064
Bank balances and cash	銀行結餘及現金	18	74,047	71,975
			<b>202,881</b>	162,114
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	19	16,295	19,511
Contract liabilities	合約負債	20	163	-
Tax payable	應繳稅項		7,900	1,771
Bank and other borrowings	銀行及其他借貸	21	25,292	1,697
			<b>49,650</b>	22,979
Net current assets	流動資產淨值		<b>153,231</b>	139,135
Total assets less current liabilities	總資產減流動負債		<b>169,693</b>	154,466
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	22	-	68
			<b>169,693</b>	154,398
Capital and reserves	資本及儲備			
Share capital	股本	23	38,000	38,000
Reserves	儲備		99,939	89,521
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>137,939</b>	127,521
Non-controlling interests	非控制權益		<b>31,754</b>	26,877
			<b>169,693</b>	154,398

The consolidated financial statements on pages 64 to 142 were approved and authorised for issue by the Board of Directors on 27 June 2019 and are signed on its behalf by:

第64至142頁的綜合財務報表已由董事會於二零一九年六月二十七日批准及授權刊發，並由下列董事代表簽署：

**He Xiaoming**  
何笑明  
DIRECTOR  
董事

**Huang Shixin**  
黃世鑫  
DIRECTOR  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

Attributable to owners of the Company  
本公司擁有人應佔

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Merger reserve 併購儲備 HK\$'000 千港元 (note i) (附註i)	Statutory reserve 法定儲備 HK\$'000 千港元 (note ii) (附註ii)	Exchange reserve 匯兌儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Non-controlling interests 非控制權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於二零一七年 四月一日	38,000	124,553	(67,096)	652	(706)	19	32,650	128,072	22,570	150,642
(Loss) profit for the year	年內(虧損)溢利	-	-	-	-	-	-	(2,324)	(2,324)	2,815	491
Exchange differences arising on translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	-	-	1,773	-	-	1,773	1,492	3,265
Total comprehensive income (expense) for the year	年內全面總收益(開支)	-	-	-	-	1,773	-	(2,324)	(551)	4,307	3,756
Transfer	轉撥	-	-	-	60	-	-	(60)	-	-	-
At 31 March 2018	於二零一八年 三月三十一日	38,000	124,553	(67,096)	712	1,067	19	30,266	127,521	26,877	154,398
Adjustments (see note 2)	調整(參見附註2)	-	-	-	-	-	-	(1,722)	(1,722)	-	(1,722)
At 1 April 2018 (restated)	於二零一八年四月 一日(經重列)	38,000	124,553	(67,096)	712	1,067	19	28,544	125,799	26,877	152,676
Profit for the year	年內溢利	-	-	-	-	-	-	13,859	13,859	5,906	19,765
Exchange differences arising on translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	-	-	(1,719)	-	-	(1,719)	(1,029)	(2,748)
Total comprehensive (expense) income for the year	年內全面總(開支)收益	-	-	-	-	(1,719)	-	13,859	12,140	4,877	17,017
Transfer	轉撥	-	-	-	503	-	-	(503)	-	-	-
At 31 March 2019	於二零一九年三月 三十一日	38,000	124,553	(67,096)	1,215	(652)	19	41,900	137,939	31,754	169,693

Note i: Amount represents difference between the nominal value of the share capital issued by Hang Wing Holdings Limited ("Hang Wing"), a wholly owned subsidiary of the Company, for the acquisition of the entire equity interests and the amount of share capital in Top Mark Mechanical Equipment Limited ("Top Mark"), Tristate International Industrial Limited ("Tristate International"), Top Glory Construction Equipment Limited and Maxa RockDrills Limited.

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

附註i: 該款項指本公司之全資附屬公司經樂控股有限公司(「經樂」)為收購震東機械設備有限公司(「震東機械」)、聯亞國際實業有限公司(「聯亞國際」)、震東建築設備有限公司及Maxa RockDrills Limited全部股權而發行的股本面值與震東機械設備有限公司、聯亞國際實業有限公司、震東建築設備有限公司及Maxa RockDrills Limited的股本面值之差額。

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating activities	經營活動		
Profit before tax	除稅前溢利	25,798	2,922
Adjustments for:	就以下各項調整：		
Impairment losses, net of reversal	減值虧損，扣除撥回	2,952	1,179
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,973	1,261
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	406	-
Interest expense	利息開支	1,041	473
Interest income	利息收入	(118)	(106)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	32,052	5,729
Increase in inventories	存貨增加	(15,418)	(2,588)
Increase in trade and other receivables	貿易及其他應收款項增加	(29,324)	(19,727)
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(743)	12,771
Decrease in contract liabilities	合約負債減少	(2,550)	-
Cash used in operations	經營所用的現金	(15,983)	(3,815)
PRC Enterprise Income Tax paid	已付中國企業所得稅	(1,190)	(47)
Hong Kong Profits Tax refund (paid)	香港利得稅退稅(已付)	1,590	(5,177)
Net cash used in operating activities	經營活動所用現金淨額	(15,583)	(9,039)
Investing activities	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(5,269)	(1,356)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	80	-
Interest received	已收利息	30	20
Net cash used in investing activities	投資活動所用現金淨額	(5,159)	(1,336)

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 March 2019 截至二零一九年三月三十一日止年度

		<b>2019</b> 二零一九年 <b>HK\$'000</b> 千港元	2018 二零一八年 HK\$'000 千港元
Financing activities	融資活動		
New bank and other borrowings raised	新增銀行及其他借貸	<b>25,292</b>	5,322
Repayment of bank borrowings	償還銀行借貸	<b>(1,697)</b>	(23,501)
Interest paid	已付利息	<b>(201)</b>	(473)
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額	<b>23,394</b>	(18,652)
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	<b>2,652</b>	(29,027)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	<b>71,975</b>	100,856
Effect of foreign exchange rate changes	匯率變動的影響	<b>(580)</b>	146
Cash and cash equivalents at end of the year, represented by bank balances and cash	年末現金及現金等價物，指銀行結餘及現金	<b>74,047</b>	71,975



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 1. GENERAL

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

The registered office address of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company was located at Unit B, 17/F., E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong and changed to Unit 2102, 21/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong with effective from 18 April 2018 and changed to Unit B, 13/F., Eton Building, 288 Des Voeux Road Central, Hong Kong with effect from 23 November 2018. The Company’s ultimate holding company is Colour Shine Investments Limited, a private limited company incorporated in the British Virgin Island (the “**BVI**”). The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the manufacturing and trading of rockdrilling tools and equipment and trading of piling and drilling equipment and machineries.

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

### 1. 一般資料

煜榮集團控股有限公司(「**本公司**」)根據開曼群島一九六一年第3號法例第22章公司法(以經綜合及修訂者為準)於開曼群島註冊成立為獲豁免有限公司。本公司股份於香港聯合交易所有限公司(「**聯交所**」)上市。

本公司的註冊辦事處地址位於Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司的主要營業地點曾位於香港柴灣利眾街24號東貿廣場17樓B室，自二零一八年四月十八日起變更為香港上環干諾道中168-200號信德中心西翼21樓2102室，而自二零一八年十一月二十三日起已變更為香港德輔道中288號易通商業大廈13樓B室。本公司的最終控股公司為彩輝投資有限公司(一間於英屬處女群島(「**英屬處女群島**」)註冊成立的私人有限公司)。本公司為一間投資控股公司。本公司及其附屬公司(統稱「**本集團**」)主要從事製造及買賣鑿岩工具及設備以及買賣打樁機及鑽孔設備及器械。

綜合財務報表以本公司功能貨幣港元(「**港元**」)呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本

#### 於本年度強制生效的新訂香港財務報告準則及其修訂本

本集團已於本年度首次應用下列由香港會計師公會(「香港會計師公會」)頒佈的新訂香港財務報告準則及其修訂本：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	源自客戶合約的收益及有關修訂本
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	以股份為基礎的付款交易之分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第4號「保險合約」時一併應用香港財務報告準則第9號「金融工具」
香港會計準則第28號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期之年度改進的一部分
香港會計準則第40號(修訂本)	投資物業轉讓

除下文所述者外，本年度應採用該等新訂香港財務報告準則及其修訂本對本集團本年度及過往年度之財務表現及財務狀況及／或該等綜合財務報表內所載披露內容並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued) HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that were not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from (i) manufacturing and trading of down-the-hole (“DTH”) rockdrilling tools; (ii) trading of piling and drilling machineries; and (iii) trading of rockdrilling equipment.

Information about the Group’s performance obligations and the accounting policies resulting from the application of HKFRS 15 is disclosed in notes 5 and 3 respectively.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續) 香港財務報告準則第15號「源自客戶合約的收益」

本集團已於本年度首次應用香港財務報告準則第15號。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11號「建築合約」及有關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累積影響已於二零一八年四月一日首次應用當日確認。於首次應用日期的任何差異乃於期初保留溢利(或其他權益部分(倘適用))確認，且並無重列比較資料。再者，根據香港財務報告準則第15號的過渡條文，本集團選擇僅就於二零一八年四月一日尚未完成的合約追溯應用該準則。因此，若干比較資料可能與根據香港會計準則第18號「收益」及香港會計準則第11號「建築合約」以及相關詮釋編製者無法比較。

本集團確認從(i)製造及買賣潛孔(「潛孔」)鑿岩工具；(ii)買賣打樁機及鑽機；及(iii)買賣鑿岩設備所得收益。

有關本集團履約責任及應用香港財務報告準則第15號所產生的會計政策的資料分別於附註5及3披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### HKFRS 15 “Revenue from Contracts with Customers”

(Continued)

Summary of effects arising from initial application of HKFRS 15

There was no material impact of transition to HKFRS 15 on retained profits at 1 April 2018.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

#### 香港財務報告準則第15號「源自客戶合約的收益」（續）

首次應用香港財務報告準則第15號所產生的影響概要

於二零一八年四月一日，向香港財務報告準則第15號過渡並無對保留溢利造成重大影響。

對於二零一八年四月一日之綜合財務狀況表中已確認金額作出的調整如下。概無包括不受變動影響的細列項目。

	Carrying amounts previously reported at 31 March 2018	Reclassification	Carrying amounts under HKFRS 15 at 1 April 2018
	先前於二零一八年三月三十一日呈報的賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	於二零一八年四月一日香港財務報告準則第15號項下賬面值 HK\$'000 千港元
<b>Current liabilities</b>			
Trade and other payables	19,511	(2,713)	16,798
Contract liabilities (note)	–	2,713	2,713

Note: As at 1 April 2018, receipt in advance from customers of approximately HK\$2,713,000 in respect of considerations received from customers previously included in trade and other payables were reclassified to contract liabilities.

附註：於二零一八年四月一日，先前計入貿易及其他應付款項之預收客戶款項（涉及已收客戶代價）約2,713,000港元重新分類至合約負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### HKFRS 15 “Revenue from Contracts with Customers”

(Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

The following table summarises the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 March 2019 and consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included:

#### Impact on the consolidated statement of financial position

		As reported	Reclassification	Amounts without application of HKFRS 15
		所呈報金額 HK\$’000 千港元	重新分類 HK\$’000 千港元	並無應用香港財務報告準則第15號的金額 HK\$’000 千港元
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	16,295	163	16,458
Contract liabilities	合約負債	163	(163)	-

#### Impact on the consolidated statement of cash flows

		As reported	Reclassification	Amounts without application of HKFRS 15
		所呈報金額 HK\$’000 千港元	重新分類 HK\$’000 千港元	並無應用香港財務報告準則第15號之金額 HK\$’000 千港元
Decrease in trade and other payables	貿易及其他應付款項減少	(743)	(2,550)	(3,293)
Decrease in contract liabilities	合約負債減少	(2,550)	2,550	-

The directors of the Company considered the application of HKFRS 15 has no material impact on the timing and amounts of revenue recognised in the respective reporting periods.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

#### 香港財務報告準則第15號「源自客戶合約的收益」(續)

首次應用香港財務報告準則第15號所產生的影響概要(續)

下表概述應用香港財務報告準則第15號對本集團於二零一九年三月三十一日的綜合財務狀況表及本年度綜合現金流量表內各受影響分項的影響。概無包括不受變動影響的細列項目：

#### 對綜合財務狀況表的影響

		As reported	Reclassification	Amounts without application of HKFRS 15
		所呈報金額 HK\$’000 千港元	重新分類 HK\$’000 千港元	並無應用香港財務報告準則第15號的金額 HK\$’000 千港元
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	16,295	163	16,458
Contract liabilities	合約負債	163	(163)	-

#### 對綜合現金流量表的影響

		As reported	Reclassification	Amounts without application of HKFRS 15
		所呈報金額 HK\$’000 千港元	重新分類 HK\$’000 千港元	並無應用香港財務報告準則第15號之金額 HK\$’000 千港元
Decrease in trade and other payables	貿易及其他應付款項減少	(743)	(2,550)	(3,293)
Decrease in contract liabilities	合約負債減少	(2,550)	2,550	-

本公司董事認為應用香港財務報告準則第15號對相關報告期間所確認的收益時間及金額並無造成重大影響。



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

#### HKFRS 9 “Financial Instruments” and the related amendments

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. the Group has applied the classification and measurement requirements (including impairment under the ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) but has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between the carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating the comparative information.

Accordingly, certain comparative information may not be comparable as those comparative information were prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from the application of HKFRS 9 are disclosed in note 3.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

#### 香港財務報告準則第9號「金融工具」及其相關修訂本

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及對其他香港財務報告準則作出的有關相應修訂。香港財務報告準則第9號引進有關(1)金融資產及金融負債的分類及計量，(2)金融資產的預期信貸虧損(「預期信貸虧損」)及(3)一般對沖會計處理的新規定。

本集團已按香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對並無於二零一八年四月一日(初次應用日期)已終止確認的工具追溯應用分類及計量規定(包括預期信貸虧損模型下的減值)，而未對於二零一八年四月一日已終止確認的工具應用有關規定。二零一八年三月三十一日之賬面值與二零一八年四月一日之賬面值之間任何差額乃於期初保留溢利及其他權益項目確認，毋須重列比較資料。

由於若干比較資料乃按照香港會計準則第39號「金融工具：確認及計量」編製，因此，該等比較資料可能無法用作比較。

應用香港財務報告準則第9號的會計政策於附註3披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### HKFRS 9 “Financial Instruments” and the related amendments (Continued)

##### Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application of HKFRS 9, 1 April 2018.

	Note 附註	Trade receivables 貿易應收款項 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元
Opening balance at 31 March 2018 – HKAS 39	於二零一八年三月三十一日的期初結餘		
Effect arising from initial application of HKFRS 9: Impairment under ECL model	– 香港會計準則第39號首次應用香港財務報告準則第9號所產生影響：預期信貸虧損模型下的減值	41,802 (1,722)	30,266 (1,722)
Opening balance at 1 April 2018	於二零一八年四月一日的期初結餘	40,080	28,544

Note:

#### (a) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables.

ECL for other financial assets at amortised cost, including other receivables and bank balances, are assessed on 12-month (“12 m”) ECL basis as there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, additional credit loss allowance of approximately HK\$1,722,000 has been recognised against retained profits. The additional credit loss allowance is charged against the respective assets.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

#### 香港財務報告準則第9號「金融工具」及相關修訂本(續)

##### 首次應用香港財務報告準則第9號所產生的影響概要

下表闡述根據香港財務報告準則第9號及香港會計準則第39號預期信貸虧損的金融資產於首次應用香港財務報告準則第9號之日期(二零一八年四月一日)的分類及計量。

附註：

#### (a) 預期信貸虧損模型下的減值

本集團已應用香港財務報告準則第9號的簡化方法計量預期信貸虧損，使用全期預期信貸虧損計量貿易應收款項。

其他按攤銷成本列賬之金融資產(包括其他應收款項及銀行結餘)的預期信貸虧損按12個月(「12個月」)預期信貸虧損基準評估，原因為自初始確認後信貸風險並無顯著增加。

於二零一八年四月一日，已就保留溢利確認額外信貸虧損撥備約1,722,000港元。額外信貸虧損撥備乃自相關資產扣除。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>4</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>5</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020.

