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Tree Holdings Limited
齊家控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8395)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

The board of directors (the "**Board**") of Tree Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2020 (the "**Annual Results**"). This announcement contains the full text of the annual report of the Group for the year ended 31 March 2020 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). The Annual Results have been reviewed by the Board and the audit committee of the Board.

This results announcement is published on the websites of the Company (www.treeholdings.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 March 2020 will be delivered to shareholders of the Company and will also be available at the abovementioned websites in due course.

By order of the Board
Tree Holdings Limited
TONG Tang Joseph
Chairman and Chief Executive Officer

Hong Kong, 24 June 2020

As at the date of this announcement, the Board comprises Mr. TONG Tang Joseph, Ms. Mary Kathleen BABINGTON, and Mr. TSUI Wing Tak as executive Directors; and Mr. YEUNG Man Chung Charles, Mr. TSANG Wai Yin, and Mr. SIT Hoi Wah Kenneth as the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Listed Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at www.treeholdings.com.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board of the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the "**Directors**") of TREE Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the "**Group**"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

香港聯合交易所有限公司(「聯交所」) GEM的特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所主板上市的公司帶有較高投資風險。有意投資的人士應瞭解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

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*本報告的資料乃遵照聯交所的GEM證券上市規則(「**GEM上市規則**」)而刊載，旨在提供有關齊家控股有限公司(「**本公司**」)及其附屬公司(統稱「**本集團**」)的資料；本公司的董事(「**董事**」)願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。*

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CORPORATE INFORMATION
公司資料

BOARD OF DIRECTORS
Executive Directors
Mr. Tong Tang Joseph *(Chairman and Chief Executive Officer)*
Ms. Mary Kathleen Babington
Mr. Tsui Wing Tak

Independent Non-executive Directors
Mr. Yeung Man Chung Charles
Mr. Tsang Wai Yin
Mr. Sit Hoi Wah Kenneth

COMPLIANCE OFFICER
Mr. Tsui Wing Tak

AUTHORISED REPRESENTATIVES
Mr. Tsui Wing Tak
Mr. Lam Yiu Cho

AUDIT COMMITTEE
Mr. Yeung Man Chung Charles *(Chairman)*
Mr. Tsang Wai Yin
Mr. Sit Hoi Wah Kenneth

REMUNERATION COMMITTEE
Mr. Sit Hoi Wah Kenneth *(Chairman)*
Mr. Tsui Wing Tak
Mr. Yeung Man Chung Charles

NOMINATION COMMITTEE
Mr. Tong Tang Joseph *(Chairman)*
Ms. Mary Kathleen Babington
Mr. Yeung Man Chung Charles
Mr. Tsang Wai Yin
Mr. Sit Hoi Wah Kenneth

COMPANY SECRETARY
Mr. Lam Yiu Cho

董事會
執行董事
唐登先生*(主席兼行政總裁)*
Mary Kathleen Babington女士
徐穎德先生

獨立非執行董事
楊文忠先生
曾偉賢先生
薛海華先生

合規主任
徐穎德先生

授權代表
徐穎德先生
林耀祖先生

審核委員會
楊文忠先生*(主席)*
曾偉賢先生
薛海華先生

薪酬委員會
薛海華先生*(主席)*
徐穎德先生
楊文忠先生

提名委員會
唐登先生*(主席)*
Mary Kathleen Babington女士
楊文忠先生
曾偉賢先生
薛海華先生

公司秘書
林耀祖先生

CORPORATE INFORMATION
公司資料

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STOCK CODE
8395

股份代號
8395

CHAIRMAN'S STATEMENT
主席報告

To our Shareholders

CHAIRMAN'S STATEMENT

After 15 years of establishment in Hong Kong, our Group is one of the leading lifestyle furniture and home furnishing companies in Hong Kong and China. In Hong Kong, we operate under the brand name "TREE", and engage in (i) the sale and distribution of furniture and home accessories; (ii) the sale and distribution through licensing in China and USA; (iii) the operation of TREE Café at the Group's flagship store in Hong Kong; (iv) the provision of styling and consulting services; and (v) the provision of a furniture rental business.

New endeavours during the financial year included adding a new online e-commerce platform in May 2019 which eases our reliance on our three retail stores and provides an additional shopping channel for our customers. Moreover, we launched a new furniture rental business for the Hong Kong market in August 2019 to diversify our offering and services to our customers.

Our wholly-owned subsidiary, Hong Kong Italiving International Co. Limited ("**HK Italiving**") focuses on the sourcing and distribution of high-end Italian made furniture in China. HK Italiving has offices in Hong Kong and Italy to maintain a unique merchandising network with Italian furniture manufacturers, and offers a wide variety of furniture products to individuals and wholesale customers, as well as renovation projects throughout China.

FINANCIAL RESULTS

For the year ended 31 March 2020, the total revenue of the Company was approximately HK$91.1 million, an increase of approximately HK$5.7 million, mainly attributable to an increase of commission income from HK Italiving which was acquired by the Group in December 2018. The gross profit margin of the Group increased slightly from approximately 67.8% to 71.6%.

The economy and retail business in Hong Kong has been hard hit since the middle of 2019 due to the political unrest, followed by the unexpected COVID-19 outbreak happening at the end of 2019.

The Group's furniture agency service revenue was also negatively affected since the COVID-19 outbreak which saw a complete lockdown of certain Chinese cities. Unfortunately, Italy which is a major source of furniture products for the China market was also in lockdown for a number of months in early 2020.

Amidst all these challenges, we are pleased to report that the Group has achieved a net profit of HK$5.2 million, which is HK$4.1 million or 377.7% higher than the last financial year of HK$1.1 million.

各位股東：

主席報告

本集團紮根於香港，經過十五年發展，現已成為香港及中國領先的生活時尚傢俱及家飾公司之一。在香港，我們以「TREE」品牌名稱經營業務，從事(i)銷售及分銷傢俱及家居配飾；(ii)透過授出許可權在美國及中國銷售及分銷產品；(iii)於本集團香港旗艦店內經營TREE Café；(iv)提供設計及諮詢服務；及(v)提供傢俱租賃服務。

本財政年度的新猷包括於2019年5月推出全新網上電子商務平台，讓我們可減少倚賴旗下三間零售店，同時為客戶增添選購渠道。此外，我們於2019年8月針對香港市場開展新的傢俱租賃業務，為客戶提供更多元化的產品及服務。

旗下全資附屬公司香港意享世家國際貿易有限公司(「**香港意享世家**」)在中國專注於搜羅及分銷高級意大利製傢俱。香港意享世家於香港及意大利設有辦事處，維繫與意大利傢俱製造商的獨有採購網絡，於全中國為個人及批發客戶提供多元化的傢俱產品及進行裝修項目。

財務業績

截至2020年3月31日止年度，本公司總收益約為91.1百萬港元，增加約5.7百萬港元，主要是由於來自本集團於2018年12月收購的香港意享世家的佣金收入增加所致。本集團毛利率由約67.8%微升至71.6%。

自2019年中以來政治形勢動蕩不定，至2019年底更突然爆發COVID-19，香港經濟及零售業務受到重挫。

本集團傢俱代理服務收益自COVID-19爆發起亦因若干中國城市全面封城而受到負面影響。禍不單行，作為中國市場傢俱產品主要來源國的意大利亦於2020年初封城數月。

即使面對上述種種挑戰，我們亦欣然呈報，本集團錄得純利5.2百萬港元，較上一財政年度的1.1百萬港元增加4.1百萬港元，增幅為377.7%。

CHAIRMAN'S STATEMENT
主席報告

THE FUTURE

While I am writing this statement, we continue to see the political and social unrest happening in Hong Kong and we are still hard fighting with COVID-19. Our industry continues to be challenged with highly competitive retail market conditions and the prevalence of weak consumer confidence and spending in Hong Kong. However, we will continue to take advantage of growth opportunities to improve our competitive positioning. For example, the outbreak of the COVID-19 heightened internal awareness of the importance of e-commerce as a 'remote' revenue driver and, as a result, we are focused on strengthening the operation of our online shopping platform.

Our sales team is working hard to revive the Italian furniture business, and we are glad to see that Italy is slowly recovering from the COVID-19 crisis.

THE FINAL NOTE

The Group is proud of the TREE brand that was founded in Hong Kong and has grown with heart and integrity over the last fifteen years. Now, as a much loved and trusted source of beautiful, high quality home furnishings in Hong Kong, we are pleased to extend the reach of the TREE brand into the US and China.

On behalf of the Board, we would like to thank all TREE staff members, our suppliers, partners and, of course, our customers for their continuous support of TREE.

Tong Tang Joseph
Chairman and Chief Executive Officer
24 June 2020

未來

在撰寫本報告之時，香港政治及社會動蕩仍未平息，社會仍在力抗COVID-19。業內繼續面對香港零售市場競爭激烈，消費信心及消費市道積弱不振的挑戰。然而，我們將繼續把握增長機會增強競爭優勢。例如，COVID-19爆發令本集團內省出電子商貿作為「遙距」收益增長來源的重要性，因而專注於加強網上購物平台業務。

旗下銷售團隊正致力重振意大利傢俱業務，並樂見意大利正從COVID-19危機中逐漸恢復。

謝辭

TREE品牌在香港建立，經過過去十五年用心服務、誠實經營，現已成為香港雅緻優質家飾傢俱品牌，備受用家愛戴和信賴，我們為此深感自豪，並樂見TREE品牌拓展至美國及中國。

我們謹代表董事會，感謝TREE全體員工、供應商、合作夥伴及客戶對TREE一直鼎力支持。

唐登
主席兼行政總裁
2020年6月24日

BUSINESS REVIEW

Headquartered in Hong Kong and operating under the brand name "TREE", we engage in (i) the sale and distribution of furniture and home accessories; (ii) the distribution and licencing of our intellectual property rights; (iii) the operation of TREE Café in our flagship store in Ap Lei Chau (the "**Flagship Store**"); (iv) consignment sales of home accessories and furniture agency services; (v) the provision of styling and consulting services and (vi) provision of furniture rental business. We offer a variety of (i) furniture including tables, chairs, storage solutions, sofas and beds; and (ii) home accessories including kitchenware, bed and bathroom related products, jars, cushions, mattresses, utensils and baskets. In addition, we acquired, Hong Kong Italiving International Company Limited ("**HK Italiving**") in December 2018, and it is principally engaged in the provision of furniture agency service. Furthermore, a subsidiary, Shanghai Italiving International Co., Ltd. ("**Shanghai Italiving**"), was incorporated in July 2019.

As at the date of this report, we operated three "TREE" retail stores in Hong Kong namely, our Flagship Store, our Sha Tin store, and our Yuen Long store which we opened in May 2018. We have commercial online sales since May 2019.

During the year ended 31 March 2020, we generated revenue from the (i) sale of furniture and home accessories; (ii) distribution and license fee income; (iii) operation of TREE Café; (iv) consignment sales of home accessories and furniture agency service; and (v) provision of styling and consulting services. The table below sets forth a breakdown of our revenue for the years ended 31 March 2020 and 2019:

業務回顧

我們的總部位於香港，以「TREE」品牌名稱經營業務，從事(i)傢俱及家居配飾銷售及分銷；(ii)使用知識產權分銷及許可；(iii)在鴨脷洲的旗艦店(「**旗艦店**」)內經營TREE Café；(iv)家居配飾寄售及傢俱代理服務；(v)提供設計及諮詢服務及(vi)提供傢俱租賃業務。我們提供多種(i)傢俱，包括桌椅、收納解決方案、沙發及床；及(ii)家居配飾，包括廚房用品、床及浴室相關產品、罐子、靠墊、床墊、餐具及籃子。此外，我們於2018年12月收購香港意享世家國際貿易有限公司(「**香港意享世家**」)，其主要從事提供傢俱代理服務。此外，附屬公司上海意塔美致貿易有限公司(「**上海意塔美致**」)於2019年7月註冊成立。

於本報告日期，我們於香港經營三間「TREE」零售店，即旗艦店、沙田店及於2018年5月開設的元朗店。我們於2019年5月開展網上銷售。

於截至2020年3月31日止年度，我們的收益來自(i)傢俱及家居配飾銷售；(ii)分銷及許可權費收入；(iii)經營TREE Café；(iv)家居配飾寄售及傢俱代理服務；及(v)提供設計及諮詢服務。下表載列我們截至2020年及2019年12月31日止年度的收益明細：

		Year ended 31 March 截至3月31日止年度	
		2020	2019
		2020年	2019年
		HK$'000	HK$'000
		千港元	千港元
Sale of furniture and home accessories	銷售傢俱及家居配飾	**70,721**	73,296
Distribution and license fee income	分銷及許可權費收入	**3,286**	3,432
Food and beverage income	食品及飲品收入	**2,611**	2,818
Commission income	佣金收入	**13,616**	2,822
Consulting income	諮詢收入	**869**	3,040
		91,103	85,408

For the year ended 31 March 2020 ("**FY2020**"), our revenue amounted to approximately HK$91.1 million, representing an increase of approximately HK$5.7 million or 6.7% from approximately HK$85.4 million for year ended 31 March 2019 ("**FY2019**"). Such increase was mainly attributable to the increase in the commission income, partly offset by the decrease in sale of furniture and home accessories and consulting income.

截至2020年3月31日止年度(「**2020財政年度**」)，我們的收益約為91.1百萬港元，較截至2019年3月31日止年度(「**2019財政年度**」)約85.4百萬港元增加約5.7百萬港元或6.7%，主要是源於佣金收入增加，惟部分因傢俱及家居配飾銷售以及諮詢收入減少而被抵銷。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

Sale of furniture and home accessories

TREE primarily sells its products to (i) retail customers who visited our retail stores, being the Direct Sales; and (ii) our distributor in the PRC, being the Distribution Sales. The following table sets forth a breakdown of our sale of furniture and home accessories by the Direct Sales and Distribution Sales for FY2020 and FY2019, respectively.

銷售傢俱及家居配飾

TREE主要將產品售予(i)光顧我們零售店的零售客戶，即直接銷售；及(ii)我們的中國分銷商，即分銷銷售。下表載列2020財政年度及2019財政年度按直接銷售及分銷銷售劃分的傢俱及家居配飾銷售明細：

		2020 **2020年**		2019 2019年	
		Revenue **收益** **HK$'000** **千港元**	**% of total revenue from sale of furniture and home accessories** **佔銷售傢俱及家居配飾總收益的百分比** **%** **百分比**	Revenue 收益 HK$'000 千港元	% of total revenue from sale of furniture and home accessories 佔銷售傢俱及家居配飾總收益的百分比 % 百分比
Direct Sales	**直接銷售**				
Flagship Store	旗艦店	**50,875**	**71.9**	52,410	71.5
Sai Kung store[1]	西貢店[1]	**—**	**—**	1,117	1.5
Yuen Long store[2]	元朗店[2]	**2,713**	**3.8**	3,009	4.1
Sha Tin store	沙田店	**11,840**	**16.7**	15,026	20.5
Online sales[3]	網上銷售[3]	**3,582**	**5.1**	—	—
Sub-total	**小計**	**69,010**	**97.6**	71,562	97.6
Distribution Sales	**分銷銷售**	**1,711**	**2.4**	1,734	2.4
Total	**總計**	**70,721**	**100.0**	73,296	100.0

Notes:

(1) Our Sai Kung store ceased operations in May 2018.

(2) Our Yuen Long store commenced operations in May 2018.

(3) Our Online sales launched in May 2019.

附註：

(1) 西貢店於2018年5月停止營業。

(2) 元朗店於2018年5月開始營業。

(3) 網上銷售於2019年5月推出。

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For FY2020, revenue generated from the Direct Sales maintained at approximately HK$69.0 million, representing a slight decrease of approximately HK$2.6 million or 3.6% from approximately HK$71.6 million for FY2019.

2020財政年度的直接銷售所得收益維持於約69.0百萬港元，較2019財政年度約71.6百萬港元微跌約2.6百萬港元或3.6%。

For FY2020, revenue generated from the Distribution Sales amounted to approximately HK$1.7 million, which remains stable as compared to FY2019.

2020財政年度的分銷銷售所得收益約為1.7百萬港元，與2019財政年度相比維持穩定。

Distribution and license fee income

We entered into distribution agreements with our PRC distributor, and we are entitled to receive annual non-refundable fees of HK$2.4 million and HK$0.8 million from our PRC distributor for the distribution of our products in Beijing and Hainan province, the PRC, respectively.

分銷及許可權費收入

我們與中國分銷商訂立多份分銷協議，並有權就於中國北京市及海南省分銷產品向中國分銷商分別收取2.4百萬港元及0.8百萬港元的不可退還年度費用。

We entered into licence agreements with American Tree, Ltd. ("**American Tree**"), pursuant to which, we granted an exclusive licence to American Tree to use certain trademarks and intellectual property of our Group in the United States and Canada for a term of three years from the Listing on 25 January 2018, for a license fee based on the revenue of American Tree. We recognised license fee income of approximately HK$86,000 from American Tree for FY2020 and HK$0.2 million in FY2019.

我們與American Tree, Ltd.(「**American Tree**」)訂立多份許可協議，據此，我們向American Tree授出一項可於美國及加拿大使用本集團若干商標及知識產權的獨家許可權，自2018年1月25日上市起為期三年，並基於American Tree的收益收取許可權費。我們於2020財政年度自American Tree確認許可權費收入約86,000港元，而2019財政年度則確認0.2百萬港元。

Our distribution and license fee income was approximately HK$3.3 million for FY2020 and HK$3.4 million for FY2019, respectively, representing approximately 3.6% and 4.0% of our total revenue for FY2020 and FY2019, respectively.

2020財政年度及2019財政年度，我們的分銷及許可權費收入分別約為3.3百萬港元及3.4百萬港元，分別佔2020財政年度及2019財政年度的總收益約3.6%及4.0%。

Food and beverage income

Our food and beverage income generated from operating TREE Café in our Flagship Store was approximately HK$2.6 million and HK$2.8 million for FY2020 and FY2019, respectively. The decrease was mainly due to less customers as a result of the outbreak of the COVID-19 since December 2019.

食品及飲品收入

2020財政年度及2019財政年度，於我們的旗艦店內經營TREE Café產生的食品及飲品收入分別約為2.6百萬港元及2.8百萬港元。該跌幅主要是源於自2019年12月以來爆發COVID-19令客戶減少。

Commission income

Our commission income comprised income generated from (i) the furniture agency service by HK Italiving and (ii) the sales of consignment goods. The increase of approximately HK$10.8 million was mainly contributed by HK Italiving, which was acquired in December 2018.

佣金收入

我們的佣金收入包括下列項目產生的收入：(i)香港意享世家的傢俱代理服務；及(ii)銷售寄售貨品。約10.8百萬港元的增長主要來自於2018年12月收購的香港意享世家。

Consulting income

Our consulting income comprised income generated from providing styling ideas, advising on furniture to be used and conducting site visits and sourcing trips for projects. During FY2020, the Group provided less styling and consulting services in relation to Hong Kong residential show flats as compared to FY2019.

諮詢收入

我們的諮詢收入包括為項目提供設計創意、就將予使用的傢俱提供意見以及出差進行實地考察及採購所產生的收入。於2020財政年度，本集團相比2019財政年度向香港住宅物業展銷廳提供較少設計及諮詢服務。

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FINANCIAL REVIEW
Revenue
The Group's revenue increased to approximately HK$91.1 million for FY2020 from approximately HK$85.4 million for FY2019, representing a growth of approximately 6.7%. Such increase was mainly due to the increase in the commission income generated from HK Italiving for providing furniture agency service in FY2020 as compared to FY2019.

Gross profit and gross profit margin
Our overall gross profit increased to approximately HK$65.3 million for FY2020 from approximately HK$57.9 million for FY2019. Our overall gross profit margin improved to approximately 71.6% for FY2020 from approximately 67.8% for FY2019.

Our gross profit margin for the sale of furniture and home accessories remained stable at approximately 66.7% for FY2020 and approximately 66.5% for FY2019, the gross profit margin remained relatively stable. Our gross profit margin for the Distribution Sales was approximately 50.0% for FY2019 and approximately 50.1% for FY2020, which remained relatively stable.

Our gross profit margin for the sale of food and beverages remained relatively stable at approximately 64.3% for FY2020 and approximately 64.0% for FY2019.

Selling and marketing expenses
Our selling and marketing expenses comprise (i) rental payments and depreciation of right-of-use assets; (ii) staff costs attributable to the salary of our staff engaged in sales and marketing activities; (iii) marketing expenses; (iv) payment gateway charges attributable to fees for our payment channels such as credit cards or EPS; and (v) electricity and water expenses.

Our selling and marketing expenses amounted to approximately HK$33.7 million for FY2020, representing a decrease of approximately HK$3.3 million or approximately 9.0% from approximately HK$37.0 million for FY2019. Such decrease was mainly due to the decrease in staff costs resulting from the decrease in bonus to salespersons for FY2020.

財務回顧
收益
本集團的收益由2019財政年度約85.4百萬港元增至2020財政年度約91.1百萬港元，增長約6.7%，主要是由於相比2019財政年度，香港意享世家於2020財政年度提供傢俱代理服務所產生的佣金收入增加。

毛利及毛利率
我們的整體毛利由2019財政年度約57.9百萬港元增至2020財政年度約65.3百萬港元。我們的整體毛利率由2019財政年度約67.8%改善至2020財政年度約71.6%。

我們銷售傢俱及家居配飾的毛利率維持穩定，分別為2020財政年度約66.7%及2019財政年度約66.5%。毛利率維持相對穩定。我們分銷銷售的毛利率於2019財政年度約為50.0%，而2020財政年度則約為50.1%，維持相對穩定。

我們銷售食品及飲品的毛利率維持相對穩定，2020財政年度約為64.3%，而2019財政年度約為64.0%。

銷售及市場推廣開支
我們的銷售及市場推廣開支包括(i)租金及使用權資產折舊；(ii)我們從事銷售及市場推廣活動員工的薪金所佔的員工成本；(iii)市場推廣開支；(iv)由信用卡或易辦事等付款通道費用所引起的付款通道開支；及(v)水電開支。

2020財政年度，我們的銷售及市場推廣開支約為33.7百萬港元，較2019財政年度約37.0百萬港元減少約3.3百萬港元或約9.0%，主要因2020財政年度銷售人員花紅減少令員工成本下降。

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Administrative expenses

Our administrative expenses comprised (i) staff costs for our administrative staff and Directors' emoluments; (ii) professional fees which included legal fees, consultancy fees and auditor's remuneration; (iii) travel expenses; (iv) office expenses; (v) depreciation of our property, plant and equipment, and amortisation of our intangible assets; (vi) repairs and maintenance for our trucks and retail stores; (vii) insurance expenses which included business insurance, vehicle insurance and medical insurance; (viii) recruitment expenses which included fees to the recruitment agents and advertisements on websites; (ix) bank charges; (x) handling fee; and (xi) others which included motor vehicle expenses, net foreign exchange losses and entertainment expenses.

For FY2020, our administrative expenses amounted to approximately HK$19.4 million, representing an increase of approximately HK$0.5 million or approximately 2.9% as compared to approximately HK$18.8 million for FY2019. Such increase was primarily due to the handling fee for the operation of HK Italiving acquired on December 2018, partially offset by the decrease in recruitment cost.

Fair value change on contingent consideration payable

Fair value change on contingent consideration payable amounted to HK$3.4 million is the fair value recognised in profit or loss on contingent consideration payable for FY2020.

The fair value of the contingent consideration payable may be affected by the post-acquisition performance of the HK Italiving. The fair value was determined by the management with reference to the valuation performed by an independent external valuer. We will assess the valuation of the contingent consideration payable annually, and there would be a potential fair value loss on the contingent consideration payable with a maximum exposure of HK$3.2 million for FY2021.

Finance costs

Finance costs mainly comprised interest expenses on interest-bearing borrowings and finance charges on lease liabilities. Finance costs were approximately HK$0.7 million and HK$0.3 million for FY2020 and FY2019, respectively. The increase was primarily due to the adoption of HKFRS 16 since 1 April 2019.

Income tax expense

Income tax expense for the Group increased to approximately HK$2.4 million for FY2020 from approximately HK$1.0 million for FY2019. The increase was mainly due to the increase in taxable profits.

行政開支

我們的行政開支包括(i)我們行政人員及董事酬金的員工成本；(ii)專業費用，包括法律費用、諮詢費及核數師酬金；(iii)差旅開支；(iv)辦公室開支；(v)物業、廠房及設備折舊以及無形資產攤銷；(vi)我們的卡車及零售店的維修及保養；(vii)保險開支，包括商業保險、車輛保險及醫療保險；(viii)招聘開支，包括招聘代理費及網站廣告費；(ix)銀行手續費；(x)處理費；及(xi)包括汽車開支、淨外匯虧損及應酬開支等的其他費用。

2020財政年度，我們的行政開支約為19.4百萬港元，較2019財政年度約18.8百萬港元增加約0.5百萬港元或約3.2%，主要是源於經營於2018年12月收購的香港意享世家的處理費，惟有關費用部分被招聘成本的跌幅抵銷。

應付或然代價的公允價值變動

2020財政年度，應付或然代價的公允價值變動3.4百萬港元為於損益就應付或然代價確認的公允價值。

應付或然代價的公允價值可能會受到香港意享世家的收購後表現的影響。公允價值由管理層參考獨立外部估值師進行的估值釐定。我們將每年評估應付或然代價的估值，而2021財政年度應付或然代價的潛在公允價值虧損可能會高達3.2百萬港元。

財務成本

財務成本主要包括計息借貸的利息開支及租賃負債的財務支出。2020財政年度及2019財政年度的財務成本分別約為0.7百萬港元及0.3百萬港元。財務成本增加主要是由於自2019年4月1日起採納香港財務報告準則第16號所致。

所得稅開支

本集團的所得稅開支由2019財政年度約1.0百萬港元增至2020財政年度約2.4百萬港元，主要是由於應課稅溢利增加所致。

Profit for the year

Our Group recorded an increase in profit by approximately 377.7% from approximately HK$1.1 million for FY2019 to approximately HK$5.2 million for FY2020.

年內溢利

本集團錄得溢利由2019財政年度約1.1百萬港元增加約377.7%至2020財政年度約5.2百萬港元。

KEY FINANCIAL POSITION ITEMS

Inventories

Our inventories consisted of finished goods and goods in transit which we purchased from our suppliers. The inventories balance decreased to HK$11.6 million as at 31 March 2020 from approximately HK$13.8 million as at 31 March 2019, which was mainly in line with the drop of the sales of furniture and home accessories.

主要財務狀況項目

存貨

我們的存貨包括我們向供應商購買的成品及在途貨品。存貨結餘由2019年3月31日約13.8百萬港元減至2020年3月31日的11.6百萬港元，大致與傢俱及家居配飾銷售額的減幅一致。

Trade and other receivables

Our trade receivables consisted of trade receivables from customers and payment vendors. As at 31 March 2020 and 2019, our trade receivables amounted to approximately HK$43.1 million and HK$24.7 million, respectively. The increase of approximately HK$18.4 million was mainly due to the increase in trade receivables of HK Italiving.

Our other receivables consisted of rental deposits, utilities deposits, trade deposits, prepayments, and prepayment to a related company. As at 31 March 2020 and 2019, our other receivables amounted to approximately HK$9.4 million and HK$11.0 million, respectively.

貿易及其他應收款項

我們的貿易應收款項包括來自客戶及支付服務供應商的貿易應收款項。於2020年及2019年3月31日，貿易應收款項分別約為43.1百萬港元及24.7百萬港元。增加約18.4百萬港元乃主要由於香港意享世家的貿易應收款項增加。

我們的其他應收款項包括租金按金、公用按金、貿易按金、預付款項及預付一間關聯公司款項。於2020年及2019年3月31日，其他應收款項分別約為9.4百萬港元及11.0百萬港元。

Bank balance and cash

Bank balance and cash include cash at bank and in hand. As at 31 March 2020 and 2019, our bank balance and cash amounted to approximately HK$16.8 million and HK$22.8 million, respectively. For the details of cash movement, please refer to the consolidated statement of cash flows on pages 86 to 87.

銀行結餘及現金

銀行結餘及現金包括於銀行及手頭的現金。於2020年及2019年3月31日，銀行結餘及現金分別約為16.8百萬港元及22.8百萬港元。有關現金變動的詳情，請參閱第86至87頁的綜合現金流量表。

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Trade and other payables

Our trade payables consisted of trade payables to suppliers in relation to the purchase of goods. There were no credit periods granted by our suppliers. As at 31 March 2020 and 2019, our trade payables amounted to approximately HK$7.3 million and HK$4.2 million, respectively.

Our other payables comprised accrued charges, consideration payable which represent the unpaid cash consideration for the acquisition of HK Italiving, and provision for long service payments. As at 31 March 2020 and 2019, our other payables amounted to approximately HK$15.5 million and HK$7.6 million, respectively. The increase was mainly due to the redesignation of contingent consideration payable as consideration payable of HK$12.3 million based on the audited results of HK Italiving for FY2019 which remained unpaid as at 31 March 2020.

Contract liabilities

Our contract liabilities mainly represented unrecognised revenue from customers where delivery of products is required and pending. As at 31 March 2020 and 2019, our contract liabilities amounted to approximately HK$4.7 million and HK$10.6 million, respectively. The decrease was mainly due to a drop in our retail sales during February and March 2020 as compared to the same period in 2019.

Bank borrowings

As at 31 March 2020 and 2019, our Group recorded bank borrowings of approximately HK$5.7 million and HK$0.5 million, respectively. The increase in bank borrowings was mainly due to the drawdown of a new bank facility granted to HK Italiving.

Lease liabilities/ Finance lease liabilities

As at 31 March 2020 and 2019, our Group recorded lease liabilities/ finance lease liabilities of approximately HK$20.2 million and HK$1.1 million, respectively. Such increase was due to the adoption of the HKFRS 16 "Leases" since 1 April 2019. Our Group recognised lease liabilities relating to leases which were previously classified as operating leases under HKAS 17 "Leases". As at 31 March 2020, our Group has entered into leases for warehouse, office, shop premises and motor vehicles.

貿易及其他應付款項

我們的貿易應付款項包括就購買貨品應付供應商的貿易款項。我們的供應商並無授出任何信貸期。於2020年及2019年3月31日，我們的貿易應付款項分別約為7.3百萬港元及4.2百萬港元。

我們的其他應付款項包括應計費用、應付代價(指收購香港意享世家的未付現金代價)及長期服務金撥備。於2020年及2019年3月31日，我們的其他應付款項分別約為15.5百萬港元及7.6百萬港元。其他應付款項增加主要是由於基於香港意享世家2019財政年度的經審核業績將應付或然代價12.3百萬港元重新指定為應付代價而該款項於2020年3月31日仍未支付。

合約負債

我們的合約負債主要指來自產品需要付運而有代發送的客戶的未確認收益。於2020年及2019年3月31日，我們的合約負債分別約為4.7百萬港元及10.6百萬港元。合約負債減少主要是由於2020年2月及3月的零售銷售較2019年同期下降所致。

銀行借貸

於2020年及2019年3月31日，本集團錄得銀行借貸分別約5.7百萬港元及0.5百萬港元。銀行借貸增加主要是由於提取香港意享世家獲授的新銀行融資所致。

租賃負債／融資租賃負債

於2020年及2019年3月31日，本集團錄得租賃負債／融資租賃負債分別約20.2百萬港元及1.1百萬港元。租賃負債／融資租賃負債增加乃由於自2019年4月1日起採納香港財務報告準則第16號「租賃」所致。本集團就之前根據香港會計準則第17號「租賃」分類為經營租賃的租賃確認租賃負債。於2020年3月31日，本集團已就倉庫、辦公室、店舖及汽車訂立多份租賃。

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LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2020, the Group had total assets of approximately HK$129.1 million, which is financed by total liabilities and Shareholders' equity of approximately HK$73.6 million and HK$55.5 million, respectively. The Group's current ratio at 31 March 2020 was approximately 1.8 compared to approximately 3.1 at 31 March 2019.

Gearing ratio

The gearing ratio of the Group as at 31 March 2020 was approximately 46.7% while as at 31 March 2019 was approximately 3.2%. The gearing ratio increased significantly as a result of the increased bank borrowings and the adoption of HKFRS 16 during FY2020.

The gearing ratio is calculated based on the total interest-bearing borrowings and lease/finance lease liabilities divided by total equity at each reporting date.

Capital expenditure

Total capital expenditure for FY2020 was approximately HK$0.6 million, which was mainly used for the purchase of furniture and fixtures and leasehold improvements.

Contingent liabilities

As at 31 March 2020, there were no significant contingent liabilities for the Group.

Commitments

As at 31 March 2020, the Group has no operating lease commitments (2019: HK$13.7 million).

As at 31 March 2020, there were no capital commitments of the Group related to purchase of property, plant and equipment (2019: Nil).

Charges on Group assets

As at 31 March 2020, right of use assets with net book value of approximately HK$20.5 million were held under lease arrangements (2019: motor vehicles with net book value of approximately HK$1.1 million were held under finance leases).

Segment information

Segment information is presented for the Group as disclosed on Note 4 to the consolidated financial statements.

流動資金及財務資源

於2020年3月31日，本集團的總資產約為129.1百萬港元，乃以總負債及股東權益分別約73.6百萬港元及55.5百萬港元撥支。本集團於2020年3月31日的流動比率約為1.8，而於2019年3月31日則約為3.1。

資產負債比率

於2020年3月31日，本集團的資產負債比率約為46.7%，而於2019年3月31日則約為3.2%。資產負債比率大幅上升是由於2020財政年度內銀行借貸上升及採納香港財務報告準則第16號。

資本負債比率基於各報告日的計息借貸總額及租賃／融資租賃負債除以權益總額計算。

資本開支

2020財政年度的資本開支總額約為0.6百萬港元，主要用於購買傢俱及固定裝置以及租賃物業裝修。

或然負債

於2020年3月31日，本集團並無重大或然負債。

承擔

於2020年3月31日，本集團並無經營租賃承擔（2019年：13.7百萬港元）。

於2020年3月31日，本集團並無與購買物業、廠房及設備有關的資本承擔（2019年：無）。

本集團資產押記

於2020年3月31日，賬面淨值約20.5百萬港元的使用權資產乃根據租賃安排持有（2019年：賬面淨值約1.1百萬港元的汽車乃根據融資租賃持有）。

分部資料

就本集團呈列的分部資料於綜合財務報表附註4披露。

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CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 25 January 2018. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2020, the Company's issued share capital was HK$15,840,000 and the number of its issued ordinary shares was 1,584,000,000 of HK$0.01 each.

資本架構

本公司股份於2018年1月25日在聯交所GEM成功上市。自此，本集團的資本架構並無變動。本集團的股本僅包括普通股。

於2020年3月31日，本公司的已發行股本為15,840,000港元，已發行普通股數目為1,584,000,000股，每股面值0.01港元。

DIVIDENDS

The Board does not recommend the payment of a final dividend for FY2020 (FY2019: Nil).

股息

董事會不建議派付2020財政年度末期股息(2019財政年度：無)。

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no significant investments, material acquisitions or disposals of subsidiaries and associated companies during FY2020.

主要投資、重大收購或出售附屬公司及聯營公司

於2020財政年度並無主要投資、重大收購或出售附屬公司及聯營公司。

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed herein, the Group did not have any concrete plan for material investments or capital assets for the coming year.

重大投資及資本資產的未來計劃

除本文所披露者外，本集團於來年並無任何有關重大投資或資本資產的具體計劃。

PRINCIPAL RISKS AND UNCERTAINTIES

In the course of conducting business, our Group is exposed to various types of risks, including operational risks, credit risks, liquidity risk and interest rate risks. Our Group has established a set of risk management policies and measures to identify, evaluate and manage risks arising from our operations.

The followings set out some of the primary operational risks our Group faces that may materially and adversely affect our Group's business, financial condition and results of operation and our risk management measures:

1. Risk of remaining competitive in a highly fragmented and competitive market

The lifestyle furniture and home furnishing market is highly fragmented and competitive with low barriers to entry, and there are no specific market leaders. Our competitors may have greater financial, marketing, personnel and other relevant resources compared to us. In particular, the pricing strategies implemented by our competitors may affect the pricing of our products. If our competitors significantly reduce their product prices, we may have to reduce our selling prices or engage in further marketing to remain competitive. This would likely reduce our revenue and profitability.

主要風險及不確定因素

在進行業務的過程中，本集團會面對各種風險，包括經營風險、信貸風險、流動性風險及利率風險。本集團已建立一套風險管理政策及措施，以識別、評估及管理因營運而產生的風險。

下文載列本集團面對而可能對本集團業務、財務狀況及經營業績造成重大不利影響的部分主要經營風險及風險管理措施：

1. 於高度分散且競爭激烈的市場保持競爭力的風險

生活時尚傢俱及家飾市場高度分散且競爭激烈，進入門檻低，市場中並無明確的市場領先者。與我們相比，我們的競爭對手可能擁有更多財務、市場推廣、人員及其他相關資源。尤其是，競爭對手實行的定價策略或會影響我們產品的定價。倘競爭對手大幅降低其產品價格，則我們可能不得不降低售價或進行進一步市場推廣以保持競爭力，而這可能會削減我們的收益及盈利能力。

2. Risk of dependent on the shift in customer's tastes and preferences

Due to the nature of the furniture retail industry, the customers generally purchase our products on an infrequent basis. Apart from the PRC distributor, there is no purchase commitments from our customers and there is no obligation for them to purchase any products from us in the future. There is a risk that we may not be able to attract new customers or existing customers to purchase our products if we fail to successfully track changing customers tastes and preferences and market trends.

3. Risk of failure in expanding sales network to new locations in Hong Kong or through online platform

It may take longer than expected for the new stores to reach breakeven or achieve investment payback, if at all. There is no guarantee that we will execute our expansion plans according to business strategies in the prospectus of the Company dated 12 January 2018 (the "**Prospectus**") successfully, or that we will be able to attract more customers from our expansion. If we fail to execute our expansion plans, our operations and results of operations will be materially and adversely affected.

4. Risk of not entering into any long-term contracts with our major suppliers

We rely on our major suppliers to supply products to us and we do not have any long-term contracts with these suppliers. As such, we are exposed to the risks such as unexpected price fluctuation, shortage of supply of products, failure to meet our agreed delivery time and refusal to supply products. In such case, we would have to look for alternative suppliers and we may not be able to do so in a timely manner and/or at a similar price with comparable quality. Further, if we fail to replace our major suppliers when our business relationship is disrupted or terminated, we may face a shortage in supply of certain products and our business and results of operations may be adversely affected as a result.

The Group is also exposed to a variety of financial risks which comprise credit risk, liquidity risk and interest rate risk.

2. 倚賴客戶品味及喜好轉變的風險

由於傢俱零售行業的性質使然，客戶一般不經常購買我們的產品。除中國分銷商以外，我們並無客戶的購買承諾且彼等並無責任日後向我們購買任何產品。倘我們未能成功緊跟不斷變化的客戶品味及喜好以及市場趨勢，則面對我們可能無法吸引新客戶或現有客戶購買產品的風險。

3. 無法將銷售網絡擴大至香港的新地點或透過網上平台擴大銷售網絡的風險

新店要達到收支平衡或實現投資回本可能需要比預期更長的時間或根本無法達到收支平衡或實現投資回本。概不保證我們將根據本公司日期為2018年1月12日的招股章程(「**招股章程**」)內的業務策略成功執行擴張計劃，或我們將能透過擴張吸引更多客戶。倘我們未能執行擴張計劃，則我們的營運及經營業績將受到重大不利影響。

4. 並無與主要供應商訂立任何長期合約的風險

我們倚賴主要供應商向我們供應產品，且並未與該等供應商訂立任何長期合約。因此，我們面對意外價格波動、產品供應不足、未能滿足約定交付時間及拒絕供應產品等風險。在此情況下，我們須尋找替代供應商，而我們可能無法及時及／或按相若價格找到品質相若的替代供應商。此外，當我們的業務關係中斷或終止時，倘我們未能替換主要供應商，則我們可能面對若干產品供應不足的情況。因此，我們的業務及經營業績或會受到不利影響。

本集團亦面對各種財務風險，包括信貸風險、流動性風險及利率風險。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

FOREIGN CURRENCY RISK

As our Group's revenue and expenses are mainly denominated in HK$ and most of our Group's assets and liabilities are denominated in HK$, which is our functional currency, except for certain overseas purchases, bank balances, bank borrowings which are denominated in Euro or USD. During FY2020, the Group has net exchange loss of approximately HK$0.8 million (FY2019: approximately HK$0.1 million).

外幣風險

除若干海外採購、銀行結餘、銀行借貸以歐元或美元計值外，本集團的收益及開支主要以港元計值，且本集團大部分資產及負債以我們的功能貨幣港元計值。於2020財政年度，本集團的匯兑虧損淨額約為0.8百萬港元(2019財政年度：約0.1百萬港元)。

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2020, the Group had a total of 73 employees. Total staff costs, (including Directors' emoluments) of approximately HK$21.9 million for FY2020 (FY2019: approximately HK$24.1 million).

The Group's remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market conditions. We have also adopted the share option scheme which is designed to provide incentives and rewards to our employees.

僱員及薪酬政策

於2020年3月31日，本集團共有73名僱員。2020財政年度的員工成本總額(包括董事酬金)約為21.9百萬港元(2019財政年度：約24.1百萬港元)。

本集團的薪酬政策乃參照個別僱員表現、資歷及經驗以及本集團業績及市況而釐定。我們亦已採納旨在為僱員提供獎勵及報酬的購股權計劃。

SIGNIFICANT INVESTMENTS HELD

Except for investments in subsidiaries, the Group did not hold any significant investments during FY2020.

所持重大投資

除於附屬公司投資外，於2020財政年度，本集團並無持有任何重大投資。

FUTURE PROSPECTS

This forthcoming financial year will continue to be challenging as retail market conditions remain competitive and weak consumer confidence and spending in Hong Kong prevails while impacted by the outbreak of the COVID-19. These factors will continue to impact our performance adversely for the forthcoming year. In addition to running our three TREE retail stores in Hong Kong, the management recognises the need to expand our revenue streams. The Group has already seen growth in additional opportunities in styling and consulting services and will continue to focus on the development of this area of the business. The Group has also launched our e-commerce store which enables the opportunity to auto-generate sales 24/7, in addition to establishing a new furniture rental business, with the view to becoming a key player in this sector. Both of these ventures are important developments, and investments, by which the business can enjoy sustainable growth.

The Group has also strengthened its income base and expended the products offered within its portfolio by providing furniture agency services for furniture imported from Italy, primarily to customers in the PRC. The Group continues to look for ways to provide comprehensive services to customers in Hong Kong and the PRC.

未來前景

由於零售市況仍競爭激烈，香港消費者信心及開支疲弱，加上COVID-19爆發的影響，故未來財政年度將繼續充滿挑戰。此等因素將於未來一年繼續影響我們的表現。除在香港經營三家TREE零售店外，管理層瞭解到擴大我們收益流的需要。本集團在設計及諮詢服務方面已看到更多增長機遇，並將繼續專注於該業務領域的發展。本集團亦已推出我們的電子商務店，使其有機會全天候自動產生銷售，除建立新的傢俱租賃業務外，我們期望成為該行業的主要參與者。該兩項風險投資均為重要的發展及投資，藉此業務可取得可持續增長。

本集團亦通過為從意大利進口傢俱(主要向中國客戶)提供傢俱代理服務，加強收入基礎，並擴大產品組合。本集團繼續尋找為香港及中國客戶提供全面服務的途徑。

USE OF PROCEEDS

The net proceeds from the Listing in January 2018, after deducting the underwriting fees, the Stock Exchange trading fee and the Securities and Futures Commission of Hong Kong (the "**SFC**") transaction levy and other listing-related expenses in connection with the Share Offer, were approximately HK$20.3 million.

The actual net proceeds from the issue of new shares of the Company under the Share Offer was different from the estimated net proceeds of approximately HK$22.7 million as set out in the Prospectus. The Group adjusted the use of proceeds in the same manner and in the same proportion as shown in the Prospectus, which is (i) approximately 71.5% of the total actual net proceeds, or approximately HK$14.5 million will be used to expand our sales network, (ii) approximately 10.1% of the total actual net proceeds, or approximately HK$2.1 million, will be used to promote and strengthen brand image and recognition, (iii) approximately 9.1% of the total actual net proceeds, or approximately HK$1.8 million, will be used to enhance our styling and consulting services and distribution sales, and (iv) approximately 9.3% of the total actual net proceeds, or approximately HK$1.9 million, will be used to enhance operational efficiencies.

During the period from the Listing Date to 31 March 2020, the Group has utilised HK$12.3 million, or 60.6% of the actual net proceeds from the Listing for the staff costs of an interior designer; the establishment of an e-commerce platform; the enhancement of the POS system; and for the leasehold improvement, marketing, deposit and rental of the Yuen Long store opened in May 2018.

As disclosed in our Group's announcement dated 19 June 2020, the Board resolved to change the use of unutilised net proceeds. The revised proposed change of use of the unutilised net proceeds would be for the settlement of the future consideration payable in relation to the acquisition HK Italiving, which was completed on 31 December 2018.

For details, please refer to the announcement of our Group dated 19 June 2020.

所得款項用途

於2018年1月上市的所得款項淨額(經扣除包銷費、聯交所交易費及香港證券及期貨事務監察委員會(「**證監會**」)交易徵費以及有關股份發售的其他上市相關開支後)約為20.3百萬港元。

本公司根據股份發售發行新股份的實際所得款項淨額與招股章程所載的估計所得款項淨額約22.7百萬港元有所不同。本集團已按招股章程所示方式及比例調整所得款項用途,即(i)全部實際所得款項淨額中約71.5%或約14.5百萬港元將用於擴大我們的銷售網絡;(ii)全部實際所得款項淨額中約10.1%或約2.1百萬港元將用於提升並加強品牌形象及知名度;(iii)全部實際所得款項淨額中約9.1%或約1.8百萬港元將用於改善我們的設計及諮詢服務以及分銷銷售工作;及(iv)全部實際所得款項淨額中約9.3%或約1.9百萬港元將用於提升營運效率。

於上市日期至2020年3月31日期間,本集團已動用上市實際所得款項淨額中12.3百萬港元或60.6%,用於僱用一名室內設計師的員工成本;建立電子商務平台;提升銷售點系統;以及於2018年5月開業的元朗店的租賃物業裝修、市場推廣、按金及租金。

誠如本集團日期為2020年6月19日的公告所披露,董事會議決更改未動用所得款項淨額的用途。經修訂建議更改未動用所得款項淨額用途為就收購香港意享世家(已於2018年12月31日完成)支付未來應付代價。

詳情請參閱本集團日期為2020年6月19日的公告。

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Tong Tang Joseph (唐登), aged 60, is our Chairman, Chief Executive Officer our Executive Director and the Chairman of the Nomination Committee. He was appointed as our Director on 22 April 2016 and designated as our Chairman and Non-Executive Director on 6 September 2016 and re-designated as a Chairman, a Chief Executive Officer and Executive Director of the Company on 1 August 2019. He is also a Director of TREE Limited. He is responsible for supporting our Group on a strategic level.

