



KIN YAT HOLDINGS LIMITED 建溢集團有限公司

website 網址 : <http://www.kinyat.com.hk>

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 638)



ANNUAL REPORT 年度報告

for the year ended 31 March 2019
截至二零一九年三月三十一日

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Chor Kit
(Chairman and Chief Executive Officer)
Mr. Fung Wah Cheong, Vincent
Mr. Liu Tat Luen
Mr. Cheng Tsz To
Mr. Cheng Tsz Hang
Mr. Hui Ka Po, Alex

Independent non-executive Directors

Mr. Wong Chi Wai
Dr. Sun Kwai Yu, Vivian
Mr. Cheng Kwok Kin, Paul
Mr. Cheung Wang Ip

COMPANY SECRETARY

Mr. Chan Ho Man

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7/F., Galaxy Factory Building
25-27 Luk Hop Street
San Po Kong, Kowloon
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

董事會

執行董事

鄭楚傑先生
(主席兼行政總裁)
馮華昌先生
廖達鸞先生
鄭子濤先生
鄭子衡先生
許家保先生

獨立非執行董事

黃拋維先生
孫季如博士
鄭國乾先生
張宏業先生

公司秘書

陳浩文先生

總辦事處及主要營業地點

香港
九龍新蒲崗
六合街25至27號
嘉時工廠大廈7樓

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

百慕達主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

CORPORATE INFORMATION

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE*

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

CORPORATE WEBSITE

www.kinyat.com.hk

香港股份過戶登記分處*

卓佳登捷時有限公司
香港灣仔
皇后大道東183號
合和中心22樓

核數師

羅兵咸永道會計師事務所
執業會計師

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司

公司網站

www.kinyat.com.hk

* With effective from 11 July 2019, Tricor Tengis Limited, the Hong Kong Branch Share Registrar and Transfer Office of the Company will change its address to Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

* 自二零一九年七月十一日起，本公司之香港股份過戶登記分處卓佳登捷時有限公司之地址將改為香港灣仔皇后大道東183號合和中心54樓。

CHAIRMAN'S STATEMENT

主席報告

The financial year ended 31 March 2019 (the "Year") was marked by increased uncertainty and multi-faceted challenges. I am delighted that Kin Yat Holdings Limited (the "Company"), together with its subsidiaries (collectively the "Group"), has been relatively able to maintain its resilience amidst the operating difficulties. Our main task ahead remains to upgrade our production capability and automation in order to enhance overall competitiveness, while contemplating new initiatives to strengthen and diversify our production base in the longer term and recouping the investments in our real estate development business segment.

- Consolidated turnover increased 39.1% year-on-year to a record high of HK\$4,221,878,000 (2018: HK\$3,034,274,000);
 - Profit attributable to equity holders of the Company was HK\$112,384,000 (2018: HK\$149,821,000); inclusive of:
 - recognition of subsidy income of HK\$46,147,000 (2018: HK\$69,840,000);
 - a write-back of impairment in properties under development of HK\$4,582,000 made in previous year;
 - write-back of impairment in property, plant and equipment of HK\$7,189,000 (2018: Nil);
 - fair value gain on investment properties of HK\$5,383,000 (2018: HK\$4,935,000); and
 - gain on disposal of subsidiaries of HK\$10,126,000 made in previous year.
 - Before inclusion of those one-off gains/expenses including the recognition of subsidy income, write-back of impairment of properties under development, write-back of impairment of property, plant and equipment, fair value gain on investment properties and gain on disposal of subsidiaries, a profit (before non-controlling interests) of HK\$53,665,000 (2018: HK\$60,338,000) was recorded; and
 - Basic earnings per share for the Year were HK25.61 cents (FY2018: HK34.71 cents).
- 截至二零一九年三月三十一日止財政年度（「本年度」）瀰漫更大不確定性和各種挑戰。本人欣然報告建溢集團有限公司（「本公司」）連同其附屬公司（統稱「本集團」）面對營商挑戰仍能保持相對平穩強韌。我們面前的工作重點為提升生產實力及自動化水平，以加強整體競爭力，同時考慮採取新舉措，長遠增強生產基地及拓闊其地域，以及回收我們對房地產發展業務所作的投資。
- 綜合營業額創新高，按年增加39.1%至4,221,878,000港元（二零一八年：3,034,274,000港元）；
 - 本公司權益持有人應佔溢利112,384,000港元（二零一八年：149,821,000港元）；已計入：
 - 確認補貼收入46,147,000港元（二零一八年：69,840,000港元）；
 - 去年度發展中物業減值回撥4,582,000港元；
 - 物業、廠房及設備減值回撥7,189,000港元（二零一八年：零）；
 - 投資物業公平值收益5,383,000港元（二零一八年：4,935,000港元）；及
 - 去年度出售附屬公司收益10,126,000港元。
 - 在計入一次性收益／開支，當中包括確認補貼收入、發展中物業減值回撥、物業、廠房及設備減值回撥、投資物業公平值收益及出售附屬公司收益之前，錄得溢利（未計非控股權益）為53,665,000港元（二零一八年：60,338,000港元）；及
 - 本年度每股基本盈利為25.61港仙（二零一八年：34.71港仙）。

CHAIRMAN'S STATEMENT

主席報告

STRATEGIES AND OUTLOOK

In the Management Discussion and Analysis chapter, we will have a look back on our activities during the Year. Before we go into details of our performance, I would like to discuss some of the challenges our industry faces and our strategies to cope with them.

Macroeconomic Challenges

While the Sino-US trade war is bringing shocks to the global economy, China's manufacturing sector has in fact been facing multiple challenges even before the tariff hikes.

With years of wealth accumulation and the ageing of the population, China's 'demographic dividend' is fast diminishing. Consequently, labour shortage has become a major obstacle for Mainland-based manufacturers, in particular those engaged in more labour-intensive operations.

Second, as China transforms its 'the world's factory' position, its industrial policies and the regulatory environment have evolved in a bid to upgrade the industrial sector. While this will be beneficial to the long-term development of the country, industry is hit by the consequent policy changes, tightened administrative control and escalated legislative costs during the process of transformation.

Third, manufacturers in China continue to face the pressure of high costs despite the economic slowdown. The costs of human resources, energy and other overhead expenses have escalated over the past few years, cutting into the profit margins of many manufacturers. Given the fact that the number of workers employed under our manufacturing business is relatively high due mainly to the large scale of operation and also the particular production process, our Group has inevitably been affected by these surging costs.

On a more positive note for the Group, signs point to a further depreciation of the Renminbi, which will benefit our manufacturing business, particularly our Motors operation of which a substantial portion of the materials is procured from the Mainland.

策略及展望

我們將在管理層討論及分析章節內回顧本年度的業務進展，而就我們的表現詳加分析前，本人先在此探討行業所面臨的挑戰，以及我們的應對策略。

宏觀經濟環境挑戰

中美貿易爭端固然為全球經濟帶來衝擊，惟中國製造業在關稅調高前實際已面對多重挑戰。

隨著中國多年來財富積累及人口老化，「人口紅利」正迅速消減。因此，勞動力短缺已成為內地製造商，尤其從事勞動密集業務企業的一大障礙。

其次，中國的「世界工廠」定位亦正在轉型，其工業政策和監管環境不斷轉變以提升工業質量。此舉雖有利於國家的長遠發展，工業界卻難免因轉型過程中的政策變動、行政控制收緊，以及法律成本上升而受到影響。

其三，儘管經濟放緩，中國製造業仍需面對高成本的壓力。過去數年間，人力資源、能源和其他管理費用的成本不斷攀升，大大削弱了眾多製造商的盈利空間。由於我們的製造業務規模大，需聘用較多勞工，故本集團難免遭受此等成本上漲的影響。

對本集團而言，較為可喜的是有跡象顯示人民幣或進一步下調，這正對我們製造業務有利，特別是我們電機業務，其原材料採購以內地為主。

CHAIRMAN'S STATEMENT

主席報告

STRATEGIES AND OUTLOOK *(continued)*

Medium-term Initiatives

The Group's profit decline during the Year was mainly attributable to an overloading of our facilities for robotics production and the increase in operating costs. Going forward, we will strive to achieve a more even distribution of production throughout the year in order to keep the costs in check. We will also avoid engaging in aggressive market share competition, but aim to pursue a more balanced flow of orders. This will help ease the tight production situation, especially in Shenzhen where labour shortage is most acute.

Overall, the labour shortage problem in China is expected to ease in the coming years, following the slowdown in manufacturing activities. Nevertheless, we will continue to seek to increase the degree of automation at our facilities as a means to reduce our reliance on manpower. The introduction of more automated processes will also help enhance the quality and consistency of our production.

Automation is complemented with digitisation and lean manufacturing to further enhance our efficiency and precision of work, and thus competence in the delivery of products with higher technological content.

More importantly, the Group endeavours to speed up the recouping of investments made in the real estate development projects so as to build a war chest to cope with the challenges and market uncertainties mainly caused by the escalating operating costs in China and also the ongoing Sino-US trade war.

Long-term Strategies

In order to secure our cost advantage and competitiveness, the diversification of our production base is always a key consideration in our long-term development plan. Over the past two decades, the Group has expanded its production base further inland in phases from Shenzhen to Shixing Shaoguan, then from Guangdong Province to Dushan County in Guizhou Province. Currently, a very substantial portion of our electrical and electronic products in terms of turnover are manufactured in Shenzhen, with the remaining balance from our Shixing and Dushan bases. For the motors segment, the distribution between Shixing and Dushan is about 70% to 30%, with a small portion being produced in Malaysia.

策略及展望 *(續)*

中期舉措

本集團於本年度的溢利下降，主要原因是機械人生產設施超出負荷，以及營運成本上升所致。展望未來，我們會努力令全年生產分配更均衡以控制成本。我們會避免過分進取地爭取市場份額，轉而尋求更平均的訂單流。此舉有助紓緩緊張的生產狀況，特別是勞動力嚴重短缺的深圳。

總體而言，預計未來中國製造業將有所放緩，勞動力短缺問題會較前緩和。然而，我們仍會繼續研究提高設施的自動化水平，以減低對人力的依賴。引進更多自動化流程亦有助提高生產質量及一致性。

自動化配合數據運用及精益生產，將進一步提升工作效率和精準度，從而提高集團製造更高技術含量產品的能力。

更重要的是，本集團會致力加快收回在房地產發展項目的投資，建立戰略儲備資金以應對主要由中國營運成本上升及中美貿易爭端引致的挑戰和市場不確定性。

長遠策略

拓闊生產基地是我們長遠發展計劃的重點，以鞏固成本優勢及競爭力。在過去二十年內，從深圳拓至韶關始興，繼而由廣東省延伸至貴州省獨山縣，本集團一直分階段開拓中國內地生產據點。目前，集團大部分電器電子產品（按營業額計）在深圳生產，餘下部分則來自始興和獨山基地。至於電機業務分類，始興和獨山的生產分配約為七成及三成，小部分於馬來西亞生產。

CHAIRMAN'S STATEMENT

主席報告

STRATEGIES AND OUTLOOK *(continued)*

Long-term Strategies *(continued)*

Planning for further diversification has been ongoing, and the Sino-US trade war has expedited the need to consider locations outside China. Under study and site inspection are locations in Asia, such as Myanmar, India and Vietnam, where we are able to enjoy demographic and cost advantages. The Group is already operating a small-scale plant in Malaysia for the motors segment, and a new production line for motor drives will be added to this location in July 2019. Plans are also underway to establish production lines in Malaysia for some IoT and baby items.

Among the locations under consideration, Myanmar's low labour costs and young population provide strong incentives for manufacturers. However, due consideration will be given to the suitability of products to be manufactured for exporting to the US. India and Vietnam are both highly industrialised with relatively mature infrastructure and supply chains, although both locations now witness rising costs and increasing shortage of labour. Before proceeding further, we will carefully monitor and weigh the impact of the recent removal of India from the US' privileged trading programme.

Despite its surging costs, China will remain a strong production base for the Group and indeed for the electrical and electronic products sector. For sophisticated robotics and motors manufacturing, China has the advantage of a comprehensive supply chain and skilled labour, which is still not easy replaceable elsewhere. Notwithstanding our diversification consideration, the Group will continue to retain a substantial manufacturing base in China.

Finally, the management noted the Hong Kong Special Administrative Region Government's re-industrialisation efforts in recent years, which include support for Hong Kong enterprises to operate in local industrial estates, as well as assistance to the industrial sector to accelerate the adoption of Industry 4.0-related technologies. The Group will carry out studies and visits, but no concrete plan or timetable has been concluded yet.

策略及展望 *(續)*

長遠策略 *(續)*

進一步拓闊生產基地的計劃正持續進行，中美貿易爭端促使本集團加快考慮在中國以外地點設廠的需要。本集團已對緬甸、印度和越南等具有人口及成本優勢的亞洲據點進行研究和視察。電機業務分類一直於馬來西亞營運小規模工廠，並將於二零一九年七月於當地增添一條電機驅動器的新生產線。亦計劃在馬來西亞增設物聯網及嬰兒產品生產線。

綜觀各考慮中的地區，緬甸的勞動成本及年輕人口對製造商有利，但需考慮如何選取合適產品在當地生產及出口至美國。印度和越南則已高度工業化，擁有較成熟的基礎設施和供應鏈，惟現時均面對成本上升及勞工日益短缺的問題。在進一步行動前，我們亦將審慎視察及衡量近期印度被美國取消貿易特權的影響。

儘管成本飆升，中國仍然是本集團以至電器電子業界的強大生產基地。對於精密高端的機械人及電機生產，在中國設廠可享有周全的供應鏈及熟練勞工等優勢，其地位仍難以取代。本集團考慮拓闊生產基地的同時，仍會在中國保留主要的生產據點。

最後，管理層關注香港特別行政區政府近年推動的再工業化措施，包括支援本港企業在本地工業大廈營運，及協助工業界加速採用工業4.0相關科技。集團會謹慎進行研究及考察，惟目前未有具體的計劃與時間表。

CHAIRMAN'S STATEMENT

主席報告

STRATEGIES AND OUTLOOK *(continued)*

Long-term Strategies *(continued)*

The board of directors (the "Board") and management will carefully weigh the pros and cons of each feasible location before proceeding cautiously with the diversification plan. The Board is cautiously optimistic about the coming financial year but will prudently guard the Group against the risks associated with the macroeconomic turbulences and market landscape shifts.

Financial Management

With total bank borrowings at HK\$810,106,000 as at 31 March 2019 (31 March 2018: HK\$531,890,000), the Group has maintained a gearing ratio (bank borrowings divided by total equity) of approximately 67.0% (31 March 2018: 45.9%).

The Group will continue to maintain a strong financial position, and will allocate funding from internal resources and bank borrowings to support our necessary capital expenditures for the development of our core businesses.

ACKNOWLEDGEMENTS

I am grateful for the support of our shareholders, customers, suppliers and business partners. I would also like to thank my fellow Board members, our senior management and staff team for their devoted services and contribution. With a strong foundation and a vision for further development, let us move forward with confidence and resolve.

CHENG Chor Kit

Chairman and Chief Executive Officer

Hong Kong, 27 June 2019

策略及展望 *(續)*

長遠策略 *(續)*

在謹慎推行基地拓展計劃前，董事會（「董事會」）及管理層將小心衡量各可行地點孰優孰劣。對於下一財政年度，董事會維持審慎樂觀展望，並將嚴防宏觀經濟動盪和市場環境轉變所引致的潛在風險。

財務管理

本集團於二零一九年三月三十一日之銀行借貸總額為810,106,000港元（二零一八年三月三十一日：531,890,000港元），資本負債比率（銀行借貸除以權益總額）約為67.0%（二零一八年三月三十一日：45.9%）。

集團將繼續維持強健的財務狀況，並透過調撥內部資源及銀行借貸，為核心業務發展所需的資本開支提供足夠支持。

致謝

本人感激所有股東、客戶、供應商及業務夥伴的支持。同時感謝各董事會成員、管理高層及員工團隊的投入和貢獻。憑藉強大的基礎和持續發展的願景，我們懷抱信心和決心砥礪前行。

鄭楚傑

主席兼行政總裁

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

The Group is an industrial enterprise specialising in the technology-driven production of electrical and electronic products, including robotics, Internet of things (“IoT”) and smart home items, along with a diverse portfolio of motor drives and related products. The latest addition of a glass technology and application segment has further extended our manufacturing scope. The Group is also engaged in certain real estate development projects in Guizhou Province, the People’s Republic of China (the “PRC”).

CONSOLIDATED RESULTS

The Sino-US trade war has not had much adverse impact on the Group as a whole during the Year in terms of business turnover. Business momentum remained strong for the robotics and motors product lines. The Group’s consolidated turnover increased by 39.1% year-on-year to HK\$4,221,878,000 during the Year (2018: HK\$3,034,274,000). This turnover growth helped set another record high for the Group, and was driven both by its electrical and electronics and motors businesses. Set out below is a breakdown of the Group’s segmental external turnover:

- HK\$3,166,417,000 from the electrical and electronic products business, representing 75.0% of the consolidated turnover of the Group for the Year (2018: HK\$2,137,529,000; 70.1%);
- HK\$972,817,000 from the motors business, contributing 23.0% of the consolidated turnover (2018: HK\$896,745,000; 29.9%); and
- HK\$82,644,000 from the new business segment – glass technology and application business, accounting for 2.0% of the consolidated turnover (2018: Nil; 0%).

本集團以科技引領生產，建構智造型工業企業。集團專注製造高端電器及電子產品，包括機械人、物聯網（「物聯網」）及智能家居用品，以及多樣化的電機驅動器和相關產品。新增的玻璃技術及應用業務分類進一步擴大集團產品領域。本集團亦於中華人民共和國（「中國」）貴州省參與若干房地產開發項目。

綜合業績

本年度內，就業務營業額而言，中美貿易爭端並未對本集團整體構成太大負面影響。機器人及電機業務的發展勢頭仍然強勁。本集團錄得綜合營業額按年增長39.1%至4,221,878,000港元（二零一八年：3,034,274,000港元）。營業額增長由電器及電子產品以及電機業務帶動，並再創下營業額新高。各業務分類對外銷售及其所佔百分比細分如下：

- 電器及電子產品業務為3,166,417,000港元，佔本集團於本年度之綜合營業額75.0%（二零一八年：2,137,529,000港元，70.1%）；
- 電機業務為972,817,000港元，佔綜合營業額23.0%（二零一八年：896,745,000港元，29.9%）；及
- 新玻璃技術及應用分類為82,644,000港元，佔綜合營業額2.0%（二零一八年：無，0%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONSOLIDATED RESULTS (continued)

Basic earnings per share for the Year were HK25.61 cents (2018: HK34.71 cents).

The table below sets out the results of the Group by business segment, together with the comparative figures of the previous year:

Results by business segment	業務分類之業績	Year-on-year		
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	change 按年增減 %
Electrical and electronic products	電器及電子產品	93,035	121,252	-23.3
Motors	電機	56,793	73,204	-22.4
Glass technology and application	玻璃技術及應用業務	(6,538)	-	
Real estate development	房地產發展	(402)	(2,591)	84.5
Resources development	資源開發	5,512	215	
Total segment results	分類業績總計	148,400	192,080	-22.7

Amidst a challenging operating environment, the Group's profit attributable to equity holders of the Company declined 25.0% year-on-year to HK\$112,384,000 (2018: HK\$149,821,000). Before inclusion of those one-off gains/expenses including the recognition of subsidy income of HK\$46,147,000 (2018: HK\$69,840,000), write-back of impairment of properties under development of nil (2018: HK\$4,582,000), write-back of impairment of property, plant and equipment of HK\$7,189,000 (2018: Nil), fair value gain on investment properties of HK\$5,383,000 (2018: HK\$4,935,000), and gain on disposal of subsidiaries of nil (2018: HK\$10,126,000), a profit (before non-controlling interests) of HK\$53,665,000 (2018: HK\$60,338,000) was recorded.

綜合業績(續)

本年度內每股基本盈利為25.61港仙(二零一八年: 34.71港仙)。

下表列載本集團各業務分類之業績, 以及去年之比較數字:

本年度內營商環境挑戰重重, 本公司權益持有人應佔溢利按年下降25.0%至112,384,000港元(二零一八年: 149,821,000港元)。在計入一次性收益/開支前, 當中包括確認補貼收入46,147,000港元(二零一八年: 69,840,000港元)、發展中物業減值回撥為零(二零一八年: 4,582,000港元)、物業、廠房及設備減值回撥7,189,000港元(二零一八年: 無)、投資物業公平值收益5,383,000港元(二零一八年: 4,935,000港元), 以及出售附屬公司收益為零(二零一八年: 10,126,000港元), 錄得溢利(未計非控股權益)為53,665,000港元(二零一八年: 60,338,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONSOLIDATED RESULTS *(continued)*

The earnings decline was mainly due to the decrease in profitability of the electrical and electronic products segment and the motors segment, attributable to the general increase in labour and material costs. The increase in cost was aggravated by additional costs incurred owing to an overloading of facilities during certain peak months which outweighed the positive effect induced by the mild depreciation in the Renminbi exchange rate against the United States dollars during the Year. The facilities overload was caused by an overlapping of orders resulting from the postponement of substantial robotic product orders by a client towards the end of 2018, thereby upsetting the production schedule. In particular, the surge in labour costs and the problem of labour supply shortage in the PRC were intense particularly during the last quarter of the calendar year 2018 when a lot of manufacturers were rushing to meet deadlines to cope with the tariffs hike for goods to the market in United States.

Second, the Group's plan was to utilise the new production facilities in Dushan County, Guizhou Province ("Dushan") in order to fulfil increased orders. However, there was a delay in the handover of the factory premises by the Dushan County government, which has brought interruption to the Group's capacity expansion plan, subsequent allocation of production and additional manufacturing outsourcing expenses.

綜合業績 *(續)*

盈利減少，主要由於電器及電子產品業務分類及電機業務分類的勞工及原材料成本上漲，致使盈利有所下降。此外，於若干高峰期間生產設施超出負荷，產生額外成本，亦令成本上漲問題加劇。儘管本年度內人民幣兌美元之匯率輕微貶值帶來正面影響，惟未足以抵銷成本的漲幅。生產設施出現超負荷，特別由於一客戶將大批量的機器人產品訂單延後至二零一八年年底，造成訂單重疊擾亂生產計劃所致。特別在二零一八年最後季度，大量內地製造商提速生產以趕及在貨品關稅上調期限前供貨到美國市場，令該期間勞動成本激增，勞工短缺問題亦更趨嚴重。

其次，為應付訂單增長，本集團原計劃在貴州省獨山縣（「獨山」）建立新生產設施，惟因獨山縣政府延遲交付廠房，使得本集團的產能擴張計劃及其後的生產編配遭受影響，產生額外生產外包開支。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW

Manufacturing Businesses

The Group now operates three manufacturing business streams on three major production centres in the PRC. Two of the production centres are based in Guangdong Province, respectively in Songgang, Baoan District, Shenzhen City (“Shenzhen”) and Shixing County, Shaoguan City (“Shixing”). The third production centre is located in Dushan. Additionally, a motor facility is in operation in Malaysia.

During the Year, the Shenzhen centre continues to be dedicated to high-value-added processes for robotics and IoT manufacturing, while Shixing centre is the major production base for motor drives and other electrical and electronic products. The Dushan centre currently houses motors production, glass technology and application business, and robotics sub-assembly business.

Electrical and Electronic Products Business Segment

The segment is engaged in the development, design and manufacture of: (i) artificial intelligence (“AI”) robotics, (ii) IoT, smart home and entertainment products, and (iii) other products such as home electrical appliances.

Driven by robust sales of robotic vacuum cleaners (“RVC”), the juvenile series products and other AI robotic products, segment external turnover grew 48.1% year-on-year to HK\$3,166,417,000 during the Year (2018: HK\$2,137,529,000). However, the general surge in labour and material costs and additional outsourcing expenses have brought the segment’s operating profit down 23.3% year-on-year to HK\$93,035,000 (2018: HK\$121,252,000).

The increase in cost was partially caused by a general labour shortage and more stringent social welfare requirements in China. The postponement of a client’s substantial robotic product orders also resulted in an overlapping of production with some other scheduled projects, and thus a short-term overloading of the facilities in Shenzhen centre.

業務回顧

製造業務

本集團目前在中國三個主要生產中心經營三大製造業務分支。其中兩個生產中心分別位於廣東省深圳市寶安區松崗（「深圳」）及韶關市始興縣（「始興」）。第三個生產中心則位於獨山，另於馬來西亞設有一所電機工廠。

本年度內，深圳中心專門從事機械人和物聯網等高增值製造工序，始興中心則作為電機驅動器及其他電器電子產品的生產基地。目前獨山中心用於電機生產，同時容納玻璃技術及應用業務及機械人組件裝配業務。

電器及電子產品業務分類

本業務分類主要從事開發、設計及製造：（一）人工智能（「人工智能」）機械人；（二）物聯網、智能家居及娛樂產品；以及（三）包括小型家電等其他產品。

受惠於吸塵機械人（「吸塵機械人」）、少兒產品及其他人工智能機械人的強勁銷售，本年度內分類對外營業額按年上升48.1%至3,166,417,000港元（二零一八年：2,137,529,000港元）。然而，勞工及材料成本普遍上升加上額外外包開支，致使業務分類的經營溢利按年下調23.3%至93,035,000港元（二零一八年：121,252,000港元）。

成本增加，部分源於中國普遍勞工短缺，以及社會保障要求更趨嚴格。一客戶的大批量機械人產品訂單延後，使生產期與其他已排期的項目重疊，亦令深圳設施短期出現超負荷。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Electrical and Electronic Products Business

Segment *(continued)*

Going forward, there exists considerable uncertainties in the global economic environment, and uncertainties associated with the transition of China from an export-led growth model to one that is domestic demand driven. The Group maintains a stable and healthy outlook for the electrical and electronic products segment in the coming financial year, but will adopt a more conservative business plan in order to control its risk exposure to the external instabilities.

Robotics

With a strong foundation in robotics manufacturing, the Group has sought to expand from its core RVC line to other home-use and outdoor robots. During the Year, an underwater robot has completed development and was moved to production. In addition to home applications, the Group has also taken up the research and development (“R&D”) and production of robots with nursing functions, a STEM kit set, and an educational robot for interactive language learning.

From industry data, the demand for consumer robotic products has remained strong. However, as the Sino-US trade battle escalates, US brand owners and other clients are increasingly cautious about sourcing from China. Order placements tend to become more conservative as competition in the market intensifies and uncertainties continue to emerge.

In light of the challenges and market uncertainties, the Group has strategised to maintain a more focused and selective business portfolio. This will allow the Group to utilise existing capacities more efficiently and thus seek profit margin improvement in the longer term.

業務回顧 *(續)*

製造業務 *(續)*

電器及電子產品業務分類 *(續)*

展望未來，全球經濟環境仍存在較大不確定性，而中國正從出口導向模式過渡至內需驅動增長，期間不明朗因素亦勢將增加。對於電器及電子產品業務分類在下一財政年度的前景，本集團維持穩定及健康展望，惟將採取較保守的業務計劃，以監管外部波動所帶來的風險。

機械人

本集團在機械人製造方面已建立穩固基礎，並一直致力於從核心吸塵機械人系列擴展至其他家用和戶外機械人產品線。本年度內，一款水底用機械人已完成開發並投入生產。除家居應用外，本集團亦正研究開發（「研發」）及生產具有護理功能的機械人、STEM（科學、科技、工程和數學）套件及用於互動語言學習的教育機械人。

從行業數據分析，消費者對機械人產品的需求依然強勁。隨著中美貿易爭端持續升溫，美國品牌企業和其他客戶對於在中國採購愈趨謹慎。由於市場競爭加劇且不確定性持續浮現，訂單投放漸趨於保守。

面對各項挑戰及市場不明朗因素，本集團已制定策略，維持更具針對性及選擇性的業務組合。此舉將更有效運用本集團現有產能，並有助尋求改善較長期邊際利潤。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Electrical and Electronic Products Business

Segment *(continued)*

Robotics *(continued)*

On the other hand, the Group has not slowed its efforts in furthering its technological edge and production competence. In particular, the Group will work to enhance its AI capability, which is expected to lead the development of new breeds of robotics commanding premium design and prices. Management notes the prospect of innovation and technology development in the Guangdong-Hong Kong-Macao Greater Bay Area, and will explore the opportunity of leveraging this huge R&D platform in the future.

As discussed in our interim report for the six months ended 30 September 2018, the utilisation rate of our Shenzhen facilities has reached a high level, and the Group originally planned to shift part of the robotics supply chain to Dushan. However, owing to a delay in the handover of the factory premises by the Dushan County government, the capacity expansion plan has been postponed. For the near term, the Group will adopt a more selective approach in procuring orders, and will aim for a more even distribution of production throughout the Year.

The Group is confident of the ongoing development of its robotics business, which will remain the core of the electrical and electronic products segment in the years ahead.

業務回顧 *(續)*

製造業務 *(續)*

電器及電子產品業務分類 *(續)*

機械人 *(續)*

另一方面，本集團會繼續提升技術優勢及生產實力；其中人工智能技術料將帶動新一代高端設計及高價機械人的開發，本集團會致力提高這方面的實力。管理層亦注視粵港澳大灣區的創新與技術發展前景，未來會探索此龐大研發平台所帶來的機遇。

誠如我們截至二零一八年九月三十日止六個月的中期報告所述，深圳設施使用率已達到飽和，集團原計劃將部分機械人供應鏈遷往獨山，惟獨山縣政府延遲交付廠房，導致擴展計劃押後。短期而言，本集團會採取較選擇性的接單策略，目標令全年生產分配更為均衡。

機械人業務於未來數年仍為電器及電子產品業務分類的核心，本集團對其持續發展充滿信心。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW (continued)

Manufacturing Businesses (continued)

Electrical and Electronic Products Business Segment (continued)

Internet of Things, Smart Home and Entertainment Products

Based on the premise of data-driven and machine learning technologies acquired through years of robotics manufacturing, the Group has gained ground in the development of an array of IoT, smart home and entertainment products.

These product lines have remained in relatively small volumes, and the Group will continue to adopt a selective pitching strategy in order to better allocate development resources and production capacities. Among them, the baby gear line and robotic products for pets have continued to record stable sales. Development of a wearable keyboard for inputting and controlling Bluetooth-enabled devices is also ongoing.

The Group is optimistic about the sales of an entertainment product series which will be carried in a new line of theme parks based on a blockbuster movie. Two parks have already been opened in the US, with one more currently under construction in Europe. These additional points of sale will help boost the business volume of the product series. The pitching of other entertainment projects will be more selective as the Group opts to go for margin instead of volume growth.

Overall, the toys market is competitive with manufacturing margins under pressure. In view of the tariffs imposed by the US on Chinese-made products, the management has been exploring the opportunity of relocating part of its capacities to other Asian locations. Under consideration is the setting up of pilot production lines for some IoT and baby products in Malaysia, as well as small-scale production in Vietnam for entertainment items with lower technological requirements. The feasibility of other locations, including India, is also being examined. The Group is well aware of the risks associated with the relocation of manufacturing activities, and will proceed cautiously with the establishment of trial production lines before moving ahead on a larger scale.

業務回顧 (續)

製造業務 (續)

電器及電子產品業務分類 (續)

物聯網、智能家居及娛樂產品

本集團通過參與機器人開發，接觸數據驅動和機器學習科技並建立相關能力，進而在開發一系列物聯網、智能家居和娛樂產品上取得成果。

此等產品的批量相對較小，本集團會採取選擇性的接單策略，以便更有效地分配開發資源及生產力。其中，嬰兒用品線和寵物用機械人產品維持穩定的銷售記錄，另正開發可用於輸入及透過藍牙控制的穿戴式鍵盤裝置。

本集團對娛樂系列中一項產品的銷售甚感樂觀。該系列產品將會於以賣座電影為主題的樂園內銷售，此類樂園在美國已有兩所正在營運，亦有一所已於歐洲開始興建，而此新增的銷售點有助提升此產品系列的知名度。對於其他娛樂產品項目，本集團會審慎取單，將會着重於邊際利潤而非營業額增長。

總體而言，玩具市場競爭較大，製造商邊際利潤承受一定壓力。鑑於美國向中國製貨品徵收關稅，管理層一直探索將部分產能轉移到其他亞洲地區的機會。目前正考慮在馬來西亞為部分物聯網和嬰兒產品建立試產線，以及在越南進行技術要求較低的娛樂產品小規模生產。本集團並正評估其他地點，包括印度的可行性。本集團深知製造業務遷移的相關風險，因此會謹慎行事，在較大規模遷移前會先建立試產線。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW (continued)

Manufacturing Businesses (continued)

Electrical and Electronic Products Business

Segment (continued)

Home Appliances/Electrical Appliances

The home appliances business line continued to witness stable growth, with the introduction of new products and acquisition of new business. The Group has built a successful product portfolio, and is currently developing an ODM line of electrical appliances and an innovative home appliance featuring RFID technology.

This business line is expected to continue contributing stable sales for the segment.

Motors Business Segment

The motors segment is engaged in the development, design, manufacture and sale of electric motor drives and related products. Its major facilities are currently located in Shixing centre and Dushan centre, supplemented by a production facility in Malaysia. Equipped with high-precision technologies and equipment, this robust production and R&D platform enables the segment to roll out innovative and reliable deliverables for clients.

The segment strategically manages its product portfolio to respond to market changes and capture technological trends. In this direction, the segment has continued with the development of larger motor drives and has debuted a series of brushless motors.

Segment external turnover increased by 8.5% year-on-year to a record level of HK\$972,817,000 (2018: HK\$896,745,000) on the back of a robust order book, and driven by the furtherance of strategic plans to expand market share in various sectors particularly the home and office appliances sectors. Amongst others, the further increase in labour rates was one of the key factors drove segment profit down by 22.4% to HK\$56,793,000 (2018: HK\$73,204,000). To relieve the limiting effect of labour shortage on the segment's manufacturing activity, the Group will continue to raise the level of automation at its facilities.

業務回顧 (續)

製造業務 (續)

電器及電子產品業務分類 (續)

家電／電器

家電業務繼續取得穩定增長，並積極發展新產品和收購新業務。本集團已成功建立穩健的產品組合，目前正開發一套原設計製造的電器產品線和應用射頻識別科技的新穎家電。

預期此業務將可持續為分類貢獻穩定銷售。

電機業務分類

電機業務分類從事開發、設計、生產及銷售電機驅動器及相關產品。目前主要生產設施位於始興中心及獨山中心，輔以位於馬來西亞的生產廠房。強健的生產和研發平台配備高精準技術及設備，可支持業務分類為客戶打造創新而可靠的產品方案。

業務分類對產品組合進行策略管理，以回應市場變化及捕捉科技趨勢。朝此方向，此分類持續開發較大型電機驅動產品，及推出一系列無刷電機。

在強勁的訂單量推動下，以及受惠於針對多個細分市場（包括家用電器及辦公室用品市場）擴展市場份額的策略計劃，業務分類對外營業額按年增長8.5%至972,817,000港元（二零一八年：896,745,000港元）。多項因素，其中勞工工資水平進一步上升為主因，致使分類溢利下跌22.4%至56,793,000港元（二零一八年：73,204,000港元）。本集團將繼續提升設施自動化水平，以緩解勞工短缺對生產活動的牽制。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Motors Business Segment *(continued)*

Given the segment's insignificant direct export to the US, the trade frictions did not bring substantial direct impact on the motor business. However, the management considers that a weakened global economy will have an indirect but broad-based effect on all business sectors. The Group will therefore adopt a more conservative strategy for this segment in the year ahead. It will also continue to develop and expand its domestic sales in the PRC market, which is still relatively robust.

During the Year, the segment's business was mainly driven by the home and office appliances sectors, while the Group is actively developing the automobile market. The automobile line performed well and delivered increased sales in spite of a negative growth in automobile production and sales in China. The segment has established capabilities in the production of motor for headlights, rear-view mirrors and air-conditioning. Going forward, it will expand into solutions that support other functions such as door locks, sunroofs, seat adjusters, windows lifts, electronic parking brakes and other assistive facilities. The management will also seek to capture opportunities that are expected to emerge from the growth of electric cars.

Another key task for the management is to improve the profit margin of the segment. In this connection, the segment has sought to improve the operational efficiency through optimisation of equipment utilisation, and implement more stringent cost control measures. In addition, the segment is also developing products of higher value. To this end, the segment has expanded from micro to mid-sized motors, and re-launched its alternating current motor business after years of planning and development.

業務回顧 *(續)*

製造業務 *(續)*

電機業務分類 *(續)*

業務分類直接對美國的出口量極微，貿易摩擦並未對電機業務構成重大的直接影響。惟管理層關注環球經濟疲弱，將對所有行業帶來間接但廣泛的影響。因此本集團於來年將對此分類實施更保守的策略，同時發展並擴大相對堅穩的中國內銷市場。

本年度內業務分類增長主要由家用電器及辦公室用品市場所帶動，同時本集團積極開發汽車市場。儘管中國汽車生產及銷售錄得負增長，本集團的汽車用電機產品系列表現優異並實現銷售增長。業務分類在汽車前燈、後視鏡及空調用的電機方面建立了穩固的生產能力，未來將擴展至其他汽車功能，例如：門鎖、天窗、座椅調節器、電動窗、電子停車制動器及其他輔助設施。管理層亦將探索並捕捉電動車增長可帶來的商機。

管理層另一工作重點為提升業務分類的邊際利潤。本集團通過優化設備使用率提升營運效率，及採取更嚴格的成本控制措施。此外，分類亦積極開發較高價值的產品，為此已由微型電機擴展至中型產品，並經數年的規劃和開發重新推展交流電電機業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Motors Business Segment *(continued)*

Efforts have also been made to enhance the technological content of the segment's motor drives in order to achieve increased performance, reliability and durability. In this direction, the segment has developed a line of brushless direct current motors constructed with electrical components. The advantages of brushless motors over brushed motors include higher efficiency, reduced operational noise, low electromagnetic interference, longer lifespan, greater adjustability and precise movement control. Brushless motors find applications in a broad range of computer peripherals, hand-held tools and vehicles.

As part of the segment's proactive measures to address the difficulties brought by the trade barriers, plans are underway to diversify its production base. A motor production line is scheduled to be commissioned by July 2019 in Malaysia, signifying our initial step toward the production of motors outside China which is expected to induce demands from customers from Association of Southern Asian Nations or Trans-Pacific Partnership member countries which enjoy export tax concessions.

In view of the healthy business rollout of the motors segment, the segment looks to the coming year with a neutral stance, while holding an upward outlook for the motors segment in the longer term, and we also caution on the potential dampening effect of the ongoing Sino-US trade war on the overall business environment.

業務回顧 *(續)*

製造業務 *(續)*

電機業務分類 *(續)*

集團銳意提升電機驅動器的科技含量，以提高產品表現、可靠性及耐用性。朝此方向，此分類已開發一系列包含電子零件的直流電無刷電機。相對有刷電機，無刷電機具有更高效率、更安靜的運轉音、更低電磁干擾、更耐久壽命，以及更加可調並能達致更精確的驅動。無刷電機可廣泛應用於電腦週邊產品、手持式工具及運輸工具等領域。

業務分類採取積極措施應對貿易壁壘所帶來的挑戰，正計劃分散生產基地。其中一項行動為於馬來西亞設置電機生產線，預計在二零一九年七月投產，標誌我們在中國以外生產電機的第一步，並預計能誘發來自東南亞國家聯盟或跨太平洋夥伴成員國客戶的需求，從而享受到此等地區的出口稅項優惠。

本集團衡量電機業務分類的穩健發展，對於電機業務的來年前景持中性展望，中長期則可望重拾升軌，但對中美貿易爭端對整體營商環境造成的潛在負面影響保持警覺。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Glass Technology and Application Segment

This new segment is engaged mainly in the sale and downstream processing of glass including but not limited to insulating glass, glass window modules and marble glass products, as well as the design, manufacture and installation of curtain wall systems. The segment is basically engaged in domestic sales in the PRC with a small amount of export sales of processed glass, and its facilities are currently located in Dushan.

The Group holds a 64% interest in a glass technology and application company, Progress Power-Saving Glass Technology Company Limited (“PPSGT”), with a major subsidiary, Chuangjian Jieneng Glass (Guizhou) Company Limited operating in our Dushan centre. PPSGT has become a subsidiary of the Group since August 2018, and generated a segment turnover of HK\$82,644,000 (2018: Nil) after acquisition. A segment loss of HK\$6,538,000 (2018: Nil) was incurred.

With the slower than expected collection of accounts receivables from certain curtain wall projects for government buildings since the end of 2018, despite that the collectability of those receivables should not be problematic as the developers are associated entities of the government, the segment’s working capital turnover rate has inevitably been affected.

With its capital-intensive business nature, management expects capital recovery from this segment to be slow considering a general slowdown in the PRC economy. The Group has therefore adopted a more conservative business strategy for this segment by downsizing the operating scale and slowing down the expansion plan with respect to other projects including the sale of advertising rights on switchable project glass systems and the coating of glass surfaces for electrochromic glass smart shading systems.

業務回顧 *(續)*

製造業務 *(續)*

玻璃技術及應用分類

此新業務分類主要從事銷售和下游加工玻璃，包括但不限於中空玻璃、玻璃窗模塊和大理石玻璃產品，以及設計、製造和安裝玻璃幕牆系統。此分類主要服務中國內銷市場，僅有少量加工玻璃作出口銷售，其生產設施目前位於獨山。

本集團持有創建節能玻璃科技有限公司（「創建節能」，一家從事玻璃科技及應用公司）之64%權益，其主要附屬公司創建節能玻璃（貴州）有限公司於集團獨山生產中心內營運。創建節能自二零一八年八月起成為本集團附屬公司，並於收購後產生分類營業額82,644,000港元（二零一八年：無），分類虧損為6,538,000港元（二零一八年：無）。

自二零一八年年底，若干政府大樓幕牆項目應收賬款收款較預期慢，由於發展商為政府相關機構，此等應收賬款儘管其可收回性問題不大，但分類營運資金週轉則難免不受到影響。

基於其資本密集的業務性質，管理層預計此分類的資本回籠將因中國整體經濟放緩而減慢。本集團因此已對此業務分類採取更保守的策略，將縮減經營規模及減慢其他擴充計劃，包括銷售可切換投影玻璃之廣告權和電致變色玻璃智能遮陽系統之玻璃鍍膜。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW (continued)

Non-manufacturing Businesses

Real Estate Development Business Segment

During the Year, the Group was engaged in two residential and commercial property development projects in Dushan Economic Development Zone, namely *The Royale Cambridge Residences* and *The Jardin Montsouris*.

The Royale Cambridge Residences

Phase 1 of this residential project was completed, with sales ongoing at a slow pace.

Under HKFRS15, for properties which have no alternative use to the Group and the Group has no enforceable right to payment from the customer for performance completed to date, the Group recognises revenue as the performance obligations are satisfied at a point in time when the customer obtains control of the property and the Group satisfies the performance obligations.

As at 31 March 2019, HKD72,297,000 was received for its contracted sales of such property development.

The Group is confident of the long-term potential of this property development, and will continue to maintain an appropriate pace of development so as to maximise long-term returns from the project.

The Jardin Montsouris

This resettlement project is located on a site opposite to our *The Royale Cambridge Residences* project. Construction works on Phase I of this project are ongoing, and application is underway for a pre-sale permit.

The project was developed with an aim of providing housing for residents in need of shabby town relocation owing to resettlement. However, there has been a delay in the county administration's acquisition of units owing to a change in local government officials during the Year. Progress of this project has subsequently been slowed.

業務回顧 (續)

非製造業務

房地產發展業務分類

本年度內，本集團於貴州獨山經濟開發區展開兩項住宅及商業物業發展項目，即劍橋皇家及蒙蘇里花園。

劍橋皇家

第一期住宅項目已竣工，銷售以緩慢步伐進行。

根據香港財務報告準則第15號，如物業對本集團無其他用途，且本集團並無強制權利就累計至今已完成之履約部分收取款項，則本集團在客戶取得物業控制權且本集團履行履約責任之時間點確認收益。

截至二零一九年三月三十一日止，相關物業年度收取合約銷售共約72,297,000港元。

本集團對此物業發展的長遠潛力具有信心，及將繼續保持合理的發展節奏，以爭取最大的項目長期回報。

蒙蘇里花園

此住戶安置項目所在地塊位於劍橋皇家項目對面。第一期住宅項目之建築工作仍在進行，亦正申請預售許可。

此項目旨在為因舊改而需要安置的居民提供住房。由於本年度內當地政府官員變動，以致縣政府收購單位的計劃延後，項目進度因而減慢。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Non-manufacturing Businesses *(continued)*

Real Estate Development Business Segment

(continued)

The Jardin Montsouris (continued)

Phase I of this development was finally fixed at six residential buildings with a total saleable floor area for residential units of approximately 200,000 square metres. As sales to the government in respect of administration's acquisition of units for relocation purposes have slowed, the segment has been in the process of soliciting sales of the property units from resettlement in relation to transportation projects such as the Dushan Station of the Guiyang-Nanning High Speed Rail next to the site of our project.

The management has confidence that this project will make contribution to the cash flow and revenue stream of the Group in the long-run.

The Group considers the two existing projects on hand as one-off real estate development opportunities and does not expect in general to tender for other property development projects in other locations in the PRC.

DIVIDENDS

Interim dividend of HK3.0 cents per ordinary share, totaling HK\$13,168,000 were paid to the shareholders of the Company on 11 January 2019.

In furtherance of the Company's strategy of building up war chest to cope with the uncertainties in the future, the Board has resolved not to declare any final dividend for the Year (2018: HK7.0 cents per ordinary share).

業務回顧 *(續)*

非製造業務 *(續)*

房地產發展業務分類 *(續)*

蒙蘇里花園 (續)

第一期發展最後落實為六幢住宅樓宇，可銷售總樓面面積約200,000平方米。因政府收購單位作安置用途之相關銷售延後，此分類正向因交通項目而出現的安置需求尋求銷售；交通項目如位於樓盤旁的貴陽至南寧高速公路獨山站。

從長遠來看，管理層有信心此項目將為集團貢獻現金流及營業額。

本集團視兩個現有房地產項目為一次性發展機會，一般預計不會投標中國其他地區的物業發展項目。

股息

於二零一九年一月十一日，已向本公司股東派付每股普通股3.0港仙合共13,168,000港元之中期股息。

為配合本公司建立戰略儲備之策略，以應對未來之不確定因素，董事會議決不會宣派本年度之末期股息（二零一八年：每股普通股7.0港仙）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL CONDITIONS, LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily used its internally generated cash flows and banking facilities to finance its operations and business development. The Group has always been executing a prudent and conservative strategy in its financial management. As at 31 March 2019, the Group had time deposits of HK\$13,754,000 (31 March 2018: HK\$11,645,000), cash and bank balances of HK\$227,170,000 (31 March 2018: HK\$205,011,000), and net current liabilities of HK\$192,183,000 (31 March 2018: net current assets HK\$358,993,000). As at 31 March 2019, shareholders' equity was HK\$1,205,512,000 (31 March 2018: HK\$1,156,778,000). Total consolidated banking facilities of the Group from all banks as at 31 March 2019 amounted to approximately HK\$917,563,000 (31 March 2018: HK\$983,074,000). As at 31 March 2019, total bank borrowings amounted to HK\$810,106,000 (31 March 2018: HK\$531,890,000).

During the preparation of the annual results of the Company for the Year, the management has found out that, due to the oversight of the management, the Company has not applied for obtaining waivers from the relevant banks to waive their rights to demand for repayment on demand with respect to certain long-term bank loans (in an amount of approximately HK\$235,500,000) (the "LT Loans") for the 12 months period from 1 April 2019 ("Confirmation"). In accordance with the relevant accounting standards, the LT Loans shall be classified as current liabilities instead of non-current liabilities as at 31 March 2019. As a result, as at 31 March 2019, the Group's bank loan in the amount of HK\$484,750,000 had been classified as current liabilities. Consequently, as at 31 March 2019, the Group had net current liabilities and there was a non-compliance with the financial covenant with respect to certain loan agreements between the banks and the Group.

