



ASIA COMMERCIAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 104)



ANNUAL REPORT 2018

CONTENTS

目錄

Corporate Information	公司資料	2
Profile of Directors and Senior Management	董事及高層管理人員簡介	4
Management Discussion and Analysis	管理層討論及分析	7
Directors' Report	董事會報告	13
Corporate Governance Report	企業管治報告	24
Independent Auditor's Report	獨立核數師報告	33
Consolidated Statement of Profit or Loss	綜合損益表	39
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	40
Consolidated Statement of Financial Position	綜合財務狀況表	41
Consolidated Statement of Changes in Equity	綜合權益變動表	42
Consolidated Statement of Cash Flows	綜合現金流量表	44
Notes to the Financial Statements	財務報表附註	46
Five-Year Financial Summary	五年財務摘要	132

CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Eav Yin (alias Duong Khai Nhon) (*Chairman*)
Duong Ming Chi, Henry
Eav Guech Rosanna

Independent non-executive Directors

Lai Si Ming
Wong Wing Yue, Rosaline
Lee Tat Cheung, Vincent

AUDIT COMMITTEE

Lai Si Ming (*Committee Chairman*)
Wong Wing Yue, Rosaline
Lee Tat Cheung, Vincent

REMUNERATION COMMITTEE

Lee Tat Cheung, Vincent (*Committee Chairman*)
Eav Yin (alias Duong Khai Nhon)
Lai Si Ming
Wong Wing Yue, Rosaline

NOMINATION COMMITTEE

Eav Yin (alias Duong Khai Nhon) (*Committee Chairman*)
Lai Si Ming
Wong Wing Yue, Rosaline
Lee Tat Cheung, Vincent

AUTHORISED REPRESENTATIVES

Eav Guech Rosanna
Cheng Ka Chung

COMPANY SECRETARY

Cheng Ka Chung

AUDITOR

Crowe (HK) CPA Limited
Certified Public Accountants
9/F, Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

董事

執行董事

楊仁 (別名楊啟仁) (*主席*)
楊明志
楊訪梅

獨立非執行董事

賴思明
王穎好
李達祥

審核委員會

賴思明 (*委員會主席*)
王穎好
李達祥

薪酬委員會

李達祥 (*委員會主席*)
楊仁 (別名楊啟仁)
賴思明
王穎好

提名委員會

楊仁 (別名楊啟仁) (*委員會主席*)
賴思明
王穎好
李達祥

授權代表

楊訪梅
鄭嘉聰

公司秘書

鄭嘉聰

核數師

國富浩華 (香港) 會計師事務所有限公司
執業會計師
香港
銅鑼灣
禮頓道77號
禮頓中心9樓

CORPORATE INFORMATION

公司資料

PRINCIPAL REGISTRAR

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

BRANCH REGISTRAR

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

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19th Floor
9 Des Voeux Road West
Hong Kong

BANKERS

United Overseas Bank Limited
Bank of Shanghai, Jingan branch

COMPANY'S WEBSITE

www.asiacommercialholdings.com

STOCK CODE

Stock Exchange of Hong Kong : 104

股份過戶及登記處

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

股份過戶及登記分處

卓佳秘書商務有限公司
香港
灣仔皇后大道東183號
合和中心22樓

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

香港主要營業地點

香港
德輔道西9號
19樓

銀行

大華銀行有限公司
上海銀行靜安支行

公司網址

www.asiacommercialholdings.com

股份代號

香港聯合交易所 : 104

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡介

BOARD OF DIRECTORS

Executive Directors

Mr. Eav Yin (alias Duong Khai Nhon), aged 78, is the founder of the Company and a member of Chaozhou Committee of Guangdong Province of the Chinese People's Political Consultative Conference (廣東省潮州市政協委員) and was appointed as an Executive Director and the Chairman of the Company on 22nd November 2006. He is also the chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. Eav Yin is a Cambodian Chinese and prior to his establishing of a Hong Kong company in 1968 as an importing agent for watch distribution business in Cambodia, had extensive experience of distributing watches in Cambodia and Vietnam. Mr. Eav Yin is the father of Ms. Eav Guech Rosanna and Mr. Duong Ming Chi, Henry and the spouse of Mdm. Lam Kim Phung, a controlling shareholder of the Company. Mr. Eav Yin is a director and a controlling shareholder of Century Hero International Limited, which is a controlling shareholder of the Company.

Mr. Duong Ming Chi, Henry, aged 55, was educated at the University of Southern California. Mr. Duong has more than 30 years of experiences in the watch branding and retailing industries. He was appointed as an Executive Director of the Company on 7th July 2011. Before that, he was appointed as the Executive Director from the listing of the Company in 1989 and subsequently resigned on 31st August 1996 to pursue his personal career. Mr. Duong is a son of the Chairman, Executive Director and controlling shareholder of the Company, Mr. Eav Yin and is the elder brother of Ms. Eav Guech Rosanna, who is an Executive Director of the Company.

Ms. Eav Guech Rosanna, aged 48, holds a Bachelor of Business Administration Degree in Marketing from Adelphi University in the U.S.A. She is currently the chief executive officer of Time City (Hong Kong) Limited, a subsidiary of the Company. Before joining the Group in 1993, she worked in a major international US Bank specializing in local corporate companies. Ms. Eav is a daughter of the Chairman, Executive Director and controlling shareholder of the Company, Mr. Eav Yin and is the sister of Mr. Duong Ming Chi, Henry, who is an Executive Director of the Company. She was appointed as an Executive Director of the Company on 21st August 2015.

董事會

執行董事

楊仁先生(別名楊啟仁)，現年七十八歲，為本集團創辦人、並為廣東省潮州市政協委員，於二零零六年十一月二十二日被委任為本公司主席及執行董事，同時亦為本公司提名委員會主席及薪酬委員會委員。楊仁先生為柬埔寨華僑，於一九六八年成立一家香港公司作為柬埔寨鐘錶分銷業務之進口代理前，具有在柬埔寨及越南分銷鐘錶的豐富經驗。楊仁先生為楊訪梅女士及楊明志先生之父親，及本公司控股股東林金鳳之配偶。楊仁先生為世雄國際有限公司之董事及控股股東，該公司則為本公司之控股股東。

楊明志先生，現年五十五歲，曾就讀於美國南加州大學。楊先生於鐘錶品牌及零售行業擁有逾三十年經驗。彼於二零一一年七月七日被委任為本公司執行董事。在此之前，彼於一九八九年為本公司上市時之執行董事，及隨後因追求其個人事業於一九九六年八月三十一日辭職。楊先生為本公司主席，執行董事及控股股東楊仁先生之子，以及本公司執行董事楊訪梅女士之胞兄。

楊訪梅女士，現年四十八歲，持有美國艾德菲大學市場營銷工商管理學位，彼目前為本公司附屬公司冠亞名表城(香港)有限公司之首席執行官。一九九三年加入本集團之前，彼曾於一家國際性美國大銀行專注於當地企業公司的服務。楊女士為本公司主席、執行董事及控股股東楊仁先生之女兒，楊女士亦為本公司執行董事楊明志先生之胞妹。於二零一五年八月二十一日，彼被任命為本公司執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡介

Independent non-executive Directors

Mr. Lai Si Ming, aged 60, is a fellow member of the Hong Kong Institute of Surveyors and an associate member of the Royal Institution of Chartered Surveyors. He was appointed as an independent non-executive Director of the Company on 8th August 1998. He is also the chairman of the audit committee and a member of the nomination committee and remuneration committee of the Company. Mr. Lai was elected as the Vice Chairman, General Practice Division of the Hong Kong Institute of Surveyors during the years from 2001 to 2003. Mr. Lai has been practicing as a professional surveyor since 1983 and has considerable experience in the property field. Mr. Lai is an existing independent non-executive director of Guorui Properties Limited which was listed in the Stock Exchange of Hong Kong Limited on 7th July 2014. Mr. Lai holds a Master Degree of Business Administration from Chinese University of Hong Kong. Mr. Lai held directorship as independent non-executive director of The Sun's Group Limited during the years from 2002 to 2003.

Ms. Wong Wing Yue, Rosaline, aged 48, graduated with LLB (Hons) at King's College, London University, UK in 1992, and was admitted to both the UK Bar (Middle Temple, UK) and the Hong Kong Bar in 1993. She was appointed as an independent non-executive Director of the Company on 16th December 2006. She is also a member of the nomination committee, the audit committee and the remuneration committee of the Company.

Mr. Lee Tat Cheung, Vincent, aged 48, has 27 years experience in accounting and auditing and is the sole proprietor of a firm of Certified Public Accountants practicing in Hong Kong. Mr. Lee is a fellow member of The Institute of Chartered Accountants in England and Wales, a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He holds a Master Degree in Corporate Finance from the Hong Kong Polytechnic University. He was appointed as an independent non-executive Director of the Company on 16th December 2006. He is the chairman of the remuneration committee and also a member of the audit committee and the nomination committee of the Company.

SENIOR MANAGEMENT

Mr. Cheng Ka Chung, aged 50, joined the Group in 2010. Mr. Cheng has more than 20 years experience in finance and accounting. He holds a Bachelor of Arts degree in Accountancy and a Master of Science degree in Accountancy from the Hong Kong Polytechnic University. Mr. Cheng is the Finance Director and Company Secretary of the Company.

獨立非執行董事

賴思明先生，現年六十歲，為香港測量師學會資深會員及英國皇家特許測量師學會之會員，於一九九八年八月八日被委任為本公司獨立非執行董事。彼亦為本公司審核委員會主席及提名委員會及薪酬委員會委員。賴先生於二零零一年至二零零三年期間被選為香港測量師學會之產業測量組之副主席。賴先生自一九八三年起開始以專業測量師之身份執業，並在地產界具豐富經驗。賴先生為國瑞置業有限公司現有之獨立非執行董事（其股份於二零一四年七月七日在香港聯合交易所有限公司上市）。賴先生持有香港中文大學之工商管理碩士學位。二零零二年至二零零三年期間，賴先生持有新銀集團有限公司之獨立非執行董事職位。

王穎好女士，現年四十八歲，一九九二年畢業於英國倫敦大學King's College，取得榮譽法律學士學位，並於一九九三年獲准為英國（英國Middle Temple）及香港大律師。二零零六年十二月十六日，彼被委任為本公司獨立非執行董事，彼同時亦為本公司提名委員會、審核委員會及薪酬委員會委員。

李達祥先生，現年四十八歲，於會計及審計方面擁有二十七年經驗，並為香港一間執業會計師行的獨資經營者。李先生為英格蘭及威爾斯特許會計師公會、香港會計師公會及英國特許公認會計師公會資深會員。彼持有香港理工大學企業金融碩士學位。二零零六年十二月十六日，彼被委任為本公司獨立非執行董事，彼為薪酬委員會主席及同時亦為本公司審核委員會及提名委員會委員。

高層管理人員

鄭嘉聰先生，五十歲，二零一零年加入本集團。鄭先生在財務及會計方面擁有超過二十年的經驗。彼持有香港理工大學會計學文學士學位及碩士學位。鄭先生為本公司之財務總監及公司秘書。



冠亞名表城
香港 尖沙咀
勞力士 專賣店

Timecity
Hong Kong Tsim Sha Tsui
Rolex Boutique



冠亞名表城
香港 尖沙咀
帝舵 專賣店

Timecity
Hong Kong Tsim Sha Tsui
Tudor Boutique



冠亞名表城
成都 春熙路
西鐵城 專賣店

Timecity
Chengdu Chunxi Road
Citizen Boutique



冠亞名表城
成都 國際金融中心
萬國錶 專賣店

Timecity
Chengdu IFS
IWC Boutique

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL HIGHLIGHTS

財務摘要

		2018 二零一八年 HK\$ million 百萬港元	2017 二零一七年 HK\$ million 百萬港元	Change 變動 %
Operations	經營			
Revenue	營業收入	991	850	17
Profit attributable to owners of the Company	歸屬於本公司持有人之溢利	63	31	103
Earnings per share – Basic	每股盈利 – 基本	4.02 HK cents 4.02港仙	1.99 HK cents 1.99港仙	102
Interim dividend declared and paid	已宣佈及派發之中期股息	–	–	–
Final dividend proposed after the end of the reporting period	報告期末後建議派發之末期股息	20	–	N/A 不適用
Special dividend proposed after the end of the reporting period	報告期末後建議派發之特別股息	20	–	N/A 不適用
		2018 二零一八年 HK\$ million 百萬港元	2017 二零一七年 HK\$ million 百萬港元	Change 變動 %
Financial position	財務狀況			
Total assets	總資產	657	688	(5)
Equity attributable to owners of the Company	歸屬於本公司持有人權益	503	430	17



冠亞名表城
上海 南京西路
勞力士 專賣店

Timecity
Shanghai
Nanjing Road West
Rolex Boutique



冠亞名表城
上海 南京西路
寶璣 專賣店

Timecity
Shanghai
Nanjing Road West
Breguet Boutique



冠亞名表城
上海 南京西路
帕瑪強尼 專賣店

Timecity
Shanghai
Nanjing Road West
Parmigiani Boutique



冠亞名表城
上海 上海新世界
勞力士、帝舵
專賣店

Timecity
Shanghai New World
Rolex / Tudor
Boutique

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Review

The Group's revenue for the year amounted to HK\$991 million which was 17% higher than HK\$850 million of last year. The "Sale of watches" segment continued to play a key role this year which increased its revenue by 17% to HK\$983 million. Average same store sales in this year in Hong Kong increased by 61% and decreased by 7% in China respectively as compared with last year. On the other hand, the business in the "Properties leasing" segment remained stable and derived a revenue of HK\$9 million during the year.

The total number of stores is as below:

		As at 31st March 2018 於二零一八年 三月三十一日	As at 31st March 2017 於二零一七年 三月三十一日
Beijing	北京	2	3
Shanghai	上海	3	3
Shenyang	瀋陽	–	1
Chengdu	成都	2	2
Hong Kong	香港	1	1
		8	10

Financial Review

Results review

For the year ended 31st March 2018, the Group's revenue amounted to HK\$991 million, representing an increase of 17% (2017: increase of 2%) from HK\$850 million in last year. The increase was mainly driven by the substantial increase in revenue in Hong Kong of 33% as compared with last year. On the other hand, the revenue in China dropped slightly by 4% in this year. Gross profit margin maintained at 22% which was the same as last year despite the fact that provision for obsolete inventories was made as a result of the closure of a shop in China and the termination of the business relationship with retailers in China of a brand owned by the Group.

Distribution costs amounted to HK\$172 million in this year which was comparable to those of last year as the reduction in rental expenses was offset by the increase in staff related expenses and entertainment charges as a result of the increase in sales activities. Administrative expenses increased slightly by 10% to HK\$32 million as compared with last year was due to the increase in staff related expenses and bank charges as a result of the increase in sales activities.

業務回顧

本年度本集團之營業收入為991,000,000港元，較去年同期的850,000,000港元高出17%。「鐘錶銷售」分部本年度繼續發揮重要角色，其收入增加17%至983,000,000港元。平均同店銷售與去年同期比較，香港及中國分別上升61%及下降7%。另一方面，「租賃物業」分部業務維持穩定，本年度帶來9,000,000港元之收入。

店舖總數如下：

	As at 31st March 2018 於二零一八年 三月三十一日	As at 31st March 2017 於二零一七年 三月三十一日
Beijing	2	3
Shanghai	3	3
Shenyang	–	1
Chengdu	2	2
Hong Kong	1	1
	8	10

財務回顧

業績回顧

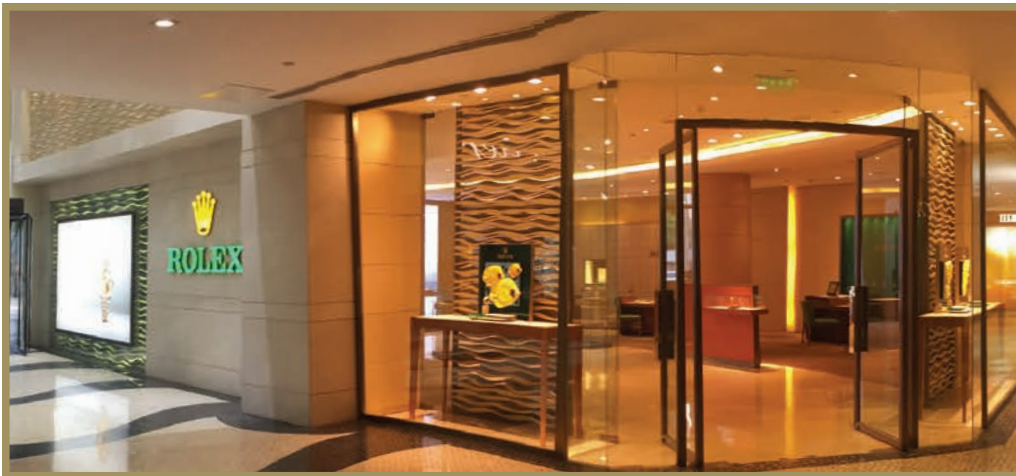
截至二零一八年三月三十一日止年度，本集團之營業收入為991,000,000港元，相較去年的850,000,000港元上升17%（二零一七年：上升2%）。該上升主要受香港營業收入與去年相比大幅上升33%所帶動。另一方面，中國營業收入本年度輕微下跌4%。雖然事實上因關閉中國店舖及終止與本集團所擁有品牌之中國零售商之商業關係而計提過期存貨撥備，惟毛利率仍維持於22%，與去年相同。

本年度分銷成本為172,000,000港元，與去年相若，此乃由於租金支出減少被因銷售活動增加引致的員工相關支出及酬酢費用增加所抵銷。行政費用與去年比較，則輕微增加10%至32,000,000港元，此乃由於銷售活動增加，導致員工相關支出及銀行徵費增加所致。



冠亞名表城
北京 澳門中心
崑崙 專賣店

Timecity
Beijing Macau Center
Corum Boutique



冠亞名表城
北京 澳門中心
勞力士 專賣店

Timecity
Beijing Macau Center
Rolex Boutique



冠亞名表城
北京 澳門中心
卡地亞 專賣店

Timecity
Beijing Macau Center
Cartier Boutique



冠亞名表城
北京 澳門中心
沛納海 專賣店

Timecity
Beijing Macau Center
Panerai Boutique

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Valuation gains on investment properties amounted to HK\$9 million in this year were mainly derived from properties in Hong Kong.

本年度投資物業估值收益為9,000,000港元，主要來自香港物業。

Finance costs dropped to HK\$2 million in this year because of the decrease in borrowings.

由於借貸減少，本年度財務成本減少至2,000,000港元。

Liquidity, financial resources and capital structure

As at 31st March 2018, the Group's total cash balance (including short-term deposits and structured deposits) amounted to HK\$92 million (31st March 2017: HK\$26 million). The increase was mainly due to the reduced inventory level as a result of the tightening control over inventory. Gearing ratio of the Group, expressed as a ratio of total borrowings over total equity, was 3% as at 31st March 2018 (31st March 2017: 26%).

流動資金、財務資源及資本結構

於二零一八年三月三十一日，本集團之現金結餘總額（包括短期存款及結構性存款）為92,000,000港元（二零一七年三月三十一日：26,000,000港元）。增加主要是由於加強控制存貨數量導致存貨水平下降所致。本集團之借貸比率（以淨債項除以總權益表示）於二零一八年三月三十一日為3%（二零一七年三月三十一日：26%）。

Foreign exchange risks

The Group views its main currencies as Hong Kong dollars, Renminbi and Swiss Francs. The Group monitors its exposure to foreign exchange risks and, when it considers necessary and appropriate, will hedge its foreign exchange risks by using financial instruments.

外匯風險

本集團之主要貨幣為港元、人民幣及瑞士法郎。本集團對外匯風險實行監控，會在必要及適當時運用金融工具對沖其外匯風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Prospect

The Group continued to improve its operating results and achieved a net profit of HK\$63 million in this year as compared with a net profit of HK\$31 million in last year.

The Group operates 8 stores in Hong Kong and China. The Group remained focus on its core stores and has streamlined their operating costs during the year and will continue to do so with a view to further enhance the cost efficiency of each store. The overall sentiment in the luxury retail business was improving in Hong Kong and but that in China still remained stagnant due to the slowdown of the economic growth in China and the change of spending pattern of the mainland tourists and the continuation of anticorruption drive in China. Looking ahead, the improving sentiment in Hong Kong as a result of the increase in tourist and local spending will be a positive sign for the Group's business in Hong Kong.

Apart from the "Sale of watches" segment which continues to be the core business of the Group, the Group is also developing its business in the "Properties leasing" segment in which the key investment properties are located in Hong Kong. In June 2018, with a view to enhance and diversify its existing portfolio, the Group has acquired a renowned residential flat in London.

The Group is determined to rebuild its financial strength and confidence to improve its business and take a cautious approach in its future expansion.

On behalf of the Group, we sincerely thank for the kind and positive support of our shareholders, customers, suppliers and associates.

展望

本集團持續改善經營業績，於本年度實現淨溢利63,000,000港元，而去年則有淨溢利31,000,000港元。

本集團在香港及中國經營8間店舖。本集團年內仍將重點放在核心商店，並已精簡營運成本，且會持續此一做法，旨在進一步提升每家商店的成本效益。香港奢侈品零售業務的整體氣氛有所好轉，但由於中國經濟增長放緩、大陸遊客消費模式轉變，以及反腐敗繼續在中國開展，中國奢侈品零售業務仍然見停滯不前。展望將來，旅客及本地消費增加，帶動香港氣氛改善，將成為本集團香港業務的正面信號。

除繼續作為本集團核心業務之「鐘錶銷售」分部外，本集團亦正在發展其「租賃物業」分部之業務，而其主要投資物業乃位於香港。於二零一八年六月，為提升及擴展其現有組合，本集團已收購一項位於倫敦之知名住宅公寓。

本集團決心重建其財務實力及有信心改善其業務表現，並在未來的擴展中採取審慎態度。

謹代表本集團，對各股東、客戶、供應商及聯屬人士給予本集團的積極支持，致以由衷謝意。

DIRECTORS' REPORT

董事會報告

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 31st March 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in Note 17 to the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries ("the Group") during the financial year are set out in Note 17 to the financial statements.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31st March 2018 and the state of the Company and the Group's affairs as at that date are set out in the financial statements on pages 41 to 42.

BUSINESS REVIEW

The business review of the Group for the year ended 31st March 2018 is set out in the section headed "Management Discussion and Analysis" on pages 7 to 12.

Description of possible risks and uncertainties that the Group may be facing can be found in the section headed "Management Discussion and Analysis" on pages 7 and 12 of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is set out in section headed "Management Discussion and Analysis" on pages 7 and 12 of this annual report.

SHARE CAPITAL

Particulars of the share capital of the Company during the year are set out in Note 30 to the financial statements.

DIVIDENDS

Details of the dividends are set out in Note 12 to the financial statements.

PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in Note 17 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are set out in Note 14 to the financial statements.

董事會欣然提呈截至二零一八年三月三十一日止年度之報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股及其附屬公司之主要業務載於財務報表附註17。

本公司及其附屬公司(「本集團」)於本財政年度內之主要業務及經營地點分析載於財務報表附註17。

財務報表

本集團截至二零一八年三月三十一日止年度之溢利以及本公司及本集團於該日之財務狀況載於財務報表第41頁至第42頁。

業務回顧

本集團於截至二零一八年三月三十一日止年度業務回顧載於第7至12頁「管理層討論及分析」一節。

描述本集團或會面對的可能性風險及不確定性可參閱本年報第7及12頁標題為「管理層討論與分析」段落。於年內本集團的業績表現分析所使用的財務主要績效指標載於本年報第7及12頁標題為「管理層討論與分析」段落。

股本

本公司於年內之股本詳情載於財務報表附註30。

股息

股息之詳情載於財務報表附註12。

主要附屬公司

本公司主要附屬公司之詳情載於財務報表附註17。

物業、機器及設備

物業、機器及設備之變動詳情載於財務報表附註14。

DIRECTORS' REPORT

董事會報告

INVESTMENT PROPERTIES

Details of the movements in investment properties during the year are set out in Note 16 to the financial statements.

RESERVES

Details of reserves available for distribution to shareholders and movements in the reserves of the Company and the Group during the year are set out in Note 32 to the financial statements and the consolidated statement of changes in equity respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

BORROWING

Details of the bank borrowings are set out in Note 26 to the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31st March 2018, the Group's largest supplier contributed approximately 64% of the total purchases for the year and the aggregate amount of purchases attributable to the Group's top five suppliers represented approximately 99% of the Group's total purchases.

Since the customer base of the Group is very wide, the aggregate sales attributable to the Group's five largest customers are approximately 13% of total sales during the year.

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors owning more than 5% of the Company's issued share capital) had interest in the Group's five largest suppliers.

FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on page 132.

投資物業

本年度投資物業之變動詳情載於財務報表附註16。

儲備

本公司及本集團年內儲備變動詳情以及可供分派儲備予股東詳情分別載於財務報表附註32及綜合權益變動表。

購買、出售或贖回上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司之任何上市證券。

借貸

銀行借貸之詳情載於財務報表附註26。

主要供應商及客戶

截至二零一八年三月三十一日止年度，本集團最大供應商佔本年度總採購額約64%；而本集團五大供應商之總採購額佔本集團採購總額約99%。

由於本集團之客戶基礎龐大，年內本集團五大客戶之總銷售額約佔本集團銷售總額13%。

各董事、其緊密聯繫人或就董事所知擁有本公司5%以上已發行股本之任何股東概無在本集團五大供應商中擁有任何權益。

財務摘要

本集團於過去五個財政年度之財務摘要載於第132頁。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into during the year or subsisted at the end of the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's bye-laws, subject to the statutes, 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 Directors of the Group.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Eav Yin (*Chairman*)
Mr. Duong Ming Chi, Henry
Ms. Eav Guech Rosanna

Independent non-executive Directors:

Mr. Lai Si Ming
Ms. Wong Wing Yue, Rosaline
Mr. Lee Tat Cheung, Vincent

Mr. Lai Si Ming and Ms. Eav Guech Rosanna shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The independent non-executive Directors are subject to retirement by rotation in accordance with the Company's Bye-Laws.

None of the Directors proposed for re-election has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

管理合約

本公司並無就有關管理或行政工作的整體業務或任何業務重大部分於本年度內或年末訂立或存有任何合約。

允許賠償條款

根據本公司的章程細則，視情況而定，每名董事就他／她之職務所作出任何行為、同意或忽略或有關執行其職務而可能產生或蒙受之所有訴訟、費用、收費、損失、損害及開支，均可從本公司之資產獲得彌償，並確保免就此受任何損害。本公司已就集團之董事可能面對任何訴訟時產生的責任和相關費用購買保險。

董事及董事之服務合約

年內及截至本報告日止，本公司董事為：

執行董事：

楊仁先生(主席)
楊明志先生
楊訪梅女士

獨立非執行董事：

賴思明先生
王穎好女士
李達祥先生

賴思明先生及楊訪梅女士將會在應屆股東週年大會輪席退任，惟合資格並願意膺選連任。

根據本公司細則，獨立非執行董事須輪值退任。

各位獲提名膺選連任之董事與本公司或其附屬公司均無訂立任何本集團若於一年內將之終止即須作出賠償(法定賠償除外)之服務合約。

DIRECTORS' REPORT

董事會報告

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

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

Long positions in shares and underlying shares of the Company

Name of Directors 董事姓名	Nature of interest 權益性質	Number of ordinary shares of HK\$0.2 each/ underlying shares held 持有每股0.2港元普通股／相關股份數目	Approximate percentage of aggregate interests to total issued share capital 總權益佔已發行股本總額概約百分比
Mr. Eav Yin	楊仁先生	886,922,473	56.60
Ms. Eav Guech Rosanna	楊訪梅女士	1,624,272 ^a	0.10
Mr. Duong Ming Chi, Henry	楊明志先生	4,089,600 [■]	0.26
Mr. Lai Si Ming	賴思明先生	366,625 [*]	0.02
Ms. Wong Wing Yue, Rosaline	王穎好女士	366,625 [*]	0.02
Mr. Lee Tat Cheung, Vincent	李達祥先生	366,625 [*]	0.02

Note: Among the 886,922,473 shares in which Mr. Eav Yin is deemed to have interests under the SFO (a) 70,688,600 shares are personal interest of Mr. Eav Yin of which 2,933,000 shares are share options, (b) 5,929,200 shares are held by Mdm. Lam Kim Phung (spouse of Mr. Eav Yin), (c) 582,421,337 shares by Century Hero International Limited, (d) 1,864,800 shares by Debonair Company Limited, (e) 102,267,728 shares by Goodideal Industrial Limited, (f) 2,550,672 shares by Hexham International Limited, (g) 2,846,536 shares by Goodness Management Limited and (h) 118,353,600 shares by Chanchhaya Trustee Holding Corporation (as a trustee of Eav An Unit Trust). Century Hero International Limited, Debonair Company Limited, Hexham International Limited, and Goodness Management Limited are wholly owned and Goodideal Industrial Limited is 87% owned by Mr. Eav Yin. Eav An Unit Trust is a discretionary trust of which Mr. Eav Yin is the founder, the beneficiaries include Mr. Eav Yin, his wife and their children.

董事及主要行政人員於股份、相關股份及債券中之權益

於二零一八年三月三十一日，本公司董事及主要行政人員在本公司或其任何相聯法團（定義見《證券及期貨條例》（「證券及期貨條例」）第XV部）的股份、相關股份或債券中擁有，而根據證券及期貨條例第XV部第7及第8分部須通知本公司及聯交所的權益及淡倉（包括根據證券及期貨條例之該等條文彼等被當作或視為擁有之權益及淡倉），或根據證券及期貨條例第352條規定須列入而已列入須予備存之登記冊或依據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須通知本公司及聯交所的權益及淡倉如下：

於本公司股份及其相關股份之好倉

Name of Directors 董事姓名	Nature of interest 權益性質	Number of ordinary shares of HK\$0.2 each/ underlying shares held 持有每股0.2港元普通股／相關股份數目	Approximate percentage of aggregate interests to total issued share capital 總權益佔已發行股本總額概約百分比
Mr. Eav Yin	楊仁先生	886,922,473	56.60
Ms. Eav Guech Rosanna	楊訪梅女士	1,624,272 ^a	0.10
Mr. Duong Ming Chi, Henry	楊明志先生	4,089,600 [■]	0.26
Mr. Lai Si Ming	賴思明先生	366,625 [*]	0.02
Ms. Wong Wing Yue, Rosaline	王穎好女士	366,625 [*]	0.02
Mr. Lee Tat Cheung, Vincent	李達祥先生	366,625 [*]	0.02

附註：楊仁先生於根據證券及期貨條例被視為擁有權益之886,922,473股股份中，(a) 70,688,600股股份（其中2,933,000股為購股權）屬楊仁先生之個人權益；(b) 5,929,200股股份由林金鳳女士（楊仁先生之配偶）持有；(c) 582,421,337股股份由世雄國際有限公司持有；(d) 1,864,800股股份由Debonair Company Limited持有；(e) 102,267,728股股份由Goodideal Industrial Limited持有；(f) 2,550,672股股份由Hexham International Limited持有；(g) 2,846,536股股份由Goodness Management Limited持有及(h) 118,353,600股股份由Chanchhaya Trustee Holding Corporation（作為Eav An Unit Trust之受託人）持有。世雄國際有限公司、Debonair Company Limited、Hexham International Limited、Goodness Management Limited均由楊仁先生全資擁有，而Goodideal Industrial Limited由楊仁先生擁有87%。Eav An Unit Trust為全權信託，楊仁先生為該信託之創立人，受益人包括楊仁先生、其妻子及彼等之子女。

▪ All the 4,089,600 shares are personal interest of Mr. Duong Ming Chi, Henry.

* All the interests are related to the share options held by the respective Directors.

△ All the 1,624,272 shares are personal interest of Ms. Eav Guech Rosanna.

Save as disclosed herein and in the section headed "SHARE OPTION SCHEME", as at 31st March 2018, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code. In addition, save as disclosed above, none of the Directors or chief executive of the Company nor their spouses or children under 18 years of age had been granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

RELATED PARTY TRANSACTIONS

Material related party transactions entered into by the Group during the year ended 31st March 2018, which may also constitute connected transactions under the Listing Rules, are disclosed in Note 34 to the financial statements.