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

#### 已頒佈但尚未生效之新訂香港財務報告準則及其修訂本

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂本：

香港財務報告準則第16號	租賃 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>2</sup>
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理不確定性 <sup>1</sup>
香港財務報告準則第3號(修訂本)	業務定義 <sup>4</sup>
香港財務報告準則第9號(修訂本)	具有負補償之提前還款特徵 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產銷售或出資 <sup>3</sup>
香港會計準則第1號及香港會計準則第8號(修訂本)	重大定義 <sup>5</sup>
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清 <sup>1</sup>
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益 <sup>1</sup>
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期之年度改進 <sup>1</sup>

<sup>1</sup> 於二零一九年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零二一年一月一日或之後開始之年度期間生效。

<sup>3</sup> 於待定期日或之後開始之年度期間生效。

<sup>4</sup> 對收購日期為二零二零年一月一日或之後開始的首個年度期間初或之後的業務合併及資產收購生效。

<sup>5</sup> 二零二零年一月一日或之後開始之年度期間生效。

除下文所述之新訂香港財務報告準則，董事預期應用全部其他新訂香港財務報告準則及其修訂本在可預見的將來不會對綜合財務報表有重大影響。

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

#### HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, operating lease payments are presented as operating cash flow. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，其將取代香港會計準則第17號「租賃」及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低價值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，而以須就所有承租人之租賃確認使用權資產及相應負債之模式取代。

使用權資產初步按成本計量，隨後按成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債乃按租賃款項(非當日支付)的現值初步計量。其後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂的影響進行調整。就現金流量分類而言，經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號後，有關租賃負債的租賃付款將分配為本金及利息部分，其將呈列為本集團的融資及經營現金流量。

除若干亦適用於出租人的要求外，香港財務報告準則第16號大致上轉承香港會計準則第17號的出租人會計法規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued) HKFRS 16 “Leases” (Continued)

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of approximately HK\$22,434,000 as disclosed in note 25. The directors of the Company do not expect the adoption of HKFRS 16 as compared with HKAS 17 would result in significant impact on the Group’s result but expected that the above operating lease arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16.

The application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

In addition, the Group currently considers refundable rental deposits paid of approximately HK\$514,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The Group elects the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group does not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group elects the modified retrospective approach for the application of HKFRS 16 as lessee and recognises the cumulative effect of initial application to opening retained profits without restating comparative information.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續) 香港財務報告準則第16號「租賃」(續)

此外，香港財務報告準則第16號亦要求較廣泛的披露。

誠如附註25所披露，於二零一九年三月三十一日，本集團擁有不可撤銷的經營租賃承擔約22,434,000港元。本公司董事預期，相對於香港會計準則第17號，採納香港財務報告準則第16號將不會對本集團業績造成重大影響，惟預期上述經營租賃安排將符合香港財務報告準則第16號項下租賃的定義，因此，本集團將就所有該等租賃確認使用權資產及相應負債，除非其於應用香港財務報告準則第16號時符合低價值或短期租賃。

應用新規定可能導致上述的計量、呈列及披露的變動。

此外，本集團現時將已付可退回租賃按金約514,000港元視為香港會計準則第17號適用的租約項下的權利。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與相關資產使用權有關的付款，因此，該等按金的賬面值可能會調整為攤銷成本。已支付的可退還租金按金的調整將被視為額外租賃付款且計入使用權資產的賬面金額。

本集團選擇實際權宜方式，對過往識別為租賃並應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號「釐定一項安排是否包含租賃」的合約，應用香港財務報告準則第16號，而不會將此準則應用於過往未識別為包含租賃而應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號的合約。因此，本集團不會重新評估合約是否屬或是否包含於首次應用日期前已存在的租賃。此外，本集團(作為承租人)選擇經修訂追溯法應用香港財務報告準則第16號，並於期初保留溢利確認首次應用的累計影響，而並無重列比較資料。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

### 3. 重大會計政策

綜合財務報表已按歷史成本基準根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例規定的適用披露。

歷史成本一般以就換取商品及服務所給予的代價的公平值為基準。

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

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

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

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The principal accounting policies are set out below:

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

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

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

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

### 3. 重大會計政策 (續)

主要會計政策載列如下：

#### 綜合基準

綜合財務報表包括本公司及由本公司控制的實體以及其附屬公司的財務報表。本公司在下列情況下取得控制權：

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

### 3. 重大會計政策 (續)

#### 綜合基準 (續)

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

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

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

於附屬公司中的非控股權益應與本集團之權益單獨列示，乃指其持有者有權攤佔相關附屬公司清算時之淨資產的比例份額的所有者權益。

#### 源自客戶合約的收益(根據附註2的過渡條文應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於完成履約責任時(或就此)確認收入，即與特定履約責任相關的商品及服務的「控制權」轉讓予客戶時。

履約責任指個別的商品及服務(或一組商品或服務)或一系列大致相同的個別商品或服務。

倘符合以下其中一項標準，則控制權隨時間轉移，而收入則參照完全履行相關履約責任的進展情況而隨時間確認：

- 於本集團履約時，客戶同時取得並消耗本集團履約所提供的利益；
- 於本集團履約時，本集團的履約產生或加強一項客戶控制的資產；或
- 本集團的履約並未產生讓本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

(Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

#### Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

### 3. 重大會計政策 (續)

#### 源自客戶合約的收益(根據附註2的過渡條文應用香港財務報告準則第15號後)(續)

否則，收入於客戶獲得個別商品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價尚未成為無條件的權利。其根據香港財務報告準則第9號評估減值。相反，應收款指本集團收取代價的無條件權利，即僅需待時間過去代價即須到期支付。

合約負債指本集團因已向客戶收取代價(或收取已到期代價)，而須向客戶轉讓商品或服務的責任。

與同一合約有關的合約資產及合約負債以淨額基準入賬及呈列。

#### 當事人與代理人

當另一方牽涉向客戶提供商品或服務，本集團釐定其承諾的性質是否為提供指定商品或服務本身的履約責任(即本集團為當事人)或安排由另一方提供該等商品或服務(即本集團為代理人)。

倘本集團在向客戶轉讓商品或服務之前控制指定商品或服務，則本集團為當事人。

倘本集團的履約責任為安排另一方提供指定的商品或服務，則本集團為代理人。在此情況下，在將商品或服務轉讓予客戶之前，本集團不控制另一方提供的指定商品或服務。當本集團為代理人時，應就為換取另一方安排提供的指定商品或服務預期有權獲得的任何收費或佣金的金額確認收入。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Principal versus agent (Continued)

##### Revenue recognition (prior to 1 April 2018)

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

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

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

Service income is recognised when services are provided.

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

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

#### Property, plant and equipment

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

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

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

### 3. 重大會計政策 (續)

#### 當事人與代理人 (續)

##### 收入確認 (於二零一八年四月一日前)

收入按已收取或應收取代價的公平值計量。收入已就估計客戶退貨、回扣及其他類似津貼作出扣減。

倘收益金額能可靠地計量、未來經濟利益可能流入本集團，且符合下文所述本集團各業務的特定標準時，則本集團會確認收益。

貨品銷售收入於貨品交付及所有權轉交時予以確認。

服務收入於提供服務時予以確認。

利息收入以時間基準，經參考未償還本金及適用實際利率計算，實際利率乃將估計日後現金收入按金融資產的預期年期準確貼現至該資產於初步確認時的賬面淨值的利率。

本集團確認經營租賃收入的會計政策已在下列租賃會計政策中說明。

#### 物業、廠房及設備

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

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

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



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

### 3. 重大會計政策 (續)

#### 有形資產的減值

於報告期末，本集團審閱其使用年期有限的有形資產的賬面值，衡量是否有跡象顯示此等資產已出現減值虧損。倘出現任何該等跡象，則會估計相關資產的可收回金額，以釐定減值虧損(如有)之程度。

個別估計有形資產之可收回金額，倘不能個別估計可收回金額時，本集團則估計該資產所屬之現金產生單位之可收回金額。倘能識別合理一致的分配基準，公司資產亦會分配至個別現金產生單位，或以其他方式分配至能識別合理一致分配基準的現金產生單位最小組別。

可收回金額為公平值減出售成本及使用價值之較高者。於評估使用價值時，估計日後現金流量乃採用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之現行市場評估及尚未就日後現金流量之估計作出調整之資產(或現金產生單位)之特有風險。

倘估計資產(或現金產生單位)之可收回金額將少於其賬面值，則資產(或現金產生單位)之賬面值將調減至其可收回金額。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，其後根據該單位各資產的賬面值按比例分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回，該項資產(或現金產生單位)之賬面值將增加至其經修訂之估計可收回金額，惟增加後之賬面值不得超過倘若該資產(或現金產生單位)於過往年度並無確認減值虧損所釐定之賬面值。減值虧損之撥回即時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leasing

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

#### The Group as lessor

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

#### The Group as lessee

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

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

#### Inventories

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

#### Deposits placed at an insurance company

Deposits placed at an insurance company is stated in the consolidated statement of financial position at cost adjusted for interest income and service charges, less impairment losses, if any.

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

### 3. 重大會計政策 (續)

#### 租賃

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

#### 本集團作為出租人

經營租賃租金收入以直線法按相關租期於損益確認。

#### 本集團作為承租人

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

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

#### 存貨

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

#### 存於保險公司之存款

存於保險公司之存款於綜合財務狀況表按就利息收入及服務費調整的成本減去減值虧損(如有)列賬。

#### 金融工具

當集團實體成為工具合約條文之訂約方，則確認金融資產及金融負債。所有日常購買或出售之金融資產均按交易日基準確認及終止確認。日常購買或出售指按於市場規則或慣例確立之時限內交付資產之金融資產購買或出售。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 April 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

Interest income is recognised on an effective interest basis for financial assets and are presented as other income.

#### Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. 重大會計政策 (續)

#### 金融工具 (續)

自二零一八年四月一日起，該等金融資產及金融負債初步按公平值計量(除與客戶簽訂合約產生的貿易應收款項初步根據香港財務報告準則第15號計量外)。收購或發行金融資產及金融負債(透過損益按公平值入賬之金融資產除外)直接應佔之交易成本於初步確認時加入金融資產或金融負債之公平值或從中扣除(如適用)。收購透過損益按公平值入賬之金融資產或金融負債直接應佔之交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債的攤銷成本及按相關期間分配利息收入及利息開支的方法。實際利率為於金融資產或金融負債的預期年期或(如適用)較短期間內將估計未來現金收入及付款(包括構成實際利率不可或缺一部分的所有已付或已收費用及貼息、交易成本以及其他溢價或折讓)準確貼現至於初步確認時的賬面淨值之利率。

利息收入按金融資產的實際利率基準確認，並以其他收入列示。

#### 金融資產

金融資產的分類及後續計量(根據附註2的過渡條文應用香港財務報告準則第9號後)

符合下列條件的金融資產其後按攤銷成本計量：

- 金融資產以持有金融資產以收取合約現金流量為目的之業務模式內持有；及
- 金融資產的合約條款會於指定日期產生現金流量，其性質純粹為支付本金及未償還本金的利息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

#### (i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

金融資產的分類及後續計量(根據附註2的過渡條文應用香港財務報告準則第9號後)(續)

符合下列條件的金融資產其後按透過其他全面收益按公平值入賬(「透過其他全面收益按公平值入賬」)計量:

- 金融資產以收取合約現金流量及銷售金融資產為目的之業務模式內持有;及
- 金融資產的合約條款會於指定日期產生現金流量,其性質純粹為支付本金及未償還本金的利息。

所有其他金融資產其後按透過損益按公平值入賬計量,惟於首次應用/初步確認金融資產日期,本集團可以不可撤銷地選擇在其他全面收益中呈列股權投資其後的公平值變動,惟該股權投資須並非持作買賣,亦非應用香港財務報告準則第3號「業務合併」的業務合併中一名收購方確認的或然代價。

#### (i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產及其後透過其他全面收益按公平值入賬的債務工具/應收款項使用實際利息法確認利息收入。就購買或發起的信貸減值金融資產以外的金融工具而言,利息收入透過對金融資產的賬面總值應用實際利率計算,惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言,利息收入自下一個報告期起透過對金融資產的攤銷成本應用實際利率確認。倘信貸減值金融工具的信貸風險得以改善,使金融資產不再出現信貸減值,則於釐定資產不再出現信貸減值之後的報告期初起,利息收入透過對金融資產的賬面總值應用實際利率確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, other receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

#### (i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

金融資產的減值(根據附註2的過渡條文應用國際財務報告準則第9號)

本集團根據香港財務報告準則第9號就發生減值之金融資產(包括貿易應收款項、其他應收款項及銀行結餘)確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各報告日期更新,以反映自初始確認後信貸風險的變化。

全期預期信貸虧損指將相關工具的預期使用期內所有可能的違約事件產生之預期信貸虧損。相反,12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件導致之全期預期信貸虧損部分。評估乃根據本集團的歷史信貸虧損經驗進行,並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團經常就貿易應收款項確認全期預期信貸虧損。該等資產的預期信貸虧損單獨評估。

就所有其他工具而言,本集團計量的虧損撥備等於12個月預期信貸虧損,除非自初始確認後信貸風險顯著增加,本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

#### (i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時,本集團將於報告日期金融工具發生之違約風險與初始確認日期金融工具發生之違約風險進行比較。在進行該評估時,本集團會考慮合理且可支持的定量和定性資料,包括歷史經驗及無需付出不必要的成本或努力而可得之前瞻性資料。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

#### (i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

金融資產的減值(根據附註2的過渡條文應用國際財務報告準則第9號)(續)

#### (i) 信貸風險顯著增加 (續)

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信用評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信用違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 導致債務人償還債務能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

不論上述評估之結果如何，本集團認為，當合約付款逾期超過30天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料證明事實並非如此。

儘管如此，倘一項債務工具於報告日期確定為信貸風險較低，則本集團假設該債務工具的信貸風險自初始確認以來並無大幅增加。倘一項債務工具(i)違約風險較低；(ii)借款人近期具充分償付合約現金流量負債的能力及(iii)長遠而言經濟及業務狀況的不利變動可能但未必會降低借款人償付合約現金流量負債的能力，則該項債務工具可確定為信貸風險較低。倘債務工具的內部或外部信貸評級為「投資級別」(根據國際通用釋義)，則本集團認為該債務工具屬於低信貸風險。



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

#### (i) Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### (ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

金融資產的減值(根據附註2的過渡條文應用國際財務報告準則第9號)(續)

#### (i) 信貸風險顯著增加 (續)

本集團定期監察用以識別信貸風險曾否顯著增加的標準的成效，並酌情對其作出修訂，從而確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

#### (ii) 違約的定義

就內部信貸風險管理而言，本集團認為，倘內部生成或自外部來源獲得之資料顯示債務人不太可能向其債權人(包括本集團)悉數付款(不考慮本集團持有的任何抵押品)，則發生違約事件。

無論上述分析結果如何，倘金融資產逾期超過90日，本集團將視作已發生違約，除非目標集團擁有合理及有理據支持之資料證明較寬鬆的違約標準更為適用，則當別論。

#### (iii) 信貸減值金融資產

金融資產在一項或多項對該金融資產估計未來現金流量構成不利影響的違約事件發生時出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現重大財務困難；
- (b) 違約，如違約或逾期事件；
- (c) 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因而向借款人授予貸款人不會另行考慮的優惠；
- (d) 借款人將有可能面臨破產或進行其他財務重組；或
- (e) 由於財務困難致使金融資產之活躍市場消失。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

#### (iv) Write-off policy

The Group writes off a financial asset including trade receivable, when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKAS 17 "Leases".