財務狀況、流動資金及財務資源

本集團主要以其內部產生的現金流及銀行融資為其營運及業務發展提供資金。本集團一向在財務管理方面奉行審慎及保守政策。於二零一九年三月三十一日，本集團的定期存款為13,754,000港元（二零一八年三月三十一日：11,645,000港元）、現金及銀行結餘為227,170,000港元（二零一八年三月三十一日：205,011,000港元），而流動負債淨額為192,183,000港元（二零一八年三月三十一日：流動資產淨值358,993,000港元）。於二零一九年三月三十一日，股東權益為1,205,512,000港元（二零一八年三月三十一日：1,156,778,000港元）。於二零一九年三月三十一日，本集團從各銀行獲取的綜合銀行融資總額約為917,563,000港元（二零一八年三月三十一日：983,074,000港元）。於二零一九年三月三十一日，銀行總借貸為810,106,000港元（二零一八年三月三十一日：531,890,000港元）。

在編製本公司於本年度之全年業績期間，管理層發現，由於管理層之疏漏，本公司尚未向相關銀行申請，就若干長期銀行貸款（金額約為235,500,000港元）（「長期貸款」）豁免彼等於二零一九年四月一日起計十二個月期間按要求償還之權利（「該確認」）。根據相關會計準則，於二零一九年三月三十一日，長期貸款須歸類為流動負債而非非流動負債。因此，於二零一九年三月三十一日，本集團為數484,750,000港元之銀行貸款已歸類為流動負債。故此，於二零一九年三月三十一日，本集團有流動負債淨額，以及違反銀行與本集團之若干貸款協議之財務契諾。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL CONDITIONS, LIQUIDITY AND FINANCIAL RESOURCES *(continued)*

Subsequent to 31 March 2019, the Group has successfully obtained (i) written consents from all relevant banks to grant waiver to the Group for the compliance with the relevant financial covenant; (ii) Confirmation in relation to all LT Loans (except for two long-term loans amounting of HK\$92,500,000 with scheduled repayment dates beyond one year after 31 March 2019); and (iii) confirmation from all relevant banks as a whole that the banking facilities available to the Group will not be demanded or cancelled such that they will continue to be available to the Group for 12 months from 1 April 2019. In view of the situation, the Group will implement measures, inter alia, to monitor cash flows through cutting costs and proactively take measures to accelerate the recouping of investments in our real estate development business and collections of outstanding receivables, and dispose of non-core assets to enhance cashflow position. In view of these, the directors of the Company believe that the Group will have sufficient financial resources to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period.

The Group has been in the investment mode in the past two years particularly in the areas of equipment and plant for production automation and property under development. The management of the Company is of the view that the Group is poised to reap the benefits of these investment in the coming years.

However, in view of all uncertainties the Company faces, particularly the trade dispute between the US and China, the management adopted a more prudent strategy in treasury management with an aim of building up war chest to fight the possible future challenges.

As at 31 March 2019, the bank borrowings of the Group was repayable within one year amounted to HK\$810,106,000 (31 March 2018: HK\$237,140,000) and the remaining balance of nil (31 March 2018: HK\$294,750,000) was repayable within second to fifth years.

財務狀況、流動資金及財務資源 (續)

於二零一九年三月三十一日後，本集團已成功取得(i) 所有相關銀行之書面同意，就遵守相關財務契諾向本集團授出豁免；(ii) 就所有長期貸款作出該確認（惟兩筆預定償還日期為二零一九年三月三十一日起計一年後為數92,500,000港元之長期貸款除外）；及(iii) 所有相關銀行之整體確認，本集團可用之銀行融資將不會被要求償還或取消，因此本集團於二零一九年四月一日起計十二個月內可繼續使用。鑑於此情況，本集團將採取措施，（其中包括）透過削減成本監控現金流量，並積極採取措施加快收回我們於房地產發展業務之投資以及收取尚未收取之應收款項，以及出售非核心資產以加強現金流狀況。有見及此，本公司董事認為，本集團將有充足財務資源於報告期末起計未來十二個月撥付營運所需及履行到期之財務責任。

在過去兩年，本集團一直致力投資於生產設備及廠房、自動化及發展中物業等領域。本公司管理層預計集團將於未來數年從該等投資取得成果。

然而，鑑於本公司面對之所有不確定因素，特別是中美貿易爭端，管理層採取更為保守之庫務管理策略，旨在建立戰略儲備，迎接未來可能出現之挑戰。

於二零一九年三月三十一日，本集團須於一年內償還之銀行借貸為810,106,000港元（二零一八年三月三十一日：237,140,000港元），須於兩年至五年內償還之餘額為零（二零一八年三月三十一日：294,750,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL CONDITIONS, LIQUIDITY AND FINANCIAL RESOURCES *(continued)*

As at 31 March 2019, the current ratio of the Group (current assets divided by current liabilities) was maintained at 0.9 times (31 March 2018: 1.3 times) and the gearing ratio of the Group (total bank borrowings divided by total equity) was 67.0% (31 March 2018: 45.9%).

CAPITAL STRUCTURE

As at 31 March 2019, the total issued share capital of the Company was HK\$43,896,000 (31 March 2018: HK\$43,846,000), comprising 438,960,000 (31 March 2018: 438,460,000) ordinary shares of HK\$0.10 each.

During the Year, the Company issued 500,000 ordinary shares (31 March 2018: 10,100,000 ordinary shares) upon exercise of share options granted to employees of the Company under the share option scheme of the Company.

CHARGE ON THE GROUP'S ASSETS

There was no charge on the Group's assets as at 31 March 2019 (31 March 2018: Nil).

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars and Renminbi or United States dollars. The Group does not have a foreign currency hedging policy on it. In order to manage and minimise the foreign exchange risk, the management shall from time to time review and monitor the foreign exchange exposure and will consider hedging the significant foreign currency exposure when appropriate and necessary.

INTEREST RATE RISK

The Group's financial facilities are denominated in Hong Kong dollars and Renminbi and interests on bank borrowings are chargeable based on certain interest margin over the Hong Kong Interbank Offered Rate and the People's Bank of China lending rate which are therefore of floating rate in nature. The Group has not entered into any interest rate risk hedge to mitigate exposure to interest rate risk during the Year.

財務狀況、流動資金及財務資源 (續)

於二零一九年三月三十一日，本集團流動比率(流動資產除以流動負債)維持於0.9倍(二零一八年三月三十一日：1.3倍)；而本集團資本負債比率(銀行借貸總額除以權益總額)為67.0%(二零一八年三月三十一日：45.9%)。

資本結構

於二零一九年三月三十一日，本公司的已發行股本總額為43,896,000港元(二零一八年三月三十一日：43,846,000港元)，包括438,960,000股(二零一八年三月三十一日：438,460,000股)每股面值0.10港元的普通股。

於本年度，本公司於根據本公司之購股權計劃授予本公司僱員之購股權獲行使時發行500,000股普通股(二零一八年三月三十一日：10,100,000股普通股)。

本集團的資產抵押

於二零一九年三月三十一日，本集團並無抵押資產(二零一八年三月三十一日：無)。

外匯風險

本集團之貨幣資產、負債及交易主要以港元及人民幣或美元計值。本集團並無就此訂有外幣對沖政策。為了管理及減低外匯風險，管理層會不時對外匯風險作出檢討及監察，並將於適當及需要時考慮對沖重大外幣風險。

利率風險

本集團之財務融資以港元及人民幣計值，而銀行借貸之利息乃按香港銀行同業拆息及中國人民銀行貸款利率加若干息差計算，因此其性質為浮動利率。於本年度，本集團並未進行任何利率風險對沖以減輕利率風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group employed around 11,000 full-time employees, of which less than 120 of them were stationed in Hong Kong headquarters with the remaining working in the PRC and Malaysia.

The Board's remuneration committee of the Company made recommendation to the Board on the policy and structure of the Company for all remuneration of Directors, reviewed and determined the remuneration package of individual executive Director and senior management of the Company with reference to the Board's corporate goals and objectives, responsibilities and employment conditions elsewhere within the Group and in the market. The Group remunerates its employees largely in accordance with prevailing industry standards. In Hong Kong, the Group's employee benefits include staff retirement scheme, medical scheme and performance bonus. In the PRC and Malaysia, the Group provides its employee's staff welfare and allowances in accordance with the prevailing labour laws. The Group has also put in place a share option scheme to motivate and reward staff with outstanding performance. At the discretion of the Board, the Group's employees will be granted the options, of which the number of options granted is determined by individual performance and level of responsibilities.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 23 August 2019 to Wednesday, 28 August 2019, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the annual general meeting of the Company to be held on Wednesday, 28 August 2019, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 22 August 2019.

Cheng Chor Kit
Chairman and Chief Executive Officer

Hong Kong, 27 June 2019

僱員及薪酬政策

於二零一九年三月三十一日，本集團聘有約11,000名全職僱員，其中駐守香港總部的僱員不到120位，其餘則於中國及馬來西亞工作。

本公司之董事會轄下薪酬委員會就本公司有關全體董事薪酬的政策及架構向董事會提出建議，及參照董事會所訂之企業方針及目標、職責和本集團及市場內同類職位的實際情況，來審閱及釐定本公司個別執行董事及高級管理人員的薪酬待遇。本集團主要按照現行之行業標準釐定其僱員報酬。於香港，本集團之僱員福利包括員工退休計劃、醫療計劃及績效花紅。於中國及馬來西亞，本集團按照現行勞動法為其僱員提供員工福利及津貼。本集團亦制訂一項購股權計劃，以鼓勵及獎勵表現優異之員工。本集團僱員將由董事會酌情授出購股權，所授出之購股權數目則按個別僱員表現及職級而釐定。

暫停辦理股份過戶登記

本公司之股東名冊將於二零一九年八月二十三日(星期五)至二零一九年八月二十八日(星期三)(包括首尾兩日)期間內暫停辦理股份過戶登記手續。如欲符合資格出席本公司於二零一九年八月二十八日(星期三)舉行之股東週年大會及於大會上投票，所有股份過戶文件連同相關股票必須於二零一九年八月二十二日(星期四)下午四時三十分前送交至本公司位於香港灣仔皇后大道東183號合和中心54樓之香港股份過戶登記處卓佳登捷時有限公司，以辦理股份過戶登記手續。

鄭楚傑
主席兼行政總裁

香港，二零一九年六月二十七日

BIOGRAPHICAL DETAILS OF THE DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTORS

Mr. Cheng Chor Kit, aged 67, is the chairman and chief executive officer of the Company. He is the founder of the Group and is responsible for the Group's overall operation and strategic planning. He is also a member of the Board's remuneration committee and nomination committee. Mr. Cheng currently is a Standing member of the 12th Shaoguan Committee of the Chinese People's Political Consultative Conference (the "CPPCC") and also a former member of the Guangdong Provincial Committee of the CPPCC. Mr. Cheng has over 40 years of experience in the toy industry.

Mr. Fung Wah Cheong, Vincent, aged 63, is an executive Director since August 2005 and is responsible for the corporate and business management of the Group. He is also a member of the Board's remuneration committee and nomination committee. Mr. Fung holds a Master of Science Degree in engineering business management and has over 30 years of experience in the toy industry. Prior to joining the Group, he worked as an engineering director in a sizeable toys manufacturing and distribution company.

Mr. Liu Tat Luen, aged 54, is an executive Director since December 2009. Mr. Liu holds a Bachelor Degree in Science (Quantity Surveying) from the University of Hong Kong and a Master Degree in Business Administration from the Chinese University of Hong Kong. Prior to joining the Company, Mr. Liu served as a director and a responsible officer in a corporate finance advisory firm (type 6 regulated activities under the Securities and Futures Ordinance (the "SFO") in Hong Kong and has over 20 years of working experience in the financial industry in Asia as a whole.

執行董事

鄭楚傑先生，六十七歲，本公司主席兼行政總裁。彼為本集團創辦人，並負責本集團整體營運及策略規劃。彼亦為董事會轄下薪酬委員會及提名委員會成員。鄭先生現為中國人民政治協商會議（「中國人民政治協商會議」）第十二屆廣東省韶關市委員會常務委員，亦曾歷任中國人民政治協商會議廣東省委員會委員。鄭先生於玩具業擁有逾四十年經驗。

馮華昌先生，六十三歲，自二零零五年八月起出任執行董事並負責本集團企業及業務管理。彼亦為董事會轄下薪酬委員會及提名委員會成員。馮先生持有工程業務管理理學碩士學位，於玩具業擁有逾三十年經驗。於加入本集團前，彼曾於一間大型玩具製造及分銷公司任職工程總監。

廖達鸞先生，五十四歲，自二零零九年十二月起出任執行董事。廖先生持有香港大學之工料測量理學士學位，並持有香港中文大學之工商管理碩士學位。於加入本公司前，廖先生於香港一間企業融資諮詢公司（可進行香港證券及期貨條例（「證券及期貨條例」）項下第6類受規管活動業務）出任董事及負責人員職務，且於整個亞洲金融行業擁有逾二十年之工作經驗。

BIOGRAPHICAL DETAILS OF THE DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTORS *(continued)*

Mr. Cheng Tsz To, aged 32, is an executive Director since June 2014. After graduating with a Master's degree of Engineering in Mechatronics with honors from the University of Sheffield, the United Kingdom, Mr. Cheng joined the Group in 2010. He is a son of Mr. Cheng Chor Kit, the executive Director and the controlling shareholder (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules")) of the Company and is the younger brother of Mr. Cheng Tsz Hang, the executive Director of the Company.

Mr. Cheng Tsz Hang, aged 35, is an executive Director since March 2016. After studied Physics and Mathematics in the Loughborough University, the United Kingdom, Mr. Cheng joined the Group in 2007. He is the chief executive officer of the motor business segment of the Group since July 2013. Mr. Cheng is a son of Mr. Cheng Chor Kit, the executive Director and the controlling shareholder (as defined under the Listing Rules) of the Company and is the elder brother of Mr. Cheng Tsz To, the executive Director of the Company.

Mr. Hui Ka Po, Alex, aged 52, is an executive Director since December 2016. Mr. Hui joined the Group in February 2016 as an executive director and the assistant to the chairman of the Company and is primarily responsible for the business development of the Group's manufacturing business particularly regarding electrical and electronic products business segment. Mr. Hui holds a Bachelor's Degree of Engineering in Manufacturing Engineering and a Master Degree of Business Administration (General Management) from the Hong Kong Polytechnic University. Mr. Hui has over 20 years of experience in the field of home electrical appliance industry and specialised in manufacturing, operating and sales areas. Prior to joining the Group, he was the chief executive officer in a renowned domestic and commercial electrical appliance company.

執行董事 *(續)*

鄭子濤先生，三十二歲，自二零一四年六月起出任執行董事。於英國謝菲爾德大學畢業及取得機械電子學榮譽碩士學位後，鄭先生於二零一零年加入本集團。彼為本公司執行董事兼控股股東（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））鄭楚傑先生之兒子及本公司執行董事鄭子衡先生之胞弟。

鄭子衡先生，三十五歲，自二零一六年三月起出任執行董事。於英國拉夫堡大學修讀物理及數學後，鄭先生於二零零七年加入本集團。彼自二零一三年七月起為本集團電機業務分類之行政總裁。鄭先生為本公司執行董事兼控股股東（定義見上市規則）鄭楚傑先生之兒子及本公司執行董事鄭子濤先生之胞兄。

許家保先生，五十二歲，自二零一六年十二月起出任執行董事。許先生於二零一六月二月加入本集團擔任本公司執行董事及主席助理，主要負責本集團製造業務尤其是電器及電子產品業務的業務拓展。許先生持有香港理工大學製造工程學工學士學位及工商管理碩士（企業管理）學位。許先生在家用電器產業，尤其在生產、營運及銷售等範疇擁有超過二十年的經驗。在加入本集團前，彼在一所知名的家用及商用電器公司出任行政總裁一職。

BIOGRAPHICAL DETAILS OF THE DIRECTORS

董事履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Chi Wai, aged 53, has been an independent non-executive Director since September 2004. He is the chairman of the Board's nomination committee and a member of the Board's audit committee and remuneration committee. He currently also serves as an independent non-executive director for Bonjour Holdings Limited (stock code: 0653), C&D International Investment Group Limited (stock code: 1908) and Arts Optical International Holdings Limited (stock code: 1120), all of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is currently the chairman of the audit committee of Bonjour Holdings Limited and Arts Optical International Holdings Limited and the chairman of the nomination committee of C&D International Investment Group Limited. Mr. Wong obtained a Bachelor's Degree in Social Science from and was awarded a post-graduate certificate in laws by the University of Hong Kong in 1988 and 1993, respectively. He is a practising certified public accountant in Hong Kong and an associate member of the Institute of Chartered Accountants in England and Wales ("ICAEW"). He has over 30 years of experience in the accountancy profession. Other than his private practice in accounting, Mr. Wong has been admitted as solicitor at the High Court on 9 March 2019 and currently practice as an associate solicitor in a law firm.

Dr. Sun Kwai Yu, Vivian, aged 57, has been an independent non-executive Director since September 2004. She is the chairperson of the Board's audit committee and a member of the Board's remuneration committee and nomination committee. Dr. Sun is a fellow member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and of the CPA Australia.

獨立非執行董事

黃馳維先生，五十三歲，自二零零四年九月起出任獨立非執行董事。彼為董事會轄下提名委員會主席兼董事會轄下審核委員會及薪酬委員會成員。彼現時亦為卓悅控股有限公司(股份代號：0653)、建發國際投資集團有限公司(股份代號：1908)及雅視光學集團有限公司(股份代號：1120)(上述三所公司均於香港聯合交易所有限公司(「聯交所」)主板上市)之獨立非執行董事。彼現為卓悅控股有限公司及雅視光學集團有限公司的審核委員會主席及建發國際投資集團有限公司的提名委員會主席。黃先生分別於一九八八年及一九九三年獲香港大學社會科學學士學位及法學研究生證書。彼為香港執業註冊會計師及英格蘭及威爾斯特許會計師公會(「英格蘭及威爾斯特許會計師公會」)會員。彼於會計專業積逾三十年經驗。除在會計方面的私人執業外，黃先生於二零一九年三月九日，獲高等法院接納為律師並現於一家律師事務所出任助理律師。

孫季如博士，五十七歲，自二零零四年九月起出任獨立非執行董事。彼為董事會轄下審核委員會主席以及董事會轄下薪酬委員會及提名委員會成員。孫博士現為香港會計師公會(「香港會計師公會」)及澳洲會計師公會資深會員。

BIOGRAPHICAL DETAILS OF THE DIRECTORS

董事履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Mr. Cheng Kwok Kin, Paul, aged 67, has been an independent non-executive Director since June 2014. He is the chairman of the Board's remuneration committee and a member of the Board's audit committee and nomination committee. Mr. Cheng qualified as a Chartered Accountant in 1976 and he has been a fellow member of the ICAEW and of the HKICPA since 1982 and 1990 respectively. Mr. Cheng was a member of the Council of HKICPA in 2006 and 2007 and a member of the Corporate Finance Committee of HKICPA from 2006 to 2012. Currently, he is a member of the Audit Profession Reform Working Group and Professional Conduct Committee of HKICPA. Mr. Cheng is an independent non-executive director, the audit committee chairman, a member of the remuneration and nomination committees of Xinyi Solar Holdings Limited (stock code: 0968). In June 2017, Mr. Cheng was appointed as an independent non-executive director of Bank of Shanghai (Hong Kong) Limited, a restricted licence bank in Hong Kong.

Mr. Cheung Wang Ip, aged 58, has been an independent non-executive Director since July 2014. He is a member of the Board's audit committee, remuneration committee and nomination committee. Mr. Cheung is a Chartered General Practice Surveyor by profession and has over 30 years of professional work experience in the property industry and related fields, including valuation and feasibility study. Mr. Cheung is a corporate member of both the Royal Institute of Chartered Surveyors and the Hong Kong Institute of Surveyors (General Practice) as well as a member of Associacao da Avaliacao da Propriedade de Macau. He is a member of the China Real Estate Chamber of Commerce Hong Kong Chapter and a member of China Real Estate Appraiser in the PRC. In addition, Mr. Cheung is serving as a member of the 12th Shanxi Provincial Committee of the CPPCC. Currently, Mr. Cheung is the Operation Head of Hong Kong and Macau and an executive director of Vigers Appraisal and Consulting Limited ("Vigers"), he is also an executive director of Vigers Macao Company Limited (Vigers is an indirectly wholly-owned subsidiary of a listed company whose shares listed on the Singapore Exchange Securities Trading Limited). Prior to joining Vigers in 2006, Mr. Cheung was a senior director of the Valuation and Consultancy Department in Savills Hong Kong Limited, where he held the position of the Head of Hong Kong and Macau valuation team. He had held various positions in companies including the Mass Transit Railway Corporation, Guangzhou Investment Company Limited and Jones Lang Wootton.

獨立非執行董事 (續)

鄭國乾先生，六十七歲，自二零一四年六月起出任獨立非執行董事。彼為董事會轄下薪酬委員會主席及董事會轄下審核委員會及提名委員會成員。鄭先生於一九七六年成為英國特許會計師，彼亦分別自一九八二年及一九九零年起成為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員。鄭先生於二零零六年及二零零七年曾任香港會計師公會理事會理事及自二零零六年至二零一二年曾任香港會計師公會企業融資委員會成員。現時，彼為香港會計師公會審計專業改革專責小組及專業行為委員會成員。鄭先生為信義光能控股有限公司(股份代號：0968)之獨立非執行董事、審核委員會主席、薪酬委員會及提名委員會之成員。自二零一七年六月，鄭先生獲委任為上海銀行(香港)有限公司(一間香港受限制持牌銀行)之獨立非執行董事。

張宏業先生，五十八歲，自二零一四年七月起出任獨立非執行董事。彼為董事會轄下審核委員會、薪酬委員會及提名委員會的成員。張先生為專業特許產業測量師及於房地產行業及相關領域(包括估值及可行性研究)擁有逾三十年專業工作經驗。張先生為英國皇家特許測量師學會及香港測量師學會(產業測量)之公司會員，並為澳門房地產評估業協會之會員。彼為全國工商聯房地產商會香港分會有限公司成員並為中國房地產估價師學會成員。此外，張先生現為第十二屆中國人民政治協商會議山西省委員會之委員。現時，張先生為威格斯資產評估顧問有限公司(「威格斯」)之香港及澳門營運總監兼執行董事，彼亦為威格斯澳門有限公司(威格斯為一間股份於新加坡證券交易所有限公司上市之上市公司的間接全資附屬公司)之執行董事。於二零零六年加入威格斯之前，張先生曾為第一太平戴維斯香港有限公司之估值及顧問部高級董事，擔任香港及澳門估值團隊主管。彼曾於包括香港鐵路有限公司、越秀投資有限公司及仲量行等公司擔任不同職位。

REPORT OF THE DIRECTORS

董事會報告

The Directors of the Company present their report and the audited financial statements for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company's principal subsidiaries are set out in Note 14 to the financial statements. The principal activities of the subsidiaries consisted of the design, manufacture and sale of electrical and electronic products, motor drives, sale and downstream processing of glass, other manufacturing business and real estate development. There were no significant changes in the nature of the Group's principal activities during the Year.

RESULTS AND DIVIDENDS

The Group's profit for the Year and the Group's financial position at that date are set out in the financial statements on pages 83 to 239 of this annual report. During the Year, interim dividend of HK3.0 cents per ordinary share, amounting to a total cash dividend of approximately HK\$13,168,000 was paid to shareholders of the Company on 11 January 2019.

The Board does not recommend the payment of a final dividend to the shareholders for the Year.

DONATIONS

During the Year, the Group made charitable donation of HK\$82,000 (2018: HK\$24,000).

本公司董事謹此提呈董事會報告及截至二零一九年三月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本公司主要附屬公司之主要業務詳情載於財務報表附註14。附屬公司之主要業務包括設計、製造及銷售電器及電子產品、電機、銷售和下游加工玻璃、其他製造業務及房地產發展。於本年度內，本集團主要業務性質概無任何重大變動。

業績及股息

本集團之本年度溢利以及本集團於該日之財政狀況載於本年報第83至239頁之財務報表。本年度，中期股息為每股普通股3.0港仙，合共達現金股息約13,168,000港元已於二零一九年一月十一日派付予本公司股東。

董事會不建議向股東派發本年度之末期股息。

捐款

於本年度，本集團作出82,000港元(二零一八年：24,000港元)之慈善捐款。

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW

A review of the business and the performance of the Group for the Year is provided in the chapters of “Chairman’s Statement” and “Management Discussion and Analysis” set out on pages 4 to 8 and pages 9 to 25, respectively, of this annual report.

ENVIRONMENTAL POLICIES AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As a responsible corporation, the Group is committed to reducing the impact on the environment in its operational activities, not only by advocating the concept of “green office”, but also by improving the production process to reduce energy consumption and emission, so as to ensure that the operations does not pose risks on the environment and our neighbours.

Our 2019 Environmental, Social and Governance Report (the “2019 ESG Report”) prepared in accordance with Appendix 27 of the Listing Rules will provide further explanation of our policies and efforts. The 2019 ESG Report will be published within three months after the publication of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group’s main operations are carried out both in Hong Kong and Mainland China and are regulated by the local laws and regulations accordingly. During the Year and up to the date of this annual report, the Group has complied with the relevant laws and regulations that have significant impact on Hong Kong and Mainland China.

業務回顧

本年度之本集團業務回顧及業績表現載於本年報第4至8頁的「主席報告」及第9至25頁的「管理層討論及分析」章節。

環境政策與環境、社會及管治報告

作為一間負責任的企業，本集團致力於減低營運活動對環境造成影響，不僅提倡「綠色辦公室」等概念，亦著力改善生產流程以減低能耗及排放，務求確保營運不會對環境及周邊構成風險。

本公司根據上市規則附錄27所編製之二零一九年環境、社會及管治報告（「二零一九年環境、社會及管治報告」）將進一步解釋本公司之政策及作出的努力。二零一九年環境、社會及管治報告將於本年報刊載後三個月內刊發。

遵守法律法規

本集團的主要業務於香港及中國內地運營，並受該等地區之法律法規所監管。於本年度及截至本年報日期，本集團一直遵守香港及中國內地具重大影響之相關法律及法規。

REPORT OF THE DIRECTORS

董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces various risks and uncertainties in operations. To cope with the risks, the Group's risk management and internal control systems are in place to ensure the principal risks are continuously identified, monitored and managed on an established basis.

Global economic and political development

Global economic environment performance and political instability would influence the conditions on consumer confidence and their buying habits, and ultimately affects the Group's performance. The Group continues to implement its strategies to develop and strengthen the penetration of different geographical markets to reduce its dependency on specific markets.

Policy and legal risks

The Group's principal operating activities is conducted in Mainland China and have a duty to abide the local laws and regulations. Newly launched laws and regulations, for example, domestic monetary and economic policy, labour and environmental protection, bring a long-term benefit to the country's development and to the well-being of the citizens. On the contrary, the newly enacted laws and regulations may produce a short-term negative impact on the results of the Group.

High customer concentration risks

Our large international customers provide valuable inputs to the Group, especially during the development phase of new products, for improving the quality of products and production processes. However, over-reliance on large international customers may also carry substantial risks that can far outweigh any benefits in the long term. To avoid such risk the Group continues to use the existing customers as a springboard to expand the Group's customer base.

主要風險及不明朗因素

本集團於營運中面對多項風險及不明朗因素。為應對風險，本集團設立風險管理及內部監控制度以確保主要風險可持續地按照既定基準來識別、監察及管理。

全球經濟環境及政局發展

全球經濟環境表現及動盪不穩的政治局面可能會影響消費者信心及其購買習慣，並最終影響本集團的表現。為減少對特定市場的依賴，本集團將繼續實施其發展策略並提高不同地區市場的滲透。

政策及法律風險

本集團的主要經營業務於中國內地進行，並有義務遵守當地法律法規。新頒佈的法律及法規（例如，國內貨幣及經濟政策、勞工及環保法律法規）為國家發展及人民福祉帶來長遠裨益。但新實施的法律法規亦可能會對本集團的業績帶來短期負面影響。

客戶高度集中風險

特別在新產品的研發期中，大型國際客戶為本集團產品質量及生產工序的提升給予了寶貴建議。然而，就長期而言，過於依賴大型國際客戶也可能帶來遠超任何長期利益的風險。為避免此等風險，本集團繼續利用現有客戶作為擴展本集團客戶基礎之跳板。

REPORT OF THE DIRECTORS

董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES *(continued)*

People risks

The Group's future development is strongly relies on the Group to attract and retain qualified personnel. Without such personnel, delay or disruption in operations may happen and ultimately hinder in achieving the Group's strategic goal. The risk of the loss of key personnel is mitigated by regular of training and remuneration packages reviews within the management team.

Details of the Group's foreign currency exposure and interest rate risk are provided in the chapter of "Management Discussion and Analysis" set out on pages 9 to 25 of this annual report.

The above mentioned does not present an exhaustive picture of the risks and uncertainties faced by the Group, the Board must tailor its risk management to match the nature of risk threats.

KEY RELATIONSHIPS WITH STAFF, CUSTOMERS, SUPPLIERS AND SHAREHOLDERS

The Group's success depends on the support from key stakeholders which comprise our staff, customers, suppliers as well as our shareholders.

The Group values our employees as the most significant and valuable assets to the Group, a comprehensive benefit package is offered to each employee for recognising their efforts. The Group also has a significant mission for providing a healthy and safety workplace to all employees. During the Year, no significant accident occurred due to workplace accident.

The Group commits to provide quality services and products to each customer, any complaints from our customers are handled and investigated in thorough and efficient manner.

主要風險及不明朗因素 *(續)*

人才風險

本集團的未來發展將很大程度上取決於本集團能否吸納及挽留合資格人才。倘無此等人才，可能會發生營運上的延誤或中斷，最終阻礙本集團實現其策略性目標。關鍵人才流失風險可透過對管理人員的培訓及薪酬待遇作出定期審閱來降低。

本集團外匯及利率風險之詳情載於本年報第9至25頁的「管理層討論及分析」章節內。

上文所述並未詳盡呈列本集團所面對之風險及不明朗因素。董事會須不時調整其風險管理，以應對任何性質的風險威脅。

與員工、客戶、供應商及股東之主要關係

本集團的成功乃倚賴我們的員工、客戶、供應商及股東等主要持份者的支持。

本集團視我們的員工為本集團最重要及寶貴的資產，向各員工提供全面的福利待遇以認同彼等之努力。為全體員工提供健康及安全的工作場所亦是本集團的重要使命。本年度內，工作場所中並無發生任何重大意外事故。

本集團致力於向各客戶提供高品質的服務及產品，並以徹底高效的方式處理及調查任何來自客戶的投訴。

REPORT OF THE DIRECTORS

董事會報告

KEY RELATIONSHIPS WITH STAFF, CUSTOMERS, SUPPLIERS AND SHAREHOLDERS *(continued)*

The purchase of goods and contracting of services are based solely on need, quality and price of the goods and services. A fair and open competition in procurement with high ethical standards promoted by the Group assure high products quality at all times to gain the confidence of customers.

For details of relationship with the shareholders of the Company can be found in the “Corporate Governance Report” set out on pages 49 to 70 of this annual report.

FINANCIAL SUMMARY

A summary of the consolidated results, assets and liabilities of the Group for the last five financial years is set out on page 240 of this annual report. The summary does not form part of the audited financial statements.

BORROWINGS

Particulars of the Group’s bank borrowings as at 31 March 2019 are set out in Note 27 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital and the share options of the Company during the Year, together with the reasons therefor, are set out in Notes 29 and 30 to the financial statements, respectively.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in Note 31 to the financial statements and in the consolidated statement of changes in equity, respectively.

與員工、客戶、供應商及股東之主要關係 *(續)*

貨物採購及服務訂約僅基於貨物及服務之需求、質量及價格。本集團提倡按高道德標準就採購進行公平及公開競爭，確保產品維持一貫的高品質來贏得客戶信任。

有關與本公司股東關係的詳述，可參閱本年報第49至70頁所載之「企業管治報告」。

財務概要

本集團過去五個財政年度之綜合業績、資產及負債概要載於本年報第240頁。此概要並不組成經審核財務報表之部份。

借貸

本集團於二零一九年三月三十一日之銀行借貸詳情載於財務報表附註27。

股本及購股權

本公司於本年度之股本及購股權變動詳情及變動之原因分別載於財務報表附註29及30。

儲備

本公司及本集團於本年度之儲備變動詳情分別載於財務報表附註31及綜合權益變動表內。

REPORT OF THE DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

As at 31 March 2019, the Company’s reserves available for cash distribution and/or distribution in specie, comprising the contributed surplus and the retained profits, amounted to HK\$470,519,000. Under the Companies Act 1981 of Bermuda, the Company’s contributed surplus of HK\$104,750,000 may be distributed under certain circumstances. In addition, the Company’s share premium account with a balance of HK\$156,015,000 may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group’s five largest customers accounted for 78% of the total sales for the Year and sales to the largest customer included therein amounted to 63% of the total sales.

Purchases attributable to the Group’s five largest suppliers accounted for 35% of the total purchases of the Group for the Year and purchases from the largest supplier included therein amounted to 9% of the total purchases.

As far as the Directors are aware, neither the Directors, their associates (as defined in the Listing Rules), nor those shareholders which, to the best knowledge of the Directors, own more than 5% of the Company’s issued share capital, had any beneficial interest in the Group’s five largest customers and suppliers.

優先購買權

根據本公司之公司細則(「公司細則」)或百慕達法例概無有關本公司須按比例向現有股東提呈新股份之優先購買權之規定。

可分派儲備

於二零一九年三月三十一日，本公司可作現金分派及／或實物分派之儲備，包括繳入盈餘及保留溢利，為470,519,000港元。根據百慕達一九八一年公司法，於若干情況下本公司可分派為數104,750,000港元之繳入盈餘。此外，本公司之股份溢價賬結餘為156,015,000港元，可以繳足股款紅股之形式分派。

主要客戶及供應商

本年度內，本集團五大客戶之銷售額佔本年度銷售總額78%，其中最大客戶之銷售額佔銷售總額63%。

本集團五大供應商之採購額佔本集團之本年度採購總額35%，其中最大供應商之採購額佔採購總額9%。

就董事所知，各董事、彼等之聯繫人(定義見上市規則)或就董事所知持有本公司已發行股本5%以上之股東，概無擁有本集團五大客戶及供應商之任何實益權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

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

Executive Directors

Mr. Cheng Chor Kit
(Chairman and Chief Executive Officer)
Mr. Fung Wah Cheong, Vincent
Mr. Liu Tat Luen
Mr. Cheng Tsz To
Mr. Cheng Tsz Hang
Mr. Hui Ka Po, Alex

Independent non-executive Directors

Mr. Wong Chi Wai
Dr. Sun Kwai Yu, Vivian
Mr. Cheng Kwok Kin, Paul
Mr. Cheung Wang Ip

Biographical details in respect of the Directors at the date of this annual report is provided in chapter of "Biographical Details of the Directors" set out in pages 26 to 29 of this annual report.

In accordance with the Bye-Laws, Mr. Fung Wah Cheong, Vincent, Mr. Cheng Tze Hang, Mr. Wong Chi Wai and Mr. Cheung Wang Ip, being the Directors who should retire by rotation, will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election at the annual general meeting of the Company.

The Directors confirm that the Company has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers the independent non-executive Directors to be independent.

董事

本年度及截至本年報日期之董事如下：

執行董事

鄭楚傑先生
(主席兼行政總裁)
馮華昌先生
廖達鸞先生
鄭子濤先生
鄭子衡先生
許家保先生

獨立非執行董事

黃弛維先生
孫季如博士
鄭國乾先生
張宏業先生

於本年報日期有關董事之履歷詳情載於本年報第26至29頁之「董事履歷詳情」章節。

根據公司細則，應輪值告退之董事馮華昌先生、鄭子衡先生、黃弛維先生及張宏業先生將於本公司應屆股東週年大會上告退，惟符合資格並願意於本公司股東週年大會上膺選連任。

董事確認，本公司已接獲其各獨立非執行董事發出之年度確認函，根據上市規則第3.13條確認彼等各自的獨立身份，本公司亦確認各獨立非執行董事為獨立人士。

REPORT OF THE DIRECTORS

董事會報告

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Law 166 of Bye-Laws, subject to the applicable laws, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of his/her office. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the Directors.

DIRECTORS' SERVICE CONTRACTS

Mr. Cheng Chor Kit entered into a service contract with the Company commencing from 1 August 2005 without a fixed term but subject to termination by either party giving not less than six months' notice in writing to the other party.

Other than Mr. Cheng Chor Kit, all the Directors entered into a service contract with the Company for a term of three years, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Each of the executive and independent non-executive Directors, unless terminated by either party giving not less than six months' notice and three months' notice, respectively, in writing to the other party, the termination of which should not be later than the end of the three years.

Apart from the foregoing, no Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

獲准許彌償條文

根據公司細則第166條，在適用法律規限下，各董事均有權就其因於履行其職務時作出、同意或不作出或與之有關之任何作為而可能產生或蒙受之所有訴訟、費用、訟費支出、損失、賠償及開支自本公司之資產中獲得彌償，免受損害。本公司已就可能針對董事提出之任何法律訴訟之相關法律責任及費用投購保險。

董事之服務合約

鄭楚傑先生已與本公司訂立一份由二零零五年八月一日起生效並無固定任期的服務合約，惟其中一方可向另一方發出不少於六個月書面通知予以終止。

除鄭楚傑先生外，所有董事均已與本公司訂立一份服務合約，為期三年，彼等須根據公司細則於本公司之股東週年大會上輪席告退及重選。各執行及獨立非執行董事，除非其中一方向另一方發出分別不少於六個月或三個月的書面通知予以終止，而終止日期不得遲於該三年期間結束當日。

除上文披露者外，於本公司之應屆股東週年大會上獲建議重選連任之董事概無與本公司訂立本公司無需支付賠償（法定賠償除外）而可於一年內終止之服務合約。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2019, the interests of the Directors 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 of the SFO which are required (a) 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 he/she is taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code of Securities Transactions by directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange, were as follows:

(a) Interests in the shares of the Company

Name of Director 董事姓名	Long position/ short position 好倉/淡倉	Capacity 身份
Mr. Cheng Chor Kit 鄭楚傑先生	Long position 好倉	Founder of a trust 信託成立人
		Beneficial owner 實益擁有人
		Interests held by spouse 配偶所持有權益
Mr. Fung Wah Cheong, Vincent 馮華昌先生	Long position 好倉	Beneficial owner 實益擁有人
Mr. Liu Tat Luen 廖達鸞先生	Long position 好倉	Beneficial owner 實益擁有人
Mr. Cheng Tsz To 鄭子濤先生	Long position 好倉	Beneficial owner 實益擁有人
Mr. Cheng Tsz Hang 鄭子衡先生	Long position 好倉	Beneficiary of trust 信託受益人
		Beneficial owner 實益擁有人

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

於二零一九年三月三十一日，本公司董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中擁有須(a)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之權益（包括根據證券及期貨條例的有關條文彼被當作或視為擁有之權益或淡倉）；或(b)根據證券及期貨條例第352條須記入登記冊內之權益；或(c)根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益如下：

(a) 於本公司股份之權益

Number of ordinary shares held 所持普通股 股份數目	Approximate percentage of the Company's issued shares 佔本公司已發行 股份之概約百分比 (Note 1)/(附註1)
252,920,000 (Note 2)/(附註2)	57.62%
10,106,000	2.30%
3,700,000	0.84%
8,152,000	1.85%
2,000,000	0.45%
3,000,000	0.68%
252,920,000 (Note 2 & 3)/(附註2及3)	57.62%
3,000,000	0.68%
252,920,000 (Note 2 & 3)/(附註2及3)	57.62%

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

(a) Interests in the shares of the Company *(continued)*

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉 *(續)*

(a) 於本公司股份之權益 *(續)*

Name of Director 董事姓名	Long position/ short position 好倉/淡倉	Capacity 身份	Number of ordinary shares held 所持普通股 股份數目	Approximate percentage of the Company's issued shares 佔本公司已發行 股份之概約百分比 <i>(Note 1)/(附註1)</i>
Mr. Wong Chi Wai 黃弛維先生	Long position 好倉	Beneficial owner 實益擁有人	500,000	0.11%
Dr. Sun Kwai Yu, Vivian 孫季如博士	Long position 好倉	Beneficial owner 實益擁有人	1,000,000	0.22%
Mr. Cheng Kwok Kin, Paul 鄭國乾先生	Long position 好倉	Beneficial owner 實益擁有人	80,000	0.01%
Mr. Cheung Wang Ip 張宏業先生	Long position 好倉	Beneficial owner 實益擁有人	200,000	0.04%

(1) The percentage of shareholding is calculated based on 438,960,000 shares, being the total number of issued ordinary shares of the Company as at 31 March 2019.

(1) 股權百分比乃根據本公司於二零一九年三月三十一日已發行普通股總數438,960,000股計算。

(2) These shares are held by Resplendent Global Limited ("Resplendent"), a wholly-owned subsidiary of Padora Global Inc. ("Padora") of which is wholly-owned by Polo Asset Holdings Limited ("Polo Asset"). Polo Asset is in turn wholly-owned by a discretionary trust (the "Trust") established by Mr. Cheng Chor Kit for his family.

(2) 該等股份由Padora Global Inc. (「Padora」)之全資附屬公司Resplendent Global Limited (「Resplendent」)持有，而Padora由Polo Asset Holdings Limited (「Polo Asset」)全資擁有。Polo Asset由鄭楚傑先生為其家屬設立之全權信託(「該信託」)全資擁有。

After the restructuring exercise of the Trust and the completion of share transfer on 2 April 2019, HSBC Trustee International Limited, the trustee of the Trust (the "Trustee"), ceased to be interested in the entire interest of Padora. After the aforesaid restructuring, Mr. Cheng Chor Kit ceased to be interested in 252,920,000 shares in the Company in the capacity as the founder of the Trust and has instead become directly interested in 52.0% of the voting shares in Padora.

於二零一九年四月二日，對該信託進行架構重整及完成股份轉讓後，HSBC Trustee International Limited (該信託之信託人(「信託人」))不再擁有Padora之全部股權中的權益。經上述架構重整後，鄭楚傑先生不再以該信託成立人身份擁有252,920,000股本公司股份中的權益，而直接擁有Padora投票權股份52.0%之權益。

(3) After the aforesaid restructuring exercise, Mr. Cheng Tsz To and Mr. Cheng Tsz Hang ceased to be interested in 252,920,000 shares in the Company in the capacity as the beneficiary of the Trust.

(3) 經上述架構重整後，鄭子濤先生及鄭子衡先生不再以該信託受益人身份於252,920,000股本公司股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉 (續)

(b) Interests in the underlying shares of the Company

(b) 於本公司相關股份之權益

Name of Director 董事姓名	Long position/ short position 好倉/淡倉	Capacity 身份	Number of underlying shares in respect of share options held and approximate percentage of shareholding 所持購股權之 相關股份數目及 持股量概約 百分比	Date of share options granted 購股權 授出日期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$/港元	Price of the Company's shares at grant date 於授出日期 本公司股份 之股價 HK\$/港元
Mr. Liu Tat Luen 廖達鸞先生	Long position 好倉	Beneficial owner 實益擁有人	2,000,000 (0.45%)	4/1/2010	4/1/2013 – 3/1/2020	2.102	2.060
Mr. Hui Ka Po, Alex 許家保先生	Long position 好倉	Beneficial owner 實益擁有人	1,000,000 (0.22%)	10/3/2016	17/2/2019 – 9/3/2026	1.160	1.160
Mr. Wong Chi Wai 黃馳維先生	Long position 好倉	Beneficial owner 實益擁有人	300,000 (0.06%)	29/3/2011	29/3/2011 – 28/3/2021	2.792	2.770
			400,000 (0.09%)	7/7/2017	7/7/2017 – 6/7/2027	2.262	2.220
			100,000 (0.02%)	7/7/2017	13/9/2017 – 6/7/2027	2.262	2.220
			100,000 (0.02%)	9/7/2018	13/9/2018 – 8/7/2028	2.470	2.470
Dr. Sun Kwai Yu, Vivian 孫季如博士	Long position 好倉	Beneficial owner 實益擁有人	300,000 (0.06%)	29/3/2011	29/3/2011 – 28/3/2021	2.792	2.770
			100,000 (0.02%)	9/7/2018	13/9/2018 – 8/7/2028	2.470	2.470
Mr. Cheng Kwok Kin, Paul 鄭國乾先生	Long position 好倉	Beneficial owner 實益擁有人	100,000 (0.02%)	7/7/2017	7/7/2017 – 6/7/2027	2.262	2.220
			100,000 (0.02%)	9/7/2018	9/7/2018 – 8/7/2028	2.470	2.470
Mr. Cheung Wang Ip 張宏業先生	Long position 好倉	Beneficial owner 實益擁有人	100,000 (0.02%)	9/7/2018	21/7/2018 – 8/7/2028	2.470	2.470

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

(b) Interests in the underlying shares of the Company *(continued)*

The Directors' interests in the Company's share options are disclosed in Note 30 to the financial statements.

Save as disclosed above, as at 31 March 2019, none of the Directors nor chief executive of the Company had interests or short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) 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 he/she is taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company as disclosed, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉 *(續)*

(b) 於本公司相關股份之權益 *(續)*

董事於本公司購股權之權益於財務報表附註30中披露。

除上文所披露者外，於二零一九年三月三十一日，概無本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何證券中擁有須(a)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之權益或淡倉（包括根據證券及期貨條例的有關條文彼被當作或視為擁有之權益或淡倉）；或(b)根據證券及期貨條例第352條須記入登記冊內之權益或淡倉；或(c)根據標準守則須知會本公司及聯交所之權益或淡倉。

股票掛鈎協議

除所披露之本公司之購股權計劃外，於本年度內或本年度結束時，本公司概無訂立或存在任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立將會或可導致本公司發行股份之任何協議。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" of this chapter and in the share option scheme disclosures in Note 30 to the financial statements, at no time during the Year were there any rights to acquire benefits by means of the acquisition of shares in the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Details of the Company's share option scheme are disclosed in Note 30 to the financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors nor their respective associates had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries and fellow subsidiaries was a party during the Year.

董事購買股份之權利

除於本章「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節及財務報表附註30購股權計劃披露所披露者外，於本年度內，概無本公司之任何董事或彼等各自之配偶或未成年子女獲批授可藉購入本公司之股份而獲利之任何權利，或概無由彼等行使任何有關權利；或概無本公司或其任何控股公司、附屬公司及同系附屬公司於本年度參與任何安排，致使董事於任何其他法人團體獲得此等權利。

購股權計劃

有關本公司購股權計劃之詳情，於財務報表附註30中披露。

董事之交易、安排或合約權益

於本年度，各董事及其各自之聯繫人概無於本公司或其任何控股公司、附屬公司及同系附屬公司所訂立之任何與本集團業務有關之重大交易、安排或合約中直接或間接擁有重大權益。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2019, so far as is known to any Director or chief executive of the Company, the following persons had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO, were as follows:

主要股東及其他人士於股份、相關股份及債權證之權益

於二零一九年三月三十一日，據本公司任何董事或最高行政人員所知，以下人士於本公司的股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露，或根據證券及期貨條例第336條記入本公司存置的登記冊的權益或淡倉如下：

Name of Shareholder 股東姓名／名稱	Capacity 身份	Number of ordinary shares held 所持普通股股份數目	Approximate percentage of the Company's issued shares 佔本公司已發行股份之概約百分比 (Note 1)/(附註1)	Number of share options held 所持購股權數目
Mr. Cheng Chor Kit 鄭楚傑先生	Founder of the Trust, beneficial owner and interests held by spouse 該信託之成立人、實益擁有人及由配偶所持有之權益	266,726,000 (Note 2)/(附註2)	60.76%	—
Mdm. Tsang Yuk Wan 曾玉雲女士	Beneficial owner and interests held by spouse 實益擁有人及由配偶所持有之權益	266,726,000 (Note 3)/(附註3)	60.76%	—
HSBC International Trustee Limited	Trustee of the Trust 該信託之信託人	252,920,000 (Note 4)/(附註4)	57.62%	—
RUAN, David Ching-Chi	Interests on controlling corporation 控制公司權益	40,112,000 (Note 5)/(附註5)	9.13%	—
RAYS Capital Partners Limited 睿思資本有限公司	Investment manager 投資經理	40,112,000 (Note 5)/(附註5)	9.13%	—
Asian Equity Special Opportunities Portfolio Master Fund Limited	Beneficial owner 實益擁有人	39,576,000 (Note 5)/(附註5)	9.01%	—

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Notes:

- (1) The percentage of shareholding is calculated based on 438,960,000 shares, being the total number of issued ordinary shares of the Company as at 31 March 2019.
- (2) This refers to the same block of shareholding of Mr. Cheng Chor Kit described in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above.
- (3) Mdm. Tsang Yuk Wan is the spouse of Mr. Cheng Chor Kit and is deemed to be interested in the shares which are interested by Mr. Cheng Chor Kit under Part XV of the SFO.
- (4) HSBC International Trustee Limited, the trustee of the Trust of which established by Mr. Cheng Chor Kit, was then taken to be interested in 252,920,000 shares of the Company. Such interest included that shares owned by Resplendent as described in Note 2 of the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above.

As a result of the Trust, described in the section headed "Directors' and Chief executive's interests and short positions in the shares, underlying shares and debentures", being dissolved on 2 April 2019, the entire holding held by the Trustee in Padora, the sole owner of Resplendent, has been nullified. After the aforesaid restructuring exercise, Mr. Cheng Chor Kit and Mdm. Tsang Yuk Wan, becomes directly interested in 52.0% and 16.0% of the voting shares in Padora respectively.

- (5) Refer to the information available on the website of the Stock Exchange, Asian Equity Special Opportunities Portfolio Master Fund Limited is a wholly-owned subsidiary of RAYS Capital Partners Limited which in turn is owned as to 95.24% by Mr. RUAN, David Ching-Chi.