During the year, the above-mentioned connected transactions are exempted from reporting, annual review, announcement and independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed herein the section headed "RELATED PARTY TRANSACTIONS", no transactions, arrangements or contracts of significance to which the Company, its parent company, its subsidiaries or fellow subsidiaries were a party and in which a Director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SHARE OPTION SCHEME

On 20th September 2002, the shareholders of the Company approved the adoption of a share option scheme (the "2002 Share Option Scheme").

The 2002 Share Option Scheme has been expired on 20th September 2012 and no new share option scheme has been adopted thereafter.

▪ 所有4,089,600股股份均屬楊明志先生個人權益。

* 有關購股權之所有權益由各董事分別持有。

△ 所有1,624,272股股份均屬楊訪梅女士個人權益。

除上文及標題「購股權計劃」部分所披露者外，於二零一八年三月三十一日，本公司各董事或主要行政人員概無在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券證中擁有，而根據證券及期貨條例第XV部第7及第8分部須通知本公司及聯交所的權益及淡倉（包括根據證券及期貨條例之該等條文彼等被當作或視為擁有之權益及淡倉），或根據證券及期貨條例第352條須登記於備存的登記冊內或根據標準守則須通知本公司及聯交所的權益及淡倉。此外，除上文所披露者外，本公司各董事或主要行政人員或彼等之配偶或未滿18歲之子女概無獲授予或行使認購本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股本或債務證券之任何權利。

關連人士交易

於截至二零一八年三月三十一日止年度期間，由本集團訂立的重大關連交易其中可能根據上市規則視為關連交易，於財務報表附註34中披露。

年內，上述關連交易根據上市規則第14A章豁免報告、年度審核、公告以及獨立股東批准。

董事於交易、安排或合約之權益

除上文一節「關連人士交易」所披露者外，在今年年底或在年內任何時間並無重大交易、安排或合約，仍繼續存在其中本公司、其母公司或其附屬公司或同系附屬公司為一方當事人，以及其中本公司董事或其有關實體無論是直接或間接擁有重大權益。

購股權計劃

於二零零二年九月二十日，本公司股東批准採納購股權計劃（「二零零二年購股權計劃」）。

二零零二年購股權計劃已於二零一二年九月二十日屆滿及並無新購股權計劃隨後採納。

DIRECTORS' REPORT

董事會報告

The Company has issued 146,800,000 and 34,170,000 share options to the qualifying grantees to subscribe for ordinary shares of HK\$0.02 each in the share capital of the Company under the 2002 Share Option Scheme on 31st March 2011 and 26th October 2011 of which the exercise prices were HK\$0.394 per share and HK\$0.263 per share respectively. Upon the completion of the share consolidation and rights issue in January 2013 and February 2013, the original numbers of issued share options were adjusted from 146,800,000 and 34,170,000 to 43,056,440 and 10,022,061 respectively. In addition, both the exercise prices and the numbers of share options have been adjusted according to the 2002 Share Option Scheme. As of 31st March 2018, the outstanding amount of share options was 15,559,565.

As at 31st March 2018, the Directors and employees of the Company had the following interests in share options to subscribe for shares of the Company (market value per share at 31st March 2018 was HK\$0.34) granted for a nominal consideration under the 2002 Share Option Scheme of the Company. The share options are unlisted. Each share option gives the holder the right to subscribe for one ordinary share of HK\$0.2 of the Company.

於二零一一年三月三十一日及二零一一年十月二十六日，本公司根據二零零二年購股權計劃，向合資格獲授予者發行146,800,000份及34,170,000份可認購本公司每股股本為0.02港元之普通股之購股權，其行使價分別為每股0.394港元及0.263港元。二零一三年一月及二零一三年二月之股份合併及供股完成後，原已發行購股權數目分別由146,800,000份及34,170,000份變為43,056,440份及10,022,061份。此外，根據二零零二年購股權計劃，購股權的行使價及數目，兩者經已作出調整。於二零一八年三月三十一日，尚未行使之購股權為15,559,565份。

於二零一八年三月三十一日，本公司董事及員工擁有以下根據本公司二零零二年購股權計劃以票面值代價授予之購股權權益以認購本公司之股份（於二零一八年三月三十一日每股市場價格為0.34港元）。該購股權為非上市證券，每一購股權給予持有人認購本公司0.2港元一股普通股之權利。

Directors 董事	No. of share options outstanding at the beginning of the year 尚未行使的購股權數目	No. of share options granted during the year 年內授出的購股權數目	No. of share options forfeited during the year 失效之購股權數目	No. of shares acquired on exercise of share options during the year 購股權獲得之股份數目	No. of share options outstanding at year end 尚未行使的購股權數目	Date of grant 授出日期	Period during which share options are vested 已歸屬購股權的期限	Period during which share options are exercisable 可行使購股權的期限	Exercise price per share 每行使價
Mr. Eav Yin 楊仁先生	2,933,000	-	-	-	2,933,000	31st March 2011 二零一一年三月三十一日	30th March 2012 to 30th March 2016 二零一二年三月三十日至二零一六年三月三十日	30th March 2012 to 30th March 2021 二零一二年三月三十日至二零一二年三月三十日	HK\$1.344 1.344港元
Mr. Lai Si Ming 賴思明先生	366,625	-	-	-	366,625	31st March 2011 二零一一年三月三十一日	30th March 2012 to 30th March 2016 二零一二年三月三十日至二零一六年三月三十日	30th March 2012 to 30th March 2021 二零一二年三月三十日至二零一二年三月三十日	HK\$1.344 1.344港元
Ms. Wong Wing Yue, Rosaline 王穎好女士	366,625	-	-	-	366,625	31st March 2011 二零一一年三月三十一日	30th March 2012 to 30th March 2016 二零一二年三月三十日至二零一六年三月三十日	30th March 2012 to 30th March 2021 二零一二年三月三十日至二零一二年三月三十日	HK\$1.344 1.344港元
Mr. Lee Tat Cheung, Vincent 李達祥先生	366,625	-	-	-	366,625	31st March 2011 二零一一年三月三十一日	30th March 2012 to 30th March 2016 二零一二年三月三十日至二零一六年三月三十日	30th March 2012 to 30th March 2021 二零一二年三月三十日至二零一二年三月三十日	HK\$1.344 1.344港元
Employees 員工	13,066,515	-	(1,539,825)	-	11,526,690	31st March 2011 二零一一年三月三十一日	30th March 2012 to 30th March 2016 二零一二年三月三十日至二零一六年三月三十日	30th March 2012 to 30th March 2021 二零一二年三月三十日至二零一二年三月三十日	HK\$1.344 1.344港元
Total 總計	17,099,390	-	(1,539,825)	-	15,559,565				

DIRECTORS' REPORT

董事會報告

The share options granted to the Directors are registered under the names of the Directors who are also the beneficial owners. The closing prices of the Company's shares immediately before the date of grant of the share options on 31st March 2011 and 26th October 2011 were HK\$0.39 and HK\$0.26 respectively.

During the year, 1,539,825 share options were forfeited under the 2002 Share Option Scheme.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Option Scheme" and "Convertible Securities, Options, Warrants or Similar Rights", no equity-linked agreements were entered into during the year or subsisted at the end of the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed herein, at no time during the year, was the Company or any of its associated corporations a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors or their spouses or children under 18 years of age was granted any right to subscribe for any shares in, or debentures of, the Company or any of its associated corporations.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no Director is considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules.

授予各董事之購股權均以各董事之名義登記註冊，其亦為實益擁有人。於二零一一年三月三十一日及二零一一年十月二十六日，本公司之股份收市價緊隨授出購股權日期前分別為0.39港元及0.26港元。

年度內，根據二零零二年購股權計劃1,539,825份購股權已經失效。

股票掛鉤協議

除上文「購股權計劃」及「可換股證券、購股權、認股權證或類似權利」所披露外，本年度內，本公司並無就股票掛鉤協議訂立或存有任何合約。

董事購買股份或債券之權利

除上文所述者外，本公司或其任何相聯法團於年度內概無訂立任何安排，致使董事可藉著購買本公司或任何其他法人團體之股份或債券而獲取利益，且並無任何董事或其配偶或其年齡在十八歲以下之子女獲授予任何權利以認購本公司或其任何相聯法團之任何股份或債券。

董事於競爭的業務之權益

於本年度內及至本報告日止，並無董事被認為根據上市規則與本集團之業務競爭或有機會構成競爭之業務擁有權益。

DIRECTORS' REPORT

董事會報告

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

In addition to the share options granted under the 2002 Share Option Scheme as disclosed herein, on 13th September 2010, the shareholders of the Company approved the adoption of a share award plan (the "Share Award Plan 2010"). The Share Award Plan 2010 is a ten-year discretionary share award and ownership plan. It is primarily for encouraging or facilitating the holding of shares by those selected employees of the Group who, as determined by the Board, are eligible to participate in the plan and to whom new shares are or will be awarded. The Directors will make use of the plan to award new shares to those selected employees of the Group on suitable terms as incentives and rewards for their contribution to the Group.

No award was granted, exercised, cancelled or lapsed during the year. Save as disclosed herein, the Company had no other outstanding convertible securities, options, warrants or similar rights as at 31st March 2018 and there was no issue or exercise of any such other convertible securities, options, warrants or similar rights during the year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31st March 2018, so far as is known to any Directors and chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register kept by the Company or required to be notified under Section 336 of the SFO:

可換股證券、購股權、認股權證或類似權利

根據二零零二年購股權計劃附加於授予購股權所披露，於二零一零年九月十三日，本公司股東批准採納股份獎勵計劃（「股份獎勵計劃（二零一零年）」）。股份獎勵計劃（二零一零年）乃十年期酌情股份獎勵及擁有權計劃，旨在鼓勵或便利該等由董事會釐定為合資格參與該計劃之本集團獲選僱員持有股份，並向其頒授新股份。董事將善用該計劃，以合適的條款作為對有關僱員為本集團作出貢獻之獎勵與回饋。

年度內無購股權被授出、行使、註銷或失效。除文內披露外，於二零一八年三月三十一日本公司並無未行使可換股證券、購股權、認股證或類似權利，以及於年內並無發行或行使任何該等及其他可換股證券、購股權、認股證或類似權利。

股本中之重大權益

於二零一八年三月三十一日，據任何本公司董事及主要行政人員所知，下列人士（本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有本公司已發行股本5%或更多，按照證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或記錄於本公司所存置之登記冊或按照證券及期貨條例第336條須予知會之權益或淡倉：

Name of shareholder 股東名稱		Notes 附註	Number of ordinary shares of HK\$0.2 each/ underlying shares held 實益持有 每股0.2港元 普通股/ 相關股份數目	Approximate percentage of issued share capital 佔已發行股本 概約百分比 %
Mdm. Lam Kim Phung	林金鳳女士	1	886,922,473	56.60
Century Hero International Limited	世雄國際有限公司	2	582,421,337	37.17
Chanchhaya Trustee Holding Corporation	Chanchhaya Trustee Holding Corporation	3	118,353,600	7.55
Convenhills Limited	Convenhills Limited	4	128,510,486	8.20
Goodideal Industrial Limited	Goodideal Industrial Limited	5	102,267,728	6.53

DIRECTORS' REPORT

董事會報告

Notes:

1. These shares include 5,929,200 shares held by Mdm. Lam Kim Phung and the remaining 880,993,273 shares represent the interest held by Mr. Eav Yin, spouse of Mdm. Lam Kim Phung, whose interests are disclosed in the above section headed "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures".
2. Century Hero International Limited is wholly owned by Mr. Eav Yin who is also a director of this company.
3. Chanchhaya Trustee Holding Corporation is trustee of Eav An Unit Trust, a discretionary trust, the beneficiaries of which include Mr. Eav Yin, his wife and their children.
4. Convehills Limited is owned equally by the estate beneficiary of late Mr. Leong Lou Teck, Mr. Leong Lum Thye, Miss Leong Yoke Kheng and Mr. Leong Siew Khuen.
5. Goodideal Industrial Limited is 87% owned by Mr. Eav Yin who is a director of this company.

All the interests disclosed above represent long positions in shares of the Company.

Save as disclosed above, as at 31st March 2018, there were no other person (other than the Directors or chief executive of the Company) who was recorded in the register of the Company as having an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws although there is no restriction against such right under Bermuda law.

EMPLOYEES AND REMUNERATION POLICY

There were 153 employees in the Group as at 31st March 2018. The Group offers competitive remuneration packages to employees in line with market trends. Incentives such as discretionary bonuses and shares under share award plan are offered to motivate employees.

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

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

附註：

1. 此等股份中5,929,200股股份由林金鳳女士所持有，而餘下880,993,273股股份則由楊仁先生（林金鳳女士之配偶）持有權益，楊仁先生之權益披露於上文「董事及主要行政人員於股份、相關股份及債券中之權益」內。
2. 世雄國際有限公司由楊仁先生全資擁有，楊仁先生亦為該公司之董事。
3. Chanchhaya Trustee Holding Corporation為全權信託Eav An Unit Trust之受託人，該信託之受益人包括楊仁先生、其妻子及彼等之子女。
4. Convehills Limited由已故梁留德先生之遺產受益人、Leong Lum Thye先生、Leong Yoke Kheng小姐及Leong Siew Khuen先生均等擁有。
5. Goodideal Industrial Limited由楊仁先生擁有87%，楊仁先生亦為該公司之董事。

上文所披露之所有權益均為本公司股份之好倉。

除上文所披露者外，於二零一八年三月三十一日，概無其他被列入本公司登記冊之人士（本公司董事或主要行政人員除外）於本公司股份及相關股份中擁有，而根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露之權益或淡倉，或須根據證券及期貨條例第336條規定列入本公司須予備存之登記冊內之權益或淡倉。

優先購買權

本公司之公司細則並無有關優先購買權之規定，而百慕達法例亦無對該項權利施加限制。

僱員及薪酬政策

於二零一八年三月三十一日，本集團共聘用153名僱員。本集團按市場趨勢向僱員提供具競爭力之薪酬組合，並提供獎勵（如酌情花紅及股份獎勵計劃下之股份）激勵僱員。

本集團僱員之薪酬政策乃由薪酬委員會設立，根據僱員之能力、資格及專長釐定薪酬。

本公司董事之酬金由薪酬委員會經考慮本公司經營業績、個人表現及可比較市場統計數據釐定。

DIRECTORS' REPORT

董事會報告

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

Environmental policies

The Group puts great emphasis on environmental protection and sustainable development. The conscientious use of resources and the adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection, complies with environmental legislations and promotes awareness towards environmental protection to its employees. Several measures have been implemented by the Group in order to promote environmental protection, including, among others:

- (i) promoting energy saving by encouraging its staff to switch off all air-conditioners and lightings before leaving the office, and to utilise the timer-control function of all air-conditioning systems;
- (ii) reducing energy consumption by using energy-saving light bulbs in the corridors and the reception area of its offices;
- (iii) promoting recycling by placing recycle bins next to printers for collecting used papers for reusing and recycling purposes, and by encouraging two-sided printing and/or the use of scratch papers;
- (iv) reducing the use of disposable products by, for example, cancelling the distribution of plastic bags in office; and
- (v) reducing water consumption by replacing all water taps by automatic faucets in offices.

The environmental, social and governance report will be uploaded within three months after the publication of the annual report of the Company to the websites of both The Stock Exchange of Hong Kong Limited and the Company.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws and regulations in Hong Kong and regularly reviews the existing staff benefits for improvement. The Group provides good quality services to the customers and maintains a good relationship with them. The Group is able to establish trusting and long-standing business relationships with the major customers. The Group also maintains effective communication and develops long-term and stable relationships with its suppliers. During the year, there was no material dispute or disagreement between the Group and its customers or suppliers.

公眾持股量

根據本公司可從公開途徑取得的資料及就董事所知，於本年報日，本公司已根據上市規則維持規定之公眾持股量。

環境保護政策

本集團高度重視環境保護及可持續發展。本集團承諾保護環境，並於業務過程中謹慎使用資源及採取最佳實踐。本集團鼓勵環境保護及遵守環境法例，努力提高僱員的環境保護意識。本集團採取若干環境保護措施，包括但不限於：

- (i) 透過鼓勵員工離辦公室關閉所有空調及照明工具以及使用空調系統定時功能促進節能；
- (ii) 透過於走廊及辦公室接待區域使用節能燈減少能源消費；
- (iii) 透過在打印機旁邊放置回收桶收集使用後紙張用於再利用及資源回收以及促進雙面打印及／或使用便簽促進循環利用；
- (iv) 減少使用一次性產品，如取消在辦公室派發塑料袋；及
- (v) 透過安裝感應水龍頭減少用水量。

環境、社會及管治報告將於本公司年報刊發後三個月內上載至香港聯合交易所有限公司及本公司網站。

與持份者的關係

本集團視僱員為本集團其中一項寶貴資產。本集團嚴格遵守香港的勞動法例及法規，並定期審閱並完善現有員工福利。本集團為客戶提供優質服務，並與彼等維持良好關係。本集團能夠與主要客戶建立互信並維持長遠業務關係。本集團亦與供應商維持有效溝通，並建立長期穩定關係。本年度，本集團與客戶或供應商之間並無重大糾紛或意見分歧。

Compliance with laws and regulations

During the year ended 31st March 2018 and up to the date of this report, the Group has complied with all the relevant laws and regulations in the mainland China, Switzerland and Hong Kong that have a significant impact on the Group.

Donations

During the year, the Group did not make any charitable donations.

AUDITOR

The financial statement for the years ended 31st March 2016 and 2017 were audited by Crowe Horwath (HK) CPA Limited.

Crowe Horwath (HK) CPA Limited has changed its name to Crowe (HK) CPA Limited ("Crowe"). Accordingly, the independent auditor's report is now signed under the new name.

The financial statements for the year ended 31st March 2018 were audited by Crowe. A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint Crowe as auditor of the Company.

EXPRESSION OF GRATITUDE

The Board would like to take this opportunity to express its gratitude to all staff members, shareholders, bankers, customers, suppliers and professional advisors for the sincere support to the Group.

By Order of the Board

Eav Yin
Chairman

Hong Kong, 27th June 2018

遵守法律及法規

於截至二零一八年三月三十一日止年度及截至本年報公佈日，本集團已遵守其對本集團有重大影響的中國大陸、瑞士及香港的所有相關法律及法規。

捐贈

年內，集團沒有作出慈善捐款。

核數師

於截至二零一六及二零一七年年三月三十一日止年度期間之財務報表乃由國富浩華(香港)會計師事務所有限公司進行審核。

國富浩華(香港)會計師事務所有限公司之英文名稱 Crowe Horwath (HK) CPA Limited 已改為 Crowe (HK) CPA Limited，而中文名稱則維持不變。因此，獨立核數師報告現在以新名稱簽署。

於截至二零一八年三月三十一日止年度期間之財務報表乃由國富浩華進行審核。續聘國富浩華為公司核數師的決議案，將在即將召開的股東週年大會上提呈。

致謝

董事會謹借此機會就所有員工、股東、往來銀行、客戶、供應商及專業顧問一直以來對本集團之親切支持致以深切之感謝。

承董事會命

楊仁
主席

香港，二零一八年六月二十七日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited throughout the year ended 31st March 2018 except for the deviation from the code provisions A.1.1, A.4.1 and D.1.4 and those discussed below:

The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the “1989 Act”). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws. As the Company is bound by the provision of the 1989 Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. As such, a special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws of the Company so that, inter alia, (i) every director (save for a director holding office as Chairman or Managing Director) of the Company shall be subject to retirement by rotation at least once every three years; (ii) a director may be removed by an ordinary resolution in general meeting instead of a special resolution; and (iii) any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting, instead of the next annual general meeting.

To enhance good corporate governance practices, Mr. Eav Yin, the Chairman of the Board has confirmed to the Board that he will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that being eligible for re-election, he may offer himself for re-election at the annual general meeting. The Chairman is Mr. Eav Yin while the function of the chief executive officer is divided between the remaining executive directors.

Code provision A.1.1 provides that regular board meetings should be held at least four times a year but only three regular meetings were held during the year instead. The Board will improve this meeting arrangement to comply with this provision in the future.

Code provision A.4.1 of the Code provides that non-executive director should be appointed for a specific term, subject to re-election.

During the year, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at the annual general meeting in accordance with the Company’s Bye-Laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are not less exacting than those in the Code.

Code provision D.1.4 stipulates that directors should clearly understand delegation arrangements in place. Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointments.

企業管治常規

本公司致力透過高質素的董事會、有效的內部監控、對本公司全體股東之透明度及問責性維持高水平之企業管治常規。

於截至二零一八年三月三十一日止年度，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四企業管治守則（「守則」）所載的所有守則條文，惟對守則條文A.1.1條、A.4.1條及D.1.4條以下之偏離者除外：

本公司於百慕達註冊成立及實施冠亞商業集團有限公司之私人法案，百慕達1989年公司法案（「1989年法案」）。根據1989年法案第3(e)條，擔任執行主席或董事總經理的董事毋須根據公司細則在每次股東週年大會上輪值退任。由於本公司受1989年法案之條文約束，現時無法修訂公司細則，以完全反映守則之規定。故此，本公司二零零七年三月二十八日舉行之股東特別大會上通過一項特別決議案修訂本公司之公司細則，從而令（其中包括），(i)每名本公司董事（不包括擔任主席或董事總經理之董事）最少每三年輪值退任一次；(ii)可於股東大會上藉普通決議案而非特別決議案罷免董事；及(iii)獲委任填補臨時空缺或作為董事會新增成員的董事，須於獲委任後首屆股東大會而非獲委任後的下一屆股東週年大會上經股東重選。

為提升良好企業管治常規，董事會主席楊仁先生已向董事會確認彼將自願最少每三年一次於本公司之股東週年大會上按照守則之規定退任董事職務，惟倘符合資格，彼可於股東週年大會上膺選連任。楊仁先生為主席，而行政總裁之職能則由餘下之執行董事分擔。

守則條文A.1.1條規定每年至少舉行四次定期董事會會議，但年內只舉行了三次定期董事會會議。董事會未來將會根據有關守則條文改善公司此一安排。

守則條文A.4.1條規定，非執行董事應有指定任期，並須輪值退任。

年內，本公司之非執行董事並無指定任期，但須根據本公司之公司細則最少每三年輪值退任一次及須於股東週年大會上重選。因此，本公司認為已採取充足措施以確保本公司之企業管治常規並不比守則所定者寬鬆。

守則條文D.1.4條規定，董事應清楚地認識到適當委託安排。公司應該有正式的董事委任函件載列其委任之主要條款及條件。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has not entered into any written letters of appointment with its Directors. However, the Board recognises that (i) the Directors have already been subject to the laws and regulations applicable to directors of a company listed on The Stock Exchange of Hong Kong Limited, including the Listing Rules as well as the fiduciary duties to act in the best interests of the Company and its shareholders; (ii) all of them are well established in their professions; and (iii) the current arrangement has been adopted by the Company for several years and has proven to be effective. Therefore, the Board considers that the Directors are able to carry out their duties in a responsible and effective manner under the current arrangement.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner. The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by Directors of the Company (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry with all the Directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code and the Code of Conduct during the year ended 31st March 2018.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and financial performance. The management of the Group is responsible for the day-to-day management and operation of the respective individual business unit.

The Board currently comprises three Executive Directors and three independent non-executive Directors. The biographical details of the Directors are set out on pages 4 and 5 of this annual report.

The Board possesses a balance of skills and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the independent non-executive Directors of the Company in the Board meetings facilitate the maintenance of good corporate governance practices. One of the independent non-executive Directors has the appropriate professional accounting experience and expertise as required by Rule 3.10(2) of the Listing Rules. A balanced composition of Executive and non-executive Directors also generates a strong independent element on the Board, which allows independent and objective decision making process for the best interests of the Company.

本公司與其董事並無訂立任何書面委任信函。然而，董事會確認：(i)各董事已受到適用於香港聯合交易所有限公司上市公司董事的法律和法規(包括上市規則，以及受託責任)規管，以本公司及其股東之最佳利益行事；(ii)彼等在其專業中均信譽卓著；及(iii)本公司採納目前之安排已有數年及已證明有效。因此，董事會認為各董事在目前的安排下，可以負責任地及有效地履行自己的職責。

董事會將持續檢討及改善本公司之企業管治常規及標準，以確保業務經營及決策過程受到適當及審慎的規管。本公司致力維持高水平的企業管治常規，著重高質素的董事會、健全的內部監控、透明度及對本公司全體股東的問責性。

董事之證券交易

本公司已採納有關本公司董事進行證券交易之守則(「操守準則」)，該準則之條款之嚴格程序不遜於上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)之規定準則。

本公司全體董事經諮詢後，確認彼等於截至二零一八年三月三十一日止年度已遵守標準守則及操守準則所載之準則。

董事會

董事會負責領導及控制本公司以及監察本集團業務、策略性決策及財務表現。本集團管理層負責各業務部門日常管理及營運。

董事會現時由三名執行董事及三名獨立非執行董事所組成。董事履歷載於本年報第4及5頁。

董事會成員具備經營本公司業務所需之各種技能及經驗。本公司之獨立非執行董事於董事會會議上提出之意見有助維持良好之企業管治常規。其中一名獨立非執行董事擁有上市規則第3.10(2)條訂明之適當專業會計經驗及相關專業知識。執行董事及非執行董事之均衡組成比例亦大大提升董事會之獨立性，可有效發揮獨立判斷及客觀地為本公司之最佳利益制訂決策。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has received from each independent non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of them to be independent.

The Board meets regularly to review the financial and operating performance of the Group. During the year, 3 Board regular meetings were held. Moreover, 2 Audit Committee meetings, 1 Remuneration Committee meeting and 1 Nomination Committee meeting were held during the year. The individual attendance of Directors in these meetings was set out below:

Name of Director 董事姓名		Board meetings 董事會會議	Audit Committee meetings 審核委員會會議	Remuneration Committee meetings 薪酬委員會會議	Nomination Committee meetings 提名委員會會議
Executive Directors	執行董事				
Mr. Eav Yin	楊仁先生	3/3	N/A不適用	1/1	1/1
Mr. Duong Ming Chi, Henry	楊明志先生	3/3	N/A不適用	N/A不適用	N/A不適用
Ms. Eav Guech Rosanna	楊訪梅女士	3/3	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. Lai Si Ming	賴思明先生	3/3	2/2	1/1	1/1
Ms. Wong Wing Yue, Rosaline	王穎妤女士	3/3	2/2	1/1	1/1
Mr. Lee Tat Cheung, Vincent	李達祥先生	3/3	2/2	1/1	1/1

Mr. Eav Yin, the Chairman of the Company, is the father of Mr. Duong Ming Chi, Henry and Ms. Eav Guech Rosanna who are both Executive Directors of the Company. Save as disclosed herein, there is no financial, business, family or other material or relevant relationship among members of the Board or between the Chairman and the chief executive officer.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is Mr. Eav Yin while the function of the chief executive officer is divided between the remaining Executive Directors.

NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the Code provides that non-executive director should be appointed for a specific term, subject to re-election.

During the year, the non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at annual general meeting in accordance with the Company's Bye-Laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

本公司已接獲每名獨立非執行董事根據上市規則第3.13條就其獨立身份而發出之年度確認聲明，而本公司認為所有獨立非執行董事均屬獨立人士。

董事會定期開會，以檢討本集團之財務及業務表現。本年度，董事會舉行三次定期會議。此外，本年度已舉行兩次審核委員會會議，一次薪酬委員會會議及一次提名委員會會議，該等會議各董事之獨立出席紀錄刊載如下：

		Audit Committee meetings 審核委員會會議	Remuneration Committee meetings 薪酬委員會會議	Nomination Committee meetings 提名委員會會議
Executive Directors	執行董事			
Mr. Eav Yin	楊仁先生	N/A不適用	1/1	1/1
Mr. Duong Ming Chi, Henry	楊明志先生	N/A不適用	N/A不適用	N/A不適用
Ms. Eav Guech Rosanna	楊訪梅女士	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. Lai Si Ming	賴思明先生	2/2	1/1	1/1
Ms. Wong Wing Yue, Rosaline	王穎妤女士	2/2	1/1	1/1
Mr. Lee Tat Cheung, Vincent	李達祥先生	2/2	1/1	1/1

本公司主席楊仁先生為楊明志先生及楊訪梅女士（兩者均為本公司執行董事）之父親。除本文所披露者外，董事會成員之間或主席與行政總裁之間並無財務、業務、家庭或其他重大或相關關係。

主席及行政總裁

主席為楊仁先生，而行政總裁之功能由餘下之執行董事分擔。

非執行董事

守則條文A.4.1條規定，非執行董事應有指定任期，並須輪值退任。

於本年度，本公司之非執行董事並無指定任期，但須根據本公司之公司細則最少每三年輪值退任一次及須於股東週年大會上重選。因此，本公司認為已採取充足措施以確保本公司之企業管治常規並不比守則所定者寬鬆。

NOMINATION COMMITTEE

The Board has set up a nomination committee on 1st April 2012. The principle duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the chief executive.

The Nomination Committee comprises one Executive Director, namely Mr. Eav Yin and three independent non-executive Directors, namely Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent. The Nomination Committee is chaired by Mr. Eav Yin.

During the year, the Nomination Committee held 1 meeting to review the structure, size and composition of the Board and to assess the independence of independent non-executive directors, appoint of new executive director and make recommendations to the Board on the re-appointment of directors.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, culture and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Board will review the Policy from time to time to ensure its continued effectiveness. At present, the Board has not set measurable objectives to implement the Policy.

REMUNERATION COMMITTEE

The Board set up the Remuneration Committee on 15th July 2005 with specific written terms of reference which clearly deal with its authority and duties. The terms of reference have been updated during the year in line with the revised Corporate Governance Code requirement effective from 1st April 2012. The Remuneration Committee's role is to make recommendation to the Board on the remuneration policy and structure for Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders. The principal duties of the Remuneration Committee include determining the specific remuneration packages of all Directors and senior management as well as reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

提名委員會

董事會於二零一二年四月一日成立提名委員會。提名委員會的主要職責包括至少每年一次檢討董事會的架構、規模及組成(包括技能、知識和經驗)，並在董事會任何建議之變動提供意見以配合本公司之企業策略，識別有資格成為董事會成員的合適人選，及對董事提名人選之選擇向董事會作出選擇或提供意見，評估獨立非執行董事的獨立性及就委任或重新委任董事及董事的繼任人選計劃，尤其是主席及行政總裁向董事會提供意見。

提名委員會包括一名執行董事，即楊仁先生，以及三名獨立非執行董事，即賴思明先生，王穎好女士及李達祥先生。楊仁先生為提名委員會之主席。

年內，提名委員會召開了一次會議，以檢討董事會的架構、人數及組成，並評估獨立非執行董事的獨立性，委任新執行董事以及向董事會提出重新委任董事之建議。

董事會成員多元化政策

本公司已採納董事會成員多元化政策(「政策」)，當中載列為達致及保持董事會成員多元化以提升董事會之有效性之方針。根據該政策，本公司為尋求達致董事會成員多元化考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期。

董事會將不時檢討政策，以確保政策，以確保該政策行之有效。目前，董事會並無制定任何可計量目標。

薪酬委員會

董事會於二零零五年七月十五日成立薪酬委員會，書面職權範圍已闡明其授權與職責。為配合自二零一二年四月一日起生效的經修訂企業管治守則要求，職權範圍已於年內更新。薪酬委員會之角色為就董事及高層管理人員之酬金政策及架構向董事會提出建議，以及已考慮到股東利益之情況下，確保彼等已按各自對本集團之整體貢獻得到公平回報。薪酬委員會之主要職責包括釐定全體執行董事及高層管理人員之酬金待遇，以及參考董事會不時議決之企業目標及宗旨，審閱及批准按表現訂定之酬金。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Remuneration Committee comprises one Executive Director, namely Mr. Eav Yin and three independent non-executive Directors, namely Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent. The Remuneration Committee is chaired by Mr. Lee Tat Cheung, Vincent.

During the year, the Remuneration Committee held 1 meeting to advise the Board on the Group's overall policy and structure of the remuneration of the Directors and senior management. No Director or any of his/her associates may be involved in any decisions as to his/her own remuneration. Based on the review and discussion at the meeting, the Remuneration Committee recommended to the Board to approve the Group's overall policy and structure of the remuneration of the Directors and senior management.

AUDITORS' REMUNERATION

For the year ended 31st March 2018, the total remuneration of the auditors of the Group for statutory audit services and other services is HK\$1,230,000 (2017: HK\$1,180,000) and HK\$329,000 (2017: HK\$314,000) respectively.

AUDIT COMMITTEE

The Board set up the Audit Committee on 1st January 1999 with specific written terms of reference which clearly deal with its authority and duties. The Audit Committee's role is to review the Group's financial reporting, internal controls and corporate governance issues and to make relevant recommendations to the Board.