Mr. Tong has more than 30 years of experience in the financial industry. Mr. Tong was an Executive Director of Sun Hung Kai & Co. Limited (stock code: 86), a company listed on the Main Board of the Stock Exchange, from December 2003 to January 2016. He also held various senior positions at Sun Hung Kai & Co. Limited from December 2004 to January 2016 such as the Chief Executive Officer of its wealth management, brokerage and capital markets and the Chief Executive Officer of its capital markets and institutional brokerage. Mr. Tong was also a Director of Bali International Finance Limited (now known as Sun Hung Kai Structured Finance Limited) from March 2004 to January 2016. From July 2013 to July 2016, he was an Independent Non-Executive Director of Carry Wealth Holdings Limited (stock code: 643), a company listed on the Main Board of the Stock Exchange.

Mr. Tong was a Non-Executive Director and the Chairman of the Nomination Committee of Mason Group Holdings Limited (stock code: 273), a company listed on the Main Board of the Stock Exchange, from April 2016 to January 2018. He was Chairman of the Board of Directors of Mason Group Holdings Limited from April 2016 to September 2016, and Joint Chairman from September 2016 to January 2018. He was also a substantial shareholder of Mason Group Holdings Limited from May 2016 to December 2017. Mr. Tong was also an Independent Director of Jih Sun Financial Holdings Company Limited (stock code: 5820), the shares of which are listed on the Taipei Exchange in Taiwan, between 2009 and June 2019.

Mr. Tong obtained a degree of Bachelor of Social Sciences (Honours) from the University of Hong Kong in November 1982 and a degree of Master of Business Administration from The Chinese University of Hong Kong in October 1988. He was admitted as a member of the Association of Chartered Certified Accountants in November 2000 and advanced to fellowship status in November 2005.

執行董事

唐登先生，60歲，為我們的主席、行政總裁、執行董事兼提名委員會主席。彼於2016年4月22日獲委任為董事，於2016年9月6日獲任命為主席及非執行董事並於2019年8月1日調任本公司主席、行政總裁及執行董事。彼亦為大樹有限公司的董事。彼負責於策略層面支持本集團。

唐先生積逾30年的金融業經驗。唐先生於2003年12月至2016年1月擔任新鴻基有限公司(股份代號：86，一間於聯交所主板上市的公司)的執行董事。彼亦於2004年12月至2016年1月擔任新鴻基有限公司數個要職，如財富管理、經紀業務及資本市場行政總裁，以及資本市場及機構經紀業務行政總裁。唐先生於2004年3月至2016年1月亦擔任百達利財務有限公司(現稱新鴻基結構融資有限公司)的董事。於2013年7月至2016年7月，彼亦擔任恒富控股有限公司(股份代號：643，一間於聯交所主板上市的公司)的獨立非執行董事。

唐先生於2016年4月至2018年1月擔任茂宸集團控股有限公司(股份代號：273，一間於聯交所主板上市的公司)的非執行董事兼提名委員會主席。彼於2016年4月至2016年9月為茂宸集團控股有限公司的董事會主席及於2016年9月至2018年1月為聯席主席。彼亦於2016年5月至2017年12月為茂宸集團控股有限公司的主要股東。於2009年至2019年6月，唐先生亦擔任日盛金融控股股份有限公司(股份代號：5820，其股份於台灣證券櫃檯買賣中心掛牌)的獨立董事。

唐先生於1982年11月獲得香港大學社會科學榮譽學士學位，並於1988年10月獲得香港中文大學工商管理碩士學位。彼於2000年11月獲認可為英國特許公認會計師公會的會員及於2005年11月晉升為資深會員。

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Ms. Mary Kathleen Babington, aged 49, is our Executive Director, Managing Director and a member of our Nomination Committee. She was appointed as one of our Directors on 9 March 2016, and designated as our Chief Executive Officer and Executive Director on 6 September 2016. From 1 August 2019, Mr. Tong Tang Joseph took over the Chief Executive Officer role on the board. She joined our Group in February 2010 as the Managing Director of TREE Limited and is also a Director of TREE Limited. Ms. Babington is responsible for the strategy of TREE Limited and for the implementation on an operational level, across all functions including but not limited to internal management, human resources, marketing, merchandising, sales and delivery.

Mary Kathleen Babington女士，49歲，為我們的執行董事、董事總經理兼提名委員會成員。彼於2016年3月9日獲委任為其中一名董事，並於2016年9月6日獲任命為行政總裁兼執行董事。由2019年8月1日起，唐登先生接掌董事會行政總裁一職。彼於2010年2月加入本集團，擔任大樹有限公司董事總經理，亦擔任大樹有限公司的董事。Babington女士負責制定大樹有限公司所有職能(包括但不限於內部管理、人力資源、市場推廣、採購、銷售及交付)策略並於操作層面實施該等策略。

Ms. Babington has more than 24 years of experience in the retail industry. From May 1993 to January 2010, Ms. Babington worked in The Body Shop International PLC.

Babington女士在零售行業積逾24年經驗。於1993年5月至2010年1月，Babington女士任職於The Body Shop International PLC。

In February 1993, Ms. Babington graduated from the University of Central Lancashire in the United Kingdom with a degree of Bachelor of Arts (Honours) in Business and Finance. In November 1996, she obtained a Certificate in Applied Professional Studies from the University of Brighton in the United Kingdom. She obtained a degree of Master of Arts in Marketing from the Kingston University in the United Kingdom in October 1998. In November 2003, Ms. Babington completed the social systems auditor/lead auditor training course provided by SGS Hong Kong Limited.

於1993年2月，Babington女士畢業於英國中央蘭開夏大學(University of Central Lancashire)，取得工商及金融文學榮譽學士學位。於1996年11月，彼於英國布萊頓大學(University of Brighton)獲得應用型專業研究證書。彼於1998年10月獲得英國金斯頓大學(Kingston University)市場營銷學文學碩士學位。於2003年11月，Babington女士完成香港通用檢測認證有限公司提供的社會體系稽查師／總稽查師培訓課程。

Ms. Babington became an Associate (corporate) of the Chartered Institute of Marketing in the United Kingdom in December 1996. She was also admitted as a Member of the Chartered Institute of Marketing in the United Kingdom in November 1998.

於1996年12月，Babington女士成為英國特許市務學會會員(法人)。彼亦於1998年11月獲英國特許市務學會認可為會員。

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Mr. Tsui Wing Tak (徐穎德), aged 38, is our Executive Director, a member of our Remuneration Committee and our Compliance Officer. He was appointed as our Director on 9 March 2016 and designated as our Executive Director on 6 September 2016. He joined our Group in June 2015 as a Director of Tree Limited. Mr. Tsui is responsible for managing the financial matters of our Group.

徐穎德先生，38歲，為我們的執行董事、薪酬委員會成員兼合規主任。彼於2016年3月9日獲委任為我們的董事，並於2016年9月6日獲任命為執行董事。彼於2015年6月加入本集團，擔任大樹有限公司的董事。徐先生負責管理本集團的財務事宜。

Mr. Tsui has more than 15 years of experience in the accounting and corporate field. Mr. Tsui has been the Chief Executive Officer of AE Majoris Advisory Company Limited which is principally engaged in the provision of corporate advisory services, since January 2012. He was the Company Secretary of Noble House (China) Holdings Limited (now known as Zhonghua Gas Holdings Limited) (stock code: 8246), a company listed on GEM, from July 2013 to August 2014. From August 2004 to January 2012, Mr. Tsui worked in an international accounting firm in Hong Kong with his last position as a Manager in auditing. Mr. Tsui was a Non-Executive Director of CCT Land Holdings Limited (stock code: 261), a company listed on the Main Board of the Stock Exchange, from January 2017 to April 2018. Mr. Tsui has been the Company Secretary of Ching Lee Holdings Limited (stock code: 3728), a company listed on the Main Board of the Stock Exchange, since 14 August 2017. Mr. Tsui has been the Non-Executive Director and Company Secretary of Jiu Zun Digital Interactive Entertainment Group Holdings Limited (stock code: 1961), a company listed on the Main Board of the Stock Exchange, since February 2019.

徐先生於會計及企業領域積逾15年經驗。徐先生自2012年1月起擔任明大企業顧問有限公司的行政總裁，該公司主要從事提供企業諮詢服務。彼於2013年7月至2014年8月擔任名軒(中國)控股有限公司(現稱中華燃氣控股有限公司)(股份代號：8246，一間於GEM上市的公司)的公司秘書。於2004年8月至2012年1月，徐先生任職於香港一間國際會計師行，所出任的最後職位是審計經理。徐先生於2017年1月至2018年4月擔任中建置地集團有限公司(股份代號：261，一間於聯交所主板上市的公司)非執行董事。徐先生由2017年8月14日起一直擔任正利控股有限公司(股份代號：3728，一間於聯交所主板上市的公司)的公司秘書。徐先生由2019年2月起一直擔任九尊數字互娛集團控股有限公司(股份代號：1961，一間於聯交所主板上市的公司)非執行董事兼公司秘書。

Mr. Tsui was appointed by the Embassy of the Republic of the Uganda in Beijing as Honorary Trade, Tourism and Investment Consultant/Adviser on China (Hong Kong and Macau SAR) from November 2016 to June 2019.

徐先生獲烏干達共和國駐北京大使館委任為中國(香港及澳門特區)貿易、旅遊及投資榮譽顧問，任期由2016年11月起至2019年6月止。

Mr. Tsui was appointed as a member of the Chinese People's Political Consultative Conference of Qinzhou City in Guangxi Province in China since December 2019.

徐先生於2019年12月獲委任為中國廣西省欽州市中國人民政治協商會議的委員。

Mr. Tsui was appointed by the Ministry of Foreign Affairs and Regional Integration of the Republic of Ghana as Honorary Consul of Ghana in Hong Kong in March 2020.

徐先生於2020年3月獲加納共和國外交部委任為加納駐香港名譽領事。

Mr. Tsui graduated from The Hong Kong University of Science and Technology with a degree of Bachelor of Business Administration (Honours) in Accounting in November 2004. He was admitted as a Certified Public Accountant and a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants in January 2009 and January 2012, respectively.

徐先生於2004年11月畢業於香港科技大學，取得會計學工商管理榮譽學士學位。彼分別於2009年1月及2012年1月獲認可為香港會計師公會會計師及會計師(執業)。

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yeung Man Chung Charles (楊文忠), aged 52, was appointed as our Independent Non-Executive Director on 25 January 2018. He is also the Chairman of our Audit Committee and a member of our Remuneration Committee and Nomination Committee. He is responsible for giving independent advice to our Board.

Mr. Yeung has over 25 years of experience in accounting, auditing and financial management. Mr. Yeung has been the Chief Financial Officer and an Executive Director of GCL-Poly Energy Holdings Limited ("GCL-Poly") (stock code: 3800), a company listed on the Main Board of the Stock Exchange since May and September 2014, respectively, responsible for its financial management and control. He has also been the Company Secretary of GCL-Poly since March 2017. Since September 2015, Mr. Yeung has also been a Non-Executive Director of GCL New Energy Holdings Limited (stock code: 451), a company listed on the Main Board of the Stock Exchange. He is also a director of Millennial Lithium Corp., a company with its shares listed on the TSX Venture Exchange in Canada.

From May 1994 to March 2014, Mr. Yeung worked at Deloitte China with his last position being a Partner. From January 2008 to December 2008, Mr. Yeung was a part-time member of the Central Policy Unit of the Government of Hong Kong.

Mr. Yeung obtained a degree of Bachelor of Business with a major in Accounting from Edith Cowan University in Australia in February 1992. He was admitted as an associate and a certified practising accountant of the Australian Society of Certified Practising Accountants in February 1992 and January 1996, respectively. He was also admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in June 1996.

獨立非執行董事

楊文忠先生，52歲，於2018年1月25日獲委任為我們的獨立非執行董事。彼亦為審核委員會主席、薪酬委員會成員及提名委員會成員。彼負責向董事會提供獨立意見。

楊先生於會計、審計及財務管理領域積逾25年經驗。自2014年5月及9月起，楊先生先後擔任保利協鑫能源控股有限公司(「保利協鑫」)(股份代號：3800，一間於聯交所主板上市的公司)的首席財務官及執行董事，負責財務管理及控制。自2017年3月起，彼亦擔任保利協鑫的公司秘書。自2015年9月起，楊先生亦擔任協鑫新能源控股有限公司(股份代號：451，一間於聯交所主板上市的公司)的非執行董事。彼亦為Millennial Lithium Corp.(其股份於加拿大多倫多創業交易所(TSX Venture Exchange)上市)的董事。

於1994年5月至2014年3月，楊先生任職於德勤中國，最後出任職位為合夥人。於2008年1月至2008年12月，楊先生曾擔任香港政府中央政策組非全職顧問。

楊先生於1992年2月獲得澳洲埃迪斯科文大學(Edith Cowan University)工商學士學位，主修會計。彼於1992年2月及1996年1月先後獲認可為澳洲會計師公會會員及執業會計師。彼亦於1996年6月獲認可為香港會計師公會會計師。

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Mr. Tsang Wai Yin (曾偉賢), aged 59, was appointed as our Independent Non-Executive Director on 25 January 2018. He is also a member of our Audit Committee and Nomination committee. He is responsible for giving independent advice to our Board.

曾偉賢先生，59歲，於2018年1月25日獲委任為我們的獨立非執行董事。彼亦為審核委員會成員及提名委員會成員。彼負責向董事會提供獨立意見。

Mr. Tsang has extensive expertise in commercial building and interior architecture and has over 20 years of experience as a leader of design team in a broad variety of projects. Mr. Tsang has been a Director of AGC Design Limited since November 1999.

曾先生在商業樓宇及室內裝修方面擁有豐富的專業知識，並積逾20年在多類項目中擔任設計團隊領導的經驗。曾先生自1999年11月起出任創智建築師有限公司的董事。

Mr. Tsang graduated from the University of Hong Kong with a degree of Bachelor of Arts (Honours) in Architectural Studies in November 1982 and a degree of Bachelor of Architecture in November 1985. He also obtained a degree of Master of Business and Administration from the University of Toronto in Canada in June 1992.

曾先生畢業於香港大學，於1982年11月取得建築學文學榮譽學士學位，並於1985年11月取得建築學學士學位。彼亦於1992年6月獲得加拿大多倫多大學工商管理碩士學位。

Mr. Tsang was admitted as a member of the Hong Kong Institute of Architects and elected into membership of the Royal Institute of British Architects in December 1986 and July 1987, respectively. He was also admitted as a professional member of the Hong Kong Interior Design Association in 2001 and was a founding member of the World Association of Chinese Architects in April 2004. Mr. Tsang was accredited a PRC Class 1 Registered Architect of the National Administration Board of Architectural Registration (Qualification) in August 2004, and admitted as an APEC Architect by the Central Council of the Asia Pacific Economic Cooperation in December 2015. He currently holds the Certificate of Registration of Authorised Person (list of architects) issued by the Building Authority in Hong Kong and is a registered architect in Hong Kong.

曾先生於1986年12月及1987年7月先後獲認可為香港建築師學會會員並入選英國皇家建築師學會會員。彼亦於2001年獲認可為香港室內設計協會專業會員，並於2004年4月成為世界華人建築師協會的一名創辦成員。曾先生於2004年8月取得全國註冊建築師管理委員會的中國一級註冊建築師資質並於2015年12月獲亞太經濟合作組織中央理事會認可為亞太經合組織建築師。彼目前持有香港建築事務監督簽發之認可人士註冊證明書(建築師名單)並為香港註冊建築師。

Mr. Tsang is appointed by the Government of Hong Kong as a member of the Architects Registration Board for the period from May 2016 to May 2020. He was also appointed by the Government of Hong Kong as a member of the Contractors Registration Committee Panel from January 2004 to December 2008. He was a member of the Authorised Persons Registration Committee and the Authorised Persons Registration Committee Panel of the Buildings Department from January 2006 to December 2011, and an alternate member of the Advisory Committee of Barrier Free Access of the Buildings Department from July 2007 to July 2009.

曾先生於2016年5月至2020年5月期間由香港政府委任為建築師註冊管理局成員。彼於2004年1月至2008年12月亦由香港政府委任為承建商註冊事務委員團委員。彼於2006年1月至2011年12月獲認可為認可人士註冊事務委員會會員及屋宇署認可人士註冊事務委員會委員團成員，以及於2007年7月至2009年7月為屋宇署暢通無阻通道諮詢委員會候選委員。

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Mr. Sit Hoi Wah Kenneth (薛 海 華), aged 61, was appointed as our Independent Non-Executive Director on 25 January 2018. He is also the Chairman of our Remuneration Committee and a member of our Audit Committee and Nomination Committee. He is responsible for giving independent advice to our Board.

薛海華先生，61歲，於2018年1月25日獲委任為我們的獨立非執行董事，亦為薪酬委員會主席、審核委員會成員兼提名委員會成員。彼負責向我們的董事會提供獨立意見。

Mr. Sit has over 30 years of experience in the legal profession. He is a practicing solicitor and Notary Public in Hong Kong. Mr. Sit was the sole-proprietor of Kenneth Sit, Solicitors from October 2004 to October 2012, and has been the Managing Partner of that firm since October 2012. Mr. Sit has been an Independent Non-Executive Director of Pokfulam Development Company Limited (stock code: 225), a company listed on the Main Board of the Stock Exchange, since October 2005 and Zijin Mining Group Co., Ltd. (stock code: 2899 and 601899), a company dually listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, during 2013 to 2019.

薛先生於法律行業積逾30年經驗。彼為香港執業律師及法律公證人。薛先生於2004年10月至2012年10月乃薛海華律師行的獨資經營者，並自2012年10月起擔任該律師行的管理合夥人。薛先生自2005年10月起擔任博富臨置業有限公司(股份代號：225，一間於聯交所主板上市的公司)的獨立非執行董事，並於2013年至2019年間擔任紫金礦業集團股份有限公司(股份代號：2899及601899，一間於聯交所主板及上海證券交易所兩地上市的公司)的獨立非執行董事。

Mr. Sit graduated from the University of Hong Kong with a Bachelor of Laws (Honours) in 1980 and was awarded the Postgraduate Certificate in Laws by the University of Hong Kong in July 1981. He was admitted as a solicitor in Hong Kong in March 1983.

薛先生於1980年獲香港大學法律榮譽學士學位，並於1981年7月獲頒香港大學專業法學證書。彼於1983年3月獲許於香港擔任律師。

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

SENIOR MANAGEMENT

Mr. Kong Chi Tong (江致堂), aged 38, is the Senior Merchandiser of TREE Limited. He is responsible for product sourcing of TREE Limited.

Mr. Kong has over eight years of experience in merchandising. Before joining our Group in September 2011, he worked at a number of companies, including (i) OVO Limited from April 2006 to February 2008 as a Merchandiser; and (ii) Impact Creation Limited from July 2004 to January 2006 as an Assistant Merchandiser.

Mr. Kong obtained a degree of Associate of Arts in General Studies and a degree of Bachelor of Business Administration (Honours) in Business Management from the City University of Hong Kong in November 2003 and November 2005, respectively.

Ms. Tang Wai Chun Annie (鄧偉珍), aged 52, is the Personnel Officer of TREE Limited. She is responsible for the administration and human resources affairs of TREE Limited.

Ms. Tang has over 13 years of experience in administration, human resources and personnel management. Before joining our Group in March 2009, she worked at a number of companies, including (i) Café O Limited from April 2008 to March 2009 as a human resources Assistant, primarily responsible for human resources matters; (ii) Stanley's Restaurants for at least 6 years ending December 1996 as a Personnel and Administration Officer and a Personal Assistant to the Chief Executive and Directors, primarily responsible for updating and improving the personnel policies of the company, and dealing with all day-to-day personnel administration; and (iii) the Repulse Bay Restaurants from May 1989 to April 1990 as an Administration Coordinator, primarily responsible for all of the administration and personnel affairs of over 100 employees.

Ms. Tang obtained a Diploma in Hotel Management from Swiss Hotel & Catering Colleges in Switzerland in April 1988.

高級管理層

江致堂先生，38歲，為大樹有限公司的高級採購員。彼負責大樹有限公司產品採購。

江先生積逾八年的採購經驗。於2011年9月加入本集團之前，彼曾在多間公司任職，包括(i)於2006年4月至2008年2月擔任OVO Limited採購員；及(ii)於2004年7月至2006年1月擔任意栢有限公司助理採購員。

江先生於2003年11月及2005年11月分別獲得香港城市大學通識教育文科副學士學位及香港城市大學工商管理學工商管理榮譽學士學位。

鄧偉珍女士，52歲，為大樹有限公司的人事主管。彼負責大樹有限公司的行政及人力資源事宜。

鄧女士於行政、人力資源及人事管理方面積逾13年經驗。於2009年3月加入本集團之前，彼曾於數家公司任職，包括(i)於2008年4月至2009年3月擔任Café O Limited人力資源助理，主要負責人力資源事宜；(ii)截至1996年12月止至少六年期間擔任Stanley's Restaurants人事及行政主管兼行政總裁及董事的個人助理，主要負責更新及改善該公司的人事制度，並處理全部日常人事管理；及(iii)於1989年5月至1990年4月擔任淺水灣影灣園餐廳行政協調人，主要負責逾100名僱員的全部行政及人事事宜。

鄧女士於1988年4月獲得瑞士Swiss Hotel & Catering Colleges酒店管理文憑。

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

COMPANY SECRETARY

Mr. Lam Yiu Cho (林耀祖), aged 38, is our Company Secretary. He joined our Group in March 2016.

Mr. Lam has more than 11 years of experience in the accounting and corporate industry. Since March 2016, Mr. Lam has been working for AE Majoris Advisory Company Limited. From August 2008 to February 2016, Mr. Lam worked at First Pacific Company Limited with his last position being Corporate Development Manager in the corporate development department, responsible for overseeing mergers and acquisitions projects of the company. From January 2006 to August 2008, Mr. Lam worked at Deloitte Touche Tohmatsu with his last position being Senior in the Audit Department. From September 2004 to January 2006, Mr. Lam worked at Ernst & Young as Staff Accountant in the assurance and advisory business services department.

Mr. Lam graduated from The Hong Kong University of Science and Technology with a degree of Bachelor of Business Administration (Honours) in Accounting in November 2004. He was admitted as a Certified Public Accountant and a Certified Public Accountant (Practicing) of the Hong Kong Institute of Certified Public Accountants in February 2008 and January 2018, respectively.

COMPLIANCE OFFICER

Mr. Tsui Wing Tak is our Compliance Officer. Details of the qualification and experience of Mr. Tsui have been disclose in the paragraph headed "Executive Directors" of this section.

AUTHORISED REPRESENTATIVES

Mr. Tsui Wing Tak and Mr. Lam Yiu Cho are the authorised representatives of our Company.

公司秘書

林耀祖先生，38歲，為我們的公司秘書。彼於2016年3月加入本集團。

林先生於會計及公司領域積逾11年經驗。自2016年3月起，林先生任職於明大企業顧問有限公司。於2008年8月至2016年2月，林先生任職於第一太平有限公司，最後職位為企業發展部企業發展經理，負責監察公司的合併及收購項目。於2006年1月至2008年8月，林先生任職於德勤•關黃陳方會計師行，最後職位為審計部高級職員。於2004年9月至2006年1月，林先生受聘於安永會計師事務所，擔任審計與諮詢業務服務部的會計人員。

林先生於2004年11月畢業於香港科技大學，獲得會計學工商管理榮譽學士學位。彼於2008年2月及2018年1月先後獲認可為香港會計師公會的會計師及會計師(執業)。

合規主任

徐穎德先生為我們的合規主任。有關徐先生資歷及經驗的詳情於本節「執行董事」一段披露。

授權代表

徐穎德先生及林耀祖先生為本公司的授權代表。

CORPORATE GOVERNANCE REPORT
企業管治報告

INTRODUCTION

We are committed to achieving and maintaining high standards of corporate governance, as our Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the Shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the Shareholders of the Company.

序言

我們致力達致及維持高水平的企業管治，原因是董事會認為，良好有效的企業管治常規乃取得並保持本公司股東及其他權益人信任的關鍵，對鼓勵問責及透明度，以讓本集團持續成功並為本公司股東創造長遠價值至為重要。

CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance. Our Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability.

The Company has applied the principles and code provisions in the Corporate Governance Code (the "**CG Code**") and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, save as Code Provision A.2.1 of the CG Code, the Company has complied with the CG Code during FY2020.

企業管治常規

本公司致力履行其對股東的責任，並通過良好的企業管治維護及提高股東價值。董事認同良好企業管治對管理及內部程序十分重要，從而達致有效問責。

本公司已應用GEM上市規則附錄十五所載企業管治守則及企業管治報告的原則及守則條文。董事會認為，除企業管治守則守則條文A.2.1外，於2020財政年度，本公司一直遵守企業管治守則。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of the code of conduct for dealings in securities of the Company by the Directors as set out in Rules 5.46 to 5.68 of the GEM Listing Rules. Having made specific enquiries to all Directors, all Directors confirmed that they have fully complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company, and there was no event of non-compliance throughout FY2020.

董事進行證券交易

本公司已採納GEM上市規則第5.46至5.68條所載的必守標準，內容有關董事進行本公司證券交易的操守守則。經向全體董事作出具體查詢後，全體董事確認於整個2020財政年度，彼等一直全面遵守本公司所採納有關董事進行證券交易的交易必守標準以及操守守則，且概無發生不合規事件。

CORPORATE GOVERNANCE REPORT
企業管治報告

BOARD OF DIRECTORS
董事會

Composition
成員組合

The Company is committed to the view that the Board should include a balanced composition of Executive and Independent Non-Executive Directors so that there is an independent element on the Board, which can effectively exercise independent judgment.

本公司一直認為，董事會應維持均衡的成員組合，當中包括執行董事及獨立非執行董事，使董事會具備獨立元素，從而能夠有效作出獨立判斷。

As at the date of this Annual Report, the composition of the Board is set out as follows:

於本年報日期，董事會的成員組合載列如下：

Executive Directors
執行董事

Mr. Tong Tang Joseph *(Chairman and Chief Executive Officer)*
Ms. Mary Kathleen Babington
Mr. Tsui Wing Tak

唐登先生*(主席兼行政總裁)*
Mary Kathleen Babington女士
徐穎德先生

Independent Non-Executive Directors
獨立非執行董事

Mr. Yeung Man Chung Charles
Mr. Tsang Wai Yin
Mr. Sit Hoi Wah Kenneth

楊文忠先生
曾偉賢先生
薛海華先生

The biographical details of each of the Directors are set out in the section headed "Directors and Senior Management" of this Annual Report.

各董事的履歷詳情載於本年報「董事及高級管理層」一節。

Responsibilities and Functions of the Board
董事會職責及職能

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's mission and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives.

董事會主要負責監管及監督本集團業務事宜及整體表現的管理。董事會設定本集團的使命及標準，並確保具備必須的財務及人力資源，支援本集團實現其目標。

The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of GEM and the Company. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The management of day-to-day operation of the Group's businesses and implementation of the business plans, strategies and policies adopted by the Board has been delegated to the senior management of the Group.

董事會已設立多個董事委員會，並授權此等董事委員會履行其各自職權範圍載列的各項責任，該等職權範圍分別載於GEM及本公司的網站。董事會可不時於其認為適當時向本集團的高級管理層轉授若干職能。本集團的高級管理層已獲授權管理本集團的日常業務運作及實施董事會所採納的業務計劃、策略及政策。

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The functions performed by the Board include but are not limited to the following matters:

- formulating the Group's strategy and direction and monitoring the implementation thereof;
- deciding all material contracts, acquisitions, investments, divestments, disposals of assets or any significant capital expenditure;
- approving of the Group's consolidated financial statements, published reports, price sensitive announcement and other disclosure required under the GEM Listing Rules;
- developing, monitoring and reviewing the Group's corporate governance practices and the effectiveness of the Group's financial controls, internal control and risk management systems;
- Board appointment and other major appointments or removal; and
- monitoring the performance of the management.

The Directors have full and timely access to information and accounts of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

Independent Non-Executive Directors

In compliance with Rule 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed three Independent Non-Executive Directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received from each Independent Non-Executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with each and the various guidelines set out in Rule 5.09 of the GEM Listing Rules.

Directors' and Officers' Insurance

Proper insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company.

董事會履行的職能包括但不限於以下事宜：

- 制定本集團的策略及方向，以及監察有關實施情況；
- 決定所有重大合約、收購、投資、撤資、出售資產或任何重大資本開支；
- 批准本集團的綜合財務報表、已刊發報告、股價敏感公告及GEM上市規則規定的其他披露；
- 制訂、監察及檢討本集團的企業管治常規以及本集團的財務監控、內部監控及風險管理體系是否有效；
- 董事會的委任及其他主要委任或罷免；及
- 監察管理層的表現。

董事可隨時全面查閱本集團的資料及賬目，並有權在適當情況下尋求獨立的專業意見，費用由本公司承擔。

獨立非執行董事

遵照GEM上市規則第5.05(1)、5.05(2)及5.05A條的規定，本公司已委任三名獨立非執行董事，佔董事會成員人數三分之一以上，而其中至少一名具備適當的專業資格，或具備會計或相關的財務管理專業知識。

本公司已收到每名獨立非執行董事就其獨立性作出的年度確認函，根據GEM上市規則第5.09條所載的各項及不同指引，本公司認為該等董事屬獨立人士。

董事及高級人員保險

本公司已作出保險安排，就董事面臨法律行動的責任提供適當保障。

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. Directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All Board members have received Directors' training hosted by a law firm which was about, inter alias, the GEM Listing Rules, Companies Ordinance and Securities and Futures Ordinance (the "**SFO**").

From time to time, the Company Secretary updates and provides written training materials on the latest developments of applicable GEM Listing Rules and regulations to the Directors.

All the Directors also understand the importance of continuous professional development and are committed to participate any suitable training to develop and refresh their knowledge and skills.

董事培訓及專業發展

為協助董事持續發展專業，本公司建議董事出席相關研討會，以增進知識及技能以及溫故知新。董事亦參與由合資格專業人士舉辦的外部研討會等持續專業發展計劃，以增進知識及技能以及溫故知新，為董事會作出貢獻。全體董事會成員獲一間律師事務所提供有關(其中包括)GEM上市規則、公司條例及證券及期貨條例的董事培訓。

公司秘書不時更新並向董事提供有關適用GEM上市規則及條例最新發展的書面培訓資料。

全體董事亦明白持續專業發展十分重要，並承諾參與任何合適培訓，以增進知識及技能以及溫故知新。

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MEETINGS OF BOARD AND DIRECTORS' ATTENDANCE RECORDS

The Board will schedule to meet at least four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. The Directors are allowed to include any other matters in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at the Board meetings and to make informed decisions, an agenda and the accompanying Board papers together with all appropriate and relevant information in relation to the matters of the meetings are sent to all Directors at least three days before the intended date of each regular Board meeting and three days or such other period as agreed before each other Board meeting.

The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the GEM Listing Rules, any Directors and their associates (as defined in the GEM Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings.

During FY2020, four Board meetings and one Shareholders' meeting (being the annual general meeting (the "**AGM**") of the Company) were held. The individual attendance record of the Board and Shareholders' meetings is set out as follows:

董事會會議及董事出席記錄

董事會將預定一年最少舉行四次會議，約每季舉行一次，並提前至少14日向董事發出通知。董事獲准將任何其他須於會議上討論及議決的事宜納入議程。為使董事獲恰當簡報將於董事會會議上提出的事宜及作出知情決定，議程及隨附董事會文件連同所有與會議事項有關的適當及相關資料，將於各定期董事會會議的擬定日期起計最少三日前及各其他董事會會議舉行日期起計三日前或經協定的其他期間送交全體董事。

公司秘書負責保存所有董事會會議記錄。會議記錄草案及定稿將於各大會之後的合理時間內交董事傳閱以供其發表意見及記錄，定稿可供董事查閱。根據GEM上市規則，任何於董事會會議上將討論的交易中擁有重大權益的董事及其聯繫人(定義見GEM上市規則)均須就批准有關交易的決議案放棄表決，且不得計入會議的法定人數內。

於2020財政年度，本公司已舉行四次董事會會議及一次股東大會(即本公司的股東週年大會(「**股東週年大會**」)。各董事出席董事會會議及股東大會的記錄載列如下：

Name of Directors	董事姓名	Number of AGM attended/eligible to attend 已出席／合資格出席股東週年大會次數	Number of Board meetings attended/eligible to attend 已出席／合資格出席董事會會議次數
Mr. Tong Tang Joseph	唐登先生	1/1	4/4
Ms. Mary Kathleen Babington	Mary Kathleen Babington女士	1/1	4/4
Mr. Tsui Wing Tak	徐穎德先生	1/1	4/4
Mr. Yeung Man Chung Charles	楊文忠先生	0/1	4/4
Mr. Tsang Wai Yin	曾偉賢先生	0/1	4/4
Mr. Sit Hoi Wah Kenneth	薛海華先生	0/1	4/4

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of our Executive Directors has entered into a service contract with our Company on 25 January 2018 and we signed letters of appointment with each of our Independent Non-Executive Directors on the same day. The service contracts with our Executive Directors are for an initial term of three years commencing from the listing date on 25 January 2018 (the "**Listing Date**") and can be terminated by either party giving not less than three months' notice in writing. The letter of appointment with each of our Independent Non-Executive Directors are for an initial term until 24 January 2021 commencing from 25 January 2018 and can be terminated by either party giving not less than three months' notice in writing.

The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The service contracts can be renewed in accordance with our articles of association (the "**Articles**") and the applicable GEM Listing Rules.

According to our Articles, one-third of the Directors for the time being shall retire from office by rotation at every AGM of the Company, provided that every Director shall retire from office by rotation and are subject to re-election at AGM at least once every three years. Directors who are appointed to fill casual vacancies shall hold office only until the next following general meeting after their appointment, and are subject to re-election by Shareholders of the Company.

The Company has taken out directors and officers liability insurance to cover liabilities arising from legal action against the Directors.

董事的委任及重選條款

各執行董事已於2018年1月25日與本公司訂立服務合約，而我們已於同日與各獨立非執行董事簽立委任函。執行董事的服務合約期限自2018年1月25日上市日期(「**上市日期**」)起初步為期三年，且可由任何一方發出不少於三個月書面通知終止。各獨立非執行董事的委任函初步年期自2018年1月25日起，直至2021年1月24日為止，且可由任何一方發出不少於三個月書面通知終止。

服務合約及委任函須根據其各自條款終止。服務合約的年期可根據組織章程細則(「**細則**」)及適用GEM上市規則重續。

根據細則，在本公司每屆股東週年大會上，當時的三分之一董事應輪值退任，但每名董事須至少每三年在股東週年大會上輪值退任及接受重選一次。任何獲委任以填補臨時空缺的董事僅任職至其獲委任後的首屆股東大會為止，並須於接受本公司股東重選。

本公司已投購董事及高級人員責任保險，涵蓋針對董事提出的任何法律行動所產生的責任。

BOARD DIVERSITY POLICY

The Board has adopted a policy of the Board diversity (the "**Board Diversity Policy**") which sets out the approach to achieve a sustainable and balanced development of the Company and also enhance the quality of performance of the Company.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

The Board Diversity Policy is available on the website of the Company at *www.treeholdings.com* for public information.

董事會多元化政策

董事會已採納一套董事會成員多元化政策，當中載列可讓本公司達致可持續而均衡地發展並提高本公司表現質素的方針。

本公司明白並深信董事會成員多元化的裨益。本公司致力確保董事會於技能、經驗及多元化觀點方面達到平衡，以支持業務策略的執行。所有董事會任命將繼續基於用人唯才及董事會成員多元化效益的原則。挑選候選人時依據一系列多元範疇，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能及知識。

本公司網站*www.treeholdings.com*提供董事會成員多元化政策的公開資料。

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CHAIRMAN AND CHIEF EXECUTIVE

Pursuant to the Code Provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and performed by different individuals.

Mr. Tong Tang Joseph currently assumes the role of both chairman of the Company and chief executive of the Company. In view that Mr. Tong has been assuming day-to-day responsibilities in operating and managing our Group and the rapid development of our Group, the Board believes that with the support of Mr. Tong's extensive experience and knowledge in the business of the Group, vesting the roles of both Chairman and chief executive officer of our Company in Mr. Tong strengthens the solid and consistent leadership and thereby allows for efficient business planning and decision which is in the best interest to our Group. Mr. Tong delegates the role and responsibilities including operations, management, business development and strategy planning of the Group to other Executive Directors. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of our Independent Non-Executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date, which may terminated by not less than three months' notice in writing served by either party on the other. Each of the Independent Non-Executive Directors is subject to retirement by rotation and re- election at AGM in accordance with the Articles.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

The Board is responsible for performing the corporate governance duties set out in the CG Code which included developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company's compliance with the code provision in the CG Code and disclosures in this report.

主席及行政總裁

根據企業管治守則守則條文A.2.1，主席與行政總裁的角色應有所區分，並不應由一人同時兼任。

唐登先生目前兼任本公司主席兼本公司行政總裁。鑑於唐先生一直肩負本集團的日常營運及管理職責，而本集團正處於快速發展期，董事會認為，唐先生經驗豐富，熟知本集團業務，由唐先生兼任本公司主席及行政總裁將鞏固穩定貫徹的領導，從而實現高效的業務規劃及決策，符合本集團的最佳利益。唐先生將本集團的營運、管理、業務發展及策略規劃等職責及責任授予其他執行董事。董事會將於有需要時檢討是否需要委任適當人選擔任行政總裁一職。

獨立非執行董事

各獨立非執行董事已與本公司訂立委任函，自上市日期起為期三年，且可由任何一方向另一方發出不少於三個月書面通知終止。各獨立非執行董事須根據細則於股東週年大會上輪值退任及可接受重選。

董事委員會

董事會已設立三個董事委員會，分別為審核委員會、薪酬委員會及提名委員會，以監察本公司特定方面的事務。董事委員會獲提供充足資源以履行其職責。

所有董事委員會均獲提供充足資源以履行其職責，並可提出合理要求，在適當情況下尋求獨立專業意見，費用由本公司承擔。

董事會負責履行企業管治守則所載的企業管治職務，當中包括制定及檢討本公司的企業管治政策及常規、董事的培訓及持續專業發展，以及檢討本公司有否遵守企業管治守則的守則條文及本報告所作的披露。

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Audit Committee

We established our Audit Committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C3.2 and C3.3 of the CG Code Practices pursuant to a resolution of our Directors passed on 5 January 2018. The terms of reference were amended and restated on 4 January 2019, with respect to the update of the GEM Listing Rules. The primary duties of our Audit Committee are, among other things, to make recommendations to our Board on the appointment, reappointment and removal of external auditor, review the financial statements and provide advice in respect of financial reporting, oversee our financial reporting process, internal control, risk management systems and audit process, and perform other duties and responsibilities assigned by our Board.

At present, our Audit Committee comprises Mr. Yeung Man Chung Charles, Mr. Tsang Wai Yin and Mr. Sit Hoi Wah Kenneth, all being Independent Non-Executive Directors. Mr. Yeung Man Chung Charles is the Chairman of our Audit Committee.

During FY2020, the Audit Committee held four meetings, at which the Audit Committee has reviewed and discussed the Company's consolidated financial results, including the accounting principles and practice adopted by the Group, the Company's compliance with the CG Code, the effectiveness of the Group's internal control and risk management systems and the Group's internal audit function and recommended to the Board for consideration the same and the re-appointment of Grant Thornton Hong Kong Limited ("**Grant Thornton**") as the Company's external independent auditor at the forthcoming AGM.

The terms of reference is available on the website of the Company at *www.treeholdings.com* for public information.

During FY2020, the attendance of each member at the Audit Committee meeting during the Relevant Period is as follows:

審核委員會

我們已遵照GEM上市規則第5.28條及企業管治守則常規第C3.2及第C3.3段的規定，根據董事於2018年1月5日通過的決議案設立審核委員會，並制定書面職權範圍。職權範圍已於2019年1月4日就更新GEM上市規則進行修訂及重述。審核委員會的主要職責為(其中包括)就委任、續聘及罷免外聘核數師向董事會提供推薦建議、審閱財務報表及就財務申報、監督財務申報程序、內部監控、風險管理體系及審核過程提供意見，以及履行董事會指派的其他職責及責任。

目前，審核委員會由楊文忠先生、曾偉賢先生及薛海華先生組成，彼等均為獨立非執行董事。楊文忠先生為審核委員會主席。

於2020財政年度，審核委員會舉行四次會議，會上已審閱及討論本公司綜合財務業績，包括本集團採納的會計原則及慣例、本公司遵守企業管治守則的情況、本集團內部監控及風險管理體系以及內部審核功能的成效，並向董事會提供推薦建議以供考慮上述事宜及於應屆股東週年大會上續聘致同(香港)會計師事務所有限公司(「**致同**」)為本公司的外聘獨立核數師。

本公司網站*www.treeholdings.com*提供職權範圍的公開資料。

於2020財政年度，各成員於相關期間的審核委員會會議的出席記錄如下：

Name of Directors **董事姓名**		**Number of attendance/ number of meetings** **會議出席次數／舉行次數**
Mr. Yeung Man Chung Charles *(Chairman)*	楊文忠先生*(主席)*	4/4
Mr. Tsang Wai Yin	曾偉賢先生	4/4
Mr. Sit Hoi Wah Kenneth	薛海華先生	4/4

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Remuneration Committee

We established our Remuneration Committee with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and paragraph B1.2 of the Code on Corporate Governance Practices pursuant to a resolution of our Directors passed on 5 January 2018. The primary duties of our Remuneration Committee are to review and approve the management's remuneration proposals, make recommendations to our Board on the remuneration package of our Directors and senior management and ensure none of our Directors determines his/her own remuneration.

The terms of reference is available on the website of the Company at *www.treeholdings.com* for public information.

At present, our Remuneration Committee comprises Mr. Tsui Wing Tak, being our Executive Director, and two of our Independent Non-Executive Directors, Mr. Yeung Man Chung Charles and Mr. Sit Hoi Wah Kenneth. Mr. Sit Hoi Wah Kenneth is the Chairman of our Remuneration Committee.

During FY2020, the committee met once on 19 June 2019 with 100% attendance by all Committee members.

薪酬委員會

我們已遵照GEM上市規則第5.34條及企業管治常規守則第B1.2段的規定，根據董事於2018年1月5日通過的決議案設立薪酬委員會，並制定書面職權範圍。薪酬委員會的主要職責為檢討及批准管理層的薪酬建議、就董事及高級管理層的薪酬待遇向董事會提供推薦建議以及確保概無董事釐定彼等本身的薪酬。

本公司網站*www.treeholdings.com*提供職權範圍的公開資料。

目前，薪酬委員會由執行董事徐穎德先生及兩名獨立非執行董事楊文忠先生及薛海華先生組成。薛海華先生為薪酬委員會主席。

於2020財政年度，委員會於2019年6月19日舉行一次會議，全體委員會成員均有出席。

Nomination Committee

We established our Nomination Committee with written terms of reference in compliance with paragraph A5.2 of the Code on Corporate Governance Practices pursuant to a resolution of our Directors passed on 5 January 2018. The terms of reference were amended and restated on 4 January 2019, with respect to the update of the GEM Listing Rules. The primary duties of our Nomination Committee are to review the structure, size and composition of our Board, and select or make recommendations on the selection of individuals nominated for directorships.

At present, our Nomination Committee comprises Mr. Tong Tang Joseph, being our Chairman and Executive Director, Ms. Mary Kathleen Babington, being our Executive Director, and our three Independent Non-Executive Directors, Mr. Yeung Man Chung Charles, Mr. Sit Hoi Wah Kenneth and Mr. Tsang Wai Yin. Mr. Tong Tang Joseph is the Chairman of our Nomination Committee.

The terms of reference is available on the website of the Company at *www.treeholdings.com* for public information.

During FY2020, the committee met once on 19 June 2019 with 100% attendance by all Committee members.

提名委員會

我們已遵照企業管治常規守則第A5.2段的規定，根據董事於2018年1月5日通過的決議案設立提名委員會，並制定書面職權範圍。職權範圍已於2019年1月4日就更新GEM上市規則進行修訂及重述。提名委員會的主要職責為審查董事會架構、規模及成員組合，以及挑選獲提名出任董事的人士或就此提供推薦建議。

目前，提名委員會由主席兼執行董事唐登先生、執行董事Mary Kathleen Babington女士及三名獨立非執行董事楊文忠先生、薛海華先生及曾偉賢先生組成。唐登先生為提名委員會主席。

本公司網站*www.treeholdings.com*提供職權範圍的公開資料。

於2020財政年度，委員會於2019年6月19日舉行一次會議，全體委員會成員均有出席。

EXTERNAL AUDITOR

For FY2020, Grant Thornton was engaged as the Group's independent auditor. Apart from the provision of annual audit services, Grant Thornton also provided the non-audit services to the Company.

For FY2020, the remuneration paid or payable to Grant Thornton in respect of audit and non-audit services provided is set out below:

外聘核數師

於2020財政年度，致同獲委聘為本集團的獨立核數師。除提供年度審核服務外，致同亦為本公司提供非審核服務。

於2020財政年度，就致同所提供的審核及非審核服務已付或應付致同的酬金載列如下：

Category of services 服務類別		2020 2020年 HK$'000 千港元
Audit services	審核服務	630.0
Non-audit services	非審核服務	48.6

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's performance, position and prospects in annual, interim and quarterly reports, and other financial disclosures required by the GEM Listing Rules. The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for FY2020 and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

The management will provide the Board with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules.

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

In addition, Grant Thornton has stated in the Independent Auditor's Report its reporting responsibilities on the Company's consolidated financial statements for FY2020.

董事及核數師就綜合財務報表須承擔的責任

董事會致力於年度、中期及季度報告以及GEM上市規則規定的其他財務披露資料中平衡、清晰及全面評核本集團的表現、情況及前景。董事知悉彼等負責編製能真實而公平地反映本公司的事務狀況及本集團於2020財政年度的業績及現金流量，以及根據適用的法定規定及會計準則按持續經營基準妥善編製的本集團綜合財務報表。

管理層將每月向董事會提供最新資料，內容有關對本集團的表現、情況及前景作出不偏不倚且容易理解的評估，足以讓董事會整體及各董事履行GEM上市規則第5.01條及第十七章所規定的職責。

董事並不知悉任何可能對本公司持續經營的能力構成重大疑問的事件或情況的任何重大不確定因素。

此外，致同已於獨立核數師報告中表明其就本公司2020財政年度的綜合財務報表承擔的申報責任。

CORPORATE GOVERNANCE REPORT
企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment, maintenance and review of the Group's system of internal controls and risk assessment. A review of internal controls systems of different operations was conducted by an independent external risk advisory firm to ensure the effectiveness and adequacy internal controls system.

The Board considered the internal controls system of the Group to be adequate and effective for FY2020. The Board also conducted a review of the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programs and budget which are considered to be adequate for FY2020.

DISCLOSURE OF INSIDE INFORMATION

The Company acknowledges its responsibilities under the SFO and the GEM Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision.

The Company has established and maintained the procedures and internal controls for the handling and dissemination inside information. The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorised use of confidential or insider information or any use of such information for the advantage of himself or others. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of GEM and the Company in due course.