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

金融資產的減值(根據附註2的過渡條文應用國際財務報告準則第9號)(續)

#### (iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難且並無實際收回的可能時(例如對手方已清盤或進入破產程序時),本集團則撇銷金融資產(包括貿易應收款項)。於在適當情況下考慮法律意見後,已撇銷的金融資產仍可根據本集團的收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回於損益中確認。

#### (v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損(即違約時虧損大小)及違約時風險敞口之函數。違約概率及違約虧損之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損之估計反映無偏頗及概率加權之數額,其乃根據加權之相應違約風險而確定。

一般而言,預期信貸虧損乃根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間之估計差額,按首次確認時釐定之實際利率貼現。就租賃應收賬款而言,用於釐定預期信貸虧損之現金流量與根據香港會計準則第17號「租賃」計量之租賃應收賬款所用之現金流量一致。

利息收入根據金融資產的賬面值總額計算,惟金融資產存在信貸減值除外,在此情況下,利息收入乃按金融資產的攤銷成本計算。

除了透過虧損撥備賬確認相應調整的貿易應收款項,本集團就所有金融工具通過調整其賬面值於損益內確認減值損益。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018)

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

##### Loans and receivables

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

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

##### Impairment of financial assets (before application of HKFRS 9 on 1 April 2018)

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

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

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

金融資產之分類及後續計量(於二零一八年四月一日應用香港財務報告準則第9號前)

本集團的金融資產包括貸款及應收款項。分類取決於金融資產之性質及用途，並於初始確認時釐定。所有按常規買賣之金融資產乃按交易日基準確認及終止確認。按常規買賣指買賣須於按市場規則或慣例設定的時限內交付的金融資產。

##### 貸款及應收款項

貸款及應收款項為並無活躍市場報價而附帶固定或可釐定付款的非衍生金融資產。初始確認後，貸款及應收款項(包括貿易應收款項、其他應收款項以及銀行結餘及現金)採用實際利率法按攤銷成本減任何減值計量(參閱下文金融資產減值會計政策)。

利息收入乃應用實際利率確認，惟倘確認利息並不重大的短期應收款項則除外。

##### 金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號前)

除透過損益按公平值入賬之金融資產外，金融資產乃於各報告期末就減值指標予以評估。倘有客觀證據顯示因於初始確認金融資產後發生的一項或以上事件而影響金融資產的估計未來現金流量，則金融資產被視為減值。

就所有其他金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對方發生重大財務困難；或
- 違反合約，例如違約或拖欠利息或本金的支付；或
- 借貸人很可能破產或進行財務重組。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (before application of HKFRS 9 on 1 April 2018) (Continued)

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

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

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

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號前)(續) 應收款項組合減值的客觀證據可包括：本集團以往的收款經驗、組合中超過平均信用期限的延遲支付數量增加、以及與拖欠應收款項相聯繫的國內或當地經濟條件的可觀察的變化。

就按攤銷成本入賬的金融資產而言，已確認的減值虧損金額為該資產的賬面值與按金融資產原先實際利率折現的估計未來現金流量的現值之間的差額。

就以成本計量的金融資產而言，減值虧損金額按該資產的賬面金額與按類似金融資產當前的市場回報率折現的預計未來現金流量現值之間的差額計量。有關減值虧損在後續期間不會轉回。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟應收款項除外，其賬面值按撥備賬減少。撥備賬賬面值之變動於損益確認。倘應收款項被視為不可收回，則於撥備賬撤銷。其後收回之已撤銷數額乃計入損益賬。

就按攤銷成本計量的金融資產而言，倘於往後期間減值虧損的金額減少，而該減少可客觀地與減值虧損確認後發生的事件相關，則先前確認的減值虧損透過損益賬撥回，以於減值撥回日期該資產的賬面值不超過假設並無確認減值的攤銷成本為限。



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

#### Financial liabilities and equity instruments

##### Classification of debt or equity

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

##### Equity instruments

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

##### Financial liabilities at amortised cost

Financial liabilities (including trade and other payables and bank and other borrowings) are subsequently measured at amortised costs, using the effective interest method.

#### Derecognition of financial liabilities

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

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 終止確認金融資產

只有當資產現金流量的合約權利屆滿時，或向其他實體轉讓該金融資產及轉移該資產所有權的絕大部分風險及回報時，本集團方會終止確認金融資產。若本集團既無轉移亦無保留已轉讓資產所有權的絕大部分風險及回報，並繼續控制所轉讓資產，本集團將確認於該資產之保留權益及可能須支付之相關負債。若本集團仍保留已轉讓金融資產的所有權的絕大部分風險及回報，則將繼續確認該金融資產，並就已收所得款項確認有抵押借貸。

於終止確認以攤銷成本計量之金融資產時，該資產賬面值與已收及應收代價之和之間的差額於損益確認。

#### 金融負債及股本工具

##### 分類為債務或股本

集團實體發行的債務及股本工具乃根據所訂立的合約安排的性質與金融負債及股本工具的定义分類為金融負債或股本。

##### 股本工具

股本工具乃證明本集團於扣減其所有負債後的資產中擁有剩餘權益的任何合約。本公司發行的股本工具按已收所得款項扣減直接發行成本確認。

##### 按攤銷成本計量的金融負債

金融負債(包括貿易及其他應付款項以及銀行及其他借款)其後使用實際利率法按攤銷成本計量。

#### 終止確認金融負債

本集團當且僅當其責任獲履行、取消或屆滿時終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價的差額於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Borrowing costs

Borrowing costs, other than those directly attributable to the acquisition, construction or production of qualifying assets, are recognised in profit or loss in the period in which they are incurred.

#### Retirement benefit costs

Payments to Mandatory Provident Fund Scheme and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

#### Foreign currencies

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

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

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

### 3. 重大會計政策 (續)

#### 借貸成本

借貸成本在產生期間於損益確認，惟因收購、興建或生產合資格資產而直接產生的借貸成本除外。

#### 退休福利成本

向強制性公積金計劃及國家管理退休福利計劃作出的付款於僱員提供服務而享有供款時確認為開支。

#### 短期僱員福利

短期僱員福利於僱員提供服務時按預期支付福利的未貼現金額確認。所有短期僱員福利均確認為開支，除非有另一項香港財務報告準則規定或允許將福利計入資產成本則作別論。

僱員累計福利(如工資及薪金、年假及病假)於扣除已付金額後確認為負債。

#### 外幣

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

結算貨幣項目及重新換算貨幣項目的匯兌差額於產生期間在損益確認。

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies (Continued)

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), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

#### Taxation

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

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

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

### 3. 重大會計政策 (續)

#### 外幣 (續)

於出售海外業務(即出售本集團於海外業務的全部權益或出售涉及喪失包含海外業務的附屬公司的控制權)時,就本公司擁有人應佔該業務而於權益累計的所有匯兌差額重新分類至損益。

此外,倘附屬公司的部分出售並未導致本集團喪失附屬公司的控制權,則按比例將累計匯兌差額重新歸屬至非控股權益,且不會於損益內確認。

#### 稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised in profit or loss.

#### Government subsidies

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

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

### 3. 重大會計政策 (續)

#### 稅項 (續)

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

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

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

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

遞延稅項資產及負債於可依法將即期稅項資產與即期稅項負債抵銷時，及於該等遞延稅項資產及負債乃與同一稅務機關徵收的所得稅相關且本集團擬以淨額結清其即期稅項資產及負債時抵銷。

即期及遞延稅項在損益確認。

#### 政府補助

政府補助於可合理確保本集團符合所附條件而將接獲補助時方可確認。

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

#### Key sources of estimation uncertainty

##### *Estimated write down of inventories*

Management of the Group assesses whether the carrying amounts of the inventories are recoverable and estimates the allowance for inventories based on their industry knowledge and experience at the end of the reporting period. Management estimates the amount of allowance for inventories based on the lower of cost and their estimated net realisable value. In determining the net realisable values of the Group's inventories, the management considers the current market conditions, material price fluctuation and subsequent usage or sales. When the actual net realisable values are lower than expectation, such difference will impact the carrying amounts of inventories. As at 31 March 2019, the carrying amounts of inventories are approximately HK\$54,990,000 (2018: HK\$39,483,000). No allowance for inventories is recognised for the years ended 31 March 2019 and 2018.

### 4. 估計不明朗因素的主要來源

應用本集團的會計政策(附註3所述)時,本公司董事須對未能從其他來源確定的資產及負債的賬面值作出判斷、估計及假設。有關估計及相關假設以過往經驗及其他視為相關的因素為依據。實際結果可能有別於此等估計。

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

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

#### 估計不明朗因素的主要來源

##### *估計存貨撇減*

本集團管理層根據彼等的行業知識及經驗,於各報告期末評估存貨的賬面值是否為可收回並估計存貨撥備的金額。管理層根據成本與彼等估計之可變現淨值之較低者估計存貨撥備的金額。於釐定本集團存貨之可變現淨值時,管理層考慮當前市況、重大價格波動及其後用途或銷售。當實際可變現淨值低於預期時,有關差額將影響存貨的賬面值。於二零一九年三月三十一日,存貨賬面值約為54,990,000港元(二零一八年:39,483,000港元)。概無就截至二零一八年及二零一九年三月三十一日止年度的存貨確認撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

#### Key sources of estimation uncertainty (Continued)

##### Impairment assessment of trade receivables

Upon application of HKFRS 9 on 1 April 2018, the Group calculates ECL for the trade receivables individually after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 28 and 17 respectively.

As at 31 March 2019, the carrying amount of trade receivables are approximately HK\$64,424,000, net of impairment loss of HK\$2,603,000.

### 5. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in (i) manufacturing and trading of DTH rockdrilling tools, (ii) trading of piling and drilling machineries; and (iii) trading of rockdrilling equipment.

#### Disaggregation of revenue

For the year ended 31 March 2019

An analysis of the Group's revenue is as follows:

		2019 二零一九年 HK\$'000 千港元
Recognised at a point in time:	於某一時間點確認：	
Manufacturing and trading of DTH rockdrilling tools	製造及買賣潛孔鑿岩工具	108,273
Trading of piling and drilling machineries	買賣打樁機及鑽機	38,700
Trading of rockdrilling equipment	買賣鑿岩設備	16,468
		163,441

### 4. 估計不明朗因素的主要來源 (續)

#### 估計不明朗因素的主要來源 (續)

##### 貿易應收款項之減值估計

於二零一八年四月一日應用香港財務報告準則第9號後，本集團經考慮貿易債務人的內部信貸評級、賬齡、還款記錄及／或各貿易應收款項的逾期狀況後，單獨計算貿易應收款項的預期信貸虧損。估計虧損率乃基於債務人於預期年期的過往觀察所得的違約率估計，並就毋須花費不必要成本或努力即可獲得的合理可靠前瞻性資料作出調整。於各報告日期會重新評估過往已觀察的違約率及考慮前瞻性資料的變動。

預期信貸虧損之撥備對估計變動尤為敏感。有關預期信貸虧損及本集團的貿易應收款項的資料分別於附註28及17披露。

於二零一九年三月三十一日，貿易應收款項的賬面值約為64,424,000港元，已扣除減值虧損2,603,000港元。

### 5. 收益及分部資料

本集團主要從事(i)製造及買賣潛孔鑿岩工具；(ii)買賣打樁機及鑽機；及(iii)買賣鑿岩設備業務。

#### 收益明細

截至二零一九年三月三十一日止年度本集團收益的分析如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. REVENUE AND SEGMENT INFORMATION (Continued)

#### Performance obligations for contracts with customers

All of the Group's revenue is recognised when the control of goods is transferred, being when the goods are delivered to the customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customer's premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers upon receipt of goods. The contracts signed with the customers are short-term and fixed price contracts.

#### Transaction price allocated to the remaining performance obligation for contract with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 and the expected timing of recognising revenue are as follows:

	HK\$'000 千港元
Within one year	23,466

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

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

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

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

### 5. 收益及分部資料 (續)

#### 就與客戶之間合約的履約責任

本集團所有收益均於貨品的控制權已轉移(即當貨品交付至客戶指定地點)時確認。當貨品交付至客戶處所時即確認應收款項,原因是此代表收取代價之權利成為無條件的一個時間點,於款項到期前只須待時間過去。當客戶收到貨品並接受後,客戶並無權利退回貨品,或延遲或逃避支付貨款。與客戶簽署的合約為短期及固定價格合約。

#### 分配至就與客戶之間合約餘下履約責任之交易價

於二零一九年三月三十一日分配至餘下履約責任(未達成或部分未達成)之交易價及確認收益的預期時間如下:

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

本集團可呈報分部的詳情如下:

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

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. REVENUE AND SEGMENT INFORMATION (Continued)

#### Segment revenue and results

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

For the year ended 31 March 2019

### 5. 收益及分部資料 (續)

#### 分部收益及業績

以下載列本集團按經營及可呈報分部劃分的收益及業績分析：

截至二零一九年三月三十一日止年度

		Manufacturing and trading of DTH rockdrilling tools 製造及買賣 潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣打樁機 及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣鑿岩 設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment and external sales	分部及外界銷售	108,273	38,700	16,468	163,441
RESULTS	業績				
Segment result	分部業績	54,533	7,380	4,444	66,357
Unallocated expenses	未分配開支				(40,078)
Other income and expenses	其他收入及開支				2,108
Impairment losses, net of reversal	減值虧損(扣除撥回)				(2,952)
Other gains and losses	其他收益及虧損				1,404
Finance costs	融資成本				(1,041)
Profit before tax	除稅前溢利				25,798



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. REVENUE AND SEGMENT INFORMATION (Continued)

#### Segment revenue and results (Continued)

For the year ended 31 March 2018

		Manufacturing and trading of DTH rockdrilling tools 製造及買賣 潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣打樁機 及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣 鑿岩設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment and external sales	分部及外界銷售	62,609	27,489	9,605	99,703
RESULTS	業績				
Segment result	分部業績	31,962	3,438	2,069	37,469
Unallocated expenses	未分配開支				(32,225)
Other income and expenses	其他收入及開支				202
Impairment losses, net of reversal	減值虧損(扣除撥回)				(1,179)
Other gains and losses	其他收益及虧損				(872)
Finance costs	融資成本				(473)
Profit before tax	除稅前溢利				2,922

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned by each segment without allocation of unallocated expenses (mainly including general office expenses, selling and distribution expenses and unallocated depreciation), other income and expenses, impairment losses, net of reversal, other gains and losses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