The Audit Committee currently comprises three independent non-executive Directors namely Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent. The Audit Committee is chaired by Mr. Lai Si Ming.

Under its terms of reference, which were prepared and adopted with reference to the Code and "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants, the Audit Committee is required, among other things, to oversee the relationship with the external auditors, to review the Group's interim and annual results, to review the scope, extent and effectiveness of internal control of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisors as it determines is necessary and to perform investigations.

The Audit Committee held 2 meetings during the year to review, among other things, the interim and annual financial statements. Based on the review and discussion at the meetings, the Audit Committee recommended to the Board, among other things, to approve the interim and annual financial statements of the Group and to review the risk management and internal control systems of the Company.

TRAININGS OF DIRECTORS AND COMPANY SECRETARY

During the year, the Company has arranged training for all the Directors with a view to refresh their knowledge and skills. During the year, the Company Secretary of the Company has complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the year under review, there is no change in the Company's constitutional documents.

薪酬委員會由一位執行董事楊仁先生及三位獨立非執行董事賴思明先生、王穎好女士及李達祥先生組成。李達祥先生為薪酬委員會之主席。

年內，薪酬委員會召開過一次會議，就集團董事及高層管理人員的整體薪酬政策及結構作出建議。並無董事或其任何聯繫人士涉及其個人薪酬之任何決定。薪酬委員會根據會議所檢討及商議，向董事會提出建議通過本集團董事及高層管理人員之整體薪酬政策及架構。

核數師酬金

截至二零一八年三月三十一日止年度，本集團核數師的法定核數服務及其他服務的酬金總額分別為1,230,000港元(二零一七年：1,180,000港元)及329,000港元(二零一七年：314,000港元)。

審核委員會

董事會於一九九九年一月一日成立審核委員會，書面職權範圍已闡明其授權與職責。審核委員會負責審閱本集團之財務報告、內部監控及企業管治事宜，並向董事會提出相關建議。

審核委員會現時由三名獨立非執行董事賴思明先生、王穎好女士及李達祥先生組成。賴思明先生為審核委員會之主席。

根據參考守則及香港會計師公會發出之「成立審核委員會之指引」而編製和採納的職權範圍，審核委員會的要求(其中包括)，包括監察與外聘核數師的關係、審閱集團的中期業績與年度業績、檢討集團內部控制的範疇、程度和有效性，審閱集團所採用的會計政策及常規，在認為有需要時委聘獨立的法律或其他顧問，以及進行調查。

審核委員會於年內曾舉行兩次會議，以檢討(其中包括)中期及年度財務報表。根據於會上所進行之審閱及討論，審核委員會建議(其中包括)董事會批准本集團之中期及全年業績，以及審核本公司的風險管理以及內部監控系統。

董事及公司秘書培訓

年內，本公司已安排全體董事培訓，以期更新其知識和技能。年內，本公司之公司秘書根據上市規則第3.29條，一直遵守相關的培訓需求。

章程文件

回顧年內，本公司之章程文件沒有任何改變。

FINANCIAL REPORTING

The Board acknowledges its responsibilities for preparing the financial statements where were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditor about their reporting responsibilities is set out on pages 33 to 38 of this annual report. As far as the Board is aware, there are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has overall responsibility for overseeing the Group's risk management and internal control systems to ensure that their effectiveness.

The Company has established a risk management policy set out the process of identification, evaluation and management of the principal risks affecting the business. The Company has also established a whistle-blowing policy and system for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control and other matters.

As an ongoing process, the management has regular meetings with the team to assess and handle the risk being identified in the daily operation of the business. Significant risk will be reported to the Board on a timely basis. The Board will review and assess the risk management and internal control systems at least once a year.

During the year, the Board, with the establishment of internal audit department to carry out the internal audit function of the Group, it had reviewed the effectiveness of the system of internal control of the Group including material controls over financial, operational and compliance controls and risk management functions. After the review, the Board considered the risk management and internal control systems are effective and adequate.

In addition, the Board has considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Company has adopted a Policy on Disclosure of Inside Information which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. With those guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

財務報告

董事會明白其編製財務報表之責任，財務報表乃根據法定要求及適用之會計準則編製。核數師就其報告責任作出之聲明載於本年報第33頁至第38頁。就董事會所知，並無任何涉及可能會對本公司持續經營的能力構成疑問之事件或狀況之重大不明朗因素。

風險管理及內部監控系統

董事會有全面監控本集團的風險管理及內部監控制度的責任，確保其有效性。

公司製定風險管理政策，列出識別風險過程，評估和管理影響業務的主要風險。公司還為本集團員工製定了舉報政策及制度，對財務報告、內部監控等事宜可能造成的不正當行為提出關注。

由於是一個持續的過程，管理層會定期與團隊舉行會議，以評估和處理業務日常運作中發現的風險。重大風險將及時向董事會報告。董事會每年至少審查及評估風險管理和內部監控制度一次。

年內，董事會已設立一個內部審核部門，執行集團的審核職能，對本集團之內部監控系統（包括對財務、營運及合規控制及風險管理職能的重大控制）的成效作出檢討。審核之後，董事會考慮管理的風險及內部監控系統是否有效及足夠。

此外，董事會已考慮本公司員工之會計及財務申報職能之資源充足量、資歷及經驗，以及其培訓課程及預算。

內部信息披露

本公司致力於及時、準確、充分詳細披露有關本集團重大資料的一貫做法。公司採用內部信息披露政策，其中規定了處理和披露內部信息之責任、準則及程序。透過該等指引和程序，本集團實施了管理控制措施，以確保內部信息可以及時被確定、評估和提升至董事會關注，以決定披露的必要性。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include general meetings, interim and annual reports, announcements and circulars. Procedure for voting by poll has been read out by the chairman at the general meetings.

At the annual general meeting held on 22nd September 2017, all directors (except Mr. Duong Ming Chi, Henry) were present to answer questions raised by shareholders and a separate resolution was proposed by the chairman in respect of each separate issue, including re-election of Directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the Listing Rules.

SHAREHOLDERS' RIGHTS

Procedures for special general meetings requisitioned by the shareholders

Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company ("Requisitionists") shall have the right to require a special general meeting to be called and propose any matter to be considered at the general meeting of the Company. The Requisitionists may deposit the written requisition for special general meeting (which shall specify the full name of the Requisitionists, the business and proposal to be considered at the general meeting of the Company, and shall be signed by the Requisitionists) to the principal place of business of the Company for the attention of the Board. If within twenty-one days of such deposit, the Board fails to proceed to convene such meeting in specified days as provided by the bye-laws of the Company and the Listing Rules, the Requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

Procedures for shareholders to propose a person for election as a director

Bye-law 103 of the Bye-laws of the Company provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office at least seven days before the date of the general meeting. The period for lodgment of the notices required under this Bye-law will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

與股東聯繫

與股東聯繫之目標乃為本公司股東提供有關本公司之詳細資料，讓股東可於知情之情況下行使其股東權利。

本公司採用多種溝通途徑，確保其股東知悉重要業務發展，該等途徑包括股東大會、中期報告及年報、公告及通函。投票表決之程序，已由主席於舉行之股東大會上宣讀。

於二零一七年九月二十二日舉行的股東週年大會上，所有董事均出席(楊明志先生除外)回答股東提問，及主席就每項獨立事項提呈獨立決議案，包括重選董事，及以選舉投票方式進行。本公司根據上市規則規定之方法宣佈投票結果。

股東之權利

股東要求召開股東特別大會之程序

持有不少於本公司繳足股本(賦有於本公司股東大會上投票權)十分之一的股東(「提呈人」)可要求召開股東特別大會及提呈於本公司股東大會上考慮的事宜。有關提呈人可將召開股東特別大會的書面要求(當中須列明有關提呈人之全名、當中述明於本公司股東大會上將予考慮之事項及提案，並須由提呈人簽署。)遞交至本公司主要營業地點，抬頭註明本公司董事會收啟。倘董事會並無於發出書面要求之日起計二十一日內召開將根據公司細則及遵守上市規則規定之相關日數內舉行股東特別大會，有關提呈人，可跟據不時修訂之百慕達一九八一年公司法第74(3)條舉行。

股東提名某人選舉為董事之程序

本公司公司細則第103條規定，除非獲選舉委員會推薦參選，否則除會上退任董事外，概無任何人士有資格於任何股東大會上參選董事，除非以書面形式通知有意提名該人士選舉為董事，及由該人書面通知其參選意願，並須於指定進行股東大會日期起計至少七日前呈交往總辦事處或過戶登記處。遞交通知期限須根據本公司細則，將不早於指定進行有關選舉之股東大會通告寄發翌日，及不遲於該股東大會舉行日期前七天。

Accordingly, if a shareholder of the Company (the “Shareholder”) wishes to propose a person other than a director of the Company for election as a director of the Company at the general meeting (the “Proposal”), he/she should lodge at the principal place of business in Hong Kong of the Company at 19th Floor, 9 Des Voeux Road West, Hong Kong (i) a written notice setting out the Proposal; and (ii) a written notice signed by the person to be proposed of his willingness to be elected.

In order for the Company to inform all Shareholders of the Proposal, the written notice must state the full name of the person proposed for election as a director of the Company, include the person’s biographical details as required under rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and such other information (e.g. contact details, including residential address, telephone number, and HKID card/passport number, etc.), and be signed by the Shareholder concerned.

The period for lodgment of above written notices shall commence not earlier than the day after the dispatch of the notice of general meeting and end no later than seven (7) days prior to the date of the general meeting. The Company is required under rule 13.70 of the Listing Rules to provide the information about the Proposal in a supplementary circular or by way of an announcement not later than 10 business days before the general meeting. If the above written notices are received by the Company less than 21 days prior to the general meeting, the Company may need to consider the adjournment of the general meeting.

Procedures for shareholders to put forward proposals at general meetings

Pursuant to the Bermuda Companies Act, either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company (“Requisitionists”), or not less than 100 of such registered shareholders can request the Company in writing to: (a) give to shareholders of the Company entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

因此，如果本公司股東（「股東」）擬提名本公司董事以外之人士於股東大會上選舉作為本公司董事（「議案」），彼等應遞交(i)書面通知列明議案；及(ii)提名人簽署願意參選的書面通知遞交本公司於香港德輔道西9號19樓之主要營業地點。

本公司就議案通知全體股東，書面通知必須列明提名競選作為本公司董事之人士全名，包括根據香港聯合交易所有限公司上市規則第13.51(2)條（「上市規則」）規定的個人詳細履歷及其他資料（例如聯絡詳情，包括住址，電話號碼，香港身份證／護照號碼等），及有關股東簽署。

遞交上述書面通知的期限將不早於有關選舉之股東大會通告寄發翌日，及不遲於該股東大會舉行日期前七(7)天。本公司須根據上市規則第13.70條以補充通函或於股東大會前不超過十個工作日以公告方式提供有關議案的資料。若本公司召開的股東大會少於二十一日收到上述書面通知，本公司可能需要考慮股東大會續會。

股東於股東大會提交議案之程序

根據百慕達公司法，持有本公司已繳足股本不少於二十分之一(5%)之登記股東（「提呈人」）可於本公司股東大會投票，或不少於100名有關登記股東，可向本公司提交書面要求：(a)向有權接收下一次股東大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過一千字之任何陳述，以告知於該大會上提呈之決議案所述事宜或將處理之事項。

CORPORATE GOVERNANCE REPORT

企業管治報告

The requisition signed by all the Requisitionists may consist of several documents in like form, each signed by one or more of the Requisitionists; and it must be deposited at the principal place of business of the Company with a sum reasonably sufficient to meet the Company's relevant expenses, not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

For any enquiry to the Board, shareholders may put forward a written enquiry to the Company setting out details of contact (including address and fax number etc.) by the following means:

Address: 19/F, 9 Des Voeux Road West, Hong Kong
Fax No.: 852-28179043

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out below which had been attended during the year:

1. develop and review the Company's policies and practices on corporate governance and make recommendations;
2. review and monitor the training and continuous professional development of directors and senior management;
3. review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report under Appendix 14 to the Listing Rules.

由所有呈請人簽署之呈請可由若干相同格式之文件組成，各自須經一名或以上呈請人簽署；且呈請須在不少於（倘為要求通知決議案之呈請）大會舉行前六週或（倘為任何其他呈請）大會舉行前一週，遞交至本公司主要營業地點，並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請後六週或較短期間內之某一日召開股東週年大會，則該呈請雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

如欲向董事會作出任何查詢，股東可從以下途徑向本公司提交載有聯絡詳情（包括地址及傳真號碼等）的書面查詢：

地址：香港德輔道西9號19樓
傳真號碼：852-28179043

企業管治職能

董事會於年內已出席其負責履行以下所列企業管治職責：

1. 制定及檢討本公司之企業管治政策及守則，並提出建議；
2. 檢討及監察董事及高級管理人員之培訓及持續專業發展；
3. 檢討及監察本公司有關遵從法律及監管規定之政策與守則；
4. 制定、檢討及監督適用於僱員及董事之行為守則及合規手冊（如有）；及
5. 檢討本公司遵守企業管治守則及根據上市規則附錄14企業管治報告進行之披露。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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

**TO THE SHAREHOLDERS OF
ASIA COMMERCIAL HOLDINGS LIMITED**
(Incorporated in Bermuda with limited liability)

致冠亞商業集團有限公司股東
(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Asia Commercial Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 39 to 131, which comprise the consolidated statement of financial position as at 31st March 2018, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“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.

BASIS FOR OPINION

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

意見

本核數師（「我們」）已審核載於第39頁至第131頁冠亞商業集團有限公司（「貴公司」）及其附屬公司（「貴集團」）之綜合財務報表，包括二零一八年三月三十一日之綜合財務狀況報表及截至該日止年度之綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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二零一八年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編製。

意見的基礎

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」）進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》（「道德守則」），我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Key audit matter

Valuation of inventories

We identified the valuation of inventories as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant degree of judgment made by the management associated with determining the net realisable value ("NRV").

As disclosed in note 2 to the consolidated financial statements, NRV represents the estimated selling prices for inventories less all estimated costs of completion and costs necessary to make the sale. The management's estimation of the NRV is primarily based on the condition of the inventories, market conditions and latest available sales information and other factors as detailed in note 4(ii) to the consolidated financial statements. These estimations are subject to uncertainty as a result of change of market trends, customer preferences and competitor actions. As at 31st March 2018, the carrying amount of the inventories (net of write-down) was HK\$153,433,000.

How our audit addressed the key audit matter

Our procedures in relation to assessing the appropriateness of the valuation of the inventories included:

- Obtaining an understanding of the Group's policy for making allowance for watches and management's process in identifying slow-moving watches and determining the write-down for watches;
- Testing, on a sample basis, the accuracy of the inventory aging report;
- Assessing whether the provision for inventories at the end of the reporting period was consistent with the Group's inventory provision policy by recalculating, on a sample basis, the provision for inventories based on the Group's inventory provision policy;
- Evaluating the reasonableness of the allowance for watches determined by the management on slow-moving watches with reference to current market conditions and latest available sales information; and
- Testing, on a sample basis, the NRV of selected inventory items by comparing the selling price subsequent to the year end against their carrying values.

關鍵審核事項

關鍵審核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核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時處理，我們不會對這些事項個別提供意見。

關鍵審核事項

存貨估值

我們把存貨估值視為關鍵審核事項，乃因為餘額對綜合財務報表的整體性至關重要，加上管理層判斷的重要程度與及確定可變現淨值（「可變現淨值」）有關。

誠如綜合財務報表附註2所披露，可變現淨值指存貨的最近期售價減去預期生產成本及必要銷售成本。管理層對可變現淨值之估計乃主要根據庫存情況、市場狀況及最新銷售資訊及其他因素如綜合財務報表附註4(ii)所示。該等估計之不確定性視乎市場趨勢變化、客戶偏好及競爭對手的行為而定。於二零一八年三月三十一日，存貨賬面金額（扣除撇減）為153,433,000港元。

本核數師如何處理關鍵審核事項

我們有關評估存貨估值的適用性之程序包括：

- 了解集團對手錶進行撥備的政策及管理層識別滯銷手錶過程及決定手錶撇減；
- 以樣本為基礎對庫存老化報告的準確性進行測試；
- 根據集團存貨撥備政策的百分比和其他參數重新計算存貨撥備，並參照現行會計準則的要求考慮集團的存貨撥備政策以樣本為基礎，以評估報告期的存貨撥備是否符合集團之存貨撥備政策；
- 參考目前的市場情況和最新的銷售資訊，以評估由管理層決定對滯銷手錶撥備的合理性；及
- 以樣本為基礎測試選定存貨項目之可變現值，透過將個別製成品於年末後的售價與其賬面值作一比較。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matter

Valuation of investment properties

We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with significant degree of judgment associated with determining the fair value. During the year, the valuation gains on investment properties of HK\$8,509,000 was recognised in the consolidated statement of profit or loss and the fair value of the investment properties was HK\$290,224,000 as at 31st March 2018.

As disclosed in notes 2 and 16 to the consolidated financial statements, these investment properties are stated at fair value based on valuation performed by the independent professional property valuers. In determining the fair value of investment properties, the independent professional property valuers adopted direct comparison approach and income capitalization approach. The valuation is dependent on certain key inputs that involve the management and independent professional property valuers' judgment. The key inputs used in valuing the investment properties by the independent property valuers include recent prices achieved by similar properties, current market conditions, market rental and market yield as adopted in the valuations.

How our audit addressed the key audit matter

Our procedures in relation to the valuation of investment properties included:

- Evaluating the competence, capability and objectivity of the independent professional property valuers;
- Obtaining an understanding from the independent professional property valuers about the valuation methodology, the performance of the property markets, significant assumptions adopted, critical judgment on key inputs and data used in the valuations;
- Assessing whether the properties were valued on a consistent basis using a consistent methodology by inquiring of management and independent professional property valuers;
- Assessing the reasonableness of source data used in the valuations by benchmarking the assumptions to relevant market information on sales prices and rentals achieved by the similar properties in the neighbourhood; and
- Obtaining the market research and analysis to assess whether the changes in fair value of investment properties resulted from the valuation were reasonable and consistent with market trends to our knowledge.

關鍵審核事項 (續)

關鍵審核事項

投資物業估值

我們將投資物業估值識別為關鍵審核事項，乃由於其結餘以及與釐定公允值有關的估計，對綜合財務報表之整體相當重要。年內，綜合損益表確認投資物業8,509,000港元估值收益，並於二零一八年三月三十一日投資物業公允值為290,224,000港元。

如綜合財務報表附註2及16所披露者，該等投資物業按照獨立專業物業估值師的公允值估值列報。獨立的專業物業估值師透過直接比較方法及收益資本化採用折扣方法，以市場化手段確定投資物業的公允值。估值取決於某些關鍵性輸入包括管理層和獨立專業物業估值師的判斷。由獨立專業物業估值師用於評估投資物業的關鍵性輸入包括估值中採用的近期類似物業價格、當前市況、市場租金及市場收益。

本核數師如何處理關鍵審核事項

我們有關投資物業估值的程序包括：

- 評估獨立專業物業估值師的資歷、能力及客觀性；
- 從專業物業估值師得悉有關估值的方法、房地產市場狀況、所採用的重大假設，對估值中使用的主要輸入及數據的關鍵判斷；
- 透過諮詢管理層及獨立專業物業估值師，評估物業是否在一致的基礎上使用一致的方法進行評估；
- 透過將鄰近市場其他類似物業銷售價格和租金相關市場信息的假設標準化，以評估估值中使用的源數據的合理性；及
- 進行市場研究和分析，以評估因估值而導致投資物業公允值變動是否合理，及是否與市場趨勢一致。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

除綜合財務報表及核數師報告以外的資料

董事須對其他資料負責。其他資料包括年報內的所有資料，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資料，我們亦不對該等其他資料發表任何形式的確認結論。

關於我們對綜合財務報表的審核，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核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，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。這方面我們沒有任何需要報告的事項。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製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編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

董事由審核委員會協助履行責任，監察 貴集團之財務申報程序。

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. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, 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 HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

核數師就審核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不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具載有我們意見的核數師報告。根據百慕達公司法第90條，本報告僅向閣下（作為整體）作出，除此之外本報告別無其他目的。本核數師並不會就本報告內容對任何其他人士負責或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們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》進行審核的過程中，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，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，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。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。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，則我們應當作出有保留意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

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

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 27th June 2018

Lam Cheung Shing
Practising Certificate Number P03552

核數師就審核綜合財務報表承擔的責任 (續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責 貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

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

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間的綜合財務報表的審核最為重要，因而構成關鍵審核事項。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。

國富浩華(香港)會計師事務所有限公司
執業會計師
香港，二零一八年六月二十七日

林長成
執業證書編號P03552

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	營業收入	5	991,429	850,218
Cost of sales	銷售成本		(768,998)	(662,099)
Gross profit	毛利		222,431	188,119
Valuation gains on investment properties	投資物業之估值收益		8,509	25,094
Other revenue	其他收益	6	20,311	21,392
Other net gains	其他收益淨額	7	7,981	1,361
Distribution costs	分銷成本		(171,897)	(172,000)
Administrative expenses	行政費用		(32,427)	(28,589)
Finance costs	財務成本	9(a)	(1,905)	(4,273)
Profit before taxation	除稅前溢利	9	53,003	31,104
Income tax	所得稅	11	9,935	-
Profit for the year attributable to the owners of the Company	本年度歸屬於本公司持有人之溢利		62,938	31,104
Earnings per share	每股盈利	13		
Basic (HK cents)	基本(港仙)		4.02	1.99
Diluted (HK cents)	攤薄(港仙)		4.02	1.99

The notes on pages 46 to 131 form part of these financial statements.

第46頁至第131頁之附註構成此財務報表之整體部份。

Details of dividends payable to owners of the Company attributable to profit for the year are set out in Note 12.

歸屬於本年度溢利之股息付予本公司持有人之詳情列載於附註12。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit for the year	本年度溢利	62,938	31,104
Other comprehensive income/(loss) for the year	本年度其他全面收益／(虧損)		
Items that may be reclassified subsequently to profit or loss:	隨後將可能被重新分類至損益之項目：		
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	11,968	(6,877)
Realisation of exchange reserve upon deregistration of a subsidiary	註銷一間附屬公司時實現之匯兌儲備	(3,122)	-
Change in fair value reserve on revaluation of available-for-sale investments	重估可供出售投資之公允價值儲備變動	1,157	(170)
Total other comprehensive income/(loss) for the year, net of nil tax	本年度其他總全面收益／(虧損)，扣除零稅項	10,003	(7,047)
Total comprehensive income for the year attributable to the owners of the Company	本年度歸屬於本公司持有人的總全面收益	72,941	24,057

The notes on pages 46 to 131 form part of these financial statements.

第46頁至第131頁之附註構成此財務報表之整體部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31st March 2018 於二零一八年三月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14	19,997	20,135
Prepaid lease payments	租賃預付款項	15	17,272	16,084
Investment properties	投資物業	16	290,224	278,176
Available-for-sale investments	可供出售之投資	18	8,657	7,500
Rental deposits and prepayments	租賃按金及預付款項		20,981	20,853
Deferred tax assets	遞延稅項資產	28	17,188	-
			374,319	342,748
Current assets	流動資產			
Inventories	存貨	19	153,433	280,963
Prepaid lease payments	租賃預付款項	15	498	451
Trade and other receivables	貿易及其他應收賬款	20	35,653	36,652
Trading securities	證券買賣	21	715	703
Structured deposit	結構性存款	22	12,462	-
Bank deposit with maturity over 3 months	到期日逾三個月之銀行存款	23	12,462	-
Cash and cash equivalents	現金及現金等值物	24	67,163	26,229
			282,386	344,998
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	25	100,943	113,808
Bank loans	銀行借貸	26	14,352	102,265
Loans from a director	董事之貸款	27	-	8,000
Current income tax payable	即期應繳所得稅		5,074	3,345
			120,369	227,418
Net current assets	流動資產淨額		162,017	117,580
Total assets less current liabilities	總資產減流動負債		536,336	460,328
Non-current liabilities	非流動負債			
Rental deposits received and receipt in advance	預收已收之租賃按金及定金		3,355	2,683
Deferred tax liabilities	遞延稅項負債	28	19,109	13,309
Other liabilities	其他負債	29	11,099	14,504
			33,563	30,496
Net assets	資產淨額		502,773	429,832
Capital and reserves	股本及儲備			
Share capital	股本	30	313,373	313,373
Reserves	儲備		189,400	116,459
Equity attributable to owners of the Company	歸屬於本公司持有人之權益		502,773	429,832

Approved and authorised for issue by the Board of Directors on 27th June 2018 and signed on its behalf by:

於二零一八年六月二十七日獲董事會通過及授權刊發，並由下列董事代表簽署：

Eav Yin
楊仁
Director
董事

Eav Guech Rosanna
楊訪梅
Director
董事

The notes on pages 46 to 131 form part of these financial statements.

第46頁至第131頁之附註構成此財務報表之整體部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

	Attributable to owners of the Company 歸屬於本公司持有人權益										
	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Revaluation reserve 重估儲備 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Capital reserve 股本儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Fair value reserve 公允價值儲備 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 1st April 2017 於二零一七年四月一日	313,373	143,310	61,371	34,924	252,381	17,524	14,061	2,358	(409,470)	116,459	429,832
Profit for the year 本年度溢利	-	-	-	-	-	-	-	-	62,938	62,938	62,938
Other comprehensive income/(loss) 其他全面收益/(虧損)	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of overseas subsidiaries 換算海外附屬公司財務報表產生之滙兌差額	-	-	-	-	-	-	-	-	-	-	-
Realisation of exchange reserve upon deregistration of a subsidiary 註銷一間附屬公司時實現之滙兌儲備	-	-	-	11,968	-	-	-	-	-	11,968	11,968
Change in fair value reserve on revaluation of available-for-sale investments 重估持有出售之投資之公允價值儲備變動	-	-	-	(3,122)	-	-	-	-	-	(3,122)	(3,122)
Total comprehensive income for the year 本年度總全面收益	-	-	-	8,846	-	-	-	1,157	-	10,003	10,003
Transfer to accumulated losses upon forfeiture of share options 於購股權失效後轉撥至累計虧損	-	-	-	-	-	-	(1,243)	-	1,243	-	-
At 31st March 2018 於二零一八年三月三十一日	313,373	143,310	61,371	43,770	252,381	17,524	12,818	3,515	(345,289)	189,400	502,773

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

	Attributable to owners of the Company 歸屬於本公司持有人權益										Total equity 權益總額 HK\$'000 千港元
	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Revaluation reserve 重估儲備 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Capital reserve 股本儲備 HK\$'000 千港元	Contributed surplus 撥入盈餘 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Fair value reserve 公允價值儲備 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	
At 1st April 2016 於二零一六年四月一日	313,373	143,310	61,371	41,801	252,381	17,524	16,688	2,528	(443,201)	92,402	405,775
Profit for the year 本年度溢利	-	-	-	-	-	-	-	-	31,104	31,104	31,104
Other comprehensive income/(loss) 其他全面收益/(虧損)	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of overseas subsidiaries 換算海外附屬公司財務報表 產生之匯兌差額	-	-	-	(6,877)	-	-	-	-	-	(6,877)	(6,877)
Change in fair value reserve on revaluation of available-for-sale investments 重估持作出售之投資之公允價值 儲備變動	-	-	-	-	-	-	-	(170)	-	(170)	(170)
Total comprehensive income/(loss) for the year 本年度總全面收益/(虧損)	-	-	-	(6,877)	-	-	-	(170)	-	(7,047)	(7,047)
Transfer to accumulated losses upon forfeiture of share options 於購股權失效後，轉撥 至累計虧損	-	-	-	(6,877)	-	-	-	(170)	31,104	24,057	24,057
At 31st March 2017 於二零一七年三月三十一日	313,373	143,310	61,371	34,924	252,381	17,524	14,061	2,358	(409,470)	116,459	429,832

The notes on pages 46 to 131 form part of these financial statements.

第46頁至第131頁之附註構成此財務報表之整體部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

As at 31st March 2018 於二零一八年三月三十一日

			2018 二零一八年	2017 二零一七年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
OPERATING ACTIVITIES	經營業務			
Profit before taxation	除稅前溢利		53,003	31,104
Adjustments for:	調整：			
Valuation gains on investment properties	投資物業之估值收益	16	(8,509)	(25,094)
Net realised and unrealised losses/(gains) on trading securities	證券買賣實現及未實現之虧損／(收益)淨額	7	120	(14)
Gain on disposals of property, plant and equipment	出售物業、機器及設備之收益	7	(520)	-
Write-down of inventories, net	存貨之撇減，淨額	19	47,819	7,588
Impairment loss on trade receivables	貿易應收賬款減值虧損	7	-	59
Impairment loss on other receivables and prepayments	其他應收賬款及預付款項減值虧損	7	2,542	-
Bank interest income	銀行利息收入	6	(237)	(112)
Dividend income	股息收入	6	(99)	-
Interest expenses	利息開支	9a	1,905	4,273
Depreciation	折舊	14	3,032	5,354
Amortisation of prepaid lease payments	租賃預付款項攤銷	15	473	459
Gain on deregistration of a subsidiary	註銷一間附屬公司之收益	7	(3,122)	-
Write back of long outstanding payables	撥回長期未付款項	7	(3,988)	-
Exchange differences	滙兌差額		(199)	497
Changes in working capital	營運資金變動			
Decrease in inventories	存貨減少		94,080	19,086
Decrease/(increase) in trade and other receivables	貿易及其他應收賬款減少／(增加)		1,007	(12,663)
Decrease in trade and other payables	貿易及其他應付賬款減少		(18,844)	(31,060)
Decrease in other liabilities	其他負債減少		(3,521)	(8,100)
Increase/(decrease) in rental deposits received and receipt in advance	預收已收之租賃按金及定金增加／(減少)		672	(629)
CASH GENERATED FROM/(USED IN) OPERATIONS	產生於／(已用於)營運之現金		165,614	(9,252)
PRC Corporate Income Tax paid	已繳之中國企業所得稅		-	-
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	產生於／(已用於)經營業務之現金淨額		165,614	(9,252)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

As at 31st March 2018 於二零一八年三月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註			
INVESTING ACTIVITIES 投資業務				
Payment for purchase of property, plant and equipment	14	支付添置物業、機器及設備	(2,720)	(2,750)
Proceeds from disposals of property, plant and equipment		出售物業、機器及設備之所得款項	722	-
Payment for purchase of trading securities		支付購買之買賣證券	(132)	-
Increase in structured deposit		結構性存款增加	(12,462)	-
Increase in bank deposit with maturity over three months		到期日逾三個月之銀行存款增加	(12,462)	-
Dividend income		股息收入	99	-
Bank interest income received		已收銀行利息收入	237	112
NET CASH USED IN INVESTING ACTIVITIES		已用於投資業務之現金淨額	(26,718)	(2,638)
FINANCING ACTIVITIES 融資業務				
Proceeds from new bank loans		銀行新借貸所得款項	92,898	87,829
Repayment of bank loans		償還銀行借貸	(181,873)	(28,765)
Interest paid on bank loans		銀行借貸支付之利息	(1,967)	(2,748)
Interest paid on loans from a director		董事貸款支付之利息	-	(1,211)
Repayment of loans from a director	27	償還董事之貸款	(8,000)	(49,000)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		(已用於) / 產生於融資活動之現金淨額	(98,942)	6,105
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		現金及現金等值物增加 / (減少) 淨額	39,954	(5,785)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		年初現金及現金等值物	26,229	33,332
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET		滙率變動之影響，淨額	980	(1,318)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		年終現金及現金等值物	67,163	26,229
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS 現金及現金等值物結餘分析				
Cash at bank and on hand	24	銀行存款及手頭現金	67,163	26,229

The notes on pages 46 to 131 form part of these financial statements.

第46頁至第131頁之附註構成此財務報表之整體部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1. GENERAL

Asia Commercial Holdings Limited (the “Company”) is an investment holding company. Its subsidiaries are principally engaged in trading of watches (retail and wholesale) and property leasing.

The Company is a limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are Canon’s Court, 22 Victoria Street, Hamilton, HM12, Bermuda and 19th Floor, 9 Des Voeux Road West, Hong Kong, respectively. As at 31st March 2018, the directors of the Company consider that the immediate and ultimate holding company is Century Hero International Limited (“Century Hero”), a company which is incorporated in the British Virgin Islands. The ultimate controlling party of Century Hero is Mr. Eav Yin, the director of the Company. Century Hero does not produce financial statements available for public use.