All the interests stated above representing long position.

主要股東及其他人士於股份、相關股份及債權證之權益 *(續)*

附註：

- (1) 股權百分比乃根據本公司於二零一九年三月三十一日已發行普通股總數438,960,000股計算。
- (2) 該等股份指上文「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節提及鄭楚傑先生之同一批股權。
- (3) 曾玉雲女士為鄭楚傑先生之配偶，根據證券及期貨條例第XV部被視為於鄭楚傑先生擁有權益之股份中擁有權益。
- (4) HSBC International Trustee Limited (為鄭楚傑先生成立的該信託之信託人)被視為於本公司252,920,000股股份中擁有權益。有關權益包括由Resplendent擁有之股份(誠如上文「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節附註2所述)。

由於該信託(於「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節提述)於二零一九年四月二日解除，信託人於Padora(Resplendent之唯一擁有人)之所有持股已成為無效。經上述架構重整後，鄭楚傑先生及曾玉雲女士於Padora之投票權股份中分別直接擁有52.0%及16.0%權益。

- (5) 根據聯交所網站所得資料，Asian Equity Special Opportunities Portfolio Master Fund Limited為睿思資本有限公司之全資附屬公司，而睿思資本有限公司由RUAN, David Ching-Chi先生擁有95.24%權益。

上述所有權益均指好倉。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Save as disclosed above, as at 31 March 2019, the Directors and chief executive officer of the Company were not aware of any person who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the Listing Rules) of the Company that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the Year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

DISCLOSURES PURSUANT TO R13.21 OF THE LISTING RULES ON THE STOCK EXCHANGE

In April 2015 and November 2017, the Company as a borrower, entered into a renewed and new term loan facility agreements of HK\$100,000,000 each with The Hongkong and Shanghai Banking Corporation Limited for a term of 60 months of each term loan facility respectively.

主要股東及其他人士於股份、相關股份及債權證之權益 *(續)*

除上文所披露者外，董事及本公司行政總裁並不知悉任何人士於二零一九年三月三十一日於本公司股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露或根據證券及期貨條例第336條記入本公司存置的登記冊的權益或淡倉。

董事及控股股東於競爭權益之權益

本年度內，董事概不知悉任何董事、本公司控股股東及彼等各自的聯繫人（定義見上市規則）的任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉該等人士會或可能會與本集團出現任何其他利益衝突。

購買、贖回或出售上市證券

本公司及其任何附屬公司於本年度內概無購買、贖回或出售本公司任何上市證券。

根據聯交所上市規則第13.21條作出之披露

於二零一五年四月及二零一七年十一月，本公司（作為借款方）與香港上海滙豐銀行有限公司訂立重續及新定期貸款融資協議，定期貸款融資各自為期60個月，貸款額均為100,000,000港元。

REPORT OF THE DIRECTORS

董事會報告

DISCLOSURES PURSUANT TO R13.21 OF THE LISTING RULES ON THE STOCK EXCHANGE *(continued)*

In July 2015 and November 2017, the Company as a borrower, entered into term loan facility agreements of HK\$100,000,000 and HK\$150,000,000 with Hang Seng Bank Limited for a term of 36 months of each term loan respectively.

In May 2018, an indirect wholly-owned subsidiary of the Company as a borrower, entered into a new term loan and trade-line facility agreement of total HK\$100,000,000 with Bank of China (Hong Kong) Limited for a term of 36 months and the purpose of the aforesaid term loan is used for financing capital expenditure.

In January 2019, Hang Seng Bank Limited revised the term loan facilities granted as above mentioned and entered into a renewed term loan facility agreement with the Company (the "Renewed Agreement"). Pursuant to the Renewed Agreement, the renewed term loan is for a period of 36 months and included term loans of HK\$45,000,000 to finance capital expenditure of the Company and of HK\$217,500,000 to refinance the outstanding balance of the loans previously granted.

In addition to general conditions, each of the term loan facility agreement imposes, inter alia, a condition that Mr. Cheng Chor Kit, the Director and the controlling shareholder (as defined under the Listing Rules) of the Company, and the discretionary trust set up by him for the benefit of his family; collectively shall beneficially or directly maintain a shareholding of not less than 50% of the issued share capital of the Company (the "Specific Performance Obligations"). A breach of the Specific Performance Obligations will constitute an event of default under the relevant facility letter. Upon the occurrence of such event, each of the loan shall become immediately due and repayable on demand.

根據聯交所上市規則第13.21條作出之披露(續)

於二零一五年七月及二零一七年十一月，本公司(作為借款方)與恒生銀行有限公司訂立定期貸款融資協議，定期貸款融資各自為期36個月，貸款額分別為100,000,000港元及150,000,000港元。

於二零一八年五月，本公司之間接全資附屬公司(作為借款方)與中國銀行(香港)有限公司訂立新定期貸款及貿易額度協議，為期36個月，總額為100,000,000港元，上述定期貸款是用於撥付資本支出。

於二零一九年一月，恒生銀行有限公司修訂上述所授出的定期貸款融資，並與本公司訂立重續定期貸款融資協議(「重續協議」)。根據重續協議，重續定期貸款為期36個月，定期貸款當中包括45,000,000港元用於撥付本公司的資本支出，以及217,500,000港元用於就過往所授出貸款的尚未償還餘款再融資。

除一般條件外，各定期貸款融資協議均各自施加(其中包括)一項條件，即本公司董事兼控股股東(定義見上市規則)鄭楚傑先生及彼以其家屬為受益人而設立之全權信託須共同實益或直接維持不少於本公司已發行股本之50%股權(「特定履行責任」)。若違反特定履行責任將構成相關融資函件項下之違約事件。於發生有關事件後，貸款各自即時到期並須按的要求償還。

REPORT OF THE DIRECTORS

董事會報告

MATERIAL ACQUISITIONS, DISPOSALS, SIGNIFICANT INVESTMENT AND CONNECTED TRANSACTIONS

On 25 July 2018, Kin Yat Enterprises (BVI) Limited (the “Purchaser”), a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement (the “S&P Agreement”) with Silurian Resources Limited (the “Vendor”). Pursuant to which the Purchaser agreed to acquire the shares, representing 51% of the issued share capital of Progress Power-Saving Glass Technology Co., Limited (“PPSGT”), together with the sale loan, at a consideration of HK\$30,000,000 (the “Acquisition”). Before the Acquisition, the Purchaser has acquired 13% of the issued share capital of PPSGT from an independent third party. Upon completion of the Acquisition, PPSGT became a 64%-owners subsidiary of the Company.

The Vendor is a company wholly-owned by Mr. Cheng Chor Kit, an executive Director, the chairman of the Board and the chief executive officer of the Company and controlling shareholder (as defined under the Listing Rules) of the Company. Hence, the transaction contemplated under the S&P Agreement constituted a connected transaction of the Company. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is subject to the announcement and reporting requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The announcement in respect of the aforesaid transaction was made on 25 July 2018.

Apart from described above, under the Listing Rules, the Company did not have any other discloseable non-exempted connected or continuing connected transaction during the Year and up to the date of this annual report. As the same time, the Group was neither involved in any significant investment, nor any material acquisitions or disposals of any subsidiaries.

重大收購、出售、重大投資及關連交易

於二零一八年七月二十五日，本公司之全資附屬公司Kin Yat Enterprises (BVI) Limited (「買方」) 與志留紀資源有限公司 (「賣方」) 訂立買賣協議 (「買賣協議」)。據此，買方同意收購創建節能玻璃科技有限公司 (「創建節能」) 之股份 (相當於其51%已發行股本) 連同待售貸款，代價為30,000,000港元 (「收購事項」)。於收購事項前，買方已向一名獨立第三方購入創建節能已發行股本之13%。收購事項完成後，創建節能成為本公司持有64%權益之附屬公司。

賣方為一家由鄭楚傑先生 (為本公司之執行董事、董事會主席、行政總裁及本公司控股股東 (定義見上市規則)) 全資擁有之公司。因此，根據買賣協議擬進行之交易構成本公司之關連交易。由於就收購事項計算之適用百分比率 (定義見上市規則) 超過0.1%但低於5%，故根據上市規則第14A章，收購事項須遵守公佈及申報規定，惟獲豁免遵守通函及獨立股東批准規定。有關上述交易之公佈已於二零一八年七月二十五日刊發。

除上文所述者外，根據上市規則，於本年度及直至本年報日期本公司並無任何其他須予披露之非獲豁免關連交易或持續關連交易。與此同時，本集團並無參與任何重大投資或任何附屬公司之重大收購或出售。

REPORT OF THE DIRECTORS

董事會報告

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information of the corporate governance practices adopted by the Company is set out in the “Corporate Governance Report” on pages 49 to 70 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the Year and up to the latest practicable date prior to the issue of this annual report.

AUDITOR

PricewaterhouseCoopers were first appointed as auditor of the Company in 2018 upon the retirement of Ernst & Young.

PricewaterhouseCoopers will retire and a resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Cheng Chor Kit

Chairman and Chief Executive Officer

Hong Kong, 27 June 2019

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規之資料載於本年報第49頁至第70頁之「企業管治報告」。

公眾持股量充足性

根據本公司可公開獲得之資料及就董事所知，本公司於本年度及截至刊發本年報前之最後實際可行日期，已根據上市規則維持所規定之公眾持股量。

核數師

繼安永會計師事務所告退後，羅兵咸永道會計師事務所於二零一八年首次獲委任為本公司之核數師。

羅兵咸永道會計師事務所將任滿告退，因此，本公司將於本公司之應屆股東週年大會上提呈決議案，再度委任其為本公司之核數師。

代表董事會

鄭楚傑

主席兼行政總裁

香港，二零一九年六月二十七日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company strives to attain high standards of corporate governance at all time and in all areas of its operations for maximising long-term shareholder value while balancing broader stakeholders' interests. The corporate governance principles of the Company emphasise quality of the Board, effective internal control, stringent disclosure practices, an ethical corporate culture and accountability to all stakeholders.

CORPORATE GOVERNANCE PRACTICES

The Board regularly reviews the guidelines and latest development in corporate governance. In the opinion of the Board, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2019 except for the deviation from provision A.2.1 of the CG Code as described in the section "Chairman and Chief Executive Officer" in this Corporate Governance Report (the "CG Report"). The Board has also reviewed the CG Report and is satisfied that it has been in full compliance with all the requirements stipulated in the CG Report in Appendix 14 of the Listing Rules.

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code on terms no less exacting than the required standard set out in the Model Code regarding securities transactions by the Directors.

Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year. All relevant employees of the Group (the "Relevant Employees") who, because of their office in the Group, are likely to be in possession of unpublished price sensitive information have been requested to comply with the provisions of the Model Code.

本公司一直力求於其營運之各方面實現高標準之企業管治，令股東長期價值最大化之同時，亦平衡廣泛持份者之權益。本公司之企業管治原則注重董事會質素、有效內部監控、嚴謹披露常規、企業道德文化及對全體相關持份者問責。

企業管治常規

董事會定期審閱企業管治指引及其最新發展。董事會認為，本公司於截至二零一九年三月三十一日止之整個年度內一直遵守上市規則附錄14所載之企業管治守則（「企管守則」）內之守則條文，惟於本企業管治報告（「企業管治報告」）內「主席及行政總裁」一節所述之偏離企管守則第A.2.1條者除外。董事會亦已審閱企業管治報告並信納本報告已全面遵守上市規則附錄14之企業管治報告內訂明之所有規定。

董事及相關僱員之證券交易

本公司已採納上市規則附錄10所載之標準守則為其自身守則，其條款不遜於有關董事進行證券交易之標準守則所載之規定標準。

於向董事進行具體查詢後，所有董事均確認彼等於本年度內已遵守標準守則所載之規定標準。由於在本集團之職務而可能掌握未公開價格敏感資料之本集團所有相關僱員（「相關僱員」）亦被要求遵守標準守則之條文。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

Composition of the Board

The composition of the Board shall comprise of a balanced mix of Directors and shall have a sufficient number of Directors to provide a breadth of knowledge as well as the ability to make insightful discussions on key issues.

As of the date of this annual report, the Board comprises ten members, the Board is confident that the balance between the number of executive and independent non-executive Directors has been reasonably and adequately established in order to protect the interests of the shareholders and the Company as a whole.

During the Year and up to the date of this annual report, the Directors were:

Executive Directors

Mr. Cheng Chor Kit
(Chairman and Chief Executive Officer)
Mr. Fung Wah Cheong, Vincent
Mr. Liu Tat Luen
Mr. Cheng Tsz To
Mr. Cheng Tsz Hang
Mr. Hui Ka Po, Alex

Independent non-executive Directors

Mr. Wong Chi Wai
Dr. Sun Kwai Yu, Vivian
Mr. Cheng Kwok Kin, Paul
Mr. Cheung Wang Ip

All Directors come from diverse businesses and professional backgrounds and expertise as shown in "Biographical Details of the Directors" on pages 26 to 29 in this annual report.

董事會

董事會之組成

董事會之組成包括一個平衡之董事組合，並具足夠之董事人數以提供廣泛之見識，亦能在關鍵之問題上具備能力作出精闢之討論。

於本年報日期，董事會包括十名成員。董事會深信，已合理及充分建立執行與獨立非執行董事人數之間之平衡，從而保障股東及本公司之整體利益。

於本年度內並截至本年報日期之董事為：

執行董事

鄭楚傑先生
(主席兼行政總裁)
馮華昌先生
廖達鸞先生
鄭子濤先生
鄭子衡先生
許家保先生

獨立非執行董事

黃泚維先生
孫季如博士
鄭國乾先生
張宏業先生

誠如本年報第26至29頁之「董事履歷詳情」一節中所述，各董事來自不同行業及具有不同專業背景及專業知識。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Composition of the Board *(continued)*

Mr. Cheng Tsz Hang and Mr. Cheng Tsz To are the sons of Mr. Cheng Chor Kit, the executive Director and the controlling shareholder (as defined under the Listing Rules) of the Company. Save as disclosed above, none of the Directors has any financial, business, family or other material or relevant relationships among the Directors.

All Directors disclose to the Company the number and natures of offices held in other public companies or organisations as well as other significant appointments annually which ensures that all Board members are capable of inputting enough time and devoting enough attention to the Company's affairs.

Functions of the Board

The Company's overall management is vested on its Board which accepts that it is ultimately accountable and responsible for the performance and affairs of the Group. The Board's role is to provide entrepreneurial leadership set the Company's strategic aims and the Company's values and standards, and to ensure that its obligations to its stakeholders and others are understood and met. To facilitate the operations, the Board has established a schedule of matters reserved for its approval. The specific responsibilities reserved for the Board include (1) setting the Group's strategies and dividend policy, (2) approving budgets, reviewing operational and financial performance (3) approving major investments and divestments, (4) reviewing risk management and internal control system of the Group, (5) ensuring appropriate management development and succession plans in place, (6) approving appointments of Directors and other senior executives, (7) approving corporate social responsibility policies, (8) ensuring effective communication with shareholders and (9) other significant operational and financial matters.

An update list of Directors identifying their role and function is available on the websites of the Stock Exchange and the Company.

董事會 *(續)*

董事會之組成 *(續)*

鄭子衡先生及鄭子濤先生為本公司執行董事兼控股股東(定義見上市規則)鄭楚傑先生之兒子。除以上所披露者外,各董事之間概無任何財務、業務、家族或其他重大或相關關係。

全體董事均每年向本公司披露其於其他公眾公司或團體所擔任職務之數目與性質及其他重大任命,確保全體董事會成員能夠對本公司之事務投入足夠時間及關注。

董事會之職能

本公司之整體管理歸屬於董事會負責,而董事會須就本集團之表現及事務作出最終問責及負責。董事會之角色乃提供企業領導、制定本公司策略目標及本公司價值觀和標準,並確保此等責任獲持份者及其他人士理解及認同。為方便董事會運作,董事會已制定一份項目清單並保留其決定權。董事會之指定責任包括:(1) 制定本集團整體策略及股息政策、(2) 批准預算案、檢討營運及財務表現、(3) 批准重大投資及撤資、(4) 檢討本集團之風險管理及內部監控制度、(5) 確保有適當管理發展及繼任計劃、(6) 批准委任董事及其他高級行政人員、(7) 批准企業社會責任政策、(8) 確保與股東進行有效溝通及(9) 其他重大營運及財務事宜。

最新列明其角色和職能的董事名單,可於聯交所及本公司網站查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Delegation of Authority

The Board has delegated the authorities and day-to-day responsibilities to the management and requires the management to execute the objectives and strategies established by the Board. The Board also exercises a separate and independent assessment to the performance of the management on a periodical basis.

The management is responsible for running the Company's businesses and for proposing the development of the Group's strategies and overall commercial objectives in consultation with the Board. The management is also responsible for implementing decisions of the Board and its committees, developing main policies and reviewing the business organisational structure and operational performance. Furthermore, the management is obligated to supply relevant, adequate, clear and timely information and report to the Board and its committees in a consistent format. The Board, where necessary, can make further enquiries to the management on any matters they are concerned.

Board Meeting

For the Board discharges their responsibilities, the Directors are required to meet in person regularly. The schedule of the Board meetings for the coming year is determined and informed all Directors in the fourth quarter meeting annually.

Prior to the meetings of the Board, as delegated by the chairman of the Company, the company secretary or a designated person of the Company prepares and despatches the notice of meeting together with the relevant documents and information to all Directors in a timely manner to ensure that all the participants are given the opportunities of reviewing and preparing the matter discussed for making informed decisions in the meeting.

The Board met four times during the Year and meeting attendance records are set out on page 70 of this annual report.

董事會 *(續)*

權力授予

董事會將權力及日常責任授予管理層，並要求管理層執行由董事會所訂之目標及策略。董事會亦定期就管理層之表現作出個別及獨立評估。

管理層負責本公司業務之運作並與董事會商討擬定本集團之策略及整體商業方針。管理層亦負責實施董事會及其委員會之決策、制定主要政策、審閱業務之組織架構及營運表現。此外，管理層有責任以貫徹一致方式向董事會及其委員會提供相關、足夠、清晰和適時的資訊及報告。如有必要，董事會可就彼等關注的任何問題向管理層作出進一步查詢。

董事會會議

就履行董事會責任而言，董事需親身出席定期會議。有關來年預定之董事會會議時間表亦會在每年第四季度會議中知會各董事。

於董事會會議前，本公司之公司秘書或指定人士會根據本公司主席之授權，適時地向全體董事準備及送呈會議通知及相關之文件和資料，以確保所有與會者均獲給予機會審閱及準備所討論的事項以作出明智的決定。

於本年度內，董事會曾舉行四次會議，會議出席記錄載於本年報第70頁。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Meeting *(continued)*

The minutes of the Board meetings are prepared by the company secretary or a designated staff of the Company who are delegated by the Board. The draft minutes are circulated to all members of the Board for their commentary. The final minutes are open for inspection by all members of the Board at the Company's principal place of business in Hong Kong.

Chairman and Chief Executive Officer

Pursuant to provision A.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separated and should not be performed by the same individual and the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr. Cheng Chor Kit. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals, with a highly independent element in the Board where the Board members meet regularly to discuss issues affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently.

Independent non-executive Directors

The corporate governance stresses the importance of independent non-executive directors. The independent non-executive Directors bring in a wide range of skills and business experience to the Company, and also bring in independent and sound judgement on issues relating to strategy, performance and risk through their contribution to Board and to its committees.

董事會 *(續)*

董事會會議 *(續)*

董事會會議記錄由公司秘書或董事會委派之本公司指定人員編製。會議記錄之草擬本會送呈董事會全體成員供彼等作出評註。會議記錄終稿可於本公司於香港之主要營業地點以供董事會全體成員查閱。

主席及行政總裁

根據企管守則第A.2.1條條文，主席及行政總裁之職務應予區分，並不應由同一人同時擔任，且應清楚界定並以書面列明主席與行政總裁之間的職責分工。

本公司之主席及行政總裁之職務並無區分，且由鄭楚傑先生一人兼任。董事會由擁有豐富經驗及才幹、兼具獨立元素之人士所組成，董事會成員定期舉行會議就影響本公司營運之事宜進行討論，故董事會之運作可確保權力與職權之平衡。董事會相信，此架構有利於穩健及貫徹領導，令本公司可迅速及有效地作出及執行決策。

獨立非執行董事

企業管治強調獨立非執行董事之重要性。獨立非執行董事不僅為本公司帶來具廣闊層面之技能及業務經驗，並透過彼等參與董事會及其委員會就策略、業務表現及風險等事宜提供獨立及中肯之判斷。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Independent non-executive Directors *(continued)*

In compliance with Rule 3.10 of the Listing Rules, there are no less than three independent non-executive directors and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors are all experienced individuals from various professionals, their skills and experience are an important element in proper functioning to the Board. The Board believes that a strong independent element on the Board can provide a higher level of “checks and balances” on the Company’s key decision-making mechanism as well as monitor the Company’s affairs effectively.

The Company has received, from each of the independent non-executive Directors, the written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. Evaluated the independence of all independent non-executive Directors on an annual basis and based on their confirmation, the Board considers the independence of the independent non-executive Directors have been adequately maintained.

Under provision A.3.1 of the CG Code, the independent non-executive Directors are identified as such in all corporate communications containing the names of the Directors.

Directors’ Appointment, Re-election and Removal

Each of the executive Directors has entered into a service contract with the Company for different terms and subject to a termination by giving not less than six months’ prior written notice.

Under provision A.4.1 of CG Code, non-executive directors should be appointed for a specific term, subject to re-election. Each of the independent non-executive Directors has entered into a service contract with the Company for a term of three years and subject to a termination by giving not less than three months’ prior written notice.

董事會 *(續)*

獨立非執行董事 *(續)*

根據上市規則第3.10條，獨立非執行董事須不少於三名，其中至少一名具備適當專業資格或會計或相關財務管理專長。各獨立非執行董事均為具有豐富經驗之專業人士，彼等之技能及經驗乃妥為履行董事會職能之重要元素。董事會認為，董事會具強大獨立元素可就本公司之關鍵決策機制提供高水平之「權力制衡」機制並更有效監控本公司之事務。

根據上市規則第3.13條，本公司已收到每名獨立非執行董事有關其獨立性之確認函。按年度基準評估所有獨立非執行董事之獨立性後及基於彼等之確認函，董事會認為獨立非執行董事均維持足夠獨立性。

根據企管守則A.3.1，所有載有董事姓名之公司通訊中均已說明獨立非執行董事之身份。

董事之委任、重選及罷免

每名執行董事已與本公司訂立不同年期之服務合約，並可獲給予不少於六個月之事先書面通知而終止。

根據企管守則第A.4.1條條文規定，非執行董事須以特定任期委任，並須膺選連任。每名獨立非執行董事已與本公司訂立為期三年之服務合約，並可獲給予不少於三個月之事先書面通知而終止。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Directors' Appointment, Re-election and Removal *(continued)*

All Directors appointed to fill a casual vacancy are subject to election at the annual general meeting after appointment. All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws.

Under provision of A.4.3 of CG Code, any further re-appointment of an independent non-executive Director who has served the Board for more than nine years will be subject to separate resolution to be approved by shareholders in the annual general meeting of the Company.

Mr. Wong Chi Wai ("Mr. Wong") has served as independent non-executive Director more than 9 years and his re-election will be subject to a separate resolution to be approved by the shareholders. Mr. Wong has not involved in any executive management of the Company and expressed objective and independent views to the Company over the years. As an independent non-executive Director with in-depth understanding of the Company's operation and with professional qualifications. The Board, taking into consideration of his independent scope of works during his tenure of office, concurs that the long service of Mr. Wong would not affect his exercise of independent judgement and is satisfied that Mr. Wong has the required character, integrity and experience to continue fulfilling the role of the independent non-executive Director. The Directors consider the re-election of Mr. Wong as independent non-executive Director is in the best interest of the Company and shareholders as a whole.

董事會 *(續)*

董事之委任、重選及罷免 *(續)*

所有獲委任以填補臨時空缺之董事須於獲委任後之股東週年大會上接受選舉。所有董事須根據公司細則於本公司股東週年大會上輪值退任及膺選連任。

根據企管守則第A.4.3條條文規定，任何進一步重新委任已於董事會任職超過九年之獨立非執行董事，將需股東於本公司股東週年大會上批准獨立決議案後，方可作實。

黃馳維先生（「黃先生」）出任獨立非執行董事超過九年，而彼之重選將須待以獨立決議案經由股東批准後，方可作實。黃先生並無參與本公司任何行政管理工作，並多年來向本公司提出客觀及獨立的觀點。作為對本公司業務了解透徹加上擁有專業資格之獨立非執行董事，董事會經考慮彼於任期內之獨立工作範圍，均認為黃先生的長期服務不會影響其作出獨立的判斷，並確信黃先生具備繼續履行獨立非執行董事一職所需的品格、誠信及經驗。董事認為黃先生重選為獨立非執行董事符合本公司及股東之整體最佳利益。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Diversity

The Board has adopted a board diversity policy (the "Policy") which sets out the approach to achieve diversity of the Board. The Company recognises the benefits of the Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, 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 of the Board will review the Policy, as appropriate, to ensure the effectiveness of the Policy. The nomination committee of the Board also discusses any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

Directors' Training

Every Director should keep himself or herself abreast of the responsibilities as a Director and of the conduct, business activities and development of the Company. Each new incoming Director receives an induction package covering the introduction of Group's businesses and real-life overview of the Company, induction of their roles and responsibilities, the practical procedure duties and the compliance of laws and regulations.

董事會 *(續)*

董事會多元化

董事會已採納董事會多元化政策（「本政策」），其載有有關達致董事會多元化之方法。本公司認同董事會具備配合本公司業務需要之適當才能、經驗、專門知識與多元化觀點確可帶來裨益。

甄選候選人將根據包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年限等一系列多元化觀點作出。最終決定將根據經甄選候選人將為董事會帶來之價值及貢獻。

董事會轄下提名委員會於適當時候對本政策提出檢討，來確保本政策行之有效。董事會轄下提名委員會亦會討論任何對於本政策需作出之修訂，並向董事會提出修訂建議以供審批。

董事培訓

每名董事均須了解彼作為董事之職責及清楚本公司之業務及動向。每名新任董事均獲發一套入職資料，內容包括本集團業務及本公司實際狀況簡介、彼等之角色及職責指引、實際流程職責及遵守法律法規。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Directors' Training (continued)

All Directors are encouraged to pursue an ongoing development and refreshment of their knowledge and skills to ensure that their contribution to the Board remains relevant and productive.

On 29 November 2018, a tailor-made seminar was organised to Directors in related to the recent development of corporate government. All Directors on that date participated in this seminar.

The training of each individual Director for the Year is set out below:

董事會 (續)

董事培訓 (續)

本公司鼓勵所有董事接受持續發展及更新其知識和技能，以確保彼等對董事會之貢獻保持相關及具有成效。

於二零一八年十一月二十九日，為董事舉辦專為彼等而設的研討會，內容關於近期企業管治發展，而於該日全體董事均出席該研討會。

各董事於本年度之培訓載列如下：

Name of Director	董事姓名	Types of training	培訓類型
Executive Directors	執行董事		
Mr. Cheng Chor Kit	鄭楚傑先生	A/B	
Mr. Fung Wah Cheong, Vincent	馮華昌先生	A/B	
Mr. Liu Tat Luen	廖達鸞先生	A/B	
Mr. Cheng Tsz To	鄭子濤先生	A/B	
Mr. Cheng Tsz Hang	鄭子衡先生	A/B	
Mr. Hui Ka Po, Alex	許家保先生	A/B	
Independent non-executive Directors	獨立非執行董事		
Mr. Wong Chi Wai	黃弛維先生	A/B	
Dr. Sun Kwai Yu, Vivian	孫季如博士	A/B	
Mr. Cheng Kwok Kin, Paul	鄭國乾先生	A/B	
Mr. Cheung Wang Ip	張宏業先生	A/B	

A Attending briefings/seminars/conference/forums

A 出席簡介會／研討會／會議／論壇

B Reading/studying training or other materials

B 閱覽／研究培訓或其他資料

Directors' and Officers' Liability Insurance

The Company has arranged appropriate insurance coverage on directors' and officers' liabilities in respect of any legal actions taken against the Directors and senior management of the Company arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

董事及高級職員之責任保險

本公司已就董事及高級職員因公司運作而產生之任何法律訴訟而對董事及本公司高級管理人員之責任作出適當投保安排。所投保險均會每年審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

The Board has established the following Board committees, all chaired by independent non-executive Directors, with clearly defined terms of reference, which are on no less exacting terms than those set out in the CG Code of the Listing Rules:

- Remuneration Committee (the “Remuneration Committee”);
- Nomination Committee (the “Nomination Committee”); and
- Audit Committee (the “Audit Committee”)

The roles and responsibilities of each Board committee is set out by the Board with clearly defined written terms of reference and this document is available on the websites of the Stock Exchange and the Company.

Pursuant to the written terms of reference, each Board committee has authority to engage outside consultants or experts as it considers necessary to discharge the committee’s responsibilities. Minutes of all Board committees meetings are circulated to all Board members. To further reinforce independence and effectiveness, all Audit Committee members being appointed are independent non-executive Directors, and the Remuneration Committee and Nomination Committee have been structured with a majority of independent non-executive Directors being the Board committees’ members. During the Year and up to the date of this annual report, each Board Committee’s members include:

董事委員會

董事會已成立以下由獨立非執行董事出任主席的董事委員會，並具備明確界定職權範圍，其內容不遜於上市規則之企管守則所載之條款：

- 薪酬委員會（「薪酬委員會」）；
- 提名委員會（「提名委員會」）；及
- 審核委員會（「審核委員會」）

董事會轄下各委員會的角色及職責均由董事會以書面明確界定其職權範圍，此文件可於聯交所網站及本公司網站查閱。

根據書面職權範圍，為履行委員會之責任，董事會轄下各委員會有權在其認為需要時委聘外部顧問或專家。所有董事會轄下之委員會會議記錄均送呈各董事會成員傳閱。為進一步加強獨立性及有效性，所有獲委任之審核委員會成員均為獨立非執行董事，而薪酬委員會及提名委員會之成員均以獨立非執行董事為主。於本年度內及直至本年報日期，董事會轄下各委員會的成員包括：

		Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會
Executive Directors	執行董事			
Mr. Cheng Chor Kit	鄭楚傑先生	Member/成員	Member/成員	-
Mr. Fung Wah Cheong, Vincent	馮華昌先生	Member/成員	Member/成員	-
Independent non-executive Directors	獨立非執行董事			
Mr. Wong Chi Wai	黃翀維先生	Member/成員	Chairman/主席	Member/成員
Dr. Sun Kwai Yu, Vivian	孫季如博士	Member/成員	Member/成員	Chairperson/主席
Mr. Cheng Kwok Kin, Paul	鄭國乾先生	Chairman/主席	Member/成員	Member/成員
Mr. Cheung Wang Ip	張宏業先生	Member/成員	Member/成員	Member/成員

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(continued)*

Remuneration Committee

The remuneration packages offered by the Company should be able to attract and motivate the Directors and senior management of the Company for their sufficient quality, whilst at the same time taking into account the shareholders' interests as well. The main roles and responsibilities of the Remuneration Committee is aimed to assist the Board to develop and administer fair and transparent procedures for setting policy on the remuneration of Directors and senior management of the Company, and to ensure no individual Director or any of his/her associates can determine his/her own remuneration.

The Remuneration Committee reviews and determines, with delegated responsibility, the remuneration packages include but not limited to basic salaries, deferred compensation, stock options and any benefits in kind, pension rights, incentive payments and any other compensation payments, of individual executive Directors and senior management of the Company with reference to the Board's corporate goals and objectives, responsibilities and employment conditions elsewhere within the Group and in the market. The Remuneration Committee also independently reviews and approves the compensation and related arrangements for executive Directors and senior management of the Company in respect of any loss or termination of office or appointment.

The Remuneration Committee held one meeting during the Year to review and approve the Directors' remuneration packages. Meeting attendance records of the Remuneration Committee are set out on page 70 of this annual report.

Information relating to remuneration of each Director for the Year is set out in Note 10 to the financial statements.

董事委員會 *(續)*

薪酬委員會

本公司所提供的薪酬待遇用作吸引及激勵具備足夠質素的董事及本公司高級管理人員，與此同時亦需考慮股東之利益。薪酬委員會之主要角色及職責旨在協助董事會制訂及執行公正且具透明度之程序，以制定董事及本公司高級管理人員之薪酬政策，來確保並無個別董事或其任何聯繫人可自行釐定其本身之薪酬。

薪酬委員會獲授權參照董事會訂立之企業方針與目標、職責及集團與市場內同類職位的實際情況，審閱並釐定本公司個別執行董事與高級管理人員之薪酬待遇，包括但不限於基本薪金、遞延補償、購股權及任何實物福利、退休金權利、獎金及任何其他補償金。薪酬委員會亦會獨立地審閱及批准執行董事及本公司高級管理人員因喪失或被終止職務或任命而獲得之賠償及相關安排。

於本年度內，薪酬委員會舉行一次會議以審核及批准董事之薪酬待遇。薪酬委員會之會議出席記錄載於本年報第70頁。

於本年度內，每名董事之薪酬詳情載於財務報表附註10。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(continued)*

Nomination Committee

The primary responsibility of the Nomination Committee, followed our diversity policy as mentioned above, reviews the composition of the Board from time to time and gives advice to the Board on the candidates, conditions, selection standards and procedures of the proposed appointment of Directors and senior management of the Company.

The Nomination Committee is also responsible for recommending to the Board all new appointments of Directors and senior management of the Company identify by referral or intermediary agencies. The Nomination Committee considers the past performance and qualification of the candidates for Directors and senior management of the Company, reviews general market conditions and the Bye-Laws in selecting and recommending candidates for directorship and management.

The Nomination Committee held one meeting during the Year to review and discuss the composition of the Board, assess the independence of the independent non-executive Directors and to make recommendations to the Board on the re-election of Directors. Meeting attendance records of the Nomination Committee are set out on page 70 of this annual report.

董事委員會 *(續)*

提名委員會

提名委員會之主要職責包括，根據上文所述之多元化政策，不時檢討董事會之組成及就擬任董事和本公司高級管理人員之人選、條件、遴選標準及程序向董事會提出建議。

提名委員會亦負責向董事會推薦透過轉介或中介機構物色之所有新委任董事及本公司高級管理人員。提名委員會考慮董事及本公司高級管理人員候任人過往表現及資格，審閱整體市場情況及公司細則，選擇及推薦董事及高級管理人員候任人。

於本年度內，提名委員會舉行了一次會議以檢討及討論董事會組成、評核獨立非執行董事之獨立性及就董事重選事宜向董事會提出推薦建議。提名委員會之會議出席記錄載於本年報第70頁。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(continued)*

Audit Committee

The main roles and responsibilities of the Audit Committee are to assist the Board in (1) maintaining an effective risk management and a system of internal control and compliance with the Company's obligations (including external financial reporting obligations) under the Listing Rules as modified from time to time and applicable laws and regulations is in place; (2) overseeing the integrity of the financial statements of the Company; and (3), on behalf of the Board, (i) selecting the Company's external auditor and approving their remuneration, (ii) assessing the independence and qualifications of the external auditors, and (iii) the overseeing the performance of the Company's internal audit function.

During the Year, the Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and financial reporting matters including the review of the audited financial statements for the year ended 31 March 2018 as well as the interim report for the six months ended 30 September 2018. The Audit Committee also reviewed the Group's financial controls, risk management and internal control systems, discussed internal control matters, conducted discussions with the external auditor on financial reporting, compliance, the effectiveness of the audit process, and reported all relevant matters to the Board during the year ended 31 March 2019. In addition, the Audit Committee has met with the external auditor of the Company and reviewed the financial results of the Group for the year ended 31 March 2019, including the accounting principles and practices adopted by the Group.

The Audit Committee held four meetings during the Year. Meeting attendance records of the Audit Committee are set out on page 70 of this annual report.

董事委員會 *(續)*

審核委員會

審核委員會之主要角色及職責為協助董事會 (1) 維持風險管理及內部監控系統行之有效，並確保本公司遵守上市規則（經不時修訂）及適用法律及規例所規定之責任（包括對外公佈財務報告之責任）；(2) 監控本公司財務報表之完整性；及(3) 須代表董事會負責(i) 挑選本公司之外聘核數師並釐定其酬金；(ii) 評估外聘核數師之獨立性及資格；及(iii) 監察本公司內部審核職能之表現。

於本年度內，審核委員會已與管理層審閱本集團採納之會計原則及常規及財務報告事項，包括審閱截至二零一八年三月三十一日止年度之經審核財務報表及截至二零一八年九月三十日止六個月之中期報告。審核委員會亦審閱本集團之財務監控、風險管理及內部監控制度、討論內部監控事項、就財務申報、合規、核數程序之有效性而與外聘核數師進行討論，並於截至二零一九年三月三十一日止年度內向董事會匯報所有有關事宜。此外，審核委員會已與本公司之外聘核數師會晤及審閱本集團截至二零一九年三月三十一日止年度之財務業績，包括本集團採納之會計原則及常規。

於本年度內，審核委員會舉行四次會議。審核委員會之會議出席記錄載於本年報第70頁內。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(continued)*

Corporate Governance Function

The Company has not deliberately established a corporate governance committee and the Board delegated its responsibilities to the Audit Committee with clearly defined written terms of reference, for performing the corporate governance functions:

1. to develop and review the policies and practices of the Company on corporate governance and make recommendations to the Board;
2. to review and monitor the training and continuous professional development of the Directors and senior management of the Company;
3. to review and monitor the policies and practices of the Company on compliance with legal and regulatory;
4. to develop, review and monitor the code of conduct and compliance manual applicable to the Directors and employees of the Group; and
5. to review the compliance by the Company with the CG Code and the disclosure requirements for the CG Report.

董事委員會 *(續)*

企業管治職能

本公司並無特定設立企業管治委員會而董事會將其責任授予審核委員會，並以書面明確界定職權範圍，以執行企業管治職能：

1. 制定及審閱本公司之企業管治之政策和實務，並向董事會提出推薦建議；
2. 審閱及監察董事及本公司高級管理人員之培訓及持續專業發展；
3. 審閱及監察本公司遵守法律和監管之政策和實務；
4. 制定、審閱和監察適用於董事及本集團僱員之操守準則及合規手冊；及
5. 審閱本公司遵守企管守則及企業管治報告之披露要求。

CORPORATE GOVERNANCE REPORT

企業管治報告

ACCOUNTABILITY AND AUDIT

Directors' and External Auditor's Financial Reporting Responsibility

The management has timely and frequently provided a balanced and understandable assessment of the Company's performance to the Board. The Board has an ultimate responsibility for preparing the financial statements which give a true and fair view of the Group's state of affairs and the results together with cash flows situation for the Year. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted; appropriate accounting policies have been used and applied consistently; and reasonable and prudent judgments and estimates have been made.

Other than the discussion in respect of the financial conditions, liquidity and financial resources on the chapter of "Management Discussion and Analysis", the Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements of the Group.

The Independent Auditor's Report on pages 71 to 82 of this annual report has set out the reporting responsibilities of the external auditor of the Company.

Auditor's Remuneration

The auditor's remuneration and the fee for non-audit services for the Year are as below:

Nature of services

服務性質

Audit services
Non-audit services

核數服務
非核數服務

問責及審核

董事及外聘核數師之財務申報責任

管理層適時及頻常就本公司之表現向董事會提供公正及易於理解之評估。董事會有最終責任去編製財務報表，並真實及公平地反映本集團於本年度之事務狀況及業績和現金流量狀況。於編製財務報表時，香港公認會計準則已予採納；適當之會計政策已予使用並貫徹應用；而合理及審慎之判斷及評估已予作出。

除「管理層討論及分析」章節所載有關財務狀況、流動資金及財務資源之討論外，董事會並不知悉任何重大不明朗事件或情況可能會導致對本公司持續經營能力產生重大疑問。因此，董事會在編製本集團之財務報表時繼續採納持續經營基準。

本年報第71至82頁之獨立核數師報告乃載有本公司之外聘核數師之申報責任。

核數師酬金

本年度之核數師酬金及非核數服務費如下：

	2018/2019 二零一八年／ 二零一九年 HK\$'000 千港元	2017/2018 二零一七年／ 二零一八年 HK\$'000 千港元
Audit services	3,100	2,800
Non-audit services	2,095	1,240
	5,195	4,040

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overseeing the Group's risk management and internal control systems and financial control and reviewing their effectiveness at least annually, while the management and other personnel are responsible for implementing and maintaining the internal control system on an ongoing basis to safeguard the stakeholders' interests and its assets. This system is designed to manage rather than to eliminate risk of failure in operating environment from time to time.

The Group is committed to set up and maintain a sound and effective internal control system which is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational system and the achievement of the Group's objectives.

An internal control advisor (the "Advisor") was appointed by the Company as an outsourced internal audit function to assist the Group to conduct a yearly review of the internal control system according to the internal audit plan agreed by the management and the Audit Committee. The review is to determine if the key internal controls are in place and determine significant gaps within the design of the controls. The Advisor reported the internal audit findings and recommendations to both the management of the Group and the Audit Committee. The management of the Group agreed on the internal audit findings and adopted the recommendations by the Advisor.

Based on the risk management mechanism and internal audit review activities, the management of the Group had provided a confirmation to the Board that the Group had maintained an effective risk management mechanism and internal control systems during the Year.

風險評估及內部監控

董事會負責監管本集團之風險管理及內部監控制度以及財務監控，並最少每年檢討其有效性，而管理層及其他人員則負責按持續經營基準實行及維持內部監控制度，以保障股東權益及其資產。該制度旨在不時管理而非消除在經營環境中出現的失誤風險。

本集團致力於建立及維持完善及有效之內部監控制度，該制度旨在提供合理（而非絕對）保證，以防出現重大誤報或損失，並管理而非消除營運制度失誤之風險，以及達致本集團目標。

本公司已委聘一名內部監控顧問（「顧問」）作為外聘內部審核職能，協助本集團按照管理層與審核委員會協定之內部審核計劃對內部監控制度進行年度審核。該審核旨在釐定是否已設有關鍵內部監控，並釐定監控之重大設計漏洞。顧問已向本集團之管理層及審核委員會匯報內部審核結果及推薦建議。本集團之管理層認同內部審核結果並採納顧問之推薦建議。

根據風險管理機制及內部審核評估工作，本集團管理層已經向董事會確認，本集團於本年度期間一直維持有效之風險管理機制及內部監控制度。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

Mr. Chan Ho Man (“Mr. Chan”) has been appointed as the company secretary of the Company since 1996 and is responsible for overseeing all the company secretarial matters of the Group. Mr. Chan is a fellow member of the Association of Chartered Certified Accountants and an associate member of the HKICPA.

Mr. Chan confirmed that he has taken no less than 15 hours of relevant professional training during the Year.

SHAREHOLDERS’ RIGHTS AND INVESTOR RELATIONS

Shareholders’ Rights

1. *Rights to convene Special General Meeting*

Pursuant to the Bye-Laws, any one or more registered shareholders holding at the date of deposit of the requisition not less than 10% of the paid up capital of the Company carrying the right of voting at the general meetings of the Company shall at all times have the right, by a written requisition, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

The written requisition must state the purpose of the meeting, signed by the requisitionist(s) and be delivered to the Board or the company secretary of the Company at the Company’s principal place of business at 7/F., Galaxy Factory Building, 25–27 Luk Hop Street, San Po Kong, Kowloon, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves or any of them represented more than one half of the total voting rights of all of them, may convene a meeting in accordance with the provisions of Section 74(3) of the Companies Act of Bermuda.

公司秘書

陳浩文先生(「陳先生」)自一九九六年以來一直擔任本公司之公司秘書，負責監管本集團全部公司秘書之事宜。陳先生為英國特許公認會計師公會資深會員及香港會計師公會會員。

於本年度內，陳先生已確認彼已進行不少於15小時之相關專業培訓。

股東權利及投資者關係

股東權利

1. *召開股東特別大會之權利*

根據公司細則，任何於遞交呈請日期持有本公司繳足股本(附帶權利可於本公司股東大會上投票)不少於10%之一名或多名登記之股東有權於任何時候透過書面呈請要求董事會召開股東特別大會，以處理有關呈請內所指任何業務，而有關會議須於遞交有關呈請後兩個月內予以舉行。

經呈請人簽署之書面呈請必須註明會議之目的，並遞交至本公司之主要營業地點(地址為香港九龍新蒲崗六合街25–27號嘉時工廠大廈7樓)，本公司董事會或公司秘書收，而呈請可由多份類似格式之文件組成，而各自均須經一名或多名呈請人簽署。

倘於有關遞交後二十一日期內，董事會未能召開有關會議，則呈請人或擁有佔彼等全部投票權總額超過一半之其中任何人士可自行根據百慕達公司法第74(3)條之條文召開會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Shareholders' Rights *(continued)*

2. **Procedures for putting forward proposals at shareholders' meetings**

Any one or more registered shareholders, at the date of submission of written requisition, represents either (a) not less than 5% of the total voting rights of all shareholders; or (b) not less than one hundred shareholders, entitled to submit a written requisition for putting forward proposals at the general meeting.

The written requisition duly signed by the registered shareholders, must state the purpose of the written requisition, together with a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution must be deposited at the principal place of business in Hong Kong, not less than six weeks before the general meeting in case of a requisition requiring notice of a resolution; or not less than one week in case of other requisition.

3. **Procedures for directing shareholders' enquiries to the Board**

Shareholders may at any time send their enquiries to the Board in writing through the company secretary of the Company whose contact details are as follows:

7/F., Galaxy Factory Building, 25-27 Luk Hop Street, San Po Kong, Kowloon, Hong Kong

Fax: (852)-2351-1867

Email: webmaster@kinyat.com.hk

股東權利及投資者關係 *(續)*

股東權利 *(續)*

2. 於股東大會上提呈建議之程序

任何一名或多名登記之股東於遞交書面呈請日期，代表相當於(a)全體股東總投票權不少於5%；或(b)不少於一百名股東，有權遞交書面呈請以於股東大會上提呈建議。

經登記之股東正式簽署之書面呈請(必須註明書面呈請之目的)，連同一份不超過一千字，內容有關建議決議案所指事宜之陳述書須送達香港主要營業地點，倘呈請要求發出決議案通知，則須於股東大會前不少於六週送達；而倘屬任何其他情況，則須於股東大會前不少於一週送達。

3. 股東向董事會提出查詢之程序

股東可隨時以書面方式透過本公司之公司秘書向董事會提出查詢，公司秘書之聯絡詳情如下：

香港九龍新蒲崗六合街25-27號嘉時工廠大廈7樓

傳真：(852)-2351-1867

電郵：webmaster@kinyat.com.hk

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Investor Relations

1. Shareholders' communication

The Board recognises the importance of maintaining clear, timely and effective communications with shareholders. Annual reports and interim reports are published to provide shareholders with comprehensive information of the Company's operational and financial performances. The Company practises timely dissemination of information and makes sure its website (www.kinyat.com.hk) contains the most current information, including annual reports, interim reports, announcements, monthly returns and press releases, and is updated in a timely manner to ensure transparency.

The Board endeavour to maintain an ongoing and transparent communications with all shareholders and, in particular, use general meeting as a platform for shareholders to state and exchange views with the Board directly and encourage their participation. The Directors are available to answer questions from shareholders throughout an annual general meeting. External auditor is also available at an annual general meeting to address shareholders' queries in accordance to the requirements of applicable Listing Rules.

The annual general meeting for the year of 2018 of the Company (the "2018 AGM") was held on 16 August 2018 and all the members of the Board together with the external auditor presented in the 2018 AGM. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders on all resolutions at general meetings must be taken by poll. The poll results in respect of the resolutions proposed at the 2018 AGM were published on the websites of the Stock Exchange and the Company on 16 August 2018.

股東權利及投資者關係 *(續)*

投資者關係

1. 與股東之溝通

董事會深明與股東保持清晰、適時和有效溝通之重要性。本公司會刊發年報及中期報告以向股東提供有關本公司經營及財務表現之全面資料。本公司之慣例為適時發佈資料及確保其網站(www.kinyat.com.hk)載有目前最新之資料，包括年報、中期報告、公佈、月報表及新聞稿，並適時更新以確保其透明度。

董事會致力不斷維持並鼓勵彼等參與全體股東之間具透明度之溝通，特別是透過股東大會此平台與股東溝通以表達及直接與董事會交換意見。董事將於整個股東週年大會期間回答股東之提問。外聘核數師亦會於股東週年大會上根據適用上市規則之規定解答股東疑問。

本公司二零一八年股東週年大會(「二零一八年股東週年大會」)已於二零一八年八月十六日舉行，且董事會全體成員連同外聘核數師均出席二零一八年股東週年大會。根據上市規則第13.39(4)條，於股東大會上所有決議案必須經股東以投票方式進行表決。有關於二零一八年股東週年大會上提呈之決議案之投票結果已於二零一八年八月十六日刊載於聯交所及本公司網站。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Investor Relations *(continued)*

1. Shareholders' communication *(continued)*

The annual general meeting for the year of 2019 of the Company (the "2019 AGM") will be held on Wednesday, 28 August 2019, for details of the information on the 2019 AGM, please refer to this annual report and its accompanying Explanatory Statement.