#### Segment assets and liabilities

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

### 5. 收益及分部資料 (續)

#### 分部收益及業績 (續)

截至二零一八年三月三十一日止年度

經營分部的會計政策與附註3所述本集團的會計政策相同。分部業績指分配未分配開支(主要包括一般辦公室開支、銷售及分銷開支及未分配折舊)、其他收入及開支、減值虧損(扣除撥回)、其他收益及虧損和融資成本前各分部所賺溢利。該計量方式會呈報本集團主要經營決策者以作資源分配及表現評估。

#### 分部資產及負債

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. REVENUE AND SEGMENT INFORMATION (Continued) Other information

For the year ended 31 March 2019

### 5. 收益及分部資料 (續) 其他資料

截至二零一九年三月三十一日止年度

	Manufacturing and trading of DTH rockdrilling tools 製造及買賣潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣打樁機及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣鑿岩設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元	
Amounts regularly provided to the CODM but not included in the measurement of segment result:	定期向主要經營決策者提供但不用於計量分部業績的款項：				
Depreciation	折舊	1,827	132	14	1,973
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	406	-	406

For the year ended 31 March 2018

截至二零一八年三月三十一日止年度

	Manufacturing and trading of DTH rockdrilling tools 製造及買賣潛孔鑿岩工具 HK\$'000 千港元	Trading of piling and drilling machineries 買賣打樁機及鑽機 HK\$'000 千港元	Trading of rockdrilling equipment 買賣鑿岩設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元	
Amounts regularly provided to the CODM but not included in the measurement of segment result:	定期向主要經營決策者提供但不用於計量分部業績的款項：				
Depreciation	折舊	994	224	43	1,261

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. REVENUE AND SEGMENT INFORMATION (Continued) Geographical information

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

		Revenue from external customers 來自外界客戶收益 For the year ended 31 March 截至三月三十一日止年度		Property, plant and equipment 物業、廠房及設備 As at 31 March 於三月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	129,974	88,520	3,592	941
Macau	澳門	22,434	6,046	-	-
Peru	秘魯	5,655	-	-	-
Japan	日本	3,948	348	-	-
Scandinavia	斯堪的納維亞	1,241	2,839	-	-
The PRC	中國	-	-	7,636	9,964
Others	其他	189	1,950	-	-
		<b>163,441</b>	99,703	<b>11,228</b>	10,905

### Information about major customers

Revenue from major customers which accounted for 10% or more of the Group's revenue for each of the years are set out below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A from trading of piling and drilling machineries	買賣打樁機及鑽機的客戶A	N/A 不適用 <sup>1</sup>	12,257
Customer B from all segments	來自所有分部的客戶B	N/A 不適用 <sup>1</sup>	10,545
Customer C from all segments	來自所有分部的客戶C	20,668	N/A 不適用 <sup>1</sup>
Customer D from manufacturing and trading of DTH rockdrilling tools and trading of rockdrilling equipment	製造及買賣潛孔鑿岩工具及鑿岩設備的客戶D	19,089	N/A 不適用 <sup>1</sup>

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

### 5. 收益及分部資料 (續) 地區資料

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

### 主要客戶資料

於各年度來自佔本集團收益10%或以上之主要客戶的收益載列如下：

<sup>1</sup> 相關收益並未佔本集團總收益的10%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6. OTHER INCOME AND EXPENSES

### 6. 其他收入及開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Rental income of piling and drilling machineries and equipment	打樁機及鑽機及設備租金收入	1,264	513
Repair fee income	修理費用收入	313	-
Scrap sales	廢料銷售	295	102
Bank interest income	銀行利息收入	30	20
Interest income on insurance scheme	保險計劃利息收入	88	86
Sundry income	雜項收入	118	27
Government grant (note (1))	政府補助(附註(1))	-	2,877
Legal and professional fees (note (2))	法律及專業費用(附註(2))	-	(3,423)
		<b>2,108</b>	202

Notes:

- (1) Government subsidies of approximately HK\$2,877,000 had been received in the prior year to award the listing of the Company. The PRC subsidiary had complied with the conditions attached to the grants and, therefore, the Group recognised the grants in profit or loss upon receipt.
- (2) Legal and professional fee of approximately HK\$3,423,000 in relation to change in shareholders in February 2018 was charged to profit or loss.

附註：

- (1) 於上年度已接獲政府補貼約2,877,000港元，以資助本公司上市。中國附屬公司已符合有關補貼所附帶之條件，因此，本集團在接獲後於損益確認有關補貼。
- (2) 與二零一八年二月股東變更有關的法律及專業費用約3,423,000港元已於損益扣除。

### 7. IMPAIRMENT LOSSES, NET OF REVERSAL/OTHER GAINS AND LOSSES

### 7. 減值虧損(扣除撥回) / 其他收益及虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Impairment losses on trade receivables, net of reversal	貿易應收款項減值虧損(扣除撥回)	(2,952)	(1,179)
Details of impairment assessment for the year ended 31 March 2019 are set out in note 28.	截至二零一九年三月三十一日的減值評估的詳情載於附註28。		
Other gains and losses include the followings:	其他收益及虧損包括以下各項：		
Net foreign exchange gain (loss)	外匯收益(虧損)淨額	1,810	(872)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(406)	-
		<b>1,404</b>	(872)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 8. FINANCE COSTS

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bank and other borrowings 銀行及其他借貸利息	1,041	473

### 8. 融資成本

### 9. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Directors' remuneration (Note 11) 董事酬金(附註11)	1,058	5,424
Other staff costs 其他員工成本	16,114	11,462
Contributions to retirement benefit schemes, other than those of directors 退休福利計劃供款(董事之供款除外)	1,358	1,271
Total staff costs 員工成本總額	18,530	18,157
Capitalised in cost of inventories manufactured 已資本化為製造存貨成本	(5,982)	(4,936)
	12,548	13,221
Depreciation of property, plant and equipment 物業、廠房及設備折舊	3,883	3,137
Capitalised in cost of inventories manufactured 已資本化為製造存貨成本	(1,910)	(1,876)
	1,973	1,261
Auditor's remuneration 核數師酬金	2,450	2,428
Cost of inventories recognised as expense 確認為開支之存貨成本	97,084	62,234
Operating lease rental in respect of minimum lease payments of rented premises 以下項目的經營租賃租金：租賃物業的最低租金付款	3,925	3,532

### 9. 除稅前溢利

除稅前溢利已扣除以下項目：



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10. INCOME TAX EXPENSE

### 10. 所得稅開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong	香港	4,896	1,596
PRC Enterprise Income Tax	中國企業所得稅	1,925	683
		<b>6,821</b>	2,279
Underprovision in prior years	過往年度撥備不足		
Hong Kong	香港	-	47
Deferred tax (credit) charge (Note 22)	遞延稅項(抵免)支出(附註22)	<b>(788)</b>	105
		<b>6,033</b>	2,431

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the PRC Enterprise Income Tax is calculated at 25% (2018: 25%) of the assessable profits for the subsidiary established in the PRC.

於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「**條例草案**」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日簽署成為法律，並於次日刊憲。根據利得稅兩級制，合資格集團實體首2百萬港元溢利將按8.25%的稅率繳稅，而超過2百萬港元的溢利將按16.5%的稅率繳稅。不符合資格採用利得稅兩級制的集團實體的溢利將繼續按劃一的稅率16.5%繳稅。

本公司董事認為，實施利得稅兩級制所涉及的金額對綜合財務報表而言微不足道。兩個年度內的香港利得稅按估計應課稅溢利的16.5%計算。

根據中國企業所得稅法(「**企業所得稅法**」)及企業所得稅法實施條例，於中國成立的附屬公司須按應課稅溢利的25%(二零一八年：25%)計算中國企業所得稅。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10. INCOME TAX EXPENSE (Continued)

The income tax expense for the year ended 31 March 2019 can be reconciled to the profit before tax as follows:

### 10. 所得稅開支(續)

截至二零一九年三月三十一日止年度所得稅開支與除稅前溢利對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	除稅前溢利	25,798	2,922
Tax at the domestic income tax rate of 16.5%	按本地所得稅率16.5%計算之稅項	4,257	482
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	1,413	1,658
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	(6)	(4)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	-	59
Utilisation of tax losses previously not recognised	動用以往未確認的稅項虧損	(59)	-
Underprovision in prior years	過往年度撥備不足	-	47
Tax effect of different tax rate of subsidiary operating in other jurisdiction	於其他司法權區經營之附屬公司採用不同稅率的稅務影響	654	232
Tax concession (note)	稅務減免(附註)	(60)	(90)
Tax effect of two-tiered profit tax rates regime	兩級利得稅率制度的稅務影響	(165)	-
Others	其他	(1)	47
Income tax expense	所得稅開支	6,033	2,431

Note: During the year ended 31 March 2019, each subsidiary incorporated in Hong Kong entitled tax concession of HK\$20,000 (2018: HK\$30,000).

附註：截至二零一九年三月三十一日止年度，於香港註冊成立的各附屬公司享有稅務減免20,000港元(二零一八年：30,000港元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES

#### Directors and Chief Executive

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance is as follows:

For the year ended 31 March 2019

### 11. 董事、行政總裁及僱員酬金

#### 董事及行政總裁

本年度董事及行政總裁酬金，根據適用上市規則及香港公司條例披露如下：

截至二零一九年三月三十一日止年度

		Fee	Salaries and other benefits	Performance related incentive payments (note)	Contributions to retirement benefit schemes	Total
		袍金	薪金及其他福利	績效獎金 (附註)	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Executive directors</b>	<b>執行董事</b>					
Mr. He Xiaoming (note 3)	何笑明先生(附註3)	-	-	-	-	-
Mr. Wong Ka Shing (note 5)	黃嘉盛先生(附註5)	-	-	-	-	-
Mr. Chan Leung Choi (note 1)	陳樑材先生(附註1)	-	42	-	1	43
Mr. Chan Kin Choi (note 1)	陳健材先生(附註1)	-	41	-	1	42
Mr. Chan Tat Choi (note 4)	陳達材先生(附註4)	-	581	-	11	592
Ms. Liang Ning (note 1)	梁寧女士(附註1)	-	20	-	1	21
		-	684	-	14	698
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Ms. Lam Hoi Yu Nicki (note 3)	林凱如女士(附註3)	114	-	-	-	114
Mr. Lau Leong Yuen (note 3)	劉量源先生(附註3)	114	-	-	-	114
Mr. Liu Tin Lap (note 3)	廖天立先生(附註3)	114	-	-	-	114
Mr. Lewis Chan (note 2)	陳令紘先生(附註2)	6	-	-	-	6
Mr. Lam Chun Fung (note 2)	藍俊峰先生(附註2)	6	-	-	-	6
Mr. Sung Lok Man Richard (note 2)	宋樂文先生(附註2)	6	-	-	-	6
		360	-	-	-	360
		360	684	-	14	1,058

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES (Continued)

#### Directors and Chief Executive (Continued)

For the year ended 31 March 2018

	Fee	Salaries and other benefits	Performance related incentive payments (note)	Contributions to retirement benefit schemes	Total
	袍金	薪金及其他福利	績效獎金	退休福利計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
<b>Executive directors</b>					
Mr. Chan Leung Choi (note 1)	–	1,312	410	18	1,740
Mr. Chan Kin Choi (note 1)	–	1,270	314	33	1,617
Mr. Chan Tat Choi (note 4)	–	882	244	18	1,144
Ms. Liang Ning (note 1)	–	547	32	44	623
	–	4,011	1,000	113	5,124
<b>Independent non-executive directors</b>					
Mr. Lewis Chan (note 2)	100	–	–	–	100
Mr. Lam Chun Fung (note 2)	100	–	–	–	100
Mr. Sung Lok Man Richard (note 2)	100	–	–	–	100
	300	–	–	–	300
	300	4,011	1,000	113	5,424

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as Directors of the Company.

### 11. 董事、行政總裁及僱員酬金 (續)

#### 董事及行政總裁 (續)

截至二零一八年三月三十一日止年度

上文所示執行董事的酬金乃與彼等管理本公司及本集團事務所提供的服務有關。上文所示非執行董事的酬金與彼等擔任本公司董事有關。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES (Continued)

#### Directors and Chief Executive (Continued)

Note 1: Mr. Chan Leung Choi, Mr. Chan Kin Choi and Ms. Liang Ning had resigned as executive directors and Mr. Chan Leung Choi has also resigned his position as the chairman and the chief executive officer of the Company on 13 April 2018.

Note 2: Mr. Lewis Chan, Mr. Lam Chun Fung and Mr. Sung Lok Man Richard had resigned as independent non-executive directors on 20 April 2018.

Note 3: Mr. He Xiaoming had been appointed as an executive director, chief executive officer and chairman of the board of directors, on 13 April 2018. Mr. Liu Tin Lap, Mr. Lau Leong Yuen and Ms. Lam Hoi Yu Nicki were appointed as independent non-executive directors on 20 April 2018.

Note 4: Mr. Chan Tat Choi had resigned as an executive director on 8 November 2018.

Note 5: Mr. Wong Ka Shing had been appointed as an executive director on 9 January 2019.

#### Employees

The five highest paid individuals for the year ended 31 March 2019 include nil director of the Company, and that for the year ended 31 March 2018 included three directors of the Company, details of whose remunerations are set out above. Details of the remuneration for the year ended 31 March 2019 of the remaining five (2018: two) highest paid employees who are neither director nor chief executive of the Company are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	5,365	1,471
Performance related incentive payments (note)	績效獎金(附註)	2,518	588
Contributions to retirement benefit schemes	退休福利計劃供款	132	36
		<b>8,015</b>	2,095

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

### 11. 董事、行政總裁及僱員酬金(續)

#### 董事及行政總裁(續)

附註1: 於二零一八年四月十三日, 陳樑材先生、陳健材先生及梁寧女士辭任執行董事, 陳樑材先生亦辭任本公司主席及行政總裁。

附註2: 於二零一八年四月二十日, 陳令紘先生、藍俊峰先生及宋樂文先生辭任獨立非執行董事。

附註3: 於二零一八年四月十三日, 何笑明先生獲委任為執行董事、行政總裁及董事會主席。於二零一八年四月二十日, 廖天立先生、劉量源先生及林凱如女士獲委任為獨立非執行董事。

附註4: 於二零一八年十一月八日, 陳達材先生辭任執行董事。

附註5: 於二零一九年一月九日, 黃嘉盛先生獲委任為執行董事。

#### 僱員

截至二零一九年三月三十一日止年度, 五名最高薪酬人士包括本公司零名董事, 而截至二零一八年三月三十一日止年度, 五名最高薪酬人士包括本公司三名董事, 彼等的薪酬詳情載於上文。截至二零一九年三月三十一日止年度, 餘下五名(二零一八年: 兩名)最高薪酬僱員並非本公司董事或行政總裁, 彼等的薪酬詳情如下:

附註: 績效獎金視乎本年度的個人表現及集團實體盈利情況而定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES (Continued)

#### Employees (Continued)

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

		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至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	2	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	–
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	–
		5	2

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 March 2019 and 2018. None of the directors waived or agreed to waive any emoluments for the years ended 31 March 2019 and 2018.

### 12. DIVIDENDS

The board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: nil).