風險管理及內部監控

董事會負責設立、維持及檢討本集團的內部監控及風險評估體系。不同業務內部監控體系均由一間獨立外聘風險顧問公司進行審閱，以確保內部監控體系有效及充分。

董事會認為，本集團2020財政年度的內部監控體系充分有效。董事會亦已審閱本集團於會計及財務申報職能方面的資源、員工資歷及經驗是否足夠，並已審閱2020財政年度的培訓課程及預算，並認為全部均足夠。

披露內幕消息

本公司知悉其根據證券及期貨條例及GEM上市規則應履行的責任，首要原則為內幕消息在成為有關決定所涉及主要事項時隨即公佈。

本公司已設立及維持處理及發佈內幕消息的程序及內部監控。本公司已根據GEM上市規則第5.46至5.67條就董事進行本公司證券交易採納一套行為守則。本集團內可能擁有本公司的內幕消息的其他僱員亦須遵守買賣限制。本集團嚴禁未經授權使用保密或內幕消息，或為個人或他人利益而使用有關消息。任何內幕消息及可能構成內幕消息的資料均須及時識別、評估及上報董事會，由董事會決定是否有需要作出披露。內幕消息及根據GEM上市規則須予披露的其他資料將於適當時候在GEM及本公司各自的網站內公佈。

CORPORATE GOVERNANCE REPORT
企業管治報告

COMPANY SECRETARY

Mr. Lam Yiu Cho (林耀祖), aged 38, is our Company Secretary. He joined our Group in March 2016. The biographical details of Mr. Lam are set out under the section headed "Directors and Senior Management".

The primary duties of the Company Secretary include, but are not limited to, the following: (i) to ensure the Board procedures are followed and that the activities of the Board are carried out efficiently and effectively; (ii) to assist the Chairman to prepare agendas and Board papers for meetings and disseminate such documents to the Directors and Board committees in a timely manner; (iii) to timely disseminate announcements and information relating to the Group; and (iv) to maintain formal minutes of the Board meetings and other Board committee meetings.

During FY2020, the Company Secretary of the Company had confirmed that he had taken no less than 15 hours of relevant professional training the accordance with Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting (the "**EGM**").

Procedures for Shareholders to convene an extraordinary general meeting

Pursuant to the Article 64 of the Articles, EGMs shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must state clearly the name of the Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene the EGM and the proposed agenda.

Procedures for Shareholders to send enquires to the Board

Shareholders may send their written enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong.

公司秘書

林耀祖先生，38歲，為我們的公司秘書。彼於2016年3月加入本集團。林先生的履歷詳情載於「董事及高級管理層」一節。

公司秘書的主要職責包括(但不限於)以下各項：(i)確保遵守董事會程序以及高效及有效地進行董事會的活動；(ii)協助主席編製議程及董事會會議文件，並及時向董事及董事委員會派發有關文件；(iii)及時發佈有關本集團的公佈及資料；及(iv)保存董事會會議及其他董事委員會會議的正式會議記錄。

於2020財政年度，本公司的公司秘書已確認，彼已根據GEM上市規則第5.15條接受不少於15小時的相關專業培訓。

股東權利

本公司的股東大會提供機會讓股東與董事會彼此溝通。本公司的股東週年大會將於每年董事會可能釐定的地點舉行。股東週年大會以外的各個股東大會稱為股東特別大會。

股東召開股東特別大會的程序

根據細則第64條，股東特別大會可由一名或多名股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一併有權在股東大會上表決。有關要求須以書面形式向董事會或秘書提出，藉以要求董事會就處理有關要求所指明的任何事務召開股東特別大會。有關會議須在送達該請求書後兩個月內召開。如董事會在請求書送達日期起計21日內未有進行安排召開有關會議，則請求人可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

請求書必須清楚列明有關股東的姓名、其於本公司持有的股權、召開股東特別大會的原因及建議議程。

股東向董事會發出查詢的程序

股東可將彼等向董事會提出的任何書面查詢或關注事項郵寄至本公司的香港主要營業地點。

CORPORATE GOVERNANCE REPORT
企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board has the overall responsibility to ensure that the Company maintains on-going dialogue with Shareholders and in particular, use AGM or other meetings to communicate with Shareholders and encourage their participation.

Information will be communicated to the Shareholders, investors and other stakeholders through convening the AGM or general meetings, publication of annual, interim and quarterly reports, notices, announcements, circulars as well as all the disclosures submitted to the respective websites of GEM and the Company.

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during FY2020.

A copy of the Memorandum and Articles of Association of the Company is posted on the website of the Company and the Stock Exchange.

DIVIDEND POLICY

The Company's dividend policy aims to allow Shareholders to participate in the Company's profit and for the Company to retain adequate reserves for the its future growth. In proposing any dividend, the Company would consider various factors including but not limited to (i) the Group's financial results, (ii) the financial condition of the Group, (iii) the Group's working capital requirements, capital expenditure requirements and future expansion plans. (iv) the Group's liquidity position, (v) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group and (vi) any other factors that our Board may consider appropriate.

There is no assurance that dividends will be paid in any particular amount for any given period.

According to the Company's Articles and the Companies Ordinance, dividends must be paid in cash or be satisfied wholly or partly in the form of allotment of shares of the Company. The Board may consider the issuance of bonus shares on a basis permitted by the applicable laws and regulations.

The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

與股東的溝通及投資者關係

董事會全面負責確保本公司與股東保持對話，尤其是藉股東週年大會或其他會議與股東溝通，並鼓勵彼等參與。

本公司將通過召開股東週年大會或股東大會、刊發年度、中期及季度報告、通告、公佈、通函以及於GEM及本公司各自網站上載所有披露資料，向股東、投資者及其他權益人傳達資訊。

章程文件

於2020財政年度，本公司的章程文件並無任何變動。

本公司組織章程大綱及細則的副本已於本公司及聯交所網站上登載。

股息政策

本公司的股息政策旨在讓股東得以分享本公司的利潤，同時讓本公司預留足夠儲備供其日後發展之用。在建議宣派股息時，本公司會考慮多項因素，包括但不限於(i)本集團的財務業績；(ii)本集團的財務狀況；(iii)本集團的營運資金要求、資本開支需求及未來擴展計劃；(iv)本集團的流動資金狀況；(v)經濟環境及其他可能對本集團業務或財務表現及狀況有影響的內在或外在因素；及(vi)董事會可能認為適當的任何其他因素。

概不保證在任何特定期間內將支付任何特定金額的股息。

根據本公司細則及公司條例，股息必須以現金支付，或全部或部分以配發本公司股份的形式支付。董事會可考慮以適用法律及法規所允許的基準發行紅股。

董事會將持續檢討股息政策並保留權利全權酌情隨時更新、修訂、修改及／或取消股息政策。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
環境、社會及管治報告

SCOPE OF THE REPORT

The Environmental, Social and Governance ("**ESG**") Report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" in Appendix 20 to the GEM Listing Rules of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The ESG Report summarizes our ESG performance, and covers our management policies, mechanisms and measures in place during FY2020 with respect to environmental protection, emission reduction, safe workplace, personal training and drills, supply chain management and community investment and engagement. Focuses are placed on certain aspects closely relevant to our Shareholders and other stakeholders, and our full commitment to sustainable development of the Group as a whole.

報告範圍

環境、社會及管治報告已根據香港聯合交易所有限公司(「**聯交所**」)的GEM上市規則附錄二十「環境、社會及管治報告指引」編製。本環境、社會及管治報告概述我們的環境、社會及管治表現，並涵蓋我們於2020財政年度內在環境保護、減排、工作環境安全、人才培訓及訓練、供應鏈管理以及社區投資與參與等方面的管理政策、機制及措施。有關報告主要集中匯報對我們的股東及其他權益人有切身關係的若干層面，致力在本集團整體營運全面履行可持續發展。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our Group believe a sustainable business should have a positive social, economic and environmental impact to the local community in which we operate.

環境、社會及管治報告

本集團認為，可持續發展的企業應對我們業務所在地的社區產生積極的社會、經濟及環境影響。

Section A: Environmental

Reducing carbon footprint of our business operations to protect our environment is the core values of our Group. Our dedicated effort was proven effective as there was no material issue of non-compliance with relevant laws and regulations related to the environment for FY2020.

A部分：環境

致力減少業務運營的碳足跡，以保護我們的環境，是本集團的核心價值。於2020財政年度並無發現涉及環境相關法律及規例的重大不合規情況，證明本集團所付出的努力並無白費。

Emissions

Our business is closely related to the environment. Environmental protection and emission reduction are always the top priority at the Group. The emissions data, which includes both the air emissions and greenhouse gas emissions, is measured for better understanding of our environmental impacts and taking meaningful decisions in the future. To present a comprehensive emission overview, we compared the emission figures and emission intensity in FY2019 to those of FY2020.

排放

我們的業務與環境息息相關。環保與減排一直是本集團的首要任務。為更了解本集團對環境的影響，以便日後可作出有意義的決定，本集團已計量排放物數據，當中包括廢氣排放及溫室氣體排放。為呈列全面的排放概覽，我們亦已比較2019財政年度與2020財政年度的排放數據及排放密度。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
環境、社會及管治報告

Air Emissions

The Group's emissions of air pollutants, which include nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and respiratory suspended particles ("**RSP**"), are mainly generated by usage of vehicles for delivery. In measurable terms, our operations produced approximately 212 kg of air emissions in FY2020[1] (FY2019: 220 kg), which shows a reduction of approximately 4% compared with FY2019. The corresponding air emission intensity[2] of FY2020 was approximately 3 kg per employee (FY2019: 3 kg per employee), which approximately remained constant compared with FY2019. The overall decrease in air emissions was mainly attributed to the shrink in the Group's sales and the corresponding drop in shipping and delivery services, caused by low consumer sentiment due to the ongoing social movement in Hong Kong, as well as the novel coronavirus situation started in early 2020. Meanwhile, the reduction was partially offset by the operation of new storage room in Ap Lei Chau. Although the reduction in air emissions in FY2020 was primarily a result of external factors, the Group has put continuous effort in cutting down its emissions, such as delivering its products in bulk, so as to better utilize the capacity of vehicles and reduce unnecessary emissions.

Greenhouse Gas Emissions

Global warming is mainly attributable to greenhouse gas (GHG) emissions. In an effort to reduce GHG emissions and carbon footprint, we embrace green practices in our day-to-day business operations, contributing to environmental conservation, natural resource preservation and waste reduction.

As an environmentally-friendly enterprise, we uphold the 3Rs principle, namely reduce, reuse and recycle. In our daily operation, we promote the reduction of consumptions in paper, water resources, electricity and stationery. Employees are encouraged to adopt double-sided printing, while single-side-printed paper is collected for reuse. To further reduce the production of paper waste, we have been engaging an external recycling company since January 2018 to collect paper waste from our office for recycling purpose. Waste sorting is also performed at our office and shops to facilitate the recycling program.

1 By estimating the travelling distance based on the units of fuel consumed by the vehicles, using the "Transport — Energy Utilization Index" issued by Electrical and Mechanical Services Department at https://ecib.emsd.gov.hk/index.php/en/energy-utilisation-index-en/transport-sector-en.

2 The different intensity figures in this report were calculated per employee, which were 64 employees as at 31 March 2020 (31 March 2019: 72 employees).

廢氣排放

本集團排放的空氣污染物包括氮氧化物(「**NO_x**」)、硫氧化物(「**SO_x**」)及可吸入懸浮粒子(「**RSP**」),主要因使用汽車交付貨物而產生。從可計量角度來看,我們的業務於2020財政年度產生約212公斤廢氣排放[1],與2019財政年度的約220公斤廢氣排放相比減少約4%。2020財政年度按每名僱員計算的廢氣排放密度[2]約為3公斤,與2019財政年度的3公斤相比大致持平。廢氣排放整體有所減少主要源於香港社會運動持續,加上2020年初爆發新型冠狀病毒,消費市道低迷,導致本集團的銷售額下跌,運輸及送貨服務相應減少。與此同時,有關減幅部分為鴨脷洲新貨倉投入運作所抵銷。儘管2020財政年度的廢氣排放減幅主要源於外部因素,惟本集團亦已不斷努力削減排放,例如大批量送貨,從而善用車輛載貨量,減少不必要的排放。

溫室氣體排放

溫室氣體排放乃全球暖化的罪魁禍首。為減少溫室氣體排放及碳足跡,我們在日常業務運作中融入環保措施,以保護環境、珍惜自然資源及減廢。

身為環保企業,我們恪守3R原則,即減少(Reduce)、重用(Reuse)及回收(Recycle)。在日常運作中,我們推動減少紙張、水資源、電力及文具消耗,鼓勵僱員使用雙面打印,而單面打印紙會被收集重用。為進一步減少產生廢紙,我們自2018年1月起聘請外部回收公司收集辦公室廢紙,以作回收。我們的辦公室及店舖亦進行廢物分類,以推動回收計劃。

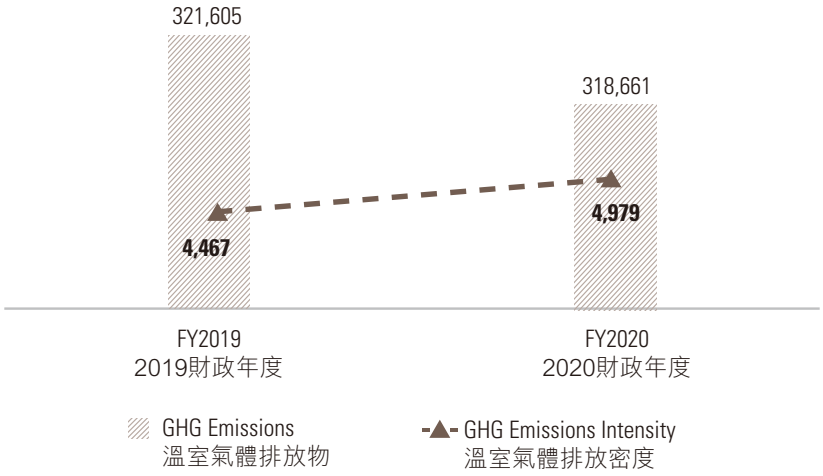
1 根據車輛消耗的燃料單位,並使用機電工程署於 https://ecib.emsd.gov.hk/index.php/hk/energy-utilisation-index-hk/transport-sector-hk 發佈的「運輸類別 — 能源消耗指標」估計行駛距離。

2 本報告各項密度數據按每名僱員計算,而於2020年3月31日的僱員人數為64名(2019年3月31日:72名)。

With the 3Rs principle, we are pleased to report that our effort in continuous monitoring and control of GHG emissions paid off. During FY2020, our operations produced approximately 319 tonnes of carbon dioxide equivalent (FY2019: 322 tonnes[3]), with the corresponding emission intensity amounted to approximately 5.0 tonnes of carbon dioxide per employee (FY2019: 4.5 tonnes per employee). While our GHG emission has reduced by 1% compared with FY2019, our corresponding carbon intensity has increased by approximately 11% mainly due to the reduction in number of employees this year. In view of the 1% slightly difference, we successfully controlled the GHG emissions to remain constant when compared to FY2019.

根據3R原則，我們欣然呈報我們在持續監測及控制溫室氣體排放方面的努力已取得成效。於2020財政年度，我們的業務產生約319噸(2019財政年度：322噸[3])二氧化碳當量，按每名僱員計算的排放密度約為5.0噸(2019財政年度：4.5噸)二氧化碳。雖然我們的溫室氣體排放與2019財政年度相比減少1%，惟相應的碳密度卻上升約11%，主要是由於年內僱員人數減少所致。鑑於僅有1%的些微差距，我們成功將溫室氣體排放控制於與2019財政年度一致的水平。

Greenhouse Gas Emissions (in kg)
溫室氣體排放物(公斤)



3 Adjustment was made to the greenhouse gas emission data in FY2019, because the data of the carbon emission factor of electricity consumption as well as the unit electricity consumption of processing fresh water and sewage were not yet updated by the relevant provider of electricity and the government departments at the time of preparation of the ESG Report in FY2019. In this ESG Report, the comparative data of FY2019 were updated according to the different emission factors announced by the relevant entities for FY2019.

3 我們已調整2019財政年度的溫室氣體排放量，因為相關電力供應商及政府部門在2019財政年度環境、社會及管治報告編製時尚未更新用電碳排放因子的數據以及處理食水及污水的單位用電量。於本環境、社會及管治報告中，2019財政年度的比較數據已按照相關實體就2019財政年度公佈的各項排放因子更新。

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The emissions of greenhouse gas are classified into three separate categories as below:

Category 1: Direct emissions from the usage of fuels by our vehicles

Category 2: Energy indirect emissions[4]

Category 3: Indirect emissions due to electricity used for fresh water[5] and sewage[6] processing, and business travel by employees, and methane gas generation at landfill in Hong Kong due to disposal of paper waste

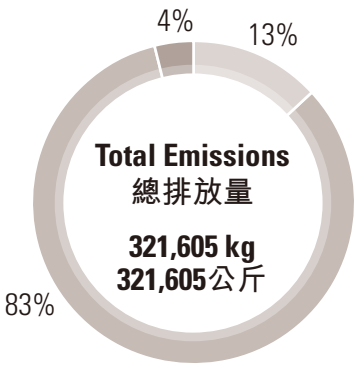
溫室氣體排放分為以下三個獨立的類別：

類別1： 我們的車輛使用燃料直接產生的排放

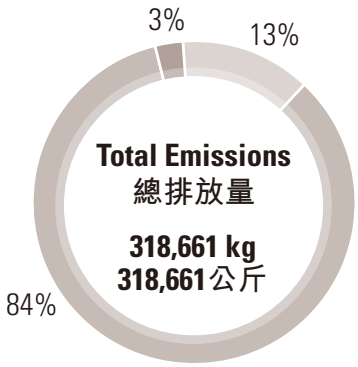
類別2： 間接能源排放[4]

類別3： 因處理食水[5]及污水[6]時耗用電力、僱員出差以及處置廢紙在香港堆填區所產生的甲烷而間接產生的排放

Greenhouse Gas Emissions by Category
按類別劃分的溫室氣體排放
FY2019
2019財政年度



Greenhouse Gas Emissions by Category
按類別劃分的溫室氣體排放
FY2020
2020財政年度



4 The carbon emission of China Light and Power ("**CLP**") was taken as 0.62 kg CO_2e/kWh as announced in their latest Sustainability Report 2019, while the carbon emission of Hong Kong Electric was taken as 0.81 kg CO_2e/kWh as announced in their latest Sustainability Report 2019.

5 The unit electricity consumption of fresh water processing was 0.606 kWh/m^3, as announced by Hong Kong Water Supplies Department in the latest Sustainability Report 2019. Until the date of preparation of this report, there has been no updated data provided yet, and the unit electricity consumption in 2019 was taken as a reasonable estimate for the data in 2020.

6 The unit electricity consumption of sewage processing was 0.28 kWh/unit, as announced by Hong Kong Drainage Services Department in the latest Sustainability Report 2019. Until the date of preparation of this report, there has been no updated data provided yet, and the unit electricity consumption in 2019 was taken as a reasonable estimate for the data in 2020.

4 根據最新的中華電力(「**中電**」)2019可持續發展報告，中電的碳排放量為0.62公斤二氧化碳當量／千瓦時，而根據最新的香港電燈2019年可持續發展報告，香港電燈的碳排放量則為0.81公斤二氧化碳當量／千瓦時。

5 根據最新的香港水務署二零一九年可持續發展報告，處理每單位食水的用電量為0.606千瓦時／立方米。直至本報告編製之日為止，最新數據尚未公佈，而2019年的每單位用電量被用作2020年數據的合理估計。

6 根據最新的香港渠務署可持續發展報告2018–19，處理每單位污水的用電量為0.28千瓦時／單位。直至本報告編製之日為止，最新數據尚未公佈，而2019年的每單位用電量被用作2020年數據的合理估計。

We experienced reduction of approximately 4% and 19% in category 1 and 3 emissions respectively; while a slightly increase of less than 1% in category 2 emission when compared to FY2019. In total, the GHG emissions for FY2020 has been reduced for approximately 1%. In view of the 1% slightly difference, we successfully controlled the GHG emissions to remain constant when compared to FY2019.

與2019財政年度相比，類別1及3的排放分別減少約4%及19%，而類別2的排放則微升少於1%。2020財政年度的溫室氣體排放總量減少約1%。鑑於僅有1%的些微差距，我們成功將溫室氣體排放控制於與2019財政年度一致的水平。

We have continued to implement a range of measures to promote electricity-saving in our office, retail stores and warehouse, including the introduction of energy-saving options (e.g. compact fluorescent lamps) and display of reminders to employees to switch of idle electronic appliances.

我們持續推行一系列措施，促進辦公室、零售店及倉庫節約用電，包括選用節能電器(例如慳電膽)，並張貼告示提醒僱員關閉閒置電器。

Waste Management

The principal business activities of the Group include (i) sales and distribution of furniture and home accessories; (ii) consignment sales (being products consigned from Independent Third Parties for sale in the Group's retail stores); (iii) distribution and licencing of the Group's intellectual property rights; (iv) provision of styling and consulting services; and (v) operation of TREE Café in the Flagship Store. The business operations of the Group produce no hazardous waste, e.g. chemical wastes, clinical wastes and hazardous chemicals.

廢棄物管理

本集團的主要業務活動包括(i)銷售及分銷傢俱及家居配飾；(ii)寄售(由獨立第三方委託在本集團零售店寄售產品)；(iii)分銷及許可使用本集團的知識產權；(iv)提供設計及諮詢服務；及(v)於旗艦店內經營TREE Café。本集團經營業務時，不會產生化學廢料、醫療廢物及有害化學品等有害廢棄物。

One of the major non-hazardous waste produced by the Group in FY2020 was paper waste, which amounted to approximately 721 kg (FY2019: 733 kg), with a corresponding intensity of 11 kg per employee (FY2019: 10 kg per employee). With our continuous effort in waste reduction, the total paper waste produced decreased by approximately 2%, while the corresponding intensity was approximately the same as FY2019.

本集團於2020財政年度產生的主要無害廢棄物之一是廢紙，約為721公斤(2019財政年度：733公斤)，按每名僱員計算的密度為11公斤(2019財政年度：10公斤)。通過不斷努力減廢，我們產生的廢紙總量減少約2%，而密度則與2019財政年度大致相同。

As logging is involved in the paper production process, it provokes both direct and indirect negative impacts on the environment. TREE Limited have implemented a range of measures to reduce paper waste, such as encouraging double-sided printing, as well as collecting single-side-printed paper for re-use. On top of that, an external recycling company has been engaged since January 2018 to collect part of our paper waste for recycling purpose, so as to further cut down our paper waste. Recycling performance report is provided by the service provider, detailing amount of paper waste collected by month and the total carbon emissions avoided through recycling. This helps us to further monitor our paper consumption and motivate our employees to cut down the consumption of resources. We will continue to monitor and reduce our paper consumption in the future in a bid to lower our carbon emissions.

由於造紙涉及伐木，故同時會對環境造成直接及間接影響。大樹有限公司已實施一系列措施減少廢紙，例如鼓勵雙面打印，而單面打印紙會被收集重用。除此之外，為進一步減少廢紙，我們自2018年1月起聘請外部回收公司收集部分廢紙，以作回收。該名服務供應商已提供回收績效報告，詳列每月廢紙收集量及回收所減省的碳排放總量。此舉有助我們進一步監察用紙量，並激勵僱員減少耗用資源。我們日後將繼續監察並減少紙張消耗，以期降低我們的碳排放。

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While plastic and metal waste only accounted for a minority of non-hazardous waste generated by the Group, they are also collected by the recycling bins in our office and TREE Café, so as to further minimize the waste directly disposed of in landfills. In FY2020, approximately 60 kg of plastic and 77 kg of metals were collected and recycled[7] by the service provider. We will continue to advocate the importance of recycling among our employees and customers, and put more effort into waste reduction.

雖然廢塑膠及金屬僅佔本集團所產生無害廢棄物的一小部分，但我們的辦公室及TREE Café亦設有回收箱收集廢塑膠及金屬，從而進一步減少直接於堆填區處置的廢棄物。於2020財政年度，該服務供應商已收集並回收約60公斤塑膠及77公斤金屬[7]。我們將繼續在僱員及客戶之間提倡回收的重要性，並加大力度減廢。

Use of Resources

The Group pledges to become an environmentally-friendly and sustainable enterprise. We understand that while the use of resources has significant impacts on resources preservation, it also involves indirect emissions to the environment. As such, to reduce carbon emission and footprint, we have undertaken a range of carbon reduction measures in our daily operations. Reducing, which is one of the 3Rs principles, is promoted and communicated to our employees for better use of resources.

資源使用

本集團銳意成為一家可持續的環保企業。我們明白資源使用與珍惜資源唇齒相依，亦造成間接環境排放。因此，我們於日常運作中採取一系列減碳措施，以減少碳排放及足跡。為更妥善使用資源，我們向僱員提倡及灌輸3R原則中的減少(Reduce)。

Energy Consumption

The total energy consumption for FY2020 was approximately 337,561 kWh (FY2019: 336,894 kWh), which saw a slight increase of approximately 0.2% compared with FY2019. The corresponding electricity consumption intensity was 5,274 kWh per employee for FY2020 (FY2019: 4,679 kWh per employee), with a increase of approximately 13% compared with FY2019, which was mainly a result of the decrease in number of employees by 11%. In general, the electricity consumption remained constant in FY2020.

耗能

2020財政年度的能源總耗量約為337,561千瓦時，與2019財政年度的336,894千瓦時相比微升約0.2%。2020財政年度按每名僱員計算的耗電密度為5,274千瓦時，與2019財政年度的4,679千瓦時相比上升約13%，主要是由於僱員人數減少11%所致。整體而言，2020財政年度的耗電量保持穩定。

To reduce unnecessary electricity consumption, the Group encourages every employee to switch off all idle appliances and ensure that all electronic appliances had been switched off before they left the office. Apart from this, the Group will purchase energy-efficient electronic appliances in the future, as well as upgrading current ones for energy-efficient alternatives in long run. We promise to put in more efforts in the aspect of energy conservation to further reduce our carbon footprint.

為減省不必要的用電，本集團鼓勵全體僱員關閉所有閒置電器，並確保於離開辦公室前關閉所有電器。除此之外，本集團日後亦將選購節能電器，長遠亦會將現有電器升級為節能型號。我們承諾將加倍努力節約能源，以進一步減少碳足跡。

7 The data was not disclosed in FY2019's ESG report. In order to present a more comprehensive result, the Group included this data since this ESG report.

7 2019財政年度的環境、社會及管治報告並無披露有關數據。本集團自本環境、社會及管治報告起載列該數據，以呈列更全面的結果。

Water Consumption

Water is one of the most precious natural resources. High consumption of water could undermine the water resources available. In the meantime, processing of freshwater and sewage require electricity, indirectly resulting in more carbon emissions. As TREE Café is one of the major businesses of the Group, it places much emphasis on conservation of water resources. Café staff are educated not to keep the tap open when doing the washing. In FY2020, the Group's water consumption was approximately 259[8] cubic meters (FY2019: 333 cubic meters), showing a reduction of approximately 22% compared with FY2019. The corresponding water consumption intensity was approximately 4 cubic meters per employee (FY2019: 5 cubic meters per employee), with a significant decrease of approximately 20% compared with FY2019. As our water is sourced from the Water Supply Department, there was no water supply issue identified in FY2020. Effective use of water can significantly whittle down the indirect consumption of electricity during water processing. The Group encourages its staff to save and use less water by promoting water conservation among its staff. We will also continue to monitor our use of water closely, so as to minimize the corresponding carbon footprint.

Paper Usage

To advocate a paperless work environment, we encourage our employees to use electronic systems and documents instead of printed documents. Effective use of paper and double-sided printing have been promoted and communicated to our staff, while single-sided-printed paper is collected for reuse. The Group consumed approximately 721 kg of paper in FY2020 (FY2019: 733 kg), which has decreased by approximately 2% compared with that of FY2019. The corresponding consumption intensity was approximately 11 kg per employee this Year (FY2019: 10 kg per employee).

Packaging Materials

Generally, no packaging materials are used for the furniture and home accessories sold at shops. There are only small amount of plastic films used during the delivery process. However, the usage of packaging materials is hard to estimate due to the limited availability of relevant data, with the usage of packaging materials being considered as immaterial. Hence, no disclosure is made regarding the usage of packaging materials.

Shopping Bags

To further promote environmental sustainability, we promote "bring your own bag" at shops. However, in case customers do not have their own bags with them, we would provide them with tote bags, which were in 100% cotton.

耗水

水是最珍貴的天然資源之一。用水過多可影響水資源供應。與此同時，處理食水及污水亦須用電，間接造成更多碳排放。作為本集團主要業務之一，TREE Café非常重視珍惜水資源。咖啡店員工已接受培訓，在清洗餐具時不會長開水龍頭。本集團於2020財政年度的耗水量約為259[8]立方米，與2019財政年度的333立方米相比減少約22%。按每名僱員計算的耗水密度約為4立方米，與2019財政年度的5立方米相比大減約20%。由於我們的用水源自水務署，故2020財政年度在求取水源上並無任何問題。有效用水可大幅削減處理用水的間接用電。本集團在員工之間推動節水，鼓勵員工珍惜及減少用水。我們亦持續密切監察耗水，從而減少相關碳足跡。

用紙

為提倡無紙化工作環境，我們鼓勵僱員使用電子系統及文件代替印刷文件，亦向員工推廣並傳達善用紙張及雙面打印的訊息，而單面打印紙會被收集重用。本集團於2020財政年度耗用約721公斤紙張，與2019財政年度的733公斤相比減少約2%。本年度按每名僱員計算的用紙密度約為11公斤(2019財政年度：10公斤)。

包裝材料

一般而言，商店出售的傢俱及家居配飾不使用包裝材料。送貨過程僅使用少量塑膠薄膜。然而，由於可得資料有限，難以估計包裝材料的使用量，且包裝材料的使用量被視為不重大，因此並無披露包裝材料的使用情況。

購物袋

為進一步提升環境可持續性，我們在店內提倡「自備購物袋」。然而，如顧客並無自備購物袋，我們亦會提供全棉的大手提袋。

8 Water consumption of the 8 months from August 2019 to March 2020 was estimated by projection based on the data comparison of the first 4 months of FY2019 and FY2020, as the latest data has not yet been obtained from the Water Supply Department at the date of preparation of this report.

8 由於在本報告編製之日，尚未取得水務署的最新數據，故2019年8月至2020年3月間八個月的耗水量乃根據2019財政年度及2020財政年度首4個月的數據比較預測估計。

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The Environment and Natural Resources

The Group believes that business development should not come at the expense of the environment. Therefore, we have been adopting environmentally-friendly practices in various aspects. For example, we invested in the acquisition of compact fluorescent lamps (CFLs) for replacing the traditional light bulbs, engaged an external recycling company to uphold recycling of wastes, and educated our employees on the importance of environmental protection.

To further contribute to environmental preservation, not only do we make continuous donations for planting trees in Indonesia, we also support Earth Hour by turning off all non-essential lights for one hour every year.

With our determination in minimizing the impacts of our operations on the environment, we have successfully achieved the following:

環境及天然資源

本集團認為，企業發展不應以破壞環境為代價。因此，我們已在各方面採取環保做法。例如，我們選購慳電膽，取代傳統燈泡，聘請外部回收公司以支持回收廢棄物，並教導僱員環保的重要性。

為加大力度保護環境，我們不但一直捐款在印尼植樹，亦支持地球一小時活動，每年將所有非必要照明關閉一小時。

本集團決心將業務對環境的影響盡量減低，且已成功實現以下目標：

Aspects **層面**	**Achievements** **成就**
Air Emission 廢氣排放	Air emission reduced by approximately 4% 廢氣排放減少約4%
Greenhouse Gas Emission 溫室氣體排放	GHG emission reduced by approximately 1% 溫室氣體排放減少約1%
Water Consumption 耗水	Water consumption reduced by approximately 22% 耗水量減少約22%
Paper Usage 用紙	Paper usage reduced by approximately 2% 用紙量減少約2%

Section B: Social

Employment

Employees are of top priority to the Group as they are the most valuable assets. We value all our employees' contribution and dedication to our business development equally as they contribute to our Group by heart and help us achieve our corporate objectives. Not only do they serve our customers with great patience, but also contribute innovative ideas to attain our business targets. We strive to grow with our employees as it is mutually beneficial to both the employees and our business development in the long run. Hence, we adopt an employee-oriented approach in creating our workplace, as well as recruiting, training and retaining talents for our business development.

Our Employees

Our Group consisted of 73 staff members as at 31 March 2020 (31 March 2019: 72), and the composition of our staff members is set out below:

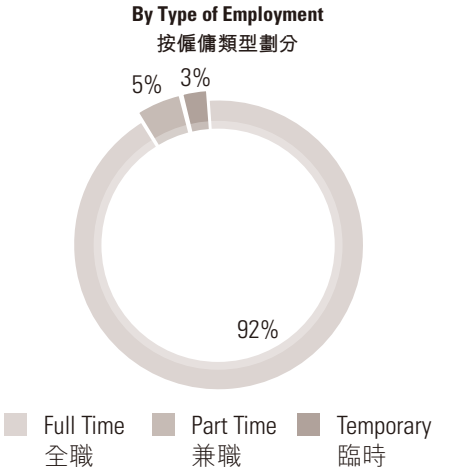
B部分：社會

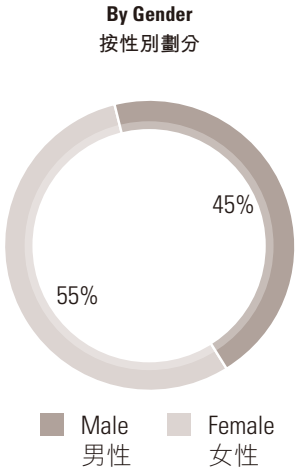
僱傭

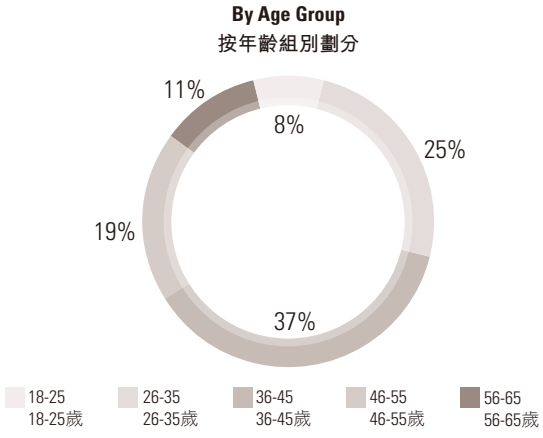
僱員是本集團最寶貴的資產，本集團珍而重之。我們對所有僱員一視同仁，重視其對業務發展、協助我們追求企業目標的用心貢獻和付出。彼等不僅耐心服務我們的客戶，更提出創新意念，幫助我們達成業務目標。我們銳意與僱員並肩成長，長遠令我們的僱員與業務雙雙得益。因此，我們為業務發展建立以員工為本的工作環境、招聘、培訓及人才挽留制度。

我們的僱員

於2020年3月31日，本集團由73名(2019年3月31日：72名)員工組成，成員組成載列如下：







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We believe that our diverse, but yet, inclusive workforce enhances our creativity, decision-making, as well as communication both among our employees and with our customers, which are essential to a successful and sustainable business.

我們相信，我們多元化但包容並蓄的員工團隊可提升我們的創意和決策能力，亦可加強僱員之間及與客戶的溝通，是業務成功及持續發展的關鍵。

For recruitment and dismissal process, the Group will go through the procedures according to the policies stated internally. For recruitment, equal opportunities are provided to all applicants with regards of the considerations of their experience, knowledge and skills only. The Human Resources Department will strictly process every application in terms of bringing the best inputs for the Group. For compensation and dismissal, those employees acting improperly or breaching of contract terms and code of conduct will be warned or even terminated, in terms of protecting the Group's interests. Compensations are provided to those dismissed employees when applicable according to the relevant laws and regulations.

本集團的招聘及解僱程序恪守內部既定政策。招聘方面，所有應徵者均獲得平等機會，只考慮經驗、知識及技能。人力資源部嚴謹處理所有申請，致力為本集團招攬頂尖人才。補償及解僱方面，為保障本集團的利益，行為失當或違反合約條款及行為守則的僱員將被警告甚至解僱。本集團會按照相關法律及法規向遭解僱的僱員作出補償(如適用)。

Employee Benefits

We offer comprehensive employee benefits package to our dedicated and talented Group members. Compensations are provided fairly according to their contribution to our business with reference to market practice. We also award bonus to our employees depending on their performance, which is reviewed and assessed semi-annually, in a bid to enhance our employees' performance and address their needs in terms of career development. Through this, our employees are able to excel in their jobs and build a career with us. Promotion decisions are made by the management with careful consideration of a range of factors, ranging from the employee's job responsibilities, qualifications, relevant experience and performance, to his/her conduct and potential. Promotion and salary increment are also rewarded to all the staff who make contribution to the Group based on their semi-annual assessment.

僱員福利

我們為所有勤勉盡責及才華洋溢的本集團成員提供全面的僱員福利。彼等根據各自為我們的業務所作貢獻，並參照市場慣例獲得公平補償。我們亦每半年檢討及評估僱員表現，根據有關表現向彼等發放花紅，以提升僱員表現並滿足彼等各自的事業發展需要，從而使僱員可於崗位上發揮所長並與我們一起發展事業。晉升決定乃由管理層於審慎考慮工作職責、資格、相關經驗及表現、行為及潛力等因素後作出。按照每半年的評估結果，所有曾為本集團作出貢獻的員工亦可獲得晉升及加薪以作獎勵。

In addition, we contribute to the Mandatory Provident Fund and acquire employees' compensation insurance with reference to the requirements of the Employment Ordinance of Hong Kong. We also provide medical fee reimbursements to our employees for the sake of reducing their financial burden.

此外，根據香港僱傭條例的規定，我們向強制性公積金作出供款並購買僱員補償保險。我們亦為僱員提供醫療費用報銷，以減輕其經濟負擔。

Harmonious Workspace

As an employee-oriented business, we strive for a harmonious and inclusive working environment, which is free from any harassment and discrimination. We actively promote and cultivate the understanding of Non-Discrimination, Anti-Harassment and Non-Bully Policies by communicating these with our employees through staff handbook and during team meetings. Our employees are also recruited regardless of their race, color, religion, age, gender, sexual orientation, national origin, citizenship, health condition, marital status or any other characteristics. Such equal employment opportunity policy is applicable towards our staff recruitment, training and development, recognition and reward, as well as termination and dismissal.

If our employees believe that they are experiencing discrimination and/or bullying, they are encouraged to lodge their complaint with the management, who will investigate thoroughly and confidentially. We will take this matter in a serious manner and continue to strive for a harmonious workplace for our employees.

We also recognize and support our employees' religious and cultural beliefs by extending their break time to accommodate their religious needs on specific occasions. Employees who are legally married or entering into a formal civil union / partnership are both entitled to an additional paid marriage leave. Both maternity leave and paternity leave are provided to our employees as well, so that they can strike a balance between family and work with our full support.

The Group also regularly organizes different types of employee activities such as annual dinner and Christmas celebration to foster bonding between our employees. We believe that a harmonious workplace is beneficial to our employees' well-being, which in turn enhances productivity at work and promote long term relationships between our employees and us.

Work-life Balance of Employees

The Group understands that it is necessary for its staff to take a break from time to time, which helps to facilitate the process of accomplishing the long-term goals of the Group. As such, the Group strives to provide a work-life balance to all its employees. Our employees are also entitled to a number of special leaves to meet their families' needs, including marriage leave, family bereavement leave, maternity leave and paternity leave, etc. Through these policies, a good work-life balance can be provided to our employees.

和諧的工作環境

作為以僱員為本的企業，我們致力營造和諧包容的工作環境，不存在任何騷擾及歧視。我們積極通過員工手冊及小組會議向僱員傳達並促進彼等了解及認識不歧視、反騷擾及不欺凌政策。我們於招聘時亦不論種族、膚色、宗教、年齡、性別、性取向、原有國籍、公民身份、健康狀況、婚姻狀態或任何其他特徵。有關平等就業機會政策適用於員工招聘、培訓及發展、表彰及獎勵、以及解聘及解僱。

如果僱員認為彼等面對歧視及／或欺凌，我們鼓勵彼等向管理層投訴，管理層將徹底調查並保密。我們將嚴正處理有關事件，不遺餘力地為僱員營造和諧的工作環境。

我們亦尊重並支持僱員的宗教及文化信念，在特定情況下提供休息時間滿足其信仰需要。訂立法定婚姻、民事結合／伴侶關係的僱員均享有額外有薪婚假。僱員亦享有產假及侍產假，全力支持他們在家庭與工作之間取得平衡。

本集團亦定期安排不同類型的僱員活動，例如春茗和聖誕聯歡會，以加強僱員之間的情誼。我們相信，和諧的工作環境對僱員身心健康有益，能夠提升生產力，長遠促進僱員與我們之間關係。

僱員的作息平衡

本集團明白員工需要不時休息，此舉有助本集團達成長遠目標。因此，本集團致力於全體僱員的作息平衡。我們的僱員亦享有若干特別假期，以滿足家庭所需，包括婚假、恩恤假、產假及侍產假等。此等政策讓僱員取得良好的作息平衡。

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Talent Retention

With the adoption of employee-oriented approach in our internal policies, we successfully achieved a total retention rate at approximately 91% (FY2019: 96%) in FY2020. While it has dropped slightly by 5% compared with the FY2019, our retention rate has continued to remain at a high level above 90%.

Moreover, the number of employees serving the Group for 5 to 10 years, as well as over 10 years, have increased compared with the FY2019. Our effort in building a family TREE with a strong and deep root was proven effective with a high employee retention rate, particularly those who has served our Group for a longer time. With our dedicated employees, our Group can continue to grow and prepare itself for future challenges.

Health and Safety

The Group is committed to safeguarding the safety, health and welfare of all its employees, and it aims to not only meet the minimum occupational health and safety standards required by the law, but to exceed them. To realize our commitment, we have implemented a range of policies with regard to workplace safety.

Staff handbook, which is distributed to all employees at the commencement of work, outlines safety requirements and guidelines for accident and injury management, so that our staff can familiarize themselves with the protocols. Smoking is strictly prohibited in TREE premises or any of the TREE delivery trucks. The Group has also equipped its office and shops with adequate resources for potential accidents. Sufficient fire equipment, such as fire extinguishers and fire hydrants, have been placed in both back office and shops. These equipment are under regular checks to ensure that they are in good condition.

We have two registered First Aiders working at the Flagship Store. In case of occurrence of accident or injury, they can provide emergency assistance immediately. The Group's employees' compensation insurance policies are closely monitored and regularly adjusted according to the headcounts. In case of work injury, our employees are entitled to sick leave and/or reimbursements of medical expenses by the insurance company, so that they can receive the necessary medical assistance and have adequate rest for recovery.

During FY2020, 7 employees were involved in work injuries, and a total of 907 working hours lost was recorded (FY2019: 3 employees; 79 working hours lost). Compared with the figures of the FY2019, the number of work injuries and working hours lost have both increased. In order to minimize occupational hazard and work injuries, we promise to put continuous effort into promoting our employees' awareness of workplace safety. The Group will also strengthen the education by reminding its employees the correct ways of lifting and handling materials regularly. As aforementioned, our employees are of our Group's top priority, so we pledge to monitor workplace safety closely and prevent any work injury or accident by all practicable means.

挽留人才

憑藉以僱員為本的內部政策，我們於2020財政年度成功取得約91%(2019財政年度：96%)的整體留任比率。雖然與2019財政年度相比微跌5%，但我們的留任率仍處於逾90%的高水平。

再者，效力本集團5至10年以及超過10年的僱員人數與2019財政年度相比均有所上升。僱員(尤其是於本集團年資較長者)的留任率高企，我們為TREE此一大家庭建立穩固根基的成果有目共睹。僱員全情投入工作，本集團則可繼續成長，克服未來挑戰。

健康與安全

本集團承諾保障全體僱員的安全、健康與福祉，其目標不僅是符合法律要求的最低職業健康及安全標準，而是超越該等標準。為履行承諾，我們已實施一系列工作環境安全政策。

我們於僱員入職時向彼等分發員工手冊，概述安全要求、發生意外時的指引及傷亡管理辦法，令員工熟知有關程序。TREE的場所及運輸車輛均嚴禁吸煙。本集團的辦公室和商店亦備有充足的裝備，以防隱患，而後勤辦公室及商店亦已安裝滅火器、消防喉等足夠消防設備，並定期檢查設備，保證全部狀況良好。

我們的旗艦店駐有兩名註冊急救員。一旦發生意外或傷亡事故，彼等可立即提供緊急協助。本集團密切監察並定期按照僱員人數調整僱員補償保險政策。僱員如因工作關係而受傷，可享有病假及／或獲得保險公司的醫療費用賠償，以便接受所需治療並充份休息，早日康復。

於2020財政年度，有7名僱員因工作關係而受傷，損失工作時數合共為907個小時(2019財政年度：3名僱員；損失工作時數為79小時)。與2019財政年度數字相比，工傷數目及損失工作時數均有所上升。為盡量減少職業危害及工傷事故，我們承諾竭力提高僱員的工作場所安全意識。本集團亦強化教育，定期提醒僱員起重及搬運材料的正確方法。一如上文所述，僱員乃本集團的至寶，所以我們矢志密切監察工作場所的安全，竭盡一切可行辦法避免工傷或意外發生。

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The Group strictly complied with the Employees' Compensation Ordinance in Hong Kong to report any accident to the Commissioner for Labour. The Group also strictly complied with others relevant health and safety laws and regulations, such as the local fire services regulations, to provide a safe working environment to its employees by protecting them from occupational hazards.

本集團恪守香港的僱員補償條例，向勞工處處長呈報所有意外事故。本集團亦嚴格遵守其他相關健康與安全法律及法規，例如地方消防規定，為僱員提供安全的工作環境，保護彼等免受職業危害。

Development and Training

We encourage our employees to continue learning and growing, as we believe that their personal career development goes hand in hand with our business development. Employees are encouraged to learn by reviewing their own performance and setting goals for themselves to achieve.

發展及培訓

我們深信，僱員個人事業發展與我們的業務增長相輔相成，故鼓勵彼等持續進修及成長，並鼓勵僱員從檢討自身表現中學習，為自己設定目標。

From time to time, internal training sessions are held to improve our employees' knowledge about our products, customer services, marketing and corporate management etc. This helps to equip our staff with the necessary skills for their job, as well as to keep abreast of the market trends. Prior to product promotion and new events, training sessions are organized to brief all the responsible staff the logistics, so as to ensure quality services provided to our customers.

為提高僱員對產品、客戶服務、市場推廣及企業管理等的知識，我們不時舉辦內部培訓課程，協助員工裝備工作所需技能，同時緊貼市場趨勢。每當我們有新的促銷項目及新的活動時，會舉辦培訓課程，向所有負責的員工簡介有關安排，以確保我們向客戶提供優質服務。

Apart from internal training, if employees identify learning needs, they are welcomed to share their needs with their managers. Employees' initiatives to learn are highly appreciated, and we accommodate to their learning needs as far as we can. If our employees wish to take external training courses or examinations relevant to their employment, we can provide corresponding assistance in the form of flexible working hours, financial assistance and/or tuition reimbursement. We hope to support all our employees in achieving their personal career development as we value them as a family member, and this will benefit our business in the long term ultimately.