The Board continues to maintain regular dialogue with financial analysts and institutional investors as appropriate to keep them informed the Group's strategies, operations, management and plans. In order to strengthen the bi-directional communications between the Company, shareholders and investors, an email contact (webmaster@kinyat.com.hk) responded by senior management of the Company are available to shareholders and investors.

2. Sufficient and timely information

The Board recognises the significance of providing information to shareholders to enable each shareholder to make an informed assessment for the purposes of voting on each of the matter put before shareholders at the general meeting. Copies of the annual report, financial statements and related papers are despatched to shareholders in accordance with the statutory requirements.

3. Significant constitutional documents

There was no change in the Company's constitutional document for the Year.

4. Dividend Policy

Sharing the fruit of our effort and providing a stable and sustainable return to our shareholders is our goal. The Company has adopted a Dividend Policy (the "Dividend Policy") which is a guideline on distribution of dividends to shareholders of the Company.

股東權利及投資者關係 *(續)*

投資者關係 *(續)*

1. 與股東之溝通 *(續)*

本公司二零一九年股東週年大會(「二零一九年股東週年大會」)將於二零一九年八月二十八日(星期三)舉行，有關二零一九年股東週年大會之詳細資料，請參閱本年報及其隨附之說明函件。

董事會會繼續維持與金融分析師及機構投資者(如適用)定期進行對話，以使彼等了解本集團之策略、營運、管理及計劃。為加強本公司與股東及投資者之間的雙向溝通，股東及投資者可透過電郵(webmaster@kinyat.com.hk)與我們聯絡，並會由本公司高級管理人員作出回覆。

2. 充裕及適時之信息

董事會認同向股東提供信息之重要性，以令各股東就於股東大會上提出之各項事宜之投票作出知情評估。年報、財務報表及相關文件均按法定規定寄發予股東。

3. 主要憲章文件

於本年度內，本公司憲章文件並無變動。

4. 股息政策

分享我們努力的成果，為股東提供穩定和可持續的回報乃我們的目標。本公司已採納股息政策(「股息政策」)作為分派股息予本公司股東之指引。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Investor Relations *(continued)*

4. Dividend Policy *(continued)*

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital for expanding the Group's business as well as rewarding the shareholders of the Company. The Board shall also take into account, among other things, when considering the declaration and payments of dividends:

- the actual and expected financial performance of the Group;
- the capital and debt level of the Group;
- the general market conditions;
- any working capital and capital expenditure requirement;
- any future development plans of the Group;
- retained earnings and distributable reserves of the Company and each of the members of the Group;
- the liquidity position of the Group;
- any restrictions on dividend payouts imposed by any of the Group's lenders;
- the statutory and regulatory restrictions which the Group is subject to from time to time; and
- any other relevant factors that the Board may deem appropriate.

Under our Dividend Policy, the recommendation of the payment of any dividend is subject to the absolute discretion of the Board as well as any restrictions under the law's requirements of Bermuda and Hong Kong, the Listing Rules and the Bye-Laws of the Company. The declaration of final dividend will be subject to the approval of the shareholders.

The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend. In addition, any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Bye-Laws of the Company.

股東權利及投資者關係 *(續)*

投資者關係 *(續)*

4. 股息政策 *(續)*

考慮派付股息時，應在維持充足資金供本集團拓展業務以及回報本公司股東之間取得平衡。董事會考慮宣派及派付股息時亦須考慮(其中包括)以下事項：

- 本集團之實際及預期財務表現；
- 本集團之資金及債務水平；
- 一般市場狀況；
- 任何營運資金及資本開支需求；
- 本集團之未來發展計劃；
- 本公司以及本集團各成員公司之保留盈利及可分派儲備；
- 本集團之流動資金狀況；
- 本集團貸款人施加之分派股息限制；
- 本集團不時須遵守之法定及監管限制；及
- 董事會可能認為合適之任何其他相關因素。

根據我們的股息政策，董事會擁有絕對酌情權來建議派付任何股息，並須遵守百慕達及香港法例規定、上市規則及本公司之公司細則中任何限制。宣派末期股息須由股東批准。

股息政策概不構成本公司就其未來將派付股息作出法律約束力之承諾。此外，任何未領取之股息應被沒收及應根據本公司之公司細則歸屬本公司。

CORPORATE GOVERNANCE REPORT

企業管治報告

DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULE 13.51(B)(1) OF THE LISTING RULES

Pursuant to Rule 13.51(B)(1) of the Listing Rules, there is no changes in information of the Directors subsequent to the date of the 2019 interim report of the Company.

THE ATTENDANCE RECORD OF EACH MEMBER OF THE BOARD IN 2018/2019

The number of Annual General Meeting, Board and its Committees meetings attended by each Director for the Year.

根據上市規則第13.51(B)(1)條披露董事資料

根據上市規則第13.51(B)(1)條，於本公司二零一九年中期報告日期後，董事之資料並無變更。

二零一八年／二零一九年董事會各成員出席會議記錄

於本年度內，每位董事所出席之股東週年大會、董事會及董事委員會會議次數。

Name of Director	董事姓名	Annual General Meeting 股東週年大會	Full board 全體董事會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會
Executive Directors		執行董事				
Mr. Cheng Chor Kit	鄭楚傑先生	1/1	4/4	1/1	1/1	N/A 不適用
Mr. Fung Wah Cheong, Vincent	馮華昌先生	1/1	4/4	1/1	1/1	N/A 不適用
Mr. Liu Tat Luen	廖達鸞先生	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Cheng Tsz To	鄭子濤先生	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Cheng Tsz Hang	鄭子衡先生	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Hui Ka Po, Alex	許家保先生	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Independent non-executive Directors		獨立非執行董事				
Mr. Wong Chi Wai	黃弛維先生	1/1	4/4	1/1	1/1	4/4
Dr. Sun Kwai Yu, Vivian	孫季如博士	1/1	4/4	1/1	1/1	4/4
Mr. Cheng Kwok Kin, Paul	鄭國乾先生	1/1	4/4	1/1	1/1	4/4
Mr. Cheung Wang Ip	張宏業先生	1/1	4/4	1/1	1/1	4/4

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the Shareholders of Kin Yat Holdings Limited
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Kin Yat Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 83 to 239, which comprise:

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

Our Opinion

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

羅兵咸永道

致建溢集團有限公司股東
(於百慕達註冊成立之有限公司)

意見

我們已審計的內容

建溢集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第83至239頁的綜合財務報表,包括:

- 於二零一九年三月三十一日的綜合財務狀況表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括重大會計政策摘要。

我們的意見

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一九年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw your attention to Note 2.1(c) to the consolidated financial statements, which states that during the year ended 31 March 2019, the Group reported an operating cash outflow of HK\$28,237,000. As at the same date, the Group’s current liabilities (after reclassifying certain bank loans with scheduled repayment dates beyond one year after 31 March 2019 as current liabilities) exceeded its current assets by HK\$192,183,000. In addition, the Group has not complied with the financial covenant requirements of certain bank borrowings. Such non-compliance may cause certain bank borrowings become immediately due and payable. These conditions, along with other matters as described in Note 2.1(c) to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

有關持續經營之重大不確定因素

我們提請閣下垂注綜合財務報表附註2.1(c)，其提述於截至二零一九年三月三十一日止年度，貴集團錄得經營現金流出28,237,000港元。於同日，貴集團之流動負債(將若干預定償還日期為二零一九年三月三十一日起計一年後之銀行借貸重新分類為流動負債後)超出流動資產192,183,000港元。此外，貴集團未能遵守若干銀行借貸之財務契諾規定。有關不遵守可能導致若干銀行借貸須即時償還。此等狀況(加上綜合財務報表附註2.1(c)所述之其他事宜)顯示存在重大不確定因素，有可能對貴集團持續經營之能力構成重大疑慮。我們就此事宜之意見並無修訂。

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. In addition to the matters described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters identified in our audit are summarised as follows:

- Fair value estimation of leasehold land and buildings and investment properties
- Provision for inventories
- Business combination

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。除「有關持續經營之重大不確定因素」一節所述之事宜外，我們釐定下文所述之事宜為本報告將闡述之關鍵審計事項。

我們在審計中識別的關鍵審計事項概述如下：

- 租賃土地及樓宇以及投資物業的公平值估計
- 存貨撥備
- 業務合併

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Fair value estimation of leasehold land and buildings and investment properties 租賃土地及樓宇以及投資物業的公平值估計	
Refer to Notes 4.1(c), 15 and 16 to the consolidated financial statements. 請參閱綜合財務報表附註4.1(c)、15及16。 As at 31 March 2019, the Group had leasehold land and buildings of HK\$442,623,000 and investment properties of HK\$65,070,000, the revaluation surplus and fair value gain recognised during the year amounted to HK\$68,930,000 and HK\$5,383,000, respectively. 於二零一九年三月三十一日，貴集團持有租賃土地及樓宇442,623,000港元及投資物業65,070,000港元，年內分別確認重估盈餘及公平值收益68,930,000港元及5,383,000港元。	Our procedures in relation to management's valuation of leasehold land and buildings and investment properties included: 我們就管理層對租賃土地及樓宇以及投資物業的估值執行的程序包括： <ul style="list-style-type: none">• Evaluation of the external property valuers' competence, capabilities and objectivity; 評估外聘物業估值師的資歷、能力和客觀性；• Involving our in-house valuation experts to assess the methodologies used in valuation by referencing to market practices; 連同本所內部的估值專家參考市場慣例以評估估值所採用的方法；

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KEY AUDIT MATTERS (continued)

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Fair value estimation of leasehold land and buildings and investment properties 租賃土地及樓宇以及投資物業的公平值估計	
<p>Management engaged an external valuer to determine the year-end fair value of the leasehold land and buildings, and investment properties based on market comparable method or direct replacement cost method. The valuations are dependent on certain key assumptions that require significant management judgement, including estimated useful life, unit rates, replacement cost, and capitalisation rate.</p> <p>管理層委聘一名外部估值師根據市場比較法或直接重置成本法釐定租賃土地及樓宇以及投資物業於年末的公平值。估值取決於需要重大管理層判斷的若干關鍵假設，包括估計可使用年期、單價、重置成本及資本化率。</p> <p>We focused on this area due to the significance of the balance and significant management judgement and estimates involved in the fair value estimation of leasehold land and buildings and investment properties.</p> <p>我們專注於此範疇乃由於結餘重大及租賃土地及樓宇以及投資物業的公平值估計涉及重大管理層判斷和估計。</p>	<ul style="list-style-type: none">• Involving our in-house valuation experts to assess the appropriateness of the key assumptions of estimated useful life, unit rates, replacement costs, and capitalisation rate by referencing to market data; and 連同本所內部的估值專家參考市場數據評估估計可使用年期、單價、重置成本及資本化率的關鍵假設的恰當性；及• Assessing the appropriateness of the disclosures in the financial statements. 評估財務報表披露事項的恰當性。 <p>We found the assessment were supported by the available evidence. We found the disclosures to be appropriate.</p> <p>我們發現評估已獲所得憑證的支持。我們發現披露事項屬恰當。</p>

INDEPENDENT AUDITOR'S REPORT

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KEY AUDIT MATTERS (continued)

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Provision for inventories 存貨撥備	
<p>Refer to Notes 4.1(e) and 21 to the consolidated financial statements. 請參閱綜合財務報表附註4.1(e)及21。</p> <p>At 31 March 2019, the Group held inventories of HK\$649,453,000 and the provision for obsolete or slow moving inventories was HK\$34,088,000. Inventories are stated at the lower of cost and net realisable value in the consolidated financial statements. Management assesses the provision for obsolete or slow moving inventories at each period end based on their consideration of obsolescence and the net realisable value of inventories. The determination of estimated selling price less cost to sell requires the use of significant judgement and estimates, including consideration of condition of products, latest selling price, expectation of future sales orders and market trends and customer demands.</p> <p>於二零一九年三月三十一日，貴集團持有的存貨為649,453,000港元，陳舊或滯銷存貨撥備為34,088,000港元。存貨按成本及可變現淨值兩者的較低者於綜合財務報表列賬。管理層基於對存貨陳舊程度及其可變現淨值的考慮，於各期期末對陳舊或滯銷存貨的撥備進行評估。確定預計售價減銷售成本需要使用重大判斷和估計，包括對產品狀況、最近期售價、未來銷售訂單的預期、市場趨勢及客戶需求的考慮。</p> <p>We focused on this area due to the significance of the balance and, significant management judgement and estimates involved in determining the provision for obsolete or slow moving inventories. 我們專注於此範疇乃由於結餘重大及確定陳舊或滯銷存貨撥備時涉及重大管理層判斷和估計。</p>	<p>Our key procedures in relation to management's assessment of the provision for obsolete or slow moving inventories included: 我們就管理層對陳舊或滯銷存貨撥備所作評估執行的關鍵程序包括：</p> <ul style="list-style-type: none">• Understanding the key control procedures performed by management in estimating the net realisable value of the inventories and conducting periodic reviews on inventory obsolescence; 瞭解管理層估計存貨的可變現淨值及定期審核存貨陳舊程度時採用的關鍵控制程序；• Testing, on a sample basis, the net realisable value of selected inventory items, by comparing the carrying amount of the inventory items against their selling price subsequent to the year end or close to year end; 採用抽樣方式比較所選存貨的賬面值與其於年末後或接近年末時的售價，對所選存貨的可變現淨值進行測試；• Attending the inventory count to observe the inventory condition. 參與存貨盤點以觀察存貨狀況。• Testing, on a sample basis, the accuracy of the ageing profile of individual inventory items by checking to the underlying procurement correspondence and invoices; and 採用抽樣方式檢查相關採購資料和發票來測試個別存貨項目賬齡的準確性；及

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KEY AUDIT MATTERS *(continued)*

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Provision for inventories 存貨撥備	<ul style="list-style-type: none">• Testing, on a sample basis, long aged inventory for subsequent sales or usage after year end and reperforming the calculation for the provision. 採用抽樣方式對賬齡較長的存貨的年末後銷售或使用進行測試，並重新計算其撥備。 <p>In addition, we discussed with management regarding the latest sales pattern in relation to price and quantity for potential orders, and other factors, including the market trends and customer demands. We found that management's assessment of the provision for obsolete or slow moving inventories was supported by the available audit evidence. 此外，我們與管理層就最近期銷售模式進行討論，內容有關可能訂單的價格及數量以及其他因素，包括市場趨勢及客戶需求。我們發現管理層對陳舊或滯銷存貨撥備的評估已獲所得的審計證據支持。</p>

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KEY AUDIT MATTERS (continued)

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Business combination 業務合併	
<p>Refer to Note 18 to the consolidated financial statements. 請參閱綜合財務報表附註18。</p> <p>During the year ended 31 March 2019, the Group completed the acquisition of Progress Power-saving Glass Technology Company Limited at cash consideration of HK\$37,647,000 (the "Acquisition"). Management assessed the nature of the acquisition by assessing if there are economic resource and business process associated with it. Management determined whether the assets acquired and liabilities assumed under the acquisition constituted a business and therefore the transaction was accounted for as business combination. 於截至二零一九年三月三十一日止年度，貴集團以現金代價37,647,000港元完成收購創建節能玻璃科技有限公司（「收購事項」）。管理層已評估當中有否涉及經濟資源及業務過程，以評估收購事項的性質。管理層釐定根據收購事項所收購的資產及所承擔的負債是否構成業務，並因此將交易入賬列作業務合併。</p> <p>Accounting for business combination requires the Group to allocate the purchase price to the assets acquired, liabilities assumed, and intangible assets identified based on their estimated fair values at the date of acquisition. 在入賬列作業務合併的情況下，貴集團須根據於收購日期的估計公平值，將購買價分配至所收購的資產、所承擔的負債及所識別的無形資產。</p>	<p>Our key procedures in relation to management's judgement and estimates over business combination included: 我們就管理層對業務合併的判斷及估計的關鍵程序包括：</p> <ul style="list-style-type: none">• Discussing and inquiring management on their basis in determining the nature of the transactions to assess the economic resource or business process associated with the acquisition and thus management's assessment of the acquisition being accounted for as business combination; 討論並向管理層查詢釐定交易性質的基準以評估與收購事項有關的經濟資源或業務過程及管理層因此將收購事項入賬列作業務合併的評估；

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KEY AUDIT MATTERS *(continued)*

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Business combination 業務合併	
<p>Independent external valuation has been obtained by the Group to support the fair values of the assets acquired, liabilities assumed and intangible assets identified. In connection with the Acquisition, identified intangible assets and goodwill recognised in the consolidated financial statements as at and for the year ended 31 March 2019 amounted to HK\$19,000,000 and HK\$10,713,000 respectively.</p> <p>貴集團已取得獨立外部估值以支持所收購資產、所承擔負債及所識別無形資產的公平值。結合收購事項而言，於二零一九年三月三十一日及截至該日止年度的綜合財務報表已確認的已識別無形資產及商譽分別為19,000,000 港元及10,713,000港元。</p> <p>The accounting of the above business combination involved various significant judgement and estimates in determining the recognition of identifiable net assets and intangible assets at fair value at the acquisition date, which included the determination of valuation methodology and estimation of revenue growth rate and discount rate.</p> <p>上述業務合併之會計處理在釐定於收購日期以公平值確認可識別資產及無形資產淨值時涉及多種重大判斷及估計，當中包括釐定估計方式以及估計收益增長率及貼現率。</p> <p>We focused on this area because the carrying values of the identifiable intangible assets and the goodwill amount are significant to the consolidated financial statements and the valuation methodology and key assumptions require the use of significant judgements and estimates. These estimations are also subject to uncertainties.</p> <p>我們專注於此範疇乃由於可識別無形資產及商譽之賬面值對綜合財務報表而言重大，而估值方法及關鍵假設需要使用重大判斷及估計。該等估計亦受不確定因素影響。</p>	<ul style="list-style-type: none"> • Evaluation of the external valuers' competence, capabilities and objectivity; 評估外聘估值師的資歷、能力和客觀性； • Involving our in-house valuation experts to assess the appropriateness of key assumptions including revenue growth rate, discount rate and methodologies used in valuation by referencing to the applicable industry/business data external to the Group; and 連同本所內部的估值專家參考 貴集團外部適用的行業／業務數據以評估估值所採用的關鍵假設（包括收益增長率、貼現率）及方法的恰當性；及 • Assessing the appropriateness of the disclosures in the financial statements. 評估財務報表披露事項的恰當性。 <p>We found the assessment was supported by the available evidence. We found the disclosure to be appropriate.</p> <p>我們發現評估已獲所得憑證的支持。我們發現披露事項屬恰當。</p>

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 all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

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

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

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

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

董事及審核委員會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》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們按照百慕達一九八一年《公司法》第90條僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可能由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

核數師就審計綜合財務報表承擔的責任 *(續)*

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chung Kit Yi, Kitty.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 27 June 2019

核數師就審計綜合財務報表承擔的責任 (續)

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

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

出具本獨立核數師報告的審計項目合夥人是鍾潔儀。

羅兵咸永道會計師事務所
執業會計師
香港，二零一九年六月二十七日

CONSOLIDATED INCOME STATEMENT

綜合收益表

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	4,221,878	3,034,274
Cost of sales	銷售成本	8	(3,919,149)	(2,728,278)
Gross profit	毛利		302,729	305,996
Other income and gains, net	其他收入及收益，淨額	6	77,885	105,874
Selling and distribution expenses	銷售及分銷開支	8	(69,989)	(57,585)
Administrative expenses	行政開支	8	(164,277)	(169,615)
Impairment losses on financial assets	金融資產之減值虧損		(3,621)	-
Finance costs, net	財務費用，淨額	7	(12,729)	(2,345)
Share of losses of associates	應佔聯營公司之虧損	20	(827)	-
Profit before tax	除稅前溢利		129,171	182,325
Income tax expense	所得稅開支	11	(18,760)	(32,619)
Profit for the year	年內溢利		110,411	149,706
Profit attributable to:	以下各項應佔溢利：			
Equity holders of the Company	本公司權益持有人		112,384	149,821
Non-controlling interests	非控股權益		(1,973)	(115)
			110,411	149,706
Earnings per share attributable to equity holders of the Company	本公司權益持有人應佔每股盈利			
Basic	基本	13	HK25.61 cents港仙	HK34.71 cents港仙
Diluted	攤薄		HK25.59 cents港仙	HK34.42 cents港仙

The above consolidated income statement should be read in conjunction with the accompanying notes.

上述綜合收益表應連同隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

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
Profit for the year	年內溢利		110,411	149,706
Other comprehensive income: <i>Items that may be reclassified to the income statement:</i>	其他全面收益： 可重新分類至收益表之項目：			
Exchange translation reserve on translation of foreign operations	換算海外業務產生之匯兌儲備		(76,896)	63,221
Release of exchange translation reserve upon disposal of subsidiaries	出售附屬公司後解除匯兌儲備	39	-	(19,720)
			(76,896)	43,501
<i>Other comprehensive income not to be reclassified to the income statement in subsequent periods:</i>	於其後期間不會重新分類至收益表之其他全面收益：			
Gain on revaluation of land and buildings	土地及樓宇重估收益		68,930	34,968
Deferred tax debited to asset revaluation reserve	於資產重估儲備扣除之遞延稅項	28	(13,977)	(5,821)
			54,953	29,147
Other comprehensive (loss)/ income for the year, net of tax	年內其他全面(虧損)/收益，扣除稅項		(21,943)	72,648
Total comprehensive income for the year	年內全面收益總額		88,468	222,354
Total comprehensive income for the year attributable to:	以下應佔年內全面收益總額：			
Equity holders of the Company	本公司權益持有人		90,519	222,479
Non-controlling interests	非控股權益		(2,051)	(125)
			88,468	222,354

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述綜合全面收益表應連同隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As 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
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,123,724	866,668
Investment properties	投資物業	16	65,070	63,061
Prepaid land lease payments	預付土地租金	17	23,437	24,772
Properties under development	發展中物業	19	44,847	47,168
Intangible assets	無形資產	18	35,779	7,872
Investment in associates	於聯營公司之投資	20	12,065	6,183
Prepayments and deposits	預付款項及按金	23	210,642	191,092
Deferred tax assets	遞延稅項資產	28	25,920	33,695
Total non-current assets	非流動資產總值		1,541,484	1,240,511
Current assets	流動資產			
Properties under development	發展中物業	19	485,863	247,795
Inventories	存貨	21	615,365	477,062
Accounts and bills receivable	應收賬款及票據	22	312,149	370,326
Contract assets	合約資產	5	22,983	–
Prepayments and deposits	預付款項及按金	23	155,772	274,934
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	24	14,140	31,254
Tax recoverable	可收回稅項		791	5,197
Time deposits	定期存款	25	13,754	11,645
Cash and bank balances	現金及銀行結餘	25	227,170	205,011
Total current assets	流動資產總值		1,847,987	1,623,224
Total assets	總資產		3,389,471	2,863,735
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	29	43,896	43,846
Reserves	儲備	31	1,161,616	1,112,932
			1,205,512	1,156,778
Non-controlling interests	非控股權益		4,414	1,266
Total equity	權益總額		1,209,926	1,158,044

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2019

於二零一九年三月三十一日

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income and other payable	遞延收入及其他應付款項	26	82,090	109,208
Bank borrowings	銀行借貸	27	–	294,750
Deferred tax liabilities	遞延稅項負債	28	57,285	37,502
Total non-current liabilities	非流動負債總額		139,375	441,460
Current liabilities	流動負債			
Accounts and bills payable, other payables and provisions	應付賬款及票據、其他應付款項及撥備	26	1,000,597	953,372
Contract liabilities	合約負債	5	166,181	–
Bank borrowings	銀行借貸	27	810,106	237,140
Tax payable	應付稅項		63,286	73,719
Total current liabilities	流動負債總額		2,040,170	1,264,231
Total liabilities	總負債		2,179,545	1,705,691
Total equity and liabilities	總權益及負債		3,389,471	2,863,735

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

These consolidated financial statements on pages 83 to 89 have been approved for issue by the Board of Directors on 27 June 2019 and were signed on its behalf.

上述綜合財務狀況表應連同隨附附註一併閱讀。

第83至89頁之該等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發行並由下列董事代表簽署。

Cheng Chor Kit

鄭楚傑

Director

董事

Fung Wah Cheong, Vincent

馮華昌

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 equity holders of the Company 本公司權益持有人應佔											
		Reserves 儲備											
		Share capital	Share premium account	Share- based payment reserve 以股份為 基礎的 資產重估 儲備	Asset revaluation reserve 資產重估 儲備	Exchange translation reserve 匯兌儲備	Capital redemption reserve 資本贖回 儲備	Contributed surplus 撥入盈餘	Other reserve 其他儲備	Retained profits 保留溢利	Total reserves 儲備總額	Non- controlling interests 非控股權益	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 March 2018	於二零一八年三月三十一日	43,846	154,672	3,209	163,416	56,124	14	6,150	(8,940)	738,287	1,112,932	1,266	1,158,044
Revaluation surplus, net (Note 15)	重估盈餘·淨額(附註15)	-	-	-	68,930	-	-	-	-	68,930	-	-	68,930
Deferred tax debited to asset revaluation reserve (Note 28)	於資產重估儲備扣除之遞延稅項(附註28)	-	-	-	(13,977)	-	-	-	-	(13,977)	-	-	(13,977)
Exchange translation reserve on translation of foreign operations	換算海外業務之匯兌儲備	-	-	-	-	(76,818)	-	-	-	(76,818)	(78)	(78)	(76,896)
Profit for the year	年內溢利	-	-	-	-	-	-	-	112,384	112,384	(1,973)	(1,973)	110,411
Total comprehensive income/(expense) for the year	年內全面收益/(開支)總額	-	-	-	54,953	(76,818)	-	-	112,384	90,519	(2,051)	(2,051)	88,468
Final 2018 dividend paid (Note 12)	已付二零一八年末期股息(附註12)	-	-	-	-	-	-	-	(30,728)	(30,728)	-	-	(30,728)
Interim 2019 dividend paid (Note 12)	已付二零一九年中期股息(附註12)	-	-	-	-	-	-	-	(13,168)	(13,168)	-	-	(13,168)
Issue of shares (Note 29)	發行股份(附註29)	50	1,343	(262)	-	-	-	-	-	1,081	289	289	1,420
Non-controlling interest arose from acquisition	收購產生之非控股權益	-	-	-	-	-	-	-	-	-	4,910	4,910	4,910
Equity-settled share option expense (Note 9(a))	以權益結算之購股權開支(附註9(a))	-	-	980	-	-	-	-	-	980	-	-	980
At 31 March 2019	於二零一九年三月三十一日	43,896	156,015	3,927	218,369	(20,694)	14	6,150	(8,940)	806,775	1,161,616	4,414	1,209,926
At 1 April 2017	於二零一七年四月一日	42,836	139,642	5,506	134,840	12,613	14	6,150	(8,940)	622,476	912,301	(48,826)	906,311
Revaluation surplus, net (Note 15)	重估盈餘·淨額(附註15)	-	-	-	34,968	-	-	-	-	34,968	-	-	34,968
Deferred tax debited to asset revaluation reserve (Note 28)	於資產重估儲備扣除之遞延稅項(附註28)	-	-	-	(5,821)	-	-	-	-	(5,821)	-	-	(5,821)
Exchange translation reserve on translation of foreign operations	換算海外業務之匯兌儲備	-	-	-	-	63,231	-	-	-	63,231	(10)	(10)	63,221
Release of exchange translation reserve upon disposal of subsidiaries (Note 39)	出售附屬公司後解除匯兌儲備(附註39)	-	-	-	-	(19,720)	-	-	-	(19,720)	-	-	(19,720)
Profit for the year	年內溢利	-	-	-	-	-	-	-	149,821	149,821	(115)	(115)	149,706
Total comprehensive income/(expense) for the year	年內全面收益/(開支)總額	-	-	-	29,147	43,511	-	-	149,821	222,479	(125)	(125)	222,354
Release of asset revaluation reserve upon disposal of asset	出售資產時解除資產重估儲備	-	-	-	(571)	-	-	-	571	-	-	-	-
Disposal of subsidiaries (Note 39)	出售附屬公司(附註39)	-	-	-	-	-	-	-	-	-	48,733	48,733	48,733
Final 2017 dividend paid (Note 12)	已付二零一七年末期股息(附註12)	-	-	-	-	-	-	-	(21,518)	(21,518)	-	-	(21,518)
Interim 2018 dividend paid (Note 12)	已付二零一八年中期股息(附註12)	-	-	-	-	-	-	-	(13,063)	(13,063)	-	-	(13,063)
Issue of shares (Note 29)	發行股份(附註29)	1,010	15,030	(3,560)	-	-	-	-	-	11,470	-	-	12,480
Contribution from non-controlling shareholders	非控股股東注資	-	-	-	-	-	-	-	-	-	1,484	1,484	1,484
Equity-settled share option expense (Note 9(a))	以權益結算之購股權開支(附註9(a))	-	-	1,263	-	-	-	-	-	1,263	-	-	1,263
At 31 March 2018	於二零一八年三月三十一日	43,846	154,672	3,209	163,416	56,124	14	6,150	(8,940)	738,287	1,112,932	1,266	1,158,044

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
Cash flows from operating activities	經營活動之現金流量			
Profit before tax	除稅前溢利		129,171	182,325
Adjustments for:	就以下各項作出調整：			
Interest on bank loans	銀行貸款之利息	7	14,135	3,279
Bank interest income	銀行利息收入	7	(1,406)	(934)
Dividend income from financial assets at fair value through profit or loss	透過損益按公平值列賬之 金融資產之股息收入	6	-	(850)
Fair value gain on financial assets at fair value through profit or loss, net	透過損益按公平值列賬之 金融資產之公平值收益，淨額	6	(6,720)	(8)
Fair value gain on investment properties	投資物業之公平值之收益	6	(5,383)	(4,935)
Depreciation	折舊	8	104,915	80,098
Amortisation of prepaid land lease payments	預付土地租金攤銷	8	650	641
Amortisation of intangible assets	無形資產攤銷	8	1,807	-
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備收益， 淨額	6	(1,438)	(781)
Write-back of impairment in property, plant and equipment	物業、廠房及設備減值回撥	6	(7,189)	-
Write-back of impairment in properties under development	發展中物業減值回撥	6	-	(4,582)
Impairment loss on financial assets	金融資產減值虧損	8	3,621	-
Impairment of accounts receivable	應收賬款減值	8	-	3,784
Provision for/(write-back) of impairment of inventories, net	存貨減值撥備/(回撥)，淨額	8	3,034	(14,895)
Equity-settled share option expense	以權益結算之購股權開支	9	980	1,263
Gain on disposal of subsidiaries	出售附屬公司收益	6	-	(10,126)
Share of losses of associates	應佔聯營公司之虧損		827	-
Government subsidies income	政府補助收入		(32,262)	(26,338)
			204,742	207,941
Increase in properties under development	發展中物業增加		(127,165)	(22,493)
Increase in inventories	存貨增加		(150,443)	(134,106)
Increase in accounts and bills receivable	應收賬款及票據增加		(74,828)	(37,588)
Increase in contract assets	合約資產增加		(23,588)	-
Decrease/(increase) in prepayments and deposits	預付款項及按金減少/(增加)		1,293	(242,924)
Increase in accounts and bills payable, other payables and provisions	應付賬款及票據、其他應付款項 及撥備增加		123,740	297,601
Increase in contract liabilities	合約負債增加		28,367	-
Decrease/(increase) in financial assets at fair value through profit or loss	透過損益按公平值列賬之 金融資產減少/(增加)		23,886	(10,990)
Decrease in restricted bank balances	受限制銀行結餘減少		-	1,590
Cash generated from operations	經營所產生現金		6,004	59,031
Interest received	已收利息		1,406	934
Interest paid	已付利息		(23,895)	(11,200)
Hong Kong profits tax paid	已付香港利得稅		(5,856)	(16,000)
Overseas income taxes paid	已付海外所得稅		(5,896)	(15,650)
Net cash (outflow)/inflow from operating activities	經營活動之現金(流出)/ 流入淨額		(28,237)	17,115

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
Cash flows from investing activities	投資活動之現金流量		
Acquisition of a subsidiary, net of cash acquired	收購一間附屬公司，扣除所得現金	(36,791)	(3,599)
Purchase of property, plant and equipment	購置物業、廠房及設備	(317,958)	(261,573)
Investment in an associate	於一間聯營公司的投資	-	(5,877)
Increase in short-term bank deposits	短期銀行存款增加	(2,109)	(5,215)
Dividend income from listed investments	上市投資之股息收入	-	850
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	10,639	2,812
Net cash outflow from disposal of subsidiaries	出售附屬公司之現金流出淨額	-	(893)
	33		
Net cash outflow from investing activities	投資活動之現金流出淨額	(346,219)	(273,495)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from issues of shares	發行股份產生之所得款項	1,131	12,480
Dividends paid	已付股息	(43,896)	(34,581)
Proceeds from bank borrowings	銀行借貸產生之所得款項	648,597	372,051
Proceeds from short-term financing	短期融資產生之所得款項	162,342	-
Repayment of bank borrowings	償還銀行借款	(366,178)	(181,224)
Contribution from non-controlling shareholders	非控股股東注資	-	1,484
	29 12		
Net cash inflow from financing activities	融資活動之現金流入淨額	401,996	170,210
Net increase/(decrease) in cash and cash equivalents	現金及現金等同物之增加/(減少)淨額	27,540	(86,170)
Cash and cash equivalents at the beginning of year	年初之現金及現金等同物	199,855	275,842
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等同物之影響	(5,242)	10,183
Cash and cash equivalents at the end of year	年末之現金及現金等同物	222,153	199,855
	25		

NOTES TO FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

Kin Yat Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the design, manufacture and sale of electrical and electronic products, motors, glass technology and application and real estate development.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is 7/F., Galaxy Factory Building, 25-27 Luk Hop Street, San Po Kong, Kowloon, Hong Kong.

The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is a subsidiary of Resplendent Global Limited, a company incorporated in the British Virgin Islands. The directors of the Company consider Padora Global Inc., a company also incorporated in the British Virgin Islands, to be the ultimate holding company of the Company.

These financial statements are presented in Hong Kong dollars (“HKD”), unless otherwise stated.

1 一般資料

建溢集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事設計、製造及銷售電器及電子產品、電機、玻璃技術及應用以及房地產發展。

本公司為一家於百慕達註冊成立之有限公司。其註冊辦事處地址為香港九龍新蒲崗六合街25至27號嘉時工廠大廈7樓。

本公司普通股於香港聯合交易所有限公司主板上市。

本公司為Resplendent Global Limited之附屬公司，該公司於英屬處女群島註冊成立。本公司董事認為Padora Global Inc.(亦為於英屬處女群島註冊成立之公司)為本公司之最終控股公司。

除另有所指外，該等財務報表以港元(「港元」)呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

(a) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for land and buildings, investment properties, and financial assets at fair value through profit or loss, which are measured at fair value.

(c) Going concern basis

During the year ended 31 March 2019, the Group reported an operating cash outflow of HK\$28,237,000. As at the same date, the Group’s current liabilities exceeded its current assets by HK\$192,183,000, and its total bank borrowings, all classified as current liabilities (including those with contractual repayment dates beyond one year after 31 March 2019 (see below)), amounted to HK\$810,106,000, while its cash and bank balances amounted to HK\$227,170,000.

2 主要會計政策概要

本附註提供編製該等綜合財務報表時所採納的主要會計政策清單。除另有說明外，該等政策於所有呈報年度貫徹一致應用。財務報表為本集團（由本公司及其附屬公司組成）編製。

2.1 編製基準

(a) 遵守香港財務報告準則及香港公司條例

本集團綜合財務報表乃按照香港財務報告準則（「香港財務報告準則」）及香港法例第622章公司條例之披露規定編製。

(b) 歷史成本法

除土地及樓宇、投資物業及透過損益按公平值列賬之金融資產按公平值計量外，綜合財務報表乃按照歷史成本法編製。

(c) 持續經營基準

截至二零一九年三月三十一日止年度，本集團錄得經營現金流出28,237,000港元。於同日，本集團之流動負債超出流動資產192,183,000港元，銀行借貸總額為810,106,000港元（全部歸類為流動負債，包括該等合約償還日期為二零一九年三月三十一日起計一年後之借貸（見下文）），以及現金及銀行結餘為227,170,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Going concern basis (continued)

Under the relevant bank loan agreements of certain term loans, the relevant banks have the overriding right to demand for repayment even though the scheduled repayment dates are beyond one year. Due to the oversight of management, the Group had not applied for and thus had not obtained before the year end date a confirmation from the banks to waive such rights for its bank loans totalling HK\$364,750,000. As a result, certain of these loans with scheduled repayment dates beyond one year amounted to HK\$235,500,000 had to be classified as current liabilities as at 31 March 2019.

As a result of the foregoing, as at 31 March 2019, the Group has not complied with a restrictive financial covenant requirement of certain bank borrowings amounted to HK\$484,750,000 (including those loans described in the preceding paragraph), which included bank borrowings of HK\$325,500,000 with scheduled repayment dates beyond one year after 31 March 2019. Under the relevant bank loan agreements, such non-compliance of covenant may cause the relevant bank borrowings of HK\$484,750,000 become immediately due and payable should the lenders exercise their rights under the loan agreements. In addition, such non-compliance also triggered the cross-default terms of certain other current bank borrowings of HK\$173,543,000 and bank borrowings of HK\$32,000,000 with scheduled repayment dates beyond one year after 31 March 2019, which may also cause these loans to become immediately due and payable should the lenders exercise their rights under the loan agreements. Accordingly, the total relevant bank borrowings of HK\$690,293,000 were included in current liabilities as at 31 March 2019.

2 主要會計政策概要 (續)

(c) 持續經營基準 (續)

根據若干定期貸款之相關銀行貸款協議，即使預定償還日期為一年後，相關銀行依然擁有按要求償還之凌駕性權利。由於管理層之疏漏，本集團並無於年結日前就其銀行貸款合共364,750,000港元向銀行申請亦未取得豁免有關權利之確認。因此，於二零一九年三月三十一日，若干預定償還日期為一年後之貸款235,500,000港元須歸類為流動負債。

受上文所述之影響，於二零一九年三月三十一日，本集團未能遵守為數484,750,000港元之若干銀行借貸(包括上段所述之該等貸款)之限制性財務契諾規定，當中包括預定償還日期為二零一九年三月三十一日起計一年後之銀行借貸325,500,000港元。根據相關銀行貸款協議，有關不遵守契諾有可能導致相關銀行借貸484,750,000港元須即時到期償還(倘若借款人根據貸款協議行使其權利)。此外，有關不遵守亦觸發若干其他即期銀行借貸173,543,000港元及預定償還日期為二零一九年三月三十一日起計一年後之銀行借貸32,000,000港元之交叉違約條款，繼而有可能導致該等貸款須即時到期償還(倘若借款人根據貸款協議行使其權利)。因此，相關銀行借貸合共690,293,000港元已於二零一九年三月三十一日計入流動負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Going concern basis (continued)

All of the above conditions indicate the existence of material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but not limited to, the following:

- (i) subsequent to 31 March 2019, the Group successfully obtained written waivers from the relevant banks in relation to the relevant bank loans of HK\$484,750,000 from complying with the relevant financial covenant for the year ended 31 March 2019. In addition, the Group also successfully obtained written confirmation from a bank to revise down the relevant financial covenant ratio requirement temporarily until 31 March 2020 in respect of bank loans amounting to HK\$265,000,000. The Group will continue to monitor its compliance with the covenant requirements. Should the Group be unable to comply with the covenant requirements, the management of the Company will discuss and negotiate with the respective banks and will seek to further revise the terms and covenant requirements or obtain a waiver of compliance with the covenant requirements from the banks, if needed;

2 主要會計政策概要 (續)

(c) 持續經營基準 (續)

上述所有狀況均顯示存在重大不確定因素，有可能對本集團持續經營之能力構成重大疑慮。

鑑於有關情況，本公司董事在評估本集團是否將有足夠財務資源持續經營時已審慎考慮本集團之未來流動資金及表現以及其可用資金來源。為減輕流動資金壓力及改善財務狀況，本集團已採取若干計劃及措施，包括但不限於下列各項：

- (i) 於二零一九年三月三十一日後，本集團成功就為數484,750,000港元之相關銀行貸款向相關銀行取得書面豁免於截至二零一九年三月三十一日止年度遵守相關財務契諾。此外，本集團亦成功從一間銀行取得確認書，就為數265,000,000港元之銀行貸款暫時向下修訂相關財務契諾比率要求，直至二零二零年三月三十一日為止。本集團將繼續監察其遵守契諾規定之情況。倘若本集團未能遵守契諾規定，本公司管理層將與各銀行討論及磋商，尋求進一步修訂條款及契諾規定，或（如有需要）向銀行取得豁免遵守契諾規定；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Going concern basis (continued)

- (ii) based on the communication with the banks, the directors considered that the banks will not exercise their rights under the cross-default clauses for the bank borrowings totalling HK\$205,543,000 given the Group has successfully obtained the waivers from the other relevant banks as mentioned in (i) above, despite a written waiver was not provided by the banks;
- (iii) the banks have also agreed in writing to waive their overriding rights to demand for repayment in relation to certain bank borrowings amounted to HK\$244,750,000 in the coming twelve months from the balance sheet date, which included HK\$143,000,000, with scheduled repayment dates beyond one year after 31 March 2019;
- (iv) based on the on-going discussions with the relevant banks, these banks would continue to make the respective uncommitted banking facilities available to the Group in the coming twelve months from 31 March 2019. The directors of the Company are of the opinion that such banking facilities will be renewed when they expire such that they will continue to be available to the Group for the next twelve months from 31 March 2019;

2 主要會計政策概要 (續)

(c) 持續經營基準 (續)

- (ii) 根據與銀行之磋商，即使銀行並未提供書面豁免，董事認為銀行將不會根據交叉違約條款就合共205,543,000港元之銀行借貸行使彼等之權利，原因為如上文(i)所述，本集團已經成功向其他相關銀行取得豁免；
- (iii) 該等銀行亦已作出書面同意豁免於資產負債表日期起計未來十二個月內就為數244,750,000港元之若干銀行借貸（當中包括預定償還日期為二零一九年三月三十一日起計一年後之143,000,000港元款項）要求償還之凌駕性權利；
- (iv) 根據與相關銀行持續進行之磋商，該等銀行將於二零一九年三月三十一日起計未來十二個月繼續向本集團提供相應之非承諾銀行融資。本公司董事認為有關銀行融資將於到期時獲重續，因此於二零一九年三月三十一日起計未來十二個月本集團將繼續得到有關融資；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Going concern basis (continued)

- (v) the Group has substantially completed certain property development projects. The sales of these projects are expected to be launched in the coming year. With respect to these projects, the Group has already signed a framework agreement with a local PRC government authority for the sale of certain property units and is expecting to receive certain advance payments in the coming twelve months. The directors of the Company thus are of the opinion that the property development projects will be able to generate operating cash inflow to the Group in the next twelve months;
- (vi) the Group will continue to take active measures to improve profitability and cash flow of the Group through various initiatives including further leveraging on capital investments made in manufacturing process automation to reduce production cost and improve efficiency and further strengthening of its relationship with major customers to negotiate for better price and terms;
- (vii) the Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of the existing financial obligations and future operating and capital expenditure; and

2 主要會計政策概要 (續)

(c) 持續經營基準 (續)

- (v) 本集團之若干物業發展項目已大致完成。預期該等項目將於明年推出銷售。就該等項目而言，本集團已經與中國地方政府機關就銷售若干物業單位簽訂框架協議，並預期於未來十二個月收取若干預付款項。因此，本公司董事認為物業發展項目將能夠於未來十二個月為本集團產生經營現金流入；
- (vi) 本集團將繼續採取積極措施，透過不同方案改善本集團之盈利能力及現金流量，包括進一步藉着對生產工序自動化進行資本投資以降低生產成本及提高效率，以及進一步加強與主要客戶之關係以在磋商中取得更佳價格及條款；
- (vii) 本集團亦將繼續尋求其他替代融資及銀行借貸，以履行現有財務責任以及未來經營及資本支出提供資金；及

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Going concern basis (continued)

- (viii) the Group will also continue to seek for other alternatives to increase its working capital such as divesting of the Group's land and buildings and investment properties, if needed.

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of twelve months from 31 March 2019. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 March 2019. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainty exists as to whether management of the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through achieving the following plans and measures:

2 主要會計政策概要 (續)

(c) 持續經營基準 (續)

- (viii) 本集團亦將繼續尋求其他替代方法增加其營運資金，例如在有需要時出售本集團之土地及樓宇以及投資物業。

本公司董事已審閱由管理層所編製之本集團現金流量預測。現金流量預測涵蓋二零一九年三月三十一日起計十二個月期間。彼等認為，考慮到上述計劃及措施，本集團將有充足營運資金於二零一九年三月三十一日起計十二個月內撥付經營所需及履行到期之財務責任。因此，董事信納按持續經營基準編製綜合財務報表屬適當。

儘管如此，本集團之管理層能否達成上述計劃及措施存在重大不確定因素。本集團能否持續經營將取決於本集團透過達成下列計劃及措施以產生足夠融資及經營現金流量之能力：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Going concern basis (continued)

- (i) continuous compliance by the Group of the existing and revised terms and conditions of the bank borrowings and, where applicable, successful negotiation with the banks to obtain waiver or to revise the terms and conditions of the bank borrowings for the continuous compliance thereof as and when needed such that the existing bank borrowings and facilities will continue to be available to the Group and be repaid in accordance with the agreed repayment schedules;
- (ii) successful launch of the property development projects on hand and collection of proceeds from sales of properties under development and completed properties in the expected timeframe;
- (iii) successful implementation of measures to improve profitability and cash flow so as to strengthen its working capital position;
- (iv) successfully raising of additional sources of financing or bank borrowings as and when needed; and
- (v) successful divestment of its land and buildings and investment properties when needed for working capital.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2 主要會計政策概要 (續)

(c) 持續經營基準 (續)

- (i) 本集團繼續遵守銀行借貸之現有及經修訂條款及條件，以及(倘適用)於有需要時與銀行磋商，並成功取得豁免或修訂銀行借貸之條款及條件，以繼續遵守該等條款及條件，從而讓本集團繼續獲提供現有銀行借貸及融資，並根據協定之償還時間表還款；
- (ii) 成功推出所持有之物業發展項目，並在預期時間內收取銷售發展中物業及已竣工物業之所得款項；
- (iii) 成功推行改善盈利能力及現金流量之措施，以加強其營運資金狀況；
- (iv) 於有需要時成功取得額外融資或銀行借貸來源；及
- (v) 在需要營運資金時成功出售其土地及樓宇以及投資物業。

倘若本集團無法持續經營，則須作出調整以將本集團資產之賬面值撇減至其可收回金額，就可能產生之任何進一步負債計提撥備，並分別將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整之影響並無反映於綜合財務報表內。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) New and amended standards adopted by the Group

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

HKFRS 2 (Amendment)	Classification and measurement of share-based payment transactions
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts
HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
HKFRS 15 (Amendment)	Clarifications to HKFRS 15
HK(IFRIC) 22	Foreign currency transactions and advance consideration
HKAS 40 (Amendment)	Transfers of investment property
Annual improvement project of HKFRS 1 and HKAS 28	Annual improvements 2014-2016 cycle

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) 本集團採納之新訂及經修訂準則

本集團已於二零一八年四月一日開始的年度報告期間首次應用下列準則及修訂本：

香港財務報告準則第2號 (修訂本)	以股份為基礎之付款交易的分類及計量
香港財務報告準則第4號 (修訂本)	香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約一併應用
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約之收益
香港財務報告準則第15號 (修訂本)	香港財務報告準則第15號之澄清
香港(國際財務報告詮釋委員會) – 第22號	外幣交易及預付代價
香港會計準則第40號 (修訂本)	轉讓投資物業
香港財務報告準則第1號及香港會計準則第28號之年度改進項目	二零一四年至二零一六年週期之年度改進

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) New and amended standards adopted by the Group (continued)

Apart from HKFRS 9 and HKFRS 15, there are no other new standards or amendments to standards that are effective for the first time for this reporting period that could be expected to have a material impact on the Group.