### 11. 董事、行政總裁及僱員酬金(續)

#### 僱員(續)

在下列酬金組別的該等最高薪酬僱員的人數如下：

	2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	2	1
HK\$1,500,001 to HK\$2,000,000	1	–
HK\$3,000,001 to HK\$3,500,000	1	–
	5	2

截至二零一九年及二零一八年三月三十一日止年度，本集團概無向本公司董事或五名最高薪酬人士(包括董事及僱員)支付酬金，作為加入或加入本集團後的獎勵或作為離職補償。截至二零一九年及二零一八年三月三十一日止年度，概無董事放棄或同意放棄任何酬金。

### 12. 股息

本公司董事會不建議就截至二零一九年三月三十一日止年度派付末期股息(二零一八年：無)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 13. EARNINGS (LOSS) PER SHARE

### 13. 每股盈利(虧損)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit (loss):	溢利(虧損):		
Profit (loss) for the purpose of calculating basic earnings (loss) per share:	用以計算每股基本盈利(虧損)的溢利(虧損):		
Profit (loss) for the year attributable to the owners of the Company	本公司擁有人應佔年內溢利(虧損)	13,859	(2,324)
		'000 千股	'000 千股
Number of shares:	股份數目:		
Number of ordinary shares for the purpose of calculating basic earnings (loss) per share	用以計算每股基本盈利(虧損)的普通股數目	380,000	380,000

No diluted earnings (loss) per share for the years ended 31 March 2019 and 2018 was presented as there were no potential ordinary shares in issue during the years ended 31 March 2019 and 2018.

由於截至二零一九年及二零一八年三月三十一日止年度並無已發行潛在普通股，故並無呈列截至二零一九年及二零一八年三月三十一日止年度的每股攤薄盈利(虧損)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Furniture, fixtures and office equipment 傢俬、固定裝置及辦公設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Plant and machineries 廠房及機器 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>					
At 1 April 2017	於二零一七年四月一日	3,746	2,309	17,759	2,996	26,810
Currency realignment	匯兌調整	378	94	1,696	316	2,484
Additions	添置	175	-	400	1,181	1,756
Disposal	出售	(6)	-	-	-	(6)
At 31 March 2018	於二零一八年三月三十一日	4,293	2,403	19,855	4,493	31,044
Currency realignment	匯兌調整	(242)	(65)	(1,135)	(223)	(1,665)
Additions	添置	283	3,733	1,253	-	5,269
Disposal/written off	出售/撇銷	(486)	(88)	(89)	(620)	(1,283)
At 31 March 2019	於二零一九年三月三十一日	3,848	5,983	19,884	3,650	33,365
<b>DEPRECIATION</b>	<b>折舊</b>					
At 1 April 2017	於二零一七年四月一日	1,904	1,866	10,185	1,567	15,522
Currency realignment	匯兌調整	215	76	999	196	1,486
Provided for the year	年內撥備	375	260	1,516	986	3,137
Elimination on disposals	出售時撇銷	(6)	-	-	-	(6)
At 31 March 2018	於二零一八年三月三十一日	2,488	2,202	12,700	2,749	20,139
Currency realignment	匯兌調整	(165)	(55)	(720)	(148)	(1,088)
Provided for the year	年內撥備	393	696	2,262	532	3,883
Elimination on disposals/written off	出售/撇減時撇銷	(424)	(79)	(80)	(214)	(797)
At 31 March 2019	於二零一九年三月三十一日	2,292	2,764	14,162	2,919	22,137
<b>CARRYING VALUES</b>	<b>賬面值</b>					
At 31 March 2019	於二零一九年三月三十一日	1,556	3,219	5,722	731	11,228
At 31 March 2018	於二零一八年三月三十一日	1,805	201	7,155	1,744	10,905

During the year ended 31 March 2018, additions of plant and machineries of HK\$400,000 was transferred from inventories. Rental income of approximately HK\$93,000 was recognised as an other income in respect of the plant and machineries and is included "other income and expenses".

截至二零一八年三月三十一日止年度，添置廠房及機器400,000港元乃自存貨轉撥。租金收入約93,000港元已確認為有關廠房及機器的其他收入，並計入「其他收入及開支」。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

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

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

### 15. DEPOSITS PLACED AT AN INSURANCE COMPANY

Deposits placed at an insurance company	存於保險公司之存款
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During the year ended 31 March 2017, the Group entered into several life insurance contracts (the “Policies”) with an insurance company to insure all the former executive directors of the Company (who remain as key management of the Group in current year). Under the Policies, the beneficiary and policy holder are Top Mark, a wholly-owned subsidiary of the Company, and the total insured sum is United States dollars (“US\$”)1,800,000 (equivalent to approximately HK\$14,040,000). The Group needs to pay a premium charge at inception amounting to US\$548,000 (equivalent to approximately HK\$4,256,000). The insurance company will pay the Group a guaranteed interest rate of 3.9% per annum for the first to five years and a variable return per annum afterwards (with guaranteed minimum interest rate of 2.25% per annum) during the effective period of the Policies on the outstanding cash value of the Policies (which is determined by the premium charge plus accumulated interest earned and minus notional amount charge, cost of insurance charge and premium loan (if any)).

The Group is allowed to terminate the Policies at any time and receive value in cash based on the value of the Policies at the date of withdrawal, which is determined by the upfront payment of US\$548,000 (equivalent to approximately HK\$4,274,000) plus accumulated interest earned and minus premium charge, notional amount charge, cost of insurance charge and premium loan (if any). A specified amount of surrender charge will apply if withdrawal of the Policies is made between the 1st to 14th policy year.

### 14. 物業、廠房及設備 (續)

上述物業、廠房及設備項目按下列年比率以直線基準折舊：

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

### 15. 存於保險公司之存款

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deposits placed at an insurance company	4,514	4,426

截至二零一七年三月三十一日止年度，本集團與一家保險公司訂立多份人壽保險合約（「保單」），為本公司之全部前執行董事（於本年度仍為本集團主要管理層）投保。根據該保單，本公司之全資附屬公司震東機械為受益人及投保人。總投保額為1,800,000美元（「美元」）（相當於約14,040,000港元）。本集團須於生效日期支付保費548,000美元，相當於約4,256,000港元。保險公司將向本集團支付首年保證年利率3.9%，並於往後保單生效期內就保單之未繳現金價值（按已付保費總額加累計已賺利息並扣除名義金額費用、保險費用及保費貸款（如有）而釐定）每年支付可變回報（最低保證年利率為2.25%）。

本集團可隨時終止保單，並按撤銷日期之保單價值收回現金價值，由預付款項548,000美元（相當於約4,274,000港元）加累計已賺利息減保費、名義金額費用、保險費用及保費貸款（如有）所釐定。如於第1至第14個保單年度期間撤回保單，將收取指定金額之退保費用。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15. DEPOSITS PLACED AT AN INSURANCE COMPANY

(Continued)

The directors of the Company considered the Group will not terminate the Policies within twelve months from the end of the reporting period and classified as non-current assets. As at 31 March 2019 and 31 March 2018, the expected life of the Policies was remained unchanged from the initial recognition and the directors of the Company considered the chance of exercising the option to surrender the Policies is remote. The financial impact of the option to terminate the Policies was insignificant.

### 15. 存於保險公司之存款(續)

本公司董事認為，本集團於報告期結束後十二個月內不會終止保單並將分類為非流動資產。於二零一九年三月三十一日及二零一八年三月三十一日，保單預計投保期自初步確認起維持不變，而本公司董事認為行使選擇權放棄保單之機會甚微。選擇終止保單所帶來之財務影響並不重大。

### 16. INVENTORIES

Raw materials and consumables	原材料及消耗品
Work in progress	在製品
Finished goods	製成品

### 16. 存貨

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	17,145	13,755
	4,423	3,439
	33,422	22,289
	54,990	39,483

### 17. TRADE AND OTHER RECEIVABLES

Trade receivables, net	貿易應收款項淨額
Other receivables	其他應收款項
- Value-added tax recoverable	- 可收回增值稅
- Prepayments	- 預付款項
- Deposits	- 按金
- Other receivables	- 其他應收款項
Total trade and other receivables	貿易及其他應收款項總額

### 17. 貿易及其他應收款項

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	64,424	41,802
	2,149	935
	4,223	1,052
	2,224	5,598
	824	205
	73,844	49,592

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 17. TRADE AND OTHER RECEIVABLES (Continued)

As at 31 March 2019 and 1 April 2018, trade receivables from contracts with customers amounted to HK\$64,424,000 and HK\$41,802,000 respectively.

The Group grants a credit period ranged from 30 days to 90 days upon delivery of goods to its customers. The following is an aged analysis of trade receivables based on delivery dates, net of impairment losses at the end of the reporting period:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 to 30 days	0至30日	14,816	14,545
31 to 60 days	31至60日	7,092	5,450
61 to 90 days	61至90日	12,112	4,916
91 to 180 days	91至180日	12,006	8,748
181 days to 1 year	181日至1年	12,214	6,010
Over 1 year	1年以上	6,184	2,133
		<b>64,424</b>	41,802

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

Before the application of HKFRS 9 on 1 April 2018, in determining the allowance for trade receivables, the management considered the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

Details of impairment assessment for the year ended 31 March 2019 are set out in note 28.

Before the application of HKFRS 9 on 1 April 2018, included in the Group's trade receivables balance were debtors with aggregate carrying amounts of approximately HK\$24,391,000 which were past due at the end of the reporting period for which the Group had not recognised an allowance for trade receivables because there had not been a significant change in credit history and the amounts were still considered recoverable. Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there were subsequent settlements or no history of default. The Group did not hold any collateral over these balances.

### 17. 貿易及其他應收款項(續)

於二零一九年三月三十一日及二零一八年四月一日，來自客戶合約貿易應收款項分別達64,424,000港元及41,802,000港元。

本集團給予客戶的信貸期介乎交付貨物後30至90日。以下為於報告期末基於交付日期的貿易應收款項(已扣除減值虧損)賬齡分析：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 to 30 days	14,816	14,545
31 to 60 days	7,092	5,450
61 to 90 days	12,112	4,916
91 to 180 days	12,006	8,748
181 days to 1 year	12,214	6,010
Over 1 year	6,184	2,133
	<b>64,424</b>	41,802

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

於二零一八年四月一日應用香港財務報告準則第9號前，管理層在釐定貿易應收款項撥備時，考慮信貸記錄，包括拖欠或延遲付款、結算記錄、後續結算及貿易應收款項賬齡分析。

截至二零一九年三月三十一日止年度的減值評估詳情載於附註28。

於二零一八年四月一日應用香港財務報告準則第9號前，本集團的貿易應收款項結餘包括總賬面值約為24,391,000港元的應收賬款，於本集團尚未確認貿易應收款項撥備的報告期末已到期，原因為信用記錄沒有發生重大變化，金額仍被視為可收回。既未逾期亦未減值的貿易應收款項涉及後續結算或無違約記錄的廣泛客戶。本集團並未就該等結餘持有任何抵押品。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 17. TRADE AND OTHER RECEIVABLES (Continued)

At 31 March 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$47,511,000 which are past due and which impairment loss had not been provided for since they are of good credit quality and expected to be recoverable. The Group does not hold any collateral over these balances. Include in the past due balance of HK\$23,282,000 are debtors which are past due 90 days or more and are not considered as in default based on good repayment records for those debtors and continuous business with the Group.

#### Aging of trade receivables which are past due but not impaired

		2018 二零一八年 HK\$'000 千港元
0 to 30 days	0至30日	8,415
31 to 60 days	31至60日	4,084
61 to 90 days	61至90日	1,874
91 to 180 days	91至180日	5,949
181 days to 1 year	181至一年	2,630
Over 1 year	一年以上	1,439
		24,391

An allowance was provided on trade receivables and the movement is as follows:

已就貿易應收款項計提撥備，有關變動如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at the beginning of the year	年初結餘	-	-
Adjustment (note 2)	調整(附註2)	1,722	-
Balance at the beginning of the year (restated)	年初結餘(經重列)	1,722	-
Impairment losses recognised	已確認減值虧損	2,952	1,179
Amounts written off as uncollectible	撇銷為不可收回的款項	(2,071)	(1,179)
Closing at the end of the year	年終結餘	2,603	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. BANK BALANCES AND CASH

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Denominated in US\$	以美元計值	2,346	875

Bank balances carry interests at prevailing market rates ranging from 0% to 0.33% (2018: 0% to 0.33%) per annum.

Details of impairment assessment for the year ended 31 March 2019 are set out in note 28.

### 18. 銀行結餘及現金

本集團以相關集團實體功能貨幣以外的貨幣計值之銀行結餘及現金載列如下：

銀行結餘按介乎0%至0.33%（二零一八年：0%至0.33%）的當前市場年利率計息。

截至二零一九年三月三十一日止年度的減值評估詳情載於附註28。

### 19. TRADE AND OTHER PAYABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables	貿易應付款項	9,877	8,092
Accrued expenses	應計開支	3,961	7,451
Accrued housing provident fund	應計住房公積金	1,054	1,127
Receipt in advance	預收款項	-	2,713
Other payables	其他應付款項	1,403	128
Total trade and other payables	貿易及其他應付款項總額	16,295	19,511

As at and commencing from 1 April 2018, receipt in advance from customers of approximately HK\$2,713,000 in respect of considerations received from customers previously included in trade and other payables were reclassified to contract liabilities resulting from the application of HKFRS 15.

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

### 19. 貿易及其他應付款項

於二零一八年四月一日及自該日起，有關原計入貿易及其他應付款項之已收客戶代價的預收客戶款項約2,713,000港元因應用香港財務報告準則第15號而重新分類為合約負債。

供應商授予的貿易應付款項的信貸期介乎開具發票起計30至60日。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 19. TRADE AND OTHER PAYABLES (Continued)

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 to 30 days	0至30日	6,101	4,543
31 to 60 days	31至60日	3,647	1,322
61 to 90 days	61至90日	33	2,227
91 to 180 days	91至180日	96	-
		<b>9,877</b>	8,092

### 19. 貿易及其他應付款項(續)

以下為貿易應付款項基於發票日期的賬齡分析。

### 20. CONTRACT LIABILITIES

		31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元	1 April 2018* 二零一八年 四月一日* HK\$'000 千港元
Contract liabilities	合約負債	163	2,713

\* The amount in this column is after the adjustments from the application of HKFRS 15.

The contract liabilities at 1 April 2018 were fully recognised as revenue in the current year.

### 20. 合約負債

\* 此欄金額乃應用香港財務報告準則第15號後調整得出。

二零一八年四月一日的合約負債於本年度悉數確認為收益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 21. BANK AND OTHER BORROWINGS

### 21. 銀行及其他借貸

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank loans, unsecured and guaranteed	無抵押有擔保的銀行貸款	5,292	1,697
Other loans, unsecured and unguaranteed	無抵押無擔保的其他貸款	20,000	-
		<b>25,292</b>	1,697
Carrying amounts repayable*:	應償還款項賬面值*:		
Within one year	一年內	5,292	1,697
In the second year	第二年	20,000	-
		<b>25,292</b>	1,697
Less: Amounts included under current liabilities (including bank and other loans with a repayable on demand clause)	減：列示於流動負債的款項 (包括按要求償還的銀行及其他貸款)	<b>(25,292)</b>	(1,697)
Amounts included under non-current liabilities	列示於非流動負債的款項	-	-

\* The amounts due are based on scheduled repayment dates set out in loan agreements.

The bank borrowings as at 31 March 2019 carry interest ranging from prime rate -1% in Hong Kong to one month Hong Kong Interbank Offered Rate +3% (2018: prime rate in Hong Kong per annum).