These financial statements are presented in thousand of units of Hong Kong dollars (HK\$’000), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 27th June 2018.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

1. 一般事項

冠亞商業集團有限公司(「本公司」)為一間投資控股公司。其附屬公司主要從事鐘錶貿易(零售及批發)以及物業租賃。

本公司為一間在百慕達註冊成立之股份有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及主要營業地點分別為Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda及香港德輔道西9號19樓。於二零一八年三月三十一日，本公司董事認為直接及最終控股公司為世雄國際有限公司(「世雄」)(一間於英屬處女群島註冊成立之公司)。世雄的最終控制人士為本公司董事楊仁先生。世雄並無編製適用的財務報表供公眾參閱。

除非另外說明，否則本財務報表乃以千港元(「千港元」)呈列。本財務報表已於二零一八年六月二十七日由董事會批准發佈。

本綜合財務報表乃以港元呈列，港元亦是本公司的功能貨幣。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31st March 2018 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment property (see note 2(f)); and
- financial instruments classified as available-for-sale, financial assets designated as at fair value through profit or loss or as trading securities (see note 2(e)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

2. 主要會計政策

(a) 合規聲明

該等財務報表乃根據所有適用香港財務報告準則（「香港財務報告準則」）編製，此統稱包括所有適用的個別香港財務報告準則，香港會計準則（「香港會計準則」）及由香港會計師公會（「香港會計師公會」）頒佈的詮釋香港一般公認會計原則及香港公司條例規定之披露要求。該等財務報表亦符合香港聯合交易所有限公司證券上市規則適用之披露規定。本集團所採納的重要會計政策概要載列如下。

香港會計師公會已頒布若干修正及詮釋，其中已經或已經生效。若干新訂及經修訂香港財務報告準則亦已頒佈，其中為本集團及本公司於本會計期間首次生效或可提早採納。當前和以往會計期間初次應用該等與本集團有關的香港財務報告準則，已反映於該等財務報表內，有關資料列載於附註3。

(b) 編製財務報表基準

截至二零一八年三月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

在編制財務報表時所使用的計量基準為歷史成本基準，以下按其公允值呈列之資產如下文所載之會計政策所解釋除外：

- 物業投資（參閱附註2(f)）；及
- 分類為可供出售、指定為透過損益按公允值處理之金融資產或證券買賣之金融工具（參閱附註2(e)）。

編製符合香港財務報告準則之財務報表需要管理層作出影響政策應用及所呈報資產、負債、收入及費用之數額之判斷、估計及假設。估計及相關假設乃根據過往經驗及在該等情況下乃屬合理之各種其他因素而作出，其結果構成對無法從其他來源中容易得出之資產及負債之賬面值作出判斷之基準。實際結果可能與於該等估計有所不同。

管理層按持續經營基準檢討估計及相關假設。倘修訂會計估計僅影響修訂之期間，則該修訂於該期間內確認，或倘修訂影響本期間及未來期間，則修訂於本期間及未來期間內確認。

管理層於應用香港財務報告準則時所作出構成對財務報表重大影響的判斷及估計不明朗因素的主要來源於附註4內討論。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liabilities.

2. 主要會計政策(續)

(c) 附屬公司及非控股股東權益

附屬公司指本集團控制之實體。當本集團從參與某實體之業務獲得或有權獲得不同的回報，及有能力藉對實體行使其權力而影響其回報，則本集團控制該實體。當評估本集團是否有權力時，只考慮實質的權利(由本集團及其他人士持有)。

於附屬公司的投資由控制開始當日至控制終止當日綜合計入綜合財務報表。集團內公司間的交易結餘及交易以及現金流，與任何因集團內公司間交易而產生的未變現溢利均在編製綜合財務報表時全數對銷。集團內公司間交易所產生的未變現虧損以處理未變現收益的同樣方式對銷，惟僅會在無減值跡象的情況下進行。

非控股股東權益指並非由本公司直接或間接佔有之附屬公司權益，及有關本集團並未同意與該等權益持有人之任何附加條款，其將導致本集團整體上就有關符合金融負債定義之該等權益負上合約義務。就各項業務合併而言，本集團可選擇按公允值或非控股權益所佔附屬公司可辨別資產淨值計量任何非控股權益。

非控股股東權益呈列於綜合財務狀況表內之權益，與歸屬於本公司持有人之權益分開。非控股股東權益於本集團業績中在綜合損益表及綜合損益及其他全面收益表一欄內呈列，及綜合全面收益表為本年內利潤或虧損總額及全面收益總額在非控股股東權益及本公司持有人之間的分配。持有非控股股東權益及其他合同義務的貸款是按負債的性質，對該等持有人於綜合財務狀況表作為金融負債呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, the interest in subsidiaries is stated at cost less impairment losses (see note 2(i)), unless the investment is classified as held for sale (or included in a disposed group that is classified as held for sale).

(d) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

2. 主要會計政策(續)

(c) 附屬公司及非控股股東權益(續)

本集團於附屬公司之權益轉變而不會導致失去控制權會以權益交易入賬，據此在綜合權益中控股和非控股股東權益之金額會作出調整，以反映相對權益之轉變，但商譽並無作出調整及並無收益或虧損確認。

當本集團失去一間附屬公司之控制權，則以出售該附屬公司之全部權益入賬，而產生的收益或虧損於損益中確認。在該前附屬公司失去控制權當日保留之任何權益則按公允價值確認，及此金額被視為金融資產初始確認之公允價值或，於聯營公司或合資企業投資初步確認之成本(如適用)。

於本公司之財務狀況表，附屬公司之權益以成本扣除減值虧損呈列(見附註2(i))，惟投資歸類為持作出售(或包括在按分類為持作出售之出售組別)的情況除外。

(d) 業務合併

業務合併乃以收購法入賬。轉讓之代價乃以收購日期公允價值計量，該公允價值為本集團所轉讓資產於收購日期之公允價值、本集團向被收購方前擁有人承擔的負債及本集團發行以換取被收購方控制權之股本權益總和。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其他組成部分均按公允價值計量。收購相關成本於產生時列為開支。

當本集團收購業務時，須根據合約條款、收購日期之經濟環境及相關條件對所承擔金融資產及負債進行評估，以適當分類及確認，包括將嵌入式衍生工具與被收購方主合約分開。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Business combinations (Continued)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31st March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. 主要會計政策(續)

(d) 業務合併(續)

對於分階段進行的業務合併，收購方原已持有被收購方的股權會按收購日期的公允值重新計量，然後任何導致收益或虧損會於損益中確認。

收購方將轉撥的任何或然代價按收購日期的公允值確認。歸類為資產或負債的或然代價按公允值計量，其公允值變動確認為損益。倘或然代價歸類為權益毋須重新計量，其日後結算於權益列賬。

商譽按成本進行初步計量，即已轉讓代價、非控股權益之確認金額及本集團先前所持於被收購方之股本權益公允值總額超出所收購可識別資產淨值及所承擔負債之差額。倘總代價及其他項目之總和低於所收購資產淨值之公允值，則於評估後之差額會於損益確認為議價購買時之收益。

初步確認後，商譽按成本減累計減值虧損計量。商譽每年就減值進行檢討，倘有事件或情況變化顯示賬面值可能出現減值跡象，則進行更為頻密之檢討。本集團會對三月三十一日的商譽進行年度減值測試。進行減值測試而言，業務合併中購入之商譽由收購日期起，被分配到預期將從合併之協同效應中受益之本集團各現金產生單位（或現金產生單位組別），不論本集團之其他資產或負債是否被分配至該等單位或單位組別。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Business combinations (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(e) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

2. 主要會計政策(續)

(d) 業務合併(續)

減值按對與商譽有關之現金產生單位(現金產生單位組別)可收回金額進行之評估釐定。倘現金產生單位(現金產生單位組別)之可收回金額少於其賬面值,則確認減值虧損。就商譽確認之減值虧損不會於隨後期間撥回。

當商譽被分配至現金產生單位(現金產生單位組別)之一部份而出售該單位之某部份業務,則於釐定出售之收益或虧損時,與出售業務相關之商譽將包括在該業務之賬面值內。在此情況下出售之商譽將以出售業務和保留之現金產生單位部份相對價值為基礎作計量。

(e) 其他債務及股本證券之投資

本集團及本公司於債務及股本證券投資之政策(於附屬公司之投資除外)如下:

債務及股本證券投資最初以公允值,即其交易價格列賬,除非判斷於初始確認時之公允值和交易價格有所不同,而該公允值是以相同資產或負債在活躍市場的報價作依據,或採用僅輸入可觀察市場數據的估值技術。成本包括應佔交易成本,惟並不包括以下所述情況。該等投資其後將根據其分類按下列方式列賬:

透過損益按公允值處理的金融資產包括持作買賣的金融資產及初步確認時指定為透過損益按公允值處理的金融資產。收購目的為在近期出售的金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣。惟彼等指定為有效對沖工具(定義見香港會計準則第39號)除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Other investments in debt and equity securities (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see note 2(i)).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(i)). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policy set out in note 2(r). Foreign exchange gains and losses resulting from changes in amortised cost of debt securities are also recognised in profit or loss.

2. 主要會計政策(續)

(e) 其他債務及股本證券之投資(續)

透過損益按公允值處理的金融資產在財務狀況表以公允值列示，公允值的正數變動於損益表呈列為其他收入及收益，而公允值的負數淨變動呈列為財務成本。該等公允值淨變動不包括就該等金融資產賺取的任何股息或利息，該等利息會根據下文「收入確認」所載政策確認。

初步確認時指定為透過損益按公允值處理的金融資產在初步確認當日且僅須在符合香港會計準則第39號標準的情況下指定為該分類。

有期債務證券為本集團及／或本公司有足夠能力和意向持至到期日的債務證券，被歸類為持至到期證券。持至到期證券按攤銷成本扣減減值虧損呈列(見附註2(i))。

如於證券的投資並不屬於任何上述類別，則其分類為可供出售證券。於各報告期間結束時公允值重新計量，而任何所得損益均於其他全面收益內確認及於權益內的公允值儲備分開累計。除此之外，相同工具於活躍市場並無報價且其公允值無法可靠地計量的股本證券投資乃按成本扣減減值虧損後於財務狀況表內確認(見附註2(i))。股本證券的股息收入及採用實際利率法計算的債務證券利息收入根據附註2(r)所載之政策於損益內確認。來自債務證券按攤銷成本變動而產生的匯兌收益及虧損亦於損益內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Other investments in debt and equity securities (Continued)

When the investments are derecognised or impaired (see note 2(i)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(f) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(h)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(r).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(h)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(h).

The investment property is transferred to property, plant and equipment at fair value when there is change in use evidenced by commencement of own-occupation.

(g) Property, plant and equipment

The items of property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(i)).

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that property at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

2. 主要會計政策(續)

(e) 其他債務及股本證券之投資(續)

當該投資被終止確認或出現減值時(見附註2(i))，已於權益確認之累計盈虧會被重新分類至損益。於本集團承諾購入/出售投資或投資到期當日，本集團會確認/終止確認有關投資。

(f) 投資物業

投資物業乃擁有或以租賃權益(見附註2(h))持有作為賺取租金收入及/或資本增值之土地及/或樓宇。此等包括現時尚未確定將來用途之土地以及正在興建或為未來發展作為投資物業用途的物業。

投資物業按公允值呈列，除非其於報告期末仍在建造或開發過程中，及其公允值當時不能可靠地計量。任何因公允值變動或因報廢或出售某項投資物業所產生之收益或虧損均於損益內確認。投資物業的租金收入按附註2(r)所述入賬。

倘本集團以經營租賃持有物業權益以賺取租金收入或為資本增值，有關權益會按每項物業基準劃歸為投資物業。劃歸為投資物業之任何物業權益之入賬方式與以融資租賃(見附註2(h))持有之權益相同，且其適用之會計政策也與以融資租賃出租之其他投資物業相同。租賃款項如附註2(h)內所述計入。

當有證明開始改變為自用時，投資物業以公允值轉撥至物業、機器及設備。

(g) 物業、機器及設備

該項物業、機器及設備之項目乃按成本值減累計折舊及減值虧損於財務狀況表中呈列(見附註2(i))。

倘一項物業因使用狀況有變(即不再由業主自用)而列為投資物業，則該物業賬面值與於轉讓日期之公允值之差額於其他全面收益及累計重估儲備中確認。其後當該資產出售或停用時，有關重估儲備將直接轉撥至保留溢利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment (Continued)

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives.

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

2. 主要會計政策(續)

(g) 物業、機器及設備(續)

自行興建之物業、機器及設備項目之成本，包括材料成本、直接勞工成本，及如適用，初步估計拆卸及搬遷項目以及恢復項目所在地原貌的成本，以及適當比例的其他生產成本和借貸成本。

報廢或出售物業、機器及設備項目所產生之盈虧，以出售所得款項淨額與項目之賬面金額之間差額釐定，並於報廢或出售日在損益表內確認。任何相關重估盈餘自重估儲備轉撥至保留溢利，且不會重新分類計入損益。

物業、機器及設備項目於預計可用年內以直線法撇銷成本或估值減其剩餘可使用價值(如有)以計算折舊。

當物業、機器及設備項目之不同部分有不同使用年期時，項目之成本或估值在不同部分之間按合理基準分配，每個部分分開計算折舊。資產之可使用年期及其剩餘價值(如有)須每年檢討。

(h) 租賃資產

倘本集團決定賦予一項安排(包括一項或連串交易)可於協定期內使用某一特定資產或多項資產，以換取一次付款或連串付款之權利，則該安排屬於或包含租賃。該決定乃按對該安排之內容所進行之評估而作出，且不論該安排是否屬法定租賃形式。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leased assets (Continued)

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(f)); and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(g). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(i). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

2. 主要會計政策(續)

(h) 租賃資產(續)

(i) 本集團租賃資產之分類

對於本集團以租賃方式持有之資產，如租賃使擁有權之絕大部分風險及回報已轉移至本集團，有關之資產便會分類為以融資租賃持有；如租賃不會使擁有權之絕大部分風險和回報轉移至本集團，則分類為經營租賃，惟例外情況如下：

- 經營租賃項下持有之物業，倘符合投資物業之定義，則按個別物業之基準分類為投資物業，倘被分類為投資物業，則按融資租約項下持有之物業入賬(見附註2(f))；及
- 土地以經營租賃持作自用，但無法在租賃開始時將其公允值與建於其上的建築物的公允值分開計量的土地是按融資租賃持有方式入賬；但清晰地以經營租賃持有的建築物除外。就此而言，租賃的開始時間是指本集團首次訂立租約時，或自前承租人接收建築物時。

(ii) 以融資租賃收購之資產

若本集團以融資租賃收購資產使用權，租賃資產之公允值數額或最低租賃金額之現值之較低者，將列入物業、機器及設備及相關負債(扣除融資費用)並列作融資租賃責任。誠如附註2(g)所載，折舊為於相關租賃有效期間或資產可用期限之期間(若本集團將有可能取得資產所有權)，按撇銷資產成本之比率計算。減值虧損按附註2(i)所載之會計政策計算。租賃金額所包含之融資費用將於租賃期間計入損益，使各會計期間對責任結餘以相若之固定期間比率扣減。或然租金於其產生之會計期間內自損益扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leased assets (Continued)

(iii) Operating lease charges

The Group leases retail stores and office facilities. Most leases provide for monthly fixed minimum rentals or contingent rentals based upon sales in excess of stated amounts and normally require the Group to pay insurance, common area maintenance costs and other occupancy costs. The Group recognizes rent expense for leases that include scheduled and specified escalations of the minimum rent on a straight-line basis over the base term of the lease. Any difference between the straight-line rent amount and the amount payable under the lease is included in other liabilities in the consolidated statement of financial position. Contingent rental payments are expensed as incurred.

The cost of acquiring land held under an operating lease and is presented as “prepaid lease payments” in the consolidated statement of financial position, is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(f)).

(i) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策(續)

(h) 租賃資產(續)

(iii) 經營租賃開支

本集團租賃零售商店和辦公設施。大部分租賃訂明每月固定最低租金或基於超出規定數額的銷售額的或然租金，且一般要求本集團支付保險、共同區域維護成本及其他佔用成本。本集團按直線基準包括於預定及特定最低租金上調的租賃基本租期內確認其租賃開支。直線租金款項乃根據租賃應付的款項之間的任何差額於綜合財務狀況表列作其他負債。或然租金付款於產生時列作開支。

根據經營租賃持有土地之收購成本，並於綜合財務狀況表中的「預付租賃款項」呈報，以直線法於租賃期內攤銷，分類為投資物業的物業則除外(見附註2(f))。

(i) 資產減值

(i) 債務及股本證券投資及其他應收賬款減值

債務及股本證券投資及其他流動及非流動應收賬款以成本或攤銷成本列賬或分類為可供出售股本證券投資於每個報告期末作出檢討以釐定是否有減值之客觀證據。減值之客觀證據包括有下列一項或多項虧損事項引起本集團關注之客觀數據：

- 債務人之重大財政困難；
- 違約，如逾期支付或拖欠利息或本金還款；
- 債務人有可能破產或進行財務重組；
- 技術、市場、經濟或法律環境之重大變動對債務人產生不利影響；及
- 於股本工具投資之公允值出現顯著及持續下降並低於其成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 主要會計政策(續)

(i) 資產減值(續)

(i) 債務及股本證券投資及其他應收賬款減值(續)

如存在任何證據，減值虧損釐定及確認如下：

- 就無報價之股本證券按成本列賬，減值虧損乃根據金融資產之賬面值及以類同金融資產按現時市場之回報率折現預期未來現金流量的現值(當折現之影響為重大時)之差異計算。按成本賬之股本證券之減值虧損不可撥回。
- 貿易應收賬款及其他流動應收賬款及其他金融資產以攤銷成本列賬，減值虧損乃根據資產之賬面值及金融資產原實際之利率(即該等資產於首次確認時計算之實際利率)折現預期未來現金流量現值(當折現之影響為重大時)之差異計算。該等金融資產具備類似之風險特徵(例如類似之逾期情況及並未單獨被評估為出現減值)，此等資產會一併進行評估。金融資產之未來現金流量現值與該組被評估資產具根據有類似信貸風險特徵資產之過往虧損情況一同減值。

倘於其後減值虧損金額有所減少，而客觀上與確認減值虧損後發生之事件有關，有關減值虧損會撥回損益。減值虧損之撥回不應導致資產之賬面值超過其在過去年度沒有確認任何減值虧損而應已釐定之金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 主要會計政策(續)

(i) 資產減值(續)

(i) 債務及股本證券投資及其他應收賬款減值(續)

- 對於可供出售證券而言，公允價值儲備中確認的累計虧損已被重新分類至損益。於損益內確認之累計虧損金額乃收購成本(扣除任何本金還款及攤銷)與即期公允價值之差額，減除該資產前期於損益內確認之任何減值虧損。

已於損益內確認之可供出售股本證券減值虧損並不能撥回損益。其後該資產公允價值之任何增加須直接在其他全面收益內確認。

有關可供出售債務證券之公允價值在日後增加，而有關的增加可以客觀地與確認減值虧損後發生的事件聯繫起來，便會將減值虧損撥回。撥回減值虧損在該等情況下須在損益中確認。

減值虧損直接於相應之資產撇銷，惟就貿易應收賬款(於貿易應收賬款及其他應收賬款內列值)確認之減值虧損除外，其金額之可收回性視為保留但並非不可能。在此情況下，呆賬之減值虧損使用撥備賬記錄。倘本集團認為收回金額可能性甚微，視為不可收回之金額會於貿易應收賬款中直接對銷，而撥備賬內關於該債務之任何金額會獲撥回。過去於撥備賬入賬之金額倘在其後收回，會於撥備賬內撥回。撥備賬之其他變動及先前直接撇銷之金額於其後收回，均於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- prepaid lease payments;
- rental deposits and prepayments; and
- investments in subsidiaries

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

2. 主要會計政策(續)

(i) 資產減值(續)

(ii) 其他資產減值

於每個報告期末均對內部及外間資訊進行檢討，以識別下列資產是否已出現減值虧損或之前已確認之減值虧損是否已不存在或減少：

- 物業、機器及設備；
- 租賃預付款項；
- 租賃按金及預付款項；及
- 附屬公司的投資

倘出現任何減值虧損跡象，則須估計有關資產之可收回金額。

- 計算可收回金額

資產的可收回金額為其公允價值減去處置費用及其使用價值兩者中之較高者。評估使用價值時是以除稅前之折扣率計算預計未來之現金流量的現值，而該折扣率反映當時市場對金錢價值之評估及該項資產的特有風險。如某類資產產生之現金流入不能獨立於其他資產所產生之現金量，可收回金額按最細資產組合（即現金產生單位）所產生之獨立現金流量計算。

- 確認減值虧損

倘某項資產或其所屬之現金產生單位之賬面值超過其可收回金額，便於收益內確認減值虧損。以現金產生單位確認之減值虧損，首先減少已分類至該現金產生單位（或該組單位）之任何商譽之賬面值，然後按比例減少其他單位（或該組單位）內資產之賬面值，惟資產之賬面值不得減少至低於其個別公允價值減去處置費用（倘可計量的），或使用價值（倘可釐定）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(i)(i) and (ii)).

Impairment losses recognised in an interim period in respect of available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated on a first-in, first-out basis and comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

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. 主要會計政策(續)

(i) 資產減值(續)

(ii) 其他資產減值(續)

– 撥回減值虧損

若用以釐定可收回金額之評估因素產生有利變動，減值虧損將予撥回。

撥回之減值虧損以假設並無於過往年度確認減值虧損而應已釐定之資產賬面值為限。撥回之減值虧損於確認撥回之年度內計入損益。

(iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須遵照香港會計準則第34號「中期財務報告」編製有關財政年度首六個月之中期財務報告。於中期期末，本集團採用等同本財政年度末之減值測試、確認、及撥回標準(見附註2(i)(i)及(ii))。

中期期間就按成本列賬的可供出售股本證券及無報價股本證券確認的減值虧損不會於往後期間撥回。假設在中期相關的財政年度結算時才評估減值，此時即使不用確認虧損或確認較少虧損時，亦不會撥回減值虧損。其後，倘可供出售股本證券之公允值其後於年度期間餘下時間內(或於任何其他其後期間內)上升，增長乃於其他全面收益而非損益中確認。

(j) 存貨

存貨以成本及可變現淨值之較低者列賬。成本以先進先出法計算及包括所有採購成本、兌換成本及在運送存貨往其目前之地點及環境所引致之其他成本。

可變現淨值指正常業務過程中估計售價減估計完成成本及估計銷售成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Inventories (Continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts (see note 2(i)).

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(q)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. 主要會計政策(續)

(j) 存貨(續)

於出售存貨時，此等存貨之賬面值即於相關收入確認之期間確認為開支。任何存貨撇減至可變現淨值及所有存貨虧損均將於撇減或虧損產生期間確認為開支。由於可變現淨值增加導致存貨撇減之任何撥回之金額乃於產生期間撥回並在存貨確認之開支金額內確認為一項扣減。

(k) 貿易及其他應收賬款

貿易及其他應收賬款初步按公允值確認，其後應用有效利率法按攤銷成本減呆壞賬減值虧損後列賬，惟倘應收賬款為向非關連人士作出且無固定還款期之免息貸款或貼現之影響不大情況則作別論。於該等情況下，應收賬款按成本減呆壞賬減值撥備列賬(見附註2(i))。

(l) 附息借款

附息借款按公允值減應佔交易成本初始確認。初始確認後，附息借款以攤銷成本列賬，而初始確認金額與贖回價值之任何差異，均以有效利率法於借款期內連同任何應付利息及費用在損益表中確認。

(m) 貿易及其他應付賬項

貿易及其他應付賬項初步按公允值確認。除財務擔保負債根據附註2(q)(i)外，貿易及其他應付賬項其後則按攤銷成本列賬，惟在貼現並無重大影響之情況下，則會按成本列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(o) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

2. 主要會計政策(續)

(n) 現金及現金等值物

現金及現金等值物包括存於銀行及手頭之現金、銀行及其它財務機構之即期存款，及短期而高流動性之投資，即於購入時三個月內到期而在沒有涉及重大價值轉變之風險下可以隨時轉換為已預知金額現金之投資。按要求償還之銀行透支為本集團之現金管理不可或缺的一部份，亦包括於綜合現金流量表中現金及現金等值物之組合部份。

(o) 僱員福利

(i) 短期員工福利及界定供款退休計劃之供款

薪金、年終花紅、有薪年假、對定額供款退休計劃之供款及非金錢福利費用於僱員提供相關服務的年度計提。倘遞延付款或結算，且影響重大，則按現值將該等款項入賬。

(ii) 以股份為基礎之付款

授予僱員之購股權公允值於股本中之購股權儲備相應增加而確認為僱員成本。公允值於授出日使用二項式點陣法模式計算，並考慮授出購股權時之條款及條件。如僱員於無條件獲授購股權前須先符合歸屬條件，則計入購股權歸屬之可能性後，估計之購股權公允值總額按歸屬期計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee benefits (Continued)

(ii) Share-based payments (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share capital and share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

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

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. 主要會計政策(續)

(o) 僱員福利(續)

(ii) 以股份為基礎之付款(續)

於歸屬期內，將檢討預期歸屬之購股權數目。對過往年度確認的累計公允價值所導致之任何調整將於檢討年度列支／計入損益內，相應之調整會於購股權儲備反映，惟初始僱員開支合資格於資產中確認除外。在歸屬日，確認為支出之數額將作出調整，以反映歸屬的實際購股權數目(相應之調整將於購股權儲備反映)，惟只有因本公司之股份市價致使歸屬情況未能達到而引致作廢除外。權益金額於購股權儲備內確認，直至購股權被行使(在此情況下將轉至股本及股份溢價內)或購股權屆滿(在此情況下將直接撥回保留溢利內)。

(iii) 終止福利

終止福利須於本集團不得再撤銷提供該等福利，及本集團確認涉及支付終止福利之重組之成本時(以較早者為準)確認。

(p) 所得稅

本年度所得稅包括即期稅項和遞延稅項資產及負債的變動。即期稅項和遞延稅項資產及負債的變動均在損益中確認，惟倘與其他全面收益或直接於權益中確認的項目相關，則其相關稅項金額分別在其他全面收益或直接於權益中確認。

即期稅項是按本年度應課稅收入，根據在報告期末已生效或實質上已生效的稅率計算的預期應付稅項，另加就以往年度應付稅項作出的任何調整。

遞延稅項資產及負債分別由可抵扣及應課稅暫時性差額產生。暫時性差額是指資產及負債在就財務申報而言的賬面值與彼等的稅基的差額。遞延稅項資產亦可以由未動用稅項虧損和未利用稅項抵減產生。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2. 主要會計政策(續)

(p) 所得稅(續)

除了某些有限的例外情況外，所有遞延稅項負債和所有遞延稅項資產(只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅溢利)均會確認。支持確認由可抵扣暫時性差額所產生遞延稅項資產的未來應課稅溢利包括因撥回目前存在的應課稅暫時性差額而產生的數額；但所撥回的差額必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時性差額預計撥回的同一年間或遞延稅項資產所產生稅項虧損可向後期或向前期結轉的期間內撥回。在決定目前存在的應課稅暫時性差額是否足以支持確認由未動用稅項虧損和抵減所產生的遞延稅項資產時，亦會採用同一準則，即差額是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠使用未利用稅項虧損或抵減撥回的同一年間內撥回。

確認遞延稅項資產和負債之暫時性差額之有限例外情況為因不可扣稅之商譽而產生之該等暫時性差額；初步確認既不影響會計亦不影響應課稅溢利之資產或負債(惟屬業務合併之一部分則除外)；及與於附屬公司之投資有關之暫時性差額(惟如屬應課稅差額，只限於本集團可以控制撥回之時間，且在可預見將來不大可能轉回之暫時性差額；或如屬可扣稅差額，則只限於很可能在將來撥回之差額)。

當投資物業根據附註2(f)所載會計政策按公允值列賬確認遞延稅項的金額按該物業於報告日期假設以賬面值出售該等資產的稅率計算，除非該物業須予折舊及以一項商業模式持有，而其目的是要透過在一段時間內使用而並非出售該物業以獲取該物業所隱含之重大經濟利益。在其他情況下，遞延稅額按照資產與負債賬面值的預期實現或結算方式，根據在報告期末已生效或實質上已生效的稅率計量。遞延稅項資產與負債均不予折現。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 主要會計政策(續)

(p) 所得稅(續)

本集團會在每個報告期末審閱遞延稅項資產的賬面值，並於不再可能獲得足夠的應課稅溢利以動用相關的稅務利益時調低賬面值。惟倘若日後有可能獲得足夠的應課稅溢利，有關減額便會撥回。

來自分派股息的額外所得稅於確認派付有關股息之責任時予以確認。

即期稅項結餘和遞延稅項結餘及其變動會分開列示，並且不予抵銷。即期稅項資產和遞延稅項資產會在本公司或本集團有法定行權以即期稅項資產抵銷即期稅項負債，並且符合以下附帶條件的情況下可以分別抵銷即期稅項負債和遞延稅項負債：

- 即期稅項資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或
- 遞延稅項資產與負債：此等資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，而此等實體計劃在日後每個預計有大額遞延稅項負債需要結算或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產和結算即期稅項負債，或同時變現該等資產和結算該等負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of the debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(q)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

2. 主要會計政策(續)

(q) 發出財務擔保、撥備和或然負債

(i) 所發出的財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債務工具之條款於到期時付款而蒙受之虧損,而向持有人支付特定款項之合約。

當本集團發出財務擔保,該擔保之公允值最初確認為應付貿易及其他賬項內之遞延收入。已發出財務擔保的公允值於發出時乃參照類似服務於公平磋商交易的過程中所收取的費用(如可獲得該等資料)而釐定,或參照息差作出估計,方法為以貸款人在獲提供擔保之情況下實際收取之利率與在不獲提供擔保之情況下貸款人將會收取之估計利率作比較(如該等資料能可靠地估計)。倘在發行該擔保時收取或可收取代價,該代價則根據適用於該類資產之本集團政策而予確認。倘並無有已收取或應予收取之代價,則於最初確認任何遞延收入時,即時於損益內確認開支。

最初確認為遞延收入之擔保款額按擔保年期於損益內攤銷為發出財務擔保收入。此外,倘(i)擔保持有人有可能根據擔保向集團追索;及(ii)向集團申索款額預期超過現時列於應付貿易及其他賬款內之擔保金額(即最初確認的金額減累計攤銷),則按附註2(q)(ii)確認有關撥備。

(ii) 其他撥備和或然負債

倘本集團或本公司須就已發生事件承擔法律或推定責任,因而預期會導致含有經濟效益之資源外流,於可作出可靠估計時,本集團或本公司便會就該時間或數額不定之其他負債計提準備。倘貨幣時間值重大,則按預計所需支出之現值計提撥備。

倘含有經濟效益之資源外流之可能性較低,或無法對有關數額作出可靠估計,便則將該責任披露為或有負債,但資源外流可能性極低者則除外。倘本集團之責任須視乎某宗或多宗未來事件是否發生才能確定是否存在,亦會披露為或有負債,但資源外流可能性極低者則除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial guarantees issued, provisions and contingent liabilities (Continued)

(iii) Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

(r) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follow:

Sales of goods are recognised when goods are delivered and the customer has accepted the goods and related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from provision of services is recognised when services are provided.