The impact of the adoption of these standards and the new accounting policies are disclosed below. The other standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

(e) New standards and amendments to HKFRS in issue but not yet effective

Certain new accounting standards and amendments have been published that are not mandatory for 31 March 2019 reporting periods and have not been early adopted by the Group.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) 本集團採納之新訂及經修訂準則 (續)

除香港財務報告準則第9號及香港財務報告準則第15號外，概無於本報告期內首次生效之其他新準則及準則之修訂本預期可能對本集團造成重大影響。

採納此等準則及新訂會計政策之影響於下文披露。其他準則對本集團之會計政策並無任何重大影響，亦毋須作出追溯調整。

(e) 已頒佈但尚未生效之香港財務報告準則之新準則及修訂本

於二零一九年三月三十一日報告期間已頒佈但未強制生效且本集團並無提早採納之若干新訂會計準則及修訂本。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(e) New standards and amendments to HKFRS in issue but not yet effective (continued)

Amendments to HKFRS
香港財務報告準則之修訂本

HKAS 1 and 8 (Amendments)
香港會計準則第1號及第8號
(修訂本)

HKAS 19 (Amendments)
香港會計準則第19號(修訂本)

HKAS 28 (Amendments)
香港會計準則第28號(修訂本)

HKAS 9 (Amendments)
香港會計準則第9號(修訂本)

HKFRS 3 (Amendments)
香港財務報告準則第3號
(修訂本)

HKFRS 16
香港財務報告準則第16號

HKFRS 17
香港財務報告準則第17號

HK(IFRIC) – Int 23
香港(國際財務報告詮釋委員會)
— 詮釋第23號

HKFRS 10 and HKAS 28
(Amendments)
香港財務報告準則第10號及
香港會計準則第28號
(修訂本)

Annual improvements to HKFRS
2015-2017 cycle
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

Definition of material
重大之定義

Plan amendment, curtailment
or settlement
計劃修訂、縮減或結算

Long-term interests in associates
and joint ventures
於聯營公司及合營企業之長期權益

Prepayment features with negative
compensation
具有負補償之提前付款特徵

Definition of business
業務之定義

Leases
租賃

Insurance contracts
保險合約

Uncertainty over income tax
treatments
所得稅處理之不確定因素

Sale or contribution of assets
between an investor and its
associate and joint venture
投資者與其聯營公司及合營企業之
間的資產出售或出資

2 主要會計政策概要 (續)

2.1 編製基準(續)

(e) 已頒佈但尚未生效之香港財務報告準則之新準則及修訂本(續)

**Effective for
accounting periods
beginning on or after**
於以下日期或之後
開始之會計期間生效

1 April 2019
二零一九年四月一日

1 April 2020
二零二零年四月一日

1 April 2019
二零一九年四月一日

1 April 2019
二零一九年四月一日

1 April 2019
二零一九年四月一日

1 April 2020
二零二零年四月一日

1 April 2019
二零一九年四月一日

1 April 2021
二零二一年四月一日

1 April 2019
二零一九年四月一日

To be determined
待定

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(e) New standards and amendments to HKFRS in issue but not yet effective (continued)

HKFRS 16 Leases

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(e) 已頒佈但尚未生效之香港財務報告準則之新準則及修訂本 (續)

香港財務報告準則第16號租賃

變動性質

香港財務報告準則第16號於二零一六年一月頒佈。其將導致絕大部分租賃在綜合財務狀況表確認，原因為經營及融資租賃的區分已移除。根據新準則須確認資產（使用租賃項目的權利）及繳付租金之金融負債，惟僅短期及低價值租賃屬例外情況。

出租人的會計處理將不會發生重大變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(e) New standards and amendments to HKFRS in issue but not yet effective (continued) HKFRS 16 Leases (continued)

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$1,204,000. Of these lease commitments, the Group estimates those related to payments for short-term and low value leases which will be recognised on straight-line basis as expense in profit or loss are insignificant. For the remaining lease commitments, the Group expects to recognise right-of-use assets of approximately HK\$962,000 on 1 April 2019, lease liabilities of HK\$964,000 (after adjustments for prepayments and accrued lease payments recognised as at 31 March 2019). Overall net assets will be approximately HK\$2,000 lower, and net current assets will be approximately HK\$521,000 lower due to the presentation of a portion of the liability as a current liability.

Except some additional disclosures will be required from next year, the Group does not expect any significant impact on the financial statements in relation to the activities as a lessor.

Date of adoption by the Group

The Group will apply the standard from its mandatory adoption date of 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(e) 已頒佈但尚未生效之香港財務報告準則之新準則及修訂本 (續) 香港財務報告準則第16號租賃 (續) 影響

該準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團有不可撤銷經營租賃承擔1,204,000港元。在此等租賃承擔中，本集團估計將於損益按直線基準確認為開支之短期及低價值租賃付款相關之租賃承擔並不重大。就餘下租賃承擔而言，本集團預期於二零一九年四月一日將確認使用權資產約962,000港元，以及租賃負債964,000港元（於二零一九年三月三十一日就確認預付款項及應計租賃付款作出調整後）。由於部份負債呈列為流動負債，整體資產淨值將減少約2,000港元，而流動資產淨值將減少約521,000港元。

除下一年度起須作出若干額外披露外，就作為出租人進行之業務而言，本集團預期不會對財務報表造成任何重大影響。

本集團之採納日期

本集團將於其強制採納日期二零一九年四月一日起採納該準則。本集團擬應用簡化過渡法，且將不會重列首次採納前年度之可比較數額。

概無尚未生效且預計對實體於目前或未來報告期間及對可見將來之交易造成重大影響的其他準則。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from contracts with customers on the Group's financial statements.

HKFRS 9 "Financial Instruments"

HKFRS 9 replaces the provision for HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 "Financial Instruments" from 1 April 2018 resulted in changes in accounting policies.

(a) Classification and measurement

The financial assets currently held by the Group include financial instruments previously classified as loans and receivables which continue to be measured at amortised cost under HKFRS 9. The Group also has financial assets at fair value through profit or loss which will continue to be measured at fair value through profit or loss. Accordingly, there is no impact on the classification and measurement of its financial assets. There will be no impact on the Group's accounting for financial liabilities, as HKFRS 9 only affects the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 and have not been changed.

2 主要會計政策概要 (續)

2.2 會計政策變動

本附註說明採納香港財務報告準則第9號金融工具及香港財務報告準則第15號來自客戶合約之收益對本集團財務報表的影響。

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號取代香港會計準則第39號有關金融資產及金融負債的確認、分類及計量、終止確認金融工具、金融資產減值及對沖會計處理的規定。

自二零一八年四月一日起採納香港財務報告準則第9號「金融工具」令會計政策有所變動。

(a) 分類及計量

本集團現時持有之金融資產包括先前分類為貸款及應收款項之金融工具，根據香港財務報告準則第9號將繼續按攤銷成本計量。本集團亦有透過損益按公平值列賬之金融資產，其將會繼續透過損益按公平值列賬計量。因此，金融資產的分類及計量不受影響。由於香港財務報告準則第9號僅影響指定為透過損益按公平值列賬之金融負債的會計處理，而本集團並無有關負債，因此不影響本集團就金融負債的會計處理。終止確認規則乃轉移自香港會計準則第39號及並無變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued) HKFRS 9 “Financial Instruments” (continued)

(b) Impairment of financial assets

The Group’s accounts and bills receivable, deposits and contract assets are subject to the new expected credit loss model of the new HKFRS. The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

The Group applies the HKFRS 9 simplified approach to measure expected credit loss allowance for accounts and bills receivable, deposits and contract assets based on credit risk characteristics and the days past due. Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The Group has assessed the expected credit loss model applied as at 1 April 2018 and the change in impairment methodologies has no significant impact on the Group’s consolidated financial statements and the comparative figures have not been restated in this respect.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續) 香港財務報告準則第9號「金融工具」(續)

(b) 金融資產減值

本集團的應收賬款及票據、按金及合約資產須應用新訂香港財務報告準則的新預期信貸虧損模式。根據香港財務報告準則第9號，本集團須修訂此等類別資產各自的減值方法。雖然現金及現金等同物亦受限於香港財務報告準則第9號的減值規定，惟所識別的減值虧損並不重大。

本集團應用香港財務報告準則第9號簡化方法，根據信貸風險特徵及逾期天數計量應收賬款及票據、按金及合約資產的預期信貸虧損撥備。當在合理範圍內並不預期可收回相關款項時，金融資產會被撇銷。在合理範圍內並不預期可收回相關款項的指標包括(其中包括)債務人未能與本集團訂立還款計劃。

本集團已評估於二零一八年四月一日應用的預期信貸虧損模式，而減值方法的變動對本集團的綜合財務報表並無重大影響，比較數字並無就此重列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued) HKFRS 15 “Revenue from contracts with customers”

The effects of the adoption of HKFRS 15 are as follows:

The Group has first time adopted HKFRS 15 from 1 April 2018 which resulted in changes in accounting policies. In accordance with the transition provisions of HKFRS 15, the Group has adopted the modified retrospective application and no comparative figures are restated.

HKFRS 15 establishes a new framework for revenue recognition. This replaces HKAS 18 which cover contracts for goods and services and HKAS 11 which cover construction contracts. The new standard introduces a five-step model to determine when to recognise revenue and at what amount. Under the five-step model, revenue is recognised when control of goods or services is transferred to a customer and at the amount to which the entity expects to be entitled. Depending on the nature of the contracts, revenue is either recognised over time or at a point in time.

Reclassification were made as at 1 April 2018 to be consistent with the terminology used under HKFRS 15 for contract liabilities in relation to payment received in advance from customers for properties sales which were previously presented as receipt in advance.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續) 香港財務報告準則第15號「來自客戶合約之收益」

採納香港財務報告準則第15號的影響如下：

本集團由二零一八年四月一日起首次採納香港財務報告準則第15號，導致會計政策之改變。根據香港財務報告準則第15號之過渡條文，本集團已採納經修訂追溯應用，比較數字並無重列。

香港財務報告準則第15號確立新的收益確認框架。這取代香港會計準則第18號（涵蓋貨品及服務合約）及香港會計準則第11號（涵蓋建築合約）。新準則引入一個五步模型，以確定何時確認收益和確認的金額。根據五步模型，當貨品或服務的控制權轉移給客戶時以及實體預期有權獲得金額時確認收益。根據合約的性質，收益可以隨時間或在某個時間點確認。

就物業銷售預收客戶款項相關的合約負債以往呈列為預收款項，已於二零一八年四月一日重新分類以與香港財務報告準則第15號所用詞彙一致。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

HKFRS 15 “Revenue from contracts with customers” (continued)

The impact on the Group’s financial position by the application of HKFRS 15 as compared to HKAS 18 that was previously in effect before the adoption of HKFRS 15 is as follows:

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

香港財務報告準則第15號「來自客戶合約之收益」(續)

與採納香港財務報告準則第15號前生效之香港會計準則第18號相比，應用香港財務報告準則第15號對本集團財務狀況之影響如下：

Consolidated statement of financial position (extract)	As at 1 April 2018 於二零一八年四月一日		
	As previously stated	Reclassification under HKFRS 15 根據香港財務報告準則第15號 重新分類	As restated
綜合財務狀況表(摘錄)	如前呈列 HK\$'000 千港元	重新分類 HK\$'000 千港元	經重列 HK\$'000 千港元
Contract liabilities	-	138,524	138,524
Receipt in advance	138,524	(138,524)	-

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Principles of consolidation and equity accounting

(a) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4). Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2 主要會計政策概要 (續)

2.3 綜合原則及權益會計處理

(a) 附屬公司

附屬公司指本集團對其具有控制權之所有實體(包括結構性實體)。當本集團因參與該實體而承擔可變回報之風險或享有可變回報之權益，並有能力透過其主導該實體業務之權力影響此等回報時，本集團即控制該實體。附屬公司乃於控制權轉移至本集團當日起悉數綜合入賬，並於控制權終止當日起不再綜合入賬。

本集團採用收購會計法將業務合併入賬(見附註2.4)。集團內公司間交易、結餘及集團內公司間交易未變現收益均會抵銷。未變現虧損亦會抵銷，惟該交易有證據顯示已轉讓資產出現減值則除外。附屬公司的會計政策已在有需要時作出調整，以確保與本集團所採納有關政策一致。

附屬公司業績及權益中的非控股權益分別於綜合收益表、全面收益表、權益變動表及財務狀況表中單獨呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Principles of consolidation and equity accounting *(continued)*

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (c) below), after initially being recognised at cost.

(c) Equity accounting

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

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

2 主要會計政策概要 (續)

2.3 綜合原則及權益會計處理 (續)

(b) 聯營公司

聯營公司指本集團對其有重大影響力而無控制權或共同控制權的所有實體，通常情況乃本集團持有20%至50%表決權。於聯營公司的投資乃初步按成本確認後，使用權益會計法（見下文(c)）入賬。

(c) 權益會計法

根據權益會計法，投資初步按成本確認，隨後予以調整以確認本集團在被投資方損益中所佔收購後溢利或虧損及於被投資方其他全面收益中所佔其他全面收益變動。已收或應收聯營公司股息乃確認為投資賬面值的減少。

當本集團分佔以權益法入賬投資的虧損等於或超過其佔實體的權益（包括任何其他無抵押長期應收款項）時，本集團不再確認進一步虧損，除非本集團代表其他實體承擔義務或支付款項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principles of consolidation and equity accounting (continued)

(c) Equity accounting (continued)

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.13.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

2 主要會計政策概要 (續)

2.3 綜合原則及權益會計處理 (續)

(c) 權益會計法 (續)

本集團及其聯營公司間交易所產生未變現收益的對銷，只限於本集團於該等實體的應佔權益。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。以權益法入賬的被投資方的會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

以權益法入賬的投資的賬面值根據附註2.13所述政策進行減值測試。

2.4 業務合併

所有業務合併均以收購會計法入賬，無論所收購者為權益工具或其他資產。收購一間附屬公司所轉讓的代價包括：

- 所轉讓資產的公平值；
- 所收購業務先前擁有人產生的負債；
- 本集團發行的股權；
- 或然代價安排產生的任何資產或負債的公平值；及
- 任何先前存在的附屬公司股權的公平值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Business combinations (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2 主要會計政策概要 (續)

2.4 業務合併 (續)

除有限例外情況外，於業務合併收購的可識別資產以及承擔的負債及或然負債，初步按收購日期的公平值計量。本集團根據個別收購交易按公平值或非控股權益應佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

收購相關成本於產生時支銷。

以下超過

- 所轉讓代價；
- 於被收購實體的任何非控股權益金額；及
- 任何先前於被收購實體的權益於收購日期的公平值。

與已收購可識別資產淨值的公平值的差額按商譽列賬。倘上述金額低於所收購業務可識別資產淨值的公平值，有關差額會作為一項廉價購買直接於損益確認。

或然代價歸類為權益或金融負債。歸類為金融負債的金額其後重新計量至公平值，公平值變動於損益確認。

倘業務合併分階段進行，則收購方過往於被收購方持有之股本權益之收購日期賬面值乃以收購日期之公平值重新計量。有關重新計量所產生之任何損益於損益確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Separate financial statements

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

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

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"), comprising the Board of Directors of the Company.

2.7 Foreign currency translation

(a) Functional and presentation currency

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

2 主要會計政策概要 (續)

2.5 獨立財務報表

於附屬公司的投資按成本值扣除減值列賬。成本包括直接應佔投資成本。附屬公司的業績乃由本公司按已收股息及應收款項基準入賬。

倘股息超出附屬公司宣派股息期間全面收益總額，或倘獨立財務報表中投資賬面值超出綜合財務報表所示投資對象資產淨值（包括商譽）的賬面值，則須於自該投資收取股息時，對該等附屬公司的投資進行減值測試。

2.6 分部報告

經營分部按照向由本公司董事局成員組成的首席經營決策者（「首席經營決策者」）提供的內部報告貫徹一致的方式報告。

2.7 外幣換算

(a) 功能及列報貨幣

本集團內各實體之財務報表中之項目均按有關實體營運所在之主要經濟區之貨幣（「功能貨幣」）計算。綜合財務報表乃以港元列值，港元為本公司之功能及呈報貨幣。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains or losses that related to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss, within financial cost. All other foreign exchange gains or losses are presented in the consolidated statement of profit or loss on a net basis within other gains/(losses).

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

2 主要會計政策概要 (續)

2.7 外幣換算 (續)

(b) 交易及結餘

外幣交易均按交易或估值(倘若項目經重新計量)當日的匯率換算為功能貨幣。結算有關交易及因按年末匯率換算以外幣列值的貨幣資產及負債所產生的外匯收益及虧損通常於損益內確認。倘彼等有關符合作現金流量對沖及符合作投資淨額對沖或於海外經營中投資淨額部分應佔收益及虧損，則於權益中遞延。

有關借貸以及現金及現金等同物之外匯收益或虧損於綜合損益表之財務費用內呈列。所有其他外匯收益或虧損於綜合損益表之其他收益/(虧損)內按淨額基準呈列。

按公平值計量並以外幣計值之非貨幣項目使用釐定公平值當日之匯率換算。按公平值列賬之資產及負債的匯兌差額呈報為公平值損益之一部分。例如，非貨幣資產及負債(例如所持有透過損益按公平值列賬之股權)之匯兌差額於損益中確認為公平值收益或虧損之一部份。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Foreign currency translation (continued)

(c) Group companies

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

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

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

2 主要會計政策概要 (續)

2.7 外幣換算 (續)

(c) 集團旗下公司

功能貨幣與呈報貨幣不同之海外業務(均非超高通脹地區之貨幣)之業績及財務狀況按以下方式換算為呈報貨幣:

- 各資產負債表所呈列之資產及負債按其結算日之收市匯率換算;
- 各收益表及全面收益表之收入及支出按平均匯率換算(除非此數值並非該等交易日期適用匯率累計影響之合理約數,否則收入及支出將於交易日期換算);及
- 所有匯兌差額於其他全面收益內確認。

於編製綜合賬目時,換算海外實體任何投資淨額及指定為該等投資之對沖項目之借貸及其他金融工具產生的匯兌差額均於其他全面收益確認。當出售海外業務或償還構成該投資淨額部分之任何貸款,相關的匯兌差額於損益重新歸類為出售的部分收益或虧損。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Foreign currency translation (continued)

(c) Group companies (continued)

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

(d) Disposal of foreign operation and partial disposal

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

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

2 主要會計政策概要 (續)

2.7 外幣換算 (續)

(c) 集團旗下公司 (續)

因收購海外實體而產生之商譽及公平值調整，均視為該海外實體之資產及負債處理，並於結算日的匯率折算。

(d) 出售海外業務及部分出售

在出售海外業務（即出售本集團於海外業務之全部權益或出售涉及失去包含海外業務的附屬公司之控制權或出售涉及失去包含海外業務的一家聯營公司之重大影響力）時，所有於本公司擁有人應佔該業務於權益內累計的匯兌差額重新分類至損益。

倘此乃部分出售並不導致本集團喪失對包含海外業務的附屬公司的控制權，該累計匯兌差額之應佔比例乃重新歸屬於非控股權益及不會於損益確認。就所有其他之部分出售（即本集團於聯營公司擁有權減少，但不會導致本集團喪失重大影響或共同控制權），該累計匯兌差額之應佔比例則須重新分類至損益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Property, plant and equipment

Land and buildings are recognised at fair value based on annual valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to other reserves in shareholders' equity.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2 主要會計政策概要 (續)

2.8 物業、廠房及設備

土地及樓宇根據外部獨立估值師進行的年度估值按公平值減樓宇其後的折舊予以確認。重估盈餘計入股東權益內的其他儲備。

所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該些項目直接應佔之開支。

後續成本計入某資產之賬面金額或確認為單獨資產(倘適合)，該等項目有關之未來經濟利益很大可能流入本集團時，項目之成本才可被計量。任何部份的賬面值按單獨資產進行會計處理將於被取代時終止確認。所有其他維修及維護成本於產生之報告期間在損益表中扣除。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Property, plant and equipment (continued)

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

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

Freehold land	Not depreciated
Medium term leasehold land and buildings in Hong Kong	Over the shorter of lease terms and 4%
Buildings outside Hong Kong	Over the shorter of lease term and 3.3%
Moulds, tools, and plant and machinery	10% – 20%
Furniture, equipment and motor vehicles	10% – 25%

2 主要會計政策概要 (續)

2.8 物業、廠房及設備 (續)

重估土地及樓宇產生之賬面值增加部分經扣除稅項後於其他全面收益確認，並於股東權益之儲備中累計。倘增加部分導致回撥先前於損益確認的減少數額，則該增加部分首先於損益確認。倘減少數額導致回撥同一資產先前的增加部分，則首先於其他全面收益中確認，惟以該資產應佔的剩餘盈餘為限；所有其他減少數額自損益扣除。按計入損益的資產重估賬面值計算的折舊與按資產原始成本計算的折舊之間的差額（經扣除稅項），每年會由物業、廠房及設備重估盈餘重新分類至保留盈利。

折舊乃採用直線法計算以分配成本或重估金額，扣除預計使用年期之剩餘價值（或倘租賃裝修及若干租賃廠房及設備，則以較短租期計算），如下：

永久業權土地	不予折舊
於香港以內地區以中期租約持有之土地及樓宇	按租約年期及4%之較短者
於香港以外地區持有之樓宇	按租約年期及3.3%之較短者
模具、工具以及廠房及機器	10%至20%
傢俬、設備及汽車	10%至25%

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Property, plant and equipment (continued)

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

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

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

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less impairment losses, if any. No provision for depreciation is made on assets under construction in progress until such time as the relevant assets are completed and available for their intended use. On completion, the relevant assets are transferred to property, plant and equipment at fair value or cost less accumulated impairment losses.

2.9 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at carrying values, representing cost less depreciation and impairment provision. Changes in fair values are presented in profit or loss as part of other gains.

2 主要會計政策概要 (續)

2.8 物業、廠房及設備 (續)

資產之剩餘價值及使用年期於各報告期末均作審閱及調整(倘適合)。

倘資產之賬面金額比其預期可收回金額大時，資產之賬面金額即時撇銷至其可收回金額。

出售之收益及虧損乃透過比較所得款項與賬面值釐定，並計入損益內。倘重估資產被出售，本集團政策為就該等資產將計入其他儲備之任何款項轉撥至保留盈利。

在建工程指正在建設或有待安裝之物業、廠房及設備，並按成本減減值虧損(如有)列賬。建設中之資產不計提折舊撥備，直至有關資產完工並可供擬定用途之時。完工時，有關資產按公平值或成本減累計減值虧損轉入物業、廠房及設備。

2.9 投資物業

投資物業(主要包括租賃土地及樓宇)乃持作賺取長期租金或資本升值或兩者皆是，而非由本集團佔用。投資物業亦包括正在建造或發展供日後用作投資物業之物業。投資物業初步按成本計量，包括相關交易成本及借貸成本(倘適用)。於首次確認後，投資物業按結餘結轉，即成本減折舊及減值撥備。公平值變動於損益內呈列為其他收益的一部分。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Prepaid land lease payments

Prepaid land lease payments are recorded at cost less subsequent accumulated amortisation and accumulated impairment losses, if any. Land use rights are amortised using the straight-line method over their lease terms of 50 years.

2.11 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and anticipated cost to completion.

Development cost of property comprises mainly construction costs, cost of land use rights, borrowing costs, and professional fees incurred during the development period.

Properties under development are classified as current assets unless those will not be realised in one normal operating cycle.

2.12 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.4. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2 主要會計政策概要 (續)

2.10 預付土地租金

預付土地租金按成本減其後累計攤銷及累計減值虧損記賬(如有)。土地使用權乃於其50年租期內按直線法攤銷。

2.11 發展中物業

發展中物業按成本與可變現淨值之較低者列賬。可變現淨值於考慮最終預計可變現價格，減去適用可變銷售開支及預期竣工成本後釐定。

物業發展成本主要包括建築成本、土地使用權成本、借貸成本及發展期內產生之專業費用。

發展中物業分類為流動資產，惟不會於一個正常營運週期內變現者則不在此限。

2.12 無形資產

(a) 商譽

商譽按附註2.4所述計量。收購附屬公司的商譽列入無形資產。商譽不予攤銷，惟每年進行減值測試，或當有事件出現或情況變動顯示可能出現減值時進行更頻密減值測試，並按成本減去累計減值虧損列示。出售一間實體的收益及虧損包括有關所售實體商譽的賬面金額。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Intangible assets (continued)

(a) Goodwill (continued)

Goodwill is allocated to cash-generating units (“CGU”) for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

(b) Technology

Technology acquired in a business combination is recognised at fair value at the acquisition date. The technology has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate its cost over its estimated useful life of 10 years.

(c) Contract order back log

Contract order back log acquired in a business combination is recognised at fair value at the acquisition date. The contract order back log has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate its cost over its estimated useful life of 1 year.

2 主要會計政策概要 (續)

2.12 無形資產 (續)

(a) 商譽 (續)

商譽會被分配至現金產生單位(「現金產生單位」)以進行減值測試。有關分配乃對預期將從商譽產生的業務合併中獲益的現金產生單位或現金產生單位組別作出。現金產生單位或現金產生單位組別乃就內部管理目的而於監察商譽的最低層次(即經營分部(附註5))確認。

(b) 技術

於業務合併取得的技術於收購日期按公平值確認。該技術的可使用年期有限，並按成本減累計攤銷結轉。攤銷乃使用直線法將其成本於預計可使用年期10年內攤分計算。

(c) 積壓合約訂單

於業務合併取得的積壓合約訂單於收購日期按公平值確認。積壓合約訂單的可使用年期有限，並按成本減累計攤銷結轉。攤銷乃使用直線法將其成本於預計可使用年期1年內攤分計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of non-financial assets

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

2.14 Investment and other financial assets

(a) Classification

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

- those to be measured subsequently at fair value through profit or loss (FVPL); and
- those to be measured at amortised cost.

2 主要會計政策概要 (續)

2.13 非金融資產減值

商譽及未有確定使用年限的無形資產毋需攤銷，並每年進行減值測試，或倘若事件或情況有變反映可能已出現減值，則更頻繁地進行測試。其他資產則於事件或變動使賬面金額可能未能收回時進行減值測試。減值虧損按資產之賬面值超出可收回金額之差額確認為減值虧損。可收回金額以資產的公平值扣除出售成本及使用價值兩者之較高者為準。為評估減值，資產將按獨立可識辨現金流入（其大部份獨立於來自其他資產或資產組合的現金流入）（現金產生單位）的最低層次組合。出現減值之非金融資產（不包括商譽）乃就可能回撥減值於各報告期末予以審閱。

2.14 投資及其他金融資產

(a) 分類

自二零一八年四月一日起，本集團將其金融資產分類為下列計量類別：

- 其後透過損益按公平值列賬（「透過損益按公平值列賬」）計量；及
- 將按攤銷成本計量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Investment and other financial assets *(continued)*

(a) Classification *(continued)*

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

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

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

(b) Recognition and derecognition

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

2 主要會計政策概要 *(續)*

2.14 投資及其他金融資產 *(續)*

(a) 分類 *(續)*

分類視乎實體管理金融資產的業務模式及現金流量的合約條款而定。

就以公平值計量的資產而言，其收益及虧損於損益列賬。對於並非持作買賣的權益工具投資，則取決於本集團是否於初始確認時不可撤銷地選擇將股權投資透過其他全面收益按公平值列賬計量。

僅當管理該等資產的業務模式有變，本集團方會重新分類債務投資。

(b) 確認及終止確認

所有常規買賣的金融資產均於交易日（即本集團承諾購買或出售該資產當日）確認。當收取金融資產現金流量的權利屆滿或金融資產已轉讓，而本集團已將金融資產擁有權的絕大部分風險及回報轉出時，即終止確認金融資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Investment and other financial assets (continued)

(c) Measurement

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as:

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

2 主要會計政策概要 (續)

2.14 投資及其他金融資產 (續)

(c) 計量

本集團按金融資產的公平值作初步確認，倘若並非透過損益按公平值列賬之金融資產，則加上於購入該金融資產時直接歸屬產生的交易成本。透過損益按公平值列賬之金融資產的交易成本於損益內支銷。

釐定現金流量是否純粹為支付本金及利息時，對附帶嵌入式衍生工具的金融資產進行整體考慮。

債務工具

債務工具的後續計量取決於本集團管理資產的業務模式及資產現金流量的特徵。本集團將債務工具分類為：

- 攤銷成本：就持作收取合約現金流量的資產而言，倘若該等現金流量純粹為支付本金及利息，則按攤銷成本計量。來自該等金融資產的利息收入使用實際利率法計入融資收入。取消確認所產生的任何收益或虧損直接於損益內連同匯兌收益及虧損在「其他收益／(虧損)」淨額呈列。減值虧損於綜合收益表內作為單獨項目呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Investment and other financial assets (continued)

(c) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1 for further details.

2 主要會計政策概要 (續)

2.14 投資及其他金融資產 (續)

(c) 計量 (續)

權益工具

本集團其後按公平值計量所有股權投資。倘若本集團管理層選擇於其他全面收益呈列股權投資的公平值收益及虧損，則公平值收益及虧損不會於有關投資終止確認後重新分類至損益。當本集團確立收款權利時，該等投資的股息將繼續於損益內確認。

透過損益按公平值列賬之金融資產的公平值變動於損益表內在其他收益／(虧損)確認(如適用)。透過其他全面收益按公平值列賬計量之股權投資的減值虧損(及減值虧損回撥)不會獨立於其他公平值變動列報。

(d) 減值

自二零一八年四月一日起，本集團按持續經營基準評估按攤銷成本及透過其他全面收益按公平值列賬之債務工具相關的預期信貸虧損。所應用的減值方法取決於信貸風險有否顯著增加。

就應收賬款而言，本集團應用香港財務報告準則第9號允許的簡化方式，其規定自首次確認應收款項起確認預期全期虧損，進一步詳情見附註3.1。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Investment and other financial assets (continued)

(e) Accounting policies applied until 31 March 2018

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 March 2018, the Group classifies its financial assets and liabilities in the following categories:

- financial assets at fair value through profit or loss; and
- loans and receivables.

The classification depends on the purpose for which the investments were acquired.

2 主要會計政策概要 (續)

2.14 投資及其他金融資產 (續)

(e) 直至二零一八年三月三十一日應用的會計政策

本集團已追溯應用香港財務報告準則第9號，惟已選擇不予重列比較資料。因此，所提供的比較資料繼續按本集團先前的會計政策列賬。

直至二零一八年三月三十一日為止，本集團將其金融資產及負債劃分為以下類別：

- 透過損益按公平值列賬之金融資產；及
- 貸款及應收款項。

分類取決於收購投資的目的。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Investment and other financial assets (continued)

(e) Accounting policies applied until 31 March 2018 (continued)

(i) Classification

Management determines the classification of its investments at initial recognition.

1. Financial assets at fair value through profit or loss

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, ie are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

2 主要會計政策概要 (續)

2.14 投資及其他金融資產 (續)

(e) 直至二零一八年三月三十一日應用的會計政策 (續)

(i) 分類

管理層於初次確認時釐定投資類別。

1. 透過損益按公平價值列賬之金融資產

倘所收購之金融資產主要是為於短期內出售，即持作買賣，本集團將其分類為透過損益按公平價值列賬之金融資產。倘預期將於報告期後12個月內清償，此類資產會被分類為流動資產；否則，會被分類為非流動資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Investment and other financial assets *(continued)*

(e) Accounting policies applied until 31 March 2018 *(continued)*

(i) Classification *(continued)*

2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise of accounts and bills receivable, deposits and other receivables, and cash and cash equivalents in the consolidated statement of financial position.

2 主要會計政策概要 *(續)*

2.14 投資及其他金融資產 *(續)*

(e) 直至二零一八年三月三十一日應用的會計政策 *(續)*

(i) 分類 *(續)*

2. 貸款及應收款項

貸款及應收款項為並非於活躍市場報價但具備固定或可釐定款項之非衍生金融資產。倘該等款項預計於一年內收回，則分類為流動資產，否則呈列為非流動資產。本集團貸款及應收款項包括綜合財務狀況表內的應收賬款及票據、按金及其他應收款項及現金及現金等同物。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Investment and other financial assets (continued)

(e) Accounting policies applied until 31 March 2018 (continued)

(ii) Reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

2 主要會計政策概要 (續)

2.14 投資及其他金融資產 (續)

(e) 直至二零一八年三月三十一日應用的會計政策 (續)

(ii) 重新分類

倘金融資產不再持作供近期出售，則本集團可選擇將非衍生交易性金融資產自持作買賣類別中移出並重新分類。貸款及應收款項以外的金融資產僅於發生不尋常且於近期再發生的機會甚微的單一事件所導致的罕見情況下，方可自持作買賣類別中移出並重新分類。此外，倘本集團有意且有能力於可見未來持有該等金融資產或於重新分類日期持有該等金融資產至到期，則本集團可選擇將符合貸款及應收款項定義的金融資產自持作買賣或可供出售類別中移出並重新分類。

重新分類乃按重新分類日期的公平值進行。公平值成為新成本或攤銷成本(倘適用)，且於重新分類日前錄得的公平值收益或虧損不得於其後回撥。重新分類至貸款及應收款項及持至到期類別的金融資產的實際利率在重新分類日確定。估計現金流量的進一步增加會導致須對實際利率作出追溯調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Investment and other financial assets (continued)

(e) Accounting policies applied until 31 March 2018 (continued)

(iii) Recognition and derecognition

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

(iv) Measurement

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

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets and liabilities at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in profit or loss within other gains/losses.

2 主要會計政策概要 (續)

2.14 投資及其他金融資產 (續)

(e) 直至二零一八年三月三十一日應用的會計政策 (續)

(iii) 確認及終止確認

所有常規買賣的金融資產均於交易日(即本集團承諾購買或出售該資產當日)確認。當收取金融資產現金流量的權利屆滿或金融資產已轉讓,而本集團已將金融資產擁有權的絕大部分風險及回報轉出時,即終止確認金融資產。

(iv) 計量

初始確認時,本集團按其公平值計量金融資產,加(並非透過損益按公平值列賬的金融資產)直接歸屬於購買金融資產的交易成本。透過損益按公平值列賬的金融資產的交易成本於損益內支銷。

貸款及應收款項其後使用實際利率法按攤銷成本計量。

透過損益按公平值列賬之金融資產及負債隨後按公平值列賬。公平值變動產生之收益或虧損於損益之其他收益/虧損內確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Investment and other financial assets (continued)

(e) Accounting policies applied until 31 March 2018 (continued)

(iv) Measurement (continued)

Dividends on financial assets at fair value through profit or loss are recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established.

Interest income from financial assets at fair value through profit or loss is included in the other income of the consolidated income statement.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.3.

2.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future event and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2 主要會計政策概要 (續)

2.14 投資及其他金融資產 (續)

(e) 直至二零一八年三月三十一日應用的會計政策 (續)

(iv) 計量 (續)

透過損益按公平值列賬之金融資產之股息於本集團收取有關款項的權利確立時，在損益中確認為持續經營業務收益之一部分。

透過損益按公平值列賬之金融資產之利息收入於綜合收益表其他收入內列賬。

有關如何釐定金融工具之公平值之詳情於附註3.3中披露。

2.15 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並在綜合財務狀況表內報告其淨額。該有法定可執行權力不可以取決於未來事情及必須於日常業務及於本公司或交易對手無力償債或破產時執行。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are determined on the first-in, first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. Accounts receivable are generally due for settlement within 60 days and therefore are all classified as current.

Accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.14 for further information about the Group's accounting for accounts receivable and Note 3.1 for a description of the Group's impairment policies.

2 主要會計政策概要 (續)

2.16 存貨

原材料、在製品及製成品以成本及可變現淨值之較低者列值。成本包括直接材料、直接勞工及適當比例之可變及固定開銷支出，而後者按一般營運能力基準分配。成本乃按先進先出之基準釐定。購買存貨成本於扣除回扣及折扣後釐定。可變現淨值按一般業務過程中估計售價減估計完成成本及尚需銷售的估計成本計算。

2.17 應收賬款

應收賬款指就於一般業務過程中出售商品或提供服務而應收客戶之款項。應收賬款通常須於60天內結清，故均分類為流動。

應收賬款初步按無條件代價金額確認，除非其包含重大融資部份，此情況下則按公平值確認。本集團持有應收賬款的目的是收取合約現金流量，因此其後使用實際利率法按攤銷成本計量。有關本集團應收賬款之會計處理之詳情，請參閱附註2.14。有關本集團減值政策之詳情，請參閱附註3.1。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.19 Share capital and shares held for employee share scheme

Ordinary shares are classified as equity (Note 29).

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Accounts and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要 (續)

2.18 現金及現金等同物

就呈列現金流量表而言，現金及現金等同物包括手頭現金、金融機構的活期存款、可隨時轉換為已知數額現金且價值變動風險較少之其他短期高流通性且原到期日為三個月或以內的投資以及銀行透支。銀行透支與資產負債表內流動負債中列為借貸。

2.19 股本及就股份獎勵計劃持有的股份

普通股分類為權益(附註29)。

發行新股或購股權直接相關之新增成本，於權益中列作所得款項之扣減(扣除稅項)。

2.20 應付賬款及其他應付款項

該等金額指於財政年度結束前提供予本集團之商品及服務之未償還負債。該等金額為無抵押及通常在確認60日內支付。應付賬款及其他應付款項列示為流動負債，除非付款並非於報告日期起計12個月內到期。有關款項以初始公平值確認，其後採用實際利息法按攤銷成本計量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2 主要會計政策概要 (續)

2.21 借貸

借貸初步按公平值扣除所產生交易成本後確認。借貸其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額的差額於借貸期間以實際利率法在損益中確認。設立貸款融資支付的費用，於可能提取若干或所有融資時確認為貸款的交易成本。於此情況下，該費用會遞延至提取融資為止。倘若並無證據顯示可能提取若干或所有融資，則該費用會撥充資本，列作流動資金服務的預付款項，並於其融資相關期間攤銷。

當合約中規定的責任解除、取消或屆滿時，借貸自資產負債表中剔除。已消除或轉讓予另一方的金融負債的賬面值與已付代價(包括已轉讓的非現金資產或所承擔的負債)之間的差額，在損益中確認為其他收入或財務費用。

借貸歸類為流動負債，惟本集團擁有無條件權利將償還負債的日期遞延至報告期間後最少12個月者則除外。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.23 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2 主要會計政策概要 (續)

2.22 借貸成本

收購、建設或生產合資格資產直接應佔的一般及特定借貸成本，於完成建設及將資產達致擬定用途所需時間期限內撥充資本。合資格資產為需要較長時間達到擬定用途成銷售狀況之資產。

就有待用於合資格資產開支的特定借貸作出暫時投資賺取的投資收入，自合資格撥充資本的借貸成本中扣除。

其他借貸成本在其產生期間支銷。

2.23 即期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按即期應課稅收入支付的稅項，而有關所得稅率經暫時差異及未使用稅務虧損所致的遞延稅項資產及負債變動調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Current and deferred income tax (continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 主要會計政策概要 (續)

2.23 即期及遞延所得稅 (續)

(a) 即期所得稅

即期所得稅支出根據本公司的子公司及聯營公司營運及產生應課稅收入的國家於各報告期末已頒佈或實質上頒佈的稅務法例計算。管理層就適用稅務法例有待詮釋的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

遞延所得稅採用負債法就資產及負債之稅基與其於綜合財務報表之賬面值兩者間之暫時性差異全額撥備。然而，倘遞延稅項負債產自於初始確認商譽，則不予確認。倘遞延所得稅乃源自業務合併以外之交易中初步確認資產或負債，而在交易時並不影響會計或應課稅損益，則不作入賬。遞延所得稅按於報告期末已頒佈或實質頒佈並預期於相關遞延所得稅資產變現或遞延所得稅負債償還時應用之稅率（及稅法）釐定。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 主要會計政策概要 (續)

2.23 即期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

有關按公平值計量的投資物業之遞延稅負債假設該物業將可透過出售全數收回而釐定。

遞延所得稅資產僅於未來有應課稅金額可供動用以抵銷暫時性差異及虧損時確認。

倘本公司有能力控制回撥暫時差額之時間及該等差額很可能不會於可見將來回撥，則不會就外匯營運投資之賬面值及稅基之間之暫時差額確認遞延稅項負債及資產。

倘有法定可強制執行權利抵銷即期稅項資產及負債，及當遞延稅項結餘與同一稅務機關相關，則抵銷遞延稅項資產及負債。倘實體擁有法定可強制執行權利抵銷及擬按淨基準償付或變現資產及同時償付負債，則抵銷即期稅項資產及稅項負債。

即期及遞延稅項於損益內確認，惟其與於其他全面收益或直接於權益確認的項目相關除外。於此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Employee benefits

(a) Pension obligations

Employees of the Group in Hong Kong are required to participate in a defined contribution scheme as defined in mandatory provident fund scheme ("MPF Scheme"). The assets of the MPF Scheme are held separately from those of the Group under independently administered funds. Contributions to the schemes by the employers and employees are calculated as a percentage of employees' basic salaries. Under the MPF Scheme, each of the Group (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employees are subject to a cap of HK\$1,500 and thereafter contributions are voluntary. The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

Employees of the Group in the PRC are required to participate in defined contribution retirement schemes administered and operated by municipal governments. The Group's subsidiaries in the PRC contribute funds to the retirement scheme to fund the retirement benefits of the employees which are calculated on certain percentage of the average employee salary as agreed by the municipal government. Such retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees. The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

2 主要會計政策概要 (續)

2.24 僱員福利

(a) 退休金責任

本集團於香港的僱員須參與強制性公積金計劃(「強積金計劃」)所界定的定額供款計劃。強積金計劃的資產乃根據獨立管理的基金與本集團的資產分開持有。僱主及僱員對該計劃作出的供款乃按僱員基本薪金的百分比作出。根據強積金計劃，本集團(僱主)及其僱員每月按強制性公積金法規所界定的僱員收益的5%向該計劃作出供款。各僱主及僱員的每月供款上限為1,500港元，而其後的供款屬自願性質。本集團對供款以外的退休後福利實際款項並無進一步責任。

本集團於中國的僱員須參與由市政府管理及營運的定額供款退休計劃。本集團的中國附屬公司向退休計劃供款，以撥支僱員的退休福利，其乃按市政府同意的平均僱員薪金的若干百分比計算。該等退休計劃負責整個應付予退休僱員的退休後福利責任。本集團對供款以外的退休後福利實際款項並無進一步責任。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Employee benefits (continued)

(b) Employee leaves entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of statement of financial position. Employee entitlements to sick and maternity leave are not recognised until the time of leave.

(c) Share-based compensation

Share-based compensation benefits are provided to employees via the share option scheme. Information relating to these schemes is set out in Note 30.

Employee options

The fair value of options granted under the share option scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or holdings shares for a specific period of time).

2 主要會計政策概要 (續)

2.24 僱員福利 (續)

(b) 僱員假期權利

僱員享有的年假乃於其提供予僱員時確認。已就因僱員提供的服務直至財務狀況表日期產生的年假的估計負債計提撥備。僱員享有病假及產假的權利於請假時方予以確認。

(c) 以股份為基礎的補償

以股份為基礎的補償福利乃透過購股權計劃向僱員提供。與該等計劃有關的資料載列於附註30。

僱員購股權

根據購股權計劃授出的購股權的公平值確認為僱員福利開支，並於權益作出相應增加。將支銷的總金額乃參考所授出購股權的公平值而釐定：

- 包括任何市場表現情況 (例如實體股價)；
- 不包括任何有關服務及非市場表現的歸屬條件 (例如盈利能力、銷售增長目標及於一段特定期間內保留一名實體僱員)的影響；及
- 包括任何非歸屬條件 (例如規定僱員保留或持股一段特定時間)的影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Employee benefits (continued)

(c) Share-based compensation (continued)

Employee options (continued)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- (i) when the Group can no longer withdraw the offer of those benefits; and
- (ii) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 主要會計政策概要 (續)

2.24 僱員福利 (續)

(c) 以股份為基礎的補償 (續)

僱員購股權 (續)

總開支須於達致所有指定歸屬條件之歸屬期間內確認。於各報告期末，實體根據非市場歸屬及服務條件修訂其對預期歸屬的購股權數目所作估計，並於損益確認該修訂對原估計的影響(如有)，同時對權益作出相應調整。

(d) 終止服務福利

終止服務福利於僱員在正常退休日期前被本集團終止僱用，或當僱員接受自願遣散以換取此等福利時支付。本集團於以下日期(以較早者為準)確認終止服務福利：

- (i) 當本集團不再能夠撤回提供該等福利；及
- (ii) 當實體就香港會計準則第37號範圍內確認重組成本，並涉及終止服務福利之款項。在提出要約以鼓勵自願離職的情況下，終止服務福利乃根據預期接受要約的僱員人數計量。於報告期末後逾期超過12個月之福利貼現至其現值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.26 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold or services performed, stated net of discounts, returns and value-added taxes. The Group recognises revenue when the specific criteria have been met for each of the Group's activities, as described below.

2 主要會計政策概要 (續)

2.25 撥備

撥備乃於本集團因過去事件而有現時法律或推定責任，而其在清償責任時有可能令資源流出，且金額能夠可靠地估計時，方予以確認。概不就未來經營虧損確認撥備。

倘有多項類似責任，清償需要的資源流出的可能性乃透過考慮整個責任類別釐定。即便在同一責任類別內任何一個項目相關資源的流出可能性可能屬於輕微，亦須確認撥備。

撥備乃按預期需要清償責任的開支，使用反映對金額時間值及責任的特定風險的現時市場評估的除稅前利率得出的現值計量。隨著時間流逝增加的撥備乃確認為利息開支。

2.26 收益確認

收益按已收或應收代價的公平值計量，即已售貨品或已提供服務的應收款項，扣除折扣、退回及增值稅列賬。本集團於本集團各項業務活動符合指定條件時確認收益，見下文所述。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Revenue recognition (continued)

Revenue is recognised when or as the control of goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- 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.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

收益於貨品的控制權或服務轉移至客戶時確認。視乎合約條款及適用於該合約的法律，貨品的控制權或服務可隨時間或在某個時間點轉移。倘本集團在履約過程中達到下列條件，貨品的控制權或服務屬隨時間轉移：

- 提供所有利益而客戶亦同步收取及使用；
- 創造或提升於本集團履約時由客戶所控制的資產；或
- 並無創造對本集團而言有其他用途的資產，而本集團有強制執行權收取至今完成之履約付款。

倘若貨品的控制權及服務屬隨時間轉移，則收益於合約期內參考履約責任的完成進度確認。否則，收益於客戶獲得貨品控制權及服務的某個時間點確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Revenue recognition (continued)

When determining the transaction price to be allocated from different performance obligations, the Group first determines the service fees that the Group entitles in the contract period and adjusts the transaction price for variable considerations and significant financing component, if any. The Group includes in the transaction price some or all of an amount of variable considerations only to the extent that it is highly probable that a significant reversal in amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to a consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

釐定從不同履約責任將予分配的交易價格時，本集團首先釐定其於合約期內有權獲得的服務費，並就可變代價及重大融資部分(如有)調整交易價格。本集團於交易價格中計入可變代價的部分或所有款額，惟僅限於與可變代價有關之不確定因素其後得以解除，而已確認的累計收益很可能不會大幅回撥。

當合約的任何一方已履約，本集團視乎實體的履約與客戶付款之間的關係，將合約於財務狀況表列為合約資產或合約負債。

合約資產為本集團已向客戶轉移貨品及服務而換取代價的權利。應收款項於本集團擁有無條件收取代價的權利時入賬。倘若代價僅須待時間流逝而到期支付，則收取代價的權利屬無條件。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Revenue recognition (continued)

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is 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.

The following is a description of the accounting policy for the principal revenue streams of the Group.

Sales of goods

Sales are recognised when control of the goods has transferred, being when the goods are delivered to the customers, the customers have full discretion over the goods and there is no unfilled obligation that could affect the customers' acceptance of the goods. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to customers, and either customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

倘若於本集團向客戶轉讓貨品或服務前，客戶支付代價或本集團有無條件權利收取代價，則本集團於作出付款或應收款項入賬時（以較早者為準）呈列合約負債。合約負債是本集團已向客戶收取代價（或到期代價款項）而須向客戶轉讓貨品或服務的責任。

以下為本集團主要收益流的會計政策描述。

銷售貨品

銷售於貨品的控制權已轉讓時確認，即貨品已交付予客戶、客戶對貨品擁有絕對酌情權以及概無影響客戶接納貨品的未履行責任的時間點。當產品已經送遞至特定地點、報廢及虧損的風險已轉移給客戶，而且客戶已根據銷售合約接納產品、接納條文已失效或本集團有客觀證據證明接納的所有條件已達成，則屬發生交付。

應收款項於貨品交付時確認，原因是此為代價成為無條件的時間點，僅須待時間流逝而到期支付。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Revenue recognition (continued)

Sales of goods (continued)

If the services rendered or products delivered by the Group exceed the payments made by the counter parties, a contract asset is recognised. If the payments exceed the services rendered or products delivered, a contract liability is recognised.