The other borrowings as at 31 March 2019 carry interest at 5% per annum (2018: nil). The other borrowings are denominated in HK\$ and used for general working capital.

As at 31 March 2019, bank borrowings amounting to HK\$5,292,000 (2018: HK\$1,697,000) are guaranteed by the Company. As at 31 March 2019, deposits placed at an insurance company amounting to HK\$4,514,000 (2018: HK\$4,426,000) held by Top Mark are pledged to secure general banking facilities granted to the Group.

\* 到期款項乃根據貸款協議所載計劃還款日期償還。

截至二零一九年三月三十一日之銀行借貸的年利率介乎香港優惠利率-1%至香港銀行同業拆息+3% (二零一八年：以香港優惠年利率計息)。

於二零一九年三月三十一日的其他借款按5%的年利率計息 (二零一八年：無)。其他借款以港元計值及用作一般營運資金。

於二零一九年三月三十一日，銀行借貸5,292,000港元 (二零一八年：1,697,000港元) 由本公司擔保。於二零一九年三月三十一日，由震東機械持有並存放於保險公司之存款4,514,000港元 (二零一八年：4,426,000港元) 已作抵押，以擔保本集團獲授的一般銀行融資。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 22. DEFERRED TAX LIABILITIES (ASSETS)

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

		<b>ECL provision</b>	<b>Accelerated tax depreciation</b>	<b>Total</b>
		預期信貸 虧損撥備	加速稅項折舊	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日	–	(37)	(37)
Charge to profit or loss	於損益扣除	–	105	105
At 31 March 2018	於二零一八年三月三十一日	–	68	68
Credit to profit or loss	計入損益	(429)	(359)	(788)
At 31 March 2019	於二零一九年三月三十一日	(429)	(291)	(720)

No deferred tax asset has been recognised in respect of the unutilised tax losses of HK\$450,000 (2018: HK\$808,000) due to the unpredictability of future profit streams. The tax losses available may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC companies from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of deductible temporary differences attributable to accumulated profits of the PRC subsidiary amounting to approximately HK\$11,931,000 (2018: HK\$6,402,000) as the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 22. 遞延稅項負債(資產)

以下為於目前及過往年度確認的遞延稅項負債(資產)以及變動：

由於無法預測未來溢利來源，故並無就尚未動用之稅項虧損450,000港元(二零一八年：808,000港元)確認遞延稅項資產。可動用之稅項虧損可能無限期結轉。

根據中國的企業所得稅法，自二零零八年一月一日起，就中國公司賺取的溢利所分派的股息須繳付預扣稅。就應佔中國附屬公司累計溢利的可抵扣暫時差異而未有呈列於綜合財務報表的遞延稅項約為11,931,000港元(二零一八年：6,402,000港元)，原因是本集團有能力控制撥回暫時差異的時間，且該暫時差異在可見的將來很大可能不會撥回。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 23. SHARE CAPITAL

### 23. 股本

		Number of shares 股份數目	Share capital 股本 HK\$ 港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
<b>Authorised:</b>	<b>法定：</b>		
At 1 April 2017, 31 March 2018 and 31 March 2019	於二零一七年四月一日、 二零一八年三月三十一日及 二零一九年三月三十一日	500,000,000	50,000,000
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
At 1 April 2017, 31 March 2018 and 31 March 2019	於二零一七年四月一日、 二零一八年三月三十一日及 二零一九年三月三十一日	380,000,000	38,000,000

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

所有已發行股份與現有已發行股份在各方面享有同等權利。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 24. 本公司財務狀況表

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Investment in a subsidiary	於附屬公司投資	79,611	79,611
Property, plant and equipment	物業、廠房及設備	3,180	-
		<b>82,791</b>	79,611
Current assets	流動資產		
Other receivables	其他應收款項	239	252
Amounts due from subsidiaries	應收附屬公司款項	409	231
Bank balances and cash	銀行結餘及現金	52,920	54,821
		<b>53,568</b>	55,304
Current liabilities	流動負債		
Other payables	其他應付款項	1,460	5,551
Amount due to a subsidiary	應付附屬公司款項	15,431	1,621
		<b>16,891</b>	7,172
Net current assets	流動資產淨值	<b>36,677</b>	48,132
		<b>119,468</b>	127,743
Capital and reserves	資本及儲備		
Share capital	股本	38,000	38,000
Reserves	儲備	81,468	89,743
		<b>119,468</b>	127,743



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) Reserves of the Company

### 24. 本公司財務狀況表 (續)

#### 本公司儲備

		<b>Share premium</b> 股份溢價 HK\$'000 千港元	<b>Accumulated losses</b> 累計虧損 HK\$'000 千港元	<b>Total 總計</b> HK\$'000 千港元
As at 1 April 2017	於二零一七年四月一日	124,553	(26,619)	97,934
Loss and total comprehensive expense for the year	年內虧損及全面總開支	-	(8,191)	(8,191)
As at 31 March 2018	於二零一八年 三月三十一日	124,553	(34,810)	89,743
Loss and total comprehensive expense for the year	年內虧損及全面總開支	-	(8,275)	(8,275)
As at 31 March 2019	於二零一九年 三月三十一日	124,553	(43,085)	81,468

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25. OPERATING LEASES

#### The Group as lessee

The Group made minimum lease payments in respect of its factory premises and staff quarters amounting to approximately HK\$3,925,000 during the year ended 31 March 2019 (2018: HK\$3,532,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	3,321	3,012
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	9,662	10,202
After five years	五年後	9,451	12,757
		<b>22,434</b>	25,971

Operating lease payments represent rentals payable by the Group for factory premises and staff quarters. These leases are negotiated for terms ranging from one to twelve years. None of the leases include any contingent rentals.

Included above are the commitments for future minimum lease payments to Top Champion, of which Mr. Chan Leung Choi, the former chairman, chief executive officer and executive director, has control. Mr. Chan Leung Choi, has resigned his position as chairman, chief executive officer and executive director of the Company on 13 April 2018. Mr. Chan Leung Choi is also the brother of Mr. Chan Tat Choi, the former executive director. The commitments for future minimum lease payments to Top Champion are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	175	263
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	-	175
		<b>175</b>	438

### 25. 經營租賃

#### 本集團為承租人

於截至二零一九年三月三十一日止年度，本集團就租賃廠房及員工宿舍支付的最低租金約為3,925,000港元(二零一八年：3,532,000港元)。

於各報告期末，本集團根據不可撤銷經營租賃須承擔之未來最低租金於下列期間到期：

經營租金指本集團就廠房及員工宿舍應付的租金。該等租約經磋商租期介乎一至十二年。租約概無包括任何或然租金。

上文載列對前主席、行政總裁兼執行董事陳樑材先生所控制泰昌之未來最低租金承擔。陳樑材先生於二零一八年四月十三日辭任本公司主席、行政總裁兼執行董事。陳樑材先生亦為前執行董事陳達材先生之胞兄。對泰昌之未來最低租金承擔如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 26. PARTICULARS OF NON WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY

The table below shows details of non wholly-owned subsidiaries of the Company that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests as at 31 March 於三月三十一日 非控制權益所持擁有權權益及投票權比例		Profits allocated to non-controlling interests for the year ended 31 March 截至三月三十一日止年度 分配予非控制權益的溢利		Accumulated non-controlling interests as at 31 March 於三月三十一日 累計非控制權益	
		2019 二零一九年	2018 二零一八年	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Norry Tech 萊利達	The PRC 中國	49%	49%	2,477	295	16,799	15,351
Tristate International 聯亞國際	Hong Kong 香港	49%	49%	3,429	2,520	14,955	11,526
				5,906	2,815	31,754	26,877

Summarised financial information in respect of the above two companies that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

### 26. 本公司非全資附屬公司詳情

下表列示本公司擁有重大非控制權益之非全資附屬公司的詳情：

擁有重大非控制權益之上述兩間公司的財務資料概要載列如下。下述財務資料概要指集團間抵銷前的金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 26. PARTICULARS OF NON WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY (Continued) Norry Tech

### 26. 本公司非全資附屬公司詳 情(續) 萊利達

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	36,356	29,217
Non-current assets	非流動資產	7,636	9,964
Current liabilities	流動負債	9,707	7,851
Equity attributable to owners of Norry Tech	萊利達擁有人應佔權益	34,285	31,330
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	67,105	40,674
Expenses	開支	62,050	40,072
Profit for the year attributable to owners of Norry Tech	萊利達擁有人應佔年內溢利	5,055	602
Other comprehensive (expense) income for the year attributable to owners of Norry Tech	萊利達擁有人應佔年內其他全面(開支)收入	(2,100)	3,045
Total comprehensive income for the year attributable to owners of Norry Tech	萊利達擁有人應佔年內全面收入總額	2,955	3,647
Net cash inflow from operating activities	經營活動所得現金流入淨額	2,266	1,461
Net cash outflow from investing activities	投資活動所得現金流出淨額	(1,610)	(1,133)
Net cash inflow	現金流入淨額	656	328

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 26. PARTICULARS OF NON WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY (Continued) Tristate International

### 26. 本公司非全資附屬公司詳 情(續) 聯亞國際

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	32,961	24,836
Current liabilities	流動負債	2,440	1,313
Equity attributable to owners of Tristate International	聯亞國際擁有人應佔權益	30,521	23,523
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	82,234	48,676
Expenses	開支	75,236	43,533
Profit and total comprehensive income for the year attributable to owners of Tristate International	聯亞國際擁有人應佔年內溢利及 全面收入總額	6,998	5,143
Net cash inflow (outflow) from operating activities	經營活動所得現金流入 (流出)淨額	1,119	(1,683)
Net cash outflow from investing activities	投資活動所得現金流出淨額	(140)	-
Net cash inflow (outflow)	現金流入(流出)淨額	979	(1,683)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 27. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debt, which include bank and other borrowings disclosed in note 21 and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

### 28. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

### 27. 資本風險管理

本集團管理其資本以確保本集團旗下實體能持續經營，並透過優化債務及權益結餘為股東帶來最大回報。本集團的整體策略自去年以來概無變動。

本集團資本架構包括債務(包括附註21披露的銀行及其他借貸)及本公司擁有人應佔權益(包括股本及儲備)。

本公司董事定期檢討資本架構。檢討時，本公司董事考慮各類資本的成本及相關風險。根據本公司董事的推薦意見，本集團將透過派付股息、發行新股、發行新債或贖回現有債務平衡整體資本架構。

### 28. 金融工具

#### 金融工具類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Financial assets at amortised cost	按攤銷成本計的金融資產	139,295	-
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	-	118,894
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	36,572	9,917



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, bank balances and cash, trade and other payables and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risks

##### Currency risk

The Group's exposure to currency risk mainly arises from the fluctuation of US\$, Euro and Renminbi ("RMB") against the functional currencies of the relevant group entities. The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities other than the functional currencies of the group entities are as follows. The management closely monitors foreign exchange exposure to mitigate the foreign currency risk.

### 28. 金融工具 (續)

#### 金融風險管理目標及政策

本集團的主要金融工具包括貿易應收款項、其他應收款項、銀行結餘及現金、貿易及其他應付款項和銀行及其他借貸。該等金融工具的詳情披露於相關附註。與該等金融工具有關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。緩減該等風險的政策詳情載於下文。管理層管理並監察該等風險以確保及時有效落實適當措施。

#### 市場風險

##### 貨幣風險

本集團面對的貨幣風險主要來自美元、歐元及人民幣(「人民幣」)兌相關集團實體功能貨幣的匯率波動。集團實體功能貨幣以外的外幣列值貨幣資產及貨幣負債賬面值如下。管理層密切監控外匯風險敞口以緩解外幣風險。

		Liabilities 負債		Assets 資產	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
US\$	美元	(626)	(1,834)	7,669	6,731
RMB	人民幣	-	-	7,000	4,674
Euro	歐元	-	-	111	176

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Market risks (Continued)

##### Sensitivity analysis

Since HK\$ is pegged to US\$ under the Linked Exchange Rate System, the management does not expect significant foreign currency exposure in relation to the exchange rate fluctuation between HK\$ and US\$. The Group mainly exposes to foreign currency risks other than US\$.

The following table details the Group's sensitivity to a 5% increase in the functional currencies against the relevant foreign currency of the relevant group entities. 5% is the sensitivity rate used in management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in the Group's profit after tax for the year ended 31 March 2019 where the functional currency of the relevant group entities strengthens against the relevant foreign currencies. For a 5% weakening of the functional currency of the relevant group entities, there would be an equal and opposite impact on the Group's profit after tax for the year ended 31 March 2019.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Foreign currency</b>	<b>外幣</b>		
RMB	人民幣	(292)	(195)

In management's opinion, the sensitivity analysis is unrepresentative of the foreign exchange risk as the year end exposure does not reflect the exposure during the year.

##### Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate other borrowings as disclosed in note 21. The management of the Group continuously monitors interest rate exposure.

The Group's cash flow interest rate risk relates primarily to variable-rate bank balances and bank and other borrowings as disclosed in notes 18 and 21 due to the fluctuation of the prevailing market interest rate. The Group currently does not have a policy on hedging interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

### 28. 金融工具 (續)

#### 金融風險管理目標及政策 (續)

##### 市場風險 (續)

##### 敏感度分析

根據聯繫匯率制度，港元與美元掛鈎，管理層預期並無有關港元兌美元匯率波動的重大外匯風險。本集團主要面對除美元以外的外匯風險。

下表詳述本集團在相關集團實體的功能貨幣兌相關外幣匯率上升5%情況下的敏感度。5%為管理層評估外幣匯率合理可能變動時所採用的敏感度比率。敏感度分析僅包括以外幣計值的未結算貨幣項目，並因外幣匯率變動5%對其於各報告期末的換算作出調整。下表所載正(負)數字表示相關集團實體功能貨幣兌相關外幣升值時，本集團截至二零一九年三月三十一日止年度除稅後溢利的增加(減少)。相關集團實體功能貨幣貶值5%則會對本集團截至二零一九年三月三十一日止年度除稅後溢利產生同等相反影響。

管理層認為，由於年末風險敞口並不能反映年內風險敞口，故敏感度分析並不代表外匯風險。

##### 利率風險

本集團就附註21所披露其他定息借款承擔公平值利率風險。本集團管理層持續監控利率風險。

本集團的現金流量利率風險主要指附註18及21所披露浮息銀行結餘以及銀行及其他借貸因當前市場利率波動而引致的風險。本集團現時並無利率風險對沖政策。然而，管理層監察利率風險並於必要時考慮對沖重大利率風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Interest rate risk (Continued)

##### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings. The analysis is prepared assuming the amount of liability outstanding at each reporting period end was outstanding for the whole year. A 100 basis point increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit after tax for the year ended 31 March 2019 would decrease/increase by HK\$44,000 (2018: HK\$14,000).

Bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

##### Credit risk and impairment assessment

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position.

##### Overview of the Group's exposure to credit risk before application of HKFRS 9 at 1 April 2018

The Group's credit risk is primarily attributable to trade receivables, other receivables and bank balances.