Interest income is recognised as it accrues using the effective interest method.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income from unlisted investments is recognised when the shareholders' rights to receive payment have been established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

2. 主要會計政策(續)

(q) 發出財務擔保、撥備和或然負債(續)

(iii) 有償合約

根據有償合約產生的現時責任確認和計量為撥備。有償合約被視為存在當本集團擁有一份合約，根據合約符合責任之不可避免成本超過該合約預計將收到的經濟效益。

(r) 收入確認

收入按已收及應收代價之公允價值計量。只要是經濟利益將有可能流入本集團，而收入和成本(如適用下列)能夠可靠地計量，收入將於損益內確認：

貨品之銷售收益在貨品付運予客戶，當客戶已接納該貨品及有關風險和擁有權時確認。收入不包括增值稅或其他銷售稅及扣除任何貿易折扣後。

提供服務之收入乃於提供服務時確認。

利息收入按照實際利率法確認。

經營租賃之應收租金收入是根據租期所涵蓋的期間以等額於損益內確認，但如有其他基準對於來自使用該租賃資產所得利益之模式，能更具有代表性則例外。租賃優惠在損益內確認為一個應收租賃總額不可分割的一部分。或然租金於其賺取之會計期間內，確認為收入。

來自非上市投資之股息收入於股東收取付款的權利確定時予以確認。上市投資之股息收入在投資之股價除息時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 主要會計政策(續)

(s) 外幣換算

年內之外幣交易均按交易日之適用匯率換算。於報告期末，以外幣為單位之貨幣資產及負債均按報告期末之適用匯率換算。匯兌盈虧均於損益內確認。

按歷史成本計值之外幣非貨幣資產及負債乃以交易日適用之匯率換算。按公允值計值之外幣非貨幣資產及負債乃以公允值獲計量日之適用匯率換算。

海外業務之業績按於交易日與外幣匯率相若之匯率換算為港元。財務狀況報表項目則按報告期末之外幣匯率換算為港元。所產生之匯兌差異於其他全面收益確認，並獨立累計於匯兌儲備之權益中。

於出售海外業務，有關該海外業務的匯兌差額之累計金額於權益中重新分類至損益，當出售之損益已獲確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(u) Related parties

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

2. 主要會計政策(續)

(t) 借貸成本

凡直接與購置、興建或生產某項須經頗長時間籌備以作預定用途或出售資產有關之借貸成本，均資本化為該資產之部份成本。其他借款成本均於產生期間扣除。

借貸成本資本化作為合資格資產成本一部分，始於當該資產產生開支，借貸成本正在產生，及準備該資產擬定用途或銷售之活動正在進行。當準備該資產擬定用途或銷售之活動受到干擾或完成，借貸成本資本化會暫停或停止。

(u) 關連人士

- (a) 一名人士或為該人士之直系家屬，與本集團有關，而該人士：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本公司母公司之主要管理層成員；
- (b) 倘符合下列任何條件，一個實體與本集團有關：
- (i) 該實體與本集團屬同一集團之成員公司（即意指每一母公司，附屬公司及同系聯屬公司均互相關連）；
 - (ii) 一間實體為另一實體之聯營公司或合營企業（或集團成員公司之聯營公司或合營企業，其中其他實體為成員公司）；
 - (iii) 兩個實體均為相同第三方的合營企業；
 - (iv) 一間實體為第三方實體之合營企業，而另一實體則為該第三方實體之聯營公司；
 - (v) 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃；
 - (vi) 受上述(a)所識別之人士控制或共同控制之實體；
 - (vii) 於(a)(i)所識別之人士對該實體有重大影響力或屬該實體（或該實體之母公司）之主要管理層成員。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Related parties (Continued)

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

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

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

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the board of directors of the Company, the Group's most senior executive management, for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 主要會計政策(續)

(u) 關連人士(續)

(b) 倘符合下列任何條件，一個實體與本集團有關：(續)

(viii) 一間實體，或本集團任何成員公司其為一個組織，提供予本集團或本集團之母公司主要管理人員服務。

某人士之直系家屬為該等直系家屬人士，預期可以影響或受到影響，該人與該實體之交易。

(v) 分部報告

經營分部及財務報表所呈報之各分部項目金額，乃根據就分配資源予本集團各項業務及地區分部及評估其表現而定期提供予本公司董事會(即集團最高級管理人員)之財務資料而確定。

就財務呈報而言，除非分部具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務的方法及監管環境的性質方面相似，否則各個重大經營分部不會進行合算。個別非重大的經營分部，如果符合上述大部分標準，則可進行合算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

Amendments to HKAS 7 Disclosure Initiative

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Disclosure of the changes in liabilities arising from financing activities is provided in note 38 to the financial statements.

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

Amendments to HKAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Amendments to HKFRS 12 Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12

Amendments to HKFRS 12 clarify that the disclosure requirements in HKFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of HKFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements as the Group had no subsidiary classified as a disposal group held for sale as at 31st March 2018.

3. 會計政策和披露之變動

本集團已於本年度首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之新增及經修訂香港財務報告準則：

香港會計準則第7號（修訂本）	<i>披露計劃</i>
香港會計準則第12號（修訂本）	<i>確認未變現虧損之遞延稅項資產</i>
載入二零一四年至二零一六年週期香港財務報告準則之年度改進之香港財務報告準則第12號（修訂本）	<i>披露於其他實體之權益：澄清香港財務報告準則第12號之範圍</i>

香港會計準則第7號（修訂本）「披露計劃」

香港會計準則第7號之修訂要求實體提供披露資料，以使財務報表用戶可評估融資活動所產生負債之變動，包括現金流量及非現金變動。融資活動所產生負債之變動於財務報表附註38披露。

香港會計準則第12號（修訂本）「確認未變現虧損之遞延稅項資產」

香港會計準則第12號（修訂本）澄清，一家實體在評估會否錄得應課稅溢利以供動用可扣稅暫時性差額時，必須考慮在撥回可扣稅暫時性差額時稅務法例是否限制可供扣減的應課稅溢利來源。此外，修訂本就實體應如何確定未來應課稅溢利提供指引，並闡釋在何種情況下應課稅溢利可包括以超出其賬面值收回的資產。由於本集團並無任何可扣稅暫時性差額或屬修訂本範圍內的資產，故修訂本對本集團的財務狀況及表現並無任何影響。

香港財務報告準則第12號（修訂本）「披露於其他實體之權益：澄清香港財務報告準則第12號之範圍」

香港財務報告準則第12號（修訂本）澄清，香港財務報告準則第12號之披露規定（香港財務報告準則第12號第B10至B16段之披露規定除外）適用於實體於獲分類為持作出售（或計入分類為持作出售的出售組合）之附屬公司、合營企業或聯營企業的權益或合營企業或聯營企業中獲分類為持作出售（或計入分類為持作出售的出售組合）的部分權益。由於本集團於二零一八年三月三十一日並無任何分類為持作出售的出售組合的附屬公司，故修訂本對本集團的財務報表並無任何影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying of the Group's accounting policies, which are described in Note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Valuation of investment properties

Investment properties are stated at fair value based on the valuations performed by independent qualified professional valuers. In determining the fair values, the valuers have based on a method of valuation which involves certain estimates of market condition. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss. As at 31st March 2018, the fair value of the investment properties was HK\$290,224,000 (2017: HK\$278,176,000).

3. 會計政策和披露之變動(續)

於本年度應用香港財務報告準則以上之修訂對本集團於目前及以往年度之財務表現及狀況及／或此等綜合財務報表所載之披露並無重大影響。

本集團概無應用任何尚未於本會計期間生效的新訂準則或詮釋。

4. 關鍵會計判斷及估計

於採用附註2所述之本集團會計政策時，本公司董事須對尚無法從其他渠道確認的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃基於過往經驗、未來預計及其他視作相關的因素作出。實際結果或會有別於該等估計。

本公司會持續檢討該等估計及相關假設。倘就會計估計的修訂只影響修訂估計的期間，則有關修訂會在該期間確認；倘有關修訂影響即期及未來期間，則有關修訂會在修訂期間及未來期間確認。

以下為於報告期末所作出有關未來的主要假設及估計不確定因素的其他主要來源，並具有相當風險而可能導致須於下個財政年度就資產及負債的賬面值作出重大調整。

(i) 投資物業估值

投資物業根據獨立合資格專業估值師進行的估值按公允值列賬。釐定公允值時，估值師以涉及若干市況估計的估值法為基準計算。於依賴估值報告時，本公司董事已自行作出判斷，並信納估值所用假設能反映現時市況。該等假設的任何變動均會改變本集團投資物業的公允值，並須對綜合損益表所報損益金額作出相應調整。於二零一八年三月三十一日，投資物業之公允值為290,224,000港元（二零一七年：278,176,000港元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(ii) Write-down of inventories

Inventories are stated at the lower of cost and net realisable value. The management of the Group carries out regular review on the inventory write-down policy and estimates the net realisable value of the watches based primarily on condition of the inventories, current market conditions, historical and latest sales information and sales plan as well as the aging of inventories to identify slow-moving items. The Group carries out an inventory review at the end of the reporting period and inventories are written down to estimated net realisable value. The identification of write-down requires the use of estimates. When the expectation of the net realisable value is less than the original estimate, further write-down may arise. As at 31st March 2018, the carrying amount of the inventories (net of write-down) was HK\$153,433,000 (2017: HK\$280,963,000).

(iii) Impairment loss on trade and other receivables

The policy for impairment losses is based on an assessment of the recoverability of trade and other receivables. Impairments are applied to trade and other receivables where events or changes in circumstances indicate that the balances may be uncollectible. The identification of impairment loss requires the use of estimates. Where the expectation is different from original estimates, such difference will impact the carrying value of receivables and impairment loss expenses in the period in which such estimate has been changed. As at 31st March 2018, the carrying amount of trade and other receivables was HK\$29,291,000 (2017: HK\$24,237,000).

4. 關鍵會計判斷及估計 (續)

(ii) 撇減存貨

存貨乃按成本值或可變現淨值兩者之較低值入賬。本集團管理層對庫存撇減政策進行定期檢討並估計手錶的可變現淨值，主要根據庫存情況、當時市況、過往和最新銷售資訊、銷售計劃以及庫存的老化情況，以確定滯銷貨品項目。本集團於報告期末盤點存貨，及存貨撇減至估計可變現淨值。識別撇減需運用估計，當可變現淨值的預期值小於原估計值時，可能會出現進一步撇減。於二零一八年三月三十一日，存貨賬面值(扣除撇減)為153,433,000港元(二零一七年：280,963,000港元)。

(iii) 貿易及其他應收賬款減值虧損

減值虧損之政策乃基於對貿易及其他應收賬款以及於附屬公司之權益之評估之可收回性。一旦事件發生或情況改變顯示該餘額有可能不能收回時，則會就貿易及其他應收賬款作出減值。識別減值虧損需要作出估計。倘預期與原定估計有差異時，則該差異將會於估計改變之期間內，分別影響應收賬款之賬面值及期間的減值虧損開支。於二零一八年三月三十一日，貿易及其他應收賬款之賬面金額為29,291,000港元(二零一七年：24,237,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(iv) Income tax and deferred taxation

The Group estimates its income tax provision in accordance with the prevailing tax rules and regulations, taking into account any special approvals obtained from relevant tax authorities and any preferential tax treatment to which it is entitled in each location or jurisdiction in which the Group operates. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 income tax provisions in the period in which such determination is made.

The Group believes it has recorded adequate current tax provision based on the prevailing tax rules and regulations and its current best estimates and assumptions. In the event that future tax rules and regulations or related circumstances change, adjustments to current taxation may be necessary which would impact the Group's results or financial position. As at 31st March 2018, the carrying amount of current income tax payable is HK\$5,074,000 (2017: HK\$3,345,000).

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as the directors consider 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 estimate, such differences will impact the recognition of deferred tax assets and tax expenses or other comprehensive income in the periods in which such estimate is changed. As at 31st March 2018, the carrying amount of deferred tax assets amounted to HK\$17,188,000 (2017: HK\$Nil).

4. 關鍵會計判斷及估計 (續)

(iv) 所得稅及遞延稅項

本集團評估其所得稅撥備乃根據可適用之稅務條例及規則，並考慮任何相關稅務機構獲得之批准，以及本集團營運之每一地點獲得授予之任何優先稅務處理或裁判權。於日常業務運作中，有許多交易及計算其最終之稅項決定並不確定，本集團因預計稅務審查事件而評估將可能支付之額外稅項確認為負債。此等事件之最終稅務結果若和最初記錄之稅務金額不同，其差異在該決定期間，將會對所得稅及遞延稅撥備產生影響。

本集團相信在可適用之稅務條例及規則之基礎下，已對現時之稅項作出充足撥備，其亦為現時之最佳評估及假設。在未來稅務條例及規則或有關環境轉變情況下，現時之稅項將可能需要作出適當調整，或會影響對本集團之業績或財務狀況。於二零一八年三月三十一日，目前應付所得稅之賬面金額為5,074,000港元（二零一七年：3,345,000港元）。

在董事認為可能將有未來應課稅溢利以供抵銷可供利用之暫時差額或稅項虧損之情況下，與遞延所得稅資產相關的若干暫時差異及稅項虧損予以確認。倘預期金額與原定估計有異，該差異將影響有關估計變動期間確認之遞延稅項資產及所得稅開支或其他全面收益。於二零一八年三月三十一日，遞延稅項資產之賬面值為17,188,000港元（二零一七年：零港元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5. REVENUE

The principal activities of the Group are trading of watches (retail and wholesale) and property leasing.

Revenue represents (i) the gross proceeds received and receivable derived from the sale of watches, less the value added tax, other sales taxes and trade discounts and (ii) rental income from property leasing.

5. 營業收入

本集團之主要業務為鐘錶貿易（零售及批發）以及物業租賃。

營業收入即(i)來自鐘錶銷售毛收入及應收款項，扣減增值稅、其他銷售稅及貿易折扣後所得款項，及(ii)來自物業租賃的租金收入。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sales of watches	鐘錶銷售	982,675	842,304
Rental income from investment properties	來自投資物業之租金收入	8,754	7,914
		991,429	850,218

6. OTHER REVENUE

6. 其他收益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank interest income	銀行利息收入	237	112
Total interest income on financial assets not at fair value through profit or loss	非透過損益按公允值處理的金融資產所產生的利息收入總額	237	112
Dividend income	股息收入	99	-
Promotion income	推廣收入	4,913	5,207
Advertising income	廣告收入	4,397	5,409
Customer services income and others	顧客服務收入及其他	10,665	10,664
		20,311	21,392

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7. OTHER NET GAINS

7. 其他收益淨額

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net realised and unrealised (loss)/gain on trading securities	證券買賣實現及未實現之(虧損)/收益淨額	(120)	14
Compensation received upon the closure of a shop	一間店舖結業時之補償收入	2,721	-
Impairment loss on trade receivables	貿易應收賬款減值虧損	-	(59)
Impairment loss on other receivables and prepayments	其他應收賬款及預付款項減值虧損	(2,542)	-
Gain on disposals of property, plant and equipment	出售物業、機器及設備之收益	520	-
Gain on deregistration of a subsidiary (note)	註銷一間附屬公司之收益(附註)	3,122	-
Write back of long outstanding payables	撥回長期未付款項	3,988	-
Others	其他	292	1,406
		7,981	1,361

Note:

沈陽遼灣拿鐘錶珠寶有限公司 (the "deregistered entity"), which was a wholly owned subsidiary of the Group and was engaged in the trading of watches in the PRC, was deregistered during the year ended 31st March 2018. The gain on deregistration amounting to approximately HK\$3,122,000 represented the exchange reserve arisen from translating the assets and liabilities of the deregistered entity into the presentation currency of the Group which was reclassified to profit or loss upon the deregistration. No cash flow effects resulted at the date of deregistration.

附註:

沈陽遼灣拿鐘錶珠寶有限公司(「已註銷實體」)曾為本集團之全資附屬公司，於中國從事手錶貿易，並已於截至二零一八年三月三十一日止年度註銷。註銷收益約3,122,000港元指將已註銷實體之資產及負債換算為本集團之呈列貨幣所產生之匯兌儲備，已於註銷時重新分類至損益，並無於註銷當日產生對現金流量之影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. SEGMENT REPORTING

The Group manages its business by divisions. In a manner consistent with the way in which information is reported internally to the board of directors of the Company, being the chief operating decision maker (“CODM”) for the purposes of resource allocations and performance assessments. The Group has presented two reportable segments: (i) sale of watches (retail and wholesale) and (ii) properties leasing. No operating segments have been aggregated to form these two reportable segments.

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in note to the financial statements. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration costs and corporate costs which cannot be meaningfully allocated to individual segment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation and amortization of assets attributable to those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss.

All assets are allocated to reportable segments other than available-for-sale investments, deferred tax assets and other corporate assets.

All liabilities are allocated to reportable segments other than current income tax payable, deferred tax liabilities and borrowings not attributable to individual segments and other corporate liabilities.

8. 分部報告

本集團按部門劃分管理其業務。資料以內部呈報方式一致之方式向本公司董事會（為主要營運決策者）報告，目的為資源分配及表現評估。本集團呈報以下二個可報告分部：(i) 鐘錶銷售（零售及分銷）及(ii) 租賃物業。並無將任何經營分部合計以構成此等兩個可報告分部。

為評估分部表現及分部間資源分配，主要營運決策者按以下基礎監控各可報告分部之業績、資產及負債：

可報告分部之會計政策與本集團詳述於財務報表附註之會計政策相同。分部溢利／（虧損）指各分部所賺取溢利／（虧損），並未分配中央行政成本及企業成本，其不能夠有意義地分配至獨立分部。此乃就分配資源至各分部及評估其表現向主要營運決策者報告之計量。

收益及開支乃經參考該等分部產生之營業收入及開支（該等分部應佔之折舊及攤銷資產所產生之開支除外）分配予報告分部。

向主要營運決策者報告的外部收入的計量基準與綜合損益表所採用者一致。

所有資產均分配至可供出售投資、遞延稅項資產及其他企業資產以外之可報告分部。

所有負債均分配至可報告分部，除即期應納所得稅、遞延稅項負債及借貸，不能歸屬於獨立分部及其他企業負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. SEGMENT REPORTING (Continued)

The following is an analysis of the Group's revenue, results, assets and liabilities by operating segment:

8. 分部報告 (續)

以下為本集團經營分部之營業收益、業績、資產及負債之分析：

		2018 二零一八年				
		Sale of watches 鐘錶銷售 HK\$'000 千港元	Properties leasing 租賃物業 HK\$'000 千港元	Segmental total 分部總計 HK\$'000 千港元	Unallocated 未經分類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
External revenue (Note)	對外收益 (附註)	982,675	8,754	991,429	-	991,429
Operating profit/(loss)	經營溢利/(虧損)	38,226	7,344	45,570	(7,389)	38,181
Valuation gains on investment properties	投資物業之估值收益	-	8,509	8,509	-	8,509
Interest income	利息收入	237	-	237	-	237
Other net gains	其他收益淨額	8,101	-	8,101	(120)	7,981
Finance costs	財務成本	(1,905)	-	(1,905)	-	(1,905)
Segment results	分部業績	44,659	15,853	60,512	(7,509)	53,003
Income tax credit	所得稅					9,935
Profit for the year	本年度溢利					62,938
Write-down of inventories	撇減存貨	(47,819)	-	(47,819)	-	(47,819)
Gain on deregistration of a subsidiary	註銷一間附屬公司收益	3,122	-	3,122	-	3,122
Write back of long outstanding payables	撥回長期未付款項	3,988	-	3,988	-	3,988
Impairment loss of other receivables and prepayments	其他應收賬款及預付款項減值虧損	(2,542)	-	(2,542)	-	(2,542)
Net realised and unrealised loss on trading securities	證券買賣實現及未實現之虧損淨額	-	-	-	(120)	(120)
Depreciation and amortisation	折舊及攤銷	(2,914)	(233)	(3,147)	(358)	(3,505)
Income tax expenses	所得稅費用	(1,453)	-	(1,453)	-	(1,453)
Deferred tax	遞延稅項	11,388	-	11,388	-	11,388
Segment assets	分部資產	303,921	294,689	598,610	32,250	630,860
Available-for-sale investments	可供出售之投資					8,657
Deferred tax assets	遞延稅項資產					17,188
Total assets	總資產					656,705
Additions to non-current segment assets during the reporting period	本報告期間非流動分部資產之增加	3,970	71	4,041	-	4,041
Segment liabilities	分部負債	116,782	9,274	126,056	3,693	129,749
Current income tax payable	即期應納所得稅					5,074
Deferred tax liabilities	遞延稅項負債					19,109
Total liabilities	總負債					153,932

Note: There were no inter-segment sales during the year ended 31st March 2018.

附註：於截至二零一八年三月三十一日止年度期間並無分部間銷售。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. SEGMENT REPORTING (Continued)

8. 分部報告(續)

		2017 二零一七年				
		Sale of watches 鐘錶銷售 HK\$'000 千港元	Properties leasing 租賃物業 HK\$'000 千港元	Segmental total 分部總計 HK\$'000 千港元	Unallocated 未經分類 HK\$'000 千港元	Total 總計 HK\$'000 千港元
External revenue (Note)	對外收益(附註)	842,304	7,914	850,218	-	850,218
Operating profit/(loss)	經營溢利/(虧損)	8,309	6,838	15,147	(6,337)	8,810
Valuation gains on investment properties	投資物業之估值收益	-	25,094	25,094	-	25,094
Interest income	利息收入	112	-	112	-	112
Other net gains	其他收益淨額	1,347	-	1,347	14	1,361
Finance costs	財務成本	(4,273)	-	(4,273)	-	(4,273)
Segment results	分部業績	5,495	31,932	37,427	(6,323)	31,104
Income tax	所得稅					-
Profit for the year	本年度溢利					31,104
Write-down of inventories	撇減存貨	(7,588)	-	(7,588)	-	(7,588)
Impairment loss of trade receivables	貿易應收賬款減值虧損	(59)	-	(59)	-	(59)
Net realised and unrealised gain on trading securities	證券買賣實現及未實現之收益淨額	-	-	-	14	14
Depreciation and amortisation	折舊及攤銷	(5,481)	(243)	(5,724)	(89)	(5,813)
Segment assets	分部資產	394,848	279,410	674,258	5,988	680,246
Available-for-sale investments	可供出售之投資					7,500
Total assets	總資產					687,746
Additions to non-current segment assets during the reporting period	本報告期間非流動分部資產之增加	3,013	7	3,020	1,788	4,808
Segment liabilities	分部負債	229,149	8,638	237,787	3,473	241,260
Current income tax payable	即期應納所得稅					3,345
Deferred tax liabilities	遞延稅項負債					13,309
Total liabilities	總負債					257,914

Note: There were no inter-segment sales during the year ended 31st March 2017.

附註：於截至二零一七年三月三十一日止年度期間並無分部間銷售。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. SEGMENT REPORTING (Continued)

Geographic information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, prepaid lease payments, investment properties and rental deposits and prepayments. The geographical location of customers is referred to the location at which the services were provided or the goods delivered. The geographical locations of non-current assets are based on the physical location of the assets.

8. 分部報告(續)

經營地區資料

以下為(i)本集團來自外部客戶之收益及(ii)本集團之物業、機器及設備、租賃預付款項、投資物業及租賃按金及預付款項。客戶經營地區參考自提供服務或貨物遞送之地點。經營地區之非流動資產是基於資產之實際地點作考慮。

		Revenues from external customers 來自外部客戶之收益		Non-current assets 非流動資產	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
The People's Republic of China, excluding Hong Kong	中華人民共和國，香港除外	365,214	378,939	66,803	62,457
Hong Kong (place of domicile)	香港(原居地)	625,194	470,140	266,180	260,233
Switzerland	瑞士	1,021	1,139	15,491	12,558
		991,429	850,218	348,474	335,248

Information about major customers

For the year ended 31st March 2018, revenue of approximately HK\$115,267,000 (2017: HK\$151,156,000) was derived from a single external customer who contributed more than 10% of total revenue of the Group. This revenue was attributable to the sales of watches segment.

關於主要客戶資料

於截至二零一八年三月三十一日止年度，約115,267,000港元(二零一七年：151,156,000港元)的收入來自單一外部客戶，其貢獻佔集團總收益10%以上。該等收益來自鐘錶銷售分部的貢獻。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

9. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank borrowings	銀行借款利息	1,745	3,005
Interest on loans from a director	董事之貸款利息	160	1,268
Total interest expenses on financial liabilities not at fair value through profit or loss	非透過損益按公允值處理的金融負債所產生的利息支出總額	1,905	4,273

(b) Staff costs

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, wages and other benefits (including directors' fee and emoluments)	薪金、工資及其他福利 (包括董事袍金及酬金)	57,784	46,987
Retirement benefits scheme contribution	退休福利計劃供款	4,110	4,018
		61,894	51,005

(c) Other items

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rental receivable from investment properties less direct outgoings of HK\$408,000 (2017: HK\$359,000)	投資物業應收租金扣除直接支出 408,000港元 (二零一七年: 359,000港元)	(8,346)	(7,555)
Net exchange loss	滙兌虧損淨額	308	426
Auditors' remuneration	核數師酬金		
Audit services	核數服務	1,230	1,180
Other services	其他服務	329	314
Depreciation for property, plant and equipment	物業、機器及設備折舊	3,032	5,354
Amortisation of prepaid lease payments	租賃預付款項攤銷	473	459
Write down of inventories	撇減存貨	47,819	7,588
Impairment loss on trade receivables	貿易應收賬款減值虧損	-	59
Impairment loss on other receivables and prepayments	其他應收賬款及預付款項減值虧損	2,542	-
Write back of long outstanding payables	撥回長期未付款項	(3,988)	-
Operating lease rentals in respect of rented premises	租賃物業之經營租賃租金		
- Minimum rentals	- 最低租金	86,501	99,375
- Contingent rentals	- 或然租金	1,235	3,452
Cost of inventories recognised as expenses	確認為開支之存貨成本	87,736	102,827
		768,998	662,099

9. 除稅前溢利

除稅前溢利已扣除/(計入)以下各項:

(a) 財務成本

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
銀行借款利息	1,745	3,005
董事之貸款利息	160	1,268
非透過損益按公允值處理的金融負債所產生的利息支出總額	1,905	4,273

(b) 員工成本

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
薪金、工資及其他福利 (包括董事袍金及酬金)	57,784	46,987
退休福利計劃供款	4,110	4,018
	61,894	51,005

(c) 其他項目

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
投資物業應收租金扣除直接支出 408,000港元 (二零一七年: 359,000港元)	(8,346)	(7,555)
滙兌虧損淨額	308	426
核數師酬金		
核數服務	1,230	1,180
其他服務	329	314
物業、機器及設備折舊	3,032	5,354
租賃預付款項攤銷	473	459
撇減存貨	47,819	7,588
貿易應收賬款減值虧損	-	59
其他應收賬款及預付款項減值虧損	2,542	-
撥回長期未付款項	(3,988)	-
租賃物業之經營租賃租金		
- 最低租金	86,501	99,375
- 或然租金	1,235	3,452
確認為開支之存貨成本	87,736	102,827
	768,998	662,099

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

(i) Directors' emoluments

The emoluments of each director for the years ended 31st March 2018 and 2017 are set out below:

10. 董事酬金及最高酬金人士

(i) 董事酬金

於截至二零一七年及二零一八年三月三十一日止年度每位董事之酬金載列如下：

		2018 二零一八年					
		Directors' fees	Basic salaries	Discretionary bonus	Allowances and other benefits	Employer's contribution to retirement benefit scheme	Total
		董事袍金 HK\$'000 千港元	基本薪金 HK\$'000 千港元	不定額花紅 HK\$'000 千港元	津貼及 其他福利 HK\$'000 千港元	退休福利 計劃僱主供款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive Directors	執行董事						
Eav Yin	楊仁	238	4,175	1,630	1,042	-	7,085
Eav Guech Rosanna	楊訪梅	-	840	150	-	-	990
Duong Ming Chi, Henry	楊明志	-	-	-	-	-	-
		238	5,015	1,780	1,042	-	8,075
Independent Non-executive Directors	獨立非執行董事						
Lai Si Ming	賴思明	238	-	-	-	-	238
Wong Wing Yue, Rosaline	王穎好	238	-	-	-	-	238
Lee Tat Cheung, Vincent	李達祥	238	-	-	-	-	238
		714	-	-	-	-	714
		952	5,015	1,780	1,042	-	8,789

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

10. 董事酬金及最高酬金人士(續)

(i) Directors' emoluments (Continued)

(i) 董事酬金(續)

		2017 二零一七年				
		Directors' fees	Basic salaries	Allowances and other benefits	Employer's contribution to retirement benefit scheme	Total
		董事袍金 HK\$'000 千港元	基本薪金 HK\$'000 千港元	津貼及 其他福利 HK\$'000 千港元	退休福利 計劃僱主供款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive Directors	執行董事					
Eav Yin	楊仁	238	4,175	1,042	-	5,455
Eav Guech Rosanna	楊訪梅	-	840	2	-	842
Duong Ming Chi, Henry	楊明志	-	-	-	-	-
		238	5,015	1,044	-	6,297
Independent Non-executive Directors	獨立非執行董事					
Lai Si Ming	賴思明	238	-	-	-	238
Wong Wing Yue, Rosaline	王穎妤	238	-	-	-	238
Lee Tat Cheung, Vincent	李達祥	238	-	-	-	238
		714	-	-	-	714
		952	5,015	1,044	-	7,011

Notes:

附註:

- | | |
|--|---|
| <p>(i) There was no arrangement under which a director waived or agreed to waive any emoluments during the years ended 31st March 2018 and 2017.</p> <p>(ii) No emolument was paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office for the years ended 31st March 2018 and 2017.</p> <p>(iii) As at 31st March 2018 and 2017, the directors held share options under the Company's share option scheme. The details of the share options are disclosed under the paragraph "share option scheme" in the report of the directors and Note 31(a).</p> <p>(iv) The Company has not appointed Chief Executive, and the role and function of the Chief Executive has been performed by the executive directors.</p> | <p>(i) 於二零一七年及二零一八年三月三十一日止年度期間，並無董事放棄或同意放棄任何酬金之安排。</p> <p>(ii) 於截至二零一七年至二零一八年三月三十一日止之年度，本集團並無支付予董事作為吸引其加入或於加入本集團後，或作為離職補償之酬金。</p> <p>(iii) 於二零一七年及二零一八年三月三十一日，董事根據本公司購股權計劃持有購股權。購股權詳情於董事會報告之「購股權之計劃」段及附註31(a)中披露。</p> <p>(iv) 本公司並無委聘行政總裁及行政總裁的角色及職能已由執行董事履行。</p> |
|--|---|

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

(ii) Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2017: two) is director whose emoluments are disclosed in Note 10(i). The aggregate of the emoluments in respect of the other four (2017: three) individuals is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Basic salaries, allowances and other emoluments	基本薪金、津貼及其他福利	5,252	5,075
Performance related incentive payments	表現獎勵款項	1,677	1,288
Employer's contribution to retirement benefit scheme	退休福利計劃僱主供款	109	41
		7,038	6,404

The emoluments of the remaining four (2017: three senior management) individuals with the highest emoluments are within the following bands:

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	2	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	1	–
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	–	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	1	1
		4	3

10. 董事酬金及最高酬金人士(續)

(ii) 最高酬金人士

五位最高薪人士中，一位(二零一七年：兩位)董事之酬金於附註10(i)披露。其他四位(二零一七年：三位)人士年內之酬金總額如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Basic salaries, allowances and other emoluments	5,252	5,075
Performance related incentive payments	1,677	1,288
Employer's contribution to retirement benefit scheme	109	41
	7,038	6,404

餘下四位(二零一七年：三位高級管理層)最高酬金人士介乎下列範圍：

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	2	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	1	–
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	–	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	1	1
		4	3

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

11. 綜合損益表內之所得稅

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax	即期稅項		
PRC Corporate Income Tax	中國企業所得稅		
– Charge for the year	– 本年度所得稅	1,453	–
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額之產生及撥回	(11,388)	–
		(9,935)	–

The subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% (2017: 16.5%). No Hong Kong Profits Tax has been provided for in the financial statements for the years ended 31st March 2018 and 2017 either because the Hong Kong subsidiaries have accumulated tax losses brought forward which exceeded the estimated assessable profits or the Hong Kong subsidiaries sustained losses for taxation purpose.

香港附屬公司的香港利得稅率為16.5% (二零一七年：16.5%)。財務報表中並無就香港利得稅作出撥備概因截至二零一七年及二零一八年三月三十一日止年度香港附屬公司承前累計稅項虧損超逾本年度估計應課稅盈利或香港附屬公司錄得的稅務虧損。

Taxation for the PRC subsidiaries is provided at the rate of 25% (2017: 25%). No PRC income tax has been provided for in the financial statements for the year ended 31st March 2017 either because the PRC subsidiaries have accumulated tax losses brought forward which exceeded the estimated assessable profits or the PRC subsidiaries sustained losses for taxation purpose.

中國附屬公司以稅率25%計提稅項 (二零一七年：25%)。於截至二零一七年三月三十一日止年度的財務報表中，並無就中國所得稅作出撥備，概因中國繳稅附屬公司承前累計稅項虧損超逾本年度估計應課稅盈利或中國附屬公司錄得的稅務虧損。

The subsidiary in Switzerland is subject to Switzerland Profits Tax at the rate of 16% (2017: 16%). No Switzerland Profits Tax has been provided for the years ended 31st March 2018 and 2017 as the Group has no estimated assessable profits in Switzerland.