Sales of properties

For property sales contract for which the control of the property is transferred at a point of time, revenue is recognised when the buyers obtains physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Glass installation

For provision of construction services, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

銷售貨品 (續)

倘若本集團提供的服務或交付的產品超出對手方作出的付款，則確認合約資產。倘若付款超出所提供的服務或交付的產品，則確認合約負債。

銷售物業

就物業之控制權於某個時間點轉移之物業銷售合約而言，於買方取得竣工物業之實質佔有權或法定業權以及本集團現時有權收取付款並很可能收回代價時確認收益。

於釐定交易價格時，倘融資部份重大，本集團將根據融資部份調整承諾代價。

安裝玻璃

就提供建築服務而言，本集團的履約創造或提升一項在資產被創造或提升時由客戶所控制的資產或在製品，因此本集團隨時間完成履約責任並確認收益，當中參考指定交易的完成進度，此乃基於各項合約直至報告期末產生的實際成本佔預期總成本的百分比而評估。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.27 Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.28 Dividend income

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

2 主要會計政策概要 (續)

2.27 利息收入

利息收入使用實際利率法確認。當應收款項減值時，本集團會將賬面值削減至其可收回金額，即按該工具的原始實際利率貼現的估計未來現金流量，已減值貸款的利息收入使用原始實際利率確認，並繼續解除貼現作為利息收入。

2.28 股息收入

股息於建立收取派付的權利時確認為收益，這同樣適用於股息以預購溢利撥付的情況。然而，投資因而需要作為減值進行測試。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 36). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term (Note 36). The respective leased assets are included in the balance sheet based on their nature.

2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.31 Government grants

Grants from the government are recognised at their fair values when there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised within "Other income" in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate. Government grant related to property, plant and equipment are recognised as deferred income and is recognised in profit or loss on a systematic basis over the expected useful lives of the related assets.

2 主要會計政策概要 (續)

2.29 租賃

凡所有權絕大部分風險及回報並非轉讓至本集團(作為承租人)的租賃,均列作經營租賃(附註36)。經營租賃的付款(扣除已收出租人的任何優惠)以直線法於租期內自損益扣除。

經營租賃所得租賃收入(本集團作為出租人)於租賃期(附註36)內以直線法確認為收入。租賃資產按其性質各自計入資產負債表。

2.30 股息分派

向本公司的股東分派的股息在股息獲本公司股東或董事(如適用)批准的期間內於本集團的財務報表內確認為負債。

2.31 政府補貼

政府補貼於有合理保證本集團將收到補貼,且能符合補貼的所有條件時按公平值確認。

有關成本之政府補貼將被遞延,於彼等擬定補償成本所需配對期間於綜合收益表確認為「其他收入」。與物業、廠房及設備相關之政府補助確認為遞延收入並按系統基準根據相關資產的預期使用年期於損益確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Company under policies approved by the Board of Directors of the Company.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC and Hong Kong.

The functional currency of the Hong Kong reporting entities is HKD and the transactions are mostly denominated in HKD and United States dollars ("USD"). For transactions or balances denominated in USD are reasonably stable with the HKD under the Linked Exchange Rate System, the directors are of the opinion that the Company does not have significant foreign exchange risk, the exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group. Accordingly, no sensitivity analysis is performed.

3 財務風險管理

3.1 財務風險因素

本集團的業務承受著多種財務風險：市場風險（包括外匯風險、利息風險及價格風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的不可預測性，並尋求盡量減低對本集團的財務表現的潛在不利影響。風險管理乃由本公司的高級管理層根據本公司董事會批准的政策進行。

(a) 市場風險

(i) 外匯風險

本集團主要於中國及香港經營業務。

香港呈報實體的功能貨幣為港幣，而交易大部分以港幣及美元（「美元」）計值。就以美元計值之交易或結餘而言，在聯繫匯率制度下美元兌港幣維持於合理穩定水平，董事認為本公司並無重大外匯風險，匯率波動風險將僅於換算本集團呈列貨幣時產生。因此，並無作出敏感度分析。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The functional currency of the PRC reporting entities is RMB and the transactions are mostly denominated in RMB and HK\$, the conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

The Group is exposed to foreign exchange risk primarily through financing, capital expenditure and expenses transactions that are denominated in a currency other than RMB, which is the functional currency of the major subsidiaries of the Group. The Group manages its exposures to foreign currency transactions by monitoring the level of foreign currency receipts and payments. The Group ensures that the net exposure to foreign exchange risk is kept to an acceptable level from time to time. The Group is presently not using any forward exchange contract to hedge against foreign exchange risk as management considers its exposure is not significant.

At 31 March 2019, if HKD had strengthened/weakened by 5% (2018: 5%) against RMB with all other variables held constant, profit for the year would have been approximately HK\$24,423,000 higher/lower (2018: HK\$12,108,000 higher/lower).

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

中國呈報實體的功能貨幣為人民幣，而交易大部分以人民幣及港幣計值，人民幣兌換為外幣須遵守中國政府頒佈的外匯管理規章制度。

本集團面臨的外匯風險主要為以本集團主要附屬公司功能貨幣(人民幣)以外的貨幣計值之融資、資本開支及費用交易。本集團監察外匯收款及付款水平，藉以管理外幣交易的風險。本集團確保所面臨的外匯風險淨額不時維持於可接受水平。由於管理層認為該外匯風險並非重大，本集團現時並無使用任何遠期外匯合約對沖外匯風險。

於二零一九年三月三十一日，倘港幣兌人民幣升值／貶值5% (二零一八年：5%)，在所有其他變量不變的情況下，年內溢利將增加／減少約24,423,000港元(二零一八年：增加／減少12,108,000港元)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings and receivables are carried at amortised cost.

The Group monitors closely its interest rate exposure by maintaining an appropriate floating rate borrowings and considers hedging significant interest rate exposure should the need arise. The position is regularly monitored and evaluated by reference of anticipated changes in market interest rate.

At 31 March 2019, if interest rates on bank and other borrowings had been 50 basis points (2018: 50 basis points) higher/lower with all other variables held constant, profit for the year would have been approximately HK\$4,051,000 lower/higher (2018: HK\$2,659,000 lower/higher) mainly as a result of higher/lower interest expense on floating rate borrowings.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 利率風險

本集團之主要利率風險源自以可變利率計息之長期借款，該等借款使本集團面臨現金流量利率風險。本集團之借款及應收款項乃以攤銷成本列賬。

本集團透過維持適當比例之浮息借款密切監控其利率風險，並認為會於需要時對沖重大利率風險，並參考市場利率的預期變動定期監控及評估有關狀況。

於二零一九年三月三十一日，倘若銀行及其他借款利率調高／調低50個基點（二零一八年：50個基點），在所有其他可變數額不變的情況下，年度溢利將會減少／增加約4,051,000港元（二零一八年：減少／增加2,659,000港元），主要由於浮息借款利息開支有所增加／減少。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Price risk

The Group's exposure to price risk arises from investments held by the Group and classified in the consolidated statement of financial position as fair value through profit or loss (Note 24).

Profit for the period would increase/decrease by approximately HK\$1,414,000 (2018: HK\$3,125,000) as a result of 10% gains/losses on equity securities classified as at fair value through profit or loss.

(b) Credit risk

(i) Risk management

Credit risk arises if a customer or other counterparty fails to meet its contractual obligations. The credit risk of the Group mainly arises from trade and other receivables and deposits with banks and financial institutions.

The Group has policies that limit the amount of credit exposure to any financial institutions. Substantially all the deposits in banks are held in reputable financial institutions located in Hong Kong and the PRC, which management believes are of high credit quality and management does not expect any losses arising from non-performance by these counterparties.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 價格風險

本集團承受其持有投資所產生之價格風險，並於綜合財務狀況表分類為透過損益按公平值列賬(附註24)。

期內溢利將增加／減少約1,414,000港元(二零一八年：3,125,000港元)，乃由於分類為透過損益按公平值列賬之股權證券收益／虧損10%。

(b) 信貸風險

(i) 風險管理

倘客戶或其他交易對手方無法履行其合同義務，則產生信貸風險。本集團之信貸風險主要來自應收賬款及其他應收款項及銀行及金融機構之存款。

本集團制定政策限制來自任何金融機構之信貸風險。本集團大部份銀行存款乃存入香港及中國信譽卓著之金融機構，管理層認為有關金融機構之信貸質量良好，預期不會由於該等交易對手方不履約行為而產生任何虧損。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Risk management (continued)

The Group also has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Sales to large or long-established customers with good repayment history comprise a significant proportion of the total sales. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances.

The Group has concentration of credit risk as the top five trade debtors accounted for approximately 78% of its total trade debts balance as at 31 March 2019 (2018: 64%). In view of this, the management of the Group regularly assesses by monitoring the individual profile of its accounts receivable. In this regard, management of the Group considers that the credit concentration risk has been significantly mitigated.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(i) 風險管理 (續)

本集團亦設有政策以確保向具備合適信貸記錄之客戶銷售產品。向具備良好還款記錄之大型或長期客戶銷售佔銷售總額之重要部分。本集團過往收回應收賬款及其他應收款項之經驗並無超出入賬撥備。

本集團信貸風險集中，原因為於二零一九年三月三十一日之五大貿易應收賬款佔其貿易應收賬款總結餘約78% (二零一八年：64%)。有見於此，本集團管理層透過監控其應收賬款之個別組合情況定期評估。就此而言，本集團管理層認為信貸集中風險已大大降低。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets

Accounts receivable

The accounts receivable of the Group are subject to the expected credit loss model. The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable.

To measure expected credit losses, the Group categorises its accounts receivable based on the nature of customer accounts and shared credit risk characteristics.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 March 2019 or 1 April 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產減值

應收賬款

本集團之應收賬款須應用預期信貸虧損模式。本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，就所有應收賬款使用全期預期虧損撥備。

為計量預期信貸虧損，本集團根據客戶賬目及共同信貸風險特徵分類應收賬款。

預期虧損率乃分別基於二零一九年三月三十一日或二零一八年四月一日前12個月期間之銷售付款資料及期內經歷之相關過往信貸虧損。過往虧損率已作調整以反映影響客戶償付應收款項能力之宏觀經濟因素目前及前瞻性資料。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Accounts receivable (continued)

On that basis, the loss allowance as at 31 March 2019 and 1 April 2018 (on adoption of HKFRS 9) was determined as follows for accounts receivable:

	At 31 March 2019	於二零一九年 三月三十一日
Assets		資產
Gross carrying amount		總賬面值
Loss allowance		虧損撥備
Expected loss rate		預期虧損率

	At 31 March 2018	於二零一八年 三月三十一日
Assets		資產
Gross carrying amount		總賬面值
Loss allowance		虧損撥備
Expected loss rate		預期虧損率

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

應收賬款(續)

根據該基準，於二零一九年三月三十一日及二零一八年四月一日(採納香港財務報告準則第9號)之應收賬款虧損撥備釐定如下：

	Current	1-30 days past due	31-60 days past due	61-90 days past due	Over 90 days past due	Total
	即期	逾期1至30日	逾期31至60日	逾期61至90日	逾期90日以上	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
At 31 March 2019	179,622	92,990	26,799	7,885	9,004	316,300
Assets						
Gross carrying amount						
Loss allowance	(359)	(465)	(268)	(789)	(2,270)	(4,151)
Expected loss rate	0.2%	0.5%	1%	10%	25%	1.3%
At 31 March 2018	266,675	72,737	18,556	8,100	5,110	371,178
Assets						
Gross carrying amount						
Loss allowance	-	-	-	-	(852)	(852)
Expected loss rate	-	-	-	-	17%	0.2%

應收賬款之減值虧損於經營溢利內呈列為減值虧損淨額。其後收回過往已撇銷之款項計入同一項目對銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Accounts receivable (continued)

Previous accounting policy for impairment of accounts receivable

In the prior year, the impairment of accounts receivable was incurred when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the present value of estimated future cash flows (excluding future credit losses that have not been incurred) of the accounts receivable.

The management of the Group considered the following as indicator of loss event:

- significant financial difficulties of debtor
- probability that the debtor will enter bankruptcy or financial re-organisation

The amount of the loss is recognised in the consolidated income statement.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產減值 (續)

應收賬款 (續)

應收賬款減值之過往會計政策

於上一年度，當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值（「虧損事項」），而該宗（或該等）虧損事項對應收賬款之估計未來現金流量（不包括尚未產生之未來信貸虧損）構成影響，則應收賬款出現減值。

本集團管理層認為下列為虧損事項之指標：

- 債務人陷入重大財務困難
- 債務人有可能宣告破產或財務重組

虧損金額於綜合收益表確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iii) Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables. Management consider low credit risk for other financial assets at amortised cost and did not provide loss allowance for other financial assets at amortised cost based on the historical settlement pattern of these other financial assets and the forward looking recoverability analysis of the counterparties.

While cash and cash equivalents, time deposits and restricted bank balance are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of banking facilities. The Group aims to maintain flexibility in funding by keeping credit lines available at all time.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(iii) 按攤銷成本計量之其他金融資產

按攤銷成本計量之其他金融資產包括其他應收款項。管理層認為，根據此等其他金融資產之過往結算情況，以及對手方之前瞻可收回性分析，按攤銷成本計量之其他金融資產之信貸風險甚低，並無就按攤銷成本計量之其他金融資產計提虧損撥備。

雖然現金及現金等同物、定期存款及受限制銀行結餘亦須應用香港財務報告準則第9號之減值規定，惟已識別之減值虧損並不重大。

(c) 流動資金風險

審慎的流動資金風險管理意味維持充足之現金，透過充足額度之銀行融資取得備用資金。本集團旨在透過長期維持可用信貸額度以確保資金靈活性。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

Hong Kong Interpretation 5 requires a term loan that contains a clause that gives the lender the unconditional right to call the loan at any time shall be classified in total by the borrower as current in the statement of financial position. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturity stated in the loan agreement.

Under the relevant bank loan agreements of certain term loans, the relevant banks have the overriding right to demand for repayment even though the scheduled repayment dates are beyond one year. Due to the oversight of management, the Group had not applied for and thus had not obtained before the year end date a confirmation from the banks to waive such rights for its bank loans totalling HK\$364,750,000. As a result, certain of these loans with scheduled repayment dates beyond one year amounted to HK\$235,500,000 had to be classified as current liabilities as at 31 March 2019.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

管理層依據預期現金流量，監控本集團流動資金儲備的滾存預測。本集團之政策為定期監控當前及預期流動資金需求及其遵守貸款契約情況，從而確保本集團維持充足現金儲備以及獲主要財務機構承諾提供足夠資金，以應付其短期及長期之流動資金需求。

香港詮釋第5號規定，倘若定期貸款包含一項條款，賦予貸款人無條件權利可於任何時間催還貸款，則借款人須於財務狀況表內將該貸款之總額歸類為即期，而不論有否發生違約事件，以及貸款協議所載之其他條款及到期日。

根據若干定期貸款之相關銀行貸款協議，即使預定償還日期為一年後，相關銀行依然擁有按要求償還之凌駕性權利。由於管理層之疏漏，本集團並無於年結日前就其銀行貸款合共364,750,000港元向銀行申請亦未取得豁免有關權利之確認。因此，於二零一九年三月三十一日，若干預定償還日期為一年後之貸款235,500,000港元須歸類為流動負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

As a result of the foregoing, as at 31 March 2019, the Group has not complied with a restrictive financial covenant requirement of certain bank borrowings amounted to HK\$484,750,000 (including those loans described in the preceding paragraph), which included bank borrowings of HK\$325,500,000 with scheduled repayment dates beyond one year after 31 March 2019. Under the relevant bank loan agreements, such non-compliance of covenant may cause the relevant bank borrowings of HK\$484,750,000 become immediately due and payable should the lenders exercise their rights under the loan agreements. In addition, such non-compliance also triggered the cross-default terms of certain other current bank borrowings of HK\$173,543,000 and bank borrowings of HK\$32,000,000 with scheduled repayment dates beyond one year after 31 March 2019, which may also cause these loans to become immediately due and payable should the lenders exercise their rights under the loan agreements. Accordingly, the total relevant bank borrowings of HK\$690,293,000 were included in current liabilities as at 31 March 2019. All of the above conditions indicate the existence of material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

受上文所述之影響，於二零一九年三月三十一日，本集團未能遵守為數484,750,000港元之若干銀行借貸(包括上段所述之該等貸款)之限制性財務契諾規定，當中包括預定償還日期為二零一九年三月三十一日起計一年後之銀行借貸325,500,000港元。根據相關銀行貸款協議，有關不遵守契諾有可能導致相關銀行借貸484,750,000港元須即時到期償還(倘若借款人根據貸款協議行使其權利)。此外，有關不遵守亦觸發若干其他即期銀行借貸173,543,000港元及預定償還日期為二零一九年三月三十一日起計一年後之銀行借貸32,000,000港元之交叉違約條款，繼而有可能導致該等貸款須即時到期償還(倘若借款人根據貸款協議行使其權利)。因此，相關銀行借貸合共690,293,000港元已於二零一九年三月三十一日計入流動負債。上述所有狀況均顯示存在重大不確定因素，有可能對本集團持續經營之能力構成重大疑慮。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position are summarised in Note 2.1(c) of these consolidated financial statement.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

For the purpose of the below analysis, these bank loans are included within current liabilities and analysed into bank borrowing payable within one year or on demand.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

鑑於有關情況，本公司董事在評估本集團是否將有足夠財務資源持續經營時已審慎考慮本集團之未來流動資金及表現以及其可用資金來源。為減輕流動資金壓力及改善財務狀況，本集團已採取本綜合財務報表附註2.1(c)所概述之若干計劃及措施。

下表載列本集團財務負債根據於報告期末至合約到期日之餘下期間按有關到期組別之分析。下表披露之金額為合約未折現現金流量。

就以下分析而言，該等銀行貸款已計入流動負債，並分析為於一年內或按要求償還之銀行借貸。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

		Within one year 一年內 HK\$'000 千港元	One to two years 一年至兩年 HK\$'000 千港元	Two to five years 兩年至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2019	二零一九年				
Accounts and bills payable	應付賬款及票據	740,050	-	-	740,050
Financial liabilities included in other payables, accrued liabilities	計入其他應付款項及 應計負債之 金融負債	89,321	-	-	89,321
Bank borrowings	銀行借貸	840,080	-	-	840,080
		1,669,451	-	-	1,669,451
2018	二零一八年				
Accounts and bills payable	應付賬款及票據	549,993	-	-	549,993
Financial liabilities included in other payables, accrued liabilities	計入其他應付款項及 應計負債之 金融負債	60,256	-	-	60,256
Bank borrowings	銀行借貸	247,000	125,654	179,705	552,359
		857,249	125,654	179,705	1,162,608

At 31 March 2019, the maturity analysis of the Group's bank borrowings following the contracted repayment schedule would be as follows:

於二零一九年三月三十一日，本集團按合約還款期編製之銀行借貸到期分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 year or on demand	於一年內或按要求	482,580	247,000
Between 1 and 2 years	超過一年但不超過兩年	213,728	125,654
Between 2 and 5 years	超過兩年但不超過五年	162,809	179,705
		859,117	552,359

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

		Within one year 一年內 HK\$'000 千港元	One to two years 一年至兩年 HK\$'000 千港元	Two to five years 兩年至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2019	二零一九年				
Accounts and bills payable	應付賬款及票據	740,050	-	-	740,050
Financial liabilities included in other payables, accrued liabilities	計入其他應付款項及 應計負債之 金融負債	89,321	-	-	89,321
Bank borrowings	銀行借貸	840,080	-	-	840,080
		1,669,451	-	-	1,669,451
2018	二零一八年				
Accounts and bills payable	應付賬款及票據	549,993	-	-	549,993
Financial liabilities included in other payables, accrued liabilities	計入其他應付款項及 應計負債之 金融負債	60,256	-	-	60,256
Bank borrowings	銀行借貸	247,000	125,654	179,705	552,359
		857,249	125,654	179,705	1,162,608

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic condition. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, obtain bank borrowings, or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total equity.

3 財務風險管理 (續)

3.2 資本管理

本集團之資本管理目標旨在保障本集團之持續經營能力，為股東提供回報，同時維持最佳的資本結構以減低資本成本。

本集團管理資本結構，並根據經濟狀況的變動作出調整。為維持或調整資本結構，本集團或會調整已付股東之股息金額、獲取銀行借款或發行新股。

本集團利用資本負債比率監控資本。該比率以銀行借貸總額除以總權益計算。

Total bank borrowings	銀行借貸總額
Total equity	總權益
Gearing ratio	資本負債比率

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
810,106	531,890
1,209,926	1,158,044
67.0%	45.9%

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2019 and 2018 by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理 (續)

3.3 公平值估計

下表按計量公平值所用估值法輸入數據的層級對本集團於二零一九年及二零一八年三月三十一日之按公平值入賬的金融工具進行分析。該等輸入數據在公平值層級中分為三層，層級如下：

- 就相同資產或負債於活躍市場之報價(未經調整)(第一層)；
- 就資產或負債可直接(即按價格)或間接(即從價格所得)觀察所得之輸入數據(惟納入第一級內之報價除外)(第二層)；
- 資產或負債並非依據可觀察市場數據之輸入數據(即不可觀察輸入數據)(第三層)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets that are at fair value at 31 March 2019 and 2018.

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2019	於二零一九年 三月三十一日				
Assets	資產				
Financial assets at fair value through profit or loss	透過損益按公平值列賬 之金融資產	14,140	-	-	14,140
		14,140	-	-	14,140
At 31 March 2018	於二零一八年 三月三十一日				
Assets	資產				
Financial assets at fair value through profit or loss	透過損益按公平值列賬 之金融資產	31,254	-	-	31,254
		31,254	-	-	31,254

There were no transfers between Level 1, 2 and 3 and no other changes in valuation techniques during the year.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, price services or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

3 財務風險管理 (續)

3.3 公平值估計 (續)

下表呈列於二零一九年及二零一八年三月三十一日本集團以公平值計量之金融資產。

年內，第一層、第二層與第三層之間並無轉移，估值方法亦無其他變動。

第一層之金融工具

在活躍市場買賣之金融工具之公平值根據財務狀況表日期之市場報價計算。當可容易及定期從證券交易所、經銷商、經紀、業內人士、報價服務或者監管代理取得報價，而有關報價代表按公平交易基準進行之實際與常規市場交易時，該市場被視為活躍市場。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4 重大會計估計及判斷

估計及判斷會被持續評估，並按過往經驗及其他因素(包括於有關情況下相信為合理之未來事件之預測)而作出。

4.1 重大會計估計及假設

本集團就日後事項作出估計和假設。由於其為會計估計，故甚少與有關實際結果相符。有相當風險會引致須於下個財政年度對資產及負債的賬面值作重大調整的估計及假設討論如下。

(a) 物業、廠房及設備可使用年期

本集團就其物業、廠房及設備釐定估計可使用年期及相關折舊費用。估計乃基於類似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗。其可能會因為技術創新及競爭對手因應嚴峻行業週期而採取之行動而出現重大變動。管理層將於可使用年期少於先前估計的年期時提高折舊費用，或會將技術上過時或已報廢或出售之非策略性資產撇銷或撇減。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) Impairment of property, plant and equipment, intangible assets and investments accounted for using equity method

Assets that have an indefinite useful life are tested annually for impairment; or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(b) 物業、廠房及設備、無形資產及以權益法入賬的投資的減值

具無限使用年期之資產每年進行減值測試，或倘發生事項或情況變動表明須作出減值則須更頻繁進行減值測試。其他資產於發生事項或情況變動而顯示賬面值未必可收回時進行減值測試。可收回金額乃根據使用價值計量與公平值減出售成本兩者之較高者釐定。此等計算需使用判斷及估計。尤其是在管理層評估以下各項時需對資產減值方面作出判斷：(i) 是否已發生可能顯示相關資產價值未必可收回之事件；(ii) 資產之賬面值能否以可收回金額(即公平值減出售成本及按資產於業務內持續使用為基準估計之未來現金流量之淨現值之較高者)支持；及(iii) 編製現金流量預測時將採用之適當主要假設，包括該等現金流量預測是否使用適當比率貼現。更改管理層就用以評估減值而選取之假設(包括現金流量預測之貼現率或增長率假設)可大幅影響減值測試所用之淨現值，因而影響本集團之財務狀況及經營業績。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(c) Fair value of land and buildings and investment properties

The Group carries its land and building, and investment properties at fair value with changes in the fair value recognised in the consolidated statement of comprehensive income and consolidated income statement, respectively. It obtains independent valuations at least annually. At the end of each reporting period, the management updates their assessment of the fair value of each property, taking into account the most recent independent valuations. Refer to Note 15 and 16 for the assumptions, valuation techniques and fair value measurement.

(d) Current and deferred income tax

The Group is subject to taxes in Hong Kong and the PRC. Significant judgement is required in determining the provision for various kinds of taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the consolidated income statement in the period in which such determination is made.

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(c) 土地及樓宇以及投資物業之公平值

本集團分別於綜合全面收益表及綜合收益表按公平值確認土地及樓宇以及投資物業及公平值變動。本集團至少每年取得獨立估值。於各報告期末，管理層更新彼等對各物業公平值之評估，當中計及最近期的獨立估值。有關假設、估值技術及公平值計量，請查閱附註15及16。

(d) 當期及遞延所得稅

本集團需要在香港及中國繳納稅項。在釐定各種稅項撥備時，需要作出重大判斷。有許多未能確定最終稅款之交易及計算。本集團根據對是否需要繳付額外稅款之估計，就預期稅務審計項目確認負債。如此等事件之最終稅務後果與最初記錄金額不同，此等差額將影響作出此等釐定期間之綜合收益表。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(d) Current and deferred income tax (continued)

Deferred tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimates are changed.

(e) Estimated provision for inventory

The Group's management reviews the inventory aging analysis periodically, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sales. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow-moving items through management's estimation of the net realisable value for such obsolete and slow-moving items based primarily on the latest invoice prices and current market conditions.

4 重大會計估計及判斷 (續)

4.1 重大會計估計及假設 (續)

(d) 當期及遞延所得稅 (續)

當管理層認為可動用暫時差額或稅務虧損以抵銷未來應課稅溢利時，將確認若干暫時差額相關遞延所得稅項資產及稅務虧損。倘預期與原定估計不同，有關差額將影響估計出現變動期內的遞延所得稅項資產及稅項的確認。

(e) 存貨估計撥備

本集團之管理層定期審閱存貨之賬齡分析，並為確認為不再適合銷售之過時及滯銷存貨項目作出撥備。於各報告期末，本集團按每項產品作出存貨檢討，並透過管理層主要根據最近發票價格及現時市況對該等過時及滯銷項目之可變現淨值估計，為過時及滯銷項目作出撥備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(e) Estimated provision for inventory

(continued)

The Group writes down inventories to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of inventories and write-downs of inventories in the years in which such estimates have been changed.

(f) Provision for properties under development

The net realisable value is determined by reference to estimated selling prices of these properties, less the estimated costs to completion and applicable variable selling expenses. The net realisable value of properties under development is determined by establishing the market values of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees, applicable various selling expenses and interests to be incurred from the valuation date to completion.

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(e) 存貨估計撥備(續)

本集團按存貨變現情況之評估將存貨撇減至其可變現淨值。倘事件或狀況變動顯示結餘可能無法變現，則就存貨作出撇減。撇減之識別須使用判斷及估計。倘預期有別於原先估計，有關差異將對有關估計變動年度之存貨賬面值及撇減構成影響。

(f) 發展中物業撥備

可變現淨值乃參照該等物業之估計售價減估計完工後續成本及適用可變出售開支釐定。發展中物業的可變現淨值乃按「猶如」已竣工基準的物業市場價值，並適當扣除於估值日至竣工日期間將產生的建設成本、專業費用、各項適用出售開支及利息釐定。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(f) Provision for properties under development (continued)

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development. Such provision requires the use of judgements and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the period in which such estimate is changed will be adjusted accordingly.

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(f) 發展中物業撥備(續)

倘竣工成本增加或銷售淨值減少，則可變現淨值將會減少，而這可能導致就發展中物業計提撥備。有關撥備需要使用判斷及估計。倘若預期與原來估計有別，則在有關估計改變的期間，物業的賬面值及撥備會相應調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(g) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.13. The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(g) 商譽減值

本集團根據附註2.13所述之會計政策每年測試商譽有否出現減值。現金產生單位之可收回金額乃根據使用價值計算或公平值減出售成本之較高者釐定。此等計算需要使用判斷及估計，尤其是在管理層評估以下各項時需對資產減值方面作出判斷：(i) 是否已發生可能顯示相關資產價值未必可收回之事件；(ii) 資產之賬面值能否以可收回金額(即公平值減出售成本及按資產於業務內持續使用為基準估計之未來現金流量之淨現值之較高者)支持；及(iii) 編製現金流量預測時將採用之適當主要假設，包括該等現金流量預測是否使用適當比率貼現。更改管理層就用以評估減值而選取之假設(包括現金流量預測之貼現率或增長率假設)可大幅影響減值測試所用之淨現值，因而影響本集團之財務狀況及經營業績。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(h) Useful lives of intangible assets

Significant judgement is exercised in the assessment of the useful lives of the intangible assets. In making its judgement, management considers a wide range of factors such as the attrition rates and obsolescence rates.

5 SEGMENT INFORMATION

Chief operating decision maker (“CODM”) has been identified as the Board of Directors of the Company (the “Directors”). CODM reviews the Group’s internal reports in order to assess performance, allocate resources and determine the operating segments.

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) the electrical and electronic products segment consists of the manufacture and sale of AI robotics, IoT and smart home products, electronic entertainment products and other related products;
- (b) the motors segment consists of the manufacture and sale of motors and encoder film;

4 重大會計估計及判斷 (續)

4.1 重大會計估計及假設 (續)

(h) 無形資產之可使用年期

評估無形資產之可使用年期時需行使重大判斷。作出此判斷時，管理層考慮廣泛因素，例如損耗率及報廢率。

5 分類資料

本公司董事(「董事」)會被認定為主要營運決策者(「主要營運決策者」)。主要營運決策者審閱本集團之內部報告以評估表現、分配資源及釐定業務分類。

就管理而言，本集團根據其產品及服務劃分其業務單位，並有以下四個可呈報業務分類：

- (a) 電器及電子產品分類，包括製造及銷售人工智能機械人、物聯網及智能家居產品、電子娛樂產品及其他相關產品；
- (b) 電機分類，包括製造及銷售電機以及編碼器菲林；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(c) the glass technology and application segment consists of the sale and downstream processing of glass as well as the design, manufacture and installation of curtain wall systems; and

(d) the real estate development segment.

The disposal of the core operating subsidiaries of the Company relating to the resources development segment was completed in September 2017.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

Segment assets exclude unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated liabilities as these liabilities are managed on a group basis.

5 分類資料 (續)

(c) 玻璃技術及應用分類，包括銷售和下游加工玻璃，以及設計、製造和安裝玻璃幕牆系統；及

(d) 房地產發展分類。

有關出售本公司資源開發分類相關核心營運附屬公司已於二零一七年九月完成。

管理層獨立監察本集團業務單位之經營業績，以便作出與資源分配及表現評核有關的決定。分類表現根據經營溢利或虧損而評估，而有關之經營溢利或虧損之計算方法，在若干方面如下表所解釋，與綜合財務報表中之經營溢利或虧損之計算方法有所不同。

集團融資（包括財務費用及財務收入）及所得稅按集團基準管理，並不會分配至業務分類。

分類單位間銷售及轉讓乃參考按當時現行市價售予第三方所採用之售價進行。

由於未分配資產乃按集團基準管理，因此分類資產不包括該等資產。

由於未分配負債乃按集團基準管理，因此分類負債不包括該等負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(a) Operating segments

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 March 2019 and 2018.

5 分類資料(續)

(a) 業務分類

下表呈列本集團於截至二零一九年及二零一八年三月三十一日止年度，業務分類之收益、業績及若干資產、負債及支出資料。

	Electrical and electronic products 電器及電子產品		Motors 電機		Glass technology and application 玻璃技術及應用		Real estate development 房地產發展		Resources development 資源開發		Eliminations 對銷		Consolidated 綜合		
	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	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	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	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	
Segment revenue Revenue from external customers Timing of revenue recognition - At a point of time - Over time	分類收益 來自外埠客戶的收益 確認收益時間 - 在某個時間點 - 隨時間														
	3,166,417	2,137,529	972,817	896,745	46,307	-	-	-	-	-	-	-	4,185,541	3,034,274	
	-	-	-	-	36,337	-	-	-	-	-	-	-	36,337	-	
	3,166,417	2,137,529	972,817	896,745	82,644	-	-	-	-	-	-	-	4,221,878	3,034,274	
Intersegment sales	分類單位間銷售	46,471	54,560	7,491	8,541	825	-	-	-	-	(54,787)	(63,101)	-	-	
Total	總計	3,212,888	2,192,089	980,308	905,286	83,469	-	-	-	-	(54,787)	(63,101)	4,221,878	3,034,274	
Other income and gains, net	其他收入及收益，淨額	14,312	45,004	41,809	48,072	1,485	-	6,310	9,399	7,197	2,182	-	-	71,113	104,657
Segment results	分類業績	93,035	121,252	56,793	73,204	(6,538)	-	(402)	(2,591)	5,512	215	-	-	148,400	192,080
Interest and unallocated gains	利息及未分配收益													6,772	1,217
Unallocated expenses	未分配開支													(12,445)	(8,627)
Finance costs, net	財務費用，淨額													(12,729)	(2,345)
Share of losses of associates	應佔聯營公司之虧損													(827)	-
Profit before tax	除稅前溢利													129,171	182,325
Income tax expense	所得稅開支													(18,760)	(32,619)
Profit for the year	年度溢利													110,411	149,706
Segment assets	分類資產	2,014,725	1,894,199	1,146,035	989,914	143,066	-	590,609	515,026	40,791	36,980	(922,392)	(935,418)	3,012,834	2,500,701
Unallocated assets	未分配資產													376,637	363,034
Total assets	總資產													3,389,471	2,863,735
Segment liabilities	分類負債	682,729	582,231	489,415	450,030	139,255	-	663,131	591,450	230,980	371,164	(922,392)	(935,418)	1,283,118	1,059,457
Unallocated liabilities	未分配負債													896,427	646,234
Total liabilities	總負債													2,179,545	1,705,691
Other segment information:	其他分類資料：														
Capital expenditure	資本支出	129,395	54,107	169,160	112,303	1,762	-	408	507	68	165	-	-	300,793	167,082
Unallocated amounts	未分配款項													-	1,442
														300,793	168,524

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

		Electrical and electronic products 電器及電子產品		Motors 電機		Glass technology and application 玻璃技術及應用		Real estate development 房地產發展		Resources development 資源開發		Eliminations 對銷		Consolidated 綜合	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Other segment information: (continued)	其他分類資料：(續)														
Depreciation and amortisation Unallocated amounts	折舊及攤銷 未分配款項	52,244	43,754	47,049	34,121	4,874	-	230	333	1,270	1,282	-	-	105,667	79,490
														1,705	1,249
														107,372	80,739
(Gain)/loss on disposal of property, plant and equipment, net	出售物業、廠房及設備 項目之(收益)/虧損 淨額	(1,343)	(850)	(85)	69	-	-	-	-	-	-	-	-	(1,438)	(781)
Surplus on revaluation of land and buildings recognised directly in equity Unallocated amounts	直接於權益確認之 土地及樓宇之重估 盈餘 未分配款項	(41,487)	(23,822)	(14,725)	(734)	-	-	-	-	(7,158)	(212)	-	-	(63,370)	(24,768)
														(5,560)	(10,200)
														(68,930)	(34,968)
Fair value (gain)/loss on investment properties	投資物業之公平值 (收益)/虧損	638	(270)	-	-	-	-	(6,021)	(4,665)	-	-	-	-	(5,383)	(4,935)

(b) Geographical information

		United States of America 美國		Europe 歐洲		Asia 亞洲		Others 其他		Consolidated 綜合					
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018				
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年				
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元				
Segment revenue:	分類收益：														
Revenue from external customers	來自外界客戶的收益	1,715,470	1,058,444	949,124	658,044	1,365,149	1,183,802	192,135	133,984	4,221,878	3,034,274				

The revenue information above is based on the locations of the customers.

上述收益資料乃根據客戶所在地劃分。

		Hong Kong 香港		Mainland China 中國內地		Malaysia 馬來西亞		Consolidated 綜合							
		2019	2018	2019	2018	2019	2018	2019	2018						
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年						
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元						
Other segment information:	其他分類資料：														
Non-current assets	非流動資產	109,114	109,241	1,378,076	1,072,046	28,374	25,529	1,515,564	1,206,816						

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(b) Geographical information (continued)

The non-current assets for the above segment information consist of property, plant and equipment, investment properties, prepaid land lease payments, investment in associates, properties under development, intangible assets and prepayments and deposits, but exclude deferred tax assets.

(c) Information about major customers

Revenue of HK\$2,667,326,000 (2018: HK\$1,861,050,000) was derived from sales of electrical and electronic products to a major customer, which accounted for over 10% of the Group's total revenue.

(d) Assets and liabilities related to contract with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

Contract assets related to glass production and installation (Note)	有關玻璃生產及安裝之合約資產(附註)
Loss allowance	虧損撥備
Total contract assets	合約資產總值

Note:

There consist of revenue from glass services recognised prior to the date on which it is invoiced to customers.

5 分類資料(續)

(b) 地域資料(續)

上述分類資料之非流動資產包括物業、廠房及設備、投資物業、預付土地租金、於聯營公司之投資、發展中物業、無形資產以及預付款項及按金，但不包括遞延稅項資產。

(c) 有關主要客戶之資料

收益2,667,326,000港元(二零一八年:1,861,050,000港元)乃源自向一名主要客戶銷售電器及電子產品，該客戶佔本集團收益總額10%以上。

(d) 有關客戶合約之資產及負債

本集團已確認以下有關客戶合約之資產及負債：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
23,305	-
(322)	-
22,983	-

附註：

此包括於向客戶發出發票之日前已確認來自玻璃服務之收益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(d) Assets and liabilities related to contract with customers (continued)

Contract liabilities related to sales of goods (Note i)	有關銷售貨品之合約負債 (附註i)
Contract liabilities related to glass production and installation (Note i)	有關玻璃生產及安裝之合約負債 (附註i)
Contract liabilities related to sales of properties (Note ii)	有關銷售物業之合約負債 (附註ii)

Notes:

- (i) These consist of advanced payments received from customers for goods that have not yet been transferred to the customers.
- (ii) These consist of advanced payments received from customers resulting from the properties sales.

(e) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised for the year ended 31 March 2019 relates to carried-forward contract liabilities that were satisfied in a prior year:

Contract liabilities related to sales of goods

5 分類資料 (續)

(d) 有關客戶合約之資產及負債 (續)

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
92,618	-
1,267	-
72,296	-
166,181	-

附註：

- (i) 此包括就尚未轉移至客戶之貨品向客戶預先收取之付款。
- (ii) 此包括來自銷售物業向客戶預收之付款。

(e) 就合約負債已確認之收益

下表顯示截至二零一九年三月三十一日止年度就上一年度已完成之結轉合約負債而確認之收益款額：

有關銷售貨品之合約負債

2019 二零一九年 HK\$'000 千港元
69,855

NOTES TO FINANCIAL STATEMENTS

財務報表附註

6 OTHER INCOME AND GAINS, NET

6 其他收入及收益，淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividend income from financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產之股息收入	-	850
Fair value gain on financial assets at fair value through profit or loss, net	透過損益按公平值列賬之金融資產之公平值收益，淨額	6,720	8
Fair value gain on investment properties (Note 16)	投資物業之公平值收益 (附註16)	5,383	4,935
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備項目之收益，淨額	1,438	781
Gain on disposal of subsidiaries (Note 39)	出售附屬公司之收益 (附註39)	-	10,126
Gross rental income	租金收入總額	3,778	1,026
Sales of scrap materials	出售廢料	3,662	6,942
Subsidy income (Note)	補貼收入 (附註)	46,147	69,840
Write-back of impairment in properties under development	發展中物業之減值回撥	-	4,582
Write-back of impairment in property, plant and equipment	物業、廠房及設備之減值回撥	7,189	-
Others	其他	3,568	6,784
		77,885	105,874

NOTES TO FINANCIAL STATEMENTS

財務報表附註

6 OTHER INCOME AND GAINS, NET

(continued)

Note:

Various government subsidies have been received from the local government authorities for subsidising the operating activities, research and development activities, and acquisition of fixed assets. During the year ended 31 March 2019, subsidies amounting to HK\$46,147,000 (2018: HK\$69,840,000) are recognised in profit or loss, including the recognition of deferred government subsidies of HK\$33,112,000 (2018: HK\$26,338,000).

7 FINANCE COSTS, NET

Interest on bank loans	銀行貸款之利息
Bank interest income	銀行利息收入

During the year ended 31 March 2019, interest of HK\$9,760,000 (2018: HK\$7,921,000) was capitalised under properties under development. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's borrowings during the year of 3.7% (2018: 2.9%).

6 其他收入及收益，淨額 (續)

附註：

本公司已自當地政府機構收取各類政府補助以補貼營運活動、研發活動及收購固定資產。於截至二零一九年三月三十一日止年度，補助合共46,147,000港元(二零一八年：69,840,000港元)已於損益內確認，包括確認遞延政府補助33,112,000港元(二零一八年：26,338,000港元)。

7 財務費用，淨額

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	(14,135)	(3,279)
	1,406	934
	(12,729)	(2,345)

於截至二零一九年三月三十一日止年度，利息9,760,000港元(二零一八年：7,921,000港元)於發展中物業項下資本化。用於釐定將予資本化的借款成本金額的資本化率為適用於實體年內借款之加權平均利率，即3.7%(二零一八年：2.9%)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

8 PROFIT BEFORE TAX

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

8 除稅前溢利

本集團之除稅前溢利已扣除/(計入)下列各項：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	2,971,560	1,955,739
Amortisation of prepaid land lease payments (Note 17)	預付土地租金攤銷(附註17)	650	641
Amortisation of intangible assets (Note 18)	無形資產攤銷(附註18)	1,807	-
Depreciation (Note 15)	折舊(附註15)	104,915	80,098
Direct operating expenses (including repairs and maintenance) arising from rental earning investment properties	賺取租金之投資物業產生之直接經營開支(包括維修及保養)	281	193
Employee benefit expenses (Note 9)	僱員福利開支(附註9)	746,903	601,004
Impairment of accounts receivable (Note 22)	應收賬款之減值(附註22)	-	3,784
Legal and professional fee	法律及專業費用	9,028	10,690
Operating lease payments in respect of land and buildings	土地及樓宇經營租金開支	7,579	3,264
Impairment/(write-back of impairment) of inventories, net	存貨之減值/(減值回撥)淨額	3,034	(14,895)
Write-off of property, plant and equipment	撇銷物業、廠房及設備	904	-

NOTES TO FINANCIAL STATEMENTS

財務報表附註

9 EMPLOYEE BENEFIT EXPENSES

(a) Employee benefit expenses (including Directors' emoluments)

Wages, salaries and other employee welfares	工資、薪金及其他僱員福利
Retirement benefits costs	退休福利成本
Equity-settled share option expense (Note 30)	以權益結算之購股權開支 (附註30)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include five (2018: five) directors whose emoluments are reflected in the analysis shown in Note 10.

- (c) During the year, no emoluments have been paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2018: Nil).

9 僱員福利開支

(a) 僱員福利開支 (包括董事薪酬)

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
743,809	597,629
2,114	2,112
980	1,263
746,903	601,004

(b) 五位最高薪酬人士

本年度本集團五位最高薪酬人士當中包括五名(二零一八年:五名)董事,有關彼等之酬金於上文附註10列載之分析反映。

- (c) 於年內,本集團並無向董事支付任何酬金作為將加入本集團或加入本集團時的獎勵或作為離職補償(二零一八年:無)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

(a) Directors' and chief executive's emoluments

The remuneration of every director and chief executive for the year ended 31 March 2019 and 2018 is set out below:

2019	二零一九年
Executive directors and the chief executive	執行董事及最高行政人員
Cheng Chor Kit (Note i)	鄭楚傑 (附註i)
Fung Wah Cheong, Vincent	馮華昌
Liu Tat Luen	廖達鸞
Cheng Tsz To	鄭子濤
Cheng Tsz Hang	鄭子衡
Hui Ka Po, Alex	許家保
Independent non-executive directors	獨立非執行董事
Wong Chi Wai	黃聰維
Sun Kwai Yu, Vivian	孫季如
Cheng Kwok Kin, Paul	鄭國乾
Cheung Wang Ip	張宏業

10 董事利益及權益 (依據《香港公司條例》(第622章)第383條《公司(披露董事利益資料)規則》(第622G章)及香港上市規則披露要求)

(a) 董事及主要行政人員酬金

截至二零一九年及二零一八年三月三十一日止年度，各董事及主要行政人員的薪酬載列如下：

Fee	Salary	Discretionary bonus	Equity-settled share option expense	Pension scheme contributions	Total
袍金	薪金	酌情花紅	股本結算購股權開支	退休金計劃供款	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
-	4,500	-	-	-	4,500
-	2,700	-	-	18	2,718
-	1,269	-	-	18	1,287
-	1,350	-	-	18	1,368
-	1,620	-	-	18	1,638
-	2,610	-	117	18	2,745
300	-	-	82	-	382
300	-	-	82	-	382
300	-	-	82	-	382
300	-	-	82	-	382
1,200	14,049	-	445	90	15,784

NOTES TO FINANCIAL STATEMENTS

財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

(a) Directors' and chief executive's emoluments (continued)

2018	二零一八年
Executive directors and the chief executive	執行董事及最高行政人員
Cheng Chor Kit (Note i)	鄭楚傑(附註i)
Fung Wah Cheong, Vincent	馮華昌
Liu Tat Luen	廖達鸞
Cheng Tsz To	鄭子濤
Cheng Tsz Hang	鄭子衡
Chin Wee Hon (Note ii)	陳維翰(附註ii)
Hui Ka Po, Alex	許家保
Independent non-executive directors	獨立非執行董事
Wong Chi Wai	黃弛維
Sun Kwai Yu, Vivian	孫季如
Cheng Kwok Kin, Paul	鄭國乾
Cheung Wang Ip	張宏業

10 董事利益及權益(依據《香港公司條例》(第622章)第383條《公司(披露董事利益資料)規則》(第622G章)及香港上市規則披露要求)(續)

(a) 董事及主要行政人員酬金(續)

Fee	Salary	Discretionary bonus	Equity-settled share option expense	Pension scheme contributions	Total
袍金	薪金	酌情花紅	股本結算購股權開支	退休金計劃供款	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
-	6,000	978	-	-	6,978
-	3,600	825	-	18	4,443
-	1,692	300	-	18	2,010
-	840	700	-	18	1,558
-	1,200	669	-	18	1,887
-	798	-	130	12	940
-	3,471	386	132	18	4,007
300	-	-	285	-	585
300	-	-	285	-	585
300	-	-	70	-	370
300	-	-	74	-	374
1,200	17,601	3,858	976	102	23,737

NOTES TO FINANCIAL STATEMENTS

財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

(a) Directors' and chief executive's emoluments (continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2018: Nil).

Notes:

- (i) Mr. Cheng Chor Kit, a director of the Company, is also the chief executive of the Company.
- (ii) Mr. Chin Wee Hon resigned as an executive director on 12 November 2017.

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year ended 31 March 2019 (2018: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 March 2019 (2018: Nil).

10 董事利益及權益(依據《香港公司條例》(第622章)第383條《公司(披露董事利益資料)規則》(第622G章)及香港上市規則披露要求)(續)

(a) 董事及主要行政人員酬金(續)

於年內，並無董事或最高行政人員放棄或同意放棄任何酬金之安排(二零一八年：無)。

附註：

- (i) 本公司董事鄭楚傑先生亦為本公司行政總裁。
- (ii) 陳維翰先生已於二零一七年十一月十二日辭任執行董事職務。

(b) 董事退休福利

截至二零一九年三月三十一日止年度內，概無董事收到或將收到任何退休福利(二零一八年：零)。

(c) 董事辭退福利

截至二零一九年三月三十一日止年度內，概無董事收到或將收到任何辭退福利(二零一八年：零)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) *(continued)*

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2019, the Company did not pay consideration to any third parties for making available directors' services (2018: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 March 2019, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2018: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 18, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

10 董事利益及權益(依據《香港公司條例》(第622章)第383條《公司(披露董事利益資料)規則》(第622G章)及香港上市規則披露要求)(續)

(d) 就獲提供董事服務而給予第三方代價

截至二零一九年三月三十一日止年度，本公司概無就獲提供董事服務支付代價予任何第三方(二零一八年：零)。

(e) 關於向董事、受董事控制的法人團體及與董事有關連實體作出的貸款及類似貸款，以及惠及該等董事的其他交易的資料

截至二零一九年三月三十一日止年度，本公司概無向董事、或受董事控制的法人團體及與董事有關連實體作出貸款及類似貸款，以及惠及該等人士的其他交易安排(二零一八年：零)。

(f) 董事在交易、安排或合約中的重大權益

除附註18所披露者外，於本年年末或年內任何時間，概無與本集團業務有關連之重要交易、安排或合約，是以本公司為一方，同時本公司董事直接或間接地存在重大利害關係。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

11 INCOME TAX

11 所得稅

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current – Hong Kong	本年度 – 香港		
Charge for the year	年內支出	12,142	8,311
Adjustment for current tax of prior years	過往年度即期稅項調整	2,180	(2,354)
Current – Elsewhere	本年度 – 其他地區		
Charge for the year	年內支出	2,173	20,095
Adjustment for current tax of prior years	過往年度即期稅項調整	(8,118)	276
Deferred tax (Note 28)	遞延稅項(附註28)	10,383	6,291
Total tax charge for the year	年內稅項支出總額	18,760	32,619

A reconciliation of the tax charge applicable to profit before tax at the statutory rates for the locations in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

按本公司及其大多數附屬公司所在地之法定稅率計算之適用於除稅前溢利之稅項開支與按實際稅率計算之稅項開支對賬如下：

		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	129,171	182,325
Tax at the statutory tax rates	按法定稅率計算之稅項	20,719	36,591
Adjustments in respect of current tax of previous periods	有關過往期間即期稅項之調整	(5,938)	(2,078)
Income not subject to tax	毋須課稅之收入	(2,844)	(19,803)
Expenses not deductible for tax	不可扣稅之開支	3,874	17,522
Tax losses from previous periods utilised	已動用過往期間之稅項虧損	(952)	(2,803)
Tax losses not recognised	未確認之稅項虧損	10,679	6,601
Effect of different taxation rates under preferential tax treatment	稅務優惠下不同稅率的影響	(6,778)	(3,411)
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	18,760	32,619

NOTES TO FINANCIAL STATEMENTS

財務報表附註

11 INCOME TAX *(continued)*

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries in which the Group operates. The tax rate applicable to the subsidiaries in the PRC is 25% (2018: 25%), except for certain subsidiaries of the Group in the PRC that were approved as High and New Technology Enterprise during the year, and accordingly, they were subject to a reduced preferential corporate income tax ("CIT") rate of 15% for a 3-year period from 2017 to 2019 according to the applicable CIT Law.