除內部培訓外，如僱員發現進修需要，可與其經理分享所想。我們非常歡迎僱員進修的要求，會盡可能配合其進修需要。僱員如欲參與與其受聘有關的外部培訓課程或考試，我們可予以相應協助，形式包括彈性上班時間、財務援助及／或學費資助。我們視全體僱員為重要的家庭成員，希望支持彼等達成個人事業發展目標，相信終會令我們的業務長遠受惠。

In FY2020, we achieved 27% training rate, of which middle management accounted for the majority of the trained staff. A total of 67 training hours were provided to our employees, with the average training hours received per employee amounting to approximately 1 hour. The Group will continue to invest more resources into its employees' training and development, so that its staff can grow together with the Group.

於2020財政年度，我們取得27%的受訓比率，大多數受訓僱員為中級管理層。我們合共為僱員提供67小時培訓，每名僱員完成受訓的平均時數約為1小時。本集團將繼續投放更多資源進行僱員培訓及發展，讓員工與本集團並肩成長。

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Labour Standards

The Group complies with all immigration laws and regulations. During the course of our recruitment process, documents authenticating the applicants' identity and eligibility to work in Hong Kong are obtained and verified, so as to ensure compliance with relevant laws and regulations in the aspect of employment.

Respecting human rights has always been an integral part of the Group's mission towards sustainability. The Group fully complies with labour laws and other relevant legislation that prohibit child labour and forced labour. No person below the age of eighteen has been hired or forced to work at the Group. Any act of violence, with the purposes of deliberately causing discomfort, threats and/or bodily harm, as well as forcing employees to work, is strictly prohibited by the Group. Our employees are welcomed to report to the management through the whistleblowing mechanism, if they notice any potential violation, or if they are experiencing forced labour. The management will investigate the matter and take follow-up actions in serious manner,

In FY2020, there was no material non-compliance with applicable laws and regulations in relation to labour standards.

Supply Chain Management

The Group recognizes that proper management of its supply chain brings positive impacts to the social environment. The Group has implemented a number of measures to ensure appropriate supply chain management.

Before entering a contractual relationship with a supplier, merchandising team of the Group conduct site visits and sample testing to ensure the quality of products provided by the supplier. Only suppliers with satisfactory result of the initial assessment will be added to our approved list of suppliers and engage in business with us. An official list of approved suppliers meeting the Group's procurement requirements is kept and regularly reviewed by the merchandising team through annual assessment. The Group will consider terminating business relationship with suppliers who are unable to meet our standard.

勞工準則

本集團恪守所有入境法律及法規。在招聘過程中，我們索取申請人身份及在香港工作資格的證明文件並予以核實，確保符合僱傭相關法律及法規。

尊重人權一直是本集團可持續發展使命中不可或缺的一部分。本集團全面遵守勞工法律及其他相關法例，禁止童工及強制勞工。本集團不會僱用或強迫未滿18歲的人士為其工作。本集團亦嚴禁以故意造成不適、威脅及／或人身傷害以及強迫僱員工作為目的的任何暴力行為。如僱員注意到任何潛在違規行為，或被強迫工作，我們歡迎彼等透過舉報機制向管理層舉報。管理層將嚴肅調查事件並採取跟進行動。

於2020財政年度，本集團並無嚴重違反與勞工準則有關的適用法律及法規。

供應鏈管理

本集團明白，妥善管理供應鏈可對社會環境產生積極影響。本集團已實施若干措施確保執行恰當的供應鏈管理。

在與供應商建立合約關係前，本集團的採購團隊會進行實地視察及抽樣測試，確定供應商所提供產品的品質。只有初步評估結果令人滿意的供應商方可進入我們的核準供應商名單，從而與我們進行業務往來。採購團隊存置符合本集團採購要求的正式核準供應商名單，並通過年度評估定期檢討名單。本集團會考慮與未能符合我們的標準的供應商終止商業關係。

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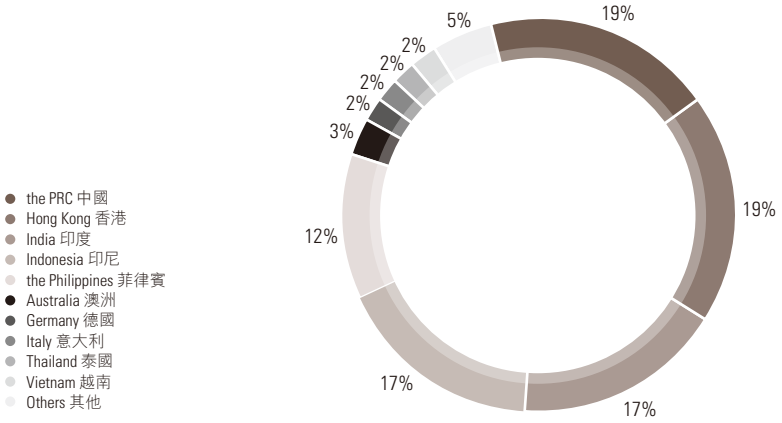
During FY2020, the Group had a total of 42 suppliers, which are mainly located in Southeast Asia, the PRC and Western Europe. With diversified sources of supply, the Group aims to achieve stable supplies to support its business operations.

於2020財政年度，本集團共有42家供應商，主要位於東南亞、中國及西歐。憑藉多元化的供應來源，本集團希望實現穩定的供應，支持其業務運作。

Suppliers by Geographical Region
按地區劃分的供應商



To mitigate the risk of supply chain disruptions, the Group also maintains a stock level which is sufficient to meet its customers' demand for at least three months.

本集團亦維持足夠的存貨水平，足以滿足至少三個月的客戶需求，從而減低供應鏈中斷的風險。

The Group's suppliers are encouraged to demonstrate corporate social responsibilities by complying with the relevant codes and business ethics with respect to workplace operations, marketing activities, social contacts and environmental responsibilities. On the other hand, any forms of bribery are strictly prohibited by the Group. Employees are forbidden from providing or acceptance benefits from suppliers and customers.

本集團鼓勵供應商在工作場所營運、市場推廣活動、社會聯繫及環境責任等方面遵守相關準則及商業道德，以展現其企業社會責任。另一方面，本集團嚴格禁止所有形式的賄賂。僱員不得向供應商及客戶提供或收受任何利益。

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Product Responsibility

Product Quality Control

TREE Limited is committed to providing products and services of high quality and reliability. For the wooden furniture, FSC certificates of products are obtained by our merchandising team in order to verify the materials used for the products. The Company is also a trademark license holder promoting and selling FSC-certified finished goods. To ensure the quality of goods supplied, all our suppliers are required to perform quality check on every product prior to their delivery. A quality control label is then attached to every product as a proof of satisfactory result of the quality assurance test, which is further verified by the Group after the products have been shipped over. In our retail stores, our merchandising team and delivery team are responsible for conducting another round of inspections on all the furniture and home accessories. If material defects are found in any of the products, full inspection of the batch of products will be performed. In serious cases, the Managing Director may consider requesting replacement of the products delivered by the suppliers, or making claims for compensation against the suppliers.

After the delivery of products from suppliers, our carpenters will further polish, fine-tune the design of, and coat the product with OSMO upon customers' requests, which further enhances the quality of our products and maintain the unique brand of TREE.

In FY2020, there was no material non-compliance with applicable laws and regulations relating to product liability.

Not only does the Company focus on the product quality, the Company also places huge importance on the customers' health and safety issue. The Company has incorporated health concerns, such as choosing the products manufactured with qualified materials.

In addition, our advertisements are mainly based on our actual finished products and word-of-mouth. Not only do them help provide our customers with confidence towards our products, they also help our customers familiarise with our brand image.

Customer Service Management

To uphold the quality of its customer service, the Group has established various channels for its customers to communicate its team and provide feedback. Customers can approach us through our customer hotline, email, or leave their comments on our webpage via livechat or feedback form. Feedbacks pertinent to the attitude of staff, variety of products provided, and the environment of our stores etc. are all welcomed. The Group's customer service hotline, email address and website can be found in every postcard of its products. All the comments received are recorded by our customer service team, who will then share the feedback with the corresponding team members.

產品責任

產品品質監控

大樹有限公司致力提供優質且可靠的產品及服務。就木製傢俱而言，我們的採購團隊會索取產品的FSC認證，以驗證產品所使用的材料。本公司亦為推廣並銷售FSC認證成品的商標許可持有人。為保證獲供應商品的品質，本集團要求所有供應商在每件產品交付前進行品質檢查，然後在每件產品上貼上品質監控標籤作為品質保證測試結果令人滿意的憑證。本集團會進一步驗證所有付運產品的品質監控標籤。此外，採購團隊及送貨團隊負責再次檢查零售店所儲存的所有傢俱及家居配飾。如發現產品有任何材料瑕疵，將全面檢查該批產品。在嚴重情況下，董事總經理可能考慮要求供應商更換所交付的產品或向供應商索償。

在供應商交付產品後，我們的木匠將應客戶要求進一步打磨、美化設計及為產品上木蠟油，進一步提升產品品質，維持TREE品牌的獨特性。

於2020財政年度，本集團並無嚴重違反與產品責任有關的適用法律及法規。

本公司不單注重產品品質，亦極為重視客戶的健康與安全。本公司已將健康因素納入考慮範圍內，例如嚴選以合資格材料製造的產品。

此外，我們的廣告聚焦於真實的成品和口碑，不僅有利於鞏固客戶對旗下產品的信心，亦有助客戶認識我們的品牌形象。

客戶服務管理

為保持本集團客戶服務的品質，本集團已建立不同渠道讓客戶與團隊溝通並提供反饋。客戶聯絡我們的途徑包括客戶熱線、電子郵件或透過即時對話或反饋表格在我們的網站留言。與員工態度、產品種類及商店環境等有關的反饋均無任歡迎。我們每一件產品的明信片上均印有本集團的客戶服務熱線、電子郵件地址及網址。我們的客戶服務團隊會記錄所接獲的一切意見，並向相關團隊成員分享反饋。

In FY2020, there were 134 cases of customer complaints received, most of which were concerned with the imperfections in products upon delivery. The Group's customer service team is responsible for handling customers' enquiries and complaints.

於2020財政年度，本集團接獲134宗客戶投訴，大部分涉及所交付的產品有缺陷。本集團的客戶服務團隊負責處理客戶查詢及投訴。

A customer complaint handling policy has been established and circulated to the customer service team to ensure that standardised procedures are in place and properly maintained to handle customer complaints in appropriate manner. Customers' complaints are summarised in the customer complaint register, which are then reviewed by our customer service team with follow-up actions taken by the corresponding staff. All the follow-up actions are also recorded in the register, so that our staff can keep track of the progress and status of each complaint. This ensures that all the customers' complaints are attended to in appropriate manner, and the management can investigate the matter if necessary. We will continue to maintain good relationship with our customers and uphold our current practice of customer service management.

本集團已制訂一項客戶投訴處理政策，並分發予客戶服務團隊，以確保落實及妥為存置標準程序，以合適方式處理客戶投訴。客戶投訴於客戶投訴登記冊概述，其後由客戶服務團隊檢討及安排負責人員採取跟進行動。所有跟進行動亦會記入登記冊，員工可藉此追蹤每宗投訴的進展及狀況。此舉確保所有客戶投訴得到合適處理，而管理層可於有需要時調查相關事宜。我們將繼續與客戶維持良好關係，秉持現行客戶服務管理常規。

Confidentiality

TREE Limited has established an Employees' Manual which is circulated to all its employees to ensure that they are well aware of the importance of protection over customers' and suppliers' information. Customer and supplier data must only be used for the sole purpose of the Group's operations in a bid to provide adequate service to its customers. Customers' data must not be shared with any other parties outside the Group without prior written approval from the customers concerned. Verbal or written warning will be given to the relevant employee who has breached the listed regulations. The employee concerned may be subject to dismissal in the case of serious misconduct or repeated acts of misconduct.

保密

大樹有限公司已制定一份僱員手冊，並分發予所有僱員，以確保彼等熟知保障客戶及供應商資料的重要性。客戶及供應商資料僅供本集團營運之用，旨在為客戶提供優質服務。未經客戶事先書面批准，不得與本集團以外的任何其他人士共享客戶資料。本集團會對違反明文規例的僱員給予口頭或書面警告。僱員如嚴重行為不當或屢次行為不當可被開除。

Intellectual Property Rights

The Group understands the importance of protecting its intellectual property rights and patent. During the course of patent application, we have examined whether the patent has already been applied for by third party companies. The Group has registered its trademarks in Hong Kong, the PRC, the United States and Canada, with trademark summary established for monitoring the progress of trademark application and renewals required for the trademarks. We also conduct regular checks to see if our intellectual property rights have been infringed by other companies.

知識產權

本集團深明保護知識產權及專利權的重要性。於申請專利權的過程中，我們已審查是否已有第三方公司申請有關專利權。本集團已於香港、中國、美國及加拿大註冊商標，並已建立商標概要以監察商標申請進度及需要續新的商標。此外，我們會定期檢視其他公司有否侵犯我們的知識產權。

Anti-corruption

All forms of bribery and corruption are strictly prohibited by the Group. Employees should not offer, solicit or accept anything of material value to or from their colleagues, customers, suppliers or other business partner of TREE Limited, unless consent has been given by the Managing Director. Directors and staff should avoid conflicts of interest, in which the Group's interests can be potentially undermined. Employees are required to report to the management in case of potential conflicts of interest, declaring that the Group's interest will be upheld without the influence of their personal interests, in case of any actual or potential events of conflicts of interest.

反貪污

本集團嚴禁一切形式的賄賂及貪污。未經董事總經理同意，僱員不應向或從同僚、大樹有限公司的客戶、供應商或其他業務夥伴提供、索取或收取任何有重大價值的東西。董事及員工應避免利益衝突，即可能令本集團利益受損的情況。在發生潛在利益衝突的情況下，僱員須向管理層匯報，聲明不論在任何實際或潛在利益衝突的事件中，彼等均會維護本集團的利益，不受其個人利益所影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
環境、社會及管治報告

In addition to bribery and corruption, our employees are strictly prohibited from engaging in any illegal acts, including extortion, fraud, money laundering, etc. Identified cases will be followed-up with applicable legal actions. It is the Group's core values for reminding its employees to uphold their integrity and professionalism as aforementioned.

除賄賂及貪污外，僱員嚴禁參與任何非法行為，包括勒索、欺詐、洗黑錢等。已識別的案件將以適用法律行動跟進。本集團的核心價值乃提醒僱員堅守上述誠信及專業。

Whistleblowing

Whistleblowing policies are stated in the Employees' Manual, outlining the guidelines for employees to report cases of misconduct. Employees are welcomed to report suspected misconduct of their colleagues, subordinates, senior management or even suppliers. They can express their concerns through various channels, including face-to-face conversation, email or phone call with the manager, the Human Resources Manager or the Managing Director. Our management will review and take follow-up actions to investigate every reported case in serious manner. In case of serious misconduct, the management will consider reporting to the police or the Independent Commission Against Corruption ("**ICAC**").

舉報

舉報政策載於僱員手冊內，概括僱員匯報不當行為事件的指引。本集團鼓勵僱員匯報同僚、下屬、高級管理層甚至供應商的懷疑不當行為。彼等可循面談、電郵或電話等不同渠道向經理、人力資源經理或董事總經理表達彼等的關注。我們的管理層將進行審閱並採取跟進行動，嚴肅調查每宗報告事件。倘有嚴重不當行為，管理層將會考慮向警察或廉政公署(「**廉署**」)報案。

In FY2020, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

於2020財政年度，概無針對本集團或其僱員所提起的已審結貪污行為法律案件。

Community Investment

"Putting our heart into everything we do" is what TREE Limited is committed to. Not only do we put our hearts into giving back to our employees and customers, but also into contributing to the environment and community. In light of this, the Company has actively participated in various charitable activities, and encouraged our employees to invest in the community. In FY2020, TREE Limited has mainly participated in the following activities.

社區投資

「全心全意，全情投入」乃大樹有限公司的承諾。我們不單真誠對待僱員及客戶，同時傾力貢獻環境及社區。就此，本公司一直積極參與不同慈善活動，鼓勵僱員投入社區。於2020財政年度，大樹有限公司主要參與以下活動：

Trees4Trees – supporting reforestation and improving lives of local families

TREE has consistently made donations to Trees4Trees, a non-profit foundation that empowers local community with reforestation initiatives through educational programmes. In FY2020, the Company donated approximately HK$67,300 to Trees4Trees. Not only does the donation support reforestation, but also help improve the lives of the local community through employing locals to assist reforestation and educating them about sustainable forest management. We value tree resources in the environment, so we put our hearts into giving back to our mother nature through participating in reforestation.

Trees4Trees — 支持造林以及改善當地家庭生活

TREE一直捐贈Trees4Trees。Trees4Trees為非牟利基金會，通過教育項目賦予當地社區造林倡議的權利。於2020財政年度，本公司捐贈約67,300港元予Trees4Trees。該筆捐款不僅支持造林，亦藉僱用當地人協助造林並教育彼等可持續森林管理，協助當地社區家庭改善生活。我們珍惜環境內的樹木資源，全心全意參與造林回饋萬物之母。

NSW Rural Fire Service & Brigades Donations Fund – helping alleviate bushfire in Australia

In FY2020, the Company donated approximately HK$5,100 to NSW Rural Fire Service and Brigades Donations Fund in light of the bushfire in Australia in second half of 2019, in which millions of people and animals were affected, with plenty of valuable resources lost to the fire. All the donations will be used to support fire service in the area, as well as rebuilding lost homes for both humans and animals. We hope that through this donation, we can all contribute to the alleviation of natural hazard and create a sustainable environment again.

World Wide Fund for Nature (Australia) – helping animals affected by bushfire

On top of supporting NSW Rural Fire Service, TREE Limited also donated approximately HK$5,200 to World Wide Fund for Nature in Australia to support koalas in need of medical attention. The donation was also used for reforestation in the affected areas, restoring natural habitats for many of the wild animals in Australia. We believe that every step matters in creating a better environment for both humans and animals for the long run.

Redress – promoting sustainable consumption and production

As a dedicated enterprise that upholds environmental sustainability, TREE Limited actively participates in local events and partner up with other companies to promote sustainable consumption and production – one of United Nations' sustainable development goals. In FY2020, TREE Limited donated furniture with a total value of approximately HK$45,600 to Redress, which is an environmental charity with a mission to prevent and transform textile waste to promote circular economy. Redress has collaborated with multiple enterprises to generate and showcase values in existing waste, raising environmental awareness among the local community in Hong Kong. By donating our furniture to Redress, we hope to support their initiative and promote the idea of sustainable living.

Earth Hour – letting nature shine

TREE Limited is committed to leading a sustainable lifestyle and it has been supporting Earth Hour every year since 2016 by switching off lights at 8:30pm on a designated date. In FY2020, we also participated in Earth Hour on 28 March 2020 to show our commitment to letting nature shine. Apart from this yearly event, TREE Limited is dedicated to minimising its adverse impacts on the environment in its daily operations. This is achieved through reduction in emissions and resource consumption, as well as waste recycling.

REGULATORY COMPLIANCE

The Group was not aware of any non-compliance with laws and regulations that has a significant impact on the Group in the aspects of emissions, employment, health and safety, labour standards, product responsibility and anti-corruption during FY2020.

NSW Rural Fire Service & Brigades Donations Fund (新南威爾斯鄉郊消防服務隊慈善基金) — 協助澳洲山火賑災

於2020財政年度，本公司捐贈約5,100港元予新南威爾斯鄉郊消防服務隊慈善基金，為2019年下半年發生的澳洲山火賑災，受山火影響的居民及動物數以百萬計，大量寶貴資源付諸一炬。全數捐款將用於支援區內的消防服務以及為人類及動物重建家園。我們期望能夠藉捐款為緩減天災略盡綿力，重建可持續的環境。

世界自然基金會(澳洲) — 協助受山火影響的動物

除支援NSW Rural Fire Service (新南威爾斯鄉郊消防服務)外，大樹有限公司亦向澳洲世界自然基金會捐贈約5,200港元，支援需要醫療照護的無尾熊。該筆捐款亦用於在受影響地區重新植林，恢復澳洲大量野生動物的自然棲息地。我們相信，每一小步均能為人類及動物長遠構建更美好環境出力。

Redress — 推廣負責任消費和生產

大樹有限公司乃擁護環境可持續發展的企業，積極參與本地活動，並夥拍其他公司推廣聯合國可持續發展目標之一 — 負責任消費和生產。於2020財政年度，大樹有限公司向Redress捐贈總值約45,600港元的傢俱。Redress乃一間環保慈善機構，以透過減少及轉化紡織廢物推廣循環經濟為使命，一直與不同企業合作，化腐朽為神奇，物盡其用，提高香港本地社區的環保意識。我們藉捐贈傢俱予Redress，冀能支持彼等的倡議，推廣可持續生活的理念。

地球一小時 — 讓大自然發亮

大樹有限公司致力引領可持續的生活方式，自2016年起每年均會支持地球一小時，於指定日期的下午八時三十分關燈。於2020財政年度，我們同樣於2020年3月28日參與地球一小時，展現我們讓大自然發亮的決心。除此一年度活動外，大樹有限公司致力減少排放及資源消耗，回收廢棄物，盡量減低日常營運對環境造成的不利影響。

監管合規

於2020財政年度，本集團並不知悉在排放物、僱傭、健康與安全、勞工準則、產品責任及反貪污層面有任何對本集團造成重大影響的任何法律及法規不合規情況。

REPORT OF THE DIRECTORS
董事會報告

The Board is pleased to present its report and the audited consolidated financial statements of the Group for FY2020.

董事會欣然提呈本集團2020財政年度的董事會報告及經審核綜合財務報表。

PRINCIPAL ACTIVITIES

Headquartered in Hong Kong and operating under the brand name "TREE", we engage in (i) the sale and distribution of furniture and home accessories; (ii) distribution and licence fee income; (iii) operation of TREE Café; (iv) consignment sales of home accessories and furniture agency services and (v) provision of styling and consulting services. We offer a variety of furniture including tables, chairs, storage solutions, sofas and beds; and home accessories including kitchenware, bed and bathroom related products, jars, cushions, mattresses, utensils and baskets.

At date of this Annual Report, we operated three "TREE" retail stores in Hong Kong namely, our Flagship Store, our Sha Tin store, and our Yuen Long store.

In addition, we acquired, Hong Kong Italiving International Company Limited ("**HK Italiving**") in December 2018, and it is principally engaged in the provision of furniture agency service.

主要業務

本集團總部位於香港，以「TREE」品牌經營業務，並從事(i)銷售及分銷傢俱及家居配飾；(ii)分銷及許可權費收入；(iii)經營TREE Café；(iv)寄售家居配飾及傢俱代理服務；及(v)提供設計及諮詢服務。我們提供多種傢俱(包括桌椅、收納解決方案、沙發及床)及家居配飾(包括廚房用品、床及浴室相關產品、罐子、靠墊、床墊、器具及籃子)。

於本年報日期，我們於香港經營三家「TREE」零售店，分別為旗艦店、沙田店及元朗店。

此外，我們於2018年12月收購香港意享世家國際貿易有限公司(「**香港意享世家**」)，其主要從事提供傢俱代理服務。

BUSINESS REVIEW

The business review of the Group for FY2020 is set out in the "Management Discussion and Analysis" of this Annual Report.

業務回顧

本集團2020財政年度的業務回顧載於本年報「管理層討論與分析」。

FINANCIAL RESULTS AND DIVIDENDS

The results of the Group for FY2020 and the financial position of the Company and the Group as at 31 March 2020 are set forth in the consolidated financial statements on pages 83 to 171 of this Annual Report.

The Board does not recommend the payment of a final dividend for FY2020.

財務業績及股息

本集團2020財政年度的業績以及本公司及本集團於2020年3月31日的財務狀況載於本年報第83至171頁的綜合財務報表。

董事會不建議派付2020財政年度的末期股息。

SHARE CAPITAL

As at 31 March 2020, the Company's issued share capital was HK$15,840,000 and the number of its issued ordinary shares was 1,584,000,000 of HK$0.01 each.

Details of the Company's share capital are set out in note 26 to the consolidated financial statements.

股本

於2020年3月31日，本公司已發行股本為15,840,000港元，其每股面值0.01港元的已發行普通股數目為1,584,000,000股。

本公司股本詳情載於綜合財務報表附註26。

PRE-EMPTIVE RIGHTS

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

優先購股權

本公司細則或開曼群島法例均無優先購股權條文規定本公司須按比例向現有股東發售新股份。

REPORT OF THE DIRECTORS
董事會報告

DISTRIBUTABLE RESERVES

Details of movements in the distributable reserves of the Company and of the Group during FY2020 are set out in note 29 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

可分派儲備

於2020財政年度，本公司及本集團可分派儲備變動的詳情分別載於綜合財務報表附註29及綜合權益變動表。

DONATIONS

Charitable and other donations made by the Group during FY2020 amounted to approximately HK$10,000 (FY2019: Nil).

捐款

於2020財政年度，本集團作出的慈善及其他捐款約為10,000港元(2019財政年度：無)。

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Company has taken out directors and officers liability insurance to cover liabilities arising from legal action against the Directors.

董事及高級人員責任保險

本公司已購買董事及高級人員責任保險，以承保針對董事提出的法律行動所產生的責任。

USE OF PROCEEDS FROM THE COMPANY'S SHARE OFFERING

The net proceeds from the Listing in January 2018, after deducting the underwriting fees, the Stock Exchange trading fee and SFC transaction levy and other listing expenses in connection with the Share Offer, were approximately HK$20.3 million.

During the period from the Listing Date to 31 March 2020, the Group has utilised HK$12.3 million, or 60.6% of the actual net proceeds from the Listing for the staff costs of an interior designer; the establishment of an e-commerce platform; the enhancement of the POS system; and for the leasehold improvement, marketing, deposit and rental of the Yuen Long store opened in May 2018.

As disclosed in our Group's announcement dated 19 June 2020, the Board resolved to change the use of unutilised net proceeds. The revised proposed change of use of the unutilised net proceeds would be for the settlement of the future consideration payable in relation to the acquisition HK Italiving, which was completed on 31 December 2018.

For details, please refer to the announcement of our Group dated 19 June 2020.

本公司股份發售所得款項用途

經扣除包銷費、聯交所交易費及證監會交易徵費以及股份發售所涉及的其他上市開支後，於2018年1月上市的所得款項淨額約為20.3百萬港元。

於上市日期至2020年3月31日期間，本集團已動用上市實際所得款項淨額中12.3百萬港元或60.6%，用於僱用一名室內設計師的員工成本；建立電子商務平台；提升銷售點系統；以及於2018年5月開業的元朗店的租賃物業裝修、市場推廣、按金及租金。

誠如本集團日期為2020年6月19日的公告所披露，董事會議決更改未動用所得款項淨額的用途。經修訂建議更改未動用所得款項淨額用途為就收購香港意享世家(已於2018年12月31日完成)支付未來應付代價。

詳情請參閱本集團日期為2020年6月19日的公告。

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group, as extracted from the Prospectus and the consolidated financial statements of the Company for the years ended 31 March 2016, 2017, 2018, 2019 and 2020 is set out on page 172 of the annual report. This summary does not form part of the audited consolidated financial statements.

財務資料概要

摘錄自本公司招股章程及截至2016年、2017年、2018年、2019年及2020年3月31日止年度的綜合財務報表的本集團已刊發業績及資產及負債摘要，載於本年報第172頁。此概要並不構成經審核綜合財務報表的一部分。

REPORT OF THE DIRECTORS
董事會報告

SHARE OPTION SCHEME

The Company adopted a share option scheme on 5 January 2018 (the "**Share Option Scheme**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules and set out below.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to the eligible participants as incentives or rewards for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group or any entity in which any member of our Group holds any equity interest (the "**Invested Entity**").

(b) Participants

Our Directors shall, in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme to make an offer for the grant of an option to any person belonging to the following classes:

(a) any employee (whether full time or part time, including the Directors (including any Non-Executive Director and Independent Non-Executive Director)) of our Company, any of our subsidiaries (within the meaning of Companies Ordinance) or any Invested Entity (an "**Eligible Employee**");

(b) any supplier of goods or services to any member of our Group or any Invested Entity;

(c) any customer of any member of our Group or any Invested Entity;

(d) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;

(e) any Shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;

(f) any adviser (professional or otherwise), consultant, individual or equity who in the opinion of our Directors has contributed or will contribute to the growth and development of our Group; and

購股權計劃

本公司於2018年1月5日採納購股權計劃。購股權計劃的條款符合GEM上市規則第二十三章的條文且載列如下。

(a) 購股權計劃目的

購股權計劃旨在讓本集團向合資格參與者授出購股權，作為彼等對本集團作出貢獻的獎勵或回報，及／或讓本集團招攬及挽留高質素僱員並吸引對本集團或本集團任何成員公司擁有任何股權的任何實體(「**投資實體**」)具價值的人力資源。

(b) 參與者

按照購股權計劃的條文及GEM上市規則，董事應有權但不受約束於採納購股權計劃當日起計10年期間內任何時間就授出購股權向任何屬以下類別的人士提出要約：

(a) 本公司、其任何附屬公司(定義見公司條例)或任何投資實體的任何僱員(無論全職或兼職)(包括董事(包括任何非執行董事及獨立非執行董事))(「**合資格僱員**」)；

(b) 本集團任何成員公司或任何投資實體的任何貨品或服務供應商；

(c) 本集團任何成員公司或任何投資實體的任何客戶；

(d) 向本集團任何成員公司或任何投資實體提供研究、開發或其他技術支持的任何人士或實體；

(e) 本集團任何成員公司或任何投資實體的任何股東或本集團任何成員公司或任何投資實體所發行的任何證券的任何持有人；

(f) 董事認為已對或將對本集團的增長及發展作出貢獻的任何諮詢人(專業或非專業)、顧問、個人或實體；及

(g) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group,

and, for the purpose of the Share Option Scheme, the offer for the grant of an option may be made to any company wholly-owned by one or more eligible participants.

For the avoidance of doubt, the grant of any options by our Company for the subscription of shares or other securities of our Group to any person who falls within any of the above classes of eligible participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the eligible participants to an offer under the Share Option Scheme shall be determined by our Directors from time to time on the basis of our Directors' opinion as to such eligible participant's contribution to the development and growth of our Group.

(c) Maximum number of shares

(a) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by our Group shall not exceed 30% of our share capital in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes adopted by our Group if the grant of such options will result in the limit referred herein being exceeded.

(b) The total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Group) to be granted under the Share Option Scheme and any other share option schemes of our Group shall not in aggregate exceed 10% of our share capital in issue as at the date on which dealings in our shares first commence on the Stock Exchange, being 158,400,000 shares (the "**General Scheme Limit**").

(g) 曾經或可能以合營企業、商業聯盟或其他業務安排的方式對本集團的發展及增長作出貢獻的任何其他組別或類別的參與者，

以及就購股權計劃而言，可向由一名或多名合資格參與者全資擁有的任何公司就授出購股權提出要約。

為免生疑問，本公司向屬於以上合資格參與者類別的任何人士授出任何購股權，以認購本集團的股份或其他證券，其本身不得被詮釋為根據購股權計劃授出購股權，惟董事另行決定者則另作別論。

根據購股權計劃，任何合資格參與者是否具備獲得要約的資格，須由董事不時按其對該合資格參與者為本集團發展及增長所作貢獻的意見決定。

(c) 股份數目上限

(a) 因根據購股權計劃及本集團所採納的任何其他購股權計劃已授出而有待行使的全部尚未行使購股權獲行使而可發行的最高股份數目，不得超過不時已發行股本的30%。倘根據購股權計劃或本集團所採納的任何其他購股權計劃授出任何購股權將導致超出本項所述限額，則概不得授出有關購股權。

(b) 因根據購股權計劃及本集團任何其他購股權計劃將予授出的全部購股權(就此而言，不包括根據購股權計劃及本集團任何其他購股權計劃的條款已失效的購股權)獲行使而可發行的股份總數，合共不得超過於股份首次在聯交所開始買賣當日已發行股本的10%(即158,400,000股股份)(「**一般計劃限額**」)。

(c) Subject to (a) above and without prejudice to (d) below, our Company may seek approval of our Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Group shall not exceed 10% of our share capital in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of our Group) previously granted under the Share Option Scheme and any other share option schemes of our Group will not be counted.

(d) Subject to (a) above and without prejudice to (c) above, our Company may seek separate Shareholders' approval in general meeting to grant options under the Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in (c) above to eligible participants specifically identified by our Company before such approval is sought.

(c) 在上文第(a)項的規限但在不影響下文第(d)項的情況下，本公司可尋求其股東於股東大會上批准更新一般計劃限額，惟因根據購股權計劃及本集團任何其他購股權計劃將予授出的全部購股權獲行使而可發行的股份總數，不得超過於批准限額當日已發行股本的10%，且就計算限額而言，將不會計入根據購股權計劃及本集團任何其他購股權計劃早前已授出的購股權(包括根據購股權計劃及本集團任何其他購股權計劃尚未行使、已註銷、已失效或已行使的購股權)。

(d) 在上文第(a)項的規限但在不影響上文第(c)項的情況下，本公司可尋求股東於股東大會上另行批准，向本公司於尋求有關批准前已特別確定的合資格參與者，根據購股權計劃授出超逾一般計劃限額或(如適用)上文第(c)項所述經擴大限額的購股權。

(d) Maximum entitlement of each eligible participant

Subject to (v) below, the total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a "**grantee**") in any 12-month period shall not exceed 1% of our issued share capital for the time being. Where any further grant of options under the Share Option Scheme to a grantee would result in our shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of our Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our share capital in issue, such further grant shall be separately approved by our Shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

(d) 各合資格參與者的最高限額

在下文第(v)項的規限下，於任何12個月期間，因根據購股權計劃及本集團任何其他購股權計劃已授出的購股權(包括已行使或未行使購股權)獲行使而已經及可能須向每名接納根據購股權計劃授出購股權的要約的合資格參與者(「**承授人**」)發行的股份總數，不得超過當時已發行股本的1%。倘根據購股權計劃向承授人進一步授出購股權將導致於直至進一步授出有關購股權當日(包括該日)為止12個月期間，因根據購股權計劃及本集團任何其他購股權計劃已經及建議向該人士授出的全部購股權(包括已行使、已註銷及未行使購股權)獲行使而已發行及將發行的股份，合共超過已發行股本的1%，則進一步授出有關購股權必須經股東於股東大會上另行批准，而該承授人及其緊密聯繫人(或倘該承授人為關連人士，則其聯繫人)須放棄表決權。

(e) Grant of options to core connected persons

(a) Without prejudice to (b) below, the making of an offer under the Share Option Scheme to any of our Director, chief executive or substantial Shareholder, or any of their respective associates shall be approved by our Independent Non-Executive Directors (excluding any Independent Non-Executive Director who or whose close associate is the proposed grantee of an option under the Share Option Scheme).

(b) Without prejudice to (a) above, where any grant of options under the Share Option Scheme to a substantial Shareholder or our Independent Non-Executive Director or any of their respective associates, would result in our shares issued and to be issued upon exercise of all options under the Share Option Scheme already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(1) representing in aggregate over 0.1% of our share capital in issue; and

(2) having an aggregate value, based on the closing price of our shares at the offer date of each offer, in excess of HK$5 million;

such further grant of options shall be approved by our Shareholders in general meeting. The proposed grantee, his associates and all our core connected persons shall abstain from voting in favour at such general meeting.

For the purpose of seeking the approval of our Shareholders under paragraphs (iii), (iv) and (v) above, our Company shall send a circular to our Shareholders containing the information required under the GEM Listing Rules and where the GEM Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the GEM Listing Rules abstaining from voting.

(e) 向核心關連人士授出購股權

(a) 在不影響下文第(b)項的情況下，根據購股權計劃向董事、最高行政人員或主要股東或彼等各自的任何聯繫人提出要約須經獨立非執行董事(不包括任何本身或其緊密聯繫人為購股權計劃項下購股權建議承授人的獨立非執行董事)批准。

(b) 在不影響上文第(a)項的情況下，倘根據購股權計劃向主要股東或獨立非執行董事或彼等各自的任何聯繫人授出購股權，會導致於直至該授出日期(包括該日)為止12個月期間，因根據購股權計劃已經及將會向該人士授出的全部購股權(包括已行使、已註銷及未行使購股權)獲行使而已發行及將發行的股份：

(1) 合共超過已發行股本的0.1%；及

(2) 根據股份於每項要約的要約日期的收市價計算，總值超過5百萬港元；

則進一步授出有關購股權必須經股東在股東大會上批准，而該建議承授人、其聯繫人及所有核心關連人士須放棄於有關股東大會上投贊成票。

就尋求上文第(iii)、第(iv)及第(v)段項下的股東批准而言，本公司必須向股東寄發載有GEM上市規則規定的資料的通函。凡GEM上市規則有所規定，則為取得必要的批准而召開的股東大會上的表決，須以投票表決方式進行，且GEM上市規則規定的該等人士須放棄表決權。

REPORT OF THE DIRECTORS
董事會報告

(f) Time of acceptance and exercise of an option

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a business day, on which the offer is made to the eligible participant.

An offer shall have been accepted by an eligible participant in respect of all shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of our Company of HK$1.00 by way of consideration for the grant thereof is received by our Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

Any offer may be accepted by an eligible participant in respect of less than the number of shares which are offered provided that it is accepted in respect of a board lot for dealings in our shares on GEM or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the offer duly signed by such eligible participant and received by our Company together with a remittance in favour of our Company of HK$1.00 by way of consideration for the grant thereof within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to the grantee thereof (provided always that such period shall not be more than 10 years from the offer date of that option), and in the absence of such determination, from the date of the grant of such option to the earlier of (aa) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (bb) the date falling 10 years from the offer date of that option.

No share option has been granted since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 March 2020.

(f) 購股權接納及行使期限

購股權計劃項下的要約將於自向有關合資格參與者提出要約當日(必須為營業日)起計最多21日期間公開予有關合資格參與者(惟不得由其他人士)接納。

當本公司於要約可能註明的時限(不得遲於自要約當日起計21日)內接獲經合資格參與者妥為簽署的要約接納函件複本，連同向本公司支付的1.00港元匯款(作為獲授購股權的代價)時，該合資格參與者即已接納其獲提呈的所有股份的要約。有關匯款於任何情況下均不會退還。

合資格參與者可就少於所提呈的股份數目接納要約，惟所接納的要約須為股份於GEM買賣的一手單位或其完整倍數，且該數目須清楚載於本公司於要約可能註明的時限(不得遲於自要約當日起計21日)內連同向本公司支付的1.00港元匯款(作為獲授購股權的代價)接獲的經合資格參與者妥為簽署的要約接納函件複本。有關匯款於任何情況下均不會退還。

購股權可於董事釐定及通知有關承授人的期間內任何時間根據購股權計劃的條款行使，惟該期間無論何時均不得超過由購股權要約日期起計10年，倘若並無釐定有關限期，則為由授出有關購股權的日期起至以下日期中的較早者：(aa)根據購股權計劃相關條文，該購股權失效的日期；及(bb)由該購股權的要約日期起計滿10年當日。

自採納購股權計劃起並無授出購股權，且於2020年3月31日並無尚未行使的購股權。

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme of the Company as disclosed above, there is no equity-linked agreement that will or may result in the Company issuing shares or require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during FY2020 or subsisted at the end of FY2020.

股本相關協議

除上文所披露的本公司購股權計劃外，本公司於2020財政年度概無訂立，且於2020財政年度結束時亦概無存在任何股本相關協議將導致或可能導致本公司發行股份，或規定本公司訂立任何將導致或可能導致本公司發行股份的協議。

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

The Company's shares were successfully listed on GEM on 25 January 2018. Save as the Listing, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during FY2020.

購買、贖回或出售本公司的上市證券

本公司的股份於2018年1月25日成功在GEM上市。除上市外，於2020財政年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

MAJOR CUSTOMERS AND SUPPLIERS

During FY2020, the five largest suppliers of the Group accounted for about 68.0% of the Group's cost of materials and the largest supplier accounted for about 21.1% of the cost of materials.

During FY2020, the five largest customers of the Group accounted for about 16.6% of the Group's total revenue and the largest customer accounted for about 9.9% of the total revenue.

Based on the information publicly available to the Company and to the best knowledge of the Directors, none of the Directors, their respective close associates (as defined in the GEM Listing Rules) or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the shares) had any beneficial interest in any of the Group's five largest customers or suppliers referred to above.

主要客戶及供應商

於2020財政年度，本集團五大供應商佔本集團材料成本約68.0%，而最大供應商則佔材料成本約21.1%。

於2020財政年度，本集團五大客戶佔本集團總收益約16.6%，而最大客戶則佔總收益約9.9%。

根據本公司可公開獲得的資料及董事所深知，概無董事、彼等各自的緊密聯繫人(定義見GEM上市規則)或任何股東(據董事所深知，擁有超過5%的股份)於本集團上述任何五大客戶或供應商中擁有任何實益權益。

PERMITTED INDEMNITY PROVISIONS

The Articles provides that the Directors, Secretary and other officers and every auditor for the time being of the Company shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty.

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

獲准許的彌償條文

細則規定，本公司當時的董事、秘書及其他高級人員以及每位核數師均有權就彼等或其中任何一方因在執行其職務時或就此而作出、同意或遺漏的任何行為而將會或可能招致或蒙受的所有訴訟、費用、收費、損失、損害賠償及開支，從本公司的資產中獲得彌償，使其不會蒙受損害。

本公司已作出適當的保險安排，以承保董事及高級人員就因企業活動而針對董事及高級管理層提出的法律行動所承擔的責任。

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries during FY2020.

遵守法律及法規

經作出一切合理查詢後，據董事所深知、全悉及確信，本集團於2020財政年度已於重大方面遵守對本公司及其附屬公司的業務及經營具有重大影響的相關法律及法規。

REPORT OF THE DIRECTORS
董事會報告

DIRECTORS
The Directors during FY2020 and up to the date of this report were as follows:

Executive Directors
Mr. Tong Tang Joseph *(Chairman and Chief Executive Officer)*
Ms. Mary Kathleen Babington
Mr. Tsui Wing Tak

Non-Executive Director
Ms. Nicole Lucy Haslock *(resigned on 1 August 2019)*

Independent Non-Executive Directors
Mr. Yeung Man Chung Charles
Mr. Tsang Wai Yin
Mr. Sit Hoi Wah Kenneth

Brief biographical details of Directors are set out under the section headed "Directors and Senior Management".

Article 112 of the Articles provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

Article 108(a) to 108(c) of the Articles provides that (1) one-third of the Directors for the time being (or, if their number is a not multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM, provided that every Director shall be subject to retirement by rotation at least once every three years; (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

Mr. Tong Tang Joseph, Ms. Mary Kathleen Babington and Mr. Tsui Wing Tak will retire at the AGM and all of them, being eligible, will offer themselves for re-election at the AGM.

The Company has received written confirmations of independence from each of the Independent Non-Executive Directors, namely Mr. Yeung Man Chung Charles, Mr. Tsang Wai Yin and Mr. Sit Hoi Wah Kenneth, pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this Annual Report, the Company still considers the Independent Non-Executive Directors to be independent.

董事
於2020財政年度及直至本報告日期，董事如下：

執行董事
唐登先生*(主席兼行政總裁)*
Mary Kathleen Babington女士
徐穎德先生

非執行董事
Nicole Lucy Haslock女士*(於2019年8月1日辭任)*

獨立非執行董事
楊文忠先生
曾偉賢先生
薛海華先生

董事簡要履歷詳情載於「董事及高級管理層」一節。

細則第112條規定，任何獲董事會委任以填補臨時空缺的董事任期將直至其獲委任後的本公司首次股東大會為止，並須於該大會上接受重選。任何獲董事會委任以增加現有董事會成員名額的董事任期僅至本公司下屆股東週年大會為止，屆時將符合資格接受重選。

細則第108(a)至108(c)條規定，(1)在每屆股東週年大會上，當時的三分之一董事或如其人數並非三的倍數，則最接近但不少於三分之一的董事人數的董事應輪值退任，但每名董事須至少每三年輪值退任一次；(2)退任董事有資格接受重選及於其退任的大會上整個會議期間繼續擔任董事。輪值退任的董事須包括(在需要確定輪席退任董事人數的情況下)任何有意退任且不願接受重選的董事。

唐登先生、Mary Kathleen Babington女士及徐穎德先生將於股東週年大會上退任，而彼等均符合資格，並願意於股東週年大會上接受重選。

本公司已根據GEM上市規則第5.09條收到獨立非執行董事楊文忠先生、曾偉賢先生及薛海華先生各自就其獨立性作出的書面確認函。於本年報日期，本公司仍然認為獨立非執行董事為獨立人士。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Saved as disclosed in note 31 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which any of the Company, or any of its holding companies or fellow subsidiaries or subsidiaries was a party and in which a Director of the Company or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of FY2020 or at any time during FY2020.

董事於交易、安排或合約的權益

除於綜合財務報表附註31所披露者外，於2020財政年度結束時或於2020財政年度任何時間，本公司或其任何控股公司或同系附屬公司或附屬公司概無任何本公司董事或其關連實體直接或間接擁有重大權益的重大交易、安排或合約。

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETITION UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the Prospectus, each of Mr. Tong Tang Joseph ("**Mr. Tong**") and Tiptop Honour Limited ("**Tiptop**") (the "**Controlling Shareholders**") have entered into the deed of non-competition undertakings (the "**Deed of Non-Competition Undertakings**") in favour of the Company (for its own and on behalf of all members of the Group) on 5 January 2018, pursuant to which each of the Controlling Shareholders, irrevocably and unconditionally, undertakes and covenants with the Company that during the period that the Deed of Non-Competition Undertakings remains effective, each of the Controlling Shareholders shall not, and shall procure that none of his/her/its associates (except any member of the Group), directly or indirectly (other than through the Group) carry on, participate, hold, engage, being interested in, acquire or operate, directly or indirectly, or provide any form of assistance to any person, firm or company to conduct any business in competition with or likely to be in competition with the Group's existing business activity and any business activities which may be undertaken by the Group from time to time. Details of the Deed of Non-Competition Undertakings have been set out in the section headed "Relationship with Controlling Shareholders — Non-Competition Undertakings" in the Prospectus.

控股股東遵守及執行不競爭承諾

誠如招股章程所披露，唐登先生(「**唐先生**」)及譽頂有限公司(「**譽頂**」)(「**控股股東**」)已各自於2018年1月5日以本公司(為其本身及代表本集團所有成員公司)為受益人訂立不競爭承諾契據，據此，各控股股東不可撤銷地及無條件地向本公司承諾並訂約承諾，於不競爭承諾契據生效期間，各控股股東不會及將促使其聯繫人(不包括本集團任何成員公司)不會直接或間接(透過本集團除外)進行、參與、持有、從事、收購或經營任何業務或持有相關權益或向任何人士、商號或公司提供任何形式的協助以進行任何業務而有關業務與或可能與本集團現有業務活動及本集團可能不時進行的業務活動競爭。不競爭承諾契據的詳情載於招股章程「**與控股股東的關係 — 不競爭承諾**」一節。

The Company has received the annual declaration from each of the Controlling Shareholders in respect of their respective compliance with the terms of the Deed of Non-Competition Undertakings during FY2020. The independent non-executive Directors, having reviewed the annual declarations and made reasonable enquiry, were satisfied that the Controlling Shareholders have complied with the terms of the Deed of Non-Competition Undertakings during FY2020 and up to the date of this Annual Report.