於瑞士之附屬公司瑞士利得稅率為16% (二零一七年：16%)。於截至二零一七年及二零一八年三月三十一日止年度，由於本集團並無瑞士之任何估計應課稅溢利，故沒有瑞士利得稅撥備。

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

根據百慕達及英屬處女群島條例規定，本集團在這些司法管轄區不受到任何所得稅管制。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

Reconciliation between tax expenses and accounting profit at applicable tax rates:

11. 綜合損益表內之所得稅 (續)

稅項開支與會計溢利按適用稅率計算之對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	53,003	31,104
Notional tax on profit before taxation, calculated at the tax rates applicable to losses in the countries concerned	按所在國家的有關溢利的適用稅率計算的除稅前虧損之稅項	9,936	7,247
Tax effect of non-deductible expenses	在稅務上不能扣減之支出之稅務影響	7,352	2,377
Tax effect of non-taxable items	在稅務上不需課稅之項目之稅務影響	(4,031)	(10,559)
Tax effect of utilisation of unused tax losses	使用未曾使用之稅務虧損之稅務影響	(15,879)	(5,210)
Tax effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	過往未被確認及未曾使用之稅項虧損以及現確認為遞延稅項資產之可扣減暫時差異之稅務影響	(17,188)	-
Tax effect of tax losses not recognised	未被確認之稅項虧損之稅務影響	4,472	6,679
Tax effect of temporary difference not recognised	未被確認之暫時差異之稅務影響	(397)	(534)
Withholding tax on undistributed profit of PRC subsidiaries	中國附屬公司之未分派溢利之預扣稅	5,800	-
Actual tax credit	實際稅項抵減	(9,935)	-
12. DIVIDENDS	12. 股息		
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Final dividend proposed after the end of the reporting period of HK\$0.0128 (2017: HK\$Nil) per share	於報告期末後建議派發之末期股息每股0.0128港元 (二零一七年：零港元)	20,056	-
Special dividend proposed after the end of the reporting period of HK\$0.0128 (2017: HK\$Nil) per share	於報告期末後建議派發之特別股息每股0.0128港元 (二零一七年：零港元)	20,056	-
		40,112	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12. DIVIDENDS (Continued)

The distributions of the final dividend and special dividend are subject to the shareholders' approvals and the completion of capital reorganisation as disclosed in note 39 to the financial statements. The final dividend and special dividend would be distributed out of contributed surplus after the capital reorganisation. The final dividend and special dividend declared or proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

No interim dividend was paid for the year ended 31st March 2017. The directors do not propose any payment of final dividend for the year ended 31st March 2017.

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for the years ended 31st March 2018 and 2017 of HK\$62,938,000 and HK\$31,104,000, respectively, and the weighted average number of 1,566,866,000 ordinary shares in issue during the years ended 31st March 2018 and 2017.

(b) Diluted earnings per share

Diluted earnings per share is equal to the basic earnings per share for the years ended 31st March 2018 and 2017.

The Company's share options have no dilutive effect for the years ended 31st March 2018 and 2017 because the exercise price of the Company's share options was higher than the average market price of the Company's shares for both years.

12. 股息 (續)

於財務報表附註39所披露派發末期股息及特別股息須待股東批准及股本重組完成後方可作實。末期股息及特別股息將自股本重組後的繳入盈餘作分派。於報告期末後宣派或建議派發的末期股息及特別股息並無於報告期末確認為負債。

截至二零一七年三月三十一日止年度並無派發中期股息。董事會不建議派發截至二零一七年三月三十一日止年度之任何末期股息。

13. 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據截至二零一七年及二零一八年三月三十一日止年度之本公司持有人應佔溢利分別為31,104,000港元及62,938,000港元以及於截至二零一七年及二零一八年三月三十一日止年度之已發行加權平均普通股數目1,566,866,000股計算。

(b) 每股經攤薄盈利

於截至二零一七年及二零一八年三月三十一日止年度每股經攤薄盈利相等於每股基本盈利。

於截至二零一七年及二零一八年三月三十一日止年度，本公司購股權並無攤薄效應，概因過去兩年間，本公司購股權行使價均高於公司股票平均市價。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、機器及設備

		Land and buildings 土地及樓宇 HK\$'000 千港元	Furniture, fixtures and fittings 傢具、設備 及裝置 HK\$'000 千港元	Leasehold improve- ments 租賃物業 裝修 HK\$'000 千港元	Machinery and equipment 機器及 設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
31st March 2017	二零一七年三月三十一日							
At 31st March 2016 and 1st April 2016	於二零一六年三月三十一日及 二零一六年四月一日							
Cost	成本值	18,638	3,270	47,414	23,212	2,578	-	95,112
Accumulated depreciation and impairment	累計折舊及減值	(2,354)	(3,196)	(41,911)	(21,966)	(2,578)	-	(72,005)
Net carrying amount	賬面淨值	16,284	74	5,503	1,246	-	-	23,107
At 1st April 2016, net of accumulated depreciation and impairment	於二零一六年四月一日，扣除累計 折舊及減值	16,284	74	5,503	1,246	-	-	23,107
Translation differences	換算差額	(184)	-	(145)	(39)	-	-	(368)
Additions	添置	-	-	555	407	1,788	-	2,750
Depreciation charge	折舊支出	(339)	(33)	(4,119)	(774)	(89)	-	(5,354)
At 31st March 2017, net of accumulated depreciation and impairment	於二零一七年三月三十一日， 扣除累計折舊及減值	15,761	41	1,794	840	1,699	-	20,135
31st March 2018	二零一八年三月三十一日							
At 1st April 2017	於二零一七年四月一日							
Cost	成本值	18,374	3,267	42,029	22,628	4,366	-	90,664
Accumulated depreciation and impairment	累計折舊及減值	(2,613)	(3,226)	(40,235)	(21,788)	(2,667)	-	(70,529)
Net carrying amount	賬面淨值	15,761	41	1,794	840	1,699	-	20,135
At 1st April 2017, net of accumulated depreciation and impairment	於二零一七年四月一日，扣除累計 折舊及減值	15,761	41	1,794	840	1,699	-	20,135
Translation differences	換算差額	296	-	46	34	-	-	376
Additions	添置	-	38	862	272	-	1,548	2,720
Disposals	出售	-	-	(202)	-	-	-	(202)
Depreciation charge	折舊支出	(305)	(23)	(1,866)	(480)	(358)	-	(3,032)
At 31st March 2018, net of accumulated depreciation and impairment	於二零一八年三月三十一日，扣除累計 折舊及減值	15,752	56	634	666	1,341	1,548	19,997
At 31st March 2018	於二零一八年三月三十一日							
Cost	成本值	18,813	3,311	33,963	22,182	4,366	1,548	84,183
Accumulated depreciation and impairment	累計折舊及減值	(3,061)	(3,255)	(33,329)	(21,516)	(3,025)	-	(64,186)
Net carrying amount	賬面淨值	15,752	56	634	666	1,341	1,548	19,997

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) Property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Freehold land is not depreciated	
Leasehold land	2% or over the remaining terms of the leases, if shorter
Buildings	2 – 4% or over the remaining lease period, if shorter
Furniture, fixtures and fittings	15 – 20%
Leasehold improvements	5 – 50% or over the remaining lease period, if shorter
Machinery and equipment	20 – 50%
Motor vehicles	20%

- (b) At 31st March 2018, land and buildings of HK\$11,901,000 (2017: HK\$14,045,000) were pledged as securities for bank loans as detailed in Note 26.

15. PREPAID LEASE PAYMENTS

At the beginning of the year	年初	
Translation difference	換算差額	
Amortisation	攤銷	
At the end of the year	年末	
Analysis for reporting purposes as:	出於報告目的之分析:	
Current portion	流動部分	
Non-current portion	非流動部分	

At 31st March 2018, no prepaid lease payments (2017: HK\$16,535,000) were pledged as securities for bank loans as detailed in Note 26.

14. 物業、機器及設備 (續)

附註:

- (a) 物業、機器及設備以直線法按下列年率計算折舊:

Freehold land is not depreciated	
租賃土地	2%或按租約餘下年期(以較短者為準)
樓宇	2 – 4%或按租約餘下年期(以較短者為準)
傢具、設備及裝置	15 – 20%
租賃物業裝修	5 – 50%或按租約餘下年期(以較短者為準)
機器及設備	20 – 50%
汽車	20%

- (b) 於二零一八年三月三十一日，11,901,000港元之土地及樓宇(二零一七年：14,045,000港元)已作為銀行貸款之抵押，詳情載於附註26。

15. 租賃預付款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At the beginning of the year	年初	16,535	18,055
Translation difference	換算差額	1,708	(1,061)
Amortisation	攤銷	(473)	(459)
At the end of the year	年末	17,770	16,535
Analysis for reporting purposes as:	出於報告目的之分析:		
Current portion	流動部分	498	451
Non-current portion	非流動部分	17,272	16,084
		17,770	16,535

於二零一八年三月三十一日，並沒有租賃預付款項(二零一七年：16,535,000港元)作銀行貸款抵押，詳情載於附註26。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. INVESTMENT PROPERTIES

16. 投資物業

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At valuation	估值列值		
At the beginning of the year	於年初	278,176	255,188
Translation difference	換算差額	3,539	(2,106)
Fair value gains	公允價值收益	8,509	25,094
At the end of the year	於年末	290,224	278,176

The Group's property interests held to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

本集團持有以賺取租金的物業權益乃採用公允價值模式計量，並分類及以投資物業入賬。

Note:

附註：

(a) Fair value measurement of investment properties

(a) 投資物業的公允價值計量

(i) Fair value hierarchy

(i) 公允價值層級

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

下表呈列本集團於每個報告期末按經常基準所計量的投資物業公允價值。該等物業已歸入《香港財務報告準則》第13號—「公允價值計量」所界定的三個公允價值層級。本集團參照以下估值方法所採用的輸入值的可觀察程度和重要性，從而釐定公允價值計量數值所應歸屬的層級：

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- 第一級估值：公允價值計量只使用第一級數據，即於計量日根據相同資產或負債於活躍市場之未經調整報價。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. INVESTMENT PROPERTIES (Continued)

(a) Fair value measurement of investment properties (Continued)

(i) Fair value hierarchy (Continued)

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

16. 投資物業(續)

(a) 投資物業的公允值計量(續)

(i) 公允值層級(續)

- 第二級估值：公允值計量使用第二級數據，即可觀察數據未能達到第一級，及並未使用重大不可觀察之數據。不可觀察之數據為其市場數據並不適用之數據。
- 第三級估值：公允值計量使用重大不可觀察之數據。

		Fair value measurements as at 31st March 2018 categorised into 於二零一八年三月三十一日之 公允值計量分類			
		Level 1	Level 2	Level 3	
		第1層級	第2層級	第3層級	
		HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	
Recurring fair value measurement	經常性公允值計量				
Investment properties:	投資物業：				
- Hong Kong	- 香港	238,280	-	-	238,280
- Mainland China	- 中國大陸	38,684	-	-	38,684
- Switzerland	- 瑞士	13,260	-	-	13,260
		290,224	-	-	290,224

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. INVESTMENT PROPERTIES (Continued)

(a) Fair value measurement of investment properties (Continued)

(i) Fair value hierarchy (Continued)

	Fair value at 31st March 2017 於二零一七年三月三十一日之公允值 HK\$'000 千港元	Level 1 第1層級 HK\$'000 千港元	Level 2 第2層級 HK\$'000 千港元	Level 3 第3層級 HK\$'000 千港元
Recurring fair value measurement				
Investment properties:				
- Hong Kong	232,850	-	-	232,850
- Mainland China	34,969	-	-	34,969
- Switzerland	10,357	-	-	10,357
	278,176	-	-	278,176

During the years ended 31st March 2018 and 2017, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31st March 2018 and 2017. The valuations of investment properties located in Hong Kong and the PRC as at 31st March 2018 and 2017 were carried out by Cushman & Wakefield Limited, the firm of independent professional qualified valuers with recent experience in the location and category of properties being valued. The valuations of investment properties located in Switzerland as at 31st March 2018 and 2017 were carried out by BMI Appraisals Limited and Pierre Berest S.A., respectively, the firms of independent professional qualified valuers with recent experience in the location and category of properties being valued. The Group's finance manager and the chief financial officer have discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

16. 投資物業(續)

(a) 投資物業的公允值計量(續)

(i) 公允值層級(續)

Fair value measurements as at 31st March 2017 categorised into 於二零一七年三月三十一日之公允值計量分類

	Fair value at 31st March 2017 於二零一七年三月三十一日之公允值 HK\$'000 千港元	Level 1 第1層級 HK\$'000 千港元	Level 2 第2層級 HK\$'000 千港元	Level 3 第3層級 HK\$'000 千港元
Recurring fair value measurement				
Investment properties:				
- Hong Kong	232,850	-	-	232,850
- Mainland China	34,969	-	-	34,969
- Switzerland	10,357	-	-	10,357
	278,176	-	-	278,176

於截至二零一七年及二零一八年三月三十一日止年度，在第一與第二層級之間並無出現任何公允值轉移，亦無任何公允值轉入第三層級或自第三層級轉出。本集團的政策是在公允值層級之間出現轉移的報告期完結時確認有關變動。

本集團的所有投資物業已於二零一七年及二零一八年三月三十一日進行重估。於二零一七年及二零一八年三月三十一日，位於香港及中國投資物業的估值工作由獨立、專業的合資格估值師高緯環球有限公司進行，該測量師行在重估物業的所在地點和類別均具近期經驗。於二零一七年及二零一八年三月三十一日，位於瑞士投資物業的估值工作分別由獨立、專業的合資格估值師Pierre Berest S.A.及中和邦盟評估有限公司進行，該等測量師行在重估物業的所在地點和類別均具近期經驗。本集團之財務管理人及財務總監已與測量師討論在各中期及年度報告日進行估值的假設和結果。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. INVESTMENT PROPERTIES (Continued)

16. 投資物業(續)

(a) Fair value measurement of investment properties (Continued)

(a) 投資物業的公允值計量(續)

(ii) Information about Level 3 fair value measurements

(ii) 第三層級公允值計量資料

	Valuation techniques 估值技術	Key unobservable inputs 主要不可觀察之數據	Range or weighted average 範疇或加權平均	Relationship of unobservable inputs to fair value 公允值不可觀察數據關係
Investment properties located in the PRC 位於中國之投資物業	Market comparison approach 市場比較法	Premium/(discount) to transaction price (to reflect location, age and maintenance) 溢價/(折讓)交易價格(以反映地點、樓齡及保養)	(12)%–9% (2017: (16)%–6%) (二零一七年: (16)%–6%)	The higher the adjusted transaction price, the higher the fair value 調整價格愈高, 公允值愈高
Investment properties located in Hong Kong 位於香港之投資物業	Market comparison approach 市場比較法	Premium/(discount) to transaction price (to reflect location, age and maintenance) 溢價/(折讓)交易價格(以反映地點、樓齡及保養)	(34)%–7% (2017: (33)%–18%) (二零一七年: (33)%–18%)	The higher the adjusted transaction price, the higher the fair value 調整價格愈高, 公允值愈高
Investment properties located in Switzerland 位於瑞士之投資物業	Income capitalization approach 收入資本化法	Capitization rate (derived from monthly market rent) 資本化比率(由每月市場租金衍生)	7.50% (2017: 5.75%) (二零一七年: 5.75%)	The higher the capitalization rate, the lower the fair value 資本化比率愈高, 公允值愈低
		Market monthly rent rate 市場每月租金率	SFr11 (2017: SFr10) 每平方米 11瑞士法郎 (二零一七年: 10瑞士法郎)	The higher the monthly market rent rate, the higher the fair value 每月市場租金率愈高, 公允值愈高

The fair value of investment properties located in Hong Kong and the PRC is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square feet or meter basis, adjusted for a premium or discount specific to the quality of the Group's properties compared to the recent sales. Higher premium for higher quality properties will result in a higher fair value measurement.

位於中國及香港之投資物業之公允值乃使用市場比較法釐定, 其經參考可供比較物業按每平方呎或平方米價格基準計算之近期售價, 且已就本集團物業質量之特定溢價或折讓(與近期銷售交易比較所得)作出調整。倘物業質量較佳溢價亦會較高, 將導致計量所得之公允值亦較高。

The fair value of investment properties located in Switzerland is determined using income capitalization approach by reference to the market rentals of all lettable units of the properties and assessed by reference to the rental achieved in the lettable units. The capitalization rate adopted is made by reference to the yield rate observed by the valuer for the similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

位於瑞士的投資物業的公允值採用收入資本化法參照物業所有可出租單位的市場租賃價格, 並評估可出租單位實現的租金後釐定。所採用的資本化比率乃參照經由估值師觀測當地類似物業之收益率, 並根據估值師特定對有關物業因素的知識進行調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. INVESTMENT PROPERTIES (Continued)

(a) Fair value measurement of investment properties (Continued)

(ii) Information about Level 3 fair value measurements (Continued)

There has been no change from the valuation technique used in the prior year.

The valuation gains on investment properties amounting to HK\$8,509,000 (2017: HK\$25,094,000) are recognised in the consolidated statement of profit or loss.

Translation difference is recognised in other comprehensive income in “exchange reserve”

(b) The Group’s investment properties outside Hong Kong with a carrying amount of HK\$5,945,000 (2017: HK\$5,381,000) are registered under the name of other persons in trust for the Group.

(c) At 31st March 2018, certain investment properties of HK\$227,180,000 (2017: HK\$251,162,000) were pledged as securities for bank loans as detailed in Note 26.

16. 投資物業(續)

(a) 投資物業的公允值計量(續)

(ii) 第三層級公允值計量資料(續)

上年度使用的估值方法目前還沒有變更。

投資物業之估值收益金額為8,509,000港元(二零一七年: 25,094,000港元)之變動於綜合損益表內確認。

匯兌差額於其他全面收益的「匯兌儲備」中確認。

(b) 本集團位於香港以外地區賬面金額5,945,000港元(二零一七年: 5,381,000港元)之投資物業乃由出任本集團信託人之其他人士名下登記。

(c) 於二零一八年三月三十一日, 價值227,180,000港元(二零一七年: 251,162,000港元)的若干投資物業用作銀行貸款抵押, 詳情載於附註26。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. SUBSIDIARIES

17. 附屬公司

The following is a list of the principal subsidiaries at 31st March 2018:

以下表列於二零一八年三月三十一日主要附屬公司詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation or establishment or registration/business 註冊或成立地點/ 經營地點	Paid up issued ordinary share capital/ registered capital 實繳已發行普通股 股本/註冊資本	Proportion of issued share capital/ registered capital held by the Company 本公司所持已發行股本/ 註冊資本之百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
AC (Overseas) Limited	British Virgin Islands 英屬處女群島	HK\$10,000 10,000港元	100% 100%	– –	Investment holding 投資控股
Juvenia Montres S.A.	Switzerland 瑞士	SFr.1,875,000 1,875,000瑞士法郎	–	100%	Assembling and marketing of gold and jewellery watches 裝配及經銷金錶及寶石錶
冠亞名表城(上海)貿易有限公司	The People's Republic of China* 中華人民共和國*	RMB128,403,300 128,403,300人民幣	–	100%	Watch trading 鐘錶貿易
Time City (Hong Kong) Limited 冠亞名表城(香港)有限公司	Hong Kong 香港	3,000,000 shares 3,000,000股	– –	100% 100%	Watch trading 鐘錶貿易
Juvenia (Hong Kong) Company Limited 尊皇(香港)有限公司	Hong Kong 香港	5,000,000 shares 5,000,000股	– –	100% 100%	Brand development and watch trading 品牌發展及鐘錶貿易
Accord Watch & Jewellery (International) Limited 艾卓鐘錶珠寶(國際)有限公司	Hong Kong 香港	3,500,100 shares 3,500,100股	– –	100% 100%	Brand development and watch trading 品牌發展及鐘錶貿易
Wakmann Watch (International) Company Limited 威克曼國際有限公司	Hong Kong 香港	20,000,000 shares 20,000,000股	– –	100% 100%	Brand development and watch trading 品牌發展及鐘錶貿易
Wakmann Watch (Shanghai) Trading Limited 威刻(上海)鐘錶貿易有限公司	The People's Republic of China* 中華人民共和國*	RMB500,000 500,000人民幣	– –	100% 100%	Watch trading 鐘錶貿易
Asia Commercial Property Holdings Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100% 100%	– –	Property holding and investment 物業持有及投資
The Eav's Group Limited 意富仕集團有限公司	Hong Kong 香港	HK\$2 2港元	100% 100%	– –	Investment holding 投資控股

* Registered under the laws of The People's Republic of China as a wholly foreign-owned enterprise.

* 根據中華人民共和國法律註冊為全資外資企業。

Registered under the laws of The People's Republic of China as a domestic enterprise.

根據中華人民共和國法律註冊為國內企業。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

18. AVAILABLE-FOR-SALE INVESTMENTS

18. 可供出售之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Investments in Club debentures, net (Note)	投資於會所債券，淨額(附註)	7,707	6,550
Unlisted equity securities in Hong Kong	香港非上市股本證券	950	950
		8,657	7,500

Note:

The club debentures are measured at fair value. Fair value of the club debentures has been determined by reference to the bid price quoted in the second hand market. The increase in carrying amount of HK\$1,157,000 for the year ended 31st March 2018 (2017: decrease of HK\$170,000) was due to the increase in their fair values.

附註：

會所債券按公允值計量。此會所債券之公允值乃參照二手市場上之買價而釐定。截至二零一八年三月三十一日止年度，此投資以帳面值增加1,157,000港元(二零一七年：減值170,000港元)，乃因為其重估之公允值增加。

19. INVENTORIES

19. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Watches	鐘錶		
Raw materials	原材料	28,801	36,524
Work in progress	半製品	415	557
Finished goods	製成品	124,217	243,882
		153,433	280,963

At 31st March 2018, certain inventories of HK\$43,322,000 (2017: HK\$81,814,000) were pledged as securities for bank loans as detailed in Note 26.

於二零一八年三月三十一日，若干存貨43,322,000港元(二零一七年：81,814,000港元)已抵押作為銀行貸款的擔保，詳情載於附註26。

The analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

確認為開支之存貨金額並列入綜合損益表的分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Carrying amount of inventories sold	出售存貨之賬面值	721,179	654,511
Write-down of inventories	存貨撇減	51,093	11,092
Reversal of write-down of inventories	存貨撇減撥回	(3,274)	(3,504)
		768,998	662,099

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20. TRADE AND OTHER RECEIVABLES

20. 貿易及其他應收賬款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收賬款		
– Third parties	– 第三方	20,487	15,459
– Related parties	– 關連公司	2,366	2,841
		22,853	18,300
Allowance for doubtful debts	呆賬撥備	(1,230)	(2,464)
		21,623	15,836
Other receivables	其他應收賬款		
– Third parties	– 第三方	2,836	7,368
– Related parties	– 關連公司	4,832	1,033
		7,668	8,401
Loans and receivables	貸款及應收賬款	29,291	24,237
Deposits and prepayments	按金及預付款項	6,362	12,415
		35,653	36,652

The carrying amounts of the Group's trade and other receivables at 31st March 2018 and 2017 approximate their fair values.

於二零一七年及二零一八年三月三十一日本集團之貿易及其他應收賬款之賬面值與公允值相若。

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

所有貿易及其他應收款項預期可於一年內收回或確認為費用。

(a) Aging analysis

(a) 賬齡分析

The Group allows credit period of up to 180 days to its customers. The aging analysis of the trade receivables of HK\$21,623,000 (2017: HK\$15,836,000) at the end of the reporting period based on invoice date and net of allowance for doubtful debt is as follows:

本集團給予顧客由即期至180日之信貸期。於報告期末，根據發票日期及扣除呆賬撥備之貿易應收賬款21,623,000港元(二零一七年：15,836,000港元)之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Up to 90 days	即期至90日	18,996	13,636
91 to 180 days	91至180日	676	623
181 to 365 days	181至365日	1,010	1,054
Over 365 days	365日以上	941	523
		21,623	15,836

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20. TRADE AND OTHER RECEIVABLES (Continued)

(b) Impairment of trade receivables

Impairment losses in respect of the trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against the trade receivables directly.

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At the beginning of the year	於年初	2,464	2,510
Translation differences	換算差額	-	(105)
Uncollectible amounts written off	撇銷不可收回金額	(1,234)	-
Impairment loss recognised	確認之減值損失	-	59
At the end of the year	於年末	1,230	2,464

Included in the above provision for impairment of trade receivables as at 31st March 2018 is a provision for individually impaired trade receivables of HK\$1,230,000 (2017: HK\$2,464,000) with a carrying amount before provision of HK\$1,230,000 (2017: HK\$2,464,000). The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered.

(c) Trade receivables that are not impaired

The aging analysis of the trade receivables that are neither individually nor collectively considered to be impaired, based on due date, are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	17,535	13,195
Less than 90 days past due	逾期少於90日	1,536	724
91 to 180 days past due	逾期91至180日	621	1,047
Over 180 days past due	逾期180日以上	1,931	870
		4,088	2,641
		21,623	15,836

20. 貿易及其他應收賬款(續)

(b) 貿易應收賬款減值

有關貿易應收賬款的減值虧損乃使用撥備賬記錄，除非本集團信納收回有關金額之可能性極低則作別論，在此情況下，減值虧損會直接撇銷貿易應收賬款。

年內呆賬之撥備賬變動(包括個別及共同虧損部份)如下所示：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At the beginning of the year	2,464	2,510
Translation differences	-	(105)
Uncollectible amounts written off	(1,234)	-
Impairment loss recognised	-	59
At the end of the year	1,230	2,464

於二零一八年三月三十一日包括在上述為貿易應收賬款減值之撥備乃個別貿易應收賬款1,230,000港元(二零一七年：2,464,000港元)的減值撥備(其撥備前之賬面價值為1,230,000港元(二零一七年：2,464,000港元))。該個別減值的貿易應收賬款涉及到客戶財政困難及只有一部分賬款可望被收回。

(c) 無減值之貿易應收賬款

根據到期日，就無個別或集體被視作減值之貿易應收賬款賬齡分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	17,535	13,195
Less than 90 days past due	1,536	724
91 to 180 days past due	621	1,047
Over 180 days past due	1,931	870
	4,088	2,641
	21,623	15,836

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20. TRADE AND OTHER RECEIVABLES (Continued)

(c) Trade receivables that are not impaired (Continued)

Trade receivables are generally due within 90 days from the date of billings. Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

21. TRADING SECURITIES

Listed equity securities at fair value 上市證券之公允值

The fair value of listed equity securities is based on their closing bid price at the end of the reporting period.

22. STRUCTURED DEPOSIT

At 31st March 2018, principal-protected floating income structured deposit is placed with a bank in the PRC and the returns of which is determined by reference to the change in exchange rates quoted in the market. The structured deposit is designated as financial assets at fair value through profit or loss on initial recognition. The principal amount of the structured deposit is RMB10,000,000 (approximately HK\$12,462,000) which carries interest ranging from 1.0% to 3.9% per annum, depending on the exchange rate between US dollars and Euro during the deposit period.

The structured deposit was redeemed in June 2018. The change in fair value up to the date of redemption was insignificant.

No change in fair value for the structured deposit has been recognised for the year ended 31st March 2018 as the effect is insignificant.

23. BANK DEPOSIT WITH MATURITY OVER 3 MONTHS

At 31st March 2018, the bank deposit of RMB10,000,000 (approximately HK\$12,462,000) carried the interest at 1.95% per annum.

The Group did not have bank deposits matured over three months as at 31st March 2017.

20. 貿易及其他應收賬款(續)

(c) 無減值之貿易應收賬款(續)

一般的貿易應收賬款是由賬單日起90日內到期。概無逾期或減值之貿易應收賬款包括在眾多並無近期欠款記錄之客戶內。

逾期但無減值之應收賬款與多名獨立客戶有關，該等客戶在本集團之信貸記錄良好。根據過往經驗，管理層認為，該等結餘毋須作出減值撥備，乃由於信貸質素並無重大變動，且結餘仍被視作可全數收回。本集團並無就此等結餘持有任何抵押品。

21. 證券買賣

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
----------------------------------	----------------------------------

Listed equity securities at fair value 上市證券之公允值	715	703
---	-----	-----

上市證券之公允值以本報告期末其收市之買入價為基礎。

22. 結構性存款

於二零一八年三月三十一日，已於中國一間銀行存入一筆保本浮動利益結構性存款，其回報乃參考市場匯率報價之變動而決定。該結構性存款於初次確認時乃指定為透過損益按公允價處理之金融資產。結構性存款之本金額為10,000,000元人民幣(約12,462,000港元)，按年利率介乎1.0%至3.9%計息，視乎於存款期間之美元兌歐羅匯率而定。

結構性存款於二零一八年六月贖回。截至贖回日止，公允值之變動微不足道。

由於影響微不足道，故並無就截至二零一八年三月三十一日止年度結構性存款的公允值變動確認入賬。

23. 到期日逾三個月之銀行存款

於二零一八年三月三十一日，為數10,000,000元人民幣(約12,462,000港元)之銀行存款按年利率1.95%計息。

本集團於二零一七年三月三十一日並無到期日逾三個月之銀行存款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24. CASH AND CASH EQUIVALENTS

24. 現金及現金等值物

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash at bank and on hand	銀行存款及手頭現金	67,163	26,229
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	於綜合財務狀況表及綜合現金流量表列示的現金及現金等值物	67,163	26,229

The Group's cash and cash equivalents include cash at bank and in hand of HK\$43,600,000 (equivalent to RMB34,985,000) held in the PRC as at 31st March 2018 (2017: HK\$8,990,000 (equivalent to RMB7,970,000)). The conversion of RMB denominated balance into foreign currencies and the remittance of such foreign-currency denominated bank balances and cash out of the PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

於二零一八年三月三十一日本集團在中國內地之現金及現金等值物包括銀行及手頭現金為43,600,000港元(相等於34,985,000元人民幣)(二零一七年: 8,990,000港元(相等於7,970,000元人民幣))。人民幣計價結餘轉換至外幣及該等外幣計價的銀行匯款結餘及中國內地之套現, 受到中國政府頒佈的外匯管理條例及有關規則規管。

During the year, cash at banks carry interest at market rates which range from 0.001% to 0.35% (2017: 0.001% to 0.35%) per annum. The bank balances are deposited with creditworthy banks with no recent history of default.

年內, 於銀行之現金按市場利率計息, 範圍介乎於年息0.001%至0.35%之間(二零一七年: 0.001%至0.35%)。銀行結餘存放於最近並無違約紀錄之信譽昭著的銀行。

25. TRADE AND OTHER PAYABLES

25. 貿易及其他應付賬款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付賬款		
– Third parties	– 第三方	5,656	14,703
– Related party	– 關連公司	8	16
		5,664	14,719
Other payables and accrued charges	其他應付賬款及應計費用	35,016	37,439
Accrued interest to a director	付予一名董事之累計利息	160	–
Financial liabilities measured at amortised cost	以攤銷成本計算之金融負債	40,840	52,158
Rental received in advance	預收租金	94	90
Deposits received	已收按金	3,913	4,063
Other tax payable	其他應付稅項	56,096	57,497
		100,943	113,808

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25. TRADE AND OTHER PAYABLES (Continued)

The carrying amounts of the Group's trade and other payables at 31st March 2018 and 2017 approximate their fair values.

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The carrying amounts of the trade payables of the Group are mainly denominated in Renminbi and Hong Kong dollars.

The aging analysis of trade payables based on date of receipt of goods as at the end of the reporting period is as follows:

25. 貿易及其他應付賬款(續)

於二零一七年及二零一八年三月三十一日本集團貿易及其他應付賬款之賬面值與其公允值相若。

所有貿易及其他應付賬款預計於一年內結算或確認為收入，或按要求償還。

本集團應付貿易賬款之賬面值主要以人民幣及港元列值。

於報告期末，根據收到貨品之日期之應付貿易賬款賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Up to 90 days	即期至90日	2,030	11,457
91 to 180 days	91至180日	13	39
181 to 365 days	181至365日	119	-
Over 365 days	365日以上	3,502	3,223
		5,664	14,719

26. BANK LOANS

Bank loans, secured

As at 31st March 2018 and 2017, the bank loans were due for repayment within one year or on demand.

26. 銀行借貸

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
14,352	102,265

於二零一七年及二零一八年三月三十一日，銀行借貸並於一年內到期或按要求償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

26. BANK LOANS (Continued)

During the years ended 31st March 2018 and 2017 and as at 31st March 2018 and 2017, the Group was able to meet all the financial covenants imposed by the banks.