11 所得稅 (續)

香港利得稅乃就年內於香港所產生之估計應課稅溢利按16.5% (二零一八年：16.5%) 之稅率計提撥備。於其他地區之應課稅溢利之稅項則按本集團經營所在國家現行之適用稅率計算。年內，中國之附屬公司之適用稅率為25% (二零一八年：25%)，惟獲批准作為高新技術企業之本集團若干中國附屬公司則除外，因此，根據適用企業所得稅法（「企業所得稅」），其於二零一七年至二零一九年三年期間按15%之較低優惠企業所得稅稅率繳付稅項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

12 DIVIDENDS

12 股息

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends paid during the year	年內已付股息		
Final dividend in respect of the financial year ended 31 March 2018 – HK7.0 cents per ordinary share (2018: final dividend in respect of the financial year ended 31 March 2017 – HK5.0 cents per ordinary share)	截至二零一八年三月三十一日止財政年度之末期股息－每股普通股7.0港仙(二零一八年：截至二零一七年三月三十一日止財政年度之末期股息－每股普通股5.0港仙)	30,728	21,518
Interim dividend – HK3.0 cents per ordinary share (2018: HK3.0 cents)	中期股息－每股普通股3.0港仙(二零一八年：3.0港仙)	13,168	13,063
		43,896	34,581
Proposed final dividend	建議末期股息		
Final – Nil (2018: HK7.0 cents per ordinary share)	末期股息－無(二零一八年：每股普通股7.0港仙)	–	30,692

The Board has resolved not to declare any final dividend for the Year (2018: HK7.0 cents per ordinary share).

董事會議決不會宣派本年度之末期股息(二零一八年：每股普通股7.0港仙)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

13 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- profit for the year attributable to equity holders of the Company of HK\$112,384,000 (2018: HK\$149,821,000),
- by the weighted average number of ordinary shares of 438,831,233 (2018: 431,580,548) in issue during the year.

A reconciliation of the weighted average number of ordinary shares used in calculating the basic and diluted earnings per share is as follows:

13 每股盈利

每股基本盈利乃按下列項目相除計算：

- 本公司權益持有人應佔年度溢利 112,384,000 港元 (二零一八年：149,821,000 港元)。
- 除以年內已發行普通股加權平均數 438,831,233 股 (二零一八年：431,580,548 股)。

用以計算每股基本及攤薄盈利之普通股加權平均數之對賬如下：

		2019 二零一九年	2018 二零一八年
Weighted average number of ordinary shares used in calculating basic earnings per share	用以計算每股基本盈利之普通股加權平均數	438,831,233	431,580,548
Weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all options outstanding during the year	假設於年內視為行使所有尚未行使之購股權而無償發行之普通股加權平均數	369,565	3,728,407
Weighted average number of ordinary shares used in calculating diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數	439,200,798	435,308,955
Basic earnings per share	每股基本盈利	HK25.61 cents 港仙	HK34.71 cents 港仙
Diluted earnings per share	每股攤薄盈利	HK25.59 cents 港仙	HK34.42 cents 港仙

NOTES TO FINANCIAL STATEMENTS

財務報表附註

13 EARNINGS PER SHARE *(continued)*

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to equity holders of the Company of HK\$112,384,000 (2018: HK\$149,821,000) and 439,200,798 (2018: 435,308,955) ordinary shares, being the number of shares outstanding during the year, adjusted for the effects of the dilutive potential ordinary shares outstanding during the year ended 31 March 2019.

13 每股盈利 *(續)*

於計算每股攤薄盈利金額時，乃根據本公司權益持有人應佔年度溢利112,384,000港元（二零一八年：149,821,000港元）及年內已發行股份數目439,200,798股（二零一八年：435,308,955股）普通股計算，並已就截至二零一九年三月三十一日止年度已發行並可能構成攤薄影響之潛在普通股作出調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

14 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March 2019:

14 附屬公司

下表載列於二零一九年三月三十一日之主要附屬公司：

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	Ownership interest held by the Group	Principal activities
公司名稱	註冊成立地點及法人實體類型	已發行股本詳情	本集團持有之所有權權益	主要業務
Directly held				
直接持有				
Kin Yat Holdings (BVI) Limited	British Virgin Islands, limited liability company	Ordinary share US\$1	100%	Investment holding
建溢集團(英屬處女群島)有限公司	英屬處女群島, 有限公司	普通股1美元		投資控股
Indirectly held				
間接持有				
Guizhou Kin Yat Property Company Limited	The PRC, limited liability company	Ordinary shares RMB130,000,000	100%	Property development
貴州建溢房地產有限公司	中國, 有限公司	普通股人民幣130,000,000元		房地產開發
Guizhou Standard Electric Motor Company Limited	The PRC, limited liability company	Ordinary shares HK\$110,000,000	100%	Manufacture and trading of motors
貴州標準電機有限公司	中國, 有限公司	普通股110,000,000港元		製造及買賣電機
Kin Yat (Guizhou) Robot Company Limited	The PRC, limited liability company	Ordinary shares RMB100,000,000	100%	Manufacture and trading of toys and electronic products
建溢(貴州)機器人有限公司	中國, 有限公司	普通股人民幣100,000,000元		製造及買賣玩具及電子產品
Kin Yat (Hong Kong) Corporation Limited	Hong Kong, limited liability company	Ordinary shares HK\$10,000	100%	Trading of electrical products
建溢(香港)實業有限公司	香港, 有限公司	普通股10,000港元		買賣電器產品

NOTES TO FINANCIAL STATEMENTS

財務報表附註

14 SUBSIDIARIES (continued)

The following is a list of the principal subsidiaries at 31 March 2019: (continued)

14 附屬公司 (續)

下表載列於二零一九年三月三十一日之主要附屬公司：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	Ownership interest held by the Group	Principal activities
公司名稱	註冊成立地點及法人實體類型	已發行股本詳情	本集團持有之所有權權益	主要業務
Indirectly held (continued)				
間接持有 (續)				
Kin Yat Industrial Company Limited	Hong Kong, limited liability company	Ordinary shares HK\$3,200,000	100%	Trading of toys, electronic products, and sourcing of materials
建溢實業有限公司	香港，有限公司	普通股3,200,000港元		買賣玩具、電子產品及材料採購
Newway Electrical Industries (Hong Kong) Limited	Hong Kong, limited liability company	Ordinary shares HK\$10,000	100%	Trading of electrical household appliances
新法電器實業(香港)有限公司	香港，有限公司	普通股10,000港元		買賣家電
Penta Blesses Enterprises Limited	Hong Kong, limited liability company	Ordinary shares HK\$1,000,000	100%	Investment and property holding
五福企業有限公司	香港，有限公司	普通股1,000,000港元		投資及持有物業
Renhua Talent Wood Company Limited	The PRC, limited liability company	Ordinary shares HK\$26,500,000	100%	Manufacture and trading of toys
仁化縣智能木業有限公司	中國，有限公司	普通股26,500,000港元		製造及買賣玩具
Shaoguan Turbo Electronic Technology Company Limited	The PRC, limited liability company	Ordinary shares US\$8,000,000	100%	Manufacture and trading of toys and electrical appliances
韶關德寶電子科技有限公司	中國，有限公司	普通股8,000,000美元		製造及買賣玩具及電器
Shenzhen Kin Yat Power Electronic Company Limited	The PRC, limited liability company	Ordinary shares US\$5,000,000	100%	Manufacture and trading of toys and electronic products
深圳建溢實電子有限公司	中國，有限公司	普通股5,000,000美元		製造及買賣玩具及電子產品

NOTES TO FINANCIAL STATEMENTS

財務報表附註

14 SUBSIDIARIES (continued)

The following is a list of the principal subsidiaries at 31 March 2019: (continued)

14 附屬公司 (續)

下表載列於二零一九年三月三十一日之主要附屬公司：(續)

Name	Place of incorporation and kind of legal entity 註冊成立地點及法人實體類型	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group 本集團持有之所有權權益	Principal activities 主要業務
Indirectly held (continued) 間接持有 (續)				
Shixing Standard Motor Company Limited 始興縣標準微型馬達有限公司	The PRC, limited liability company 中國，有限公司	Ordinary shares US\$23,000,000 普通股23,000,000美元	100%	Property holding, manufacture and trading of motors 持有物業、製造及買賣電機
Smart Electric Motor Company Limited 精密電機有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary share HK\$1 普通股1港元	100%	Trading of motors and materials 買賣電機及物料
Smart Electric Motor Singapore Pte. Limited	Singapore, limited liability company 新加坡，有限公司	Ordinary shares SG\$100 普通股100新加坡元	100%	Trading of motors 買賣電機
Standard Encoder (Malaysia) Sdn Bhd	Malaysia, limited liability company 馬來西亞，有限公司	Ordinary shares RM500,000 普通股500,000馬幣	100%	Manufacture and trading of encoder film 製造及買賣編碼器菲林
Standard Land (Malaysia) Sdn Bhd	Malaysia, limited liability company 馬來西亞，有限公司	Ordinary shares RM500,000 普通股500,000馬幣	100%	Property holding 持有物業
Standard Motor Company Limited 標準微型摩打有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary shares HK\$40,000,000 普通股40,000,000港元	100%	Trading of motors and sourcing of materials 買賣電機及採購物料
Standard Motor Japan Company Limited	Japan, limited liability company 日本，有限公司	Ordinary shares JPY10,000,000 普通股10,000,000日圓	100%	Trading of motors 買賣電機

NOTES TO FINANCIAL STATEMENTS

財務報表附註

14 SUBSIDIARIES (continued)

The following is a list of the principal subsidiaries at 31 March 2019: (continued)

14 附屬公司 (續)

下表載列於二零一九年三月三十一日之主要附屬公司：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	Ownership interest held by the Group	Principal activities
公司名稱	註冊成立地點及法人實體類型	已發行股本詳情	本集團持有之所有權權益	主要業務
Indirectly held (continued)				
間接持有 (續)				
Unicon Investments Limited 裕康投資有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary shares HK\$10,000 普通股10,000港元	100%	Property holding 持有物業
World Talent Enterprise Limited 環智企業有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary shares HK\$1,000,000 普通股1,000,000港元	100%	Trading of toys 買賣玩具
貴州德智科技有限公司	The PRC, limited liability company 中國，有限公司	Ordinary shares RMB5,000,000 普通股人民幣 5,000,000元	100%	Manufacture of toys and clothes 製造玩具及服裝
Progress Power-Saving Glass Technology Company Limited 創建節能玻璃科技有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary shares HK\$20,000 普通股20,000港元	64%	Trading of glass products 買賣玻璃產品
創建節能玻璃(貴州)有限公司	The PRC, limited liability company 中國，有限公司	Ordinary shares RMB30,000,000 普通股人民幣 30,000,000元	64%	Sale and downstream processing of glass 銷售和下游加工玻璃
貴州創建智能幕牆工程 有限公司	The PRC, limited liability company 中國，有限公司	Ordinary shares RMB50,000,000 普通股人民幣 50,000,000元	64%	Design, manufacture and installation of curtain wall systems 設計、生產及安裝 幕牆系統

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Medium term leasehold land and buildings 中期租賃 土地及樓宇 HK\$'000 千港元	Freehold land and buildings 永久業權 土地及樓宇 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Moulds, tools, and plant and machinery 模具、工具 及廠房與機器 HK\$'000 千港元	Furniture, equipment and motor vehicles 傢俬、設備 及汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 March 2019	二零一九年三月三十一日						
Cost or valuation:	成本值或估值：						
At 1 April 2018	於二零一八年四月一日	370,074	25,216	52,378	917,165	414,094	1,778,927
Additions	添置	-	-	50,507	227,348	22,938	300,793
Disposals	出售	-	-	-	(17,880)	(646)	(18,526)
Acquisition of a subsidiary (Note 18)	收購一間附屬公司 (附註18)	-	-	147	31,143	7,050	38,340
Write-off	撇銷	-	-	-	-	(4,204)	(4,204)
Transfers	轉撥	-	-	(1,496)	838	658	-
Surplus on revaluation	重估盈餘	68,754	176	-	-	-	68,930
Write-back on revaluation	重估時回撥	(14,650)	(176)	-	-	-	(14,826)
Exchange realignment	匯兌調整	(8,601)	1,830	(3,946)	(47,624)	(13,253)	(71,594)
At 31 March 2019	於二零一九年三月三十一日	415,577	27,046	97,590	1,110,990	426,637	2,077,840
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 April 2018	於二零一八年四月一日	-	-	-	629,926	282,333	912,259
Provided during the year	年內撥備	14,650	176	-	63,929	26,160	104,915
Disposals	出售	-	-	-	(8,745)	(580)	(9,325)
Write-off	撇銷	-	-	-	-	(3,300)	(3,300)
Write-back on revaluation	重估時回撥	(14,650)	(176)	-	-	-	(14,826)
Exchange realignment	匯兌調整	-	-	-	(28,318)	(7,289)	(35,607)
At 31 March 2019	於二零一九年三月三十一日	-	-	-	656,792	297,324	954,116
Net book value:	賬面淨值：						
At 31 March 2019	於二零一九年三月三十一日	415,577	27,046	97,590	454,198	129,313	1,123,724
An analysis of cost or valuation:	成本值或估值之分析：						
At cost	按成本值	-	-	97,590	1,110,990	426,637	1,635,217
At 2019 valuation	按二零一九年之估值	415,577	27,046	-	-	-	442,623
		415,577	27,046	97,590	1,110,990	426,637	2,077,840

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (continued)

15 物業、廠房及設備 (續)

		Medium term leasehold land and buildings 中期租賃土地及樓宇 HK\$'000 千港元	Freehold land and buildings 永久業權土地及樓宇 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Moulds, tools, and plant and machinery 模具、工具及廠房與機器 HK\$'000 千港元	Furniture, equipment and motor vehicles 傢俬、設備及汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 March 2018	二零一八年三月三十一日						
Cost or valuation:	成本值或估值：						
At 1 April 2017	於二零一七年四月一日	335,828	23,853	8,189	839,591	378,813	1,586,274
Additions	添置	-	-	42,864	96,152	29,508	168,524
Disposals	出售	(1,881)	-	-	(1,388)	(1,261)	(4,530)
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	4,938	4,489	9,427
Disposal of subsidiaries	出售附屬公司	-	-	-	(50,391)	(22,135)	(72,526)
Write-off	撇銷	-	-	-	(49,413)	-	(49,413)
Transfers	轉撥	-	-	(1,680)	-	1,680	-
Surplus on revaluation	重估盈餘	34,800	168	-	-	-	34,968
Write-back on revaluation	重估時回撥	(13,661)	(168)	-	-	-	(13,829)
Exchange realignment	匯兌調整	14,988	1,363	3,005	77,676	23,000	120,032
At 31 March 2018	於二零一八年三月三十一日	370,074	25,216	52,378	917,165	414,094	1,778,927
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 April 2017	於二零一七年四月一日	-	-	-	633,760	271,464	905,224
Provided during the year	年內撥備	13,703	168	-	44,568	21,659	80,098
Disposals	出售	(42)	-	-	(1,266)	(1,191)	(2,499)
Disposal of subsidiaries	出售附屬公司	-	-	-	(50,391)	(22,135)	(72,526)
Write-back on revaluation	重估時回撥	(13,661)	(168)	-	-	-	(13,829)
Write-off	撇銷	-	-	-	(49,413)	-	(49,413)
Exchange realignment	匯兌調整	-	-	-	52,668	12,536	65,204
At 31 March 2018	於二零一八年三月三十一日	-	-	-	629,926	282,333	912,259
Net book value:	賬面淨值：						
At 31 March 2018	於二零一八年三月三十一日	370,074	25,216	52,378	287,239	131,761	866,668
An analysis of cost or valuation:	成本值或估值之分析：						
At cost	按成本值	-	-	52,378	917,165	414,094	1,383,637
At 2018 valuation	按二零一八年之估值	370,074	25,216	-	-	-	395,290
		370,074	25,216	52,378	917,165	414,094	1,778,927

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

At 31 March 2019, the Group's land and buildings in Hong Kong, and buildings in Mainland China and Malaysia were revalued based on valuation performed by Asset Appraisal Limited, independent professionally qualified valuers, at HK\$87,000,000 (2018: HK\$78,700,000), RMB280,050,000 (2018: RMB235,600,000) (equivalent to HK\$328,577,000 (2018: HK\$291,375,000)) and Malaysian Ringgit ("RM") 14,200,000 (2018: RM13,630,000) (equivalent to HK\$27,046,000 (2018: HK\$25,216,000)), respectively. Revaluation surpluses of HK\$68,930,000 (2018: HK\$34,968,000) resulting from the above revaluation were credited to the asset revaluation reserve.

Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management discusses with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

There has been no change from the valuation techniques used in prior years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Fair value hierarchy

The fair values of the Group's land and buildings at 31 March 2019 and 2018 are estimated by using significant unobservable inputs and the fair value measurement is categorised within Level 3.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

15 物業、廠房及設備 (續)

於二零一九年三月三十一日，本集團於香港之土地及樓宇以及於中國內地及馬來西亞之樓宇乃根據獨立專業合資格估值師中誠達資產評估顧問有限公司所進行之估值而重估，估值分別為87,000,000港元（二零一八年：78,700,000港元）、人民幣280,050,000元（二零一八年：人民幣235,600,000元）（相等於328,577,000港元（二零一八年：291,375,000港元））及14,200,000馬幣（「馬幣」）（二零一八年：13,630,000馬幣）（相等於27,046,000港元（二零一八年：25,216,000港元））。上述重估產生之重估盈餘68,930,000港元（二零一八年：34,968,000港元）已計入資產重估儲備。

每年，本集團委聘外聘估值師負責對本集團之物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業標準。當為財務申報進行估值時，管理層會與估值師討論估值假設及估值結果。

過往年度所用估值技術並無變動。於估計物業之公平值時，有關物業之最高及最佳用途為其現時用途。

公平值架構

於二零一九年及二零一八年三月三十一日，本集團之土地及樓宇之公平值乃採用重大不可觀察輸入數據估計及公平值計量分類於第三層下。

於本年度，概無任何公平值計量在第一層與第二層之間轉移，亦無轉入或轉出第三層（二零一八年：無）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair value hierarchy (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

15 物業、廠房及設備 (續)

公平值架構 (續)

已分類於公平值架構第三層內之公平值計量之對賬：

		Land and buildings in Hong Kong (Industrial) 於香港之土地及樓宇 (工業)	Buildings in Mainland China (Residential) 於中國內地之樓宇 (住宅)	Buildings in Mainland China (Industrial) 於中國內地之樓宇 (工業)	Buildings in Malaysia (Industrial) 於馬來西亞之樓宇 (工業)	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Carrying amount:	賬面值：					
At 1 April 2018	於二零一八年四月一日	78,700	-	291,375	25,215	395,290
Depreciation	折舊	(3,148)	-	(11,502)	(176)	(14,826)
Surplus on revaluation	重估盈餘	11,448	-	57,306	176	68,930
Exchange realignment	匯兌調整	-	-	(8,602)	1,831	(6,771)
At 31 March 2019	於二零一九年三月三十一日	87,000	-	328,577	27,046	442,623
At 1 April 2017	於二零一七年四月一日	60,800	1,792	273,236	23,853	359,681
Depreciation	折舊	(2,432)	(42)	(11,229)	(168)	(13,871)
Disposal	出售	-	(1,839)	-	-	(1,839)
Surplus on revaluation	重估盈餘	20,332	-	14,468	168	34,968
Exchange realignment	匯兌調整	-	89	14,900	1,362	16,351
At 31 March 2018	於二零一八年三月三十一日	78,700	-	291,375	25,215	395,290

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Fair value hierarchy *(continued)*

Below is a summary of the valuation techniques used and the key inputs to the valuation of properties:

Class of properties 物業類別	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range of unobservable inputs (weighted average) 不可觀察輸入數據範圍 (加權平均)	
			2019 二零一九年 HK\$ 港元	2018 二零一八年 HK\$ 港元
Hong Kong 香港	Market comparable method 市場比較法	Gross unit rate per square foot 每平方米呎總單位價格	4,135 to 4,231	3,750 to 3,827
- Land and buildings - 土地及樓宇			4,135至4,231	3,750至3,827
- Industrial - 工業				
- Level 3 - 第三層				
Mainland China 中國內地	Direct replacement cost method 直接重置成本法	Gross unit rate per square foot 每平方米呎總單位價格	67 to 145	57 to 125
- Buildings - 樓宇			67至145	57至125
- Industrial - 工業				
- Level 3 - 第三層				
Malaysia 馬來西亞	Direct replacement cost method 直接重置成本法	Gross unit rate per square foot 每平方米呎總單位價格	488	455
- Buildings - 樓宇				
- Industrial - 工業				
- Level 3 - 第三層				

As at 31 March 2019, had the Group's land and buildings stated at valuation been carried at cost less accumulated depreciation, they would have been included in the financial statements at approximately HK\$173,004,000 (2018: HK\$191,353,000).

15 物業、廠房及設備 (續)

公平值架構 (續)

物業估值所用之估值方法及主要輸入數據概要如下：

於二零一九年三月三十一日，倘本集團之土地及樓宇以成本減累積折舊計算賬面值，列入財務報表中有關土地及樓宇之賬面值約為173,004,000港元（二零一八年：191,353,000港元）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

16 INVESTMENT PROPERTIES

16 投資物業

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount at the beginning of year	年初賬面值	63,061	42,173
Transfer from properties under development	從發展中物業轉撥	-	10,733
Gain from fair value adjustment (Note 6)	來自公平值調整之收益 (附註6)	5,383	4,935
Exchange realignment	匯兌調整	(3,374)	5,220
Carrying amount at the end of year	年末賬面值	65,070	63,061

During the year ended 31 March 2018, the construction of The Royale Cambridge Residences in Guizhou Province is substantially completed, the Group has reviewed the intended usage of the commercial building, and determined that certain area could be leased to derive rental income. Therefore, certain portion is transferred from properties under development to investment properties.

The balance also included residential units and car park, and a commercial leasehold land in Shaanxi Province and Guizhou Province, respectively.

The Group's investment properties were revalued on 31 March 2019 based on valuations performed by Assets Appraisal Limited, independent professionally qualified valuers, at RMB55,460,000 (2018: RMB50,990,000) (equivalent to HK\$65,070,000 (2018: HK\$63,061,000)).

Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management discusses with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

There has been no change from the valuation techniques used in prior years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

截至二零一八年三月三十一日止年度，貴州省劍橋皇家的建設工作已基本完成，本集團已審閱商業樓宇的擬定用途，並釐定可賺取租金收入的若干地盤。因此，若干部分將自發展中物業轉撥至投資物業。

結餘亦分別包括陝西省的住宅單位及停車場，以及貴州省的商業租賃土地。

於二零一九年三月三十一日，本集團之投資物業根據獨立專業合資格估值師行中誠達資產評估顧問有限公司進行之估值重估為人民幣55,460,000元（二零一八年：人民幣50,990,000元）（相等於65,070,000港元（二零一八年：63,061,000港元））。

每年，本集團委聘外聘估值師負責對本集團之物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業標準。當為財務申報進行估值時，管理層會與估值師討論估值假設及估值結果。

於過往年度採用之估值方法並無變動。於估計物業之公平值時，有關物業之最高及最佳用途為其現時用途。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

16 INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The fair values of the Group's investment properties at 31 March 2019 and 2018 are estimated by using significant unobservable inputs and the fair value measurement is categorised within Level 3. During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

16 投資物業 (續)

公平值架構

於二零一九年及二零一八年三月三十一日，本集團投資物業的公平值乃使用重大不可觀察輸入數據估計及公平值計量歸類至第三層。於本年度，概無任何公平值計量在第一層與第二層之間轉移，亦無轉入或轉出第三層（二零一八年：無）。

歸類至公平值架構第三層之公平值計量對賬如下：

		Buildings in Mainland China (Residential) 位於中國內地 之樓宇 (住宅) HK\$'000 千港元	Land in Mainland China (Commercial) 位於中國內地 之土地 (商業) HK\$'000 千港元	Building in Mainland China (Commercial) 位於中國內地 之樓宇 (商業) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount:	賬面值：				
At 1 April 2018	於二零一八年四月一日	4,564	46,995	11,502	63,061
Gain/loss from a fair value adjustment	公平值調整產生之 收益／虧損	(638)	5,781	240	5,383
Exchange realignment	匯兌調整	(218)	(2,561)	(595)	(3,374)
At 31 March 2019	於二零一九年 三月三十一日	3,708	50,215	11,147	65,070
At 1 April 2017	於二零一七年四月一日	3,875	38,298	-	42,173
Transferred from properties under development	從發展中物業轉撥	-	-	10,733	10,733
Gain from a fair value adjustment	公平值調整產生之收益	270	4,467	198	4,935
Exchange realignment	匯兌調整	419	4,230	571	5,220
At 31 March 2018	於二零一八年 三月三十一日	4,564	46,995	11,502	63,061

NOTES TO FINANCIAL STATEMENTS

財務報表附註

16 INVESTMENT PROPERTIES (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

16 投資物業 (續)

投資物業估值所用之估值方法及主要輸入數據概述如下：

Class of properties 物業類別	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range of unobservable inputs (weighted average) 不可觀察輸入數據範圍 (加權平均)	
			2019 二零一九年 HK\$ 港元	2018 二零一八年 HK\$ 港元
Residential properties in Mainland China 於中國內地之住宅物業	Market comparable method 市場比較法	Gross unit rate per square foot [#] 每平方呎總單位價格 [#]	951	1,170
Leasehold land in Mainland China 於中國內地之租賃土地	Market comparable method 市場比較法	Gross unit rate per square foot [#] 每平方呎總單位價格 [#]	26	24
Commercial properties in Mainland China 於中國內地之商業物業	Income method 收入法	Gross unit rate per square foot [#] 每平方呎總單位價格 [#]	518	534

[#] The higher the gross unit rate per square foot, the higher the fair value.

[#] 每平方呎總單位價格愈高，公平值愈高。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

17 PREPAID LAND LEASE PAYMENTS

17 預付土地租金

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost:	成本：		
At the beginning of year	於年初	33,174	31,431
Exchange realignment	匯兌調整	(946)	1,743
At the end of year	於年末	32,228	33,174
Amortisation:	攤銷：		
At the beginning of year	於年初	8,402	7,314
Recognised during the year (Note 8)	年內確認(附註8)	650	641
Exchange realignment	匯兌調整	(261)	447
At the end of year	於年末	8,791	8,402
Carrying amount at the end of year	於年末之賬面值	23,437	24,772
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Outside Hong Kong, held on:	於香港境外所持有：		
Leases of between 40 to 50 years	租期為40至50年	23,437	24,772

NOTES TO FINANCIAL STATEMENTS

財務報表附註

18 INTANGIBLE ASSETS

18 無形資產

		Goodwill 商譽 HK\$'000 千港元	Technology 技術 HK\$'000 千港元	Contract order back log 積壓合約訂單 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及 二零一八年四月一日				
Cost	成本	7,872	-	-	7,872
Accumulated amortisation	累計攤銷	-	-	-	-
Net book value	賬面淨值	7,872	-	-	7,872
Opening net book amount	年初賬面淨值	7,872	-	-	7,872
Acquisition of a subsidiary (Note)	收購一間附屬公司(附註)	10,713	18,100	900	29,713
Amortisation	攤銷	-	(1,207)	(600)	(1,807)
Exchange alignment	匯兌調整	1	-	-	1
Closing net book amount	年末賬面淨值	18,586	16,893	300	35,779
At 31 March 2019	於二零一九年三月三十一日				
Cost	成本	18,586	18,100	900	37,586
Accumulated amortisation	累計攤銷	-	(1,207)	(600)	(1,807)
Net book value	賬面淨值	18,586	16,893	300	35,779
At 31 March 2017 and 1 April 2017	於二零一七年三月三十一日及 二零一七年四月一日				
Cost	成本	4,650	-	-	4,650
Accumulated amortisation	累計攤銷	-	-	-	-
Net book value	賬面淨值	4,650	-	-	4,650
Opening net book amount	年初賬面淨值	4,650	-	-	4,650
Acquisition of a subsidiary (Note b)	收購一間附屬公司(附註b)	3,061	-	-	3,061
Exchange alignment	匯兌調整	161	-	-	161
Closing net book amount	年末賬面淨值	7,872	-	-	7,872
At 31 March 2018	於二零一八年三月三十一日				
Cost	成本	7,872	-	-	7,872
Accumulated amortisation	累計攤銷	-	-	-	-
Net book value	賬面淨值	7,872	-	-	7,872

Amortisation of intangible assets is included in administrative expenses in the consolidated income statement.

無形資產攤銷已計入綜合收益表之行政開支內。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

18 INTANGIBLE ASSETS (continued)

Notes:

- (a) On 3 April 2018, Kin Yat Enterprises (BVI) Limited ("Kin Yat Enterprises"), a wholly-owned subsidiary of the Group, entered into a sales and purchase agreement with a third party to acquire 13% equity interest in Progress Power-Saving Glass Technology Co., Limited ("Progress Power-Saving") together with shareholder's loan amounting to HK\$1,386,000 provided by the seller to Progress Power-Saving at a total cash consideration of HK\$7,647,000.

On 25 July 2018, Kin Yat Enterprises entered into a sales and purchase agreement with Silurian Resources Limited, which is wholly owned by Mr. Cheng Chor Kit, the chairman of the Board of Directors and chief executive officer of the Company. Pursuant to the agreement, Kin Yat Enterprises will further acquire 51% equity interest in Progress Power-Saving together with shareholder's loan amounting to HK\$16,820,000 provided by Mr. Cheng Chor Kit to Progress Power-Saving at a total cash consideration of HK\$30,000,000.

The acquisition was completed on 14 August 2018. Upon the completion, the Group holds 64% equity interest in Progress Power-Saving, of which its wholly owned subsidiaries are principally engaged in the sales and downstream processing of glass.

18 無形資產 (續)

附註：

- (a) 於二零一八年四月三日，本集團之全資附屬公司Kin Yat Enterprises (BVI) Limited (「Kin Yat Enterprises」) 與第三方訂立買賣協議，以收購創建節能玻璃科技有限公司 (「創建節能」) 之13%股權連同賣方向創建節能提供之股東貸款1,386,000港元，總現金代價為7,647,000港元。

於二零一八年七月二十五日，Kin Yat Enterprises與志留紀資源有限公司(其由本公司董事會主席兼行政總裁鄭楚傑先生全資擁有)訂立買賣協議。根據該協議，Kin Yat Enterprises將進一步收購創建節能之51%股權連同鄭楚傑先生向創建節能提供之股東貸款16,820,000港元，總現金代價為30,000,000港元。

收購事項已於二零一八年八月十四日完成。於完成後，本集團持有創建節能64%股權，該公司之全資附屬公司主要從事銷售和下游加工玻璃。

		HK\$'000 千港元
Consideration:	代價：	
Cash	現金	37,647
Recognised amounts of identifiable assets acquired and liabilities assumed	可識別之已收購資產及已承擔負債之已確認金額	
Cash and cash equivalents	現金及現金等同物	856
Property, plant and equipment	物業、廠房及設備	38,340
Inventories	存貨	14,885
Accounts and other receivables	應收賬款及其他應收款項	33,897
Intangible assets	無形資產	19,000
Accounts and other payables	應付賬款及其他應付款項	(88,590)
Deferred tax liability	遞延稅項負債	(4,750)
Total identifiable net assets	總計可識別資產淨值	13,638
Non-controlling interests	非控股權益	(4,910)
Amounts due to shareholders assigned to Kin Yat Enterprises	轉讓予Kin Yat Enterprises之應付股東款項	18,206
Goodwill	商譽	10,713
		37,647

NOTES TO FINANCIAL STATEMENTS

財務報表附註

18 INTANGIBLE ASSETS (continued)

Notes: (continued)

(a) (continued)

The goodwill of HK\$10,713,000 arising from the acquisition is attributable to the synergies from combining the operations of the Group and Progress Power-Saving. None of the goodwill recognised is expected to be deductible for income tax purpose.

The acquired business contributed revenue of HK\$83,468,000 and net loss of HK\$3,221,000 to the Group for the period from 1 August 2018 to 31 March 2019. If acquisition had occurred on 1 April 2018, consolidated revenue and net profit to the Group for the year ended 31 March 2019 would have been HK\$4,249,701,000 and HK\$109,334,000 respectively.

(b) On 10 December 2017, Kin Yat (Guizhou) Robot Group, a wholly-owned subsidiary company of the Group, entered into a sales and purchase agreement to acquire the entire issued share capital of 貴州德智科技有限公司 at a cash consideration of RMB5,000,000 (equivalent to HK\$5,877,000). 貴州德智科技有限公司 is principally engaged in the manufacturing of toys and clothes.

On 26 December 2017, all the conditions precedent under the agreement have been fulfilled, the shares were transferred to the Company and the acquisition has been completed. Upon the completion, the Group has acquired the control over 貴州德智科技有限公司, and goodwill of HK\$3,061,000 was resulted from the acquisition.

18 無形資產 (續)

附註：(續)

(a) (續)

收購所產生之商譽10,713,000港元乃來自合併本集團及創建節能之營運所產生之協同效應。預期概無已確認商譽可就所得稅作出扣減。

於二零一八年八月一日至二零一九年三月三十一日期間，所收購業務為本集團帶來收益83,468,000港元及淨虧損3,221,000港元。倘若收購於二零一八年四月一日發生，本集團截至二零一九年三月三十一日止年度的綜合收益及純利將分別為4,249,701,000港元及109,334,000港元。

(b) 於二零一七年十二月十日，本集團之全資附屬公司建溢(貴州)機器人集團訂立買賣協議，以現金代價人民幣5,000,000元(相等於5,877,000港元)收購貴州德智科技有限公司的全部已發行股本。貴州德智科技有限公司主要從事製造玩具及服裝。

於二零一七年十二月二十六日，協議項下的所有先決條件均獲達成，股份已轉讓予本公司且收購事項已完成。於完成後，本集團已取得貴州德智科技有限公司的控制權，而收購產生的商譽為3,061,000港元。

		HK\$'000 千港元
Consideration:	代價：	
Cash	現金	5,877
Recognised amounts of identifiable assets acquired and liabilities assumed	可識別之已收購資產與已承擔負債之已確認金額	
Cash and cash equivalents	現金及現金等同物	2,278
Property, plant and equipment	物業、廠房及設備	9,427
Accounts and other receivables	應收賬款及其他應收款項	5,074
Accounts and other payables	應付賬款及其他應付款項	(10,270)
Deferred government subsidy	遞延政府補貼	(3,693)
Total identifiable net assets	總計可識別資產淨值	2,816
Goodwill	商譽	3,061
		5,877

NOTES TO FINANCIAL STATEMENTS

財務報表附註

18 INTANGIBLE ASSETS (continued)

Notes: (continued)

(b) (continued)

The goodwill of HK\$3,061,000 arising from the acquisition is attributable to the synergies from combining the operations of the Group and 貴州德智科技有限公司. None of the goodwill recognised is expected to be deductible for income tax purpose.

(c) Impairment test for goodwill

Management reviewed the business performance based on type of business as follows:

Electrical and electronic products	電器及電子產品
Motors	電機
Glass technology and application	玻璃技術及應用

At 31 March

於三月三十一日

During the year ended 31 March 2019, the management of the Group determined that there was no impairment of the CGU to which the goodwill has been allocated. The recoverable amount of goodwill is determined using a value in use calculation with cash flow projections based on financial budgets covering a five-year period approved by senior management. The key assumption for the cash flow projections is the budget gross margin which is the average gross margin achieved in the years before the budgeted year. The discount rates applied to the cash flow projections for electrical and electronic products, motors, and glass technology and application segments were 14%, 14% and 17% (2018: electrical and electronic products and motors segment: 14% and 14%) respectively. The financial budgets are prepared reflecting actual and prior year performance and development expectations.

18 無形資產 (續)

附註：(續)

(b) (續)

收購所產生之商譽3,061,000港元乃來自合併本集團及貴州德智科技有限公司之營運所產生之協同效應。預期概無已確認商譽可就所得稅作出扣減。

(c) 商譽減值測試

管理層根據以下業務類型審閱業務表現：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
3,222	3,222
4,650	4,650
10,713	-
18,585	7,872

於截至二零一九年三月三十一日止年度，本集團管理層釐定，獲分配商譽之現金產生單位並無減值。商譽之可收回金額按照使用價值計算釐定，而使用價值則使用高級管理層批准之涵蓋五年期之財政預算之現金流量預測計算。現金流量預測之主要假設為預算毛利率，其為於預算年度前數年內所達致之平均毛利率。就電器及電子產品、電機以及玻璃技術及應用分類之現金流預測採用之貼現率分別為14%、14%及17%（二零一八年：電器及電子產品以及電機分類：14%及14%）。財政預算之編製旨在反映實際及上年度的業績及發展預期。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

19 PROPERTIES UNDER DEVELOPMENT

19 發展中物業

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Properties under development (Note)	發展中物業 (附註)	530,710	294,963
Current portion	即期部分	(485,863)	(247,795)
Non-current portion	非即期部分	44,847	47,168

Note:

Properties under development comprise:

附註：

發展中物業包括：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Construction costs and capitalised expenditures	建築成本及資本化支出	331,532	190,712
Interests capitalised	利息資本化	30,961	21,201
Land use rights	土地使用權	168,217	83,050
		530,710	294,963

During the year ended 31 March 2018, certain properties under development of HK\$4,582,000 which previously impaired was written-back to reflect the increase in net realisable value of these properties (Note 6).

於截至二零一八年三月三十一日止年度，若干發展中物業4,582,000港元已回撥先前減值以反映該等物業可變現淨值之增加(附註6)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

20 INVESTMENT IN ASSOCIATES

20 於聯營公司之投資

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Movements in the investment in associates are as follows:	於聯營公司之投資變動如下：		
At the beginning of year	於年初	6,183	-
Addition	添置	7,189	5,877
Share of post-tax losses	應佔除稅後虧損	(827)	-
Exchange alignment	匯兌調整	(480)	306
At the end of year	於年末	12,065	6,183

Name of entity 實體名稱	Place of business/ country of establishment 營業地點/ 成立國家	% of effective interest		Nature of the relationship 關係性質	Measurement method 計量方法	Carrying amount	
		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
貴州法拉第磁電有限公司	The PRC 中國	33.33%	33.33%	Associate 聯營	Equity 權益法	5,419	6,183
貴州法拉第鍍膜靶材有限公司	The PRC 中國	46.7%	-	Associate 聯營	Equity 權益法	6,646	-

During the year ended 31 March 2019, the Group has subscribed 46.7% of the equity interest in 貴州法拉第鍍膜靶材有限公司 at a consideration of RMB5,970,000 (equivalent to HK\$7,189,000) settled by fixed asset injection. During the year ended 31 March 2018, the Group has indirectly subscribed 33.33% of the equity interest in 貴州法拉第磁電有限公司 at a cash consideration of RMB5,000,000 (equivalent to HK\$5,877,000).

於截至二零一九年三月三十一日止年度，本集團以代價人民幣5,970,000元（相等於7,189,000港元）認購貴州法拉第鍍膜靶材有限公司的46.7%股權，透過固定資產注資付清。於截至二零一八年三月三十一日止年度，本集團以現金代價人民幣5,000,000元（相等於5,877,000港元）間接認購貴州法拉第磁電有限公司的33.33%股權。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

21 INVENTORIES

Raw materials	原料
Work in progress	在製品
Finished goods	製成品
Less: Provision	減：撥備

The cost of inventories recognised as expense and included in "Cost of inventories sold" amounted to approximately HK\$2,971,560,000 (2018: HK\$1,955,739,000). Impairment of inventories amounted to HK\$3,034,000 (2018: write-back of impairment of inventories amounted to HK\$14,895,000) was included in the "Cost of sales" in the consolidated income statement during the year ended 31 March 2019.

22 ACCOUNTS AND BILLS RECEIVABLE

Accounts and bills receivable	應收賬款及票據
Loss allowance	虧損撥備

21 存貨

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
442,778	319,138
47,342	52,991
159,333	135,987
649,453	508,116
(34,088)	(31,054)
615,365	477,062

確認為開支及計入「已售存貨成本」之存貨成本約為2,971,560,000港元(二零一八年：1,955,739,000港元)。存貨減值為3,034,000港元(二零一八年：存貨之減值回撥為14,895,000港元)，於截至二零一九年三月三十一日止年度的綜合收益表中計入「銷售成本」。

22 應收賬款及票據

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
316,300	371,178
(4,151)	(852)
312,149	370,326

NOTES TO FINANCIAL STATEMENTS

財務報表附註

22 ACCOUNTS AND BILLS RECEIVABLE *(continued)*

The Group's trading terms with its customers are mainly on credit, except for new customers, where cash on sale or payment in advance is normally required. The credit period is generally for a period of one to two months, extending up to three months for certain well-established customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has imposed tightened control to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its accounts and bills receivable balances. Accounts and bills receivable are non-interest-bearing.

An aging analysis of the accounts and bills receivable as at the end of the reporting period, based on the invoice date, is as follows:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上
Loss allowance	虧損撥備

At 31 March 2019, the Group had certain concentrations of credit risk that may arise from the exposure to the five largest customers and the largest customer which accounted for approximately 42% (2018: 64%) and 19% (2018: 42%) of the Group's total accounts receivables, respectively.

22 應收賬款及票據 (續)

本集團與客戶之貿易條款大部分以信貸形式進行，惟新客戶一般需以現金或預付形式買賣除外。信貸期一般為一至兩個月，若干信貸狀況良好之客戶之信貸期則可延長至三個月。每名客戶均有信貸上限。本集團對未收回應收款項保持嚴格控制並已加強控制以將信貸風險降至最低。高級管理人員會定期檢討逾期結餘。本集團並無就其應收賬款及票據結餘持有任何抵押品或其他信貸提升。應收賬款及票據並不計息。

於報告期末，應收賬款及票據之賬齡分析(按發票日)如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
166,541	237,216
51,263	71,253
59,536	43,651
38,960	19,058
316,300 (4,151)	371,178 (852)
312,149	370,326

於二零一九年三月三十一日，本集團可能因對五大客戶及最大客戶的風險敞口而產生若干集中信貸風險，分別佔本集團應收款項總額之約42% (二零一八年：64%)及19% (二零一八年：42%)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

22 ACCOUNTS AND BILLS RECEIVABLE *(continued)*

The movements in provision for impairment of accounts and bills receivable are as follows:

At the beginning of year	於年初
Provision for impairment recognised during the year	於年內確認之減值撥備
Write-off	撇銷
At the end of year	於年末

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable. Note 3.1(b) provides for details about the calculation of the allowance.

The carrying amount of accounts and bills receivable approximate their fair values.

22 應收賬款及票據 (續)

應收賬款及票據之減值撥備變動如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
852	1,558
3,299	3,784
-	(4,490)
4,151	852

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，就所有應收賬款使用全期預期虧損撥備。附註3.1(b)載有關於計算撥備之詳細資料。

應收賬款及票據之賬面值與其公平值相若。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

23 PREPAYMENTS AND DEPOSITS

23 預付款項及按金

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Prepayment for property, plant and equipment	物業、廠房及設備預付款項	195,667	180,411
Prepaid construction cost (Note i)	預付建築成本(附註i)	21,165	184,926
VAT recoverable	可收回增值稅	52,603	32,395
Other prepayment and receivables (Note ii)	其他預付款項及應收款項(附註ii)	67,831	40,337
Tax reserve certificates	儲稅券	25,408	25,408
Other deposits	其他按金	3,740	2,549
		366,414	466,026
Less: Current portion	減：即期部分	(155,772)	(274,934)
Non-current portion	非即期部分	210,642	191,092

Notes:

- (i) As at 31 March 2019, such prepaid construction cost include prepaid construction cost of approximately HK\$6,693,000 (2018: HK\$174,380,000) to a main constructor for the properties development project in Dushan County ("Dushan"), Guizhou Province, the People's Republic of China (the "PRC" or "China"). The properties, upon completion, are for selling purpose and are expected to be completed within twelve months, therefore, it is classified as current assets.
- (ii) Other prepayment and receivables include receivable amounting to HK\$15,955,000 (2018: Nil) from a bank regarding certain factoring without recourse totalling HK\$162,147,000 (2018: Nil). As the Group has transferred the credit risk and late payment risk of the accounts receivable to the bank, the corresponding accounts receivable balance is derecognised from the consolidated statement of financial position.

附註：

- (i) 於二零一九年三月三十一日，有關預付建築成本包括就位於中華人民共和國（「中國」）貴州省獨山縣（「獨山」）之物業發展項目支付予一名主承包商約6,693,000港元（二零一八年：174,380,000港元）之預付建築成本。該等物業於竣工後作銷售用途，並預期於十二個月內竣工，因此，其被分類為流動資產。
- (ii) 其他預付款項及應收款項包括就若干無追索權保理合共162,147,000港元（二零一八年：無）而應收一間銀行15,955,000港元（二零一八年：無）款項。由於本集團已將應收賬款之信貸風險及延遲付款風險轉移至該銀行，相應之應收賬款結餘已於綜合財務狀況表終止確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

24 透過損益按公平值列賬之金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Listed equity investments, at market value	上市股本投資，按市值	-	22,614
Listed debt investments, at market value	上市債務投資，按市值	3,936	8,640
Unlisted equity investments, at fair value	非上市股本投資，按公平值	10,204	-
		14,140	31,254

The above investments at 31 March 2019 and 2018 were classified as held for trading and were, upon initial recognition, classified by the Group as financial assets at fair value through profit or loss.

於二零一九年及二零一八年三月三十一日之上述投資列為持作買賣，並於首次確認時由本集團分類為透過損益按公平值列賬之金融資產。

25 CASH AND BANK BALANCES AND TIME DEPOSITS

25 現金及銀行結餘及定期存款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Time deposits – original maturity of more than three months	定期存款 – 原到期日超過三個月	13,754	11,645
Restricted bank deposits (Note)	受限制銀行存款 (附註)	5,017	5,156
Cash and cash equivalents	現金及現金等同物	222,153	199,855
		240,924	216,656

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財務報表附註

25 CASH AND BANK BALANCES AND TIME DEPOSITS (continued)

Denominated in

Hong Kong Dollars	港元
Renminbi	人民幣
United States Dollars	美元
Others	其他

Note:

Restricted bank deposits of RMB4,276,000 (2018: RMB4,169,000) (equivalent to approximately HK\$5,017,000 (2018: HK\$5,156,000)) can only be applied in the designated property development projects prior to the completion of construction.

As at 31 March 2019, the cash and bank balances and time deposits of the Group denominated in RMB amounted to HK\$45,511,000 (2018: HK\$108,186,000). RMB is not freely convertible into other currencies; however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between four months and one year (2018: four months and one year) depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates.

25 現金及銀行結餘及定期存款 (續)

以下列各項計值

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
62,923	31,931
45,511	108,186
111,618	60,251
20,872	16,288
240,924	216,656

附註：

受限制銀行存款人民幣4,276,000元(二零一八年：人民幣4,169,000元)(相等於約5,017,000港元(二零一八年：5,156,000港元))僅可於建築竣工前用於指定物業發展項目。

於二零一九年三月三十一日，本集團以人民幣計值之現金及銀行結餘以及定期存款為45,511,000港元(二零一八年：108,186,000港元)。人民幣不可自由兌換為其他貨幣；然而，根據《中華人民共和國外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准經認可銀行將人民幣兌換為其他貨幣以進行外匯業務。

銀行現金按每日浮動銀行存款利率賺取利息。本集團按即時現金需要，作出四個月至一年(二零一八年：四個月至一年)期間之定期存款，並按各定期存款利率賺取利息。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

26 ACCOUNTS AND BILLS PAYABLE, OTHER PAYABLES AND PROVISIONS

26 應付賬款及票據、其他應付款項及撥備

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accounts and bills payable (Note a)	應付賬款及票據(附註a)	740,050	549,993
Accrued liabilities, provisions and other payables	應計負債、撥備及其他應付款項	217,785	216,633
Deferred income (Note b)	遞延收入(附註b)	103,300	137,755
Payable for construction work	建築工程之應付款項	21,552	19,675
Receipt in advance	預收款項	-	138,524
		1,082,687	1,062,580
Less: Current portion	減：即期部份	(1,000,597)	(953,372)
Non-current portion	非即期部份	82,090	109,208

Notes:

- (a) The accounts and bills payable and other payables are non-interest-bearing and are normally settled within credit terms of two months, extending up to three months.