本公司已接獲各控股股東就彼等各自於2020財政年度遵守不競爭承諾契據條款作出的年度聲明。獨立非執行董事於審閱年度聲明及作出合理查詢後，信納控股股東於2020財政年度直至本年報日期已遵守不競爭承諾契據的條款。

DIRECTORS' SERVICE CONTRACTS

Each of our Executive Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

董事服務合約

各執行董事已與本公司訂立服務合約，自上市日期起計為期三年，可由任何一方向另一方發出不少於三個月書面通知終止。

Each of our Independent Non-Executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date, which may terminated by not less than three months' notice in writing served by either party on the other.

各獨立非執行董事已與本公司訂立委任書，自上市日期起計為期三年，可由任何一方向另一方發出不少於三個月書面通知終止。

REPORT OF THE DIRECTORS
董事會報告

DIRECTORS' REMUNERATIONS

Details of the remuneration of Directors are set out in note 12 to the consolidated financial statements.

董事薪酬

董事薪酬詳情載於綜合財務報表附註12。

DIRECTORS' EMOLUMENT POLICY

The Remuneration Committee was established for reviewing and determining the remuneration and compensation packages of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

董事酬金政策

本公司已成立薪酬委員會，負責檢討及釐訂董事及高級管理層的薪酬及補償方案，當中已參考同類公司支付的薪金、董事付出的時間及職責以及本集團的表現。

Interests and short positions of the Company's Directors and chief executives in the Company's shares, underlying shares and debentures and the Company's associated corporations

As at 31 March 2020, the interests or short positions of the Company's Directors in the Company's shares, underlying shares or debentures 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 in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register as referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the "required standard of dealings" as contained in Chapter 5 of the GEM Listing Rules, were as follows:

本公司董事及最高行政人員於本公司股份、相關股份及債權證以及本公司相聯法團中的權益及淡倉

於2020年3月31日，本公司董事於本公司股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須登記於該條所述的登記冊的權益或淡倉，或根據GEM上市規則第五章所載「交易必守標準」須知會本公司及聯交所的權益或淡倉如下：

(i) Long position in the Company's shares

(i) 於本公司股份的好倉

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held[1] 所持股份數目[1]	Percentage of shareholding 股權百分比
Mr. Tong Tang Joseph ("Mr. Tong") (Note 4) 唐登先生(「唐先生」)(附註4)	Interest in a controlled corporation (Note 2) 於受控法團的權益(附註2)	1,108,800,000 (L)	70.00%
Ms. Mary Kathleen Babington ("Ms. Babington") Mary Kathleen Babington女士(「Babington女士」)	Interest in a controlled corporation (Note 3) 於受控法團的權益(附註3)	59,400,000 (L)	3.75%

Notes:

1. The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such shares.

2. The Company is owned as to 70.00% by Tiptop. Tiptop is wholly-owned by Mr. Tong. Under the SFO, Mr. Tong is deemed to be interested in the same number of shares held by Tiptop.

3. The Company is owned as to 3.75% by Rothley Investment Limited ("**Rothley**"). Rothley is wholly-owned by Ms. Babington. Under the SFO, Ms. Babington is deemed to be interested in the same number of shares held by Rothley.

4. Mr. Tong was re-designated as an executive director and chief executive officer of the Company with effect from 1 August 2019.

Saved as disclosed above, as of 31 March 2020, none of the Company's Directors and chief executives and their respective associates had or is deemed to have any interest or short positions in the Company's shares, underlying shares or debentures or the Company's 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 were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register as referred to herein, or which were required to be notified to the Company and the Stock Exchange pursuant to the "required standard of dealing" as contained in Chapter 5 of the GEM Listing Rules.

附註：

1. 字母「L」指該人士於該等股份中的「好倉」（定義見證券及期貨條例第XV部）。

2. 譽頂擁有本公司70.00%的股權。譽頂由唐先生全資擁有。根據證券及期貨條例，唐先生被視為於譽頂所持有的相同數目的股份中擁有權益。

3. Rothley Investment Limited（「**Rothley**」）擁有本公司3.75%的股權。Rothley由Babington女士全資擁有。根據證券及期貨條例，Babington女士被視為於Rothley所持有的相同數目的股份中擁有權益。

4. 唐先生已調任本公司執行董事兼行政總裁，於2019年8月1日生效。

除上文所披露者外，於2020年3月31日，本公司董事及最高行政人員以及彼等各自的聯繫人概無於本公司股份、相關股份或債權證或本公司相聯法團（定義見證券及期貨條例第XV部）中擁有或被視為擁有任何根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉），或根據證券及期貨條例第352條須登記於該條所述登記冊的權益或淡倉，或根據GEM上市規則第五章所載「交易必守標準」須知會本公司及聯交所的權益或淡倉。

REPORT OF THE DIRECTORS
董事會報告

Interests and short positions of substantial Shareholders in the Company's shares, underlying shares and debentures and the Company's associated corporations

As at 31 March 2020, so far as the Company's Directors are aware, the following persons (other than the Directors and chief executive of the Company) had, or were deemed to have, interests or short positions in the Company's shares or underlying shares which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or who, directly or indirectly, were interested in 10% or more of the issued voting shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Company:

(i) Long position in the Company's shares

Name of Shareholder 股東名稱／姓名	Nature of interest 權益性質	Interests in shares[1] 股份權益[1]	Percentage of shareholding 股權百分比
Tiptop 譽頂	Beneficial owner (Note 2) 實益擁有人(附註2)	1,108,800,000 (L)	70.00%
Ms. Shum Yuet Wah Anna 岑悅鏵女士	Interest of spouse (Note 3) 配偶權益(附註3)	1,108,800,000 (L)	70.00%

Notes:

1. The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such shares.
2. The Company is owned as to 70.00% by Tiptop.
3. Tiptop is wholly-owned by Mr. Tong, the Company's Chairman, one of the Company's Executive Directors and Controlling Shareholders. Under the SFO, Mr. Tong is deemed to be interested in the same number of shares held by Tiptop. Ms. Shum Yuet Wah Anna is the spouse of Mr. Tong. Under the SFO, Ms. Shum Yuet Wah Anna is deemed to be interested in all the Company's shares in which Mr. Tong is interested.

Save as disclosed above, as at 31 March 2020, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was directly or indirectly interested in 10% or more of the issued voting shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Company.

主要股東於本公司股份、相關股份及債權證以及本公司相聯法團中的權益及淡倉

據本公司董事所知，於2020年3月31日，下列人士(本公司董事及最高行政人員除外)於本公司股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部須知會本公司及聯交所的權益或淡倉，或直接或間接擁有附有權利可於一切情況下在本公司任何成員公司的股東大會上表決的任何類別股本的已發行具表決權股份10%或以上的權益：

(i) 於本公司股份的好倉

Name of Shareholder 股東名稱／姓名	Nature of interest 權益性質	Interests in shares[1] 股份權益[1]	Percentage of shareholding 股權百分比
Tiptop 譽頂	Beneficial owner (Note 2) 實益擁有人(附註2)	1,108,800,000 (L)	70.00%
Ms. Shum Yuet Wah Anna 岑悅鏵女士	Interest of spouse (Note 3) 配偶權益(附註3)	1,108,800,000 (L)	70.00%

附註：

1. 字母「L」指該人士於該等股份中的「好倉」(定義見證券及期貨條例第XV部)。
2. 譽頂擁有本公司70.00%的股權。
3. 譽頂由本公司主席、執行董事以及控股股東唐先生全資擁有。根據證券及期貨條例，唐先生被視為於譽頂所持有的相同數目的股份中擁有權益。岑悅鏵女士乃唐先生的配偶。根據證券及期貨條例，岑悅鏵女士被視為於唐先生擁有權益的所有本公司股份中擁有權益。

除上文所披露者外，於2020年3月31日，董事概不知悉任何其他人士／實體(本公司的董事及最高行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或須登記於本公司根據證券及期貨條例第336條須存置的登記冊內的權益或淡倉，或直接或間接擁有附有權利可於一切情況下在本公司任何成員公司的股東大會上表決的任何類別股本的已發行具表決權股份10%或以上的權益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during FY2020 was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

董事收購股份或債權證的權利

本公司或其附屬公司於2020財政年度任何時間概無參與任何安排，致使董事透過收購本公司或任何其他法人團體的股份或債權證而獲益。

COMPETING BUSINESS AND CONFLICT OF INTEREST

As confirmed by the Directors, Controlling Shareholders and their respective close associates do not have any interests in any business, apart from the business operated by members of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group during FY2020.

競爭業務及利益衝突

據董事確認，於2020財政年度內，除本集團成員公司所經營的業務外，控股股東及彼等各自的緊密聯繫人概無於任何直接或間接與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

INTERESTS OF COMPLIANCE ADVISER

As at the date of this report, except for the compliance adviser agreement entered into between the Company and Rainbow Capital (HK) Limited (the "**Compliance Adviser**"), neither the Compliance Adviser, nor any of its Directors, employees or close associates has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

合規顧問權益

於本報告日期，除本公司與浤博資本有限公司(「**合規顧問**」)所訂立的合規顧問協議外，根據GEM上市規則第6A.32條，合規顧問或其任何董事、僱員或緊密聯繫人概無於本公司或本集團任何其他公司的證券中擁有任何權益(包括購股權或認購有關證券的權利)。

SUFFICIENCY OF 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 report, the Directors confirm that the Company maintained the public float as required under the GEM Listing Rules.

足夠公眾持股量

根據於本報告日期本公司可公開獲得的資料及據董事所知，董事確認本公司維持GEM上市規則規定的公眾持股量。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During FY2020, the Group had not entered into any connected transactions or continuing connected transactions that are not exempted under Rule 20.71 of the GEM Listing Rules.

Details of the significant related party transactions carried in the ordinary course of business are set out in note 31 to the consolidated financial statements.

關連交易及持續關連交易

於2020財政年度，本集團概無訂立根據GEM上市規則第20.71條不可獲豁免的任何關連交易或持續關連交易。

於日常業務過程中進行的重大關聯方交易的詳情載於綜合財務報表附註31。

REPORT OF THE DIRECTORS
董事會報告

CORPORATE GOVERNANCE
The Company's Corporate Governance Report is set out on pages 28 to 40 of this report.

企業管治
本公司的企業管治報告載於本報告第28至40頁。

EVENTS AFTER THE REPORTING PERIOD
There is no significant event after the reporting period of the Group.

報告期後事項
本集團報告期後並無重大事項。

INDEPENDENT AUDITOR
The consolidated financial statements for FY2020 were audited by Grant Thornton Hong Kong Limited, the independent auditor, who shall retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. A resolution will be proposed at the forthcoming AGM to re-appoint Grant Thornton Hong Kong Limited as auditor and to authorise the Directors to fix its remuneration.

獨立核數師
2020財政年度的綜合財務報表已經由獨立核數師致同(香港)會計師事務所有限公司審核，彼等將於應屆股東週年大會上退任，並符合資格及願意接受續聘。本公司將於應屆股東週年大會上提呈決議案以續聘致同(香港)會計師事務所有限公司為核數師，並授權董事釐定其酬金。

On behalf of the Board
TREE Holdings Limited

代表董事會
齊家控股有限公司

Tong Tang Joseph
Chairman and Chief Executive Officer

24 June 2020

唐登
主席兼行政總裁

2020年6月24日

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Grant Thornton
致同

To the members of Tree Holdings Limited
(incorporated in the Cayman Islands with limited liability)

致齊家控股有限公司
(於開曼群島註冊成立的有限公司)
各股東

OPINION

We have audited the consolidated financial statements of Tree Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 83 to 171, which comprise the consolidated statement of financial position as at 31 March 2020, and 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 31 March 2020, 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(以下簡稱「我們」)已審核列載於第83至171頁的齊家控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表,此財務報表包括於2020年3月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則真實而中肯地反映了 貴集團於2020年3月31日的綜合財務狀況以及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(「守則」),我們獨立於 貴集團,並已履行守則中的其他專業道德責任。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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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進行處理的。我們不會對這些事項提供單獨的意見。

Key Audit Matters **關鍵審核事項**	**How our audit addressed the key audit matters** **我們的審核如何處理關鍵審核事項**
Impairment assessment of goodwill **商譽減值評估**	
Refer to Notes 2.18, 3 and 16 to the consolidated financial statements. 請參閱綜合財務報表附註2.18、3及16。	Our audit procedures in relation to impairment assessment of goodwill included the following: 我們有關商譽減值評估的審核程序包括以下各項： — Evaluating the competence, capabilities, objectivity and independence of the external valuer; 評價外部估值師的水平、能力、是否客觀及是否獨立； — Assessing the appropriateness of the valuation methodology used in the impairment assessment; 評估用於減值評估的估值方法是否合適； — Assessing the reasonableness of the key assumptions adopted by the management in calculating the recoverable amount based on our knowledge of the business and industry; 基於我們對業務及行業的認知評估管理層在計算可收回金額時採用主要假設是否合理； — Testing, on a sample basis, the accuracy and reliance of the input data used; and 抽樣測試所用輸入數據是否準確及可靠；及 — Testing management sensitivity analysis of the key assumptions to ascertain that selected adverse changes to key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount. 測試管理層對主要假設的敏感度分析，以確定所選主要假設的不利變化不會導致商譽的賬面金額超過可收回金額。
As at 31 March 2020, the Group had goodwill of approximately HK$23,426,000 arising from the acquisition of a subsidiary. 於2020年3月31日， 貴集團因收購一間附屬公司而產生商譽約23,426,000港元。	
The Group is required to perform impairment assessment of goodwill at least annually. For the purpose of impairment assessment, goodwill has been allocated to the cash-generating units ("CGU") of furniture agency service. The management had made an assessment of the recoverable amount of the underlying CGU, with reference to an independent external valuation conducted at the end of the reporting period. Management concluded that the goodwill was not impaired as at 31 March 2020. 貴集團須至少每年對商譽進行減值評估。為進行減值評估，商譽已分配至傢俱代理服務的現金產生單位。管理層已參照於報告期末進行的獨立外部估值評估相關現金產生單位的可收回金額。管理層的結論為於2020年3月31日，商譽並無減值。	
We identified the impairment assessment of goodwill as a key audit matter as the calculation of recoverable amount involves significant estimates and judgments about future market conditions, including the growth rate of revenue and discount rate applied in the calculation. 由於可收回金額的計算法涉及對未來市況的重大估計及判斷，包括計算中所應用的收益增長率及折現率，故我們將商譽減值評估識別為關鍵審核事項。	

KEY AUDIT MATTERS *(Continued)*

關鍵審核事項*(續)*

Key Audit Matters 關鍵審核事項	How our audit addressed the key audit matters 我們的審核如何處理關鍵審核事項

Valuation of contingent consideration payable arising from acquisition of a subsidiary
收購一間附屬公司所產生的應付或然代價的估值

Refer to Notes 2.9, 3 and 32 to the consolidated financial statements.
請參閱綜合財務報表附註2.9、3及32。

As at 31 March 2020, the Group had contingent consideration payable of approximately HK$18,033,000 arising from the acquisition of a subsidiary, which are due to be payable in 2021 and 2022.
於2020年3月31日， 貴集團因收購一間附屬公司而產生的應付或然代價約為18,033,000港元，該代價將於2021年及2022年到期應付。

The Group recognised contingent consideration arrangement for acquisition at fair value at the date of acquisition and is remeasured at fair value at each reporting date. Any resulting gain or loss is recognised in profit or loss. For the year ended 31 March 2020, a loss of HK$3,385,000 was recognised.
貴集團於收購日期按公允價值確認收購事項的或然代價安排，並於各報告日按公允價值重新計量。任何由此產生的收益或虧損於損益入賬。 貴集團已確認截至2020年3月31日止年度的虧損3,385,000港元。

Fair value measurement of contingent consideration payable requires management's estimation and significant judgment on post-acquisition performance of the acquired business and the discount rate used. The fair value was determined by the management with reference to the valuation performed by an independent external valuer.
應付或然代價的公允價值計量需要管理層對已收購業務的收購後表現及所用折現率作出估計及重大判斷。公允價值由管理層參照獨立外部估值師進行的估值釐定。

We focused on this area as the assessment made by management involved significant estimates and judgments in relation to the post-acquisition performance of the acquired business and discount rates applied, which may be affected by unexpected changes in future market and economic conditions or significant events and circumstances related to the acquired business.
由於管理層所作出的評估涉及與已收購業務的收購後表現以及所應用折現率有關的重大估計及判斷，此可能會受到未來市場及經濟狀況的意外變化或與已收購業務有關的重大事件及情況影響，故我們着重此範疇。

Our audit procedures in relation to the valuation of contingent consideration payable included the following:
我們有關應付或然代價的估值的審核程序包括以下各項：

- Evaluating the competence, capabilities, objectivity and independence of the external valuer;
  評價外部估值師的水平、能力、是否客觀及是否獨立；
- Checking the contingent consideration payable calculation prepared by management against the terms as set out in the sales and purchase agreement;
  參照買賣協議載列的條款檢查管理層編製的應付或然代價計算法；
- Evaluating the reasonableness of the assumptions adopted in the performance forecasts for the contingent consideration payable calculation; and
  評價表現預測中採用的假設對應付或然代價計算法是否合理；及
- Testing the mathematical accuracy of the underlying calculation of contingent consideration payable and agreed them to the performance forecasts prepared by management for the specific financial period stipulated by the sales and purchase agreement.
  測試應付或然代價相關計算法的數學準確性，並將之與管理層就買賣協議所訂定的特定財務期間編製的表現預測核對一致。

INDEPENDENT AUDITOR'S REPORT
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KEY AUDIT MATTERS *(Continued)*
關鍵審核事項*(續)*

Key Audit Matters 關鍵審核事項	How our audit addressed the key audit matters 我們的審核如何處理關鍵審核事項
Allowance of inventories **存貨備抵**	
Refer to Notes 2.11, 3 and 18 to the consolidated financial statements. 請參閱綜合財務報表附註2.11、3及18。	Our audit procedures in relation to allowance of inventories included the following: 我們有關存貨備抵的審核程序包括以下各項： — Assessing the reasonableness of the basis used by management in identifying damaged, slow moving and obsolete inventories; 評估管理層於識別損毀、滯銷及陳舊存貨時使用的基準是否合理； — Attending the year-end inventory count to observe the physical conditions of inventories and identify damaged or obsolete inventories; 參與年末存貨盤點，以觀察存貨的實際狀況及識別損毀或陳舊存貨； — Testing the accuracy of the inventory ageing report, on a sample basis, by checking to the purchase source documents; 透過檢查購貨來源文件，抽樣測試存貨貨齡報告是否準確； — Testing the net realisable value of inventory items, on a sample basis, to the selling price subsequent to the year end; and 抽樣測試存貨項目可變現淨值與年結日後售價；及 — Evaluating the appropriateness of management's assessment of the estimated future utilisation of inventory items without subsequent sales with reference to their ageing and marketability of the relevant inventory items. 參考相關存貨項目的貨齡及適銷性，評價管理層就於並無後續銷售的情況下存貨項目的估計未來使用情況作出的評估是否適當。
As at 31 March 2020, the Group had inventories of approximately HK$11,602,000. Inventories are stated at the lower of cost or net realisable value. 於2020年3月31日， 貴集團的存貨約為11,602,000港元。存貨以成本或可變現淨值兩者中的較低者入賬。	
Allowance for inventories require management to make significant accounting estimates and judgments. These include identification of damaged, slow moving and obsolete inventories and assessing the level of allowance required by estimating the net realisable value of inventories, which is the actual or estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. 存貨備抵要求管理層作出重大會計估算及判斷。有關估算及判斷包括識別損毀、滯銷及陳舊存貨以及透過估計存貨可變現淨值(即於日常業務過程中的實際或估計售價減作出銷售所需的估計成本)評估所需備抵水平。	
We focused on this area because of the estimation of the net realisable value of inventories involved significant estimates and judgments made by management. These estimations are also subjected to uncertainty as a result of change of competitor actions and market condition. 由於估計存貨可變現淨值涉及由管理層作出的重大估計及判斷，故我們着重此範疇。有關估算亦受競爭者行為及市況變動帶來的不確定因素影響。	

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

KEY AUDIT MATTERS *(Continued)*
關鍵審核事項*(續)*

Key Audit Matters 關鍵審核事項	How our audit addressed the key audit matters 我們的審核如何處理關鍵審核事項
Provision for impairment of trade receivables **貿易應收款項減值撥備**	
Refer to Notes 2.10, 3 and 19 to the consolidated financial statements. 請參閱綜合財務報表附註2.10、3及19。 As at 31 March 2020, the Group had trade receivables of approximately HK$43,111,000 (net of ECL allowance of approximately HK$700,000), which falls within the scope of expected credit losses ("ECL") model for impairment assessment. 於2020年3月31日， 貴集團的貿易應收款項約為43,111,000港元(已扣除預期信貸虧損備抵約700,000港元)，就減值評估而言屬於預期信貸虧損模型範圍內。 The Group recognises ECL allowance based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the Group' past history, existing market condition and forward-looking estimates at the end of each reporting period. 貴集團根據違約風險假設及預期虧損率確認預期信貸虧損備抵。 貴集團於作出假設及選取減值計算所用輸入數據時，會按照 貴集團過往經驗、現行市況及各報告期末的前瞻性估計數字運用判斷。 We identified the impairment loss of trade receivables as a key audit matter due to its significance to the consolidated financial statements and significant degree of management's estimation and judgment are involved in assessing the credit risk under the ECL model. 由於貿易應收款項的減值虧損對綜合財務報表舉足輕重，且根據預期信貸虧損模型評估信貸風險涉及由管理層作出重大估計及判斷，故我們確定其為關鍵審核事項。	Our audit procedures in relation to provision for impairment of trade receivables included the following: 我們有關貿易應收款項減值撥備的審核程序包括以下各項： — Understanding management's assessment of ECL allowance on trade receivables; 了解管理層對貿易應收款項預期信貸虧損備抵的評估； — Assessing the reasonableness of estimates and judgment made by management on ECL allowance by examining the information used by management to form such judgments and evaluating whether the loss rates are appropriately adjusted based on current economic conditions and forward-looking information; 透過審查管理層於就預期信貸虧損備抵作出的判斷時使用的資料，以及評價虧損率是否已基於現行經濟狀況及前瞻性資料妥為調整，評估管理層就預期信貸虧損備抵作出的估計及判斷是否合理； — Testing on a sample basis the ageing report by comparing with the relevant invoices and other supporting documents; and 透過比較相關發票與其他證明文件，抽樣測試賬齡報告；及 — Checking, on a sample basis, the accuracy of ECL allowance using the ECL rates adopted by the Group. 使用 貴集團所採用的預期信貸虧損率，抽樣檢查預期信貸虧損備抵是否準確。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2020 annual report of the Company, 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 assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagements and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

其他信息

董事需對其他信息負責。其他信息包括所有刊載於 貴公司2020年年報內的信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審核，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審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，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事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不存在由欺詐或錯誤引起的重大錯誤陳述所需的內部監控負責。

在編製綜合財務報表時，董事負責評估 貴集團的持續經營能力，並在適用情況下披露與持續經營有關的事項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。

董事於審核委員會的協助下負責監察 貴集團的財務報告過程。

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欺詐或錯誤引起的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照我們協定的委聘條款向 閣下(作為整體)報告，除此之外本報告不作其他用途。我們不會就本報告的內容向任何其他人士負責或承擔責任。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

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

(Continued)

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 judgment and maintain professional skepticism throughout the audit. We also:

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

- 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*(續)*

合理保證是高水準的保證，但不能保證按照香港審核準則進行的審核，總能在重大錯誤陳述存在時發現有關錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期有關錯誤陳述單獨或匯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。

作為按照香港審核準則進行審核工作一部分，在審核過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估因欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，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，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述風險高於未能發現因錯誤而導致的重大錯誤陳述風險。

- 了解與審核相關的內部監控，以設計在有關情況下屬適當的審核程序，但目的並非對　貴集團內部監控的成效發表意見。

- 評價董事所採用會計政策是否適當及所作出會計估計和相關披露是否合理。

- 對董事採用持續經營會計基礎是否適當作出結論，並基於所獲得的審核憑證，對是否存在涉及有關事項或情況的重大不確定性而可能導致對　貴集團持續經營能力產生重大疑慮作出結論。如果我們的結論為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露；假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致　貴集團不再能持續經營。

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.

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，包括披露資料以及綜合財務報表是否公平地呈列相關交易和事項。

- 就　貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以便對綜合財務報告發表意見。我們負責集團審核的方向、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(其中包括)審核的計劃範圍及時間以及重大審核發現等，包括我們在審核中識別出內部監控的任何重大缺陷。

我們亦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道德要求，並與彼等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，我們確定對本期間綜合財務報表審核而言最為重要的事項，該等事項因而構成關鍵審核事項。我們在核數師報告中闡釋該等事項，除非法律或法規不允許公開披露該等事項，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，則我們決定不應在報告中溝通該事項。

Grant Thornton Hong Kong Limited
Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai
Hong Kong

24 June 2020

Kwok Siu Kwan, Sylvia
Practising Certificate No.: P06616

致同(香港)會計師事務所有限公司
執業會計師
香港
灣仔
軒尼詩道28號
12樓

2020年6月24日

郭笑君
執業證書號碼：P06616

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

For the year ended 31 March 2020 截至2020年3月31日止年度

		Notes 附註	2020 2020年 HK$'000 千港元	2019 2019年 HK$'000 千港元
Revenue	**收益**	*4*	**91,103**	85,408
Cost of sales	銷售成本		**(25,842)**	(27,497)
Gross profit	**毛利**		**65,261**	57,911
Other income	其他收入	*5*	**155**	204
Selling and marketing expenses	銷售及市場推廣開支		**(33,652)**	(36,982)
Administrative expenses	行政開支		**(19,361)**	(18,821)
Fair value change on contingent consideration payable	應付或然代價的公允價值變動		**(3,385)**	—
Provision for impairment of trade receivables	貿易應收款項減值撥備		**(700)**	—
Finance costs	財務成本	*6*	**(741)**	(269)
Profit before income tax	**除所得稅前溢利**	*7*	**7,577**	2,043
Income tax expense	所得稅開支	*9*	**(2,361)**	(951)
Profit and total comprehensive income for the year attributable to equity holders of the Company	**年內本公司權益持有人應佔溢利及全面收益總額**		**5,216**	1,092
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)	**本公司權益持有人應佔每股盈利**（以每股港仙列示）			
— Basic and diluted	— 基本及攤薄	*11*	**0.33**	0.07

The Group has initially applied HKFRS 16 at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying HKFRS 16 is recognised in accumulated losses at the date of initial application. See Note 2.2.

本集團於2019年4月1日以經修改追溯法初始應用香港財務報告準則第16號。按此方法，比較資料並無重列，而初始應用香港財務報告準則第16號的累計影響於初始應用日期在累計虧損確認。見附註2.2。

The notes on pages 88 to 171 are an integral part of these consolidated financial statements.

第88至171頁所載附註乃本綜合財務報表的組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 March 2020　於2020年3月31日

		Notes 附註	2020 2020年 HK$'000 千港元	2019 2019年 HK$'000 千港元
ASSETS AND LIABILITIES	**資產及負債**			
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	*13*	**22,320**	3,546
Intangible assets	無形資產	*14*	**332**	222
Goodwill	商譽	*16*	**23,426**	23,426
Cash surrender value of life insurance	人壽保險的解約現金價值	*17*	**1,789**	1,755
Deferred tax assets	遞延稅項資產	*25*	**416**	286
			48,283	29,235
Current assets	**流動資產**			
Inventories	存貨	*18*	**11,602**	13,763
Trade and other receivables	貿易及其他應收款項	*19*	**52,470**	35,655
Tax recoverable	可收回稅款		**—**	255
Bank balances and cash	銀行結餘及現金	*20*	**16,773**	22,795
			80,845	72,468
Current liabilities	**流動負債**			
Trade and other payables	貿易及其他應付款項	*21*	**22,779**	11,846
Contract liabilities	合約負債	*22*	**4,680**	10,592
Tax payable	應付稅項		**2,177**	258
Bank borrowings	銀行借貸	*23*	**5,704**	469
Lease liabilities/Finance lease liabilities	租賃負債／融資租賃負債	*24*	**10,785**	248
			46,125	23,413
Net current assets	**流動資產淨值**		**34,720**	49,055
Total assets less current liabilities	**總資產減流動負債**		**83,003**	78,290
Non-current liabilities	**非流動負債**			
Lease liabilities/Finance lease liabilities	租賃負債／融資租賃負債	*24*	**9,425**	896
Contingent consideration payable	應付或然代價	*34.6*	**18,033**	26,987
			27,458	27,883
Net assets	**淨資產**		**55,545**	50,407
EQUITY	**權益**			
Share capital	股本	*26*	**15,840**	15,840
Reserves	儲備	*27*	**39,705**	34,567
Total equity	**總權益**		**55,545**	50,407

Tong Tang Joseph
唐登
Director
董事

Tsui Wing Tak
徐穎德
Director
董事

The Group has initially applied HKFRS 16 at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying HKFRS 16 is recognised in accumulated losses at the date of initial application. See Note 2.2.

本集團於2019年4月1日以經修改追溯法初始應用香港財務報告準則第16號。按此方法，比較資料並無重列，而初始應用香港財務報告準則第16號的累計影響於初始應用日期在累計虧損確認。見附註2.2。

The notes on pages 88 to 171 are an integral part of these consolidated financial statements.

第88至171頁所載附註乃本綜合財務報表的組成部分。

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

For the year ended 31 March 2020 截至2020年3月31日止年度

		Share capital 股本 *HK$'000* *千港元*	Share premium* 股份溢價* *HK$'000* *千港元*	Capital reserve* 資本儲備* *HK$'000* *千港元*	(Accumulated losses)/ Retained profits* (累計虧損)／保留溢利* *HK$'000* *千港元*	Total equity 總權益 *HK$'000* *千港元*
Balance at 1 April 2018	**於2018年4月1日的結餘**	15,840	31,564	5,474	(3,563)	49,315
Profit and total comprehensive income for the year	年內溢利及全面收益總額	—	—	—	1,092	1,092
Balance at 31 March 2019 and 1 April 2019	**於2019年3月31日及2019年4月1日的結餘**	15,840	31,564	5,474	(2,471)	50,407
Adjustment from adoption of HKFRS 16 *(Note 2.2)*	因採用香港財務報告準則第16號而作出的調整*(附註2.2)*	—	—	—	(78)	(78)
Adjusted balance at 1 April 2019	於2019年4月1日的經調整結餘	**15,840**	**31,564**	**5,474**	**(2,549)**	**50,329**
Profit and total comprehensive income for the year	年內溢利及全面收益總額	**—**	**—**	**—**	**5,216**	**5,216**
Balance at 31 March 2020	**於2020年3月31日的結餘**	**15,840**	**31,564**	**5,474**	**2,667**	**55,545**

* The reserves accounts comprise the Group's reserves of HK$39,705,000 (2019: HK$34,567,000) in the consolidated statement of financial position.

* 儲備賬包括本集團於綜合財務狀況表中的儲備39,705,000港元(2019年：34,567,000港元)。

The Group has initially applied HKFRS 16 at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying HKFRS 16 is recognised in accumulated losses at the date of initial application. See note 2.2.

本集團於2019年4月1日以經修改追溯法初始應用香港財務報告準則第16號。按此方法，比較資料並無重列，而初始應用香港財務報告準則第16號的累計影響於初始應用日期在累計虧損確認。見附註2.2。

The notes on pages 88 to 171 are an integral part of these consolidated financial statements.

第88至171頁所載附註乃本綜合財務報表的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

For the year ended 31 March 2020　截至2020年3月31日止年度

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Cash flows from operating activities	**經營活動所得現金流量**		
Profit before income tax	除所得稅前溢利	**7,577**	2,043
Adjustment for:	就下列項目作出的調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**9,443**	1,785
Amortisation of intangible assets	無形資產攤銷	**160**	107
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	**—**	(40)
Interest income	利息收入	**(12)**	(13)
Interest expenses	利息開支	**741**	154
Provision for impairment of trade receivables	貿易應收款項減值撥備	**700**	—
Fair value change on contingent consideration payable	應付或然代價的公允價值變動	**3,385**	115
Fair value gain on cash surrender value of life insurance	人壽保險的解約現金價值的公允價值收益	**(34)**	(66)
Operating profit before working capital changes	營運資金變動前的經營溢利	**21,960**	4,085
Decrease/(Increase) in inventories	存貨減少／(增加)	**2,161**	(2,388)
Increase in trade and other receivables	貿易及其他應收款項增加	**(17,515)**	(1,664)
Increase/(Decrease) in trade and other payables	貿易及其他應付款項增加／(減少)	**2,094**	(2,840)
Decrease in contract liabilities	合約負債減少	**(5,912)**	(961)
Cash from/(used in) operations	經營所得／(所用)現金	**2,788**	(3,768)
Income tax paid	已繳所得稅	**(317)**	(2,348)
Income tax refunded	所得稅退稅	**—**	1,127
Interest received	已收利息	**12**	13
Net cash from/(used in) operating activities	*經營活動所得／(所用)現金淨額*	**2,483**	(4,976)
Cash flows from investing activities	**投資活動所得現金流量**		
Purchase of property, plant and equipment	購買物業、廠房及設備	**(561)**	(1,385)
Additions of intangible assets	添置無形資產	**(270)**	—
Payment for acquisition of a subsidiary, net of cash and cash equivalents acquired *(Note 32)*	收購一間附屬公司的付款(已扣除所獲得的現金及現金等價物)*(附註32)*	**—**	(2,307)
Subsequent payment for acquisition of a subsidiary *(Note 32)*	收購一間附屬公司的其後付款*(附註32)*	**(3,500)**	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	**—**	45
Net cash used in investing activities	*投資活動所用現金淨額*	**(4,331)**	(3,647)

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

For the year ended 31 March 2020　截至2020年3月31日止年度

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Cash flows from financing activities	**融資活動所得現金流量**		
Decrease in pledged bank deposits	已質押銀行存款減少	**—**	200
Proceeds from bank borrowings	銀行借貸所得款項	**14,760**	—
Repayment of bank borrowings	償還銀行借貸	**(9,525)**	(4,453)
Capital element of lease liabilities/finance lease liabilities	租賃負債／融資租賃負債的資本部分	**(8,668)**	(135)
Interest element of lease liabilities/finance lease liabilities	租賃負債／融資租賃負債的利息部分	**(645)**	(32)
Interest paid	已付利息	**(96)**	(122)
Net cash used in financing activities	*融資活動所用現金淨額*	**(4,)**	(4,542)
Net decrease in cash and cash equivalents	**現金及現金等價物減少淨額**	**(6,022)**	(13,165)
Cash and cash equivalents at the beginning of the year	年初現金及現金等價物	**22,795**	35,960
Cash and cash equivalents at end of year, represented by bank balances and cash	**年末現金及現金等價物，以銀行結餘及現金代表**	**16,773**	22,795

The Group has initially applied HKFRS 16 at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying HKFRS 16 is recognised in accumulated losses at the date of initial application. See note 2.2.

本集團於2019年4月1日以經修改追溯法初始應用香港財務報告準則第16號。按此方法，比較資料並無重列，而初始應用香港財務報告準則第16號的累計影響於初始應用日期在累計虧損確認。見附註2.2。

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第88至171頁所載附註乃本綜合財務報表的組成部分。

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

For the year ended 31 March 2020　截至2020年3月31日止年度

1. GENERAL INFORMATION

Tree Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is 28/F., Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively, the "Group") are principally engaged in the sale and distribution of furniture and home accessories, distribution and licencing of intellectual property rights, the provision of styling, consulting and furniture agency services and the operation of a café.

The directors consider the immediate and ultimate holding company of the Company to be Tiptop Honour Limited ("Tiptop"), a company incorporated in Samoa.

The consolidated financial statements for the year ended 31 March 2020 were approved for issue by the board of directors on 24 June 2020.

1. 一般資料

齊家控股有限公司(「本公司」)乃根據開曼群島公司法(經修訂)在開曼群島註冊成立為一間獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。其主要營業地點的地址為香港鴨脷洲利榮街2號新海怡廣場28樓。

本公司為一間投資控股公司，而其附屬公司(統稱「本集團」)主要從事傢俱及家居配飾銷售及分銷、分銷及許可使用知識產權、提供設計、諮詢及傢俱代理服務以及經營一間咖啡廳。

董事認為本公司的直接及最終控股公司為譽頂有限公司(「譽頂」，一間於薩摩亞註冊成立的公司)。

截至2020年3月31日止年度的綜合財務報表於2020年6月24日獲董事會批准刊發。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group's consolidated financial statements, if any, are disclosed in Note 2.2.

2. 主要會計政策概要

2.1 編製基準

本綜合財務報表乃按照由香港會計師公會頒佈的香港財務報告準則(該統稱包括所有適用個別香港財務報告準則、香港會計準則及詮釋)及香港公認會計原則編製。

綜合財務報表亦符合香港公司條例的適用披露規定及包括香港聯合交易所有限公司GEM證券上市規則(「GEM上市規則」)的適用披露規定。

編製本綜合財務報表時使用的主要會計政策概述如下。除非另有指明，否則該等政策已於所有呈列年度一直貫徹應用。採納新訂及經修訂香港財務報告準則以及對本集團綜合財務報表的影響(如有)於附註2.2披露。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

The consolidated financial statements have been prepared on the historical cost basis, except for cash surrender value of life insurance and contingent consideration payable which are carried at fair value. The measurement bases are fully described in the accounting policies below.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("HK$'000"), except when otherwise indicated.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on the management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 below.

2. 主要會計政策概要*(續)*

2.1 編製基準*(續)*

綜合財務報表乃按歷史成本基準編製，惟人壽保險的解約現金價值及應付或然代價按公允價值列賬除外。計量基準於下文會計政策中詳述。

綜合財務報表以本公司及其附屬公司的功能貨幣港元呈列，且除另有指明者外，所有數值乃約整至最接近的千位(「千港元」)。

務請注意，編製綜合財務報表時會運用會計估計及假設。雖然該等估計乃基於管理層對目前事件及行動的最佳認知及判斷作出，但是實際結果最終可能與有關估計不同。涉及更高層次判斷或複雜程度的範疇，或假設及估計對綜合財務報表屬重大的範疇於下文附註3披露。

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綜合財務報表附註

For the year ended 31 March 2020 截至2020年3月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2019

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2019:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments

Other than as noted below, the adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

2. 主要會計政策概要*(續)*

2.2 會計政策及披露變動

(a) 於2019年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則

於本年度，本集團已首次應用香港會計師公會所頒佈與本集團於2019年4月1日開始的年度期間的營運相關及就本集團的綜合財務報表而言有效的以下新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
香港財務報告準則第9號的修訂本	提早還款特性及負補償
香港會計準則第19號的修訂本	計劃修訂、縮減或償付
香港會計準則第28號的修訂本	在聯營企業及合營企業中的長期權益
香港財務報告準則的修訂本	香港財務報告準則2015年至2017年週期的年度改進
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

除下文註明者外，採納新訂及經修訂的香港財務報告準則對編製及呈列本期間及以往期間業績及財務狀況的方法並無重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures *(Continued)*

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2019 *(Continued)*

HKFRS 16 "Leases"

HKFRS 16 "Leases" replaces HKAS 17 "Leases" along with three Interpretations (HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease", HK(SIC)-Int 15 "Operating Leases — Incentives" and HK(SIC)-Int 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease"). HKFRS 16 has been applied using the modified retrospective approach, with the cumulative effect of adopting HKFRS 16 being recognised in equity as an adjustment to the opening balance of accumulated losses for the current year. Prior years have not been restated.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from HKAS 17 and HK(IFRIC)-Int 4 and has not applied HKFRS 16 to arrangements that were previously not identified as lease under HKAS 17 and HK(IFRIC)-Int 4.

2. 主要會計政策概要*(續)*

2.2 會計政策及披露變動*(續)*

(a) 於2019年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則*(續)*

香港財務報告準則第16號「租賃」

香港財務報告準則第16號「租賃」取代香港會計準則第17號「租賃」連同三項詮釋，即香港(國際財務報告詮釋委員會) — 詮釋第4號「釐定一項安排是否包括租賃」、香港(常務詮釋委員會) — 詮釋第15號「經營租賃 — 優惠」及香港(常務詮釋委員會) — 詮釋第27號「評估涉及租賃法律形式交易的內容」。本集團已採用經修改追溯法應用香港財務報告準則第16號，而採納香港財務報告準則第16號的累計影響於權益確認為本年度累計虧損的年初結餘調整。過往年度並未重列。

就於初始應用日期已訂立的合約而言，本集團已選擇應用香港會計準則第17號及香港(國際財務報告詮釋委員會) — 詮釋第4號對租賃所下的定義，並無就先前未有根據香港會計準則第17號及香港(國際財務報告詮釋委員會) — 詮釋第4號識別為租賃的安排應用香港財務報告準則第16號。

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For the year ended 31 March 2020 截至2020年3月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures *(Continued)*

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2019 *(Continued)*

HKFRS 16 "Leases" (Continued)

As a lessee

The Group has elected not to include initial direct costs in the measurement of the right-of-use assets for operating leases in existence at the date of initial application of HKFRS 16, being 1 April 2019. At this date, the Group has also elected to measure the rights-of-use assets as if HKFRS 16 had always been applied since the commencement date but discounted by using the incremental borrowing rate at the date of initial application.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of HKFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under HKAS 17 immediately before the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities recognised under HKFRS 16 was 4.6%.

2. 主要會計政策概要*(續)*

2.2 會計政策及披露變動*(續)*

(a) 於2019年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則*(續)*

香港財務報告準則第16號「租賃」(續)

作為承租人

就於香港財務報告準則第16號首次應用日期(即2019年4月1日)已存在的經營租賃而言，本集團已選擇於計量使用權資產時不計入首次直接成本。同日，本集團亦已選擇計量使用權資產，猶如香港財務報告準則第16號自開始日期起一直應用，惟使用初始應用日期的增量借貸利率折現。

本集團並無於首次應用日期對使用權資產進行減值審查，而是依賴其歷史評估確定在緊接香港財務報告準則第16號初始應用日期前是否虧損租賃。

過渡期間，對於先前入賬列為經營租賃且餘下租期少於12個月的租賃，本集團已應用非強制的豁免，不將使用權資產入賬，但於餘下租期內以直線基準將租賃開支入賬。

對於先前分類為融資租賃的租賃，使用權資產及租賃負債乃於首次應用日期按於緊接首次應用日期前根據香港會計準則第17號的相同金額計量。

應用於根據香港財務報告準則第16號確認之租賃負債的加權平均增量借貸利率為4.6%。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures *(Continued)*

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2019 *(Continued)*

HKFRS 16 "Leases" (Continued)

As a lessee *(Continued)*

The following is a reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 1 April 2019:

		HK$'000 *千港元*
Total operating lease commitments disclosed at 31 March 2019	於2019年3月31日披露的經營租賃承擔總額	13,743
Recognition exemptions:	入賬豁免：	
— Leases with remaining lease term of less than 12 months	— 餘下租期少於12個月的租賃	(4,144)
Operating leases liabilities before discounting	折現前之經營租賃負債	9,599
Discounting using incremental borrowing rate as at 1 April 2019	按於2019年4月1日的增量借貸利率折現	(533)
Operating lease liabilities	經營租賃負債	9,066
Finance lease liabilities	融資租賃負債	1,144
Total lease liabilities recognised under HKFRS 16 at 1 April 2019	於2019年4月1日根據香港財務報告準則第16號確認的租賃負債總額	10,210
Classified as:	分類為：	
Current lease liabilities	流動租賃負債	5,436
Non-current lease liabilities	非流動租賃負債	4,774
		10,210

Total impact arising from transition to HKFRS 16

The following table summarises the impact of transition to HKFRS 16 on the Group's consolidated statement of financial position at 1 April 2019:

		HK$'000 *千港元*
Increase in right-of-use assets presented in property, plant and equipment	於物業、廠房及設備呈列的使用權資產增加	10,064
Increase in lease liabilities	租賃負債增加	10,210
Increase in accumulated losses	累計虧損增加	78

2. 主要會計政策概要*(續)*

2.2 會計政策及披露變動*(續)*

(a) 於2019年4月1日或其後開始的年度期間生效的新訂及經修訂香港財務報告準則*(續)*

香港財務報告準則第16號「租賃」(續)

作為承租人*(續)*

以下為於2019年3月31日的經營租賃承擔總額與於2019年4月1日確認的租賃負債對賬：

就過渡至香港財務報告準則第16號所產生的整體影響

下表概述過渡至香港財務報告準則第16號對本集團於2019年4月1日的綜合財務狀況表的影響：

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures *(Continued)*

(b) Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group:

Amendments to HKFRS 16	COVID-19-Related Rent Concessions[2]
HKFRS 17	Insurance Contracts[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 3	Definition of a Business[5]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]

1 Effective for annual periods beginning on or after 1 January 2020
2 Effective for annual periods beginning on or after 1 June 2020
3 Effective for annual periods beginning on or after 1 January 2021
4 Effective date not yet determined
5 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

2. 主要會計政策概要*(續)*

2.2 會計政策及披露變動*(續)*

(b) 已頒佈但尚未生效的香港財務報告準則

於本綜合財務報表獲授權當日，若干新訂及經修訂的香港財務報告準則已發佈但尚未生效，且未獲本集團提前採納：

香港財務報告準則第16號的修訂本	與COVID-19相關租務寬減[2]
香港財務報告準則第17號	保險合約[3]
香港財務報告準則第10號及香港會計準則第28號的修訂本	投資者與其聯營公司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3號的修訂本	業務的定義[5]
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號的修訂本	利率基準改革[1]
香港會計準則第1號及香港會計準則第8號的修訂本	重大的定義[1]

1 於2020年1月1日或以後開始的年度期間生效
2 於2020年6月1日或以後開始的年度期間生效
3 於2021年1月1日或以後開始的年度期間生效
4 生效日期尚待確定
5 對收購日期為於2020年1月1日或以後開始的首個年度期間開始或以後的業務合併及資產收購生效

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policy and disclosures *(Continued)*

(b) Issued but not yet effective HKFRSs *(Continued)*

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The new and amended HKFRSs are not expected to have a material impact on the Group's financial statements.

2.3 Consolidation

(a) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4).