The bank loans are carried at amortised cost.

The effective interest rates (which are also equal to contractual interest rates) on the Group's bank loans ranged from 3.35% to 3.36% (2017: 3.03% to 4.79%) per annum.

As at 31st March 2018 and 2017, the secured bank loans were secured by (i) pledged of assets as disclosed in note 35, (ii) corporate guarantees given by the Company, (iii) subordination of the payables to the group companies owed by Time City (Hong Kong) Limited and (iv) assignment of rental income from certain investment properties.

27. LOANS FROM A DIRECTOR

At beginning of the year	於年初
Repayment during the year	年內償還
At end of the year	於年末

The loans were unsecured, bearing interest at the Hong Kong dollar prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited ("HSBC") plus 1% per annum and repayable on demand.

26. 銀行借貸(續)

截至二零一七年及二零一八年三月三十一日之年度內及於二零一七年及二零一八年三月三十一日，本集團能夠滿足銀行提出的所有財務契約。

銀行貸款按攤銷成本列賬。

本集團之銀行貸款實際利率(亦等於合約利率)範圍介乎於年息3.35%至3.36%(二零一七年: 3.03%至4.79%)不等。

於二零一七年及二零一八年三月三十一日，有抵押銀行貸款乃由(i)附註35所披露的資產抵押，(ii)由本公司提供之公司擔保，(iii)由冠亞名表城(香港)有限公司欠集團公司之次級應付款項及(iv)由若干投資物業租金收入的分配。

27. 董事之貸款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of the year	於年初	8,000	57,000
Repayment during the year	年內償還	(8,000)	(49,000)
At end of the year	於年末	-	8,000

該貸款並無抵押，以香港上海匯豐銀行(「匯豐銀行」)報價之港元最優惠利率加年息1%計息及按要求償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28. DEFERRED TAX

28. 遞延稅項

(a) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	以下各項產生之遞延稅項：	Revaluation of properties 物業重新估值 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Undistributed profits of subsidiaries 附屬公司未分派溢利 HK\$'000 千港元	Write-down of inventories 撇減存貨 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April 2016, 31st March 2017 and 1st April 2017	於二零一六年四月一日、 二零一七年三月三十一日及 二零一七年四月一日	(13,309)	-	-	-	(13,309)
(Charged)/credited to profit or loss	(扣除)/計入損益	-	14,827	(5,800)	2,361	11,388
At 31st March 2018	於二零一八年三月三十一日	(13,309)	14,827	(5,800)	2,361	(1,921)

(ii) Reconciliation to the consolidated statement of financial position

(a) 已確認之遞延稅項負債：

(i) 遞延稅項負債之各組成部份之變動

報告期間於綜合財務狀況表中已確認遞延稅項資產/(負債)之組成部份及其變動如下：

(ii) 綜合財務狀況表對賬

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net deferred tax asset recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項資產淨值	17,188	-
Net deferred tax liability recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項負債淨值	(19,109)	(13,309)
		(1,921)	(13,309)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28. DEFERRED TAX (Continued)

(b) Deferred tax assets and liabilities not recognised

The Group has allowable tax losses arising in Hong Kong of approximately HK\$485,056,000 (2017: HK\$600,471,000) which are mainly arisen prior to the capital restructuring in 1997, that are available for offsetting against future taxable profits of the companies in which the losses arose. Tax losses of HK\$89,862,000 out of HK\$485,056,000 was recognised as deferred tax assets. Deferred tax assets have not been recognised in respect of the remaining tax losses of HK\$395,194,000 due to the unpredictability of future profit streams. The tax losses do not expire under the current tax legislation.

Tax losses of approximately HK\$18,891,000 (2017: HK\$58,341,000) attributable to the continuing operations in the PRC are available for offsetting against future profits that may be carried forward for five years for the PRC Corporate Income Tax purpose. Tax losses of approximately HK\$39,518,000 (2017: HK\$28,823,000) attributable to the continuing operations in Switzerland are available for offsetting against future profits that may be carried forward for seven years for Switzerland Profits Tax purposes. No deferred tax assets were recognised in respect of these tax losses due to the unpredictability of future profit streams.

(c) Withholdings tax

Pursuant to the PRC Corporate Income Tax Law which took effect from 1st January 2008, a 5% or 10% withholding tax was levied on dividends declared to foreign enterprise investors from the PRC effective from 1st January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign enterprise investors. On 22nd February 2008, Caishui (2008) No. 1 was promulgated by the PRC tax authorities to specify that dividends declared and remitted out of the PRC from the retained earnings as at 31st December 2007 determined based on the relevant PRC tax laws and regulations are exempted from the withholding tax. As at 31st March 2017, temporary differences relating to the undistributed profits of the subsidiaries amounted to HK\$54,631,000 has not been recognised as the Company controls the dividend policy of the subsidiaries of the Group in the PRC and it has been determined that it is probable that the profits earned by the Group's subsidiaries in the PRC will not be distributed in the foreseeable future. Following the proposed capital reorganisation and cash distribution as set out in note 39 to the financial statements and in the view of the improvement of the financial performance and market condition, the directors of the Company considered that the deferred tax liabilities of HK\$5,800,000 in respect of the undistributed profits of the subsidiaries should be recognised as at 31st March 2018.

28. 遞延稅項 (續)

(b) 未確認之遞延稅項資產及負債

本集團自香港產生之可獲寬免稅務虧損約為485,056,000港元(二零一七年: 600,471,000港元), 主要於一九九七年資本重組前產生, 可用於抵銷虧損產生的公司未來應課稅溢利。稅務虧損485,056,000港元中的89,862,000港元已被確認為遞延稅項資產。由於未來溢利不能作出預測, 故並無就剩餘稅務虧損395,194,000港元確認遞延稅項資產。根據現行稅務法例, 稅項虧損不會逾期。

就中國企業所得稅而言, 持續經營業務應佔於中國之稅務虧損約18,891,000港元(二零一七年: 58,341,000港元), 可用作抵銷未來溢利, 並結轉五年。歸屬於瑞士持續經營的稅務虧損約39,518,000港元(二零一七年: 28,823,000港元), 可用於抵銷未來利潤(可結轉七年瑞士利得稅)。由於未來溢利流乃不可預計, 此等稅務虧損概無確認為遞延稅項資產。

(c) 預扣稅

根據自二零零八年一月一日起生效的中國企業所得稅法, 就向外資企業投資者宣派來自中國的股息徵收5%或10%預扣稅, 自二零零八年一月一日起生效。倘中國與外資企業投資者所屬司法權區之間定有稅務優惠安排則可按較低預扣稅率繳稅。於二零零八年二月二十二日, 中國稅務機關頒佈財稅(2008)1號, 規定自二零零七年十二月三十一日的保留溢利宣派及匯出中國境外之股息根據相關中國稅務法律法規的釐定可獲豁免預扣稅。於二零一七年三月三十一日, 由於本公司控制本集團於中國附屬公司的股息政策, 並已確定有可能由本集團附屬公司在中國賺取的利潤, 在可預見的未來不會分派, 故有關附屬公司未分派溢利之暫時性差異54,631,000港元尚未確認。於財務報表附註39所載之建議股本重組及現金分派後, 及有鑒於財務業績及市況有所改善, 本公司董事認為, 於二零一八年三月三十一日應就有關附屬公司之未分派溢利確認5,800,000港元遞延稅務負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29. OTHER LIABILITIES

The amounts represented the non-current portion of accrued rental expenses.

29. 其他負債

該金額即累計租金開支的非流動部分。

30. SHARE CAPITAL

30. 股本

		2018 二零一八年		2017 二零一七年	
		Number of ordinary shares of HK\$0.2 each 每股面值 0.2港元之 普通股數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of ordinary shares of HK\$0.2 each 每股面值 0.2港元之 普通股數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised: At the beginning and at the end of the year	法定股本： 於年初及年末	2,500,000	500,000	2,500,000	500,000
Issued and fully paid: At the beginning and at the end of the year	已發行及繳足： 於年初及年末	1,566,866	313,373	1,566,866	313,373

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31. EQUITY COMPENSATION BENEFITS

(a) SHARE OPTION SCHEME

On 20th September 2002, the shareholders of the Company approved the adoption of a new share option scheme (the "2002 Share Option Scheme"). The purpose of the 2002 Share Option Scheme is to encourage qualifying grantees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Qualifying grantees of the 2002 Share Option Scheme mean (i) any employee or any business-related consultant, agent, representative or advisor of the Company or any subsidiary or any affiliate; or (ii) any supplier, agent or consultant who provide goods or services to the Company or any subsidiary or any affiliate; or (iii) any customer of the Company or any subsidiary or any affiliate; or (iv) any business ally or joint venture partner of the Company or any affiliate.

(i) The terms and conditions of the grants are as follows:

Category of eligible persons 合資格人士之分類	No. of share options granted 授出的購股權數目	Date of grant 授出日期	Vesting conditions 歸屬條件	Period during which share options are exercisable 購股權的期限	Exercise price per share 每股行使價	Contractual life of options 購股權之合約期
Directors 董事	8,139,075	31st March 2011 二零一一年三月三十一日	1 year from the date of grant (20%) 由授出日期起一年(20%) 2 years from the date of grant (20%) 由授出日期起兩年(20%) 3 years from the date of grant (20%) 由授出日期起三年(20%) 4 years from the date of grant (20%) 由授出日期起四年(20%) 5 years from the date of grant (20%) 由授出日期起五年(20%)	30th March 2012 to 30th March 2021 二零一二年三月三十日至二零二一年三月三十日	HK\$1.344 1.344港元	10 years 十年

31. 股權補償福利

(a) 購股權計劃

於二零零二年九月二十日，本公司股東批准採納新購股權計劃（「二零零二年購股權計劃」）。二零零二年購股權計劃之目的乃鼓勵合資格承授人致力為本公司及其股東整體之利益提升本公司及其股份之價值。二零零二年購股權計劃的合資格承授人指(i)本公司或任何附屬公司或任何聯屬公司的任何僱員，或任何與業務有關之顧問、代理人、代表或顧問；或(ii)向本公司或任何附屬公司或任何聯屬公司提供貨物或服務之任何供應商、代理商或顧問；或(iii)本公司或任何附屬公司或任何聯屬公司之任何客戶；或(iv)本公司或任何附屬公司或任何聯屬公司之業務盟友或合資企業夥伴。

(i) 授出之條款及條件如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31. EQUITY COMPENSATION BENEFITS (Continued)

(a) SHARE OPTION SCHEME (Continued)

- (i) The terms and conditions of the grants are as follows:
(Continued)

Category of eligible persons 合資格人士之分類	No. of share options granted 授出的購股權數目	Date of grant 授出日期	Vesting conditions 歸屬條件	Period during which share options are exercisable 可行使購股權的期限	Exercise price per share 每股行使價	Contractual life of options 購股權之合約期
Employees 員工	34,917,365	31st March 2011 二零一一年三月三十一日	1 year from the date at grant (20%) 由授出日期起一年(20%) 2 years from the date of grant (20%) 由授出日期起兩年(20%) 3 years from the date of grant (20%) 由授出日期起三年(20%) 4 years from the date of grant (20%) 由授出日期起四年(20%) 5 years from the date of grant (20%) 由授出日期起五年(20%)	30th March 2012 to 30th March 2021 二零一二年三月三十日 二零一一年三月三十日	HK\$1.344 1.344港元	10 years 十年
Director 董事	10,022,061	26th October 2011 二零一一年十月二十六日	1 year from the date at grant (20%) 由授出日期起一年(20%) 2 years from the date of grant (20%) 由授出日期起兩年(20%) 3 years from the date of grant (20%) 由授出日期起三年(20%) 4 years from the date of grant (20%) 由授出日期起四年(20%) 5 years from the date of grant (20%) 由授出日期起五年(20%)	25th October 2012 to 25th October 2021 二零一二年十月二十五日 至二零一一年十月二十五日	HK\$0.897 0.897港元	10 years 十年

31. 股權補償福利(續)

(a) 購股權計劃(續)

- (i) 授出之條款及條件如下:(續)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31. EQUITY COMPENSATION BENEFITS (Continued)

(a) SHARE OPTION SCHEME (Continued)

- (ii) The number and weighted average exercise prices of share options are as follows:

		2018 二零一八年		2017 二零一七年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權數量	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權數量
Outstanding at the beginning of the year	本年初尚未行使	1.344	17,099,390	1.344	20,355,020
Forfeited during the year	年內失效	1.344	(1,539,825)	1.344	(3,255,630)
Outstanding at the end of the year	本年底尚未行使	1.344	15,559,565	1.344	17,099,390
Exercisable at the end of the year	本年底可行使	1.344	15,559,565	1.344	17,099,390

The options outstanding at 31st March 2018 had exercise prices of HK\$1.344 (2017: HK\$1.344) and a weighted average remaining contractual lives of 3 years (2017: 4 years).

於二零一八年三月三十一日，尚未行使購股權之行使價1.344港元（二零一七年：1.344港元）及加權平均剩餘合約年期3年（二零一七年：4年）。

(b) Share Award Plan 2010

On 13th September 2010, the shareholders of the Company approved the adoption of a share award plan (the "Share Award Plan 2010").

The Share Award Plan 2010 is a ten-year discretionary share award and ownership plan. It is primarily for encouraging or facilitating the holding of shares by those selected employees of the Group who, as determined by the Board, are eligible to participate in the plan and to whom new shares are or will be awarded. The Directors will make use of the plan to award new shares to those selected employees of the Group on suitable terms as incentives and rewards for their contribution to the Group.

No award was granted, exercised, cancelled or lapsed during the years ended 31st March 2018 and 2017 and as at 31st March 2018 and 2017, there was no outstanding award granted under the Share Award Plan 2010.

31. 股權補償福利(續)

(a) 購股權計劃(續)

- (ii) 購股權之數量及加權平均行使價如下：

		2018 二零一八年		2017 二零一七年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權數量	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權數量
Outstanding at the beginning of the year	本年初尚未行使	1.344	17,099,390	1.344	20,355,020
Forfeited during the year	年內失效	1.344	(1,539,825)	1.344	(3,255,630)
Outstanding at the end of the year	本年底尚未行使	1.344	15,559,565	1.344	17,099,390
Exercisable at the end of the year	本年底可行使	1.344	15,559,565	1.344	17,099,390

於二零一八年三月三十一日，尚未行使購股權之行使價1.344港元（二零一七年：1.344港元）及加權平均剩餘合約年期3年（二零一七年：4年）。

(b) 股份獎勵計劃(二零一零年)

於二零一零年九月十三日，本公司之股東已通過採用股份獎勵計劃（「股份獎勵計劃（二零一零年）」）。

「股份獎勵計劃（二零一零年）」乃為期十年之酌情股份獎勵及持有計劃，主要為鼓勵或有利於經董事局決定之有資格參與該計劃及會或將會獲得新股份獎勵之本集團獲選僱員持有股份。董事將按適用條款使用該計劃獎勵新股份予該等獲選之本集團僱員作為該等員工對本集團之貢獻之鼓勵或獎勵。

於二零一七年及二零一八年三月三十一日止年度期間並無已授出、已行使、已註銷或已失效之獎勵及於二零一七年及二零一八年三月三十一日，並無授予「股份獎勵計劃（二零一零年）」下未行使之獎勵。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY

32. 本公司財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司財務狀況表

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司之權益		286,095	252,489
Current assets	流動資產			
Other receivables	其他應收賬款		149	149
Cash and cash equivalents	現金及現金等值物		29,219	2,844
			29,368	2,993
Current liabilities	流動負債			
Amounts due to subsidiaries	應付附屬公司款項		13,355	13,363
Other payables	其他應付賬款		3,265	3,058
			16,620	16,421
Net current assets/(liabilities)	流動資產/(負債)淨額		12,748	(13,428)
Total assets less current liabilities	總資產減流動負債		298,843	239,061
Net assets	資產淨額		298,843	239,061
Capital and reserves	資本及儲備			
Share capital	股本	30	313,373	313,373
Reserves	儲備	32	(14,530)	(74,312)
Total equity attributable to owners of the Company	歸屬於本公司持有人的總權益		298,843	239,061

Approved and authorised for issue by the Board of Directors on 27th June 2018 and signed on its behalf by:

於二零一八年六月二十七日獲董事會通過及授權刊發，並由下列董事代表簽署：

Eav Yin
楊仁
Director
董事

Eav Guech Rosanna
楊訪梅
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY (Continued)

(b) Movement of reserves of the Company

The change in the reserves of the Company during the years ended 31st March 2018 and 2017 are as follows:

		Share premium	Share option reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	購股權儲備	繳入盈餘	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1st April 2016	於二零一六年四月一日	143,310	16,688	17,524	(233,278)	(55,756)
Loss for the year	本年度虧損	-	-	-	(18,556)	(18,556)
Other comprehensive income	其他全面收益	-	-	-	-	-
Total comprehensive loss for the year	本年全面虧損總額	-	-	-	(18,556)	(18,556)
Transaction with owners	與持有人之交易					
Transfer to accumulated losses upon forfeiture of share options	於購股權失效時轉入累計虧損	-	(2,627)	-	2,627	-
At 31st March 2017	於二零一七年三月三十一日	143,310	14,061	17,524	(249,207)	(74,312)
At 1st April 2017	於二零一七年四月一日	143,310	14,061	17,524	(249,207)	(74,312)
Profit for the year	本年度溢利	-	-	-	59,782	59,782
Other comprehensive income	其他全面收益	-	-	-	-	-
Total comprehensive income for the year	本年全面收益總額	-	-	-	59,782	59,782
Transaction with owners	與持有人之交易					
Transfer to accumulated losses upon forfeiture of share options	於購股權失效時轉入累計虧損	-	(1,243)	-	1,243	-
At 31st March 2018	於二零一八年三月三十一日	143,310	12,818	17,524	(188,182)	(14,530)

32. 本公司財務狀況表及儲備變動 (續)

(b) 本公司儲備變動

於截至二零一七年及二零一八年三月三十一日止之年度期間本公司儲備變動如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY (Continued)

Notes:

(a) Share premium

The application of the share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda (as amended) (the "Companies Act").

(b) Revaluation reserve

The revaluation reserve has been set up and is dealt with the revaluation on properties reclassified to investment properties in accordance with the accounting policies adopted for land and buildings in Note 2(g).

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 2(s).

(d) Capital reserve

The capital reserve was set up upon debt restructuring which will be used for the purpose of repurchase of issued and fully paid ordinary share capital.

(e) Contributed surplus

The contributed surplus of the Group represents the amount transferred from the capital account due to the capital reduction effective on 28th March 2007. The balance of contributed surplus account may be utilised in the future in accordance with the Bye-Laws and the Companies Act, including distribution to the shareholders subject to compliance with the relevant statutory requirements on making distributions in the Companies Act.

(f) Share option reserve

The share option reserve relates to share options granted to employees under the Company's employee share option plan. Further information about share option is set out in Note 31.

(g) Fair value reserve

The fair value reserve represents accumulated gains and losses arising on the revaluation of available-for-sale investments that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those investments are disposed of or are determined to be impaired.

(h) Distributability of reserves

In accordance with Section 40 of the Companies Act, the share premium account of the Company is distributable to the shareholders of the Company in the form of fully paid bonus shares.

At 31st March 2018, the aggregate amount of reserves available for distribution to owners of the Company was HK\$Nil (2017: HK\$Nil) subject to the restriction on the share premium account as stated above.

32. 本公司財務狀況表及儲備變動 (續)

附註：

(a) 股份溢價

股份溢價賬須根據一九八一年百慕達公司法第40條(經修訂)(「公司法」)應用。

(b) 重估儲備

重估儲備是為重新分類至投資物業的物業重新估值所產生，並根據附註2(g)所載有關土地及樓宇的會計政策處理。

(c) 匯兌儲備

匯兌儲備包括換算海外業務財務報表所產生的所有匯兌差額。該儲備根據附註2(s)所載的會計政策處理。

(d) 股本儲備

股本儲備於債務重組後設立，將用於購回已發行及繳足普通股本。

(e) 繳入盈餘

本集團之繳入盈餘代表因削減股本於二零零七年三月二十八日生效而轉撥自股本賬之金額。繳入盈餘賬之結餘可於日後根據公司細則及公司法動用，包括向股東作出分派，惟於任何情況下須遵守公司法有關分派的法定規定。

(f) 購股權儲備

購股權儲備為有關根據本公司之員工購股權計劃授予員工之購股權。有關購股權之進一步資料載於附註31。

(g) 公允價值儲備

公允價值儲備即來自重估可供出售投資之累計收益及虧損，其已在其他全面收益表確認，當該等投資經已出售或決定減值，淨額重新分類至損益。

(h) 可供分配儲備

根據百慕達公司法第40條，本公司之股份溢價賬可以繳足紅利股份形式分配予本公司股東。

於二零一八年三月三十一日，受上文所列之股份溢價賬所限，可供分配予本公司持有人的儲備總額為零港元(二零一七年：零港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk). The Group is also exposed to equity price risk arising from its equity investments in other entities. These risks are limited by the Group's financial management policies and practices described below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and the Group's credit risk primarily arises from deposits at banks and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash at banks, bank deposits with maturity over three months and structured deposit are placed with licensed financial institutions with high credit ratings. The Group monitors the exposure to each single financial institution.

For trade and other receivables, credit checks are part of the normal operating process and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amounts of trade and other receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group has no significant concentrations of credit risk with exposure spread over a number of counterparties and customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. Normally, the Group does not obtain collateral from customers.

Further quantitative disclosure in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 20.

The Group does not provide any guarantees which would expose the Group to credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its 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 longer term.

33. 財務風險管理

(a) 財務風險因素

本集團之業務面對不同之財務風險包括信貸風險、流動資金風險及市場風險(包括外匯風險及利率風險)。本集團亦承受來自其他實體股票投資及其股票價格變動之股票價格風險。該等風險受下文所述之本集團財務管理政策及慣例所規限。管理層監察及管理該等風險以確保適時及有效地實施適當之措施。

(i) 信貸風險

信貸風險乃本集團的客戶或金融工具之交易對手未能履行其合約責任，而承受財務虧損之風險，而本集團之信貸風險主要涉及銀行存款及貿易及其他應收賬款。管理層已採用適當之信貸政策，且持續監察該等信貸風險。

銀行現金，到期日逾三個月之銀行存款及結構性存款存放於國際信貸評級機構賦予高信貸評級之持牌金融機構。本集團會監察各單一財務機構之風險。

就貿易及其他應收賬款而言，信貸檢查乃正常營運過程之一部份，且有適當之嚴格檢查程序處理逾期債項。此外，本集團於每個報告期末評估貿易及其他應收賬款之可收回金額，以確保就無法收回之款項作出足夠減值虧損撥備。

貴集團於報告期末審閱各個個別債務的可收回金額，以確保就不可收回的金額作出足夠的減值虧損。

本集團並無任何重大之集中信貸風險，而風險分散於大量之對手及客戶。最高之信貸風險為財務狀況表中各項金融資產之賬面值扣除任何減值撥備。通常情況下，本集團並無從客戶取得抵押品。

有關本集團由貿易應收賬款及其他應收賬款所產生之信貸風險進一步之量化披露載於附註20。

本集團不提供任何擔保其將令本集團面對信貸風險。

(ii) 流動資金風險

流動資金風險為本集團將無法履行到期之財務責任之風險。本集團之政策為定期監察其現時及預期流動資金需求及遵守放貸契約之情況，以確保其維持足夠現金儲備及獲主要金融機構承諾提供足夠之資金，以應付其短期及較長期之流動資金需求。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for loans which contain a repayment on demand clause which can be exercised at the creditor's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, i.e. if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

33. 財務風險管理 (續)

(a) 財務風險因素 (續)

(ii) 流動資金風險 (續)

下表為本集團詳述金融負債於報告期末之餘下合約到期日(包括在報告期末以合約利率計算之利息如浮動,於報告期末之利率計算未折現現金流量)及本集團可能需要支付之最早日期計算:

尤其是,就包含可按債權人全權酌情行使之按要求償還條款之定期貸款而言,分析顯示基於實體可被要求付款(即倘放債人援引彼等之無條件權利即時償還貸款)之最早期間之現金流出。其他銀行借貸之到期日分析乃根據預定還款日期編製。

		2018 二零一八年			
		Carrying amount	Total contractual undiscounted cash flows	More than 1 year but less than 2 years	Within 1 year or on demand
		賬面值 HK\$'000 千港元	合約未折現 現金流量總額 HK\$'000 千港元	多於一年但 少於兩年 HK\$'000 千港元	於一年內 或按要求 HK\$'000 千港元
Trade and other payables	貿易及其他應付賬款	40,840	40,840	-	40,840
Bank loans	銀行借貸	14,352	14,352	-	14,352
		55,192	55,192	-	55,192
		2017 二零一七年			
		Carrying amount	Total contractual undiscounted cash flows	More than 1 year but less than 2 years	Within 1 year or on demand
		賬面值 HK\$'000 千港元	合約未折現 現金流量總額 HK\$'000 千港元	多於一年但 少於兩年 HK\$'000 千港元	於一年內 或按要求 HK\$'000 千港元
Trade and other payables	貿易及其他應付賬款	52,158	52,158	-	52,158
Bank loans	銀行借貸	102,265	102,869	-	102,869
Loans from a director	董事之貸款	8,000	8,000	-	8,000
		162,423	163,027	-	163,027

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Foreign currency risk

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency of the entity to which they relate.

The Group's exposure to currency risk is insignificant.

(iv) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank loans (Note 26) and loans from a director (Note 27).

The Group's policy is to manage its interest rate risk to ensure there are no more exposures to significant interest rate movements and rates are relatively fixed. The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not use derivative financial instruments to hedge its debt obligations.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

		2018 二零一八年		2017 二零一七年	
		Effective interest rates 實際利率 %	HK\$'000 千港元	Effective interest rates 實際利率 %	HK\$'000 千港元
Variable rate borrowings:	可變動利率借款：				
Bank loans	銀行借貸	3.35-3.36	14,352	3.03 - 3.27	74,064
Loans from a director	董事之貸款	Hong Kong dollar prime rate quoted by HSBC plus 1% per annum 滙豐銀行港元 最優惠利率 加年利率1%	-	Hong Kong dollar prime rate quoted by HSBC plus 1% per annum 滙豐銀行港元 最優惠利率 加年利率1%	8,000
			14,352		82,064
Fixed rate borrowings:	固定利率借款：				
Bank loans	銀行借貸	NA不適用	-	4.79	28,201
Total borrowings	總借款		14,352		110,265

33. 財務風險管理 (續)

(a) 財務風險因素 (續)

(iii) 外匯風險

貨幣風險來自金融工具其所相關之實體之功能貨幣以外之貨幣列值。

本集團之貨幣風險微不足道。

(iv) 利率風險

本集團面對有關短期銀行貸款(附註26)利率變動之流動資金風險及由一名董事貸款(附註27)之風險。

本集團之政策是管理其利率風險以確保沒有重大利率變動之風險承擔及利率相對穩定。本集團並無任何固定利率金融負債公允值計入損益，及本集團並無使用衍生金融工具對沖其債務。

(i) 利率概況

下表詳述本集團之借貸於本報告期末之借款利率概況：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31st March 2018, it is estimated that a general increase/decrease of 100 basis points in interest rate, with all other variables held constant, would decrease/increase the Group's profit before taxation for the year and increase/decrease accumulated losses by approximately HK\$120,000. Other components of consolidated equity would not change in response to the change in interest rates.

At 31st March 2017, it is estimated that a general increase/decrease of 100 basis points in interest rate with all other variables held constant, would decrease/increase the Group's profit before taxation for the year and increase/decrease accumulated losses by approximately HK\$821,000. Other components of consolidated equity would not change in response to the change in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the beginning of the reporting period and had been applied to the exposure to interest rate risk for variable rate interest bearing financial instruments in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The sensitivity analysis included in the financial statements for the year ended 31st March 2017 has been prepared on the same basis.

Sensitivity analysis on bank balances, bank deposit with maturity over three months and structured deposit is not presented as the management of the Group considers that the Group's exposure to interest rate fluctuation is insignificant.

33. 財務風險管理 (續)

(a) 財務風險因素 (續)

(iv) 利率風險 (續)

(ii) 敏感度分析

於二零一八年三月三十一日，估計貸款利率變動普遍加／減100個基點，而所有其他變數保持之情況下，將導致本集團年內的稅前溢利減少／增加及累積虧損增加／減少約120,000港元。綜合權益之其他成分對利率變動之反應概無影響。

於二零一七年三月三十一日，估計利率變動普遍加／減100個基點，而所有其他可變數保持不變之情況下，將導致本集團年內除稅前溢利減少／增加及累計虧損增加／減少約821,000港元。綜合權益之其他成分對利率變動之反應概無影響。

上述敏感度分析之釐定乃假設利率波動已於報告期初發生，並已將該變動運用於當日已經存在以浮動利率計息之金融工具之利率風險。該100個基點之增加或減少乃管理層評估直至下一年度報告期之期間利率合理可能之變動。包括在截至二零一七年三月三十一日止年度財務報表之敏感度分析已按相同基準編製。

由於本集團管理層認為本集團所面對之利率波動風險微不足道，故並無就銀行結餘、到期日逾三個月之銀行存款及結構性存款呈列敏感度分析。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

The Group monitors capital using gearing ratio, which is net debt divided by the total equity. Net debt is calculated as bank loans and loans from a director less bank deposits with maturity over three months, structured deposit and cash and cash equivalents as shown in the consolidated statement of financial position. Total equity comprises all components of equity. The Group aims to maintain the gearing ratio at a reasonable level. The gearing ratios as at the end of the reporting period were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank loans (Note 26)	銀行借貸(附註26)	14,352	102,265
Loans from a director (Note 27)	董事之貸款(附註27)	-	8,000
		14,352	110,265
Structured deposit (Note 22)	結構性存款(附註22)	(12,462)	-
Bank deposit with maturity over three months (Note 23)	到期日逾三個月之銀行存款(附註23)	(12,462)	-
Less: Cash and cash equivalents (Note 24)	扣減：現金及現金等值物(附註24)	(67,163)	(26,229)
Net (cash)/ debt	(現金)／債務淨額	(77,735)	84,036
Total equity	總權益額	502,773	429,832
Gearing ratio	借貸比率	NA	19.6%

(c) Equity price risk

The Group is exposed to equity price risk arising from trading of listed securities classified as trading securities in the consolidated statement of financial position. The sensitivity analysis has been determined based on the exposure to equity price risk.

At 31st March 2018, if the quoted market prices of the trading securities had been 20% higher or lower while all other variables were held constant, the Group's profit before taxation would increase or decrease by HK\$119,000.

At 31st March 2017, if the quoted market prices of the trading securities had been 20% higher or lower while all other variables were held constant, the Group's profit before taxation would increase or decrease by HK\$141,000.

33. 財務風險管理(續)

(b) 資本風險管理

本集團管理資本之目標為確保集團內之實體將可以繼續持續經營，透過優化債項及股本餘額盡量提高給予持有人之回報。透過考慮資金成本及與每類股本有關之風險，管理層審閱資本結構。有鑒於此，本集團將以其認為合適及適當之情況，透過支付股息、發行新股及發行新債務或贖回現有債項，以平衡其整體資本結構。

本集團以借貸比率(其為淨負債除以總股本權益)監控資金運用。債務淨額計算為銀行貸款及董事貸款減到期日逾三個月之銀行存款、結構性存款和現金及現金等值物如綜合財務狀況表所示。總權益包括所有權益部分。本集團旨在保持在一個合理的資產負債比率水平。於本報告期末借貸比率如下：

(c) 股票價格風險

本集團須承受來自上市證券買賣所產生之股票價格風險(於綜合財務狀況表中被分類為證券買賣)。敏感性分析乃根據所承擔之股票價格風險而決定。

於二零一八年三月三十一日，倘買賣之證券市場報價上升或下跌20%而其他所有變數維持不變，本集團之除稅前虧損將增加或減少119,000港元。

於二零一七年三月三十一日，倘買賣之證券市場報價上升或下跌20%而其他所有變數維持不變，本集團之除稅前溢利將增加或減少141,000港元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value measurements recognised in the statement of financial position

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group has a team headed by the finance manager performing valuations for the financial instruments, including available-for-sale investments and structured deposit, which are categorised into Level 2 of the fair value hierarchy, and trading securities which are categorised into Level 1 of the fair value hierarchy. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer and the audit committee is held twice a year, to coincide with the reporting dates.