For trade receivables, in order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

### 28. 金融工具 (續)

#### 金融風險管理目標及政策 (續)

##### 利率風險 (續)

##### 敏感度分析

以下敏感度分析乃基於浮息銀行借貸所面對的利率風險釐定。該分析方法假設各報告期末未償還的負債為全年未償還。該分析方法使用上升或下降100個基點表示管理層對利率合理可能變動的評估。

倘利率上升/下降100個基點而所有其他變量維持不變，則本集團截至二零一九年三月三十一日止年度的除稅後溢利將減少/增加44,000港元(二零一八年：14,000港元)。

由於本公司董事認為浮息銀行結餘產生的現金流量利率風險屬微不足道，故銀行結餘不包括敏感度分析。

##### 信貸風險及減值評估

於報告期末，本集團因對手方未能履行責任而導致本集團蒙受財務虧損的最高信貸風險來自綜合財務狀況表所列已確認金融資產的賬面值。

##### 於二零一八年四月一日應用香港財務報告準則第9號前本集團的信貸風險概覽

本集團的信貸風險主要歸於貿易應收款項、其他應收款項及銀行結餘。

就貿易應收款項而言，為減低信貸風險，管理層已委派團隊負責確定信貸限額、信貸批准及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團於報告期末審閱各項個別債項之可收回金額，以確保就不可收回金額作出足夠之減值虧損。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

Overview of the Group's exposure to credit risk before application of HKFRS 9 at 1 April 2018 (Continued)

The Group has concentration of credit risk as 15% of the total gross trade receivables was due from the Group's largest customer as at 31 March 2018 and 57% of the total gross trade receivables was due from the five largest customers as at 31 March 2018.

The credit risk on liquid funds is limited because the Group's bank balances are deposited with banks of high credit ratings.

##### Overview of the Group's exposure to credit risk after application of HKFRS 9 at 1 April 2018

The Group's credit risk is primarily attributable to trade receivables, other receivables and bank balances.

For trade receivables, in order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performed impairment assessment under ECL model upon application of HKFRS 9. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 14% of the total gross trade receivables was due from the Group's largest customer as at 31 March 2019 and 50% of the total gross trade receivables was due from the five largest customers as at 31 March 2019.

For other receivables, management of the Group make periodic individual assessment under 12m ECL on the recoverability of other receivables based on historical settlement records and past history. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

The credit risk on liquid funds is limited because the Group's bank balances are deposited with banks of high credit ratings.

### 28. 金融工具 (續)

#### 金融風險管理目標及政策 (續)

##### 信貸風險及減值評估 (續)

於二零一八年四月一日應用香港財務報告準則第9號前本集團的信貸風險概覽 (續)

由於貿易應收款項總額之15%為應收本集團於二零一八年三月三十一日最大客戶的款項及貿易應收款項總額之57%為應收於二零一八年三月三十一日五大客戶的應收款項，故本集團的信貸風險集中。

流動資金信貸風險有限，原因為本集團的銀行結餘乃存置於具高信貸評級的銀行。

##### 於二零一八年四月一日應用香港財務報告準則第9號後本集團的信貸風險概覽

本集團的信貸風險主要歸於貿易應收款項、其他應收款項及銀行結餘。

就貿易應收款項而言，為減低信貸風險，管理層已委派團隊負責確定信貸限額、信貸批准及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式進行減值評估。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

由於貿易應收款項總額之14%為應收本集團於二零一九年三月三十一日最大客戶的款項及貿易應收款項總額之50%為應收於二零一九年三月三十一日五大客戶的應收款項，故本集團的信貸風險集中。

就其他應收款項而言，本集團管理層基於過往結算記錄及過往經驗，就其他應收款項能否收回根據12個月預期信貸虧損定期作出個別評估。本集團管理層認為，本集團其他應收款項的未收回結餘並無固有重大信貸風險。

流動資金信貸風險有限，原因為本集團的銀行結餘乃存置於具高信貸評級的銀行。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

Overview of the Group's exposure to credit risk after application of HKFRS 9 at 1 April 2018 (Continued)

The table below detail the credit risk exposures of the Group's financial assets at amortised cost, which are subject to ECL assessment:

2019	二零一九年	External credit rating 外部 信貸評級	Internal credit rating 內部 信貸評級	12-month or lifetime ECL 12個月或 全期預期 信貸虧損	Gross carrying amount 賬面 總值 HK\$'000 千港元
<b>Financial assets at amortised cost</b>	<b>按攤銷成本計之金融資產</b>				
Trade receivables	貿易應收款項	N/A 不適用	Note 1 附註1	Lifetime ECL 全期預期 信貸虧損	67,027
Other receivables	其他應收款項	N/A 不適用	Note 2 附註2	12m ECL 12個月 預期信貸 虧損	824
Bank balances	銀行結餘	Baa or higher Baa或 更高	N/A 不適用	12m ECL 12個月 預期信貸 虧損	74,044

Notes:

- (1) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. As part of the Group's credit risk management, the Group used an internal credit rating by assigning an individual loss rate to each of its debtors. The estimated loss rate are based on aging of individual trade debtors as well as historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The Group applied internal credit risk grading assessment comprises the following categories:

Qualification classification definition:

- "Strong": The counterparty has low probability of default.
- "Good": The counterparty has low default risk. Debtors frequently settles after due date but usually settles in full.
- "Satisfactory": The counterparty has moderate default risk.

As at 31 March 2019, lifetime ECL of HK\$2,603,000 for trade receivables with an aggregate gross carrying amount of HK\$67,027,000 has been recognised. The estimated loss rates assigned to debtors ranged from 1% to 5%.

附註：

- (1) 就貿易應收款項而言，本集團已應用香港財務報告準則第9號之簡化方法計量全期預期信貸虧損之虧損撥備。作為本集團信貸風險管理的一部份，本集團採用內部信貸評級，為每名債務人分配各別的虧損率。該估計虧損率基於個別貿易債務人的賬齡及債務人於預期期限內的歷史觀察違約率，並根據無需付出更多成本或努力即可獲得的前瞻性資料進行調整。本集團應用的內部信貸風險評級之評估包括以下幾類：

質素分類定義：

- 「穩健」： 對手方違約或然率甚低。
- 「良好」： 對手方違約風險為低。債務人經常在到期日後結算，但通常會悉數結清。
- 「滿意」： 對手方違約風險為中等。

於二零一九年三月三十一日，已就總賬面值為67,027,000港元的貿易應收款項確認全期預期信貸虧損2,603,000港元。分配予債務人的估計虧損率介乎1%至5%。

### 28. 金融工具 (續)

#### 金融風險管理目標及政策 (續)

#### 信貸風險及減值評估 (續)

於二零一八年四月一日應用香港財務報告準則第9號後本集團的信貸風險概覽 (續)

下表詳細載述本集團按攤銷成本計量之金融資產 (視乎預期信貸虧損評估而定) 所面臨之信貸風險：



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

Overview of the Group's exposure to credit risk after application of HKFRS 9 at 1 April 2018 (Continued)

Notes: (Continued)

- (2) For the purpose of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

### 28. 金融工具 (續)

#### 金融風險管理目標及政策 (續)

#### 信貸風險及減值評估 (續)

於二零一八年四月一日應用香港財務報告準則第9號後本集團的信貸風險概覽 (續)

附註：(續)

- (2) 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初步確認起是否已明顯增加。

	Past due 逾期 HK\$'000 千港元	Not past due/ no fixed repayment terms 並無逾期/ 無固定 償還條款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other receivables 其他應收款項	-	824	824

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 March 2019, the Group provided HK\$2,952,000 impairment allowance for trade receivables.

估計損失率是根據債務人於預計全期內之過往所見違約率估計，並以無需付出不必要的成本或努力而可得的前瞻性資料作調整。管理層會定期審閱組別，以確保與指定債務人相關的資料已作更新。

截至二零一九年三月三十一日止年度，本集團就貿易應收款項作出2,952,000港元減值撥備。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued) Financial risk management objectives and policies (Continued) Credit risk and impairment assessment (Continued) Overview of the Group's exposure to credit risk after application of HKFRS 9 at 1 April 2018 (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

		Lifetime ECL (credit-impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Lifetime ECL (not credit-impaired) 全期預期 信貸虧損 (無信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2018 under HKAS 39	於二零一八年三月三十一日 香港會計準則第39號項下	-	-	-
Adjustment upon application of HKFRS 9	應用香港財務報告準則第9號後的調整	-	1,722	1,722
At 1 April 2018 – as restated	於二零一八年四月一日 – 經重列	-	1,722	1,722
Impairment losses recognised	已確認減值虧損	2,071	881	2,952
Amounts written off as uncollectible	撇銷為不可收回的款項	(2,071)	-	(2,071)
At 31 March 2019	於二零一九年三月三十一日	-	2,603	2,603

#### Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for the non-derivatives financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are contracted floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

### 28. 金融工具 (續) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)  
於二零一八年四月一日應用香港財務報告準則第9號後本集團的信貸風險概覽 (續)

下表列示已根據簡化方法就貿易應收款項確認之全期預期信貸虧損變動。

	Lifetime ECL (credit-impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Lifetime ECL (not credit-impaired) 全期預期 信貸虧損 (無信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2018 under HKAS 39	-	-	-
Adjustment upon application of HKFRS 9	-	1,722	1,722
At 1 April 2018 – as restated	-	1,722	1,722
Impairment losses recognised	2,071	881	2,952
Amounts written off as uncollectible	(2,071)	-	(2,071)
At 31 March 2019	-	2,603	2,603

#### 流動資金風險

本公司董事為流動資金風險管理承擔最終責任，彼等已建立合適的流動資金風險管理架構以管理本集團短、中及長期資金以及滿足流動資金管理需求。本集團通過維持適當儲備及借貸融資、持續監控預測及實際現金流量和配對金融資產及負債的到期信息而管理流動資金風險。

下表為本集團金融負債餘下合約到期日詳情。該表根據本集團於須償還金融負債最早日期的未貼現現金流量編製。非衍生金融負債到期日乃根據協定還款日期釐定。

該表包括利息及本金現金流量。倘利息流量為已訂約浮動利率，則未貼現金額根據報告期末的利率計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

Liquidity and interest risk tables

### 28. 金融工具 (續)

#### 金融風險管理目標及政策 (續)

##### 流動資金風險 (續)

流動資金及利息風險表

		Weighted average interest rate	On demand or less than 3 months 於要求時或 三個月內 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
		加權平均利率 %			
At 31 March 2019	於二零一九年 三月三十一日				
Trade and other payables	貿易及其他應付款項	-	11,280	11,280	11,280
Bank and other borrowings	銀行及其他借貸	5.0	25,292	25,292	25,292
			<b>36,572</b>	<b>36,572</b>	<b>36,572</b>
		Weighted average interest rate	On demand or less than 3 months 於要求時或 三個月內 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
		加權平均利率 %			
At 31 March 2018	於二零一八年 三月三十一日				
Trade and other payables	貿易及其他應付款項	-	8,220	8,220	8,220
Bank borrowings	銀行借貸	5.0	1,697	1,697	1,697
			<b>9,917</b>	<b>9,917</b>	<b>9,917</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies (Continued)

#### Liquidity risk (Continued)

#### Liquidity and interest risk tables (Continued)

Bank and other borrowings with a repayment on demand clause are included in the “on demand or less than 3 months” time band in the above maturity analysis. As at 31 March 2019, the aggregate undiscounted principal amounts of these bank and other borrowings amounted to HK\$25,292,000 (2018: HK\$1,697,000). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the banks and the financial institution will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank and other borrowings will be repaid after the end of reporting period in accordance with the scheduled repayment dates set out in the loan agreements. As a result, the aggregate principal and interest cash outflows will amount to HK\$27,360,000 as at 31 March 2019 (2018: HK\$1,712,000).

### 28. 金融工具 (續)

#### 金融風險管理目標及政策 (續)

#### 流動資金風險 (續)

#### 流動資金及利息風險表 (續)

附帶按要求償還條款的銀行及其他借貸計入上述到期日分析的「於要求時或三個月內」時段內。於二零一九年三月三十一日，該等銀行及其他借貸的未貼現本金總額為25,292,000港元(二零一八年：1,697,000港元)。考慮到本集團的財務狀況，本公司董事認為銀行及金融機構不大可能行使酌情權要求即時還款。本公司董事相信該等銀行及其他借貸將依照貸款協議所載計劃還款日期於報告期末後償還。因此，二零一九年三月三十一日的本金及利息現金流出總額為27,360,000港元(二零一八年：1,712,000港元)。

#### Maturity Analysis – Bank and other borrowings subject to a repayment on demand clause based on scheduled repayments

到期日分析 – 根據還款時間表附帶按要求償還條款的銀行及其他借貸

		Total					
		0-3	4-6	7-12	1-2	undiscounted	Carrying
		months	months	months	years	cash flows	amount
		零至	四至	七至	一至兩年	未貼現現金	賬面值
		三個月	六個月	十二個月		流量總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
31 March 2019	二零一九年三月三十一日	5,360	-	-	22,000	27,360	25,292
31 March 2018	二零一八年三月三十一日	1,712	-	-	-	1,712	1,697

#### Fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

#### 公平值

本公司董事認為按攤銷成本計入綜合財務報表的金融資產及金融負債賬面值與公平值相若。該等公平值根據普遍接納之定價模式按貼現現金流量分析釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 29. RELATED PARTY DISCLOSURES

#### (i) Related party transactions

In addition to the transactions, balances and commitments disclosed elsewhere in the consolidated financial statements, the Group had entered into the following significant transaction during the years ended 31 March 2019 and 2018:

Name of related company 關聯公司名稱	Relationship 關係	Nature of transaction 交易性質	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Top Champion 泰昌	Entity over which Mr. Chan Leung Choi, the former chairman, chief executive officer and executive director, and also the brother of Mr. Chan Tat Choi, former executive director, has control. 陳樑材先生(本公司前主席、行政總裁兼執行董事，亦為前執行董事陳達材先生之胞兄)擁有控制權之實體。	Rental expense of rented premises 租賃物業租金開支	263	263

#### (ii) Compensation of key management personnel

The remuneration of directors and other members of key management during the year is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fee	費用	358	300
Salaries and allowances	薪金及津貼	7,129	5,987
Performance related incentive payments	績效獎金	2,618	1,630
Contributions to retirement benefit schemes	退休福利計劃供款	167	149
		10,272	8,066

### 29. 關聯方披露

#### (i) 關聯方交易

除綜合財務報表其他部分所披露之交易、結餘及承擔外，本集團已於截至二零一九年及二零一八年三月三十一日止年度訂立下列重大交易：

#### (ii) 主要管理人員報酬

董事及其他主要管理人員於本年度之薪酬如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 30. RETIREMENT BENEFIT PLAN

The Group participates in a defined contribution scheme which is registered under the Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. For members of the MPF Scheme, the Group contributes at the lower of HK\$1,500 per month or 5% of relevant payroll costs each month to the MPF Scheme, in which the contribution is matched by the employee.

The employees of the Group’s subsidiary in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expenses recognised in profit or loss of HK\$1,372,000, for the year ended 31 March 2019 (2018: HK\$1,384,000) represent contributions paid and payable to these plans by the Group at rates specified in the rules of the plans.

### 31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statement of cash flows as cash flows from financing activities.