The carrying amounts of accounts and other payables are considered to be the same as their fair values, due to their short term nature.

At 31 March 2019, the aging analysis of the accounts and bills payable based on invoice date are as follows:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上

附註：

- (a) 應付賬款及票據以及其他應付款項不計息，通常於兩個月的信貸期內償付，最多可延遲至三個月。

由於應付賬款及其他應付款項具有短期性質，因此其賬面值被視為等同於其公平值。

於二零一九年三月三十一日，應付賬款及票據根據發票日期之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		268,120	230,838
		112,284	124,582
		147,826	121,598
		211,820	72,975
		740,050	549,993

NOTES TO FINANCIAL STATEMENTS

財務報表附註

26 ACCOUNTS AND BILLS PAYABLE, OTHER PAYABLES AND PROVISIONS (continued)

Notes: (continued)

- (b) The balance mainly represented government grants received in respect of the subsidies from The People's Government of the Dushan County, Guizhou Province (the "Dushan County Government") for the Group's manufacturing company located in Dushan County, Guizhou Province, the PRC. These grants are held as deferred income and recognised to the income statement on a systematic basis to match with the costs or the assets' useful lives that they are intended to compensate in accordance with the agreements with the Dushan County Government. During the year ended 31 March 2019, subsidies of HK\$33,112,000 (2018: HK\$26,338,000) had been recognised and included in subsidy income of "Other income and gains, net" in the consolidated income statement.

The balance also included other subsidies for purchase of machinery which are going to be recognised over their useful lives.

During the year ended 31 March 2019, subsidies of HK\$33,112,000 (2018: HK\$26,338,000) had been recognised and included in subsidy income of "Other income and gains, net" in the consolidated income statement.

The movements in deferred income are as follows:

At the beginning of year	於年初
Acquisition of a subsidiary	收購一間附屬公司
Additions	添置
Amortisation	攤銷
Exchange realignment	匯兌調整
At the end of year	於年末

26 應付賬款及票據、其他應付款項及撥備(續)

附註：(續)

- (b) 結餘主要指貴州省獨山縣人民政府(「獨山縣政府」)補貼給本集團位於中國貴州省獨山縣之製造業公司的已收政府補助。該等補助按系統基準於收益表作遞延收入確認以配合該等項目根據與獨山縣政府訂立之協議擬補償之成本或資產之可使用年期。於截至二零一九年三月三十一日止年度，已確認補貼款項33,112,000港元(二零一八年：26,338,000港元)並計入綜合收益表的「其他收入及收益·淨額」中的補貼收入。

結餘亦包括用於購買機器之其他補貼，將於其可使用年期內確認。

於截至二零一九年三月三十一日止年度，補貼款項33,112,000港元(二零一八年：26,338,000港元)已計入綜合收益表的「其他收入及收益·淨額」中的補貼收入。

遞延收入之變動如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
137,755	146,306
-	3,693
5,004	-
(33,112)	(26,338)
(6,347)	14,094
103,300	137,755

NOTES TO FINANCIAL STATEMENTS

財務報表附註

27 BANK BORROWINGS

<i>Unsecured</i>	無抵押
Current portion	即期部分
Non-current portion	非即期部分

Under the relevant bank loan agreements of certain term loans, the relevant banks have the overriding right to demand for repayment even though the schedule repayment dates are beyond one year. Due to the oversight of management, the Group had not applied for and thus had not obtained before the year end date a confirmation from the banks to waive such rights for its bank loans totalling HK\$364,750,000. As a result, certain of these loans with scheduled repayment dates beyond one year amounted to HK\$235,500,000 had to be classified as current liabilities as at 31 March 2019.

As a result of the foregoing, as at 31 March 2019, the Group has not complied with a restrictive financial covenant requirement of certain bank borrowings amounted to HK\$484,750,000 (including those loans described in the preceding paragraph), which included bank borrowings of HK\$325,500,000 with scheduled repayment dates beyond one year after 31 March 2019. Under the relevant bank loan agreements, such non-compliance of covenant may cause the relevant bank borrowings of HK\$484,750,000 become immediately due and payable should the lenders exercise their rights under the loan agreements. In addition, such non-compliance also triggered the cross-default terms of certain other current bank borrowings of HK\$173,543,000 and bank borrowings of HK\$32,000,000 with scheduled repayment dates beyond one year after 31 March 2019, which may also cause these loans to become immediately due and payable should the lenders exercise their rights under the loan agreements. Accordingly, the total relevant bank borrowings of HK\$690,293,000 were included in current liabilities as at 31 March 2019.

27 銀行借貸

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
810,106	237,140
–	294,750
810,106	531,890

根據若干定期貸款之相關銀行貸款協議，即使預定償還日期為一年後，相關銀行擁有提出要求償還之凌駕性權利。由於管理層之疏漏，本集團並無於年結日前就其銀行貸款合共364,750,000港元向銀行申請故並未取得豁免有關權利之確認。因此，於二零一九年三月三十一日，若干預定償還日期為一年後之貸款235,500,000港元須分類為流動負債。

誠如上文所述，於二零一九年三月三十一日，本集團未能遵守為數484,750,000港元之若干銀行借貸（包括上段所述之該等貸款）之限制性財務契諾規定，當中包括預定償還日期為二零一九年三月三十一日起計一年後之銀行借貸325,500,000港元。根據相關銀行貸款協議，有關不遵守契諾有可能導致相關銀行借貸484,750,000港元須即時到期償還（倘若借款人根據貸款協議行使其權利）。此外，有關不遵守亦觸發若干其他即期銀行借貸173,543,000港元及預定償還日期為二零一九年三月三十一日起計一年後之銀行借貸32,000,000港元之交叉違約條款，繼而有可能導致該等貸款須即時到期償還（倘若借款人根據貸款協議行使其權利）。因此，相關銀行借貸合共690,293,000港元已於二零一九年三月三十一日計入流動負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

27 BANK BORROWINGS (continued)

Bank borrowings bear average interest at 3.7% per annum (2018: 2.9%).

At 31 March 2019, the maturity analysis of the Group's bank borrowings following the contracted repayment schedule would be as follows:

Within 1 year or on demand	於一年內或按要求
Between 1 and 2 years	超過一年但不超過兩年
Between 2 and 5 years	超過兩年但不超過五年

The Group's banking facilities are secured by the corporate guarantees given by the Company and certain subsidiaries of the Company. The carrying amounts of the Group's bank borrowings approximate their fair values. Except for a bank borrowing of RMB80,000,000 (2018: RMB57,000,000), equivalent to HK\$93,863,000 (2018: HK\$70,494,000), all other bank borrowings are denominated in HKD.

As at 31 March 2019, the Group has undrawn uncommitted bank facilities amounting to HK\$56,377,000 (2018: HK\$421,433,000).

27 銀行借貸 (續)

銀行借貸按平均年利率3.7% (二零一八年：2.9%) 計息。

於二零一九年三月三十一日，本集團按合約還款期編製之銀行借貸到期分析如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
688,106	237,140
102,000	119,250
20,000	175,500
810,106	531,890

本集團之銀行融資以本公司及本公司若干附屬公司所提供之公司擔保為抵押。本集團銀行借貸之賬面值與其公平值相若。除一筆銀行借貸人民幣80,000,000元 (二零一八年：人民幣57,000,000元) (相等於93,863,000港元 (二零一八年：70,494,000港元)) 外，所有其他銀行借貸均以港元計值。

於二零一九年三月三十一日，本集團之未提取非承諾銀行融資為56,377,000港元 (二零一八年：421,433,000港元)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

28 DEFERRED TAX

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

Gross deferred tax liabilities

At 1 April 2017	於二零一七年四月一日	
Deferred tax debited to equity during the year	年內於權益扣除之遞延稅項	
Deferred tax credited to the income statement during the year (Note 11)	年內計入收益表之遞延稅項 (附註11)	
Exchange realignment	匯兌調整	
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	
Deferred tax debited to equity during the year	年內於權益扣除之遞延稅項	
Deferred tax debited to the income statement during the year (Note 11)	年內於收益表扣除之遞延稅項 (附註11)	
Exchange realignment	匯兌調整	
At 31 March 2019	於二零一九年三月三十一日	

28 遞延稅項

遞延稅項負債及資產於年內之變動如下：

遞延稅項負債總額

Depreciation allowance in excess of related depreciation	Others	Total
折舊撥備超有有關折舊的金額	其他	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
29,072	1,471	30,543
5,821	-	5,821
(185)	-	(185)
1,323	-	1,323
36,031	1,471	37,502
13,977	-	13,977
-	4,139	4,139
1,667	-	1,667
51,675	5,610	57,285

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財務報表附註

28 DEFERRED TAX (continued)

Gross deferred tax assets

At 1 April 2017	於二零一七年四月一日	
Deferred tax debited to the income statement during the year (Note 11)	年內於收益表扣除之遞延稅項 (附註11)	
Exchange realignment	匯兌調整	
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	
Deferred tax debited to the income statement during the year (Note 11)	年內於收益表扣除之遞延稅項 (附註11)	
Exchange realignment	匯兌調整	
At 31 March 2019	於二零一九年三月三十一日	

The Group has tax losses arising in Hong Kong of HK\$19,959,000 (2018: HK\$16,397,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in Mainland China of HK\$154,754,000 (2018: HK\$119,765,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

28 遞延稅項 (續)

遞延稅項資產總額

	Deferred subsidy income 遞延補貼收入 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	36,575	119	36,694
Deferred tax debited to the income statement during the year (Note 11)	(6,518)	42	(6,476)
Exchange realignment	3,479	(2)	3,477
At 31 March 2018 and 1 April 2018	33,536	159	33,695
Deferred tax debited to the income statement during the year (Note 11)	(6,756)	512	(6,244)
Exchange realignment	(1,547)	16	(1,531)
At 31 March 2019	25,233	687	25,920

本集團於香港產生之稅項虧損19,959,000港元(二零一八年: 16,397,000港元), 可無限期用於抵銷產生虧損之公司之未來應課稅溢利。

本集團亦於中國內地產生稅項虧損154,754,000港元(二零一八年: 119,765,000港元), 將於一至五年到期用於抵銷未來應課稅溢利。

遞延稅項資產並未就該等虧損作出確認, 因該等虧損產生自己已有一段時間處於虧損狀況之附屬公司, 且應課稅溢利將不大可能用於抵銷稅項虧損。

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財務報表附註

28 DEFERRED TAX *(continued)*

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated since 1 January 2008.

At 31 March 2019, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences on undistributed profit of the subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$491,372,000 (2018: HK\$519,862,000) at 31 March 2019.

28 遞延稅項 (續)

根據中國企業所得稅法，於中國內地成立之外商投資企業向外國投資者宣派股息，須按10%徵收預扣稅。此規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後之盈利。倘中國內地與外國投資者之司法權區有簽訂相關稅務協議，則可運用較低之預扣稅率。就本集團而言，適用稅率為5%。因此本集團有責任對中國內地成立之該等附屬公司就自二零零八年一月一日起產生之盈利所分派之股息繳付預扣稅。

於二零一九年三月三十一日，並無就本集團於中國內地成立之附屬公司須繳納預扣稅之未匯出盈利之應課預扣稅確認遞延稅項。董事認為，該等附屬公司在可預見未來不太可能分派有關盈利。於二零一九年三月三十一日，有關尚未確認遞延稅項負債之中國內地附屬公司未分派溢利之暫時差額總額合共約為491,372,000港元(二零一八年：519,862,000港元)。

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財務報表附註

29 SHARE CAPITAL

29 股本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	法定：		
1,000,000,000 ordinary shares of HK\$0.10 each	1,000,000,000股每股 面值0.10港元之普通股	100,000	100,000
Issued and fully paid:	已發行及繳足：		
438,960,000 (2018: 438,460,000) ordinary shares of HK\$0.10 each	438,960,000股(二零一八年： 438,460,000股)每股 面值0.10港元之普通股	43,896	43,846

A summary of movements in the Company's share capital is as follows:

本公司股本變動概要如下：

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2018	於二零一八年四月一日	438,460,000	43,846	154,672	198,518
Share options exercised (Note)	獲行使購股權(附註)	500,000	50	1,343	1,393
At 31 March 2019	於二零一九年三月三十一日	438,960,000	43,896	156,015	199,911
At 1 April 2017	於二零一七年四月一日	428,360,000	42,836	139,642	182,478
Share options exercised (Note)	獲行使購股權(附註)	10,100,000	1,010	15,030	16,040
At 31 March 2018	於二零一八年三月三十一日	438,460,000	43,846	154,672	198,518

Note:

During the year ended 31 March 2019, the subscription rights attaching to 500,000 share options were exercised at the subscription prices of HK\$2.262 per share (Note 30), resulting in the issue of 500,000 shares for a total cash consideration, before expenses, of HK\$1,131,000. An amount of HK\$262,000 was transferred from the share-based payment reserve to share premium upon the exercise of the share options. As at the exercise day, the market price approximates to HK\$2.50 per share.

附註：

於截至二零一九年三月三十一日止年度內，500,000份購股權附帶之認購權按認購價每股2.262港元獲行使(附註30)，導致發行500,000股股份，總現金代價為1,131,000港元(未計開支前)。為數262,000港元於行使購股權後由以股份為基礎的付款儲備轉撥至股份溢價。於行使日期，市價約為每股2.50港元。

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財務報表附註

30 SHARE OPTION SCHEMES

During the year ended 31 March 2013, the Company terminated the share option scheme adopted by the Company on 20 August 2002 (the “Old Share Option Scheme”) and adopted a new share option scheme (the “New Share Option Scheme”) pursuant to a resolution passed in the annual general meeting dated 20 August 2012 which became effective on the same date. The New Share Option Scheme will remain in force for ten years commencing from the effective date, after which period no further options will be granted but the provisions of the New Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

The Old Share Option Scheme

The Company operated the Old Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Old Share Option Scheme included the directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any person or entity that provides research, development or other technological support to the Group, the Company’s shareholders and any non-controlling interests in the Company’s subsidiaries. The Old Share Option Scheme became effective on 20 August 2002 and, unless otherwise cancelled or amended, would remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Old Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Old Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

30 購股權計劃

於截至二零一三年三月三十一日止年度內，本公司已終止本公司於二零零二年八月二十日採納之購股權計劃（「舊購股權計劃」），並根據日期為二零一二年八月二十日之股東週年大會上通過之決議案採納一項新購股權計劃（「新購股權計劃」），新購股權計劃於該日生效。新購股權計劃將自生效日期起計十年內維持有效，於該期間後將不會授出進一步購股權，惟新購股權計劃之條文應仍具十足效力，以便在新購股權計劃終止前授出或可能根據新購股權計劃之條文另行規定授出之任何購股權可繼續行使。

舊購股權計劃

本公司實行舊購股權計劃旨在為合資格參與者對本集團成就所作貢獻提供獎勵及回饋。舊購股權計劃合資格參與者包括董事（包括獨立非執行董事）、本集團其他僱員、向本集團提供產品或服務之供應商、本集團客戶、對本集團提供研究、開發或其他技術支援之任何人士或實體、本公司股東及本公司附屬公司之任何非控股權益。舊購股權計劃於二零零二年八月二十日生效，除非另行取消或修訂，否則由當日起計十年內維持有效。

根據舊購股權計劃現時准予授出之未行使購股權最高數目（於行使後）相當於本公司任何時間已發行股份之10%。於任何十二個月期間，根據舊購股權計劃各合資格參與者之購股權可予發行股份最高數目限於本公司任何時間已發行股份之1%。任何進一步授出超出此限額之購股權須於股東大會上獲股東批准。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

30 SHARE OPTION SCHEMES (continued)

The Old Share Option Scheme (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Upon termination of the Old Share Option Scheme, no further options will be granted thereunder; however, the rules of the Old Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its termination or otherwise as may be required in accordance with the rules of the Old Share Option Scheme. As at 31 March 2019, there were 3,250,000 options (2018: 3,250,000 options) granted but not yet exercised under the Old Share Option Scheme.

30 購股權計劃(續)

舊購股權計劃(續)

向本公司董事、主要行政人員或主要股東或彼等任何聯繫人授出購股權，須事先獲獨立非執行董事批准。此外，於任何十二個月期間，向一位本公司主要股東或獨立非執行董事或彼等任何聯繫人授出超出本公司任何時間已發行股份0.1%或超出總值5,000,000港元(根據授出日期本公司股份價格計算)之任何購股權，須事先於股東大會上獲股東批准。

承授人可於由授出購股權建議日期起計二十八日內藉支付名義代價合共1港元接納購股權授出建議。授出購股權之行使期由董事決定，於指定歸屬期後開始，並於不遲於購股權建議日期起計十年之日期終止。

購股權之行使價由董事決定，但不得低於以下之最高者：(i)本公司股份於購股權建議日期在聯交所之收市價；(ii)緊接建議日期前五個交易日本公司股份在聯交所之平均收市價；及(iii)本公司股份之面值。

購股權並不賦予持有人分享股息或於股東大會上投票之權利。

終止舊購股權計劃後，概無進一步購股權將據此授出；然而，舊購股權計劃之規則將仍具十足效力及作用，以便在舊購股權計劃終止前授出或可能根據舊購股權計劃之規則另行規定授出之任何購股權可繼續行使。於二零一九年三月三十一日，3,250,000份購股權(二零一八年：3,250,000份購股權)已根據舊購股權計劃授出但尚未行使。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

30 SHARE OPTION SCHEMES (continued)

The New Share Option Scheme

The Company operates the New Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the New Share Option Scheme include the directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any person or entity that provides research, development or other technological support to the Group, the Company's shareholders and any non-controlling interests in the Company's subsidiaries. The New Share Option Scheme became effective on 20 August 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the New Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the New Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

30 購股權計劃(續)

新購股權計劃

本公司實行新購股權計劃旨在為合資格參與者對本集團成就所作貢獻提供獎勵及回饋。新購股權計劃合資格參與者包括董事(包括獨立非執行董事)、本集團其他僱員、向本集團提供產品或服務之供應商、本集團客戶、對本集團提供研究、開發或其他技術支援之任何人士或實體、本公司股東及本公司附屬公司之任何非控股權益。新購股權計劃於二零一二年八月二十日生效，除非另行取消或修訂，否則由當日起計十年內維持有效。

根據新購股權計劃現時准予授出之未行使購股權最高數目(於行使後)相當於本公司任何時間已發行股份之10%。於任何十二個月期間，根據新購股權計劃各合資格參與者之購股權可予發行股份最高數目限於本公司任何時間已發行股份之1%。任何進一步授出超出此限額之購股權須於股東大會上獲股東批准。

向本公司董事、主要行政人員或主要股東或彼等任何聯繫人授出購股權，須事先獲獨立非執行董事批准。此外，於任何十二個月期間，向一位本公司主要股東或獨立非執行董事或彼等任何聯繫人授出超出本公司任何時間已發行股份0.1%或超出總值5,000,000港元(根據授出日期本公司股份價格計算)之任何購股權，須事先於股東大會上獲股東批准。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

30 SHARE OPTION SCHEMES *(continued)*

The New Share Option Scheme *(continued)*

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

As at 31 March 2019, there were 3,100,000 options (2018: 2,100,000 options) granted but not yet exercised under the New Share Option Scheme.

30 購股權計劃 *(續)*

新購股權計劃 *(續)*

承授人可於由授出購股權建議日期起計二十八日內藉支付名義代價合共1港元接納購股權授出建議。授出購股權之行使期由董事決定，於指定歸屬期後開始，並於不遲於購股權建議日期起計十年之日期終止。

購股權之行使價由董事決定，但不得低於以下最高者：(i)本公司股份於購股權建議日期在聯交所之收市價；(ii)緊接建議日期前五個交易日本公司股份在聯交所之平均收市價；及(iii)本公司股份之面值。

購股權並不賦予持有人分享股息或於股東大會上投票之權利。

於二零一九年三月三十一日，新購股權計劃項下有3,100,000份已授出但尚未行使之購股權(二零一八年：2,100,000份購股權)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

30 SHARE OPTION SCHEMES (continued)

The following share options were outstanding under the Old Share Option Scheme and New Share Option Scheme (the "Schemes") during the year:

2019

30 購股權計劃 (續)

根據舊購股權計劃及新購股權計劃(「該等計劃」)於年內仍未行使之購股權如下：

二零一九年

	Date of share options granted 授出購股權日期	Number of share options 購股權數目				At 31 March 2019 於二零一九年三月三十一日	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港元
		At 1 April 2018 於二零一八年四月一日	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效			
Directors 董事								
Liu Tat Luen 廖達鸞	4/1/2010	2,000,000	-	-	2,000,000	4/1/2013-3/1/2020	2.102	
Hui Ka Po, Alex 許家保	10/3/2016	1,000,000	-	-	1,000,000	17/2/2019-9/3/2026	1.160	
Wong Chi Wai 黃馳維	29/3/2011 7/7/2017 7/7/2017 9/7/2018	300,000 400,000 100,000 -	- - - 100,000	- - - -	300,000 400,000 100,000 100,000	29/3/2011-28/3/2021 7/7/2017-6/7/2027 13/9/2017-6/7/2027 13/9/2018-8/7/2028	2.792 2.262 2.262 2.470	
Sun Kwai Yu, Vivian 孫季如	29/3/2011 9/7/2018	300,000 -	- 100,000	- -	300,000 100,000	29/3/2011-28/3/2021 13/9/2018-8/7/2028	2.792 2.470	
Cheng Kwok Kin, Paul 鄭國乾	7/7/2017 9/7/2018	100,000 -	- 100,000	- -	100,000 100,000	7/7/2017-6/7/2027 9/7/2018-8/7/2028	2.262 2.470	
Cheung Wang Ip 張宏業	9/7/2018	-	100,000	-	100,000	21/7/2018-8/7/2028	2.470	
Other employees 其他僱員								
In aggregate 合計	29/3/2011 7/7/2017 7/7/2017 9/7/2018 9/7/2018 9/7/2018 9/7/2018	650,000 400,000 100,000 - - - -	- - - 100,000 400,000 300,000 300,000	- (400,000) (100,000) - - - -	650,000 - - 100,000 400,000 300,000 300,000	29/3/2011-28/3/2021 7/7/2017-6/7/2027 1/12/2017-6/7/2027 9/7/2018-8/7/2028 9/7/2018-8/7/2028 9/7/2019-8/7/2028 9/7/2020-8/7/2028	2.792 2.262 2.262 2.470 2.470 2.470 2.470	
		5,350,000	1,500,000	(500,000)	-	6,350,000		

NOTES TO FINANCIAL STATEMENTS

財務報表附註

30 SHARE OPTION SCHEMES (continued)

The following share options were outstanding under the Old Share Option Scheme and New Share Option Scheme (the "Schemes") during the year: (continued)

2018

	Date of share options granted 授出購股權日期	Number of share options 購股權數目				At 31 March 2018 於二零一八年三月三十一日	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港元
		At 1 April 2017 於二零一七年四月一日	Granted during the year 於年內授出	Exercised during the year [#] 於年內行使 [#]	Lapsed during the year 於年內失效			
Directors 董事								
Cheng Chor Kit 鄭楚傑	10/3/2016	4,000,000	-	(4,000,000)	-	-	10/3/2016-9/3/2026	1.160
Liu Tat Luen 廖達鸞	4/1/2010 10/3/2016	2,000,000 1,500,000	- -	- (1,500,000)	- -	2,000,000 -	4/1/2013-3/1/2020 10/3/2016-9/3/2026	2.102 1.160
Cheng Tsz To 鄭子濤	10/3/2016	500,000	-	(500,000)	-	-	10/3/2016-9/3/2026	1.160
Cheng Tsz Hang 鄭子衡	10/3/2016	500,000	-	(500,000)	-	-	10/3/2016-9/3/2026	1.160
Chin Wee Hon (Note) 陳維翰 (附註)	10/3/2016	1,000,000	-	(1,000,000)	-	-	10/11/2017-9/3/2026	1.160
Hui Ka Po, Alex 許家保	10/3/2016	1,000,000	-	-	-	1,000,000	17/2/2019-9/3/2026	1.160
Wong Chi Wai 黃馳維	29/3/2011 19/3/2013 7/7/2017 7/7/2017	300,000 500,000 - -	- - 400,000 100,000	- (500,000) - -	- - - -	300,000 - 400,000 100,000	29/3/2011-28/3/2021 19/3/2013-18/3/2023 7/7/2017-6/7/2027 13/9/2017-6/7/2027	2.792 0.974 2.262 2.262
Sun Kwai Yu, Vivian 孫季如	29/3/2011 7/7/2017 7/7/2017	300,000 - -	- 400,000 100,000	- (400,000) (100,000)	- - -	300,000 - -	29/3/2011-28/3/2021 7/7/2017-6/7/2027 13/9/2017-6/7/2027	2.792 2.262 2.262
Cheng Kwok Kin, Paul 鄭國乾	10/3/2016 7/7/2017	200,000 -	- 100,000	(200,000) -	- -	- 100,000	23/6/2017-9/3/2026 7/7/2017-6/7/2027	1.160 2.262
Cheung Wang Ip 張宏業	10/3/2016 7/7/2017	200,000 -	- 100,000	(200,000) (100,000)	- -	- -	21/7/2017-9/3/2026 21/7/2017-6/7/2027	1.160 2.262
Other employees 其他僱員								
In aggregate 合計	19/10/2009 29/3/2011 10/3/2016 10/3/2016 7/7/2017 7/7/2017	500,000 650,000 300,000 300,000 - -	- - - - 400,000 100,000	(500,000) - (300,000) (300,000) - -	- - - - - -	- 650,000 - - 400,000 100,000	19/10/2012-18/10/2019 29/3/2011-28/3/2021 15/5/2017-9/3/2026 3/6/2017-9/3/2026 7/7/2017-6/7/2027 1/12/2017-6/7/2027	1.550 2.792 1.160 1.160 2.262 2.262
		13,750,000	1,700,000	(10,100,000)	-	5,350,000		

Note:

Mr. Chin Wee Hon resigned as an executive director on 12 November 2017.

30 購股權計劃 (續)

根據舊購股權計劃及新購股權計劃(「該等計劃」)於年內仍未行使之購股權如下:(續)

二零一八年

附註:

陳維翰先生已於二零一七年十一月十二日辭任執行董事職務。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

30 SHARE OPTION SCHEMES (continued)

During the year ended 31 March 2019, 1,500,000 share options were granted. The fair value of the equity-settled share options under the New Share Option Scheme granted during the year ended 31 March 2019 was estimated at HK\$1,094,000, as at the date of grant using the binomial valuation model, the share option expense of HK\$863,000 during the year ended 31 March 2019 is recognised.

During the year ended 31 March 2016, 17,300,000 share options were granted, of which 3,000,000 share options were subjected to the vesting period ranging from 14 months to 36 months. The fair value of the equity-settled share options under the New Share Option Scheme granted was estimated at HK\$5,814,000, as at the date of grant using the binomial valuation model, taking into account the terms and conditions upon which the options were granted, of which the Group recognised a share option expense of HK\$117,000 (2018: HK\$317,000) during the year ended 31 March 2019.

During the year ended 31 March 2019, no share option is lapsed (2018: Nil).

The following table lists the inputs to the model used:

	2019
Dividend yield (%)	4.46
Volatility (%)	48.37
Employee exit rate post-vesting (%)	1.57-2.21
Risk-free interest rate (%)	2.202
Expected life of options (year)	1.769
Prevailing market price (HK\$ per share)	2.47

30 購股權計劃(續)

截至二零一九年三月三十一日止年度，已授出1,500,000份購股權。截至二零一九年三月三十一日止年度根據新購股權計劃已授出股本結算購股權之公平值使用二項式估值模式於授出日期估計為1,094,000港元，截至二零一九年三月三十一日止年度，已確認購股權開支863,000港元。

截至二零一六年三月三十一日止年度，已授出17,300,000份購股權，其中3,000,000份購股權之歸屬期介乎14個月至36個月。根據新購股權計劃已授出股本結算購股權之公平值使用二項式估值模式於授出日期估計為5,814,000港元，並計及授出該等購股權時之條款及條件，當中本集團確認截至二零一九年三月三十一日止年度之購股權開支117,000港元(二零一八年：317,000港元)。

截至二零一九年三月三十一日止年度，概無購股權已失效(二零一八年：無)。

下表列示使用該模式時的輸入項目：

	二零一九年
股息率(%)	4.46
波幅(%)	48.37
僱員離職率(歸屬後)(%)	1.57-2.21
無風險利率(%)	2.202
購股權之預計年期(年)	1.769
現行市價(每股港元)	2.47

NOTES TO FINANCIAL STATEMENTS

財務報表附註

30 SHARE OPTION SCHEMES (continued)

The expected life of the options is based on the historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

The following share options were outstanding under the Schemes during the year:

		2019 二零一九年		2018 二零一八年	
		Weighted average exercise price 加權平均行使價 HK\$ per share 每股港元	Number of options 購股權數目	Weighted average exercise price 加權平均行使價 HK\$ per share 每股港元	Number of options 購股權數目
At the beginning of year	於年初	2.120	5,350,000	1.453	13,750,000
Granted during the year	年內授出	2.470	1,500,000	2.262	1,700,000
Exercised during the year	年內行使	2.262	(500,000)	1.236	(10,100,000)
At the end of year	於年末	2.191	6,350,000	2.120	5,350,000

As at 31 March 2019, the Company had 6,350,000 (2018: 5,350,000) share options outstanding under the Schemes. Should they be fully exercised, the Company will receive HK\$13,916,000 (2018: HK\$11,342,000) (before issue expenses). The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 6,350,000 (2018: 5,350,000) additional ordinary shares of the Company and additional share capital of HK\$635,000 (2018: HK\$535,000) and share premium of approximately HK\$13,281,000 (2018: HK\$10,807,000) (before issue expenses).

30 購股權計劃 (續)

購股權的預計年期乃根據歷史數據釐定，未必能指示可能出現的行使模式。預期波幅反映歷史波動可表示未來趨勢的假設，但亦未必為實際結果。

計量公平值時並無計及已授出購股權的其他特徵。

年內，該等計劃項下尚未行使的購股權如下：

於二零一九年三月三十一日，本公司於該等計劃項下擁有6,350,000份(二零一八年：5,350,000份)尚未行使之購股權。倘該等購股權獲悉數行使，本公司將收到13,916,000港元(二零一八年：11,342,000港元)(未扣除發行開支)。根據本公司之現時資本架構，悉數行使該等購股權將導致額外發行6,350,000股(二零一八年：5,350,000股)本公司之普通股及額外新增股本635,000港元(二零一八年：535,000港元)以及股份溢價約13,281,000港元(二零一八年：10,807,000港元)(未扣除發行開支)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The contributed surplus of the Group represents the difference between the nominal value of the shares of the aggregate share capital of the subsidiaries acquired pursuant to the Group reorganisation on 7 April 1998 and the nominal value of the Company's shares issued in exchange therefor.

Other reserve represents the excess of the consideration over the share of net assets acquired from non-controlling interests.

32 RELATED PARTY TRANSACTIONS AND BALANCES

Compensation of key management personnel of the Group:

31 儲備

本集團於本年度及過往年度之儲備款額及其變動詳情已於財務報表之綜合權益變動表內呈列。

本集團之繳入盈餘指根據於一九九八年四月七日進行之集團重組所收購附屬公司總股本之股份面值及本公司就該項交易而發行股份面值之差額。

其他儲備指代價超出應佔向非控股權益所收購資產淨值之部分。

32 有關聯人士交易及結餘

本集團主要管理人員之薪酬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	14,049	19,061
Performance related bonuses	與表現相關之花紅	-	3,858
Equity-settled share option expense	以權益結算之購股權開支	117	262
Pension scheme contributions	退休金計劃供款	90	102
Total compensation paid to key management personnel	已付主要管理人員薪酬總額	14,256	23,283
Amount due from non-controlling interest of a subsidiary (Note)	應收一間附屬公司非控股權益之款項(附註)	10,560	-

Note:

The balance represents amount due from non-controlling shareholders of a subsidiary with no interest charged.

附註：

結餘代表應收一間附屬公司之非控股股東之款項，其為不計息。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

32 RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

Further details of the directors' and the chief executive's emoluments are included in Note 10 to the financial statements.

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Proceeds from disposal of property, plant and equipment

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment comprise:

Net book amount:
Property, plant and equipment
(Note 15)
Gain on disposal of property,
plant and equipment (Note 6)

Proceeds from disposal of
property, plant and equipment

賬面淨值：
物業、廠房及設備
(附註15)
出售物業、廠房及設備
之收益(附註6)

出售物業、廠房及設備
所得款項

32 有關聯人士交易及結餘 (續)

董事及最高行政人員薪酬之進一步詳情已載於財務報表附註10。

33 綜合現金流量表附註

(a) 出售物業、廠房及設備所得款項

於綜合現金流量表內，出售物業、廠房及設備所得款項包括：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	9,201	2,031
	1,438	781
	10,639	2,812

NOTES TO FINANCIAL STATEMENTS

財務報表附註

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented.

33 綜合現金流量表附註 (續)

(b) 淨債務對賬

本節載列各期間內所列示的淨債務的分析和變動：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and cash equivalents (Note 25)	現金及現金等同物 (附註25)	222,153	199,855
Liquid investment (Note 24)	流動性投資(附註24)	14,140	31,254
Bank borrowings (Note 27)	銀行借貸(附註27)	(810,106)	(531,890)
Net debts	淨債務	(573,813)	(300,781)
Cash and liquid investments	現金及流動性投資	236,293	231,109
Gross debt – floating interest rate	債務總額－浮息利率	(810,106)	(531,890)
Net debts	淨債務	(573,813)	(300,781)

Note:

Liquid investments comprise current investments that are traded in an active market, being the Group's financial assets held at fair value through profit or loss.

附註：

流動性投資包括於活躍市場買賣之流動投資，即本集團持有透過損益按公平值列賬之金融資產。

		Cash and cash equivalents 現金及現金等同物 HK\$'000 千港元	Liquid investment 流動性投資 HK\$'000 千港元	Bank borrowings 銀行借貸 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Net debt as at 31 March 2018	於二零一八年三月三十一日 之淨債務	199,855	31,254	(531,890)	(300,781)
Net cash movement	現金變動淨額	27,540	(17,149)	(282,419)	(272,028)
Exchange realignment	匯兌調整	(5,242)	53	4,203	(986)
Other non-cash movements	其他非現金變動	-	(18)	-	(18)
Net debt as at 31 March 2019	於二零一九年三月三十一日 之淨債務	222,153	14,140	(810,106)	(573,813)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

34 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

34 按類別劃分之金融工具

於報告期末，各類金融工具之賬面值如下：

	2019 二零一九年		2018 二零一八年	
	Financial assets at fair value through profit or loss 透過損益按公平值列賬之金融資產 HK\$'000 千港元	Financial assets at amortised cost 按攤銷成本計量的金融資產 HK\$'000 千港元	Financial assets at fair value through profit or loss 透過損益按公平值列賬之金融資產 HK\$'000 千港元	Loans and receivables 貸款及應收款項 HK\$'000 千港元
Financial assets	金融資產			
Accounts and bills receivable	-	312,149	-	370,326
Deposits and other receivables	-	71,571	-	42,886
Time deposits	-	13,754	-	11,645
Cash and bank balances	-	227,170	-	205,011
Financial assets at fair value through profit or loss	14,140	-	31,254	-
	14,140	624,644	31,254	629,868
Financial liabilities	金融負債			
Financial liabilities at amortised cost:	按攤銷成本計量的金融負債：			
Accounts and bills payable		740,050		549,993
Financial liabilities included in other payables, accrued liabilities		138,898		60,256
Bank borrowings		810,106		531,890
		1,689,054		1,142,139

Note:

The fair values of the financial assets at amortised cost approximate their carrying amounts.

附註：

按攤銷成本計量的金融資產的公平值與其賬面值相若。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

35 本公司之財務狀況表及儲備變動

本公司之財務狀況表

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS	資產		
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	1,105,328	1,085,733
Current assets	流動資產		
Prepayments	預付款項	-	1
Cash and bank balances	現金及銀行結餘	5,416	1,479
Total current assets	流動資產總額	5,416	1,480
Total assets	總資產	1,110,744	1,087,213
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Share capital	股本	43,896	43,846
Reserves (Note)	儲備 (附註)	630,475	669,099
Total equity	權益總額	674,371	712,945
LIABILITIES	負債		
Current liabilities	流動負債		
Accrued liabilities and other payables	應計負債及其他應付款項	6,070	3,074
Bank borrowings	銀行借貸	429,750	75,500
Tax payable	應付稅項	553	944
Total current liabilities	流動負債總額	436,373	79,518
Non-current liability	非流動負債		
Bank borrowings	銀行借貸	-	294,750
Total liability	總負債	-	374,268
Total equity and liabilities	總權益及負債	1,110,744	1,087,213

NOTES TO FINANCIAL STATEMENTS

財務報表附註

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(continued)

Note:

A summary of the Company's reserves is as follows:

35 本公司之財務狀況表及儲備變動(續)

附註：

本公司之儲備概要如下：

	Share premium account	Share-based payment reserve 以股份為基礎的 付款儲備	Capital redemption reserve 股本贖回 儲備	Contributed surplus	Retained profits	Total
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 March 2017 and 1 April 2017	139,642	5,506	14	104,750	441,853	691,765
Loss for the year	-	-	-	-	(818)	(818)
Final 2017 dividend paid (Note 12)	-	-	-	-	(21,518)	(21,518)
Interim 2018 dividend paid (Note 12)	-	-	-	-	(13,063)	(13,063)
Issue of shares (Note 29)	15,030	(3,560)	-	-	-	11,470
Equity-settled share option expense (Note 30)	-	1,263	-	-	-	1,263
At 31 March 2018 and 1 April 2018	154,672	3,209	14	104,750	406,454	669,099
Profit for the year	-	-	-	-	3,211	3,211
Final 2018 dividend paid (Note 12)	-	-	-	-	(30,728)	(30,728)
Interim 2019 dividend paid (Note 12)	-	-	-	-	(13,168)	(13,168)
Issue of shares (Note 29)	1,343	(262)	-	-	-	1,081
Equity-settled share option expense (Note 30)	-	980	-	-	-	980
At 31 March 2019	156,015	3,927	14	104,750	365,769	630,475

NOTES TO FINANCIAL STATEMENTS

財務報表附註

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(continued)

The contributed surplus of the Company represents the excess of the then combined net assets of the subsidiaries acquired pursuant to the same reorganisation, over the nominal value of the Company's shares issued in exchange therefor.

Under the Companies Act 1981 of Bermuda, the Company's contributed surplus is available for cash distribution and/or distribution in specie under certain circumstances prescribed by section 54 thereof.

36 OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (Note 16) under operating lease arrangements, with leases negotiated for terms of one year.

At 31 March 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)

35 本公司之財務狀況表及儲備變動(續)

本公司之繳入盈餘指根據同一重組所收購之附屬公司當時之合併資產淨值超出本公司就該項交易而發行股份面值之差額。

根據百慕達一九八一年公司法，其第54條訂明本公司可在若干情況下以繳入盈餘作現金分派及／或實物分派。

36 經營租約安排

(a) 作為出租人

本集團根據經營租約安排出租其投資物業(附註16)，租約經磋商而釐定之租期為一年。

於二零一九年三月三十一日，本集團根據於下列期間到期之與承租人之不可撤銷經營租約所應收之未來最低租金總額如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
77	3,672
7	27
84	3,699

NOTES TO FINANCIAL STATEMENTS

財務報表附註

36 OPERATING LEASE ARRANGEMENTS *(continued)*

(b) As lessee

The Group leases certain of its office properties and warehouses under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

At 31 March 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)

36 經營租約安排 (續)

(b) 作為承租人

本集團根據經營租約安排租用其若干辦公室物業及倉庫。物業租約經磋商而釐定之租期介乎一至兩年。

於二零一九年三月三十一日，本集團根據於下列期間到期之不可撤銷經營租約所應付之未來最低租金總額如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
755	1,107
449	163
1,204	1,270

37 COMMITMENTS

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

Property, plant and equipment	物業、廠房及設備
Properties under development and investment properties	發展中物業及投資物業
Investment in associates	於聯營公司之投資

37 承擔

於年末已訂約但尚未產生之資本支出如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
175,122	216,937
475,602	489,466
-	18,549

NOTES TO FINANCIAL STATEMENTS

財務報表附註

38 CONTINGENT LIABILITIES

From March 2014 to March 2019, the Hong Kong Inland Revenue Department (“IRD”) issued estimated assessments (“EA”) for the years of assessment from 2007/08 (which were statutorily time-barred after 31 March 2014) to 2012/13 (which were statutorily time-barred after 31 March 2019) with total tax demanded of approximately HK\$52,281,000 to certain subsidiaries of the Group (the “Subsidiaries”). The EA were issued as a consequence of the tax audit being carried out on the tax affairs of the Subsidiaries. The Subsidiaries lodged objections to the EA and the IRD subsequently ordered the Subsidiaries to purchase tax reserve certificates (“TRC”) in the total amount of approximately HK\$25,408,000 and to holdover the balance on the condition that an 8.125% annual interest (varies from time to time as gazetted) will be charged should be balance become payable upon settlement of the objections.

The tax audit case of certain of the Subsidiaries has been concluded in March 2019 subsequent to the management’s submission of settlement proposals of tax, penalty and judgement interest covering up to year of assessment 2017/18 of approximately HK\$4,616,000 to the IRD in late 2018 and early 2019. In this connection, the Group has recognised a taxation charge of HK\$4,616,000 upon such settlement with the IRD during the year ended 31 March 2019. Overpaid TRC of approximately HK\$15,467,000 paid by these subsidiaries with the tax audit settled has been refunded to these subsidiaries accordingly after the balance sheet date.

The tax audit case of the remaining subsidiaries is still ongoing, EA up to 2012/13 with total tax demanded of HK\$22,713,000 in respect of these remaining subsidiaries is still in dispute with IRD, and the TRC in the amount of HK\$5,325,000 for these remaining subsidiaries is still retained by the IRD. The management is continuing the discussion with the IRD for the tax audit case in respect of these remaining subsidiaries, and there is no specific basis which indicated potential adjustments were warranted. As such, the management considers no additional tax provision for Hong Kong profits tax is required at this stage.

38 或然負債

自二零一四年三月至二零一九年三月，香港稅務局（「香港稅務局」）向本集團之若干附屬公司（「該等附屬公司」）發出於二零零七年／零八年（其於二零一四年三月三十一日後依法失效）至二零一二年／一三年（其於二零一九年三月三十一日後依法失效）課稅年度之應繳總稅款之估計評估（「估計評估」）合共約為52,281,000港元。估計評估乃因對該等附屬公司之稅務事宜進行稅務審查而發出。該等附屬公司已對估計評估提出反對及香港稅務局隨後命令該等附屬公司購買總金額約為25,408,000港元之儲稅券（「儲稅券」）及將結餘延期，條件是倘反對解決後應支付結餘，則將按年利率8.125%（不時按憲報所述變動）收取利息。

管理層於二零一八年底及二零一九年初向香港稅務局提交截至二零一七年／一八年課稅年度之稅項、罰款及判定債項利息約4,616,000港元之結清建議書後，該等附屬公司之稅務審查已經於二零一九年三月結案。因此，於截至二零一九年三月三十一日止年度，本集團與香港稅務局解決有關事宜後已確認稅項支出4,616,000港元。已結束稅務審查之該等附屬公司所多繳之儲稅券約15,467,000港元已於資產負債表日期後退還予該等附屬公司。

餘下附屬公司之稅務審查仍在進行中，就餘下附屬公司於截至二零一二年／一三年之應繳總稅款之估計評估合共22,713,000港元與香港稅務局之爭議仍然待決，而餘下附屬公司為數5,325,000港元之儲稅券仍由香港稅務局扣留。管理層正繼續就餘下附屬公司之稅務審查與香港稅務局商討，且並無特定基準表明保證作出潛在調整。因此，管理層認為現階段毋須就香港利得稅作出額外稅項撥備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

39 DISPOSAL OF SUBSIDIARIES

- (a) On 29 September 2017, the Group entered into disposal agreements with an independent third party, to dispose of its entire equity interest in Billion United Investment Limited, Profitsafe Investment Limited, Profitpower Investment (Hong Kong) Limited, and their subsidiaries, at the face value of the share capital. The total cash consideration is approximately HK\$594, the resulting gain on disposal of the subsidiaries of HK\$2,072,000 was recognised in the consolidated income statement during the year ended 31 March 2018.

39 出售附屬公司

- (a) 於二零一七年九月二十九日，本集團與一名獨立第三方訂立出售協議，以按面值出售其於Billion United Investment Limited、富安投資有限公司、富石投資有限公司及其附屬公司之全部股權。總現金代價約594港元，及由出售該附屬公司產生之收益2,072,000港元於截至二零一八年三月三十一日止年度之綜合收益表內確認。

		Note 附註	HK\$'000 千港元
Cash consideration	現金代價		1
Identifiable assets and liabilities disposed of	已出售可識別資產及負債		
Cash	現金		(1,014)
Other receivables	其他應收款項		(1,577)
Non-controlling interests	非控股權益		(48,733)
Accrued expense	應計開支		4,259
Amount due to non-controlling shareholder	應付非控股股東款項		34,570
Release of exchange fluctuation reserve	解除匯兌波動儲備		14,566
Gain on disposal of subsidiaries	出售附屬公司之收益	6	2,072

NOTES TO FINANCIAL STATEMENTS

財務報表附註

39 DISPOSAL OF SUBSIDIARIES

(continued)

(b) On 19 January 2018, the Group entered into a disposal agreement with an individual, independent third party, to dispose of its entire equity interest in Shaoguan Jianze Smart Electric Motor Company Limited, for a cash consideration of RMB100,000 (equivalent to HK\$120,000). The gain on disposal of the subsidiary of HK\$8,054,000 was recognised in the consolidated income statement during the year ended 31 March 2018.

39 出售附屬公司(續)

(b) 於二零一八年一月十九日，本集團與一名個人獨立第三方訂立出售協議，以按現金代價人民幣100,000元（相等於120,000港元）出售其於韶關建澤精密電機有限公司之全部股權。出售附屬公司之收益8,054,000港元於截至二零一八年三月三十一日止年度之綜合收益表內確認。

		Note 附註	HK\$'000 千港元
Cash consideration	現金代價		120
Identifiable assets and liabilities disposed of	已出售可識別資產及負債		
Other receivables	其他應收款項		(208)
Accounts and other payables	應付賬款及其他應付款項		213
Tax payable	應付稅項		2,775
Release of exchange fluctuation reserve	解除匯兌波動儲備		5,154
Gain on disposal of a subsidiary	出售附屬公司之收益	6	8,054

FINANCIAL SUMMARY

財務概要

RESULTS	業績	Year ended 31 March 截至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	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
REVENUE	收益	4,221,878	3,034,274	2,472,193	2,317,504	2,169,285
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	129,171	182,325	245,289	(31,574)	(115,118)
Income tax expense	所得稅開支	(18,760)	(32,619)	(49,048)	(40,103)	(33,848)
PROFIT/(LOSS) FOR THE YEAR	年內溢利／(虧損)	110,411	149,706	196,241	(71,677)	(148,966)
ATTRIBUTABLE TO:	以下各項應佔：					
Equity holders of the Company	本公司權益持有人	112,384	149,821	196,375	(69,843)	(121,583)
Non-controlling interests	非控股權益	(1,973)	(115)	(134)	(1,834)	(27,383)
		110,411	149,706	196,241	(71,677)	(148,966)
ASSETS AND LIABILITIES	資產及負債	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	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產	1,541,484	1,240,511	927,839	863,650	1,008,900
CURRENT ASSETS	流動資產	1,847,987	1,623,224	1,225,984	977,103	833,658
TOTAL ASSETS	總資產	3,389,471	2,863,735	2,153,823	1,840,753	1,842,558
CURRENT LIABILITIES	流動負債	(2,040,170)	(1,264,231)	(1,011,419)	(796,136)	(726,901)
NON-CURRENT LIABILITIES	非流動負債	(139,375)	(441,460)	(236,093)	(187,241)	(159,896)
TOTAL LIABILITIES	總負債	(2,179,545)	(1,705,691)	(1,247,512)	(983,377)	(886,797)
NET ASSETS	資產淨值	1,209,926	1,158,044	906,311	857,376	955,761