33. 財務風險管理 (續)

(d) 確認於財務狀況表中之公允值計量

公允值架構

下表呈列本集團金融工具之公允值，該等工具於報告期末按經常性基準計量，並分類為香港財務報告準則第13號，公允值計量所界定之三個層級之公允值架構。將公允值計量分類之層級乃參考以下估值方法所用輸入數據之可觀察性及重要性而釐定：

- 第一級估值：公允值計量只使用第一級數據，即於計量日根據相同資產或負債於活躍市場之未經調整報價。
- 第二級估值：公允值計量使用第二級數據，即可觀察數據未能達到第一級，及並未使用重大不可觀察之數據。不可觀察之數據為其市場數據並不適用之數據。
- 第三級估值：公允值計量使用重大不可觀察之數據。

本集團擁有由財務經理領導之團隊對金融工具進行估值，包括公允值層級被分為第二級的可供出售投資及結構性存款，以及公允值層級被分為第一級的買賣證券。該團隊直接向首席財務官和審核委員會報告。每年的中期和年度報告日期，該團隊會編寫有關公允值變動分析的估值報告，並由首席財務官進行審核和批准。首席財務官和審核委員會對估值的過程和結果每年進行兩次討論，與財務報告日期一致。

	2018 二零一八年				2017 二零一七年			
	Quoted prices in active markets (Level 1) 於活躍市場之報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察輸入數據 (第三級) HK\$'000 千港元	Total 總額 HK\$'000 千港元	Quoted prices in active markets (Level 1) 於活躍市場之報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察輸入數據 (第三級) HK\$'000 千港元	Total 總額 HK\$'000 千港元
Recurring fair value measurements 經常性公允值計量								
Assets 資產								
Structured deposit 結構性存款	-	12,462	-	12,462	-	-	-	-
Available-for-sale investments 可供出售之投資	-	7,707	-	7,707	-	6,550	-	6,550
Trading securities 證券買賣	715	-	-	715	703	-	-	703
Total 總額	715	20,169	-	20,884	703	6,550	-	7,253

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value measurements recognised in the statement of financial position (Continued)

During the years ended 31st March 2018 and 2017, there were no transfers between in Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The carrying amount of the Group's financial instruments carried at cost or amortised cost such as bank deposit with maturity over three months, cash and cash equivalents, trade and other receivables, trade and other payables and bank and other borrowings are not materially different from their fair values as at 31st March 2018 and 2017 because of the immediate or short term maturity of these financial instruments.

(e) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values financial instruments.

i) Trading securities

Fair value is based on closing bid price quoted in an active market at the end of the reporting period without any deduction for transaction costs.

ii) Available-for-sale investments

Fair value is determined by reference to the bid price quoted in the second hand market without any deduction for transaction costs.

iii) Structured deposit

Fair value is determined by reference to the discounted cash flows which are estimated based on foreign exchange rate observable at the end of reporting period and contracted interest rates, discounted at a rate that reflects the credit risk of the counterparties.

33. 財務風險管理 (續)

(d) 確認於財務狀況表中之公允值計量 (續)

於截至二零一七年及二零一八年三月三十一日止年度期間，並無第一級及第二級之間的轉移，或轉入或轉出第三級。本集團之政策為於該報告期末發生期間，識別公允值層級之間的轉移。

本集團之金融工具之賬面值乃按成本或攤銷成本入賬，如到期日逾三個月之銀行存款，現金和現金等值物，貿易及其他應收賬款，貿易及其他應付賬款及銀行及其他借貸，其公允值於二零一七年及二零一八年三月三十一日並無重大不同，概因該等金融工具即時或短期內到期。

(e) 公允值的估計

以下概述用於評估金融工具公允值之主要方法和假設。

i) 證券買賣

公允值乃根據活躍市場之收市買入價於報告期末不扣除任何交易成本之市場報價。

ii) 可供出售之投資

公允值乃參考在二手市場不扣除任何交易成本的買入價報價而確定。

iii) 結構性存款

公允值乃參考根據於報告期末可觀察遠期匯率及已訂約利率估計之折現現金流量而確定，以反映交易對手信用風險的利率而被貼現。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group had the following transactions with its related parties:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of highest paid individuals as disclosed in Note 10, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	12,921	13,374
Post-employment benefits	退休後福利	36	41
		12,957	13,415

Total remuneration is included in "staff costs" (see Note 9(b)).

酬金總額已計入「員工成本」(見附註9(b))。

(b) Financing arrangements

Loans from a director
Accrued interest (Note)

董事之貸款
累計利息(附註)

Note:

- (i) As at 31st March 2017, Mr. Eav Yin, a related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin and the Group entered into netting arrangement, pursuant to which these parties agreed to set off the total balances of HK\$1,268,000 owned by the related company with the accrued interest payable to Mr. Eav Yin.
- (ii) The accrued interest is included in "trade and other payables" to the consolidated statement of financial position.

Details of the repayment of the loans repaid during the years are disclosed in note 27 to the consolidated financial statements.

34. 重大有關連人士交易

年內，本集團與其有關連人士有以下之交易：

(a) 主要管理人員薪酬

本集團主要管理人員薪酬，包括支付予本公司董事及若干最高薪人士(如附註10所披露)之金額如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		12,921	13,374
		36	41
		12,957	13,415

酬金總額已計入「員工成本」(見附註9(b))。

(b) 財務安排

Loans from a director
Accrued interest (Note)

董事之貸款
累計利息(附註)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		-	8,000
		160	-
		160	8,000

附註：

- (i) 於二零一七年三月三十一日，楊仁先生妻子最終擁有及楊仁先生控制的兩間有關連公司，及本集團訂立淨額結算協議，據此，上述各方同意欠楊仁先生的應支付利息對銷該兩間有關連公司拖欠的總餘額1,268,000港元。
- (ii) 該累計利息包括在綜合財務狀況表的「貿易及其他應付賬款」。

年內償還貸款詳情於綜合財務報表附註27中披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

34. 重大有關連人士交易(續)

(c) Other transactions

(c) 其他交易

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註			
Sales of watch movements to a related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	銷售手錶機芯予楊仁先生妻子最終擁有及楊仁先生控制之一間關連公司		1,696	31
Provision of subsidised advertising and marketing support to two related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	提供廣告資助及市場推廣支援予楊仁先生妻子最終擁有及楊仁先生控制之兩間關連公司	(i)	1,207	2,437
Leasing of offices and warehouses to three related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	租賃辦公室及倉庫予楊仁先生妻子最終擁有及楊仁先生控制之三間關連公司	(ii)	2,285	2,134
Purchase of products from two (2017: one) related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	向楊仁先生妻子最終擁有及楊仁先生控制之兩間關連公司(二零一七年：一間)採購產品	(iii)	222	126
Consultancy fee paid to two (2017: one) related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	支付顧問費予楊仁先生妻子最終擁有及楊仁先生控制之兩間關連公司(二零一七年：一間)		1,639	1,270

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Other transactions (Continued)

Notes:

(i) Provision of subsidised advertising and marketing support services

During the years ended 31st March 2018 and 2017, the Group participated in the marketing programs and activities for promoting and enhancing the image of branded watches supplied by the related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin. In return, the related companies subsidised the Group by paying an advertising subsidy to the Group.

(ii) Leasing of offices and warehouses

During the years ended 31st March 2018 and 2017, the Group leased an office and warehouse space to three related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin.

As at 31st March 2018, commitments under operating leases receivable from the companies over which ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin were as follows:

Not later than one year	於一年內
Later than one year and not later than five year	超過一年及不超過五年

Leases for properties are negotiated for terms ranging from 0.25 to 3 years (2017: 0.25 to 5 years) and related commitments are included in Note 37.

34. 重大有關連人士交易(續)

(c) 其他交易(續)

附註：

(i) 提供廣告資助及市場推廣支援服務

於截至二零一七年及二零一八年三月三十一日止年度期間，本集團參與由楊仁先生妻子最終擁有及楊仁先生控制的關連公司提供之市場推廣計劃及活動，以促進和加強品牌手錶的形象。於是相關之公司向本集團支付廣告補貼作為資助本集團。

(ii) 租賃辦公室及倉庫

於截至二零一七年及二零一八年三月三十一日止年度期間，本集團租賃辦公室及倉庫用地予楊仁先生妻子最終擁有及楊仁先生控制的三間關連公司。

於二零一八年三月三十一日，根據經營租賃合約應收公司(由楊仁先生妻子最終擁有及由楊仁先生控制之公司)賬款的承諾如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Not later than one year	1,578	1,457
Later than one year and not later than five year	434	1,180
	2,012	2,637

物業租賃條款期限介乎0.25至3年(二零一七年：0.25至5年)及相關承諾之磋商包括於附註37。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Other transactions (Continued)

Notes: (Continued)

(iii) Purchase of products

The Group purchased of products from the related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin during the years ended 31st March 2018 and 2017 which represented watches, watch spare parts and components (including watch movements), watch accessories and packaging. The Group also outsourced watch assembly, processing and after-sales services such as maintenance and repairs to these related parties. The purchase of products includes the fees and charges for these services.

(d) Balances with related parties

Trade and other receivables due from three (2017: three) related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin (Note)

Trade payables due to a related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin

Note:

As at 31st March 2017, Mr. Eav Yin, a related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin and the Group entered into a netting arrangement, pursuant to which three parties agreed to set off the total balances of HK\$1,268,000 owned by the related company with the accrued interest payable to Mr. Eav Yin.

34. 重大有關連人士交易(續)

(c) 其他交易(續)

附註：(續)

(iii) 採購產品

於二零一七年及二零一八年三月三十一日止年度期間，本集團從楊仁先生妻子最終擁有及楊仁先生控制的關連公司採購產品包括手錶、手錶備用零部件及組件(包括手錶機芯)、鐘錶配件及包裝。本集團亦外包手錶組裝、加工及售後服務，例如提供予關連人士保養及維修。採買產品包括該等服務的費用及收費。

(d) 關連人士結餘

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade and other receivables due from three (2017: three) related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin (Note)	7,198	3,874
Trade payables due to a related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin	8	16

附註：

於二零一七年三月三十一日，楊仁先生妻子最終擁有及楊仁先生控制的一間關連公司，及本集團訂立淨額結算協議，據此，上述各方同意欠楊仁先生的應支付利息對銷該關連公司拖欠的總餘額1,268,000港元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35. PLEDGE OF ASSETS

The assets pledged for certain banking facilities of the Group were as follows:

Land and buildings	土地及樓宇
Prepaid lease payments	租賃預付款項
Investment properties	投資物業
Inventories	存貨

35. 資產抵押

本集團若干銀行信貸抵押資產如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Land and buildings	11,901	14,045
Prepaid lease payments	-	16,535
Investment properties	227,180	251,162
Inventories	43,322	81,814
	282,403	363,556

36. DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund ("MPF") scheme for all Hong Kong eligible employees. The assets of the MPF scheme are held separately from those of the Group in funds under the control of trustees.

The retirement benefit cost for MPF scheme charged to the consolidated statement of profit or loss represents contributions payable to the MPF scheme by the Group at rates specified in the rules of the MPF scheme.

Employees employed in the PRC are members of the state-sponsored pension scheme operated by the PRC government. The Group is required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the pension scheme is to make the required contribution under the scheme.

36. 界定退休福利供款計劃

本集團為所有香港合資格員工設立一項強制性公積金（「強積金」）計劃。該強積金計劃之資產與本集團之資產分開持有，由受托人以基金方式監管。

從綜合損益表中扣除強積金計劃的退休福利成本，相當於本集團按強積金計劃規則訂明的供款率支付強積金計劃的供款。

在中國受僱之員工乃國家推行之退休計劃成員，該退休金計劃由中國政府管理。本集團須按員工薪金之若干比例，就退休計劃作出供款。本集團在該退休計劃中之責任，僅為按計劃之規定作出供款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

37. OPERATING LEASE COMMITMENTS

As lessor

Property rental income earned during the reporting period was HK\$8,754,000 (2017: HK\$7,914,000). At 31st March 2018, the properties held have committed tenants for lease terms from 0.25 to 7 years (2017: 0.25 to 7 years), whose tenancy agreements include paying security deposits.

The Group had total future minimum lease receivables under the non-cancellable operating leases with the tenants falling due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Not later than one year	不超過一年	8,328	7,622
Later than one year and not later than five years	超過一年及不超過五年	15,034	21,587
More than five years	超過五年	-	627
		23,362	29,836

As lessee

The Group leases certain of its office properties and retail stores under operating lease arrangements. Leases for properties are negotiated for terms ranging from 0.75 to 9 years (2017: 0.5 to 9 years). Certain rentals for the use of retail stores are determined by reference to the revenue of the relevant retail stores for the year and the rentals for certain retail stores will be escalated by a fixed percentage per annum.

The Group's lease obligations primarily consist of non-cancellable leases of office and retail store space. Future minimum payments under non-cancellable leases were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Not later than one year	不超過一年	84,568	86,005
Later than one year and not later than five years	超過一年及不超過五年	224,768	276,408
More than five years	超過五年	-	15,264
		309,336	377,677

37. 經營租賃承諾

作為出租者

於報告期間所得之物業租金收入為8,754,000港元(二零一七年: 7,914,000港元)。於二零一八年三月三十一日, 所持有之物業已有租客承諾介乎0.25年至7年(二零一七年: 0.25年至7年)之租約, 其租賃協議包括支付擔保按金。

本集團根據與租客訂立之不可撤銷經營租約, 未來最低應收租金總額到期情況如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Not later than one year	不超過一年	8,328	7,622
Later than one year and not later than five years	超過一年及不超過五年	15,034	21,587
More than five years	超過五年	-	627
		23,362	29,836

作為承租者

本集團根據經營租賃安排租賃若干辦公室物業及零售店舖。經磋商之物業租賃期限為0.75年至9年(二零一七年: 0.5年至9年)。若干零售店舖的租金會以該年度相關的零售店舖的收入來決定, 並且若干零售店舖的租金會以固定的年率遞增。

本集團的租賃責任主要包括不可撤銷之辦公室及零售商店租賃。根據不可撤銷租賃之未來最低付款如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Not later than one year	不超過一年	84,568	86,005
Later than one year and not later than five years	超過一年及不超過五年	224,768	276,408
More than five years	超過五年	-	15,264
		309,336	377,677

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

38. 綜合現金流量表附註

(a) 因融資活動產生的負債之對賬

下表詳列本集團因融資活動產生的負債之變動，包括現金及非現金變動。因融資活動產生的負債乃現金流量已經或未來現金流量將會在本集團綜合現金流量表內分類為來自融資活動之現金流量之負債。

		Bank loans	Loans from a director	Interest payable for bank loans	Interest payable for loans from a director	Total
		銀行借貸	董事之貸款	應計銀行借貸利息	應計董事貸款利息	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 31st March 2017 and 1st April 2017	於二零一七年三月三十一日及二零一七年四月一日	102,265	8,000	306	-	110,571
<i>Changes in financing cash flows</i>	<i>融資現金流量變動</i>					
Proceeds from new bank loans	銀行新借貸所得款項	92,898	-	-	-	92,898
Repayment of bank loans	償還銀行借貸	(181,873)	-	-	-	(181,873)
Repayment of loans from a director	償還董事之貸款	-	(8,000)	-	-	(8,000)
Interest paid	已付利息	-	-	(1,967)	-	(1,967)
<i>Non-cash changes</i>	<i>非現金變動</i>					
Exchange adjustments	匯兌調整	1,062	-	-	-	1,062
Interest expenses	利息開支	-	-	1,745	160	1,905
At 31st March 2018	於二零一八年三月三十一日	14,352	-	84	160	14,596

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39. EVENTS AFTER THE REPORTING PERIOD

i) Proposed Capital Reorganisation and Cash Distribution out of Contributed Surplus

Pursuant to the board resolutions passed on a board meeting held on 11th May 2018, the directors of the Company proposed a capital reorganisation (the “Capital Reorganisation”) as follows:

(a) Share Consolidation

Every two issued and unissued shares of the Company will be consolidated into one consolidated share (the “Consolidated Share”).

(b) Capital Reduction

Immediately upon the share consolidation as stated in (a) becoming effective, (i) the issued share capital of the Company will be reduced by cancelling the paid up capital of the Company to the extent of HK\$0.20 on each of the then issued Consolidated Share such that the par value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.20; and (ii) the authorised share capital of the Company will be reduced by reducing the par value of all Consolidated Shares from HK\$0.40 each to HK\$0.20 each resulting in the reduction of the authorised share capital of the Company from HK\$500,000,000 divided into 1,250,000,000 Consolidated Shares to HK\$250,000,000 divided into 1,250,000,000 shares of par value of HK\$0.20 each.

(c) Capital Increase

Immediately upon the Capital Reduction becoming effective, the authorised share capital of the Company will be increased from HK\$250,000,000 divided into 1,250,000,000 shares of par value HK\$0.20 each to HK\$500,000,000 divided into 2,500,000,000 new shares.

(d) Share Premium Account Reduction

The amount standing in the share premium account of the Company of HK\$143,310,000 as at 31st March 2018 will be reduced to nil.

39. 報告期後事項

i) 建議股本重組及從繳入盈餘撥款作出現金分派

根據於二零一八年五月十一日舉行之董事會會議通過之董事會決議案，本公司董事建議進行股本重組（「股本重組」）如下：

(a) 股份合併

本公司每兩股已發行及未發行股份將會合併為一股合併股份（「合併股份」）。

(b) 股本減少

於緊隨(a)所述之股份合併生效後，(i) 將會減少本公司之已發行股本，方式為按每股當時已發行合併股份註銷本公司之繳足股本0.20港元，以使每股已發行合併股份之面值由0.40港元減少至0.20港元；及(ii) 將會削減本公司之法定股本，方式為把所有合併股份之面值由每股0.40港元減少至每股0.20港元，以使本公司之法定股本由500,000,000港元（分為1,250,000,000股合併股份）減少至250,000,000港元（分為1,250,000,000股每股面值0.20港元之股份）。

(c) 股本增加

於緊隨股本減少生效後，本公司之法定股本將會由250,000,000港元（分為1,250,000,000股每股面值0.20港元之股份）增加至500,000,000港元（分為2,500,000,000股新股份）。

(d) 削減股份溢價賬

截止二零一八年三月三十一日，本公司股份溢價賬為143,310,000港元將會減少至零。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39. EVENTS AFTER THE REPORTING PERIOD (Continued)

i) Proposed Capital Reorganisation and Cash Distribution out of Contributed Surplus (Continued)

(e) Transfer of Credit to the Contributed Surplus

The entire amount arising from the Capital Reduction of HK\$156,687,000 and the Share Premium Account Reduction of HK\$143,310,000 will be transferred to the Contributed Surplus to enable the application of the necessary amount in the Contributed Surplus to set off against the accumulated losses of the Company and to make a distribution.

Subject to the Capital Reorganisation becoming effective and the setting off the accumulated losses, the Company's board of directors proposed to make a cash distribution at HK\$0.0128 per share (equivalent to HK\$0.0256 per new share) (the "Distribution"). The Distribution will be made out of the Contributed Surplus, as enlarged by the Capital Reorganisation. The Distribution is subject to, among other things, the Capital Reorganisation becoming unconditional and effective and the passing of the relevant resolutions by the Company's shareholders at the special general meeting to be held at 3rd July 2018.

ii) Acquisition of a Property

On 1st June 2018, a subsidiary of the Company (the "Subsidiary") entered into a sale and purchase agreement (the "S&P Agreement") with an independent third party (the "Vendor") pursuant to which the Subsidiary agreed to buy and the Vendor agreed to sell a residential apartment located in London, the United Kingdom (the "Property") at a cash consideration of £3,000,000 (approximately HK\$31,230,000) for investment purpose. The acquisition was completed on 15th June 2018.

39. 報告期後事項(續)

i) 建議股本重組及從繳入盈餘撥款作出現金分派(續)

(e) 將貸方款額轉撥至繳入盈餘

因股本減少156,687,000港元及削減股份溢價賬而產生之全數貸方款額為143,310,000港元將會轉撥至繳入盈餘，以允許將繳入盈餘之所需款額用作抵銷本公司之累積虧損以及作出分派。

在股本重組生效及於抵銷累積虧損的規限下，本公司董事會建議以現金作出分派每股股份0.0128港元(相等於每股新股份0.0256港元)(「分派」)。分派將會從繳入盈餘(經股本重組擴大後)撥款作出。分派須待(其中包括)股本重組成為無條件及生效，及本公司股東將於二零一八年七月三日舉行之股東特別大會上通過有關決議案後，方會作實。

ii) 收購物業

於二零一八年六月一日，本公司之附屬公司(「該附屬公司」)與一名獨立第三方(「賣方」)訂立買賣協議(「買賣協議」)，據此，該附屬公司同意購買而賣方同意出售一項位於英國倫敦之住宅公寓(「該物業」)作投資用途，現金代價為3,000,000英鎊(約31,230,000港元)。該宗收購已於二零一八年六月十五日完成。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST MARCH 2018

Up to the date of issuance of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31st March 2018.

The Group has not early applied any of the following new standards, amendments or interpretations that have been issued but are not yet effective.

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

	Effective for accounting periods beginning on or after
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
HKFRS 9	Financial Instruments ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ²
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 40	Transfers of Investment Property ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28 ¹
Annual Improvements 2015-2017 Cycle	Amendments to a number of HKFRSs ²

¹ Effective for annual periods beginning on or after 1st January 2018
² Effective for annual periods beginning on or after 1st January 2019
³ Effective for annual periods beginning on or after 1st January 2021
⁴ No mandatory effective date yet determined but available for adoption

40. 截至二零一八年三月三十一日止年度已頒佈但未生效之修正、新訂準則及詮釋可能產生的影響

截至本財務報表發出日，香港會計師公會頒佈以下修正、新增準則及詮釋，其於截至二零一八年三月三十一日止年度仍未生效。

本集團並未提早採納任何下列已頒佈但仍未生效之新增準則、修正或詮釋。

已頒佈但尚未生效之新增／修訂香港財務報告準則

	此日期或之後開始之會計期間生效
香港財務報告準則第2號(修訂)	以股份為基礎的支付交易的分類和計量 ¹
香港財務報告準則第4號(修訂)	同時實施香港財務報告準則第9號「金融工具」和香港財務報告準則第4號「保險合約」 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第9號(修訂)	具有負補償的提前償付特徵 ²
香港財務報告準則第10號及香港會計準則第28號(二零一一年)(修訂)	投資者與其聯營企業或合營企業之間的資產出售或注資 ⁴
香港財務報告準則第15號	與客戶之間的合約產生的收入 ¹
香港財務報告準則第15號(修訂)	對香港財務報告準則第15號「與客戶之間的合約產生的收入」的澄清 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合同 ³
香港會計準則第19號(修訂)	計劃修改、縮減或結算 ²
香港會計準則第28號(修訂)	在聯營企業和合營企業中的長期權益 ²
香港會計準則第40號(修訂)	投資物業的轉換 ¹
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易和預付代價 ¹
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不確定性 ²
二零一四年至二零一六年週期之年度改進	對香港財務報告準則第1號及香港會計準則第28號的修訂 ¹
二零一五年至二零一七年週期之年度改進	對若干香港財務報告準則的修訂 ²

¹ 適用於二零一八年一月一日或以後開始的年度期間
² 適用於二零一九年一月一日或以後開始的年度期間
³ 適用於二零二一年一月一日或以後開始的年度期間
⁴ 尚未訂定強制生效日期，但可供提前採用

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST MARCH 2018 (Continued)

The Group's assessment of the impact of these new standards and interpretations is set out below:

HKFRS 9 "Financial instruments"

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group has decided not to adopt HKFRS 9 until it becomes mandatory on 1st January 2018.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets as the Group's equity investment is insignificant.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at a fair value through other comprehensive income, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. The Group assess that the adoption of HKFRS 9 will not have material impact to the Group's results of operations and financial position.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard. HKFRS 9 must be applied for financial years commencing on or after 1st January 2018. The Group will apply the new rules for the financial year beginning on 1st April 2018.

40. 截至二零一八年三月三十一日止年度已頒佈但未生效之修正、新訂準則及詮釋可能產生的影響(續)

本集團對該等新訂準則及詮釋的影響的評估載列如下：

香港財務報告準則第9號「金融工具」

該項新訂準則主要針對金融資產及金融負債的分類、計量及取消確認，為金融資產引進了新對沖會計規則及新減值模式。本集團已決定不會採納香港財務報告準則第9號直至二零一八年一月一日必須強制應用為止。

由於集團投資微不足道，集團預期新指引不會對其金融資產的分類及計量有重大影響。

由於新規定僅影響被指定為按公允值計入損益的金融負債的會計處理，而本集團並無任何該類金融負債，因此新規定對本集團的金融負債的會計處理並無影響。終止確認規則引自香港會計準則第39號「金融工具：確認及計量」，沒有任何變動。

新減值模型要求按預期信貸虧損（「預期信貸虧損」）確認減值撥備，而非僅產生的信貸虧損（根據香港會計準則第39號）。其適用於按攤銷成本分類的金融資產、按公允值計入其他全面收益計量的債務工具、香港財務報告準則第15號「來自客戶合約之收益」下的合約資產、應收租賃款項、貸款承擔和若干財務擔保合約。本集團評估採納香港財務報告準則第9號不會對本集團的經營業績及財務狀況有重大影響。

新準則亦引入擴大了的披露規定及呈列方式變動。預期將改變本集團有關其金融工具的披露性質和範圍，尤其是在新準則採納的年度內。香港財務報告準則第9號必須在二零一八年一月一日或之後開始的財政年度內應用。本集團將自二零一八年四月一日或之後開始的財政年度應用新規則。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST MARCH 2018 (Continued)

HKFRS 15 “Revenue from contracts with customers”

The HKICPA has issued a new standard for recognition of revenue. HKFRS 15 will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The new standard permits either a full retrospective or a modified retrospective approach for the adoption.

HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach:

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

The core principle is that the Group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an “earnings process” to an “asset-liability” approach based on transfer of control.

The Group’s revenue recognition policies are disclosed in Note 2(r). Currently, revenue from sales of goods are recognised in the consolidated statements of profit or loss at the point of sale to customers or when the Group has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

The directors of the Company, based on the results of an initial assessment, consider that the new standard does not have a significant impact on the consolidated financial statements.

The new standard is mandatory for financial years commencing on or after 1st January 2018. The Group did not adopt the standard before its effective date.

40. 截至二零一八年三月三十一日止年度已頒佈但未生效之修正、新訂準則及詮釋可能產生的影響(續)

香港財務報告準則第15號「來自客戶合約之收益」

香港會計師公會已為確認收益頒佈新準則。香港財務報告準則第15號將取代香港會計準則第18號所涵蓋有關銷售貨物及提供服務的合約及香港會計準則第11號所涵蓋有關建造合約的規定。新準則的原則乃基於收入於貨物或服務的控制權已轉讓予客戶時確認。新準則允許採納完整追溯調整法，或經修訂追溯調整法。

香港財務報告準則第15號確立一個全面的框架，通過五個步驟釐定何時確認收益及確認多少收益：

- (1) 識別客戶合約；
- (2) 識別合約中的單獨履約責任；
- (3) 釐定交易價格；
- (4) 分配交易價格至履約責任；及
- (5) 於達成履約責任時確認收入。

核心原則為本集團應確認收入，以描述按反映本集團預期有權以交換已約定貨品或服務之代價的金額向客戶移交該等貨品或服務。此準則從基於「盈利過程」的收入確認模型轉向基於控制權轉移的「資產－負債」方法。

本集團的收益確認政策於附註2(r)披露。現時來自向客戶銷售商品分銷之收益，乃於銷售點售予客戶或於本集團將產品交付客戶而客戶已接受產品而且合理地確保相關應收款項可以收回時，於綜合損益表內確認。

本公司董事根據初步評估結果，認為新準則對綜合財務報表並無重大影響。

新準則必須在二零一八年一月一日或之後開始的財政年度內強制應用。本集團於其生效日期前尚未採納該準則。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST MARCH 2018 (Continued)

HKFRS 16 “Leases”

Under HKFRS 16, lessees are required to recognise a lease liability reflecting future lease payments and a right-of-use asset for all lease contracts in the statement of financial position. Lessees will also have to present interest expense on the lease liability and depreciation on the right-of-use asset in the income statement. In comparison with operating lease under HKAS17, this will change not only the allocation of expenses but also the total amount of expenses recognised for each period of the lease term. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term. The new standard has included an optional exemption for certain short-term leases and leases of low-values assets. This exemption can only be applied by lessees.

The Group is a lessee of certain retail shops which are currently classified as operating leases. The Group's current accounting policy for such leases, as set out in Note 2(h), is to record the rental expenses in Group's consolidated statement of profit or loss for the current year with the disclosure of related future minimum lease payments as operating lease commitments (Note 37). As at 31st March 2018, the Group's total non-cancellable operating lease commitments amounted to HK\$309,336,000. The new standard will therefore result in the increase in right-of-use assets and increase in lease liabilities in the consolidated statement of financial position. In the consolidated statement of profit or loss, as a result, the annual rental under otherwise identical circumstances will decrease, while depreciation of right-of-use of assets and interest expense arising from the lease liabilities will increase. Given that the total non-cancellable operating lease commitments account is significant as at 31st March 2018, the directors of the Company expect that the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial position. The Group will apply this new standard for the financial year beginning on or after 1st April 2019.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements.

40. 截至二零一八年三月三十一日止年度已頒佈但未生效之修正、新訂準則及詮釋可能產生的影響(續)

香港財務報告準則第16號「租賃」

根據香港財務報告準則第16號，承租人須就所有租賃合約於財務狀況表內確認租賃負債以反映未來租賃付款及使用權資產。承租人亦須於收益表內呈列租賃負債的利息開支及使用權資產折舊。相較於香港會計準則第17號項下的經營租賃，這不僅將改變開支分配，亦改變租期各期間已確認的開支總額。結合使用權資產直線折舊法與應用於租賃負債的實際利率法將導致租期較早年度於損益扣除較高金額，而於租賃後期則開支遞減。新準則已包含若干短期租賃及低價值資產租賃的可選擇例外情況。該例外情況僅可由承租人應用。

本集團為若干零售店的承租人，該等項目現分類為經營租賃。本集團對有關租賃的現行會計政策（載於附註2(h)）為於本集團本年度的綜合損益表內記錄租賃開支及相關未來最低租賃付款披露為經營租賃承擔（附註37）。於二零一八年三月三十一日，本集團的不可撤銷經營租賃承擔總額為309,336,000港元。因此，新準則將導致於綜合財務狀況表內使用權資產增加及租賃負債增加。故此，於綜合損益表內，在原本相同狀況下的年度租金將會減少，而使用權資產折舊及租賃負債所產生利息開支則將增加。由於二零一八年三月三十一日不可撤銷經營租賃承擔為重要，本公司董事預期，相較於現行會計政策，採納香港財務報告準則第16號將對本集團財務狀況產生重大影響。本集團將於二零一九年四月一日或之後開始的財政年度應用該新準則。

本公司董事預期，應用其他新訂及經修訂香港財務報告準則不會對本集團綜合財務報表有重大影響。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

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

RESULTS

業績

		Year ended 31st March 截至三月三十一日止年度				
		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	營業收入	967,353	718,580	834,394	850,218	991,429
Profit/(loss) before taxation	除稅前溢利／(虧損)	(152,990)	(34,973)	(35,625)	31,104	53,003
Income tax	所得稅	(196)	(54)	(53)	–	9,935
Profit/(loss) for the year	年度溢利／(虧損)	(153,186)	(35,027)	(35,678)	31,104	62,938
Equity attributable to owners of the Company	歸屬於本公司持有人	(153,278)	(30,936)	(35,678)	31,104	62,938
Non-controlling interests	非控股股東權益	92	(4,091)	–	–	–
		(153,186)	(35,027)	(35,678)	31,104	62,938
Basic earnings/(loss) per share	每股基本盈利／(虧損)	(11.21)¢	(2.11)¢	(2.28)¢	1.99¢	4.02¢

ASSETS AND LIABILITIES

資產與負債

		As at 31st March 於三月三十一日				
		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total assets	總資產	840,152	731,979	704,830	687,746	656,705
Total liabilities	總負債	433,672	320,743	299,055	257,914	153,932
Net assets	資產淨額	406,480	411,236	405,775	429,832	502,773
Equity attributable to owners of the Company	歸屬於本公司持有人之權益	396,679	411,236	405,775	429,832	502,773
Non-controlling interests	非控股股東權益	9,801	–	–	–	–
Total equity	總權益額	406,480	411,236	405,775	429,832	502,773