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Separate financial statements

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. 主要會計政策概要*(續)*

2.2 會計政策及披露變動*(續)*

(b) 已頒佈但尚未生效的香港財務報告準則*(續)*

董事預計，所有宣告將於宣告生效日期或以後開始的首個期間的本集團會計政策中採納。新訂及經修訂的香港財務報告準則預期不會對本集團的財務報表構成重大影響。

2.3 綜合賬目

(a) 附屬公司

附屬公司為本集團對其擁有控制權的實體(包括結構性實體)。當本集團透過參與某個實體獲得或有權取得可變回報且有能力透過其對該實體的權力影響該等回報時，本集團即控制該實體。附屬公司由控制權轉讓至本集團之日起綜合入賬，並由該控制權終止之日起終止綜合入賬。

本集團使用收購會計法將業務合併入賬(參閱附註2.4)。

集團內公司間的交易、結餘以及集團公司間交易的未變現收益及虧損於編製綜合財務報表時對銷。在必要情況下，附屬公司呈報的金額已作出調整，以符合本集團的會計政策。

(b) 獨立財務報表

於本公司的財務狀況表內，附屬公司按成本減任何減值虧損列賬。成本亦包括投資直接應佔成本。附屬公司的業績由本公司按於報告日已收及應收股息的基準入賬。所有股息(無論是否從投資對象的收購前或收購後溢利中收取)乃於本公司損益入賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are recognised in profit or loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition–date amounts of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

2. 主要會計政策概要*(續)*

2.4 業務合併

附屬公司及業務收購採用收購法入賬。於業務合併中轉撥的代價按公允價值計量，而公允價值乃按本集團所轉讓的資產、本集團向被收購方原擁有人產生的負債及本集團為交換被收購方的控制權而發行的股權於收購日的公允價值的總額計算。收購相關成本於產生時在損益入賬。

於業務合併中收購的可識別資產以及承擔的負債及或然負債初始按於收購日的公允價值計量。

商譽乃按所轉撥代價、任何非控股權益於被收購方所佔金額及收購方以往持有被收購方權益的公允價值(如有)的總和，超出所收購可識別資產及所承擔負債於收購日的淨值的差額計量。倘經過評估後，所收購可識別資產與所承擔負債於收購日的淨額高於所轉撥代價、任何非控股權益於被收購方所佔金額及收購方以往持有被收購方權益的公允價值(如有)的總和，則差額即時於損益入賬列為低價購買收益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Business combinations *(Continued)*

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounting for within equity. Contingent consideration that is classified as a financial liability is remeasured at subsequent reporting dates at fair value with corresponding gain or loss being recognised in profit or loss.

2.5 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

2. 主要會計政策概要*(續)*

2.4 業務合併*(續)*

倘本集團於業務合併中轉讓的代價包括或然代價安排產生的資產或負債，則或然代價乃按於收購日的公允價值計量，並被視為於業務合併中轉讓的代價的一部分。或然代價的公允價值變動如符合計量期間調整資格，則可追溯調整，商譽或低價購買收益亦作相應調整。計量期間調整為於計量期間就於收購日存在的事實及情況獲得額外資料而引致的調整。計量期間不超過由收購日起計一年。不合資格進行計量期間調整的或然代價公允價值變動的其後會計處理取決於或然代價如何分類。分類為權益的或然代價不會在其後報告日重新計量，而其後的結算乃於權益入賬。分類為金融負債的或然代價於其後報告日按公允價值重新計量，相應的收益或虧損會於損益入賬。

2.5 外幣換算

(a) 功能及呈列貨幣

計入本集團各實體財務資料的項目乃採用該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，而港元為本公司的功能貨幣及呈列貨幣。

(b) 交易及結餘

外幣交易採用交易當日的通行匯率換算為功能貨幣。結算該等交易以及按年末匯率換算以外幣計值的貨幣資產及負債所產生的外匯收益及虧損於損益入賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(b) Transactions and balances *(Continued)*

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) Group companies

The results and financial position of the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

2. 主要會計政策概要*(續)*

2.5 外幣換算*(續)*

(b) 交易及結餘*(續)*

以外幣按公允價值計量的非貨幣項目會使用釐定公允價值當日的匯率換算。按公允價值列賬的資產及負債的換算差額列作公允價值收益或虧損一部分。

(c) 集團公司

本集團旗下實體(該等實體概無擁有通脹嚴重經濟體系的貨幣)如擁有與呈列貨幣不同的功能貨幣，則業績及財務狀況乃按以下方法換算為呈列貨幣：

- 各份所呈列財務狀況表的資產及負債乃按相關結算日的收市匯率換算；
- 各份損益及其他全面收益表的收入及支出乃按報告期內平均匯率換算(除非此平均數並非交易日通行匯率的累計影響的合理近似值，在此情況下收支項目按交易日的匯率換算)；及
- 所產生的所有貨幣換算差額於其他全面收益入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment

Property, plant and equipment (other than cost of right-of-use assets as described in Note 2.14) are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Depreciation of assets commences when the assets ready for intended use.

Depreciation on property, plant and equipment is provided to write off the cost less their residue values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvements	Over the lease term
Furniture and fixtures and office equipment	20%–30%
Motor vehicles	30%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

2. 主要會計政策概要*(續)*

2.6 物業、廠房及設備

物業、廠房及設備(附註2.14所述使用權資產的成本除外)以成本減累計折舊及累計減值虧損列賬。物業、廠房及設備項目的成本包括物業、廠房及設備購買價以及任何使資產達致運作狀況及地點作擬定用途的直接應佔成本。資產折舊於資產可作擬定用途時開始。

物業、廠房及設備折舊於估計可使用年期內以直線法按以下年率計提，以撇銷其成本(減殘值)：

租賃物業裝修	於租期內
傢俱及固定裝置以及辦公設備	20%–30%
汽車	30%

本集團於各報告日審閱及在適當情況下調整資產的殘值、折舊方法及可使用年期。

報廢或出售所產生的收益或虧損按出售所得款項與資產賬面金額的差額釐定，並於損益入賬。

僅當與項目相關的未來經濟利益有可能流入本集團且項目成本能可靠計量時，後續成本方計入該項資產的賬面金額或確認為個別資產(如適用)。被替換部分的賬面金額會終止確認。維修及保養費等所有其他成本於產生的財政期間的損益扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (Note 2.18).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.8 Intangible assets (other than goodwill)

Website development costs

Cost directly associated with the development of specific websites, which include external direct costs of materials and services consumed in developing the website are capitalised. The capitalisation of such costs ceases no later than the point at which the websites are substantially completed and ready for its intended purpose. Website development costs are amortised on a straight-line basis over a period of 5 years, which represent the expected useful life of the website. Capitalised website development costs stated at cost less accumulated amortisation and accumulated impairment losses.

Research and other development costs relating to website development and website maintenance costs are expensed as incurred.

2. 主要會計政策概要*(續)*

2.7 商譽

業務合併產生的商譽於獲得控制權之日(收購日)確認為資產。商譽按所轉撥代價的公允價值、任何非控股權益於被收購方所佔金額及收購方以往持有被收購方股權(如有)的公允價值的總額，超出於收購日所計量本集團於被收購方可識別資產及負債淨公允價值的權益的差額計量。

倘經重新評估後，本集團於被收購方可識別資產淨公允價值的權益超出所轉撥代價、任何非控股權益於被收購方所佔金額及收購方以往持有被收購方股權的公允價值(如有)的總和，則差額即時於損益入賬列為低價購買收益。

商譽按成本減累計減值虧損列賬。商譽乃分配至現金產生單位，並會每年進行減值測試(附註2.18)。

其後出售附屬公司時，已撥充資本的應佔商譽金額會於釐定出售收益或虧損的金額時計算在內。

2.8 無形資產(商譽除外)

網站開發成本

與開發特定網站相關的直接成本(包括於開發網站過程中所用材料及服務的外部直接成本)乃撥充資本，直至網站已基本建成並可作擬定用途時為止。網站開發成本於五年期間以直線基準計算攤銷，該期間為網站的預期可使用年期。已撥充資本的網站開發成本按成本減累計攤銷及累計減值虧損列賬。

研究及其他與網站開發及網站維護有關的開發成本於產生時支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Intangible assets (other than goodwill) *(Continued)*

Trademarks

Trademarks are initially recorded at cost. After initial recognition, these trademarks have a finite useful lives and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis over a period of 10 years. Amortisation commences when the trademarks are available for use.

2.9 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(a) Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

— amortised cost;

— fair value through profit or loss; or

— fair value through other comprehensive income.

2. 主要會計政策概要*(續)*

2.8 無形資產(商譽除外)*(續)*

商標

商標初始按成本記賬。初始確認後，該等商標有確定可使用年期，並以成本減累計攤銷及任何累計減值虧損列賬。攤銷於10年期內以直線基準計算。攤銷於商標可供使用時開始。

2.9 金融工具

確認及終止確認

金融資產及金融負債於本集團成為金融工具合約條文的訂約方時確認。

金融資產於對其現金流的合約權利屆滿時，或於金融資產以及其絕大部分風險及回報轉移時終止確認。金融負債於終絕、解除、註銷或屆滿時終止確認。

(a) 金融資產

金融資產的分類及初始計量

除不包含重大融資成分且按照香港財務報告準則第15號按交易價計量的貿易應收款項外，所有金融資產初始按公允價值計量；如屬並非透過損益按公允價值列賬的金融資產，則加上收購該金融資產的直接應佔交易成本。透過損益按公允價值列賬的金融資產的交易成本於綜合損益表及其他全面收益表支銷。

金融資產(指定及有效作為對沖工具者除外)分類為以下類別：

— 攤銷成本；

— 透過損益按公允價值列賬；或

— 透過其他全面收益按公允價值列賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

(a) Financial assets (Continued)

Classification and initial measurement of financial assets *(Continued)*

The classification is determined by both:

— the entity's business model for managing the financial asset; and

— the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within "finance costs", "other income" or other financial items, except for expected credit losses ("ECL") of trade receivables which is presented as a separate line item in the consolidated statement of profit or loss and other financial assets measured at amortised cost which is presented within administrative expenses.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit or loss):

— they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

— the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in "other income" in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables and bank balances and cash fall into this category of financial assets.

2. 主要會計政策概要*(續)*

2.9 金融工具*(續)*

(a) 金融資產(續)

金融資產的分類及初始計量*(續)*

分類按以下兩者釐定：

— 實體管理金融資產的業務模型；及

— 金融資產的合約現金流特徵。

有關金融資產於損益入賬的所有收入及開支乃於「財務成本」、「其他收入」或其他財務項目呈列，惟於綜合損益表呈列為獨立項目的貿易應收款項預期信貸虧損及於行政開支呈列的按攤銷成本計量的其他金融資產預期信貸虧損除外。

金融資產的其後計量

債務工具

按攤銷成本計量的金融資產

資產如符合以下條件(且並無指定為透過損益按公允價值列賬)，則按攤銷成本計量：

— 資產於一個旨在持有金融資產並收取其合約現金流的業務模型內持有；及

— 金融資產的合約條款產生的現金流純粹為支付本金及未償還本金的利息。

於初始確認後，該等資產乃使用實際利率法按攤銷成本計量。該等金融資產的利息收入計入損益內的「其他收入」。折現如影響不大，則會省略。本集團的貿易及其他應收款項以及銀行結餘及現金屬於此類金融資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

(a) Financial assets (Continued)

Subsequent measurement of financial assets *(Continued)*

Debt instruments *(Continued)*

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at fair value through profit or loss. The Group's cash surrender value of life insurance falls into this category of financial assets.

(b) Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, bank borrowings, lease liabilities/finance lease liabilities and contingent consideration payable.

Financial liabilities (other than lease liabilities/finance lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities (other than lease liabilities/finance lease liabilities) are measured at amortised cost using the effective interest method except for derivatives which are not designated and effective as hedging instruments and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value are reported in profit or loss.

2. 主要會計政策概要*(續)*

2.9 金融工具*(續)*

(a) 金融資產(續)

金融資產的其後計量*(續)*

債務工具*(續)*

透過損益按公允價值列賬的金融資產

於「持作收取」或「持作收取及出售」以外的不同業務模型內持有的金融資產分類為透過損益按公允價值列賬。再者，不論業務模型為何，合約現金流不純粹為支付本金及利息的金融資產乃以透過損益按公允價值列賬的方式入賬。本集團人壽保險的解約現金價值屬於此類金融資產。

(b) 金融負債

金融負債的分類及計量

本集團的金融負債包括貿易及其他應付款項、銀行借貸、租賃負債／融資租賃負債及應付或然代價。

金融負債(租賃負債／融資租賃負債除外)初始按公允價值計量，並在適當情況下就交易成本調整，除非本集團指定金融負債透過損益按公允價值列賬則除外。

其後，金融負債(租賃負債／融資租賃負債除外)使用實際利率法按攤銷成本計量，惟衍生工具(並非指定及有效對沖工具)及指定透過損益按公允價值列賬的金融負債其後則按公允價值列賬，而收益或虧損則於損益入賬。

所有利息相關支出及(如適用)工具的公允價值變動於損益呈報。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

(b) Financial liabilities (Continued)

Classification and measurement of financial liabilities *(Continued)*

Accounting policies of lease liabilities/finance lease liabilities are set out in Note 2.14.

Bank borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the bank borrowings using the effective interest method.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Contingent consideration payable

Contingent consideration payable is recognised at fair value at the end of each reporting period with gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

2.10 Impairment of financial assets

HKFRS 9's impairment requirements use more forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

2. 主要會計政策概要*(續)*

2.9 金融工具*(續)*

(b) 金融負債(續)

金融負債的分類及計量*(續)*

租賃負債／融資租賃負債的會計政策載於附註2.14。

銀行借貸

銀行借貸初始按公允價值確認，當中會扣除產生的交易成本。銀行借貸其後按攤銷成本列賬；所得款項(經扣除交易成本)與贖回價值的任何差額於銀行借貸期內使用實際利率法在損益入賬。

銀行借貸分類為流動負債，除非本集團擁有無條件權利可將負債延後至報告日後最少十二個月清償則另作別論。

貿易及其他應付款項

貿易及其他應付款項初始按公允價值確認，其後使用實際利率法按攤銷成本計量。

應付或然代價

應付或然代價於各報告期末按公允價值確認，重新計量至公允價值的收益或虧損即時於損益入賬。

2.10 金融資產減值

香港財務報告準則第9號的減值規定使用更具前瞻性的資料確認預期信貸虧損 —「預期信貸虧損模型」。此範圍內的工具包括貸款及按攤銷成本計量的其他債務類型金融資產及貿易應收款項。

本集團於評估信貸風險及計量預期信貸虧損時考慮範圍更廣的資料，包括過往事件、現行情況、影響工具未來現金流預期可收回性的合理及有根據的預測。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of financial assets *(Continued)*

In applying this forward-looking approach, a distinction is made between:

— financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and

— financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other financial assets measured at amortised cost

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

2. 主要會計政策概要*(續)*

2.10 金融資產減值*(續)*

於應用此前瞻性方法時會區分：

— 自初始確認以來信貸質素並未顯著惡化，或信貸風險低的金融工具(「階段1」)；及

— 自初始確認以來信貸質素顯著惡化，且信貸風險不低的金融工具(「階段2」)。

「階級3」涵蓋於報告日有客觀減值證據的金融資產。

就階段2確認「全期預期信貸虧損」之時，本集團亦就階段1確認「12個月預期信貸虧損」。

預期信貸虧損的計量按金融工具於預期年期的信貸虧損的概率加權估計釐定。

貿易應收款項

就貿易應收款項而言，本集團於計算預期信貸虧損時應用簡化方式，並基於於各報告日的全期預期信貸虧損確認虧損備抵。此乃合約現金流的預期不足之數，當中考慮到金融資產年期內任何時間的違約可能性。計算預期信貸虧損時，本集團已基於過往信貸虧損經驗及外部指標制定撥備矩陣，並就債務人的特定前瞻性因素及經濟環境作出調整。

按攤銷成本計量的其他金融資產

本集團計量相等於12個月預期信貸虧損的其他應收款項的虧損備抵，除非信貸風險自初始確認以來已顯著增加，則本集團確認全期預期信貸虧損。評估應否確認全期預期信貸虧損時乃基於自初始確認以來發生違約的可能性或風險是否顯著增加。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of financial assets *(Continued)*

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

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

— an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

— significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

— existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

— an actual or expected significant deterioration in the operating results of the debtor;

— an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2. 主要會計政策概要*(續)*

2.10 金融資產減值*(續)*

於評估信貸風險自初始確認以來是否顯著增加時，本集團比較金融資產於報告日發生違約的風險與金融資產於初始確認日期發生違約的風險。於作出此評估時，本集團考慮合理及有根據的定量及定性資料，包括過往經驗及無須付出不必要的成本或努力即可取得的前瞻性資料。

尤其是，在評估信貸風險是否顯著增加時會考慮以下資料：

— 金融工具的外部(如可獲得)或內部信貸評級實際上或預期顯著惡化；

— 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信貸違約掉期價格大幅增加；

— 業務、財務或經濟狀況出現或預期出現不利變動，預期導致債務人應付債務責任的能力大幅下降；

— 債務人的經營業績實際上或預期顯著惡化；

— 債務人的監管、經濟或技術環境實際上或預期出現重大不利變動，可能導致債務人應付債務責任的能力大幅下降。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of financial assets *(Continued)*

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in Note 34.2.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

2.13 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (Note 2.17). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (Note 2.9).

2. 主要會計政策概要*(續)*

2.10 金融資產減值*(續)*

儘管有上述考慮，但如債務工具於各報告期末釐定為具有低信貸風險，則本集團假設債務工具的信貸風險自初始確認以來並未顯著惡化。如債務工具的違約風險低、借貸人可穩健地於短期內應付合約現金流義務，而經濟及商業環境的較長期的不利變動可能(但未必)削弱借貸人應付合約現金流義務的能力，則債務工具釐定為具有低信貸風險。就內部信貸風險管理而言，當內部制定或從外部來源取得的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團持有的任何抵押品)，則本集團認為發生違約事件。

有關貿易應收款項及按攤銷成本計量的其他金融資產的預期信貸虧損評估的詳細分析載於附註34.2。

2.11 存貨

存貨按成本與可變現淨值的較低者列賬。成本(包括所有購買成本以及(在適當情況下)其他因將存貨送往現時地點及達至現時狀況所產生的成本)乃使用加權平均法計算。可變現淨值為日常業務過程中的估計售價減適用的可變銷售費用。

2.12 現金及現金等價物

現金及現金等價物包括於銀行及手頭的現金。

2.13 合約負債

合約負債在客戶於本集團確認相關收益前支付代價時確認(附註2.17)。倘本集團有無條件權利在本集團確認相關收益前收取代價，則亦會確認合約負債。在相關情況下，本集團亦會確認相應應收款項(附註2.9)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Contract liabilities *(Continued)*

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2.14 Leases

Definition of a lease and the Group as a lessee

Policy applicable from 1 April 2019

Definition of a lease

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contracts contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of warehouse, office and shop premises in which the Group is a lessee, the Group elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

2. 主要會計政策概要*(續)*

2.13 合約負債*(續)*

就與客戶的單一合約而言，本集團會呈列淨合約資產或淨合約負債。就多份合約而言，不相關合約的合約資產及合約負債不按淨額基準呈列。

2.14 租賃

租賃定義及本集團作為承租人

由2019年4月1日起適用的政策

租賃的定義

對於2019年4月1日或以後訂立的任何新合約，本集團會考慮合約是否租賃或包含租賃。租賃的定義為「以代價換取已識別資產(相關資產)於一段時間內之使用權的一份合約或合約的一部分」。

為符合此定義，本集團評估合約是否符合以下三項關鍵評估因素：

- 合約是否包含已識別資產，即該資產在合約中可明確識別，或在資產可供本集團使用時以隱含指定方式識別；
- 本集團是否有權在整段使用期內取得使用已識別資產的絕大部分經濟利益，當中會考慮其於合約界定範圍內的權利；及
- 本集團是否有權在整段使用期內指示已識別資產的用途。本集團評估其是否有權指示該資產在整段使用期內的使用「方式及目的」。

對於含有租賃成分及一個或以上額外租賃或非租賃成分的合約，本集團按租賃及非租賃成分的相對獨立價格將合約代價分配至各成分。然而，對於本集團為承租人的倉庫、辦公室及店舖租賃，本集團選擇不將非租賃成分分開，而將租賃與非租賃成分入賬列作單一租賃成分。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Leases *(Continued)*

Definition of a lease and the Group as a lessee *(Continued)*

Policy applicable from 1 April 2019 *(Continued)*

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2. 主要會計政策概要*(續)*

2.14 租賃*(續)*

租賃定義及本集團作為承租人*(續)*

由2019年4月1日起適用的政策*(續)*

計量及確認作為承租人的租賃

於租賃開始日期，本集團於綜合財務狀況表確認使用權資產及租賃負債。使用權資產按成本計量，而成本乃包括租賃負債的初始計量、本集團產生的任何初始直接成本、租賃結束時拆除及移除相關資產的任何估計成本以及於租賃開始日期前作出的任何租賃付款(經扣除任何已收租賃獎勵)。

本集團的使用權資產於租賃開始日期至使用權資產的可使用年期結束或租期結束(以較早者為準)期間以直線基準計算折舊，除非本集團合理地確定於租期結束時可獲得擁有權則作別論。本集團亦於出現減值跡象時評估使用權資產的減值。

於開始日期，本集團按該日未支付租賃付款的現值計量租賃負債，並使用租賃中的隱含利率或(倘該利率不可釐定)本集團的增量借貸利率進行折現。

計量租賃負債時計入的租賃付款包括固定付款(包括實質固定付款)減任何應收租賃獎勵、基於某一指數或比率的可變付款及根據殘值保證應付的預期金額。倘本集團合理地確定將行使購買選擇權，則租賃付款亦包括購買選擇權的行使價，而倘租期反映本集團將行使終止選擇權，則租賃付款亦包括終止租賃的罰金。

於初始計量後，負債將按已付租賃付款減少，並按租賃負債的利息成本增加。為反映任何重新評估或租賃修改，或倘實質固定付款出現變動，負債需要重新計量。並不取決於某一指數或利率的可變租賃付款於觸發付款的事件或情況發生期間確認為開支。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Leases *(Continued)*

Definition of a lease and the Group as a lessee *(Continued)*

Policy applicable from 1 April 2019 *(Continued)*

Measurement and recognition of leases as a lessee *(Continued)*

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, right-of-use assets have been included in property, plant and equipment.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Policy applicable before 1 April 2019

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

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

2. 主要會計政策概要*(續)*

2.14 租賃*(續)*

租賃定義及本集團作為承租人*(續)*

由2019年4月1日起適用的政策 *(續)*

計量及確認作為承租人的租賃*(續)*

於重新計量租賃負債時，相應調整於使用權資產反映，或於使用權資產已減至零時在損益反映。

本集團已選擇利用實際權宜方法將短期租賃入賬。相對於確認使用權資產及租賃負債，有關該等租賃的付款於租期內以直線基準在損益入賬列為開支。短期租賃為租期為12個月或以下的租賃。

於綜合財務狀況表中，使用權資產計入物業、廠房及設備。

已付可退回租賃按金根據香港財務報告準則第9號入賬，且初始按公允價值計量。於初始確認時對公允價值的調整被視為額外租賃付款，並計入使用權資產的成本。

於2019年4月1日前適用的政策

倘本集團決定作出包含一項或一連串交易的安排，讓渡在協定期間使用一項特定或多項資產的權利以換取一筆或一連串款項，則有關安排屬於或包括一項租賃。該項決定乃基於對安排內容的評估作出，不論有關安排是否採取租賃的法律形式。

本集團根據租賃(將擁有權的絕大部分風險及回報轉移至本集團)持有的資產乃歸類為根據融資租賃持有。租賃如不會將擁有權的絕大部分風險及回報轉移至本集團，則歸類為經營租賃。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Leases *(Continued)*

Definition of a lease and the Group as a lessee *(Continued)*

Policy applicable before 1 April 2019 *(Continued)*

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 included in "property, plant and equipment" and the corresponding liabilities, net of finance charges, are recorded as "finance lease liabilities".

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

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. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Operating leases

When the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental, if any, are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策概要*(續)*

2.14 租賃*(續)*

租賃定義及本集團作為承租人*(續)*

於2019年4月1日前適用的政策 *(續)*

融資租賃

在本集團根據融資租賃獲得資產使用權的情況下，相當於租賃資產公允價值或(如較低)該等資產最低租賃付款的現值計入「物業、廠房及設備」，而經扣除財務支出的相應負債乃記賬為「融資租賃負債」。

根據融資租賃協議持有的資產的其後會計處理與應用於可資比較的已購入資產者一致。相應融資租賃負債按租賃付款減財務支出扣除。

租賃付款隱含的財務支出於租期內自損益扣除，致使就各個會計期間產生一個有關承擔餘額的概約固定定期扣除比率。或然租金於產生的會計期間自損益扣除。

經營租賃

當本集團有權使用根據經營租賃持有的資產時，根據租賃作出的付款於租期內以直線基準從損益扣除，惟倘另一種更能反映租賃資產所衍生利益模式的基準則作別論。所獲租賃獎勵於損益入賬列為已作出淨租賃付款總額的主要部分。或然租金(如有)於產生的會計期間自損益扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation 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.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.16 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deduction from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.17 Revenue recognition

Revenue arises mainly from the sale and distribution of furniture and home accessories, distribution and licencing of intellectual property rights, the provision of styling, consulting and furniture agency services and the operation of a café.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

2. 主要會計政策概要*(續)*

2.15 撥備

當本集團因過去事件而承擔目前責任(法定或推定),而履行責任可能須付出經濟利益且責任金額能可靠地估計時,本集團會確認撥備。凡貨幣時間值屬重大,撥備會以履行責任預期所需支出的現值列賬。

本集團於各報告日審閱所有撥備,並作出調整以反映當前的最佳估計。

2.16 股本

普通股歸類為權益。股本乃使用已發行股份的面值釐定。任何與發行股份相關的交易成本乃自股份溢價(經扣除任何相關所得稅利益)中扣減,惟以該權益交易直接應佔的增量成本為限。

2.17 收益確認

收益主要來自傢俱及家居配飾銷售及分銷、分銷及許可使用知識產權、提供設計、諮詢及傢俱代理服務以及經營一間咖啡廳。

為釐定是否確認收益,本集團遵從五個流程:

1. 識別與客戶訂立的合約
2. 識別履約責任
3. 釐定交易價格
4. 將交易價格分配至履約責任
5. 於／隨着履行履約責任時確認收益

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.17 Revenue recognition *(Continued)*

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Further details of the Group's revenue and other income recognition policies are as follows:

Sale of furniture and home accessories

Revenue from the sale of furniture and home accessories are recognised at a point in time when the Group transfers the control of the assets to the customers upon delivery.

Distribution and license fee income

Fixed upfront distribution and license fee is recognised over time on a straight-line basis over the terms of distribution agreement and license period. License fee income from the licensing arrangement is recognised over time on an accrual basis in accordance with the terms of agreements.

Revenue from café operation

Food and beverage income from the operation of a café is recognised at a point in time when the related services are rendered to the customers.

Commission income

Commission income from (i) consignment sales are recognised at a point in time when the goods are sold by the Group; and (ii) furniture agency service is recognised at a point in time when the services have been performed.

Consulting income

Consulting income is recognised at a point in time when the services have been performed.

2. 主要會計政策概要*(續)*

2.17 收益確認*(續)*

在所有情況下，合約的交易價格總額按履約責任的相對獨立售價分配至各履約責任。合約的交易價格不包括代表第三方收取的任何金額。

當(或隨着)本集團藉向客戶轉讓已承諾商品或服務履行履約責任時，收益在某一時間點或隨時間確認。

本集團收益及其他收入確認政策的進一步詳情如下：

傢俱及家居配飾銷售

當本集團於交付後將資產控制權轉讓予客戶時，傢俱及家居配飾銷售的收益在某一時間點確認。

分銷及許可權費收入

固定的前期分銷及許可權費於分銷協議及許可權期限內以直線基準隨時間確認。按照協議條款，許可權安排所產生的許可權費收入以累計基準隨時間確認。

咖啡廳營運收益

經營咖啡廳所得食物及飲品收入於向客戶提供相關服務時在某一時間點確認。

佣金收入

來自(i)寄售的佣金收入於本集團銷售商品時在某一時間點確認；及(ii)傢俱代理服務的佣金收入於履行服務時在某一時間點確認。

諮詢收入

諮詢收入於履行服務時在某一時間點確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.17 Revenue recognition *(Continued)*

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of ECL allowance) of the asset.

2.18 Impairment of non-financial assets

Goodwill arising on acquisition of a subsidiary, other intangible assets, property, plant and equipment (including right-of-use assets) and the Company's investment in a subsidiary are subject to impairment testing.

Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

2. 主要會計政策概要*(續)*

2.17 收益確認*(續)*

利息收入

利息收入使用實際利率法以時間比例基準確認。就按攤銷成本計量且無出現信貸減值的金融資產而言，實際利率應用於該資產的賬面總額。就已出現信貸減值的金融資產而言，實際利率應用於該資產的攤銷成本(即扣除預期信貸虧損備抵後的賬面總額)。

2.18 非金融資產減值

收購附屬公司產生的商譽、其他無形資產、物業、廠房及設備(包括使用權資產)以及本公司於附屬公司的投資須進行減值測試。

商譽及其他可使用年期不確定或未可使用的無形資產最少每年測試一次減值，不論是否有任何跡象顯示資產出現減值。所有其他資產應於有跡象顯示資產的賬面金額或許不能收回時測試減值。

減值虧損乃資產賬面金額超過可收回金額的差額，乃即時確認為開支。可收回金額按反映市場狀況的公允價值減出售成本及使用價值的較高者計算。評估使用價值時，估計未來現金流採用稅前折現率折現至現值；該折現率反映現時市場對金錢時間值及資產特有風險的評估。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Impairment of non-financial assets *(Continued)*

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. 主要會計政策概要*(續)*

2.18 非金融資產減值*(續)*

為評估減值，凡資產產生的現金流入並非大致上獨立於其他資產所產生者，可收回金額按可獨立產生現金流入的最小資產組別(即現金產生單位)釐定。因此，部分資產會個別測試減值，部分則按現金產生單位級別進行測試。當可識別合理而貫徹的基準時，公司資產會分配至個別現金產生單位，否則分配至可識別合理而貫徹的基準的最小現金產生單位組別。商譽尤其分配至預期從相關業務合併的協同效應中受益的現金產生單位，並為本集團內為內部管理目的監控商譽的最低級別，且不大於經營分部。

就已獲分配商譽的現金產生單位確認的減值虧損初始計入商譽的賬面金額。任何剩餘減值虧損按比例從現金產生單位內的其他資產扣除，惟資產賬面值將不會調低至低於資產的個別公允價值減出售成本或使用價值(如可釐定)。

商譽的減值虧損不會於其後期間撥回。就其他資產而言，倘用於釐定資產可收回金額的估計發生有利改變，則撥回減值虧損，惟資產的賬面金額不得超過倘無確認減值虧損，則原應釐定的賬面金額(扣除折舊及攤銷)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Employee benefits

Retirement benefit

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme"), for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulative compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Equity-settled share-based compensation

In January 2018, the Group adopted a Share Option Scheme (Note 28) under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the services received in exchange for the grant of the equity instruments is recognised as expense.

The total amount to be expensed is determined by reference to the fair value of options granted including any market performance conditions; excluding the impact of any service and non-market performance vesting conditions; and including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period over which all of the specified vesting conditions are to be satisfied.

2. 主要會計政策概要*(續)*

2.19 僱員福利

退休福利

僱員的退休福利乃透過定額供款計劃提供。

本集團根據強制性公積金計劃條例為所有合資格參與的僱員施行一項定額供款退休福利計劃(「強積金計劃」)。供款乃基於僱員基本薪金的百分比作出。

供款於僱員提供服務時在年內損益入賬列為開支。本集團於該等計劃下的義務乃受限於固定比例的應付供款。

短期僱員福利

僱員享有年假的權利於僱員有權享用年假時確認。本集團就僱員直至報告日為止提供的服務所產生的估計年假負債作出撥備。

非累計有補償缺勤(如病假及產假)於僱員支取假期時方會確認。

以權益結算以股份為基礎的補償

於2018年1月，本集團採納購股權計劃(附註28)，據此，本集團獲僱員提供服務，作為本集團權益工具(購股權)的代價。為換取獲授權益工具所接受服務的公允價值乃確認為開支。

將支銷的費用總額乃參照所授出購股權的公允價值釐定；包括任何市場表現條件；不包括任何服務及非市場表現歸屬條件所產生的影響；惟包括任何非歸屬條件的影響。

費用總額於歸屬期內確認，所有指定歸屬條件須於該歸屬期內達成。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Employee benefits *(Continued)*

Equity-settled share-based compensation *(Continued)*

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. The Group recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.20 Borrowing costs

Borrowing costs are expensed when incurred.

2.21 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. 主要會計政策概要*(續)*

2.19 僱員福利*(續)*

以權益結算以股份為基礎的補償 *(續)*

於各報告期末，本集團基於非市場歸屬及服務條件修訂預期歸屬的購股權數目。修訂原來估計的影響(如有)於損益入賬，並相應調整權益。

當購股權獲行使時，本公司會發行新股份。經扣除直接應佔交易成本的已收所得款項會計入股本(面值)及股份溢價。

2.20 借貸成本

借貸成本於產生時支銷。

2.21 所得稅會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括對財政機關負有關於目前或以往報告期間而於報告日尚未繳付的責任或其提出的相關申索，乃基於該年度應課稅溢利，按照相關財政期間適用的稅率及稅法計算。即期稅項資產或負債的所有變動於損益入賬列為稅項開支的組成部分。

遞延稅項按財務報表內資產負債賬面金額與其相應稅基兩者於報告日的暫時差額使用負債法計算。本集團通常就所有應課稅暫時差額確認遞延稅項負債。本集團就所有可扣稅暫時差額、可結轉稅項虧損及其他未使用稅項抵免確認遞延稅項資產，惟以可能有應課稅溢利(包括現有應課稅暫時差額)可用於抵銷可扣稅暫時差額、未使用稅項虧損及未使用稅項抵免為限。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Accounting for income tax *(Continued)*

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (1) when the existing temporary differences will reverse and (2) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

— income or loss excluding reversals of temporary differences; and

— reversals of existing temporary differences.

2. 主要會計政策概要*(續)*

2.21 所得稅會計處理*(續)*

倘來自商譽或初始確認交易(於業務合併除外)資產及負債產生暫時差額，而其並不影響應課稅或會計溢利或虧損，則不會確認遞延稅項資產及負債。

本集團就於附屬公司的投資產生的應課稅暫時差額確認遞延稅項負債，惟本集團可控制暫時差額的撥回及有可能不會於可預見將來撥回暫時差額除外。

遞延稅項按預期適用於清償債務或變現資產的期間的稅率計算(不作折現)，惟有關稅率必須為於報告日已實施或基本上已實施的稅率。

遞延稅項資產或負債的變動於損益入賬，或倘變動與扣除自或計入其他全面收益的項目或直接計入權益的項目有關，則變動會於其他全面收益或直接於權益確認。

當對不同應課稅收入水平應用不同稅率時，遞延稅項資產及負債乃採用預期適用於預期撥回暫時差額的期間的應課稅收入的平均稅率計量。

釐定平均稅率時須估計(1)將撥回現有暫時差額的時間及(2)該等年度的未來應課稅溢利金額。未來應課稅溢利估計包括：

— 不包括暫時差額撥回的收入或虧損；及

— 撥回現有暫時差額。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Accounting for income tax *(Continued)*

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. 主要會計政策概要*(續)*

2.21 所得稅會計處理*(續)*

即期稅項資產及即期稅項負債只會在以下情況以淨額基準呈列：

(a) 本集團有在法律上可強制執行的權利對銷已確認金額；及

(b) 擬以淨額基準清償或同時變現資產及清償負債。

本集團僅會在以下情況以淨額基準呈列遞延稅項資產及遞延稅項負債：

(a) 該實體有在法律上可強制執行的權利對銷即期稅項資產與即期稅項負債；及

(b) 遞延稅項資產及遞延稅項負債乃關於由同一稅務機關就以下任何一項徵收的所得稅：

(i) 同一應課稅實體；或

(ii) 擬於各未來期間(該期內預期將清償或收回大額的遞延稅項負債或資產)以淨額基準清償即期稅項負債及資產或同時變現資產及清償負債的不同應課稅實體。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (the "CODM"). The CODM, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2.23 Related parties

For the purpose of these consolidated financial statements, a party in considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and 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 of a parent of the Group.

2. 主要會計政策概要*(續)*

2.22 分部報告

經營分部以與向主要營運決策者提供的內部報告一致的方式呈報。負責分配資源及評估經營分部表現的主要營運決策者乃識別為作出戰略決策的執行董事。

2.23 關聯方

就本綜合財務報表而言，某方如符合下列情況，則被視為與本集團有關聯：

(a) 該方為一名人士或該人的近親，而倘該人：

(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力；或

(iii) 為本集團或其母公司主要管理人員的成員。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.23 Related parties *(Continued)*

(b) the party is an entity and if any of the following conditions applies:

(i) the entity and the Group are members of the same group.

(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) the entity and the Group 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).

(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 parent of the Group.

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

2. 主要會計政策概要*(續)*

2.23 關聯方*(續)*

(b) 該方為一實體，且若下列任何一項條件適用：

(i) 該實體及本集團屬同一集團的成員。

(ii) 一個實體為另一實體的聯營公司或合營企業(或為某一集團成員公司的聯營公司或合營企業，而該另一實體為此集團的成員)。

(iii) 該實體與本集團為相同第三方的合營企業。

(iv) 一個實體為第三方實體的合營企業而另一實體為該第三方實體的聯營公司。

(v) 該實體乃為本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃。

(vi) 該實體受(a)部所識別人士控制或共同控制。

(vii) 於(a)(i)識別的人士對該實體有重大影響力或為該實體(或該實體的母公司)主要管理人員的成員。

(viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

某人的近親為預期於與實體進行交易時可影響該人士或受該人士影響的家族成員。

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of goodwill impairment

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.18. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates about future cash flows and discount rates. In the process of estimating expected future cash flows, management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Details of the estimates of the recoverable amounts of cash-generating units containing goodwill are disclosed in Note 16.

Valuation of contingent consideration payable

For acquisitions accounted for under HKFRS 3, future anticipated payments to vendors in respect of earnouts are based on the management's best estimates of future obligations, which are dependent on future performance of the interests acquired and assume the operating companies improve profits in line with management's estimates and are included in liabilities greater or less than one year as appropriate. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. Changes to earnouts are recorded in the profit or loss. Details of contingent consideration payable are set out in Notes 32 and 34.6.

3. 重大會計估計及判斷

估計及判斷乃基於過往經驗及其他因素持續評估，包括對相信在有關情況下屬合理的未來事項的預期。

估計不確定性

本集團會就未來作出估計及假設。顧名思義，由此得出的會計估計甚少相等於有關實際結果。對下一個財政年度內資產負債賬面金額產生重大調整風險的估計及假設於下文論述：

估計商譽減值

本集團按照附註2.18所述會計政策每年測試商譽有否出現任何減值。現金產生單位的可收回金額乃基於使用價值計算法釐定。該等計算法要求使用有關未來現金流及折現率的估計。於估計預期未來現金流的過程中，管理層就未來收益及溢利作出假設。該等假設與未來事件及情況有關。實際結果可能存在差異，且可能導致須對下個財政年度內商譽的賬面金額作出重大調整。釐定適當折現率涉及估計就市場風險及資產特定風險因素作出的適當調整。現金產生單位(包含商譽)的可收回金額估計詳情於附註16中披露。

應付或然代價的估值

就根據香港財務報告準則第3號入賬的收購事項而言，就獲利能力付款方案預計日後支付予賣方的款項乃基於管理層對未來責任的最佳估計，視乎所收購權益的未來表現而定及假設經營公司的溢利按管理層估計而改善，以及視適當情況計入多於或少於一年的負債。該等估計很可能與日後實際經營業績及現金流不同，且該等差異可能重大。獲利能力付款方案的變動於損益記賬。應付或然代價的詳情載於附註32及34.6。

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

Estimation uncertainty *(Continued)*

Allowance for inventories

Net realisable value of inventories (Note 18) is the actual or estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market condition. Management reassesses these estimations at the end of each reporting period.

Estimation of impairment of trade receivables and other financial assets at amortised cost within the scope of ECL under HKFRS 9

The Group makes allowances on items subjects to ECL (including trade and other receivables) based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period as set out in Note 2.10. As at 31 March 2020, the carrying amount of trade and other receivables amounted to HK$47,901,000 (net of ECL allowance of HK$700,000) (2019: HK$29,626,000 (net of ECL allowance of HK$nil)).

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and other receivables within the scope of ECL under HKFRS 9 and credit losses in the periods in which such estimate has been changed.

3. 重大會計估計及判斷*(續)*

估計不確定性*(續)*

存貨備抵

存貨的可變現淨值(附註18)為日常業務過程中的實際或估計售價減完成銷售所需的估計成本。該等估計乃基於現時市況及銷售近似屬性產品的過往經驗。其可因競爭對手為應對市況變化採取的行動而大幅改變。管理層於各報告期末重估該等估計。

屬於香港財務報告準則第9號預期信貸虧損範圍內貿易應收款項及按攤銷成本列賬的其他金融資產減值的估計

本集團根據違約風險假設及預期虧損率就預期信貸虧損項目(包括貿易及其他應收款項)計提備抵。本集團於作出假設及選取減值計算所用輸入數據時，會按照本集團過往經驗、現行市況及各報告期末的前瞻性估計數字(載於附註2.10)運用判斷。於2020年3月31日，貿易及其他應收款項的賬面金額為47,901,000港元(已扣除預期信貸虧損備抵700,000港元)(2019年：29,626,000港元(已扣除預期信貸虧損備抵零港元))。

倘實際未來現金流量有別於預期，其差額將會影響屬於香港財務報告準則第9號預期信貸虧損範圍內貿易及其他應收款項的賬面金額及估計改變期間的信貸虧損。

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4. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue is as follows:

4. 收益及分部資料

對本集團收益所進行的分析如下：

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Sale of furniture and home accessories	傢俱及家居配飾銷售	**70,721**	73,296
Distribution and license fee income	分銷及許可權費收入	**3,286**	3,432
Food and beverage income	食物及飲品收入	**2,611**	2,818
Commission income	佣金收入	**13,616**	2,822
Consulting income	諮詢收入	**869**	3,040
		91,103	85,408

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

基於向執行董事呈報以供彼等決定本集團各業務組成部分的資源分配及審閱該等組成部分表現的定期內部財務資料，本集團識別經營分部及編製分部資料。向執行董事呈報的內部財務資料內的業務組成部分乃依照本集團的主要產品及服務線釐定。

The Group has identified the following reportable segments:

本集團已識別以下可呈報分部：

- Furniture sale and consultancy services: the sale and distribution of furniture and home accessories, distribution and licencing of intellectual property rights, the provision of styling and consulting services and the operation of a café.
- 傢俱銷售及諮詢服務：銷售及分銷傢俱及家居配飾、分銷及許可使用知識產權、提供設計及諮詢服務以及經營一間咖啡廳。
- Furniture agency service: the provision of furniture agency services.
- 傢俱代理服務：提供傢俱代理服務。

4. REVENUE AND SEGMENT INFORMATION

(Continued)

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

4. 收益及分部資料*(續)*

由於各產品及服務線需要不同資源以及市場推廣方法，故該等經營分部各自獨立管理。

		Furniture sale and consultancy services 傢俱銷售及諮詢服務 HK$'000 千港元	Furniture agency service 傢俱代理服務 HK$'000 千港元	Total 總計 HK$'000 千港元
2020	**2020年**			
Segment revenue from external customers	來自外部客戶的分部收益	**77,706**	**13,397**	**91,103**
Reportable segment profit	可呈報分部溢利	**6,651**	**4,673**	**11,324**
Reportable segment assets	可呈報分部資產	**41,621**	**66,743**	**108,364**
Reportable segment liabilities	可呈報分部負債	**27,459**	**43,142**	**70,601**
Segment depreciation	分部折舊	**9,443**	**—**	**9,443**
Segment amortisation	分部攤銷	**160**	**—**	**160**
Segment finance costs	分部財務成本	**645**	**83**	**728**
Additions to property, plant and equipment	添置物業、廠房及設備	**19,229**	**—**	**19,229**
Additions to intangible assets	添置無形資產	**270**	**—**	**270**
Provision for impairment of trade receivables	貿易應收款項減值撥備	**—**	**700**	**700**
2019	**2019年**			
Segment revenue from external customers	來自外部客戶的分部收益	82,734	2,674	85,408
Reportable segment profit	可呈報分部溢利	5,275	1,528	6,803
Reportable segment assets	可呈報分部資產	27,430	46,329	73,759
Reportable segment liabilities	可呈報分部負債	11,887	37,743	49,630
Segment depreciation	分部折舊	1,785	—	1,785
Segment amortisation	分部攤銷	107	—	107
Segment finance costs	分部財務成本	32	115	147
Additions to property, plant and equipment	添置物業、廠房及設備	2,242	—	2,242

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4. REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Segment accounting policies

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that certain finance costs, income tax expense and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Reportable segment assets exclude cash surrender value of life insurance, deferred tax assets, tax recoverable, bank balances and cash and unallocated corporate assets (mainly include certain intangible assets and certain other receivables).

Reportable segment liabilities exclude tax payable and unallocated corporate liabilities (mainly include certain other payables and certain bank borrowings).

(b) Reconciliation of the reportable segment profit, assets and liabilities

Reportable segment profit, assets and liabilities are reconciled to results and total assets and total liabilities of the Group as follows:

4. 收益及分部資料*(續)*

(a) 分部會計政策

本集團根據香港財務報告準則第8號就報告分部業績採用的計量政策與根據香港財務報告準則於財務報表所採用者相同，惟若干財務成本、所得稅開支以及並非直接歸屬於任何經營分部的業務活動的公司收入及開支於達致經營分部的經營業績時並不包括在內。

可呈報分部資產不包括人壽保險的解約現金價值、遞延稅項資產、可收回稅款、銀行結餘及現金以及未分配公司資產(主要包括若干無形資產及若干其他應收款項)。

可呈報分部負債不包括應付稅項及未分配公司負債(主要包括若干其他應付款項及若干銀行借貸)。

(b) 可呈報分部溢利、資產及負債的對賬

可呈報分部溢利、資產及負債與本集團的業績及總資產及總負債對賬如下：

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Reportable segment profit	可呈報分部溢利	**11,324**	6,803
Unallocated amounts:	未分配款項：		
— Finance costs	— 財務成本	**(13)**	(122)
— Corporate income and expense	— 公司收入及開支	**(3,734)**	(4,638)
Profit before income tax	**除所得稅前溢利**	**7,577**	2,043

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

4. 收益及分部資料*(續)*

(b) Reconciliation of the reportable segment profit, assets and liabilities *(Continued)*

(b) 可呈報分部溢利、資產及負債的對賬*(續)*

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Reportable segment assets	可呈報分部資產	**108,364**	73,759
Unallocated assets:	未分配資產：		
— Cash surrender value of life insurance	— 人壽保險的解約現金價值	**1,789**	1,755
— Deferred tax assets	— 遞延稅項資產	**416**	286
— Tax recoverable	— 可收回稅款	**—**	255
— Bank balances and cash	— 銀行結餘及現金	**16,773**	22,795
— Unallocated corporate assets	— 未分配公司資產	**1,786**	2,853
Total assets	**資產總值**	**129,128**	101,703

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Reportable segment liabilities	可呈報分部負債	**70,601**	49,630
Unallocated liabilities:	未分配負債：		
— Tax payable	— 應付稅項	**2,177**	258
— Bank borrowings	— 銀行借貸	**200**	469
— Unallocated corporate liabilities	— 未分配公司負債	**605**	939
Total liabilities	**負債總額**	**73,583**	51,296

(c) Disaggregation of revenue from contracts with customers

(c) 拆分客戶合約收益

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Timing of revenue recognition	**收益確認時間**		
At a point in time	某一時間點	**87,817**	81,976
Over time	隨時間	**3,286**	3,432
		91,103	85,408

During the year ended 31 March 2020, HK$9,100,000 or 10% of the Group's revenues depended on a single customer in the furniture agency service segment (2019: HK$1,463,000 or 1.7%).