### 30. 退休福利計劃

本集團參與根據強制性公積金計劃條例設立的強制性公積金計劃(「強積金計劃」)註冊的定額供款計劃。該計劃的資產與本集團資產分開持有，由信託人以基金託管。強積金計劃成員方面，本集團每月按1,500港元或相關薪酬成本的5%(以較低者為準)向強積金計劃供款，而僱員亦作出同等金額的供款。

本集團的中國附屬公司僱員均為中國政府營辦的國家管理退休福利計劃的成員。該附屬公司須按薪酬成本的特定百分比向退休福利計劃供款，以資助有關福利。本集團就該退休福利計劃承擔的責任僅為作出指定供款。

截至二零一九年三月三十一日止年度於損益確認的總開支1,372,000港元(二零一八年：1,384,000港元)指本集團按計劃規定所指定比率已付及應付該等計劃的供款。

### 31. 融資活動產生之負債對賬

下表為本集團融資活動產生之負債變動詳情，包括現金及非現金變動。融資活動產生之負債乃為現金流量或將來現金流量於本集團的綜合現金流量表分類為融資活動現金流量之負債。

		Interest payable	Bank and other borrowings	Total
		應付利息	銀行及其他借款	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 April 2017	於二零一七年四月一日	-	19,876	19,876
Financing cash flows	融資現金流量	(473)	(18,179)	(18,652)
Interest expense	利息開支	473	-	473
At 31 March 2018	於二零一八年三月三十一日	-	1,697	1,697
Financing cash flows	融資現金流量	(201)	23,595	23,394
Interest expense	利息開支	1,041	-	1,041
At 31 March 2019	於二零一九年三月三十一日	840	25,292	26,132

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32. PARTICULARS OF SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are set out below.

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Place of operations 營運地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Attributable equity interest to the Group		Principal activities 主要業務
				2019 二零一九年 %	2018 二零一八年 %	
<b>Directly held</b> 直接擁有						
Hang Wing 鏗榮	BVI 英屬處女群島	Hong Kong 香港	Ordinary shares HK\$1 普通股1港元	100	100	Investment holding 投資控股
<b>Indirectly held</b> 間接擁有						
Top Mark 震東機械	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$1,000,000 普通股1,000,000港元	100	100	Trading of rockdrilling equipment and machineries 買賣鑿岩設備及器械
Maxa RockDrills Limited	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$100 普通股100港元	100	100	Trading of rockdrilling equipment 買賣鑿岩設備
Norry Tech 萊利達	The PRC 中國	The PRC 中國	Registered capital HK\$23,000,000 註冊資本 23,000,000港元	51	51	Manufacturing of rockdrilling equipment 製造鑿岩設備
Tristate International 聯亞國際	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$10,000 普通股10,000港元	51	51	Trading of rockdrilling and piling and drilling equipment and machineries 買賣鑿岩、打樁和鑽孔設 備及器械
Top Glory Construction Equipment Limited 震東建築設備有限公司	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$10,000 普通股10,000港元	100	100	Trading of rockdrilling and piling and drilling equipment and machineries 買賣鑿岩、打樁和鑽孔設 備及器械
Tristate (HK) Holdings Company Limited	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$1 普通股1港元	100	100	Investment holding 投資控股
Top Standard Limited	Hong Kong 香港	Hong Kong 香港	Ordinary shares HK\$1 普通股1港元	100	-	Inactive 暫無業務

Norry Tech is a wholly foreign owned enterprise.

None of the subsidiaries had issued any debt securities at the end of the year and during the year.

### 32. 附屬公司詳情

本集團附屬公司於報告期末的詳情載列如下。

萊利達為外商獨資企業。

於年末及於年度期間，並無附屬公司發行任何債務證券。



# FINANCIAL SUMMARY

## 財務摘要

		For the year 31 March 截至三月三十一日止年度					
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	
Revenue	收益	126,620	141,744	126,675	99,703	<b>163,441</b>	
Profit before tax	除稅前溢利	31,691	42,906	7,897	2,922	<b>25,798</b>	
Income tax expense	所得稅開支	(5,316)	(7,654)	(5,146)	(2,431)	<b>(6,033)</b>	
Profit for the year	年內溢利	26,375	35,252	2,751	491	<b>19,765</b>	
Total comprehensive income for the year	年內全面總收益	26,521	33,694	1,101	3,756	<b>17,017</b>	
Total comprehensive income (expense) attributable to:	以下人士應佔全面總收益(開支):						
Owners of the Company	本公司擁有人	21,210	26,158	(3,083)	(551)	<b>12,140</b>	
Non-controlling interests	非控制權益	5,311	7,536	4,184	4,307	<b>4,877</b>	
Earnings (loss) per share, basic (HK cents)	每股基本盈利(虧損)(港仙)	7.17	8.99	(0.73)	(0.61)	<b>3.65</b>	

		As at 31 March 於三月三十一日					
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	
Total non-current assets	非流動資產總值	15,489	13,363	15,665	15,331	<b>16,462</b>	
Total current assets	流動資產總值	98,274	115,798	165,359	162,114	<b>202,881</b>	
<b>TOTAL ASSETS</b>	<b>總資產</b>	<b>113,763</b>	<b>129,161</b>	<b>181,024</b>	<b>177,445</b>	<b>219,343</b>	
Total current liabilities	流動負債總值	43,221	32,913	30,382	22,979	<b>49,650</b>	
Total non-current liabilities	非流動負債總值	308	172	-	68	<b>-</b>	
<b>TOTAL LIABILITIES</b>	<b>總負債</b>	<b>43,529</b>	<b>33,085</b>	<b>30,382</b>	<b>23,047</b>	<b>49,650</b>	
<b>NET ASSETS</b>	<b>資產淨值</b>	<b>70,234</b>	<b>96,076</b>	<b>150,642</b>	<b>154,398</b>	<b>169,693</b>	
Equity	權益						
Equity attributable to the owners of the Company	本公司擁有人應佔權益	52,988	71,294	128,072	127,521	<b>137,939</b>	
Non-controlling interests	非控制權益	17,246	24,782	22,570	26,877	<b>31,754</b>	
<b>TOTAL EQUITY</b>	<b>總權益</b>	<b>70,234</b>	<b>96,076</b>	<b>150,642</b>	<b>154,398</b>	<b>169,693</b>	

## DEFINITIONS

### 釋義

“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time	「細則」或「組織章程細則」	指	本公司的組織章程細則，經不時修訂
“associate(s)”	has the meaning ascribed thereto under the Listing Rules	「聯繫人」	指	上市規則所定義者
“Board” or “Board of Directors”	the board of Directors	「董事會」	指	董事會
“Business Day” or “business day”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong	「營業日」	指	香港銀行一般對公眾開門辦理正常銀行業務的任何日子(星期六、星期日或香港公眾假期除外)
“BVI”	the British Virgin Islands	「英屬處女群島」	指	英屬處女群島
“Colour Shine”	Colour Shine Investments Limited 彩輝投資有限公司, a company incorporated in the BVI with limited liabilities, which is wholly-owned by the Executive Director, Mr. He Xiaoming, and became the Controlling Shareholders on 5 February 2018	「彩輝」	指	彩輝投資有限公司，一間於英屬處女群島註冊成立的有限公司，由執行董事何笑明先生全資擁有，並於二零一八年二月五日成為我們的控股股東
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time	「公司條例」	指	香港法例第622章公司條例，經不時修訂或補充
“Company”, “our Company”, “we” or “us”	Yuk Wing Group Holdings Limited 煜榮集團控股有限公司, a company incorporated in the Cayman Islands with limited liability on 17 March 2016	「本公司」或「我們」	指	煜榮集團控股有限公司，於二零一六年三月十七日在開曼群島註冊成立的有限公司
“connected person”	has the meaning ascribed thereto in the Listing Rules	「關連人士」	指	上市規則所定義者
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, means each of Mr. Chan Leung Choi, Mr. Chan Kin Choi and Hang Yip up to 5 February 2018, and from 5 February 2018, Mr. He Xiaoming and Colour Shine	「控股股東」	指	上市規則所定義者，除文義另有所指外，截至二零一八年二月五日為陳樑材先生、陳健材先生及鏗業，而自二零一八年二月五日起，為何笑明先生及彩輝

## DEFINITIONS

### 釋義

“Director(s)”	the director(s) of the Company	「董事」	指 本公司董事
“Euro”	the lawful currency of the European Union	「歐元」	指 歐洲聯盟的法定貨幣
“Executive Director(s)”	the executive Director(s)	「執行董事」	指 執行董事
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, the present subsidiaries of our Company, some or any of them and the businesses carried on by such subsidiaries or (as the case may be) their predecessors	「本集團」或「我們」	指 本公司及其附屬公司，倘文義另有所指，對於本公司尚未成為現有附屬公司之控股公司之時期，則指本公司現有附屬公司、部分或任何附屬公司及該等附屬公司或(視情況而定)其前身公司經營的業務
“Hang Wing”	Hang Wing Holdings Limited 鏗榮控股有限公司, a BVI business company incorporated in the BVI with limited liability on 16 March 2016 and a wholly-owned subsidiary of the Company	「鏗榮」	指 鏗榮控股有限公司，於二零一六年三月十六日在英屬處女群島註冊成立的英屬處女群島商業有限公司，為本公司的全資附屬公司
“Hang Yip”	Hang Yip Company Limited 鏗業有限公司, a BVI business company incorporated in the BVI with limited liability on 16 March 2016, owned as to 80% by Mr. Chan Leung Choi and 20% by Mr. Chan Kin Choi and was one of the Controlling Shareholders up to 5 February 2018	「鏗業」	指 鏗業有限公司，於二零一六年三月十六日在英屬處女群島註冊成立的英屬處女群島商業有限公司，由陳樑材先生及陳健材先生分別擁有80%及20%權益，直至二零一八年二月五日為我們的控股股東之一
“HK\$” or “Hong Kong dollars” or “HK dollars” or “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong	「港元」或「港仙」	指 香港法定貨幣港元及港仙
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC	「香港」	指 中國香港特別行政區
“Independent Non-executive Director(s)”	the independent non-executive Director(s)	「獨立非執行董事」	指 獨立非執行董事

## DEFINITIONS

### 釋義

“independent third party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons as defined under the Listing Rules	「獨立 第三方」	指	據我們董事於作出一切合理查詢後所知、所悉及所信，根據上市規則與本公司或我們關連人士並無關連的人士或公司及彼等各自最終實益擁有人
“Legislative Council”	the Legislative Council of Hong Kong	「立法會」	指	香港立法會
“Listing”	listing of the shares on the Stock Exchange	「上市」	指	股份於聯交所上市
“Listing Date”	the date, being, 11 January 2017, on which the shares of the Company are listed on the Stock Exchange and from which dealings in the shares are permitted to commence on the Main Board of the Stock Exchange	「上市日期」	指	本公司股份於聯交所上市及股份獲准開始於聯交所主板買賣的日期，即二零一七年一月十一日
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)	「上市規則」	指	香港聯合交易所有限公司證券上市規則，經不時修訂、補充或以其他方式修改
“Macau”	the Macau Special Administrative Region of the PRC	「澳門」	指	中國澳門特別行政區
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange	「主板」	指	由聯交所營運之股票市場(不包括期權市場)，獨立於聯交所GEM並與其並行營運
“Maxa RockDrills”	MAXA RockDrills Limited, a company incorporated in Hong Kong with limited liability on 15 September 2000 and is an indirect wholly-owned subsidiary of our Company	「Maxa RockDrills」	指	MAXA RockDrills Limited，於二零零零年九月十五日在香港註冊成立的有限公司，為本公司間接全資附屬公司
“MPF”	mandatory provident fund	「強積金」	指	強制性公積金

## DEFINITIONS

### 釋義

“Norry Tech”	佛山市順德區萊利達工程設備有限公司 (Norry Tech Engineering Equipment Limited), a company established in the PRC with limited liability on 16 October 2007, owned as to 51% by Tristate Hong Kong and 49% by Mr. Chan Lap Wai Gary, an independent third party (other than being a shareholder of Norry Tech and Tristate International), and is an indirect non wholly-owned subsidiary of our Company	「萊利達」	指	佛山市順德區萊利達工程設備有限公司，於二零零七年十月十六日在中國成立的有限公司，由Tristate Hong Kong及陳立緯先生(為獨立第三方，惟乃萊利達及聯亞國際的股東除外)分別擁有51%及49%權益，為本公司間接非全資附屬公司
“PRC”	the People’s Republic of China, excluding for the purpose of this annual report only, Hong Kong, Macau and Taiwan region	「中國」	指	中華人民共和國，僅就本年報而言，並不包括香港、澳門及台灣地區
“Prospectus”	the prospectus of the Company dated 30 December 2016 in relation to the initial public offering and the listing of our Shares on the Stock Exchange	「招股章程」	指	日期為二零一六年十二月三十日有關首次公開發售及我們的股份於聯交所上市的本公司招股章程
“Reporting Period”	2018/2019 (from 1 April 2018 to 31 March 2019)	「報告期」	指	二零一八年／二零一九年(自二零一八年四月一日起至二零一九年三月三十一日)
“RMB” or “Renminbi”	the lawful currency of the PRC	「人民幣」	指	中國法定貨幣
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time	「證券及期貨條例」	指	香港法例第571章證券及期貨條例，經不時修訂或補充
“Share(s)”	the ordinary share(s) of the Company	「股份」	指	本公司普通股
“Shareholder(s)”	the shareholder(s) of the Company	「股東」	指	本公司股東
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指	香港聯合交易所有限公司
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Companies Ordinance	「附屬公司」	指	公司條例所定義者
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules	「主要股東」	指	上市規則所定義者

## DEFINITIONS

### 釋義

“Top Glory”	Top Glory Construction Equipment Limited 震東建築設備有限公司, formerly known as Top Mark Construction Equipment Limited 震東建築設備有限公司, a company incorporated in Hong Kong with limited liability on 20 March 2015 and an indirect wholly-owned subsidiary of the Company	「震東建築」	指	震東建築設備有限公司, 於二零一五年三月二十日在香港註冊成立的有限公司, 為本公司間接全資附屬公司
“Top Mark”	Top Mark Mechanical Equipment Limited 震東機械設備有限公司, a company incorporated in Hong Kong with limited liability on 28 July 1997 and an indirect wholly-owned subsidiary of the Company	「震東機械」	指	震東機械設備有限公司, 於一九九七年七月二十八日在香港註冊成立的有限公司, 為本公司間接全資附屬公司
“Tristate Hong Kong”	Tristate (HK) Holding Company Limited, a company incorporated in Hong Kong with limited liability on 13 April 2016, and an indirect wholly-owned subsidiary of our Company	「Tristate Hong Kong」	指	Tristate (HK) Holding Company Limited, 於二零一六年四月十三日在香港註冊成立的有限公司, 為本公司間接全資附屬公司
“Tristate International”	Tristate International Industrial Limited 聯亞國際實業有限公司, a company incorporated in Hong Kong with limited liability on 28 July 2008, and held as to 51% by Hang Wing and 49% by Dawn Success Ltd, a company wholly-owned by Ms. Vane Siu Ling Linda, wife of Mr. Chan Lap Wai Gary, and an indirect non-wholly owned subsidiary of our Company	「聯亞國際」	指	聯亞國際實業有限公司, 於二零零八年七月二十八日在香港註冊成立的有限公司, 由鏗榮持有51%權益及范小玲女士(陳立緯先生之妻子)全資擁有的公司Dawn Success Ltd持有49%權益, 為本公司間接非全資附屬公司
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction	「美國」	指	美利堅合眾國, 其領土、屬地及所有受其司法管轄的地區
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency for the time being of the United States	「美元」	指	美國現時法定貨幣美元
“Year”	Year ended 31 March 2019	「本年度」	指	截至二零一九年三月三十一日止年度
“%”	per cent	「%」	指	百分比



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