於截至2020年3月31日止年度，本集團收益中9,100,000港元或10%倚賴傢俱代理服務分部內一名單一客戶(2019年：1,463,000港元或1.7%)。

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4. REVENUE AND SEGMENT INFORMATION

(Continued)

(c) Disaggregation of revenue from contracts with customers *(Continued)*

As at 31 March 2020, 70.2% of the Group's gross trade receivables was due from this customer (2019: 86.6%).

As of 31 March 2020 and 2019, all of the non-current assets (other than financial instruments and deferred tax assets) of the Group were located in Hong Kong and all revenue of the Group during the years ended 31 March 2020 and 2019 were originated in Hong Kong.

The transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations as at 31 March are as follows:

4. 收益及分部資料*(續)*

(c) 拆分客戶合約收益*(續)*

於2020年3月31日，本集團總貿易應收款項中70.2%乃應收該客戶(2019年：86.6%)。

於2020年及2019年3月31日，本集團的全部非流動資產(金融工具及遞延稅項資產除外)位於香港，且本集團截至2020年及2019年3月31日止年度的全部收益源自香港。

於3月31日，分配至餘下未履約或已部分履約義務的交易價格如下：

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Within one year	一年內	**3,200**	3,200
Over one year	一年後	**800**	4,000
		4,000	7,200

As permitted by HKFRS 15, the transaction price allocated to unsatisfied contracts for periods of one year or less is not disclosed.

如香港財務報告準則第15號所允許，分配至為期一年或以內未履行合約的交易價格不予披露。

5. OTHER INCOME

5. 其他收入

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Bank interest income	銀行利息收入	**12**	13
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	**—**	40
Sundry income	雜項收入	**143**	151
		155	204

6. FINANCE COSTS

6. 財務成本

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Interest expenses on bank borrowings	銀行借貸利息開支	**96**	122
Finance charges on lease liabilities/finance leases liabilities	租賃負債／融資租賃負債的財務支出	**645**	32
Fair value change on contingent consideration payable	應付或然代價的公允價值變動	**—**	115
		741	269

7. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging/(crediting):

7. 除所得稅前溢利

除所得稅前溢利乃經扣除／(計入)以下各項後達致：

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Auditor's remuneration	核數師酬金	**630**	600
Cost of inventories recognised as expense	確認為開支的存貨成本	**24,933**	25,142
Depreciation of property, plant and equipment	物業、廠房及設備折舊		
— Owned assets	— 自置資產	**1,239**	1,685
— Assets held under finance lease	— 融資租賃下持有的資產	**—**	100
— Right-of-use assets	— 使用權資產	**8,204**	—
Amortisation of intangible assets	無形資產攤銷	**160**	107
Lease charges:	租賃支出：		
— Warehouses, office and shop premises held under operating leases	— 經營租賃下持有的倉庫、辦公室及店舖	**—**	12,657
— Leases with lease term shorter than 12 months as at initial application of HKFRS 16	— 於初始應用香港財務報告準則第16號時租期短於12個月的租賃	**4,144**	—
— Variable lease payments	— 可變租賃付款	**19**	—
Provision for impairment of trade receivables	貿易應收款項減值撥備	**700**	—
Net exchange loss	匯兑虧損淨額	**822**	116
Fair value gain on cash surrender value of life insurance	人壽保險的解約現金價值的公允價值收益	**(34)**	(66)
Fair value change on contingent consideration payable	應付或然代價的公允價值變動	**3,385**	115

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8. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

8. 僱員福利開支(包括董事酬金)

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Salaries, bonus and allowances	薪金、花紅及津貼	**21,118**	23,229
Retirement benefit scheme contributions	退休福利計劃供款	**823**	869
		21,941	24,098

9. INCOME TAX EXPENSE

9. 所得稅開支

		Note 附註	2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Current tax — Hong Kong	**即期稅項 — 香港**			
Current year	本年度		**2,511**	950
Over provision in respect of prior years	過往年度超額撥備		**(20)**	(30)
			2,491	920
Deferred tax	**遞延稅項**			
Current year	本年度	*25*	**(130)**	31
Income tax expense	所得稅開支		**2,361**	951

The difference between the actual income tax charge in the consolidated statement of profit or loss and other comprehensive income and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

於綜合損益及其他全面收益表的實際所得稅支出與就除所得稅前溢利應用已制定稅率所得款額的差額可對賬如下：

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Profit before income tax	**除所得稅前溢利**	**7,577**	2,043
Tax on profit before income tax, calculated at the rates applicable in the tax jurisdictions concerned	除所得稅前溢利的稅項（按相關稅務司法權區的適用稅率計算）	**2,450**	1,154
Tax effect of non-taxable income	無須課稅收入的稅務影響	**(7)**	(20)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	**103**	12
Tax effect of two-tiered tax regime	稅務兩級制制度的稅務影響	**(165)**	(165)
Over provision in respect of prior years	過往年度超額撥備	**(20)**	(30)
Income tax expense	所得稅開支	**2,361**	951

9. INCOME TAX EXPENSE *(Continued)*

Notes:

(a) Cayman Islands income tax
The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) British Virgin Islands ("BVI") income tax
The Company's direct subsidiary in BVI was incorporated under the BVI Business Companies Act, 2004 and accordingly, is exempted from BVI income tax.

(c) Hong Kong Profits Tax
The provision for Hong Kong Profits Tax for the year ended 31 March 2020 and 2019 is calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of qualifying entities are taxed at 8.25%, and assessable profits above HK$2,000,000 are taxed at 16.5%.

(d) The People's Republic of China ("PRC") enterprise income tax
No provision for PRC corporate income tax has been made as the Company's indirect subsidiary in PRC did not generate any assessable profit for the year ended 31 March 2020 (2019: nil).

9. 所得税開支*(續)*

附註：

(a) 開曼群島所得税
本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得税。

(b) 英屬維爾京群島所得税
本公司於英屬維爾京群島的直接附屬公司乃根據2004年英屬維爾京群島商業公司法註冊成立，因此獲豁免繳納英屬維爾京群島所得税。

(c) 香港利得税
截至2020年及2019年3月31日止年度的香港利得税撥備乃按年內估計應課税溢利的16.5%計算，惟本集團一間附屬公司於利得税兩級制制度下為合資格公司除外。在利得税兩級制制度下，合資格實體首2百萬港元應課税溢利的税率為8.25%，超出2百萬港元的應課税溢利税率為16.5%。

(d) 中華人民共和國(「中國」)企業所得税
由於本公司於中國的間接附屬公司截至2020年3月31日止年度並無產生任何應課税溢利(2019年：無)，故並無計提中國企業所得税撥備。

10. DIVIDENDS

No dividend has been paid or declared by the Company during the years ended 31 March 2020 and 2019.

10. 股息

於截至2020年及2019年3月31日止年度，本公司並無派付或宣派股息。

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to equity holders of the Company is based on the following:

11. 每股盈利

(a) 每股基本盈利

本公司權益持有人應佔每股基本盈利乃基於以下資料計算：

		2020 2020年	2019 2019年
Profit for the year attributable to equity holders of the Company (HK$'000)	本公司權益持有人應佔年內溢利(千港元)	**5,216**	1,092
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (thousands)	用於計算每股基本盈利的普通股加權平均數(千股)	**1,584,000**	1,584,000
Basic earnings per share (expressed in HK cents per share)	每股基本盈利(以每股港仙列示)	**0.33**	0.07

(b) Diluted earnings per share

Diluted earnings per share equals to the basic earnings per share as there were no dilutive potential ordinary shares in existence during the years ended 31 March 2020 and 2019.

(b) 每股攤薄盈利

由於截至2020年及2019年3月31日止年度內並無潛在攤薄普通股，故每股攤薄盈利等於每股基本盈利。

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12. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

(a) Directors' remuneration

Directors' emoluments, disclosed pursuant to the GEM Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

12. 董事薪酬及五名最高薪酬人士酬金

(a) 董事薪酬

根據GEM上市規則、香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事酬金如下:

Name of director	董事姓名	Notes 附註	Fees 袍金 HK$'000 千港元	Salaries and allowances 薪金及津貼 HK$'000 千港元	Retirement benefit scheme contributions 退休福利計劃供款 HK$'000 千港元	Total 總計 HK$'000 千港元
Year ended 31 March 2020	**截至2020年3月31日止年度**					
Executive directors:	**執行董事:**					
Ms. Babington	Babington女士	*(i)*	**120**	**2,064**	**18**	**2,202**
Mr. Tong Tang Joseph	唐登先生	*(ii)*	**120**	**—**	**—**	**120**
Mr. Tsui Wing Tak	徐穎德先生		**120**	**—**	**—**	**120**
Non-executive director:	**非執行董事:**					
Ms. Haslock	Haslock女士	*(iii)*	**40**	**—**	**—**	**40**
Independent non-executive directors:	**獨立非執行董事:**					
Mr. Sit Hoi Wah Kenneth	薛海華先生		**144**	**—**	**—**	**144**
Mr. Tsang Wai Yin	曾偉賢先生		**144**	**—**	**—**	**144**
Mr. Yeung Man Chung Charles	楊文忠先生		**144**	**—**	**—**	**144**
			832	**2,064**	**18**	**2,914**
Year ended 31 March 2019	**截至2019年3月31日止年度**					
Executive directors:	**執行董事:**					
Ms. Babington	Babington女士	*(i)*	—	2,057	18	2,075
Mr. Tsui Wing Tak	徐穎德先生		120	—	—	120
Non-executive directors:	**非執行董事:**					
Ms. Haslock	Haslock女士	*(iii)*	120	—	—	120
Mr. Tong Tang Joseph	唐登先生	*(ii)*	120	—	—	120
Independent non-executive directors:	**獨立非執行董事:**					
Mr. Sit Hoi Wah Kenneth	薛海華先生		144	—	—	144
Mr. Tsang Wai Yin	曾偉賢先生		144	—	—	144
Mr. Yeung Man Chung Charles	楊文忠先生		144	—	—	144
			792	2,057	18	2,867

12. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

(Continued)

(a) Directors' remuneration *(Continued)*

Notes:

(i) Ms. Babington resigned as the chief executive officer on 1 August 2019.

(ii) Mr. Tong Tang Joseph, a non-executive director for the year ended 31 March 2019, was re-designated as an executive director and the chief executive officer on 1 August 2019.

(iii) Ms. Haslock resigned as a non-executive director on 1 August 2019.

There were no arrangements under which a director of the Company waived or agreed to waive any remuneration during the years ended 31 March 2020 and 2019.

(b) Five highest paid individuals

For the year ended 31 March 2020, the five individuals whose emoluments were the highest in the Group include one (2019: one) director, whose emoluments are reflected in the analysis presented above. Details of the emoluments of the remaining four (2019: four) highest paid individuals are as follows:

12. 董事薪酬及五名最高薪酬人士酬金*(續)*

(a) 董事薪酬*(續)*

附註：

(i) Babington女士於2019年8月1日辭任行政總裁。

(ii) 截至2019年3月31日止年度的非執行董事唐登先生於2019年8月1日調任執行董事兼行政總裁。

(iii) Haslock女士於2019年8月1日辭任非執行董事。

於截至2020年及2019年3月31日止年度，並無有關本公司董事放棄或同意放棄任何薪酬的安排。

(b) 五名最高薪酬人士

截至2020年3月31日止年度，本集團五名最高酬金人士中包括一名(2019年：一名)董事，其酬金於上文呈列的分析反映。有關餘下四名(2019年：四名)最高薪酬人士的酬金詳情如下：

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Salaries and allowances	薪金及津貼	**1,768**	2,540
Discretionary bonus	酌情花紅	**123**	294
Retirement benefit scheme contributions	退休福利計劃供款	**71**	65
		1,962	2,899

The emoluments fell within the following bands:

酬金介乎以下範圍：

		2020 **2020年**	2019 2019年
Emolument bands	酬金範圍		
Nil — HK$1,000,000	零 — 1,000,000港元	**4**	4

For the year ended 31 March 2020 and 2019, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

截至2020年及2019年3月31日止年度，本集團並無向任何董事或五名最高薪酬人士支付酬金，作為邀請彼等加入本集團或於加入本集團時的誘金或作為離職補償。

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13. PROPERTY, PLANT AND EQUIPMENT　13. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK$'000 千港元	Furniture and fixtures and office equipment 傢俱及固定裝置以及辦公設備 HK$'000 千港元	Motor vehicles 汽車 HK$'000 千港元	Right-of-use assets 使用權資產 HK$'000 千港元	Total 總計 HK$'000 千港元
At 1 April 2018	**於2018年4月1日**					
Cost	成本	7,825	3,093	1,757	—	12,675
Accumulated depreciation	累計折舊	(5,802)	(2,620)	(1,159)	—	(9,581)
Net book amount	**賬面淨額**	2,023	473	598	—	3,094
Year ended 31 March 2019	**截至2019年3月31日止年度**					
Opening net book amount	年初賬面淨額	2,023	473	598	—	3,094
Additions	添置	968	374	900	—	2,242
Disposal	出售	(5)	—	—	—	(5)
Depreciation	折舊	(1,046)	(365)	(374)	—	(1,785)
Closing net book amount	**年末賬面淨額**	1,940	482	1,124	—	3,546
At 31 March 2019	**於2019年3月31日**					
Cost	成本	8,161	3,421	1,938	—	13,520
Accumulated depreciation	累計折舊	(6,221)	(2,939)	(814)	—	(9,974)
Net book amount as at 31 March 2019	**於2019年3月31日的賬面淨額**	1,940	482	1,124	—	3,546
Adjustment from the adoption of HKFRS 16 *(Note 2.2)*	因採用香港財務報告準則第16號而作出的調整*(附註2.2)*					
— Cost	—成本	—	—	(1,389)	16,380	14,991
— Accumulated depreciation	—累計折舊	—	—	313	(6,316)	(6,003)
Net book amount as at 1 April 2019, restated	**於2019年4月1日的賬面淨額，經重列**	**1,940**	**482**	**48**	**10,064**	**12,534**
Year ended 31 March 2020	**截至2020年3月31日止年度**					
Opening net book amount	年初賬面淨額	**1,940**	**482**	**48**	**10,064**	**12,534**
Additions	添置	**254**	**307**	**—**	**18,668**	**19,229**
Depreciation	折舊	**(891)**	**(312)**	**(36)**	**(8,204)**	**(9,443)**
Closing net book amount	**年末賬面淨額**	**1,303**	**477**	**12**	**20,528**	**22,320**
At 31 March 2020	**於2020年3月31日**					
Cost	成本	**8,415**	**3,728**	**549**	**35,048**	**47,740**
Accumulated depreciation	累計折舊	**(7,112)**	**(3,251)**	**(537)**	**(14,520)**	**(25,420)**
Net book amount	**賬面淨額**	**1,303**	**477**	**12**	**20,528**	**22,320**

13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 31 March 2020, included in the net carrying amount of property, plant and equipment are right-of-use assets (2019: motor vehicles of net book value of HK$1,076,000 are held under finance lease) as follows:

13. 物業、廠房及設備*(續)*

於2020年3月31日，物業、廠房及設備賬面淨額中包括使用權資產(2019年：賬面淨值1,076,000港元的汽車乃根據融資租賃持有)如下：

		Carrying amount 賬面金額		Depreciation 折舊
		As at 31 March 2020 於2020年3月31日	As at 1 April 2019 於2019年4月1日	For the year ended 31 March 2020 截至2020年3月31日止年度
		HK$'000 千港元	*HK$'000 千港元*	*HK$'000 千港元*
Buildings	樓宇	19,868	8,988	(7,788)
Motor vehicles	汽車	660	1,076	(416)
Total	**總計**	20,528	10,064	(8,204)

During the year ended 31 March 2020, the total additions to right-of-use assets included in property, plant and equipment amounting to HK$18,668,000 which is attributable to buildings.

於截至2020年3月31日止年度，物業、廠房及設備中包括使用權資產的樓宇添置總額18,668,000港元。

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14. INTANGIBLE ASSETS　14. 無形資產

		Website development costs 網站開發成本	Trademarks 商標	Total 總計
		HK$'000 *千港元*	*HK$'000* *千港元*	*HK$'000* *千港元*
At 1 April 2018	**於2018年4月1日**			
Cost	成本	530	5	535
Accumulated amortisation	累計攤銷	(205)	(1)	(206)
Net book amount	**賬面淨額**	325	4	329
Year ended 31 March 2019	**截至2019年3月31日止年度**			
Opening net book amount	年初賬面淨額	325	4	329
Amortisation	攤銷	(106)	(1)	(107)
Closing net book amount	**年末賬面淨額**	219	3	222
At 31 March 2019	**於2019年3月31日**			
Cost	成本	530	5	535
Accumulated amortisation	累計攤銷	(311)	(2)	(313)
Net book amount	**賬面淨額**	219	3	222
Year ended 31 March 2020	**截至2020年3月31日止年度**			
Opening net book amount	年初賬面淨額	219	3	222
Additions	添置	270	—	270
Amortisation	攤銷	(160)	—	(160)
Closing net book amount	**年末賬面淨額**	**329**	**3**	**332**
At 31 March 2020	**於2020年3月31日**			
Cost	成本	**800**	**5**	**805**
Accumulated amortisation	累計攤銷	**(471)**	**(2)**	**(473)**
Net book amount	**賬面淨額**	**329**	**3**	**332**

15. SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 March 2020 and 2019 were as follows:

15. 附屬公司

主要附屬公司於2020年及2019年3月31日的詳情如下：

Name of company 公司名稱	Country/Place of incorporation 註冊成立國家／地點	Issued and paid-up capital 已發行及繳足股本	Equity interest held by the Company 本公司持有的股權		Principal activities 主要業務
			2020 2020年	2019 2019年	
Directly held by the Company 本公司直接持有					
Tree Investment Group Limited ("Tree Investment")	BVI	US$1	**100%**	100%	Investment holding
Tree Investment Group Limited (「Tree Investment」)	英屬維爾京群島	1美元	**100%**	100%	投資控股
Indirectly held by the Company 本公司間接持有					
Tree Limited	Hong Kong	HK$2	**100%**	100%	Sale and distribution of furniture and home accessories, consignment sales, distribution and licencing of intellectual property rights, the provision of styling and consulting services and the operation of a café
大樹有限公司	香港	2港元	**100%**	100%	銷售及分銷傢俱及家居配飾、寄售銷售、分銷及許可使用知識產權、提供設計及諮詢服務以及經營一間咖啡廳
Hong Kong Italiving International Co., Limited ("Italiving")	Hong Kong	HK$500,000	**100%**	100%	Provision of furniture agency service
香港意享世家國際貿易有限公司（「意享世家」）	香港	500,000港元	**100%**	100%	提供傢俱代理服務
Shanghai Italiving International Co., Ltd ("Shanghai Italiving")*(Note)*	PRC	Nil	**100%**	N/A	Inactive
上海意塔美致貿易有限公司（「上海意塔美致」）*(附註)*	中國	無	**100%**	不適用	暫無業務

Note: Shanghai Italiving was incorporated on 11 July 2019 as a limited liability company and as at 31 March 2020, the registered capital of RMB1,000,000 has not yet been paid by Italiving.

附註： 上海意塔美致於2019年7月11日註冊成立為有限責任公司，而於2020年3月31日，意享世家尚未支付人民幣1,000,000元的註冊資本。

The financial years of the above subsidiaries are coterminous with that of the Group, except for Italiving and Shanghai Italiving which have a financial year ending 31 December. The consolidated financial statements are adjusted for significant transactions or events, including those between Italiving and Shanghai Italiving and group companies, between 1 January and 31 March.

除意享世家及上海意塔美致的財政年度於12月31日結束外，上述附屬公司的財政年度與本集團者一致。綜合財務報表已就重大交易或事件調整，包括1月1日至3月31日間意享世家及上海意塔美致與集團公司進行者。

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16. GOODWILL

The carrying amount of goodwill can be analysed as follows:

16. 商譽

商譽的賬面金額分析如下：

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
At 1 April	於4月1日	**23,426**	—
Acquisition of a subsidiary *(Note 32)*	收購一間附屬公司*(附註32)*	**—**	23,426
At 31 March	於3月31日	**23,426**	23,426

The carrying amount of goodwill is allocated to the cash-generating unit of furniture agency service.

商譽的賬面金額分配至傢俱代理服務的現金產生單位。

The recoverable amount of the cash-generating unit was determined from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period with an average revenue growth rate of 2.4% (2019: 5%). The cash flows for the subsequent years are extrapolated from the fifth year cash flow using 3% (2019: 3%) revenue growth rate, and discounted using a pre-tax discount rate of 21.5% (2019: 20.5%).

現金產生單位的可收回金額以使用價值計算法釐定，並基於自獲正式批准的財務預算作出的現金流預測與涵蓋五年期的預測（平均收益增長率為2.4%（2019年：5%））。其後年度的現金流按自第五年起的現金流採用3%（2019年：3%）的收益增長率推算，並使用稅前折現率21.5%（2019年：20.5%）折現。

17. CASH SURRENDER VALUE OF LIFE INSURANCE

The Group has invested in an insurance policy for Ms. Haslock, a director and a key management personnel of the Company. On 15 January 2020, the life insurance was changed from Ms. Haslock to Ms. Babington, an executive director and a key management personnel of the Company. The Group is the beneficiary of such investment. The carrying amount represented the cash surrender value of the policy and approximates its fair value at the end of the reporting date. As at 31 March 2020 and 2019, the life insurance was pledged to a bank to secure banking facilities of the Group (Note 23). Details of fair value measurement are set out in Note 34.6.

17. 人壽保險的解約現金價值

本集團已為本公司董事兼主要管理人員Haslock女士投購一份保險。於2020年1月15日，保險受保人由Haslock女士更改為本公司執行董事兼主要管理人員Babington女士。本集團為該項投資的受益人。賬面金額指保單的解約現金價值，與於報告日末的公允價值相若。於2020年及2019年3月31日，該人壽保單已質押予銀行，以作為本集團銀行融資（附註23）的抵押。公允價值的計量詳情載於附註34.6。

18. INVENTORIES 18. 存貨

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Finished goods	成品	**11,099**	12,608
Goods in transit	在途貨品	**503**	1,155
		11,602	13,763

19. TRADE AND OTHER RECEIVABLES 19. 貿易及其他應收款項

		Notes 附註	2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Trade receivables	**貿易應收款項**			
From third parties	應收第三方		**43,811**	24,451
From a related company	應收一間關聯公司	*31(c)*	**—**	232
Trade receivables — gross	貿易應收款項 — 總額		**43,811**	24,683
Less: ECL allowance	減：預期信貸虧損備抵		**(700)**	—
Trade receivables — net	貿易應收款項 — 淨額	*(a)*	**43,111**	24,683
Other receivables	**其他應收款項**			
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		**6,566**	6,375
Prepayment to suppliers	預付供應商款項		**1,579**	2,197
Prepayment to a related company	預付一間關聯公司款項	*31(c)*	**1,200**	2,400
Amount due from a related company	應收一間關聯公司款項	*31(c)*	**14**	—
		(b)	**9,359**	10,972
			52,470	35,655

The directors of the Group considered that the fair value of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

本集團董事認為，由於貿易及其他應收款項於產生時的到期期限較短，故其公允價值與其賬面金額並無重大差異。

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19. TRADE AND OTHER RECEIVABLES *(Continued)*

(a) Trade receivables

Majority of the Group's sale of furniture and home accessories to its customers are settled by cash, credit cards, or by other forms of electronic payments (such as EPS). There was no credit term granted to the customers and distributors, but the Group allows credit period of 2 to 7 days to the payment vendors and up to 120 days to customers of furniture agency service. The Group seeks to maintain strict control over its outstanding trade receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Further details on the Group's credit policy are set out in Note 34.2.

The ageing analysis based on revenue recognition date of the trade receivables is as follows:

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
0–30 days	0–30日	**6,787**	8,397
31–90 days	31–90日	**12,626**	6,268
91–180 days	91–180日	**23,698**	10,018
		43,111	24,683

The movement in the ECL allowance of trade receivables is as follows:

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Balance at 1 April	於4月1日的結餘	**–**	–
Recognised during the year	年內確認	**700**	–
Balance at 31 March	於3月31日的結餘	**700**	–

(b) Other receivables

As at 31 March 2020 and 2019, no ECL allowance was recognised.

20. BANK BALANCES AND CASH

Bank balances earn interest at floating rates based on daily bank deposit rates.

19. 貿易及其他應收款項*(續)*

(a) 貿易應收款項

本集團向客戶作出的大部分傢俱及家居配飾銷售乃以現金、信用卡或其他電子付款形式(如易辦事)支付。本集團並無向客戶及分銷商授出信貸期，惟給予付款服務供應商及傢俱代理服務客戶分別2至7日及最多120日的信貸期。本集團尋求嚴格控制尚未收回的貿易應收款項，以將信貸風險降至最低。逾期結餘由高級管理層定期檢討。有關本集團信貸政策的進一步詳情載於附註34.2。

貿易應收款項基於收益確認日期的賬齡分析如下：

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
0–30 days	0–30日	**6,787**	8,397
31–90 days	31–90日	**12,626**	6,268
91–180 days	91–180日	**23,698**	10,018
		43,111	24,683

貿易應收款項的預期信貸虧損備抵變動如下：

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Balance at 1 April	於4月1日的結餘	**–**	–
Recognised during the year	年內確認	**700**	–
Balance at 31 March	於3月31日的結餘	**700**	–

(b) 其他應收款項

於2020年及2019年3月31日，並無確認預期信貸虧損備抵。

20. 銀行結餘及現金

銀行結餘基於每日銀行存款利率按浮動利率計息。

21. TRADE AND OTHER PAYABLES

21. 貿易及其他應付款項

		Note 附註	2020 2020年 HK$'000 千港元	2019 2019年 HK$'000 千港元
Trade payables	**貿易應付款項**			
To third parties	應付第三方	*(a)*	**7,300**	4,238
Other payables	**其他應付款項**			
Accrued charges and other payables	應計費用及其他應付款項		**3,044**	4,108
Amount due to a related party	應付一名關聯方款項	*31(c)*	**96**	—
Consideration payable	應付代價	*(b)*	**12,339**	3,500
			15,479	7,608
			22,779	11,846

All amounts are short-term and hence the carrying values of the Group's trade and other payables as at 31 March 2020 and 2019 were considered to be a reasonable approximation of their fair values.

所有款項均為短期，因此本集團的貿易及其他應付款項於2020年及2019年3月31日的賬面值被視為公允價值的合理近似值。

(a) Trade payables

There was no credit period granted by the suppliers of the Group. The ageing analysis of trade payables based on invoice date is as follows:

(a) 貿易應付款項

本集團的供應商並無授出信貸期。貿易應付款項基於發票日期的賬齡分析如下：

		2020 2020年 HK$'000 千港元	2019 2019年 HK$'000 千港元
0–30 days	0–30日	**6,522**	4,215
31–90 days	31–90日	**285**	18
Over 90 days	90日以上	**493**	5
		7,300	4,238

(b) Consideration payable

As at 31 March 2019, the amount represents the unpaid cash consideration for the acquisition of Italiving (Note 32). As at 31 March 2020, the amount represents the redesignation of contingent consideration payable as consideration payable based on the audited results of Italiving for the year ended 31 December 2019. Such consideration payable remained unpaid as at 31 March 2020 and was included in other payables.

(b) 應付代價

於2019年3月31日，該金額指收購意享世家的未付現金代價(附註32)。於2020年3月31日，該金額指基於意享世家截至2019年12月31日止年度的經審核業績將應付或然代價重新指定為應付代價。該筆應付代價於2020年3月31日仍未支付，並已計入其他應付款項。

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22. CONTRACT LIABILITIES

22. 合約負債

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Contract liabilities arising from advance payments from customers	預收客戶款項產生的合約負債	**4,600**	10,478
Contract liabilities arising from gift vouchers sold but not yet redeemed	已售出但未贖回的禮券產生的合約負債	**80**	114
		4,680	10,592

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying products or services are yet to be provided.

本集團的合約負債主要來自客戶預付款，而相關產品或服務尚未提供。

Contract liabilities amounted to HK$10,592,000 (2019: HK$7,453,000) have been recognised as revenue during the year ended 31 March 2020.

為數10,592,000港元(2019年：7,453,000港元)的合約負債已於截至2020年3月31日止年度確認為收益。

23. BANK BORROWINGS

23. 銀行借貸

		Notes *附註*	2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Secured	有抵押	*(i)*	**200**	398
Unsecured	無抵押	*(ii)*	**5,504**	71
			5,704	469

As at 31 March 2020 and 2019, all of the Group's bank borrowings contain a repayable on demand clause and are shown under current liabilities. The carrying amounts of bank borrowings are considered to be a reasonable approximate of their fair values. As at 31 March 2020 and 2019, the Group's bank borrowings, based on the scheduled repayment dates set out in the loan agreements, were repayable as follows:

於2020年及2019年3月31日，本集團所有銀行借貸均包含按要求償還的條款，並於流動負債下列示。銀行借貸的賬面金額被視為公允價值的合理近似值。於2020年及2019年3月31日，基於貸款協議所載的計劃還款日期，本集團的銀行借貸須於下列期間償還：

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Within one year or on demand	一年內或按要求	**5,704**	266
In the second year	於第二年	**—**	203
		5,704	469

23. BANK BORROWINGS *(Continued)*

Notes:

(i) As at 31 March 2020, the bank borrowings of HK$200,000 (2019: HK$398,000) are secured, repayable by monthly instalments with terms of 7 years and bears interest at floating rates. The bank borrowings are denominated in the United States Dollars ("USD"), with effective interest rate of 2.7% (2019: 4.3%) per annum as at 31 March 2020. As at 31 March 2020 and 2019, the bank borrowings are secured by the Group's life insurance policy with sum insured of USD1,000,000 (Note 17).

(ii) As at 31 March 2020, the bank borrowings of HK$5,504,000 are unsecured, repayable within 3 months after the reporting date and bear fixed interest rate with effective interest rate of 4.5% per annum.

As at 31 March 2019, the bank borrowings of HK$71,000 are unsecured, repayable by monthly instalments with terms of 5 years and bears interest at floating rates. The bank borrowings are denominated in HK$, with effective interest rate of 4.1% per annum as at 31 March 2019. The bank borrowings was fully repaid during the year ended 31 March 2020.

The Group's banking facilities are subject to the fulfilment of covenants which are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the draw down facilities would become payable on demand. In addition, the bank loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations. The Group regularly monitors its compliance with these covenants, whether it is up to date with the scheduled repayments of the loans and does not consider it is probable that the bank will exercise its discretion to demand repayment so long as the Group continues to meet these requirements.

23. 銀行借貸*(續)*

附註:

(i) 於2020年3月31日，為數200,000港元(2019年：398,000港元)的銀行借貸為有抵押、須於7年期內每月分期償還並按浮動利率計息。該等銀行借貸以美元計值，於2020年3月31日的實際年利率為2.7%(2019年：4.3%)。於2020年及2019年3月31日，該等銀行借貸以本集團所投保額為1,000,000美元的人壽保單作抵押(附註17)。

(ii) 於2020年3月31日，為數5,504,000港元的銀行借貸為無抵押、須於報告日後3個月內償還並按實際年利率為4.5%的固定利率計息。

於2019年3月31日，為數71,000港元的銀行借貸為無抵押、須於5年期內每月分期償還並按浮動利率計息。該等銀行借貸以港元計值，於2019年3月31日的實際年利率為4.1%。該等銀行借貸已於截至2020年3月31日止年度悉數償還。

本集團的銀行融資須待財務機構作出的借貸安排中常見的契諾獲履行後方可作實。倘本集團違反有關契諾，則所提取融通資須按要求償還。此外，該等銀行貸款協議載有條文，給予貸款人權利可全權酌情隨時要求即時還款，不論本集團是否已遵守有關契諾及履行按時還款的責任。本集團定期監察遵守該等契諾的情況、是否按時還款，並認為只要本集團繼續遵守該等規定，該銀行將不大可能行使其酌情權要求還款。

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24. LEASE LIABILITIES/FINANCE LEASE LIABILITIES

The analysis of the remaining contractual maturities of the Group's lease liabilities (2019: finance lease liabilities) is as follows:

24. 租賃負債／融資租賃負債

本集團租賃負債(2019年：融資租賃負債)餘下合約到期日的分析如下：

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
Total minimum lease payments:	最低租賃付款總額：		
— Due within one year	— 於一年內到期	**11,492**	301
— Due in the second to fifth years	— 於第二年至第五年到期	**9,779**	974
		21,271	1,275
Future finance charges on lease liabilities/finance leases liabilities	租賃負債／融資租賃負債的未來財務支出	**(1,061)**	(131)
Present value of lease liabilities/finance leases liabilities	租賃負債／融資租賃負債的現值	**20,210**	1,144
Present value of minimum lease payments:	最低租賃付款的現值：		
— Due within one year	— 於一年內到期	**10,785**	248
— Due in the second to fifth years	— 於第二年至第五年到期	**9,425**	896
		20,210	1,144
Less: Portion due within one year included under current liabilities	減：流動負債項下於一年內到期的部分	**(10,785)**	(248)
Portion due after one year included under non-current liabilities	非流動負債項下於一年後到期的部分	**9,425**	896

Note:

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balance at 1 April 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as finance leases. Comparative information as at 31 March 2019 has not been restated and relates solely to leases previously classified as finance lease. Details for transitions to HKFRS 16 are set out in Note 2.2.

As at 31 March 2020, lease liabilities amounting to HK$20,210,000 (2019: HK$1,144,000) are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

During the year ended 31 March 2020, the total net cash outflows for the leases are HK$13,476,000.

附註：

本集團已採用經修改追溯法初始應用香港財務報告準則第16號，並調整於2019年4月1日的年初結餘以確認以往根據香港會計準則第17號分類為經營租賃的租賃的租賃負債。該等負債已與就以往分類為融資租賃的租賃結轉的結餘合計。於2019年3月31日的比較資料並未重列，僅與之前分類為融資租賃的租賃有關。過渡至香港財務報告準則第16號的詳情載於附註2.2。

於2020年3月31日， 就20,210,000港 元(2019年：1,144,000港元)的租賃負債而言，由於倘本集團拖欠還款，則租賃資產的權利將歸還出租人，故實際上以相關資產作抵押。

截至2020年3月31日止年度，租賃現金流出淨額合共為13,476,000港元。

24. LEASE LIABILITIES/FINANCE LEASE LIABILITIES *(Continued)*

Details of the lease activities

As at 31 March 2020, the Group has entered into leases for warehouse, office, shop premises and motor vehicles as follows:

24. 租賃負債／融資租賃負債*(續)*

租賃活動詳情

於2020年3月31日，本集團就倉庫、辦公室、店鋪及汽車訂立以下租賃：

Types of right-of-use assets 使用權資產類型	Financial statements items of right-of-use assets included in 使用權資產所屬的財務報表項目	Number of leases 租賃數目	Range of remaining lease term 餘下租期範圍	Particulars 詳情
Warehouse, office and shop premises	Buildings under right-of-use assets	5	1 to 3 years	• One of the contracts contains an option to renew the lease for additional 2 years after the end of the contract by giving a three-month notice to landlord before the end of the contract • Some of the contracts contain additional variable lease payments depends on the gross receipts during the contract period
倉庫、辦公室及店鋪	使用權資產下的樓宇	5	1至3年	• 其中一份合約含有選擇權，於合約期限屆滿前向業主發出三個月通知，可於合約期限屆滿後續租2年 • 部分合約含有額外可變租賃付款，金額視乎合約期內的總收入而定
Motor vehicles	Motor vehicles under right-of-use assets	3	2 to 4 years	• All of the contracts contains an option to purchase the motor vehicles at the end of the lease term
汽車	使用權資產下的汽車	3	2至4年	• 全部合約含有於租期完結時購買有關汽車的選擇權

The Group considered that the extension option of one of the leases would be exercised but no termination option would be exercised at the lease commencement date.

於租賃開始日期，本集團認為，其中一項租賃的續租選擇權將獲行使，惟並無終止選擇權將獲行使。

As at 31 March 2019, the Group has entered into finance leases for certain motor vehicles. The lease periods are for 5 years. Under the terms of the leases, the Group has the option to purchase the leased assets at prices that are expected to be sufficiently lower than the fair values of the leased assets at the end of the leases. The leases do not include options to renew or any contingent rental. The finance leases bear interest at fixed rates.

於2019年3月31日，本集團就若干汽車訂立租期為5年的融資租賃。根據租賃條款，本集團有權以預期遠低於租賃結束時租賃資產公允價值的價格購買租賃資產。該等租賃並不包括續租權或任何或有租金。融資租賃按固定利率計息。

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25. DEFERRED TAXATION

The net movement in the deferred tax assets during the year is as follows:

25. 遞延税項

於本年度，遞延税項資產的變動淨額如下：

		HK$'000 *千港元*
At 1 April 2018	於2018年4月1日	289
Acquisition of a subsidiary *(Note 32)*	收購一間附屬公司*(附註32)*	28
Recognised in profit or loss *(Note 9)*	於損益入賬*(附註9)*	(31)
At 31 March 2019 and 1 April 2019	於2019年3月31日及2019年4月1日	**286**
Recognised in profit or loss *(Note 9)*	於損益入賬*(附註9)*	**130**
At 31 March 2020	**於2020年3月31日**	**416**

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the year is as follows:

於本年度，抵銷同一税務管轄區內的結餘前，遞延税項資產及負債的變動如下：

Deferred tax assets　遞延税項資產

		Accelerated accounting depreciation 加速會計折舊 *HK$'000* *千港元*	**Provision 撥備** *HK$'000* *千港元*	**Tax losses 税項虧損** *HK$'000* *千港元*	**Total 總計** *HK$'000* *千港元*
At 1 April 2018	於2018年4月1日	338	—	—	338
Acquisition of a subsidiary *(Note 32)*	收購一間附屬公司*(附註32)*	—	—	28	28
Recognised in profit or loss	於損益入賬	(21)	—	(28)	(49)
At 31 March 2019 and 1 April 2019	於2019年3月31日及2019年4月1日	**317**	**—**	**—**	**317**
Recognised in profit or loss	於損益入賬	**34**	**115**	**—**	**149**
At 31 March 2020	**於2020年3月31日**	**351**	**115**	**—**	**466**

Deferred tax liabilities　遞延税項負債

		Accelerated tax amortisation 加速税項攤銷 *HK$'000* *千港元*
At 1 April 2018	於2018年4月1日	(49)
Recognised in profit or loss	於損益入賬	18
At 31 March 2019 and 1 April 2019	於2019年3月31日及2019年4月1日	**(31)**
Recognised in profit or loss	於損益入賬	**(19)**
At 31 March 2020	**於2020年3月31日**	**(50)**

26. SHARE CAPITAL

26. 股本

		Number of shares 股份數目	Nominal value of shares 股份面值 HK$'000 千港元
Authorised	**法定**		
At 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020	於2018年4月1日、2019年3月31日、2019年4月1日及2020年3月31日	**5,000,000,000**	**50,000**
Issued and fully paid	**已發行並繳足**		
At 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020	於2018年4月1日、2019年3月31日、2019年4月1日及2020年3月31日	**1,584,000,000**	**15,840**

27. RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

(a) Share premium

Share premium represents the excess of the proceeds from issuance of the shares of the Company over its par value, net of share issuance expenses.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

(b) Capital reserve

Capital reserve arises from capital contribution by the shareholder of the Company.

27. 儲備

本年度本集團儲備變動的詳情載於綜合權益變動表。

(a) 股份溢價

股份溢價指本公司發行股份的所得款項超出其面值的部分(扣除股份發行開支)。

根據開曼群島公司法,本公司的股份溢價賬可用作分派或用於向股東派發股息,惟於緊隨建議分派或派息後當日,本公司須有能力於日常業務過程中償還其到期債務。

(b) 資本儲備

資本儲備來自本公司股東的注資。

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28. SHARE-BASED COMPENSATION TRANSACTIONS

Pursuant to the written resolution of shareholders dated on 5 January 2018, a share option scheme was adopted by the Company and is valid and effective for a period of 10 years from 5 January 2018 (the "Share Option Scheme")

The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity").

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 30% of share capital in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes adopted by the Group if the grant of such options will result in the limit referred herein being exceeded.

The total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme and any other share option schemes of the Group shall not in aggregate exceed 10% of share capital in issue as at the date on which dealings in the Company's shares first commence on the Stock Exchange, being 158,400,000 shares (the "General Scheme Limit").

Unless approved by shareholders of the Company, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall not exceed 10% of share capital in issue as at the date of approval of the limit.

28. 以股份為基礎的補償交易

根據日期為2018年1月5日的股東書面決議案，本公司採納一項購股權計劃，有效期為自2018年1月5日起計10年(「購股權計劃」)。

購股權計劃旨在讓本集團向合資格參與者授出購股權，作為彼等對本集團作出貢獻的獎勵或回報，及／或讓本集團招攬及挽留高質素僱員並吸引對本集團或本集團任何成員公司擁有任何股權的任何實體(「投資實體」)具價值的人力資源。

因根據購股權計劃及本集團所採納的任何其他購股權計劃已授出而有待行使的全部尚未行使購股權獲行使而可發行的最高股份數目，不得超過不時已發行股本的30%。倘根據購股權計劃或本集團所採納的任何其他購股權計劃授出任何購股權將導致超出本段所述限額，則概不得授出有關購股權。

因根據購股權計劃及本集團任何其他購股權計劃將予授出的全部購股權(就此而言，不包括根據購股權計劃及本集團任何其他購股權計劃的條款已失效的購股權)獲行使而可發行的股份總數，合共不得超過於本公司股份首次在聯交所開始買賣當日已發行股本的10%(即158,400,000股股份)(「一般計劃限額」)。

除非獲本公司股東批准，否則因根據購股權計劃及本集團任何其他購股權計劃將予授出的全部購股權獲行使而可發行的股份總數，不得超過於批准限額當日已發行股本的10%。

28. SHARE-BASED COMPENSATION TRANSACTIONS *(Continued)*

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a "grantee") in any 12-month period shall not exceed 1% of issued share capital for the time being. Where any further grant of options under the Share Option Scheme to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of share capital in issue, such further grant shall be separately approved by shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

The subscription price in respect of any option shall be at the discretion of the directors, provided that it shall not be less than the highest of (a) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Company's shares on the offer date; (b) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for trade in one or more board lots of the Company's shares for the five business days immediately preceding the offer date; and (c) the nominal value of the shares.

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a business day, on which the offer is made to the eligible participant.

An offer shall have been accepted by an eligible participant in respect of all options which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of the Company of HK$1 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

No option was granted under the Share Option Scheme during the years ended 31 March 2020 and 2019.

28. 以股份為基礎的補償交易*(續)*

於任何12個月期間，因根據購股權計劃及本集團任何其他購股權計劃已授出的購股權(包括已行使或未行使購股權)獲行使而已經及可能須向每名接納根據購股權計劃授出購股權的要約的合資格參與者(「承授人」)發行的股份總數，不得超過當時已發行股本的1%。倘根據購股權計劃向承授人進一步授出購股權將導致於直至進一步授出有關購股權當日(包括該日)為止12個月期間，因根據購股權計劃及本集團任何其他購股權計劃已經及建議向該人士授出的全部購股權(包括已行使、已註銷及未行使購股權)獲行使而已發行及將發行的股份，合共超過已發行股本的1%，則進一步授出有關購股權必須經股東於股東大會上另行批准，而該承授人及其緊密聯繫人(或倘該承授人為關連人士，則其聯繫人)須放棄表決權。

任何購股權的認購價將由董事酌情決定，惟其不得低於以下各項中的最高者：(a)於要約日期，聯交所每日報價表就買賣一手或以上完整買賣單位的本公司股份所載列的本公司股份收市價；(b)於緊接要約日期前五個營業日，聯交所每日報價表就買賣一手或以上完整買賣單位的本公司股份所載列的本公司股份平均收市價；及(c)股份面值。

購股權計劃項下的要約將於自向有關合資格參與者提出要約當日(必須為營業日)起計最多21日期間公開予有關合資格參與者(惟不得由其他人士)接納。

當本公司於要約可能註明的時限(不得遲於自要約當日起計21日)內接獲經合資格參與者妥為簽署的要約接納函件複本，連同向本公司支付的1港元匯款(作為獲授購股權的代價)時，該合資格參與者即已接納其獲提呈的所有購股權的要約。有關匯款於任何情況下均不會退還。

截至2020年及2019年3月31日止年度，概無根據購股權計劃授出購股權。

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29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY　29. 本公司的財務狀況表

		2020 2020年 *HK$'000* *千港元*	2019 2019年 *HK$'000* *千港元*
ASSETS AND LIABILITIES	**資產及負債**		
Non-current assets	**非流動資產**		
Investment in a subsidiary	於一間附屬公司的投資	**20,249**	20,249
Intangible assets	無形資產	**23**	31
		20,272	20,280
Current assets	**流動資產**		
Prepayments	預付款項	**231**	190
Prepayment to a related company	向一間關聯公司預付款項	**1,200**	2,400
Amount due from a related company	應收一間關聯公司的款項	**14**	—
Amount due from a subsidiary	應收一間附屬公司的款項	**16,574**	19,512
Bank balances and cash	銀行結餘及現金	**—**	45
		18,019	22,147
Current liabilities	**流動負債**		
Other payables	其他應付款項	**604**	939
Net current assets	**流動資產淨值**	**17,415**	21,208
Net assets	**資產淨值**	**37,687**	41,488
EQUITY	**權益**		
Share capital	股本	**15,840**	15,840
Reserves *(Note)*	儲備*(附註)*	**21,847**	25,648
Total equity	**總權益**	**37,687**	41,488

Approved and authorised for issue by the board of directors on 24 June 2020.

於2020年6月24日獲董事會批准及授權刊發。

Tong Tang Joseph
唐登
Director
董事

Tsui Wing Tak
徐穎德
Director
董事

29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

The movement of the Company's reserves are as follows:

29. 本公司的財務狀況表*(續)*

附註：

本公司的儲備變動如下：

		Share premium* 股份溢價* *HK$'000 千港元*	Accumulated losses 累計虧損 *HK$'000 千港元*	Total 總計 *HK$'000 千港元*
At 1 April 2018	於2018年4月1日	51,813	(21,604)	30,209
Loss for the year	年內虧損	—	(4,561)	(4,561)
At 31 March 2019 and 1 April 2019	於2019年3月31日及2019年4月1日	**51,813**	**(26,165)**	**25,648**
Loss for the year	年內虧損	**—**	**(3,801)**	**(3,801)**
At 31 March 2020	**於2020年3月31日**	**51,813**	**(29,966)**	**21,847**

* Share premium represents (i) the excess of the proceeds from issuance of the shares of the Company over its par value, net of share issuance expenses; and (ii) the difference between the carrying value of Tree Limited acquired on in prior years over the nominal value of the share capital of the Company issued in exchange thereof.

* 股份溢價指(i)本公司發行股份的所得款項超出其面值的部分(扣除股份發行開支)；及(ii)過往年度收購大樹有限公司的賬面值超出本公司作為交換而發行的股本面值的差額。

30. LEASE COMMITMENTS

As at 31 March 2020, the Group has no lease commitments. As at 31 March 2019, the total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

30. 租賃承擔

於2020年3月31日，本集團並無租賃承擔。於2019年3月31日，本集團根據不可撤銷經營租賃應付的未來最低租賃付款總額如下：

		2020 2020年 *HK$'000 千港元*	2019 2019年 *HK$'000 千港元*
Within one year	於一年內	—	9,609
In the second to fifth years	於第二年至第五年	—	4,134
		—	13,743

As at 31 March 2019, the Group leases its office, warehouses and shop premises under operating leases. The leases have varying lease terms and renewal rights. Certain leases of shop premises include contingent rentals which are determined by applying the pre-determined percentages to gross receipts less the basis rentals of the respective leases.

於2019年3月31日，本集團根據經營租賃租用其辦公室、倉庫及商舖。該等租賃具有不同租賃期限及續期權。若干商舖租賃包括按總收入的預定百分比減相應租賃的基本租金釐定的或然租金。

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31. RELATED PARTY TRANSACTIONS

The Group's accounting policies on related parties are disclosed in Note 2.24. In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties:

(a) Name and relationship with related parties

During the year, the related parties that had transactions with the Group were as follows:

31. 關聯方交易

本集團有關關聯方的會計政策於附註2.24披露。除此等綜合財務報表其他地方披露的交易／資料之外，本集團與關聯方曾進行下列重大交易：

(a) 關聯方的名稱／姓名及關係

於本年度，與本集團進行交易的關聯方如下：

Name of related parties 關聯方的名稱／姓名	Relationship with the Group 與本集團的關係
Tiptop	Ultimate holding company
譽頂	最終控股公司
Mr. Tong	Director of the Company and the controlling shareholder of Tiptop
唐先生	本公司的董事及譽頂的控股股東
Mr. Han Yi	Director of a subsidiary
韓翼先生	一間附屬公司的董事
Ms. Babington	Director of the Company
Babington女士	本公司的董事
Ms. Haslock	Director of the Company prior to 1 August 2019
Haslock女士	於2019年8月1日前為本公司的董事
American Tree, Ltd. ("American Tree")	Controlled by Ms. Haslock
American Tree, Ltd.（「American Tree」）	受Haslock女士控制
AE Majoris Business Development Company Limited ("AE Majoris")	Controlled by Mr. Tsui Wing Tak, a director of the Company
明大企業發展有限公司（「明大企業」）	受本公司的董事徐穎德先生控制
Rothley Investment Limited ("Rothley")	Controlled by Ms. Babington
Rothley Investment Limited（「Rothley」）	受Babington女士控制

31. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Transactions with related parties

During the year, the transactions with related parties of the Group carried in the ordinary course of business were as follows:

31. 關聯方交易*(續)*

(b) 與關聯方的交易

年內於日常業務過程中與本集團關聯方進行的交易如下：

			2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
American Tree *(Note)* American Tree *(附註)*	License fee income*	許可權費收入*	**54**	232
AE Majoris 明大企業	Investor and public relationship service fee*	投資者及公共關係服務費*	**1,200**	1,200

* These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

Note: American Tree is controlled by Ms. Haslock, who resigned as a non-executive director on 1 August 2019, American Tree is no longer a related party of the Group since 1 August 2019.

Pursuant to a licence agreement dated 1 June 2015 entered among Tree Limited, American Tree and Ms. Haslock, Tree Limited has granted American Tree an exclusive royalty-free licence to use certain of the Group's trademarks and intellectual property rights in the United States of America and Canada for an initial period of 20 years (the "Licence Period") for annual revenue-based licence fee. Pursuant to the Supplemental Licence Deed dated 16 December 2016 entered among the same parties, the Licence Period commenced on 1 June 2015 shall expire on one day preceding the listing date and shall be automatically renewed for the second term commencing on the listing date and expiring on one day preceding the third anniversary of the listing date, which may then be extended automatically for successive further terms of three years each.

* 該等關聯方交易構成GEM上市規則第二十章所界定的關連交易或持續關連交易。

附註： American Tree受Haslock女士控制，而Haslock女士已於2019年8月1日辭任非執行董事，故American Tree自2019年8月1日起不再為本集團的關聯方。

根據大樹有限公司、American Tree與Haslock女士所訂立日期為2015年6月1日的許可協議，大樹有限公司向American Tree授出於美利堅合眾國及加拿大使用本集團的若干商標以及知識產權的獨家免特許權費許可權，初步期限為20年(「許可權期限」)，收取以收益為基礎的年度許可權費。根據相同訂約方所訂立日期為2016年12月16日的補充許可契據，許可權期限於2015年6月1日開始，將於上市日期前一天到期，並自動續期第二個期限(於上市日期開始，並將於上市日期起計第三週年前一天到期)，其後可進一步自動續期，每次三年。

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31. RELATED PARTY TRANSACTIONS *(Continued)*
31. 關聯方交易*(續)*

(c) Amounts due from/(to) related parties
(c) 應收／(應付)關聯方款項

		2020 2020年 HK$'000 千港元	2019 2019年 HK$'000 千港元
Trade receivables	**貿易應收款項**		
American Tree *(Note (i))*	American Tree *(附註(i))*	**—**	232
Prepayments	**預付款項**		
AE Majoris *(Note (ii))*	明大企業*(附註(ii))*	**1,200**	2,400
Other receivable	**其他應收款項**		
Rothley	Rothley	**14**	—
Other payable	**其他應付款項**		
Mr. Han Yi	韓翼先生	**(96)**	—

Note:

(i) American Tree is controlled by Ms. Haslock, who resigned as a non-executive director on 1 August 2019, American Tree is no longer a related party of the Group since 1 August 2019.

(ii) The amount represents the prepaid investor and public relationship service fee to AE Majoris for the period from 1 April 2018 to 31 March 2021.

Amounts due from/(to) related parties are unsecured, interest-free and repayable on demand, except for prepayment to AE Majoris. None of the amounts due from related parties were either past due or impaired.

The maximum outstanding of amounts due from related parties during the year is as follows:

附註：

(i) American Tree受Haslock女士控制，而Haslock女士已於2019年8月1日辭任非執行董事，故American Tree自2019年8月1日起不再為本集團的關聯方。

(ii) 有關金額指向明大企業預付自2018年4月1日起至2021年3月31日止期間的投資者及公共關係服務費。

除向明大企業預付的款項外，應收／(應付)關聯方款項為無抵押、免息及須按要求償還。並無應收關聯方的款項逾期或減值。

年內應收關聯方款項的最高未償還金額如下：

		2020 2020年 HK$'000 千港元	2019 2019年 HK$'000 千港元
American Tree	American Tree	**232**	232
AE Majoris	明大企業	**2,400**	3,600
Rothley	Rothley	**14**	—

31. RELATED PARTY TRANSACTIONS *(Continued)*

(d) Guarantees provided by a related party

During the year ended 31 March 2019, Mr. Tong has provided personal guarantee to a bank in respect of certain banking facilities granted to the Group in which the bank borrowing has been fully repaid during the year ended 31 March 2019. No personal guarantee provided by Mr. Tong during the year ended 31 March 2020.

(e) Key management personnel remuneration

Key management of the Group are members of the board of directors and senior management. Included in employee benefit expenses are key management personnel remuneration which includes the following expenses:

31. 關聯方交易*(續)*

(d) 由一名關聯方提供的擔保

截至2019年3月31日止年度，唐先生就本集團獲授若干銀行信貸，向一間銀行提供個人擔保，有關銀行借貸已於截至2019年3月31日止年度悉數償還。截至2020年3月31日止年度，唐先生並無提供個人擔保。

(e) 主要管理人員薪酬

本集團的主要管理層為董事會及高級管理層成員。計入僱員福利開支的主要管理人員薪酬包括以下各項開支：

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Salaries and allowances	薪金及津貼	**3,591**	3,716
Discretionary bonus	酌情花紅	**55**	205
Retirement benefit scheme contributions	退休福利計劃供款	**53**	58
		3,699	3,979

32. ACQUISITION OF A SUBSIDIARY

On 14 December 2018, Tree Investment, a subsidiary of the Group, Perfect Bright Management Company Limited, an independent third party, and Mr. Han Yi, an independent third party, entered into a sales and purchase agreement (the "Sales and Purchase Agreement"), pursuant to which the Group agreed to acquire the entire share capital of Italiving (the "Acquisition"). The Acquisition was completed on 31 December 2018 (the "Completion Date").

The transaction was made to broaden the income base of the Group and facilitate the development of the Group's business.

32. 收購一間附屬公司

於2018年12月14日，本集團附屬公司Tree Investment、獨立第三方Perfect Bright Management Company Limited與獨立第三方韓翼先生訂立買賣協議，據此，本集團同意收購意享世家的全部股本(「收購事項」)。收購事項已於2018年12月31日(「完成日期」)完成。

該項交易旨在擴大本集團的收入基礎及促進本集團的業務發展。

32. ACQUISITION OF A SUBSIDIARY *(Continued)*

Pursuant to the terms of the Sales and Purchase Agreement, the total consideration for the Acquisition (the "Purchase Consideration") are as follows:

(a) Cash consideration

(i) upon Completion, a sum of HK$3,000,000; and

(ii) within three months from the Completion Date, a sum of HK$3,500,000;

(b) Contingent consideration

(i) within one month from the date of the audited account of Italiving for the year ending 31 December 2019, provided that the net profit before tax of Italiving for the year ending 31 December 2019 is not less than HK$5,200,000, a sum equals two times of the net profit before tax of Italiving minus HK$6,500,000 paid under (a)(i) and (a)(ii) above;

(ii) within one month from the date of the audited account of Italiving for the year ending 31 December 2020, provided that the net profit before tax of Italiving for the year ending 31 December 2020 is not less than HK$6,200,000, a sum equals 1.8 times of the net profit before tax of Italiving; and

(iii) within one month from the date of the audited account of Italiving for the year ending 31 December 2021, provided that the net profit before tax of Italiving for the year ending 31 December 2021 is not less than HK$9,300,000, a sum equals 1.4 times of the net profit before tax of Italiving.

Notwithstanding the aforementioned payment schedule, Tree Investment shall not be under any obligation to pay a sum exceeding HK$40,000,000 in aggregate as the Purchase Consideration or when the above obligation has been discharged.

32. 收購一間附屬公司*(續)*

根據買賣協議的條款，收購事項的總代價(「購買代價」)如下：

(a) 現金代價

(i) 於完成時，支付3,000,000港元；及

(ii) 自完成日期起計三個月內，支付3,500,000港元；

(b) 或然代價

(i) 自意享世家截至2019年12月31日止年度的經審核賬目日期起計一個月內，倘意享世家截至2019年12月31日止年度的除稅前純利不少於5,200,000港元，則支付相當於意享世家除稅前純利的2倍減上文第(a)(i)及(a)(ii)項下支付的6,500,000港元的金額；

(ii) 自意享世家截至2020年12月31日止年度的經審核賬目日期起計一個月內，倘意享世家截至2020年12月31日止年度的除稅前純利不少於6,200,000港元，則支付相當於意享世家除稅前純利的1.8倍的金額；及

(iii) 自意享世家截至2021年12月31日止年度的經審核賬目日期起計一個月內，倘意享世家截至2021年12月31日止年度的除稅前純利不少於9,300,000港元，則支付相當於意享世家除稅前純利的1.4倍的金額。

不論上述付款時間如何，作為購買代價或於履行上述責任時，Tree Investment概無任何責任支付超過合共40,000,000港元。

32. ACQUISITION OF A SUBSIDIARY *(Continued)*

The fair value of the identifiable assets and liabilities of Italiving acquired at the Completion Date is as follows:

32. 收購一間附屬公司*(續)*

意享世家的已收購可識別資產及負債於完成日期的公允價值如下：

		HK$'000 *千港元*
Deferred tax assets	遞延稅項資產	28
Trade and other receivables	貿易及其他應收款項	22,211
Bank balances and cash	銀行結餘及現金	693
Trade and other payables	貿易及其他應付款項	(8,886)
Contract liabilities	合約負債	(4,100)
Net identifiable assets acquired	已收購可識別資產淨值	9,946
Goodwill *(Note 16)*	商譽*(附註16)*	23,426
		33,372
Purchase Consideration satisfied by	購買代價以下列方式支付	
– Cash	— 現金	6,500
– Contingent consideration payable, at fair value *(Note)*	— 應付或然代價，按公允價值*(附註)*	26,872
		33,372

Note:

The Purchase Consideration includes a contingent consideration arrangement. The fair value of the contingent consideration payable of HK$26,872,000 initially recognised on Completion Date represents the present values of the Group's probability-weighted estimates of the cash outflows. It reflects management's estimates of the probabilities that the net profit before income tax of Italiving for the years ending 31 December 2019, 2020 and 2021 will be achieved and the discount rates. As at 31 March 2019, there have been no change in the estimates of the probable cash outflows but the liability has increased by HK$115,000 due to the unwinding of the discount.

附註：

購買代價包括或然代價安排。於完成日期初步確認的應付或然代價公允價值26,872,000港元，指本集團現金流出的概率加權估計值的現值，反映管理層對意享世家將於截至2019年、2020年及2021年12月31日止年度實現的除所得稅前純利的概率以及折現率的估計。於2019年3月31日，對可能現金流出的估計並無變更，但負債因折現而增加115,000港元。

An analysis of the cash flows in respect of the Acquisition is as follows:

收購事項的現金流分析如下：

		HK$'000 *千港元*
Cash consideration paid	已付現金代價	3,000
Less: Bank balances and cash acquired	減：已取得的銀行結餘及現金	(693)
Cash outflow in respect of the Acquisition	收購事項的現金流出	2,307

As at 31 March 2019, the Purchase Consideration for cash and contingent components of approximately HK$3,500,000 and HK$26,987,000, respectively, remained unpaid, and were included in other payables and non-current portion of contingent consideration payable, respectively. As at 31 March 2020, contingent consideration payable based on the audited results of Italiving for the year ended 31 December 2019 of approximately HK$12,339,000 was redesignated as consideration payable and was included in other payables and the fair value of contingent consideration payable based on the performance forecasts of Italiving for the years ended 31 December 2020 and 2021 of approximately HK$18,033,000 was included in non-current liabilities.

於2019年3月31日，現金及或然部分的購買代價分別約3,500,000港元及26,987,000港元仍未支付，並分別計入其他應付款項以及應付或然代價的非流動部分。於2020年3月31日，按照意享世家截至2019年12月31日止年度的經審核業績計算的應付或然代價約12,339,000港元重新指定為應付代價，並計入其他應付款項，而根據意享世家截至2020年及2021年12月31日止年度的表現預測計算的應付或然代價公允價值約18,033,000港元則計入非流動負債。

32. ACQUISITION OF A SUBSIDIARY *(Continued)*

Goodwill arose in Acquisition as the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on the Acquisition is expected to be deductible for tax purposes.

Acquisition-related costs amounting to HK$281,000 have been excluded from the consideration transferred and have been recognised as administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2019.

Included in the profit for the year ended 31 March 2019 is HK$1,378,000 attributable to the additional business generated by Italiving. Revenue for the year ended 31 March 2019 includes HK$2,674,000 in respect of Italiving.

If the Acquisition had occurred on 1 April 2018, the Group's revenue would have been increased by HK$5,338,000 and profit for the year would have been increased by HK$443,000 for the year ended 31 March 2019. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the Acquisition been completed on 1 April 2018, nor is it intended to be a projection of future results.

32. 收購一間附屬公司*(續)*

由於合併成本包括控制權溢價，故收購事項產生商譽。此外，就合併支付的代價實際上包括與預期協同效應、收益增加、未來市場發展及整合勞動力等利益相關的金額。由於該等利益並未達到可識別無形資產的確認標準，故並無與商譽分開確認。預期收購事項所產生的商譽不可用於扣稅。

收購相關成本281,000港元並不包含於轉讓的代價中，並於截至2019年3月31日止年度的綜合損益及其他全面收益表中確認為行政開支。

截至2019年3月31日止年度溢利中的1,378,000港元來自意享世家所產生的額外業務。截至2019年3月31日止年度的收益包括與意享世家有關的2,674,000港元。

倘收購事項於2018年4月1日發生，則本集團截至2019年3月31日止年度的收益將增加5,338,000港元，年度溢利將增加443,000港元。此備考資料僅用於說明用途，未必表示倘收購事項於2018年4月1日完成，本集團實際上將實現的收益及經營業績，亦不擬作為對未來業績的預測。

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

33. 綜合現金流量表附註

(a) Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

(a) 融資活動所產生負債的對賬

本集團的融資活動所產生的負債變動分類如下：

		Lease liabilities/ Finance lease liabilities 租賃負債／融資租賃負債 *HK$'000 千港元*	Bank borrowings 銀行借貸 *HK$'000 千港元*	Total 總計 *HK$'000 千港元*
At 1 April 2018	**於2018年4月1日**	422	4,922	5,344
Cash-flows:	**現金流量：**			
Repayments	還款	(135)	(4,453)	(4,588)
Interests paid	已付利息	(32)	(122)	(154)
Non-cash:	**非現金：**			
Interests accrued	應計利息	32	122	154
Purchase of property, plant and equipment	購買物業、廠房及設備	857	—	857
At 31 March 2019	**於2019年3月31日**	**1,144**	**469**	**1,613**
Impact on initial application of HKFRS 16 *(Note 2.2)*	初始應用香港財務報告準則第16號的影響 *(附註2.2)*	**9,066**	**—**	**9,066**
At 1 April 2019 (adjusted)	**於2019年4月1日（經調整）**	**10,210**	**469**	**10,679**
Cash-flows:	**現金流量：**			
Proceeds	所得款項	**—**	**14,760**	**14,760**
Repayments	還款	**—**	**(9,525)**	**(9,525)**
Capital element of lease liabilities	租賃負債的本金部分	**(8,668)**	**—**	**(8,668)**
Interests paid	已付利息	**—**	**(96)**	**(96)**
Interest element of lease liabilities	租賃負債的利息部分	**(645)**	**—**	**(645)**
Non-cash:	**非現金：**			
Entering into new leases	訂立新租賃	**18,668**	**—**	**18,668**
Interests accrued	應計利息	**645**	**96**	**741**
At 31 March 2020	**於2020年3月31日**	**20,210**	**5,704**	**25,914**

(b) Non-cash transactions

During the year ended 31 March 2020, the Group entered into certain lease contracts in which additions to right-of-use assets and lease liabilities amounting to HK$18,668,000 was recognised at the lease commencement date. During the year ended 31 March 2019, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK$857,000.

(b) 非現金交易

於截至2020年3月31日止年度，本集團訂立若干租賃合約，據此，於租賃開始日期確認新增使用權資產及租賃負債18,668,000港元。於截至2019年3月31日止年度，本集團就租賃開始時資本總值857,000港元的資產訂立融資租賃安排。

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk). The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the board of directors. There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

34.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

34. 財務風險管理及公允價值計量

本集團因在日常業務過程和投資活動中使用金融工具而承擔財務風險。此等財務風險包括信貸風險、流動資金風險及市場風險(包括利率風險及外幣風險)。本集團的整體風險管理策略尋求盡量減低對本集團的財務表現造成的潛在不利影響。風險管理由本集團的高級管理層進行並經董事會批准。本集團就金融工具承擔的風險類型或其管理及計量風險的方式並無變化。

34.1 金融資產及負債的類別

在綜合財務狀況表中呈列的賬面金額與以下類別的金融資產及金融負債有關:

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Financial assets	**金融資產**		
Financial assets at fair value through profit or loss	透過損益按公允價值列賬的金融資產		
— Cash surrender value of life insurance	— 人壽保險的解約現金價值	**1,789**	1,755
Financial assets at amortised cost	按攤銷成本計量的金融資產		
— Trade and other receivables	— 貿易及其他應收款項	**47,901**	29,626
— Bank balances and cash	— 銀行結餘及現金	**16,773**	22,795
		66,463	54,176
Financial liabilities	**金融負債**		
Financial liabilities at fair value through profit or loss	透過損益按公允價值列賬的金融負債		
— Contingent consideration payable	— 應付或然代價	**18,033**	26,987
Financial liabilities at amortised cost	按攤銷成本計量的金融負債		
— Trade and other payables	— 貿易及其他應付款項	**21,824**	11,201
— Bank borrowings	— 銀行借貸	**5,704**	469
— Lease liabilities/Finance lease liabilities	— 租賃負債／融資租賃負債	**20,210**	1,144
		65,771	39,801

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.2 Credit risk

The Group is exposed to credit risk in relation to its cash and bank deposits and trade and other receivables. The Group's maximum exposure to credit risk in relation to financial assets is limited to the carrying amount at the reporting dates as summarised in Note 34.1.

(i) Trade receivables

The Group's policy is to deal only with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment by the credit control department. When considered appropriate, customers may be requested to provide proof as to their financial position. Where available at reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods. Payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

In addition, as set out in Note 2.10, the Group assesses ECL under HKFRS 9 on trade receivables based on provision matrix, the expected loss rates are based on the payment profile for sales in the past 36 months as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

34. 財務風險管理及公允價值計量 *(續)*

34.2 信貸風險

本集團就其現金及銀行存款以及貿易及其他應收款項承擔信貸風險。本集團就金融資產承擔的最大信貸風險不超過於報告日的賬面金額(如附註34.1所概述)。

(i) 貿易應收款項

本集團的政策是僅與信譽良好的交易對手進行交易。新客戶須通過信貸監控部門進行的信貸信用評估後，方可獲授信貸條款。在適當情況下，客戶可能會被要求提供有關其財務狀況的證明。在成本合理的情況下，會索取並使用客戶的外部信貸評級及／或報告。被視為信譽不佳的客戶須提前付款或貨到付款。本集團密切監察客戶的付款記錄。本集團的政策並無要求客戶提供抵押品。

此外，如附註2.10所載，本集團根據香港財務報告準則第9號按撥備矩陣評估貿易應收款項的預期信貸虧損，預期虧損率基於過去36個月的銷售付款情況以及該期間的相應歷史信貸虧損計算。本集團會調整歷史利率，以反映影響客戶結算未付金額的能力的當前及前瞻性宏觀經濟因素。於各報告日，本集團更新歷史違約率，並分析前瞻性估計的變化。然而，鑒於承擔信貸風險的時間較短，故該等宏觀經濟因素於報告期內的影響被視為並不重大。

當沒有合理的收回預期時，貿易應收款項會被撇銷(即終止確認)。未能於自發票日期起計365天內付款，以及未能與本集團就替代付款安排達成協定，均被視為沒有合理收回預期的指標。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.2 Credit risk *(Continued)*

(i) Trade receivables *(Continued)*

As at 31 March 2019, assessed lifetime ECL rate of trade receivables is not material as there are no recent history of default and continuous payment received. Based on historical and forward-looking elements specific to the customers and the economic environment, it was determined that no loss allowance provision is necessary in respect of these balances as there has not been a significant changes in credit quality of the customers. As at 31 March 2020, ECL allowance of HK$700,000 was recognised for trade receivables from the furniture agency service segment at ECL rate of 1.0% for trade receivables that are not yet past due and 2.4% for trade receivables that are past due within 90 days. While ECL allowance is not material for trade receivables from the furniture sale and consultancy services segment.

As at 31 March 2020, 70.2% (2019: 86.6%) of the total gross trade receivables was due from a customer arisen from the furniture agency service.

(ii) Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and bank balances and cash. In order to minimise the credit risk of other receivables, the management of the Group has designated a team responsible for determination of credit limits and credit approvals. The management would make periodic collective and individual assessment of the recoverability of other receivables based on historical settlement records and past experience as well as current external information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. If the credit risk of debt instruments is considered to be high, collateral is required before granting the debts to debtors. In these regards, the credit risk of other receivables is considered to be low. Thus, no loss allowance provision was recognised during the year ended 31 March 2020 (2019: nil).

34. 財務風險管理及公允價值計量 *(續)*

34.2 信貸風險 *(續)*

(i) 貿易應收款項 *(續)*

於2019年3月31日，由於最近沒有違約記錄及持續收到付款，故貿易應收款項的經評估全期預期信貸虧損率並不重大。根據客戶特定的歷史及前瞻性因素以及經濟環境，由於客戶的信貸質量沒有發生重大變化，故確定毋須為該等結餘作出虧損備抵撥備。於2020年3月31日，傢俱代理服務分部已按1.0%（未逾期的貿易應收款項）及2.4%（逾期90日內的貿易應收款項）的預期信貸虧損率就貿易應收款項確認預期信貸虧損備抵700,000港元，而傢俱銷售及諮詢服務分部的貿易應收款項預期信貸虧損備抵則並不重大。

於2020年3月31日，貿易應收款項總額中，70.2%（2019年：86.6%）為應收傢俱代理服務一名客戶的款項。

(ii) 按攤銷成本計量的其他金融資產

按攤銷成本計量的其他金融資產包括其他應收款項以及銀行結餘及現金。為盡量減低其他應收款項的信貸風險，本集團管理層已指定一個團隊負責釐定信貸限額及審批信貸。管理層將根據過往結算記錄及以往經驗以及當前外部資料，定期對其他應收款項的可收回性進行共同及個別評估。本集團亦已實施其他監控程序，以確保採取跟進行動收回逾期債務。倘債務工具的信貸風險被視為高，則債務人須於授出債務前提供抵押品。就此而言，其他應收款項的信貸風險被視為低。因此，截至2020年3月31日止年度並無確認虧損備抵撥備（2019年：無）。

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.2 Credit risk *(Continued)*

(ii) Other financial assets at amortised cost *(Continued)*

While bank balances and cash are also subject to the impairment requirements of HKFRS 9, the Group only places deposits in reputable banks and financial institutions, the identified impairment loss was immaterial.

34.3 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financial obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants and its relationship with its bankers to ensure that the Group maintain sufficient reserves of cash and cash equivalents and committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Analysed below is the Group's remaining contractual maturities for its financial liabilities as at 31 March 2020 and 2019, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting periods) and the earliest date the Group can be required to pay. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

34. 財務風險管理及公允價值計量 *(續)*

34.2 信貸風險 *(續)*

(ii) 按攤銷成本計量的其他金融資產 *(續)*

儘管銀行結餘及現金亦受香港財務報告準則第9號的減值要求規限，但本集團僅將存款存入信譽良好的銀行及金融機構，故所識別的減值虧損甚微。

34.3 流動資金風險

流動資金風險乃與本集團無法透過交付現金或另一金融資產結算金融負債而履行其責任的風險有關。本集團在償還貿易應付款項及其財務責任，以及在現金流量管理方面承擔流動資金風險。本集團的政策為定期監察當前和預期流動資金需求、遵守貸款契諾的情況及其與往來銀行的關係，以確保本集團維持充足的現金及現金等價物儲備以及從主要金融機構取得承諾融資額度，以應付其短期及長期的流動資金需求。

以下分析於2020年及2019年3月31日，本集團金融負債的剩餘合約到期日，乃根據未折現現金流量(包括以合約利率計算的利息付款，或若為浮動利率，則以報告期末的現行利率計算)以及本集團可被要求付款的最早日期呈列。倘債權人有權選擇償還負債的時間，有關負債將於本集團可被要求付款的最早日期入賬。倘有關負債須分期償還，則每筆還款將於本集團承諾付款的最早期間入賬。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.3 Liquidity risk *(Continued)*

Specifically, for bank borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

34. 財務風險管理及公允價值計量 *(續)*

34.3 流動資金風險 *(續)*

具體而言，對於載有銀行可全權酌情行使的按要求償還條款的銀行借貸，該分析根據實體可被要求償還的最早期限(猶如貸款人將援引即時催收貸款的無條件權利)呈列現金流出。

		Within 1 year or on demand 於1年內或按要求 *HK$'000* *千港元*	Over 1 year but within 2 years 超過1年但於2年內 *HK$'000* *千港元*	Over 2 years but within 5 years 超過2年但於5年內 *HK$'000* *千港元*	Total contractual undiscounted amount 合約未折現總金額 *HK$'000* *千港元*	Carrying amount 賬面金額 *HK$'000* *千港元*
At 31 March 2020	**於2020年3月31日**					
Trade and other payables	貿易及其他應付款項	**21,824**	**—**	**—**	**21,824**	**21,824**
Bank borrowings	銀行借貸	**5,704**	**—**	**—**	**5,704**	**5,704**
Lease liabilities	租賃負債	**11,492**	**6,529**	**3,250**	**21,271**	**20,210**
Contingent consideration payable	應付或然代價	**—**	**10,004**	**9,025**	**19,029**	**18,033**
		39,020	**16,533**	**12,275**	**67,828**	**65,771**
At 31 March 2019	於2019年3月31日					
Trade and other payables	貿易及其他應付款項	11,201	—	—	11,201	11,201
Bank borrowings	銀行借貸	469	—	—	469	469
Finance lease liabilities	融資租賃負債	301	301	673	1,275	1,144
Contingent consideration payable	應付或然代價	—	10,667	17,166	27,833	26,987
		11,971	10,968	17,839	40,778	39,801

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.3 Liquidity risk *(Continued)*

The following table summarises the maturity analysis of bank borrowings with repayment on demand clause based on agreed scheduled repayments set out in the bank loan agreements. The amounts include interest payment computed using contractual rates. The Group regularly monitors its compliance with the loan covenants, is up to date with the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements. The directors believe that these bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the bank loan agreements.

34. 財務風險管理及公允價值計量 *(續)*

34.3 流動資金風險 *(續)*

下表根據銀行貸款協議內議定的計劃還款時間表概述載有按要求償還條款的銀行借貸的到期分析。該等金額包括以合約利率計算的利息付款。本集團定期監察其遵守貸款契諾的情況，並一直按時還款，並認為只要本集團繼續遵守該等規定，銀行將不大可能行使其酌情權要求還款。董事相信，該等銀行借貸將根據銀行貸款協議內所載的計劃還款日期償還。

		Within 1 year or on demand 於1年內或按要求 *HK$'000* *千港元*	Over 1 year but within 2 years 超過1年但於2年內 *HK$'000* *千港元*	Total contractual undiscounted amount 合約未折現總金額 *HK$'000* *千港元*	Carrying amount 賬面金額 *HK$'000* *千港元*
At 31 March 2020	**於2020年3月31日**				
Bank borrowings	銀行借貸	**5,768**	**—**	**5,768**	**5,704**
At 31 March 2019	於2019年3月31日				
Bank borrowings	銀行借貸	416	72	488	469

34.4 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's interest rate risk arises primarily from bank borrowings and lease liabilities/finance lease liabilities. The Group's bank borrowings bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's lease liabilities/finance lease liabilities mainly bear fixed interest rates. The exposure to interest rates for the Group's short term bank deposits is considered immaterial.

34.4 利率風險

利率風險乃與金融工具的公允價值或現金流量因市場利率變動而波動的風險有關。本集團的利率風險主要來自銀行借貸及租賃負債／融資租賃負債。按浮動及固定利率計息的銀行借貸分別使本集團承擔現金流量利率風險及公允價值利率風險。本集團的租賃負債／融資租賃負債主要按固定利率計息。本集團就短期銀行存款承擔的利率風險甚微。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.4 Interest rate risk *(Continued)*

The effective interest rates of the Group's borrowings at the reporting date were as follows:

34. 財務風險管理及公允價值計量 *(續)*

34.4 利率風險 *(續)*

本集團的借貸於報告日的實際利率如下：

		2020 2020年 Effective interest rate 實際利率	 *HK$'000* *千港元*	2019 2019年 Effective interest rate 實際利率	 *HK$'000* *千港元*
Variable rate borrowings	浮動利率借貸				
— Bank borrowings	— 銀行借貸	**2.7%**	**200**	4.3%	469
Fixed rate borrowings	固定利率借貸				
— Bank borrowings	— 銀行借貸	**4.5%**	**5,504**	N/A 不適用	–
— Lease liabilities/Finance lease liabilities	— 租賃負債／融資租賃負債	**4.6%**	**20,210**	2.7%	1,144
Total borrowings	總借貸		**25,914**		1,613
Fixed rate borrowings as percentage of total borrowings	固定利率借貸佔總借貸百分比		**99%**		71%

As at 31 March 2020, if interest rate had increased/decreased by 50 basis points with all other variables held constant, the profit after income tax would have been HK$108,000 lower/higher (2019: HK$6,700) and retained profits would have been HK$108,000 lower/higher (2019: accumulated losses would have been HK$6,700 higher/lower), respectively, subject to change based on net exposure.

於2020年3月31日，倘利率上升／下跌50個基點，且所有其他變數保持不變，則除所得稅後溢利將減少／增加108,000港元(2019年：6,700港元)，保留溢利將減少／增加108,000港元(2019年：累計虧損增加／減少6,700港元)，視乎風險承擔淨額而定。

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rate over the next twelve month period.

根據對現行市況的觀察，利率假設變動被視為合理可能變動，並代表管理層對未來十二個月期間利率合理可能變動的評估。

The calculations are based on a change in average market interest rates for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. The sensitivity analysis included in the financial statements of the year ended 31 March 2019 has been prepared on the same basis.

有關計算乃根據各期間平均市場利率變動以及於各報告日所持對利率變動敏感的金融工具進行。所有其他變數保持不變。截至2019年3月31日止年度的財務報表所載敏感度分析乃根據相同基準編製。

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.5 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise from its overseas sales and purchases, which are primarily denominated in Euro ("EUR") and USD. These are not the functional currencies of the group entities to which these transactions relate. The Group has bank balances and cash, bank borrowings and cash surrender value of life insurance denominated in foreign currencies, primarily in EUR and USD.

Foreign currency denominated financial assets and liabilities, translated into Hong Kong dollars at the closing rates, are as follows:

34. 財務風險管理及公允價值計量 *(續)*

34.5 外幣風險

外幣風險乃與金融工具的公允價值或未來現金流量因外幣匯率變動而波動的風險有關。本集團的貨幣風險承擔來自其海外銷售及採購，主要以歐元及美元計值。歐元及美元並非該等交易所涉集團實體的功能貨幣。本集團擁有以外幣(主要是歐元及美元)計值的銀行結餘及現金、銀行借貸及人壽保險的解約現金價值。

以外幣計值的金融資產及負債按收市匯率換算為港元如下：

		USD 美元 HK$'000 千港元	EUR 歐元 HK$'000 千港元
As at 31 March 2020	**於2020年3月31日**		
Cash surrender value of life insurance	人壽保險的解約現金價值	**1,789**	**—**
Trade and other receivables	貿易及其他應收款項	**341**	**41,975**
Bank balances and cash	銀行結餘及現金	**579**	**1,630**
Trade and other payables	貿易及其他應付款項	**(265)**	**(6,860)**
Bank borrowings	銀行借貸	**(200)**	**(5,504)**
Overall net exposure	整體風險承擔淨額	**2,244**	**31,241**
As at 31 March 2019	於2019年3月31日		
Cash surrender value of life insurance	人壽保險的解約現金價值	1,755	—
Trade and other receivables	貿易及其他應收款項	1,014	21,551
Bank balances and cash	銀行結餘及現金	1,196	2,944
Trade and other payables	貿易及其他應付款項	(165)	(3,887)
Bank borrowings	銀行借貸	(398)	—
Overall net exposure	整體風險承擔淨額	3,402	20,608

The Group does not hedge its foreign currency risks with USD as HK$ is pegged to USD and thus foreign exchange exposure is considered as minimal.

因港元與美元掛鈎，外匯風險被認為甚微，故本集團並無對沖與美元有關的外幣風險。

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34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.5 Foreign currency risk *(Continued)*

As at 31 March 2020, if EUR had strengthened/weakened by 5% against HK$ with all other variables held constant, the profit after income tax would have been HK$1,304,000 higher/lower (2019: HK$860,000) and retained profits would have been HK$1,304,000 higher/lower (2019: accumulated losses would have been HK$860,000 lower/higher), respectively, subject to change based on net exposure.

34.6 Fair value measurements recognised in the consolidated statement of financial position

The following table presents financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and not using significant unobservable inputs; and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

34. 財務風險管理及公允價值計量 *(續)*

34.5 外幣風險 *(續)*

於2020年3月31日，倘歐元兑港元上升／下跌5%，且所有其他變數保持不變，則除所得稅後溢利將增加／減少1,304,000港元(2019年：860,000港元)，保留溢利將增加／減少1,304,000港元(2019年：累計虧損減少／增加860,000港元)，視乎風險承擔淨額而定。

34.6 於綜合財務狀況表確認的公允價值計量

下表根據公允價值架構，呈列綜合財務狀況表內按公允價值計量的金融資產及負債。該架構根據計量該等金融資產之公允價值所使用的重大輸入數據的相對可靠程度，將金融資產劃分為三層。公允價值架構分為以下各層：

第1層： 相同資產及負債於活躍市場的報價(未作調整)；

第2層： 直接(即價格)或間接(即從價格推衍)可觀察的資產或負債輸入數據(不包括第1層所包含的報價)及不使用重大不可觀察輸入數據；及

第3層： 並非基於可觀察市場數據的資產或負債輸入數據(不可觀察輸入數據)。

金融資產或負債整體於公允價值架構內所屬的層次，建基於對公允價值計量具有重大意義的最低層次輸入數據。

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.6 Fair value measurements recognised in the consolidated statement of financial position

(Continued)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

34. 財務風險管理及公允價值計量*(續)*

34.6 於綜合財務狀況表確認的公允價值計量*(續)*

於綜合財務狀況表內按經常性基準以公允價值計量的金融資產及負債在公允價值架構中分類如下：

		Notes 附註	Level 1 第1層 HK$'000 千港元	Level 2 第2層 HK$'000 千港元	Level 3 第3層 HK$'000 千港元	Total 總計 HK$'000 千港元
At 31 March 2020	**於2020年3月31日**					
Financial assets	**金融資產**					
Financial assets at fair value through profit or loss	透過損益按公允價值列賬的金融資產					
— Cash surrender value of life insurance	— 人壽保險的解約現金價值	*(a)*	—	**1,789**	—	**1,789**
Financial liabilities	**金融負債**					
Financial liabilities at fair value through profit or loss	透過損益按公允價值列賬的金融負債					
— Contingent consideration payable	— 應付或然代價	*(b)*	—	—	**(18,033)**	**(18,033)**
At 31 March 2019	於2019年3月31日					
Financial assets	**金融資產**					
Financial assets at fair value through profit or loss	透過損益按公允價值列賬的金融資產					
— Cash surrender value of life insurance	— 人壽保險的解約現金價值	*(a)*	—	1,755	—	1,755
Financial liabilities	**金融負債**					
Financial liabilities at fair value through profit or loss	透過損益按公允價值列賬的金融負債					
— Contingent consideration payable	— 應付或然代價	*(b)*	—	—	(26,987)	(26,987)

During the years ended 31 March 2020 and 2019, there were no transfers of fair value measurements between Level 1, Level 2 and Level 3.

截至2020年及2019年3月31日止年度，第1層、第2層及第3層之間並無公允價值計量的轉撥。

The methods and valuation techniques used for the purpose of measuring fair values categorised in Levels 2 and 3 are unchanged compared to the previous reporting periods and are described below.

用於計量第2層及第3層公允價值的方法及估值技術與過往報告期間相比並無變化，並於下文闡述。

(a) Cash surrender value of life insurance

The fair value of the cash surrender value of life insurance was determined based on the valuation provided by the counterparty financial institution by reference to the quoted price of the underlying units held.

(a) 人壽保險的解約現金價值

人壽保險的解約現金價值的公允價值乃根據金融機構對手所提供的估值，並參考所持相關單位的報價而釐定。

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

34.6 Fair value measurements recognised in the consolidated statement of financial position *(Continued)*

(b) Contingent consideration payable

The valuation technique and significant unobservable inputs of the fair value of contingent consideration payable are as follows:

Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察輸入數據	Sensitivity relationship of unobservable inputs to fair value 公允價值對不可觀察輸入數據的敏感度關係
Probability-weighted payout approach 概率加權支付法	Probability of achieving the projected revenue and net profit before tax of Italiving for the years ending 31 December 2020 and 2021 截至2020年及2021年12月31日止年度意享世家實現預計收益及除税前純利的概率	The higher of the probability, the higher of the fair value, and vice versa 概率越高，公允價值越高，反之亦然
	Discount rate 折現率	The higher of the discount rate, the lower of the fair value, and vice versa 折現率越高，公允價值越低，反之亦然

The reconciliation of the carrying amounts of the Group's contingent consideration payable classified within Level 3 of the fair value hierarchy is as follows:

		Contingent consideration payable 應付或然代價 *HK$'000* *千港元*
At 1 April 2018	於2018年4月1日	—
Acquisition of a subsidiary *(Note 32)*	收購一間附屬公司*(附註32)*	26,872
Fair value change recognised in profit or loss	於損益確認的公允價值變動	115
At 31 March 2019 and 1 April 2019	於2019年3月31日及2019年4月1日	**26,987**
Fair value change recognised in profit or loss	於損益確認的公允價值變動	**3,385**
Reclassification *(Note 21(b))*	重新分類*(附註21(b))*	**(12,339)**
At 31 March 2020	**於2020年3月31日**	**18,033**

Fair value change on contingent consideration payable is recognised in profit or loss.

34. 財務風險管理及公允價值計量 *(續)*

34.6 於綜合財務狀況表確認的公允價值計量*(續)*

(b) 應付或然代價

應付或然代價公允價值的估值技術及重大不可觀察輸入數據如下：

本集團分類至公允價值架構第3層的應付或然代價的賬面金額對賬如下：

應付或然代價的公允價值變動於損益確認。

35. CAPITAL MANAGEMENT

The objectives of the Group when managing capital are to safeguard the ability of the Group in continuing as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the gearing ratio. The gearing ratio is calculated based on total interest-bearing borrowings divided by the total equity at each reporting date. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt financing or sell assets to reduce debt.

The gearing ratio at each reporting date was:

35. 資本管理

本集團管理資本的目標為保障本集團持續經營的能力，藉此為股東帶來回報及為其他權益人提供利益，並維持最佳資本架構以提升股東長遠價值。

本集團積極定期檢討資本架構，並應因經濟狀況變化作出調整。本集團根據資產負債比率監察資本架構。資產負債比率根據各報告日的總計息借貸除以總權益計算。為維持或調整該比率，本集團可能調整向股東派付的股息金額、發行新股份、籌集新債務融資或出售資產以減少債務。

於各報告日的資產負債比率為：

		2020 **2020年** ***HK$'000*** *千港元*	2019 2019年 *HK$'000* *千港元*
Total interest-bearing borrowings	**總計息借貸**		
Bank borrowings	銀行借貸	**5,704**	469
Lease liabilities/Finance lease liabilities	租賃負債／融資租賃負債	**20,210**	1,144
		25,914	1,613
Total Equity	**總權益**	**55,545**	50,407
Gross gearing ratio (%)	**總資產負債比率(%)**	**46.7%**	3.2%

36. EVENTS AFTER THE REPORTING PERIOD

For the year ended 31 March 2020, the operating results has been affected by the outbreak of the Coronavirus Disease (the "COVID-19") in early 2020. A series of precautionary and control measures have been and continued to be implemented across the world, including certain level of restriction and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements in shops and offices and encouraged social distancing.

Following to the spread of COVID-19 subsequent to year end, management has also taken relevant actions to minimise the unfavourable impact. The Group will pay close attention to the development of COVID-19 and evaluate its impact on the financial position and operating results of the Group.

36. 報告期後事項

截至2020年3月31日止年度的經營業績受2020年初爆發新型冠狀病毒(「COVID-19」)影響。全球各地持續實施一系列防控措施，包括對旅客及交通安排實施若干限制和控制、對若干居民進行檢疫、提高商店及辦公室的衛生及防疫要求以及提倡社交距離。

隨着 COVID-19於年末後蔓延，管理層亦已採取相關行動，盡量減輕負面影響。本集團將密切留意COVID-19的發展，並評估其對本集團財務狀況及經營業績的影響。

FINANCIAL SUMMARY
財務概要

FINANCIAL SUMMARY

A summary of results, and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out below:

財務概要

本集團於過去五個財政年度的業績以及資產及負債概要乃摘錄自經審核綜合財務報表，載列如下：

RESULTS

業績

		2020 2020年 HK$'000 千港元	2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元	2017 2017年 HK$'000 千港元	2016 2016年 HK$'000 千港元
Revenue	**收益**	**91,103**	85,408	79,073	77,316	81,877
Cost of sales	銷售成本	**(25,842)**	(27,497)	(25,515)	(26,303)	(27,029)
Gross profit	**毛利**	**65,261**	57,911	53,558	51,013	54,848
Other income	其他收入	**155**	204	134	286	272
Selling and marketing expenses	銷售及市場推廣開支	**(33,652)**	(36,982)	(34,128)	(32,806)	(30,148)
Administrative expenses	行政開支	**(19,361)**	(18,821)	(11,597)	(12,118)	(10,940)
Fair value change on contingent consideration payable	應付或然代價的公允價值變動	**(3,385)**	–	–	–	–
Provision for impairment of trade receivables	貿易應收款項減值撥備	**(700)**	–	–	–	–
Listing-related expenses	上市相關開支	**–**	–	(15,747)	(10,066)	(1,289)
Share-based compensation expense	以股份為基礎的補償開支	**–**	–	(656)	(2,331)	(2,487)
Finance costs	財務成本	**(741)**	(269)	(316)	(140)	(165)
Profit /(Loss) before income tax	**除所得稅前溢利／(虧損)**	**7,577**	2,043	(8,752)	(6,162)	10,091
Income tax expense	所得稅開支	**(2,361)**	(951)	(1,350)	(986)	(2,297)
Profit /(Loss) and total comprehensive income/(loss) for the year attributable to equity holders of the Company	**年內本公司權益持有人應佔溢利／(虧損)及全面收益／(虧損)總額**	**5,216**	1,092	(10,102)	(7,148)	7,794

ASSETS AND LIABILITIES

資產及負債

		2020 2020年 HK$'000 千港元	2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元	2017 2017年 HK$'000 千港元	2016 2016年 HK$'000 千港元
Total assets	總資產	**129,128**	101,703	64,716	29,836	43,061
Total liabilities	總負債	**(73,583)**	(51,296)	(15,401)	(18,479)	(11,478)
Total equity	總權益	**55,545**	50,407	49,315	11,357	31,583

The Group has initially applied HKFRS 16 at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying HKFRS 16 is recognised in accumulated losses at the date of initial application.

本集團於2019年4月1日以經修改追溯法初始應用香港財務報告準則第16號。按此方法，比較資料並無重列，而初始應用香港財務報告準則第16號的累計影響於初始應用日期在累計虧損確認。